

Highlights of consolidated quarterly results 2005 (Three-month period ended June 30, 2005)

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July 29, 2005

[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, 2005	Three months ended June 30, 2004	increase/(decrease)		Annual targets (announced in April, 2005)		Summary of the results for the three months (April 1, 2005-June 30, 2005) in comparison with the same period of the previous year
			amount	percentage	amount	Achievement	
Gross profit	1,559	1,308	251	19%	6,200	25%	<u>Gross profit</u> <Businesses which contributed to the increase> <ul style="list-style-type: none"> • Steel service center operations • Automobile lease and finance businesses in Japan and Asia, and ships business • The Hartz Mountain Corporation • Oil business in British North Sea and coal business in Australia • Sumitomo Corporation of America
Other income (expenses) :							
Selling, general and administrative expenses	(1,119)	(1,030)	(88)	(9%)	(4,800)	23%	
Personnel expenses	(595)	(540)	(56)	(10%)			
Facility related expenses	(183)	(185)	2	1%			
Other	(340)	(306)	(34)	(11%)			
Interest expense, net of interest income	(36)	(13)	(24)	(189%)	(140)	26%	
Dividends	54	29	25	87%	60	90%	
Equity in earnings of associated companies, net	102	85	17	21%	450	23%	
Settlements on copper trading litigation	0	(5)	4	100%			
Provision for doubtful receivables	(6)	(9)	2	25%			
Gain on property and equipment, net	13	3	10	324%			
Loss on valuation of marketable securities and investments, net	0	0	0	-	100	59%	
Gain on sale of marketable securities and investments, net	39	56	(17)	(30%)			
Gain on issuances of stock by subsidiaries and associated companies	10	-	10	-			
Other, net	4	(2)	6	-			
Total other income (expenses)	(939)	(886)	(54)	(6%)	(4,330)	22%	
Income before income taxes and minority interests in earnings of subsidiaries	620	422	198	47%	1,870	33%	
Income taxes	(220)	(174)	(46)	(26%)	(670)	33%	
Income before minority interests in earnings of subsidiaries	400	248	152	61%	1,200	33%	
Minority interests in earnings of subsidiaries, net	(22)	(10)	(12)	(126%)	(100)	22%	
Net income	378	239	139	58%	1,100	34%	
Total trading transactions	22,456	21,813	643	3%	102,000	22%	
Operating income	434	269	165	61%	1,350	32%	
Basic profit (Calculation for reference)*	373	258	115	44%	1,229	30%	

Note: Total trading transactions is presented in a manner customarily used in Japan solely for Japanese investors' purposes.

Note: Operating income is presented in a manner customarily used in Japan solely for Japanese investors' purposes.

*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, net

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, 2005	Three months ended June 30, 2004	increase/ (decrease)	Three months ended June 30, 2005	Three months ended June 30, 2004	increase/ (decrease)	As of June 30, 2005	As of March 31, 2005	increase/ (decrease)
Metal Products	148	118	30	52	33	19	4,902	4,726	175
Transportation & Construction Systems	290	255	35	46	38	8	8,835	8,715	120
Machinery & Electric	72	68	4	18	9	9	4,865	4,574	292
Media, Electronics & Network	95	86	9	50	19	32	3,745	3,750	(5)
Chemical	80	65	15	15	15	0	2,172	2,172	(1)
Mineral Resources & Energy	93	71	22	35	18	17	4,706	4,971	(264)
Consumer Goods & Service	252	243	9	16	18	(2)	3,274	3,251	23
Materials & Real Estate	109	129	(20)	30	17	14	4,999	6,061	(1,062)
Financial & Logistics	37	45	(8)	1	9	(8)	2,574	2,328	246
Domestic Regional Business Units and Offices	96	92	3	12	5	7	3,777	3,962	(185)
Overseas Subsidiaries and Branches	268	149	119	78	23	55	6,687	6,254	433
Segment Total	1,540	1,321	219	355	204	151	50,537	50,764	(227)
Corporate and Eliminations	19	(13)	33	23	35	(12)	5,743	4,568	1,176
Consolidated	1,559	1,308	251	378	239	139	56,280	55,331	949

Assets and Liabilities	As of June 30, 2005	As of March 31, 2005	increase/ (decrease)	Summary
Total assets	56,280	55,331	949	<u>Total assets</u> · Increased through strategic investments
Total shareholders' equity	9,746	9,349	397	<u>Total shareholders' equity</u> · Improved due to increase in retained earnings, etc
Shareholders' equity ratio	17.3%	16.9%	0.4pt	
Working Capital	8,751	8,970	(219)	
Interest-bearing liabilities, gross	28,685	28,402	284	
Interest-bearing liabilities, net	23,440	23,760	(321)	<u>Interest-bearing liabilities, net</u> · Decreased due to the increase in cash and cash equivalents resulting from the liquidation of the Harumi Headquarters building
Debt-equity ratio, net (times)	2.4	2.5	(0.1pt)	