

Quarterly Results for FY2016 (Six-month period ended September 30, 2016)

November 1st, 2016
Sumitomo Corporation

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. Operating Results

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(Unit: Billions of yen)	FY2015 Q2 (Apr.-Sep.) (A)	FY2016 Q2 (Apr.-Sep.) (B)		Increase/ Decrease (B)-(A)
		Q1 (Apr.-Jun.)	Q2 (Jul.-Sep.)	
Profit for the period	129.3	22.7	43.1	-63.6
Basic profit^{*1}	120.1	41.1	50.9	-28.1
Mineral resources ^{*2}	7.5	-6.0	2.7	-10.8
Tubular products ^{*2}	2.5	-2.1	-4.4	-9.0
Non-mineral resources (excl. Tubular products)	110.0	49.1	52.6	-8.2
One-off profits/losses	Approx. 20.0	Approx. -14.0	Approx. -3.0	Approx. -37.0

〈 Summary (Results) 〉

- **Mineral resources・Tubular products** : ✓ Decrease in the earnings due to the drop in mineral resources prices
- **Non-mineral resources** : ✓ Decrease in the earnings of ship business (lackluster shipping market)
 ✓ Decrease in the earnings of automobile distribution & sales business (stagnant emerging markets)
 ✓ Robust performance by domestic major group companies
- **One-off profits/losses** : ✓ (FY2016) Tax provisions in San Cristobal silver-zinc-lead mining project in Bolivia^{*3}, etc.
 ✓ (FY2015) Realized gains resulting from asset replacements, etc.

(Reference) Key indicators		FY2015 Q2 (Apr.-Sep.)	FY2016 Q2 (Apr.-Sep.)
Exchange rate	(YEN/US\$)	121.87	105.25
Interest rate	LIBOR 6M (YEN)	0.13%	0.00%
	LIBOR 6M (US\$)	0.46%	1.04%
Copper *1	(US\$/MT)	5,935	4,699
Zinc	(US\$/MT)	2,018	2,084
Nickel	(US\$/lb)	6.21	4.33
Iron ore	(US\$/MT)	57	58
Hard Coking coal *2	(US\$/MT)	102	88
Crude Oil	Brent *1 (US\$/bbl)	58	40
	WTI (US\$/bbl)	52	45

*1 These commodities show the prices in Jan.-Jun.

*2 Hard Coking coal...Market price

*1 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 (loss) of investments accounted for using the equity method

*2 Global basis, including operations in Overseas Subsidiaries and Branches segment (reference)

*3 Posted provisions of withholding tax (-10.9) in San Cristobal silver-zinc-lead mining project in Bolivia

2. Cash Flows / Financial Position

● Cash Flows (Unit: Billions of yen)

	FY2015 Q2	FY2016 Q2
Operating activities	+ 223.7	+ 175.0
Investing activities	- 116.5	- 26.5
Free Cash Flow	+107.3	+148.5
▽		
Cash in	Basic profit cash flow*	+ 103.9
	Depreciation	+ 55.3
	Asset replacement	Approx. + 50.0
	Others	Approx. + 50.0
Cash out	Investment & Loan	Approx. - 110.0

〈 Summary 〉

- **Basic profit cash flow**
 - ✓ Core businesses generated cash steadily (Dividend from J:COM, Sumitomo Mitsui Finance and Leasing, etc.)
- **Asset replacement**
 - ✓ Sale of southern part of the interest in tight oil business in the U.S., etc.
- **Investment & Loan**
 - ✓ Acquisition of office building in the U.S.
 - ✓ Participation in an offshore wind farm in the U.K., etc.

* Basic profit cash flow = Basic profit
 - Share of profit (loss) of investments accounted for using the equity method
 + Dividend from investments accounted for using the equity method

● Financial Position (Unit: Trillions of yen)

As of Mar. 31, 2016		As of Sep. 30, 2016	
Total asset 7.8		Total asset 7.3	
Current assets 3.4	Other liabilities 1.9	Current assets 3.2	Other liabilities 1.8
	Interest-bearing liabilities 3.7 (2.8)*		Interest-bearing liabilities 3.4 (2.6)*
Non-Current assets 4.4	Shareholders' equity* 2.3	Non-Current assets 4.1	Shareholders' equity* 2.1
D/E Ratio(Net) : 1.2		D/E Ratio(Net) : 1.2	

〈 Summary (Unit: Billions of yen) 〉

- **Total asset -498**
(7,818→7,320)
 - ✓ Decrease due to the yen's appreciation
 - ✓ Decrease in trade receivables
- **Shareholders' equity -172**
(2,252→2,079)
 - ✓ Decrease due to the yen's appreciation

* Figures in parenthesis in "interest-bearing liabilities" show "interest-bearing liabilities, net".
 "Shareholders' equity" is equivalent to "Equity attributable to owners of the parent" in Consolidated Statements of Financial Position.

(Reference) BBBO2017^(*) Cash Flow Plans

(Unit: Billions of yen)

Cash in	Cash out
+1,700	- 1,700
Basic profit cash flow +500	Dividend - 200
Depreciation +300	New investment and Replacement investment - 1,000
Asset replacement +600	Repayment of interest-bearing liabilities - 500
Others +300	
Three-year total (Apr., 2015~Mar., 2018)	
+1,040	- 1,040
+310	- 90
+180	- 380
+280	(*) - 570
+270	
Cumulative total (Apr., 2015~Sep., 2016)	

(*) We set our post-dividend free cash flow target of 500 billion yen (three-year total), with the funds recovered to be used to repay interest-bearing liabilities, during the term for our current medium-term management plan "Be the Best, Be the One 2017 (BBBO2017)", which covers three years from April 2015 to March 2018.

(*) Cumulative total of our post-dividend free cash flow(+/- reversal)

3. Annual Forecasts

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(Unit: Billions of yen)	FY2016 Initial Forecasts as of May 2016 (A)	Q2 Results (Apr.-Sep.) (B)	FY2016 Revised Forecasts as of Nov. 2016 (C)	Increase/ Decrease (C)-(A)	Progress (Revised Forecasts) (B)/(C)
Profit for the year	130.0	65.8	130.0	±0	51%
Basic profit^{*1}	150.0	92.0	180.0	+30.0	51%
Mineral resources ^{*2}	-40.0	-3.3	-10.0	+30.0	-
Tubular products ^{*2}	0.0	-6.5	-10.0	-10.0	-
Non-mineral resources (excl. Tubular products)	200.0	101.8	200.0	±0	51%
Impact of Forex	-10.0	-	-	+10.0	-
One-off profits/losses	Approx. -20.0	Approx. -17.0	Approx. -40.0	Approx. -20.0	-

〈 Summary (Revised Forecasts) 〉

- **Mineral Resource** : ✓ Holding up at levels of mineral resources prices than Initial Forecasts
- **Tubular products** : ✓ Decrease in earnings of tubular products business in North America
- **Non-mineral resources** : ✓ Delay in development and construction of new large-scale projects in power infrastructure business
 ✓ Decrease in earnings of ship business and automobile distribution & sales business
 ✓ Stable performance of core businesses, including leasing business and Media, Lifestyle Related Goods & Services segments, etc.
- **One-off profits/losses** : ✓ Tax provisions in San Cristobal silver-zinc-lead mining project in Bolivia
 ✓ Costs (Approx. -20.0) for strategic assets replacement in Initial Forecasts remain unchanged

*1 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 (loss) of investments accounted for using the equity method

*2 Global basis, including operations in Overseas Subsidiaries and Branches segment (reference)

*3 One-off profits/losses of Initial Forecasts and Revised Forecasts include costs (Approx. -20.0) for strategic assets replacement.

(Reference) Key indicators		FY2016 Initial Forecasts (Apr.-Mar.)	FY2016	
			Q2 Results (Apr.-Sep.)	Revised Forecasts (Apr.-Mar.)
Exchange rate (YEN/US\$)		110.00	105.25	100.00
Interest rate	LIBOR 6M (YEN)	0.00%	0.00%	0.00%
	LIBOR 6M (US\$)	1.00%	1.04%	1.10%
Copper *1 (US\$/MT)		4,589	4,699	4,766
Zinc (US\$/MT)		1,800	2,084	2,048
Nickel (US\$/lb)		3.92	4.33	4.24
Iron ore (US\$/MT)		50	58	52
Hard Coking coal *2 (US\$/MT)		80	88	89
Crude Oil	Brent *1 (US\$/bbl)	48	40	44
	WTI (US\$/bbl)	46	45	46

*1 These commodities show the prices in Jan.-Dec. (Q2 Results : Jan.-Jun.)

*2 Hard Coking coal...Market price

4. Annual Forecasts by Segment (Global basis ^{*1})

(Unit: Billions of yen)	FY2016 Initial Forecasts as of May 2016 (A)	FY2016		Increase/ Decrease (B)-(A)	《 Summary 》
		Q2 Results	Revised Forecasts as of Nov. 2016 (B)		
Metal Products	13.0	2.0	8.0	-5.0	- Decrease in earnings of tubular products business in North America - Stable performance of the operation of overseas steel service centers
Transportation & Construction Systems	53.0	23.0	47.0	-6.0	- Lackluster shipping market and stagnant emerging markets - Robust performance by leasing business and construction equipment rental business in the U.S.
Environment & Infrastructure	39.0	10.2	26.0	-13.0	- Delay in development and construction of new large-scale projects in power infrastructure business - Stable performance of overseas IPP/IWPP businesses
Media, Network, Lifestyle Related Goods & Services	67.0	32.1	72.0	+5.0	- Robust performance by domestic major group companies and real estate business
Mineral Resources, Energy, Chemical & Electronics	-18.0	-12.7	-6.0	+12.0	- Holding up at levels of mineral resources prices than Initial Forecasts - Tax provisions in San Cristobal silver-zinc-lead mining project in Bolivia.
Total	154.0	54.7	147.0	-7.0	
Corporate and Eliminations	-24.0	11.1	-17.0	+7.0	- Unwind of yen's appreciation adjustments (Approx. -10.0) included in the Initial Forecast ^{*2}
Consolidated	130.0	65.8	130.0	±0	

^{*1} Global basis, including operations in Overseas Subsidiaries and Branches segment (reference)

^{*2} Initial Forecast (as of May 2016) of Corporate and Eliminations includes anticipated negative impact of yen's appreciation adjustment (<YEN/US\$> ¥120 → ¥110) for company total

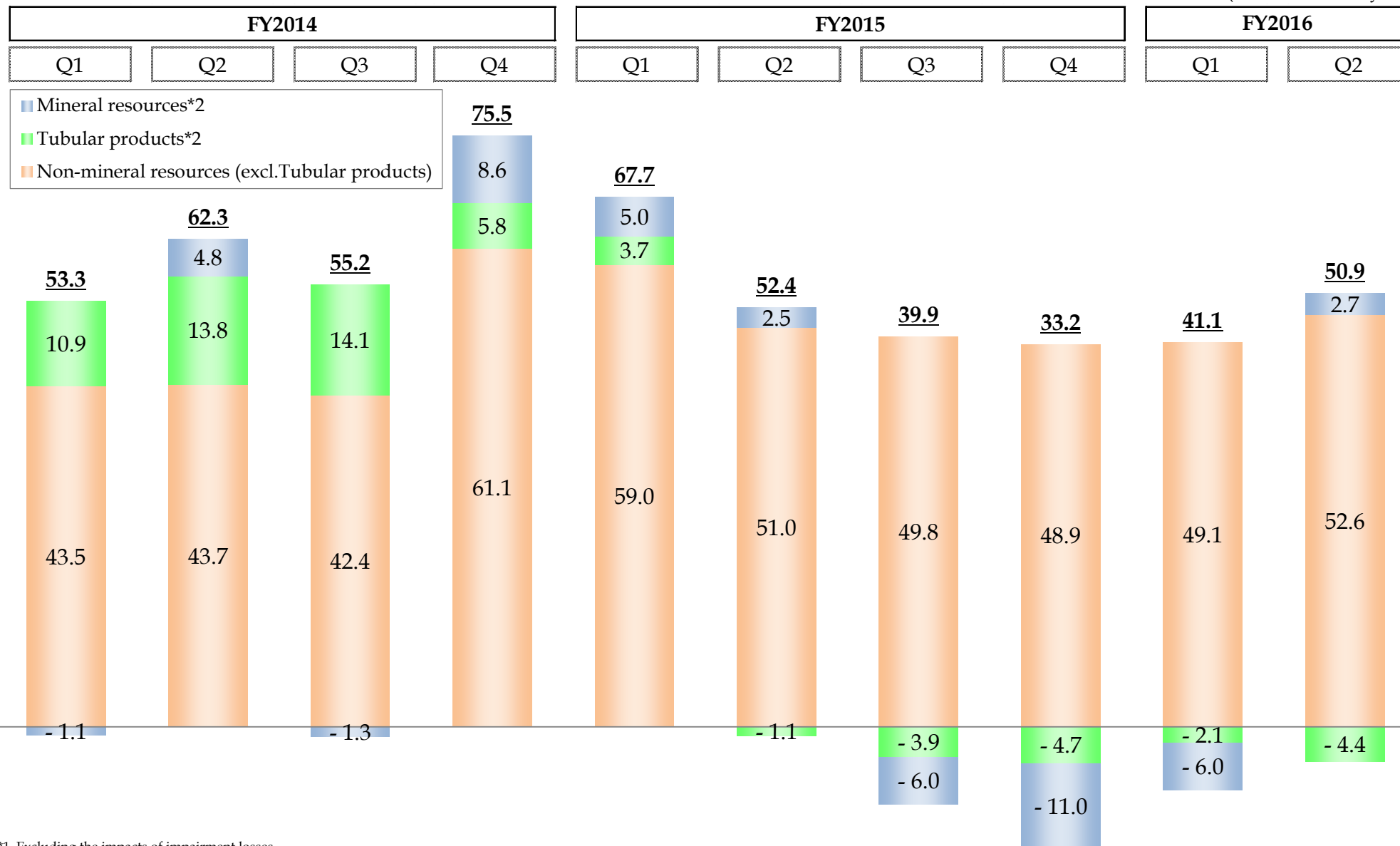
Base Policy	Aim to increase dividends by achieving medium- and long-term earnings growth while adhering to fundamental policy of paying shareholders a stable dividend over the long term
BBBO2017 Dividend Policy	We will decide dividend amount in view of the situations regarding basic profit and cash flow, with ¥50 per share as the minimum amount of annual dividend and a consolidated payout ratio of 25% or more as reference
Annual Dividend for FY2016	Interim ¥25 per share Year-end ¥25 per share (plan)

Appendix

6. Quarterly Trend for Basic profit *1

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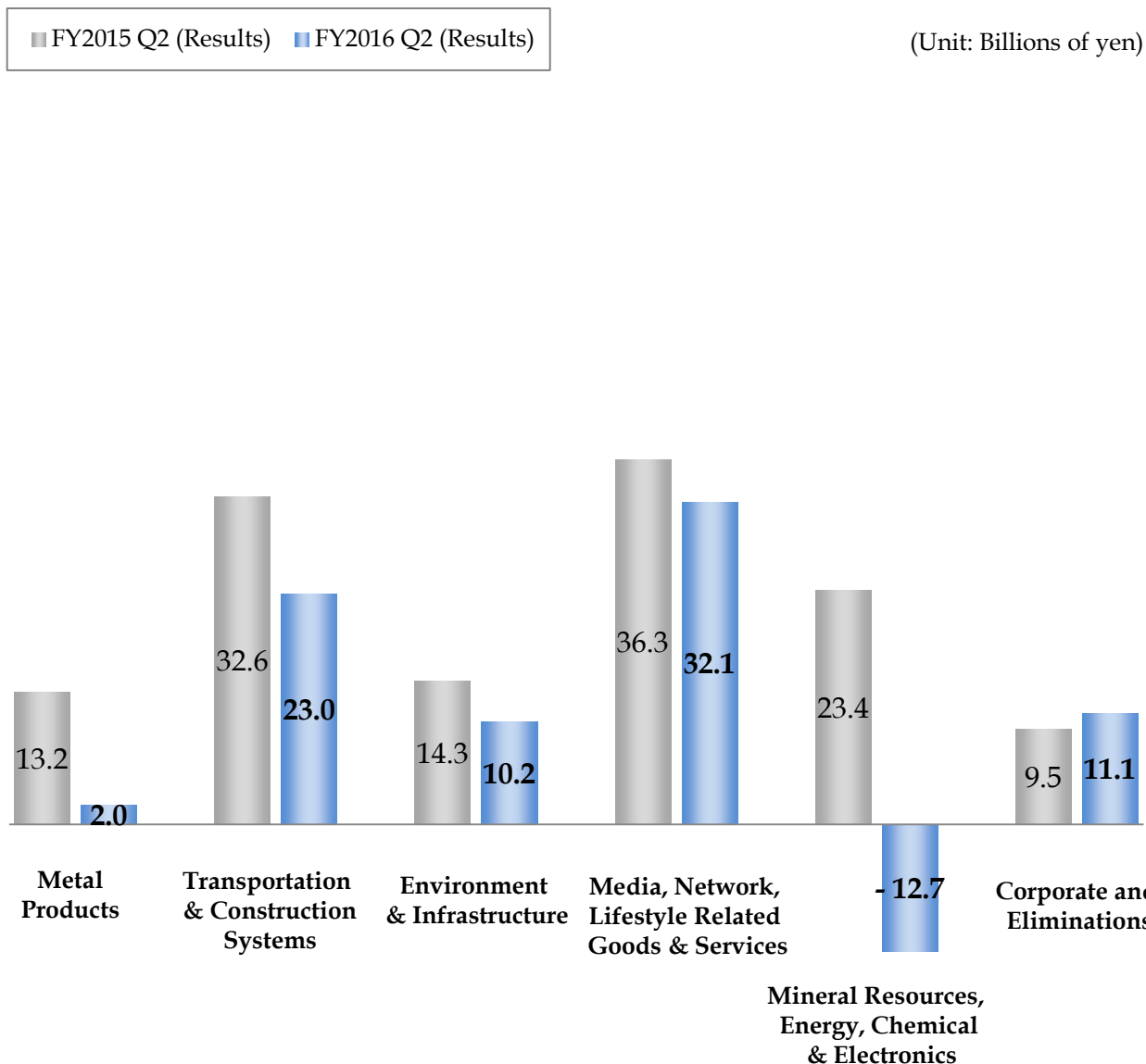
(Unit: Billions of yen)



*1 Excluding the impacts of impairment losses

*2 Global basis, including operations in Overseas Subsidiaries and Branches segment (reference)

7. Results of Profit for the period by Segment (Global basis*)



〈 Summary by segment (Results) 〉

■ Metal Products

- ✓ Decrease in earnings of tubular products business in North America
- ✓ Stable performance of the operation of overseas steel service centers

■ Transportation & Construction Systems

- ✓ Lackluster shipping market and stagnant emerging markets
- ✓ Robust performance by leasing business and construction equipment rental business in the U.S.

■ Environment & Infrastructure

- ✓ Stable performance of overseas IPP/IWPP businesses
- ✓ Profit from value realization in renewable energy power generation business in the same period of the previous year

■ Media, Network, Lifestyle Related Goods & Services

- ✓ Robust performance by domestic major group companies
- ✓ Realized gains resulting from asset replacements in the same period of the previous year

■ Mineral Resources, Energy, Chemical & Electronics

- ✓ Decrease in earnings due to the drop in mineral resources prices
- ✓ Tax provisions in San Cristobal silver-zinc-lead mining project in Bolivia
- ✓ The one-off profits stemming from business reorganization in the same period of the previous year

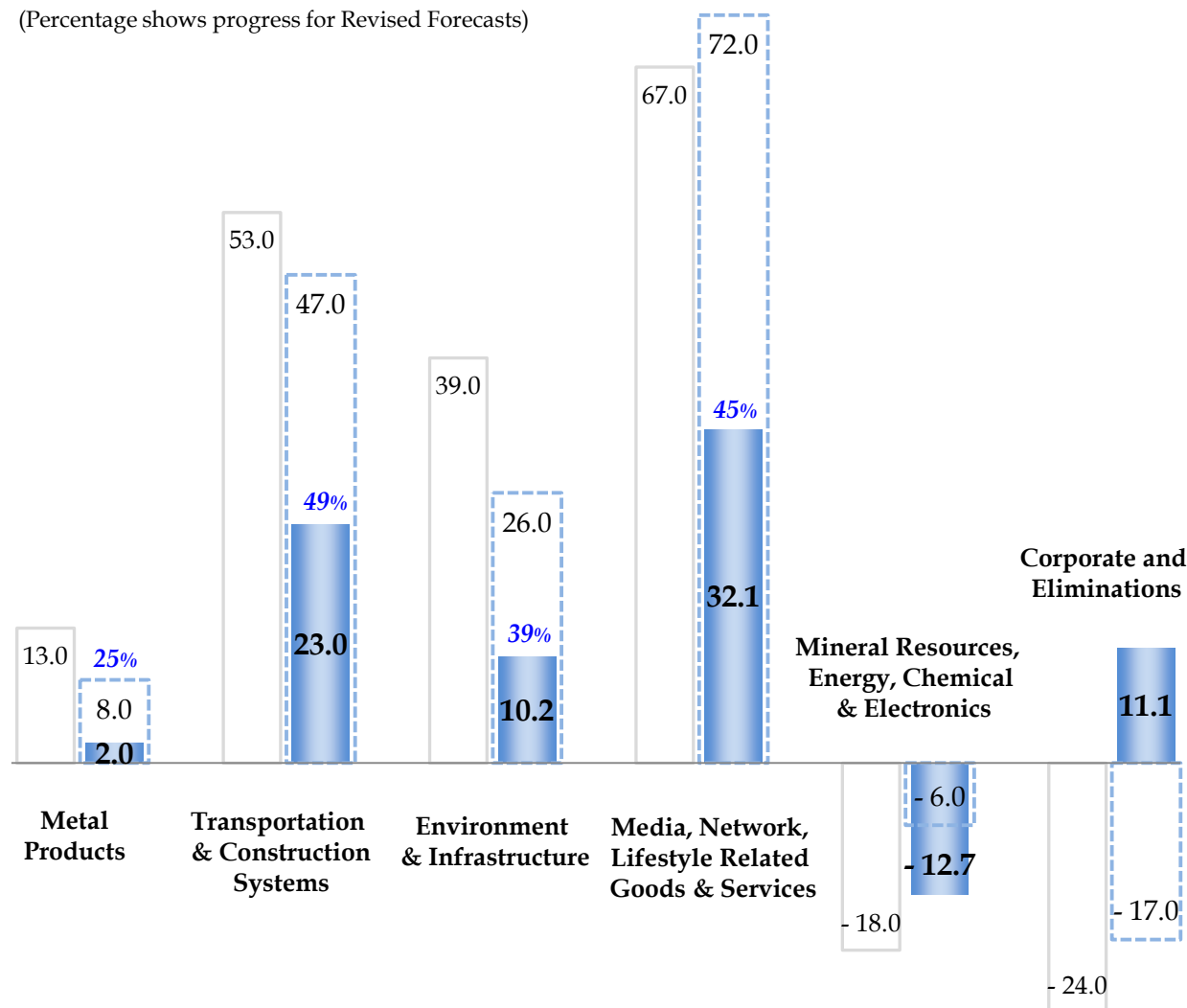
* Global basis, including operations in Overseas Subsidiaries and Branches segment (reference)

8. Forecasts of Profit for the year by Segment (Global basis*)

□ FY2016 (Initial Forecasts) ■ FY2016 Q2 (Results)
 □ FY2016 (Revised Forecasts)

(Unit: Billions of yen)

(Percentage shows progress for Revised Forecasts)



〈 Summary by segment (Revised Forecast) 〉

■ Metal Products

- ✓ Decrease in earnings of tubular products business in North America
- ✓ Stable performance of the operation of overseas steel service centers

■ Transportation & Construction Systems

- ✓ Lackluster shipping market and stagnant emerging markets
- ✓ Robust performance by leasing business and construction equipment rental business in the U.S.

■ Environment & Infrastructure

- ✓ Delay in development and construction of new large-scale projects in power infrastructure business
- ✓ Stable performance of overseas IPP/IWPP businesses

■ Media, Network, Lifestyle Related Goods & Services

- ✓ Robust performance by domestic major group companies and real estate businesses

■ Mineral Resources, Energy, Chemical & Electronics

- ✓ Holding up at levels of mineral resources prices than Initial Forecasts
- ✓ Tax provisions in San Cristobal silver-zinc-lead mining project in Bolivia

■ Corporate and Eliminations

- ✓ Unwind of yen's appreciation adjustments (Approx. -10.0) included in the Initial Forecast

* Global basis, including operations in Overseas Subsidiaries and Branches segment (reference)