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January 31, 2008

For Immediate Release

***Sumitomo Corporation***

Susumu Kato, President and CEO

Code No: 8053, Tokyo Stock Exchange (TSE), 1<sup>st</sup> Section

Contact: Mitsuru Iba,

Corporate Communications Dept.

Tel.+81-3-5166-3089

**Sumitomo Corporation to Acquire Shares in Sumitomo Metal Industries, Ltd.**  
**Backed by Expanded and Enhanced Mutual Cooperation**

At the meeting of the Board of Directors held today, Sumitomo Corporation (the “Company”) has decided to acquire a further 2.0% equity interest in the issued shares of Sumitomo Metal Industries, Ltd. (“Sumitomo Metals”) in order to expand and enhance mutual cooperation and business development. Details are as below.

**1. Reason for share acquisition**

Sumitomo Metals and the Company have long been important strategic partners, having cooperated on numerous ventures in various business areas, for example in the procurement of raw materials and product sales. Further more, in anticipation of strong demand for high-grade seamless pipes for oil and gas production based on strong world wide demand for energy, the Company has decided to take a stake worth 10 billion Japanese Yen in the high-grade seamless pipe joint venture established by Sumitomo Metals and Vallourec Group in Brazil to enhance the supply sources.

With a view to expanding and enhancing further mutual cooperation and business development with Sumitomo Metals, the Company has decided to acquire the shares of Sumitomo Metals via third-party allotment, while Sumitomo Metals has decided to acquire the shares of the Company worth 15 billion Japanese yen.

**2. No. of shares to be purchased, shareholding before and after purchase**

- (1) No. of shares held before purchase : 362,206,400 (shareholding:7.54%)
- (2) No. of shares to be purchased : 96,120,000 (shareholding:2.00%)
- (3) No. of shares to be held after purchase : 458,326,400 (shareholding:9.54%)
- (4) Acquisition Cost: ¥517/share

(the average of closing price from Jan. 24, 2008 to Jan. 30, 2008)

(5) Acquisition methods: Subscription third-party allotment of treasury stock held by Sumitomo Metals

### **3. Schedule**

January 31, 2008: Board of Directors' Resolution

February 20, 2008: Scheduled payment for shares

<Profile of Vallourec>

1. Chairman of the Management Board: Pierre Verluca
2. Headquarters: France
3. Sales: 5,542 million euro (2006)
4. Seamless pipe manufacturing plants: France, Germany, Brazil, and U.S.
5. Employees: Approx. 18,000 (2006)

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