

# Summary of $f(x)$

## FY2013-2014 Medium-Term Management Plan

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May 9, 2013  
Sumitomo Corporation

Topics

Summary of  $f(x)$

FY2013-2014 Medium-Term Management Plan  
: Be the Best, Be the One 2014

#### Cautionary Statement Concerning Forward-looking Statements

This report includes forward-looking statements relating to our future plans, forecasts, objectives, expectations and intentions. The forward-looking statements reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The management forecasts included in this report are not projections, and do not represent management's current estimates of future performance. Rather, they represent forecasts that management strives to achieve through the successful implementation of the Company's business strategies. The company may be unsuccessful in implementing its business strategies, and management may fail to achieve its forecasts. The Company is under no obligation -- and expressly disclaims any such obligation -- to update or alter its forward-looking statements.

# Summary of $f(x)$

## 1 Summary of $f(x)$ (1) Net Income

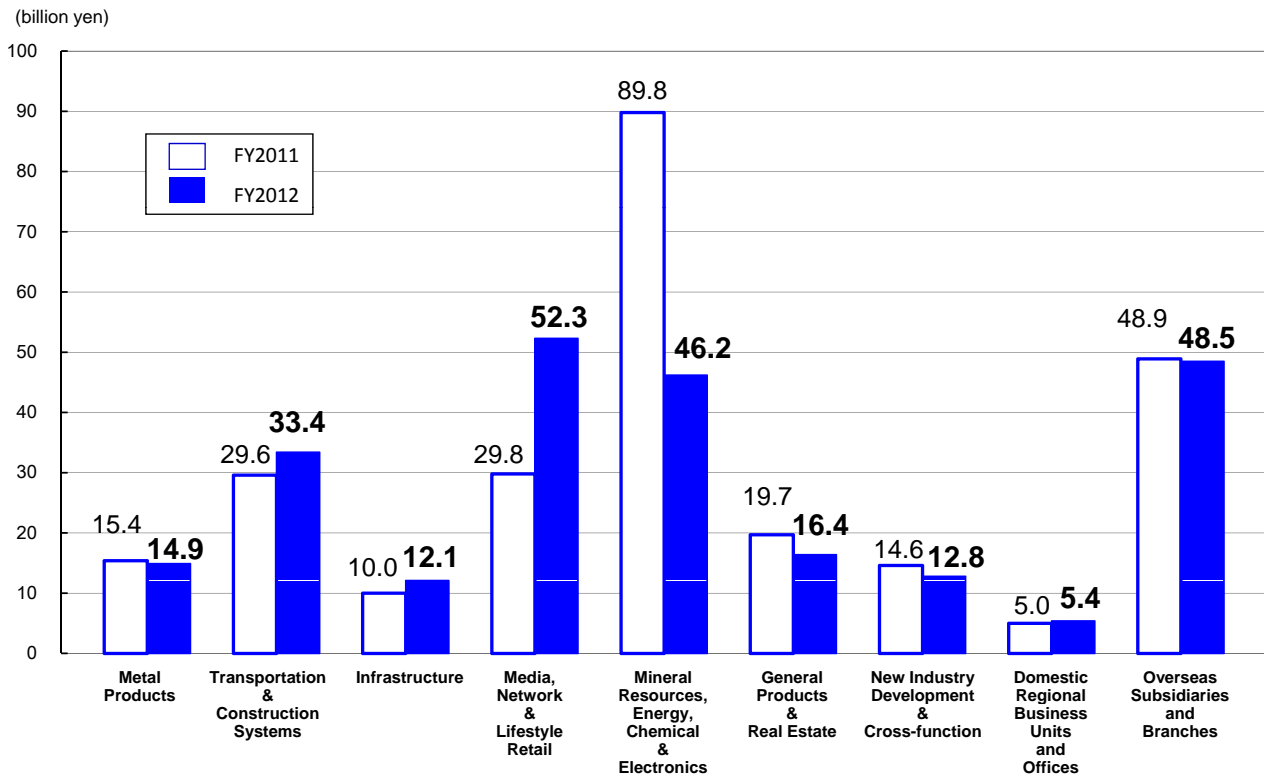


(billion yen)

Net Income	Initial Plan	Results
FY2012	260.0	232.5
FY2011	220.0	250.7
	$f(x)$ Plan	Result (2-year average)
Risk-adjusted Return Ratio	15% or more	15.2%

# 1 Summary of $f(x)$

## (2) Net Income by Segment



# 1 Summary of $f(x)$

## (3) Results of Investment & Loans



Investment & loans ( $f(x)$ 2-year total) (billion yen)	Plan	Results	Major Investments
<b>Total</b>	<b>580</b>	<b>560</b>	
<b>Mineral Resources and Energy area</b>	<b>175</b>	<b>205</b>	<ul style="list-style-type: none"> <li>• Tight oil development project in the U.S.</li> <li>• Copper mine project in Chile</li> <li>• Coal mining operation in Australia</li> <li>• Nickel project in Madagascar</li> </ul>
<b>New Industry Development and Infrastructure area</b>	<b>105</b>	<b>59</b>	<ul style="list-style-type: none"> <li>• Wind/solar power projects in the U.S.</li> <li>• Water infrastructure in England</li> </ul>
<b>Media and life-related area</b>	<b>150</b>	<b>169</b>	<ul style="list-style-type: none"> <li>• Office building in Tokyo metropolitan area</li> <li>• CSK acquisition</li> <li>• Automotive repair and service company in the U.S.</li> </ul>
<b>Others</b>	<b>150</b>	<b>127</b>	<ul style="list-style-type: none"> <li>• RBS aircraft leasing business</li> <li>• Tubular products manufacturing business in the U.S.</li> <li>• Construction equipment rental business in the U.S.</li> <li>• Motor core parts manufacturing business in Europe</li> </ul>

# 1 Summary of *f(x)*

## (4) Results of Divestitures & Reductions of Assets



(billion yen)	Plan	Result
Divestitures and Reductions of Assets ( <i>f(x)</i> 2-year total)	-1,150	-860

Amount of cash collected (2-year total)

**Approx. 380 billion yen**

Sold partial share

- Sumitomo Mitsui Auto Service
- Jupiter Shop Channel, others

Divestiture / Withdrawal

- Auto finance businesses in Mexico and Sweden
- United Cinemas
- Retail facilities, others

# 1 Summary of *f(x)*

## (5) Key Financial Indicators



(billion yen)	Start of <i>f(x)</i> Results (March 31, 2011)	End of <i>f(x)</i> Results (March 31, 2013)
Total Assets	7,230.5	7,832.8
Shareholders' equity	1,570.5	2,052.8
Shareholders' equity ratio	21.7%	26.2%
Interest-bearing Liabilities (Net)	3,056.3	2,930.3
DER (Net) (times)	1.9	1.4
Risk-adjusted Assets	1,503.7	1,814.1
Risk-adjusted Return Ratio	FOCUS'10 2-year average 12.7%	<i>f(x)</i> 2-year average 15.2%
Free Cash Flow	FOCUS'10 2-year total 202.4	<i>f(x)</i> 2-year total 248.8

# FY2013-2014 Medium-Term Management Plan

## Be the Best, Be the One 2014

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

**Aim to build a solid earnings base and aim for an even higher level of profit growth while maintaining financial soundness**



## 2 Challenges Heading for What We Aim to Be

### *f(x)* Review

#### Results

- Executed new investment and loans in accordance with the plan
- Generated cash and made progress in balance sheet management by promoting asset replacement actively
- Deepened cooperation with strategic partners in our core businesses

#### Challenges in the future

- Achieve greater value of the investments in recent years
- Carry out further reductions and divestitures of businesses with low profitability or low prospects for growth
- Shift more human resources to strategic fields

FY2013-2014 Medium-Term Management Plan: Be the Best, Be the One 2014  
 Heading for an even higher level of profit growth  
 by thorough enhancement of our earning power

## 3 Be the Best, Be the One 2014 (1) Basic Policy

An even higher level of profit growth

What we aim in Be the Best, Be the One 2014

Thorough enhancement of our earning power

Stimulate the metabolism of our business portfolio from a medium-to long-term perspective

Pursue and combine our strengths and capabilities

Management base that supports earning power

Strengthen management abilities on business investment

Strengthen foundations of overseas regional organizations

Maintain financial soundness

Develop and deploy of human resources required to achieve our vision

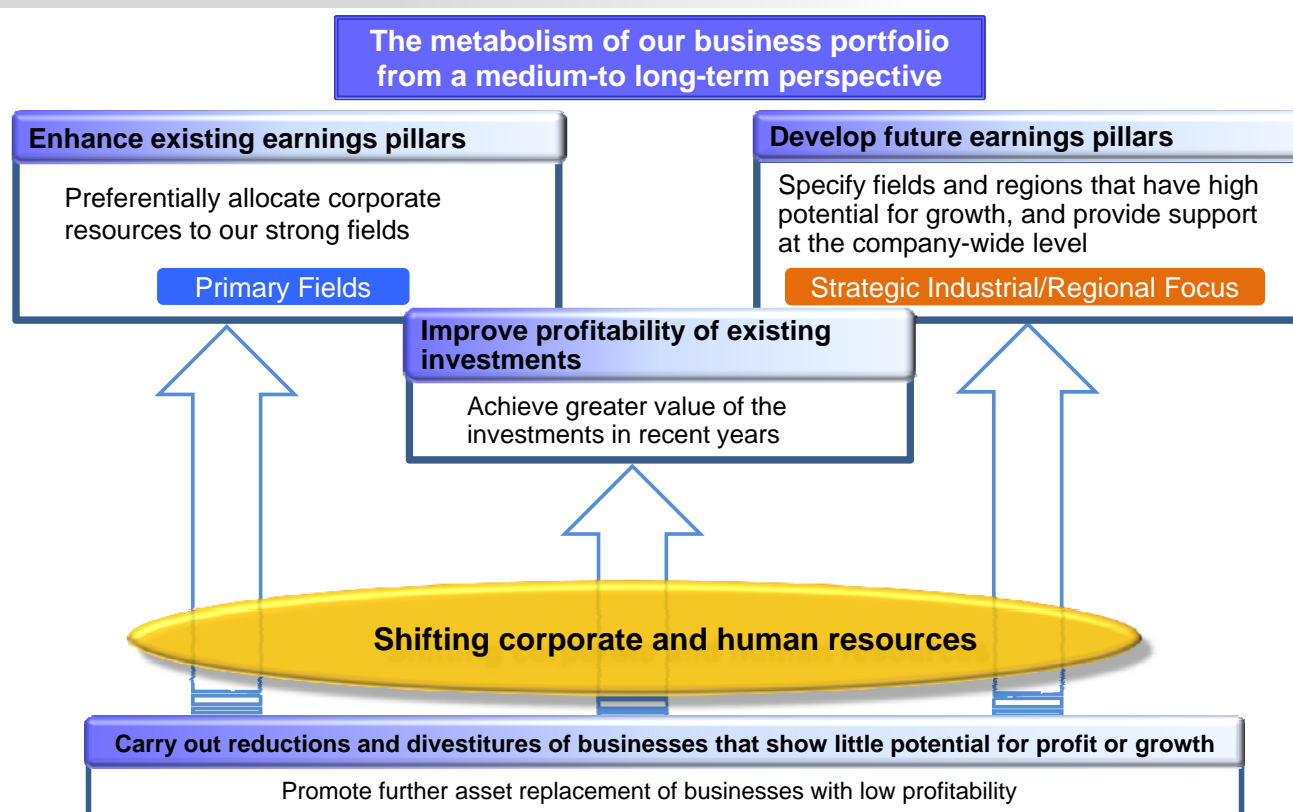
### 3 Be the Best, Be the One 2014

#### (2) Quantitative Targets and Balance Sheet Plan

Quantitative targets	FY2013	FY2014
Net Income (billion yen)	240.0	270.0
Risk-adjusted Return Ratio	approx. 12%	
ROA	3% or more	
2-year Balance sheet plan (unit : billion yen)		Amount
New investment & loans		750.0
Divestitures & reductions of assets		-770.0
Changes in operating assets & other		150.0
Net change		130.0

### 3 Be the Best, Be the One 2014

#### (3) Thorough Enhancement of Our Earning Power



### 3 Be the Best, Be the One 2014

#### (4)-1 Plan for New Investment & Loans

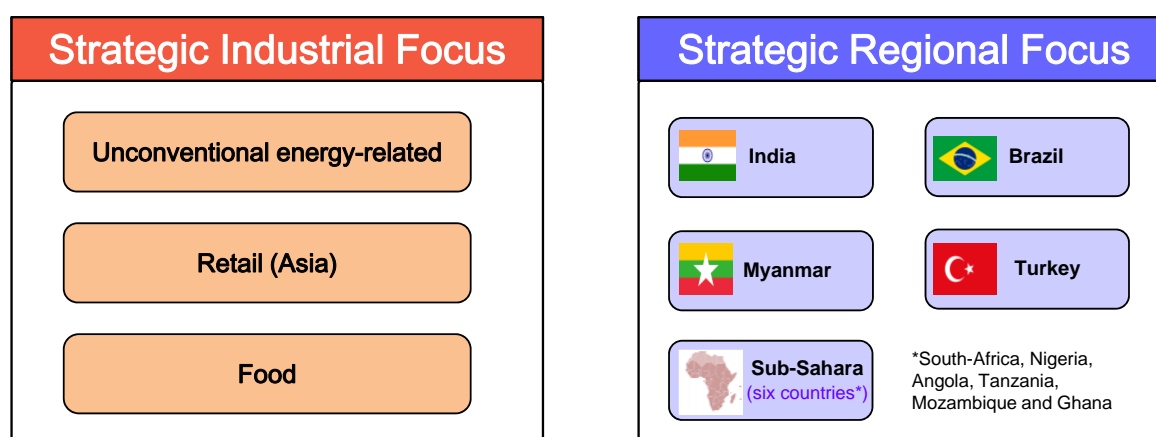
(billion yen)

Plan for New Investment and loans (2-year total)	Amount	Primary Fields
Metal Products	80.0	Tubular products business
Transportation & Construction System	160.0	Automotive business
Environment & Infrastructure	90.0	Power infrastructure business
Media, Network, Lifestyle Related Goods & Services	130.0	Media business & Real estate business
Mineral Resources, Energy, Chemical & Electronics	190.0	Upstream in Mineral resources and Energy business
Strategic Focus	100.0	(refer to the next page)
<b>Total</b>	<b>750.0</b>	

Note) The table is shown based on new business units from April 2013. Regarding reorganization of business units, please refer to page 40. The amounts include domestic and overseas segments.

### 3 Be the Best, Be the One 2014

#### (4)-2 Plan for New Investment & Loans - Strategic Industrial / Regional Focus



#### Concrete promotion measures

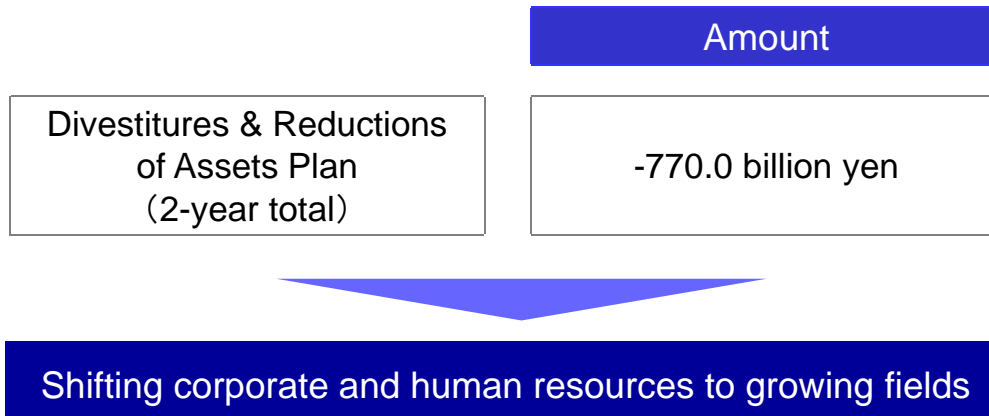
- ✓ Invest funds in advance for development (10 billion yen for two years)
- ✓ Preferentially allocate new investments and loans line (100 billion yen for two years)
- ✓ Preferentially allocate human resources



### 3 Be the Best, Be the One 2014

#### (5) Plan for Divestitures & Reductions of Assets

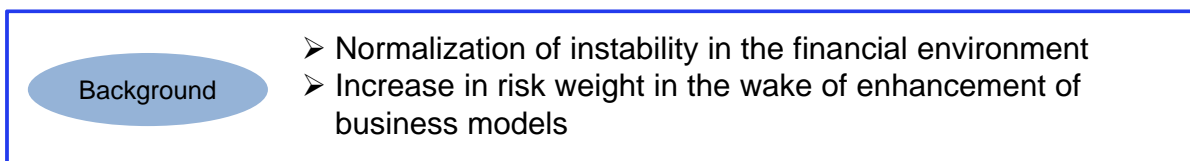
- ✓ Reductions and divestitures of businesses that show little potential for profit or growth
- ✓ Reductions of assets through strategic partnership



### 3 Be the Best, Be the One 2014

#### (6) Management Base that Supports Earning Power ~ Maintaining Financial Soundness

**Secure capacity for investment, and maintain financial soundness that will make stable, sustainable growth possible**



#### Maintaining Financial Soundness

- Keep Risk-adjusted Assets within our Risk Buffer
- Manage total assets at appropriate levels to avoid excessive dependence on interest-bearing liabilities

- Raising profitability (viewpoint of asset efficiency) ⇒ ROA
- Securing capacity for investment (viewpoint of cash flow) ⇒ Basic Profit CF ※

※Basic Profit CF = Basic Profit - Share of profit of investments accounted for using the equity method + Dividends from the associated companies  
Basic Profit = (Gross profit + Selling, general and administrative expenses(excluding provision for doubtful receivables) + interest expense, net of interest income + Dividends) x (1 - Tax rate) + Share of profit of investments accounted for using the equity method

### 3 Be the Best, Be the One 2014

#### (7) Key Financial Indicators

(billion yen)	Start of BBBO 2014	End of BBBO 2014
	March 31, 2013 Results	March 31, 2015 Forecasts
Total Assets	7,832.8	7,960.0
Shareholders' equity	2,052.8	2,440.0
Shareholders' equity ratio	26.2%	approx. 30%
Interest-bearing Liabilities(Net)	2,930.3	3,030.0
DER(Net) (times)	1.4	approx. 1.2
ROA	3.1%	3.4%
Risk-adjusted Assets	* 1,865.1	2,290.0
Risk-adjusted Return Ratio	$f(x)$ 2-year average	BBBO 2014 2-year average
	15.2%	approx. 12%
Free Cash Flow	$f(x)$ 2-year total	BBBO 2014 2-year total
	248.8	approx. -200.0

\*Due to upgrading our calculation method of risk-adjusted assets, the amount at the start of BBBO 2014 is not as same as the end of  $f(x)$ . The amount is provisional as of May 2013 and could change later.

### 4 Forecasts for FY2013

#### (1) Net Income

##### <Business Environment>

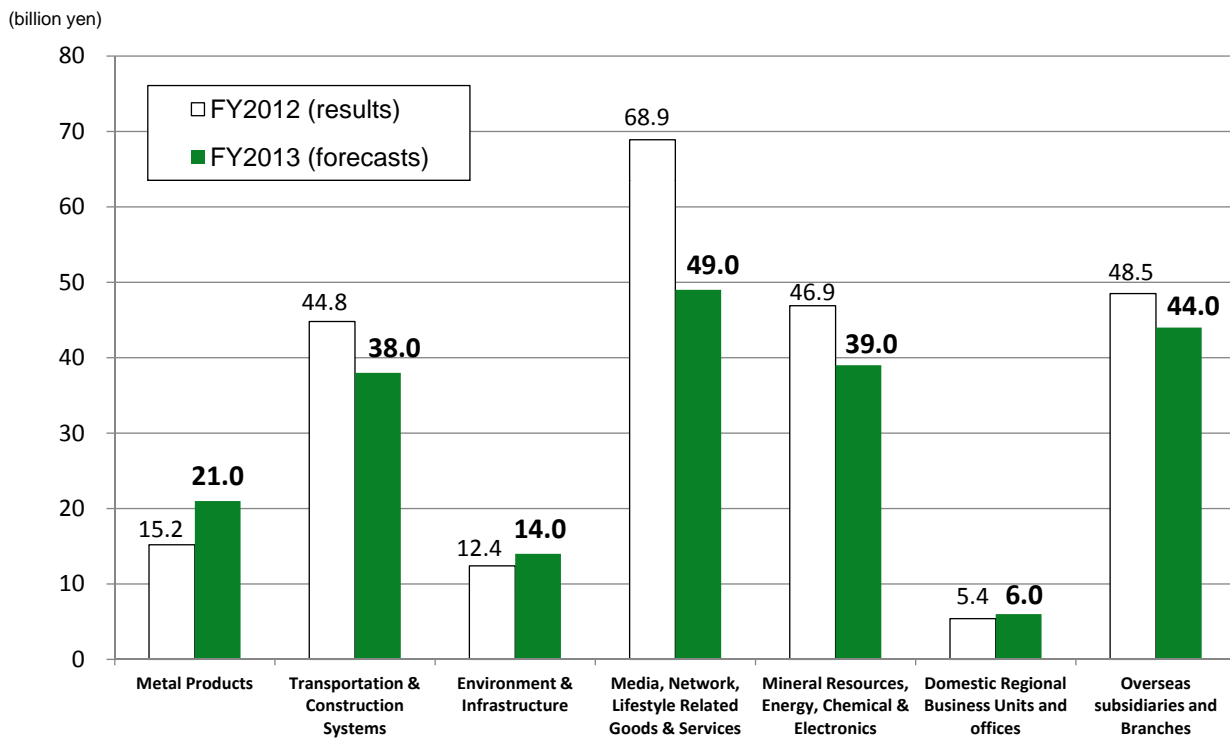
- Gradual recovery of the global economy

##### <Our Business Forecasts>

- Mineral Resources business: Costs associated with commencement of operation of some investments, etc
- Non-Mineral Resources business: Stable performances of core businesses
- Extraordinary profit by business reorganization

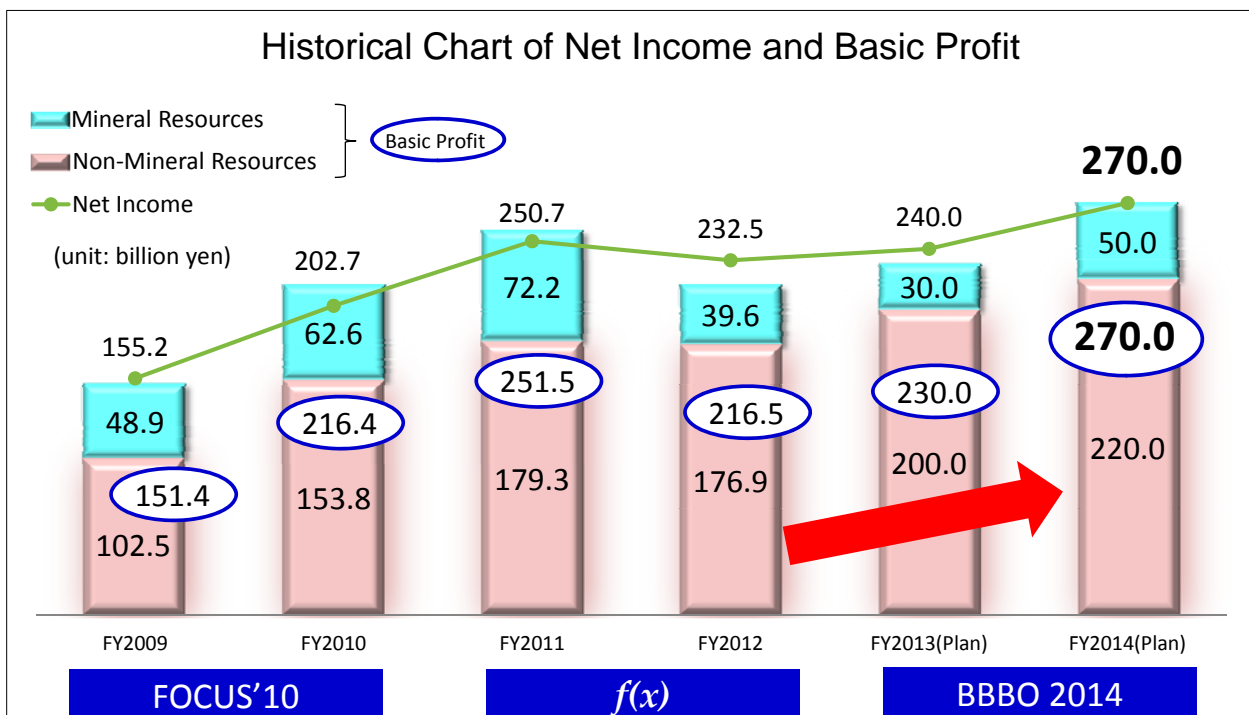
	FY2012 Results	FY2013 Plan
Net Income (billion yen)	232.5	240.0
Risk-adjusted Return Ratio	13.9%	approx. 12%
ROA	3.1%	3% or more

## 4 Forecasts for FY2013 (2) Net Income by Segment (based on new organization)



## 5 Quantitative Targets for FY2014

Aim the highest net income and basic profit through further growth of non-mineral resources business and recovery of mineral resources business



## 6 Dividends

### 【Basic Policy】

We aim to increase dividend through medium- and long-term earnings growth, maintaining our fundamental policy of meeting shareholders' expectations by ensuring long-term stable dividends.

### Be the Best, Be the One 2014 : Dividend payout ratio 25%

#### 【Annual Dividend】

	FY2012 Results	FY2013 Forecasts
Net income	232.5 billion yen	240.0 billion yen
Annual Dividend per share	46 yen	47 yen

Be the Best, Be the One

- ✓ Assumptions
- ✓ Supplemental Materials by Segment  
(Performance Overview, Medium-to long-term Strategies, Annual Forecasts)
- ✓ Basic Profit by Region
- ✓ Medium-term Management Plans
- ✓ Shareholders' Composition

## Assumptions

Assumptions		FY2012 Results	FY2013 Outlook	Sensitivity to profit*
Foreign Exchange (YEN/US\$) [Apr.-Mar.]		82.91	90.00	around 1.3 billion yen (1JPY/US\$)
Interest rate	LIBOR 6M (YEN) [Apr.-Mar.]	0.31%	0.25%	—
	LIBOR 6M (US\$) [Apr.-Mar.]	0.61%	0.50%	—
Crude oil<North Sea Brent> (US\$/bbl) [Jan.-Dec.]		112	105	around 50 million yen (1US\$/bbl)
Copper (US\$/t) [Jan.-Dec.]		7,953	7,770	around 230 million yen (100US\$/t)
Zinc (US\$/t) [Jan.-Dec.]		1,946	1,900	around 960 million yen (100US\$/t)
Iron ore (US\$/t) [Jan.-Dec.]**		132	132	around 280 million yen (1US\$/t)
Coking coal (US\$/t) [Apr.-Mar.]**		193	185	around 230 million yen (1US\$/t)

\*Foreign Exchange: including hedge, Others: excluding hedge

\*\*Iron ore and Coking coal prices are general market prices.

All the figures are the average of the period written in the chart.

## Performance Overview

### Metal Products

#### Performance Overview

**【FY12 Result: 14.9 billion yen】**  
**(0.5 billion yen decrease from FY11)**

**•Steel sheets**

Overseas steel service center:  
 decreased due to Chinese economy slowdown  
 and European sovereign debt issues

**•Tubular products**

North America: stable

(unit: billion of yen)	FY2011 Results	FY2012 Results
Gross profit	66.8	64.7
Operating profit	19.5	17.7
Share of profit of investments accounted for using the equity method	5.0	5.6
Profit for the year attributable to owners of the parent	15.4	14.9
		1Q:4.0 2Q:3.1 3Q:4.0 4Q:3.8
Total assets	638.4	668.4

**【Investments and Replacements in  $f(x)$ 】**

- Participated in manufacture & supply of rolled aluminum sheet business in the U.S. (Aug, 2011)
- Acquired a manufacturing and sales company of railway wheels and axles in the U.S. (Aug, 2011)
- Participated in small-diameter seamless steel pipe manufacturing business in the U.S. (Sep, 2011)
- Participated in a secondary processing of specialty steel long products business in India (Jan, 2013)
- Acquired a manufacturing and sales company of motor core in Europe (Mar, 2013)

**【Results of major subsidiaries and associated companies】**

Company (shares in equity owned by the segment/ owned by whole company):	Equity in earnings of the segment	
	FY11	FY12
•SC Pipe Services:	2.8	2.6
•ERYNGIUM(30/100):	1.2	1.3
•Sumisho Metalex(90/100):	0.9	1.0
•Asian Steel:	0.4	0.1

## Performance Overview

### 【FY12 Result: 33.4 billion yen】

(3.7 billion yen increase from FY11)

#### •Automobile

Finance businesses in Indonesia: stable  
Auto parts manufacturing: stable

#### •Construction equipment

Canada and Russia : strong  
China: decreased  
Remeasurement gain on changing from an associated company to a subsidiary

#### •Ships, aerospace and railway car

Decrease in operating profit due to sluggish ship market  
Value realization through replacing ship in FY11

### 【Investments and Replacements in $f(x)$ 】

- Started preparation for production and sales businesses in Latin America with Mazda Motor Corporation (Jun, 2011)
- Alliance with Hitachi Capital Group regarding Sumitomo Mitsui Auto Service (Feb, 2012)
- Sold auto finance company in Mexico and Sweden
- Acquired controlling interest of US construction equipment rental company, Sunstate Equipment Co., LLC (Dec, 2012)

(unit: billion of yen)	FY2011 Results	FY2012 Results
Gross profit	147.1	118.2
Operating profit	33.7	25.2
Share of profit of investments accounted for using the equity method	11.6	14.2
Profit for the year attributable to owners of the parent	29.6	33.4
		1Q:9.5 2Q:7.3 3Q:10.6 4Q:6.0
Total assets	900.8	1,006.0

### 【Results of major subsidiaries and associated companies】

Company (shares in equity owned by the segment/ owned by whole company):	Equity in earnings of the segment	
	FY11	FY12
•Sumitomo Mitsui Auto Service*1:	6.7	4.1
•Oto Multiartha*2:	1.6	3.2
•SOF(89.56/99.56)*2:	0.2	1.4

\*1 At the end of Feb, 2012, sold 20% shares in SMAS. (previous share: 66%)  
shares in equity of the segment in FY11: 66%, FY12: 46%

\*2 We changed our reporting periods, the results show equity in earnings of Jan-Dec for FY11 and FY12.

# Infrastructure

## Performance Overview

### 【FY12 Result: 12.1 billion yen】

(2.1 billion yen increase from FY11)

#### •IPP/IWPP businesses

Tanjung Jati B project: strong

### 【Investments and Replacements in $f(x)$ 】

- Tanjung Jati B power plant expansion project in Indonesia
- Sold a telecommunication business in Russia
- Participated in a wind power project in the U.S. (Apr, 2012)
- Sold a thermal power plant business in the U.S. (Aug, 2012)
- Participated in a wind power project in South Africa (Nov, 2012)
- Acquired a water only supply and distribution company in England (Feb, 2013)
- Participated in a thermal power business in Australia (Feb, 2013)

(unit: billion of yen)	FY2011 Results	FY2012 Results
Gross profit	31.2	34.6
Operating profit	6.3	8.0
Share of profit of investments accounted for using the equity method	4.4	5.8
Profit for the year attributable to owners of the parent	10.0	12.1
		1Q:1.5 2Q:3.2 3Q:4.6 4Q:2.7
Total assets	563.1	526.5

### 【Results of major subsidiaries and associated companies】

Company (shares in equity owned by the segment/ owned by whole company):	Equity in earnings of the segment	
	FY11	FY12
•MobiCom*1:	1.6	1.6
•Perennial Power Holdings(50.01/100):	0.5	1.0
•Sumisho Machinery Trade Corporation(55.5/100):	0.5	0.7

\*1 We changed our reporting periods, the results show equity in earnings of Jan-Dec for FY11 and FY12.

# Media, Network & Lifestyle Retail

## Performance Overview

**【FY12 Result: 52.3 billion yen】**  
(22.4 billion yen increase from FY11)

### •Major group companies

J:COM, SCSK, Jupiter Shop Channel: stable

### •Others

Gain due to selling 50% shares in Jupiter Shop Channel

(unit: billion of yen)	FY2011 Results	FY2012 Results
Gross profit	221.1	186.5
Operating profit	21.3	10.3
Share of profit of investments accounted for using the equity method	18.2	20.3
Profit for the year attributable to owners of the parent	29.8	52.3
		1Q:5.0 2Q:37.5 3Q:9.2 4Q:0.5
Total assets	1,031.6	988.7

### 【Results of major subsidiaries and associated companies】

Company: Equity in earnings of the segment  
(shares in equity owned by the segment/  
owned by whole company): FY11 FY12

•J:COM:	14.4	17.7
•SCSK:	6.5	9.4
•Jupiter Shop Channel*1:	12.0	8.3
•Summit(92.5/100):	1.6	1.0
•Sumisho Brand Management(99.08/100):	0.5	0.9

\*1 At the end of July, 2012, we sold 50% of the shares in Jupiter Shop Channel (previous share: 99.5%)

### 【Investments and Replacements in $f(x)$ 】

- Made CSK a subsidiary through TOB (Apr, 2011)
- Sold Hachette Fujingaho (May, 2011),
- Sold United Cinemas (Mar, 2012)
- Sold NISSHO ELECTRONICS (Mar, 2012)
- Sold 50% shares in Jupiter Shop Channel (Jul, 2012)

# Mineral Resources, Energy, Chemical & Electronics

## Performance Overview

**【FY12 Result: 46.2 billion yen】**  
(43.6 billion yen decrease from FY11)

### •San Cristobal silver-zinc-lead mining operation

Decline in prices and sales volume

### •Iron-manganese ore mining operation in South Africa

Decline in prices

### •Coal mining operation in Australia

Decline in prices

### •Copper businesses

Reversal of deferred tax liability resulted from business reorganization in FY11

Decline in production volume

### 【Investments and Replacements in $f(x)$ 】

- Invested in development of the Sierra Gorda project in Chile (Sep, 2011)
- Progress in Ambatovy nickel project in Madagascar
- Invested in agricultural material distributor in Romania (Nov, 2011)
- Sold partial share of Hartz (Dec, 2011)
- Acquired coal mining interest in Australia (Jul, 2012)
- Participated tight oil development project in the U.S. (Sep, 2012)

(unit: billion of yen)	FY2011 Results	FY2012 Results
Gross profit	112.8	79.6
Operating profit	55.5	24.9
Share of profit of investments accounted for using the equity method	41.5	30.3
Profit for the year attributable to owners of the parent	89.8	46.2
		1Q:12.9 2Q:9.3 3Q:9.8 4Q:14.2
Total assets	1,171.3	1,337.5

### 【Results of major subsidiaries and associated companies】

Company: Equity in earnings of the segment  
(shares in equity owned by the segment/  
owned by whole company): FY11 FY12

• Silver, zinc and lead business in Bolivia(93/100) *1:	14.9	11.5
• Oresteel Investments(45/49):	12.4	8.7
• Iron Ore Mining Business in Brazil:	7.4	6.7
• LNG Japan:	2.2	5.5
• SC Minerals America(84.75/100):	4.9	3.7
• Oil fields interests in the North Sea:	3.2	2.9
• SMM Cerro Verde Netherlands:	3.5	2.4
• Companies related to Coal business in Australia:	19.9	2.0
• Sumitomo Shoji Chemicals(75/100):	0.9	1.0
• SC Mineral Resources(70/100)*2:	0.9	0.7
• Nusa Tenggara Mining:	15.1	-0.7
• Nickel mining and refining business in Madagascar:	-0.4	-0.8

\*1 We changed our reporting periods, the results show equity in earnings of Jan-Dec for FY11 and FY12.  
\*2 shares in equity of the segment in FY11: 100/100



## [Mineral Resources Equity Share of Production and Sensitivity to Net Income]

		FY12 Results					FY13 Forecasts	Sensitivity to net income (annual base/ excluding prices hedge)
		1Q	2Q	3Q	4Q	Annual		
<b>Coking coal</b>	Equity share of shipping volume [mil t]	0.6	0.4	0.8	0.6	2.4*	3.5	¥230 mil (\$1/t)
	Prices[\$/t]	210	225	170	165	193	185	
<b>Thermal coal</b>	Equity share of shipping volume [mil t]	0.5	0.6	0.6	0.6	2.4*	2.7	¥180 mil (\$1/t)
	Prices[\$/t]	115	95	97	98	113	95	
<b>Iron ore</b> MUSA	Equity share of shipping volume [mil t]	0.5	1.9	0.3	1.8	4.5	4.5	¥280 mil (\$1/t)
		0.5	0.5	0.3	0.5	1.8	1.9	
	Prices[\$/t]	144	131	136	117	132	132	
<b>Manganese ore</b>	Equity share of shipping volume [mil t]	-	0.2	-	0.3	0.5	0.5	¥30 mil (\$1/t)
	Prices[\$/t]	-	224	-	243	233	248	
<b>Copper</b> Batu Hijau	Equity share of production [Kt]	11	11	10	11	43	48	¥230 mil (\$100/t)
		4	3	4	3	13	16	
	Prices[\$/t]	8,327	7,872	7,705	7,908	7,953	7,770	

Note) Prices are general market price.

The shipping volume of Iron ore and manganese of Oresteel Investments are written semiannually (in second and fourth quarter).

\* Includes equity share of shipping volume of Issac Plains, which we acquired in July, 2012. (Coking 0.3 mil t, Thermal 0.2 mil t)

## [Mineral Resources Equity Share of Production and Sensitivity to Net Income]

		FY12 Results					FY13 Forecasts	Sensitivity to net income (annual base/ excluding prices hedge)
		1Q	2Q	3Q	4Q	Annual		
<b>Silver</b>	Equity share of production [(mil oz)]	68(2.2)	53(1.7)	81(2.6)	90(2.9)	292(9.4)	277(8.9)	¥480 mil (\$1/oz)
	Prices[\$/oz]	32.6	29.4	29.8	32.7	31.1	29.0	
<b>Zinc</b>	Equity share of production [Kt]	39	36	45	45	165	183	¥960 mil (\$100/t)
	Prices[\$/t]	2,025	1,928	1,885	1,947	1,946	1,900	
<b>Lead</b>	Equity share of production [Kt]	13	13	16	14	56	57	¥320 mil (\$100/t)
	Prices[\$/t]	2,093	1,974	1,975	2,199	2,060	2,100	
<b>Crude oil, gas</b>	Equity share of production [mil bbl]	0.7	0.5	0.5	0.7	2.4	2.5	¥50 mil (\$1/bbl)
	Prices[\$/bbl]	118	108	110	110	112	105	
<b>LNG</b>	Equity share of production [Kt]	90	90	50	90	320	320	-

Note) Prices are general market price.

# General Products & Real Estate

## Performance Overview

### 【FY12 Result: 16.4 billion yen】

(3.3 billion yen decrease from FY11)

#### •Food

Banana business: decreased due to damage  
by typhoon in the Philippines

#### •Materials & Supplies

TBC: decreased in tire unit sales and service sales

#### •Construction & Real Estate

Condominium: stable

(unit: billion of yen)	FY2011 Results	FY2012 Results
Gross profit	100.2	100.5
Operating profit	29.9	26.4
Share of profit of investments accounted for using the equity method	4.6	2.7
Profit for the year attributable to owners of the parent	19.7	16.4
		1Q:4.1 2Q:2.7 3Q:2.9 4Q:6.7
Total assets	771.6	794.4

### 【Results of major subsidiaries and associated companies】

Company  
(shares in equity owned by the segment/  
owned by whole company):

Equity in earnings of the segment  
FY11 FY12

•SUMMIT GRAIN INVESTMENT (AUSTRALIA) (70/100):	0.5	0.5
•TBC(40/100):	1.9	0.3
•Banana business:	1.9	-0.4

### 【Investments and Replacements in $f(x)$ 】

- Sold retail facilities
- Redevelopment plan of the Tokyo Denki University Kanda  
Campus site
- Acquired Midas, an auto repair and service company in the U.S.  
(Apr, 2012)
- Acquired an Australian Frozen Dough Business (Aug, 2012)

# New Industry Development & Cross-function

## Performance Overview

### 【FY12 Result: 12.8 billion yen】

(1.7 billion yen decrease from FY11)

#### •Sumitomo Mitsui Finance & Leasing

Existing business: stable

Newly acquired aircraft leasing business:

contributed to the results

#### •Others

Gain regarding IPO of an invested company in FY11

(unit: billion of yen)	FY2011 Results	FY2012 Results
Gross profit	27.8	27.0
Operating profit	-0.1	-0.4
Share of profit of investments accounted for using the equity method	11.3	14.0
Profit for the year attributable to owners of the parent	14.6	12.8
		1Q:3.1 2Q:3.5 3Q:3.9 4Q:2.3
Total assets	549.7	505.3

### 【Results of major subsidiaries and associated companies】

Company  
(shares in equity owned by the segment/  
owned by whole company):

Equity in earnings of the segment  
FY11 FY12

•Sumitomo Mitsui Finance and Leasing(35/40):	11.0	13.0
•Sumisho Aircraft Asset Management(95/100):	0.4	0.4

### 【Investments and Replacements in $f(x)$ 】

- Together with Sumitomo Mitsui Financial Group,  
acquired an aircraft leasing business (Jun, 2012)
- Participated in a solar power project in the U.S. (Sep, 2012)

## Performance Overview

### 【FY12 Result: 48.5 billion yen】

(0.4 billion yen decrease from FY11)

America: 26.6 billion yen(1.2 billion yen decrease)

Asia: 8.0 billion yen(2.9 billion yen increase)

Europe: 7.3 billion yen(0.0 billion yen increase)

China: 1.2 billion yen(2.2 billion yen decrease)

Australia: 0.6 billion yen(0.7 billion yen decrease)

(unit: billion of yen)	FY2011 Results	FY2012 Results
Gross profit	179.0	184.8
Operating profit	52.8	51.0
Share of profit of investments accounted for using the equity method	13.7	11.5
Profit for the year attributable to owners of the parent	48.9	48.5
		1Q:15.9 2Q:10.7 3Q:10.8 4Q:11.0
Total assets	1,152.0	1,556.2

#### •America:

TBC: decrease in tire unit sales and service sales

#### •China:

metal products business, etc.: decelerated

### 【Results of major subsidiaries and associated companies】

Company:  
(shares in equity owned by the segment/  
owned by whole company):

Equity in earnings of the segment

FY11

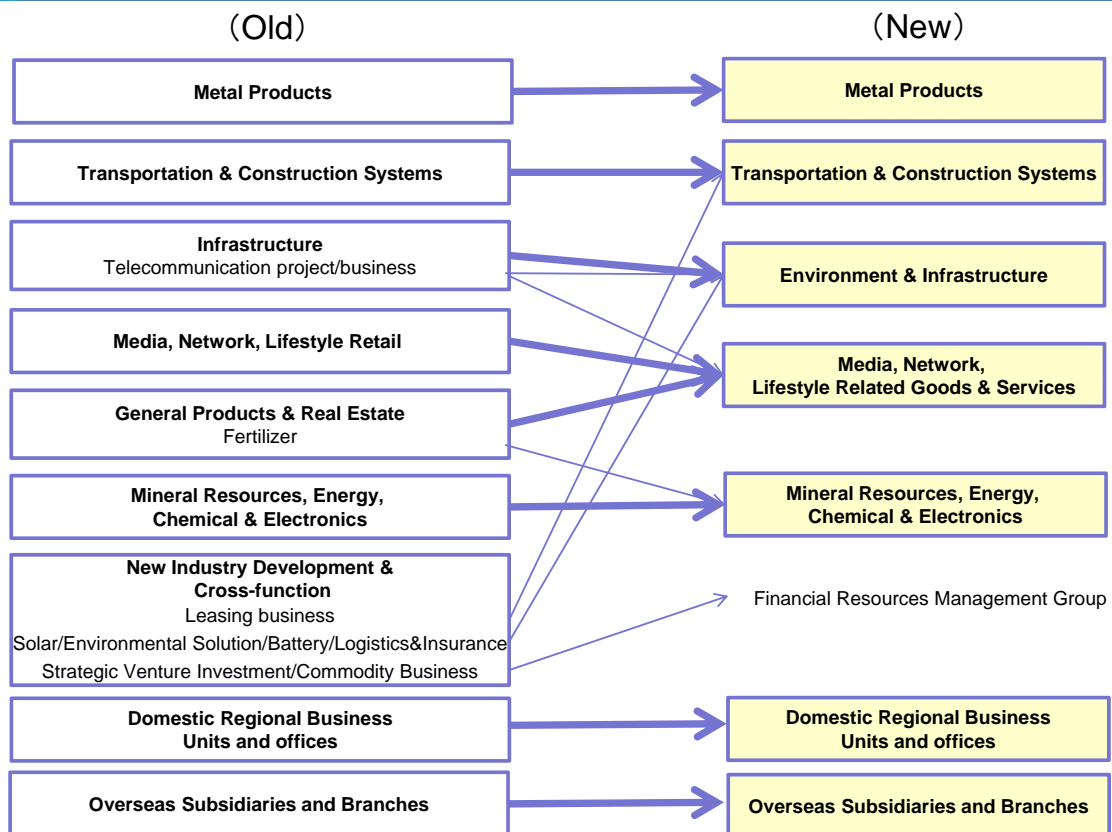
FY12

•ERYNGIUM(70/100):	2.7	3.1
•Perennial Power Holdings(49.99/100):	0.5	1.0
* Silver, zinc and lead business in Bolivia(7/100)*1:	1.1	0.9
•Oresteel Investments(4/49):	1.1	0.8
•SC Minerals America(15.25/100):	0.9	0.7
•TBC(60/100):	2.8	0.5

\*1 We changed our reporting periods, the results show equity in earnings of Jan-Dec for FY11 and FY12.

# Medium-to long-term Strategies and Annual Forecasts (New Business Units)

## Reorganization of Business Units



## Medium-to long-term Strategy

### Strategies for FY2019

#### Existing Earnings Pillars to enhance

- Tubular products
  - Expand value chain in oilfield related field based on OCTG business
    - Expand to oilfield equipment, material and services
    - Build distribution network for oil & gas transport pipelines and special pipes in addition to OCTG network
- Metal products for transportation
  - Establish strong position in railway field (rail/wheel/axle)
  - Gain 10% of global market share in automobile equipment field
  - Pursue synergies with existing steel service centers

#### Future Earnings Pillars to develop

- Aluminum smelting and rolling business
  - Build value chain from upstream (smelting) to middle stream (rolling)
- Specialty steel
- Electrical steel sheet and tin mill products

### Focus on Fields in BBBO 2014

- Tubular products
  - Oilfield services
- Steel sheets
  - Deepen and enhance manufacturing business of railway wheels and axles in the U.S.
  - Establish and strengthen steel service centers in strategic areas
  - Manufacturing and selling secondary processing of specialty steel products in India
  - Manufacturing and sales of motor core parts in Europe
- Non-ferrous products
  - Expand aluminum smelting business in Malaysia
  - Enhance aluminum rolling business and trading

## Forecast

### 【FY13 Forecast: 21.0 billion yen】

- **Steel sheets**
  - Overseas steel service center: recovery of demand
- **Tubular products**
  - North America: stable

(unit: billion of yen)	(reference) FY2011 Results	(reference) FY2012 Results	FY2013 Forecasts
Gross profit	66.9	65.2	77.0
Operating profit	19.4	18.2	-
Share of profit of investments accounted for using the equity method	5.0	5.6	-
Profit for the year attributable to owners of the parent	15.3	15.2	21.0
Total assets	648.2	671.2	-

### 【Results of major subsidiaries and associated companies】

Company (shares in equity owned by the segment/ owned by whole company):	Equity in earnings of the segment		
	FY11	FY12	FY13 Forecasts
• SC Pipe Services:	2.8	2.6	3.2
• ERYNGIUM(30/100):	1.2	1.3	1.5
• Sumisho Metalex(90/100):	0.9	1.0	0.9
• Asian Steel:	0.4	0.1	0.4

# Transportation & Construction Systems

## Medium-to long-term Strategy

### Strategies for FY2019

#### Existing Earnings Pillars to enhance

- Leasing business
  - Expand joint business base with Sumitomo Mitsui Finance & Leasing Company
  - Promote development of SMBC Aviation Capital
- Ships
  - Strengthen good customer base through trading new ships
  - Expand ship-owning/ship-co-owning and operating business
- Automobile
  - Expand auto leasing business to abroad and diversify finance businesses
  - Expand sale and distribution mainly to growing market such as Africa, the Middle East and its neighbor countries
  - Strengthen manufacturing mainly in emerging countries
- Construction equipment
  - Enhance sales distributor/service business in emerging countries and mining areas
  - Expand and globalize rental business of comprehensive construction equipment in developed countries

#### Future Earnings Pillars to develop

- Civil aviation
- Railways related business
- Integrated car manufacturing and sales business in Mexico

### Focus on Fields in BBBO 2014

- Ships, aerospace and railway car
  - Expand leasing businesses such as aircraft leasing
  - Enhance quality and quantity in ship trading  
Replace and increase assets in ship-owning /ship finance business
  - Acquiring order of large EPC rail project
- Automobile
  - Expand automotive leasing from Japan to mainly Asian emerging countries
  - Diversify finance businesses in emerging countries
  - Manufacturing automobile parts and finished car  
Increase global production capacity of KIRIU  
Start up automobile assembly plant of JV with Mazda in FY13.4Q (plan)
- Construction equipment
  - Strengthen and expand business base of dealer business in Asia and the Middle East
  - Deepen rental business in the U.S.

# Transportation & Construction Systems

## Forecast

### 【FY13 Forecast: 38.0 billion yen】

- **Ships, aerospace and railway car**  
Decrease in operating profit due to sluggish ship market
- **Automobile**  
Automobile: stable  
Temporary gain in FY12
- **Construction equipment**  
Temporary gain in FY12

(unit: billion of yen)	(reference) FY2011 Results	(reference) FY2012 Results	FY2013 Forecasts
Gross profit	149.5	120.3	115.0
Operating profit	33.3	24.5	-
Share of profit of investments accounted for using the equity method	22.2	27.2	-
Profit for the year attributable to owners of the parent	40.5	44.8	38.0
Total assets	1,166.3	1,264.2	-

### 【Results of major subsidiaries and associated companies】

Company (shares in equity owned by the segment/ owned by whole company):	Equity in earnings of the segment		
	FY11	FY12	FY13 Forecasts
• Sumitomo Mitsui Finance and Leasing(35/40) :	11.0	13.0	11.9
• Sumitomo Mitsui Auto Service*1 :	6.7	4.1	3.3
• Oto Multiartha(90/100)*2,3 :	1.6	3.2	2.7
• SOF(90/100)*2,3 :	0.2	1.4	1.6

\*1 At the end of Feb, 2012, sold 20% shares in SMAS. (previous share: 66%)  
shares in equity of the segment in FY11: 66%, FY12: 46%

\*2 We changed our reporting periods, the results and forecasts show equity in earnings of Jan-Dec for FY11 and FY12, Apr-Mar for FY13.

\*3 In Mar, 2013, our shares in P.T. Oto Multiartha and P.T. Sumit Oto Finance were increased to 100%.

## Medium-to long-term Strategy

### Strategies for FY2019

#### Existing Earnings Pillars to enhance

- IPP/IWPP (overseas)
  - Power generation capacity target for FY19: 10,000MW  
⇒ As of Mar, 2013: 5,271MW
- Power generation from renewable energy (overseas)
- Electricity business (Japan)
- Industrial park (overseas)

#### Future Earnings Pillars to develop

- Water infrastructure
- Environment related business

### Focus on Fields in BBBO 2014

- IPP/IWPP (overseas)
  - Enhance IPP/IWPP businesses in Asia, the Middle East and Americas
- Power generation from renewable energy (overseas)
  - Develop new project using subsidies in each country
  - Entry to offshore wind-generated electricity field
- Electricity business (Japan)
  - New business renewable energy generation leveraging FIT
  - Expand retail business as the deregulation of the electric power industry moves forward
- Industrial park (overseas)
  - Expand existing industrial park and improve our functions
  - Develop new projects in Asia
- Water
  - Strengthen concession, desalination and treatment businesses
- Environment
  - CO2 selective permeable membranes
  - Recycling business in Japan and abroad
  - Energy management business centering on storage battery

## Forecast

### 【FY13 Forecast: 14.0 billion yen】

#### •IPP/IWPP businesses

Stable

#### •Infrastructure plant project

Increase in overseas project and progress in construction

(unit: billion of yen)	(reference)FY2011 Results	(reference)FY2012 Results	FY2013 Forecasts
Gross profit	51.4	54.0	57.0
Operating profit	10.5	11.0	-
Share of profit of investments accounted for using the equity method	3.2	4.2	-
Profit for the year attributable to owners of the parent	10.8	12.4	14.0
Total assets	606.8	575.0	-

### 【Results of major subsidiaries and associated companies】

Company (shares in equity owned by the segment/ owned by whole company):	Equity in earnings of the segment		
	FY11	FY12	FY13 Forecasts
•Sumisho Machinery Trade Corporation(55.5/100):	0.5	0.7	0.6
•Perennial Power Holdings(50.01/100):	0.5	1.0	0.4

# Media, Network, Lifestyle Related Goods & Services

## Medium-to long-term Strategy

### Strategies for FY2019

#### Existing Earnings Pillars to enhance

- Further strengthen business base of core companies in media, IT and retail field (J:COM/SCSK/SHOP etc.)
- Strengthen business base of food resources (grain/raw sugar/meat/banana)
- Strengthen earnings base of timber resources and tire business
- Urban real estate business leveraging our integrated corporate strength

#### Future Earnings Pillars to develop

- Expand successful business models in media, IT and retail field from Japan to abroad
- Woody biomass fuel related business
- Overseas real estate, logistics related real estate business

### Focus on Fields in BBBO 2014

- J:COM  
Implement capital reorganization and establish joint management system with KDDI  
Complete JCN integration
- Promote media, IT and retail businesses in emerging countries such as Asia
  - Media
  - TV shopping
  - E-commerce
  - Drugstore
- Secure and strengthen business base of food resources
  - Meat
  - Grain etc.
- Strengthen business base of timber resources in Asia-Pacific basin
- Promote development of real estate businesses in domestic strategic area
  - Redevelopment plan of the Tokyo Denki University site
  - Joint business in reconstruction of Kandanshikicho buildings
  - Urban retail facilities and condominium sales etc.

# Media, Network, Lifestyle Related Goods & Services

## Forecast

### 【FY13 Forecast: 49.0 billion yen】

#### • J:COM, SCSK, Jupiter Shop Channel

Stable

#### • Banana business and TBC

Recover

#### • Gain due to selling 50% shares in Jupiter Shop Channel in FY12

(unit: billion of yen)	(reference) FY2011 Results	(reference) FY2012 Results	FY2013 Forecasts
Gross profit	315.5	281.2	289.0
Operating profit	48.0	34.0	-
Share of profit of investments accounted for using the equity method	24.2	25.0	-
Profit for the year attributable to owners of the parent	51.1	68.9	49.0
Total assets	1,815.7	1,789.2	-

### 【Results of major subsidiaries and associated companies】

Company: (shares in equity owned by the segment/ owned by whole company):	FY11	FY12	FY13 Forecasts
• J:COM*1 :	14.4	17.7	-
• Jupiter Shop Channel*2 :	12.0	8.3	6.2
• SCSK :	6.5	9.4	5.5
• Mobicom*3 :	1.6	1.6	1.5
• TBC(40/100) :	1.9	0.3	1.2
• Sumisho Brand Management(99.08/100) :	0.5	0.9	1.0
• SUMMIT GRAIN INVESTMENT (AUSTRALIA)(70/100) :	0.5	0.5	1.0
• Banana business :	1.9	-0.4	1.0
• Summit :	1.8	1.1	0.8

\*1 We refrain from disclosing forecasts of FY2013 according to the release of J:COM.

\*2 At the end of July, 2012, we sold 50% of the shares in Jupiter Shop Channel (previous share: 99.5%)

\*3 We changed our reporting periods, the results and forecasts show equity in earnings of Jan-Dec for FY11 and FY12, Apr-Mar for FY13.



## Medium-to long-term Strategy

### Strategies for FY2019

#### Existing Earnings Pillars to enhance

- Enhance earnings base in upstream area of mineral resources & energy
  - Value-up our existing interests by strengthen earning power
  - Enhance earnings base along mid-long term portfolio strategy
  - \* Commodities: increase interests in four key strategic resources and approach to new strategic resources
  - \* Time: create a best mix of exploration, development and production
  - \* Region: disperse and mitigate country risk
  - \* Form of participation: cooperate with prime partners and improve our function

#### Future Earnings Pillars to develop

- Promote middle and down stream businesses leveraging synergy with upstream business
  - Shale oil & gas related business in the U.S. (LNG/LPG/Gas chemical etc.)
  - Value chain from raw material of fertilizer to sales of product
  - Development of rare earth and establish stable supply by trading
- Create new additional value through combining our functions
  - Promote sales of pesticide and fertilizer globally and expand agricultural cooperative business model to emerging countries
  - Expand each value chain in chemicals from energy and minerals, electronics etc.

### Focus on Fields in BBBO 2014

- Upstream of mineral resources and energy
  - Promote project under development and strengthen earning power of our existing interests
  - U.S. : Shale oil & gas
  - Chile : Sierra Gorda copper mine } Promote development plan steadily
  - Brazil : Iron ore
  - Americas: Copper } Promote expansion plan steadily
  - Madagascar : Nickel
    - Work for completion of construction and full operation
  - Australia : Coal
    - Cost reduction and promote expansion plan
  - Bolivia : Silver, zinc & lead
    - Stable operation and enhance business value
- Middle and down stream trading and investment in businesses
  - Carbon related business
  - Chemical from energy (Shale gas chemistry etc.)
  - Chemical from minerals (Rare earth, soda ash)
  - Strengthen EMS\* business base
  - Promote agricultural cooperative business model globally
  - Formulator of cosmetic ingredients

\*Electronics Manufacturing Service

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## Forecast

### 【FY13 Forecast: 39.0 billion yen】

- **Nickel project in Madagascar**
  - Start commercial production
  - High cost of operation in start-up period
- **Temporary gain in FY12**
- **Chemical & Electronics**
  - Stable

(unit: billion of yen)	(reference) FY2011 Results	(reference) FY2012 Results	FY2013 Forecasts
Gross profit	119.0	85.6	83.0
Operating profit	56.5	25.9	-
Share of profit of investments accounted for using the equity method	41.9	30.7	-
Profit for the year attributable to owners of the parent	90.8	46.9	39.0
Total assets	1,204.4	1,370.9	-

### 【Results of major subsidiaries and associated companies】

Company (shares in equity owned by the segment/ owned by whole company):	Equity in earnings of the segment		
	FY11	FY12	FY13 Forecasts
• Oresteel Investments(45/49):	12.4	8.7	10.0
• Silver, zinc and lead business in Bolivia(93/100)*1:	14.9	11.5	8.8
• SC Minerals America(84.75/100):	4.9	3.7	5.0
• Iron Ore Mining Business in Brazil:	7.4	6.7	4.0
• LNG Japan:	2.2	5.5	3.6
• SMM Cerro Verde Netherlands:	3.5	2.4	2.3
• Oil fields interests in the North Sea:	3.2	2.9	1.7
• Companies related to Coal business in Australia:	19.9	2.0	1.5
• Sumitomo Shoji Chemicals(75/100):	0.9	1.0	1.0
• Nusa Tenggara Mining:	15.1	-0.7	0.8
• SC Mineral Resources(70/100)*2:	0.9	0.7	0.6
• Nickel mining and refining business in Madagascar:	-0.4	-0.8	-3.5

\* 1 We changed our reporting periods, the results and forecasts show equity in earnings of Jan-Dec for FY11 and FY12, Apr-Mar for FY13.

\* 2 shares in equity of the segment in FY11: 100/100

# Overseas Subsidiaries and Branches

## Forecast

### 【FY13 Forecast: 44.0 billion yen】

America: 21.9 billion yen  
 Asia: 8.3 billion yen  
 Europe: 7.7 billion yen  
 China: 2.6 billion yen  
 Australia: 0.2 billion yen

#### •Metal products business

Stable

#### •Temporary gain in FY12

(unit: billion of yen)	(reference) FY2011 Results	(reference) FY2012 Results	FY2013 Forecasts
Gross profit	179.0	184.8	212.0
Operating profit	52.8	51.0	-
Share of profit of investments accounted for using the equity method	13.7	11.5	-
Profit for the year attributable to owners of the parent	48.9	48.5	44.0
Total assets	1,152.0	1,556.2	-

### 【Results of major subsidiaries and associated companies】

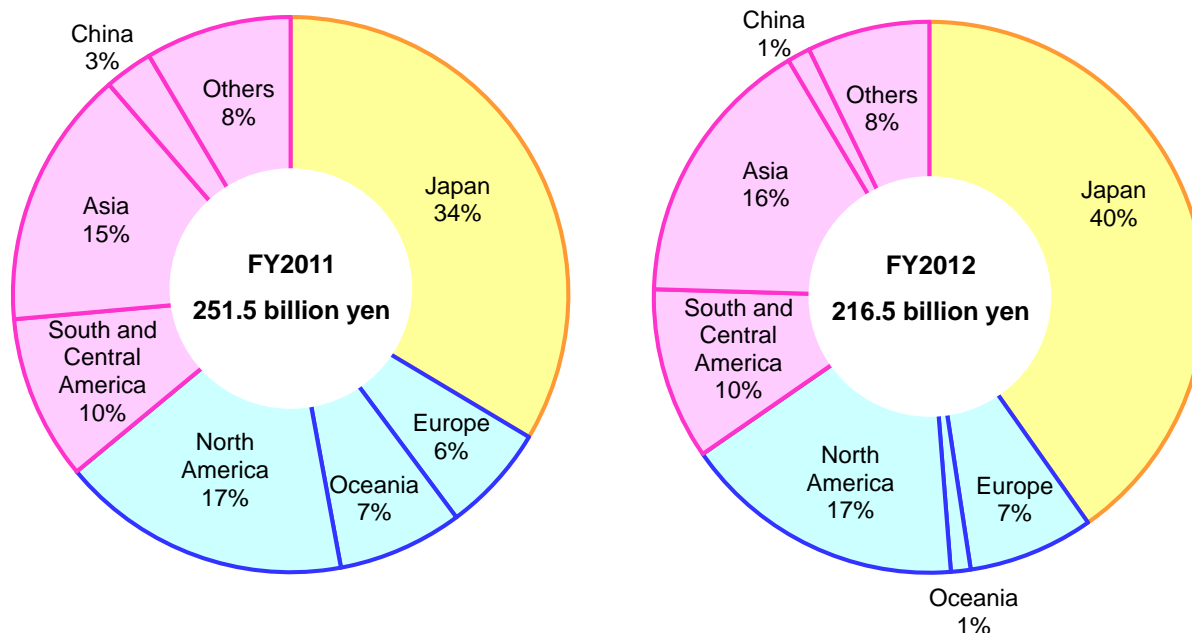
Company: Equity in earnings of the segment  
 (shares in equity owned by the segment/  
 owned by whole company): FY11 FY12 FY13 Forecasts

•ERYNGIUM(70/100):	2.7	3.1	3.5
•TBC(60/100):	2.8	0.5	1.8
•SC Minerals America(15.25/100):	0.9	0.7	0.9
•Oresteel Investments(4/49):	1.1	0.8	0.9
•Silver, zinc and lead business in Bolivia (7/100)*1:	1.1	0.9	0.7
•Perennial Power Holdings(49.99/100):	0.5	1.0	0.4

\*1 We changed our reporting periods, the results and forecasts show equity in earnings of Jan-Dec for FY11 and FY12, Apr-Mar for FY13.

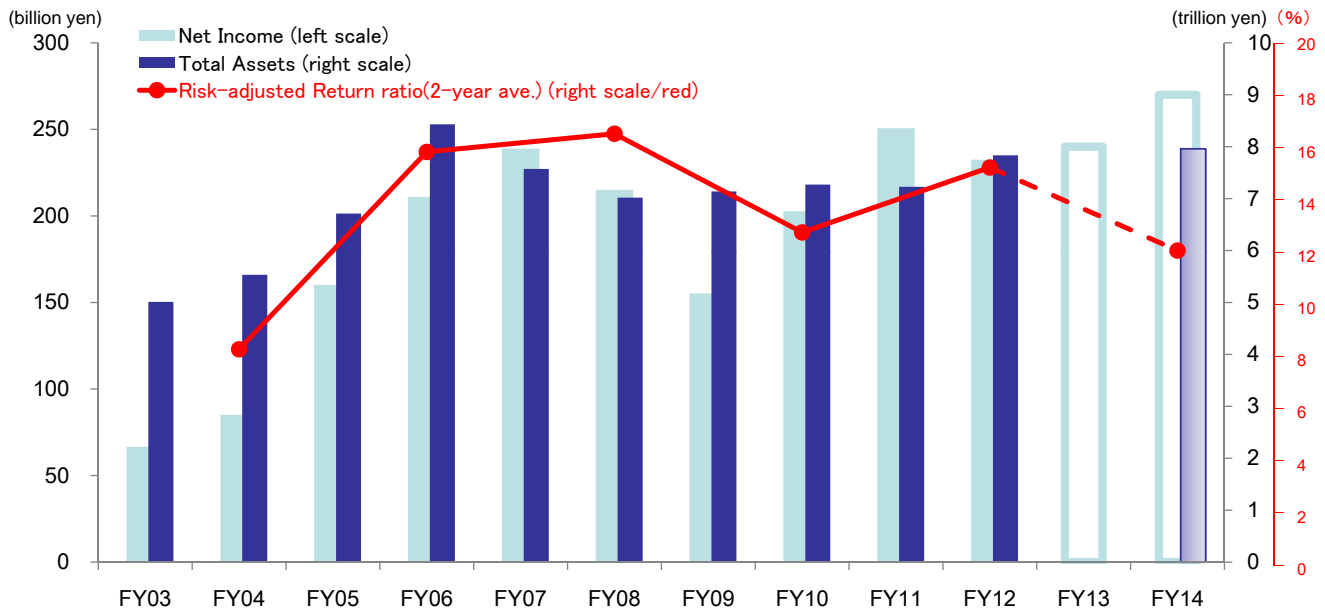
## Basic Profit by Region

Overseas (emerging countries) Overseas (developed countries) Japan



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

# Medium-term Management Plans



AA Plan	AG Plan	GG Plan	FOCUS'10	f(x)	BBBO 2014
Strategic investment in assets with potential profitability	Strategic moves for further growth and development	Pursuit of further improvement of quality heading for a new stage of growth	A growth scenario on a new stage	Growth across regional generational and organizational boundaries	Heading for an even higher level of profit growth by thorough enhancement of our earning power

# Shareholders' Composition

