Semiannual Results for FY2008

November 6, 2008

Sumitomo Corporation

Topics

1. Summary of Semiannual Results
2. Outlook for FY2008
3. Progress in GG Plan
4. Return to Shareholders

Caution 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 strive 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.

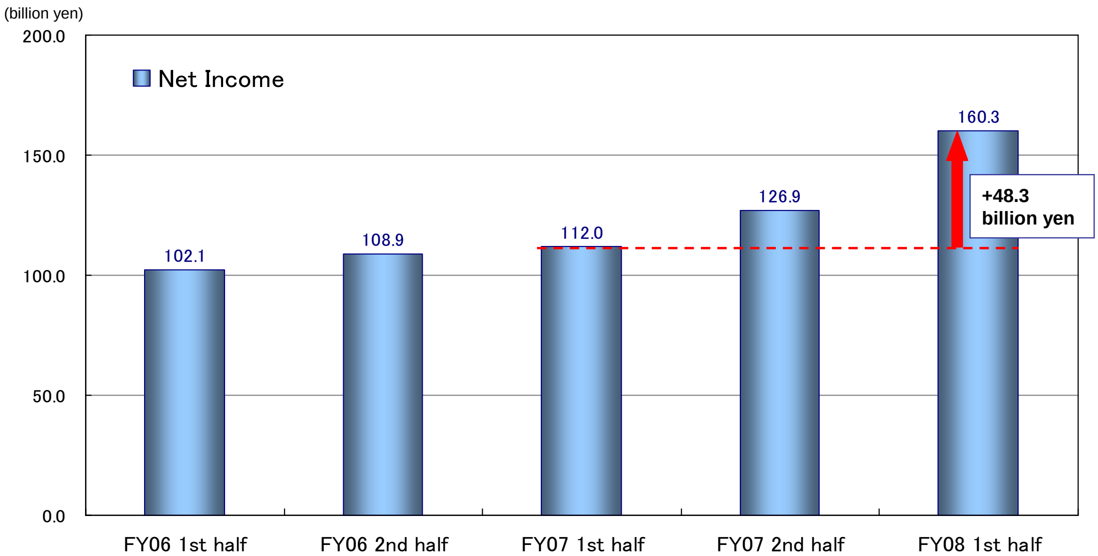
I am Susumu Kato, president and CEO of Sumitomo Corporation.

Thank you very much for attending our semiannual financial results meeting today.

I will explain four topics, namely “Summary of Semiannual Results,” “Outlook for FY2008,” “Progress in GG Plan,” and “Return to Shareholders.”

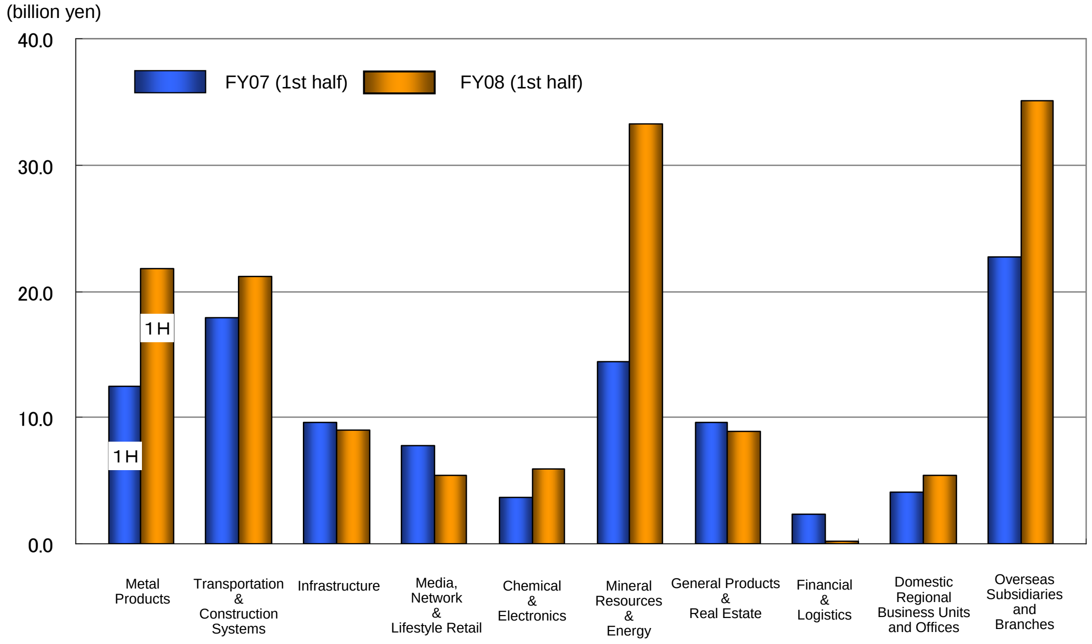
1. Summary of Semiannual Results
(1)Net Income

➢ **Net income 160.3 billion yen**
(+48.3 billion yen, +43% growth from the same period of the previous year)



During the first half of fiscal 2008, net income amounted to 160.3 billion yen, increasing 48.3 billion yen, or 43%, from the same period of the previous year and achieving a record high as a first half.

1. Summary of Semiannual Results
(2)Net Income by Segment



You are now looking at net income by segment.

The orange bar on the right depicts net income for the first half and the blue bar on the left indicates net income for the same period of the previous year.

The four segments of *Metal Products*, *Transportation & Construction Systems*, *Mineral Resources & Energy*, and *Overseas Subsidiaries and Branches* continued to achieve robust performances and were the driving force of companywide earnings.

Metal Products increased net income thanks to strong demand for both steel sheets and tubular products and a rise in sales prices.

Transportation & Construction Systems was partly affected by the slowdown in industrialized economies, such as Europe and the United States. However, the businesses we have been actively pursuing in recent years in emerging countries such as CIS, the Middle East, Africa led this segment, and in the ship business, there was capital gain through replacing our own ships. These factors led to an increase in net income.

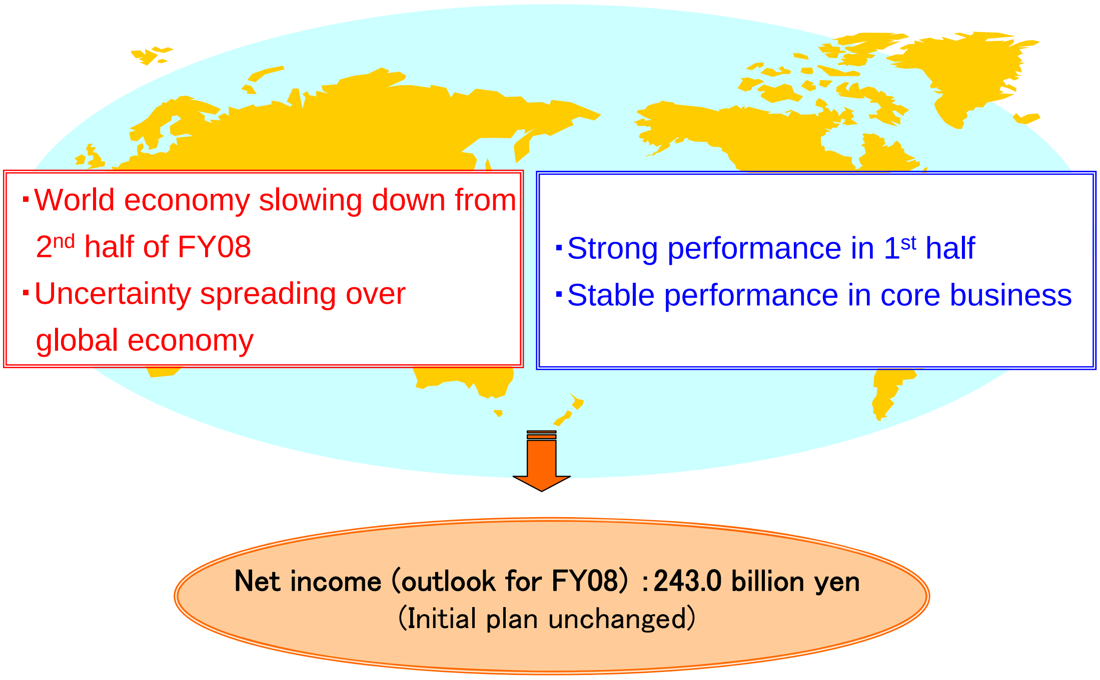
Mineral Resources & Energy achieved substantial net income growth due to a rise in coal prices, as well as an improvement in hedge evaluation gain/loss on the silver-zinc-lead mining project in Bolivia.

In *Overseas Subsidiaries and Branches*, metal-related businesses showed strong performances mainly in the United States, China and other Asian countries while the chemical business was steady in Europe. As a result, net income increased from the same period of the previous year in all regions.

Meanwhile, *Media, Network & Lifestyle Retail* declined in net income due to a huge capital gain through restructuring of Jupiter TV in the previous period.

Also, *Financial & Logistics* suffered a sharp decrease in net income because the financial business posted bad debt and a loss on the valuation of securities.

2. Outlook for FY2008
(1)Business Environment



Next, I will explain the financial outlook for the full year.

Owing to the worldwide credit contraction triggered by the subprime loan problem, we expect the world economy to head toward deceleration. Also, we believe emerging countries, which had been the driving force of the world economy, will experience a slowdown in growth.

Given the recent volatility in the exchange rates and the sharp declines in the equity markets, the business environment is undergoing drastic change. The Company's financial results may be affected to some extent from the second half.

On the other hand, as I explained earlier, financial results for the first half were strong and the stability of earnings is improving as a result of expanding our earnings base primarily in emerging countries. For these reasons, we expect principal businesses for the full year to be stronger than the initial plan.

Nevertheless, we have not revised our initial plan at this moment considering risk factors such as unexpected losses amid growing uncertainties about the future of the world economy.

2. Outlook for FY2008
(2)Net Income Outlook by Segment

(unit: billion yen)

【Segment】	FY07 Results	FY08 Plan	FY08 First half	FY08 Outlook	【Factors of increase/decrease】
Metal Products	29.2	27.0	21.8	↗	Strong demand/Sales price increase
Transportation & Construction Systems	41.6	32.0	21.2	↗	Stable led by business in emerging countries
Infrastructure	18.9	19.0	9.0	→	Stable performance in IPP business
Media, Network& Lifestyle Retail	13.8	13.0	5.4	→	Stable performance in core business (J:COM, SC Media & Commerce, etc.)
Chemical & Electronics	4.7	8.0	5.9	↘	Strong performance in agricultural chemical and sulfuric acid business/Weak performance in Cantex, Sumitronics
Mineral Resources & Energy	32.0	49.0	33.2	↗	Rise of coal prices Improvement of hedge evaluation gain/loss in Bolivia
General Products &Real Estate	19.5	22.0	8.9	→	As planned/Weak performance in building-products business
Financial & Logistics	5.1	10.0	0.2	↘	Severe financial condition
Domestic Regional Business Units and Offices	9.0	8.0	5.4	↗	Strong performance in metal products business
Overseas subsidiaries and branches	45.6	40.0	35.1	↗	Strong performance in metal products business

Next, I will explain the outlook by segment.

The direction from the initial plan is indicated by the arrow in the middle of the screen.

Metal Products, *Transportation & Construction Systems*, *Mineral Resources & Energy*, and *Overseas Subsidiaries and Branches* had been the driving force of financial results for the first half but are anticipated to be partly affected by the economic slowdown and the decline in commodity prices in the second half. However, we expect strong performances on the whole, and anticipate these segments to post higher net income than the initial plan.

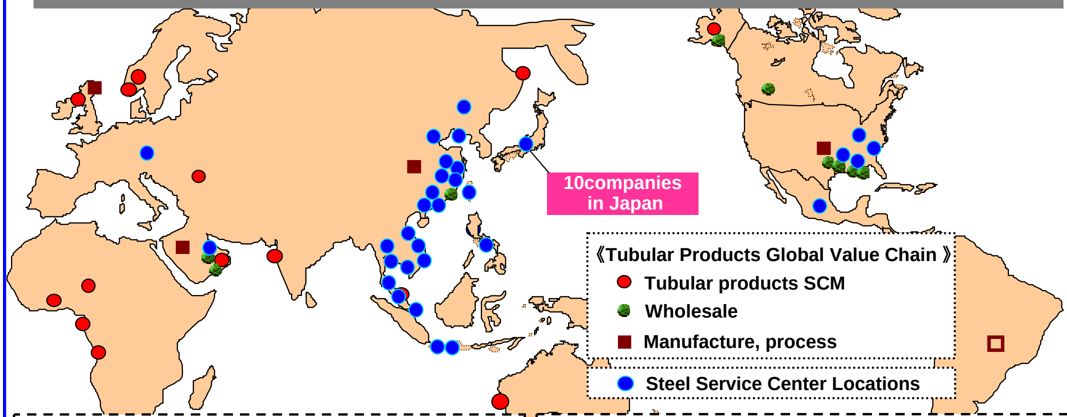
In *Chemical & Electronics*, the agricultural chemical and sulfuric acid-related businesses made contributions in the first half. But owing to the downturn in the U.S. polyvinyl chloride pipe business and the electronics business, and the recognition of a loss from the finance-related business in *Financial & Logistics*, these segments are expected to post lower net income for the full year than the initial plan.

With regard to other segments, *Infrastructure* benefits from the contribution of the existing IPP business mainly in Asia, and *Media, Network & Lifestyle Retail* enjoys stable performances by major companies, such as Jupiter Telecommunications and SC Media & Commerce. As such, we expect these segments on the whole to achieve results as initially planned.

As for *General Products & Real Estate*, although domestic businesses centering on building-products business are weakening, the business unit plans value realization through the replacement of assets in the second half. We therefore expect this segment to post net income as initially planned.

2. Outlook for FY2008
(3)Metal Products

Steel sheets: downward risk related to home electronics and automobile
Tubular products: stable performance expected



【Tubular products】
✓**Enhance value chain for Major Oil Companies**

✓**Risk: decrease of drilling project due to drastic decline in oil prices**

【Steel sheets】
✓**Expand steel service center network**

✓**Risk: slowdown in world economy and decrease in production of automobile and home electronics in Asia**

Next, I will describe some cases in which we are expanding the earnings base through the extensive operation of business mainly in emerging countries.

In tubular products, we are building supply chain management to provide integrated services ranging from the supply to the inventory, processing, inspection, transport and repair of Oil Country Tubular Goods (OCTG). We are upgrading that function and focusing on expanding our operational base in the Middle East, CIS and India, which have been showing strong demand in recent years.

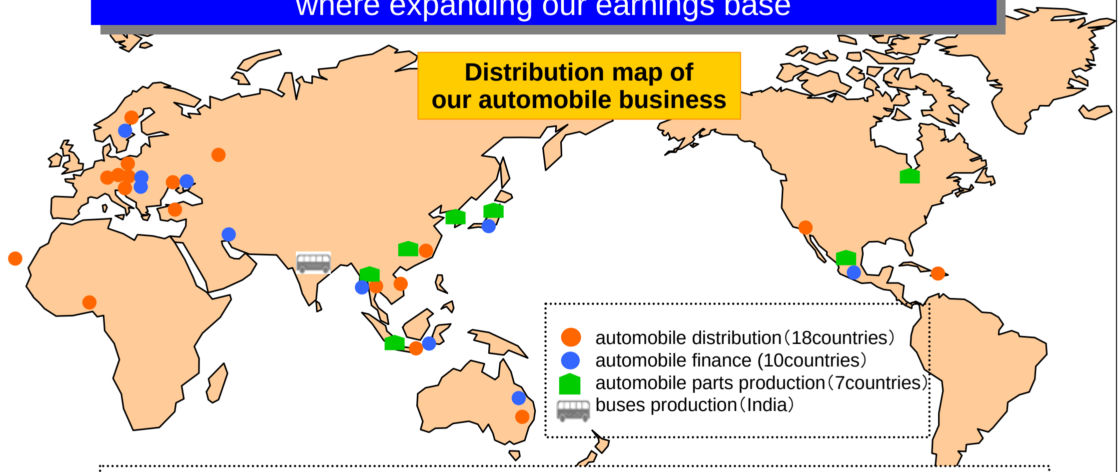
We expect strong performances in this segment due to stable demand and expansion of extensive operations.

In the steel sheets, we sell steel sheets products to Japanese manufacturers of automobile and home electronics mainly in China. We do not simply sell such products but also provide added value by processing steel sheets according to customer needs and implement just-in-time delivery to customers. By doing so, we are exerting our strength as a trading company.

From the second half the operating environment is anticipated to become increasingly harsh due to a reduction in automobile production and a drop-off in spending on home electronics in Europe and the United States. In an effort to cope with changes in demand, such as the downsizing and the weight reduction of automobiles, we are strengthening and upgrading processing equipment. We will seek to achieve stable growth by continuing to expand our production base.

2. Outlook for FY2008
(4)Transportation & Construction Systems

Stable demand for automobile in emerging countries where expanding our earnings base



✓**Transfer management resources to emerging countries in order to take in their growth in the field of automobile distribution and finance business**

✓**Strengthen value chain through global expansion of new business such as producing automobile parts**

In *Transportation & Construction Systems*, we are building the so-called value chain for undertaking business operations in a vertical chain from upstream to downstream areas, and expanding our earnings base by implementing this business model horizontally in different regions.

On the screen the distribution businesses of wholesale and sale of automobiles are shown in the orange circle, and automobile finance business is indicated in the blue circle.

In the distribution sector, we have been focusing our efforts in recent years on operations in emerging countries such as CIS, the Middle East, Africa, through the ongoing replacement of management resources.

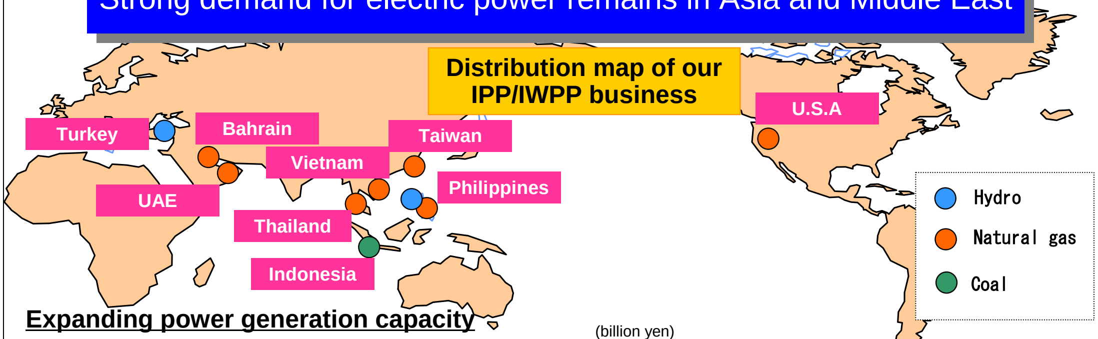
In automobile finance, we are implementing in Thailand the business model we developed in Indonesia and expanding our base.

As a result of these initiatives, performance was strong in the first half.

We expect the effects of the economic slowdown to be felt in the short term from the second half. Nevertheless, we will aim at achieving growth in the medium to long term through the expansion of our sales network mainly in emerging countries and the further replacement of management resources, as well as by strengthening the value chain through the pursuit of overseas operations in the upstream manufacturing area.

2. Outlook for FY2008
(5)Infrastructure

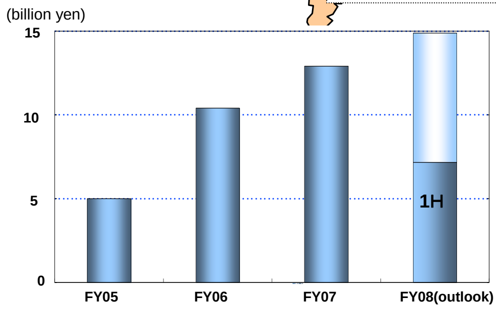
Strong demand for electric power remains in Asia and Middle East



Expanding power generation capacity

As of Sep, 2008	3,100MW
2010(Target)	6,300MW

【IPP・IWPP】
✓**Expanding power generation capacity while exercising our integrated corporate strength (finance and project management)**



Profits from IPP, IWPP business

In Infrastructure, power plant EPC and IPP business mainly in Asia contributed to the results. Spurred by an increase in power generation capacity in IPP business, net income has been rising steadily.

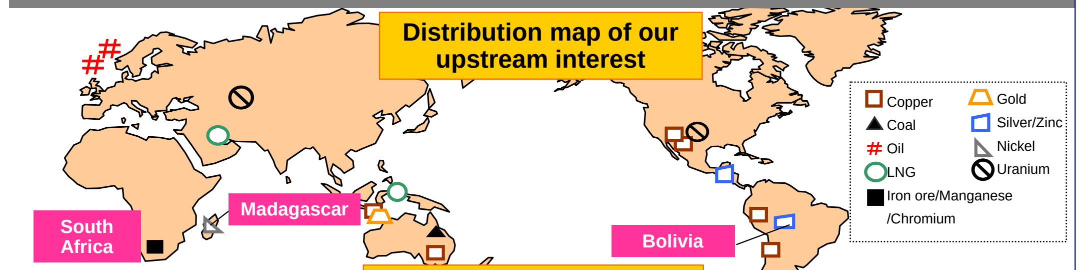
As you can see, we are stably operating a hydropower plant in the Philippines, natural gas power plants in Taiwan, Vietnam and Thailand, and a coal-fired power plant in Indonesia.

In addition to Asia, we recently have been making efforts to build our earnings base in the Middle East, a region where enormous demand is anticipated for the basic infrastructure of electric power and water supply as a result of economic growth.

In this first half we acquired interests in the Independent Water and Power Project (IWPP) in the United Arab Emirates, in addition to the existing project in Bahrain.

2. Outlook for FY2008
(6)Mineral Resources & Energy

Expected to achieve our initial plan despite of risk factors in 2nd half of FY08
New business will start to contribute to the profit from FY09



Establish new pillars of profit

【Expanding upstream interests】

・Assmang Limited (South Africa) : Producing Iron ore, Manganese, Chromium
(annual production volume in equity(FY09): Iron ore 1,200Kt, Manganese 400Kt) our equity increases from FY09

・San Cristobal (Bolivia) : World No.3 Silver & No.6 Zinc mine in production scale
(annual production volume in equity : Silver 184t, Zinc 79Kt, Lead 29Kt)
started producing in Aug 2007, currently establishing stable operation

・Ambatovy (Madagascar) : One of the world largest scale Nickel project producing 60K t/year
(annual production volume in equity: Nickel 16Kt) decided to develop in Aug, 2007, start producing at 2010 (plan)

【Expanding value chain】

・Mitsui Mining Co.,Ltd. : Supply coke to iron mills both in Japan and overseas
(annual coke production volume: 2,100K t) made it an affiliated company from Oct, 2008, strengthen cooperation in coal import and coke sales

We expect Mineral Resources & Energy to be affected by a sharp drop in resource prices stemming from the economic slowdown and the outflow of speculative funds from the second half. However, we anticipate that this segment will achieve the initial plan for the full year on the strength of the coal business in Australia.

The Company has long adopted the basic strategy of making investments in a balanced manner without focusing too much on a certain product and region. With this strategy we have been engaging in establishing new pillars of profit.

Profits from Assmang Limited, which has interests in iron ore and manganese in South Africa started to make a contribution from the second quarter of fiscal 2008. In addition, Mitsui Mining, which became an affiliated company, is expected to contribute to profits from the second half.

Although production of the silver-zinc-lead mining project in Bolivia has been behind the original plan, at long last full-scale production in fiscal 2009 is now in sight.

Furthermore, regarding the integrated nickel production project in Madagascar, the construction is making steady progress to launch on schedule.

It is now very difficult to predict the commodity prices in the future. But in the medium to long term we expect supply and demand conditions to tighten due to the growth of emerging economies.

As such, we will aim at achieving steady profits through the stable operation of these development projects.

2. Outlook for FY2008
(7)Basic Profit* by Region

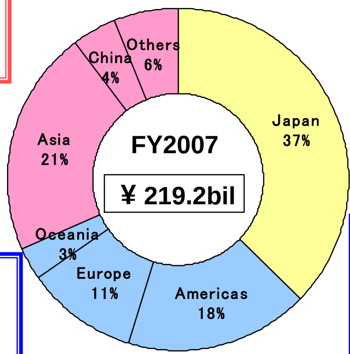
Core Business by Region

【Asia・China】
- Metal Products：steel service center
- Transportation&ConstructionSystems：automobile finance (Indonesia)
- IPP：Tanjung Jati B (Indonesia)
- Copper：Batu Hijau（Indonesia）

【Middle East】
- IPP/IWPP

【Oceania】
- Coal in Australia

【Europe】
- Metal Products：tubular products（the North Sea）
- Transportation &Construction Systems：construction equipment, automobile
- Chemical：agricultural chemical, sulfur and sulfuric acid trading



【Japan】
<Stable profit>
- General leasing/Auto-leasing
- Real estate（condominium sales, office building leasing）

<Growing field>
- Media business（TV shopping, CATV）

【Americas】
- Metal products：tubular products（Gulf of Mexico）
- Transportation &Construction Systems：construction equipment for developing mines in North America
- Retail/housing：tire, PVC pipe for housing, pet care products

*Basic Profit=(Gross Profit-Selling, general and administrative expenses-Interest expenses, net of interest income +Dividends) ×(1-Tax rate)+ Equity in earnings of associated companies, net
Excluding hedge evaluation losses (-22.1 billion yen) on the San Cristobal silver-zinc-lead mining project in Bolivia

In recent IR, we have received many questions about the Company's profit by region given the growing economic slowdown worldwide. I would like to once again explain the Company's profit structure by region, even though some of you may already know this.

The absolute amount of profit has been growing both in Japan and abroad. However, our efforts in recent years to expand our earnings base overseas primarily in emerging countries have resulted in the expansion of the share of overseas profit to 60%.

As you can see, our profit structure by region is well-balanced, with domestic profit indicated in yellow, profit in industrialized countries displayed in blue, and profit in emerging countries indicated in red each comprising about one-third respectively.

2. Outlook for FY2008
(8)Topics <U.S.A.>

Main business

Tubular products V&M Star（manufacture and sale）and wholesale network

【environment】 Strong demand of drilling continues in the Gulf of Mexico and inland of North America

Retail and housing-related business

TBC Retail and wholesale of replacement tires
【environment】 Tire market shrinks though service section performs well

CANTEX Manufacture and sale of PVC pipe for housing
【environment】 Severe condition due to drastic decrease of housing starts

Hartz Mountain Manufacture and sale of pet care products
【environment】 Severe condition due to consumption mind decline

Next, I will talk about the topic of the United States.

Ever since the subprime loan problem surfaced last year, many investors have been concerned about the slowdown in U.S. businesses.

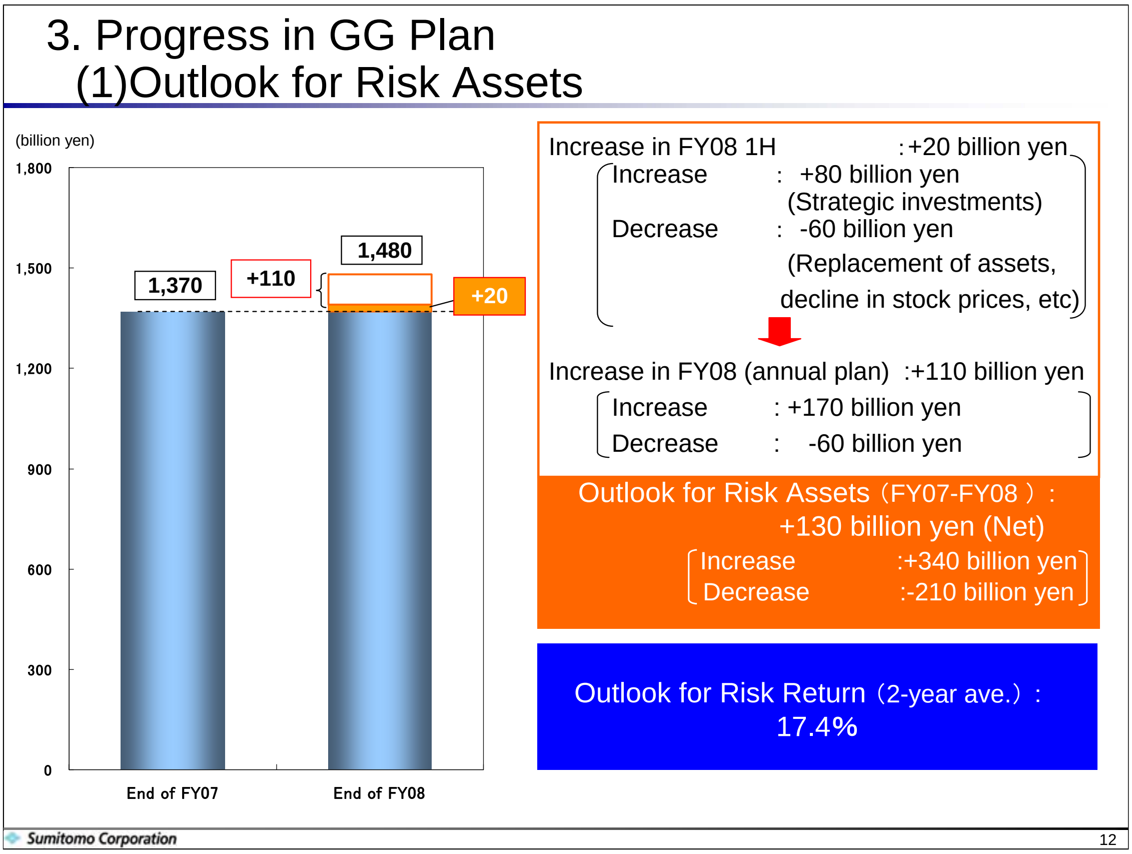
At present the main business contributing to profit is Metal Products centered on OCTG, which accounts for approximately 60% of total profits. This business has recently been showing strong performances.

Meanwhile, the operating environment of the retail and housing-related businesses is becoming increasingly harsh. However, the size of profits of these businesses was only about 4.0 billion yen in fiscal 2007. We therefore believe that this will be a limited impact on companywide net income.

Since the second quarter TBC has been struggling on account of a substantial downturn in the tire market. Nevertheless, we are pursuing to strengthen its profitability through steadily implementing strategies, such as strengthening the service section, TBC's forte, and diversifying supplier sources, as well as expanding the sales network taking M&A into consideration.

CANTEX is pursuing the diversification of customers for a wide range of businesses from housing-related companies to commercial buildings and electric power companies. Other than that, CANTEX is implementing measures aimed at improving earnings, such as differentiation through the introduction of lightweight products and the establishment of a new factory. But since the housing market is not expected to recover until the next term, we believe that harsh conditions will continue for some time.

Even though Hartz Mountain is affected by sluggish consumer spending, sales of leading animal health-related products are recovering as a result of the replacement of products. The company will continue improving its corporate structure by continuously introducing new products and cutting costs.



Now I would like to explain the progress in the expansion of the earnings base under the GG Plan.

The net increase in risk assets came to 20 billion yen in the first half.

While the gross increase in risk assets amounted to 80 billion yen due to new investments, the decrease in risk assets was 60 billion yen as a result of the replacement of assets.

The steady increase in risk assets is anticipated in each segment in the second half too, with the net increase expected to amount to 110 billion yen in full year.

As a result, the increase in risk assets for the two years under the GG Plan is expected to be 130 billion yen. That includes the increase of 20 billion yen for fiscal 2007.

Our outlook calls for a two-year average risk-adjusted return ratio of 17.4%, and we expect to achieve the quantitative target of 15% or more under the GG Plan.

3. Progress in GG Plan
(2)Key Financial Indicators

（unit: billion yen）

	End of FY2007	End of FY2008 (Outlook)
Total Assets	7,571.4	7,900.0
Shareholders' equity	1,492.7	1,630.0
Shareholders' equity ratio (%)	19.7	20.6
Interest-bearing liabilities (net)	3,247.6	3,370.0
Debt-equity ratio (net) (times)	2.2	2.1
ROE (%)	16.1	15.6
ROA (%)	3.0	3.1

You are now looking at the outlook for key financial indicators at the end of the GG Plan. Total assets are anticipated to amount to 7,900 billion yen thanks to the increase in profitable assets.

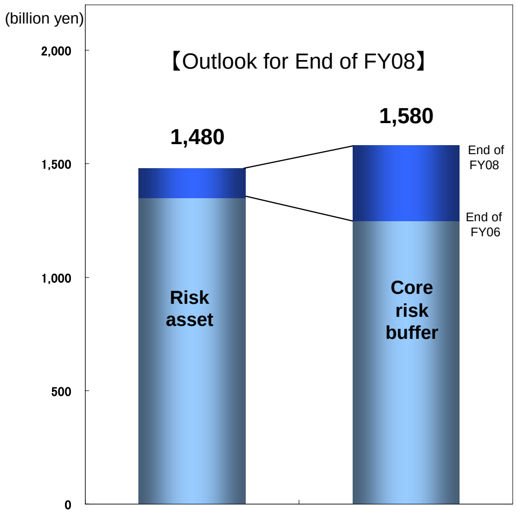
The shareholders' equity ratio is expected to improve to 20.6% due to an increase in profit.

Also, debt-equity ratio, net is expected to be 2.1 times while ROE and ROA are anticipated to stand at about 15.6% and 3.1%, respectively.

3. Progress in GG Plan
(3)Financial conditions

・Balance of risk asset and core risk buffer*

*Common stock + Retained earnings + Foreign currency translation adjustments- Treasury stock, at cost



・Ratings

Moody's : A2 (stable)
S&P : A (stable)
R&I : AA- (stable)

・DER (net) : maintain around 2

・Financing
mainly indirect finance from Japanese banks
(both yen and other currencies)

・Sufficient liquidity

・Group finance network
(Japan, U.S.A, Europe, Asia)

At the end of March 2009 risk assets are expected to be within the amount of core risk buffers. From the standpoint of the balance between risk assets and core risk buffers, we believe we still have room for further investment.

As for financing, the Company mainly raises funds from Japanese banks and has no problem with securing the necessary funds in terms of both quantity and quality.

Also, we have long established a commitment line with highly creditworthy financial institutions, in addition to having access to cash and deposits. Moreover, we have a group finance system in an effort to promote efficient fund raising between the key operational bases, namely Japan, the United States, Europe and Asia.

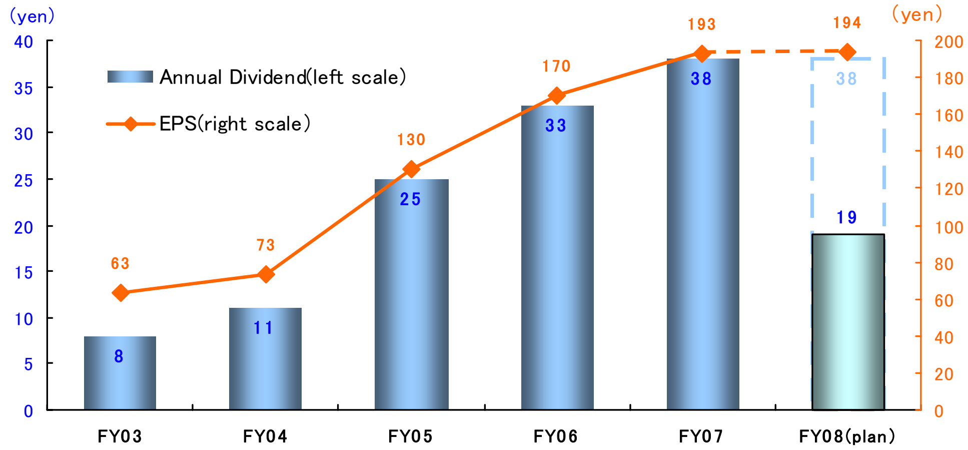
4. Return to Shareholders

Dividend policy during GG Plan - Payout ratio: around 20%

・FY08: Based on our target of consolidated net income of 243.0 billion yen

⇒ Annual dividend per share (plan) : 38 yen

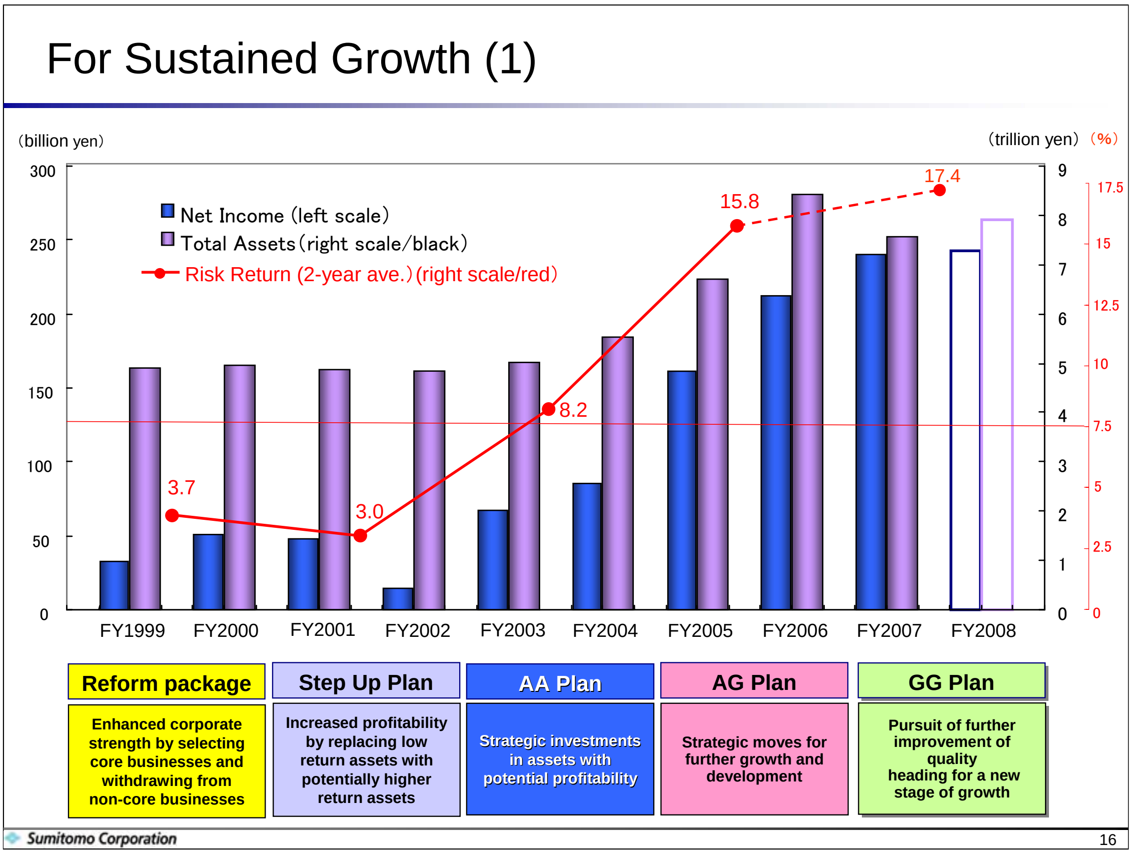
Interim dividend per share : 19 yen



Next I will explain interim dividend.

Under the GG Plan, we intend to expand the earnings base through investments to accomplish sustained growth. With this intention, we decided to set the consolidated dividend payout ratio at 20%.

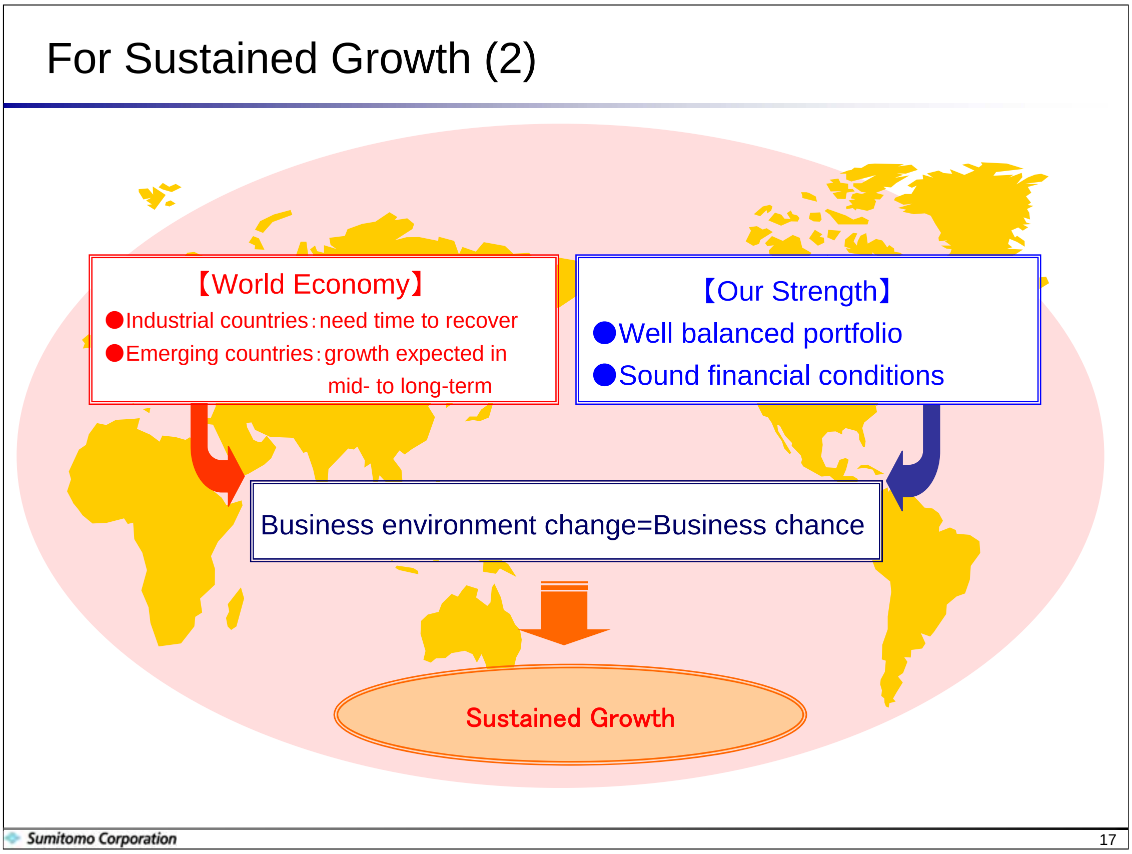
The interim dividend for the first half will therefore be 19 yen, or half the forecast annual dividend per share of 38 yen, based on the net income target of 243 billion yen for the full year.



As you can see, the Company's earnings have grown steadily partially due to the favorable effects of the operating environment from the expansion of the global economy and the surge in commodity prices.

Under the current Medium-Term Management Plan, the GG Plan, we have decided to pursue "improvement of quality" and "expansion of scale" in a balanced manner.

So far we are advancing at a pace to achieve the quantitative target of a two-year total net income of 470 billion yen and a two-year average risk-adjusted return ratio of 15% or more. We are also making steady progress in achieving the qualitative target of "improvement of management quality."



Nevertheless, recent changes in the operating environment have far surpassed our expectations.

Uncertainties over the world economy stemming from the turmoil in international financial markets are expected to continue for some time.

Although it is viewed that industrialized economies will take time to recover, emerging countries, such as BRICS, the Middle East and CIS still have the potential for growth in medium to long term and are anticipated to grow steadily led mainly by domestic demand.

The Company has long aimed at building a strong earnings base that can flexibly cope with changes in the environment.

As I explained earlier, we are making progress in strengthening our earnings base mainly in emerging countries, and a strong business portfolio that is balanced in terms of commodity and region is being constructed.

As a result, we believe that the Company's earnings stability is improving and becoming resistant to the economic downturn as we can see today.

We expect the harsh financial environment to persist for some time and think that it is very crucial to maintain and improve a sound financial condition.

It can also be said that the current environment presents opportunities for more investments and business expansion to companies which have a strong financial condition.

Viewing changes in the business environment as an opportunity, we are intent on earning investor trust as we build a truly strong earnings base and show stable growth in our results.

As we continue to aim at achieving sustained growth by steadily enhancing profitability, growth potential and soundness in a balanced manner, we ask for your understanding and support.

This concludes my explanation. Thank you for your attention.

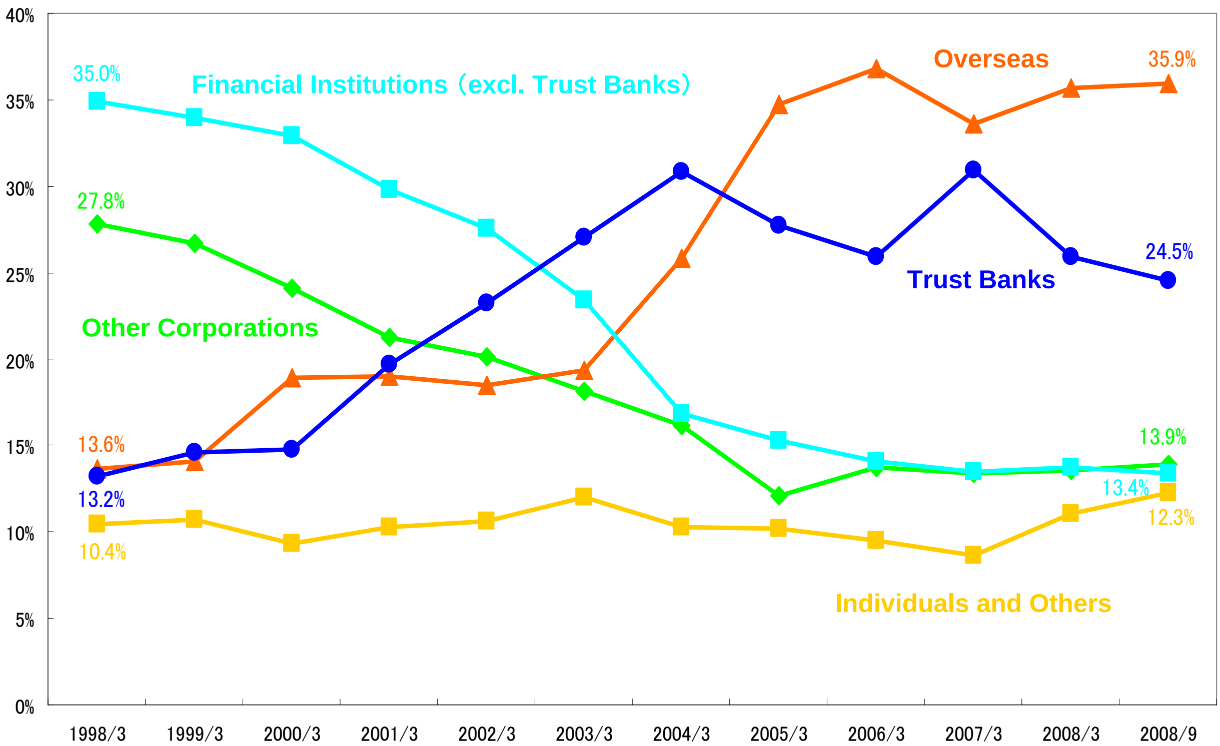
Appendix

Assumptions of FY2008 Outlook

Assumptions (Average)		FY2008 Outlook (Announced in Apr., 2008)	FY2008 1H Results	FY2008 Outlook (Revised in Oct., 2008)	Sensitivity to net income [including hedge]
Foreign exchange (YEN/US$) [Apr.-Mar.]		105	106	105	around 700 million yen (1JPY/US$)
Interest rate	LIBOR 6M (YEN) [Apr.-Mar.]	1.00%	1.00%	1.10%	—
	LIBOR 6M (US$) [Apr.-Mar.]	3.0%	3.06%	3.5%	—
Crude oil <North Sea Brent> (US$/bbl) [Jan.-Dec.]		90	110	104	less than 100 million yen
Hard coking coal (US$/MT)* [Apr.-Mar.]		around 285～300	around 285～300		—
Copper (US¢/lb) [Jan.-Dec.]		325	368	336	around 30 million yen (1US¢/lb)

＊Market Price

Shareholders' Composition



Progress in GG Plan
- Expanding the Earnings Base(1)

【Metal Products】[Enhance the function as a solution provider]

【Progress】

Investment in energy and automobile businesses

・Steel tubular products: Expanding earnings base in OCTG and the related area

-Made HOWCO a subsidiary

(manufacturer & distributor of metal parts for equipment)

-New investment in steel tubular mil in Brazil

-Expansion of the base of tubular products supply chain management（14 places in 13 countries）

・Steel tubular manufacturing business for automobiles in India

・Strengthen global network of steel service centers

・New investment in steel sheets maker with Sumitomo Metal Industries and China Steel Corporation (Vietnam)

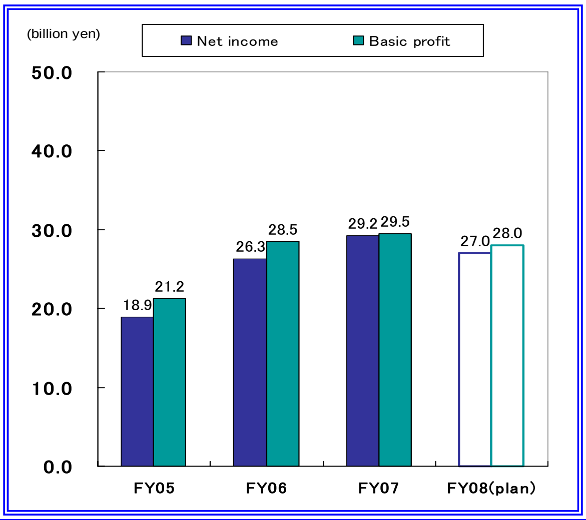
（note: projects in blue: done in FY07

projects in red : done in the first half of FY08)

【Business environment】

・Active development of oilfield and gasfield

・Weakened automobile and home electronics industry due to decrease of consumption



Progress in GG Plan
- Expanding the Earnings Base(2)

【Transportation & Construction Systems】[Enhance value chain]

【Progress】

・Automobile

-Established Sumitomo Mitsui Auto Service Company

（Enlarging scale, enhancing profitability）

-Expand manufacturing activities to overseas

（India: Kiriu entered, Swaraj started selling Isuzu bus and truck ）

-Strengthen wholesale of automobile

（Toyota in Ukraine, Mitsubishi in Sweden, Ford in middle Europe)

・Construction equipment

-Enhance further distributor business

（Europe, Canada, China and Russia）

-Expand rental/used construction equipment business and SCM of parts for manufacturing to abroad

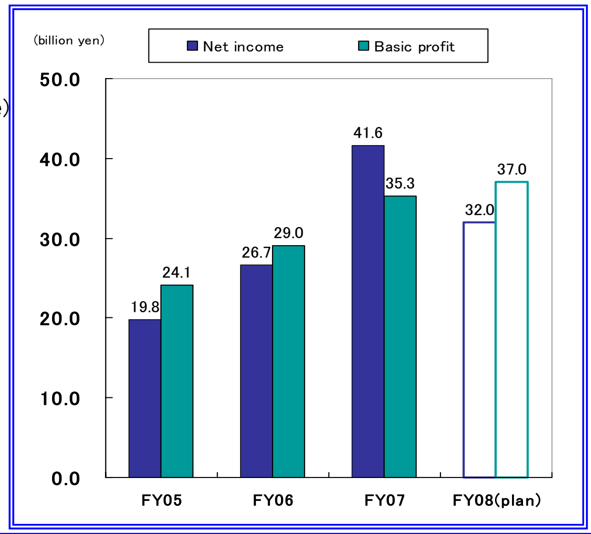
・Ships, aerospace and railway car

-Enhance portfolio and continuous replacement of assets

【Business environment】

・Expanding automobile market in emerging countries

・Construction equipment market weakened in U.S.A, drastic decline in Europe



Progress in GG Plan
- Expanding the Earnings Base (3)

【Infrastructure】[Strengthen & enhance stable earnings base]

【Progress】

・Strengthen and enhance core businesses

-IPP/IWPP*: Further expansion/Asia, Middle East, U.S.A.

-AMATA POWER (Thailand)

-Shuweihat S1 IWPP* Project in Abu Dhabi

-EPC**: Develop core market in Asia

- completed Tanjun Bin (Malaysia)
- constructed geothermal energy plant (Indonesia, New Zealand)

・Foster core businesses

-Water business:

Sewage treatment (Mexico), district cooling（UAE）

-Telecommunication: New overseas investment

-Eco and energy saving:

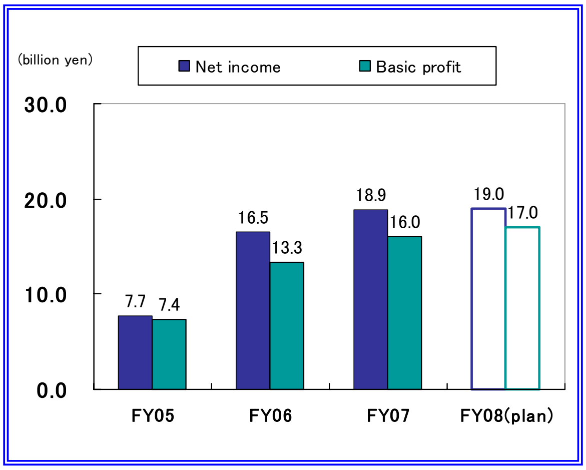
Solar energy generation（Spain）

* IPP/IWPP: Independent Power Producer / Independent Water and Power Producer
** EPC: Engineering, Procurement and Construction

【Business environment】

・Strong demand of electric power mainly in Middle East and Asia

・Rising interest in eco business



Progress in GG Plan
- Expanding the Earnings Base (4)

【Media, Network & Lifestyle Retail】[Strengthen core business/ Promote web-retail]

【Progress】

・Strengthen and enhance consumer business through integration of media, network and retail

-Made Jupiter Shop Channel a subsidiary (TV shopping)

-Promoted e-commerce of existing retail businesses

・Enhance profitability and services of Jupiter Telecommunications Co., Ltd. (J:COM)

-Strengthened:

contents by integration of JTV,
operation in broaden area by promoting M&A
integrated community services

・Enhance core businesses

-Established T-GAIA Corporation

→No.1 position in the industry

-Sumisho Computer Systems Corporation

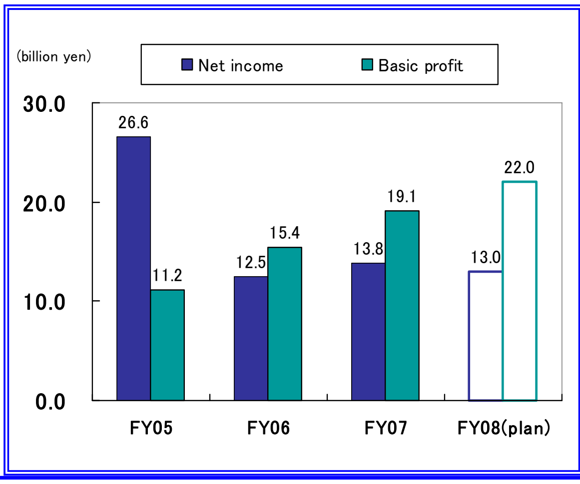
-Summit (Supermarket chain)

【Business environment】

・Severe competition in business environment due to integration of broadcasting and telecommunication

・High-value-added service with diversification of consumer behavior and demand

・Decrease of consumption in domestic retail market



Progress in GG Plan
- Expanding the Earnings Base (5)

【Chemical & Electronics】[Enhance global network]

【Progress】

・Improve core businesses and strengthen business base

-Cantex : Production in line with shrinking market and thorough cost reduction

-Sumitronics:
Full-scale operation of EMS* business for flat-screen in North America

-Hartz (Pet care):
Develop & launch new products

-Inorganic raw materials:
Strengthen trade of soda ash, sulfur and sulfuric acid

-Agrichemical:
Expanding global retail network (Russia, Australia)

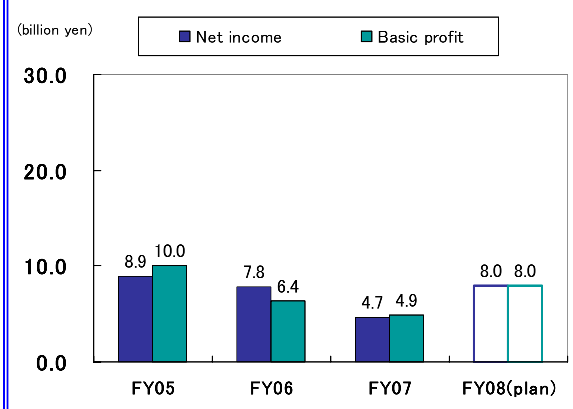
*EMS: Electronics Manufacturing Services

【Business environment】

・Retail and housing businesses remain weak in North America

・Drastic deterioration of supply and demand balance in electronics business

・Weakened mine-related material business (sulfuric acid, etc)



Progress in GG Plan
- Expanding the Earnings Base (6)

【Mineral Resources & Energy】[Enhance well-balanced portfolio in upstream area]

【Progress】

・Strengthen existing mainstay 4 areas

-Copper, Coal, Oil and LNG

-Proceed with F/S of undeveloped coal mines in Australia

・Establish new pillar of profit

-Silver, Zinc and Lead (Bolivia)

-Nickel (Madagascar)

-Iron ore, Manganese (South Africa)

-Mitsui Mining (Japan) : Made it an affiliated company

・Selection and concentration by replacement of assets

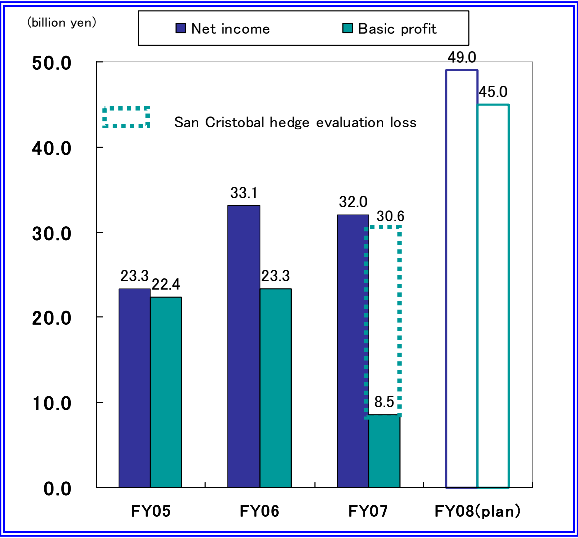
-Merged LPG businesses

-Sold Sumisho Oil Corporation (Service station)

【Business environment】

・Drastic fall of resource prices due to economy slowdown and out flux of speculative money

・In the long term, tightness between supply and demand expected due to economic growth in emerging countries



Progress in GG Plan
- Expanding the Earnings Base (7)

【General Products & Real Estate】[Strengthen competitive business]

【Progress】

・Construction & Real Estate
- -Office building, commercial facilities:
  Maintain & expand earnings by increasing and replacing assets
- -Condominium: Large-scale mixed-use development projects in Tokyo & Kansai metropolitan area

・Materials & Supplies
- -Tire : Promote growth strategy of TBC
- -Timber: Promote timber processing business (Russia)

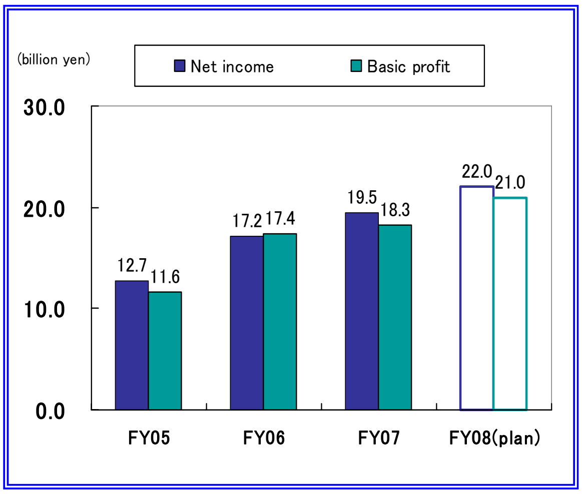
・Food
- -Fertilizer: Strengthen earnings base in overseas (China and West Australia)
- -Banana : Focus on enhancing the production base

【Business environment】

・Uncertainty over domestic real-estate market /deteriorated residential market

・Negative growth in tire market in North America

・Decline of raw material prices in foodstuff



Progress in GG Plan
- Expanding the Earnings Base (8)

【Financial & Logistics】[Upgrade functions and services]

【Progress】

・Financial business
- -Commodity:
  Take in the needs of hedging commodity prices
- -Asset management business:
  Focus on our strong businesses and increase assets under management
- -Investment & development:
  Promote cooperation with outside investment funds
- -Leasing business:
  Strengthen cooperation with Sumitomo Mitsui Finance &Leasing
  →Leasing operation in aircraft etc.

・Logistics
- -Logistics: Strengthen global network
- -Industrial park (overseas) :
  Started selling Thang Long Industrial park II in Vietnam

【Business environment】

・Drastic shrinkage of the financial market due to global financial crisis