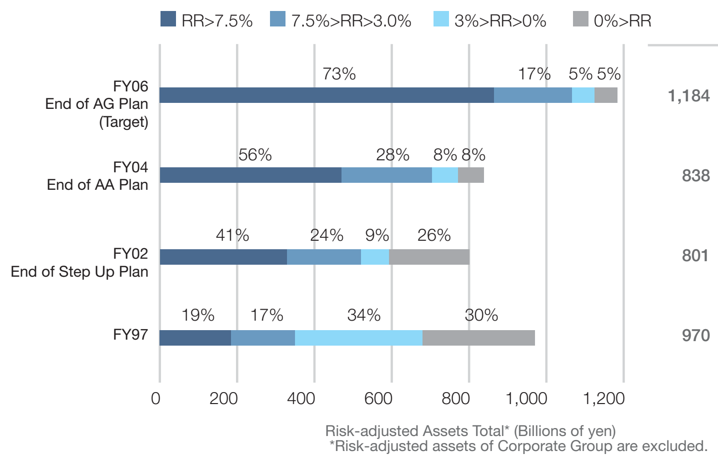
Snapshot: Sumitomo Corporation

Our Strategies

We are striving to create even greater value by utilizing our core competencies and exerting our integrated corporate strength. Expanding further our value chains that stretch upstream and downstream in each of our business fields, and spreading out globally those business models that are profitable, we continue to widen our business base where we can leverage our strength. This does not imply that we are simply expanding our business base. New business plans are strictly examined from perspectives such as profitability, risk, and strategy. In addition, our business portfolio is being reviewed at all times with an eye to monitoring the progress of our growth strategy and the status of each business. These approaches are leading to the expansion of our business base as well as the improvement in the quality of our portfolios.

Risk-adjusted Assets by Risk-adjusted Return Ratio*

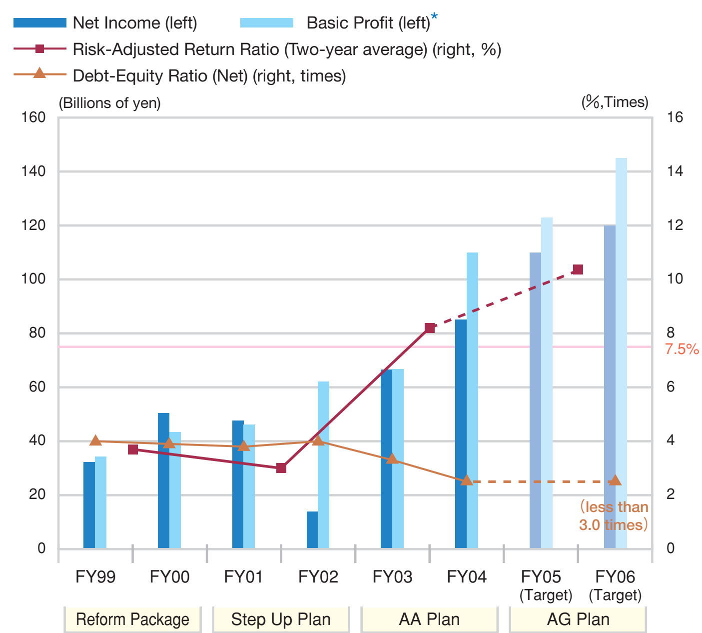


* The risk-adjusted return ratio (RR) is a measure of the profitability of a business against the risks involved in it. It is calculated as a fraction whose numerator is the return on the business as measured by the consolidated net income (after taxes) during an accounting period, and whose denominator 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

Through the Reform Package from fiscal year 1999 and the Step Up Plan from fiscal year 2001, Sumitomo Corporation has succeeded in heightening profitability by selecting and replacing businesses while maintaining its asset scale. In the AA Plan from fiscal year 2003, by actively investing in profitable assets, we attained a risk-adjusted return ratio of 8.2%, exceeding our shareholders' capital cost of 7.5%. Furthermore, while aggressively expanding our assets on the one hand, our financial position improved further as a result of accumulated profits and the issuance of new shares in July 2004. We will continue to maintain financial soundness while carrying forward our growth strategies.

FY1999-FY2006 Performance and Targets

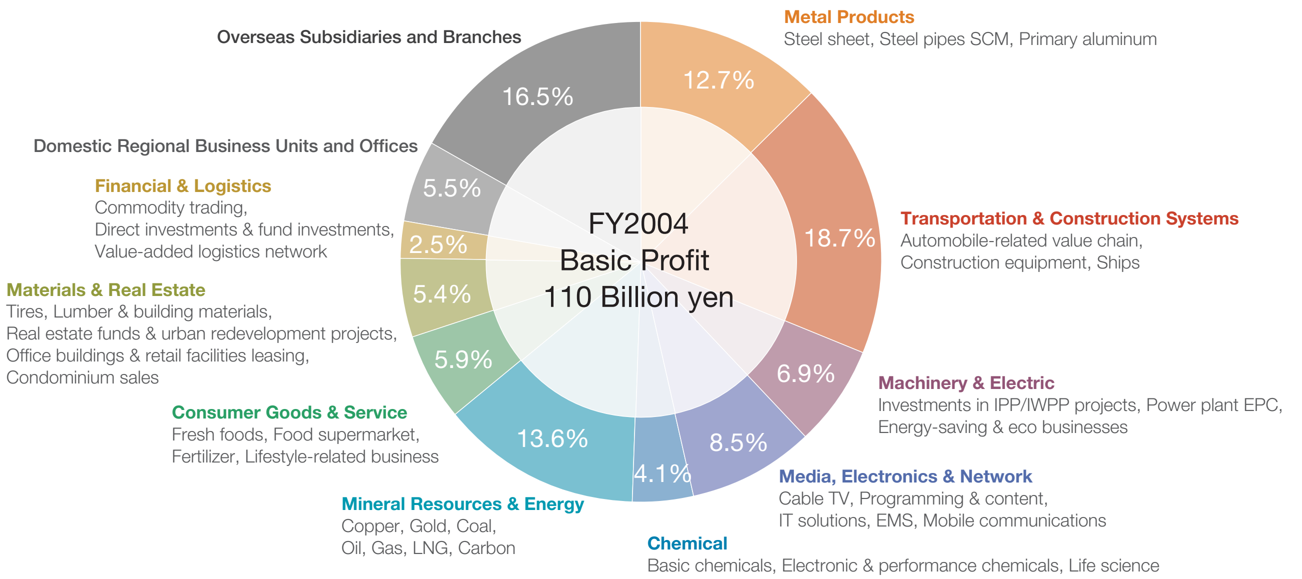


* Basic Profit = (Gross profit - Selling, general and adminstrative expenses - Interest expenses, net of interest income + Dividends) x (1-Tax rate) + Equity in earnings of associated companies, net (Tax rate was 42% for the years through fiscal year 2003, and 41% for fiscal year 2004 and after)

Our Business Structure

We operate in diverse business fields and regions through nine Business Units as well as domestic and overseas regional segments. For each segment, we select and cultivate core businesses. The strength of our business portfolio lies in the establishment of a well-balanced earnings base. Through the various pillars of profit, we are able to maintain stable earnings even under a fluctuating business environment.

Basic Profit and Strategic Fields, by Segment



* Corporate and Eliminations (-0.5%) is not shown in this graph.

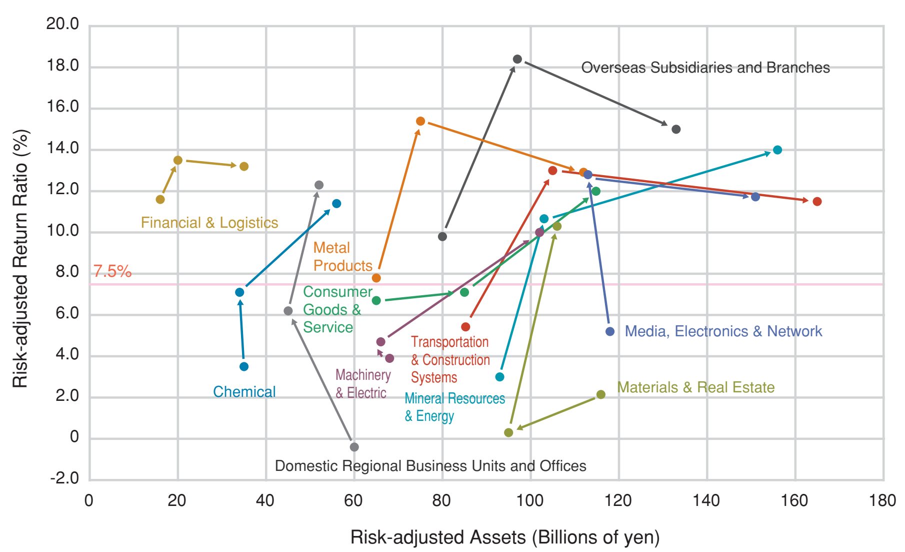
Our Current Target

In securing profitability that covers shareholders' capital cost, our current challenge is the expansion of our business base to create greater value. From fiscal year 2005, through the implementation of our new medium-term management plan, the AG Plan, we will continue to review our business portfolio and aim to achieve a risk-adjusted return ratio of over 7.5% in all Business Units. For those that are already achieving high profitability, we will accelerate the expansion of our business base in anticipation of further future growth. Under the AG Plan, we are planning to increase risk-adjusted assets by ¥340 billion in two years, and expecting a two-year average risk-adjusted return ratio of 10.2%.

AG Plan Targets

- Risk-adjusted return ratio:
  Over 7.5% (each year)
- Net income:
  230 billion yen (two-year total)
  FY2005 110 billion yen
  FY2006 120 billion yen

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



* The starting points and the middle points of the arrows indicate results of the Step Up Plan and AA Plan respectively, while the ending points of the arrow indicate targets for the AG Plan. Risk-adjusted assets are as of the end of each plan, and risk-adjusted return ratios are two-year averages for each plan.