

Be the Best, Be the One 2017

Results for the Nine-month period ended December 2015

February 5th, 2016
Sumitomo Corporation

Topics

1. Nine-Month Results for FY2015

2. Reasons for Major Impairment Losses

3. Forecasts for FY2015

4. Free Cash Flow

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.

1-1. Nine-Month Results for FY2015

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(Unit: billion yen)	FY2014/3Q (Apr.-Dec.) Results	FY2015/3Q (Apr.-Dec.) Results	Increase/ Decrease
Profit for the period	-10.3	61.3	71.6
(Impairment losses)	(-192.8)	(-111.6)	(+81.2)
(excluding Impairment losses)	(182.6)	(173.0)	(-9.6)
Basic Profit* excluding impairment losses	170.8	160.0	-10.9
(Mineral resources)	(0.6)	(-1.6)	(-2.2)
(Non-mineral resources)	(170.3)	(161.6)	(-8.6)

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

Main impairment losses in FY15/3Q

- ✓ Nickel Project in Madagascar : -77.0 billion yen
- ✓ Iron Ore Mining Project in South Africa : -18.3 billion yen
- ✓ Copper and Molybdenum Mining Project in Chile : -14.0 billion yen

Basic profit

- ✓ Mineral resources : Difficult business climate continued, owing to the impact of falling oil and mineral resource prices
- ✓ Non-mineral resources : Decrease of approx. 10 billion yen from the same period of the previous year
 - Tubular products : Decrease owing to the impact of falling oil prices
 - Others : Robust performance continued in core businesses in Transportation & Construction Systems and Media, Network, Lifestyle Related Goods & Services segments

1-2. Reasons for Major Impairment Losses

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- ✓ Nickel Project in Madagascar (Ambatovy)
 - Reviewed mid- to long-term forecasts for nickel prices as prices declined recently
Mid- to long-term price : \$8.5/lb
- ✓ Iron Ore Mining Project in South Africa (Oresteel)
 - Reviewed mid- to long-term forecasts for iron ore prices as prices declined recently
Mid- to long-term price : approx. \$60/t
- ✓ Copper and Molybdenum Mining Project in Chile (Sierra Gorda)
 - Lowered forecasts for copper and molybdenum prices as prices declined recently
 - (Copper) Mid- to long-term price : the lower \$3/lb range
 - (Molybdenum) Mid- to long-term price : approx. \$10/lb
 - Reviewed business plan including cost reduction and expansion plan in future

2. Forecasts for FY2015

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(Unit: billion yen)	Forecasts, as of Oct.2015 ①	Forecasts, as of Feb.2016 ②		Changes ②-①	
		FY15/3Q (Apr.-Dec) Results	FY15/4Q(Jan.-Mar.) Forecasts		
Profit for the period	230.0	100.0	61.3	38.7	-130.0
Profit for the period excl. impairment losses	230.0	240.0	173.0	67.0	+10.0
Impairment losses (expected)		approx. -170.0	-111.6	approx. -60.0	
Profit from reorganization of auto financing business in Indonesia (expected)		approx. 30.0	-	approx. 30.0	
Basic profit excl. impairment losses	210.0	approx. 200.0	160.0	approx. 40.0	approx. -10.0
(Mineral resources)	(-10.0~0)	(-20.0~-10.0)	(-1.6)	(-20.0~-10.0)	(approx. -10.0)
(Non-mineral resources)	(210.0~220.0)	(210.0~220.0)	(161.6)	(50.0~60.0)	(0)

- ✓ Profit for the period excluding impairment losses : 240.0 billion yen (increased by approx. 10.0 billion yen from the forecast as of Oct. 2015)
 - Difficult business climate is expected to continue for mineral resources business and tubular products business, while robust performance is expected to continue in non-mineral resources business other than tubular products business
 - Profit from value realization in renewable energy power generation business, real estate business, and other areas is expected in the fourth quarter
- ✓ Impairment losses : approx.-170.0 billion yen (-111.6 billion yen in the third quarter and approx.-60.0 billion yen expected in the fourth quarter)
- ✓ Profits from the business reorganization of the automobile financing business in Indonesia : approx.30.0 billion yen (expected in FY2015, since the necessary transactions are progressing smoothly)

3. Free Cash Flow

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(Unit: billion yen)	FY2015 3Q (Apr.-Dec.)	Plan for BBBO2017 (3-year total)
Basic profit cash flow *	+149.8	+700.0
Depreciation and amortization	+91.2	+300.0
Asset replacement	Approx. +80.0	+400.0
Others	Approx. +170.0	
Cash-in Total	Approx. +490.0	+1,400.0
Investment & Loan	Approx. -230.0	~ -1,200.0
Additional and replacement investment to existing projects	Approx. -190.0	-600.0
New investment	Approx. -40.0	~ -600.0
Free cash flow	+258.1	+200.0~
Dividend	-62.4	-200.0
Free cash flow (post-dividend)	+195.7	positive

*Basic Profit Cash Flow = Basic Profit
 - Share of profit of investments accounted for using the equity method
 + Dividend from investments accounted for using the equity method

Basic profit cash flow
Core businesses generated cash steadily

Asset replacement
Sale of office buildings
Sale of part of shares in wind farm in the U.S.
Housing business in the U.S. etc.

Others
Tubular products: decrease in operating assets etc.

Investment & Loan
- Additional and replacement investment
Nickel Project in Madagascar (adding 5% equity from SNC-Lavalin)
Construction equipment rental business in the U.S. etc.

- New investment
Commercial facilities in Japan
Off-shore wind power generation business in Belgium
Multifaceted agricultural support business etc.

Appendix

Breakdown of Impairment Losses

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◆FY2015/3Q Results

Projects	Amount (bil.yen)
Nickel Project in Madagascar (Ambatovy)	-77.0
Iron Ore Mining Project in South Africa (Oresteel)	-18.3
Copper and Molybdenum Mine Project in Chile (Sierra Gorda)	-14.0
Tight Oil Development Project in the U.S.	-1.5
Oil field interests in the North Sea	-1.0
Tax effect etc.	+0.3
Total	-111.6
(breakdown)	
Mineral Resources, Energy, Chemical & Electronics	-110.1
Overseas Subsidiaries and Branches	-1.5

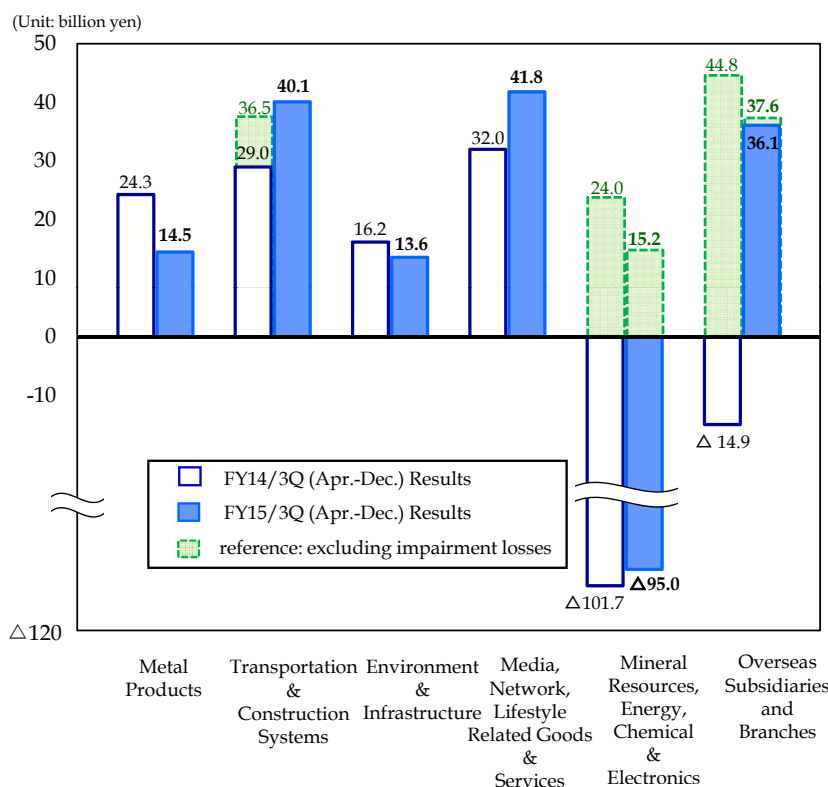
(Reference) FY2014/3Q Results

Projects	Amount (bil.yen)
Tight Oil Development Project in the U.S.	-173.6
Coal Mining Projects in Australia	-24.2
Tire business in the U.S. (TBC Corporation)	-21.9
Tax effect etc.	+26.9
Total	-192.8
(breakdown)	
Transportation & Construction Systems ^ε	-7.5
Mineral Resources, Energy, Chemical & Electronics	-125.7
Overseas Subsidiaries and Branches	-59.6

^ε On April 1, 2015 Tire Department was transferred from Media, Network, Lifestyle Related Goods & Services Business Unit to Transportation & Construction Systems Business Unit.

Nine-Month Results for FY2015, Profit for the Period by Segment

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Summary by Segment

- **Metal Products**
 - Tubular products in North America: decreased
 - Overseas steel service center: stable
- **Transportation & Construction Systems**
 - Leasing business and construction equipment rental business in the U.S.: robust
 - Impairment loss in FY14
- **Environment & Infrastructure**
 - Overseas power infrastructure business: stable
 - Domestic electricity business: impacted by wholesale price fluctuation
- **Media, Network, Lifestyle Related Goods & Services**
 - Major group companies in Japan: robust
 - Real estate business: steady
- **Mineral Resources, Energy, Chemical & Electronics**
 - Impairment losses in FY14 and FY15
 - Copper mining project in Indonesia: increased in sales volume
 - Iron ore mining business: decreased
- **Overseas Subsidiaries and Branch**
 - Impairment losses in FY14 and FY15
 - Value realization from asset replacements
 - Tubular products in North America: decreased

* The segment information of FY14 has been reclassified, according to organizational change on Apr. 1, 2015.

Forecasts for FY2015, Profit for the Year by Segment

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(Unit: billion yen)	FY15/3Q (Apr.-Dec)			Forecasts for FY2015	(reference) Forecasts, as of Oct.2015
	Results ①	Impairment losses ②	Results (excl. impairment losses) ①-②		
Metal Products	14.5	-	14.5	<ul style="list-style-type: none"> ·Tubular products in North America: decrease ·Aluminum smelting business in Malaysia: decrease ·Overseas steel service center: stable 	18.0
Transportation & Construction Systems	40.1	-	40.1	<ul style="list-style-type: none"> ·Leasing business and construction equipment rental business in the U.S.: robust ·Affected by sluggish economies in emerging countries and lackluster shipping market 	50.0
Environment & Infrastructure	13.6	-	13.6	<ul style="list-style-type: none"> ·Overseas power infrastructure business: stable ·Value realization in renewable energy power generation business (Japan and overseas) in 4Q 	22.0
Media, Network, Lifestyle Related Goods & Services	41.8	-	41.8	<ul style="list-style-type: none"> ·Major group companies in Japan and real estate business : robust ·Grain business in Australia : weak 	63.0
Mineral Resources, Energy, Chemical & Electronics	-95.0	-110.1	15.2	<ul style="list-style-type: none"> ·Decrease due to decline in oil and mineral resources prices ·Tax effect in 4Q 	26.0
Overseas Subsidiaries and Branch	36.1	-1.5	37.6	<ul style="list-style-type: none"> ·Tubular products in North America: decrease ·Value realization in overseas renewable energy power generation business in 4Q 	44.0
Corporate and Eliminations	10.2	-	10.2		7.0
Total	61.3	-111.6	173.0	Forecast, excluding impairment losses	240.0 ← 230.0

Summary

Mineral resources businesses and Tubular products business : The difficult business climate is expected to continue.

Other business : The robust performance is expected.

Value realization is expected in 4Q.

【Current State of the Project】

- ✓ Sep. 2015 : Achieved financial completion
- ✓ Dec. 2015 : Posted impairment loss due to declined nickel prices
(consolidated basis : -77.0 billion yen)
- ∩∩ The amount of our exposure has decreased to approx.US\$ 1.7 billion

	Jul.-Sep.	Oct.-Dec.
• Operational rate:	86%	80%
• Net direct cash cost:	\$ 4.24	\$4.07

【Next Steps】

- ✓ Keep stable and high level operation rate
- ✓ Pursue further cost reduction

【Current State of the Project (the first phase)】

- ✓ Jun. 2015 : Started commercial production in the first phase
- ✓ Dec. 2015 : Posted impairment loss due to declined mineral resource prices
and revised business plan
(consolidated basis : -14.0 billion yen)
- ∩∩ The amount of our exposure has decreased to approx.US\$ 0.8 billion
(including completion guarantee of US\$ 0.3 billion)
- ✓ Plant has been operating at a rate between 80% and 90% of the nameplate
throughput capacity

【Next Steps】

- ✓ Realize stable operation at the full capacity of 110 thousand tonnes per day in the
first phase and cost reduction
- ✓ Decide on investment for the second phase which expands the capacity to more than
190 thousand tonnes per day, taking into account of the ramp-up status of the
existing plant and business environment