

# Consolidated quarterly results FY2005 (Three-month period ended June 30, 2005)

[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 three-month period ended June 30, 2005

### (1) Summary

(Remark) Amounts are rounded to the nearest million.

	Total trading transactions	(increase/ decrease)	Operating income	(increase/ decrease)	Income before income taxes and minority interests in earnings of subsidiaries	(increase/ decrease)	Net income	(increase/ decrease)
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Three months ended								
June 30, 2005	2,245,616	2.9	43,412	61.3	61,958	46.8	37,783	58.4
June 30, 2004	2,181,289	8.1	26,914	56.5	42,204	84.9	23,858	83.9
Year ended March 31, 2005	9,898,598	7.6	112,385	58.4	151,349	38.8	85,073	27.7

	Net income per share (basic)	Net income per share (diluted)
	(yen)	(yen)
Three months ended		
June 30, 2005	31.39	31.38
June 30, 2004	22.43	22.43
Year ended March 31, 2005	72.83	72.82

### (2) Financial position

	Total assets	Total shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share
	(millions of yen)	(millions of yen)	(%)	(yen)
As of June 30, 2005	5,628,031	974,621	17.3	809.61
As of June 30, 2004	5,005,765	752,156	15.0	707.05
As of March 31, 2005	5,533,127	934,891	16.9	776.61

- 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) As of June 30, 2005 : Number of consolidated subsidiaries; 609 , Number of equity method applied associated companies; 236  
As of March 31, 2005 : Number of consolidated subsidiaries; 606 , Number of equity method applied associated companies; 230
  - 4) Percentage figures are changes from the same period of the previous fiscal year.
  - 5) Total trading transactions and operating income are presented in a manner customarily used in Japan solely for Japanese investors' purposes. Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which the Companies act as principal or as agent.
  - 6) The targets for fiscal year 2005 have not changed from the announcement in April 2005.

## 2. Outline of consolidated results for the three-month period ended June 30, 2005

The company's total trading transactions for the three-month period ended June 30, 2005 was 2,245.6 billion yen, a 2.9% increase from the same period of the previous year. Gross profit increased by 25.1 billion yen to 155.9 billion yen. These were mainly due to strong performances in automobile lease and finance businesses in Japan and Asia (Transportation & Construction Systems), oil business in British North Sea and coal business in Australia (Mineral Resources & Energy), and operations at Sumitomo Corporation of America (Overseas Subsidiaries & Branches). The Hartz Mountain Corporation, a company operating pet care business also contributed (Chemical).

Although, selling, general and administrative expenses increased mainly due to the newly consolidated subsidiaries and the expansion of business activities at subsidiaries, operating income increased by 16.5 billion yen to 43.4 billion yen.

Equity in earnings of associated companies, net increased by 1.7 billion yen to 10.2 billion yen resulting from strong performances in Jupiter Telecommunications and Sumisho Leasing. In addition, IPP businesses in Asia newly contributed.

As a result, net income amounted to 37.8 billion yen, an increase of 13.9 billion yen or representing 58.4% growth from the same period of the previous year.

### Caution Concerning Forward-looking Statement

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, 2005 and 2004

(Unaudited)

	Millions of yen		Millions of
	2005	2004	U.S. Dollars
<b>Revenues:</b>			
Sales of tangible products	¥ 445,386	¥ 344,786	\$ 4,012
Sales of services and others	115,582	100,684	1,041
<b>Total revenues</b>	<b>560,968</b>	<b>445,470</b>	<b>5,053</b>
<b>Cost:</b>			
Cost of tangible products sold	(377,086)	(292,578)	(3,397)
Cost of services and others	(27,979)	(22,118)	(252)
<b>Total cost</b>	<b>(405,065)</b>	<b>(314,696)</b>	<b>(3,649)</b>
<b>Gross profit</b>	<b>155,903</b>	<b>130,774</b>	<b>1,404</b>
<b>Other income (expenses) :</b>			
Selling, general and administrative expenses	(111,854)	(103,010)	(1,007)
Settlements on copper trading litigation	(2)	(451)	(0)
Provision for doubtful receivables	(637)	(850)	(6)
Gain on sale of property and equipment, net	1,264	298	11
Interest income	3,967	3,601	36
Interest expense	(7,587)	(4,852)	(68)
Dividends	5,425	2,898	49
Other than temporary impairment losses on securities	(40)	(2)	(0)
Gain on sale of marketable securities and other investments, net	3,891	5,550	35
Gain on issuances of stock by subsidiaries and associated companies	1,014	0	9
Equity in earnings of associated companies, net	10,242	8,493	92
Other, net	372	(245)	3
<b>Total other income (expenses)</b>	<b>(93,945)</b>	<b>(88,570)</b>	<b>(846)</b>
<b>Income before income taxes and minority interests in earnings of subsidiaries</b>	<b>61,958</b>	<b>42,204</b>	<b>558</b>
<b>Income taxes</b>	<b>(21,967)</b>	<b>(17,369)</b>	<b>(198)</b>
<b>Income before minority interests in earnings of subsidiaries</b>	<b>39,991</b>	<b>24,835</b>	<b>360</b>
<b>Minority interests in earnings of subsidiaries, net</b>	<b>(2,208)</b>	<b>(977)</b>	<b>(20)</b>
<b>Net income</b>	<b>¥ 37,783</b>	<b>¥ 23,858</b>	<b>\$ 340</b>
<b>Disclosure of comprehensive income (loss):</b>			
Net income for the period	¥ 37,783	¥ 23,858	\$ 340
Other comprehensive income (loss), net of tax:			
Net unrealized holding gains on securities available-for-sale	209	1,548	2
Foreign currency translation adjustments	8,414	505	76
Net unrealized gains (losses) on derivatives	(3,251)	(312)	(29)
<b>Comprehensive income for the period</b>	<b>¥ 43,155</b>	<b>¥ 25,599</b>	<b>\$ 389</b>
<b>Total trading transactions</b>	<b>¥ 2,245,616</b>	<b>¥ 2,181,289</b>	<b>\$ 20,231</b>

## Note:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥111=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.

Sumitomo Corporation and Subsidiaries  
**Consolidated Balance Sheets**  
As of June 30, 2005 (Unaudited) and March 31, 2005

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2005	March 31, 2005	June 30, 2005
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 517,760	¥ 453,891	\$ 4,665
Time deposits	6,779	10,246	61
Marketable securities	49,656	23,154	447
Receivables-trade			
Notes and loans	318,239	307,133	2,867
Accounts	1,332,804	1,355,706	12,007
Associated companies	68,003	84,884	613
Allowance for doubtful receivables	(12,088)	(11,005)	(109)
Inventories	531,980	503,767	4,793
Deferred income taxes	40,562	39,161	365
Advance payments to suppliers	63,525	56,878	572
Other current assets	195,990	271,218	1,766
Total current assets	3,113,210	3,095,033	28,047
<b>Investments and long-term receivables:</b>			
Investments in and advances to associated companies	409,746	394,618	3,691
Other investments	508,918	502,658	4,585
Long-term receivables	612,868	620,835	5,521
Allowance for doubtful receivables	(44,994)	(45,672)	(405)
Total investments and long-term receivables	1,486,538	1,472,439	13,392
<b>Property and equipment, at cost less accumulated depreciation</b>	761,912	720,392	6,864
<b>Prepaid expenses, non-current</b>	93,952	94,838	847
<b>Deferred income taxes, non-current</b>	16,761	10,149	151
<b>Other assets</b>	155,658	140,276	1,402
<b>Total</b>	<b>¥ 5,628,031</b>	<b>¥ 5,533,127</b>	<b>\$ 50,703</b>

Note: The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥111=US\$1.

Sumitomo Corporation and Subsidiaries  
**Consolidated Balance Sheets**  
As of June 30, 2005 (Unaudited) and March 31, 2005

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2005	March 31, 2005	June 30, 2005
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Short-term debt	¥ 436,083	¥ 412,217	\$ 3,929
Current maturities of long-term debt	439,377	438,534	3,958
Payables-trade			
Notes and acceptances	98,145	101,735	884
Accounts	829,590	878,952	7,474
Associated companies	25,539	18,266	230
Income taxes	15,445	20,226	139
Accrued expenses	56,123	60,539	506
Advances from customers	103,072	85,392	928
Other current liabilities	234,724	182,197	2,115
Total current liabilities	2,238,098	2,198,058	20,163
<b>Long-term debt, less current maturities</b>	2,213,468	2,213,651	19,941
<b>Accrued pension and retirement benefits</b>	11,752	11,782	106
<b>Deferred income taxes, non-current</b>	92,438	85,708	833
<b>Minority interests</b>	97,654	89,037	880
<b>Shareholders' equity:</b>			
Common stock	219,279	219,279	1,975
Additional paid-in capital	238,855	238,859	2,152
Retained earnings			
Appropriated for legal reserve	17,686	17,686	160
Unappropriated	470,446	442,630	4,238
	488,132	460,316	4,398
Accumulated other comprehensive income	28,997	17,083	261
Treasury stock, at cost	(642)	(646)	(6)
Total shareholders' equity	974,621	934,891	8,780
<b>Total</b>	<b>¥ 5,628,031</b>	<b>¥ 5,533,127</b>	<b>\$ 50,703</b>

Note: The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥111=US\$1.

**Segment Information (Condensed)**Three-month periods ended June 30, 2005 and 2004  
(Unaudited)

Operating segments:		Millions of Yen			
2005:		As of June 30			
Segment	Gross profit	Net income	Segment assets	Total trading transactions	
Metal Products	¥ 14,773	¥ 5,198	¥ 490,188	¥ 332,686	
Transportation & Construction Systems	28,991	4,611	883,517	344,476	
Machinery & Electric	7,198	1,797	486,541	246,148	
Media, Electronics & Network	9,506	5,024	374,482	94,509	
Chemical	7,991	1,472	217,182	143,298	
Mineral Resources & Energy	9,301	3,526	470,640	320,772	
Consumer Goods & Service	25,223	1,628	327,404	187,012	
Materials & Real Estate	10,906	3,026	499,926	94,712	
Financial & Logistics	3,742	133	257,398	32,468	
Domestic Regional Business Units and Offices	9,565	1,228	377,720	239,858	
Overseas Subsidiaries and Branches	26,769	7,809	668,706	372,357	
Segment Total	153,965	35,452	5,053,704	2,408,296	
Corporate and Eliminations	1,938	2,331	574,327	(162,680)	
Consolidated	¥ 155,903	¥ 37,783	¥ 5,628,031	¥ 2,245,616	

  

2004:		Millions of Yen			
		As of March 31			
Segment	Gross profit	Net income	Segment assets	Total trading transactions	
Metal Products	¥ 11,773	¥ 3,254	¥ 472,640	¥ 242,308	
Transportation & Construction Systems	25,524	3,800	871,470	332,884	
Machinery & Electric	6,750	909	457,367	302,740	
Media, Electronics & Network	8,579	1,861	374,977	96,953	
Chemical	6,461	1,514	217,234	112,511	
Mineral Resources & Energy	7,092	1,825	497,078	375,640	
Consumer Goods & Service	24,335	1,846	325,102	203,238	
Materials & Real Estate	12,912	1,673	606,132	87,192	
Financial & Logistics	4,540	939	232,792	36,691	
Domestic Regional Business Units and Offices	9,243	479	396,207	231,356	
Overseas Subsidiaries and Branches	14,894	2,260	625,377	294,500	
Segment Total	132,103	20,360	5,076,376	2,316,013	
Corporate and Eliminations	(1,329)	3,498	456,751	(134,724)	
Consolidated	¥ 130,774	¥ 23,858	¥ 5,533,127	¥ 2,181,289	

  

2005:		Millions of U.S.Dollars			
		As of June 30			
Segment	Gross profit	Net income	Segment assets	Total trading transactions	
Metal Products	\$ 133	\$ 47	\$ 4,416	\$ 2,997	
Transportation & Construction Systems	261	42	7,960	3,103	
Machinery & Electric	65	16	4,383	2,218	
Media, Electronics & Network	86	45	3,374	851	
Chemical	72	13	1,957	1,291	
Mineral Resources & Energy	84	32	4,240	2,890	
Consumer Goods & Service	227	15	2,949	1,685	
Materials & Real Estate	98	27	4,504	853	
Financial & Logistics	34	1	2,319	292	
Domestic Regional Business Units and Offices	86	11	3,403	2,161	
Overseas Subsidiaries and Branches	241	70	6,024	3,355	
Segment Total	1,387	319	45,529	21,696	
Corporate and Eliminations	17	21	5,174	(1,465)	
Consolidated	\$ 1,404	\$ 340	\$ 50,703	\$ 20,231	

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