

Consolidated quarterly results FY2017 (Three-month period ended June 30, 2017)

[Prepared on the basis of International Financial Reporting Standards]

Sumitomo Corporation

Stock Exchange code No. 8053

(Listed on Tokyo, Nagoya and Fukuoka Stock Exchanges)

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(URL <http://www.sumitomocorp.co.jp/english>)**1. Consolidated results for the three-month period ended June 30, 2017**

(Remarks)

Amounts are rounded to the nearest million.

% : change from the same period of the previous year.

(1) Consolidated operating results

	Revenues		Profit before tax		Profit for the period		Profit for the period attributable to owners of the parent		Comprehensive income for the period	
	(increase/ decrease)	(%)	(increase/ decrease)	(%)	(increase/ decrease)	(%)	(increase/ decrease)	(%)	(increase/ decrease)	(%)
Three-month period ended	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
June 30, 2017	1,124,167	22.1	103,479	175.3	80,416	211.1	78,224	245.2	85,834	—
June 30, 2016	921,044	(2.2)	37,590	(65.6)	25,845	(69.7)	22,660	(72.4)	(158,691)	—

	Earnings per share attributable to owners of the parent (basic)		Earnings per share attributable to owners of the parent (diluted)	
	(yen)	(yen)	(yen)	(yen)
Three-month period ended	(yen)	(yen)	(yen)	(yen)
June 30, 2017	62.66	62.61	62.66	62.61
June 30, 2016	18.16	18.14	18.16	18.14

(2) Consolidated financial position

	Total Assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio
	(millions of yen)	(millions of yen)	(millions of yen)	(%)
As of June 30, 2017	7,686,846	2,536,898	2,418,858	31.5
As of March 31, 2017	7,761,794	2,486,955	2,366,485	30.5

2. Dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended March 31, 2017	(yen) —	(yen) 25.00	(yen) —	(yen) 25.00	(yen) 50.00
Year ending March 31, 2018	(yen) —	(yen) —	(yen) —	(yen) —	(yen) —
Year ending March 31, 2018 (Forecasts)	(yen) —	(yen) 25.00	(yen) —	(yen) 25.00	(yen) 50.00

[Note] Revision of the latest dividends prospect: None

3. Forecasts for the year ending March 31, 2018

(Remarks)

% : change from the previous year.

	Profit attributable to owners of the parent		Earnings per share attributable to owners of the parent	
	(increase/ decrease)	(%)	(increase/ decrease)	(%)
Year ending March 31, 2018	(millions of yen)	(%)	(millions of yen)	(%)
	230,000	34.6		184.27

[Notes] Revision of the latest forecasts: None

The Company has prepared only annual forecasts.

Notes

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

Excluded companies: 1 (USPO Miami, LLC)

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

(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	None

(3) Outstanding stocks (Common stocks)

				(shares)
(i) Outstanding stocks including treasury stock	(June 30, 2017)	1,250,602,867	(March 31, 2017)	1,250,602,867
(ii) Treasury stocks	(June 30, 2017)	2,239,245	(March 31, 2017)	2,333,692
(iii) Average stocks during three months (Apr.-Jun.)	(June 30, 2017)	1,248,344,913	(June 30, 2016)	1,248,111,282

* This report is not subject to audits.

*** 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 three-month period ended June 30, 2017, amounted to 1,124.2 billion yen, representing an increase of 203.1 billion yen from the same period of the previous year.

Gross profit totaled 231.8 billion yen increased by 34.5 billion yen, owing to the factors such as an increase in earnings of San Cristobal silver-zinc-lead mining project in Bolivia, Coal mining projects in Australia, and robust performance by real estate business. Selling, general and administrative expenses increased by 4.8 billion yen to 175.7 billion yen.

Other gain (loss) increased by 14.7 billion yen to 3.6 billion yen due mainly to tax provisions posted in San Cristobal silver-zinc-lead mining project in Bolivia in the same period of the previous year.

Share of profit (loss) of investments accounted for using the equity method increased by 15.2 billion yen to 36.2 billion yen, owing to solid performances by leasing business and the aluminum smelting business in Malaysia.

As a result, 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.

<Profit for the period attributable to owners of the parent by segment>

Metal Products Business Unit posted profit of 5.6 billion yen, an increase of 3.5 billion yen from the same period of the previous fiscal year, primarily owing to stable performances of overseas steel service centers. In addition, shares in tubular products business in North America which had showed sluggish performance in the same period of the previous year was transferred from this segment to the Overseas subsidiaries and Branches segment in this period.

Transportation & Construction Systems Business Unit posted profit of 12.2 billion yen, an increase of 4.8 billion yen. 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 this period, leasing business and automotive financing business in Indonesia showed robust performances.

Environment & Infrastructure Business Unit posted profit of 5.9 billion yen, an increase of 3.1 billion yen, 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 21.2 billion yen, an increase of 5.7 billion yen, due to robust performances of domestic major group companies and real estate business.

Mineral Resources, Energy, Chemical & Electronics Business Unit posted profit of 15.1 billion yen, an increase of 28.0 billion yen. San Cristobal silver-zinc-lead mining project in Bolivia and Coal mining projects in Australia showed robust performances because of the higher mineral resources prices. Also the tax provisions was posted in San Cristobal silver-zinc-lead mining project in Bolivia in the same period of the previous year.

Overseas subsidiaries and Branches segment posted profit of 16.1 billion yen, an increase of 12.2 billion yen. This was owing to 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 this period.

2. Financial position

<Total assets, liabilities, and equity as of June 30, 2017>

Total assets stood at 7,686.8 billion yen, representing a decrease of 74.9 billion yen from the previous fiscal year-end due mainly to a decrease from asset replacements despite an increase resulting from execution of investments and loans.

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.

Interest-bearing liabilities (net) increased by 69.0 billion yen from the previous fiscal year-end, to 2,696.9 billion yen.

In consequence, the net debt-equity ratio (Interest-bearing liabilities (net)/ Equity attributable to owners of the parent) was 1.1.

<Cash flows>

Net cash used in operating activities totaled 7.9 billion yen as working capital increased while our core businesses including major businesses of Media, ICT, Lifestyle Related Goods & Services segment performed well in generating cash.

Net cash used in investing activities totaled 37.9 billion yen. In this period, we recovered funds of approx. 50.0 billion yen through partial sale of office building in the U.S and asset replacements. On the other hand, we executed investments and loans of approx. 70.0 billion yen primarily for participating in

water concession business in Brazil and purchase of shares in Sumitomo Precision Products Co., Ltd.

As a result, Free cash flow, representing sum of net cash used in operating activities and net cash used in investing activities, totaled to an outflow of 45.8 billion yen.

Net cash used in financing activities totaled 70.0 billion yen, due primarily to debt repayment and dividend payment.

In consequence of the foregoing, Cash and cash equivalents stood at 660.6 billion yen as of June 30, 2017, representing a decrease of 115.8 billion yen from the previous fiscal year-end.

3. Forecasts for fiscal year ending March 31, 2018

We have not reviewed the forecasts for the fiscal year ending March 31, 2018 from the annual forecasts of 230 billion yen announced on May 9, 2017.

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.

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries
As of June 30, 2017(Unaudited) and March 31, 2017

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2017	March 31, 2017	June 30, 2017
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 660,649	¥ 776,464	\$ 5,899
Time deposits	14,061	13,996	125
Marketable securities	5,222	4,647	47
Trade and other receivables	1,198,030	1,206,398	10,697
Other financial assets	62,173	66,550	555
Inventories	888,683	830,871	7,935
Advance payments to suppliers	160,429	169,084	1,432
Other current assets	285,404	253,165	2,548
Total current assets	3,274,651	3,321,175	29,238
Non-current assets:			
Investments accounted for using the equity method	1,870,848	1,870,935	16,704
Other investments	447,987	437,162	4,000
Trade and other receivables	453,812	472,462	4,052
Other financial assets	89,331	91,937	798
Property, plant and equipment	807,194	795,857	7,207
Intangible assets	355,648	357,359	3,175
Investment property	281,967	311,115	2,518
Biological assets	13,221	12,536	118
Prepaid expenses	28,007	23,498	250
Deferred tax assets	64,180	67,758	573
Total non-current assets	4,412,195	4,440,619	39,395
Total assets	¥ 7,686,846	¥ 7,761,794	\$ 68,633

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥112=US\$1.

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries
As of June 30, 2017(Unaudited) and March 31, 2017

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2017	March 31, 2017	June 30, 2017
LIABILITIES AND EQUITY			
Current liabilities:			
Bonds and borrowings	¥ 640,847	¥ 659,257	\$ 5,722
Trade and other payables	1,008,325	1,029,294	9,003
Other financial liabilities	56,450	53,264	504
Income tax payables	25,010	20,737	223
Accrued expenses	81,763	105,164	730
Advances from customers	186,551	223,584	1,666
Provisions	4,346	4,490	39
Other current liabilities	73,425	80,129	655
Total current liabilities	2,076,717	2,175,919	18,542
Non-current liabilities:			
Bonds and borrowings	2,730,771	2,759,069	24,382
Trade and other payables	114,391	121,126	1,021
Other financial liabilities	38,559	40,599	344
Accrued pension and retirement benefits	29,393	28,076	263
Provisions	33,549	33,210	300
Deferred tax liabilities	126,568	116,840	1,130
Total non-current liabilities	3,073,231	3,098,920	27,440
Total liabilities	5,149,948	5,274,839	45,982
Equity:			
Common stock	219,279	219,279	1,958
Additional paid-in capital	264,124	263,937	2,358
Treasury stock	(3,043)	(3,113)	(27)
Other components of equity	310,798	309,094	2,775
Retained earnings	1,627,700	1,577,288	14,533
Equity attributable to owners of the parent	2,418,858	2,366,485	21,597
Non-controlling interests	118,040	120,470	1,054
Total equity	2,536,898	2,486,955	22,651
Total liabilities and equity	¥ 7,686,846	¥ 7,761,794	\$ 68,633

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥112=US\$1.

Condensed Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2017 and 2016

(Unaudited)

	Millions of Yen		Millions of
	2017	2016	U.S. Dollars
Revenues			
Sales of tangible products	¥ 991,279	¥ 811,361	\$ 8,851
Sales of services and others	132,888	109,683	1,186
Total revenues	1,124,167	921,044	10,037
Cost			
Cost of tangible products sold	(834,508)	(676,816)	(7,451)
Cost of services and others	(57,828)	(46,883)	(516)
Total cost	(892,336)	(723,699)	(7,967)
Gross profit	231,831	197,345	2,070
Other income (expenses)			
Selling, general and administrative expenses	(175,724)	(170,894)	(1,569)
Impairment losses on long-lived assets	—	(73)	—
Gain (loss) on sale of long-lived assets, net	2,673	320	24
Other, net	3,622	(11,053)	32
Total other income (expenses)	(169,429)	(181,700)	(1,513)
Finance income (costs)			
Interest income	6,103	5,756	55
Interest expense	(7,589)	(6,771)	(68)
Dividends	4,734	3,587	42
Gain (loss) on securities and other investments, net	1,638	(1,628)	15
Finance income (costs), net	4,886	944	44
Share of profit (loss) of investments accounted for using the equity method	36,191	21,001	323
Profit before tax	103,479	37,590	924
Income tax expense	(23,063)	(11,745)	(206)
Profit for the period	80,416	25,845	718
Profit for the period attributable to:			
Owners of the parent	¥ 78,224	¥ 22,660	\$ 698
Non-controlling interests	2,192	3,185	20
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	6,566	(14,650)	59
Remeasurements of defined benefit pension plans	3,091	(2,287)	27
Share of other comprehensive income of investments accounted for using the equity method	568	38	5
Total items that will not be reclassified to profit or loss	10,225	(16,899)	91
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	(1,271)	(163,248)	(11)
Cash-flow hedges	(570)	(4,238)	(5)
Share of other comprehensive income of investments accounted for using the equity method	(2,966)	(151)	(27)
Total items that may be reclassified subsequently to profit or loss	(4,807)	(167,637)	(43)
Other comprehensive income, net of tax	5,418	(184,536)	48
Comprehensive income for the period	85,834	(158,691)	766
Comprehensive income for the period attributable to:			
Owners of the parent	¥ 83,323	¥ (156,163)	\$ 744
Non-controlling interests	2,511	(2,528)	22

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥112=US\$1.

Condensed Consolidated Statements of Changes in Equity

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2017 and 2016

(Unaudited)

	Millions of Yen		Millions of U.S. Dollars
	2017	2016	2017
Equity:			
Common stock:			
Balance, beginning of year	¥ 219,279	¥ 219,279	\$ 1,958
Balance, end of period	219,279	219,279	1,958
Additional paid-in capital:			
Balance, beginning of year	263,937	256,500	2,357
Acquisition (disposal) of non-controlling interests, net	(513)	—	(5)
Others	700	1,216	6
Balance, end of period	264,124	257,716	2,358
Treasury stock:			
Balance, beginning of year	(3,113)	(3,344)	(28)
Acquisition (disposal) of treasury stock, net	70	57	1
Balance, end of period	(3,043)	(3,287)	(27)
Other components of equity:			
Balance, beginning of year	309,094	311,880	2,760
Other comprehensive income for the period	5,099	(178,823)	46
Transfer to retained earnings	(3,395)	3,309	(31)
Balance, end of period	310,798	136,366	2,775
Retained earnings:			
Balance, beginning of year	1,577,288	1,467,194	14,083
Transfer from other components of equity	3,395	(3,309)	31
Profit for the period attributable to owners of the parent	78,224	22,660	698
Cash dividends	(31,207)	(31,202)	(279)
Balance, end of period	1,627,700	1,455,343	14,533
Equity attributable to owners of the parent	¥ 2,418,858	¥ 2,065,417	\$ 21,597
Non-controlling interests:			
Balance, beginning of year	120,470	140,436	1,076
Cash dividends to non-controlling interests	(3,630)	(3,008)	(32)
Acquisition (disposal) of non-controlling interests and others, net	(1,311)	545	(12)
Profit for the period attributable to non-controlling interests	2,192	3,185	20
Other comprehensive income for the period	319	(5,713)	2
Balance, end of period	118,040	135,445	1,054
Total equity	¥ 2,536,898	¥ 2,200,862	\$ 22,651
Comprehensive income for the period attributable to:			
Owners of the parent	83,323	(156,163)	744
Non-controlling interests	2,511	(2,528)	22
Total comprehensive income for the period	¥ 85,834	¥ (158,691)	\$ 766

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥112=US\$1.

Condensed Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2017 and 2016

(Unaudited)

	Millions of Yen		Millions of U.S. Dollars	
	2017	2016	2017	
Operating activities:				
Profit for the period	¥ 80,416	¥ 25,845	\$	718
Adjustments to reconcile profit for the period to net cash provided by operating activities:				
Depreciation and amortization	28,974	28,491		259
Impairment losses on long-lived assets	—	73		—
Finance (income) costs, net	(4,886)	(944)		(44)
Share of (profit) loss of investments accounted for using the equity method	(36,191)	(21,001)		(323)
(Gain) loss on sale of long-lived assets, net	(2,673)	(320)		(24)
Income tax expense	23,063	11,745		206
Increase in inventories	(53,985)	(31,704)		(482)
Decrease in trade and other receivables	30,834	86,508		275
Increase in prepaid expenses	(6,612)	(8,710)		(59)
Decrease in trade and other payables	(104,033)	(18,810)		(929)
Other, net	4,890	25,091		44
Interest received	6,100	5,768		54
Dividends received	69,632	55,518		622
Interest paid	(7,601)	(6,824)		(68)
Income tax paid	(35,841)	(31,095)		(320)
Net cash (used in) provided by operating activities	(7,913)	119,631		(71)
Investing activities:				
Proceeds from sale of property, plant and equipment	1,886	1,694		17
Purchase of property, plant and equipment	(23,092)	(19,713)		(206)
Proceeds from sale of investment property	7,622	4,023		68
Purchase of investment property	(2,103)	(25,711)		(19)
Proceeds from sale of other investments	20,985	4,062		188
Acquisition of other investments	(46,570)	(18,158)		(416)
Collection of loan receivables	22,718	54,941		203
Increase in loan receivables	(19,341)	(50,115)		(173)
Net cash used in investing activities	(37,895)	(48,977)		(338)
Free Cash Flows:	(45,808)	70,654		(409)
Financing activities:				
Net increase in short-term debt	34,834	(14,194)		311
Proceeds from issuance of long-term debt	54,784	23,464		489
Repayment of long-term debt	(123,602)	(69,794)		(1,103)
Cash dividends paid	(31,207)	(31,202)		(279)
Capital contribution from non-controlling interests	—	657		—
Payment for acquisition of subsidiary's interests from non-controlling interests	(1,242)	—		(11)
Payment of dividends to non-controlling interests	(3,630)	(3,008)		(32)
(Acquisition) disposal of treasury stock, net	19	3		0
Net cash used in financing activities	(70,044)	(94,074)		(625)
Net decrease in cash and cash equivalents	(115,852)	(23,420)		(1,034)
Cash and cash equivalents at the beginning of year	776,464	868,755		6,933
Effect of exchange rate changes on cash and cash equivalents	37	(28,129)		0
Cash and cash equivalents at the end of period	¥ 660,649	¥ 817,206	\$	5,899

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥112=US\$1.

Assumptions for Going Concern : None

Significant changes in equity attributable to owners of the parent : None

Segment Information (Condensed)

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2017 and 2016

(Unaudited)

2017:	Millions of Yen			
	Segment	Gross profit	Profit for the period (attributable to owners of the parent)	As of June 30 Total assets
Metal Products	¥	16,385	¥ 5,602	¥ 597,954
Transportation & Construction Systems		17,673	12,183	1,278,310
Environment & Infrastructure		15,667	5,906	657,361
Media, ICT, Lifestyle Related Goods & Services		66,580	21,179	1,841,507
Mineral Resources, Energy, Chemical & Electronics		35,912	15,112	1,298,315
Overseas Subsidiaries and Branches		80,038	16,053	2,071,888
Segment Total		232,255	76,035	7,745,335
Corporate and Eliminations		(424)	2,189	(58,489)
Consolidated	¥	231,831	¥ 78,224	¥ 7,686,846

2016:	Millions of Yen			
	Segment	Gross profit	Profit for the period (attributable to owners of the parent)	As of March 31 Total assets
Metal Products	¥	15,959	¥ 2,123	¥ 676,055
Transportation & Construction Systems		30,964	7,428	1,471,865
Environment & Infrastructure		12,747	2,761	666,251
Media, ICT, Lifestyle Related Goods & Services		60,849	15,483	1,909,301
Mineral Resources, Energy, Chemical & Electronics		22,364	(12,906)	1,333,571
Overseas Subsidiaries and Branches		54,047	3,874	1,864,439
Segment Total		196,930	18,763	7,921,482
Corporate and Eliminations		415	3,897	(159,688)
Consolidated	¥	197,345	¥ 22,660	¥ 7,761,794

2017:	Millions of U.S. Dollars			
	Segment	Gross profit	Profit for the period (attributable to owners of the parent)	As of June 30 Total assets
Metal Products	\$	146	\$ 50	\$ 5,339
Transportation & Construction Systems		158	109	11,414
Environment & Infrastructure		140	53	5,869
Media, ICT, Lifestyle Related Goods & Services		594	189	16,442
Mineral Resources, Energy, Chemical & Electronics		321	135	11,592
Overseas Subsidiaries and Branches		715	143	18,499
Segment Total		2,074	679	69,155
Corporate and Eliminations		(4)	19	(522)
Consolidated	\$	2,070	\$ 698	\$ 68,633

Notes:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥112=US\$1.

2) On April 1, 2017, the Company changed reportable segments for the part of the interest in certain subsidiaries in the U.S. that resulted in decrease of the total assets of business segments by 218,524 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.