

Highlights of consolidated annual results FY2007 (Year ended March 31, 2008)

page 1/4
April 30, 2008

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

1. Consolidated Income

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

Sumitomo Corporation

	Year ended March 31, 2008 (A)	Year ended March 31, 2007 (B)	increase/(decrease)		Summary																
			amount (A)-(B)	percentage																	
Gross profit	9,345	8,577	769	9%	<p><u>Gross profit</u> <Businesses which contributed to the increase> - Steel service center operation - Automobile and construction equipment businesses - IPP* business mainly in Asia *Independent Power Producer - Jupiter Shop Channel (SC Media & Commerce Inc./made it a subsidiary) - Sales of Condominium in Tokyo metropolitan area</p> <p><u>Selling, general and administrative expenses</u> - Effect of the newly consolidated subsidiaries - Increase in personnel expenses due to the expansion of business activities at existing subsidiaries</p> <p><u>Provision for doubtful receivables</u> - Increased due to expansion in automobile finance business in Asia</p> <p><u>Loss on property and equipment, net</u> - Gas development project in North America</p> <p><u>Interest expense, net of interest income</u></p> <table border="1" style="margin-left: 20px; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Year ended March 31, 2008</th> <th>Year ended March 31, 2007</th> <th>increase/(decrease)</th> </tr> </thead> <tbody> <tr> <td>Interest income</td> <td style="text-align: right;">283</td> <td style="text-align: right;">329</td> <td style="text-align: right;">(47)</td> </tr> <tr> <td>Interest expense</td> <td style="text-align: right;">(711)</td> <td style="text-align: right;">(700)</td> <td style="text-align: right;">(11)</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">(428)</td> <td style="text-align: right;">(371)</td> <td style="text-align: right;">(58)</td> </tr> </tbody> </table> <p><u>Gain on marketable securities and investments, net</u> - Gain : the mergers of leasing operations, the business restructuring of Jupiter TV and other replacements of assets - Loss : securities of Seiyu</p> <p><u>Equity in earnings of associated companies, net</u> - Strong performances in copper business in Indonesia (Batu Hijau copper & gold mine project) and the Americas - Strong performance in CATV business (Jupiter Telecommunications (J:COM)) - Hedge evaluation losses on the San Cristobal silver-zinc-lead mining project in Bolivia</p> <p><u>Basic profit</u> - Includes hedge evaluation losses(22.1 billion yen) on the San Cristobal silver-zinc-lead mining project in Bolivia</p>		Year ended March 31, 2008	Year ended March 31, 2007	increase/(decrease)	Interest income	283	329	(47)	Interest expense	(711)	(700)	(11)	Total	(428)	(371)	(58)
	Year ended March 31, 2008	Year ended March 31, 2007	increase/(decrease)																		
Interest income	283	329	(47)																		
Interest expense	(711)	(700)	(11)																		
Total	(428)	(371)	(58)																		
Other income (expenses) :																					
Selling, general and administrative expenses	(6,694)	(6,099)	(595)	(10%)																	
Settlements on copper trading litigation	-	96	(96)	-																	
Provision for doubtful receivables	(111)	(80)	(30)	(38%)																	
Gain (losses) on property and equipment, net	(101)	(75)	(26)	(35%)																	
Interest expense, net of interest income	(428)	(371)	(58)	(16%)																	
Dividends	153	141	12	8%																	
Gain on marketable securities and investments, net	949	445	505	113%																	
Equity in earnings of associated companies, net	569	703	(134)	(19%)																	
Other, net	(7)	(17)	10	57%																	
Total other income (expenses)	(5,669)	(5,258)	(412)	(8%)																	
Income before income taxes and minority interests in earnings of subsidiaries	3,676	3,319	357	11%																	
Income taxes	(1,198)	(1,148)	(49)	(4%)																	
Income before minority interests in earnings of subsidiaries	2,478	2,171	307	14%																	
Minority interests in earnings of subsidiaries, net	(89)	(61)	(28)	(46%)																	
Net income	2,389	2,110	279	13%																	
Total trading transactions* ¹	114,846	105,283	9,563	9%																	
Operating income* ¹	2,541	2,397	144	6%																	
Basic profit (Calculation for reference)* ²	1,971	2,029	(58)	(3%)																	

*1) Total trading transactions and operating income are presented in a manner customarily used in Japan solely for Japanese investors' purposes.

*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)

Sumitomo Corporation

	Gross profit			Net income			Summary (Net income)
	Year ended March 31, 2008	Year ended March 31, 2007	increase/ (decrease)	Year ended March 31, 2008	Year ended March 31, 2007	increase/ (decrease)	
Metal Products	803	776	26	292	263	29	- Strong performances in Steel service center operation and steel plates business
Transportation & Construction Systems	1,577	1,346	231	416	267	149	- Capital gain through the merger of auto leasing operation - Strong performance in automobile, construction equipment and ships businesses
Infrastructure	410	383	27	189	165	24	- IPP businesses mainly in Asia
Media, Network & Lifestyle Retail	1,687	1,261	426	138	125	13	- Jupiter Shop Channel (SC Media & Commerce Inc./made it a subsidiary) - Capital gain through the business restructuring of Jupiter TV - Loss related to securities of Seiyu
Chemical & Electronics	460	479	(19)	47	78	(31)	- Decreased earnings in Cantex(PVC pipe business in the U.S.) - Decreased earnings in Sumitronics
Mineral Resources & Energy	480	481	(1)	320	331	(11)	- Strong performances in copper business in Indonesia and the Americas - Capital gain through replacement of assets - Hedge evaluation losses on the San Cristobal silver-zinc-lead mining project in Bolivia
General Products & Real Estate	1,220	1,181	39	195	172	23	- Strong performance in condominium sales in Tokyo metropolitan area
Financial & Logistics	318	292	27	51	59	(8)	- Decreased earnings in commodity trading business
Domestic Regional Business Units and Offices	437	417	20	90	70	20	- Strong performance in metal products trading
Overseas Subsidiaries and Branches	2,008	2,264	(257)	456	432	24	- Strong performances in businesses in Europe and Asia - Decreased earnings in tubular products business in North America
Segment Total	9,398	8,880	519	2,194	1,962	232	
Corporate and Eliminations	(53)	(303)	250	195	148	48	- Capital gain through the merger of general leasing operation - Received settlement on copper trading litigation in the previous year
Consolidated	9,345	8,577	769	2,389	2,110	279	

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 Mar. 31, 2008	As of Mar. 31, 2007	increase/ (decrease)	Summary
Total assets	75,714	84,305	(8,591)	<u>Total assets</u> - Decreased since Sumitomo Mitsui Finance and Leasing, a merged company, has become an associated company
Total shareholders' equity	14,927	14,731	196	- Decreased due to deteriorating stock market and stronger yen
Shareholders' equity ratio	19.7%	17.5%	2.2pt	- Increased as a result of the newly consolidated subsidiaries such as the merged company-Sumitomo Mitsui Auto Service
Interest-bearing liabilities, net	32,476	29,133	3,343	<u>Total shareholders' equity</u> - Increase in retained earnings
Debt-equity ratio, net (times)	2.2	2.0	0.2pt	- Decreased due to deteriorating stock market and stronger yen

4. Cash Flows

	Year ended March 31, 2008	Year ended March 31, 2007
Net cash provided by operating activities	3,207	1,912
Net cash used in investing activities	(2,998)	(4,531)
<i>Free Cash Flow</i>	208	(2,619)
Net cash provided by financing activities	127	1,761
Effect of exchange rate changes on cash and cash equivalents, etc	(135)	6
Net increase (decrease) in cash and cash equivalents	200	(852)

5. Targets (Year ending March 31, 2009)

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

Sumitomo Corporation

	Year ending March 31, 2009 (C)	Year ended March 31, 2008 (D)	increase/(decrease)		Summary																					
			amount (C)-(D)	percentage																						
Gross profit	9,900	9,345	555	6%	<u>Gross profit</u> - Increase due to merger of auto leasing operation - Contribution due to consolidation of Jupiter Shop Channel (SC Media & Commerce Inc.) full-year - Strong performance of coal mining operation in Australia due to price increase of hard coking coal <u>Interest expense, net of interest income</u> - Decrease of interest expense mainly due to decline of interest rates in US\$ <u>Equity in earnings of associated companies, net</u> - Improvement of hedge evaluation loss in San Cristobal silver-zinc-lead mining project in Bolivia - Strong performance in Jupiter Telecommunications(J:COM) and general leasing operation <u>Other, net</u> - Capital gain through replacement of assets - Capital gain due to the merger of leasing operations in the previous year <Assumptions for annual average> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th></th> <th>FY2008</th> <th>FY2007 (Results)</th> </tr> </thead> <tbody> <tr> <td>Foreign exchange (Yen/US\$) (Apr.-Mar.)</td> <td>105</td> <td>113.80</td> </tr> <tr> <td>Crude oil <North Sea Brent> (US\$/bbl) (Jan.-Dec.)</td> <td>90</td> <td>73</td> </tr> <tr> <td>Hard coking coal (US\$/MT)*</td> <td>285~300</td> <td>85~98</td> </tr> <tr> <td>Copper (US \$/lb)</td> <td>325</td> <td>323</td> </tr> <tr> <td>Interest LIBOR 6M (Yen) (Apr.-Mar.)</td> <td>1.00%</td> <td>0.94%</td> </tr> <tr> <td>Interest LIBOR 6M (US\$) (Apr.-Mar.)</td> <td>3.0%</td> <td>4.7%</td> </tr> </tbody> </table> *Market price <Sensitivity of the net income to the fluctuations of FOREX> Depreciation of 1 yen per US\$ will increase net income about 0.7 billion yen		FY2008	FY2007 (Results)	Foreign exchange (Yen/US\$) (Apr.-Mar.)	105	113.80	Crude oil <North Sea Brent> (US\$/bbl) (Jan.-Dec.)	90	73	Hard coking coal (US\$/MT)*	285~300	85~98	Copper (US \$/lb)	325	323	Interest LIBOR 6M (Yen) (Apr.-Mar.)	1.00%	0.94%	Interest LIBOR 6M (US\$) (Apr.-Mar.)	3.0%	4.7%
	FY2008	FY2007 (Results)																								
Foreign exchange (Yen/US\$) (Apr.-Mar.)	105	113.80																								
Crude oil <North Sea Brent> (US\$/bbl) (Jan.-Dec.)	90	73																								
Hard coking coal (US\$/MT)*	285~300	85~98																								
Copper (US \$/lb)	325	323																								
Interest LIBOR 6M (Yen) (Apr.-Mar.)	1.00%	0.94%																								
Interest LIBOR 6M (US\$) (Apr.-Mar.)	3.0%	4.7%																								
Other income (expenses) :																										
Selling, general and administrative expenses	(7,000)	(6,694)	(306)	(5%)																						
Interest expense, net of interest income	(360)	(428)	68	16%																						
Dividends	150	153	(3)	(2%)																						
Equity in earnings of associated companies, net	840	569	271	48%																						
Other, net	220	731	(511)	(70%)																						
Total other income (expenses)	(6,150)	(5,669)	(481)	(8%)																						
Income before income taxes and minority interests in earnings of subsidiaries	3,750	3,676	74	2%																						
Income taxes	(1,200)	(1,198)	(2)	0%																						
Income before minority interests in earnings of subsidiaries	2,550	2,478	72	3%																						
Minority interests in earnings of subsidiaries	(120)	(89)	(31)	(35%)																						
Net income	2,430	2,389	41	2%																						
Total trading transactions	120,000	114,846	5,154	4%																						
Basic profit (Calculation for reference)*	2,427	1,971	456	23%																						

Note: Total trading transactions 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)×59% (to take into account income taxes) + Equity in earnings of associated companies, net

6. Notification of 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. The annual dividend for fiscal year 2007 will be 38 yen per share (the interim dividend: 18 yen per share, the year-end ordinary dividend: 20 yen per share), which was 33 yen per share in the previous year. Based on our new target of consolidated net income of 243 billion yen, the annual dividend is planned to be 38 yen per share (the interim dividend will be 19 yen per share and the year-end ordinary dividend will be 19 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>

page 4/4
April 30, 2008

Sumitomo Corporation

Number of subsidiaries and associated companies

Unit: Number of companies

	As of Mar. 31, 2008			increase/(decrease) from Mar. 31, 2007		
	Profit	Loss	Total	Profit	Loss	Total
Japan	197	40	237	(34)	3	(31)
Overseas	525	71	596	(27)	(7)	(34)
Total	722	111	833	(61)	(4)	(65)

(Profit-making company ratio)

87%

0pt

Equity in earnings of subsidiaries and associated companies

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

	Apr. 1, 2007-Mar.31, 2008			increase/(decrease) from the previous year		
	Profit	Loss	Total	Profit	Loss	Total
Japan	785	(70)	715	38	(57)	(19)
Overseas	1,401	(390)	1,011	251	(222)	28
Total	2,186	(461)	1,726	288	(279)	9

Equity in earnings of subsidiaries and associated companies by Segment

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

	Apr. 1, 2007-Mar.31, 2008			increase/(decrease) from the previous year		
	Profit	Loss	Total	Profit	Loss	Total
Metal Products	168	(12)	156	27	2	29
Transportation & Construction Systems	362	(26)	336	60	8	69
Infrastructure	191	(18)	172	34	(10)	23
Media, Network & Lifestyle Retail	233	(29)	204	17	(18)	(1)
Chemical & Electronics	66	(9)	57	(10)	(3)	(13)
Mineral Resources & Energy	345	(331)	14	96	(271)	(175)
General Products & Real Estate	113	(21)	92	2	5	7
Financial & Logistics	67	(4)	63	7	1	8
Domestic Regional Business Units and Offices	57	(6)	51	3	8	11
Overseas Subsidiaries and Branches	475	(1)	474	46	0	45
Other	110	(2)	107	8	(2)	7
Total	2,186	(461)	1,726	288	(279)	9