

Highlights of consolidated semiannual results 2007 (Six-month period ended September 30, 2007)

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October 29, 2007

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

1. Consolidated Income

Sumitomo Corporation

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

	Apr.1-Sep.30, 2007 (A)	Apr.1-Sep.30, 2006 (B)	increase/(decrease)		Summary																				
			amount (A)-(B)	percentage																					
Gross profit	4,672	4,156	516	12%	<p>Gross profit <Businesses which contributed to the increase> - Steel service center operations - Automobile and construction equipment businesses - IPP* business mainly in Asia *Independent Power Producer - SC Media & Commerce Inc. (former Jupiter TV / made it a subsidiary) - Sales of Condominium</p> <p>Selling, general and administrative expenses - Effect of the newly consolidated subsidiaries - Increase in personnel expenses due to the expansion of business activities at subsidiaries</p> <p>Provision for doubtful receivables - Increased due to expansion in automobile finance business in Asia</p> <p>Interest expense, net of interest income</p> <table border="1"> <thead> <tr> <th></th> <th>Apr.1-Sep.30, 2007</th> <th>Apr.1-Sep.30, 2006</th> <th>increase/ (decrease)</th> </tr> </thead> <tbody> <tr> <td>Interest income</td> <td>142</td> <td>160</td> <td>(18)</td> </tr> <tr> <td>Interest expense</td> <td>(358)</td> <td>(323)</td> <td>(35)</td> </tr> <tr> <td>Total</td> <td>(216)</td> <td>(163)</td> <td>(53)</td> </tr> </tbody> </table> <p>- Rise in interest rates</p> <p>Gain on marketable securities and investments, net - Gain from exchange of shares for business restructuring of Jupiter TV - Value realizations through replacement of assets - Valuation loss on securities of Seiyu</p> <p>Equity in earnings of associated companies, net - Strong performances in copper business in the Americas, Nusa Tenggara Mining Corporation (Batu Hijau copper & gold mine project in Indonesia), and Jupiter Telecommunications (J:COM) - Hedge evaluation losses (9.6 billion yen) on the San Cristobal silver-zinc-lead mining project in Bolivia</p> <p>Basic profit - Includes hedge evaluation losses on the San Cristobal silver-zinc-lead mining project in Bolivia</p>		Apr.1-Sep.30, 2007	Apr.1-Sep.30, 2006	increase/ (decrease)	Interest income	142	160	(18)	Interest expense	(358)	(323)	(35)	Total	(216)	(163)	(53)				
	Apr.1-Sep.30, 2007	Apr.1-Sep.30, 2006	increase/ (decrease)																						
Interest income	142	160	(18)																						
Interest expense	(358)	(323)	(35)																						
Total	(216)	(163)	(53)																						
Other income (expenses) :																									
Selling, general and administrative expenses	(3,292)	(2,947)	(345)	(12%)																					
Settlements on copper trading litigation	-	96	(96)	-																					
Provision for doubtful receivables	(48)	(10)	(37)	(363%)																					
Gain on property and equipment, net	(1)	10	(11)	-																					
Interest expense, net of interest income	(216)	(163)	(53)	(33%)																					
Dividends	83	77	6	8%																					
Gain on marketable securities and investments, net	235	42	193	462%																					
Equity in earnings of associated companies, net	251	340	(89)	(26%)																					
Other, net	4	(1)	5	-																					
Total other income (expenses)	(2,983)	(2,556)	(427)	(17%)																					
Income before income taxes and minority interests in earnings of subsidiaries	1,689	1,600	89	6%																					
Income taxes	(533)	(554)	21	4%																					
Income before minority interests in earnings of subsidiaries	1,156	1,046	109	10%																					
Minority interests in earnings of subsidiaries, net	(36)	(26)	(10)	(40%)																					
Net income	1,120	1,021	99	10%																					
Total trading transactions	56,954	52,466	4,487	9%	<table border="1"> <thead> <tr> <th colspan="2">Reference</th> <th>Apr.1-Sep.30, 2007</th> <th>Apr.1-Sep.30, 2006</th> </tr> </thead> <tbody> <tr> <td>Foreign exchange (Yen/US\$, ave)</td> <td>(Apr.-Sep.)</td> <td>119.20</td> <td>115.33</td> </tr> <tr> <td>Interest (%) (YEN LIBOR6M, ave)</td> <td>(Apr.-Sep.)</td> <td>0.85%</td> <td>0.40%</td> </tr> <tr> <td>Interest (%) (US\$ LIBOR6M, ave)</td> <td>(Apr.-Sep.)</td> <td>5.4%</td> <td>5.4%</td> </tr> <tr> <td>Crude oil (US\$/bbl) <North Sea Brent></td> <td>(Jan.-Jun.)</td> <td>63</td> <td>66</td> </tr> </tbody> </table>	Reference		Apr.1-Sep.30, 2007	Apr.1-Sep.30, 2006	Foreign exchange (Yen/US\$, ave)	(Apr.-Sep.)	119.20	115.33	Interest (%) (YEN LIBOR6M, ave)	(Apr.-Sep.)	0.85%	0.40%	Interest (%) (US\$ LIBOR6M, ave)	(Apr.-Sep.)	5.4%	5.4%	Crude oil (US\$/bbl) <North Sea Brent>	(Jan.-Jun.)	63	66
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Note: Total trading transactions is presented in a manner customarily used in Japan solely for Japanese investors' purposes.																									
Operating income	1,333	1,199	133	11%																					
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Basic profit (Calculation for reference)*	987	1,003	(16)	(2%)																					

*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

2. Segment Information

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

	Gross profit			Net income			Summary (Net income)
	Apr.1- Sep.30, 2007	Apr.1- Sep.30, 2006	increase/ (decrease)	Apr.1- Sep.30, 2007	Apr.1- Sep.30, 2006	increase/ (decrease)	
Metal Products	397	377	20	125	137	(12)	- Strong performances in Steel service center operations - Capital gain through sales of stocks in the same period of the previous year
Transportation & Construction Systems	762	703	59	179	138	41	- Strong performances in automobile, construction equipment and ships businesses
Infrastructure	215	138	77	96	58	38	- IPP businesses in Asia
Media, Network & Lifestyle Retail	758	582	176	78	33	44	- Strong performances in J:COM and Summit, Inc. - Gain from exchange of shares for business restructuring of Jupiter TV - Valuation loss on securities of Seiyu
Chemical & Electronics	244	249	(5)	37	42	(4)	- Strong performance in agricultural chemicals business - Decreased earnings in Cantex Inc. (PVC pipe business in the U.S.)
Mineral Resources & Energy	219	235	(16)	144	109	34	- Strong performance in copper business in the Americas - Capital gain through sales of stocks - Hedge evaluation losses on the San Cristobal silver-zinc-lead mining project in Bolivia
General Products & Real Estate	639	574	65	96	79	17	- Strong performance in condominium sales
Financial & Logistics	149	163	(13)	24	44	(20)	- Decreased earnings in commodity trading business
Domestic Regional Business Units and Offices	214	197	16	41	28	13	- Strong performance in metal products trading
Overseas Subsidiaries and Branches	1,050	1,114	(64)	227	236	(9)	- Decreased earnings in tubular products business in North America
Segment Total	4,647	4,333	314	1,047	905	142	
Corporate and Eliminations	25	(176)	201	73	116	(43)	- Received settlement on copper trading litigation in the same period of the previous year
Consolidated	4,672	4,156	516	1,120	1,021	99	

From this fiscal year, we have changed the operating segments according to the reorganization of our Business Units on April 1st, 2007.

The operating segment information of the same period of the previous year have also been reclassified.

3. Financial Position

	As of Sep.30, 2007	As of Mar.31, 2007	increase/ (decrease)	Summary
Total assets	86,649	84,305	2,345	<u>Total assets</u> - Increased as a result of the newly consolidated subsidiaries - Increase in unrealized gains on marketable securities
Total shareholders' equity	16,307	14,731	1,576	<u>Total shareholders' equity</u> - Increases in retained earnings and unrealized holding gains on securities available-for-sale
Shareholders' equity ratio	18.8%	17.5%	1.3pt	
Interest-bearing liabilities, net	30,135	29,133	1,003	
Debt-equity ratio, net (times)	1.8	2.0	(0.2pt)	

4. Cash Flows

	Apr.1-Sep.30, 2007	Apr.1-Sep.30, 2006
Net cash provided by operating activities	1,759	1,469
Net cash used in investing activities	(1,562)	(1,387)
<i>Free Cash Flow</i>	197	82
Net cash provided by financing activities	43	2,052
Effect of exchange rate changes on cash and cash equivalents, etc	51	51
Net increase in cash and cash equivalents	292	2,185

5. Targets (Year ending March 31, 2008)

Sumitomo Corporation

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

	Revised in Oct., 2007 (A)	Announced in Apr., 2007 (B)	increase/ (decrease) (A)-(B)	Summary	Results Year ended Mar. 31, 2007 (C)	increase/(decrease) (A)-(C)	
						amount	percentage(%)
Gross profit	9,800	9,600	200	<u>Gross profit</u>	8,577	1,223	14%
Other income (expenses) :				- Increase due to enhancement of core businesses			
Selling, general and administrative expenses	(6,950)	(6,800)	(150)	- Effect of depreciation of yen	(6,099)	(851)	(14%)
Interest expense, net of interest income	(460)	(430)	(30)	<u>Interest expense, net of interest income</u>	(371)	(89)	(24%)
Dividends	150	150	0	- Increase in interest-bearing liabilities due to the expansion of business base	141	9	6%
Equity in earnings of associated companies, net	600	770	(170)	<u>Equity in earnings of associated companies, net</u>	703	(103)	(15%)
Other, net	570	500	70	- Hedge evaluation losses on the San Cristobal silver-zinc-lead mining project in Bolivia (Revised from 4.3 billion yen loss to 21.8 billion yen loss)	368	202	55%
Total other income (expenses)	(6,090)	(5,810)	(280)		(5,258)	(832)	(16%)
Income before income taxes and minority interests in earnings of subsidiaries	3,710	3,790	(80)		3,319	391	12%
Income taxes	(1,240)	(1,320)	80		(1,148)	(92)	(8%)
Income before minority interests in earnings of subsidiaries	2,470	2,470	0	<Assumptions for annual average>	2,171	299	14%
Minority interests in earnings of subsidiaries	(120)	(120)	0	Revised in Oct., 2007	(61)	(59)	(97%)
Net income	2,350	2,350	0	Announced in Apr., 2007	2,110	240	11%
Total trading transactions	117,000	112,000	5,000	Results Apr.1-Sep. 30, 2007	105,283	11,717	11%
Operating income	2,780	2,730	50	Foreign exchange (Yen/US\$) (Apr.-Mar.)			
Basic profit (Calculation for reference)*	2,099	2,257	(158)	Crude Oil <North Sea Brent> (US\$/bbl) (Jan.-Dec.)			
				Hard coking coal* (US\$/MT) (Apr.-Mar.)			
				Copper (US \$/lb) (Jan.-Dec.)			
				Interest LIBOR 6M (Yen) (Apr.-Mar.)			
				Interest LIBOR 6M (US\$) (Apr.-Mar.)			
				*Market price			
				<Sensitivity of the net income to the fluctuations of exchange>			
				Depreciation of 1 yen per US\$ will increase net income about 0.6 billion yen			

Note: Total trading transactions is presented in a manner customarily used in Japan solely for Japanese investors' purposes.

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

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

6. Notification of interim dividend

Our basic policy is to meet shareholders' expectations by ensuring long-term stable dividends. In addition to this basic policy, we have set **the dividend payout ratio at around 20%**, reflecting consolidated financial results.

Based on our target of consolidated net income of 235 billion yen, **the annual dividend is planned to be 37 yen per share** (the annual dividends for fiscal year 2006 was 33 yen per share). Therefore, **the interim dividend is 18 yen per share**, half amount of the planned annual dividend (the interim dividend for fiscal year 2006 was 15 yen per share).

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.

<Reference information>

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October 29, 2007

Sumitomo Corporation

Number of subsidiaries and associated companies

Unit: Number of companies

	As of Sep. 30, 2007			increase/(decrease) from Sep. 30, 2006		
	Profit	Loss	Total	Profit	Loss	Total
Japan	211	54	265	1	10	11
Overseas	558	81	639	64	(31)	33
Total	769	135	904	65	(21)	44

(Profit-making company ratio)

85%

+3pt

Equity in earnings of subsidiaries and associated companies

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

	Apr.1-Sep.30, 2007			increase/(decrease) from the same period of the previous year		
	Profit	Loss	Total	Profit	Loss	Total
Japan	395	(25)	370	66	1	68
Overseas	634	(126)	508	17	(85)	(67)
Total	1,029	(151)	878	83	(83)	0

Equity in earnings of subsidiaries and associated companies by Segment

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

	Apr.1-Sep.30, 2007			increase/(decrease) from the same period of the previous year		
	Profit	Loss	Total	Profit	Loss	Total
Metal Products	85	(7)	78	13	4	17
Transportation & Construction Systems	185	(10)	175	17	(3)	14
Infrastructure	92	(6)	86	31	3	33
Media, Network & Lifestyle Retail	101	(6)	95	16	1	17
Chemical & Electronics	45	(6)	40	(2)	3	1
Mineral Resources & Energy	134	(100)	34	3	(94)	(92)
General Products & Real Estate	49	(5)	44	1	4	4
Financial & Logistics	25	(2)	22	(7)	3	(3)
Domestic Regional Business Units and Offices	25	(7)	18	2	(4)	(2)
Overseas Subsidiaries and Branches	232	(1)	230	(5)	0	(5)
Other	57	0	57	15	0	15
Total	1,029	(151)	878	83	(83)	0