

【Presentation】
Quarterly Results for FY2017
(Three-month period ended June 30, 2017)

August 3rd, 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

(Unit: Billions of yen)	FY2016 Q1 (Apr.-Jun.)	FY2017 Q1 (Apr.-Jun.)	Increase/ Decrease	FY2017 Annual Forecasts (announced in May, 2017)	Progress
Profit for the period	22.7	78.2	+55.6	230.0	34%
Basic profit*1	41.1	77.4	+36.3	260.0	30%
Mineral resources*2	-6.0	13.6	+19.6	30.0	45%
Tubular products*2	-2.0	2.4	+4.4	0	-
Non-mineral resources (excl. Tubular products)	49.1	61.5	+12.4	230.0	27%
One-off profits/losses	Approx. -14.0	Approx. +6.0	Approx. +20.0	Approx. -20.0	*3

(Reference) Key indicators		FY2016 Q1 (Apr.-Jun.)	FY2017 Q1 (Apr.-Jun.)	Annual Forecasts
Exchange rate	<YEN/US\$>	108.16	111.09	110.00
Interest rate	LIBOR 6M (YEN)	0.00%	0.03%	0.05%
	LIBOR 6M (US\$)	0.92%	1.40%	1.73%
Copper *1	(US\$/MT)	4,668	5,834	5,864
Zinc	(US\$/MT)	1,915	2,596	2,650
Nickel	(US\$/lb)	4.00	4.18	4.60
Iron ore *1	(US\$/MT)	48	86	70
Hard Coking coal *2	(US\$/MT)	84	194	150
Crude Oil	Brent *1 (US\$/bbl)	34	54	53
	WTI (US\$/bbl)	46	48	52

*1 These commodities show the prices in Jan.-Mar. (Forecasts: Jan.-Dec.)

*2 Hard Coking coal...Market price

*3 Sensitivity of profit for the period to exchange rate: Each appreciation of ¥1/US\$ will cause on decrease of approximately 1 billion yen.

< Summary (Results) >

- Mineral resources : ✓ Effects of higher commodity prices
- Tubular products : ✓ Recovery in earnings of tubular products business in North America
- Non-mineral resources : ✓ Stable performance by real estate business and leasing business
✓ Progress in development and construction of large-scale projects in power infrastructure business
- One-off profits/losses : ✓ Tax provisions in Silver-zinc-lead mining project in Bolivia in FY2016

< Summary (Annual Forecasts) >

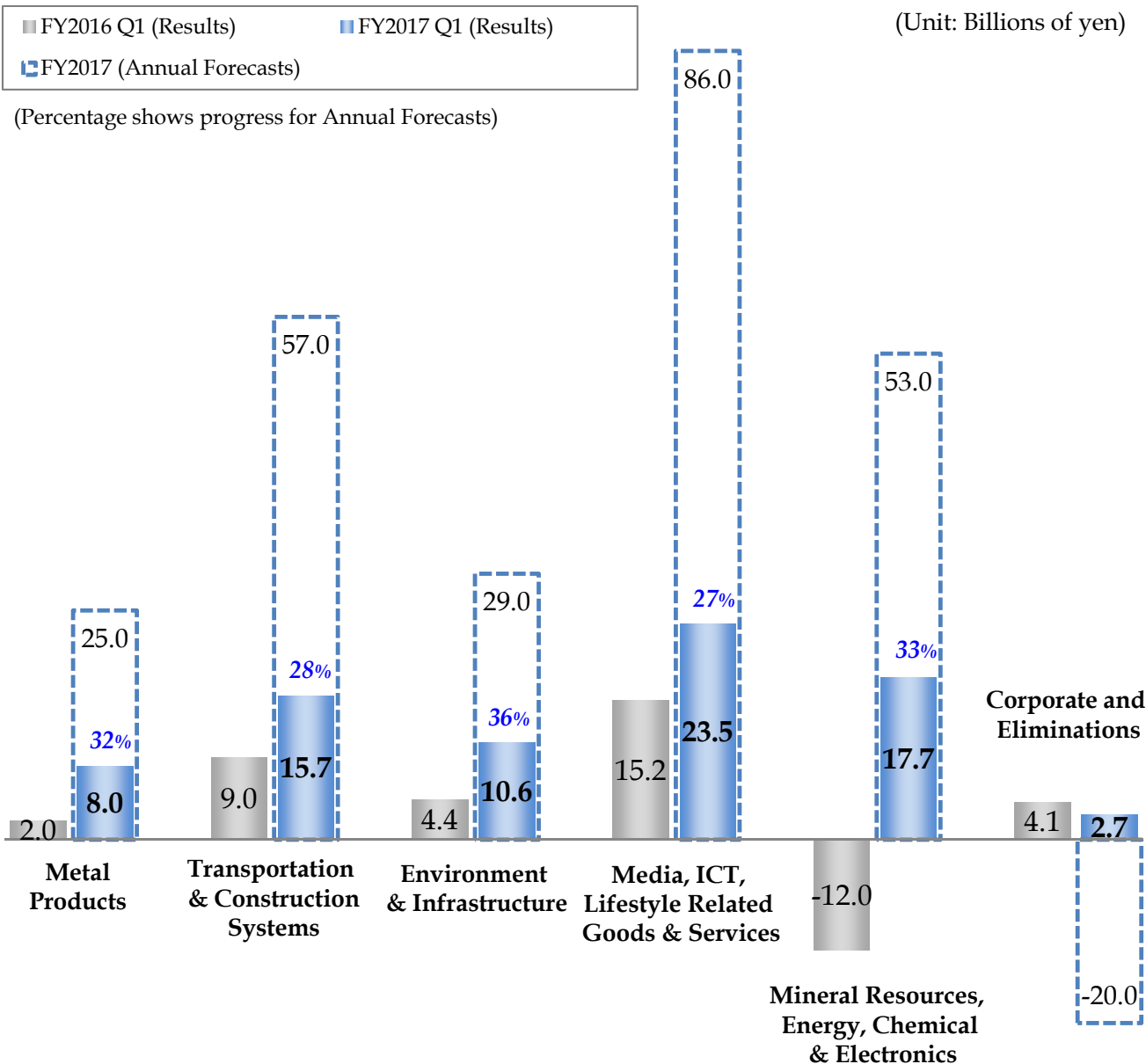
- Mineral resources : ✓ Stable performance of Silver-zinc-lead mining project in Bolivia and Coal mining projects in Australia
- Tubular products : ✓ Recovery in earnings with gradual increase in rig counts
- Non-mineral resources : ✓ Stable performance of core businesses in Media, ICT, Lifestyle Related Goods & Services segment and Transportation & Construction Systems segment
✓ Progress in development and construction of large-scale projects in power infrastructure business

*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 We set costs (-20.0) for strategic assets replacement in annual forecasts

2. Profit for the period by Segment (Global basis*)



〈 Summary by segment (Results) 〉

■ Metal Products

- ✓ Recovery in earnings of tubular products business in North America
- ✓ Stable performance of the operation of overseas steel service centers

■ Transportation & Construction Systems

- ✓ Stable performance by leasing business and construction equipment rental business

■ Environment & Infrastructure

- ✓ Stable performance of overseas IPP/IWPP business
- ✓ Progress in development and construction of large-scale projects in power infrastructure business
- ✓ One-off profit in renewable energy power generation business

■ Media, ICT, Lifestyle Related Goods & Services

- ✓ Stable performance by domestic major group companies and real estate business

■ Mineral Resources, Energy, Chemical & Electronics

- ✓ Stable performance of Silver-zinc-lead mining project in Bolivia and Coal mining projects in Australia
- ✓ Tax provisions in Silver-zinc-lead mining project in Bolivia in FY16

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

3. Cash Flows / Financial Position

● Cash Flows (Unit: Billions of yen)

	FY2016 Q1	FY2017 Q1
Operating activities	+119.6	- 7.9
Investing activities	- 49.0	- 37.9
Free Cash Flow	+70.7	- 45.8
▽		
<Cash in>		
Basic profit cash flow*	+71.7	+105.9
Depreciation	+28.5	+29.0
Asset replacement	Approx. +10.0	Approx. +50.0
Others	Approx. +20.0	Approx. - 160.0
<Cash out>		
Investment & Loan	Approx. - 60.0	Approx. - 70.0

< Summary >

- **Basic profit cash flow**
 - ✓ Core businesses generated cash steadily
 - ✓ Dividend from investments accounted for using the equity method (65 billion yen)
- **Asset replacement**
 - ✓ Sale of a part of office buildings in the U.S., etc.
- **Others**
 - ✓ Increase in working capital, etc.
- **Investment & Loan**
 - ✓ Water concession business in Brazil, Sumitomo Precision Products, etc.

* 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

● Financial Position (Unit: Trillions of yen)

As of Mar. 31, 2017		As of Jun. 30, 2017	
Total asset 7.8		Total asset 7.7	
Current assets 3.3	Other liabilities 2.0	Current assets 3.3	Other liabilities 1.9
Non-Current assets 4.4	Interest-bearing liabilities 3.4 (2.6)*	Non-Current assets 4.4	Interest-bearing liabilities 3.4 (2.7)*
	Shareholders' equity* 2.4		Shareholders' equity* 2.4
D/E Ratio(Net) : 1.1		D/E Ratio(Net) : 1.1	

< Summary (Unit: Billions of yen) >

- **Total asset Δ 75**
(7,762→7,687)
 - ✓ Decrease due to asset replacement
 - ✓ Increase in investment and loan, etc.
- **Shareholders' equity +52**
(2,367→2,419)
 - ✓ Increase in retained earnings
 - ✓ Dividend paid

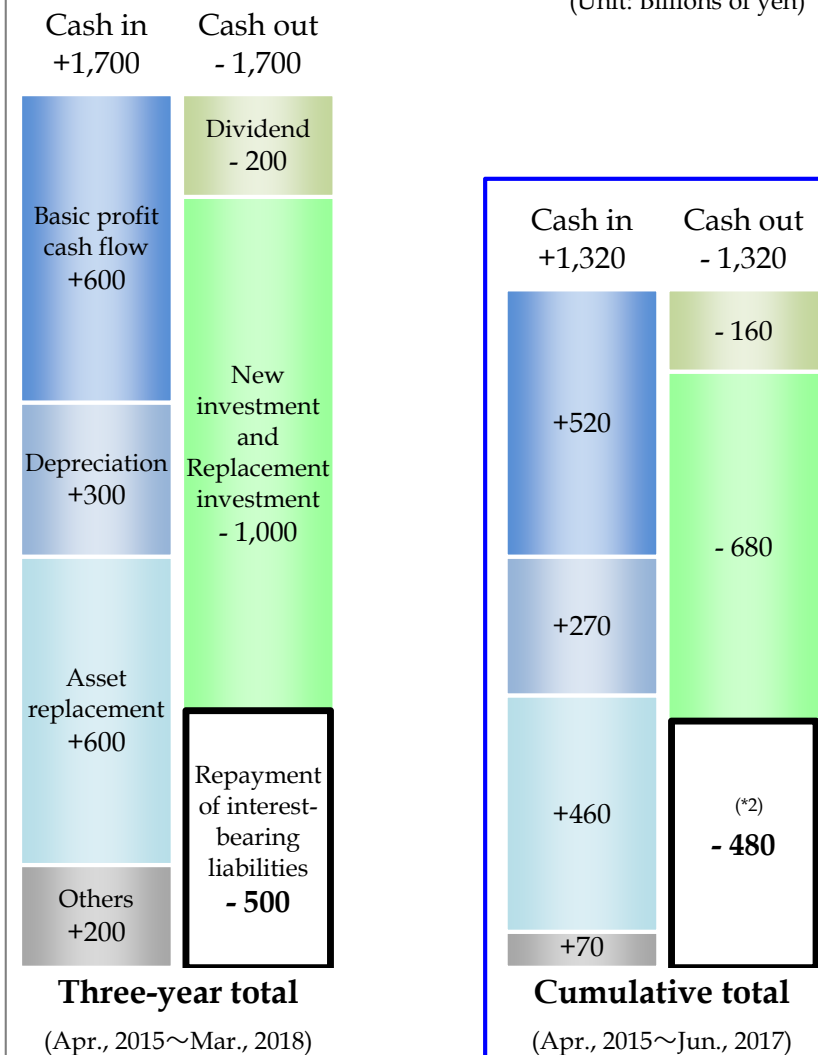
< Exchange rate (YEN/US\$) >	
As of Mar. 31, 2017	As of Jun. 30, 2017
112.19	112.00

* 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 (158 billion yen→156), Financial assets measured at fair value through other comprehensive income (173→180).

(Reference) BBBO2017^(*) Cash Flow Plans

(Unit: Billions of yen)



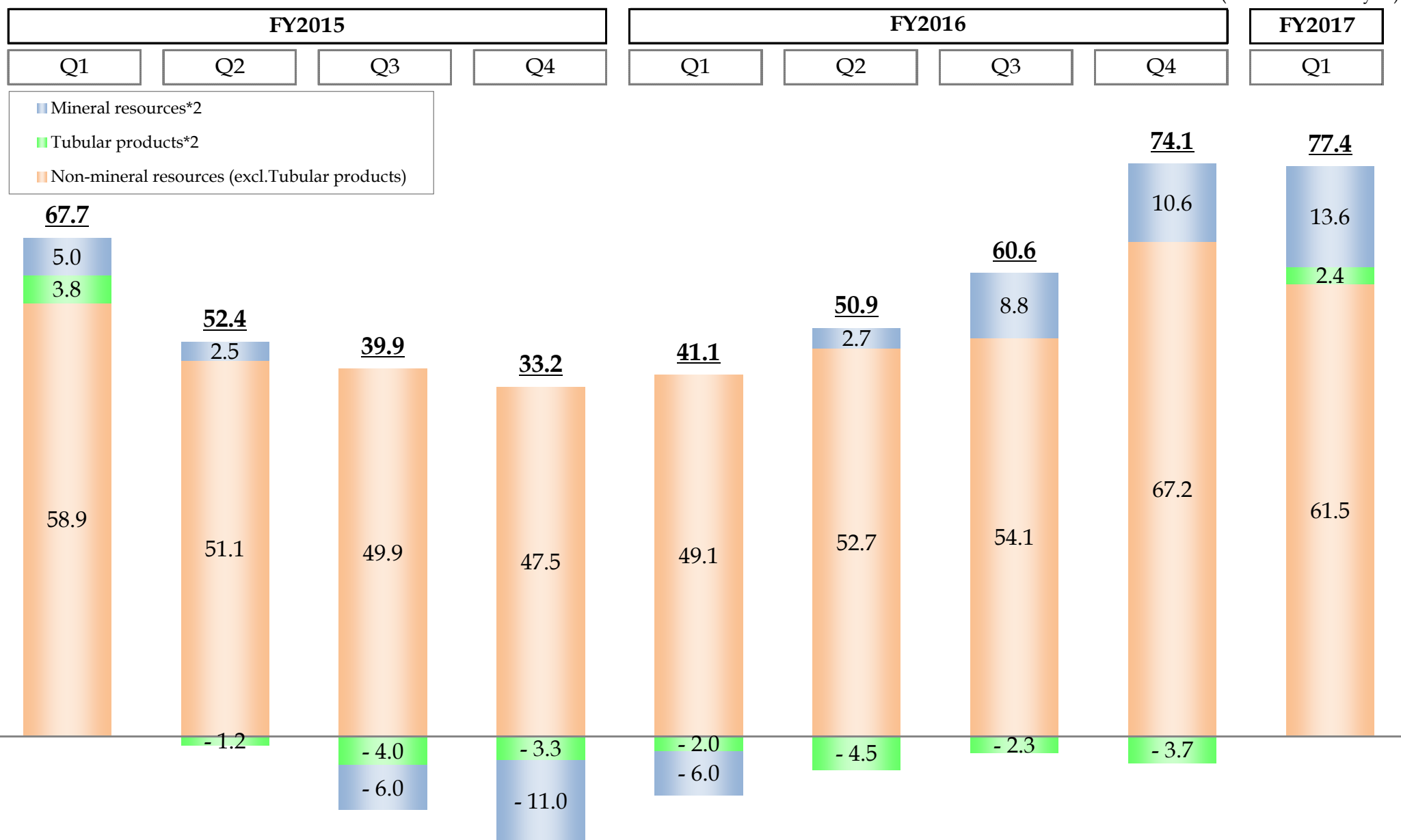
(*) We set our post-dividend free cash flow target of 500 billion yen (three-year total), with the funds recovered to be used to repay interest-bearing liabilities, during the term for our current medium-term management plan "Be the Best, Be the One 2017 (BBBO2017)", which covers three years from April 2015 to March 2018.

(*) Cumulative total of our post-dividend free cash flow(+/- reversal)

Appendix

4. Quarterly Trend for Basic profit *1

(Unit: Billions of yen)



*1 Excluding the impacts of impairment losses

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

5. Condensed Consolidated Statements of Comprehensive Income

(Unit: Billions of yen)	FY2016 (16/4-16/6)	FY2017 (17/4-17/6)	Increase/(decrease)		Summary
	(A)	(B)	Amount (B)-(A)	Percentage	
Revenues	921.0	1,124.2	203.1	22%	<p><u>Gross profit</u></p> <ul style="list-style-type: none"> - Effects of higher commodity prices (Silver-zinc-lead mining project in Bolivia and Coal mining projects in Australia etc.) - Stable performance by real estate business - Recovery in earnings of tubular products business in North America - Progress in development and construction of large-scale projects in power infrastructure business <p><u>Share of profit (loss) of investments accounted for using the equity method</u></p> <ul style="list-style-type: none"> - Effects of higher commodity prices - Stable performance of leasing business - Stable performance of Aluminium smelting business in Malaysia <p><u>Gain (loss) on securities and other investments, net/</u> <u>Gain (loss) on property, plant and equipment, net/</u> <u>Other, net</u></p> <ul style="list-style-type: none"> - Tax provisions in Silver-zinc-lead mining project in Bolivia in FY16
Gross profit	197.3	231.8	34.5	17%	
Selling, general and administrative expenses <i>(Provision for doubtful receivables)</i>	(170.9) (0.0)	(175.7) (0.4)	(4.8) (0.3)	(3%) (658%)	
Interest expense, net of interest income	(1.0)	(1.5)	(0.5)	(46%)	
Dividends	3.6	4.7	1.1	32%	
Share of profit (loss) of investments accounted for using the equity method	21.0	36.2	15.2	72%	
Gain (loss) on securities and other investments, net	(1.6)	1.6	3.3	-	
Gain (loss) on property, plant and equipment, net	0.2	2.7	2.4	982%	
Other, net	(11.1)	3.6	14.7	-	
Profit before tax	37.6	103.5	65.9	175%	
Income tax expense	(11.7)	(23.1)	(11.3)	(96%)	
Profit for the period	25.8	80.4	54.6	211%	
Profit for the period attributable to:					
<i>Owners of the parent</i>	22.7	78.2	55.6	245%	
Non-controlling interests	3.2	2.2	(1.0)	(31%)	
Basic profit (Calculation for reference)*	41.1	77.4	36.3	88%	
Comprehensive income for the period (attributable to owners of the parent)	(156.2)	83.3	239.5	-	

* 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