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SC NEWS

Sumitomo Corporation Business Report

The 1st Half of 147th Newsletter to Shareholders [April 1, 2014 through September 30, 2014]

Stock Exchange Code: 8053

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Overcoming extraordinary losses from large projects, and working to further enhance our earning power

President and CEO **Kuniharu Nakamura**

Summary of Business Performance for the First Half of Fiscal 2014

Consolidated net loss for the first half of fiscal 2014 was ¥38.4 billion

During the first half of fiscal 2014, while the US economy continued to be firm, the European economy stagnated and China's momentum weakened despite support measures propping up the economy. In countries such as Russia and Brazil as well, recovery was only moderate.

In the Japanese economy, personal consumption continued to recover and capital investment continued to pick up.

In this environment, non-mineral resources businesses performed well, reflecting steady profit growth by the businesses that form earnings pillars for Sumitomo Corporation such as the tubular products business, the overseas power infrastructure business, and the media related business, in addition to the contribution to our earnings from projects in which we have invested in over recent years. However, profit declined substantially in mineral resources businesses due primarily to the posting of impairment losses totaling ¥167.3 billion in Tight oil development project in the U.S. and Coal-mining projects in Australia. As a result, we posted a consolidated net loss of ¥38.4 billion for the first half of fiscal 2014, a decrease of ¥155.0 billion compared to the net income in the same period of the previous fiscal year.

Fiscal 2014 Business Performance Forecast

Full-year business performance forecast is revised downward to ¥10.0 billion

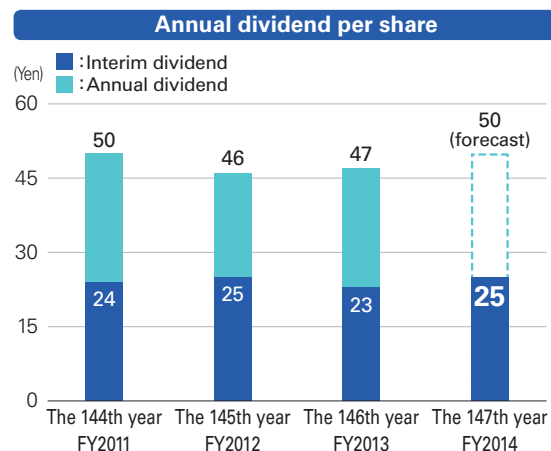
The overall outlook for performance excluding impairment losses is for profit of 250.0 billion yen as initially forecast, since the first half result which excludes impairment losses was 128.9 billion yen and we expect our core businesses in non-mineral resources businesses to continue strong in the second half. However, in addition to the impairment losses posted for two projects in the first half, there is a possibility of impairment losses in Iron ore mining project in Brazil and Tire business in the U.S. are expected to occur, depending on future market conditions and business performance. We therefore forecast total extraordinary losses of approximately ¥240.0 billion for these four projects. Factoring in this impact, we have revised the fiscal 2014 full-year forecast downward to ¥10.0 billion (¥240.0 billion less than the initial forecasts).

Dividend Policy

Sumitomo Corporation aims to increase dividends by achieving medium and long-term earnings growth while adhering to its fundamental policy of paying shareholders a stable dividend over the long term.

During “Be the Best, Be the One (BBBO) 2014,” a medium-term (two-year) management plan launched in April 2013, we have applied a consolidated dividend payout ratio of 25%.

Although the consolidated earnings forecast has been revised downward to ¥10.0 billion, in light of the fact that recent business performance excluding the impairment losses has been favorable, the projected annual dividend for fiscal 2014 will be ¥50 per share as we initially announced (previous year’s annual dividend was ¥47). The interim dividend for the year is ¥25 per share (previous year’s interim dividend was ¥23).



Progress of Medium-Term Management Plan

Progress of Medium-Term Management Plan “BBBO2014”

Sumitomo Corporation positions “BBBO2014,” the medium-term management plan launched in April 2013, as the stage of aiming for an even higher level of profit growth by thorough enhancement of our earning power, and we will build a solid earning base while ensuring financial soundness. We have been smoothly expanding the earning base by stimulating our corporate metabolism through steady implementation of new investment and loans and replacement of existing businesses. In that context, it is truly regrettable that the aforementioned extraordinary losses arising from large projects make it difficult to achieve the quantitative targets for net income set under “BBBO2014.”

Sumitomo Corporation introduced Risk-adjusted Return Management in 1998, making it a basic management policy to maintain a balance between risk-adjusted assets (maximum possible losses) and shareholders’ equity (the core risk buffer). Due to the aforementioned extraordinary losses, we will not be able to maintain the balance between them, and therefore, from the perspective of financial soundness, we will restore this balance promptly.

Each of these extraordinary losses occurred in large business investments. Although they were carried out after they were properly vetted, we believe that it is essential to thoroughly investigate

the causes, background, and issues that led to this situation, and to leverage the results appropriately in our management henceforth.

To that end, first, we have set up a cross-company organization called “Special Committee on Managerial Reform” as an advisory body to the Management Council in order to investigate the causes of the extraordinary losses and to formulate measures related to the risk management system, decision-making process, and shape of governance.

Secondly, we will immediately restructure the medium-to-long-term strategy in mineral resource businesses. Although the business environment for mineral resource businesses is expected to remain severe, we will formulate a new strategy after studying measures to achieve both profitability and growth commensurate with risk.

Thirdly, in order to achieve robust growth, the entire organization will unite to further enhance our strengths and capabilities, and to link this to boosting profitability and improving capital efficiency.

The results of these efforts will be incorporated into the next medium-term management plan starting in April 2015.

It is truly unfortunate that we have had to revise our business performance forecast downward in the final year of “BBBO2014.” We take this situation extremely seriously, and all of us will work together to deal with the issue as we seek to recover the trust of our stakeholders. I would like to ask for the ongoing understanding and support of all our shareholders.

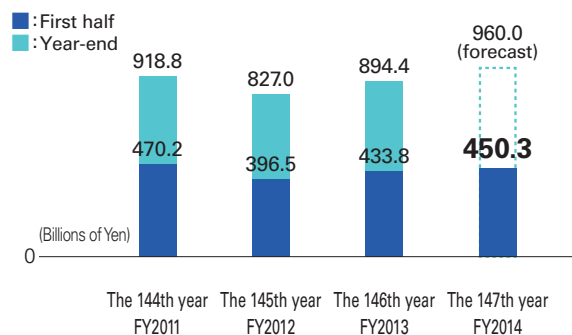


Performance Highlights

Changes in primary management indicators

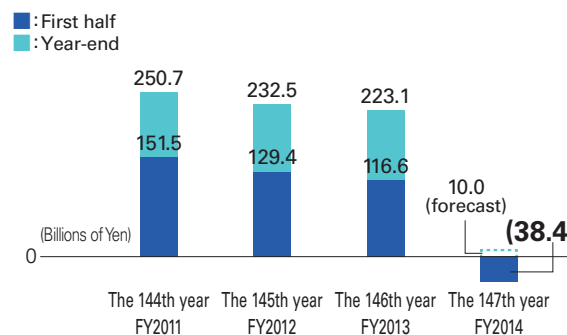
Gross Profit

¥450.3 billion



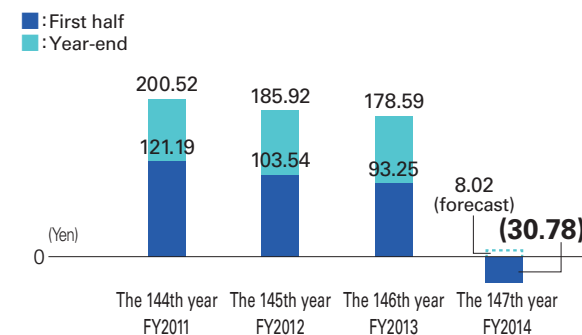
Consolidated Net Income or Loss

¥(38.4) billion



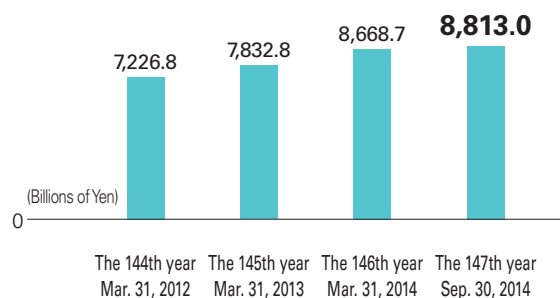
Consolidated Net Income or Loss per Share

¥(30.78)



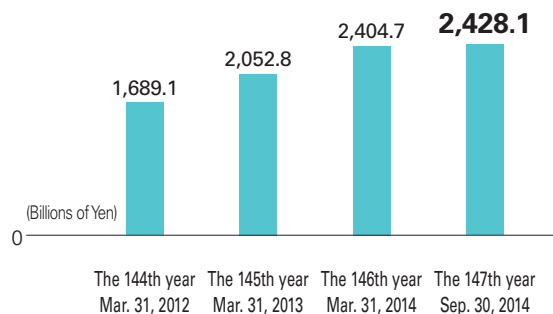
Total Assets

¥8,813.0 billion



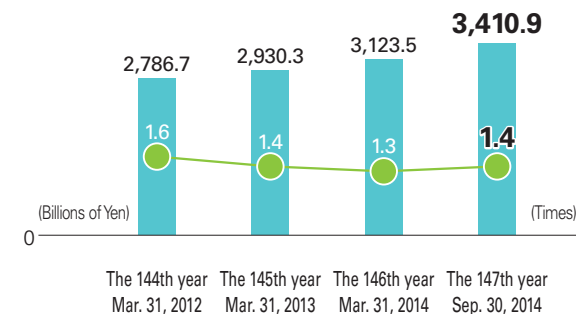
Shareholders' Equity

¥2,428.1 billion



Interest-Bearing Liabilities (Net) / Debt-Equity Ratio (Net)

Interest-Bearing Liabilities (Net) ¥3,410.9 billion
Debt-Equity Ratio (Net) 1.4 times



Glossary of terms

Interest-bearing liabilities (net)

Gross interest-bearing liabilities (bank borrowing, corporate bonds, commercial paper, etc.) that must be repaid with interest, minus cash and cash equivalents.

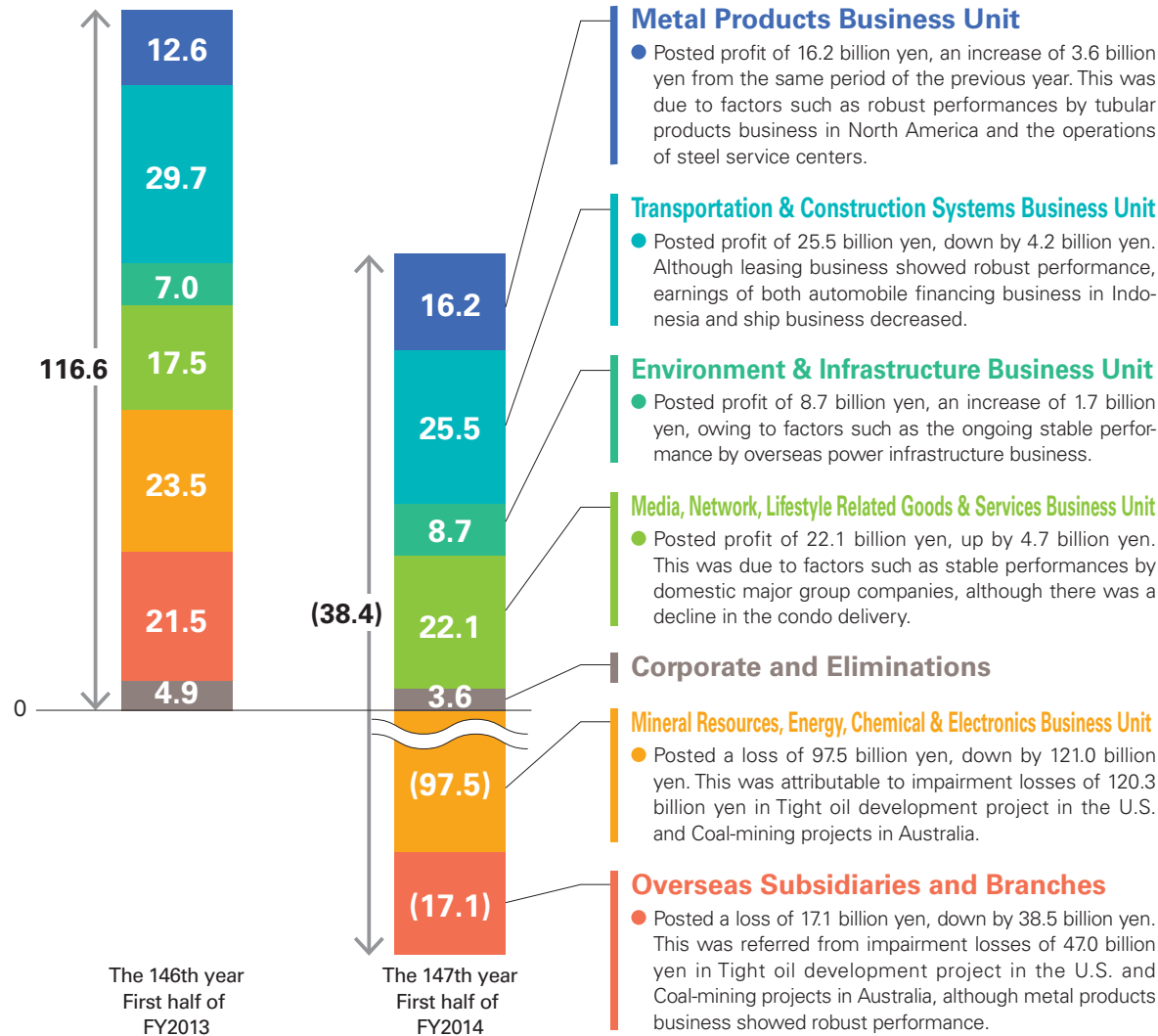
Debt-Equity Ratio (net)

The value of interest-bearing liabilities (net) divided by shareholders' equity; an indicator of financial soundness.

*In this publication, "consolidated net income or loss" corresponds to "profit or loss for the year attributable to owners of the parent" under IFRS and "shareholders' equity" corresponds to "equity attributable to owners of the parent."

Consolidated net income or loss by segment / Overview

(Billions of Yen)



*On April 1, 2014 the Kansai Regional Business Unit and Chubu Regional Business Unit were abolished, and the business departments constituting the above two regional business units were incorporated into organizations under headquarter's business units and divisions. Accordingly, the Domestic Regional Business Units and Offices segment was abolished, and we reorganized our operating segments into five segments based on industries and overseas regional segment (Overseas Subsidiaries and Branches) from the first quarter of this fiscal year. The segment information of the same period of the previous year has also been reclassified.

Plan for new investment and loans

In the medium-term management plan "BBBO2014," we plan to make new investment and loans totaling ¥750.0 billion over the two years. This two-year projection is expected to progress as scheduled, owing primarily to the acquisition of Edgen Group, a global distributor of tubular and other steel products for the energy industry.

In the meantime, although we had planned a total of ¥770.0 billion asset divestitures and reductions over the two years, this amount is expected to fall below the plan, standing at around ¥470.0 billion, due to the postponing of large projects, despite the partial divestiture of a water supply and distribution business in the UK.

Balance sheet plan (two-year totals)

(Billions of Yen)

	Plan (two-year totals)	Period ended September 30, 2014 actual (18-month totals)
New investment and loans	+750	+510
Asset divestitures and reductions	(770)	(310)
Changes in operating assets & other	+150	+780
Net change	+130	+980

(*)Including increases affected by exchange rates

New investment and loans (two-year totals)

(Billions of Yen)

Business fields	Primary fields	Plan (two-year totals)	Period ended September 30, 2014 actual (18-month totals)
Metal Products	Tubular Products Business	80	77
Transportation & Construction Systems	Automotive Business	160	46
Environment & Infrastructure	Power Infrastructure Business	90	82
Media, Network, Lifestyle Related Goods & Services	Media Business & Real Estate Business	130	84
Mineral Resources, Energy, Chemical & Electronics	Upstream in Mineral Resources and Energy Business	190	216
Strategic Industrial/Regional Focus	● Strategic Industrial Focus Unconventional energy-related, Retail (Asia), Food ● Strategic Regional Focus India, Myanmar, Brazil, Turkey, Sub-Saharan Africa (six countries)	100	(*) The amounts of investment and loans for strategic industrial/regional focus will be allocated to each segment.
Total		750	510

(*)Indication, including domestic and overseas segments

● Metal Products Business Unit ●

Expansion into the railway materials and equipment field, which is increasing mainly in North American markets

Long rail transport vessel christened "Pacific Spike" at naming ceremony in August 2014

Construction of world's first long rail transport vessel completed

Demand for repair of railway materials and equipment is expected to grow steadily in North America, where the volume of cargo transported by rail is expanding. In order to respond to this market growth, in August 2014, we completed the construction of the world's first long rail transport vessel for the transport of 150-meter steel rails.

Sumitomo Corporation has supplied steel rails manufactured by NIPPON STEEL & SUMITOMO METAL CORPORATION to users worldwide for many years. Previously, the structural limitations of transport vessels required that long rails be divided into six parts of 25 meters each and shipped. Construction of this new vessel measuring 190 meters in total length with a deadweight tonnage of 23,000 tons has made it possible to transport rails at their original length to meet the needs of railway operators.

In addition, we are engaged in multi-faceted development of railway materials and equipment related businesses mainly in North America, including investment in Standard Steel and management participation in Arkansas Steel. We will continue to focus efforts in this area.



Railway wheels made by Standard Steel

● Transportation & Construction Systems Business Unit ●

Promoting the aluminum casting business overseas through strategic partnership with a leading manufacturer

Overview of HAL ALUMINUM MEXICO offices

Identifying growth markets and investing in local operations in Mexico

In our automobile manufacturing business field which is focusing on the raw material parts and components* business, we position the aluminum casting business in which Japanese technology is distinctly superior as a priority area second to the iron casting business.

We are pushing ahead aggressively with global development of the aluminum casting business by making a strategic partner of Hiroshima Aluminum Industry (HAL), one of the world's leading aluminum casting manufacturers. Through initiatives such as the joint establishment of HAL VIETNAM in 2002 and a manufacturing base in the Thang Long Industrial Park developed by Sumitomo Corporation, we have offered comprehensive support for HAL's operations in Vietnam.

In March 2014, we participated in HAL's operations in Mexico through a stake in HAL ALUMINUM MEXICO (HALM). We will expand our aluminum casting business by enhancing the production scale of HALM to match the expected growth of the automobile production market in the US and Mexico, while strengthening the alliance with HAL.

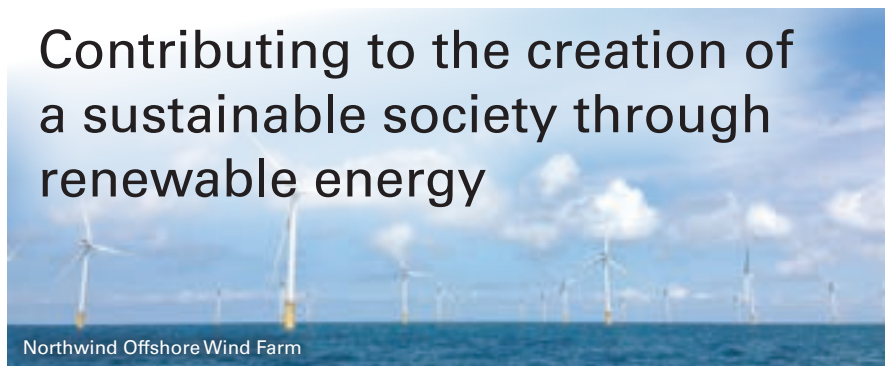
* Parts or components formed by applying heat or force to materials through casting or pressing.



The governor of Guanajuato State and the mayor of Silao City attended the opening ceremony held in April 2014

● Environment & Infrastructure Business Unit ●

Contributing to the creation of a sustainable society through renewable energy



Northwind Offshore Wind Farm

Participation in Belgium's offshore wind power generation

In July 2013, Sumitomo Corporation concluded share purchase agreements with Belgium's Parkwind for the offshore wind farm projects, Belwind 1 (165 MW) and Northwind (216 MW) off the coast of Belgium. Acquisition of shares in the companies was completed on September 30, 2014. Our net generation capacity of both projects totals 129 MW, enough to supply electricity to approximately 120,000 households. In addition, we are moving ahead with joint development of the Nobelwind (165 MW) with Parkwind, with the target of starting operations in 2017. We will continue to leverage our accumulated expertise to actively participate in projects from the development stage, with a view to expanding our business in the European offshore market where the greatest growth is expected within the global wind power sector.

With this investment, our net generation capacity from wind power projects overseas came to approximately 790 MW. We aim to achieve a net generation capacity of 1,000 MW by 2019, and will work to expand our business while supplying electricity to the world.



Belwind 1 Offshore Wind Farm

● Media, Network, Lifestyle Related Goods & Services Business Unit ●

Seeking to expand high-quality telecommunications services in emerging Asian countries



Entering the telecommunications business in Myanmar

Myanmar, where the purchasing power of middle-income consumers is increasing, has been designated a strategic regional focus for Sumitomo Corporation, and is considered a priority target for this business unit.

In July 2014, Sumitomo Corporation and KDDI Corporation reached an agreement with Myanma Posts & Telecommunications to jointly operate communication business including capital expenditure of ¥200.0 billion. The Myanmar government has set forth a policy of raising the mobile phone penetration rate from approximately 10% to 80% by 2016.

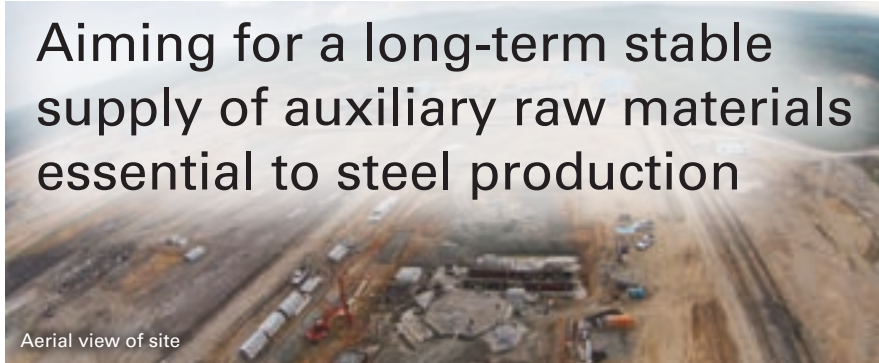
Since opening an office in 1954, Sumitomo Corporation has a proven track record stretching over 60 years of engagement in various projects in Myanmar. In addition, we have accumulated experience in telecommunications businesses in many countries and regions including Mongolia and Guam. Through expanding the high-quality telecommunications services based on our record and experience, we will contribute to Myanmar's economic development, fostering of local human resources, transfer of technologies and knowledge, and creation of employment opportunities to achieve prosperity in Myanmar.



Signing ceremony held in Myanmar in July 2014

● Mineral Resources, Energy, Chemical & Electronics Business Unit ●

Aiming for a long-term stable supply of auxiliary raw materials essential to steel production



Aerial view of site

Participated in production and marketing of manganese alloy in Malaysia

Sumitomo Corporation, together with Assmang, a South African resource company, and China Steel, Taiwan's largest steel manufacturer, has participated in production and marketing of manganese alloy in Malaysia.

This initiative is a project to produce and market approximately 170,000 tons of manganese alloy annually, based on a long-term, stable and competitive supply of electricity from hydropower generation in Sarawak, Malaysia, by using high-grade manganese ore supplied by Assmang, with whom Sumitomo Corporation has a capital relationship indirectly. Construction work began in February 2014 and full production is scheduled for 2016.

Manganese alloy is primarily used as auxiliary raw material in steel production to improve the strength and wear resistance of steel. Sumitomo Corporation is supporting the stable supply of manganese alloy for which higher demand is expected in the medium- to long-term due to increased production of crude steel, particularly high-grade steel products, in Asia.



Groundbreaking ceremony held in February 2014

Contributing to Sustain

The Group regards CSR as working to achieve our corporate vision by putting into practice our Corporate Mission Statement. This approach is founded on gaining an understanding of social issues by engaging in dialogue with a variety of stakeholders, and working strategically through businesses to resolve them. In doing so, we create new value and promote sustainable growth of society and the Group.

Through Business Activities: Contributing to the Realization of a Safe Automobile Society

Through our domestic Group company Sumisho Airbag Systems (SAS), Sumitomo Corporation is engaged in the business of manufacturing "side curtain airbag cushions" which are installed in the upper part of a vehicle's side window and inflate in the form of a curtain to protect passengers during a side collision. SAS adopts a manufacturing method known as OPW (One Piece Woven) in which the airbags maintain their expanded state for a while to continue protecting passengers if the car rolls over after the collision, and



SAS produces six million airbag cushions per year (for three million vehicles) and the end products are adopted by automobile manufacturers throughout the world.

prevent passengers from being thrown from the vehicle. This method, which requires sophisticated technological capabilities and the most advanced production facilities, is adopted by only six companies worldwide and only by SAS in Japan. SAS will continue to contribute to the realization of a safe automobile society by producing side curtain airbag cushions of high quality and reliability.

able Society

**Our Group's CSR =
Implementation of the Corporate Mission Statement**

CSR through
business activities

CSR through social
contribution
activities

Social Contribution Activities: Courses Bearing the Sumitomo Corporation Name at China's Tsinghua University

In 2007, Sumitomo Corporation began joint research with Tsinghua University, China's leading university. As part of that endeavor, we have been operating twice-yearly courses bearing the Sumitomo Corporation name in spring and fall. In the course, major corporate managers from Japan are invited to lecture on organizational management of global companies and theories of leadership.

In September 2014, the guest lecturer was TOYOTA MOTOR CORPORATION's Honorary Chairman Fujio Cho, who gave a talk on organizational management at a manufacturing company titled, "Creating a Strong Foundation by Linking the Three Main Pillars of Management." Through these courses, we hope many students in China will gain a better understanding of Japan's business world, and serve as a bridge for economic exchange with Japan in the future.



A lively Q&A session with the students continued up to the last minute of the allotted time.

Presenting Sponsor for the 53rd PGA Senior Championship Sumitomo Corporation Summit Cup

The 53rd PGA Senior Championship Sumitomo Corporation Summit Cup was held from October 9-12, 2014, at the Summit Golf Club (Ibaraki Prefecture), which is operated by the Sumitomo Corporation Group. Sumitomo Corporation was a presenting sponsor of the event, and Executive Vice President Shinichi Sasaki presented the winner's purse and other prizes at the awards ceremony.

A booth selling seafood products was set up at the venue by Miyagi Prefecture's Kesennuma Shishiori Fisheries Processing Cooperative Association, which is jointly supported by Sumitomo Corporation and Mitsui & Co., Ltd. as part of the efforts to assist recovery from the Great East Japan Earthquake.

Overview of Championship

Date	: October 9 (Thu.) to October 12 (Sun.), 2014
Hosted by	: The Professional Golfers' Association of Japan
Presenting sponsor	: Sumitomo Corporation, Yasato Kosan Co., Ltd.
Supported by	: Ministry of Education, Culture, Sports, Science and Technology; Ibaraki Prefecture; Ishioka City; Ishioka City Tourism Association; The Ishioka Chamber of Commerce & Industry; Ishioka City Yasato Commerce and Industry Association
In Cooperation with	: Summit Golf Club, THE IBARAKI SHIMBUN Co., Ltd.
Total Purse	: ¥50 million
Winner's Purse	: ¥10 million



Executive Vice President Sasaki (left), presenting winner's purse to the Champion Naomichi Ozaki (right)



The PGA Senior Championship is the oldest tournament on the senior tour in Japan.



Future of the Ship, Aerospace & Transportation Systems Business



Executive Officer
General Manager, Ship,
Aerospace & Transportation
Systems Division

Masao Tabuchi

Joined Transportation Equipment Division of Sumitomo Corporation in 1980. Posted to the Chicago Office in 1988. After positions including General Manager of the Transportation Project Dept. of the Ship, Aerospace & Transportation Systems Division, and Corporate Officer and General Manager of the Automotive Division, No. 1, he was named Executive Officer and General Manager of the Automotive Division, No. 1 in 2012. Has held current position since April 2013.

Prepare Broadly and Aim High When Developing

Handling marine, air, and land transportation equipment and supervising the finance and lease business

In the Transportation & Construction Systems Business Unit, we handle the ships, aircraft, and railways, while also expanding the value chain centered on finance in each of these fields.

In the ship field, we have an equity stake in Oshima Shipbuilding Co., Ltd., and are the only integrated trading company in Japan that runs a shipbuilding business.

Leveraging those strengths, we engage in ship trading and surrounding businesses, and are globally expanding both our independent ship operations with 20 bulk carriers owned and operated, and joint ship operations.

In the aircraft field, we have been involved in the aircraft leasing business since 1996, and in 2012, with Sumitomo Mitsui Financial Group, we jointly acquired a major Irish aircraft leasing company that commenced operations as SMBC Aviation Capital (SMBCAC). With

SMBCAC, the world's third largest aircraft leasing company, we will form a cluster of surrounding businesses such as aircraft engine leasing.

Major items in the railway field are railway construction projects and the manufacture and supply of rolling stocks mainly in the US as well as Taiwan and emerging countries of Southeast Asia. Armed with Japan's world-leading passenger train technology, we actively carry out initiatives according to the stage of development of each country.

From April 2013, Sumitomo Mitsui Finance and Leasing Company, Limited (SMFL) came under the supervision of this division, adding Japan's largest finance and lease business to our earning pillars. By promoting joint business with SMFL, we will link transportation equipment by various industrial finance services, while at the same time offering our capabilities to other units in the Company.



Building relationships with the world's top-rated operators and ship owners through ship trading



One of the leading engines in the aircraft engine leasing business



Moving ahead with work on electrification and double-double tracking on the Java Main Line near Jakarta



"Osaka Hikarinomori Project," a public-private mega-solar power generation project combining the strengths of Sumitomo Corporation and SMFL

Business

Spotlight on High-speed Railway Projects in Southeast Asia

Amid efforts to support the global development of transportation equipment and infrastructure, projects to export railway systems, vehicles, and other equipment have been attracting attention recently. In particular, the construction of high-speed railways that are being promoted as national projects in Southeast Asia is expected to contribute to Japan's railway industry.

In addition, in Myanmar, where we have received an order for the "Project on Improvement of Service and Safety of Railway," we are involved in projects that make a significant international contribution, such as supplying rail maintenance equipment, dispatching experts to give on-site technical guidance and help develop local personnel. Taking as our motto "Prepare broadly and aim high," our division will continue to contribute to society by developing diverse business models.



Image of Vietnam's first urban railway at completion

SMBC Aviation Capital

Large Order for Aircraft in Anticipation of Market Growth and Replacement Demand

SMBC Aviation Capital (SMBCAC), headquartered in Dublin, Ireland, is an aircraft leasing company acquired jointly by Sumitomo Corporation with Sumitomo Mitsui Financial Group in June 2012. It now operates as the world's third largest aircraft leasing company, with approximately 380 aircraft under management, including about 280 owned by the Company.

Due to expanding demand for air travel mainly in emerging countries, the aircraft market is projected to double in size from the current 20,000 aircraft to 40,000 over the next 20 years, and leased aircraft are expected to account for around 50% of the total by the year 2020, reflecting the emergence of low cost carriers (LCCs) and other factors. In order to respond to this demand, SMBCAC placed an order for 115 aircraft from Airbus in July 2014, which are scheduled for delivery between 2016 and 2022. SMBCAC plans to double its number of owned aircraft in the next decade.

Our aircraft leasing business independently started the Company-owned aircraft business in 1996, and has amassed knowledge and expertise since then. We expanded the business further after beginning our alliance with SMFL in 2008, and it eventually grew to be one of the largest aircraft leasing firms in the world, SMBCAC. Going forward, we will collaborate with Group companies to provide a wide range of services such as financing for airlines, sales of aircraft to investors, engine leasing, and maintenance.



The expanding aircraft leasing business (Boeing, left; Airbus, right)

China's Growing Auto Parts Business



A turbocharger that helps improve fuel efficiency by reducing engine displacement while maintaining the vehicle's power performance

Staff at Sumitomo Corporation (Qingdao) Automotive Section



View of the Plant of the Shanghai MHI Turbocharger



Offering Distinctively Local Expertise and Value

In Qingdao, Sumitomo Corporation China Group is developing the engine turbochargers business that contributes to environmental measures for China's largest private automobile manufacturer, Great Wall Motor Company Limited. Since joining WTO in 2001, China's automobile industry has grown roughly tenfold, with approximately 22 million vehicles produced in 2013, a figure that represents around a quarter of the global market. While many domestic manufacturers have achieved remarkable growth in the Chinese market, what is required now is to resolve issues of operating efficiency and quality improvement at the on-site level. Energy and environmental issues are also emerging as challenges for the market overall.

The turbochargers are produced by Shanghai MHI Turbocharger, in which Sumitomo Corporation has an equity stake. Working together with manufacturers, we strive to propose optimal solutions to ensure that the newest turbochargers can be installed in domestically produced automobile engines without any trouble.

By providing the kind of service only a local company can offer, based on a full understanding of the issues and policies unique to China, we seek to expand our business in this market where future growth is expected. We will endeavor to provide value, taking as our motto, "the ways befitting our distinctive identity of having a critical mind while keeping our gaze fixed on the future."



Understanding the manufacturing process to explain products in greater detail



Assistant General Manager,
Automotive Department,
China Transportation and
Construction Systems
Business Unit

Wang Kaiyu

My Favorite

Qingdao is located on the southern coast of the Shandong Peninsula, in Shandong Province, homeland to many famous figures from



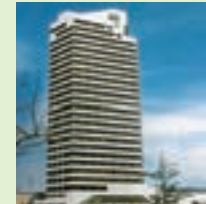
Chinese history such as Confucius and Mencius. Renowned also as the birthplace of Taoism, it is a city brimming with various attractions including the beautiful scenery and the well-known Qingdao beer.

Sumitomo Corporation Group's Activities in Qingdao (China)

Developing a finely-tuned solutions business in response to diversifying local needs

HISTORY ● Building a Business Foundation in Line with China's Economic Growth

An office established in Qingdao in 1986 became an overseas subsidiary in 1996. As the local organization of the Sumitomo Corporation China Group, we have been engaged in the food, agricultural fertilizers, auto parts, and chemical products businesses in Shandong Province and the North China area.



The office in the 1990s

PRESENT ● Fulfilling Our Role as a Trading Company's Local Base, Responding to Market Changes

While enhancing our services focused on supplying parts for China's automotive field, we are also working to develop new business models. As Shandong Province is one of China's top producers of agricultural and marine products, we are expanding the foundation of the food and fertilizer businesses, while supplying agricultural materials, and offering guidance on agricultural management and technology in order to create a reliable agricultural value chain business.



The current Sumitomo Corporation (Qingdao) Office

FUTURE ● Serving as a Pipeline from China to the World

We will deploy the functions and comprehensive capabilities unique to a local organization to deal with the Chinese market, with its enormous population of approximately 1.3 billion, and to play a role in the international expansion of our partner companies in China. Utilizing the Group's global network, we will pursue increased earning power as we support the business of the Sumitomo Corporation China Group.



Staff at Sumitomo Corporation (Qingdao) (Front row center is Hiroki Inoue, Sumitomo Corporation General Manager for East Asia)



To place prime importance on sound management and not to pursue easy gains

"Business Principles" 1891

The origins of the Sumitomo Group date back approximately 400 years. In a series of articles, we trace the evolution of the business philosophy that underlies the Sumitomo of today, examining its emergence and legacy.

About the "Business Principles"

Saihei Hirose, who became the first Director General of the Sumitomo enterprise, drew up the "Rules Governing the House of Sumitomo" in 1882, summarizing the Sumitomo's business spirits. The Rules states: "We shall place prime importance on sound management and shall manage activities with foresight and flexibility in order to cope effectively with the changing times. We shall not pursue easy gains or act imprudently." This is rooted in the spirit of the Founder's Precepts "Monjuin Shiigaki," (circa 1650), the teachings of Masatomo Sumitomo, who was the founder of the Sumitomo family. These ideas are also linked to contemporary corporate governance.

The "Rules Governing the House of Sumitomo" was separated into the family constitution and the family code in 1891, and the said statement was placed at the beginning of the family code that was drawn up as the "Business Principles." The phrase "placing prime importance on integrity" was added upon this revision. Even after the further passage of time when the Sumitomo business had become a corporate organization, these principles were carried on unchanged as the "Business Principles" of the Sumitomo's business rules in 1928. Today, they form the corporate rules of all Sumitomo Group companies.

The "Business Principles" that linked this legacy of ideas across the generations to the present have played a significant role in maintaining the universal business spirit of Sumitomo.



Sumitomo's Business Rules
"Business Principles"

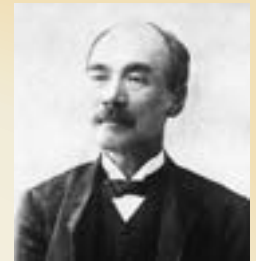
Episode:

Saihei Hirose, the man who saved the Besshi Copper Mines

Since its opening in 1691, the Besshi Copper Mines had supported the development of Sumitomo. However, during Saihei Hirose's term as the manager of the mines, the business faced a serious crisis. The price of copper dropped while soaring prices for other commodities drove up operating costs. For these and other reasons, a proposal to sell the Besshi Copper Mines was put forward within the Sumitomo family.

Hirose resolutely opposed this move, and, while blocking the sale, overcame the difficulties through management reforms that included the introduction of Western mining technologies. Then, by withdrawing from unprofitable businesses such as the finance industry, he succeeded in dramatically expanding copper output. From that point, businesses began to be separated into various fields, and the modern conglomerate of Sumitomo took shape.

Without the achievements of Hirose, the Sumitomo Group would not be the company it is today. Hirose's stance of action, guided by far-reaching principles rather than pursuit of easy gains, exemplifies the spirit that has been passed down throughout Sumitomo.



Saihei Hirose, Sumitomo's
first Director General
Photos Credit: Sumitomo Historical
Archives



Corporate Profile / Stock Information

Corporate Profile (As of September 30, 2014)

Establishment:	December 1919
Paid-in Capital:	¥219,278,931,183
Status of Employees:	Number of Employees 5,431 ^(Note) Number of Employees (Consolidated basis) 76,254 (Note) It includes 164 persons whom overseas offices of the Company employ.
Status of Subsidiaries and Associated Companies:	Number of Consolidated Subsidiaries 605 Number of Associated Companies 262
Status of Operating Locations, etc.:	Domestic 24 Overseas 115
Accounting Auditor:	KPMG AZSA LLC

Directors and Corporate Auditors:

Chairman	Kazuo Ohmori
President and CEO*	Kuniharu Nakamura
Director*	Shinichi Sasaki
Director*	Takuro Kawahara
Director*	Kazuhisa Togashi
Director*	Yasuyuki Abe
Director*	Naoki Hidaka
Director*	Hiroyuki Inohara
Director*	Michihiko Kanegae
Director*	Masahiro Fujita
Director (Outside)	Akio Harada
Director (Outside)	Kazuo Matsunaga
Standing Corporate Auditor (Full-time)	Takahiro Moriyama
Corporate Auditor (Full-time)	Nobuhiko Yuki
Corporate Auditor (Outside)	Tsuguoki Fujinuma
Corporate Auditor (Outside)	Mutsuo Nitta
Corporate Auditor (Outside)	Haruo Kasama

*Indicates Representative Directors.

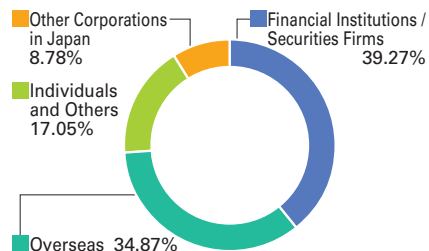
Stock Information (As of September 30, 2014)

Number of Shares Authorized for Issuance: 2,000,000,000 shares

Number of Issued Shares: 1,250,602,867 shares

Number of Shareholders: 154,062

Shareholders Composition:



(Note) As amounts below the thousandth place are omitted, the total does not necessarily add up to 100%.

Major Shareholders

Name	Number of Shares (In Thousands of Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	66,427	5.32
Japan Trustee Services Bank, Ltd. (trust account)	57,693	4.62
Liberty Programming Japan, Inc.	45,652	3.66
Sumitomo Life Insurance Company	30,855	2.47
Mitsui Sumitomo Insurance Company, Limited	27,227	2.18
JP Morgan Chase Bank 385632	24,571	1.97
Barclays Securities Japan Limited	20,000	1.60
The Dai-ichi Life Insurance Company, Limited	15,889	1.27
Nippon Life Insurance Company	14,879	1.19
Japan Trustee Services Bank, Ltd. (trust account 9)	14,618	1.17

(Note) 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 (2,918,350 shares) from the total number of issued shares—and rounding to the nearest hundredth of a percent.

Information for Shareholders

Fiscal Year:	From April 1 of each year through March 31 of the following year
Ordinary General Meeting of Shareholders:	June
Record Date:	Ordinary General Meeting of Shareholders March 31 Year-end Dividends March 31 Interim Dividends September 30
Stock Transfer Agent and Account Management Institution for Special Accounts:	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Stock Transfer Agent, Handling Office:	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Department 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
(Mailing Address)	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Department 8-4, Izumi 2-chome, Suginami-ku, Tokyo, 168-0063
(Telephone Inquiries)	0120-782-031
(URL)	http://www.smtb.jp/tools/english/
Shares per Unit:	100 shares
Stock Listings:	Tokyo, Nagoya, Fukuoka
Stock Exchange Code:	8053
Public Notices:	Public notices shall be made electronically. If electronic notice is impossible due to accident or other unavoidable reason, the notice shall appear in the <i>Nihon Keizai Shimbun</i> .
(Public Notice URL)	http://www.sumitomocorp.co.jp

● Contact for Notifications and Inquiries Concerning Shares

For shareholders having an account with a securities company, please contact your securities company for notifications of change of address, etc. and inquiries. For shareholders not having an account with a securities company, please contact the telephone inquiry number on the left.

● About Special Accounts

For shareholders who have not used the custody and book-entry transfer system for securities prior to introduction of electronic share certificate system, a special account has been established with Sumitomo Mitsui Trust Bank, Limited. For inquiries concerning special accounts, please contact the telephone inquiry number on the left.

Company Website

The Sumitomo Corporation website provides latest news and a range of IR information for the understanding of the Company.



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

Sumitomo Corporation **Search**

The Sumitomo Corporation Group in

Every Day Life

Pioneering the highland cultivation

"Kanjuku-oh," the king of bananas



©Sumifru

Bananas Featuring a Soft Chewy Texture and Rich Sweetness

"Kanjuku-oh" is a banana cultivated at an altitude of 700 meters in the highlands of Mindanao Island in the Philippines. Sumifru Corporation, our Group company, got involved early in this highland cultivation in 1970s and succeeded in originally developing a banana with a high sugar concentration. The growing period of 14 months in the highlands (it takes 10 months in the lowlands) produces bananas that contain a large amount of starch and have a high sugar concentration.

The bananas are packed promptly, and are transported via a "cold chain" system where temperature is strictly controlled at 13.5 °C. In this way, the bananas keep their freshness until they are delivered to ports in Japan.

The Kanjuku-oh bananas that reach Japanese consumers as a result of these various ingenious measures were awarded the gold medal in May 2014 by "Japan Food Selection," a comprehensive evaluation and certification system for food, thus becoming the "king of bananas" both in name and in fact.

Sumifru holds a leading share of the domestic banana market, which boasts the highest volume of fruit consumption in Japan. Leveraging our lengthy track record and cultivation expertise, we will provide fine quality bananas to even more tables.



The bananas are best for eating when brown spots (known as "sugar spots") appear on the peel



The "Banapple," named for its banana texture and apple taste



Healthy bananas are raised using mainly organic fertilizer from the time of development

(New Product) Kanjuku-oh GOLD PREMIUM

At the end of May, Sumifru launched its highest grade of premium banana ever. Cultivated in an area where soil and sunlight conditions are especially favorable, the fruit lets you enjoy an intense taste that fully balances flavor, richness, and sweetness.

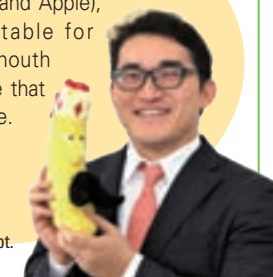


Awarded Grand Prix, the highest "Japan Food Selection" ranking in May 2014

In addition to the "masterpiece of intense flavor, Kanjuku-oh GOLD PREMIUM," we have also developed the "Banapple" (derived from Banana and Apple), a fruity banana suitable for dessert. It fills your mouth with a refreshing taste that reminds you of an apple. Perfect for dessert!

Yuji Nobumoto

Fruit and Vegetables
Marketing & Distribution Dept.
Sumitomo Corporation



■ Please take a look at the Sumifru website as well: ■

<http://www.sumifru.co.jp/>

Sumitomo Corporation

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(Publication: Corporate Communications Dept. koho-web@sumitomocorp.co.jp)

Editor's Note

Thank you for reading SC NEWS. Did you know that bananas are the most consumed fruit in Japan, surpassing *mikan* (mandarin oranges)? Be sure to try "Kanjuku-oh," originally named in kanji characters familiar to the Japanese. The next edition is planned for issue in summer 2015. We strive to provide information that will give our shareholders a deeper understanding of the Group, and look forward to your continued support.

● Caution Concerning Forward-looking Statements

Statements included in this publication regarding future performance and other matters have been determined on the basis of information currently available. Such statements may differ in future depending on changes in the business environment, etc., and Sumitomo Corporation does not guarantee their reliability.