

For Immediate Release

Sumitomo Corporation Announces Quarterly Financial Results for the Fiscal Year 2014 (Six-month period ended September 30, 2014)

On October 31, 2014, Sumitomo Corporation announced its consolidated results for the six-month period ended September 30, 2014, prepared on the basis of International Financial Reporting Standards (IFRS).

1. Financial Highlights

- “Profit for the period attributable to owners of the parent” decreased by 155.0 billion yen, from 116.6 billion yen to a loss of 38.4 billion yen. On September 29, 2014, we announced in a press release titled ‘Notice Concerning Revisions of Consolidated Earnings Forecasts and Dividend Forecasts, and Interim Dividend, for the fiscal year ending March 31, 2015 and Divestment of Certain Fixed Assets and Recognition of Impairment Loss’ that we expect to post impairment losses of approximately 240 billion yen in this fiscal year. Of these, in the first half we posted impairment losses of 167.3 billion yen in Tight oil development project in the U.S. and Coal-mining projects in Australia.

“Basic profit (*1)”, which excludes extraordinary gains and losses, totaled 115.7 billion yen, representing an increase of 1.8 billion yen.

*1: Basic profit = (Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expenses, net of interest income + Dividends) x (1 – Tax rate (*2)) + Share of profit of investments accounted for using equity method

*2: Tax rate: FY2013 38%, FY2014 36%

- We ended in the red due to the posting of impairment losses; also, a look at Basic profit results shows that our mineral resources businesses are sluggish, due not only to the drop in market prices but to costs associated with large-scale investment projects and other factors. In non-mineral resources businesses, on the other hand, “earnings pillars” including tubular product business, overseas power infrastructure business and media business saw steady profit growth and projects in which we have invested in over recent years are contributing to our earnings in the second

quarter and following.

- “Free cash flow” totaled 197.1 billion yen outflow. We made new investments of approx.220.0 billion yen, while our core businesses performed well in generating cash.
“Total assets” stood at 8,813.0 billion yen at the period-end.

2. Progress for the Fiscal Year Ending March 31, 2015

- The overall outlook for performance excluding impairment losses is for profit of 250.0 billion yen as initially forecast, since the first half result which excludes impairment losses was 128.9 billion yen and we expect our core businesses in non-mineral resources businesses to continue strong in the second half.
However, in addition to the impairment losses posted for two projects in the first half, there is a possibility of impairment losses in Iron ore mining project in Brazil and Tire business in the U.S. are expected to occur, depending on future market conditions and business performance. When these influences are factored in, the full-year outlook is for profit of 10.0 billion yen.
- Regarding projected year-end dividend, as we described in the press release announced on September 29, 2014, we has been setting the projected year-end dividend as “to be fixed”, however, since our businesses excluding the impairment losses show robust performance, we decided to revise the projected year-end dividend to 25 yen per share as initially announced on May 1, 2014.
- To make clear management responsibility for the losses incurred in this fiscal year, the President’s average monthly remuneration and bonus will be reduced by approximately 40 percent year-on-year on an annual income basis, while other executive officers will receive cuts of approximately 20 to 25 percent depending on their position.

3. Tentative plans for next Medium-Term Management Plan

- In our next Medium-Term Management Plan, given the losses in this term, we are considering initiatives in the area of managerial reform and for on-going strengthening of our earning power.
- In promoting managerial reform, based on an analysis of factors causing losses and advice to management by a recently formed “Special Committee on Managerial Reform”, we plan to revise our corporate governance and decision-making processes and take further steps to strengthen our risk management structure.
- We are considering the setting of targets for generating positive free cash flow after dividends. And we plan to make investments for strengthening our earning power using as capital the cash earned from our businesses and cash collected from asset replacement by divesting businesses with low profitability.
- After further studies, we plan to announce company-wide quantitative targets in the next Medium-Term Management Plan by the end of this coming March.

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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.