



Susumu Kato, President and CEO

CREATING A NEW TOMORROW WITH STRENGTH

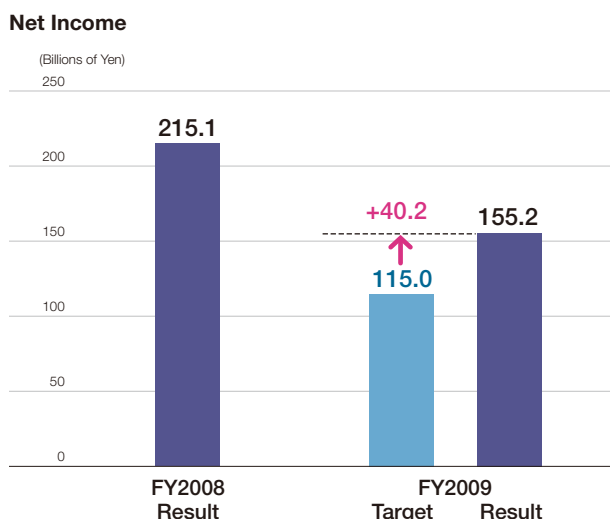
— STRENGTH IN DIVERSE BUSINESS FOUNDATIONS AND FUNCTIONS

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.

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.

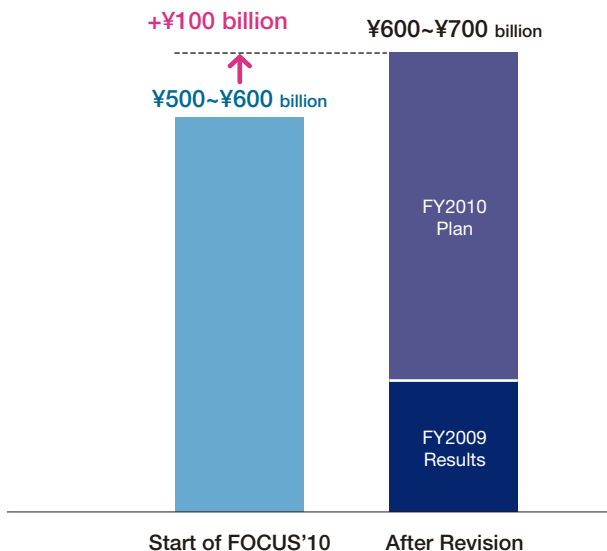
Against this backdrop, we will execute investment and finance of ¥400–500 billion (around ¥170 billion in risk assets) in fiscal 2010, principally in the fields of mineral resources & energy, infrastructure and media, while regionally we will maintain our focus on emerging countries. In mineral resources & 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.

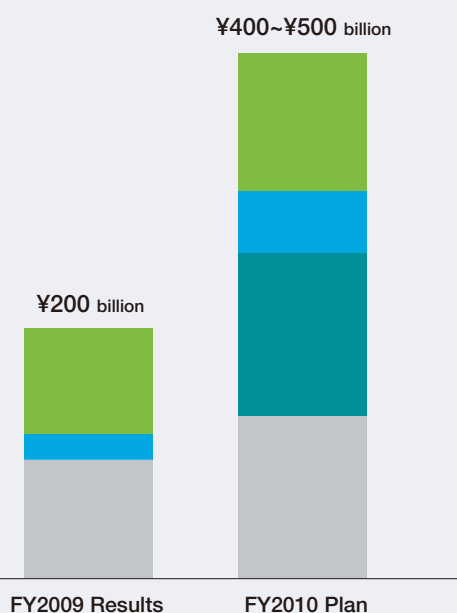
Looking at the breakdown of these investments by region, Japan accounted for 30%, developed countries 40%, and emerging countries 30%. Particularly in

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.

Investment and Finance Plan and Results (by Field)

- Mineral resources & energy
- Infrastructure
- Media
- Others



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.

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.

A handwritten signature in black ink, consisting of several fluid, overlapping loops and a long horizontal stroke extending to the left.

Susumu Kato
President and CEO
July 2010