Sumitomo Corporation

CREATING A NEW TOMORROW

Annual Report 2010

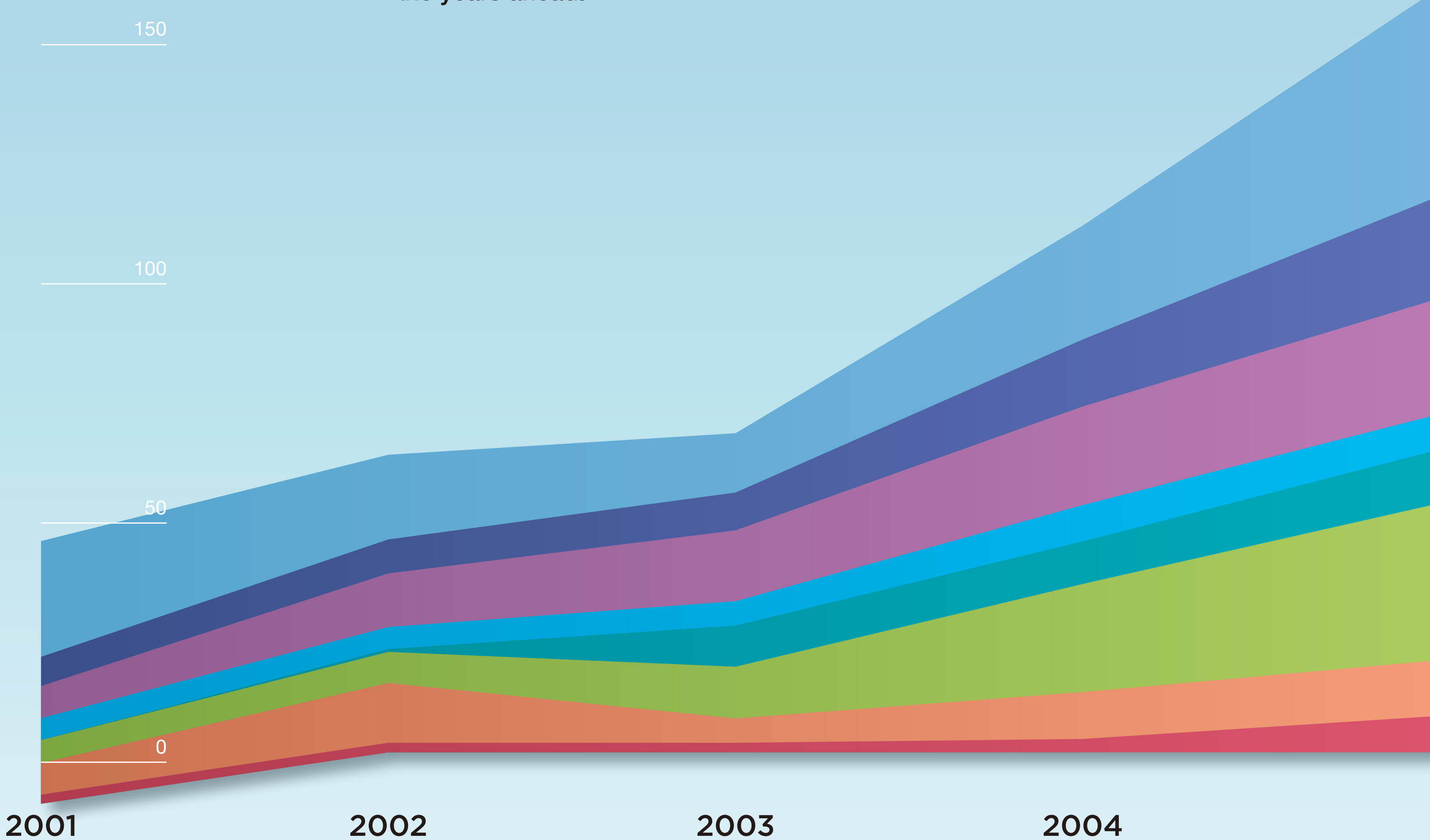
For the year ended March 31, 2010

CREATING A NEW TOMORROW WITH
A DIVERSE BUSINESS

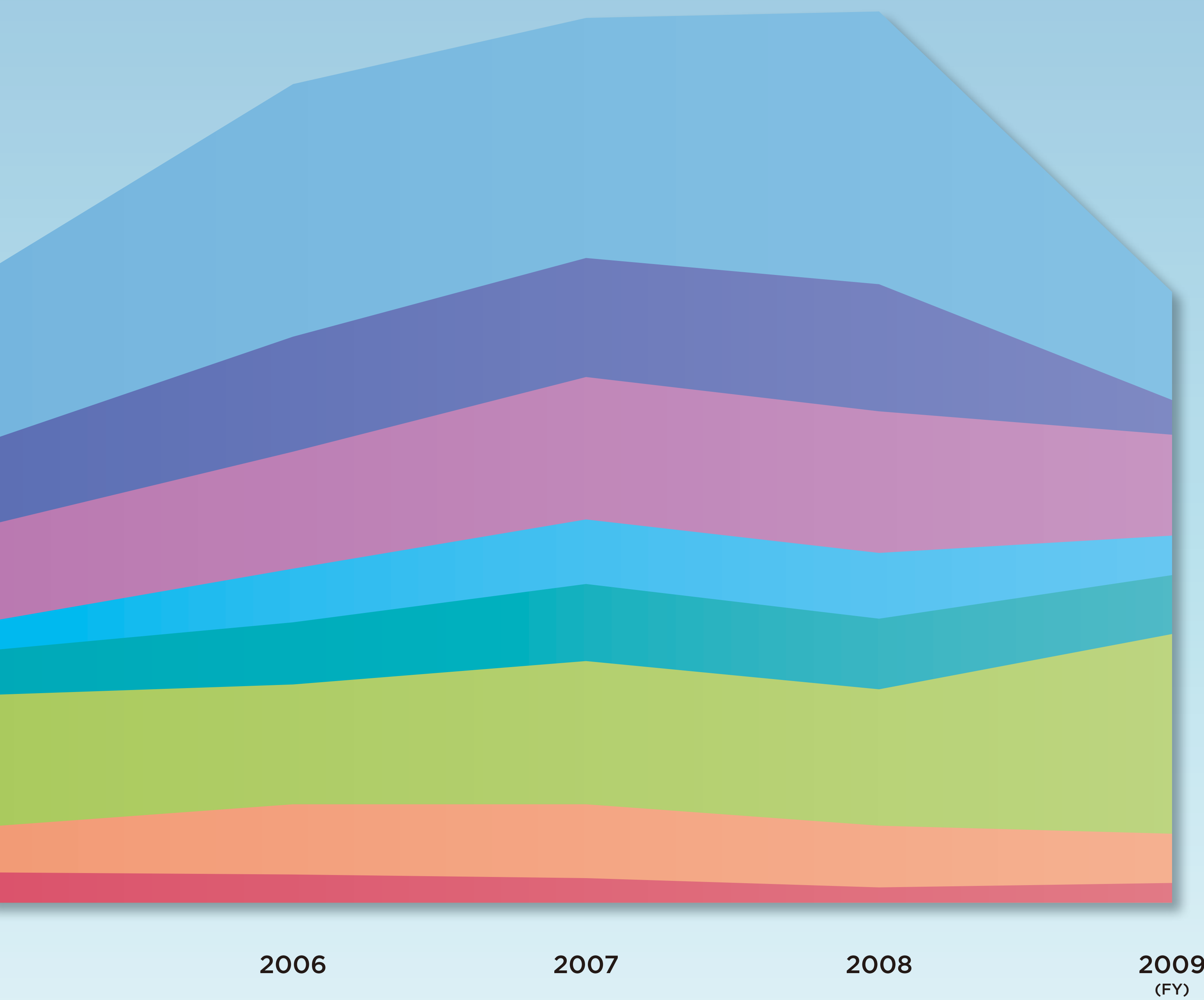
We have developed businesses in a diverse range of fields and built foundations that enable us to capture changes in the business environment.

Sumitomo Corporation has developed business in a broad range of fields, including mineral resources & energy, automobiles, media, and food. We are currently expanding our business by capturing changes in the environment and harnessing various business functions, ranging from upstream manufacturing to midstream distribution and downstream retailing and sales finance. Efforts by business units to strengthen their own business foundations have also led to the growth of Sumitomo Corporation as a whole.

By further enhancing these business foundations, we aim to achieve new growth in the years ahead.



PORTFOLIO



Basic Profit by Segment (including Domestic, Overseas and Others)

Notes: 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

· Results have been reclassified to reflect reorganizations.

· Excluding one-time hedging gain (loss) related to the San Cristobal silver-zinc-lead mining project in fiscal 2007 and fiscal 2008.

- Domestic, Overseas and Others
- Metal Products
- Transportation & Construction Systems
- Infrastructure
- Media, Network & Lifestyle Retail
- Mineral Resources, Energy, Chemical & Electronics
- General Products & Real Estate
- New Industry Development & Cross-function

[U.S.A.] Tubular Products Business

In the U.S. market, which accounts for roughly half of the world's demand for tubular products for oil and gas development, we started out in the distribution business in the late 1980s. From 2000, we strengthened our business foundation through entry into the tubular products manufacturing business, further expansion of our distribution network and acquisitions in the processing and oilfield services business. As a result, today we have grown into a corporate group in the top tier of all U.S. companies in this industry.

Tubular Product Value Chain

Manufacturing → Procurement and transport → Inventory management and maintenance → Processing and inspection → Delivery and repair

[Bahrain] IWPP Business

In power plant EPC, where we are contracted to perform services ranging from engineering to procurement and construction, the total generation capacity we have handled to date is approximately 47,000MW, putting us among the top tier of Japanese trading companies. Responding to increasing demand for power arising from economic growth in emerging countries, we have expanded into the IPP/IWPP* business leveraging knowledge and experience accumulated through various EPC projects. By taking full advantage of trading company functions such as financing, risk management and project development/management, we aim to enhance our strong business foundations in Southeast Asia, the Middle East and other regions going forward.

* IPP (Independent Power Producer)
IWPP (Independent Water and Power Producer)

We oversaw all engineering-installation subcontracting for the Tanjung Bin thermal power plant (EPC project) in Malaysia.

Al Hidd IWPP project in Bahrain

P.20
See Special Feature

[Indonesia] Automobile Finance Business

The automobile financing business we started in Indonesia in 1996 has grown steadily on the strength of its versatile financing methods based on Sumitomo Corporation's creditworthiness and of its human resources, who are trained through unique programs and at its own facilities.
In 2003, we expanded these operations by starting a motorcycle finance business. Based on their combined profit, our two companies in these fields have together grown into one of the leading companies by capturing robust demand for automobiles and motorcycles.

[Bolivia] San Cristobal Silver-Zinc-Lead Mining Project

In March 2009, we took over full ownership of Minera San Cristobal S.A. (MSC) by purchasing the 65% share of our former U.S. partner. We achieved a full turnaround by strengthening the management organization (including the dispatch of top executives from Sumitomo Corporation), improving operations efficiency, and implementing a new training scheme for all employees, while reducing overall production costs.
MSC has achieved and maintains full production and has become the third-largest silver producer and the sixth-largest zinc producer worldwide. MSC maintains world-class environmental, health and safety standards.

[Japan] Media Business

Jupiter Telecommunications Co., Ltd. (J:COM) was established in 1995 as Japan's first cable television multi-system operator, following the easing of broad area operating regulations for cable television systems. J:COM has created a world-leading structure for providing three integrated services—multichannel television, high-speed Internet access, and fixed-line telephone services—and has continued to enhance the quality of its programming. As a result, the number of J:COM household subscribers increased from 1.29 million as of December 31, 2001 to 3.27 million as of December 31, 2009.

J:COM leads the multichannel broadcasting market in Japan by operating cable television systems in major cities throughout Japan and providing specialty channels such as movie and sports channels.

J:COM

Net Income (Loss)
attributable to J:COM shareholders

2001
(¥27.0) billion

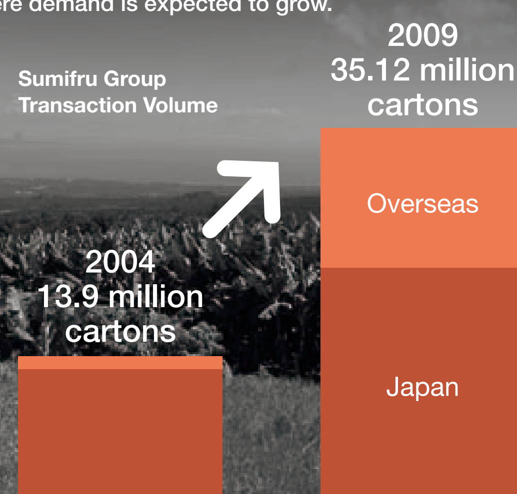
2009
¥30.5 billion

P.24
See Special Feature

[Philippines] Banana Business

Banana business was launched in the 1960s. Over the years, our group companies have expanded their production base by developing directly managed farms in the Philippines. In recent years, while establishing sales and distribution networks in Japan, a focus has been given on quality control and product development. A controlled low-temperature transport system from plantation sites to retail shops (a so-called "*Cold Chain*") was introduced for better quality control. Bananas grown in highland areas are now marketed under own corporate brands such as *Kanjukuoh ("the King of Bananas")* in Japan. Today, our banana business has grown to account for a 25% share of the Japanese market. Overseas, we will strive for further growth through sales in China, the Middle East, and other countries and regions where demand is expected to grow.

Sumifru Group Transaction Volume



1 carton = approx. 13.5kg

[Vietnam] Overseas Industrial Park Business

We have developed and have been operating industrial parks in Indonesia, the Philippines and Vietnam, as Japanese companies have actively stepped up investment and expanded operations in Asia in response to the strong yen and other factors following the Plaza Accord in 1985. Not only do we provide clients with electricity, water and other infrastructure, but we also advise them on how to abide by local laws and ordinances, and furnish them with guidance on resolving tax and labor disputes, and we operate logistics centers and help clients procure raw materials. In these and other ways, our integrated corporate strengths as a trading company are a cornerstone for supporting clients' operations.

Developing Businesses in Diverse Regions

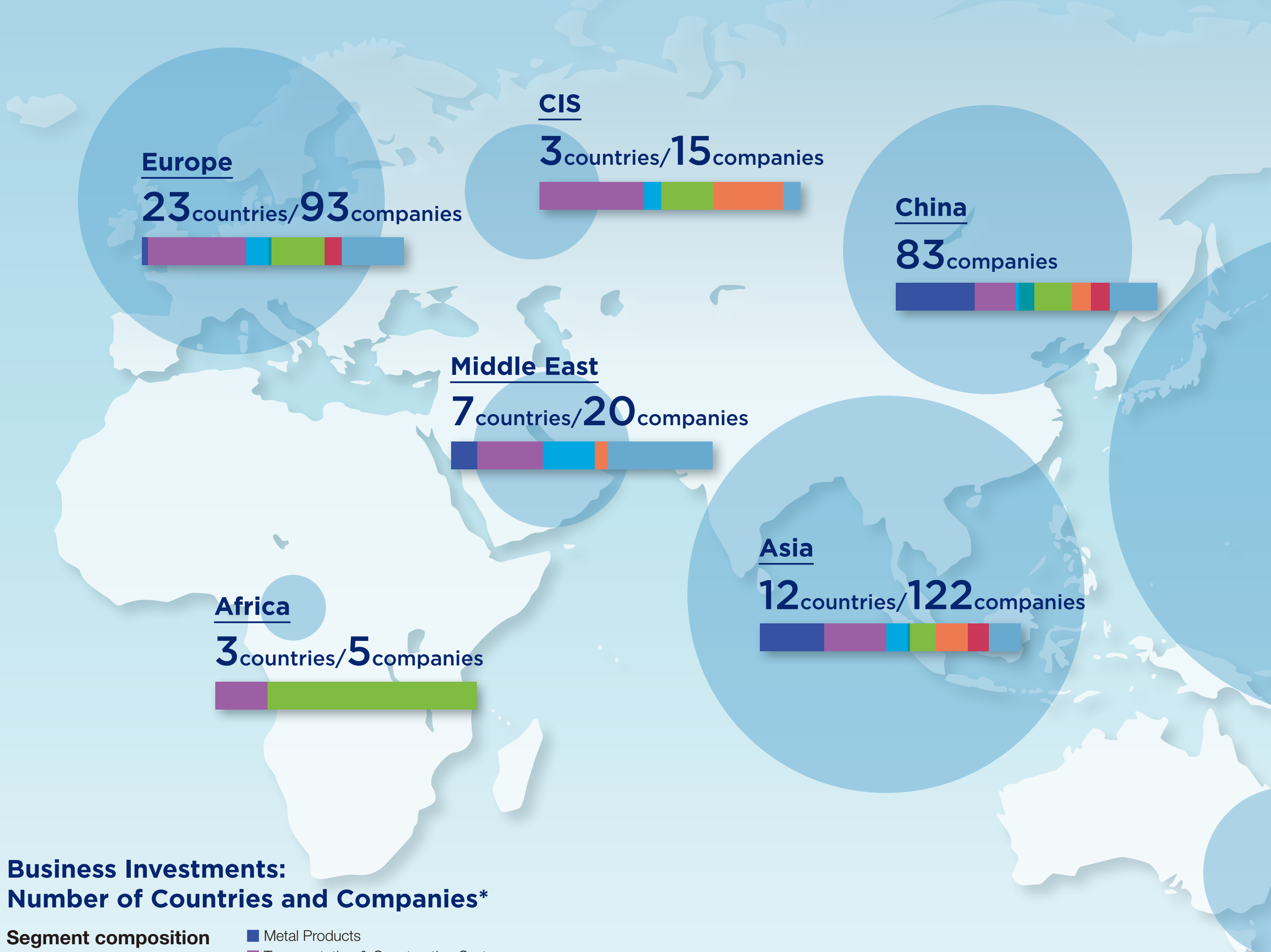
CREATING A NEW TOMORROW WITH

A DIVERSE REGIONAL PORT

We are developing business globally in order to capture market growth in each region.

Sumitomo Corporation has expanded business models established worldwide to new regions. Furthermore, we have modified and adjusted each business model to fit economic conditions and consumption patterns in each region. As a result of these measures, Sumitomo Corporation's 787 Group companies around the world are expanding their earnings base by capturing market growth in various regions.

Going forward, we intend to continue building business foundations in various regions, in order to align market expansion with the growth of Sumitomo Corporation as a whole.



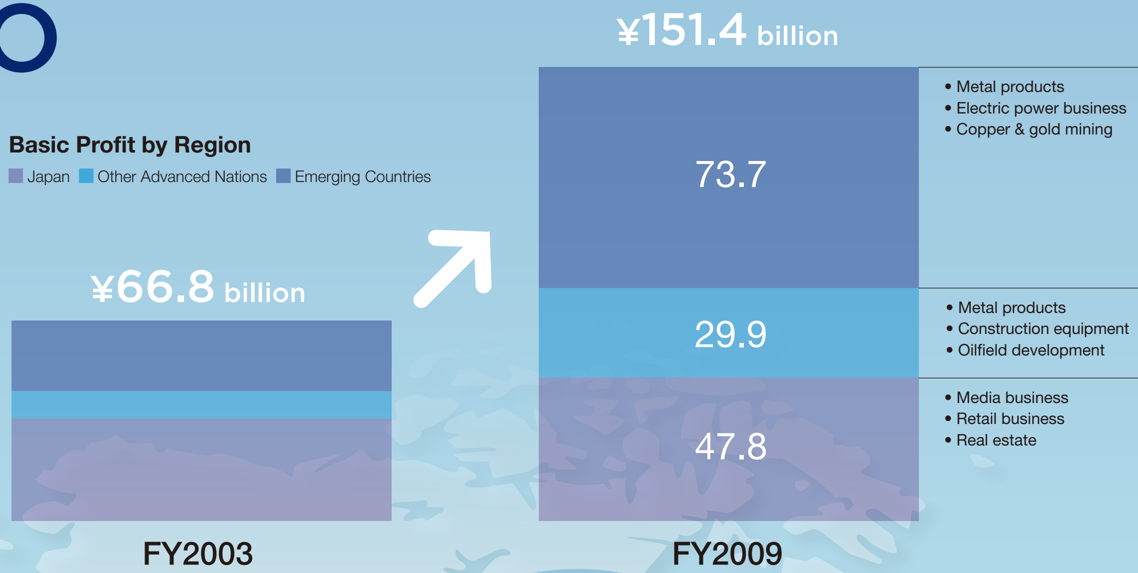
Business Investments:
Number of Countries and Companies*

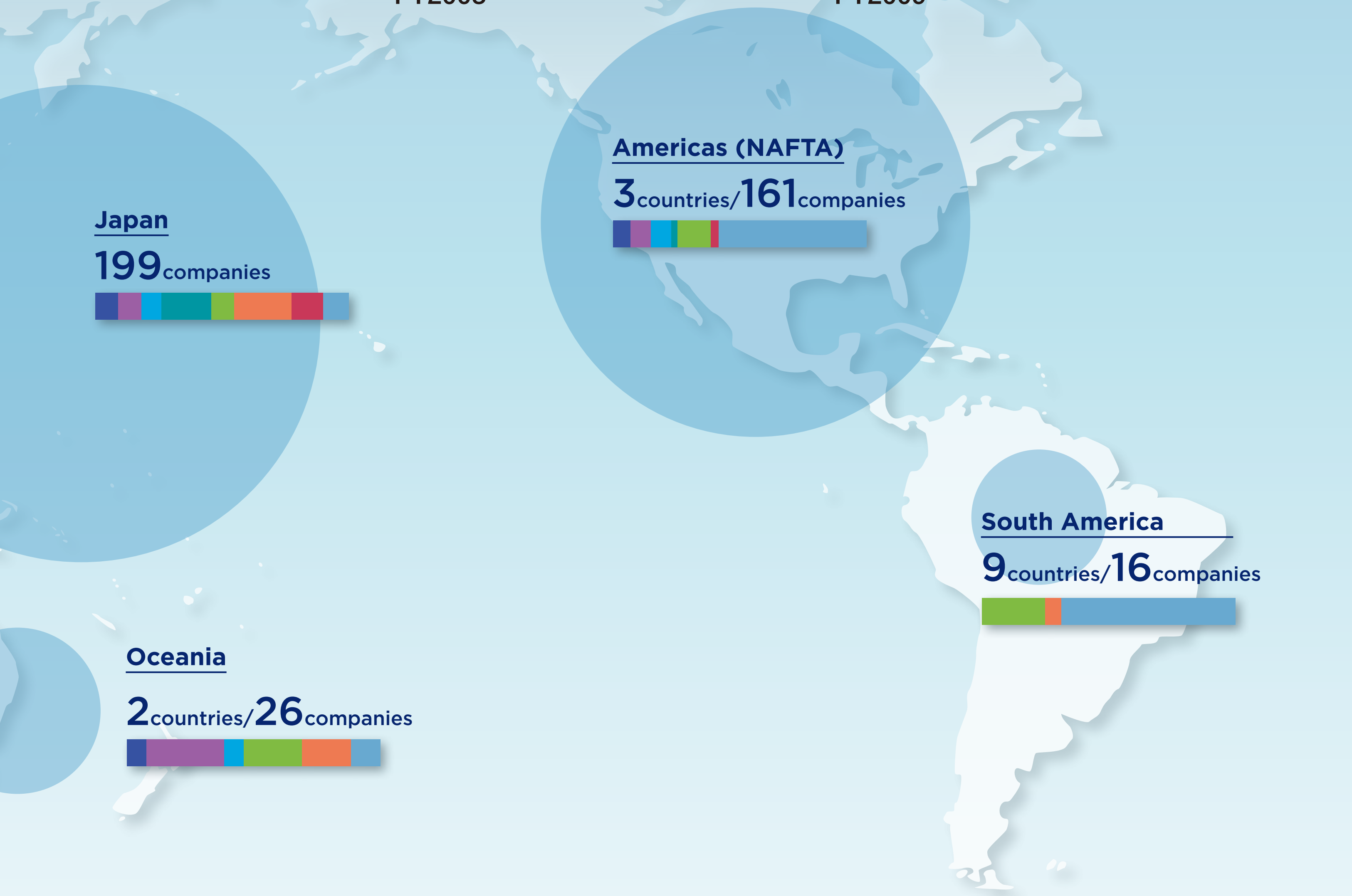
Segment composition of business investments

- Metal Products
- Transportation & Construction Systems
- Infrastructure
- Media, Network & Lifestyle Retail
- Mineral Resources, Energy, Chemical & Electronics
- General Products & Real Estate
- New Industry Development & Cross-function
- Domestic, Overseas & Others

* This map shows the general locations of 740 Sumitomo Group operating companies, excluding 47 special purpose companies (SPCs) such as ship holding companies.

FOLIO


Basic Profit by Region
Japan
Other Advanced Nations
Emerging Countries
¥66.8 billion
FY2003
¥151.4 billion
73.7
29.9
47.8
FY2009
• Metal products
• Electric power business
• Copper & gold mining
• Metal products
• Construction equipment
• Oilfield development
• Media business
• Retail business
• Real estate

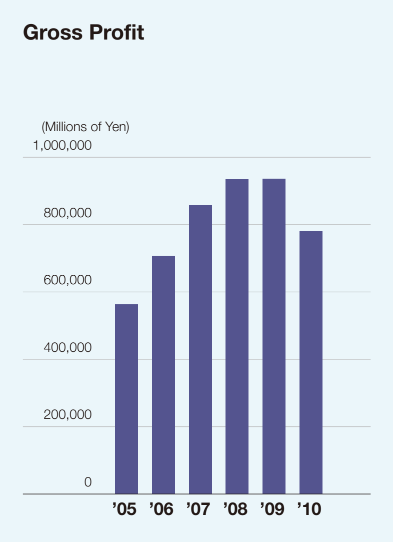

Japan
199companies
Americas (NAFTA)
3countries/161companies
South America
9countries/16companies
Oceania
2countries/26companies

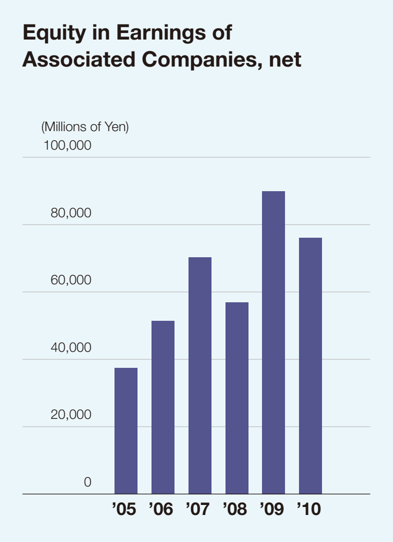
FINANCIAL HIGHLIGHTS

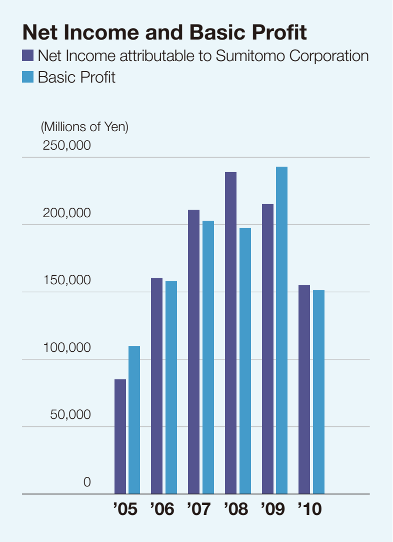
For the years ended March 31

	Millions of Yen					
	2010	2009	2008	2007	2006	2005
Results of Operations:						
Gross Profit	¥ 779,512	¥ 935,232	¥ 934,542	¥ 857,689	¥ 706,647	¥ 563,130
Net Financial Income	(12,773)	(21,487)	(27,578)	(22,991)	(9,530)	(2,259)
Interest Expense, net	(24,070)	(36,120)	(42,838)	(37,086)	(19,953)	(8,645)
Dividends	11,297	14,633	15,260	14,095	10,423	6,386
Equity in Earnings of Associated Companies, net	76,132	89,954	56,942	70,307	51,374	37,387
Net Income attributable to Sumitomo Corporation	155,199	215,078	238,928	211,004	160,237	85,073
Financial Position at Year End:						
Total Assets	7,137,798	7,018,156	7,571,399	8,430,477	6,711,894	5,533,127
Sumitomo Corporation Shareholders' Equity	1,583,726	1,353,115	1,492,742	1,473,128	1,303,975	934,891
Interest-Bearing Liabilities (net)	2,781,791	3,186,833	3,247,556	2,913,256	2,622,176	2,376,014
Cash Flows:						
Net Cash Provided by (Used in) Operating Activities	510,425	348,779	323,662	194,279	(60,803)	(19,365)
Net Cash Used in Investing Activities	(59,381)	(261,517)	(298,041)	(449,740)	(137,898)	(52,651)
Free Cash Flow	451,044	87,262	25,621	(255,461)	(198,701)	(72,016)
Net Cash (Used in) Provided by Financing Activities	(150,103)	(5,844)	7,866	169,682	256,666	111,177

Note: For the fiscal year ended March 31, 2010, the Companies adopted ASC 810 "Consolidation" (formerly SFAS No. 160) and changed the certain presentation. The prior years amounts are reclassified to conform to ASC 810.

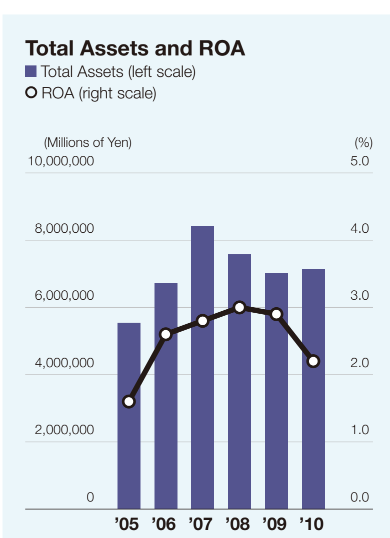


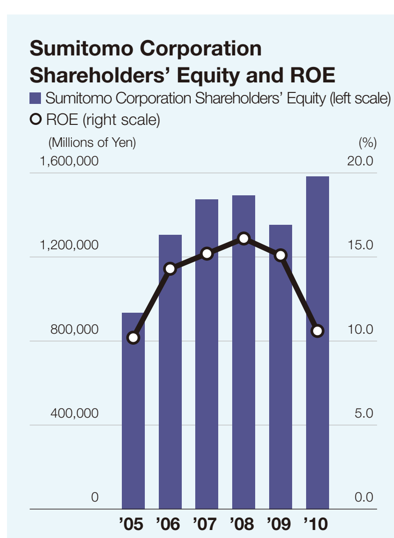


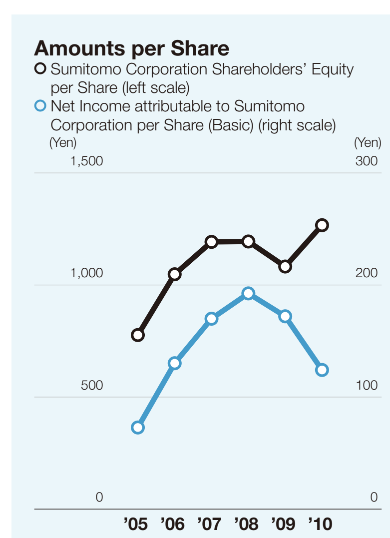


	2010	2009	2008	2007	2006	2005
				Yen		
Amounts per Share:						
Net Income attributable to Sumitomo Corporation: Basic	¥ 124.15	¥ 172.06	¥ 192.51	¥ 169.93	¥ 130.18	¥ 72.83
Diluted	124.12	172.03	192.47	169.90	130.17	72.82
Sumitomo Corporation Shareholders' Equity	1,266.93	1,082.47	1,194.20	1,192.35	1,047.88	776.61
Cash Dividends Declared for the Year*1	24.00	34.00	38.00	33.00	25.00	11.00
				%, Times		
Ratios:						
Sumitomo Corporation Shareholders' Equity Ratio (%)	22.2	19.3	19.7	17.5	19.4	16.9
ROE (%)	10.6	15.1	16.1	15.2	14.3	10.2
ROA (%)	2.2	2.9	3.0	2.8	2.6	1.6
Debt-Equity Ratio (net) (times)	1.8	2.4	2.2	2.0	2.0	2.5
				Millions of Yen		
For Reference:						
Total Trading Transactions*2, 3	¥7,767,163	¥10,749,996	¥11,484,585	¥10,528,277	¥10,336,265	¥9,898,598
Operating Income*2	120,517	263,392	254,101	239,748	176,133	112,385
Basic Profit*4	151,356	242,982	197,126	202,938	158,347	109,970

*1 Cash dividends per share represents the cash dividends declared applicable to each respective year, including dividends paid after the year-end.
*2 Total trading transactions and operating income are presented in a manner customarily used in Japan solely for Japanese investors' purposes.
*3 Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which the Companies act as a principal or as an agent. Total trading transactions is a measure commonly used by Japanese trading companies. It is not to be construed as equivalent to, or a substitute for, sales or revenues under accounting principles generally accepted in the United States of America ("U.S. GAAP").
*4 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
(Tax rate was 41% for fiscal year ended March 31, 2005 and after)







CONTENTS

Cautionary Statement Concerning Forward-Looking Statements

This report includes forward-looking statements relating to our future plans, targets, objectives, expectations, and intentions. The forward-looking statements reflect management's current assumptions and expectations of future events and, accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The management targets included in this report are not projections, and do not represent management's current estimates of future performance. Rather, they represent targets that management strives to achieve through the successful implementation of the Company's business strategies. The Company may be unsuccessful in implementing its business strategies, and management may fail to achieve its targets.
The Company is under no obligation—and expressly disclaims any such obligation—to update or alter its forward-looking statements.

Susumu Kato, President and CEO

CREATING A NEW TOMORROW WITH STRENGTH

—STRENGTH IN DIVERSE BUSINESS FOUNDATIONS AND FUNCTIONS

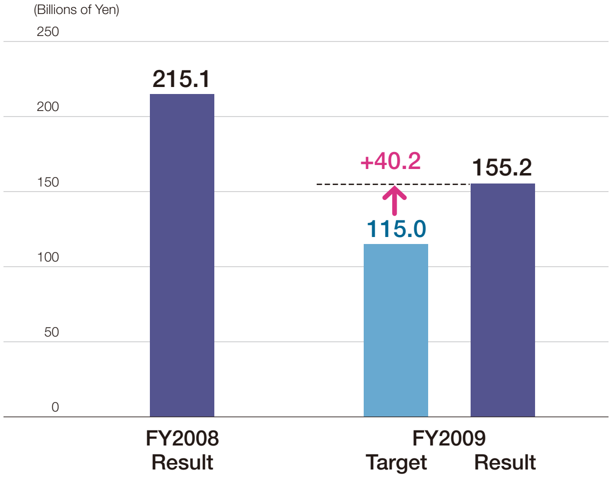
As we look ahead, we will continue to take full advantage of our global business foundations and trading company functions, to align expansion in various fields and regions with our own growth.

Results for Fiscal 2009

In fiscal 2009 (ended March 31, 2010), the first year of our FOCUS'10 medium-term management plan, net income totaled ¥155.2 billion, greatly exceeding our initial target of ¥115.0 billion, even though the financial crisis impacted market conditions and led to a drop in commodity prices. This performance reflected profits from our silver-zinc-lead mining project in Bolivia and in other areas in mineral resources & energy that were better than we originally assumed. In addition, earnings from Asian and other emerging countries and the positive effect of the proactive replacement of assets also contributed to our performance.

The initial target of ¥115.0 billion for fiscal 2009 was only around half of net income in fiscal 2008. When setting this target, we gave first priority to building a firm earnings base in order to establish a business model capable of generating consistent growth after the global financial crisis. In this process, we also considered possible losses regarding withdrawal from low-profit business. Given the challenging conditions, I believe the level of net income in fiscal 2009 was satisfactory.

Net Income



In regard to our policy on shareholder returns, for the two-year FOCUS'10 period, we have set the dividend payout ratio at around 20%, because we will make active investments to raise our corporate value over the medium and long term, as well as strengthen our financial soundness. Based on this policy, we paid annual dividends of ¥24 per share for fiscal 2009.

Net income for fiscal 2009 and 2010 represents net income attributable to Sumitomo Corporation, and is the same as net income which had been used until fiscal 2008.

Initiatives Under FOCUS'10

FOCUS'10: Policies

We are executing a selective & focused growth strategy through FOCUS'10, as the engine of growth in the global economy shifts from developed countries to emerging countries and financing conditions change. Through this strategy, we aim to build a corporate framework and growth model capable of maintaining sustained growth in any environment.

FOCUS'10 Fundamental Principles and Qualitative Targets

"A Growth Scenario on a New Stage"

Fundamental Principles

- Promote medium/long-term growth by enhancing value-creation capability while reinforcing soundness and efficiency
- Promote company-wide growth by leveraging the diversity and strengths of our businesses

Qualitative Targets

- Steady execution of selective & focused growth strategy
- Thorough reinforcement of soundness and efficiency
- Development of human and organizational dynamism to enhance value-creation capability

We have already established business foundations on a global scale, with seven product-based business units and regional organizations in Japan and overseas encompassing a broad range of industries and regions. Based on these foundations and functions developed through each business, we are constructing solid pillars of profit by advancing selective & focused activities in anticipation of future growth fields. In particular, under FOCUS'10, we will allocate business resources to fields such as mineral resources & energy, infrastructure, and media that offer numerous investment opportunities and where we can leverage our strengths. Regionally, business resources will be focused primarily on emerging countries.

Another goal is to further reinforce financial soundness and efficiency by promoting balance sheet management. In the process, we aim to restore positive free cash flow, and curtail interest-bearing debt, while securing investment capital so that we can continue to invest in our growth in any financial and economic environment.

FOCUS'10: Progress and Plan (details on page 15–17)

Fiscal 2009 Progress

Based on the above policies, in fiscal 2009, we focused on strengthening our foundations in the business fields of mineral resources & energy, and infrastructure, and regionally we concentrated on emerging countries. We executed investment and finance of around ¥200 billion (¥90 billion in risk assets) in these areas. Regarding balance sheet management, we reduced assets according to the plans of each business segment, recovering cash of about ¥120 billion. Through these measures, we achieved results that were in line with initial plans or better in terms of the key financial indicators established as quantitative targets.

Based on steady progress with strengthening our financial soundness through balance sheet management and the upturn in recent investment conditions, we have raised our investment and finance plan over the two years by ¥100 billion, from ¥500–600 billion initially (¥200 billion in risk assets) to ¥600–700 billion (¥260 billion in risk assets).

Fiscal 2010 Plan

FOCUS'10 has entered its second year. When we initially formulated the plan, we expected the pace of the global economic recovery to proceed at a slightly faster pace in the second year. However, looking at actual conditions, we believe that the pace of recovery is slightly slower than originally anticipated. Still, the pace of the recovery varies

significantly depending on the business field and region. By region, conditions have remained severe in the tubular products business in the Americas and in automobile and construction equipment businesses in Europe. In contrast, emerging regions such as China and Southeast Asia are regaining their former strength on the whole. Looking ahead, we intend to capture the strong demand in these regions to fuel our own growth on a company-wide basis.

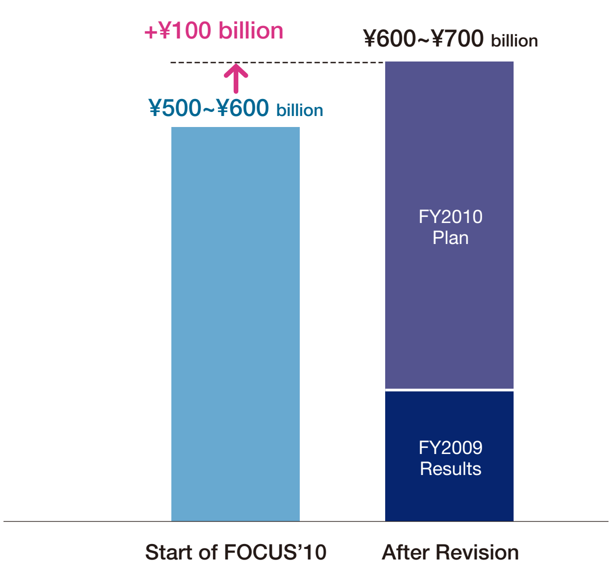
Against this backdrop, we will execute investment and finance of ¥400–500 billion (around ¥170 billion in risk assets) in fiscal 2010, principally in the fields of mineral resources & energy, infrastructure and media, while regionally we will maintain our focus on emerging countries. In mineral resources & energy, we will acquire new upstream interests as we prepare to begin production at the Ambatovy nickel project in Madagascar. In infrastructure, we will focus on an expansion project at the Tanjung Jati B (TJB) coal-fired thermal power plant in Indonesia, in addition to expanding IPP/IWPP businesses and wind power/water infrastructure businesses.

In the maturing domestic market, we will actively allocate business resources to media, where expansion is anticipated. In April 2010, we increased our equity stake in Jupiter Telecommunications Co., Ltd. (J:COM), our core media business, to 40.1% (voting rights), through additional share purchases. We will accelerate J:COM's growth as its largest shareholder. At the same time, together with KDDI Corporation, which became a major shareholder of J:COM, we will build a cooperative business relationship in order to enhance the corporate value of J:COM (see pages 24–25 for details).

In fields other than infrastructure and mineral resources, we are expanding businesses that take full advantage of our strengths in growing newly emerging markets. For instance, we are investing in tubular products manufacturing in Brazil as well as conducting mining equipment sales businesses in Mongolia and Russia.

In order to create future growth foundations, we established the New Industry Development & Cross-function Business Unit in April 2010. The environment and new energy businesses have been consolidated in the New Business Development & Promotion Division, which is part of the new business unit. Our goal is to capture growing earnings opportunities by accelerating company-wide efforts to develop these businesses (see pages 26–27 for details). In other fields, the Value Integration Committee, which is in charge of incubating new businesses company-wide, has been strengthening its activities to construct new pillars of profit from a medium- and long-term perspective.

Investment and Finance Plan and Results (Two Years)



Fiscal 2010 Outlook

Through these initiatives, we are targeting net income of ¥160 billion in fiscal 2010. We expect total assets to be on target at ¥7,350 billion at the fiscal year-end, mostly the same level as when FOCUS'10 was formulated. We are forecasting a Risk-adjusted Return Ratio* (two-year average) of about 11% and free cash flow (total over two years) of ¥250 billion.

We plan to maintain a dividend payout ratio of 20% in fiscal 2010 and pay annual dividends of ¥25 per share for fiscal 2010, provided net income reaches our ¥160 billion target. In addition, given that our financial soundness is improving, and for the purpose of returning the benefits of our enhanced earnings power to shareholders, we will consider raising the dividend payout ratio.

* Risk-adjusted Return Ratio = net income/risk-adjusted assets (maximum possible losses). It is an indicator of profitability against quantified risk.

TOPICS Execution of FOCUS'10

Steady Progress Under Selective & Focused Growth Strategies:

Fiscal 2009 Investment Results and Fiscal 2010 Plan

In fiscal 2009, investment and finance totaled ¥200 billion and were principally focused on the mineral resources & energy and the infrastructure fields.

In the mineral resources & energy field, we acquired interests in the Pogo Gold Mine in Alaska, U.S.A. from a major Canadian mining company together with Sumitomo Metal Mining Co., Ltd., and raised our interest from 9% to 15%. Construction at the Ambatovy nickel project in Madagascar is proceeding steadily. It will begin production around the beginning of 2011, with full production planned for 2013. This project is one of the largest of its kind worldwide in terms of integrated production ranging from nickel ore to bare metal. Plans call for annual output of 60,000 tons of nickel metal and 5,600 tons of cobalt metal upon completion.

In the energy field, we acquired Oranje-Nassau (U.K.) Limited, the owner of the Elgin/Franklin Field, the third-largest oil and gas field in terms of recoverable reserves in the British North Sea, a strategically important region. In shale gas, an area with huge untapped reserves and development potential, we acquired interests in gas developments at the Barnett Shale Field in Texas, the largest shale gas field in the United States.

In the infrastructure field, investment and finance totaled ¥20 billion in fiscal 2009. We purchased existing wind and thermal power plants in the United States and are focusing resources on an expansion project at the Tanjung Jati B (TJB) coal-fired thermal power plant in Indonesia. The total generation capacity of this project is 1,320MW.

Looking at the breakdown of these investments by region, Japan accounted for 30%, developed countries 40%, and emerging countries 30%. Particularly in emerging countries, we worked to regionally expand our successful business models in the metal products, transportation & construction systems, and infrastructure fields. One prime example was the expansion of our successful motorcycle financing business in Indonesia to the Philippines, where we have newly launched operations.

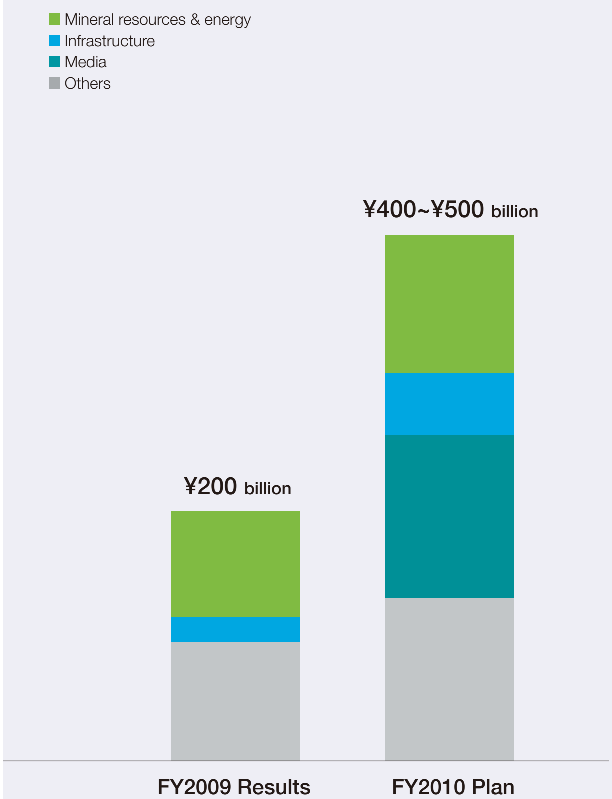
In fiscal 2010, opportunities for investment in prime projects are rising. We will take advantage of our stronger financial soundness to seize these opportunities. We will execute investment and finance of ¥400–500 billion in the mineral resources & energy, infrastructure and media fields, ¥100 billion more than initially planned.

Building the Foundations for Medium- and Long-Term Growth:

New Industry Development & Cross-function Business Unit

In an effort to construct future pillars of profit, we are supporting the process of identifying and developing new businesses from a company-wide perspective by strengthening the activities of the Value Integration Committee, which was established in fiscal 2007. Through FOCUS'10, Sumitomo Corporation has worked across the company on strategically important themes such as food and agriculture, a growing concern worldwide, projects for Sub-Saharan Africa, which is expected to become an emerging market with solid growth prospects, as well as the environment and new energy field, where we are already active.

Investment and Finance Plan and Results (by Field)



Main Investment and Finance Projects

FY2010 Plan

Mineral resources & energy field: ¥110 billion*
- New upstream interests
- Ambatovy nickel project

Infrastructure field: ¥50 billion*
- IPP/IWPP, wind power/water infrastructure
- TJB expansion project

Media field: ¥130 billion
- Tender offer for shares of J:COM (Completed April 21, 2010)

Others: ¥110~210 billion
- Tubular products manufacturing in Brazil
- Recycling of waste consumer electronic and home appliances in China

FY2009 Results

Mineral resources & energy field: ¥85 billion*
- Oil fields in the British North Sea
- Pogo Gold Mine
- Ambatovy nickel project
- Shale gas

Infrastructure field: ¥20 billion*
- Wind farm and gas-fired power plant interests (U.S.)
- TJB expansion project

Others: ¥95 billion

* Company-wide investment amount including business segment and overseas

The New Industry Development & Cross-function Business Unit was established in April 2010 to enhance activities in the environment and new energy field. The new business unit will augment the existing capabilities of the financial & logistics business and build new foundations in the environment and new energy field. The New Business Development & Promotion Division established in April 2010 will be responsible for the latter capability. The division brings together 72 members from 12 different divisions with the aim of harnessing and fusing experience, knowledge, and partnerships with customers and other stakeholders in each of these business fields. In fiscal 2010, we will strive to build new business foundations for each field and region, with the view to ensuring medium- and long-term growth on a company-wide basis.

Steadily Reinforcing Financial Soundness and Efficiency:

Progress With Balance Sheet Management

Under FOCUS'10, we are replacing assets by curtailing low-profit assets and discontinuing businesses with weak growth prospects in order to actively invest in promising growth fields, with the aim of thoroughly reinforcing financial soundness and efficiency. Toward this end, we aim to restore positive free cash flow, and ensure that total assets as of March 31, 2011 are at the same level as of March 31, 2009.

In fiscal 2009, in addition to reducing operating assets by optimizing inventory levels and taking other steps, we actively promoted the replacement of assets. For example, we recovered cash of approximately ¥120 billion through the sale of assets, including equity in Petro Summit Investment UK Limited (a developer of oil fields in the North Sea), as well as our own ships, office buildings, and other properties.

In fiscal 2010, the amount of investment and finance is expected to be higher than the two-year plan. Nevertheless, through our ongoing efforts to replace assets in fiscal 2009, we expect total assets of ¥7,350 billion at the end of FOCUS'10, roughly the same amount as at the beginning of the plan, excluding the increase in cash and deposits. We expect positive free cash flow of ¥250 billion over the two-year period, and we believe that the goals of FOCUS'10 are well within reach.

Key Financial Indicators

	Start of FOCUS'10 (Mar. 31, 2009)	End of FOCUS'10 (Outlook) (Mar. 31, 2011)	Quantitative Targets and Plan (Initial plan of FOCUS'10)
Total Assets	¥7,018.2 billion	¥7,350.0 billion	Same level as March 31, 2009
Total Shareholders' Equity*1	¥1,353.1 billion	¥1,700.0 billion	—
Shareholders' Equity Ratio	19.3%	Around 23%	—
Interest-bearing Liabilities (net)	¥3,186.8 billion	¥3,000.0 billion	—
Debt-equity Ratio (net) (times)	2.4	Around 1.8	—
Risk Assets	¥1,380.0 billion*2	¥1,540.0 billion	Increase ¥100.0 billion (net) from March 31, 2009
Risk Return (2-year avg.)	GG Plan (former mid-term management plan) 16.5%	FOCUS'10 Around 11%	FOCUS'10 Around 10%
Free Cash Flow (2-year total)	GG Plan (former mid-term management plan) ¥57.8 billion	FOCUS'10 ¥250.0 billion	FOCUS'10 Positive

*1 "Total Shareholders' Equity" includes only "Sumitomo Corporation shareholders' equity" and does not include non-controlling interests. It is the same as "Shareholders' equity" which had been used until fiscal year 2008. Similarly, "Shareholders' equity" used in calculating "Shareholders' Equity Ratio" and "Debt-equity Ratio (net)" does not include non-controlling interests.
*2 Due to a revision of the calculation method for risk assets, risk assets at the beginning of FOCUS'10 and at the end of GG Plan are not the same.

Sumitomo Corporation's Strengths

I believe that our strengths lie in having our own global business foundations and in our ability to conduct many different businesses in various regions worldwide. Another major advantage is our ability to create new value by capturing changing business conditions and the needs of our customers. In this regard, our efforts to construct solid pillars of profit in FOCUS'10 will lead to the accumulation of strengths, and will be key to realizing sustained growth in the future.

Until now, we have worked to build a balanced business portfolio capable of withstanding changes in business conditions, but the financial crisis and its ensuing volatility have had some serious repercussions. This does not mean, however, that our policies were fundamentally misguided. I believe that it means that we still have issues to address in terms of how we have executed business until now.

Based on this understanding, we plan to steadily build-up our strengths by achieving the goals of FOCUS'10. Our ability to demonstrate our extensive strengths in as many situations and businesses as possible may depend on our ability to nurture and enhance our human resources on a global scale. In other words, I believe that global human resources development is a top priority for achieving sound growth in the future. Looking ahead, therefore, we intend to actively allocate business resources to human resources development.

By further enhancing our functions and demonstrating them across our diverse business foundations, we are confident that our initiatives in growth fields and expanding regions will foster growth for our company. I invite you to expect the very best from us in the years ahead.

Susumu Kato
President and CEO
July 2010

Core Business Expansion

Infrastructure Business
P.20

Media, Network & Lifestyle Retail Business
P.24

CREATING A NEW TOMORROW WITH

Sumitomo Corporation has built up strengths including its global business foundations and trading company functions through business activities over the years. Under our current FOCUS'10 medium-term management plan, the main thrust of our strategy is to leverage our strengths to construct solid pillars of profit for the future.
In the special feature, we take a look at our strategies from two perspectives—Core Business Expansion in existing businesses, and New Business Innovation to set the stage for the future.

New Business Innovation

New Business Development & Promotion Division
P.26

CORE BUSINESS EXPANSION

[Infrastructure Business]

Initiatives in the Power and Wind Power/Water Infrastructure Fields

Our infrastructure business plays an important role in supporting a broad range of industries and people's lives around the world. In particular, the power and wind power/water infrastructure fields offer strong prospects for stable earnings over the medium and long term, and business opportunities should continue to increase substantially in step with future market growth. In addition, we believe that these fields take full advantage of our strengths, including our functions and business expertise obtained through business over many years.

In this feature, we present our initiatives in the power and wind power/water infrastructure fields in detail.

Our activities in the power field started out with the export of power equipment in the 1960s, and we then evolved our functions in line with market needs. Specifically,

we started the installation of equipment and a power plant EPC*1 business, which provides a full-line of services ranging from power plant design to construction. In the power plant EPC business, we have been involved with the construction of many different types of power plants, such as thermal, hydropower, geothermal and biomass power plants mainly in Asia, including Indonesia, Malaysia and Vietnam. We have completed power plants with a total generation capacity of approximately 47,000MW (as of March 31, 2010). While implementing initiatives that fit the unique needs of various regions, we have sharpened our strengths by raising the sophistication of project execution functions, including finance and risk management functions, as well as project arrangement and organizer functions. Other measures include building strong relationships with customers and business partners, and deepening our insight into the market characteristics of each region.

Leveraging these strengths, we entered the IPP/IWPP*2 businesses on a full scale at the beginning of 2000, and today have expanded our power generation capacity to 5,000MW*3.

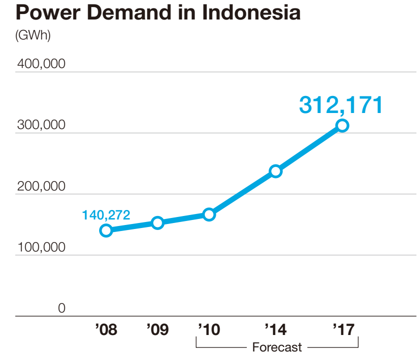
Furthermore, we are expanding our business foundations to the wind power/water infrastructure fields. This market as a whole boasts a high potential growth rate, and we can effectively use business expertise built-up in IPP/IWPP operations.

*1 EPC (Engineering, Procurement and Construction)
*2 IPP (Independent Power Producer)
IWPP (Independent Water and Power Producer)
*3 Total of retained generation capacity both in operation and contract, as of March 31, 2010

Tanjung Jati B

Sumitomo Corporation has built and owns the Tanjung Jati B (TJB) coal-fired thermal power plant, one of the largest of its kind in Indonesia (total capacity of Units 1 & 2: 1,320MW), and currently leases the plant to PT. Perusahaan Listrik Negara (PLN), an Indonesian state-owned electricity corporation. Although the project encountered unforeseen twists and turns, such as the suspension of construction in the wake of the financial and economic turmoil triggered by the Asian currency crisis, it was resumed through the development of an entirely new financing scheme, resolute coordination and other measures. After a period of 11 years, the power plant was finally completed in 2006. Thereafter, in response to rapidly increasing power demand driven by population growth and industrialization, we were appointed to conduct an expansion project at the TJB coal-fired thermal power plant based on discussions with various Indonesian government authorities. An expansion project (construction of Units 3 & 4, total capacity: 1,320MW) is currently under way with the aim of commencing operations in fiscal 2011. Harnessing its track record in the power business in Indonesia, including the TJB coal-fired thermal power plant, Sumitomo Corporation is working to expand its business in the country by accurately capturing market needs.

Power Demand in Indonesia



Source: Ministry of Energy and Natural Resources

Leveraging Extensive Expertise in the Power Plant EPC Business to Reinforce Our Earnings Base—IPP/IWPP Business

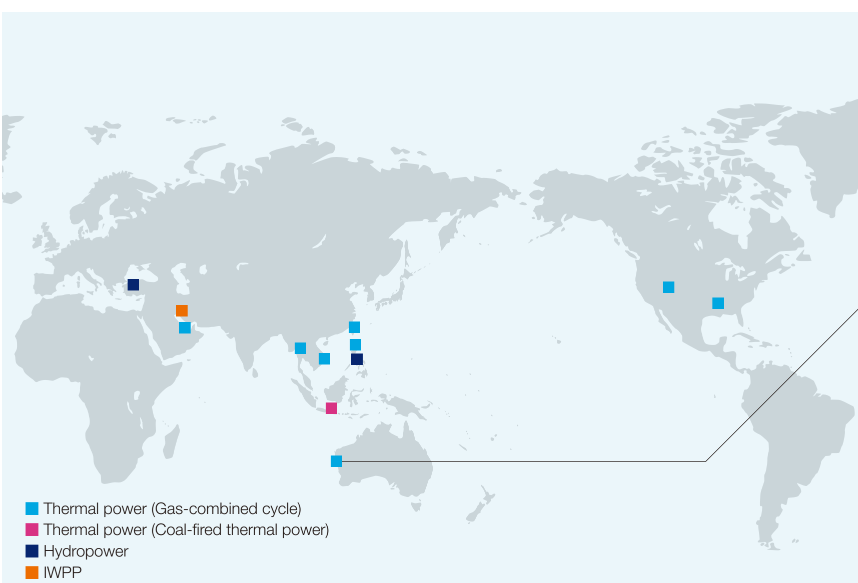
Based on initiatives in the power plant EPC business, we are also focusing efforts on the IPP/IWPP business. Having entered the business on a full scale in 2000, we have a relatively short track record in this field. However, we have steadily expanded business mainly in Asia, but also in the U.S., Middle East, Australia and other regions. Today, our total retained generation capacity exceeds 5,000MW. By the end of fiscal 2011, we plan to raise this capacity to 6,300MW by pursuing both “brown field” projects (the acquisition and expansion of existing power plants) and “green field” projects (new development projects).

In “green field” projects, although there are various risks associated with developing and constructing power plants from scratch, and it takes time to generate earnings, relatively high returns can be expected from these projects. Therefore, we intend to concentrate efforts even more than before in this field. When developing business, market insight is essential because these projects are primarily located in emerging countries. In addition, sophisticated functions and specialist expertise in such areas as risk management and finance arrangement are necessary, and collaboration with prominent partners is also important.

In light of these points, we are proceeding with new projects based on a strategy of selection and concentration for regions and projects. Specifically, we are narrowing down our targets to the four priority regions of Asia, North America, the Middle East/Africa and Oceania, where we already have a strong presence in the power field. We also aim to win projects efficiently through collaboration with strategic partners with whom we have a complementary relationship in terms of functions, and with whom we share common policies on winning and executing projects and so forth.

Meanwhile, we will also concentrate on raising the value of power businesses that we already own and operate. We will take full advantage of our business functions, such as our ability to raise the efficiency of O&M* of plant facilities and to reduce finance costs, in order to increase our earnings power, with the aim of enhancing the value of our businesses. We also intend to boldly create new value by actively pursuing expansion projects at power plants that we own.

* O&M: Operation and Maintenance



Sumitomo Corporation’s total retained generation capacity

Fiscal 2009
5,000MW
→
Fiscal 2011 (Target)
6,300MW

Efficiently Won Project Leveraging O&M Functions

In 2009, Sumitomo Corporation acquired an interest in the Kwinana power plant in Australia. When acquiring this interest, the O&M team from our Hermiston Generating Plant in the U.S. provided support for asset valuation and other tasks. As a result, we efficiently won a major interest in this prime project.

Leveraging Strengths in the Power Field to Capture Fast Growing Demand—Wind Power/Water Infrastructure Businesses

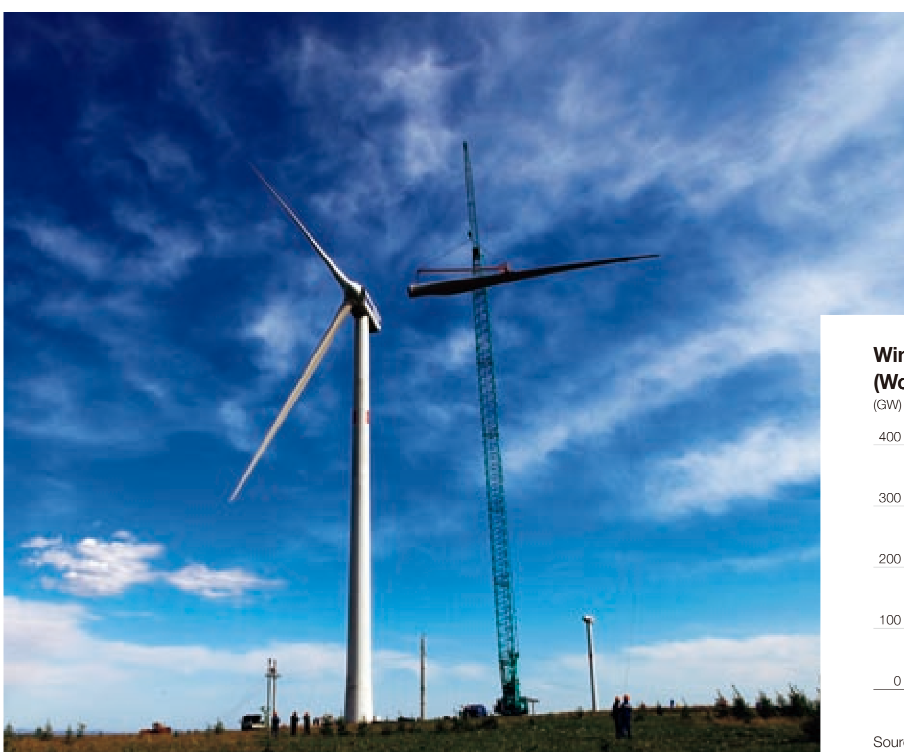
The world's water business serves a market that is currently valued at around ¥36 trillion. By 2025, the market is expected to grow rapidly, mainly in emerging countries, to around ¥90 trillion, nearly 3 times larger than the current level. By 2020, the wind power market is projected to grow roughly six-fold to 1,000GW on an installed capacity basis.

In order to build a solid position in these rapidly growing markets, we established the Wind Power & Water Infrastructure Business Department in April 2010.

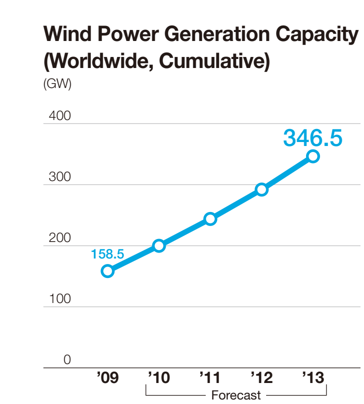
We currently provide water-treatment services to approximately 2.5 million people in Turkey, Mexico and other countries. We aim to increase the number of service beneficiaries to more than 20 million people within the next several years, and join the ranks of the world's top ten water business operators. To achieve this goal, we are putting priority on allocating resources to Malaysia, Vietnam, Saudi Arabia, and other countries where we already have a large presence in the power field, and also in the huge Chinese market.

In the wind power business, we now have a retained generation capacity of approximately 100MW. In addition to operations in Japan, this figure was achieved by starting a "green field" project in China and acquiring an established business in the United States in fiscal 2009. We aim to develop operations principally in the United States and China, both countries where wind power has already gained a major foothold, and quickly raise retained generation capacity to 1,000MW. In addition, we are researching and investigating offshore wind farming, which is projected to expand in the future wind power market.

The foundations for promoting the foregoing initiatives are the strengths we have developed through the power business. These include our insight and business expertise on each country's market as well as our relationships of trust with customers, and functions such as project management and finance. By taking full advantage of these foundations, we aim to achieve our targets as quickly as possible in the wind power/water infrastructure businesses, by raising the sophistication of O&M functions, forming strategic alliances with prominent partners, and nurturing human resources who can conduct a range of activities, such as the development, arrangement and execution of large projects.



Our wind power plant in China's Inner Mongolia Autonomous Region began commercial operations in 2009.



Source: Global Wind Energy Council

CORE BUSINESS EXPANSION

[Media, Network & Lifestyle Retail Business]

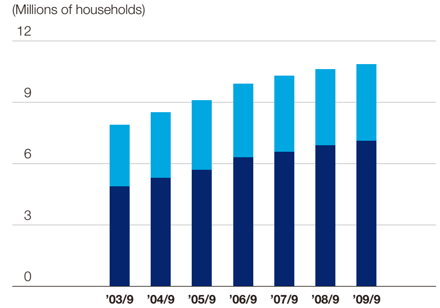
Initiatives in the Media Field

In contrast to the significant economic growth of emerging countries, Japan's relatively mature consumer market is widely considered to have limited growth potential. However, with the world's third largest retail market valued at around ¥135 trillion, the Japanese market remains significant, particularly during this period of unprecedented environmental changes such as the widespread adoption of the Internet and the diversification of consumer purchasing behavior. Accordingly, Sumitomo Corporation's Media, Network & Lifestyle Retail Business Unit has adopted a unique cross-media retail strategy aimed at expanding its presence in the market. Here, we introduce several Sumitomo Corporation initiatives designed to enrich the lives of customers by turning these changes into opportunities.

Growth Potential of the Multichannel Pay TV Broadcasting Market

Number of SKY PerfecTV! Subscribers
Cable TV (Number of household multichannel pay TV subscribers)

(Millions of households)

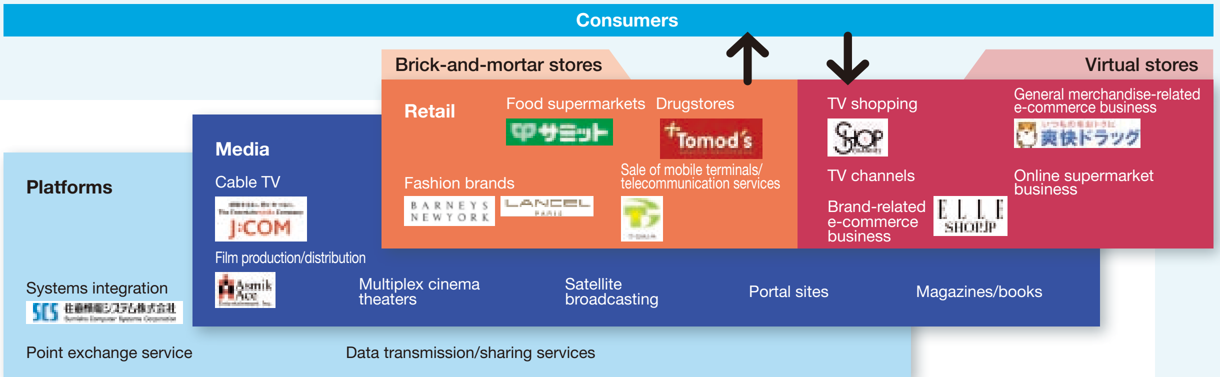


Sources: Hoso Journal, December 2009 Issue, publicly disclosed reports from SKY Perfect JSAT Corporation

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

Q How will you achieve growth in Japan's maturing consumer market?

A The cross-media retail strategy of our business unit will expand consumer reach and maximize earnings opportunities by providing products and services to individual consumers through various channels, including brick-and-mortar retailers, TV, magazines, the Internet and mobile. To give you a clear example, we feature the various products handled by our brand-related businesses on Jupiter Shop Channel Co., Ltd. (SHOP), our TV shopping business, and then broadcast this programming nationwide via Jupiter Telecommunications Co., Ltd. (J:COM). Along the same line, we have developed a system where Sumisho Computer Systems Corporation (SCS) plays



an important role in the development and operation of IT infrastructure for our subsidiaries and affiliates. In this manner, we are expanding our earnings base through a cross-media retail strategy that leverages the strengths of our business unit and allows our industry-leading media, IT, and retail operating companies to build a value chain which traverses industry boundaries.

Q Sumitomo Corporation raised its stake in its core media business J:COM to 40.1%. What led to this decision?

A Sumitomo Corporation has continuously played a leading role in supporting J:COM's growth since its establishment in 1995. The additional purchase of shares was necessary to strengthen our commitment to J:COM, while enabling it to maintain its independence as a publicly listed company.

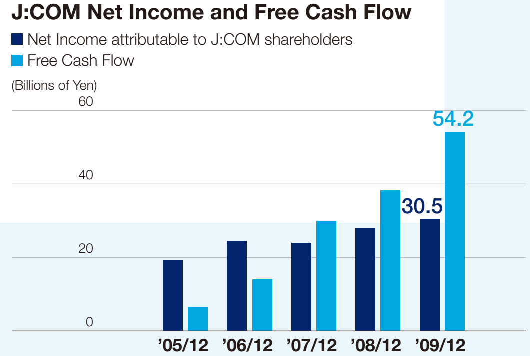
Several important initiatives will be taken to increase J:COM's corporate value. Not only will we seek to increase the number of household subscribers, we will also focus on increasing the average revenue per household subscriber. We believe that improving the quality of programming and services will lead to higher penetration of multichannel pay TV broadcasting services. Sumitomo Corporation has supported J:COM's growth from many different angles. For example, we have supplied programming from SHOP and film company Asmik Ace Entertainment, Inc. Furthermore, we have facilitated M&A activity through our strong credibility and by providing access to our extensive network. Going forward, we will continue expanding these efforts to maximize J:COM's corporate value.

Q How do you view the purchase price of ¥120 billion?

A Considering potential synergies with Sumitomo Corporation's businesses together with J:COM's profitability and growth potential, we believe that we can sufficiently generate earnings that justify this purchase price. J:COM is extremely profitable, currently generating net income of ¥30.5 billion and free cash flow of ¥54.2 billion (for the year ended December 31, 2009). Going forward, we see growth potential particularly in the cable television (CATV) subscription rate (the ratio of the number of actual household subscribers to the number of potential household subscribers). J:COM's service areas have an average subscription rate of around 20%, and while this is higher than the nationwide average of around 16%, J:COM's subscription rate is still less than one-half of that in major Western countries. Improving the subscription rate is a top priority for J:COM. We believe that there is substantial room for growth, especially since, of the 48 stations operated by J:COM, some of the oldest stations in service have subscription rates that surpass 30%. By providing the multi-faceted support explained earlier and placing J:COM at the core of our cross-media retail strategy, we will enable J:COM to grow, leading to the further strengthening of our earnings base.

Additionally, we will work together with KDDI Corporation, which became a major shareholder of J:COM in February 2010. Looking ahead, we believe that J:COM's corporate value will be further increased by leveraging KDDI's mobile phone infrastructure, business expertise and other resources.

J:COM Net Income and Free Cash Flow

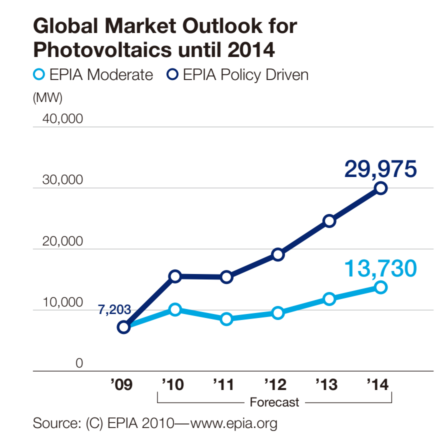


NEW BUSINESS INNOVATION

[New Business Development & Promotion Division]

Aiming to Develop New Core Businesses Leading to Future Growth

In the environment and new energy field, where medium- and long-term growth is expected, Sumitomo Corporation has conducted distinctive activities in multiple business units from an early stage. Based on these activities, the New Business Development & Promotion Division was established in April 2010 to consolidate activities for which considerable growth as an industry is anticipated. Here, we present the activities of this division as it develops new core businesses from a medium- and long-term perspective.



Source: (C) EPIA 2010—www.epia.org

Developing New Core Businesses Leading to Future Growth

The New Business Development & Promotion Division is made up of four departments: the Solar Business Department, Environmental Solution Business Department, Battery Business Development Department and Strategic Venture Investment Department. The Division is working to create and develop new core businesses that lead to future growth.

Organizational Chart

Division	Department	Activities
New Business Development & Promotion Division	Solar Business Department	• Solar power generation business • Solar cell-related equipment and materials
	Environmental Solution Business Department	• Emissions credits • Low-carbon business development (CO_2 permselective membranes, etc.) • Waste management/recycling
	Battery Business Development Department	• Lithium-ion batteries • Secondary uses of electric vehicle batteries • Smart grid-related businesses
	Strategic Venture Investment Department	• Identification of new technologies/seeds, and venture investment and business development

Building Value Chains in New Fields

Environmental Recycling Business

There is growing interest in waste processing and recycling worldwide, from the perspective of recovering and making effective use of finite resources.

In particular, China is the world's largest source of demand for home appliances, and its massive amounts of end-of-life home appliances and consumer electronics are expected to provide a new source of supply for resources—becoming a so-called "urban mine." Business opportunities in the recycling field are expected to increase, including the enactment in January 2011 of a new law to promote the adequate recycling of used or end-of-life household electronic appliances. In response, Sumitomo Corporation has decided to enter the business of recycling consumer electronics and home appliances in China. In April 2010, we established a joint company with DOWA ECO-SYSTEM Co., Ltd., which has technologies in this field, and a local Chinese company, and will begin business operations in Tianjin from January 2011.

Furthermore, we aim to expand business by establishing 5–10 recycling locations across China within the next two years, leveraging our business management expertise and network in the country. We will also consider expanding business beyond China to the rest of the Asian region and building a value chain in the waste management field.

Solar Business

Demand for solar power, as a renewable source of energy, is steadily growing around the world. Sumitomo Corporation took a stake in a manufacturer of polycrystalline silicon ingots in the early 1990s. We then expanded our solar cell business by investing in a solar cell materials manufacturer in the early 2000s. In total, the solar materials and solar power generation equipment we have handled to date is equivalent to approximately 1,300MW of power on a capacity basis. From 2008, we have participated in a 12.6MW solar power generation project. Through our involvement in the development and operation of this entire project, we have built up experience and expertise in solar power generation projects.

Leveraging these strengths, we aim to comprehensively cover every segment of the value chain for the solar power generation business from upstream to downstream, in order to capture the business opportunity presented by the global increase in demand for solar power.

Value Chain for the Solar Power Generation Business

Polysilicon → Ingots and wafers → Solar cells and modules → Solar power systems → Solar power generation projects → Users

Lithium-ion Battery Business

The lithium-ion battery market is expected to expand dramatically, driven by the use of these batteries in electric vehicles and other factors. Sumitomo Corporation is actively engaged in building value chains for lithium-ion batteries, targeting markets where electric vehicles will find broad penetration.

In the materials field, together with Morita Chemical Industries Co. Ltd., we are conducting an electrolyte manufacturing business in China. An expansion project aimed at making us the world's No.1 electrolyte manufacturer is now under way. Together with Nissan Motor Co., Ltd., we are pursuing the development of effective secondary uses for lithium-ion batteries used in electric vehicles. This initiative will contribute to the realization of a low-carbon society by promoting wider use of electric vehicles.

Value Chain for the Lithium-ion Battery Business

Precursors → Battery materials → Electrodes → Battery cells → Battery packs → Battery systems

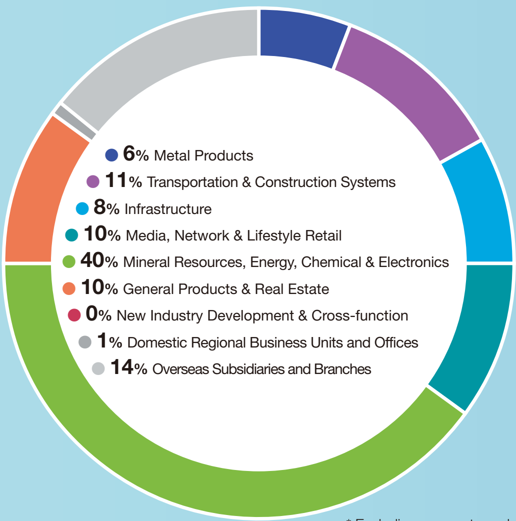
Raw materials value chain	Vehicle battery/Large-battery business	Promoting electric-vehicle use/ Develop applications for large batteries
Precursors, Battery materials	Electrodes, Battery cells, Battery packs	Battery systems

AT A GLANCE

Sumitomo Corporation conducts business globally in 9 segments, comprising 7 product-based business units and 2 domestic and overseas regional units.

On April 1, 2010, the New Industry Development & Cross-function Business Unit was established. Under this business unit, we set up the New Business Development & Promotion Division, Financial Service Division, and Logistics & Insurance Business Division. In line with this change, the Financial & Logistics Business Unit was progressively dissolved.

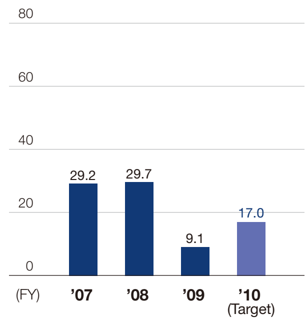
Net Income by Segment*
(FY2009)



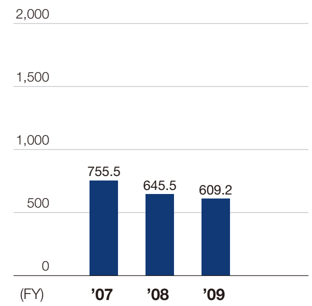
* Excluding corporate and eliminations.

Metal Products

Net Income
(Billions of Yen)



Total Assets
(Billions of Yen)

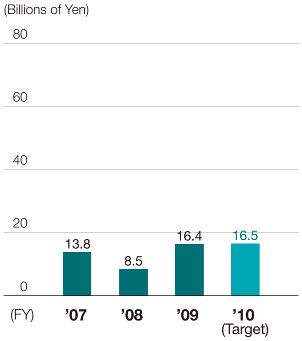


Strategic Fields

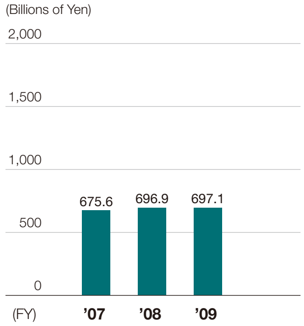
- Steel service center
- Tubular products value chain
- Primary aluminum
- Metal products for automotive & railway use
- Tool steel processing & trading
- Stainless steel processing & trading
- Metal business related to alternative energy

Media, Network & Lifestyle Retail

Net Income
(Billions of Yen)



Total Assets
(Billions of Yen)

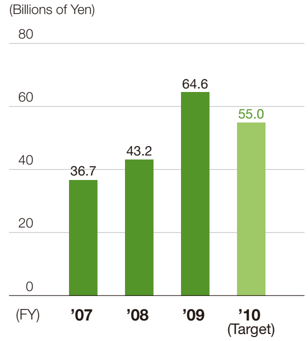


Strategic Fields

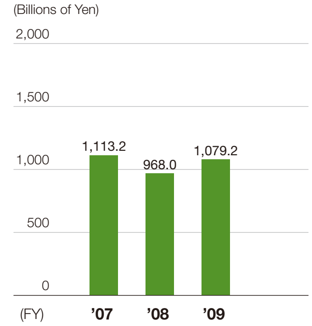
- Cable TV
- Broadcasting & cinema business
- Mobile communications
- Internet-related business
- IT solutions
- Food supermarket
- Drugstore
- Apparel & interior-related business
- Brand business
- TV shopping

Mineral Resources, Energy, Chemical & Electronics

Net Income
(Billions of Yen)



Total Assets
(Billions of Yen)

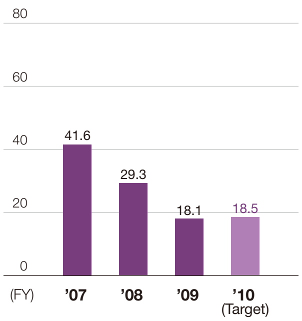


Strategic Fields

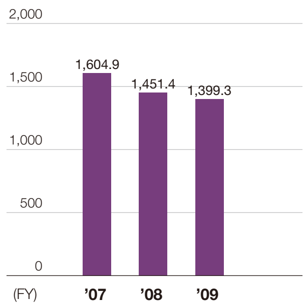
- Copper & gold
- Silver, zinc, lead & nickel
- Coal, iron ore & manganese
- Uranium
- Oil, gas & LNG
- Petrochemical products
- Sulfur & sulfuric acid
- EMS
- Agricultural chemicals & pharmaceuticals
- Pet care

Transportation & Construction Systems

Net Income
(Billions of Yen)



Total Assets
(Billions of Yen)

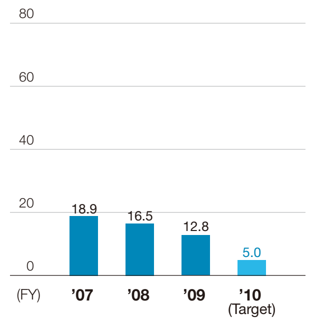


Strategic Fields

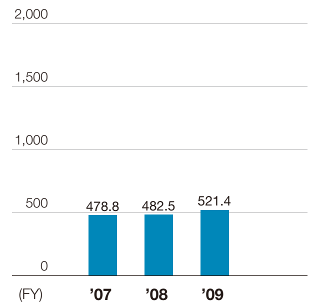
- Ship & marine
- Aerospace
- Railway EPC project
- Automobile export & sales
- Automotive leasing & retail finance
- Automotive manufacturing
- Construction equipment & agricultural equipment export & sales
- Construction equipment rental
- Mining equipment

Infrastructure

Net Income
(Billions of Yen)



Total Assets
(Billions of Yen)

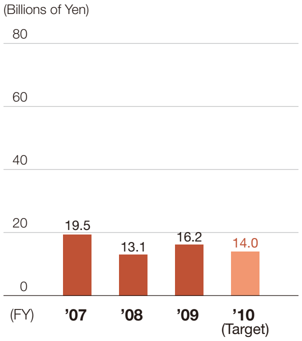


Strategic Fields

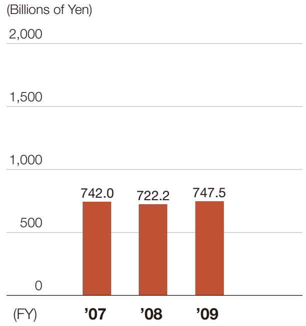
- IPP/IWPP
- Power plant EPC
- Telecommunications
- Wind power & water infrastructure
- Industrial infrastructure
- Telecommunication project
- Power energy solutions

General Products & Real Estate

Net Income
(Billions of Yen)



Total Assets
(Billions of Yen)

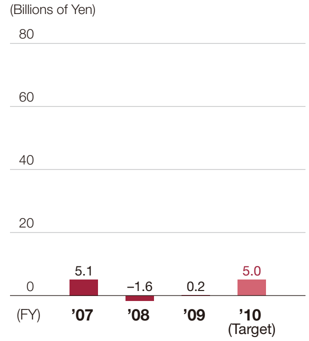


Strategic Fields

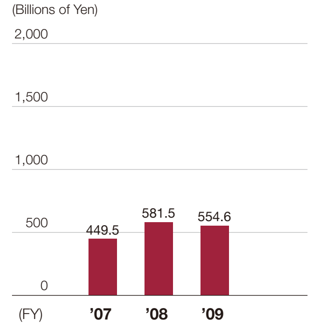
- Fresh foods
- Fertilizer
- Grain & sugar
- Tires
- Lumber & building materials
- Ready-mixed concrete
- Pulp & paper
- Office building & retail facility leasing business
- Condominium sales business
- Real estate fund business

New Industry Development & Cross-function

Net Income
(Billions of Yen)



Total Assets
(Billions of Yen)



Strategic Fields

- PV business
- Environmental solution business
- Lithium-ion battery-related business
- Strategic venture investment
- Leasing business
- Commodity business
- Investment business
- Value-added logistics
- Overseas industrial parks
- Insurance

Note: Net income for fiscal 2009 and fiscal 2010 represents net income attributable to Sumitomo Corporation, and is the same as net income which had been used until fiscal 2008.
The same applies to net income shown on each page on Sumitomo Corporation's business units.

Metal Products

Enhancing Our Value Chain and Functions in the Metal Products Field

- 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

Shunichi Arai
General Manager
Metal Products Business Unit

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.

Going forward, 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 2009 Results

Net income decreased ¥20.6 billion year on year to ¥9.1 billion. The decline was mainly due to sluggish earnings in the overseas steel service center business and in the steel trading business in Japan, and the fall in demand for tubular products in North America.

In the steel sheets business, we acquired a stake in Kunshan Chain Chon Metal Technology Industrial Co., Ltd. (KCCMTI), which processes and sells stainless steel sheet and plate products in China, the world's largest market. In India, we established India Steel Summit Private Limited to carry out comprehensive steel processing, and decided to take an equity stake in SMI Amtek Crankshaft Private Limited, a joint venture for the manufacture and sales of forged crankshafts for automobiles.

In the tubular products business, we merged three domestic subsidiaries and worked to further enhance customer services.

Also, together with Sumitomo Metal Industries, Ltd., we received an order to supply large-diameter welded line pipes for the Nord Stream Project, an offshore natural gas pipeline project that links Russia and Europe via the Baltic Sea.

Performance Highlights

(Billions of Yen)

(FY)	'05	'06	'07	'08	'09	'10 (Targets)
Gross Profit	65.4	77.6	80.2	86.4	54.1	**68.0**
Equity in Earnings of Associated Companies, Net	4.1	7.4	9.0	8.8	2.9	—
Net Income	18.9	26.3	29.2	29.7	9.1	**17.0**
Basic Profit	21.2	28.5	29.5	31.5	8.6	—
Total Assets	662.8	799.2	755.5	645.5	609.2	—

Laser cutting line for stainless steel plates at KCCMTI. In China, demand for stainless steel used in construction and infrastructure development and for machinery manufacturing is increasing. We are working to develop and cultivate new demand by taking full advantage of KCCMTI as a steel processing and sales base.

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.

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

In the tubular products-related business, we have a sales network of 14 locations in 13 countries around the world that provides integrated services ranging from the ordering of tubular products to their storage, processing, inspection, transportation and maintenance. Demand for tubular products for crude oil and gas development projects is anticipated to increase steadily in the medium to long term. To meet this increased demand, we are enhancing our tubular product value chain by securing new supply sources. In Brazil, we have participated in a tubular products manufacturing business via a joint venture established with Sumitomo Metal Industries, Ltd. (SMI) and Vallourec S.A. We plan to begin production at this business in the second half of fiscal 2010. Competitive products from this new mill should contribute to our sales expansion in North America, Africa and the Middle East.

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

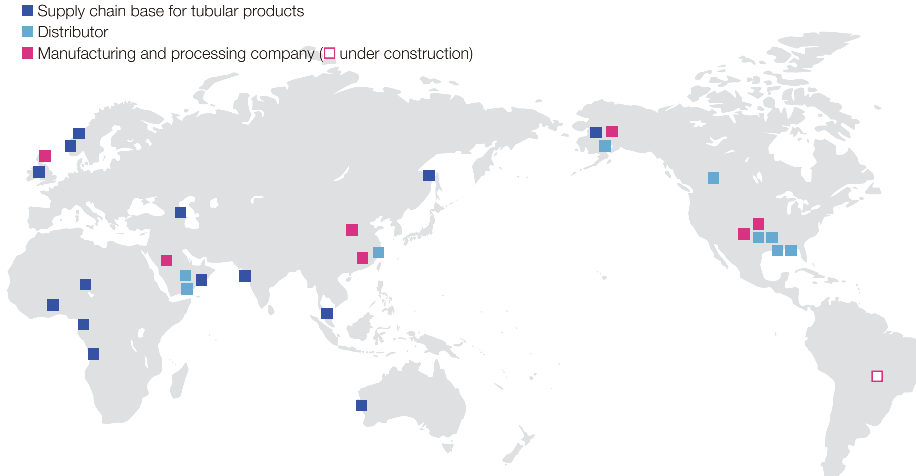
In China, Southeast Asia and other regions, demand is increasing for automobiles as well as motorcycles and home appliances, driven by surging personal consumption. In response to increased demand for steel sheets, which are used in these products, we are working to strengthen our business foundations in emerging countries in addition to our steel service center network of 42 companies in 14 countries. In China, we have established a framework for addressing growing demand for stainless steel accompanying construction and capital investment, by investing in a new processing and sales company specializing in stainless steel sheet and plate products. In India, we established India Steel Summit Private Limited, a new operating company that will conduct a wide range of operations from press molding to die fabrication, in addition to conventional steel sheet processing. With this step, we will work to establish a framework for addressing the rapidly increasing and diversifying needs of customers in India. Furthermore, in response to increased demand for crankshafts along with growing auto sales in India, we are taking steps to participate as a business partner in SMI Amtek Crankshaft Private Limited, a joint venture engaged in the manufacturing and sales of forged crankshafts for automobiles.

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

In the renewable energy-related field, the wind and solar power generation markets are projected to expand going forward. In this context, in the U.S. we are engaged in the manufacturing of wind power generation towers and development of the steel plate business. In the nonferrous metals-related field, we aim to drive further business expansion through the supply of primary materials and components for solar cells and rechargeable batteries, as well as through the development of new materials.

Tubular Products Business Network

- Supply chain base for tubular products
- Distributor
- Manufacturing and processing company (□ under construction)



We are globally expanding our value chain for tubular products, including line pipe manufacturing and specialty pipe distributors. In particular, manufacturing and supply chain bases for tubular products are being established with the aim of satisfying the needs of major oil companies, national oil companies and other customers.

Transportation & Construction Systems

Maintaining Stable Business Expansion While Entering New Businesses

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

Kazuo Ohmori
General Manager
Transportation & Construction Systems Business Unit

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 manufacturing, wholesale, retail sale, leasing, and retail finance operations. In the ship business, we are the only company in the trading company sector that holds 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 trading company in transaction volume, which is handled through our global network. Our value chain also covers the areas of rental operations, and used construction equipment sales, and we are newly expanding into agricultural machinery sales operations. In addition, our transportation systems business promotes transportation projects and commands strengths in railcar manufacturing and exports.

Fiscal 2009 Results

Net income for fiscal 2009 decreased ¥11.2 billion year on year to ¥18.1 billion due to sluggish sales of automobiles, construction equipment and other products mainly in Europe, despite a strong performance in the automobile and motorcycle financing business in Indonesia and solid results in the ship business.

In the automotive field, we established and started operations at a motorcycle financing company for individual customers in the Philippines, where the motorcycle market is expected to expand, together with a subsidiary of Metropolitan Bank and Trust Company, a prominent bank in the Philippines. In the construction equipment field, we invested in Sunstate Equipment Co., LLC, a major rental company in the U.S., which is the world's largest equipment rental market. With this move, we became the first Japanese company to fully enter the U.S. construction equipment rental business.

Performance Highlights

(Billions of Yen)

(FY)	'05	'06	'07	'08	'09	'10 (Targets)
Gross Profit	127.5	134.6	157.7	155.6	130.8	132.0
Equity in Earnings of Associated Companies, Net	4.0	5.0	7.1	7.7	8.4	—
Net Income	19.8	26.7	41.6	29.3	18.1	18.5
Basic Profit	24.1	29.0	35.3	35.1	25.0	—
Total Assets	1,037.0	1,140.7	1,604.9	1,451.4	1,399.3	—

A base of Sunstate Equipment, in which we have invested. In the U.S., the world's largest market for construction equipment rental and where in the last 10 years the rental ratio has risen from 25% to 40%, this company is conducting business operations in nine southwestern states including Arizona.

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 new businesses to achieve growth over the medium and long term.

Strengthening the Automobile Business by Capturing Economic Growth in Emerging Countries

Looking ahead, the automotive market expects to enjoy rising demand as motorization takes hold in emerging countries.

In the automotive retail finance business, we will continue strengthening finance businesses for both automobiles and motorcycles in Indonesia as personal consumption accelerates there, and we are focusing on the finance business in the Philippines, where the motorcycle market is expected to grow. In manufacturing, we aim to expand production and sales for medium-sized and large trucks and buses in India, where demand for medium-sized and large vehicles is expected to rise, spurred by the development of transportation infrastructure.

Moreover, in automotive sales operations, we are actively replacing assets in response to changing demand, as we work to further bolster our earnings base.

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

In emerging countries, demand for construction equipment is expected to rise, driven by increasing infrastructure development and growing demand for mineral resources. This trend is especially notable in China. We are steadily investing in sales agencies there with the aim of expanding our sales network for construction equipment and have converted sales agencies in Changchun, Xian, Wuhan, and Chengdu into subsidiaries. In addition, in the mining equipment field, we are expanding the operations of sales, and repair and other maintenance services in response to resource development around the world. In overseas rental operations, we fully entered the U.S. market, the world's largest construction equipment rental market, through the acquisition of an equity stake in Sunstate Equipment, a major company in the market, in December 2009.

In addition, in India, we are nurturing agricultural machinery sales into a new core business based on prospects for accelerated automation in agriculture machinery, backed by brisk economic growth.

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

Distribution volume is recovering worldwide, especially in emerging countries, following the sharp contraction after the Lehman Brothers collapse, but the outlook is still murky. By replacing our vessels in a timely manner, we will maintain and expand our asset portfolio into one that ensures stable earnings over the medium and long term.

Actively Promoting Rail Projects

Keener awareness of global warming is helping foster more active investment in railways, particularly in the U.S. and emerging countries. We will focus on winning orders for large high-speed rail projects, many of which are already being planned.

From left to right, scenes at Atlanta International Airport, Miami International Airport and Washington Dulles Airport showing the vehicles of the automated passenger transport system (Automated People Mover System) operated by Crystal Mover Services, Inc. We not only export rolling stock but also undertake full turnkey mass transit system construction, operations and maintenance services in various regions.

Infrastructure

Building a Stable Earnings Base Encompassing both Trade and Investment

- Planning & Administration Dept.
- Telecommunication, Environment & Industrial Infrastructure Business Division
- Power & Social Infrastructure Business Division

Takahiro Moriyama
General Manager
Infrastructure Business Unit

Business Unit Overview

The Infrastructure Business Unit aims to become "a highly specialized group that contributes to society through infrastructure enhancement." We are engaged in fields such as IPP/IWPP, power plant EPC*1, telecommunications, and wind power/water infrastructure, as well as industrial infrastructure. In these fields, we are expanding our stable earnings base, through the optimal business combination of trade and investment. In the power plant EPC field, our strengths lie in project management and execution capabilities, including finance and risk management functions, and the total generation capacity we have handled to date, mainly in Asia, is approximately 47,000MW, putting us among the top tier of Japanese trading companies. In the overseas IPP/IWPP field, our power generation capacity reached 5,000 MW*2 as of March 31, 2010.

*1 EPC: Engineering, Procurement and Construction
*2 Total of retained generation capacity both in operation and contract, as of March 31, 2010.

Fiscal 2009 Results

Net income declined ¥3.7 billion year on year to ¥12.8 billion, as power plant EPC contracts declined, particularly in Asia, and capital investment fell due to the sluggish domestic economy.

In the telecommunications, environment & industrial infrastructure field, we worked to further strengthen business foundations in the wind-power generation field in the United States and China. We received orders from the Saudi Arabian Oil Company to complete two consecutive EPC contracts for a major communication package.

In the power & social infrastructure field, we obtained contracts for power facilities including two steam turbine generators for a super-critical thermal power plant in Egypt in conjunction with Hitachi, Ltd., and for the Ulubelu and Lahendong Unit 4 geothermal power stations in Indonesia, in conjunction with Fuji Electric Systems Co., Ltd. In the United States, we acquired all ownership interests in the Mid-Georgia power plant in Georgia. In the water infrastructure field now attracting greater interest, we recently agreed with a local public water service agency to expand wastewater treatment services in Mexico.

Performance Highlights

(Billions of Yen)

(FY)	'05	'06	'07	'08	'09	'10 (Targets)
Gross Profit	29.1	38.3	41.0	40.4	31.2	21.0
Equity in Earnings of Associated Companies, Net	4.1	5.2	6.8	7.6	6.5	—
Net Income	7.7	16.5	18.9	16.5	12.8	5.0
Basic Profit	7.4	13.3	16.0	16.3	9.8	—
Total Assets	466.2	472.6	478.8	482.5	521.4	—

The campus of King Abdullah University for Science and Technology. We have obtained a full turn-key contract for design, equipment procurement, and installation of telecommunications and security equipment throughout the campus, and construction is progressing steadily.

FOCUS'10

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 Business Mainly in Emerging Countries

In anticipation of future increases in power demand in line with population increases and economic growth mainly in emerging countries, we aim to expand EPC projects in key markets such as Southeast Asia. These EPC projects include renewable energy fields such as geothermal power generation, as well as power plant generation facilities utilizing Japan's advanced environmental technologies.

Indonesia possesses the world's largest geothermal energy reserves, but utilizes only 4.5% of its geothermal power resources. In response, the Indonesian government plans to ramp up geothermal power generation capacity from 1,200MW to 4,000MW by 2014, and then to 9,500MW by 2025. Sumitomo Corporation and Fuji Electric Systems have jointly delivered geothermal power facilities accounting for roughly half of all of Indonesia's geothermal power generation facilities completed or currently under construction. Leveraging this proven track record, we aim to achieve further business expansion going forward.

In Indonesia, we have been engaged in an expansion project on two additional 660MW units at the Tanjung Jati B coal-fired thermal power plant, with the view to commencing operations in fiscal 2011. In the U.S., we are taking steps to own business operations. Recently, we acquired a new business interest in the Mid-Georgia power plant, which has a steady operation record since the start of commercial operations in 1998.

Expanding Business Foundations in the Telecommunications Field Using Our Extensive Market Expertise

In the telecommunications field, we won two EPC contracts in a row from Saudi Arabian Oil Company (Saudi Aramco), by working closely with local companies and harnessing our extensive market expertise.

We have also been awarded another large project, a full turn-key contract for a communications and security facilities package for King Abdullah University for Sciences and Technology. With construction on the project proceeding smoothly, Sumitomo Corporation's sophisticated project management expertise has been highly commended by the customer. Separately, in Mongolia, Guam, Saipan, Russia and Uzbekistan, we are developing overseas operations in mobile communications and related businesses, as well as in such IT telecommunications fields as wireless broadband.

Demonstrating Integrated Corporate Strength in the Domestic Electric Machinery Business

In the industrial infrastructure field, we integrated the three companies of Sumitomo Shoji Machinex Co., Ltd., Sumitomo Shoji Machinex Kansai Co., Ltd., and Sumitomo Shoji Machinex Chubu Co., Ltd. In addition to making the most of our regionally-focused customer base, we aim to expand our product range into other regions in order to drive further growth.

The Wayang Windu geothermal station was delivered upon completion in February 2009. Taking into account the newly ordered Ulubelu geothermal power station and the Lahendong Unit 4 geothermal power station, we now have seven orders in Indonesia to build capacity of around 530MW.

Media, Network & Lifestyle Retail

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

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

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

Business Unit Overview

Amid the ongoing fusion and collaboration of various media, including broadcasting and telecommunications, as well as the increasing diversification of consumer spending patterns, we are integrating the fields of media, network, and lifestyle retail while creating and providing new value for the diverse lifestyles of consumers.

In the media field, we provide both infrastructure and content services, primarily in the 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, our main operations are TV shopping, food supermarket, drugstore, brand-related, and apparel OEM (Original Equipment Manufacturing) businesses.

Fiscal 2009 Results

Net income increased ¥7.9 billion year on year to ¥16.4 billion, backed by stable performance from our core business J:COM, and earnings growth through the full consolidation of Jupiter Shop Channel Co., Ltd. (SHOP). The reversal of deferred tax liability through dividends received contributed to profits as well.

In the media field, J:COM, Japan's biggest CATV company, posted solid business results buoyed by steady growth in the number of its household subscribers and service contracts per household. In the network field, Sumisho Computer Systems Corporation (SCS) began discussions on a possible business and capital alliance with CSK Holdings Corporation, another IT services company, with the aim of strengthening the business foundations of both companies. In the lifestyle retail field, SHOP, the leading TV shopping company, recorded firm sales even amid severe conditions for personal consumption. SUMMIT Netsuper began operations as a new kind of food supermarket business responding to social changes in step with growth in the number of two-income households and senior-citizen households.

Performance Highlights

(Billions of Yen)

(FY)	'05	'06	'07	'08	'09	'10 (Targets)
Gross Profit	104.1	126.1	168.7	176.4	176.6	189.0
Equity in Earnings of Associated Companies, Net	10.5	12.7	9.3	10.0	10.0	—
Net Income	26.6	12.5	13.8	8.5	16.4	16.5
Basic Profit	11.2	15.4	19.1	17.5	14.6	—
Total Assets	505.1	513.9	675.6	696.9	697.1	—

Prescription dispensing counter at a Tomod's drugstore. Sumisho Drugstores Inc. dispatches pharmacists with highly specialized knowledge to its stores and is actively developing drugstores with prescription dispensing functions that meet various customer needs.

FOCUS'10

BASIC POLICY

We will create and provide new value that addresses the diverse lifestyle needs of consumers by promoting cross-media operations that integrate media, IT and retail.

J:COM Offers Integrated Broadcasting and Telecommunications Services

With competition in the media industry expected to increase, J:COM, our core media business, is working to further raise service quality by enhancing programming, expanding high-definition programs, and speeding up Internet services. Through these initiatives, J:COM aims to become a leading company in the media industry. We launched a tender offer for the shares of this company so as to accelerate its growth as J:COM's major shareholder, and acquired 40% of the voting rights in the company, becoming its largest shareholder. By pursuing synergies between J:COM and our various businesses, we will achieve further development of our media, network, and lifestyle retail businesses.

Jupiter Shop Channel—Positioned at the Core of Cross-Media Retail Operations

In fiscal 2010, amid projections of a continuing downturn in domestic consumption, SHOP is aiming for further growth by enhancing product development and program planning, while expanding its customer base. Placing SHOP at the core of our multichannel retail business, we intend to further accelerate collaboration with our retail and brand businesses.

Providing an IT Platform in the Network Field

Faced with an increasing tendency for client companies to cautiously select IT investments in the wake of the economic recession, IT solutions provider SCS will concentrate on strategic business such as its proprietary enterprise software ProActive, work to improve software development productivity, and explore the possibility of partnerships with peer companies. Through these efforts, SCS looks to provide even higher quality IT services and strengthen its business base for the future.

Creating Next-Generation Lifestyles in the Retail Field

In the food supermarket field, together with Summit, Inc., we commenced operation of SUMMIT Netsuper, the Tokyo metropolitan area's first online supermarket with its own dedicated processing and delivery centers. The market for online supermarkets is expanding rapidly in step with changes in Japan's social structure and purchasing behavior. As we look ahead, we will develop this business from medium and long-term perspectives in order to make it a future pillar of profit.

In another initiative, we acquired Katsumata Co., Ltd., the operator of a highly competitive drugstore chain ranging from the Tokyo Jonan area to the Yokohama area, and integrated the company into Sumisho Drugstores Inc. (SDS). SDS aims to strengthen its dominant position in the Tokyo metropolitan area as a chain of drugstores with prescription dispensing functions, while working to contribute to regional communities as "the local drugstore of first choice."

Product delivery from SUMMIT Netsuper. We will enhance operations with dedicated processing and delivery centers and expand service areas in the Tokyo metropolitan area.

Mineral Resources, Energy, Chemical & Electronics

Building a Stable Earnings Base for the Future by Accelerating Business Selection and Concentration

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

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

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 mineral resources & 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 copper, coal, petroleum and liquefied natural gas (LNG) resources. These efforts are enhancing our mineral resource portfolio. In trading activities in such areas as carbon products, ferrous raw materials, petroleum and gas, we are expanding business in China, Asia and other markets in which we expect demand to grow.

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

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

Fiscal 2009 Results

Net income for fiscal 2009 increased ¥21.4 billion year on year to ¥64.6 billion, reflecting improved operations in the silver-zinc-lead mining project in Bolivia and increased production in the gold and copper mining business in Indonesia together with value realization through replacement of assets.

In the field of mineral resources & energy, we increased our upstream interests portfolio, including by acquiring additional interests in the Pogo Gold Mine in the U.S., by acquiring interests in a U.S. shale gas field, and by replacing oil and gas assets in the British North Sea region. In the life science area, the manufacture and sale of pet care products in the U.S. contributed to increased earnings due to continued efforts to cut costs and strong sales of highly profitable mainstay products.

Furthermore, we developed new business fields in 2009. For example, we decided to establish a joint venture in Kazakhstan to recover rare-earth elements from uranium-ore residue and to establish a joint venture with Nippon Coke & Engineering Co., Ltd. to produce and sell anode materials for lithium-ion rechargeable batteries.

Performance Highlights

(Billions of Yen)

(FY)	'05	'06	'07	'08	'09	'10 (Targets)
Gross Profit	97.2	96.0	94.0	91.9	84.6	105.0
Equity in Earnings of Associated Companies, Net	12.7	16.3	2.8	37.0	34.4	—
Net Income	32.1	40.9	36.7	43.2	64.6	55.0
Basic Profit	32.5	29.7	13.4	55.9	49.5	—
Total Assets	983.5	1,116.9	1,113.2	968.0	1,079.2	—

Part of the processing facility in the Ambatovy nickel project in Madagascar. Currently under construction, this project is one of the world's largest of its kind, and is expected to produce 60,000 tons of nickel metal annually.

FOCUS'10

BASIC POLICY

We are accelerating the selection and concentration of business resources, expanding upstream interests and improving the asset efficiency of midstream/downstream trading to build a portfolio capable of generating stable earnings for the future.

Steadily Proceeding with Ongoing Major Upstream Projects, while Strengthening Our Mineral Resource Portfolio

Having assumed full ownership of the San Cristobal Silver, Zinc and Lead Mining Project in Bolivia in March 2009, we have reduced costs, improved ore recovery rate and stabilized operations, which has kept production levels consistently high. As a result, net income surpassed ¥10 billion, and the project has become the third-largest silver producer and the sixth-largest zinc producer worldwide.

Construction at the Ambatovy nickel mining and refining project in Madagascar has been proceeding smoothly with the aim of starting production around the beginning of 2011. The project, which integrates all processes through to refining nickel, is one of the largest of its kind globally and is geared toward ensuring the stable, long-term supply of rare metals.

In the energy field, we are focusing on replacing interests in such upstream assets as oil and gas and acquiring promising holdings in order to build an even more stable earnings foundation. Specifically, we acquired Oranje-Nassau (U.K.) Limited whose assets include the Elgin/Franklin oil and gas fields, the third-largest fields in the British North Sea region in terms of reserves, and sold Petro Summit Investment UK Limited, which holds the Nelson oil and gas field, and other assets in the same area.

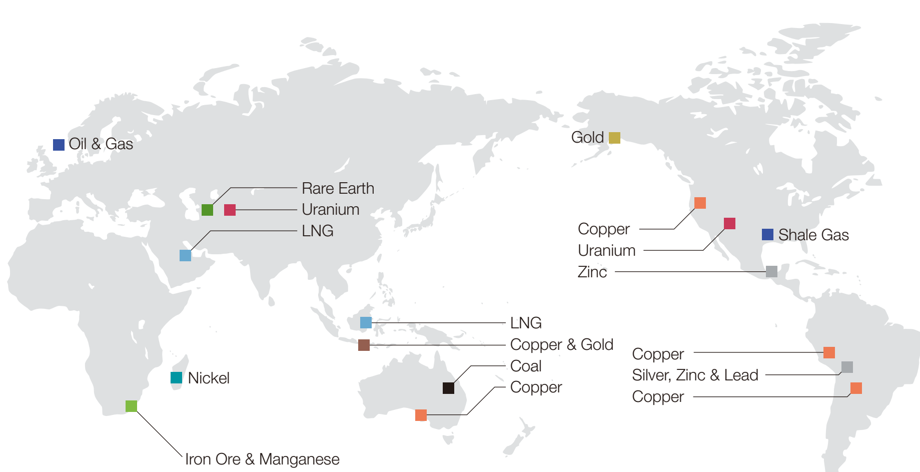
At the Barnett Shale Field in Texas, the largest shale gas field in the United States, we have decided to participate in the shale gas development and production businesses. We aim to broaden our business through cooperation with our partner in this business, with a view to extending our activities to other regions.

In addition, in ferrous raw materials and nonferrous raw materials, we will strive diligently to acquire top-quality interests and reinforce our earnings base for the business unit as a whole.

Expanding the Agricultural-Related Product Sales Network

In the agricultural industry, which is less susceptible to economic fluctuations, we are strengthening our trading functions in the areas of sulfuric acid, a fertilizer raw material, and agricultural chemicals. With regard to agricultural chemical sales, we will expand our sales network from Eastern Europe and South America to other areas including Central America and Asia. In addition, we aim to develop new items to expand our product portfolio. In fiscal 2009, we established a sales company in Mexico as our 21st country base for marketing agricultural chemicals. The agricultural chemicals market is expected to experience sustained growth in Mexico, and we will further augment our downstream strategies for agricultural chemicals through these operations.

Our upstream interests portfolio in the area of mineral resources & energy



Our mineral resource portfolio is characterized by the various mineral resource interests.

General Products & Real Estate

Strengthening Highly Competitive Businesses and Endeavoring to Expand the Earnings Base

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

Nobuo Kitagawa
General Manager
General Products & Real Estate Business Unit

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 recovered paper. In construction and 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 2009 Results

Net income in fiscal 2009 increased ¥3.1 billion year on year to ¥16.2 billion. The fertilizer business was sluggish due to a decline in the market, and the lumber and building materials business was weak owing to depressed construction demand in Japan. However, the banana business and the tire business in the United States performed strongly. In the construction and real estate field, the building leasing business and the condominium sales business were firm, and there was value realization through replacement of assets.

In food operations, we invested in an Australian grain accumulation company. In the materials and supplies field, our lumber and veneer processing plants, which had been constructed in Plastun, Primorsky Krai, on Russia's Siberian coast, commenced full-fledged operations, and we are shifting the business model from the export of round logs to the export of processed lumber. In the construction and real estate field, we made progress in replacing existing assets and acquiring new, high-quality properties that will form the basis of our earnings in the future.

Performance Highlights

(Billions of Yen)

(FY)	'05	'06	'07	'08	'09	'10 (Targets)
Gross Profit	83.6	118.1	122.0	111.1	101.4	106.0
Equity in Earnings of Associated Companies, Net	0.5	2.4	2.0	1.7	0.7	—
Net Income	12.7	17.2	19.5	13.1	16.2	14.0
Basic Profit	11.6	17.4	18.3	15.3	12.2	—
Total Assets	772.0	741.7	742.0	722.2	747.5	—

A perspective illustration of the Tokyo Senju Campus of Tokyo Denki University. With a Gross Floor Area (GFA) of 69,200 square meters, the campus consists of four main buildings and will host not only university facilities but also venues for international exchanges and regional cooperation.

FOCUS'10

BASIC POLICY

We will 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.

Expanding Upstream Value Chain for Grain in Australia and Continuing to Strengthen Production Bases in Banana Business

We have acquired an equity stake in Emerald Group Australia Pty Ltd, a grain accumulation company in Australia. Having already entered the inland grain storage and export terminal business, we added grain accumulation operations to build even more formidable upstream platforms and enhance grain sales in Asia and the Middle East.

In the banana business, we plan to continue expanding farms directly managed by Group companies to augment our production base. In addition, we will work to broaden our earnings base through sales in Japan, the Middle East and China.

Focusing on Expanding Its Earnings Base, U.S. Tire Marketer TBC Corporation Addresses Demand for Maintenance

Even though eroding consumer confidence has depressed demand for replacement tires in the U.S. since the economic crisis, TBC has posted favorable earnings by cutting costs and aggressively capturing demand for maintenance services. Looking ahead, unit tire sales are expected to increase as the U.S. economy recovers and we will expand operations by continuously focusing on maintenance services. In addition, price increases are anticipated due to import safeguards against Chinese products and higher raw-material costs. In these circumstances, we will work to maximize supply from a diverse range of sources and continue to bolster our cost competitiveness.

Construction and Real Estate Business Accelerating Acquisition of Quality Properties for Further Reinforcement of Business Base

In 2009, while the real estate market weakened on the whole, our office building leasing business remained stable thanks to many quality tenants and assets in CBDs*, where demand is firm. Looking ahead, we will continue replacing assets while purchasing high-quality assets. In fiscal 2009, construction began for Tokyo Denki University's Tokyo Senju Campus, which will be opening in April 2012. Going forward, we will acquire and develop a portion of the university's current campus in the Kanda area of Tokyo. We will continue working on the development of the Kanda district, a strategic area that we have earmarked for our office building business.

In condominium sales, we will steadily acquire land for development. In order to maintain a solid earnings base, we have been purchasing high-quality properties on favorable terms in urban areas, where demand is expected to stay firm over the medium and long term.

In the retail facilities business, we are working on the Shonan Tsujido project, which is a joint venture through a real estate investment fund. This is to develop a large-scale shopping mall in front of JR Tsujido station that will open in autumn 2011.

*CBDs: Central Business Districts

Upon harvest, farmers deliver wheat, barley, canola and other grains to the designated silos. Then the Emerald Group buys grains from the farmers at the silos, and sells them in domestic and overseas markets.

New Industry Development & Cross-function

Developing Businesses in New Industrial Fields and Supporting All the Operations in the Company with Specialized Skill and Expertise

- Planning & Administration Dept.
- New Business Development & Promotion Division
- Financial Service Division
- Logistics & Insurance Business Division

Yasuyuki Abe
General Manager
New Industry Development & Cross-function Business Unit

Business Unit Overview

This business unit provides various high-value-added financial and logistics services to customers as well as to other business units and subsidiaries. In addition, each business unit's business activities in new industrial fields have been consolidated in our business unit, enabling us to develop and promote business from a company-wide perspective.

In the new industrial field, we consolidate, strategically develop and promote businesses in the environment and new energy field such as solar photovoltaic power generation, emission trading and greenhouse gas reduction, environmental recycling, and lithium-ion batteries, and investment for sourcing innovative technologies and business seeds. In financial services, we conduct proprietary trading and deal in derivative products in the commodity market as one of the largest Japanese companies. We also run a leasing business mainly focused on aircraft with Sumitomo Mitsui Finance and Leasing Co., Ltd. (SMFL), a joint venture of Sumitomo Corporation. In logistics, we provide comprehensive logistics functions worldwide, principally through Sumisho Global Logistics Co., Ltd. We are also deploying a series of high-value-added industrial park businesses in Vietnam and other countries.

Fiscal 2009 Results

In fiscal 2009, net income was ¥0.2 billion, a change of ¥1.8 billion year on year, partly due to improved results at SMFL, despite an impairment loss on preferred stock of Japan Airlines Corporation and other factors.

In the financial services field, we focused resources on aircraft operating leasing, a market where demand is expected to grow. We also established a branch of Sumitomo Corporation Global Commodities Limited in Singapore to conduct derivatives trading of products. In the logistics field, we increased the sophistication of the logistical functions of our logistics companies in Asia. Also, in November 2009 construction was completed on our Thang Long Industrial Park II in Vietnam. We are working to attract occupants to the site, especially Japanese manufacturers, based on our track record and expertise accumulated up to now. In the environment and new energy field, we have started a feasibility study on business using "second-life" (reusable) batteries for electric cars together with Nissan Motor Co., Ltd. In Tianjin, China, we have reached an agreement with DOWA ECO-SYSTEM Co., Ltd. to establish a joint venture that will recycle used consumer electronics and home appliances.

Performance Highlights

(Billions of Yen)

(FY)	'05	'06	'07	'08	'09	'10 (Targets)
Gross Profit	25.0	29.2	31.8	26.8	23.4	29.0
Equity in Earnings of Associated Companies, Net	2.3	1.4	0.9	3.8	6.3	—
Net Income	6.2	5.9	5.1	(1.6)	0.2	5.0
Basic Profit	7.5	7.0	6.1	3.8	4.9	—
Total Assets	470.8	430.1	449.5	581.5	554.6	—

* The figures from FY05 to FY09 are the results of the former "Financial & Logistics."

In November 2009, we completed the construction of the Thang Long Industrial Park II, an industrial park with a total area of 220 hectares located 33km southeast from the center of Hanoi, Vietnam.

FOCUS'10

BASIC POLICY

We aim to strategically develop and promote businesses in new growth fields over the medium and long term with a company-wide perspective, and further fortify our earnings foundations.

Maximizing Value Chains in the Environment and New Energy Fields

Environmental problems affect all of us and now require urgent attention. We aim to help resolve these problems by developing and promoting the use of solar photovoltaic power generation, next-generation batteries, and so on.

In the solar photovoltaic power generation field, operations extend from the supply of raw materials for solar cells to the sale of modules. We have also participated in the solar photovoltaic power generation project business since 2008, and plan to actively expand our operations in this field. We will further strengthen value chains extending from upstream to downstream areas in the solar photovoltaic power generation business.

In the next-generation battery field, we are building value chains for lithium-ion batteries and creating businesses derived from the electric car business. Specifically, under the theme "Reuse, Resell, Refabricate, and Recycle," we have teamed with Nissan Motor Co., Ltd., to start a feasibility study on business using lithium-ion batteries for electric cars as energy-storage solutions in markets worldwide.

In the environmental solutions field, we are promoting waste management, environmental recycling, emissions trading, and low carbon businesses with the aim of developing a sustainable society with recycling practices and low CO_2 emissions. In China, where consumers are now keenly interested in recycling, we are working to increase the recycling of used consumer electronics and home appliances in conjunction with DOWA ECO-SYSTEM Co., Ltd.

In incubation businesses, through global investment in business ventures in Japan, the United States, and Asia, our strategic focus is on investing and commercializing businesses from a companywide perspective in growth industries and growth markets by nurturing new businesses that we have identified as poised for growth ahead.

Enhancing the Leasing Business and Commodity Trading Business

In the leasing business, we aim to expand operations in cooperation with Sumitomo Mitsui Financial Group member SMFL through a number of cooperative ventures. Particularly in these initiatives, we are focusing resources on aircraft operating leasing, a market that is expected to experience medium- and long-term growth.

In the commodity trading field, we offer services to clients in Japan and abroad and hedge against commodity prices for mineral resource and energy projects undertaken by other business units.

Expanding the Overseas Industrial Park Business into New Regions

We are working diligently to enhance our service menu through such initiatives as holding tenant company meetings and upgrading infrastructure at our industrial parks in Vietnam, the Philippines and Indonesia.

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

In the aircraft leasing business, we aim to expand our portfolio of aircraft throughout the world to 70-100 aircraft in the next few years, with operations centered on SMFL Aircraft Capital Corporation B.V., a joint venture we founded with SMFL.

PRINCIPAL SUBSIDIARIES AND ASSOCIATED COMPANIES CONTRIBUTING TO CONSOLIDATED RESULTS

(100 million yen)

	Shares in equity (End of FY2009) (%)	Main Business	Equity in earnings (FY2008)	Equity in earnings (FY2009)
Metal Products				
ERYNGIUM Ltd.	*97.30	Manufacture, processing and distribution of speciality metals for OCTG market	57.7	24.5
Asian Steel Company Ltd.	100.00	Shearing, slitting, and sale of steel plates	10.6	3.0
SC Pipe Services Inc.	100.00	Investment in pipe manufacturing and sales company in the U.S.	52.9	2.0
National Pipe Company, Ltd.	16.00	Pipe manufacturing and sales company in Saudi Arabia	15.5	1.6
Transportation & Construction Systems				
P.T. Summit Oto Finance	*99.60	Financing of motorcycles	8.8	36.7
P.T. Oto Multiartha	83.86	Financing of automobiles	35.6	36.2
Sumitomo Mitsui Auto Service Company, Limited	60.00	Leasing of motor vehicles	19.1	22.7
Infrastructure				
MobiCom Corporation	33.98	Integrated telecommunication service in Mongolia	26.2	15.1
Perennial Power Holdings Inc.	*100.00	Development, ownership and management of power plant in the U.S.	12.7	14.9
Sumisho Machinery Trade Corporation	*100.00	Trading of machinery, equipment and automobiles in Japan	16.7	7.3
Media, Network & Lifestyle Retail				
Jupiter Shop Channel Co., Ltd.	99.60	Operation of TV shopping channel	69.4	91.8
Jupiter Telecommunications Co., Ltd.	27.50	Operation of multiple cable TV systems (MSO) and channels (MCO)	78.3	88.5
Summit, Inc.	*100.00	Supermarket chain	28.7	24.0
Sumisho Computer Systems Corporation	60.56	System Integration; data processing services; development and sale of computer software and hardware	23.7	19.6
Montrive Corporation	*100.00	Sole import, designing and sale of the luxury line of chenille fabrics, “FEILER”	9.9	6.3
Asmik Ace Entertainment Inc.	76.59	Production, distribution and sale of movies and videos	(9.3)	(12.2)
Mineral Resources, Energy, Chemical & Electronics				
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	(59.9)	181.6
Nusa Tenggara Mining Corporation	74.28	Investment in and financing of the Batu Hijau copper/gold mine project in Indonesia	34.5	148.3
Sumisho Coal Australia Pty. Ltd.	100.00	Investment in coal mines in Australia	211.7	107.3
Oresteel Investments (Proprietary) Limited	*49.00	Investment in Assmang iron ore and manganese mine in South Africa	58.4	93.4
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	28.4	25.0
3 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	10.2	24.0
SMM Cerro Verde Netherlands B.V.	20.00	Investment in the Cerro Verde copper mine in Peru	30.0	20.5
Petro Summit Pte. Ltd.	*100.00	International trade of crude oil and petroleum products	(0.9)	15.4
The Hartz Mountain Corporation	*100.00	Manufacturing, distribution, and sales of pet care products	(54.8)	7.0
LNG Japan Corporation	50.00	Trading of LNG, investment and financing related to LNG business	19.9	6.5
Sumi Agro Europe Limited	*100.00	Investment in agricultural chemicals business in Europe	16.6	6.2
Cantex Inc.	*100.00	Manufacture and sale of polyvinyl chloride pipes	(40.9)	(13.8)
General Products & Real Estate				
TBC Corporation	*100.00	Retail and wholesale of tires	16.5	37.3
2 companies in the banana business	—	Import and sale of fruits and vegetables	17.0	26.5
Summit Rural Western Australia Pty. Ltd.	*100.00	Import of fertilizer materials and sale of chemical fertilizers in Western Australia	(9.2)	(42.5)
New Industry Development & Cross-function				
Sumitomo Mitsui Finance and Leasing Company, Limited	*40.00	Finance & Lease	56.0	70.8
Sumisho Aircraft Asset Management B.V.	*100.00	Aircraft operating lease	5.7	4.7
Overseas				
Sumitomo Corporation Europe Holding Ltd.	100.00	Export, import, wholesale	110.6	89.1
Sumitomo Corporation of America	100.00	Export, import, wholesale	225.0	76.8
Sumitomo Corporation Asia Pte. Ltd.	100.00	Export, import, wholesale	56.4	42.8
Total 9 subsidiaries in China	100.00	Export, import, wholesale	37.9	15.0
Sumitomo Australia Limited	100.00	Export, import, wholesale	7.5	(16.7)

* 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.

CORPORATE GOVERNANCE AND BUSINESS OPERATING STRUCTURE

CONTENTS

CORPORATE GOVERNANCE

BUSINESS OPERATING STRUCTURE

BASICS OF SUMITOMO CORPORATION

Sumitomo Corporation Group's Corporate Mission Statement, consisting of the Management Principles and the Activity Guidelines, is the fundamental and ultimate value standard of the Company. The Management Principles are the redefinition of Sumitomo's business philosophy, which has been cultivated over its 400 years of business history, from a contemporary and global perspective set out in a simple and clear structure. The Activity Guidelines stipulate the required behavior of the Company and its officers and employees and provide the means to realize the Management Principles.

Management Principles and Activity Guidelines

The first sentence of the Corporate Mission Statement "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" constitutes the "Corporate Vision" of the Company.

The first article of the Management Principles "To achieve prosperity and realize dreams through sound business activity" represents the "Corporate Mission," the second article "To place prime importance on integrity and sound management with utmost respect for the individuals" represents the "Management Style" and the third article "To foster a corporate culture full of vitality and conducive to innovation" represents the "Corporate Culture" of the Company, respectively.

Sumitomo Corporation shall share this value standard throughout the Group, and shall practice it in each business activity to contribute to realization and improvement of the economic and social value of all stakeholders of the Company.

Sumitomo's Business Philosophy

The origin of the Management Principles lies in Sumitomo's business philosophy, which has been inherited and adhered to by the Sumitomo Group for the more than 400 years since its foundation.

In essence, it tells us that "We should place prime importance on integrity and sound business activities, and should never be moved from joy to sorrow by daily market fluctuations. But, when faced with a paradigm shift, we must take the lead in striving for structural innovation. In this way we can and should create meaningful values not only for ourselves but for society as well."

It implies a universal value valid enough even now, but more than 400 years have passed. There are some expressions too profound for the officers and employees of today, and other articles requiring some complementing for a company doing business on a global basis like us. So, Sumitomo Corporation has translated it into plain language and reorganized it in a clear structure in the Management Principles formulated in 1998.

Corporate Mission Statement

Corporate Vision

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

Corporate Mission
- To achieve prosperity and realize dreams through sound business activities

Management Style
- To place prime importance on integrity and sound management with utmost respect for the individual

Corporate Culture
- 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

Monjuin Shiigaki ("Founder's Precepts")
Showing Sumitomo's business philosophy
(around 1650, from Sumitomo Historical Archives)

CORPORATE GOVERNANCE SYSTEM

We believe that the ultimate goals of corporate governance are "improving management efficiency" and "maintaining sound management" as well as "ensuring management transparency" to achieve the first two goals. Based on this belief, we are working to establish a corporate governance system that serves the interests of shareholders and all other stakeholders.

Past Initiatives to Strengthen and Enhance Corporate Governance

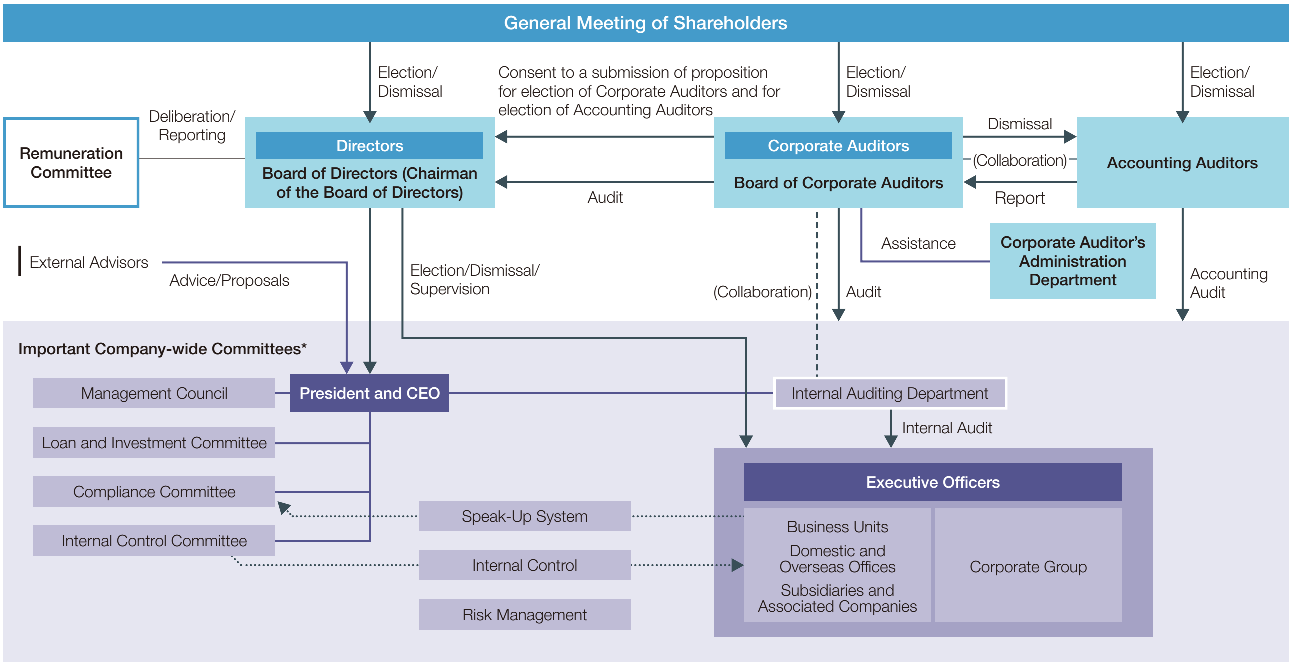
To date, we have strengthened and improved our corporate governance system through initiatives covering many points, such as optimizing the size of the Board of Directors, setting term limits for the Chairman of the Board of Directors and the President and CEO, shortening the terms of Directors, establishing advisory bodies, strengthening the corporate auditors system, introducing the executive officer system, and appointing external advisors.

Our approach to corporate governance is embodied in the "Sumitomo Corporation Corporate Governance Principles," which can be accessed from the following web page.
URL: http://www.sumitomocorp.co.jp/english/company/governance/index.html

Features of Our Corporate Governance System

Under the former Commercial Code, since April 2003, Japanese companies have been able to adopt a company with a committee based system of corporate governance. However we believe that the best way for us to improve the effectiveness of our corporate governance is to maintain our existing corporate auditor system while enhancing and reinforcing it through auditing from diversified external viewpoints and with opinions and advice from additional external advisors. Based on "Sumitomo's business philosophy," we have established the Sumitomo Corporation Group's Management Principles and Activity Guidelines, and work to enforce these principles and guidelines among all officers and employees, in order to share the basic values that must be respected by the Sumitomo Corporation Group, including compliance with laws and regulations. From the perspective of maintaining sound management, we have developed a system for ensuring compliance with laws and regulations by establishing a Compliance Committee and introducing a "Speak-Up System" for internal reporting, among other measures. Guided by the belief that management itself must conduct its duties with high ethical standards, we have clearly stated in the "Sumitomo Corporation Corporate Governance Principles" that in principle, the

The Company's Corporate Governance System



* Management Council: Exchange of opinions and information on basic policy and important matters related to management
Loan and Investment Committee: Deliberation of important matters, such as investment and financing
Compliance Committee: Enhancement of Group compliance focused on "maintaining sound management"
Internal Control Committee: Promotion of efficient and effective Internal Control

Chairman of the Board of Directors and the President are each limited to terms of up to six years.

In 2009, we established the Sumitomo Corporation Corporate Governance Principles Reform Review Committee, including members from outside the company, and discussed a range of topics such as the appointment of external directors. Nonetheless, we determined that at this time, our current management structure is the most reasonable system from the standpoints of further strengthening and enhancing corporate governance. However, we will continue to study the most appropriate corporate governance system for Sumitomo Corporation.

Framework for "Improving Management Efficiency" and "Maintaining Sound Management"

Directors and the Board of Directors

■ Optimization of Size of Board of Directors

We halved the number of Board members from 24 in 2003. As of July 2010, the Board has 12 members. Through this optimized Board of Directors, which oversees the operations of the business and serves as the Company's decision-making body concerning key management matters, we aim to facilitate substantial and active discussion as well as to promote greater efficiency and effectiveness in the decision-making process.

■ Limiting Terms of Directors

In June 2005, the terms of Directors were reduced from two years to one year. We aim to clarify the responsibility of management among members of management each fiscal year. This, in turn, helps ensure fast reaction times to changes in business conditions.

■ Limits on Terms of the Chairman of the Board of Directors and the President and CEO

In principle, the positions of Chairman of the Board of Directors and the President and CEO are clearly defined and separated in order to ensure mutual supervision and both positions cannot be held simultaneously by one person. In principle, the Chairman of the Board of Directors and the President and CEO are each limited to terms of six years. These limitations on the tenure of top management help minimize the possibility of governance problems.

■ Establishment of the Advisory Body to the Board of Directors

With the aim of enhancing the transparency and objectivity of decision-making processes with regard to the remuneration of Directors and Executive Officers, we established the Remuneration Committee. Functioning as an advisory body to the Board of Directors, no fewer than half of the Committee members are from outside the Company. The Remuneration Committee is in charge of studying remuneration and bonuses of directors and executive officers, and reports the results of its studies to the Board of Directors.

Corporate Auditors and the Board of Corporate Auditors

■ Enhancement of Corporate Auditing Framework

To further strengthen external views within the corporate auditing framework, we added one external auditor in June 2003, bringing the number of external auditors to three out of the five members on the Board of Corporate Auditors. Of these three, two are legal experts (a former Public Prosecutor General and a former President of the Tokyo High Court) and one is an accounting expert—ensuring an auditing system that incorporates a diversity of perspectives. The three external auditors possess a high degree of independence, such as by satisfying the conditions for independent officers stipulated by the listing rules of Japanese stock exchanges.

■ Ensuring Audit Effectiveness

Corporate Auditors attend meetings of the Board of Directors and all other important internal meetings, to obtain the information necessary for proper auditing. Corporate Auditors also meet the Chairman of the Board of Directors and the President and CEO every month to exchange opinions on material issues regarding management policy and auditing. Moreover, the Corporate Auditor's Administration Department is assigned to assist Corporate Auditors, so that the auditing system functions effectively and without hindrance.

■ Collaboration between Internal Auditing Department and Accounting Auditors

To ensure audit efficiency, Corporate Auditors interact closely with the Internal Auditing Department, receiving reports on internal audit plans and their results in a timely manner. In addition, Corporate Auditors exchange information with and monitor the auditing activities of the Accounting Auditors through regular meetings. By attending audit review meetings with the Accounting Auditors and observing inventory audits, the Corporate Auditors constantly work to improve audit efficiency and quality. Furthermore, Corporate Auditors attend meetings of the Internal Control Committee, and request reports on the status of internal control systems from other departments responsible for internal control, along with their cooperation on audits.

Introduction of an Executive Officer System

We have introduced an executive officer system with the aim of clarifying the responsibilities and authority for execution and strengthening the monitoring function of the Board of Directors. We currently have 39 Executive Officers selected by the Board of Directors. Of these, 11 Executive Officers also serve concurrently as Directors, including seven who are also General Managers of Business Units. In this way, we aim to prevent gaps between decisions made at Board of Directors meetings and the execution of those decisions.

Appointment of External Advisors

Management Council members meet with outside specialists employed as external advisors to incorporate outside perspectives into our management. In this way, external advisors provide us with advice from diverse perspectives on various themes related to management issues. External advisors also give speeches and lectures in their respective areas of expertise, such as leadership and career development, to employees at various levels within our organization.

System for Ensuring Management Transparency

Basic Policy on Information Disclosure

To bring an accurate understanding of the Company's management policies and business activities to all our stakeholders, we shall strive to make full disclosure, not limiting ourselves to the disclosure of information required by law but also actively pursuing the voluntary disclosure of information.

Communicating with Shareholders and Other Investors

■ Encouraging the Execution of Voting Rights at the General Meeting of Shareholders

We send out a Notice of Convocation to shareholders three weeks prior to each regularly scheduled General Meeting of Shareholders. For the convenience of overseas shareholders, we also provide an English-language translation of the notice on our website. We have allowed our shareholders to exercise their voting rights via the Internet using personal computers since 2004 and via the Internet using mobile phones since 2005. In 2007, we introduced the Electronic Voting Platform operated by Investor Communications Japan, Inc. (ICJ), a joint venture instituted by Tokyo Stock Exchange, Inc. and others. The new platform allows institutional investors sufficient time to thoroughly examine the propositions to be resolved at the meeting.

■ Disclosing Various Information

Our corporate website provides various materials that may be useful in making investment decisions in a timely manner. These materials include financial results, *yukashoken houkokusho* (Japanese annual securities reports), Tokyo Stock Exchange filings and related documents of various meetings. We also disclose information on a broad range of Group-wide topics through such means as feature articles on projects that we operate around the world. Moreover, we issue an *Annual Report*, *Sustainability Report* and *SC News*, our public relations news magazine, and endeavor to ensure proactive disclosure.

■ Investor Relations

In addition to working to enhance the disclosure of information on our website, in order to ensure direct communication with shareholders and other investors, we hold quarterly meetings attended by management to provide information on our financial results for analysts and institutional investors. For overseas investors, we periodically visit the United States, the United Kingdom, and other countries in Europe and Asia to hold one-on-one meetings with investors in each region. In addition, in fiscal 2004 we began regularly holding meetings with individual investors in Japan. In fiscal 2009, we held such meetings in five cities, with a total of 1,350 individual investors attending.

While increasing management transparency, we aim to strengthen our relationships of trust with shareholders and investors.

While working to strengthen and enhance our corporate governance structure and systems, from the perspectives of "improving management efficiency" and "maintaining sound management," we will continue to further strengthen internal control programs, internal auditing, risk management and compliance, to further improve the effectiveness of internal control.

Message From an Outside Corporate Auditor

Akio Harada
Lawyer
Appointed as outside corporate auditor in 2005

I have observed corporations from many different angles through my 30 years of experience in judicial circles. At the same time, I have increased my understanding of not only the economic roles of corporations, but also the extent of their social roles. Sumitomo Corporation conducts a diverse array of businesses globally, and has provided me with an opportunity to make practical use of my experience in this regard.

Sumitomo's business philosophy, which has been handed down the generations within the Sumitomo Group for more than 400 years, states the following: "Always practice sound management; never pursue easy gains." I believe that this principle has become Sumitomo Corporation's greatest support when conducting business. I participate in meetings of the Board of Directors, where I ask questions and raise various points from an external perspective. For example, I might ask about the status of compliance or whether necessary information is being provided to stakeholders. Sumitomo Corporation welcomes the fresh perspectives that are introduced by being questioned about matters that, in its view, may be obvious, and always replies sincerely. In addition, the willingness to point out issues and hold active discussions has been enhanced, even among directors. As an outside corporate auditor, I would like to influence management from a broad perspective that encompasses the social role of corporations, in order to support the sustained growth of Sumitomo Corporation going forward.

INTERNAL CONTROL PROGRAM AND INTERNAL AUDITS

The Sumitomo Corporation Group has strengthened its internal controls in order to retain the trust of all its stakeholders. Our Internal Control Program and Internal Audits are key components of our internal control system for monitoring operations.

Internal Control Program

The Sumitomo Corporation Group is formed of seven Business Units as well as regional organizations in Japan and overseas. The Business Units, organizations and group companies collectively work together in broad business fields. It is essential that we provide a uniform standard in operational quality at these businesses, irrespective of their business sector or region. This standard must also meet the expectations of our stakeholders.

From this perspective, we launched our Internal Control Program in 2005 to perform a comprehensive evaluation of the status of internal controls using a standards-based checklist. This Internal Control Program checklist covers approximately 350 points pertaining to general operations that should be common across the Group, including risk management, accounting and financial controls and compliance.

To ensure that this checklist assessment is conducted effectively, we make concerted efforts to educate all our officers and employees, including those at Group companies, on the essential fine points of internal controls that must be verified.

We are undertaking checklist assessments of the Internal Control Program at more than 500 operations around the world, including all major business locations, regardless of industry field, business model, region or scale. The Planning and Administration Department and other relevant departments in each Business Unit and region review the assessment results and improvement activities needed at each organization are conducted regularly based on the results. In this manner, we are working to contribute to the sustained growth and development of the Sumitomo Corporation Group.

Fulfillment of Legal Requirements

In recent years, due to social demands, legislation requiring companies to constantly improve and monitor their internal control systems has been passed under the Japanese Company Law and the Financial Instruments and Exchange Law. We have treated meeting these legal obligations as an opportunity to further reinforce our internal control program, which we had implemented ahead of the enactment of this legislation. Our efforts in this area are ongoing and not transitional.

The Japanese Company Law, which came into effect in May 2006, calls for companies to establish "systems ensuring that the execution of duties by directors conforms to legal regulations and their Articles of Incorporation as well as systems ensuring that business processes are handled appropriately." Having previously established various systems and frameworks, the Sumitomo Corporation Group fulfills the requirements of this law.

Our Internal Control Program monitors these systems to ensure that they are functioning adequately and makes any necessary improvements.

To comply with the internal control reporting rules stipulated in the Financial Instruments and Exchange Law, which took effect on April 1, 2008, we are tracking and evaluating our internal controls with regard to the reliability of financial reporting, as required by the law, through the effective application of Internal Control Program results and its promotion structure.

For the fiscal year ended March 31, 2010, the second fiscal year that the law applies to, as a result of evaluations and subsequent improvements, as in the first fiscal year, we found our internal controls related to financial reporting to be effective and received an unqualified opinion from the accounting auditor upholding the results of our assessment.

Through the aforementioned efforts and measures, the Sumitomo Corporation Group aims to continuously improve the quality of its operations.

Internal Audits

The Internal Auditing Department, which reports directly to the President, was established as an independent organization to monitor company-wide operations. Internal audits are performed at all organizations within the Company and Group companies. The internal audit results are reported directly to the President every month, and reported regularly to the Board of Directors. The Internal Auditing Department helps to raise the quality of organizational management by evaluating the effectiveness of risk management, controls and organizational governance processes.

COMPLIANCE

Positioning legal and regulatory compliance as a basic premise for all corporate activity, Sumitomo Corporation is building a compliance structure in accordance with clearly defined policies. In maintaining strict adherence to this compliance structure, we are ensuring our existence as a going concern and securing our credibility and status.

Policies and the Reporting Structure of Corporate Compliance

It is our policy that both officers and employees should never risk transgression in pursuit of profit for the Company. In order to promote compliance, Sumitomo Corporation established the Compliance Committee under the direct supervision of the President and CEO. The Compliance Committee is responsible for preparing the Company's *Compliance Manual* and distributing it to all officers and employees. The *Compliance Manual* covers the following 19 Guiding Principles to ensure the Company's bottom line: "If there is even a trace of doubt, don't do it." If a potential compliance problem is detected, we continuously encourage our employees to report it to their supervisors or the relevant departments immediately, so that the best countermeasures can be implemented swiftly.

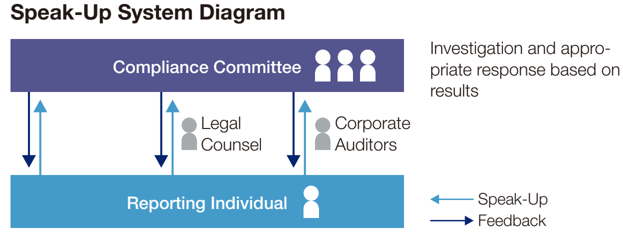
Compliance Training and Education

Employees have access to the latest version of the *Compliance Manual* and other manuals detailing applicable laws and regulations on the Company's intranet. We also offer various training programs and educational activities on compliance, including: programs for specific groups, such as employees, managers and corporate officers new to the Company; seminars provided by each Business Unit; seminars targeted at all officers and employees; and seminars for overseas offices and Group companies. We also make use of various domestic and overseas conferences for compliance education. In addition, we hold e-learning compliance seminars open to employees from all levels and plan to continue these seminars for new and other employees. Such e-learning is also held at Group companies.

Speak-Up System

If an employee becomes aware of a possible compliance problem, he or she can pass the information along the chain of command. In addition, the "Speak-Up System" was introduced to allow individuals to report a potential problem directly to the Compliance Committee. Outside legal counsel and our Corporate Auditors have been included as additional points of contact to further augment the system. Although, in principle, reporting individuals are asked to identify themselves so that they can be updated on the outcome of their cases, Company rules state that both the identity of such individuals and the nature of the information provided are kept confidential, and that no negative repercussions will redound on the reporting employees due to such reporting. The Compliance Committee is responsible for handling all the information it receives in an appropriate manner.

Speak-Up System Diagram



Guiding Principles

Business Activities	Corporate Citizen as a Member of Society	Maintenance of a Good Working Environment	Personal Interest
• Observing Antimonopoly Laws • Security Trade Control • Customs / Controlled Items • Compliance with Applicable Laws • Respecting and Protecting Intellectual Property Rights • Prohibition of Unfair Competition • Information Management • Preservation of the Environment • Overseas Business Activities	• Prohibition on Giving Bribes • Prevention of Unlawful Payments to Foreign Governmental Officials • Political Contributions • Confrontation with Antisocial Forces	• Respect for Human Rights* • Prohibition of Sexual Harassment • Prohibition on Abuse of Authority * Based on the Universal Declaration of Human Rights.	• Insider Trading • Conflict of Interest • Proper Use of Information Systems

RISK MANAGEMENT

In order to cope effectively with the diversifying risk environment, we have built a risk management framework by developing our risk management approach from a micro to a macro perspective, and shifting our focus from "minimizing losses from individual transactions" to "maximizing corporate value." This framework is strongly linked to the management plan, playing a critical role in supporting the efficient management of our corporate resources.

The Purpose of Risk Management

In response to the shift of our risk management focus from "probability of losses" to "probability of discrepancy between the plan and the actual results," we have set the following three items as the purpose for our risk management activities.

1. Stabilize Performance:
Minimize discrepancies between the plan and the actual results

2. Strengthen Financial Base:
Maintain Risk-adjusted Assets within the buffer (shareholders' equity)

3. Maintain Corporate Reputation:
Fulfill CSR requirements and preserve corporate reputation

Risk Management Basic Policy

We classify our risks into two categories: Quantifiable risk and Non-quantifiable risk. Quantifiable risk is defined as "Value creating risk," where we proactively take to gain the return. Our policy is to maximize the risk-adjusted return while maintaining Risk-adjusted Assets within our buffer. Non-quantifiable risk is defined as "Value breaking risk," which only generates losses when it surfaces. We are building a framework that prevents or minimizes the probability of this risk to materialize.

Risk Management Framework

Managing Quantifiable Risks

■ Managing Investment Risks

Once an investment is made, it is often difficult to make a withdrawal decision and the loss impact is usually significant in scale. To manage the investment risk, we have in place an integrated framework covering the entry process to the exit process. For the entry process, we carefully select investments that exceed the hurdle rate, a threshold for the rates of return on new investments relative to the cost of capital. In case of new investments for large-scale, important projects, cases are put forward to the Loan and Investment Committee for thorough examination, and if such investments significantly underperform the original business plans, Value-Up plans shall be formulated and executed with the support of the Committee. When the performance of investments fall short of required standards after a certain period from their inception, we have an Exit Rule that shall designate those investments as "Investments to withdraw from."

■ Managing Credit Risks

We have incorporated our original credit rating model, the Sumisho Credit Rating (SCR), to assess our customer's credit risk. The authority level to provide credit exposure to customers depends on the assigned credit rating, and the risk weight ranging from 1.5% to 50% is set for each rating criteria. A higher ranked officer's approval is required to provide credit to low-rated customers, with larger Risk-adjusted Assets being calculated. This consideration provides each Business Unit with an incentive to reduce the amount of credit extended to customers with low credit ratings. We are expanding the scope of the SCR system to subsidiaries and associated companies to enhance Group wide credit risk management.

■ Managing Market Risks

We set limits on contract balances as well as the maximum amounts of allowable losses for six months or a full year for commodity and financial instrument transactions. At the same time, we constantly monitor the potential amount of loss, (Value at Risk (VaR)—an estimate of potential risk or in case the total figures of realized and unrealized gain/loss are negative at the time of monitoring, the total of VaR and the relevant negative figures), to ensure that the potential amount of loss falls within the maximum amounts of allowable losses. In addition, we conduct liquidity risk management for each product on an individual futures market basis in order to be prepared in the event that it becomes difficult to close positions due to shrinking liquidity. The Financial Resources Management Group undertakes both the back and middle office functions in order to completely separate those functions from the Business Units, thereby enabling us to maintain the soundness of internal checks.

■ Managing Concentration Risks

As we are operating globally and engaging in a variety of business fields, we need to ensure that the risks are not excessively concentrated in particular areas. In order to avoid overly concentrated exposure in certain countries and regions, we have in place a country risk management system. In addition, in order to avoid the excessive concentration of resources in any specific field and maximize our corporate value, we refine our business portfolio at a meeting held in December each year.

Managing Non-Quantifiable Risks

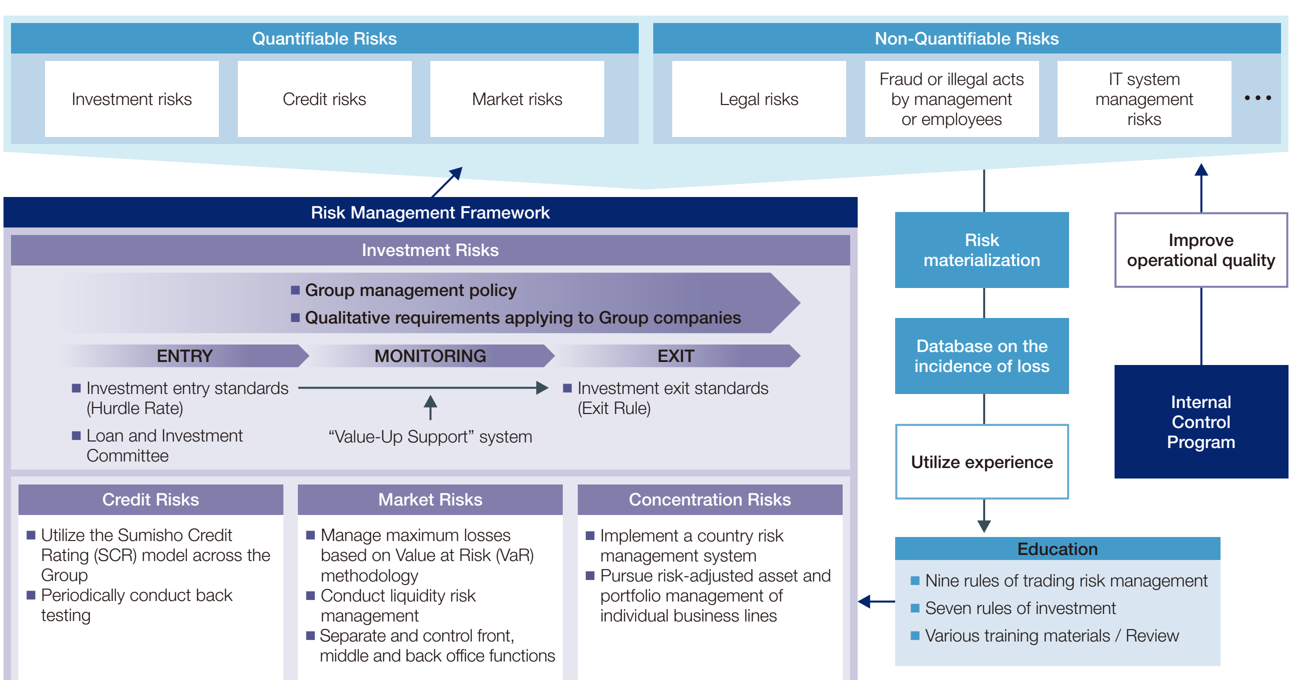
Non-quantifiable risks are those that must be borne, but for which we cannot expect returns. These include litigation and other legal risks, operational risks such as clerical mistakes or fraud acts, and natural disaster risk. Some of these risks involve events that rarely occur but could have a critical impact on our operations once they arise. Our basic policy is to prevent or minimize the probability of these risks to materialize. We have built a framework to periodically and comprehensively assess the effectiveness of our internal control system over these risks through our Internal Control Program, which enables us to monitor the situation on a global and consolidated basis. Based on the assessment result, we continuously search for a more efficient and effective organizational structure and procedures to improve the quality of our business operations.

Embedding the Sense of Risk Management

Although we have been constructing the best possible risk management framework to cope with diversified risks, we cannot completely prevent the incurrence of loss in the course of business activities only by the framework itself. We are putting our efforts into implementing the initiatives that enable us to quickly identify the occurrence of losses in order to suppress loss accumulation and prevent the contagion effects that lead to secondary losses. These initiatives include devising ways to quickly identify the cause of losses and share such information among top management and related departments. We have compiled a database of such loss information that allows for the systematic analysis of the causes of loss-incurring events. These analyses are used as training materials for employees as part of various educational programs. Through this knowledge feedback process, individual employees can upgrade their risk management capabilities, supporting the prevention of the same kind of loss events.

Eyeing the Future of Risk Management

Over the past decade, Sumitomo Corporation has created a formidable risk management framework by studying advanced methods and processes. Our goal is to implement the best practices in risk management while maintaining the flexibility to adapt to changes in the business environment. The surrounding environment is continually changing, however, and new business models that we could never have imagined are emerging on a daily basis. Responding to changing circumstances in a timely and effective manner, we continually upgrade our risk management under the direction of top management.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

"Sumitomo's business philosophy" is expressed in the following credo: "Benefit for self and others, private and public interests are one and the same." This means that "Sumitomo's business activities must benefit not only Sumitomo's own businesses, but also society and the nation." This approach of seeing corporate activities within the scope of relationships with society is identical to what is referred to as CSR today. Sumitomo's business philosophy, as described above, is illustrated in clauses in the Management Principles of the Sumitomo Corporation Group such as "To create new value, and contribute broadly to society," and "To achieve prosperity and realize dreams through sound business activities," and it has become deeply rooted as the universal and unchanging basis of our business activities.

How we see CSR at the Sumitomo Corporation Group

At the preamble to the Sumitomo Corporation Group Management Principles, the corporate vision of the group is described by the following: "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." For us then, promoting CSR means conducting responsible business activities based on our corporate vision, which is also the same as implementing the Group's Management Principles. We work on social issues from the standpoint of a corporation while building better relationships with stakeholders through sound business activities and social contribution activities, with the aim of building a sustainable society. For us, this means achieving prosperity and realizing the dreams of all our stakeholders, and we recognize this as the fundamental basis of CSR.

Initiatives for the United Nations Global Compact

The Sumitomo Corporation Group supports the 10 principles of the UN Global Compact (GC), an international CSR-related initiative that proposes values held in common with the Group's Management Principles. We are committed to enhancing our corporate value by clearly identifying areas of improvement in our business activities in light of the values advocated by the 10 principles.

The Global Compact's 10 Principles

THE GLOBAL COMPACT

WE SUPPORT

Human Rights

1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. make sure that they are not complicit in human rights abuses.

Labour Standards

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. the elimination of all forms of forced and compulsory labour;
5. the effective abolition of child labour; and
6. the elimination of discrimination in respect of employment and occupation.

Environment

7. Businesses should support a precautionary approach to environmental challenges;
8. undertake initiatives to promote greater environmental responsibility; and
9. encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

10. Businesses should work against corruption in all its forms, including extortion and bribery.

* We also support the Global Human Rights Declaration, which the 10 principles of the UN Global Compact comply with.

Sustainability Report

For details on our CSR activities, please refer to our Sustainability Report. The report is available on our website:
http://www.sumitomocorp.co.jp/english/society/report.html

Initiatives for Supply Chain CSR

The issues that international society confronts in such areas as the global environment, poverty, and human rights are social issues that are shared as concerns by the Sumitomo Corporation Group, which has constructed diverse value chains on a global scale. By putting supply chain CSR into practice, we will work to alleviate and solve these concerns.

CSR Action Guidelines for Supply Chains Established

In November 2009, we established the Sumitomo Corporation Group CSR Action Guidelines for Supply Chains based on the Group's Management Principles. Through these guidelines, we are aiming to achieve a sustainable and better society by working together with our suppliers and other business partners, to fulfill our social responsibilities in such areas as compliance with laws and regulations, respect for human rights, and protection of the environment.

Generally, supply chain CSR means conducting not only a company's own responsible business activities, but also doing so together with suppliers and other business partners, in all the value chains a company is involved in. With a view to further strengthening "global relations," one of the elements of the business foundation that supports our integrated corporate strength, which is our core competence, we will request our suppliers and business partners to kindly accept, understand, and practice these guidelines so that together we can fulfill our social responsibilities in the value chain in which we are jointly involved.

The Sumitomo Corporation Group CSR Action Guidelines for Supply Chains

Our suppliers and business partners are expected:

1. To respect the human rights of employees and never treat employees in an inhumane manner
2. To prevent forced labor, child labor and unreasonably cheap labor
3. Not to practice discrimination with respect to employment
4. To respect the rights of employees to associate freely in order to ensure smooth negotiation between labor and management
5. To strive to provide employees with a safe and healthy work environment
6. To strive to protect the global environment
7. To ensure the quality and safety of products and services
8. To ensure fair transactions, abiding by all applicable laws, rules and regulations, and to prevent all types of corruption, including extortion and bribery
9. To disclose information regarding the above in a timely and appropriate manner

Global Safety Management

The Sumitomo Corporation Group puts "safety first" in its business activities. Endeavoring to better prepare for and prevent incidents, accidents and disasters in Japan and overseas, we regularly conduct educational activities and upgrade our safety planning infrastructure. Through these means, we work diligently to ensure that all executives and employees maintain a deep awareness of crisis situations, understand all appropriate safety guidelines and measures and put them into practice.

As a part of the aforementioned endeavors, we are striving to realize "zero" workplace accidents at subsidiaries and associated companies engaged in manufacturing, processing and warehouse activities. A Safety Management Committee has been established at each Business Unit. These committees take action to ensure safety management and prevent workplace accidents together with Group subsidiaries and associated companies in Japan and overseas.

Measures to Improve Safety Awareness and Prevent Accidents

In the Metal Products Business Unit, all subsidiaries and associated companies document their safety activities in accordance with the Group's *Safety Manual*, *Safety and Hygiene Management Guidelines*, and *Work* handbooks, and every employee is appropriately trained on safety in the workplace. This vigilance helps prevent accidents before they happen.

In the Tubular Products Group's worldwide Supply Chain Management operations, the employees of Group companies, customers and subcontractors work together to conduct safety management in order to create safe working environments and procedures designed to minimize the risk of accidents for all involved. We also strive on a daily basis to continuously raise safety awareness among Sumitomo employees and our contractors. In fiscal 2009, we performed risk assessments in such new locations as Prudhoe Bay/Alaska, Perth and Dubai. We also established a safety management system that can be monitored at all times by deploying various systems for gathering safety-related information and various safety data over the Internet.

Work instructions are given to workers by an HSE* expert during a safety meeting in Balmer, India.

* HSE: Health, Safety and Environment

Initiatives for Biodiversity

In its Environmental Policy established in 1999, the Sumitomo Corporation Group adopted the following basic policy: "The Sumitomo Corporation Group, through sound business activities, will strive to achieve sustainable development aimed at symbiosis between social and economic progress and environmental preservation," and included the following principle of caring for the natural environment in the basic guidelines of the policy: "To protect the natural environment and preserve biodiversity." Accordingly, we are working to maintain and preserve biodiversity in the course of our business activities.

Batu Hijau Copper and Gold Mine Project

Sumitomo Corporation and its business partners have been carrying out the Batu Hijau mine project (Indonesia), one of the world's largest copper and gold mines. We have positioned the following four priorities as social responsibilities that must be fulfilled by business operators in the course of core business activities: (1) minimize impact on the natural environment and ecosystems, (2) eliminate the negative impacts at an early stage, (3) make dedicated efforts towards ecological improvement and conservation, and (4) provide dedicated support for community development. While communicating and cooperating closely with the local government, communities and NGOs, we are working to preserve the natural environment and ecosystem, alongside our mine development and mining operations.

Examples of activities

- We minimized the development area, and achieved "zero" wastewater emissions to rivers through the installation of facilities for recycling wastewater from the mine.
- In an effort to achieve the early natural restoration of existing indigenous species in the mine area, we developed our own land preparation and reforestation technology optimal for local conditions through a large-scale, eight-year study, and are conducting immediate restoration and reforestation work even before the closure of the mine.
- In order to protect a rare species of parrot that lives around the mine area, we took steps to prevent poaching (through public relations and educational activities, as well as blocking access roads, etc.) and to plant nesting trees, based on a mutual understanding with the local government and community that was established through dialogue and cooperation.
- In order to protect the environment of neighboring regions, we conducted programs including the protection of the spawning of endangered marine turtles and restoration of coral reefs, based on a mutual understanding with the local community and NGOs that was established through dialogue and cooperation.

Terneyles Timber Project

Sumitomo Corporation has built strong bonds of trust with OAO Terneyles, an integrated forestry company in Russia. Based on the shared belief that sustained business development is not possible without considering the natural environment, the two companies are working together to develop a sustainable timber business.

Forest Protection Activities

The forest areas owned by Terneyles in the far eastern Russian Maritime Province are among the rarest in the world. This is because both softwoods and hardwoods grow in the same area, and many of the trees are more than 100 years old. In order to sustain business far into the future without depleting these precious resources, we have adopted a logging method called "ribbon cutting" or "strip felling," in which parent trees left intact on both sides of the logged area can drop seeds to promote the natural regrowth of forests. In addition, because it takes approximately 100 years to restore logged land to its natural state, we limit the annual amount of harvested timber to approximately 1:150 of total forest reserves in order to ensure that the amount of forest growth exceeds that of the harvested timber.

Boosting the Population of Amur Tigers

In recent years, Russia has seen a dramatic decline in the number of endangered Amur tigers due to large-scale forest development and illegal logging. However, the WWF (World Wide Fund for Nature) has reported that the number of Amur tigers is increasing in forest areas owned by Terneyles thanks to its strict self-regulation on the logging of Korean Pine, which is considered to be at the bottom of the food chain of the Amur tigers.

The yellow-crested cockatoo, a rare species of parrot, is being protected.

Protecting the forest habitats of endangered Amur tigers

Initiatives for Social Contribution

The Sumitomo Corporation Group is engaged in social contribution activities aimed at developing the next generation of human resources who will drive the sustainable development of society, and contributing to local communities in areas we do business all over the world. We also take part in various activities as a corporate citizen.

Supporting Asian College Students through the Sumitomo Corporation Scholarship

In 1996, as part of its 50th anniversary project in the trading business, Sumitomo Corporation started the Sumitomo Corporation Scholarship. This program was established to support the nurturing of human resources who will shape the future of Asian developing countries through the provision of scholarships to college students in various Asian countries, including China, Vietnam, Indonesia, and Thailand. In fiscal 2009, scholarships were granted to about 970 students in 41 colleges in 11 countries. The total number of students receiving scholarships since 1996 amounts to around 10,000. The students who completed their education through the scholarships are now successful in a wide range of fields in each country.

This scholarship program is managed in collaboration with our local organizations (overseas subsidiaries and offices). Each organization builds stronger relationships with local communities where they are active by managing the scholarship program in line with the unique characteristics of each country or region. This scholarship program is unique to Sumitomo Corporation, which has business operations in every corner of the world. This social contribution activity has been implemented continuously over the past fifteen years and has been highly acclaimed in each region.

15th anniversary scholarship presentation ceremony at the National University of Mongolia
(A social gathering for current scholarship recipients and graduates was held after the ceremony.)

FOCUS'10 Human resources strategy of Sumitomo Corporation

Under FOCUS'10, the Sumitomo Corporation Group is further strengthening its personnel training programs and promoting diversity in human resources as its human resources strategy. In this context, we are actively pursuing various initiatives based on the following four main policy objectives: to further develop individual capabilities, enhance organizational human resource management, reinforce human resources on a globally consolidated basis and expand efforts to develop and activate personnel with global capabilities.

From the standpoint of further developing individual capabilities, we are promoting work training rotations between Business Units and the Corporate Group, with the aim of nurturing personnel who both possess on-site experience and adopt a company-wide perspective as well as management's point of view. In addition, we provide employees with the opportunity to develop business skills, knowledge and leadership through 269 courses offered by Sumisho Business College (SBC), an in-house university, with the view to nurturing global business leaders.

From the standpoints of reinforcing human resources on a globally consolidated basis and expanding efforts to develop and activate personnel with global capabilities, we are promoting the "localization of human resources" to further strengthen our global businesses. As part of these efforts, we conduct training programs for locally hired employees at different career levels (staff in charge, managers and senior executives). At the training, participants from all over the world come to Head Office in Tokyo, Japan to share the DNA that runs through all members of the Sumitomo Corporation Group and strengthen their sense of unity in the Group throughout reaffirming Sumitomo's business philosophy, and the Management Principles of the Group. In addition, they share information on the Group's management directions and strategies. The participants attend "skill-up" seminars on a variety of themes, such as financing, risk management, and compliance, as well as joint programs with Head Office employees. In the previous fiscal year, a total of 11 training programs were held, attended by 183 employees from overseas offices and Group companies.


A joint training program attended by locally hired employees from overseas locations and Head Office employees. By exchanging views with employees from around the world with different backgrounds, participants are given the opportunity to develop a new self-awareness.

DIRECTORS AND CORPORATE AUDITORS

(As of July 1, 2010)

Michio Ogimura
Executive Vice President

Motoyuki Oka
Chairman of the Board of Directors

Susumu Kato
President and CEO

Kazuo Ohmori
Executive Vice President

DIRECTORS AND CORPORATE AUDITORS

Chairman of the Board of Directors
Motoyuki Oka

President and CEO
Susumu Kato

Director
Kazuo Ohmori

Director
Shunichi Arai

Director
Nobuo Kitagawa

Director
Toyosaku Hamada

Director
Takahiro Moriyama

Director
Takashi Kano

Director
Kuniharu Nakamura

Director
Takuro Kawahara

Director
Yoshio Osawa

Director
Yasuyuki Abe

Standing Corporate Auditor (Full-Time)
Kenzo Okubo

Corporate Auditor (Full-Time)
Ichiro Miura

Corporate Auditor (Lawyer)
Akio Harada*

Corporate Auditor (Certified Public Accountant)
Tsuguoki Fujinuma*

Corporate Auditor (Lawyer)
Mutsuo Nitta*

Notes: 1. All Directors are Representative Directors.
2. Outside Corporate Auditors are indicated by an asterisk (*).

EXECUTIVE OFFICERS

■ President and CEO

Susumu Kato

■ Executive Vice Presidents

Michio Ogimura
General Manager for Asia
Director & President,
Sumitomo Corporation Asia Pte. Ltd.

Kazuo Ohmori
General Manager,
Transportation & Construction
Systems Business Unit

■ Senior Managing Executive Officers

Michihisa Shinagawa
General Manager for the Americas
President and CEO,
Sumitomo Corporation North America Group
Director & President,
Sumitomo Corporation of America

Shuichi Mori
General Manager,
Kansai Regional Business Unit

Shunichi Arai
General Manager,
Metal Products Business Unit

Nobuo Kitagawa
General Manager,
General Products & Real Estate
Business Unit

Kenji Kajiwara
General Manager for China
CEO,
Sumitomo Corporation China Group
President,
Sumitomo Corporation (China)
Holding Ltd.

Toyosaku Hamada
CFO,
General Manager,
Financial Resources Management
Group

Takahiro Moriyama
General Manager,
Infrastructure Business Unit

Takashi Kano
General Manager,
Corporate Planning &
Coordination Group

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

■ Managing Executive Officers

Shinichi Sasaki
Assistant General Manager,
General Products & Real Estate
Business Unit
General Manager,
Materials & Supplies Division

Takuro Kawahara
General Manager,
Human Resources,
General Affairs & Legal Group

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

Yasuyuki Abe
General Manager,
New Industry Development &
Cross-function Business Unit

Kazuhisa Togashi
Assistant General Manager,
Metal Products Business Unit
General Manager,
Iron & Steel Division, No. 3

Kazuhiro Takeuchi
Deputy General Manager for Asia
Director & Vice President,
Sumitomo Corporation Asia Pte. Ltd.

Shinichi Ishida
Assistant General Manager,
Transportation & Construction
Systems Business Unit
General Manager,
Construction & Mining Systems
Division

Takafumi Sone
General Manager for CIS
Assistant General Manager for Europe

Naoki Hidaka
General Manager,
Chubu Regional Business Unit

Shigeru Ohashi
Assistant General Manager,
Media, Network & Lifestyle Retail
Business Unit
General Manager,
Lifestyle & Retail Business Division

Masayuki Doi
General Manager,
Corporate Planning &
Coordination Dept.

Toru Furihata
Assistant General Manager,
Mineral Resources, Energy,
Chemical & Electronics Business Unit
General Manager,
Mineral Resources Division No. 2

Hiroyuki Inohara
Assistant General Manager,
Financial Resources Management
Group
General Manager, Finance Dept.

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

■ Executive Officers

Makoto Nakamura
General Manager,
Internal Auditing Dept.

Kohei Hirao
General Manager,
Telecommunication, Environment &
Industrial Infrastructure Business
Division

Michihiko Kanegae
General Manager,
Power & Social Infrastructure
Business Division

Kiyomi Machida
General Manager,
Automotive Division, No. 2

Hideki Iwasawa
Assistant General Manager,
Financial Resources Management
Group
General Manager,
Corporate Risk Management Dept.

Akira Takeuchi
General Manager,
Mineral Resources Division No. 1

Koichi Takahata
General Manager,
Accounting Controlling Dept.

Nobuhiko Yuki
General Manager,
Life Science Division

Kiyoshi Ogawa
General Manager, Legal Dept.

Hiroaki Mizobuchi
General Manager,
New Business Development &
Promotion Division

Masao Sekiuchi
General Manager,
Non-Ferrous Products &
Metals Division

Masato Sugimori
Executive Vice President and CFO,
Sumitomo Corporation North America
Group
General Manager,
Corporate Coordination Group in
Sumitomo Corporation North America
Group
Executive Vice President and CFO,
Sumitomo Corporation of America
Assistant General Manager for the
Americas

Yutaka Sekine
General Manager,
Planning & Administration Dept.,
Transportation & Construction
Systems Business Unit

ORGANIZATION

(As of July 1, 2010)

- General Meeting of Shareholders
  - Board of Corporate Auditors
    - Corporate Auditors
      - Corporate Auditor's Administration Dept.
  - Board of Directors
    - President and CEO Executive Officers

■ CORPORATE GROUP

- Internal Auditing Dept.
- Corporate Planning & Coordination Group
- Human Resources, General Affairs & Legal Group
- Financial Resources Management Group

■ BUSINESS UNITS

Metal Products Business Unit

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

Transportation & Construction Systems Business Unit

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

Infrastructure Business Unit

- Planning & Administration Dept., Infrastructure Business Unit
- Telecommunication, Environment & Industrial Infrastructure Business Division
- Power & Social Infrastructure Business Division

Media, Network & Lifestyle Retail Business Unit

- Planning & Administration Dept., Media, Network & Lifestyle Retail Business Unit
- Media Division
- Network Division
- Lifestyle & Retail Business Division

Mineral Resources, Energy, Chemical & Electronics Business Unit

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

General Products & Real Estate Business Unit

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

New Industry Development & Cross-function Business Unit

- Planning & Administration Dept., New Industry Development & Cross-function Business Unit
- New Business Development & Promotion Division
- Financial Service Division
- Logistics & Insurance Business Division

JAPAN	OVERSEAS
3 Subsidiaries	40 Subsidiaries
3 Regional Business Units	1 Branch
2 Offices	32 Offices

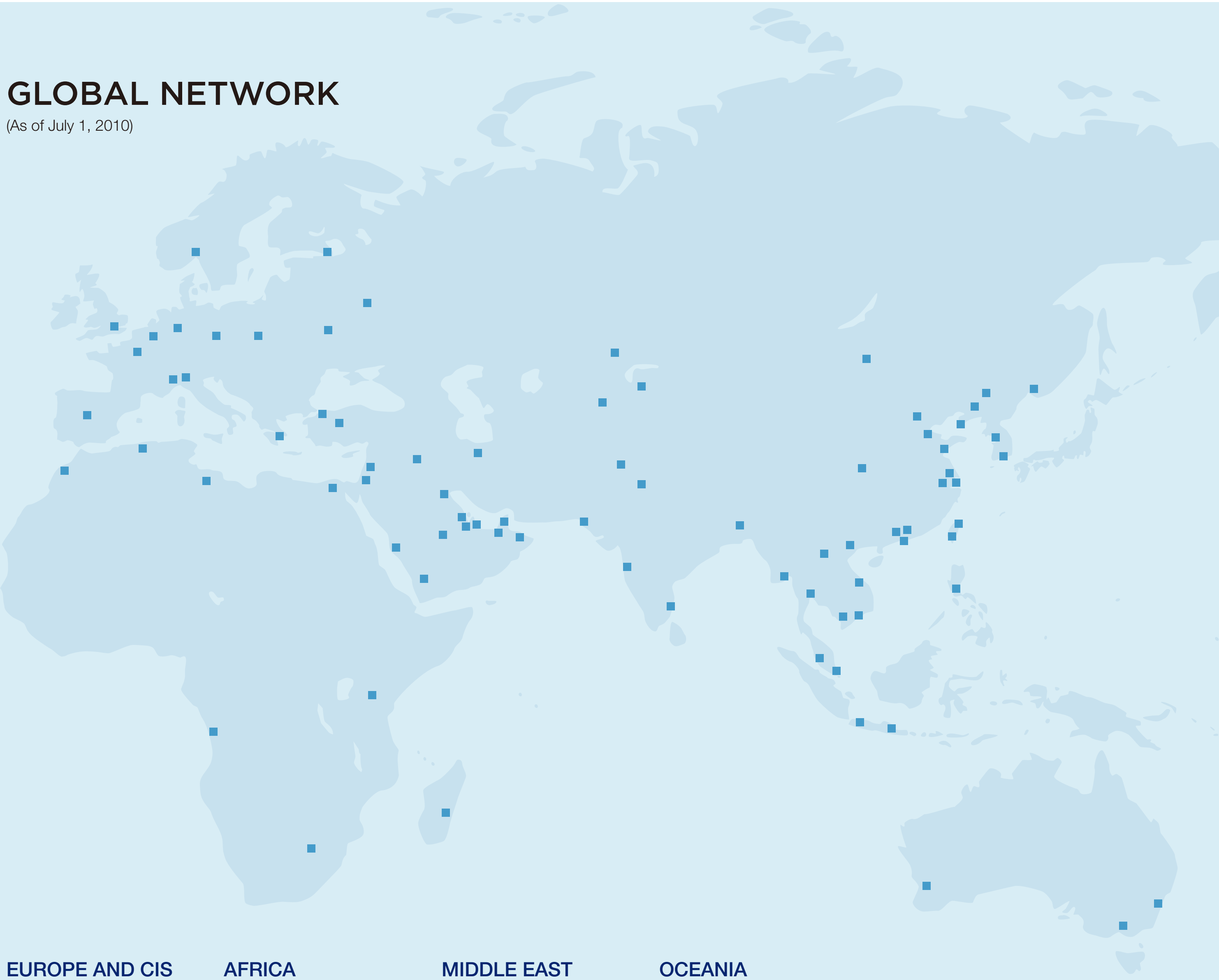
REGIONAL BUSINESS UNITS AND SUBSIDIARIES

(As of July 1, 2010)

Region	Name of Regional Business Unit or Subsidiary	Location
Japan	Kansai Regional Business Unit	Osaka
	Chubu Regional Business Unit	Nagoya
	Kyushu-Okinawa Regional Business Unit/ Sumitomo Corporation Kyushu Co., Ltd.	Fukuoka
	Sumitomo Corporation Hokkaido Co., Ltd.	Sapporo
	Sumitomo Corporation Tohoku Co., Ltd.	Sendai
Asia	Sumitomo Corporation (China) Holding Ltd.	Beijing
	Sumitomo Corporation (China) Limited	Beijing
	Sumitomo Corporation (Shanghai) Limited	Shanghai
	Sumitomo Corporation (Tianjin) Ltd.	Tianjin
	Sumitomo Corporation (Dalian) Ltd.	Dalian
	Sumitomo Corporation (Qingdao) Ltd.	Qingdao
	Sumitomo Corporation (Guangzhou) Ltd.	Guangzhou
	Shenzhen Sumitomo Corporation Ltd.	Shenzhen
	Sumitomo Corporation (Hong Kong) Limited	Hong Kong
	Sumitomo Corporation Taiwan Ltd.	Taipei
	Sumitomo Corporation Korea Ltd.	Seoul
	Sumitomo Corporation Asia Pte. Ltd.	Singapore
	Sumitomo Corporation Thailand, Ltd. Sumi-Thai International Limited	Bangkok
	Sumur Cahaya Sdn. Bhd.	Kuala Lumpur
	Sumitomo Corporation of the Philippines	Manila
	PT. Sumitomo Indonesia	Jakarta
	Sumitomo Corporation Vietnam LLC	Hanoi
	Sumitomo Corporation India Private Limited	New Delhi
Oceania	Sumitomo Australia Pty Ltd	Sydney
The Middle East	Sumitomo Corporation Middle East FZE	Dubai
	Sumitomo Corporation Iran, Ltd.	Teheran
	Sumitomo Corporation Dis Ticaret A.S.	Istanbul
Europe	Sumitomo Corporation Europe Holding Limited	London
	Sumitomo Corporation Europe Limited	London
	Sumitomo Corporation Italia S.p.A.	Milan
	Sumitomo Corporation Hellas S.A.	Athens
	Sumitomo Corporation España S.A.	Madrid
	Sumitomo Deutschland GmbH	Dusseldorf
	Sumitomo France S.A.S.	Paris
	Sumitomo Benelux S.A./N.V.	Brussels
North America	Sumitomo Canada Limited	Toronto
	Sumitomo Corporation of America	New York
Central America and South America	Sumitomo Corporation de Mexico S.A. de C.V.	Mexico City
	Sumitomo Corporation del Ecuador S.A.	Quito
	Sumitomo Corporation de Venezuela, S.A.	Caracas
	Sumitomo Corporation Colombia S.A.	Bogota
	Sumitomo Corporation del Peru S.A.	Lima
	Sumitomo Corporation Argentina S.A.	Buenos Aires
	Sumitomo Corporation (Chile) Limitada	Santiago
	Sumitomo Corporation do Brasil S.A.	Sao Paulo

GLOBAL NETWORK

(As of July 1, 2010)



EUROPE AND CIS

London
Oslo
Prague
Krakow
Milan
Turin
Athens
Madrid
Dusseldorf
Paris
Brussels
Moscow
Vladivostok
St. Petersburg
Kiev
Almaty
Astana
Tashkent

AFRICA

Algiers
Casablanca
Nairobi
Johannesburg
Luanda
Antananarivo

MIDDLE EAST

Dubai
Teheran
Istanbul
Ankara
Abu Dhabi
Muscat
Baghdad
Bahrain
Kuwait
Doha
Riyadh
Jeddah
Alkhobar
Sanaa
Cairo
Amman
Damascus
Tripoli

OCEANIA

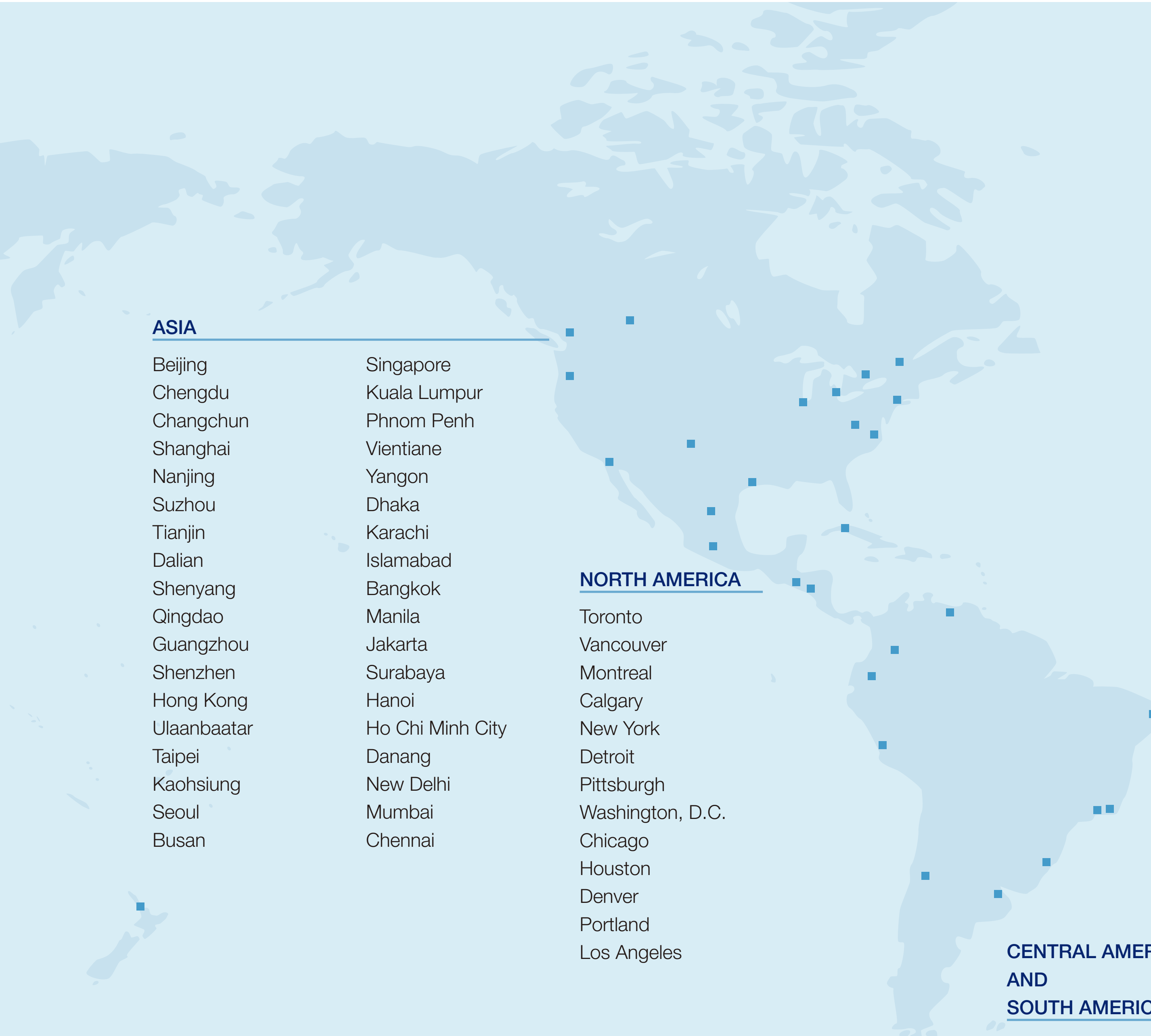
Sydney
Melbourne
Perth
Auckland

Overseas:
65 countries

	40 Subsidiaries / 82 locations
	1 Branch / 1 location
	32 Offices / 32 locations
Total	**115 locations**

Japan:

	Headquarters
	3 Subsidiaries / 10 locations
	3 Regional Business Units / 13 locations
	2 Offices / 2 locations
Total	**26 locations**



ASIA

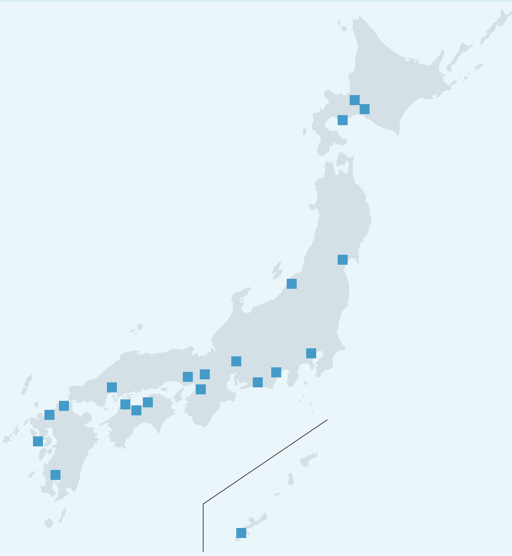
- Beijing
- Chengdu
- Changchun
- Shanghai
- Nanjing
- Suzhou
- Tianjin
- Dalian
- Shenyang
- Qingdao
- Guangzhou
- Shenzhen
- Hong Kong
- Ulaanbaatar
- Taipei
- Kaohsiung
- Seoul
- Busan
- Singapore
- Kuala Lumpur
- Phnom Penh
- Vientiane
- Yangon
- Dhaka
- Karachi
- Islamabad
- Bangkok
- Manila
- Jakarta
- Surabaya
- Hanoi
- Ho Chi Minh City
- Danang
- New Delhi
- Mumbai
- Chennai

NORTH AMERICA

- Toronto
- Vancouver
- Montreal
- Calgary
- New York
- Detroit
- Pittsburgh
- Washington, D.C.
- Chicago
- Houston
- Denver
- Portland
- Los Angeles

CENTRAL AMERICA AND SOUTH AMERICA

- Mexico City
- Monterrey
- Guatemala
- San Salvador
- Havana
- Quito
- Caracas
- Bogota
- Lima
- Buenos Aires
- Santiago
- Sao Paulo
- Rio de Janeiro
- Porto Alegre
- Recife



JAPAN

- Tokyo
- Sapporo
- Tomakomai
- Muroran
- Sendai
- Niigata
- Shizuoka
- Hamamatsu
- Nagoya
- Kyoto
- Osaka
- Kobe
- Hiroshima
- Imabari
- Takamatsu
- Niihama
- Kita-Kyushu
- Fukuoka
- Nagasaki
- Kagoshima
- Naha

PRINCIPAL SUBSIDIARIES AND ASSOCIATED COMPANIES

(As of March 31, 2010)

		Subsidiary/ Associated Company	Main Business
Metal Products Business Unit			
Japan	Alcut Co., Ltd.	Sub.	Shearing, slitting, and blanking of aluminum coils, sheets, and circles
	Hokkaido Shearing Kaisha, Ltd.	Sub.	Fabrication and sale of steel products
	Ishihara Kohtetu Co., Ltd	Sub.	Stock, sale, and processing of tool steel
	KS Summit Steel Co., Ltd.	Sub.	Steel service center (processing and sale of steel sheets)
	Mazda Steel Co., Ltd.	Sub.	Shearing, slitting, and blanking of steel sheets
	SC Pipe Solutions Co., Ltd.	Sub.	Sale of steel piping and other steel products
	SC Tubulars Co., Ltd.	Sub.	Sale of specialty tubular products
	Sofuku-koki Co., Ltd.	Sub.	Manufacture and sale of steel racks
	Sumisho Metalex Corporation	Sub.	Sale of non-ferrous metal products, materials for home heat solution
	Sumisho Speciality Steel Corporation	Sub.	Stock, sale, and processing of specialty steel
	Sumisho Tekko Hanbai Co., Ltd.	Sub.	Sale of steel products
	Summit Showa Aluminum Ltd.	Sub.	Production of aluminum alloy ingots
	Summit Steel Corporation	Sub.	Sale of steel sheets
	Summit Steel Oita	Sub.	Steel service center (processing and sale of steel sheets)
	Tanimoto Steel Corporation	Sub.	Shearing, slitting, and sale of steel plates
Asia	Dalian Summit Metal Products Co., Ltd. (China)	Sub.	Shearing, slitting, and sale of steel plates
	Dong Guan Nitech Metal Processing Co., Ltd. (China)	Sub.	Shearing, slitting, and sale of steel plates
	Dong Guan S.Y. Metal Ltd. (China)	Sub.	Shearing, slitting, and sale of steel plates
	Foshan Summit Nikka Mold & Metal Products Co., Ltd. (China)	Sub.	Stock, sale, and processing of tool steel
	Hangzhou Summit Metal Products Co., Ltd. (China)	Sub.	Shearing, slitting, and sale of steel plates
	Shanghai Hi-Tec Metal Products Co., Ltd. (China)	Sub.	Manufacture and sale of metal-processing products
	Shanghai Nikka Metal Products Co., Ltd. (China)	Sub.	Stock, sale, and processing of tool steel
	Shanghai Summit Metal Products Co., Ltd. (China)	Sub.	Shearing, slitting, and sale of steel plates
	Tianjin Hua Zhu Metal Products Co., Ltd. (China)	Sub.	Shearing, slitting, and sale of steel plates
	Wuxi Meifeng Metal Products Co., Ltd. (China)	Sub.	Shearing, slitting, and sale of steel plates
	Zhongshan Nomura Steel Products Co., Ltd. (China)	Sub.	Shearing, slitting, and sale of steel plates
	India Steel Summit Private Limited (India)	Sub.	Shearing, slitting of steel plates and manufacture of metal stamping parts and die
	P.T. Super Steel Indah (Indonesia)	Ass.	Shearing, slitting, and sale of steel plates
	P.T. Super Steel Karawang (Indonesia)	Sub.	Shearing, slitting, and sale of steel plates
	Steel Centre Malaysia Sdn. Bhd. (Malaysia)	Sub.	Shearing, slitting, and sale of steel plates
	Sumiputeh Steel Centre Sdn. Bhd. (Malaysia)	Ass.	Shearing, slitting, and sale of steel plates
	Calamba Steel Center Inc. (Philippines)	Sub.	Shearing, slitting, and sale of steel plates
	Mactan Steel Center Inc. (Philippines)	Sub.	Shearing, slitting, and sale of steel plates
	Asian Steel Company Ltd. (Singapore)	Sub.	Shearing, slitting, and sale of steel plates
	Mason Metal Industry Co., Ltd. (Taiwan)	Sub.	Shearing, slitting, and sale of steel plates
	CS Metal Co., Ltd. (Thailand)	Ass.	Shearing, slitting, and sale of steel plates
	CS Non-Ferrous Center Co., Ltd. (Thailand)	Ass.	Shearing, slitting, and sale of non-ferrous metal sheets
	Sumisho Laser Welding (Thailand) Co., Ltd. (Thailand)	Sub.	Manufacturing of metal tailor welded blanks (TWB)
	Thai Special Wire Co., Ltd. (Thailand)	Sub.	Manufacture and sale of PC wires and strands
	Thai Steel Service Center Ltd. (Thailand)	Sub.	Shearing, slitting, and sale of steel plates
	Danang Steel Center Co., Ltd. (Vietnam)	Sub.	Shearing, slitting, and sale of steel plates
	Hanoi Steel Center Co., Ltd. (Vietnam)	Sub.	Shearing, slitting, and sale of steel plates
	Saigon Steel Service & Processing Co. (Vietnam)	Ass.	Shearing, slitting, and sale of steel plates
The Middle East	Summit Steel (M.E.) FZCO (UAE)	Sub.	Trade of various steel products, steel service center, sale of flat steel products
Europe	Steel Center Europe, s.r.o. (Czech)	Ass.	Shearing, slitting, and sale of steel plates
The Americas	Servilamina Summit Mexicana S.A. de C.V. (Mexico)	Sub.	Steel service center (processing and sale of steel sheets)
	AB Tube Processing, Inc. (U.S.)	Sub.	Tube processing for airbag inflators
	Arkansas Steel Associates LLC (U.S.)	Ass.	Steel mini mill (manufacture of railroad tie plates)
	SC Pipe Services Inc. (U.S.)	Sub.	Investment in pipe manufacturing and sales company in the U.S.
	Summit Stainless Steel LLC (U.S.)	Sub.	Sales of stainless steel products
Oceania	SC Metal Pty. Ltd. (Australia)	Sub.	Investment in aluminum smelting operation in Australia

		Subsidiary/ Associated Company	Main Business
Transportation & Construction Systems Business Unit			
Japan	KIRIU Corporation	Sub.	Automotive components manufacturer (disc rotors, brake drums, etc.)
	Oshima Shipbuilding Co., Ltd.	Ass.	Shipbuilding
	SC-ABeam Automotive Consulting	Sub.	Automotive industry focused consulting
	SC Automotive Investment	Sub.	Automotive related investment fund operation and management
	Sumisho Aero-Systems Corporation	Sub.	Sale of aerospace equipment
	Sumisho Machinery Trade Corporation	Sub.	Trading of machinery, equipment and automobiles
	Sumisho Marine Co., Ltd.	Sub.	Ship related operational services
	Sumisho Rental Support Corporation	Sub.	Rental of aerial work platforms, temporary housing house, hydraulic excavator, attachment, etc.
	Sumitomo Mitsui Auto Service Company, Limited	Sub.	Leasing of motor vehicles
Asia	Chongqing Sumisho Yunxin Logistics Co., Ltd. (China)	Sub.	Logistics Service and light assembly for automotive components
	SC Construction Machinery (Shanghai) Corporation (China)	Sub.	Sale, rental, other services of construction equipment
	Shanghai Baosteel Summit Auto Trading Co., Ltd. (China)	Ass.	Dealership of motor vehicles
	Kubota Agricultural Machinery india Private Ltd. (India)	Ass.	Sale of tractors, combines, and rice transplanters in India
	Swaraj Mazda Limited (India)	Sub.	Commercial vehicle manufacturer
	P.T. Oto Multiartha (Indonesia)	Sub.	Financing of automobiles
	P.T. Summit Oto Finance (Indonesia)	Sub.	Financing of motorcycles
	P.T. Traktor Nusantara (Indonesia)	Ass.	Forklift hire/rental, and sale/service for forklift, farm tractor and industrial equipment
	Summit Auto Management (Thailand)	Sub.	Holding and management company of automotive dealership and finance companies
	Summit Capital Leasing Co., Ltd. (Thailand)	Sub.	Financing of motorcycles
	Toyota Can Tho Company Ltd. (Vietnam)	Ass.	Dealership of Toyota motor vehicles
	Toyota Giai Phong Company (Vietnam)	Ass.	Dealership of Toyota motor vehicles
	Toyota Ly Thuong Kiet (Vietnam)	Sub.	Dealership of Toyota motor vehicles
The Middle East	Summit Auto Trade Facilities (Jordan)	Sub.	Financing of motor vehicles
	Nissan Otomotiv A.S. (Turkey)	Sub.	Import and sale of Nissan motor vehicles and parts
Europe	Summit Auto Poland Sp. z.o.o. (Poland)	Sub.	Dealership of Honda motor vehicles
	Summit Motors Poland Sp. z.o.o. (Poland)	Sub.	Dealership of Ford motor vehicles
	Sumitec International, Ltd. (Russia)	Sub.	Sale and aftersales service of construction, mining and material handling equipment
	Summit Motors (Vladivostok) (Russia)	Sub.	Import and sale of Toyota motor vehicles and parts
	Summit Finance Slovakia s.r.o. (Slovakia)	Sub.	Financing of motor vehicles
	Summit Motors Slovakia s.r.o. (Slovakia)	Sub.	Import and sale of Ford motor vehicles and parts
	Summit Leasing Slovenija d.o.o. (Slovenia)	Sub.	Financing of motor vehicles and dealership
	Summit motors Ljubljana d.o.o. (Slovenia)	Sub.	Import and sale of Ford motor vehicles and parts
	Tecnosumit (Tecnologia para La Construccion y Mineria S.L.) (Spain)	Sub.	Holding and management company of Komatsu distributor and other business
	Toyota Canarias, S.A. (Canary Islands, Spain)	Sub.	Import and wholesale of Toyota and Lexus motor vehicles and parts
	SC Motors Sweden AB (Sweden)	Sub.	Management company of automotive distributorship and finance company, and wholesale of parts and accessories
	LLC Summit Motors Ukraine (Ukraine)	Sub.	Dealership of Lexus motor vehicles
	Toyota Ukraine (Ukraine)	Sub.	Import, wholesale and retail sales of Toyota and Lexus motor vehicles and parts
The Americas	SMS Construction and Mining Systems Inc. (Canada)	Sub.	Sale, rental and other services of construction and mining equipment
	Plaza Motors Corporation (Puerto Rico)	Sub.	Import and sale of Mazda motor vehicles
	Linder Industrial Machinery Company (U.S.)	Sub.	Sale of Komatsu construction equipment
	SMS International Corporation (U.S.)	Sub.	Management and financial services for Komatsu construction equipment dealership
Oceania	Summit Auto Lease Australia Pty Limited (Australia)	Sub.	Motor vehicle leasing to corporate customers

		Subsidiary/ Associated Company	Main Business
Infrastructure Business Unit			
Japan	Inamoto Manufacturing Co., Ltd.	Sub.	Manufacture and sale of industrial washing machines
	SC Hiroshima Energy Corporation	Sub.	Electricity and Steam Supply for Hiroshima ELPIDA Memory (Energy Service Provider)
	Sumisho Inax Corporation	Sub.	Sale and maintenance of industrial washing machines
	Sumisho Machinery Trade Corporation	Sub.	Trading of machinery, equipment and automobiles in Japan
	Sumitomo Shoji Machinex Co., Ltd.	Sub.	Sale of machinery and equipment
	Summit Energy Corporation	Sub.	Planning, development and operation of business in electric power and energy field
	Summit Power Holdings Limited	Sub.	Planning, development and operation of electric power
Asia	MobiCom Corporation (Mongolia)	Ass.	Integrated telecommunication service in Mongolia
	Summit Sunrise Energy Co., Ltd. (Thailand)	Sub.	Development, ownership and management of power plant in Thailand
	Mekong Energy Company Ltd. (Vietnam)	Ass.	Power generation and supply of electricity in Vietnam
The Middle East	Hidd Power Company (Bahrain)	Ass.	Power generation and sea water desalination project company in Bahrain
Europe	CBK Netherlands Holdings B.V. (Netherlands)	Ass.	Holding Company of CBK Power Company Ltd, which operates Hydraulic Power Plant in Philippines
The Americas	Perennial Power Holdings Inc. (U.S.)	Sub.	Development, ownership and management of power plant in the U.S.
	Summit Wind Power Texas, Inc. (U.S.)	Sub.	Development, ownership and management of wind-power plant in the U.S.
Oceania	Summit Southern Cross Power Pty. Ltd. (Australia)	Sub.	Development, ownership and management of power plant in Australia

Media, Network & Lifestyle Retail Business Unit			
Japan	Asmik Ace Entertainment Inc.	Sub.	Production, distribution and sale of movies and videos
	Barneys Japan Co., Ltd.	Sub.	Import and sale of apparel, accessories, cosmetics, and goods
	G-Plan Inc.	Sub.	Point exchange service and advertising on the Internet
	HACHETTE FUJINGAHO CO., LTD.	Ass.	Publication, e-commerce of brand-name products
	JBS Limited	Sub.	Program play-out and relay services for TV channel operators
	Jupiter Shop Channel Co., Ltd.	Sub.	Operation of TV shopping channel
	Jupiter Telecommunications Co., Ltd.	Ass.	Operation of multiple cable TV systems (MSO) and channels (MCO)
	LANCEL JAPAN LIMITED	Sub.	Sole import and sale of bags and accessories, “LANCEL”
	Mammy Mart Corporation	Ass.	Supermarket chain
	MARC JACOBS JAPAN K.K.	Ass.	Import and sale of bags, apparel and accessories, “MARC JACOBS” and “MARC BY MARC JACOBS”
	Montrive Corporation	Sub.	Sole import, designing and sale of the luxury line of chenille fabrics, “FEILER”
	Naracamicie Co., Ltd.	Sub.	Sale, import and design of women’s apparel and accessories, “NARA CAMICIE”
	Nissho Electronics Corporation	Ass.	Sale and support of computer software and hardware; system integration
	SC NETSUPER CORP.	Sub.	Online grocery shopping service
	Soukai Drug Co., Ltd.	Sub.	Internet drugstore
	Sumisho Computer Systems Corporation	Sub.	System Integration; data processing services; development and sale of computer software and hardware
	Sumisho Drugstores Inc.	Sub.	Drugstore chain
	Sumisho Interior International Inc.	Sub.	Space & interior designing and installation, import, export and sale of consumer goods, such as furniture and carpet for residential and contract use
	Sumitex International Co., Ltd	Sub.	Production and sale of textile products and materials
	Summit, Inc.	Sub.	Supermarket chain
	Summit Colmo, Inc.	Sub.	General merchandise store chain
	T-Gaia Corporation	Ass.	Sale of cellular phones and fixed line telecommunication services
	United Cinemas Co., Ltd.	Sub.	Development and operation of multiplex cinema theaters
	WAM!NET Japan K.K.	Sub.	Data transfer and storage services for video, music and image sources
Asia	Sumitex Hong Kong Limited (Hong Kong)	Sub.	Sale of textile products and materials

		Subsidiary/ Associated Company	Main Business
Mineral Resources, Energy, Chemical & Electronics Business Unit			
Japan	Enessance Holdings Co., Ltd.	Ass.	Planning strategy of LPG & home solution business, controlling its subsidiaries, and LPG wholesale
	LNG Japan Corporation	Ass.	Trading of LNG, investment and financing related to LNG business
	Nusa Tenggara Mining Corporation	Sub.	Investment in and financing of the Batu Hijau copper/gold mine project in Indonesia
	Osakagas Summit Resources Co., Ltd.	Ass.	Investment in oil and natural gas development business
	Soda Ash Japan Co., Ltd.	Sub.	Sale of soda ash from the United States
	Sumitomo Shoji Chemicals Co., Ltd.	Sub.	Sale and trade of chemicals and plastics
	Sumitronics Corporation	Sub.	Electronics Manufacturing Service
	Summit Agro International, Ltd.	Sub.	Development and sales of crop protection products, house hold insecticides and pet-care products
	Summit CRM, Ltd.	Sub.	Trading of carbon-related materials (coke, etc.), refractories and ferrous raw materials
	Summit Pharmaceuticals International Corporation	Sub.	Drug discovery services, pharmaceutical development, and supply of active pharmaceutical ingredients, intermediates and formulations
Asia	Petro Summit Pte. Ltd. (Singapore)	Sub.	International trade of crude oil and petroleum products
	Sumitronics Taiwan Co., Ltd. (Taiwan)	Sub.	Sale of electronics materials and parts
Europe	Appak LLP (Kazakhstan)	Ass.	Development of uranium mine in Kazakhstan and production/sale of uranium ore concentrates
	SMM Cerro Verde Netherlands B.V. (Netherlands)	Ass.	Investment in the Cerro Verde copper mine in Peru
	Interacid Trading S.A. (Switzerland)	Sub.	International trade of sulfur and sulfuric acid
	Summit Minerals GmbH (Switzerland)	Sub.	Sale of silver, zinc and lead concentrates produced in San Cristobal project in Bolivia
	Summit Petroleum Limited (U.K.)	Sub.	Exploration, development, production and sale of and investment in oil and natural gas in U.K. North Sea
	Sumi Agro Europe Limited (U.K.)	Sub.	Investment in agricultural chemicals business in Europe
The Americas	Minera San Cristobal S.A. (Bolivia)	Sub.	Mining of San Cristobal silver, zinc and lead project in Bolivia
	Cantex Inc. (U.S.)	Sub.	Manufacture and sale of polyvinyl chloride pipes
	Pacific Summit Energy LLC (U.S.)	Sub.	Sale of natural gas
	SC Minerals America, Inc. (U.S.)	Sub.	Investment in the Morenci copper mine, the Pogo gold mine in the U.S. and the Candelaria & Ojos del Salado copper mines in Chile
	Summit Discovery Resources LLC (U.S.)	Sub.	Exploration, development, production, sale of and investment in natural gas in North America
	Summit Petrochemical Trading Inc. (U.S.)	Sub.	Sale and trade of Aromatics Products
	The Hartz Mountain Corporation (U.S.)	Sub.	Manufacturing, distribution, and sales of pet care products
Oceania	SC Mineral Resources Pty. Ltd. (Australia)	Sub.	Investment in the Northparkes copper mine in Australia
	Sumisho Coal Australia Pty. Ltd. (Australia)	Sub.	Investment in coal mines in Australia
	Tasmanian Advanced Minerals Pty. Ltd. (Australia)	Sub.	Production and sale of high purity silica powder
Africa	Ambatovy Minerals S.A. (Madagascar)	Ass.	Mining of Ambatovy nickel project in Madagascar
	Dynatec Madagascar S.A. (Madagascar)	Ass.	Processing and refining of Ambatovy nickel project in Madagascar
	Oresteel Investments (Proprietary) Limited (South Africa)	Ass.	Investment in Assmang iron ore and manganese mine in South Africa

General Products & Real Estate Business Unit			
Japan	Chiba Flour Milling Co., Ltd	Ass.	Flour Milling
	Chiba Kyodo Silo Co., Ltd.	Sub.	Operation of silo facility and handling of grain, such as wheat, barley and corn
	Green San-ai Inc.	Sub.	Collection, converting, and sales of recovered-paper
	HARUMICORPORATION	Ass.	Facility management of Harumi Triton Square
	i879 Co., Ltd.	Sub.	Online flower gifts order processor
	IG Kogyo Co., Ltd.	Sub.	Manufacture and sale of insulated metal panels for roofing and walls
	KISHIWADA CANCAN BAYSIDE MALL CORPORATION	Sub.	Management, operation and leasing of multipurpose facilities
	KI Fresh Access, INC.	Ass.	Fresh product wholesale
	Musashino Paper Inc.	Sub.	Collection, converting, and sales of recovered-paper
	Nissin Sugar Manufacturing Co., Ltd.	Ass.	Sugar refining

		Subsidiary/ Associated Company	Main Business
	REIBI CO., LTD.	Sub.	Facility management of buildings in Kansai region
	S.C. Cement Co., Ltd.	Sub.	Sale of cement, ready-mixed concrete and concrete products
	S.C. Cement (Kyushu) Co., Ltd.	Sub.	Sale of ready-mixed concrete, concrete products, cement and aggregate
	SC Foods Co., Ltd.	Sub.	Import, development, and sale of foodstuffs
	SEVEN INDUSTRIES CO., LTD.	Sub.	Manufacture and sale of laminated lumber and wood products
	Shinko Sugar Co., Ltd.	Sub.	Sugar refining
	Shinko Sugar Mill Co., Ltd	Sub.	Sugar Production
	Sumifru Corporation	Sub.	Import and sale of fruits and vegetables
	Sumisho & Mitsuibussan Kenzai Co., Ltd.	Ass.	Sale of building materials
	SUMISHO BUILDING MANAGEMENT CO., LTD.	Sub.	Property management of office buildings
	Sumisho Paper Co., Ltd.	Sub.	Sale of pulp, recovered-paper, paper, paperboard and packaging materials
	Sumisho Realty Management Co., Ltd.	Sub.	Asset management business of real estate
	SUMISHO TATEMONO CO., LTD.	Sub.	Sales and management of residential properties, housing remodeling
	Sumisho Urban Kaihatsu Co., Ltd.	Sub.	Planning, development, management, and operation of shopping centers
	Summit Agri-Business Corporation	Sub.	Manufacture and sale of fertilizer and agriculture-related materials
	Summit Oil Mill Co., Ltd.	Sub.	Manufacture and sale of vegetable oil and oil meal
	Yasato Kosan Co., Ltd.	Sub.	Owning and operating of golf course: Summit Golf Club (Ibaraki Pref.)
	Yokohama City Management Co., Ltd.	Ass.	Management, operation and leasing of multipurpose facilities in Minato Mirai 21
Asia	Summit Fertilizer (Qingdao) Co., Ltd. (China)	Ass.	Manufacture and sale of chemical fertilizer
	P.T. Summitmas Property (Indonesia)	Ass.	Management, operation and leasing of office buildings
	Sumifert Sdn. Bhd. (Malaysia)	Sub.	Import and sale of fertilizers
	Dunlop Tire Thailand Co., Ltd. (Thailand)	Ass.	Wholesale of tires to the replacement tire market in Thailand
	Sumi-Thai Fertilizer Co., Ltd. (Thailand)	Sub.	Import of fertilizer materials and sale of chemical fertilizers
The Middle East	Shaheen Tyres Company L.L.C. (UAE)	Ass.	Import and sale of tires in the UAE
Europe	Dunlop Tire CIS, LLC (Russia)	Ass.	Import and sale of tires in CIS (except Ukraine/Mordovskaya)
	OAO Terneyles (Russia)	Ass.	General forest products company
	ZAO PTS Hardwood (Russia)	Ass.	Manufacture and sale of laminated lumber and wood products
	ZAO STS Technowood (Russia)	Sub.	Manufacture and sale of laminated lumber and wood products
The Americas	Volterra S.A. (Chile)	Ass.	Afforestation, manufacture and sale of woodchip for paper
	TBC Corporation (U.S.)	Sub.	Retail and wholesale of tires
Oceania	Australian Bulk Alliance Pty., Ltd. (Australia)	Ass.	Investment in grain export terminal in Australia
	Emerald Group Australia Pty Ltd (Australia)	Ass.	Grain collecting
	Summit Rural Western Australia Pty. Ltd. (Australia)	Sub.	Import of fertilizer materials and sale of chemical fertilizers in Western Australia

New Industry Development & Cross-function Business Unit			
Japan	Bluewell Corporation	Sub.	Agent for casualty insurance and life insurance
	Bluewell Insurance Brokers Ltd.	Sub.	Broker for casualty insurance and re-insurance
	GALLIA PLUS Corporation	Sub.	Financial service
	LS Design Investments Co., Ltd.	Sub.	Co-GP firm of “WILL business development consortium (Fund)”
	SC Asset Management Co., Ltd.	Sub.	Securities firm
	SC Bio Capital Co., Ltd.	Sub.	Investment funds
	Sumisho ElecTrade Ltd.	Sub.	Proprietary trading firm
	Sumisho Global Logistics Co., Ltd.	Sub.	Global logistics provider
	Sumisho Materials Corporation	Sub.	Trading of precious metals and other products
	Sumitomo Mitsui Finance and Leasing Company, Limited.	Ass.	Finance & Lease
	Summit Air Service Corporation	Sub.	Travel agency
	Tomra Japan Limited	Ass.	Collection and recycling of used beverage containers
Asia	Chongqing Sumisho Yunxin Logistics Co., Ltd. (China)	Sub.	Logistics Service and light assembly for automotive components
	Nanjing CMSCL Co., Ltd. (China)	Ass.	Automobile related transportation

		Subsidiary/ Associated Company	Main Business
	Shanghai Dazhong Sagawa Logistics Co., Ltd. (China)	Ass.	Door-to-door delivery services
	Sumisho Global Logistics (Shanghai) Co., Ltd. (China)	Sub.	Warehousing and distribution services
	Sumisho Global Logistics South China Co., Ltd. (China)	Sub.	Global logistics provider
	Wuxi Sumisho Hi-tech Logistics Co., Ltd. (China)	Ass.	Warehousing and distribution services
	Zero SCM Logistics (Beijing) Co., Ltd. (China)	Ass.	Transportation of vehicles
	Sumisho Global Logistics (HK) Limited (Hong Kong)	Sub.	Global logistics provider
	Sumitomo Corporation Equity Asia Limited (Hong Kong)	Sub.	Private equity investment in Asia
	P.T. East Jakarta Industrial Park (Indonesia)	Sub.	Development, sales, and operation of industrial estate in Indonesia
	PT Sumisho Global Logistics Indonesia (Indonesia)	Sub.	Warehousing and distribution services
	First Philippine Industrial Park, Inc. (Philippines)	Ass.	Development, sales, and operation of industrial estate in Philippines
	Bluewell Insurance (Singapore) Pte. Ltd. (Singapore)	Sub.	Captive insurance company
	Sumisho Capital Management (Singapore) Pte. Ltd. (Singapore)	Sub.	Investment management
	Sumisho Global Logistics (Thailand) Co., Ltd. (Thailand)	Sub.	Warehousing and distribution services
	Dragon Logistics Co., Ltd. (Vietnam)	Ass.	Warehousing and distribution services
	Thang Long Industrial Park Corporation (Vietnam)	Sub.	Development, sales, and operation of industrial estate in Vietnam
	Thang Long Industrial Park II Corporation (Vietnam)	Sub.	Development, sales, and operation of industrial estate in Vietnam
Europe	Sumisho Global Logistics Europe GmbH (Germany)	Sub.	Forwarding, logistics business
	Sumisho Aircraft Asset Management B.V. (Netherlands)	Sub.	Aircraft operating lease
	Energia Verde De La Macaronesia, S.L. (EVM) (Spain)	Ass.	Development and operation of Solar Power Generation Plant
	EVM2 Energias Renovables S.L. (EVM2) (Spain)	Ass.	Development and operation of Solar Power Generation Plant
	Bluewell Reinsurance Company (Bermuda) Ltd. (U.K.)	Sub.	Captive insurance company (Rent A Captive)
	Sumitomo Corporation Global Commodities Limited (U.K.)	Sub.	Trading and marketing of commodities
The Americas	Presidio Ventures, Inc. (U.S.)	Sub.	Strategic venture investment in USA
	Sumisho Global Logistics (USA) Corporation (U.S.)	Sub.	International intermodal transport

Domestic			
Japan	Ishida Metal Co., Ltd.	Sub.	Processing and sale of stainless steel sheets
	Nippon Katan Co., Ltd.	Sub.	Manufacture and sale of power line hardware
	SC Machinery & Service Co., Ltd.	Sub.	Sales of equipments for automotive industries and FA products
	Sumisho Airbag Systems Co., Ltd.	Sub.	Manufacture and sale of cushion for side curtain airbag
	Sumisho Material Chugoku Co., Ltd.	Sub.	Sale of steel materials for civil engineering and construction
	Sumisho Montblanc Co., Ltd.	Sub.	Processing and sale of work uniforms and related clothing products
	Sumisho Steel Sheets Works Co., Ltd.	Sub.	Processing and sale of steel products
	Tortoise Co., Ltd.	Sub.	Sale of interior goods and home furnishing to consumers' cooperatives
Oceania	Summit Wool Spinners Limited (New Zealand)	Sub.	Manufacture and sale of wool yarn for carpets

Overseas			
The Middle East	Mezon Stainless Steel FZCO (UAE)	Sub.	Sales of Stainless Steel tubular, pipe, and plates
	SC Tubular and Steel Products (M.E.) FZCO (UAE)	Sub.	Sale of Steel Tubular and Steel Products
Europe	Sumisho Global Logistics Europe GmbH (Germany)	Sub.	Forwarding, logistics business
	Summit D&V Kft. (Hungary)	Sub.	OEM supply, sub-assembly and sequence delivery of automotive components
	ERYNGIUM Ltd. (U.K.)	Sub.	Manufacture, processing and distribution of speciality metals for OCTG market
	Sumitomo Corporation Capital Europe Plc (U.K.)	Sub.	Financial services to Group companies
The Americas	Summit Tubulars Corporation (Canada)	Sub.	Sale of tubular products for oil and gas industry
	Auto Summit Commercial Services, S.A. de C.V., SO.F.O.M., E.N.R. (Mexico)	Sub.	Auto finance
	AMTB SUMMIT S. DE R.L. DE C.V. (Mexico) (Company name changed in June 2010)	Ass.	Blanking and laser-welding of steel parts for automotive industry
	Atlantic Hills Corporation (U.S.)	Sub.	Residential area development
	Cantex Inc. (U.S.)	Sub.	Manufacture and sale of polyvinyl chloride pipes

		Subsidiary/ Associated Company	Main Business
	Diversified CPC International, Inc. (U.S.)	Sub.	Mixing, refining, and sale of aerosol gases
	Global Stainless Supply, Inc. (U.S.)	Sub.	Wholesale of stainless steel tubes
	Katana Summit LLC (U.S.)	Sub.	Manufacture of wind power tower
	Leavitt Tube Company, LLC (U.S.)	Ass.	Manufacture of structural tubing
	123 Mission LLC (U.S.)	Sub.	Office building leasing
	Oxford Finance Corporation (U.S.)	Sub.	Equipment loan service in bioscience industry
	Perennial Power Holdings, Inc. (U.S.)	Sub.	Development, ownership and management of power plant in the U.S.
	Premier Pipe LLC (U.S.)	Sub.	Sale of tubular products for oil and gas industry
	Presperse LLC (U.S.)	Ass.	Cosmetic chemical distributor
	SCOA Residential, LLC (U.S.)	Sub.	Investment in house/apartment developments
	SC Rail Leasing America, Inc. (U.S.)	Sub.	Leasing of railcars
	1750 K Street LLC (U.S.)	Sub.	Office building leasing
	Stanton Wind Energy, LLC (U.S.)	Ass.	Wind power plant
	SteelSummit Holdings, Inc. (U.S.)	Sub.	Steel service center (processing and sale of steel sheets)
	SteelSummit International, Inc. (U.S.)	Sub.	Sale of steel products
	Sumisho Global Logistics (USA) Corporation (U.S.)	Sub.	International intermodal transport
	Summit Motor Management, Inc. (U.S.)	Sub.	Holding and management company of automotive dealerships
	Summit VetPharm LLC (U.S.)	Sub.	Manufacturing and sale of companion animal health products
	TBC Corporation (U.S.)	Sub.	Retail and wholesale of tires
	The Hartz Mountain Corporation (U.S.)	Sub.	Manufacturing, distribution, and sales of pet care products
	201 Biscayne LLC (U.S.)	Sub.	Office building leasing
	Unique Machine, LLC (U.S.)	Sub.	OCTG/Accessory threading
	V & M Star LP (U.S.)	Ass.	Seamless tubular products mill

Others			
Japan	Sumisho Administration Services Co., Ltd.	Sub.	Personnel & general affair service
	Sumitomo Shoji Financial Management Co., Ltd.	Sub.	Financial services such as cash management, trade settlement, and accounting services to Sumitomo Corporation and its subsidiaries
	Sumitomo Shoji Research Institute, Inc.	Sub.	Research and consulting for Sumitomo Corporation Group companies

FINANCIAL SECTION

CONTENTS

FINANCIAL SECTION

REFERENCE INFORMATION

SIX-YEAR FINANCIAL SUMMARY

For the years ended March 31

1. Key Financial Indicators

	Billions of Yen						Millions of U.S. Dollars
	2010	2009	2008	2007	2006	2005	**2010**
Total assets	**¥7,137.8**	¥ 7,018.2	¥7,571.4	¥8,430.5	¥6,711.9	¥5,533.1	**$76,751**
Sumitomo Corporation Shareholders' equity	**1,583.7**	1,353.1	1,492.7	1,473.1	1,304.0	934.9	**17,029**
Sumitomo Corporation Shareholders' equity ratio (%)	**22.2**	19.3	19.7	17.5	19.4	16.9	**22.2**
Return on equity (%)	**10.6**	15.1	16.1	15.2	14.3	10.2	**10.6**
Return on assets (%)	**2.2**	2.9	3.0	2.8	2.6	1.6	**2.2**
Interest-bearing liabilities (gross)	**3,600.7**	3,702.7	3,709.8	3,355.6	3,152.5	2,840.1	**38,717**
Interest-bearing liabilities (net)	**2,781.8**	3,186.8	3,247.6	2,913.3	2,622.2	2,376.0	**29,912**
Debt-equity ratio (gross) (times)	**2.3**	2.7	2.5	2.3	2.4	3.0	**2.3**
Debt-equity ratio (net) (times)	**1.8**	2.4	2.2	2.0	2.0	2.5	**1.8**
Working capital	**992.0**	795.1	990.4	1,310.3	1,021.8	897.0	**10,667**

2. Consolidated Statements of Income

	Billions of Yen						Millions of U.S. Dollars
	2010	2009	2008	2007	2006	2005	**2010**
Revenues:							
Sales of tangible products	**¥2,336.6**	¥ 2,833.3	¥ 3,040.7	¥ 2,495.0	¥ 2,079.6	¥1,586.1	**$25,125**
Sales of services and others	**547.5**	678.3	630.2	582.2	501.8	463.2	**5,888**
Total revenues	**2,884.2**	3,511.6	3,670.9	3,077.2	2,581.4	2,049.3	**31,013**
Cost:							
Cost of tangible products sold	**1,899.4**	2,342.9	2,551.7	2,076.6	1,737.7	1,361.8	**20,424**
Cost of services and others	**205.2**	233.5	184.7	142.9	137.1	124.4	**2,207**
Total cost	**2,104.7**	2,576.3	2,736.4	2,219.5	1,874.8	1,486.2	**22,631**
Gross profit	**779.5**	935.2	934.5	857.7	706.6	563.1	**8,382**
Other income (expenses):							
Selling, general and administrative expenses	**(639.2)**	(654.4)	(669.4)	(609.9)	(515.8)	(437.9)	**(6,874)**
Settlements on copper trading litigation	**—**	—	—	9.6	(0.1)	2.8	**—**
Provision for doubtful receivables	**(19.8)**	(17.5)	(11.1)	(8.0)	(14.7)	(12.9)	**(212)**
Impairment losses on long-lived assets	**(4.7)**	(14.7)	(13.5)	(9.8)	(12.4)	(29.5)	**(51)**
Gain (loss) on sale of property and equipment, net	**9.8**	(0.4)	3.5	2.4	(0.4)	11.5	**105**
Interest income	**15.4**	21.6	28.3	32.9	19.0	14.6	**166**
Interest expense	**(39.5)**	(57.7)	(71.1)	(70.0)	(39.0)	(23.2)	**(425)**
Dividends	**11.3**	14.6	15.3	14.1	10.4	6.4	**121**
Gain on marketable securities and other investments, net	**32.9**	4.5	94.9	44.4	41.8	20.0	**354**
Equity in earnings of associated companies, net	**76.1**	90.0	56.9	70.3	51.4	37.4	**819**
Other, net	**1.5**	(1.6)	(0.7)	(1.8)	1.0	(1.0)	**16**
Total other income (expenses)	**(556.3)**	(615.6)	(566.9)	(525.8)	(458.8)	(411.8)	**(5,981)**
Income before income taxes	**223.3**	319.6	367.6	331.9	247.8	151.3	**2,401**
Income taxes	**61.8**	96.3	119.8	114.8	80.7	57.8	**665**
Net income*1	**161.5**	223.3	247.8	217.1	167.1	93.5	**1,736**
Less: Net income attributable to noncontrolling interests*1	**(6.3)**	(8.3)	(8.9)	(6.1)	(6.9)	(8.4)	**(67)**
Net income attributable to Sumitomo Corporation*1	**¥ 155.2**	¥ 215.1	¥ 238.9	¥ 211.0	¥ 160.2	¥ 85.1	**$ 1,669**
Total trading transactions*2	**¥7,767.2**	¥10,750.0	¥11,484.6	¥10,528.3	¥10,336.3	¥9,898.6	**$83,518**

*1 For the fiscal year ended March 31, 2010, the Companies adopted ASC 810 "Consolidation" (formerly SFAS 160) and changed the certain presentation.

*2 Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which the Companies act as principal or as agent. Total trading transactions is a measure commonly used by Japanese trading companies. It is not to be construed as equivalent to, or a substitute for, sales or revenues under accounting principles generally accepted in the United States of America ("U.S. GAAP").

3. Consolidated Statements of Comprehensive Income (Loss)

	Billions of Yen						Millions of U.S. Dollars
	2010	2009	2008	2007	2006	2005	**2010**
Net income	**¥161.5**	¥ 223.3	¥247.8	¥211.0	¥160.2	¥ 85.1	**$1,736**
Net unrealized holding gains (losses) on securities available-for-sale	**55.8**	(109.3)	(135.3)	11.9	152.4	28.5	**600**
Foreign currency translation adjustments	**30.5**	(169.5)	(58.8)	25.7	46.0	0.7	**328**
Net unrealized gains (losses) on derivatives	**2.8**	(12.2)	2.7	4.7	(8.2)	(1.0)	**30**
Pension liability adjustments	**20.9**	(25.6)	(11.5)	—	—	—	**224**
Comprehensive income (loss)	**271.4**	(93.2)	44.9	—	—	—	**2,918**
Less:Comprehensive income (loss) attributable to noncontrolling interests	**(8.1)**	2.0	(5.4)	—	—	—	**(87)**
Comprehensive income (loss) attributable to Sumitomo Corporation	**¥263.2**	¥ (91.2)	¥ 39.5	¥253.3	¥350.4	¥113.3	**$2,831**

Note: For the fiscal year ended March 31, 2010, the Companies adopted ASC 810 "Consolidation" (formerly SFAS 160) and changed the certain presentation. The amounts for the years ended March 31, 2009 and 2008 are reclassified to conform to ASC 810. Due to this reclassification, each item of comprehensive income for the years ended March 31, 2007, 2006 and 2005 represents the amounts attributable to Sumitomo Corporation and the item for the years ended March 31, 2010, 2009 and 2008 represents the amounts including noncontrolling interests.

4. Consolidated Balance Sheets

	Billions of Yen						Millions of U.S. Dollars
	2010	2009	2008	2007	2006	2005	**2010**
Current assets:							
Cash and cash equivalents	**¥ 813.8**	¥ 511.4	¥ 456.8	¥ 436.8	¥ 522.0	¥ 453.9	**$ 8,751**
Time deposits	**5.1**	4.5	5.4	5.5	8.3	10.2	**55**
Marketable securities	**5.3**	19.0	19.9	17.3	22.1	23.1	**56**
Receivables—trade:							
Notes and loans	**210.2**	188.6	242.3	292.6	265.0	307.1	**2,260**
Accounts	**1,204.9**	1,304.0	1,782.1	1,722.1	1,646.1	1,355.7	**12,956**
Associated companies	**107.6**	115.9	109.3	100.0	98.3	84.9	**1,157**
Allowance for doubtful receivables	**(26.2)**	(16.5)	(14.8)	(13.6)	(15.3)	(11.0)	**(282)**
Inventories	**676.8**	840.1	756.2	757.5	705.2	503.8	**7,278**
Deferred income taxes	**34.2**	34.0	39.3	39.3	32.0	39.2	**368**
Advance payments to suppliers	**68.5**	94.9	73.9	55.6	50.2	56.9	**737**
Assets held for sale	**—**	—	—	1,516.4	—	—	**—**
Other current assets	**211.7**	279.0	253.4	228.1	310.4	271.2	**2,276**
Total current assets	**3,311.9**	3,374.8	3,723.8	5,157.8	3,644.3	3,095.0	**35,612**
Investments and long-term receivables:							
Investments in and advances to associated companies	**936.7**	893.4	883.6	559.5	469.5	394.6	**10,072**
Other investments	**522.8**	450.3	655.2	833.8	783.0	502.7	**5,621**
Long-term receivables	**733.0**	745.6	832.8	706.1	662.1	620.8	**7,882**
Allowance for doubtful receivables	**(24.5)**	(33.1)	(22.1)	(28.4)	(40.7)	(45.7)	**(264)**
Total investments and long-term receivables	**2,167.9**	2,056.2	2,349.5	2,071.0	1,873.9	1,472.4	**23,311**
Property and equipment, at cost	**1,797.4**	1,725.9	1,596.4	1,371.7	1,263.7	1,129.7	**19,327**
Accumulated depreciation	**(673.0)**	(670.7)	(599.3)	(507.0)	(444.2)	(409.3)	**(7,237)**
	1,124.4	1,055.1	997.1	864.7	819.5	720.4	**12,090**
Goodwill and other intangible assets	**392.9**	400.6	379.4	255.5	259.3	113.6	**4,225**
Prepaid expenses, non-current	**70.8**	43.5	47.8	47.4	94.7	94.8	**762**
Deferred income taxes, non-current	**25.4**	36.2	14.2	11.6	13.5	10.2	**273**
Other assets	**44.4**	51.7	59.6	22.5	6.7	26.7	**478**
Total	**¥7,137.8**	¥7,018.2	¥7,571.4	¥8,430.5	¥6,711.9	¥5,533.1	**$76,751**
Current liabilities:							
Short-term debt	**¥ 453.4**	¥ 792.2	¥ 625.1	¥ 461.9	¥ 539.6	¥ 412.2	**$ 4,875**
Current maturities of long-term debt	**481.3**	382.8	428.9	416.5	428.5	438.5	**5,176**
Payables—trade:							
Notes and acceptances	**48.5**	63.7	84.6	107.9	93.3	101.7	**521**
Accounts	**921.0**	830.4	1,159.2	1,103.8	1,070.9	879.0	**9,903**
Associated companies	**20.7**	34.9	26.7	38.7	29.7	18.3	**223**
Income taxes	**31.0**	28.1	37.4	54.9	33.0	20.2	**333**
Accrued expenses	**91.4**	85.6	101.5	103.8	93.0	60.5	**983**
Advances from customers	**113.1**	122.4	107.3	79.1	90.5	85.4	**1,216**
Liabilities associated with assets held for sale	**—**	—	—	1,329.3	—	—	**—**
Other current liabilities	**159.5**	239.6	162.7	151.5	244.0	182.2	**1,715**
Total current liabilities	**2,319.9**	2,579.7	2,733.4	3,847.4	2,622.5	2,198.0	**24,945**
Long-term debt, less current maturities	**2,938.5**	2,821.3	3,012.0	2,764.4	2,447.2	2,213.7	**31,597**
Accrued pension and retirement benefits	**19.2**	20.0	14.1	9.8	13.2	11.8	**206**
Deferred income taxes, non-current	**165.6**	138.3	189.3	239.5	230.3	85.7	**1,781**
Equity:							
Sumitomo Corporation shareholders' equity:							
Common stock	**219.3**	219.3	219.3	219.3	219.3	219.3	**2,358**
Additional paid-in capital	**288.6**	291.3	291.0	279.7	279.5	238.9	**3,103**
Retained earnings:							
Appropriated for legal reserve	**17.7**	17.7	17.7	17.7	17.7	17.7	**190**
Unappropriated	**1,234.6**	1,109.4	943.1	755.2	579.2	442.6	**13,276**
	1,252.3	1,127.1	960.8	772.9	596.9	460.3	**13,466**
Accumulated other comprehensive income (loss)	**(175.4)**	(283.4)	22.8	222.2	213.8	17.1	**(1,886)**
Treasury stock, at cost	**(1.1)**	(1.1)	(1.2)	(21.0)	(5.5)	(0.7)	**(12)**
Total Sumitomo Corporation shareholders' equity*	**1,583.7**	1,353.1	1,492.7	1,473.1	1,304.0	934.9	**17,029**
Noncontrolling interests*	**110.9**	105.8	129.9	96.3	94.7	89.0	**1,193**
Total equity*	**1,694.7**	1,458.9	1,622.7	1,569.4	1,398.7	1,023.9	**18,222**
Total	**¥7,137.8**	¥7,018.2	¥7,571.4	¥8,430.5	¥6,711.9	¥5,533.1	**$76,751**

* For the fiscal year ended March 31, 2010, the Companies adopted ASC 810 "Consolidation" (formerly SFAS 160). In accordance with ASC 810, the Companies included noncontrolling interests, which were previously referred to as "minority interests" and classified between total liabilities and stockholders' equity on the consolidated balance sheets, as a part of total equity. The prior years amounts are reclassified to conform to ASC 810.

Note: The U.S. dollar amounts represent translations of Japanese yen amounts at the rate of ¥93=U.S.$1, the approximate exchange rate on March 31, 2010.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

1. INTRODUCTION

We are an integrated trading company (*sogo shosha*) engaged in a wide range of business activities on a global basis. Our business foundation consists of trust, global relations with over 100,000 business partners around the world, a global network with offices and subsidiaries worldwide, intellectual capital and advanced functions in business development, logistic solutions, financial services, IT solutions, risk management and intelligence gathering and analysis. Through integration of these elements, we provide a diverse array of values to our customers. Based on this business foundation and these functions, we engage in general trading of a wide range of goods and commodities and in various business activities. We act as both principal and agent in these trading transactions. We also provide a range of services for a variety of industries, such as: financing for customers and suppliers; planning, coordination and operation of urban and industrial infrastructure projects; consulting in areas such as system integration and technology development; and transportation and logistics. In addition, we engage in other diverse business activities, including investing in a variety of industries ranging from biotechnology to communications; developing natural resources; manufacturing and processing products such as steel products and textiles; developing and managing real estate; and operating retail stores.

We conduct our business through seven industry-based business segments and two sets of regional operations (domestic and overseas). Our industry-based business segments are:

- Metal Products
- Transportation & Construction Systems
- Infrastructure
- Media, Network & Lifestyle Retail
- Mineral Resources, Energy, Chemical & Electronics
- General Products & Real Estate
- Financial & Logistics

Each business segment operates with a degree of autonomy in pursuing its strategic goals, managing operations and ensuring accountability. Each business unit also has its own planning and administration department to enable prompt decision-making and facilitate efficient operation. In today's increasingly global business environment, our worldwide network of offices, subsidiaries and associated companies, and our global relationships with customers, suppliers and business partners have allowed us to conduct and expand our operations around the world. Our seven industry-based business units and domestic and overseas operations regularly collaborate with one another to leverage their combined strengths to conduct their respective businesses more effectively as well as to meet our corporate targets and goals. We have designed our infrastructure to centralize and consolidate information from all of our business units and domestic and overseas operations to facilitate proper integration and risk control.

On April 1, 2009, we merged the Chemical & Electronics Business Unit and the Mineral Resources & Energy Business Unit into the new Mineral Resources, Energy, Chemical & Electronics Business Unit, thereby reducing the number of industry-based business segments from eight to seven.

As of March 31, 2010, we had total assets of ¥7,137.8 billion and 72,030 employees worldwide. For the fiscal year ended March 31, 2010, net income attributable to Sumitomo Corporation was ¥155.2 billion.

On April 1, 2010, we closed the Financial & Logistics Business Unit and established the New Industry Development & Cross-function Business Unit. The industry-based business segments after the reorganization are:

- Metal Products
- Transportation & Construction Systems
- Infrastructure
- Media, Network & Lifestyle Retail
- Mineral Resources, Energy, Chemical & Electronics
- General Products & Real Estate
- New Industry Development & Cross-function

2. OUR MEDIUM-TERM TARGETS

The following discussion of our medium-term targets contains forward-looking statements and measures that have been calculated based on a number of judgments, estimates and assumptions. Unless otherwise stated, the forward-looking statements reflect management's current assumptions and expectations of future events as of March 31, 2010. Accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance.

In April 2009 Sumitomo Corporation launched "FOCUS'10," its two-year medium-term management plan for fiscal 2009 and 2010*. During the period we began our drive in line with the fundamental principles of this plan, aiming to achieve the targets we have set. Under FOCUS'10 we aim to establish "a growth scenario on a new stage" with a view to the next 10 years and become a value-creating company that leverages change into growth. We will seek to do this in the context of external conditions of unprecedented economic crisis by continuing to strive for "the creation of new value," as set forth in our Corporate Mission Statement, building on the management reforms implemented over a period of 10 years starting with the Reform Package launched in April 1999 and continuing through the GG Plan that we completed in March 2009.

For this purpose, our fundamental principles will be to (1) promote medium/long-term growth by enhancing our value-creation capability while reinforcing our soundness and efficiency and (2) promote company-wide growth by leveraging the diversity and the strengths of our businesses. In qualitative terms, we will devote efforts to (a) steady execution of selective and focused growth strategies, (b) thorough reinforcement of soundness and efficiency, and (c) development of human and organizational dynamism to enhance value-creation capability.

In line with this policy, this April we established the New Industry Development & Cross-function Business Unit to develop and promote business in new fields of industry on a company-wide, cross-divisional perspective and support the promotion of business in each field by tapping specialized capabilities. The new business unit includes the New Business Development & Promotion Division, the Financial Service Division, and the Logistics & Insurance Business Division. With this evolutionary change, we have closed the Financial & Logistics Business Unit.

As for quantitative targets, we have set the targets of ¥115.0 billion in net income attributable to Sumitomo Corporation for the fiscal year ended March 31, 2010 and a risk-adjusted return ratio of around 10% as "FOCUS'10" two-year average. For the fiscal year ended March 31, 2010, the first year of the plan, net income attributable to Sumitomo Corporation was ¥155.2 billion, exceeding the target of ¥115.0 billion. In addition, as of April 30, 2010, we have set a target of ¥160.0 billion in net income attributable to Sumitomo Corporation for the fiscal year ending 31, 2011.

* The word "FOCUS" stands for the key words of the new management plan: F for Future (a medium- to long-term perspective), O for Originality (respect for individuality and diversity), C for Core (solid earnings pillars), U for Unity (leveraging of our integrated corporate strength), and S for Soundness (reinforcement of operational health and efficiency). The name as a whole expresses our intention of focusing on these key elements from now through '10 (2010), the year for completion of the plan.

3. ECONOMIC ENVIRONMENT

During the fiscal year ended March 31, 2010, the global economy continued to experience a vicious cycle of deteriorating sentiment and declining demand due to the effects of the credit crunch set off by the financial crisis, whose impact was felt by the emerging countries as well as developed countries. Thanks to concerted implementation of a variety of policy measures by the major countries, moves toward a recovery were seen, principally in China and other emerging countries. The vigor of the upturn was modest, however, because of factors including the aftereffects of the financial crisis, the harshness of the employment picture, and the expansion of fiscal deficits. Prices on international commodity markets gradually turned up again, reflecting the resumption of the flow of funds into risk assets and expectations of increased demand from emerging economies.

Within Japan, domestic demand, particularly capital investment, has been slow to recover, reflecting the effects of the yen's rise and deflationary concerns, compounded by the deterioration in the employment situation, but government stimulus measures and the growth in exports due to the global economic recovery produced signs of a gradual upturn.

4. CERTAIN LINE ITEMS IN OUR CONSOLIDATED STATEMENTS OF INCOME

The following is a description of certain line items in our Consolidated Statements of Income:

Revenues. We categorize our revenues into sales of tangible products and sales of services and others. We generate revenues from sales of tangible products:

- in connection with our wholesale, retail, manufacturing and processing operations;
- in connection with our real estate operations; and
- under long-term construction type arrangements.

We enter into transactions that include multiple element arrangements, which may include any combination of products, equipment and installation services.

We generate revenues from the sale of services and others in connection with:

- customized software development services contracts and other software related services;
- direct financing and operating leases of commercial real estate, automobiles, vessels and aircrafts; and
- other service arrangements, such as arranging finance and coordinating logistics in connection with trading activities.

Gross Profit. Gross profit primarily consists of:

- gross profit on transactions for which we act as a principal; and
- fees and commissions received on transactions for which we act as an agent.

To the extent revenues are recorded on a gross basis, any expenses or commissions or other payments to third parties that are directly attributable to the sales are recorded as cost of sales. Gross profit reflects the net amount of gross revenues after cost of sales. As part of sales of services and others, we recognize revenues from fees and commissions on a net basis. As a result, sales of services and others contribute a larger portion of our gross profit than they do of our revenues. For the fiscal year ended March 31, 2010, sales of services and others accounted for 19.0% of our total revenues, but the gross profit from sales of services and others accounted for 43.9% of our gross profit.

Provision for Doubtful Receivables. Provision for doubtful receivables represents additions to the valuation allowance provided for probable losses inherent in the trade receivables and long-term loans portfolio. In cases where we are able to collect on such receivables and loans due to changes in circumstances, we subsequently record a reversal of the allowance for doubtful receivables. See "5—Critical Accounting Policies—Collectibility of Receivables."

Impairment Losses on Long-Lived Assets. To operate our global business, we maintain a significant amount of long-lived assets. A large portion of such long-lived assets are our real estate, goodwill and other intangible assets. We have recognized impairment losses with respect to our real estate, goodwill and other intangible assets. For a detailed discussion of our accounting policy with respect to such impairment losses, see "5—Critical Accounting Policies—Recoverability of Long-Lived Assets."

Gain (Loss) on Sale of Property and Equipment, Net. As a result of strategic and aggressive replacement of our asset portfolio, we may, at times, recognize gains and losses on sales of some of our real estate assets.

Dividends. Dividends reflect dividends declared by companies in which we hold interests other than our consolidated subsidiaries or associated companies.

Other than Temporary Impairment Losses on Securities. We maintain a significant level of investments in order to supplement our trading activities. When the fair value of an investment is deemed to have suffered an other-than-temporary decline in value, we recognize impairment losses on such investments. For a detailed discussion of our accounting policy with respect to our marketable securities and other investments, see "5—Critical Accounting Policies—Impairment of Investments in Marketable Securities and Other Investments."

Gain on Sale of Marketable Securities and Other Investments, Net. We recognize gains and losses on sales of our non-trading marketable securities and other investments when we elect to sell investment holdings.

Equity in Earnings of Associated Companies, Net. In connection with our investment strategy and the development of business opportunities, we may, from time to time, acquire or make investments in newly established or existing companies, enter into joint ventures with other entities or form strategic business alliances with industry participants, in each case in a variety of business segments. In general, we account for the earnings or losses of any such investee under the equity method when the level of the investment is between 20% and 50% of the total voting equity of the investee.

Total Trading Transactions. Total trading transactions is a voluntary disclosure and represents the gross transaction volume of trading transactions, or the nominal aggregate value of the transactions for which we act as a principal or as an agent. Total trading transactions is not meant to represent sales or revenues in accordance with U.S. GAAP. Total trading transactions should not be construed as equivalent to, or a substitute or proxy for, revenues, or as an indicator of our operating performance, liquidity or cash flows generated by operating, investing or financing activities. A substantial part of total trading transactions represents transactions in which we participate without physical acquisition of goods or without significant inventory risk. We have included the information concerning total trading transactions because it is used by similar Japanese trading companies as an industry benchmark, and we believe it is a useful supplement to results of operations data as a measure of our performance compared to other similar Japanese trading companies.

5. CRITICAL ACCOUNTING POLICIES

The preparation of our consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, we evaluate our estimates, which are based on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. The results of these evaluations form the basis for making judgments about the carrying values of assets and liabilities and the reported amounts of revenues and expenses that are not readily apparent from other sources. Actual results may differ from those estimates under different assumptions. For a summary of our significant accounting policies, including the critical accounting policies discussed below, see Note 2 to our consolidated financial statements.

The following are the critical accounting policies that are important to our financial condition and results of operations and require significant management judgments and estimates:

Revenue Presentation—Gross Versus Net

Acting as an intermediary in executing transactions with third parties is a distinctive role of an integrated trading company (*sogo shosha*). In recognizing revenue from transactions, we must determine whether we are acting as a "principal" in the transaction, and should report revenue on a gross basis based on the sales amount of the transaction, or acting as an "agent" in the transaction, and should recognize net fees or commissions earned. The evaluation of the relevant factors in making this determination is subject to significant subjective judgments. In certain situations, others might make a different determination. Similarly, if our risks and obligations in a certain type of transaction change, the determination of whether revenue should be recognized on a net or gross basis for that type of transaction may also change. Revenues related to a substantial portion of the trading transactions in all our business segments are recognized on a net basis. The amounts of gross profit and net income attributable to Sumitomo Corporation are not affected by whether revenue is reported on a gross or net basis.

Factors that indicate that we are acting as a principal, and thus should recognize revenue on a gross basis include:

- we are the primary obligor in the arrangement;
- we have general inventory risk (before customer order is placed or upon customer return);
- we have physical loss inventory risk (after customer order or during shipping);
- we have latitude in establishing price;
- we change the product or perform part of the services;
- we have discretion in supplier selection;
- we are involved in the determination of product or service specifications; and
- we have credit risk.

Factors that indicate that we are acting as an agent, and thus should recognize revenue on a net basis relative to the service offered include:

- the supplier (not us) is the primary obligor in the arrangement;
- the amount we earn is fixed; and
- the supplier (not us) has credit risk.

Revenue Recognition

Most of our revenues are the result of (i) the sale of tangible products in connection with our wholesale, retail, manufacturing, and processing operations from which revenue is recognized based on the transfer of title, delivery or shipment, or the attainment of customer acceptance, or (ii) from the provision of services and the other sales, from which revenue is recognized based on the delivery of services. Revenue recognition in these situations does not involve difficult, subjective or complex judgments or estimations.

Recognition of revenue using the percentage-of-completion method for certain long-term construction-type arrangements is based on the ratio that costs incurred bear to total estimated project costs and is dependent on our ability to estimate these costs reliably. The impact of revisions of profit estimates on fixed price contracts is recognized in the period in which the revisions are made; anticipated losses on fixed price contracts are charged to earnings when losses can be estimated; and provisions are made for contingencies in the period in which they become known and losses are estimable.

Collectibility of Receivables

We engage in a variety of businesses and carry substantial notes and loans receivable, accounts receivable, receivables for associated companies, and long-term receivables. In maintaining our allowance for doubtful receivables, our estimate of probable losses requires consideration of historical loss experience, adjusted for current conditions, and judgments about the probable effects of relevant observable data, including present economic conditions such as delinquency rates, financial health of specific customers and market sectors, collateral values, and the present and expected future levels of interest rates. This estimation requires us to make assumptions and judgments about inherently uncertain matters, and we cannot predict with absolute certainty the amount of losses inherent in the portfolio.

Operating segments that hold greater amounts of long-term receivables than other segments are Transportation & Construction Systems and Infrastructure Business Units.

Recoverability of Long-Lived Assets

We maintain significant long-lived assets in the operation of our global business. We review long-lived assets, such as real estate, aircraft and intangibles subject to amortization, for impairment whenever events or changes in circumstances suggest that the carrying amount of such assets may not be recoverable. Determining whether impairment has occurred typically requires various estimates and assumptions, including determining whether cash flows are directly related to the potentially impaired asset, the useful life over which cash flows will occur, their amount, and the asset's residual value, if any. We also review goodwill and other intangible assets with indefinite useful lives for impairment at least annually, or more often if events or circumstances, such as adverse changes in the business climate, indicate that there may be impairment. In turn, measurement of an impairment loss requires a determination of fair value, which is based on the best information available. We use internal discounted cash flow estimates, quoted market prices, when available, and independent appraisals, as appropriate, to determine fair value. We derive cash flow estimates from our historical experience and our internal business plans, and apply an appropriate discount rate. Changes in strategy or in market conditions could significantly affect these determinations.

Impairment of Investments in Marketable Securities and Other Investments

We regularly review investment securities for impairment based on criteria that include the extent to which the investment's carrying value exceeds its market value, the duration of the market decline, our ability to hold to recovery, and the financial strength and specific prospects of the issuer of the security. We monitor market conditions and the performance of the investees to identify potentially impaired investments. The fair value of non-marketable securities for which impairment losses are recognized is determined based on estimated discounted future cash flows, or other appropriate valuation methods.

Tax Asset Valuation

A valuation allowance is established for deferred tax assets when, in management's judgment, it is more likely than not that the deferred tax assets, or a portion thereof, will not be realized. In assessing the realizability of deferred tax assets, we must determine whether we will be able to generate adequate future taxable income in the tax jurisdictions that give rise to the deferred tax assets during the periods in which the underlying temporary differences become deductible or before tax net operating loss carryforwards expire. We consider all available evidence, both positive and negative, in making this assessment. Determination of the allowance is based on estimates and judgment. A change in the ability of our operations to generate future taxable income in the tax jurisdictions that give rise to the deferred tax assets could change our assessment as to the realizability of these assets.

6. RESULTS OF OPERATIONS

Fiscal Year Ended March 31, 2010 Compared to Fiscal Year Ended March 31, 2009

Total Revenues. Total revenues decreased by ¥627.4 billion, or 17.9%, from ¥3,511.6 billion in the fiscal year ended March 31, 2009 to ¥2,884.2 billion in the fiscal year ended March 31, 2010. The decrease was mainly due to the stronger yen which eroded the revenues of overseas subsidiaries, and the weaker demand in tubular products operations in North America and automotive and construction systems businesses mainly in Europe.

Gross Profit. Gross profit decreased by ¥155.7 billion, or 16.6%, from ¥935.2 billion in the fiscal year ended March 31, 2009 to ¥779.5 billion in the fiscal year ended March 31, 2010. The decrease was mainly due to the stronger yen which eroded the gross profit of overseas subsidiaries, the weaker demand in tubular products operations in North America, and the decline of sales price in a coal mining operation in Australia.

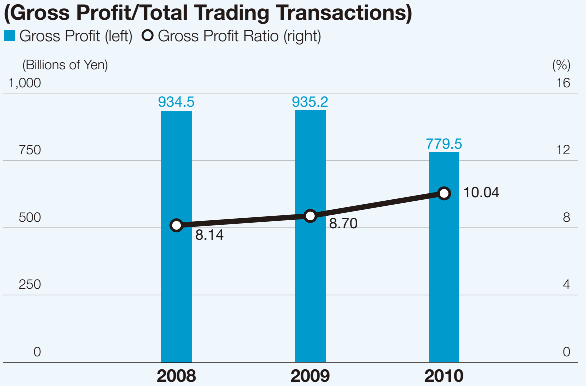
Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased by ¥15.1 billion, or 2.3%, from ¥654.4 billion in the fiscal year ended March 31, 2009 to ¥639.2 billion in the fiscal year ended March 31, 2010. The decrease was mainly due to the stronger yen which decreased the expenses of overseas subsidiaries.

Provision for Doubtful Receivables. The provision for doubtful receivables increased by ¥2.3 billion, or 13.1%, to ¥19.8 billion in the fiscal year ended March 31, 2010, compared to ¥17.5 billion in the fiscal year ended March 31, 2009. The increase was mainly due to the increase of provision for doubtful receivables at retail automobile and motorcycle financing business in Asia, and the recognition of provision for the receivable from a subsidiary of Japan Airlines Corporation.

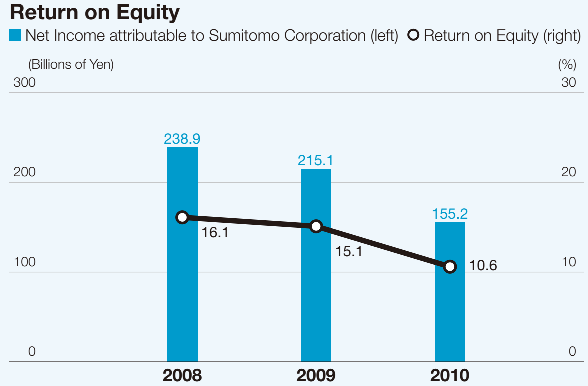
Impairment Losses on Long-Lived Assets. Impairment losses on long-lived assets decreased by ¥10.0 billion, or 67.8%, from ¥14.7 billion in the fiscal year ended March 31, 2009 to ¥4.7 billion in the fiscal year ended March 31, 2010. The decrease was due to the fact that there was no significant loss recognized in the fiscal year ended March 31, 2010, while we recognized impairment losses on an oil field interest in British North Sea and on goodwill of The Hartz Mountain, a pet care business in the U.S., in the fiscal year ended March 31, 2009.

Gain (Loss) on Sale of Property and Equipment, Net. Gain on sale of property and equipment increased by ¥10.1 billion from ¥0.4 billion loss in the fiscal year ended March 31, 2009 to ¥9.8 billion gain in the fiscal year ended March 31, 2010. The increase was mainly due to the sale of office building in the fiscal year ended March 31, 2010.

Gross Profit & Gross Profit Ratio (Gross Profit/Total Trading Transactions)



Net Income attributable to Sumitomo Corporation & Return on Equity



Interest Income. Interest income decreased by ¥6.2 billion, or 28.5%, from ¥21.6 billion in the fiscal year ended March 31, 2009 to ¥15.4 billion in the fiscal year ended March 31, 2010. This was mainly due to a lower U.S. dollar interest rate.

Interest Expense. Interest expense decreased by ¥18.2 billion, or 31.6%, from ¥57.7 billion in the fiscal year ended March 31, 2009 to ¥39.5 billion in the fiscal year ended March 31, 2010. This was mainly due to a lower U.S. dollar interest rate.

Dividends. Total dividend income decreased by ¥3.3 billion, or 22.8%, from ¥14.6 billion in the fiscal year ended March 31, 2009 to ¥11.3 billion in the fiscal year ended March 31, 2010. The decrease was mainly due to the decrease of dividends from domestic companies listed in Japanese stock market.

Other than Temporary Impairment Losses on Securities. Other than temporary impairment losses on securities decreased by ¥3.5 billion, or 15.6%, from ¥22.6 billion in the fiscal year ended March 31, 2009 to ¥19.1 billion in the fiscal year ended March 31, 2010. Impairment losses recognized for the fiscal year ended March 31, 2010 were mainly related to the investment in Japan Airlines Corporation. Impairment losses recognized for the fiscal year ended March 31, 2009 were mainly related to the investment in Fuji Media Holdings, Inc.

Gain on Sale of Marketable Securities and Other Investments, Net. Gain on sale of marketable securities and other investments increased by ¥24.9 billion, or 91.8%, from ¥27.1 billion for the fiscal year ended March 31, 2009 to ¥51.9 billion for the fiscal year ended March 31, 2010. We recognized gains related to the sales of mining rights in British North Sea and the partial sales of mining rights in Batu Hijau copper/gold mine project in Indonesia for the fiscal year ended March 31, 2010. The gain for the fiscal year ended March 31, 2009 includes capital gains on business restructuring of MS Communications Co., Ltd.

Equity in Earnings of Associated Companies, Net. Equity in earnings of associated companies decreased by ¥13.8 billion, or 15.4%, from ¥90.0 billion in the fiscal year ended March 31, 2009 to ¥76.1 billion in the fiscal year ended March 31, 2010. While equity earnings of Batu Hijau copper/gold mine project in Indonesia increased due to the increase of its production volume and favorable market price of copper, equity earnings of associated companies decreased mainly due to the hedge evaluation gain, which was related to the San Cristobal silver-zinc-lead mining project in Bolivia, recognized in the fiscal year ended March 31, 2009.

Income Taxes. Income taxes decreased by ¥34.5 billion, or 35.8%, from ¥96.3 billion in the fiscal year ended March 31, 2009 to ¥61.8 billion in the fiscal year ended March 31, 2010. The decrease was mainly due to the decrease of income before income tax.

Net Income Attributable to Noncontrolling Interests. Net income attributable to noncontrolling interests decreased by ¥2.0 billion, or 24.2%, from ¥8.3 billion in the fiscal year ended March 31, 2009 to ¥6.3 billion in the fiscal year ended March 31, 2010.

Net Income Attributable to Sumitomo Corporation. As a result of the factors discussed above, net income attributable to Sumitomo Corporation decreased by ¥59.9 billion, or 27.8%, from ¥215.1 billion in the fiscal year ended March 31, 2009 to ¥155.2 billion in the fiscal year ended March 31, 2010.

Total Trading Transactions. Total trading transactions decreased by ¥2,982.8 billion, or 27.7%, from ¥10,750.0 billion in the fiscal year ended March 31, 2009 to ¥7,767.2 billion in the fiscal year ended March 31, 2010. This was mainly due to the stronger yen which eroded the total trading transactions of overseas subsidiaries and the downturn of general market condition which resulted in weaker demand and unfavorable market price in various business areas such as mineral resources, steel products, automotive and construction equipment.

7. OPERATING SEGMENT ANALYSIS

We manage and assess our business using nine operating segments, including seven operating segments based on industries and two operating segments based on a geographical focus.

We conduct our business using seven business segments based on industries, including: Metal Products; Transportation & Construction Systems; Infrastructure; Media, Network & Lifestyle Retail; Mineral Resources, Energy, Chemical & Electronics; General Products & Real Estate; and Financial & Logistics.

In addition, we conduct our business in regional operations—domestic and overseas. Domestically, in addition to our subsidiaries and offices throughout Japan, we have three regional business units, which are distinct from the industry-based business units, that oversee activities in the Kansai, Chubu and Kyushu-Okinawa regions. Our overseas operations are conducted by our overseas subsidiaries, such as Sumitomo Corporation of America, and branch offices. These regional operations conduct trading activities in all industry sectors based on their specialized knowledge of the regions. In addition, they work together on certain projects with our industry-based business units in order to develop products and services that are more focused for any particular region. In such cases, revenues and expenses are shared by the units based on their respective roles. These regional operations constitute the “Domestic Regional Business Units and Offices” and “Overseas Subsidiaries and Branches” segments in our consolidated financial statements.

The following table sets forth our operating results by operating segments for the fiscal years ended March 31, 2010 and 2009.

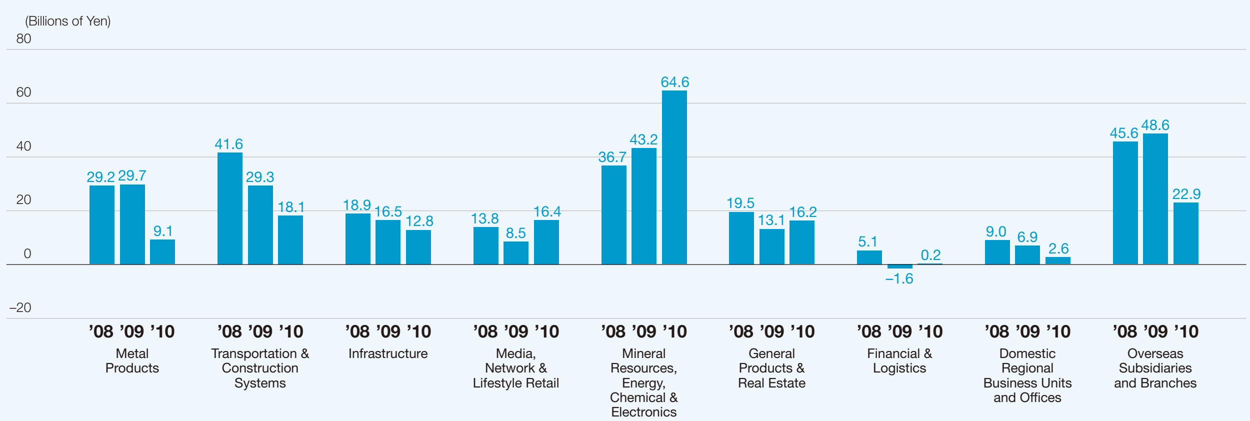
Breakdown of Gross Profit by Operating Segment

For the years ended March 31, 2010 and 2009	Billions of Yen 2010	2009	Increase/ decrease	Increase/ decrease	Millions of U.S. Dollars 2010
Metal Products	**¥ 54.1**	¥ 86.4	¥ (32.3)	(37.4)%	**$ 582**
Transportation & Construction Systems	**130.8**	155.6	(24.8)	(15.9)	**1,406**
Infrastructure	**31.2**	40.4	(9.2)	(22.8)	**336**
Media, Network & Lifestyle Retail	**176.6**	176.4	0.2	0.1	**1,899**
Mineral Resources, Energy, Chemical & Electronics	**84.6**	91.9	(7.3)	(7.9)	**910**
General Products & Real Estate	**101.4**	111.1	(9.7)	(8.7)	**1,091**
Financial & Logistics	**23.4**	26.8	(3.4)	(12.7)	**252**
Domestic Regional Business Units and Offices	**35.1**	42.6	(7.5)	(17.6)	**377**
Overseas Subsidiaries and Branches	**153.6**	211.7	(58.1)	(27.4)	**1,651**
Segment Total	**790.8**	942.9	(152.1)	(16.1)	**8,504**
Corporate and Eliminations	**(11.3)**	(7.7)	(3.6)	(46.8)	**(122)**
Consolidated	**¥779.5**	¥935.2	¥(155.7)	(16.6)%	**$8,382**

Breakdown of Net Income by Operating Segment

For the years ended March 31, 2010 and 2009	Billions of Yen 2010	2009	Increase/ decrease	Increase/ decrease	Millions of U.S. Dollars 2010
Metal Products	**¥ 9.1**	¥ 29.7	¥(20.6)	(69.4)%	**$ 98**
Transportation & Construction Systems	**18.1**	29.3	(11.2)	(38.2)	**195**
Infrastructure	**12.8**	16.5	(3.7)	(22.4)	**138**
Media, Network & Lifestyle Retail	**16.4**	8.5	7.9	92.9	**176**
Mineral Resources, Energy, Chemical & Electronics	**64.6**	43.2	21.4	49.5	**694**
General Products & Real Estate	**16.2**	13.1	3.1	23.7	**174**
Financial & Logistics	**0.2**	(1.6)	1.8	—	**2**
Domestic Regional Business Units and Offices	**2.6**	6.9	(4.3)	(62.3)	**27**
Overseas Subsidiaries and Branches	**22.9**	48.6	(25.7)	(52.9)	**247**
Segment Total	**162.9**	194.2	(31.3)	(16.1)	**1,751**
Corporate and Eliminations	**(7.7)**	20.9	(28.6)	—	**(82)**
Consolidated	**¥155.2**	¥215.1	¥(59.9)	(27.8)%	**$1,669**

Net Income by Segment



Fiscal Year Ended March 31, 2010 Compared to Fiscal Year Ended March 31, 2009

Metal Products

Gross profit decreased by ¥32.3 billion, or 37.4%, from ¥86.4 billion in the fiscal year ended March 31, 2009 to ¥54.1 billion in the fiscal year ended March 31, 2010. Demand in tubular products business in North America was sluggish and steel service center operations declined. Net income attributable to Sumitomo Corporation decreased by ¥20.6 billion, or 69.4%, from ¥29.7 billion in the fiscal year ended March 31, 2009 to ¥9.1 billion in the fiscal year ended March 31, 2010.

Transportation & Construction Systems

Gross profit decreased by ¥24.8 billion, or 15.9%, from ¥155.6 billion in the fiscal year ended March 31, 2009 to ¥130.8 billion in the fiscal year ended March 31, 2010. The decrease was mainly due to the decrease in gross profit of the automotive and construction equipment business mainly in Europe although the ship business showed stable performance. Net income attributable to Sumitomo Corporation decreased by ¥11.2 billion, or 38.2%, from ¥29.3 billion in the fiscal year ended March 31, 2009 to ¥18.1 billion in the fiscal year ended March 31, 2010.

Infrastructure

Gross profit decreased by ¥9.2 billion, or 22.8%, from ¥40.4 billion in the fiscal year ended March 31, 2009 to ¥31.2 billion in the fiscal year ended March 31, 2010. The decrease was mainly due to the decrease of the revenue from large scale EPC (Engineering, Procurement and Construction) business. In addition, machinery and equipment businesses in Japan declined. Net income attributable to Sumitomo Corporation decreased by ¥3.7 billion, or 22.4%, from ¥16.5 billion in the fiscal year ended March 31, 2009 to ¥12.8 billion in the fiscal year ended March 31, 2010.

Media, Network & Lifestyle Retail

Gross profit in the fiscal year ended March 31, 2010 was ¥176.6 billion, approximately the same as the gross profit in the fiscal year ended March 31, 2009 of ¥176.4 billion. Net income attributable to Sumitomo Corporation increased by ¥7.9 billion, or 92.9%, from ¥8.5 billion in the fiscal year ended March 31, 2009 to ¥16.4 billion in the fiscal year ended March 31, 2010. Jupiter Telecommunications Co., Ltd. (J:COM) and Jupiter Shop Channel Co., Ltd. showed stable performance.

Mineral Resources, Energy, Chemical & Electronics

Gross profit decreased by ¥7.3 billion, or 7.9%, from ¥91.9 billion in the fiscal year ended March 31, 2009 to ¥84.6 billion in the fiscal year ended March 31, 2010. The decrease was mainly due to the decrease of sales prices in a coal mining operation in Australia although San Cristobal silver-zinc-lead mining project in Bolivia largely contributed to the result not only by the rise in commodity prices but also through further cost reduction. Net income attributable to Sumitomo Corporation increased by ¥21.4 billion, or 49.5%, from ¥43.2 billion in the fiscal year ended March 31, 2009 to ¥64.6 billion in the fiscal year ended March 31, 2010. There was value realization through replacements of assets.

General Products & Real Estate

Gross profit decreased by ¥9.7 billion, or 8.7%, from ¥111.1 billion in the fiscal year ended March 31, 2009 to ¥101.4 billion in the fiscal year ended March 31, 2010. Although the banana business showed stable performance, fertilizer businesses were affected by the plunge in market prices. Net income attributable to Sumitomo Corporation increased by ¥3.1 billion, or 23.7%, from ¥13.1 billion in the fiscal year ended March 31, 2009 to ¥16.2 billion in the fiscal year ended March 31, 2010. TBC Corporation (tire business in the U.S.) showed stable performance. Also there was a value realization through replacement of an office building.

Financial & Logistics

Gross profit decreased by ¥3.4 billion, or 12.7%, from ¥26.8 billion in the fiscal year ended March 31, 2009 to ¥23.4 billion in the fiscal year ended March 31, 2010. The decrease was mainly due to the continuous harsh condition in the finance business. Net income attributable to Sumitomo Corporation increased by ¥1.8 billion, from a net loss of ¥1.6 billion in the fiscal year ended March 31, 2009 to a net income of ¥0.2 billion in the fiscal year ended March 31, 2010. Although we recognized impairment losses on Japan Airlines preferred stocks, the performance of Sumitomo Mitsui Finance and Leasing Co., Ltd. improved.

Domestic Regional Business Units and Offices

Gross profit decreased by ¥7.5 billion, or 17.6%, from ¥42.6 billion in the fiscal year ended March 31, 2009 to ¥35.1 billion in the fiscal year ended March 31, 2010. The decrease was mainly due to the decline in the metal products businesses. Net income attributable to Sumitomo Corporation decreased by ¥4.3 billion, or 62.3%, from ¥6.9 billion in the fiscal year ended March 31, 2009 to ¥2.6 billion in the fiscal year ended March 31, 2010.

Overseas Subsidiaries and Branches

Gross profit decreased by ¥58.1 billion, or 27.4%, from ¥211.7 billion in the fiscal year ended March 31, 2009 to ¥153.6 billion in the fiscal year ended March 31, 2010. The decrease was mainly due to the weak performance in the metal products and fertilizer businesses. Net income attributable to Sumitomo Corporation decreased by ¥25.7 billion, or 52.9%, from ¥48.6 billion in the fiscal year ended March 31, 2009 to ¥22.9 billion in the fiscal year ended March 31, 2010.

8. LIQUIDITY AND CAPITAL RESOURCES

In general, we seek to fund our operations through cash flow from operations, bank debt and debt raised in the capital markets and issuance of commercial paper. Our basic policy for fund raising activities is to secure stable, medium- to long-term low-interest rate funds and liquidity for our operations.

As of March 31, 2010, we had ¥3,877.4 billion of short-term and long-term debt. Our short-term debt, excluding current maturities of long-term debt was ¥453.4 billion, a decrease of ¥338.8 billion from the previous year. Our short-term debt consisted of ¥284.7 billion of loans, principally from banks, and ¥168.7 billion of commercial paper.

As of March 31, 2010, we had long-term debt of ¥3,424.0 billion, an increase of ¥209.7 billion from the previous year, including current maturities of ¥485.5 billion. As of March 31, 2010, the balance of our borrowings from banks and insurance companies was ¥2,682.1 billion, an increase of ¥208.6 billion from the previous year, the balance of notes and bonds was ¥465.2 billion, an increase of ¥28.2 billion from the previous year, and the balance of other long-term debt including capital lease obligations was ¥276.7 billion, a decrease of ¥27.1 billion from the previous year.

Most of our loans from banks contain covenant provisions customary in Japan. We do not believe those provisions materially limit our operating or financial flexibility. However, some credit agreements require us to obtain prior approval for any dividend payments or other distributions to shareholders. Several of the loan agreements require maintenance of certain financial ratios and minimum levels of tangible net worth. Under some agreements, principally with government-owned financial institutions, we may be required to make early repayments of an outstanding amount if the lender concludes that we are able to repay the outstanding amount through improved earnings or from the proceeds of an equity or debt offering, and makes such prepayment request. Certain agreements provide that the banks may require the borrower to receive bank approval prior to the payment of dividends and other appropriations of earnings. We have not been asked to make any such prepayments and currently do not anticipate any prepayment requests. See “Risk Factors—Risks stemming from restriction on access to liquidity and capital.”

In addition, we continuously determine various worst case scenarios, including the current financial market turmoil to maintain certain levels of liquidity in any market condition. As of March 31, 2010, we had several committed lines of credit available for immediate borrowing, providing an aggregate of up to $1,100 million and ¥445 billion in short-term loans. These lines of credit consist of:

- a $1,000 million multi-borrower and multi-currency line of credit provided by a syndicate of major European and U.S. banks, under which we can obtain loans for Sumitomo Corporation or any of our subsidiaries in the United Kingdom, Netherlands and the United States;
- a $100 million U.S. dollar-denominated line of credit provided to Sumitomo Corporation of America by a major U.S. bank;
- a ¥330 billion line of credit provided by a syndicate of major Japanese banks; and
- a ¥115 billion line of credit provided by a syndicate of Japanese regional banks.

To date, we have not drawn on any of these lines of credit. We believe these lines of credit do not contain any material covenants, ratings triggers or other restrictions that could potentially impair our ability to draw down funds. We also have several uncommitted lines of credit.

As of March 31, 2010, our long-term and short-term credit ratings are A2/P-1 from Moody’s Investors Service, A/A-1 from Standard & Poor’s and AA–/a-1+ from Rating and Investment Information, Inc. In order to facilitate our access to capital markets for funding, we have established several funding programs, including:

- a ¥200 billion Japanese shelf registration for primary debt offerings;
- a ¥1.0 trillion commercial paper program in Japan;
- a $1,500 million commercial paper program, established by our U.S. subsidiary, Sumitomo Corporation of America;
- a U.S.$3,000 million Euro Medium Term Note program jointly established by Sumitomo Corporation Capital Europe PLC, Sumitomo Corporation Capital Netherlands N.V., Sumitomo Corporation of America and Sumitomo Corporation Capital Asia.
- a U.S.$1,500 million Euro-denominated commercial paper program established by Sumitomo Corporation Capital Europe.

Our total assets as of March 31, 2010 increased by ¥119.6 billion from March 31, 2009, to ¥7,137.8 billion. In this fiscal year, we increased our cash and cash deposits by ¥303.1 billion. The aim of this was to strengthen financial stability through improving liquidity level and to prepare for new investments such as acquiring additional shares of J:COM. Operating assets decreased due to the company-wide efforts such as decreasing receivables and improving inventory turnover rates.

As of March 31, 2010, our shareholders’ equity increased by ¥230.6 billion to ¥1,583.7 billion, due to the increase of retained earnings in addition to the increase of unrealized holding gains on securities available-for-sale. Our ratio of shareholders’ equity to total assets was 22.2%. Our interest-bearing liabilities (net) were ¥2,781.8 billion, a decrease of ¥405.0 billion. As a result, our net debt-to-equity ratio was 1.8 as of March 31, 2010.

As of March 31, 2010, we had current trade receivables of ¥1,415.1 billion from third parties and ¥107.6 billion from associated companies. Our current trade receivables in Japan are generally collected within six months. We make allowances for doubtful current receivables, which at March 31, 2010 were ¥26.2 billion. As of March 31, 2010, we had current trade payables of ¥969.5 billion to third parties and ¥20.7 billion to associated companies.

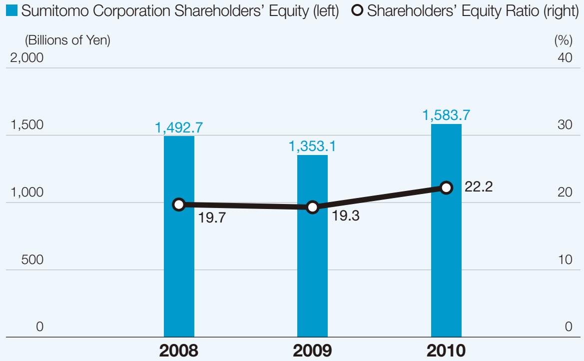
We had working capital of ¥992.0 billion as of March 31, 2010 compared to ¥795.1 billion as of March 31, 2009.

Liquidity and Capital Resources

As of March 31, 2010, 2009 and 2008	Billions of Yen 2010	2009	2008	Millions of U.S. Dollars 2010
Short-term				
Loans, principally from banks	¥ 284.7	¥ 471.1	¥ 356.0	$ 3,061
Commercial paper	168.7	321.1	269.1	1,814
	453.4	792.2	625.1	4,875
Long-term, including current maturities of long-term debt				
Secured long-term debt				
Loans	220.9	221.9	214.1	2,375
Bonds	26.2	17.0	35.1	282
Unsecured long-term debt				
Loans	2,461.2	2,251.6	2,294.7	26,465
Bonds and notes	439.0	420.0	540.8	4,720
	3,147.3	2,910.5	3,084.7	33,842
Interest-bearing liabilities (gross)	3,600.7	3,702.7	3,709.8	38,717
Cash and cash equivalents & time deposits	818.9	515.9	462.2	8,805
Interest-bearing liabilities (net)	2,781.8	3,186.8	3,247.6	29,912
Total assets	7,137.8	7,018.2	7,571.4	76,751
Shareholders' equity	1,583.7	1,353.1	1,492.7	17,029
Shareholders' equity ratio (%)	22.2	19.3	19.7	
Debt-equity ratio (gross) (times)	2.3	2.7	2.5	
Debt-equity ratio (net) (times)	1.8	2.4	2.2	

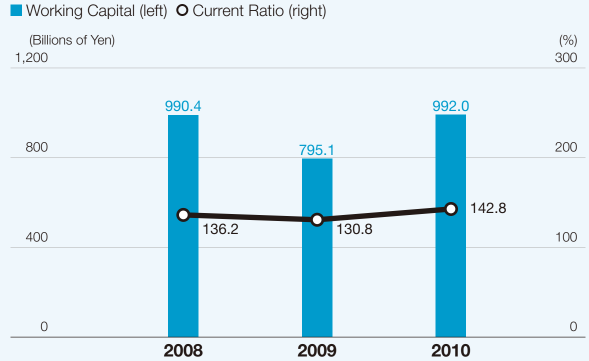
Sumitomo Corporation Shareholders' Equity & Shareholders' Equity Ratio

■ Sumitomo Corporation Shareholders' Equity (left) ○ Shareholders' Equity Ratio (right)



Working Capital & Current Ratio (Current Assets/Current Liabilities)

■ Working Capital (left) ○ Current Ratio (right)



The following table sets forth our cash flow information for the fiscal years ended March 31, 2010, 2009 and 2008:

Summary Statements of Consolidated Cash Flows

	Billions of Yen			Millions of U.S. Dollars
For the years ended March 31, 2010, 2009 and 2008	**2010**	2009	2008	**2010**
Net cash provided by operating activities	**¥ 510.4**	¥ 348.8	¥ 323.7	**$ 5,489**
Net cash used in investing activities	**(59.4)**	(261.5)	(298.1)	**(639)**
Free cash flow	**451.0**	87.3	25.6	**4,850**
Net cash (used in) provided by financing activities	**(150.1)**	(5.9)	7.9	**(1,614)**
Effect of exchange rate changes on cash and cash equivalents	**1.6**	(26.9)	(15.8)	**17**
Net increase in cash and cash equivalents included in assets held for sale	**—**	—	2.3	**—**
Net increase in cash and cash equivalents	**¥ 302.5**	¥ 54.5	¥ 20.0	**$ 3,253**

Net cash provided by operating activities was ¥510.4 billion for the fiscal year ended March 31, 2010, compared to ¥348.8 billion provided by operating activities for the fiscal year ended March 31, 2009. This was due to the stable business performances in our core businesses and decrease in operating assets.

Net cash used in investing activities was ¥59.4 billion for the fiscal year ended March 31, 2010, compared to ¥261.5 billion for the fiscal year ended March 31, 2009. While making strategic investments such as acquisitions of new oilfield interests in British North Sea and wind farm interests in the United States, we actively collected cash through replacement of assets.

As a result, free cash flow, calculated as net cash provided by operating activities plus net cash used in investing activities, was ¥451.0 billion cash in for the fiscal year ended March 31, 2010 and ¥87.3 billion cash in for the fiscal year ended March 31, 2009.

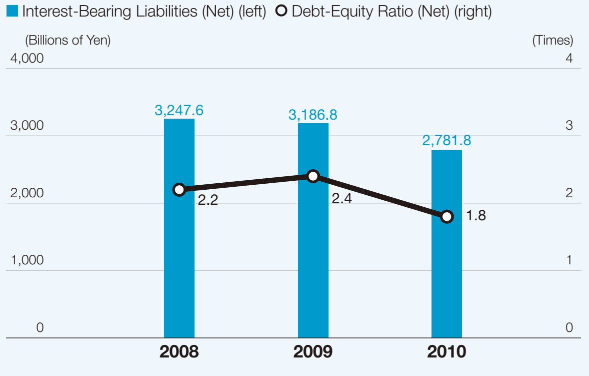
Net cash used in financing activities was ¥150.1 billion for the fiscal year ended March 31, 2010 and ¥5.9 billion for the fiscal year ended March 31, 2009. As a result of the factors discussed above, cash and cash equivalents increased by ¥302.5 billion from the fiscal year ended March 31, 2009 to ¥813.8 billion.

As of March 31, 2010, our contractual cash obligations for the periods indicated were as follows:

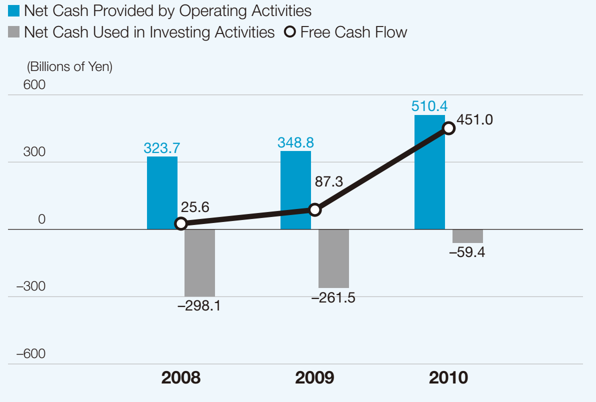
	Billions of Yen						
	Payments due by period						
	Total	Less than 1 year	1–2 years	2–3 years	3–4 years	4–5 years	More than 5 years
Long-term debt	**¥3,424.0**	¥485.5	¥584.8	¥498.9	¥361.0	¥401.8	¥1,092.0
Operating leases	**384.0**	46.8	43.0	39.4	37.3	35.1	182.5
Total	**¥3,808.0**	¥532.3	¥627.8	¥538.3	¥398.3	¥436.9	¥1,274.5

Long-term debt includes capital lease obligations.

Interest-Bearing Liabilities (Net) & Debt-Equity Ratio (Net)



Cash Flows



As of March 31, 2010, we had long-term financing commitments in the aggregate amount of ¥8.8 billion in connection with loans and investments in equity capital.

We enter into long-term purchase commitments in the normal course of our trading operations that provide for either fixed prices or basic purchase prices adjustable to market. Those commitments are in most instances matched with counterparty sales contracts. Long-term purchase contracts at fixed prices or at basic purchase prices adjustable to market amounted to ¥956.6 billion as of March 31, 2010. Scheduled deliveries are at various dates through 2025.

As of March 31, 2010, we have no material commitments for capital expenditures.

In addition to our commitments discussed above, in connection with our businesses, from time to time, we incur various contingent liabilities, such as guarantees of our customers' obligations. In addition, we are, from time to time, subject to contingent liabilities arising from litigation. These contingent liabilities are discussed in detail in "9. Contingencies" and "10. Litigation" described below. Although we currently do not believe that our cash needs under such contingent liabilities will be significant, if, contrary to expectations, defaults under guarantees are substantial or there is a major adverse outcome in our litigation, such contingent liabilities may create significant new cash needs for us.

Our primary future recurring cash needs will be for working capital, capital investments in new and existing business ventures and debt service. Our growth strategy contemplates the making of investments, in the form of acquisitions, equity investments and loans. We invested ¥231.2 billion in property, equipment and other assets and made ¥97.4 billion of other investments in the fiscal year ended March 31, 2010. We are currently contemplating acquisitions of companies complementary to our existing businesses and also to related business areas in all business segments.

These investments, however, are either at a preliminary evaluation stage or are subject to a number of conditions, and accordingly, may not be completed. And we believe that our existing cash, current credit arrangements and cash flow from operations will be sufficient to meet our cash needs during the foreseeable future, although we cannot assure you that this will be the case. If our future cash flows from operations are less than we expect, we may need to incur additional debt, pursue other sources of liquidity, or modify our investment plans.

9. CONTINGENCIES

In connection with our businesses, from time to time, we incur various contingent liabilities, such as guarantees of our customers' obligations. We conduct business with counterparties around the world, and we make an effort to control the related trade receivables and guarantees in order to minimize concentrations of credit risk. We do not anticipate losses on the commitments and guarantees discussed below in excess of established allowances.

From time to time, we sell certain trade notes receivable to banks and other financial institutions on a recourse basis in the ordinary course of our business. In particular, we enter into such transactions when we believe holding a particular receivable may expose us to unnecessary risks, such as foreign currency exchange risks associated with a non-yen-denominated receivable matched with a yen-denominated payable. As of March 31, 2010, we were contingently liable to certain banks for the aggregate amount of ¥111.4 billion for discounted trade notes receivable (principally relating to export transactions maturing through 2011) sold to those banks on a recourse basis.

As of March 31, 2010, we were contingently liable for guarantees (continuing through 2035) in the aggregate amount of ¥156.3 billion, including ¥98.4 billion relating to our associated companies and ¥2.3 billion to our employees but excluding discounted trade notes receivable sold to banks on a recourse basis as discussed above. The guarantees were primarily to enhance the credit standings of our associated companies, suppliers, buyers and employees, and in respect of the residual value on operating leases.

We also provide residual value guarantees to compensate for any potential shortfall between a specified price and actual sale proceeds on fixed dates to 2015 in the aggregate amount of ¥10.9 billion, for some owners in relation to transportation equipment subject to operating leases. If the market value of the transportation equipment is less than the guaranteed value on the fixed date, we will be required to compensate for the shortfall. The current estimated future value of such transportation equipment is higher than the guaranteed value, and consequently there was no allowance for the liabilities under these guarantees as of March 31, 2010.

10. LITIGATION

The Companies are involved in certain legal actions and claims incidental to its business. In the opinion of management, none of these actions or claims will have a material adverse effect on the financial position or results of operations of the Companies.

11. NEW ACCOUNTING PRONOUNCEMENTS

In October 2009, the FASB issued Accounting Standards Updates ("ASU") 2009-13. ASU 2009-13 provides amendments to ASC 605, "Revenue Recognition" that addresses how to allocate arrangement consideration to one or more units of accounting in which venders provide multiple products or services to their customers. ASU 2009-13 requires an entity to allocate revenue in an arrangement using estimated selling prices of deliverables if a vendor does not have vendor-specific objective evidence of selling price or third-party evidence of selling price. ASU 2009-13 will be effective in fiscal years beginning on or after June 15, 2010. The Companies are evaluating the effect of the adoption of ASU 2009-13.

In October 2009, the FASB issued ASU 2009-14. ASU 2009-14 amends the guidance in ASC 985, "Software" for revenue arrangements that contain both tangible products and software and provides guidance on determining whether software deliverables in an arrangement that includes a tangible product are covered by the scope of the software revenue guidance. ASU 2009-14 will be effective in fiscal years beginning on or after June 15, 2010. The Companies are evaluating the effect of the adoption of ASU 2009-14.

In December 2009, the FASB issued ASU 2009-16 which codified formerly SFAS No. 166, "Transfers and Servicing—an amendment of FASB Statement No. 140," within ASC 860, "Transfers and Servicing." ASU 2009-16 eliminates the concept of a qualifying special-purpose entity under formerly SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." ASU 2009-16 also changes the requirements for derecognizing financial assets and requires enhanced disclosure. ASU 2009-16 will be effective as of the beginning of an entity's first fiscal year that begins after November 16, 2009. The Companies are evaluating the effect of the adoption of ASU 2009-16.

In December 2009, the FASB issued ASU 2009-17 which codified formerly SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)" within ASC 810, "Consolidation." ASU 2009-17 amends the criteria to determine whether an enterprise consolidates a variable interest entity in which the total equity investment is not sufficient or the equity investment holders lack the characteristics of a controlling financial interest. ASU 2009-17 requires an enterprise to perform the consolidation analysis based on an entity's purpose, design and power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance. ASU 2009-17 will be effective as of the beginning of an entity's first fiscal year that begins after November 16, 2009. The Companies are evaluating the effect of the adoption of ASU 2009-17.

12. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

In the normal course of business, we are exposed to risks arising from fluctuations in interest and currency exchange rates, commodity prices and equity prices. In order to manage these risks, we use financial and commodity derivative instruments including: foreign exchange forwards, currency swaps and options; interest rate swaps, futures and options; and commodity futures, forwards, swaps, and options. To a lesser degree, we also use derivative commodity instruments for trading purposes within prescribed position limits and loss limits imposed under the risk management structure described below.

Interest Rate Risk

Our business activities expose us to market risks arising from changes in interest rates, which we monitor and for which we take measures to minimize through our Financial Resources Management Group of the Corporate Group. In particular, interest rate fluctuations will impact our borrowing costs because a significant amount of our outstanding debt instruments are floating rate instruments and because we have short-term borrowings that we refinance from time to time. However, the impact on our borrowing costs will be partially offset by increased returns on certain of our assets which will also be impacted by interest rate fluctuations. In addition, we are engaged in financing activities, such as automobile financing, which could be affected by interest rate fluctuations. To manage this risk, we enter into interest rate swap agreements, future contracts and option contracts which serve to modify and match the interest rate characteristics of our assets and liabilities.

Foreign Currency Exchange Rate Risk

The nature of our global operations expose us to market risks caused by fluctuations in foreign currency exchange rates related to imports, exports and financing in currencies other than the local currency. Each business department manages its foreign currency exchange rate risk by entering into internal foreign exchange forward contracts with our Financial Resources Management Group, except for certain risks including the risk associated with foreign investments considered to be permanent. Through those internal transactions and otherwise, the Financial Resources Management Group monitors the company-wide market risks arising from the changes in foreign exchange rates associated with underlying transactions denominated in foreign currencies. The Financial Resources Management Group enters into foreign exchange forward contracts, currency swap agreements and currency option contracts with third parties for hedging purposes.

Commodity Price Risk

As major participants in global commodity markets, we trade in commodities such as physical precious and base metals, energy products (crude oil and refined oil products) and agricultural products (wheat, coffee, sugar and others), and utilize a variety of derivatives related to these commodities. Derivatives on those commodities are often used to hedge price movements in the underlying physical transactions. To a lesser degree, we use such instruments for trading purposes within well-defined position limits and loss limits. In addition, we are engaged in mining and oil and gas production operations, which are subject to fluctuations in commodity prices.

Equity Price Risk

We are exposed to equity price risk inherent in stock we hold in financial institutions and our customers and suppliers for strategic purposes and in the other investments held by us. We do not engage in continuous hedging measures against the market exposures on those securities.

The cost, fair value and unrealized holding net gains on our marketable equity securities as of March 31, 2010 and 2009 were as follows:

The Cost, Fair Value and Net Unrealized Gains on Marketable Equity Securities

	Billions of Yen		Millions of U.S. Dollars
As of March 31, 2010 and 2009	2010	2009	2010
Cost	¥222.2	¥232.3	$2,389
Fair value	361.3	282.7	3,885
Net unrealized gains	¥139.1	¥ 50.4	$1,496

Risk Management Structure

Any business department wishing to enter into a derivative transaction or any other type of transaction exposing us to market risk must obtain approval from the President or General Manager, depending on the magnitude of the transaction, before entering into the transaction. The President or General Manager, as the case may be, reviews requests with the assistance of staff members who have expertise in derivative contracts. The request must identify the counterparty, the applicable market and credit risks and state the objectives of the transaction, the trading limit, and the loss limit amount.

The Financial Resources Management Group provides the following with respect to the execution and monitoring of transactions:

- back office support services for financial and derivative commodity transactions, such as opening accounts, confirming the execution of contracts, processing settlement and delivery of funds, and maintaining accounting records for the transactions;
- confirmation of balances of each transaction position; and
- monitoring of the status of positions and analyzing and calculating the risks of related transactions on a company-wide basis, and issuing periodic reports to our senior management, including semi-annual reports to our board of directors.

Our subsidiaries are required to comply with the risk management structure described above when they execute commodity market transactions.

VaR (Value-at-Risk)

VaR is a statistical measure of the potential maximum loss in the fair value of a portfolio that may result from adverse market movements in underlying risk factors, which is calculated over a defined period and within a certain confidence level. We use the VaR method to measure the market risk for certain market-sensitive commodity transactions, including transactions associated with precious metals, non-ferrous metals, fuels, and agricultural products, and certain financial transactions. The following table sets forth the year-end, high, low, and average VaR figures (which are generally calculated using a three-day holding period) as of the end of each month in the fiscal year ended March 31, 2010:

VaR

	Billions of Yen			
For the year ended March 31, 2010	At year-end	High	Low	Average
	¥4.9	¥7.0	¥4.6	¥5.6

We estimated VaR during the defined periods using the Monte Carlo simulation method with a confidence level of 99%. As VaR incorporates historical data regarding changes in market risk factors, our actual results may differ materially from the calculations above.

We periodically conduct backtesting in which estimated quantitative risks are compared with actual gains or losses to verify the accuracy of our VaR measurement model. The actual value of gains or losses fell within our VaR threshold in our backtesting during the twelve months ended December 31, 2009, which was the most recent period for which backtesting was conducted. Based on our backtesting, we believe our VaR model has provided reasonably accurate measurements.

CONSOLIDATED BALANCE SHEETS

Sumitomo Corporation and Subsidiaries
As of March 31, 2010 and 2009

	Millions of Yen		Millions of U.S. Dollars
ASSETS	**2010**	2009	**2010**
Current assets:			
Cash and cash equivalents (Note 11)	**¥ 813,833**	¥ 511,350	**$ 8,751**
Time deposits (Note 11)	**5,084**	4,514	**55**
Marketable securities (Notes 5 and 11)	**5,259**	18,963	**56**
Receivables—trade (Notes 6, 11 and 22):			
Notes and loans	**210,186**	188,564	**2,260**
Accounts	**1,204,927**	1,304,030	**12,956**
Associated companies	**107,570**	115,943	**1,157**
Allowance for doubtful receivables	**(26,189)**	(16,477)	**(282)**
Inventories (Note 7)	**676,840**	840,088	**7,278**
Deferred income taxes (Note 12)	**34,191**	33,987	**368**
Advance payments to suppliers	**68,539**	94,859	**737**
Other current assets (Notes 13, 16 and 17)	**211,684**	279,026	**2,276**
Total current assets	**3,311,924**	3,374,847	**35,612**
Investments and long-term receivables (Notes 6, 11, 17 and 22)**:**			
Investments in and advances to associated companies (Note 8)	**936,683**	893,372	**10,072**
Other investments (Note 5)	**522,752**	450,280	**5,621**
Long-term receivables	**732,978**	745,583	**7,882**
Allowance for doubtful receivables	**(24,525)**	(33,051)	**(264)**
Total investments and long-term receivables	**2,167,888**	2,056,184	**23,311**
Property and equipment, at cost (Notes 9, 11 and 22)	**1,797,394**	1,725,887	**19,327**
Accumulated depreciation	**(673,015)**	(670,738)	**(7,237)**
	1,124,379	1,055,149	**12,090**
Goodwill and other intangible assets (Notes 3, 10 and 22)	**392,940**	400,555	**4,225**
Prepaid expenses, non-current (Note 13)	**70,842**	43,518	**762**
Deferred income taxes, non-current (Note 12)	**25,423**	36,161	**273**
Other assets (Notes 16 and 17)	**44,402**	51,742	**478**
Total (Note 20)	**¥7,137,798**	¥7,018,156	**$76,751**

See the accompanying notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen 2010	2009	Millions of U.S. Dollars 2010
Current liabilities:			
Short-term debt (Note 11)	**¥ 453,361**	¥ 792,169	**$ 4,875**
Current maturities of long-term debt (Note 11)	**481,326**	382,849	**5,176**
Payables—trade (Note 22):			
Notes and acceptances	**48,476**	63,719	**521**
Accounts	**921,003**	830,356	**9,903**
Associated companies	**20,740**	34,863	**223**
Income taxes (Note 12)	**30,985**	28,133	**333**
Accrued expenses	**91,433**	85,634	**983**
Advances from customers	**113,120**	122,389	**1,216**
Other current liabilities (Notes 12, 16 and 17)	**159,460**	239,591	**1,715**
Total current liabilities	**2,319,904**	2,579,703	**24,945**
Long-term debt, less current maturities (Notes 11, 16, 17, 22 and 23)	**2,938,465**	2,821,287	**31,597**
Accrued pension and retirement benefits (Note 13)	**19,166**	20,003	**206**
Deferred income taxes, non-current (Note 12)	**165,605**	138,264	**1,781**
Commitments and contingent liabilities (Note 24)			
Sumitomo Corporation shareholders' equity (Notes 14 and 19)**:**			
Common stock—			
authorized 2,000,000,000 shares; issued			
1,250,602,867 shares in 2010 and 2009	**219,279**	219,279	**2,358**
Additional paid-in capital	**288,564**	291,256	**3,103**
Retained earnings:			
Appropriated for legal reserve	**17,696**	17,696	**190**
Unappropriated	**1,234,640**	1,109,442	**13,276**
	1,252,336	1,127,138	**13,466**
Accumulated other comprehensive income (loss) (Note 15)	**(175,370)**	(283,416)	**(1,886)**
Treasury stock, at cost: 549,786 and 576,321 shares in 2010 and 2009, respectively	**(1,083)**	(1,142)	**(12)**
Total Sumitomo Corporation shareholders' equity	**1,583,726**	1,353,115	**17,029**
Noncontrolling interests	**110,932**	105,784	**1,193**
Total equity	**1,694,658**	1,458,899	**18,222**
Total	**¥7,137,798**	¥7,018,156	**$76,751**

CONSOLIDATED STATEMENTS OF INCOME

Sumitomo Corporation and Subsidiaries
For the years ended March 31, 2010, 2009 and 2008

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	**2010**
Revenues (Notes 16 and 20)**:**				
Sales of tangible products	**¥2,336,647**	¥ 2,833,308	¥ 3,040,712	**$25,125**
Sales of services and others	**547,525**	678,269	630,184	**5,888**
Total revenues	**2,884,172**	3,511,577	3,670,896	**31,013**
Cost (Notes 9, 16 and 21)**:**				
Cost of tangible products sold	**1,899,439**	2,342,890	2,551,640	**20,424**
Cost of services and others	**205,221**	233,455	184,714	**2,207**
Total cost	**2,104,660**	2,576,345	2,736,354	**22,631**
Gross profit (Note 20)	**779,512**	935,232	934,542	**8,382**
Other income (expenses)**:**				
Selling, general and administrative expenses (Notes 9, 10,13 and 14)	**(639,240)**	(654,375)	(669,364)	**(6,874)**
Provision for doubtful receivables (Note 6)	**(19,755)**	(17,465)	(11,077)	**(212)**
Impairment losses on long-lived assets (Notes 9 and 10)	**(4,741)**	(14,714)	(13,545)	**(51)**
Gain (loss) on sale of property and equipment, net	**9,750**	(386)	3,471	**105**
Interest income (Note 16)	**15,434**	21,593	28,273	**166**
Interest expense (Note 16)	**(39,504)**	(57,713)	(71,111)	**(425)**
Dividends	**11,297**	14,633	15,260	**121**
Other than temporary impairment losses on securities	**(19,060)**	(22,593)	(15,996)	**(205)**
Gain on sale of marketable securities and other investments, net (Note 5)	**51,941**	27,077	110,940	**559**
Equity in earnings of associated companies, net (Notes 8 and 12)	**76,132**	89,954	56,942	**819**
Other, net (Note 16)	**1,490**	(1,608)	(742)	**16**
Total other income (expenses)	**(556,256)**	(615,597)	(566,949)	**(5,981)**
Income before income taxes (Note 12)	**223,256**	319,635	367,593	**2,401**
Income taxes (Note 12)	**61,804**	96,303	119,772	**665**
Net income	**161,452**	223,332	247,821	**1,736**
Less: Net income attributable to noncontrolling interests	**(6,253)**	(8,254)	(8,893)	**(67)**
Net income attributable to Sumitomo Corporation (Note 20)	**¥ 155,199**	¥ 215,078	¥ 238,928	**$ 1,669**
Total trading transactions* (Note 20)	**¥7,767,163**	¥10,749,996	¥11,484,585	**$83,518**

	Yen			U.S. Dollars
Net income attributable to Sumitomo Corporation per share of common stock (Note 19)**:**				
Basic	**¥ 124.15**	¥ 172.06	¥ 192.51	**$ 1.33**
Diluted	**124.12**	172.03	192.47	**1.33**

* Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which the Companies act as a principal or as an agent. Total trading transactions is a measure commonly used by Japanese trading companies. It is not to be construed as equivalent to, or a substitute for, sales or revenues under accounting principles generally accepted in the United States of America ("U.S. GAAP").

See the accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND COMPREHENSIVE INCOME

Sumitomo Corporation and Subsidiaries
For the years ended March 31, 2010, 2009 and 2008

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	**2010**
Sumitomo Corporation shareholders' equity:				
Common stock:				
Balance, beginning of year	**¥ 219,279**	¥ 219,279	¥ 219,279	**$ 2,358**
Balance, end of year	**¥ 219,279**	¥ 219,279	¥ 219,279	**$ 2,358**
Additional paid-in capital:				
Balance, beginning of year	**¥ 291,256**	¥ 291,032	¥ 279,711	**$ 3,132**
Decrease due to purchases and sales of subsidiaries' interests	**(2,897)**	—	—	**(31)**
Grant of stock options	**267**	298	341	**3**
Loss on sale of treasury stock	**(62)**	(74)	(210)	**(1)**
Increase due to Share Exchange Agreement	**—**	—	11,190	**—**
Balance, end of year	**¥ 288,564**	¥ 291,256	¥ 291,032	**$ 3,103**
Retained earnings appropriated for legal reserve:				
Balance, beginning of year	**¥ 17,696**	¥ 17,696	¥ 17,696	**$ 190**
Balance, end of year	**¥ 17,696**	¥ 17,696	¥ 17,696	**$ 190**
Unappropriated retained earnings:				
Balance, beginning of year	**¥1,109,442**	¥ 943,114	¥ 755,159	**$11,930**
Net income attributable to Sumitomo Corporation	**155,199**	215,078	238,928	**1,669**
Cash dividends	**(30,001)**	(48,750)	(44,874)	**(323)**
Effect of adoption of new accounting standard (Note 12)	**—**	—	(6,099)	**—**
Balance, end of year	**¥1,234,640**	¥1,109,442	¥ 943,114	**$13,276**
Accumulated other comprehensive income (loss), net of tax (Note 15)**:**				
Balance, beginning of year	**¥ (283,416)**	¥ 22,845	¥ 222,290	**$ (3,047)**
Other comprehensive income (loss), net of tax				
Net unrealized holding gains (losses) on securities available-for-sale (Note 5)	**55,536**	(108,675)	(134,662)	**597**
Foreign currency transaction adjustments (Note 16)	**29,145**	(160,653)	(56,441)	**313**
Net unrealized gains (losses) on derivatives (Note 16)	**2,611**	(12,179)	2,697	**28**
Pension liability adjustments (Note 13)	**20,754**	(24,754)	(11,039)	**223**
Balance, end of year	**¥ (175,370)**	¥ (283,416)	¥ 22,845	**$ (1,886)**
Treasury stock, common stock:				
Balance, beginning of year	**¥ (1,142)**	¥ (1,224)	¥ (21,007)	**$(12)**
Exercise of stock options and others	**59**	82	348	**0**
Increase due to Share Exchange Agreement	**—**	—	(72,245)	**—**
Decrease due to Share Exchange Agreement	**—**	—	91,680	**—**
Balance, end of year	**¥ (1,083)**	¥ (1,142)	¥ (1,224)	**$ (12)**
Total Sumitomo Corporation shareholders' equity	**¥1,583,726**	¥1,353,115	¥1,492,742	**$17,029**
Noncontrolling interests:				
Balance, beginning of year	**¥ 105,784**	¥ 129,947	¥ 96,252	**$ 1,138**
Cash dividends to noncontrolling interests	**(7,734)**	(5,941)	(4,294)	**(83)**
Capital transactions and others	**4,750**	(16,189)	32,558	**51**
Net income attributable to noncontrolling interests	**6,253**	8,254	8,893	**67**
Other comprehensive income (loss), net of tax (Note 15)				
Net unrealized holding gains (losses) on securities available-for-sale (Note 5)	**245**	(583)	(663)	**3**
Foreign currency transaction adjustments (Note 16)	**1,322**	(8,863)	(2,308)	**14**
Net unrealized gains (losses) on derivatives (Note 16)	**204**	(8)	11	**2**
Pension liability adjustments (Note 13)	**108**	(833)	(502)	**1**
Balance, end of year	**¥ 110,932**	¥ 105,784	¥ 129,947	**$ 1,193**
Total equity (Note 14)	**¥1,694,658**	¥1,458,899	¥1,622,689	**$18,222**
Comprehensive income (loss):				
Net income	**¥ 161,452**	¥ 223,332	¥ 247,821	**$ 1,736**
Other comprehensive income (loss), net of tax (Note 15)				
Net unrealized holding gains (losses) on securities available-for-sale (Note 5)	**55,781**	(109,258)	(135,325)	**600**
Foreign currency transaction adjustments (Note 16)	**30,467**	(169,516)	(58,749)	**328**
Net unrealized gains (losses) on derivatives (Note 16)	**2,815**	(12,187)	2,708	**30**
Pension liability adjustments (Note 13)	**20,862**	(25,587)	(11,541)	**224**
Comprehensive income (loss)	**271,377**	(93,216)	44,914	**2,918**
Less: Comprehensive income (loss) attributable to noncontrolling interests	**(8,132)**	2,033	(5,431)	**(87)**
Comprehensive income (loss) attributable to Sumitomo Corporation	**¥ 263,245**	¥ (91,183)	¥ 39,483	**$ 2,831**

See the accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Sumitomo Corporation and Subsidiaries
For the years ended March 31, 2010, 2009 and 2008

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	2010
Operating activities:				
Net income	**¥ 161,452**	¥ 223,332	¥ 247,821	**$ 1,736**
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	**166,199**	157,454	146,624	**1,787**
Provision for doubtful receivables	**19,755**	17,465	11,077	**212**
Impairment losses on long-lived assets	**4,741**	14,714	13,545	**51**
(Gain) loss on sale of property and equipment, net	**(9,750)**	386	(3,471)	**(105)**
Other than temporary impairment losses on securities	**19,060**	22,593	15,996	**205**
Gain on sale of marketable securities and other investments, net	**(51,941)**	(27,077)	(110,940)	**(559)**
Equity in earnings of associated companies, less dividends received	**(42,348)**	(38,670)	(17,041)	**(455)**
Changes in operating assets and liabilities, excluding effect of acquisitions and divestitures:				
Decrease (increase) in receivables	**76,066**	379,573	(3,611)	**818**
Decrease (increase) in inventories	**157,533**	(131,177)	(41,415)	**1,694**
Increase (decrease) in payables	**70,106**	(265,166)	69,990	**754**
Decrease (increase) in prepaid expenses	**1,293**	(32,087)	(21,576)	**14**
Other, net	**(61,741)**	27,439	16,663	**(663)**
Net cash provided by operating activities	**510,425**	348,779	323,662	**5,489**
Investing activities:				
Expenditures for property, equipment and other assets	**(231,154)**	(330,070)	(496,554)	**(2,485)**
Proceeds from sale of property, equipment and other assets	**66,607**	61,327	63,562	**716**
Acquisition of available-for-sale securities	**(21,888)**	(13,642)	(58,022)	**(235)**
Proceeds from sale of available-for-sale securities	**18,660**	12,647	51,391	**200**
Proceeds from maturities of available-for-sale securities	**2,962**	—	102	**32**
Acquisition of held-to-maturity securities	**—**	(250)	(310)	**—**
Proceeds from maturities of held-to-maturity securities	**7,010**	6,169	1,795	**75**
Acquisition of other investments	**(97,361)**	(148,120)	(105,169)	**(1,047)**
Proceeds from sale of other investments	**132,124**	99,558	83,446	**1,421**
Increase in loans and other receivables	**(399,011)**	(489,647)	(483,953)	**(4,290)**
Collection of loans and other receivables	**462,647**	541,430	646,327	**4,974**
Net decrease (increase) in time deposits	**23**	(919)	(656)	**0**
Net cash used in investing activities	**(59,381)**	(261,517)	(298,041)	**(639)**
Financing activities:				
Net (decrease) increase in short-term debt	**(338,152)**	234,970	38,162	**(3,636)**
Proceeds from issuance of long-term debt	**672,475**	436,503	681,881	**7,231**
Repayment of long-term debt	**(442,594)**	(578,330)	(592,987)	**(4,759)**
Cash dividends paid	**(30,001)**	(48,750)	(44,874)	**(323)**
Capital contribution from noncontrolling interests	**754**	—	1,286	**8**
Payment for acquisition of subsidiary's interests from noncontrolling interests	**(4,905)**	(47,136)	(1,802)	**(53)**
Payment of dividends to noncontrolling interests	**(7,734)**	(3,183)	(3,011)	**(83)**
(Acquisition) sales of treasury stock, net	**54**	82	(70,789)	**1**
Net cash (used in) provided by financing activities	**(150,103)**	(5,844)	7,866	**(1,614)**
Effect of exchange rate changes on cash and cash equivalents	**1,542**	(26,877)	(15,823)	**17**
Net increase in cash and cash equivalents included in assets held for sale	**—**	—	2,331	**—**
Net increase in cash and cash equivalents	**302,483**	54,541	19,995	**3,253**
Cash and cash equivalents, beginning of year	**511,350**	456,809	436,814	**5,498**
Cash and cash equivalents, end of year	**¥ 813,833**	¥ 511,350	¥ 456,809	**$ 8,751**

See the accompanying notes to consolidated financial statements.

1 DESCRIPTION OF BUSINESS

Sumitomo Corporation (the "Company") is an integrated trading company (*sogo shosha*). The Company and its subsidiaries (together, the "Companies") are engaged in a wide range of business activities on a global basis. The Companies' business foundation consists of trust, global relations with over 100,000 business partners around the world, a global network with offices and subsidiaries worldwide, intellectual capital, and advanced functions in business development, logistic solutions, financial services, IT solutions, risk management and intelligence gathering and analysis. Through integration of these elements, the Companies provide a diverse array of values to our customers. Based on this business foundation and these functions, the Companies engage in general trading of a wide range of goods and commodities and in various business activities. The Companies act as both principal and agent in these trading transactions. The Companies also provide a range of services for a variety of industries, such as: financing for customers and suppliers; planning, coordination and operation of urban and industrial infrastructure projects; consulting in areas such as system integration and technology development; and transportation and logistics. In addition, the Companies engage in other diverse business activities, including investing in a variety of industries ranging from biotechnology to communications; developing natural resources; manufacturing and processing products such as steel products and textiles; developing and managing real estate; and operating retail stores.

The Companies conduct business through seven industry-based business segments and two sets of regional operations (domestic and overseas) (see Note 20). The Companies' industry-based business segments are:

- Metal Products
- Transportation & Construction Systems
- Infrastructure
- Media, Network & Lifestyle Retail
- Mineral Resources, Energy, Chemical & Electronics
- General Products & Real Estate
- Financial & Logistics

On April 1, 2009, we merged the Chemical & Electronics Business Unit and the Mineral Resources & Energy Business Unit into the new Mineral Resources, Energy, Chemical & Electronics Business Unit, thereby reducing the number of industry-based business segments from eight to seven.

Each business segment operates with a degree of autonomy in pursuing strategic goals, managing operations and ensuring accountability.

"Trading" as used in the following descriptions of the Companies' industry-based business segments represents sales transactions where the business segment acts as a principal or an agent. See revenue recognition discussed in Note 2 (o).

Metal Products—The Metal Products Business Unit segment engages in global trading involving ferrous and non-ferrous metal products and investment in processing and manufacturing. In steel sheets and tubular products business, we are offering supply chain management (SCM) services in response to the customer's precise needs. This segment consists of three Iron & Steel Divisions, the Tubular Products Division and the Non-Ferrous Products & Metals Division.

Transportation & Construction Systems—The Transportation & Construction Systems Business Unit segment engages in global transactions involving ships, aircraft, transportation systems, motor vehicles, construction equipment and related components and parts. Activities of this segment range from trading, leasing and financing to designing and arranging the construction of public transportation systems. This segment consists of the Ship, Aerospace & Transportation Systems Division, two Automotive Divisions and the Construction & Mining Systems Division.

Infrastructure—The Infrastructure Business Unit segment engages in a wide range of large-scale infrastructure development projects relating to, power generation, telecommunications facilities, water and sewage facilities and so on. This segment also engages in constructing, investing and financing of infrastructure projects overseas and in supplying manufacturing equipment and systems, and electric power projects for various domestic industries. This segment also engages in trading and investing in businesses such as energy-saving and environment-friendly technology. This segment consists of the Telecommunication, Environment & Industrial Infrastructure Business Division and the Power & Social Infrastructure Business Division.

Media, Network & Lifestyle Retail—The Media, Network & Lifestyle Retail Business Unit segment engages in cable TV operations, production and distribution of programming, movie business, IT solution service business, cell-phone related business and internet related business. This segment also engages in retail business such as food supermarket, drugstore, various mail order business and fashion brand business. With these businesses, this segment intends to enhance the value of each business, as well as to expand synergy among them. This segment consists of the Media Division, the Network Division and the Lifestyle & Retail Business Division.

Mineral Resources, Energy, Chemical & Electronics—The Mineral Resources, Energy, Chemical & Electronics Business Unit segment develops and trades various mineral and energy resources including coal, iron ore, manganese, uranium, non-ferrous metals, precious metals, petroleum, natural gas and liquefied natural gas (LNG). This segment is also involved and invests in businesses, relating to petroleum products, liquefied petroleum gas (LPG), solar and storage batteries, carbon products, plastics, organic and inorganic chemicals, silicon wafers, LEDs, pharmaceuticals, agricultural chemicals, household insecticide and pet supplies. This segment is further operating EMS* mainly in Asia. This segment consists of the San Cristobal Project Department, two Mineral Resources Divisions, the Energy Division, the Basic Chemicals Division, the Electronics Business Division and the Life Science Division.

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

General Products & Real Estate—The General Products & Real Estate Business Unit segment engages in trading, marketing, manufacturing, selling, processing and distribution of food, foodstuffs, fertilizers, cement, timber, building materials, paper pulp, used paper and tires. This segment is also engaged in a variety of real estate activities relating to office buildings and commercial and residential real property. This segment consists of the Food Business Division, the Materials & Supplies Division and the Construction & Real Estate Division.

Financial & Logistics—The Financial & Logistics Business Unit segment engages in finance-related businesses such as commodity futures trading, derivative transactions, private equity investments, mergers and acquisition-related activities, small-business financing, leasing business, the development and marketing of alternative investment instruments, and in logistics services ranging from delivery, customs clearance and transportation services to the development and operation of industrial parks. Acting as a broker, this segment also arranges for insurance in connection with trading conducted by other business segments. This segment consists of the Financial Service Division and the Logistics & Insurance Business Division.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied in the preparation of the accompanying consolidated financial statements are summarized below:

(a) Principles of Presentation and Consolidation

The accompanying consolidated financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and principally operates. The translation of Japanese yen amounts into United States dollars for the year ended March 31, 2010 is included solely for the convenience of readers and has been made at the rate of ¥93 = U.S. $1, the approximate exchange rate prevailing at the Federal Reserve Bank of New York on March 31, 2010. Such translation should not be construed as a representation that the Japanese yen amounts have been, or could in the future be converted into United States dollars at that or any other rate.

The accompanying consolidated financial statements have been prepared on the basis of accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Company and most of its subsidiaries' accounting records are maintained principally in accordance with accounting practices prevailing in the countries of domicile. Adjustments to those records have been made to present these consolidated financial statements in accordance with U.S. GAAP. The significant adjustments include those relating to the accounting for the valuation of certain investment securities, pension costs, accrual of certain expenses and losses, derivative instruments and hedging activities, leases, business combinations, and deferred taxes.

The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. Associated companies consist of companies and corporate joint ventures owned 20% to 50%, or those owned less than 20% in the case where the Companies have the ability to exercise significant influence over operating and financial policies. Investments in associated companies are accounted for by the equity method. A loss in value of an investment that is other than a temporary decline is recognized in the period incurred. All significant intercompany accounts and transactions have been eliminated. The accounts of certain subsidiaries that have a fiscal year end within three months prior to March 31 have been included in the consolidated financial statements based on their fiscal year.

The Companies also consolidate variable interest entities for which they are the primary beneficiary, in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, "Consolidation" (formerly FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities").

Effective April 1, 2009, the Companies adopted ASC 810, "Consolidation" (formerly Statements of Financial Accounting Standards ("SFAS") No. 160, "Noncontrolling Interest in Consolidated Financial Statements, an amendment of ARB No. 51"). ASC 810 defines the accounting for noncontrolling interests and requires disclosures that clearly identify and distinguish between the interests of the parent's owners and the interests of the noncontrolling owners of a subsidiary. As a result of the adoption of ASC 810, noncontrolling interests, which were previously referred to as minority interests and classified between liabilities and shareholders' equity on the accompanying Consolidated Balance Sheets, are included as a separate component of total equity. In addition, certain presentation on the accompanying Consolidated Statements of Income, the Consolidated Statements of Changes in Equity and Comprehensive Income and the Consolidated Statements of Cash Flows have been changed accordingly. These financial statement presentation requirements have been adopted retrospectively and prior year amounts in the consolidated financial statements have been reclassified to conform to the current year presentation. The adoption of ASC 810 did not have a material impact on the Companies' consolidated financial statements.

The Companies also adopted ASC 105, "Generally Accepted Accounting Principles" (formerly SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles"). ASC 105 modified the U.S. GAAP hierarchy to classify only two levels of U.S. GAAP: authoritative (the FASB Accounting Standards Codification) and nonauthoritative. Prior accounting pronouncements have been reformatted into the Codification. The adoption of ASC 105 did not have a material impact on the Companies' consolidated financial statements.

(b) Cash Equivalents

The Companies consider all highly liquid investments, including short-term time deposits, with an original maturity of three months or less, to be cash equivalents.

(c) Foreign Currency Translation

The Company's functional and reporting currency is Japanese yen. Under the provision of ASC 830, "Foreign Currency Matters" (formerly SFAS No. 52, "Foreign Currency Transactions"), assets and liabilities denominated in foreign currencies are translated into Japanese yen at the respective year-end exchange rates. All income and expense accounts are translated at the average rates of exchange prevailing during each fiscal year in consolidating the financial statements of overseas subsidiaries whose functional currency is other than Japanese yen. The resulting accumulated translation adjustments are included in a separate component of accumulated other comprehensive income (loss) in the accompanying consolidated balance sheets. All foreign currency transaction gains and losses are included in income in the period incurred.

(d) Inventories

Inventories mainly consist of commodities, materials and real estate held for development and resale. The cost of inventories is determined based on the moving average basis or specific-identification basis. Precious metals that have immediate marketability at quoted market prices are valued at market value with unrealized gains and losses included in earnings. Other commodities and materials are stated at the lower of average cost or market. Real estate held for development and resale are stated at the lower of cost or net realizable value.

(e) Marketable Securities and Other Investments

Marketable equity securities and all debt securities

ASC 320, "Investments—Debt and Equity Securities," (formerly SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities") requires all investments in debt and marketable equity securities to be classified as either trading, available-for-sale, or held-to-maturity securities. All of the Companies' investments in debt securities and marketable equity securities are classified as either (i) trading securities, which are accounted for at fair value with unrealized gains and losses included in earnings, (ii) available-for-sale securities, which are accounted for at fair value with unrealized gains and losses excluded from earnings and reported in a separate component of accumulated other comprehensive income (loss), net of related taxes in the accompanying consolidated balance sheets, or (iii) held-to-maturity securities, which are accounted for at amortized cost. Those securities that mature or are expected to be sold in one year are classified as current assets.

A decline in fair value of any available-for-sale or held-to-maturity securities below the amortized cost basis that is deemed to be other than temporary results in a write-down of the amortized cost basis to fair value as a new cost basis and the amount of the write-down is included in earnings. Impairment to be recognized is measured based on the amount by which the carrying amount of the investment exceeds the fair value of the investment. Fair value is determined based on quoted market prices.

On a continuous basis, but no less frequently than at the end of each quarterly period, the Companies evaluate the cost basis of available-for-sale securities and held-to-maturity securities for possible impairment. Factors considered in assessing whether an indication of other than temporary impairment exists include: the degree of change in the ratio of market prices per share to book value per share at date of evaluation compared to that at date of acquisition, the financial condition and prospects of each investee company, industry conditions in which the investee company operates, the fair value of an available-for-sale security relative to the cost basis of the investment, the period of time the fair value of an available-for-sale security has been below the cost basis of the investment and other relevant factors.

The cost of securities sold is determined based on the average cost of all the shares of such security held at the time of sale.

Other investments

Non-marketable equity securities held as investments are carried at cost. Management quarterly assesses the results of the underlying companies, the performance of the underlying companies relative to plan, industry conditions, financial condition and prospects and determines whether any events or changes in circumstances that might have a significant adverse effect on fair value are identified. When events or changes in circumstances that might have a significant adverse effect on fair value are identified, management assesses whether the fair value of the investment has declined below its carrying amount. If a decline in fair value below cost is judged to be other than temporary, after considering the period of time that the estimated fair value has been below the carrying amount of the investment, the carrying value of the investment is written down to its estimated fair value. Fair value is determined based on analysis of discounted estimated cash flows, valuation models based on revenues, profitability and net worth, market value of comparable companies, and other valuation approaches.

(f) Allowance for Doubtful Receivables

An allowance for doubtful receivables is maintained at the level which, in the judgment of management, is adequate to provide for probable losses that can be reasonably estimated. Management considers individual customers' risk factors such as historical performance, recent developments, changes in original terms, internal risk-ratings, industry trends, and other specific factors applicable to the customer as well as general risk factors including, but not limited to, sovereign risk of the country where the customer resides.

The Companies maintain a specific allowance for impaired loans. A loan is considered impaired pursuant to ASC 310, "Receivables" (formerly SFAS No. 114, "Accounting by Creditors for Impairment of a Loan"). Pursuant to ASC 310, a loan is impaired if it is probable that the Companies will not collect all principal and interest due. An impairment allowance is recognized equal to the difference between the loan's book value and either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's market price if available, or the fair value of collateral if the loan is collateral dependent. In addition to the specific allowance, an allowance is established for probable losses that are not individually identified but are expected to have occurred that are inherent in portfolios of similar loans. This allowance for losses is based on relevant observable data that include, but are not limited to, historical experience, delinquencies, loan stratification by portfolio, and when applicable, geography, collateral type, and size of the loan balance. Past due balances are reviewed individually for collectibility. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

(g) Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation of buildings, including leasehold improvements, is computed principally under the straight-line method based on the estimated useful lives of the assets. Depreciation of machinery and equipment is computed under the straight-line method or the declining-balance method based on the estimated useful lives of the assets. Depreciation of mineral rights is computed under the units-of-production over the estimated proven and probable reserve tons.

ASC 410, "Asset Retirement and Environmental Obligations" (formerly SFAS No. 143, "Accounting for Asset Retirement Obligations") addresses the financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The Company records the fair value of an asset retirement obligation as a liability with the corresponding increases to the carrying amount of the long-lived assets that are amortized over the life of the assets. The liability is adjusted each period to reflect the passage of time and changes in the estimates.

(h) Impairment of Long-Lived Assets

Long-lived assets and purchased intangibles subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, in accordance with ASC 360, "Property, Plant, and Equipment" (formerly SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets"). Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of the asset to estimated undiscounted future cash flows without interest expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Fair values are determined based on market values, appraisal or discounted future cash flows based on realistic assumptions less costs to sell.

Assets to be disposed of are reported separately in the balance sheet at the lower of the carrying amount or fair value less cost to sell, and are no longer depreciated. The assets and liabilities of a disposal group classified as held for sale would be presented separately in the appropriate asset and liability sections of the balance sheet.

(i) Goodwill and Other Intangible Assets

Goodwill represents the excess of the cost of an acquired entity over the net of the amount assigned to assets acquired and liabilities assumed. ASC 805, "Business Combinations" (formerly SFAS No. 141 (revised 2007), "Business Combinations") requires that all business combinations are accounted for by the acquisition method. Under ASC 350, "Intangibles—Goodwill and Other" (formerly SFAS No. 142, "Goodwill and Other Intangible Assets"), goodwill is not amortized and instead requires annual impairment testing thereof at least annually. Intangible assets with a definite useful life are amortized over their respective estimated useful lives and reviewed for impairment in accordance with ASC 360. Intangible assets determined to have an indefinite useful life are not amortized, but instead are tested for impairment based on fair value at least annually until the remaining life would be determined to no longer be indefinite.

Goodwill and intangible assets not subject to amortization are tested for impairment at the reporting unit level at least annually, or more often if events or circumstances, such as adverse changes in the business climate, indicate that there may be impairment.

Effective April 1, 2009, the Companies adopted ASC 805, "Business Combinations" (formerly SFAS No. 141 (revised 2007), "Business Combinations"). ASC 805 amends the principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired arising from business combinations. ASC 805 also establishes disclosure requirements relating to the nature and financial effects of the business combination. The adoption of ASC 805 did not have a material impact on the Companies' consolidated financial statements.

(j) Stock Option Plan

The Company has stock option plans as incentive plans for directors, executive officers, and corporate officers under the Company's qualification system.

The Company accounted for these arrangements under ASC 718, "Compensation—Stock Compensation" (formerly SFAS No. 123R, "Share-Based Payment"). ASC 718 requires measurement of the cost of employee services received in exchange for stock compensation based on the grant-date fair value of the employee stock options. Incremental compensation costs arising from subsequent modifications of awards after the grant date must also be recognized. ASC 718 also establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. The Company adopted ASC 718 under the modified prospective method of application.

(k) Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date.

The Companies adopted ASC 740, "Income Taxes" (formerly FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109" ("FIN No. 48")) on April 1, 2007. ASC 740 clarifies the criteria for recognizing tax benefits and requires additional financial statement disclosures about uncertain tax positions. The Companies recognize interest and penalties accrued to be paid on an underpayment of income taxes in income taxes in the Consolidated Statement of Income. See Note 14 about the effect of the adoption of ASC 740.

(l) Derivative Instruments and Hedging Activities

The Companies account for derivatives and hedging activities in accordance with ASC 815, "Derivatives and Hedging" (formerly SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended), which requires that all derivative instruments be recorded on the accompanying consolidated balance sheets at their respective fair values. The Companies utilize derivative instruments to manage interest rate risk, foreign currency risk and the risk of the price fluctuation of commodity inventories and trading commitments. The primary derivative instruments used by the Companies include foreign exchange forward contracts, currency swaps, interest rate swaps and commodity future contracts.

On the date a derivative contract is entered into, the Companies designate the derivative as a hedge of the fair value of a recognized asset or liability (fair-value hedge), a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability (cash-flow hedge), or a hedge of a net investment in a foreign operation. For all hedging relationships the Companies formally document the hedging relationship, their risk-management objective, strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed, and a description of the method of measuring effectiveness and ineffectiveness. This process includes linking all derivatives that are designated as hedges to specific assets and liabilities on the accompanying consolidated balance sheets. The Companies also formally assess, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a fair-value hedge, along with the loss or gain on the hedged asset or liability that is attributable to the hedged risk, are recorded in earnings. Changes in the fair value of a derivative that is highly effective and that is designated and qualifies as a cash-flow hedge are recorded in other comprehensive income (loss) on the accompanying consolidated balance sheets to the extent that the derivative is effective as a hedge, until earnings are affected by the variability in cash flows of the designated hedged item. If a derivative is used as a hedge of a net investment in a foreign operation, its changes in fair value, to the extent effective as a hedge, are recorded in other comprehensive income (loss). The ineffective portion of the change in fair value of a derivative instrument that qualifies as either a fair-value hedge, a cash-flow hedge or a hedge of a net investment in foreign operation is reported in earnings. Changes in the fair value of derivative trading instruments are reported in current period earnings.

The Companies discontinue hedge accounting prospectively when it is determined that the derivative is no longer effective in offsetting changes in the fair value or cash flows of the hedged item, the derivative expires or is sold, terminated, or exercised, or the derivative is de-designated as a hedging instrument, because management determines that designation of the derivative as a hedging instrument is no longer appropriate.

When hedge accounting is discontinued because it is determined that the derivative no longer qualifies as an effective fair-value hedge, the Companies continue to carry the derivative on the accompanying consolidated balance sheets at its fair value and no longer adjust the hedged asset or liability for changes in fair value. The adjustment of the carrying amount of the hedged asset or liability is accounted for in the same manner as other components of the carrying amount of that asset or liability. In all other situations in which hedge accounting is discontinued, the Companies continue to carry the derivative at its fair value on the accompanying consolidated balance sheets and recognize any subsequent changes in its fair value in earnings.

(m) Use of Estimates in the Preparation of the Financial Statements

Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period to prepare these consolidated financial statements in conformity with U.S. GAAP. Significant items subject to such estimates and assumptions include the allowance for doubtful receivables, inventories, investments, impairment of long-lived assets, deferred income taxes and contingencies. Actual results could differ from those estimates.

(n) Net Income attributable to Sumitomo Corporation per Share

Net income attributable to Sumitomo Corporation per share is presented in accordance with the provisions of ASC 260, "Earnings Per Share" (formerly SFAS No. 128, "Earnings per Share"). Under ASC 260, basic net income attributable to Sumitomo Corporation per share excludes dilution for potential common shares and is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted net income attributable to Sumitomo Corporation per share reflects the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted into common shares.

(o) Revenue Recognition

The Companies recognize revenue when it is realized or realizable and earned. The Companies consider revenue realized or realizable and earned when it has persuasive evidence of an arrangement, the goods have been delivered or the services have been rendered to the customer, the sales price is fixed or determinable, and collectibility is reasonably assured.

The Companies also enter into transactions that include multiple element arrangements, which may include any combination of products, equipment, and installation services. In accordance with ASC 605, "Revenue Recognition" (formerly EITF No. 00-21, "Revenue Arrangements with Multiple Deliverables"), if certain elements are delivered prior to others in the arrangement, revenue is deferred until the delivery of the last element, unless transactions are such that the price of a deliverable, when it is regularly sold on a standalone basis of the undelivered elements, is available and the functionality of the delivered element is not dependent on the undelivered elements. The Companies allocate revenue involving multiple elements to each element based on its relative fair value.

Gross versus Net.

In the normal course of business, the Companies frequently act as an intermediary or agent in executing transactions with third parties. In these arrangements, the Companies determine whether to report revenue based on the "gross" amount billed to the ultimate customer for goods or services provided or on the "net" amount received from the customer after commissions and other payments to third parties. However, the amounts of gross profit and net income attributable to Sumitomo Corporation are not affected by whether revenue is reported on a gross or net basis.

Determining whether revenue should be reported gross or net is based on an assessment of whether the Companies are acting as a "principal" or an "agent" in a transaction. Accordingly, to the extent that the Companies are acting as a principal in a transaction, the Companies report revenue on a gross basis and to the extent that the Companies are acting as an agent in a transaction, the Companies report revenue on a net basis. The determination of whether the Companies are acting as a principal or an agent in a transaction involves judgment and is based on an evaluation of the terms of an arrangement.

Factors that indicate that the Companies act as a principal, and thus recognize revenue on a gross basis include: (i) the Companies are the primary obligor in the arrangement, (ii) the Companies have general inventory risk (before customer order is placed or upon customer return), (iii) the Companies have physical loss inventory risk (after customer order or during shipping), (iv) the Companies have latitude in establishing price, (v) the Companies change the product or perform part of the services, (vi) the Companies have discretion in supplier selection, (vii) the Companies are involved in the determination of product or service specifications, and (viii) the Companies have credit risk.

Factors that indicate that the Companies act as an agent, and thus recognize revenue on a net basis relative to the service offered include: (i) the supplier (not the Companies) is the primary obligor in the arrangement, (ii) the amount the Companies earn is fixed, and (iii) the supplier (not the Companies) has credit risk.

Revenue from sales of tangible products

The Companies generate revenue from sales of tangible products (i) in connection with the Companies' wholesale, retail, manufacturing and processing operations, (ii) in connection with the Companies' real estate operations, and (iii) under long-term construction type arrangements.

The Companies recognize revenue from sales of tangible products in connection with the Companies' wholesale, retail, manufacturing and processing operations when title and risk of loss have been transferred to the customer. Depending upon the terms of the contract, this may occur at the time of delivery or shipment or upon the attainment of customer acceptance. The conditions of acceptance are governed by the terms of the contract or customer arrangement and those not meeting the predetermined specifications are not recognized as revenue until the attainment of customer acceptance. The Companies' policy is not to accept product returns unless the products are defective. The Companies have no material exposure to losses under warranty provisions on transactions with which the Companies are involved. Such losses are recognized when probable and estimable. The effects of rebate and discount programs are recognized as a reduction of revenue. The effects of such programs are not material. The Companies recognize revenue upon delivery, shipment, or upon the attainment of customer acceptance for steel service center operations in which the Companies process and cut steel sheets to customer specifications [Metal Products], dealership operations in which the Companies sell automobiles to general consumers and distribute construction equipment and machinery to construction companies [Transportation & Construction Systems], retail business operations such as supermarkets and drugstores [Media, Network & Lifestyle Retail], plastic products [Mineral Resources, Energy, Chemical & Electronics], and service station operations in which the Companies provide petroleum for automobiles [Mineral Resources, Energy, Chemical & Electronics].

Revenues from sale of land, office-buildings, and condominiums are recognized using the full accrual method provided that various criteria relating to the terms of the transactions are met. These criteria deal with whether (i) a sale is consummated, (ii) the buyer's initial and continuing investments are adequate, (iii) the seller's receivable is not subject to future subordination, and (iv) the seller has transferred to the buyer the usual risks and rewards of ownership and does not have a substantial continuing involvement with the property. Revenues relating to transactions that do not meet the established criteria are deferred and recognized when the criteria are met or using the installment or cost recovery methods as appropriate in the circumstances.

The Companies generate revenue from sales of tangible products under long-term construction type arrangements, principally in connection with the construction of power plants in which the Companies provide engineering, procurement and construction [Infrastructure] under the percentage-of-completion method as prescribed by ASC 605, "Revenue Recognition" (formerly AICPA Statement of Position ("SOP") No. 81-1), "Accounting for Performance of Construction-Type and Certain Production-Type Contracts." Progress toward completion is measured using the cost-to-cost method. Under the cost-to-cost method, revenues are recognized based on the ratio that costs incurred bear to total estimated costs. The Companies review cost performance and estimate to complete projections on its contracts at least quarterly, and in many cases, more frequently. The impact of revisions of profit estimates on fixed price contracts are recognized in the period in which the revisions are made. Anticipated losses on fixed price contracts are charged to earnings when such losses can be estimated. Provisions are made for contingencies in the period in which they become known pursuant to specific contract terms and conditions are estimable.

Revenue from sales of services and others

The Companies also generate revenue from sales of services and others in connection with (i) customized software development services contracts and other software related services, (ii) direct financing and operating leases of automobiles, vessels, and aircrafts, and (iii) all other service arrangements such as arranging finance and coordinating logistics in connection with trading activities.

The Companies recognize revenue from customized software development services contracts and other software related services in accordance with the provisions of ASC 985, "Software" (formerly SOP No. 97-2, "Software Revenue Recognition"). Revenue from the customized software services contracts that require the Companies to develop, manufacture or modify information technology (IT) systems to a customer's specification, and to provide services related to the performance of such contracts, is recognized upon customer acceptance if pricing is fixed and determinable and collectibility is probable. The terms of such service contracts are less than one year. Revenue from maintenance is recognized over the contractual period or as the services are performed [Media, Network & Lifestyle Retail].

The Companies recognize revenue from direct financing leases, sales type leases and leveraged leases using methods that approximate the interest method. The Companies recognize revenue from the sales of equipment under sales type leases at the inception of lease. Related origination and other non-refundable fees and direct origination costs are deferred and amortized as an adjustment of interest and direct financing lease income over the contractual lives of the arrangements. Rental income on operating leases is recognized on an accrual basis.

The accrual of interest income on direct financing leases, sales type leases and leveraged leases is generally suspended and an account placed on non-accrual status when payment of principal on interest is contractually delinquent for ninety days or more, or earlier when in the opinion of management, full collection of principal and interest is doubtful. To the extent that the estimated value of collateral does not satisfy both the principal and accrued income receivables, previously accrued interest is reversed. Proceeds received on non-accrued loans are applied to the outstanding principal balance until such time as the outstanding receivable is collected, or charged off, or returned to accrual status.

Direct financing leases, sales type leases and leveraged leases are recorded at the aggregate of future minimum lease payments plus estimated residual values less unearned finance income. Operating lease equipment is carried at cost less accumulated depreciation and is depreciated to estimated residual value using the straight-line method over the projected economic life of the asset. Equipment acquired in satisfaction of loans and subsequently placed on operating lease is recorded at the lower of carrying value or estimated fair value when acquired. Management performs periodic reviews of the estimated residual values and recognizes impairment losses in the period they are determined to occur. The Companies recognize revenue from operating leases in connection with automobiles leased to consumers, vessels leased to shipping companies, aircraft leased to airlines [Transportation & Construction Systems], and rental of commercial real estate [General Products & Real Estate].

Revenue from all other service arrangements include transactions in which the Companies act between customer and supplier as an agent or a broker to provide such services as arranging financing or coordinating logistics in connection with trading activities. Such revenues are recognized when the contracted services are rendered to third-party customers.

Total trading transactions

Total trading transactions is a voluntary disclosure and represents the gross transaction volume of trading transactions, or the nominal aggregate value of the transactions for which the Companies act as a principal or as an agent. Total trading transactions is not meant to represent sales or revenues in accordance with U.S. GAAP. Total trading transactions should not be construed as equivalent to, or a substitute or proxy for, revenues, or as an indicator of our operating performance, liquidity or cash flows generated by operating, investing or financing activities. A substantial part of total trading transactions represents transactions in which the Companies participate without physical acquisition of goods or without significant inventory risk. The Companies have included the information concerning total trading transactions because it is used by similar Japanese trading companies as an industry benchmark, and the Companies believe it is a useful supplement to results of operations data as a measure of the Companies' performance compared to other similar Japanese trading companies.

(p) Capitalized Software Costs

The Companies capitalize certain costs incurred to purchase or develop software for internal-use. Costs incurred to develop software for internal-use are expensed as incurred during the preliminary project stage, which includes costs for making strategic decisions about the project, determining performance and system requirements and vendor demonstration cost. Costs incurred subsequent to the preliminary project stage through implementation are capitalized. The Companies also expense costs incurred for internal-use software projects in the post implementation stage such as costs for training and maintenance.

Costs incurred to develop software to be sold are capitalized subsequent to the attainment of technological feasibility in the form of detailed program design. Those costs include coding and testing performed subsequent to establishing technological feasibility. Costs incurred prior to reaching technological feasibility are expensed as incurred. Capitalized software costs are amortized on a product-by-product basis. The annual amortization is the greater of the amount computed using (i) the ratio that current gross revenues for a product bear to the total of current and anticipated future gross revenues for that product or (ii) the straight-line method over the remaining estimated economic life of the product including the period being reported on. Amortization starts when the product is available for general release to customers.

(q) New Accounting Standards

In October 2009, the FASB issued Accounting Standards Updates ("ASU") 2009-13. ASU 2009-13 provides amendments to ASC 605, "Revenue Recognition" that addresses how to allocate arrangement consideration to one or more units of accounting in which venders provide multiple products or services to their customers. ASU 2009-13 requires an entity to allocate revenue in an arrangement using estimated selling prices of deliverables if a vendor does not have vendor-specific objective evidence of selling price or third-party evidence of selling price. ASU 2009-13 will be effective in fiscal years beginning on or after June 15, 2010. The Companies are evaluating the effect of the adoption of ASU 2009-13.

In October 2009, the FASB issued ASU 2009-14. ASU 2009-14 amends the guidance in ASC 985 "Software" for revenue arrangements that contain both tangible products and software and provides guidance on determining whether software deliverables in an arrangement that includes a tangible product are covered by the scope of the software revenue guidance. ASU 2009-14 will be effective in fiscal years beginning on or after June 15, 2010. The Companies are evaluating the effect of the adoption of ASU 2009-14.

In December 2009, the FASB issued ASU 2009-16 which codified the formerly SFAS No. 166, "Transfers and Servicing—an amendment of FASB Statement No. 140," within ASC 860, "Transfers and Servicing." ASU 2009-16 eliminates the concept of a qualifying special-purpose entity under the formerly SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." ASU 2009-16 also changes the requirements for derecognizing financial assets, and requires enhanced disclosure. ASU 2009-16 will be effective as of the beginning of an entity's first fiscal year that begins after November 16, 2009. The Companies are evaluating the effect of the adoption of ASU 2009-16.

In December 2009, the FASB issued ASU 2009-17 which codified the formerly SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)" within ASC 810, "Consolidation." ASU 2009-17 amends the criteria to determine whether an enterprise consolidates a variable interest entity in which the total equity investment is not sufficient or the equity investment holders lack the characteristics of a controlling financial interest. ASU 2009-17 requires an enterprise to perform the consolidation analysis based on an entity's purpose, design and power to direct the activities of a variable interest entity that most significantly impact the entity's economic performance. ASU 2009-17 will be effective as of the beginning of an entity's first fiscal year that begins after November 16, 2009. The Companies are evaluating the effect of the adoption of ASU 2009-17.

(r) Reclassifications

Certain reclassifications of previously reported amounts have been made to conform to the current year presentation.

3 ACQUISITIONS

2010

On May 15, 2009, the Company acquired 100% of the shares of Oranje-Nassau (U.K.) Limited from Oranje-Nassau Energie B.V., with the consideration of €251 million ($340 million). Oranje-Nassau (U.K.) Limited owns an interest in the oil field in the British North Sea. (Company name was subsequently changed to Summit Petroleum Limited, ("SPL").)

The purpose of this acquisition is to expand the earnings base in the British North Sea area, one of the core areas for the Companies' oil and gas exploration business, through increasing our interests in upstream areas.

The following table summarizes the fair value of the consideration for SPL which was paid fully in cash and the amounts of the assets acquired and liabilities assumed which were recognized at the acquisition date.

	Millions of Yen	Millions of U.S. Dollars
Consideration	**¥ 33,322**	**$ 358**
Recognized amounts of identifiable assets acquired and liabilities assumed		
Current asset	**12,234**	**132**
Fixed asset	**33,237**	**357**
Current liabilities	**(2,178)**	**(23)**
Long-term liabilities	**(19,046)**	**(205)**
Net assets	**24,247**	**261**
Goodwill	**¥ 9,075**	**$ 97**

The goodwill was recognized in Mineral Resources, Energy, Chemical & Electronics segment and Overseas Subsidiaries and Branches segment.

The acquisition-related costs incurred in this business combination were ¥560 million ($6 million) included in selling, general and administrative expense in the Consolidated Statements of Income for the year ended March 31, 2010.

During the year ended March 31, 2010, excluding the SPL acquisition, the Companies made material business acquisitions with an aggregate purchase price of ¥13,630 million ($147 million), which was paid fully in cash, including business of drugstores, power generation, and sales of construction machinery and material, and other operations. In connection with these business combinations, ¥29,458 million ($317 million), ¥20,790 million ($224 million) and ¥42 million ($1 million) were recognized as assets acquired, liabilities assumed, and noncontrolling interests on the fair value basis, respectively. Also ¥3,148 million ($34 million) and ¥5,004 million ($55 million) were recognized in other intangible assets and goodwill, respectively. The intangible assets subject to amortization consist primarily of customer relationships.

The goodwill arising from business combinations during the year ended March 31, 2010 consists primarily of future economic benefits and synergies with the existing operations. The amount of goodwill may be adjusted upon completion of the final purchase price allocation for business combinations above.

2009

On January 12, 2009, the Company executed a sales and purchase agreement with Apex Silver Mines Limited whereby the Company purchased 65% of the shares of Minera San Cristobal S.A. ("MSC") which wholly owns an interest in the development and operations of San Cristobal Silver, Zinc and Lead Mining Project in the Plurinational State of Bolivia. The acquisition from Apex Silver Mines Limited for consideration of $27.5 million was completed on March 24, 2009. As a result of the acquisition, the Company owns 100% of the shares of MSC and MSC is now a wholly owned subsidiary of the Company.

The acquisition was made to allow the Company to develop and operate the project under its own control.

The accompanying consolidated financial statements for the year ended March 31, 2009 include the operating results of MSC based on the 35% ownership of MSC before the acquisition of the 65% interest as described above.

The following table summarizes the estimated fair values of the assets purchased and liabilities assumed at the date of purchase.

	Millions of Yen
Current assets	¥ 18,728
Property and equipment	72,379
Other assets	15,526
Total assets purchased	106,633
Current liabilities	(19,590)
Long-term liabilities	(63,277)
Total liabilities assumed	(82,867)
Book value of investment before acquisition	(21,079)
Net assets purchased	¥ 2,687

During the year ended March 31, 2009, excluding the MSC acquisition, the Companies made material business acquisitions of four companies with an aggregate purchase price of ¥8,315 million, including businesses with operations in the sales and rental of construction machineries and material, sales and processing of steel pipe and aluminum products (for cylinder etc.), sales and manufacturing of commercial vehicles, sales and processing of steel sheets and other operations. In connection with these business combinations, ¥1,905 million and ¥1,040 million were recognized in other intangible assets and goodwill, respectively. The intangible assets subject to amortization consist primarily of customer relationships.

4 CASH FLOW INFORMATION

Supplemental disclosure of cash flow information for the years ended March 31, 2010, 2009 and 2008 is as follows:

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	**2010**
Cash paid during the year for:				
Interest	**¥ 39,636**	¥ 53,023	¥ 78,324	**$ 426**
Income taxes	**118,848**	106,867	147,062	**1,278**
Non-cash investing and financing activities:				
Capital lease obligations incurred	**17,692**	6,152	26,125	**190**
Acquisition of wholly-owned subsidiaries due to Share Exchange Agreement (Note 14)	**—**	—	102,870	**—**
Acquisition of subsidiaries:				
Fair value of assets acquired	**74,572**	132,269	474,318	**802**
Fair value of liabilities assumed	**(42,014)**	(98,526)	(384,807)	**(452)**
Noncontrolling interests assumed	**(42)**	(2,574)	(37,761)	**(1)**
Book value of investment before acquisition	**—**	(23,412)	(45,567)	**—**
Gain on issuances of stock by subsidiaries and associated companies	**—**	—	(13,021)	**—**
Cash paid (received), net	**32,516**	7,757	(6,838)	**349**
Deconsolidation of subsidiaries due to merger:				
Transferred assets	**—**	—	1,470,331	**—**
Transferred liabilities	**—**	—	(1,218,443)	**—**
Gain on issuances of stock by subsidiaries and associated companies	**—**	—	27,252	**—**
Acquired investment	**—**	—	279,140	**—**

5 MARKETABLE SECURITIES AND OTHER INVESTMENTS

Marketable securities and other investments as of March 31, 2010 and 2009 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	**2010**
Marketable securities-current:			
Trading	**¥5,008**	¥ 8,927	**$54**
Available-for-sale	**151**	3,024	**1**
Held-to-maturity	**100**	7,012	**1**
	¥5,259	¥18,963	**$56**

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	**2010**
Other investments:			
Available-for-sale	**¥409,682**	¥283,040	**$4,405**
Held-to-maturity	**450**	550	**5**
Non-marketable securities and other investments	**112,620**	166,690	**1,211**
	¥522,752	¥450,280	**$5,621**

(a) Marketable Equity Securities and All Debt Securities

Information regarding each category of securities classified as trading, available-for-sale and held-to-maturity as of March 31, 2010 and 2009 is as follows (excluding non-marketable securities and other investments discussed below):

	Millions of Yen			
As of March 31, 2010:	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Trading	¥ 5,008	¥ —	¥ —	¥ 5,008
Available-for-sale:				
Equity securities	222,213	144,513	(5,429)	361,297
Debt securities	44,064	4,472	—	48,536
Held-to-maturity	550	—	—	550
	¥271,835	¥148,985	¥(5,429)	¥415,391

	Millions of Yen			
As of March 31, 2009:	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Trading	¥ 8,927	¥ —	¥ —	¥ 8,927
Available-for-sale:				
Equity securities	232,298	60,908	(10,539)	282,667
Debt securities	3,387	10	—	3,397
Held-to-maturity	7,562	—	—	7,562
	¥252,174	¥60,918	¥(10,539)	¥302,553

	Millions of U.S. Dollars			
As of March 31, 2010:	Cost	Unrealized gains	Unrealized losses	Fair value
Securities classified as:				
Trading	$ 54	$ —	$ —	$ 54
Available-for-sale:				
Equity securities	2,389	1,554	(58)	3,885
Debt securities	473	48	—	521
Held-to-maturity	6	—	—	6
	$2,922	$1,602	$(58)	$4,466

Debt securities classified as available-for-sale securities and held-to-maturity securities mainly consist of preferred stock that must be redeemed, Japanese government and municipal bonds, and corporate debt securities. Fair value and gross unrealized losses on marketable securities that had been in a continuous unrealized loss position for twelve months or longer as of March 31, 2010 were ¥11,869 million ($128 million) and ¥4,084 million ($44 million), respectively.

The carrying values of debt securities classified as available-for-sale and held-to-maturity as of March 31, 2010 and 2009 are summarized by contractual maturities as follows:

	Millions of Yen				Millions of U.S. Dollars	
	2010		2009		2010	
	Available-for-sale	Held-to-maturity	Available-for-sale	Held-to-maturity	Available-for-sale	Held-to-maturity
Due in one year or less	¥ 151	¥100	¥2,978	¥7,012	$ 1	$ 1
Due after one year through five years	48,384	450	416	550	520	5
Due after five years through ten years	1	—	3	—	0	—
Due after ten years	—	—	—	—	—	—
Total	¥48,536	¥550	¥3,397	¥7,562	$521	$ 6

Proceeds from sales and gross gain and loss on sale of securities on available-for-sale securities for the years ended March 31, 2010, 2009 and 2008 are as follows:

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	2010
Proceeds from sales	¥18,660	¥12,647	¥51,391	$201
Gross gain on sale of securities	¥ 7,320	¥ 6,600	¥46,086	$ 79
Gross loss on sale of securities	365	245	1,269	4
Net realized gains	¥ 6,955	¥ 6,355	¥44,817	$ 75

(b) Non-Marketable Securities and Other Investments

Other investments as of March 31, 2010 and 2009 included investments in non-traded, unassociated companies, and others, amounting to ¥112,620 million ($1,211 million) and ¥166,690 million, respectively. As of March 31, 2010 and 2009, investments in non-traded securities of unassociated companies, and others carried at cost were ¥101,213 million ($1,088 million) and ¥153,910 million, respectively. If there is a decline in the fair value of an investment below its carrying amount that is determined to be other than temporary, the investment is written down to its fair value. As of March 31, 2010 and 2009, investments with aggregate cost of ¥71,553 million ($769 million) and ¥83,369 million, respectively, were not evaluated for fair value because no events or changes in circumstances that might have a significant adverse effect on the fair value were identified in the impairment evaluation, and estimation of fair value is not practicable. For the year ended March 31, 2010, the Companies deconsolidated thirty subsidiaries and recognized a gain of ¥36,315 million ($390 million). The amount was mainly included in "Gain on sale of marketable securities and other investments, net" in the accompanying Consolidated Statements of Income.

6 RECEIVABLES

Receivables by operating segment as of March 31, 2010 and 2009 are summarized as follows:

	Millions of Yen				
As of March 31, 2010:	Notes and loans receivable	Accounts receivable	Receivables from associated companies	Long-term receivables	Total
Metal Products	¥ 48,340	¥ 192,787	¥ 18,942	¥ 2,171	¥ 262,240
Transportation & Construction Systems	92,190	213,281	50,597	375,513	731,581
Infrastructure	25,819	63,064	71	245,196	334,150
Media, Network & Lifestyle Retail	2,852	45,551	3,735	41,175	93,313
Mineral Resources, Energy, Chemical & Electronics	84,108	237,941	1,549	72,505	396,103
General Products & Real Estate	13,692	87,423	5,536	31,460	138,111
Financial & Logistics	7,984	68,210	786	35,889	112,869
Others	(64,799)	296,670	26,354	44,348	302,573
	210,186	1,204,927	107,570	848,257	2,370,940
Less: Allowance for doubtful receivables	(3,337)	(22,335)	(517)	(24,525)	(50,714)
Total	¥206,849	¥1,182,592	¥107,053	¥823,732	¥2,320,226

As of March 31, 2009:	Millions of Yen Notes and loans receivable	Accounts receivable	Receivables from associated companies	Long-term receivables	Total
Metal Products	¥ 43,016	¥ 202,233	¥ 19,885	¥ 7,800	¥ 272,934
Transportation & Construction Systems	72,397	222,842	44,563	419,335	759,137
Infrastructure	12,159	89,445	426	211,673	313,703
Media, Network & Lifestyle Retail	5,759	44,347	1,803	41,109	93,018
Mineral Resources, Energy, Chemical & Electronics	78,841	255,319	5,878	69,454	409,492
General Products & Real Estate	14,538	101,148	5,599	28,768	150,053
Financial & Logistics	20,984	60,704	5,064	38,780	125,532
Others	(59,130)	327,992	32,725	54,076	355,663
	188,564	1,304,030	115,943	870,995	2,479,532
Less: Allowance for doubtful receivables	(2,117)	(14,066)	(294)	(33,051)	(49,528)
Total	¥186,447	¥1,289,964	¥115,649	¥837,944	¥2,430,004

As of March 31, 2010:	Millions of U.S. Dollars Notes and loans receivable	Accounts receivable	Receivables from associated companies	Long-term receivables	Total
Metal Products	**$ 520**	**$ 2,073**	**$ 204**	**$ 23**	**$ 2,820**
Transportation & Construction Systems	**991**	**2,293**	**544**	**4,038**	**7,866**
Infrastructure	**278**	**678**	**1**	**2,636**	**3,593**
Media, Network & Lifestyle Retail	**31**	**490**	**40**	**443**	**1,004**
Mineral Resources, Energy, Chemical & Electronics	**904**	**2,558**	**17**	**780**	**4,259**
General Products & Real Estate	**147**	**940**	**60**	**338**	**1,485**
Financial & Logistics	**86**	**734**	**8**	**386**	**1,214**
Others	**(697)**	**3,190**	**283**	**477**	**3,253**
	2,260	**12,956**	**1,157**	**9,121**	**25,494**
Less: Allowance for doubtful receivables	**(36)**	**(239)**	**(6)**	**(264)**	**(545)**
Total	**$2,224**	**$12,717**	**$1,151**	**$8,857**	**$24,949**

The following analysis of activity in the allowance for credit losses for the years ended March 31, 2010, 2009 and 2008 encompasses allowance for receivables.

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	**2010**
Balance, beginning of year	**¥ 49,528**	¥ 36,888	¥ 42,048	**$ 532**
Provision for allowance for doubtful receivables	**19,755**	17,465	11,077	**212**
Charge-off	**(19,473)**	(1,416)	(15,336)	**(209)**
Foreign currency translation adjustments	**904**	(3,409)	(901)	**10**
Balance, end of year	**50,714**	49,528	36,888	**545**
Less: Current portion	**(26,189)**	(16,477)	(14,789)	**(281)**
Long-term portion	**¥ 24,525**	¥ 33,051	¥ 22,099	**$ 264**

As of March 31, 2010 and 2009, the total gross amount of long-term receivables considered impaired was ¥29,889 million ($321 million) and ¥43,363 million, respectively, and the related valuation allowance provided as at each year-end was ¥23,325 million ($251 million) and ¥33,048 million, respectively. The amount of long-term receivables considered impaired, for which no allowance for doubtful receivable was provided, was nil and ¥1,044 million as of March 31, 2010 and 2009, respectively.

The average investment in impaired receivables for the years ended March 31, 2010 and 2009 was ¥38,443 million ($413 million) and ¥35,149 million, respectively.

The Companies recognize interest income on impaired loans on a cash basis. Interest income on impaired loans recognized for the years ended March 31, 2010, 2009 and 2008 was not material.

7 INVENTORIES

Major segments that hold inventories are Overseas Subsidiaries and Branches, General Products & Real Estate, Metal Products and Mineral Resources, Energy, Chemical & Electronics, described in Note 20. Real estate held for development and resale aggregated ¥75,893 million ($816 million) and ¥82,202 million as of March 31, 2010 and 2009, respectively, mainly in General Products & Real Estate.

8 INVESTMENTS IN AND ADVANCES TO ASSOCIATED COMPANIES

Associated companies operate principally in the manufacturing and service industries and participate substantially in the Companies' revenue generating transactions as either purchasers or suppliers.

Investments in and advances to associated companies as of March 31, 2010 and 2009 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	**2010**
Investments in common stock	**¥821,403**	¥767,960	**$ 8,832**
Advances	**115,280**	125,412	**1,240**
Total	**¥936,683**	¥893,372	**$10,072**

Investments in common stock in the above include goodwill amounting to ¥155,480 million ($1,672 million) and ¥156,318 million as of March 31, 2010 and 2009, respectively. The ending balance as of March 31, 2010 includes goodwill determined using an initial purchase price allocation. Associated companies numbered 221 and 229 as of March 31, 2010 and 2009, respectively. Investments in common stock of certain associated companies as of March 31, 2010 and 2009 included marketable securities of public associated companies with carrying amounts of ¥150,807 million ($1,622 million) and ¥54,729 million, respectively, with corresponding aggregate quoted market values of ¥239,417 million ($2,574 million) and ¥50,893 million, respectively.

Summarized combined financial information of associated companies accounted for by the equity method as of March 31, 2010 and 2009 and for the years ended March 31, 2010, 2009 and 2008 are presented below:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	**2010**
Current assets	**¥3,073,628**	¥2,994,962	**$33,050**
Property and equipment, net	**2,155,864**	1,827,265	**23,181**
Other assets	**1,881,346**	2,231,026	**20,230**
Total assets	**¥7,110,838**	¥7,053,253	**$76,461**
Current liabilities	**¥2,429,450**	¥2,633,525	**$26,123**
Non-current liabilities	**2,318,963**	2,337,852	**24,935**
Equity	**2,362,425**	2,081,876	**25,403**
Total liabilities and equity	**¥7,110,838**	¥7,053,253	**$76,461**

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	**2010**
Gross profit	**¥824,977**	¥749,590	¥665,940	**$8,871**
Net income	**¥271,004**	¥255,060	¥206,594	**$2,914**

Associated companies include certain variable interest entities as defined in ASC 810 where the Companies are not deemed to be the primary beneficiary. These variable interest entities mainly engage in mineral resources development projects. These variable interest entities have total assets of ¥337,624 million ($3,630 million) and ¥210,630 million as of March 31, 2010 and 2009, respectively. The total amounts of investments in, advances to and guarantees of indebtedness for these variable interest entities were ¥138,635 million ($1,491 million) and ¥91,260 million as of March 31, 2010 and 2009, respectively.

The three major associated companies accounted for by the equity method included in the summarized combined financial information above are Sumitomo Mitsui Finance and Leasing Company, Limited (40% owned), Jupiter Telecommunications Co., Ltd. (approximately 27.5% owned), and P.T. Newmont Nusa Tenggara (economic interest 18.2% owned). The following summarized financial information for these three associated companies has been presented due to the relative significance of these entities to the Company's operations.

Sumitomo Mitsui Finance and Leasing Company, Limited

Sumitomo Mitsui Finance and Leasing Company, Limited's summarized financial information as of March 31, 2010 and 2009 and for the years ended March 31, 2010, 2009 and 2008:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	**2010**
Lease receivables and others	**¥2,822,671**	¥3,008,179	**$30,351**
Property and equipment, net	**233,930**	183,851	**2,516**
Total assets	**¥3,056,601**	¥3,192,030	**$32,867**
Current liabilities	**¥1,446,702**	¥1,533,999	**$15,556**
Non-current liabilities	**1,057,000**	1,126,375	**11,366**
Equity	**552,899**	531,656	**5,945**
Total liabilities and equity	**¥3,056,601**	¥3,192,030	**$32,867**

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	**2010**
Revenues	**¥625,705**	¥646,176	¥798,577	**$6,728**
Net income	**¥ 17,847**	¥ 12,692	¥ 13,344	**$ 192**

Sumitomo Mitsui Finance and Leasing Company, Limited engages in a variety of financial services, including leasing and leasing-related financing services. On October 1, 2007, Sumisho Lease Co., Ltd. merged with SMBC Leasing Company, Limited and changed its company name to Sumitomo Mitsui Finance and Leasing Company, Limited. Sumisho Lease Co., Ltd. was a consolidated subsidiary as of March 31, 2007. Sumisho Lease Co., Ltd. issued Sumitomo Mitsui Financial Group, Inc. 52,422,762 common shares at ¥7,011 per share, or ¥367,552 million in total, in this merger. As a result of this merger, the Companies recognized a gain of ¥27,252 million, related to the difference between the Companies' book value of the investment and the price at which shares were issued to Sumitomo Mitsui Financial Group, Inc., classified as "Gain on sale of marketable securities and other investments, net" and recognized deferred income taxes of ¥11,174 million on the gain for the year ended March 31, 2008.

Jupiter Telecommunications Co., Ltd. ("J:COM")

J:COM's summarized financial information as of March 31, 2010 and 2009 and for the years ended March 31, 2010, 2009 and 2008:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	**2010**
Current assets	**¥108,298**	¥ 62,224	**$1,165**
Property and equipment, net	**374,155**	380,879	**4,023**
Other assets	**323,998**	316,057	**3,484**
Total assets	**¥806,451**	¥759,160	**$8,672**
Current liabilities	**¥ 96,265**	¥ 87,129	**$1,035**
Non-current liabilities	**310,430**	307,857	**3,338**
Equity	**399,756**	364,174	**4,299**
Total liabilities and equity	**¥806,451**	¥759,160	**$8,672**

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	**2010**
Revenues	**¥341,062**	¥303,624	¥272,328	**$3,667**
Net income	**¥ 31,904**	¥ 28,252	¥ 25,165	**$ 343**

J:COM is a Multiple System Operator (MSO) in Japan that provides multi-channel broadcasting, internet, and telephony services. As of March 31, 2009, the Company held an approximately 27.7% voting rights in J:COM. An approximately 24.0% interest* in J:COM was indirectly owned through LGI/Sumisho Super Media, LLC ("Super Media"), a holding company that owns shares in J:COM. Super Media was approximately 41.3%-owned by the Company and approximately 58.7%-owned by Liberty Global, Inc. ("LGI"). An approximately 3.7% interest** in J:COM was directly owned by the Company. In February, 2010, the Company and LGI agreed to dissolve the joint venture relationship through Super Media and thus, the Company received the distribution of its proportionate shares in J:COM. As a result, the Company directly owned an approximately 27.5%*** voting rights in J:COM as of March 31, 2010. Furthermore, in April, 2010, the Company launched a tender offer for the shares of J:COM so as to continue to demonstrate management support initiatives for it as a major shareholder and the Company became the largest shareholder, holding an approximately 40.1% voting rights in J:COM.

* The Company and LGI had an agreement whereby the Company contributed substantially all its remaining ownership interest in J:COM to Super Media in September, 2005.

** As part of the reorganization of the Company's media business field, including J:COM, the Company acquired an approximately 3.7% interest in J:COM in September 2007.

*** The Company's ownership diluted from 27.7% to 27.5% due to an increase in outstanding shares from the exercise of warrants of J:COM.

P.T. Newmont Nusa Tenggara

P.T. Newmont Nusa Tenggara ("PTNNT")'s summarized financial information as of December 31, 2009 and 2008 and for the years ended December 31, 2009, 2008 and 2007:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	**2010**
Current assets	**¥ 93,876**	¥ 35,863	**$1,009**
Property and equipment, net	**117,443**	123,714	**1,263**
Other assets	**78,320**	57,868	**842**
Total assets	**¥289,639**	¥217,445	**$3,114**
Current liabilities	**¥ 32,606**	¥ 32,469	**$ 350**
Non-current liabilities	**54,585**	56,627	**587**
Equity	**202,448**	128,349	**2,177**
Total liabilities and equity	**¥289,639**	¥217,445	**$3,114**

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	**2010**
Revenues	**¥120,633**	¥37,926	¥99,483	**$1,297**
Net income	**¥ 73,537**	¥20,085	¥61,449	**$ 791**

PTNNT, an Indonesian corporation holds a Contract of Work ("COW") issued by the Indonesian government, under which it explores for and develops exclusive basis mineral resources within certain defined areas in Sumbawa, Lombok and Nusa Tenggara Barat, Indonesia.

As of March 31, 2009, PTNNT was 80%-owned by Nusa Tenggara Partnership V.O.F. ("NTP"), a general partnership organized under the laws of the Netherlands, and 20%-owned by P.T. Pukuafu Indah ("PTPI").

NTP is 43.75%-owned by Nusa Tenggara Mining Corporation, a 74.3%-owned subsidiary of the Company, and 56.25%-owned by Newmont Indonesia Limited ("NIL"), a subsidiary of Newmont Mining Corporation ("Newmont"), both U.S. corporations. Both the Company and Newmont have significant participating rights in the NTP business and unanimous approval is needed for vital NTP decisions.

Under the COW, a portion of NTP must be offered for sale to the Indonesian government or to Indonesian nationals. If this offer is accepted, the effect of this provision could potentially reduce NTP's economic interest in PTNNT to 49%, and that of the Company's to 15.9%. On January 28, 2008, NTP agreed to sell 2% of PTNNT's shares to Kabupaten Sumbawa, one of the local governments. On February 11, 2008, PTNNT received notification from the Indonesian government alleging that PTNNT is in breach of its divestiture requirements under the COW and threatening to issue a notice to terminate the COW if PTNNT does not agree to divest a 3% interest (required to be offered for sale in 2006) and a 7% interest (required to be offered for sale in 2007), in accordance with the direction of the Indonesian government, by March 3, 2008. NTP made an effort to offer for sale to the central government and local governments, but was unsuccessful. On March 3, 2008, the Indonesian government and PTNNT filed for international arbitration as provided for under the article 21 of the COW.

Following a series of the arguments between the Indonesian government and PTNNT over whether or not the Indonesian government is entitled to terminate the COW in July through November 2008 and a hearing held in Jakarta in December 8 to 13, 2008, the arbitration panel issued its Final Award on the matter on March 31, 2009. In its Final Award decision, (1) the arbitration panel determined that PTNNT's foreign shareholders had not complied with the divestiture procedure required by the COW in 2006 and 2007 (2006 3% interest and 2007 7% interest), but the panel ruled that the Indonesian government is not entitled to immediately terminate the COW and the panel rejected the Indonesian government's claim for damages. (2) The Arbitration Panel granted PTNNT 180 days from the date of notification of the Final Award to transfer 17% interest in total including 2008 7% interest as described above in PTNNT to the Indonesian government and local governments or their respective nominees.

After repeated negotiations with the Indonesian government to transfer the shares pursuant to the award, the Company reached agreement in July, 2009 with the Indonesian government on the price of the 2008 7% as described above and the 2009 7% interest which was not in the scope of the award, but must be offered for sale within 2009 under the COW.

In November and December 2009, the 2006 3%, 2007 7% and 2008 7% shares were transferred to PT Multi Daerah Bersaing ("PTMDB"), the nominee of the local governments and the Indonesian government has acknowledged that PTNNT is no longer in breach of the COW. The 2009 7% shares were also transferred to PTMDB in March 2010. As a result of the 24% interest transfer for 2006 through 2009, the Company's economic interest in PTNNT decreased to 18.2%.

The Company continues to work with the Indonesian government to transfer the 2010 7% interest which must be offered for sale within 2010 under the COW.

The Companies engage in various agency transactions with associated companies involving sales by third parties to associated companies and sales by associated companies to third parties. Net fees earned on these transactions are not material. Transactions with associated companies are summarized as follows:

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	**2010**
Management and secondment fees, received	**¥3,227**	¥2,857	¥2,811	**$35**
Interest income	**945**	2,345	2,398	**10**
Interest expense	**667**	879	763	**7**

9 PROPERTY AND EQUIPMENT

Property and equipment, including property and equipment under capital leases (see Note 22) as of March 31, 2010 and 2009 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	**2010**
Land and land improvements	**¥ 260,907**	¥ 224,508	**$ 2,805**
Buildings, including leasehold improvements	**429,437**	412,822	**4,618**
Machinery and equipment	**1,031,713**	1,017,666	**11,094**
Projects in progress	**21,085**	23,875	**227**
Mining rights	**54,252**	47,016	**583**
Total	**1,797,394**	1,725,887	**19,327**
Less: Accumulated depreciation	**(673,015)**	(670,738)	**(7,237)**
Property and equipment, net	**¥1,124,379**	¥1,055,149	**$12,090**

Depreciation expense for the years ended March 31, 2010, 2009 and 2008 was ¥139,918 million ($1,504 million), ¥132,520 million and ¥123,681 million, respectively.

The Companies assess the potential impairment of all material long-lived assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Certain assets, machinery etc. related to the chemical business were deemed to be impaired during the year ended March 31, 2010. These impairment losses were recognized in Mineral Resources, Energy, Chemical &

Electronics. Certain assets, primarily mining rights of oil development in North Sea were deemed to be impaired during the year ended March 31, 2009, and certain assets, primarily mining rights of gas development in North America were deemed to be impaired during the years ended March 31, 2008. Those impairment losses were recognized in Mineral Resources, Energy, Chemical & Electronics and Overseas Subsidiaries and Branches. The losses recognized from the impairment for the years ended March 31, 2010, 2009 and 2008 were applicable to the following segments:

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	2010
Metal Products	¥ 163	¥ —	¥ 18	$ 2
Transportation & Construction Systems	193	4	15	2
Infrastructure	—	—	518	—
Media, Network & Lifestyle Retail	488	415	1,264	6
Mineral Resources, Energy, Chemical & Electronics	1,212	6,434	7,185	13
General Products & Real Estate	44	1,105	40	0
Financial & Logistics	39	—	—	0
Domestic Regional Business Units and Offices	9	—	—	0
Overseas Subsidiaries and Branches	38	731	2,762	0
Corporate and Eliminations	226	381	—	3
Total	¥2,412	¥9,070	¥11,802	$26

These amounts were included in "Impairment losses on long-lived assets" in the accompanying Consolidated Statements of Income. Such impairment losses were calculated based on appraisals for assets or using the best estimates of discounted future cash flows based on realistic assumptions as to continuing operations.

10 GOODWILL AND OTHER INTANGIBLE ASSETS

(a) Intangible Assets

The components of intangible assets subject to amortization as of March 31, 2010 and 2009 are as follows:

	Millions of Yen			Millions of U.S. Dollars		
	2010			2010		
	Gross amount	Accumulated amortization	Net carrying value	Gross amount	Accumulated amortization	Net carrying value
Software	¥112,041	¥ 82,406	¥ 29,635	$1,205	$ 886	$ 319
Sales licenses, trademarks and customer relationships	188,121	43,355	144,766	2,023	466	1,557
Other	12,868	5,400	7,468	138	58	80
Total	¥313,030	¥131,161	¥181,869	$3,366	$1,410	$1,956

	Millions of Yen		
	2009		
	Gross amount	Accumulated amortization	Net carrying value
Software	¥103,196	¥ 75,263	¥ 27,933
Sales licenses, trademarks and customer relationships	189,619	33,765	155,854
Other	13,974	4,913	9,061
Total	¥306,789	¥113,941	¥192,848

Intangible assets subject to amortization acquired during the years ended March 31, 2010 and 2009 were ¥17,159 million ($185 million) and ¥51,631 million, respectively, which were related primarily to acquisitions described in Note 3. The weighted-average amortization periods are four years for software, fifteen years for sales licenses, trademarks and customer relationships, and sixteen years for other. Aggregate amortization expense for the years ended March 31, 2010, 2009 and 2008 was ¥26,281 million ($283 million), ¥24,934 million and ¥22,943 million, respectively. Estimated amortization expense for the next five years ending March 31 is: ¥22,505 million ($242 million) in 2011, ¥20,343 million ($219 million) in 2012, ¥17,559 million ($189 million) in 2013, ¥15,079 million ($162 million) in 2014, and ¥12,442 million ($134 million) in 2015, respectively.

The components of intangible assets not subject to amortization as of March 31, 2010 and 2009 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	**2010**
Leaseholds on land	**¥11,658**	¥18,549	**$125**
Sales licenses and trademarks	**10,748**	10,632	**116**
Other	**824**	725	**9**
Total	**¥23,230**	¥29,906	**$250**

In accordance with ASC 350 and 360 (formerly SFAS No. 142 and No. 144), these intangible assets were tested for impairment. For the years ended March 31, 2010, 2009 and 2008, the Companies recognized impairment losses of ¥513 million ($6 million), ¥1,703 million and ¥466 million, respectively. These amounts were included in "Impairment losses on long-lived assets" in the accompanying Consolidated Statements of Income. Impairment losses recorded for the year ended March 31, 2009 consist primarily of ¥1,555 million for the write-down of intangible assets related to an acquired sales license and other of the U.S. subsidiary. Fair value was determined based on the discounted cash flows in a revised business plan. These impaired assets were included in the Mineral Resources, Energy, Chemical & Electronics Business Unit segment and Overseas Subsidiaries and Branches segment.

(b) Goodwill

The following table shows changes in the carrying amount of goodwill by operating segment for the years ended March 31, 2010 and 2009:

	Millions of Yen				
As of March 31, 2010:	Balance, beginning of year	Acquisition	Impairment losses	Foreign currency translation adjustments and other	Balance, end of year
Metal Products	**¥ 5,192**	**¥ —**	**¥ —**	**¥ 129**	**¥ 5,321**
Transportation & Construction Systems	**28,941**	**—**	**(754)**	**188**	**28,375**
Media, Network & Lifestyle Retail	**82,832**	**4,744**	**(1,054)**	**77**	**86,599**
Mineral Resources, Energy, Chemical & Electronics	**5,069**	**8,167**	**—**	**(1,530)**	**11,706**
General Products & Real Estate	**17,139**	**423**	**—**	**(670)**	**16,892**
Financial & Logistics	**108**	**—**	**—**	**—**	**108**
Overseas Subsidiaries and Branches	**38,520**	**1,545**	**(8)**	**(1,217)**	**38,840**
Total	**¥177,801**	**¥14,879**	**¥(1,816)**	**¥(3,023)**	**¥187,841**

	Millions of Yen				
As of March 31, 2009:	Balance, beginning of year	Acquisition	Impairment losses	Foreign currency translation adjustments and other	Balance, end of year
Metal Products	¥ 5,228	¥ 860	¥ —	¥ (896)	¥ 5,192
Transportation & Construction Systems	28,710	2,161	—	(1,930)	28,941
Media, Network & Lifestyle Retail	72,676	9,314	(372)	1,214	82,832
Mineral Resources, Energy, Chemical & Electronics	6,713	—	(1,449)	(195)	5,069
General Products & Real Estate	18,453	146	—	(1,460)	17,139
Financial & Logistics	108	—	—	—	108
Overseas Subsidiaries and Branches	42,289	2,035	(2,120)	(3,684)	38,520
Total	¥174,177	¥14,516	¥(3,941)	¥(6,951)	¥177,801

As of March 31, 2010:	Millions of U.S. Dollars Balance, beginning of year	Acquisition	Impairment losses	Foreign currency translation adjustments and other	Balance, end of year
Metal Products	$ 56	$ —	$ —	$ 1	$ 57
Transportation & Construction Systems	311	—	(8)	2	305
Media, Network & Lifestyle Retail	891	51	(12)	1	931
Mineral Resources, Energy, Chemical & Electronics	55	87	—	(16)	126
General Products & Real Estate	184	5	—	(7)	182
Financial & Logistics	1	—	—	—	1
Overseas Subsidiaries and Branches	414	17	(0)	(13)	418
Total	$1,912	$160	$(20)	$(32)	$2,020

* Foreign currency translation adjustments and other consists primarily of reclassifications to/from other accounts.

In accordance with ASC 350 (formerly SFAS No. 142), goodwill was tested for impairment. For the years ended March 31, 2010, 2009 and 2008, the Companies recognized impairment losses of ¥1,816 million ($20 million), ¥3,941 million and ¥1,277 million, respectively. These amounts were included in "Impairment losses on long-lived assets" in the accompanying Consolidated Statements of Income. Impairment losses recorded for the year ended March 31, 2009 consist primarily of ¥3,569 million for goodwill of the U.S. subsidiary. Fair value was determined based on the discounted cash flows in a revised business plan. This goodwill was included in the Mineral Resources, Energy, Chemical & Electronics Business Unit segment and Overseas Subsidiaries and Branches segment.

The Companies used preliminary estimates with respect to the value of the underlying net assets of the acquired companies in determining the amount of goodwill. The amount of goodwill may be adjusted upon completion of the purchase price allocation.

11 SHORT-TERM AND LONG-TERM DEBT

Short-term debt as of March 31, 2010 and 2009 consisted of the following:

	Millions of Yen				Millions of U.S. Dollars
	2010		2009		2010
		Weighted average interest rate		Weighted average interest rate	
Loans, principally from banks	¥284,671	2.38%	¥471,057	2.34%	$3,061
Commercial paper	168,690	0.30	321,112	0.84	1,814
Total	¥453,361		¥792,169		$4,875

The interest rates represent weighted average rates in effect as of March 31, 2010 and 2009 though the range of the interest rates varies by borrowing currency.

The Companies have line of credit agreements available for immediate borrowing with syndicates of domestic and foreign banks, in the amount of $1,100 million with foreign banks and ¥445,000 million ($4,785 million) with domestic banks. All of these lines of credit were unused as of March 31, 2010.

Long-term debt as of March 31, 2010 and 2009 and interest rates as of March 31, 2010 consisted of the following:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	**2010**
Secured long-term debt:			
Banks and insurance companies, maturing serially through 2024, average rate 4.80%	**¥ 220,902**	¥ 221,939	**$ 2,375**
Bonds payable in Indonesian rupiah, maturing serially through 2012, average rate 11.51%	**26,235**	17,015	**282**
Unsecured long-term debt:			
Banks and insurance companies, maturing serially through 2025, average rate 1.30%	**2,461,201**	2,251,570	**26,465**
Bonds payable in Japanese yen due,			
2010, fixed rates 2.07%	**10,017**	30,035	**108**
2011, fixed rates 0.82% to 1.28%	**32,155**	32,125	**346**
2012, fixed and floating rates 1.07% to 1.78%	**30,125**	30,003	**324**
2013, fixed and floating rates 1.08% to 1.74%	**45,466**	45,272	**489**
2014, fixed and floating rates 1.51% to 2.17%	**40,931**	40,806	**440**
2015, floating rate 1.09%	**15,000**	15,000	**161**
2016, fixed rates 1.70% to 2.12%	**52,803**	52,556	**568**
2017, fixed and floating rates 1.98%	**20,653**	20,635	**222**
2018, fixed and floating rates 1.89% to 2.12%	**25,602**	25,606	**275**
2019, fixed rate 1.61% to 2.21%	**20,740**	10,897	**223**
2020, fixed rate 1.46%	**9,925**	—	**107**
2022, fixed rate 1.71%	**19,810**	—	**213**
Medium-term notes, maturing serially through 2020, average rate 0.87%	**104,443**	116,319	**1,123**
Various notes and bonds, maturing serially through 2012, average rate 5.89%	**11,339**	750	**122**
Capital lease obligations	**21,790**	35,310	**234**
Other	**254,875**	268,463	**2,741**
Total	**3,424,012**	3,214,301	**36,818**
Less: Current maturities	**(485,547)**	(393,014)	**(5,221)**
Long-term debt, less current maturities	**¥2,938,465**	¥2,821,287	**$31,597**

Annual maturities of long-term debt as of March 31, 2010 are as follows:

Year ending March 31,	Millions of Yen	Millions of U.S. Dollars
2011	¥ 485,547	$ 5,221
2012	584,751	6,288
2013	498,920	5,365
2014	361,048	3,882
2015	401,794	4,320
2016 and thereafter	1,091,952	11,742
Total	¥3,424,012	$36,818

Most short-term and long-term loans from banks contain certain covenants. The banks may, under certain conditions, require the Companies to provide collateral (or additional collateral) or guarantors. The banks may treat any collateral as collateral for all indebtedness to the banks. Several of the loan agreements require maintenance of certain financial ratios and minimum levels of tangible net worth. Default provisions of certain agreements grant certain rights of possession to the banks. The borrower may be required to make early repayments of outstanding amounts under some agreements, principally with government-owned financial institutions, if the lender concludes that the borrower is able to repay the outstanding amount through improved earnings or from the proceeds of an equity or debt offering, and makes the prepayment request. Certain agreements provide that the banks may require the borrower to receive bank approval prior to the payment of dividends and other appropriations of earnings, before presentation to the shareholders. The Companies have not been asked to make any prepayments during the years ended March 31, 2010, 2009 and 2008 and currently do not anticipate any prepayment requests.

The Companies have been in compliance with all of the short-term borrowing and long-term debt obligation covenants for the years ended March 31, 2010, 2009 and 2008.

Pledged assets

The following table summarizes the book value of assets pledged as collateral for short-term debt and long-term debt, including current maturities of long-term debt of the Companies as of March 31, 2010:

	Millions of Yen	Millions of U.S. Dollars
Cash and deposits	¥ 27,670	$ 297
Marketable securities and investments	30,025	323
Trade receivables and long-term receivables	364,004	3,914
Property and equipment, net	112,794	1,213
Total	¥534,493	$5,747

Such collateral secured the following obligations:

	Millions of Yen	Millions of U.S. Dollars
Short-term debt	¥ 9,747	$ 105
Long-term debt, including current maturities of long-term debt	286,703	3,083
Total	¥296,450	$3,188

In addition to the above, marketable securities and investments of ¥14,242 million ($153 million) are pledged as substitution for a guarantee deposit.

Trust receipts issued under customary import financing arrangements give recipient banks a security interest in the merchandise imported and/or the accounts receivable or sales proceeds resulting from the sale of such merchandise. The Companies repay the related notes and acceptances payable at the maturity dates without applying the sales proceeds to specific notes or acceptances. The large number of transactions makes it impracticable to determine the aggregate amounts of assets covered by outstanding trust receipts.

12 INCOME TAXES

The Company is subject to a national corporate tax of 30%, an inhabitant tax of 6.21% and a deductible business tax of 7.56%, which in the aggregate resulted in a statutory income tax rate of approximately 41%. Foreign subsidiaries are subject to the income taxes of the countries in which they operate.

Income before income taxes for the years ended March 31, 2010, 2009 and 2008 is as follows:

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	2010
Domestic	¥ 67,621	¥118,980	¥229,492	$ 727
Foreign	155,635	200,655	138,101	1,674
Total	¥223,256	¥319,635	¥367,593	$2,401

Income tax provision for the years ended March 31, 2010, 2009 and 2008 is as follows:

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	2010
Current:				
Domestic	¥ 61,977	¥36,359	¥ 47,581	$ 667
Foreign	28,097	50,768	37,444	302
Deferred:				
Domestic	(39,048)	(3,131)	33,999	(420)
Foreign	10,778	12,307	748	116
Total	¥ 61,804	¥96,303	¥119,772	$ 665

The reconciliation between the statutory income tax rate in Japan and the Companies' effective income tax rate reflected in the accompanying Consolidated Statements of Income for the years ended March 31, 2010, 2009 and 2008 is summarized as follows:

	2010	2009	2008
Tax statutory income tax rate in Japan	**41.0%**	41.0%	41.0%
Increases (decreases) in tax rate due to:			
Expenses not deductible for tax purposes	**0.9**	1.2	0.9
Tax effect on undistributed earnings of associated companies and corporate joint ventures	**(4.5)**	(5.0)	(2.3)
Changes in valuation allowance	**0.4**	3.2	0.2
Difference in statutory tax rate of foreign subsidiaries	**(7.9)**	(6.9)	(5.1)
Other—net	**(2.2)**	(3.4)	(2.1)
The Companies' effective income tax rate	**27.7%**	30.1%	32.6%

Total income taxes recognized for the years ended March 31, 2010, 2009 and 2008 are allocated as follows:

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	2010
Income before income taxes	**¥ 61,804**	¥ 96,303	¥119,772	**$ 665**
Other comprehensive income (loss):				
Net unrealized holding gains (losses) on securities available-for-sale	**37,396**	(72,248)	(94,033)	**402**
Foreign currency translation adjustments	**1,320**	(15,605)	(572)	**14**
Net unrealized gains (losses) on derivatives	**(738)**	(2,918)	1,373	**(8)**
Pension liability adjustments	**14,929**	(17,362)	(7,986)	**160**
Total income taxes	**¥114,711**	¥(11,830)	¥ 18,554	**$1,233**

The tax effects of temporary differences that give rise to significant components of deferred tax assets and liabilities as of March 31, 2010 and 2009 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Assets:			
Net operating loss carry forwards	**¥ 58,529**	¥ 30,219	**$ 629**
Investment securities	**58,744**	46,203	**632**
Inventories and long-lived assets	**39,369**	35,698	**423**
Allowance for doubtful receivables	**6,547**	1,741	**71**
Accrued pension and retirement benefits	**39,365**	51,270	**423**
Accrual and other	**11,007**	18,342	**118**
Gross deferred tax assets	**213,561**	183,473	**2,296**
Less: Valuation allowance	**(18,462)**	(21,026)	**(198)**
Deferred tax assets, less valuation allowance	**195,099**	162,447	**2,098**
Liabilities:			
Investment in marketable securities	**(57,414)**	(19,932)	**(617)**
Deferred gain on sales of property for tax purposes	**(24,272)**	(22,418)	**(261)**
Securities contributed to the Trust	**(29,833)**	(22,941)	**(321)**
Undistributed earnings of subsidiaries and associated companies	**(92,130)**	(76,222)	**(991)**
Long-lived assets	**(89,400)**	(75,550)	**(961)**
Other	**(9,665)**	(15,454)	**(104)**
Gross deferred tax liabilities	**(302,714)**	(232,517)	**(3,255)**
Net deferred tax liabilities	**¥(107,615)**	¥ (70,070)	**$(1,157)**

Deferred income taxes as of March 31, 2010 and 2009 are reflected in the accompanying Consolidated Balance Sheets as follows:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Assets:			
Deferred income taxes	¥ 34,191	¥ 33,987	$ 368
Deferred income taxes, non-current	25,423	36,161	273
Liabilities:			
Other current liabilities	(1,624)	(1,954)	(17)
Deferred income taxes, non-current	(165,605)	(138,264)	(1,781)
Net deferred tax liabilities	¥(107,615)	¥ (70,070)	$(1,157)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences, net of the existing valuation allowances. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carryforward period are reduced. The net change in the total valuation allowance for the years ended March 31, 2010, 2009 and 2008 was a decrease of ¥2,564 million ($28 million), an increase of ¥7,996 million, and a decrease of ¥21 million, respectively.

The valuation allowance relates primarily to the valuation allowance for deferred tax assets associated with net operating loss carryforwards of certain domestic subsidiaries. The Company has performed an analysis for each of these subsidiaries to assess their ability to realize such deferred tax assets. Considering scheduled reversals of deferred tax liabilities, projections for future taxable income, historical performance, tax planning strategies, market conditions and other factors, as appropriate, management believes it is more likely than not that these subsidiaries will realize their respective deferred tax assets (principally net operating loss carryforwards) net of the existing valuation allowance.

As of March 31, 2010 and 2009, the Company has not provided a deferred tax liability on the undistributed earnings of its foreign subsidiaries and foreign corporate joint ventures because the Company intends to reinvest those unremitted earnings indefinitely. A deferred tax liability will be recognized when the Company no longer plans to permanently reinvest the undistributed earnings. As of March 31, 2010 and 2009, the amounts of undistributed earnings of such foreign subsidiaries and foreign corporate joint ventures on which a deferred tax liability has not been recognized in the accompanying consolidated financial statements totaled to ¥640,470 million ($6,887 million) and ¥563,876 million, respectively. Calculation of the unrecognized deferred tax liability is not practicable. The domestic undistributed earnings would not, under present Japanese tax laws, be subject to additional taxation.

As of March 31, 2010, the Companies have aggregate net operating loss carryforwards of ¥150,055 million ($1,613 million), which may be used as a deduction in the determination of taxable income in future periods. If not utilized, such loss carryforwards expire as follows:

Year ending March 31,	Millions of Yen	Millions of U.S. Dollars
2011	¥ 2,460	$ 26
2012	4,200	45
2013	3,050	33
2014	2,482	27
2015	3,153	34
2016 and thereafter	134,710	1,448
Total	¥150,055	$1,613

The Companies adopted ASC 740, "Income Taxes" (formerly FIN No. 48) from April 1, 2007.

A reconciliation of the beginning and ending amount of gross unrecognized tax benefits is as follows:

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	**2010**
Balance, beginning of the year	**¥ 477**	¥ 7,357	¥6,630	**$ 5**
Increase related to current year tax positions	**—**	14	870	**—**
Increase related to prior year tax positions	**584**	—	49	**6**
Decrease related to prior year tax positions	**(360)**	(6,228)	—	**(4)**
Settlements	**(9)**	(666)	(192)	**(0)**
Balance, end of the year	**¥ 692**	¥ 477	¥7,357	**$ 7**

The total amount of unrecognized tax benefits as of March 31, 2010, 2009 and 2008 that, if recognized, would affect the effective tax rate, are ¥692 million ($7 million), ¥477 million and ¥7,357 million, respectively. Given the uncertainty regarding when tax authorities will complete their examinations, the items subject to their examinations and the possible outcomes of their examinations, an accurate estimate of significant increases or decreases that may occur within the next 12 months cannot be made at this time. Based on the facts that the Companies have evaluated, any change in the unrecognized tax benefits within the next 12 months is not expected to be material to the financial statements.

Interest and penalties included in income taxes are not material for the years ended March 31, 2010, 2009 and 2008. The Companies file income tax returns in Japan and various foreign tax jurisdictions. In Japan, the United States and other major foreign tax jurisdictions, the Companies with few exceptions will not be subject to income tax examinations by tax authorities for the years before 2002.

13 ACCRUED PENSION AND RETIREMENT BENEFITS

The Company has non-contributory defined benefit pension plans (the "Plans") covering substantially all employees other than directors and executive officers. The Plans provide benefits based upon years of service, compensation at the time of severance, and other factors. The Company changed the pension plan from Tax Qualified Pension Plan (TQPP) to Defined Benefit Corporate Pension Plan (Contract Type) on April 1, 2010.

Most of the subsidiaries have unfunded retirement benefit plans and/or funded pension plans. Employees, other than directors, are entitled to, under most circumstances, upon mandatory retirement at normal retirement age or earlier termination of employment, lump-sum retirement benefits based on compensation at the time of retirement, years of service and other factors.

Net periodic pension costs for the years ended March 31, 2010, 2009 and 2008 include the following components:

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	**2010**
Service cost—benefits earned during the year	**¥ 7,517**	¥ 6,923	¥ 6,936	**$ 81**
Interest cost on projected benefit obligation	**4,846**	5,318	4,905	**52**
Expected return on plan assets	**(4,093)**	(4,829)	(5,105)	**(44)**
Amortization of unrecognized actuarial loss	**6,549**	4,293	3,060	**71**
Amortization of unrecognized prior service (benefit) cost	**(263)**	224	252	**(3)**
(Gain) loss on settlements and curtailments	**(723)**	—	4	**(8)**
Net periodic pension cost	**¥13,833**	¥11,929	¥10,052	**$149**

The reconciliation of beginning and ending balances of the projected benefit obligations and the fair value of the plan assets is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Change in benefit obligations:			
Projected benefit obligations, beginning of year	**¥194,323**	¥186,922	**$2,089**
Service cost	**7,517**	6,923	**81**
Interest cost	**4,846**	5,318	**52**
Actuarial (gain) loss	**(3,894)**	9,655	**(42)**
Plan amendments	**1,164**	(28)	**12**
Benefits paid	**(9,686)**	(9,443)	**(104)**
Settlements	**(1,220)**	(122)	**(13)**
Acquisitions and divestitures	**156**	(2,425)	**2**
Foreign currency translation adjustments	**329**	(2,477)	**4**
Projected benefit obligations, end of year	**193,535**	194,323	**2,081**
Change in plan assets:			
Fair value of plan assets, beginning of year	**192,280**	197,086	**2,068**
Actual return on plan assets	**30,302**	(32,648)	**326**
Employer contribution	**3,910**	41,298	**42**
Benefits paid from plan assets	**(8,569)**	(8,012)	**(92)**
Settlements	**(120)**	(11)	**(1)**
Acquisitions and divestitures	**(52)**	(2,443)	**(1)**
Foreign currency translation adjustments	**218**	(2,990)	**2**
Fair value of plan assets, end of year	**217,969**	192,280	**2,344**
Funded status	**¥ 24,434**	¥ (2,043)	**$ 263**
Amounts recognized in the accompanying Consolidated Balance Sheets consist of:			
Other current assets and Prepaid expenses, non-current (Prepaid cost for retirement benefits)	**43,600**	17,960	**469**
Accrued pension and retirement benefits	**(19,166)**	(20,003)	**(206)**
Net amount recognized	**¥ 24,434**	¥ (2,043)	**$ 263**

The amounts recognized in accumulated other comprehensive income (loss) (pretax amount) are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Actuarial loss	**¥75,845**	¥113,136	**$816**
Prior service cost	**2,159**	659	**23**
Total	**¥78,004**	¥113,795	**$839**

The measurement dates used to determine the benefit obligations are mainly March 31 of each year.

Assumptions used for the years ended March 31, 2010, 2009 and 2008 in determining costs and the funded status information shown above are principally as follows:

Weighted average assumptions used to determine the net periodic benefit cost

	2010	2009	2008
Discount rate	**2.4%**	3.0%	2.6%
Expected long-term rate of return on plan assets	**2.1%**	2.5%	2.3%
Rate of expectable salary increase	**2.9%**	3.1%	3.2%

Weighted average assumptions used to determine the benefit obligations

	2010	2009
Discount rate	**2.4%**	2.4%
Rate of expectable salary increase	**3.0%**	2.9%

The Companies' expected long-term rate of return on plan assets assumption is derived from a detailed study that includes a review of the asset allocation strategy, anticipated future long-term performance of individual asset classes, risks and correlations for each of the asset classes that comprise the funds' asset mix.

The accumulated benefit obligations for the defined benefit plans of the Companies are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Accumulated benefit obligations, end of year	¥187,391	¥187,212	$2,015

The Companies' funding policy is based on a number of factors including the tax deductibility of contributions, funded status, actuarial calculations and other considerations. Contributions are intended to provide not only for benefits attributable to service to date but also for those expected to be earned in the future. In addition, the Company may contribute certain marketable equity securities, or cash to an employee retirement benefit trust in order to maintain a sufficient level of funding at the end of the fiscal year.

The Companies' investment policies are designed to increase the value of plan assets within adequate risk level to ensure payments of pension benefits to eligible participants, including future participants. Taking into account the expected long-term rate of return on plan assets and risks thereon, the Companies formulate the strategic asset mix which aims at the optimal portfolio on a long-term basis and supervise asset management by selecting investment managers, reviewing financial position periodically, setting long-term strategic targets and monitoring asset allocations. The strategic asset mix is subject to review in response to changes in pre-determined market condition or funded status. The strategic asset mix is not based on limitations but guidelines, and therefore, the actual allocation may temporarily exceed or fall below the guidelines.

The Companies' target allocation is 51% equity securities, 35% debt securities and 14% other at the end of the fiscal year.

The following table sets forth by level, within the fair value hierarchy as described in Note 18, the pension plan's assets required to be carried at fair value as of March 31, 2010.

	Millions of Yen			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	¥ 1,821	¥ —	¥ —	¥ 1,821
Equity securities:				
Japanese companies	74,556	—	—	74,556
Foreign companies	38,910	—	—	38,910
Debt securities:				
Japanese companies	7,906	54,156	—	62,062
Foreign companies	—	11,879	—	11,879
Hedge funds	—	17,469	—	17,469
Life insurance company general accounts	—	6,927	—	6,927
Private equity	—	—	2,721	2,721
Other	—	1,624	—	1,624
Total	¥123,193	¥92,055	¥2,721	¥217,969

	Millions of U.S. Dollars			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 20	$ —	$—	$ 20
Equity securities:				
Japanese companies	802	—	—	802
Foreign companies	418	—	—	418
Debt securities:				
Japanese companies	85	582	—	667
Foreign companies	—	128	—	128
Hedge funds	—	188	—	188
Life insurance company general accounts	—	75	—	75
Private equity	—	—	29	29
Other	—	17	—	17
Total	$1,325	$990	$29	$2,344

Level 1 assets are comprised principally of equity securities and government bonds, which are valued using unadjusted quoted market prices in active markets with sufficient volume and frequency of transactions. Level 2 assets are comprised principally corporate bonds. Corporate bonds are valued using quoted prices for identical assets in markets that are not active. Level 3 assets consist of private equities. Private equities are valued at their net asset values that are calculated by the sponsor of the funds.

The table below sets forth a summary of changes in the fair value of the Level 3 assets for the year ended March 31, 2010.

	Millions of Yen	Millions of U.S. Dollars
Balance, beginning of the year	¥2,089	$22
Actual returns	(22)	(0)
Purchases, sales and settlement	654	7
Balance, end of the year	2,721	29

The employer's contributions expected to be paid for the year ending March 31, 2011 are ¥14,437 million ($155 million).

Benefits expected to be paid in the future are as follows:

Year ending March 31,	Millions of Yen	Millions of U.S. Dollars
2011	¥ 7,929	$ 85
2012	8,576	92
2013	9,345	101
2014	9,975	107
2015	10,429	112
2016–2020	52,833	568
Total	¥99,087	$1,065

The actuarial loss and prior service costs that will be amortized into net periodic pension costs for the year ending March 31, 2011 are ¥3,603 million ($39 million) and ¥405 million ($4 million), respectively.

Certain subsidiaries have defined contribution plans. The cost of defined contribution plans for the years ended March 31, 2010, 2009 and 2008 were ¥2,143 million ($23 million), ¥1,910 million and ¥2,224 million, respectively.

In addition to unfunded retirement benefit plans or funded pension plans, certain domestic subsidiaries and associated companies also participate in a multiemployer defined benefit pension plan, recognizing the required contributions for a period as net pension cost and recognizing any contributions due and unpaid as a liability. The total amount of the domestic subsidiaries' contributions to the plan for the years ended March 31, 2010, 2009 and 2008 were ¥1,894 million ($20 million), ¥2,197 million and ¥1,799 million, respectively.

14 EQUITY

(a) Common Stock and Additional Paid-in Capital

Under the Company Law of Japan ("the Company Law"), at least 50% of the proceeds of certain issues of common shares shall be credited to the common stock account. The remainder of the proceeds shall be credited to additional paid-in capital. The Company Law permits, upon approval of the general meeting of shareholders, the transfer of amounts from additional paid-in capital to the common stock account.

For the year ended March 31, 2008, under the Company Law, there was an increase of ¥11,190 million in "Additional paid-in capital" in the accompanying Consolidated Balance Sheets as a result of the Share Exchange Agreement between the Company and Jupiter TV Co., Ltd. The Company acquired SC Media & Commerce Inc. as a wholly-owned subsidiary through this Share Exchange Agreement.

(b) Appropriated for Legal Reserve

The Company Law provides that a 10% dividend of retained earnings shall be appropriated as additional paid-in capital or legal reserve until an aggregate amount of additional paid-in capital and legal reserve equals 25% of common stock. The legal reserve may be used to eliminate or reduce a deficit or transferred to retained earnings by resolution of the shareholders.

(c) Unappropriated Retained Earnings

Retained earnings available for dividends under the Company Law is based on the amount recorded in the Company's general accounting records maintained in accordance with accounting principles generally accepted in Japan.

The Company Law limits the amount of retained earnings available for dividends. Retained earnings of ¥320,515 million ($3,446 million) and ¥270,972 million, shown by the Company's accounting records as of March 31, 2010 and 2009, respectively, exclusive of the amount previously appropriated for legal reserve, were not restricted by the limitations under the Company Law.

Dividends are approved by the shareholders at the general meeting of shareholders held subsequent to the statutory fiscal period for which the dividends are payable to shareholders. Interim dividends are approved by the Board of Directors for the interim six-month period. Dividends are reported in the accompanying Consolidated Statements of Changes in Equity and Comprehensive Income when approved.

On June 22, 2010, the shareholders authorized a cash dividend to shareholders of record as of March 31, 2010 of ¥15 ($0.2) per share for a total of ¥18,751 million ($202 million).

(d) Stock Option Plan

The Company has stock option plans for directors, executive officers of the Company, and corporate officers under the Company's qualification system. Under the plans, each stock option granted from September 1, 2006 entitles the recipient to acquire 100 shares of common stock at an exercise price equal to the greater of (i) 105% of the average closing market price of the Company's common stock on the Tokyo Stock Exchange for the calendar month before the grant date (excluding days when there were no transactions), or (ii) the closing market price of the Company's common stock on the Tokyo Stock Exchange on the grant date (or the closing market price on the day immediately preceding such date, if there were no transactions on such date). Each stock option granted until August 31, 2006 entitles the recipient to acquire 1,000 shares of common stock under the same conditions described above.

The options vest 100% at the grant date. The options granted are exercisable beginning April 1 of the fiscal year after the fiscal year in which they are granted. They are exercisable for four years and three months from that date.

On May 15, 2009, the Board of Directors, and on June 19, 2009, the shareholders authorized the issue of new stock options for up to 195,000 shares of common stock. The options for 195,000 shares were granted under these authorizations. On May 18, 2010, the Board of Directors, and on June 22, 2010, the shareholders authorized the issue of new stock options for up to 212,000 shares of common stock.

The following table summarizes information about stock option activity for the years ended March 31, 2010, 2009 and 2008:

	2010			2009		2008	
	Number of shares	Weighted average exercise price	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
		Yen	U.S. Dollars		Yen		Yen
Outstanding, beginning of year	**517,000**	**¥1,822**	**$20**	386,000	¥1,941	383,000	¥1,255
Granted	**195,000**	**1,062**	**11**	195,000	1,537	196,000	2,415
Exercised	**5,000**	**888**	**10**	22,000	1,068	174,000	981
Cancelled or expired	**113,000**	**1,839**	**20**	42,000	1,980	19,000	1,803
Outstanding, end of year	**594,000**	**1,577**	**17**	517,000	1,822	386,000	1,941
Options exercisable, end of year	**402,000**	**¥1,824**	**$20**	324,000	¥1,992	196,000	¥1,481

The following table summarizes information about stock options outstanding and exercisable as of March 31, 2010:

	Outstanding				Exercisable		
Exercisable price range	Number of shares	Weighted average exercise price	Weighted average exercise price	Weighted average remaining life	Number of shares	Weighted average exercise price	Weighted average exercise price
Yen		Yen	U.S. Dollars			Yen	U.S. Dollars
¥ 801~1,000	**17,000**	**¥ 948**	**$10**	**0.25**	**17,000**	**¥ 948**	**$10**
1,001~1,200	**192,000**	**1,062**	**11**	**4.25**	**—**	**—**	**—**
1,401~1,600	**155,000**	**1,537**	**17**	**3.25**	**155,000**	**1,537**	**17**
1,601~1,800	**97,000**	**1,624**	**17**	**1.25**	**97,000**	**1,624**	**17**
2,401~2,600	**133,000**	**2,415**	**26**	**2.25**	**133,000**	**2,415**	**26**
	594,000	**¥1,577**	**$17**	**2.94**	**402,000**	**¥1,824**	**$20**

The fair value of these stock options was estimated using the Black-Scholes option pricing model with the following weighted-average valuation assumptions:

	2010	2009	2008
Expected life	**4.5 years**	4.5 years	4.5 years
Risk-free rate	**0.63%**	1.07%	1.31%
Expected volatility	**39.35%**	29.77%	29.18%
Expected dividend yield	**2.05%**	1.65%	1.37%

The Company has stock-linked compensation plans for directors and executive officers. Under the plans, each stock option granted beginning September 1, 2006 entitles the recipient to acquire 100 shares of common stock at an exercise price equal to ¥1 ($0.01) per share. Each stock option granted prior to and including August 31, 2006 entitles the recipient to acquire 1,000 shares of common stock at an exercise price equal to ¥1 per share.

The options vest 100% at the grant date. The options granted are exercisable beginning the day after leaving their positions as both director and executive officer of the Company. The options are exercisable for ten years from that date.

On May 15, 2009, the Board of Directors, and on June 19, 2009, the shareholders authorized the issue of new stock options under these stock-linked compensation plans for up to 490,000 shares of common stock based on the plans. Options for 187,500 shares were granted under these authorizations. On May 18, 2010, the Board of Directors, and on June 22, 2010, the shareholders authorized the issue of new stock options for up to 400,000 shares of common stock based on the plans.

The following table summarizes information about stock option activity under the stock-linked compensation plans for the year ended March 31, 2010, 2009 and 2008:

	2010	2009	2008
	Number of shares	Number of shares	Number of shares
Outstanding, beginning of year	**300,800**	181,400	111,000
Granted	**187,500**	143,000	94,400
Exercised	**27,800**	23,600	24,000
Cancelled or expired	**—**	—	—
Outstanding, end of year	**460,500**	300,800	181,400
Options exercisable, end of year	**76,300**	2,800	—

The fair value of these stock options based on the plans was estimated using the Black-Scholes option pricing model with the following weighted-average valuation assumptions:

	2010	2009	2008
Expected life	**3.35 years**	3.2 years	3.6 years
Risk-free rate	**0.47%**	0.89%	1.16%
Expected volatility	**42.19%**	32.83%	26.67%
Expected dividend yield	**2.18%**	1.88%	1.36%

Compensation expense incurred based on the stock option plans and the stock-linked compensation plans for the years ended March 31, 2010, 2009 and 2008 was ¥207 million ($2 million), ¥258 million and ¥305 million, respectively.

(e) Effect of adoption of new accounting standard

For the year ended March 31, 2008, the adoption of ASC 740 "Income Tax" (formerly FIN No. 48 "Accounting for uncertainty in Income Tax") decreased unappropriated retained earnings by ¥5,196 million. The adoption of ASC 710 "Compensation-General" (formerly EITF No. 06-2 "Accounting for Sabbatical Leave and Other Similar Benefits Pursuant to FASB Statement No. 43") decreased unappropriated retained earnings by ¥903 million. ASC 710 provides guidance as to compensation cost associated with a sabbatical or other similar benefit arrangement that requires the compensation of a minimum service period, in which the benefit does not increase with additional years of service, in which the individual continues to be a compensated employee and is not required to perform duties for the entity during the absence. The compensation cost associated with a sabbatical or other similar benefit arrangement should be accrued over the requisite service period.

15 OTHER COMPREHENSIVE INCOME (LOSS)

Changes in each component of accumulated other comprehensive income (loss) attributable to Sumitomo Corporation for the years ended March 31, 2010, 2009 and 2008 are as follows:

	Millions of Yen			Millions of U.S. Dollars
	2010	2009	2008	**2010**
Net unrealized holding gains (losses) on securities available-for-sale:				
Balance, beginning of year	**¥ 18,955**	¥ 127,630	¥ 262,292	**$ 204**
Adjustment for the year	**55,536**	(108,675)	(134,662)	**597**
Balance, end of year	**¥ 74,491**	¥ 18,955	¥ 127,630	**$ 801**
Foreign currency translation adjustments:				
Balance, beginning of year	**¥(221,291)**	¥ (60,638)	¥ (4,197)	**$(2,379)**
Adjustment for the year	**29,145**	(160,653)	(56,441)	**313**
Balance, end of year	**¥(192,146)**	¥(221,291)	¥ (60,638)	**$(2,066)**
Net unrealized gains (losses) on derivatives:				
Balance, beginning of year	**¥ (14,851)**	¥ (2,672)	¥ (5,369)	**$ (160)**
Adjustment for the year	**2,611**	(12,179)	2,697	**28**
Balance, end of year	**¥ (12,240)**	¥ (14,851)	¥ (2,672)	**$ (132)**
Pension liability adjustments:				
Balance, beginning of year	**¥ (66,229)**	¥ (41,475)	¥ (30,436)	**$ (712)**
Adjustment for the year	**20,754**	(24,754)	(11,039)	**223**
Balance, end of year	**¥ (45,475)**	¥ (66,229)	¥ (41,475)	**$ (489)**
Total accumulated other comprehensive income (loss):				
Balance, beginning of year	**¥(283,416)**	¥ 22,845	¥ 222,290	**$(3,047)**
Adjustment for the year	**108,046**	(306,261)	(199,445)	**1,161**
Balance, end of year	**¥(175,370)**	¥(283,416)	¥ 22,845	**$(1,886)**

Tax effects allocated to each component of other comprehensive income (loss) are as follows:

	Millions of Yen		
2010:	Pretax amount	Tax (expense) or benefit	Net-of-tax amount
Net unrealized holding gains on securities available-for-sale:			
Unrealized holding gains arising during the year	**¥ 92,302**	**¥(36,900)**	**¥ 55,402**
Reclassification adjustment for losses included in net income	**875**	**(496)**	**379**
Adjustment for the year	**93,177**	**(37,396)**	**55,781**
Foreign currency translation adjustments:			
Aggregated adjustment for the year resulting from translation of foreign currency financial statements	**27,943**	**(810)**	**27,133**
Reclassification adjustment for losses included in net income	**3,844**	**(510)**	**3,334**
Adjustment for the year	**31,787**	**(1,320)**	**30,467**
Net unrealized gains on derivatives:			
Unrealized losses arising during the year	**(14,673)**	**5,383**	**(9,290)**
Reclassification adjustment for losses included in net income	**16,750**	**(4,645)**	**12,105**
Adjustment for the year	**2,077**	**738**	**2,815**
Pension liability adjustments:			
Unrealized gains arising during the year	**29,505**	**(12,352)**	**17,153**
Reclassification adjustment for losses included in net income	**6,286**	**(2,577)**	**3,709**
Adjustment for the year	**35,791**	**(14,929)**	**20,862**
Other comprehensive income (loss)	**¥162,832**	**¥(52,907)**	**¥109,925**

2009:	Millions of Yen Pretax amount	Tax (expense) or benefit	Net-of-tax amount
Net unrealized holding losses on securities available-for-sale:			
Unrealized holding losses arising during the year	¥(191,006)	¥ 76,119	¥(114,887)
Reclassification adjustment for losses included in net income	9,500	(3,871)	5,629
Adjustment for the year	(181,506)	72,248	(109,258)
Foreign currency translation adjustments:			
Aggregated adjustment for the year resulting from translation of foreign currency financial statements	(182,353)	15,226	(167,127)
Reclassification adjustment for gains included in net income	(2,768)	379	(2,389)
Adjustment for the year	(185,121)	15,605	(169,516)
Net unrealized losses on derivatives:			
Unrealized losses arising during the year	(12,890)	2,128	(10,762)
Reclassification adjustment for gains included in net income	(2,215)	790	(1,425)
Adjustment for the year	(15,105)	2,918	(12,187)
Pension liability adjustments:			
Unrealized losses arising during the year	(47,466)	19,212	(28,254)
Reclassification adjustment for losses included in net income	4,517	(1,850)	2,667
Adjustment for the year	(42,949)	17,362	(25,587)
Other comprehensive income (loss)	¥(424,681)	¥108,133	¥(316,548)

2008:	Millions of Yen Pretax amount	Tax (expense) or benefit	Net-of-tax amount
Net unrealized holding losses on securities available-for-sale:			
Unrealized holding losses arising during the year	¥(196,126)	¥ 80,810	¥(115,316)
Reclassification adjustment for gains included in net income	(33,232)	13,223	(20,009)
Adjustment for the year	(229,358)	94,033	(135,325)
Foreign currency translation adjustments:			
Aggregated adjustment for the year resulting from translation of foreign currency financial statements	(58,997)	563	(58,434)
Reclassification adjustment for gains included in net income	(324)	9	(315)
Adjustment for the year	(59,321)	572	(58,749)
Net unrealized gains on derivatives:			
Unrealized losses arising during the year	(1,134)	849	(285)
Reclassification adjustment for losses included in net income	5,215	(2,222)	2,993
Adjustment for the year	4,081	(1,373)	2,708
Pension liability adjustments:			
Unrealized losses arising during the year	(22,839)	9,325	(13,514)
Reclassification adjustment for losses included in net income	3,312	(1,339)	1,973
Adjustment for the year	(19,527)	7,986	(11,541)
Other comprehensive income (loss)	¥(304,125)	¥101,218	¥(202,907)

2010:	Millions of U.S. Dollars Pretax amount	Tax (expense) or benefit	Net-of-tax amount
Net unrealized holding gains on securities available-for-sale:			
Unrealized holding gains arising during the year	$ 993	$(397)	$ 596
Reclassification adjustment for losses included in net income	9	(5)	4
Adjustment for the year	1,002	(402)	600
Foreign currency translation adjustments:			
Aggregated adjustment for the year resulting from translation of foreign currency financial statements	301	(9)	292
Reclassification adjustment for losses included in net income	41	(5)	36
Adjustment for the year	342	(14)	328
Net unrealized gains on derivatives:			
Unrealized losses arising during the year	(158)	58	(100)
Reclassification adjustment for losses included in net income	180	(50)	130
Adjustment for the year	22	8	30
Pension liability adjustments:			
Unrealized gains arising during the year	317	(133)	184
Reclassification adjustment for losses included in net income	68	(28)	40
Adjustment for the year	385	(161)	224
Other comprehensive income (loss)	$1,751	$(569)	$1,182

16 DERIVATIVES AND HEDGING ACTIVITIES

Risk management policy

The Companies operate internationally, exposing them to the risk of changes in foreign exchange rates, interest rates and commodity prices. Derivative financial instruments are comprised principally of foreign exchange contracts, interest rate swaps and commodity future contracts utilized by the Company and certain of its subsidiaries to reduce these risks. The Companies assess foreign currency exchange rate risk, interest rate risk and commodity price risk by continually monitoring changes in these exposures and by evaluating hedging opportunities. The Companies hold or issue commodity derivatives for trading purposes. The Companies are also exposed to credit-related losses in the event of non-performance by counterparties to derivative financial instruments, but it is not expected that any counterparties will fail to meet their obligations, because most of the counterparties are internationally recognized financial institutions and contracts are diversified across a number of major financial institutions.

Foreign currency exchange rate risk management

The Companies operate internationally and are exposed to foreign currency risks related to purchasing, selling, financing and investing in currencies other than the local currencies in which the Companies operate. The Companies' strategy to manage foreign currency risks is to net foreign currency exposures on recognized assets, liabilities and unrecognized firm commitments by taking advantage of natural offsets, and purchase foreign exchange forward contracts and other contracts to preserve the economic value of cash flows in non-functional currencies.

Interest rate risk management

The Companies' exposure to the market risk of changes in interest rates relates primarily to its debt obligations. The fixed-rate debt obligations expose the Companies to variability in their fair values due to changes in interest rates. To manage the variability in fair values caused by interest rate changes, the Companies enter into interest rate swaps when it is determined to be appropriate based on market conditions. The interest rate swaps change the fixed-rate debt obligations to variable-rate debt obligations by entering into receive-fixed, pay-variable interest rate swaps. The hedging relationship between the interest rate swaps and the hedged debt obligations is highly effective in achieving offsetting changes in fair values resulting from interest rate risk.

Commodity price risk management

The Companies are exposed to price fluctuations of commodities used in their trading and other operating activities. To hedge the variability in commodity prices, the Companies enter into commodity futures, forwards and swaps contracts. These contracts relate principally to precious metals, nonferrous metals, crude oil and agricultural products.

Fair-value hedges

Fair-value hedges are hedges that eliminate the risk of changes in the fair values of assets and liabilities. The Companies use interest rate swaps to hedge the change of fair value on fixed-rate borrowings used to fund assets earning interest at variable rates. Changes in the fair value of derivatives designated as fair-value hedges are recorded in earnings and are offset by corresponding changes in the fair value of the hedged item to the extent of hedge effectiveness.

Cash-flow hedges

Cash-flow hedges are hedges that use derivatives to offset the variability of expected future cash flows. The Companies use commodity future contracts to hedge the variability of cash flows related to forecasted transactions and interest rate swaps to hedge the variability of cash flows related to floating-rate borrowings. The Companies record changes in the fair value of derivative instruments in other comprehensive income (loss) as a separate component of equity. Such amounts are released to earnings contemporaneously when the hedged item affects earnings. For the year ended March 31, 2010, net derivative losses of ¥12,105 million ($130 million), net of related income tax benefit of ¥4,645 million ($50 million), were reclassified into earnings. For the year ended March 31, 2009, net derivative gains of ¥1,425 million, net of related income tax expense of ¥790 million, were also reclassified. As of March 31, 2010, net derivative losses that were expected to be reclassified into earnings, net of the related tax benefit, within the next fiscal year were ¥11,351 million ($122 million).

Hedge of the net investment in foreign operations

The Companies use currency swaps to hedge the foreign currency risk of the net investments in foreign operations. The Companies recorded changes in fair values of hedging instruments in foreign currency translation adjustments within other comprehensive income (loss) as a separate component of equity to the extent of hedge effectiveness. For the years ended March 31, 2010 and 2009, net derivative losses of ¥1,320 million ($14 million) and gains of ¥19,066 million were included in foreign currency translation adjustments, respectively.

Derivatives not designated as hedges

ASC 815, "Derivatives and Hedging" (formerly SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities"), specifies criteria that must be met in order to apply hedge accounting. For example, hedge accounting is not permitted for hedged items that are remeasured with the changes in fair-value attributable to the hedged risk reported currently in earnings. The Companies use derivatives to hedge exposures when it makes economic sense to do so, including circumstances in which the hedging relationship does not qualify for hedge accounting.

The Companies use foreign exchange forward contracts to economically hedge the fluctuations of foreign exchange rates on foreign currency assets, liabilities and unrecognized firm commitments. The Companies also enter into commodity forwards, futures and swap contracts to economically hedge their inventories and unrecognized firm commitments against market price fluctuations. Certain commodity derivatives are entered into for trading purposes to the extent approved by management. These derivatives do not qualify for hedge accounting and any changes in their fair value are recognized in earnings.

Earnings effects of derivatives

For the years ended March 31, 2010, 2009 and 2008, the amount of hedge ineffectiveness recognized on fair-value hedges and the hedge of the net investment in foreign operations was nil, losses of ¥76 million and losses of ¥69 million, respectively. There were no gains or losses excluded from the assessment of hedge effectiveness for the years ended March 31, 2010, 2009 and 2008.

In the context of hedging relationships, "Effectiveness" refers to the degree of achieving offsetting changes in fair value or offsetting the variability in cash flows attributable to the risk being hedged.

Management continuously assesses effectiveness of these derivative transactions and market risks surrounding these transactions to formulate the Companies' policy regarding derivative transactions.

The fair values of derivative instruments

The fair values of derivative instruments as of March 31, 2010 and 2009 were as follows:

	Millions of Yen			
	Asset derivatives		Liability derivatives	
As of March 31, 2010:	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedges				
Interest rate contracts	Other current assets	¥ 945	Other current liabilities	¥ 2,506
	Other assets	27,170	Long-term debt, less current maturities	3,156
Foreign exchange contracts	Other current assets	2,629	Other current liabilities	3,473
	Other assets	2,902	Long-term debt, less current maturities	4,343
Commodity contracts	Other current assets	2,701	Other current liabilities	6,226
	Other assets	3,342	Long-term debt, less current maturities	2,503
Total derivatives designated as hedges		¥ 39,689		¥ 22,207
Derivatives not designated as hedges				
Interest rate contracts	Other current assets	¥ 342	Other current liabilities	¥ 431
	Other assets	4,613	Long-term debt, less current maturities	4,394
Foreign exchange contracts	Other current assets	10,456	Other current liabilities	21,165
	Other assets	6,178	Long-term debt, less current maturities	2,281
Commodity contracts	Other current assets	54,123	Other current liabilities	52,847
	Other assets	10,893	Long-term debt, less current maturities	36,544
Other contracts			Other current liabilities	17
Total derivatives not designated as hedges		¥ 86,605		¥117,679
Total derivatives		¥126,294		¥139,886

As of March 31, 2009:	Millions of Yen			
	Asset derivatives		Liability derivatives	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedges				
Interest rate contracts	Other current assets	¥ 22	Other current liabilities	¥ 1,608
	Other assets	24,978	Long-term debt, less current maturities	4,673
Foreign exchange contracts	Other current assets	7,160	Other current liabilities	3,384
	Other assets	11,000	Long-term debt, less current maturities	2,133
Commodity contracts	Other current assets	978	Other current liabilities	2,212
	Other assets	122	Long-term debt, less current maturities	4,519
Total derivatives designated as hedges		¥ 44,260		¥ 18,529
Derivatives not designated as hedges				
Interest rate contracts	Other assets	¥ 1,299	Other current liabilities	¥ 141
			Long-term debt, less current maturities	1,262
Foreign exchange contracts	Other current assets	14,777	Other current liabilities	33,691
	Other assets	9,810	Long-term debt, less current maturities	2,713
Commodity contracts	Other current assets	68,137	Other current liabilities	66,575
	Other assets	15,287	Long-term debt, less current maturities	50,471
Other contracts			Other current liabilities	1
Total derivatives not designated as hedges		¥109,310		¥154,854
Total derivatives		¥153,570		¥173,383

As of March 31, 2010:	Millions of U.S. Dollars			
	Asset derivatives		Liability derivatives	
	Balance sheet location	Fair value	Balance sheet location	Fair value
Derivatives designated as hedges				
Interest rate contracts	Other current assets	**$ 10**	Other current liabilities	**$ 27**
	Other assets	**292**	Long-term debt, less current maturities	**34**
Foreign exchange contracts	Other current assets	**29**	Other current liabilities	**37**
	Other assets	**31**	Long-term debt, less current maturities	**47**
Commodity contracts	Other current assets	**29**	Other current liabilities	**67**
	Other assets	**36**	Long-term debt, less current maturities	**27**
Total derivatives designated as hedges		**$ 427**		**$ 239**
Derivatives not designated as hedges				
Interest rate contracts	Other current assets	**$ 4**	Other current liabilities	**$ 5**
	Other assets	**50**	Long-term debt, less current maturities	**47**
Foreign exchange contracts	Other current assets	**112**	Other current liabilities	**228**
	Other assets	**66**	Long-term debt, less current maturities	**24**
Commodity contracts	Other current assets	**582**	Other current liabilities	**568**
	Other assets	**117**	Long-term debt, less current maturities	**393**
Other contracts			Other current liabilities	**0**
Total derivatives not designated as hedges		**$ 931**		**$1,265**
Total derivatives		**$1,358**		**$1,504**

The impact of derivative instruments on the consolidated statements of income

The impact of derivative instruments on the consolidated statements of income for the year ended March 31, 2010 and 2009 were as follows:

Fair-value hedges:

2010:	Millions of Yen			
	Gain or loss on derivatives		Gain or loss on hedged item	
	Location	Amount	Location	Amount
Interest rate contracts	Interest income/expense	**¥3,510**	Interest income/expense	**¥(3,510)**
Foreign exchange contracts	Cost/Other, net	**(615)**	Cost/Other, net	**615**
Commodity contracts	Revenues/Cost	**4,310**	Revenues/Cost	**(4,310)**
Total		**¥7,205**		**¥(7,205)**

	Millions of Yen			
	Gain or loss on derivatives		Gain or loss on hedged item	
2009:	Location	Amount	Location	Amount
Interest rate contracts	Interest income/expense	¥ (3,650)	Interest income/expense	¥ 3,634
Foreign exchange contracts	Cost/Other, net	(8,926)	Cost/Other, net	8,926
Commodity contracts	Revenues/Cost	565	Revenues/Cost	(565)
Total		¥(12,011)		¥11,995

	Millions of U.S. Dollars			
	Gain or loss on derivatives		Gain or loss on hedged item	
2010:	Location	Amount	Location	Amount
Interest rate contracts	Interest income/expense	**$38**	Interest income/expense	**$(38)**
Foreign exchange contracts	Cost/Other, net	**(7)**	Cost/Other, net	**7**
Commodity contracts	Revenues/Cost	**46**	Revenues/Cost	**(46)**
Total		**$77**		**$(77)**

Cash-flow hedges:

	Millions of Yen				
	Gain or loss recognized in OCI on derivatives (Effective portion)	Gain or loss reclassified from accumulated OCI into income (Effective portion)		Gain or loss on derivatives (Ineffective portion and amount excluded from effectiveness testing)	
2010:	Amount	Location	Amount	Location	Amount
Interest rate contracts	**¥ (7,158)**	Interest income/expense	**¥ 8,998**	—	**—**
Foreign exchange contracts	**2,123**	Cost/Other, net	**1,747**	—	**—**
Commodity contracts	**(9,638)**	Revenues/Cost	**6,005**	—	**—**
Total	**¥(14,673)**		**¥16,750**		**—**

	Millions of Yen				
	Gain or loss recognized in OCI on derivatives (Effective portion)	Gain or loss reclassified from accumulated OCI into income (Effective portion)		Gain or loss on derivatives (Ineffective portion and amount excluded from effectiveness testing)	
2009:	Amount	Location	Amount	Location	Amount
Interest rate contracts	¥(10,619)	Interest income/expense	¥(426)	—	—
Foreign exchange contracts	12,285	Cost/Other, net	705	—	—
Commodity contracts	2,261	Revenues/Cost	(81)	—	—
Total	¥ 3,927		¥ 198		—

	Millions of U.S. Dollars				
	Gain or loss recognized in OCI on derivatives (Effective portion)	Gain or loss reclassified from accumulated OCI into income (Effective portion)		Gain or loss on derivatives (Ineffective portion and amount excluded from effectiveness testing)	
2010:	Amount	Location	Amount	Location	Amount
Interest rate contracts	**$ (77)**	Interest income/expense	**$ 97**	—	**—**
Foreign exchange contracts	**23**	Cost/Other, net	**19**	—	**—**
Commodity contracts	**(104)**	Revenues/Cost	**64**	—	**—**
Total	**$(158)**		**$180**		**—**

Hedges of the net investment in foreign operations:

	Millions of Yen				
	Gain or loss recognized in OCI on derivatives (Effective portion)	Gain or loss reclassified from accumulated OCI into income (Effective portion)		Gain or loss on derivatives (Ineffective portion and amount excluded from effectiveness testing)	
2010:	Amount	Location	Amount	Location	Amount
Foreign exchange contracts	**¥(1,320)**	—	**—**	—	**—**

	Millions of Yen				
	Gain or loss recognized in OCI on derivatives (Effective portion)	Gain or loss reclassified from accumulated OCI into income (Effective portion)		Gain or loss on derivatives (Ineffective portion and amount excluded from effectiveness testing)	
2009:	Amount	Location	Amount	Location	Amount
Foreign exchange contracts	¥(4,355)	—	—	—	—

	Millions of U.S. Dollars				
	Gain or loss recognized in OCI on derivatives (Effective portion)	Gain or loss reclassified from accumulated OCI into income (Effective portion)		Gain or loss on derivatives (Ineffective portion and amount excluded from effectiveness testing)	
2010:	Amount	Location	Amount	Location	Amount
Foreign exchange contracts	**$(14)**	—	**—**	—	**—**

Derivatives not designated as hedges:

	Millions of Yen		Millions of U.S. Dollars	
	Gain or loss on derivatives		Gain or loss on derivatives	
2010:	Location	Amount	Location	Amount
Interest rate contracts	Interest income/expense	**¥ 281**	Interest income/expense	**$ 3**
Foreign exchange contracts	Cost/Other, net	**3,089**	Cost/Other, net	**33**
Commodity contracts	Revenues/Cost	**(44,308)**	Revenues/Cost	**(476)**
Other contracts	Revenues/Cost/Interest income	**(69)**	Revenues/Cost/Interest income	**(1)**
Total		**¥(41,007)**		**$(441)**

	Millions of Yen	
	Gain or loss on derivatives	
2009:	Location	Amount
Interest rate contracts	Interest income/expense	¥ 627
Foreign exchange contracts	Cost/Other, net	(21,413)
Commodity contracts	Revenues/Cost	(9,397)
Other contracts	Revenues/Cost/Interest income	95
Total		¥(30,088)

The impact of derivative instruments on the Consolidated Statements of Income for the year ended March 31, 2009 represents the changes from January 1, 2009 to March 31, 2009 after the adoption of ASC 815.

17 FINANCIAL INSTRUMENTS

In accordance with the requirements of ASC 825, "Financial Instruments" (formerly SFAS No. 107 "Disclosures about Fair Value of Financial Instruments"), the Companies have provided the following fair value estimates and information about valuation methodologies.

Quoted market prices, where available, are used to estimate fair values of financial instruments. However, quoted market prices are not available for a substantial portion of the Companies' financial instruments, and, therefore, fair values for such financial instruments are estimated using a discounted cash flow analysis or other valuation techniques as deemed appropriate.

Cash, Cash Equivalents, Short-Term Investments, Accounts Receivable, Accounts Payable and Notes Payable

The carrying amount approximates fair value of these instruments because of their short-term maturities.

Marketable Securities and Other Investments

The fair values of marketable securities are estimated using quoted market prices. Other investments include investments in common stock of non-traded and unaffiliated companies such as customers and suppliers, and investments in non-listed preferred stock of certain financial institutions. It is not practicable to estimate the fair value of investments in unlisted common stock because of the lack of a market price and difficulty in estimating fair value without incurring excessive cost (see Note 5).

Non-Current Trade Receivables and Advances to Associated Companies

The fair values of non-current trade receivables including long-term loans receivable, except for loans with floating rates whose carrying amount approximates fair value, are estimated by discounted cash flow analysis, using interest rates currently being offered for loans or accounts receivable with similar terms to borrowers or customers of similar credit quality and remaining maturities.

Long-Term Debt

The fair values of long-term debt, except for debt with floating rates whose carrying amount approximates fair value, are estimated by discounted cash flow analysis, using rates currently available for similar types of borrowings with similar terms and remaining maturities.

Guarantee of Third Party Debt

As a result of the adoption of ASC 460, "Guarantees" (formerly FIN No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others"), the fair values of financial guarantees are estimated based on the premiums received or receivables by guarantors in arm's length transactions with unrelated parties (see Note 24).

Interest Rate Swaps, Currency Swap Agreements and Currency Option Contracts

The fair values of interest rate swaps, currency swap agreements and currency option contracts are estimated by obtaining quotes from brokers and other appropriate valuation techniques based on information available to the Companies.

Foreign Exchange Forward Contracts

The fair values of foreign exchange forward contracts are estimated based on market prices for contracts with similar terms.

Interest Rate Future Contracts, Bond Future Contracts and Stock Future Contracts

The fair values of interest rate future contracts, bond future contracts and stock future contracts are estimated using quoted market prices.

The estimated fair values of certain financial instruments and derivative financial instruments as of March 31, 2010 and 2009 were as follows:

	Millions of Yen			Millions of U.S. Dollars		
As of March 31, 2010	Notional amount	Carrying amount	Fair value	Notional amount	Carrying amount	Fair value
Financial Assets:						
Non-current trade receivables and advances to associated companies, less allowance for doubtful receivables	¥ —	¥ 830,877	¥ 833,696	$ —	$ 8,934	$ 8,964
Financial Liabilities:						
Long-term debt, including current maturities	—	3,379,061	3,397,861	—	36,334	36,536
Derivative Financial Instruments (Assets):						
Interest rate swaps	991,609	33,070	33,070	10,662	356	356
Currency swap agreements, and currency options	47,358	9,053	9,053	509	97	97
Foreign exchange forward contracts	467,124	13,112	13,112	5,023	141	141
Derivative Financial Instruments (Liabilities):						
Interest rate swaps	462,002	10,487	10,487	4,968	113	113
Currency swap agreements, and currency options	305,871	13,575	13,575	3,289	146	146
Foreign exchange forward contracts	539,855	17,687	17,687	5,805	190	190
Stock future contracts	427	17	17	5	0	0

As of March 31, 2009	Millions of Yen Notional amount	 Carrying amount	 Fair value
Financial Assets:			
Non-current trade receivables and advances to associated companies, less allowance for doubtful receivables	¥ —	¥ 843,920	¥ 845,906
Financial Liabilities:			
Long-term debt, including current maturities	—	3,204,136	3,221,204
Derivative Financial Instruments (Assets):			
Interest rate swaps	1,122,582	26,261	26,261
Currency swap agreements, and currency options	166,255	26,525	26,525
Foreign exchange forward contracts	260,619	9,499	9,499
Derivative Financial Instruments (Liabilities):			
Interest rate swaps	158,502	7,646	7,646
Currency swap agreements, and currency options	281,064	14,692	14,692
Foreign exchange forward contracts	573,595	20,506	20,506
Bond future contracts	1,382	1	1

The Companies' global operation in a variety of businesses with diverse customers and suppliers reduces the concentrations of credit risk. The Companies deal with selected international financial institutions, with a certain credit rating or higher from the international statistical credit rating agency, in order to mitigate the credit risk exposure of derivatives with off-balance-sheet risk. Credit risk represents the possibility that the counterparties may be unable to perform under the terms of the agreements. Management does not expect any material losses as a result of counterparty default on financial instruments. Credit risk is managed through the credit line approved by management and by monitoring the counterparties periodically. The Companies require collateral to the extent considered necessary. There was no major customer comprising more than 10% of the sales transactions with the Companies for the years ended March 31, 2010, 2009 and 2008. Carrying amounts and fair values of financial assets as of March 31, 2010 and 2009 included lease assets, balances of which were ¥279,462 million ($3,005 million) and ¥331,780 million, respectively.

18 FAIR VALUE MEASUREMENTS

ASC 820, "Fair Value Measurements and Disclosures" (formerly SFAS No. 157 "Fair Value Measurements") establishes the three levels of the fair value hierarchy that prioritize the inputs used to measure fair value as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

Level 2 inputs are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following table presents assets and liabilities that are measured at fair value on a recurring basis as of March 31, 2010 and 2009:

As of March 31, 2010	Millions of Yen			
	Level 1	Level 2	Level 3	Total
Assets:				
Trading securities	¥ 5,008	¥ —	¥ —	¥ 5,008
Available-for-sale securities				
Equity securities	361,297	—	—	361,297
Debt securities	14	48,522	—	48,536
Inventories*	46,768	—	—	46,768
Derivatives				
Interest rate contracts	—	33,070	—	33,070
Foreign exchange contracts	—	22,165	—	22,165
Commodity contracts	10,696	60,243	120	71,059
Total	¥423,783	¥164,000	¥ 120	¥587,903
Liabilities:				
Derivatives				
Interest rate contracts	¥ —	¥ 10,487	¥ —	¥ 10,487
Foreign exchange contracts	—	31,262	—	31,262
Commodity contracts	6,356	71,265	20,499	98,120
Other contracts	17	—	—	17
Total	¥ 6,373	¥113,014	¥20,499	¥139,886

* Primarily represented precious metals.

As of March 31, 2009	Millions of Yen			
	Level 1	Level 2	Level 3	Total
Assets:				
Trading securities	¥ 8,927	¥ —	¥ —	¥ 8,927
Available-for-sale securities				
Equity securities	282,667	—	—	282,667
Debt securities	3,397	—	—	3,397
Inventories*	43,510	—	—	43,510
Derivatives				
Interest rate contracts	—	26,299	—	26,299
Foreign exchange contracts	—	42,747	—	42,747
Commodity contracts	2,363	42,299	387	45,049
Total	¥340,864	¥111,345	¥ 387	¥452,596
Liabilities:				
Derivatives				
Interest rate contracts	¥ —	¥ 7,684	¥ —	¥ 7,684
Foreign exchange contracts	—	41,921	—	41,921
Commodity contracts	4,730	70,952	17,760	93,442
Other contracts	1	—	—	1
Total	¥ 4,731	¥120,557	¥17,760	¥143,048

* Primarily represented precious metals.

As of March 31, 2010	Millions of U.S. Dollars			
	Level 1	Level 2	Level 3	Total
Assets:				
Trading securities	$ 54	$ —	$ —	$ 54
Available-for-sale securities				
Equity securities	3,885	—	—	3,885
Debt securities	0	521	—	521
Inventories*	503	—	—	503
Derivatives				
Interest rate contracts	—	356	—	356
Foreign exchange contracts	—	238	—	238
Commodity contracts	115	648	1	764
Total	$4,557	$1,763	$ 1	$6,321
Liabilities:				
Derivatives				
Interest rate contracts	$ —	$ 113	$ —	$ 113
Foreign exchange contracts	—	336	—	336
Commodity contracts	68	767	220	1,055
Other contracts	0	—	—	0
Total	$ 68	$1,216	$220	$1,504

* Primarily represented precious metals.

Trading securities and available-for-sale securities are primarily comprised of domestic equity securities which are valued using an unadjusted quoted market price in active markets and classified within Level 1. Certain debt securities are valued principally using discounted cash flow methodology based on observable inputs and classified within Level 2. Inventories are primarily comprised of precious metals which are valued using an unadjusted quoted market price and classified within Level 1. Derivatives are primarily comprised of financial derivatives and commodity derivatives. Exchange-traded derivatives are valued using quoted market prices, and accordingly, classified within Level 1. Non-exchange traded derivatives are valued principally using discounted cash flow methodology. If the inputs used for these measurements that include foreign currency exchange rates and interest rates, are observable, derivatives are classified within Level 2. If the inputs are not observable, derivatives are classified within Level 3.

A reconciliation of the beginning and ending amount of net derivatives measured at fair value on a recurring basis using Level 3 inputs as defined in ASC 820 for the years ended March 31, 2010 and 2009 is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Balance, beginning of year	¥(17,373)	¥(40,572)	$(187)
Total gains or losses included in earnings (realized or unrealized)	(5,705)	15,852	(61)
Settlements	2,699	7,347	29
Balance, end of year	¥(20,379)	¥(17,373)	$(219)
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held at the end of year	¥ (4,522)	¥ 16,021	$ 49

Total gains or losses included in earnings (realized or unrealized) were included in "Sales of tangible products" and "Cost of tangible products sold" in the accompanying Consolidated Statements of Income.

The following table presents assets that are measured at fair value on a nonrecurring basis for the year ended March 31, 2010:

	Millions of Yen				
2010:	Level 1	Level 2	Level 3	Total	Total gains (losses)
Non-marketable equity securities	**¥ —**	**¥ —**	**¥1,566**	**¥1,566**	**¥(11,050)**
Long-lived assets and goodwill	**¥ —**	**¥ —**	**¥ 925**	**¥ 925**	**¥ (4,741)**

	Millions of U.S. Dollars				
2010:	Level 1	Level 2	Level 3	Total	Total gains (losses)
Non-marketable equity securities	**$ —**	**$ —**	**$17**	**$17**	**$(119)**
Long-lived assets and goodwill	**$ —**	**$ —**	**$10**	**$10**	**$ (51)**

Certain non-marketable equity securities are written down to fair value if the fair value has been below the carrying amount of the investment and the decline in fair value is judged to be other than temporary. Fair value is determined using unobservable inputs based on operation results, financial position, actual performance to budget, industry trends and future projection of the investees.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of an asset to be held and used is measured by a comparison of the carrying amount of the asset to estimated undiscounted future cash flows without interest expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. Fair values of long-lived assets are determined using unobservable inputs based on the business plan.

Goodwill is assessed for impairment annually or upon the occurrence of an indicator of impairment. If the fair value of goodwill falls below the carrying amount, the impairment loss is recognized in the amount equal to the excess of the carrying amount of goodwill over the fair value of goodwill. Fair values of goodwill are determined using unobservable inputs based on the business plan.

19 NET INCOME ATTRIBUTABLE TO SUMITOMO CORPORATION PER SHARE

A reconciliation of the numerators and denominators of the basic and diluted net income attributable to Sumitomo Corporation per share computations for the years ended March 31, 2010, 2009 and 2008 is as follows:

	Millions of Yen			Millions of U.S. Dollars
Income (Numerator)	**2010**	2009	2008	**2010**
Net income attributable to Sumitomo Corporation	**¥155,199**	¥215,078	¥238,928	**$1,669**

	Number of shares		
Shares (Denominator)	**2010**	2009	2008
Weighted-average shares—basic	**1,250,044,847**	1,250,005,230	1,241,143,028
Dilutive effect of:			
Stock options	**347,829**	209,139	222,583
Weighted-average shares—diluted	**1,250,392,676**	1,250,214,369	1,241,365,611

	Yen			U.S. Dollars
	2010	2009	2008	**2010**
Net income attributable to Sumitomo Corporation per share:				
Basic	**¥124.15**	¥172.06	¥192.51	**$1.33**
Diluted	**124.12**	172.03	192.47	**1.33**

20 SEGMENT INFORMATION

The Companies conduct business through the seven industry-based business segments as described in Note 1 and two sets of regional operations; domestic and overseas described as follows.

Domestic Regional Business Units and Offices—Domestic Regional Business Units and Offices segment conducts domestic regional operations in three regional business units, focused in the Kansai, Chubu and Kyushu-Okinawa regions, and two other regional offices. This region-focused operation conducts business activities in all industry sectors based on their specialized knowledge of the region. The region-focused operation also works together on certain projects with the industry-based business segments in order to develop products and services that are more focused on that particular region.

Overseas Subsidiaries and Branches—The Overseas Subsidiaries and Branches segment includes subsidiaries and branches located throughout the world, with the largest operations in the Americas, Europe, China, and Asia. This region-focused operation conducts business activities in all industry sectors based on their specialized knowledge of the region. The region-focused operation also works together on certain projects with the industry-based business segments in order to develop products and services that are more focused on that particular region.

Each business segment operates with a degree of autonomy in pursuing strategic goals, managing operations and ensuring accountability. Each business segment also has its own planning and administration department and separate financial reporting. The reportable segments are organized based on the nature of products and services provided and on certain specific domestic and overseas region that oversee the business activities of all business in those regions. Segment financial information is evaluated regularly by management in order to assess performance and determine the allocation of resources.

Information by operating segment for the years ended March 31, 2010, 2009 and 2008 is summarized as follows:

Operating Segments:

2010:	Millions of Yen				
Segment***	Revenues	Gross profit	Net income attributable to Sumitomo Corporation*	Assets	Total trading transactions**
Metal Products	**¥ 415,271**	**¥ 54,071**	**¥ 9,134**	**¥ 609,219**	**¥1,319,168**
Transportation & Construction Systems	**589,645**	**130,767**	**18,127**	**1,399,322**	**1,199,663**
Infrastructure	**167,464**	**31,256**	**12,836**	**521,361**	**306,491**
Media, Network & Lifestyle Retail	**509,562**	**176,568**	**16,375**	**697,131**	**588,537**
Mineral Resources, Energy, Chemical & Electronics	**258,470**	**84,636**	**64,598**	**1,079,177**	**2,060,286**
General Products & Real Estate	**338,770**	**101,443**	**16,176**	**747,495**	**696,618**
Financial & Logistics	**47,512**	**23,461**	**158**	**554,572**	**46,427**
Domestic Regional Business Units and Offices	**65,630**	**35,072**	**2,541**	**353,473**	**839,418**
Overseas Subsidiaries and Branches	**511,085**	**153,566**	**22,940**	**1,117,753**	**1,382,743**
Segment Total	**2,903,409**	**790,840**	**162,885**	**7,079,503**	**8,439,351**
Corporate and Eliminations	**(19,237)**	**(11,328)**	**(7,686)**	**58,295**	**(672,188)**
Consolidated	**¥2,884,172**	**¥779,512**	**¥155,199**	**¥7,137,798**	**¥7,767,163**

2009:	Millions of Yen				
Segment***	Revenues	Gross profit	Net income attributable to Sumitomo Corporation*	Assets	Total trading transactions**
Metal Products	¥ 577,339	¥ 86,449	¥ 29,686	¥ 645,509	¥ 1,918,842
Transportation & Construction Systems	826,001	155,595	29,282	1,451,365	1,715,967
Infrastructure	128,454	40,406	16,511	482,537	334,306
Media, Network & Lifestyle Retail	495,364	176,363	8,504	696,877	594,828
Mineral Resources, Energy, Chemical & Electronics	268,851	91,852	43,234	967,963	3,205,252
General Products & Real Estate	352,566	111,111	13,097	722,158	835,526
Financial & Logistics	78,432	26,859	(1,627)	581,484	125,872
Domestic Regional Business Units and Offices	81,933	42,620	6,857	409,142	1,087,399
Overseas Subsidiaries and Branches	717,998	211,666	48,626	1,203,154	1,957,134
Segment Total	3,526,938	942,921	194,170	7,160,189	11,775,126
Corporate and Eliminations	(15,361)	(7,689)	20,908	(142,033)	(1,025,130)
Consolidated	¥3,511,577	¥935,232	¥215,078	¥7,018,156	¥10,749,996

2008:	Millions of Yen				
Segment***	Revenues	Gross profit	Net income attributable to Sumitomo Corporation*	Assets	Total trading transactions**
Metal Products	¥ 605,934	¥ 80,259	¥ 29,237	¥ 755,525	¥ 1,885,768
Transportation & Construction Systems	864,521	157,670	41,567	1,604,917	1,815,107
Infrastructure	168,385	40,960	18,916	478,782	351,347
Media, Network & Lifestyle Retail	472,562	168,675	13,791	675,640	589,091
Mineral Resources, Energy, Chemical & Electronics	376,523	94,004	36,650	1,113,196	3,807,587
General Products & Real Estate	407,752	121,964	19,541	742,039	876,070
Financial & Logistics	37,563	31,838	5,093	449,488	90,534
Domestic Regional Business Units and Offices	79,428	43,725	8,953	480,052	1,138,282
Overseas Subsidiaries and Branches	671,959	200,753	45,646	1,000,685	2,159,170
Segment Total	3,684,627	939,848	219,394	7,300,324	12,712,956
Corporate and Eliminations	(13,731)	(5,306)	19,534	271,075	(1,228,371)
Consolidated	¥3,670,896	¥934,542	¥238,928	¥7,571,399	¥11,484,585

2010:	Millions of U.S. Dollars				
Segment***	Revenues	Gross profit	Net income attributable to Sumitomo Corporation*	Assets	Total trading transactions**
Metal Products	**$ 4,465**	**$ 582**	**$ 98**	**$ 6,551**	**$14,185**
Transportation & Construction Systems	**6,340**	**1,406**	**195**	**15,046**	**12,900**
Infrastructure	**1,801**	**336**	**138**	**5,606**	**3,296**
Media, Network & Lifestyle Retail	**5,479**	**1,899**	**176**	**7,496**	**6,328**
Mineral Resources, Energy, Chemical & Electronics	**2,779**	**910**	**694**	**11,604**	**22,154**
General Products & Real Estate	**3,643**	**1,091**	**174**	**8,038**	**7,490**
Financial & Logistics	**511**	**252**	**2**	**5,963**	**499**
Domestic Regional Business Units and Offices	**706**	**377**	**27**	**3,801**	**9,026**
Overseas Subsidiaries and Branches	**5,495**	**1,651**	**247**	**12,019**	**14,868**
Segment Total	**31,219**	**8,504**	**1,751**	**76,124**	**90,746**
Corporate and Eliminations	**(206)**	**(122)**	**(82)**	**627**	**(7,228)**
Consolidated	**$31,013**	**$8,382**	**$1,669**	**$76,751**	**$83,518**

Corporate assets consist primarily of cash and cash equivalents and marketable securities maintained for general corporate purposes.

Transfers between segments are made at arm's-length prices.

* The Companies adopted ASC 810 "Consolidation" (formerly SFAS No. 160) and changed certain presentation.

** Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which the Companies act as principal or as agent. Total trading transactions is a measure commonly used by Japanese trading companies. It is not to be construed as equivalent to, or a substitute for, sales or revenues under U.S. GAAP.

*** On April 1, 2009, the Companies reorganized the Business Units from eight to seven. Accordingly, from this fiscal year, the operating segments have been changed. The operating segment information of 2008 and 2009 has also been reclassified.

Geographic information:

	Millions of Yen		Millions of U.S. Dollars	
2010:	Revenues	Long-lived assets	Revenues	Long-lived assets
Japan	**¥1,559,266**	**¥ 971,993**	**$16,766**	**$10,452**
Asia	**326,605**	**58,635**	**3,512**	**631**
North America:				
U.S.	**554,371**	**232,714**	**5,961**	**2,502**
Other	**113,795**	**16,467**	**1,224**	**177**
Europe	**182,857**	**162,778**	**1,966**	**1,750**
Other	**147,278**	**145,574**	**1,584**	**1,565**
Total	**¥2,884,172**	**¥1,588,161**	**$31,013**	**$17,077**

2009:	Millions of Yen Revenues	Long-lived assets
Japan	¥1,705,930	¥ 939,836
Asia	376,220	44,865
North America:		
U.S.	751,884	228,907
Other	127,447	15,520
Europe	380,115	131,568
Other	169,981	138,526
Total	¥3,511,577	¥1,499,222

2008:	Millions of Yen Revenues	Long-lived assets
Japan	¥1,767,909	¥ 914,465
Asia	427,181	45,541
North America:		
U.S.	759,909	199,561
Other	155,939	16,545
Europe	362,700	154,419
Other	197,258	93,838
Total	¥3,670,896	¥1,424,369

21 FOREIGN EXCHANGE GAINS AND LOSSES

Gains and losses resulting from translating assets and liabilities denominated in a currency other than the functional currency of the reporting entity or from settling such items are included in earnings as they arise. Net foreign currency transaction gains of ¥739 million ($8 million), losses of ¥8,078 million, and gains of ¥10,967 million, were included in the accompanying Consolidated Statements of Income for the years ended March 31, 2010, 2009 and 2008, respectively.

22 LEASES

As Lessor

The Companies lease vehicles, vessels, power station, service equipment, and other under arrangements which are classified as direct financing leases, sales type leases or leveraged leases under ASC 840, "Leases" (formerly SFAS No. 13, "Accounting for Leases.")

Net investments in direct financing leases or sales type leases at March 31, 2010 and 2009, included in "Receivables—trade" and "Long-term receivables" in the accompanying Consolidated Balance Sheets, are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	**2010**
Future minimum lease payments to be received	**¥429,841**	¥508,918	**$4,622**
Unguaranteed residual value	**8,578**	10,600	**92**
Less: unearned income	**(73,506)**	(94,220)	**(790)**
Net investments	**¥364,913**	¥425,298	**$3,924**

Contingent rentals amounted to ¥5,415 million ($58 million), ¥4,071 million, and ¥9,525 for the years ended March 31, 2010, 2009 and 2008 respectively.

The Companies also lease aircraft, office buildings and other industrial properties and equipment to third parties under cancelable and non-cancelable operating leases. As of March 31, 2010 and 2009, the cost of the leased property was ¥841,374 million ($9,047 million) and ¥876,189 million, respectively, and the accumulated depreciation was ¥315,694 million ($3,395 million) and ¥355,165 million, respectively, these are included in "Property and equipment" and "Goodwill and other intangible assets." (see Notes 9 and 10)

Future minimum lease payments to be received as of March 31, 2010 are as follows:

	Millions of Yen			Millions of U.S. Dollars		
Year ending March 31,	Direct financing leases and sales type leases	Non-cancelable operating leases	Total	Direct financing leases and sales type leases	Non-cancelable operating leases	Total
2011	¥110,835	¥126,258	¥237,093	$1,191	$1,358	$2,549
2012	82,907	87,485	170,392	891	941	1,832
2013	59,479	61,783	121,262	640	664	1,304
2014	41,554	36,875	78,429	447	396	843
2015	30,496	21,183	51,679	328	228	556
2016 and thereafter	104,570	51,075	155,645	1,125	549	1,674
Total	¥429,841	¥384,659	¥814,500	$4,622	$4,136	$8,758

The components of the net investment in leveraged leases at March 31, 2010 and 2009 are as follows:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	**2010**
Future minimum lease payments to be received (net of principal and interest on third-party nonrecourse debt)	**¥ 2,807**	¥ 2,514	**$ 30**
Unguaranteed residual value	**6,071**	7,633	**65**
Less: unearned income	**(2,271)**	(2,332)	**(24)**
Investments in leveraged leases	**6,607**	7,815	**71**
Less: deferred tax liabilities arising from leveraged leases	**(1,312)**	(1,284)	**(14)**
Net investments	**¥ 5,295**	¥ 6,531	**$ 57**

As Lessee

The Companies lease office space and certain other assets under cancelable and non-cancelable operating leases. Total rental expenses under such cancelable and non-cancelable leases for the years ended March 31, 2010, 2009 and 2008 were ¥66,326 million ($713 million), ¥65,027 million and ¥63,482 million, respectively. The Companies also lease equipment and other under arrangements which are classified as capital leases under ASC 840, "Leases." As of March 31, 2010 and 2009, the cost of the leased property was ¥37,026 million ($398 million) and ¥34,192 million, respectively, and the accumulated depreciation was ¥9,683 million ($104 million) and ¥13,918 million, respectively, these are included in "Property and equipment" and "Goodwill and other intangible assets." (see Notes 9 and 10)

As of March 31, 2010, the future minimum lease payments under capital leases and non-cancelable operating leases are as follows:

	Millions of Yen			Millions of U.S. Dollars		
Year ending March 31,	Capital leases	Non-cancelable operating leases	Total	Capital leases	Non-cancelable operating leases	Total
2011	¥ 6,630	¥ 46,791	¥ 53,421	$ 71	$ 503	$ 574
2012	5,494	43,036	48,530	59	463	522
2013	4,603	39,355	43,958	50	423	473
2014	3,855	37,279	41,134	41	401	442
2015	3,423	35,052	38,475	37	377	414
2016 and thereafter	15,323	182,476	197,799	165	1,962	2,127
	39,328	383,989	423,317	423	4,129	4,552
Less: amount representing interest	(17,538)			(189)		
	¥ 21,790			$ 234		

23 ASSET RETIREMENT OBLIGATIONS

The Companies account for asset retirement obligations, consisting of the costs related to dismantlement of facilities and mine reclamation, in accordance with the requirements of ASC 410, "Asset Retirement and Environmental Obligations" (formerly SFAS No. 143, "Accounting for Asset Retirement Obligations.") The asset retirement obligations are principally related to the costs of dismantlement of crude oil and coal mining drilling facilities. These liabilities are included in "Long-term debt, less current maturities" in the Consolidated Balance Sheets.

The changes in asset retirement obligations for the years ended March 31, 2010 and 2009 were as follows:

	Millions of Yen		Millions of U.S. Dollars
	2010	2009	2010
Balance, beginning of year	**¥12,551**	¥13,176	**$135**
Liabilities incurred	**692**	580	**7**
Liabilities settled	**(273)**	(294)	**(3)**
Accretion expense	**265**	261	**3**
Revisions in estimated cash flows	**(276)**	982	**(3)**
Other*	**(465)**	(2,154)	**(5)**
Balance, end of year	**¥12,494**	¥12,551	**$134**

* Other includes the effect of changes in foreign currency exchange rates and the effect of consolidation and deconsolidation of certain subsidiaries.

24 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Commitments

The Companies customarily enter into long-term purchase commitments for certain items, principally ocean transport vessels and industry materials, either at fixed prices or at basic purchase prices adjustable to market. Such purchase commitments are in most instances matched with counter-party sales contracts. Long-term purchase contracts at fixed prices or at basic purchase prices adjustable to market amounted to ¥956,598 million ($10,286 million) as of March 31, 2010. Scheduled deliveries are at various dates through 2025.

The Companies also had long-term financing commitments of ¥8,753 million ($94 million) as of March 31, 2010 for loans and investments in equity capital.

(b) Guarantees

The Companies enter into various guarantee agreements. These agreements arise in transactions related to enhancing the credit standings of associated companies, suppliers, buyers and employees, and residual values on operating leases.

ASC 460 requires that the Companies recognize the fair value of guarantee and indemnification arrangements issued or modified after December 31, 2002, if the arrangements are within the scope of the Interpretation. The carrying amounts of the liabilities recognized for the Companies' obligations as a guarantor under those guarantees as of March 31, 2010 were insignificant.

The following table provides the undiscounted maximum amount of potential future payments for each major group of guarantees:

As of March 31, 2010:	Millions of Yen	Millions of U.S. Dollars
Discounted trade notes receivable with banks	**¥111,359**	**$1,197**
Guarantees of indebtedness:		
Associated companies	**98,368**	**1,058**
Third parties	**55,619**	**598**
Employees	**2,277**	**25**
Residual value guarantees	**10,919**	**117**
Total	**¥278,542**	**$2,995**

Discounted Trade Notes Receivable with Banks

The Companies are contingently liable for trade notes receivable sold to banks on a discounted basis with recourse to the Companies. These notes arise mainly from export transactions and mature through 2011. If an issuer of a note defaults on its payment, the Companies would be required to pay the banks for any loss. As of March 31, 2010, ¥91,519 million ($984 million) of outstanding discounted trade notes receivable were covered by letters of credit, whereby other banks would be required to pay for any defaults by the issuers of the notes.

Guarantees of Indebtedness for Associated Companies

The Companies provide guarantees on certain of their associated companies' borrowings from banks, payables to suppliers and other indebtedness. These guarantees mature through 2030. Guarantees with third party guarantee aggregated ¥12,038 million ($129 million) as of March 31, 2010. The Companies would be obligated to reimburse the banks for losses, if any, if a borrower defaults on a guaranteed loan.

Guarantees of Indebtedness for Third Parties

The Companies also provide guarantees of indebtedness for third parties. These guarantees are arranged mainly with suppliers and customers and mature through 2025. The Companies must pay if a guaranteed party defaults on a guaranteed indebtedness. Guarantees with third party guarantee aggregated ¥32 million ($0 million) as of March 31, 2010. Certain of these guarantees are also collateralized by borrower assets.

Guarantees of Indebtedness for Employees

The Companies offer guarantees to banks for housing loans of employees as an employee benefit. The maximum maturity of the guarantees is 25 years. The Companies would be obligated to reimburse the bank for losses, if any, if the employee defaults on a guaranteed loan. These guarantees are collateralized by the housing units related to the loans.

Residual Value Guarantees

The Companies also provide residual value guarantees to owners of transportation equipment leased by third parties under operating leases to compensate for the gap between fixed prices and actual disposal proceeds on dates specified in these contracts. These guarantees mature through 2015. If the actual disposal amount of the equipment is less than the guaranteed value on the specified date, the Companies will be required to compensate for the shortfall so long as obligations by the lessee under the contract are satisfied. The current estimated future values of such transportation equipment are higher than the guaranteed values, and, accordingly, no allowance has been provided as of March 31, 2010.

Management does not anticipate incurring losses on the above commitments and guarantees in excess of established allowances.

(c) Litigation

The Companies are involved in certain legal actions and claims incidental to its business. In the opinion of management, none of these actions or claims will have a material adverse effect on the financial position or results of operations of the Companies.

25 SUBSEQUENT EVENTS

The subsequent events as of June 22, 2010, the date the Annual Security Report was filed, are as follows:

The Companies have issued an unsecured bond as follows:

<The 40 round unsecured bond>

Issue date	Principal amount	Issue Price (per value ¥100)	Coupon Rate	Maturity Date	Use of funds
May 27, 2010	¥10 billion	¥100	2.261%	May 27, 2030	Repayment of debt
	$108 million	$1.08			

KPMG

Independent Auditors' Report

The Board of Directors and Shareholders
Sumitomo Corporation:

We have audited the accompanying consolidated balance sheets of Sumitomo Corporation and subsidiaries as of March 31, 2010 and 2009, and the related consolidated statements of income, shareholders' equity and comprehensive income, and cash flows for each of the years in the three-year period ended March 31, 2010, all expressed in yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Sumitomo Corporation and subsidiaries as of March 31, 2010 and 2009, and the results of their operations and their cash flows for each of the years in the three- year period ended March 31, 2010, in conformity with U.S. generally accepted accounting principles.

As discussed in note 2 of the notes to the consolidated financial statements, the Companies adopted ASC 810, "Consolidation" (Formerly Statements of Financial Accounting Standards ("SFAS") No. 160, "Noncontrolling Interest in Consolidated Financial Statements, an amendment of ARB No. 51").

The accompanying consolidated financial statements as of and for the year ended March 31, 2010 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements expressed in Japanese yen have been translated into dollars on the basis set forth in note 2 of the notes to the consolidated financial statements.

KPMG AZSA & Co.

Tokyo, Japan

June 22, 2010

The factors described below may conceivably materially affect investors' decisions as risks relating to us. Unless otherwise specified, information concerning the future presented herein are forecasts based on our decisions, targets, certain premises or assumptions as of the last day (March 31, 2010) of the consolidated fiscal year and may differ materially from the actual results.

RISKS RELATED TO OUR BUSINESS

The risk of our revenues and profitability fluctuating from period to period unexpectedly

Our results of operations for any quarter, half year or year are not necessarily indicative of results to be expected in future periods. Our operating results have historically been, and we expect they will continue to be, subject to quarterly, half yearly and yearly fluctuations as a result of a number of factors, including:

- changes in prevailing economic and other conditions relating to our businesses;
- variations in costs, sales prices and volume of our products and services, and the mix of products and services we offer;
- changes in customer demand and/or our supply chains, which in turn will often depend upon market conditions for the relevant products, the success of our customers' or suppliers' businesses, industry trends, and other factors;
- changes in the level of performance of our strategic investments, which in turn will affect our gains and losses on sales of such investments or may result in the write-off or impairment of such investments;
- changes in our asset prices, including equity, real estate and other assets, which in turn will affect our gains and losses on sales of such assets or may result in the write-off or impairment of such assets;
- changes in the financial and commodity markets; and
- changes in the credit quality of our customers.

As such, you should not rely on comparisons of our historical results of operations as an indication of our future performance.

The risk that we may not be able to achieve the managerial targets set forth in our medium-term business plans

As part of our efforts to strengthen our position as a leading global business enterprise, we intend to increase our profitability and our earnings base and to improve our financial strength and the efficiency and effectiveness of our operations. As part of these continuing efforts, we set and implement a medium-term business plan every two years. In the medium-term business plan, we set certain quantitative and qualitative targets and undertake efforts to achieve such targets while monitoring the status of progress. The targets are set based on the gathering and analysis of information deemed appropriate at the time of such target-setting. However, since we may not be able to always gather all the necessary information, we may not be able to achieve the targets due to changes in the operating environment and other factors.

In our business plan, we use two key management measures that we call "risk-adjusted assets" and "risk-adjusted return ratio," which are targets set for each of our industry-based business units and for our company as a whole. These targets involve a certain statistical confidence level, estimates and assumptions. Since they are different from return on assets or any other measure of performance determined in accordance with U.S. GAAP, they may not be useful to all investors in making investment decisions.

The risk that economic conditions may change adversely for our business

We undertake operations through our offices in over 60 countries, including Japan. Since we are engaged in business activities and other transactions in a broad range of industrial sectors in Japan and abroad, we are affected by not only general Japanese economic conditions but also the economic conditions of the relevant countries in which we operate and the world economy as a whole.

As a result of the financial crisis that occurred in many major economies, some countries in which we operate have experienced, or are currently experiencing, deflation, currency depreciation, and liquidity crises, and these conditions may continue or reoccur in the future.

Moreover, economic conditions in key countries for our operations have been adversely impacted by events such as the continued fear of future terrorist attacks and political instability.

These changes in economic conditions in key countries for our operations may adversely affect our results of operations and financial condition.

Risks associated with intense competition

The markets for many of the industries in which we are involved are intensely competitive. For many of our businesses, we are involved at all levels of the supply chain and compete with companies that are engaged in certain of the same businesses as we are, but that are more concentrated in individual business segments. We also compete with other integrated trading companies in Japan which often establish and pursue similar strategic business plans as ours. Our competitors may have stronger relationships and associations with our current or potential customers, suppliers, counterparties and business partners. Our competitors may also have greater financial, technical, marketing, distribution, information, human and other resources than we do and may be stronger in certain of the market segments in which we operate.

In this intensely competitive environment, our results of operations will be adversely affected if we are unable to:

- anticipate and meet market trends to timely satisfy our customers' changing needs;
- maintain relationships with our customers and suppliers;
- maintain our global and regional network of associated companies and business partners;
- obtain financing to carry out our business plans on reasonable terms or at all; and
- adapt our cost structure to constantly changing market conditions so as to maintain our cost competitiveness.

Credit risk arising from customers and counterparties

We extend credit to our customers in the form of accounts receivable, advances, loans, guarantees and other means and therefore bear credit risk. Some of our customers are also companies in which we invest. In those cases, our potential exposure includes both credit risk and the investment exposure. We also enter into various swap and other derivative transactions largely as a part of our hedging activities and have counterparty payment risk on these contracts. If our customers or counterparties fail to meet their financial or contractual commitments to us, or if we fail to collect on our receivables, it could have a material adverse effect on our business, results of operations and financial condition.

We undertake efforts to manage credit risk by carrying out credit checks on customers based on our internal credit rating system, obtaining collateral or guarantees, and having a diversified customer base. We make allowances for doubtful receivables based on certain assumptions, estimates and assessments about the credit worthiness of our customers, the value of collateral we hold and other items.

However, such efforts may fail or be insufficient. Furthermore, these assumptions, estimates and assessments might be wrong. And if general economic conditions deteriorate, if other factors which were the basis for our assumptions, estimates and assessments change, or if we are adversely affected by other factors to an extent worse than anticipated, our actual losses could materially exceed our allowances.

Risks related to investment activities and our strategic business alliances

In connection with our corporate strategy and the development of our business opportunities, we have acquired or made investments in newly established or existing companies and intend to continue to do so in the future. And we sometimes extend credit, through such as credit sales, loans, and guaranties, to the companies in which we invest. As our business investments sometimes require the commitment of substantial capital resources, in some instances, we may be required to contribute additional funds. We may not be able to achieve the benefits we expect from such investments. In addition, since a substantial portion of our business investments is illiquid, we may not be able to exit from such investments at the time or in the manner we would like.

In order to curb such risk as much as possible, we in principle invest only in projects that meet the specified hurdle rate at inception of investment. At the same time, as for large, important projects that could have a major impact on the entire company, the Corporate Group has a restraining function on business segments through the Loan and Investment Committee, which analyzes project risks from a specialist view point and assesses whether or not to go ahead with them prior to the investment.

We sometimes enter into partnerships, joint ventures or strategic business alliances with other industry participants in a number of business segments, including with our competitors. In some cases, we cannot control the operations and the assets of the companies in which we invest nor can we make major decisions without the consent of other shareholders or participants or at all. Our business could be adversely affected in such cases or if we are unable to continue with one or more of our partnerships, joint ventures or strategic business alliances.

Fluctuations of interest rates, foreign currency exchange rates, and commodity prices

We rely on debt financing in the form of loans from financial institutions or the issuance of corporate bonds and commercial paper to finance our operations. We also often extend credit to our customers and suppliers in the form of loans, guarantees, advances and other financing means. For example, through several subsidiaries, we are engaged in motor vehicle financing and leasing businesses in Japan and other countries. Revenues and expenses and the fair price of our assets and liabilities arising from such business transactions, in some cases, are affected by interest rate fluctuations.

Foreign currency exchange rate fluctuations can affect the yen value of our investments denominated in foreign currencies as well as revenues and expenses and our foreign currency-denominated assets and liabilities arising from business transactions and investments denominated in foreign currencies. Exchange rate fluctuations can also affect the yen value of the foreign currency financial statements of our foreign subsidiaries. Although we attempt to reduce such interest rate fluctuations and foreign currency exchange risks, primarily by using various derivative instruments, we are not able to fully insulate ourselves from the effects of interest rate fluctuations and exchange rate fluctuations.

As a major participant in the global commodities markets, we trade in a variety of commodities, including mineral, metal, chemical, energy and agricultural products and invest in natural resource development projects. As such, we may be adversely affected by the fluctuations in the prices of the relevant commodities. Although we attempt to reduce our exposure to price volatility by hedge-selling commodities, matching the quantity and timing of buying and selling, and utilizing derivative instruments for hedging purposes, we are not able to fully insulate ourselves from the effects of commodity price movements.

Risks related to declines in real estate market or impairment loss on fixed assets, etc.

Our real estate business involves developing, renting and managing of and providing services to office buildings and commercial and residential properties in Japan and abroad. If the real estate market deteriorates, our results of operations and financial condition could be materially adversely affected.

Also, if land prices and rental values decline, we may be forced to write down the value of our properties as well as the value of land and buildings held for lease and land held for development. Not only real estate but also our property holdings are exposed to impairment risk. As such, our business, operating results and financial condition could be adversely affected.

Risks related to continued volatility of equity markets in Japan and elsewhere

A significant portion of our investments consists of marketable equity securities, particularly those of Japanese issuers. Our results of operation and financial conditions may be adversely affected if the Japanese equity market declines in the future because we would incur impairment losses for equity securities.

Risks regarding uncertainty about pension expenses

Declines in the Japanese and foreign stock market would reduce the value of our pension plan assets, and could necessitate additional funding of the plan by us and an increase in pension expenses. This could adversely affect our results of operations and financial condition.

Concentration of risk exposure in specific fields

Some parts of our operations and businesses are concentrated in a few particular markets, entities, and regions. As a result, if these operations and businesses do not perform as we expect or if the economic conditions in these markets and regions deteriorate unexpectedly, it could have a disproportionately negative effect on our businesses and results of operations. For example, we are involved in a large copper and gold mine project, a large power plant project, the automobile lease and finance business, liquefied natural gas projects and other business activities in Indonesia. As such, risk exposure is concentrated there.

Risks stemming from restrictions on access to liquidity and capital

We rely on debt financing in the form of loans from financial institutions or the issuance of corporate bonds and commercial paper etc. to finance our operations. If financial markets are in turmoil and financial institutions reduce their lendings to us and there is a significant downgrade of our credit ratings by one or more credit rating agencies, we may not be able to access funds when we need them on acceptable terms, our access to debt capital markets may become more restricted or the cost of financing our operations through indebtedness may increase. This could adversely affect our results of operations and financial condition.

Risks regarding laws and regulations

Our operations are subject to extensive laws and regulations covering a wide range of fields in Japan and many other countries. These laws and regulations govern, among other things, tariffs and other taxation, repatriation of profits, business and investment approvals, import and export activities (including restrictions based on national security interests), antitrust and competition, commercial activities, currency exchange, distributor protection, consumer protection and environmental protection. In some of the countries in which we operate, our operations may subject us to additional or future relevant laws and regulations. Also particularly in developing countries with relatively nascent legal systems, our burden of compliance may further increase due to factors such as the lack of laws and regulations, unexpected interpretations of existing laws and regulations and changing practices of regulatory, judicial and administrative bodies. Failure to comply with current or future laws and regulations could lead to penalties and fines against us and restrictions in our operations or damage to our reputation. If that occurs, our business, results of operations and financial condition could be materially adversely affected.

Risks related to legal actions, etc.

We are party to a number of legal actions and other disputes in Japan and abroad. In performing our business, lawsuits arising incidentally and claims that do not develop into lawsuits may be brought against us.

Due to the inherent uncertainty of litigation, it is not possible to predict the ultimate outcome of the actions in which we are involved at this time. There can be no assurance that we will prevail in any action or that we will not be materially adversely affected by such action in the future.

Risks regarding internal control over executives and employees and regarding management of our information and communications systems

Due to our size, as well as the diversity and geographic breadth of our activities, our day-to-day operations are necessarily decentralized. The nature of our operations requires extensive internal controls and management oversight to ensure compliance by our employees with applicable laws and regulations and our internal policies. There can be no assurance that we will succeed in preventing misconduct by our employees through our internal control and compliance systems. Employee misconduct could have a material adverse effect on our results of operations, expose us to legal and financial risks and compromise our reputation.

We are dependent on the proper functioning of our information and communications systems to maintain our global operations. System malfunction may result in disruptions of our operations.

There is no assurance that our risk management systems will effectively minimize various types of risks in our operations to appropriate levels

Our extensive and diverse businesses expose us to various types of risks. We conduct our business through industry-based business units and regional operations, domestic and overseas. At the same time, we are expanding our business activities into new areas. Accordingly, in addition to the risks and uncertainties that we face as a whole as an integrated trading company, each of our industry-based business units and regional operations may be subject to risks inherent in or relating to each industry, market and/or geographic focus.

Our existing risk management systems, which consist of various elements from risk measurement methodology and information system to internal rule and organization structure, may not work satisfactorily with respect to various risks. Furthermore, we may have no experience or only limited experience with the risks relating to our new business activities, products and services.

In such cases, our new business activities, products and services may require the introduction of more complex management systems and additional management resources, such as human resources.

Moreover, a shortage of management resources, such as human resources, may lead to a restriction of business operation.

CORPORATE INFORMATION

(As of March 31, 2010)

■ **Company Name:**	Sumitomo Corporation
■ **Date of Establishment:**	December 24, 1919
■ **Sumitomo Corporation Shareholders' Equity:**	¥1,583.7 billion
■ **Fiscal Year:**	From April 1 of each year through March 31 of the following year
■ **Number of Consolidated Subsidiaries:**	566 (Overseas 420, Domestic 146)
■ **Associated Companies [equity method]**:	221 (Overseas 168, Domestic 53)
■ **Total:**	787
■ **Number of Employees:**	Total, including Consolidated Subsidiaries 72,030 Non-Consolidated 5,100
■ **Headquarters:**	1-8-11, Harumi, Chuo-ku, Tokyo 104-8610, Japan
■ **URL:**	http://www.sumitomocorp.co.jp/english/

STOCK INFORMATION

(As of April 1, 2010)

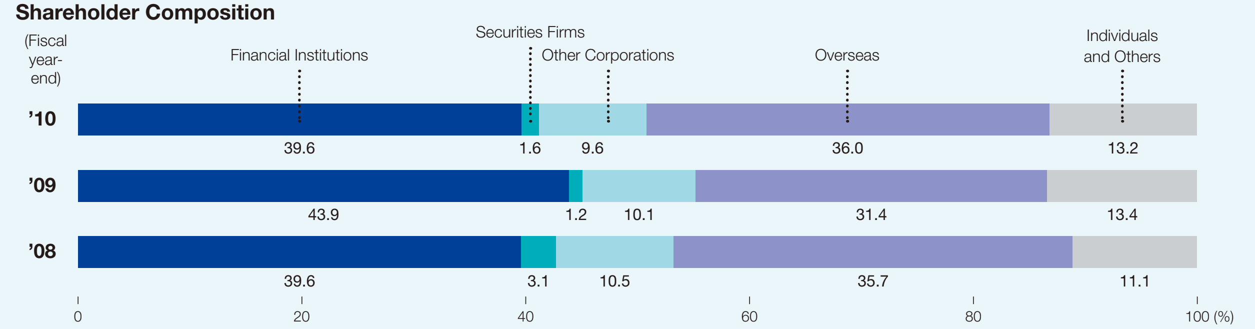
■ **Stock Listings:**	Tokyo, Osaka, Nagoya, Fukuoka
■ **American Depository Receipts:**	
Ratio:	1ADR:1ORD
Exchange:	OTC (Over-the-Counter)
Symbol:	SSUMY
CUSIP Number:	865613103
■ **Depository and Registrar:**	Citibank, N.A. Global Transaction Services Depositary Receipts Services, P.O. Box 43077, Providence, Rhode Island 02940-3077, U.S.A.
Toll Free Number:	1-877-248-4237(CITI-ADR)
Overseas Dial-In:	1-781-575-4555
e-mail:	citibank@shareholders-online.com
URL:	http://www.citigroup.com/adr

Major Shareholders

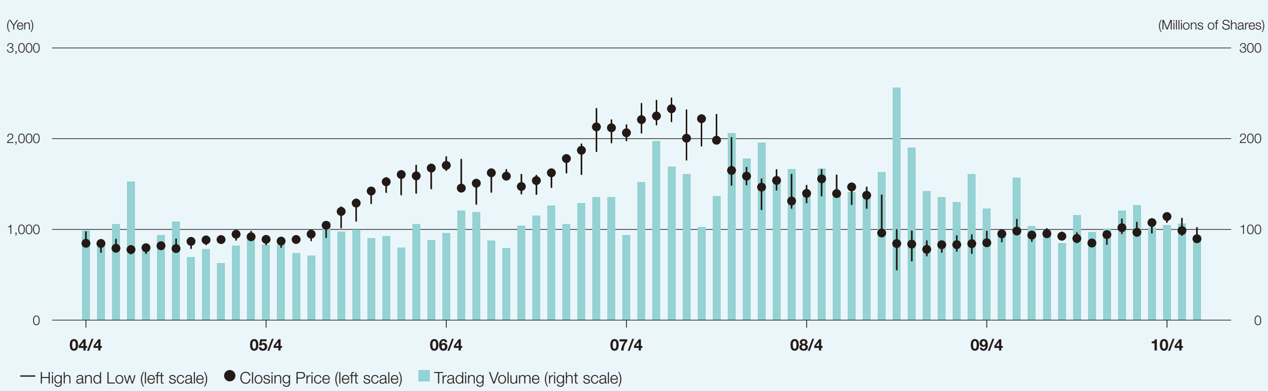
(As of March 31, 2010)

Name	Number of Shares (In Thousands of Shares)	Shareholding Ratio (%)
1 The Master Trust Bank of Japan, Ltd. (trust account)	80,383	6.43
2 Japan Trustee Services Bank, Ltd. (trust account)	79,331	6.34
3 Liberty Programming Japan, Inc.	45,652	3.65
4 Mitsui Sumitomo Insurance Co., Ltd.	33,227	2.66
5 Sumitomo Life Insurance Co.	30,855	2.47
6 Japan Trustee Services Bank, Ltd. (trust account 9)	29,545	2.36
7 Sumitomo Metal Industries, Ltd.	19,291	1.54
8 Japan Trustee Services Bank, Ltd. (trust account 4)	18,119	1.45
9 Nippon Life Insurance Co.	16,532	1.32
10 The Dai-Ichi Mutual Life Insurance Co.	15,889	1.27

Shareholder Composition



Stock Price and Trading Volume



		09/4	5	6	7	8	9	10	11	12	10/1	2	3	4	5	6
Stock Price (Yen)	Closing Price	853	951	982	937	953	925	900	850	943	1,019	968	1,075	1,142	987	897
	High	977	971	1,108	979	1,006	968	961	886	964	1,113	1,076	1,085	1,163	1,120	1,018
	Low	832	866	946	870	926	899	855	811	838	956	938	962	1,080	937	884
Trading Volume (in Thousands of Shares)		122,963	98,634	156,898	103,607	99,469	84,970	116,025	96,751	100,750	120,597	126,646	102,184	104,537	106,590	93,024

Note: Above stock prices and trading volume are based on Tokyo Stock Exchange data.

For further information contact:

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Sumitomo Corporation

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