

Third-Party Review



Ms. Yoko Takahashi

President of Japan
Philanthropic Association

The unprecedented damage caused by the Great East Japan Earthquake on March 11, 2011, has served as a stark reminder that, just as we cannot live without relying on the blessings of nature, humankind is helpless against the overwhelming power of nature. The disaster has been a wake-up call for us to rethink the relationship between scientific and technological development and human wellbeing from the ground up.

Reconstruction efforts in the affected areas should aim to create new value, rather than merely bring those areas back to what they used to be. Key themes of these efforts include creating urban areas which use resources effectively, creating towns with organic connections linking their healthcare, welfare and education systems, and creating local communities that value bonding with people. Action is already being taken in various fields on these key themes.

Considering the roles expected of corporations in this context, I have reviewed the Sumitomo Corporation Report on Responsibility & Sustainability 2011 (the "Report") to find that efforts are already underway around the world to create new value. I believe the accumulated experience and know-how as well as the people who make up the Sumitomo Corporation Group (the "Group") can make significant positive contributions to the post-quake reconstruction process and hope to see the Group's contributions in collaborating with related sectors.

A corporation's management principles and action guidelines come into play, especially when society stands at a watershed in its history. The Group is committed to its management principles, including its commitment "to place prime importance on integrity and sound management with utmost respect for the individual" and "to foster a corporate culture full of vitality and conducive to innovation," which I note characterizes the Group. This ethos is also represented by its latest watchword, "Growing Together." Now more than ever before, these principles will be able to

guide the Group through its efforts toward creating new value. To ensure the Group can exercise its core competence, or the integrated corporate strength, it is essential to develop employees who can lead the organization—in other words, employees who can act like a concertmaster in an orchestra, according to the analogy used by President & CEO Susumu Kato. I can also see clearly that the Sumitomo Corporation Scholarships offered in developing countries as well as the courses bearing the name of Sumitomo Corporation at overseas universities such as Tsinghua University in China are conducted as part of its human resources development efforts as a global organization. The Report's special article featuring a dialogue between Professor Davis and President Kato is commendable in that it delivers the Group's strong and compelling message that CSR is inherent to its business operations.

I also note that the example projects introduced in the Report: (1) a mobile phone project in Mongolia, (2) food businesses in Asian countries based on the experience and know-how obtained from operations in Japan, and (3) a wide range of projects to achieve sustainable energy supply, are forward-looking activities for the sake of future generations, and I assume the Group is envisioning future expansion of those operations to create societal value. Especially, regarding a sustainable energy supply, these pioneering initiatives by the Group strongly suggest that Japan should take a leadership role in creating and implementing a roadmap toward a sustainable energy world.

I've learned that Sumitomo Corporation held a series of workshops called the "Aritai" Project last year to discuss each organization's ideal image of its business for the next 10 years, as well as "growth stories" and roadmaps to achieve that ideal images. Sumitomo Corporation's new medium-term management plan, "**f(x)**" (f-cross), was formulated to incorporate the action of the workshop, making visible and sharing long-term ideal images on the front lines, as one of the four key actions of "**f(x)**". To achieve the "cross-boundary growth"—meaning the growth together with all our partners across regional, generational, and organizational boundaries—specified in the management plan, the entire Group needs to develop and implement specific actions. I assume that a new section of the Report developed this year is a part of the Company's efforts toward the same ends. In the new section, Sumitomo Corporation's Directors, who are also General Managers of its seven business units, state their intended social value creation goals and efforts with the case study articles, including their social and environmental context, their capabilities to provide solutions and their goals for social value creation of

each business unit. It is well summarized, taking into account the impact of the relevant issues and each business unit's actions on broader society. While this section is characterized as a report based on the discussion and practices within and outside the relevant business unit, it also represents the business unit's commitment towards the future. I believe this section will not only send a message to markets and society, but also inspire and motivate the employees of the Group.

In closing, I also would like to comment on the Group's social contribution activities. The Group is conducting a wide variety of social contribution activities around the world, demonstrating how a corporate citizen should be. A virtuous cycle is created by making these exemplary activities visible and sharing them broadly within the Group, which leads to fostering and strengthening the Group's vibrant, open-minded culture. Social contribution activities, which of course make meaningful contributions to

society, play a significant role in improving a company's CSR-related capabilities gradually yet steadily over the long term. Experience in these activities, which may seem irrelevant to business operations, will serve metaphorically as a "compass" that indicates which way to go when addressing inconsistent perspectives in professional and personal lives, rectifying the imbalance between scientific and technological redevelopment and Nature, and addressing other issues. As a next step, I hope the Group will bring the many activities covered by the Report to the next level from the CSR standpoint, evolving them into the creative philanthropy that helps drive social change. I believe this will also be important for developing future leaders.

The Report provides a testament to the Group's serious and solid efforts to achieve its ambitious CSR objectives. As a reader, I look forward to future reports to see further enhancement and evolution of the Group's activities in the future.

Response to the Third-Party Review

We would like to thank President Yoko Takahashi for her important review of the Sumitomo Corporation Report on Responsibility & Sustainability 2011.

As she pointed out in her review comments, for the Group, fulfilling CSR means implementing our corporate mission: "to achieve prosperity and realize dreams through sound business activities," by firmly maintaining our management style; "to place prime importance on integrity and sound management with utmost respect for the individual," and upholding our corporate culture; "to foster a corporate culture full of vitality and conducive to innovation." In other words, our CSR represents our Management Principles contributing to our "aim to be a global organization that constantly stays a step ahead in dealing with change, creates new value, and contributes broadly to society."

We are required to respond appropriately to paradigm shifts taking place around the world, an example of which includes a growing interest in developing a sustainable society, particularly after the Great East Japan Earthquake. Our employees are at the forefront of a variety of global business arenas, striving to create new value, collaborating

with various partners across regional, generational and organizational boundaries. Our 2011 report presents specific examples of these employees' efforts under the theme of "Growing Together." Another highlight of the report this year is a new section that provides an overview of social value creation activities by our business units that operate a wide range of businesses. We hope this report will help readers to gain a better and more comprehensive understanding of how the Group has been fulfilling its responsibilities to society in our business activities. We will continue to take various measures to create an even better and more sustainable society together with our partners worldwide by utilizing our original capabilities to provide solutions. Your continued interest in and support for our CSR would be truly appreciated.

We at the Sumitomo Corporation Group will also continue to do all we can to report our CSR to our stakeholders.

Masayuki Doi

Chair of the CSR Promotion Committee
Director, Managing Executive Officer
General Manager, Corporate Planning & Coordination Group