

## **For Immediate Release**

### **Sumitomo Corporation Announces Financial Results for the Fiscal Year ended March 31, 2014**

On May 1, 2014, Sumitomo Corporation announced its consolidated results for the fiscal year ended March 31, 2014, prepared on the basis of International Financial Reporting Standards (IFRS).

#### **1. Financial Highlights**

- “Profit for the year attributable to owners of the parent” totaled 223.1 billion yen, representing a decrease of 9.4 billion yen from the previous fiscal year. This decline was due mainly to impairment losses of 27.7 billion yen on Isaac Plains, coal-mining projects in Australia.
- “Basic profit (\*),” which excludes extraordinary gains and losses, totaled 245.0 billion yen, representing an increase of 28.6 billion yen.  
\* Basic Profit = (Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + interest expense, net of interest income + Dividends) x 0.62 + Share of profit of investments accounted for using the equity method
- “Free cash flow” totaled 28.4 billion yen inflow. We collected cash through continuing asset replacement, while we made new investments, such as acquisition of Edgen Group, a global distributor of metal and tubular products for energy industry.  
“Total assets” stood at 8,668.7 billion yen at the year-end.
- This fiscal year, our non-mineral resources businesses rose to over 200 billion yen in both net profit and basic profit, steadily strengthening earning power. However, profits of our mineral resources businesses fell due to a drop in commodity prices.
- Recently we have been working on shifting our corporate resources to businesses that are “earnings pillars” and on strategic alliances with partners under the policy of stimulating the metabolism of our business portfolio. Accordingly, we have

confirmed the results of the above initiatives in the earnings growth of our non-mineral resources businesses.

- On the other hand, there has been a delay in contribution to profits compared to the initial plan in some investments, such as large projects of mineral resources area, we have made in the recent years. We recognize that increasing the value of these investments is a challenge for our future growth.

## **2. Annual Forecasts for the Fiscal Year Ending March 31, 2015**

- The world economy is expected to grow gradually, driven by the economies of developed countries centered on the United States, despite the uncertainty in the economies of some emerging countries.
- As far as our businesses in the mineral resources area are concerned, the severe business environment is expected to continue because of declining commodity prices. Furthermore, it is projected that there are costs associated with the commencement of operations of large investments such as the Ambatovy nickel project.
- However, in the non-mineral resources sector, recent investments, such as Edgen Group, are expected to contribute to our earnings results. In addition, we expect our earnings pillars to continue demonstrating stable performance. On the basis of these factors, we forecast consolidated profits for the next year of 250 billion yen.

## **3. Dividend**

- Although our results this fiscal year fell below the forecast due to one-time impairment losses, our earnings pillars showed robust performance. Therefore, the annual dividend for fiscal 2013 will be 47 yen per share, as we announced (the annual dividend for the previous year was 46 yen per share). As the interim dividend was 23 yen per share, the year-end dividend will be 24 yen per share.
- The annual dividend for fiscal 2014 is projected to be 50 yen per share, applying the consolidated dividend payout ratio of 25%, based on the dividend policy of the

current medium-term management plan “Be the Best, Be the One 2014”, to “Profit for the year attributable to owners of the parent” forecast of 250 billion yen.

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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.