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Sumitomo Corporation Business Report

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Newsletter to Shareholders for the 147th Fiscal Year [April 1, 2014 through March 31, 2015]

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To make group-wide efforts in overcoming issues and to outline a path toward the realization of “What We Aim to Be”

President and CEO **Kuniharu Nakamura**

Summary of business performance for fiscal 2014

During the period under review (fiscal 2014, i.e., April 1, 2014, through March 31, 2015), on the global economic front, although the United States maintained its strong performance, recovery from the downturn was delayed in Europe and the economies of emerging countries generally slowed down, resulting in only moderate growth overall. Geopolitical risks in Ukraine, the Middle East, and North Africa also came to the surface, increasing uncertainty about the outlook for the global economy. International commodity markets faced increased downward pressure due to mounting doubts over future demand and concerns about oversupply.

In the Japanese economy, although there was

weakness in personal spending and housing investment after the consumption tax rate was raised in April 2014, the employment and income environment and corporate performance continued to improve, resulting in a gradual recovery trend in the second half.

In this environment, consolidated net income ^{(*)1} (loss) for fiscal 2014 amounted to a loss of ¥73.2 billion, a decrease of ¥296.2 billion from the previous fiscal year. Basic profit ^{(*)2} of our non-mineral resources businesses, such as the tubular products business, leasing business, overseas power infrastructure business, and media-related business, continued in an upward trend, driven by the earnings pillars which showed robust performance, but also driven by profit contributions from investments made in recent years. However, in addition to the sluggish performance in our mineral resources businesses due to a drop in

commodity prices, we posted impairment losses of ¥310.3 billion in total in the several projects, such as Tight oil development project in the U.S. and Iron ore mining project in Brazil; as a result we reported a net loss.

Summary of the medium-term management plan, “Be the Best, Be the One 2014”

The Company had positioned its medium-term management plan “Be the Best, Be the One 2014 (BBBO2014)” as the “stage of heading for an even higher level of profit growth by thoroughly enhancing our earning power” for the two years until March this year, and made efforts to build a solid earnings base while maintaining financial soundness. To be specific, we stimulated the metabolism of our business

(*)1 “Consolidated net income” is equivalent to the “profit attributable to owners of the parent” set out in the International Financial Reporting Standards (IFRSs).

(*)2 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 of investments accounted for using the equity method

portfolio by executing new investment and loans as well as replacing businesses in order to expand our earnings base; however, due to the incurrence of impairment losses on large projects in FY2014, among other factors, we failed to reach the quantitative targets of “BBBO2014” such as consolidated net income, etc.

| | Targets | | Actual | |
|----------------------------|------------------------------|----------------|-----------------------|-----------------|
| | FY2013 | FY2014 | FY2013 | FY2014 |
| Consolidated net income | ¥240.0 billion | ¥270.0 billion | ¥223.1 billion | ¥(73.2) billion |
| Risk-adjusted return ratio | (2-year average) Approx. 12% | | (2-year average) 3.5% | |
| ROA | (2-year average) 3% or more | | (2-year average) 0.9% | |

In FY2013, solid results in metal products, transportation and construction systems, and other non-mineral resources businesses pushed up our company-wide performance, but in our mineral resources businesses, we felt the impact of lower prices, and at the end of the fiscal year we booked impairment losses of ¥27.7 billion in the coal-mining projects in Australia; as a result our consolidated net income for the year totaled ¥223.1 billion, and in FY2014 our consolidated net income for the year amounted to a loss of ¥73.2 billion due to impairment losses of ¥310.3 billion as per the right table.

The Company studied the causes following the incurrence of these impairment losses and formulated countermeasures, which are reflected on a new medium-term management plan.

New investment and loans results (2-year total)

(Billions of yen)
Indication, including domestic and overseas segments

| | Plans (2-year total) | | Results (2-year total) | |
|--|----------------------|--|------------------------|--|
| | Amount | Primary fields | Amount | Major investment & loans |
| Metal Products | 80 | Tubular Products Business | 88 | • Edgen Group • Aluminum smelting project in Malaysia |
| Transportation & Construction Systems | 160 | Automotive Business | 115 | • Commercial bank in Indonesia • Auto manufacturing-related |
| Environment & Infrastructure | 90 | Power Infrastructure Business | 115 | • Wind farm in the U.S. • IWPP project in Kuwait |
| Media, Network, Lifestyle Related Goods & Services | 130 | Media Business, Real Estate Business | 146 | • Real estate (Japan, Overseas) • Telecommunication in Myanmar |
| Mineral Resources, Energy, Chemical & Electronics | 190 | Upstream Mineral Resources & Energy Business | 268 | • Additional investment in existing projects • Thermal coal interest in Australia |
| Strategic Industrial / Regional Focus | 100 | — | — | Allocated in segments above |
| Total Investment & Loans | 750 | | 740 | |

The principal projects that posted impairment losses (in FY2014)

(Billions of yen)

| Projects | Project outline | Amount of impact on consolidated net income | Main reason for loss |
|---|--|---|--|
| Tight oil development project in the U.S. | Tight oil & gas development and relevant businesses in the state of Texas, U.S. | (199.2) | Resolution of the divestment of certain fixed assets, decline in the oil prices, revision of the long-term business plan |
| Iron ore mining project in Brazil | Iron ore mining operations and relevant businesses in the Serra Azul region of the state of Minas Gerais in Brazil | (62.3) | Decline in the iron ore prices, revision of the life of mine plan and future expansion plan |
| Shale gas project in the U.S. | Shale gas development and relevant businesses in the state of Pennsylvania, U.S. | (31.1) | Decline in the oil & gas prices, revision of the long-term business plan |
| Coal mining projects in Australia | Investments in coal mines in Australia | (24.4) | Decline in the coal prices |
| Tire business in the U.S. | Retail and wholesale of tires in the U.S. | (21.9) | Revision of the business plan |
| Oil field interests in the North Sea | Crude oil & natural gas development and relevant businesses in the British and Norwegian zones of the North Sea | (3.6) | Decline in the oil prices, revision of the long-term business plan |
| Tax effect and others | | 32.3 | |
| Total amount | | (310.3) | |

Overview of a new medium-term management plan, “Be the Best, Be the One 2017”

(a) Basic policy

Based on the summary of “BBBO2014,” the Company has prepared a new medium-term management plan “Be the Best, Be the One 2017 (BBBO2017),” which covers fiscal years 2015, 2016 and 2017. Its basic policies are as follows:

Theme : To make group-wide efforts in overcoming issues and to outline a path toward the realization

- ① Steady implementation of managerial reform
- ② Strengthening earning power to achieve “What We Aim to Be in 2019”
- ③ Regaining balance between core risk buffer and risk-adjusted assets ^{(*)3} and securing positive post-dividend free cash flow (3-year total)



“What We Aim to Be in 2019, Our Centennial Year”

- We aim to be a corporate group that is recognized by society as meeting and exceeding the high expectations directed toward us, creating value that nobody else can match in ways befitting our distinctive identity.
- We aim to build a solid earnings base and aim for an even higher level of profit growth while maintaining financial soundness.

Total assets: Around ¥10 trillion
Consolidated net income: ¥400 billion or more

(b) Priority actions

(i) Steady implementation of managerial reform

Change the Management Council into a decision-making body

We will change the Management Council, which had been positioned as an advisory body to the President, into the top executive decision-making body in order to establish a decision-making system under which decisions on important matters are made through multilateral discussions more than before.

Strengthen the system for handling important and large-scale projects

We will strengthen our risk management system by introducing a scheme of Loan and Investment Committees within business units, in addition to the company-wide Loan and Investment Committee, to discuss and examine investments from various perspectives prior to the investment stage and by holding discussions in two stages, first at the time of considering the investment and second at the time of execution of the investment.

Adjust the hurdle rate for investments

We will review our hurdle rate for investments so that they better correspond to the nature of the risks for each business and will aim to determine the profitability of investments more appropriately by using the hurdle rate.

Increase in the number of outside directors

Active response to the Corporate Governance Code

(ii) Strengthening earning power to achieve “What We Aim to Be in 2019” (promoting a growth strategy)

Strengthening / promoting cross-organizational collaboration

Based on the growth strategies of each business unit, we will strengthen and promote cross-organizational collaboration among businesses which have compatibilities in terms of industry, function and region in respect of overall portfolio.

Strategic industrial / regional focus

Following our initiatives started in “BBBO2014,” we will continue to strengthen the structure to develop businesses in the following industries and regions with growth potential:

Industrial focus: Energy-related business, retail business in Asia, food and agriculture-related business

Regional focus: Brazil, India, Myanmar, Turkey and Sub-Saharan Africa

Policy for the upstream mineral resources & energy businesses

- Reduction of risk exposure through early financial completion (nickel project in Madagascar, copper project in Chile, etc.)
- Continuous cost reduction and earning power improvement in existing businesses
- Basic policy; new investments replace existing assets
- Reconstruction of the risk management and assessment system
 - Manage concentration risk (guideline for ceiling of individual project exposure, monitoring and stress test regularly)
 - Improve methodology of project valuation (improve criteria for pipeline screening and risk scenario analyses)
 - Establish an expert organization (strengthen market analyses and technical evaluation abilities through the use of expertise of external human resources)

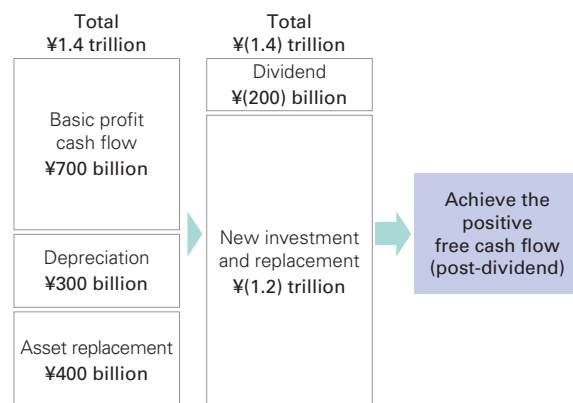
(iii) Regaining a balance between core risk buffer and risk-adjusted assets and securing positive post-dividend free cash flow (3-year total)

As a discipline for the promotion of our growth strategies, we will make investments and pay dividends within the cash generated from profits and asset replacements, in order to realize sustainable profit growth. In the three-year period of the “BBBO2017,” we plan to collect cash of approximately ¥1.4 trillion through basic profit cash flow ^{(*)4}, depreciation and amortization and asset replacement. We plan to allocate approximately ¥200 billion to dividend payment and the remaining ¥1.2 trillion to investment. We aim to regain a balance between our core risk buffer and our risk-adjusted assets while continuing investment for growth to secure a positive post-dividend free cash flow.

(*)3 Our “core risk buffer” represents the sum of “common stock,” “additional paid-in capital,” “retained earnings” and “exchange difference on translating foreign operations” minus “treasury stock, at cost.” Our basic management policy is to keep risk-adjusted assets, which are our maximum possible losses, within our core risk buffer.

(*)4 Basic profit cash flow = Basic profit – Share of profit of investments accounted for using the equity method + Dividend from investments accounted for using the equity method
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 of investments accounted for using the equity method

Cash-in / cash-out (3-year total of the period of "BBBO2017")



(c) Quantitative targets

We aim for ¥230 billion in consolidated net income in FY2015 and will aim to achieve the following figures in FY2017 by steadily executing the priority actions mentioned above.

| | | FY2017 |
|--------------------|---|--|
| Profit targets | Consolidated net income | ¥300 billion or more |
| | ROA | 3% or more |
| | Risk-adjusted return ratio | 10% or more |
| | ROE | Around 10% |
| Financial policies | Balance between core risk buffer and risk-adjusted assets | Regain balance by the end of FY2017 |
| | Free cash flow (Post-dividend free cash flow) | 3-year total ¥200 billion (3-year totals Positive) |
| Investment plan | | 3-year total ¥1.2 trillion |

Fiscal 2015 Business Performance Forecast

We aim to achieve our profit target of ¥230.0 billion

The performance of mineral resources businesses and tubular products business is expected to slow down due to the drop in prices for oil and other mineral resources, while robust performance is expected to continue in relation to our core

businesses in Transportation & Construction Systems; Environment & Infrastructure; and Media, Network, Lifestyle Related Goods & Services segment. On the basis of these factors, we have set a target of ¥230.0 billion in consolidated net income for fiscal 2015. The entire organization will work together to steadily achieve our profit targets.

We sincerely request the ongoing understanding, support and encouragement of all our shareholders.

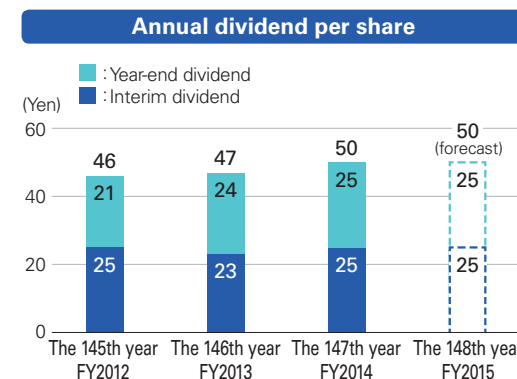
Dividend Policy

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 "BBBO2014," in consideration of the investment plan, we have applied the consolidated dividend payout ratio of 25%. Although consolidated net income (loss) for fiscal 2014 amounted to a loss of ¥73.2 billion, since its businesses excluding the impairment losses showed robust performance, the annual dividend for fiscal 2014 shall be ¥50 per share, as we announced in the most recent forecast.

During "BBBO2017," we will decide the dividend amount in view of the situations regarding basic profit and cash flow, with ¥50

per share as the minimum amount of annual dividend and a consolidated payout ratio of 25% or more as our reference. The annual dividend for fiscal 2015 is projected to be ¥50 per share (interim dividend: ¥25, year-end dividend: ¥25).



● Metal Products Business Unit ●

Expanding Primary Aluminum Trading in the Asia Region with Increasing Interest in the Aluminum Smelter



2nd Phase plant in Sarawak and aluminum ingots awaiting shipment

Additional investment in Malaysian smelting project

Press Metal Berhat (PMB), Malaysia's leading aluminum smelting and extrusion company, promotes the country's first aluminum smelting project. Sumitomo Corporation participates 20% in each of 1st, 2nd and 3rd Phases of the project through joint venture companies with PMB.

1st and 2nd Phases of the project are already in operation, and 3rd Phase, beginning operations in January 2016, will expand the project's annual production capacity by 320,000 tons to 760,000 tons.

We also hold interests in aluminum smelters in Australia and Brazil, and deal widely in primary aluminum. Through our initiatives with PMB, we will focus on expanding business in Asia where demand for aluminum is expected to increase mainly in construction materials, packaging materials and automobile-related fields.



High-temperature liquid aluminum headed for the casting process

● Transportation & Construction Systems Business Unit ●

Invigorating the Myanmar Commercial Vehicle Market with Establishment of the Service Station



View of the service station, Summit SPA Motors

Expanding penetration of HINO brand through maintenance business

In Myanmar, which is roughly twice the size of Japan with a population of over 50 million, the number of registered trucks and buses is increasing year by year, and further growth is expected in the commercial vehicle market. Through a joint venture with a subsidiary of Serge Pun & Associates in Myanmar, Sumitomo Corporation established and began operations of an authorized service station for HINO Motors (HINO) trucks and buses in August 2014 in a suburb of Yangon City.

Sumitomo Corporation began its automotive business in 1951, with a shipment of HINO buses to Myanmar and has engaged in business related to HINO vehicles for many years.

We are going to expand the HINO Brand in Myanmar market through good after-sales service, and aim to establish the position as Importer Distributor for Hino trucks and buses in the future.

In addition, we will contribute to further economic development and creation of employment in Myanmar by running a training facility in the service station to foster human resources that can play an active role in the local automotive industry.



service station staff

● Environment & Infrastructure Business Unit ●

Promoting Use of Renewable Energy by Operating a Mega-solar Project in the U.S.



Desert Sunlight photovoltaic module

Commencement of one of the world's largest solar farm

Desert Sunlight, a 550 megawatts (MW) solar farm in which Sumitomo Corporation and Sumitomo Corporation of Americas have participated, completed construction in December 2014 and has begun full-fledged commercial operations. The Project comprises some 8 million thin-film modules laid out on 3,800 acres of land in California, the U.S., and produces enough electricity to power approximately 160,000 households. The Group took a 25% stake in September 2012, and has been involved in its construction. Total cost of the project amounted to approximately US\$2.3 billion.

Our Group positions the renewable energy IPP (Independent Power Producer) activities as one of its core businesses, and has amassed wide-ranging knowledge and experience in the U.S., South Africa, China, Europe and Japan. Currently, our net generation capacity has reached approximately 1,100 MW.

We will continue to contribute to the development of sustainable local communities through renewable energy power generation projects.



U.S. Secretary of the Interior Sally Jewell (fourth from right) attended the opening ceremony in February 2015.

(*1) **Fund specializing in logistics properties:** A system that collects funds from investors to purchase properties and distributes the profits generated from these properties based on the amount invested. Real estate funds are mostly structured to pay out returns to investors after a few years of operation.

(*2) **Private-placement REIT:** A REIT is a type of property fund that is managed for a non-fixed period. A private-placement REIT is an unlisted fund that solicits investment from institutional investors, etc.

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

Expanding the Logistics Real Estate Business and Launching Diversified Private-placement REITs



THE SUMITOMO BLDG. (Chuo-ku, Osaka) acquired by the private-placement REIT

New growth strategy in Construction & Real Estate field

As a new growth theme in the Construction & Real Estate field, Sumitomo Corporation has laid out a policy of engaging in logistics real estate development Project in the range of ¥20.0 billion per year. In parallel with this, Sumisho Realty Management teamed up with the Kokyo Tatemono Group in February 2014 to put together a fund specializing in logistics properties^{(*)1} (target asset amount ¥50.0 billion). Sumitomo Corporation plans to continue putting together new funds and boost total amount of assets to ¥100.0 billion.

In addition, Sumisho Realty Management has established SC Realty Private REIT ("SCRPT") as a private-placement REIT^{(*)2} in January 2015. Through diversified asset management investing in office, retail, logistics, residential and hotel, SCRPT seeks to expand its portfolio to ¥100.0 billion over the next three years and to ¥200.0 billion over the next five years.

By operating these funds including logistics property funds and private-placement REITs, Sumitomo Corporation aims to further expand its real estate business by achieving an optimal balance of non-asset businesses and on-book businesses.



Narashino Akanehama III Logistics Center Development Plan (name tentative) (Narashino City, Chiba Prefecture)

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

Capturing Growth in Chinese Automotive Market and Participating in Petrochemical Production Project



CEPSA CHEMICAL SHANGHAI phenol plant

Joint venture with Spain's CEPSA Química

In China, the number of automobiles produced and sold have both maintained a high level of growth, and the increase in demand for auto parts is driving expansion in the plastics market. Sumitomo Corporation is participating in a petrochemical production project developed in China by CEPSA Química, taking a 25% stake in the establishment of joint venture CEPSA Química China.

This project, promoted through CEPSA CHEMICAL SHANGHAI, a wholly owned overseas subsidiary of CEPSA Química China, manufactures products that are used in the manufacture of plastics for auto and electrical parts. The manufacturing plant began full-fledged operations in April 2015.

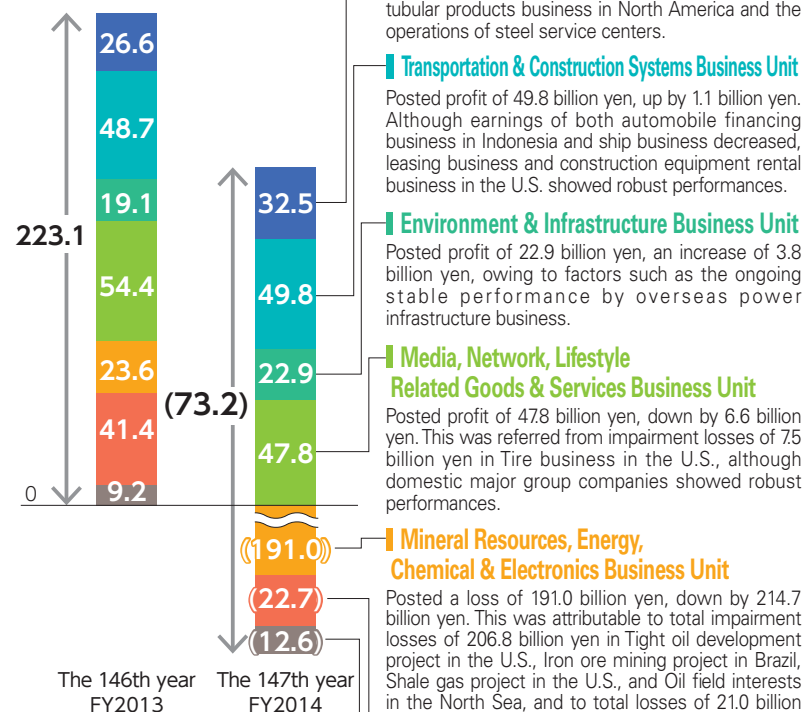
Sumitomo Corporation has had a trading relationship with the CEPSA Group for some 25 years. By combining the advanced manufacturing technology capabilities of CEPSA Química with Sumitomo Corporation's marketing capabilities and management know-how of business in China, we will establish a foundation for the manufacturing and sale of petrochemicals.



At the signing ceremony in April 2014: CEPSA CEO Pedro Miró Roig (third from left) and Masahiro Fujita, Senior Managing Executive Officer of Sumitomo Corporation (third from right)

Consolidated net income or loss by segment / Overview

Unit: Billions of yen (rounded to the nearest 100 million 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 headquarters 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 this fiscal year. Also, on October 1, 2014 Commodity Business Department was transferred from Corporate and Eliminations to Mineral Resources, Energy, Chemical & Electronics Business Unit. The segment information of the previous fiscal year has also been reclassified.

Metal Products Business Unit

Posted profit of 32.5 billion yen, an increase of 5.9 billion yen from the previous fiscal year. This was due to factors such as robust performances by tubular products business in North America and the operations of steel service centers.

Transportation & Construction Systems Business Unit

Posted profit of 49.8 billion yen, up by 1.1 billion yen. Although earnings of both automobile financing business in Indonesia and ship business decreased, leasing business and construction equipment rental business in the U.S. showed robust performances.

Environment & Infrastructure Business Unit

Posted profit of 22.9 billion yen, an increase of 3.8 billion yen, owing to factors such as the ongoing stable performance by overseas power infrastructure business.

Media, Network, Lifestyle Related Goods & Services Business Unit

Posted profit of 47.8 billion yen, down by 6.6 billion yen. This was referred from impairment losses of 7.5 billion yen in Tire business in the U.S., although domestic major group companies showed robust performances.

Mineral Resources, Energy, Chemical & Electronics Business Unit

Posted a loss of 191.0 billion yen, down by 214.7 billion yen. This was attributable to total impairment losses of 206.8 billion yen in Tight oil development project in the U.S., Iron ore mining project in Brazil, Shale gas project in the U.S., and Oil field interests in the North Sea, and to total losses of 21.0 billion yen from impairment losses and provisions for costs relating to placing the mine in care and maintenance in Coal-mining projects in Australia.

Overseas Subsidiaries and Branches

Posted a loss of 22.7 billion yen, down by 64.1 billion yen. This was due to total impairment losses of 71.6 billion yen in Tight oil development project in the U.S., Iron ore mining project in Brazil, Shale gas project in the U.S., Oil field interests in the North Sea, and Tire business in the U.S., and to total losses of 3.5 billion yen from impairment losses and provisions for costs relating to placing the mine in care and maintenance in Coal-mining projects in Australia, although metal products business showed a robust performance.

Corporate and Eliminations

Further details can be found on our website at:

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

Sumitomo Corporation IR

Search

Contributing to Sustainable Society

Sumitomo Corporation 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 our Group.

Through business activities:

Contributing to the promotion of renewable energy sources through energy management utilizing our economically efficient battery solution

With the aim of further installation of renewable energy sources, Sumitomo Corporation is working on a new demonstration project utilizing storage batteries on the Koshiki Islands, collaborating with Satsumasendai City.

The unstable power supply by renewable energy relying on the weather conditions may affect the balance of power supply and demand, especially on remote islands with a small electric scale, and at times even cause power outages. In this project, Sumitomo Corporation builds an effective use of reused batteries from electric vehicles ("EV") as economically efficient large-scale power storage system and provides energy management to stabilize the balance of power supply and demand, so that more renewable energy can be integrated in the island.



CG image of completed validation project facility for large-scale power storage system utilizing reused batteries

Sumitomo Corporation is helping to promote more renewable energy sources by designing and delivering this project model not only to the other remote islands but also to any areas in Japan and abroad that require economically efficient battery solution.

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

CSR through
business activities

CSR through social
contribution
activities

Social contribution activities:

Supporting the activities of
the Junior Philharmonic Orchestra (JPO)

Since 1992, Sumitomo Corporation has been a major supporter of the musical activities of the JPO, which is composed of approximately 100 members ranging from elementary school to university students. The JPO was established in Tokyo in 1972, advocated by the late composer Setsuo Tsukahara, who wanted to "contribute through the orchestra to the growth of the next generation." In addition to funding, Sumitomo Corporation assists with holding four concerts each year where orchestra members can present the results of their daily practice, including performances where pre-school children can enjoy music

together with adults, and charity concerts for the Great East Japan Earthquake relief.

Wishing to foster the sound growth of young people studying music, Sumitomo Corporation will continue to support the activities of the JPO.



"Sumitomo Corporation Young Symphony No. 59"
2015 New Year's Concert (Suntory Hall, Minato-ku, Tokyo)



Future of the Automotive Business



Corporate Officer
General Manager,
Automotive Division, No. 1
Masaki Nakajima

Joined Motor Vehicle Dept., No. 4 of Sumitomo Corporation in 1985. Posted to Sumitomo Deutschland GmbH (Dusseldorf) in 1996. After positions including the Corporate Planning & Coordination Dept., he was named General Manager of the Asia & Americas Automotive Market Dept. in 2009. Has held current position since April 2013.

Aiming to Expand and Deepen the Business

Engaging in the automotive business through manufacturing and financial services

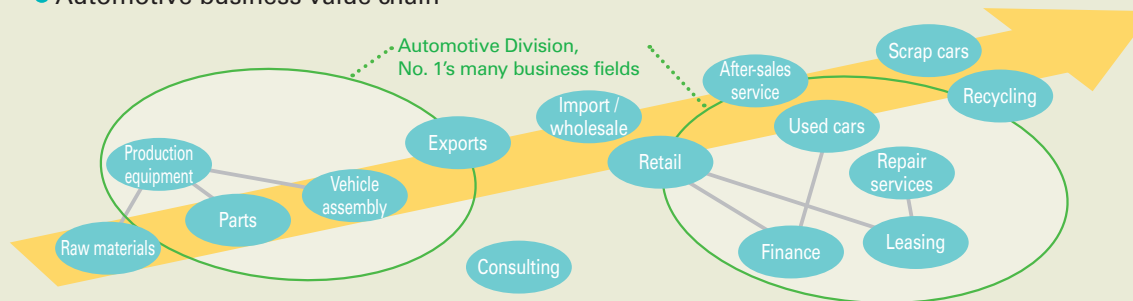
The automotive business is incredibly diverse, not limited to automotive production and sales, which range from supply of various materials and equipment, to loans and leases associated with sales, as well as after sales service and recycling that goes from upstream to downstream. In this massive value chain, Automotive Division, No. 1 makes effort to create new value in the upstream manufacturing related area and downstream financial services related area.

In the manufacturing related area, we have long supplied auto parts and production equipment to global manufacturers. Currently, management and investment participation in the manufacturing of vehicles and auto parts is a big part of our operations. In complete vehicle manufacturing, we have owned SML Isuzu, a commercial vehicle manufacturer with over 30 years' history in India, as well as

our joint venture, Mazda de Mexico Vehicle Operation. In parts manufacturing, we have expanded to nearly 20 companies worldwide, of which brake parts manufacturer KIRIU Corporation, acquired in 2004, has expanded to 8 countries based on the excellent casting and machining technologies.

In financial services related area, automobile leasing business is operated both at home and abroad, centered on Sumitomo Mitsui Auto Service Company (SMAS), Japan's largest auto leasing company. The SMAS Group, holding and managing over 600,000 fleet, is proposing more safe and economical measures for its customers' driving by providing advanced on-board devices, while expanding its services globally. In addition, we are also working on our retail finance business in five countries. Oto Multiartha (OTO) Group, one of the largest automotive retail finance companies in Indonesia, is the leading business unit. Here, we have also entered the used car auction business and the insurance business.

Automotive business value chain



Advanced manufacturing technology is required for brake discs, KIRIU's major product.

Toward the realization of a better automobile society

The strength of Automotive Division, No. 1 is its broad knowledge, its experience rooted in the field, and its wide network of customers and partners, acquired through long years of engagement in the automotive business. Next generation technologies such as electric vehicles, fuel-cell vehicles, and automated driving and the progress of motorization in emerging countries are a few of the rapid changes in the environment surrounding the automotive industry. In our division, we strive to offer unique proposals through our automotive business, by focusing early on the secondary use of lithium electric car batteries, or the active practice of human resources education in our Group companies mainly in emerging countries. We will continue to make the most of our strengths, widely collaborating with people involved, and work hard with the aim of realizing a better automobile society.



Demand for automobiles and motorcycles is growing steadily in Indonesia, which is becoming one of Asia's largest markets.

External view of a branch of OTO, the Group's financing company for automobiles in Indonesia



Oto Multiartha Summit Oto Finance

Contributing to the spread of automobiles in Indonesia and developing together

Oto Multiartha (OTO) and Summit Oto Finance (SOF) of Indonesia are core companies in Sumitomo Corporation's automotive retail finance business. OTO and SOF provide retail financing for cars and motorcycles, respectively.

As the Indonesian market is continuously expanding, OTO and SOF provide hundreds of thousands of new loans every year, giving plenty of Indonesian customers the chance to buy a car and a motorcycle.

Sumitomo Corporation will continue to support the growth of both companies and work towards the expansion of the retail business.



Panoramic view of the training center for OTO and SOF employees in the suburbs of Jakarta

KIRIU

Global supplier with its strength in casting technology

With its headquarters in Tochigi Prefecture, KIRIU is an auto parts manufacturer producing mainly brake discs and drums. In July 2004, it became a wholly owned subsidiary of Sumitomo Corporation. It has opened bases in four locations across Japan and seven countries abroad, supplying finished car manufacturers and brake system manufacturers with parts. KIRIU's strength lies in its superb planning and design development and its advanced casting and processing technology. Uniformity of production by KIRIU's proprietary line ensures the quality required of important security parts, and secures its reliability.

Armed with KIRIU's globally recognized technology, Sumitomo Corporation aims for even greater development of its automotive business.

Real Estate Business with Over 30 Years of History in the United States

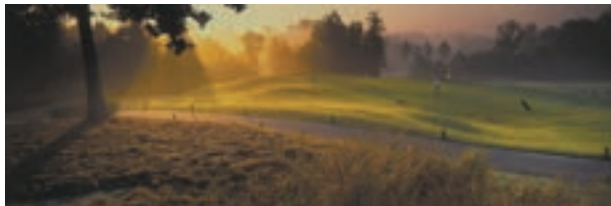
Sumitomo Corporation of Americas is active in the development of master-planned communities

With over 30 years of real estate investment and development experience in the U.S., Sumitomo Corporation of Americas (SCOA) has among its portfolio, investments in 3 master-planned residential communities.

Master-planned communities (MPC) typically include various amenities for homeowners such as club houses, restaurants, retail stores, offices, schools, entertainment and recreational facilities. They provide the opportunities for families to live, work, and play within the community.

In 1990, SCOA developed its first MPC at Medlock Bridge in Atlanta, Georgia, including the development of 700 single-family homes.

In 1993, SCOA started the development of its second MPC, also located in the Atlanta area, a 1,300-acre development named Hamilton Mill. This development included the residential land development for 2,200 single-family homes along with a signature golf course designed by PGA golfer, Fred Couples.



The Golf Country Club in Hamilton Mill



Waterways in Towne Lake allow people to move around the community by boats.



Towne Lake has a large man-made lake.

Towne Lake – a community connected by water

SCOA is currently developing its third master-planned community, Towne Lake, in Houston, Texas.

Starting from 2004, in partnership with a local developer, SCOA began developing Towne Lake, a 2,400-acre development with 2,900 single-family homes including a 430-acre man-made recreational lake where boating, water-skiing, fishing, and swimming can be enjoyed.

To date, approximately 1,400 homes have been sold, and two elementary schools and one middle school, a grocery superstore, a bank, two restaurants, and two childcare facilities have been constructed and opened for business. The project is expected to be completed by 2020, upon which Towne Lake will include full commercial amenities for the community, including an amphitheater.

SCOA continues to expand residential housing investments such as multi-family apartment projects as well. Its focus is on growing markets with a steady growth of population.



A single-family house in Towne Lake

the U.S.

Houston
Atlanta



Senior Director of Real Estate Unit

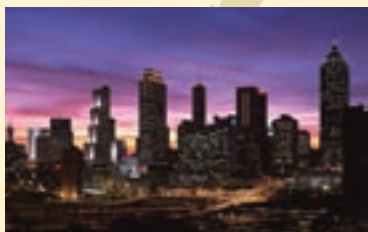
Joe Zagranski

In Master-Planned Communities we stratify the market by providing housing options for a wide spectrum of home buyers: first-time, move up, custom, and active adults. Targeting growing markets with a population of over one million, we are also active in the development of luxury multi-family rental apartment communities. Although SCOA has recently been focusing in the Sunbelt markets, we are now looking to expand into cities in other regions.

My Favorite

Atlanta, an international city with a large population of young generations, provides a great climate for outdoor activities - football, golf, music, and arts festivals.

With headquarters of many Fortune 500 companies including Home Depot, United Parcel Service, The Coca-Cola Company, Delta Air Lines, it is among world's leading cities with fast-growth companies.



Sumitomo Corporation Group's activities in the U.S.

SCOA's Real Estate Unit Invests Strategically in the U.S. Market

HISTORY ● Over 30 years of real estate development

In 1982, SCOA began its commercial real estate activities acquiring a building at 600 Third Avenue in Manhattan, SCOA's former headquarters. In 1988, SCOA commenced the multi-family apartment communities business. In 1990, SCOA started its first master-planned community and has since invested in two additional MPCs, several apartment projects and several medium-scale single-family home communities.



The building at 600 Third Avenue

PRESENT ● Implementing strategic investment in the U.S. market

SCOA's real estate portfolio can be classified into three strategies – 1) multi-family apartment communities aiming at short-term profit return, 2) mid-term commercial office buildings and 3) long-term master-planned communities. The expected investment term is about 3 years for apartment communities, about 5 years for office buildings, and 10-20 years for master-planned communities, respectively.



Staff of Real Estate Unit

FUTURE ● Targeting investments in markets with growing populations

The Real Estate Unit typically explores dozens of opportunities before selecting one to pursue. SCOA continues its contribution to the U.S. housing and commercial office building market with its well diversified and balanced real estate investments comprising luxury apartment communities, office buildings and master-planned communities.



Luxury apartment recently developed in Florida



To Achieve Prosperity and Realize Dreams through Sound Business Activities

"Corporate Mission Statement" 1998

The origins of the Sumitomo Group date back approximately 400 years. This is the final installment in a series of articles tracing the evolution of the business philosophy that underlies the Sumitomo of today, examining its emergence and legacy.

About the corporate vision of the Sumitomo Corporation Group

During the Meiji era (1868-1912), Sumitomo, which achieved dramatic growth in copper output, eventually separated its businesses into various fields, and formed the Sumitomo *zaibatsu* (conglomerate). In 1919, in order to develop the area around Port of Osaka, The Osaka North Harbour Company Limited, the later Sumitomo Corporation, was established. After the World War II, the said company was renamed Nippon Engineering Co., Ltd., changing to its current company name in 1952.

Sumitomo Corporation, which evolved from the trading sector of the Sumitomo Group, established its Corporate Mission Statement in 1998. This is a guideline indicating how employees should behave, adding a contemporary and global perspective to our business philosophy that had been passed down over the 400 years since the "*Monjuin Shiigaki*" expounded by Masatomo Sumitomo, the founder of Sumitomo. This statement is the fundamental value standard of our Group, which highlights vitality and attitude of challenging innovation within the company as the corporate culture. It was established amid a sense of crisis that the Company's development as an integrated trading company had reached a turning point as the Japanese economy had entered a long-term low growth phase after the collapse of the economic bubble. This then led to a momentum for return to our business philosophy, "to place prime importance on integrity and sound management, not to pursue easy gains."

In December 2019, the Company will mark its centennial anniversary since its establishment. In order to grow sustainably toward the future, and to make an even greater contribution to society, we will seek "to achieve prosperity and realize dreams through sound business activities" as expressed in the Management Principles.



Harumi Island Triton Square, where Sumitomo Corporation's head office is located

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



Corporate Profile / Stock Information

Corporate Profile (As of March 31, 2015)

| | |
|--|--|
| Establishment: | December 1919 |
| Paid-in Capital: | ¥219,278,931,183 |
| Status of Employees: | Number of Employees 5,371 <small>(Note)</small> Number of Employees (Consolidated basis) 75,448 <small>(Note) It includes 163 persons whom overseas offices of the Company employ.</small> |
| Status of Subsidiaries and Associated Companies: | Number of Consolidated Subsidiaries 596 Number of Associated Companies 266 |
| Status of Operating Locations, etc.: | Domestic 24 Overseas 114 |
| Accounting Auditor: | KPMG AZSA LLC |
| Directors and Corporate Auditors (As of June 23, 2015): | |

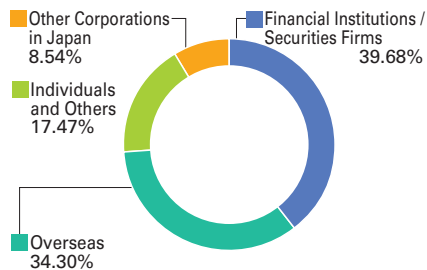
| | |
|--|-------------------|
| Chairman | Kazuo Ohmori |
| President and CEO* | Kuniharu Nakamura |
| Director* | Naoki Hidaka |
| Director* | Hiroyuki Inohara |
| Director* | Michihiko Kanegae |
| Director* | Hideki Iwasawa |
| Director* | Masahiro Fujita |
| Director* | Masao Tabuchi |
| Director* | Hirohiko Imura |
| Director* | Makoto Horie |
| Director (Outside) | Akio Harada |
| Director (Outside) | Kazuo Matsunaga |
| Director (Outside) | Yayoi Tanaka |
| 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 March 31, 2015)

Number of Shares Authorized for Issuance: 2,000,000,000 shares
Number of Issued Shares: 1,250,602,867 shares
Number of Shareholders: 167,087

Shareholders Composition:



(Note) As amounts are rounded to the nearest hundredth of a percent, 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) | 65,422 | 5.24 |
| Japan Trustee Services Bank, Ltd. (trust account) | 55,647 | 4.46 |
| Liberty Programming Japan, LLC | 45,652 | 3.66 |
| JP Morgan Chase Bank 385632 | 36,761 | 2.95 |
| Sumitomo Life Insurance Company | 30,855 | 2.47 |
| Mitsui Sumitomo Insurance Company, Limited | 27,227 | 2.18 |
| Barclays Securities Japan Limited | 20,000 | 1.60 |
| Japan Trustee Services Bank, Ltd. (trust account 4) | 19,274 | 1.54 |
| Japan Trustee Services Bank, Ltd. (trust account 9) | 17,569 | 1.41 |
| The Bank of New York Mellon SA/NV 10 | 15,989 | 1.28 |

(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 (2,789,578 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 Nihon Keizai Shimbun. |
| (Public Notice URL) | http://www.sumitomocorp.co.jp |

Contact for Notifications of Change of Address, etc. and Inquiries Concerning Shares

- **For shareholders having an account with a securities company**
→Please contact your securities company.
- **For shareholders not having an account with a securities company**
→Please contact Sumitomo Mitsui Trust Bank, Limited.
 0120-782-031

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 Sumitomo Mitsui Trust Bank, Limited.
 0120-782-031

Sumitomo Corporation Group in

Everyday Life

Seeking to be No.1 in customer satisfaction

NetBabyWorld

Offering approximately 7,000 high-quality baby items, including a large selection of original products

NetBabyWorld, an e-commerce service selling baby products, joined Sumitomo Corporation Group in April 2014 through an investment by subsidiary Soukai Drug, a leading e-commerce company. NetBabyWorld is ideal for families who want to compare various baby products before buying or who prefer to have bulky items delivered. The site offers approximately 7,000 items, including baby strollers and child seats, and original products from popular brands that cannot be purchased elsewhere.

At the Rakuten Shop of the Year Awards, NetBabyWorld earned first place in the kids, baby, and maternity segment, and seventh place overall among the 42,000 stores appearing in Rakuten Ichiba, Japan's largest online marketplace. NetBabyWorld aims to be No. 1 in customer satisfaction by leveraging the accumulated expertise of Soukai Drug.

Net Baby World
ネットベビーワールド



NetBabyWorld can provide next-day delivery for orders placed by 5:00 pm.



The site offers an abundant selection of high-quality products.



Rakuten Shop of the Year Awards ceremony. Soukai Drug earned the Shop of the Year award and NetBabyWorld ranked seventh overall.

NetBabyWorld shop opens in La Fuente Daikanyama

In September 2014, NetBabyWorld opened a brick-and-mortar shop in La Fuente Daikanyama (Shibuya-ku, Tokyo), home to many baby-goods stores. Customers can handle actual products such as baby strollers and child seats from popular brands and place an order online later.



View inside the shop of NetBabyWorld which has abundant selection of products.

The product line-up centers around a selection of highly-functional baby strollers. The store is quite popular among customers for allowing them to receive explanations from the staff about product features and functionality while comparing and testing different products.

Shungo Inoue
Direct Marketing Dept.
Sumitomo Corporation



For details, please visit the following websites:

■ NetBabyWorld website
<http://www.rakuten.ne.jp/gold/netbaby/>

■ Soukai Drug website
<http://www.soukai.com/>

Sumitomo Corporation

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Internet Website <http://www.sumitomocorp.co.jp/english/>
(Publication: Corporate Communications Dept. seisaku-t@sumitomocorp.com)

Editor's Note

Thank you for reading SC NEWS. This edition concludes "The Origin of Sumitomo" series that examines the legacy of Sumitomo's business philosophy dating back approximately 400 years. We will continue seeking to produce approachable articles that help readers deepen their understanding of the Group. The next edition is planned for issue in autumn 2015.

● 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.