

October 13, 2006

To whom it may concern:

Sumitomo Corporation  
(Code No. 8053)  
Sumisho Lease Co., Ltd.  
(Code No. 8592)  
Sumisho Auto Leasing Corporation  
Sumitomo Mitsui Financial Group, Inc.  
(Code No. 8316)  
SMBC Leasing Company, Limited  
SMBC Auto Leasing Company, Limited

Strategic Joint Business in Leasing and Auto Leasing Businesses  
between Sumitomo Corporation Group and Sumitomo Mitsui Financial Group

- **Sumitomo Corporation** (hereinafter referred to as “**SC**”; Mr. Motoyuki Oka, President and CEO);
- **Sumisho Lease Co., Ltd.** (hereinafter referred to as “**Sumisho Lease**”; Mr. Hideki Yamane, President);
- **Sumisho Auto Leasing Corporation**, a wholly owned subsidiary of SC (hereinafter referred to as “**Sumisho Auto Lease**”; Mr. Hironori Kato, President);
- **Sumitomo Mitsui Financial Group, Inc.** (hereinafter referred to as “**SMFG**”; Mr. Teisuke Kitayama, President),
- **SMBC Leasing Company, Limited**, a wholly owned subsidiary of SMFG (hereinafter referred to as “**SMBC Leasing**”; Mr. Koji Ishida, President); and
- **SMBC Auto Leasing Company, Limited**, a wholly owned subsidiary of SMBC Leasing (hereinafter referred to as “**SMBC Auto Leasing**”; Mr. Sumio Saito, President),

today announced that they have reached a basic agreement to pursue strategic joint businesses in leasing and auto leasing, summarized as follows:

1. Strategic Joint Business in Leasing and Auto Leasing Businesses

The domestic leasing market, which makes up about 10 percent of the private-sector capital spending, has been expanding among large as well as small-to-medium companies due to increase in capital spending sustained by their improvements in business performance, and the market size has reached 8 trillion yen. As for the domestic auto leasing market, the number of automobiles held for leasing purposes still only makes up less than 4 percent of the total number of automobiles in Japan, and therefore further growth of the auto leasing market is expected as Japanese corporations become more interested in improving efficiency. On the other hand, there are uncertainties in both markets, such as the concerns about rising interest rates and modifications of the accounting standard for leasing.

Given these circumstances, the Sumitomo Corporation Group and the Sumitomo Mitsui Financial Group agreed to position their leasing and auto 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 SMBC Leasing and Sumisho Lease, and the merger of Sumisho Auto Lease and 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 SMBC Leasing and Sumisho Lease, 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, SC and SMFG will fully cooperate as parent companies, and will render assistance to the fullest extent for the development of both businesses.

## 2. Summary of Strategic Joint Business

### (1) Joint Business in the Leasing Business (Merger of SMBC Leasing and Sumisho Lease)

#### (i) Goal

- 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 Mitsui Financial Group and the Sumitomo Corporation 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 SMBC Leasing as a subsidiary of a financial institution and Sumisho Lease as a trading firm's subsidiary, 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.

#### (ii) Form of Merger

SMBC Leasing and Sumisho Lease plan to merge on October 1, 2007. Before this merger, SC plans to acquire the shares of Sumisho Lease by the tender offer (the "TOB"). If SC cannot acquire all outstanding shares of Sumisho Lease by the TOB (except for the shares of Sumisho Lease currently held by SC and Sumisho Lease's treasury shares), SC plans to make Sumisho Lease its wholly-owned subsidiary by share exchange ("*kabushiki kokan*") with cash as the consideration pursuant to Item 2, Paragraph 1, Article 768 of the Company Law. In such TOB and share exchange, shares of Sumisho Lease will be delisted in accordance with the criteria for delisting securities on the Tokyo Stock Exchange and the Osaka Securities Exchange. For details of the TOB and share exchange, please see the announcements separately made today by SC and Sumisho Lease.

Note: Each step will be conducted subject to the approvals at the general shareholders' meetings of each party and/or of the relevant authorities, etc. under applicable laws and regulations.

(iii) Summary of New Leasing Company (Planned)

Business description: General leasing business  
Address of the head office: 9-4, 3-chome, Nishi-Shimbashi, Minato-ku, Tokyo  
Shareholder composition: SMFG 55% (a consolidated subsidiary of SMFG)  
SC 45% (an equity-method affiliate company of SC)  
Representative: Representative Chairman of the Board (Co-CEO)  
Mr. Hideki Yamane (current President of Sumisho Lease)  
Representative President (Co-CEO)  
Mr. Koji Ishida (current President of SMBC Leasing)

Details of the merger such as the trade name and amount of capital, etc. will be determined prior to the execution of the merger agreement.

(iv) Summary of Accounting Treatment

The new leasing company is expected to become a consolidated subsidiary of SMFG and an equity-method affiliate company of SC. This merger is an acquisition under the accounting standards for business combinations, and upon this merger taking effect, SMFG plans to recognize goodwill for purposes of its consolidated financial statements. However, the amount to be recognized has not yet been determined at present.

(2) Joint Business in the Auto Leasing Business (Merger of Sumisho Auto Lease and SMBC Auto Leasing)

(i) Goal

- Winning a place in the auto leasing industry that is becoming increasingly competitive and establishing a structure aiming to be ranked number one with respect to the market share, based upon the high-quality customer bases of both the Sumitomo Corporation Group and the Sumitomo Mitsui Financial Group.
- Establishing a highly profitable company by combining high-value-added services based on Sumisho Auto Lease's value chain and business network of SMBC Auto Leasing.
- Achieving better customer satisfaction by combining and blending the know-how of Sumisho Auto Lease as a trading firm's subsidiary and SMBC Auto Leasing as a subsidiary of a financial institution, thereby pursuing various services.

(ii) Form of Merger

Sumisho Auto Lease and SMBC Auto Leasing plan to merge on October 1, 2007 after making SMBC Auto Leasing a direct subsidiary of SMFG, which is subject to the approval at the general shareholders' meetings and other requirements.

(iii) Summary of New Auto Leasing Company (Planned)

Business description: Leasing business of various automobiles

Address of the head office: 20-2, 3-chome, Nishi-Shinjuku, Shinjuku-ku, Tokyo  
Shareholder composition: SC 60% (a consolidated subsidiary of SC)  
SMFG 40% (an equity-method affiliate company of SMFG)  
Representative: Representative Chairman of the Board (Co-CEO)  
Mr. Katsuyuki Shibabuki (the current Chairman of the Board of  
SMBC Auto Leasing)  
Representative President (Co-CEO)  
Mr. Hironori Kato (the current President of Sumisho Auto Lease)

Mr. Sumio Saito, the current President of SMBC Auto Leasing is scheduled to become Representative Director, Vice President of the new auto leasing company.

Details of the merger such as the trade name and amount of capital, etc. will be determined prior to the execution of the merger agreement.

#### (iv) Summary of Accounting Treatment

The new auto leasing company is expected to become a consolidated subsidiary of SC and an equity-method affiliate company of SMFG. SC will apply the accounting standard under the accounting principles generally accepted in the United States of America (“U.S. GAAP”). However, the amount of goodwill, etc. has not been determined at present.

### (3) Business Cooperation

The Sumitomo Corporation Group and the Sumitomo Mitsui Financial Group will engage in necessary business cooperation such as introducing customers and deals to the merged companies so as to jointly promote the leasing business and the auto leasing business, and they will develop the structure with which the merged companies can effectively and smoothly utilize customer bases and know-how of both the Sumitomo Corporation Group and the Sumitomo Mitsui Financial Group.

### 3. System for Promoting Joint Business

For the purpose of smoothly implementing the joint business in leasing and auto leasing businesses, a “Merger Preparatory Committee” will be established for each business. The committee for the leasing business will be chaired by the presidents of SMBC Leasing and Sumisho Lease, and the one for the auto leasing business will be chaired by the presidents of Sumisho Auto Lease and SMBC Auto Leasing. At the same time, separate subcommittees to discuss individual topics such as planning, financial accounting, human resource management, system development, etc. will be constituted under the “Merger Preparatory Committee.” In addition, a merger preparatory office will be constituted in each of the four companies.

#### 4. Schedule (Planned)

##### (1) Leasing Business

October 13, 2006 (Today)	Signing of a letter of intent
October 31, 2006	Commencement of the TOB of Sumisho Lease by SC
December 7, 2006	Completion of the TOB of Sumisho Lease by SC
May, 2007	In case SC cannot acquire all the shares of Sumisho Lease: Execution of a share exchange agreement (SC and Sumisho Lease)
June, 2007	Annual general meeting of shareholders to approve the share exchange (SC 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*”), a resolution of approval by the general meeting of shareholders may not be needed.

July, 2007	Delisting of shares of Sumisho Lease
August, 2007	SC makes Sumisho Lease its wholly-owned subsidiary by the share exchange
August, 2007	Extraordinary general meeting of shareholders to approve the merger (SMBC Leasing and Sumisho Lease)
October 1, 2007	Merger of SMBC Leasing and Sumisho Lease

##### (2) Auto Leasing Business

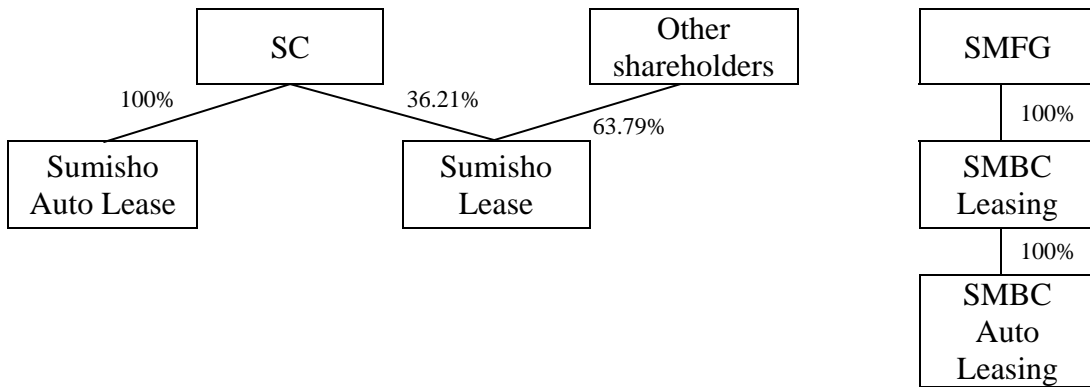
October 13, 2006 (Today)	Signing of a letter of intent
August, 2007	Extraordinary general meeting of shareholders to approve the merger (Sumisho Auto Lease and SMBC Auto Leasing)
October 1, 2007	Merger of Sumisho Auto Lease and SMBC Auto Leasing

SMFG plans to make SMBC Auto Leasing its wholly-owned subsidiary by acquiring all the shares of SMBC Auto Leasing from SMBC Leasing, prior to the merger on October 1, 2007.

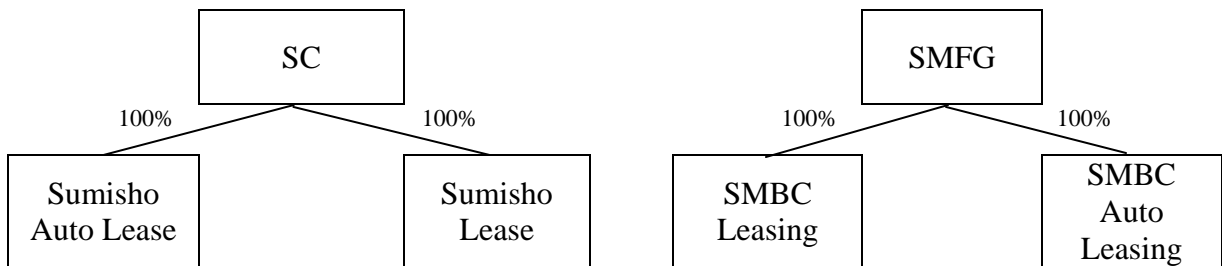
The schedule above may be changed upon consultation among the parties upon unforeseen circumstances.

5. Process of Integration

(1) Current Status

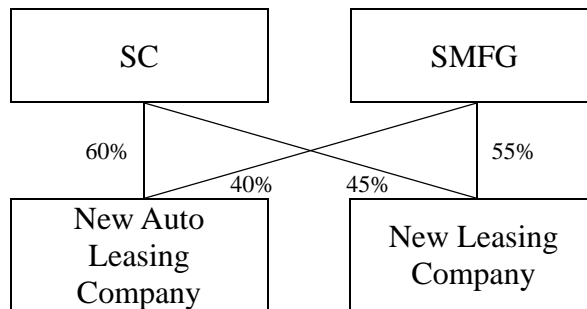


(2) Sumisho Lease becomes a wholly-owned subsidiary of SC by the TOB (and share exchange) of shares of Sumisho Lease.  
 SMBC Auto Leasing becomes a wholly-owned direct subsidiary of SMFG.



(3) Merger of SMBC Leasing and Sumisho Lease.

Merger of Sumisho Auto Lease and SMBC Auto Leasing.



## 6. Business Forecast

### (1) SC:

The business forecast for the year ended march 31, 2007 is not revised as a result of this transaction.

### (2) Sumisho Lease:

The business forecast for the year ended march 31, 2007 is not revised as a result of this transaction.

### (3) SMFG:

The business forecast for the year ended march 31, 2007 is not revised as a result of this transaction.

7. Corporate Profile of the Four Companies that are the Parties to the Management Integration (as of March 31, 2006)

(1) Leasing Business

Company Name	Sumisho Lease Co., Ltd.	SMBC Leasing Company, Limited
Representative	President Hideki Yamane	President Koji Ishida*
Location	5-33, Kitahama 4-chome, Chuo-ku, Osaka	9-4, Nishi-Shimbashi 3-chome, Minato-ku, Tokyo
Date of Incorporation	January 12, 1948	September 2, 1968
Main Business	General leasing business	General leasing business
Number of Employees	589	893
Capital	14,760 million Yen	82,600 million Yen
Total Number of Issued Shares	Common Stock 43,396 thousand shares	Common Stock 30,000 thousand shares Preferred Stock 1,375 thousand shares
Amount of Shareholders' Equity	106,670 million Yen	179,719 million Yen
Total Assets	1,163,734 million Yen	1,805,247 million Yen
Fiscal End	March 31	March 31
Principal Shareholders and Voting Right Ratio	Sumitomo Corporation 36.21% STB Leasing Co., Ltd. 8.13%	SMFG 100%
Main Banks	The Sumitomo Trust and Banking Company, Limited Sumitomo Mitsui Banking Corporation	Sumitomo Mitsui Banking Corporation

\* Elected on June 29, 2006



## (2) Auto Leasing Business

Company Name	Sumisho Auto Leasing Corporation	SMBC Auto Leasing Company, Limited
Representative	President Hironori Kato	President Sumio Saito
Location	20-2, Nishi-Shinjuku 3-chome, Shinjuku-ku, Tokyo	13-12, Nihombashi Kayaba-cho 1-chome, Chuo-ku, Tokyo
Date of Incorporation	February 21, 1981	January 6, 1995
Main Business	Leasing business of various vehicles	Leasing business of various vehicles
Number of Employees	503	514
Capital	2,750 million Yen	4,200 million Yen
Total Number of Issued Shares	19,415 thousand shares	15 thousand shares
Amount of Shareholders' Equity	33,845 million Yen	14,146 million Yen
Total Assets	167,541 million Yen	249,976 million Yen
Fiscal End	March 31	March 31
Principal Shareholders and Voting Right Ratio	Sumitomo Corporation 100%	SMBC Leasing Company, Limited 100%
Main Banks	The Sumitomo Trust and Banking Company, Limited	Sumitomo Mitsui Banking Corporation

8. Business Results for the Most Recent Three Fiscal Years (Unit: Millions of Yen, except for per share data)

	Sumisho Lease (Consolidated)		
Fiscal Year Ended	March 2004	March 2005	March 2006
Net Sales	413,028	430,872	450,482
Operating Income	18,117	21,861	25,731
Ordinary Income	20,631	24,714	28,363
Net Income	12,321	15,158	17,080
Net Income Per Share	283.41 Yen	349.03 Yen	393.35 Yen
Cash Dividends Per Share	24.00 Yen	30.00 Yen	40.00 Yen
Shareholder's Equity Per Share	1,760.54 Yen	2,072.10 Yen	2,727.32 Yen

	SMBC Leasing (Non-Consolidated)		
Fiscal Year Ended	March 2004	March 2005	March 2006
Net Sales	553,011	589,179	619,749
Operating Income	23,267	28,028	32,240
Ordinary Income	14,556	20,177	26,729
Net Income	6,314	12,476	17,560
Net Income Per Share	209.47 Yen	527.73 Yen	546.84 Yen
Cash Dividends Per Share: Common Stock	0.00 Yen	45.00 Yen	78.00 Yen
Shareholder's Equity Per Share	1,863.51 Yen	3,437.32 Yen	4,118.81 Yen

	Sumisho Auto Lease (Non-Consolidated)		
Fiscal Year Ended	March 2004	March 2005	March 2006
Operating Revenues	85,804	91,643	95,282
Operating Income	7,781	9,139	7,904
Ordinary Income	7,858	9,141	7,931
Net Income	4,416	5,403	4,686
Net Income Per Share	226.73 Yen	276.44 Yen	239.89 Yen
Cash Dividends Per Share	24.00 Yen	26.00 Yen	26.00 Yen
Shareholder's Equity Per Share	1,273.99 Yen	1,524.51 Yen	1,741.76 Yen

	SMBC Auto Leasing (Non-Consolidated)		
Fiscal Year Ended	March 2004	March 2005	March 2006
Operating Revenues	95,331	105,558	116,771
Operating Income	3,077	3,486	3,656
Ordinary Income	3,031	3,463	3,642
Net Income	1,694	1,539	1,795
Net Income Per Share	144,440.97 Yen	131,943.66 Yen	119,682.13 Yen
Cash Dividends Per Share: Common Stock	25,000.00 Yen	33,334.00 Yen	33,334.00 Yen
Shareholder's Equity Per Share	450,425.89 Yen	853,790.53 Yen	943,114.03 Yen

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This press release contains information about future business prospects, etc. Please note that the information provided in this press release is based on the predictions of the management of the parties at the time of this press release and involves risks and uncertainties. The actual results may differ from what is disclosed here, subject to changes in business environment, etc. Furthermore, this press release is not made for the purpose of solicitation of any kind, domestic or foreign.