

# Highlights of consolidated quarterly results 2011 (Six-month period ended September 30, 2011)

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November 2, 2011

[Prepared on the basis of International Financial Reporting Standards]

## 1. Operating Results

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

**Sumitomo Corporation**

	Apr.1-Sep.30, 2011		Apr.1-Sep.30, 2010	increase/(decrease)		Summary for Apr.1-Sep.30, 2011 results																																																																								
	(A)	Jul.1-Sep.30, 2011		(B)	amount (A)-(B)		percentage																																																																							
Gross profit	<b>470.2</b>	239.4	425.9	44.4	10%	<p><b>Gross profit</b></p> <p>&lt;Factors of the increase&gt;</p> <ul style="list-style-type: none"> <li>- San Cristobal silver-zinc-lead mining project in Bolivia</li> <li>- Made CSK a subsidiary</li> <li>- Strong performance in condo sales business</li> </ul> <p><u>Share of profit of investments accounted for using the equity method</u></p> <ul style="list-style-type: none"> <li>- Contribution of iron ore mining business in Brazil</li> <li>- Stable performances in copper businesses in the Americas</li> </ul> <p><u>Gain on marketable securities and other investments, net</u></p> <ul style="list-style-type: none"> <li>- Value realizations</li> <li>- Valuation gain due to IPO of a company we invested in</li> </ul> <p>&lt;Reference&gt; Quarterly results</p> <p style="text-align: right;">(Unit: Billion of yen)</p> <p>Profit for the period attributable to owners of the parent</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 5px;"> <thead> <tr> <th colspan="4">FY2010</th> <th colspan="2">FY2011</th> </tr> <tr> <th>1Q</th> <th>2Q</th> <th>3Q</th> <th>4Q</th> <th>1Q</th> <th>2Q</th> </tr> </thead> <tbody> <tr> <td>61.4</td> <td>50.3</td> <td>67.3</td> <td>21.2</td> <td>83.6</td> <td>67.9</td> </tr> </tbody> </table> <p>Basic profit</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 5px;"> <thead> <tr> <th colspan="4">FY2010</th> <th colspan="2">FY2011</th> </tr> <tr> <th>1Q</th> <th>2Q</th> <th>3Q</th> <th>4Q</th> <th>1Q</th> <th>2Q</th> </tr> </thead> <tbody> <tr> <td>58.3</td> <td>49.9</td> <td>61.1</td> <td>51.2</td> <td>68.1</td> <td>71.2</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse; margin-bottom: 5px;"> <thead> <tr> <th colspan="2">Reference</th> <th>Apr.1-Sep.30, 2011</th> <th>Apr.1-Sep.30, 2010</th> </tr> </thead> <tbody> <tr> <td>Foreign exchange (Yen/US\$)</td> <td>(Apr.-Sep.)</td> <td>79.74</td> <td>88.89</td> </tr> <tr> <td>Interest (%) (Yen LIBOR6M)</td> <td>(Apr.-Sep.)</td> <td>0.35%</td> <td>0.44%</td> </tr> <tr> <td>Interest (%) (US\$ LIBOR6M)</td> <td>(Apr.-Sep.)</td> <td>0.45%</td> <td>0.61%</td> </tr> <tr> <td>Crude oil (US\$/bbl) &lt;North Sea Brent&gt;</td> <td>(Jan.-Jun.)</td> <td>111</td> <td>78</td> </tr> <tr> <td>Copper (US\$/MT)</td> <td>(Jan.-Jun.)</td> <td>9,391</td> <td>7,130</td> </tr> <tr> <td>Zinc (US\$/MT)</td> <td>(Jan.-Jun.)</td> <td>2,322</td> <td>2,151</td> </tr> <tr> <td>Iron ore (US\$/MT)*</td> <td>(Jan.-Jun.)</td> <td>155</td> <td>90</td> </tr> <tr> <td>Hard Coking coal (US\$/MT)*</td> <td>(Apr.-Sep.)</td> <td>323</td> <td>213</td> </tr> </tbody> </table> <p>*Market Price</p>	FY2010				FY2011		1Q	2Q	3Q	4Q	1Q	2Q	61.4	50.3	67.3	21.2	83.6	67.9	FY2010				FY2011		1Q	2Q	3Q	4Q	1Q	2Q	58.3	49.9	61.1	51.2	68.1	71.2	Reference		Apr.1-Sep.30, 2011	Apr.1-Sep.30, 2010	Foreign exchange (Yen/US\$)	(Apr.-Sep.)	79.74	88.89	Interest (%) (Yen LIBOR6M)	(Apr.-Sep.)	0.35%	0.44%	Interest (%) (US\$ LIBOR6M)	(Apr.-Sep.)	0.45%	0.61%	Crude oil (US\$/bbl) <North Sea Brent>	(Jan.-Jun.)	111	78	Copper (US\$/MT)	(Jan.-Jun.)	9,391	7,130	Zinc (US\$/MT)	(Jan.-Jun.)	2,322	2,151	Iron ore (US\$/MT)*	(Jan.-Jun.)	155	90	Hard Coking coal (US\$/MT)*	(Apr.-Sep.)	323	213
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Selling, general and administrative expenses	<b>(333.6)</b>	(168.6)	(323.6)	(10.0)	(3%)																																																																									
<i>Provision for doubtful receivables</i>	<b>(1.2)</b>	1.4	(3.4)	2.2	66%																																																																									
Interest expense, net of interest income	<b>(9.2)</b>	(5.1)	(9.9)	0.8	8%																																																																									
Dividends	<b>6.5</b>	2.1	5.3	1.2	23%																																																																									
Share of profit of investments accounted for using the equity method	<b>59.5</b>	32.0	48.6	10.9	22%																																																																									
Gain on marketable securities and other investments, net	<b>16.8</b>	2.4	9.1	7.7	84%																																																																									
Gain on property, plant and equipment, net	<b>(1.3)</b>	(1.7)	0.5	(1.8)	-																																																																									
Other, net	<b>1.3</b>	(0.3)	0.3	1.0	305%																																																																									
Profit before tax	<b>210.2</b>	100.2	156.2	54.1	35%																																																																									
Income tax expense	<b>(50.3)</b>	(29.3)	(39.3)	(11.0)	(28%)																																																																									
Profit for the period	<b>159.9</b>	71.0	116.9	43.1	37%																																																																									
Profit for the period attributable to:																																																																														
<i>Owners of the parent *1</i>	<b>151.5</b>	67.9	111.7	39.8	36%																																																																									
Non-controlling interests	<b>8.4</b>	3.0	5.2	3.3	63%																																																																									
Basic profit (Calculation for reference)*2	<b>139.2</b>	71.2	108.2	31.0	29%																																																																									
Comprehensive income for the period (attributable to owners of the parent)	<b>68.2</b>	(17.1)	(6.9)	75.1	-																																																																									

\*1 "Profit for the period attributable to: Owners of the parent" is equivalent to "Net income attributable to Sumitomo Corporation" under U.S. GAAP.

\*2 Calculation: (Gross profit-Selling, general and administrative expenses(excluding provision for doubtful receivables)-Interest expense, net of interest income +Dividends) ×59% (to take into account income taxes) + Share of profit of investments accounted for using the equity method

## 2. Segment Information

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

Sumitomo Corporation

	Gross profit			Profit for the period attributable to owners of the parent			Summary for Apr.1-Sep.30, 2011 results (Profit for the period attributable to owners of the parent)
	Apr.1- Sep.30, 2011	Apr.1- Sep.30, 2010	increase/ (decrease)	Apr.1- Sep.30, 2011	Apr.1- Sep.30, 2010	increase/ (decrease)	
Metal Products	31.7	32.8	(1.1)	8.4	9.5	(1.1)	- Decreased earnings in steel service center operations - Stable performance in tubular products business in North America
Transportation & Construction Systems	78.3	75.7	2.6	17.6	19.5	(1.9)	- Deceleration in automobiles/motorcycles finance businesses in Asia - Stable performance in Sumitomo Mitsui Auto Service
Infrastructure	11.0	10.8	0.3	2.2	1.3	0.9	- Value realization in telecommunication area
Media, Network & Lifestyle Retail	105.5	87.6	17.9	14.8	9.0	5.9	- Stable performance in Jupiter Shop Channel and J:COM - Made CSK a subsidiary
Mineral Resources, Energy, Chemical & Electronics	70.0	53.5	16.6	65.2	36.2	29.0	- Strong performance of San Cristobal silver-zinc-lead mining project in Bolivia - Stable performance in chemical business - Reversal of deferred tax liability resulted from business reorganization
General Products & Real Estate	51.2	47.6	3.5	9.8	7.0	2.8	- Strong performance in condo sales business - Recovery in fertilizer business
New Industry Development & Cross-function	14.0	14.0	0.1	7.5	6.5	1.1	- Valuation gain due to IPO of a company we invested in
Domestic Regional Business Units and Offices	17.5	18.5	(0.9)	2.1	2.6	(0.5)	- Decreased earnings in metal products business
Overseas Subsidiaries and Branches	93.3	88.8	4.5	27.3	20.5	6.8	- Stable performance in metal products business
Segment Total	472.5	429.1	43.4	155.0	112.1	43.0	
Corporate and Eliminations	(2.3)	(3.3)	1.0	(3.6)	(0.4)	(3.2)	
Consolidated	470.2	425.9	44.4	151.5	111.7	39.8	

## 3. Financial Position

	As of Sep. 30, 2011	As of Mar. 31, 2011	increase/ (decrease)	Summary
Total assets	7,472.3	7,230.5	241.8	<u>Total assets</u> - Increased due to making CSK a subsidiary
Assets classified as held for sale	481.5			
Shareholders' equity*	1,613.2	1,570.5	42.7	<u>Shareholder's equity</u> - Increase in retained earnings - Decrease in foreign currency translation adjustments
Foreign currency translation adjustments*	(99.9)	(47.6)	(52.3)	
Unrealized holding gains on securities available-for-sale*	30.7	53.7	(23.0)	
Shareholders' equity ratio*	21.6%	21.7%	(0.1pt)	<u>Interest-bearing liabilities, net</u> - Decreased due to plan for selling partial share of Sumitomo Mitsui Auto Service - Increased due to making CSK a subsidiary
Interest-bearing liabilities, net	2,900.0	3,056.3	(156.2)	
Debt-equity ratio, net (times)	1.8	1.9	0.1pt	

## 4. Cash Flows

	Apr.1-Sep.30, 2011	Apr.1-Sep.30, 2010
Net cash provided by operating activities	77.9	71.2
Net cash used in investing activities	(53.5)	(203.8)
Free Cash Flow	24.4	(132.5)
Net cash provided by financing activities	21.7	50.6
Effect of exchange rate changes on cash and cash equivalents	(12.6)	(10.9)
Net increase (decrease) in cash and cash equivalents	33.5	(92.8)

\* "Shareholders' equity" is equivalent to "Equity attributable to owners of the parent" in Consolidated Statements of Financial Position. "Foreign currency translation adjustments" and "Unrealized holding gains on securities available-for-sale" are equivalent to "Exchange differences on translating foreign operations" and "Financial assets measured at fair value through other comprehensive income" under IFRS. "Shareholders' equity ratio" is calculated by dividing "Equity attributable to owners of the parent" by "Total assets".

## 5. Forecasts for the Year ending March 31, 2012

Sumitomo Corporation

Economy in emerging countries such as China and other Asian countries has started to show signs of deceleration. In addition, financial market turmoil which stemmed from sovereign debt issues in developed countries is anticipated. Considering these factors, uncertainty of world economy is expected to grow. Although environments surrounding our businesses are as stated above, core businesses which led our results until second quarter are generally expected to continue stable performances. Therefore, we have revised our forecast of profit for the year attributable to owners of the parent to 250 billion yen, 30 billion yen up from the initial forecast announced in May, 2011.

### Forecasts for operating performance

### Forecasts by Segment (Profit attributable to owners of the parent)

	Unit: Billion of yen (rounded to the nearest 100 million)				Unit: Billion of yen (rounded to the nearest 100 million)				
	Annual forecasts (Announced in Nov, 2011) (C)	Annual forecasts (Announced in May, 2011) (D)	increase/(decrease)		Annual forecasts (Announced in Nov, 2011)	Annual forecasts (Announced in May, 2011)	increase/ (decrease)		
			amount (C)-(D)	percentage					
Gross profit	910.0	920.0	(10.0)	(1%)	Metal Products	18.5	21.0	(2.5)	
Selling, general and administrative expenses	(670.0)	(700.0)	30.0	4%	Transportation & Construction Systems	30.0	26.0	4.0	
<i>Provision for doubtful receivables</i>	(10.0)	(10.0)	0.0	0%	Infrastructure	9.0	9.0	0.0	
Interest expense, net of interest income	(18.0)	(18.0)	0.0	0%	Media, Network & Lifestyle Retail	22.5	20.5	2.0	
Dividends	10.0	9.0	1.0	11%	Mineral Resources, Energy, Chemical & Electronics	97.0	86.0	11.0	
Share of profit of investments accounted for using the equity method	110.0	100.0	10.0	10%	General Products & Real Estate	18.5	17.5	1.0	
Other, net	12.0	0.0	12.0	-	New Industry Development & Cross-function	11.0	7.0	4.0	
Profit before tax	354.0	311.0	43.0	14%	Domestic Regional Business Units and Offices	5.5	4.5	1.0	
Income tax expense	(89.0)	(80.0)	(9.0)	(11%)	Overseas Subsidiaries and Branches	47.0	40.0	7.0	
Profit for the year	265.0	231.0	34.0	15%	Corporate and Eliminations	(9.0)	(11.5)	2.5	
Profit for the year attributable to:					Consolidated	250.0	220.0	30.0	
<i>Owners of the parent</i>	250.0	220.0	30.0	14%	<Assumptions for the forecasts>				
Non-controlling interests	15.0	11.0	4.0	36%		Annual Outlook (as of Nov, 2011)	Outlook for Oct, 2011- Mar, 2012	Initial Outlook (as of May, 2011)	
Basic profit (Calculation for reference)*1	252.8	230.4	22.4	10%	Foreign exchange (Yen/US\$)	(Apr.-Mar.)	80	80	85
Total trading transactions*2	8,500.0	8,700.0	(200.0)	(2%)	Interest (%) (Yen LIBOR6M)	(Apr.-Mar.)	0.40%	0.45%	0.40%
					Interest (%) (US\$ LIBOR6M)	(Apr.-Mar.)	0.60%	0.75%	0.70%
					Crude oil (US\$/bbl) <North Sea Brent>	(Jan.-Dec.)	109	107	98
					Copper (US\$/MT)	(Jan.-Dec.)	8,721	8,051	8,819
					Zinc (US\$/MT)	(Jan.-Dec.)	2,195	2,068	2,249
					Iron ore (US\$/MT)*	(Jan.-Dec.)	162	169	148
					Hard Coking coal (US\$/MT)*	(Apr.-Mar.)	303	283	258

\*1) Calculation: (Gross profit-Selling, general and administrative expenses-Interest expenses, net of interest income +Dividends) ×59% (to take into account income taxes) + Share of profit of investments accounted for using the equity method  
\*2) Total trading transactions is presented in a manner customarily used in Japan solely for Japanese investors' purposes.

#### Cautionary Statement Concerning Forward-Looking Statements

This report includes forward-looking statements relating to our future plans, forecasts, 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 forecasts included in this report are not projections, and do not represent management's current estimates of future performance. Rather, they represent forecasts 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 forecasts. The Company is under no obligation -- and expressly disclaims any such obligation -- to update or alter its forward-looking statements.

\*Market price

<Sensitivity of profit to the fluctuations of FOREX>

Appreciation of 1 yen per US\$ will decrease profit attributable to owners of the parent about 1.3 billion yen

## 6. Dividend

We have set the policy to flexibly decide the **consolidated dividend payout ratio in the range of 20% to 30%**. This is based on our fundamental policy to meet shareholders' expectations by ensuring long-term stable dividends while considering both the changes in the economic environment and progress in investment plans.

The annual dividend for fiscal 2011 is planned to be 49 yen per share (the annual dividend for fiscal year 2010 was 36 yen per share), applying the consolidated dividend payout ratio of 25%, which was announced on May 9, 2011, to our annual forecast of profit of 250 billion yen. Therefore, **the interim dividend for fiscal 2011 is 24 yen per share**, half the amount of planned annual dividend (the interim dividend for fiscal year 2010 was 16 yen per share).