OVERVIEW OF OPERATIONS

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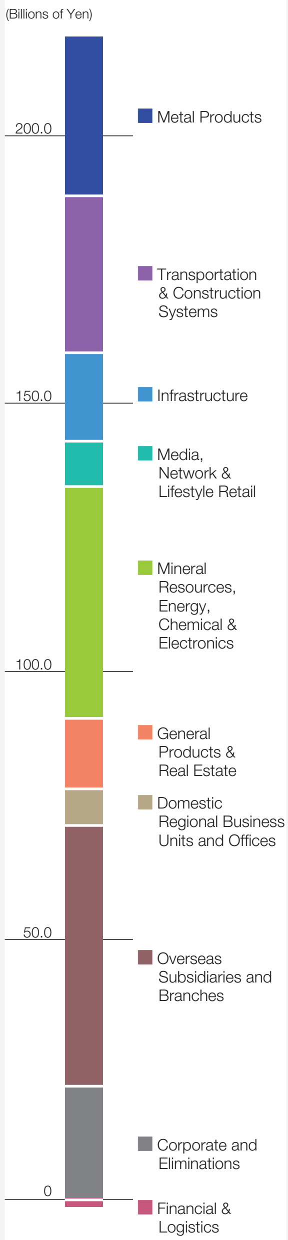
AT A GLANCE

Under FOCUS'10, we will introduce a framework that promotes diverse growth by making use of the distinctive features and strengths of each business. We aim to construct earnings pillars from a medium- to long-term viewpoint in each segment by setting selective and concentrated targets and allocating management resources.

Effective on April 1, 2009, the Mineral Resources & Energy Business Unit and the Chemical & Electronics Business Unit were merged into the newly established Mineral Resources, Energy, Chemical & Electronics Business Unit.

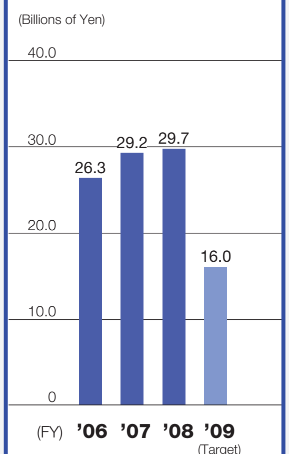
Net Income by Segment

(FY2008)



Metal Products

Net Income

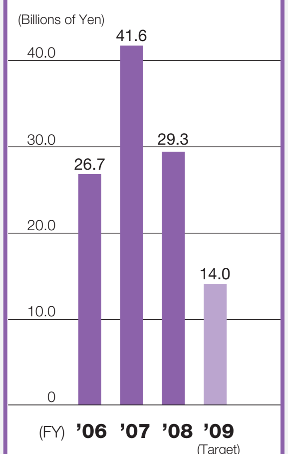


Strategic Fields

- Steel service centers
- Tubular products value chain
- Primary aluminum
- Metal products for automotive use
- Tool steel processing & trading
- Stainless steel processing & trading
- Metal business related to alternative energy

Transportation & Construction Systems

Net Income

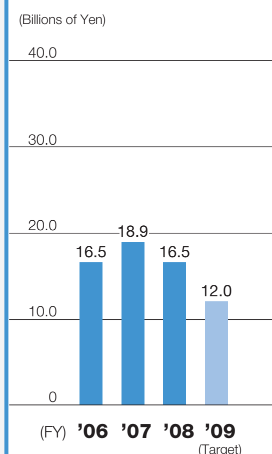


Strategic Fields

- Ships value chain
- Railcar leasing
- Automobile-related value chain
- Construction equipment value chain

Infrastructure

Net Income

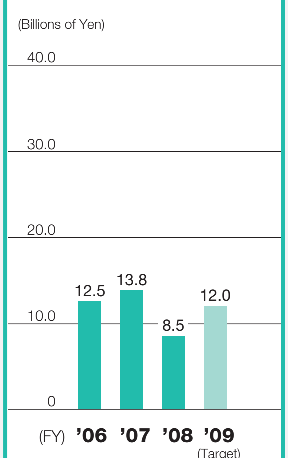


Strategic Fields

- IPP/IWPP
- Power plant EPC
- Telecommunications
- Water-related business
- Industrial infrastructure
- Telecommunication project
- Power energy solutions
- Eco and energy-saving businesses

Media, Network & Lifestyle Retail

Net Income

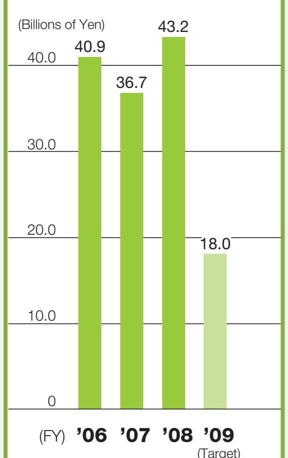


Strategic Fields

- Cable TV
- Programming & film-related business
- Mobile communications
- Internet-related business
- IT solutions
- Food supermarket
- Drugstore
- Apparel & interior-related business
- Brand business
- Direct marketing

Mineral Resources, Energy, Chemical & Electronics

Net Income

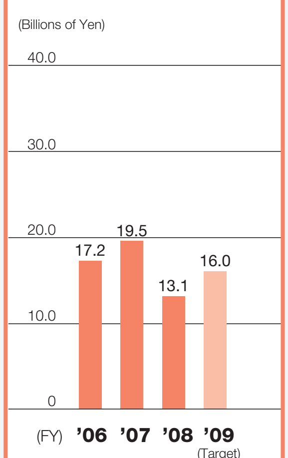


Strategic Fields

- Copper & gold
- Coal & iron ore
- Zinc & lead & nickel
- Oil & gas & LNG
- Clean energy
- Sulfur and sulfuric acid value chain
- Emission credits business
- EMS
- Pet care
- Agricultural chemicals

General Products & Real Estate

Net Income



Strategic Fields

- Fresh foods
- Fertilizer
- Sugar
- Tires
- Lumber & building materials
- Ready-mixed concretes
- Pulp & paper
- Office building & retail facility leasing
- Condominium sales
- Real estate funds

Financial & Logistics

Net Income

Strategic Fields

- Leasing Business
- Commodity Derivatives
- Alternative Asset Management
- Finance and Investment
- Value-added logistics network
- Overseas industrial parks
- Insurance

Metal Products

Shunichi Arai
General Manager
Metal Products Business Unit

Planning & Administration Dept.
Iron & Steel Division, No. 1
Iron & Steel Division, No. 2
Iron & Steel Division, No. 3
Tubular Products Division
Non-Ferrous Products & Metals Division

Enhancing Our Value Chain and Functions in the Metal Products Field

Business Unit Overview

Our business covers a broad range of steel products, including sheets and tubular products, and such non-ferrous metals as aluminum and titanium. We are expanding our value chain by responding to the diverse needs of customers in a huge variety of fields. In steel sheets, we are leveraging our steel service center network in Japan and overseas to provide services, including procurement, storage, processing and just-in-time supply, mainly to automobile and home appliance manufacturers. In tubular products, we are enhancing our functions as a total service provider by developing oil field services in addition to supplying tubular products to leading oil and gas companies through our proprietary supply chain management (SCM) system.

We will increase our participation in upstream manufacturing operations, aiming to reinforce our business foundations through an enhanced value chain and the promotion of upstream and downstream functions.

Fiscal 2008 Results

Net income increased ¥0.4 billion year on year to ¥29.7 billion. The steel service center business and tubular products business in North America led the increase. This was despite the decrease in transaction volume in the fourth quarter due to plunging market conditions and an inventory valuation loss at the end of the fiscal year.

In the steel sheets business, we established a production and sales joint venture with Akiyama Seiko Co., Ltd. for the manufacture of small-diameter bars for office equipment and decided to invest in a steel sheet mill joint venture established in Vietnam by CHINA STEEL CORPORATION and Sumitomo Metal Industries, Ltd. (SMI). In North America, we worked in tandem with SMI to acquire an automobile crankshaft machining business from Norton Manufacturing Company, Inc., thereby establishing a business structure that enables us to meet demand from customers shifting to the outsourcing of machining processes. In the tubular products business, along with SMI, we jointly acquired an equity interest in premium joint maker V&M Atlas Bradford, LLC from Vallourec S.A. Group. Furthermore, we independently acquired an equity interest in a company specializing in the heat treatment of seamless pipes used in oil and natural gas development.

Performance Highlights

(Billions of Yen)

	FY04	FY05	FY06	FY07	FY08	FY09 (Targets)
Gross Profit	49.9	65.4	77.6	80.2	86.4	70.0
Equity in Earnings of Associated Companies	3.3	4.1	7.4	9.0	8.8	—
Net Income	13.3	18.9	26.3	29.2	29.7	16.0
Basic Profit	14.0	21.2	28.5	29.5	31.5	17.0
Total Assets	472.6	662.8	799.2	755.5	645.5	—

FOCUS'10

Basic Policy

In addition to the growth fields of energy and automobile-related businesses, we will position the environment and new energy as strategic fields and develop future core businesses.

Reinforcing the Tubular Product Value Chain from Downstream to Upstream in Response to Increased Energy Demand over the Medium to Long Term

Due to falling crude oil prices, conditions are characterized by a temporary downturn and the postponement of oil and gas development. In the medium to long term, on the other hand, energy demand is anticipated to grow. Accordingly, development projects are expected to pick up worldwide. In the tubular products-related business, we are establishing an SCM system that offers integrated services covering everything from ordering to storage, processing, inspection, transportation and maintenance. While enhancing SCM system functions, we are also expanding business bases in the Middle East, the CIS countries and India, where demand has been brisk in recent years.

Furthermore, we are striving to reinforce our business foundation through investments in the manufacture of tubular products in the United States; the manufacture and sale of parts for equipment used in oil and gas fields; and the processing of accessories. In addition, we plan to commence seamless tubular product manufacturing in Brazil via a joint venture established in tandem with SMI and Vallourec in 2010. Once this is up and running, we will expand sales of these tubular products in North America, Africa and the Middle East. Looking ahead, we will continue to make every effort to expand the tubular product value chain by further strengthening upstream business sectors in this field.

Enhancing Steel Sheet Business Bases to Meet Changing Customer Needs and Growing Demand in Emerging Countries

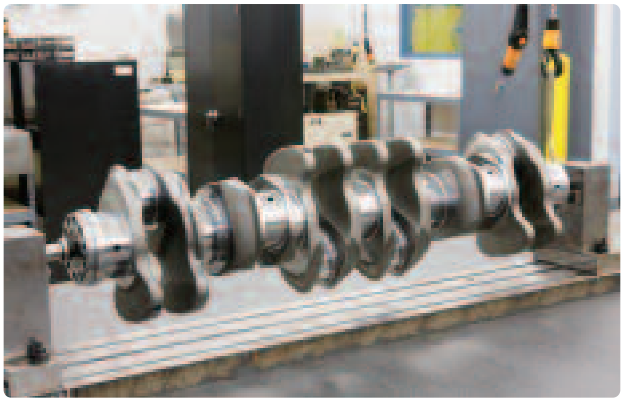
Reflecting the decrease in automobile production and sluggish sales of home appliances in the United States and Europe, demand for steel sheets dropped abruptly. As a result, our business environment is expected to remain harsh for some time.

Amid such circumstances, we will flexibly respond to changing needs by meeting demand for smaller and more lightweight automobiles through our steel service center network, which is primarily centered in Southeast Asia and China. To aid these efforts, we will strengthen and upgrade processing facilities. Furthermore, given the possibility of medium- to long-term demand growth for automobiles particularly in emerging countries, we will focus on the manufacture of such automobile-related parts as crankshafts and tubular products in addition to steel service centers in order to reinforce our business foundation.

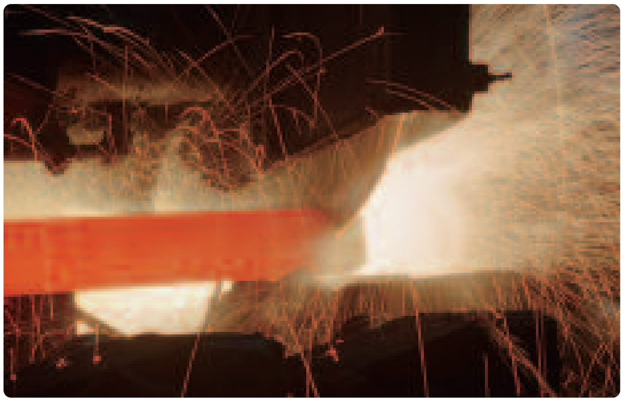
Bolstering New Core Businesses in Response to the Rising Interest in Renewable Energy

In the midst of growing concern regarding environmental issues, an increase in demand for renewable energy, such as for wind and solar power, is expected primarily in industrialized countries, including the United States, European nations and Japan.

To address this market, we established Katana Summit, LLC in the United States as a specialty company manufacturing wind power generation towers with the aim of producing as many as 400 to 500 units a year by 2010. In non-ferrous metal-related operations, we will strengthen our business activities in the solar cell and secondary battery fields in pursuit of expanding our business base in the renewable energy sector.



Crankshafts being manufactured at Norton Manufacturing Company Inc., a U.S. machining company. Upon the acquisition of Norton Manufacturing, together with our strategic partner SMI we established an integrated manufacturing system encompassing base metal manufacturing, forging and machining.



Tubular products being manufactured at U.S.-based V&M Star LP. With energy demand expected to grow in the medium to long term, a steady increase in demand for tubular products and premium joints for oil and gas development projects is anticipated.

Transportation & Construction Systems

Kazuo Ohmori
General Manager
Transportation & Construction Systems Business Unit

Planning & Administration Dept.
Ship, Aerospace & Transportation Systems Division
Automotive Division, No. 1
Automotive Division, No. 2
Construction & Mining Systems Division

Maintaining Stable Business Expansion while Entering New Businesses

Business Unit Overview

We are expanding our upstream, midstream and downstream operations in the fields of automobiles; ships; aircraft; railway and other transportation systems; and construction equipment. In automotive operations, our growing global value chain covers parts manufacturing, wholesale, retail sale, leasing, and retail finance operations. In the ship business, we are the only Japanese trading company to hold an equity stake in a shipbuilding company, and we are also engaged in the ship-owning and operating business. Regarding construction equipment, we are the leading Japanese trading company in terms of transaction volume, which is handled through our global network. Our value chain also covers the areas of rental operations, used equipment sales and production parts procurement and logistics. In the transportation systems business, we promote transportation projects and railway car manufacturing and exports.

Fiscal 2008 Results

Net income decreased ¥12.3 billion year on year to ¥29.3 billion. In the ship business, we realized value on our own ships that contributed to earnings in the first half of the year. However, there was some impact from reduced automobile and construction equipment sales in the second half. Also, in the previous fiscal year, there was a capital gain from the mergers that formed Sumitomo Mitsui Auto Service Company, Limited.

In transportation projects, we received an order for an automated people mover (APM) system together with Mitsubishi Heavy Industries, Ltd. The APM system will connect Miami International Airport terminals and nearby transportation facilities. In the ship business, our receipt of new shipbuilding orders reached a record-high level, while we actively replaced our own ships. In the automobile business, we made Swaraj Mazda Limited, a manufacturer of commercial vehicles in India, into a subsidiary. In addition, we expanded automobile sales in Nigeria and Ukraine. As a new business in the construction equipment business portfolio, we established a joint venture to sell agricultural machinery in Chennai, India in partnership with KUBOTA Corporation.

Performance Highlights (Billions of Yen)

	FY04	FY05	FY06	FY07	FY08	FY09 (Targets)
Gross Profit	113.3	127.5	134.6	157.7	155.6	133.0
Equity in Earnings of Associated Companies	3.8	4.0	5.0	7.1	7.7	—
Net Income	13.5	19.8	26.7	41.6	29.3	14.0
Basic Profit	20.6	24.1	29.0	35.3	35.1	19.0
Total Assets	871.5	1,037.0	1,140.7	1,604.9	1,451.4	—

FOCUS’10

Basic Policy

In light of the severe business environment, we are working to improve asset efficiency by boldly replacing business assets while taking up the challenge of entering into new businesses to achieve growth over the medium to long term.

Strengthening the Automobile Business to Adapt to Changes in the Business Environment

Since 2008, industrialized countries have been at the epicenter of a dramatic contraction in the automobile market. However, it is expected that demand will expand over the medium to long term. Factors contributing to this expansion will be market recovery corresponding to technological advances in accordance with environmental issues as well as demand expansion related to deeply rooted motorization in emerging countries.

In the automotive retail finance business, we are strengthening operations in Indonesia, where growth is expected. We are also expanding Isuzu truck and bus manufacturing and marketing in India. Furthermore, we will actively replace assets in order to adapt to changes in automobile demand. Through these initiatives, we will further strengthen our earnings base.

Strengthening the Existing Construction Equipment Business and Developing Such New Businesses as Overseas Rental and Agricultural Machinery

As housing sectors in the United States and Europe are depressed, equipment demand is sluggish. In addition, demand for large mining equipment has started to be affected by the plunge in natural resource prices. Amid these conditions, we are working to improve the asset efficiencies of existing businesses in the area of construction equipment distribution. At the same time, we are striving to strengthen and enhance business operations in China and Russia, where we see medium- to long-term growth potential. Moreover, we are endeavoring to expand the mining equipment sale, repair and service-related businesses globally as well as overseas-based construction equipment rental operations and agricultural machinery sales, which we initiated last year in India. These are representative of our efforts to nurture new core businesses.

Replacing the Ships We Now Own with New, High-Profit Ships and Maintaining a Stable Asset Portfolio over the Medium to Long Term

The worldwide decline in distribution volume has depressed the shipping industry and impacting our ship-owning business as well. However, we are selling off ships we now own and replacing them with high-profit vessels. In this way, we will maintain and enhance an asset portfolio that exerts earnings power over the medium to long term.

Actively Promoting Airport People Mover and Other Rail Projects

Investments in transit projects are accelerating mainly in the U.S. with an eye to combating global warming. We will continue to position railway-related operations as a core business, including people mover projects at airports in the United States where we have developed a strong track record.

We established a local joint venture with KUBOTA in the suburbs of Chennai, India, for the sale of KUBOTA-made tractors, combines and rice transplanters. The new company will help improve the food production base as it responds to demand for agricultural machinery in Southern India where large rice paddies are located.

In cooperation with Mitsubishi Heavy Industries, we received an order for an automated people mover system connecting Miami International Airport terminals and nearby transportation facilities. Applying our integrated project operation capabilities, we will endeavor to garner orders from major airports all over the world, including the United States.

Infrastructure

Takahiro Moriyama
General Manager
Infrastructure Business Unit

Planning & Administration Dept.

Telecommunication, Environment & Industrial Infrastructure Business Division

Power & Social Infrastructure Business Division

Building a Stable Earnings Base Encompassing both Trade and Investment

Business Unit Overview

Our Business Unit is engaged globally in fields related to power, telecommunications, eco and energy-saving as well as industrial infrastructure. In the power project field, we are broadening our earnings base through functions that include finance and project management. Consequently, in EPC,* the total generation capacity we have handled to date is approximately 45,000MW, mainly in Asia. In the overseas IPP/IWPP** field, we achieved a power generation capacity of 4,700MW.***

Our mission is "to contribute to society through infrastructure enhancement, adding our value to it," and we are building a stable earnings base over the medium to long term through the optimal business combination of trade and investment.

Fiscal 2008 Results

Net income decreased ¥2.4 billion year on year to ¥16.5 billion. While the power business showed stable performance mainly in Asia in the period under review, overall results were affected by the stronger yen and large-scale construction projects in the previous fiscal year.

In the power business, we participated in two projects: the Shuweihat S1 power generation and water desalination project in the United Arab Emirates and the Kwinana natural gas-fired power plant in Australia. Furthermore, a new lease contract for expansion was concluded, finance arrangements were closed and construction commenced at the Tanjung Jati B coal-fired thermal power plant in Indonesia, with a view to completing construction in 2012.

In the telecommunications business, Uzbekistan's first wireless broadband Internet service commenced at major cities together with South Korea's largest communications provider, KT Corporation.

In the eco and energy-saving field, a project for generating 12.6MW of solar power on the island of Tenerife in the Canary Islands, an autonomous region of Spain, started commercial operations in September 2008.

* EPC: Engineering, Procurement and Construction
** IPP: Independent Power Producer
IWPP: Independent Water & Power Producer
*** Total of retained generation capacity both in operation and contract, as of March 2009.

Performance Highlights

(Billions of Yen)

	FY04	FY05	FY06	FY07	FY08	FY09 (Targets)
Gross Profit	32.2	29.1	38.3	41.0	40.4	34.0
Equity in Earnings of Associated Companies	1.3	4.1	5.2	6.8	7.6	—
Net Income	3.8	7.7	16.5	18.9	16.5	12.0
Basic Profit	7.6	7.4	13.3	16.0	16.3	11.0
Total Assets	457.4	466.2	472.6	478.8	482.5	—

Basic Policy

We are working to accelerate asset replacement and to bolster our earnings base in growth markets, with a view to anticipating changes in the external environment and ensuring our continued evolution.

Accelerating Asset Replacement while Expanding Power Generation and Water-Related Businesses, Mainly in Emerging Countries

Looking ahead, there are concerns that such factors as population increases and economic growth will bring about acute shortages of electric power and water in some emerging countries.

In anticipation of future increases in power demand, we will work diligently to secure orders for EPC projects encompassing such renewable energy fields as geothermal power generation in key markets, focusing primarily on Southeast Asia.

In the IPP/IWPP field, we are pursuing business development in the Americas, Asia, Australia and the Middle East. With regard to the expansion of the Tanjung Jati B coal-fired thermal power plant in Indonesia, we began constructing two additional 660MW units next to the existing power plant, to be leased to a state-owned power company for 20 years from 2012.

In the water-related business, we are searching out opportunities for new businesses in the Middle East and Asian regions, where water resources are scarce.

In the years to come, in an effort to build and develop an optimal business portfolio we will strictly follow a policy of business selection and concentration, and will replace assets through the sale of existing interests.

Focusing on Expansion of the IT Telecommunications Business by Applying Japanese Technologies and Business Models Overseas

The number of subscribers to mobile phone and Internet lines is increasing in step with economic growth in emerging areas, such as the BRICs .

We are developing overseas operations in mobile communications and related businesses as well as in such IT telecommunications fields as wireless broadband in diverse locations, including Mongolia, Guam, Saipan, Russia and Uzbekistan. Positioning the mobile phone-related business as a strategic field, we are exploring opportunities for business participation in other areas and working to foster synergies between the aforementioned activities by applying Japanese advanced technologies and business models.

Engaging in Business Development in Response to the Growing Use of Renewable Energy across Regions that Include Europe and the United States

The European Union (EU) is working toward lifting the rate of renewable energy utilization, having set the target of 20% by 2020. Governments in both the United States and Japan are also making plans to expand renewable energy utilization domestically.

In the eco and energy-saving field, we will continue to pursue the business development of solar power generation across such diverse regions as Europe, the United States, the Middle East, China and Australia, leveraging the knowledge gained through a project in the Canary Islands, that encompasses expertise ranging from project organization to construction and operation. Utilizing our capabilities in such fields as wind power generation and district cooling, we will also promote businesses that contribute to the environment.

The Shuweihat S1 power plant boasts facilities capable of generating 1,500MW of electricity as well as desalinating 460,000 tons of seawater a day. Having acquired a 20% interest in this project, we offer stable supplies of electricity and water based on a long-term contract with the Abu Dhabi Water and Electricity Company (ADWEC).

Solar power generation project located on Tenerife Island, one of the islands forming the Spanish Autonomous Community of the Canary Islands. With a rated daily power output of 12.6MW, this is one of the largest projects led by a Japanese company. We are involved in this project as the principal shareholder.

Media, Network & Lifestyle Retail

Yoshio Osawa
General Manager
Media, Network & Lifestyle Retail
Business Unit

Planning & Administration Dept.
Media Division
Network Division
Lifestyle & Retail Business Division

Fusing Media, IT and Retail Businesses and Advancing Cross-Media Retail Operations

Business Unit Overview

Amid the ongoing fusion and collaboration of broadcasting and various other media, including telecommunications, as well as the increasing diversification of consumer spending, we are integrating the fields of media, networks, and lifestyle retail while creating and providing new value for the diversifying lifestyles of consumers. In the media field, we provide both infrastructure and content services, primarily in the cable TV (CATV), multichannel television programming and film-related businesses. In the network field, our business activities center on IT solutions, Internet-related operations and mobile communications. In the lifestyle and retail fields, we have the TV shopping business and other mainstay operations, including food supermarket, drugstore, brand-related, and apparel OEM businesses.

Fiscal 2008 Results

Net income decreased ¥5.3 billion year on year to ¥8.5 billion. Despite the strong performance of Jupiter Telecommunications Co., Ltd. (J:COM), results were impacted by an impairment loss on FUJI MEDIA HOLDINGS, Inc. securities and capital gains from business reorganization in the media field, which took place in the previous fiscal year.

In the media field, major cable TV company J:COM secured solid results by steadily increasing the number of its household subscribers and the average number of services offered per subscribing household. In the network field, mobile phone distributor MS Communications Co., Ltd. merged with Telepark Corp. to form T-Gaia Corporation, a new company that boasts the industry's top market share. In the lifestyle and retail fields, we made Jupiter Shop Channel Co., Ltd. (JSC), the leading TV shopping company, a wholly owned subsidiary. Moreover, in the food supermarket business we established SC NETSUPER CORP. and in the brand-related businesses we established a joint-venture company with U.S.-based Marc Jacobs International, LLC to sell its luxury apparel and bags.

Performance Highlights

(Billions of Yen)

	FY04	FY05	FY06	FY07	FY08	FY09 (Targets)
Gross Profit	102.0	104.1	126.1	168.7	176.4	185.0
Equity in Earnings of Associated Companies	5.4	10.5	12.7	9.3	10.0	—
Net Income	24.1	26.6	12.5	13.8	8.5	12.0
Basic Profit	8.9	11.2	15.4	19.1	17.5	21.0
Total Assets	445.6	505.1	513.9	675.6	696.9	—

Basic Policy

While operating top-level businesses in the media, network, and lifestyle retail fields, we are actively deepening the value chain among operating companies and promoting cross-media operations that integrate media, IT and retail. Through these initiatives, we are establishing consumer-oriented businesses unique to Sumitomo Corporation that allow us to create and provide new value that addresses the diverse lifestyle needs of consumers.

J:COM Offers Integrated Broadcasting and Telecommunications Services

As one of our core media businesses, J:COM provides comprehensive media services that integrate broadcasting and telecommunications by taking advantage of its own infrastructure and content services.

With competition in the media industry expected to increase, J:COM is working diligently to enhance content and further raise service quality while building deeper business ties with regional communities by vigorously developing its network of J:COM Shops. Through these initiatives, J:COM aims to become a leading company in the media industry. At the same time, J:COM is promoting the smooth changeover to terrestrial digital broadcasting through complete digitization by 2010. These initiatives will enable the enhancement of high-definition programs and further speeding up of Internet services, allowing J:COM to increase its menu of high value-added services.

Providing an IT Platform in the Network Field

In the network field, in line with the maturing of the market, the sale of mobile phones has seen increasingly intense competition among business operators. T-Gaia Corporation, the largest player in the industry, will make efforts to strengthen its sales network and improve management efficiency by taking advantage of its business scale, aiming to boost service quality.

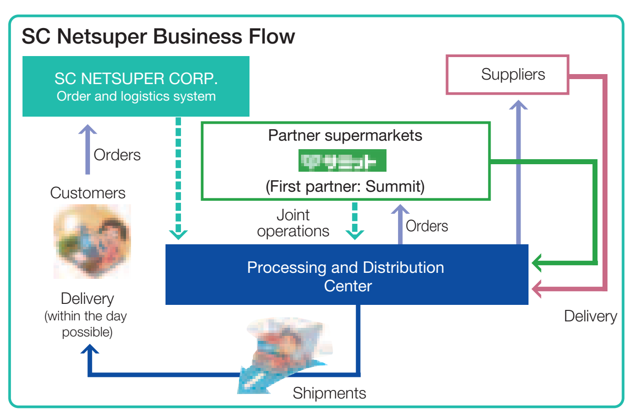
In the IT solutions business, Sumisho Computer Systems Corporation (SCS) will fortify sales of its proprietary packaged software, boost the productivity of software development, and raise employee capabilities and global service strengths. Through these means, SCS will enhance its business base, paving a path toward solid growth.

Creating Next-Generation Lifestyles in the Retail Field

In fiscal 2009, under a continued downturn in domestic consumption, JSC will aim for further growth through the enhancement of products and programs while expanding its customer base. Placing JSC at the core of our multichannel retail business over the medium term, we intend to further accelerate collaboration between the retail and brand businesses.

On the other hand, food product-related demand—an area relatively immune to economic downturns—is expected to remain firm. Under these circumstances, the food supermarket chain Summit, Inc. maintains an unwavering focus on food safety measures and aims to expand market share by launching new stores. In addition, we will start a full-fledged online supermarket business with a dedicated processing and distribution center in the Tokyo metropolitan area to create a next-generation style of consumption.

In December 2008, we established Marc Jacobs Japan KK jointly with Marc Jacobs International of the LVMH group. With sales commencing in July 2009, Marc Jacobs Japan will expand its sales network for pret-a-porter, bags and accessories.



We established SC NETSUPER CORP. in order to start a full-fledged online supermarket business with dedicated processing and distribution centers. We will begin operations in October 2009, leveraging know-how gained through the operations of Group company Summit.

Mineral Resources, Energy, Chemical & Electronics

Kuniharu Nakamura
General Manager
Mineral Resources, Energy, Chemical & Electronics Business Unit

Planning & Administration Dept.
San Cristobal Project Dept.
Mineral Resources Division No. 1
Mineral Resources Division No. 2
Energy Division
Basic Chemicals Division
Electronics Business Division
Life Science Division

Creating New Value That Reflects the Synergies of Business Unit Integration

Business Unit Overview

The Mineral Resources, Energy, Chemical & Electronics Business Unit was established in April 2009 through the integration of the Mineral Resources & Energy Business Unit and the Chemical & Electronics Business Unit.

In the area of mineral resources and energy business, we continue to increase our interests in new resources, including iron ore, uranium, zinc, and such rare metals as nickel and cobalt. This will complement our existing interests in the resources of copper, coal, petroleum and liquefied natural gas (LNG). These efforts are enhancing our mineral resource portfolio. In the midstream and downstream areas, where trading operations are expanding, we handle approximately 20% of the LNG brought into Japan on a contractual import volume basis through LNG Japan Corporation.

In the basic chemicals field, we handle a wide variety of items, including organic and inorganic chemicals as well as plastic. In the electronics field, our businesses deal in such cutting-edge electronic industry materials as silicon wafers and LEDs. Simultaneously, we maintain proactive EMS* operations. In the life science field, we handle pharmaceuticals, agricultural chemicals, household insecticides and pet care products.

Fiscal 2008 Results

Net income increased ¥6.5 billion year on year to ¥43.2 billion. This was attributable to the rise in the coal prices and the hedge evaluation gains regarding the San Cristobal silver-zinc-lead mining project in Bolivia. On the other hand, the results of housing- and consumption-related businesses in the United States deteriorated.

In the mineral resources and energy field, we became the sole owner of Minera San Cristobal S.A., which operates in the above-mentioned mine in Bolivia. We also acquired an additional concession in Assmang Limited, a South African mining company that produces iron ore, manganese ore and chrome ore.

In the basic chemicals field, Interacid Trading S.A. saw enhanced sales on the back of a brisk sulfuric acid market. In the life science field, we introduced new products to reinforce our marketing capabilities in Central and Eastern Europe as well as South America, where the agricultural chemicals business is enjoying steady growth.

* EMS: Electronics Manufacturing Services, providing electronics device manufacturing services on a contract basis

Performance Highlights

(Billions of Yen)

	FY04	FY05	FY06	FY07	FY08	FY09 (Targets)
Gross Profit	76.7	97.2	96.0	94.0	91.9	72.0
Equity in Earnings of Associated Companies	10.8	12.7	16.3	2.8	37.0	—
Net Income	22.4	32.1	40.9	36.7	43.2	18.0
Basic Profit	22.6	32.5	29.7	13.4	55.9	22.0
Total Assets	808.5	983.5	1,116.9	1,113.2	968.0	—

Basic Policy

We are making every effort to keep our two major ongoing upstream projects on track. In addition, we are actively replacing assets through the acquisition of promising interests and the parallel sale of existing assets. With regard to trading activities, our focus is on the expansion of businesses which could differentiate us in growth markets. Looking to global trends, we are pursuing product development in the fields of renewable energy, nuclear power and clean coal technology to secure access to diverse new technologies.

Pursuing Enhanced Product and Business Synergies through the Integration of the Mineral Resources & Energy Business Unit and the Chemical & Electronics Business Unit

The integration of these business units has positioned us to pursue further synergies among adjacent products and business fields—including crude oil, natural gas and organic chemicals, non-ferrous metal resources and inorganic chemicals—while mutually leveraging the development capabilities of the Mineral Resources & Energy Business Unit and the extensive sales networks of the Chemical & Electronics Business Unit. Through these efforts, we intend to cultivate new businesses.

Placing Top Priority on Two Ongoing Major Upstream Projects while Concentrating on Expanding a Balanced Portfolio

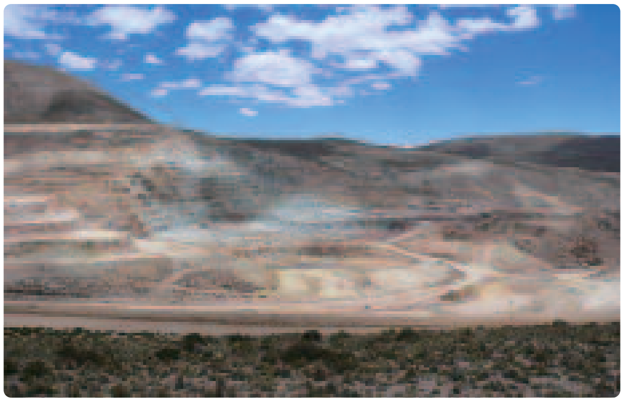
We completed the acquisition from our former partner of the remaining 65% interest in the Sun Cristobal project in Bolivia. Full-scale production has been achieved and we will focus on further cost reductions. We dispatched an officer to assume the position of president of the operating company in addition to several other employees in order to accelerate operational improvement and the reinforcement of management systems. We are maintaining our excellent relationship with the Bolivian government.

At our nickel mining and refinery project in Madagascar, the Ambatovy project, development costs have exceeded initial plans due to a variety of factors, including a surge in equipment costs and labor costs. In addition, recent political unrest in the country has increasingly generated uncertainty with regard to the future of the project. Given the project's potential as a cost-competitive business, however, we will move steadily forward while paying attention to development in the political situation, and consulting with other project partners and senior lenders. In line with these efforts, we aim to commence production by 2010.

We will also expand the Business Unit's earnings base in the areas of ferrous raw materials and energy through the acquisition of promising new interests and the sale of existing assets in a timely manner.

Expanding the Agricultural-Related Product Sales Network

In the agricultural industry, which is little impacted by economic fluctuations, we will strive to expand our trading functions in the areas of agricultural chemicals and sulfuric acid, a fertilizer raw material. With regard to agricultural chemical sales, we will expand our sales network from Eastern Europe to other areas including the Americas and Asia. In addition, we will aim to develop new items to enhance our product portfolio.



The silver-zinc-lead mining project in San Cristobal, Bolivia, commenced production in August 2007 and achieved full-scale production in November 2008. Located in highlands with an altitude ranging between 3,800m and 4,500m, the site boasts the third largest silver mine and sixth largest zinc mine in the world in the production capacity.

The port facilities for sulfuric acid discharging in Chile were expanded in 2007. Interacid Trading, a Swiss-based sulfur and sulfuric acid trader, possesses its own facilities and operates a trading business that is responding to the global demand for sulfur and sulfuric acid.

General Products & Real Estate

Nobuo Kitagawa
General Manager
General Products & Real Estate Business Unit

Planning & Administration Dept.
Food Business Division
Materials & Supplies Division
Construction & Real Estate Division
General Construction Development & Coordination Dept.

Strengthening Highly Competitive Businesses, Endeavoring to Expand the Earnings Base

Business Unit Overview

Our Business Unit operates in three lifestyle fields. They are food, materials and supplies, and construction and real estate. In the food area, we have an integrated business model that extends from production to quality management and sales. This model places top priority on safety and security, issues of considerable concern to customers. In the materials and supplies area, we are the industry leader in multiple fields, including tires, ready-mixed concrete, lumber and building materials and used paper. In real estate, our core businesses are the leasing and operation of office buildings and retail facilities, housing development and sales, and the real estate investment fund business, along with a focus on large-scale, mixed-use development projects.

Fiscal 2008 Results

Net income decreased ¥6.4 billion year on year to ¥13.1 billion. In Japan, the lumber and building materials business remained sluggish due to a fall in construction demand. Likewise, the tire business in the United States was affected by the economic downturn. In addition, net income decreased in the real estate business reflecting the absence of substantial condominium sales in the previous fiscal year.

In food operations, the banana business showed stable performance led by firm demand. In addition, the decision was made to participate in a wheat flour milling business in China with Prima Limited, a Singaporean flour mill group, in anticipation of increasing local demand. In the materials and supplies field, lumber and veneer processing plants were completed in Plastun, Primorsky Krai, on Russia's Siberian coast. We are aiming to improve the earnings power of this business by shifting its business model from the export of raw timber to the export of processed lumber. In the construction and real estate business, progress has been made in acquiring new, high-quality properties that are expected to form the basis of our earnings in the future and in replacing existing assets.

Performance Highlights

(Billions of Yen)

	FY04	FY05	FY06	FY07	FY08	FY09 (Targets)
Gross Profit	66.7	83.6	118.1	122.0	111.1	113.0
Equity in Earnings of Associated Companies	0.8	0.5	2.4	2.0	1.7	—
Net Income	(6.0)	12.7	17.2	19.5	13.1	16.0
Basic Profit	9.8	11.6	17.4	18.3	15.3	15.0
Total Assets	766.4	772.0	741.7	742.0	722.2	—

FOCUS'10

Basic Policy

While making lasting improvements in soundness and efficiency, we aim to build a solid foundation in the construction and real estate business centered on the office building business. At the same time, with a view to stable growth, we will strengthen our foundations, primarily in the fields of bananas, wood resources, and tires.

Banana Business Responding to Increased Demand, Ongoing Production Base Enhancements

Despite the economic downturn, the outlook for domestic demand for fresh foods is likely to be stable. Under these conditions, we have been making ongoing plans to strengthen our production base and are endeavoring to expand our earnings base through our domestic sales network. Moreover, in addition to increasing the volume of high-value-added products, we have set our sights on performance stabilization by continuing sales in such areas as China and the Middle East. Also, during fiscal 2008, we commenced sales of the Eco banana, which is traded using the structure of carbon offset. Looking ahead, we will put into effect similar measures that promote harmony with nature, taking environmental issues seriously rather than merely seeking to increase revenues.

Focusing on Improving Its Earnings Base, U.S. Tire Marketer TBC Corporation Addresses Demand for Maintenance in Stagnant North American Market

In fiscal 2008, demand for replacement tires in North America stagnated, due to worsening consumer confidence brought about by such factors as escalating gasoline prices and financial constraints. Looking forward, however, since gasoline prices are declining and there is an ongoing upward trend in the number of car registrations, demand for replacement tires is expected to recover over the medium to long term. In addition to promoting tire sales, TBC will focus on expanding its maintenance business, demand for which rises as the average age of cars increases.

Construction and Real Estate Business Making Headway with Quality Property Acquisitions in order to Build an Earnings Base for the Future

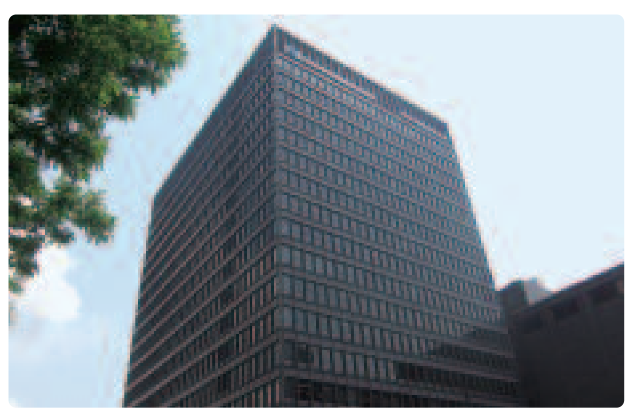
The real estate market was generally lackluster in 2008, with Japanese condominium sales shrinking 26.7% year on year and the office vacancy ratio trending upward.

Nevertheless, we have been able to stabilize our office building leasing business by focusing on CBD* areas where demand remains high. Under FOCUS'10, we will promote the disposal of low-profitability assets while augmenting profitable assets in order to strengthen our business base. As a part of this policy, we decided to participate in a project to develop the Tokyo Senju campus of the TOKYO DENKI UNIVERSITY and to redevelop the existing Kanda campus as a business partner.

In condominium sales, we are mainly developing quality properties in urban areas, where demand is expected to be robust over the medium to long term. We will pursue new property development with careful consideration that will ensure a robust earnings base beyond FOCUS'10.

*CBD: Central Business District

OAO Terneyles, Russia's largest general forest products company, commenced full-fledged operations at its lumber and veneer processing plants in April 2009. In response to a substantial increase in Russia's export tariffs on raw timber in or after 2010, Terneyles is shifting its business style to the export of processed products. In addition, it will continue to pursue environment-friendly and sustainable forest management in line with its Forest Stewardship Council (FSC) certification.



The Takebashi Building was renovated and re-opened in March 2009. Leveraging our experience in the development of other properties, we constructed the building using environment-friendly methods. We will promote the building leasing business, making it a strong earnings pillar, concentrating mainly on CBD areas.

Financial & Logistics

Yasuyuki Abe
General Manager
Financial & Logistics Business Unit

Planning & Administration Dept.
Financial Service Division
Logistics & Insurance Business Division

Providing High-Value-Added Services by Leveraging Our Capabilities

Business Unit Overview

Leveraging our strengths based on superb access to information, expertise and a global network that we have built as an integrated trading company, we provide a diverse array of high-value-added financial and logistic services to customers as well as other business units and subsidiaries. In the financial services field, we continue to grow our commodities trading and asset management businesses by utilizing our accumulated expertise. Moreover, we are pursuing synergies with Sumitomo Mitsui Finance and Leasing Company, Limited. (SMFL) through our Leasing Business Department. In the logistics field, Sumisho Global Logistics Co., Ltd. provides comprehensive logistics functions on a worldwide basis. In addition, we are deploying a series of high-value-added industrial park businesses in Vietnam, Indonesia and the Philippines.

Fiscal 2008 Results

Net income decreased ¥6.7 billion year on year to a net loss of ¥1.6 billion. This was mainly attributable to the impairment loss on securities of an unlisted company and provisions for doubtful receivables in domestic finance businesses that were affected by chaotic conditions within financial markets.

Within the financial services field, the core aircraft leasing business progressed with the replacement of assets, signing an operating lease contract for passenger aircraft for Japan Airlines Corporation and the sale of passenger aircraft to Scandinavian Airlines System.

In the field of direct investment and investment in buy-out funds, we acquired an equity stake in Ant Corporate Advisory Inc, which puts together and manages investment funds. We aim to build a balanced, high-quality portfolio, making use of the resources of this company.

In the overseas industrial park business, we completed the sale of lots in the third-phase development zone of our Thang Long Industrial Park in Vietnam. In view of the prospect for continued expansion of investment in Vietnam, we have started work on Thang Long Industrial Park II, which will be approximately the same size as the first park, and commenced the advance sale of lots.

Performance Highlights

(Billions of Yen)

	FY04	FY05	FY06	FY07	FY08	FY09 (Targets)
Gross Profit	17.0	25.0	29.2	31.8	26.9	28.0
Equity in Earnings of Associated Companies	1.5	2.3	1.4	0.9	3.8	—
Net Income	2.8	6.2	5.9	5.1	(1.6)	5.0
Basic Profit	2.8	7.5	7.0	6.1	3.8	8.0
Total Assets	232.8	470.8	430.1	449.5	581.5	—

Basic Policy

In the financial services field, we are working to restore our earnings power by channeling management resources to those areas that have a solid foundation and results. In the logistics field, we are maximizing synergies with other business units by raising our information-gathering and function-providing capabilities. Through these efforts, we will fortify our earnings base and endeavoring to contribute to Groupwide earnings.

Broadening Our Customer Base in Commodities Trading, a Business Defined by Its Robust Foundation and Results

Price hedge needs are increasing in a variety of fields owing to wide fluctuations in commodity prices. In the commodities trading business, in which we boast a long-standing track record, we work actively to take in these needs while cultivating new business opportunities in Japan and overseas.

As a functioning unit, we also provide other business units with ongoing financial support. For instance, we propose means for product price hedging, particularly for mineral resource and energy projects in which the Group holds a stake.

Collaborating with SMFL and Expanding the Aircraft Leasing Business

The business environment surrounding the aviation industry has encountered turbulence due to such factors as declining passenger revenue triggered by global economic downturn. The aircraft operating leasing business, however, is one area that is expected to expand in the medium to long term, benefiting from economic growth in emerging markets and burgeoning demand for economically efficient aircraft.

We are expanding operations by integrating our accumulated expertise in aircraft management with the Sumitomo Mitsui Financial Group's financial strength and solutions capabilities. To this end, in December 2008 we established SMFL Aircraft Capital Corporation B.V., a joint venture with SMFL, Japan's leading general leasing company.

Expanding the Overseas Industrial Park Business into New Regions

None of the Japanese companies that have expanded their business in overseas markets have been left unaffected by the slowdown in the global economy.

We will work diligently to enhance our service menu through such initiatives as increasing rental factory space at our industrial parks in Vietnam, the Philippines and Indonesia in order to ease the initial burden placed on our tenants.

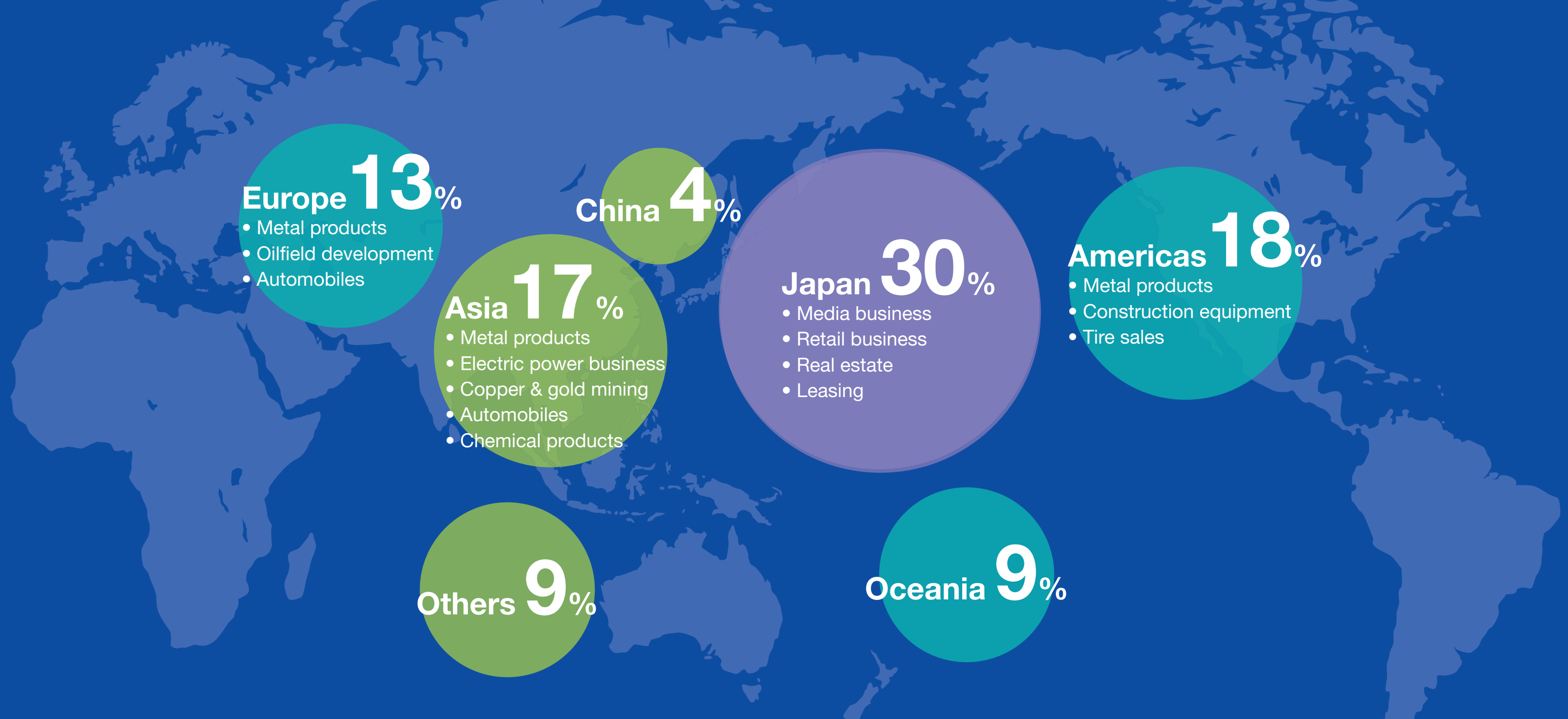
In addition to focusing on the development and sale of lots at the Thang Long Industrial Park II in Vietnam, we will explore the feasibility of developing industrial parks in other regions including India, where market penetration by Japanese corporations can be expected.

While receiving new contracts in the aircraft leasing business, we also worked diligently to replace assets, for example, by selling passenger aircraft to Scandinavian Airlines System in fiscal 2008. We aim to expand our business base through an aircraft leasing joint company established in collaboration with SMFL.

We completed the sale of all lots of the 274-hectare Thang Long Industrial Park (TLIP I) in Vietnam. In response to increasing demand, we commenced the development of the Thang Long Industrial Park II, which will be approximately the same size as TLIP I.

One of the important business foundations of Sumitomo Corporation is its global network consisting of approximately 150 offices and about 800 consolidated subsidiaries and associated companies worldwide. Seven Business Units, covering various business domains and regional organizations in Japan and overseas are fulfilling their capabilities and strengthening cooperation to capture growth opportunities on a global basis while steadily broadening the Group's earnings base.

FY2008 Basic Profit* & Major Businesses by Region



*Basic Profit = (Gross profit - Selling, general and administrative expenses - Interest expenses, net of interest income + Dividends) x (1-Tax rate) + Equity in earnings of associated companies, net

Looking at basic profit by region in fiscal 2008, our earnings base was well-balanced geographically. Basic profit was almost the same in each of the three regions, namely, Japan; other advanced nations, such as the Americas and Europe; and emerging countries in Asia and China.

In fiscal 2009, our businesses in advanced nations, including the Americas and Europe, are expected to confront harsh conditions for the time being due to the continued downturn in the global economy. On the other hand, the businesses in which we are exercising our competitive strengths in Japan and newly emerging countries, particularly in Asia, including China, are forecasted to show solid performance.

In Japan, the results of cable TV operator J:COM and TV shopping channel Jupiter Shop Channel remain stable. This reflects each company's ability to successfully address lifestyle trends and diverse consumer spending patterns. In the office building leasing business, where demand in CBD* areas remains strong, we anticipate continued stable performance.

Our businesses related to domestic consumption in Asia are stable, reflecting the expansion of economic growth throughout the region. In Indonesia, for example, the motorcycle financing business is expected to show stable performance thanks to an upswing in demand due to the advance of motorization. In the same manner, robust demand for electricity is forecasted to lead to new power projects. In China, as the government implements various stimulus policies, we anticipate steady gains in our construction equipment business as well as a pickup in steel sheet sales to local automobile manufacturers.

*CBD: Central Business District

Recognizing its importance as a strategic market due to its large growth potential, we have made various efforts to cultivate and establish new businesses in China. Although the full-scale recovery of the global economy is expected to take some time, China is seeing sustained economic expansion driven mainly by robust domestic consumption. Looking ahead, we will work diligently to further enhance our business base in China.

Here, we outline our organizational and operating structure in China and highlight some of our businesses related with domestic consumption.

As the effects of fiscal stimulus initiatives totaling four trillion yuan and monetary policies aimed at easing financial markets in quantitative terms increasingly take hold, economic growth rates in China, particularly led by domestic consumption, are expected to show a relatively fast-paced recovery.

With nine local subsidiaries and their five offices, our China operations consist of 14 business locations. Based on our offices in Changchun, Jilin Province, in the north, Hong Kong, in the south, and Chengdu, Sichuan Province in the west, we mainly cover most of the major cities along the Chinese coast, an area showing remarkable economic growth. Boasting investments totaling 80 billion Japanese Yen in approximately 110 companies, we are active in business development across a wide spectrum of fields.

While our business in China is in no small measure impacted by the global downturn in demand, mainly in advanced nations, our businesses oriented toward domestic consumption still offer expectations of steady growth.

We are actively promoting business in the automobile industry, which we have positioned as a strategic field. Due to a robust upswing in sales, China's automobile market is projected to continue to grow. In upstream manufacturing and processing fields, we are developing our steel sheet service center business while investing in manufacturing operations for automobile-related parts, such as tool steel for molds, tubular products, cast components and forged crankshafts. In downstream sales operations, we have invested in an automobile dealer holding company with Baosteel Group Corporation and have been developing a new car dealership network in the East China region. After establishing an integrated automobile logistics company in Nanjing, we are now providing diverse logistic services ranging from components to finished vehicles, including in-plant logistics.

In the construction equipment business, which is expected to see growth in demand on the back of increased infrastructure investment, we are focusing on the upgrade of our sales network. In this context, we are investing in Komatsu construction equipment distributors.

With its emphasis on domestic consumption-related sectors, we are also focusing on the import and sale of bananas as well as of Russian building materials in China.

PRINCIPAL SUBSIDIARIES AND ASSOCIATED COMPANIES CONTRIBUTING TO CONSOLIDATED RESULTS

	Shares in equity (End of FY2008) (%)	Main Business	Equity in earnings (FY2007) (100 million yen)	Equity in earnings (FY2008) (100 million yen)
Metal Products				
ERYNGIUM Ltd.	*90.00	Manufacture, processing and distribution of speciality metals for OCTG market [Shares in equity (FY2007): 50.00%]	46.6	57.7
SC Pipe Services Inc.	100.00	Investment in pipe manufacturing and sales company in the U.S.	18.6	52.9
National Pipe Company, Ltd.	16.00	Pipe manufacturing and sales company in Saudi Arabia	14.8	15.5
Asian Steel Company Ltd.	100.00	Shearing, slitting, and sale of steel plates	11.1	10.6
Sumisho Metalex Corporation	*100.00	Sale of non-ferrous metal products, materials for home heat solution	13.0	7.1
Transportation & Construction Systems				
P.T. Oto Multiartha	83.86	Financing of automobiles in Indonesia [Shares in equity (End of FY2007): 80.30%]	21.2	35.6
Sumitomo Mitsui Auto Service Company, Limited (Former Sumisho Auto Leasing Corporation)	60.00	Leasing of motor vehicles	49.8	19.1
P.T. Summit Oto Finance	*99.65	Financing of motorcycles in Indonesia [Shares in equity (End of FY2007): 99.51%]	6.2	8.8
Infrastructure				
MobiCom Corporation	33.98	Integrated telecommunication service in Mongolia	23.1	26.2
Sumisho Machinery Trade Corporation	*100.00	Trading of machinery, equipment and automobiles in Japan	18.6	16.7
Perennial Power Holdings Inc.	*100.00	Development, ownership and management of power plant in the U.S.	14.7	12.7
Media, Network & Lifestyle Retail				
Jupiter Telecommunications Co., Ltd.	27.73	Operation of multiple cable TV systems (MSO) and channels (MCO) [Shares in equity (End of FY2007): 27.76%]	67.5	78.3
SC Media & Commerce Inc. (Former Jupiter TV Co., Ltd.)	100.00	Management and operation of programming services and TV shopping channel	60.3	65.8
Summit, Inc.	*100.00	Supermarket chain	28.5	28.7
Sumisho Computer Systems Corporation	60.56	System Integration; data processing services; development and sale of computer software and hardware [Shares in equity (End of FY2007): 58.96%]	31.3	23.7
Montrive Corporation	*100.00	Sole import, designing and sale of the luxury line of chenille fabrics, "FEILER"	11.3	9.9
Mineral Resources, Energy, Chemical & Electronics				
Apex Silver Finance	35.00	Hedge trading for Bolivian silver, zinc and lead mines	(221.2)	221.2
Sumisho Coal Australia Pty. Ltd.	100.00	Investment in coal mines in Australia	83.8	211.7
Oresteel Investments (Proprietary) Limited	*49.00	Investment in Assmang iron ore and manganese mine in South Africa [Shares in equity (End of FY2007): 29.00%]	7.1	58.4
Nusa Tenggara Mining Corporation	74.28	Investment in and financing of the Batu Hijau copper/gold mine project in Indonesia [Interest in project: 35%]	91.3	34.5
SMM Cerro Verde Netherlands B.V.	20.00	Investment in the Cerro Verde copper mine in Peru	30.9	30.0
SC Minerals America, Inc.	*100.00	Investment in the Morenci copper mine, the Pogo gold mine in the U.S. and the Candelaria & Ojos del Salado copper mines in Chile	56.3	28.4
LNG Japan Corporation	50.00	Trading of LNG, investment and financing related to LNG business	16.4	19.9
Summit Agro Europe Ltd.	*100.00	Investment in agricultural chemicals business in Europe	8.0	16.6
2 companies with oil field interests in the North Sea	*—	Development, production and sale of crude oil and natural gas in the British and Norwegian zones of the North Sea	26.5	10.2
Sumitronics Corporation	100.00	Electronics Manufacturing Service	15.0	5.2
Sumitomo Shoji Chemicals Co., Ltd.	*100.00	Sale and trade of chemicals and plastics	16.3	1.7
Petro Summit Pte. Ltd.	*100.00	International trade of crude oil and petroleum products	13.0	(0.9)
Cantex Inc.	*100.00	Manufacture and sale of polyvinyl chloride pipes	(0.9)	(40.9)
The Hartz Mountain Corporation	*100.00	Manufacturing, distribution, and sales of pet care products in the U.S. [Shares in equity (End of FY2007): 96.30%]	0.5	(54.8)
2 silver, zinc and lead business companies in Bolivia	100.00	Investment in silver, zinc, and lead mine operating, and ore concentrate sales companies in Bolivia	(14.4)	(59.9)
General Products & Real Estate				
2 companies in the banana business	—	Import and sale of fruits and vegetables	4.0	17.0
TBC Corporation	*100.00	Retail and wholesale of tires in the U.S.	39.5	16.5
Financial & Logistics				
Sumitomo Mitsui Finance and Leasing Company, Limited. (Former Sumisho Lease Co., Ltd.)	*40.00	Finance & Lease [Shares in equity (End of FY2007): 45.00%]	89.4	56.0
Bluewell Corporation	100.00	Agent for casualty insurance and life insurance	7.4	4.9
Overseas				
Sumitomo Corporation of America	100.00	Export, import, wholesale	219.0	225.0
Sumitomo Corporation Europe Holding Ltd.	100.00	Export, import, wholesale	84.6	110.6
Sumitomo Corporation Asia Pte. Ltd.	100.00	Export, import, wholesale	70.5	56.4
Total 9 subsidiaries in China	100.00	Export, import, wholesale	34.9	37.9
Sumitomo Australia Limited	100.00	Export, import, wholesale	14.4	7.5

* Shares in equity and equity in earnings for companies marked with an asterisk are the percentage shares and equity amounts company-wide including other segments.