

# Consolidated quarterly results 2004 (Third quarter ended December 31, 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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### 1. Consolidated results for the nine-month period (April 1, 2004-December 31, 2004)

	Nine months ended December 31, 2004			Nine months ended Dec. 31, 2003	increase/ (decrease)	Annual Targets Year ending Mar. 31, 2005 (Announced in Oct. 2004)
	Total	Six months ended Sep.30, 2004	Three months ended Dec.31, 2004			
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Total Trading Transactions	7,137,007	4,786,384	2,350,623	6,477,131	659,876	9,700,000
Gross Profit	412,889	271,453	141,436	365,210	47,679	560,000
Operating Income	81,883	52,041	29,842	54,146	27,737	115,000
Income before Income Taxes and Minority Interests in Earnings of Subsidiaries	132,955	76,796	56,159	95,551	37,404	139,000
Net Income	76,372	43,527	32,845	55,564	20,808	78,000

	As of Dec.31, 2004	As of Mar.31, 2004	increase/ (decrease)
	(millions of yen)	(millions of yen)	(millions of yen)
Total Assets	5,384,297	5,012,465	371,832
Total Shareholders' Equity	917,270	730,848	186,422
Shareholders' Equity Ratio	17.0%	14.6%	2.4pt

- 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 third quarter are not audited by independent public accountants.
- 3) Third quarter : Number of consolidated subsidiaries; 615, 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 nine-month period ended December 31, 2003 in accordance with the reclassification made in fiscal 2004. The consolidated results for the nine-month period ended December 31, 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 nine-month period (April 1, 2004-December 31, 2004)

The company's total trading transactions for the nine-month period ended December 31, 2004 was 7,137 billion yen, a 10.2% increase from the same period of the previous year, due to the strong performances in mineral resources and energy businesses and plant businesses mainly in Asia.

Gross profit was 412.9 billion yen, an increase of 47.7 billion yen. Automobile lease and finance businesses and ships businesses in the Transportation & Construction Systems Business Unit and plant businesses mainly in Asia in the Machinery & Electric Business Unit increased. Steel businesses at Sumitomo Corporation of America in the Overseas Subsidiaries and Branches performed well. On the other hand, in the Materials & Real Estate Business Unit, gross profit decreased due to the impairment loss on real estate for sale and the decrease in condominium sales in Tokyo metropolitan area compared with the same period of the previous year, which showed a strong performance.

Selling, general and administrative expenses increased by 17.6 billion yen due to the expansion of business activities. Equity in earnings of associated companies, net increased by 13.5 billion yen to 28.9 billion yen resulting from improvements in Jupiter Telecommunications and Batu Hijau copper and gold mine project.

As a result, net income for the nine-month period ended December 31, 2004 totaled 76.4 billion yen, an increase of 20.8 billion yen or representing 37% growth from the same period of the previous year.

#### Caution 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**

Nine-month periods ended December 31, 2004 and 2003

(Unaudited)

	Millions of yen				Millions of
	2004			2003	U.S. Dollars
	Six months ended September 30	Three months ended December 31	Nine months ended December 31	Nine months ended December 31	2004 Nine months ended December 31
<b>Revenues:</b>					
Sales of tangible products	¥ 735,234	¥ 385,918	¥ 1,121,152	¥ 909,353	\$ 10,992
Sales of services and others	221,040	96,883	317,923	302,889	3,117
<b>Total revenues</b>	<b>956,274</b>	<b>482,801</b>	<b>1,439,075</b>	<b>1,212,242</b>	<b>14,109</b>
<b>Cost of revenues:</b>					
Cost of tangible products sold	(635,769)	(320,328)	(956,097)	(768,893)	(9,374)
Cost of services and others	(49,052)	(21,037)	(70,089)	(78,139)	(687)
<b>Total cost of revenues</b>	<b>(684,821)</b>	<b>(341,365)</b>	<b>(1,026,186)</b>	<b>(847,032)</b>	<b>(10,061)</b>
<b>Gross profit</b>	<b>271,453</b>	<b>141,436</b>	<b>412,889</b>	<b>365,210</b>	<b>4,048</b>
<b>Other income (expenses) :</b>					
Selling, general and administrative expenses	(216,335)	(111,134)	(327,469)	(309,912)	(3,211)
Settlements on copper trading litigation	(988)	3,759	2,771	(6,677)	27
Provision for doubtful receivables	(3,077)	(460)	(3,537)	(1,152)	(35)
Gain on sale of property and equipment, net	101	13,138	13,239	13,488	130
Interest income	6,946	3,374	10,320	12,769	101
Interest expense	(10,292)	(6,033)	(16,325)	(16,563)	(160)
Dividends	3,550	1,110	4,660	5,913	46
(Impairment loss) valuation gain on marketable securities and other investments, net	(824)	74	(750)	(2,095)	(7)
Gain on sale of marketable securities and other investments, net	7,272	1,076	8,348	19,371	82
Equity in earnings of associated companies, net	18,908	9,953	28,861	15,368	283
Other, net	82	(134)	(52)	(169)	(1)
Total other income (expenses)	(194,657)	(85,277)	(279,934)	(269,659)	(2,745)
<b>Income before income taxes and minority interests in earnings of subsidiaries</b>	<b>76,796</b>	<b>56,159</b>	<b>132,955</b>	<b>95,551</b>	<b>1,303</b>
<b>Income taxes</b>	<b>(29,733)</b>	<b>(21,818)</b>	<b>(51,551)</b>	<b>(35,248)</b>	<b>(505)</b>
<b>Income before minority interests in earnings of subsidiaries</b>	<b>47,063</b>	<b>34,341</b>	<b>81,404</b>	<b>60,303</b>	<b>798</b>
<b>Minority interests in earnings of subsidiaries, net</b>	<b>(3,536)</b>	<b>(1,496)</b>	<b>(5,032)</b>	<b>(4,739)</b>	<b>(49)</b>
<b>Net income</b>	<b>¥ 43,527</b>	<b>¥ 32,845</b>	<b>¥ 76,372</b>	<b>¥ 55,564</b>	<b>\$ 749</b>
<b>Disclosure of comprehensive income (loss):</b>					
Net income for the period	¥ 43,527	¥ 32,845	¥ 76,372	¥ 55,564	\$ 749
Other comprehensive income (loss), net of tax:					
Net unrealized holding (losses) gains on securities available-for-sale	(6,832)	13,647	6,815	59,240	66
Foreign currency translation adjustments	3,565	11,517	15,082	(17,076)	148
Net unrealized (losses) gains on derivatives	(529)	96	(433)	(84)	(4)
<b>Comprehensive income for the period</b>	<b>39,731</b>	<b>58,105</b>	<b>97,836</b>	<b>97,644</b>	<b>959</b>
<b>Total trading transactions</b>	<b>¥ 4,786,384</b>	<b>¥ 2,350,623</b>	<b>¥ 7,137,007</b>	<b>¥ 6,477,131</b>	<b>\$ 69,971</b>

## Note:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥102=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 and to include equity in earnings of associated companies in other income (expenses). Accordingly, consolidated results for the third quarter ended December 31, 2003 have been restated to reflect these changes and to reflect the Companies' accounting for deferred taxes related to investments in affiliates in accordance with the restatement made in fiscal 2004.

**Consolidated Balance Sheets**

As of December 31, 2004 (Unaudited) and March 31, 2004

	Millions of Yen		Millions of U.S. Dollars
	December 31, 2004	March 31, 2004	December 31, 2004
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 491,225	¥ 415,574	\$ 4,816
Time deposits	5,034	2,690	49
Marketable securities	8,150	2,823	80
Receivables—trade			
Notes and loans	312,933	238,213	3,068
Accounts	1,253,685	1,178,006	12,291
Associated companies	70,232	151,156	689
Allowance for doubtful receivables	(9,816)	(8,851)	(96)
Inventories	474,880	412,340	4,656
Deferred income taxes	38,074	37,613	373
Advance payments to suppliers	64,471	51,541	632
Other current assets	200,068	140,128	1,961
Total current assets	2,908,936	2,621,233	28,519
<b>Investments and long-term receivables:</b>			
Investments in and advances to associated companies	372,526	383,980	3,652
Other investments	461,951	468,986	4,529
Long-term receivables	615,486	597,461	6,034
Allowance for doubtful receivables	(44,924)	(49,957)	(440)
Total investments and long-term receivables	1,405,039	1,400,470	13,775
<b>Property and equipment, less accumulated depreciation</b>	824,811	768,553	8,086
<b>Prepaid expenses, non-current</b>	93,443	98,589	916
<b>Deferred income taxes, non-current</b>	12,933	9,369	127
<b>Other assets</b>	139,135	114,251	1,364
<b>Total</b>	<b>¥ 5,384,297</b>	<b>¥ 5,012,465</b>	<b>\$ 52,787</b>

Note:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥102=US\$1.

2) The Company reclassified Mining rights from "Other assets" to "Property and equipment, at cost less accumulated depreciation" in a manner consistent with the accounting guidance in Emerging Issues Task Force Issue No. 04-02.

**Consolidated Balance Sheets**

As of December 31, 2004 (Unaudited) and March 31, 2004

	Millions of Yen		Millions of U.S. Dollars
	December 31, 2004	March 31, 2004	December 31, 2004
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Short-term debt	¥ 442,150	¥ 452,064	\$ 4,335
Current maturities of long-term debt	396,684	330,622	3,889
Payables—trade			
Notes and acceptances	135,734	107,474	1,331
Accounts	791,426	771,092	7,759
Associated companies	20,072	22,829	197
Income taxes	20,951	15,890	205
Accrued expenses	50,806	61,228	498
Advances from customers	106,202	66,232	1,041
Other current liabilities	150,087	99,773	1,472
Total current liabilities	2,114,112	1,927,204	20,727
<b>Long-term debt, less current maturities</b>	2,178,872	2,218,415	21,361
<b>Accrued pension and retirement benefits</b>	12,734	10,895	125
<b>Deferred income taxes, non-current</b>	70,479	38,797	691
<b>Minority interests</b>	90,830	86,306	890
<b>Shareholders' equity:</b>			
Common stock	219,279	169,439	2,150
Additional paid-in capital	238,822	189,621	2,341
Retained earnings			
Appropriated for legal reserve	17,686	17,686	174
Unappropriated	433,929	365,894	4,254
	451,615	383,580	4,428
Accumulated other comprehensive income (loss)	10,227	(11,237)	100
Treasury stock, at cost	(2,673)	(555)	(26)
Total shareholders' equity	917,270	730,848	8,993
<b>Total</b>	<b>¥ 5,384,297</b>	<b>¥ 5,012,465</b>	<b>\$ 52,787</b>

The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥102=US\$1.

**Segment Information (Condensed)**Nine-month periods ended December 31, 2004 and 2003  
(Unaudited)

Operating segments: 2004:	Millions of Yen			
	Segment	Gross profit	Net income	As of December 31
Segment assets				
Metal Products	¥ 37,848	¥ 10,581	¥ 450,053	¥ 786,003
Transportation & Construction Systems	80,859	11,722	871,588	1,117,354
Machinery & Electric	22,836	3,921	434,272	1,031,804
Media, Electronics & Network	30,134	5,378	357,086	334,343
Chemical	21,549	4,047	217,037	384,003
Mineral Resources & Energy	24,638	11,338	446,222	1,281,735
Consumer Goods & Service	74,111	4,550	311,934	584,411
Materials & Real Estate	33,621	1,835	616,263	262,489
Financial & Logistics	10,746	950	213,258	96,432
Domestic Regional Business Units and Offices	29,556	3,177	377,135	759,768
Overseas Subsidiaries and Branches	55,219	18,959	601,371	951,870
Segment Total	421,117	76,458	4,896,219	7,590,212
Corporate and Eliminations	(8,228)	(86)	488,078	(453,205)
Consolidated	¥ 412,889	¥ 76,372	¥ 5,384,297	¥ 7,137,007

2003:	Millions of Yen			
	Segment	Gross profit	Net income	As of March 31
Segment assets				
Metal Products	¥ 32,027	¥ 6,327	¥ 390,391	¥ 720,606
Transportation & Construction Systems	73,594	9,505	792,960	937,592
Machinery & Electric	16,212	86	435,727	898,815
Media, Electronics & Network	28,398	4,767	374,952	268,772
Chemical	16,539	1,295	174,866	306,470
Mineral Resources & Energy	19,646	3,976	345,682	1,029,054
Consumer Goods & Service	66,899	3,575	304,593	628,725
Materials & Real Estate	35,707	10,692	615,253	274,061
Financial & Logistics	10,781	1,544	193,540	64,083
Domestic Regional Business Units and Offices	29,050	1,900	379,277	810,122
Overseas Subsidiaries and Branches	41,103	4,930	493,258	862,889
Segment Total	369,956	48,597	4,500,499	6,801,189
Corporate and Eliminations	(4,746)	6,967	511,966	(324,058)
Consolidated	¥ 365,210	¥ 55,564	¥ 5,012,465	¥ 6,477,131

2004:	Millions of U.S.Dollars			
	Segment	Gross profit	Net income	As of December 31
Segment assets				
Metal Products	\$ 371	\$ 104	\$ 4,412	\$ 7,706
Transportation & Construction Systems	793	115	8,545	10,954
Machinery & Electric	224	38	4,257	10,116
Media, Electronics & Network	295	53	3,501	3,278
Chemical	211	40	2,128	3,765
Mineral Resources & Energy	242	111	4,375	12,566
Consumer Goods & Service	727	45	3,058	5,730
Materials & Real Estate	330	18	6,042	2,573
Financial & Logistics	105	9	2,091	945
Domestic Regional Business Units and Offices	290	31	3,697	7,449
Overseas Subsidiaries and Branches	541	186	5,896	9,332
Segment Total	4,129	750	48,002	74,414
Corporate and Eliminations	(81)	(1)	4,785	(4,443)
Consolidated	\$ 4,048	\$ 749	\$ 52,787	\$ 69,971

## Note:

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