

May 9, 2017

*Sumitomo Corporation*

## Summary of Consolidated Results

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# 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.

	<b>FY2016</b> (billion yen)	<b>FY2015</b> (billion yen)	<b>change</b> (billion yen)	
				Exchange rate (Yen/US\$, average)
				FY2016
				FY2015
				change
				change (%)
				(Apr.-Mar.)
				108.38
				120.14
				-11.76
				-9.8%
				(Jan.-Dec.)
				108.81
				121.10
				-12.29
				-10.1%
Revenues	3,997.0	4,010.8	- 13.8	
<b>Gross profit</b>	<b>842.7</b>	<b>894.1</b>	<b>- 51.4</b>	<ul style="list-style-type: none"> <li>•Deconsolidation, approx.-41.0</li> <li>•Existing businesses, approx.+39.0 (Factors causing increase) Silver, zinc and lead business in Bolivia, Coal mining projects in Australia, etc.</li> <li>(Factors causing decrease) Tubular products business in North America, etc.</li> <li>•Impact of Yen's appreciation, approx.-50.0</li> </ul>
Selling, general and administrative expenses	- 693.8	- 762.7	+ 69.0	<ul style="list-style-type: none"> <li>•Deconsolidation, approx.+27.0*</li> <li>•Impact of Yen's appreciation, approx.+39.0*</li> <li>* excl. changes in provision for doubtful receivables</li> </ul>
(Employee benefits expenses)	(- 367.4)	(- 397.9)	(+ 30.5)	
(Provision for doubtful receivables)	(- 2.3)	(- 10.4)	(+ 8.1)	
(Others)	(- 324.1)	(- 354.4)	(+ 30.4)	
Gain (loss) on property, plant and equipment, net	- 19.7	- 33.4	+ 13.8	<ul style="list-style-type: none"> <li>•Impairment losses in FY15 Edgen Group, Grain business in Australia, etc</li> <li>•Value realization in real estate business in FY15, etc</li> <li>•Impairment losses in FY16 Ship business, Edgen Group, etc</li> </ul>
Other, net	- 20.1	15.8	- 36.0	<ul style="list-style-type: none"> <li>•One-off profits stemming from business reorganization of LPG wholesale business in FY15, etc.</li> <li>•Tax provisions in silver, zinc and lead business in Bolivia in FY16, etc</li> </ul>
<b>Total other income (expenses)</b>	<b>- 733.6</b>	<b>- 780.3</b>	<b>+ 46.8</b>	
Interest expense, net of interest income	- 1.7	- 2.6	+ 0.9	
Dividends	9.4	10.6	- 1.3	
Gain (loss) on securities and other investments, net	12.9	72.2	- 59.3	<ul style="list-style-type: none"> <li>•Business reorganization of the automotive financing business in Indonesia in FY15, etc</li> <li>•Sale of all shares in Soukai Drug in FY16, etc</li> </ul>
<b>Financial income (costs), net</b>	<b>20.5</b>	<b>80.2</b>	<b>- 59.7</b>	
<b>Share of profit (loss) of investments accounted for using the equity method</b>	<b>83.5</b>	<b>- 53.8</b>	<b>+ 137.3</b>	<ul style="list-style-type: none"> <li>•<u>Impact of Impairment losses, approx. +105.0</u> (The followings exclude the impacts of impairment losses)</li> <li>•<u>Mineral resources 0</u> (Factors causing increase) Iron ore mining business in South Africa (Factors causing decrease) Sale of interests in Batu Hijau Copper Gold mine in Indonesia, etc</li> <li>•<u>Non-mineral resources approx. +30.0</u> (Factors causing increase) Leasing business, J:COM (Factors causing decrease) Tubular products business in North America, SUMIFRU SINGAPORE, etc</li> </ul>
<b>Profit (loss) before tax</b>	<b>213.1</b>	<b>140.1</b>	<b>+ 73.0</b>	
Income tax expense	- 25.9	- 51.5	+ 25.7	
<b>Profit (loss) for the period attributable to:</b>				
Owners of the parent	170.9	74.5	+ 96.3	
Non-controlling interests	16.3	14.0	+ 2.3	
<b>Basic profit *</b>	<b>193.1</b>	<b>46.5</b>	<b>+ 146.6</b>	
<b>Excluding the impacts of impairment losses</b>	<b>226.7</b>	<b>193.2</b>	<b>+ 33.5</b>	

\* 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%

## 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.

## Summary

- Total assets: 7,761.8 billion yen (decrease by 56 billion yen from the end of Mar, 2016)
  - Decrease in cash and cash equivalents: -100
  - Decrease caused by Yen's appreciation: -40
  - Decrease caused by impairment losses
  - Increase resulted from acquisition of Fyffes: +140 etc.
- Shareholders' equity: 2,366.5 billion yen (increase by 115 billion yen from the end of Mar, 2016)
  - Profit for FY 2016: +170.9
  - Dividend payment: -62.4 etc.

<Numbers below include translation adjustments>

	Mar 31, 2017 (billion yen)	Mar 31, 2016 (billion yen)	change (billion yen)	
<b>【Assets】</b>	<b>7,761.8</b>	<b>7,817.8</b>	<b>-56.0</b>	
<b>Current Assets</b>	<b>3,321.2</b>	<b>3,387.1</b>	<b>-65.9</b>	
Cash and cash equivalents	776.5	868.8	-92.3	
Trade and other receivables	1,206.4	1,204.7	+1.7	} Increase caused by mineral resources prices increase Increase in inventories of real estate held for development and resale Decrease in inventories of tubular products business, etc.
Inventories	830.9	807.4	+23.5	
<b>Non-current assets</b>	<b>4,440.6</b>	<b>4,430.7</b>	<b>+9.9</b>	
Investments accounted for using the equity method	1,870.9	1,891.8	-20.8	
Trade and other receivables	472.5	538.9	-66.4	... Decrease caused by impairment losses Decrease caused by collection of lease receivables
Intangible Assets	357.4	310.8	+46.6	... Increase caused by acquisition of Fyffes, etc.
Investment property	311.1	266.6	+44.5	... Acquisition of office buildings in the U.S., etc.
<b>【Liabilities】</b>	<b>5,274.8</b>	<b>5,425.9</b>	<b>-151.0</b>	
Trade and other payables	1,150.4	1,067.4	+83.0	... Increase caused by acquisition of Fyffes, etc.
《Interest bearing liabilities (Gross)》	3,418.3	3,650.9	-232.6	... Debt repayment Decrease caused by Yen's appreciation
《Interest bearing liabilities(Net)》	2,627.9	2,770.3	-142.4	
<b>【Equity】</b>	<b>2,487.0</b>	<b>2,391.9</b>	<b>+95.0</b>	
Shareholders' equity ※	2,366.5	2,251.5	+115.0	... { Exchange differences on translating foreign operations: -41.8 (157.6←199.4) Financial assets measured at fair value through other comprehensive income: +30.4 (173.0←142.6)
《Shareholders' equity ratio》	30.5%	28.8%	+1.7pt	
《D/E Ratio (Net)》	1.1	1.2	-0.1pt	

※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 years ended March 31, 2017 and 2016

	Millions of Yen		Millions of U.S. Dollars	
	2017	2016	2017	
<b>Operating activities:</b>				
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.

## Summary of Cash flow in FY2016

Net cash provided by operating activities **+ 345.8 billion yen**

- Core businesses generated cash steadily
- Dividend from J:COM, Sumitomo Mitsui Finance and Leasing, etc.

(billion yen)	FY2016	FY2015	change
Basic profit	193.1	46.5	146.6
Share of profit (loss) of investments accounted for using the equity method	-83.5	53.8	-137.3
Dividend from investments accounted for using the equity method	101.0	104.0	-3.0
Basic profit cash flow <sup>*1</sup>	210.6	204.3	6.3
Depreciation and amortization <sup>*1</sup>	114.3	125.1	-10.8
Others (increase/decrease of working capital etc.)	20.9	270.3	-249.4
Net cash provided by operation activities	345.8	599.7	-253.9

\*1 Segment Information (Global Basis<sup>\*2</sup>)

(billion yen)	Basic profit cash flow			Depreciation and amortization		
	FY2016	FY2015	change	FY2016	FY2015	change
Metal Products	6.2	12.5	-6.3	13.5	14.6	-1.1
Transportation & Construction Systems	29.3	69.0	-39.7	42.4	45.5	-3.0
Environment & Infrastructure	16.6	23.6	-7.0	4.4	6.3	-1.9
Media, ICT, Lifestyle Related Goods & Services	69.6	60.9	8.7	24.7	23.4	1.3
Mineral Resources, Energy, Chemical & Electronics	77.6	24.3	53.3	21.2	26.8	-5.6
Segment total	199.4	190.4	9.0	106.3	116.6	-10.3
Corporate and Eliminations	11.3	14.0	-2.7	8.0	8.5	-0.5
Consolidated	210.6	204.3	6.3	114.3	125.1	-10.8

(\*) From the second quarter of FY2016, above Segment Information is presented by Global Basis<sup>\*2</sup>

\*2 The number of "Global Basis" consist of results including operations in Overseas Subsidiaries and Branches segment.

Net cash used in investing activities **- 180.7 billion yen**

Property, plant, equipment and other assets, net **- 105.3 billion yen**

- Acquired and sold real estates in Japan and overseas
- Constructing biomass power plants and solar farms in Japan
- Capital investment etc. by SCSK
- Sold southern part of the interest in tight oil business in the U.S. etc.

Marketable securities and investment, net **- 112.1 billion yen**

- Acquired Fyffes, an international produce marketer and distributor in Ireland
- Participation in off-shore wind power generation businesses in the U.K.
- Investment in Hay Holding GmbH, a major Germany manufacturer of automotive forged parts
- Participation of forged parts manufacturing and sales business for wind power generation in Brazil
- Sold whole interest in Batu Hijau Copper/Gold mine
- Sold all shares in Soukai Drug etc.

Loan receivables, net **+ 36.8 billion yen**

- Collection of Group Finance etc.

Free Cash Flow **+ 165.1 billion yen**