

Section 2

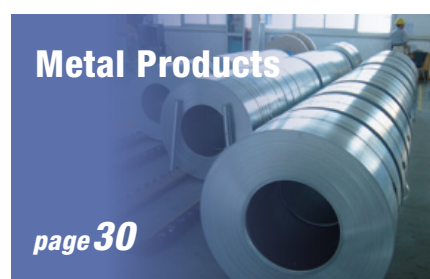
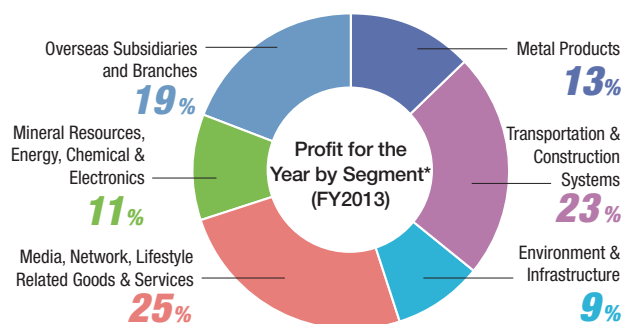
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At a Glance

Profit for the year
(attributable to owners of the parent)

FY2012 FY2013
¥**232.5** bn. ¥**223.1** bn.

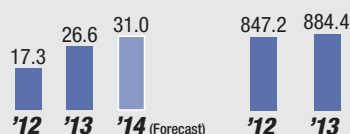


Profit for the Year

FY2012 FY2013
¥**17.3** bn. → ¥**26.6** bn.

Profit for the Year

Total Assets



Business Unit Overview

The global and extensive value chain we are developing as a business unit encompasses various metal products, including steel products such as steel sheets, tubular products, and non-ferrous metal products such as aluminum.

In the steel sheet-related field, we deliver steel sheet products mainly to automotive and home appliance manufacturers via our worldwide steel service center network, which provides functions including procurement, inventory management, and processing.

In the tubular products field, we function as a total service provider by making our proprietary supply chain management (SCM) system available to oil and gas companies.

In addition, in the non-ferrous products & metals field, our priority is to expand our production and sales locations for aluminum ingot and aluminum sheets.

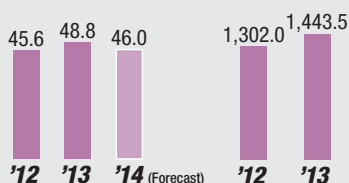


Profit for the Year

FY2012 FY2013
¥**45.6** bn. → ¥**48.8** bn.

Profit for the Year

Total Assets



Business Unit Overview

We are advancing our upstream, midstream, and downstream operations in the areas of ships, aircraft, railway, automobiles, and other transportation systems as well as construction equipment.

In the ship, aerospace, and transportation systems field, we run a leasing business focused on aircraft. We are also the only shipyard shareholder among Japanese trading companies, and operate ships that we own and jointly own, as well. In the automotive field, we are expanding and enhancing the major functions served by our value chain in areas such as manufacturing, sales and distribution, and lease and financing.

In the construction equipment field, we have the highest transaction volume of construction equipment among trading companies. In addition to construction equipment sales handled through our global network, we are expanding our comprehensive mining equipment services and rental operations.

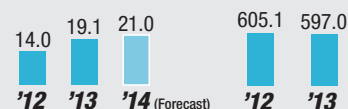


Profit for the Year

FY2012 FY2013
¥**14.0** bn. → ¥**19.1** bn.

Profit for the Year

Total Assets

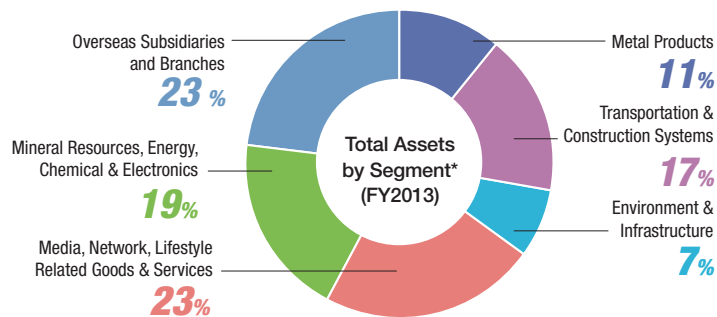


Business Unit Overview

In the global power infrastructure field, we are initiating new businesses involving rechargeable batteries in addition to the I(W)PP*¹ and power plant EPC*² businesses we operate globally on a large scale.

In the environment & infrastructure project field, we are concentrating around the world on a renewable energy business focused on wind and solar power generation, electricity retail in Japan and water infrastructure businesses.

In the logistics & insurance fields, apart from our logistics services encompassing shipping, customs clearance and delivery, we arrange various insurance contracts and also develop and operate overseas industrial parks.



(Billions of yen)

Media, Network, Lifestyle Related Goods & Services

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Profit for the Year

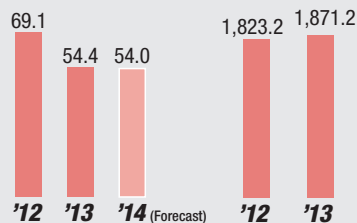
FY2012

FY2013

¥69.1 bn. → ¥54.4 bn.

Profit for the Year

Total Assets



Business Unit Overview

Our unit develops businesses providing consumer-oriented products and services globally in fields such as media, IT, retail, lifestyle-related, and construction & real estate.

In the media, IT and retail fields, our main businesses are Cable TV, IT solutions, comprehensive mobile services, TV shopping, and retail operations such as supermarkets.

In the lifestyle-related field, our businesses extend broadly in scope from food production to retail, with a portfolio of top-class operating companies in tires, ready-mixed concrete, lumber and building materials.

In the construction & real estate field, our main business pursuits are office buildings, retail facilities, and housing development and sales.

Mineral Resources, Energy, Chemical & Electronics

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Profit for the Year

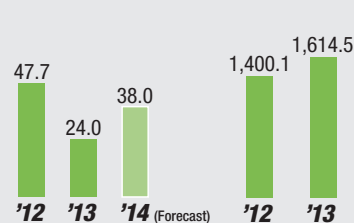
FY2012

FY2013

¥47.7 bn. → ¥24.0 bn.

Profit for the Year

Total Assets



Business Unit Overview

We are active in the fields of mineral resources & energy, and chemicals & electronics.

In the mineral resources & energy field, we hold upstream interests in the key strategic resources of copper, coal, iron ore, crude oil and gas, as well as other mineral resources such as zinc, nickel and cobalt, and are globally developing a trading business centered on carbon products, ferrous raw materials, petroleum and gas.

In the chemicals and electronics field, we trade largely in petrochemical raw materials and products, inorganic chemicals, and cutting-edge electronics industry materials, as well as develop rare earth and uranium and engage in EMS^{*3} operations. We are also involved in pharmaceuticals and cosmetics, crop protection products, fertilizer, and pet care products.

Overseas Subsidiaries and Branches

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Profit for the Year

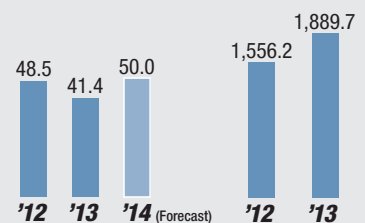
FY2012

FY2013

¥48.5 bn. → ¥41.4 bn.

Profit for the Year

Total Assets



* Excluding corporate and eliminations

*1 I(W)PP: Independent (Water) Power Producer

*2 EPC: Engineering, Procurement and Construction

*3 EMS (Electronics Manufacturing Services): The provision of electronics device manufacturing services on a contract basis.

Note 1) We eliminated the Kansai Regional Business Unit and Chubu Regional Business Unit on April 1, 2014. These two regional business units were incorporated into organizations under business units and divisions. FY2012 and FY2013 results are also shown on a new organization basis accordingly.

Note 2) Consolidated net income in this report is the same as IFRS profit for the year attributable to owners of the parent.

Metal Products Business Unit

Main Business ■ Steel Sheet-related Field ■ Tubular Products Field ■ Non-Ferrous Products & Metals Field

Message from the General Manager



“ We will adapt to changes in the business environment and lead the world in business model evolution.

”

KAZUHISA TOGASHI

General Manager,
Metal Products Business Unit

Q

What is the medium- and long-term outlook for the operating environment of the business unit?

A

We forecast growing demand for steel sheets used in cars, home appliances, building materials and other products, supported by strong personal consumption in emerging economies. We also see new areas of demand for metal products spurred by shale development and offshore oil and gas development projects, as well as growing demand for aluminum amid rising consumption of aluminum cans and increasing needs for reduction in vehicle weight to improve fuel efficiency. These are some of the many changes we face in our operating environment, offering new opportunities in all our business fields.

Q

What initiatives will you implement over the longer term to realize the desired image of “What We Aim to Be” for your business unit?

A

We will expand our value chain in the energy-related field and strengthen our presence as a supplier in the rail and automotive value chains, which offer prospects for stable growth in emerging and advanced countries. In aluminum operations, we will focus on expanding our production and sales locations, from smelting operations upstream to rolling mills midstream. Also, in business fields with prospects for growth, we plan to deepen and enhance our value chain while evolving our business model.

→ **We plan to deepen and enhance our value chain in business fields with prospects for growth**

Performance Highlights

(Billions of yen)

	FY2012	FY2013	FY2014 Forecast
Gross profit	80.3	97.2	103.0
Operating profit	21.8	34.6	—
Share of profit of investments accounted for using the equity method	5.7	5.6	—
Profit for the year (attributable to owners of the parent)	17.3	26.6	31.0
Total assets	847.2	884.4	—

Organization

- Planning & Administration Dept., Metal Products Business Unit
- Steel Sheet & Construction Steel Products Division
- Metal Products for Automotive & Railway Industry Division
- Light Metals & Specialty Steel Sheet Division
- Tubular Products Division

Q

What did you achieve in the first year of the BBB02014 medium-term management plan (fiscal 2013) and what are your plans for the second year (fiscal 2014)?

A

[Summary of Fiscal 2013] Profit for the year totaled ¥26.6 billion, up ¥9.3 billion year on year. This reflected firm earnings in the North American tubular products business and a solid performance by the steel service center operations due to growth in auto production in Thailand, a recovery in demand for Japanese products in China, and an upturn in the Japanese economy supported by the government's Abenomics policies.

We also made steady progress with efforts to expand our earnings base, including the acquisition of the Edgen Group, a global distributor of metal and tubular products for the energy industry.

[Initiatives for FY2014] In the tubular products business, we plan to invest in the oilfield equipment, material and services field to reinforce our value chain. In the metal products for automotive & railway industry business, we will work to grow exports of long rails, which are becoming more common worldwide. In the aluminum business, we plan to expand our smelting operations in Malaysia.

We also aim to boost profits by implementing our growth strategies for recent acquisitions, the Edgen Group and Kienle + Spiess GmbH (K+S), a motor core components manufacturing and sales company.



Motor core components made by K+S

→ We will make new investments and implement our growth strategy for recent acquisitions

Q

What CSR initiatives are you implementing through your business activities?

A

We place high priority on health, safety and environment (HSE) management and strive to prevent accidents before they occur by developing a *Safety Manual*, *Safety and Hygiene Management Guidelines* and *Work Handbooks* at all our subsidiaries and associated companies and rigorously educating our employees on safety management. The Tubular Products Division has built a global HSE management system and set a "Zero Harm" target in an effort to eliminate workplace accidents. The division also uses a safety management system to ensure operations are managed appropriately and focuses on creating and improving safe working environments. In fiscal 2013, we took further steps to strengthen our safety management system, such as recruiting HSE experts to managerial positions in Europe and the Asia-Pacific and completing HSE specialist appointments to all our key overseas business sites. We plan to step up these initiatives to instill HSE management in our culture to such an extent that safety becomes just part of the way we do things, not something special nor extra.



The Sakhalin operation team was awarded for achieving seven consecutive years without a lost time accident.

Metal Products

Business Field Overview

Steel Sheet-related Field

WHAT WE AIM TO BE ▼

We aim to fulfill growing demand in emerging countries and customer needs globally through business development extending from manufacturing to processing and distribution.

[Business Environment]

In emerging countries, robust consumer spending is fueling growing demand for automobiles, motorcycles, home appliances, and building materials. Further, a shift to railway transportation in developed countries and railway infrastructure development in emerging countries is expected to further boost demand for the steel sheets products.

[Strengths and Strategies]

We plan to increase profits by switching to high value-added products and boosting management efficiency, underpinned by sales from the steel service center network spanning 34 companies in 14 countries worldwide, mainly in emerging markets.

In the transportation equipment business, including railway wheels and axles,

and crankshafts for automobiles, we will strive to grow market share by developing manufacturing and sales sites in various regions around the world.

[Actions for What We Aim to Be]

Our motor core business is well placed to benefit from rising demand for electric vehicles, hybrid cars, and wind power generators on the back of environmental measures and awareness of rising energy costs. In 2013, we acquired K+S, one of Europe's largest motor core manufacturing and sales companies. We are striving to expand the business with the aim of becoming the world's leading maker of motor cores.

In the metal products for automotive & railway industry business, we will use a newly built transport vessel to increase exports of long rails (150 meters in length) in response to rising global demand.



Specialized vessel for transporting long rails (150 meters in length)

Tubular Products Field

WHAT WE AIM TO BE ▼

We aim to enhance and deepen the tubular products value chain in response to increasing energy demand over the medium to long term.

[Business Environment]

Demand for tubular products, including OCTG and line pipes for transporting oil and gas, is anticipated to increase over the medium to long term, in response to growing demand for energy, mainly in emerging countries.

[Strengths and Strategies]

Our business in the tubular products field boasts an industry-leading network and trading volume. This has been achieved by developing operations that demonstrate various value-added functions globally. For example, we have built supply chain management systems around the world, in 14 countries, providing integrated services ranging from ordering of tubular products to inventory

Project Overview

Deepening and enhancing the tubular products value chain

- Acquisition of the Edgen Group, a global distributor of metal and tubular products for the energy industry
- An initiative for deepening and enhancing our tubular products value chain in the energy-related field

In November 2013, we acquired all the shares in the Edgen Group, a global distributor of metal and tubular products for the energy industry. The cost of the share purchase was roughly ¥52 billion.

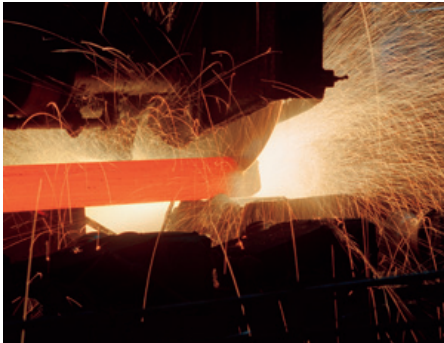
Edgen has a global network of 35 business sites in 18 countries, supplying products such as oil and gas line pipe, specialty tubular products for power plants and petrochemical plants, and steel materials used in offshore structures. In the U.S., Edgen is also a distributor of OCTG for shale development projects.

Based on global exports of tubular products, we have built a supply chain management

management, processing, inspection, transportation and maintenance. We intend to continue enhancing the tubular product value chain we have developed so far, with a view to expanding our earnings base.

[Actions for What We Aim to Be]

In November 2013, we acquired all the shares in the Edgen Group, a global distributor of metal and tubular products and materials to the energy industry. In the oilfield equipment, material and services business, an area closely related to the OCTG field, the Howco Group, which we acquired in 2007, is expanding its operations. We plan to reinforce our presence in the field to further expand our tubular products value chain.



A seamless pipe manufacturing site

Non-Ferrous Products & Metals Field

WHAT WE AIM TO BE ▼

We will bolster our relationships with global players to build cost-competitive value chains.

[Business Environment]

The scope of usage and application of aluminum, titanium and other non-ferrous metal products is broadening. This market should continue to expand, given the strong need to reduce the weight and improve the fuel economy of automobiles, aircraft and other transportation equipment.

[Strengths and Strategies]

In the aluminum business, we boast one of the highest transaction volumes in aluminum sales in Japan. We aim to build a value chain in the growing global market for aluminum by accelerating the development of production locations from smelting operations upstream to rolling mills midstream.

[Actions for What We Aim to Be]

In Malaysia, we are developing aluminum smelting operations with Press Metal Berhad, the country's largest aluminum extrusion products company. In November 2013, we signed an agreement to participate in the second phase of the project, which will roughly triple the size of our aluminum smelting business in Malaysia. These moves are part of wider efforts to expand our value chain in the aluminum business.



Aluminum ingots manufactured at Press Metal Berhad

system capable of supplying products to client sites on time, upgraded our wholesale distribution network, mainly in the U.S., boosted supply capacity by investing in tubular product mills and processing facilities, and acquired wholesale processors of oil field equipment as part of a concerted effort to expand our oil field-related value chain.

This latest acquisition will allow us to reinforce our existing manufacturing and distribution networks for OCTG and line pipe in line with strong demand from shale development. Another aim of the acquisition is to strengthen our sales network to address demand for

tubular products, fittings and flanges in the construction of new oil refinery, petrochemical and power plants, and for steel sheets, steel plates and tubular products used in offshore oil and gas field development, which is projected to see strong growth.

We will work to satisfy the increasingly sophisticated demands of clients by deepening our value chain to enhance our service provision capabilities worldwide.



Large-diameter tubular product for use as line pipe

Transportation & Construction Systems Business Unit

Main Business ■ Ship, Aerospace & Transportation Systems Field ■ Automotive Field ■ Construction Equipment Field

Message from the General Manager



“ We aim for global business development to stay ahead of the times and prevail swiftly in all products and markets involving “motion.” ”

NAOKI HIDAKA

General Manager,
Transportation & Construction Systems
Business Unit

Q What is the medium- and long-term outlook for the operating environment of the business unit?

A Shipping demand continues to increase, supported by a moderate recovery in marine transportation. In the commercial aviation market, we forecast increased demand for aircraft driven by population growth and living standards improvement in emerging countries. In the automotive field, we expect the car market to expand over the medium and long term, driven by growth in emerging countries. We also see new growth opportunities in mature automotive markets in advanced countries as needs become more diverse. In construction equipment, we expect growth in infrastructure projects to support increased demand in emerging countries. We also see continued growth in equipment rental demand in advanced countries.

Q What initiatives will you implement over the longer term to realize the desired image of “What We Aim to Be” for your business unit?

A In the ship, aerospace and transportation systems field, we will strengthen businesses that are profitable and have growth potential, such as ship-owning and aircraft leasing. In the automotive field, we plan to reinforce and step up global expansion in three key areas of our supply chain—manufacturing, sales, and auto leasing and retail finance. In the construction equipment field, we will expand our sales and service operations in emerging countries and resource-rich nations and reinforce our rental business in advanced countries. By building on our strengths in each field, I want Transportation & Construction Systems to grow into the leading business unit in the Group.

→ **We will enhance and reinforce our capabilities to tap growth in global transportation demand.**

Performance Highlights

(Billions of yen)

	FY2012	FY2013	FY2014 Forecast
Gross profit	123.2	124.7	133.0
Operating profit	25.8	34.5	—
Share of profit of investments accounted for using the equity method	27.3	27.7	—
Profit for the year (attributable to owners of the parent)	45.6	48.8	46.0
Total assets	1,302.0	1,443.5	—

Organization

- Planning & Administration Dept., Transportation & Construction Systems Business Unit
- Ship, Aerospace & Transportation Systems Division
- Automotive Division, No. 1
- Automotive Division, No. 2
- Construction & Mining Systems Division

Q

What did you achieve in the first year of the BBB02014 medium-term management plan (fiscal 2013) and what are your plans for the second year (fiscal 2014)?

A

[Summary of Fiscal 2013] Profit for the year increased ¥3.2 billion year on year to ¥48.8 billion in fiscal 2013, supported by earnings from the aircraft leasing business and firm demand in the automobile financing business in Indonesia, the automotive leasing business in Japan and the construction equipment rental business in the U.S.

We also jointly established an aircraft engine leasing company in the Netherlands with MTU Aero Engines AG to address the wide-ranging needs of the airline sector.

[Initiatives for FY2014] In the ship, aerospace and transportation systems field, we plan to gradually ramp up aircraft engine leasing operations, using the aircraft leasing business as a platform to build up our value chain, including areas such as parts and maintenance services. In the automotive field, we will draw on our strengths in the domestic market to expand our automotive leasing business overseas and also diversify our automotive financing operations in emerging countries. In addition, we plan to increase production capacity at our automotive components and automobile manufacturing operations in Mexico and other markets. In the construction equipment field, we will drive business expansion by increasing the operational reach and expanding the asset portfolio of Sunstate Equipment Co., LLC, a leading U.S. construction equipment rental company.



The V2500 engine is a key product of aircraft engine leasing operations

→ **We will diversify our operations and step up global expansion, centered on existing businesses.**

Q

What CSR initiatives are you implementing through your business activities?

A

We contribute to the development of local communities in various ways through our railway construction business in emerging countries. In Ho Chi Minh City, Vietnam's largest city, we are working on construction for the country's first urban railway system. When completed, the new railway system will help the city function better by easing road congestion. It will also enable us to contribute to a reduction in air pollution. In Indonesia we are pushing ahead with a project to convert the Java main line near the capital Jakarta to electrified double-double track. We would like to contribute on the improvement of convenience for local communities by increasing capacity on commuter lines through this project. We plan to expand our project formation/management skills and technology evaluation expertise—the kind of strengths and capabilities only Sumitomo Corporation can offer—for the sustainable development of society through our business activities.



Completed image of Vietnam's first urban railway system

Transportation & Construction Systems

Business Field Overview

Ship, Aerospace & Transportation Systems Field

WHAT WE AIM TO BE ▼

We will establish a stable earnings base and target balanced growth in shipping, aircraft, railway and related leasing businesses.

[Business Environment]

Although the shipping market is lackluster, demand for new ship construction has been kept since last year because of the affordable price level. We also expect increasing longer-term demand for commercial aircraft based on the growth in emerging countries, as well as growing global demand for railways driven by a modal shift in transportation.

[Strengths and Strategies]

In the ship business, we will enhance and expand our revenue base by capitalizing on our broad customer base built up through our trading activities and our value chain encompassing operations of ships owned and jointly owned as well as shipyard business through Oshima Shipbuilding Co., Ltd. With SMBC Aviation Capital, we will strive

to further expand the aircraft leasing business by capturing demand for commercial aircraft in emerging countries, especially in Asia. We will also bolster businesses surrounding the growing commercial aviation market. In the railway business, we aim to win large orders continuously in North America, Southeast Asia and also other regions based on expertise amassed in the construction of urban railway systems.

[Actions for What We Aim to Be]

We have teamed up with Germany's MTU Aero Engines AG to launch an aircraft engine leasing business. We plan to offer packaged services that include parts and maintenance support.



Expanding Aircraft leasing business

Automotive Field

WHAT WE AIM TO BE ▼

We plan to reinforce the earnings base by enhancing key functional capabilities of our automotive value chain and by expanding globally.

[Business Environment]

Looking ahead, we anticipate sustained growth in demand in emerging countries as motorization takes hold. In developed countries with mature markets, we foresee new growth opportunities arising due to business model innovation and strategic alliances.

[Strengths and Strategies]

In lease and financing, we will develop overseas operations in collaboration with Sumitomo Mitsui Auto Service Company, Limited, which is now Japan's largest automobile leasing group. In automobile and motorcycle financing operations in Indonesia, we aim to leverage our strong customer base and business infrastructure to move into peripheral business areas.

Project Overview

Developing our construction equipment rental business in the growing U.S. market

- Our U.S. subsidiary Sunstate Equipment Co., LLC is expanding its operational reach and increasing its asset portfolio with the aim of enhancing profitability. The company is also developing new rental business fields, such as unconventional energy-related equipment.

Our construction equipment business in the U.S. started in the 1980s with the establishment of a wholesale company in partnership with a Japanese construction equipment manufacturer. We also invested in a Japanese construction equipment manufacturing and sales company. In the 1990s, we developed and expanded the business through the acquisition of local dealership operations.

Also, by leveraging our expertise in the domestic construction equipment rental business, we invested in a leading U.S. construction equipment rental company Sunstate Equipment in 2008 which gave us much greater access to the world's largest construction equipment rental market.

In manufacturing, we are expanding our automobile parts manufacturing business in emerging markets—especially Asia and Mexico—centered on KIRIU Corporation. We will also focus on automobile production.

In automotive sales, we plan to boost sales in emerging countries such as Libya, Iraq and Myanmar.

[Actions for What We Aim to Be]

In Mexico, we have started mass production at our automobile manufacturing joint venture with Mazda Motor Corporation. We plan to reinforce our manufacturing operations in Mexico by expanding our local KIRIU plant and through an investment in an auto parts business operated by Hiroshima Aluminum Industry Co., Ltd.



Automobile manufacturing joint venture with Mazda Motor

Although Sunstate Equipment faced severe challenges during the financial crisis after the collapse of Lehman Brothers, as the market recovered from 2011, the company expanded its rental fleet in response to customer demand, driving a V-shaped recovery in growth. The U.S. is the world's largest equipment rental market in size, however, the rental equipment usage ratio is still lower than in Japan and the U.K., pointing to significant room for further market growth. Given this outlook, we took a controlling stake in Sunstate Equipment at the end of 2012, aiming to expand earnings further.

Going forward, we plan to increase market share in existing fields and go into the fast-

Construction Equipment Field

WHAT WE AIM TO BE ▼

We aim to expand our sales and service operations in emerging and resource-rich countries and reinforce our rental business in developed countries.

[Business Environment]

Demand for construction equipment is expected to grow in emerging countries in line with an increase of infrastructure to be developed. Demand is also expected to expand in the U.S., the largest rental market for construction equipment in large part due to a recovery in construction investment.

[Strengths and Strategies]

Our construction equipment business in Canada has become our largest source of earnings on the back of sales of construction and mining equipment, coupled with success in capturing demand for parts and services.

In the U.S. and Japan, the market is increasingly shifting from owning to renting, which is supporting earnings growth in our rental business. In China, we are

strengthening the basis of our dealership operations in preparation for a full-scale recovery in the market. Also, we are working to expand the earnings base in emerging countries by developing our business in the Middle East and Asia. In Mongolia and Russia, we are expanding our comprehensive mining equipment related business, working closely with customers.

[Actions for What We Aim to Be]

In Saudi Arabia, we teamed up with a local partner to establish Abdul Latif Jameel Summit Co., Ltd. (A.L.J. Summit), which imports and sells construction equipment and provides related services. We plan to expand our dealership operations, which is the origin of our construction equipment business, into other countries in the Middle East and other regions such as Africa and Asia.



The stockyard and workshop of A.L.J. Summit

growing oil and gas-related equipment rental market. This will be a part of active efforts to expand our scope of customers and operational

reach to reinforce the earnings base. We will also look at acquiring local competitors to achieve our growth strategy more rapidly.



Overview of Sunstate Equipment Co., LLC

Establishment: 1977
Location: Phoenix, Arizona
Bases: 56 bases in 9 Southwestern U.S. States
Sales: Approx. \$300 million
Business: Rental of aerial work platforms and construction equipment, etc.

The company's yard stocked with rows of diverse equipment

Environment & Infrastructure Business Unit

Main Business

■ Environment & Infrastructure Project Field ■ Global Power Infrastructure Field ■ Logistics and Insurance Field

Message from the General Manager



“ We will expand the infrastructure business in line with market needs and upgrade our logistics functions in order to support the development of society and contribute to growth in the earnings base. ”

MICHIHIKO KANEGAE

General Manager,
Environment & Infrastructure Business Unit

Q

What is the medium- and long-term outlook for the operating environment of the business unit?

A

Overseas, we forecast continued growth in demand for power and water infrastructure driven by economic expansion and population growth in emerging countries. In Japan, we anticipate further deregulation in the electricity retail market and expansion in power generation by renewable energy. Also, we see growing interest in infrastructure with low environmental impact as part of a global trend toward sustainable societies. As Japanese companies expand their international presence, we also anticipate further growth in demand for logistics services and industrial parks, especially in Asia.

Q

What initiatives will you implement over the longer term to realize the desired image of “What We Aim to Be” for your business unit?

A

In the overseas power infrastructure business, we aim to increase our net generation capacity to 10,000 MW, centered on Asia, the Middle East and the Americas. In the domestic power field, we will focus on expanding our retail electricity supply contracts and our power generation capacity. In the renewable energy field, we plan to expand our earnings base while replacing our portfolio with prime assets. In the overseas industrial park business, we will strengthen the earnings base by improving service levels and developing new projects. We also intend to develop the water infrastructure business and battery business to grow them into new earnings pillars for the future.

➔ **Aiming to expand the earnings base by tapping growing demand for social infrastructure and logistics**

Performance Highlights

(Billions of yen)

	FY2012	FY2013	FY2014 Forecast
Gross profit	60.3	63.7	66.0
Operating profit	13.6	19.2	—
Share of profit of investments accounted for using the equity method	4.2	5.2	—
Profit for the year (attributable to owners of the parent)	14.0	19.1	21.0
Total assets	605.1	597.0	—

Organization

- Planning & Administration Dept., Environment & Infrastructure Business Unit
- Environment & Infrastructure Project Business Division
- Global Power Infrastructure Business Division
- Logistics & Insurance Business Division

Q

What did you achieve in the first year of the BBB02014 medium-term management plan (fiscal 2013) and what are your plans for the second year (fiscal 2014)?

A

[Summary of Fiscal 2013] Profit for the year totaled ¥19.1 billion in fiscal 2013, up ¥5.1 billion year on year. This mainly reflected a solid performance by the power infrastructure business, such as the Tanjung Jati B Coal-Fired Power Plant (TJB) in

Indonesia, and profit contributions from value realization projects.

We are developing a number of projects to expand our earnings base. These include participation in an IWPP project in Kuwait, an offshore wind power project in Belgium and an industrial park project in Myanmar. We are constructing a gas-fired thermal power plant in the U.A.E. and a wind farm in South Africa. We have also sold part of our stake in a U.K. water supply company to a strategic partner and replaced our domestic wind farm asset. In this way we are making steady progress with the initiatives outlined in the BBB02014.

[Initiatives for FY2014] In the overseas power infrastructure business, we are developing new projects and also pushing ahead with existing projects, such as the IWPP project in Kuwait, large-scale power plant EPC projects in Thailand and Malaysia, wind farm construction projects in South Africa and the U.S., and the offshore wind power project in Belgium. In the domestic power field, we have started building our new power plant that uses biomass fuel. We are also developing new overseas industrial parks and working on new water projects.



Northwind Offshore Wind Farm (Belgium)

➔ **Making steady progress with existing projects and developing new projects**

Q

What CSR initiatives are you implementing through your business activities?

A

We have been working with eight other private-sector companies and Osaka City on the Osaka Hikari-no-Mori Project, a mega-solar power generation project that makes effective use of a landfill site on Yumeshima in Konohana Ward, Osaka.

The project started generating electricity in November 2013.

In February 2014, at a neighboring site on the island, we also began operating a large-scale power storage system, which utilizes used batteries collected from electric vehicles (EVs). We will make use of the system to verify and measure the smoothing effect on energy output fluctuations from mega-solar farms, which are affected by the weather. By utilizing used EV batteries, which are likely to be available in greater numbers in the future, we aim to develop highly economical large-scale power storage systems. The used EV batteries installed in this project were supplied by 4R Energy Corporation, a joint venture between Sumitomo Corporation and Nissan Motor Co., Ltd.



Large-scale power storage system utilizing used EV batteries

Environment & Infrastructure

Business Field Overview

Environment & Infrastructure Project Field

WHAT WE AIM TO BE ▼

We will help create a sustainable society and sustainable industries by implementing highly efficient infrastructure projects with low environmental impact.

[Business Environment]

In the renewable energy power field, some advanced countries scaled back incentive schemes, but we expect the global trend promoting the introduction of renewable energy to continue. Japan is moving toward greater deregulation in the domestic electricity retail market.

Demand for clean water is likely to increase, mainly in emerging countries, spurred by rapid industrialization and urbanization.

[Strengths and Strategies]

We will develop new projects to expand our earnings base by leveraging our track record in renewable energy power projects in the U.S. and South Africa, and our expertise in

the water infrastructure field from our water supply business in the U.K.

In Japan, we plan to take advantage of further deregulation in the energy market to expand our electricity retail business, using Summit Energy Corporation's wealth of experience in power operations and its diverse portfolio of energy sources.

[Actions for What We Aim to Be]

In Japan, the U.S. and South Africa, we are pushing ahead with the construction of wind and solar farms, and in Belgium we are developing an offshore wind power project. In Japan, we are building a biomass power plant to add to our portfolio of energy sources. In the water infrastructure business, we are constructing a desalination plant in Oman.



Dorper Wind Farm (South Africa)

Global Power Infrastructure Field

WHAT WE AIM TO BE ▼

We aim to make a stable, long-term contribution to the development of society and the Group's earnings by expanding our power infrastructure business in line with market needs.

[Business Environment]

We anticipate further growth in electricity demand worldwide on the back of economic expansion and population growth in emerging regions such as Southeast Asia, the Middle East and Sub-Saharan Africa.

[Strengths and Strategies]

Our strength is the ability to propose and establish the type of projects that no one but Sumitomo Corporation can deliver by using our regional and business networks to meet market needs accurately and rapidly, and combining them with our long experience in EPC and I (W) PP businesses. We aim to build up a high-quality earnings base in regional markets that we know well, such as Asia, the Middle East

Project Overview

Developing the overseas power infrastructure business with greater scale and enhanced functions

- Leveraging expertise and know-how we have accumulated over many years in the field, we are building a portfolio of prime assets, mainly in strategic markets, to create a stronger earnings base that can generate stable earnings over the long term.

Shuwelhat S3 project (U.A.E.)

Our overseas power infrastructure business has become more sophisticated, shifting its focus from exports of power cables and substation equipment in the 1970s to EPC and IPP businesses today. As the business has evolved, it has accumulated a wealth of expertise and know-how in power plant design and construction and in the development and operation of power generation businesses. Leveraging these skills, we are now addressing power infrastructure needs in Asia and in areas as diverse as the Middle East, North America and Australia.

In the Middle East, a large number of IPP and IWPP projects are being planned amid growing demand due to rising living standards accompanying industrialization. In this region, which we position as one of our strategic markets, a

and the Americas, and expand our presence in emerging markets, which offer significant potential.

[Actions for What We Aim to Be]

The Shuweihat S3 gas-fired thermal power plant, currently under construction in the U.A.E., is scheduled to start commercial operations in August 2014. Also, we are constructing the Az-Zour North IWPP project in Kuwait. The project is the country's first public private partnership (PPP) in the sector and is scheduled to come on stream in 2016. In the power infrastructure EPC field, we are working on major projects in Malaysia and Thailand and developing a number of new large-scale projects in Southeast Asia and Sub-Saharan Africa.



Image of completed Kinyerezi gas-fired combined-cycle thermal power plant (Tanzania)

dedicated team was established in Abu Dhabi, U.A.E. to develop new projects and manage and operate our working power generation assets.

In January 2014, we started construction on the Az-Zour North project in Kuwait. The project is the country's first public private partnership (PPP) IWPP project and will contribute to stable, long-term power and water supplies for Kuwait based on a 40-year energy conversion and water purchase agreement with the Ministry of Electricity and Water. In the U.A.E., we are currently building the Shuweihat S3 gas-fired combined-cycle thermal power plant, which will have high fuel efficiency and low environmental impact. The plant is scheduled for completion in 2014.

In the overseas power infrastructure business, we are aiming to establish an earnings

Logistics and Insurance Field

WHAT WE AIM TO BE ▼

We aim to contribute to Group profit by enhancing our logistics and insurance functions, and to expand our business base in the overseas industrial park business.

[Business Environment]

We have to upgrade logistics and insurance functions to keep pace with the Group's expanding and increasingly complex business operations. Also, demand for high-quality logistics services and industrial parks is growing as Japanese manufacturers move into overseas markets, particularly Southeast Asia.

[Strengths and Strategies]

As an integrated trading company, we have many years of experience in the transport of various products and materials worldwide and are well-versed in insurance risk management for large-scale projects. Using this know-how, we will play our part in expanding the Group's business base by supporting the

startup and expansion of businesses, while also generating earnings for the business unit itself. In the overseas industrial park business, we already have a strong presence in the sector and provide clients with high value-added services.

[Actions for What We Aim to Be]

In Japan and overseas, we have built and managed a high-quality logistics system, and also provide support to new large-scale overseas projects in all areas of procurement and management.

In the overseas industrial park business, we plan to expand existing sites in the Philippines and Vietnam. We are also leading the development of the Thilawa Industrial Park in Myanmar.



Groundbreaking ceremony for the Thilawa Industrial Park (Myanmar)

base capable of generating stable, long-term profits. Specifically, we plan to boost our net generation capacity from 5,478 MW at the end

of March 2014 to 10,000 MW in 2019 by increasing our portfolio of prime assets, mainly in strategic markets.



Image of completed Az-Zour North IWPP project (Courtesy of Hyundai Heavy Industries Co., Ltd. and Societe Internationale de Dessalement S.A.)

Overview of the Az-Zour North IWPP Project

Type of plant:	Gas-fired combined-cycle power plant and desalination plant
Capacity:	1,500 MW
(Water production)	(Approx. 480,000 tons/day)
Total project cost:	Approx. \$1.8 billion

Overview of the Shuweihat S3 IPP Project

Type of plant:	Gas-fired combined-cycle power plant
Capacity:	Approx. 1,600 MW
Total project cost:	Approx. \$1.5 billion

Media, Network, Lifestyle Related Goods & Services Business Unit

Main Business ■ Media, IT and Retail Field ■ Lifestyle-related Field ■ Construction & Real Estate Field

Message from the General Manager



“ We will contribute to the creation of new lifestyles by integrating a wide variety of consumer and lifestyle-related businesses. ”

SHINICHI SASAKI

General Manager,
Media, Network, Lifestyle Related Goods &
Services Business Unit

Q What is the medium- and long-term outlook for the operating environment of the business unit?

A Japan has a large, stable but mature consumer market. Although it faces both an aging and shrinking population, living standards are high compared with other countries and consumers have trended more toward focusing on value rather than price. Overseas, emerging countries are seeing growth in the middle-income consumers, which is likely to support continued growth in consumption.

In Japan, we are targeting opportunities from the increasingly diverse needs of consumers. We are also stepping up efforts to drive growth by using our know-how in Japan to expand operations overseas.

→ We are targeting growth by transferring our expertise in the mature domestic market to emerging countries in Asia and elsewhere.

Q What initiatives will you implement over the longer term to realize the desired image of “What We Aim to Be” for your business unit?

A We will continue to reinforce our solid business base in domestic operations while also targeting growth overseas by extending the reach of existing businesses into emerging markets, particularly China and other Asian countries. As part of global expansion, we will set up businesses with leading local companies or multinationals, leveraging the strengths of the Group and our partners to rapidly get the businesses on track and develop them into our earnings pillars for the future.

Performance Highlights

(Billions of yen)

	FY2012	FY2013	FY2014 Forecast
Gross profit	287.0	284.9	301.0
Operating profit	34.0	39.5	—
Share of profit of investments accounted for using the equity method	25.4	39.8	—
Profit for the year (attributable to owners of the parent)	69.1	54.4	54.0
Total assets	1,823.2	1,871.2	—

Organization

- Planning & Administration Dept., Media, Network, Lifestyle Related Goods & Services Business Unit
- Media Division
- Network Division
- Lifestyle & Retail Business Division
- Food & Agriculture Business Division
- Materials & Supplies Division
- Construction & Real Estate Division
- General Construction Development & Coordination Dept.

Q

What did you achieve in the first year of the BBB02014 medium-term management plan (fiscal 2013) and what are your plans for the second year (fiscal 2014)?

A

[Summary of Fiscal 2013] Although core businesses such as Cable TV, TV shopping and condominium sales were firm, profit for the year fell ¥14.7 billion to ¥54.4 billion. This decline mainly reflected the partial sale of our stake in Jupiter Shop Channel Co., Ltd. in the previous fiscal year.

In the construction & real estate field, we pushed ahead with a number of urban redevelopment projects, including the redevelopment of the former Kanda campus of Tokyo Denki University and the Ginza 6-chome District project.

[Initiatives for FY2014] In the media, IT and retail field, we will focus on developing new TV shopping, e-commerce and drugstore businesses that were set up overseas in the period up to fiscal 2013, the first year of the BBB02014 medium-term management plan. Jupiter Telecommunications Co., Ltd. (J:COM), jointly operated by Sumitomo Corporation and KDDI CORPORATION, acquired JAPAN CABLENET LIMITED (JCN) in December 2013. J:COM is now working to generate merger synergies from the acquisition. In the lifestyle-related field, we will reinforce upstream operations in the food business in Australia and Asia, and work to extend our value chain into midstream operations. TBC Corporation, our U.S. tire distribution and auto aftermarket retail operation, is steadily implementing a restructuring plan with the goal of achieving a full earnings recovery in fiscal 2015. In the construction & real estate field, we plan to enlarge our portfolio of prime real estate assets while steadily replacing assets in strategic areas in Japan. We will also seek to identify new projects with the potential to generate profits over the medium and long term.

Q

What CSR initiatives are you implementing through your business activities?

A

While demand for forest resources is growing worldwide, including in the fast-growing economies of Asia, we are building a global sales network that mainly sources timber from the Pacific Rim region. As part of those efforts, we acquired 36,000 hectares of forest in New Zealand. Timber businesses need to work in harmony with the natural environment to ensure long-term timber supplies. We have established a sustainable business model that will ensure the forest is constantly renewed through carefully planned logging and replanting operations. Our forest in New Zealand is certified by the Forest Stewardship Council (FSC®), a global certification body for forests and forest products. The local community has also praised our commitment to sustainable forest management using methods suited to local conditions.



Production of a TV shopping program (Thailand)

→ **We will steadily implement initiatives in a range of fields to drive growth in our earnings base over the medium and long term.**



Wild horses can be seen in our forests

Media, Network, Lifestyle Related Goods & Services

Business Field Overview

Media, IT and Retail Field

WHAT WE AIM TO BE ▼

We aim to expand our earnings base by enhancing our industry-leading operations within Japan, and by growing these businesses overseas.

[Business Environment]

The Japanese consumer market is stable and among the largest in the world. As consumer tastes and lifestyles diversify, e-commerce as a niche has continued to grow in this matured market. Meanwhile, the purchasing power of middle-income consumers in China, Asia and other emerging markets has increased with economic development.

[Strengths and Strategies]

We are developing a portfolio of industry-leading business companies. This includes J:COM, which holds the top share in the Japanese Cable TV market, SCSK Corporation, which provides a full lineup of global IT

services, and Jupiter Shop Channel Co., Ltd., Japan's largest TV shopping company. We aim to strengthen these businesses further, and develop them globally.

[Actions for What We Aim to Be]

J:COM has secured a dominant position in the Cable TV market after the acquisition and merger with JCN. We plan to expand the business further by integrating brands and services. We also started broadcasting TV shopping programs in Thailand. In the e-commerce business, we are using M&A to drive business expansion.



Launch of a new J:COM

Lifestyle-related Field

WHAT WE AIM TO BE ▼

We aim to provide secure, safe and comfortable diets, lifestyles and communal environments on a global basis.

[Business Environment]

Demand for commodities such as grains, edible oil and meat has increased as diets have diversified and improved following economic development in the emerging markets of Asia and elsewhere. Moreover, this has led to a dramatic increase in timber demand; notably in China, where timber imports have increased more than tenfold in the past 10 years.

[Strengths and Strategies]

Our strengths in the food business field lie in upstream operations such as the grains business in Australia and the banana business in the Philippines. Going forward, we plan to reinforce our position in upstream operations while also expanding our

Project Overview

Largest mixed-use development project in the Ginza area



We have a strong presence in the real estate market as a general property developer with a long track record. Clients value our expertise, which we have built up through mixed-use redevelopment projects such as Harumi Island Triton Square and large-scale retail facilities such as Terrace Mall Shonan. We are now contributing this expertise to the Ginza 6-chome District 10 Category 1 Urban Redevelopment Project.

The Ginza 6-chome District 10 Category 1 Urban Redevelopment Project involves the complete redevelopment of a roughly 1.4-hectare site comprising the former site of the Matsuzakaya Ginza department store and an adjacent plot. The project is scheduled for

midstream business in consumer markets in Asia and elsewhere.

In the lumber business, we will expand our forest resources in the Pacific Rim region, targeting markets in Asia.

[Actions for What We Aim to Be]

In the food business, which has been positioned as a strategic industrial focus for the entire Group, we strengthened the business foundation by increasing our stake in Emerald Grain Pty Ltd, an Australian grain company, from 50% to 100%. In Asia, we are extending our value chain from upstream operations to midstream operations through participation in a flour milling operation in Vietnam and in sugar processing operations in Thailand and China.

Meanwhile, our tire distribution and auto aftermarket retail subsidiary TBC continues to implement measures to drive an earnings recovery.



Sugarcane harvesting at the base of our sugar processing operations

completion in November 2016. The aim of the project is to create a major international retail, business and tourist destination in Tokyo. The building will have around 46,000 m² of retail space, approximately 38,000 m² of office space, with one of the largest floor layouts in Japan, and cultural facilities including the Kanze Nohgakudo Theater. When completed, the building will be one of the largest mixed-use buildings in the Ginza area.

Sumitomo Corporation plans to take an approximate 40% stake in the facility through a special purpose company set up with L Real Estate (part of the LVMH Group) and Mori Building Co., Ltd.

Construction & Real Estate Field

WHAT WE AIM TO BE ▼

We aim to conduct town development that raises international competitiveness and urban redevelopment, while developing sustainable communities with emphasis on themes such as the coexistence of people and the natural environment.

[Business Environment]

Demand for land in urban centers and prime properties has held firm in the Japanese real estate market. In addition, there is a stronger awareness of safety and security with respect to buildings and their maintenance, and environmental friendliness.

[Strengths and Strategies]

As a general property developer, we have long been engaged in the real estate business. We develop high quality properties by positioning urban centers, where demand is strong, as a strategic field, and leveraging our unique integrated corporate strengths to develop buildings and towns that are friendly to both people and the environment. Looking ahead, we will apply our expertise nurtured in domestic operations to business expansion overseas, while also

concentrating on the operation of real estate funds involving logistics facilities.

[Actions for What We Aim to Be]

In office building leasing operations, we continued to work on the Kandanishiki-cho 3-Chome Joint Reconstruction Project and the redevelopment of the Kanda area, which includes part of Tokyo Denki University's former Kanda Campus. In condominium sales operations, growing awareness of the CLASSY HOUSE brand supported strong sales. Drawing on the Group's integrated strengths, we started work on the Ginza 6-chome redevelopment project and pushed ahead with construction of CLASSY TOWER Higashi Nakano in Tokyo. Our new real estate fund business, which is focused on logistics facilities, also started full-scale operations.



Mixed-use development with Sumitomo, Inc. (CLASSY TOWER Higashi Nakano)

The project will allow us to leverage our integrated corporate strengths, such as our expertise in mixed-use real estate development projects and materials procurement support from our trading company operations.

The project's premium, central Tokyo location will also boost our presence in the real estate sector and provide us with new insights into urban redevelopment projects.



Project Overview

Total project cost: Approx. ¥83.0 billion (building)
 Building scale: Site area approx. 9,080 m²; gross floor area approx. 147,900 m²; 13 floors above ground, 6 floors below ground
 Building use: Stores, offices, Kanze Nohgakudo Theater, district heating and cooling facility and parking

Mineral Resources, Energy, Chemical & Electronics Business Unit

Main Business ■ Mineral Resources & Energy Field ■ Chemical & Electronics Field

Message from the General Manager



“ We aim to build a strong business foundation that will adapt and grow in keeping with changes in the operating environment. ”

MASAHIRO FUJITA

General Manager,
Mineral Resources, Energy,
Chemical & Electronics Business Unit

Q What is the medium- and long-term outlook for the operating environment of the business unit?

A Amid rising demand for mineral resources and energy on the back of global population growth and economic expansion, mainly in emerging countries, we expect the development of technologically challenging deep-sea oil fields and U.S.-led development of shale oil and gas resources to gain momentum. Meanwhile, changing lifestyles in emerging countries are likely to drive qualitative and quantitative growth in demand for food resources. In order to meet this demand, agricultural production will need to become more efficient, especially due to concerns about the impact of climate change caused by global warming on agricultural yields.

Q What initiatives will you implement over the longer term to realize the desired image of “What We Aim to Be” for your business unit?

A In the upstream resources and energy fields, we will steadily increase the value of existing projects and carefully select and invest in cost-competitive prime projects, focusing on key strategic resources. We will also continue to replace assets in order to optimize our asset portfolio. In midstream and downstream business fields, we will leverage synergies with upstream operations and reinforce our alliances with prominent partners in order to implement structural changes ahead of the industry and generate new added value. We will thus promote distinctive businesses and trading activities.

→ We will tap growing demand for resources and energy over the medium and long term through business investment and trading activities.

Performance Highlights

(Billions of yen)

	FY2012	FY2013	FY2014 Forecast
Gross profit	89.0	80.5	97.0
Operating profit	26.8	(10.8)	—
Share of profit of investments accounted for using the equity method	30.8	36.9	—
Profit for the year (attributable to owners of the parent)	47.7	24.0	38.0
Total assets	1,400.1	1,614.5	—

Organization

- Planning & Administration Dept., Mineral Resources, Energy, Chemical & Electronics Business Unit
- Mineral Resources Division No. 1
- Mineral Resources Division No. 2
- Energy Division
- Basic Chemicals & Electronics Division
- Life Science Division

Q

What did you achieve in the first year of the BBB02014 medium-term management plan (fiscal 2013) and what are your plans for the second year (fiscal 2014)?

A

[Summary of Fiscal 2013] Although profits rose at our South African iron ore operations on the back of sales volume increase, etc., profit for the year declined ¥23.7 billion to ¥24.0 billion. This mainly reflected impairment losses on the Isaac Plains coal mining project in Australia due to falling prices.

We took steps to enhance the value of major investments, such as starting up commercial production at the Ambatovy nickel project in Madagascar. We also made progress on a U.S. LNG project, which is scheduled to start exports to Japan in 2017.

[Initiatives for FY2014] In the upstream resource and energy field, we will put priority on steadily ramping up production at projects currently under development. We also plan to continue improving the cost competitiveness of existing projects while steadily implementing expansion plans. At the same time, we aim to raise the quality of our portfolio by replacing assets. In midstream and downstream fields, we intend to push ahead with the U.S. LNG export project as planned, while also developing our overseas ferroalloy and petrochemical manufacturing operations. Also, we will work to build our agricultural value chain by further expanding the sales network in our global crop protection business and by enhancing and developing our multifaceted crop-production support business* worldwide.



Ambatovy nickel plant in Madagascar

→ **We will ensure that projects currently under development start up steadily and step up efforts to boost value.**

* A one-stop operation providing materials and services needed in agricultural production

Q

What CSR initiatives are you implementing through your business activities?

A

We are engaged in the development of mines worldwide. Our mining projects can only remain viable by contributing to the sustainable development of local communities, especially those near the mines. At our San Cristobal mine in Bolivia, South America, we have set up a technical institute to provide additional training to technicians who work at the mine. We also opened the institute to local people to help them acquire the technical skills they need to become economically independent. We are also contributing to local communities by building public infrastructure such as roads, bridges, water supplies, hospitals and schools, and we have implemented a number of environmental conservation measures at the mine, such as constructing a dust mitigation dome over the ore stockpile and using ground water resources in a sustainable manner.



The San Cristobal Technical Institute in Bolivia

Mineral Resources, Energy, Chemical & Electronics

Business Field Overview

Mineral Resources & Energy Field

WHAT WE AIM TO BE ▼

Through investment in upstream interests and trading activities, we aim to contribute to the stable supply of mineral resources and energy.

[Business Environment]

Resource prices have been weak for some time due to slowing economic growth in China and other emerging countries. However, we forecast increased demand for mineral resources and energy over the medium and long term. Also, the global energy supply and demand landscape is being transformed amid active development of unconventional energy resources.

[Strengths and Strategies]

We will optimize our portfolio of resource interests with an eye to longer-term demand growth. The focus will be key strategic resources. We will also take into account

time factors like the start of production and mine life, regional considerations including country risk diversification, and the participation style such as alliances with prime partners and upgrade of the functions we provide. Through our mining businesses including at the San Cristobal silver, zinc and lead mining project in Bolivia, where we have assumed full ownership, we are building up our mining operation expertise and nurturing numerous personnel. In our U.S. non-conventional gas business, we will work to build a gas value chain traversing upstream operations to distribution, liquefaction and LNG export. We will do this by combining knowledge and experience in upstream shale gas development with the functions of our U.S. natural gas trading company.

[Actions for What We Aim to Be]

Along with bolstering our existing interests' cost competitiveness and firmly moving expansion plans forward, we are concentrating on steadily executing large-scale upstream resource projects. In the U.S. shale oil and gas development project we

joined, we are conducting geological surveys and raising the drilling efficiency as we move forward with development and production. At the Sierra Gorda copper mine project in Chile, we are working toward starting production in 2014. In Brazilian Mineração Usiminas S.A. (MUSA) iron ore mining operations, we are advancing plans for expansion. At the Ambatovy nickel project in Madagascar, where commercial production has begun, we are continuing to increase the plant operating rate, aiming to achieve early full production. At the aforementioned San Cristobal mine, we are



MUSA iron ore operation in Brazil.

Project Overview

U.S. LNG export operation



- Amid changes in the energy market spurred by developments such as the shale revolution, we continue to contribute to securing stable supplies of energy for Japan, making full use of the strengths of our U.S. natural gas trading business.

Cove Point LNG project in Maryland (U.S.)

Japan's demand for liquefied natural gas (LNG) has been growing since the shutdown of nuclear reactors after the Great East Japan Earthquake in 2011. LNG exports from the U.S. are seen as one way of meeting this demand.

We are a partner in the Cove Point LNG project in the U.S. state of Maryland, which is led by Dominion Cove Point LNG, LP (Dominion). Under the project, shale and other natural gas in the U.S. will be processed at a new liquefaction plant built by Dominion at Cove Point for export to Japan as LNG. In September 2013, the project received approval from the U.S. Department of Energy to export LNG to countries that do not have a free trade agreement (FTA) with the U.S. The project partners are aiming to start exports in 2017 after construction

working to enhance the project's value through ongoing exploration aimed at increasing the ore reserve. In the meantime, we acquired an interest in the Clermont thermal coal mine for our coal mining operation in Australia. In midstream and downstream business, we acquired an export permit from the U.S. Department of Energy for our Cove Point LNG project in Maryland, where preparations are underway to begin exports in 2017. In Malaysia, we are working toward completing the construction of a manganese alloy smelting facility in 2016.



San Cristobal silver, zinc and lead mine in Bolivia

Chemical & Electronics Field

WHAT WE AIM TO BE ▼

We will achieve prosperity and realize dreams by developing sophisticated and distinctive operations and trading activities worldwide.

[Business Environment]

With food demand rising as emerging countries' populations increase and economies develop, crop protection products and fertilizers that improve the quality and yield of agricultural produce should see growing demand. Furthermore, the use of shale gas has brought about structural change in the chemicals industry.

[Strengths and Strategies]

We will work to build our multifaceted crop-production support business by moving into new areas, handling new products and securing additional licenses in our global crop protection business and by generating synergies with our fertilizer operations.

We also plan to develop our gas

chemicals-related operations as a peripheral business to our U.S. shale gas upstream interests.

[Actions for What We Aim to Be]

We have established crop protection chemical sales companies in Turkey and Chile as part of efforts to strengthen our global sales network. We are also further enhancing our multifaceted crop-production support business through our Romanian agricultural materials distribution company Alcedo S.R.L. In China, we took a stake in Spanish company CEPESA Quimica S.A.'s local petrochemical manufacturing operations, while in Russia, we invested in a high-purity quartz production business. In the electronics business, we are reinforcing the EMS business foundation and working to expand the value chain.



Alcedo's grain silos in Romania

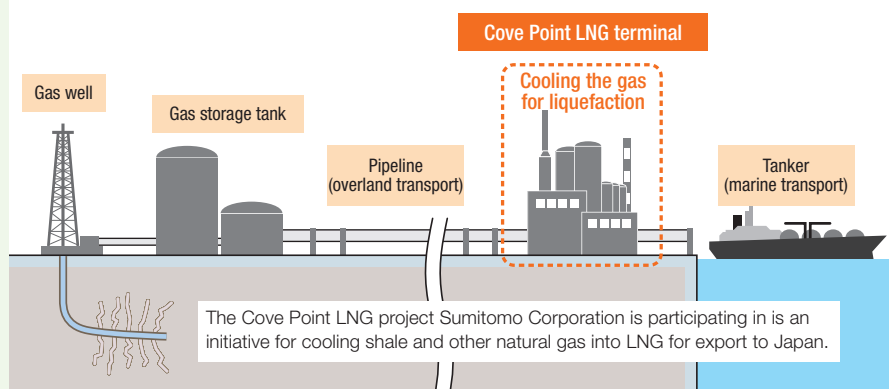
approval has been granted by the Federal Energy Regulatory Commission (FERC), which is expected sometime during 2014.

Leveraging the expertise and networks we have built up in our U.S. natural gas trading and marketing operations since 2004, we plan to play a key role in exports of LNG to Japan using stable, long-term supplies of U.S. natural gas via the new liquefaction plant. We have signed a contract with Dominion for processing approximately 2.3 million tons of LNG per year, which we plan to sell to Tokyo Gas Co., Ltd. and The Kansai Electric Power Co., Inc. over 20 years from 2017.

Through the Cove point project, we aim to diversify Japan's LNG supply sources and procurement pricing formula by supplying LNG that tracks the price of U.S. natural gas.

This will help Japan secure stable supplies of energy from more diverse sources.

Shale Gas Flow Diagram from Drilling to Marine Transport



Messages from Regional Organizations

Europe, Middle East, Africa & CIS



TOYOSAKU HAMADA
General Manager for Europe, Middle
East, Africa & CIS

“ We will cultivate markets where business opportunities abound to make great contributions. ”

Operation of the EMEA-CIS organization is now in its second year, and I recognize that we have gained a firm grip on expanding our businesses. The many countries in the region we serve are striving to build a prosperous and hopeful future, and teeming with various economic needs and wants. We are unique in that we are based locally in close proximity to fresh and detailed market intelligence, which we can gather and analyse in developing these needs and wants into businesses. To this end, we will place an even greater emphasis on making the most of the staff and business network within our organization. Our mission is also to contribute to the development of the countries and people we serve through our business activities.

Asia & Oceania



KOHEI HIRAO
General Manager for
Asia & Oceania

“ Driving dynamic growth with our power of business creation and tailored solutions for different stages of growth. ”

Asia and Oceania is the world's fastest growing region, and one that encompasses economies at different growth stages with varying needs. We believe our power of business creation and ability to deliver tailored solutions for diversified business fields will help meet not only diverse needs but changing expectations. With a deep-rooted presence in major and emerging markets, we also seek to develop new businesses through strategic alliance with the region's growing private sector as a reliable partner. We will continue to work passionately to achieve prosperity and realize dreams in the region.

The Americas



KAZUHIRO TAKEUCHI
General Manager for the Americas

“ We will rise to the challenge of capturing innovation and growth from the central point of the world economy. ”

In the Americas, we have focused the investment of our management resources in the four strategic fields of Oil & Gas, Infrastructure, Consumer Products and Services, and Mineral and Food Resources.

In the Oil & Gas field in particular, we are developing diverse businesses ranging from manufacturing, processing, and distribution of oil country tubular goods, providing construction machinery, to developing shale gas and oil, trading gas, and exporting liquefied natural gas (LNG). In November 2013, we acquired the Edgen Group, a global distributor of tubular and steel products for the energy industry, in a bid to further strengthen our earnings base in this field.

In contributing to the Group's sustainable growth, SC Americas will rise to the challenge of staying on top of persistent “innovation and growth.”

East Asia



HIROKI INOUE
General Manager for East Asia

“ We will shore up both scale and speed in markets brimming with business opportunities to grow together with the region. ”

The East Asia Region has grown into an industrial and technological hub of the world. It is also a promising market where economic growth and social change are constantly giving rise to new needs in all sorts of business fields.

We are an organization with an inside track on the economic pulse of the region. Our goal is to shore up both scale and speed in growing together with our business partners from within and outside East Asia. With this in mind, we are strengthening our business base and functions, and the roles we are expected to play, as we network and collaborate globally to leverage the synergies of the Sumitomo Corporation Group.