

For Immediate Release

Sumitomo Corporation Announces Financial Results for the Fiscal Year ended March 31, 2012

On May 7, 2012, Sumitomo Corporation announced its consolidated results for the fiscal year ended March 31, 2012, prepared on the basis of International Financial Reporting Standards (IFRS).

“Profit for the year attributable to owners of the parent” was 250.7 billion yen, increased by 50.4 billion yen representing 25% increase from the previous year. This was the record-high result, surpassing 238.9 billion yen we marked in the year ended March 31, 2008. Basic profit*¹, which indicates after-tax actual earnings power, was 251.5 billion yen, same level as the profit.

*¹ 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

1. Operating Results

- Gross profit was 918.8 billion yen, an increase of 54.8 billion yen from the previous year. San Cristobal silver-zinc-lead mining project in Bolivia, led by sales prices increase, contributed to the results. Also, earnings increased since expansion of Tanjung Jati B power plant project in Indonesia was completed.
- Share of profit of investments accounted for using the equity method increased by 15.0 billion yen to 110.6 billion yen. Iron ore mining businesses in Brazil and South Africa contributed to the results.
- In the year ended March 31, 2012, we were able to strengthen our business base as well as financial condition through asset replacement, one of our initiatives under *f(x)*.

Furthermore, we consider our strong performance as a result of our earnings base expanding in not only Mineral Resources but non-mineral resources businesses.

2. Segment Information

- Mineral Resources, Energy, Chemical & Electronics increased by 24.2 billion yen due to high commodity prices and led the company's results.
- In non-mineral resources segments, although Metal Products decreased from the previous year, all the other segments increased since various core businesses we have established so far showed stable performance.

3. Financial position

- Total assets as of March 31, 2012 amounted to 7,226.8 billion yen, same level as March 31, 2011. In the year ended March 31, 2012, we made new investments such as making CSK a subsidiary and participating in the copper mine development project in Chile. Meanwhile, Sumitomo Mitsui Auto Service became an associated company accounted for using equity method due to strategic reorganization of Auto Leasing Business. We also sold some businesses in order to reinforce our business base.
- Shareholders' equity*² increased by 118.6 billion yen from March 31, 2011 to 1,689.1 billion yen. Although foreign currency translation adjustments*² decreased due to yen appreciation, retained earnings increased.
- Interest-bearing liabilities, net decreased by 269.6 billion yen to 2,786.7 billion yen. This was mainly due to decrease in Interest-bearing liabilities of Sumitomo Mitsui Auto Service, which became an associated company accounted for using equity method.
- As a result, Debt-equity ratio, net (Interest-bearing liabilities, net/ Equity attributable to owners of the parent) improved by 0.3 points to 1.6 times.

*² "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

- Net cash provided by operating activities was 190.4 billion yen since our core businesses steadily generated cash. Net cash used in investing activities was 35.7 billion yen. While we actively collected cash through asset sales, we made investments including copper mine development project in Chile.
- Accordingly, free cash flow was 154.7 billion yen inflow.

5. Forecasts for the fiscal year ending March 31, 2013

- Although uncertainty of world economy remains due to sovereign debt issues in Europe, the world economy is expected to grow gradually. Economy in the United States is expected to be stable since monetary easing will continue. Economy in emerging countries is expected to be stable supported by domestic consumption.
- Looking at our businesses, mineral resources businesses are anticipated to decrease due to fall in commodity prices. However, businesses in emerging countries, such as Metal Products and Infrastructure, and businesses in which we have strength, such as Media, Network & Lifestyle Retail, are expected to steadily contribute to our results. Thus, we expect our profit for the year attributable to owners of the parent forecast for the fiscal year ending March 31, 2013 to be 260 billion yen, marking another new record.

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 the year ended March 31, 2012 will be 50 yen per share, applying the consolidated dividend payout ratio of 25% to consolidated net income^{*3} results of 250.7 billion yen. The annual dividend will be increased by 14 yen from the annual dividend for the year ended March 31, 2011, which was 36 yen per share.

- As for the annual dividend for the year ending March 31, 2013, we will apply the consolidated dividend payout ratio of 25% based on our dividend policy stated above. Therefore, based on the consolidated net income*³ forecast of 260 billion yen, the annual dividend is planned to be 51 yen per share.

*³ “consolidated net income” presented above is equivalent to “profit attributable to owners of the parent” of the IFRS.

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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.