



Semiannual Results of FY2005

November 2, 2005

**President and CEO
Motoyuki Oka
Sumitomo Corporation**

I am Motoyuki Oka, president and CEO of Sumitomo Corporation.
Thank you for attending our semiannual financial results meeting today.

Topics

1. Summary of Semiannual Results

Net income: 88.1 billion yen
(Doubled from the 1st half of FY2004, historical high as a first half)

2. Outlook for Full Fiscal Year

Revised net income target to 140 billion yen
(Original target: 110 billion yen)

3. Dividend

Increased interim dividend to 11 yen per share
(Interim dividend of FY2004: 4 yen per share)

4. AG Plan

Progress of expanding earnings base, and aiming for sustained growth

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 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 Company is under no obligation -- and expressly disclaims any such obligation -- to update or alter its forward-looking statements.

I would like to provide a summary of our semiannual financial results, our financial target for the full fiscal year, an explanation of dividend and the progress of the AG Plan.

First, net income for the six-month period ended September 30, 2005 amounted to 88.1 billion yen, doubled from the same period of the previous year and a record high for the first half.

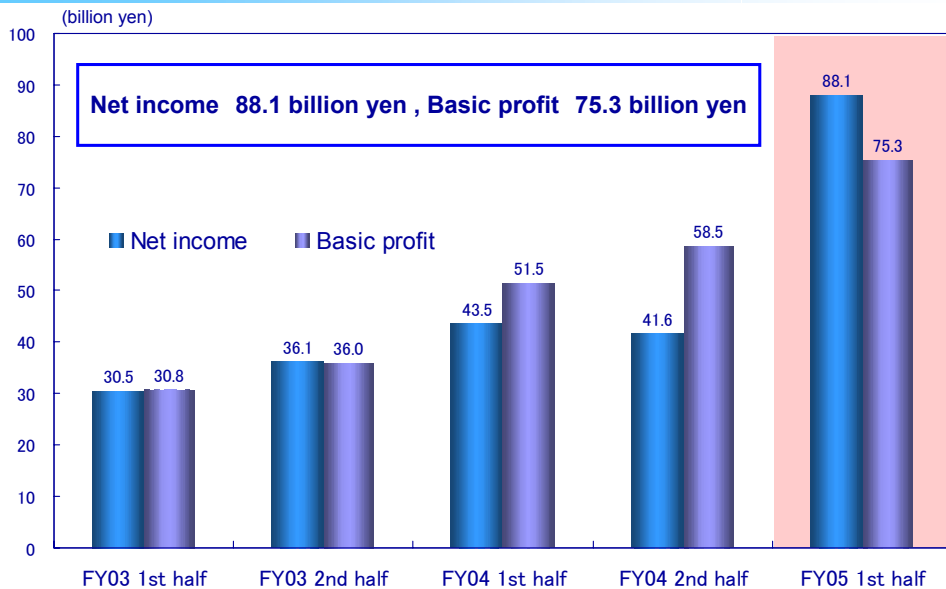
Given this strong result for the first half, we revised upward our net income target for the full year of fiscal 2005 to 140 billion yen from 110 billion yen, our initial target announced in April.

As for the interim dividend, we will raise it to 11 yen per share.

With regard to the progress in expanding our earnings base under the AG Plan, I will later explain the initiatives undertaken by each Business Unit.

1.Summary of Semiannual Results

Net Income and Basic Profit



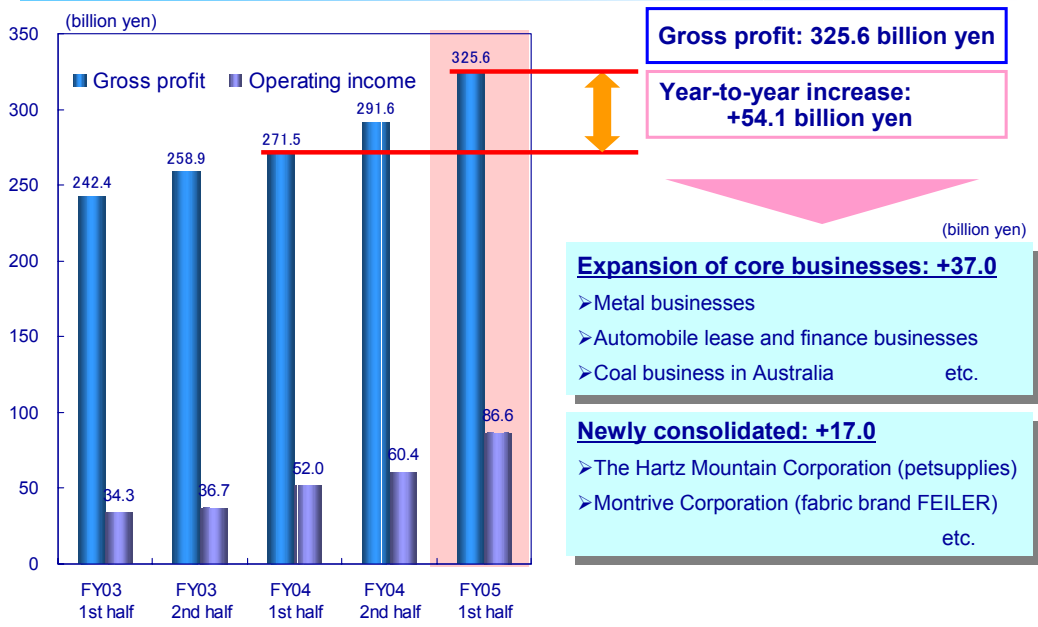
*Calculation: (Gross profit-Selling, general and administrative expenses-Interest expenses, net of interest income+Dividends) × 59% (to take into account income taxes) + Equity in earnings of associated companies, net

You are now looking at the trends in net income and basic profit for each six-month period since the AA Plan.

During the first half of fiscal 2005, net income came to 88.1 billion yen while basic profit amounted to 75.3 billion yen. We attribute these strong results to the fruits of our efforts aimed at expanding our earnings base through the reinforcement of core businesses and M&A.

1.Summary of Semiannual Results

Gross Profit



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

Next you are looking at gross profit.

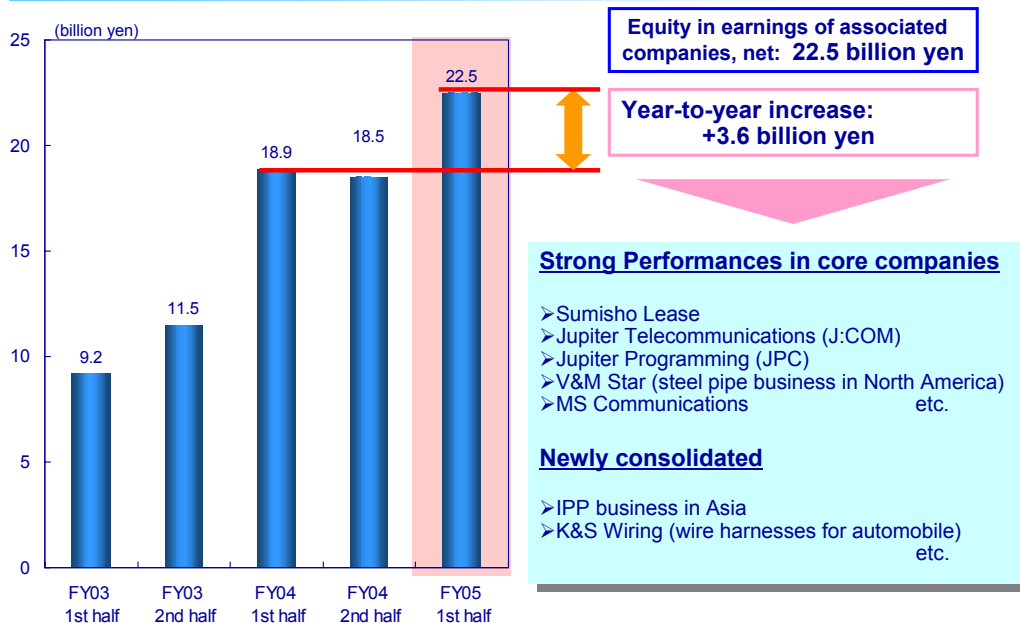
Gross profit for the first half of fiscal 2005 came to 325.6 billion yen, increasing 54.1 billion yen over the same period of the previous year.

As you can see, the steady expansion of our existing core businesses, such as metal businesses, automobile lease and finance businesses, and coal business in Australia, as well as The Hartz Mountain Corporation and Montrive Corporation, which we newly consolidated, made a steady contribution to gross profit.

Operating profit shown below amounted to 86.6 billion yen and reached a record high for the first half along with gross profit.

1.Summary of Semiannual Results

Equity in earnings of associated companies, net

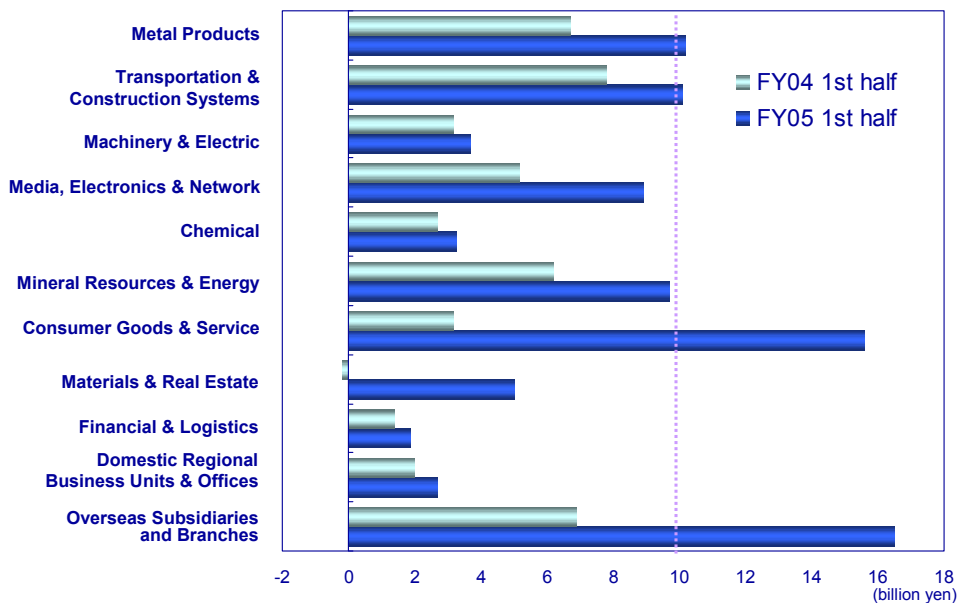


Equity in earnings of associated companies, net, rose 3.6 billion yen from the same period of the previous year to 22.5 billion yen on the strength of strong performances by Sumisho Lease, Jupiter Telecommunications, Jupiter Programming, and other existing businesses. In addition, the newly consolidated companies including investments in IPP projects also made a contribution.

IPP:Independent Power Producer

1. Summary of Semiannual Results

Net Income by Segment



Now in front of you is net income by segment for the first half of fiscal 2005.

In the first half, all segments achieved net income growth over the same period of the previous year.

The four segments of Consumer Goods & Service, which sold Coach Japan shares for value realization; Metal Products; Transportation & Construction Systems; and Overseas Subsidiaries & Branches exceeded 10 billion yen net income for the first half.

We believe that a well-balanced business portfolio that does not depend on specific fields and consists of several segments that are pillars of profits is being established.

1. Summary of Semiannual Results Financial Position



	(billion yen)			
	As of Mar.31, 2005	As of Sep.30, 2005	increase/ (decrease)	Summary
Total assets	5,533.1	5,792.4	259.3	[Total assets] - Expanded business activities - Increased investments
Total shareholders' equity	934.9	1154.3	219.5	[Total shareholders' equity] - Increase in net income - Increase in unrealized holding gains on securities available-for-sale - Increase in additional paid-in capital resulting from stock exchange with Sumisho Auto Leasing to make it a wholly-owned subsidiary
Interest - bearing liabilities, net	2,376.0	2,355.3	(20.7)	
Shareholders' equity ratio	16.9%	19.9%	3.0pt	
Debt-equity ratio, net (times)	2.5	2.0	(0.5pt)	

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Next you are looking at the financial position.

Total assets at the end of September 2005 grew 259.3 billion yen over the previous term-end to 5,792.4 billion yen due to expanding business activities and increasing investments.

Shareholders' equity rose 219.5 billion yen to 1,154.3 billion yen due to the increases in net income, unrealized holding gains on securities available-for-sale as well as additional paid-in capital resulting from stock exchange with Sumisho Auto Leasing Corporation to make it a wholly owned subsidiary.

As a result, the shareholders' equity ratio edged up 3 percentage points to 19.9%.

2.Outlook of Full Fiscal Year Global Economy and Assumptions



Global Economy :

Expected to show stable growth on the whole

Japanese Economy :

Expected to head toward a recovery after breaking out of a lull

Assumptions		Annual average outlook Announced in Apr., 2005	1st half Results (average)	Annual average outlook Revised in Oct., 2005	
				2nd half outlook (average)	
Foreign exchange (Yen/US\$) (Apr.-Mar.)		105	110.36	113	112
Interest rate	LIBOR 6M (Yen)	0.07%	0.07%	0.07%	0.07%
	LIBOR 6M (US\$)	3.6%	3.7%	4.2%	4.0%
Crude oil	(North Sea Brent US\$/bbl)	32	50.4	60~62	55~56
Coking coal (US\$/MT)		around 125	around 125	around 125	around 125
Copper	(US ¢ /lb)	110	132	133	133
Gold	(US\$/oz)	400	429	435	433

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Next I would like to explain our financial target for the full year of fiscal 2005.

Although there are concerns about the risk of the growing impact of the tight money policy of the United States and the appreciation of crude oil prices, we expect that on the whole the global economy will show stable growth, led by the United States and China.

As for the Japanese economy, our outlook calls for firm private demand and for business conditions head toward a recovery after breaking out of a lull.

The assumptions for revising the targets are as shown. We expect mineral resource prices to maintain the level of the first half.

2.Outlook of Full Fiscal Year Revised the Targets for Fiscal Year 2005

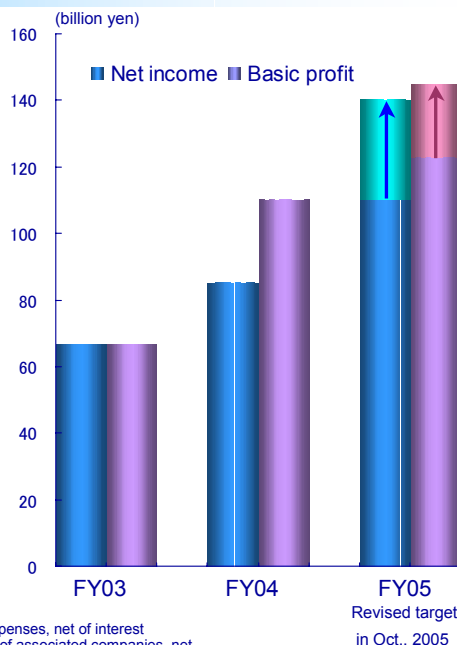


Steady expansion of earnings base

Cooling-off of prices in market-sensitive commodities (steel products, etc.)
Rise in the US\$ interest rate

Revised Targets for FY2005

(billion yen)	Original target	Increase	Revised target
Net income	110	+30	140
Gross profit	620	+40	660
Equity in earnings of associated companies, net	45	+2	47
Basic profit	122.9	+22.6	145.5



*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

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Based on these assumptions, we revised upward our initial net income target from 110 billion yen to 140 billion yen due to the steadier-than-anticipated progress of the expansion of our earnings base.

Moreover, we factored in the effects of cooling-off of prices in market-sensitive commodities, such as steel products, and a rise in the dollar interest rate since the second half.

As you can see, we revised upward our targets of gross profit, equity in earnings of associated companies, net, and basic profit as well.

2.Outlook of Full Fiscal Year Key Financial Indicators



(billion yen)

	End of FY2004	As of Mar.31, 2005	As of Sep.30, 2005	As of Mar.31, 2006 (Outlook)
Total assets	5,012.5	5,533.1	5,792.4	6,100
Total shareholders' equity	730.8	934.9	1,154.3	1,200
Shareholders' equity ratio	14.6%	16.9%	19.9%	around 19.7%
Interest - bearing liabilities, net	2,377.6	2,376.0	2,355.3	2,600
Debt - equity ratio, net (times)	3.3	2.5	2.0	around 2.2
ROE	9.9%	10.2%		around 13.1%
ROA	1.4%	1.6%		around 2.4%

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Now you are looking at our outlook for key financial indicators for the end of March 2006, which is based on our revised targets.

We expect total assets to expand to about 6,100 billion yen since assets are due to be further increased through the acquisition of a tire business in the United States and other moves during the second half.

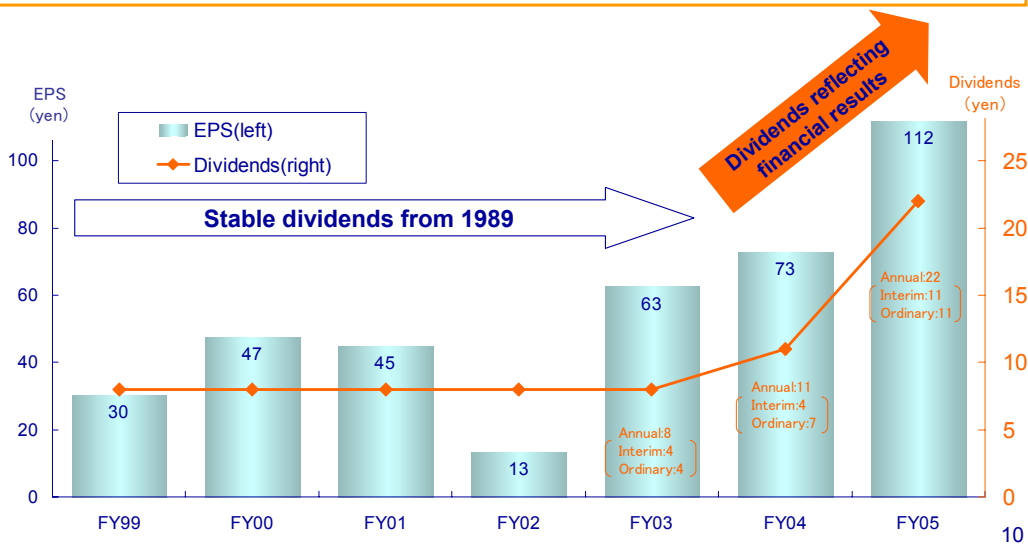
Meanwhile, we anticipate shareholders' equity to amount to 1,200 billion yen and the shareholders' equity ratio to stand at about 19.7%.

We expect ROE and ROA to improve to about 13.1% and 2.4%, respectively. Thus, our profitability will rise as well as expanding our scale.

3.Dividend Interim Dividend



Dividend policy : Dividend payout ratio is set around 20% during the AG Plan
Interim dividend: 11 yen per share, half amount of the prospective annual dividend

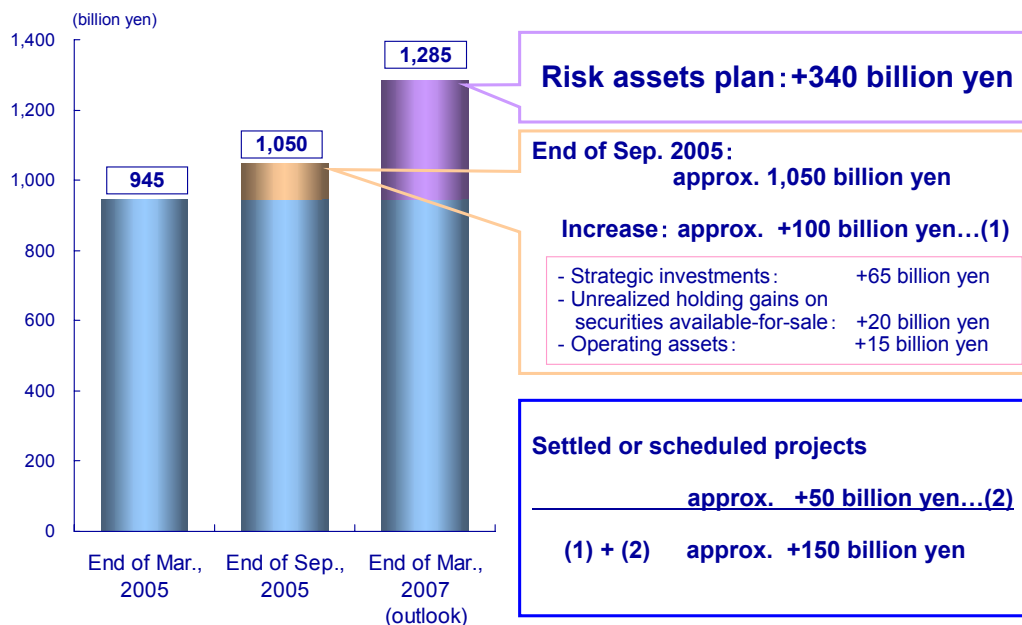


Next let me explain the interim dividend.

Since the second half of fiscal 2004, in addition to ensure stable dividends as in the past, we have set the dividend payout ratio at around 20% by comprehensively taking into account consolidated financial results among other things.

The interim dividend for the first half of fiscal 2005 is 11 yen, half the prospective annual dividend per share of 22 yen based on the revised net income target of 140 billion yen for the full year.

4.AG Plan Progress of Increasing Risk Assets



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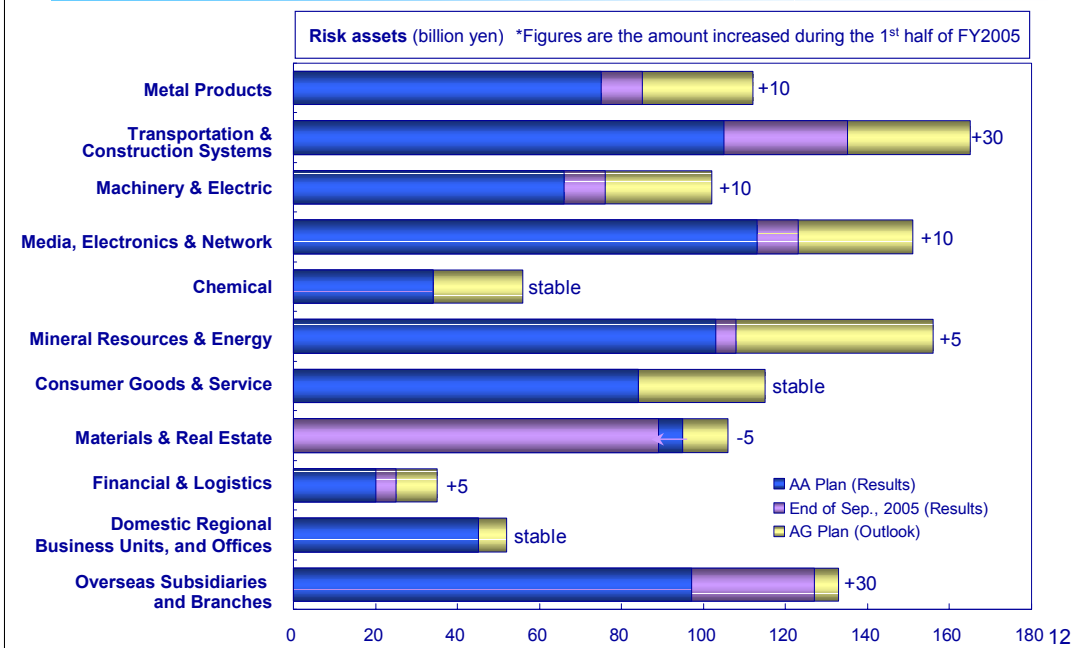
Next I would like to explain the progress in expanding our earnings base under the AG Plan.

The balance of risk assets at the end of September 2005 stood at approximately 1,050 billion yen. Compared with the end of March 2005, risk assets increased 65 billion yen as a result of strategic investments, 20 billion yen due to increase in unrealized holding gains on securities available-for-sale, and 15 billion yen in operating assets. As such, the combined increase in the balance of risk assets was approximately 100 billion yen.

Risk assets are due to be increased by about 50 billion yen through acquisition and equity participation after the second half, which are already scheduled. Combined with the actual increase in the first half, an increase of approximately 150 billion yen in risk assets is now in sight.

We believe we have made a good start towards achieving the plan to increase risk assets by 340 billion yen under the AG plan.

4.AG Plan Risk Assets by Segment



Now you are looking at the status of increasing risk assets by segment for the first half of fiscal 2005.

The segments, such as Metal Products; Transportation & Construction Systems; Machinery & Electric; Media, Electronics & Network; and Overseas Subsidiaries & Branches, have steadily increased risk assets.

On the other hand, risk assets decreased as a result of asset replacement in Materials & Real Estate.



【Metal Products】

- Expanding steel service center operations (UAE, Vietnam, Japan)
Annual processing capacity: Overseas: 36 centers 5.2 million tons
Japan: 9 centers 1.7 million tons
- Decided to establish a joint plant for automotive forged products in Poland

【Transportation & Construction Systems】

- Automobile lease and finance business in Japan and overseas
Made Sumisho Auto Lease a wholly owned subsidiary, business is Indonesia
- Expanding overseas business base of construction equipment

【Machinery & Electric】

- Expanding overseas electric power business
(overseas net capacity based on shares of IPP 2,477MW)
 - IPP : Vietnam / Phu My 2-2 (thermal), the U.S. / Hermiston (thermal)
Philippines / CBK (hydro), Turkey / Birecik (hydro)
 - EPC: Receiving continuous orders for large projects in Malaysia, Vietnam, etc.

Next I would like to briefly explain the progress in expanding our earnings base by segment.

The Metal Products Business Unit is expanding the steel service center operations on a global basis. As a result, the total annual processing capacity at home and abroad will grow to approximately 7 million tons. The unit also expanded the processing and manufacturing business for automobile-related products.

Meanwhile, the Transportation & Construction Systems Business Unit is expanding the automobile lease and finance business base at home and abroad. As for construction equipment business, the unit is expanding its overseas operating base primarily in North America and Europe.

The Machinery & Electric Business Unit is acquiring interests in the IPP projects as well as advancing the EPC business with the aim of enhancing profitability and stability through the establishment of a well-balanced business portfolio in the power business. This move is contributing to results.



【Media, Electronics & Network】

- Media - J:COM : Acquired Odakyu Cable Vision, made Cable TV Kobe a subsidiary
- United Cinemas : Acquired Japan AMC Theatres
- Network - MS Communications : Acquired Calsonic Communications
- Sumisho Computer Systems : Incorporated Sumisho Electronics

【Chemical】

- The Harts Mountain (pet supplies):
Enhancing products lineup and expanding sales channels through M&A
- Reorganized and Integrated Sumitomo Shoji Plastics, Sumitomo Shoji Chemicals, and Sumisho Chemicals & Plastics Nagoya

【Mineral Resources & Energy】

- Acquired shares of Idemitsu Snorre (Norwegian North Sea oil field), tied-up with Osaka Gas for oil and gas development business
- Participated in copper exploration and mining business in Peru and Chile
- Nickel production project in Madagascar and South Africa: under detailed studies

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As you can see, the Media, Electronics & Network Business Unit expanded its core business base through M&A in the fields of media and network.

Furthermore, Sumisho Computer Systems and Sumisho Electronics merged with a view to complementing each other's business base and functions and achieving further growth.

In the Chemical Business Unit, The Hartz Mountain is consolidating its product lineup and expanding its sales channels through the M&A.

The unit also reorganized and integrated three domestic group companies with an eye to enhancing the efficiency of group management and expanding the earnings base.

The Mineral Resources & Energy Business Unit is continuing expanding mineral resources interests as in the previous year in the field of oil and copper. In addition, the unit is studying the implementation of the nickel production project in Madagascar and South Africa as a new pillar of profit.

【Consumer Goods & Service】

- Summit and Sumisho Drugstores increase the number of stores
- Acquired shares of Kansai Super Market to expand trade business
- Expanding operation base of fruits business

【Materials & Real Estate】

- Expand tire business in North America: Agreed to acquire TBC Corporation
- Promoting Multipurpose-complex redevelopment

【Financial & Logistics】

- Strengthening direct investments and fund investments
- Overseas industrial parks:
Scheduled to start third phase development of Thang Long Industrial Park, Vietnam
- Expand overseas and domestic logistics network

The Consumer Goods & Service Business Unit will expand the network of stores at Summit, and Sumisho Drugstores. In the field of food, the unit acquired a stake in Kansai Super Market Ltd. with an eye to broadening trade business and will endeavor to expand its fruits business base.

The Materials & Real Estate Business Unit has reached an agreement on the acquisition of TBC Corporation and expand the tire business base in North America.

In the real estate business, the unit is undertaking large multipurpose-complex redevelopment projects by making use of its expertise and all-round strength in buildings, commercial facilities and housing.

The Financial & Logistics Business Unit is expanding the investment business through direct investment and funds investments in the field of finance. In addition, the unit is planning to expand the industrial park in Vietnam and is consolidating domestic and overseas operating bases in the field of logistics.

4.AG Plan For Sustained Growth (1)



■ Advancement of our business portfolio strategy

Expand earnings base through dynamic growth strategies

Pursue growth and scale, develop new business fields, strengthen global earning power

Optimum allocation of management resources (risk assets and human resources) through continuous replacements

Established “Management Resources Reallocation Task Force”

- Reassess small-scale business lines and group companies
- Secure and reallocate human resources

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As I explained earlier, I think we have made quite a good start in the first half for achieving the quantitative targets mentioned in the AG Plan.

In order to further ensure the achievement of the committed quantitative targets and also attain sustained growth, we will continue channeling our energies into expanding our earnings base through dynamic growth strategies.

The achievement of this calls for the “selection” and “concentration” of businesses which we have continued to be engaged in since the start of the Reform Package.

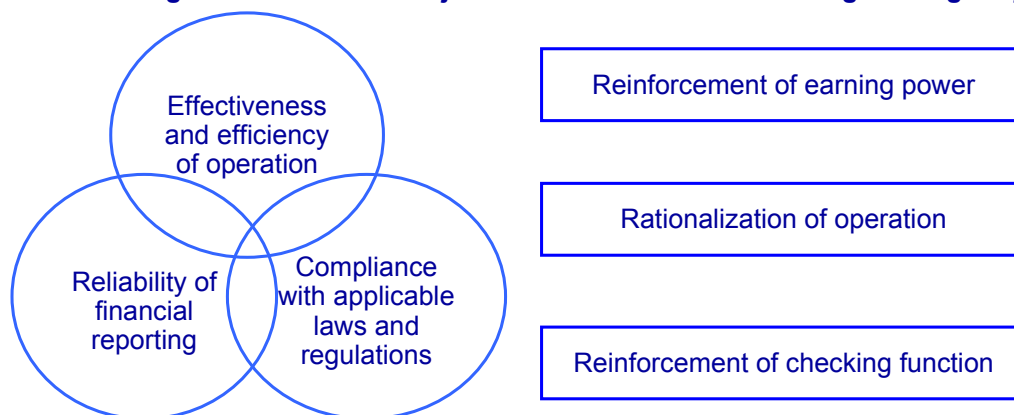
Recently we launched the Management Resources Reallocation Task Force with the aim of carrying out optimum allocation of management resources on a company-wide level.

We will set stricter exit rules and reassess small-scale business lines and group companies. Through the replacement of assets, we will secure and reallocate human resources for the purpose of implementing growth strategies.

■ Pursuit of soundness and efficiency

■ Undertaking Internal Control Project

■ Business Process Reengineering Project



Also, we will seek to further enhance soundness and efficiency in laying the groundwork for sustained growth.

We are undertaking the Internal Control Project based on the COSO framework on a global, consolidated basis at 500 domestic and overseas bases. The COSO framework serves as an international standard for internal control.

By checking the status of internal control, closely examining the relevant issues, and formulating and implementing the necessary improvement measures, we will achieve the three objectives of “Reliability of financial reporting,” “Effectiveness and efficiency of operation,” and “Compliance with applicable laws and regulations.”

Also, under the Business Process Reengineering Project, we will realize the “reinforcement of earning power,” “rationalization of operation,” and “reinforcement of the checking function” by drastically reviewing on a company-wide level the way work is done.

4.AG Plan For Sustained Growth (3)



**Pursue “Profitability,” “Growth Potential” and “Stability”
in a balanced manner**

**Commitment to achieve the stated targets without fail
while enhancing transparency of management**

**Realize “prosperity and dreams” of all stakeholders
➡ Enhance corporate value**

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In order for us to achieve sustained growth, I think it is vital to pursue “profitability,” “growth potential” and “stability” in a balanced manner.

We would also like to strengthen mutual trust with our stakeholders based on our commitment to achieve the stated targets without fail while enhancing the transparency of management.

We will strive to enhance corporate value in the future and therefore request and appreciate your ongoing understanding and support.

This concludes my presentation. Thank you very much.