

Results for the Nine-month period ended December 2017 (Be the Best, Be the One 2017)

February 8th, 2018
Sumitomo Corporation

Cautionary Statement Concerning Forward-looking Statements

This report includes forward-looking statements relating to our future plans, forecasts, objectives, expectations and intentions. The forward-looking statements reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements.

The management forecasts included in this report are not projections, and do not represent management's current estimates of future performance. Rather, they represent forecasts that management strives to achieve through the successful implementation of the Company's business strategies. The Company may be unsuccessful in implementing its business strategies, and management may fail to achieve its forecasts. The Company is under no obligation -- and expressly disclaims any such obligation -- to update or alter its forward-looking statements.

1. Operating Results

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(Unit: Billions of yen)	FY2016 Q3 (Apr.-Dec.) (A)	FY2017 Q3 (Apr.-Dec.) (B)			Increase (B)-(A)	FY2017 Revised as of Nov. 2017 (C)	Progress (B)/(C)	FY2017 Revised as of Feb. 2018	
		Q1 (Apr.-Jun.)	Q2 (Jul.-Sep.)	Q3 (Oct.-Dec.)					
Profit for the Period	111.5	78.2	77.1	97.6	252.9	+ 141.4	280.0	90%	300.0
Basic Profit^{*1}	152.5^{*3}	77.4	74.3	80.9	232.6	+ 80.0	300.0	78%	300.0
Mineral resources ^{*2}	5.5 ^{*3}	13.6	14.6	19.4	47.6	+ 42.1	50.0	95%	
Tubular products ^{*2}	-8.9	2.4	1.5	2.0	5.9	+ 14.7	7.5	78%	
Non-mineral resources	155.9	61.5	58.1	59.5	179.1	+ 23.2	242.5	74%	
One-off profits/losses	Approx. -32.0	Approx. + 6.0	Approx. + 9.0	Approx. + 22.0	Approx. + 37.0	Approx. + 69.0	Approx. -10.0	-	Approx. + 10.0
Costs for strategic asset replacement	-	-	-	-	-	-	-20.0		-20.0
Others	-32.0	+ 6.0	+ 9.0	+ 22.0	+ 37.0	+ 69.0	+ 10.0		+ 30.0

〈 Summary (Results) 〉

- Mineral resources : ✓ Increase in earnings due to higher commodity prices
- Tubular products : ✓ Recovery in earnings of tubular products business in North America
- Non-mineral resources : ✓ Stable performance of leasing business and construction equipment business
 ✓ Stable performance by domestic major group companies in Media, ICT, Lifestyle Related Goods & Services segment and real estate business
 ✓ Progress in development and construction of large-scale projects in power infrastructure business
- One-off profits/losses : ✓ (FY2017) U.S. tax reform impact (approx.+17.0),
 Realized gains resulting from asset replacement, etc.
 ✓ (FY2016) Impairment loss in Copper-molybdenum mining business in Chile (-33.6),
 Tax provisions in Silver-zinc-lead mining project in Bolivia, etc.

*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 Excluding the impact of impairment loss in Copper-molybdenum mining business in Chile

〈 Annual dividend plan 〉

	Announced in May, 2017	Announced in Nov. 2017	Announced in Feb. 2018
Annual dividend plan / share (interim/year-end)	50 yen (25yen/25yen)	56 yen (28yen/28yen)	60 yen (28yen/32yen)

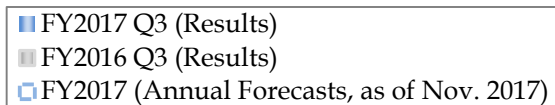
Applying the consolidated dividend payout ratio of 25% to annual forecast of profit of 300.0 billion yen

(Reference) Key indicators	FY2016 Q3 Results	FY2017		
		Q3 Results	Forecasts as of Nov. 2017	
Exchange rate (YEN/US\$)	106.65	111.69	110.00	
Interest rate	LIBOR 6M(YEN)	0.00%	0.01%	0.05%
	LIBOR 6M(US\$)	1.10%	1.51%	1.65%

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

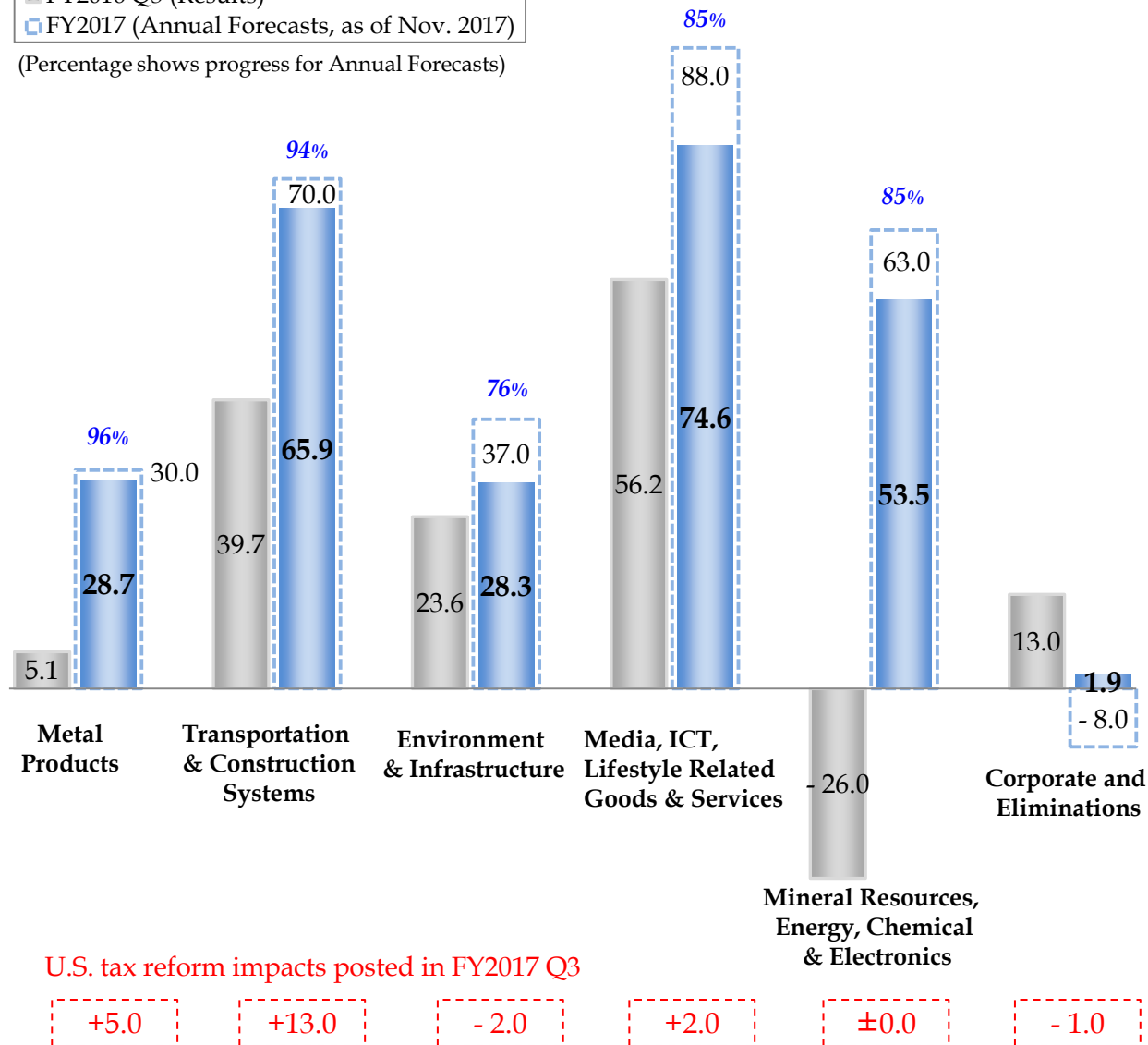
Appendix

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



(Percentage shows progress for Annual Forecasts)

(Unit: Billions of yen)



〈 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
- ✓ One-off profit from asset replacement

■ Transportation & Construction Systems

- ✓ Stable performance of leasing business
- ✓ Gradual recovery in shipping market
- ✓ Robust performance of construction equipment sales & marketing and rental business

■ Environment & Infrastructure

- ✓ Stable performance of overseas IPP/IWPP business
- ✓ Progress in development and construction of large-scale projects in power infrastructure business

■ Media, ICT, Lifestyle Related Goods & Services

- ✓ Stable performance by domestic major group companies and real estate business
- ✓ One-off profit from asset replacement

■ Mineral Resources, Energy, Chemical & Electronics

- ✓ Stable performance of Silver-zinc-lead mining project in Bolivia, Iron ore mining project in South Africa and Coal mining projects in Australia
- ✓ One-off losses including impairment loss in FY2016

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

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

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(Unit: Billions of yen)	FY2016 (16/4-16/12)	FY2017 (17/4-17/12)	Increase/(decrease)		Summary
	(A)	(B)	Amount (B)-(A)	Percentage	
Revenues	2,854.9	3,478.5	623.6	22%	<p>Gross profit</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.) - Recovery in earnings of tubular products business in North America - Robust performance of construction equipment sales & marketing and rental business - Progress in development and construction of large-scale projects in power infrastructure business - Stable performance of real estate business <p>Share of profit (loss) of investments accounted for using the equity method</p> <ul style="list-style-type: none"> - Impairment loss in FY16 (-33.6) - Effects of higher commodity prices - Stable performance of leasing business - Stable performance of Aluminium smelting business in Malaysia <p>Gain (loss) on securities and other investments, net/ Gain (loss) on property, plant and equipment, net/ Other, net</p> <ul style="list-style-type: none"> - One-off profits from asset replacement in FY17 - Tax provisions in Silver-zinc-lead mining project in Bolivia in FY16 <p>Income tax expense</p> <ul style="list-style-type: none"> - U.S. tax reform impact in FY17 - Tax effects on impairment losses posted in the past in FY16
Gross profit	610.9	710.4	99.5	16%	
Selling, general and administrative expenses <i>(Provision for doubtful receivables)</i>	(506.6) 0.3	(546.6) (1.1)	(40.0) (1.3)	(8%) -	
Interest expense, net of interest income	(1.2)	(3.5)	(2.3)	(193%)	
Dividends	6.9	9.2	2.3	33%	
Share of profit (loss) of investments accounted for using the equity method	43.2	114.9	71.7	166%	
Gain (loss) on securities and other investments, net	(0.2)	33.5	33.7	-	
Gain (loss) on property, plant and equipment, net	(2.3)	3.3	5.6	-	
Other, net	(10.6)	4.6	15.2	-	
Profit before tax	140.1	325.8	185.7	133%	
Income tax expense	(17.2)	(52.5)	(35.3)	(205%)	
Profit for the period	122.9	273.3	150.4	122%	
Profit for the period attributable to:					
<i>Owners of the parent</i>	111.5	252.9	141.4	127%	
Non-controlling interests	11.4	20.4	9.0	80%	
Basic profit (Calculation for reference)*	118.9	232.6	113.6	96%	
Comprehensive income for the period (attributable to owners of the parent)	142.6	328.4	185.8	130%	

* 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

【Operating situation】

- Ambatovy was impacted by a cyclone on January 5th, 2018.
 - ✓ The project had stopped operations for safety inspections and repair works during January.
 - ✓ Plant facilities have been brought back into operation in stages since the end of January.
 - ✓ Target of operation rate after FY2018 Q2 is 80% of design.

【FY2017 Forecast】

- FY2017 Forecast is approximately 16 billion yen in deficit. (Previous forecast was 14.2 billion yen in deficit.)
 - ✓ FY2017 Q4 assumption
 - Operation rate : approx. 50% of design
 - Nickel Price : \$5.25/lb



6. Individual business situation

(2) TBC (Replacement tire distribution and related service operations in North America)

【 Joint venture and strategic alliance with Michelin 】

- A definitive agreement had been reached on combining North American replacement tire distribution and changing the capital structure of TBC in January 2018.
 - ⇒ TBC will be a 50/50 joint venture between Sumitomo and Michelin using equity method.
 - ✓ Valuation : US\$1,520mil (EV/EBITDA* multiple 9.3×) *FY2016 adjusted
 - ✓ Impacts on consolidated financial statements of Sumitomo Corporation
 - Asset : approx. US\$ -1,500mil (approx.-170.0 billion yen)
 - Cash : approx. US\$ +630mil (approx.+70.0 billion yen)
- Synergies of integration
 - ✓ Wholesale : Strengthening of logistics functions and improvement of operation efficiency
 - ✓ Retail : Enhancing e-commerce sales and fleet services by bringing in Michelin's knowledge and combining both companies' experience

