

May 17, 2012

To all parties concerned:

Company Name: Wood One Co., Ltd.
Name of Representative: Yusho Nakamoto, President
(Securities Code: 7898, 1st Section of TSE and OSE)
Contact: Makoto Sawai, Director & General Manager,
General Affairs & Personnel Div.
(TEL: 0829-32-3333)

Company Name: Sumitomo Corporation
Name of Representative: Susumu Kato, President & CEO
(Securities Code: 8053, 1st Section of TSE)
Contact: Masatoshi Hayashi, General Manager
Corporate Communications Dept.
(TEL: 03-5166-3100)

**Notice Regarding Conclusion of Basic Agreement on Partial Assignment/Acquisition of Forest Assets
in New Zealand**

Wood One Co., Ltd. (hereinafter “Wood One”) and Sumitomo Corporation have decided to conclude a basic agreement on assignment and transfer of Juken NZ Northern Plantations Limited, a forest asset holding company located in the Northland region of the North Island of New Zealand (hereinafter “JNNPL”) whose total shares are owned by Juken New Zealand Limited, a subsidiary of Wood One registered in New Zealand (hereinafter “JNL”), to Sumitomo Corporation (hereinafter such assignment/acquisition between the parties is referred to as the “Assignment/Acquisition”). This is subject to the conclusion and ratification of a log supply agreement as hereinafter defined. The details of the Assignment/Acquisition are as follows:

1. Reason for the Assignment/Acquisition

Wood One established JNL as a local subsidiary in New Zealand in 1990 for the purpose of securing long-term stable wood resources. At that stage, JNL acquired management rights of state-owned forests (mainly radiata pines) in three regions in the north, east and southern parts (Northland, East Coast and Wairarapa) of the North Island from the New Zealand Government through a bidding process in order to break away from its dependence on south-sea logs. Later, JNL enlarged the plantations through new acquisitions and leasing deals in each region. The current total forested area under JNL’s management is 76,000 hectares, which is made up of 36,000 hectares in Northland, 25,000 hectares on the East Coast and 15,000 hectares in Wairarapa. JNL conducts normal forest management operations of afforestation, silvicultural and logging over a 30-year cycle. Logs produced in the JNL-managed forests are processed into backing materials and products at nearby JNL plants, and then shipped to each Wood One Group entity and customers in the Asia-Pacific region. Some portion of logs are sold both in New Zealand and overseas for export purposes.

Confirming shared interests between the parties, namely that Wood One wants to improve the efficiency of long-term investment in mountain forest assets by moving some of them off the books to focus on forest management in the eastern and southern parts of the North Island to promote efficiency in business, while Sumitomo Corporation desires to acquire forest resources aimed at the Asian market in New Zealand as part of its forest resources strategy, the parties have decided to conclude a basic agreement to begin talks on the Assignment/Acquisition.

However, the Assignment/Acquisition shall be confined to the forest management in the forests the Northland Region. Upon conclusion of the Assignment/Acquisition, JNL shall enter into a log supply agreement with Sumitomo Corporation to stipulate that JNL shall purchase from Sumitomo Corporation logs to be used in Tri-Board and Northland Plants currently operated in the Northland region in order to continue operations as before. In addition, Wood One will independently boost its forest business in the eastern and southern parts of the North Island to make them more intensive and efficient by effectively utilizing cash from the transaction of the Assignment/Acquisition with the aim of expanding its forest management business to secure more forest resources.

2. Schedule

(1) Resolution of Wood One’s board of directors’ meeting on the conclusion of the basic agreement; and the conclusion of the basic agreement	May 17, 2012
(2) Conclusion of the final agreement (stock transfer agreement, log supply agreement, and business entrustment agreement, etc.)	July 2012 (planned)
(3) Acquisition of approval from OIO (Note 1) and acquisition of FSC Forest Certification by Sumitomo Corporation (Note 2), etc.	September 2012 (planned)
(4) Closing	September 2012 (planned)

Note 1: Approval of New Zealand Overseas Investment Office (OIO; an office attached to the Ministry of Land Information) pursuant to the Overseas Investment Act 2005 of New Zealand.

Note 2: Forest certification by Forest Stewardship Council (FSC), an international certification body.

3. Profile of Wood One’s Subsidiary to be transferred

(1)	Company Name	Juken NZ Northern Plantations Limited
(2)	Headquarters	8 th Floor, Ballantyne House, 101 Customs Street East, Auckland, New Zealand
(3)	Name and Title of Representative	Hiroyuki Kawado
(4)	Main Business	Mountain forest ownership and management
(5)	Paid-in Capital	NZD 126,907 thousand (as of March 31, 2012)
(6)	Date of Establishment	February 2010
(7)	Net Assets	NZD 130,218 thousand (as of March 31, 2012)
(8)	Total Assets	NZD 131,605 thousand (as of March 31, 2012)

Note: JNNPL is a consolidated subsidiary, with 100% of its voting rights owned by JNL.

4. Profile of Assignee of the Shares

(1)	Company Name	Sumitomo Corporation
(2)	Headquarters	1-8-11 Harumi, Chuo-ku, Tokyo
(3)	Name and Title of Representative	Susumu Kato
(4)	Main Business	Sale of wide variety of products and services in Japan; export, import and tripartite trade; and investments in domestic and overseas projects, etc.
(5)	Paid-in Capital	JPY 219,279 million (as of March 31, 2012)
(6)	Date of Establishment	December 24, 1919
(7)	Net Assets	JPY 1,801,188 million (as of March 31, 2012)
(8)	Total Assets	JPY 7,226,769 million (as of March 31, 2012)

Note that Sumitomo Corporation plans to set up a subsidiary for the purpose of this deal and the subsidiary will own the shares of JNNPL.

5. Profile of Assignor

(1)	Company Name	Wood One Co., Ltd.
(2)	Headquarters	1-1 Mokuzaiko-Minami, Hatsukaichi City, Hiroshima Prefecture
(3)	Name and Title of Representative	Yusho Nakamoto
(4)	Main Business	Production and sale of wooden interior building material and sale of housing equipment.
(5)	Paid-in Capital	JPY 7,324 million (as of March 31, 2012)
(6)	Date of Establishment	April 1952
(7)	Net Assets	JPY 31,226 million (consolidated figure as of March 31, 2012)
(8)	Total Assets	JPY 94,343 million (consolidated figure as of March 31, 2012)

(1)	Company Name	Juken New Zealand Limited
(2)	Headquarters	8 th Floor, Ballantyne House, 101 Customs Street East, Auckland, New Zealand
(3)	Name and Title of Representative	Yusho Nakamoto
(4)	Main Business	Mountain forest management and production of backing materials for wood products and structural materials
(5)	Paid-in Capital	NZD 251,779 thousand (as of March 31, 2012)
(6)	Date of Establishment	June 1990
(7)	Net Assets	NZD 278,296 thousand (as of March 31, 2012)
(8)	Total Assets	NZD 576,205 thousand (as of March 31, 2012)

Note: JNL is a consolidated subsidiary, with 85% of its voting rights owned by Wood One.

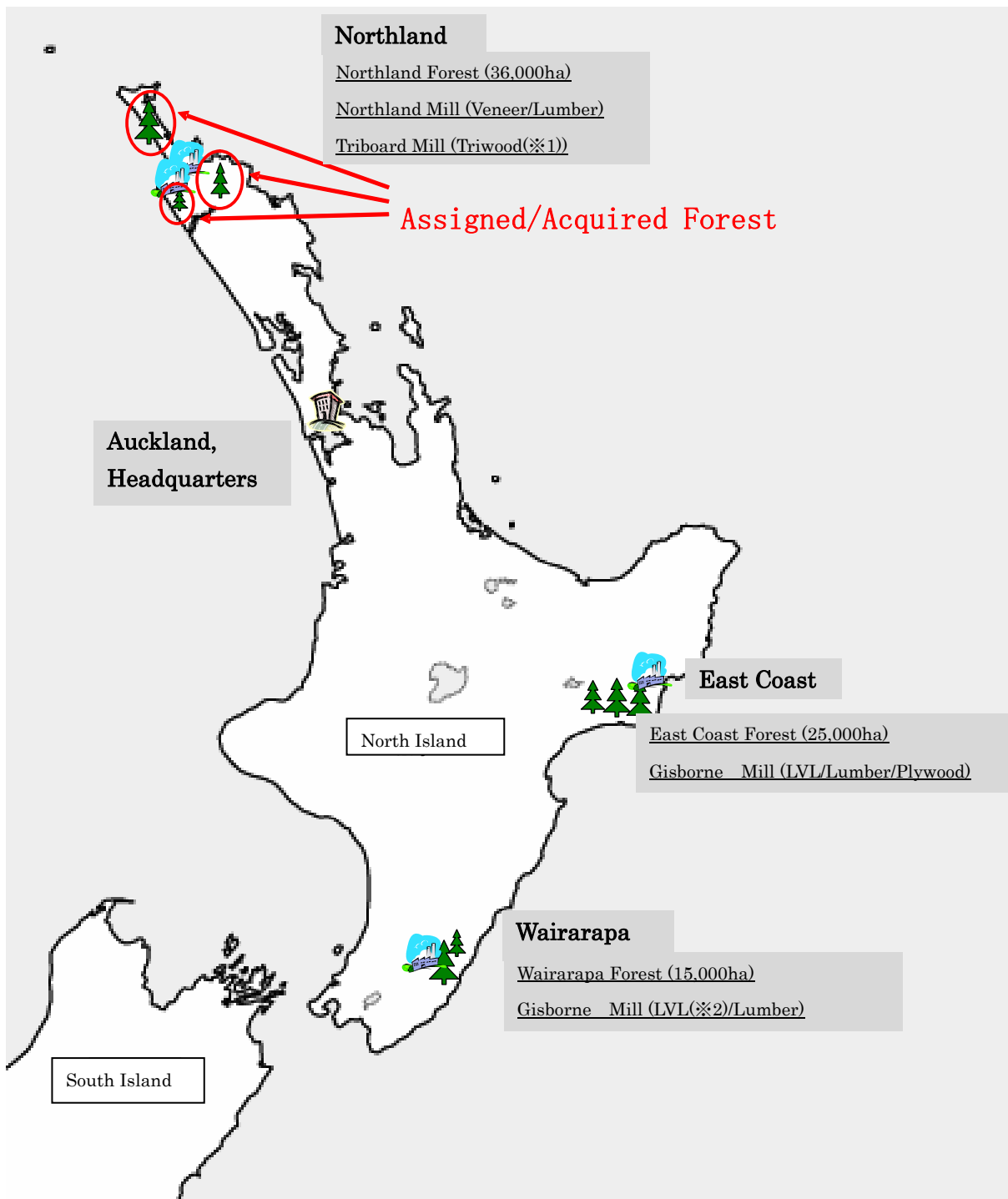
6. Future Outlook

Potential impacts or developments of the Assignment/Acquisition on Wood One's business performance

will be disclosed as soon as they appear. However, the impact of the Assignment/Acquisition on the business performance of Sumitomo Corporation will be minimal.

End

Reference Data: Wood One Group's Operating Sites in the North Island of New Zealand



Note 1: Triwood represents a three-layer structure of wooden boards sandwiched layering strands (wooden flakes) between wood fiber board.

Note 2: LVL represents an abbreviation of Laminated Veneer Lumber, meaning an engineered wood product that uses multiple layers of veneer assembled with adhesives.