

Consolidated quarterly results 2004 (First quarter ended June 30, 2004)

[Prepared on the basis of accounting principles generally accepted in the United States of America]

**Sumitomo Corporation**

Stock Exchange code No. 8053

(The first sections of Tokyo and Osaka Stock Exchanges)

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(URL <http://www.sumitomocorp.co.jp/english>)**1. Consolidated results for the first quarter (April 1, 2004-June 30, 2004)**

	Three months ended June 30, 2004	Three months ended June 30, 2003	increase/ (decrease)	Annual Targets Year ending March 31, 2005 (announced in April 2004)
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Total Trading Transactions	2,181,289	2,018,495	162,794	9,100,000
Gross Profit	130,774	116,315	14,459	530,000
Operating Income	26,914	17,200	9,714	97,000
Income before Income Taxes and Minority Interests in Earnings of Subsidiaries	42,204	22,820	19,384	119,000
Net Income	23,858	12,971	10,887	70,000

	As of June 30, 2004	As of March 31, 2004	increase/ (decrease)
	(millions of yen)	(millions of yen)	(millions of yen)
Total Assets	5,005,765	5,012,465	(6,700)
Total Shareholders' Equity	752,156	730,848	21,308
Shareholders' Equity Ratio	15.0%	14.6%	0.4 pt

Notes 1) These consolidated results are prepared on the basis of accounting principles generally accepted in the United States of America.

2) The results of the first quarter are not audited by independent public accountants.

3) First quarter : Number of consolidated subsidiaries; 595, Number of equity method applied associated companies; 225

Previous fiscal year : Number of consolidated subsidiaries; 575, Number of equity method applied associated companies; 217

4) Amounts are rounded to the nearest million.

5) Total trading transactions and operating income are presented in a manner customarily used in Japan solely for Japanese investors' purposes.

6) Equity in earnings of associated companies, net have been reclassified into other income (expenses) for the first quarter ended June 30, 2003 in accordance with the reclassification made in fiscal 2004.

7) The consolidated results for the first quarter ended June 30, 2003 have been restated to reflect the Company's accounting for deferred taxes related to investments in affiliates in accordance with the restatements made in fiscal 2004.

2. Operating results for the first quarter (April 1, 2004-June 30, 2004)

The consolidated total trading transactions for the three months ended June 30, 2004 was 2,181.3 billion yen, a 8.1% increase from the same period of the previous year, reflecting increases in Mineral Resources & Energy, Transportation & Construction Systems and Machinery & Electric Business Units. Gross profit increased by 14.5 billion yen to 130.8 billion yen. This was due to strong performances of automobile lease and finance business in Japan and Asia (Transportation & Construction Systems Business Unit) and increase of exports of power plants to Asia (Machinery & Electric Business Unit.) Overseas subsidiaries, mainly Sumitomo Corporation of America, also increased their profits. Operating income increased by 9.7 billion yen to 26.9 billion yen, in spite of an increase in selling, general and administrative expenses due to expansion of business activities at subsidiaries. Equity in earnings of associated companies improved by 4.1 billion yen to 8.5 billion yen from the same period of the previous year due to large improvements in the performances of the Batu Hijau copper and gold mine project and Jupiter Telecommunications.

As a result, net income for the three months ended June 30, 2004 totaled 23.9 billion yen, an increase of 10.9 billion yen or representing 83.9% increase from the same period of the previous year.

Cautionary Statement Concerning Forward-Looking Statements

This report includes forward-looking statements relating to our future plans, targets, objectives, expectations and intentions. The forward-looking statements reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The management targets included in this report are not projections, and do not represent management's current estimates of future performance. Rather, they represent targets that management strive to achieve through the successful implementation of the Company's business strategies. The company may be unsuccessful in implementing its business strategies, and management may fail to achieve its targets.

The Company is under no obligation -- and expressly disclaims any such obligation -- to update or alter its forward-looking statements.

Consolidated Statements of Income

Three-month periods ended June 30, 2004 and 2003

(Unaudited)

	Millions of yen		Millions of U.S. Dollars	
	2004	2003	2004	
Revenues:				
Sales of tangible products	¥ 344,786	¥ 276,559	\$	3,163
Sales of services and others	100,684	95,771		924
Total revenues	445,470	372,330		4,087
Cost of revenues:				
Cost of tangible products sold	(292,578)	(231,726)		(2,684)
Cost of services and others	(22,118)	(24,289)		(203)
Total cost of revenues	(314,696)	(256,015)		(2,887)
Gross profit	130,774	116,315		1,200
Other income (expenses) :				
Selling, general and administrative expenses	(103,010)	(98,841)		(945)
Settlements on copper trading litigation	(451)	(3,378)		(4)
Provision for doubtful receivables	(850)	(274)		(8)
Gain on sale of property and equipment, net	298	18		3
Interest income	3,601	5,232		33
Interest expense	(4,852)	(6,482)		(45)
Dividends	2,898	3,240		26
Gain on marketable securities and investments, net	5,548	2,596		51
Equity in earnings of associated companies, net	8,493	4,373		78
Other, net	(245)	21		(2)
Total other income (expenses)	(88,570)	(93,495)		(813)
Income before income taxes and minority interests in earnings of subsidiaries	42,204	22,820		387
Income taxes	(17,369)	(8,055)		(159)
Income before minority interests in earnings of subsidiaries	24,835	14,765		228
Minority interests in earnings of subsidiaries, net	(977)	(1,794)		(9)
Net income	¥ 23,858	¥ 12,971	\$	219
Disclosure of comprehensive income (loss):				
Net income for the period	¥ 23,858	¥ 12,971	\$	219
Other comprehensive income (loss), net of tax:				
Net unrealized holding gains on securities available-for-sale	1,548	25,754		14
Foreign currency translation adjustments	505	3,370		5
Net unrealized losses on derivatives	(312)	(1,124)		(3)
Comprehensive income for the period	25,599	40,971		235
Total trading transactions	¥ 2,181,289	¥ 2,018,495	\$	20,012

Note:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥109=US\$1.

2) Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which we act as principal or as agent. Total trading transactions is a measure commonly used by Japanese trading companies. It is not to be construed as equivalent to, or a substitute for, sales or revenues under U.S. GAAP.

3) For the fiscal year ended March 31, 2004, the Companies have started reporting revenue in a manner consistent with the accounting guidance in Emerging Issues Task Force Issue No 99-19. The Companies have restated consolidated financial statements of the first quarter ended June 30, 2003 in order to conform to the previous fiscal year presentation. The Companies have also restated consolidated financial statements of the quarter ended June 30, 2003 with respect to the accounting for deferred taxes related to investments in affiliates. For the fiscal year ended March 31, 2004, equity in earnings of associated companies has been included in other income (expenses). The presentation of the first quarter of the year has been reclassified accordingly.

Sumitomo Corporation and Subsidiaries
Consolidated Balance Sheets
As of June 30, 2004 (Unaudited) and March 31, 2004

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2004	March 31, 2004	June 30, 2004
ASSETS			
Current assets			
Cash and cash equivalents	¥ 338,173	¥ 415,574	\$ 3,103
Time deposits	3,572	2,690	33
Marketable securities	6,846	2,823	63
Receivables—trade			
Notes and loans	264,649	238,213	2,428
Accounts	1,135,179	1,178,006	10,414
Associated companies	157,441	151,156	1,444
Allowance for doubtful receivables	(9,952)	(8,851)	(91)
Inventories	440,310	412,340	4,039
Deferred income taxes	37,923	37,613	348
Advance payments to suppliers	61,664	51,541	566
Other current assets	158,612	140,128	1,455
Total current assets	2,594,417	2,621,233	23,802
Investments and long-term receivables:			
Investments in and advances to associated companies	399,801	383,980	3,668
Other investments	457,569	468,986	4,198
Long-term receivable	581,470	597,461	5,335
Allowance for doubtful receivables	(48,917)	(49,957)	(449)
Total investments and long-term receivables	1,389,923	1,400,470	12,752
Property and equipment, at cost less accumulated depreciation	789,410	755,409	7,242
Prepaid expenses, non-current	99,742	98,589	915
Deferred income taxes, non-current	8,417	9,369	77
Other assets	123,856	127,395	1,136
Total	¥ 5,005,765	¥ 5,012,465	\$ 45,924

Note: The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥109=US\$1.

Sumitomo Corporation and Subsidiaries
Consolidated Balance Sheets
As of June 30, 2004 (Unaudited) and March 31, 2004

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2004	March 31, 2004	June 30, 2004
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term debt	¥ 427,275	¥ 452,064	\$ 3,920
Current maturities of long-term debt	303,137	330,622	2,781
Payables-trade			
Notes and acceptances	115,515	107,474	1,060
Accounts	742,003	771,092	6,807
Associated companies	33,302	22,829	305
Income taxes	9,554	15,890	88
Accrued expenses	57,747	61,228	530
Advances from customers	76,238	66,232	699
Other current liabilities	135,785	99,773	1,246
Total current liabilities	1,900,556	1,927,204	17,436
Long-term debt, less current maturities	2,205,405	2,218,415	20,233
Accrued pension and retirement benefits	12,517	10,895	115
Deferred income taxes	48,266	38,797	442
Minority interests	86,865	86,306	797
Shareholders' equity:			
Common stock	169,439	169,439	1,554
Additional paid-in capital	189,621	189,621	1,740
Retained earnings			
Appropriated for legal reserve	17,686	17,686	162
Unappropriated	385,497	365,894	3,537
	403,183	383,580	3,699
Accumulated other comprehensive loss	(9,496)	(11,237)	(87)
Treasury stock, at cost	(591)	(555)	(5)
Total shareholders' equity	752,156	730,848	6,901
Total	¥ 5,005,765	¥ 5,012,465	\$ 45,924

Note: The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥109=US\$1.

Segment Information (Condensed)Three-month periods ended June 30, 2004 and 2003
(Unaudited)

Operating segments: 2004:	Millions of Yen			
	Segment	Gross profit	Net income	As of June 30 Segment assets
Metal Products	¥ 11,773	¥ 3,254	¥ 396,008	¥ 242,308
Transportation & Construction Systems	25,524	3,800	814,188	332,884
Machinery & Electric	6,750	909	430,677	302,740
Media, Electronics & Network	8,579	1,861	361,347	96,953
Chemical	6,461	1,514	174,241	112,511
Mineral Resources & Energy	7,092	1,825	396,442	375,640
Consumer Goods & Service	24,335	1,846	294,464	203,238
Materials & Real Estate	12,912	1,673	591,199	87,192
Financial & Logistics	4,540	939	205,004	36,691
Domestic Regional Business Units and Offices	9,243	479	358,063	231,356
Overseas Subsidiaries and Branches	14,894	2,260	507,418	294,500
Segment Total	132,103	20,360	4,529,051	2,316,013
Corporate and Eliminations	(1,329)	3,498	476,714	(134,724)
Consolidated	¥ 130,774	¥ 23,858	¥ 5,005,765	¥ 2,181,289

2003:	Millions of Yen			
	Segment	Gross profit	Net income	As of March 31 Segment assets
Metal Products	¥ 10,139	¥ 2,267	¥ 390,391	¥ 234,733
Transportation & Construction Systems	22,244	3,192	792,960	275,861
Machinery & Electric	4,018	(554)	435,727	267,376
Media, Electronics & Network	9,072	1,748	374,952	79,697
Chemical	5,323	380	174,866	93,857
Mineral Resources & Energy	5,932	431	345,682	309,827
Consumer Goods & Service	21,784	1,404	304,593	206,784
Materials & Real Estate	13,345	2,232	615,253	99,745
Financial & Logistics	3,584	239	193,540	17,142
Domestic Regional Business Units and Offices	9,099	62	379,277	237,741
Overseas Subsidiaries and Branches	12,690	972	493,258	309,804
Segment Total	117,230	12,373	4,500,499	2,132,567
Corporate and Eliminations	(915)	598	511,966	(114,072)
Consolidated	¥ 116,315	¥ 12,971	¥ 5,012,465	¥ 2,018,495

2004:	Millions of U.S.Dollars			
	Segment	Gross profit	Net income	As of June 30 Segment assets
Metal Products	\$ 108	\$ 30	\$ 3,633	\$ 2,223
Transportation & Construction Systems	234	35	7,470	3,054
Machinery & Electric	62	8	3,951	2,777
Media, Electronics & Network	79	17	3,315	889
Chemical	59	14	1,599	1,032
Mineral Resources & Energy	65	17	3,637	3,446
Consumer Goods & Service	223	17	2,701	1,865
Materials & Real Estate	118	15	5,424	800
Financial & Logistics	42	9	1,881	337
Domestic Regional Business Units and Offices	85	4	3,285	2,123
Overseas Subsidiaries and Branches	137	21	4,655	2,702
Segment Total	1,212	187	41,551	21,248
Corporate and Eliminations	(12)	32	4,373	(1,236)
Consolidated	\$ 1,200	\$ 219	\$ 45,924	\$ 20,012

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