

# Highlights of consolidated quarterly results 2010 (Six-month period ended September 30, 2010)

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October 29, 2010

[Prepared on the basis of accounting principles generally accepted in the United States of America]

## 1. Consolidated Income

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

Sumitomo Corporation

|  | Apr.1-Sep.30,<br>2010<br>(A) | Apr.1-Sep.30,<br>2009<br>(B) | increase/(decrease)   |            | Summary  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
|--|------------------------------|------------------------------|-----------------------|------------|--|---------------------------|--|-----------------------|-----------------------|-----------------------------------|-------------|-------|-------|----------------------------------|-------------|-------|-------|-----------------------------------|-------------|-------|-------|-------------------------|-------------|-----|-----|--|-------------|----|----|
|  |                              |                              | amount<br>(A)-(B)     | percentage |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Gross profit   | 426.2                        | 374.2                        | 52.0                  | 14%        | <u>Gross profit</u><br><Businesses which contributed to the increase><br>- Recovery in demand for steel service center operations<br>- Automobiles/motorcycles finance businesses in Asia<br>- Coal mining operation in Australia<br>- Tire business in the U.S. (TBC)<br><br><Factors of decrease><br>- Declined earnings in IPP/IWPP businesses (Tanjung Jati B)<br><br><u>Interest expense, net of interest income</u><br>- Decrease of interest expense due to the decline of interest rate<br><br><u>Equity in earnings of associated companies, net</u><br>- Increased earnings in copper business in Indonesia (Batu Hijau)<br>- Stable performance and impact of additional shares in equity of CATV business (J:COM)<br><br><u>Gain on marketable securities and investments, net</u><br>- Sold partial interest of copper business in Indonesia (Batu Hijau) |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Other income (expenses) :                              |                              |                              |                       |            |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Selling, general and administrative expenses           | (320.0)                      | (316.0)                      | (4.0)                 | (1%)       |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Provision for doubtful receivables                     | (3.4)                        | (4.4)                        | 1.0                   | 22%        |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Interest expense, net of interest income               | (8.6)                        | (12.2)                       | 3.6                   | 30%        |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Dividends  | 5.3                          | 6.6                          | (1.3)                 | (20%)      |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Gain on property and equipment, net                    | 0.6                          | 0.0                          | 0.6                   | -          |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Gain on marketable securities and investments, net     | 10.9                         | 2.3                          | 8.6                   | 375%       |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Equity in earnings of associated companies, net        | 46.0                         | 36.6                         | 9.4                   | 26%        |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Other, net   | 0.3                          | 1.5                          | (1.2)                 | (80%)      |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Total other income (expenses)                          | (268.9)                      | (285.7)                      | 16.7                  | 6%         |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Income before income taxes                             | 157.2                        | 88.5                         | 68.7                  | 78%        | <Reference><br>Quarterly results of (Unit: Billion of yen)<br>Net income attributable to Sumitomo Corporation  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Income taxes   | (43.3)                       | (23.5)                       | (19.8)                | (85%)      |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Net income   | 114.0                        | 65.0                         | 48.9                  | 75%        |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Net income attributable to noncontrolling interests    | (5.1)                        | (3.0)                        | (2.1)                 | (70%)      |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Net income attributable to Sumitomo Corporation        | 108.9                        | 62.1                         | 46.8                  | 75%        | <table border="1"> <thead> <tr> <th colspan="4">FY2009</th> <th colspan="2">FY2010</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>25.0</td> <td>37.1</td> <td>56.2</td> <td>37.0</td> <td>64.6</td> <td>44.3</td> </tr> </tbody> </table>   | FY2009                    |  |                       |                       | FY2010                            |             | 1Q    | 2Q    | 3Q                               | 4Q          | 1Q    | 2Q    | 25.0                              | 37.1        | 56.2  | 37.0  | 64.6                    | 44.3        |     |     |  |             |    |    |
| FY2009   |                              |                              |                       | FY2010     |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| 1Q   | 2Q                           | 3Q                           | 4Q                    | 1Q         | 2Q   |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| 25.0   | 37.1                         | 56.2                         | 37.0                  | 64.6       | 44.3   |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Total trading transactions* <sup>1</sup>               | 4,112.2                      | 3,783.6                      | 328.6                 | 9%         | <Reference><br><table border="1"> <thead> <tr> <th colspan="2">Results of key indicators</th> <th>Apr.1-Sep.30,<br/>2010</th> <th>Apr.1-Sep.30,<br/>2009</th> </tr> </thead> <tbody> <tr> <td>Foreign exchange (Yen/US\$, ave.)</td> <td>(Apr.-Sep.)</td> <td>88.89</td> <td>95.53</td> </tr> <tr> <td>Interest (%) (Yen LIBOR6M, ave.)</td> <td>(Apr.-Sep.)</td> <td>0.44%</td> <td>0.67%</td> </tr> <tr> <td>Interest (%) (US\$ LIBOR6M, ave.)</td> <td>(Apr.-Sep.)</td> <td>0.61%</td> <td>1.10%</td> </tr> <tr> <td>Copper (US ¢ /lb, ave.)</td> <td>(Jan.-Jun.)</td> <td>323</td> <td>183</td> </tr> <tr> <td>Crude oil (US\$/bbl) &lt;North Sea Brent, ave.&gt;</td> <td>(Jan.-Jun.)</td> <td>78</td> <td>53</td> </tr> </tbody> </table>  | Results of key indicators |  | Apr.1-Sep.30,<br>2010 | Apr.1-Sep.30,<br>2009 | Foreign exchange (Yen/US\$, ave.) | (Apr.-Sep.) | 88.89 | 95.53 | Interest (%) (Yen LIBOR6M, ave.) | (Apr.-Sep.) | 0.44% | 0.67% | Interest (%) (US\$ LIBOR6M, ave.) | (Apr.-Sep.) | 0.61% | 1.10% | Copper (US ¢ /lb, ave.) | (Jan.-Jun.) | 323 | 183 | Crude oil (US\$/bbl) <North Sea Brent, ave.> | (Jan.-Jun.) | 78 | 53 |
| Results of key indicators                              |                              | Apr.1-Sep.30,<br>2010        | Apr.1-Sep.30,<br>2009 |            |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Foreign exchange (Yen/US\$, ave.)                      | (Apr.-Sep.)                  | 88.89                        | 95.53                 |            |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Interest (%) (Yen LIBOR6M, ave.)                       | (Apr.-Sep.)                  | 0.44%                        | 0.67%                 |            |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Interest (%) (US\$ LIBOR6M, ave.)                      | (Apr.-Sep.)                  | 0.61%                        | 1.10%                 |            |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Copper (US ¢ /lb, ave.)                                | (Jan.-Jun.)                  | 323                          | 183                   |            |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Crude oil (US\$/bbl) <North Sea Brent, ave.>           | (Jan.-Jun.)                  | 78                           | 53                    |            |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Operating income* <sup>1</sup>                         | 102.8                        | 53.8                         | 49.0                  | 91%        |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |
| Basic profit (Calculation for reference)* <sup>2</sup> | 106.7                        | 67.6                         | 39.1                  | 58%        |  |                           |  |                       |                       |                                   |             |       |       |                                  |             |       |       |                                   |             |       |       |                         |             |     |     |  |             |    |    |

\*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. Segment Information

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

*Sumitomo Corporation*

|   | Gross profit       |                    |                         | Net income attributable to Sumitomo Corporation |                    |                         | Summary<br>(Net income attributable to Sumitomo Corporation)  |
|---|--------------------|--------------------|-------------------------|---|--------------------|-------------------------|---|
|   | Apr.1-Sep.30, 2010 | Apr.1-Sep.30, 2009 | increase/<br>(decrease) | Apr.1-Sep.30, 2010                              | Apr.1-Sep.30, 2009 | increase/<br>(decrease) |   |
| Metal Products                                    | <b>32.8</b>        | 26.0               | 6.8                     | <b>9.3</b>                                      | 4.2                | 5.1                     | - Recovery in demand for steel service center operations  |
| Transportation & Construction Systems             | <b>75.5</b>        | 63.2               | 12.3                    | <b>19.5</b>                                     | 9.9                | 9.6                     | - Strong performance in automobiles/motorcycles finance businesses in Asia<br>- Stable performance in Sumitomo Mitsui Auto Service              |
| Infrastructure                                    | <b>10.8</b>        | 16.5               | (5.7)                   | <b>1.1</b>                                      | 6.2                | (5.1)                   | - Decreased earnings of IPP/IWPP businesses (Tanjung Jati B)  |
| Media, Network & Lifestyle Retail                 | <b>87.4</b>        | 84.4               | 2.9                     | <b>6.7</b>                                      | 3.7                | 3.0                     | - Stable performance and impact of additional shares in equity of J:COM<br>- Increased earnings in Sumisho Computer Systems                     |
| Mineral Resources, Energy, Chemical & Electronics | <b>53.2</b>        | 33.4               | 19.8                    | <b>36.4</b>                                     | 16.7               | 19.8                    | - Strong performance in coal mining operation in Australia and copper businesses<br>- Recovery in chemical businesses                           |
| General Products & Real Estate                    | <b>47.3</b>        | 48.0               | (0.8)                   | <b>6.7</b>                                      | 4.3                | 2.3                     | - Strong performance in TBC (tire business in the U.S.)<br>- Improved performance in fertilizer businesses                                      |
| New Industry Development & Cross-function         | <b>14.0</b>        | 10.6               | 3.3                     | <b>4.9</b>                                      | 0.7                | 4.2                     | - Improved performance in Sumitomo Mitsui Finance & Leasing and reversal of deferred tax liability through receiving dividends from the company |
| Domestic Regional Business Units and Offices      | <b>18.4</b>        | 16.8               | 1.6                     | <b>2.4</b>                                      | 1.0                | 1.4                     | - Recovery in demand for metal products business  |
| Overseas Subsidiaries and Branches                | <b>88.8</b>        | 80.3               | 8.5                     | <b>20.6</b>                                     | 13.0               | 7.6                     | - Recovery in demand for metal products business<br>- Strong performance in TBC (tire business in the U.S.)                                     |
| Segment Total                                     | <b>428.2</b>       | 379.3              | 48.8                    | <b>107.6</b>                                    | 59.7               | 47.9                    |   |
| Corporate and Eliminations                        | <b>(2.0)</b>       | (5.1)              | 3.2                     | <b>1.3</b>                                      | 2.3                | (1.1)                   |   |
| Consolidated                                      | <b>426.2</b>       | 374.2              | 52.0                    | <b>108.9</b>                                    | 62.1               | 46.8                    |   |

\* On April 1, 2010, the Financial & Logistics Business Unit was dissolved and evolved into the New Industry Development & Cross-function Business Unit. Accordingly, from this fiscal year, the operating segments have been changed. The figures of the New Industry Development & Cross-function Business Unit for the same period of the previous year represent the results of the Financial & Logistics Business Unit.

## 3. Financial Position

|                                   | As of Sep. 30, 2010 | As of Mar. 31, 2010 | increase/<br>(decrease) | Summary   |
|-----------------------------------|---------------------|---------------------|-------------------------|---|
| Total assets                      | 7,026.3             | 7,137.8             | (111.5)                 | <u>Total assets</u><br>- Decrease due to yen appreciation   |
| Shareholders' equity*             | 1,552.7             | 1,583.7             | (31.1)                  | - Decrease due to the fall of the market value on securities available-for-sale   |
| Shareholders' equity ratio*       | 22.1%               | 22.2%               | (0.1pt)                 | <u>Shareholders' equity</u><br>- Decrease in foreign currency translation adjustments and unrealized holding gains on securities available-for-sale |
| Interest-bearing liabilities, net | 2,916.3             | 2,781.8             | 134.5                   | - Increase in retained earnings   |
| Debt-equity ratio, net* (times)   | 1.9                 | 1.8                 | 0.1pt                   | <u>Interest-bearing liabilities, net</u><br>- Increase due to acquisition of J:COM stocks   |

## 4. Cash Flows

|  | Apr.1-Sep.30, 2010 | Apr.1-Sep.30, 2009 |
|--|--------------------|--------------------|
| Net cash provided by operating activities                    | 83.0               | 290.4              |
| Net cash used in investing activities                        | (215.3)            | (80.7)             |
| <i>Free Cash Flow</i>  | <i>(132.3)</i>     | <i>209.7</i>       |
| Net cash (used in) provided by financing activities          | 50.8               | (202.9)            |
| Effect of exchange rate changes on cash and cash equivalents | (10.9)             | 0.6                |
| Net increase (decrease) in cash and cash equivalents         | (92.3)             | 7.4                |

\* "Shareholders' equity" does not include "noncontrolling interests" and represents only the equity attributable to Sumitomo Corporation shareholders. Likewise, shareholders' equity used in calculating "Shareholders' equity ratio" and "Debt-equity ratio, net" does not include "noncontrolling interests".

## 5. Forecasts for the full fiscal year ending March 31, 2011

*Sumitomo Corporation*

- Developed countries are anticipated to show gradual but continuous recovery and emerging countries such as China and other Asian countries are expected to show stable growth.
- Based on these business environments, our mineral resources businesses and operations in emerging countries are expected to show strong performances in the 2nd half of the fiscal year as seen in the 1st half. Therefore, we have revised our forecasts of net income attributable to Sumitomo Corporation to 200 billion yen, 40 billion yen up from the initial target announced in April, 2010.

### Forecasts for operating performance

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

|   | Annual forecasts<br>(Announced in<br>Oct, 2010)<br>(C) | Annual targets<br>(Announced in<br>Apr, 2010)<br>(D) | increase/(decrease) |            |
|---|--|--|---------------------|------------|
|   |  |  | amount<br>(C)-(D)   | percentage |
| Gross profit  | 860.0  | 840.0  | 20.0                | 2%         |
| Selling, general and administrative expenses        | (645.0)  | (650.0)  | 5.0                 | 1%         |
| Interest expense, net of interest income            | (17.0)   | (26.0)   | 9.0                 | 35%        |
| Dividends   | 10.0   | 11.0   | (1.0)               | (9%)       |
| Equity in earnings of associated companies, net     | 90.0   | 80.0   | 10.0                | 13%        |
| Other, net  | (5.0)  | (10.0)   | 5.0                 | 50%        |
| Income before income taxes                          | 293.0  | 245.0  | 48.0                | 20%        |
| Income taxes  | (83.0)   | (76.0)   | (7.0)               | (9%)       |
| Net income attributable to noncontrolling interests | (10.0)   | (9.0)  | (1.0)               | (11%)      |
| Net income attributable to Sumitomo Corporation     | 200.0  | 160.0  | 40.0                | 25%        |
| Total trading transactions*1                        | 8,400.0  | 8,400.0  | 0                   | 0%         |

|   |       |       |      |     |
|---|-------|-------|------|-----|
| Basic profit<br>(Calculation for reference)*2 | 212.7 | 183.3 | 29.5 | 16% |
|---|-------|-------|------|-----|

\*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

### 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.

### Forecasts by segment (Net income attributable to Sumitomo Corporation)

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

|   | Annual forecasts<br>(Announced in<br>Oct, 2010) | Annual targets<br>(Announced in<br>Apr, 2010) | increase/<br>(decrease) |            |
|---|---|---|-------------------------|------------|
|   |   |   | amount<br>(C)-(D)       | percentage |
| Metal Products                                    | 16.0  | 17.0  | (1.0)                   |            |
| Transportation & Construction Systems             | 32.0  | 18.5  | 13.5                    |            |
| Infrastructure                                    | 3.5   | 5.0   | (1.5)                   |            |
| Media, Network & Lifestyle Retail                 | 18.0  | 16.5  | 1.5                     |            |
| Mineral Resources, Energy, Chemical & Electronics | 68.0  | 55.0  | 13.0                    |            |
| General Products & Real Estate                    | 15.0  | 14.0  | 1.0                     |            |
| New Industry Development & Cross-function         | 6.0   | 5.0   | 1.0                     |            |
| Domestic Regional Business Units and Offices      | 4.0   | 3.0   | 1.0                     |            |
| Overseas Subsidiaries and Branches                | 38.5  | 29.0  | 9.5                     |            |
| Corporate and Eliminations                        | (1.0)   | (3.0)   | 2.0                     |            |
| Consolidated                                      | 200.0   | 160.0   | 40.0                    |            |

| Assumptions                                     |             | Annual outlook<br>(as of Oct, 2010) | Outlook for<br>Oct, 2010-<br>Mar, 2011 | Outlook<br>(as of Apr, 2010) |
|---|-------------|-------------------------------------|--|------------------------------|
|   |             |                                     |  |                              |
| Foreign exchange<br>(Yen/US\$, ave.)            | (Apr.-Mar.) | 90                                  | 90                                     | 90                           |
| Interest (%)<br>(Yen LIBOR6M, ave.)             | (Apr.-Mar.) | 0.42%                               | 0.40%                                  | 0.60%                        |
| Interest (%)<br>(US\$ LIBOR6M, ave.)            | (Apr.-Mar.) | 0.56%                               | 0.51%                                  | 1.00%                        |
| Crude oil (US\$/bbl)<br><North Sea Brent, ave.> | (Jan.-Dec.) | 78                                  | 78                                     | 75                           |
| Hard Coking coal<br>(US\$/MT)*                  | (Apr.-Mar.) | 211                                 | 209                                    | 200                          |
| Copper (US \$ /lb, ave.)                        | (Jan.-Dec.) | 335                                 | 347                                    | 280                          |

\* Market price

<Sensitivity of the net income to the fluctuations of FOREX>

Appreciation of 1 yen per US\$ will decrease net income about 0.8 billion yen

## 6. Dividend

- Our basic policy is to meet shareholders' expectations by ensuring long-term stable dividends. In the past, in addition to this basic policy, we have set the dividend payout ratio at around 20%, reflecting consolidated financial results.
- Under our current medium-term management plan, "FOCUS'10", we are working to expand our earnings base through active investments and replacements of assets as well as to reinforce financial base, which is necessary for our growth strategy. So far, these initiatives are progressing steadily.
- Taking these situations into account, we have decided to further enhance return to shareholders while keeping our basic policy to ensure long-term, stable dividends. Specifically, from this year-end dividend, we will flexibly decide the consolidated dividend payout ratio in the range of 20% to 30%, considering both the changes in the economic environment and progress in investment plans.
- The interim dividend for fiscal 2010 is 16 yen per share, applying the consolidated dividend payout ratio of 20%, which was announced on April 30, 2010, to half of 200 billion yen, the revised forecast of net income attributable to Sumitomo Corporation. As for the year-end dividend for fiscal 2010, we will apply the consolidated dividend payout ratio of 25% to half of the annual results of net income attributable to Sumitomo Corporation. Therefore, based on 200 billion yen, our revised forecast of net income attributable to Sumitomo Corporation for fiscal 2010, the year-end dividend is planned to be 20 yen per share.