

▶ Metal Products Business Unit

- ▶ Planning & Coordination Dept., Metal Products Business Unit
- ▶ Steel Sheet Products Division
- ▶ Metal Products for Automotive Industry Division
- ▶ Light Metals & Metal Products for Transportation Division
- ▶ Tubular Products Division



Makoto Horie
General Manager, Metal Products Business Unit

Business Lines

Steel Sheet & Other Steel Products

We provide high-value-added services mainly to automotive and home appliance manufacturers via our worldwide network of steel service centers, which provide functions including procurement, inventory management, and processing.

Tubular Products

Through our proprietary supply chain management system, we have built solid customer bases and function as a total service provider to oil and gas companies.

Non-Ferrous Products & Metals

We are extending value chains by expanding our production and sales locations for aluminum ingot and aluminum sheets.

What We Aim to Be

We aim to build a unique business portfolio based on medium-to-long-term growth strategies and become an organization that combines impressive earning power and stability.



Steel service center in Mexico



A tubular product storage yard in Norway



Aluminum smelting business in Malaysia

Performance Highlights (Billions of yen)

	FY2015	FY2016	FY2017 Forecast
Global basis*1			
Profit*2	1.1	1.8	25.0
Segment basis			
Gross profit	77.3	67.4	
Share of profit of investments accounted for using the equity method	4.7	5.8	
Profit*2	12.0	10.0	
Basic profit	13.5	11.8	
Total assets	674.2	676.1	

*1 "Global basis" consists of results including operations in Overseas Subsidiaries and Branches segment.

*2 Profit for the year attributable to owners of the parent

Fiscal 2016 Results

The Metal Products Business Unit achieved a ¥0.7 billion year-on-year increase in profit, to ¥1.8 billion, on a global basis. Although earnings from tubular products businesses in North America declined due to low crude oil prices, overseas steel service center businesses delivered solid performances and the aluminum smelting business in Malaysia made higher earnings than in the previous fiscal year.

Segment Strengths, Challenges, and Business Environment

	Steel Sheet & Other Steel Products	Tubular Products	Non-Ferrous Products & Metals
Strengths	<ul style="list-style-type: none"> ▶ Leading market shares in such niche segments as rails, wheels, and axles for trains ▶ Expertise, solutions capabilities, and strong customer network in relation to steel sheets for automobiles 	<ul style="list-style-type: none"> ▶ One of the world's largest handlers of oil country tubular goods, strategic partnerships with energy majors, and service provision capabilities and development capabilities realized through global network 	<ul style="list-style-type: none"> ▶ Sharing of global growth strategies with major partners
Challenges	<ul style="list-style-type: none"> ▶ Upgrading of existing business models based on information and expertise accumulated through steel sheet-related trading ▶ Creation of new business models based on client perspective 	<ul style="list-style-type: none"> ▶ Catering to demand for localization in oil-producing countries and utilization of ICT to strengthen customer services 	<ul style="list-style-type: none"> ▶ Securing stable supplies of bauxite and alumina, which are the raw materials of aluminum ingots
Opportunities	<ul style="list-style-type: none"> ▶ Advancement of modal shifts in developed countries and development of railway infrastructure in emerging countries ▶ Steady growth of automotive production globally 	<ul style="list-style-type: none"> ▶ Participation in oilfield equipment, materials, and services businesses, which are closely related to oil country tubular goods businesses; expansion of share of oil country tubular goods market; and business foundations that exploit network of Edgen Group Inc. 	<ul style="list-style-type: none"> ▶ Introduction of lighter vehicles in response to stricter fuel-efficiency regulations
Risks	<ul style="list-style-type: none"> ▶ Market volatility due to steel oversupply and trade issues in various countries ▶ Obsolescence of existing products due to automotive industry's global environmental measures or dramatic change in business conditions due to emergence of alternative materials 	<ul style="list-style-type: none"> ▶ Change in purchasing format of oil and gas development industry, structural change in industry due to realignment of related industries, and spread of new alternatives to tubular products 	<ul style="list-style-type: none"> ▶ Competition intensifying due to aluminum products made in China

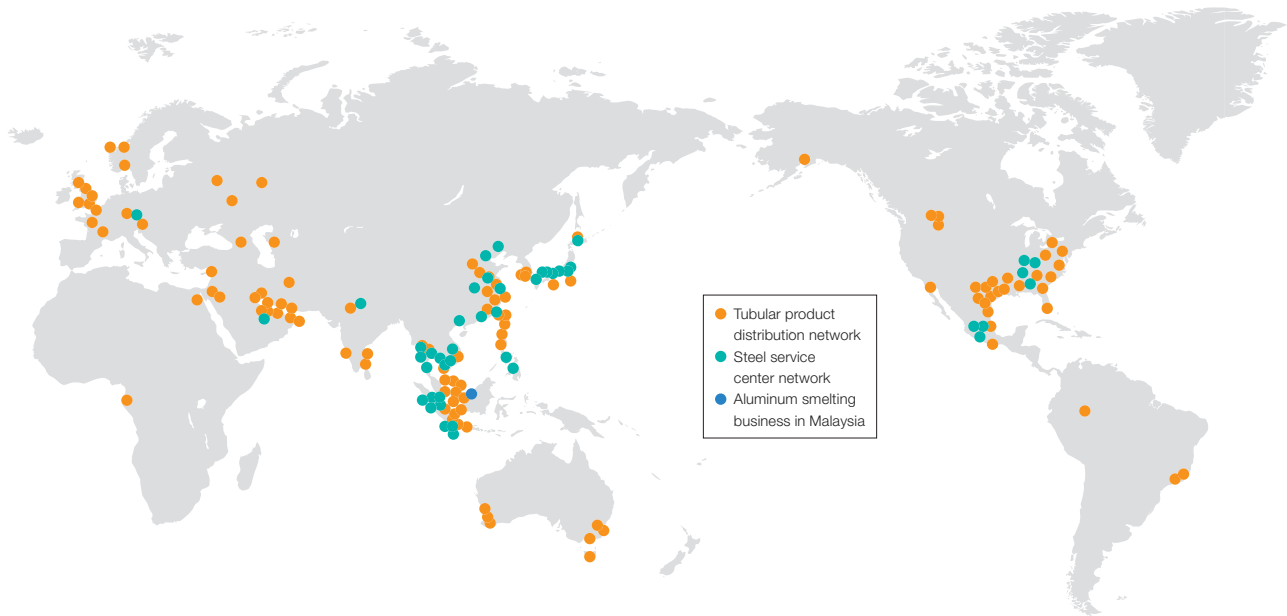
Medium-Term Management Plan's Growth Strategies for Becoming What We Aim to Be

We will fulfill our mission of contributing to the development of society through the worldwide delivery of high-quality and high-performance products manufactured by steelmakers. At the same time, we will switch our conventional supplier perspective of "Sell metals" to the demand-based perspective of "Use metals" in order to pursue growth strategies.

In railway-related metal products, we aim to establish a firm position in the railway field (rails, wheels, axles, and maintenance) by offering multiple service capabilities that differentiate us from competitors. As for the automobile-related industry, we

will expand value chains of automotive-related metal products that extend from material manufacturing through to the automotive parts businesses, to be a leading supplier. Our tubular products businesses will exploit the solid customer bases of the oil country tubular goods businesses to develop businesses in the oilfield equipment, materials, and services field. In addition, in the aluminum smelting and rolling business, we will expand the value chain from upstream (smelting) to middle stream (rolling).

Business Portfolio



BBBO2017 Initiatives in Fiscal 2016

Entry into the Railcar Axle Machining Business in the U.S. in Expectation of Growth in the Railway Field



As the importance of the safety of railway transport increases, Sumitomo Corporation Group and a U.S. railcar wheel and axle maintenance company, Greenbrier Rail Services (GRS), jointly established a new company, GBSummit, LLC, which commenced operations of a railcar axle machining plant in California at the beginning of 2017. With demand for railway transport likely to grow on the U.S. West Coast, we will broaden its business field by using this region as a base and combine our supply of high-quality railcar wheels and axles and the extensive track record of GRS in the maintenance field.

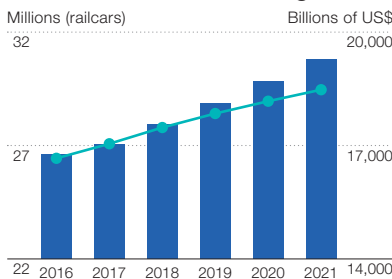
Participating in an Automotive Forged Parts Business in Europe



In March 2017, Sumitomo Corporation acquired a 25% equity interest in Europe's largest manufacturer of forged and machine-processed automotive components, Hay Holding GmbH. A subsidiary of Musashi Seimitsu Industry Co., Ltd., Hay Holding has strength in forging technology and price competitiveness in the area of power train* components. Collaborating closely with Musashi Seimitsu Industry, which has advanced technological and design capabilities, we will increase Hay Holding's corporate value even further.

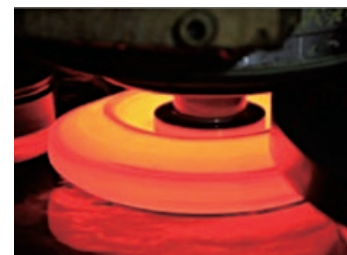
* Power train: Collective term for transmissions, differential gears, and other devices that transmit drive power generated by automotive engines or motors to the wheels of automobiles

Forecast of U.S. Rail Cargo Transport Volume



Near-term U.S. rail cargo transport volume is projected to stagnate. Over the medium-to-long term, however, it is projected to trend solidly on gradual population growth and increasing U.S. GDP. Also, the market for railway materials and equipment is likely to see continued firm growth.

■ Cargo transport volume (left scale) — U.S. GDP (right scale)
 Sources: Cargo transport volume: *Rail Car Outlook*
 GDP growth rate: IMF



Hay Holding's automotive components and manufacturing site



PROJECT SPOTLIGHT

Delivering Value-Added Services as a Total Solution Provider Supported by Customer Partnership

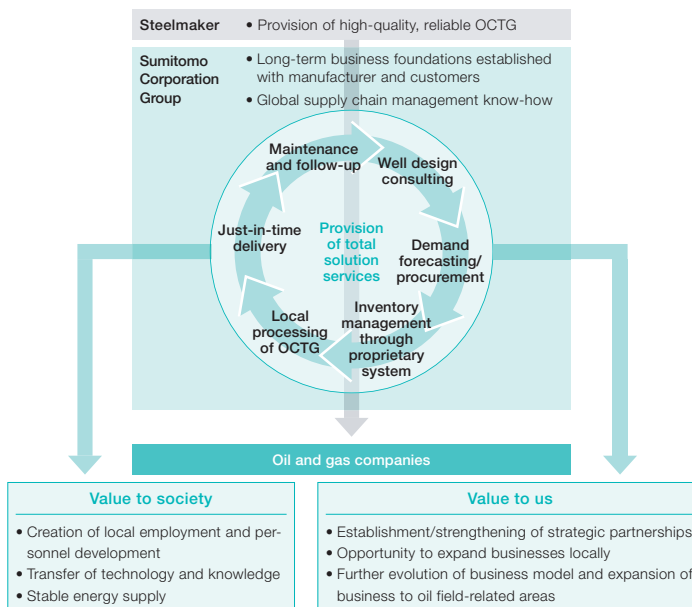


SC Tubular Solutions (B) Sdn Bhd in Brunei Darussalam (SCTS)

With diversified global capabilities, we have developed long-term and strategic partnership with oil majors through providing an OCTG (Oil Country Tubular Goods) supply chain management system, which covers well design consultation through to inventory management, and maintenance and follow-up services including rig return services.

In Brunei, where we have supplied high-quality, seamless OCTG for more than 40 years, we have established a just-in-time delivery system through our supply chain management. Also, in response to localization demand from customers and Brunei's government, we have established a threading service company together with NIPPON STEEL & SUMITOMO METAL CORPORATION, which will contribute to local employment as well as transfer technology and knowledge.

Value-Creating Business Model



COMMITMENT

Value Creation—from Concept to Reality in Brunei Darussalam

I have been working for Sumitomo Corporation in various locations around the world and I believe that a global mindset, nurtured by the Sumitomo Corporation business philosophy, will serve Brunei Darussalam well in delivering transformative value over the long term. Our vision is to contribute to Brunei's sustainable energy future by empowering our workforce and transferring industry-leading skills and knowledge to our national workforce. I am thrilled to be able to lead this initiative, and create a working culture that combines Sumitomo Corporation's spirit of business integrity and care for community with a robust safety culture that differentiates us from competitors. I believe this approach will allow SCTSB to become part of the fabric of Bruneian society and enable us to deliver sustainable value to our stakeholders.



Stuart M'Cartney
General Manager of SC Tubular Solutions (B) Sdn Bhd in Brunei Darussalam

▶ Transportation & Construction Systems Business Unit

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



Naoki Hidaka
General Manager,
Transportation &
Construction Systems
Business Unit

Business Lines

Ship, Aerospace & Transportation Systems

As well as having businesses in the ship, aerospace & transportation systems field, we engage in general leasing, aircraft leasing, and aircraft engine leasing. In addition, we are expanding our private finance initiative businesses for airports.

Automotive

The Sumitomo Corporation Group is evolving such core capabilities as manufacturing, sales and marketing, financing services, and mobility services in response to the emergence of a new car society.

Construction Equipment

We boast the highest number of commercial transactions for construction and mining equipment and agricultural machinery among trading companies. We are expanding not only sales and distribution businesses but also construction equipment rental businesses and repair and maintenance services worldwide.

What We Aim to Be

We will anticipate changes in business conditions and change and expand business fields flexibly while realizing sustained growth.



A 60,000-ton bulk carrier



An array of trail-blazing initiatives for car society



Construction equipment compliant with the latest emissions regulations

Performance Highlights (Billions of yen)

	FY2015	FY2016	FY2017 Forecast
Global basis*1			
Profit*2	84.0	56.3	57.0
Segment basis			
Gross profit	175.6	131.2	
Share of profit of investments accounted for using the equity method	31.8	43.1	
Profit*2	74.0	46.9	
Basic profit	51.3	50.1	
Total assets	1,509.3	1,471.9	

*1 "Global basis" consists of results including operations in Overseas Subsidiaries and Branches segment.

*2 Profit for the year attributable to owners of the parent

Fiscal 2016 Results

Although leasing businesses and construction equipment rental businesses performed steadily, earnings from ship businesses declined amid a lackluster shipping market. In addition, there were profit on sale and revaluation of stocks stemming from the business reorganization of the automobile financing business in Indonesia in the previous fiscal year. As a result of the above, the Transportation & Construction Systems Business Unit recorded a ¥27.7 billion year-on-year decline in profit, to ¥56.3 billion, on a global basis.

Segment Strengths, Challenges, and Business Environment

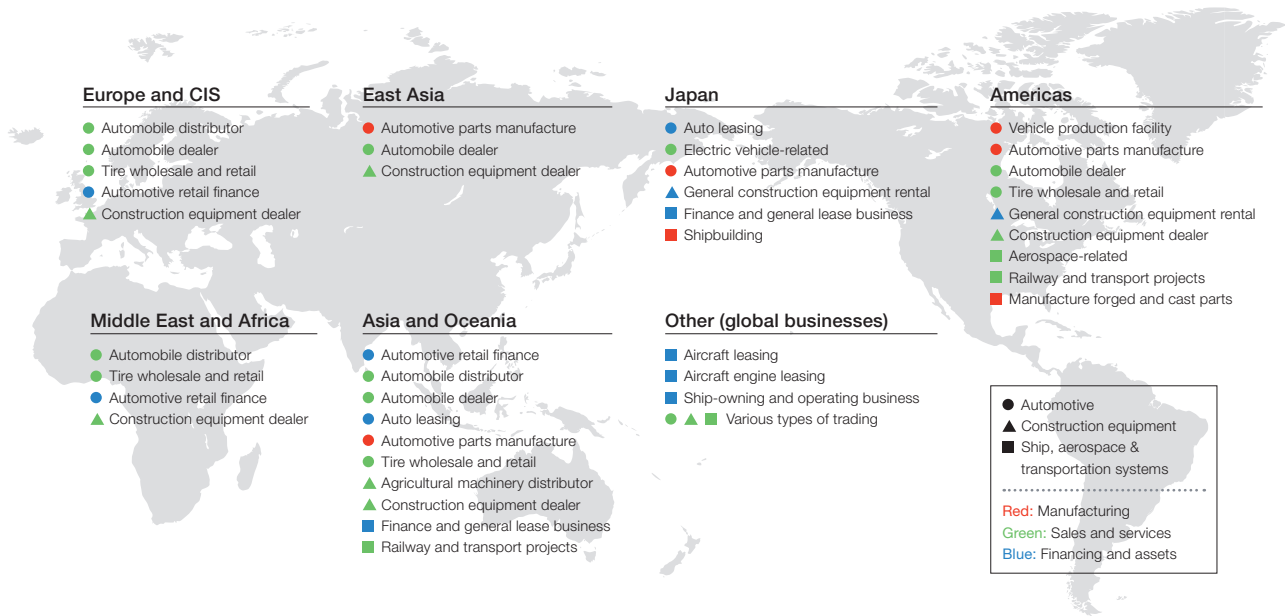
	Ship, Aerospace & Transportation Systems	Automotive	Construction Equipment
Strengths	<ul style="list-style-type: none"> ▶ One of Japan's leading general leasing businesses ▶ World-class aircraft leasing businesses, transportation systems businesses, and shipbuilding businesses 	<ul style="list-style-type: none"> ▶ Value chain that globally covers upstream through to downstream business fields 	<ul style="list-style-type: none"> ▶ Strong management capabilities and talented local management teams developed through many years of hands-on management
Challenges	<ul style="list-style-type: none"> ▶ Strengthening of capabilities and portfolio asset replacement in ship businesses ▶ Expansion of foundations of general leasing businesses and aircraft leasing businesses ▶ Advancement of railway infrastructure businesses and private finance initiative businesses for airports 	<ul style="list-style-type: none"> ▶ Business innovation to reflect technological innovation of new car society 	<ul style="list-style-type: none"> ▶ Strengthening and expansion of business foundations in emerging markets
Opportunities	<ul style="list-style-type: none"> ▶ Increase in passengers for aircraft and railways in emerging countries ▶ Growing need for private finance initiative projects in Japan and countries worldwide 	<ul style="list-style-type: none"> ▶ Progress of motorization with focus on emerging countries ▶ New businesses resulting from automotive technological innovations, such as Connectivity, Autonomous driving, Sharing, Electrification 	<ul style="list-style-type: none"> ▶ Increase in construction demand due to population increases and urbanization worldwide ▶ Business opportunities stemming from spread of ICT construction equipment and advance of IoT in construction industry
Risks	<ul style="list-style-type: none"> ▶ Decrease in shipping cargo movements accompanying softening growth in global economy ▶ Intensified competition with newly emerging players in shipbuilding, aviation, and railway fields 	<ul style="list-style-type: none"> ▶ Geopolitical market risk 	<ul style="list-style-type: none"> ▶ Cyclical market

Medium-Term Management Plan's Growth Strategies for Becoming What We Aim to Be

In accordance with the current medium-term management plan, the Ship, Aerospace & Transportation Systems Division began advancing measures in aircraft parts and forged parts manufacturing businesses and private finance initiative businesses. Further, we strengthened ship businesses by enhancing their portfolios. As for automotive businesses, we created businesses offering comprehensive financial services in Asia and began developing mobility services businesses. In construction equipment businesses, we made our U.S. rental company a wholly owned subsidiary and improved the profitability of

existing businesses. Moreover, through automotive and construction equipment businesses we focused on building relationships with strategic partners. To incorporate the latest IoT and mobility services trends, the Transportation & Construction Systems Business Unit will evolve its large-scale business foundations, which are its competitive advantage. At the same time, we will take on the challenge of creating businesses beyond our traditional business fields through stepped-up in-house collaborations and joint initiatives with strategic partners.

Business Portfolio

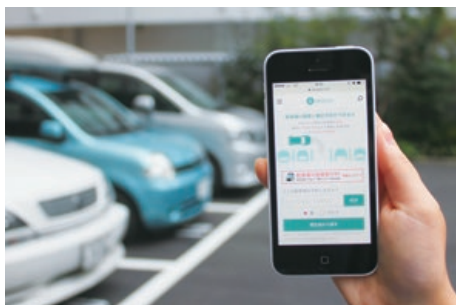


BBBO2017 Initiatives in Fiscal 2016

Offering Mobility Services



Recent years have seen emphasis shift away from car ownership toward car use. In other words, demand is increasing for mobility as a service. Our flagship subsidiary Sumitomo Mitsui Auto Service Company, Limited, is engaged in the management and leasing of a fleet of approximately 750,000 units. We will seek new business opportunities through connected platforms and devices that enable analysis of driving data and vehicle usage. These innovations reduce traffic accidents and enhance clients' business efficiency. In addition, we are building a high-value-added business model in the parking lot sharing services field based on a strategic partnership with akippa Inc., which we established in September 2016.



akippa's parking lot sharing services

Establishing a Forged Parts Business to Support Wind Power Generation in Brazil



In January 2017, the Sumitomo Corporation Group, The Japan Steel Works, Ltd., and Brazil's largest steelmaker, Gerdau S.A., established a joint venture for the manufacture and sale of forged parts for wind power generation: Gerdau Sumit Aços Fundidos e Forjados S.A. To meet growing demand for electricity in Brazil, its government has launched a policy promoting the establishment of wind power generation projects and the domestic manufacture of related parts. Together with a business assumed from Gerdau, the new company will manufacture forged and cast parts for a wide range of industries, thereby helping to realize the significant industrial development potential of Brazil and other Latin American countries as well as spread the use of renewable energy in Brazil.



The Pindamonhangaba Plant



PROJECT SPOTLIGHT

Supporting Air Transportation through Aircraft and Aircraft Engine Leasing



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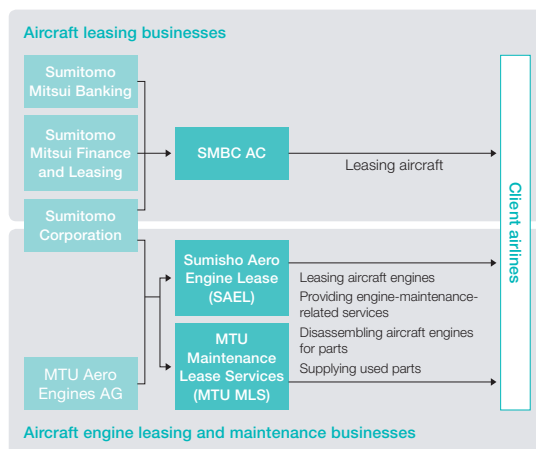


© BOEING

Leading-edge aircraft due for use by aircraft leasing businesses

Demand for aircraft is expected to grow steadily in the aviation market, as the growth of emerging markets boosts airline passenger traffic and low-cost carriers come to the fore. We have been engaged in the aircraft leasing businesses since the 1990s. In 2012, a consortium comprising Sumitomo Mitsui Finance and Leasing Company, Limited; Sumitomo Mitsui Banking Corporation; and Sumitomo Corporation acquired from The Royal Bank of Scotland Group plc aircraft leasing businesses, which were known as RBS Aviation Capital and are currently named SMBC Aviation Capital (SMBC AC). Since then the consortium has integrated SMBC AC with its existing businesses and has been developing the company. SMBC AC is now the world's fourth largest aircraft leasing company. Also, in 2013 we started to provide aircraft-engine-related services, including engine leasing with MTU Aero Engines AG of Germany, a leading aircraft engine manufacturer and maintenance service provider. By leveraging these business foundations and working with partners, we are expanding value chains, supporting commercial aviation infrastructure, and helping to make countries worldwide more accessible.

Value-Creating Business Model



Value to society

- Supporting commercial aviation infrastructure and helping to make countries worldwide more accessible

Value to us

- Unshakable position in global growth market
- Business opportunities throughout aircraft service lives

COMMITMENT

Going Beyond Customer Satisfaction

Our goal is to create unrivaled commercial aviation businesses by providing differentiated, customized services. Working on the front lines of businesses that lease aircraft and aircraft engines, and which have become world class thanks to joint efforts with partners, gives us a tremendous sense of responsibility and excitement.



Toshinori Kondo
Aircraft & Engine Leasing Dept. SAEL



Shingo Ouchida
Aircraft & Engine Leasing Dept. SMBC AC

▶ Environment & Infrastructure Business Unit

- ▶ Planning & Coordination Dept., Environment & Infrastructure Business Unit
- ▶ Social Infrastructure Business Division
- ▶ Global Power Infrastructure Business Division
- ▶ Logistics & Insurance Business Division



Masayuki Hyodo
General Manager,
Environment & Infrastructure
Business Unit

Business Lines

Social Infrastructure

We are engaged in renewable energy businesses focused on wind and solar power generation, the electricity retail business in Japan, industrial infrastructure businesses that are mainly involved with industrial facilities, water infrastructure businesses, and verification projects involving rechargeable batteries.

Global Power Infrastructure

We are developing overseas power generation businesses and engineering, procurement, and construction (EPC) businesses.

Logistics & Insurance

In addition to providing logistics services encompassing shipping, customs clearance, and delivery, we arrange various insurance contracts and develop and operate overseas industrial parks.

What We Aim to Be

We will contribute to the development of local communities and industries, achieve harmony with the global environment, and expand long-term, stable earnings foundations by developing and enhancing infrastructure that meets the needs of each country's society and industries.



Koshiki-shima Power Management Center in Kagoshima Prefecture, Japan



Lahendong Geothermal Power Station in Indonesia



Thilawa Industrial Park in Myanmar

Performance Highlights (Billions of yen)

	FY2015	FY2016	FY2017 Forecast
Global basis*1			
Profit*2	39.6	29.1	29.0
Segment basis			
Gross profit	56.7	55.0	
Share of profit of investments accounted for using the equity method	9.6	9.2	
Profit*2	25.0	23.0	
Basic profit	19.1	15.4	
Total assets	559.4	666.3	

*1 "Global basis" consists of results including operations in Overseas Subsidiaries and Branches segment.

*2 Profit for the year attributable to owners of the parent

Fiscal 2016 Results

The previous fiscal year's value realization in the renewable energy field in Japan and overseas offset steady performances by overseas power generation businesses, such as the Tanjung Jati B Coal-Fired Power Plant. As a result, the Environment & Infrastructure Business Unit recorded a ¥10.5 billion year-on-year decline in profit for the year, to ¥29.1 billion, on a global basis.

Segment Strengths, Challenges, and Business Environment

	Infrastructure Businesses	Logistics & Insurance and Overseas Industrial Parks
Strengths	<ul style="list-style-type: none"> ▶ Project management capabilities that encompass stages from design through to construction and from business development through to management and industry network 	<ul style="list-style-type: none"> ▶ Experience in global logistics for a wide range of goods, insurance-based risk management capabilities, wealth of experience in development and management of industrial parks overseas, and capabilities for supporting tenant companies
Challenges	<ul style="list-style-type: none"> ▶ Aiming to optimize utilization and deployment of personnel on a global basis to develop businesses globally, cultivate markets and capture demand, and secure cost competitiveness 	
Opportunities	<ul style="list-style-type: none"> ▶ Increase in demand for environment-friendly infrastructure due to growing environmental awareness and economic development of emerging countries and increase in business opportunities resulting from deregulation of electricity retail market in Japan 	<ul style="list-style-type: none"> ▶ Rise in need for logistics insurance services and overseas industrial parks as Japanese companies advance into overseas markets
Risks	<ul style="list-style-type: none"> ▶ Drastic changes in industries, such as realignment among heavy electrical machinery manufacturers in Japan, the United States, and Europe and the emergence of China ▶ Changes in conditions or regulatory strengthening for coal-fired power plants and changes to respective countries' incentive schemes for renewable energy power generation businesses 	

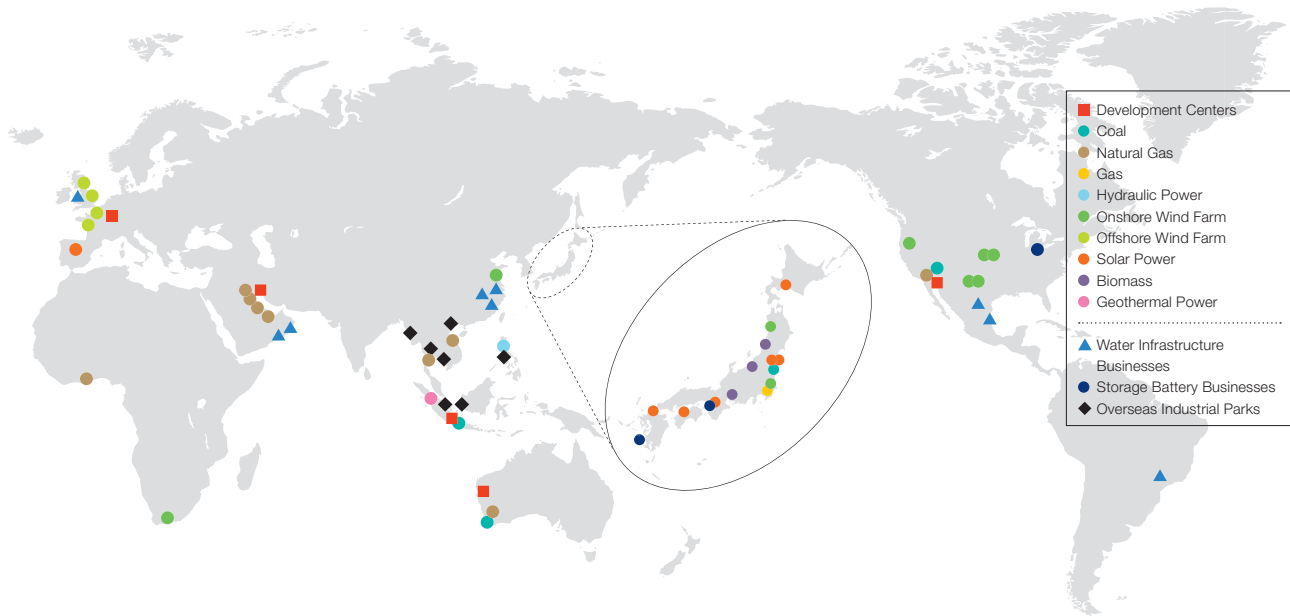
Medium-Term Management Plan's Growth Strategies for Becoming What We Aim to Be

In overseas power infrastructure businesses, we will give priority to initiatives in regions in which we have abundant experience and expertise, such as Asia, the Middle East, and the Americas. At the same time, we will focus efforts on developing projects in Sub-Saharan Africa and other new markets. Overseas renewable energy power generation businesses will expand their business foundations centered on offshore wind power generation in Europe while focusing on strategic asset replacement.

As for domestic electricity sales businesses, we will increase our competitive power generation capacity and expand retailing. In logistics and insurance and overseas industrial park businesses, plans call for expanding and upgrading the capabilities of existing businesses while developing new projects.

In addition, to foster new earnings pillars, we will concentrate efforts on rechargeable battery businesses that support the spread of renewable energy and on such water infrastructure businesses as water supply and sewage treatment, seawater desalination, and water concession businesses.

Business Portfolio



BBBO2017 Initiatives in Fiscal 2016

Tackling Residential Electricity Market in Japan: Summit Energy



In response to Japan's deregulation of the retail electricity market in April 2016, Summit Energy Corporation has entered the residential electricity market. In close partnership with Jupiter Telecommunications Co., Ltd. (J:COM), Summit Energy is steadily growing sales in this market. To deliver a service that supports everyday life by providing competitive, stable power supplies, we will leverage an optimal power source composition that combines biomass power generation, other power sources that we own, and procurement from other companies and markets.

Aiming to Realize a Sustainable Global Environment: Renewable Energy Power Generation Businesses



By developing environment-friendly infrastructure worldwide, the Sumitomo Corporation Group helps to protect the global environment. As efforts to realize a low-carbon society gather pace around the world, we are actively developing renewable energy power generation businesses in Japan and overseas. These initiatives include wind, solar, geothermal, and biomass power generation businesses. In fiscal 2016, we participated in offshore wind farms in the United Kingdom, and our geothermal power generation business in Indonesia and solar power generation business in Minamisoma, in Japan's Fukushima Prefecture, began plant construction.



Handa Biomass Power Plant in Aichi Prefecture, Japan



Galloper Offshore Wind Farm in the United Kingdom



PROJECT SPOTLIGHT

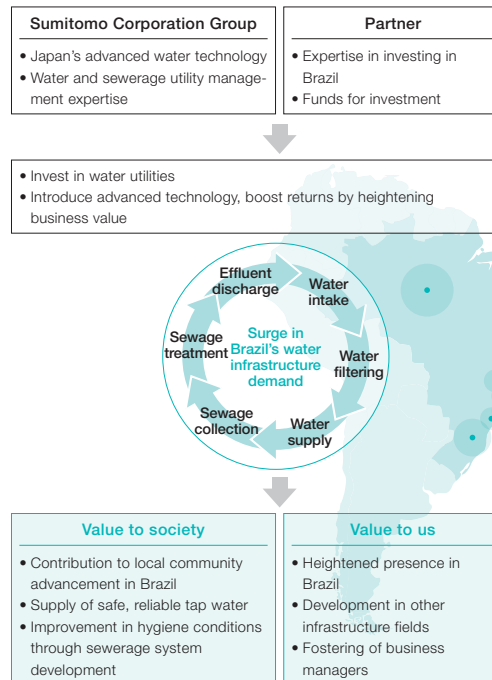


Providing Brazilians with Safe, Reliable Water Supplies: Water Concession Business in Brazil

Sewage treatment facilities in Brazil: in the states of Rio Grande do Sul (left), Pernambuco (top right), and Tocantins (bottom right)

Brazil is South America's largest country and has a population of about 200 million. Given the country's urgent need for infrastructure development and better management practices, Brazil represents a market with huge growth potential. Only 83% of the population have access to tap water services, and only 50% have access to sewerage services. Moreover, water pipe leakages are common. Aiming to leverage our expertise in water supply and sewerage services accumulated through projects in the United Kingdom, the Middle East, Mexico, and China, in April 2017 we invested in Brazil's largest private water and sewerage utility, which provides services to approximately 17 million people. We will increase the value of this business by sending business experts to Brazil and introducing Japan's best practices and technology. The Sumitomo Corporation Group will establish safe, reliable water supplies to provide an essential utility for everyday life, improve the water environment of local communities, and advance society.

Value-Creating Business Model



COMMITMENT

Developing Water Infrastructure through Strong Teamwork

Water infrastructure is one of the most critical systems underpinning day-to-day urban life. In Brazil, many local communities have undeveloped water and sewerage infrastructure. A lack of clean tap water and unmanaged sewage disposal cause health and environmental problems. Through participation in a water and sewerage service business in Brazil, we will introduce leading-edge technology and expertise from Japan and contribute to environmental protection as well as the safety and convenience of daily life. Moreover, given that Brazil is approximately 23 times larger than Japan, the scale of this venture makes it an exciting, challenging prospect for the whole team.



Business Development Team
Infrastructure Business
Development Dept.

▶▶ Media, ICT, Lifestyle Related Goods & Services Business Unit

- ▶ Planning & Coordination Dept., Media, ICT, Lifestyle Related Goods & Services Business Unit
- ▶ Media Division
- ▶ ICT Business Division
- ▶ Lifestyle & Retail Business Division
- ▶ Food & Agriculture Business Division
- ▶ Materials, Supplies & Real Estate Division



Toshikazu Nambu
General Manager,
Media, ICT, Lifestyle
Related Goods & Services
Business Unit

Business Lines

Media & ICT

We operate media businesses engaged in Cable TV, multichannel programming distribution, and other business areas. Also, we are engaged in ICT businesses such as mobile operator/solution and IT service.

Retail & Food

We are developing a wide range of businesses, from TV shopping and such retail businesses as supermarkets through to food production and sales.

Materials, Supplies & Real Estate

We have industry-leading operating companies that handle cement and other construction materials as well as lumber processing and forestry businesses. Also, we are extending activities to include biomass businesses. At the same time, we are concentrating on the advancement of office building businesses, retail facility businesses, condominium development and sales, and logistics facility businesses.

What We Aim to Be

We will create new lifestyles by developing diverse consumer and lifestyle-related businesses globally.



J:COM Wonder Studio, located in TOKYO SKYTREE TOWN®

Beginning full-scale handling of Iowa Premium beef



A forest managed by Summit Forests New Zealand Ltd.



Performance Highlights (Billions of yen)

	FY2015	FY2016	FY2017 Forecast
Global basis*1			
Profit*2	63.9	77.0	86.0
Segment basis			
Gross profit	254.6	257.0	
Share of profit of investments accounted for using the equity method	44.2	58.7	
Profit*2	64.8	77.6	
Basic profit	70.8	88.1	
Total assets	1,735.0	1,909.3	

*1 "Global basis" consists of results including operations in Overseas Subsidiaries and Branches segment.

*2 Profit for the year attributable to owners of the parent

Fiscal 2016 Results

J:COM, SCSK Corporation, Jupiter Shop Channel Co., Ltd., other major domestic operating companies, and real estate businesses performed steadily. Also, the absence of the impairment loss in the grain business in Australia recorded in the previous fiscal year was a positive factor for earnings. As a result of the above, profit for the year in the Media, ICT, Lifestyle Related Goods & Services Business Unit rose ¥13.1 billion year on year, to ¥77.0 billion, on a global basis.

Segment Strengths, Challenges, and Business Environment

	Media & ICT	Retail & Food	Materials, Supplies & Real Estate
Strengths	<ul style="list-style-type: none"> ▶ J:COM, with No. 1 share of Cable TV market ▶ SCSK, leading IT solutions provider ▶ T-GAIA, with No. 1 mobile phone sales network 	<ul style="list-style-type: none"> ▶ Expertise in retail business acquired through management of Summit, Inc., TOMOD'S INC., and Jupiter Shop Channel ▶ Robust global platform for retail distribution of produce 	<ul style="list-style-type: none"> ▶ Comprehensive portfolio of real estate in Japan, including office buildings, retail facilities, condominiums, and logistics facilities ▶ Operating companies with leading shares in Japanese construction materials-related markets ▶ Ownership of large-scale forest resources
Challenges	<ul style="list-style-type: none"> ▶ Expansion of media businesses into digital media field ▶ Further improvement of customer satisfaction for telecommunication business in Myanmar 	<ul style="list-style-type: none"> ▶ Further expansion of earnings foundations and development of new businesses in peripheral fields in retail businesses ▶ Expansion of revenue base of food businesses 	<ul style="list-style-type: none"> ▶ Establishment of biomass fuel manufacturing businesses ▶ Further expansion of forest resources ▶ Accumulation of assets under management through fund and REIT businesses ▶ Increase in proportion of overseas businesses among real estate businesses
Opportunities	<ul style="list-style-type: none"> ▶ Deregulation of electricity and gas retailing ▶ Lifestyle changes with growing smartphone services ▶ Innovation driven by ICT 	<ul style="list-style-type: none"> ▶ Growing food demand centered on emerging countries ▶ Food diversification in developed countries 	<ul style="list-style-type: none"> ▶ Increase in demand for real estate and construction materials thanks to holding of 2020 Tokyo Summer Olympic and Paralympic Games ▶ Increase in demand for timber products due to ban on logging of natural forests in China ▶ Increase in demand for biomass accompanying rise in renewable energy
Risks	<ul style="list-style-type: none"> ▶ Increased competition in markets of pay TV and fixed broadband businesses ▶ Structural change in the mobile telecom industry 	<ul style="list-style-type: none"> ▶ Weather and climate risks in agricultural businesses ▶ Decline in consumer confidence due to worsening economic conditions 	<ul style="list-style-type: none"> ▶ Rise in forest values ▶ Overheating of real estate market ▶ Managing businesses amid lower demand for construction materials in Japan and changes in real estate market as population declines

Medium-Term Management Plan's Growth Strategies for Becoming What We Aim to Be

We will grow earnings by further expanding and strengthening the earnings foundations of major operating companies, including J:COM, SCSK, Jupiter Shop Channel, Summit, and TOMOD'S; major real estate businesses; and other existing businesses while leveraging expertise and competitive advantages fostered in existing businesses to advance global business development. Also, the business unit will strengthen collaboration centered on these major companies and businesses to boost earnings even further.

In the media and ICT fields, we will grow existing businesses while generating stable earnings. In conjunction with these efforts, we will expand new businesses in digital media, mobile

solutions, and the Internet of Things (IoT). As for the retail and food fields, plans call for increasing the earnings of existing businesses and developing new businesses around existing fields. Moreover, the business unit will steadily grow Fyffes plc, an international produce marketer and distributor. In the materials, supplies, and real estate fields, we will strengthen the earnings foundations of the businesses handling cement and other construction materials and expand biomass businesses. Furthermore, real estate businesses will increase the scale of assets and the proportion of overseas businesses. Also, we will create new businesses in the health-care field through cross-organizational collaboration.

Business Portfolio



BBBO2017 Initiatives in Fiscal 2016

Acquisition of Fyffes, an International Produce Marketer and Distributor Headquartered in Ireland



The Sumitomo Corporation Group has been active in the banana industry since the 1960s and is the market leader in Asia with a fully integrated business model with interests ranging from plantation operations in the Philippines to retail distribution across the Asian region. Furthermore, our business is not limited to bananas, we operate an import and domestic distribution business for a wide range of produce.

Meanwhile, Fyffes is a leading international produce marketer and distributor. The company grows, procures, ships, ripens, distributes, and markets bananas, pineapples, melons, and

mushrooms and has operations in such countries and regions as Europe, the United States, Canada, and Latin America.

We decided Fyffes was the most appropriate partner for expansion of our produce business portfolio and acquired the company in February 2017 as a subsidiary. We aim to take advantage of the company's network to enable new product initiatives, expand our plantations, and increase distribution efficiency. At the same time, Fyffes will grow its own business through the expansion of Fairtrade and the organic products business.



Produce handled by Fyffes



PROJECT SPOTLIGHT



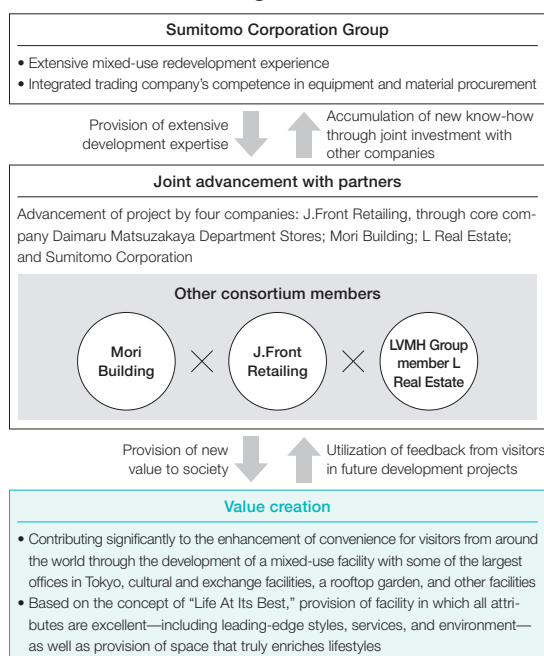
Unveiling of the Ginza Area's Largest Mixed-Use Facility: GINZA SIX

The GINZA SIX mixed-use facility

One of our major development projects in the real estate field, GINZA SIX, opened on April 20, 2017. To create GINZA SIX, a four-company consortium comprising J.Front Retailing Co., Ltd., which includes Daimaru Matsuzakaya Department Stores Co., Ltd., as a core company; Mori Building Co., Ltd.; L Real Estate, which belongs to the LVMH Group; and Sumitomo Corporation redeveloped Ginza 6-chome. Including the Ginza area's largest retail facility, GINZA SIX has 241 tenants, mainly retailers of high-end brands; a site area of approximately 9,080 square meters; 13 floors above ground; and six underground. The mixed-use facility creates diverse value. For example, the floors above ground include office space that is the same size as the retail facility and which comprises seven spacious office floors, while the six floors underground include the *Kanze Noh Theater* cultural facility.

We earned the opportunity to participate in the GINZA SIX project thanks to our track record as a general property developer and reputation for excellence in retail facility development and management. We will continue to increase our expertise and experience regarding retail facilities and broaden the scope of our business initiatives. At the same time, we will enable cities to function better and establish the foundations for comfortable and enriching lifestyles.

Value-Creating Business Model

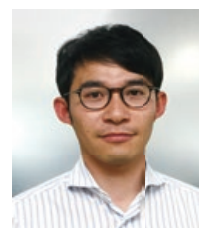


COMMITMENT

Realizing an Ambitious Project in Ginza

The Sumitomo Corporation Group has a long history of mixed-use redevelopment. Nonetheless, developing a mixed-use facility in Ginza—Japan's premier shopping district—was a major challenge. By holding extensive deliberations and drawing on each other's expertise, the four members of the consortium completed a building with some of the largest offices in Tokyo and a world-class retail facility. Other consortium members welcomed our hands-on approach, and through these efforts we made a significant contribution to the planning and construction of the mixed-use facility.

We will leverage know-how garnered through the GINZA SIX project to continue tackling ambitious projects.



Taku Goto
Building & Overseas Real Estate Business Dept.

▶ Mineral Resources, Energy, Chemical & Electronics Business Unit

- ▶ Planning & Coordination Dept., Mineral Resources, Energy, Chemical & Electronics Business Unit
- ▶ Project Management Dept. for Mining & E&P
- ▶ Mineral Resources Division No. 1
- ▶ Mineral Resources Division No. 2
- ▶ Energy Division
- ▶ Basic Chemicals & Electronics Division
- ▶ Life Science Division



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

Business Lines

Mineral Resources & Energy

The Sumitomo Corporation Group develops and promotes projects for mineral resources, oil, and natural gas worldwide, thereby contributing to the stable supply of resources and energy as well as the advancement of local communities. We have a diverse portfolio of trading business. In addition to handling nonferrous metals, coal, carbon products, iron and steel making raw materials, oil, and gas, we combine these activities with derivative functions and extend value chains.

Chemical & Electronics

We take advantage of our global network to trade petrochemicals, inorganic chemicals, functional chemicals, and electronics industry materials. Moreover, we engage in manufacturing businesses, such as businesses that provide electronics manufacturing services (EMS). In the pharmaceutical, cosmetic, crop protection product, fertilizer, and animal drug fields, wide-ranging expertise enables us to develop global businesses that enrich daily life.

What We Aim to Be

In the mineral resources and energy field, we aim to build a high-quality portfolio that is effectively diversified against risk, while in the chemical and electronics field our goal is to develop high-value-added businesses.



An LNG project site in Indonesia



A manganese alloy manufacturing plant in Malaysia

Helping improve productivity by supplying agricultural materials in Brazil



Performance Highlights (Billions of yen)

	FY2015	FY2016	FY2017 Forecast
Global basis*1			
Profit (Loss)*2	(148.1)	(6.6)	53.0
Segment basis			
Gross profit	80.3	117.9	
Share of profit of investments accounted for using the equity method	(155.4)	(46.0)	
Profit (Loss)*2	(151.6)	(17.2)	
Basic profit	(145.2)	(6.0)	
Total assets	1,434.4	1,333.6	

*1 "Global basis" consists of results including operations in Overseas Subsidiaries and Branches segment.

*2 Profit for the year attributable to owners of the parent

Fiscal 2016 Results

Although the copper and molybdenum mine in Chile recorded an impairment loss, the recovery in resource prices improved earnings. Compared to the previous fiscal year in which we experienced several impairment losses from assets including the nickel operation in Madagascar, the Mineral Resources, Energy, Chemical & Electronics Business Unit was able to recover from a loss in the previous fiscal year of ¥148.1 billion to a loss for the year of ¥6.6 billion, on a global basis.

Segment Strengths, Challenges, and Business Environment

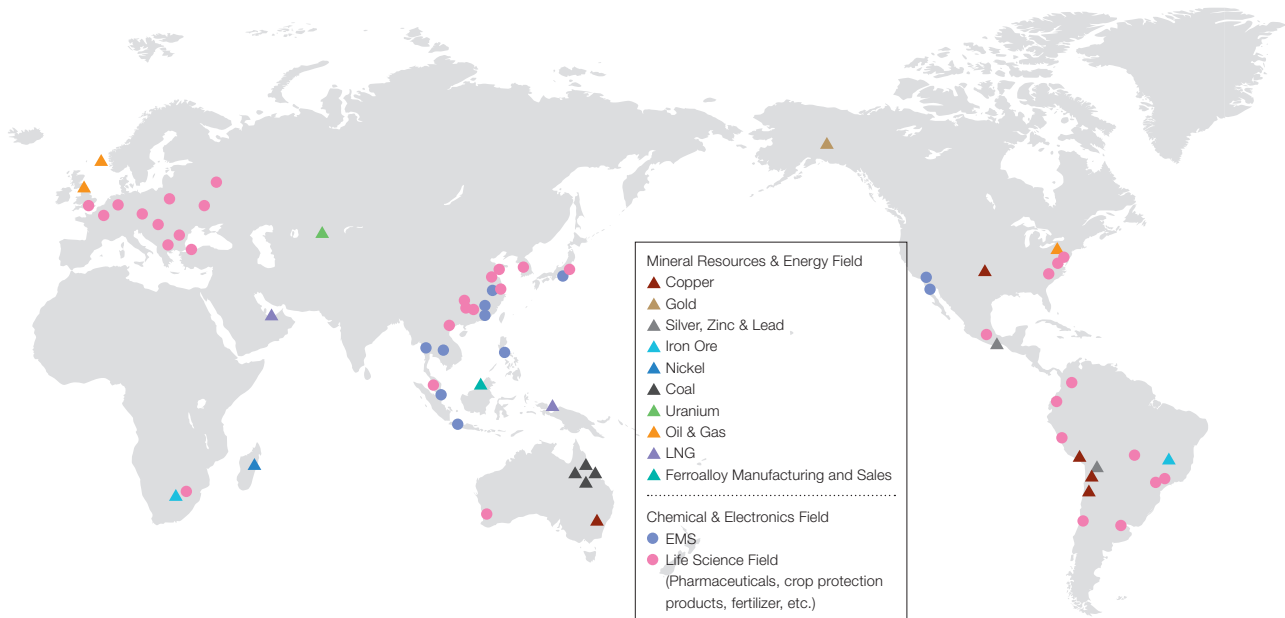
	Mineral Resources & Energy	Chemical & Electronics
Strengths	<ul style="list-style-type: none"> ▶ Equity interests in high-quality mineral resource, oil, and natural gas projects ▶ Experience and expertise accumulated by participating in operation and business management of mines ▶ Establishment of stable relationships with major customers through trading 	<ul style="list-style-type: none"> ▶ Expertise and global customer base developed over many years of trading ▶ Electronics manufacturing services (EMS) with advanced production technology, quality control, and supply chain management ▶ Sales network for crop protection products in countries worldwide
Challenges	<ul style="list-style-type: none"> ▶ Achieving profitability of natural resource projects that are in the ramping up stages ▶ Strengthening of competitiveness through ongoing cost reduction in existing businesses ▶ Realization of synergies between trading and operating assets and expansion of value chains 	<ul style="list-style-type: none"> ▶ Establishment of a firm revenue base through the combination of trading and manufacturing businesses ▶ Participation in business handling niche, high-value-added chemicals with global competitiveness
Opportunities	<ul style="list-style-type: none"> ▶ Increase in demand for mineral resources, oil, and natural gas over medium-to-long term driven by sustainable economic growth ▶ Portfolio optimization through replacement of assets and acquisition of high-quality projects 	<ul style="list-style-type: none"> ▶ Higher demand due to population growth and economic development in emerging countries ▶ Increase in business opportunities from technological innovations related to energy saving and resource saving
Risks	<ul style="list-style-type: none"> ▶ Stagnation in demand growth due to the slowdown of economic growth in China and emerging countries ▶ Competition to increase production among major natural resource companies and continued oversupply ▶ Country risk associated with legislation changes in countries where projects are located 	<ul style="list-style-type: none"> ▶ Slowdown of economic growth and currency depreciation among emerging countries ▶ Market downturns due to weather and other external factors ▶ Loss of advantages due to technological innovation, industry reorganization, or new entry of other companies

Medium-Term Management Plan's Growth Strategies for Becoming What We Aim to Be

In the mineral resources and energy business area, we will keep focusing on achieving profitability from projects such as the copper and molybdenum mine in Chile and the nickel project in Madagascar. We will also continue reducing costs and strengthening profitability in other existing businesses. At the same time, we aim to optimize our portfolio by selling assets whose competitiveness has declined comparatively. Meanwhile, we are taking measures to strengthen capabilities and heighten the quality of strategy formulation and decision making on investments, in order to advance initiatives to acquire high-quality assets.

In the chemical and electronics business area, we will leverage the expertise and customer bases that we have acquired to develop high-value-added trading, maximize synergy benefits in phenol manufacturing businesses in China, and strengthen value chains for EMS businesses, which aim to expand in the vehicle installation field. Also, plans call for growing our earnings base by extending our global sales network for crop protection products and strengthening existing business in such areas as fertilizers, pharmaceuticals, animal drugs, and cosmetic ingredients.

Business Portfolio



BBBO2017 Initiatives in Fiscal 2016

Manufacturing and Selling Electrolyte for Lithium-Ion Batteries in China

Providing a Stable Supply of Materials for Advanced Equipment:

Morita New Energy Materials (Zhangjiagang) Co., Ltd.



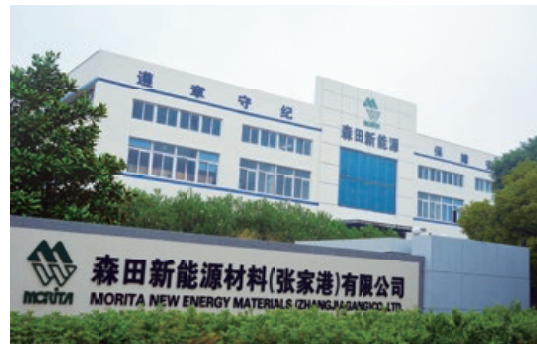
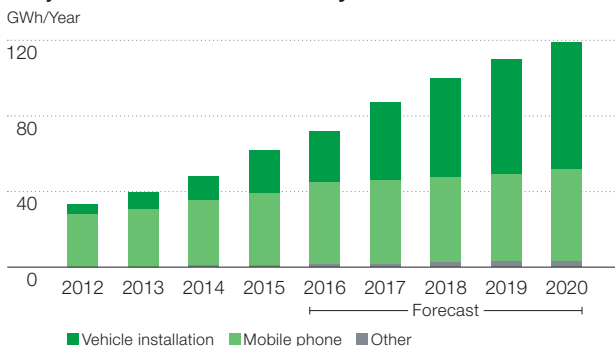
Lithium-ion batteries are rechargeable, making them indispensable for such advanced equipment as smartphones and electric cars.

In 2004, the Sumitomo Corporation Group and Morita Chemical Industries Co., Ltd., jointly established Morita New Energy Materials (Zhangjiagang) Co., Ltd., in Jiangsu Province, China. The new company began manufacturing electrolyte for use in lithium-ion batteries. The manufacture of electrolyte requires strict safety control at plants because the hazardous

substance hydrofluoric acid is used. Thanks to Morita New Energy Materials' focus on personnel training, local personnel are now able to perform all processes involved in the operation.

A testament to the high quality of its products, Morita New Energy Materials is keeping the top share of the electrolyte market. In October 2016, a plan was launched to build a second plant that will cater to growing demand. We will continue stably supplying electrolyte—one of the most important materials for future industry going forward.

Projected Lithium-Ion Battery Demand



Morita New Energy Materials (Zhangjiagang) Co., Ltd., plant in China



PROJECT SPOTLIGHT

Supplying Nonferrous Metals Stably and Helping Local Communities Prosper: The San Cristobal Mine in Bolivia



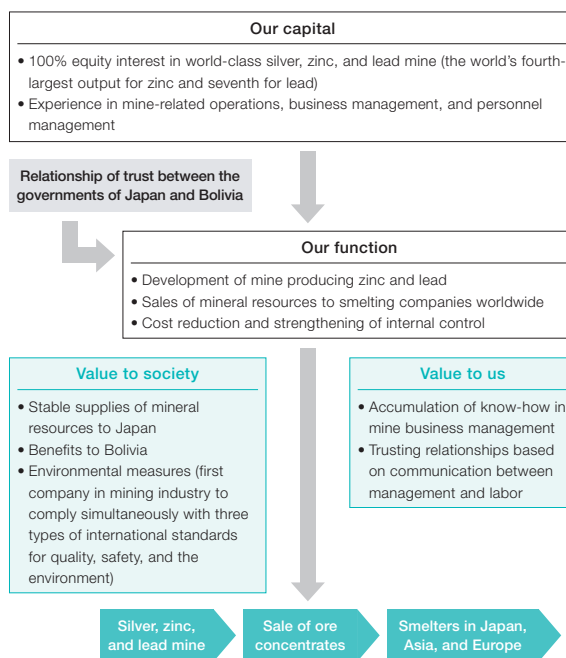
A surface mine approximately 4,000 meters above sea level (left), a large-scale dump truck transporting mineral ores extracted from the mining site (top right), and a mineral-ore-dressing plant with a dust-scattering-prevention dome in the foreground (bottom right)

In Bolivia, the Sumitomo Corporation Group has a 100% stake in and operates the San Cristobal silver, zinc, and lead mine. We export concentrates from the mine to Japan, other parts of Asia, and Europe for use in a wide range of essential products, such as automobiles, consumer electronics, and building materials.

Accounting for a large proportion of the output and exports of Bolivia's mining sector, the mine creates employment in the country. Moreover, we have contributed to the sustained development of local communities by supporting the health, education, and prosperity not only of mine employees but also of local residents through the construction of infrastructure and the establishment of a hospital and a technical institute.

Since the mine's development phase, we have invested personnel and other management resources in the project. Capitalizing on the know-how we have acquired through the project, we will continue meeting demand for nonferrous metals and contributing to the development of society.

Value-Creating Business Model



COMMITMENT

Coexisting with Local Communities

At Minera San Cristobal S.A., I am engaged in responding to local communities and supporting the development of the local area. The job calls for an understanding of the local culture, a sense of responsibility toward the area, and the ability to build consensus among people with a range of economic interests. With this in mind, I will remain responsive to social issues and continue cultivating favorable relationships with local communities to build consensus with diverse stakeholders and advance social infrastructure development.



Juan Mamani Ortega
Superintendent, Sustainable Development and Community Relations, Minera San Cristobal S.A.

Messages from Overseas and Japan Region General Managers

We are expanding and improving our ability to move management resources globally so that they focus on growth markets. To enable this move, we have consolidated overseas bases into four broad regional organizations: East Asia; Asia & Oceania; Europe, Middle East, Africa & the Commonwealth of Independent States (CIS); and the Americas. Under this operation structure, we have enhanced the ability of these regional organizations to initiate new businesses and secure and develop human resources, thereby strengthening the capabilities and foundations of regional organizations.

And in Japan, we aim to accelerate coordination between business units in formulating and advancing domestic market strategies that treat Japan as a single unified market. In addition, we are encouraging cross-organizational collaboration among domestic regional offices, business units, and corporate groups, thereby reinforcing consolidated Group management and further exercising the Company's integrated corporate strength.

East Asia

We will help advance Groupwide growth strategy by identifying qualitative changes in East Asia's economy, concentrating management resources in fields and regions that promise growth, and exploiting unique capabilities as a regional organization.

East Asia represents a market with burgeoning potential. In many fields in the region, economic growth and social change are giving rise to new business opportunities. Through business management decisions that take advantage of a broad regional operation structure, we will strengthen the earning power of the Group on a global basis by leveraging the Group's global network and information acquired from business activities in the region and intensifying cross-organizational collaboration among business units and with other regions. We intend to continue focusing management resources on four fields that promise strong growth—mineral resources and energy, automobile-related, domestic consumption (food, medical, etc.), and environment-related and energy-saving businesses—and on Plus One initiatives (advancing joint ventures with Chinese companies when they enter overseas markets). Moreover, these efforts will transform business models and create new businesses.



Fumihiro Koba
General Manager for East Asia

Asia & Oceania

We will identify emerging trends and demand in Asia and Oceania's highly dynamic market, work with business partners in each country to create new value, and help local communities achieve prosperity and realize dreams.

Depending on their stage of economic development, the countries in Asia and Oceania are seeing higher consumer spending as middle classes expand and increases in demand for the development of infrastructure, such as power infrastructure. Consequently, the region offers a wide array of business opportunities. Against this backdrop, we are deploying management resources in the region to create new value. For instance, we have identified retail, agriculture, food, and social infrastructure as our focused industries and emerging countries like India and Myanmar as markets we will cultivate. The Asia and Oceania region comprises countries with different cultures and at various stages of economic development. We will identify each country's social and economic needs and work with major business partners to steadily advance businesses that are rooted in local communities. These efforts will help local communities achieve prosperity and realize their dreams.



Masao Sekiuchi
General Manager for Asia & Oceania

Europe, Middle East, Africa & CIS



Kiyoshi Sunobe
General Manager for
Europe, Middle East,
Africa & CIS

We will leverage our customer base and information networks to develop businesses that reflect the varied characteristics of the Europe, Middle East, Africa and CIS region and help sustain its development.

The Europe, Middle East, Africa and CIS region, while undergoing a variety of geopolitical changes, offers an array of business opportunities. In Europe, we are focusing on developing businesses in innovative technology fields, such as mobility services. As for the Middle East, we are developing businesses in partnership with major local companies that aspire to become multinational. Further, we are helping to develop local economies in Africa and the CIS, mainly by strengthening the foundations of infrastructure and mineral resource-related businesses. Leveraging the region's diversity, we will take maximum advantage of Sumitomo Corporation Group's integrated corporate strength to work with our partners and create new value in each part of the region.

The Americas

We are focused on expanding businesses in fields where we can successfully apply our advantages and strengthen our position as a well-connected partner and industry expert.

In the Americas, as it was stated in BBBO2017, we mainly deploy management resources to develop and expand our business in four strategic fields: Energy, Infrastructure, Consumer, and Food & Agriculture. In these fields, we will concentrate our efforts to take advantage of our strong presence as an industry expert, and extend value chains and accrue high-quality assets. At the same time, we are always looking for new business opportunities to target in the continuously growing regions in entire Americas. In the U.S., the west coast continues to show phenomenal leadership in technical innovations, and we are looking at ways to connect our existing businesses with global demand for expansion and new technology and services. With our sights set on creating new business opportunities, we opened an office in Silicon Valley in April 2017, which will serve as a hub for various types of partnerships in innovation.



Shingo Ueno
General Manager for
the Americas

Japan Region



Hiroki Inoue
General Manager for
Japan Region

Viewing Japan as a growth market once again, the Sumitomo Corporation Group will lead the country's growth by mobilizing all of its business foundations to create new value that contributes to local communities and economies.

In many respects, Japan's market is mature. Advanced technology and a diligent national character have created excellent conditions for business in the country. On the other hand, as the population declines, Japanese society is aging to an unprecedented degree. In this context, how to realize further growth is the biggest issue.

At present, a range of exciting ideas are emerging, such as increasing the number of visitors to Japan, regional revitalization, and the creation of a new society that takes advantage of the Internet of Things and artificial intelligence and incorporates people from other countries. To realize these ideas, the Group will advance domestic strategies by mobilizing all of its business foundations as well as internal and external human networks to contribute to local communities and economies and help Japan grow.