Sumitomo Corporation

The Current Status of Sumitomo Corporation

Feb., 2010

Topics

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.

Summary of “FOCUS’10”

【 Quantitative Targets 】

✓Net Income*（FY2009） : 115 billion yen (initial plan)

✓Risk Return（2-year ave）: around 10%

【 Investment Plan : Risk Asset 】

✓100 billion yen increase (net) in two years (increase +200 / decrease -100)

【 Soundness & Efficiency 】

✓Total Assets : Same level as of 2009/3

✓Free Cash Flow: Positive 2-year total

【 Qualitative Targets 】

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

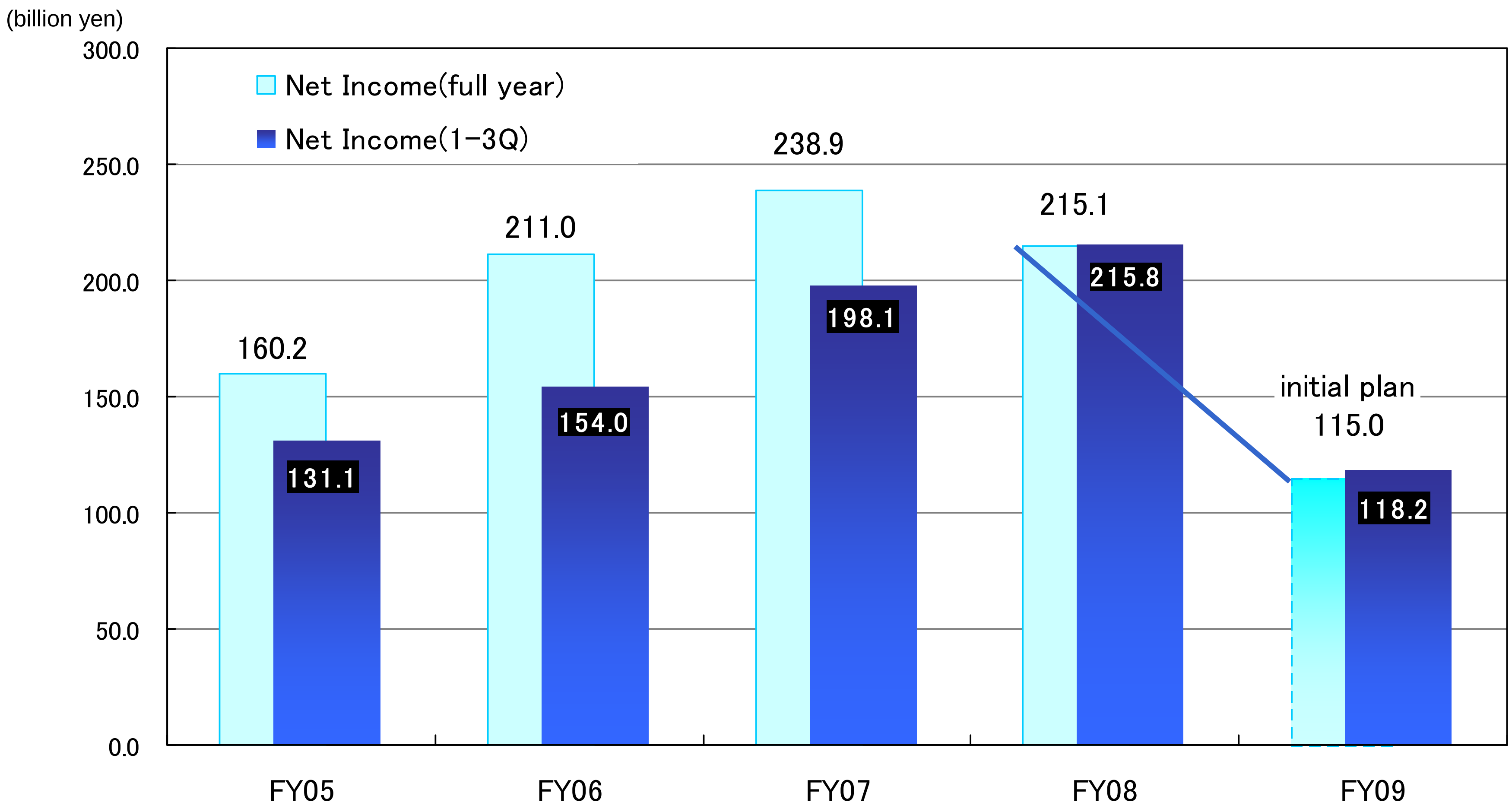
Further strengthening of business portfolio

Aim to stably realize risk-adjusted return 15% or more in the medium- to long-term

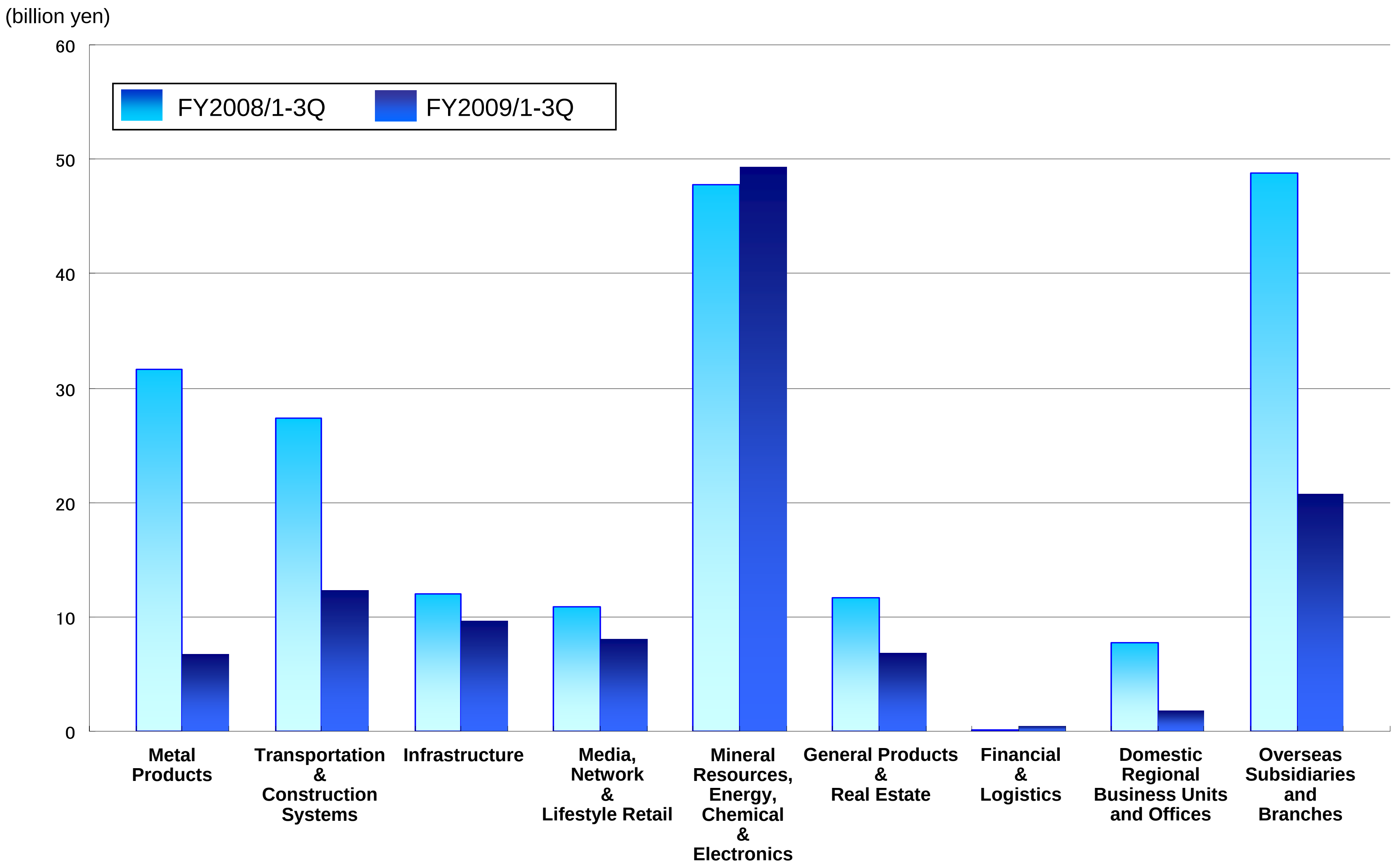
* In this document, “Net Income” regarding FY2009 is equivalent to “Net income attributable to Sumitomo Corporation” and equivalent to “Net Income” which had been used until FY2008.

1. Summary of Performance - 3Q Results of FY2009
(1)Net Income

Net Income for 3Q/FY2009 : 118.2 billion yen



1. Summary of Performance - 3Q Results of FY2009
(2)Net Income by Segment



<Current Business Sentiment>
The world economy gets out of the worst
The pace of recovery is slow

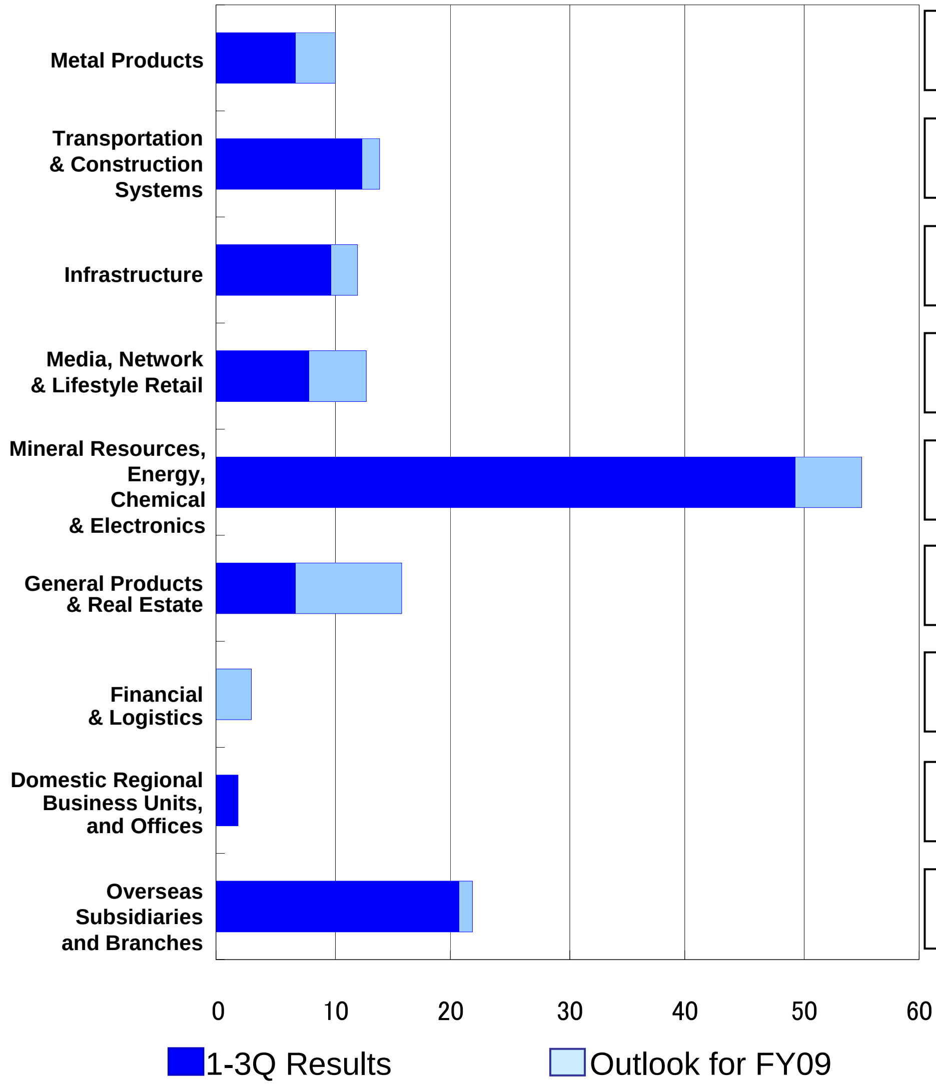
Business Environment surrounding us

- ✓Demand recovery is slower than expected
- ✓On the other hand, commodity prices are rising
- ✓Value realizations through replacement of assets

Net Income Outlook for FY2009

115 billion yen (initial plan)➡**145 billion yen** (revised plan)

2. Outlook for FY2009
(2)Net Income by Segment



1-3Q Results	Outlook*	Progress	Business environment
6.7	10	67%	Tubular products: rig counts bottomed out Steel sheets: operation started recovering
12.3	14	88%	Auto finance/ships: stable Dealer business: sluggish
9.7	12	81%	IPP/IWPP: stable
8.1	13	63%	J:COM/Shop Channel: stable
49.4	around 55	90%	Rise in commodity prices
6.8	16	42%	Value realization planned in the 4Q
0.5	3	17%	Severe environment continues
1.8	2	88%	---
20.8	22	95%	---

*Outlook as of Oct.,2009
except for Mineral Resources, Energy, Chemical & Electronics (as of Jan.,2010)

3. Progress in FOCUS'10
(1)Major Investments

Plan for Increasing Risk Assets (2-year) : +200 billion yen
(Investment amount : 500-600 billion yen)

Increase in 1-3Q：+70 billion yen
(Investment amount : 160 billion yen)

Major Acquisitions

- Oilfield interest in the British North Sea (production:7,000 bbl/day)
- Additional interest of Pogo Gold Mine (U.S.A.)
- Investment in construction equipment rental business (U.S.A.)
- Wind power generation interest (U.S.A.)
- Natural gas-fired combined cycle power plant interest (U.S.A.)
- Katsumata (drugstore chain in Japan)

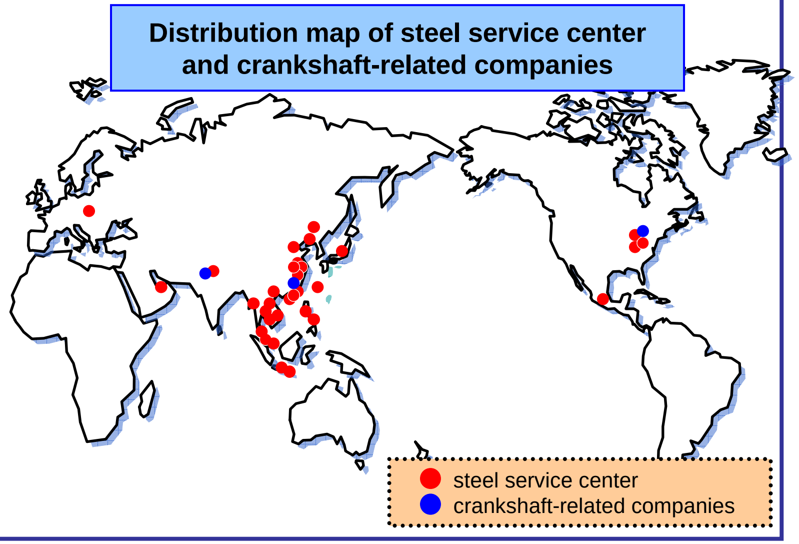
3. Progress in FOCUS'10
(2)Enlarging our Earnings Base in Emerging Market

Metal Products

India : Integrated steel processing business

Manufacturing crankshafts for automobile

China : Stainless processing & sales business

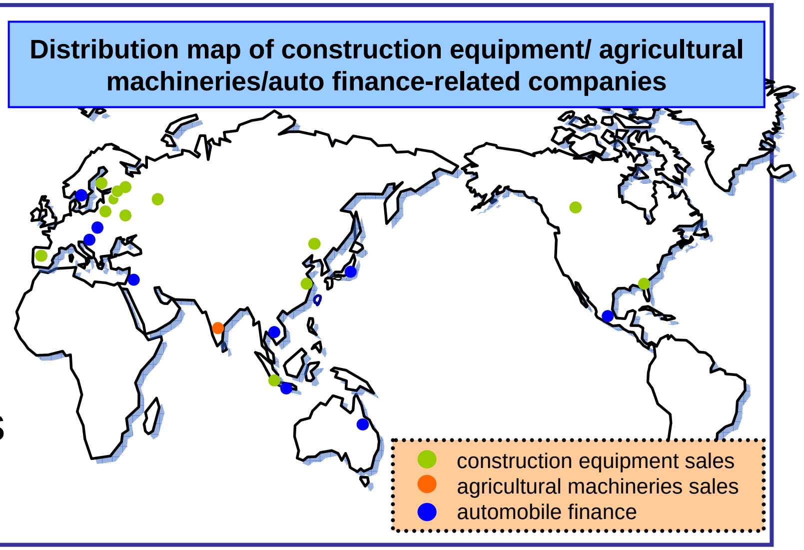


Transportation & Construction Systems

Philippines : Motorcycles financing business

China : Construction equipment distributor network

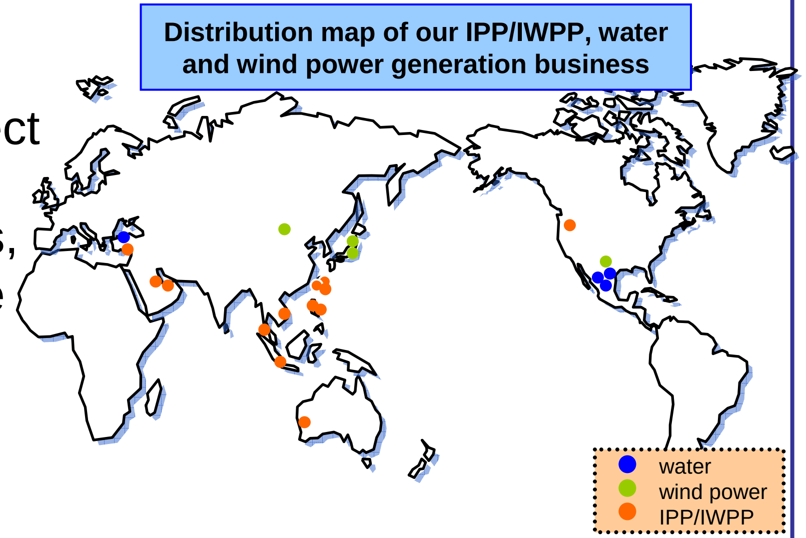
India : Sales of agricultural machineries made by KUBOTA



3. Progress in FOCUS'10
(3)Strengthening our Earnings Base

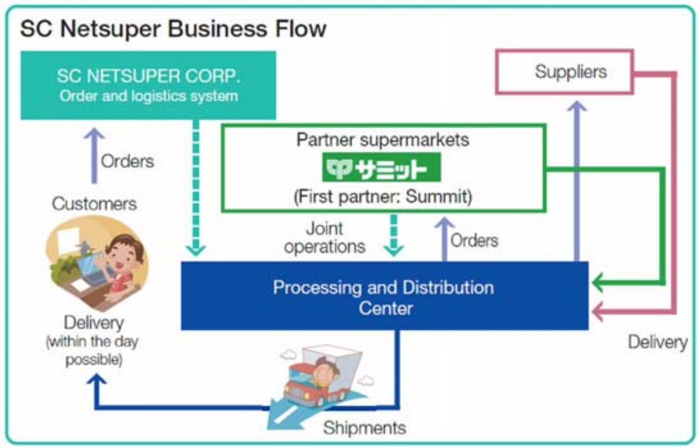
Infrastructure

- **Indonesia** :Progress in TJB expansion project
- **U.S.A. & China** :Wind power generation business, Natural gas-fired combined cycle power plant
- **Mexico** :Waste water treatment services



Media, Network & Lifestyle Retail

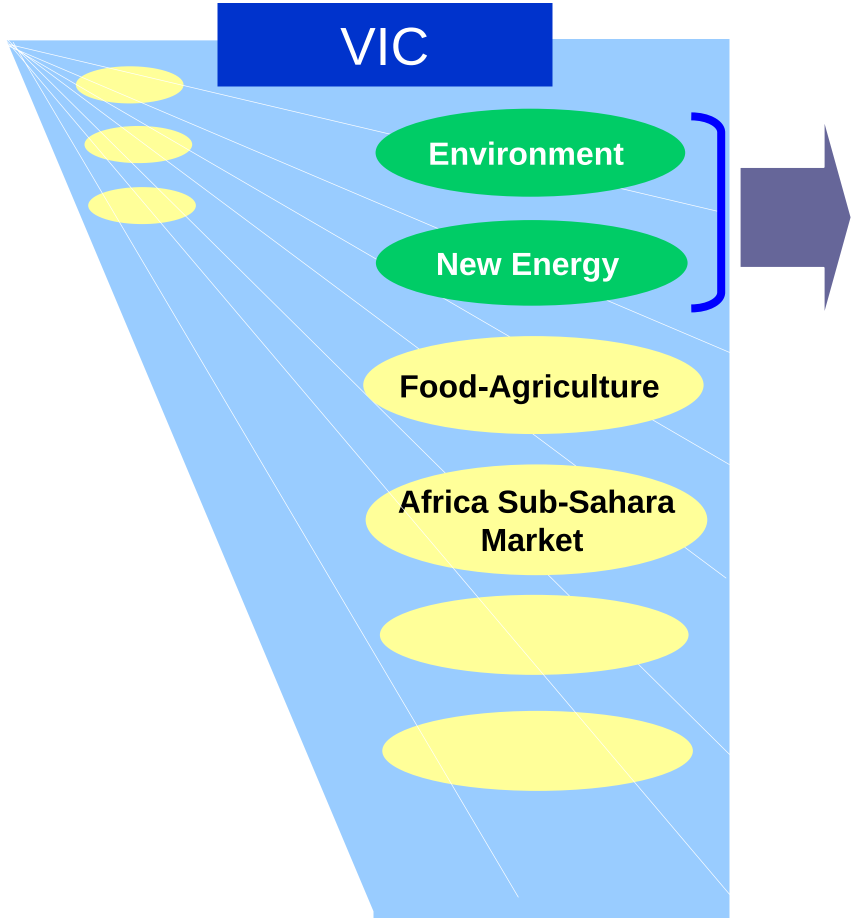
- **Acquisition of Katsumata :**
  Expand business base of drugstore chain in the Tokyo metropolitan area
- **Online supermarket :**
  Correspond to diverse lifestyles
  (started operation in Oct, 09/
  Target of sales in 2019: more than100 billion yen)



3. Progress in FOCUS'10 (4)Creating Future Growth Foundation - Environment and New Energy Businesses

Establish a new business division with 4 business lines ('10/4~)

GG Plan → FOCUS' 10



New Business Division

Solar Business

- Solar Photovoltaic power generation business
- Solar Photovoltaic cell/module manufacturing equipment & material

Environmental Solution

- Emission trade
- Business solution for low carbon society/climate change including carbon dioxide capture & storage
- Waste management/recycling business

Next-Generation Battery Business

- Next-Gen battery business including Lithium-ion battery
- Second-Life business for EV battery
- SmartGrid related business

Incubation Business

- Finding new technology and business seeds
- Venture investment, and incubation

3. Progress in FOCUS'10
(5)B/S Management

Secure investment capital through B/S Management

Segment Level

Reduction of assets along B/S plan in each segment

[Results]
- Inventory (Metal Products, etc.), business and assets (ships, etc.), and small-scale, lower profitable assets (about 20 companies)

Company Level

In order to secure investment capital, select targets for reduction considering asset/debt size, profitability and growth potential

[Progress]
- Study practical method to reduce assets (Total asset size: about 500 billion yen)

3. Progress in FOCUS'10
(6)Key Financial Indicators

(Unit: billion yen)

	End of GG Plan (March 31, 2009)	End of 3Q/FY09 (December 31, 2009)	End of FOCUS'10 (March 31, 2011) (Outlook as of Apr., 2009)
Total Assets	7,018.2	6,953.4	the same level as End of GG Plan
Total Shareholders' Equity*	1,353.1	1,489.3	1,600.0
Shareholders' Equity Ratio	19.3%	21.4%	around 22%
Interest-bearing Liabilities (Net)	3,186.8	2,878.5	3,200.0
Debt-equity ratio, net (times)	2.4	1.9	around 2.0
Risk Assets	1,380.0	—	1,480.0
Risk Return (2-year average)	GG Plan 16.5%	—	FOCUS'10 around 10%
Free Cash Flows	GG Plan 2-year total 57.8	1-3Q/FY09 333.0	FOCUS'10 2-year total positive

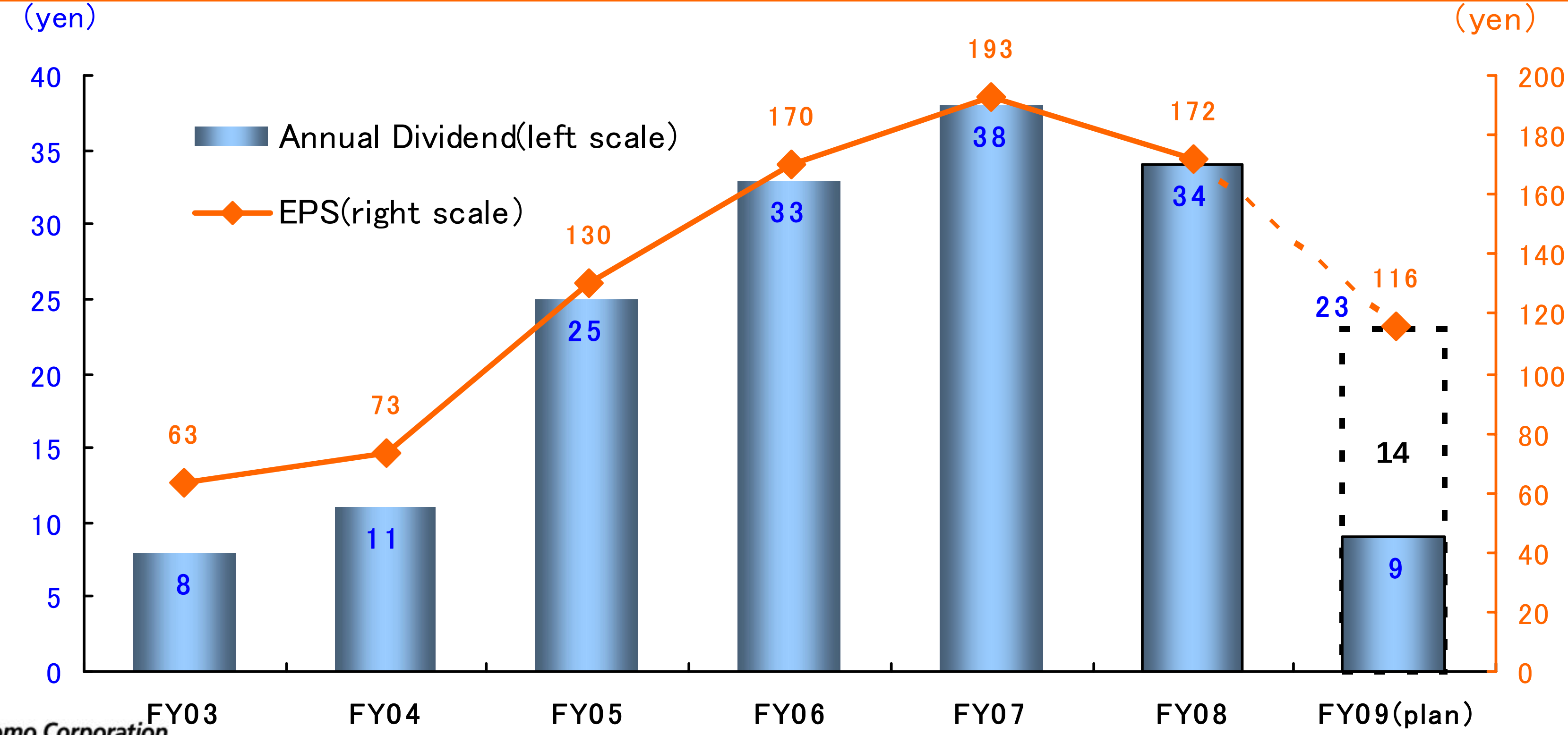
*"Shareholders' equity" is equivalent to "Shareholders' equity" which had been used until the end of FY2008 and used in calculating "Shareholders' equity ratio" and "Debt-equity ratio, net."

4. Return to Shareholders

Dividend policy during FOCUS'10 - Payout ratio: around 20%

FY2009

Based on our initial target of consolidated net income of 115 billion yen
= Annual dividend 18 yen (initial plan)
↓
Revised net income target 145 billion yen
= Annual dividend 23 yen (plan) (interim : 9 yen, year end : 14 yen)



(Appendix)

- Assumptions

- Supplement materials by segment
  (Outline of results, FOCUS'10 Strategies & Priority Fields)

- Medium-term Management Plan, etc.

Assumptions

Assumptions (Average)		FY2009 Outlook (as of Apr.)	FY2009 Apr-Dec.	FY2009 Outlook (as of Jan.)	Sensitivity to net income (including hedge)
Foreign exchange (YEN/US$) [Apr.-Dec.]		95	93.61	93	around 300 million yen (1JPY/US$)
Interest rate	LIBOR 6M (YEN) [Apr.-Dec.]	0.80%	0.62%	0.58%	-
	LIBOR 6M (US$) [Apr.-Dec.]	1.7%	0.91%	0.78%	-

Metal Products

Performance Overview

【FY09 Apr-Dec. Results：6.7 billion yen 】

（24.9 billion yen decrease from FY08 Apr-Dec.）

・Steel Sheets (steel service center)

Overseas: currently recovering, though impact of demand decline in 1st half remains

Japan: recovery of demand and market prices is slower than expected

・Tubular Products

North America: decrease due to sluggish demand and drop in market prices

【Investments & Asset replacements in FY09】

・investment in stainless processing and sale business (China)

・established steel service center (India)

(unit: billions of yen)

	FY2008 Apr-Dec.	FY2008 full year	FY2009 Apr-Dec.	FY2009 (outlook*)
Gross profit	75.9	86.4	39.0	-
Operating income	41.5	40.1	7.0	-
Equity in earnings of associated companies, net	6.7	8.8	2.3	-
Net income	31.6	29.7	6.7	10.0
Total assets	765.3	645.5	588.1	-

*Announced in Oct. 2009.

【Results of major subsidiaries and associated companies】

Company：FY09Apr-Dec. results（increase/decrease compared to FY08 Apr-Dec.）

・ERYNGIUM： 0.7 (-0.8)

・NATIONAL PIPE： 0.7 (-0.2)

・SC PIPE SERVICES： -0.3 (-4.8)

・ASIAN STEEL： 0.1 (-1.7)

【Business Outlook】

・**Steel Sheets** (steel service center) overseas: operation started recovering (operating rates in Oct-Dec: around 80-90%)

・**Tubular Products** North America: rig counts bottomed out and inventory adjustment is expected to end

FOCUS'10 Strategies and Priority Fields

・**Energy and automobile business**

> enhancing value chain of tubular products

expansion of SCM operating bases (14 locations in 13 countries)

tubular products manufacturing (Brazil): start manufacturing in 2010 (plan)

annual production：seamless tubular products 0.6 million tons/year

equity share： Vallourec group 56%, Sumitomo Metal Industries 39%, SC 5%

tubular products processing (U.S.A.)

> upgrading our function of steel service centers

steel service center production capacity as of Sep, 2009：

Overseas (13 countries)	: around 4.7 million tons
Japan	: around 2.3 million tons

・ **Eco and new energy related business**

> renewable energy

manufacturing wind power generation towers (U.S.A.)

> solar cells, secondary battery

Transportation & Construction Systems

Performance Overview

【FY09 Apr-Dec. Results：12.3 billion yen 】

（15.1 billion yen decrease from FY08 Apr-Dec.）

・**Automobile**

Finance business in Indonesia: strong

Wholesale and dealer: decreased

・**Construction equipment**

considerable sales decrease in major markets due to flagging general equipment demand

・**Ships, aerospace and railway car**

ship businesses: stable

impairment loss on JAL preferred stocks: -1.5 bil.

【Investments & Asset replacements in FY09】

・established motorcycle finance company (Philippines)

・investment in construction equipment rental business (U.S.)

(unit: billions of yen)

	FY2008 Apr-Dec.	FY2008 full year	FY2009 Apr-Dec.	FY2009 (outlook*)
Gross profit	131.1	155.6	95.7	-
Operating income	40.7	43.2	16.9	-
Equity in earnings of associated companies, net	6.7	7.7	6.6	-
Net income	27.4	29.3	12.3	14.0
Total assets	1,549.3	1,451.4	1,402.3	-

*Announced in Oct. 2009.

【Results of major subsidiaries and associated companies】

Company：FY09Apr-Dec. results（increase/decrease compared to FY08 Apr-Dec.）

・SOF： 2.8 (+2.4)

・OTO： 2.8 (+0.8)

・Sumitomo Mitsui Auto Service： 1.5 (-0.8)

【 Business Outlook】

・**Automobile** Finance business in Indonesia: stable
Wholesale and dealer: sluggish market continues except for China and Asia

・**Construction equipment** China: strong, Other areas: sluggish

・**Ships:** stable

FOCUS'10 Strategies and Priority Fields

▪**Automobile**

> Auto finance

overseas: ▪further strengthening Oto Multiartha / Summit Oto Finance (Indonesia)

(results of financing in FY08: OTO 83,000 automobiles, SOF 469,000 motorcycles
results of financing in FY09 1st half : OTO 37,000 automobiles, SOF 264,000 motorcycles)

▪promoting motorcycles financing in Asia (Philippines, etc.)

> Wholesale/Dealer
promote replacement on a global basis

> Manufacturing
manufacturing and sales of Isuzu trucks and buses (India)

▪**Construction equipment**

> enhance further distributor business (China, Russia, etc.)

> enhance rental construction equipment business in abroad

> expand sales of agricultural machineries (India, etc.)

▪**Ships, aerospace and railway car**

> Ships: enhance portfolio through continuous asset replacement

(own 12 ships, 5 ships on order, as of Sep, 2009)

Infrastructure

Performance Overview

【FY09 Apr-Dec. Results：9.7 billion yen 】

（2.3 billion yen decrease from FY08 Apr-Dec.）

・**IPP/IWPP**
stable mainly in Asia and Middle East

・**Others**
decrease in telecommunication businesses, etc.

(unit: billions of yen)

	FY2008 Apr-Dec.	FY2008 full year	FY2009 Apr-Dec.	FY2009 (outlook*)
Gross profit	29.0	40.4	22.7	-
Operating income	10.5	15.5	4.5	-
Equity in earnings of associated companies, net	6.6	7.6	4.2	-
Net income	12.0	16.5	9.7	12.0
Total assets	501.9	482.5	485.2	-

*Announced in Oct. 2009.

【Results of major subsidiaries and associated companies】

Company：FY09Apr-Dec. results（increase/decrease compared to FY08 Apr-Dec.）

・PERENNIAL POWER HOLDINGS： 0.7 （0）

・MOBICOM： 1.2 （-0.7）

・Sumisho Machinery Trade： 0.3 （-0.5）

【Investments & Asset replacements in FY09】

・ acquisition of wind power generation company interest (U.S.)

・ acquisition of ownership interests of natural gas-fired combined cycle power plant (U.S.)

【 Business Outlook 】

・**IPP/IWPP** stable

・**Power plant EPC** decrease of large-scale construction projects in Asia, Middle East and CIS, etc.

FOCUS'10 Strategies and Priority Fields

- **IPP/IWPP**
  > further expansion in Asia, Middle East, Australia and the Americas
- **Tanjung Jati B project**
  > expansion project (completion planned in 2012)

power generation capacity (contract base)： 4,742MW (as of Sep, 2009)

- **Power Plant EPC**
  > take in increasing demand for electric power mainly in Asia
  > focus on renewable energy such as geothermal power generation
- **Water business**
  > in addition to expansion in Mexico, enhance in Middle East and Asia
- **Telecommunication**
  > expand overseas earnings base in telecommunications business
- **Eco and energy saving**
  > developing renewable energy business in various regions including Europe and U.S.A. (solar energy generation, wind power generation)

Media, Network & Lifestyle Retail

Performance Overview

【FY09 Apr-Dec. Results：8.1 billion yen 】

（2.8 billion yen decrease from FY08 Apr-Dec.）

・Major subsidiaries and associated companies

J:COM: stable

Jupiter Shop Channel: increased profits (made it a wholly owned subsidiary)

・Others

Brand business, Summit supermarket: affected by sluggish consumption

Production, distribution and sale of movies: flagging

【Investments & Asset replacements in FY09】

・acquisition of Katsumata (drugstore in Japan)

(unit: billions of yen)

	FY2008 Apr-Dec.	FY2008 full year	FY2009 Apr-Dec.	FY2009 (outlook*)
Gross profit	131.4	176.4	131.0	-
Operating income	12.8	16.4	6.5	-
Equity in earnings of associated companies, net	7.2	10.0	3.6	-
Net income	10.9	8.5	8.1	13.0
Total assets	671.2	696.9	645.7	-

*Announced in Oct. 2009.

【Results of major subsidiaries and associated companies】

Company：FY09Apr-Dec. results（increase/decrease compared to FY08 Apr-Dec.）

・J:COM：	6.5	（+0.6）
・Jupiter Shop Channel Co.,Ltd. ：	7.2	（+1.2）
・Summit：	2.1	（-0.3）
・Sumisho Computer Systems (SCS)：	1.0	（0）
・Montrive：	0.4	（-0.3）
・Asmik Ace Entertainment (movies)：	-1.3	（-0.8）

【 Business Outlook 】

・ Major subsidiaries and associated companies

J:COM and Jupiter Shop Channel: stable although the consumer market is harsh

SCS: stable (tend to make more profit in 2nd half)

FOCUS'10 Strategies and Priority Fields

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

> Jupiter Shop Channel (largest TV shopping company in Japan):
  enhance products and programs while expanding customer base (market share of Jan-Dec, 2008:around 28%)
> online supermarket: Tokyo metropolitan area (started operations in Oct, 2009)
> enhance multichannel retail business

・**Strengthen earning power of J:COM** (largest MSO in Japan, market share of Jun.-Dec, 2008:around 37%)

> enhance content and service quality (invest in 17 channels, 12 companies)
> enhance community-based business through expanding directly-managed store
> higher services led by digitalization

・**Enhance core businesses**

> Sumisho Computer Systems Corporation:
  expand sales of self-developed ERP software and enhance the efficiency of developing software
> Summit stores (supermarket)/Tomod's (drugstore): expand market share by new branch shops
  (the number of locations as of Sep, 2009: Summit 93, SC Drug stores 107)
> T-GAIA Corporation (cell phone store): enhance sales network and increase business efficiency

Mineral Resources, Energy, Chemical & Electronics

Performance Overview

【FY09 Apr-Dec. Results：49.4 billion yen 】

（1.5 billion yen increase from FY08 Apr-Dec.）

- **Copper business** drop in market prices -1.3［8.1→6.8］
- **San Cristobal silver-zinc-lead mining operation**
  stable operation and rise in market prices +13.7［-3.0→10.7］
  prices hedging profit/loss -10.7 ［7.7 →-3.0］
- **Coal mining operation in Australia**
  decrease of sales prices
- **Iron ore & manganese business (South Africa)**
  increase in share, rise in market prices
- **Chemical** sales decline in agrichemical and Cantex
  plunge in sulfur and sulfuric acid market

【Investments & Asset replacements in FY09】

- acquisition of oil field interests (British North Sea)/
  additional interest of Pogo Gold Mine/
  shale gas interest (U.S.)
- sold stock of PSIUK, partial interest of Batu Hijau

*Announced in Oct. 2009. **(unit: billions of yen)**

	FY2008 Apr-Dec.	FY2008 full year	FY2009 Apr-Dec.	FY2009 (outlook*)
Gross profit	87.7	91.9	56.4	-
Operating income	45.4	34.7	14.3	-
Equity in earnings of associated companies, net	31.7	37.0	24.4	-
Net income	47.8	43.2	49.4	29.0
Total assets	1,076.9	968.0	1,088.1	-

【Results of major subsidiaries and associated companies】

Company：FY09Apr-Dec. results（increase/decrease compared to FY08 Apr-Dec.）

・Silver, zinc and lead business in Bolivia：	10.7	（+13.7）
・Oresteel Investments：	8.4	（+7.4）
・Sumisho Coal Australia：	6.9	（-16.0）
・Nusa Tenggara Mining：	5.9	（+2.2）
・Petro Summit：	1.4	（+1.1）
・SC Minerals America：	1.6	（-0.5）
・Oil fields interests in the North Sea：	1.1	（-2.3）
・SMM Cerro Verde：	1.0	（-2.4）
・LNG Japan：	0.4	（-2.0）
・Summit-Agro Europe：	0.8	（-1.4）
・The Hartz Mountain：	0.3	（+0.4）
・Cantex：	-0.5	（0）

【 Business Outlook 】

- **Non-Ferrous（copper, zinc, etc.）, oil business**
  commodity prices: rising than assumed in the initial plan, San Cristobal: stable production
- **Coal mining operation in Australia** released output cut in main coking coal mine in August
  ［Production volume：1.4（initial plan）→2.5million ton］
- **Cantex** flagging demand in housing and commercial facilities start continues

[market conditions]

	FY08 Equity share of production Results	FY09 Equity share of production Outlook	FY09.1-3Q Equity share of production Results	Sensitivity to net income (excluding prices hedge)	FY08 Prices Results	FY09 Prices Outlook	FY09.1-3Q Prices Results
Coking coal **Thermal coal**	1.8mil t 2.0mil t	2.5mil t 2.0mil t	1.8 mil t 1.5 mil t	¥0.15bil($1/t) ¥0.13bil($1/t)	$285-300/t $125/t	$128/t $70/t	- -
Copper	68 Kt	86Kt	62 Kt	¥0.07bil (¢1/lb)	¢316/lb	¢233/lb	¢211/lb
Batu Hijau	34 Kt	58Kt	40 Kt				
Silver	-	501t	387t	¥0.88bil ($1/oz)	-	$14.7/oz	$13.7/oz
Zinc	-	246Kt	187Kt	¥0.25bil (¢1/lb)	-	¢76/lb	¢67/lb
Lead	-	70Kt	55Kt	¥0.07bil (¢1/lb)	-	¢79/lb	¢69/lb
Crude oil, gas	3.4mil bbl	4.2 mil bbl	3.1mil bbl	¥0.12bil ($1/bbl)	$99/bbl	$62/bbl	$58/bbl
LNG	100Kt	120Kt	75Kt	-	-	-	-

* Coking coal, Thermal coal: Equity share of shipping volume is stated above, Prices are general market price
Production amount of Silver, Zinc, Lead: San Cristobal Project 100% base（FY09.1Q: SC equity in share 35%, from 2Q:100%）

FOCUS'10 Strategies and Priority Fields

- **Pursue a synergy in the businesses integration**
  > oil, natural gas and organic chemicals/nonferrous materials and inorganic chemicals

- **Strengthen mineral resources portfolio**
  > stable performance in coal mining and copper
  > acquisition in new interests in non-ferrous metal, iron& steel making raw materials and energy field

- **Large-scale upstream interests project**
  > silver-zinc-lead (Bolivia) ：stable operation, further cost reduction
  > nickel (Madagascar) ：steady execution of the project

- **Chemical**
  > inorganic raw materials: strengthen trade of sulfur and sulfuric acid
  > agrichemical: expand global retail network (Americas, Asia)

General Products & Real Estate

Performance Overview

【FY09 Apr-Dec. Results：6.8 billion yen 】

（4.9 billion yen decrease from FY08 Apr-Dec.）

・Food

Banana business: strong in the 1St half

Fertilizer business: declined due to plunge in market

・Materials & Supplies

Lumber and building materials: harsh due to decline in housing starts

TBC: increased by taking in the maintenance demands and improving operation efficiency

・Construction & Real Estate

large sales of condo in the same period of FY08

(unit: billions of yen)

	FY2008 Apr-Dec.	FY2008 full year	FY2009 Apr-Dec.	FY2009 (outlook*)
Gross profit	88.1	111.1	70.4	-
Operating income	25.1	28.1	13.8	-
Equity in earnings of associated companies, net	1.3	1.7	0.6	-
Net income	11.7	13.1	6.8	16.0
Total assets	759.9	722.2	704.4	-

*Announced in Oct. 2009.

【Results of major subsidiaries and associated companies】

Company：FY09Apr-Dec. results（increase/decrease compared to FY08 Apr-Dec.）

- ・Banana business： 2.3 (+1.2)
- ・TBC： 1.2 (+0.6)
- ・SUMMIT RURAL WA： -2.0 (-2.0)

【 Business Outlook 】

- ・ **Food** Banana business: weaker in 2nd half (tend to make more profit in 1st half)
- ・ **Materials & Supplies** Lumber and building materials: recovery slower than expected
- ・ **Construction & Real Estate** value realization through replacement of assets expected in 4th Quarter

FOCUS'10 Strategies and Priority Fields

・Food

> Fertilizer: strengthen earnings base in overseas

(West Australia, Malaysia, China and Thailand)

> Banana: enhance the production and sales network, strengthen high-value-added products

(Japanese market share of Apr-Sep, 2009: 24.4%)

・Materials & Supplies

> Tire : promote growth strategy of TBC (tire sales, maintenance business, retail network)

(market share in North America as of Sep, 2009: around 10%)

> Timber: promote timber processing business (Russia)

(completed construction of lumber and veneer processing plants in Mar, 2009)

・Construction & Real Estate

> Office building, commercial facilities: replace assets while acquiring profitable assets

(manage 51 office buildings and 17 commercial facilities as of Sep, 2009)

> Condominium: develop new property in order to build earnings base of post FOCUS'10

Financial & Logistics

Performance Overview

【FY09 Apr-Dec. Results：0.5 billion yen 】

（**0.4 billion yen increase from FY08 Apr-Dec.**）

・**Sumitomo Mitsui Finance &Leasing**

increased due to decline in cost of financing
and in impairment loss on investment securities

・**Domestic finance business**

provision for doubtful receivables

・**Others**

JAL-related loss: -2.1 billion yen
(impairment loss on preferred stocks: -1.5 billion yen
fuel derivative-related: -0.6 billion yen)

(unit: billions of yen)

	FY2008 Apr-Dec.	FY2008 full year	FY2009 Apr-Dec.	FY2009 (outlook*)
Gross profit	21.7	26.9	17.6	-
Operating income	0.6	0	-2.6	-
Equity in earnings of associated companies, net	4.3	3.8	5.7	-
Net income	0.1	-1.6	0.5	3.0
Total assets	591.6	581.5	578.9	-

*Announced in Oct. 2009.

【Results of major subsidiaries and associated companies】

Company：FY09Apr-Dec. results（increase/decrease compared to FY08 Apr-Dec.）

・Sumitomo Mitsui Finance & Leasing： 5.9 (+1.1)

・Sumisho Aircraft Asset Management： 0.4 (-0.2)

【 Business Outlook 】

・**Sumitomo Mitsui Finance & Leasing**

harsh conditions continue due to economic recession

FOCUS'10 Strategies and Priority Fields

・**Financial business**

> Commodity:
take in the needs of hedging commodity prices

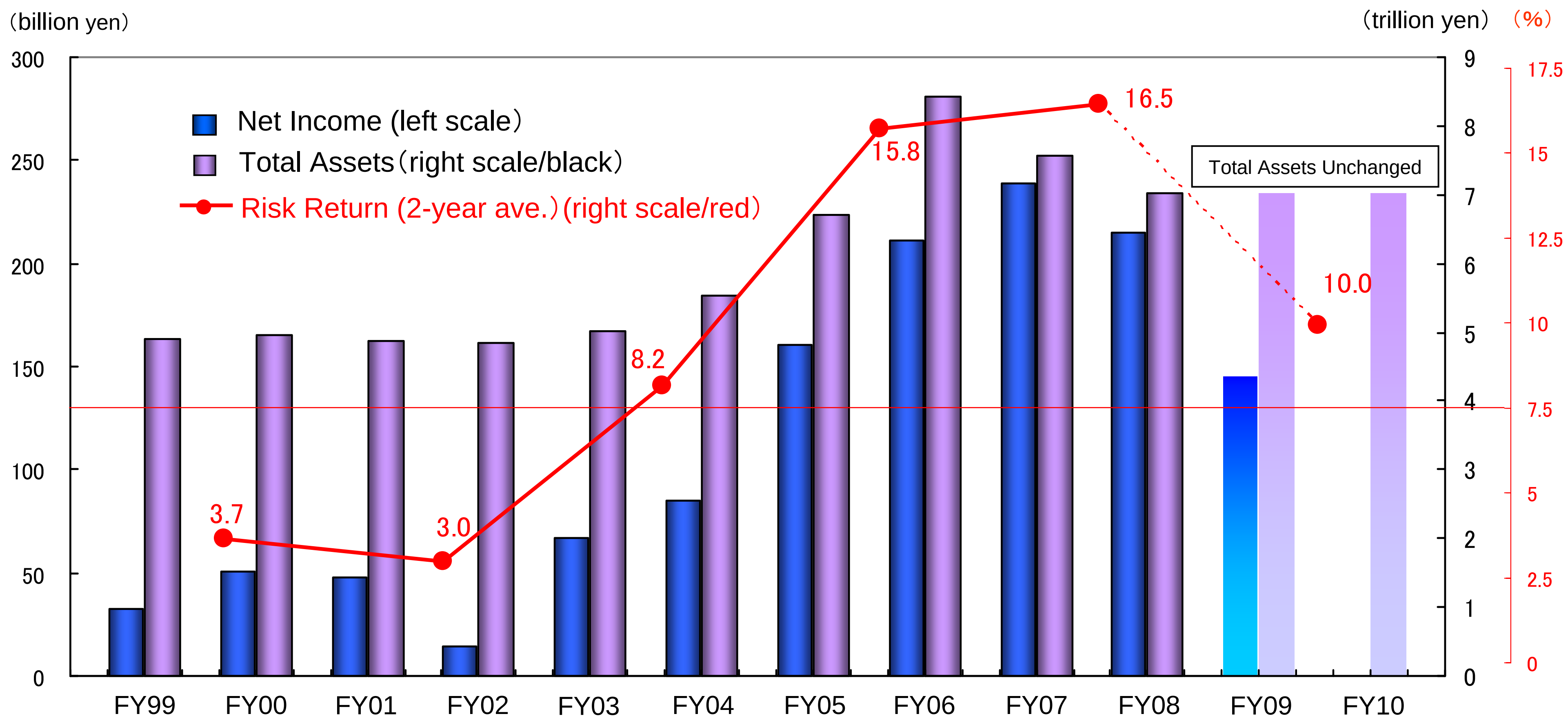
> Leasing business:
strengthen cooperation with Sumitomo Mitsui Finance & Leasing Company, Ltd.
(own 22 aircrafts as of Sep, 2009, including 4 owned by JV with Sumitomo Mitsui Finance & Leasing)

・**Logistics business**

> Logistics: strengthen global network

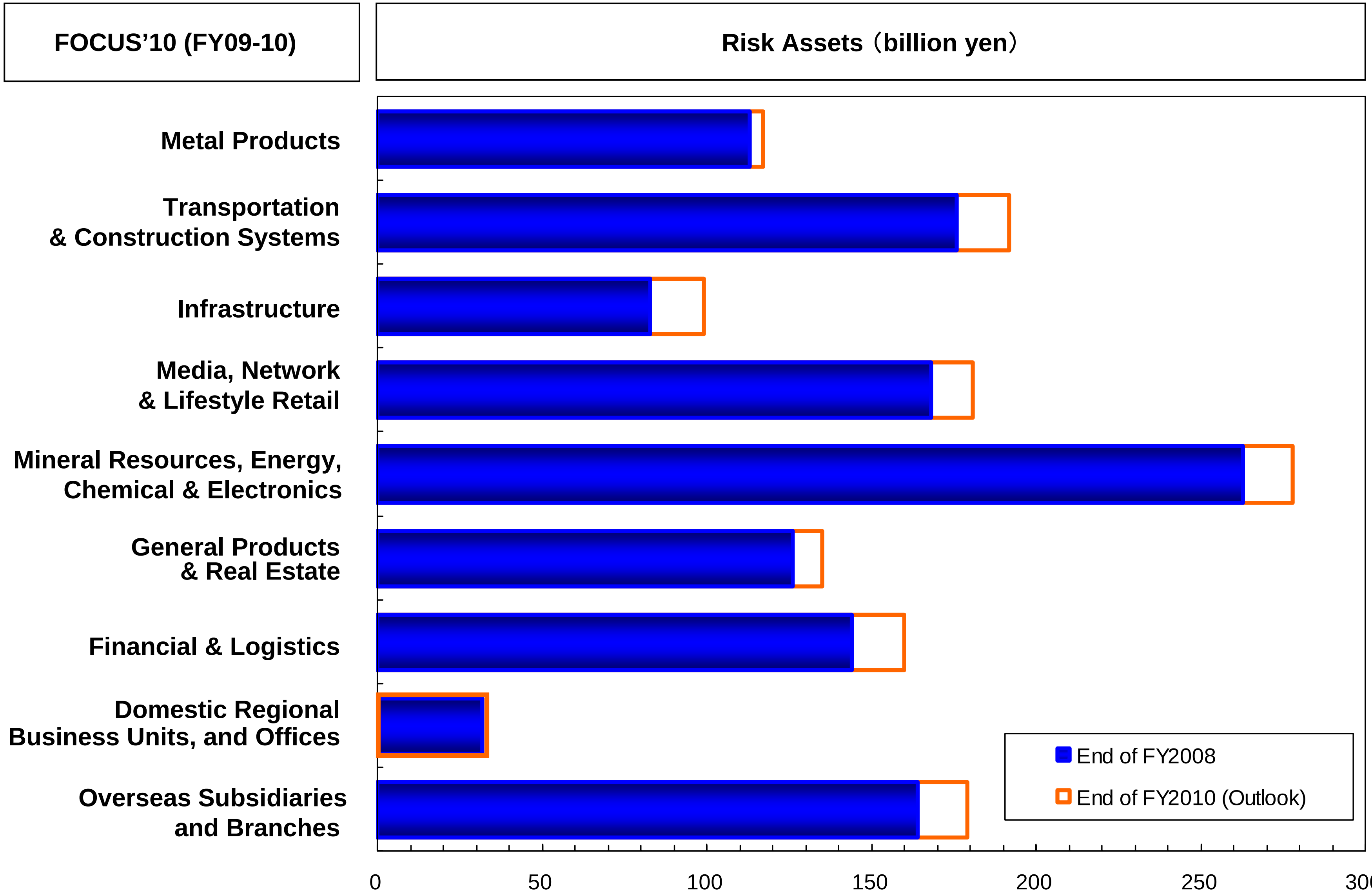
> Industrial park (overseas) :
strengthen selling Thang Long Industrial park II in Vietnam, explore the feasibility of development in other regions

Medium-term management plans



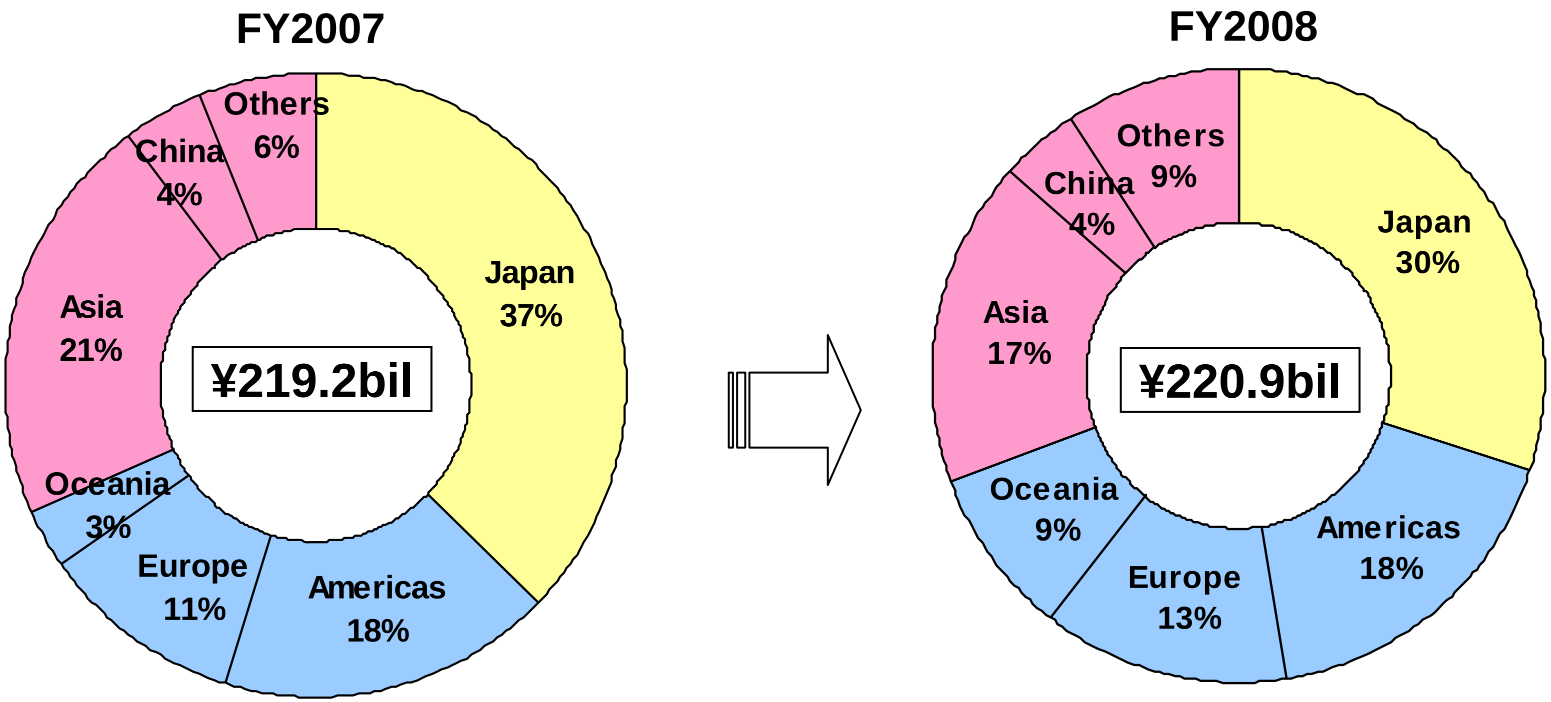
Reform package	Step Up Plan	AA Plan	AG Plan	GG Plan	FOCUS'10
Enhanced corporate strength by selecting core businesses and withdrawing from non-core businesses	Increased profitability by replacing low return assets with potentially higher return assets	Strategic investments in assets with potential profitability	Strategic moves for further growth and development	Pursuit of further improvement of quality heading for a new stage of growth	A growth scenario on a new stage

FOCUS'10 Risk Assets by Segment (Initial Plan)



Note) Due to upgrading the calculation method of risk assets, the risk assets at the beginning of FOCUS' 10 is not as same as the end of GG Plan.

Basic Profit by Region



Note 1:Basic Profit=(Gross Profit-Selling, general and administrative expenses-Interest expenses, net of interest income +Dividends)
×(1-Tax rate:41%)+ Equity in earnings of associated companies, net

Note 2: Excluding hedge evaluation gain/losses (FY2007:-22.1 billion yen, FY2008:+22.1 billion yen) on the San Cristobal project in Bolivia

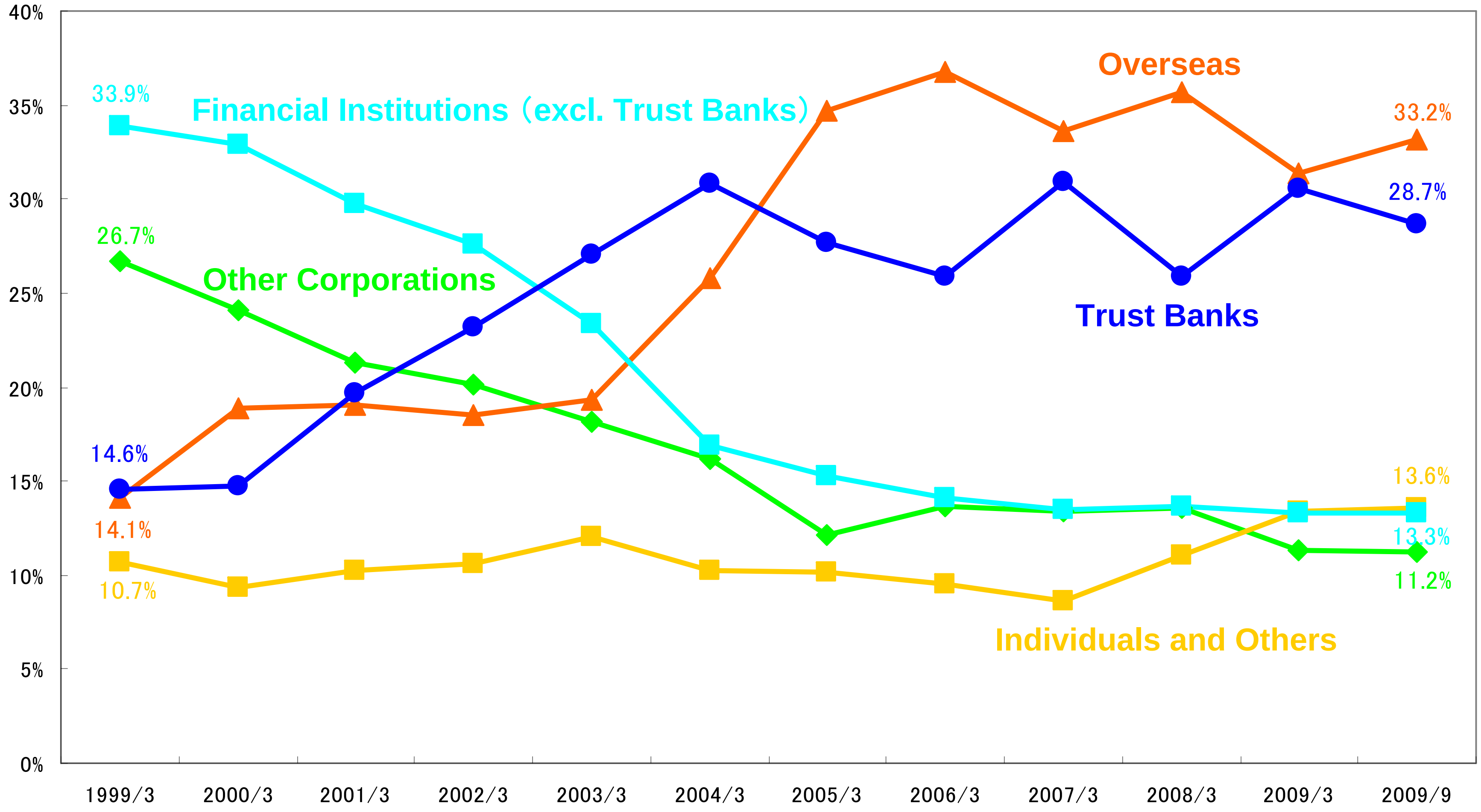
<Increase>

- Oceania：Coal mining operation（Australia）
- Europe：Metal products
- Others：Iron ore and manganese（South Africa）

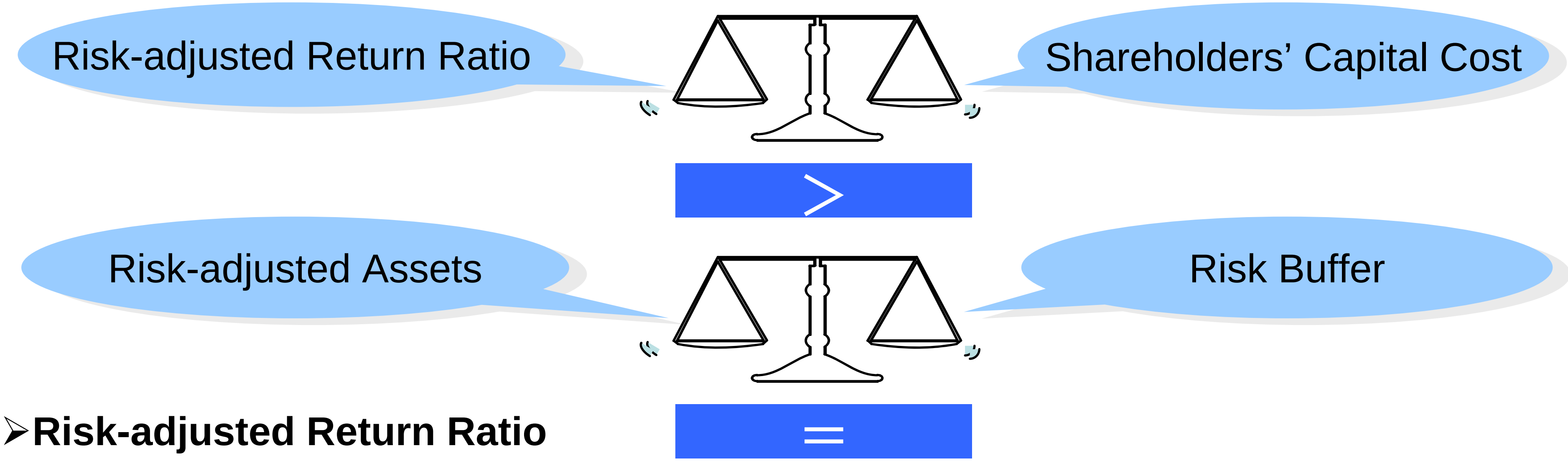
<Decrease>

- Domestic：Leasing operation
- Asia：Copper business（Indonesia）

Shareholders' Composition



Risk-adjusted Return Ratio



➢Risk-adjusted Return Ratio

= Consolidated Net Income / Risk-adjusted Assets

Earnings compared to the amount of risk associated with the businesses.

➢Risk-adjusted Assets

The value of maximum losses that could be incurred if all the potential risks were actually to occur during the accounting period. This is calculated as a sum of

(a) receivables, inventory, fixed assets, and securities multiplied by the risk weight for each business segment

plus

(b) amount of potential losses with respect to derivative transactions, commitments and guarantees.

This is a non-GAAP financial measure.

Shareholders' Capital Cost (7.5%)

= Risk Free Rate + β × Risk Premium

Risk Free Rate : **Return on 10 Year Japanese Government Bonds**

β : **Ratio of the Company's volatility compared with the TOPIX over the past 5 years**

Risk Premium : **Return on Tokyo Stock Market - Return on 10 Year Japanese Government Bonds**

Original Calculation	**('98)**	**:**	**7.50% ≒ 3.49% + 0.97 × 4.09%**
FY2009/3Q	**('09/12)**	**:**	**6.67% ≒ 1.53% + 1.26 × 4.09%**

Risk Assets Calculation

Assets	Classification		equivalent Moody's/S&P rating	Calculation
credit	*Internal Credit Rating : (=SCR)*	A1	*AAA ～A*	Net Exposure = Book Value (=Gross Exposure) - Secured Amount Risk Weight (RW) 1.5%～50%
		A2	*A-、BBB+*	
		B1	*BBB、BBB-*	
		B2	*BB+、BB*	
		C1	*BB-、B+*	
		C2	*B*	
		C3	*B-、CCC+*	
		D1	*CCC、CCC-*	
		D2	*CC*	
securities	*domestic listed stock* (Tokyo & Osaka stock market) (other stock market)			Market Price × RW
	overseas listed stock			
	unlisted stock, bond			Book Value × RW
inventories	*raw material*			Book Value × RW
	merchandise			
fixed assets	*land*			Book Value × RW
	building, structure, construction suspense a/c			Book Value (less accumulated depreciation) × RW
	mining rights			Market Value × RW
	deferred asset			Book Value × RW
	intangible fixed asset			Book Value × RW
market risk	*marketable commodities*			VaR calculated by Risk Management Group