

# Sumitomo Corporation Europe Limited

Sumitomo Corporation Celebrating 100 years in 2019

## **Sumitomo Corporation's Centennial Year**

In 2019 Sumitomo Corporation will celebrate its centennial year. Looking forward to the next 100 years, we shall continue to aim for stable and continuous growth going forward with society as well as maintain our unceasing challenge for new value creation.



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# Welcome to Sumitomo Corporation Europe Limited



As the surrounding business environment increases in complexity due to drastic changes brought on by disruptive technologies, and the Fourth Industrial Revolution, we need to evolve our business models by accelerating digital transformation.

**Takashi Yamana,** CEO, Sumitomo Corporation Europe Group

Firstly, please let me introduce myself. I am Takashi Yamana, CEO of Sumitomo Corporation Europe. Before explaining our activities, let me briefly introduce some of the history behind Sumitomo Corporation, one of the world's leading corporate groups of which we are part.

Sumitomo Corporation began trading in Japan after World War II through exporting industrial products and importing natural resources. Since then our business has expanded to include steel goods, automobiles, shipping, aerospace, chemicals, mineral resources and various other products. Over the years we have built an extensive global network which we have utilised to expand trade activities with many other countries outside of Japan.

Extending our business to include both upstream and downstream activities of the product supply chain, Sumitomo Corporation are now also involved in mining, manufacturing and retail, as well as offering various services in finance and logistics in order to supplement such diverse businesses. As part of this varied business structure, Sumitomo Corporation Europe is the main operating unit in Europe.

Our highly flexible corporate model enables us to work with our customers and partners to achieve this. We are always looking to provide increasingly diverse and

sophisticated functions and when making investments, we are not seeking simple financial return. We commit to creating new values by sharing the risk together.

Sumitomo Corporation will celebrate its centennial in 2019, whilst in Europe we have been active for more than 60 years. As such, we are committed to a long term perspective with our partner companies.

As the surrounding business environment increases in complexity due to drastic changes brought on by disruptive technologies, and the Fourth Industrial Revolution, we need to evolve our business models by accelerating digital transformation.

Our company may face the above challenges but I am confident that we can strengthen our organisation through these rapidly changing times. Our people are integral to what we do. Our global relationships, crossing various business sectors, are key to our business model. This is due to the dedication and drive of our people. Wherever they may be based, their relationships and network can have a global impact. My aim is to keep extending this strength.

**Takashi Yamana,** CEO, Sumitomo Corporation Europe Group

# **About Us**



Sumitomo Corporation Europe is a principal subsidiary of Sumitomo Corporation, it operates through 13 offices, based in 11 countries across Europe. We also have subsidiaries and affiliates located in the Middle East, Africa and in other areas of Europe.

As an integrated trading company we source a product, material or component and supply it to whoever may need that resource.

This means collaboration with a wide range of global partners across a diverse range of businesses.

These include products in the sectors of tubular, rolled steel, non-ferrous, automotive & construction, shipping & aerospace, mineral resources, chemicals, food, lifestyle and infrastructure projects.

We continuously work to expand the diversity of our range of products and services in order to anticipate our customers' needs and keep them ahead in their business.

We also invest in promising projects and companies that are aligned with our current businesses.

## Mission and Philosophy

As part of the Sumitomo Corporation Group we follow the organisation's Corporate Mission Statement, consisting of the Management Principles and the Activity Guidelines. These are the fundamental and ultimate value standards of the Company.

#### **Corporate Vision**

We aim to be a global organisation that constantly stays a step ahead in dealing with change, creates new value and contributes broadly to society.

#### **Management Principles**

#### **Corporate Mission**

To achieve prosperity and realise dreams through social business activities.

#### **Management Style**

To place prime importance on integrity and sound management with utmost respect for the individual.

#### **Corporate Culture**

To foster a corporate culture full of vitality and conducive to innovation.

The Management Principles are the redefinition of Sumitomo's business philosophy, which has been cultivated over its 400 years of business history. The Activity Guidelines stipulate the required behaviour of the Company, its officers and employees, and provide the means to realise the Management Principles.

#### **Activity Guidelines**

- To act with honesty and sincerity on the basis of Sumitomo's business philosophy and in keeping with the Management Principles
- To comply with laws and regulations while maintaining the highest ethical standards
- To set high value on transparency and openness
- To attach great importance to protecting the global environment
- To contribute to society as a good corporate citizen
- To achieve teamwork and integrated corporate strength through active communication
- To set clear objectives and achieve them with enthusiasm

# Sumitomo Corporation: Global Network

As Sumitomo Corporation Europe we utilise not only our own European based network but also that of Sumitomo Corporation. Through offices, subsidiaries and associated companies a global team of more than 63,000 people are based in 65 countries and regions. (As of June 30, 2018)



#### **EUROPE**

LondonMilanBrusselsOsloMadridStavangerPragueDüsseldorfAberdeenWarsawParisBaku\*Ashgabat\*

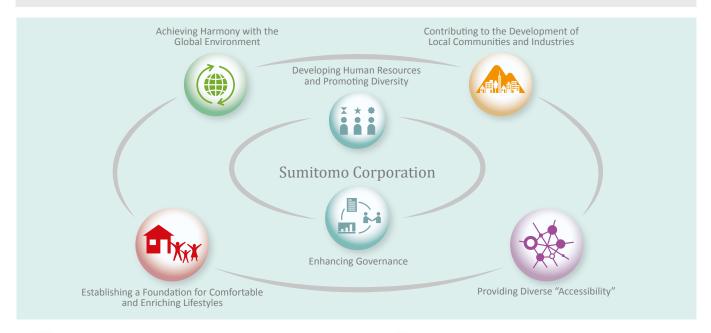
- st Included in the extended SCEU network
- \*\* Included in the extended European network

Sumitomo Corporation offices (not including subsidiaries and associated companies)



## Six Material Issues to Achieve Sustainable Growth with Society

We have defined the Six Material Issues to Achieve Sustainable Growth with Society as an important factor in developing business strategies and in the decision-making process for individual businesses. Going forward, we will pursue sustainable growth by resolving these issues through our business activities. At the same time, we will advance the dialogue with our stakeholders to maintain an in-depth understanding of society's expectations for us and of our strengths.





#### Achieving Harmony with the Global Environment

To realise recycling-oriented society and mitigate climate change, we are working to establish frameworks for the efficient use of resources and stable supply of renewable energy. In doing so, we will achieve growth in harmony with the global environment.



# Contributing to the Development of Local Communities and Industries

We steadily procure and provide goods and services to meet the needs of people in various countries and regions and contribute to developing industrial platforms. Through these means, we will create a virtuous cycle in which we can grow and develop together with local communities.



#### Establishing a Foundation for Comfortable and Enriching Lifestyles

We strive to realise more convenient and comfortable lifestyles by providing goods and services for daily use while also responding to needs for high-quality lifestyles in order to support the physical and mental health of people around the world.



#### Providing Diverse "Accessibility"

We provide diverse accessibility to open up the possibility of creating new value. To this end, we will improve mobility for safe and efficient flow of people and goods, and expand the network connecting information and finance.



# Developing Human Resources and Promoting Diversity

In order to create new value and innovation by allowing our diverse personnel to fully exercise their abilities in a variety of fields, we will promote the development and empowerment of human resources, which represent our most important management resources.



#### Enhancing Governance

We will enhance our ability to draft and implement strategies for achieving sustainable growth and to provide appropriate supervision of these strategies, all while maintaining transparency. In this manner, we will improve management efficiency and maintain sound management.

# Our Strengths

As part of the Sumitomo Corporation we aim to be recognised as an organisation of unmatched excellence that can meet and excel at satisfying our customers' requirements. We utilise our distinctive strengths to be the best at what we do.

We use the term 'Integrated Strength' to define how we can value and respond to the varied needs of our customers wherever they are based. As we continue to increase our global presence, we will continue to demonstrate our ceaseless commitment to our stakeholders.



#### Trust

Based on Sumitomo's business philosophy, we have cultivated the trust of our customers over our many years of operation. This is the most fundamental and valuable asset of our business.



#### Risk Management

Only an integrated trading company with decades of business experience can expertly manage diverse risks associated with credit standing, market and enterprise operations. We ensure a robust risk management process is in place at all times.



#### **Global Relations**

Sumitomo Corporation has established close and multifaceted relations with over 100,000 business partners around the world across varied industries.



#### **Logistics Solutions**

In addition to the ability to provide a wide range of integrated logistic services, we also have the capacity to develop and deploy services to match supply and demand.



#### Global Network

With offices, subsidiaries and associated companies located worldwide, the Sumitomo Corporation business network provides a platform for the prompt and secure transfer of goods, funds and information. A global team of more than 63,000 spans 65 countries and regions (as of June 30th 2018).



### **Business Development**

Sumitomo Corporation excel in business creation, which involves identifying promising new products, developing new markets, and organising appropriate business operations.



#### **Intellectual Capital**

The wealth of know-how, experience and information accumulated by our skilled personnel in diverse fields is an important element of our solid business foundation.



#### Our People

We firmly believe our people are our future and are integral to what we do. Key to our business model are the relationships we develop with our customers. This is due to the dedication and drive of our people.

# The History of Sumitomo

Sumitomo Corporation Europe is part of Sumitomo Corporation, one of Japan's largest integrated trading companies. Sumitomo Corporation will celebrate its centennial year in 2019 but it has a long history dating back to the 1500's.

Although Sumitomo Corporation as an organisation did not formally exist until 1919 the beginnings of the Company and its business principles were developed over 400 years ago by Masatomo Sumitomo.

## History Highlights



"Monjuin Shiigaki", as stated by Masatomo (Source: Sumitomo Historical Archives)

#### The foundations of Sumitomo

Two people were instrumental in the founding of Sumitomo.

The first was Masatomo Sumitomo, the founder of the Sumitomo family, and considered to be the spiritual leader of Sumitomo. He wrote the "Founder's Precepts" which have formed the basis of our Business Principles which are still in place for all of our Group companies today.

The other is Riemon Soga who established the technology that led to Sumitomo's reputation as "the King of Copper".



Besshi Copper Mines before reforestation (Source: Sumitomo Historical Archives)

#### Expansion through mining

In 1691 the company that later became Sumitomo discovered the Besshi Copper Mines which remained one of Japan's largest copper mines until its closure in 1973. The mines went from strength to strength despite many turbulent years. Sumitomo also established itself as a leader in social responsibility by building cultural facilities, schools and hospitals for the mine workers. It also moved refining facilities away from populated areas to reduce emissions and toxic effects on local people.



Besshi Copper Mines currently

#### The origin of today's Sumitomo

In 1897, Sumitomo started to manufacture copper products with the metal from its Besshi Copper mines. It became the first company in Japan to produce copper and brass drawn pipes, expanding later into the manufacture of steel pipes.

Sumitomo also entered into the chemical production field in an effort to utilise sulphuric acid in the smoke emitted from its smelters near the Besshi Copper mines. A fertiliser plant was set up in 1913 to produce superphosphate fertiliser.

Sumitomo proceeded with financial activities too. It firstly started as a warehouse business for local wholesale dealers to keep their goods, like rice and wheat. Then, from the 1870's it became a money lending business to them with their goods kept as collateral. These activities later led to the establishment of Sumitomo Bank in 1895 and Sumitomo Warehouse in 1899.



Sumitomo Corporation today (Tokyo headquarters)

#### The formation of Sumitomo Corporation

Sumitomo did not set up a trading company for a long time since these activities had been taboo due to the reference to easy gain in the Founder's Precepts. However, after Japan's defeat in World War II, Sumitomo decided to break this taboo to provide each employee with as much work as possible. It was decided to set up a new trading department in an existing affiliate company, Sumitomo Land Co., Ltd., which was originally established in 1919 to develop Osaka port and its surrounding area.

In January 1946, this trading department formally inaugurated with only 32 people, to later become today's Sumitomo Corporation. Taking the opportunity of the Head Office relocation to Otemachi, Chiyoda-ku, Tokyo in Autumn 2018, the company will promote work-style reforms.

# Organisational Structure

We use what we call the 'Business Unit Management System' with the objective of executing business strategies in an effective and efficient manner. In this system the business operations of our companies are strategically coordinated under nine specialist business units, with corporate management departments in place to support their activities.

This system allocates resources effectively, creating efficient operations, whilst allowing for expansion and diversification of our business fields across existing, and new regions.

Our network of European offices also means that our customers have access to expertise which is local to them throughout the range of our business expertise.

#### **CEO**

Sumitomo Corporation Europe Limited

#### **Subsidiaries**

### Business Units

## Corporate Management

**Affiliates** 

**Invested Companies** 

(Refer to Page 31 for a list of our Subsidiaries , Associated Companies and Investments) Tubular Products

Rolled Steel & Non-Ferrous Products

Automotive & Construction Systems

Lease, Ship & Aerospace

Mineral Resources & Energy

Chemicals & Electronics

Food & Lifestyle

Infrastructure

Business Development **EMEA&CIS Support** 

**Business Intelligence** 

Corporate Planning

Human Resources & Facilities

**Expatriate Personnel** 

Legal

Risk Management

Investment Portfolio Management

**Budget and Planning** 

Accounting

Tax

Treasury

IT Planning & Promotion

Logistics

# **Business Unit Overview**



#### **Tubular Products**

The Tubular business unit is already a market leading supplier to the energy industry. Our mission is to be at the forefront of the digital revolution sweeping our industry and to promote value adding products and services to our current and future customers.



#### Rolled Steel & Non-Ferrous Products

The Rolled Steel and Non-Ferrous Products business unit provides a sophisticated service to our customers through on-time delivery and supply of specialist items. We always aim to respond to any of our customers' requirements effectively and successfully.



## **Automotive & Construction Systems**

Automotive and Construction Systems is a unique business unit in that part of it is consumer facing. Our range of services includes trading, procurement and distribution of parts, as well as marketing and distributing, financing, leasing and follow up during maintenance period.



## Lease, Ship & Aerospace

Lease, Ship and Aerospace business unit contributes to global logistics with our expertise and extensive global networks. Our business involves ship owning, the sale and purchase of ships, as well as aircraft leasing and aircraft engine leasing, and other various types of shipping, aerospace business and leasing business.



## Mineral Resources & Energy

We conduct various fields of businesses, from investment in upstream interests in oil and gas fields to trading activities in mineral resources including base metals such as nickel, precious metals, carbon products, and petroleum and natural gas, and are looking to expand further into the European market.



#### Chemicals & Electronics

The Chemicals and Electronics business unit is involved in a wide variety of roles and functions for related industries. Our skills lie with our ability to perform an integrated trading function and with identifying investment opportunities for business growth.



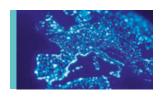
## Food & Lifestyle

The Food and Lifestyle business unit provides various products, services and solutions in the fields of Food, Media, IT and construction materials, as well as introducing new areas of development for Europe, which are already established in our Japanese operations.



#### Infrastructure

Infrastructure business unit has diverse business interests ranging from an extensive renewable energy business, through to water utilities, district heating & cooling, smart city parking, train operation and the export of machinery products.



## **Business Development**

Business Development unit promotes cross-border business developments to further enhance SCEU's ability to create new business opportunities in the ever evolving business environment in Europe, North Africa and Israel from a mid to long term perspective.



# Business Unit Overview **Tubular Products**

Our Tubular Business Unit boasts an industry leading network and exceptional trading volume. This is based on our quality of service, an extensive European presence and our strong global supply chain.

We supply a wide variety of high grade oil country tubular goods (OCTG), line pipe and speciality tubing to companies in the oil, gas, petrochemical, automobile and boiler manufacturing industries.

As part of Sumitomo Corporation we source our products from the world's leading steel manufacturers and fabricators. Utilising our Global Network and the infrastructure we have developed through the establishment of more than 20 supply chain management projects, we are strategically placed to add value to our customer's tubular demands.

We can tailor the complete management of our products to enhance our customer's operations through assistance with technical queries and material selection, forecasting, fabrication of accessories, logistics, inventory control, financing and disposals.

As the global demand for energy shifts, we are ideally placed to modify our service offering to match. Taking maximum advantage of the latest developments in digital technology, we aim to develop an unrivalled portfolio delivering maximum efficiency at a competitive cost. Our targeted investments will match this ambition and deliver a value chain spanning the upstream businesses related to our core tubular products.

We will continue to develop our world class supply chain management service, enhancing our systems to provide ever more value adding usability and scope.

Our "Total Cost of Ownership" approach can significantly, and positively, impact the bottom line and allow customers to focus on their core competencies through the effective implementation of technology and human resources.

**Business Fields** 

Oil country tubular goods (OCTG)

Line pipe

Supply chain management

Speciality tubular

Pipe storage at Hamiryah, UAE



Warehousing, Stavanger, Norway



"One-stop-shop", Stavanger, Norway





# Business Unit Overview Rolled Steel & Non-Ferrous Products

The Rolled Steel & Non-Ferrous Products Unit is involved in trading and distributing activities of metal products and handles a broad range of rolled steel products such as flat rolled steel, plate steel and electrical steel sheet as well as non-ferrous products such as titanium, aluminium and other non-ferrous products.

The key to the success of the rolled steel and nonferrous products unit is our sourcing and logistics strengths which provide expertise that can function as part of the production process for our customers. We can source any steel product from our suppliers within time demands.

We also provide further value added services, such as logistics management and inventory control services, including consignment stocking and vendor managed inventory in response to customer requests, as well as utilising our steel service centre, the **Steel Centre Europe** in the Czech Republic. We established the steel service centre as a joint venture company between Sumitomo Corporation Group and Toyota Tsusho Corporation Group in 2004. We provide a wide range of services including slitting, cutting to length and blanking for our customers.

We have been diversifying our business model from trade business to investment type business to build a strong value chain focusing on the automotive, railway and energy industries.

We acquired **Kienle + Spiess (K+S)** in 2013 who are prominent in motor lamination-core manufacturing. They provide this across industry sectors including automotive, renewable energy and pumps, based on their advanced technical capability and know-how. Furthermore, with their new technology developments, we expect K+S to grow as demand for their EV/HEV motors increases.

Our intention is to cooperate with the other business units and subsidiaries to utilise the strong local network of Sumitomo Corporation Europe. We also utilise the global network of Sumitomo Corporation Group in 65 countries to provide seamless services and functions for our global customers.

In 2017, we acquired a 25% share of **Musashi Holdings Europe GmbH (MHE)**, Europe's largest manufacturer of forged and machine-processed components. We have been selling steel materials used in cars and motorcycles and are now also expanding into the finished vehicle/parts manufacturing business by collaborating with Japanese manufacturers that were previously customers. We are aiming to strengthen partnerships and create new value together by helping customers through these efforts to find innovative solutions.

#### **Business Fields**

Steel plate, structural steel

Flat rolled steel sheet and Steel Service Centre (Slitting / Cutting to Length / Blanking Process in the Czech Republic)

Railway products (Rollingstock / Trackworks) Electrical steel sheet and motor lamination core Wire products

Stainless and speciality steel products Forgings and castings products

Tinplate and Tin Free Steel (TFS) products Titanium sponge and products

Nickel Products

Aluminium and copper products

Permanent magnet for automotive, industrial and renewable energy application

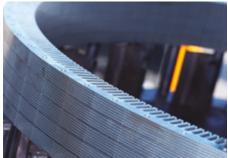
Semiconductor materials including wafer shipper and heat-sink ceramics

Smart materials (ultra thin stainless steel foil and piezo ceramics) for emerging applications such as OLED, new car electronics

Rolled Aluminum Sheet



Motor Core



Rolled Steel & Slit Coil



"We provide the best services and solutions to our customers and partners in our specialised fields and operate more than 20 group companies. Our range of services includes trading, procurement and distribution of parts, marketing & distributing, financing, leasing and following up during the maintenance period. We want to be your one stop service provider."







# Business Unit Overview **Automotive & Construction Systems**

The Automotive and Construction Systems Business Unit operates in the fields of automotive and construction equipment. Our business is global and continues to grow, with more than 20 group companies working across Europe to satisfy customer demand in the areas of manufacturing, trading, leasing and finance operations.

The **Automotive business line** operates in all areas of this industry from upstream to downstream, i.e. from manufacturing through to distribution. The sales and marketing automotive business has activities starting from the distribution point of vehicles to retail sales and finance. Sumitomo Corporation Europe hold 13 group companies for these activities, with over 800 employees placed in car distributors, dealers and finance companies. In addition to the above, we have entered into the new field of mobility service business, also known as 'MaaS', establishing a group company to offer Electric Vehicles Sharing service to endusers. It is a consumer facing activity and our aim is customer satisfaction; to focus on building customer retention and brand loyalty, ensuring that the customer is satisfied throughout their 'car life' with us.

The **Automotive Manufacturing business line** cover all fields related to manufacturing such as components, raw materials, final products supply including warehousing, assembly and logistics services. Our activity has provided diversified solutions, through trading activity and business investment to our customers and business partners, to contribute to the automotive industry and to future mobility.

The **Construction Equipment business line** operates 4 distributors of Komatsu and other top-brand equipment manufacturers in 6 European countries with over 370 employees. Based on Sumitomo Corporation's global strategy for the construction and mining systems business, we target reinforcing our after-sales services, and diversifying activities in order to respond to changing customer needs on a long term basis.

#### **Business Fields**

Automotive sales, marketing, leasing and insurance
Automotive parts manufacturing, supply and assembly
Construction and mining, equipment distribution
and rental

Tire assembly line at Summit D&V, Hungary



Komatsu "Hybrid" Excavator with fuel saving operation





"We have been involved in ship owning, the sale and purchase of ships, as well as aircraft leasing and aircraft engine leasing, and other various types of shipping and aerospace business. Our global logistics business will be further leveraged by leasing and we will enhance our capability and respond to demand worldwide."









# Business Unit Overview Lease, Ship & Aerospace

Our activities in the field of shipping and aerospace are worldwide. We have been engaged in ship owing, operation, sale and purchase, as well as aircraft leasing, aircraft engine leasing, and other various types of shipping and aerospace business. In addition, we are expanding and diversifying our leasing business in Europe from the existing category of ship leasing and aircraft leasing to more logistic-related fields. Through shipping, aerospace and others our business will be further leveraged by leasing and we will enhance our capability and respond to global demand.

#### Lease

Sumitomo Corporation has a subsidiary leasing company, Sumitomo Mitsui Finance & Leasing Company Limited (SMFL), which is a strategic joint venture with Sumitomo Mitsui Financial Group. SMFL is one of the largest leasing companies in Japan. Collaborating with SMFL, our lease business line is providing various kinds of financial solutions.

#### Ship

The Ship business line provides the contracting of new build vessels, sale and purchase of second-hand vessels, and chartering and financing arrangements. The department also has a relationship with a group company which owns and operates bulk carriers and product tankers.

#### **Aerospace**

The Aerospace business line participates in aircraft leasing and in aircraft spare engine leasing. Throughout these leasing businesses we are supporting airlines globally in their operation and maintenance of aircraft and engines. We also trade commercial aviation products, defense and security related products from European manufacturers to customers in Japan, which includes Japanese self-defense forces and government organisations.

#### **Business Fields**

Ship and marine projects

Aerospace

Leasing and financial solutions

Blue tone jet engine blades



Cargo ship underway



"We will cautiously and steadily upgrade and expand our portfolio of resource interests, giving consideration to time and regional factors with an emphasis on key strategic resources. In line with these strategies, we will target new opportunities not only in developed markets but also in emerging countries and contribute to the mineral resources and energy fields."







# Business Unit Overview Mineral Resources & Energy

We will cautiously and steadily upgrade and expand our portfolio of resource interests, giving consideration to time and regional factors with an emphasis on key strategic resources. In line with these strategies, we will target new opportunities not only in developed markets but also in emerging countries and contribute to the mineral resources and energy fields.

On a worldwide basis, Sumitomo Corporation holds upstream interests in the key strategic resources of copper, coal, iron ore, crude oil and natural gas, as well as other mineral resources such as uranium, zinc, nickel and cobalt.

In Europe, we actively trade in carbon related products, nickel, copper, precious metals, crude oil and natural gas, whilst targeting the expanding trading business for other products such as LNG and ferrous raw materials. In addition to physical trade of commodities, we provide various services required on commodities business, such as global logistics, derivatives hedging solutions and structured trade finance.

Since 1985 we have been investing in oil and natural gas upstream interests in the Central North Sea through our subsidiary company, Summit Exploration & Production Limited. Since then we have maintained a portfolio of production, development and exploration interests there, playing an operatorship role in several exploration opportunities.

We also formed a joint venture with Idemitsu and Osaka Gas in Norway for oil and natural gas exploration, development and production.

#### **Business Fields**

Carbon related products trading

Mineral resources and oil & natural gas trading

Oil and natural gas exploration, development

and production

Offshore oil rig in the Elgin-Franklin Field in the UK's North Sea  $\,$ 



The MUSA iron ore mine in Brazil

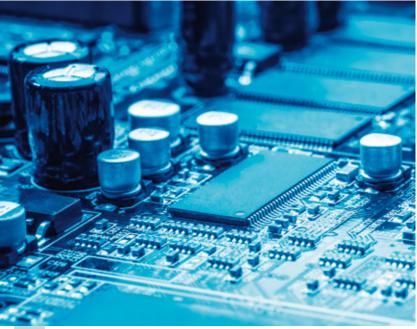


The Ambatovy Project in Madagascar, one of the world's largest nickel mining projects



"Our skills lie with our ability to perform an integrated trading function and with identifying investment opportunities for business growth, utilising the best market knowledge and technical expertise globally."









# Business Unit Overview Chemicals & Electronics

This business unit is involved in a wide variety of roles and functions within the chemicals sector and we are developing our presence in the electronics industries.

We have a global reach for **Petrochemicals** products and our business expertise is not only limited to simple trading but also 'tolling' type of business, whereby we provide a more flexible sourcing solution from raw materials to products, balancing functions between long and short positions.

In **Electronics**, we are seeking to develop EMS (Electronic Manufacturing Services), which require us to procure thousands of parts, arrange efficient logistics and assemble electronics parts into printed circuit boards through our strategic assembly partners.

In the field of **Automotive**, we are offering a wide variety of functional materials. By utilising our European business platform and new technology sourcing capability, we continue to increase market presence in the industry.

In the field of **sulphuric acid** our subsidiary, **Interacid Trading S.A. (ITSA)**, concentrates on sulphur and sulphuric acid trading and distribution. ITSA plays the key role in procuring materials for its group companies, who own dedicated large tanks to manage supply-demand imbalances for our global suppliers and consumers. They operate the global business by utilising extensive trading networks with more than 200,000 tonnes of tank capacity in Chile and the United States.

Within the **pharmaceutical and cosmetic business through Summit Pharmaceuticals Europe** we provide fully integrated international services, specialising in the sourcing and supply of raw materials and formulations.

With extensive experience in custom manufacturing and licensing opportunities, our Summit Pharmaceuticals Europe

team of highly qualified specialists can meet the needs of all our customers, whether multinational, specialised or virtual companies.

In the field of plant protection, through **Sumi Agro Europe Group**, we specialise in the development and distribution of technically advanced products. The integrated resources of Sumitomo Corporation Group, including Sumi Agro Europe, provides a good platform for product development, marketing and logistics in the agriculture value chain. We also formed a strategic capital alliance with Sipcam S.p.A. a leading Italian manufacturer and seller of plant protection with a strong presence in Western and Southern Europe. Combining our strengths in Eastern Europe we are working to regionally expand our presence across the region, while strengthening the development and sales of a wide product portfolio.

**Alcedo S.R.L.**, an integrated solution provider at farm gate level in Romania was welcomed to Sumitomo Corporation Group. Alcedo provides a number of solutions, including financial services, to its customer growers.

#### **Business Fields**

Petrochemicals and Plastics

Inorganic and functional chemicals

**Electronics** 

Pharmaceuticals and cosmetics materials

Agrochemicals

Chemicals and Electronics EBU, Life Science Dept. has a footprint in the pharmaceutical ingredients industry through Summit Pharmaceuticals Europe, an associate company of SCEU



Chemicals and Electronics EBU, Life Science Dept. has a footprint in the cosmetic ingredients industry through Summit Pharmaceuticals Europe, an associate company of SCEU









# Business Unit Overview Food & Lifestyle

The Food & Lifestyle Business Unit consists of two departments: the Pan EU-Food and Media & Lifestyle departments.

The Pan-EU Food business has been operating for many years in Europe and is recognised for its global trading of a wide range of agricultural products, food ingredients and processed foods, such as fresh meat, edible oils, vegetable & fruit products, fresh fruits, rice and other grains.

The Lifestyle division includes Media business (cable TV, broadcasting contents), Network business (mobile solutions, e-commerce and IT solutions) and Lifestyle business (TV shopping, fashion brands and other related business).

In recent years, we have been promoting unique Japanese technology, named the **Kyowa Filter Unit**. This Filter Unit is used for scour protection for offshore wind farms, subsea pipelines and also to provide flood protection for rivers.

Website: www.sumitomo-filter-unit.com

Sumitomo Corporation has been engaged in the production and import of bananas since the 1960s and have built a consistent value chain from production in the Philippines to sales around Asia. As result we maintain the largest market share in the import of bananas In Japan. In February 2017, we acquired Fyffes, which is involved in the production, distribution, and sales of fresh produce in Europe, the US, Canada, and Latin America, with a focus on bananas, pineapples, melons, and mushrooms. Now as a subsidiary, Fyffes has allowed us to further expand our portfolio of fresh produce business.

Website: www.fyffes.com

#### **Business Field**

Agricultural products, Food ingredients,

Processed Foods,

Filter Unit,

Retail business, Cable TV.

Broadcasting contents

TV shopping

Solution to various needs using IT equipment & systems

Export of Spanish pork



Export of hops from the Czech Republic



Export of Linseed oil from Belgium











# Business Unit Overview **Infrastructure**

Our Infrastructure Business Unit covers a range of business areas from energy and water utilities to machinery. Sumitomo Corporation is globally involved in the energy business, with particular focus on the renewable energy sector, including both onshore and offshore wind power generation, solar and biomass assets.

Following Sumitomo philosophy for long-term success, which includes an extensive risk management policy, sound contractual structures, as well as close cooperation with reliable local partners, we are able to achieve solid infrastructure investments with attractive returns.

#### Renewable Energy

Sumitomo Corporation's activities in the renewable energy sector are expanding rapidly and the organisation is heavily engaged in the development of wind projects on a worldwide basis.

In cooperation with Parkwind, a Belgian offshore wind farm developer, Sumitomo acquired extensive know-how in the offshore wind sector through its active involvement in various stages of the project lifecycle. In September 2014 we acquired an equity interest in Northwind, an operational wind farm of 216MW. Also in 2014 Sumitomo, together with Parkwind, developed a Belgium offshore wind project of 165MW called Nobelwind, which successfully completed construction in May 2017.

In August 2016, Sumitomo Corporation entered into a UK offshore wind project of 336MW, Galloper, through the acquisition of 12.5% stake in the project from Macquarie Capital. In another development in the UK in March 2017, Sumitomo acquired a 12.5% stake in the Race Bank Wind Farm, with a production capacity of up to 573MW.

Sumitomo is aiming to expand its capability of development and management of offshore wind projects. To achieve this, Sumitomo incorporated Summit Renewable Power Europe GmbH in January 2017 which is able to enhance Sumitomo's technical and financial capabilities. We actively continue to grow and diversify our European assets by exploring further offshore wind opportunities with a focus on the United Kingdom, Germany, Belgium, the Netherlands and France.

#### Water Utilities

In 2013 Sumitomo Corporation Europe acquired **Sutton** & East Surrey Water Plc (SES Water), a UK based water

company supplying drinking water to residential and business customers for 680,000 people in the area. Through the leverage of SESW's knowledge and expertise, as well as Sumitomo's experience in privatised water industries through the operation and management of SES Water, Sumitomo Corporation and Sumitomo Corporation Europe are working to expand their water utility business worldwide.

#### Industrial plant and heavy machinery trading

The supply of industrial machinery is a niche business and we currently export machinery from European suppliers to customers in Japan, Asia and the Middle East mainly for steel product manufacturing. We also provide solutions to our customers by coordinating logistics and providing after sales service.

We are furthermore working with other industries such as food processing, packaging and industrial laundry machinery for the Japanese market.

Within the steel industries, we are trying to extend our supply from conventional blast furnace steel producers to electric arc furnace (EAF) steel manufacturers, promoting the latest European technologies, for instance, waste heat recovery system for cost efficient steel making processes.

Within the Oil & Gas Industry, we have a significant sales track record of liquefied natural gas (LNG) vaporisers, manufactured by our group company Sumitomo Precision Products, extensively commissioned and introduced in liquefied natural gas (LNG) import terminals in Europe (mainly in Spain and the Netherlands).

#### **Business Fields**

Renewable Energy

Water Utilities

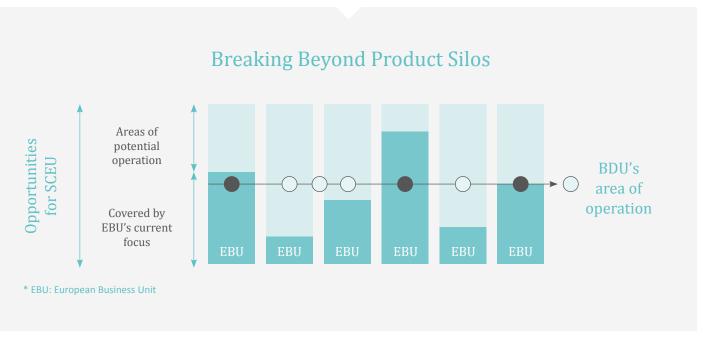
District heating & cooling / Parking

Train Operation (Franchise)

Industrial plant & heavy machinery trading

"Our Unit is designed to address cross-border opportunities and fill the gaps between real market demand and areas where we already serve our customers through our product-based business organisation."





# Business Unit Overview **Business Development**

Business Development Unit (BDU) promotes cross-border business developments to further enhance SCEU's ability to create new business opportunities in the ever evolving business environment in Europe, North Africa and Israel from a mid to long term perspective.

Europe's diverse business landscape, multispeed regional economies and government policies within historical, political, and cultural contexts present great opportunities for global, multi-cultural and multi-disciplined organisations like Sumitomo. To capture these opportunities and create extra value for our customers and partners, BDU adds another dimension and insight to our existing product-based business organisation.

BDU is designed to address cross-border opportunities and fill the gaps between real market demand and areas where we already serve our customers through our product-based business organisation.

BDU's core capability is to map markets for new exciting opportunities and utilise visionary insight to create greater value for our customers by developing creative business models, acquiring disruptive technologies and solutions through being an insider in European innovation communities, and enabling regional business to serve customers' local needs more proactively. We enable SCEU to further adapt and keep up with ongoing industry trends and market momentum in Europe and beyond, on a real time basis. As a result we help evolve SCEU with its sustainable growth by further leveraging our extensive product portfolio, services and global network.

BDU is working very closely with our key European partners and customers to identify new opportunities together with SCEU's regional offices and aligning these with existing business unit strategies. BDU also incubates and executes disruptive investment opportunities to evolve and transfer our product-focused organisation activities.

We strategically selected three "Business Focused Areas" to further develop, in the medium to long term, which are: i) Mobility Services, ii) Environment & Energy, and iii) Agrifood Tech.

**Mobility Services:** Develop new business along the entire value chain of and beyond the European automotive industry, which is under disruptive transformation, including: Connected, Autonomous, Sharing, Electrification, and Lightweight-related technology and business models.

**Environment & Energy:** Develop new business in the environment & energy and smart city sector, which goes beyond our successful renewable energy, upstream energy, and European OCTG business, including; energy storage, on-street parking, and digitalised well-related system & service.

**Agrifood Tech:** Develop new business in the European agriculture and food industry, which engages new agricultural digital technology to enhance product yields and farmers' management efficiency.

Additionally, BDU is also strengthening SCEU's regional presence in Central Eastern Europe, Morocco and Israel, to better serve the market through numerous local initiatives.

BDU is committed to become the real engine to promote cross-border business development, aiming to realise the paradigm shift across SCEU and unlocking even more value for our customers, partners and stakeholders.

Smart Agriculture



Intelligent Mobility Services



Smart city



Sumitomo Corporation Europe Limited

# Office Locations

#### **Sumitomo Corporation Europe Limited** Head Office

Vintners' Place 68 Upper Thames Street London EC4V 3BJ

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## Czech Republic

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### Norway

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#### Poland

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#### Scotland

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## Spain

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#### Turkmenistan

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Office D5, Berkarar Business Center
82 Ataturk (1972) Street, Ashgabat, Turkmenistan 744028

Phone +993 (12) 46-91-42 | Fax +993 (12) 46-84-06

# Subsidiaries, Associated Companies and Investments

#### Tubular

Howco Group plc UK

Petroleum Services AS Norway

S&L Consulting S.A. Switzerland

Edgen Murray Europe Limited UK

Airborne Oil & Gas BV Netherlands

# Rolled Steel & Non-Ferrous Products

Steel Centre Europe s.r.o. Czech
Kienle + Spiess Germany
Musashi Holdings Europe GmbH Germany

# Automotive & Construction Systems

• Komatsu España S.L.

AIMO Solution AB Sweden Moto Pfohe FOOD Bulgaria • Moto Pfohe BG EOOD Bulgaria • Moto Pfohe Leasing EOOD Bulgaria Pfohe Agency EOOD Bulgaria SC Motors Sweden AB Sweden FSC Bilar AB Sweden • Hyundai Bilar AB Sweden • MMC Bilar Sverige AB Sweden Summit D&V Kft Hungary • Plastimat Hungary Kft Hungary Summit Motors Ljubljana Slovenia Export-Import-Distribucija D.O.O. • Summit Avto D.O.O. Slovenia Summit Motors Slovakia, spol. s r.o. Slovakia Summit Motors Bratislava, spol. s r.o. Slovakia Tecnología para la Construcción y Minería, S.L. (Trade name: Tecnosumit) Spain AS Baltem Estonia Finland • Suomen Rakennuskone Oy • Komatsu Poland Sp. z. o.o. Poland

## Mineral Resources & Energy

Summit Exploration and Production Limited, UK
Idemitsu Petroleum Norge Norway
Sumitomo Corporation Global
Commodities Ltd UK

#### Chemicals & Electronics

Interacid Trading SA	Switzerland
TouGas Oilfield Solutions GmbH	Germany
SUMI AGRO Europe Limited	UK
<ul> <li>SUMI AGRO France S.A.S.</li> </ul>	France
SUMI AGRO Ltd	Germany
• SUMI AGRO Poland Sp. Z.o.o.	Poland
• SUMI AGRO Czech s.r.o.	Czech
SUMI AGRO Kft	Hungary
<ul> <li>SUMMIT AGRO Romania SRL</li> </ul>	Romania
<ul> <li>SUMMIT AGRO Ukraine Ltd</li> </ul>	Ukraine
SUMMIT AGRO LLC	Russia
SUMI AGRO Turkey	Turkey
Alcedo S.R.L.	Romania
Summit Pharmaceuticals Europe Limited	UK

# Food & Lifestyle

Fyffes Limited Ireland

### Infrastructure

Northwind NV	Belgium
Nobelwind NV	Belgium
Galloper Wind Farm Limited	UK
Race Bank Wind Farm Limited	UK
Summit Renewable Power Europe GmbH	Germany
SES Water (Sutton & East Surrey Water)	UK Energìa
Verde De La Macaronesia, S.L. (EVM)	Spain
EVM2 Energias Renovables S.L. (EVM2)	Spain

## Logistics

Spain

Sumisho Global Logistics Europe GmbH Germany

# Corporate Social Responsibility

We believe success is achieved not only through business, but also by the positive role we play in society.

Corporate responsibility has always been an integral part of our Corporate Vision and we are committed to acting responsibly in how we do business in order to support sustainable development in the communities and environments in which we operate. We will continue to give back to society as a good corporate citizen.

We aim to gain a proper understanding of the challenges that we confront in the various business fields we are involved in and look to identify the most effective ways to use our strengths to address them, while implementing solid governance practices.

As such we contribute to a number of activities to support the environments in which we are based. These are just some of the activities we have undertaken.

#### Supporting our local communities

One product promoted by our Food & Lifestyle Business Unit is the Kyowa Filter Unit, which can be utilised for flood protection for rivers. Following the severe flooding in the UK over recent years, SCEU donated 1,232 Units with a value of over US\$80,000 to the UK's Environment Agency in September 2014. These Units are being deployed in a number of the Agency's flood risk management projects, including the recently completed scheme in the village of Croston, located north-west of Manchester and which has a long history of flooding. The project manager commented, "your product has been a huge success here at Croston".



# Contributing to youth development programmes through sports

Keith Football Club Youth Development and Stonehaven Junior Football Club, both based in Aberdeen, develop programmes that provide children with the opportunity to receive football training from qualified coaches and take part in junior league games. This gives them opportunities they might never have had and provide the best opportunity to progress to the highland league ranks.





Our sponsorship of Keith Football Club Youth
Development and of the Stonehaven junior
remi-professional football teams enabled them to
purchase new kit for the under-19's football teams.

Sumitomo Corporation Europe promotes social contribution activities at company, as well as at individual, level.

#### We support:

- Lifelong education
- The development of mentally and physically sound social environments, and
- Co-operation with local communities.

#### *Individuals are encouraged to:*

- Positively and continuously take part in activities
- Take global minded actions, and
- Take actions with a view to touching people's hearts.

#### Positively and continuously take part in activities

In 2018, thirty two SCEU London office employees participated in the annual JP Morgan Corporate Challenge. This year over 30,000 participants from 836 companies ran 5.6kms around Battersea Park in London, with the beneficiary being Cancer Research UK.





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