

For Immediate Release

Sumitomo Corporation Announces Quarterly Financial Results for the Fiscal Year 2017 (Three-month period ended June 30, 2017)

On August 3, 2017, Sumitomo Corporation announced its consolidated results for the three-month period ended June 30, 2017, prepared on the basis of International Financial Reporting Standards (IFRS).

1. Financial Highlights

- “Profit for the period attributable to owners of the parent” totaled 78.2 billion yen, representing an increase of 55.6 billion yen from the same period of the previous year. We could get off to a good start as “Profit for the period attributable to owners of the parent” progressed 34% towards our annual forecast of 230 billion yen which was announced on May.

“Basic profit (*1)”, which excludes extraordinary gains and losses, totaled 77.4 billion yen, representing an increase of 36.3 billion yen from the same period of the previous year. One-off profits also represent an increase of 20.0 billion yen.

*1: Basic profit = (Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + Dividends) x (1 – Tax rate (*2)) + Share of profit (loss) of investments accounted for using the equity method

*2: Tax rate: FY2016 31%, FY2017 31%

Basic profit for mineral resources businesses increased due mainly to the robust mineral resources prices. Tubular products business in North America is recovering because of gradual increase in rig count.

As regards our non-mineral resources businesses, in addition to the robust performance of the core businesses such as real estate business and leasing business, large-scale projects in power infrastructure business also made good progress.

One-off profits were improved since San Cristobal silver-zinc-lead mining project in Bolivia posted tax provisions in the same period of the previous year.

In terms of Profit for the period by Segment, each segment increased the profit

comparing with the same period of the previous year and the progress rate for the annual forecasts of each segment exceeded 25%. Though we should pay attention to the business environment such as commodity prices, we expect this trend will continue overall.

- “Free cash flow” totaled 45.8 billion yen outflow for the period. Our core businesses performed well in generating cash and we have received large amount of dividend from investments accounted for using the equity method, therefore Basic profit cash flow (*3) totaled 105.9 billion yen and we recovered funds of approximately 50.0 billion yen through asset replacements. On the other hand, the increase in working capital due to brisk businesses and inventories accumulation of precious metal business resulted in around 160.0 billion yen outflow. In addition, we executed investments and loans of approximately 70.0 billion yen.

*3: 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

“Total assets” stood at 7,686.8 billion yen, almost the same amount as that of the previous fiscal year-end.

“Equity attributable to owners of the parent” totaled 2,418.9 billion yen, increased by 52.4 billion yen from the previous fiscal year-end due primarily to an increase in retained earnings.

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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.