

Highlights of consolidated quarterly results for FY2015 (Nine-month period ended December 31, 2015)

[Prepared on the basis of International Financial Reporting Standards]

Sumitomo Corporation

1. Summary

< FY2015 Q3 Results >

Profit for the period attributable to owners of the parent 61.3 billion yen
(71.6 billion yen increase from FY2014 Q3)

Free cash flow 258.1 billion yen inflow

(Investment execution: approx. 230 billion yen, Collection by asset replacement: approx. 80 billion yen)

Total assets 8,539.3 billion yen (482.1 billion yen decrease from FY2014 year-end)

< FY2015 Forecasts >

Profit for the year attributable to owners of the parent 100.0 billion yen

Profit (loss) for the period attributable to owners of the parent			
(Billions of yen)	Apr.1-Dec.31 2015 Result	Apr.1-Dec.31 2014 Result	Increase/ (decrease)
Profit (loss) for the period attributable to owners of the parent	61.3	(10.3)	71.6
Impairment losses*	(111.6)	(192.8)	81.2
Profit except for impairment losses	173.0	182.6	(9.6)

* Main impairment losses in Apr.1-Dec.31 2015
Nickel mining and refining business in Madagascar (77.0)
Iron ore mining project in South Africa (18.3)
Copper and molybdenum mining business in Chile (14.0)

2. Operating Results

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

	Apr.1-Dec.31 2015		Apr.1- Dec.31 2014 (B)	Increase/(decrease)		Summary
	Oct.1-Dec.31 2015 (A)			Amount (A)-(B)	Percentage	
Gross Profit	675.4	212.8	685.1	(9.7)	(1%)	<u>Gross profit</u> <Factors causing decrease> - Decrease in earnings of tubular products business in North America <Factors causing increase> - Increase in the condo delivery - Robust performance by SCSK - Increase due to the yen's depreciation
Selling, general and administrative expenses	(566.2)	(187.3)	(545.5)	(20.7)	(4%)	
Provision for doubtful receivables	(6.0)	(2.5)	(5.8)	(0.2)	(3%)	
Interest expense, net of interest income	(3.9)	0.4	(9.8)	5.9	60%	<u>Share of profit (loss) of investments accounted for using the equity method</u> - Impact of impairment losses in 2015 Q3 (109.6) - Increase in sales volume in the copper-mining project in Indonesia - Stable performance by J:COM
Dividends	7.6	2.9	13.2	(5.7)	(43%)	
Share of profit (loss) of investments accounted for using the equity method	(29.3)	(90.7)	75.6	(104.9)	-	<u>Gain (loss) on securities and other investments, net/</u> <u>Gain (loss) on property, plant and equipment, net/Other, net</u> - Realized gains resulting from asset replacements - Absence of impairment losses posted in the same period of the previous year
Gain (loss) on securities and other investments, net	17.7	11.1	13.7	4.1	30%	
Gain (loss) on property, plant and equipment, net	4.6	(2.4)	(212.3)	216.9	-	
Other, net	21.6	4.0	(10.0)	31.7	-	
Profit (loss) before tax	127.5	(49.1)	9.9	117.6	-	
Income tax expense	(54.5)	(14.8)	(14.8)	(39.7)	(269%)	
Profit (loss) for the period	73.0	(64.0)	(4.8)	77.9	-	
Profit (loss) for the period attributable to:						
Owners of the parent	61.3	(68.0)	(10.3)	71.6	-	
Non-controlling interests	11.7	4.0	5.4	6.3	116%	
Basic profit (Calculation for reference)*	50.4	(69.7)	170.8	(120.5)	(71%)	
Comprehensive income for the period (attributable to owners of the parent)	(14.5)	(39.5)	286.7	(301.2)	-	

Profit for the period

	FY2014				FY2015		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	52.3	(90.7)	28.1	(62.9)	82.0	47.3	(68.0)

Basic profit

	FY2014				FY2015		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	53.3	62.3	55.2	13.2	67.7	52.4	(69.7)

Mineral resources business (1.5) 4.2 (2.0) (53.2) 3.6 1.2 (115.1)
Non-mineral resources business 54.9 58.2 57.2 66.3 64.1 51.2 45.4

[Reference] < Quarter-on-quarter comparison >

Profit for the period	FY2014				FY2015		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	52.3	(90.7)	28.1	(62.9)	82.0	47.3	(68.0)

	FY2014				FY2015		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	53.3	62.3	55.2	13.2	67.7	52.4	(69.7)

Mineral resources business (1.5) 4.2 (2.0) (53.2) 3.6 1.2 (115.1)
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Key indicators		Apr.1-Dec.31 2015	Apr.1-Dec.31 2014
Exchange rate (Yen/US\$)	(Apr.-Dec.)	121.74	106.73
Interest rate (6m Yen LIBOR)	(Apr.-Dec.)	0.13%	0.17%
Interest rate (6m US\$ LIBOR)	(Apr.-Dec.)	0.52%	0.33%
Crude oil (US\$/bbl) <North Sea Brent>	(Jan.-Sep.)	56	106
Copper (US\$/MT)	(Jan.-Sep.)	5,707	6,939
Zinc (US\$/MT)	(Apr.-Dec.)	1,883	2,206
Nickel (US\$/lb)	(Jan.-Sep.)	5.73	7.81
Iron ore (US\$/MT) ***	(Jan.-Sep.)	58	104
Hard Coking coal (US\$/MT) ***	(Apr.-Dec.)	97	120

*** Market price

*Calculation of basic profit: (Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + Dividends) x (1-Tax rate)**
+ Share of profit (loss) of investments accounted for using the equity method

**Tax rate used in calculating basic profit: FY2015 33%, FY2014 36%

Sumitomo Corporation

3. Segment Information

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

	Profit for the period attributable to owners of the parent			Summary
	Apr.1- Dec.31, 2015	Apr.1- Dec.31, 2014	Increase/ (decrease)	
Metal Products	14.5	24.3	(9.8)	- Decrease in earnings of tubular products business in North America - Stable performance of the operation of overseas steel service centers
Transportation & Construction Systems	40.1	29.0	11.1	- Robust performance by leasing business and construction equipment rental business in the U.S. - Impact of impairment losses 7.5 (2015 Q3:nil, 2014 Q3:(7.5))
Environment & Infrastructure	13.6	16.2	(2.7)	- Stable performance of overseas power infrastructure business - Decrease in earnings of domestic power infrastructure business, impacted by the fluctuation of wholesale prices in the electric power market
Media, Network, Lifestyle Related Goods & Services	41.8	32.0	9.9	- Robust performance by domestic major group companies - Steady performance of real estate business
Mineral Resources, Energy, Chemical & Electronics	(95.0)	(101.7)	6.7	- Impact of impairment losses 15.6 (2015 Q3:(110.1), 2014 Q3:(125.7)) - Increase in sales volume in the copper-mining project in Indonesia - Decrease in profits of iron ore mining businesses
Overseas Subsidiaries and Branches	36.1	(14.9)	50.9	- Impact of impairment losses 58.1 (2015 Q3:(1.5), 2014 Q3:(59.6)) - Realized gains resulting from asset replacements - Decrease in earnings of tubular products business in North America
Total	51.1	(15.0)	66.2	
Corporate and Eliminations	10.2	4.8	5.4	
Consolidated	61.3	(10.3)	71.6	

* On April 1, 2015 Tire Business Department was transferred from Media, Network, Lifestyle Related Goods & Services Business Unit to Transportation & Construction Systems Business Unit. The segment information of the same period of the previous year has also been reclassified.

4. Cash Flows

	Apr.1- Dec.31, 2015	Apr.1- Dec.31, 2014
Net cash provided by operating activities	391.3	78.2
Net cash used in investing activities	(133.2)	(306.2)
Free Cash Flow	258.1	(228.0)
Net cash (used in) / provided by financing activities	(381.2)	(51.7)
Effect of exchange rate changes on cash and cash equivalents	(3.8)	33.0
Net (decrease) / increase in cash and cash equivalents	(126.9)	(246.7)
Summary		
Net cash provided by operating activities - Core businesses generated cash steadily		
Net cash used in investing activities - Investment execution : approx. 230 billion yen - Collection by asset replacement : approx. 80 billion yen		

5. Financial Position

	As of Dec.31, 2015	As of Mar.31, 2015	Increase/ (decrease)	Summary				
Total assets	8,539.3	9,021.4	(482.1)	Total Assets - Decrease in trade receivables - Decrease in inventories				
Shareholders' equity *	2,405.4	2,481.4	(76.1)	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p style="text-align: center;"><Exchange rate(Yen/US\$)></p> <table border="1" style="margin: 0 auto;"> <tr> <td style="text-align: center;">As of Dec. 31, 2015</td> <td style="text-align: center;">As of Mar. 31, 2015</td> </tr> <tr> <td style="text-align: center;">120.61</td> <td style="text-align: center;">120.17</td> </tr> </table> </div>	As of Dec. 31, 2015	As of Mar. 31, 2015	120.61	120.17
As of Dec. 31, 2015	As of Mar. 31, 2015							
120.61	120.17							
Financial assets measured at fair value through other comprehensive income	174.2	182.2	(8.0)					
Exchange differences on translating foreign operations	304.4	365.7	(61.3)					
Shareholders' equity ratio *	28.2%	27.5%	0.7pt	Shareholders' equity - Decrease due to the yen's appreciation - Decreased due to dividend payment - Increase in retained earnings				
Interest-bearing liabilities, net	3,276.0	3,517.5	(241.5)					
Debt-equity ratio, net (times)	1.4	1.4	0.0pt					

* "Shareholders' equity" is equivalent to "Equity attributable to owners of the parent" in Consolidated Statements of Financial Position. "Shareholders' equity ratio" is calculated by dividing "Equity attributable to owners of the parent" by "Total assets".

6. Forecasts for the Year ending March 31, 2016

Unit: Billions of yen

	Annual forecasts (Announced in Feb. 2016)	Annual forecasts (Announced on Jan. 13, 2016)	Annual forecasts (Announced in May 2015)
Profit for the year attributable to owners of the parent	100.0	Undetermined	230.0

Breakdown of profit for the year attributable to owners of the parent

Unit: Billions of yen

	Annual forecasts (Announced in Feb. 2016)	FY2015	
		FY2015 Q1-3 Results (progress)	FY2015 Q4 Forecasts
Profit except for impairment losses	240.0	173.0 (72%)	67.0
Impairment losses (expected)	approx. (170.0)	(111.6)	approx. (60.0)
Reorganization profit of the automobile financing business in Indonesia (expected)	approx. 30.0	-	approx. 30.0
Profit for the year attributable to owners of the parent	100.0	61.3	38.7

○Economic Situation

• Though developed countries led by the U.S. are expected to continue their slow but steady growth, there is growing uncertainty about the future, including a slowdown of the Chinese economy, concerns related to the acceleration of capital outflows from some emerging countries, and the prolonged decline of mineral resources prices.

○Profit for the year attributable to owners of the parent : 100.0 billion yen

<Profit except for impairment losses...240 billion yen>

• The difficult business climate is expected to continue for the tubular products business in North America and mineral resources businesses owing to the impact of falling oil and mineral resources prices, while the robust performance is expected to continue in our businesses in Transportation & Construction Systems; Environment & Infrastructure; and Media, Network, Lifestyle Related Goods & Services segments.

• Profit from value realization in renewable energy power generation business, real estate business, and other areas are expected in the fourth quarter.

<Impairment losses (expected)...(170) billion yen>

• Approximately 60 billion yen in total are expected to be posted in several businesses in the fourth quarter, mainly due to a decline in oil and mineral resources prices.

<Reorganization profit of the automobile financing business in Indonesia (expected)...30 billion yen>

• One-off profits stemming from business reorganization is expected since the necessary transactions for the reorganization are progressing smoothly.

7. Dividend

Year ending March 31, 2016	interim	year-end (plan)
	¥50	¥25

(No change from the initial forecast)

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.