

For Immediate Release

Sumitomo Corporation Announces Quarterly Financial Results for the Fiscal Year 2016 (Three-month period ended June 30, 2016)

On August 1, 2016, Sumitomo Corporation announced its consolidated results for the three-month period ended June 30, 2016, prepared on the basis of International Financial Reporting Standards (IFRS).

1. Financial Highlights

- “Profit for the period attributable to owners of the parent” totaled 22.7 billion yen, representing a decrease of 59.3 billion yen from the same period of the previous year.

“Basic profit (*1)”, which excludes extraordinary gains and losses, totaled 41.1 billion yen, representing a decrease of 26.6 billion yen.

Basic profit for mineral resources businesses and tubular products business decreased due mainly to the drop in mineral resources prices.

As regards our non-mineral resources businesses, although steady growth continued in domestic major group companies in Media, Network, Lifestyle Related Goods & Services segment, lackluster shipping market and stagnant emerging markets led to a sluggish performance for ship business and automobile distribution & sales business.

Looking at trends by quarter, basic profit for non-mineral resources businesses is continuing at roughly the same levels over the past three quarters.

*1: 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 (*2)) + Share of profit (loss) of investments accounted for using the equity method

*2: Tax rate: FY2015 33%, FY2016 31%

One-off profits and losses were down by approximately 31 billion yen.

In addition to the absence of the one-off profits totaling approximately 17 billion yen stemming mainly from asset replacements in the same period of the previous

year, a loss of approximately 14 billion yen were posted in this period including tax provisions in San Cristobal silver-zinc-lead mining project in Bolivia.

- “Free cash flow” totaled 70.7 billion yen inflow for the period. We executed investments and loans of approximately 60 billion yen, while our core businesses performed well in generating cash.
“Total assets” stood at 7,449.2 billion yen, representing a decrease of 368.6 billion yen from the previous fiscal year-end due to the yen’s appreciation and a decrease in trade receivables.
“Equity attributable to owners of the parent” totaled 2,065.4 billion yen, decreased by 186.1 billion yen from the previous fiscal year-end due primarily to a decrease in “Exchange differences on translating foreign operations” caused by yen’s appreciation.

2. Progress for the Fiscal Year Ending March 31, 2017

- In this period, “Profit for the period attributable to owners of the parents” progressed 17% of 130 billion yen, and “Basic profit” progressed 27% of 150 billion yen, as announced in our annual forecasts in May 2016.
- As of the end of the first quarter, the FY2016 annual forecasts, including forecast of consolidated profits of 130 billion yen, have not been reviewed, and outlook for our business is as follows:
- Although we expect moderate growth to continue in the U.S. and other advanced economies, a number of factors are contributing to an increasing lack of clarity about the future, including the slow-down of the Chinese economy, political instability in emerging economies, and growing uncertainty in the wake of the Brexit vote.
- Given the situation, aside from one-off tax provisions posted in this first quarter, we expect periodic profit for mineral resources businesses to be better than the initial forecast, since mineral resources prices are holding up at levels above our initial expectations.
Tubular products business continues to face a challenging business climate, though

we expect that earnings will gradually recover starting from the second half of the fiscal year.

As regards our non-mineral resources businesses, although lackluster shipping market and stagnant emerging markets lead to a sluggish performance for ship business and automobile distribution & sales business, core businesses including lease business, overseas IPP/IWPP businesses and businesses relating to Media, Network, Lifestyle Related Goods & Services, are expected to show stable performance.

In addition, we expect a contribution to revenue from new large EPC(*3) projects in the second half of the fiscal year, so that we expect overall performance of non-mineral resources businesses to continue according to the initial plan.

*3: EPC...Engineering, Procurement & Construction

For further information contact:

Sumitomo Corporation

Investor Relations Dept.

Phone: +81-3-5166-3469

Fax : +81-3-5166-6292

e-mail: ir@sumitomocorp.co.jp

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.