

Consolidated quarterly results FY2006 (Three-month period ended June 30, 2006)

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

**Sumitomo Corporation**

Stock Exchange code No. 8053

(Listed on Tokyo, Osaka, Nagoya, and Fukuoka Stock Exchanges)

President & CEO, Motoyuki Oka

For further information contact:

Mitsuru Iba, Corporate Communications Dept. Tel.+81-3-5166-3089

Kihachiro Kawaguchi, Accounting Controlling Dept. Tel.+81-3-5166-3279

(URL <http://www.sumitomocorp.co.jp/english>)**1. Consolidated results for the three-month period ended June 30, 2006****(1) Summary**

(Remark) Amounts are rounded to the nearest million.

	Total trading transactions		Operating income		Income before income taxes and minority interests in earnings of subsidiaries		Net income	
Three months ended	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
June 30, 2006	2,489,555	10.9	60,497	39.4	83,652	35.0	53,051	40.4
June 30, 2005	2,245,616	2.9	43,412	61.3	61,958	46.8	37,783	58.4
Year ended March 31, 2006	10,336,265	4.4	176,133	56.7	247,807	63.7	160,237	88.4

	Net income per share (basic)	Net income per share (diluted)
Three months ended	(yen)	(yen)
June 30, 2006	42.63	42.63
June 30, 2005	31.39	31.38
Year ended March 31, 2006	130.18	130.17

(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, 2006	6,544,583	1,314,159	20.1	1,056.09
As of June 30, 2005	5,628,031	974,621	17.3	809.61
As of March 31, 2006	6,711,894	1,303,975	19.4	1,047.88

- 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, 2006 : Number of consolidated subsidiaries; 619 , Number of equity method applied associated companies; 251
As of March 31, 2006 : Number of consolidated subsidiaries; 626 , Number of equity method applied associated companies; 249
 - 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 2006 announced in April 2006 have not been reviewed.

2. Outline of consolidated results for the three-month period ended June 30, 2006

The Company's total trading transactions for the three-month period ended June 30, 2006 was 2,489.6 billion yen, a 10.9% increase from the same period of the previous year. Gross profit increased by 46.5 billion yen to 202.5 billion yen. These were mainly due to strong performances in metal products businesses (Metal products), automobile finance business in Asia and ships business (Transportation & Construction Systems), and operations at Sumitomo Corporation of America (Overseas Subsidiaries and Branches). Newly consolidated subsidiaries such as TBC CORPORATION (automotive replacement tire marketer in the U.S.) also contributed.

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 17.1 billion yen to 60.5 billion yen. Equity in earnings of associated companies, net increased by 3.6 billion yen to 13.9 billion yen resulting from strong performances in tubular products business in the U.S., Sumisho Lease, and IPP businesses in Asia and Middle East. In addition, the Company received 10 billion yen through settlement on copper trading litigation. As a result, net income amounted to 53.1 billion yen, an increase of 15.3 billion yen or representing 40.4% 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, 2006 and 2005

(Unaudited)

	Millions of yen		Millions of
	2006	2005	U.S. Dollars
Revenues:			
Sales of tangible products	¥ 605,525	¥ 445,386	\$ 5,312
Sales of services and others	131,458	115,582	1,153
Total revenues	<u>736,983</u>	<u>560,968</u>	<u>6,465</u>
Cost:			
Cost of tangible products sold	500,733	377,086	4,392
Cost of services and others	33,800	27,979	297
Total cost	<u>534,533</u>	<u>405,065</u>	<u>4,689</u>
Gross profit	202,450	155,903	1,776
Other income (expenses):			
Selling, general and administrative expenses	(143,692)	(111,854)	(1,260)
Settlements on copper trading litigation	9,629	(2)	84
(Provision for) reversal of allowance for doubtful receivables	1,739	(637)	15
Gain on sale of property and equipment, net	550	1,264	5
Interest income	6,379	3,967	56
Interest expense	(13,660)	(7,587)	(120)
Dividends	5,783	5,425	51
Other than temporary impairment losses on securities	0	(40)	0
Gain on sale of marketable securities and other investments, net	1,329	3,891	12
Gain on issuances of stock by subsidiaries and associated companies	0	1,014	0
Equity in earnings of associated companies, net	13,867	10,242	121
Other, net	(722)	372	(6)
Total other income (expenses)	<u>(118,798)</u>	<u>(93,945)</u>	<u>(1,042)</u>
Income before income taxes and minority interests in earnings of subsidiaries	83,652	61,958	734
Income taxes	<u>29,676</u>	<u>21,967</u>	<u>261</u>
Income before minority interests in earnings of subsidiaries	53,976	39,991	473
Minority interests in earnings of subsidiaries, net	(925)	(2,208)	(8)
Net income	<u>¥ 53,051</u>	<u>¥ 37,783</u>	<u>\$ 465</u>
Disclosure of comprehensive income:			
Net income for the period	¥ 53,051	¥ 37,783	\$ 465
Other comprehensive income (loss), net of tax:			
Net unrealized holding gains (losses) on securities available-for-sale	(20,818)	209	(182)
Foreign currency translation adjustments	(1,152)	8,414	(10)
Net unrealized losses on derivatives	(1,130)	(3,251)	(10)
Comprehensive income for the period	<u>¥ 29,951</u>	<u>¥ 43,155</u>	<u>\$ 263</u>
Total trading transactions	¥ 2,489,555	¥ 2,245,616	\$ 21,838

Note:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥114=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.

Consolidated Balance Sheets

As of June 30, 2006 (Unaudited) and March 31, 2006

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2006	March 31, 2006	June 30, 2006
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 515,163	¥ 522,000	\$ 4,519
Time deposits	12,327	8,331	108
Marketable securities	22,090	22,087	194
Receivables-trade:			
Notes and loans	262,871	265,022	2,306
Accounts	1,532,654	1,646,126	13,444
Associated companies	103,159	98,278	905
Allowance for doubtful receivables	(15,689)	(15,335)	(138)
Inventories	700,237	705,257	6,143
Deferred income taxes	34,071	31,998	299
Advance payments to suppliers	62,513	50,165	548
Other current assets	248,062	310,411	2,176
Total current assets	3,477,458	3,644,340	30,504
Investments and long-term receivables:			
Investments in and advances to associated companies	482,711	469,482	4,234
Other investments	751,691	783,015	6,594
Long-term receivables	671,758	662,075	5,893
Allowance for doubtful receivables	(37,238)	(40,703)	(327)
Total investments and long-term receivables	1,868,922	1,873,869	16,394
Property and equipment, at cost less accumulated depreciation	825,993	819,503	7,246
Goodwill and other intangible assets	257,433	259,264	2,258
Prepaid expenses, non-current	94,735	94,710	831
Deferred income taxes, non-current	13,619	13,511	120
Other assets	6,423	6,697	56
Total	¥ 6,544,583	¥ 6,711,894	\$ 57,409

Note: The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥114=US\$1.

Sumitomo Corporation and Subsidiaries
Consolidated Balance Sheets
As of June 30, 2006 (Unaudited) and March 31, 2006

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2006	March 31, 2006	June 30, 2006
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term debt	¥ 493,406	¥ 539,567	\$ 4,328
Current maturities of long-term debt	380,838	428,545	3,341
Payables-trade			
Notes and acceptances	86,871	93,278	762
Accounts	978,610	1,070,921	8,584
Associated companies	42,714	29,713	375
Income taxes	26,247	33,060	230
Accrued expenses	81,933	92,975	719
Advances from customers	91,228	90,483	800
Other current liabilities	229,525	243,972	2,013
Total current liabilities	2,411,372	2,622,514	21,152
Long-term debt, less current maturities	2,498,928	2,447,170	21,921
Accrued pension and retirement benefits	11,213	13,180	98
Deferred income taxes, non-current	216,760	230,364	1,902
Minority interests	92,151	94,691	808
Shareholders' equity:			
Common stock	219,279	219,279	1,923
Additional paid-in capital	279,481	279,470	2,452
Retained earnings			
Appropriated for legal reserve	17,696	17,696	155
Unappropriated	615,924	579,217	5,403
	633,620	596,913	5,558
Accumulated other comprehensive income	187,297	213,767	1,643
Treasury stock, at cost	(5,518)	(5,454)	(48)
Total shareholders' equity	1,314,159	1,303,975	11,528
Total	¥ 6,544,583	¥ 6,711,894	\$ 57,409

Note: The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥114=US\$1.

Operating Segment Information (Condensed)Three-month periods ended June 30, 2006 and 2005
(Unaudited)

2006:	Millions of Yen			
	Segment	Gross profit	Net income	As of June 30 Segment assets
Metal Products	¥ 18,239	¥ 6,428	¥ 644,337	¥ 398,544
Transportation & Construction Systems	34,168	6,687	1,069,692	412,065
Machinery & Electric	5,806	2,837	458,579	60,185
Media, Electronics & Network	12,061	1,044	423,001	105,353
Chemical	8,460	1,155	246,619	168,851
Mineral Resources & Energy	10,873	4,289	611,440	468,652
Consumer Goods & Service	25,300	977	341,026	148,416
Materials & Real Estate	20,891	3,343	517,083	130,870
Financial & Logistics	8,656	2,879	444,211	55,479
Domestic Regional Business Units and Offices	9,213	1,315	408,521	237,689
Overseas Subsidiaries and Branches	53,331	10,650	1,103,777	532,720
Segment Total	206,998	41,604	6,268,286	2,718,824
Corporate and Eliminations	(4,548)	11,447	276,297	(229,269)
Consolidated	¥ 202,450	¥ 53,051	¥ 6,544,583	¥ 2,489,555

2005:	Millions of Yen			
	Segment	Gross profit	Net income	As of March 31 Segment assets
Metal Products	¥ 14,773	¥ 5,198	¥ 662,844	¥ 332,686
Transportation & Construction Systems	28,991	4,611	1,037,044	344,476
Machinery & Electric	7,198	1,797	475,384	246,148
Media, Electronics & Network	9,506	5,024	441,711	94,509
Chemical	7,991	1,472	243,216	143,298
Mineral Resources & Energy	9,301	3,526	618,169	320,772
Consumer Goods & Service	25,223	1,628	367,984	187,012
Materials & Real Estate	10,906	3,026	587,683	94,712
Financial & Logistics	3,742	133	470,771	32,468
Domestic Regional Business Units and Offices	9,565	1,228	424,773	239,858
Overseas Subsidiaries and Branches	26,769	7,809	1,054,635	372,357
Segment Total	153,965	35,452	6,384,214	2,408,296
Corporate and Eliminations	1,938	2,331	327,680	(162,680)
Consolidated	¥ 155,903	¥ 37,783	¥ 6,711,894	¥ 2,245,616

2006:	Millions of U.S.Dollars			
	Segment	Gross profit	Net income	As of June 30 Segment assets
Metal Products	\$ 160	\$ 56	\$ 5,652	\$ 3,496
Transportation & Construction Systems	300	59	9,383	3,614
Machinery & Electric	51	25	4,023	528
Media, Electronics & Network	106	9	3,711	924
Chemical	74	10	2,163	1,481
Mineral Resources & Energy	95	38	5,363	4,111
Consumer Goods & Service	222	9	2,991	1,302
Materials & Real Estate	183	29	4,536	1,148
Financial & Logistics	76	25	3,897	487
Domestic Regional Business Units and Offices	81	12	3,584	2,085
Overseas Subsidiaries and Branches	468	93	9,682	4,673
Segment Total	1,816	365	54,985	23,849
Corporate and Eliminations	(40)	100	2,424	(2,011)
Consolidated	\$ 1,776	\$ 465	\$ 57,409	\$ 21,838

Note:

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