

【Presentation】
Quarterly Results for FY2016
(Nine-month period ended December 31, 2016)

February 7th, 2017
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 Q3 (Apr.-Dec.) (A)	FY2016 Q3			FY2016 Q3 (Apr.-Dec.) (B)	Increase/ Decrease (B)-(A)
		Q1 (Apr.-Jun.)	Q2 (Jul.-Sep.)	Q3 (Oct.-Dec.)		
Profit for the period	61.3	22.7	43.1	45.7	111.5	+50.2
Basic profit (excl. impairment losses)^{*1}	160.0	41.1	50.9	60.6	152.5	-7.4
Mineral resources ^{*2}	1.6	-6.0	2.7	8.8	5.5	+4.0
Tubular products ^{*2}	-1.4	-2.1	-4.4	-2.3	-8.9	-7.5
Non-mineral resources (excl. Tubular products)	159.8	49.1	52.6	54.1	155.9	-3.9
One-off profits/losses	Approx. -86.0	Approx. -14.0	Approx. -3.0	Approx. -15.0	Approx. -32.0	Approx. +54.0

〈 Summary (Results) 〉

- **Mineral resources** : ✓ Increase in the earnings due to cost reduction and sales volume increase
- **Tubular products** : ✓ Decrease in the earnings due to the drop in crude oil prices
- **Non-mineral resources** : ✓ Decrease in the earnings of ship business (lackluster shipping market) and automobile distribution & sales business (stagnant emerging markets)
 ✓ Robust performance by domestic major group companies in Media, ICT, Lifestyle Related Goods & Services segment^{*3} and leasing business
- **One-off profits/losses** : ✓ (FY2016)
 Impairment loss in Copper-molybdenum mining business in Chile (-33.6), Tax provisions in Silver-zinc-lead mining project in Bolivia, etc.
 ✓ (FY2015)
 Impairment losses^{*4}, Realized gains resulting from asset replacement, etc.

(Reference)		FY2015 Q3 (Apr.-Dec.)	FY2016 Q3 (Apr.-Dec.)
Exchange rate	(YEN/US\$)	121.74	106.65
Interest rate	LIBOR 6M (YEN)	0.13%	0.00%
	LIBOR 6M (US\$)	0.52%	1.10%
Copper *1	(US\$/MT)	5,707	4,724
Zinc	(US\$/MT)	1,883	2,229
Nickel	(US\$/lb)	5.73	4.52
Iron ore	(US\$/MT)	53	62
Hard Coking coal *2	(US\$/MT)	97	126
Crude Oil	Brent *1 (US\$/bbl)	56	42
	WTI (US\$/bbl)	49	47

*1 These commodities show the prices in Jan.-Sep.
 *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 Segment name has been changed from Media, Network, Lifestyle Related Goods & Services segment on October 1, 2016. (The same applies hereafter in this material.)
 *4 Total amount: -111.6, Nickel Project in Madagascar: -77.0, Iron ore mining project in South Africa: -18.3, Copper and molybdenum mining business in Chile: -14.0

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- Profit for the FY2016 Q3 (Apr.- Dec.): +111.5 billion yen
 (+50.2 billion yen compared with FY2015 Q3)

<main reason>

One-off profits and losses : approx. +54 billion yen compared with FY2015 Q3.

- ✓ FY2015 Q3 : approx. -86 billion yen
 - Including impairment losses of approx. 110 billion yen in Nickel Project in Madagascar and other Mineral resources businesses.
- ✓ FY2016 Q3 : approx. -32 billion yen
 - Including impairment loss of 33.6 billion yen Copper and molybdenum mining business in Chile.

- Basic profit in FY2016 Q3 (excl. impairment losses) : +152.5 billion yen
 (-7.4 billion yen compared with FY2015 Q3)
 - ✓ Mineral resources : Increase in Basic profit
 - Mainly due to the cost reduction and sales volume increase.
 - ✓ Tubular products : Decrease in Basic profit
 - Struggled caused by lower oil prices.
 - ✓ Non-mineral resources : Decrease in Basic profit
 - Domestic major group companies in Media, ICT, Lifestyle Related Goods & Services segment and leasing business showed robust performance.
 - Sluggish performance for Ship business and Automobile distribution & sales business, and negative impact due to the yen's appreciation.
- Basic profit by Quarter in FY2016 (excl. impairment losses) : Stable
 - ✓ Mineral resources : Recovery of commodity price.
 - ✓ Non-mineral resources : Robust performance.

2. Cash Flows / Financial Position

● Cash Flows (Unit: Billions of yen)

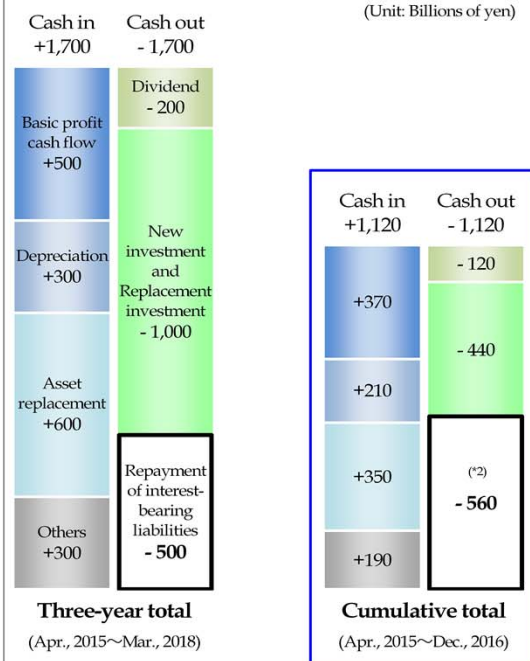
	FY2015 Q3	FY2016 Q3
Operating activities	+ 391.3	+ 222.7
Investing activities	- 133.2	- 52.1
Free Cash Flow	+258.1	+170.6
▽		
<Cash in>		
Basic profit cash flow*	+ 149.8	+ 168.4
Depreciation	+ 91.2	+ 86.2
Asset replacement	Approx. + 80.0	Approx. + 120.0
Others	Approx. + 170.0	Approx. - 30.0
<Cash out>		
Investment & Loan	Approx. - 230.0	Approx. - 170.0

* 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

< Summary >

- **Basic profit cash flow**
 - ✓ Core businesses generated cash steadily (Dividend from J:COM, Sumitomo Mitsui Finance and Leasing, etc.)
- **Asset replacement**
 - ✓ Sale of interests in Batu Hijau Copper Gold mine in Indonesia
 - ✓ Sale of all shares in Soukai Drug, etc.
- **Investment & Loan**
 - ✓ Acquisition of office buildings in the U.S.
 - ✓ Participation in an offshore wind farm in the U.K., etc.

(Reference) BBBO2017^(*) Cash Flow Plans



(*) 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)

● Financial Position (Unit: Trillions of yen)

As of Mar. 31, 2016		As of Dec. 31, 2016	
Total asset 7.8		Total asset 7.9	
Current assets 3.4	Other liabilities 1.9	Current assets 3.5	Other liabilities 2.1
Non-Current assets 4.4	Interest-bearing liabilities 3.7 (2.8)*	Non-Current assets 4.4	Interest-bearing liabilities 3.5 (2.6)*
	Shareholders' equity* 2.3		Shareholders' equity* 2.3
D/E Ratio(Net) : 1.2		D/E Ratio(Net) : 1.1	

* 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. "Shareholders' equity" includes Exchange differences on translating foreign operations (199 billion yen → -201). Financial assets measured at fair value through other comprehensive income (143 → -171).

< Summary (Unit: Billions of yen) >

- **Total asset +74** (7,818 → 7,891)
 - ✓ Increase due to the yen's depreciation
 - ✓ Decrease due to asset replacement
- **Shareholders' equity +77** (2,252 → 2,329)
 - ✓ Increase in retained earnings

< Exchange rate (YEN/US\$) >

As of Mar. 31, 2016	As of Dec. 31, 2016
112.68	116.49

【 Cash Flows 】

- Free Cash Flow for FY2016 Q3 : +170.6 billion yen
 - ✓ Basic profit cash flow : + 168.4 billion yen
 - ✓ Asset replacement : approx. +120 billion yen.
 - Sale of interests in Batu Hijau Copper Gold mine in Indonesia and all shares in Soukai Drug, etc.
 - ✓ Investment & Loan : approx. - 170 billion yen.
 - Acquisition of office buildings in the U.S. and participation in an offshore wind farm in the U.K., etc.

【 Financial Position 】

- Total Assets : 7,891.4 billion yen (+73.6 billion yen compared with Mar.31,2016)
 - ✓ Increase due mainly to the yen's depreciation, despite realization of asset replacement.
- Shareholders' equity : 2,328.7 billion yen (+77.2 billion yen compared with Mar.31,2016)
 - ✓ Increase due primarily to the increase in retained earnings.

3. Annual Forecasts

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(Unit: Billions of yen)	FY2016 Annual Forecasts as of Nov. 2016 (A)	Q1 (Apr.-Jun.)	Q2 (Jul.-Sep.)	Q3 (Oct.-Dec.)	FY2016 Q3 Q3 Results (Apr.-Dec.) (B)	Progress (B)/(A)
Profit for the period	130.0	22.7	43.1	45.7	111.5	86%
Basic profit (excl. impairment losses) ^{*1}	180.0	41.1	50.9	60.6	152.5	85%
Mineral resources ^{*2}	-10.0	-6.0	2.7	8.8	5.5	-
Tubular products ^{*2}	-10.0	-2.1	-4.4	-2.3	-8.9	-
Non-mineral resources (excl. Tubular products)	200.0	49.1	52.6	54.1	155.9	78%
One-off profits/losses	Approx. -40.0	Approx. -14.0	Approx. -3.0	Approx. -15.0	Approx. -32.0	-

〈 Summary (Progress) 〉

- **Mineral resources** : ✓ Mineral resources prices are holding up at levels above Annual Forecasts as of Nov. 2016
- **Tubular products** : ✓ Recovery is expected to delay
- **Non-mineral resources** : ✓ Stable performance of core businesses, including domestic major group companies in Media, ICT, Lifestyle Related Goods & Services segment and leasing business, etc.
- **One-off profits/losses** : ✓ Impairment loss in Copper-molybdenum mining business in Chile (-33.6)
✓ Possibility of impairment losses in the fourth quarter

(Reference) Key indicators	FY2016 Annual Forecasts as of Nov.2016 (Apr.-Mar.)	FY2016 Q3 Results (Apr.-Dec.)
Exchange rate (YEN/US\$)	100.00	106.65
Interest rate LIBOR 6M (YEN)	0.00%	0.00%
LIBOR 6M (US\$)	1.10%	1.10%
Copper ^{*1} (US\$/MT)	4,766	4,724
Zinc (US\$/MT)	2,048	2,229
Nickel (US\$/lb)	4.24	4.52
Iron ore (US\$/MT)	52	62
Hard Coking coal ^{*2} (US\$/MT)	89	126
Crude Brent ^{*1} (US\$/bbl)	44	42
Oil WTI (US\$/bbl)	46	47

^{*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)

^{*1} These commodities show the prices in Jan.-Dec.

^{*2} Hard Coking coal : Market price

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➤ World Economic Outlook

- ✓ Although we expect lack of clarity about the future, including the effects of U.S. new administration's policies, negotiation for U.K. exit from EU and heightened geopolitical risks of middle-east, moderate growth to continue in the U.S. and other advanced economies are expected. And commodity prices will be generally buoyant though there are differences in strength for each commodity.

➤ Profit for the FY2016 forecasts : We have not revised (130 billion yen)

- ✓ We accomplished more than 85% to the annual forecasts about Profit and Basic profit (excl. impairment losses) in FY2016 Q3.

- Mineral Resources : Prices are holding up at levels above our expectations. If the market remain current price, Basic profit (excl. impairment losses) is expected to increase compared to the annual forecasts.
- Tubular products : Recovery is expected to delay, though oil price and rig count show moderate upturn.
- Non-Mineral resources : Major business in Media, ICT, Lifestyle Related Goods & Services segment is expected to perform steadily.

➤ One-off profits and losses : There is a possibility that additional impairment losses are posted in some businesses in the fourth quarter of FY2016. Basic profit (excl. impairment losses) : Robust performance will continue in the fourth quarter and we expect we will achieve more than 180 billion yen in FY2016.

⇒ We expect that our annual forecast of 130 billion yen will be achieved.