

## **For Immediate Release**

### **Sumitomo Corporation Announces Quarterly Financial Results for the Fiscal Year 2011 (Six-month period ended September 30, 2011)**

On November 2, 2011, Sumitomo Corporation announced its consolidated results for the six-month period ended September 30, 2011, prepared on the basis of International Financial Reporting Standards (IFRS).

“Profit for the period attributable to owners of the parent” for the six-month period ended September 30, 2011 was 151.5 billion yen, increased by 39.8 billion yen representing 36% increase from the same period of the previous year. Basic Profit, which excludes special profit/ loss and indicates after-tax actual earnings power, of the second quarter (July-September) continued to be strong as in the first quarter and remained at 70 billion yen level.

#### **1. Consolidated Income**

- Gross profit was 470.2 billion yen, an increase of 44.4 billion yen from the same period of the previous year. San Cristobal silver-zinc-lead mining project in Bolivia, led by sales prices increase, and CSK CORPORATION, which we made our subsidiary in this April, contributed to the results.
- Share of profit of investments accounted for using the equity method increased by 10.9 billion yen to 59.5 billion yen. Iron ore mining business in Brazil, which we invested in fiscal 2010, contributed to the results. Also, copper businesses in the Americas showed strong performances led by rise in sales prices.
- Gain on marketable securities and other investments, net was 16.8 billion yen. This was resulted from value realizations mainly in the first quarter.

#### **2. Segment Information**

- Although profit from some businesses decreased, core businesses which we have developed in various regions and fields steadily contributed to the strong results.

- The results by segment are as follows.
  - Metal Products  
The earnings from steel service center businesses decreased due to the impact of the Great East Japan Earthquake.
  - Transportation & Construction Systems  
Although profit of automobiles/motorcycles finance businesses in Asia decreased, other core businesses such as Sumitomo Mitsui Auto Service Company, Ltd. were stable.
  - Media, Network & Lifestyle Retail  
Jupiter Shop Channel Co., Ltd. showed strong performance.
  - Mineral Resources, Energy, Chemical & Electronics  
In addition to San Cristobal silver-zinc-lead mining project in Bolivia, copper businesses in the Americas, and iron ore mining business in Brazil stated above, chemical business was stable.
  - General Products & Real Estate  
Condo sales business was strong.
  - Overseas Subsidiaries and Branches  
Metal products businesses including tubular products business in North America were stable.

### **3. Financial position**

- Total assets as of September 30, 2011 amounted to 7,472.3 billion yen, an increase of 241.8 billion yen from March 31, 2011. This was mainly resulted from making CSK our subsidiary in this fiscal year.  
“Assets classified as held for sale” includes partial assets that we plan to sell of Sumitomo Mitsui Auto Service regarding strategic reorganization of Auto Leasing Business announced on November 2, 2011.

- Shareholders' equity\* increased by 42.7 billion yen from March 31, 2011 to 1,613.2 billion yen. Although foreign currency translation adjustments\* decreased due to yen appreciation, retained earnings increased.
- Interest-bearing liabilities, net decreased by 156.2 billion yen to 2,900.0 billion yen. From the same reason as formerly stated, "Interest-bearing liabilities" of Sumitomo Mitsui Auto Service was reclassified to "Liabilities associated with assets classified as held for sale".
- As a result, Debt-equity ratio, net (Interest-bearing liabilities, net/ Equity attributable to owners of the parent) came to 1.8 times.

\* "Shareholders' equity" is equivalent to "Equity attributable to owners of the parent" in Consolidated Statements of Financial Position. "Foreign currency translation adjustments" is equivalent to "Exchange differences on translating foreign operations" under IFRS.

#### **4. Cash flows**

- During the six-month period ended September 30, 2011, net cash provided by operating activities was 77.9 billion yen. Our core businesses steadily generated cash. Net cash used in investing activities was 53.5 billion yen.
- Accordingly, free cash flow was 24.4 billion yen inflow.

#### **5. Progress for the full fiscal year ending March 31, 2012**

- "Profit for the year attributable to owners of the parent" progressed 69% of 220 billion yen initial annual forecast.
- 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.

- Taking all of these factors into account, we have revised our forecast of profit for the year attributable to owners of the parent to 250 billion yen, record-high surpassing 238.9 billion yen we marked in fiscal 2007.

## 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).

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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 strives 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.