



Sumitomo Corporation of America to Acquire Oxford Finance Corporation

Transaction Provides Oxford with Larger Platform for Growth and Links to the Important Japanese Life Science Market

Alexandria, VA (and New York, NY) - January 29, 2004 – Sumitomo Corporation of America (Sumitomo), an integrated global trading company, and Oxford Finance Corporation (Oxford), a specialized financial services company serving the life science industry, announced today that the two parties have entered into a definitive agreement in which Sumitomo would acquire Oxford for cash and debt totaling approximately \$85 million. Consummation of the transaction is subject to customary conditions, including approval of the transaction by the shareholders of Oxford. Both companies have approved the agreement. The transaction is expected to close during the second quarter of 2004.

The announcement was made jointly today by J. Alden Philbrick, President and Chief Executive Officer of Oxford Finance Corporation, and Atsushi Nishijo, President and Chief Executive Officer of Sumitomo Corporation of America.

As a result of this transaction, Oxford plans to:

- *triple the size of its portfolio over the next three years;*
- *offer clients and venture capitalists unprecedented strategic access to the Japanese life science community for equity investments and the formation of collaborative agreements;*
- *expand its product line; and*
- *broaden its potential client base.*

"This transaction will enable us to extend our reach and enhance our competitive position in the life science market and has tremendous benefits for all of our constituents—life science companies, the venture capital community and our investors,"

said Mr. Philbrick. “The union of Oxford and Sumitomo not only means greater financial resources for existing and potential clients, but unprecedented strategic access to the Japanese life science community which will serve to greatly enhance our value proposition.”

For more than 15 years, Oxford’s management team has provided equipment loans to many of the pioneers in the life science industry, and today, the firm is one of the only financial institutions dedicated exclusively to this field. Oxford’s clients, which include Structural GenomiX, Inc., Guava Technologies Inc., Infinity Pharmaceuticals, Inc., Xcyte Therapies, Inc. and Iomai Corporation, are heavily concentrated in the major U.S. biotechnology markets—California, Massachusetts, North Carolina, the Northwest and the Mid-Atlantic.

Through this transaction, Oxford expects to broaden its target client base, expand its product line, and rapidly grow its investment portfolio in the life science market over the next several years. It also impacts clients and venture capitalists by giving them a direct link to the Japanese life science market for collaborative partnerships, distribution arrangements and equity investments.

Sumitomo Corporation of America, established in 1952 and headquartered in New York, is the largest wholly owned subsidiary of Sumitomo Corporation, with offices in 10 major U.S. cities. As an integrated global trading firm with diversified investments and trading businesses, Sumitomo Corporation of America works closely with its parent as an organizer of multinational projects and a financier. Sumitomo Corporation of America is an investor in several venture capital funds and participates as a strategic Japanese partner with companies in the biotech and life sciences communities.

Mr. Nishijo said, "Since its inception, Oxford Finance Corporation has built a solid brand name and an excellent reputation in the life science market. In addition to our shared business philosophy and keen interest in the life science market, both companies are committed to understanding the needs of our customers and providing innovative financial solutions. The strong management team of Oxford brings a significant level of experience which, when combined with the resources of Sumitomo, positions the company for rapid expansion in this high-growth segment of our marketplace."

Oxford will maintain its operational independence, and the existing experienced management team will continue to lead the company.

Mr. Philbrick concluded, "Our business will continue to thrive as a result of our established client relationships and the highly personalized approach we use to develop creative and flexible financing solutions. The proposed backing of Oxford by one of the world's premier companies underscores the value of the portfolio our management team has created. We look forward to implementing our plans with Sumitomo, as the synergies generated from this transaction will lead to the establishment of a new standard of value and service in the financial services arena for life science companies."

About Oxford Finance Corporation

Oxford is a financial services company that provides senior secured equipment financing to emerging-growth life science companies. Such financings are generally in the form of loans with equity features, typically warrants. Its investment objectives are to achieve a high level of current income from interest payments and transaction fees from the loans it makes to portfolio companies, and to achieve capital gains through an increase in the value of the warrants expected from its portfolio companies in connection with these loans. Oxford is headquartered in Alexandria, Virginia, with offices in California and Massachusetts.

About Sumitomo Corporation of America

Sumitomo Corporation of America, established in 1952 and headquartered in New York, is the largest wholly owned subsidiary of Sumitomo Corporation Japan, with offices in 10

major U.S. cities. As an integrated global trading firm with diversified investments and trading businesses, Sumitomo Corporation of America works closely with its parent as an organizer of multinational projects and a financier.

Sumitomo Corporation is one of the world's leading traders and distributors of commodities, industrial goods and consumer goods. Besides its role as a trader, Sumitomo Corporation is an investor in a diverse range of businesses that positions the company in markets with long-term potential. Sumitomo Corporation has offices in 73 countries and a consolidated staff of 31,589.

Forward-Looking Statements

The information contained in this press release contains forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results and conditions to differ materially from those projected in these forward-looking statements, and these factors are enumerated in Oxford Finance Corporation's filings with the Securities and Exchange Commission.

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