

Highlights of consolidated quarterly results 2004 (First quarter ended June 30, 2004)

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July 29, 2004

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

Sumitomo Corporation

Unit: 100 millions of yen (rounded to the nearest 100 million)

Consolidated Income	Three months ended June 30, 2004	Three months ended June 30, 2003	increase/(decrease)		Annual targets		Summary of the results for the three months (April 1, 2004-June 30, 2004) in comparison with the same period of the previous year
			amount	percentage	(announced in April, 2004)	Achievement	
Gross profit	1,308	1,163	145	12.4%	5,300	25%	<p><u>Gross profit</u></p> <ul style="list-style-type: none"> - Acquisition of steel products business from Nichimen Corporation - Strong performances of automobile lease and finance business in Japan and Asia, automobile businesses in Europe - Increase of plant business in Asia - Increase of gross profit in Overseas subsidiaries such as Sumitomo Corporation of America - Decrease of condominium sales in Tokyo metropolitan area compared with the same period of the previous year, which showed a strong performance <p><u>Selling, general and administrative expenses</u></p> <ul style="list-style-type: none"> - Increase in personnel expenses due to the expansion of business activities at subsidiaries - Increase in amortization of software - Decrease in retirement benefit expenses <p><u>Equity in earnings of associated companies, net</u></p> <ul style="list-style-type: none"> - Improvement in the Batu Hijau copper and gold mine project and Jupiter Telecommunications - Strong performances in Sumisho Lease and Jupiter Programming <p><u>Settlements on copper trading litigation</u></p> <ul style="list-style-type: none"> - Settlement paid during the previous period <p><u>Provision for doubtful receivables</u></p> <ul style="list-style-type: none"> - Provision for receivables going through legal liquidation <p><u>Gain on property and equipment, net</u></p> <ul style="list-style-type: none"> - Gain on sale of business property <p><u>Gain on marketable securities and investments, net</u></p> <ul style="list-style-type: none"> - Capital gains generated mostly by the continuous unwinding of cross shareholdings
Other income (expenses) :							
Selling, general and administrative expenses	(1,030)	(988)	(42)	(4.2%)	(4,300)	24%	
Personnel expenses	(540)	(525)	(14)	(2.7%)			
Facility related expenses	(185)	(184)	(1)	(0.3%)			
Other	(306)	(279)	(27)	(9.6%)			
Interest expense, net of interest income	(13)	(13)	0	(0.1%)	(70)	18%	
Dividends	29	32	(3)	(10.6%)	60	48%	
Equity in earnings of associated companies, net	85	44	41	94.2%	350	24%	
Settlements on copper trading litigation	(5)	(34)	29	86.6%	(150)		
Provision for doubtful receivables	(9)	(3)	(6)	(210.2%)			
Gain on property and equipment, net	3	0	3	-			
Gain on marketable securities and investments, net	55	26	30	113.7%			
Other, net	(2)	0	(3)	-			
Total other income (expenses)	(886)	(935)	49	5.3%	(4,110)	22%	
Income before income taxes and minority interests in earnings of subsidiaries	422	228	194	84.9%	1,190	35%	
Income taxes	(174)	(81)	(93)	(115.6%)	(410)	42%	
Income before minority interests in earnings of subsidiaries	248	148	101	68.2%	780	32%	
Minority interests in earnings of subsidiaries, net	(10)	(18)	8	45.5%	(80)	12%	
Net income	239	130	109	83.9%	700	34%	
Total trading transactions	21,813	20,185	1,628	8.1%	91,000	24%	
Note: Total trading transactions is presented in a manner customarily used in Japan solely for Japanese investors' purposes.							
Operating income	269	172	97	56.5%	970	28%	
Note: Operating income is presented in a manner customarily used in Japan solely for Japanese investors' purposes.							
Basic profit (Calculation for reference)*	258	157	102	65.0%	934	28%	

*Calculation: (Gross profit-Selling, general and administrative expenses-Interest expenses, net of interest income+Dividends)×59% (to take into account income taxes) + Equity in earnings of associated companies

For the three months ended June 30, 2003, basic profit was calculated by using 58% as the multiplier.

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.

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Segment Information	Gross profit			Net income			Assets		
	Three months ended June 30, 2004	Three months ended June 30, 2003	increase/ (decrease)	Three months ended June 30, 2004	Three months ended June 30, 2003	increase/ (decrease)	As of June 30, 2004	As of March 31, 2004	increase/ (decrease)
Metal Products	118	101	16	33	23	10	3,960	3,904	56
Transportation & Construction Systems	255	222	33	38	32	6	8,142	7,930	212
Machinery & Electric	68	40	27	9	(6)	15	4,307	4,357	(51)
Media, Electronics & Network	86	91	(5)	19	17	1	3,613	3,750	(136)
Chemical	65	53	11	15	4	11	1,742	1,749	(6)
Mineral Resources & Energy	71	59	12	18	4	14	3,964	3,457	508
Consumer Goods & Service	243	218	26	18	14	4	2,945	3,046	(101)
Materials & Real Estate	129	133	(4)	17	22	(6)	5,912	6,153	(241)
Financial & Logistics	45	36	10	9	2	7	2,050	1,935	115
Domestic Regional Business Units and Offices	92	91	1	5	1	4	3,581	3,793	(212)
Overseas Subsidiaries and Branches	149	127	22	23	10	13	5,074	4,933	142
Segment Total	1,321	1,172	149	204	124	80	45,291	45,005	286
Corporate and Eliminations	(13)	(9)	(4)	35	6	29	4,767	5,120	(353)
Consolidated	1,308	1,163	145	239	130	109	50,058	50,125	(67)

Assets and Liabilities	As of June 30, 2004	As of March 31, 2004	increase/ (decrease)	Summary
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Total assets	50,058	50,125	(67)	<u>Total assets</u>
Total shareholders' equity	7,522	7,308	213	- Cash and cash equivalents used in strategic investments
Shareholders' equity ratio	15.0%	14.6%	0.4pt	- Expansion of operating assets
Working Capital	6,939	6,940	(2)	- Sales on marketable securities
Interest - bearing liabilities, net	23,886	23,776	110	<u>Total shareholders' equity</u>
Debt - equity ratio, net (times)	3.2	3.3	(0.1pt)	- Improved resulting from increase in retained earnings
				<u>Shareholders' equity ratio</u>
				<u>Debt - equity ratio, net</u>
				- Both improved due to an increase in shareholders' equity