

**Be the Best,
Be the One**

2017

To All Our Stakeholders



Kuniharu Nakamura

Representative Director
President and Chief Executive Officer

Moving Forward

Moving forward today with eyes to the next 50 and 100 years

The Sumitomo Corporation Group aims to continue growing together with society by staying a step ahead in dealing with change and leveraging its strengths to address social issues.

Progress of Be the Best, Be the One 2017



Since I assumed the position of president in 2012, I maintained my desire to ensure that the Sumitomo Corporation Group will continue to grow over the next 50 and 100 years and well on into the future beyond. I thus designated achieving an even higher level of profit growth by fiscal 2019, our centennial year, as a milestone needing to be passed for the Group to grow over the next century.

Under the three-year medium-term management plan, Be the Best, Be the One 2017, or BBBO2017 for short, we are currently moving forward with managerial reforms and growth strategies to boost earnings capacity and return to the growth track, despite recording massive impairment losses in both fiscal 2014 and fiscal 2015. Two years have passed since the plan was enacted, and the results of these efforts are manifesting in a tangible recovery. Measures for boosting earnings capacity, meanwhile, have successfully stimulated an increase in basic profit,* and

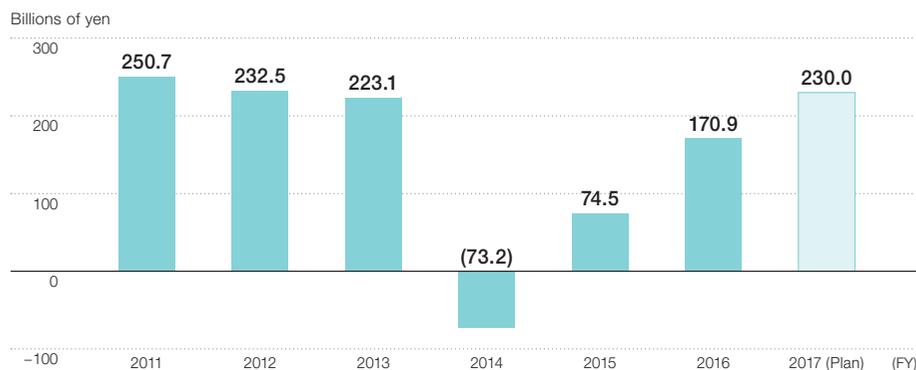
consolidated profit for the year attributable to owners of the parent thus came to ¥170.9 billion in fiscal 2016, the year ended March 31, 2017, climbing above the target of ¥130.0 billion. We will target consolidated net income of ¥230.0 billion in fiscal 2017 as we steadily return to the growth track (see [▶“Message from the Chief Financial Officer” on page 18](#) for more information).

However, certain businesses are still facing challenges. The tubular products business and the Ambatovy nickel project in Madagascar are feeling the impacts of poor market conditions and are therefore unable to exhibit their inherent earning power. Nevertheless, I do believe that these businesses boast the competitiveness and the potential necessary to recover and grow in the future.

BBBO2017 is not only aimed at recovering profit levels today. Quite the contrary, this plan is designed to pursue ongoing growth by reinforcing existing earnings pillars and building new pillars for tomorrow. In fiscal 2016, we sold copper and gold mine interests in Indonesia as well as our e-commerce operations in Japan—moves taken from a strategic perspective to secure financial soundness. Conversely, we purchased office buildings in the United States while also acquiring Fyffes plc, an international produce marketer and distributor headquartered in Ireland. In fiscal 2017, we will maintain our focus on investing in fields in which Sumitomo Corporation boasts strengths. Although we might have to wait a little before these investments begin producing satisfactory results, we strive for the success of these investments, as such success will illustrate the accomplishments of the initiatives for raising investment success rates advanced under BBBO2017.

* 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

▶ Profit for the Year Attributable to Owners of the Parent



Distinctive Approach of Sumitomo Corporation and Quest to “Be the Best, Be the One”

As we work to return to our previous growth track and to achieve an even higher level of profit growth, I want to place extreme emphasis on the importance of Sumitomo Corporation’s distinctive approach. This approach entails moving forward in a faithful and wholehearted manner while passionately engaging with our business partners and other stakeholders.

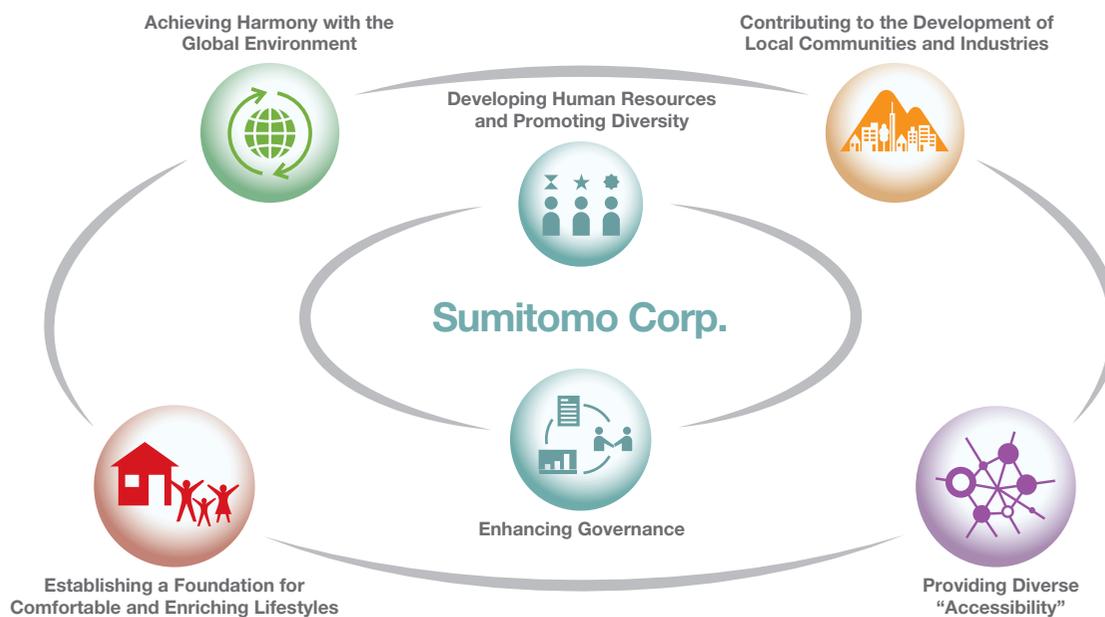
We are called upon by Sumitomo’s business philosophy and the Sumitomo Corporation Group’s Corporate Mission Statement “to place prime importance on integrity and sound management.” Seeking to become an embodiment of this principle, we have continued to act with a sense of sincerity toward our business partners and all of the other individuals we work with.

We also adopt this approach with regard to society. A core concept of Sumitomo’s business philosophy is “Benefit for self and others, private and public interests are one and the same.” Learning from our pioneering forebears, we will strive to go beyond simply pursuing our own interest and ensure Sumitomo Corporation is always a company that is beneficial to society, that contributes to society, and that is

respected by society. It is this type of company that is the one, that is the best—the endpoint of our quest to “Be the Best, Be the One.” I am confident that moving forward on this quest will in turn help the Sumitomo Corporation Group continue to grow into the future.

In April 2017, Sumitomo Corporation unveiled its Six Material Issues to Achieve Sustainable Growth with Society (see ▶ [“Six Material Issues to Achieve Sustainable Growth with Society”](#) on page 10 for more information). These material issues are an expression of the desire to be a company that contributes broadly to society described in our Corporate Mission Statement and also represent the shared sentiment of the individuals that actually take part in advancing our business activities. Furthermore, the material issues represent shared goals for all of the Group’s diverse businesses. We aim to foster a deeper understanding of the Six Material Issues and the passion that forms the basis for our various business activities by discussing these issues with internal and external stakeholders.

▶ Six Material Issues to Achieve Sustainable Growth with Society



Reinforcement of Management Bases

If we are to continue addressing social issues while pursuing higher levels of value creation, we will need management bases to support these efforts.

For an integrated trading company, human resources are of the utmost importance. It will therefore be crucial to foster our human resources and support them in their endeavors if we are to achieve an even higher level of growth. People are best able to exercise their talents when they have dreams and are able to think and act autonomously. For this reason, we aim to make the Sumitomo Corporation Group into an organization that is filled with people with dreams who chase these dreams together. The power born out of such a dream-filled organization will become a strong force driving us forward on the growth track. To become such an organization, we will foster an environment in which people are provided various opportunities to connect with others through their work and to think for themselves, regardless of their gender, age, or nationality, and to thereby achieve a sense of accomplishment in their job. Moreover, we hope to make this environment one in which every employee is able to

exercise their talents to their fullest (see ▶ [“Human Resource Management” on page 42](#) for more information).

The current era is one in which the products and services in demand from society as well as the functions expected of Sumitomo Corporation change rapidly, necessitating an objective approach toward gauging whether or not our policies line up with the changing times. For this reason, it is vital that the Board of Directors contains various viewpoints to prevent discussions from being ruled by inward-looking perspectives. We are always examining means of ensuring more vigorous discussions among the Board of Directors in order to make full use of the knowledge and experience of both internal and outside directors. To this end, we reevaluated the structure of the Board of Directors and chose to reduce the number of internal directors this year. The change should allow for more frank discussion and effective communication, thereby leading to increased effectiveness for the Board of Directors as we incorporate input from Outside Directors (see ▶ [“Feature 2: Discussion between the President and Outside Directors” on page 30](#) for more information).

Shareholder Returns

Sumitomo Corporation seeks to forge stable, long-term relationships with its shareholders. For this reason, we aim to issue stable dividend payments over the long term funded by medium-to-long-term profit growth. This policy has led to our decision to maintain the level of ¥50 per share for dividend payments over the period of BBBO2017 regardless of declines

in performance. Based on the dividend policy of BBBO2017, we once again plan to issue dividend payments of ¥50 per share in fiscal 2017. At the same time, we will endeavor to provide a better response to the expectations of our shareholders by reaching an even higher level of profit growth at the earliest possible date.

▶ Dividends per Share



Commitment as the President

As I stated earlier, I desire to ensure that the Sumitomo Corporation Group will continue to grow over the next 50 and 100 years and well on into the future beyond. This desire arises from a certain experience I had when I was younger. I was involved in the automotive business for nearly 30 years and was engaged in importing Italian vehicles at one point during this time. Then, I worked at the front lines of business in a newly established operating company. Unfortunately, we were eventually forced to liquidate this company. We did all we could to find work in different fields for the employees who had worked at that company, but these individuals ended up leaving their new positions to return to the import vehicle industry. They truly loved import vehicles. It was then that I realized the importance of

companies functioning as places where people can fulfill their dreams, which also means that companies must continue to survive so as not to crush the dreams of their employees.

When I think of the difficulty faced by companies in surviving over the long term, I cannot help but feel the weight of Sumitomo's 400-year-old history, and I am also reminded of the value of Sumitomo Corporation's distinctive approach, which was arrived at through our emphasis of Sumitomo's business philosophy.

I am convinced that growing together with society while treasuring Sumitomo Corporation's distinctive approach is the most appropriate course of action for us, the course indicated by our forebears.

Moving Forward over the Next Century

Driven by this commitment, we are steadily advancing initiatives for boosting earnings capacity and reinforcing management bases. I see my responsibility in this undertaking as ensuring that the managerial reforms and growth strategies described in BBBO2017 create results. Fiscal 2017 will be the final year of BBBO2017. Throughout this year, we will move forward with the initiatives we have planned thus far to return to the growth track and position Sumitomo Corporation to pursue even higher levels of growth. I humbly ask for your continued understanding and support of our efforts.

July 2017



Kuniharu Nakamura
Representative Director
President and Chief Executive Officer



CONTENTS

In its corporate vision, the Sumitomo Corporation Group defines its aim of being an organization that “constantly stays a step ahead in dealing with change, creates new value, and contributes broadly to society.” Business activities are carried out in accordance with this vision. In this integrated report, we will examine the Group’s plan for creating value in order to continue growing together with society.

VISION

MISSION

Management Principles

In this section, we offer an explanation of the Sumitomo Corporation Group’s Management Principles through a discussion of our aim and approach toward our business activities. This section will be framed by a look at the Company’s long history, spanning from the inception of Sumitomo to the establishment of Sumitomo Corporation in 1919 and then up until today.

MATERIAL ISSUES

Achieving Sustainable Growth with Society

Society is currently plagued by many issues. This section looks at the social issues (material issues) that the Sumitomo Corporation Group should prioritize addressing by leveraging its strengths while also introducing its issue identification process and future initiatives.

MANAGEMENT STRATEGY

Growth Strategies and Progress

Be the Best, Be the One 2017 is a medium-term management plan that was launched in fiscal 2015 to guide us in achieving sustained growth. This section provides an overview of the plan and a review of its progress over the past two years.

APPROACH

Value Creation Initiatives

In this section, we will use actual examples to explain Sumitomo Corporation’s value creation initiatives, thereby casting light on our commitment to provide value to society through our business and our approach toward this undertaking.

GROWTH FOUNDATION

Foundations Supporting Business Activities

This section explains Sumitomo Corporation’s systems for creating value from the perspectives of corporate governance, internal control, risk management, compliance, human resources management, and CSR initiatives, which represent the foundations supporting the Company’s business activities.

BUSINESS ACTIVITIES

Overview of Operations

This section provides an overview of each business unit and its growth strategies while introducing initiatives and key projects from fiscal 2016. The section also includes messages from Overseas and Japan region general managers.

CORPORATE INFORMATION

Corporate Information

1 Message from the President and Chief Executive Officer: To All Our Stakeholders



8 Sumitomo Corporation Group's Corporate Mission Statement
9 Our View of Sustainability

10 Sumitomo Corporation Group's Material Issues

10 Message from the Chief Strategy Officer: ESG Management for Achieving Sustainable Growth
11 Six Material Issues to Achieve Sustainable Growth with Society

16 Promoting Our Medium-Term Management Plan—BBBO2017

18 Message from the Chief Financial Officer: Heading into the Final Year of the Medium-Term Management Plan

22 Financial Highlights / ESG Highlights



24

Feature 1

Value Creation in Myanmar:

Contributing to Economic Development through Information and Communications Services



30

Feature 2

Discussion between the President and Outside Directors:

Corporate Governance Enhancements Aimed at Sustainable Growth

34 Corporate Governance System

38 Internal Control

40 Risk Management

41 Compliance

42 Human Resource Management

46 CSR Initiatives



50

Metal Products



58

Environment & Infrastructure



66

Mineral Resources, Energy, Chemical & Electronics



54

Transportation & Construction Systems



62

Media, ICT, Lifestyle Related Goods & Services

70 Messages from Overseas and Japan Region General Managers

72 Directors, Corporate Auditors, and Executive Officers

75 Organization

76 Global Network

78 History

80 Summary of Key Financial Indicators

82 Corporate Profile / Stock Information

84 Investor Relations

85 Editorial Policy

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Sumitomo Corporation Group's Corporate Mission Statement

Corporate Vision

We aim to be a global organization 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 realize dreams through sound 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

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

History

1600s

The Beginning of Sumitomo

The history of Sumitomo began with the opening of a book and medicine shop in Kyoto. Later, in 1691, Sumitomo opened the Besshi Copper Mine after obtaining permission from the Tokugawa Shogunate. This mine continued to support Sumitomo's business for the next 283 years through the ongoing production of copper.

1919

Foundation

Sumitomo Corporation was originally founded as The Osaka North Harbour Company Limited in December 1919. The company engaged in real estate management, conducting land reclamation in the Hokko (North Port of Osaka) area and development of the surrounding areas, along with other activities.

1945

Advance into Trading Business

In 1945, the company was renamed Nippon Engineering Co., Ltd., and advanced into the trading business. From then on, the company focused on trading, aiming to expand both the range of products it traded and the industrial segments in which it operated.

1952

Change of Name to Sumitomo Shoji Kaisha

The company's name was changed to Sumitomo Shoji Kaisha, Ltd.

owing to the progress of civilization, and the consequent adoption, at the Copper Mines of Iwashi from Foreign Countries, of their newest and most superior methods of Mining many mines in various parts of our country that have been doing good work for long periods, yet, the fact that the Copper Mines of Besshi have been owned and successfully managed by one family for two hundred years without once changing hands, is, we venture to think, almost unique; and, though it is quite clear that this long continuous prosperity has been due to the natural mineral wealth of our mines, yet I must be allowed to congratulate myself upon the facts, (1) that the foresight, diligence and perseverance of my ancestors were the cause of it, and (2) that this glorious reign of Meiji has enabled me to make their good work so much more perfect.

On the hundredth anniversary of the working of the Copper Mines of Besshi, which I am now intending shortly to celebrate, that I have taken the liberty of giving you this short letter; and, in doing so, I beg of you a continuation of your patronage.

1st. September, 23rd. year of Meiji.

KICHIZAEMON, SUMITOMO,
20th. Descendant of the Family of Sumitomo.

Our View of Sustainability

We think that sustainability means growing with society constantly by addressing social issues sincerely through our business activities. Operating businesses in a wide range of fields globally gives us innumerable points of contact with society. At each of these, we will heighten our awareness of and efforts to address social issues through our business activities. As well as meeting our corporate social responsibilities, including environmental preservation, respect for human rights, and compliance, we will tackle social contribution initiatives.

Over the course of four centuries, a distinctive business philosophy has underpinned the Sumitomo Corporation Group's development. We believe that our activities must benefit not only our business but also society and the nation as a whole. The phrase "Benefit for self and others, private and public interests are one and the same" summarizes this business philosophy. Acting in accordance with its business philosophy and Management Principles and fulfilling its Corporate Mission makes the Group more sustainable.

Through initiatives within and beyond mainstay business activities, we aim to be a global corporate group that stays a step ahead in dealing with change, creates new value, and contributes broadly to society.

2001

Consolidation of Head Office in Tokyo

The names of the "Osaka Head Office" and "Tokyo Head Office" were abolished, and the Head Office functions were consolidated within a new location at Harumi Triton Square, in Chuo-ku, Tokyo.

2015

Medium-Term Management Plan: Be the Best, Be the One 2017

A three-year management plan was launched with the theme of making Groupwide efforts in overcoming issues and outlining a path toward the realization of "What We Aim to Be."

2019

Centennial Year

See ▶ "History" on page 78 for more information

(Source: Sumitomo Historical Archives)

Sumitomo Corporation Group's Material Issues

Message from the Chief Strategy Officer



ESG*¹ Management for Achieving Sustainable Growth

The Sumitomo Corporation Group positions its material issues as the foundation for its management, based on which the Company will make greater contributions to the realization of a sustainable society while continually heightening its corporate value.

Masao Tabuchi

Representative Director, Senior Managing Executive Officer,
Chief Strategy Officer and Chief Information Officer

The Sumitomo Corporation Group grows together with society.

To date, the Group has proceeded to resolve numerous social issues through its global business activities in a wide range of industries. The basis for these efforts can be found in Sumitomo's business philosophy, which has formed the foundation for Sumitomo's ongoing development over the course of 400 years. One of the core concepts of this philosophy is embodied in the statement "Benefit for self and others, private and public interests are one and the same."² This concept lives on in our Group's Corporate Mission Statement, which puts forth our aim to create new value and contribute broadly to society.

Companies have been recently placed at a crossroad questioning the stance they will adopt in addressing social issues through growth strategies that account for non-financial information including ESG. In light of this situation, we unveiled our Six Material Issues to Achieve Sustainable Growth with Society, which clarify the desired relationship between our business activities and society, in April 2017. In the process of identifying these issues, I exchanged opinions with Outside Directors, representatives from international institutions, and institutional investors. Given how we exercise diverse functions in a variety of fields, there were high anticipation with regard to the types of initiatives the Company would deploy to address social issues.

The Six Material Issues do not serve merely as an outline for fulfilling the Company's social responsibilities, but will rather furnish a roadmap for driving its growth. We position the issues as the basis for our medium-to-long-term management strategies and for the initiatives of individual businesses with the aim of making greater contributions to realizing a sustainable society. In my capacity as a director and as the Company's chief strategy officer, I will play a leadership role in advancing initiatives on this front, remaining always mindful of the balance between opportunities and risks.

The material issues for us, which define the type of company we should become and the type of business we should develop to be meaningful to society, are subject to change. We will thus revise the Six Material Issues when necessary as we advance a dialogue with stakeholders and develop an understanding of contemporary needs through our business activities. We will leverage our strength and provide value by staying a step ahead in dealing with social change, including that related to diversifying needs and environmental issues. I am convinced that this approach is what will create business opportunities for the Group and serve as a path toward sustained improvements in corporate value over the next 100 years.

*1 Environmental, social, and governance (the indispensable management perspectives needed to achieve ongoing, long-term growth)

*2 The belief that Sumitomo's business activities must benefit not only Sumitomo, but also the nation and society

Six Material Issues to Achieve Sustainable Growth with Society

Leveraging our trust-based relationships with customers and partners across the globe and utilizing our business expertise, we will secure our growth and address social issues simultaneously by fulfilling our Corporate Mission: “To achieve prosperity and realize dreams through sound business activities.”



Achieving Harmony with the Global Environment

To realize 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 realize 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.

As a prerequisite for resolving the issues listed above, we strive to maintain and enhance our Management Style that places prime importance on integrity and sound management with utmost respect for the individual and our Corporate Culture full of vitality and conducive to innovation.



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.

Initiatives



Renewable Energy Business

We are actively operating wind and solar power generation and other renewable energy projects inside and outside of Japan to promote sustainable and reliable supplies of energy.



Wood Resource Business

In the general forest products business in the Russian Far East, we are promoting sustainable forest management by using "ribbon cutting" logging, which leaves the parent trees intact so that they can drop seeds which will germinate naturally.



Reused EV Battery Project

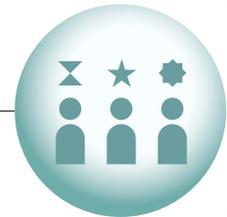
We contribute to wider access to renewable energy usage by utilizing used power storage systems collected from electric vehicles (EVs) to stabilize the power of renewable generation which fluctuates based on environmental conditions.

Achieving Harmony with the Global Environment



Developing Human Resources and Promoting Diversity

We are undertaking various measures for developing ambitious human resources capable of competing on the global stage and for promoting diversity. Such measures include the Besshi Copper Mines hiking training session to experience and assimilate Sumitomo's Business Philosophy, training for locally hired employees and initiatives for encouraging more active involvement of female employees in business.



Developing Human Resources and Promoting Diversity

Establishing a Foundation for Comfortable and Enriching Lifestyles



Cable TV Business

We operate the largest Cable TV business in Japan, providing over 90 TV channels, Internet and other services to 5.28 million households, thereby enriching people's daily lives.



Car and Motorcycle Retail Financing Business

Conducting our financing business, mainly in emerging countries, and targeting income groups previously without access to funds to purchase cars and motorcycles, we have greatly improved people's quality of life.



Crop Protection and Fertilizer Business

We leverage our sales network to offer crop protection products, fertilizers, and other agricultural materials together with our knowledge and information on the proper usage of products. Through these efforts, we contribute to a stable food supply and eco-friendly agricultural production.



Business Contributing to a Stable Energy Supply

In the tubular products business, we supply superior quality tubular products and related materials leveraging high technological skills to users around the world, thus contributing to the stable supply of energy and support the industrial foundation.



Industrial Park Business

While supporting the manufacturing operations of Japanese companies in Asia, we contribute to industrial and economic development in the region by creating jobs, cultivating human resources and building related infrastructure.



Resource Development Business

While securing stable supplies of resources, we assist the development of local industries through cultivating human resources and installing industrial and living infrastructure, thus contributing to environmental preservation and sustainable development.



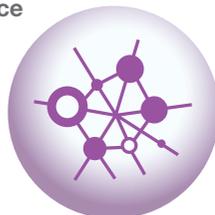
Contributing to the Development of Local Communities and Industries



Enhancing Governance

Enhancing Corporate Governance

We are constantly enhancing our corporate governance by "promoting managerial reforms" as stipulated in the medium-term management plan and advancing ongoing initiatives for reinforcing the monitoring function and improving the effectiveness of the Board of Directors.



Providing Diverse "Accessibility"



Aircraft Leasing Business

We support safe and proper aircraft management through our aircraft leasing business in the aviation industry, which sustains the transport of people and goods, and draws countries all over the world closer together.



Mobile Telecommunication Service Provider Business

Our telecom service in Myanmar delivers service at Japanese quality standards, contributing to the rapid spread of the mobile phones in the country. Through this business, we are creating telecom networks offering various ways of access.



Business Supporting Transportation Network Development

Utilizing specialized vessels for transporting long rails, we enabled the transport of 150-meter-long steel rails, which previously needed to be divided into six segments for transportation. As a result, we are helping expedite the development of railroad networks and reduce maintenance work.

Identification Process

We set up an internal, cross-organizational taskforce and identified Six Material Issues to Achieve Sustainable Growth with Society, based on Sumitomo's Business Philosophy and the Sumitomo Corporation Group's Corporate Mission Statement.

Investigation

- ▶ While referring to the SDGs*¹ adopted by the United Nations (UN) in 2015 and the international guidelines such as the IIRC's International Integrated Reporting Framework,*² we exchanged opinions with institutional investors and experts. We then formulated the methodology for identifying material issues needing to be addressed in order for us to achieve sustainable growth with society.



Classification of Our Business and Social Issues and Selection of Material Issues

- ▶ Based on the SDGs which considered to comprehensively cover numerous social issues, each business unit compiled a list of the social issues they are currently addressing through their business and those they hope to address in the future.
- ▶ Referencing these lists and considering Sumitomo's Business Philosophy and the Sumitomo Corporation Group's Corporate Mission Statement, we contemplated our current strengths and the roles we should assume in the future. We then selected social issues that we regard as important and that need to be addressed with high priority as well as our challenges to be overcome in creating solutions.

Exchanges of Opinion with Internal and External Stakeholders

- ▶ We exchanged opinions with outside experts such as international organizations and institutional investors, and conducted surveys covering all officers and employees to collect their opinions, so as to clarify the interests and expectations of internal and external stakeholders with regard to our corporate activities, which were incorporated into discussions of how best to classify and describe the issues that had been identified.

Identification

- ▶ The selected issues and their importance were reviewed by the CSR Committee. With deliberation and approval by the Management Council and the Board of Directors, the Six Material Issues to Achieve Sustainable Growth with Society were finalized.

*1 An abbreviation of Sustainable Development Goals. Comprising 17 goals encompassing global challenges to be achieved by 2030. These goals were embraced by all 193 UN member states at a UN Summit held in 2015.

*2 A framework published by the International Integrated Reporting Council (IIRC) aimed at the evolution of corporate reporting. The framework is designed to help companies to provide information (financial and non-financial) that is important to explaining their ability to create value over the long term in a clear, simple, and comparable manner.

Future Initiatives

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. We will revise the material issues flexibly in response to changes in society.

► Where Material Issues Fit In



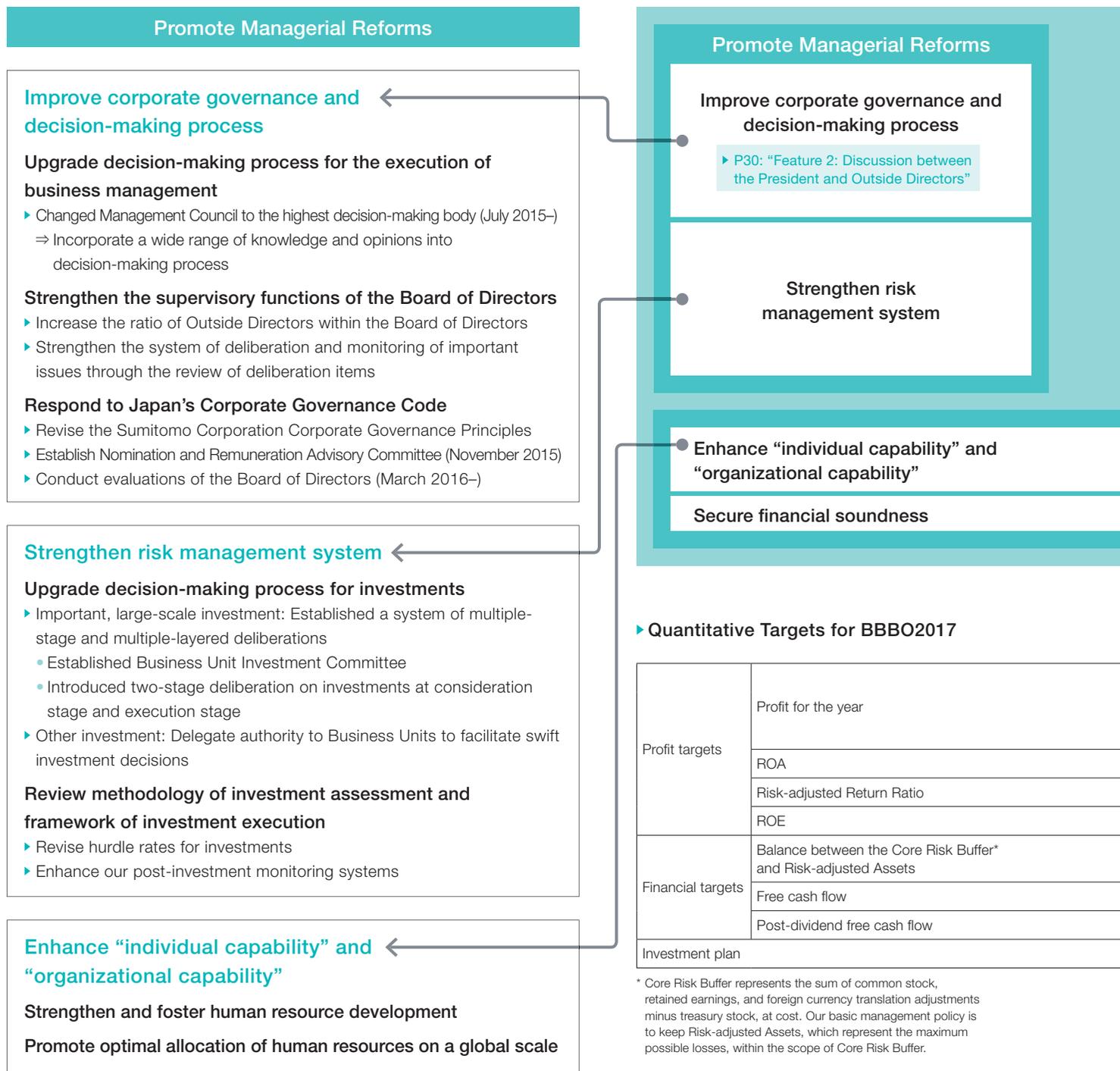
Principles and Policies Supporting Corporate Activities

We have established our own principles and policies while respecting international conduct standards. In accordance with these principles, policies and standards, we are addressing the Six Material Issues to Achieve Sustainable Growth with Society.



Promoting Our Medium-Term Management Plan—BBBO2017

In our medium-term management plan “Be the Best, Be the One 2017 (BBBO2017),” we have been promoting managerial reforms and growth strategies, enhancing “individual capability” and “organizational capability,” and securing financial soundness based on the theme of making Groupwide efforts in overcoming issues and outlining a path toward the realization of “What We Aim to Be in 2019, Our Centennial Year,” in light of changes in the environments that surround our businesses as well as managerial issues that manifested in large-scale impairment losses in fiscal 2014.



Promote Growth Strategies

Promote Companywide growth strategies

Focus on three fields where we have strength: Automobile & Transportation Systems-related, Lifestyle & Information services, and Infrastructure

Encourage cross-organizational collaboration

Enhance structure for advancing projects as Companywide efforts in fields and regions with high growth potential (energy-related, automobile manufacturing-related, IoT, AI-related, etc.)

Improve policies for upstream mineral resources & energy businesses

Maintain focus on enhancing profitability in nickel project in Madagascar and copper and molybdenum mining project in Chile

Bolster earning power of existing businesses through ongoing cost reductions

Sell assets suffering from relative decreases in competitiveness

▶ Optimize portfolio

Implement measures for increasing capabilities and improving the quality of establishment of strategies and decision making

Promote Growth Strategies

Promote growth strategies in each division

Promote Companywide growth strategies

▶ P24: "Feature 1: Value Creation in Myanmar"

Improve profitability of existing businesses
Continue stimulation of business portfolio metabolism

Improve policies for upstream mineral resources & energy business

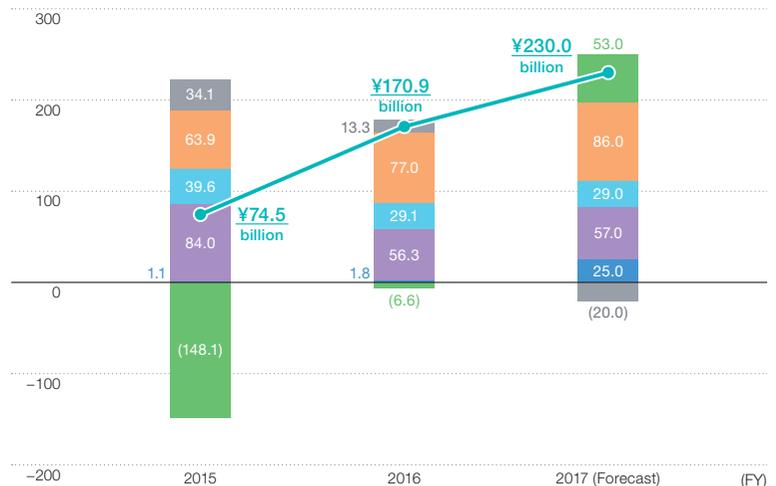
▶ P18: "Message from the Chief Financial Officer"

▶ P42: "Human Resource Management"

▶ P18: "Message from the Chief Financial Officer"

▶ Profit for the Year of Each Segment (Global basis)

Billions of yen



■ Metal Products ■ Transportation & Construction Systems ■ Environment & Infrastructure
■ Media, ICT, Lifestyle Related Goods & Services ■ Mineral Resources, Energy, Chemical & Electronics
■ Consolidated and Eliminations ■ Consolidated

Fiscal year / Period	Initial plan (May 2015)	Revised plan (May 2017)
Fiscal 2015	¥230.0 billion	¥74.5 billion (Result)
Fiscal 2016	—	¥170.9 billion (Result)
Fiscal 2017	¥300.0 billion or more	¥230.0 billion
Fiscal 2017	3.0% or more	2.5% or more
Fiscal 2017	10.0% or more	9.0% or more
Fiscal 2017	Around 10.0%	Around 9.0%
By the end of Fiscal 2017	Regain balance	Regain balance
3-year total	¥200.0 billion	¥700.0 billion
3-year total	Positive	¥500.0 billion
3-year total	¥1.2 trillion	¥1.0 trillion

Message from the Chief Financial Officer



Heading into the Final Year of the Medium-Term Management Plan

Sumitomo Corporation is aiming to accomplishing the goals put forth in its medium-term management plan, **Be the Best, Be the One 2017 (BBBO2017)**, to secure financial soundness and to build the management foundations necessary for further growth.

Koichi Takahata

Representative Director, Senior Managing Executive Officer
Chief Financial Officer

In fiscal 2016, the second year of BBBO2017, Sumitomo Corporation posted consolidated profit for the year of ¥170.9 billion and basic profit of ¥226.7 billion, both figures that exceeded our initial targets. Although part of this success can be attributed to external factors such as higher mineral resource prices, I believe that the Company's earnings power is steadily recovering. Accordingly, in fiscal 2017 we are projecting increases in both consolidated profit for the year and basic profit, which are forecast to reach ¥230.0 billion and ¥260.0 billion, respectively.

Meanwhile, we anticipate a three-year aggregate of ¥500.0 billion for post-dividend free cash flow. These funds are planned to be used to repay interest-bearing liabilities in order to improve our financial position. In fact, post-dividend free cash flow for the past two years came to roughly ¥550.0 billion. Cash flows generated through business activities and asset replacement are used for investments and dividends. This approach has also been followed in each business unit. Moreover, we plan to conduct investments for future sustainable growth totaling ¥1.0 trillion over the three-year period of BBBO2017; ¥610.0 billion of this amount was carried out over the past two years. In making such investments, we review the projects by considering whether or not we can leverage our strengths to grow its business, in addition to factors such as individual business conditions, and the operating environment.

At the same time, we are pursuing efforts to regaining the balance between Core Risk Buffer and Risk-adjusted Assets,* which is a principal indicator for the Company's management. When BBBO2017 was launched on April 1, 2015, the amount of Risk-adjusted Assets exceeded the amount of Core Risk

Buffer by ¥140.0 billion. Although Risk-adjusted Assets were still larger than Core Risk Buffer on March 31, 2017, this gap had shrunk as a result of asset replacement and an increase in retained earnings over the past two years, bringing these two items closer to a balanced level. We aim to improve the balance between Core Risk Buffer and Risk-adjusted Assets by March 31, 2018, through the achievement of our profit and cash flow targets.

We also put a high priority on enhancing risk management right alongside securing financial soundness. In order to manage our operations in a reliable manner, we need to control risks and make the investment successful. Under BBBO2017, Sumitomo Corporation has structured a framework in relation to large-scale investment through which deliberations are held when an investment candidate is examined and when it is executed. This framework thus ensures that our broad-ranging experience and insights are fully leveraged in these investments while also allowing for more varied and in-depth discussions to take place. We have also enhanced our framework for following up on investments that have been executed. For example, with regard to Fyffes plc, an international produce marketer and distributor acquired in fiscal 2016, we have assigned personnel from overseas regions to this company in a Groupwide effort to guarantee success.

Fiscal 2017 will be the final year of the BBBO2017 medium-term management plan. Sumitomo Corporation is aiming to accomplish the goals put forth in the medium-term management plan, while securing financial soundness and returning the Company to the growth track.

* Keeping Risk-adjusted Assets within the scope of Core Risk Buffer prevents the Company from incurring excessive risks; see page 21 for details.

Profit Targets and Performance

▶ Results for FY2016 and Forecasts for FY2017

Billions of yen	FY2015	FY2016	FY2017 (Forecast)
Profit for the year	74.5	170.9	230.0
Basic profit* ¹ (excluding impairment losses)	193.2	226.7	260.0
▶ Mineral resources* ²	(9.5)	16.1	30.0
▶ Tubular products* ²	(6.1)	(12.5)	0
▶ Non-mineral resources	208.7	223.1	230.0
One-off profits/losses	Approx. (120.0)	Approx. (46.0)	Approx. (20.0)

Results for FY2016

▶ Mineral resources

- Increase in earnings due to higher commodity prices, cost reductions, and an increase in sales volume

▶ Tubular products

- Decrease in earnings due to the drop in crude oil prices

▶ Non-mineral resources

- Stable performance by domestic major Group companies in the Media, ICT, Lifestyle Related Goods & Services segment and the real estate business
- Stable performance in the leasing business
- Decrease in the earnings of ship business (lackluster shipping market)

▶ One-off profits/losses

- Impairment loss in the Copper-molybdenum mining business in Chile (¥33.6 billion), tax provisions in the silver-zinc-lead mining project in Bolivia, etc.

Forecasts for FY2017

▶ Mineral resources

- Increase in earnings due to higher commodity prices

▶ Tubular products

- Recovery in the second half along with a gradual increase in rig counts

▶ Non-mineral resources

- Stable performance in core businesses, including domestic major Group companies in the Media, ICT, Lifestyle Related Goods & Services segment and the real estate business, etc.
- Progress in the development and construction of new large-scale projects in the power infrastructure business

▶ One-off profits/losses

- Costs for strategic assets replacement (¥20.0 billion)

▶ Quarterly Trend for Basic Profit*¹ (excluding impairment losses)

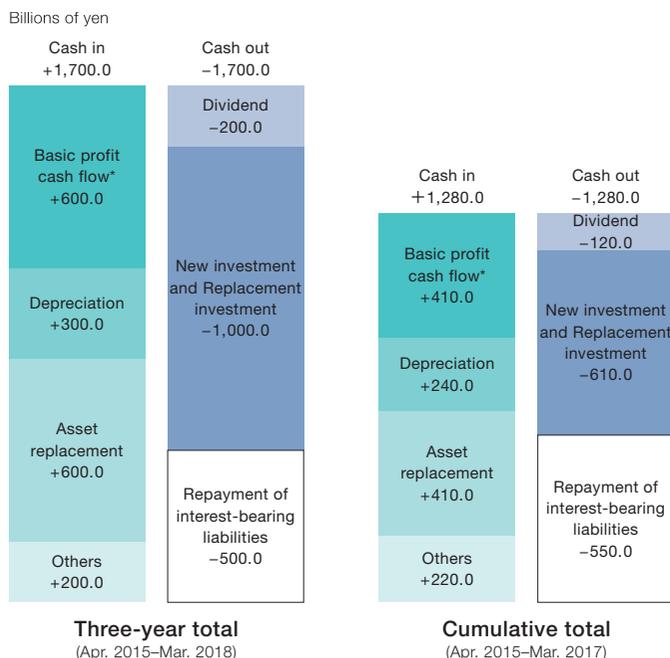


■ Mineral resources*² ■ Tubular products*² ■ Non-mineral resources

*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)

Progress on Cash Flow Targets



Cash Flow Results

▶ Basic profit cash flow

(Plans: ¥600.0 billion / Results: ¥410.0 billion)

- Core businesses generated cash steadily

▶ Asset replacement and others

(Plans: ¥800.0 billion / Results: ¥630.0 billion)

- Collection from large-scale asset replacement FY2016:

Sale of interests in Batu Hijau Copper Gold Mine in Indonesia

Sale of all shares in Soukai Drug Co., Ltd., etc.

- Continue replacements steadily

▶ New investment and replacement investment

(Plans: ¥1,000.0 billion / Results: ¥610.0 billion)

- Executed investments for growth

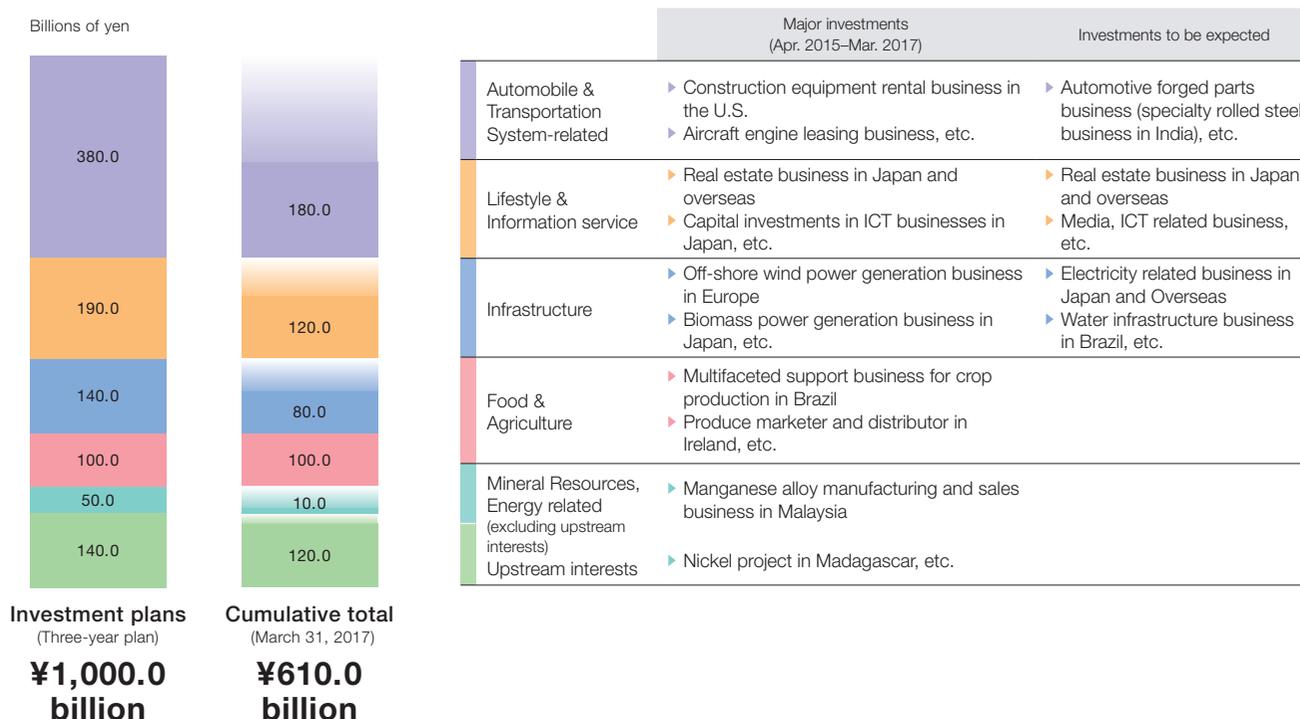
FY2016:

Acquisition of Fyffes in Ireland

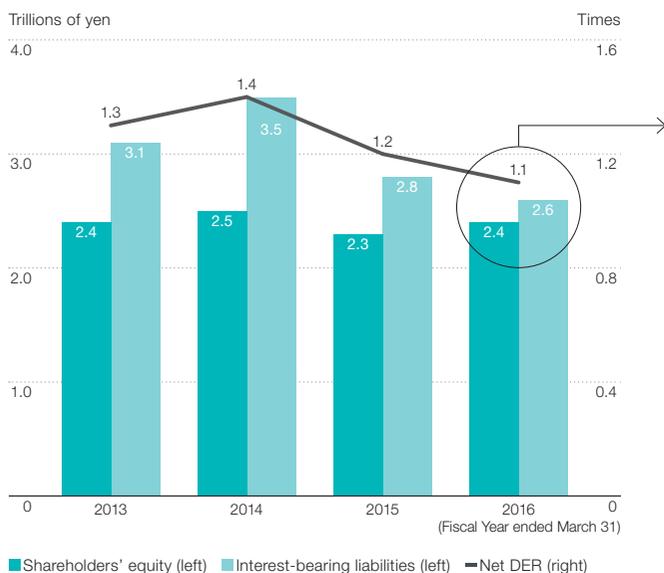
Acquisition of office buildings in the U.S., etc.

* 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

Progress on Investment Plans



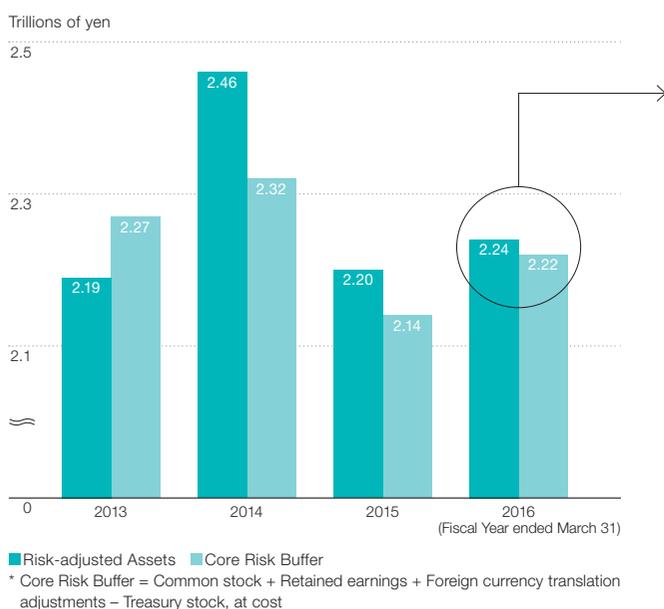
Financial Position



Figures as of March 31, 2017

- ▶ Shareholders' equity: ¥2,366.5 billion
 - Up ¥115.0 billion year on year due to an increase in retained earnings, etc.
- ▶ Interest-bearing liabilities (net): ¥2,627.9 billion
 - Down ¥142.4 billion year on year
- ▶ Debt-equity ratio (net): 1.1 times
 - Down 0.1 times year on year

Balance between Core Risk Buffer* and Risk-adjusted Assets

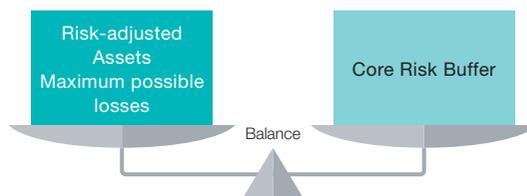


Balance as of March 31, 2017

- Core Risk Buffer (RB): ¥2,220.0 billion
- Risk-adjusted Assets (RA): ¥2,240.0 billion
- Core RB - RA: -¥20.0 billion

Billions of yen	2013	2014	2015	2016
Core RB - RA	+70.0	(140.0)	(60.0)	(20.0)

(Fiscal Year ended March 31)



Financial Highlights

▶ For details, please refer to Sumitomo Corporation's fact book.

We have prepared consolidated financial statements in accordance with U.S. GAAP for fiscal 2009 and earlier and International Financial Reporting Standards (IFRS) for fiscal 2010 and later.

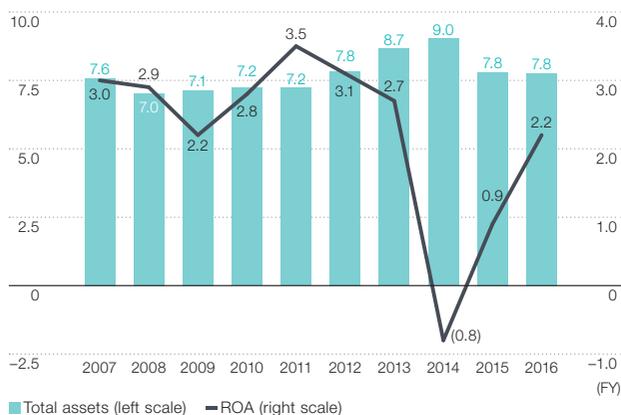
▶ Profit (Loss) for the Year* and Basic Profit

Billions of yen



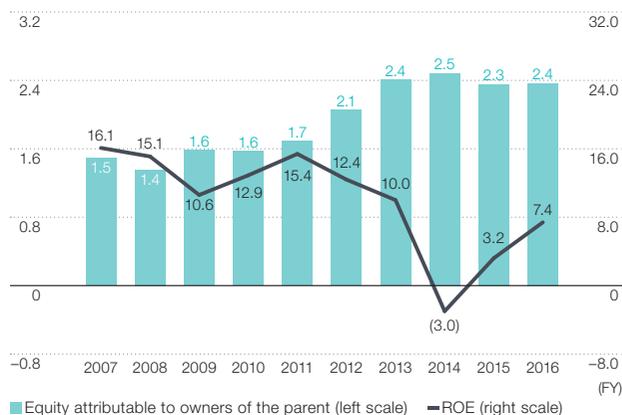
▶ Total Assets and ROA

Trillions of yen



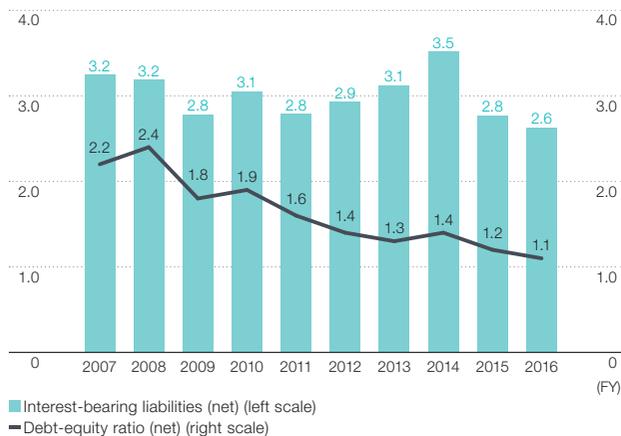
▶ Equity Attributable to Owners of the Parent and ROE

Trillions of yen



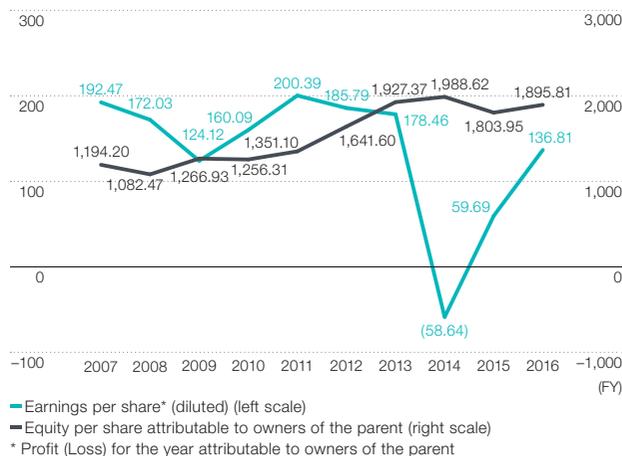
▶ Interest-Bearing Liabilities (Net) and DER (Net)

Trillions of yen



▶ Earnings per Share* (Diluted) / Equity per Share Attributable to Owners of the Parent

Yen



ESG Highlights

Scope: Head Office and domestic offices and branches for which data can be collected

▶ Environmental Performance Data (Total Amount for Each Fiscal Year)	2013	2014	2015	2016*6,7
Electricity Consumption (1,000kWh)*1	7,859	7,547	7,490	7,278
CO ₂ Emissions (at offices)*2 (t-CO ₂)	5,626	5,252	5,145	4,609
CO ₂ Emissions (from logistics)*3 (t-CO ₂)	7,227	6,877	8,971	7,420
General Waste Emissions*4 (t)	423	378	342	324
Water Consumption*4 (m ³)	30,471	27,734	24,732	22,054
Paper Consumption (1,000 sheets)*5	30,646	29,832	28,975	25,681

*1 Sumitomo Corporation has set a target of reducing electricity consumption per square meter in exclusive area by an average of at least 1% annually. We will seek to reduce electricity consumption by more than 20% in fiscal 2035 compared to fiscal 2013 (the base year). (25% reduction in electricity consumption)

*2 If Sumitomo Corporation achieves its target for electricity consumption reduction, this achievement will effectively reduce the Company's CO₂ emissions by 45% in fiscal 2035 compared to fiscal 2013 (the base year). As for the breakdown of CO₂ emissions in fiscal 2016, Scope 1 emissions were 175 t-CO₂ and Scope 2 emissions were 4,435 t-CO₂. The above figures indicate total amounts of CO₂ emissions stemming from use of electricity, utility gas, and district heat (cooling/heating water).

*3 CO₂ emissions from logistics include the transport of cargo within Japan for which Sumitomo Corporation is the cargo owner, as stipulated in the Act on the Rational Use of Energy. Sumitomo Corporation has set a target of improving efficiency in the use of energy due to domestic transportation by 1% annually.

*4 Sumitomo Corporation has set a target of reducing general waste emissions per employee by an average of at least 1% annually from the base year of fiscal 2010.

*5 Calculated based on the purchase cost of office paper and the unit price of A4-size paper

*6 Figures for fiscal 2016 are preliminary figures that have yet to be submitted for third-party verification.

*7 From fiscal 2016, Sumitomo Corporation will use the actual, pre-adjustment emission coefficients of individual power companies for its CO₂ emissions coefficients.

▶ Employee Data (As of March 31 of Each Fiscal Year)	2013	2014	2015	2016		
Employee Data	Number of Employees (Consolidated Basis)	74,638	75,448	66,860	70,900	
	Number of Employees (Non-Consolidated Basis)*8	5,449	5,371	5,389	5,342	
	Ratio of Differently Abled Employees to Total Employees*9	2.08%	2.15%	2.12%	2.13%	
	Number of Female Managers	59	78	107	143	
	Ratio of Female Managers to Total Managers	2.16%	2.88%	3.87%	5.05%	
Working Styles	Average Monthly Overtime Hours	11.36	13.02	12.19	11.29	
	Average Annual Days of Paid Vacation Acquired	10.6	10.4	10.9	12.7	
	Spouse maternity leave	80	86	80	76	
	Leave to look after a sick child	128	135	161	200	
	Number of individuals acquiring childcare leave		24	40	51	54
		Men	1	—	2	5
		Women	23	40	49	49
Number of individuals using shortened work hour system	93	101	99	121		
Human Resource Development	Number of Employees Dispatched Overseas	1,038	1,087	1,099	1,112	
	Number of Employees Undergoing Training Overseas	119	93	97	82	
	Number of Employees Participating in Training	10,978	12,283	12,351	11,868	
	Total Number of Lectures	309	311	320	321	

*8 Figures include employees at overseas offices of the Company.

*9 Figures are as of June 1 of each fiscal year.

▶ Corporate Governance Data (As of March 31 of Each Fiscal Year)	2013	2014	2015	2016
Number of Directors	12	12	13	14
Number of Internal Directors	10	10	10	10
Number of Outside Directors	2	2	3	4

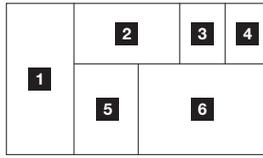
See ▶ "Feature 2: Discussion between the President and Outside Directors" on page 30 for numbers of directors after the Ordinary General Meeting of Shareholders held in June 2017.

Feature 1:

Value Creation in Myanmar

Moving Myanmar Forward:
Contributing to Economic Development through
Information and Communications Services





- 1 A base station that enables telecommunication networks
- 2 An MPT store in Yangon
- 3 MPT-brand smartphones
- 4 A mobile phone advertisement in a Yangon department store
- 5 Local children using a smartphone in Myanmar
- 6 Our employees with the female personnel responsible for over-the-counter customer services at MPT stores



Asia's Last Frontier

The Sumitomo Corporation Group focuses on the development of businesses based on a medium- to long-term viewpoint in promising fields and regions, as part of the Companywide growth strategy set out in the medium-term management plan Be the Best, Be the One 2017 (BBBO2017). Following on from the previous medium-term management plan, Be the Best, Be the One 2014 (BBBO2014), we are continuing a regional strategy focused on Brazil, India, Turkey, Sub-Saharan Africa, and Myanmar as Companywide business development regions.

Myanmar has an area almost twice that of Japan and a population of more than 51 million and has grown markedly—achieving real GDP growth of between 7% and 8%. In 2011, the country transitioned to a civilian government, with a new administration led by Aung San Suu Kyi taking office in March 2016. In addition, the U.S. government lifted all economic sanctions against the country. Myanmar is attracting worldwide attention as “Asia’s last frontier.”

For more than 60 years, the Sumitomo Corporation Group has been doing business in Myanmar. When Japan normalized relations with the country in 1954, we established our first base in Southeast Asia in Rangoon, which is now Yangon. Since then, we have developed businesses in a wide range of fields, such as railcars, construction equipment, automobiles, and basic chemicals. Our business initiatives have contributed to helping Myanmar develop social and industrial infrastructure and build a new nation. For example, in 2013 we took part in the first major collaboration among the public and private sectors of Japan and Myanmar, an industrial park development and management project in the Thilawa Special Economic Zone.

Drastic Transformation of the Telecommunication Market in Myanmar

We can see Myanmar’s new dynamism from recent developments in the telecommunication sector. In 2013, Myanmar’s government opened the country’s telecommunication market to foreign investment. In the following year, an alliance comprising KDDI Corporation (KDDI) and the Sumitomo Corporation Group was chosen as a partner to undertake joint operations with Myanma Posts and Telecommunications (MPT). The building of a nationwide telecommunication network and competition arising from market liberalization have driven mobile phone penetration in Myanmar—far surpassing the initial targets that Myanmar’s government set. We estimate mobile phone penetration has jumped from 10% at the end of 2012 to more than 100% as of

2017. In emerging countries, mobile phones tend to spread more rapidly than fixed line telephones, which require massive infrastructural investment. Nonetheless, drastic change of the type Myanmar is experiencing is extremely rare.

Thorough Analysis of Advantages and Risks before Participation

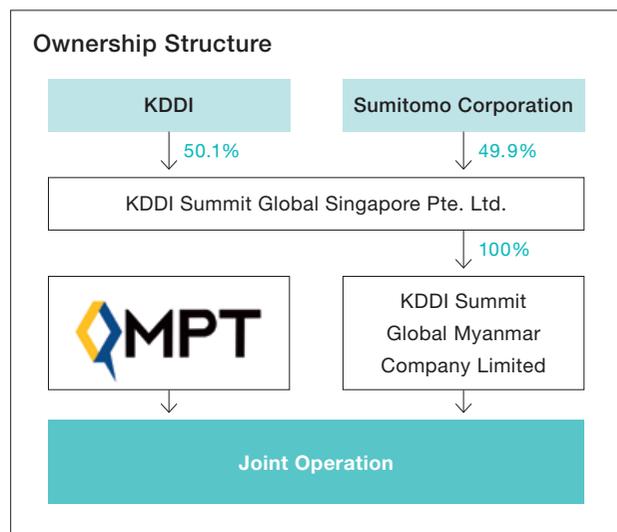
Prior to entering Myanmar’s telecommunication sector, we analyzed a range of factors—including market potential, risks specific to emerging countries, and the strength of our expertise in the telecommunication business—and prepared carefully.

(1) Advantage: Telecommunication business know-how cultivated over many years

In Japan, we have invested in many different ICT (information and communications technology) businesses. Meanwhile, in emerging countries we have been involved in telecommunication businesses partnering with local companies for more than two decades. The know-how we have accumulated in domestic and overseas markets gives us insight into market trends in Myanmar as well as a major advantage in the development of local businesses.

(2) Advantage: Strong relationship with partners and contributions to the people of Myanmar

Since the 1970s, the Sumitomo Corporation Group has developed strong mutual trust with MPT through various projects that provided MPT with telecommunication network equipment. Moreover, we have a strategic partnership with KDDI that entails



working as a team in relation to domestic Cable TV operator Jupiter Telecommunications Co., Ltd. (J:COM). In developing the telecommunication business in Myanmar, MPT, KDDI, and the Sumitomo Corporation Group share the belief that “The People of Myanmar Come First.”

(3) Responses to various risks

As much as possible, we eliminate uncertainties and risk associated with investments. Regarding country risk, we receive support from the Japanese government and the World Bank Group by way of investment insurance that covers our risk. To mitigate legal risk, arising from tax and other laws, as well as risk associated with repatriation to Japan, we obtain prior written confirmation from local tax authorities and investment commissions. Also, during the preparation period for the operation we received support from government agencies in Japan and the local Japanese embassy.

As a result of these efforts, we concluded a contract with MPT to undertake joint operations in July 2014. Having sent more than 40 personnel to Myanmar, we are executing the joint operations in a hands-on manner.

New Growth Strategy

Provision of High-Speed, Large-Capacity Telecommunications

MPT is Myanmar’s flagship telecommunication carrier. It boasts the leading market share and the most extensive mobile network coverage as of March 31, 2017. In recent years, the competition between MPT and two foreign carriers, Norway’s

Telenor Group and Qatar’s Ooredoo, has become fierce. These newcomers are desperately trying to catch up with MPT. Also, a fourth carrier, in which a Vietnamese company has a stake, is preparing to enter the market. This will intensify competition. Crucially, mobile phone penetration is currently more than 100%, and the potential for growth in voice calls is limited.

Under such market circumstances, the key for further growth is a high-speed, large-capacity data service. In Myanmar, 4G mobile service has just started. Consequently, mobile Internet usage is diversifying into such areas as social networking services (SNSs) and streaming services for music and video. Such diversification of usage will drive revenue growth. Also, we intend to realize further significant growth potential by offering a wide range of content. As part of this strategy, we started to sell MPT’s own-brand smartphones in the fall of 2016. For these smartphones, we offer low price handsets that include a certain volume of free data usage. Our aim is to leverage the MPT brand as the country’s No. 1 carrier to accelerate the popularization of smartphones and the growth of Internet usage.

Mobile Money

While in developed countries post-payment of mobile phone fees is widespread, in Myanmar prepayment is the standard method of payment. More than 85% of people do not have bank accounts and therefore cannot pay by account transfer. This restricts the growth of commerce in society, and people suffer considerable inconvenience.

In response, we aim to introduce “mobile money,” which has spread like wildfire in Africa and other regions. The prepaid system means that accounts must always remain in credit. By

Global Development in the Telecommunications Field

Mongolia

MobiCom Corporation LLC

(Mobile phone carrier)
Partners: KDDI, Newcom LLC
(Local investment company)

Malaysia

Merchantrade Asia Sdn Bhd

(MVNO and remittance services)
Partner: Founder

Myanmar

MPT
(Mobile phone telecommunications and base station infrastructure establishment)
Partners: MPT, KDDI

Japan

T-Gaia Corporation

(Mobile phone sales and agency operations)

Singapore

T-GAIA Asia Pacific Pte. Ltd.

(Settlement operations)

USA

Jitterbug

(MVNO for seniors)

Partners: Founder, Charles River Ventures, Steelpoint Capital Partners

South Korea

Omnitel, Inc.

(Value-added services for mobile phones)
Partner: Founder

Russia

Enforta BV

(Wireless broadband)

Partners: European Bank for Reconstruction and Development, Base station infrastructure construction and leasing, and others

Russian Towers LLC

(Base station infrastructure construction and leasing)

Partners: Founder, UFG Private Equity, Macquarie Renaissance Infrastructure Fund, and others

IXcellerate

(Data centers)

Partners: Founder, International Finance Corporation (IFC), and others

enabling the use of this money for other payments, customers can easily create a “bank account.” The benefits of this new infrastructure are immeasurable.

For example, migrant laborers in cities can remit money to their families living in rural areas. Also, the dissemination of cash-less payment linked to “mobile accounts” would enable major purchases without reliance on cash. Other potential uses for mobile money include the provision of finance services, which help the people of Myanmar become financially independent and enable installment sales. Further, mobile money could facilitate a range of FinTech (financial technology) services that use big data about customer behavior collected from mobile phones.

We have our sights set on transcending the boundaries of ICT businesses and related value-added service businesses to move into financial infrastructure construction and then into other fields beyond it. In realizing this ambition, we will create unique value by using our capabilities as an integrated trading company to build social infrastructure and improve daily life.

Personnel Development via Off-the-Job and On-the-Job Training

To win out amid fierce competition among four carriers trying to attract new customers, developing the capabilities of personnel, including sales personnel, is essential. While ensuring the employment of MPT’s approximately 8,000 personnel, we are taking various steps to increase labor productivity and employees’ value as “human resource assets.”

Firstly, we are expanding and improving off-the-job training. We are conducting more than 180 programs, from basic skills such as English conversation and computer skills through to soft skills such as leadership and team building. Annually, these programs account for 18,000 enrollments. The training programs are based on the in-house Sumisho Business College (SBC), which the employees of Sumitomo Group companies utilize. We are optimizing the curriculum to suit local needs in consultation with MPT.

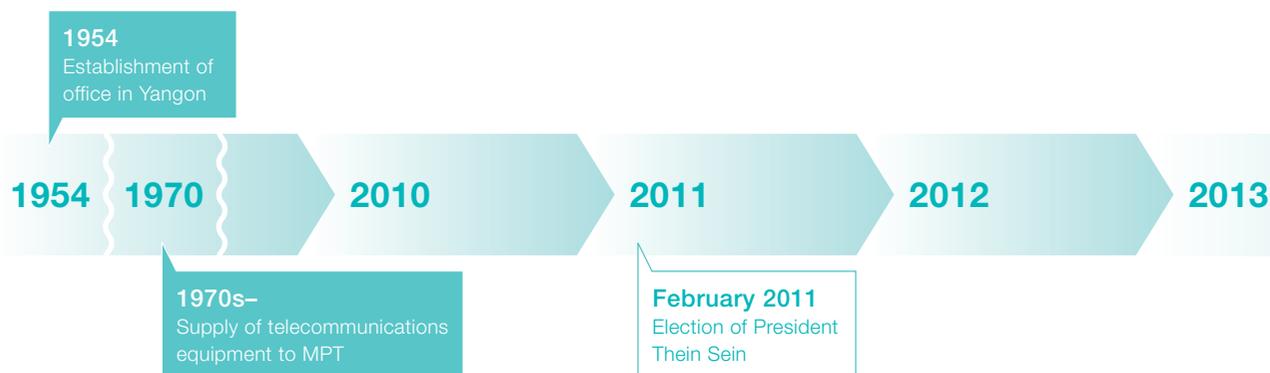
Secondly, we have built an operational system that includes on-the-job training. For all senior management positions, we have established deputy positions, allocating one employee from Japan and one from Myanmar. By ensuring discussions on an equal footing and consensus building in all important managerial decision making, this system has significantly strengthened organizational cohesion. While cultivating ample mutual understanding, we aim to realize operational agility by simplifying processes and delegating authority.

We believe one of the missions of our telecommunication business in Myanmar is to transfer our know-how to Myanmar. Both sides will benefit greatly if our partner acquires the capabilities to not only pursue profit and work efficiently but also to lead and develop the business. Accordingly, we will help our partner develop managerial personnel with such skills and capabilities.

Resolution of Material Issues

Only a few years ago, people in Myanmar rarely owned mobile phones. Also, the use of the Internet to access information about the rest of the world and the use of telephones were limited.

History of Our Telecommunication Business in Myanmar



The penetration of mobile phones is closely linked to the dramatic change that Myanmar's society is undergoing, and our business is underpinning this social transformation. Due to the proliferation of mobile phones, there has been a surge in SNS user numbers. Consequently, as in other Southeast Asian countries, Facebook and other SNSs now play an important role in forming public opinion in Myanmar.

Further, MPT contributes significantly to the creation of employment in local communities. The construction of MPT's base stations and fiber-optic networks is mostly done by people from Myanmar, and the agency's sales personnel and operators are also local hires. Another significant economic benefit MPT provides to local communities is additional income for small business owners. Most of the tens of thousands of stores selling mobile phones in Myanmar are traditional mom-and-pop stores that sell daily commodities.

"Benefit for self and others, private and public interests are one and the same" sums up our business philosophy. Guided by this philosophy, we will tackle material issues through our business activities. For example, we will focus on Establishing a Foundation for Comfortable and Enriching Lifestyles through mobile phones and Providing Diverse "Accessibility," which is essential for future value creation. Moreover, through employment creation and ripple effects on peripheral businesses, we want to realize the goal of Contributing to the Development of Local Communities and Industries. Our overriding goal is to achieve truly sustainable growth by continuing to work closely with the people of Myanmar (see ▶ ["Sumitomo Corporation Group's Material Issues" on page 10](#)).

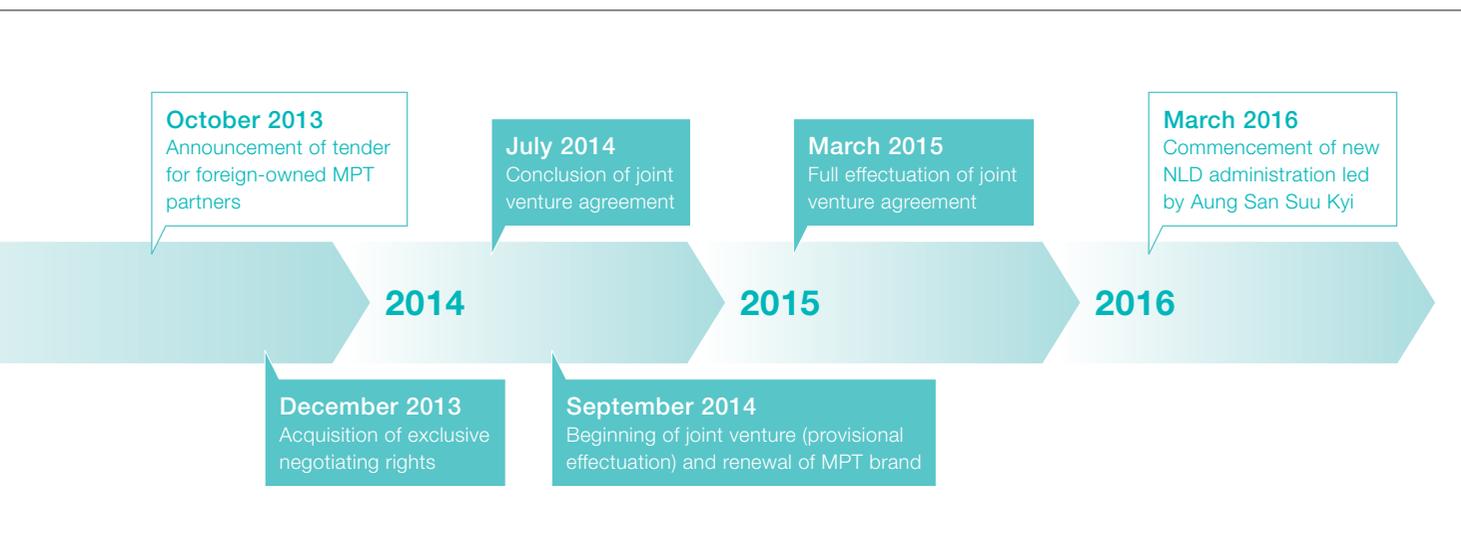
Supporting Accounting Procedures of Joint Operations

During a two-and-a-half-year overseas posting that included long business trips, my role in joint operations with MPT was to establish rules and regulations and payment-related procedures and to introduce accounting systems. As well as the challenges posed by Myanmar's strict regulation of foreign currency and complex remittance procedures, local operations struggled with foreign currency remittance under U.S. sanctions. Stopping payments causes delays throughout operations. Therefore, on an almost daily basis, we negotiated with banks and business partners and devised remittance routes by searching for correspondent banks able to accept funds and by changing payment currencies. Through resolution of such issues, we helped joint operations establish payment procedures compatible with Myanmar's unique systems and regulations.



Ryoko Matsubara

Accounting Dept., Media, ICT, Lifestyle Related Goods & Services
(Resident in Myanmar until January 2017)



Feature 2:

Discussion between the President and Outside Directors: Corporate Governance Enhancements Aimed at Sustainable Growth

In its medium-term management plan “Be the Best, Be the One 2017 (BBBO2017),” Sumitomo Corporation has defined “improve corporate governance and decision-making process” as one of its goals under the directive of “promote managerial reforms.”

A discussion was held between the President and Outside Directors centered on the means to enhance the Board of Directors as a part of the managerial reforms aimed at facilitating sustainable growth.

Structure of Board of Directors and Role of Outside Directors

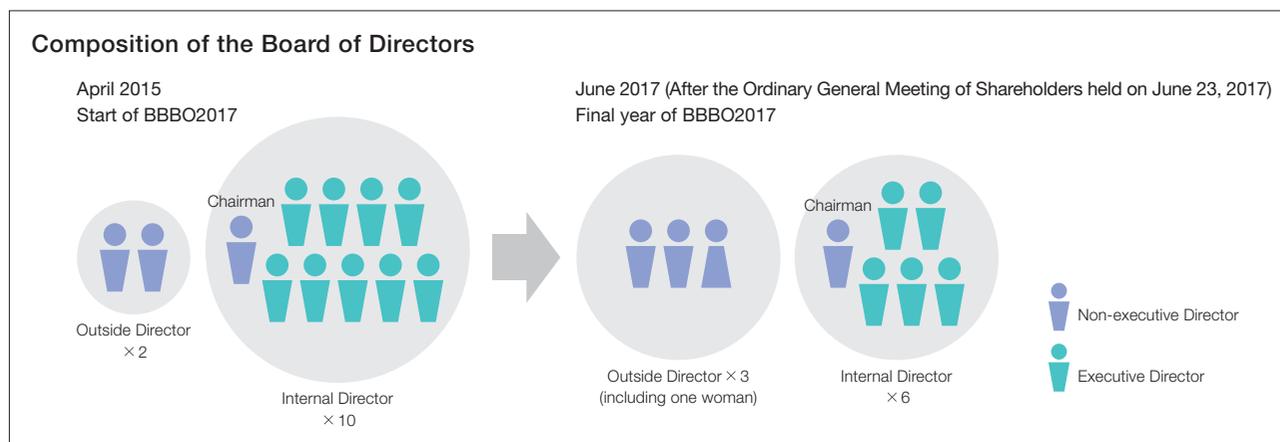
Nakamura: It was at the Ordinary General Meeting of Shareholders held in June 2013 that Sumitomo Corporation first appointed Outside Directors, two of whom then joined the 10 internal directors we had at that time.

Prior to this, we had been engaged in an ongoing discussion on the ideal structure of the Board of Directors in which we paid consideration to how best to separate the execution function from the oversight function. We have examined several possibilities up until today, including appointing Outside Directors from various backgrounds and gradually increasing the number of such directors. These discussions led to the current structure, and we stand committed to working toward an even more ideal structure going forward.

Tanaka: I have continued to serve as an Outside Director of the Company since being appointed at the Ordinary General Meeting of Shareholders held in June 2015.

Having been reminded that I was appointed in Sumitomo Corporation’s third year of having Outside Directors, I now have a fresh outlook on the significance of my role. There was much talk of energizing the Board of Directors when I joined, and I recall how we implemented many changes at a rapid clip. For example, the method of explaining proposals at Board of Directors’ meetings has been changing for the better.

Ehara: I was appointed as an Outside Director at the Ordinary General Meeting of Shareholders held in June 2016. Since then, the Company’s Board of Directors has been evolving with breakneck speed. In the midst of such change, my mind is always on how I can contribute to the sustainable growth of Sumitomo Corporation as an Outside Director. I believe that





Kuniharu Nakamura
Representative Director
President and Chief Executive Officer



Nobuyoshi Ehara
Outside Director (Independent Director)



Yayoi Tanaka
Outside Director (Independent Director)

one of the roles I am expected to play is to bring attention to matters that go untouched by the management team.

It could even be said that Outside Directors have a special privilege that allows us to candidly raise issues that internal directors perhaps no longer see as necessary to discuss. Drawing attention to such matters will, in the end, serve to help protect the Company.

Nakamura: Internal directors have previously been engaged in brisk discussions at meetings of the Management Council, our highest executive-level body for decision making. It was thus decided that it was necessary to choose items for discussion at the Board of Directors with regard to which we can utilize external insight. Based on this recognition, we evolved the Board of Directors, bringing us to where we are today. In light of this recognition, we also made a proposition at the Ordinary General Meeting of Shareholders held in June 2017 to reduce the number of internal directors.

Tanaka: A major risk will go unaddressed if someone chooses not to call attention to a serious issue out of consideration for various internal departments during the process of formulating proposals through bottom-up consensus building by the executive team. This of course can apply to all Japanese companies. Outside perspectives are necessary for preventing such risks.

The Board of Directors will continue to evolve, utilizing experience and insight in various fields in the pursuit of sustainable growth.



The Role of Outside Directors in Practice

Ehara: Sumitomo Corporation has already revised standards for presenting proposals to the Board of Directors and reformed Board proceedings to allow for more productive discussions. Agenda-setting and time allocation, both of which have significant influence on the quality of Board discussions, can be further improved. Changes in this regard would enable the Board to focus on more substantial matters.

Tanaka: There tends to be a formulaic nature to the matters prescribed as needing to be decided by the Board of Directors according to the Companies Act of Japan. The Board therefore might want to consider identifying those issues with regard to which we can move ahead with in a procedural manner and those issues that require more focused discussions, and allocate time appropriately.

Nakamura: We are aware of this issue. We have therefore increased the number of opportunities for reporting to the Board of Directors regarding the formulation of basic strategies in order to allow for more practical discussions at Board meetings.

For example, the Board of Directors has already held several discussions on the policies to be implemented in the next medium-term management plan, which is set to be launched in

fiscal 2018. We plan to provide opportunities for discussion on this matter going forward. However, there is not enough time at Board meetings. For this reason, internal directors have been talking with Outside Directors off-site after Board meetings and then further building upon the content of the plan with the rest of the executive team. Looking at this ongoing process, I can confidently say that we are engaging in productive discussions.

Ehara: There is not much to be gained by Outside Directors repeating discussions on individual proposals that have already been thoroughly examined by the executive team. A critical role of an Outside Director is to steer the Board's discussions by refining the agenda.

In-depth briefings from the Company's representatives prior to Board meetings have been helpful in enabling us to be well-prepared. One area in which the Company can improve is the briefing materials supplied to the Board. Improvements in this area could go a long way.

Tanaka: One reason why certain briefings are difficult to understand may be that, as a result of prudent coordination among different departments within the Company, these briefings have become too cluttered with information.

Ehara: Outside Directors represent shareholders and other stakeholders that are not necessarily involved in day-to-day business. It is therefore crucial that discussions and proposals be carried out in a way that enables us, as well as those we represent, to easily and accurately understand the issues at hand.

Nakamura: I will reassert the importance of easy-to-understand briefings on individual Board proposals to the executive team. As part of this, I will request that briefing materials include explanations of the significance of the proposal in terms of its social value and its relationship to our Management Principles and our Six Material Issues to Achieve Sustainable Growth with Society. This information will be included alongside the explanations of the basic strategies of the relevant organizations and the position of the proposal therein that we have previously provided. I will also have the executive team adequately prepare so that we may have more in-depth discussions at meetings of the Board of Directors. Specifically, I want to focus on how individual proposals are related to our

basic strategies and on how they will be positioned in the portfolios of specific divisions and of the Company as a whole.

Ehara: Sumitomo Corporation's Six Material Issues directly translate to the ESG framework. An ability to better explain the significance of the Company's various initiatives based on the Six Material Issues will enable clearer investor communication with regard to the Company's impact on environmental, social, and corporate governance issues.

Nakamura: Returning to Ms. Tanaka's comment, I also see an issue with paying too much concern to the various individuals among the different departments within the Company.

I was very fortunate to face various challenging opportunities throughout my career and complete them with excitement. It is therefore my hope that employees too will be able to feel a sense of passion toward their work, without becoming too obsessed with the opinions of others, and thereby be able to be happier in their work. I am determined to keep on communicating this message to employees.

Tanaka: I have sat down and talked with all female managers at Sumitomo Corporation. These meetings were held in groups of seven or eight, and I think 14 meetings were held in total. Participants were very forthright, offering their earnest opinions. Many expressed extreme devotion to their job, stating how they love becoming lost in their work and feel joy in completing their tasks. It would seem that they share passion that you mentioned.

Moreover, these meetings helped me better understand the corporate culture of Sumitomo Corporation while also proving an opportunity to think about the ideal form of diversity management from a perspective that is not just limited to empowering female employees. As such, I found these meetings to be incredibly meaningful. I was even granted the opportunity to present my findings from the meetings at the General Managers' Meeting,* which I feel sparked discussion within the Company. This experience helped me discover a new way that Outside Directors can connect with and contribute to the companies at which we serve.

* An annual, full-day meeting at which domestic and overseas general managers are gathered together to share information and opinions on topics related to Group management



Means of facilitating deeper and more practical discussions are being sought out.

Nakamura: As I recall, Ms. Tanaka's presentation illustrated how, despite our having robust systems for supporting the empowerment of female employees, there were issues with regard to the implementation of these systems. After this presentation, we reaffirmed our commitment in working to ensure that our systems function to meet our goals.

Direct communication with employees should be conducted while remaining aware of the inherent tension necessary of a representative of shareholders and other stakeholders.



Future Evolution of the Board of Directors

Ehara: Sumitomo Corporation is extremely transparent with Outside Directors. Management has been quick to take action to address issues raised by Outside Directors. President Nakamura's proposal to improve pre-meeting briefings is a prime example. There is still much more to be done. However, this also means that there is much room for improvement. The management team's commitment to evolve and improve the Board and its discussions gives me great excitement about the future.

Tanaka: If a company is to share information and tackle challenges together with Outside Directors, information with the potential to have a negative impact on the company should be among the first that is shared. It is also important to remain

aware of the inherent tension between Outside Directors and those within the company. Outside Directors should not become regular members of the internal team. Rather, we must maintain the outside perspectives of shareholders, consumers, and other stakeholders as this is the role we are expected to play.

Nakamura: I must thank you both for your very honest opinions today. Going forward, Sumitomo Corporation will continue to pursue the most ideal forms for the Board of Directors and for our corporate governance systems through discussions with Outside Directors. As we work toward our shared goal of ensuring sustainable growth for the Company, I hope to engage in brisk discussions with Outside Directors while maintaining an awareness of the inherent tension you speak about. I look forward to your ongoing support.



Corporate Governance System

The backbone of our corporate ethics comprises Sumitomo’s business philosophy and the Company’s Management Principles. Keeping this in mind and complying with the Sumitomo Corporation Corporate Governance Principles, we work to enhance corporate governance even further to realize management that serves the interests of all of our stakeholders, including shareholders.

Features of Our Corporate Governance System

We have adopted a company with corporate auditors system because we believe that strengthening and enhancing our corporate auditor system is the most reasonable way of heightening the effectiveness of corporate governance. In addition, we have appointed three Outside Directors with a view to ensuring appropriate decision making by the Board of Directors and strengthening supervision further.

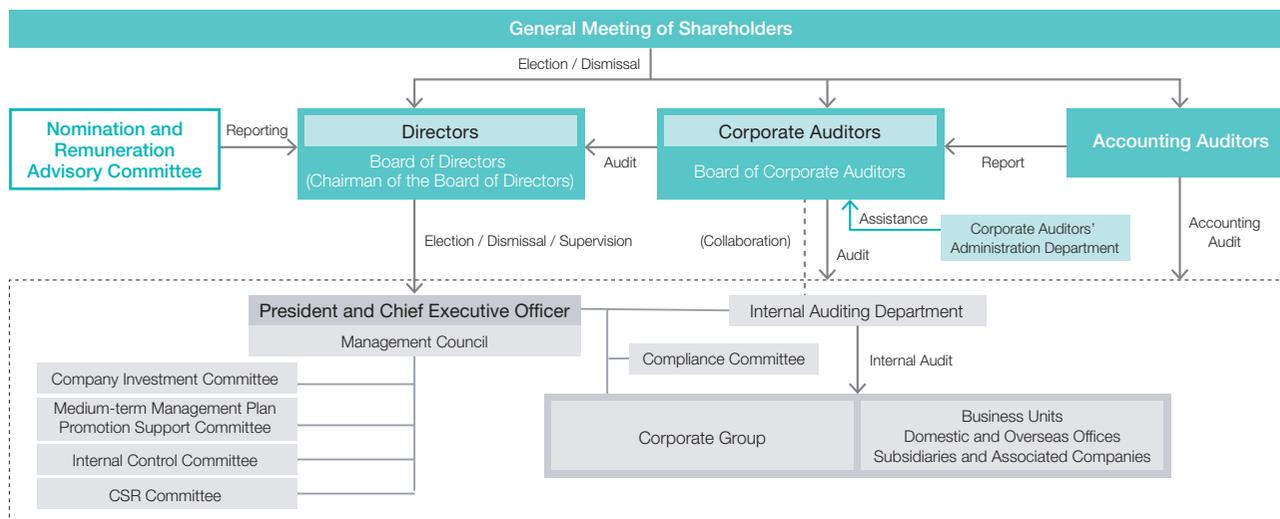
In accordance with our medium-term management plan Be the Best, Be the One 2017 (BBBO2017), we have revised governance and decision-making processes to sustain growth and benefit all of our stakeholders. Specifically, we have established the Management Council as the highest executive-level body for decision making on operational implementation and strengthened the monitoring capabilities of the Board of Directors.

See ▶ **“Feature 2: Discussion between the President and Outside Directors”** on page 30 for information on the progress of efforts to improve corporate governance and decision-making process.

▶ Overview of Corporate Governance System (As of July 1, 2017)

Organizational structure	Company with Kansayaku Board (Audit & Supervisory Board)
Number of Directors	9 (3 of whom are Outside Directors); 1-year term
Term of Chairman of the Board of Directors, President and Chief Executive Officer, and Outside Directors	No more than 6 years, in principle
Number of Corporate Auditors	5 (3 of whom are outside corporate auditors); 4-year term
Executive officer system	Implemented
Voluntarily established bodies as advisory bodies to the Board of Directors	Nomination and Remuneration Advisory Committee
Sumitomo Corporation Corporate Governance Principles	http://www.sumitomocorp.co.jp/files/user/english/doc/company/governance/e_principle.pdf
Corporate Governance Report	http://www.sumitomocorp.co.jp/files/user/english/doc/company/governance/e_cgr.pdf
Standards for Appointment and Independence of Outside Directors and Outside Corporate Auditors	http://www.sumitomocorp.co.jp/files/user/english/doc/company/governance/e_outdirec_independ.pdf
Accounting auditors	KPMG AZSA LLC

▶ Corporate Governance System



Directors and the Board of Directors

Enhancement of the Deliberation and Monitoring Capabilities of the Board of Directors

We carefully select agenda items requiring discussion by the Board of Directors so that the Board can concentrate on the deliberation of important matters regarding Companywide management such as the business policy and management plan. At the same time, we expanded the range of matters to be reported to the Board of Directors so that it can concentrate more on supervising the execution of operations, with the aim of enhancing its monitoring function. Also, we established opportunities for free exchanges of opinions before decisions on important matters.

Qualifications of Outside Directors and Regular Meetings for Exchanges of Opinions

Our three Outside Directors satisfy standards for independence stipulated by Tokyo Stock Exchange, Inc., and other financial instruments exchanges on which the Company is listed and our in-house rules on Standards for Appointment and Independence of Outside Directors and Outside Corporate Auditors. Each Outside Director has a different type of experience and expertise, and Outside Directors contribute to our corporate governance by providing a variety of independent viewpoints. In addition, Outside Directors hold discussions and exchanges of opinions with the Chairman of the Board of Directors, the President and Chief Executive Officer, internal corporate auditors, and outside corporate auditors once a month in principle.

► Reasons for Appointing Outside Directors

We deemed respective Outside Directors to be qualified for appointment because they have the experience stated below, contribute to appropriate decision making at meetings of the Board of Directors, and strengthen supervision even further.

Name	Reasons for appointment
Yayoi Tanaka	Highly specialized knowledge and extensive experience accumulated through long engagement in research in the fields of evaluation studies and civil society organizational theory and the holding of a number of positions on government committees, including the Administrative Reform Promotion Council (private-sector member)
Nobuyoshi Ehara	Wide-ranging knowledge and a wealth of experience in finance and business management accumulated during many years of engagement in a major U.S. financial institution and the management of a private-equity firm
Koji Ishida	Wide-ranging knowledge and a wealth of experience in finance and business management accumulated during many years of engagement in a major financial institution and past position as a member of the Policy Board at the Bank of Japan

Establishment of the Nomination and Remuneration Advisory Committee

The Nomination and Remuneration Advisory Committee, which is membered by a majority of Outside Directors and is chaired by an Outside Director, has been established as an advisory body to

the Board of Directors. This committee nominates candidates for the positions of director, Management Council member, and corporate auditor; examines the remuneration of directors, corporate auditors, and executive officers; and reports its findings to the Board of Directors. Furthermore, we have given Outside Directors more opportunities to meet the executive officers by creating opportunities for executive officers to attend meetings of the Board of Directors and explain proposals.

► Breakdown of the Nomination and Remuneration Advisory Committee

Total members	Internal directors	Outside Directors	Committee chairman
5	2 (President and Chief Executive Officer, Chairman of the Board of Directors)	3	Outside Director

Evaluation of the Board of Directors

To maintain and heighten the effectiveness of the Board of Directors, each year directors and corporate auditors analyze and evaluate its effectiveness through such methods as self-evaluations. We disclose the results of these efforts.

Based on the results of the fiscal 2015 evaluation, we implemented measures to further improve the effectiveness of the Board of Directors. Such measures included enhancing orientation programs for Outside Directors and outside corporate auditors when they take office and creating more opportunities for them to observe workplaces in Japan and overseas. In addition, we adjusted the scheduling of informal discussions at which executives (including Executive Officers) engage in free exchange of opinions to make it easier for Outside Directors and Outside Corporate Auditors to attend.

For fiscal 2016, from March to April 2017 we issued a questionnaire targeting all directors and corporate auditors and had an outside (third-party) consultant analyze and evaluate the results. The evaluation recognized that a variety of reforms aimed at realizing an effective Board of Directors have been implemented and that these efforts are steadily producing results. On the other hand, the evaluation recommended further enhancing the effectiveness of the Board of Directors by improving the quality of materials distributed at Board of Directors' meetings and encouraging discussions among internal and outside executives, including executive officers.

We intend to analyze the questionnaire results in more detail, discuss them at the meeting of the Board of Directors, and take measures to improve the effectiveness of the Board of Directors.

(For more details, please refer to “[Supplementary Principle 4-11-3]” on page 3 of the Company’s Corporate Governance Report.)

Corporate Auditors and the Board of Corporate Auditors

Enhancement of Auditing Capabilities

To strengthen corporate auditing capabilities from an external viewpoint, three of our five corporate auditors are outside corporate auditors. Two outside corporate auditors are legal experts, and one outside corporate auditor is an accounting expert, which contributes to our aim of conducting audits from diverse perspectives. Moreover, our three outside corporate auditors satisfy standards on independence stipulated by Tokyo Stock Exchange, Inc., and other financial instruments exchanges on which the Company is listed and our in-house rules on Standards for Appointment and Independence of Outside Directors and Outside Corporate Auditors.

Collaboration between Internal Auditing Department and Accounting Auditors

To ensure audit efficiency, corporate auditors interact closely with the Internal Auditing Department, receiving reports on internal audit plans and their results in a timely manner.

In addition, corporate auditors exchange information with and monitor the auditing activities of the accounting auditors through regular meetings. By attending audit review meetings and observing inventory audits with the accounting auditors, the corporate auditors constantly work to improve audit efficiency and quality. Furthermore, corporate auditors attend meetings of the Internal Control Committee and request reports on the status of internal control systems from other departments responsible for internal control along with their cooperation on audits.

Reasons for Appointing Outside Corporate Auditors

We deemed respective outside corporate auditors to be qualified for appointment because they have the experience stated below and contribute to our aim of conducting audits from diverse perspectives.

Name	Reasons for appointment
Haruo Kasama	Highly specialized knowledge and a wealth of experience in law accumulated over many years as a prosecutor and lawyer
Toshio Nagai	Highly specialized knowledge and a wealth of experience in law accumulated over many years as a judge and lawyer
Yoshitaka Kato	Highly specialized knowledge and a wealth of experience in finance, accounting, and corporate auditing accumulated over many years as a certified public accountant

Ensuring Audit Effectiveness

To obtain the information necessary for proper auditing, corporate auditors attend meetings of the Board of Directors and all other important internal meetings. Further, corporate auditors hold discussions and exchanges of opinions with the chairman of the Board of Directors, the President and Chief Executive Officer, and Outside Directors once a month in principle. Also, the Corporate Auditors' Administration Department is assigned to assist corporate auditors and ensure the auditing system functions effectively and without hindrance.

Systems to Ensure Transparency of Business Management

Establishment of Disclosure Policy

To ensure that all stakeholders correctly understand its business management policy and business activities, the Company not only discloses statutorily required information but also actively discloses information on a voluntary basis. Moreover, the Company established a Corporate Disclosure Policy in July 2016.

The Corporate Disclosure Policy can be accessed from the following web page.

▶ http://www.sumitomocorp.co.jp/files/user/english/doc/company/governance/corporate_disclosure_policy1611.pdf

Measures Related to the General Meeting of Shareholders

We send out a Notice of Convocation to shareholders approximately three weeks prior to each regularly scheduled General Meeting of Shareholders. For the convenience of overseas shareholders, we also provide an English translation of the notice on our website before sending the Notice of Convocation. We have enabled our shareholders to exercise their voting rights via the Internet using personal computers since 2004 and via the Internet using mobile phones since 2005. In 2007, we introduced the Electronic Voting Platform for institutional investors, which was established by Tokyo Stock Exchange, Inc., and is operated by Investor Communications Japan, Inc. The new platform allows institutional investors sufficient time to examine thoroughly details of proposals for consideration at the meeting. In addition, we stream video of the General Meeting of Shareholders on our website for a set period following the close of the meeting.

Remuneration of Directors and Corporate Auditors

The Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors membered by a majority of Outside Directors and chaired by an Outside Director, evaluates the formulas for and levels of remuneration of the Company's directors and the limit of remuneration of corporate auditors. The committee reports the results of its evaluations to the Board of Directors in order to make remuneration-related processes more transparent and objective.

Based on this report, specific compositions and decision methods related to remuneration have been established as follows.

Remuneration of Directors

Remuneration of directors (excluding the Chairman of the Board of Directors and Outside Directors) is decided on an individual basis and comprises monthly remuneration, bonuses, new share acquisition rights, and new share acquisition rights for the stock-linked compensation plan. Details are as follows.

Remuneration of the Chairman of the Board of Directors and Outside Directors comprises only a fixed amount of monthly remuneration, which is paid on a monthly basis.

Remuneration of Corporate Auditors

Remuneration of corporate auditors comprises only a fixed amount of monthly remuneration, which is paid on a monthly basis.

► Types of Director Remuneration

Type of remuneration	Description	Form of payment
Monthly remuneration	A fixed amount of remuneration is paid to each director every month that is based on the standard amount designated for each director position and adjusted through quantitative and qualitative evaluations of the performance of each director.	Cash
Bonuses	Calculated by using a formula decided by the Board of Directors that has been declared appropriate by the corporate auditors, an amount of bonus funds is determined based on the Company's performance in each fiscal year and then allocated to individual directors in accordance with their position.	Cash
New share acquisition rights	New share acquisition rights are allocated to directors each year in accordance with their position. The aim of this system is to contribute to improved earnings and financial position by heightening the motivation of directors, who are responsible for management, and encouraging them to practice management while considering the Company's stock price.	Shares of stock (New share acquisition rights)
New share acquisition rights (stock-linked compensation plan)	New share acquisition rights are allocated to directors (through the stock-linked compensation plan) each year in accordance with their position. The aim of this plan is to better share value with shareholders by clarifying the link between the Company's performance and stock price and the remuneration of directors.	Shares of stock (New share acquisition rights)

Particulars regarding the remuneration of the Company's Directors and Corporate Auditors for fiscal 2016 are as follows:

► Particulars Regarding the Remuneration of the Company's Directors and Corporate Auditors

Classification	Number of payees	Total amount of remuneration pertaining to this fiscal year	Breakdown		
			Monthly remuneration	Bonuses	New share acquisition rights
Directors (particulars relating to Outside Directors)	17 persons (5 persons)	¥942 million (¥47 million)	¥714 million (¥47 million)	¥149 million (—)	¥79 million (—)
Corporate Auditors (particulars relating to Outside Corporate Auditors)	7 persons (4 persons)	¥120 million (¥34 million)	¥120 million (¥34 million)	— (—)	— (—)

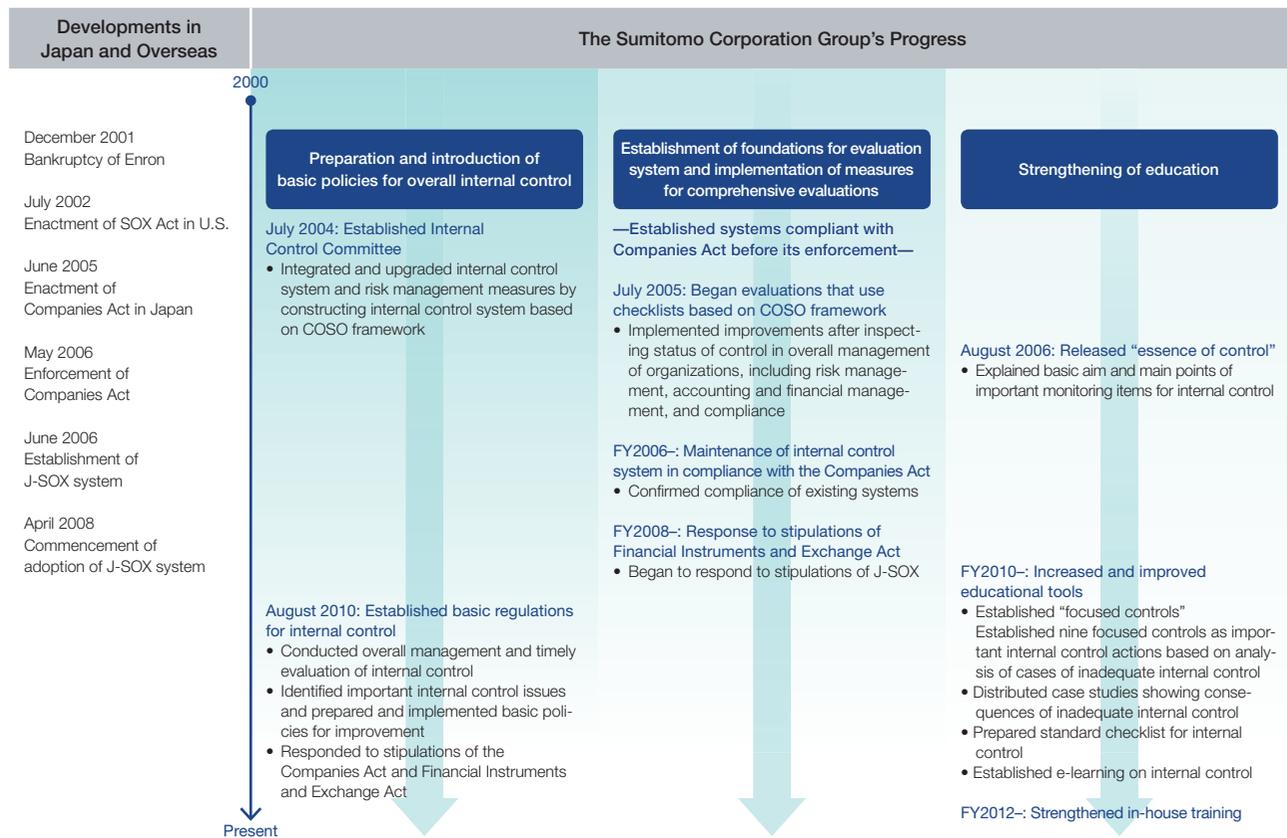
- Notes: 1. As of the end of fiscal 2016, we had 14 Directors and 5 Corporate Auditors (including 4 Outside Directors and 3 Outside Corporate Auditors).
 2. The numbers in the table above include one Outside Director who passed away (and thus effectively departed) on April 6, 2017 and one Outside Director who resigned on April 30, 2017.
 3. No Director of the Company is concurrently an employee of the Company.
 4. The amounts in the Bonuses above are the upper limit of the total payments approved at the 149th Ordinary General Meeting of Shareholders held on June 23, 2017.
 5. The above stock options are the total amounts recorded as expenses in this fiscal year for granting the Fifteenth New Share Acquisition Rights (issued on August 2, 2016), the Tenth New Share Acquisition Rights (stock-linked compensation) (issued on July 31, 2015), and the Eleventh New Share Acquisition Rights (stock-linked compensation) (issued on August 2, 2016).
 6. The maximum amount of remuneration to Directors comprising monthly remuneration, new share acquisition rights in the form of stock options, and new share acquisition rights in the form of stock options for a stock-linked compensation plan is ¥1.2 billion per year (the maximum amount of remuneration to Outside Directors is ¥60 million per year), as resolved at the 145th Ordinary General Meeting of Shareholders held on June 21, 2013.
 7. The maximum amount of monthly remuneration to Corporate Auditors is ¥180 million per year, as resolved at the 145th Ordinary General Meeting of Shareholders held on June 21, 2013.

Internal Control

The Sumitomo Corporation Group has strengthened its internal controls to retain the trust of all its stakeholders.

The Sumitomo Corporation Group comprises five Business Units as well as regional organizations in Japan and overseas. Business Units, organizations, and Group companies collectively work together in a broad range of business fields. It is essential that we provide a uniform standard for operational quality at these businesses, irrespective of their business sector or region. Also, this standard must meet the expectations of our stakeholders.

▶ Initiatives and Transformations for Enhancing Internal Control



Financial Reporting

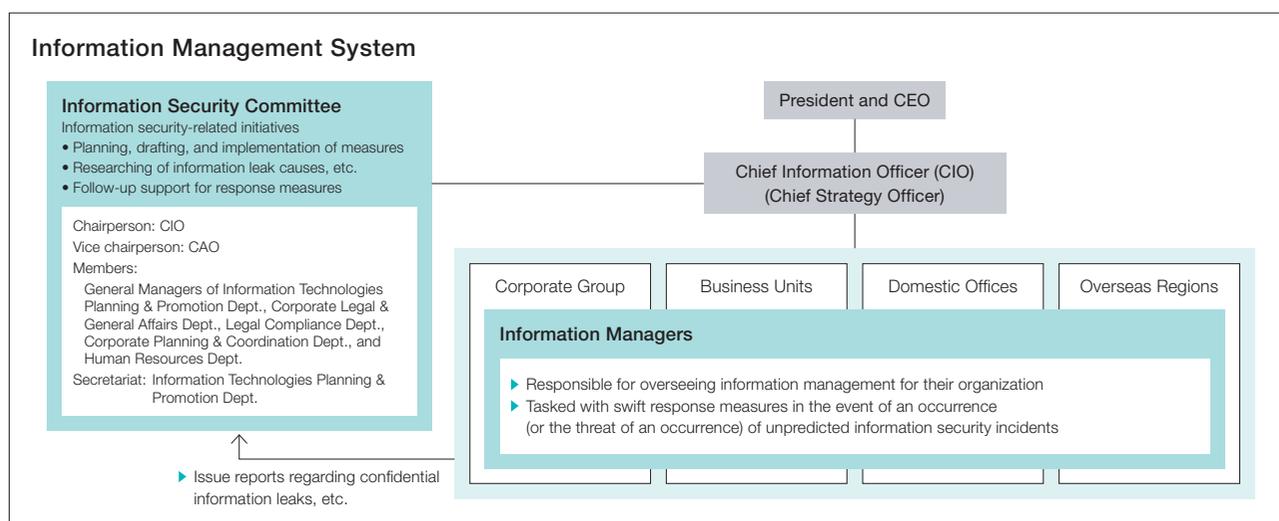
The Company complies with laws, regulations, and accounting standards pertaining to financial reporting and strives to disclose information in a timely and appropriate manner.

For its financial reporting internal control system, the Company takes steps to comply with the Internal Control Reporting System stipulated in the Financial Instruments and Exchange Act, effective from April 1, 2008, by evaluating internal controls as required by law and then implementing improvements to its business processes based on these evaluations. Furthermore, the Sumitomo Corporation Group does not limit itself simply to establishing and evaluating its internal control systems as required by the Financial Instruments and Exchange Act. Rather, we view these legal obligations as a prime opportunity to further the promotion of operational quality improvement measures such as those we have traditionally advanced a step ahead of social change. These improvements are pursued through a concerted Groupwide effort.

Information Management

Information related to business operations is categorized into different levels of confidentiality based on its importance to information managers in order to identify how this information should be handled. Based on these categories, we strive to guarantee effective information security, promote efficient information processing, and share information as appropriate.

Information managers store documents that are legally required to be stored as well as information that has been deemed by the Company to be crucial to internal management over the predetermined period. Information managers decide the necessity of storing other information and the period over which this information should be stored. Moreover, Sumitomo Corporation strives to reduce its risk of falling victim to attacks from outside the Company aimed at misappropriating or damaging Company information assets. In addition to installing system-based safeguards, we conduct ongoing training and drills for employees while establishing and monitoring self-response systems at major subsidiaries and other Group entities. The Company also coordinates with specialized third-party organizations to stay up-to-date on relevant information and to formulate effective and efficient information security measures.



Internal Audits

The Internal Auditing Department, which reports directly to the President and CEO, is an independent organization that monitors the operations of the Company and its Group companies.



Risk Management

To cope effectively with the diversifying risk environment, Sumitomo Corporation has built a framework for micro-management, with the objective of “minimizing losses from individual transactions,” and for macro-management, with the objective of “maximizing corporate value.” The frameworks support the efficient management of our corporate resources and are strongly linked to the management plan.

Definition of Risk

- ▶ Possibility of losses due to the occurrence of anticipated or unanticipated situations
- ▶ Possibility of not achieving the expected return on business activities

Purpose for Our Risk Management

Stabilize Performance

Minimize discrepancies between the plan and actual results

Strengthen Financial Base

Maintain Risk-adjusted Assets within the buffer (shareholders' equity)

Maintain Corporate Reputation

Fulfill CSR requirements and preserve corporate reputation

Quantifiable Risk = Value Creating Risk Company Investment Committee

Maintain Risk-adjusted Assets within our buffer / Maximize Risk-adjusted Return

Deliberate on and monitor important projects through Company Investment Committee and Business Unit Investment Committees

Investment risks

- ▶ Integrated management framework covering entire phases from the entry process to the exit process
 - Hurdle rate and decision-making procedures at examination and execution stages
 - Managing business and monitoring
 - Selection of withdrawal targets (Exit Rule)

Credit risks

- ▶ Management based on internal credit rating model
- ▶ Periodic credit limit revisions and measures to secure receivables

Market risks

- ▶ Loss limit monitoring
- ▶ Separate and control front, middle, and back office functions

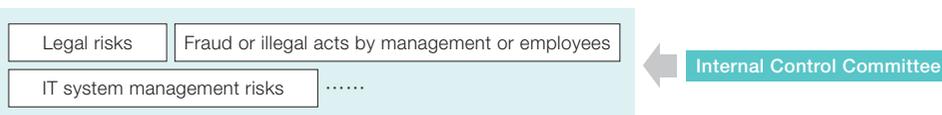
Concentration risks

- ▶ Controlling exposure to each country and region based on country risk management system
- ▶ Portfolio management / Risk-adjusted Assets of each business line
- ▶ Controlling exposure to mineral resources and energy upstream projects

Non-Quantifiable Risk = Value Breaking Risk

Risk control by avoiding or minimizing risks

Companywide internal control reinforcement initiatives centered on Internal Control Committee

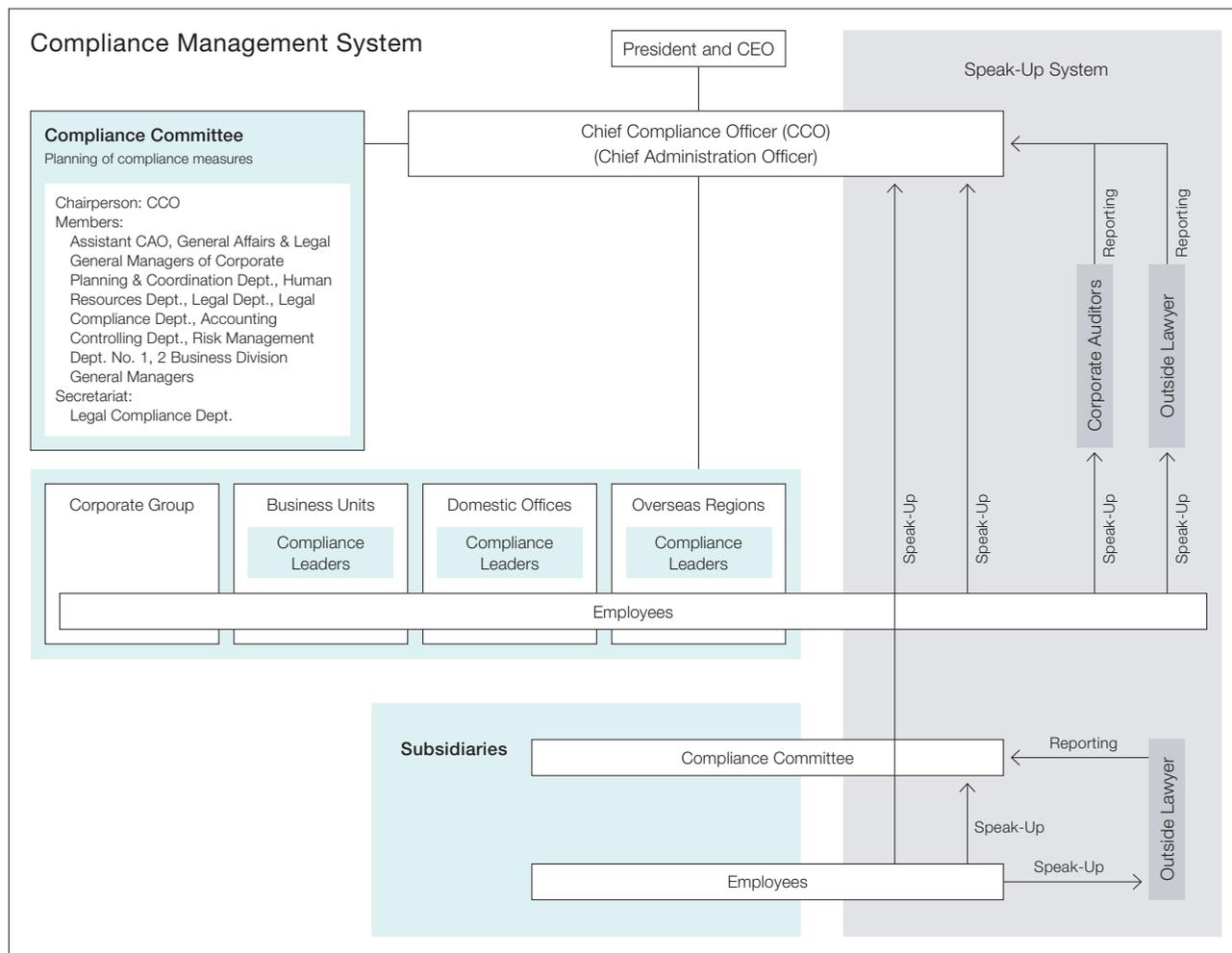


Compliance

The Activity Guidelines serve as the fundamental basis of the Sumitomo Corporation Group’s compliance initiatives: “To comply with laws and regulations, while maintaining the highest ethical standards.” “Giving First Priority to Compliance” and “Reporting Compliance Issues Immediately” are fundamental principles of our corporate activities.

<p>Giving First Priority to Compliance</p> <p>At Sumitomo Corporation, compliance takes priority over all corporate activities, and the Group realizes that it must never violate compliance as a result of giving priority to the pursuit of profit.</p>	<p>Reporting Compliance Issues Immediately</p> <p>If a compliance issue arises, officers and employees report the issue to their superiors or the relevant department without delay and take the most appropriate measures in response.</p>
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Speak-Up System	In addition to using their normal reporting lines, a system is in place that enables officers and employees to report any compliance issues directly to the Chief Compliance Officer.
Education Programs	We distribute compliance manuals to all officers and employees, and offer various compliance education programs including those for each class of employees such as newcomers, newly appointed general managers, and corporate officers. Such courses are available in Japan and overseas. All employees and officers are also given access to various e-learning programs.
Compliance System	The new Legal Compliance Department has been established to further intensify and encourage compliance on a Groupwide basis.



Human Resource Management

Personnel are the Sumitomo Corporation Group’s most valuable management resource. We need personnel who understand and practice the Group’s Management Principles and Activity Guidelines, have diverse backgrounds, and continue creating new value over the medium to long term that contributes to society at large. Therefore, we recruit, develop, and utilize personnel in a strategic and planned manner while taking Groupwide measures to enhance individual capability.

Human Resource Management Policy

Aiming to “Be the Best, Be the One”

Recruitment, development, and utilization and the involvement of human resources who can lead global businesses are the most important issues for the Group to prevail in an ever-changing business environment and achieve sustainable growth.

For this reason, we are training new employees on a Companywide basis, disseminating Sumitomo’s business philosophy—the basis of the Management Principles—and developing human resources by employing on-the-job training, based on job rotations, and off-the-job training, based on the characteristics of each business while encouraging the involvement of diverse human resources.

Under the medium-term management plan Be the Best, Be the One 2017 (BBBO2017), we introduced a new Human Resource System in April 2016. By stepping up human resource development, this system will advance organizations and the Group as a whole. Under the system, we are enhancing individual capability through the creation of lively environments that enable personnel to grow in an atmosphere of friendly rivalry. Also, we are heightening motivation by rebuilding systems to ensure appropriate evaluation of capabilities and compensation commensurate with capabilities. Further, we are enhancing talent management to promote the allocation of human resources in line with our medium-to-long-term strategy. (For details, see [▶ page 43](#).)

Vision of the Human Resources We Seek

Human resource development will play an essential role in realizing the vision for the Company in its centennial year in 2019.

In developing a vision of the human resources we are seeking to build our foundation for the next 100 years, we are promoting the following three factors, starting with the necessary qualities, actions, and abilities:

1. People with spirit and a lofty sense of ethics
2. People who accept diverse values but think for themselves and act on their own initiative
3. People who can create new businesses themselves without being constrained by existing frameworks

This vision of human resources has been determined on the basis of the value standards defined by the Management Principles and Activity Guidelines of the Sumitomo Corporation Group as well as in light of the nine core behaviors of the SC VALUES, which all employees are expected to share and practice. Sumitomo Corporation is seeking human resources who have a clear vision and strong commitment, as well as demonstrate leadership at their respective levels of the organization, through the practice of the SC VALUES. We also seek professionals who can take responsibility for what they do, display a broad spectrum of knowledge and a high level of expertise in a particular area, and achieve superior performance.

SC VALUES

<ol style="list-style-type: none"> 1. Integrity and Sound Management 2. Integrated Corporate Strength 3. Vision 4. Change and Innovation 5. Commitment 6. Enthusiasm 7. Speed 8. Human Development 9. Professionalism 	<p>To comply with laws and regulations, while maintaining the highest ethical standards.</p> <p>To create no boundaries within the organization; always to act with a Companywide perspective.</p> <p>To create a clear vision of the future, and to communicate to share it within the organization.</p> <p>To accept and integrate diversity in values and behavior, and to embrace change as an opportunity for action.</p> <p>To initiate, own, and achieve organizational objectives.</p> <p>To act with enthusiasm and confidence, and to motivate others through such action.</p> <p>To make quick decisions and act promptly.</p> <p>To fully support the development of others’ potential.</p> <p>To achieve and maintain high levels of expertise and skills.</p>
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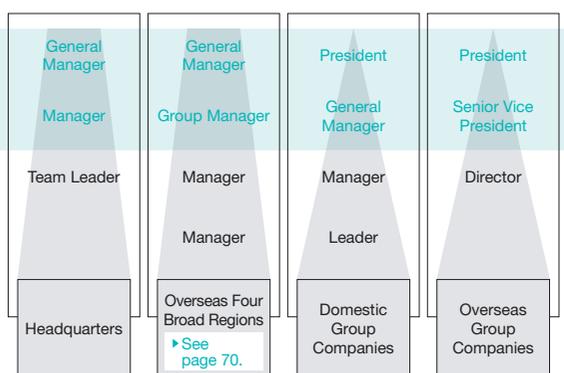
Enhancement of Talent Management

Developing Managerial Talent Continuously

As well as placing the right person in the right position on a global basis, we are implementing “the Enhancement of Talent Management” to enrich the quality and quantity of managerial talent continuously. Along with Key Positions, that is to say positions involving Group management (Diagram 1), we identify the criteria for each key position (Diagram 2). Moreover, on a broad scale, we select and deploy capable human resources to each key position, including candidates for the next generation and the generations that will follow (Diagram 3). In addition, we set out the experience, skills, and knowledge that key position candidates should acquire; rotate jobs and reassign roles accordingly; and provide off-the-job training (Diagram 4). Further, to enhance talent management that transcends regional boundaries, in April 2017 we established the Global Human Resources Management Department, which is tasked with advancing human resource management.

Through the above initiatives, we will rapidly develop managerial talent qualitatively and quantitatively, in the fastest, most effective way possible.

Diagram 1 Definition of Key Positions



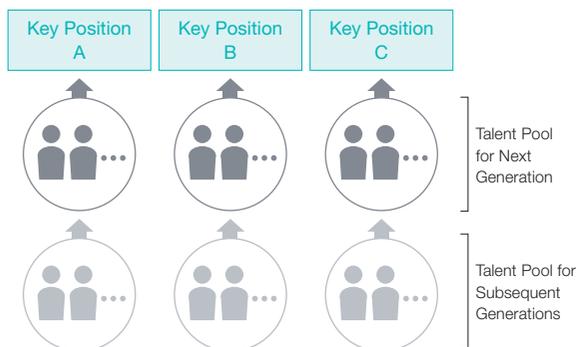
Key positions involving Group management needed to execute Group strategy. Portion in blue shaded area: General Manager and above envisioned in the case of Headquarters

Diagram 2 Definition of Key Position Criteria



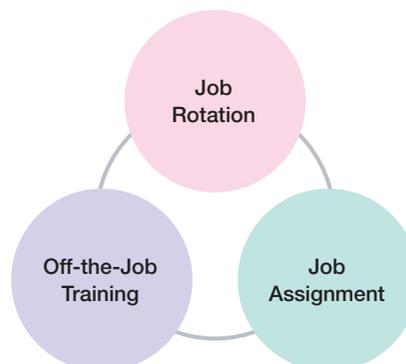
The abilities required of key positions are defined from three viewpoints, “Experience,” “Skill / Knowledge,” and “Personal Qualities.”

Diagram 3 Preparation of Successor Development Plan



Each key position candidate will be selected not only for the next generation but also the following generations to come, and a successor training plan will then be put in place. Additionally, according to circumstances, candidates are periodically replaced.

Diagram 4 Development of Managerial Talent



To enable key position candidates to acquire the necessary experience, skills, and abilities, we will effectively combine job rotation, job assignment, and off-the-job training.

Recruitment

Based on a fair employment policy that respects basic human rights, we employ diverse personnel who are able and eager to work in the global business arena.

Recruiting Personnel Who Will Lead Global Development

As a global business, we seek talented personnel who are able and eager to work in the global business arena. To this end, we conduct fair, non-discriminatory recruitment activities with respect for fundamental human rights. Specifically, we apply the same screening process to all employee candidates, irrespective of their gender, academic background, or nationality, and our selection criteria consist only of applicants' aptitudes and abilities. As part of our human resource strategy, in addition to new graduates, we regularly recruit mid-career employees to secure capable personnel who contribute to operations immediately.

Number of New Employees and Breakdown



* Total number of new graduates and mid-career employees or key career track positions and clerical positions

Promoting Employment of the Disabled: Sumisho Well Support

In 2014, we established Sumisho Well Support Co., Ltd., as a special subsidiary company. Currently, 18 employees are engaged in a variety of jobs, including business card production, data entry operations, and office paper recycling. Through this subsidiary, we promote the employment of the disabled. As of June 1, 2016, the employment rate of the disabled was 2.13%* of our workforce, above the 2.0% statutory level.

* Total for the Company on a nonconsolidated basis and Sumisho Well Support Co., Ltd.



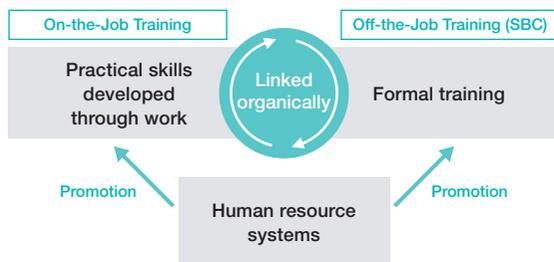
Development

Promoting global talent development through a combination of on-the-job and off-the-job training

Developing Global Leaders through On-the-Job Training

The Sumitomo Corporation Group values on-the-job training as the core of human resource development. We believe that our people become more capable and self-assured as they accumulate various experiences. Challenging job assignments and rotation are more important than off-the-job training to develop globally competent players. To have young people experience tough situations overseas, approximately 100 young employees are sent to regions worldwide at an early stage of their careers by our overseas training program every year.

Development of the On-the-Job and Off-the-Job Training Program "Human Resources We Seek"



Accelerating Human Resource Development through Off-the-Job Training

Each year, Sumisho Business College, which is a corporate university in the Sumitomo Corporation Group, offers 320 off-the-job training programs covering skill sets and knowledge. Among them, we give priority to enhancing individual capability by strengthening people's ability to innovate, originate alternatives, think logically, and ensure accountability. In addition, we continuously conduct long-term training for selected employees to give them opportunities to obtain the skill sets and knowledge that are required to manage businesses and people. Following such training, many participants go on to manage Sumitomo Corporation Group companies both in Japan and overseas. As well as in-house programs, we are strengthening human resource development through external training, such as an executive MBA program at overseas business schools.

Trainees Sent Overseas



Utilization

We will take a range of measures that leverage the diverse values and ideas of diverse human resources to grow and develop continuously amid volatile business conditions.

Leveraging Diverse Personnel

The Sumitomo Corporation Group promotes human resources diversity so that it can leverage this diversity to create new value. We have implemented measures to promote the active involvement of female employees, including the establishment of an in-house nursery, the distribution of a handbook on balancing a career and childcare, and the introduction of a program to help female employees assigned overseas to take their children with them. We received “Platinum Kurumin” certification as a company providing superior childcare support in June 2015. In May 2016, we were certified as an “Eruboshi” company in recognition of efforts to promote the active involvement of female employees based on the Act on Promotion of Women’s Participation and Advancement in the Workplace.



Platinum Kurumin



Eruboshi

A handbook on balancing a career and childcare



Reforming and Diversifying Work Practices

Aiming to enhance productivity through efficient work practices, we have been reforming work practices since 2016. For example, we have set quantitative targets for paid leave taken, introduced a Premium Fridays system that encourages employees to leave work early on Fridays, and examined the introduction of teleworking. Further, we are working on maintaining and promoting health through our SCG Counseling Center established for promoting mental health care. As a result of these efforts, we received certification as a “White 500” enterprise with outstanding health and productivity management in February 2017.

Overtime work/ Paid vacations taken	FY2015	FY2016	Change
Average Annual Days of Paid Vacation Acquired	12 hours, 19 minutes	11 hours, 29 minutes	-50 minutes
Average Monthly Overtime Hours	10.9 days	12.7 days	+1.8 days



Going on an Overseas Assignment with a Child

I wanted to work overseas, but I gave up on the idea because I have a child. I was really surprised when I heard that I could take my child with me on an overseas assignment. As an employee posted overseas, doing every aspect of my job work and rearing a child perfectly is difficult, and I got frustrated sometimes. However, the posting let me see a different world and was an invaluable life experience. Thanks to the greater diversity of the U.S. workforce, I met people with different outlooks. A major benefit of this experience is that it has made me more optimistic. I am now able to envision the long-term future.



Sari Kako

Risk Management Dept. No. 3

Sari Kako has belonged to the Construction & Mining Systems Division since joining the Company and has been in charge of management of overseas operating companies. In 2014, taking advantage of our program to help female employees assigned overseas take their children with them, she was assigned as a trainee to an operating company in Florida and participated in the company’s business management. Since 2016, she has been responsible for risk management in the automotive business field.

Male Employee Taking Childcare Leave

After the birth of my oldest son, I took childcare leave for four months because I wanted to devote time and effort to looking after him, even if only for a short while. Thanks to the support of my supervisors and coworkers, I was able to concentrate on childcare during the hectic weeks just after my son’s birth. I think this time spent together has made us closer as a family. Four months later, I went back to work as planned. With my family supporting me, I am working harder than ever.



Hiroyuki Onishi

Structured Finance Dept.

Since joining the Group, Hiroyuki Onishi has been involved in risk management in such business fields as oil and gas and automobile-related businesses. He took childcare leave from May to August 2016. Before and after this leave, he was engaged in finance businesses based in Japan and Asia. Since January 2017, he has been working in the Structured Finance Dept. engaged in finance-related duties concerning Group companies.

CSR Initiatives

Our Management Principles include a Corporate Mission calling on us “to achieve prosperity and realize dreams through sound business activities.” Accordingly, we create value by tackling social issues and take responsibility for the effect that value creation has on society and the environment. Further, we advance CSR initiatives based on the belief that each employee is central to the realization of this approach.

Structure for Promoting CSR Initiatives

Since establishing the Environment & CSR Department in 2008, the Sumitomo Corporation Group has earnestly advanced CSR activities in cooperation with relevant internal departments, domestic and overseas regional organizations, and Group companies.

Also, we have established the CSR Committee as an advisory body to the Management Council. The committee analyzes changes in conditions facing the Group and discusses initiatives in light of stakeholder expectations. Moreover, as an

advisory body to the CSR Committee, we have established the Global Environment Committee, which promotes environmental management activities based on the ISO 14001 standards. Aiming to increase the scope and momentum of initiatives focused on sustaining the growth of the Group and society, the Group renamed this department the Corporate Sustainability Department in fiscal 2017. The new department will lead stepped-up efforts to tackle social issues.



Efforts to Address the UN Global Compact

The Sumitomo Corporation Group became a signatory to the UN Global Compact in March 2009. Based on 10 principles, this international initiative shares many values with our Corporate Mission Statement. By constantly assessing our business activities with reference to the values set forth in the 10 principles, we increase corporate value even further. In addition, the Group actively participates as a Board Member of the Global Compact Network Japan, a local Global Compact network. In fiscal 2016, we took part in workshops themed on environmental management and Sustainable Development Goals (SDGs). Consequently, our business activities have benefited from expert insights as well as the latest information on global trends and exemplary initiatives.



For details on CSR initiatives, please visit the following website. ▶ <http://www.sumitomocorp.co.jp/english/csr/>

Examples of CSR Initiatives

Holding Seminars on Business and Global Social Issues

With a view to addressing social issues through business, the Sumitomo Corporation Group is furthering understanding among its employees of the Sustainable Development Goals (SDGs) adopted by the United Nations. In fiscal 2016, we twice invited an expert from the United Nations Development Programme to conduct workshops. More than 100 employees have taken part in these workshops, with participants commenting that the workshops introduced them to thinking about business from the perspective of social issues. The philosophy underpinning the SDGs matches the Sumitomo Corporation Group's Management Principles. The Group will continue heightening understanding and awareness of the SDGs among employees so that addressing social issues drives growth.



A seminar on the business opportunities the SDGs present

Promoting Environmental Management

The Sumitomo Corporation Group Environmental Policy states that “the Sumitomo Corporation Group, through sound business activities, will strive to achieve sustainable development aimed at symbiosis between social and economic progress and environmental preservation.” To advance this policy, we build and operate environmental management systems compliant with the ISO 14001 standards. In fiscal 2016, we held a seminar on new standards and began incorporating them into our systems. Also, we invited an outside expert to conduct a climate change seminar, hosted jointly with Sumitomo Corporation Global Research Co., Ltd. Other initiatives included raising employee awareness through e-learning environmental courses.



A seminar on revised standards

For details on Environmental Management Initiatives, please visit the following website. ▶ <http://www.sumitomocorp.co.jp/english/csr/environment/>

Promoting CSR in Supply Chains

We have established CSR Action Guidelines for Supply Chain Management, which not only call on us but also suppliers and business partners to promote CSR throughout entire supply chains. Regarding the increasingly serious issue of human rights abuses, in addition to issuing a statement based on the United Kingdom's Modern Slavery Act 2015, as in the previous fiscal year, we invited an outside expert to conduct a workshop on assessing the risk of being involved in human rights abuses in supply chains. Approximately 130 employees from business and corporate divisions have attended the workshop.



Active discussion during a workshop

Social Contribution Activities

Aiming to help realize a sustainable society, the Sumitomo Corporation Group will address social issues not only through business activities but also through social contribution activities. We will engage in social contribution activities aimed at developing the next generation of human resources, who will drive the sustainable development of society, and contributing to local communities in areas where we do business all over the world. At the same time, we will perform and seek to continuously improve our activities with modesty and high aspirations and endeavor to maintain a high level of transparency while strengthening our relationships with all our stakeholders.

Social Contribution Activities

Developing the Next Generation of Human Resources: The 20th Anniversary of the Sumitomo Corporation Scholarship Program



To commemorate 50 years of trading activities, we established the Sumitomo Corporation Scholarship Program in 1996. Since then, the program has fostered individuals who will lead Asia's developing regions and encouraged better private-sector exchanges by partnering with our local organizations to provide local students with scholarships.

Initially, we gave scholarships to 263 students at 33 universities in 17 countries; after that we expanded to roughly 1,000 students at 45 universities. Also, we have revised scholarships in step with changes in each country's economic situation. For example, taking into account China's economic progress, in 2015 we changed the country's scholarships to focus on Chinese students studying in Japan. Our goal is to foster individuals who will assume pivotal roles in exchanges between Japan and China. As well as offering financial support, the scholarships enable students to come to the Head Office in Tokyo and participate in training that includes discussing issues with the President and CEO, sitting in on explanations on the operations of several departments, and taking part in study tours of Group companies. In this way, we give students a sense of our corporate culture and help to broaden their horizons and identify potential career paths.

As of fiscal 2016, which marked the program's 20th anniversary, approximately 16,000 students had received scholarships under the program.

The Sumitomo Corporation Scholarship Program will continue leveraging the Group's global network of bases to develop Asia's next generation of leaders.



A scholarship presentation ceremony at Yangon University of Economics in Myanmar



A scholarship presentation ceremony at Thammasat University in Thailand



Students after participating in a meeting with President and CEO Kuniharu Nakamura at the Head Office in Tokyo

For details on social contribution activities, please visit the following website. ▶ <http://www.sumitomocorp.co.jp/english/csr/contribution/>

Supporting the Reconstruction of Disaster Areas: Sumitomo Corporation Youth Challenge Program for the Revitalization of East Japan



To support young people who are assisting in the reconstruction of areas hit by the Great East Japan Earthquake and helping disaster victims rebuild their lives, we have been conducting the Sumitomo Corporation Youth Challenge Program for the Revitalization of East Japan since 2012.

The program comprises two parts. The Activity and Research Subsidy supports young people engaged in research and other activities, and the Internship Encouragement Program supports long-term internships for young people at nonprofit organizations operating in disaster areas. Over the past five years, the program has provided a total of ¥400 million to support the reconstruction of disaster areas, with 112 organizations receiving an Activity and Research Subsidy and 21 organizations participating in the Internship Encouragement Program.

We hope that playing leading actions in eastern Japan's revitalization gives young people insight and experience that will inspire them to develop into leaders in local communities and society at large. Based on our long-term commitment to supporting the reconstruction of disaster areas, we will continue assisting humanitarian relief and the reconstruction of industries.



Assisting residents at a temporary housing complex



A presentation held in October 2016, to provide an interim update on support activities

Contributing to Local Communities in Areas Where We Do Business: Donating Solar Kits to Clinics in Tanzania



In collaboration with the Italian nonprofit organization CUAMM (Collegio Universitario Aspiranti Medici e Missionari), which has a track record in the health-care field spanning more than half a century, our liaison representative office in Dar es Salaam, Tanzania, donated 50 Panasonic solar kits to clinics designated by the local governments of Iringa Region and Njombe Region in September 2016.

The clinics include delivery rooms that used kerosene lamps to light medical examinations and treatment at night. As well as providing insufficient light, the lamps are a fire hazard and produce harmful smoke. Solar LED (light-emitting diode) lights ensure brightness, use sunlight to charge, and are safe and reliable for use in unelectrified areas. Both regions' governors expressed great gratitude for the donations. We are exploring ways of continuing support that improves the conditions at clinics in these regions.



Handing over a solar kit



A delivery room equipped with a solar-powered light

▶ Metal Products Business Unit

- ▶ Planning & Coordination Dept., Metal Products Business Unit
- ▶ Steel Sheet Products Division
- ▶ Metal Products for Automotive Industry Division
- ▶ Light Metals & Metal Products for Transportation Division
- ▶ Tubular Products Division



Makoto Horie
General Manager, Metal Products Business Unit

Business Lines

Steel Sheet & Other Steel Products

We provide high-value-added services mainly to automotive and home appliance manufacturers via our worldwide network of steel service centers, which provide functions including procurement, inventory management, and processing.

Tubular Products

Through our proprietary supply chain management system, we have built solid customer bases and function as a total service provider to oil and gas companies.

Non-Ferrous Products & Metals

We are extending value chains by expanding our production and sales locations for aluminum ingot and aluminum sheets.

What We Aim to Be

We aim to build a unique business portfolio based on medium-to-long-term growth strategies and become an organization that combines impressive earning power and stability.



Steel service center in Mexico



A tubular product storage yard in Norway



Aluminum smelting business in Malaysia

Performance Highlights (Billions of yen)

	FY2015	FY2016	FY2017 Forecast
Global basis*1			
Profit*2	1.1	1.8	25.0
Segment basis			
Gross profit	77.3	67.4	
Share of profit of investments accounted for using the equity method	4.7	5.8	
Profit*2	12.0	10.0	
Basic profit	13.5	11.8	
Total assets	674.2	676.1	

*1 "Global basis" consists of results including operations in Overseas Subsidiaries and Branches segment.

*2 Profit for the year attributable to owners of the parent

Fiscal 2016 Results

The Metal Products Business Unit achieved a ¥0.7 billion year-on-year increase in profit, to ¥1.8 billion, on a global basis. Although earnings from tubular products businesses in North America declined due to low crude oil prices, overseas steel service center businesses delivered solid performances and the aluminum smelting business in Malaysia made higher earnings than in the previous fiscal year.

Segment Strengths, Challenges, and Business Environment

	Steel Sheet & Other Steel Products	Tubular Products	Non-Ferrous Products & Metals
Strengths	<ul style="list-style-type: none"> ▶ Leading market shares in such niche segments as rails, wheels, and axles for trains ▶ Expertise, solutions capabilities, and strong customer network in relation to steel sheets for automobiles 	<ul style="list-style-type: none"> ▶ One of the world's largest handlers of oil country tubular goods, strategic partnerships with energy majors, and service provision capabilities and development capabilities realized through global network 	<ul style="list-style-type: none"> ▶ Sharing of global growth strategies with major partners
Challenges	<ul style="list-style-type: none"> ▶ Upgrading of existing business models based on information and expertise accumulated through steel sheet-related trading ▶ Creation of new business models based on client perspective 	<ul style="list-style-type: none"> ▶ Catering to demand for localization in oil-producing countries and utilization of ICT to strengthen customer services 	<ul style="list-style-type: none"> ▶ Securing stable supplies of bauxite and alumina, which are the raw materials of aluminum ingots
Opportunities	<ul style="list-style-type: none"> ▶ Advancement of modal shifts in developed countries and development of railway infrastructure in emerging countries ▶ Steady growth of automotive production globally 	<ul style="list-style-type: none"> ▶ Participation in oilfield equipment, materials, and services businesses, which are closely related to oil country tubular goods businesses; expansion of share of oil country tubular goods market; and business foundations that exploit network of Edgen Group Inc. 	<ul style="list-style-type: none"> ▶ Introduction of lighter vehicles in response to stricter fuel-efficiency regulations
Risks	<ul style="list-style-type: none"> ▶ Market volatility due to steel oversupply and trade issues in various countries ▶ Obsolescence of existing products due to automotive industry's global environmental measures or dramatic change in business conditions due to emergence of alternative materials 	<ul style="list-style-type: none"> ▶ Change in purchasing format of oil and gas development industry, structural change in industry due to realignment of related industries, and spread of new alternatives to tubular products 	<ul style="list-style-type: none"> ▶ Competition intensifying due to aluminum products made in China

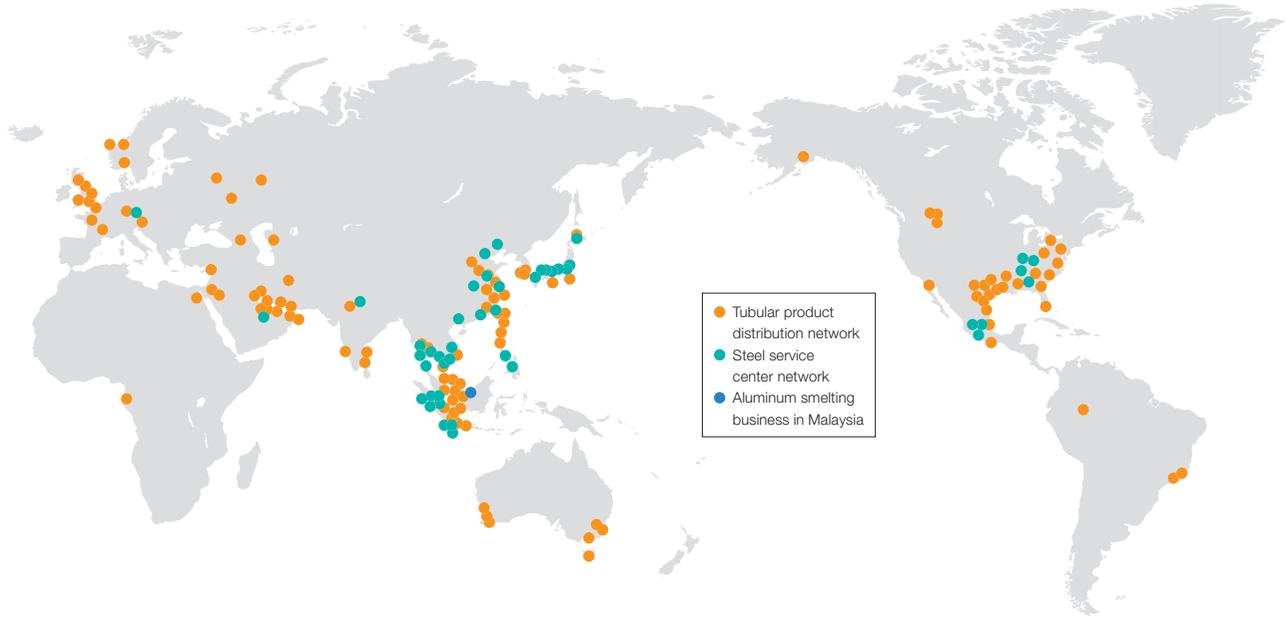
Medium-Term Management Plan's Growth Strategies for Becoming What We Aim to Be

We will fulfill our mission of contributing to the development of society through the worldwide delivery of high-quality and high-performance products manufactured by steelmakers. At the same time, we will switch our conventional supplier perspective of "Sell metals" to the demand-based perspective of "Use metals" in order to pursue growth strategies.

In railway-related metal products, we aim to establish a firm position in the railway field (rails, wheels, axles, and maintenance) by offering multiple service capabilities that differentiate us from competitors. As for the automobile-related industry, we

will expand value chains of automotive-related metal products that extend from material manufacturing through to the automotive parts businesses, to be a leading supplier. Our tubular products businesses will exploit the solid customer bases of the oil country tubular goods businesses to develop businesses in the oilfield equipment, materials, and services field. In addition, in the aluminum smelting and rolling business, we will expand the value chain from upstream (smelting) to middle stream (rolling).

Business Portfolio



BBBO2017 Initiatives in Fiscal 2016

Entry into the Railcar Axle Machining Business in the U.S. in Expectation of Growth in the Railway Field



As the importance of the safety of railway transport increases, Sumitomo Corporation Group and a U.S. railcar wheel and axle maintenance company, Greenbrier Rail Services (GRS), jointly established a new company, GBSummit, LLC, which commenced operations of a railcar axle machining plant in California at the beginning of 2017. With demand for railway transport likely to grow on the U.S. West Coast, we will broaden its business field by using this region as a base and combine our supply of high-quality railcar wheels and axles and the extensive track record of GRS in the maintenance field.

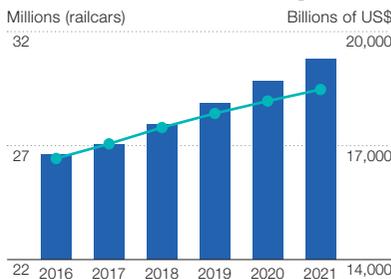
Participating in an Automotive Forged Parts Business in Europe



In March 2017, Sumitomo Corporation acquired a 25% equity interest in Europe's largest manufacturer of forged and machine-processed automotive components, Hay Holding GmbH. A subsidiary of Musashi Seimitsu Industry Co., Ltd., Hay Holding has strength in forging technology and price competitiveness in the area of power train* components. Collaborating closely with Musashi Seimitsu Industry, which has advanced technological and design capabilities, we will increase Hay Holding's corporate value even further.

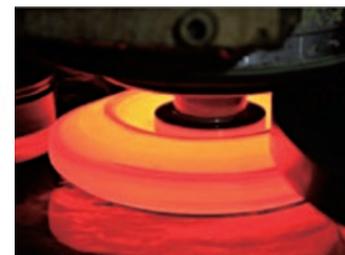
* Power train: Collective term for transmissions, differential gears, and other devices that transmit drive power generated by automotive engines or motors to the wheels of automobiles

Forecast of U.S. Rail Cargo Transport Volume



Near-term U.S. rail cargo transport volume is projected to stagnate. Over the medium-to-long term, however, it is projected to trend solidly on gradual population growth and increasing U.S. GDP. Also, the market for railway materials and equipment is likely to see continued firm growth.

■ Cargo transport volume (left scale) — U.S. GDP (right scale)
 Sources: Cargo transport volume: *Rail Car Outlook*
 GDP growth rate: IMF



Hay Holding's automotive components and manufacturing site



PROJECT SPOTLIGHT

Delivering Value-Added Services as a Total Solution Provider Supported by Customer Partnership

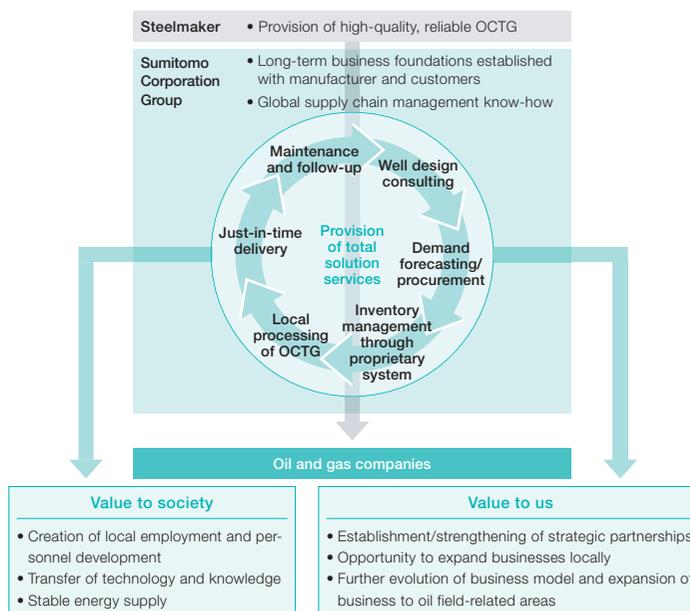


SC Tubular Solutions (B) Sdn Bhd in Brunei Darussalam (SCTS B)

With diversified global capabilities, we have developed long-term and strategic partnership with oil majors through providing an OCTG (Oil Country Tubular Goods) supply chain management system, which covers well design consultation through to inventory management, and maintenance and follow-up services including rig return services.

In Brunei, where we have supplied high-quality, seamless OCTG for more than 40 years, we have established a just-in-time delivery system through our supply chain management. Also, in response to localization demand from customers and Brunei's government, we have established a threading service company together with NIPPON STEEL & SUMITOMO METAL CORPORATION, which will contribute to local employment as well as transfer technology and knowledge.

Value-Creating Business Model



COMMITMENT

Value Creation—from Concept to Reality in Brunei Darussalam

I have been working for Sumitomo Corporation in various locations around the world and I believe that a global mindset, nurtured by the Sumitomo Corporation business philosophy, will serve Brunei Darussalam well in delivering transformative value over the long term. Our vision is to contribute to Brunei's sustainable energy future by empowering our workforce and transferring industry-leading skills and knowledge to our national workforce. I am thrilled to be able to lead this initiative, and create a working culture that combines Sumitomo Corporation's spirit of business integrity and care for community with a robust safety culture that differentiates us from competitors. I believe this approach will allow SCTSB to become part of the fabric of Bruneian society and enable us to deliver sustainable value to our stakeholders.



Stuart M'Cartney
General Manager of SC Tubular Solutions (B) Sdn Bhd in Brunei Darussalam

▶ Transportation & Construction Systems Business Unit

- ▶ Planning & Coordination Dept., Transportation & Construction Systems Business Unit
- ▶ Ship, Aerospace & Transportation Systems Division
- ▶ Automotive Division, No.1
- ▶ Automotive Division, No.2
- ▶ Construction & Mining Systems Division



Naoki Hidaka
General Manager,
Transportation &
Construction Systems
Business Unit

Business Lines

Ship, Aerospace & Transportation Systems

As well as having businesses in the ship, aerospace & transportation systems field, we engage in general leasing, aircraft leasing, and aircraft engine leasing. In addition, we are expanding our private finance initiative businesses for airports.

Automotive

The Sumitomo Corporation Group is evolving such core capabilities as manufacturing, sales and marketing, financing services, and mobility services in response to the emergence of a new car society.

Construction Equipment

We boast the highest number of commercial transactions for construction and mining equipment and agricultural machinery among trading companies. We are expanding not only sales and distribution businesses but also construction equipment rental businesses and repair and maintenance services worldwide.

What We Aim to Be

We will anticipate changes in business conditions and change and expand business fields flexibly while realizing sustained growth.



A 60,000-ton bulk carrier



An array of trail-blazing initiatives for car society



Construction equipment compliant with the latest emissions regulations

Performance Highlights (Billions of yen)

	FY2015	FY2016	FY2017 Forecast
Global basis*1			
Profit*2	84.0	56.3	57.0
Segment basis			
Gross profit	175.6	131.2	
Share of profit of investments accounted for using the equity method	31.8	43.1	
Profit*2	74.0	46.9	
Basic profit	51.3	50.1	
Total assets	1,509.3	1,471.9	

*1 "Global basis" consists of results including operations in Overseas Subsidiaries and Branches segment.

*2 Profit for the year attributable to owners of the parent

Fiscal 2016 Results

Although leasing businesses and construction equipment rental businesses performed steadily, earnings from ship businesses declined amid a lackluster shipping market. In addition, there were profit on sale and revaluation of stocks stemming from the business reorganization of the automobile financing business in Indonesia in the previous fiscal year. As a result of the above, the Transportation & Construction Systems Business Unit recorded a ¥27.7 billion year-on-year decline in profit, to ¥56.3 billion, on a global basis.

Segment Strengths, Challenges, and Business Environment

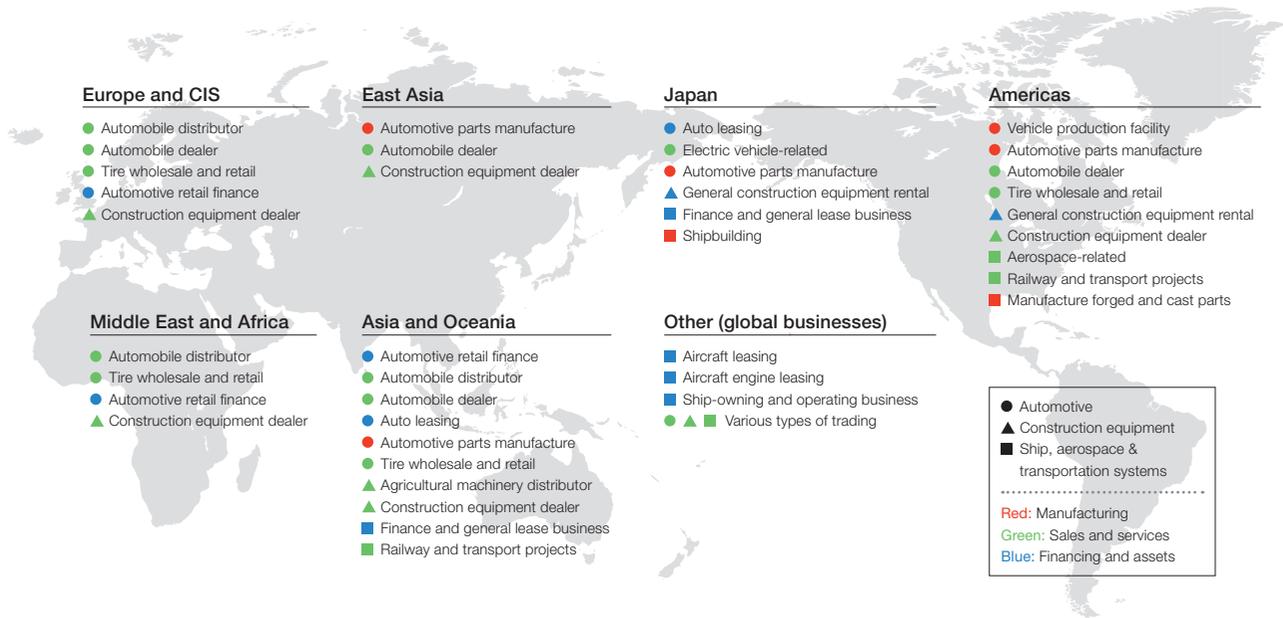
	Ship, Aerospace & Transportation Systems	Automotive	Construction Equipment
Strengths	<ul style="list-style-type: none"> ▶ One of Japan's leading general leasing businesses ▶ World-class aircraft leasing businesses, transportation systems businesses, and shipbuilding businesses 	<ul style="list-style-type: none"> ▶ Value chain that globally covers upstream through to downstream business fields 	<ul style="list-style-type: none"> ▶ Strong management capabilities and talented local management teams developed through many years of hands-on management
Challenges	<ul style="list-style-type: none"> ▶ Strengthening of capabilities and portfolio asset replacement in ship businesses ▶ Expansion of foundations of general leasing businesses and aircraft leasing businesses ▶ Advancement of railway infrastructure businesses and private finance initiative businesses for airports 	<ul style="list-style-type: none"> ▶ Business innovation to reflect technological innovation of new car society 	<ul style="list-style-type: none"> ▶ Strengthening and expansion of business foundations in emerging markets
Opportunities	<ul style="list-style-type: none"> ▶ Increase in passengers for aircraft and railways in emerging countries ▶ Growing need for private finance initiative projects in Japan and countries worldwide 	<ul style="list-style-type: none"> ▶ Progress of motorization with focus on emerging countries ▶ New businesses resulting from automotive technological innovations, such as Connectivity, Autonomous driving, Sharing, Electrification 	<ul style="list-style-type: none"> ▶ Increase in construction demand due to population increases and urbanization worldwide ▶ Business opportunities stemming from spread of ICT construction equipment and advance of IoT in construction industry
Risks	<ul style="list-style-type: none"> ▶ Decrease in shipping cargo movements accompanying softening growth in global economy ▶ Intensified competition with newly emerging players in shipbuilding, aviation, and railway fields 	<ul style="list-style-type: none"> ▶ Geopolitical market risk 	<ul style="list-style-type: none"> ▶ Cyclical market

Medium-Term Management Plan's Growth Strategies for Becoming What We Aim to Be

In accordance with the current medium-term management plan, the Ship, Aerospace & Transportation Systems Division began advancing measures in aircraft parts and forged parts manufacturing businesses and private finance initiative businesses. Further, we strengthened ship businesses by enhancing their portfolios. As for automotive businesses, we created businesses offering comprehensive financial services in Asia and began developing mobility services businesses. In construction equipment businesses, we made our U.S. rental company a wholly owned subsidiary and improved the profitability of

existing businesses. Moreover, through automotive and construction equipment businesses we focused on building relationships with strategic partners. To incorporate the latest IoT and mobility services trends, the Transportation & Construction Systems Business Unit will evolve its large-scale business foundations, which are its competitive advantage. At the same time, we will take on the challenge of creating businesses beyond our traditional business fields through stepped-up in-house collaborations and joint initiatives with strategic partners.

Business Portfolio



BBBO2017 Initiatives in Fiscal 2016

Offering Mobility Services



Recent years have seen emphasis shift away from car ownership toward car use. In other words, demand is increasing for mobility as a service. Our flagship subsidiary Sumitomo Mitsui Auto Service Company, Limited, is engaged in the management and leasing of a fleet of approximately 750,000 units. We will seek new business opportunities through connected platforms and devices that enable analysis of driving data and vehicle usage. These innovations reduce traffic accidents and enhance clients' business efficiency. In addition, we are building a high-value-added business model in the parking lot sharing services field based on a strategic partnership with akippa Inc., which we established in September 2016.



akippa's parking lot sharing services

Establishing a Forged Parts Business to Support Wind Power Generation in Brazil



In January 2017, the Sumitomo Corporation Group, The Japan Steel Works, Ltd., and Brazil's largest steelmaker, Gerdau S.A., established a joint venture for the manufacture and sale of forged parts for wind power generation: Gerdau Sumit Aços Fundidos e Forjados S.A. To meet growing demand for electricity in Brazil, its government has launched a policy promoting the establishment of wind power generation projects and the domestic manufacture of related parts. Together with a business assumed from Gerdau, the new company will manufacture forged and cast parts for a wide range of industries, thereby helping to realize the significant industrial development potential of Brazil and other Latin American countries as well as spread the use of renewable energy in Brazil.



The Pindamonhangaba Plant



PROJECT SPOTLIGHT

Supporting Air Transportation through Aircraft and Aircraft Engine Leasing



© AIRBUS

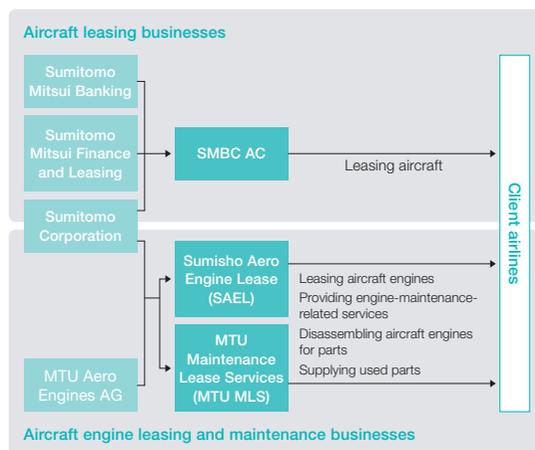


© BOEING

Leading-edge aircraft due for use by aircraft leasing businesses

Demand for aircraft is expected to grow steadily in the aviation market, as the growth of emerging markets boosts airline passenger traffic and low-cost carriers come to the fore. We have been engaged in the aircraft leasing businesses since the 1990s. In 2012, a consortium comprising Sumitomo Mitsui Finance and Leasing Company, Limited; Sumitomo Mitsui Banking Corporation; and Sumitomo Corporation acquired from The Royal Bank of Scotland Group plc aircraft leasing businesses, which were known as RBS Aviation Capital and are currently named SMBC Aviation Capital (SMBC AC). Since then the consortium has integrated SMBC AC with its existing businesses and has been developing the company. SMBC AC is now the world's fourth largest aircraft leasing company. Also, in 2013 we started to provide aircraft-engine-related services, including engine leasing with MTU Aero Engines AG of Germany, a leading aircraft engine manufacturer and maintenance service provider. By leveraging these business foundations and working with partners, we are expanding value chains, supporting commercial aviation infrastructure, and helping to make countries worldwide more accessible.

Value-Creating Business Model



Value to society

- Supporting commercial aviation infrastructure and helping to make countries worldwide more accessible

Value to us

- Unshakable position in global growth market
- Business opportunities throughout aircraft service lives

COMMITMENT

Going Beyond Customer Satisfaction

Our goal is to create unrivaled commercial aviation businesses by providing differentiated, customized services. Working on the front lines of businesses that lease aircraft and aircraft engines, and which have become world class thanks to joint efforts with partners, gives us a tremendous sense of responsibility and excitement.



Toshinori Kondo
Aircraft & Engine Leasing Dept. SAEL



Shingo Ouchida
Aircraft & Engine Leasing Dept. SMBC AC

▶ Environment & Infrastructure Business Unit

- ▶ Planning & Coordination Dept., Environment & Infrastructure Business Unit
- ▶ Social Infrastructure Business Division
- ▶ Global Power Infrastructure Business Division
- ▶ Logistics & Insurance Business Division



Masayuki Hyodo
General Manager,
Environment & Infrastructure
Business Unit

Business Lines

Social Infrastructure

We are engaged in renewable energy businesses focused on wind and solar power generation, the electricity retail business in Japan, industrial infrastructure businesses that are mainly involved with industrial facilities, water infrastructure businesses, and verification projects involving rechargeable batteries.

Global Power Infrastructure

We are developing overseas power generation businesses and engineering, procurement, and construction (EPC) businesses.

Logistics & Insurance

In addition to providing logistics services encompassing shipping, customs clearance, and delivery, we arrange various insurance contracts and develop and operate overseas industrial parks.

What We Aim to Be

We will contribute to the development of local communities and industries, achieve harmony with the global environment, and expand long-term, stable earnings foundations by developing and enhancing infrastructure that meets the needs of each country's society and industries.



Koshiki-shima Power Management Center in Kagoshima Prefecture, Japan



Lahendong Geothermal Power Station in Indonesia



Thilawa Industrial Park in Myanmar

Performance Highlights (Billions of yen)

	FY2015	FY2016	FY2017 Forecast
Global basis*1			
Profit*2	39.6	29.1	29.0
Segment basis			
Gross profit	56.7	55.0	
Share of profit of investments accounted for using the equity method	9.6	9.2	
Profit*2	25.0	23.0	
Basic profit	19.1	15.4	
Total assets	559.4	666.3	

*1 "Global basis" consists of results including operations in Overseas Subsidiaries and Branches segment.

*2 Profit for the year attributable to owners of the parent

Fiscal 2016 Results

The previous fiscal year's value realization in the renewable energy field in Japan and overseas offset steady performances by overseas power generation businesses, such as the Tanjung Jati B Coal-Fired Power Plant. As a result, the Environment & Infrastructure Business Unit recorded a ¥10.5 billion year-on-year decline in profit for the year, to ¥29.1 billion, on a global basis.

Segment Strengths, Challenges, and Business Environment

	Infrastructure Businesses	Logistics & Insurance and Overseas Industrial Parks
Strengths	<ul style="list-style-type: none"> ▶ Project management capabilities that encompass stages from design through to construction and from business development through to management and industry network 	<ul style="list-style-type: none"> ▶ Experience in global logistics for a wide range of goods, insurance-based risk management capabilities, wealth of experience in development and management of industrial parks overseas, and capabilities for supporting tenant companies
Challenges	<ul style="list-style-type: none"> ▶ Aiming to optimize utilization and deployment of personnel on a global basis to develop businesses globally, cultivate markets and capture demand, and secure cost competitiveness 	
Opportunities	<ul style="list-style-type: none"> ▶ Increase in demand for environment-friendly infrastructure due to growing environmental awareness and economic development of emerging countries and increase in business opportunities resulting from deregulation of electricity retail market in Japan 	<ul style="list-style-type: none"> ▶ Rise in need for logistics insurance services and overseas industrial parks as Japanese companies advance into overseas markets
Risks	<ul style="list-style-type: none"> ▶ Drastic changes in industries, such as realignment among heavy electrical machinery manufacturers in Japan, the United States, and Europe and the emergence of China ▶ Changes in conditions or regulatory strengthening for coal-fired power plants and changes to respective countries' incentive schemes for renewable energy power generation businesses 	

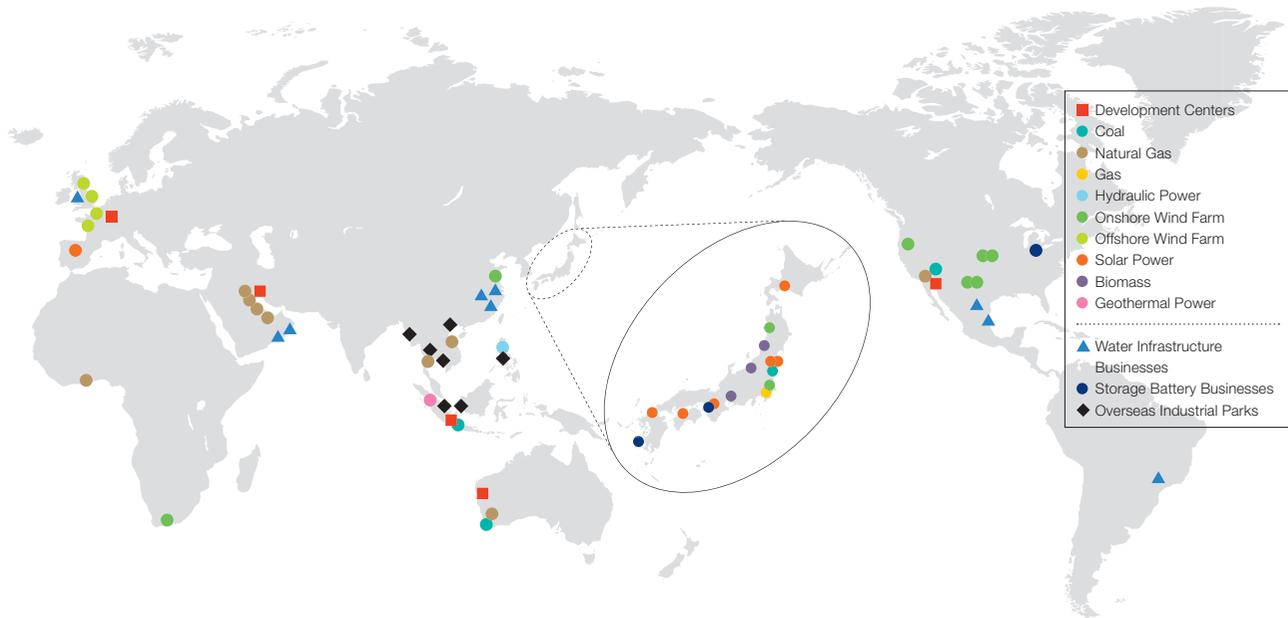
Medium-Term Management Plan's Growth Strategies for Becoming What We Aim to Be

In overseas power infrastructure businesses, we will give priority to initiatives in regions in which we have abundant experience and expertise, such as Asia, the Middle East, and the Americas. At the same time, we will focus efforts on developing projects in Sub-Saharan Africa and other new markets. Overseas renewable energy power generation businesses will expand their business foundations centered on offshore wind power generation in Europe while focusing on strategic asset replacement.

As for domestic electricity sales businesses, we will increase our competitive power generation capacity and expand retailing. In logistics and insurance and overseas industrial park businesses, plans call for expanding and upgrading the capabilities of existing businesses while developing new projects.

In addition, to foster new earnings pillars, we will concentrate efforts on rechargeable battery businesses that support the spread of renewable energy and on such water infrastructure businesses as water supply and sewage treatment, seawater desalination, and water concession businesses.

Business Portfolio



BBBO2017 Initiatives in Fiscal 2016

Tackling Residential Electricity Market in Japan: Summit Energy



In response to Japan's deregulation of the retail electricity market in April 2016, Summit Energy Corporation has entered the residential electricity market. In close partnership with Jupiter Telecommunications Co., Ltd. (J:COM), Summit Energy is steadily growing sales in this market. To deliver a service that supports everyday life by providing competitive, stable power supplies, we will leverage an optimal power source composition that combines biomass power generation, other power sources that we own, and procurement from other companies and markets.

Aiming to Realize a Sustainable Global Environment: Renewable Energy Power Generation Businesses



By developing environment-friendly infrastructure worldwide, the Sumitomo Corporation Group helps to protect the global environment. As efforts to realize a low-carbon society gather pace around the world, we are actively developing renewable energy power generation businesses in Japan and overseas. These initiatives include wind, solar, geothermal, and biomass power generation businesses. In fiscal 2016, we participated in offshore wind farms in the United Kingdom, and our geothermal power generation business in Indonesia and solar power generation business in Minamisoma, in Japan's Fukushima Prefecture, began plant construction.



Handa Biomass Power Plant in Aichi Prefecture, Japan



Galloper Offshore Wind Farm in the United Kingdom



PROJECT SPOTLIGHT

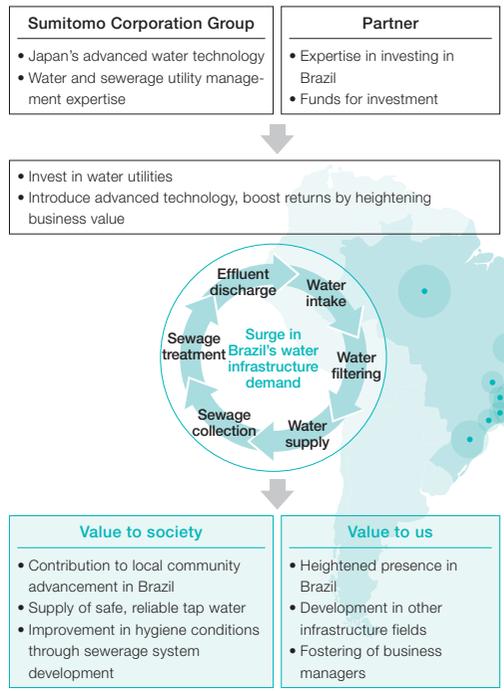


Providing Brazilians with Safe, Reliable Water Supplies: Water Concession Business in Brazil

Sewage treatment facilities in Brazil: in the states of Rio Grande do Sul (left), Pernambuco (top right), and Tocantins (bottom right)

Brazil is South America's largest country and has a population of about 200 million. Given the country's urgent need for infrastructure development and better management practices, Brazil represents a market with huge growth potential. Only 83% of the population have access to tap water services, and only 50% have access to sewerage services. Moreover, water pipe leakages are common. Aiming to leverage our expertise in water supply and sewerage services accumulated through projects in the United Kingdom, the Middle East, Mexico, and China, in April 2017 we invested in Brazil's largest private water and sewerage utility, which provides services to approximately 17 million people. We will increase the value of this business by sending business experts to Brazil and introducing Japan's best practices and technology. The Sumitomo Corporation Group will establish safe, reliable water supplies to provide an essential utility for everyday life, improve the water environment of local communities, and advance society.

Value-Creating Business Model



COMMITMENT

Developing Water Infrastructure through Strong Teamwork

Water infrastructure is one of the most critical systems underpinning day-to-day urban life. In Brazil, many local communities have undeveloped water and sewerage infrastructure. A lack of clean tap water and unmanaged sewage disposal cause health and environmental problems. Through participation in a water and sewerage service business in Brazil, we will introduce leading-edge technology and expertise from Japan and contribute to environmental protection as well as the safety and convenience of daily life. Moreover, given that Brazil is approximately 23 times larger than Japan, the scale of this venture makes it an exciting, challenging prospect for the whole team.



Business Development Team
Infrastructure Business
Development Dept.

▶▶ Media, ICT, Lifestyle Related Goods & Services Business Unit

- ▶ Planning & Coordination Dept., Media, ICT, Lifestyle Related Goods & Services Business Unit
- ▶ Media Division
- ▶ ICT Business Division
- ▶ Lifestyle & Retail Business Division
- ▶ Food & Agriculture Business Division
- ▶ Materials, Supplies & Real Estate Division



Toshikazu Nambu
General Manager,
Media, ICT, Lifestyle
Related Goods & Services
Business Unit

Business Lines

Media & ICT

We operate media businesses engaged in Cable TV, multichannel programming distribution, and other business areas. Also, we are engaged in ICT businesses such as mobile operator/solution and IT service.

Retail & Food

We are developing a wide range of businesses, from TV shopping and such retail businesses as supermarkets through to food production and sales.

Materials, Supplies & Real Estate

We have industry-leading operating companies that handle cement and other construction materials as well as lumber processing and forestry businesses. Also, we are extending activities to include biomass businesses. At the same time, we are concentrating on the advancement of office building businesses, retail facility businesses, condominium development and sales, and logistics facility businesses.

What We Aim to Be

We will create new lifestyles by developing diverse consumer and lifestyle-related businesses globally.



J:COM Wonder Studio, located in TOKYO SKYTREE TOWN®

Beginning full-scale handling of Iowa Premium beef



A forest managed by Summit Forests New Zealand Ltd.



Performance Highlights (Billions of yen)

	FY2015	FY2016	FY2017 Forecast
Global basis*1			
Profit*2	63.9	77.0	86.0
Segment basis			
Gross profit	254.6	257.0	
Share of profit of investments accounted for using the equity method	44.2	58.7	
Profit*2	64.8	77.6	
Basic profit	70.8	88.1	
Total assets	1,735.0	1,909.3	

*1 "Global basis" consists of results including operations in Overseas Subsidiaries and Branches segment.

*2 Profit for the year attributable to owners of the parent

Fiscal 2016 Results

J:COM, SCSK Corporation, Jupiter Shop Channel Co., Ltd., other major domestic operating companies, and real estate businesses performed steadily. Also, the absence of the impairment loss in the grain business in Australia recorded in the previous fiscal year was a positive factor for earnings. As a result of the above, profit for the year in the Media, ICT, Lifestyle Related Goods & Services Business Unit rose ¥13.1 billion year on year, to ¥77.0 billion, on a global basis.

Segment Strengths, Challenges, and Business Environment

	Media & ICT	Retail & Food	Materials, Supplies & Real Estate
Strengths	<ul style="list-style-type: none"> ▶ J:COM, with No. 1 share of Cable TV market ▶ SCSK, leading IT solutions provider ▶ T-GAIA, with No. 1 mobile phone sales network 	<ul style="list-style-type: none"> ▶ Expertise in retail business acquired through management of Summit, Inc., TOMOD'S INC., and Jupiter Shop Channel ▶ Robust global platform for retail distribution of produce 	<ul style="list-style-type: none"> ▶ Comprehensive portfolio of real estate in Japan, including office buildings, retail facilities, condominiums, and logistics facilities ▶ Operating companies with leading shares in Japanese construction materials-related markets ▶ Ownership of large-scale forest resources
Challenges	<ul style="list-style-type: none"> ▶ Expansion of media businesses into digital media field ▶ Further improvement of customer satisfaction for telecommunication business in Myanmar 	<ul style="list-style-type: none"> ▶ Further expansion of earnings foundations and development of new businesses in peripheral fields in retail businesses ▶ Expansion of revenue base of food businesses 	<ul style="list-style-type: none"> ▶ Establishment of biomass fuel manufacturing businesses ▶ Further expansion of forest resources ▶ Accumulation of assets under management through fund and REIT businesses ▶ Increase in proportion of overseas businesses among real estate businesses
Opportunities	<ul style="list-style-type: none"> ▶ Deregulation of electricity and gas retailing ▶ Lifestyle changes with growing smartphone services ▶ Innovation driven by ICT 	<ul style="list-style-type: none"> ▶ Growing food demand centered on emerging countries ▶ Food diversification in developed countries 	<ul style="list-style-type: none"> ▶ Increase in demand for real estate and construction materials thanks to holding of 2020 Tokyo Summer Olympic and Paralympic Games ▶ Increase in demand for timber products due to ban on logging of natural forests in China ▶ Increase in demand for biomass accompanying rise in renewable energy
Risks	<ul style="list-style-type: none"> ▶ Increased competition in markets of pay TV and fixed broadband businesses ▶ Structural change in the mobile telecom industry 	<ul style="list-style-type: none"> ▶ Weather and climate risks in agricultural businesses ▶ Decline in consumer confidence due to worsening economic conditions 	<ul style="list-style-type: none"> ▶ Rise in forest values ▶ Overheating of real estate market ▶ Managing businesses amid lower demand for construction materials in Japan and changes in real estate market as population declines

Medium-Term Management Plan's Growth Strategies for Becoming What We Aim to Be

We will grow earnings by further expanding and strengthening the earnings foundations of major operating companies, including J:COM, SCSK, Jupiter Shop Channel, Summit, and TOMOD'S; major real estate businesses; and other existing businesses while leveraging expertise and competitive advantages fostered in existing businesses to advance global business development. Also, the business unit will strengthen collaboration centered on these major companies and businesses to boost earnings even further.

In the media and ICT fields, we will grow existing businesses while generating stable earnings. In conjunction with these efforts, we will expand new businesses in digital media, mobile

solutions, and the Internet of Things (IoT). As for the retail and food fields, plans call for increasing the earnings of existing businesses and developing new businesses around existing fields. Moreover, the business unit will steadily grow Fyffes plc, an international produce marketer and distributor. In the materials, supplies, and real estate fields, we will strengthen the earnings foundations of the businesses handling cement and other construction materials and expand biomass businesses. Furthermore, real estate businesses will increase the scale of assets and the proportion of overseas businesses. Also, we will create new businesses in the health-care field through cross-organizational collaboration.

Business Portfolio



BBBO2017 Initiatives in Fiscal 2016

Acquisition of Fyffes, an International Produce Marketer and Distributor Headquartered in Ireland



The Sumitomo Corporation Group has been active in the banana industry since the 1960s and is the market leader in Asia with a fully integrated business model with interests ranging from plantation operations in the Philippines to retail distribution across the Asian region. Furthermore, our business is not limited to bananas, we operate an import and domestic distribution business for a wide range of produce.

Meanwhile, Fyffes is a leading international produce marketer and distributor. The company grows, procures, ships, ripens, distributes, and markets bananas, pineapples, melons, and

mushrooms and has operations in such countries and regions as Europe, the United States, Canada, and Latin America.

We decided Fyffes was the most appropriate partner for expansion of our produce business portfolio and acquired the company in February 2017 as a subsidiary. We aim to take advantage of the company's network to enable new product initiatives, expand our plantations, and increase distribution efficiency. At the same time, Fyffes will grow its own business through the expansion of Fairtrade and the organic products business.



Produce handled by Fyffes



PROJECT
SPOTLIGHT



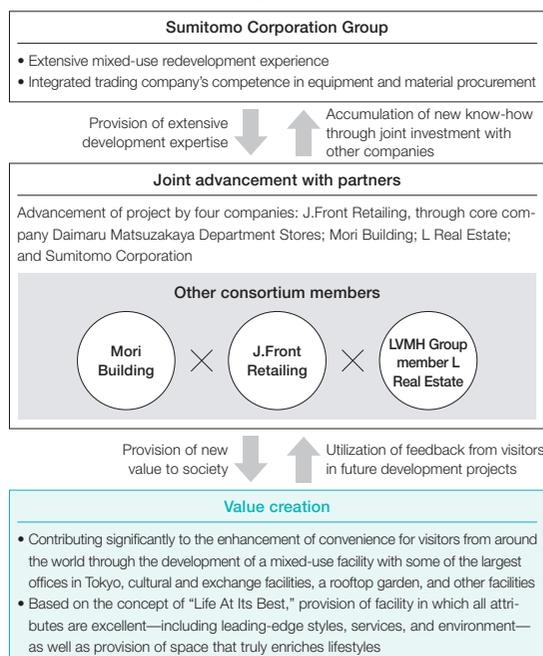
Unveiling of the Ginza Area's Largest Mixed-Use Facility: GINZA SIX

The GINZA SIX mixed-use facility

One of our major development projects in the real estate field, GINZA SIX, opened on April 20, 2017. To create GINZA SIX, a four-company consortium comprising J.Front Retailing Co., Ltd., which includes Daimaru Matsuzakaya Department Stores Co., Ltd., as a core company; Mori Building Co., Ltd.; L Real Estate, which belongs to the LVMH Group; and Sumitomo Corporation redeveloped Ginza 6-chome. Including the Ginza area's largest retail facility, GINZA SIX has 241 tenants, mainly retailers of high-end brands; a site area of approximately 9,080 square meters; 13 floors above ground; and six underground. The mixed-use facility creates diverse value. For example, the floors above ground include office space that is the same size as the retail facility and which comprises seven spacious office floors, while the six floors underground include the *Kanze Noh Theater* cultural facility.

We earned the opportunity to participate in the GINZA SIX project thanks to our track record as a general property developer and reputation for excellence in retail facility development and management. We will continue to increase our expertise and experience regarding retail facilities and broaden the scope of our business initiatives. At the same time, we will enable cities to function better and establish the foundations for comfortable and enriching lifestyles.

Value-Creating Business Model

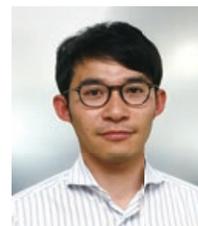


COMMITMENT

Realizing an Ambitious Project in Ginza

The Sumitomo Corporation Group has a long history of mixed-use redevelopment. Nonetheless, developing a mixed-use facility in Ginza—Japan's premier shopping district—was a major challenge. By holding extensive deliberations and drawing on each other's expertise, the four members of the consortium completed a building with some of the largest offices in Tokyo and a world-class retail facility. Other consortium members welcomed our hands-on approach, and through these efforts we made a significant contribution to the planning and construction of the mixed-use facility.

We will leverage know-how garnered through the GINZA SIX project to continue tackling ambitious projects.



Taku Goto
Building & Overseas Real Estate Business Dept.

▶ Mineral Resources, Energy, Chemical & Electronics Business Unit

- ▶ Planning & Coordination Dept., Mineral Resources, Energy, Chemical & Electronics Business Unit
- ▶ Project Management Dept. for Mining & E&P
- ▶ Mineral Resources Division No. 1
- ▶ Mineral Resources Division No. 2
- ▶ Energy Division
- ▶ Basic Chemicals & Electronics Division
- ▶ Life Science Division



Masahiro Fujita
General Manager,
Mineral Resources, Energy,
Chemical & Electronics
Business Unit

Business Lines

Mineral Resources & Energy

The Sumitomo Corporation Group develops and promotes projects for mineral resources, oil, and natural gas worldwide, thereby contributing to the stable supply of resources and energy as well as the advancement of local communities. We have a diverse portfolio of trading business. In addition to handling nonferrous metals, coal, carbon products, iron and steel making raw materials, oil, and gas, we combine these activities with derivative functions and extend value chains.

Chemical & Electronics

We take advantage of our global network to trade petrochemicals, inorganic chemicals, functional chemicals, and electronics industry materials. Moreover, we engage in manufacturing businesses, such as businesses that provide electronics manufacturing services (EMS). In the pharmaceutical, cosmetic, crop protection product, fertilizer, and animal drug fields, wide-ranging expertise enables us to develop global businesses that enrich daily life.

What We Aim to Be

In the mineral resources and energy field, we aim to build a high-quality portfolio that is effectively diversified against risk, while in the chemical and electronics field our goal is to develop high-value-added businesses.



An LNG project site in Indonesia



A manganese alloy manufacturing plant in Malaysia

Helping improve productivity by supplying agricultural materials in Brazil



Performance Highlights (Billions of yen)

	FY2015	FY2016	FY2017 Forecast
Global basis*1			
Profit (Loss)*2	(148.1)	(6.6)	53.0
Segment basis			
Gross profit	80.3	117.9	
Share of profit of investments accounted for using the equity method	(155.4)	(46.0)	
Profit (Loss)*2	(151.6)	(17.2)	
Basic profit	(145.2)	(6.0)	
Total assets	1,434.4	1,333.6	

*1 "Global basis" consists of results including operations in Overseas Subsidiaries and Branches segment.

*2 Profit for the year attributable to owners of the parent

Fiscal 2016 Results

Although the copper and molybdenum mine in Chile recorded an impairment loss, the recovery in resource prices improved earnings. Compared to the previous fiscal year in which we experienced several impairment losses from assets including the nickel operation in Madagascar, the Mineral Resources, Energy, Chemical & Electronics Business Unit was able to recover from a loss in the previous fiscal year of ¥148.1 billion to a loss for the year of ¥6.6 billion, on a global basis.

Segment Strengths, Challenges, and Business Environment

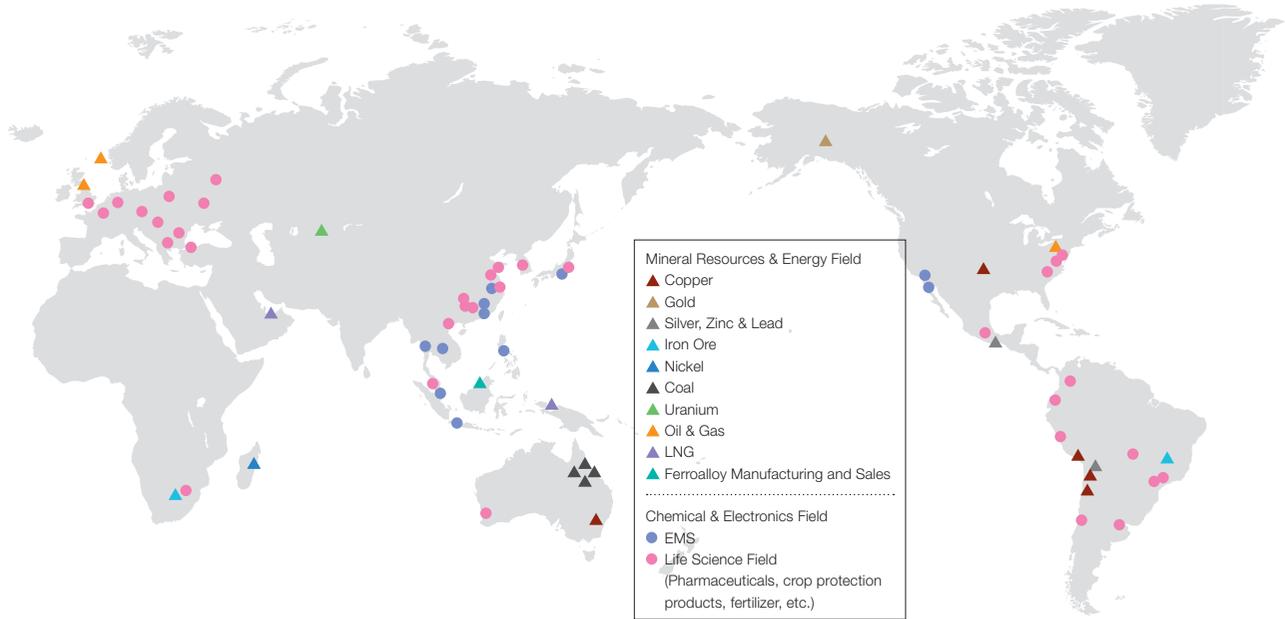
	Mineral Resources & Energy	Chemical & Electronics
Strengths	<ul style="list-style-type: none"> ▶ Equity interests in high-quality mineral resource, oil, and natural gas projects ▶ Experience and expertise accumulated by participating in operation and business management of mines ▶ Establishment of stable relationships with major customers through trading 	<ul style="list-style-type: none"> ▶ Expertise and global customer base developed over many years of trading ▶ Electronics manufacturing services (EMS) with advanced production technology, quality control, and supply chain management ▶ Sales network for crop protection products in countries worldwide
Challenges	<ul style="list-style-type: none"> ▶ Achieving profitability of natural resource projects that are in the ramping up stages ▶ Strengthening of competitiveness through ongoing cost reduction in existing businesses ▶ Realization of synergies between trading and operating assets and expansion of value chains 	<ul style="list-style-type: none"> ▶ Establishment of a firm revenue base through the combination of trading and manufacturing businesses ▶ Participation in business handling niche, high-value-added chemicals with global competitiveness
Opportunities	<ul style="list-style-type: none"> ▶ Increase in demand for mineral resources, oil, and natural gas over medium-to-long term driven by sustainable economic growth ▶ Portfolio optimization through replacement of assets and acquisition of high-quality projects 	<ul style="list-style-type: none"> ▶ Higher demand due to population growth and economic development in emerging countries ▶ Increase in business opportunities from technological innovations related to energy saving and resource saving
Risks	<ul style="list-style-type: none"> ▶ Stagnation in demand growth due to the slowdown of economic growth in China and emerging countries ▶ Competition to increase production among major natural resource companies and continued oversupply ▶ Country risk associated with legislation changes in countries where projects are located 	<ul style="list-style-type: none"> ▶ Slowdown of economic growth and currency depreciation among emerging countries ▶ Market downturns due to weather and other external factors ▶ Loss of advantages due to technological innovation, industry reorganization, or new entry of other companies

Medium-Term Management Plan's Growth Strategies for Becoming What We Aim to Be

In the mineral resources and energy business area, we will keep focusing on achieving profitability from projects such as the copper and molybdenum mine in Chile and the nickel project in Madagascar. We will also continue reducing costs and strengthening profitability in other existing businesses. At the same time, we aim to optimize our portfolio by selling assets whose competitiveness has declined comparatively. Meanwhile, we are taking measures to strengthen capabilities and heighten the quality of strategy formulation and decision making on investments, in order to advance initiatives to acquire high-quality assets.

In the chemical and electronics business area, we will leverage the expertise and customer bases that we have acquired to develop high-value-added trading, maximize synergy benefits in phenol manufacturing businesses in China, and strengthen value chains for EMS businesses, which aim to expand in the vehicle installation field. Also, plans call for growing our earnings base by extending our global sales network for crop protection products and strengthening existing business in such areas as fertilizers, pharmaceuticals, animal drugs, and cosmetic ingredients.

Business Portfolio



BBBO2017 Initiatives in Fiscal 2016

Manufacturing and Selling Electrolyte for Lithium-Ion Batteries in China

Providing a Stable Supply of Materials for Advanced Equipment:
Morita New Energy Materials (Zhangjiagang) Co., Ltd.



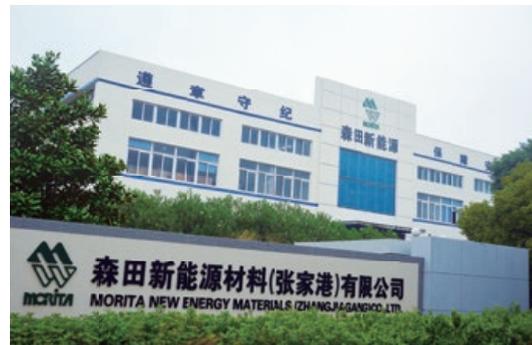
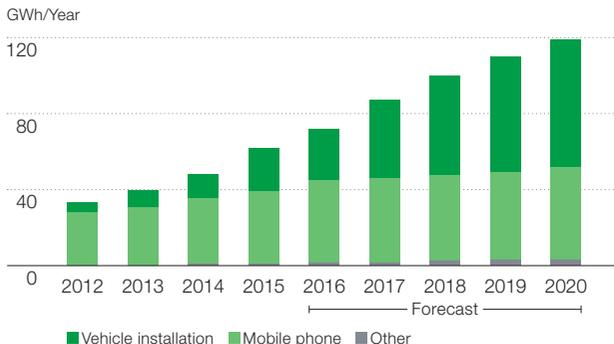
Lithium-ion batteries are rechargeable, making them indispensable for such advanced equipment as smartphones and electric cars.

In 2004, the Sumitomo Corporation Group and Morita Chemical Industries Co., Ltd., jointly established Morita New Energy Materials (Zhangjiagang) Co., Ltd., in Jiangsu Province, China. The new company began manufacturing electrolyte for use in lithium-ion batteries. The manufacture of electrolyte requires strict safety control at plants because the hazardous

substance hydrofluoric acid is used. Thanks to Morita New Energy Materials' focus on personnel training, local personnel are now able to perform all processes involved in the operation.

A testament to the high quality of its products, Morita New Energy Materials is keeping the top share of the electrolyte market. In October 2016, a plan was launched to build a second plant that will cater to growing demand. We will continue stably supplying electrolyte—one of the most important materials for future industry going forward.

Projected Lithium-Ion Battery Demand



Morita New Energy Materials (Zhangjiagang) Co., Ltd., plant in China



PROJECT SPOTLIGHT

Supplying Nonferrous Metals Stably and Helping Local Communities Prosper: The San Cristobal Mine in Bolivia



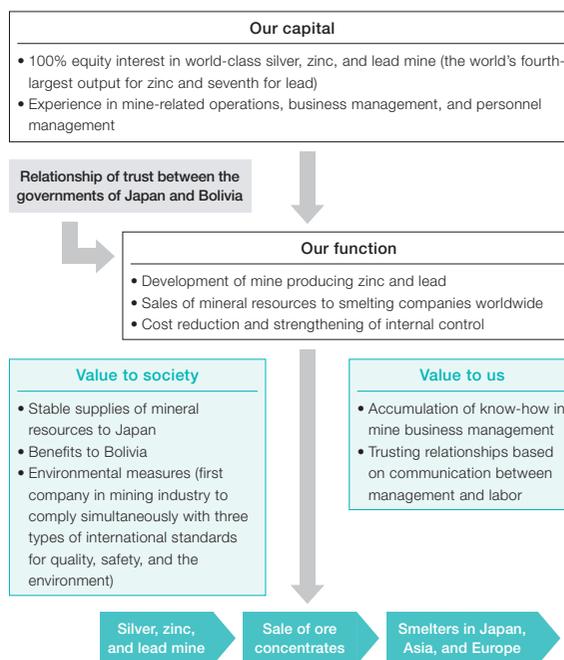
A surface mine approximately 4,000 meters above sea level (left), a large-scale dump truck transporting mineral ores extracted from the mining site (top right), and a mineral-ore-dressing plant with a dust-scattering-prevention dome in the foreground (bottom right)

In Bolivia, the Sumitomo Corporation Group has a 100% stake in and operates the San Cristobal silver, zinc, and lead mine. We export concentrates from the mine to Japan, other parts of Asia, and Europe for use in a wide range of essential products, such as automobiles, consumer electronics, and building materials.

Accounting for a large proportion of the output and exports of Bolivia's mining sector, the mine creates employment in the country. Moreover, we have contributed to the sustained development of local communities by supporting the health, education, and prosperity not only of mine employees but also of local residents through the construction of infrastructure and the establishment of a hospital and a technical institute.

Since the mine's development phase, we have invested personnel and other management resources in the project. Capitalizing on the know-how we have acquired through the project, we will continue meeting demand for nonferrous metals and contributing to the development of society.

Value-Creating Business Model



COMMITMENT

Coexisting with Local Communities

At Minera San Cristobal S.A., I am engaged in responding to local communities and supporting the development of the local area. The job calls for an understanding of the local culture, a sense of responsibility toward the area, and the ability to build consensus among people with a range of economic interests. With this in mind, I will remain responsive to social issues and continue cultivating favorable relationships with local communities to build consensus with diverse stakeholders and advance social infrastructure development.



Juan Mamani Ortega
Superintendent, Sustainable Development and Community Relations, Minera San Cristobal S.A.

Messages from Overseas and Japan Region General Managers

We are expanding and improving our ability to move management resources globally so that they focus on growth markets. To enable this move, we have consolidated overseas bases into four broad regional organizations: East Asia; Asia & Oceania; Europe, Middle East, Africa & the Commonwealth of Independent States (CIS); and the Americas. Under this operation structure, we have enhanced the ability of these regional organizations to initiate new businesses and secure and develop human resources, thereby strengthening the capabilities and foundations of regional organizations.

And in Japan, we aim to accelerate coordination between business units in formulating and advancing domestic market strategies that treat Japan as a single unified market. In addition, we are encouraging cross-organizational collaboration among domestic regional offices, business units, and corporate groups, thereby reinforcing consolidated Group management and further exercising the Company's integrated corporate strength.

East Asia

We will help advance Groupwide growth strategy by identifying qualitative changes in East Asia's economy, concentrating management resources in fields and regions that promise growth, and exploiting unique capabilities as a regional organization.

East Asia represents a market with burgeoning potential. In many fields in the region, economic growth and social change are giving rise to new business opportunities. Through business management decisions that take advantage of a broad regional operation structure, we will strengthen the earning power of the Group on a global basis by leveraging the Group's global network and information acquired from business activities in the region and intensifying cross-organizational collaboration among business units and with other regions. We intend to continue focusing management resources on four fields that promise strong growth—mineral resources and energy, automobile-related, domestic consumption (food, medical, etc.), and environment-related and energy-saving businesses—and on Plus One initiatives (advancing joint ventures with Chinese companies when they enter overseas markets). Moreover, these efforts will transform business models and create new businesses.



Fumihiro Koba
General Manager for East Asia

Asia & Oceania

We will identify emerging trends and demand in Asia and Oceania's highly dynamic market, work with business partners in each country to create new value, and help local communities achieve prosperity and realize dreams.

Depending on their stage of economic development, the countries in Asia and Oceania are seeing higher consumer spending as middle classes expand and increases in demand for the development of infrastructure, such as power infrastructure. Consequently, the region offers a wide array of business opportunities. Against this backdrop, we are deploying management resources in the region to create new value. For instance, we have identified retail, agriculture, food, and social infrastructure as our focused industries and emerging countries like India and Myanmar as markets we will cultivate. The Asia and Oceania region comprises countries with different cultures and at various stages of economic development. We will identify each country's social and economic needs and work with major business partners to steadily advance businesses that are rooted in local communities. These efforts will help local communities achieve prosperity and realize their dreams.



Masao Sekiuchi
General Manager for Asia & Oceania

Europe, Middle East, Africa & CIS



Kiyoshi Sunobe
General Manager for
Europe, Middle East,
Africa & CIS

We will leverage our customer base and information networks to develop businesses that reflect the varied characteristics of the Europe, Middle East, Africa and CIS region and help sustain its development.

The Europe, Middle East, Africa and CIS region, while undergoing a variety of geopolitical changes, offers an array of business opportunities. In Europe, we are focusing on developing businesses in innovative technology fields, such as mobility services. As for the Middle East, we are developing businesses in partnership with major local companies that aspire to become multinational. Further, we are helping to develop local economies in Africa and the CIS, mainly by strengthening the foundations of infrastructure and mineral resource-related businesses. Leveraging the region's diversity, we will take maximum advantage of Sumitomo Corporation Group's integrated corporate strength to work with our partners and create new value in each part of the region.

The Americas

We are focused on expanding businesses in fields where we can successfully apply our advantages and strengthen our position as a well-connected partner and industry expert.

In the Americas, as it was stated in BBBO2017, we mainly deploy management resources to develop and expand our business in four strategic fields: Energy, Infrastructure, Consumer, and Food & Agriculture. In these fields, we will concentrate our efforts to take advantage of our strong presence as an industry expert, and extend value chains and accrue high-quality assets. At the same time, we are always looking for new business opportunities to target in the continuously growing regions in entire Americas. In the U.S., the west coast continues to show phenomenal leadership in technical innovations, and we are looking at ways to connect our existing businesses with global demand for expansion and new technology and services. With our sights set on creating new business opportunities, we opened an office in Silicon Valley in April 2017, which will serve as a hub for various types of partnerships in innovation.



Shingo Ueno
General Manager for
the Americas

Japan Region



Hiroki Inoue
General Manager for
Japan Region

Viewing Japan as a growth market once again, the Sumitomo Corporation Group will lead the country's growth by mobilizing all of its business foundations to create new value that contributes to local communities and economies.

In many respects, Japan's market is mature. Advanced technology and a diligent national character have created excellent conditions for business in the country. On the other hand, as the population declines, Japanese society is aging to an unprecedented degree. In this context, how to realize further growth is the biggest issue.

At present, a range of exciting ideas are emerging, such as increasing the number of visitors to Japan, regional revitalization, and the creation of a new society that takes advantage of the Internet of Things and artificial intelligence and incorporates people from other countries. To realize these ideas, the Group will advance domestic strategies by mobilizing all of its business foundations as well as internal and external human networks to contribute to local communities and economies and help Japan grow.

Directors, Corporate Auditors, and Executive Officers

(As of July 1, 2017)

* Shares owned in the Company (As of March 31, 2017) Attendance at meetings of the Board of Directors in fiscal 2016

Directors



Kazuo Ohmori

Chairman
*88,200 shares 18/18
April 1971
Entered the Company
June 2013
Chairman of
the Board of Directors



Kuniharu Nakamura

Representative Director
*87,800 shares 18/18
April 1974
Entered the Company
June 2012
Representative Director,
President and CEO
June 2017
Representative Director,
President and
Chief Executive Officer



Naoki Hidaka

Representative Director
*61,200 shares 18/18
April 1976
Entered the Company
April 2015
Representative Director,
Executive Vice President,
General Manager,
Transportation &
Construction Systems
Business Unit



Hideki Iwasawa

Representative Director
*40,200 shares 18/18
April 1977
Entered the Company
April 2017
Representative Director,
Executive Vice President,
Chief Administration Officer
and Chief Compliance Officer



Koichi Takahata

Representative Director
*24,600 shares 15/15
April 1978
Entered the Company
April 2017
Representative Director,
Senior Managing
Executive Officer,
Chief Financial Officer



Masao Tabuchi

Representative Director
*21,100 shares 18/18
April 1980
Entered the Company
April 2017
Representative Director,
Senior Managing Executive
Officer, Chief Strategy
Officer and Chief
Information Officer



Yayoi Tanaka Independent Director

Outside Director
*1,300 shares 16/18
April 1982 Entered Nippon Kogaku K.K.
(currently Nikon Corporation)
September 2006 Associate Professor, Center for International
Relations, National Institution for Academic
Degrees and University Evaluation*1
January 2007 Member, Fiscal System Council, Ministry of
Finance (present position)
April 2007 Associate Professor, Department of Evaluation
and Research, National Institution for
Academic Degrees and University Evaluation*1
Adjunct faculty member, Graduate School of
Public Policy, The University of Tokyo
(present position)
February 2013 Private sector member, Administrative Reform
Promotion Council,
Cabinet Secretariat (present position)
April 2013 Professor, Research Department, National
Institution for Academic Degrees and
University Evaluation*1
April 2015 Member, Policy Evaluation Committee,
Ministry of Internal Affairs and
Communications
(present position)
June 2015 Outside Director, Sumitomo Corporation
(present position)
April 2017 Special Appointed Professor, Research
Department, National Institution for Academic
Degrees and Quality Enhancement of Higher
Education (present position)
Guest Professor, Osaka University
(present position)
Visiting Professor, Shibaura Institute of
Technology (present position)
President, Social Governance Research
Institute (present position)
Public Governance Advisor, Ministry of Internal
Affairs and Communications (present position)
June 2017 Outside Director, IHI Corporation
(present position)



Koji Ishida Independent Director

Outside Director
*0 share —
May 1970 Entered The Sumitomo Bank, Limited
June 1997 Director, The Sumitomo Bank, Limited
June 1999 Executive Officer,
The Sumitomo Bank, Limited
January 2001 Managing Executive Officer, General Manager
of Corporate Planning Dept.,
The Sumitomo Bank, Limited
April 2001 Managing Executive Officer, General Manager
of Corporate Planning Dept., Sumitomo Mitsui
Banking Corporation (SMBC)
June 2002 Managing Executive Officer, Head of Tokyo
Corporate Banking Division I, SMBC
June 2003 Representative Director, Managing Director,
Sumitomo Mitsui Financial Group, Inc. (SMFG)
April 2004 Representative Director, Senior Managing
Director, SMFG
June 2005 Standing Corporate Auditor, SMFG
(retired in June 2006)
Corporate Auditor, SMBC
(retired in June 2006)
June 2006 President & CEO, SMBC Leasing Co., Ltd.
October 2007 President, Sumitomo Mitsui Finance and
Leasing Co., Ltd. (SMFL; retired in June 2011)*2
June 2011 Member of the Policy Board, the Bank of
Japan (retired in June 2016)
July 2016 Member of the Management Advisory
Committee, KPMG AZSA LLC
June 2017 Outside Director, Sumitomo Corporation
(present position)
July 2017 Member of the Public Interest Oversight
Board, KPMG AZSA LLC (present position)

*1 The name was changed to "National Institution for Academic Degrees and Quality Enhancement of Higher Education" on April 1, 2016.

*2 In October 2007, SMBC Leasing Co., Ltd. merged with Sumisho Lease Co., Ltd. to become SMFL. Mr. Ishida continued in office as president of SMFL, retiring in June 2011.



Nobuyoshi Ehara Independent Director

Outside Director
*0 share 15/15
September 1978 Entered Morgan Guaranty Trust Company
October 1980 Entered Goldman Sachs & Co.
October 1988 Partner, Goldman Sachs & Co.
November 1996 Limited Partner, Goldman Sachs & Co.
January 1999 Representative Director, Unison Capital, Inc.
(present position)
June 2016 Outside Director, Sumitomo Corporation
(present position)

* Shares owned in the Company (As of March 31, 2017)

Attendance at meetings of the Board of Directors in fiscal 2016 Attendance at meetings of the Board of Corporate Auditors in fiscal 2016

Corporate Auditors



Takuro Kawahara

Standing Corporate Auditor (Full-Time)

*92,700 shares 15/15 10/10

April 1975 Entered the Company
June 2016 Standing Corporate Auditor



Nobuhiko Yuki

Corporate Auditor (Full-Time)

*20,500 shares 18/18 15/15

April 1976 Entered the Company
June 2014 Corporate Auditor



Haruo Kasama Independent Corporate Auditor

Outside Corporate Auditor (Lawyer)

*10,300 shares 16/18 15/15

April 1974 Public Prosecutor
June 2001 Chief Public Prosecutor of the Kofu Public Prosecutor's Office
October 2002 Deputy Public Prosecutor of the Tokyo District Public Prosecutor's Office
June 2005 Deputy Public Prosecutor of the Tokyo High Public Prosecutors Office
June 2006 Director of Criminal Division in Supreme Public Prosecutors Office
October 2007 Deputy Prosecutor-General
January 2009 Superintendent Public Prosecutor of the Hiroshima High Public Prosecutors Office
June 2010 Superintendent Public Prosecutor of the Tokyo High Public Prosecutors Office
December 2010 Prosecutor-General (retired in July 2012)
October 2012 Attorney at Law (present position)
June 2013 Outside Corporate Auditor, Sumitomo Corporation (present position)
Outside Director, JAPAN POST HOLDINGS Co., Ltd. (retired in June 2016)
Outside Corporate Auditor, Sampo Holdings, Inc. (retired in June 2017)
February 2014 Outside Corporate Auditor, Kewpie Corporation (present position)



Toshio Nagai Independent Corporate Auditor

Outside Corporate Auditor (Lawyer)

*0 share 14/15 10/10

April 1974 Assistant Judge
April 1986 Judicial Research Official, Supreme Court
April 1997 Presiding Judge, Tokyo District Court
September 2001 Senior Judicial Research Official, Supreme Court
December 2006 Chief Judge, Kofu District/Family Court
December 2007 Presiding Judge, Tokyo High Court
November 2008 Chief Judicial Research Official, Supreme Court
March 2012 President, Hiroshima High Court
March 2013 President, Osaka High Court (retired in July 2014)
September 2014 Attorney at Law (present position)
June 2015 Outside Corporate Auditor, Toray Industries, Inc. (present position)
June 2016 Outside Corporate Auditor, Sumitomo Corporation (present position)



Yoshitaka Kato Independent Corporate Auditor

Outside Corporate Auditor (Certified Public Accountant)

*0 share 12/15 10/10

November 1974 Entered Tetsuzo Ota & Co.*
September 1978 Certified Public Accountant (present position)
May 1998 Representative Associate, Showa Ota & Co.*
June 2006 Executive Director, Ernst & Young ShinNihon*
August 2008 CEO, Ernst & Young ShinNihon LLC (retired from Ernst & Young ShinNihon LLC in June 2014)
June 2015 Outside Corporate Auditor, Sumitomo Chemical Company, Limited (present position)
Outside Corporate Auditor, Mitsui Fudosan Co., Ltd. (present position)
Auditor, the General Insurance Rating Organization of Japan (present position)
June 2016 Outside Corporate Auditor, Sumitomo Corporation (present position)

* Currently Ernst & Young ShinNihon LLC

Executive Officers

President and Chief Executive Officer

Kuniharu Nakamura

Executive Vice Presidents

Naoki Hidaka

General Manager, Transportation & Construction Systems Business Unit

Hideki Iwasawa

Chief Administration Officer and Chief Compliance Officer

Masahiro Fujita

General Manager, Mineral Resources, Energy, Chemical & Electronics Business Unit

Senior Managing Executive Officers

Koichi Takahata

Chief Financial Officer

Masao Sekiuchi

General Manager for Asia & Oceania

Masato Sugimori

Director, Executive Vice President, Jupiter Telecommunications Co., Ltd.

Akira Satake

Director, Senior Managing Executive Officer, Sumitomo Precision Products Co., Ltd.

Masao Tabuchi

Chief Strategy Officer and Chief Information Officer

Makoto Horie

General Manager, Metal Products Business Unit

Toshikazu Nambu

General Manager, Media, ICT, Lifestyle Related Goods & Services Business Unit

Masayuki Hyodo

General Manager, Environment & Infrastructure Business Unit

Managing Executive Officers

Hiroki Inoue

General Manager for Japan Region; General Manager, Kansai Office

Kiyoshi Sunobe

General Manager for Europe, Middle East, Africa & CIS

Fumihiko Koba

General Manager for East Asia

Shingo Ueno

General Manager for the Americas

Michihiko Hosono

Assistant CAO, General Affairs & Legal

Hideo Ogawa

Assistant CFO, Risk Management

Daisuke Mikogami

Representative Director, Executive Vice President, SCSK Corporation

Shoichiro Oka

Assistant General Manager, Transportation & Construction Systems Business Unit; General Manager, Automotive Division No.2

Executive Officers

Hiroyuki Takai

President, Sumitomo Corporation Global Research Co., Ltd.

Shuichi Suzuki

General Manager, Energy Division

Tsuyoshi Oikawa

General Manager, Planning & Coordination Dept., Mineral Resources, Energy, Chemical & Electronics Business Unit

Tsutomu Akimoto

General Manager, Global Power Infrastructure Business Division

Masato Ishida

Assistant General Manager for Europe, Middle East, Africa & CIS; General Manager for Middle East

Takeshi Murata

General Manager, Ship, Aerospace & Transportation Systems Division

Nobuki Ando

Assistant General Manager, Media, ICT, Lifestyle Related Goods & Services Business Unit; General Manager, Planning & Coordination Dept., Media, ICT, Lifestyle Related Goods & Services Business Unit

Keiji Tanaka

President and CEO, Jupiter Shop Channel Co., Ltd.

Reiji Morooka

Managing Director, Sumitomo Mitsui Finance and Leasing Co., Ltd.

Takayuki Seishima

Assistant General Manager for the Americas; Executive Vice President and CFO of Sumitomo Corporation of Americas Group; Executive Vice President and CFO of Sumitomo Corporation of Americas

Toyoaki Funakoshi

General Manager, Social Infrastructure Business Division

Masaki Nakajima

General Manager, Automotive Division No.1

Toshiaki Murai

General Manager, Mineral Resources Division No.1

Hideki Yamano

General Manager, Corporate Planning & Coordination Dept.

Keigo Shiomi

General Manager, Metal Products for Automotive Industry Division

Masatoshi Deguchi

General Manager, Internal Auditing Dept.

Koji Tamefusa

Director, Senior Managing Executive Officer, SCSK Corporation

Yasushi Fukuda

General Manager, Logistics & Insurance Business Division

Yoshiyuki Sakamoto

General Manager, Basic Chemicals & Electronics Division

Kei Sato

General Manager, Lifestyle & Retail Business Division

Norihiko Nonaka

Assistant General Manager for Asia & Oceania; General Manager, Environment & Infrastructure Business Unit in Sumitomo Corporation Asia & Oceania Group; President and CEO, PT. Sumitomo Indonesia

Masaru Shiomi

General Manager, Finance Dept.

Iehisa Nakamura

General Manager, Media Division

Bin Haga

Assistant General Manager for Europe, Middle East, Africa & CIS; General Manager for Europe

Organization

(As of May 1, 2017)



Global Network

(As of May 1, 2017)



EUROPE

London
Oslo
Praha
Warsaw
Milan
Madrid
Dusseldorf
Paris
Brussels

AFRICA

Algiers
Casablanca
Johannesburg
Nairobi
Dar es Salaam
Luanda
Antananarivo
Accra
Maputo

MIDDLE EAST

Dubai
Abu Dhabi
Teheran
Istanbul
Ankara
Alkhubar
Riyadh
Jeddah
Muscat
Doha
Kuwait
Bahrain
Baghdad
Erbil
Amman
Damascus
Cairo
Tripoli

CIS

Moscow
Vladivostok
St. Petersburg
Kiev
Almaty
Astana
Tashkent

Overseas:	65 countries
	38 Subsidiaries / 80 locations
	2 Branches / 2 locations
	1 Sub-Branch / 1 location
	25 Offices / 25 locations
Total	108 locations

Japan:	Headquarters
	3 Subsidiaries / 9 locations
	6 Offices / 12 locations
Total	22 locations



SOUTHEAST AND SOUTHWEST ASIA

- Singapore
- Kuala Lumpur
- Phnom Penh
- Vientiane
- Yangon
- Nay Pyi Taw
- Dhaka
- Karachi
- Islamabad
- Bangkok
- Manila
- Jakarta
- Surabaya
- Hanoi
- Ho Chi Minh City
- New Delhi
- Mumbai
- Chennai

EAST ASIA

- Beijing
- Chengdu
- Changchun
- Wuhan
- Dalian
- Shanghai
- Tianjin
- Qingdao
- Guangzhou
- Hong Kong
- Ulaanbaatar
- Taipei
- Kaohsiung
- Seoul
- Busan

NORTH AMERICA

- New York
- Detroit
- Washington, D.C.
- Chicago
- Houston
- Denver
- Portland
- Silicon Valley
- Los Angeles
- Calgary
- Toronto
- Vancouver
- Montreal

CENTRAL AMERICA AND SOUTH AMERICA

- Mexico City
- Guatemala
- Havana
- Sao Paulo
- Rio de Janeiro
- Quito
- Caracas
- Bogota
- Lima
- Buenos Aires
- Santiago

OCEANIA

- Sydney
- Melbourne
- Perth
- Auckland

JAPAN

- Tokyo
- Sapporo
- Muroran
- Sendai
- Niigata
- Hamamatsu
- Nagoya
- Osaka
- Hiroshima
- Imabari
- Takamatsu
- Niihama
- Kita-Kyushu
- Fukuoka
- Nagasaki
- Kagoshima
- Naha

History

Supported by Sumitomo's business philosophy, the Sumitomo Corporation Group has continued to grow while tackling various changes in the operating environment.

1919

Foundation

Sumitomo Corporation was originally founded as The Osaka North Harbour Company Limited in December 1919. The company engaged in real estate management, conducting land reclamation in the Hokko (North Port of Osaka) area and the development of the surrounding areas, along with other activities.



Sumitomo's Business Philosophy

Honoring the principles of "integrity and sound management," we pursue sincere and sound business activities, acting with an enterprising spirit to contribute to society. Forming the base for Sumitomo Corporation's activities, this sentiment is encapsulated in Sumitomo's business philosophy, which has been passed down for more than 400 years since the inception of Sumitomo in the 17th century.



Monjuin Shiigaki, the origin of Sumitomo's business philosophy
(Source: Sumitomo Historical Archives)

1945

Advance into trading business

The company was renamed Nippon Engineering Co., Ltd., and advanced into the trading business, handling products from Japan's major manufacturers as well as products manufactured by its own group companies. From then on, the company focused on trading, aiming to expand both the range of products it traded and the industrial segments in which the company operated.

1950

Expansion of its presence abroad

The company began steadily expanding its presence overseas, posting an employee to Bombay (now Mumbai), India, for the first time in 1950, and subsequently establishing a U.S. subsidiary in New York in 1952.

1952

Name changed to Sumitomo Shoji Kaisha, Ltd.

The General Headquarters of the Allied Powers in Japan issued an order calling for the dissolution of zaibatsu financial conglomerates in 1945. As a result, the usage restriction of the "Sumitomo" trade name and trademark were abolished in 1952 in conjunction with the signing of the Treaty of San Francisco. Accordingly, the company's name was changed to Sumitomo Shoji Kaisha, Ltd., at this time.

1962

Adoption of the product division structure

In conjunction with the expansion of its business area and transaction volumes, for enabling all of the Company's business to be advanced through unified policies, the product division structure was adopted in 1962. This move involved consolidating the Osaka and Tokyo sales offices and creating nine product divisions: Iron & Steel, Nonferrous Metals, Electric, Machinery, Agriculture & Fishery, Chemicals, Textiles, General Products & Fuel, and Real Estate. These product divisions were assigned the responsibility for transactions and profitability as well as the human resources-related authority for their respective business.

1977

"Big Three & The Best"

The Company launched its slogan of "Big Three & The Best," and passionately pursued the goal which signified it as being one of the top three companies in terms of total trading transactions and the overall best company in the industry from an all-encompassing standpoint by improving profitability and efficiency.

1979

Introduction of sales division system

A sales division system was introduced in connection with the expansion of the Company's business scope. By promoting empowerment to the four newly established sales divisions—Iron & Steel; Machinery & Electric; Nonferrous Metals, Chemical & Fuel; and Consumer Products—flexibility in sales division was greatly improved.

1950s

1960s

1970s

1988

Vision of Integrated Business Enterprise

The Company set out its vision of becoming an Integrated Business Enterprise and promoted (1) acceleration of business activities, (2) expansion into downstream fields, and (3) reinforcement of Integrated Corporate Strength, based on existing trading activities. Through these promotions, the Company aimed to form two major revenue sources: trading activities and business activities.

1996

The copper incident

It came to light that the general manager of a sales department was conducting unlawful copper trading unbeknownst to the Company. This incident led to the recording of losses to the extent of ¥285.0 billion, and roughly a decade was required to resolve the issue. Learning from this experience, the Company implemented a strict internal control system to prevent the recurrence of similar acts.

1998

Establishment of the Corporate Mission Statement and introduction of the Risk-adjusted Return Ratio

The Sumitomo Corporation Management Charter was revised, and the new Corporate Mission Statement was formed. The Risk-adjusted Return Ratio was introduced as a new management indicator to serve as a common benchmark for judging the profitability of projects based on the amount of returns generated compared with inherent risks.

2000

Implementation of medium-term management plans

Under the Reform Package, a medium-term management plan was adopted in 1999, and the Company pushed forward with reforms aimed at achieving (1) profit growth by expansion of core businesses, (2) strengthening the corporate constitution through risk asset management, (3) realization of effective, efficient management, and (4) reinforcement of cost competitiveness. After the conclusion of this plan, the Company worked to strengthen its earnings base by formulating and implementing a series of two-year medium-term management plans, including Step Up Plan, AA Plan, AG Plan, and GG Plan.

2001

Consolidated Head Office in Tokyo

The names of the "Osaka Head Office" and "Tokyo Head Office" were abolished, and the Head Office functions were consolidated within a new location at Harumi Triton Square, in Chuo-ku, Tokyo. At the same time, the Company introduced the business unit system, giving rise to the Kansai Regional Business Unit, Chubu Regional Business Unit, and Kyushu Okinawa Regional Business Unit. Harumi Triton Square was created through a development project that was spearheaded by the Company. With a scale of ¥300.0 billion, this project garnered a considerable amount of attention as the largest commercial facility development project in Japan at that time.

2015

Overall loss recorded due to substantial impairment losses

The Company has continued to strengthen its earnings base since the financial crisis that followed the bankruptcy of Lehman Brothers in 2008. However, in fiscal 2014 the Company recognized substantial impairment losses on several large-scale projects, forcing it to record an overall loss for the first time in 16 years.

2015

Medium-term management plan: Be the Best, Be the One 2017

We launched our medium-term management plan—"Be the Best, Be the One 2017." To make Groupwide efforts in overcoming issues and to outline a path toward the realization of "What We Aim to Be" is the theme for the management plan.



1980s

1990s

2000s

2010s

Summary of Key Financial Indicators

For the years ended March 31

We have prepared consolidated financial statements in accordance with U.S. GAAP for 2009 and earlier and International Financial Reporting Standards (IFRS) for 2010 and later.

Financial Data	AG Plan		GG Plan	
	2005	2006	2007	2008
Results of operations:				
Gross profit	¥ 706.6	¥ 857.7	¥ 934.5	¥ 935.2
Selling, general and administrative expenses	(515.8)	(609.9)	(669.4)	(654.4)
Interest expense, net	(20.0)	(37.1)	(42.8)	(36.1)
Dividends	10.4	14.1	15.3	14.6
Share of profit (loss) of investments accounted for using the equity method*	51.4	70.3	56.9	90.0
Profit (loss) for the year attributable to owners of the parent*	160.2	211.0	238.9	215.1
Financial position at year end:				
Total assets	6,711.9	8,430.5	7,571.4	7,018.2
Equity attributable to owners of the parent*	1,304.0	1,473.1	1,492.7	1,353.1
Interest-bearing liabilities (net)* ¹	2,622.2	2,913.3	3,247.6	3,186.8
Cash flows:				
Net cash provided by (used in) operating activities	(60.8)	194.3	323.7	348.8
Net cash used in investing activities	(137.9)	(449.7)	(298.0)	(261.5)
Free cash flows	(198.7)	(255.5)	25.6	87.3
Net cash provided by (used in) financing activities	256.7	169.7	7.9	(5.8)
Amounts per share:				
Profit (loss) for the year attributable to owners of the parent*:				
Basic	¥ 130.18	¥ 169.93	¥ 192.51	¥ 172.06
Diluted	130.17	169.90	192.47	172.03
Equity attributable to owners of the parent*	1,047.88	1,192.35	1,194.20	1,082.47
Cash dividends declared for the year* ²	25.00	33.00	38.00	34.00
Ratios:				
Equity attributable to owners of the parent ratio (%) [*]	19.4	17.5	19.7	19.3
ROE (%)	14.3	15.2	16.1	15.1
ROA (%)	2.6	2.8	3.0	2.9
Debt-equity ratio (net) (times)	2.0	2.0	2.2	2.4
For reference:				
Basic profit* ³	¥ 158.3	¥ 202.9	¥ 197.1	¥ 243.0

* Under U.S. GAAP, "Share of profit (loss) of investments accounted for using the equity method" corresponds to "Equity in earnings of associated companies, net"; "Profit (loss) for the year attributable to owners of the parent" corresponds to "Net income (loss) attributable to Sumitomo Corporation"; "Equity attributable to owners of the parent" corresponds to "Sumitomo Corporation shareholders' equity"; and "Equity attributable to owners of the parent ratio" corresponds to "Sumitomo Corporation shareholders' equity ratio."

¹ Interest-bearing liabilities (net) excludes cash and cash equivalents and time deposits from interest-bearing liabilities.

² Cash dividends per share represents the cash dividends declared applicable to each respective year, including dividends paid after the year-end.

³ Basic profit = (Gross profit + Selling, general and administrative expenses [excluding provision for doubtful receivables] + Interest expense, net + Dividends) x (1 - Tax rate) + Share of profit (loss) of investments accounted for using the equity method

[The tax rate was 41% for 2005 through 2011, 38% for 2012 and 2013, 36% for 2014, and 31% for 2016.]

⁴ The U.S. dollar amounts represent transactions of Japanese yen amounts at the rate of ¥111 = U.S.\$1.

								Billions of yen		Millions of U.S. dollars*4
FOCUS' 10		f(x)		BBBO2014		BBBO2017		BBBO2017		
2009	2010	2011	2012	2013	2014	2015	2016	2016		
¥ 779.5	¥ 864.0	¥ 918.8	¥ 827.0	¥ 894.4	¥ 952.9	¥ 894.1	¥ 842.7	\$ 7,592		
(639.2)	(660.7)	(686.4)	(657.1)	(706.4)	(755.2)	(762.7)	(693.8)	(6,250)		
(24.1)	(18.1)	(15.1)	(15.8)	(17.4)	(13.0)	(2.6)	(1.7)	(16)		
11.3	10.0	11.2	13.4	14.9	17.2	10.6	9.4	85		
76.1	95.6	110.6	107.4	126.2	49.1	(53.8)	83.5	752		
155.2	200.2	250.7	232.5	223.1	(73.2)	74.5	170.9	1,540		
7,137.8	7,230.5	7,226.8	7,832.8	8,668.7	9,021.4	7,817.8	7,761.8	69,926		
1,583.7	1,570.5	1,689.1	2,052.8	2,404.7	2,481.4	2,251.5	2,366.5	21,320		
2,781.8	3,056.3	2,786.7	2,930.3	3,123.5	3,517.5	2,770.3	2,627.9	23,674		
510.4	219.5	190.4	280.3	278.2	243.7	599.7	345.8	3,115		
(59.4)	(469.4)	(35.7)	(186.2)	(249.9)	(399.6)	(85.4)	(180.7)	(1,628)		
451.0	(249.9)	154.7	94.1	28.4	(155.9)	514.3	165.1	1,487		
(150.1)	155.9	(33.3)	(24.7)	145.9	(74.8)	(507.2)	(254.4)	(2,292)		
								Yen	U.S. dollars*4	
¥ 124.15	¥ 160.17	¥ 200.52	¥ 185.92	¥ 178.59	¥ (58.64)	¥ 59.73	¥ 136.91	\$ 1.23		
124.12	160.09	200.39	185.79	178.46	(58.64)	59.69	136.81	1.23		
1,266.93	1,256.31	1,351.10	1,641.60	1,927.37	1,988.62	1,803.95	1,895.81	17.08		
24.00	36.00	50.00	46.00	47.00	50.00	50.00	50.00	0.45		
								% Times		
22.2	21.7	23.4	26.2	27.7	27.5	28.8	30.5			
10.6	12.9	15.4	12.4	10.0	(3.0)	3.2	7.4			
2.2	2.8	3.5	3.1	2.7	(0.8)	0.9	2.2			
1.8	1.9	1.6	1.4	1.3	1.4	1.2	1.1			
								Billions of yen	Millions of U.S. dollars*4	
¥ 151.4	¥ 220.5	¥ 251.5	¥ 216.5	¥ 245.0	¥ 184.0	¥ 46.5	¥ 193.1	\$ 1,740		

Corporate Profile

(As of March 31, 2017)

Sumitomo Corporation

Date of Establishment: December 24, 1919

Paid-in Capital: ¥219.3 billion

Fiscal Year: From April 1 of each year through March 31 of the following year

Number of Consolidated Subsidiaries:
664
(Overseas 571, Domestic 93)

Associated Companies [Equity Method]:
286
(Overseas 238, Domestic 48)

Total: 950

Number of Employees: Total, including Consolidated subsidiaries 70,900
Non-consolidated 5,342*

Head Office: 1-8-11, Harumi, Chuo-ku, Tokyo 104-8610, Japan

URL: <http://www.sumitomocorp.co.jp/english/>

* Including the 180 employees employed at overseas offices

Stock Information

(As of March 31, 2017)

Stock Listings: Tokyo, Nagoya, Fukuoka

Securities Identification Code: 8053

American Depository Receipts:
Ratio: 1ADR:1ORD
Exchange: OTC (Over-the-Counter)
Symbol: SSUMY
CUSIP Number: 865613103

Depository and Registrar:
Citibank, N.A. Depository Receipts Services,
P.O. Box 43077,
Providence, Rhode Island
02940-3077, U.S.A.

Toll Free Number: 1-877-248-4237 (CITI-ADR)

Overseas Dial-in: 1-781-575-4555

E-mail: citibank@shareholders-online.com

URL: <http://www.citi.com/adr>

Number of Issued Shares: 1,250,602,867 (including 2,335,692 treasury stock)

Number of Shareholders: 155,720

Major Shareholders

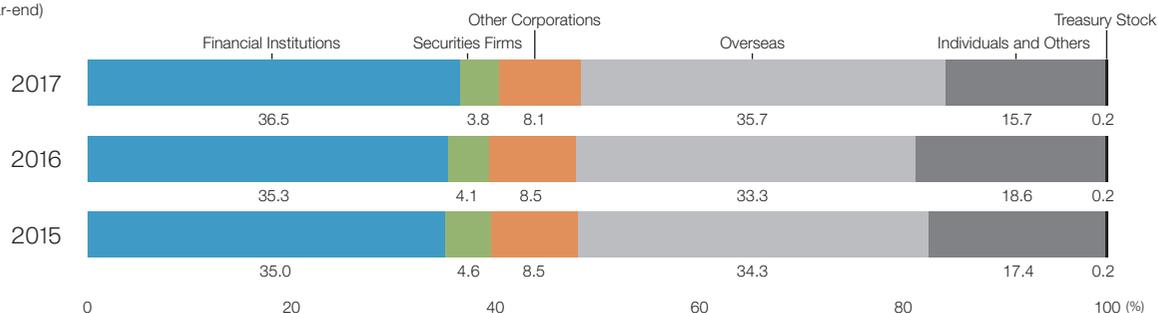
Name	Number of Shares (Thousands of shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	75,224	6.03
Japan Trustee Services Bank, Ltd. (trust account)	59,669	4.78
Liberty Programming Japan, LLC	45,652	3.66
JP Morgan Chase Bank 385632	44,724	3.58
Sumitomo Life Insurance Company	30,855	2.47
Japan Trustee Services Bank, Ltd. (trust account 9)	25,100	2.01
Japan Trustee Services Bank, Ltd. (trust account 5)	22,825	1.83
Mitsui Sumitomo Insurance Company, Limited	20,000	1.60
State Street Bank West Client-Treaty 505234	16,988	1.36
Japan Trustee Services Bank, Ltd. (trust account 1)	16,805	1.35

Notes: 1. The treasury stock (2,335,692 shares) includes 2,000 shares issued through the exercise of new share acquisition rights for which the registration of transfer was not completed as of March 31, 2017.

2. The shareholding ratio is calculated by dividing the number of shares held by the number of shares outstanding—which is derived by deducting treasury stock (2,335,692 shares) from the total number of issued shares—and rounding to the nearest hundredth of a percent.

Shareholder Composition

(Fiscal year-end)



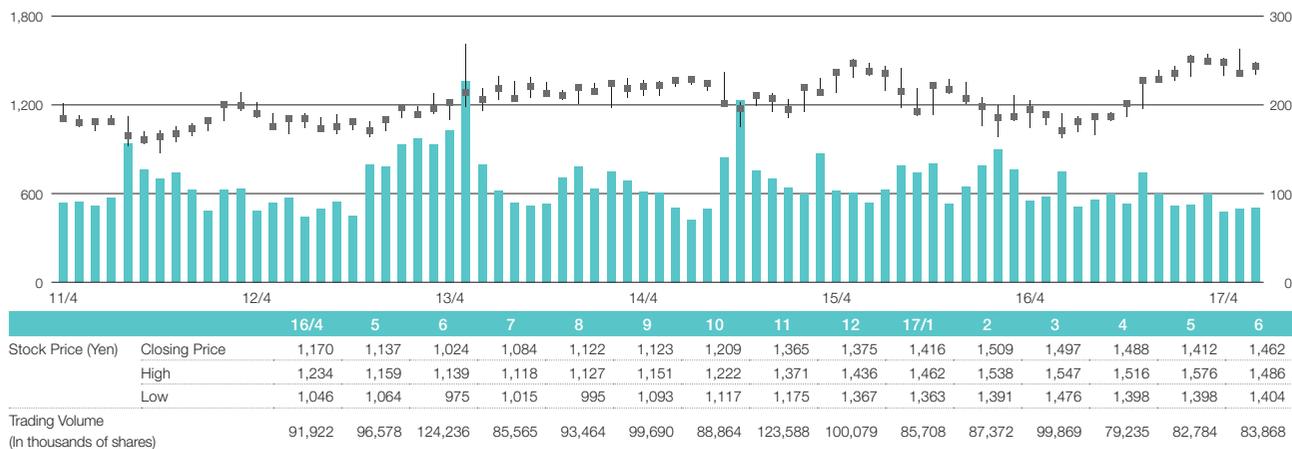
Stock Price and Trading Volume

(Yen)

— High and Low (left) ■ Closing Price (left)

(Millions of shares)

■ Trading Volume (right)



Note: The above stock prices and trading volume are based on Tokyo Stock Exchange data.

Investor Relations

We facilitate direct communication with shareholders and other investors, in addition to enhancing disclosure on our website. An executive officer with responsibility for dialogue with shareholders and other investors exercises overall control of and coordinates such investor relations initiatives shown below. Also, related in-house departments contribute to investor relations initiatives by distributing information and collecting feedback from shareholders and other investors. The Company will continue heightening the transparency of business management while strengthening relationships of trust with shareholders and other investors.

▶ Fiscal 2016 Investor Relations Initiatives

April	May	June	July	August	September	October	November	December	January	February	March
	Announcement of annual results			Announcement of 1st quarter results			Announcement of semi-annual results			Announcement of 3rd quarter results	
		General meeting of shareholders		Publication of annual report						Briefing on specific projects	
	Visits to overseas investors			Meetings for individual investors			Visits to overseas investors			Site tour	
		Briefing on business divisions									

Individual meetings with domestic institutional investors

168

Meetings for individual investors

7 locations
in 6 cities



Individual investors in attendance

1,100

Europe

25

Asia & Oceania

24

Americas

18

Individual meetings during visits to overseas investors

67

Editorial Policy

Scope of the Report

- ▶ Period covered: April 1, 2016, to March 31, 2017
(Some activities starting on or after April 1, 2017, are included.)
- ▶ Organizations covered: Sumitomo Corporation and the Sumitomo Corporation Group
- ▶ Previous publication: August 2016
- ▶ Next publication: Summer 2018

Referenced Guidelines

- ▶ The International Integrated Reporting Council (IIRC)
International Framework for Integrated Reporting
- ▶ ISO 26000 (Guidance on Social Responsibility)
- ▶ Charter of Corporate Behavior (September 14, 2010),
Nippon Keidanren (Japan Business Federation)
- ▶ “Environmental Reporting Guidelines 2012,” issued by
Ministry of the Environment, Government of Japan

Cautionary Statement Concerning Forward-looking Statements

This report includes forward-looking statements relating to our future plans, targets, 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 targets included in this report are not projections and do not represent management’s current estimates of future performance. Rather, they represent targets 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 targets. The Company is under no obligation—and expressly disclaims any such obligation—to update or alter its forward-looking statements.

For further information, contact:

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E-mail: ir@sumitomocorp.com

 **Sumitomo Corporation**

<http://www.sumitomocorp.co.jp/english/>



This report was printed with vegetable oil ink using FSC certified paper, and all utility power (3,000kWh) was covered by The Certificate of Green Power (Wind Power).