

**Consolidated annual results FY2016 (Year ended March 31, 2017)**

[Prepared on the basis of International Financial Reporting Standards]

**Sumitomo Corporation**

Stock Exchange code No. 8053  
 (Listed on Tokyo, Nagoya and Fukuoka Stock Exchanges)  
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The date of payout of dividend: June 26, 2017 (Planned)

**1. Consolidated results for the year ended March 31, 2017**

(Remarks)

Amounts are rounded to the nearest million.

% : change from the previous year.

**(1) Consolidated operating results**

	Revenues		Profit before tax		Profit for the year		Profit for the year attributable to owners of the parent		Comprehensive income for the year	
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Year ended March 31, 2017	3,996,974	(0.3)	213,101	52.1	187,205	111.4	170,889	129.2	181,254	—
Year ended March 31, 2016	4,010,808	6.6	140,116	—	88,567	—	74,546	—	(157,104)	—

	Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)	Profit ratio to equity attributable to owners of the parent	Profit before tax ratio to total assets
	(yen)	(yen)	(%)	(%)
Year ended March 31, 2017	136.91	136.81	7.4	2.7
Year ended March 31, 2016	59.73	59.69	3.2	1.7

[Notes] Share of profit (loss) of investments accounted for using the equity method (FY2016) 83,457 million yen (FY2015) (53,815) million yen  
 Representation of Total trading transactions and Operating profit which were presented in a manner customarily used in Japan solely for Japanese investors' purposes is discontinued from the fiscal year ended March 31, 2017.

**(2) Consolidated financial position**

	Total Assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio	Equity per share attributable to owners of the parent
	(millions of yen)	(millions of yen)	(millions of yen)	(%)	(yen)
As of March 31, 2017	7,761,794	2,486,955	2,366,485	30.5	1,895.81
As of March 31, 2016	7,817,818	2,391,945	2,251,509	28.8	1,803.95

**(3) Consolidated cash flows**

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of year
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Year ended March 31, 2017	345,788	(180,673)	(254,448)	776,464
Year ended March 31, 2016	599,708	(85,448)	(507,157)	868,755

**2. Dividends**

	Cash dividends per share					Total amount of cash dividends per annum (millions of yen)	Dividend payout ratio (Consolidated) (%)	Dividend on equity attributable to owners of the parent (Consolidated) (%)
	First quarter-end (yen)	Second quarter-end (yen)	Third quarter-end (yen)	Year-end (yen)	Total (yen)			
Year ended March 31, 2016	—	25.00	—	25.00	50.00	62,403	83.7	2.6
Year ended March 31, 2017	—	25.00	—	25.00	50.00	62,411	36.5	2.7
Year ending March 31, 2018 (Forecasts)	—	25.00	—	25.00	50.00		27.1	

**3. Forecasts for the year ending March 31, 2018**

(Remarks)

% : change from the previous year.

	Profit before tax	Profit for the year attributable to owners of the parent	Earnings per share attributable to owners of the parent
	(millions of yen)	(millions of yen)	(yen)
Apr.1-Sep.30, 2017	—	—	—
Year ending March 31, 2018	—	230,000	184.27

[Note] The Company has prepared only annual forecasts.  
 The Company has not prepared forecast of Profit before tax from the year ending March 31, 2018.

[Notes]

(1) Change in significant subsidiaries (changes in "Specified Subsidiaries" accompanying changes in scope of consolidation) during this period: None

(2) Changes in accounting policies and accounting estimate

- (i) Changes in accounting policies required by IFRS None  
(ii) Other changes None  
(iii) Changes in accounting estimate Yes

[Note] For further details please refer page 13 "Changes in accounting estimate."

(3) Outstanding stocks (Common stocks)

					(shares)
(i) Outstanding stocks including treasury stock	(March 31, 2017)	1,250,602,867	(March 31, 2016)	1,250,602,867	
(ii) Treasury stocks	(March 31, 2017)	2,333,692	(March 31, 2016)	2,506,842	
(iii) Average stocks	(April 1, 2016-March 31, 2017)	1,248,188,266	(April 1, 2015-March 31, 2016)	1,247,994,051	

[Note] With regard to number of stocks used in earnings per share attributable to owners of the parent, please refer page 15.

[Reference] Non-consolidated information

Non-consolidated results FY2016 (Year ended March 31, 2017)

(Remarks)

Amounts are rounded down to the nearest million.

% : change from the previous year.

(1) Operating results

	Total trading transactions	(increase/ (decrease)	Operating income	(increase/ (decrease)	Ordinary income	(increase/ (decrease)	Net income	(increase/ (decrease)
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Year ended March 31, 2017	2,523,023	(8.5)	(44,607)	—	101,855	—	111,952	351.4
Year ended March 31, 2016	2,758,832	(14.6)	(18,604)	—	1,157	—	24,801	—

	Net income per share (basic)	Net income per share (diluted)
	(yen)	(yen)
Year ended March 31, 2017	89.69	89.62
Year ended March 31, 2016	19.87	19.86

(2) Financial position

	Total assets	Net worth	Shareholders' equity ratio	Net worth per share
	(millions of yen)	(millions of yen)	(%)	(yen)
As of March 31, 2017	4,152,593	962,127	23.1	769.89
As of March 31, 2016	3,972,450	873,950	22.0	699.38

[Note] Shareholders' equity (As of March 31, 2017) 961,025 million yen (As of March 31, 2016) 872,893 million yen

\* This report is not subject to audits.

\* 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.

# Management results

## 1. Operating results

Revenues for the fiscal year ended March 31, 2017 amounted to 3,997.0 billion yen, representing a decrease of 13.8 billion yen from the previous fiscal year.

Gross profit totaled 842.7 billion yen down by 51.4 billion yen due to the impact from the yen's appreciation and a decrease in earnings of tubular products business in North America despite an increase in earnings of San Cristobal silver-zinc-lead mining project in Bolivia. Selling, general and administrative expenses decreased by 69.0 billion yen to 693.8 billion yen.

Other gain (loss) decreased by 36.0 billion yen to a loss of 20.1 billion yen due to tax provisions posted in San Cristobal silver-zinc-lead mining project in Bolivia and realized gains resulting from asset replacements in the previous fiscal year.

Gain (loss) on securities and other investments decreased by 59.3 billion yen to 12.9 billion yen due to the profits on sale and revaluation of stocks stemming from the business reorganization of the automobile financing business in Indonesia in the previous fiscal year.

Share of profit (loss) of investments accounted for using the equity method increased by 137.3 billion yen to 83.5 billion yen. While the impairment loss for Copper and molybdenum mining business in Chile was posted in this fiscal year, there were larger impairment losses posted in the previous fiscal year for several businesses such as Nickel mining and refining business in Madagascar, Iron ore mining project in Brazil and others.

As a result, Profit for the year attributable to owners of the parent totaled 170.9 billion yen, representing an increase of 96.3 billion yen from the previous fiscal year.

### **<Profit for the year attributable to owners of the parent by segment>**

Metal Products Business Unit posted profit of 10.0 billion yen, a decrease of 2.1 billion yen from the previous fiscal year. Although the operation of overseas steel service centers showed stable performances, tubular products business in North America decreased in earnings.

Transportation & Construction Systems Business Unit posted profit of 46.9 billion yen, down by 27.0 billion yen. While leasing business and construction equipment rental business showed robust performances, there was a decrease in earnings of ship business due to lackluster shipping market. In addition, there were profits on sale and revaluation of stocks stemming from the business reorganization

of the automobile financing business in Indonesia in the previous fiscal year.

Environment & Infrastructure Business Unit posted profit of 23.0 billion yen, a decrease of 2.1 billion yen. Although overseas IPP/IWPP businesses showed stable performance in this fiscal year, there were profits from value realization in renewable energy power generation businesses in the previous fiscal year.

Media, ICT, Lifestyle Related Goods & Services Business Unit (\*1) posted profit of 77.6 billion yen, an increase of 12.8 billion yen, owing to factors such as robust performances of domestic major group companies and real estate business, while the impairment loss of 9.8 billion yen in Grain business in Australia was posted in the previous fiscal year.

\*1: Segment (Business Unit) name has been changed from Media, Network, Lifestyle Related Goods & Services segment on October 1, 2016. (The same applies hereafter in this material.)

Mineral Resources, Energy, Chemical & Electronics Business Unit posted a loss of 17.2 billion yen, an increase of 134.4 billion yen, due to the factors such as earnings improvement by the higher mineral resources prices though having an impairment loss of 33.6 billion yen for Copper and molybdenum mining business in Chile.

In addition, there were impairment losses of 156.8 billion yen in total posted in the previous fiscal year for several businesses including Nickel mining and refining business in Madagascar, Iron ore mining projects in South Africa and Brazil.

Overseas Subsidiaries and Branches segment posted profit of 20.0 billion yen, down by 1.1 billion yen. This was owing to the factors such as a decrease in earnings of tubular products business in North America, while there were realized gains resulting from asset replacement and impairment losses of 23.6 billion yen in total for several businesses, including Edgen group and Grain business in Australia in the previous fiscal year.

## **2. Financial position**

### ***<Total assets, liabilities, and equity as of March 31, 2017>***

Total assets stood at 7,761.8 billion yen, representing a decrease of 56.0 billion yen from the previous fiscal year-end, due mainly to a decrease from asset replacement despite an increase resulting from execution of investment and loan.

Equity attributable to owners of the parent totaled 2,366.5 billion yen, increased by 115.0 billion yen from the previous fiscal year-end, due primarily to an increase in retained earnings.

Interest-bearing liabilities (net) decreased by 142.4 billion yen from the previous fiscal year-end, to 2,627.9 billion yen.

In consequence, the net debt-equity ratio (Interest-bearing liabilities (net)/ Equity attributable to owners of the parent) was 1.1.

#### <Cash flows>

Net cash provided by operating activities totaled 345.8 billion yen, as our core businesses including major businesses of Media, ICT, Lifestyle Related Goods & Services segment performed well in generating cash.

Net cash used in investing activities totaled 180.7 billion yen. In this fiscal year, we executed investments and loans of approx. 340.0 billion yen primarily for acquisition of office buildings in the U.S and Fyffes, an international produce marketer and distributor in Ireland. On the other hand, we recovered funds of approx. 180.0 billion yen through asset replacement such as the sale of interests in Batu Hijau Copper Gold Mine in Indonesia and shares in Soukai Drug Co., Ltd.

As a result, Free cash flow totaled 165.1 billion yen inflow.

Net cash used by financing activities totaled 254.4 billion yen, due primarily to debt repayment and dividend payment.

In consequence of the foregoing, Cash and cash equivalents stood at 776.5 billion yen as of March 31, 2017, representing a decrease of 92.3 billion yen from the previous fiscal year-end.

### **3. Forecasts for fiscal year ending March 31, 2018**

As regards to the future global economy, it is expected that slow but steady growth in developed countries mainly led by the U.S. and recovery in emerging countries will continue. However, there remains uncertainty about the future, including upcoming elections in Eurozone, the policy change by the new U.S. administration and the geopolitical risks in the Middle East. As the government and central bank of Japan cooperate to support the Japanese economy, the situation of employment and household income is expected to keep recovering. Mineral resources prices are expected to remain unchanged or increase from the current level considering the domestic demand in China will be stable.

Under these circumstances, our forecast for the fiscal year ending March 31, 2018 is as follows

- Profit for the year attributable to owners of the parent	230 billion yen
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Looking at our business performance in this context, we expect recovery in profitability of tubular products business after the second half of the fiscal year ending March 31, 2018 and increase in the profit of mineral resources businesses due to commodity prices increase comparing with the previous fiscal year. In addition, in our non-mineral resources businesses, robust performance of major group companies of Media, ICT, Lifestyle Related Goods & Services Business segment is expected to continue. In this forecast, we included 20 billion yen of one-off loss as costs for improving our financial soundness through the steady execution of asset replacement.

#### **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.

#### **4. Dividend policy**

Sumitomo Corporation aims to increase dividends by achieving medium and long-term earnings growth while adhering to its fundamental policy of paying shareholders a stable dividend over the long term.

During "Be the Best, Be the One (BBBO) 2017", the medium-term management plan launched in April 2015, we decide the dividend amount in view of the situations regarding basic profit and cash flow, with 50 yen per share as the minimum amount of annual dividend and a consolidated payout ratio of 25% or more as our reference.

Although the consolidated profits for FY 2016 resulted 170.9 billion yen, the annual dividend for the fiscal year ending March 31, 2017, is projected to be 50 yen per share as recently announced. The year-end dividend is projected to be 25 yen per share since the interim dividend was 25 yen per share.

The annual dividend forecast for the fiscal year ending March 31, 2018, is projected to be 50 yen per share based on our dividend policy during BBBO2017.

## **Basic Concept Regarding Selection of Accounting Standard**

Sumitomo Corporation has adopted International Financial Reporting Standards (IFRS), which are global accounting standards, to enhance the convenience of our financial statements for investors by improving their quality. We are also utilizing IFRS as a significant management tool to deal with management issues such as the further improvement of operational quality, the promotion of management resource reallocation, etc.

## Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries  
As of March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2017	March 31, 2016	March 31, 2017
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 776,464	¥ 868,755	\$ 6,995
Time deposits	13,996	11,930	126
Marketable securities	4,647	4,748	42
Trade and other receivables	1,206,398	1,204,650	10,868
Other financial assets	66,550	132,886	600
Inventories	830,871	807,371	7,485
Advance payments to suppliers	169,084	164,669	1,523
Other current assets	253,165	192,063	2,281
Total current assets	3,321,175	3,387,072	29,920
<b>Non-current assets:</b>			
Investments accounted for using the equity method	1,870,935	1,891,768	16,855
Other investments	437,162	410,730	3,938
Trade and other receivables	472,462	538,855	4,256
Other financial assets	91,937	120,737	828
Property, plant and equipment	795,857	785,009	7,170
Intangible assets	357,359	310,789	3,220
Investment property	311,115	266,623	2,803
Biological assets	12,536	11,911	113
Prepaid expenses	23,498	22,881	212
Deferred tax assets	67,758	71,443	611
Total non-current assets	4,440,619	4,430,746	40,006
Total assets	¥ 7,761,794	¥ 7,817,818	\$ 69,926

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥111=US\$1.



## Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries  
As of March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2017	March 31, 2016	March 31, 2017
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities:</b>			
Bonds and borrowings	¥ 659,257	¥ 737,457	\$ 5,939
Trade and other payables	1,029,294	933,147	9,273
Other financial liabilities	53,264	66,195	480
Income tax payables	20,737	21,916	187
Accrued expenses	105,164	103,967	947
Advances from customers	223,584	186,383	2,014
Provisions	4,490	10,940	41
Other current liabilities	80,129	60,114	722
Total current liabilities	2,175,919	2,120,119	19,603
<b>Non-current liabilities:</b>			
Bonds and borrowings	2,759,069	2,913,486	24,856
Trade and other payables	121,126	134,240	1,091
Other financial liabilities	40,599	64,384	366
Accrued pension and retirement benefits	28,076	34,332	253
Provisions	33,210	38,059	299
Deferred tax liabilities	116,840	121,253	1,053
Total non-current liabilities	3,098,920	3,305,754	27,918
Total liabilities	5,274,839	5,425,873	47,521
<b>Equity:</b>			
Common stock	219,279	219,279	1,975
Additional paid-in capital	263,937	256,500	2,378
Treasury stock	(3,113)	(3,344)	(28)
Other components of equity	309,094	311,880	2,785
Retained earnings	1,577,288	1,467,194	14,210
Equity attributable to owners of the parent	2,366,485	2,251,509	21,320
<b>Non-controlling interests</b>	120,470	140,436	1,085
Total equity	2,486,955	2,391,945	22,405
Total liabilities and equity	¥ 7,761,794	¥ 7,817,818	\$ 69,926

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥111=US\$1.

# Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars	
	2017	2016	2017	
<b>Revenues</b>				
Sales of tangible products	¥ 3,504,159	¥ 3,439,634	\$ 31,569	
Sales of services and others	492,815	571,174	4,440	
<b>Total revenues</b>	<b>3,996,974</b>	<b>4,010,808</b>	<b>36,009</b>	
<b>Cost</b>				
Cost of tangible products sold	(2,951,459)	(2,905,949)	(26,590)	
Cost of services and others	(202,817)	(210,802)	(1,827)	
<b>Total cost</b>	<b>(3,154,276)</b>	<b>(3,116,751)</b>	<b>(28,417)</b>	
<b>Gross profit</b>	<b>842,698</b>	<b>894,057</b>	<b>7,592</b>	
<b>Other income (expenses)</b>				
Selling, general and administrative expenses	(693,759)	(762,724)	(6,250)	
Impairment losses on long-lived assets	(18,803)	(57,228)	(169)	
Gain (loss) on sale of long-lived assets, net	(876)	23,783	(8)	
Other, net	(20,132)	15,834	(182)	
<b>Total other income (expenses)</b>	<b>(733,570)</b>	<b>(780,335)</b>	<b>(6,609)</b>	
<b>Finance income (costs)</b>				
Interest income	26,009	29,724	234	
Interest expense	(27,738)	(32,351)	(250)	
Dividends	9,372	10,623	85	
Gain (loss) on securities and other investments, net	12,873	72,213	116	
<b>Finance income (costs), net</b>	<b>20,516</b>	<b>80,209</b>	<b>185</b>	
<b>Share of profit (loss) of investments accounted for using the equity method</b>	<b>83,457</b>	<b>(53,815)</b>	<b>752</b>	
<b>Profit before tax</b>	<b>213,101</b>	<b>140,116</b>	<b>1,920</b>	
<b>Income tax expense</b>	<b>(25,896)</b>	<b>(51,549)</b>	<b>(233)</b>	
<b>Profit for the year</b>	<b>187,205</b>	<b>88,567</b>	<b>1,687</b>	
<b>Profit for the year attributable to:</b>				
Owners of the parent	¥ 170,889	¥ 74,546	\$ 1,540	
Non-controlling interests	16,316	14,021	147	
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Financial assets measured at fair value through other comprehensive income	22,771	(37,004)	205	
Remeasurements of defined benefit pension plans	10,884	(24,894)	98	
Share of other comprehensive income of investments accounted for using the equity method	(541)	96	(5)	
<b>Total items that will not be reclassified to profit or loss</b>	<b>33,114</b>	<b>(61,802)</b>	<b>298</b>	
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translating foreign operations	(47,621)	(170,348)	(429)	
Cash-flow hedges	2,495	(7,647)	22	
Share of other comprehensive income of investments accounted for using the equity method	6,061	(5,874)	55	
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(39,065)</b>	<b>(183,869)</b>	<b>(352)</b>	
<b>Other comprehensive income, net of tax</b>	<b>(5,951)</b>	<b>(245,671)</b>	<b>(54)</b>	
<b>Comprehensive income for the year</b>	<b>181,254</b>	<b>(157,104)</b>	<b>1,633</b>	
<b>Comprehensive income for the year attributable to:</b>				
Owners of the parent	¥ 169,715	¥ (164,394)	\$ 1,529	
Non-controlling interests	11,539	7,290	104	

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥111=US\$1.

## Consolidated Statements of Changes in Equity

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
<b>Equity:</b>			
<b>Common stock:</b>			
Balance, beginning of year	¥ 219,279	¥ 219,279	\$ 1,975
Balance, end of year	219,279	219,279	1,975
<b>Additional paid-in capital:</b>			
Balance, beginning of year	256,500	260,009	2,311
Acquisition (disposal) of non-controlling interests, net	8,865	(294)	80
Others	(1,428)	(3,215)	(13)
Balance, end of year	263,937	256,500	2,378
<b>Treasury stock:</b>			
Balance, beginning of year	(3,344)	(3,721)	(30)
Acquisition (disposal) of treasury stock, net	231	377	2
Balance, end of year	(3,113)	(3,344)	(28)
<b>Other components of equity:</b>			
Balance, beginning of year	311,880	531,343	2,810
Other comprehensive income for the year	(1,174)	(238,940)	(11)
Transfer to retained earnings	(1,612)	19,477	(14)
Balance, end of year	309,094	311,880	2,785
<b>Retained earnings:</b>			
Balance, beginning of year	1,467,194	1,474,522	13,218
Transfer from other components of equity	1,612	(19,477)	14
Profit for the year attributable to owners of the parent	170,889	74,546	1,540
Cash dividends	(62,407)	(62,397)	(562)
Balance, end of year	1,577,288	1,467,194	14,210
<b>Equity attributable to owners of the parent</b>	¥ 2,366,485	¥ 2,251,509	\$ 21,320
<b>Non-controlling interests:</b>			
Balance, beginning of year	140,436	135,818	1,265
Cash dividends to non-controlling interests	(20,117)	(4,762)	(181)
Acquisition (disposal) of non-controlling interests and others, net	(11,388)	2,090	(103)
Profit for the year attributable to non-controlling interests	16,316	14,021	147
Other comprehensive income for the year	(4,777)	(6,731)	(43)
Balance, end of year	120,470	140,436	1,085
<b>Total equity</b>	¥ 2,486,955	¥ 2,391,945	\$ 22,405
<b>Comprehensive income for the year attributable to:</b>			
Owners of the parent	169,715	(164,394)	1,529
Non-controlling interests	11,539	7,290	104
<b>Total comprehensive income for the year</b>	¥ 181,254	¥ (157,104)	\$ 1,633

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥111=US\$1.

# Condensed Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2017 and 2016

	Millions of Yen		Millions of
	2017	2016	U.S. Dollars
<b>Operating activities:</b>			2017
Profit for the year	¥ 187,205	¥ 88,567	\$ 1,687
Adjustments to reconcile profit for the year to net cash provided by operating activities:			
Depreciation and amortization	114,266	125,076	1,029
Impairment losses on long-lived assets	18,803	57,228	169
Finance (income) costs, net	(20,516)	(80,209)	(185)
Share of (profit) loss of investments accounted for using the equity method	(83,457)	53,815	(752)
(Gain) loss on sale of long-lived assets, net	876	(23,783)	8
Income tax expense	25,896	51,549	233
(Increase) decrease in inventories	(8,866)	148,190	(80)
Decrease in trade and other receivables	21,169	174,890	191
(Increase) decrease in prepaid expenses	(2,221)	5,552	(20)
Increase (decrease) in trade and other payables	105,028	(43,778)	946
Other, net	(61,680)	(1,478)	(556)
Interest received	25,799	29,555	233
Dividends received	114,333	117,973	1,030
Interest paid	(26,999)	(32,121)	(243)
Income tax paid	(63,848)	(71,318)	(575)
Net cash provided by operating activities	345,788	599,708	3,115
<b>Investing activities:</b>			
Proceeds from sale of property, plant and equipment	17,773	9,009	160
Proceeds from sale of investment property	7,838	45,889	71
Proceeds from sale of other investments	65,840	149,343	593
Collection of loan receivables	146,404	404,820	1,319
Purchase of property, plant and equipment	(73,004)	(120,442)	(658)
Purchase of investment property	(57,947)	(18,522)	(522)
Acquisition of other investments	(177,974)	(121,124)	(1,603)
Increase in loan receivables	(109,603)	(434,421)	(988)
Net cash used in investing activities	(180,673)	(85,448)	(1,628)
Free Cash Flows:	165,115	514,260	1,487
<b>Financing activities:</b>			
Net increase in short-term debt	36,090	(212,719)	325
Proceeds from issuance of long-term debt	358,743	329,460	3,232
Repayment of long-term debt	(547,643)	(563,370)	(4,934)
Cash dividends paid	(62,407)	(62,397)	(562)
Capital contribution from non-controlling interests	974	8,175	9
Payment for acquisition of subsidiary's interests from non-controlling interests	(20,120)	(1,630)	(181)
Payment of dividends to non-controlling interests	(20,117)	(4,762)	(181)
(Acquisition) disposal of treasury stock, net	32	86	0
Net cash used in financing activities	(254,448)	(507,157)	(2,292)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(89,333)</b>	<b>7,103</b>	<b>(805)</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>868,755</b>	<b>895,875</b>	<b>7,827</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(2,958)</b>	<b>(34,223)</b>	<b>(27)</b>
<b>Cash and cash equivalents at the end of year</b>	<b>¥ 776,464</b>	<b>¥ 868,755</b>	<b>\$ 6,995</b>

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥111=US\$1.

**Assumptions for Going Concern : None**

### **Changes in accounting estimate**

The significant changes in accounting estimate in the Consolidated Statements are as follows.

- ✓ Sumitomo recognized the impairment loss of 33,601 million yen relating to Copper and molybdenum mining business in Chile in the fiscal year ended March 31, 2017, as a result of revising the long-term business plan based on the current performance of mining operation and the medium and long-term trend in copper prices. The impairment loss is included in “Share of profit (loss) of investments accounted for using the equity method” in the Consolidated Statements of Comprehensive Income.
  
- ✓ On December 30, 2011, Minera San Cristobal S.A. (“MSC”), which is a consolidated subsidiary of the Company in Plurinational State of Bolivia (“Bolivia”), received a correction notice relating to its withholding tax returns from Bolivian Tax Authority.  
MSC appealed to the Supreme Court for the revocation of corrected amount of tax payment order issued by the General Authority of Taxes. In addition, MSC offered the appropriate fixed assets as a collateral in accordance with the procedure stipulated in the related Bolivian law. The estimated corrected tax amount in the year ended March 31, 2016 was approximately 185 million US dollars.  
On July 4, 2016, the amended tax code and its regulations, including measures for the reduction and exemption of delayed interests and penalties, were promulgated in Bolivia. Based on the consideration among the local specialists, MSC withdrew its appeal to the Supreme Court in order to apply the amended tax code and its regulations.  
Consequently, in the fiscal year ended March 31, 2017, the loss of the corrected tax amount approximately 106 million US dollars (10,886 million yen) was recognized as “Other, net” in the Consolidated Statements of Comprehensive Income and the same amount was already paid.

## Segment Information (Condensed)

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2017 and 2016

2017:	Millions of Yen		
	Segment	Gross profit	Profit for the year (attributable to owners of the parent)
Metal Products	¥ 67,358	¥ 9,966	¥ 676,055
Transportation & Construction Systems	131,207	46,911	1,471,865
Environment & Infrastructure	54,982	22,954	666,251
Media, ICT, Lifestyle Related Goods & Services	257,040	77,550	1,909,301
Mineral Resources, Energy, Chemical & Electronics	117,851	(17,200)	1,333,571
Overseas Subsidiaries and Branches	217,182	19,979	1,864,439
Segment Total	845,620	160,160	7,921,482
Corporate and Eliminations	(2,922)	10,729	(159,688)
Consolidated	¥ 842,698	¥ 170,889	¥ 7,761,794

2016:	Millions of Yen		
	Segment	Gross profit	Profit for the year (attributable to owners of the parent)
Metal Products	¥ 77,331	¥ 12,030	¥ 674,150
Transportation & Construction Systems	175,595	73,960	1,509,303
Environment & Infrastructure	56,692	25,048	559,357
Media, ICT, Lifestyle Related Goods & Services	254,567	64,779	1,734,959
Mineral Resources, Energy, Chemical & Electronics	80,344	(151,612)	1,434,374
Overseas Subsidiaries and Branches	253,249	21,091	1,869,558
Segment Total	897,778	45,296	7,781,701
Corporate and Eliminations	(3,721)	29,250	36,117
Consolidated	¥ 894,057	¥ 74,546	¥ 7,817,818

2017:	Millions of U.S. Dollars		
	Segment	Gross profit	Profit for the year (attributable to owners of the parent)
Metal Products	\$ 607	\$ 90	\$ 6,091
Transportation & Construction Systems	1,182	422	13,260
Environment & Infrastructure	495	207	6,002
Media, ICT, Lifestyle Related Goods & Services	2,316	699	17,201
Mineral Resources, Energy, Chemical & Electronics	1,062	(155)	12,014
Overseas Subsidiaries and Branches	1,956	180	16,797
Segment Total	7,618	1,443	71,365
Corporate and Eliminations	(26)	97	(1,439)
Consolidated	\$ 7,592	\$ 1,540	\$ 69,926

- Notes:
- 1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥111=US\$1.
  - 2) On April 1, 2016 a part of Battery business was transferred from Environment & Infrastructure Business Unit to Transportation & Construction Systems Business Unit.  
The segment information of the previous year has also been reclassified.

## Earnings per share

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2017 and 2016

A calculation of the basic and diluted earnings per share (attributable to owners of the parent) for the years ended March 31, 2017 and 2016 is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Profit for the year attributable to owners of the parent	¥ 170,889	¥ 74,546	\$ 1,540

	Number of shares	
	2017	2016
Weighted-average shares-basic	1,248,188,266	1,247,994,051
Dilutive effect of:		
Stock options	948,307	939,524
Weighted-average shares-diluted	1,249,136,573	1,248,933,575

	Yen		U.S. Dollars
	2017	2016	2017
Earnings per share (attributable to owners of the parent):			
Basic	¥ 136.91	¥ 59.73	\$ 1.23
Diluted	136.81	59.69	1.23

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥111=US\$1.

## Subsequent events

There are no material subsequent events to be disclosed.