

A close-up, artistic photograph of a person's eye, looking slightly to the right. The eye is dark and has a bright reflection. The skin around the eye is soft and out of focus. The overall tone is warm and human.

Corporate Social Responsibility (CSR)

“To Achieve Prosperity and Realize Dreams”

This is at the heart of the Sumitomo Corporation Group’s management principles. By carrying out sound and healthy business activities, we seek to achieve prosperity and realize dreams for all of our stakeholders. Only in doing so can we realistically expect to achieve our long-term goal of sustainable growth.

Basic Stance and Principles

Awareness of the importance of corporate social responsibility (CSR) has been growing in recent years. Sumitomo Corporation does not regard CSR as a new concept, however. This is because CSR is fully embodied in the “Sumitomo Spirit,” the indispensable philosophical core of the Sumitomo Group for nearly 400 years. We believe that companies are obligated to fulfill their CSR duties not only through voluntary social initiatives but also through their day-to-day business activities.

Only by providing distinctive, value-added services, can we realistically hope to satisfy and inspire all of our stakeholders. We also intend to heighten human happiness and contentment through our social contribution initiatives.

Reflecting these beliefs, we are building a reliable corporate governance framework and working to enhance compliance awareness and human resource development activities. At the same time, we are promoting various initiatives aimed at benefiting society and preserving the natural environment.

“Sumitomo Spirit” – embodied in “Business Principles” (established in 1891)

1. Sumitomo shall achieve strength and prosperity by placing prime importance on integrity and sound management in the conduct of its business.
2. Sumitomo shall manage its activities with foresight and flexibility in order to cope effectively with the changing times. Under no circumstances, however, shall it pursue easy gains or act imprudently.

We aim to be a global organization that constantly stays a step ahead in dealing with change, creates new value, and contributes broadly to society.

Management Principles (established in 1998)

- To achieve prosperity and realize dreams through sound business activities.
- To place prime importance on integrity and sound management with utmost respect for the individual.
- To foster a corporate culture full of vitality and conducive to innovation.

Activity Guidelines

- To act with honesty and sincerity on the basis of Sumitomo’s business philosophy and in keeping with the Management Principles.
- To comply with laws and regulations while maintaining the highest ethical standards.
- To set high value on transparency and openness.
- To attach great importance to protecting the global environment.
- To contribute to society as a good corporate citizen.
- To achieve teamwork and integrated corporate strength through active communication.
- To set clear objectives and achieve them with enthusiasm.

SC VALUES

We created nine items of SC VALUES to share values described in our Management Principles and Activity Guidelines among all officers and employees.

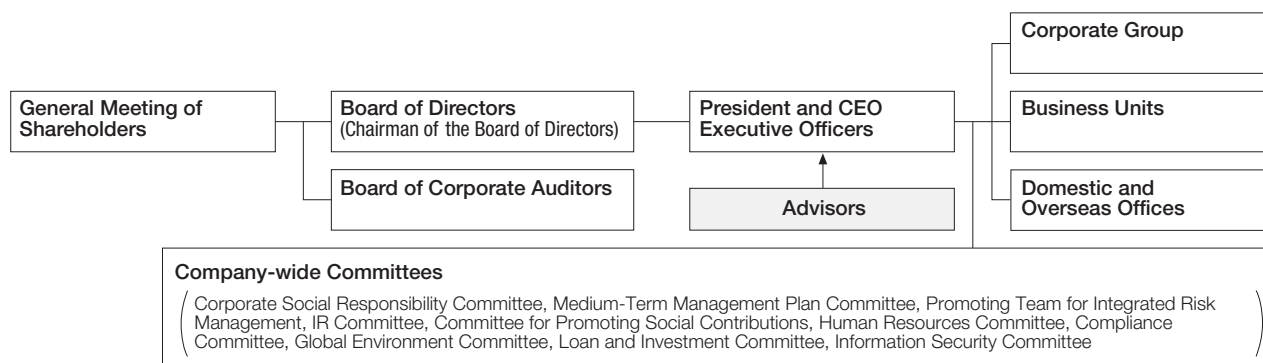
1. **Integrity and Sound Management** : To comply with laws and regulations, while maintaining the highest ethical standards.
2. **Integrated Corporate Strength** : To create no boundaries within the organization; always to act with a company-wide perspective.
3. **Vision** : To create a clear vision of the future, and to communicate to share it within the organization.
4. **Change and Innovation** : To accept and integrate diversity in values and behavior, and to embrace change as an opportunity for action.
5. **Commitment** : To act responsibly and with initiative to achieve organizational objectives.
6. **Enthusiasm** : To act with enthusiasm and confidence, and to motivate others through such action.
7. **Speed** : To make quick decisions and act promptly.
8. **Human Development** : To fully support the development of others’ potential.
9. **Professionalism** : To achieve and maintain high levels of expertise and skills.

Our Management System

Corporate Governance

The Sumitomo Corporation Group works in pursuit of upgrading its corporate governance framework, by raising the efficiency, soundness, and transparency of management.

Organization chart



Corporate Governance Principles

In April 2003, we published the *Sumitomo Corporation Corporate Governance Principles*, which lay out our basic corporate governance approach and policies as well as define the roles of various organizations handling corporate governance functions. With the “Sumitomo Spirit” and “Management Principles” as our ethical backbone, we state in the *Corporate Governance Principles* that we view corporate governance as the “improvement of management efficiency” and the “maintenance of sound management,” as well as “securing a high level of management transparency” which is required to achieve the first two goals. Based on these beliefs, we have defined the functions of the Board of Directors, Directors, Executive Officers, Advisors, councils and committees, the Board of Corporate Auditors, and information disclosure, as well as our views behind these functions.

Corporate Governance Framework

By reinforcing and upgrading the functions of the Board of Directors and the Board of Corporate Auditors, we have created a framework conducive to improving the effectiveness of corporate governance.

The role of the Board of Directors is to make important business decisions. To facilitate greater efficiency and effectiveness in decision making, we reduced the number of Board members from 24 to 12 in June 2003. The number of Board members as of June 2004 is 13.

We have also adopted an executive officer system to clarify executive responsibility and authority. By having directors concurrently serve as executive officers, we aim to prevent gaps

between management decisions and the execution of those decisions, thereby raising management efficiency.

The performance of directors and executive officers is monitored by the Board of Directors and the Board of Corporate Auditors. We currently have five auditors, of whom three are from outside the Company. Of these three external auditors, two are legal experts and one is an accounting expert. We therefore ensure diverse perspectives in the auditing function.

Seeking to incorporate outside perspectives into our management decision making, we have formed a team of external advisors comprising four specialists who provide advice and offer suggestions with regard to management issues and medium- to long-term strategies.

The Company organizes two advisory boards for the President and CEO: the Management Council, which exchanges opinions and information on basic management policies and other important matters; and the Compliance Committee, which strives for thorough compliance throughout the Sumitomo Corporation Group.

Pursuing a Higher Level of Governance

Raising the efficiency, soundness, and transparency of management is an ongoing process. Looking forward, we will take note of the increasingly global nature of governance and changes to Japan’s Commercial Code, while also observing the benefits of corporate governance systems in other countries. At the same time, we will preserve the positive aspects of more traditional Japanese corporate management principles as we strive to build an optimal corporate governance framework.

Compliance

The most important aspect to ensure effective compliance is that a focus on and awareness of compliance should be accepted by each officer and employee. Any action that may raise doubts about a compliance breach must be avoided completely. Any compliance breach by officers or employees in pursuit of profits for the Company is impermissible.

In case any compliance issue should arise, we request officers and employees to report the issue immediately and without fail to their supervisor or staff of the relevant Departments, as it is necessary to put in place prompt measures to cope with any such compliance issue.

About Sumitomo Corporation's System of Compliance

In November 2000, a Compliance Committee was established in order to strengthen our system of compliance under the direct instruction of the President. Compliance Leaders have been nominated in each of the domestic business units and also in each of the other regional and overseas subsidiaries and branches. Both the Compliance Committee and the Compliance Leaders are in charge of strengthening compliance within the Company and certain subsidiaries and branches. One of the further roles of the Compliance Committee and each Compliance Leader is to increase awareness of compliance among officers and employees.

Compliance Manual

The *Compliance Manual* was created under the supervision of the Compliance Committee and is distributed to all officers and employees. The *Compliance Manual* is intended to ensure that officers and employees naturally incorporate compliance into their practices by acting in accordance with the *Compliance Manual*. The *Compliance Manual* contains 18 important Guiding Principles, such as "Observing the Anti-trust Law," "Information Management," and "Regulation on Insider Trading." The latest version of the *Compliance Manual*, references to respective applicable laws and regulations, related Corporate Rules, and other manuals are available on the Company's Intranet.

Speak Up System

When compliance problems occur, they should be handled through the chain of command. However, in situations where reports cannot be made through the chain of command or routine methods do not work, a system has been created whereby those who have noticed problems may directly contact the Compliance Committee. We call this system the Speak Up System. To further strengthen the Speak Up System, outside legal counsels and corporate auditors as well as the secretariat of the Compliance Committee were included as additional points of contact within the Speak Up System as of August 2003.

Although in principle the informant is required to disclose his or her identity, at the same time, the system ensures that not only are both the identity of the informant and the information given kept confidential but also that no unfair treatment befalls the informant as a result of his/her actions in accordance with the Corporate Rules. The Compliance Committee is responsible for appropriately handling all information it has received from the aforementioned points of contact. For the future, we are planning to introduce similar compliance committees and speak up systems within each of our subsidiaries.

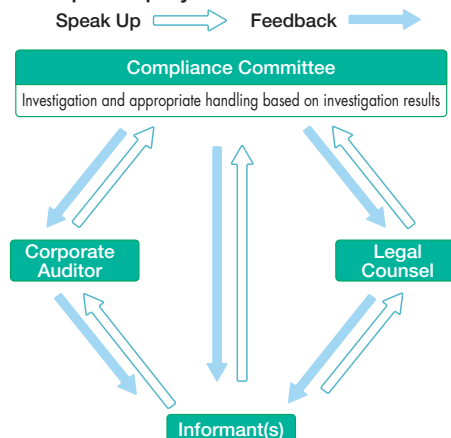
Compliance Seminars

We conduct regular compliance seminars targeted at various groups such as new recruits, newly promoted/appointed managers and corporate officers, as well as all officers and employees. We also make use of various conferences held by the Company in Japan and overseas in which compliance seminars are incorporated.

Guiding Principles of Compliance

- For Daily Business Activities
 1. Observing the Anti-trust Law
 2. Security and Trade Control
 3. Customs/Controlled Items
 4. Compliance with Business Related Laws
 5. Respecting and Protecting Intellectual Property Right
 6. Prohibition of Unfair Competition
 7. Information Management
 8. Preservation of the Environment
 9. Business Transactions Overseas
- As a Member of Society
 10. Prohibition of Giving and Receiving Bribes
 11. Prevention of Unlawful Payment to Foreign Government Employees
 12. Political Contribution
 13. Confrontation with Antisocial Forces
- To Create a Comfortable Working Environment
 14. Respect for Human Rights
 15. Eliminating Sexual Harassment
- For Individual Actions
 16. Regulation on Insider Trading
 17. Elimination of Conflict of Interest
 18. Proper Use of Information System

The Speak Up System





Shigemi Hiranuma
Executive Vice President

Atsushi Nishijo
Executive Vice President

Naoki Kuroda
Executive Vice President

Kosaburo Morinaka
Executive Vice President

Motoyuki Oka
President and CEO

Kenji Miyahara
Chairman of the Board of Directors

Directors and Corporate Auditors

Chairman of the Board of Directors

Kenji Miyahara

President and CEO

Motoyuki Oka

Directors

Shigemi Hiranuma

Naoki Kuroda

Kosaburo Morinaka

Kenichi Nagasawa

Shuji Hirose

Noriaki Shimazaki

Nobuhide Nakaido

Tadahiko Mizukami

Susumu Kato

Hisahiko Arai

Nobuo Kitagawa

Standing Corporate Auditor (Full-Time)

Takashi Nomura

Corporate Auditor (Full-Time)

Masahiro Ishikawa

Corporate Auditors

Hiroshi Maeda*

Itsuo Sonobe*

Koji Tajika*

Notes: 1. All Directors represent the Company.

2. Outside Corporate Auditors, stipulated by Article 18, Section 1 of the Law for Special Exceptions to the Commercial Code Concerning Audit, etc., of Corporations (Kabushiki-Kaisha), are indicated by an asterisk (*).

President and CEO

Motoyuki Oka*

Executive Vice Presidents

Shigemi Hiranuma*

General Manager,
Metal Products Business Unit

Naoki Kuroda*

General Manager,
Mineral Resources & Energy Business Unit

Atsushi Nishijo

General Manager for the Americas
Director & President,
Sumitomo Corporation of America

Kosaburo Morinaka*

General Manager,
Machinery & Electric Business Unit

Senior Managing Executive Officers

Kenichi Nagasawa*

General Manager,
Consumer Goods & Service Business Unit

Shuji Hirose*

General Manager,
Transportation & Construction Systems Business Unit

Yuji Tamura

General Manager,
Kansai Regional Business Unit

Kenzo Okubo

Assistant General Manager,
Metal Products Business Unit
General Manager,
Iron & Steel Division No.2

Noriaki Shimazaki*

Responsible for Internal Auditing Department
Responsible for Human Resources Development &
Information Management Group
Responsible for Financial Resources Management
Group

Nobuhide Nakaido*

General Manager,
Media, Electronics & Network Business Unit

Managing Executive Officers

Takaaki Shibata

General Manager for Europe
CEO, Sumitomo Corporation Europe Group
Director & President
Sumitomo Corporation Europe Holding Limited
Chairman, President & Director,
Sumitomo Corporation Europe Limited

Tadahiko Mizukami*

General Manager,
Financial & Logistics Business Unit

Shizuka Tamura

General Manager for China
Director & President,
Sumitomo Corporation (China) Holding Ltd.

Katsuichi Kobayashi

General Manager,
Chubu Regional Business Unit

Susumu Kato*

General Manager,
Corporate Planning & Coordination Office

Michio Ogimura

Assistant General Manager,
Machinery & Electric Business Unit
General Manager,
E & M New Business Development Division

Hisahiko Arai*

General Manager,
Materials & Real Estate Business Unit

Yoshi Morimoto

Assistant General Manager,
Consumer Goods & Service Business Unit
General Manager,
Textile Division

Makoto Shibahara

Assistant General Manager,
Financial & Logistics Business Unit
General Manager,
Financial Service Division

Michihisa Shinagawa

Assistant General Manager,
Mineral Resources & Energy Business Unit
General Manager,
Energy Division No. 1

Executive Officers

Yoshihiko Shimazu

General Manager for CIS

Kenji Kajiwara

General Manager,
Retail & Consumer Service Division

Shingo Yoshii

General Manager,
Media Division

Suichi Mori

General Manager,
Corporate Planning & Coordination Department

Kazuo Ohmori

General Manager,
Ship, Aerospace & Transportation Systems Division

Kentaro Ishimoto

General Manager,
Foodstuff & Fertilizer Division

Makoto Sato

General Manager,
Motor Vehicles Business Division

Shunichi Arai

Director & Executive Vice President,
Sumitomo Corporation of America

Toyosaku Hamada

General Manager,
Financial Resources Management Group

Nobuo Kitagawa*

General Manager,
Chemical Business Unit

Tsuneo Naito

General Manager,
Logistics & Insurance Business Division

Takahiro Moriyama

General Manager,
Power & Energy Project Division

Ichiro Miura

General Manager,
Human Resources Development & Information
Management Group

Note: Representative Directors are indicated
by an asterisk (*).

Environmental Initiatives

The Sumitomo Corporation Group attaches "great importance to protecting the global environment," as stated in its *Activity Guidelines*. In line with our *Environmental Policy*, we not only strive to minimize the environmental impact of our various business activities but also actively pursue new initiatives in environment-related businesses.

Environment-Friendly Businesses

We are focusing our attention on environment-friendly businesses where we can deploy the diverse technologies and capabilities of the Sumitomo Corporation Group. In the electric power business, for example, we are promoting the use of clean energy. In January 2004, we commenced full-scale operation of a wind power facility in Sakata, Yamagata Prefecture. In October 2004, a biomass power plant is scheduled to become operational in Itoigawa, Niigata Prefecture. We are also involved in resource-recycling businesses conducive to the creation of a recycling-based society, including complete recycling of polyethylene terephthalate (PET) bottles, production and sale of garments made of fibers derived from used PET bottles, and paper recycling.

Overseas, we engage in various projects to help reduce emissions of greenhouse gases. For example, we promote energy efficiency improvement projects in many countries, including Thailand and Egypt. We are also involved in a coal-mine methane gas recovery and power generation project in Heilongjiang Province, China. And in South America and other areas, we participate in various reforestation projects.

Environmental Management System

Our Tokyo and Osaka offices obtained certification under ISO14001, the international standard for environmental management systems, in 1999. Since then, we have expanded the scope of ISO certification throughout our organization, with all domestic offices and 42 Group companies ISO-certified, as of July 2004. Based on the standards and requirements of the

ISO14001 Environmental Management System, we have set targets for reducing the environmental impact of our activities.

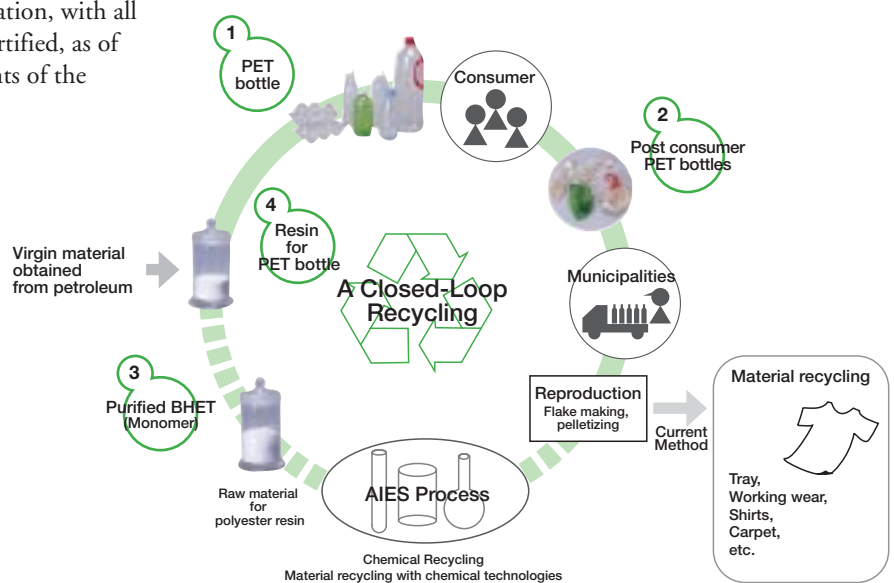
Under the eco-leaders, assigned at each organization, we continue to undertake further initiatives, all the while monitoring our progress. At present, approximately 9,000 Group employees are directly involved in initiatives aimed at minimizing the environmental impact of both our operational and our administrative activities.

In-House Efforts to Minimize Environmental Impact

As an example of Group-wide efforts to conserve energy, in fiscal year 2003 our Tokyo office reduced power consumption by 4% compared with the previous year. The headquarters building of Sumitomo Corporation is equipped with facilities for recycling rainwater and wastewater from kitchen and other facilities, which is used to water plants and flush toilets. Also at the headquarters building, we collect and sort waste into 12 categories, noting the weight and the source of the waste for each category. This data is used to monitor our progress toward achieving our waste-reduction targets. Finally, the waste is separated into reusable, recyclable, industrial, and general waste categories and disposed of accordingly. In addition, we promote the use of 100% recycled paper and reduce the volume of paper consumption by using both sides of each sheet. Where possible, moreover, we encourage the purchase of environment-friendly office supplies.



Biomass power plant in Itoigawa, Niigata Prefecture



Complete recycling system of PET bottles

Benefiting Society and Enabling Our People

We aim to broadly benefit society both through our business operations and through various corporate initiatives. Moreover, we strive to create working environments that enable all employees, who support our corporate activities, to achieve and excel.

Social Contribution Activities

As stated in our *Activity Guidelines*, we endeavor to “contribute to society as a good corporate citizen.” While we make our fundamental contribution to society through our business activities, we also participate in local communities and support social welfare and cultural institutions. Our company-wide Committee for Promoting Social Contributions is responsible for deciding which activities we become involved in and how we can be of greatest assistance. In addition, our Social Contribution Promotion Supporter system invigorates our various corporate initiatives.

Our ongoing activities include scholarship programs for university students in Asia, support for the J-League Players Association Soccer School, and social activities for children at nursing homes. To enable and encourage employees to participate in volunteer activities, we have set up a system allowing them to take time off from the job to engage in volunteer endeavors. To help prepare employees for volunteer work, we offer courses that provide practical volunteer experience. Our cultural support activities include support for concerts given by the Junior Philharmonic Orchestra, an amateur youth orchestra in Japan.

Scholarship awards ceremony in Hanoi, Vietnam



Training programs in Tokyo for locally hired staff abroad



Human Resources Development

Our commitment to “achieving prosperity and realizing dreams” for society equally applies to each and every one of our employees. Our personnel system is designed to enable employees to fully demonstrate their capabilities and to be properly evaluated for their hard work.

The Right People in the Right Places

Our policy is to appoint motivated people to jobs that challenge their capabilities to new heights. This approach engenders a mutually beneficial stimulus for each employee and the organization to which he or she belongs. Our human resource allocation strategy, therefore, is to rotate employees through various parts of the Corporation to heighten the learning aspect of their jobs. At the same time, we use both internal recruitment and self-application systems, which encourage employees to take responsibility for their own career development.

Personnel around the Globe

As our global business activities expand, we constantly work to cultivate business operations with close ties to local communities and to strengthen the functional capabilities of each overseas operation. To this end, we endeavor to recruit and nurture highly talented staff. At our overseas offices, we undertake human resources development with a view to promoting locally hired staff to key positions and to elevating high-potential locally hired staff to leadership positions in their respective operations.

Enabling Our Employees to Excel

The Sumisho Business College provides a company-wide educational infrastructure that supports ongoing personnel development. Designed to improve the practical knowledge and skills of our people at all levels, from new employees to managers, the Sumisho Business College has introduced a training program geared to boosting business creativity. We also facilitate learning-oriented job rotation throughout our operations and encourage training programs specific to each business line. In these ways, we are nurturing professionals with specialized expertise and leaders with clear vision, effectively enabling them to excel both for their own sakes and for the larger benefit of the entire Sumitomo Corporation Group.