

# SUMITOMO CORPORATION'S STRENGTH

Sumitomo Corporation's strengths lie in its Corporate Mission Statement and Sumitomo's Business Philosophy which are its value standards, as well as its business model, which realizes management stability and earnings expansion underpinned by sophisticated risk management and a diverse earnings structure. We will leverage these strengths to realize an even higher level of profit growth.

Earnings  
expansion

Management  
stability

Corporate Mission Statement  
Sumitomo's Business Philosophy

## SUMITOMO'S BUSINESS PHILOSOPHY

Sumitomo's Business Philosophy has been inherited and adhered to by the Sumitomo Group for more than 400 years since its foundation. In essence, it tells us that, "We should place prime importance on integrity and sound business activities. But, when faced with a paradigm shift, we must take the lead in striving for structural innovation. In this way we can and should create meaningful value not only for ourselves but for society as well." It implies a universal value valid enough even now.

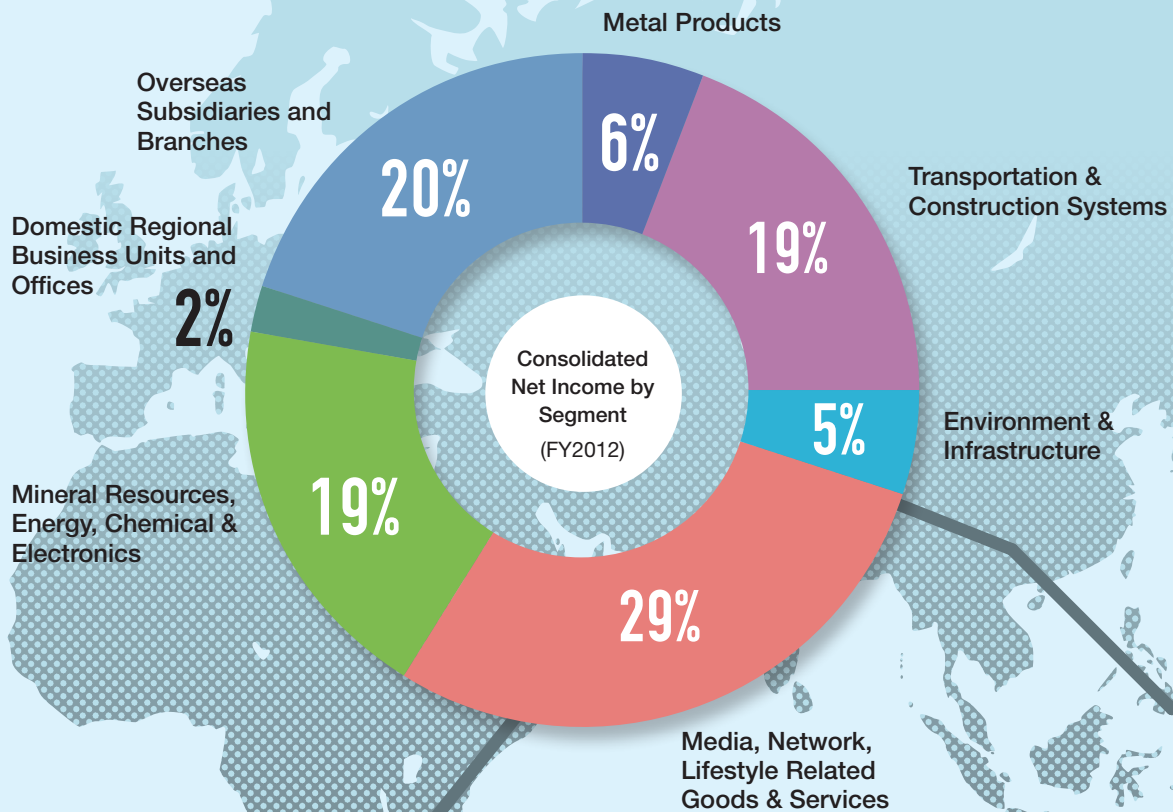
▶▶ Please refer to page 66, "Sumitomo's Business Philosophy/Sumitomo Corporation Group's Corporate Mission Statement," for further details.



## Management Stability

# SUMITOMO CORPORATION'S BUSINESS STRUCTURE

We operate in a wide range of fields including media, resources, and transportation systems, and have established domestic and overseas business models to guide operations at 116 bases in 65 countries overseas and at 24 domestic bases. Our diverse earnings structure is not overly dependent on any specific field or region, which contributes to management stability.



2003

2004

2005

2006

2007

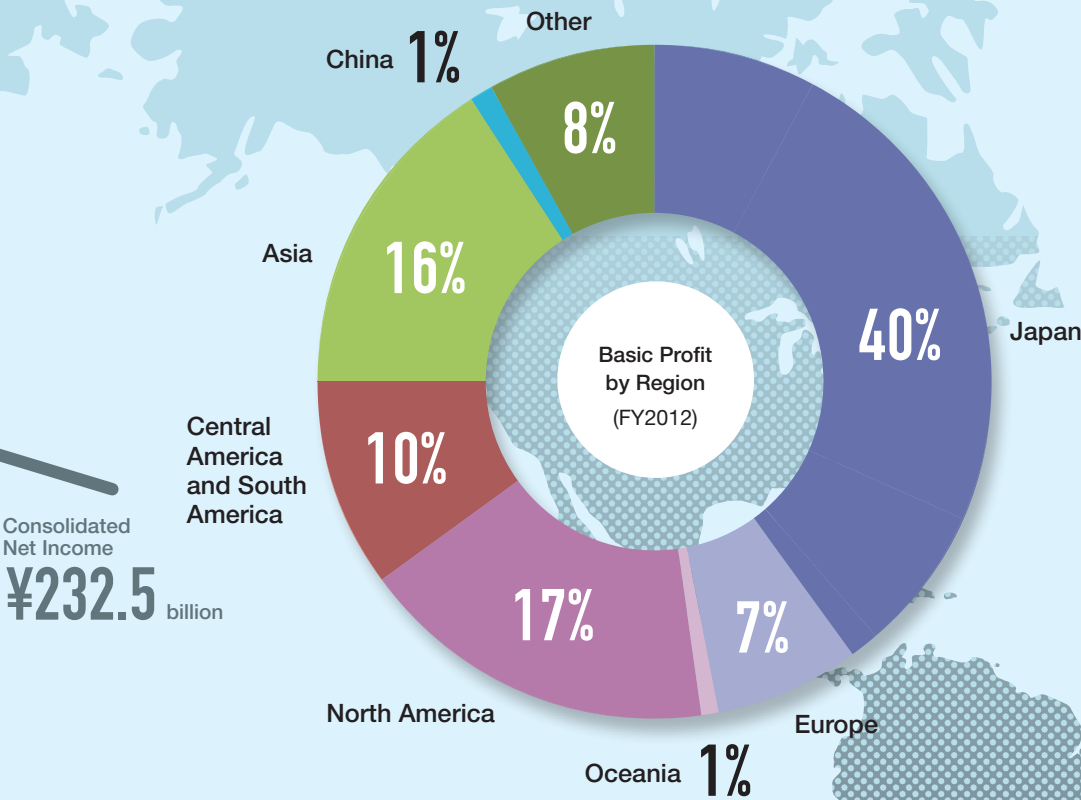
2008

2009

2010

2011

\* We have prepared consolidated financial statements in accordance with U.S. GAAP up until the year ended March 31, 2010, and in accordance with International Financial Reporting Standards ("IFRSs") from the fiscal year ended March 31, 2011.  
\* Consolidated net income and net income in this report are the same as IFRS profit for the year attributable to owners of the parent, and U.S. GAAP net income attributable to Sumitomo Corporation.



**116** bases in **65** countries  
and 24 bases in Japan



Please see the information on the Sumitomo Corporation Group's growth trajectory and future strategy.

←  
OPEN



## METAL PRODUCTS BUSINESS UNIT

In the tubular products field, in addition to enhancing our industry leading share of the oil country tubular goods (OCTG) business (upstream), we aim to add breadth to the value chain by expanding nearby businesses such as oil field equipment and services, and line pipe and specialty tubular products (mid- and downstream).

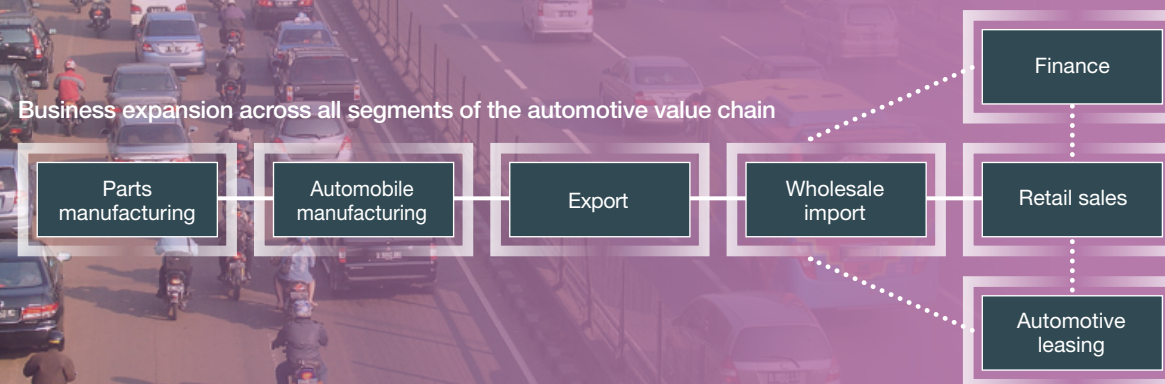
Tubular products value chain



## TRANSPORTATION & CONSTRUCTION SYSTEMS BUSINESS UNIT

In the automotive field, we will develop our value chain encompassing manufacturing, wholesale and retail finance globally, and aim to expand and strengthen it in the emerging markets in particular.

Business expansion across all segments of the automotive value chain



## ENVIRONMENT & INFRASTRUCTURE BUSINESS UNIT

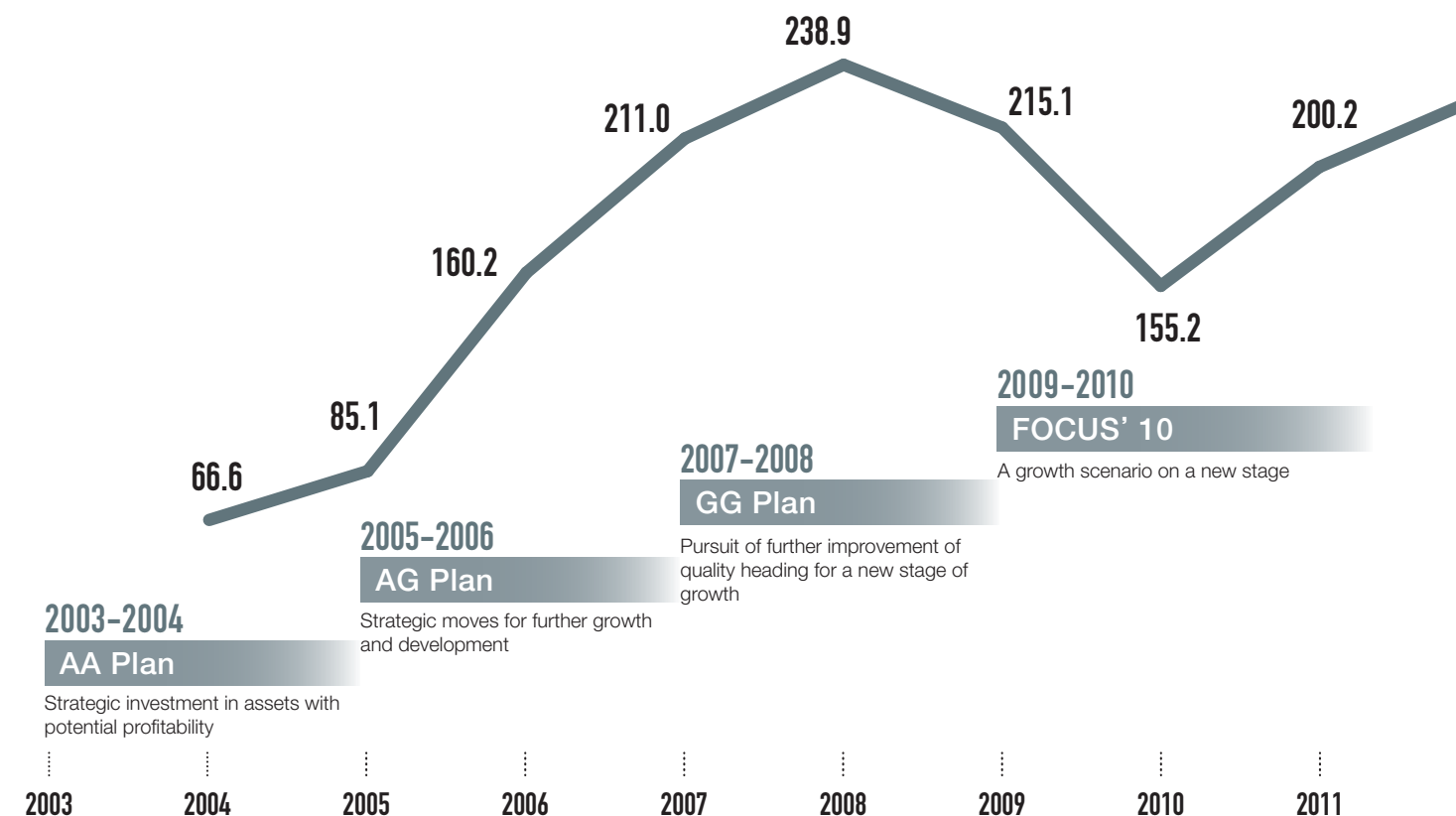
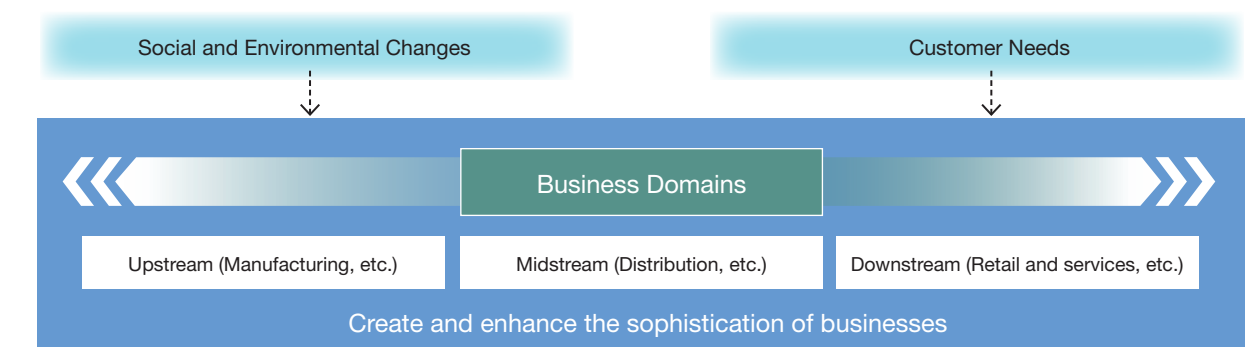
By enhancing the breadth of our business constructing basic infrastructure matching the needs of each country and region, and our logistics and insurance functions, we aim to expand our stable and sustainable earnings base, while contributing to society and protecting the environment.



### Earnings Expansion

## SUMITOMO CORPORATION'S BUSINESS MODEL

We have gone beyond our established distribution and other midstream operations, seizing opportunities presented by demand for new functions and new customer needs arising from social and environmental changes to expand our business domains to upstream fields, including manufacturing, and downstream fields, such as retail and services. By continuing to create and enhance businesses across the board, we are building value chains and expanding earnings.





# AN EVEN HIGHER LEVEL OF PROFIT GROWTH



## What We Aim to Be in Fiscal 2019, Our Centennial Year

Quantitative picture

Total assets

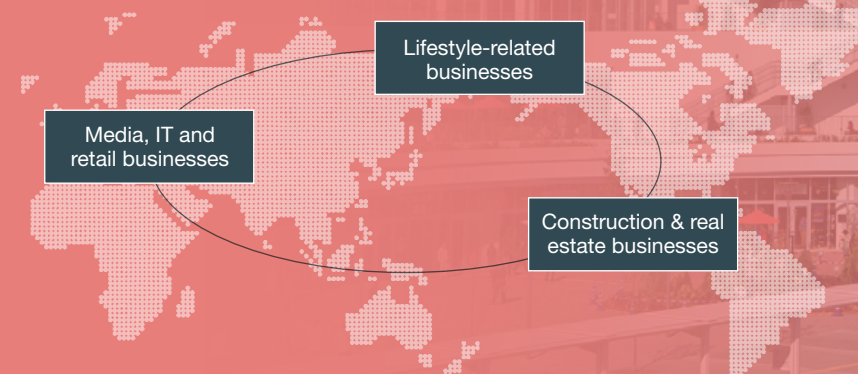
¥9~10  
trillion

Consolidated net income

¥400  
billion or more

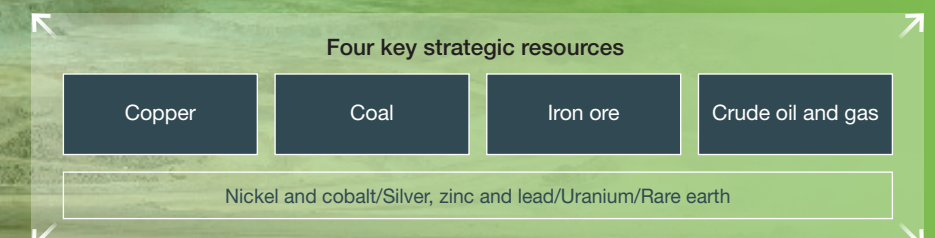
## MEDIA, NETWORK, LIFESTYLE RELATED GOODS & SERVICES BUSINESS UNIT

We will contribute to the creation of new lifestyles by integrating a wide variety of consumer and lifestyle-related businesses providing consumer-oriented products and services in industries encompassing media, IT, retail, lifestyle, and construction and real estate.



## MINERAL RESOURCES, ENERGY, CHEMICAL & ELECTRONICS BUSINESS UNIT

In the resources and energy field upstream, we will further raise the sophistication of the functions we provide and enhance our portfolio emphasizing key strategic resources, well-dispersed by region and in timing (start of production and mine life), while strengthening the profitability of our existing stakes.



Consolidated Net Income

¥232.5 billion

250.7

2013-2014 (Fiscal year)

New Medium-term Management Plan

# Be the Best, Be the One 2014

Heading for an even higher level of profit growth by thorough enhancement of our earning power

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Please refer to page 20, Feature I: New Medium-term Management Plan "Be the Best, Be the One 2014," for further details.

2011-2012

$f(x)$

Growth across regional, generational, and organizational boundaries

2012

2013

2014

2015

2016

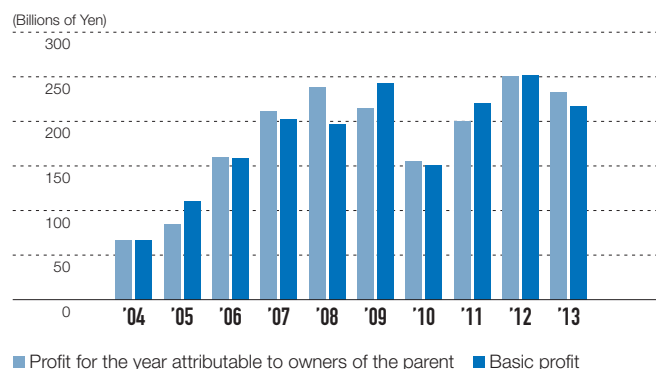
## Financial Highlights

For the years ended March 31

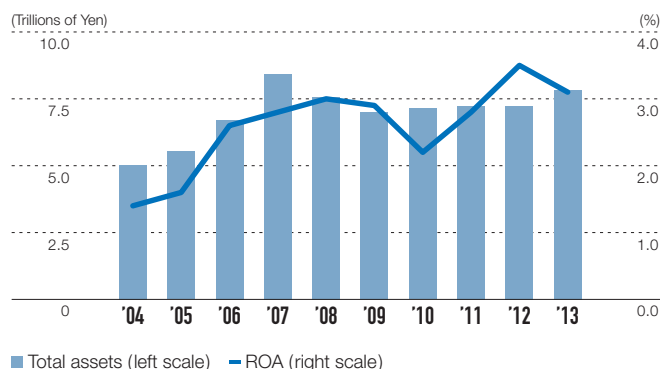
We have prepared consolidated financial statements in accordance with U.S. GAAP for 2010 or earlier and International Financial Reporting Standards ("IFRSs") for 2011 or later.

	AA Plan		AG Plan	
	2004	2005	2006	2007
<b>Results of operations:</b>				
Gross profit	¥ 501.3	¥ 563.1	¥ 706.6	¥ 857.7
Financial income (expense)	0.6	(2.3)	(9.5)	(23.0)
Interest expense, net	(6.4)	(8.6)	(20.0)	(37.1)
Dividends	6.9	6.4	10.4	14.1
Share of profit of investments accounted for using the equity method*	20.7	37.4	51.4	70.3
Profit for the year attributable to owners of the parent*	66.6	85.1	160.2	211.0
<b>Financial position at year end:</b>				
Total assets	5,012.5	5,533.1	6,711.9	8,430.5
Equity attributable to owners of the parent*	730.8	934.9	1,304.0	1,473.1
Interest-bearing liabilities (net)	2,377.6	2,376.0	2,622.2	2,913.3
<b>Cash flows*1:</b>				
Net cash from operating activities	61.8	(19.4)	(60.8)	194.3
Net cash used in investing activities	57.9	(52.7)	(137.9)	(449.7)
Free cash flows	119.7	(72.0)	(198.7)	(255.5)
Net cash (used in) from financing activities	(23.6)	111.2	256.7	169.7
<b>Amounts per share:</b>				
Profit for the year attributable to owners of the parent*:				
Basic	¥ 62.66	¥ 72.83	¥ 130.18	¥ 169.93
Diluted	61.31	72.82	130.17	169.90
Equity attributable to owners of the parent*	686.99	776.61	1,047.88	1,192.35
Cash dividends declared for the year*2	8.00	11.00	25.00	33.00
<b>Ratios:</b>				
Equity attributable to owners of the parent ratio (%)*	14.6	16.9	19.4	17.5
ROE (%)	9.9	10.2	14.3	15.2
ROA (%)	1.4	1.6	2.6	2.8
Debt-Equity Ratio (net) (times)	3.3	2.5	2.0	2.0
<b>For reference:</b>				
Total trading transactions*3, 4	¥9,197.9	¥9,898.6	¥10,336.3	¥10,528.3
Basic profit*5	66.8	110.0	158.3	202.9

### Profit and basic profit



### Total assets and ROA



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

\*1 Except for 2004, the prior year amounts of cash flow are reclassified to conform to ASC 810 "Consolidation."

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

\*3 Total trading transactions is presented in a manner customarily used in Japan solely for Japanese investors' purposes.

\*4 Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which the Companies act as a principal or as an agent. Total trading transactions is a measure commonly used by Japanese trading companies. It is not to be construed as equivalent to, or a substitute for, sales or revenues under accounting principles generally accepted in the United States of America ("U.S. GAAP") or IFRSs.

\*5 Basic Profit = (Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net + Dividends) x (1 - Tax rate) + Share of profit of investments accounted for using the equity method

<Tax rate was 42% for 2004, 41% for 2005 through 2012 and 38% for 2013.>

Billions of Yen

GG Plan		FOCUS' 10		f(x)	
2008	2009	2010	2011	2012	2013
¥ 934.5	¥ 935.2	¥ 779.5	¥ 864.0	¥ 918.8	¥ 827.0
(27.6)	(21.5)	(12.8)	(8.1)	(3.9)	(2.3)
(42.8)	(36.1)	(24.1)	(18.1)	(15.1)	(15.8)
15.3	14.6	11.3	10.0	11.2	13.4
56.9	90.0	76.1	95.6	110.6	107.4
238.9	215.1	155.2	200.2	250.7	232.5
7,571.4	7,018.2	7,137.8	7,230.5	7,226.8	7,832.8
1,492.7	1,353.1	1,583.7	1,570.5	1,689.1	2,052.8
3,247.6	3,186.8	2,781.8	3,056.3	2,786.7	2,930.3
323.7	348.8	510.4	219.5	190.4	280.3
(298.0)	(261.5)	(59.4)	(469.4)	(35.7)	(186.2)
25.6	87.3	451.0	(249.9)	154.7	94.1
7.9	(5.8)	(150.1)	155.9	(33.3)	(24.7)

Yen

¥ 192.51	¥ 172.06	¥ 124.15	¥ 160.17	¥ 200.52	¥ 185.92
192.47	172.03	124.12	160.09	200.39	185.79
1,194.20	1,082.47	1,266.93	1,256.31	1,351.10	1,641.60
38.00	34.00	24.00	36.00	50.00	46.00

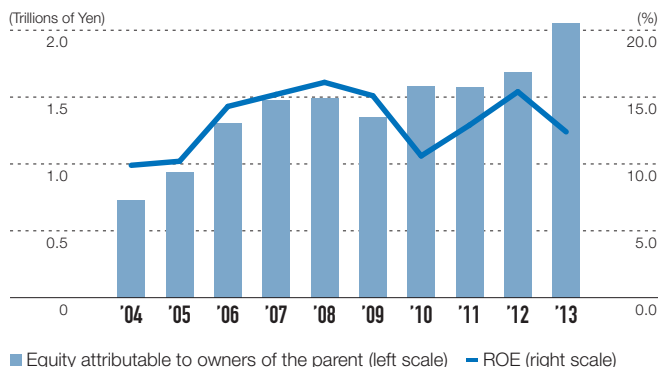
%, Times

19.7	19.3	22.2	21.7	23.4	26.2
16.1	15.1	10.6	12.9	15.4	12.4
3.0	2.9	2.2	2.8	3.5	3.1
2.2	2.4	1.8	1.9	1.6	1.4

Billions of Yen

¥11,484.6	¥10,750.0	¥ 7,767.2	¥ 8,349.4	¥ 8,273.0	¥ 7,502.7
197.1	243.0	151.4	220.5	251.5	216.5

### Equity attributable to owners of the parent and ROE



### Interest-bearing liabilities (net) and DER (net)

