

Highlights of consolidated annual results 2002 (Year ended March 31, 2003)

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

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

Consolidated Income	Year ended March 31, 2003	Year ended March 31, 2002	increase/(decrease)		Summary
			amount	percentage(%)	
Total trading transactions	92,296	96,454	(4,158)	(4.3)	<p>Gross trading profit Including the effect (9.4 billion yen decrease) of deconsolidation of certain subsidiaries to associated companies such as MS Communications and Sumisho & Mitsubussan Kenzai. (Businesses which showed strong performances) •Automobile dealership and financing businesses in Europe and Asia, automobile sales and import in Turkey •Sumisho Computer Systems Corporation •Foodstuff & fertilizer businesses and retail businesses such as supermarket "Summit" •Condominiums sales in Tokyo metropolitan area and rental business of office buildings (Businesses which showed weak performances) •Domestic businesses reflecting the sluggish market and demand •Agricultural chemicals business</p> <p>Selling, general and administrative expenses •Increase due to expansion of business base, increases in pension expense and amortization for software</p> <p>Interest expense, net of interest income •Improved by lower interest rates of the U.S.dollar</p> <p>Gain on sale of marketable securities and investments, net •Decrease of capital gains in information and telecommunication related businesses</p> <p>Valuation loss on marketable securities and investments •Listed: -42.5 billion yen (mainly of 5 financial institutions: -34.6 billion yen) •Unlisted: -23.6 billion yen</p> <p>Other, net •Decreases in gain on securities transferred to pension fund and in settlement received on copper trading litigation</p> <p>Equity in earnings of associated companies, net •Improvement in Jupiter Telecommunications and increases in Sumisho Lease and Jupiter Programming •Effects of deconsolidation of certain subsidiaries to associated companies such as MS Communications, etc.</p> <p>*Calculation: (Gross trading profit+Selling, general and administrative expenses+Interest expenses, net of interest income+Dividends) × 58%+ Equity in earnings of associated companies, net</p>
Gross trading profit	4,964	4,873	92	1.9	
Selling, general and administrative expenses (Provision for)/reversal of allowance for doubtful receivables	(4,063) (8)	(4,008) 19	(55) (28)	(1.4) -	
Operating income	893	884	9	1.0	
Interest expense, net of interest income	(60)	(138)	77	56.3	
Dividends	64	67	(3)	(4.2)	
Gain on sale of marketable securities and investments, net	167	278	(112)	(40.1)	
Valuation loss on marketable securities and investments	(661)	(505)	(156)	(31.0)	
Impairment losses of long-lived assets	(204)	-	(204)	-	
Other, net	(10)	244	(254)	-	
Income before income taxes, minority interests in earnings of subsidiaries, and equity in earnings of associated companies	188	830	(642)	(77.3)	
Income taxes	60	(328)	388	-	
Income before minority interests in earnings of subsidiaries and equity in earnings of associated companies	249	502	(254)	(50.5)	
Minority interests in earnings of subsidiaries, net (after income tax effect)	(64)	(52)	(11)	(21.5)	
Equity in earnings of associated companies, net (after income tax effect)	98	2	96	-	
Net income	283	452	(169)	(37.5)	
Calculation for reference*	622	462	160	34.7	

Segment Information	Gross trading profit			Operating income			Net income		
	Year ended March 31, 2003	Year ended March 31, 2002	increase/ (decrease)	Year ended March 31, 2003	Year ended March 31, 2002	increase/ (decrease)	Year ended March 31, 2003	Year ended March 31, 2002	increase/ (decrease)
Metal Products	372	366	6	92	89	3	63	45	19
Transportation & Construction Systems	862	785	77	167	127	40	56	44	13
Machinery & Electric	286	306	(20)	43	47	(5)	18	41	(22)
Media, Electronics & Network	409	419	(11)	52	35	17	85	63	22
Chemical	236	255	(20)	32	36	(4)	11	19	(8)
Mineral Resources & Energy	316	301	16	45	41	4	39	25	14
Consumer Goods & Service	861	819	41	105	89	16	53	51	2
Materials & Real Estate	484	426	58	176	111	65	16	30	(14)
Financial & Logistics	155	145	10	20	20	(1)	20	13	7
Domestic Regional Business Units, Offices and Branch Offices	512	531	(19)	50	78	(28)	(49)	41	(90)
Overseas Subsidiaries and Branches	593	591	2	78	85	(7)	71	79	(8)
Segment Total	5,085	4,945	140	859	758	101	384	449	(65)
Corporate & Eliminations	(120)	(72)	(48)	34	126	(92)	(101)	3	(104)
Consolidated	4,964	4,873	92	893	884	9	283	452	(169)

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

Caution Concerning Forward-Looking Statements

This report includes forward-looking statements relating to our future plans, 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 uncertainty 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 Company is under no obligation -- and expressly disclaims any such obligation -- to update or alter its forward-looking statements.

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April 30,2003

Sumitomo Corporation

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

Assets and Liabilities	Year ended	Year ended	increase/ (decrease)
	March 31, 2003	March 31, 2002	
Total assets	48,637	48,526	111
Total shareholders' equity	6,263	6,504	(241)
Shareholders' equity ratio	12.9%	13.4%	(0.5points)
Working Capital	3,469	1,945	1,524
Debt, net	25,028	25,288	(260)
Debt to equity ratio, net	4.0	3.9	0.1point

Cash Flows	Year ended	Year ended
	March 31, 2003	March 31, 2002
Net cash provided by operating activities	670	727
Net cash used in investing activities	(599)	(788)
<i>Free Cash Flows</i>	72	(61)
Net cash provided by financing activities	430	267
Effect of exchange rate changes on cash and cash equivalents	(25)	46
Net increase in cash and cash equivalents	476	252

Targets (fiscal year ending March 31, 2004)	Year ending March 31, 2004	Year ended March 31, 2003	increase/(decrease)	
			amount	percentage(%)
Total trading transactions	93,000	92,296	704	0.8
Gross trading profit	5,250	4,964	286	5.8
Selling, general and administrative expenses	(4,220)	(4,063)	(157)	(3.9)
Provision for allowance for doubtful receivables	(30)	(8)	(22)	(261.9)
Operating income	1,000	893	107	12.0
Interest expense, net of interest income	(80)	(60)	(20)	(33.2)
Dividends	60	64	(4)	(5.9)
Gain on sale of marketable securities and investments, net ①	} (150)	167	} 558	-
Valuation loss on marketable securities and investments ②		(661)		
Impairment losses of long-lived assets ③		(204)		
Other, net ④		(10)		
Income before income taxes, minority interests in earnings of subsidiaries, and equity in earnings of associated companies	830	188	642	340.7
Income taxes	(315)	60	(375)	-
Income before minority interests in earnings of subsidiaries and equity in earnings of associated companies	515	249	266	107.1
Minority interest in earnings of subsidiaries, net (after income tax effect)	(65)	(64)	(1)	(2.3)
Equity in earnings of associated companies, net (after income tax effect)	150	98	52	53.6
Net income	600	283	317	112.2
Calculation for reference*	736	622	114	18.3

Summary
<u>Shareholders' equity ratio</u> Declined by 0.5 pt, due to the increase of total assets and the decrease of the shareholders' equity affected by the declining stock prices and appreciation of the yen.
<u>Working Capital</u> Increased as a result of raising long-term debt and increasing cash and cash equivalents.
<u>Debt to equity ratio, net</u> Rose by 0.1 pt, due to the decrease of shareholders' equity, despite the decrease of debt.

Summary
<u>Free Cash Flows</u> Net cash provided by operating activities was used in investing activities for strategic investments in higher return assets. As a result, free cash flows was 7.2 billion yen cash in.
<u>Net cash used in financing activities</u> To ensure stable funding and sufficient liquidity, a shift from short-term debt to long-term debt was made, along with an increase of cash and cash equivalents.

Summary
<u>Gross trading profit</u> Aim to increase by the expansion of the business base and acquisition of new businesses. In addition, strong performance in major subsidiaries, such as Sumisho Computer Systems and Summit, is expected.
<u>Selling, general and administrative expenses</u> Aim to increase along with the increase of gross trading profit.
<u>Provision for allowance for doubtful receivables</u> Considering the uncertainty of economic conditions.
<u>Interest expense, net of interest income</u> Interest expense increases, due to the increase in raising long-term debt along with the expansion of the business base.
<u>Others (①+②+③+④)</u> Large losses are not expected, but uncertainty of economic conditions is considered.
<u>Equity in earnings of associated companies, net</u> • Improvements in Jupiter Telecommunications and PT.NNT of Batu Hijau gold and copper mine project are expected. • Continued strong performance of Sumisho Lease is expected.

*Calculation: (Gross trading profit+Selling, general and administrative expenses+Interest expenses, net of interest income+Dividends)×58%+Equity in earnings of associated companies, net