



Question 1

Four areas targeted for pursuing further quality improvement under the GG Plan, Sumitomo Corporation's current medium-term management plan

① First of all, what are the specific measures for the improvement of the earnings base, which you have identified as the top priority?

In order to carry out the even more rigorous selection and concentration of our businesses and to promote the enhancement of the value of each business, we have upgraded our integrated monitoring process from entry to exit and strengthened our quantitative and qualitative criteria for investment.

At the entry and exit points, we have added the following four qualitative criteria to our existing quantitative criteria for making our investment decisions: (1) Does the business match the strategy of the Business Unit? (2) Is it possible to sketch a strategy for the future growth? (3) Is a proper set of internal controls in place? (4) Is the company managing itself autonomously?

On the quantitative side, we have raised the minimum requirement for the absolute level of profits, and we have introduced a new profitability criterion: any business with a risk-adjusted return ratio of less than 7.5% for three consecutive years becomes a candidate for withdrawal.

By steadily implementing the business monitoring process, checking on the issues at hand, and following the plan-do-see cycle, we will work to enhance the value of each business. For those Group companies that have a major impact on our consolidated results, we have also introduced what we call the "Value-Up Support System." This is a company-wide approach to supporting and monitoring the steady realization of the plans originally drawn up when the Group company was launched or when we invested in it. The system also extends to the design and implementation of measures for the achievement of the intended synergies.

② How about measures for the improvement of operational quality?

To pursue a higher level of soundness and efficiency, first of all we will be working on each of the front lines at what we may call the business basics: the improvement of asset efficiency, of operating cash flows, and of risk management, including credit exposure control.

In addition, along with even greater rigor in assuring legal compliance, we will be working at further improvement of the efficiency and quality of our business operation, centering on the Internal Control Program we introduced in 2005 to conduct regular, comprehensive checks of our internal controls on a global and consolidated basis; in this connection we will also take into account the internal control-related rules of the new Financial Instruments and Exchange Law. These efforts are an essential part of our drive to enhance the value of each of our businesses.

③ What are the objectives you have set for improving the quality of Group management?

In view of the number of consolidated Group companies, nearly 900 as of March 31, 2007, the improvement of Group management is an urgent issue for us. We will energetically apply the same measures to Group companies as those we have adopted for the improvement of earnings base quality such as the implementation of business monitoring and selection and concentration, along with measures to improve operational quality. Through these efforts we will upgrade the quality of individual Group companies, further strengthen the coordination among the companies, and thereby enhance our corporate value as an entire Group.

④ How about improvement in the area of human resources and workstyles?

Human resources are the key to the sustained growth of the Sumitomo Corporation Group, and improving the quality of human resources and workstyles is an issue of great importance.

We will strive to energize and promote the growth of each officer and employee of our Group, and we will devote even greater efforts than before to securing, developing, and utilizing talented human resources. Specifically, we will further strengthen our recruitment of new graduates and our mid-career hiring, combine the promotion of younger employees with the activation of senior employees, and expand our human resources development programs.

In addition, we will undertake the reform of workstyles. Along with thorough time management, we will actively promote measures aimed at the creation of leeway for employees and strive to achieve work-life balance. Individual fulfillment in life as a whole, including work, gives rise to vitality, serving as the motive force for the creation of new value. And I believe that this generates synergies with the growth and development of the Company, including the enhancement of productivity.

Further Quality Improvement

Earnings Base	<ul style="list-style-type: none">• Rigorous and thorough selection and concentration• Improve risk-adjusted return to further exceed our shareholders' capital cost of 7.5%
Operations	<ul style="list-style-type: none">• Improve capital efficiency and operating cash flows• Further strengthen internal controls
Group Management	<ul style="list-style-type: none">• Improve the management quality of the Sumitomo Corporation Group
Human Resources and Workstyles	<ul style="list-style-type: none">• Promote the growth and vitality of Group employees

Question 2

Investment activities being implemented under the GG Plan

1 Please describe the plan of increasing risk-adjusted assets.

Under the GG Plan, we plan to increase risk-adjusted assets by ¥280.0 billion over a two-year period. We anticipate the gross amount of investments to be around ¥600.0 billion.

As our basic management policy, we have been paying attention to the balance between risk-adjusted assets and risk buffer. To achieve a higher level of soundness, we have introduced the new concept of core risk buffer instead of risk buffer. This core risk buffer excludes unrealized gains on equity securities and land from risk buffer.

During the GG Plan period, we will promote increasing profitable assets and pursue asset replacement, and enhance the value of core businesses, thus further improving the quality of our earnings base. By the conclusion of the GG Plan, we expect significant improvements in the quality of assets and are anticipating that risk-adjusted assets with a risk-adjusted return of more than 7.5% will comprise 80% of the total.

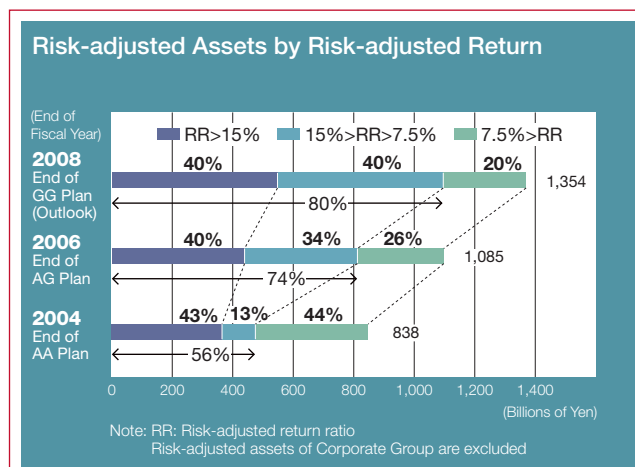
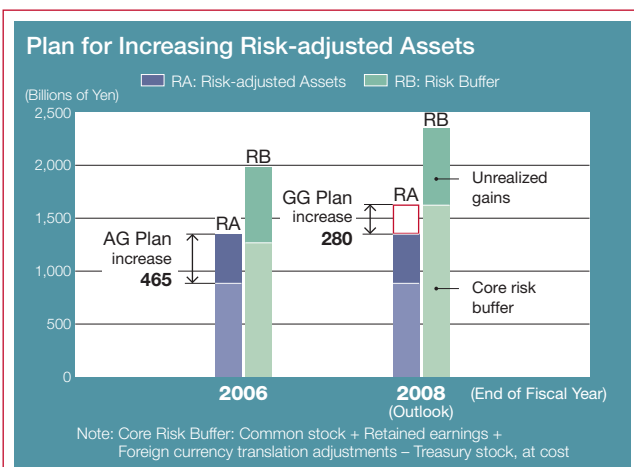
2 In which area are you going to invest?

Aiming to expand our earnings base, we plan to increase profitable assets in core businesses and their surrounding fields in each business segment and will further bolster our well-balanced business portfolio, a particular strength to us.

Within each business segment, we will pursue specific strategies and investments.

1) Metal Products: We will selectively allocate management resources to energy- and automobile-related areas in which demand is expected to grow. We will reinforce tubular products supply chain management and steel service center operations, where we have been displaying strength.

2) Transportation & Construction Systems: We will expand our value chain in fields where we hold competitive advantage, such as Sumisho Auto Leasing Corporation and our overseas automobile financing business. We will actively promote asset replacement and reallocation among existing businesses, such as automobile dealership businesses, and endeavor to improve the quality of our business portfolio.



3) Infrastructure: We will further reinforce electric power businesses, including power generation business and plant construction, which are contributing to earnings. We will also cultivate such new core businesses as telecommunication- and water-related businesses.

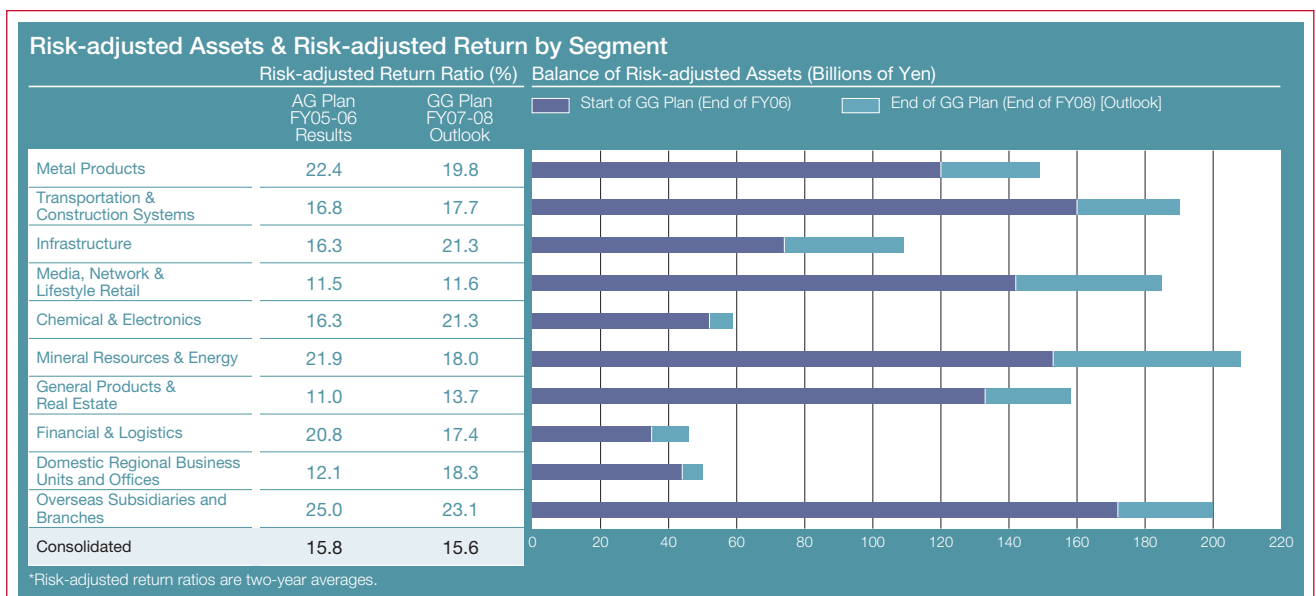
4) Media, Network & Lifestyle Retail: We consolidated Jupiter Shop Channel (JSC), a TV shopping company, as a subsidiary. By positioning JSC as a core, we will merge the retail and media business and expand web retail operations with closer direct links with consumers.

5) Chemical & Electronics: We will strengthen and augment our value chain, which encompasses raw material supply in upstream operations through the electronics manufacturing services (EMS) business in downstream operations. Focusing on the EMS business, we will develop activities on a global scale, not only in Asia but also in Europe and the U.S.

6) Mineral Resources & Energy: We aim to acquire new interests in nickel and iron ore, among other minerals, as well as to strengthen the existing four mainstay minerals of copper, coal, oil and LNG. We will upgrade our balanced portfolio of upstream interests that does not place too much emphasis on specific regions and products.

7) General Products & Real Estate: We will expand our portfolio of real estate-related business, including office building operations, fund businesses, and commercial facilities leasing. In the general products field, we will reinforce core businesses encompassing tires, lumber, and building materials.

8) Financial & Logistics: In the financial service field, we aim at expanding the base of investment-related businesses by utilizing our extensive information capability, know-how, and network as an integrated trading company. In the logistics field, we will expand logistics networks in the ASEAN region and China and augment operations in overseas industrial park business.



Question 3

Looking to the future

What are your plans in the area of strategic moves for future earnings?

We have established a new Value Integration Committee, or VIC, integrating our existing Company-wide Project Promotion & Support System and New Technologies Support System. The VIC is operating on a company-wide, cross-divisional basis to create and foster new businesses to serve as pillars of future earnings. A concrete example is the promotion of web retail business.

Also, in order to further strengthen our earning power on a global basis, we have set up a Regional Initiative Support System. The objective is to promote even greater proactive initiative by regional organizations in developing locally based global businesses. Specifically, we will be providing support and aid for initiatives by regional organizations aimed at strengthening their earnings base, such as the multifaceted development of ties with leading local enterprises and the improvement of cooperation among regional organizations.

We are budgeting ¥5 billion a year, or ¥10 billion over the two years of the GG Plan, to aid such initiatives, and we will be actively promoting this endeavor on a company-wide basis.

Question 4

Returns to our shareholders

Please explain your policies with regard to dividends and returning profits to shareholders.

Sumitomo Corporation has been consistently maintaining a basic policy of ensuring stable dividends over the long-term. At the same time, we set the amount of dividends by comprehensively taking into account our consolidated financial results and other conditions.

Aiming for sustained growth, the GG Plan is basically a stage of expanding the earnings base while further improving quality. After considering the need for balance between retained earnings for investment and dividend payment, we decided to continue maintaining the dividend payout ratio at around 20%. We will return the results of sustained profit growth to shareholders through dividends that reflect financial results. In the event of achieving the net income target of ¥235.0 billion for fiscal 2007, the annual dividend per share is expected to rise to ¥37, representing a ¥4 increase per share compared with fiscal 2006.

