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Unceasing Challenge for New Value Creation

Representative Director
President and Chief Executive Officer

Masayuki Hyodo

I am Masayuki Hyodo, the President and CEO appointed in April 2018. I would like to sincerely thank you for your continued support and cooperation.

The global economy is largely expected to grow steadily. However, trade and economic policies are increasingly geared toward protectionism in some quarters of the world, while geopolitical risks are rising. Some countries are starting to tighten their monetary policies. These are among the many factors that could put a damper on global affairs.

The trend of businesses seamlessly merging across a wide range of industries will inevitably accelerate due to drastic changes brought on by the rapid technological advancement such as artificial intelligence (AI), the internet of things (IoT) that are hallmarks of the Fourth Industrial Revolution.

Under these circumstances, which are marked by uncertainty, we need to be able to enhance the ability to look ahead and create new value so as to cope with these changing times.

Since its foundation in 1919, Sumitomo Corporation Group has made steady growth together with stakeholders such as business partners and clients across industries all over the world, while enhancing its ability to create new value through all alliances and collaboration that transcend industrial and organizational barriers.

We will work hand-in-hand to enrich not only our lives but also others. Through our business, we will strive to make our society more exciting. Our challenges and dreams will not end. Responding promptly to the needs of a changing society and creating new value is the Sumitomo Corporation Group's mission. Through our business activities, we will tackle our Six Material Issues.

"Unceasing Challenge for New Value Creation" is the subtitle of our Medium-Term Management Plan 2020 that started in April 2018.

We will assertively push to make our existing businesses even bigger, and without fear of failure, we will fully utilize our Group's business platforms and

embrace digital transformation to create businesses that will serve as new sources of revenue for the next generation. Examining the megatrends, we have identified three growth areas in which we can leverage our Group's strengths – "technology x innovation," "healthcare" and "social infrastructure" – and we will be actively investing our management resources in these areas.

No dream, no success. Aim high, act on the principles and execute. Sumitomo Corporation Group will act as one in unceasing challenges for new value creation to realize our dreams.

We will continue to move forward. Shape the future, staying ahead.



Masayuki Hyodo

Date of Birth:
June 26, 1959

[Significant Positions]

April 1984: Joined Sumitomo Corporation (Power Project Dept. No. 2)
April 2004: General Manager, Tanjung Jati B Project Dept.
April 2010: President and CEO, PT. Sumitomo Indonesia
April 2012: Executive Officer
General Manager, Global Power Infrastructure Business Division
June 2016: Representative Director, Managing Executive Officer General Manager, Environment & Infrastructure Business Unit
June 2017: Senior Managing Executive Officer
General Manager, Environment & Infrastructure Business Unit
April 2018: President & Chief Executive Officer

Summary of Business Performance for Fiscal 2017 Consolidated net income of ¥308.5 billion

The global economy in fiscal 2017 grew stronger, as steady growth continued in the US and China, and economic recovery gained momentum across Europe and continued in the Asian nations. The Japanese economy remained robust thanks to growth in personal consumption.

In our mineral resources businesses, earnings increased in the silver-zinc-lead mining project in Bolivia and in our tubular products business. In non-mineral resources businesses, despite an impairment loss on investments in an Indonesian commercial bank, leasing business and construction machinery business, the core businesses of major domestic companies in Media, ICT, Lifestyle Related Goods & Services segment and real estate business remained strong, while the progress in development and construction of the power EPC projects also contributed to earnings. As a result, consolidated net income exceeded plans at ¥308.5 billion. The annual dividend for fiscal 2017 is ¥62 per share, applying the consolidated payout ratio of 25% to consolidated net income. As the interim dividend was ¥28 per share, the year-end dividend is ¥34 per share.

Summary of the Previous Medium-Term Management Plan

Under “Be the Best, Be the One 2017 (BBBO2017),” we aimed to get back on our growth path and aimed for net income of ¥300.0 billion in fiscal 2017, which we

| | Initial Plan (May 2015) | Results | | |
|---|----------------------------|----------------|----------------|----------------|
| | FY2017 | FY2015 | FY2016 | FY2017 |
| Net Income | ¥300.0 billion or more | ¥74.5 billion | ¥170.9 billion | ¥308.5 billion |
| Basic Profit (excluding impairment loss) | ¥300.0 billion or more | ¥193.2 billion | ¥226.7 billion | ¥323.7 billion |

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

*2 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.

*3 Debt-Equity Ratio (net)

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

*4 Core risk buffer = Common stock + Retained earnings + Foreign currency translation adjustments – Treasury stock, at cost

achieved by reporting a net income of ¥308.5 billion. Also, for basic profit*1, excluding extraordinary profit/loss, we exceeded our plan of ¥300.0 billion and reported ¥323.7 billion, demonstrating the steady growth of our earning power.

To ensure financial soundness, we planned to secure ¥500.0 billion in free cash flows after dividend payment, for the repayment of interest-bearing liabilities, over three years by making investments and dividend payment within the amount of earned cash. However, free cash flows after dividend payment ultimately exceeded the plan at ¥630.0 billion, and this was used for the repayment of interest-bearing liabilities.

Key Financial Indicators

| | Start of BBBO2017 (as of March 31, 2015) | End of BBBO2017 (as of March 31, 2018) | Increase/Decrease over 3 years |
|--------------------------------------|--|--|-----------------------------------|
| Total Assets | ¥9,021.4 billion | ¥7,770.6 billion | Approx. -¥1,250.0 billion |
| Shareholders' Equity | ¥2,481.4 billion | ¥2,558.2 billion | Approx. +¥80.0 billion |
| Interest-bearing Liabilities (Net)*2 | ¥3,517.5 billion | ¥2,521.5 billion | Approx. -¥1,000.0 billion |
| DER (Net)*3 | 1.4 times | 1.0 times | 0.4-pt improvement |
| Risk-adjusted Assets (RA) | ¥2,460.0 billion | ¥2,360.0 billion | -¥100.0 billion |
| Core Risk Buffer (RB)*4 | ¥2,320.0 billion | ¥2,390.0 billion | +¥70.0 billion |
| (Core RB – RA) | (-¥140.0 billion) | (+30.0 billion) | Regained balance |

| | | Initial Plan (May 2015) | Results |
|-----|--------|-------------------------|---------|
| ROA | FY2017 | 3.0% or more | 4.0% |
| ROE | FY2017 | 10.0% or more | 12.5% |

Shareholders' equity rose ¥80.0 billion, due to increased profit, while interest-bearing liabilities decreased by around ¥1 trillion as a result of using free cash flows of ¥630.0 billion after dividends for repayment and the impact of the automotive financing business reorganization in Indonesia. As a result, DER (Net)

improved by 0.4 points to 1.0 times. As for the balance of risk buffer and risk-adjusted assets, risk-adjusted assets had exceeded the core risk buffer by ¥140.0 billion as of March 31, 2015 but the balance was regained at the end of FY2017 through the reduction of risk-adjusted assets and the increase of profits.

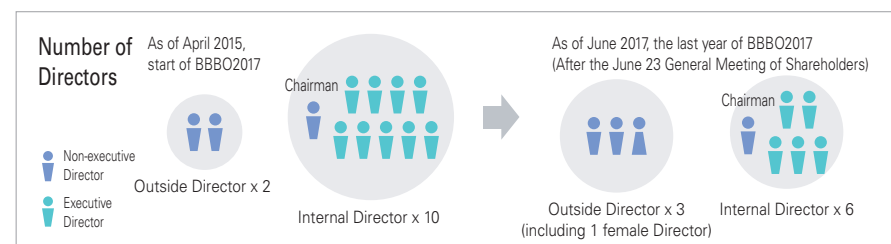
In FY2017, ROA and ROE also rose to 4.0% and 12.5%, respectively, exceeding the levels of the initial plan.

Promotion of Managerial Reforms

We reinforced our corporate governance, and revised our decision-making process and risk management. Concretely, supervisory functions over management execution were tightened by making the Management Council the highest decision-making body, increasing the number of Outside Directors and revising the deliberation standards of the Board of Directors. To ensure transparency and objectivity, we established the Nomination and Remuneration Advisory Committee, chaired by an Outside Director. For risk management, we established a framework for discussions from a multilateral perspective at each stage of investments, and revised our investment evaluation standards and system of monitoring investments after execution.

Revision of Governance and the Decision-making Process

- Increased the number of Outside Directors and improved the composition of the Board of Directors
 - Separated the execution and supervision of management, and reinvigorated discussions from a wide perspective



- Established Nomination and Remuneration Advisory Committee
 - Enhanced the transparency of the nomination and remuneration determination processes of Directors

Promotion of Growth Strategies

We made investments in our three core areas: the automobile & transportation, lifestyle & information service, and social infrastructure fields. Also, in energy-related and IoT & AI-related fields with high growth potential, we reinforced the framework for undertaking company-wide projects based on cross-organizational cooperation.

► Total Investments over the Three-year Period of BBBO2017

| (Unit: billion yen) | Investment amount | | Major investment results |
|--|------------------------------------|---------------------|--|
| | Total three-year plan* (15/4-18/3) | Results (15/4-18/3) | |
| Automobile & Transportation System-related | 380 | 250 | Construction equipment rental business in the US, aircraft engine leasing business, and automotive forged parts manufacturing business in Europe |
| Lifestyle & Information Service | 190 | 210 | Real estate business, capital investments in ICT businesses in Japan, and additional investment in telecommunications business in Myanmar |
| Social Infrastructure | 140 | 150 | Offshore wind power generation business in Europe, water concession business in Brazil, and biomass power generation business in Japan |
| Food & Agriculture | 100 | 110 | Fruit and vegetable production/wholesale company in Ireland (Fyffes) and direct sales of agricultural materials in Brazil |
| Mineral Resources & Energy (excluding upstream interests) | 50 | 30 | Manganese alloy manufacturing & sales business in Malaysia |
| Mineral Resources Upstream Interests | 140 | 140 | Nickel project in Madagascar |
| Total | 1,000 | 890 | |

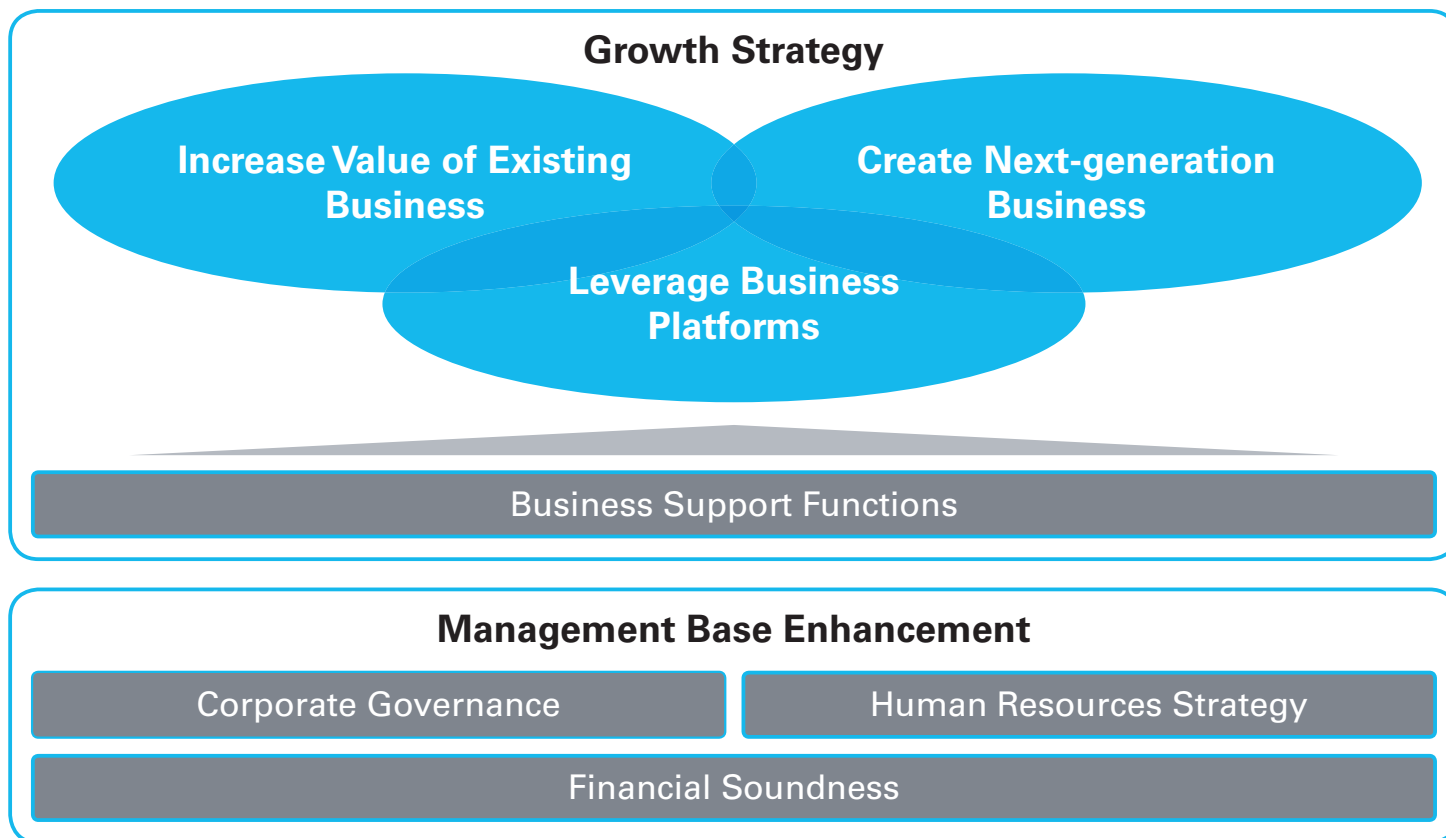
* Figures are those disclosed in May 2017.

“Medium-Term Management Plan 2020”

We recently formulated the Medium-Term Management Plan covering the three years until FY2020. Under the business environment where industries are losing their boundaries and becoming more complex through rapid technological innovation driven by AI and IoT, we will undertake the unceasing challenge of new value creation by focusing on the promotion of growth strategies while continuously reinforcing our management bases.

“Medium-Term Management Plan 2020”

Unceasing Challenge for New Value Creation



Growth Strategy

① Increase Value of Existing Business

The most important thing is to maximize the growth potential of the existing business through such means as the completion and early turnaround of large upstream resource projects, and expansion of food business revenues. We will also promptly respond to major changes in business environment, including the promotion of next-generation businesses for the coming mobility society. To this end, we will invest approx. ¥1 trillion across all business units over three years.



② Create Next-generation Business

Amid accelerated changes in the business environment, we will intensively invest our management resources in three growth areas: “technology x innovation,” “healthcare” and “social infrastructure.” We will invest approx. ¥300 billion in funds over three years.

● Technology x Innovation

We will upgrade existing businesses, revolutionize business models and create new businesses through the acceleration of digital transformation*, and promote R&D activities which lead to businesses for the next-generation.

● Healthcare

The aging of society and rising medical expenses are social issues affecting not just Japan, but the entire world. In order to capture the expanding market, we will leverage our business foundation and functions to enhance digital health businesses using technology such as IoT and AI, new business models for greater medical expense efficiency, and medical infrastructure installations in emerging countries.

● Social Infrastructure

To promptly respond to mega-trends such as population growth and urbanization, we will promote business development taking advantage of our knowledge and capabilities accumulated through the real estate, Smart City and infrastructure businesses.

③ Leverage Business Platforms

A wide range of business foundations and functions held by the Sumitomo Corporation Group have touch points with various industries, societies and regions, which become driving forces for new value creation. We will strive to create new value through hybridization of multiple businesses and cross-organizational collaboration by utilizing our business foundations and functions such as “Customer base,” “Telecommunications/Broadcasting networks,” “Lease/Rental/Sharing” and “Digital platform.”

Business Support Functions

We will enhance four business support functions to promote growth strategies.

● Support for developing new businesses

We will promote cooperation among organizations and create mechanisms to support the incubation of new businesses going beyond the existing framework.

● Full potential plan

We will use our resources to maximize the profitability of group companies which have growth potential. Monitoring will also be implemented to maximize the value of the investment portfolio.

● Asset cycle management

We will utilize external capital effectively to support asset efficiency improvements, and will also support the planning and executing of exit strategies for business investment.

● Digital transformation

We will enhance companywide ICT functions and combine the knowledge and business foundation of each area with digital technologies to accelerate business model revolution.

*Accelerating business model optimization/transformation and new business development by utilizing ICT technologies in line with advancement of AI/IoT, big data and other new ICT technologies.

Management Base Enhancement

To reinforce the management bases that underpin the promotion of growth strategies, we will enhance governance, human resources strategy and financial soundness.

Corporate Governance

Managerial reforms were one of the major initiatives in the previous medium-term management plan, and we will continue to practice managerial reforms to strengthen our governance. Specifically, we aim to reinforce the monitoring functions of the Board of Directors by enhancing reports on business portfolio strategies, and improve the business quality of operating companies through internal control to strengthen the governance of Sumitomo Corporation Group.

Human Resources Strategy

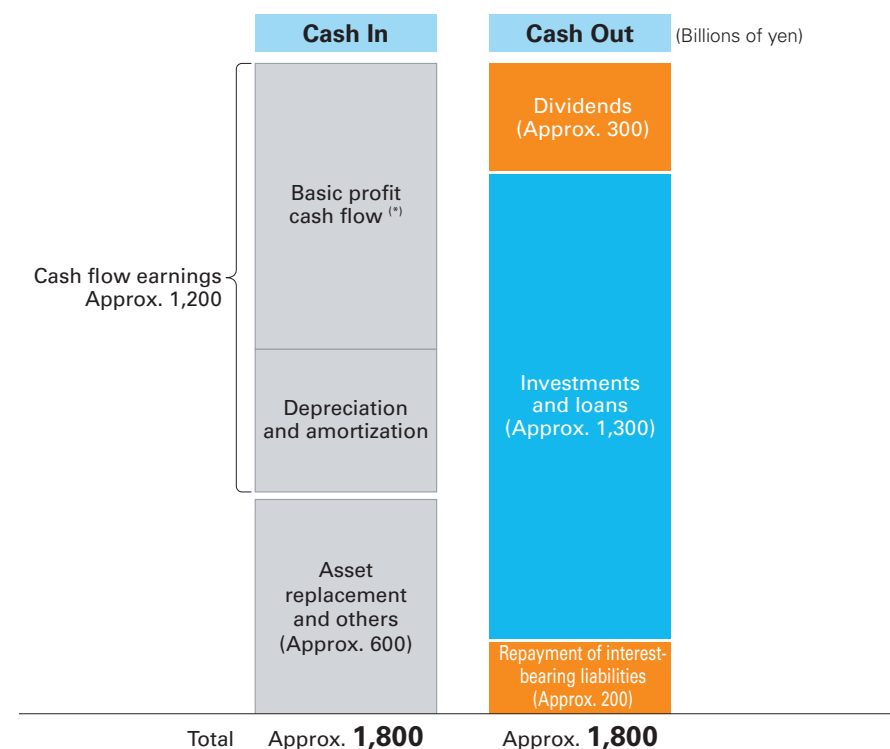
We will enhance our human resources strategy under the basic concept of “Diversity & Inclusion—Making diverse strengths a source of competitiveness.” Specifically, we will focus on acknowledging and respecting individual characters of the Group’s diverse human resources and encouraging individuals to rise to the challenge, and grow and make use of their strengths. We will promote reforms to support various work styles, as an example. Furthermore, we will establish systems for allocating the right person, in the right place, at the right time on a global basis.

Financial Soundness

We will expand our cash flow earning power, proactively recover funds by continuously pursuing the regeneration of businesses, steadily make investment necessary for future growth by using recovered cash as funds, and continuously reduce interest-bearing liabilities. In addition, we will continue to maintain the balance between core risk buffer and risk-adjusted assets.

The total cash allocation for 3 years is as follows. Besides enhanced cash generating capabilities, we expect cash inflow of ¥1,800 billion through the promotion of proactive asset replacement. Using this cash inflow, we plan to allocate ¥1,300 billion to investments and loans and ¥300 billion to a return as dividends. Furthermore, we aim to further improve our financial soundness by securing ¥200 billion or more as total free cash flow after dividends for 3 years and using it for the repayment of interest-bearing liabilities.

► Projection of cash allocation during “Medium-Term Management Plan 2020” (three years)



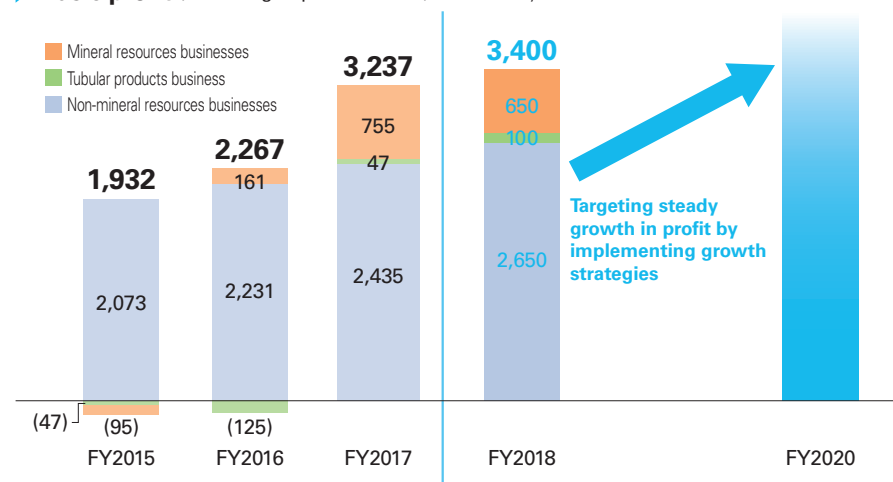
(*) Basic profit cash flow = Basic profit - Share of profit (loss) of investments accounted for using the equity method + Dividend from investments accounted for using the equity method

Quantitative Targets

We plan to post profit attributable to owners of the parent of ¥320 billion and basic profit of ¥340 billion for FY2018. For the mineral resources business, although we do not anticipate large changes in the mineral resources prices, we expect a decrease in profit due to the temporary profit in the previous fiscal year. For the tubular products business, we expect improvement in profit due to an increase in demand from a market recovery. For non-mineral resources businesses, we expect major businesses and operating companies of each division will remain steady, mainly driven by the power EPC project and the real estate business. ROA and ROE during the “Medium-Term Management Plan 2020” are expected to be 4% or more and 10% or more, respectively.

| | FY2017 Results | FY2018 Plan | Efficiency indicators |
|---|----------------|----------------|---------------------------------------|
| Profit attributable to owners of the parent | ¥308.5 billion | ¥320.0 billion | ROA 4% or higher ROE 10% or higher |
| Basic profit (excluding impairment loss) | ¥323.7 billion | ¥340.0 billion | |

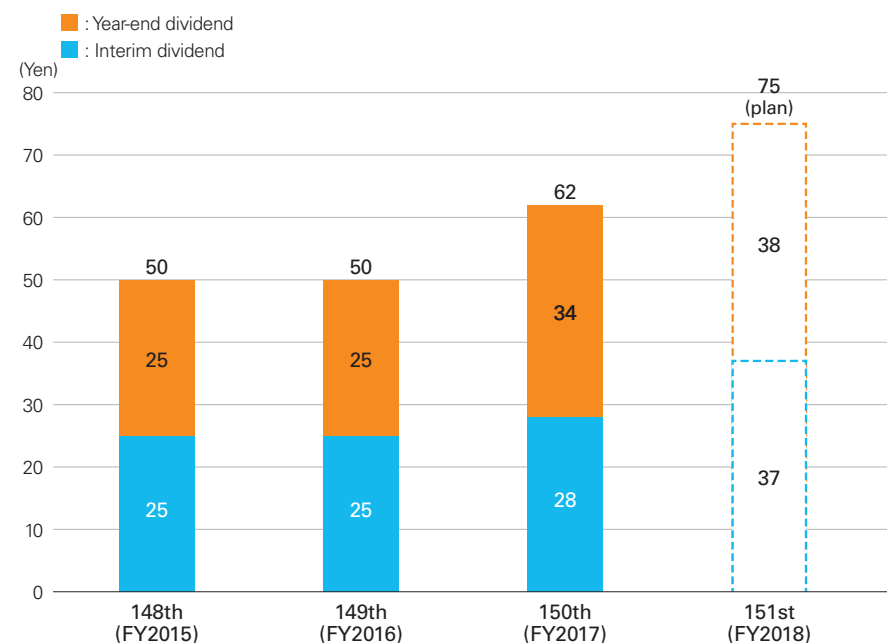
► Basic profit (excluding impairment loss) (Billions of yen)



Dividend Policy

We aim to increase dividends by achieving mid-long term earnings growth while adhering to our fundamental policy of paying shareholders a stable dividend over the long term. For “Medium-Term Management Plan 2020,” we will decide the dividend amount in view of the situations regarding basic profit and cash flow, with a consolidated payout ratio of 30% as a guideline. The annual dividend forecast for FY 2018 is projected to be ¥75 per share as we forecast our profit for FY2018 to be ¥320 billion.

► Dividend per share



Business Topics

Sumitomo Corporation Group deploys its global business operations in a wide range of industries, placing the “Six Material Issues to Achieve Sustainable Growth with Society” as the core of corporate management.

Metal Products Business Unit

Enhancing the Value Provided to the Oil and Gas Industry through the Introduction of New Technologies and Materials

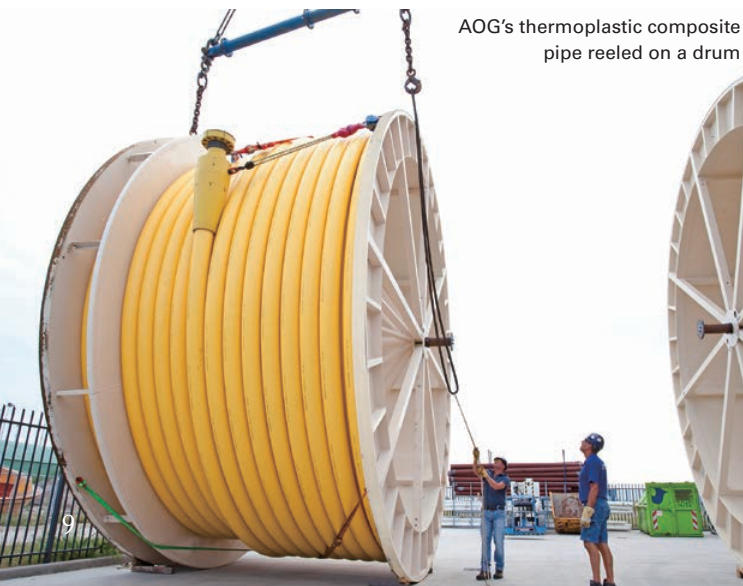
Investment in Dutch thermoplastic composite pipe manufacturer

Sumitomo Corporation has acquired a stake in Airborne Oil & Gas (“AOG”), a Dutch manufacturer of thermoplastic composite pipes (“TCP”). AOG manufactures TCP using glass fiber, carbon fiber and resin, and sells these to Exploration & Production companies in the oil and gas industry. Due to its characteristics such as being lightweight and non-corrosive, TCP is expected to reduce oil and gas development costs. AOG’s shareholders include a corporate venture capital of major oil companies such as Shell, Chevron and Aramco, and the major subsea EPC contractor Subsea 7.

By adding innovative technologies and new materials to our own value chain of sales, processing, and logistics functions for tubular products, we will be able to enhance the value we provide by reducing costs for Exploration & Production companies and improving

the convenience offered to them. Offering TCP as a new solution through our investment in AOG helps us to expand our customer base and further boost sales in our existing tubular products business.

AOG’s thermoplastic composite pipe reeled on a drum



Transportation & Construction Systems Business Unit

Expanding Strategic Joint Leasing Business

The final agreement of reorganization of the joint leasing partnership was concluded

Sumitomo Corporation and Sumitomo Mitsui Financial Group reached an agreement to position Sumitomo Mitsui Finance and Leasing (“SMFL”) as a platform in their joint leasing partnership and to raise Sumitomo Corporation’s stake in SMFL to 50%.

Furthermore, SMFL will raise its stake in SMBC Aviation Capital, a world-leading aircraft leasing company; acquire a stake in Sumitomo Mitsui Auto Service Company (“SMAS”), an auto leasing company; as well as merge with SMFL Capital (“FLC”). At the same time, by consolidating FLC’s auto leasing business, SMAS will further solidify its leading position in Japan.

The purpose of this reorganization is to establish a flexible and efficient operating framework of the leasing business and to allow SMFL to enter into new business sectors which have potential for growth, such as real estate, the eco-business, infrastructure, and healthcare.

By leveraging our capabilities to construct value chains and create new business opportunities, we intend to offer various solutions relating to finance and transport through SMFL.

Infrastructure Business Unit



Supporting the Food Product and Cosmetics Supply Chain through Expansion of the IBC (Intermediated Bulk Container) Rental Business

Contributing to supply chain optimization and waste reduction

Sumitomo Corporation is engaged in the rental of collapsible "Maxicon" containers through Sumisho Global Logistics ("SGL"). Standard 1-ton Maxicon containers are used to transport and store liquids in the food product and cosmetics sectors. Unlike conventional transport using drums and carton boxes, Maxicons are reusable, thus making it possible to reduce waste.

In 1995, SGL was the first to enter this business, and by working to build expertise and expand its base, it now has about 80% of the market for collapsible container rentals for liquids transport.

Amid the rise in the popularity of made-in-Japan products in China and other countries, there has been a surge in demand for logistics services for liquids. To meet this demand, we have been increasing the number of container, adding wide variety of equipment, and expanding service center network. Going forward, we will play a part in optimizing our customers' supply chain and reducing the environmental burden.



Media & ICT Business Unit



Creating Value through Silicon Valley's State-of-the-art Technology

Strengthening capabilities in venture investment and companywide utilization

Sumitomo Corporation, through its venture capital arm Presidio Ventures ("Presidio"), established in Silicon Valley in 1998, has been investing in startups that develop innovative technologies and business models in the ICT and media sectors, and creating new businesses through collaboration with those companies for about 20 years.

We have also been working with our Silicon Valley Office, which opened in 2017, to promote new initiatives that leverage the networks and expertise of Presidio, entrepreneurs and academics in even more sectors.

In recent years, many industries have been hit by a wave of innovation like self-driving vehicles and fintech from AI, IoT, etc. created by startups. By incorporating these new technologies and business models, we will create new businesses for the next generation and enhance the value of existing businesses of the Sumitomo Corporation Group.



Contributing to the Development of a Low-carbon Society through the Stable Supply of Biomass Fuel

Investment in a Canadian wood pellet manufacturer

In July 2017, Sumitomo Corporation acquired a 47.6% stake in Pacific BioEnergy ("PBE") and entered into the wood pellet manufacturing business in Canada. PBE has the second largest production capacity in the industry there.

Wood pellets are a biomass fuel produced by pulverizing and compressing sawdust, shavings and forest residue from harvesting site. In addition to having high calorific value, wood pellets enable stable power generation regardless of weather. Wood pellets can be used not only at dedicated biomass-fueled plants but also at existing coal-fired plants by being mixed with coal, thus reducing the use of fossil fuels, and cutting CO₂ emissions.

By leveraging our networks and expertise developed through Wood resources business, we began importing biomass fuels to Japan in 2008, and the amount of transactions has surged in recent years. Going forward, we will contribute to the development of a low-carbon society through the long-term and stable supply of biomass fuels.

We have three plants in Canada, where we produce approximately 520,000 metric tons of wood pellets annually.



USL, with its nearly hundred-year history, has established a solid position and base in the U.S. generic drug market.



Supporting Physical and Mental Health by Supplying High-quality Generic Pharmaceuticals

Investment in an American generic pharmaceutical company

Sumitomo Corporation, through Sumitomo Corporation of Americas, has acquired 20% stake in Upsher-Smith Laboratories ("USL"), a generic pharmaceutical company, held by the U.S. subsidiary of Sawai Pharmaceutical, and has entered the generic pharmaceutical business in the U.S.

Currently, the U.S. accounts for about 40% of the world's ¥127 trillion drug market. The use of generic drugs there is expected to further grow, as demand for drugs is forecasted to increase in conjunction with the aging population, coupled with efforts to cut medical expenditures by government.

USL is engaged in the R&D, manufacture and sale of generic drugs, and has strong development and sales capabilities, stable supply capabilities, and a solid customer base.

By leveraging our strengths and promoting the supply of raw materials and launch of new products, we support USL. We will contribute to physical and mental health by supplying high-quality generic drugs through USL.

Please visit the website below to view the details of material issues of the Sumitomo Corporation Group.

<https://www.sumitomocorp.com/en/jp/sustainability/material-issues>

Sumitomo Corporation Material Issues

Search

Commenced Sponsorship of Sports Climbing

Sumitomo Corporation became an official sponsor of the Sport Climbing category of the Japan Mountaineering and Sport Climbing Association from January 2018. Repeatedly taking on the challenge of scaling a difficult sport climbing wall resembles Sumitomo Corporation's own efforts to confront and resolve social issues, and this prompted it to become a sponsor for the sport.

By promoting and supporting sport climbing events, Sumitomo Corporation will contribute to the development of sports in general and the promotion of healthy hearts and minds.



Sport Climbing

Sport climbing has its roots in the adventurous challenge of "free climbing," in which climbers ascend natural rock formations relying solely on their skills and strength, and its emphasis on the pursuit of physical potential and the sporting aspect of climbing has established it as a competitive sport.

Official competitions sanctioned by the International Federation of Sport Climbing include "Lead," in which competitors secured by ropes climb a course set out on a wall 12 meters or more in height and compete the heights reached within a set time limit; "Bouldering," in which climbers compete to see how many of the multiple courses set out on a wall 5 meters or less in height they can climb; and "Speed," in which climbers climb routes with a height of 15 meters with predetermined climbing holds under identical conditions and compete how fast they can climb. And there is also the fourth event, "Combined," which combines the three events.

手を伸ばせ、
未来へ。

ひとつのホールドに手を伸ばす。
その手は着実に、頂点へと近づく一歩になる。
ひたすらに登り、上を目指す「スポーツクライミング」。
私たち住友商事は日本代表オフィシャルパートナーとして
若い世代のチャレンジを応援していきます。
たくさんの期待を背負い、
国境も、時代も、自らの限界も超えて。
まだ見ぬ世界へ。新しい未来へ。
挑みつづければ、どんな壁だって超えていける。

Climbing for the Future

住友商事はスポーツクライミング日本代表を応援しています。

住友商事



For a calendar of competitions and results, click below.

<https://www.sumitomocorp.com/ja/jp/special/climbing>

Sumitomo Corporation Sport Climbing

Search



Future of the Construction & Mining Systems Business



Corporate Officer
General Manager,
Construction & Mining
Systems Division

Koji Aso

Joined Sumitomo Corporation in 1986. Served in Overseas Dept. Transportation Project & Equipment Dept. After stationed in Kiev, Taipei and Shanghai, assumed General Manager of Construction Equipment Sales & Marketing Dept. No.2 in 2015, Deputy General Manager of Construction & Mining Systems Div. in 17 and his current position in April 18.

Supplying Construction Equipment Mainly Through Sales, Services and Rental Business

The Construction & Mining Systems Division, with its approximately 9,000 employees and 27 consolidated subsidiaries in 16 countries, handles a wide variety of products from construction equipment such as hydraulic excavators and bulldozers, mining machines and industrial vehicles like forklifts to agricultural machinery. Among Sogo Shosha, it is the largest and unique Division specializing in those products.

On a consolidated basis, the size of our division is comparable to that of leading overseas construction equipment sales and rental groups, and we have built up a stable customer base around the world.

Locally-based business development to respond to all the needs

Our business began with trade which exported Japanese construction equipment and in the 1990's we expanded into the

dealership business in North America and Europe. We focused on product support and financial support for purchasing construction machines as well as sales and marketing.

Furthermore, we are engaged in the construction equipment rental business in Japan, the U.S. and other countries. By promptly meeting every need of our customers, we are aiming to become the locally-based "No. 1 One-stop Solution Provider."

"Let's go hunting"

We focus thoroughly on "hands-on" management of our group companies. That is, we promote the management by emphasizing how to grow businesses and generate synergies with other businesses, sharing our missions and goals with our sales dealers and rental companies. These businesses are firmly based in local markets and may be characterized as agricultural-type of



We are engaged in sales of agricultural machines in India with Kubota, Japan's largest agricultural machinery manufacturer, contributing to the mechanization and modernization of agriculture and productivity improvement.



Sunstate Equipment, a major U.S. construction equipment rental company, has become a wholly-owned subsidiary, meeting a wide-range of customer needs with its varied product lineup.

Sumitec International

Sales, repair and maintenance of large mining equipment for mines in Russia

Sumitec International, established in Moscow in 2001, has four branches and 29 offices in regions that account for 60 percent of all of Russia. Sumitec International is engaged in sales and service of construction and mining equipment made by Komatsu and industrial vehicles such as forklifts of Toyota Industries. The territory it covers includes the region of Saint Petersburg, the then capital of Imperial Russia, but its strengths lie in the businesses geared toward gold, coal, iron ores and diamond mines, many of which exist in Siberia region.

Although major customers of the Far East and Siberia branches, namely the mining sites are located in difficult to access places in vast and frigid regions, Sumitec staff are stationed there round-the-clock to provide maintenance and service. Furthermore, in Kemerovo Oblast, where 60 percent of Russia's coal is produced, Sumitec was the first Japanese company to open a Kuzbass branch in May 2011. The branch, with its state-of-the-art machines and tools, is supporting Russia's coal industry by conducting overhauls and repairs of major components such as engines and transmissions.



Mining sites are scattered throughout Russia's vast arctic regions. We support customers' production sites by providing 24-hour maintenance and service of mining equipment.

businesses where we are constantly repeating the cycle of sowing the seeds, fertilizing and watering, and eventually harvesting the products of our labor.

Nevertheless, the recent changes in consumer behavior, drastic market changes, the emergence of competitors, and various innovations such as autonomous technology and IoT construction (visualization of construction management) are beginning to impact our business. It is essential to further raise the efficiency and the level of platform of our present "agricultural-type" of businesses.

At the same time, we are constantly seeking ways of pursuing new businesses, including entry into new frontiers, business expansion in emerging countries and acquisitions of and alliances with other companies. It is important to keep the sense of grasping needs so that everyone involved in our division is working united toward this pursuit under the slogan of "Let's go hunting".



We were awarded a large export contract for a total of approximately 1,150 construction machines and vehicles by the Ministry of Works and Transport of Uganda. The delivery and deployment of all the units were completed in May 2018.

Power Infrastructure Business in Sub-Saharan Africa

Solving the problem of power shortages through construction and operation of the power plants

The population of Sub-Saharan Africa* is about 1 billion, and will reach 2 billion by 2050. In order to achieve sustainable economic development, the construction of social infrastructure is essential. The stable supply of power, which is critical for business and people, has become an urgent matter. Sumitomo Corporation is endeavoring to solve this issue through the construction of power plants and the operation of power generation businesses.

In Tanzania and Mozambique, we began construction of thermal power plants in 2016, which are expected to meet about 20% of the power demand of each country, and we will complete them soon. These will be the first natural gas-fired

combined power plants in Southeastern Africa.

In the Republic of South Africa, Sumitomo Corporation, as prime contractor, constructed a wind farm which started commercial operations in 2014. In Ghana, we also participated in one of the country's largest combined-cycle thermal power generation projects in 2014.

We will continue to leverage our expertise to develop power sources in line with the needs of each country and to provide a stable power supply, thereby contributing to the sustained growth of Sub-Saharan Africa.



Constructing the combined-cycle thermal power plants utilizing natural gas resources in Tanzania (left) and Mozambique



Operating the country's first large-scale wind farm project in the Republic of South Africa

*Region that lies south of the Sahara Desert on the African continent



Participating in one of the largest combined-cycle thermal power generation projects in Ghana



Assistant Manager
Infrastructure Dept.
Sumitomo Corporation Africa (Pty) Ltd
Stefano Capriello

In the Republic of South Africa, there has been concern over power shortages and the rise in CO₂ emissions due to rapid economic growth and an increase in the population. We are operating the wind farm business to address these issues and are returning a portion of our revenues to the region. In Africa, approximately 600 million people still live without electricity, and we are committed to solving this issue going forward.

My Favorite

I love to stroll and hike around Cape Town, the most beautiful tourist site in the Republic of South Africa. The well-known



Table Mountain has a wonderful hiking route, with breath-taking views of the sea. Cape Town also has a number of wineries and nothing beats enjoying my favorite seafood or pasta with a glass of red or white wine.

Sumitomo Corporation Group's activities in South Africa

Growing together by solving the issues of Africa

HISTORY ● 56 years of history

Sumitomo Corporation commenced its trading business in Johannesburg with a representative in 1962, and opened the Johannesburg Branch in 1972. Subsequently, in 2013, a General Manager for Africa was assigned to oversee Sumitomo Corporation's businesses in Sub-Saharan Africa. Furthermore, in 2014, Sumitomo Corporation Africa was incorporated to strengthen the business development framework.



The building in which the Johannesburg branch was located in the 1970s.

PRESENT ● Expanding business as the core of the region

Sumitomo Corporation Africa, collaborating with the offices in six countries in the region (Kenya, Tanzania, Angola, Madagascar, Ghana and Mozambique), promotes trading and business investments in the fields of mineral resources/energy, power infrastructure, wood resources, transportation, construction systems, chemicals and so on.



Exporting wood chips for paper and biomass power generation

FUTURE ● Promoting business that solves social issues

Africa faces challenges such as developing infrastructure, securing food and improving healthcare and the environment. The Sumitomo Corporation Group will use its resources and foundations to cultivate and promote opportunities that will help solve these issues.



Sales of veterinary drugs to prevent illnesses in livestock



With Sumitomo's business philosophy as a pillar, the Group has adapted to the changes, overcome the challenges and successfully developed. We will introduce the achievements of the forefathers of Sumitomo.

Riemon Soga (1572 – 1636)

"Nanban-buki," the origin of the Sumitomo business

Copper refining, the origin of the Sumitomo Group

Riemon Soga developed the new technique of copper refining called *Nanban-buki* and copper processing. In 1590, at the age of 19, he started his copper refining and copper processing business "Izumiya" in Kyoto. Thereafter, he married the older sister of Masatomo Sumitomo, the founder of the Sumitomo family; and his eldest son, Tomomochi, became a son-in-law of the Sumitomo family.

At that time, copper refining techniques in Japan were undeveloped so copper was exported while still containing silver. Riemon heard from foreigners about the principle of separating silver and copper by using lead, and after a series of trial and error,

finally perfected the new technique and disclosed it to his peers.

The bell of Houkouji Temple, built of copper by Riemon

This technique is also related to famous historical events. In 1614, a Buddhist bell made of copper triggered the war between the two biggest shoguns, Tokugawa and Toyotomi, and eventually brought about the downfall of the latter and the start of the Edo Shogunate. It is said that it was Sumitomo that smelted the copper for the bell. The bell still exists today at Houkou-ji temple in Kyoto.



Picture showing the *Nanban-buki* process

An alloy of lead and crude copper containing silver are put into a furnace with charcoal, and when heated to the melting point of copper, the lead containing silver becomes liquid. The liquid is then poured onto ash, and when gradually heated to the melting point of lead, the lead soaks into the ash, and the silver remains.



Sumitomo's copper products (Sumitomo Historical Archives)

Corporate Profile / Stock Information

Corporate Profile (As of March 31, 2018)

| | |
|---|--|
| Establishment: | December 1919 |
| Paid-in Capital: | ¥219,278,931,183 |
| Status of Employees: | Number of Employees 5,261 (Note) Number of Employees (Consolidated basis) 73,016 (Note) It includes 170 persons whom overseas offices of the Company employ. |
| Status of Subsidiaries and Associated Companies: | Number of Consolidated Subsidiaries 654 Number of Associated Companies 293 |
| Status of Operating Locations, etc.: | Domestic 22 Overseas 107 |
| Accounting Auditor: | KPMG AZSA LLC |

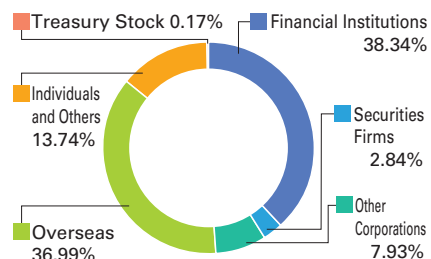
Stock Information (As of March 31, 2018)

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

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

Number of Shareholders: 138,017

Shareholders Composition:



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

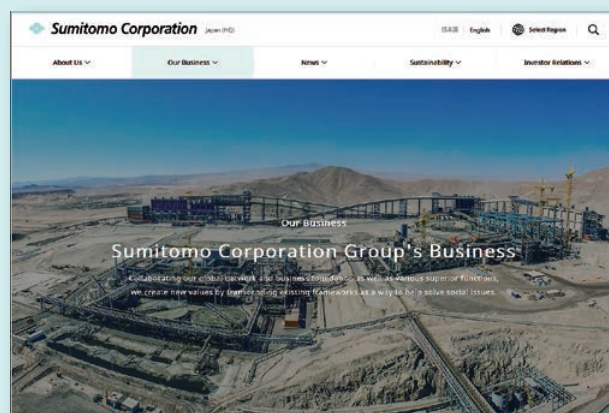
Major Shareholders

| Name | Number of Shares (In Thousands of Shares) | Shareholding Ratio (%) |
|--|---|------------------------|
| The Master Trust Bank of Japan, Ltd. (trust account) | 85,207 | 6.82 |
| Japan Trustee Services Bank, Ltd. (trust account) | 65,651 | 5.26 |
| Liberty Programming Japan, LLC | 45,652 | 3.66 |
| Japan Trustee Services Bank, Ltd. (trust account 9) | 35,793 | 2.87 |
| JP Morgan Chase Bank 385632 | 33,474 | 2.68 |
| Sumitomo Life Insurance Company | 30,855 | 2.47 |
| Japan Trustee Services Bank, Ltd. (trust account 5) | 23,740 | 1.90 |
| State Street Bank West Client – Treaty 505234 | 21,874 | 1.75 |
| Mitsui Sumitomo Insurance Company, Limited | 20,000 | 1.60 |
| Japan Trustee Services Bank, Ltd. (trust account 1) | 17,617 | 1.41 |

(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 (2,070,753 shares) from the total number of issued shares – and rounding to the nearest hundredth of a percent.

Our New Website

We renewed the Sumitomo Corporation website in April 2018, enhancing overall visuals and introducing our business cases in a user-friendly manner. Please have a look.



<https://www.sumitomocorp.com>

Sumitomo Corporation

Search

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) | https://www.sumitomocorp.com |

● 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 inquiries 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 inquiries number on the left.

Presenting a wide variety of movies to our audience

Sumitomo Corporation's Movie Business

Involved in film production for many years

Sumitomo Corporation and ASMIK ACE, a subsidiary of Jupiter Telecommunications of the Sumitomo Corporation Group, have participated in the production of quality movies for more than 30 years. We have a great record among those we have funded, including 21 that have been nominated for the Japanese Academy Awards Best Picture Prize. Recently, we participated in the production of *Sekigahara*, which was nominated in ten categories including Best Picture.

We have also expanded our repertoire of movies, including films by such budding directors as Daihachi Yoshida of *The Scythian Lamb*, a suspense film with a cast of talented actors; and Osamu Suzuki of *Love x Doc*, a rom-com for mature women.

There is no other integrated trading and business investment company with such a long history in the movie business and, by leveraging the trust we have built, we will further contribute to its development. We will also expand our business in digital media, planning and development of content of anime/films and its development of the market overseas.



©2017 "Sekigahara" Film Partners All Rights Reserved.
DVD now on sale



©2018 "The Scythian Lamb" Film Partners
© "The Scythian Lamb" Tatsuhiko Yamagami, Mikio Igarashi / KODANSHA
Blu-ray and DVD to be released on August 29



©2018 "Love x Doc" Film Partners

Yoji Yamada Film, *What a Wonderful Family! 3: My Wife, My Life*

What a Wonderful Family! 3: My Wife, My Life was released in May, in response to strong demand for a sequel. The plot, which is a paean to housewives, is about Fumie, the wife of the eldest son, leaving home triggered by an incident. It is a comedy depicting the magnificence of the housewife, as only Yoji Yamada can.



©2018 "What a Wonderful Family! 3: My Wife, My Life" Film Partners

The Sumitomo Corporation Group has been involved in the film-making of Yoji Yamada for many years, and provided various products which were used as props on the set.

Sumitomo Corporation
Media & Entertainment
Business Dept.

Michiyo Senshu



Official website of *What a Wonderful Family! 3: My Wife, My Life*

<http://kazoku-tsuraiyo.jp/>

Sumitomo Corporation

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Editor's Note

Sumitomo Corporation launched the Medium-Term Management Plan 2020 starting this fiscal year, under the leadership of the new President & CEO, Masayuki Hyodo, who assumed office in April. Our Tokyo Head Office will also relocate to Otemachi this fall. Furthermore, we started supporting the Japanese athletes this year, as the official sponsor of sport climbing. Be sure to keep an eye out for us as well as the athletes.

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.