

We are continually maximizing corporate value as well as achieving prosperity and realizing dreams for all of our stakeholders by developing value-added businesses that anticipate future trends.



Snapshot: Sumitomo Corporation

Why Sumitomo Corporation? And Why Now?

- By leveraging our integrated corporate strength, we are able to quickly grasp society's emerging needs and then create value-added businesses over a wide range of fields.
- Tackling management reform ahead of the competition, we have gained a head-start in strengthening not only our earnings base but also our management efficiency and soundness.

What Distinguishes Us from Others

Integrated Corporate Strength

Our distinctive approach to conducting business draws on our integrated corporate strength founded on broad-based information, which has been gathered through our business foundation built over the years, as well as other functions. An especially distinguishing feature is our array of strong downstream businesses. As society's needs increasingly diversify and grow more sophisticated, we are watching for and pursuing the many emerging business opportunities in downstream areas that enable us to satisfy those needs. At the same time, we are developing our upstream businesses in correspondence with the requirements of our downstream businesses.

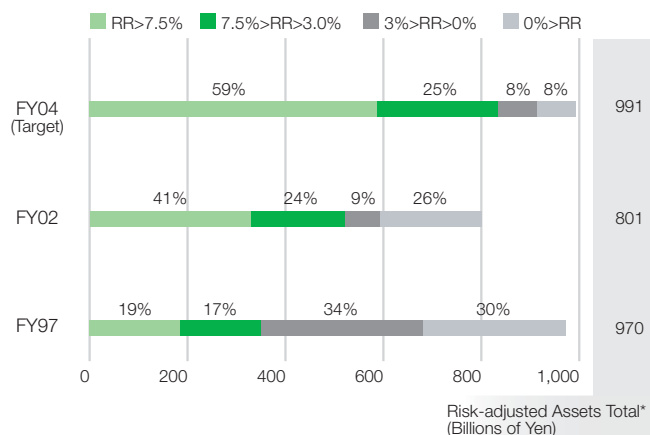
Business areas where we have successfully exerted our integrated corporate strength:

- Overseas steel service centers operation
- Automobile-related value chain
- Cable TV and media business
- Batu Hijau copper and gold mine project
- Food supermarket operations
- Tokyo metropolitan-area condominium sales

Management That Balances Offense and Defense

Not only we but also many other corporations have implemented structural reforms. What makes us different is, however, that we have not been too much inclined towards defense, such as bolstering our financial structure and risk management, but have steadily taken steps on offense, including making the investments necessary to nurture our core businesses and retain personnel. Now is the time to further enhance our predominance through the fulfillment of our medium-term management plan—the AA Plan which focuses on strengthening our earnings base.

Risk-adjusted Assets by Risk-adjusted Return Ratio*



(Risk-adjusted Assets of Corporate Group are excluded.)

*The risk-adjusted return ratio (RR) is a measure of the profitability of a business against the risks involved in it. It is calculated as a fraction whose numerator is the return on the business as measured by the consolidated net income (after taxes) that it is expected to generate during an accounting period, and whose denominator is the value of the maximum losses that could be incurred if all the potential risks were actually to occur during the same period ("risk-adjusted assets").

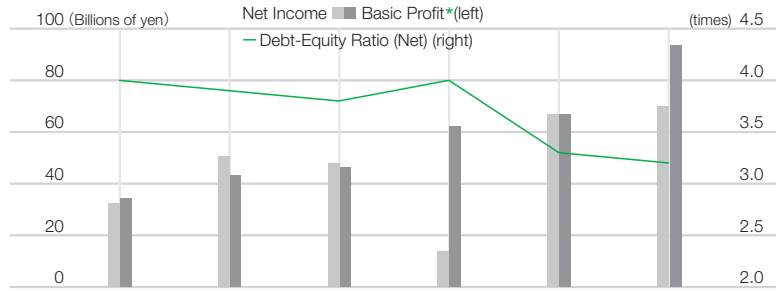
Our Achievements to Date

The Japanese economy has been stumbling through a long, dark tunnel since the collapse of the bubble economy well over a decade ago. While the majority of corporations in Japan still struggle to put the bubble's negative legacy in the past, Sumitomo Corporation has been taking future-oriented action. More than simply restructuring, we have transformed the very nature of our business and buttressed our balance sheet by leveraging our business foundation built up over many decades and applying our diverse functions. To these ends, our three medium-term management plans since fiscal year 1999 have shown the way.

* Basic Profit = (Gross profit - Selling, general and administrative expenses - Interest expenses, net of interest income + Dividends) x (1 - Tax rate) + Equity in earnings (losses) of associated companies, net
(Tax rate was 42% for the years through fiscal year 2003, and we assume 41% for fiscal year 2004.)

**"AA" in "AA Plan" is an abbreviation of "Approach for Achievement," a phrase that expresses our resolute determination to achieve a risk-adjusted return ratio of 7.5%, which would cover shareholders' capital costs.

Strengthening Earnings Power and the Balance Sheet

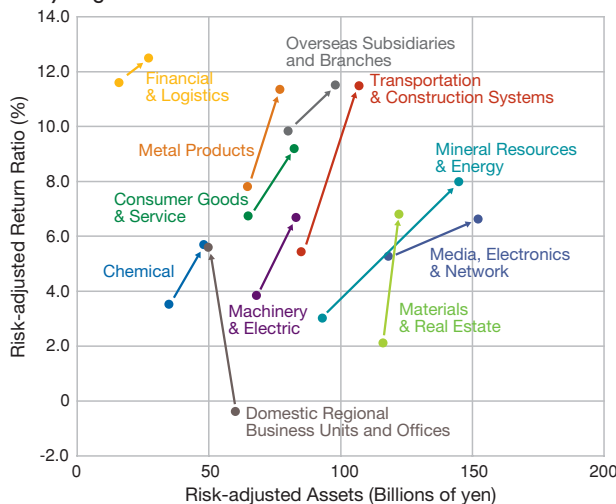


FY99	FY00	FY01	FY02	FY03	FY04 (Target)
Reform Package		Step Up Plan		AA Plan	
Enhanced corporate strength by selecting core businesses and withdrawing from non-core businesses		Expand returns through strategic allocation of management resources and assets replacement		Approach for Achievement** (RR 7.5%) Focus on expanding earnings base Increase risk-adjusted assets by 180 billion yen (Total assets base approximately 300 billion yen)	

Our Operations and Earnings Structure

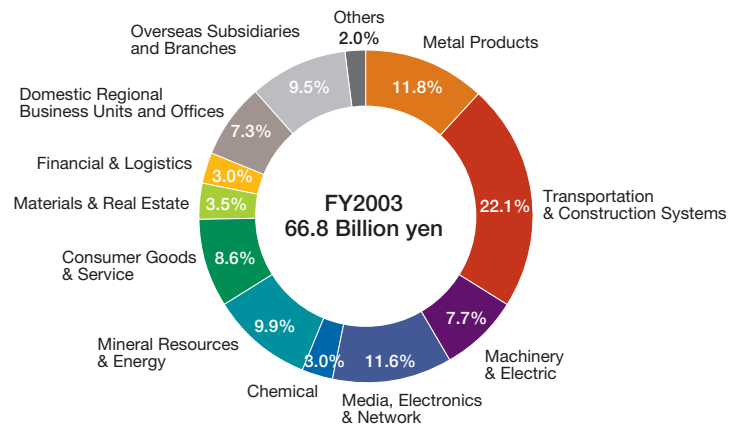
In order to effectively exert our integrated corporate strength, we have fully utilized our broad-based expertise accumulated in diverse industrial fields, and we have shared this know-how among business fields throughout our organization. Our distinctive management approach entails operating in a wide range of business fields and creating value chains by linking these various business operations, thereby generating synergies that maximize the stability, profitability, and growth potential of each of our businesses as well as the entire Sumitomo Corporation Group.

Risk-adjusted Return Ratio/Risk-adjusted Asset Targets, by Segment



* The starting points of the arrow indicate actual results of the Step Up Plan, while the ending points of the arrow indicate targets for the AA Plan. Risk-adjusted assets are as of the end of fiscal years 2002 and 2004, and risk-adjusted return ratios are two-year averages for each of the Plans.

Basic Profit, by Segment



Fiscal year (FY) begins on April 1 of each fiscal year figure and extend through March 31 of the following year.