

Consolidated annual results FY2017 (Year ended March 31, 2018)

[Prepared on the basis of International Financial Reporting Standards]

Sumitomo Corporation

Stock Exchange code No. 8053

(Listed on Tokyo, Nagoya and Fukuoka Stock Exchanges)

Representative Director, Senior Managing Executive Officer,

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The date of payout of dividend: June 25, 2018 (Planned)

1. Consolidated results for the year ended March 31, 2018

(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	
	(increase/ (decrease)	(%)	(increase/ (decrease)	(%)	(increase/ (decrease)	(%)	(increase/ (decrease)	(%)	(increase/ (decrease)	(%)
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Year ended March 31, 2018	4,827,323	20.8	412,295	93.5	333,910	78.4	308,521	80.5	282,049	55.6
Year ended March 31, 2017	3,996,974	(0.3)	213,101	52.1	187,205	111.4	170,889	129.2	181,254	—

	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, 2018	247.13	246.91	12.5	5.3
Year ended March 31, 2017	136.91	136.81	7.4	2.7

[Note] Share of profit (loss) of investments accounted for using the equity method (FY2017) 149,734 million yen (FY2016) 83,457 million yen

(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, 2018	7,770,632	2,694,321	2,558,160	32.9	2,048.93
As of March 31, 2017	7,761,794	2,486,955	2,366,485	30.5	1,895.81

(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, 2018	295,264	(155,766)	(229,610)	667,152
Year ended March 31, 2017	345,788	(180,673)	(254,448)	776,464

2. Dividends

	Cash dividends per share					Total amount of cash dividends per annum	Dividend payout ratio (Consolidated)	Dividend on equity attributable to owners of the parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
Year ended March 31, 2017	(yen)	(yen)	(yen)	(yen)	(yen)	(millions of yen)	(%)	(%)
Year ended March 31, 2017	—	25.00	—	25.00	50.00	62,411	36.5	2.7
Year ended March 31, 2018	—	28.00	—	34.00	62.00	77,405	25.1	3.1
Year ending March 31, 2019 (Forecasts)	—	37.00	—	38.00	75.00		29.3	

3. Forecasts for the year ending March 31, 2018

(Remarks)

% : change from the previous year.

	Profit for the year attributable to owners of the parent	Earnings per share attributable to owners of the parent
	(increase/ (decrease)	(%)
	(millions of yen)	(%)
Year ending March 31, 2019	320,000	3.7
	(yen)	(%)
		256.33

Notes

(1) Change in significant subsidiaries (changes in "Specified Subsidiaries" accompanying changes in scope of consolidation) during this period: Yes

New companies: 1 (Bunga Raya Aluminium SDN. BHD)

Excluded companies: 3 (USPO Miami, LLC, Summit Discovery Resources III LLC, Summit Shale International Corporation)

[Note] Bunga Raya Aluminium SDN. BHD became "Specified Subsidiaries" as a result of Intra-group reorganization.

USPO Miami, LLC ceased to be "Specified Subsidiaries" and was excluded from the scope of consolidation of Sumitomo Corporation due to transferring its share.

Also, Summit Discovery Resources III LLC and Summit Shale International Corporation were liquidated, therefore they were ceased to be "Specified Subsidiaries".

(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 14 "Changes in accounting estimate."

(3) Outstanding stocks (Common stocks)

					(shares)
(i) Outstanding stocks including treasury stock	(March 31, 2018)	1,250,602,867	(March 31, 2017)	1,250,602,867	
(ii) Treasury stocks	(March 31, 2018)	2,070,753	(March 31, 2017)	2,333,692	
(iii) Average stocks	(April 1, 2017-March 31, 2018)	1,248,398,130	(April 1, 2016-March 31, 2017)	1,248,188,266	

[Note] With regard to number of stocks used in earnings per share attributable to owners of the parent, please refer page 16.

[Reference] Non-consolidated information

Non-consolidated results FY2017 (Year ended March 31, 2018)

(Remarks)

Amounts are rounded down to the nearest million.
% : change from the previous year.

(1) Operating results

	Total trading transactions		Operating income		Ordinary income		Net income	
	(millions of yen)	(increase/ (decrease)) (%)	(millions of yen)	(increase/ (decrease)) (%)	(millions of yen)	(increase/ (decrease)) (%)	(millions of yen)	(increase/ (decrease)) (%)
Year ended March 31, 2018	2,816,180	11.6	(33,375)	—	208,211	104.4	193,009	72.4
Year ended March 31, 2017	2,523,023	(8.5)	(44,607)	—	101,855	—	111,952	351.4

	Net income per share (basic)	Net income per share (diluted)
Year ended March 31, 2018	(yen) 154.61	(yen) 154.47
Year ended March 31, 2017	(yen) 89.69	(yen) 89.62

(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, 2018	4,227,780	1,107,703	26.2	886.25
As of March 31, 2017	4,152,593	962,127	23.1	769.89

[Note] Shareholders' equity (As of March 31, 2018) 1,106,507 million yen (As of March 31, 2017) 961,025 million yen

* This report is not subject to audits by certified public accountants or auditing firms.

* 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, 2018 amounted to 4,827.3 billion yen, representing an increase of 830.3 billion yen from the previous fiscal year, owing mainly to robust mineral resources prices and earnings improvement in tubular products business in North America.

Gross profit totaled 956.5 billion yen increased by 113.8 billion yen, owing to the factors such as an increase in earnings of San Cristobal silver-zinc-lead mining project in Bolivia and earnings improvement in tubular products business in North America. Selling, general and administrative expenses increased by 37.9 billion yen to 731.6 billion yen.

Other gain (loss) increased by 29.6 billion yen to 9.4 billion yen due mainly to tax provisions posted in San Cristobal silver-zinc-lead mining project in Bolivia in the previous fiscal year.

Gain (loss) on securities and other investments increased by 14.9 billion yen to 27.8 billion yen due mainly to the one-off profits from asset replacement.

Share of profit (loss) of investments accounted for using the equity method increased by 66.3 billion yen to 149.7 billion yen, owing to the factors such as higher mineral resources prices, solid performances by leasing business and the aluminum smelting business in Malaysia, and absence of impairment loss posted in Copper and molybdenum mining business in Chile in the previous fiscal year, although they were offset by an impairment loss posted in Indonesian commercial bank PT. Bank Tabungan Pensiunan Nasional Tbk in this fiscal year.

As a result, Profit for the year attributable to owners of the parent totaled 308.5 billion yen, representing an increase of 137.6 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 20.2 billion yen, an increase of 10.2 billion yen from the previous fiscal year, primarily owing to stable performances of overseas steel service centers and one-off profit from asset replacement. In addition, shares in tubular products business in North America which had showed sluggish performance was transferred from this segment to the Overseas subsidiaries and Branches segment in the first quarter of this fiscal year.

Transportation & Construction Systems Business Unit posted profit of 48.2 billion yen, an increase of 1.3 billion yen from the previous fiscal year. Although earnings decreased as we transferred a part of

shares in subsidiaries in Americas from this segment to the Overseas subsidiaries and Branches segment in the first quarter of this fiscal year, shipping market showed gradual recovery and leasing business and construction equipment sales & marketing business showed robust performances.

Environment & Infrastructure Business Unit posted profit of 28.4 billion yen, an increase of 5.4 billion yen from the previous fiscal year, due to stable performance of overseas IPP/IWPP business and progress in construction of large-scale projects in power infrastructure business.

Media, ICT, Lifestyle Related Goods & Services Business Unit posted profit of 86.6 billion yen, an increase of 9.1 billion yen from the previous fiscal year, due to robust performances of domestic major group companies and real estate business, and one-off profit from asset replacement.

Mineral Resources, Energy, Chemical & Electronics Business Unit posted profit of 62.0 billion yen, an increase of 79.2 billion yen from the previous fiscal year. San Cristobal silver-zinc-lead mining project in Bolivia and Iron ore mining project in South Africa showed robust performances due mainly to the higher mineral resources prices, in addition to an absence of the impairment loss posted in Copper and molybdenum mining business in Chile in the previous fiscal year.

Overseas subsidiaries and Branches segment posted profit of 71.6 billion yen, an increase of 51.6 billion yen from the previous fiscal year. This was owing to one-off profits from U.S. tax reform and earnings improvement in tubular products business in North America. In addition, part of shares in subsidiaries in Americas was transferred from each Business Unit to this segment in the first quarter of this fiscal year.

2. Financial position

<Total assets, liabilities, and equity as of March 31, 2018>

Total assets stood at 7,770.6 billion yen, representing an increase of 8.8 billion yen from the previous fiscal year-end, due mainly to an increase of account receivables and inventories which was offset partially by a decrease of assets by Japanese yen appreciation.

Equity attributable to owners of the parent totaled 2,558.2 billion yen, increased by 191.7 billion yen from the previous fiscal year-end, due primarily to an increase in retained earnings.

Interest-bearing liabilities (net) decreased by 106.4 billion yen from the previous fiscal year-end, to 2,521.5 billion yen.

In consequence, the net debt-equity ratio (Interest-bearing liabilities (net)/ Equity attributable to owners of the parent) was 1.0.

Due to the conclusion of the definitive agreement relating to the restructuring of U.S. Tire Business (TBC Corporation), the related assets and liabilities are allocated as held for sale at the end of this fiscal year. The deal was closed on April 5, 2018, as assignment of stock was completed after obtaining approvals from related authorities both domestically and internationally.

<Cash flows>

Net cash provided by operating activities totaled 295.3 billion yen, as our core business including major businesses of Media, ICT, Lifestyle Related Goods & Services segment performed well in generating cash.

Net cash used in investing activities totaled 155.8 billion yen. In this fiscal year, we executed investments and loans of approx. 280.0 billion yen primarily for the investment to U.S. generic pharmaceutical business and Brazilian water concession business. On the other hand, we recovered funds of approx. 180.0 billion yen, through asset replacement such as the sale of interests in European automotive retail finance business and partial sale of U.S. office buildings.

As a result, Free cash flow totaled 139.5 billion yen inflow.

Net cash used by financing activities totaled 229.6 billion yen, due primarily to debt repayment and dividend payment.

In consequence of the foregoing, Cash and cash equivalents stood at 667.2 billion yen as of March 31, 2018 representing a decrease of 109.3 billion yen from the previous fiscal year-end.

3. Forecasts for fiscal year ending March 31, 2019

As regards to the future global economy, it is expected that slow but steady growth in developed countries mainly led by the U.S. will continue. China will steadily grow led by its domestic demand due to financial spending, and surrounding Asian countries as well as emerging countries will also continue its recovery trend as it will be influenced by Chinese situation. However, there remains uncertainty about the future, including the change in geopolitical and social landscape, trade policy change of the U.S. administration, the direction of the European financial situation, geopolitical risks in the Middle East, North Africa, Ukraine, and Northeastern Asian countries. As for the domestic economy, gradual recovery will continue due to improvement in employment situation.

Under these circumstances, our forecast for the fiscal year ending March 31, 2019 is as follows:

- Profit for the year attributable to owners of the parent 320 billion yen

Looking at our business performance in this context, we anticipate the decrease in the profit of mineral resources businesses as we recorded one-off profits in the previous fiscal year and the increase in the commodity prices is not forecasted. However, we expect improvement in profitability of tubular products business due to recovery of market environment as well as the robust performance of major business and group companies of our non-mineral resources businesses, such as large-scale projects in power infrastructure business and real estate, are expected to continue. As a result, our forecasted profit for the fiscal year ending March 31, 2019 is 320 billion yen.

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.

In the medium-term management plan with its term for three years from FY2015 (“Be the Best, Be the One 2017 (BBBO2017)”), 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.

Due to the fact that our consolidated profits for FY2017 resulted 308.5 billion yen, the annual dividend for the fiscal year ending March 31, 2018, is projected to be 62 yen per share adopting our policy of maintaining the payout ratio of 25% (Annual dividend of last fiscal year was 50 yen per share). The year-end dividend is projected to be 34 yen per share since the interim dividend was 28 yen per share.

In “Medium-Term Management Plan 2020” with its term from FY2018 to FY2020, we decide the dividend amount in view of the situations regarding basic profit and cash flow and with a consolidated

payout ratio of 30% as our guideline. In accordance with this dividend policy, the annual dividend forecast for the fiscal year ending March 31, 2019, is projected to be 75 yen per share as we forecast our profit for FY18 is 320 billion yen.

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, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2018	March 31, 2017	March 31, 2018
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 667,152	¥ 776,464	\$ 6,294
Time deposits	15,187	13,996	143
Marketable securities	1,361	4,647	13
Trade and other receivables	1,266,782	1,206,398	11,951
Other financial assets	66,885	66,550	631
Inventories	877,808	830,871	8,281
Advance payments to suppliers	137,675	169,084	1,299
Assets classified as held for sale	247,677	–	2,337
Other current assets	196,759	253,165	1,856
Total current assets	3,477,286	3,321,175	32,805
Non-current assets:			
Investments accounted for using the equity method	1,994,366	1,870,935	18,815
Other investments	462,841	437,162	4,366
Trade and other receivables	381,120	472,462	3,595
Other financial assets	80,214	91,937	757
Property, plant and equipment	750,226	795,857	7,078
Intangible assets	264,477	357,359	2,495
Investment property	278,026	311,115	2,623
Biological assets	16,057	12,536	151
Prepaid expenses	23,817	23,498	225
Deferred tax assets	42,202	67,758	398
Total non-current assets	4,293,346	4,440,619	40,503
Total assets	¥ 7,770,632	¥ 7,761,794	\$ 73,308

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries

As of March 31, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2018	March 31, 2017	March 31, 2018
LIABILITIES AND EQUITY			
Current liabilities:			
Bonds and borrowings	¥ 603,249	¥ 659,257	\$ 5,691
Trade and other payables	1,038,657	1,029,294	9,799
Other financial liabilities	59,413	53,264	561
Income tax payables	39,639	20,737	374
Accrued expenses	89,778	105,164	847
Advances from customers	159,896	223,584	1,508
Provisions	5,711	4,490	54
Liabilities associated with assets classified as held for sale	74,207	–	700
Other current liabilities	87,599	80,129	826
Total current liabilities	2,158,149	2,175,919	20,360
Non-current liabilities:			
Bonds and borrowings	2,600,616	2,759,069	24,535
Trade and other payables	104,108	121,126	982
Other financial liabilities	33,853	40,599	319
Accrued pension and retirement benefits	27,362	28,076	258
Provisions	40,503	33,210	382
Deferred tax liabilities	111,720	116,840	1,054
Total non-current liabilities	2,918,162	3,098,920	27,530
Total liabilities	5,076,311	5,274,839	47,890
Equity:			
Common stock	219,279	219,279	2,069
Additional paid-in capital	265,126	263,937	2,501
Treasury stock	(2,796)	(3,113)	(26)
Other components of equity	248,564	309,094	2,345
Retained earnings	1,827,987	1,577,288	17,245
Equity attributable to owners of the parent	2,558,160	2,366,485	24,134
Non-controlling interests	136,161	120,470	1,284
Total equity	2,694,321	2,486,955	25,418
Total liabilities and equity	¥ 7,770,632	¥ 7,761,794	\$ 73,308

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2018 and 2017

	Millions of Yen		Millions of
	2018	2017	U.S. Dollars
Revenues			
Sales of tangible products	¥ 4,333,190	¥ 3,504,159	\$ 40,879
Sales of services and others	494,133	492,815	4,662
Total revenues	4,827,323	3,996,974	45,541
Cost			
Cost of tangible products sold	(3,581,975)	(2,951,459)	(33,792)
Cost of services and others	(288,875)	(202,817)	(2,726)
Total cost	(3,870,850)	(3,154,276)	(36,518)
Gross profit	956,473	842,698	9,023
Other income (expenses)			
Selling, general and administrative expenses	(731,616)	(693,759)	(6,902)
Impairment losses on long-lived assets	(7,226)	(18,803)	(68)
Gain (loss) on sale of long-lived assets, net	2,859	(876)	27
Other, net	9,419	(20,132)	89
Total other income (expenses)	(726,564)	(733,570)	(6,854)
Finance income (costs)			
Interest income	27,530	26,009	260
Interest expense	(33,297)	(27,738)	(314)
Dividends	10,652	9,372	100
Gain (loss) on securities and other investments, net	27,767	12,873	262
Finance income (costs), net	32,652	20,516	308
Share of profit (loss) of investments accounted for using the equity method	149,734	83,457	1,413
Profit before tax	412,295	213,101	3,890
Income tax expense	(78,385)	(25,896)	(740)
Profit for the year	333,910	187,205	3,150
Profit for the year attributable to:			
Owners of the parent	¥ 308,521	¥ 170,889	\$ 2,911
Non-controlling interests	25,389	16,316	239
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	21,073	22,771	199
Remeasurements of defined benefit pension plans	3,219	10,884	30
Share of other comprehensive income of investments accounted for using the equity method	1,292	(541)	12
Total items that will not be reclassified to profit or loss	25,584	33,114	241
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	(77,122)	(47,621)	(727)
Cash-flow hedges	(2,722)	2,495	(26)
Share of other comprehensive income of investments accounted for using the equity method	2,399	6,061	23
Total items that may be reclassified subsequently to profit or loss	(77,445)	(39,065)	(730)
Other comprehensive income, net of tax	(51,861)	(5,951)	(489)
Comprehensive income for the year	282,049	181,254	2,661
Comprehensive income for the year attributable to:			
Owners of the parent	¥ 256,329	¥ 169,715	\$ 2,418
Non-controlling interests	25,720	11,539	243

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Consolidated Statements of Changes in Equity

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2018 and 2017

	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Equity:			
Common stock:			
Balance, beginning of year	¥ 219,279	¥ 219,279	\$ 2,069
Balance, end of year	219,279	219,279	2,069
Additional paid-in capital:			
Balance, beginning of year	263,937	256,500	2,490
Acquisition (disposal) of non-controlling interests, net	102	8,865	1
Others	1,087	(1,428)	10
Balance, end of year	265,126	263,937	2,501
Treasury stock:			
Balance, beginning of year	(3,113)	(3,344)	(29)
Acquisition (disposal) of treasury stock, net	317	231	3
Balance, end of year	(2,796)	(3,113)	(26)
Other components of equity:			
Balance, beginning of year	309,094	311,880	2,916
Other comprehensive income for the year	(52,192)	(1,174)	(493)
Transfer to retained earnings	(8,338)	(1,612)	(78)
Balance, end of year	248,564	309,094	2,345
Retained earnings:			
Balance, beginning of year	1,577,288	1,467,194	14,880
Transfer from other components of equity	8,338	1,612	78
Profit for the year attributable to owners of the parent	308,521	170,889	2,911
Cash dividends	(66,160)	(62,407)	(624)
Balance, end of year	1,827,987	1,577,288	17,245
Equity attributable to owners of the parent	¥ 2,558,160	¥ 2,366,485	\$ 24,134
Non-controlling interests:			
Balance, beginning of year	120,470	140,436	1,136
Cash dividends to non-controlling interests	(7,697)	(20,117)	(73)
Acquisition (disposal) of non-controlling interests and others, net	(2,332)	(11,388)	(22)
Profit for the year attributable to non-controlling interests	25,389	16,316	239
Other comprehensive income for the year	331	(4,777)	4
Balance, end of year	136,161	120,470	1,284
Total equity	¥ 2,694,321	¥ 2,486,955	\$ 25,418
Comprehensive income for the year attributable to:			
Owners of the parent	256,329	169,715	2,418
Non-controlling interests	25,720	11,539	243
Total comprehensive income for the year	¥ 282,049	¥ 181,254	\$ 2,661

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Condensed Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2018 and 2017

	Millions of Yen		Millions of
	2018	2017	U.S. Dollars
Operating activities:			2018
Profit for the year	¥ 333,910	¥ 187,205	\$ 3,150
Adjustments to reconcile profit for the year to net cash provided by operating activities:			
Depreciation and amortization	118,907	114,266	1,122
Impairment losses on long-lived assets	7,226	18,803	68
Finance (income) costs, net	(32,652)	(20,516)	(308)
Share of (profit) loss of investments accounted for using the equity method	(149,734)	(83,457)	(1,413)
(Gain) loss on sale of long-lived assets, net	(2,859)	876	(27)
Income tax expense	78,385	25,896	740
Increase in inventories	(126,008)	(8,866)	(1,189)
(Increase) decrease in trade and other receivables	(70,468)	21,169	(665)
Increase in prepaid expenses	(5,939)	(2,221)	(56)
Increase in trade and other payables	90,793	105,028	857
Other, net	(16,925)	(61,680)	(160)
Interest received	26,882	25,799	254
Dividends received	128,723	114,333	1,215
Interest paid	(32,079)	(26,999)	(303)
Income tax paid	(52,898)	(63,848)	(499)
Net cash provided by operating activities	295,264	345,788	2,786
Investing activities:			
Proceeds from sale of property, plant and equipment	4,929	17,773	47
Purchase of property, plant and equipment	(97,762)	(73,004)	(922)
Proceeds from sale of investment property	10,083	7,838	95
Purchase of investment property	(4,341)	(57,947)	(41)
Proceeds from sale of other investments	59,239	65,840	559
Acquisition of other investments	(163,446)	(177,974)	(1,542)
Collection of loan receivables	110,901	146,404	1,046
Increase in loan receivables	(75,369)	(109,603)	(711)
Net cash used in investing activities	(155,766)	(180,673)	(1,469)
Free Cash Flows:	139,498	165,115	1,317
Financing activities:			
Net increase in short-term debt	(10,974)	36,090	(104)
Proceeds from issuance of long-term debt	342,344	358,743	3,230
Repayment of long-term debt	(484,871)	(547,643)	(4,574)
Cash dividends paid	(66,160)	(62,407)	(624)
Capital contribution from non-controlling interests	348	974	3
Payment for acquisition of subsidiary's interests from non-controlling interests	(2,778)	(20,120)	(26)
Payment of dividends to non-controlling interests	(7,697)	(20,117)	(73)
(Acquisition) disposal of treasury stock, net	178	32	2
Net cash used in financing activities	(229,610)	(254,448)	(2,166)
Net decrease in cash and cash equivalents	(90,112)	(89,333)	(849)
Cash and cash equivalents at the beginning of year	776,464	868,755	7,325
Effect of exchange rate changes on cash and cash equivalents	(14,688)	(2,958)	(139)
Net decrease in cash and cash equivalents included in assets classified as held for sale	(4,512)	—	(43)
Cash and cash equivalents at the end of year	¥ 667,152	¥ 776,464	\$ 6,294

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Assumptions for Going Concern : None

Changes in accounting estimate :

The significant change in accounting estimate in the Consolidated Statements is as follow.

- ✓ Sumitomo recognized the impairment loss of 15,069 million yen relating to Indonesian commercial bank PT. Bank Tabungan Pensiunan Nasional Tbk in the fiscal year ended March 31, 2018, as a result of revising the long-term business plan. 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.

Segment Information (Condensed)

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2018 and 2017

2018:	Millions of Yen		
	Segment	Gross profit	Profit for the year (attributable to owners of the parent)
Metal Products	¥ 66,760	¥ 20,213	¥ 663,478
Transportation & Construction Systems	79,965	48,177	1,343,740
Environment & Infrastructure	71,060	28,382	717,302
Media, ICT, Lifestyle Related Goods & Services	276,528	86,626	1,888,836
Mineral Resources, Energy, Chemical & Electronics	146,735	61,981	1,379,166
Overseas Subsidiaries and Branches	321,428	71,553	1,981,416
Segment Total	962,476	316,932	7,973,938
Corporate and Eliminations	(6,003)	(8,411)	(203,306)
Consolidated	¥ 956,473	¥ 308,521	¥ 7,770,632

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

2018:	Millions of U.S. Dollars		
	Segment	Gross profit	Profit for the year (attributable to owners of the parent)
Metal Products	\$ 630	\$ 191	\$ 6,259
Transportation & Construction Systems	755	454	12,677
Environment & Infrastructure	670	268	6,767
Media, ICT, Lifestyle Related Goods & Services	2,609	817	17,819
Mineral Resources, Energy, Chemical & Electronics	1,384	585	13,011
Overseas Subsidiaries and Branches	3,032	675	18,693
Segment Total	9,080	2,990	75,226
Corporate and Eliminations	(57)	(79)	(1,918)
Consolidated	\$ 9,023	\$ 2,911	\$ 73,308

Notes:

- 1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥106=US\$1.
- 2) In the year ended March 31, 2018, the Company changed reportable segments for the part of the interest in certain overseas subsidiaries and associated companies mainly in the U.S. that resulted in decrease of the total assets of business segments by 87,429 million yen, and the increase of the total assets of the Overseas Subsidiaries and Branches segment by the same amount. Management regularly makes such a review that each business is conducted under appropriate business segment whereby the Company can make best allocation of its business resources and functions. Above change was the result of those review.

Earnings per share

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2018 and 2017

A calculation of the basic and diluted earnings per share (attributable to owners of the parent) for the years ended March 31, 2018 and 2017 is as follows:

	Millions of Yen		Millions of U.S. Dollars
	2018	2017	2018
Profit for the year attributable to owners of the parent	¥ 308,521	¥ 170,889	\$ 2,911

	Number of shares	
	2018	2017
Weighted-average shares-basic	1,248,398,130	1,248,188,266
Dilutive effect of:		
Stock options	1,110,943	948,307
Weighted-average shares-diluted	1,249,509,073	1,249,136,573

	Yen		U.S. Dollars
	2018	2017	2018
Earnings per share (attributable to owners of the parent):			
Basic	¥ 247.13	¥ 136.91	\$ 2.33
Diluted	246.91	136.81	2.33

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Subsequent events

There are no material subsequent events to be disclosed.