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#### Cautionary Statement Concerning Forward-Looking Statements

Certain statements contained in this report relating to our future plans, targets, objectives, expectations, operations, performance and other developments, economic prospects, projections of revenue, income, earnings, expenditures or other financial results and intentions constitute forward-looking statements. The forward-looking statements can be identified by the use of words such as “believes,” “expects,” “anticipate,” “should,” “will,” “would,” “plan,” “estimate,” “potential,” “goal,” “outlook,” “may,” “predicts,” “could,” “seek,” “intend,” or the negative of those words and other comparable expressions. The forward-looking statements are based on management's current assumptions and expectations of future events, and are subject to a number of factors and uncertainties that may result in changes in circumstances. Actual results may differ materially from those the Company expected for a wide range of possible reasons, including general industry and market conditions, general international economic conditions and the risk factors identified in our public filings. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The Company may be unsuccessful in implementing its business strategies, and management may fail to achieve its targets. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, events or performances. These forward-looking statements are made as of the date of this report and the Company is under no obligation -- and expressly disclaims any such obligation -- to update or alter its forward-looking statements.

## **INTERIM REPORT FOR THE FIRST HALF OF THE 143<sup>rd</sup> FISCAL YEAR**

April 1, 2010, through September 30, 2010

**SUMITOMO CORPORATION**

## **To All Shareholders**

We sincerely thank you for the exceptional support you have always given to us.

We would like to report on the general condition of operations for the first half of the 143<sup>rd</sup> Fiscal Year (April 1, 2010 through September 30, 2010).

November 2010  
Susumu Kato  
President and CEO

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## General Condition of the Business

### 1. Review of Business Operations for the First Half of the 143rd Fiscal Year

#### • Economic Environment

During the first half of this fiscal year (April 1 to September 30, 2010), the global economy continued to experience a recovery centering on China and other emerging economies. In the advanced economies, however, the pace of the upturn was slow because of factors including the aftereffects of the financial crisis, the harshness of the employment situation, and concerns over the swelling of fiscal deficits. There was a pause in the rise of prices on international commodity markets accompanying renewed moves to avoid risks in the face of the emergence of the sovereign risk problem in Europe.

In Japan, on top of the ongoing bleakness of the employment picture, concerns over the appreciation of the yen and deflation persisted and the recovery lagged; even so, a gradual upturn continued, reflecting the effects of the government's stimulus measures and the rise in exports in response to the global economic recovery, which contributed to moves toward improvement in capital investment and other forms of domestic demand.

#### • Progress of the Medium-Term Management Plan, "FOCUS'10"

Sumitomo Corporation has been achieving steady progress in implementing its medium-term (two-year) management plan, FOCUS'10, launched in April 2009.<sup>1</sup> Under this plan we aim to establish "a growth scenario on a new stage" with a view to the next 10 years and become a value-creating company that leverages change to power growth. We are seeking to do this in the context of external conditions of unprecedented economic crisis by renewing our efforts to "create new value," as set forth in our Corporate Mission Statement, building on the management reforms implemented over a period of 10 years.

For this purpose, our fundamental principles are to (1) promote medium/long-term growth by enhancing our value-creation capability while reinforcing our soundness and efficiency and (2) promote company-wide growth by leveraging the diversity and the strengths of our businesses. In qualitative terms, we are devoting efforts to (a) steady execution of selective and focused growth strategies, (b) thorough reinforcement of soundness and efficiency, and (c) development of human and organizational dynamism to enhance value-creation capability. In quantitative terms, we have set the targets of ¥115 billion in net income attributable to Sumitomo Corporation for fiscal year 2009

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<sup>1</sup> The word "FOCUS" stands for the key words of the current medium-term management plan: F for Future (a medium- to long-term perspective), O for Originality (respect for individuality and diversity), C for Core (solid earning pillars), U for Unity (leveraging of our integrated corporate strength), and S for Soundness (reinforcement of operational health and efficiency). The name as a whole expresses our intention of focusing on these key elements in particular under this plan.

and a risk-adjusted return ratio<sup>2</sup> of around 10% as a two-year average. In fiscal 2009 net income attributable to Sumitomo Corporation came to ¥155.2 billion, topping our target. Net income attributable to Sumitomo Corporation for the first half of the fiscal year came to ¥108.9 billion. Taking this and other factors into account, we have upgraded our forecast for net income attributable to Sumitomo Corporation for fiscal 2010 from ¥160 billion to ¥200 billion.

#### • **Actions Taken to Implement FOCUS'10**

On April 1 this year we established the New Industry Development & Cross-function Business Unit to develop and promote business in new fields of industry from a company-wide, cross-divisional perspective and support the promotion of business in each field by tapping specialized capabilities. The new business unit includes the New Business Development & Promotion Division, the Financial Service Division, and the Logistics & Insurance Business Division. With this evolutionary change, we have closed the Financial & Logistics Business Unit.

In order to implement FOCUS'10, our business units have concentrated their efforts on the activities described below.

#### **(1) Metal Products Business Unit**

In the field of tubular products, we acquired all the shares of two companies involved in processing and sales, one in Malaysia and one in Singapore. The growth of demand for energy in Asia and the Middle East is expected to bring increased demand for the supply and processing of tubular goods used in wells for oil and natural gas production. In the field of rolled steel products, together with Ikeuchi Seiko Co., Ltd. (a major manufacturer of cold drawn wire rods and bright bars) we established a joint venture for processing of bright bars for automobiles in southern China, where there is a concentration of Japanese automobile manufacturers' plants. This joint venture will meet demand for local procurement of parts in this region, where automobile production is expected to grow. In the field of non-ferrous metals, we decided to participate in the aluminum smelting business being operated in Sarawak, Malaysia by Press Metal Berhad, the biggest aluminum extrusion company in Malaysia. Through this business we will aim to expand our primary aluminum metal trading transactions in Asia.

#### **(2) Transportation & Construction Systems Business Unit**

In the rail car business, together with Nippon Sharyo, Ltd., we received an order for 160 bi-level

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<sup>2</sup> The "risk-adjusted return ratio" is a measure of the profitability of a business against the risks involved in it. It is calculated by dividing (a) the return on the business as measured by the consolidated net income (after taxes) that it is expected to generate during an accounting period by (b) the value of the maximum losses that could be incurred if all the potential risks were actually to happen during the same period ("risk-adjusted assets").

passenger rail cars from Commuter Rail Division of the Regional Transportation Authority and the Northeast Illinois Regional Commuter Railroad Corporation (A Public Corporation), (Both d/b/a Metra). The quality of the rail cars and the technological strength we provide have won high marks, and with the fulfillment of this order, the rail cars we have provided will account for about 70% of the corporation's rolling stock. We will continue to work with Nippon Sharyo seeking expansion of our orders in the United States. In the field of motor vehicles, we launched operation of a Toyota dealership in Libya. We will devote efforts to winning large orders through this dealership, and we will also work at expanding our retail sales and improving after-sales service by building up our network of dealers. In the field of construction equipment, we established Transwest Mongolia LLC as a mining equipment sales and service company in Mongolia, a country with a rich endowment of underground resources. Tapping our large store of know-how and human resources in mining equipment sales and service, we will focus efforts on winning orders particularly for large-scale mining development projects.

### **(3) Infrastructure Business Unit**

In the field of electric power and social infrastructure, we completed construction and delivery of the Nga Awa Purua Geothermal Power Station for which, together with Fuji Electric Systems Co., Ltd., we received an order from New Zealand's state-owned power company, Mighty River Power Limited. We will continue to focus efforts on winning orders for geothermal power generation projects, which tap renewable energy, on the basis of our track record of contracts in other countries as well. In the field of telecommunications, environment, and industrial infrastructure, we concluded a contract for construction of an in-house mobile communications network for Saudi Aramco, Saudi Arabia's national oil company, using the Terrestrial Trunked Radio (TETRA) standard.<sup>3</sup> In China, we agreed to step up our joint development and implementation of projects both inside China and elsewhere with China Datang Corporation Renewable Power Co., Ltd., an affiliate of China Datang Corporation (one of China's big five power companies), specializing in development of power from new energy sources. We will aim for expansion of our joint business in the field of wind power generation and other new energy sources.

### **(4) Media, Network & Lifestyle Retail Business Unit**

In the media business, this April we became the top shareholder in Jupiter Telecommunications Co., Ltd. (J:COM), Japan's biggest cable television company, through purchases under a tender offer that increased our stake from 27.5% to 40.1% of the company's voting shares. In June we signed a memorandum of understanding with J:COM and its number-two shareholder, KDDI Corporation,

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<sup>3</sup> TETRA is a standard for communication systems produced by the European Telecommunications Standards Institute; because it assures a high level of confidentiality, it is used by police, firefighting, and ambulance services.

agreeing to conduct detailed study of measures for building an alliance covering the areas of telecom business and product collaboration, media business, cable television business, and technology and infrastructure. In the period to come we will work at further strengthening the ties between these activities and our own company's far-reaching business base. In the network field, Sumisho Computer Systems Corporation focused on initiatives in priority fields including the cloud-computing market, which is growing vigorously, and it actively sought to take advantage of business opportunities from the recovery in IT investment powered by the improved performance of domestic corporations. In the lifestyle retail field, Jupiter Shop Channel Co., Ltd., Japan's biggest television shopping company, worked at expanding its customer base with efforts including the development of attractive products and the launching of newly conceived programs.

#### **(5) Mineral Resources, Energy, Chemical & Electronics Business Unit**

In our mineral resources business, we agreed to participate in iron ore mining development operations in partnership with Usinas Siderúrgicas de Minas Gerais S.A., a leading Brazilian steel producer. Through this partnership we will aim to provide a steady supply of iron ore for Japan and other Asian countries. In the field of energy, we decided to participate in the shale gas<sup>4</sup> development project of Rex Energy Corporation, a US oil and gas development company, in the Marcellus Shale Fields of Pennsylvania. This participation in an unconventional natural gas<sup>5</sup> development project follows our earlier participation in the shale gas development project in the Barnett Shale Fields of Texas. In the area of life sciences, we made Presperse LLC, a leading US cosmetic chemical formulator,<sup>6</sup> into a wholly owned subsidiary. Through linkage with our pharmaceutical business, we will develop new materials and formulations using technologies derived from pharmaceutical production, and we will strive to expand the cosmetics business beyond the United States to Europe, Japan, and emerging countries.

#### **(6) General Products & Real Estate Business Unit**

In the food business, we got off to a smooth start with the grain accumulation business in which we recently made an equity investment in Australia, one of the world's main grain exporters. We are developing sales of grain to Asian markets through an upstream value chain extending from

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<sup>4</sup> Shale gas is a type of unconventional natural gas and found in shale formations.

<sup>5</sup> "Unconventional" natural gas refers to natural gas produced from sources other than ordinary oil or gas fields. It includes types that have already been brought into commercial production (such as shale gas) and types for which it is hoped commercial production will be possible (such as methane hydrate). Much of it cannot be extracted using traditional technology, and so prospects depend heavily on future technological development.

<sup>6</sup> A cosmetic chemical formulator is a company that lines up "high-functional materials" as candidate ingredients for cosmetics and carries out formulation development; it offers these to cosmetics manufacturers after treatment or mixture with other functional materials.

accumulation to exports, built in conjunction with the existing grain storage and export terminal operation business. In the field of materials and supplies, TBC Corporation, a major tire sales company in the United States, continued to do good business in its retail operations, where it is tapping maintenance demand. In the construction and real estate business, we began construction work on the Shonan Tsujido Project, a large-scale commercial development in front of JR Tsujido Station in Kanagawa Prefecture; it is slated for completion in 2011. And the campus development activities of Tokyo Denki University, for which we are a business partner, are progressing smoothly toward the opening of the university's Tokyo Senju Campus in April 2012.

#### **(7) New Industry Development & Cross-function Business Unit**

In the next-generation battery field, together with Nissan Motor Co., Ltd., we established 4R Energy Corporation to study the feasibility of "second-life" use of lithium-ion batteries for electric vehicles. We will work toward realization of this business so as to create a new market for effective use of lithium-ion batteries. In the area of environmental solutions, together with Dowa Eco-System Co., Ltd., a company with a rich store of expertise and experience in the recycling business, we will push ahead with the business of recycling used consumer electronics and home appliances in various locations in China. As a first step, aiming to start this business in Tianjin, we have set up a joint venture with an additional partner, Tianjin City Green Angel Collection and Reuse of Recyclable Resources Co., Ltd., a Tianjin-based recycling company.

## **2. Operating Results and Financial Status**

### **• Operating Results**

Total trading transactions<sup>7</sup> for the six-month period ended September 30, 2010 amounted to 4,112.2 billion yen representing 8.7% increase from the same period of the previous year.

Gross profit increased by 52.0 billion yen to 426.2 billion yen.

Selling, general and administrative expenses increased by 4.0 billion yen to 320.0 billion yen.

Therefore, operating income increased by 49.0 billion yen to 102.8 billion yen.

Equity in earnings of associated companies increased by 9.4 billion yen to 46.0 billion yen.

As a result, net income attributable to Sumitomo Corporation totaled 108.9 billion yen, an increase of 46.8 billion yen from the same period of the previous year.

#### **<Net income attributable to Sumitomo Corporation by segment>**

Metal Products Business Unit posted 9.3 billion yen, an increase of 5.1 billion yen from the same

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<sup>7</sup> Total trading transactions is presented in a manner customarily used in Japan solely for Japanese investors' purpose. Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which the Company and its consolidated subsidiaries act as principal or as agent.

period of the previous year mainly due to the recovery in demand for steel service center operations. Transportation & Construction Systems Business Unit posted 19.5 billion yen, up 9.6 billion yen. Automobiles/motorcycles finance businesses in Asia showed strong performance and Sumitomo Mitsui Auto Service Company, Ltd. showed stable performance.

Infrastructure Business Unit posted 1.1 billion yen, a decrease of 5.1 billion yen. The revenue from IPP/IWPP businesses (Tanjung Jati B) declined.

Media, Network & Lifestyle Retail Business Unit posted 6.7 billion yen, up 3.0 billion yen from the same period of the previous year. Jupiter Telecommunications Co., Ltd. (J:COM), of which we acquired additional shares in this April, showed stable performance. Also, the profit of Sumisho Computer Systems Corporation increased.

Mineral Resources, Energy, Chemical & Electronics Business Unit posted 36.4 billion yen, an increase of 19.8 billion yen. In addition to strong performances in coal mining operation in Australia and copper businesses, performances of chemical businesses recovered.

General Products & Real Estate Business Unit posted 6.7 billion yen, up 2.3 billion yen. TBC Corporation (tire business in the U.S.) showed strong performance and fertilizer businesses improved from the same period of the previous year.

New Industry Development & Cross-function Business Unit posted 4.9 billion yen, an increase of 4.2 billion yen. The performance of Sumitomo Mitsui Finance & Leasing Company, Limited improved.

Domestic Regional Business Units and Offices posted 2.4 billion yen, up 1.4 billion yen. This was mainly due to the demand recovery in metal products businesses.

Overseas Subsidiaries and Branches posted 20.6 billion yen, an increase of 7.6 billion yen. Demand for metal products businesses recovered and earnings of TBC (tire business in the U.S.) increased.

#### • Financial Status

##### *<Total assets, liabilities, and shareholders' equity as of September 30, 2010>*

Total assets decreased by 111.5 billion yen to 7,026.3 billion yen from March 31, 2010. This was mainly due to the fall of the market value on securities available-for-sale and the decrease of foreign-currency assets resulted from yen appreciation.

Interest-bearing liabilities (gross) were 3,642.4 billion yen, an increase of 41.7 billion yen.

Interest-bearing liabilities (net) were 2,916.3 billion yen, up 134.5 billion yen.

Sumitomo Corporation shareholders' equity decreased by 31.1 billion yen from March 31, 2010 to 1,552.7 billion yen. Although retained earnings increased, foreign currency translation adjustments decreased due to yen appreciation and unrealized holding gains on securities available-for-sale declined. As a result, Sumitomo Corporation shareholders' equity ratio was 22.1%, the same level as of March 31, 2010.

### <Cash flows>

Net cash provided by operating activities was 83.0 billion yen. Although working capital increased along with the business transaction increase, our core businesses generated cash.

Net cash used in investing activities was 215.3 billion yen. In this period, we acquired additional shares of J:COM and shale gas interest in the United States. Also, we expanded automobiles/motorcycles finance businesses in Indonesia. Accordingly, free cash flow was 132.3 billion yen outflow. Net cash provided by financing activities was 50.8 billion yen.

As a result, cash and cash equivalents as of September 30, 2010 was 721.5 billion yen, decreased by 92.3 billion yen from March 31, 2010.

## 3. Dividend

### • Interim Dividend

Our basic policy is to meet shareholders' expectations by ensuring long-term stable dividends; in line with this policy and in consideration of the overall situation, including our business performance, up to now we have set the dividend payout ratio at around 20%, reflecting consolidated financial results. Based on operating results for the six-month period ended September 30, 2010 and other factors, we have upgraded our annual forecast of net income attributable to Sumitomo Corporation from ¥160 billion to ¥200 billion. The interim dividend for fiscal 2010 as decided at the meeting of the Board of Directors on October 29, 2010 is ¥16 per share, applying the consolidated dividend payout ratio of 20% to half of ¥200 billion, the revised annual forecast of net income attributable to Sumitomo Corporation.

### • Year-end Dividend

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 our financial base, which is necessary for our growth strategy. These initiatives are progressing steadily. Taking these situations into account, we have decided to further enhance the return to shareholders while keeping our basic policy to ensure long-term, stable dividends. For this purpose, starting with the fiscal 2010 year-end dividend, we will flexibly set the consolidated dividend payout ratio within the range of 20% to 30%, considering both the changes in the economic environment and progress in investment plans.

For the fiscal 2010 year-end dividend, we will apply a consolidated dividend payout ratio of 25% to half of the annual results of net income attributable to Sumitomo Corporation. If net income attributable to Sumitomo Corporation for fiscal 2010 is as forecast, we plan for the year-end dividend to be ¥20 per share, which, together with the interim dividend of ¥16, will come to an

annual dividend of ¥36 per share.<sup>8</sup>

#### **4. Future Economic Prospects and Management Challenges**

##### **• Economic Prospects**

We expect the global economy overall to continue to recover at a modest pace: The economies of the emerging countries will keep expanding, but elsewhere, particularly in the advanced countries, the negative effects of the credit crunch will continue to be felt, and the effects of stimulus measures will gradually weaken. Meanwhile, there are concerns about the heightening of inflationary pressures in some emerging countries, and we are also likely to see ongoing risks, such as the possible destabilization of international financial markets in the face of growing fiscal deficits in advanced countries.

In the Japanese economy, the harsh employment situation and other factors have caused sentiment to be slow to improve, and there are concerns over the appreciation of the yen, the wearing off of the effects of earlier stimulus measures taken by the government, and the possible impact from emergence of the risks mentioned above, but we expect the slow recovery to continue, with exports increasing in response to the global economic recovery and capital investment picking up thanks to support from improved corporate performance.

##### **• Management Challenges**

The aim of our medium-term management plan, FOCUS '10, is to establish “a growth scenario on a new stage” with a view to the next 10 years. While reinforcing soundness and efficiency, the entire company is working as one on the basis of a medium- to long-term perspective, taking full advantage of the diversity and strengths of our people and businesses, so as to enhance value-creation capability and construct solid earnings pillars.

The economic environment in which we find ourselves is harsh by comparison with the steady upward trend of a few years ago. We will aim for the unflinching accomplishment of our FOCUS'10 objectives so as to build a corporate framework and growth model capable of maintaining sustained growth even in this sort of severe business environment.

We sincerely request the ongoing understanding and support of all our shareholders.

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<sup>8</sup> In fiscal 2009, the annual dividend was ¥24 per share, the sum of the interim dividend of ¥9 and the year-end dividend of ¥15.

## 5. General Condition of Consolidated Operating Results

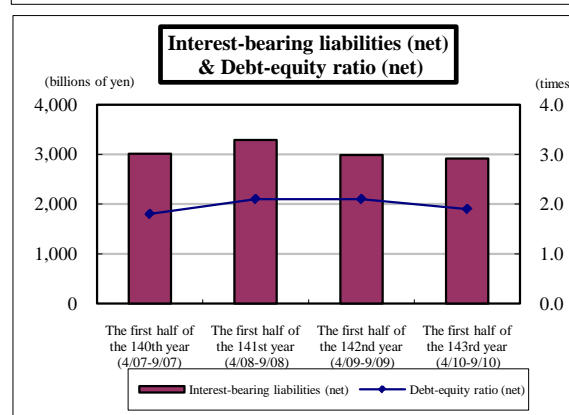
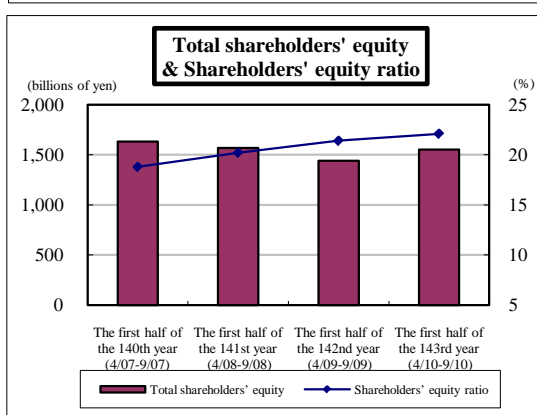
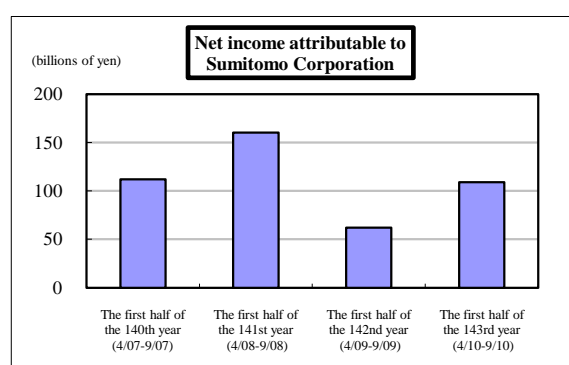
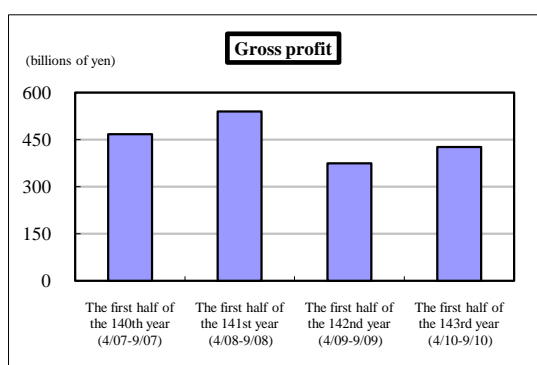
[Prepared on the basis of accounting principles generally accepted in the United States of America]

Sumitomo Corporation and Subsidiaries

### • Summary of Consolidated Financial Statements and Trend of Financial Status

	The first half of the 140th year (4/07-9/07)	The first half of the 141st year (4/08-9/08)	The first half of the 142nd year (4/09-9/09)	The first half of the 143rd year (4/10-9/10)	The 142nd year (4/09-3/10)
Gross profit (billions of yen)	467.2	539.7	374.2	426.2	779.5
Net income attributable to Sumitomo Corporation (billions of yen)	112.0	160.3	62.1	108.9	155.2
Net income per share attributable to Sumitomo Corporation (yen)	90.86	128.23	49.65	87.10	124.15
Total assets (billions of yen)	8,664.9	7,771.6	6,730.8	7,026.3	7,137.8
Total shareholders' equity (billions of yen)	1,630.7	1,566.8	1,441.7	1,552.7	1,583.7
Shareholders' equity per share (yen)	1,304.59	1,253.40	1,153.28	1,242.07	1,266.93
Shareholders' equity ratio (%)	18.8	20.2	21.4	22.1	22.2
Interest-bearing liabilities (net) (billions of yen)	3,013.5	3,292.2	2,985.9	2,916.3	2,781.8
Debt-equity ratio (net) (times)	1.8	2.1	2.1	1.9	1.8
<b>Total trading transactions (billions of yen)</b>	<b>5,695.4</b>	<b>6,084.3</b>	<b>3,783.6</b>	<b>4,112.2</b>	<b>7,767.2</b>

- Notes: 1. Interest-bearing liabilities (net) excludes cash and cash equivalents and time deposits from interest-bearing liabilities.  
2. Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which the Company and its consolidated subsidiaries act as principal or as agent.  
Total trading transactions is a measure commonly used by Japanese trading companies. It is not to be construed as equivalent to, or a substitute for, sales or revenues under U.S. GAAP.  
3. Amounts in billions of yen are rounded to the nearest tenth.



## •Segment Information (Condensed)

Sumitomo Corporation and Subsidiaries

For the six-month periods ended September 30, 2010 and 2009

(Unaudited)

Operating segments: 2010:	Millions of Yen				
	Segment	Gross profit	Net income		Total trading transactions
			attributable to Sumitomo Corporation	As of September 30 Segment assets	
Metal Products	¥ 32,826	¥ 9,302	¥ 593,722	¥ 750,380	
Transportation & Construction Systems	75,492	19,503	1,326,770	612,830	
Infrastructure	10,754	1,092	525,124	121,774	
Media, Network & Lifestyle Retail	87,377	6,709	765,417	295,832	
Mineral Resources, Energy, Chemical & Electronics	53,238	36,442	1,021,757	1,080,119	
General Products & Real Estate	47,260	6,674	686,412	350,322	
New Industry Development & Cross-function	13,955	4,857	562,576	52,870	
Domestic Regional Business Units and Offices	18,425	2,440	345,933	417,864	
Overseas Subsidiaries and Branches	88,824	20,602	1,079,109	813,190	
Segment Total	428,151	107,621	6,906,820	4,495,181	
Corporate and Eliminations	(1,959)	1,262	119,478	(382,952)	
Consolidated	¥ 426,192	¥ 108,883	¥ 7,026,298	¥ 4,112,229	

2009:	Millions of Yen				
	Segment	Gross profit	Net income		Total trading transactions
			attributable to Sumitomo Corporation	As of March 31, 2010 Segment assets	
Metal Products	¥ 26,032	¥ 4,246	¥ 609,219	¥ 630,816	
Transportation & Construction Systems	63,200	9,858	1,399,322	602,827	
Infrastructure	16,496	6,223	521,361	140,515	
Media, Network & Lifestyle Retail	84,442	3,705	697,131	284,956	
Mineral Resources, Energy, Chemical & Electronics	33,403	16,677	1,079,177	1,001,751	
General Products & Real Estate	48,033	4,330	747,495	341,914	
New Industry Development & Cross-function	10,606	677	554,572	23,620	
Domestic Regional Business Units and Offices	16,816	1,000	353,473	398,494	
Overseas Subsidiaries and Branches	80,285	13,002	1,117,753	676,168	
Segment Total	379,313	59,718	7,079,503	4,101,061	
Corporate and Eliminations	(5,138)	2,342	58,295	(317,449)	
Consolidated	¥ 374,175	¥ 62,060	¥ 7,137,798	¥ 3,783,612	

### Notes:

1) Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which the Company and its subsidiaries act as principal or as agent. Total trading transactions is a measure commonly used by Japanese trading companies. It is not to be construed as equivalent to, or a substitute for, sales or revenues under U.S. GAAP.

2) 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.

## Consolidated Balance Sheets [Prepared on the basis of U.S. GAAP]

Sumitomo Corporation and Subsidiaries

As of September 30, 2010 (Unaudited) and March 31, 2010

	Millions of Yen	
	September 30, 2010	March 31, 2010
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	¥ 721,521	¥ 813,833
Time deposits	4,624	5,084
Marketable securities	5,341	5,259
Receivables-trade		
Notes and loans	223,175	210,186
Accounts	1,162,786	1,204,927
Associated companies	108,893	107,570
Allowance for doubtful receivables	(21,891)	(26,189)
Inventories	695,149	676,840
Deferred income taxes	34,746	34,191
Advance payments to suppliers	59,866	68,539
Other current assets	176,678	211,684
Total current assets	3,170,888	3,311,924
<b>Investments and long-term receivables:</b>		
Investments in and advances to associated companies	1,052,373	936,683
Other investments	445,751	522,752
Long-term receivables	760,704	732,978
Allowance for doubtful receivables	(21,601)	(24,525)
Total investments and long-term receivables	2,237,227	2,167,888
<b>Property and equipment, at cost less accumulated depreciation</b>	1,100,509	1,124,379
<b>Goodwill and other intangible assets</b>	377,218	392,940
<b>Prepaid expenses, non-current</b>	53,687	70,842
<b>Deferred income taxes, non-current</b>	23,406	25,423
<b>Other assets</b>	63,363	44,402
<b>Total</b>	¥ 7,026,298	¥ 7,137,798

**Consolidated Balance Sheets** [Prepared on the basis of U.S. GAAP]

Sumitomo Corporation and Subsidiaries

As of September 30, 2010 (Unaudited) and March 31, 2010

	Millions of Yen	
	September 30, 2010	March 31, 2010
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Short-term debt	¥ 378,150	¥ 453,361
Current maturities of long-term debt	566,700	481,326
Payables-trade		
Notes and acceptances	54,663	48,476
Accounts	888,339	921,003
Associated companies	29,006	20,740
Income taxes	32,501	30,985
Accrued expenses	80,594	91,433
Advances from customers	100,268	113,120
Other current liabilities	127,013	159,460
Total current liabilities	2,257,234	2,319,904
<b>Long-term debt, less current maturities</b>	2,962,599	2,938,465
<b>Accrued pension and retirement benefits</b>	19,284	19,166
<b>Deferred income taxes, non-current</b>	126,314	165,605
<b>Equity:</b>		
<b>Sumitomo Corporation shareholders' equity:</b>		
Common stock	219,279	219,279
Additional paid-in capital	288,480	288,564
Retained earnings		
Appropriated for legal reserve	17,696	17,696
Unappropriated	1,324,772	1,234,640
Accumulated other comprehensive income (loss)		
Net unrealized holding gains on securities available-for-sale	35,294	74,491
Foreign currency translation adjustments	(264,284)	(192,146)
Net unrealized losses on derivatives	(15,839)	(12,240)
Pension liability adjustments	(51,664)	(45,475)
Treasury stock, at cost	(1,062)	(1,083)
Total Sumitomo Corporation shareholders' equity	1,552,672	1,583,726
<b>Noncontrolling interests</b>	108,195	110,932
Total equity	1,660,867	1,694,658
<b>Total</b>	¥ 7,026,298	¥ 7,137,798

## Consolidated Statements of Income and Comprehensive Income

[Prepared on the basis of U.S. GAAP]  
Sumitomo Corporation and Subsidiaries  
For the six-month periods ended September 30, 2010 and 2009  
(Unaudited)

	Millions of Yen	
	September 30, 2010	September 30, 2009
<b>Revenues:</b>		
Sales of tangible products	¥ 1,227,222	¥ 1,096,721
Sales of services and others	293,483	281,683
Total revenues	1,520,705	1,378,404
<b>Cost:</b>		
Cost of tangible products sold	(990,461)	(898,658)
Cost of services and others	(104,052)	(105,571)
Total cost	(1,094,513)	(1,004,229)
<b>Gross profit</b>	426,192	374,175
<b>Other income (expenses) :</b>		
Selling, general and administrative expenses	(319,968)	(316,016)
Provision for doubtful receivables	(3,416)	(4,393)
Impairment losses on long-lived assets	(31)	(884)
Gain on sale of property and equipment, net	589	865
Interest income	7,227	9,157
Interest expense	(15,826)	(21,398)
Dividends	5,324	6,644
Other than temporary impairment losses on securities	(569)	(1,781)
Gain on sale of marketable securities and other investments, net	11,446	4,070
Equity in earnings of associated companies, net	45,981	36,583
Other, net	298	1,478
Total other income (expenses)	(268,945)	(285,675)
<b>Income before income taxes</b>	157,247	88,500
<b>Income taxes</b>	(43,296)	(23,463)
<b>Net income</b>	113,951	65,037
<b>Less: Net income attributable to noncontrolling interests</b>	(5,068)	(2,977)
<b>Net income attributable to Sumitomo Corporation</b>	¥ 108,883	¥ 62,060
<b>Disclosure of comprehensive income (loss):</b>		
Net income	¥ 113,951	¥ 65,037
Other comprehensive income (loss), net of tax:		
Net unrealized holding gains (losses) on securities available-for-sale	(39,348)	29,406
Foreign currency translation adjustments	(73,437)	6,057
Net unrealized losses on derivatives	(4,060)	(4,231)
Pension liability adjustments	(6,195)	13,351
<b>Comprehensive income (loss)</b>	(9,089)	109,620
Less: Comprehensive income attributable to noncontrolling interests	(3,151)	(2,345)
<b>Comprehensive income (loss) attributable to Sumitomo Corporation</b>	¥ (12,240)	¥ 107,275
<b>Total trading transactions</b>	¥ 4,112,229	¥ 3,783,612

Note:

Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which the Company and its consolidated subsidiaries act as principal or as agent. Total trading transactions is a measure commonly used by Japanese trading companies. It is not to be construed as equivalent to, or a substitute for, sales or revenues under U.S. GAAP.

## Condensed Consolidated Statements of Cash Flows [Prepared on the basis of U.S. GAAP]

Sumitomo Corporation and Subsidiaries

For the six-month periods ended September 30, 2010 and 2009

(Unaudited)

	Millions of Yen	
	September 30, 2010	September 30, 2009
<b>Operating activities:</b>		
Net income	¥ 113,951	¥ 65,037
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	82,536	82,495
Provision for doubtful receivables	3,416	4,393
Impairment losses on long-lived assets	31	884
Gain on sale of property and equipment, net	(589)	(865)
Other than temporary impairment losses on securities	569	1,781
Gain on sale of marketable securities and other investments, net	(11,446)	(4,070)
Equity in earnings of associated companies, less dividends received	(9,115)	(18,047)
Changes in operating assets and liabilities, excluding effect of acquisitions and divestitures:		
(Increase) decrease in receivables	(44,223)	159,100
(Increase) decrease in inventories	(51,229)	130,509
Decrease in payables	(8,230)	(74,813)
Other, net	7,360	(56,008)
Net cash provided by operating activities	83,031	290,396
<b>Investing activities:</b>		
Changes in:		
Property, equipment and other assets	(87,855)	(80,475)
Marketable securities and investments	(131,036)	(32,398)
Loans and other receivables	3,425	31,873
Time deposits	142	254
Net cash used in investing activities	(215,324)	(80,746)
<b>Financing activities:</b>		
Changes in:		
Short-term debt	(34,100)	(277,763)
Long-term debt	106,317	93,536
Cash dividends paid	(18,751)	(18,750)
Payment to and from noncontrolling interests and others, net	(2,620)	55
Net cash provided by (used in) financing activities	50,846	(202,922)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(10,865)	648
<b>Net (decrease) increase in cash and cash equivalents</b>	(92,312)	7,376
<b>Cash and cash equivalents, beginning of year</b>	813,833	511,350
<b>Cash and cash equivalents, end of period</b>	¥ 721,521	¥ 518,726

Note:

Consolidated results' amounts in millions of yen are rounded to the nearest million.

## General Condition of the Company (as of September 30, 2010)

- **Date of Incorporation** December 1919
- **Amount of Capital** ¥219,278,931,183

### 1. Principal Lines of Business

Through its worldwide network, the Sumitomo Corporation Group engages in diverse business activities in a wide variety of fields, such as metal products, transportation, construction systems, infrastructure, media, network, lifestyle retail, mineral resources, energy, chemical, electronics, general products, real estate, environment, new energy, financial and logistics. These activities include engaging in domestic and overseas transactions, import and export of various goods and commodities, providing wide range of services and investing in businesses.

### 2. Status of the Stock

- **Number of Shares Authorized for Issuance** 2,000,000,000 shares
- **Number of Issued Shares** 1,250,602,867 shares
- **Number of Shareholders** 123,064 persons

### 3. Status of Employees

- **Number of Employees** 5,473 persons<sup>1</sup>
- **Number of Employees (Consolidated basis)** 65,254 persons

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<sup>1</sup> It includes 291 persons whom overseas offices of the Company employ.

#### 4. Status of Operating Locations, etc.

- **Domestic**

The Company's Head Office	Chuo-ku, Tokyo	
The Company's Regional Business Units	3 units	Chubu (Nagoya), Kansai (Osaka), Kyushu Okinawa (Fukuoka)
The Company's Regional Main Offices	3 offices	Hokkaido (Sapporo), Tohoku (Sendai), Chugoku (Hiroshima)
The Company's Branch Offices	6 offices	Shizuoka, Hamamatsu, Shikoku (Takamatsu), Niihama, Nagasaki, Okinawa (Naha)

Note: In addition to the above, there are 3 sub-branch offices of the Company.

The Company's Domestic Incorporated Subsidiaries	3 subsidiaries	Sumitomo Corporation Hokkaido Co., Ltd., Sumitomo Corporation Tohoku Co., Ltd., Sumitomo Corporation Kyushu Co., Ltd.
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Note: There are 9 head, branch or other offices of these 3 domestic incorporated subsidiaries of the Company.

- **Overseas**

The Company's Branch Offices	3 offices	Manila, Kuala Lumpur, Johannesburg
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Note: In addition to the above, there are 32 overseas representative offices of the Company.

The Company's Overseas Locally Incorporated Subsidiaries:		
Asia	18 subsidiaries	Sumitomo Corporation (China) Holding Ltd., Sumitomo Corporation Asia Pte. Ltd. (Singapore), Sumitomo Corporation (Shanghai) Limited, etc.
Europe / CIS	7 subsidiaries	Sumitomo Corporation Europe Holding Limited (UK), Sumitomo Corporation Europe Limited (UK), Sumitomo Deutschland GmbH, etc.
North America	2 subsidiaries	Sumitomo Corporation of America, Sumitomo Canada Limited
Central and South America	8 subsidiaries	Sumitomo Corporation do Brasil S.A., Sumitomo Corporation Colombia S.A., Sumitomo Corporation de Mexico S.A. de C.V., etc.
Middle East and Africa	3 subsidiaries	Sumitomo Corporation Dis Ticaret A.S., Sumitomo Corporation Middle East FZA (UAE), Sumitomo Corporation Iran, Ltd.
Oceania	1 subsidiary	Sumitomo Australia Pty Ltd.
Total	39 subsidiaries	

Note: There are 81 head, branch or other offices of these 39 overseas locally incorporated subsidiaries of the Company.

## 5. Status of Consolidated Subsidiaries and Other Associated Companies

- **Number of Consolidated Subsidiaries** 564
- **Number of Associated Companies** 213
- **Major Consolidated Subsidiaries and Associated Companies**

Segment	Company Name		Major Lines of Business
Metal Products	Asian Steel Company Ltd.	(C)	Steel service center in Southeast Asia
	Sumisho Metalex Corporation	(C)	Sale of non-ferrous metal products
Transportation & Construction Systems	Sumitomo Mitsui Auto Service Company, Limited	(C)	Leasing of automobiles and automobile-related goods
	PT. Oto Multiartha	(C)	Automobile leasing and financing operations in Indonesia
Infrastructure	PT Central Java Power	(C)	Leasing operations of power plants in Indonesia
	Perennial Power Holdings, Inc.	(C)	Development, ownership and management of power plants in the U.S.
Media, Network & Lifestyle Retail	Sumisho Computer Systems Corporation	(C)	System integration, sales of software and hardware and information processing services
	Jupiter Telecommunications Co., Ltd.	(A)	Integrated cable TV operation and management of TV programming and content providing business for multi-channel broadcasting
Mineral Resources, Energy, Chemical & Electronics	Sumisho Coal Australia Pty Ltd.	(C)	Investment in coal mines in Australia
	Nusa Tenggara Mining Corporation	(C)	Investment in and financing of the Batu Hijau copper/gold mine development project in Indonesia
General Products & Real Estate	Shinko Sugar Co., Ltd.	(C)	Manufacture and sales of refined, crystallized and liquid sugar
	TBC Corporation	(C)	Distribution and retailing of tires in the U.S.
New Industry Development & Cross-function	Sumitomo Mitsui Finance and Leasing Company, Limited	(A)	Leasing business
	Sumisho Global Logistics Co., Ltd.	(C)	Global logistics service provider
Overseas Subsidiaries and Branches	Sumitomo Corporation of America	(C)	Export, import and wholesale
	Sumitomo Corporation Europe Holding Limited	(C)	Holding company of European subsidiaries

Note: (C) and (A) stand for “consolidated subsidiaries” and “associated companies”, respectively.

## 6. Directors and Corporate Auditors

<u>Name/Title</u>		<u>Name/Title</u>	
Motoyuki Oka	Chairman of the Board of Directors	Susumu Kato	President and CEO
Kazuo Ohmori	Director	Shunichi Arai	Director
Nobuo Kitagawa	Director	Toyosaku Hamada	Director
Takahiro Moriyama	Director	Takashi Kano	Director
Kuniharu Nakamura	Director	Takuro Kawahara	Director
Yoshio Osawa	Director	Yasuyuki Abe	Director
Kenzo Okubo	Standing Corporate Auditor (Full-Time)	Ichiro Miura	Corporate Auditor (Full-Time)
Akio Harada	Corporate Auditor*	Tsuguoki Fujinuma	Corporate Auditor*
Mutsuo Nitta	Corporate Auditor*		

Notes: 1. All Directors are Representative Directors.

2. Outside Corporate Auditors are indicated by an asterisk (\*).

## 7. Executive Officers

<u>Name/Title</u>		<u>Name/Title</u>	
Susumu Kato	President and CEO*	Michio Ogimura	Executive Vice President
Kazuo Ohmori	Executive Vice President*	Michihisa Shinagawa	Senior Managing Executive Officer
Shuichi Mori	Senior Managing Executive Officer	Shunichi Arai	Senior Managing Executive Officer*
Nobuo Kitagawa	Senior Managing Executive Officer*	Kenji Kajiwara	Senior Managing Executive Officer
Toyosaku Hamada	Senior Managing Executive Officer*	Takahiro Moriyama	Senior Managing Executive Officer*
Takashi Kano	Senior Managing Executive Officer*	Kuniharu Nakamura	Senior Managing Executive Officer*
Shinichi Sasaki	Managing Executive Officer	Takuro Kawahara	Managing Executive Officer*
Yoshio Osawa	Managing Executive Officer*	Yasuyuki Abe	Managing Executive Officer*
Kazuhisa Togashi	Managing Executive Officer	Kazuhiro Takeuchi	Managing Executive Officer
Shinichi Ishida	Managing Executive Officer	Takafumi Sone	Managing Executive Officer
Naoki Hidaka	Managing Executive Officer	Shigeru Ohashi	Managing Executive Officer
Masayuki Doi	Managing Executive Officer	Toru Furihata	Managing Executive Officer
Hiroyuki Inohara	Managing Executive Officer	Masaru Nakamura	Managing Executive Officer
Makoto Nakamura	Executive Officer	Kohei Hirao	Executive Officer
Michihiko Kanegae	Executive Officer	Kiyomi Machida	Executive Officer
Hideki Iwasawa	Executive Officer	Akira Takeuchi	Executive Officer
Koichi Takahata	Executive Officer	Nobuhiko Yuki	Executive Officer
Kiyoshi Ogawa	Executive Officer	Hiroaki Mizobuchi	Executive Officer
Masao Sekiuchi	Executive Officer	Masato Sugimori	Executive Officer
Yutaka Sekine	Executive Officer		

Notes: 1. Directors (Representative Directors) are indicated by an asterisk (\*).

2. As of November 1, 2010, Masahiro Fujita newly became an Executive Officer.

**8. Accounting Auditor**

KPMG AZSA LLC

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