

Consolidated quarterly results FY2008 (Three-month period ended June 30, 2008)

[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)

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(URL <http://www.sumitomocorp.co.jp/english>)**1. Consolidated results for the three-month period ended June 30, 2008.****(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	
	(increase/ decrease)	(%)	(increase/ decrease)	(%)	(increase/ decrease)	(%)	(increase/ decrease)	(%)
Three months ended	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
June 30, 2008	2,849,046	3.5	83,753	33.1	116,670	43.9	78,063	52.0
June 30, 2007	2,753,339	10.6	62,942	4.0	81,069	(3.1)	51,368	(3.2)

	Net income per share (basic)	Net income per share (diluted)
	(yen)	(yen)
Three months ended		
June 30, 2008	62.45	62.44
June 30, 2007	42.29	42.28

[Note] 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.

(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, 2008	7,781,317	1,591,380	20.5	1,273.11
As of March 31, 2008	7,571,399	1,492,742	19.7	1,194.20

2. Dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended March 31, 2008	—	18.00	—	20.00	38.00
Year ending March 31, 2009	—	—	—	—	—
Year ending March 31, 2009 (Plan)	—	19.00	—	19.00	38.00

[Note] Review of dividends prospect as of June 30, 2008: None

3. Targets (fiscal year ending March 31, 2009)

	Total trading transactions		Net income		Net income per share (basic)
	(increase/ decrease)	(%)	(increase/ decrease)	(%)	(yen)
Apr.1-Sep.30, 2008	—	—	—	—	—
Year ending March 31, 2009	12,000,000	4.5	243,000	1.7	194.40

[Note] Review of targets as of June 30, 2008: None

4. Others

(1) Increase/decrease of important subsidiaries during the fiscal year: None

(2) Adoption of simplified method or specific method to quarterly financial statement in accounting procedure: None

(3) Changes in accounting policies and others

- (i) Associated with the changes in U.S.GAAP : Yes
- (ii) Other changes : None

Note) For further details please refer the note on page 5.

(4) Outstanding stocks (Common stocks)

(shares)

(i) Outstanding stocks including treasury stock	(June 30, 2008)	1,250,602,867	(March 31, 2008)	1,250,602,867
(ii) Treasury stocks	(June 30, 2008)	611,374	(March 31, 2008)	607,954
(iii) Average stocks during first quarter	(June 30, 2008)	1,249,992,895	(June 30, 2007)	1,214,722,354

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.

Management results

1. Operating results

Total trading transactions for the three-month period ended June 30, 2008 amounted to 2,849 billion yen representing 3.0% growth from the same period of the previous year.

Gross profit increased by 31.3 billion yen to 253.8 billion yen.

Selling, general and administrative expenses increased by 10.2 billion yen to 167.7 billion yen mainly due to the newly consolidated subsidiaries.

As a result, operating income increased by 20.8 billion yen to 83.8 billion yen.

Equity in earnings of associated companies increased by 25.9 billion yen to 31.6 billion yen. We recognized 8.4 billion yen of reversal profit from a part of hedge evaluation losses regarding the San Cristobal silver-zinc-lead mining project in Bolivia in this period. (Hedge evaluation losses in the same period of the previous year: 14.0 billion yen)

As a result, net income totaled 78.1 billion yen, an increase of 26.7 billion yen or representing 52.0% growth from the same period of the previous year.

<Net income by segments>

Metal Products Business Unit posted 9.5 billion yen, an increase of 2.1 billion yen from the same period of the previous year. Steel service center operations showed strong performance.

Transportation & Construction Systems Business Unit posted 9.2 billion yen, up 1.2 billion yen. Strong performance in automobile trading business to Middle East and Africa, and ship-related business contributed to the increase.

Infrastructure Business Unit posted 5.0 billion yen, an increase of 0.5 billion yen, due to the stable performance in IPP* business mainly in Asia.

*IPP: Independent Power Producer

Media, Network & Lifestyle Retail Business Unit posted 2.2 billion yen, an increase of 0.5 billion yen, due to the contribution of newly consolidation of Jupiter Shop Channel Co., Ltd. (the subsidiary owned by SC Media & Commerce Inc.).

Chemical & Electronics Business Unit posted 3.2 billion yen, an increase of 1.2 billion yen, due to the strong performance in agricultural chemical business in East Europe, and sulfur and sulfuric acid business.

Mineral Resources & Energy Business Unit posted 16.9 billion yen, an increase of 14.2 billion yen. Coal mining operation in Australia and copper business in Indonesia (Batu Hijau copper & gold mine project) contributed to the increase, due to the rise of commodity prices for coal and copper in addition to reversal profit of hedge evaluation losses mentioned above.

General Products & Real Estate Business Unit posted 5.4 billion yen, up 0.5 billion yen. Fertilizer business contributed to the increase and the performance in real estate business was stable.

Financial & Logistics Business Unit posted 2.8 billion yen, an increase of 1.4 billion yen due to the effect of the transferred leasing operation.

Domestic Regional Business Units and Offices posted 2.5 billion yen, up 0.3 billion yen. This was mainly due to the strong performance in the metal products business.

Overseas Subsidiaries and Branches posted 14.6 billion yen, an increase of 3.8 billion yen due to the strong performance in tubular products business in North America and business in Europe and China.

2. Financial position

<Total assets, liabilities, and total shareholders' equity as of June 30, 2008>

Total assets increased by 209.9 billion yen to 7,781.3 billion yen from March 31, 2008, due to the increase of operating assets led by the rise of commodity prices and due to the rise of securities available-for-sale.

Interest-bearing liabilities (gross) were 3,676.5 billion yen, a decrease of 33.2 billion yen. Interest-bearing liabilities (net) were 3,263.9 billion yen, up 16.4 billion yen.

Total shareholders' equity amounted to 1,591.4 billion yen, improved by 98.6 billion yen, from March 31, 2008, due to the increase in retained earnings and unrealized holding gains on securities available-for-sale. Shareholders' equity ratio was 20.5%, up 0.8 points.

<Cash flows>

Net cash provided by operating activities was 28.1 billion yen as a result of strong business performances in each segment although working capital increased due to the increase of operating assets led by the rise of commodity prices.

Net cash used in investing activities was 80.3 billion yen, mainly due to strategic investment such as acquiring additional iron ore interest in South Africa and office buildings in the United States. Accordingly, free cash flow was 52.3 billion yen outflow. Net cash provided by financing activities was 1.1 billion yen.

As a result, cash and cash equivalents as of June 30, 2008 decrease by 54.9 billion yen to 401.9 billion yen from March 31, 2008.

3. Target

Target of net income in fiscal year ending March 31, 2009 is 243.0 billion yen as announced on April 30, 2008 and was not reviewed as of June 30, 2008.

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 strives 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.

4. Others

(1) Increase/decrease of important subsidiaries during the fiscal year: None

(2) Adoption of simplified mentioned or specific method to quarterly financial statement in accounting procedure : None

(3) Changes in accounting policies and others

Statement of Financial Accounting Standards (SFAS) No.157, "Fair Value Measurements" issued by the Financial Accounting Standard Board (FASB) was newly adopted on April 1, 2008. The adoption of SFAS 157 did not have a significant impact on the consolidated results of financial statements.

Consolidated Balance Sheets

Sumitomo Corporation and Subsidiaries

As of June 30, 2008 (Unaudited) and March 31, 2008

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2008	March 31, 2008	June 30, 2008
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 401,933	¥ 456,809	\$ 3,792
Time deposits	10,644	5,369	100
Marketable securities	18,232	19,856	172
Receivables-trade			
Notes and loans	250,960	242,312	2,368
Accounts	1,790,693	1,782,114	16,893
Associated companies	122,217	109,354	1,153
Allowance for doubtful receivables	(15,904)	(14,789)	(150)
Inventories	818,933	756,190	7,726
Deferred income taxes	37,815	39,300	357
Advance payments to suppliers	96,199	73,881	907
Other current assets	272,543	253,354	2,571
Total current assets	3,804,265	3,723,750	35,889
Investments and long-term receivables:			
Investments in and advances to associated companies	935,224	883,635	8,823
Other investments	727,250	655,190	6,861
Long-term receivables	807,955	832,761	7,622
Allowance for doubtful receivables	(22,015)	(22,099)	(208)
Total investments and long-term receivables	2,448,414	2,349,487	23,098
Property and equipment, at cost less accumulated depreciation	1,018,262	997,128	9,606
Goodwill and other intangible assets	379,024	379,405	3,576
Prepaid expenses, non-current	55,696	47,836	526
Deferred income taxes, non-current	20,462	14,228	193
Other assets	55,194	59,565	521
Total	¥ 7,781,317	¥ 7,571,399	\$ 73,409

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Consolidated Balance Sheets

Sumitomo Corporation and Subsidiaries

As of June 30, 2008 (Unaudited) and March 31, 2008

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2008	March 31, 2008	June 30, 2008
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Short-term debt	¥ 648,171	¥ 625,106	\$ 6,115
Current maturities of long-term debt	476,201	428,869	4,492
Payables-trade			
Notes and acceptances	93,934	84,610	886
Accounts	1,150,789	1,159,158	10,857
Associated companies	41,731	26,716	394
Income taxes	36,162	37,419	341
Accrued expenses	89,158	101,557	841
Advances from customers	116,853	107,269	1,102
Other current liabilities	199,818	162,667	1,885
Total current liabilities	2,852,817	2,733,371	26,913
Long-term debt, less current maturities	2,962,994	3,011,992	27,953
Accrued pension and retirement benefits	14,570	14,074	137
Deferred income taxes, non-current	229,967	189,273	2,170
Minority interests	129,589	129,947	1,223
Shareholders' equity:			
Common stock	219,279	219,279	2,069
Additional paid-in capital	291,068	291,032	2,746
Retained earnings			
Appropriated for legal reserve	17,696	17,696	167
Unappropriated	996,178	943,114	9,398
	1,013,874	960,810	9,565
Accumulated other comprehensive income	68,387	22,845	645
Treasury stock, at cost	(1,228)	(1,224)	(12)
Total shareholders' equity	1,591,380	1,492,742	15,013
Total	¥ 7,781,317	¥ 7,571,399	\$ 73,409

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Consolidated Statements of Income

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2008 and 2007

(Unaudited)

	Millions of Yen		Millions of
	2008	2007	U.S. Dollars
Revenues:			
Sales of tangible products	¥ 751,124	¥ 645,765	\$ 7,086
Sales of services and others	173,481	152,521	1,637
Total revenues	924,605	798,286	8,723
Cost:			
Cost of tangible products sold	616,488	534,499	5,816
Cost of services and others	54,318	41,311	513
Total cost	670,806	575,810	6,329
Gross profit	253,799	222,476	2,394
Other income (expenses):			
Selling, general and administrative expenses	(167,703)	(157,459)	(1,582)
Provision for doubtful receivables	(2,343)	(2,075)	(22)
Gain on sale of property and equipment, net	935	52	9
Interest income	5,950	8,334	56
Interest expense	(14,428)	(18,586)	(136)
Dividends	8,101	6,776	77
Other than temporary impairment losses on securities	(861)	(210)	(8)
Gain on sale of marketable securities and other investments, net	1,433	16,357	13
Equity in earnings of associated companies, net	31,583	5,719	298
Other, net	204	(315)	2
Total other income (expenses)	(137,129)	(141,407)	(1,293)
Income before income taxes and minority interests in earnings of subsidiaries	116,670	81,069	1,101
Income taxes	34,967	28,100	330
Income before minority interests in earnings of subsidiaries	81,703	52,969	771
Minority interests in earnings of subsidiaries, net	(3,640)	(1,601)	(35)
Net income	¥ 78,063	¥ 51,368	\$ 736
Disclosure of comprehensive income:			
Net income for the period	¥ 78,063	¥ 51,368	\$ 736
Other comprehensive income (loss), net of tax:			
Net unrealized holding gains on securities available-for-sale	43,108	36,974	407
Foreign currency translation adjustments	(3,028)	24,273	(29)
Net unrealized gains on derivatives	1,488	352	14
Pension liability adjustments	3,974	983	38
Comprehensive income for the period	¥ 123,605	¥ 113,950	\$ 1,166
Total trading transactions	¥ 2,849,046	¥ 2,753,339	\$ 26,878

Note:

1) The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=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.

Condensed Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2008

(Unaudited)

	Millions of Yen		Millions of U.S. Dollars	
	2008		2008	
Operating activities:				
Net income	¥	78,063	\$	736
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization		40,434		382
Provision for doubtful receivables		2,343		22
Gain on sale of property and equipment, net		(935)		(9)
Other than temporary impairment losses on securities		861		8
Gain on sale of marketable securities and other investments, net		(1,433)		(13)
Equity in earnings of associated companies, less dividends received		(900)		(8)
Changes in operating assets and liabilities, excluding effect of acquisitions and divestitures:				
Increase in receivables		(57,813)		(545)
Increase in inventories		(53,718)		(507)
Increase in payables		10,747		101
Other, net		10,430		98
Net cash provided by operating activities		<u>28,079</u>		<u>265</u>
Investing activities:				
Changes in:				
Property, equipment and other assets		(80,302)		(758)
Marketable securities and investments		(29,068)		(274)
Loans and other receivables		34,492		325
Time deposits		(5,451)		(51)
Net cash used in investing activities		<u>(80,329)</u>		<u>(758)</u>
Free Cash Flows:		(52,250)		(493)
Financing activities:				
Changes in:				
Short-term debt		44,902		424
Long-term debt		(18,821)		(178)
Cash dividends paid		(24,999)		(236)
Acquisition of treasury stock, net		(4)		(0)
Net cash provided by financing activities		<u>1,078</u>		<u>10</u>
Effect of exchange rate changes on cash and cash equivalents		<u>(3,704)</u>		<u>(35)</u>
Net decrease in cash and cash equivalents		(54,876)		(518)
Cash and cash equivalents, beginning of period		456,809		4,310
Cash and cash equivalents, end of period	¥	<u>401,933</u>	\$	<u>3,792</u>

The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Segment Information (Condensed)

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2008 and 2007

(Unaudited)

Operating segments: 2008:	Millions of Yen			
	Gross profit	Net income	As of June 30 Segment assets	Total trading transactions
Metal Products	¥ 24,233	¥ 9,475	¥ 783,518	¥ 482,118
Transportation & Construction Systems	41,339	9,170	1,525,028	443,431
Infrastructure	9,621	4,995	464,370	78,066
Media, Network & Lifestyle Retail	42,076	2,229	662,277	142,859
Chemical & Electronics	12,888	3,173	360,482	256,928
Mineral Resources & Energy	18,015	16,948	862,632	651,755
General Products & Real Estate	31,989	5,426	742,823	231,334
Financial & Logistics	8,594	2,837	753,577	36,999
Domestic Regional Business Units and Offices	11,820	2,548	461,926	274,777
Overseas Subsidiaries and Branches	55,402	14,561	1,378,848	528,167
Segment Total	255,977	71,362	7,995,481	3,126,434
Corporate and Eliminations	(2,178)	6,701	(214,164)	(277,388)
Consolidated	¥ 253,799	¥ 78,063	¥ 7,781,317	¥ 2,849,046

2007:	Millions of Yen			
	Gross profit	Net income	As of March 31 Segment assets	Total trading transactions
Metal Products	¥ 20,981	¥ 7,420	¥ 755,525	¥ 478,955
Transportation & Construction Systems	36,237	7,939	1,604,917	400,779
Infrastructure	10,352	4,478	478,782	87,170
Media, Network & Lifestyle Retail	29,348	1,735	675,640	112,650
Chemical & Electronics	11,811	2,023	352,770	272,282
Mineral Resources & Energy	10,020	2,714	760,426	623,299
General Products & Real Estate	32,077	4,943	742,039	228,250
Financial & Logistics	7,434	1,472	449,488	29,423
Domestic Regional Business Units and Offices	10,106	2,269	480,052	255,059
Overseas Subsidiaries and Branches	52,239	10,727	1,000,685	550,537
Segment Total	220,605	45,720	7,300,324	3,038,404
Corporate and Eliminations	1,871	5,648	271,075	(285,065)
Consolidated	¥ 222,476	¥ 51,368	¥ 7,571,399	¥ 2,753,339

2008:	Millions of U.S.Dollars			
	Gross profit	Net income	As of June 30 Segment assets	Total trading transactions
Metal Products	\$ 229	\$ 89	\$ 7,391	\$ 4,548
Transportation & Construction Systems	390	87	14,387	4,183
Infrastructure	91	47	4,381	737
Media, Network & Lifestyle Retail	397	21	6,248	1,348
Chemical & Electronics	121	30	3,401	2,424
Mineral Resources & Energy	170	160	8,138	6,149
General Products & Real Estate	302	51	7,008	2,182
Financial & Logistics	81	27	7,109	349
Domestic Regional Business Units and Offices	111	24	4,358	2,592
Overseas Subsidiaries and Branches	523	137	13,008	4,983
Segment Total	2,415	673	75,429	29,495
Corporate and Eliminations	(21)	63	(2,020)	(2,617)
Consolidated	\$ 2,394	\$ 736	\$ 73,409	\$ 26,878

Note:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥106=US\$1.

2) 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. 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.

Assumptions for Going Concern : None

Significant changes in shareholders' equity : None