

November 2, 2016

Sumitomo Corporation

Summary of Consolidated Results

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Condensed Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries

For the six-month periods ended September 30, 2016 and 2015

(Unaudited)

	Millions of Yen		Millions of
	2016	2015	U.S. Dollars
Revenues			
Sales of tangible products	¥ 1,623,431	¥ 1,529,193	\$ 16,074
Sales of services and others	235,457	305,516	2,331
Total revenues	1,858,888	1,834,709	18,405
Cost			
Cost of tangible products sold	(1,362,573)	(1,279,102)	(13,491)
Cost of services and others	(97,188)	(93,009)	(962)
Total cost	(1,459,761)	(1,372,111)	(14,453)
Gross profit	399,127	462,598	3,952
Other income (expenses)			
Selling, general and administrative expenses	(336,374)	(378,903)	(3,331)
Impairment losses on long-lived assets	(136)	(116)	(1)
Gain (loss) on sale of long-lived assets, net	(1,302)	7,125	(13)
Other, net	(12,312)	17,651	(122)
Total other income (expenses)	(350,124)	(354,243)	(3,467)
Finance income (costs)			
Interest income	11,887	11,952	118
Interest expense	(13,412)	(16,273)	(133)
Dividends	4,673	4,676	46
Gain (loss) on securities and other investments, net	(2,571)	6,593	(25)
Finance income (costs), net	577	6,948	6
Share of profit (loss) of investments accounted for using the equity method	46,650	61,382	462
Profit before tax	96,230	176,685	953
Income tax expense	(23,497)	(39,689)	(233)
Profit for the period	72,733	136,996	720
Profit for the period attributable to:			
Owners of the parent	¥ 65,780	¥ 129,340	\$ 651
Non-controlling interests	6,953	7,656	69
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	(6,494)	(33,994)	(64)
Remeasurements of defined benefit pension plans	(673)	(4,324)	(7)
Share of other comprehensive income of investments accounted for using the equity method	338	(745)	3
Total items that will not be reclassified to profit or loss	(6,829)	(39,063)	(68)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	(198,575)	(62,700)	(1,966)
Cash-flow hedges	(5,665)	(1,474)	(56)
Share of other comprehensive income of investments accounted for using the equity method	(4,651)	(1,288)	(46)
Total items that may be reclassified subsequently to profit or loss	(208,891)	(65,462)	(2,068)
Other comprehensive income, net of tax	(215,720)	(104,525)	(2,136)
Comprehensive income for the period	(142,987)	32,471	(1,416)
Comprehensive income for the period attributable to:			
Owners of the parent	¥ (142,829)	¥ 24,996	\$ (1,414)
Non-controlling interests	(158)	7,475	(2)

Notes: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥101=US\$1.

	FY2016 (Apr.-Sep.) (billion yen)	FY2015 (Apr.-Sep.) (billion yen)	change (billion yen)																
				<table border="1"> <thead> <tr> <th>Exchange rate (Yen/US\$, average)</th> <th>FY2016</th> <th>FY2015</th> <th>change</th> <th>change (%)</th> </tr> </thead> <tbody> <tr> <td>(Apr.-Sep.)</td> <td>105.25</td> <td>121.87</td> <td>-16.62</td> <td>-13.6%</td> </tr> <tr> <td>(Jan.-Jun.)</td> <td>111.74</td> <td>120.30</td> <td>-8.56</td> <td>-7.1%</td> </tr> </tbody> </table>	Exchange rate (Yen/US\$, average)	FY2016	FY2015	change	change (%)	(Apr.-Sep.)	105.25	121.87	-16.62	-13.6%	(Jan.-Jun.)	111.74	120.30	-8.56	-7.1%
Exchange rate (Yen/US\$, average)	FY2016	FY2015	change	change (%)															
(Apr.-Sep.)	105.25	121.87	-16.62	-13.6%															
(Jan.-Jun.)	111.74	120.30	-8.56	-7.1%															
Revenues	1,858.9	1,834.7	+24.2																
Gross profit	399.1	462.6	-63.5	<ul style="list-style-type: none"> • Deconsolidation, approx.-20.0 • Existing businesses, approx.-10.0 (Factors causing decrease) Tubular products business in North America, Automobile distribution & sales business, etc. (Factors causing increase) Overseas power generation business, SCSK, etc. • Impact of Yen's appreciation, approx.-33.0 															
Selling, general and administrative expenses	-336.4	-378.9	+42.5	<ul style="list-style-type: none"> • Impact of Yen's appreciation, approx.+26.0* • Deconsolidation, approx.-15.0* * excl. changes in provision for doubtful receivables 															
(Employee benefits expenses)	(-180.7)	(-200.6)	(+19.9)																
(Provision for doubtful receivables)	(0.2)	(-3.5)	(+3.8)																
(Others)	(-155.9)	(-174.8)	(+18.9)																
Gain (loss) on property, plant and equipment, net	-1.4	+7.0	-8.4	• Value realization in real estate business in FY15, etc															
Other, net	-12.3	17.7	-30.0	<ul style="list-style-type: none"> • One-off profits stemming from business reorganization of LPG wholesale business in FY15, etc. • Tax provisions in silver, zinc and lead business in Bolivia in FY16, etc 															
Total other income (expenses)	-350.1	-354.2	+4.1																
Interest expense, net of interest income	-1.5	-4.3	+2.8																
Dividends	4.7	4.7	-0.0																
Gain (loss) on securities and other investments, net	-2.6	6.6	-9.2	• Value realization in overseas renewable energy power generation business in FY15, etc															
Financial income (costs), net	0.6	6.9	-6.4																
Share of profit (loss) of investments accounted for using the equity method	46.7	61.4	-14.7	<ul style="list-style-type: none"> • <u>Mineral resources -13.0 (-9.2 ← -3.9)</u> Decrease in earnings due to the drop in mineral resources prices • <u>Non-mineral resources -1.7 (55.8 ← 57.6)</u> (Factors causing decrease) Tubular products business in North America, Banana business, etc (Factors causing increase) J:COM, Leasing business, etc 															
Profit (loss) before tax	96.2	176.7	-80.5																
Income tax expense	-23.5	-39.7	+16.2																
Profit (loss) for the period attributable to:																			
Owners of the parent	65.8	129.3	-63.6																
Non-controlling interests	7.0	7.7	-0.7																
Basic profit *	92.0	120.1	-28.1																

* 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

** Tax rate used in calculating basic profit: FY2016 31%, FY2015 33%

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries

As of September 30, 2016(Unaudited) and March 31, 2016

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2016	March 31, 2016	September 30, 2016
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 832,113	¥ 868,755	\$ 8,239
Time deposits	11,399	11,930	113
Marketable securities	4,488	4,748	44
Trade and other receivables	1,043,114	1,204,650	10,328
Other financial assets	91,071	132,886	902
Inventories	785,319	807,371	7,775
Advance payments to suppliers	166,645	164,669	1,650
Assets classified as held for sale	18,935	-	188
Other current assets	217,975	192,063	2,158
Total current assets	3,171,059	3,387,072	31,397
Non-current assets:			
Investments accounted for using the equity method	1,753,545	1,891,768	17,362
Other investments	396,256	410,730	3,923
Trade and other receivables	493,391	538,855	4,885
Other financial assets	124,460	120,737	1,232
Property, plant and equipment	718,088	785,009	7,110
Intangible assets	279,336	310,789	2,766
Investment property	285,447	266,623	2,826
Biological assets	11,164	11,911	110
Prepaid expenses	19,562	22,881	194
Deferred tax assets	67,953	71,443	673
Total non-current assets	4,149,202	4,430,746	41,081
Total assets	¥ 7,320,261	¥ 7,817,818	\$ 72,478

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥101=US\$1.

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries

As of September 30, 2016(Unaudited) and March 31, 2016

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2016	March 31, 2016	September 30, 2016
LIABILITIES AND EQUITY			
Current liabilities:			
Bonds and borrowings	¥ 684,082	¥ 737,457	\$ 6,773
Trade and other payables	876,086	933,147	8,674
Other financial liabilities	74,701	66,195	740
Income tax payables	21,448	21,916	212
Accrued expenses	90,887	103,967	900
Advances from customers	200,540	186,383	1,985
Provisions	3,294	10,940	33
Other current liabilities	64,202	60,114	636
Total current liabilities	2,015,240	2,120,119	19,953
Non-current liabilities:			
Bonds and borrowings	2,715,139	2,913,486	26,883
Trade and other payables	122,013	134,240	1,208
Other financial liabilities	78,821	64,384	780
Accrued pension and retirement benefits	33,177	34,332	329
Provisions	32,449	38,059	321
Deferred tax liabilities	106,553	121,253	1,055
Total non-current liabilities	3,088,152	3,305,754	30,576
Total liabilities	5,103,392	5,425,873	50,529
Equity:			
Common stock	219,279	219,279	2,171
Additional paid-in capital	258,116	256,500	2,556
Treasury stock	(3,239)	(3,344)	(32)
Other components of equity	104,451	311,880	1,034
Retained earnings	1,500,592	1,467,194	14,857
Equity attributable to owners of the parent	2,079,199	2,251,509	20,586
Non-controlling interests	137,670	140,436	1,363
Total equity	2,216,869	2,391,945	21,949
Total liabilities and equity	¥ 7,320,261	¥ 7,817,818	\$ 72,478

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥101=US\$1.

■ Summary

- Total assets: 7,320 billion yen (decrease by 500 billion yen from the end of Mar, 2016)
 - Decrease caused by Yen's appreciation: -380
 - Decrease in Trade receivables (excluding translation adjustments): -110 etc.
- Shareholders' equity: 2,080 billion yen (decrease by 170 billion yen from the end of Mar, 2016)
 - Profit for 1H: +66 • Dividend payment: -31
 - Decrease caused by Yen's appreciation: -190 etc.

<Numbers below include translation adjustments>

	Sep 30, 2016 (billion yen)	Mar 31, 2016 (billion yen)	change (billion yen)	
【Assets】	7,320.3	7,817.8	-497.6	
Current Assets	3,171.1	3,387.1	-216.0	
Cash and cash equivalents	832.1	868.8	-36.6	
Trade and other receivables	1,043.1	1,204.7	-161.5	} Decrease in trade receivables and inventories of tubular products business Decrease caused by Yen's appreciation
Inventories	785.3	807.4	-22.1	
Non-current assets	4,149.2	4,430.7	-281.5	
Investments accounted for using the equity method	1,753.5	1,891.8	-138.2	... Decrease caused by Yen's appreciation and decline in mineral resources prices
Trade and other receivables	493.4	538.9	-45.5	
Property, plant and equipment	718.1	785.0	-66.9	
Investment property	285.4	266.6	+18.8	... Acquisition of an office building in the U.S., etc.
【Liabilities】	5,103.4	5,425.9	-322.5	
Trade and other payables	998.1	1,067.4	-69.3	... Decrease in payables of tubular products business, etc.
《Interest bearing liabilities (Gross)》	3,399.2	3,650.9	-251.7	... Debt repayment: -110.0 Decrease caused by Yen's appreciation
《Interest bearing liabilities(Net)》	2,555.7	2,770.3	-214.6	
【Equity】	2,216.9	2,391.9	-175.1	
Shareholders' equity ※	2,079.2	2,251.5	-172.3	... { Exchange differences on translating foreign operations: -191.4 (8.0←-199.4) Financial assets measured at fair value through other comprehensive income: -5.7 (136.9←142.6)
《Shareholders' equity ratio》	28.4%	28.8%	-0.4pt	
《D/E Ratio (Net)》	1.2	1.2	±0.0pt	

※Shareholders' equity is the "Equity attributable to owners of the parent" shown in the Consolidated Statements of Financial Position

Condensed Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the six-month periods ended September 30, 2016 and 2015

(Unaudited)

	Millions of Yen		Millions of
	2016	2015	U.S. Dollars
Operating activities:			
Profit for the period	¥ 72,733	¥ 136,996	\$ 720
Adjustments to reconcile profit for the period to net cash provided by operating activities:			
Depreciation and amortization	55,256	60,891	547
Impairment losses on long-lived assets	136	116	1
Finance (income) costs, net	(577)	(6,948)	(6)
Share of (profit) loss of investments accounted for using the equity method	(46,650)	(61,382)	(462)
(Gain) loss on sale of long-lived assets, net	1,302	(7,125)	13
Income tax expense	23,497	39,689	233
(Increase) decrease in inventories	(21,888)	52,804	(216)
Decrease in trade and other receivables	89,000	115,484	881
Increase in prepaid expenses	(5,899)	(2,374)	(58)
Decrease in trade and other payables	(10,500)	(76,501)	(104)
Other, net	18,612	(27,908)	184
Net cash provided by operating activities	175,022	223,742	1,733
Investing activities:			
Changes in:			
Property, plant, equipment and other assets	(46,845)	(52,963)	(464)
Marketable securities and investments	(13,819)	(24,428)	(137)
Loans receivables	34,182	(39,090)	339
Net cash used in investing activities	(26,482)	(116,481)	(262)
Free Cash Flows:	148,540	107,261	1,471
Financing activities:			
Changes in:			
Short-term debt	53,828	(127,056)	533
Long-term debt	(168,559)	(63,205)	(1,668)
Cash dividends paid	(31,202)	(31,195)	(309)
(Acquisition) disposal of treasury stock, net	2	79	0
Payment to and from non-controlling interests and others, net	(3,390)	(3,137)	(34)
Net cash used in financing activities	(149,321)	(224,514)	(1,478)
Net decrease in cash and cash equivalents	(781)	(117,253)	(7)
Cash and cash equivalents at the beginning of year	868,755	895,875	8,602
Effect of exchange rate changes on cash and cash equivalents	(35,861)	(5,233)	(356)
Cash and cash equivalents at the end of period	¥ 832,113	¥ 773,389	\$ 8,239

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥101=US\$1.

Summary of Cash flow

For the six-month periods ended September 30, 2016

Net cash provided by operating activities **+ 175.0 billion yen**

- Core businesses generated cash steadily
(Dividend from J:COM, Sumitomo Mitsui Finance and Leasing, etc.)
- The decrease in working capital (decrease in operating assets in tubular products business etc.)

※ Breakdown of Others (billion yen)			(billion yen)	FY2016	FY2015	change
	FY2016	FY2015				
Interest received	11.9	12.0	Basic profit	92.0	120.1	-28.1
Dividends received	66.9	65.1	Share of profit (loss) of investments accounted for using the equity method	-46.7	-61.4	+14.7
<i>accounted for using the equity method</i>	58.6	57.8	Dividend from investments accounted for using the equity method	58.6	57.8	+0.8
<i>other investments</i>	8.2	7.3	Basic profit cash flow*1	103.9	116.5	-12.5
Interest paid	-13.5	-16.3	Depreciation and amortization*1	55.3	60.9	-5.6
Income tax paid	-24.9	-26.1	Others (increase/decrease of working capital etc.)	15.8	46.4	-30.6
Other, net	-21.8	-62.5	Net cash provided by operating activities	175.0	223.7	-48.7
	18.6	-27.9				

*1 Segment Information (Global basis*2)

(billion yen)	Basic profit cash flow			Depreciation and amortization		
	FY2016	FY2015	change	FY2016	FY2015	change
Metal Products	2.2	12.1	-9.9	6.3	7.1	-0.8
Transportation & Construction Systems	18.8	29.3	-10.4	20.4	23.0	-2.6
Environment & Infrastructure	8.8	8.5	+0.3	2.3	2.7	-0.5
Media, Network, Lifestyle Related Goods & Services	47.9	43.2	+4.6	11.8	11.6	+0.3
Mineral Resources, Energy, Chemical & Electronics	15.2	14.6	+0.6	10.6	12.4	-1.8
Segment Total	92.9	107.6	-14.7	51.4	56.9	-5.5
Corporate and Eliminations	11.0	8.8	+2.2	3.9	4.0	-0.2
Consolidated	103.9	116.5	-12.5	55.3	60.9	-5.6

Note. From the first half of FY2016, above Segment Information is presented by Global Basis*2

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

Net cash used in investing activities **- 26.5 billion yen**

Property, plant, equipment and other assets, net **- 46.8 billion yen**

- Acquired office building in the U.S.
- Constructing photovoltaic power generation business in Japan
- Capital investment etc. by SCSK
- Acquired and sold real estates
- Sold southern part of the interest in tight oil business in the U.S. etc.

Marketable securities and investments, net **- 13.8 billion yen**

- Participation in an offshore wind farm in the U.K.
- Participation in a natural gas-fired combined cycle power plant in the U.S. etc.

Loans receivables, net **+ 34.2 billion yen**

- Collection of Group Finance etc.

Free Cash Flow **+ 148.5 billion yen**

Forecasts for FY2016

(billion yen)	Initial Forecasts (As of May. 2016)	Revised Forecasts (As of Nov. 2016)	Increase/ Decrease
Gross profit	840.0	820.0	-20.0
Selling, general and administrative expenses	-740.0	-700.0	+40.0
(Provision for doubtful receivables)	(0.0)	(0.0)	(±0)
Interest expense, net of interest income	0.0	0.0	±0
Dividends	10.0	10.0	±0
Share of profit (loss) of investments accounted for using the equity	80.0	90.0	+10.0
Other, net	-20.0	-40.0	-20.0
Profit before tax	170.0	180.0	+10.0
Income tax expense	-30.0	-40.0	-10.0
Profit for the year	140.0	140.0	±0
Profit for the year attributable to:			
Owners of the parent	130.0	130.0	±0
Non-controlling interests	10.0	10.0	±0
Basic profit ※	150.0	180.0	+30.0

※ Basic profit = (Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + Dividends) × 69% + Share of profit (loss) of investments accounted for using the equity method

< Summary for the revised forecasts >

○ Gross Profit: 820 billion yen (decrease by 20 billion yen from the initial forecasts)

【Factors causing decrease】

- Decrease in earnings of tubular products business in North America
- Yen's appreciation (decrease by 40 billion yen)

【Factors causing increase】

- Holding up at levels of mineral resources prices than Initial Forecasts

○ Selling, general and administrative expenses:

-700 billion yen (increase by 40 billion yen from the initial forecasts)

- Yen's appreciation

○ Share of profit(loss) of investments accounted for using the equity method:

90 billion yen (increase by 10 billion yen from the initial forecasts)

【Factors causing increase】

- Holding up at levels of mineral resources prices than Initial Forecasts
- Stable performance of J:COM and other Media, Lifestyle Related Goods & Services business.

○ Others: -40 billion yen (decrease by 20 billion yen from the initial forecasts)

- Tax provisions in San Cristobal silver-zinc-lead mining project in Bolivia

Annual Forecasts by Segment (Global basis *1)

(billion yen)	Initial Forecasts as of May. 2016	Revised Forecasts as of Nov. 2016	Increase/ Decrease	
Metal Products	13.0	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	47.0	-6.0	- Lackluster shipping market - Automotive distribution and sales business: affected by stagnant economies in emerging countries - Robust performance by leasing business and construction equipment rental business in the U.S.
Environment & Infrastructure	39.0	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	72.0	+5.0	- Robust performance by domestic major group companies and real estate business
Mineral Resources, Energy, Chemical & Electronics	-18.0	-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	147.0	-7.0	
Corporate and Eliminations	-24.0	-17.0	+7.0	- Unwind of yen's appreciation adjustments (Approx. -10.0) included in the Initial Forecast *2
Consolidated	130.0	130.0	±0	

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

*2 Assumption about Exchange rate <YEN/US\$>

Initial forecasts (May. 2016) : ¥110

(¥120 is applied for Initial Forecasts of global segments, and Initial Forecast of Corporate and Eliminations includes

anticipated negative impact of yen's appreciation adjustment (<YEN/US\$> ¥120→¥110) for company total

Revised forecasts (Nov. 2016) : ¥100 is applied for Revised Forecasts of all segments