



# Six Months Results ended Sep.30, 2010

November 5, 2010  
*Sumitomo Corporation*

## Topics

1. Six Months Results of FY 2010

2. Forecasts for FY 2010

3. Progress in FOCUS'10

4. Return to Shareholders

### 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.

I am Susumu Kato, President and CEO of Sumitomo Corporation, and I would like to start by thanking you all for attending today's earnings briefing.

I will explain four topics: Six months results of Fiscal 2010, Forecasts for Fiscal 2010, Progress in FOCUS'10, and Return to shareholders.

## 1. Six Months Results of FY 2010

### (1) Net Income

	FY 2009 Apr-Sep Results	FY 2010 Apr-Sep Results	Increase compared to FY2009 Apr-Sep Results (%)
(billion yen)			
Net Income*	62.1	108.9	+46.8 (+75%)

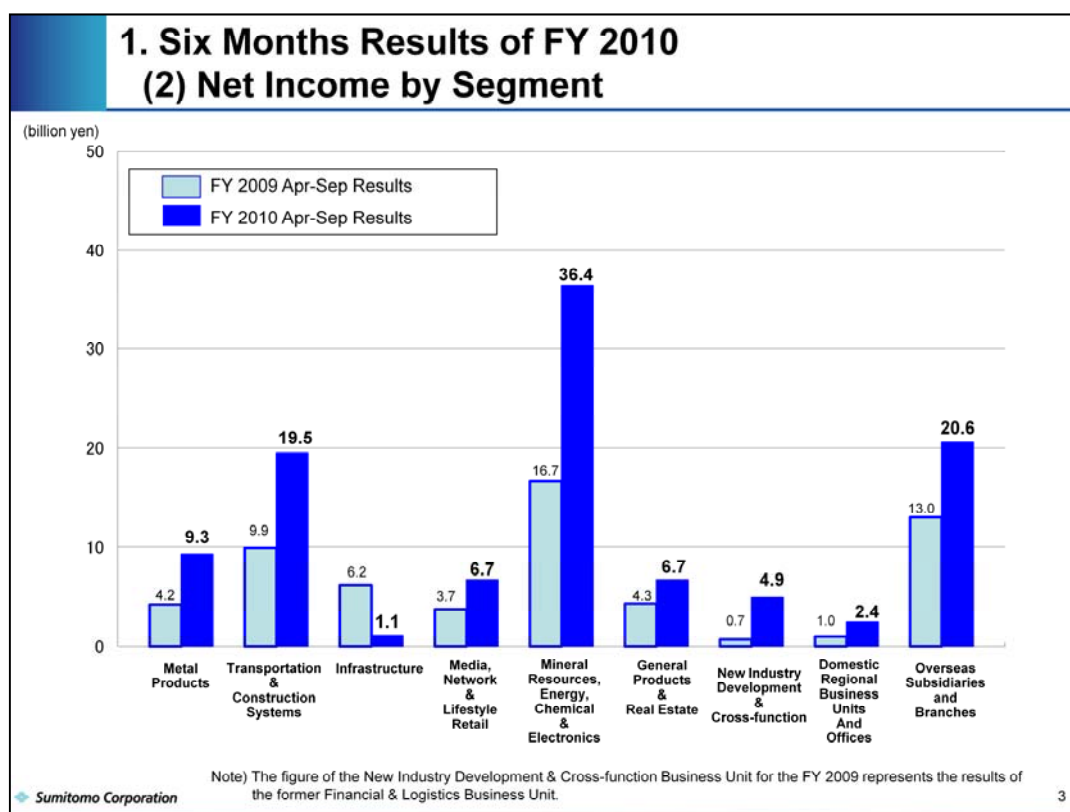
(Achieved 68% of 160 billion yen initial annual target)

- ✓ Strong performance in mineral resources businesses due to rise in commodity prices
- ✓ Businesses in emerging countries such as Asia contributed to the results

\*In this document, "Net Income" is equivalent to "Net Income Attributable to Sumitomo Corporation" and does not include "Net Income Attributable to Noncontrolling Interests".

Our net income for the first half was 108.9 billion yen, which is 46.8 billion yen, or 75 percent, higher than our earnings for the same period of the previous fiscal year. This positive outcome was due to factors such as higher commodity prices than in the previous fiscal year and robust performance from our non-resource-related businesses in emerging countries such as Asia.

This result also means that we have already achieved 68 percent of our initial annual target of 160 billion yen.



Now let us look at net income from each business segment. Light blue shows net income in the first half of Fiscal 2009, while dark blue indicates net income in the first half of this Fiscal 2010.

As you can see, earnings from all segments except *Infrastructure* increased. Especially, four segments, namely, “*Metal Products*”, “*Transportation & Construction Systems*”, “*Mineral Resources, Energy, Chemical & Electronics*”, and “*Overseas Subsidiaries and Branches*” led the company’s strong performance.

Earnings from *Metal Products* increased due to factors such as a recovery in the performance of our tubular product business in North America and solid results from our steel service center business, which succeeded in capturing robust demand in Asia.

Earnings from *Transportation & Construction Systems* rose on the back of factors such as strong results from our automobiles/motorcycles finance businesses in Asia and stable performance from our shipping business.

Earnings from *Mineral Resources, Energy, Chemical & Electronics* jumped due to factors such as higher commodity prices and the strong performance of our coal mining operation in Australia.

And in *Overseas Subsidiaries and Branches*, results from our metal products businesses improved.

On the other hand, *Infrastructure* suffered a drop in earnings due to the impact of changes in leasing fees at our Indonesian power generation business.

## 2. Forecasts for FY 2010

### (1) Business Environment and Forecasts for FY 2010

#### <Outlook for business environment>

- ✓ **Developed Countries:** Generally, gradual recovery continues.
- ✓ **Emerging Countries:** Show stable growth and continue to lead the world economy.

	Annual Target (Initial Plan, Announced in Apr. 2010)	increase/ (decrease)	Annual Forecast (Announced in Oct. 2010)	FY 2010	
				Apr-Sep Results	Progress rate against Oct. forecast
(billion yen)					
Net Income	160.0	+40.0	200.0	108.9	54%

- ✓ Stable performance expected in mineral resources businesses and operations in emerging countries.
- ✓ Income level of 2<sup>nd</sup> Quarter continues in 3<sup>rd</sup> & 4<sup>th</sup> Quarter.

I will now move on to explain the forecasts for the full fiscal year.

Although there are concerns about deflation in the U.S., we predict that developed countries will, on the whole, continue to recover gradually.

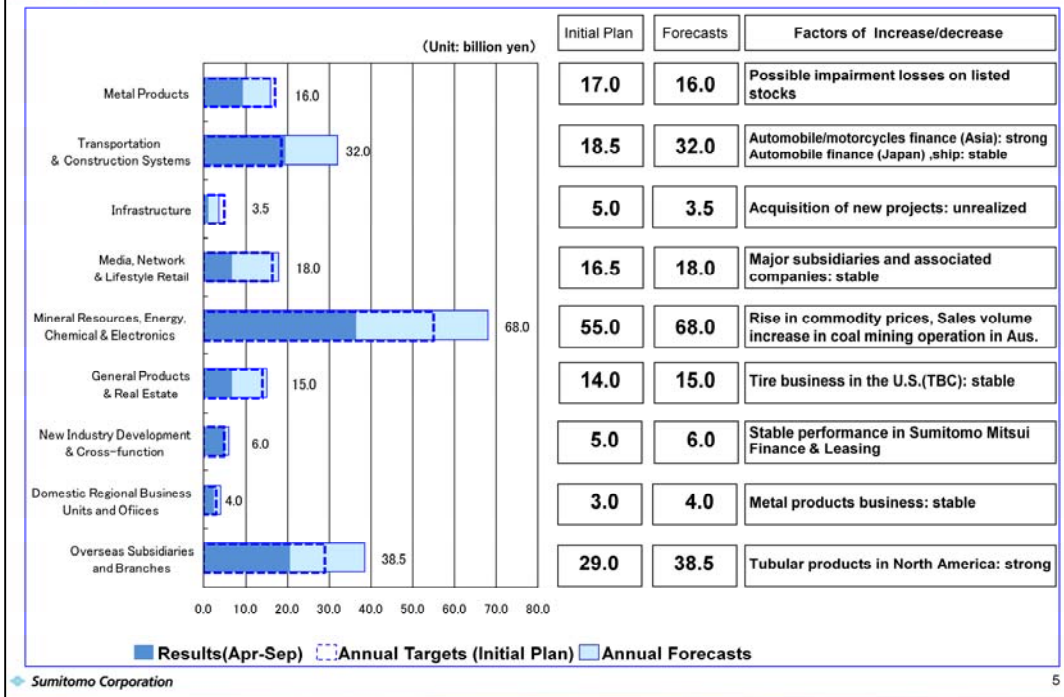
We also expect the emerging countries to grow steadily and continue to lead the world economy, even accounting for the possibility that China may undergo a temporary adjustment.

Based on these business environments, our businesses related to mineral resources and operations in emerging countries, which drove our first-half results, can also be expected to show stable performance in the second half.

Even if we factor in the current upward trend in the yen, we expect to be able to maintain the second quarter income level, and have therefore revised up our annual forecast of net income to 200 billion yen.

## 2. Forecasts for FY 2010

### (2) Forecasts by Segment



This graph shows the earnings forecasts for each business segment.

We predict that the *Transportation & Construction Systems* segment will perform much better than initial plan since our automobiles/motorcycles finance businesses in Indonesia continue to perform strongly and our shipping business is expected to show stable performance.

We also expect *Mineral Resources, Energy, Chemical & Electronics* to perform far better than initial plan on the back of such factors as commodity prices being at higher levels than we initially expected and brisk sales at our coal mining operation in Australia.

We also predict *Overseas Subsidiaries and Branches* to outperform our initial plan on the back of solid performance overall, particularly in the tubular product businesses.

We expect results from other segments to be more or less in line with our initial plan.

### 3. Progress in FOCUS'10

#### (1)-1 FY 2010 Results for Investments

1<sup>st</sup> half Investments Results: ¥170 bn.

2<sup>nd</sup> half committed Investments: ¥150 bn.

Steady progress against initial plan (¥400~500 bn.)

	1 <sup>st</sup> half Investments Results	2 <sup>nd</sup> half Investments Plan Committed	Plan for Investments Initial→Revised in Oct
Mineral Resources and Energy area*	20 bn. (RA: 10 bn.)	140 bn. (RA: 50 bn.)	150 bn. (RA: 60 bn.) 110 bn. → 170 bn. (RA: 70 bn.)
Infrastructure area*	10 bn. (RA: 10 bn.)	-	30 bn. (RA: 20 bn.) 50 bn. → 40 bn. (RA: 30 bn.)
Media, Network & Lifestyle Retail	120 bn. (RA: 35 bn.)	-	10 bn. (RA: 5 bn.) 130 bn. (RA: 40 bn.)
Others	20 bn. (RA: 15 bn.)	10 bn. (RA: 10 bn.)	40 bn. ~ 140 bn. (RA: 15 bn.) 110 ~ 210 bn. → 60 ~ 160 bn. (RA: 30 bn.)
<b>Total</b>	<b>¥170 bn.</b> (RA: ¥70 bn.)	<b>¥150 bn.</b> (RA: ¥60 bn.)	<b>¥400 ~ 500 bn.</b> (RA: ¥170 bn.)

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\*Company-wide investments including business segments and overseas. 6

I will now describe the investments we made during the first half.

To expand our earnings base for future growth, we initially planned to make investments worth 400-500 billion yen in Fiscal 2010, our biggest figure ever for a single year. By the end of the first half, we have already invested 170 billion yen. In addition, the amount committed for the second half is 150 billion yen. We are therefore progressing smoothly with meeting our investment plan.

By field, we have already made or committed to 160-billion-yen worth of investment in Mineral Resources and Energy area, prompting us to increase our investment plan of this field to 170 billion yen from the initial 110 billion yen.

In Infrastructure area, we invested 10 billion yen, and since we could not acquire new IPP projects, we revised our investment plan for this segment to 40 billion yen from the original 50 billion yen.

The plan for the company as a whole remains unchanged.



### 3. Progress in FOCUS'10 (1)-2 FY 2010 Results for Investments

**Enlarging our medium- to long-term earnings base  
in mineral resources & energy area**

**Plan for Investments in FY 2010 : ¥170 billion**

Acquisition of Brazilian iron ore mining interest: ¥113 billion

Potentially Movable Resources	: 2.4 billion ton
Annual production volume in equity	: 2.1 million ton
	→ 9 million ton in 2015

Acquisition of Marcellus Shale Gas interest: ¥9 billion

Annual production volume in equity: 46bcf in 2018  
(equivalent to 8.4 million bbl in crude oil)

Progress in Ambatovy nickel project: ¥30 billion

Construction progress rate: 80%(as of Oct, 2010)  
start operation in 2011, full operation planned in 2013  
(annual production volume in equity : 16,000 ton)

Next, I will describe the investments we made or contracted to make in the Mineral Resources area in the first half.

All these investments can be expected to contribute to our earnings over the medium- to long- term.

With regard to our investment in iron-ore mining interest in Brazil, we concluded a contract with Usiminas in September. The mines concerned are believed to contain 2.4 billion tons of minable ore, and can therefore be expected to generate profits for us for 30 years or more. Our current stake gives us 2.1 million tons per year, but we plan to expand this figure to 9 million tons in 2015.

In the field of energy, we acquired an interest in the Marcellus shale gas field in the U.S., which will see us invest a total of 100 billion yen over the next ten years. When production peaks in 2018, our annual production volume in equity will be 46 bcf, equivalent to around 8.4 million barrels of crude oil.

We have also been pressing ahead with construction of the Ambatovy Nickel Project with a view to finishing it at the beginning of 2011, and the construction progress rate is currently around 80-percent. When the facilities become fully operational in 2013, our interest will provide us with 16,000 tons of nickel per year, and should generate reasonable profits.



### 3. Progress in FOCUS'10 (1)-3 FY 2010 Results for Investments

#### Creating Future Growth Foundation in Emerging Countries

##### Initiatives in Asia

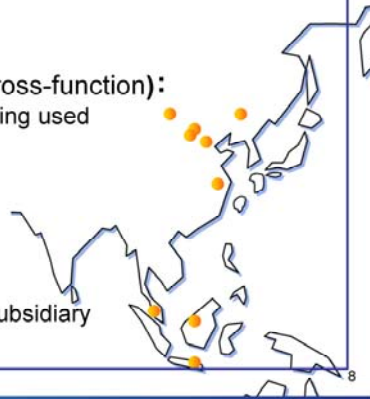
###### China

- **Water/Environment Business**(Infrastructure):  
alliance with Beijing Capital, the largest provider of water infrastructure in China
- **Renewable Energy Business**(Infrastructure):  
alliance with China Datang Corporation Renewable Power
- **Food business**(General Products & Real Estate):  
comprehensive alliance with Jilin Grain Group
- **Recycle Business**(New Industry Development & Cross-function):  
made joint venture with DOWA in Tianjin and started recycling used consumer electronics and home appliances business

###### Southeast Asia

- **Aluminum**(Metal Products): participate in aluminum smelting business and expand business in Asian market
- **Tubular products**(Metal Products): made a tubular products threading/trading company into a wholly owned subsidiary
- **IPP**(Infrastructure): progress in TJB expansion project

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Now I will describe projects we announced by the end of the second quarter that are aimed at creating future growth foundation in the rapidly growing Asia region.

I will begin by discussing China, where we are working with powerful local partners in a variety of businesses.

In the field of water and the environment, we have forged a partnership with Beijing Capital Co., Ltd., the largest player in this industry in China, which will see us participate in wastewater treatment projects in Shangdong and Zhejiang provinces. Later, we will expand the scale of water-infrastructure-related businesses to cover the whole of China through joint venture, and we are also considering to participate in water-infrastructure-related businesses in other countries.

We also plan to expand the partnership into the field of environmental technology, for example, into waste and sludge treatment.

Furthermore, we intend to team up with powerful partners to expand our operations in fields such as renewable energy, food, and recycling.

In Southeast Asia, meanwhile, we are involved in the aluminum smelting business and the tubular products threading/trading business.

### 3. Progress in FOCUS'10 (2) B/S Management

#### Reinforcing financial soundness

##### Plan of FOCUS'10

- ✓ Total Assets: Remain the same level as of Mar, 31, 2009

<u>Mar. 31, 2009</u>	<u>Sep. 30, 2010</u>	<u>Mar. 31, 2011(forecast)</u>
¥7,020 billion	¥7,030 billion	¥7,200 billion

- ✓ Free Cash Flow: Restore positive cash flow (2-year total)

<u>FY 2009</u>	<u>FY 2010(forecast)</u>	<u>2-year total</u>
¥451 billion	¥-250 billion	¥200 billion

Progress  
as  
planned

In addition, still working for reduction of large-scale assets after FY 2011.

I will now move on to discuss the action we are taking to manage our balance sheet.

Under FOCUS' 10, our current medium-term management plan, we are endeavoring to restore positive free cash flow, limit our interest-bearing liabilities, and thoroughly reinforce financial soundness and efficiency by improving our business portfolio through strategic replacement and controlling the amount of assets we hold.

We aim to maintain total assets at the end of March 2011 at the same level as at the end of March 2009 and restore positive free cash flow in two years, and at the end of the second quarter, we were making steady progress with these plans.

We also intend to continue working to reduce major assets, an initiative being pursued at the company-wide level, although we only expect these efforts to come to fruition in the next fiscal year.

### 3. Progress in FOCUS'10 (3) Key Financial Indicators

(Unit: billion yen)	End of FY 2009 (as of Mar. 31, 2010)	End of 1 <sup>st</sup> Half 2010 (as of Sep. 30, 2010)	End of FY2010 Forecasts (as of Mar. 31, 2011)
Total Assets	7,137.8	7,026.3	7,200.0
Shareholders' Equity*	1,583.7	1,552.7	1,600.0
Shareholders' equity ratio*	22.2%	22.1%	around 23%
Interest-bearing liabilities (net)	2,781.8	2,916.3	3,050.0
Debt-equity ratio, net (times)*	1.8	1.9	around 1.9
Risk Assets	1,380.0	1,390.0	1,540.0
Risk Return (2-year average)	FY 2009 11.3%	—	FOCUS'10 2-year average around 13%
Free Cash Flow	FY 2009 451.0	Apr.-Sep. 2010 -132.3	FOCUS'10 2-year total 200.0

\*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".

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The following figure presents key financial indicators.

At the end of the first half of Fiscal 2010, our total assets had fallen by 110 billion yen compared with the end of Fiscal 2009 to stand at 7.03 trillion yen.

The main reasons for this were a decline in the value of foreign-currency-denominated assets due to yen appreciation and a drop in unrealized holding gains on securities available-for-sale.

We expect our total assets to stand at 7.2 trillion yen at the end of March 2011, which is about the same as at the end of March 2009, due to the investments scheduled for the second half.

Free cash flow for the first half of Fiscal 2010 was 130 billion yen outflow, and over the full fiscal year we are forecasting negative free cash flow of 250 billion yen due to the increase in assets. We therefore expect our free cash flow for the two years to be 200 billion yen inflow.

## 4. Return to Shareholders

### Enhance return to shareholders

#### Revised dividend policy

before: dividend payout ratio at around 20% during FOCUS'10



revised: flexibly decide dividend payout ratio in the range of 20-30%

#### Dividend for FY 2010

- ✓ Interim: Apply dividend payout ratio of 20% to half of 200 billion yen (revised forecast of net income)
- ✓ Year-end: Apply dividend payout ratio of 25% to half of net income results backed by steady progress of FOCUS'10 and establishment of solid earnings base

FY 2010	Interim	Year-end	Total	Dividend payout ratio
Dividend/share Initial Plan→Revised Plan	¥12→¥16	¥13→¥20	¥25→¥36	Interim 20% Year-end 20%→25%

I will now move on to explain return to shareholders.

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.

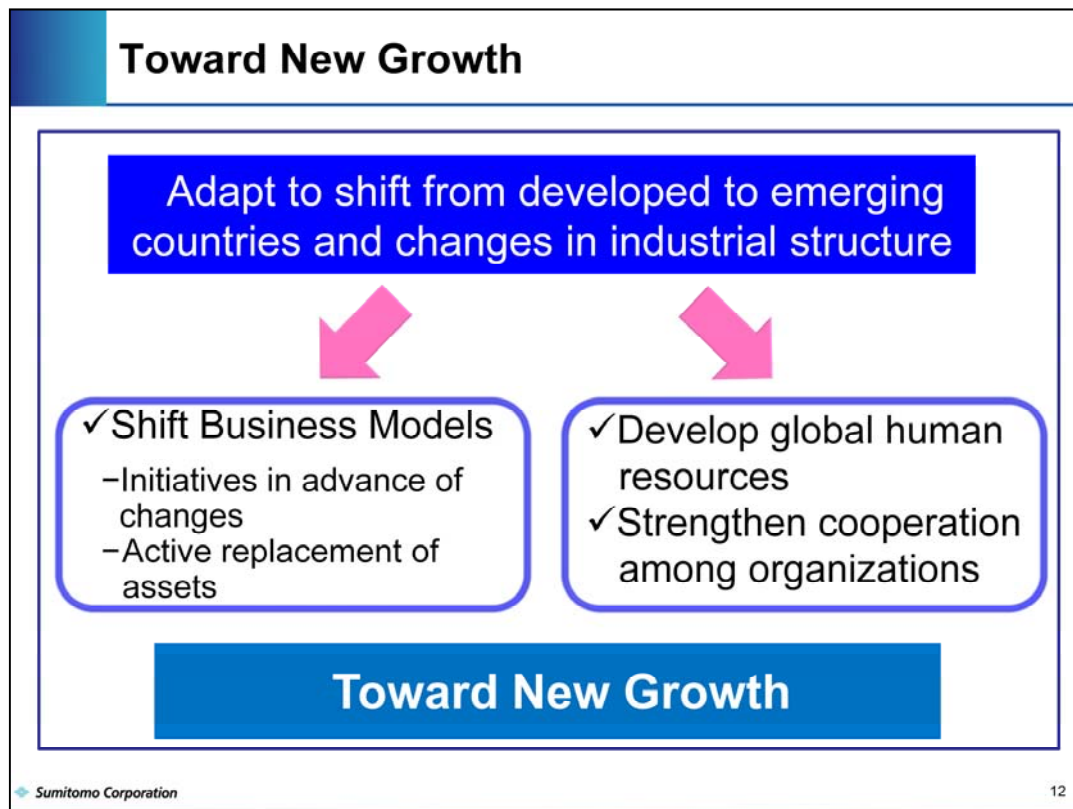
However, backed by the steady progress of FOCUS'10, we have revised our dividend policy with the aim to further return the benefits of the fundamental increase in our profitability to our shareholders.

Going forward, we will decide our payout ratio in the range of 20-30%, which will allow us to flexibly respond to changes in economic conditions and our progress in implementing our investment plans while keeping our basic policy to ensure long-term, stable dividends.

Regarding our dividends for Fiscal 2010, we will apply a consolidated payout ratio of 25% to the year-end dividend, in order to reflect the steady progress we are making with the implementation of FOCUS'10 and our growing confidence that we have established solid earnings base.

As for the interim dividend, as we stated at the beginning of the fiscal year, we will apply a 20% payout ratio to half of our revised forecast of consolidated net income, 200 billion yen. Therefore, the interim dividend is 16 yen per share.

For our year-end dividend, we will apply a payout ratio of 25% to half of the annual net income results. Therefore, based on 200 billion yen, our revised forecast of net income, the year-end dividend is planned to be 20 yen per share.



As you have seen, the implementation of FOCUS'10 is proceeding smoothly, and we believe that we are gradually establishing a foothold for future growth.

However, the earth's economic axis is rapidly shifting from developed countries to emerging countries and the structure of industry is changing rapidly. I therefore feel that it will become more and more important for us to adapt appropriately to such changes in our external environment.

As a consequence, I believe that we must move faster than in the past in proactively responding to changes. Also, we must continually replace our asset portfolio and shift our business models.

To achieve such things as transforming our business models and expanding our operations globally, we will also need to bolster our human resources strategy to develop personnel who are up to such challenges.

I also feel that we must do more to demonstrate our "integrated corporate strength," i.e. cooperation among organizations such as business segments and regions.

Regarding our next medium-term management plan, we intend to formulate specific strategies that take into account the various factors I have just mentioned.

I hope we can count on your continued understanding and support, and I would like to thank you for listening to my remarks here today.

- **Assumptions**
- **Supplemental materials by segment**  
**(Performance Overview, FOCUS'10 Strategies & Priority Fields)**
- **Medium-term Management Plan, etc.**

## Assumptions

Assumptions		Fiscal 2010			Sensitivity to net income (including hedge) as of Oct, 2010
		Outlook (as of Apr, 2010)	Apr-Sep Results	Forecasts (as of Oct, 2010)	
Foreign Exchange (YEN/US\$) [Apr.-Mar.]		90	88.89	90	around 800 million yen (1JPY/US\$)
Interest Rate	LIBOR 6M (YEN) [Apr.-Mar.]	0.60%	0.44%	0.42%	—
	LIBOR 6M (US\$) [Apr.-Mar.]	1.00%	0.61%	0.56%	—
Crude oil <North Sea Brent> (US\$/bbl) [Jan.-Dec.]		75	78	78	around 30 million yen (1US\$/bbl)
Copper (US\$/t) [Jan.-Dec.]		6,200	7,130	7,385	around 130 million yen (100US\$/t)

\*all the figures are the average of the period written in the chart



## Performance Overview

### 【FY10 Apr-Sep Results: 9.3 billion yen】

(5.1 billion yen increase from FY09 Apr-Sep)

#### •Steel Sheets (steel service center)

Overseas: steady progress due to demand increase in Southeast Asia and China

#### •Tubular Products

North America: steady performance due to demand increase and rise in market prices

### 【Investments in FY2010】

- acquisition of a tubular products threading/ trading company (Singapore, June, 2010)(operations at 10 sites in 7 countries)
- participate in an aluminum smelting project (Malaysia, Sep, 2010)
- progress in tubular products manufacturing mill in Brazil

\*\* Forecast for FY2010: Announced in Oct, 2010.

(unit: billions of yen)

	FY2009 Apr-Sep	FY2010 Apr-Sep	FY2010 (forecast**)
Gross profit	26.0	32.8	-
Operating income	4.6	11.8	-
Equity in earnings of associated companies, net	1.7	3.3	-
Net income	4.2	9.3 1Q: 5.5 2Q: 3.8	16.0
Total assets	Mar. 2010 609.2	593.7	-

### 【Results of major subsidiaries and associated companies】

Company:

Equity in earnings of the segment

FY09 Apr-Sep FY10 Apr-Sep FY10(forecast\*\*)

•SC Pipe Services:	0.2	1.0	2.0
•Asian Steel:	0.0	0.6	0.7
•Sumisho Metalex(90/100)*1:	0.2	0.5	1.0
•ERYNGIUM(30/100)*1,2:	0.5	0.2	0.4

\*1 (shares in equity owned by the segment/ owned by whole company)

\*2 shares in equity of the segment in FY09 Apr-Sep: 27/90

### 【Business Outlook】

•**Steel Sheets** overseas steel service center: demand in china decelerates due to monetary tightening although demand in Southeast Asia remains stable

•**Tubular Products** North America: tubular products demand is stable due to the increase in rig counts for oil and shale gas

## FOCUS'10 Strategies and Priority Fields

### •Energy and automobile related business

- > enhancing value chain of tubular products
  - expansion of SCM operating bases (15 locations in 14 countries)
  - tubular products manufacturing (Brazil):
    - equity share: Vallourec group 56%, Sumitomo Metal Industries 39%, SC 5%
    - annual production: seamless tubular products 0.6 million tons/year
    - global expansion of processing tubular products/ steel products for oil-well
- > upgrading our function of steel service centers

(steel service center production capacity as of Sep, 2010:

Overseas (13 countries) : around 4.7 million tons

Japan : around 2.3 million tons

### • Eco and new energy related business

- > renewable energy
  - businesses of solar power generation related components
- > materials for solar cells, secondary battery

### 【Investments & Asset replacements in FY2009】

- investment in stainless processing and sale business (China, May, 2009)
- established steel service center (India, started operation in Apr, 2010)



## Performance Overview

### 【FY10 Apr-Sep Results: 19.5 billion yen】

(9.6 billion yen increase from FY09 Apr-Sep)

#### •Automobile

Finance businesses in Indonesia and Japan: strong

#### •Construction equipment

China: strong due to firm demand

Europe: harsh due to financial crisis

#### •Ships, aerospace and railway car

ship businesses: stable

### 【Investments in FY2010】

- started operations in Toyota Libya (from Apr, 2010, established in Dec, 2009.)

\*\* Forecast for FY2010: Announced in Oct, 2010.

(unit: billions of yen)

	FY2009 Apr-Sep	FY2010 Apr-Sep	FY2010 (forecast**)
Gross profit	63.2	75.5	-
Operating income	10.9	23.4	-
Equity in earnings of associated companies, net	4.6	6.0	-
Net income	9.9	19.5 1Q: 9.7 2Q: 9.8	32.0
Total assets	Mar, 2010 1,399.3	1,326.8	-

### 【Results of major subsidiaries and associated companies】

Company:	Equity in earnings of the segment		
	FY09 Apr-Sep	FY10 Apr-Sep	FY10(forecast**)
•Oto Murtiarta:	1.7	3.0	4.9
•SOF(89.56/99.56)*1,2:	2.0	2.9	5.0
•Sumitomo Mitsui Auto Service:	1.2	2.3	4.0

\*1 (shares in equity owned by the segment/ owned by whole company)

\*2 shares in equity of the segment in FY09 Apr-Sep: 89.6/99.6

### 【 Business Outlook】

- Automobile** Finance businesses in Indonesia and Japan: stable, Sales: concerns regarding yen appreciation
- Construction equipment** China: weak in 2<sup>nd</sup> half (demand season: 1<sup>st</sup> half)  
loss expected regarding further reinforcement of business base
- Ships:** Outlook for market conditions: uncertain

## FOCUS'10 Strategies and Priority Fields

### •Automobile

#### > Auto finance

overseas: •further strengthening Oto Multiartha / Summit Oto Finance (Indonesia)

results of financing in FY10 1 <sup>st</sup> Half:	OTO	64,000 automobiles, SOF 436,000 motorcycles
plans of financing in FY10:	OTO	130,000 automobiles, SOF 930,000 motorcycles
results of financing in FY09:	OTO	86,000 automobiles, SOF 656,000 motorcycles

•promoting motorcycles financing in Asia (Philippines, etc.)

#### > Wholesale/Dealer

deeply cultivating sales in emerging countries

#### > Manufacturing

manufacturing and sales of Isuzu trucks and buses (India)

### •Construction equipment

> enhance further distributor business (China, Russia, etc.)

> enhance rental construction equipment business in abroad

> enhance mining machinery sales/service business (emerging countries such as Mongolia and Russia)

> expand sales of agricultural machineries (India, etc.)

### •Ships, aerospace and railway car

> Ships: enhance portfolio through continuous asset replacement

### 【Investments & Asset replacements in FY2009】

- established motorcycle finance company (Philippines, Nov, 2009)
- invested in construction equipment rental business (U.S., Dec, 2009)

## Performance Overview

**【FY10 Apr-Sep Results: 1.1 billion yen】**  
(5.1 billion yen decrease from FY09 Apr-Sep)

- **IPP/IWPP businesses**  
decreased earnings (Tanjung Jati B)
- **Others**  
mobile phone business in Mongolia: stable

\*\* Forecast for FY2010: Announced in Oct, 2010. (unit: billions of yen)

	FY2009 Apr-Sep	FY2010 Apr-Sep	FY2010 (forecast**)
Gross profit	16.5	10.8	-
Operating income	4.5	-0.9	-
Equity in earnings of associated companies, net	2.4	2.7	-
Net income	6.2	1.1 1Q: 0.6 2Q: 0.4	3.5
Total assets	Mar, 2010 521.4	525.1	-

### 【Results of major subsidiaries and associated companies】

Company:	Equity in earnings of the segment		
	FY09 Apr-Sep	FY10 Apr-Sep	FY10(forecast**)
•MobiCom:	0.7	0.8	1.7
•Perennial Power Holdings(50.01/100)*:	0.3	0.3	0.4

\*(shares in equity owned by the segment/ owned by whole company)

### 【Investments in FY2010】

- progress in Tanjung Jati B expansion project

### 【 Business Outlook 】

- **Power plant EPC:** decrease of large-scale construction projects in Asia, Middle East and CIS, etc.
- **IPP/IWPP:** acquisition of new projects: unrealized
- concerns regarding yen appreciation

## FOCUS'10 Strategies and Priority Fields

### •IPP/IWPP

- > further expansion in Asia, Middle East, Australia and the Americas

### •Tanjung Jati B project

- > expansion project (completion planned in 2012)

} power generation capacity  
(contract base): 5,029MW (as of Sep, 2010)

### •Power Plant EPC

- > take in increasing demand for electric power mainly in Asia
- > focus on renewable energy such as geothermal power generation

### • Wind power generation/Water business

- > expand business portfolio in the U.S. and China (wind power generation)
- > in addition to expansion in Mexico, enhance in Middle East and Asia (water business)

### •Telecommunication

- > expand overseas earnings base in telecommunications business

### 【Investments & Asset replacements in FY2009】

- acquisition of wind power generation interest (U.S., July, 2009)
- acquisition of natural gas-fired combined cycle power plant interest (U.S., Nov, 2009)

## Performance Overview

### 【FY10 Apr-Sep Results : 6.7 billion yen】

(3.0 billion yen increase from FY09 Apr-Sep)

#### •Major subsidiaries and associated companies

J:COM: stable (increase in shares in equity and decrease in tax expenses regarding reorganization of its subsidiary)

Sumisho Computer Systems: increased profits

#### •Others

production, distribution and sale of movies:  
recovering

### 【Investments in FY2010】

•acquisition of additional share of J:COM (Apr, 2010)

\*\* Forecast for FY2010: Announced in Oct, 2010.

(unit: billions of yen)

	FY2009 Apr-Sep	FY2010 Apr-Sep	FY2010 (forecast**)
Gross profit	84.4	87.4	-
Operating income	1.6	4.6	-
Equity in earnings of associated companies, net	4.9	7.8	-
Net income	3.7	6.7 1Q: 4.0 2Q: 2.7	18.0
Total assets	Mar, 2010 697.1	765.4	-

### 【Results of major subsidiaries and associated companies】

Company:

Equity in earnings of the segment

FY09 Apr-Sep FY10 Apr-Sep FY10(forecast\*\*)

•J:COM*1:	4.1	8.1	14.6
•Jupiter Shop Channel:	4.2	4.3	9.3
•Sumisho Computer Systems*2:	0.5	0.9	2.1
•Summit(92.5/100)*3:	1.3	0.7	1.8
•Asmik Ace Entertainment(movies):	-1.0	-0.1	0.1

\*1 shares in equity of FY09 Apr-Sep: 27.73%, shares in equity of FY10 Apr-Sep: 40.12%

\*2 shares in equity of FY09 Apr-Sep: 60.56%, shares in equity of FY10 Apr-Sep: 60.55%

\*3 (shares in equity owned by the segment/ owned by whole company)

### 【 Business Outlook 】

• Major subsidiaries and associated companies (J:COM, Jupiter Shop Channel and Sumisho Computer Systems)  
: expected to progress steadily

## FOCUS'10 Strategies and Priority Fields

### •Strengthen and expand consumer business through integration of media, network and retail

- > Jupiter Shop Channel (largest TV shopping company in Japan):  
enhance products and programs while expanding customer base (market share of FY2009: around 27%)
- > online supermarket: Tokyo metropolitan area (started operations in Oct, 2009)
- > enhance multichannel retail business

### •Strengthen earning power of J:COM (largest MSO in Japan, market share of Sep, 2009: around 36%)

- > enhance content and service quality (invest in 17 channels, 12 companies)
- > enhance community-based business through expanding directly-managed store
- > higher services led by digitalization

### •Enhance core businesses

- > Sumisho Computer Systems Corporation:  
expand sales of self-developed ERP software and enhance the efficiency of developing software
- > Summit stores (supermarket)/Tomod's (drugstore): expand market share by new branch shops  
(the number of locations as of Sep, 2010: Summit 96, SC Drug stores 135)
- > T-GAIA Corporation (cell phone store): enhance sales network and increase business efficiency

### 【Investments & Asset replacements in FY2009】

- sold shares of AJCC (CATV equipment leasing company in Japan, June, 2009)
- acquisition of Katsumata (drugstore in Japan, July, 2009)

## Performance Overview

### 【FY10 Apr-Sep Results: 36.4 billion yen】

(19.8 billion yen increase from FY09 Apr-Sep)

- **Coal mining operation in Australia**  
rise in sales prices and increase in sales volume
- **Copper businesses** rise in market prices  
capital gains regarding divestiture
- **San Cristobal silver-zinc-lead mining operation**  
decreased due to decline in sales volume 5.2 (-1.9)  
prices hedging loss -3.1 (-1.4)
- **Oil fields interests in the North Sea**  
rise in oil market prices
- **Chemical** demand recovery mainly in China  
capital gains of stocks

### 【Investments in FY2010】

- sold partial interest of Batu Hijau (Mar, 2010)
- reached a definitive agreement regarding Brazilian iron ore mining business (Sep, 2010)
- participated in Marcellus Shale Gas drilling program (Sep, 2010)
- made a cosmetic chemical formulator & distributor company into a wholly owned subsidiary (U.S., Sep, 2010)
- progress in Ambatovy nickel project about 80%

\*\* Forecast for FY2010: Announced in Oct, 2010.

(unit: billions of yen)

	FY2009 Apr-Sep	FY2010 Apr-Sep	FY2010 (forecast**)
Gross profit	33.4	53.2	-
Operating income	6.0	26.8	-
Equity in earnings of associated companies, net	15.8	16.6	-
Net income	16.7	36.4	68.0
	Mar. 2010	1Q: 22.6 2Q: 13.8	
Total assets	1,079.2	1,021.8	-

### 【Results of major subsidiaries and associated companies】

Company:	Equity in earnings of the segment FY09 Apr-Sep FY10 Apr-Sep FY10(forecast**)		
• Sumisho Coal Australia:	3.1	13.9	23.8
• Nusa Tenggara Mining:	1.9	7.9	13.5
• Silver, zinc and lead business in Bolivia:	7.1	5.2	14.7
• Oresteel Investments(45/49)*:	8.4	3.0	6.2
• Oil fields interests in the North Sea:	0.4	2.1	3.1
• SC Minerals America(84.75/100)*:	0.5	1.6	3.5
• SMM Cerro Verde Netherlands:	0.4	1.4	2.8
• Sumi Agro Europe(80/100)*:	0.7	0.9	0.6
• Sumitomo Shoji Chemicals(75/100)*:	0.2	0.8	1.4
• LNG Japan:	0.2	0.5	1.4
• Sumitronics:	0.3	0.3	0.9
• The Hartz Mountain(40.59/100)*:	0.2	0.2	0.3
• Petro Summit Pte.(80/100)*:	1.2	0.0	0.7
• Cantex(55/100)*:	-0.7	-0.2	-0.4

\* (shares in equity owned by the segment/ owned by whole company)

### 【Business Outlook】

- **Coal mining operation in Australia** market prices higher than planned, steady sales
- **Copper businesses** expected to progress steadily since prices are higher than planned, divestiture later than planned
- **Cantex** flagging demand in housing and commercial facilities start continues

## [Mineral Resources Equity Share of Production and Sensitivity to Net Income]

	FY09 Equity share of production Results	FY10 Equity share of production Forecast		Sensitivity to net income (annual base/excluding prices hedge)	FY09 Prices Results	FY10 Prices Forecast	
		(as of Oct, 2010)	Apr-Sep Results			(as of Oct, 2010)	Apr-Sep Results
<b>Coking coal</b>	2.5 mil t	2.7 mil t	1.5 mil t	¥0.15bil(\$1/t)	\$128/t	\$211/t	\$213/t
<b>Thermal coal</b>	2.2 mil t	2.0 mil t	1.1 mil t	¥0.11bil(\$1/t)	\$70/t	\$99/t	\$101/t
<b>Iron ore</b>	1.1mil t	1.5 mil t	0.8 mil t	¥0.04bil(\$1/t)	\$82/t	\$115/t	\$90/t
<b>Manganese ore</b>	0.3 mil t	0.5 mil t	0.2 mil t	¥0.01bil(\$1/t)	\$510/t	\$330/t	\$330/t
<b>Copper</b>	85Kt	74Kt	38Kt	¥0.27bil (\$100/t)	\$5,200/t	\$7,385/t	\$7,130/t
Batu Hijau	56Kt	45Kt	24Kt				
<b>Silver</b>	501t (16.1mil oz)	407t (13.1 mil oz)	236t (7.6 mil oz)	¥0.61bil (\$1/oz)	\$14.7/oz	\$19.3/oz	\$17.6/oz
<b>Zinc</b>	246Kt	214Kt	100Kt	¥1.12bil (\$100/t)	\$1,670/t	\$2,127/t	\$2,150/t
<b>Lead</b>	70Kt	62Kt	29Kt	¥0.3bil (\$100/t)	\$1,740/t	\$2,126/t	\$2,079/t
<b>Crude oil, gas</b>	4.1 mil bbl	3.7 mil bbl	2.0 mil bbl	¥0.08bil (\$1/bbl)	\$63/bbl	\$78/bbl	\$78/bbl
<b>LNG</b>	122Kt	300Kt	148Kt	-	-	-	-

Note) Prices are general market price. Coking coal, Thermal coal, Iron ore, Manganese ore: Equity share of shipping volume is stated above.  
Production amount of Silver, Zinc, Lead: San Cristobal Project 100% base (FY09.1Q: SC equity in share 35%, from 2Q: 100%)

## FOCUS'10 Strategies and Priority Fields

- **Pursue synergy in the businesses integration**

- > oil, natural gas and organic chemicals/nonferrous materials and inorganic chemicals

- **Strengthen mineral resources portfolio**

- > stable performance in coal mining and copper

- > acquisition in new interests in non-ferrous metal, iron& steel making raw materials and energy field

- **Large-scale upstream interests project**

- > silver-zinc-lead (Bolivia) : stable operation, further cost reduction

- > nickel (Madagascar) : steady execution of the project

- **Chemical**

- > inorganic raw materials: strengthen trade of sulfur and sulfuric acid

- > agrichemical: expand global retail network (Americas, Asia)

- **【Investments & Asset replacements in FY2009】**

- acquisition of oil field interests (British North Sea, May, 2009)/

- additional interest of Pogo Gold Mine (U.S., July, 2009)/shale gas interest (U.S., Dec, 2009)

- sold stock of PSIUK (Nov, 2009), partial interest of Batu Hijau (Nov-Dec, 2009)

## Performance Overview

### 【FY10 Apr-Sep Results : 6.7 billion yen】

(2.3 billion yen increase from FY09 Apr-Sep)

#### •Food

Banana business: market calming down

Fertilizer business: inventory valuation loss in the same period of the previous year

#### •Materials & Supplies

TBC: tire unit sales increased along with the market recovery

#### •Construction & Real Estate

office building leasing, sales of condominium: stable

### 【Investments in FY2010】

•made a grain storage network company (possesses grain terminal and country sites) a wholly owned subsidiary (Australia, Apr, 2010)

•joined into large-scale real estate development in Shanghai (June, 2010)

\*\* Forecast for FY2010: Announced in Oct, 2010.

(unit: billions of yen)

	FY2009 Apr-Sep	FY2010 Apr-Sep	FY2010 (forecast**)
Gross profit	48.0	47.3	-
Operating income	9.9	9.1	-
Equity in earnings of associated companies, net	0.3	2.3	-
Net income	4.3	6.7 1Q: 3.9 2Q: 2.7	15.0
Total assets	Mar, 2010 747.5	686.4	-

### 【Results of major subsidiaries and associated companies】

Company:	Equity in earnings of the segment		
	FY09 Apr-Sep	FY10 Apr-Sep	FY10(forecast**)
•Banana business:	2.2	1.4	1.6
•TBC(40/100)*1:	0.8	1.2	1.8
•Summit Rural WA(80/100)*1,2:	-1.6	-0.3	-0.5

\*1 (shares in equity owned by the segment/ owned by whole company)

\*2 shares in equity of the segment in FY09 Apr-Sep: 50.01/100

### 【 Business Outlook 】

• **Food** Banana business: weaker in 2<sup>nd</sup> half(tend to make more profit in 1<sup>st</sup> half)

• **Materials & Supplies** generally stable although TBC decelerates due to worsening consumer confidence

• **Construction & Real Estate** condo sales: expect more delivery in 2<sup>nd</sup> half than in 1<sup>st</sup> half

## FOCUS'10 Strategies and Priority Fields

#### •Food

- > Fertilizer: strengthen earnings base in overseas  
(West Australia, Malaysia, China and Thailand)
- > Banana: enhance the production and sales network, strengthen high-value-added products  
(Japanese market share of Apr-Sep, 2010: around 26%)
- > Wheat: expand business in Asia utilizing upstream business value chain in Australia

#### •Materials & Supplies

- > Tire : promote growth strategy of TBC (tire sales, maintenance business, retail network)  
(market share in North America as of Sep, 2010: around 11%)
- > Timber: promote timber processing business (Russia)  
(full operation started in lumber and veneer processing plants in Apr, 2009)

#### •Construction & Real Estate

- > Office building, commercial facilities: replace assets while acquiring profitable assets  
(manage 62 office buildings and 17 commercial facilities as of Sep, 2010)
- > Condominium: develop new property in order to build earnings base of post FOCUS'10

### 【Investments & Asset replacements in FY2009】

- replacement of an office building (Japan, Jan, 2010)
- investment in grain accumulation business (Australia, Mar, 2010)

## Performance Overview

(FY09 Results are the results of the former "Financial & Logistics".)

### 【FY10 Apr-Sep Results : 4.9 billion yen】

(4.2 billion yen increase from FY09 Apr-Sep)

- **Sumitomo Mitsui Finance & Leasing**  
increased due to decline in credit costs
- **Domestic finance business**  
provision for doubtful receivables in the same period of the previous year
- **Others**
  - reversal of deferred tax liability through receiving dividends of Sumitomo Mitsui Finance & Leasing
  - impairment losses on securities

### 【Investments in FY2010】

- investment in business of recycling of waste consumer electronic and home appliances (Tianjin, China, Apr, 2010)

\*\* Forecast for FY2010: Announced in Oct, 2010.

(unit: billions of yen)

	FY2009 Apr-Sep	FY2010 Apr-Sep	FY2010 (forecast**)
Gross profit	10.6	14.0	-
Operating income	-2.7	0.3	-
Equity in earnings of associated companies, net	3.1	2.5	-
Net income	0.7	4.9	6.0
		1Q: 5.3 2Q: -0.5	
Total assets	Mar, 2010 554.6	562.6	-

### 【Results of major subsidiaries and associated companies】

Company:

Equity in earnings of the segment

FY09 Apr-Sep FY10 Apr-Sep FY10(forecast\*\*)

• Sumitomo Mitsui Finance and Leasing(35/40)*:	3.3	4.9	6.8
• Sumisho Aircraft Asset Management(95/100)*:	0.1	0.2	0.4

\*(shares in equity owned by the segment/ owned by whole company)

### 【 Business Outlook 】

- Stable performance expected including Sumitomo Mitsui Finance & Leasing

## FOCUS'10 Strategies and Priority Fields

### • New Business Development & Promotion

- > Solar business: Further strengthening solar power generation value chain
- > Environmental Solution Business: Developing businesses in recycling, emission and low carbon business field
- > Next-Generation Battery Business: Build and promote value chain in Lithium-ion battery
- > Incubation Business: Finding new technology and business seeds in growing fields and create new business

### • Financial business

- > Leasing business: strengthen cooperation with Sumitomo Mitsui Finance & Leasing Company, Ltd.  
(own 28 aircrafts as of Sep, 2010, including 10 owned by JV with Sumitomo Mitsui Finance & Leasing)
- > Commodity: take in the needs of hedging commodity prices

### • Logistics business

- > Logistics: strengthen global network
- > Industrial park (overseas) : strengthen selling Thang Long Industrial park II in Vietnam, explore the feasibility of development in other regions



## Performance Overview

### 【FY10 Apr-Sep Results : 20.6 billion yen】

(7.6 billion yen increase from FY09 Apr-Sep)

America: 11.4 billion yen (6.3 billion yen increase)

Europe: 3.1 billion yen (0.9 billion yen decrease)

Asia: 2.2 billion yen (0.5 billion yen decrease)

China: 1.6 billion yen (0.4 billion yen increase)

Australia: 0.5 billion yen (1.9 billion yen increase)

#### • America and China:

metal products business: stable

• Australia: inventory valuation loss in the same period of the previous year

\*\* Forecast for FY2010: Announced in Oct. 2010.

(unit: billions of yen)

	FY2009 Apr-Sep	FY2010 Apr-Sep	FY2010 (forecast**)
Gross profit	80.3	88.8	-
Operating income	17.6	24.2	-
Equity in earnings of associated companies, net	3.0	4.4	-
Net income	13.0	20.6	38.5
	Mar. 2010	1Q: 9.4 2Q: 11.2	
Total assets	1,117.8	1,079.1	-

### 【Results of major subsidiaries and associated companies】

Company:

Equity in earnings of the segment

FY09 Apr-Sep FY10 Apr-Sep FY10(forecast\*\*)

• ERYNGIUM(70/100)*1 :	1.1	0.6	1.1
• SOF(10/99.56)*2 :	0.3	0.3	0.6
• Perennial Power Holdings(49.99/100) :	0.4	0.3	0.3
• The Hartz Mountain(59.41/100) :	0.3	0.4	0.5
• Cantex(45/100) :	-0.5	-0.1	-0.3
• Sumi Agro Europe(20/100) :	0.2	0.2	0.1
• Petro Summit Pte.(20/100) :	0.3	0.0	0.1
• SC Minerals America(15.25/100) :	0.1	0.3	0.7
• Oresteel Investments(4/49) :	0.8	0.3	0.5
• TBC(60/100) :	1.2	1.8	2.7
• Summit Rural WA(20/100)*3 :	-1.6	-0.1	-0.1
• Sumisho Aircraft Asset Management(5/100) :	0.0	0.0	0.0

### 【Business Outlook】

- metal products businesses: expected to show stable performance
- concerns regarding yen appreciation

(shares in equity owned by the overseas subsidiary/  
owned by whole company)

\*1 shares in equity of FY09 Apr-Sep: 63/90

\*2 shares in equity of FY09 Apr-Sep: 10/99.6

\*3 shares in equity of FY09 Apr-Sep: 49.99/100

## FOCUS'10 Plan for Increasing Risk Assets (As of October, 2010)

### Plan for Increasing Risk Assets (2-year total)

#### 【FOCUS'10 Initial Plan】

Risk Assets : +100 billion yen (Net)

Increase : +200 billion yen  
 Decrease : -100 billion yen



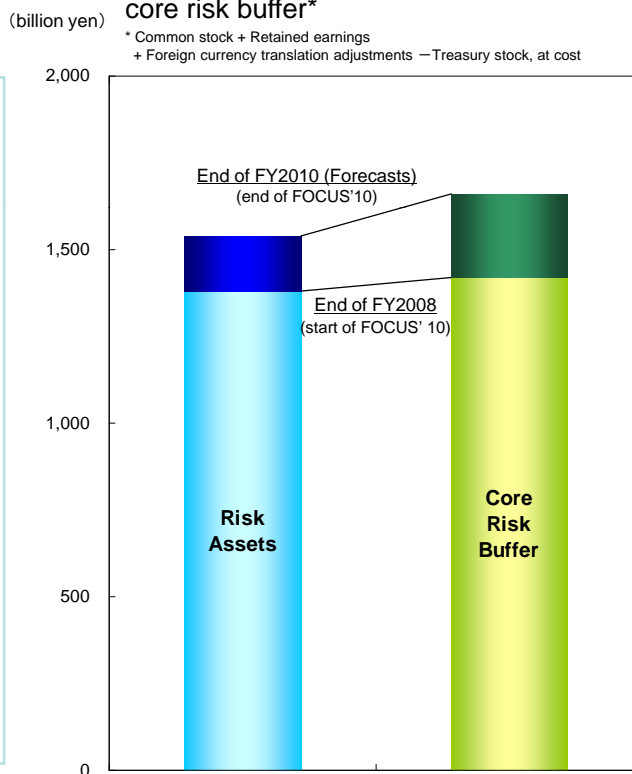
#### 【Outlook】

Risk Assets : +160 billion yen (Net)

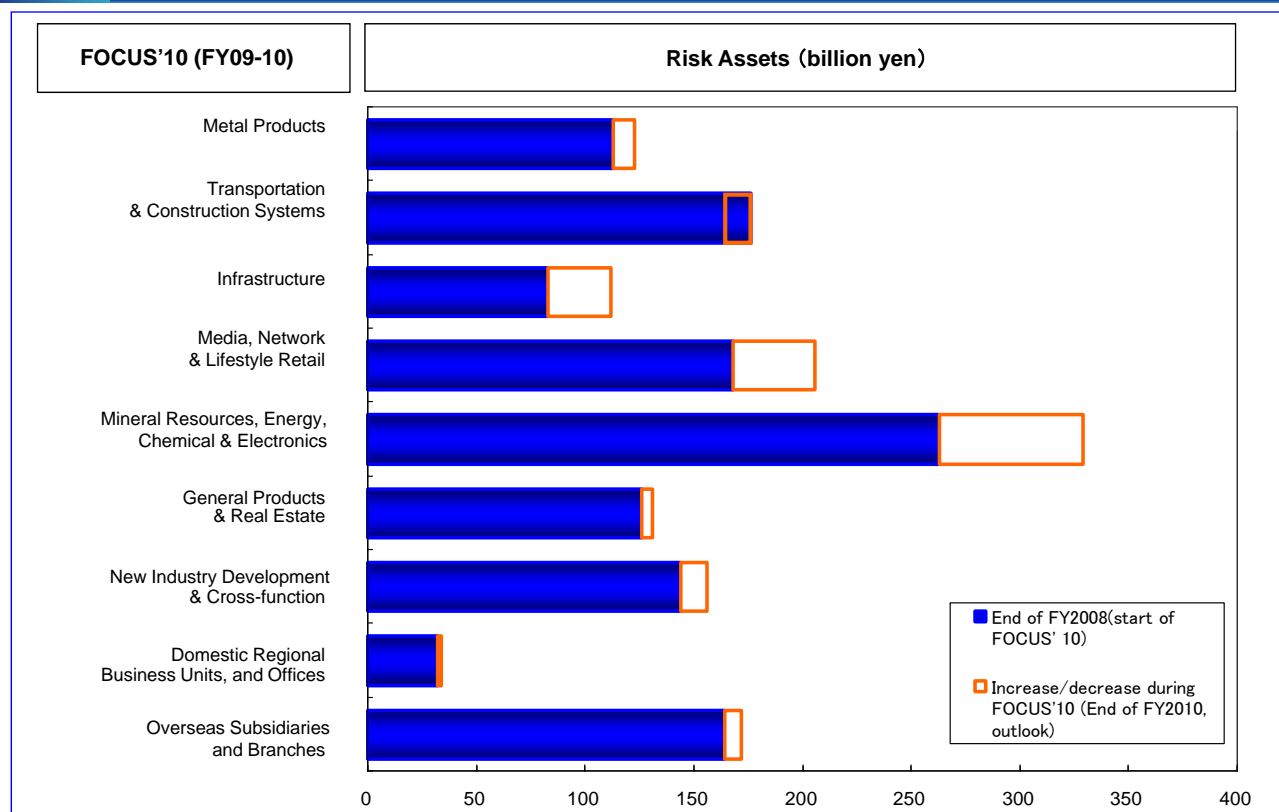
Increase : +260 billion yen  
 Decrease : -100 billion yen

### Balance between risk assets and core risk buffer\*

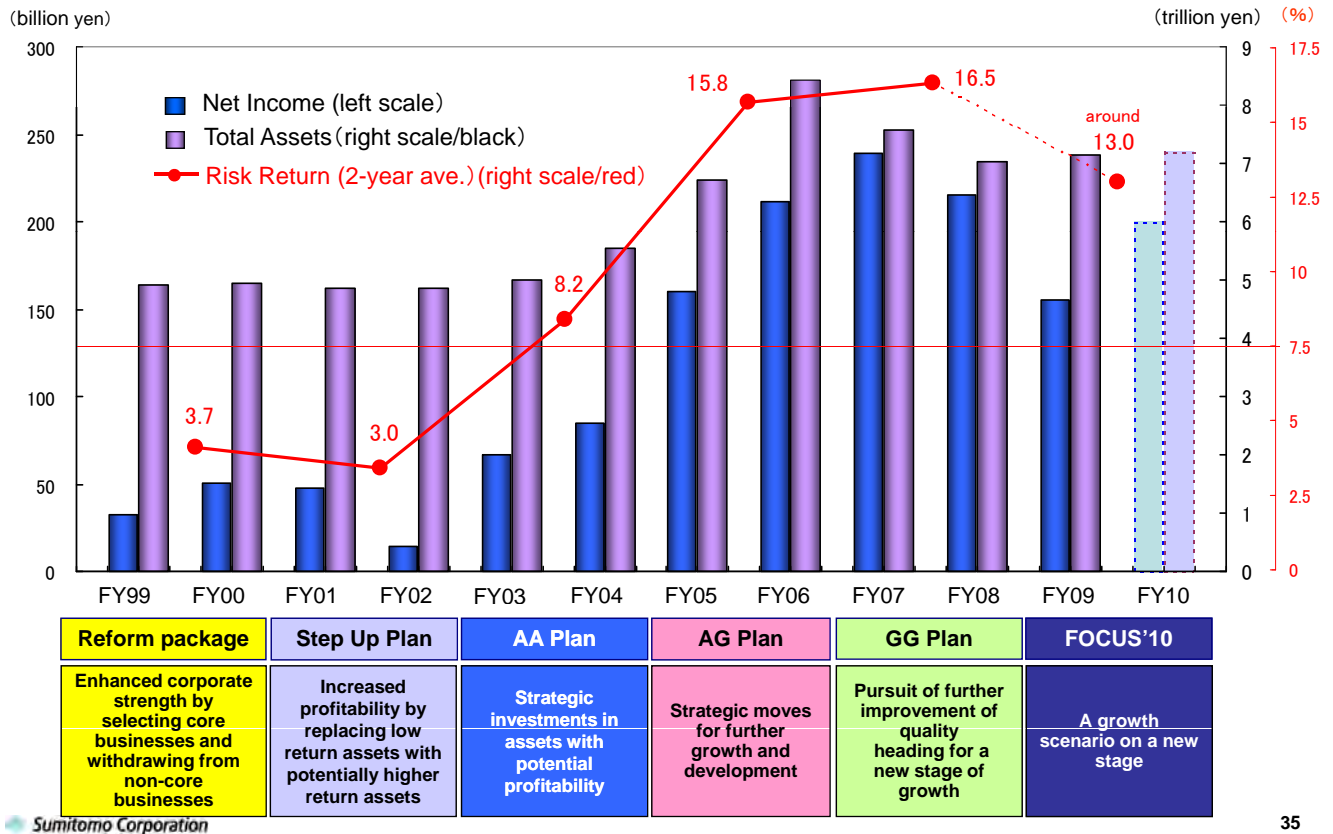
\* Common stock + Retained earnings  
+ Foreign currency translation adjustments — Treasury stock, at cost



## FOCUS'10 Outlook of Risk Assets by Segment (As of April, 2010)



## Medium-term management plans



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## Shareholders' Composition

