

## **For Immediate Release**

### **Sumitomo Corporation Announces Quarterly Financial Results for the Fiscal Year 2011 (Nine-month period ended December 31, 2011)**

On February 2, 2012, Sumitomo Corporation announced its consolidated results for the nine-month period ended December 31, 2011, prepared on the basis of International Financial Reporting Standards (IFRS).

“Profit for the period attributable to owners of the parent” for the nine-month period ended December 31, 2011 was 219.1 billion yen, increased by 40.1 billion yen representing 22% increase from the same period of the previous year. When reviewing the results of this third quarter (October-December), profit attributable to owners of the parent was 67.6 billion yen, same level as the second quarter (July-September) results of 67.9 billion yen.

#### **1. Consolidated Income**

- Gross profit was 695.6 billion yen, an increase of 51.2 billion yen from the same period of the previous year. San Cristobal silver-zinc-lead mining project in Bolivia, led by sales prices increase, and CSK Corporation, which we made our subsidiary in April, 2011, contributed to the results.
- Share of profit of investments accounted for using the equity method increased by 7.6 billion yen to 82.4 billion yen. Iron ore mining business in Brazil, which we invested in fiscal 2010, contributed to the results. Also, copper businesses in the Americas showed stable performances led by rise in sales prices.
- Gain on securities and other investments, net was 28.0 billion yen. This was resulted from value realizations through replacement of assets.

## 2. Segment Information

- Nine months results by segment are as follows.
  - Transportation & Construction Systems  
Automobiles/motorcycles finance businesses in Asia decreased due to harsh competition and increase in provisions for doubtful receivables.
  - Infrastructure  
Leasing profit increased since one unit of Tanjung Jati B expansion project was completed in October, 2011.
  - Media, Network & Lifestyle Retail  
SCSK Corporation, which was established in October 2011 through merger of Sumisho Computer Systems Corporation and CSK Corporation, contributed to the results. In addition, sales of Jupiter Shop Channel Co., Ltd. were strong.
  - Mineral Resources, Energy, Chemical & Electronics  
In addition to San Cristobal silver-zinc-lead mining project in Bolivia, copper businesses in the Americas, and iron ore mining business in Brazil stated above, chemical business was stable.
  - General Products & Real Estate  
Condominium sales business was strong.
  - Overseas Subsidiaries and Branches  
Metal products businesses including tubular products business in North America were stable.
- Looking at the quarterly results by segment, the third quarter results of “Mineral Resources, Energy, Chemical & Electronics” decreased by 20.5 billion yen from the second quarter. Temporary gain was recognized in the second quarter while third quarter performance was affected by fall in commodity prices. However, various core businesses we have established in each segment, such as metal products business, contributed to the results and covered the decrease. As a result, third quarter performance of the whole company continued to be strong as in the second quarter.

### **3. Financial position**

- Total assets as of December 31, 2011 amounted to 7,427.6 billion yen, an increase of 197.1 billion yen from March 31, 2011. This was mainly resulted from making CSK our subsidiary in this fiscal year.
- Shareholders' equity\* decreased by 13.2 billion yen from March 31, 2011 to 1,557.2 billion yen. Although retained earnings increased, foreign currency translation adjustments\* decreased due to yen appreciation.
- Interest-bearing liabilities, net decreased by 254.6 billion yen to 2,801.6 billion yen. The decrease was due to reclassifying "Interest-bearing liabilities" of subsidiaries we plan to sell to "Liabilities associated with assets classified as held for sale".
- As a result, Debt-equity ratio, net (Interest-bearing liabilities, net/ Equity attributable to owners of the parent) improved to 1.8 times.

\* "Shareholders' equity" is equivalent to "Equity attributable to owners of the parent" in Consolidated Statements of Financial Position. "Foreign currency translation adjustments" is equivalent to "Exchange differences on translating foreign operations" under IFRS.

### **4. Cash flows**

- During the nine-month period ended December 31, 2011, net cash provided by operating activities was 170.9 billion yen since our core businesses steadily generated cash. Net cash used in investing activities was 36.1 billion yen. While we actively collected cash through asset sales, we made investments including copper mine development project in Chile.
- Accordingly, free cash flow was 134.7 billion yen inflow.

## 5. Progress for the full fiscal year ending March 31, 2012

- “Profit for the year attributable to owners of the parent” progressed 88% of 250 billion yen annual forecast revised in November, 2011.
- Although uncertainty of world economy is high due to sovereign debt issues in Europe, the world economy is expected to grow gradually. In developed countries, we can see positive signs such as housing market and employment situations bottoming out in the United States. In emerging countries, as China is going through the period of political leadership changeover, it appears they intend to continue their economic policy that will realize high growth.
- Looking at our businesses, in the fourth quarter, we are expecting temporary losses such as cost regarding asset replacements, valuation losses and impairment losses. However, based on the business environment surrounding us, generally, our businesses are expected to show stable performances. Therefore, we expect our full fiscal year results will surpass our forecast for the profit for the year attributable to owners of the parent of 250 billion yen.

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### Cautionary Statement Concerning Forward-Looking Statements

This report includes forward-looking statements relating to our future plans, forecasts, objectives, expectations and intentions. The forward-looking statements reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The management forecasts included in this report are not projections, and do not represent management's current estimates of future performance. Rather, they represent forecasts that management strives to achieve through the successful implementation of the Company's business strategies. The company may be unsuccessful in implementing its business strategies, and management may fail to achieve its forecasts.

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