For Immediate Release

Sumitomo Corporation Announces Quarterly Financial Results for the Fiscal Year 2009 (Six-month period ended September 30, 2009)

On October 30, 2009, Sumitomo Corporation announced its consolidated results for the six-month period ended September 30, 2009, prepared on the basis of accounting principles generally accepted in the United States of America.
“Net income attributable to Sumitomo Corporation” for the six-month period ended September 30, 2009 was 62.1 billion yen, decreased by 98.2 billion yen from the same period of the previous year as the harsh business conditions continued mainly in metal products, automobile and construction equipment businesses. Also, commodity prices were about half the price of the same period of the previous year.
When reviewing the results of this second quarter (July-September), net income* was 37.1 billion yen, about 50% increase from the first-quarter results, which was 25.0 billion yen, since some businesses has bottomed out and mineral resources businesses contributed.

*In this document, “net income” is equivalent to “Net income attributable to Sumitomo Corporation” after adopting ASC 810 “Consolidation” (formerly SFAS 160) and equivalent to “Net income” which had been used until fiscal year 2008.

1. Consolidated Income

○ Gross profit was 374.2 billion yen, a decrease of 165.5 billion yen.

○ Selling, general and administrative expenses decreased by 21.2 billion yen which was partly due to the yen appreciation.

○ Therefore, operating income decreased by 139.1 billion yen to 53.8 billion yen.

○ Equity in earnings of associated companies decreased by 15.6 billion yen to 36.6 billion yen.

○ There were no such large losses in “provision for doubtful receivables”, “gain on property and equipment” and “gain on marketable securities and investments” since the business conditions stopped declining.

2. Segment Information

○ Net income of all the 9 segments posted positive results although 8 segments except for “Financial & Logistics” decreased from the same period of the previous year.

○ The following 3 segments, namely “Metal Products”, “Transportation & Construction Systems” and “Mineral Resources, Energy, Chemical & Electronics”, which had led our results decreased substantially.

- Metal Products

  The operations in the steel service center remained weak since the latter half of fiscal year 2008 and the tubular products business in North America decreased due to the decline of demand.

- Transportation & Construction Systems

  Although there was capital gain through replacement in ship business and auto finance businesses in Indonesia were stable, automobile and construction equipment businesses in North America and Europe were still flagging.

- Mineral Resources, Energy, Chemical & Electronics

  Coal mining operations in Australia declined substantially due to the fall in sales prices. On the other hand, San Cristobal silver-zinc-lead mining project in Bolivia contributed to the results due to the rise in commodity prices in addition to further cost reduction while sustaining stable operation.

  Also, iron ore business in South Africa showed strong performance.

○ The following segments also decreased from the same period of the previous year due to the decline in capital expenditure such as infrastructure, IT and equipments in Japan and overseas. However, their stable performances contributed to the Company’s results.

- Infrastructure
  Large scale EPC business and IPP business mainly in Asia were stable.

- Media, Network & Lifestyle Retail
  Jupiter Telecommunications Co., Ltd. increased its subscribers with its high quality contents and high value-added services.

- General Products & Real Estate
  Banana business in Japan increased its profit led by strong demand.

3. Financial position

○ Total assets as of September 30, 2009 amounted to 6,730.8 billion yen, a decrease of 287.3 billion yen from March 31, 2009 mainly due to the decrease of operating assets resulted from such as the efforts of optimizing the inventory level.

○ Sumitomo Corporation shareholders' equity* improved by 88.5 billion yen, due to the increase of retained earnings in addition to the increase of unrealized holding gains on securities available-for-sale. As a result, Sumitomo Corporation shareholders' equity ratio* improved by 2.1 points to 21.4% and net debt-equity ratio* improved by 0.3 points to 2.1 times from March 31, 2009.

*"Sumitomo Corporation shareholders' equity" is equivalent to "shareholders' equity" which had been used until fiscal year 2008 and used in calculating "Sumitomo Corporation shareholders' equity ratio" and "net debt-equity ratio".

4. Cash flows

○ During the six-month period ended September 30, 2009, net cash provided by operating activities was 290.4 billion yen as a result of stable business performances in our core businesses and substantial decrease in operating assets.

○ Net cash used in investing activities was 80.7 billion yen, due to the acquisitions such as the oilfield interests in the British North Sea and the wind power generation interest in the United States.

○ Accordingly, free cash flow was 209.7 billion yen inflow.

5. Progress for the full fiscal year ending March 31, 2010

- ○ "Net income attributable to Sumitomo Corporation" progressed 54% of 115 billion yen annual target.

- ○ Although it is reported that the world economy has passed its worst moment and is starting to recover, we need to carefully monitor the situation. Economy in Asia and China are showing relatively strong recovery while there are concerns such as yen appreciation, worsening employment situation and the diminishing effect of each country's stimulus policy.

- ○ Looking at our each business, automobile and construction equipment businesses in North America and Europe were still flagging in this first half and tubular products business in North America is likely to decelerate further in the second half.

- ○ On the other hand, since commodity prices such as copper and zinc, are currently exceeding our assumptions and value realizations of existing assets are expected in the second half of this fiscal year, we remained the annual net income target of 115 billion yen unchanged.

(Unit: billions of yen)	Revised Targets (as of Oct,2009)	Initial Targets (as of Apr,2009)
Gross Profit	800	830
Other income (expenses):		
SG & A	(650)	(660)
Interest expense, net of interest income	(25)	(35)
Dividends	9	9
Equity in earnings of associated companies, net	65	70
Other, net	(15)	(30)
Net Income	115	115

6. 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 115.0 billion yen, the annual dividend is planned to be 18 yen per share. Therefore, the interim dividend is 9 yen per share, half amount of the planned annual dividend.

For further information contact:
Sumitomo Corporation
Investor Relations Dept.
Phone: +81-3-5166-3522
Fax : +81-3-5166-6292
e-mail: ir@sumitomocorp.co.jp

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 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 targets.
The Company is under no obligation -- and expressly disclaims any such obligation -- to update or alter its forward-looking statements.