

# Highlights of consolidated quarterly results 2008 (Six-month period ended September 30, 2008)

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October 29, 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

	Apr.1-Sep.30, 2008 (A)	Apr.1-Sep.30, 2007 (B)	increase/(decrease)		Summary	Annual targets (announced in April 2008)				
			amount (A)-(B)	percentage		amount	achievement			
Gross profit	5,397	4,672	725	16%	<b>Gross profit</b>	9,900	55%			
Other income (expenses) :					<Businesses which contributed to the increase>					
Selling, general and administrative expenses	(3,372)	(3,292)	(80)	(2%)	- Sales price increase in steel service center and tubular products in North America	(7,000)	48%			
Interest expense, net of interest income	(168)	(216)	48	22%	- Coal mining operation in Australia	(360)	47%			
Dividends	84	83	1	1%	- Merger of Sumitomo Mitsui Auto Service					
Equity in earnings of associated companies, net	522	251	271	108%	- Jupiter Shop Channel (SC Media & Commerce Inc./made it a subsidiary)	150	56%			
Provision for doubtful receivables	(95)	(48)	(48)	(100%)	<b>Interest expense, net of interest income</b>	840	62%			
Gain on property and equipment, net	8	(1)	8	-	- Decrease of interest expense due to decline of interest rate in US\$					
Gain on marketable securities and other investments, net	59	235	(177)	(75%)	<b>Equity in earnings of associated companies, net</b>	220	-			
Other, net	(3)	4	(7)	-	- Hedge evaluation impact in San Cristobal silver-zinc-lead mining project in Bolivia Apr-Sep, 2008: Hedge profit +53 Apr-Sep, 2007: Hedge loss -96					
Total other income (expenses)	(2,967)	(2,983)	16	1%	- Strong performance in copper business in Indonesia (Batu Hijau copper & gold mine project)					
Income before income taxes and minority interests in earnings of subsidiaries	2,430	1,689	741	44%	- Steady performance in Sumitomo Mitsui Finance & Leasing Co., Ltd.					
Income taxes	(760)	(533)	(227)	(42%)	- Newly consolidated iron ore business in South Africa (Oresteel Investments (Proprietary) Limited)	(6,150)	48%			
Income before minority interests in earnings of subsidiaries	1,670	1,156	514	44%	<b>Provision for doubtful receivables</b>	3,750	65%			
Minority interests in earnings of subsidiaries, net	(67)	(36)	(31)	(85%)	- Domestic finance business	(1,200)	63%			
Net income	1,603	1,120	483	43%	<b>Gain on marketable securities and other investments, net</b>	2,550	65%			
Total trading transactions*1	60,843	56,954	3,889	7%	- Capital gain of Sumitomo Mitsui Finance & Leasing Co., Ltd.					
Operating income*1	1,929	1,333	597	45%	- Value realizations through restructuring of Jupiter TV in the same period of the previous year	(120)	56%			
Basic profit (Calculation for reference)*2	1,666	987	680	69%		2,430	66%			
					Reference	Apr.1-Sep.30, 2008	Apr.1-Sep.30, 2007			
					Foreign exchange (Yen/US\$, ave)	(Apr.-Sep.)	106.12	119.20	120,000	51%
					Interest (%) (YEN LIBOR6M, ave)	(Apr.-Sep.)	1.00%	0.85%		
					Interest (%) (US\$ LIBOR6M, ave)	(Apr.-Sep.)	3.1%	5.4%	2,850	68%
					Crude oil (US\$/bbl, ave) <North Sea Brent>	(Jan.-Jun.)	110	63	2,427	69%

\*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. 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 243 billion yen, **the annual dividend is planned to be 38 yen per share**

(the annual dividends for fiscal year 2007 was 38 yen per share). Therefore, **the interim dividend is 19 yen per share**, half amount of the planned annual dividend (the interim dividend for fiscal year 2007 was 18 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.

### 3. Segment Information

Sumitomo Corporation

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

	Gross profit			Net income			Summary (Net income)
	Apr.1- Sep.30, 2008	Apr.1- Sep.30, 2007	increase/ (decrease)	Apr.1- Sep.30, 2008	Apr.1- Sep.30, 2007	increase/ (decrease)	
Metal Products	523	397	127	218	125	93	- Sales price increase in steel service center and tubular products in North America
Transportation & Construction Systems	920	762	157	212	179	33	- Strong performance in automobile, construction equipment and ship business
Infrastructure	205	215	(10)	90	96	(6)	- Stable performance in IPP business mainly in Asia
Media, Network & Lifestyle Retail	857	758	99	54	78	(23)	- Jupiter Shop Channel (SC Media & Commerce Inc./ made it a subsidiary) - Strong performance in J:COM - Value realizations through restructuring of Jupiter TV in the same period of the previous year
Chemical & Electronics	268	244	24	59	37	22	- Strong performance in agricultural chemical business - Strong performance in sulfur and sulfuric acid business
Mineral Resources & Energy	422	219	203	332	144	189	- Strong performance in coal mining operation in Australia and copper business in Indonesia - Hedge evaluation impact in San Cristobal project
General Products & Real Estate	618	639	(21)	89	96	(7)	- Strong performance in fertilizer business - Decrease in building-products business
Financial & Logistics	169	149	20	2	24	(22)	- Provision for doubtful receivables in domestic finance business - Valuation loss of unlisted companies - Transferred leasing operation
Domestic Regional Business Units and Offices	244	214	30	54	41	13	- Strong performance in metal products business
Overseas Subsidiaries and Branches	1,202	1,050	152	351	227	123	- Sales price increase in tubular products in North America - Strong performance in business in Europe and China
Segment Total	5,429	4,647	782	1,461	1,047	414	
Corporate and Eliminations	(32)	25	(57)	142	73	69	- Capital gain of Sumitomo Mitsui Finance&Leasing Co., Ltd.
Consolidated	5,397	4,672	725	1,603	1,120	483	

### 4. Financial Position

### 5. Cash Flows

	As of Sep.30, 2008	As of Mar.31, 2008	increase/ (decrease)	Summary	Apr.1-Sep.30, 2008	Apr.1-Sep.30, 2007
Total assets	77,716	75,714	2,002	Total assets	871	1,759
Total shareholders' equity	15,668	14,927	740	- Increase in operating assets	(1,430)	(1,562)
Shareholders' equity ratio	20.2%	19.7%	0.5pt	Total shareholders' equity	(559)	197
Interest-bearing liabilities, net	32,922	32,476	447	- Increase in retained earnings	321	43
Debt-equity ratio, net (times)	2.1	2.2	0.1pt	- Decrease in unrealized holding gains on securities available-for-sale	(29)	51
				Shareholders' equity ratio up over 20%	(267)	292
					Net cash provided by operating activities	
					Net cash used in investing activities	
					Free Cash Flow	
					Net cash provided by financing activities	
					Effect of exchange rate changes on cash and cash equivalents, etc	
					Net increase (decrease) in cash and cash equivalents	

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October 29, 2008**Sumitomo Corporation**

## Number of subsidiaries and associated companies

Unit: Number of companies

	As of Sep. 30, 2008			increase/(decrease) from Sep. 30, 2007		
	Profit	Loss	Total	Profit	Loss	Total
Japan	180	35	215	(31)	(19)	(50)
Overseas	525	68	593	(33)	(13)	(46)
Total	705	103	808	(64)	(32)	(96)

(Profit-making company ratio)

87%

+2pt

## Equity in earnings of subsidiaries and associated companies

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

	Apr.1-Sep.30, 2008			increase/(decrease) from the same period of the previous year		
	Profit	Loss	Total	Profit	Loss	Total
Japan	432	(45)	387	37	(20)	17
Overseas	1,152	(31)	1,121	518	95	613
Total	1,584	(76)	1,508	555	75	630