



NEWS RELEASE

Mar 5, 2010

R&I Assigns AA-: Sumitomo Corp. SB No.38 & 39

Rating and Investment Information, Inc. (R&I) has announced the following:

ISSUER: Sumitomo Corp. (Sec. Code: 8053)
Unsec. Str. Bonds No.38 & 39
New Issue (issued under the Shelf Registration)

R&I RATING: AA- (Assigned)

RATIONALE:

Sumitomo Corp. is one of the leading general trading firms and one of the core companies in the Sumitomo group. In addition to its Mineral Resources and Energy operations, Sumitomo has a decent earnings base in non-resource areas, such as Transportation & Construction Systems and Media, Network & Lifestyle Retail businesses. R&I highly evaluates Sumitomo's diversified business portfolio and its strict risk management system.

In FY2009, a decline in profitability is inevitable due partly to the global recession since the second half of FY2008. However, since Sumitomo has a comparatively balanced business portfolio, R&I expects the company to be able to secure decent profit and cash flow.

As of the end of March 2009, Sumitomo's net debt decreased from a year earlier. However, with deterioration in accumulated other comprehensive income resulting from the appreciation of the yen and a decrease in unrealized gains on its stock holdings, the company's equity capital, which serves as a risk buffer, has declined and its financial profile has been worsened, as demonstrated by its net debt to equity ratio. Sumitomo's Mid-Term Management Plan "FOCUS'10" has the fundamental principles of promoting medium/long-term growth by enhancing its value-creation capability, as well as reinforcing its soundness and efficiency. Under "FOCUS'10", the company plans to secure a positive free cash flow while maintaining the same level of total assets. As of the end of December 2009, the financial profile improved slightly compared to the end of March 2009, with a decline in net debt and an increase in equity capital. In 2010, Sumitomo announced its intention to launch a takeover bid for Jupiter Telecommunications Co., Ltd., Japan's largest cable television operator, for as much as 122.1 billion yen. Even with a funding burden for the bid taken into account, the company will likely be able to keep a satisfactory level of financial indicators. In order to maintain its creditworthiness, it is essential for Sumitomo to secure the appropriate balance between risk assets and a risk buffer, as well as its financial soundness. R&I will keep a close eye on the developments.

The primary rating methodology applied to this rating is provided at "Basic Methodologies for R&I's Credit Rating". The methodology is available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

<http://www.r-i.co.jp/eng/rating/rating/methodology.html>

R&I RATINGS:

ISSUER: Sumitomo Corp. (Sec. Code: 8053)

LONG-TERM ISSUE RATING:	Issue Date	Redemption	Issue Amount (mn)
Unsec. Str. Bonds No.38	Mar 16, 2010	Mar 16, 2020	Yen 10,000
Unsec. Str. Bonds No.39	Mar 16, 2010	Mar 16, 2022	Yen 20,000

R&I RATING: AA- (Assigned)

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Notes/Financial covenants:

- 1) negative pledge clause, which covers other domestic bonds the firm issued or may issue in the future

ISSUER RATING: AA-
RATING OUTLOOK: Stable

In principle, an Issuer Rating is R&I's opinion on an issuer's overall capacity to repay its financial obligations as agreed and is assigned to all issuers. The rating of individual obligations includes the prospect of recovery and reflects the terms and conditions of the agreement and it may be lower or higher than the Issuer Rating.

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