

## Highlights of consolidated semiannual results 2002 (Six-month period ended September 30, 2002)

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

October 31, 2002

**Sumitomo Corporation**

Unit: 100 millions of yen (rounded to the nearest 100 million)

Consolidated Income	Apr. 1-Sep. 30, 2002		Apr. 1-Sep. 30, 2001		increase/(decrease)		Summary	Projections (fiscal year ending March 31, 2003)		Year ending Mar. 31, 2003		Year ended Mar. 31, 2002		increase/ (decrease)		Summary
	Apr. 1-Sep. 30, 2002	Apr. 1-Sep. 30, 2002	Apr. 1-Sep. 30, 2001	Apr. 1-Sep. 30, 2001	increase/ (decrease)	increase/ (decrease)		Year ending Mar. 31, 2003	Year ended Mar. 31, 2002	Year ending Mar. 31, 2003	Year ended Mar. 31, 2002	increase/ (decrease)	increase/ (decrease)			
Total trading transactions	45,685	48,350	(2,665)	(5.5%)	<b>Gross trading profit</b>		Total trading transactions	95,000*	95,000	96,454	(1,454)	(1.5%)	< > are changes from the projection announced in May 2002.			
Gross trading profit	2,376	2,409	(33)	(1.4%)	Including the effect (7.3 billion yen decrease) of deconsolidation of certain subsidiaries to associated companies (MS Communications etc.)		Gross trading profit	5,200*	5,100	4,873	227	4.7%	<b>Gross trading profit &lt; 10 billion yen decrease &gt;</b>			
Selling, general and administrative expenses	(2,019)	(1,994)	(25)	(1.3%)	(Businesses which showed strong performances)		Selling, general and administrative expenses	(4,150)*	(4,050)	(4,008)	(42)	(1.0%)	-Increase of plant project businesses mainly in Asia			
Reversal of provision for doubtful receivables	30	8	22	275.1	-Real estate related business including condominiums sales in Tokyo Metropolitan area		(Provision) reversal for doubtful receivables	(50)*	(50)	19	(69)	—	-Strong performance in real estate related business			
Operating income	387	423	(36)	(8.6%)	-Improvement of subsidiaries' performances in retail and consumer service businesses		Operating income	1,000*	1,000	884	116	13.1%	-Strong performances in major subsidiaries (Sumisho Auto Leasing, Sumisho Computer Systems, Summit etc.)			
Interest expense, net of interest income	(31)	(78)	47	59.9%	-Expansion of automobile dealership business in Europe		Interest expense, net of interest income	(120)*	(60)	(138)	78	56.5%	-Concern of the influence by sluggish domestic economy remains			
Dividends	34	38	(4)	(9.9%)	-Improvement of PVC conduit business in the U.S.		Dividends	70*	60	67	(7)	(10.4%)	<b>Selling, general and administrative expenses &lt; 10 billion yen decrease &gt;</b>			
Gain (loss) on marketable securities and investments, net	(90)	121	(212)	—	(Businesses which showed weak performances)		Gain (loss) on marketable securities and investments, net ①	(50)*	(130)	17	(147)	—	-Same level as first half			
Gain on sale of property and equipment, net	39	8	31	370.4%	-Plant project businesses		Gain (loss) on sale of property and equipment, net ②						<b>(Provision) reversal for doubtful receivables</b>		-Maintain the projection in May considering the uncertainty of economic conditions	
Other, net	20	(123)	143	—	-Domestic businesses reflecting the sluggish market and demand		Other, net ③						<b>Interest expense, net of interest income &lt; 6 billion yen increase &gt;</b>			
Income before income taxes, minority interests in earnings of subsidiaries, and equity in earnings of associated companies	359	391	(31)	(8.0%)	<b>Interest expense, net of interest income</b>		Income before income taxes, minority interests in earnings of subsidiaries, and equity in earnings of associated companies	900*	870	830	40	4.8%	-Same level as first half			
Income taxes	(152)	(166)	14	8.2%	-Improved by lower interest rates		Income taxes	(350)*	(335)	(328)	(7)	(2.1%)	<b>Others (①+②+③) &lt; 8 billion yen decrease &gt;</b>			
Income before Minority interests in earnings of subsidiaries and equity in earnings of associated companies	207	225	(18)	(8.0%)	<b>Gain (loss) on marketable securities and investments, net</b>		Income before Minority interests in earnings of subsidiaries and equity in earnings of associated companies	550*	535	502	33	6.6%	-Valuation losses on marketable securities may increase			
Minority interest in earnings of subsidiaries, net (after income tax effect)	(29)	(23)	(7)	(29.8%)	-Decrease of capital gains and increase of valuation losses mainly in information & telecommunication related businesses		Minority interest in earnings of subsidiaries, net (after income tax effect)	(50)*	(65)	(52)	(13)	(25.0%)	<b>Equity in earnings of associated companies, net &lt; 3 billion yen increase &gt;</b>			
Equity in earnings of associated companies, net (after income tax effect)	36	1	36	—	<b>Other, net</b>		Equity in earnings of associated companies, net (after income tax effect)	50*	80	2	78	—	-Improvements in Jupiter Telecommunication and Batu Hijau Project			
Net income	214	203	11	5.4%	-Decrease of legal fee on copper trading incident		Net income	550*	550	452	98	21.7%	-Strong performances in Jupiter Programming and Sumisho Lease etc.			
					-Settlements paid on copper trading incident and reallocation expenses of the head office to Harumi were recorded in the same period of previous year											
					<b>Equity in earnings of associated companies, net</b>											
					-Improvements in Jupiter Telecommunications and Batu Hijau Project											
					-MS Communications											

<Net income projection announced in May 2002

200 >

\*Projection announced in May 2002

Segment Information	Gross trading profit			Operating income			Net income		
	Apr. 1-Sep. 30, 2002	Apr. 1-Sep. 30, 2001	increase/ (decrease)	Apr. 1-Sep. 30, 2002	Apr. 1-Sep. 30, 2001	increase/ (decrease)	Apr. 1-Sep. 30, 2002	Apr. 1-Sep. 30, 2001	increase/ (decrease)
Metal Products	182	190	(8)	51	52	(2)	37	25	12
Transportation & Construction Systems	422	395	27	84	87	(3)	44	33	11
Machinery & Electric	87	137	(50)	(30)	8	(37)	(26)	10	(36)
Media, Electronics & Network	182	218	(36)	10	15	(5)	(40)	6	(45)
Chemical	121	138	(17)	18	25	(7)	12	12	0
Mineral Resources & Energy	148	154	(6)	19	22	(3)	21	14	7
Consumer Goods & Service	439	406	33	63	31	32	29	7	22
Materials & Real Estate	252	194	58	99	49	50	39	18	21
Financial & Logistics	70	68	3	4	6	(2)	6	5	2
Domestic Regional Business Units, Offices and Branch Offices	251	276	(25)	22	40	(18)	4	20	(16)
Overseas Subsidiaries and Branches	286	303	(18)	31	63	(32)	31	48	(17)
Segment Total	2,440	2,480	(40)	370	398	(28)	157	197	(39)
Corporate & Eliminations	(64)	(71)	6	17	26	(9)	57	6	50
Consolidated	2,376	2,409	(33)	387	423	(36)	214	203	11

Assets and Liabilities	Sep. 30, 2002	Sep. 30, 2001	increase/ (decrease)
Total assets	46,130	48,526	(2,396)
Total shareholders' equity	6,414	6,504	(89)
Shareholders' equity ratio	13.9%	13.4%	0.5points
Debt	23,990	25,288	(1,298)
Debt - equity ratio, net	3.7	3.9	(0.2points)

Cash Flows	Apr. 1-Sep. 30, 2002	Apr. 1-Sep. 30, 2001
Net cash provided by operating activities	979	342
Net cash provided by (used in) investing activities	25	(141)
Free Cash Flows	1,004	202
Net cash used in financing activities	(1,008)	(449)
Effect of exchange rate changes on cash and cash equivalents	(30)	21
Net decrease in cash and cash equivalents	(33)	(226)

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

Summary
<b>Shareholders' equity ratio</b> Improved by 0.5 points due to the reduction of operating assets in domestic business and foreign currency assets due to appreciation of the yen.
<b>Debt-equity ratio, net</b> Improved by 0.2 points by repaying the debt.

Summary
<b>Free Cash Flows</b> Net cash provided by operating activities increased substantially. Net cash provided by and used in investing activities were almost balanced by promoting replacement of low return assets into high return assets.
<b>Net cash used in financing activities</b> Net cash used in financing activities decreased by repaying debt, utilizing the above free cash flow.