Semiannual Results for FY2007

November 7, 2007
Sumitomo Corporation

Topics

1. Summary of Semiannual Results
2. Outlook for FY2007
3. Progress in GG Plan
4. Interim Dividend
5. 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.

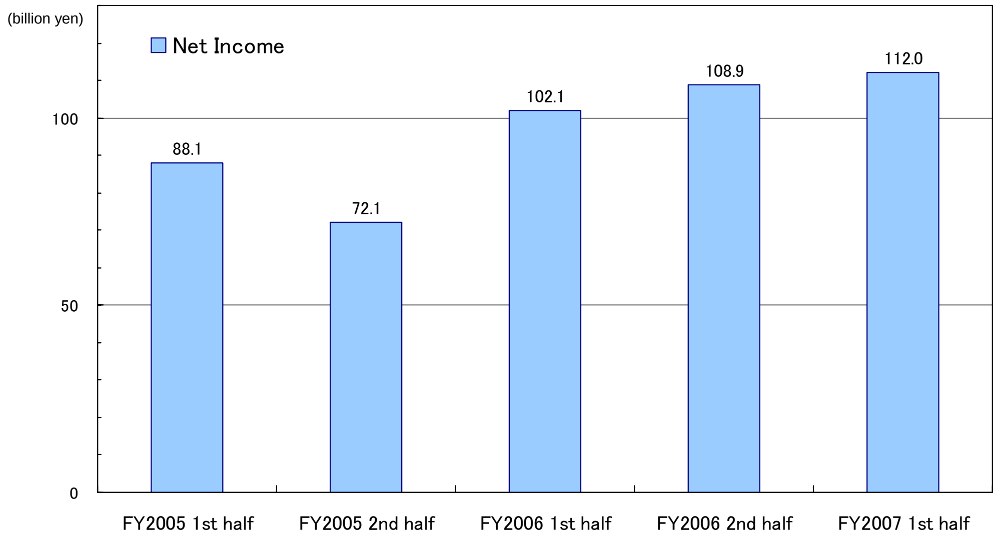
I am Susumu Kato, president and CEO of Sumitomo Corporation.

Thank you for attending our semiannual financial results meeting today.

I will discuss four topics, namely “Summary of the Semiannual Results,” “Outlook for FY2007,” “Progress in GG Plan,” and “Interim Dividend.”

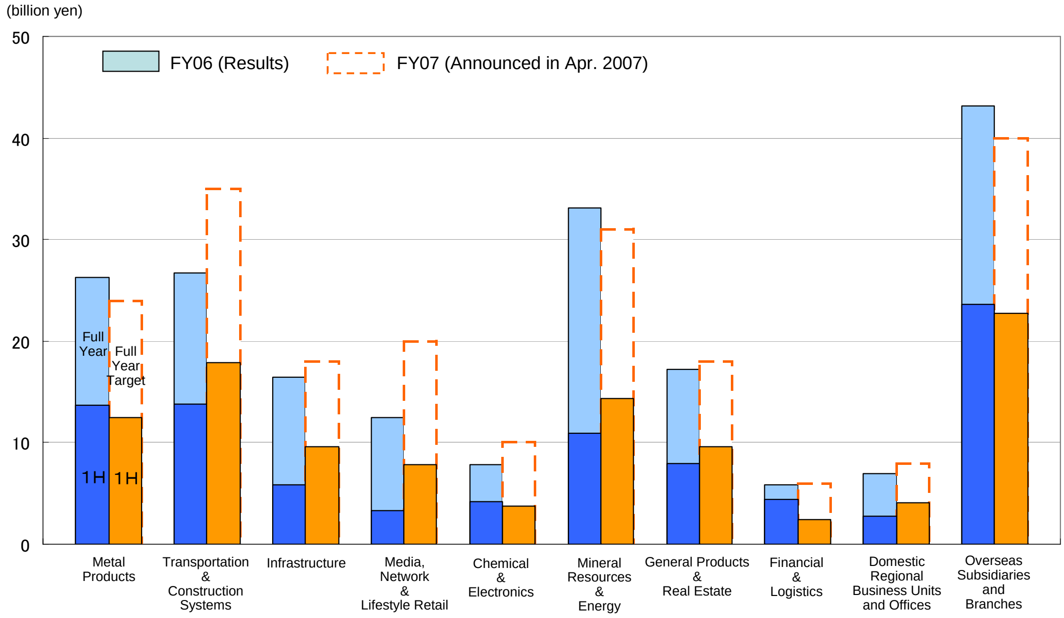
1. Summary of Semiannual Results
(1)Net Income

➤ **Net income 112.0 billion yen**
(+9.9 billion yen, +10% growth from the same period of the previous year)



During the first half of fiscal 2007, net income amounted to 112 billion yen, increasing 9.9 billion yen, or 10%, from the same period of the previous year and achieving a record high as a first half.

1. Summary of Semiannual Results
(2)Net Income by Segment



Next you are looking at net income by segment.

During the first half of fiscal 2007, net income increased from the same period of the previous year in 6 out of 10 segments.

As in the previous year, the four segments of *Metal Products*, *Transportation & Construction Systems*, *Mineral Resources & Energy*, and *Overseas Subsidiaries and Branches* were the driving force of companywide earnings.

In addition, the net income reached about 10 billion yen in the first half for *Infrastructure* as a result of the contribution of the IPP (Independent Power Producer) business in Asia and for *General Products & Real Estate* led by the condominium sales. These two segments are developing into major pillars of profit in addition to the four segments mentioned earlier.

2. Outlook for FY2007
(1)Outlook for World Economy and Assumptions

- Upward trend in world economy will moderate due to the sub prime problem
- Risk factors are further slowdown in the U.S. economy and destabilization of financial market

Assumptions (Average)		FY2007 Announced in Apr., 2007	FY2007 Revised in Oct., 2007	Sensitivity to net income [including hedge]
Foreign exchange (YEN/US$) [Apr.-Mar.]		**115**	**120**	**around 600 million yen** (1JPY/US$)
Interest rate	LIBOR 6M (YEN) [Apr.-Mar.]	**0.85%**	**1.00%**	**-**
	LIBOR 6M (US$) [Apr.-Mar.]	**5.2%**	**5.2%**	**-**
Crude oil <North Sea Brent> (US$/bbl) [Jan.-Dec.]		**55**	**67**	**less than 100 million yen**
Hard coking coal (US$/MT) [Apr.-Mar.]		**around 80～98***		**0** (Concluded year contract)
Copper (US¢/lb) [Jan.-Dec.]		**260**	**314**	**around 70 million yen** (1US¢/lb)

*Market Price

Next, let me explain the financial targets for the full year.

We expect upward trend in world economy will moderate due to the cautiousness of a worldwide credit contraction arising from the sub prime loan problem, and will pay close attention to risk factors, such as a further slowdown in the U.S. economy.

Bolstered by active demand from China and other developing countries, commodity prices, are expected to surpass the initial plan.

2. Outlook for FY2007
(2)Condensed Income Statement

Net income target ⇨ 235.0 billion yen

- ✓*Metal Products*, *Transportation & Construction Systems*, *Infrastructure*, *Mineral Resources & Energy*, and *Overseas* will continue stable growth
- ✓Capital gain through the reorganization of leasing operations in the 3Q
- ✓Sub prime problem will have limited impact

(billion yen)

	FY2007			FY2006		
	1H Results (a)	Annual Targets (b)	achievement (a)/(b)	1H Results	Annual Results (c)	increase (decrease) (b)-(c)
Net Income	112.0	235.0	48%	102.1	211.0	24.0
Gross Profit	467.2	980.0	48%	415.6	857.7	122.3
Operating Income	133.3	278.0	48%	119.9	239.7	38.3
Basic Profit	98.7	209.9	47%	100.3	202.9	7.0

Under these circumstances, *Metal Products*, *Transportation & Construction Systems*, *Infrastructure*, *Mineral Resources & Energy*, and *Overseas Subsidiaries and Branches* are expected to post steady results for the full year. Also, capital gains from the reorganization of the leasing and auto leasing operations will be recognized as planned in the third quarter. Given these factors, I am confident to achieve the net income of 235 billion yen, announced in April 2007.

Although there are concerns about the slowdown in the U.S. personal consumption stemming from the sub prime loan problem, there will be limited impact on our financial results, as the scale of our housing and retail businesses in the U.S. are not so large.

2. Outlook for FY2007
(3)Key Financial Indicators

(billion yen)

	FY2006	FY2007 (Outlook)
Total Assets	8,430.5	7,800.0
Shareholders' equity	1,473.1	1,730.0
Shareholders' equity ratio (%)	17.5	around 22.2
Interest-bearing liabilities (net)	2,913.3	3,290.0
Debt-equity ratio (net) (times)	2.0	around 1.9
ROE (%)	15.2	around 14.7
ROA (%)	2.8	around 2.9

Strategic Investments:
+300 billion yen

Reorganization of leasing operations:
- 900 billion yen

Total:
- 600 billion yen

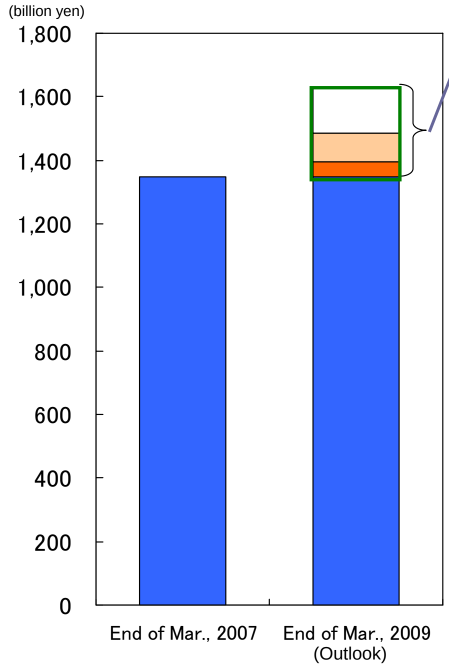
Next, the outlook for key financial indicators for the fiscal year ending March 31, 2008 is as shown.

Total assets are expected to decrease to 7,800 billion yen due to the reorganization of leasing operations, while we made investments such as making Jupiter Shop Channel a subsidiary and acquiring Ace Auto Lease in the first half, and also plan to make investments in the second half.

Shareholders' equity is anticipated to increase to approximately 1,700 billion yen and shareholders' equity ratio is expected to improve to 22.2%.

Meanwhile, ROE and ROA are expected to stand at around 14.7% and 2.9%, respectively.

3. Progress in GG Plan
(1)Increasing Risk Assets



Increased in 1H	:	45 billion yen
Assured by Mar.,2009	:	90 billion yen
Total	:	135 billion yen
GG Plan (outlook)	:	280 billion yen

<Main Projects>

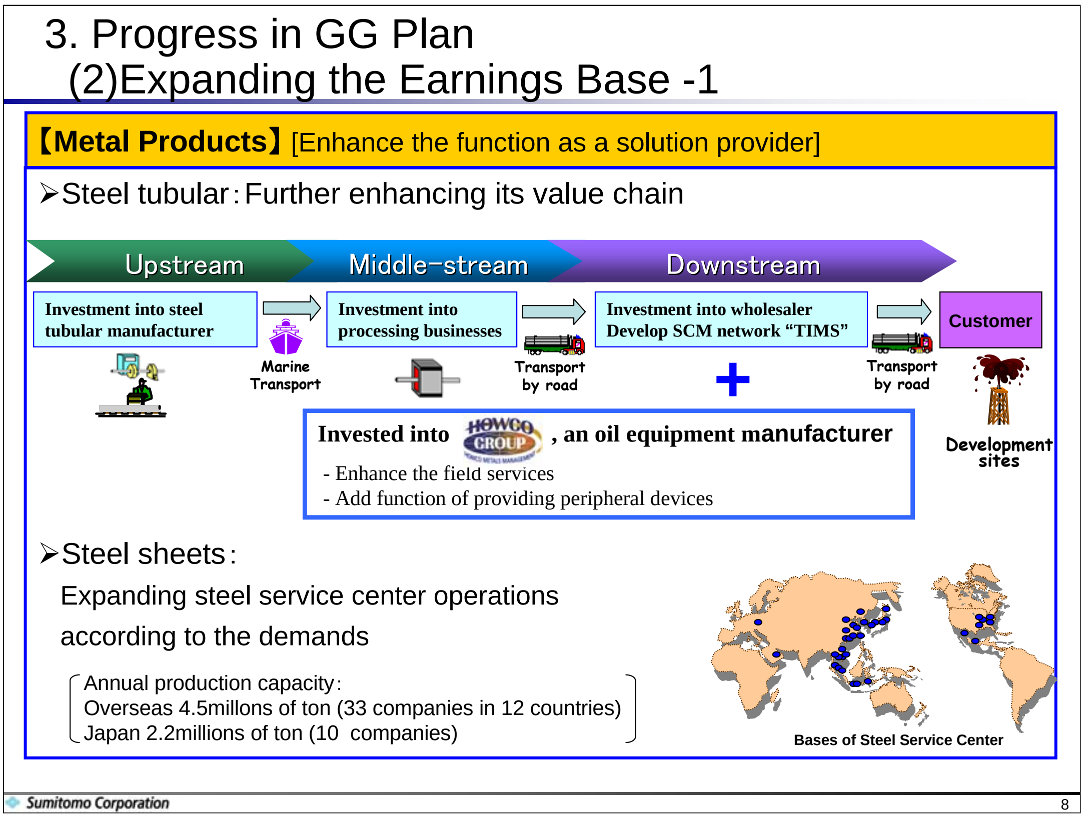
- ◆Reorganize leasing operations
- ◆Make Ace Auto Lease our subsidiary
- ◆Invest to IPP business in Thailand
- ◆Make Jupiter Shop Channel our subsidiary
- ◆Merge J:COM and Jupiter TV
- ◆Acquire NARACAMICIE (Japan)
- ◆Launch Ambatovy Nickel Project (Madagascar)
- ◆Increase our stake in Assmang (South Africa)

Next let me explain the progress of expanding the earnings base under the GG Plan.

Risk assets for the first half of fiscal 2007 increased by approximately 45 billion yen. Adding the assured projects, about 130 billion yen increase is in sight by March 2009. This is inline with our plan to increase 280 billion yen during the two years of GG Plan.

The main projects we made or decided during the first half are as shown. In addition to the enhancement of the earnings base in our core businesses and their peripheral fields, the investments to our future pillars of profit are implemented, and our well-balanced portfolio has been further strengthened.

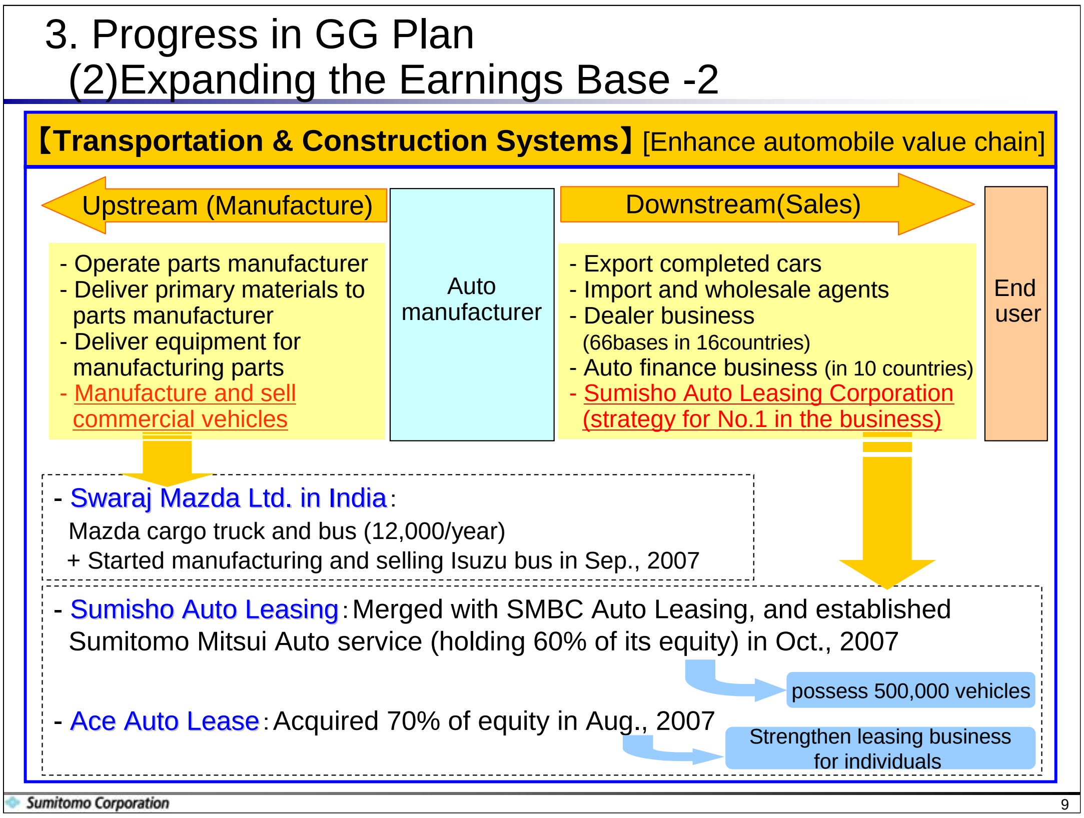
Now I would like to discuss the topics made by each segment.



Metal Products enhanced the tubular product value chain, which has been our forte, by entering into a partnership agreement with HOWCO Group, the world's largest manufacturer and distributor of metal parts for equipment used in oil and gas exploration and drilling, and acquiring an equity stake therein.

Also, in the steel service center business, we are expanding the supply chain management system for steel sheets in line with the global operations of automobile and home appliance manufacturers.

As demand is expected to grow for automobiles in China and for office automation equipment and digital home appliances in the ASEAN region, we will make efforts to further expand our network.

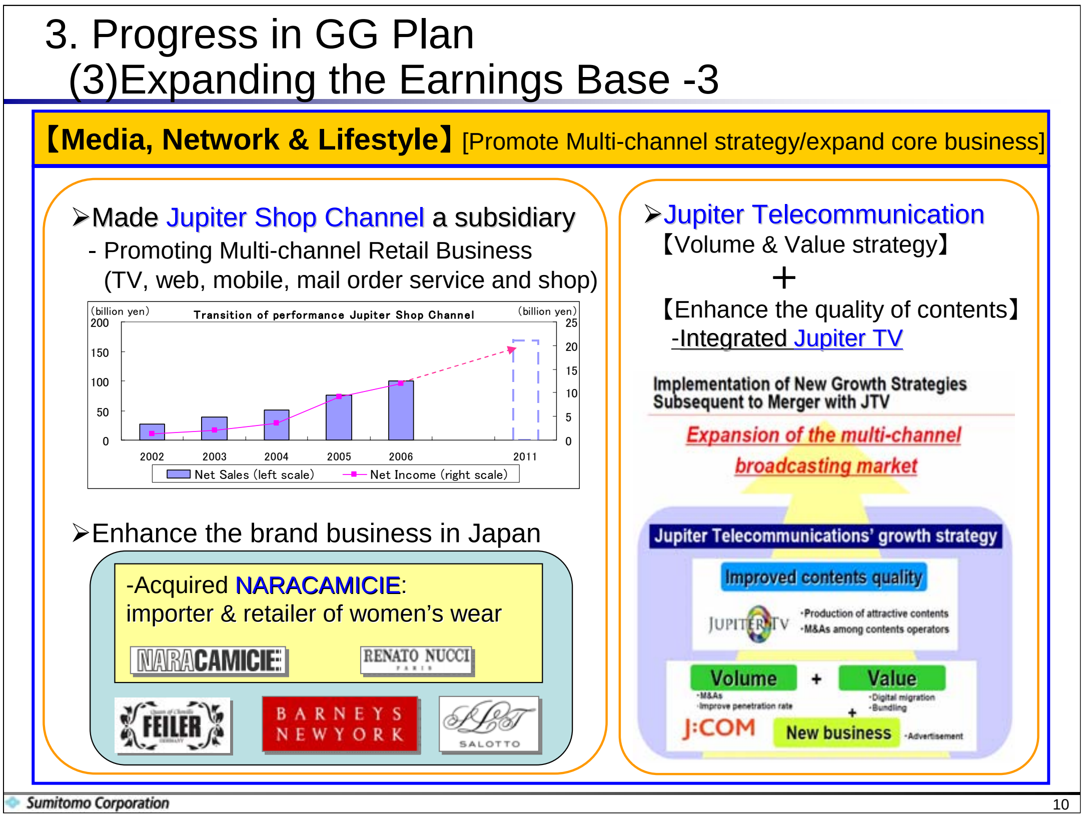


Transportation & Construction Systems expanded the automobile value chain. In October, we established Sumitomo Mitsui Auto Service through merging Sumisho Auto Leasing and SMBC Auto Leasing.

The number of automobiles for leasing held by Sumitomo Mitsui Auto Service reached 500,000, and the company is steadily expanding its earnings base in a bid to become the industry leader.

In addition, we made Ace Auto Lease a subsidiary and strengthened auto leasing businesses for individuals.

In the upstream field, we commenced manufacturing Isuzu medium to large size buses from this September, in addition to the manufacture and sale of small trucks and buses by Swaraj Mazda in India.



Media, Network & Lifestyle Retail expanded the earnings base and enhanced the value of core companies, such as Jupiter Shop Channel and Jupiter Telecommunications.

This July, we made Jupiter Shop Channel a subsidiary and established a structure for pursuing retail businesses directly connected with consumers that combine the retail business and the media business.

Furthermore, in an effort to increase the brand lineup in the brand related businesses, we acquired NARACAMICIE, an importer and retailer of luxury brand ladies' apparel in Japan.

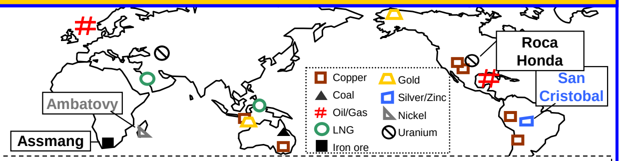
Meanwhile, Jupiter Telecommunications consolidated the pay multi-channel broadcasting business of the former Jupiter TV and improved its service by reinforcing the provision of programs appealing to customers.

3. Progress in GG Plan
(2)Expanding the Earnings Base -4

【Mineral Resources & Energy】 [Well-balanced portfolio in upstream area]

Existing mainstay 4 areas (Copper, Coal, Oil, LNG)

New mainstay area in upstream



- Ambatovy in Madagascar : One of the world's-largest-scale Nickel and Cobalt Projects (production volume: 60K t/year, production volume in equity: 16K t/year)
  Decided to be developed in Aug., 2007 and will start production in 2010
- San Cristobal in Bolivia : World No.3 Silver & No.6 Zinc mine in production scale
  (production volume in equity: silver 184 t/year, Zinc 79K t/year, Lead 29K t/year)
  Production started in Aug., 2007
- Roca Honda in the U.S.A. : Uranium mine following Kazakhstan
  (production volume: 800~1,000 t/year) Feasibility Study started
- Assmang Limited in South Africa : Producing Iron ore, Manganese, Chromium
  (production volume in equity: iron ore 400K t/year) Over 1,000K t/year by 2015

Advance into clean energy business

【Primary material for solar battery】
Strategic partnership with Chinese silicone manufacturer Solargiga Energy

Mineral Resources & Energy pursued acquiring interests in the upstream field for the purpose of establishing a new pillar of profit.

In Madagascar, we launched a project for undertaking integrated production which covers all processes from nickel mine development to refining. Production will start in late 2010, with full-scale production scheduled for the end of 2012. This project will produce 60,000 tons of nickel metal a year, one of the world's largest.

The San Cristobal silver-zinc-lead mining project in Bolivia started production in August 2007 and shipment in October 2007.

The project is making steady progress toward full-scale production set for December of this year and is expected to contribute to profit from fiscal year 2008.

Also, as a project following the one in Kazakhstan, we commenced a feasibility study on uranium mine development in New Mexico of the U.S.

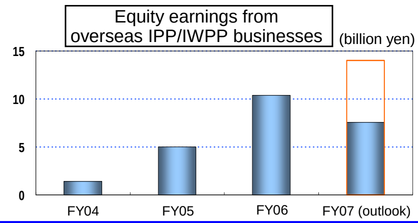
We are steadily expanding a balanced portfolio of interests in the upstream field that is not over dependent on certain regions and products.

Meanwhile, in the field of clean energy, we forged a partnership with Solargiga Energy Holdings in China with a view to expanding the solar battery primary materials business.

3. Progress in GG Plan
(2)Expanding the Earnings Base -5

【Infrastructure】 [Strengthen stable earnings base]

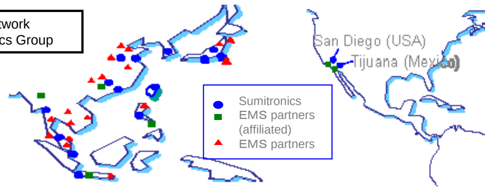
- Enhance IPP/IWPP* business
  (*IPP: Independent Power Producer, IWPP: Independent Water and Power Producer)
  - Invested into Amata Power (Thailand)
    Power generating capacity: 2,800MW
    (as of Sep. 2007)
- Eco and energy-saving businesses
  - Wind-power generation project
    in Inner Mongolia, China



【Chemical & Electronics】 [Expand global network]

- Expand global network
  - EMS business:
    From Asia to North America
    (EMS: Electronics Manufacturing Services)
- Advance into manufacturer
  - Established a manufacturer for high-purity silica
    for glass substrate used in LCD (Tasmania, Australia)

EMS network
of Sumitronics Group



In *Infrastructure*, as strong power demand is expected to continue on account of economic growth in Asia, we will continue channeling our energies into expanding the power business.

In the first half of this year, we acquired an equity stake in Amata Power in Thailand, which operates a natural gas power plant.

In the EMS business of *Chemical & Electronics*, we launched full-fledged printed circuit board mounting operations for flat-panel televisions in North America, in addition to current operations in Asia.

Furthermore, in a new field, we established a company that manufactures high-purity silica for glass substrate used in liquid crystal display and made efforts to strengthen our glass raw materials business.

3. Progress in GG Plan
(2)Expanding the Earnings Base -6

【General Products & Real Estate】[Enhance core businesses]

➢Strengthen timber processing business

- Raised investment ratio in Terneyles, Russia (45%)

➢Expand global basis of tire business

- Wholesale & retail in the U.S.: TBC Corporation
- Wholesale: UAE + Thailand, Russia

【Financial & Logistics】[Upgrade functions and services]

➢Establish a new earnings base (financing business of small and midsize companies)

- Acquired shares of Gallia Plus (shareholding ratio: 61%): financing through receivables-backed loans

➢Expand earnings base through reinforcement of our functions

- Tang Long Industrial Park 2 (220ha): Under development (Tang Long 1 (274ha): Already developed)
- Developed schedule land transportation service between China & Vietnam

General Products & Real Estate raised its equity stake in OAO Terneyles, Russia's largest integrated forestry company, in a bid to expand its timber processing business.

In the tire business, we expanded our earnings base on a global basis through the establishment of marketing companies in Thailand and Russia, in addition to the existing North America and the Middle East operations.

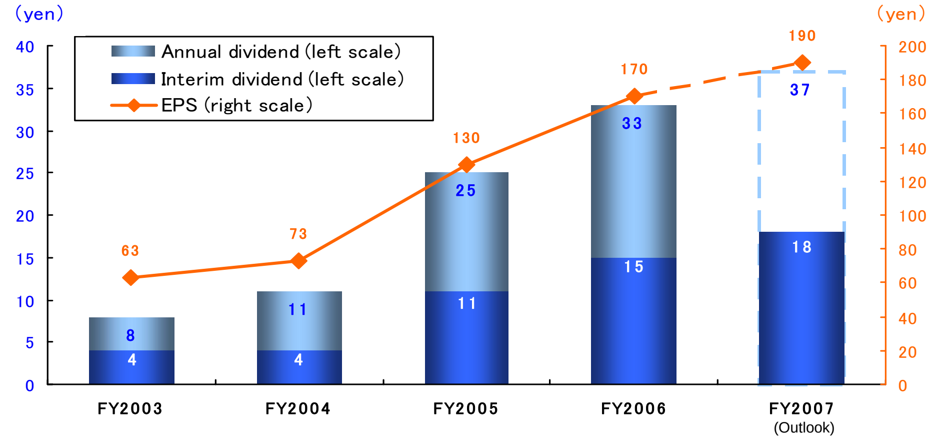
In Financial, we acquired Gallia Plus, engaged in financing through receivables-backed loans, and entered into the business of financing small and midsize enterprises.

In Logistics, we started development of the Thang Long Industrial Park 2 in response to the entry of Japanese companies into Vietnam, which is expected to post growth in the future. In addition, we developed scheduled land transportation services connecting Vietnam and South China (the Huanan region). Through these efforts, we developed and reinforced logistics infrastructure.

4. Returns to Shareholders

Dividend Policy during GG Plan ⇨ Payout ratio : around 20%

Interim Dividend : 18 yen per share
⇨ Half of planned annual dividend (37 yen per share),
based on our target of consolidated net income of 235 billion yen

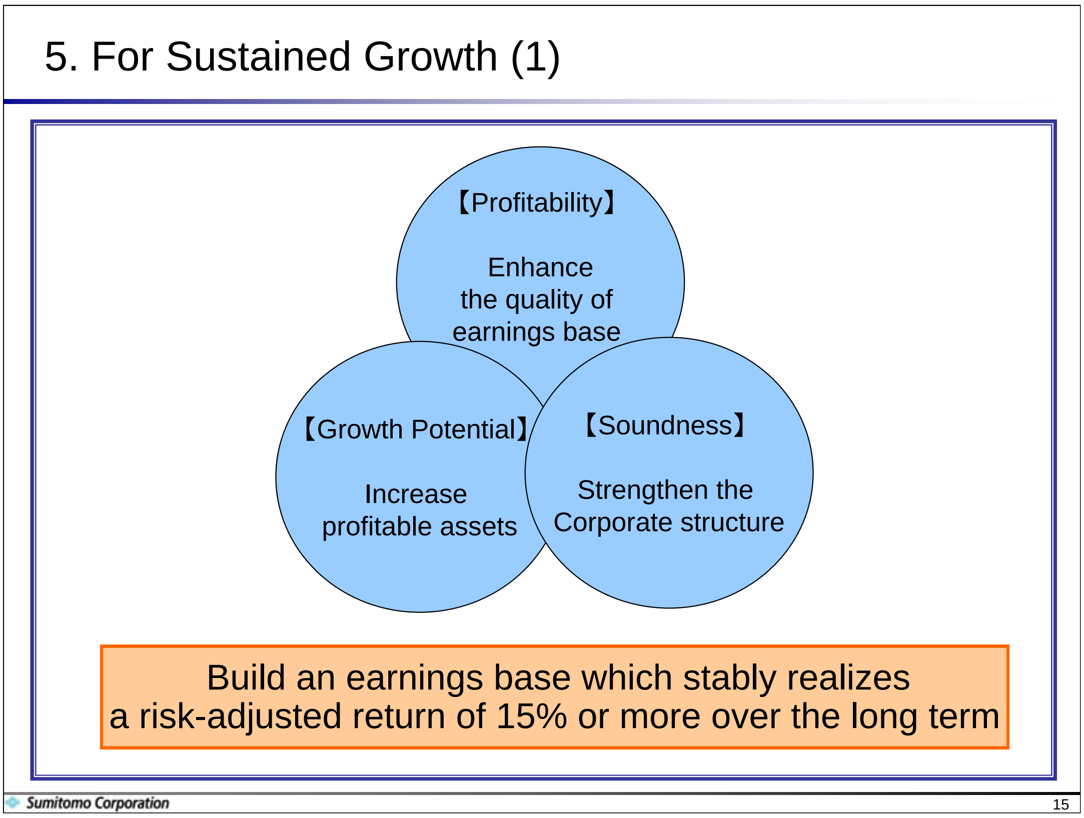


Next, I would like to explain interim dividend.

In addition to our stable dividend policy, we have set the dividend payout ratio at around 20% reflecting consolidated financial results since the second half of fiscal 2004.

Based on our consolidated net income target of 235 billion yen for fiscal year 2007, the annual dividend is planned to be 37 yen per share. Therefore the interim dividend is 18 yen per share, half amount of the planned annual dividend.

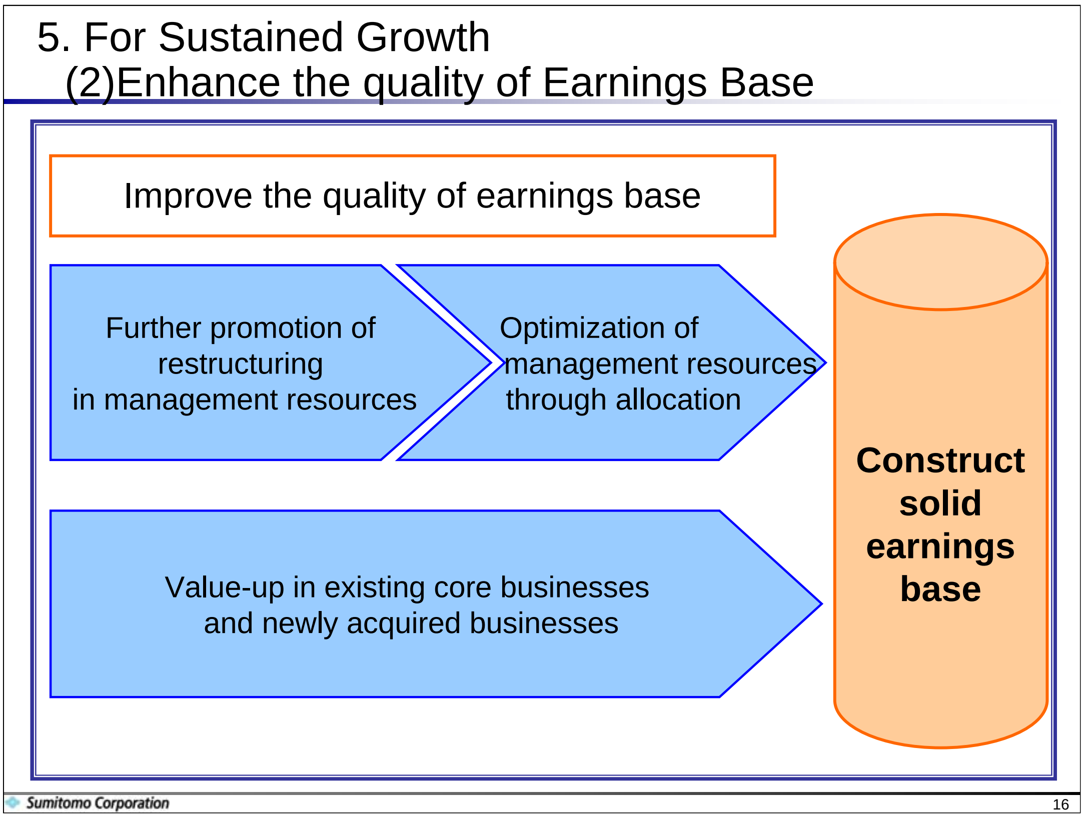
As a result, the interim dividends increased by 3 yen per share from the same period of the previous year, increased for three consecutive years.



We have long aimed at achieving sustained growth by steadily improving the balance of profitability, growth potential and soundness.

We have positioned the GG Plan, which started in April 2007, as a time to solidify our foothold toward a new stage of growth and to pursue further improvement of quality and expansion of scale in a balanced manner.

Under this basic policy, we will build an earnings base that stably ensures a risk-adjusted return of 15% or more over the long term.



Under the GG Plan, we are pursuing the improvement of quality in the four areas of Earnings Base, Operations, Group Management, and Human Resources and Workstyles.

In particular, I think the most important issue is the improvement of the quality of our earnings base. We will thoroughly replace management resources and to value-up our existing core businesses and newly acquired businesses.

As for the replacement of management resources, we have been undertaking ongoing efforts since the Reform Package of 1999. Under the GG Plan, however, we will undertake higher-level replacement more actively not only from a quantitative standpoint but also from a qualitative standpoint, which includes future prospects and strategy.

We will further reinforce our present pillar of profit by concentrating our limited management resources in core businesses, and seek to establish a truly solid earnings base.

In order to steadily carry out these efforts, we will focus our energies into securing, nurturing and making use of human resources more than ever. We will step up the hiring of new graduates and career recruiting and make greater use of seniors. In addition, we will create and reallocate human resources through the replacement of management resources.

5. For Sustained Growth (3)

Turn Changes into Chances
and
Chances into Growth

A look at the world economy shows that there are apparent risks, such as a global credit contraction and a slowdown in the U.S. economy stemming from the sub prime loan problem. These factors in turn have changed the trend of growth lately. However, such change offers us an opportunity to acquire profitable assets at reasonable prices.

Furthermore, as developing countries are expected to grow at a fast clip over the medium to long term, business opportunities will expand ever more in the future for a company like us which has business operations all over the world.

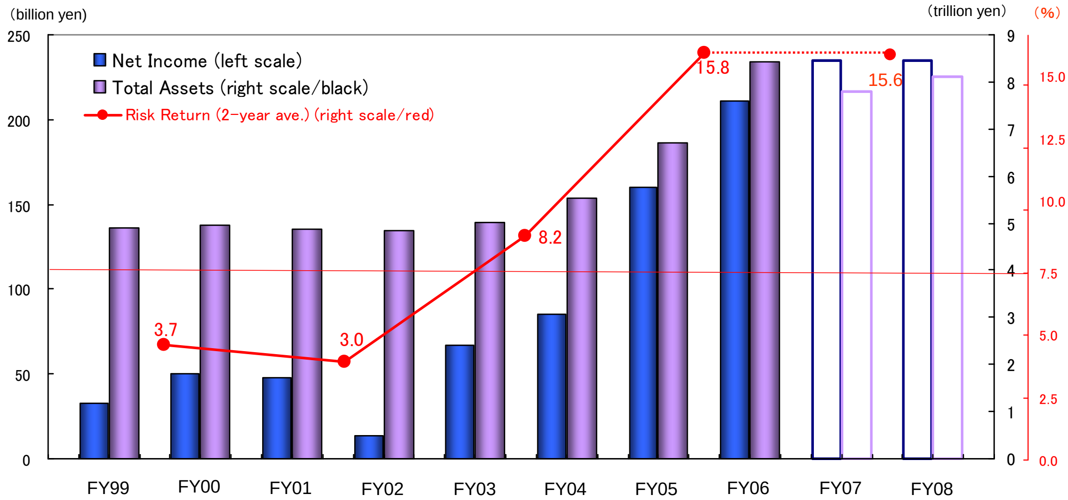
Although changes in the social and economic environment surrounding us are anticipated to intensify in the future, our salient feature and strength as an integrated trading company lies in our ability to flexibly cope with change.

By viewing changes in the business environment as an opportunity, we intend to hone our integrated corporate strength, which is our core competence, and leveraging it to the utmost in order to achieve sustained growth.

Sumitomo Corporation will continue to endeavor to enhance corporate value, and we ask for your ongoing understanding and support.

Thank you very much for your attention.

Reference
(1)Enhanced Corporate Strength & Expanded Earnings Base Basic Policy



Reform package	Step Up Plan	AA Plan	AG Plan	GG Plan
Enhanced corporate strength by selecting core businesses and withdrawing from non-core businesses	Increased profitability by replacing low return assets with potentially higher return assets	Strategic investments in assets with potential profitability	Strategic moves for further growth and development	Pursuit of further improvement of quality heading for a new stage of growth

Reference

(2)Equity in earnings of subsidiaries and associated companies