

March 9, 2007:

To Whom It May Concern:

Company: Sumitomo Corporation  
Representative: Motoyuki Oka,  
Person: President and CEO  
(Stock Code: 8053, 1st Section of the Tokyo Stock  
Exchange)  
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**Announcement of the Result of the Tender Offer and Changes in the Subsidiary**

Sumitomo Corporation (hereinafter referred to as the “Company”) resolved at its Board meeting held on January 30, 2007 to commence a tender offer (the “Tender Offer”) for the shares of Nippon Katan Co., Ltd. (Stock Code: 5613 JASDAQ; hereinafter referred to as “Nippon Katan”). The Tender Offer procedure, which was commenced on February 7, 2007, was completed on March 8, 2007. In view thereof, the announcement on the result thereof is hereby provided and stated below.

Please also be informed that, as a result of the Tender Offer, Nippon Katan will be a consolidated subsidiary of the Company as of the commencement date of settlement (March 16, 2007).

I. Result of the Tender Offer

1. Outline of the Tender Offer (As Announced on January 30, 2007)

(1) Name of the Target Company: Nippon Katan Co., Ltd.:

(2) Number of Share Certificates and Other Securities to Be Purchased:

Type of Shares	Number of Shares to be Purchased	Number of Shares to be Over-Purchased
Share Certificate	— Shares	— Shares
Certificate of Stock Acquisition Rights	— Shares	— Shares
Certificate of Bond with Stock Acquisition Rights	— Shares	— Shares
Deposit Receipt for Share Certificates and Other Securities	— Shares	— Shares
Total	— Shares	— Shares

Note 1) The maximum number of share certificates or other securities purchased (5,278,088 shares) represented all the outstanding shares of Nippon Katan (9,720,000 shares) as of September 30, 2006, as described in the 122<sup>nd</sup> Semi-Annual Report (submitted on December 15, 2006), minus the shares (3,791,000 shares) held by the Company and the treasury shares (650,912 shares) held by Nippon Katan.

Note 2) No maximum or minimum number of shares was set for the shares to be acquired through the Tender Offer. The Company purchased all of the



of the Shareholders of the Target Company		
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(Note 1) The “Total Number of Voting Rights of the Shareholders of the Target Company” represented the total number of voting rights of all of the shareholders as described in the 122<sup>nd</sup> Semi-Annual Report as of September 30, 2006 (submitted on December 15, 2006). Since the number of shares constituting less than a whole unit and applied for the Tender Offer was 3,200, for the purpose of calculating the “Percentage of the Voting Rights of the Share Certificates and Other Securities after the Tender Offer”, the denominator was calculated to be 9,022 units, which was the sum of the number of the voting rights held by all of the shareholders of the target company as of September 30, 2007 (9,019 units) and the number of the voting rights of the shares constituting less than a whole unit (3 units) which was applied for the Tender Offer.

(Note 2) In calculating the percentage of the voting rights of the share certificates and other securities after the Tender Offer, the figures were rounded to the second decimal place.

(3) The Method of Calculation for the Proportional Purchase

Not applicable.

(4) Funds Required for the Purchase of the Share Certificates and Other Securities

2,543 million yen

(5) The Method and Commencement Date of Settlement

(a) Name and Location of the Head Office of the Securities Company or Financial Institution, etc. in Charge of the Settlement of the Tender Offer

Daiwa Securities SMBC Co., Ltd. 8-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo (TOB Agent)

Daiwa Securities Co. Ltd. 6-4, Ohtemachi 2-chome, Chiyoda-ku, Tokyo (Sub-Agent)

(b) Commencement Date of Settlement

Friday, March 16, 2007

(c) Method of Settlement

After the Tender Offer Period, a notice of purchase will be mailed to the address or the location of the Applying Shareholders (or the address of the standing proxy, in the case of foreign shareholders) without delay.

Payment of the Purchase Price will be made in cash. The TOB Agent or the Sub-Agent will, in accordance with the Applying Shareholders’ instructions, remit the purchase price for the share certificates without delay, on or after the commencement date of settlement, to the places designated by the Applying Shareholders, or pay such purchase price at the head office or branch offices that accepted the applications.

3. Expected Effects of the Tender Offer on the Company’s Results

The Tender Offer will have a minor effect on the consolidated and the non-consolidated financial position of the Company.

4. Policies and Other Matters after the Tender Offer

As a result of the Tender Offer, Nippon Katan will become a consolidated subsidiary of the Company as of the commencement date of settlement (March 16, 2007).

The Company intends to make Nippon Katan its wholly-owned subsidiary. Because the Company was not able to obtain all of the outstanding shares of Nippon Katan through

the Tender Offer, the Company currently plans to purchase the remaining shares through a share exchange to make the Company the parent company, which will hold all the shares, and Nippon Katan its wholly-owned subsidiary (the "Share Exchange"). The Company intends to proceed with the Share Exchange in accordance with the procedure for simplified reorganization under Article 784, Paragraph 1, of the Corporations Law, in which no resolution of the shareholders meeting of Nippon Katan will be required. It is likely that the Share Exchange will take place around August 2007, however the details of the Share Exchange, such as the consideration therefor, are still unknown, and will be decided around April or May 2007.

For the Share Exchange, the amount of the shares to be provided or the money, etc. to be paid will be calculated based on the purchase price for the Tender Offer, and will be comparable thereto. However, it may be different from the purchase price for the Tender Offer considering the change of circumstances of Nippon Katan's business, stock market and business performance of the Company and of Nippon Katan, etc. In addition, in the event that, in connection with the Share Exchange, any shareholder of Nippon Katan requests it to purchase its shares held by such shareholder pursuant to the relevant laws, the purchase price per share for such shares may be different from the purchase price for the Tender Offer or the economic value received by the shareholders for the Share Exchange. You are advised to consult with your tax advisors as to the tax implication of the Share Exchange or the claim for purchase of shares relating to the Share Exchange.

Although Nippon Katan's shares are currently listed in the JASDAQ Securities Exchange, those shares will be delisted through the prescribed procedure, in accordance with the standards for delisting of shares in the JASDAQ Securities Exchange, as a result of the Share Exchange. When Nippon Katan's shares are delisted, such shares cannot be traded at the JASDAQ Securities Exchange, and will be difficult to sell in the future.

## II. Changes in the Consolidated Subsidiary

As the result of the Tender Offer, Nippon Katan will be a consolidated subsidiary of the Company as of the commencement date of settlement (March 16, 2007).

### 1. Profile of the Subsidiary with the aforesaid Changes

(As of September 30, 2006)

- (1) Trade Name Nippon Katan Co., Ltd.:
- (2) Representative Person Hiroshi Morikawa, President and Director
- (3) Head Office 13-1, Isoshimaminami-machi, Hirakata, Osaka
- (4) Date of Incorporation September 2, 1918
- (5) Main Scope of Business Manufacturing and sales of electric equipment, industrial facilities, etc., and providing research services for technology relating to electric and other services.
- (6) Closing Date of Business Year March 31
- (7) Number of Employees 70
- (8) Share Capital 885 million yen
- (9) Number of Outstanding Shares 9,720,000 shares
- (10) Major Shareholders and Respective Shareholding Ratio
- |  |        |
|--|--------|
| Sumitomo Corporation:                              | 39.00% |
| Hitachi Metals, Ltd.:                              | 25.01% |
| Sumitomo Electric Industries, Ltd.:                | 10.72% |
| Nippon Katan Co., Ltd.:                            | 6.70%  |
| Nippon Katan Customers' Share-Holding Association: | 1.58%  |
| The Bank of Kyoto, Ltd.:                           | 0.49%  |
| Nihon Kasen Kanamono <i>Kabushiki Kaisha</i> :     | 0.41%  |
| Hamana Konpou Yusou <i>Kabushiki Kaisha</i> :      | 0.38%  |
| Keiko Matsuda:                                     | 0.35%  |
| Kiyoshi Nakatani:                                  | 0.33%  |
| Nippon Katan Employees' Share-Holding Association: | 0.33%  |

### (11) Results from Recent Business Years

#### Consolidated Financial Results

(In million yen)

Business Year	Business Year Ending on March 2005	Business Year Ending on March 2006
Sales	5,719	3,718
Gross Profit on Sales	1,240	1,078
Operating Profit	421	390
Ordinary Profit	426	404
Net Profit	305	952
Total Assets	6,168	7,552
Shareholders' Equity	3,801	4,711

## Non-Consolidated Financial Results

(In million yen)

Business Year	Business Year Ending on March 2005	Business Year Ending on March 2006
Sales	5,224	2,922
Gross Profit on Sales	1,123	959
Operating Profit	370	351
Ordinary Profit	379	371
Net Profit	283	930
Total Assets	5,749	7,100
Shareholders' Equity	3,504	4,392
Dividend per Share for the Accounting Year	7.0 yen	7.0 yen

2. Expected Effective Date of the aforesaid Changes in the Consolidated Subsidiary  
March 16, 2007

3. Expected Effects of the Changes in the Consolidated Subsidiary on the Company's  
Results

The Changes in the Consolidated Subsidiary will have a minor effect on the consolidated and the non-consolidated financial position of the Company.