

October 13, 2006

For Immediate Release

Sumitomo Corporation
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Notice Concerning Commencement of the Tender Offer

We hereby announce that our Board of Directors adopted a resolution at a meeting held today, to acquire all shares of Sumisho Lease Co., Ltd. (hereinafter referred to as “Sumisho Lease”)(Code No: 8592, Tokyo Stock Exchange (TSE), 1st Section) through a tender offer (hereinafter referred to as the “Tender Offer”). The details are as follows.

1. Purpose of Tender Offer

Sumitomo Corporation (hereinafter referred to as the “Company”) and Sumitomo Mitsui Financial Group, Inc (hereinafter referred to as “SMFG”) agreed to position our leasing businesses as strategic joint business and to jointly aim to establish the best leasing and auto leasing businesses in Japan through the merger of Sumisho Lease and SMBC Leasing Company, Limited (hereinafter referred to as “SMBC Leasing”), and the merger of Sumisho Auto Leasing Corporation (hereinafter referred to as “Sumisho Auto Lease”) and SMBC Auto Leasing Company, Limited (hereinafter referred to as “SMBC Auto Leasing”). Sumisho Lease and Sumisho Auto Lease, utilizing various value chain of the Sumitomo Corporation Group, have unique customer base and know-how. On the other hand, SMBC Leasing and SMBC Auto Leasing, leveraging capabilities of the Sumitomo Mitsui Financial Group to provide financial solutions, have different customer base and know-how. These mergers will enable two groups to combine different customer base and know-how of each group.

In merging Sumisho Lease and SMBC Leasing, and also in merging Sumisho Auto Lease and SMBC Auto Leasing, we will make it a basic policy to provide our customers with value-added products and services by recognizing each other as best partners and pursuing best practices (such as thorough fairness, transparency, and a merit system) under mutual respect and spirit of cooperation, and aim for the early realization thereof. In addition, the Company and SMFG will fully cooperate as parent companies, and will render assistance to the fullest extent for the development of both businesses.

The merger of Sumisho Lease and SMBC Leasing (joint business for the leasing business) has following goals:

- Achieving the highest volume of leases being handled in Japan through diversification of the types

of leases being handled, etc., based on the high-quality customer bases of both the Sumitomo Corporation Group and the Sumitomo Mitsui Financial Group.

- Creating a high quality leasing company that can respond appropriately to market needs which are becoming increasingly sophisticated, by combining and blending the know-how of Sumisho Lease as a trading firm's subsidiary and SMBC Leasing as a subsidiary of a financial institution, thereby promoting diversification and differentiation of products and providing more value-added products with freeing from the traditional approaches.
- Creating a strong management culture to effectively adapt to environmental changes, by strengthening funding capabilities and by promoting management efficiency.

In order to accomplish these goals as early as possible, the Company believes that it is essential to utilize the business resources of both the Sumitomo Corporation Group and the Sumitomo Mitsui Financial Group to the fullest extent, and to build a business alliance among the Company, SMFG and the new leasing company that would effectively bring together the management resources of both groups. To that end, the Company believes that it is desirable to jointly manage the new leasing company with SMFG, and has accordingly decided to make Sumisho Lease its wholly owned subsidiary through the Tender Offer and other means prior to the merger with SMBC Leasing.

For details of the strategic joint business mentioned above, please see the announcement, "Strategic Joint Business in Leasing and Auto Leasing Businesses between Sumitomo Corporation Group and Sumitomo Mitsui Financial Group" released by the Company today.

The Company currently holds 36.21% of the outstanding shares (15,714,003 shares) of Sumisho Lease, an equity-method affiliate company of the Company. To make Sumisho Lease its wholly owned subsidiary, the Company will launch the Tender Offer to acquire all outstanding shares of Sumisho Lease (excluding shares of Sumisho Lease already held by the Company and treasury shares held by Sumisho Lease). Since the Company has set neither an upper nor a lower limit on the number of shares which the Company will purchase through the Tender Offer, all the tendered shares will be purchased by the Company.

In case the Company is unable to acquire all outstanding shares of Sumisho Lease (excluding shares of Sumisho Lease already held by the Company and treasury shares held by Sumisho Lease) through the Tender Offer in order to make Sumisho Lease its wholly owned subsidiary, the Company plans to implement an exchange of shares (*kabushiki kokan*) in August 2007 for cash consideration for the shares of Sumisho Lease that the Company was unable to acquire through the Tender Offer subject to the approvals of the general meetings of shareholders of the Company and Sumisho Lease. (If the share exchange is deemed to be a simplified share exchange (*kan'i kabushiki kokan*) or a short-form share exchange (*ryakushiki kabushiki kokan*), approvals of the general meetings of shareholders may not be needed.)

The amount of cash delivered for the exchange of shares will be calculated based on the purchase price for the Tender Offer and is expected to be a price similar to the purchase price for the Tender Offer. However, the amount may be different from the purchase price for the Tender Offer. Regarding the tax treatment of the Tender Offer and the exchange of shares for cash consideration, please consult your tax advisor.

Since the Company intends to make Sumisho Lease its wholly owned subsidiary through the Tender Offer and a series of subsequent procedures, the Company has not limited the maximum number of shares that the Company will purchase through the Tender Offer. Accordingly, depending on the results of the Tender Offer, the shares of Sumisho Lease may be delisted through the delisting procedures of the Tokyo Stock Exchange and the Osaka Securities Exchange. If the exchange of shares is implemented after the Tender Offer to make the Company the parent company and Sumisho Lease its wholly owned subsidiary, the shares of Sumisho Lease will be delisted. After delisting, the shares of Sumisho Lease will not be traded on the Tokyo Stock Exchange and the Osaka Securities Exchange.

Sumisho Lease and SMBC Leasing plan to merge on October 1, 2007 after Sumisho Lease becomes a wholly owned subsidiary of the Company.

The purchase price of ¥7,000 per share for the Tender Offer is a sum equal to the average share closing price of Sumisho Lease's common stock on the First Section of the Tokyo Stock Exchange during the past 3 months up to and including October 12, 2006 plus a premium of approximately 13.2%.

The Board of Directors of Sumisho Lease has approved the Tender Offer at a meeting of the Board of Directors held today. In addition, the Board of Directors of Sumisho Lease adopted a resolution, at a meeting held today, that the year-end dividend and shareholder special benefit with a record date as of the end of March 2007 shall not be distributed.

2. Summary of Tender Offer

(1) Description of Sumisho Lease

- (i) Corporate name: Sumisho Lease Co., Ltd.
- (ii) Main business: Leasing Business
- (iii) Date of incorporation: January 12, 1948
- (iv) Address of head office: 5-33, Kitahama 4-chome, Chuo-ku, Osaka 541-0041, Japan
- (v) Representative: President, Hideki Yamane
- (vi) Amount of share capital: ¥106,670 million (as of March 31, 2006)
- (vii) Major shareholders and shareholding ratios (as of March 31, 2006)
 - Sumitomo Corporation: 36.21%
 - STB Leasing Co., Ltd.: 8.13%
 - Sumitomo Life Insurance Company: 5.09%

The Master Trust Bank of Japan, Ltd. (Trust accounts): 3.87%
Japan Trustee Services Bank, Ltd. (Pension trust account for the Sumitomo Trust & Banking Co., Ltd.): 3.38%
Japan Trustee Services Bank Ltd. (Trust accounts): 2.33%
The Chase Manhattan Bank N.A. London SL Omnibus Account (Standing agent: Mizuho Corporate Bank): 2.20%
Goldman Sachs International (Standing agent: Goldman Sachs (Japan) Ltd.): 1.11%
Mellon Bank Treaty Clients Omnibus (Standing agent: The Hongkong and Shanghai Banking Corporation Ltd.): 1.08%
Morgan Stanley and Company Inc. (Standing agent: Morgan Stanley Securities): 0.97%

(Note 1) Since the number of shares held by fiduciaries, such as trust and banking companies, cannot be fully determined, the numbers of shares held by them are described based on the shareholder register.

(Note 2) From The Sumitomo Trust and Banking Co., Ltd., Sumisho Lease has received a copy of the “Change Report Relating to Substantial Shareholding Report” dated August 11, 2005, and the “Amendment Report of aforementioned Change Report” dated November 11, 2005, which were respectively filed with the Director General of the Kinki Finance Bureau by The Sumitomo Trust and Banking Co., Ltd. These reports indicated that The Sumitomo Trust and Banking Co., Ltd. owned 2,119 thousand shares (the holding ratio of share certificates, etc being 4.89%) as of July 31, 2005. However, as Sumisho Lease cannot determine the status of beneficial shareholding as of March 31, 2006, the abovementioned shareholding ratios are described based on the shareholder register as of March 31, 2006.

(Note 3) From Barclays Global Investors Japan Trust & Banking Co., Ltd and another seven joint holders, Sumisho Lease has received a copy of the “Substantial Shareholding Report” dated April 13, 2006, which was filed with the Director General of the Kanto Finance Bureau by the aforementioned joint holders. The report indicated that they owned 2,478 thousand shares (the holding ratio of share certificates, etc being 5.71%) as of March 31, 2006. However, since Sumisho Lease cannot determine the status of beneficial shareholding as of March 31, 2006, the abovementioned shareholding ratios are described based on the shareholder register as of March 31, 2006.

(Note 4) The above “(vii) Composition of major shareholders and shareholding ratios” is taken from the 44th Fiscal Year Annual Securities Report filed by Sumisho Lease on June 22, 2006.

(viii) Relationship with the Company

Capital : The Company owns 36.21% of the issued and outstanding shares of Sumisho Lease, an equity-method affiliate company.
Personnel : Three employees are seconded from the Company.

Transactional : The Company has leased and purchased in installments various equipment from Sumisho Lease and has sold leasing equipment and leased offices to it.

- (2) Description of shares to be purchased: shares of common stock
- (3) Tender Offer period: Tuesday, October 31, 2006 to Thursday, December 7, 2006 (38 days)
- (4) Purchase price per share: ¥7,000
- (5) Basis for calculation of purchase price:

The purchase price proposed by the Company (¥7,000 per share) was determined by taking into consideration various factors, including the market price of the common stock, financial conditions and future prospects of Sumisho Lease and valuation of Sumisho Lease's common stock by Nomura Securities Co., Ltd., a third party appraiser. The purchase price of ¥7,000 per share is a sum equal to the average share closing price of Sumisho Lease on the First Section of the Tokyo Stock Exchange during the past 3 months up to and including October 12, 2006 plus a premium of approximately 13.2%. This purchase price may be changed, subject to financial conditions of Sumisho Lease, the overall economic environment, stock market conditions and material changes in other factors that are taken into account in determining the purchase price.

- (6) Total number of shares to be purchased: 27,560,655 shares (63.51% of the outstanding shares)

(Note 1) The Company will purchase all the shares tendered.

(Note 2) There is no plan to acquire treasury shares (121,937 shares, as of March 31, 2006) owned by Sumisho Lease through the Tender Offer.

(Note 3) Shares constituting less than a whole unit are also eligible for the Tender Offer; provided, submission of the share certificates is necessary (if such share certificates are kept in custody by the Japan Securities Depository Center, Inc. through the Tender Offer Agent, there is no need for such submission.)

(Note 4) It is possible that some new share acquisition rights in the form of Sumisho Lease stock options could be exercised by the end of the Tender Offer period. Any share of Sumisho Lease issued or transferred in relation to such rights shall be considered for the Tender Offer.

(Note 5) The total number of 27,560,655 shares planned to be purchased is calculated by deducting from the total of 43,396,595 outstanding shares as of March 31, 2006 (described in the 44th Fiscal Year Annual Securities Report filed by Sumisho Lease on June 22, 2006) the 15,714,003 shares that the Company holds and the 121,937 treasury shares that Sumisho Lease holds. In addition, actual number of shares purchased might be maximum 27,679,255 shares as there are the shares of Sumisho Lease (118,600 shares, as of March 31, 2006) might be issued or transferred by exercising new share acquisition rights in the form of Sumisho Lease stock options.

(7) Changes in the number of shares owned by the Company due to the Tender Offer:

Number of shares owned prior to the Tender Offer: 15,714,003 shares (shareholding ratio of 36.21%)

Number of shares owned subsequent to the Tender Offer: 43,274,658 shares (shareholding ratio of 100.00%)

(Note 1) The ratio of shares owned prior to the Tender Offer is calculated based on the total number of 43,396,595 outstanding shares of Sumisho Lease (as of March 31, 2006).

(Note 2) The number of shares owned subsequent to the Tender Offer represents to the number of shares to be owned by the Company assuming the Company purchases the total number of 27,560,655 shares planned to be purchased. Actual number of the shares purchased might be maximum 27,679,255 shares as new share acquisition rights in the form of Sumisho Lease stock options could be exercised by the end of the tender offer period and any share of the common stock of Sumisho Lease issued or transferred in relation to such rights (118,600 shares, as of March 31, 2006) may be purchased through the Tender Offer.

(Note 3) The ratio of shares owned subsequent to the Tender Offer is calculated based on 43,274,658 shares, which is calculated by deducting 121,937 treasury shares held by Sumisho Lease (as of March 31, 2006) from the total number of 43,396,595 outstanding shares of Sumisho Lease (as of March 31, 2006).

(8) Public notification of the commencement of the Tender Offer: Tuesday, October 31, 2006.

(Note) On Tuesday, October 31, 2006, the Company shall announce in the Nihon Keizai Shimbun that an electronic public notification has been made at the following web address:
<https://info.edinet.go.jp/EdiHtml/main.htm>

(9) Tender Offer agent: Nomura Securities Co., Ltd.

(10) Funds required for the Tender Offer: ¥193.0 billion

(Note) The above is the estimated cost assuming that total 27,560,655 shares are purchased at the proposed purchase price per share. In addition, the estimated cost is ¥193.8 billion if all outstanding stock options (118,600 shares, as of March 31, 2006) are exercised.

(11) Commencement of account settlement: Thursday, December 14, 2006

3. Agreement with Sumisho Lease in respect of the Tender Offer

The Company has obtained the approval of the Board of Directors of Sumisho Lease in respect of the Tender Offer.

4. Prospects after the Tender Offer

The business forecast for the year ended March 31, 2007 is not revised as a result of the Tender Offer.

End of Document

This press release has been prepared only for the purpose of informing the public of the Tender Offer. This has not been prepared for soliciting sales or purchases. When conducting any sales, shareholders of Sumisho Lease should make appropriate judgment after reviewing the tender offer explanatory statement for the Tender Offer prepared by the Company.

This press release includes forward-looking statements about the Company and Sumisho Lease (the “Companies”). These forward-looking statements are based on the current assumptions and beliefs of the Company, and involve known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Companies’ actual results, performance, achievements or financial position to be materially different from any future results, performance, achievements or financial position expressed or implied by these forward-looking statements.

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