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SC NEWS

Sumitomo Corporation Business Report

The 1st Half of 149th Newsletter to Shareholders [April 1, 2016 through September 30, 2016]

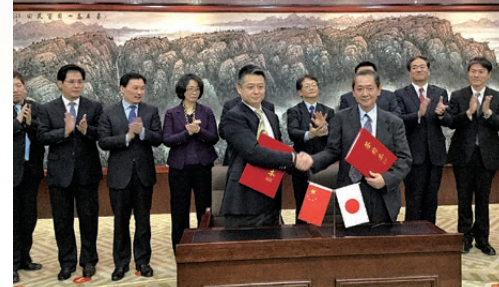
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西王集团与日本住友商事合资签约仪式





To pursue strength and capabilities of the Group,
and to outline a path toward the realization of
“What We Aim to Be”

President and CEO **Kuniharu Nakamura**

Summary of Business Performance for the First Half of Fiscal 2016

Consolidated net income of ¥65.8 billion

During the period under review (the first half of fiscal 2016, i.e. April 1, 2016, through September 30, 2016), moderate growth continued in the global economy, centered on the U.S. Economic recovery continues in the Eurozone despite concerns over Brexit, while growth slowed in China posing a considerable impact on surrounding countries in Asia. Although recovery was slow in Central and South America as a result of stagnant mineral resource prices and monetary tightening stemming from high inflation, there was recovery in certain areas. Price adjustments in the international commodity markets have come full circle, and although the situation differs from product to

product, overall trends are firm.

In the Japanese economy, growth continues to stagnate due to flat personal consumption combined with the stronger yen and decelerating overseas economies affecting exports and production.

In this environment, consolidated net income for the first half of fiscal 2016 amounted to ¥65.8 billion, a decrease of ¥63.6 billion year on year. As for basic profits, which exclude one-off gains and losses, the drop in mineral resources prices lowered earnings of mineral resources and tubular products businesses. In non-mineral resources businesses as well, income decreased as the ship and the automotive sales businesses underperformed, although domestic major group companies in media, network, lifestyle related goods & services businesses showed stable performance. Furthermore, a one-off loss of ¥17.0

billion was recorded this year primarily due to tax provisions in San Cristobal silver-zinc-lead mining project in Bolivia.

As for quarterly trends for basic profits, although a recovery in profitability in the tubular products business is delayed, results are improving in the mineral resources businesses due to recovering resource prices. In addition, other non-mineral resources businesses are recording stable profits.

Fiscal 2016 Business Performance Forecast

Consolidated net income forecast of ¥130.0 billion

As regards the world economy, although we expect lack of clarity about the future, including the slow-

down of the Chinese economy and political instability in emerging economies, moderate growth to continue in the U.S. and other advanced economies are expected. For international commodity markets, budding signs of recovery in some commodity prices are shown.

Given the situation, although we posted one-off losses, which were not included in our initial forecast, we expect our annual forecast of basic profit be better than the initial forecast, since mineral resources prices are holding up at levels above our initial expectations.

The costs of ¥20.0 billion for improving our financial soundness through the steady execution of asset replacement, which were included in the initial forecast are maintained.

As a result, our annual forecast of ¥130.0 billion for consolidated net income remain unchanged, although annual forecasts for each segment have altered.

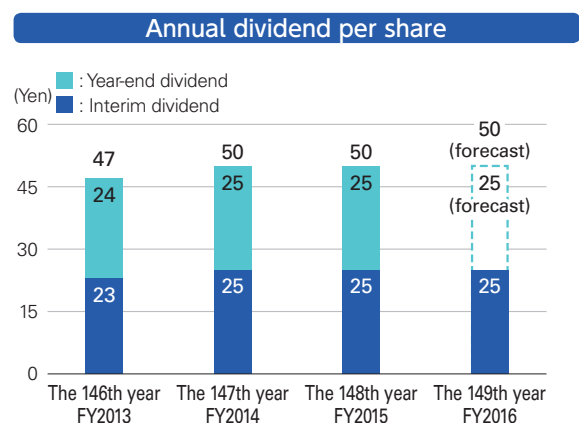
Dividend Policy

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 the “Be the Best, Be the One 2017 (BBBO2017),” the current medium-term management plan, we 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.

As we initially announced, the annual dividend for fiscal year ending March 31, 2017 will be ¥50 per share (the annual dividend for the previous term

was ¥50 per share). Therefore, the interim dividend for fiscal year ending March 31, 2017 is ¥25 per share, half of the amount of planned annual dividend (the interim dividend for the previous term was ¥25 per share).



Progress of Medium-Term Management Plan

In May 2016, we modified the quantitative targets of our medium-term management plan “BBBO2017” in light of changes in the business environment, changing consolidated net income target for FY2017 from ¥300.0 billion or more to ¥220.0 billion or more, and cash flow targets from achieving a positive post-dividend free cash flow in three-year total to achieving ¥500.0 billion. This aims to appropriate the collected cash to repayment of interest-bearing liabilities.

Cumulative post-dividend free cash flow from April 2015 to September 2016, which serves as the midway point for BBBO2017, was positive at ¥570.0

billion. While new loans and investments are moderate compared to plans, there were large-scale asset replacements such as value realized in the renewable energy power generation business, and real estate business in Japan and overseas. We will continue new loans and investments in growth sectors to strengthen our earnings power, while promoting speedy asset replacement for further financial soundness.

Additionally, the companywide growth strategy focuses on three fields of strength, namely automobile-related businesses, infrastructure, and lifestyle and information services. In automobile-related businesses, while investing primarily in automobile parts business, new business initiatives have begun such as parking lot sharing services. As for social infrastructure, our focus is on power infrastructure businesses both in Japan and overseas, including the renewable energy power generation business. In lifestyle and information industries, we will make investments primarily in the real estate business in Japan and overseas, the ICT business and overseas telecommunication related business. We will continue vigorous initiatives to achieve higher business value companywide.

Growth strategies will be steadily implemented in each business to strengthen our financial soundness through the reduction of interest-bearing liabilities, so as to return to a growth track.

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

➤➤➤ For new loans and investments, please see page 4.

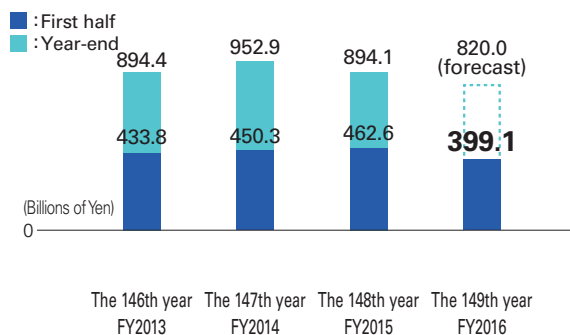


Performance Highlights

Changes in primary management indicators

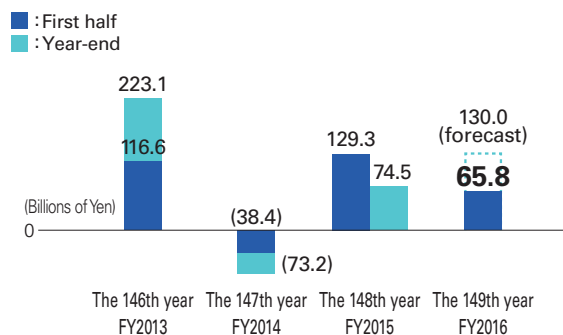
Gross Profit

¥399.1 billion



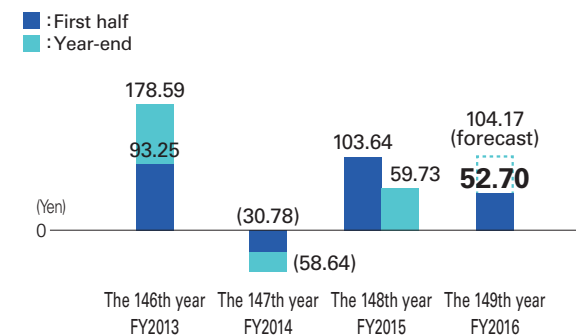
Consolidated Net Income or Loss

¥65.8 billion



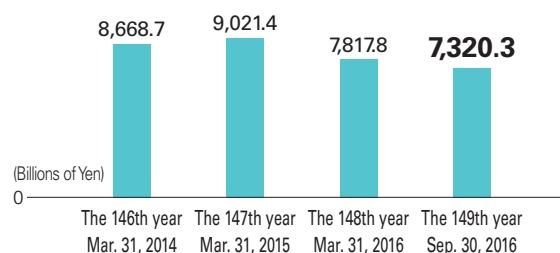
Consolidated Net Income or Loss per Share

¥52.70



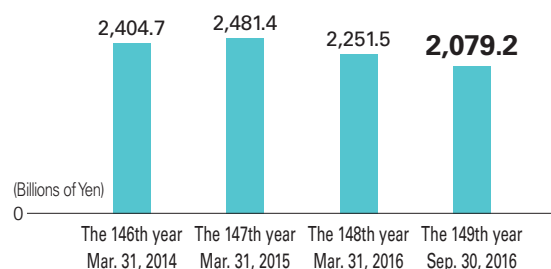
Total Assets

¥7,320.3 billion



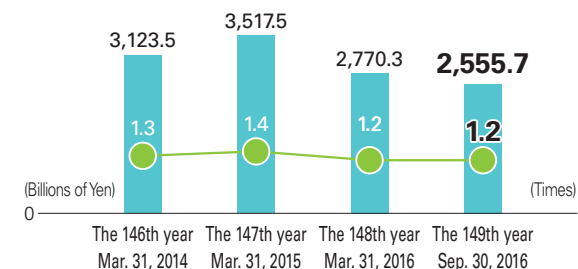
Shareholders' Equity

¥2,079.2 billion



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

Interest-Bearing Liabilities (Net) ¥2,555.7 billion
Debt-Equity Ratio (Net) 1.2 times



Glossary of terms

Interest-bearing liabilities (net)

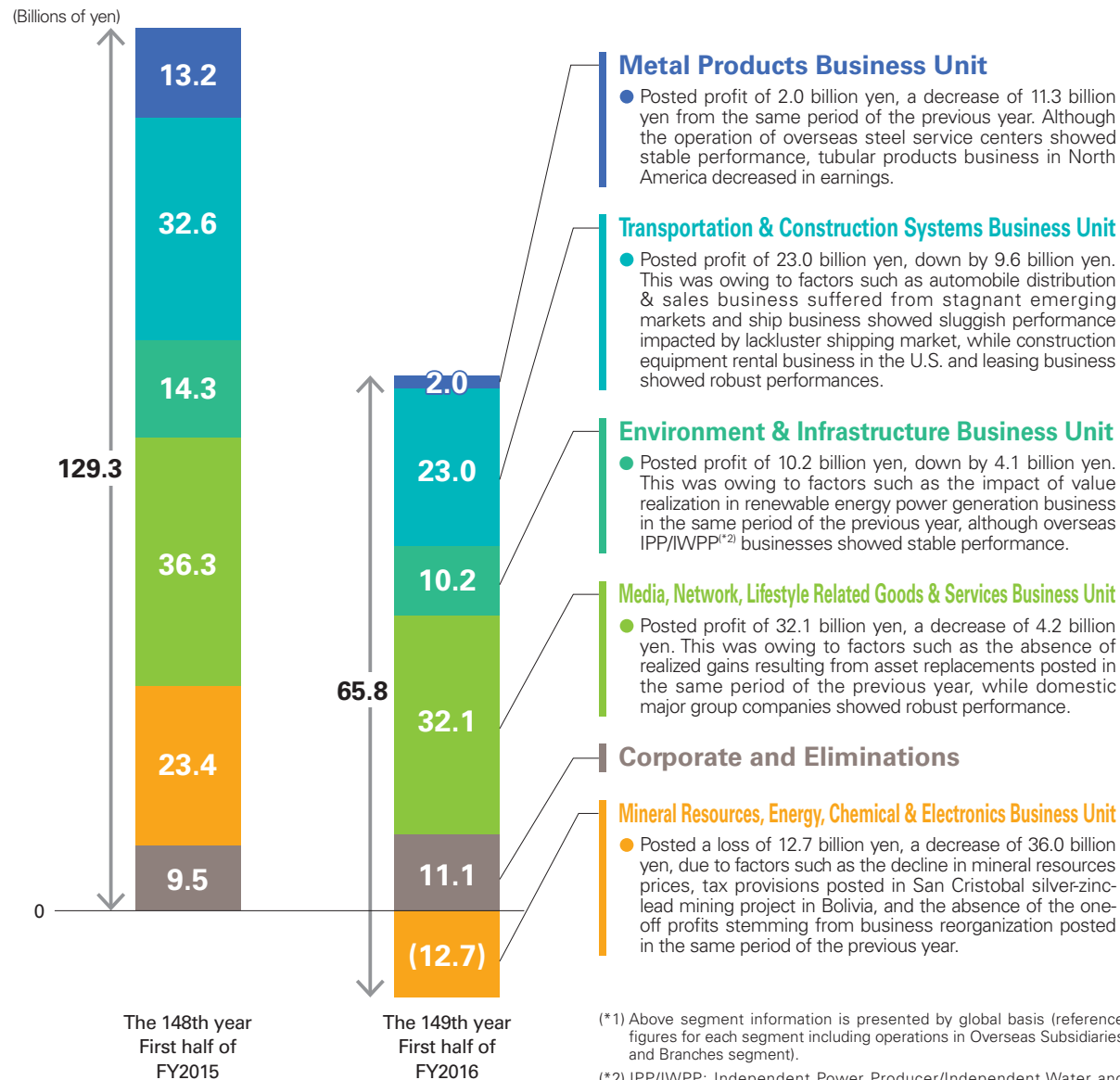
Gross interest-bearing liabilities (bank borrowing, corporate bonds, commercial paper, etc.) that must be repaid with interest, minus cash and cash equivalents.

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 (Global basis^(*))



Cash Flow Targets

In BBBO2017, we plan for a total of ¥1 trillion in new loans and investments over three years. From April 2015 to September 2016, ¥380.0 billion in assets has been added to the construction equipment rental business in the U.S. and aircraft engine leasing business. Although the pipeline for investments is expected over ¥1 trillion, we will review the feasibility and execute accordingly.

Meanwhile, in "asset replacement and others," we plan for a total of ¥900.0 billion over three years, and the results from April 2015 to September 2016 is demonstrating steady progress at ¥550.0 billion, owing to the reorganization of the Indonesian automobile financing business and the sale of renewable energy power generation businesses both in Japan and overseas.

Cash flow targets (3-year total)

(Billions of Yen)

	Targets (3-year total)	Results as of September 2016 (18-month total)
Basic profit cash flow	+500	+310
Depreciation	+300	+180
Asset replacement and others	+900	+550
Dividend	(200)	(90)
New investment and replacement	(1,000)	(380)
Free cash flow (post-dividend)	+500	+570

New investment and replacement (3-year total)

(Billions of Yen)

Business unit	Targets (3-year total)	Results as of September 2016 (18-month total)
Metal Products	140	19
Transportation & Construction Systems	250	113
Environment & Infrastructure	180	45
Media, Network, Lifestyle Related Goods & Services	250	87
Mineral Resources, Energy, Chemical & Electronics	180	127
Total	1,000	380

● Metal Products Business Unit ●

Entering a New Business Domain in North America ahead of an Expansion in the Railway Field



Establishment of a new company for the railcar axle machining business in the U.S.

Sumitomo Corporation Group together with Greenbrier Rail Services (GRS), a U.S. railcar wheel and axle maintenance company, have established a new company, GBSummit (GBS), and launched operations next to a GRS-owned plant in California from October 2016.

Sumitomo Corporation regards railway-related business as one of its core businesses and has long been supplying high-quality railcar wheels and axles in the North American market. GBS will make use of the stable supply of components by Sumitomo Corporation and the machining know-how of GRS to expand its territory and sales channels in the railcar wheel/axle supply chain by entering the U.S. west coast market, where demand for rail transport is forecasted to grow.

The growth of the railway industry in North America is expected to lead market expansion in the maintenance sector, and demand is rising for highly reliable components and services. With the establishment of GBS, we will make significant inroads into the maintenance market to further extend our business domain.



View of the new plant established together with GRS

● Transportation & Construction Systems Business Unit ●

Expanding the New Vehicle Dealers in the Russian Far East, Where Economic Growth is Expected



Expanding the market share for Toyota and Lexus vehicles

The Sumitomo Corporation Group operates a wholly-owned dealer business for Toyota and Lexus vehicles in the Russian Far East.

Since opening for business in Vladivostok 24 years ago, in 1992, we have conducted operations while navigating changes in the business environment. This led to the establishment of a second base in Khabarovsk in 2009. 2015 and 2016 brought a number of changes. Toyota vehicle dealers were reopened following remodeling, while dealers of Lexus vehicles opened their doors for the first time in both Vladivostok and Khabarovsk.

In the Russian Far East, where economic growth is expected to open up a gateway into Asia, we anticipate the demand for new vehicles to increase against a backdrop of improved consumer purchasing power.

Through the opening of new dealers, Sumitomo Corporation Group will strive to enhance sales, repairs, and servicing of Toyota and Lexus vehicles while aiming for further business expansion.



The opening ceremony for the Khabarovsk dealership was very lively.

● Environment & Infrastructure Business Unit ●

Providing Stable Power Management Services for Wider Access to Renewable Energy



Power Management Center constructed on a site formerly used as an elementary school

Promoting business model for reused EV batteries

Sumitomo Corporation in collaboration with the city government, is conducting a verification project in the Koshikishima Islands in Satsumasendai City, Kagoshima Prefecture, Japan to promote deeper installation of renewable energy in the remote islands. In March 2016, began operations of power management services for multi-site of renewables via a large-scale storage facility that utilize reused batteries from electric vehicles (reused EV battery system).

On remote islands where the grid scale is smaller, electricity supply relies on diesel generators. With higher penetration of renewable energy such as solar and wind, the stable supply of electricity in the grid may be harmfully affected by the weather conditions. We, therefore, have developed the first-ever reused EV battery system in the Koshikishima Islands, connected to the grid of power company and stabilize the power output of the several renewable energy sources all together, those are scattered in the Islands.

Our goal of the project is supporting renewable energy installation to reduce CO₂ emissions and contribute to the revitalization of the local economy. We will strive to expand this model not only to remote islands but also mainland with similar issues both in Japan and overseas.



Reused batteries installed on a 20-foot container

(*) The brand name “**SOSiLA**” is derived from Sumitomo Corporation’s business concept of working toward a new paradigm for logistics facilities (Logistic Aspect) based on the three themes of sociability (connection with society), sustainability (environmental consideration and sustainable growth), and individuality (consideration for people and the work environment).

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

Developing the Logistics Property Business as a New Pillar in the Construction & Real Estate Field



SOSiLA Narashino Akanehama III, completed in September 2016

Creating logistics facilities under the “SOSiLA” brand

In the real estate business, Sumitomo Corporation entered the development and holding business of logistics facilities in 2014 as a fourth pillar to its existing office building, commercial facility and housing businesses. By combining development know-how cultivated via real estate projects and logistics know-how from a group network unique to an integrated trading company, we work to connect people and society by creating competitive logistics facilities.

Since 2015, branding for own developed projects has been unified as “SOSiLA,” with ongoing construction for leasing logistics facilities in the Tokyo metropolitan and Kansai areas. In 2016, projects were completed in Nishiyodogawa, Osaka in June and Narashino Akanehama, Chiba in September. Three properties in Nishiyodogawa, as well as Yokohama Kohoku and Sagami-hara, Kanagawa are planned to be completed around 2017 and 2018.

In July 2016, our group company in Indonesia launched a new warehouse leasing business. We will continue to provide value within Japan and overseas through cutting-edge logistics facilities that bring people and society together.



Our group’s warehouse leasing business in Indonesia

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

Expanding Energy Production Supplied to Indonesia and Japan



Final investment decision to expand Indonesia's Tangguh LNG facility

The Tangguh LNG (liquefied natural gas) project in the Papua Barat Province of Indonesia has produced LNG from one of the largest gas fields in Asia since 2009, and supplies mainly to Asia including Japan. The project partners, consisting of the project operator BP, and LNG JAPAN, an affiliate of Sumitomo Corporation, and other companies, announced the final investment decision in July 2016 for the expansion project.

The Tangguh Expansion Project will add a third LNG process train (Train 3) with 3.8 million tons per annum (mtpa) of production capacity to the existing facility (two trains with 7.6 mtpa of production capacity). The commencement of production is expected in 2020. With such capacity increase, the project includes new offshore production facilities. The Tangguh Expansion Project will support Indonesia's growing energy demand, with 75% of the Train 3 annual LNG production sold to a state electricity company, and the remaining volumes are under contract to THE KANSAI ELECTRIC POWER, contributing to Japan's national energy security.

We commit ourselves to contribute to diversifying energy supply and securing of competitive natural resources.



Tankers carrying LNG produced by the facility

Fiscal 2016 Corporate Advertisement: "Sumisho Scrum" SC Persons Combating Social Issues Worldwide

From October 2016 to February 2017, a corporate advertisement linking the "The Nikkei" and special TV commercials aired during the program "Future Century Zipangu" on TV TOKYO-affiliated networks. The five-episode series features projects spanning five fields, beginning with the "Off-shore wind farm project in Belgium" in October, followed by those taking up transportation & construction systems, life sciences, industrial materials, and urban development. It focuses on the strong partnerships between persons within and outside of Sumitomo Corporation, and the passion of its employees. Additionally, the "Sumisho Scrum LIVE REPORTS" section was released on our website with interviews linked to the advertising project above and original video contents introducing employees.



Around 50 employees will appear in TV commercials and interviews. (Photo from a commercial)



Please visit the special section "Sumisho Scrum LIVE REPORTS" on our website.

<http://www.sumitomocorp.co.jp/special/scrum/>



Contributing to Sustainable Society

Sumitomo Corporation Group, as a global organization, will work on social issues through our business activities and social contribution activities.

We will engage in social contribution activities aimed at developing the next generation of human resources who will drive the sustainable development of society, and contributing to local communities in areas we do business all over the world. We will also perform and seek to continuously improve our activities with modesty and high aspirations while strengthening our relationships with all our stakeholders.

Support for Center on Japanese Economy and Business at Columbia Business School

The Center on Japanese Economy and Business (CJEB) at Columbia Business School in the U.S. is a research organization established in 1986 to promote understanding of the Japanese economy and business. In addition to research, CJEB holds conferences and seminars featuring renowned lecturers to widely disseminate beneficial information. Sumitomo Corporation of Americas has supported CJEB's activities since its founding. In May 2016, CJEB celebrated its 30th anniversary during its annual conference in Tokyo. The attendance of Gerald L. Curtis, a professor emeritus at Columbia University and Prime Minister Shinzo Abe showed the high level of interest in CJEB. We will continuously contribute to good relationships between Japan and the U.S. by supporting CJEB.



CJEB founder Professor Hugh Patrick (left) and Sumitomo Corporation President & CEO Kuniharu Nakamura

Mobile library vehicles donated to Myanmar's Daw Khin Kyi Foundation

Daw Khin Kyi Foundation (DKKF) is a non-profit foundation established in 2012 by Daw Aung San Suu Kyi(*) to improve the living, education and health standards in Myanmar. Currently, activities are centered on the operation of mobile libraries, and when Hino Motors donated vehicles (two in total) in 2013 and 2014 that were customized for use as libraries, we handled the transportation. The mobile library service has been very well-received, and given DKKF's plans to expand this success nationwide, Sumitomo Corporation newly donated three mobile libraries in June 2016. The ceremony was also attended by Daw Aung San Suu Kyi where she addressed the benefits of books and voiced her appreciation for these activities. The donated vehicles are scheduled to make regular rounds, primarily in sparsely populated rural areas.



Masao Sekiuchi, President & CEO of Sumitomo Corporation for Asia & Oceania (fourth from left), takes a commemorative photograph with Daw Aung San Suu Kyi (fifth from left) in front of a vehicle bearing the Sumitomo Corporation logo.

(*) Daw Aung San Suu Kyi is now acting as State Counsellor and Union Minister of Foreign Affairs of Myanmar.

Please visit the website below to view our various social contribution activities worldwide.

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

Sumitomo Corporation Social Contribution Activities

Search



Future of the Global Power Infrastructure Business



Executive Officer and
General Manager,
Global Power Infrastructure
Business Division

Tsutomu Akimoto

Joined Sumitomo Corporation in 1981. He served at the Ankara and the Istanbul offices in Turkey, and was assigned to Sumitomo Corporation of Americas in New York and Los Angeles. Held the position of General Manager, Power & Water Investment Dept. No. 1 before taking his current position in April 2014. Executive Officer since April 2015.

Aiming to be a Global Leader in the Power Business

The power infrastructure business, supported by the two pillars of power plant construction and business investment

The roots of the Global Power Infrastructure Business Division lie in the contracting of power plant construction in developing countries in the 1970s, or the EPC^(*) business. In the 1990s, the IPP/IWPP^(**) business was launched as business investments wherein Sumitomo Corporation internally manages power plants over the long term. Currently, these two business models serve as the bases for implementing power projects across the world.

The EPC business is an important foundation for developing new markets. It is essential to develop strong relationships with government agencies in the host country, with the power companies who are direct clients, as well as with other local companies and partners. Creating such comprehensive relationships enables links to future power business investment. Additionally, handling communication with customers or issues at construction sites is conducive to developing distinctive personnel for our power business, providing insight and experience on the

power business. So far, we have a contract record of plants with a total generation capacity as much as 50,000 megawatts, with our business domain expanding from the Asian continent to the African continent.

Meanwhile, the IPP/IWPP business is a medium- to long-term profit driver due to its business periods spanning 20 to 30 years, with environmentally friendly efforts incorporating new initiatives, such as geothermal power generation and stable power system utilizing power storage technologies. Large-scale projects include the combined cycle IPP project in Ghana, the gas fired combined cycle IPP project in the U.S., and the gas fired combined cycle IWPP projects in Kuwait and Bahrain. Currently, the global net ownership capacity held by Sumitomo Corporation is 5,518^(**3) megawatts in total, with a global portfolio of power plants in 25 locations. Moving forward, we are planning to expand to 10,000 megawatts in the near future.



North Bangkok gas fired combined cycle power plant Block 2 completed in January 2016 (Thailand)



View of the Manjung coal fired power plant under construction. Sumitomo Corporation's projects are planned to supply more than 20% of the Malay Peninsula's entire power capacity. (Malaysia)



Construction work of the Kpone IPP project is steady, aiming to ease power shortages which have become a social issue, through long-term, stable operation. (Ghana)



Az-Zour North IWPP project, a Private Public Partnership (Kuwait)

Sumisho Machinery Trade Corporation

Constructing power plants through seamless operation with the Global Power Infrastructure Business Division

Physical assets and the human assets that support them

Power development in our Division is characterized by power infrastructure development centered on the two axes of the EPC and the IPP/IWPP businesses. Not limited to the acquisition of existing power plants, but instead, it also includes green field development and investment, which accurately capture market needs through discourse with customers, being actively involved from the early stages of development by way of highly creative proposals. In addition to physical assets such as power plants around the world, human assets are the other important asset that supports these activities. Sumitomo Corporation works toward creating a diverse and inclusive professional organization through the successful careers of talented female employees worldwide and active hiring of highly specialized personnel of various nationalities.

Through these measures, we seek “economic value” through expanding profits, “societal value” provided through power infrastructure development, and “environmental value” through the promotion of renewable energy. While maximizing the total of these three values and expanding physical assets, we will focus on enriching human assets that support them, with an aim to contribute to all stakeholders.

(*1) EPC: Engineering, Procurement and Construction

(*2) IPP/IWPP: Independent Power Producer/Independent Water and Power Producer

(*3) As of October 20, 2016

Sumisho Machinery Trade Corporation (SMT) undertakes varied operations leading up to the completion of power plants, and promotes electrical power projects in unison with the Global Power Infrastructure Business Division. Additionally, in the automotive field, SMT provides OEM parts for automotive part production and after-sales maintenance in partnership with Sumitomo Corporation. SMT also handles various businesses with Sumitomo Corporation in fields such as construction equipment, transport machinery, and infrastructure plant, as a core group company that specializes in overseas transactions in the machinery and infrastructure areas.

In the EPC business, SMT supports headquarters according to business scale and direction, not limited to equipment export, but also in areas such as strategic proposals, communication with partners, bidding, negotiation, contracts, and onsite construction/equipment procurement management. Upon completion, SMT engages in maintenance by providing spare parts. As a group of experts trading machinery and electrical equipment, projects are operated by staff that are well-versed in local laws, tax regulations, and hiring, to support the execution of plant works.

In recent years, SMT has accumulated achievements in the construction of environmentally friendly geothermal power plants, and professionals with extensive worksite experience provide optimal services to large-scale project customers in locations such as Indonesia, the Philippines, and New Zealand.

Moving forward, SMT will continue to make efforts to challenge itself as a company that contributes to society on a global scale.



Lahendong geothermal power station under construction (Indonesia)

Import and Sales Business of Food Ingredients and Animal Drug Business in China

In 2015, Sumitomo Corporation concluded an MOU^(*) with the Government of Shandong. Since then, we have entered the businesses of animal drug and import/sales of food ingredients, expanding into Government-led industry.

(*) Memorandum of understanding: A document stating matters of agreement between organizations

Investment in Chinese animal drug manufacturer in light of the rising trend of food safety in China

China is the world's largest livestock market, accounting for roughly 50% of global pig farming and 20% of poultry farming. To secure food safety and economy of scale of the livestock industry, the Chinese government aims to shift from antibiotic "treatments," with concerns of chemical residue, to vaccine "prevention." China's vaccine market is set for 10% annual growth. As such, in March 2016, we invested in Shandong Sinder Technology (Sinder), which manufactures, imports/exports and sells animal drugs (mainly livestock vaccines)

and feed additives in China. By providing high-quality vaccines and feed additives based on Chinese food safety laws, we will contribute to the safety of meat and help prevent the spread of livestock diseases.



Sumitomo Corporation and Sinder plan to sell animal drugs in emerging markets such as Kenya.



Inside production facilities at Sinder

Conclusion of joint-venture agreement with Xiwang Group



Head office of Xiwang Group (Zouping, Shandong)

Providing raw materials to China's diversifying food market

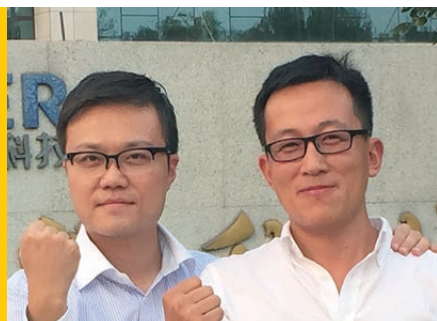
In September 2016, Sumitomo Corporation acquired a 40% stake in Xiwang International Trade, which imports and sells feed grains and vegetable oil.

An expanding demand for meat in China due to westernization and rising incomes, led to huge increases in the import volumes of feed grains. Consumption of high value-added vegetable oils, such as corn oil and olive oil is also rising.

Xiwang Group is a leading Chinese company in the corn processing business. By utilizing its sales network and Sumitomo Corporation's overseas procurement know-how, we aim to expand business in the diverse Chinese food market.

China

Shandong Province
Shanghai



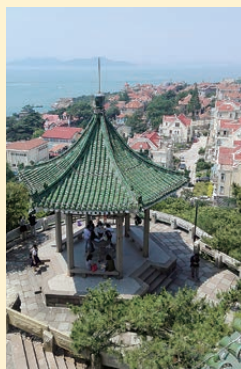
Life Science Department
Chemical & Electronics
Business Unit

Guan Shan
Song Chengchao

Livestock vaccines are a new business for Sumitomo Corporation, and require a high level of expertise and accumulated know-how. While listening to the opinions of investees and focusing on livestock farmers' needs and market trends, we will contribute to the steady expansion of the animal drug business through utilization of the Sumitomo Corporation Group network.

My Favorite

Shandong Province is on the north coast of China, with superior economic influence and market size. It has a land area of 157,000 km² (equal to 40% of Japan), a population of some 98 million people, and a GDP of 5.9 trillion yuan (third largest in China). The cradle of Chinese civilization, it produced figures such as Confucius, the father of Confucianism.



Sumitomo Corporation Group's activities in Shanghai

Maintaining Continuous Growth through Functions and Integrated Corporate Strength as a Local Organization

HISTORY ● Largest branch in Sumitomo Corporation China Group

Shanghai, the largest economic city in China, has achieved vast economic growth since the Chinese economic reform.

In 1980, Sumitomo Corporation opened a liaison representative office in Shanghai, which began operations as an independent corporation in 1995. Profitability grew amid China's economic growth, particularly near the Yangtze delta, centered on Shanghai, and became the largest branch in the Sumitomo Corporation China Group.

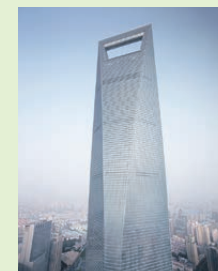


Shanghai Centre Building, where the Shanghai Liaison Representative Office was located during the 1990s

PRESENT ● Priority allocation of resources to growth fields

As the core of sales and corporate activities, Sumitomo Corporation (Shanghai) leads the Sumitomo Corporation China Group.

In light of substantive change in the Chinese economy, we are striving to achieve continuous growth through collaboration with strategic partners as well as cooperation among organizations in different regions, with four key growth fields, namely mineral resources & energy, automotive, the domestic consumer market including food and real estate, and the environment & energy efficiency.



Office building housing Sumitomo Corporation (Shanghai)

FUTURE ● Substantive changes in China business opportunities

New growth fields are arising in China, due to a higher quality of life, advanced industrial structure, and urbanization toward a "society with a little more economic freedom." Sumitomo Corporation (Shanghai) will fulfill its role as a driver in the Yangtze delta, demonstrating its integrated corporate strength to maintain continuous growth.



We will invest in Morita New Energy Materials, to be expanded in line with the growing lithium-ion battery market.



Sumitomo Kakkien (Otsu City, Shiga Prefecture) <Teigo Iba Memorial Estate>

The Sumitomo Group sought not only to increase its own profits, but achieved its development by giving back to society at the same time. In this series, we will introduce “Places Associated with Sumitomo,” such as buildings and structures that convey the Sumitomo Group’s history to the next generation and facilities that collect cultural assets.

The arcadia of Teigo Iba, who valued harmony

As Sumitomo’s second Director-General, Teigo Iba (1847-1926) established the main Sumitomo companies in the Meiji era and contributed to business expansion. He valued harmony of the material and the spiritual, advocating contribution to the national and public interest through business. He was also a pioneer of environmental preservation in gas emission countermeasures and reforestation leading to the recovery of the Besshi Copper Mines.

Teigo built Kakkien in 1904. The site preserves the villa where he spent life from his retirement at 58 to his demise at 80. The buildings, of both Japanese and western styles, and the garden were designated as an Important Cultural Property of Japan in 2002 as a “rare example of a late Meiji-era mansion in its complete form.” Neither the western-style building nor the Japanese-style building have been restored significantly and mostly maintain their original appearance with exquisite and sturdy craftsmanship.

The buildings utilize lumber such as Japanese hemlock from Tosa that was gifted by the Besshi Copper Mine employees, showcasing barrier-free designs. The garden is an example of natural beauty without human intervention, where Teigo planted saplings and let nature handle the rest. Teigo’s legacy as demonstrated by this facility is one of its key attractions.

Visitor Information

Address: 10-14, Tanabe-cho, Otsu City, Shiga Prefecture, 520-0852
 Telephone: 077-537-1568
 URL: <http://www.sumitomokakkien.com>
 (* Japanese text only)
 Special exhibit: Once a year, the facility is open to the public. To attend, you are required to apply in advance. To learn more about the application period and other details, please visit the website.



External view of the villa with a remarkable fusion of Japanese and western architectural styles

What to See

Western building also serving as a gallery

The second floor of the western building overlooks the Lake Biwa. Previously used as a guestroom and bedroom, it is currently used as a gallery. Objects on display include Teigo’s favorite armchair and documents of his own handwriting, and reference evidencing his monumental achievements, all serving as witness to history.



The garden that exemplifies natural beauty

To observe the beauty of nature in an untouched state, Teigo did not hire a gardener, and instead let time alone alter the scenery. This idea flourished shaping a remarkable landscape of beautifully grown pines, cedars, *hinoki* cypresses, and maples harmonizing with moss that carpets the ground.





Corporate Profile / Stock Information

Corporate Profile (As of September 30, 2016)

Establishment:	December 1919
Paid-in Capital:	¥219,278,931,183
Status of Employees:	Number of Employees 5,426 ^(Note) Number of Employees (Consolidated basis) 66,583 (Note) It includes 180 persons whom overseas offices of the Company employ.
Status of Subsidiaries and Associated Companies:	Number of Consolidated Subsidiaries 573 Number of Associated Companies 271
Status of Operating Locations, etc.:	Domestic 22 Overseas 110
Accounting Auditor:	KPMG AZSA LLC

Directors and Corporate Auditors

Chairman	Kazuo Ohmori
President and CEO*	Kuniharu Nakamura
Director*	Naoki Hidaka
Director*	Hideki Iwasawa
Director*	Masahiro Fujita
Director*	Koichi Takahata
Director*	Masao Tabuchi
Director*	Hirohiko Imura
Director*	Makoto Horie
Director*	Masayuki Hyodo
Director (Outside)	Akio Harada
Director (Outside)	Yayoi Tanaka
Director (Outside)	Hideji Sugiyama
Director (Outside)	Nobuyoshi Ehara
Standing Corporate Auditor (Full-time)	Takuro Kawahara
Corporate Auditor (Full-time)	Nobuhiko Yuki
Corporate Auditor (Outside)	Haruo Kasama
Corporate Auditor (Outside)	Toshio Nagai
Corporate Auditor (Outside)	Yoshitaka Kato

*Indicates Representative Directors

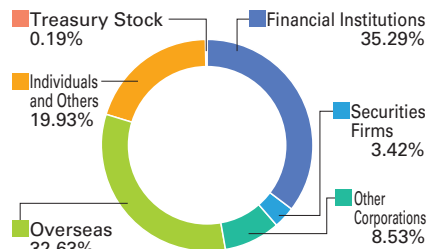
Stock Information (As of September 30, 2016)

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

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

Number of Shareholders: 184,135

Shareholders Composition:



(Note) The total will not be 100% as the ratio is rounded to the nearest hundredth of a percent.

Major Shareholders

Name	Number of Shares (In Thousands of Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	69,946	5.60
Japan Trustee Services Bank, Ltd. (trust account)	58,083	4.65
Liberty Programming Japan, LLC	45,652	3.66
JP Morgan Chase Bank 385632	42,165	3.38
Sumitomo Life Insurance Company	30,855	2.47
Mitsui Sumitomo Insurance Company, Limited	20,000	1.60
Japan Trustee Services Bank, Ltd. (trust account 9)	18,348	1.47
The Bank of New York Mellon SA/NV 10	17,002	1.36
Japan Trustee Services Bank, Ltd. (trust account 7)	16,378	1.31
Japan Trustee Services Bank, Ltd. (trust account 4)	16,182	1.30

(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 (2,428,264 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**

Sumitomo Corporation Group in

Maximizing Sumitomo Corporation Group business synergy

J:COM 電力

Household Electricity Provided by J:COM

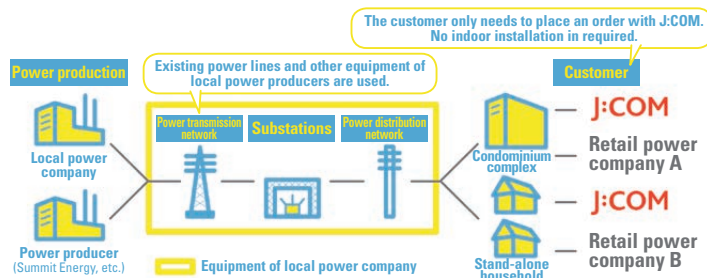
Creating a value chain for the electricity retail business through cooperation with Summit Energy

Upon the liberalization of electricity retail in April 2016, Jupiter Telecommunications (J:COM) started services providing household electricity. The electricity (including renewable energy such as woody biomass) is procured and managed by the Japanese power company, Summit Energy, a Sumitomo Corporation Group company.

J:COM DENRYOKU's household plan offers six features not available in electricity services from other companies. It is a one-stop shop with advantages for families, has a simple pricing structure, and providing reasonable prices over months with small usage, provides discounted pricing instead of loyalty points, and usage volume can be checked from PCs and smartphones.

Under the J:COM Everywhere concept, J:COM will continue to be a "one stop" provider of various services that assists the lifestyles of local customers with cores in broadcasting and telecommunications services such as cable TV, Internet, telephone, and mobile.

J:COM DENRYOKU is only available to persons residing in J:COM service areas. For details, please visit the J:COM website (http://www.jcom.co.jp/service_list/area4.html).



The "J:COM DENRYOKU" service is available to 19.99 million households* across Japan (*)As of June 30, 2016

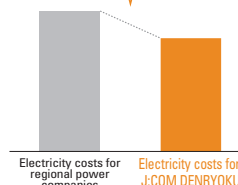


Summit Energy's Minato gas power plant, a provider of electricity (Chiba)

Discount packages that combine lifestyle services and electricity

By combining J:COM services, including cable multi-channel broadcasting, high-speed Internet, and landline telephones, makes discounts available for the pay-per-use portion, meaning lower prices compared to local power companies. Customers with large usage see greater discounts. For example, a monthly charge of 15,000 yen (metered-rate lighting B 40A contract under Tokyo Electric Power) would be discounted 10,000 yen per year.

10% discount* on portion exceeding 300kWh in electricity usage per month



*The discount rate is stratified depending on usage from Stage 1 (up to 120kWh) to Stage 3 (exceeding 300kWh) [exceeding 280kWh for the Sapporo area]. However, this is not a discount on the whole electricity bill.

J:COM DENRYOKU is the fifth service under J:COM's brand slogan of "Services to resonate with you," following cable TV, high-speed Internet, fixed phone, and mobile. It provides electricity, essential for our customers' daily lives, at affordable prices. We invite you to subscribe to this service.

Cable TV Dept.
Sumitomo Corporation
Kunimasa Takahashi



■ For details, please visit the J:COM website. ■

<http://www.jcom.co.jp/service/electricity/>

Editor's Note

As introduced in Business Topics, the verification project of renewable energy on the Koshikishima Islands, Satsumasendai City, Kagoshima Prefecture. Each piece of used batteries from Nissan LEAF EVs is inscribed with the location where it came from. In the future, please keep an eye on this dream project, where discarded batteries are reborn as a new source of energy.

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.

Sumitomo Corporation

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