

# Annual Results for FY2015 Be the Best, Be the One 2017

May 10th, 2016  
Sumitomo Corporation

 Sumitomo Corporation

## Topics

1. Annual Results for FY2015 and Forecasts for FY2016

2. Be the Best, Be the One 2017

### 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.

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# 1. Annual Results for FY2015 and Forecasts for FY2016

## 1. Annual Results for FY2015 and Forecasts for FY2016

### (1) Annual Results for FY2015

(billion yen)	FY2014 ①	FY2015 ②	change ②-①	FY2015 (Forecasts, Feb.2016) ③
<b>Profit for the year</b>	<b>-73.2</b>	<b>74.5</b>	<b>+147.7</b>	<b>100.0</b>
Impairment losses	-310.3	-195.1	+115.2	-170.0
Profits from the reorganization of automotive financing business in Indonesia	-	35.6	+35.6	30.0
Profit for the period (excl. impairment losses etc.)	237.1	234.0	-3.1	240.0
<b>Basic profit*</b> (excl. impairment losses)**	<b>246.3</b>	<b>193.2</b>	<b>-53.2</b>	<b>200.0</b>
Mineral resources***	11.0	-9.5	-20.4	} ... affected by falling resources prices
Tubular products***	44.7	-6.1	-50.7	
Non-mineral resources (excl. Tubular products)	190.7	208.7	+18.0	} ... steadily

#### Major impairment losses in FY15

	Amount	Projects
3Q	-111.6 bil.yen	Nickel Project in Madagascar(-77.0), Iron Ore Mining Project in South Africa(-18.3), Copper and Molybdenum Mining Project in Chile(-14.0) etc.
4Q	-83.5 bil.yen	Edgen Group(-18.1), Iron Ore Mining Project in Brazil(-14.6), Coal Mining Projects in Australia(-12.1) etc.
Total	-195.1 bil.yen	

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

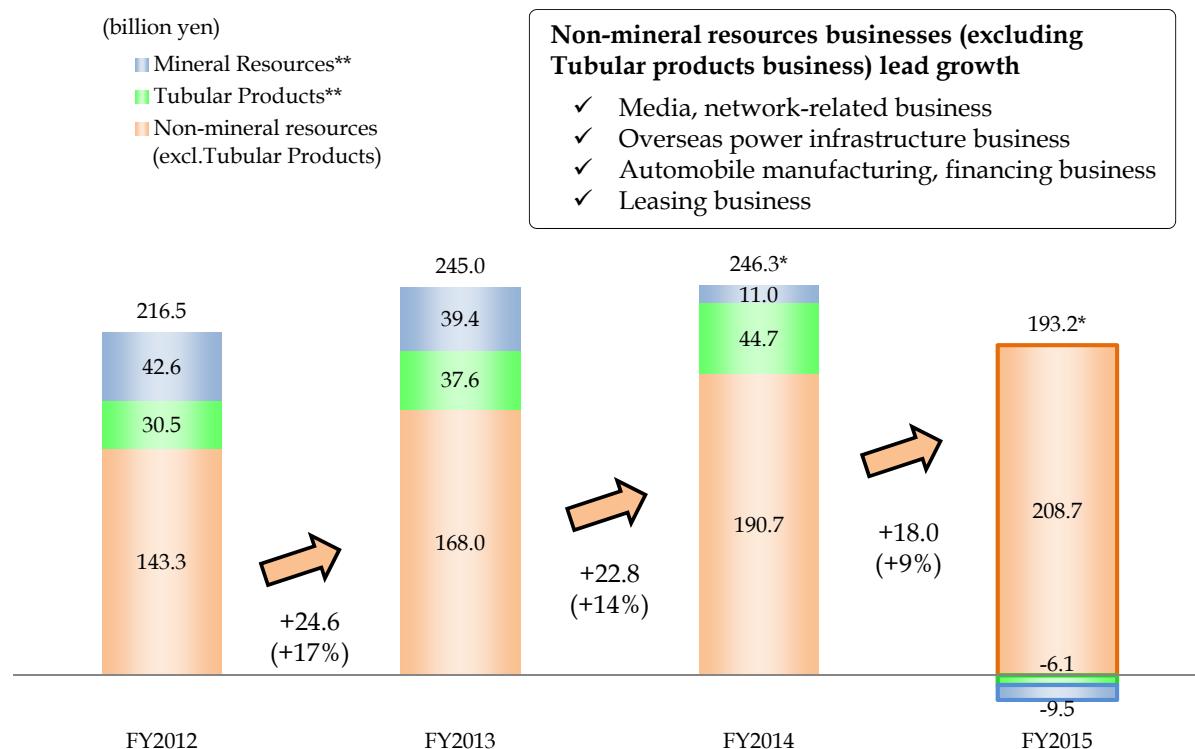
\*\* Excluding the impacts of impairment losses included in "Share of profit of investments accounted for using the equity method"

\*\*\* Global basis, including all overseas operations by simplified calculation method (reference)

# 1. Annual Results for FY2015 and Forecasts for FY2016

## (2) Basic Profit

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# 1. Annual Results for FY2015 and Forecasts for FY2016

## (3) Free Cash Flow

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(Unit: billion yen)	FY2015 Results
Basic profit cash flow *	+204.3
Depreciation and amortization	+125.1
Asset replacement	Approx. +230.0
Others	Approx. +220.0
<b>Cash-in Total</b>	<b>Approx. +780.0</b>
Investment & Loan	Approx. -270.0
Additional and replacement investment	Approx. -230.0
New investment	Approx. -40.0
<b>Free cash flow</b>	<b>+514.3</b>
Dividend	-62.4
<b>Free cash flow (post-dividend)</b>	<b>+451.9</b>

\* Basic Profit Cash Flow = Basic Profit  
 - Share of profit of investments accounted for using the equity method  
 + Dividend from investments accounted for using the equity method

\*\* Collection by dividend

### Basic profit cash flow

Core businesses generated cash steadily  
 Reorganization of automotive financing business in Indonesia\*\* etc.

### Asset replacement

Value realization in renewable energy power generation business  
 Value realization in real estate business

### Others

Tubular products: decrease in operating assets etc.

### Investment & Loan

- Additional and replacement investment  
 Nickel Project in Madagascar (adding 5% equity from SNC-Lavalin)  
 Construction equipment rental business in the U.S.  
 Capital investment by SCSK etc.

- New investment  
 Commercial facilities in Japan  
 Solar power plant and biomass power plants in Japan  
 Off-shore wind power generation business in Belgium etc.

# 1. Annual Results for FY2015 and Forecasts for FY2016

## (4) Key Financial Indicators

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(billion yen)	FY2014 Results as of Mar.31,2015	FY2015 Results as of Mar.31,2016	change
Total Assets	9,021.4	7,817.8	approx. -1,200
	(Major factors)	Decrease of receivables and inventories Reorganization of automotive financing business in Indonesia Impairment losses Yen's appreciation	approx. -400 approx. -200 approx. -200 approx. -300
Shareholders' Equity	2,481.4	2,251.5	approx. -230
	(Major factors)	Yen's appreciation	approx. -200
Shareholders' Equity Ratio	27.5%	28.8%	+1.3%
Interest-bearing Liabilities (Net)	3,517.5	2,770.3	approx. -750
	(Major factors)	Repayment with cash generated Reorganization of automotive financing business in Indonesia	approx. -500 approx. -200
DER(Net, times)	1.4	1.2	-0.2point
ROA	2-year average 0.9%	0.9%	
ROE	2-year average 3.2%	3.2%	

# 1. Annual Results for FY2015 and Forecasts for FY2016

## (5) Forecasts for FY2016

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### Economic Outlook

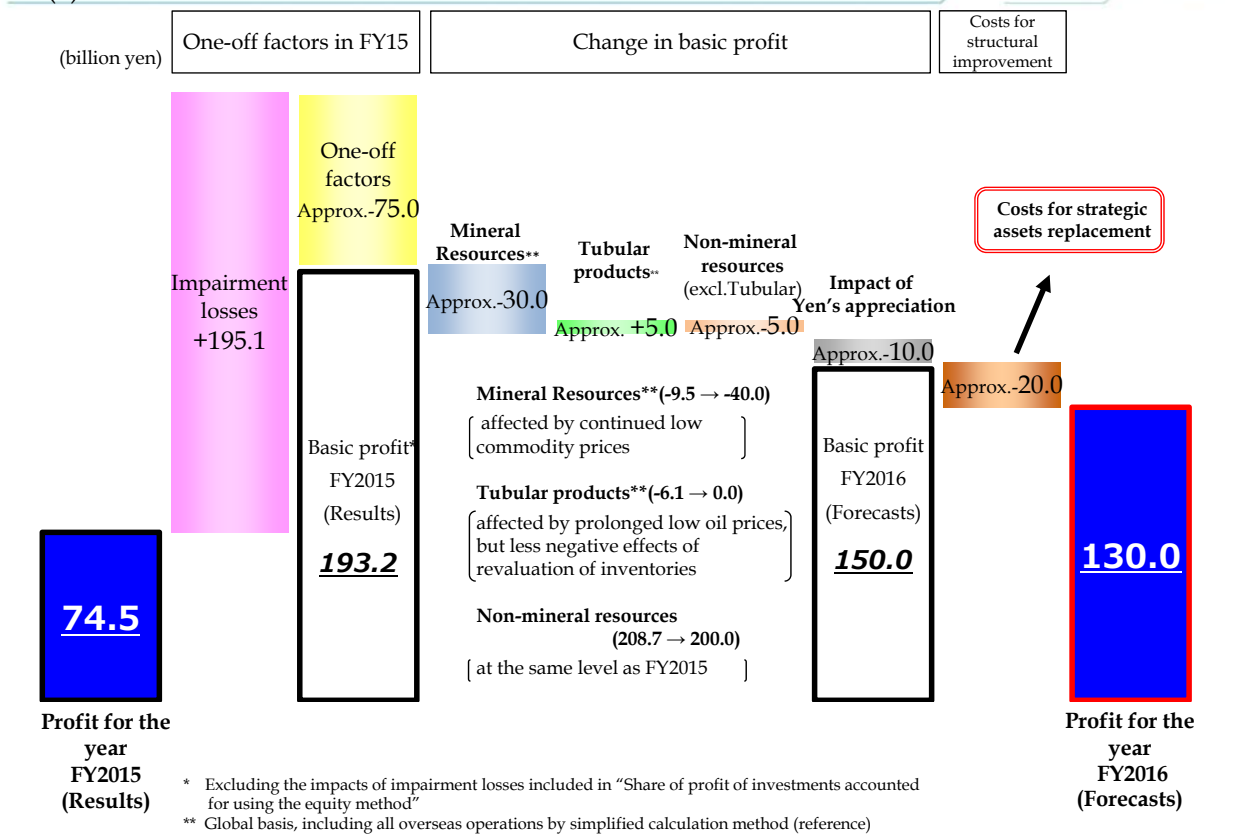
- Developed economies are expected to continue their steady growth.
- There remains uncertainty about the future, including a slowdown of the Chinese economy, the acceleration of capital outflows from some emerging economies, and the prolonged decline of mineral resources prices.

(billion yen)	FY2015 Results	FY2016 Forecasts	change	Assumption	FY2015	FY2016
Profit for the year	74.5	130.0	approx. +55.0	Exchange rate (YEN/US\$) [Apr-Mar]	120.14	110.00
Basic profit (excl. impairment losses)	193.2	150.0	approx. -40.0	Oil (Brent) (US\$/bbl) [Jan-Dec]	52	48
				Copper (US\$/MT) [Jan-Dec]	5,502	4,589
				Zinc (US\$/MT) [Apr-Mar]	1,831	1,800
				Nickel (US\$/lb) [Jan-Dec*]	5.32	3.92
				Iron ore** (US\$/MT) [Jan-Dec]	56	50
				Coking coal** (US\$/MT) [Apr-Mar]	93	80

\* FY2015 shows Jan.2015 to Mar.2016 average price due to the change in consolidated period for Nickel mining and refining business in Madagascar  
\*\* Iron ore and Coking coal prices are general market prices.

1. Annual Results for FY2015 and Forecasts for FY2016

(5)-2. Forecasts for FY2016



## 2. Be the Best, Be the One 2017

### 2. Be the Best, Be the One 2017

#### (1) Revision of Quantitative Targets

#### ■ Revised the quantitative targets of the mid-term plan, in light of the deterioration in the business environment

##### Revision of earning targets

Revised earning targets, anticipating slow recoveries in mineral resources business and tubular products business due to the prolonged slump in mineral resources prices

Earning targets in FY2017	:	300 billion yen or more	→	220 billion yen or more
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##### Revision of cash flow plans

Secure further financial soundness through achieving positive post-dividend free cash flow of 500 billion yen and repayment of interest-bearing liabilities

Post-dividend free cash flow (Three-year total)	:	positive	→	500 bil.yen
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##### Regain the balance between Core Risk Buffer and Risk-adjusted Assets

Keep the financial policy that the balance should be regained between Core Risk Buffer and Risk-adjusted Assets by the end of BBBO2017

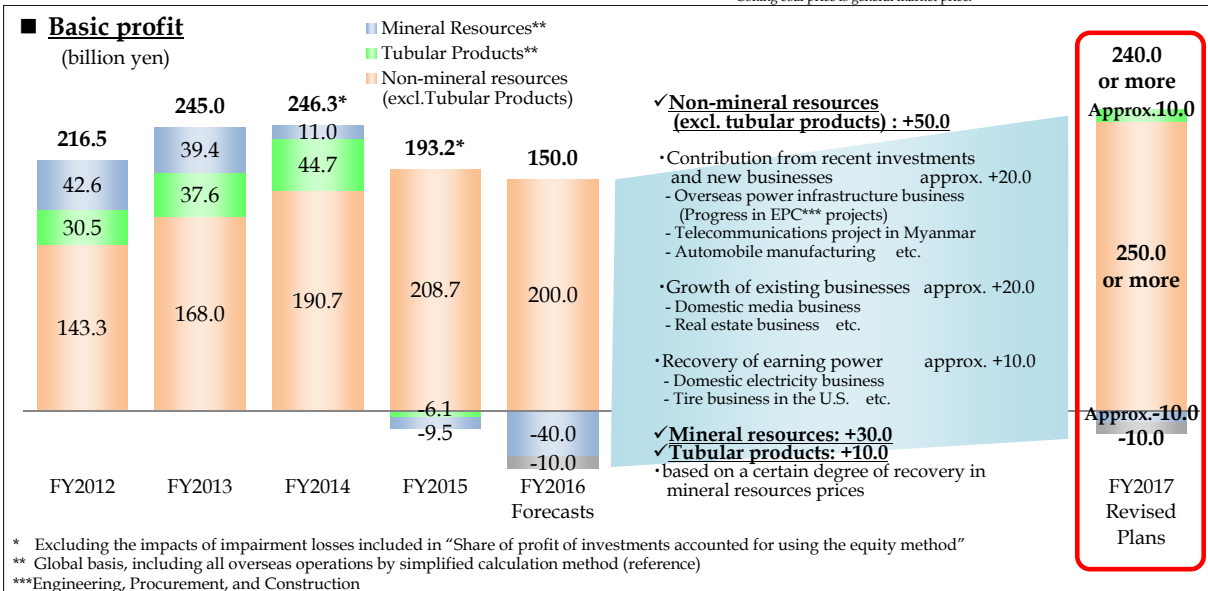
## 2. Be the Best, Be the One 2017 (2) Revised plans for FY2017

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billion yen	FY2016 Forecasts ①	<b>FY2017 Revised Plans</b> ②	change ②-①
<b>Profit for the year</b>	<b>130</b>	<b>220 or more</b>	<b>+90 or more</b>
Costs for structural improvement	(-20)	(-20)	
<b>Basic profit</b>	<b>150</b>	<b>240 or more</b>	<b>+90 or more</b>

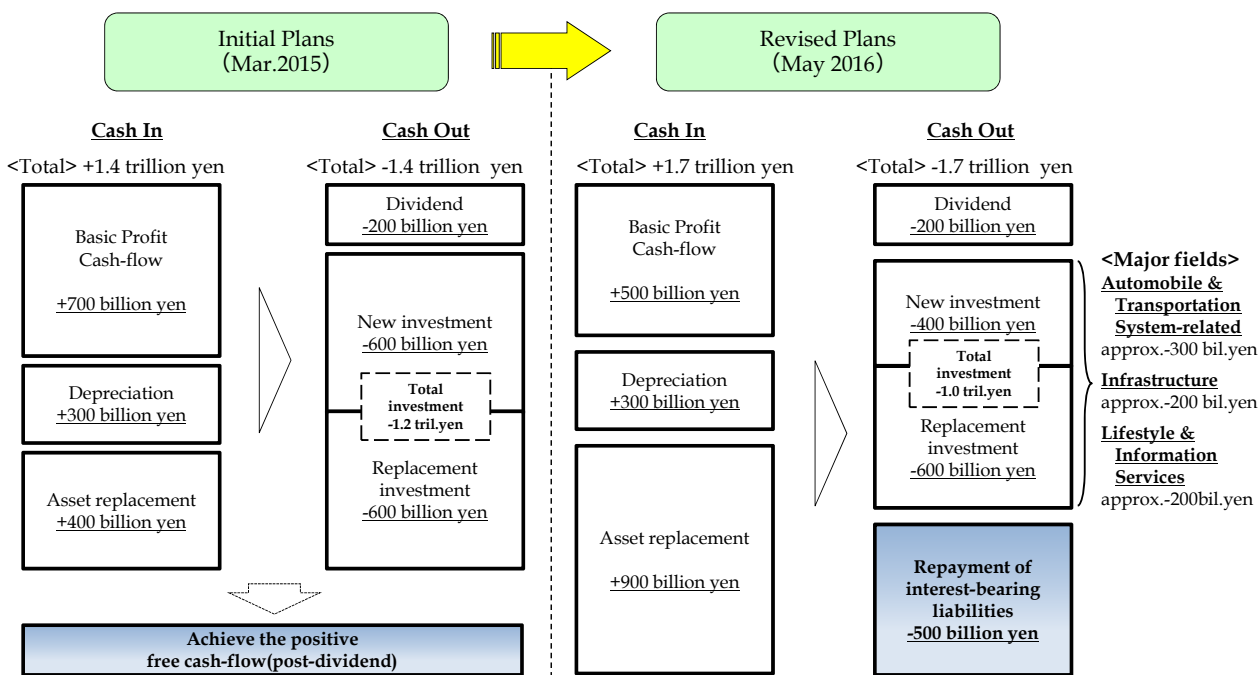
Assumptions		FY2016	FY2017
Copper	US\$/MT	4,589	4,916
Zinc	US\$/MT	1,800	2,222
Nickel	US\$/lb	3.92	6.00
Oil (Brent)	US\$/bbl	48	54
Coking coal *	US\$/MT	80	85

\* Coking coal price is general market price.



## 2. Be the Best, Be the One 2017 (3) Revision of Cash flow plans

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## 2. Be the Best, Be the One 2017 (4) Key Financial Indicators

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billion yen	(reference)		
	Start of BBBO2017 (Results, Mar.31,2015)	End of BBBO2017 (Revised plans, Mar.31, 2018)	End of BBBO2017 (Initial Plans, Mar.31, 2018)
Total Assets	9,021.4	8,000.0	10,000.0
Shareholders' Equity	2,481.4	2,500.0	3,100.0
Shareholders' Equity Ratio	27.5%	31.3%	31.0%
Interest-bearing Liabilities (Net)	3,517.5	2,700.0	3,500.0
DER (Net, times)	1.4	approx. 1.1	approx. 1.1
ROA	2-year average 0.9%	FY2017 2.5% or more	FY2017 3.0% or more
ROE	2-year average 3.2%	FY2017 approx. 9.0%	FY2017 approx. 10.0%
Risk-adjusted Return Ratio	2-year average 3.5%	FY2017 9.0% or more	FY2017 10.0% or more
Basic Profit Cash Flow	2-year total 400.0	3-year total 500.0	3-year total 700.0
Free Cash Flow	2-year total -127.5	3-year total 700.0	3-year total 200.0
Risk-adjusted Assets [RA]	2,460.0	2,400.0	2,900.0
Core Risk Buffer [RB] *	2,320.0	2,400.0	2,900.0
(Core RB-RA)	(-140.0)	(Regain balance)	(Regain balance)

\* Core risk buffer = Common stock + Retained earnings + Foreign currency translation adjustments - Treasury stock, at cost

## 2. Be the Best, Be the One 2017 (5) Dividend Policy

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Base Policy	Aim to increase dividends by achieving medium- and long-term earnings growth while adhering to fundamental policy of paying shareholders a stable dividend over the long term
BBBO2017 Dividend Policy	We will decide dividend amount in view of the situations regarding basic profit and cash flow, with ¥50 per share as the minimum amount of annual dividend and a consolidated payout ratio of 25% or more as reference
Annual Dividend	FY 2015 ¥50 per share (Interim ¥25 per share, Year-end ¥25 per share [plan]) FY 2016 ¥50 per share (plan)



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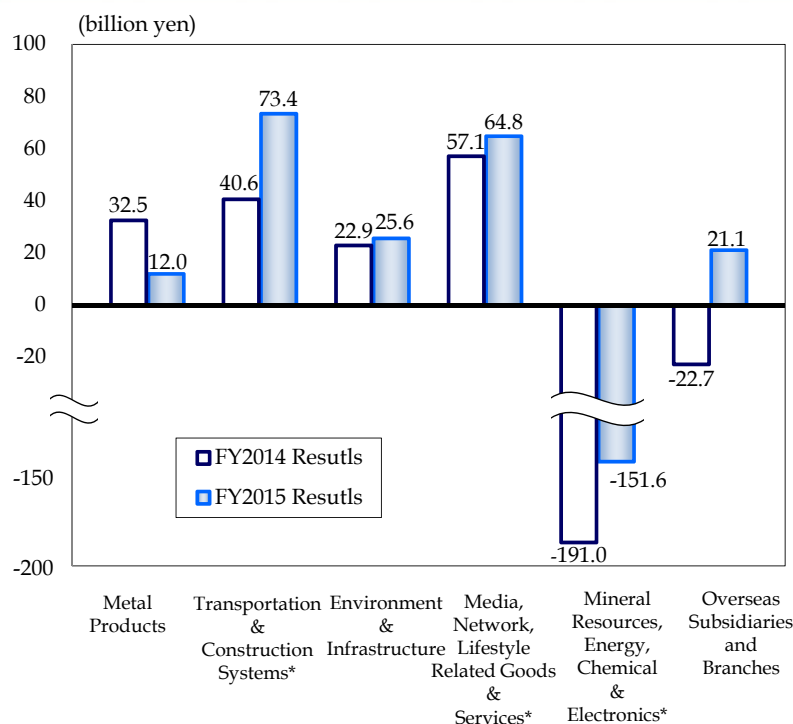
## Appendix

### (Reference)

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# Annual Results for FY2015, Profit for the year by Segment

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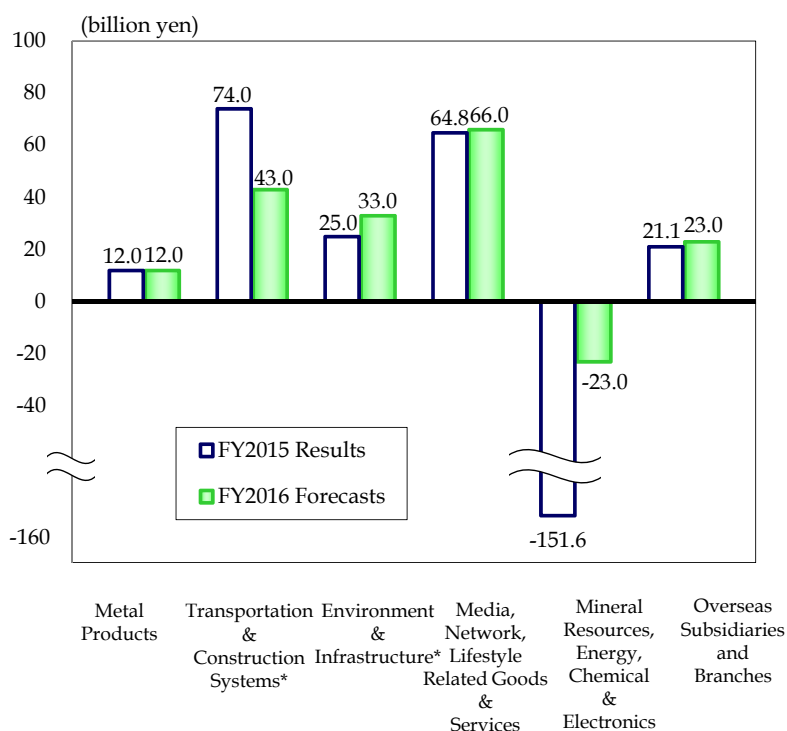
\*The segment information of FY14 has been reclassified, according to organizational change on Oct.1, 2014 and Apr. 1, 2015.

## Summary by Segment

- Metal Products**
  - Tubular products in North America: decreased
  - Overseas steel service center: stable
  - Impairment losses (¥5.3bil.in FY15)
- Transportation & Construction Systems**
  - Reorganization profit of automotive financing business in Indonesia (¥29.3 bil.)
  - Leasing business and construction equipment rental business in the U.S.: robust
- Environment & Infrastructure**
  - Overseas power infrastructure business: stable
  - Value realization in renewable energy power generation business
  - Domestic electricity business: impacted by wholesale price fluctuation
- Media, Network, Lifestyle Related Goods & Services**
  - Major group companies in Japan and real estate business: robust
  - Value realization in real estate business etc.
  - Impairment loss (¥9.8 bil. in FY15)
- Mineral Resources, Energy, Chemical & Electronics**
  - Impairment losses(¥227.8 bil. in FY14, ¥156.8 bil. in FY15)
  - Decrease due to drop in mineral resources prices
- Overseas Subsidiaries and Branch**
  - Impairment losses (¥75.0bil. in FY14, ¥23.6 bil. in FY15)
  - Value realization from asset replacements
  - Tubular products in North America: decreased

# Forecasts for FY2016, Profit for the year by Segment

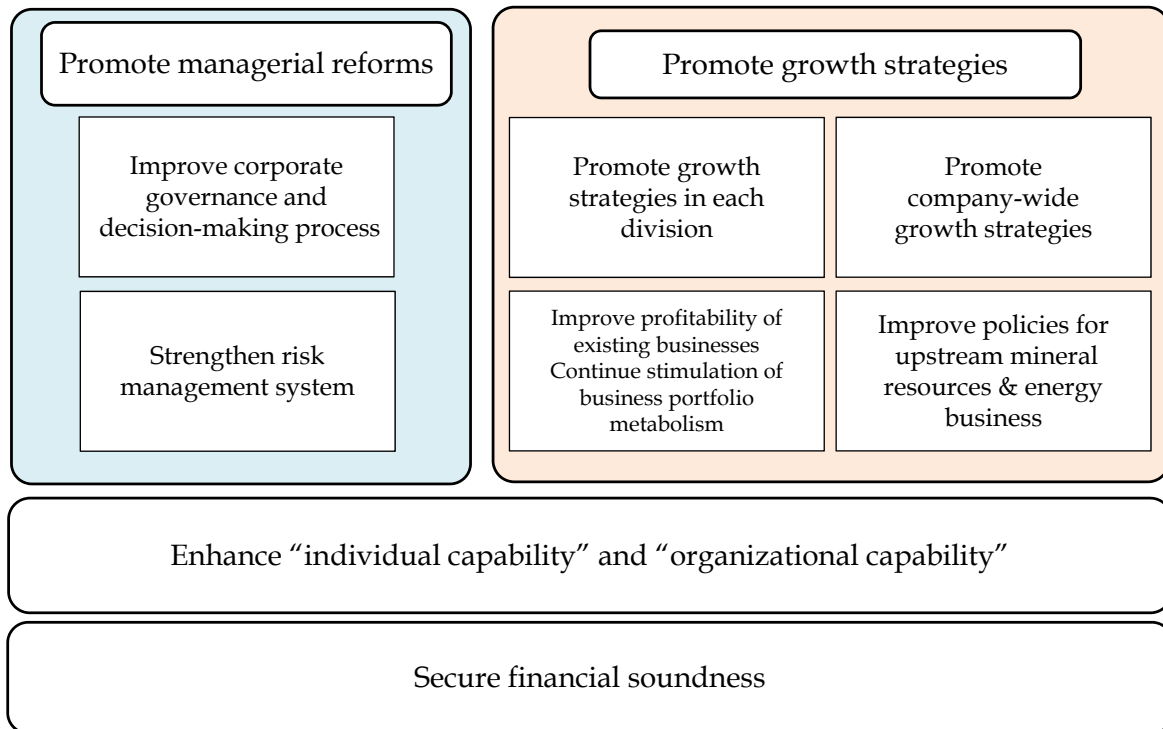
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\*The segment information of FY15 has been reclassified, according to organizational change on Apr. 1, 2016.  
\*\* Engineering, Procurement, and Construction

## Summary by Segment

- Metal Products**
  - Overseas steel service center: stable
  - Tubular products in North America: affected by difficult business climate
  - One-off profits/losses in FY15
- Transportation & Construction Systems**
  - Reorganization profit of automotive financing business in Indonesia in FY15
  - Lackluster shipping market and reduction of share in equity of automotive financing business in Indonesia
  - Leasing business and construction equipment rental business in the U.S.: robust
- Environment & Infrastructure**
  - Overseas power infrastructure business: stable
  - Progress in construction of power EPC\*\* projects
  - Domestic electricity business: increase in retail sales
- Media, Network, Lifestyle Related Goods & Services**
  - Major group companies in Japan and real estate business : robust
  - One-off profits in real estate business etc. in FY15
  - Impairment loss in grain business in Australia in FY15
- Mineral Resources, Energy, Chemical & Electronics**
  - Impairment losses in FY15
  - Decrease due to falling mineral resources prices
- Overseas Subsidiaries and Branch**
  - Impairment losses and one-off profits in FY15
  - Tubular products in North America: affected by difficult business climate



## Promote managerial reforms



# Promote growth strategies, Investments by Segment

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Business unit	Investment (billion yen)			Major investment fields for growth
	Revised Plans		(reference) Initial Plans	
	FY2015 Results	3-year total	3-year total	
Metal Products	14.0	140.0	150.0	
Transportation & Construction Systems	78.0	250.0	250.0	<ul style="list-style-type: none"> <li>Construction equipment rental business in the U.S.</li> <li>Aircraft engine leasing business</li> </ul>
Environment & Infrastructure	28.0	180.0	250.0	<ul style="list-style-type: none"> <li>Solar power plant and biomass power plants in Japan</li> <li>Off-shore wind power generation business in Belgium</li> </ul>
Media, Network, Lifestyle Related Goods and services	41.0	250.0	250.0	<ul style="list-style-type: none"> <li>Capital investment by SCSK</li> <li>Acquisition of commercial facilities</li> </ul>
Mineral Resources, Energy, Chemical & Electronics	115.0	180.0	150.0	
(Upstream interests)	104.0	140.0	100.0	<ul style="list-style-type: none"> <li>Nickel Project in Madagascar</li> </ul>
Strategic Focus, Others	0.0	0.0	150.0	
<b>Total</b>	<b>270.0</b>	<b>1,000.0</b>	<b>1,200.0</b>	

# Promote growth strategies, Investments by Business Field

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Industrial Field	Investment Plan			Major investment fields for growth
	Revised Plans		(reference) Initial Plans	
	FY2015 Results	3-year total	3-year total	
Automobile & Transportation System-related	80.0	330.0	310.0	①Metal Products, ②Transportation & Construction Systems, ③Environment & Infrastructure, ④Media, Network, Lifestyle related Goods & Services, ⑤Mineral Resources, Energy, Chemical & Electronics ①Materials for automobiles ②Aircraft-related leasing ①②⑤Auto parts-related ②Ship ②Auto distribution & sales ②Tire ②Overseas construction equipment rental ②Auto leasing, financing
Infrastructure	30.0	180.0	260.0	①②Railway-related products ③Electricity business-related (Japan) ③Overseas power infrastructure-related ③Overseas Industrial Park ③Overseas renewable energy-related
Lifestyle & Information services	40.0	210.0	250.0	①Life-related Aluminum products ③Retail (Japan) ①④Construction materials-related ④Real estate ④Media ④Overseas mobile ④IT-related, Mobile (Japan)
Mineral Resources & Energy-related (excl. upstream interests)	10.0	80.0	90.0	①Tubular products & related ⑤Petrochemicals-related ①Offshore structu
Food & Agriculture	10.0	60.0	40.0	④Food ⑤Crop protection, Fertilizer
Mineral Resources Upstream Interests	100.0	140.0	100.0	Contracted investment in existing projects
Strategic Focus, Others	0.0	0.0	150.0	
<b>Total</b>	<b>270.0</b>	<b>1,000.0</b>	<b>1,200.0</b>	

Financial Services

Assumptions		FY15 Results (Apr, 2015-Mar, 2016)	FY16 Outlook (Apr, 2016-Mar, 2017)	Sensitivity to profit* <sup>1</sup> (as of May, 2016)
Foreign Exchange (YEN/US\$) [Apr.-Mar.]		120.14	110.00	around 0.5 billion yen (1JPY/US\$)
Interest rate	LIBOR 6M (YEN) [Apr.-Mar.]	0.11%	0.00%	—
	LIBOR 6M (US\$) [Apr.-Mar.]	0.61%	1.00%	—
Crude oil<North Sea Brent> (US\$/bbl) [Jan.-Dec.]		52	48	around 40 million yen (1US\$/bbl)
Copper (US\$/t) [Jan.-Dec.]		5,502	4,589	around 700 million yen (100US\$/t)
Zinc (US\$/t) [Apr.-Mar.]		1,831	1,800	around 1.0 billion yen (100US\$/t)
Nickel (US\$/lb) [Jan.-Dec.* <sup>2</sup> ]		5.32	3.92	around 4.5 billion yen (1US\$/lb)
Iron ore (US\$/t) [Jan.-Dec.]* <sup>3</sup>		56	50	around 300 million yen (1US\$/t)
Coking coal (US\$/t) [Apr.-Mar.]* <sup>3</sup>		93	80	around 220 million yen (1US\$/t)

\*1 Foreign Exchange: including hedge, Others: excluding hedge

\*2 Due to the change in fiscal period, it shows the average price of Jan, 2015 to Mar, 2016

\*3 Iron ore and Coking coal prices are general market price.

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

## Performance Overview

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  - Exposure of upstream mineral resources & energy business
- 1-6 Overseas Subsidiaries and Branches
- 2 Breakdown of Impairment Losses

※On April 1, 2015 Tire Department was transferred from Media, Network, Lifestyle Related Goods & Services Business Unit to Transportation & Construction Systems Business Unit. Also, on April 1, 2016 a part of business of Battery Business Development Department was transferred from Environment & Infrastructure Unit to Transportation & Construction Systems Business Unit. The results of FY2014 and 2015 are shown based on the organization as of the end of Mar, 2016 and the forecast for FY 2016 is shown based on the new organization after April 1, 2016 onwards.

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## 1-1 Metal Products

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### 【Profit for the Year (Apr. 2015-Mar. 2016) : 12.0 billion yen】

(20.5 billion yen decrease from Apr. 2014-Mar. 2015)

#### •Steel sheets

Overseas steel service center : stable

#### •Tubular products

North America : decreased

Edgen Group : posted impairment loss

### 【Business Outlook】

- Steel service center : stable
- Tubular products in North America : continued difficult business climate
- One off profit/loss in FY 2015

(unit: billions of yen)	2014 Results	2015 Results	2016 Forecasts
Gross profit	103.5	77.3	74.0
Operating profit	37.4	11.6	-
Share of profit/loss(-) of Investments accounted for using the equity method	9.1	4.7	-
Profit/loss(-) for the year attributable to owners of the parent	32.5	12.0 (-5.3)*	12.0
		1Q   2Q   3Q   4Q	
		5.4   4.0   5.2   -2.5	
Basic profit	33.7	13.5	-
Total assets	877.6	674.2	-

\*The amount of impairment losses

### 【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 (unit: billions of yen)		
	2014 Results	2015 Results	2016 Forecasts
•SC Pipe Services:	3.2	1.7	-1.1
•Sumisho Metalex:	1.2	1.0	0.6
•Aluminum smelting business in Malaysia(14/20):	0.6	0.2	0.3
•ERYNGIUM(30/100):	1.9	-0.2	-0.1
•Edgen Group(29/100):	0.1	-7.6	-0.5

# 1-2 Transportation & Construction Systems

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## 【Profit for the Year (Apr. 2015-Mar. 2016) : 73.4 billion yen】

(32.8 billion yen increase from Apr. 2014-Mar. 2015)

### •Ships, aerospace and railway car

Leasing business : stable

### •Automobile

Tire business in the U.S. : impairment loss in FY14  
Automotive Financing Business in Indonesia : posted one-off profit from reorganization  
Commercial Bank in Indonesia : newly consolidated

Leasing business : stable

### •Construction equipment

Rental business in the U.S. : stable

## 【Investment & Replacement in FY15】

- Increased assets in construction equipment rental business in the U.S.
- Value realization in construction equipment rental business in Canada (Nov, 2015)
- Capital reorganization of Indonesia Automotive Financing Business (Mar, 2016)

## 【Business Outlook】

- Posted one-off profit from reorganization of Automotive Financing Business in Indonesia
- Lackluster shipping market and decrease in shares in equity of Indonesia Automotive Financing Business
- Leasing businesses and construction equipment rental business in the U.S. : stable

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(unit: billions of yen)	2014 Results	2015 Results	2016 Forecasts
Gross profit	183.6	175.5	152.0
Operating profit	18.4	24.3	-
Share of profit/loss(-) of Investments accounted for using the equity method	31.7	31.3	-
Profit/loss(-) for the year attributable to owners of the parent	40.6	73.4 (-2.3)*	43.0
	(-7.5)*	1Q 15.5 2Q 11.1 3Q 13.5 4Q 33.3	
Basic profit	51.4	50.7	-
Total assets	1,756.4	1,508.5	-

\*The amount of impairment losses

## 【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 (unit: billions of yen)		
	2014 Results	2015 Results	2016 Forecasts
•Sumitomo Mitsui Finance and Leasing(35/40):	16.0	17.3	16.4
•Automotive Financing Business in Indonesia *1:	5.2	5.7	2.9
•Sumitomo Mitsui Auto Service:	4.4	5.1	4.8
•Bank Tabungan Pensiunan Nasional(BTPN)(12.5/20)*2:	-	1.9	-
•Sumisho Machinery Trade Corporation(60/100):	1.1	1.0	0.9
•TBC(40/100):	-9.9	-0.7	0.0

\*1 Equity in earnings of P.T. Oto Multiartha and P.T. Summit Oto Finance, which were showed separately until the last time, are included according to the capital reorganization in March 2016.  
\*2 We refrain from disclosing forecasts of FY2016 since BTPN refrains their forecasts.

# 1-3 Environment & Infrastructure

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## 【Profit for the Year (Apr. 2015-Mar. 2016) : 25.6 billion yen】

(2.7 billion yen increase from Apr. 2014-Mar. 2015)

•IPP/IWPP (overseas) : stable

•Value realization in domestic/overseas projects of renewable energy businesses

•Electricity business (Japan) :

impacted by price fluctuation in wholesale power market

## 【Investment & Replacement in FY15】

- Started construction in the 3rd project of off-shore wind power generation in Belgium (Oct., 2015)
- Constructing solar farm and biomass power plant in Japan, and combined cycle power plant in Ghana
- Sold part of interest in wind farm in the U.S. (Aug., 2015)
- Sold photovoltaic power generation business in the U.S (Mar, 2016)
- Sold part of interest in wind/photovoltaic power generation plants in Japan (Mar, 2016)

## 【Business Outlook】

- IPP/IWPP (overseas) : stable
- New Large EPC\* projects : progress in construction
- Electricity business (Japan) : increase sales

\* EPC: Engineering, Procurement & Construction

◆ Sumitomo Corporation

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(unit: billions of yen)	2014 Results	2015 Results	2016 Forecasts
Gross profit	64.5	56.8	66.0
Operating profit	20.5	15.0	-
Share of profit/loss(-) of Investments accounted for using the equity method	5.3	10.1	-
Profit/loss(-) for the year attributable to owners of the parent	22.9	25.6	33.0
		1Q 3.7 2Q 3.7 3Q 6.2 4Q 12.1	
Basic profit	17.5	19.6	-
Total assets	597.2	560.2	-

## 【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 (unit: billions of yen)		
	2014 Results	2015 Results	2016 Forecasts
•Sumisho Global Logistics:	1.3	1.6	1.5
•Perennial Power Holdings(40/100):	0.5	0.3	0.0



**【Profit for the Year (Apr. 2015-Mar. 2016) : 64.8 billion yen】**

(7.7 billion yen increase from Apr. 2014-Mar. 2015)

**• Major group companies in Japan**

J:COM, SCSK, Jupiter Shop Channel etc. : stable

**• Real estate business : stable**

• Value realization in domestic real estate business

• Grain business in Australia: posted impairment loss

**【Investment & Replacement in FY15】**

• Acquired real estate including commercial facilities

• Fixed asset investments by SCSK

• Sold office buildings

 • Sold part of shares in SKY Perfect JSAT Holdings Inc.  
(Dec, 2015)

 • Capital reorganization in Jupiter Shop Channel  
(Mar, 2016)

**【Business Outlook】**

• Major group companies in Japan and real estate business : stable

• Posted one off profit in FY2015 in real estate business, etc

• Grain business in Australia : posted impairment loss in FY2015

(unit: billions of yen)	2014 Results	2015 Results	2016 Forecasts
Gross profit	239.0	254.6	260.0
Operating profit	44.7	55.6	-
Share of profit/loss(-) of Investments accounted for using the equity method	40.1	44.2	-
Profit/loss(-) for the year attributable to owners of the parent	57.1	64.8 (-9.8)*	66.0
		1Q 2Q 3Q 4Q	
		17.6 13.2 11.0 22.9	
Basic profit	57.8	70.8	-
Total assets	1,762.7	1,735.0	-

\*The amount of impairment losses

**【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 (unit: billions of yen)		
	2014 Results	2015 Results	2016 Forecasts
• J:COM*1 :	26.1	28.7	32.8
• SCSK :	3.3	9.0	10.0
• Jupiter Shop Channel*2 :	7.1	8.2	7.8
• Summit :	2.4	3.2	3.2
• Banana business :	1.8	1.3	1.1
• TOMOD'S Inc. :	1.3	1.2	1.1
• SC Foods :	0.7	1.1	0.9
• Sumisho Realty Management Co., Ltd. :	0.6	1.0	0.6
• MobiCom*3 :	1.0	0.8	1.1
• S.C.Cement(98/100) :	0.9	0.7	0.9
• Grain business in Australia(70/100) :	-1.6	-14.8	0.0

\*1 From Mar, 2016, its result includes 25% share of the result of Jupiter Shop Channel

\*2 On Mar, 2016, we have lowered our share in this company from 50% to 45%

\*3 In June 2015, our shares in MobiCom Corporation were increased from 33.98% to 34.90%.

**【Profit for the Year (Apr. 2015-Mar. 2016) : -151.6 billion yen】**

(39.4 billion yen increase from Apr. 2014-Mar. 2015)

**• Mineral Resources & Energy (excl. impairment losses)**

Apr. 2015-Mar. 2016 / Apr. 2014-Mar. 2015 (increase/decrease), billion yen

**Mineral Resources & Energy (excl. Impairment Losses) -4.3 / 25.6 (-29.9)**

Silver, zinc and lead business in Bolivia : decline in prices -1.9 / 11.0 (-12.9)

Nickel mining and refining business in Madagascar

: decline in prices and change in fiscal period -18.4 / -10.1 (-8.3)

LNG Japan : decline in selling prices 3.5 / 9.3 (-5.8)

Oresteel Investments : decline in prices 3.5 / 7.3 (-3.7)

Iron ore mining business in Brazil : decline in prices and decrease in volume -0.5 / 2.0 (-2.5)

(See "2 Breakdown of Impairment Losses" on the breakdown of impairment losses)

**• Chemical & Electronics : posted impairment loss**
**【Investment & Replacement in FY15】**

• Participated in multifaceted agricultural support business for crop production in Brazil (May, 2015)

• Additional investment in nickel mining and refining business in Madagascar (Sep, 2015)

**【Business Outlook】**

• Posted impairment loss in FY 2015

• Decrease due to decline in oil and mineral resources prices

(unit: billions of yen)	2014 Results	2015 Results	2016 Forecasts
Gross profit	86.9	80.3	67.0
Operating profit	-170.3	5.1	-
Share of profit/loss(-) of Investments accounted for using the equity method	-53.8	-155.4	-
Profit/loss(-) for the year attributable to owners of the parent	-191.0 (-227.8)*	-151.6 (-156.8)*	-23.0
		1Q 2Q 3Q 4Q	
		17.0 1.4 -113.4 -56.7	
Basic profit	-42.0	-145.2	-
Total assets	1,682.7	1,434.4	-

\*The amount of impairment losses

**【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 (unit: billions of yen)		
	2014 Results	2015 Results	2016 Forecasts
• LNG Japan :	9.3	3.5	1.4
• SC Minerals America(75/100)*1 :	3.7	2.0	1.6
• Sumitronics :	1.5	1.9	2.0
• Sumitomo Shoji Chemicals :	1.4	1.9	1.9
• PACIFIC SUMMIT ENERGY LLC(45/100) :	0.8	0.6	0.5
• SUMMIT RURAL WA(80/100) :	0.9	0.5	0.6
• SMM Cerro Verde Netherlands(19/20)*2 :	1.5	0.0	0.6
• Nusa Tenggara Mining :	-4.3	-0.4	0.0
• Oil field interests in the North Sea :	-0.2	-1.3	0.3
• Tight oil business in the U.S.(70/100) :	-138.6	-1.5	0.5
• Shale gas business in the U.S.(70/100) :	-21.3	-1.5	-1.7
• Silver, zinc and lead business in Bolivia(93/100) :	11.0	-1.9	1.9
• Companies related to coal business in Australia :	-24.1	-13.7	-6.3
• Oresteel Investments(45/49) :	7.3	-13.8	0.4
• Iron ore mining business in Brazil*3 :	-58.8	-14.7	-0.7
• Copper and molybdenum mining business in Chile :	-1.6	-16.8	-4.8
• Nickel mining and refining business in Madagascar*4 :	-10.1	-95.4	-16.4

\*1 Shares in equity of the segment were decreased from 84.75% to 75% in Aug, 2015

\*2 Shares in equity of the segment were decreased from 20% to 19% in Aug, 2015

\*3 The results and forecasts show equity in earnings of Jan-Dec 2014 for FY2014, Apr,2015-Mar,2016 for FY2015 and Apr,2016-Mar,2017 for FY 2016 respectively.

\*4 The results and forecasts show equity in earnings of Jan-Dec 2014 for FY2014, Jan,2015-Mar,2016 for FY2015 and Apr,2016-Mar,2017 for FY 2016 respectively.

## Mineral Resources Equity Share of Production and Sensitivity to Profit for the Year

		FY14 Results	FY15 Results					FY16 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]	2.8	0.4	0.4	0.4	0.5	1.8	2.1	¥220 mil (\$1/t)
	Prices[\$/t]	119	110	93	89	81	93	80	
<b>Thermal coal</b>	Equity share of shipping Volume[mil t]	5.1	1.4	1.6	1.5	1.3	5.7	5.5	¥450 mil (\$1/t)
	Prices[\$/t]	78	68	-*1	65	62	65	60	
<b>Iron ore</b> <small>Project in Brazil, included in the above</small>	Equity share of shipping Volume[mil t]	4.4	0.4	1.7	0.2	1.6	3.9	3.6	¥300 mil (\$1/t)
	Prices[\$/t]	97	62	58	55	47	56	50	
<b>Manganese ore</b>	Equity share of shipping Volume[mil t]	0.5	-	0.2	-	0.3	0.5	0.5	¥40 mil (\$1/t)
	Prices[\$/t]	220	191	151	147	88	144	93	
<b>Copper</b> <small>Nusa Tenggara Mining, included in the above</small>	Equity share of Production[Kt]	45	19	22	24	24	90	89	¥700mil (\$100/t)
	Equity share of Production[Kt]	13	9	11	13	10	42	27	
	Prices[\$/t]	6,860	5,815	6,054	5,251	4,887	5,502	4,589	

Note) Prices are general market price. FY16 forecasts and sensitivity to net income are as of May, 2016.

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

\*1 Prices were not settled.

## Mineral Resources Equity Share of Production and Sensitivity to Profit for the Year

		FY14 Results	FY15 Results					FY16 Forecasts	Sensitivity to net income (annual base/ excluding prices hedge)
			1Q	2Q	3Q	4Q	Annual		
<b>Silver</b>	Equity share of Production [mil toz]	11.9	3.2	3.1	3.0	4.0	13.4	10.8	¥700 mil (\$1/toz)
	Prices[\$/toz]	18.1	16.4	14.9	14.8	14.8	15.2	14.0	
<b>Zinc</b>	Equity share of production [Kt]	174	45	48	46	54	194	215	¥1.0 bil (\$100/t)
	Prices[\$/t]	2,175	2,193	1,844	1,611	1,676	1,831	1,800	
<b>Lead</b>	Equity share of production[Kt]	44	12	12	13	17	53	44	¥200 mil (\$100/t)
	Prices[\$/t]	2,021	1,946	1,712	1,681	1,742	1,770	1,715	
<b>Nickel</b>	Equity share of production[Kt]	10.2	3.2	2.9	3.6	7.5	17.2 <sup>*2</sup>	15.6~16.3	¥4.5 bil (\$1/lb)
	Prices[\$/lb]	7.65	6.51	5.91	4.78	4.07	5.32 <sup>*3</sup>	3.92	
<b>Crude oil, gas</b>	Equity share of production[mil bbl]	1.8	0.5	0.6	0.6	0.8	2.4	2.9	¥40 mil (\$1/bbl)
	Prices[\$/bbl]	99	54	62	51	42	52	48	
<b>LNG</b>	Equity share of production[Kt]	350	80	90	90	90	350	350	-

Note) Prices are general market price. FY15 forecasts and sensitivity to net income are as of May, 2016.

\*2 Due to the change in fiscal period, it shows the equity share of production from Oct, 2015 to Mar, 2016.

\*3 Due to the change in fiscal period, it shows the average price of Jan, 2015 to Mar, 2016

## Exposure of upstream mineral resources & energy business

(Unit: billion yen)

	End of Mar, 2015	End of Mar, 2016
<b>Coking/Thermal Coal</b>	90.0	80.0
<b>Iron Ore</b>	130.0	60.0
<b>Copper</b>	240.0	230.0
<b>Silver, Zinc, Lead</b>	150.0	120.0
<b>Nickel</b>	350.0	190.0
<b>Crude Oil, Gas, LNG</b>	100.0	100.0
<b>Total</b>	1,050.0	790.0

&lt;Reasons of differences&gt;

- Impairments
- Depreciation of ZAR and BRL
- Dividend payment
- Depreciation of USD
- Financial completion, impairment and depreciation of USD
- Acquisition of additional 5% shares

\* The amount of exposure is the total of investment, loan and guarantee

## 1-6 Overseas Subsidiaries and Branches

### 【Profit for the Year (Apr. 2015-Mar. 2016) : 21.1 billion yen】

(43.7 billion yen increase from Apr. 2014-Mar. 2015)

- Impairment losses in FY14 and FY15  
(See "2 Breakdown of Impairment Losses" on the breakdown)
- Value realization through asset replacements
- Tubular products in North America : decreased

Overseas	2014	2015	2016
Four Broad Regions	Results	Results	Forecasts
Americas	-47.6 (-71.0)*	10.8 (-11.1)*	9.2
Europe, Middle East, Africa & CIS	12.3 (-0.5)*	10.1 (-3.9)*	4.5
East Asia	4.2	0.6 (-2.5)*	3.9
Asia & Oceania	8.1 (-3.5)*	-0.5 (-6.0)*	5.2

\*The amount of impairment losses

### 【Investment & Replacement in FY15】

- Sold office building in Washington (May, 2015)
- Sold part of shares in wind farm in South Africa (Jun, 2015)

### 【Business Outlook】

- Posted impairment loss in FY 2015
- Posted one off profit in FY 2015
- Tubular products in North America : continued difficult business climate

(unit: billions of yen)	2014 Results	2015 Results	2016 Forecasts
Gross profit	277.5	253.2	253.0
Operating profit	-27.9	3.0	-
Share of profit/loss(-) of investments accounted for using the equity method	11.1	9.9	-
Profit/loss(-) for the year attributable to owners of the parent	-22.7 (-75.0)*	21.1 (-23.6)*	23.0
		1Q 2Q 3Q 4Q	
		19.3 10.0 6.7 -15.0	
Basic profit	48.1	26.1	-
Total assets	2,164.4	1,869.6	-

\*The amount of impairment losses

### 【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 (unit: billions of yen)		
	2014 Results	2015 Results	2016 Forecasts
• Bank Tabungan Pensiunan Nasional(BTPN) (5/20)*1 :	-	0.8	-
• Companies related to coal business in Australia :	-4.1	0.6	0.0
• SC Minerals America(25/100)*2 :	0.6	0.5	0.5
• Perennial Power Holdings(60/100) :	0.8	0.4	0.1
• Aluminum smelting business in Malaysia(6/20) :	0.3	0.0	0.1
• Silver, zinc and lead business in Bolivia(7/100) :	0.8	-0.1	0.2
• ERYNGIUM(70/100) :	4.3	-0.3	-0.2
• Tight oil business in the U.S.(30/100) :	-59.3	-0.6	0.2
• Shale gas business in the U.S.(30/100) :	-9.2	-0.9	-0.7
• TBC(60/100) :	-14.9	-1.1	0.0
• Oresteel Investments(4/49) :	0.6	-3.2	0.0
• Edgen Group(71/100) :	0.2	-18.6	-1.3

\*1 We refrain from disclosing forecasts of FY2016 since BTPN refrains their forecasts.

\*2 Shares in equity of the segment were increased from 15.25% to 25% in Aug. 2015

## 2 Breakdown of Impairment Losses

### ◆ FY 2015 Results

Projects	Amount (bil.yen)
Nickel Project in Madagascar (Ambatovy)	-77.0
Iron Ore Mining Project in South Africa (Oresteel)	-18.3
Tubular products in North America (Edgen Group)	-18.1
Iron Ore Mining Project in Brazil (MUSA)	-14.6
Copper and Molybdenum Mine Project in Chile (Sierra Gorda)	-14.0
Coal Mining Projects in Australia	-12.1
Grain business in Australia	-11.4
Others	-29.5
<b>Total</b>	<b>-195.1</b>
Mineral resources	-155.3
Tubular products	-18.1
Non-mineral resources (excl. Tubular products)	-21.7

### (Reference) FY2014 Results

Projects	Amount (bil.yen)
Tight Oil Development Project in the U.S.	-175.5
Iron Ore Mining Project in Brazil (MUSA)	-62.3
Shale Gas Project in the U.S.	-25.7
Coal Mining Projects in Australia	-24.4
Tire business in the U.S. (TBC Corporation)	-18.8
Oil field interests in the North Sea	-3.6
<b>Total</b>	<b>-310.3</b>
Mineral resources	-291.5
Tubular products	—
Non-mineral resources (excl. Tubular products)	-18.8

※ On April 1, 2015 Tire Department was transferred from Media, Network, Lifestyle Related Goods & Services Business Unit to Transportation & Construction Systems Business Unit.

## Medium-to long-term Strategy

<Contents>

- 1 Metal Products
  - 2 Transportation & Construction Systems
  - 3 Environment & Infrastructure
  - 4 Media, Network, Lifestyle Related Goods & Services
  - 5 Mineral Resources, Energy, Chemical & Electronics
- Policy for the upstream mineral resources & energy business

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## 1 Metal Products

BE THE BEST. BE THE ONE

### Strategy to realize “What We Aim to Be”

#### Existing Earnings Pillars to enhance

- ✓ Tubular products
  - Based on OCTG business, expand value chain in oilfield related segments, streamlining operation further under tough market condition
  - Expand to oilfield equipment, material and services segments
  - Build distribution network for oil & gas transport pipelines and special pipes
- ✓ Metal products for transportation
  - Establish strong position in railway field(rail / wheel / axle/ maintenance)
  - Enhance value chain of automotive-related products including steel products and parts to be a leading supplier
  - Pursue synergies across existing steel service centers

#### Future Earnings Pillars to develop

- ✓ Aluminum smelting and rolling business
  - Expand value chain from upstream (smelting) to middle stream (rolling)
- ✓ Specialty steel
  - Meet increasing local procurement in auto parts industry
- ✓ Electrical steel sheet

### Major initiatives

- ✓ Tubular products
  - OCTG business:  
Strengthened business base by strengthening customer base through sophistication of SCM etc.
  - Oil & gas transport pipelines and special pipes:  
Strengthened distribution network based on Edgen Group
- ✓ Metal products for transportation
  - Entered into north American railcar axle machining business on the west coast of the U.S. with Greenbrier Rail Services
  - Built new steel service center in Mexico to capture demand growth.
- ✓ Aluminum smelting and rolling business
  - Complete the construction of aluminum sheet factory in the U.S., which is jointly operated by Tri-Arrows Aluminum Holding and its partner.

### Strategy to realize “What We Aim to Be”

#### Existing Earnings Pillars to enhance

- ✓ Sales and Services Business Area
  - Automotives: Strengthen and expand existing businesses, enter into new markets
  - Construction equipment: Strengthen product support business, expand sales network in emerging markets
  - Tire business in the U.S. : Execute restructuring plan steadily
- ✓ Finance and Asset Business Area
  - Execute strategic capital injection/collection and asset replacement
  - Strengthen aircraft and aircraft-engine leasing business, construction equipment rental business and vehicle leasing business
  - Diversify retail financing business in Indonesia and the other countries
  - Replace assets of ship owning/joint owing business
- ✓ Manufacturing Business Area
  - Strengthen existing manufacturing businesses of automotives and automotive parts
  - Expand into related business

#### Future Earnings Pillars to develop

- ✓ Railways related business
  - Implement existing EPC projects successfully and receive orders of new projects

### Major initiatives

- ✓ Completed capital reorganization in automotive/motorcycle retail finance business in Indonesia
- ✓ Completed the acquisition of General Electric Group's leasing business in Japan by Sumitomo Mitsui Finance and Leasing
- ✓ Received an order of city railway construction project in Bangkok, Thailand

### Strategy to realize “What We Aim to Be”

#### Existing Earnings Pillars to enhance

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>✓ Power infrastructure business (IPP/IWPP / EPC*, overseas)                             <ul style="list-style-type: none"> <li>• Enhance electric power businesses in Asia, Middle East, Americas and Sub-Saharan Africa</li> <li>- Power generation capacity target: 10,000MW</li> <li>- Power generation capacity as of the end of Mar, 2016: 5,648MW</li> </ul> </li> <li>✓ Power generation from renewable energy (overseas)                             <ul style="list-style-type: none"> <li>• Develop new projects getting support from renewable energy promotion policies in each country</li> <li>• Expand business focusing on off-shore wind power generation</li> <li>• Strategic asset replacement</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>✓ Electricity business (Japan)                             <ul style="list-style-type: none"> <li>• Secure additional competitive power sources and expand retail business taking advantage of deregulation in the energy market</li> </ul> </li> <li>✓ Industrial park (overseas)                             <ul style="list-style-type: none"> <li>• Expand existing industrial parks and provide advanced functions</li> <li>• Develop new projects in emerging markets continuously</li> </ul> </li> </ul> |
|---|--|
- \* EPC: Engineering, Procurement & Construction

#### Future Earnings Pillars to develop

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>✓ Water infrastructure</li> </ul> | <ul style="list-style-type: none"> <li>✓ Power storage business</li> </ul> |
|--|--|

### Major initiatives

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>✓ Power infrastructure business (overseas)                             <ul style="list-style-type: none"> <li>• Constructing plant for IWPP in Kuwait and combined cycle power plant in Ghana.</li> <li>• Started construction of natural gas-fired combined cycle power plants in Tanzania and Mozambique.</li> <li>• Started construction of supercritical coal fired steam power plant in Indonesia.</li> <li>• Made long term power supply contract by Tanjung Jati B ultra-supercritical coal-fired power plants unit 5 &amp; 6 expansion</li> </ul> </li> <li>✓ Power generation from renewable energy (overseas)                             <ul style="list-style-type: none"> <li>• Started construction in the 3<sup>rd</sup> project of off-shore wind power generation in Belgium. (to start commercial operation in 2017)</li> <li>• Sold part of interest in wind power generation in South Africa and the U.S.</li> <li>• Sold photovoltaic power generation business in the U.S.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>✓ Electricity business (Japan)                             <ul style="list-style-type: none"> <li>• Constructing two biomass power plants in Japan (to start commercial operation in 2017 and 2018)</li> </ul> </li> <li>✓ Industrial park (overseas)                             <ul style="list-style-type: none"> <li>• Opened industrial park in Myanmar</li> </ul> </li> <li>✓ Water infrastructure                             <ul style="list-style-type: none"> <li>• Started commercial operation of desalination project in Oman</li> </ul> </li> </ul> |
|--|--|

## Strategy to realize “What We Aim to Be”

### Existing Earnings Pillars to enhance

- ✓ Further strengthen business base of core companies in the fields of Media, ICT and Retail (J:COM / SCSK / Jupiter Shop Channel etc.)
- ✓ Increase sophistication and competitiveness of operations in telecommunications business in Myanmar
- ✓ Strengthen base of food business (fresh food distribution, global upstream operation)
- ✓ Strengthen earnings base of timber resources business
- ✓ General real estate business including office buildings, retail facilities, condominiums, logistic facilities and asset management (Japan, overseas)

### Future Earnings Pillars to develop

- ✓ Enter into emerging markets including Asian countries, applying successful domestic business model in media, ICT and retail field
- ✓ Wood based biomass fuel related business

## Major initiatives

- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>✓ Media, ICT and Retail field<br/>Realized synergy between J:COM and Jupiter Shop Channel promoted by the capital reorganization of Jupiter Shop Channel</li> <li>✓ Telecommunications business in Myanmar<br/>Achieved 19 million subscribers improving the quality of telecommunication network and expanding sales network</li> <li>✓ Food<br/>Expanded fresh food distribution business (banana and meat)</li> </ul> | <ul style="list-style-type: none"> <li>✓ Timber resources<br/>Increased forest assets in Russia and New Zealand.<br/>Expanded timber trading in the Pacific rim.</li> <li>✓ General real estate business<br/>Grand opening of compound building <i>Terrace Square</i> in Kanda area<br/>Renewal opening of shopping center <i>MOMO Terrace</i> in Kyoto</li> <li>✓ Wood based biomass fuel<br/>Signed long-term sales contract of biomass fuels such as wood pellet for Japanese power generation plant</li> </ul> |
|---|--|

## Strategy to realize “What We Aim to Be”

### Existing Earnings Pillars to enhance

- ✓ Expand earnings base in crop protection business
  - Establish global distribution network
  - Expand multifaceted support business for crop production through expanding earnings base of existing business in Romania and steady start-up of new business in Brazil
- ✓ Strengthen the base of electronics manufacturing service (“EMS”) business for automotive manufacturers

### Future Earnings Pillars to develop

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>✓ Strengthen energy trade business                     <ul style="list-style-type: none"> <li>• Promote trade business of natural gas in the U.S. and LNG</li> <li>• Strengthen business base of integrated LPG import and wholesale company</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>✓ Petrochemical business                     <ul style="list-style-type: none"> <li>• Maximize synergies with phenol production project</li> <li>• Enter into auto parts business</li> </ul> </li> </ul> |
|--|---|

## Major initiatives

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>✓ Multifaceted support business for crop production<br/>Invested in Agro Amazonia Produtos Agropecuarios S.A. in Brazil</li> <li>✓ Distribution of crop protection products<br/>Strengthened capital alliance with manufacturing and sales company of crop protection products, Sipcam in Italy.</li> <li>✓ Manufacture and sales business of animal drugs<br/>Invested in Shandong Sinder Technology Co., Ltd. which is engaged in manufacture and sales business of animal drugs</li> </ul> | <ul style="list-style-type: none"> <li>✓ Energy trading<br/>Business integration of LPG wholesale companies into GYXIS Corporation.</li> <li>✓ EMS business<br/>Established new site in Cambodia</li> <li>✓ Phenol production in China<br/>Started commercial production.</li> </ul> |
|--|--|



## Policy: Improvement of the asset quality for the upstream mineral resources &amp; energy business

- ◆ Early completion and improvement in profitability of ramping-up projects  
(Nickel project in Madagascar, Copper & Molybdenum project in Chile etc.)
- ◆ Continuous cost reduction to improve profitability in existing businesses
- ◆ Basic policy : new investments replaces existing assets  
(targeting competitive assets in production stage, considering the timing of investment)

## Reconstruction of the upstream mineral resources &amp; energy strategies

- ◆ Manage concentration risk
  - Setting management policy of upstream mineral resources portfolio
  - Monitoring assets portfolio regularly
- ◆ Improve methodology of project valuation  
(improve criteria for screening projects and risk scenario analysis)
- ◆ Establish an expert organization  
(strengthen market analysis and technical evaluation abilities,  
complement expertise by active employment of external human resources)

## Historical Data(1) P/L, C/S

(Billion yen)	U.S.GAAP					IFRS				
	AG Plan	GG Plan		FOCUS'10		f(x)		BBBO2014		BBBO2017
	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Gross profit	857.7	934.5	935.2	779.5	864.0	918.8	827.0	894.4	952.9	894.1
Selling, general and administrative expenses	(609.9)	(669.4)	(654.4)	(639.2)	(660.7)	(686.4)	(657.1)	(706.4)	(755.2)	(762.7)
Interest expense, net	(37.1)	(42.8)	(36.1)	(24.1)	(18.1)	(15.1)	(15.8)	(17.4)	(13.0)	(2.6)
Dividends	14.1	15.3	14.6	11.3	10.0	11.2	13.4	14.9	17.2	10.6
Share of profit (loss) of investments accounted for using the equity method	70.3	56.9	90.0	76.1	95.6	110.6	107.4	126.2	49.1	(53.8)
Gain on securities and other investments, net	44.4	94.9	4.5	32.9	9.5	14.8	51.5	8.8	12.4	72.2
Gain (loss) on property, plant and equipment, net	(7.5)	(10.1)	(15.1)	5.0	(17.6)	(9.0)	(5.8)	(19.8)	(269.2)	(33.4)
Other, net	(1.8)	(0.7)	(1.6)	1.5	(2.2)	(3.6)	(1.6)	3.5	(13.0)	15.8
Profit(loss) before tax	331.9	367.6	319.6	223.3	280.5	341.4	319.0	304.2	(18.6)	140.1
Income tax expense	(114.8)	(119.8)	(96.3)	(61.8)	(70.7)	(77.7)	(75.3)	(70.4)	(52.3)	(51.5)
Profit(loss) for the year	217.1	247.8	223.3	161.5	209.8	263.7	243.7	233.9	(70.8)	88.6
Profit(loss) for the year attributable to:										
owners of the parent	211.0	238.9	215.1	155.2	200.2	250.7	232.5	223.1	(73.2)	74.5
Non-controlling interests	6.1	8.9	8.3	6.3	9.6	13.0	11.2	10.8	2.4	14.0
Total trading transactions	10,528.3	11,484.6	10,750.0	7,767.2	8,349.4	8,273.0	7,502.7	8,146.2	8,596.7	7,584.1
Basic profit	202.9	197.1	243.0	151.4	220.5	251.5	216.5	245.0	184.0	46.5
Net cash from operating activities	194.3	323.7	348.8	510.4	219.5	190.4	280.3	278.2	243.7	599.7
Net cash used in investing activities	(449.7)	(298.0)	(261.5)	(59.4)	(469.4)	(35.7)	(186.2)	(249.9)	(399.6)	(85.4)
Free cash flow	(255.5)	25.6	87.3	451.0	(249.9)	154.7	94.1	28.4	(155.9)	514.3
Net cash from (used in) financing activities	169.7	7.9	(5.8)	(150.1)	155.9	(33.3)	(24.7)	145.9	(74.8)	(507.2)



# Historical Data(2) B/S, Key Financial Indicator

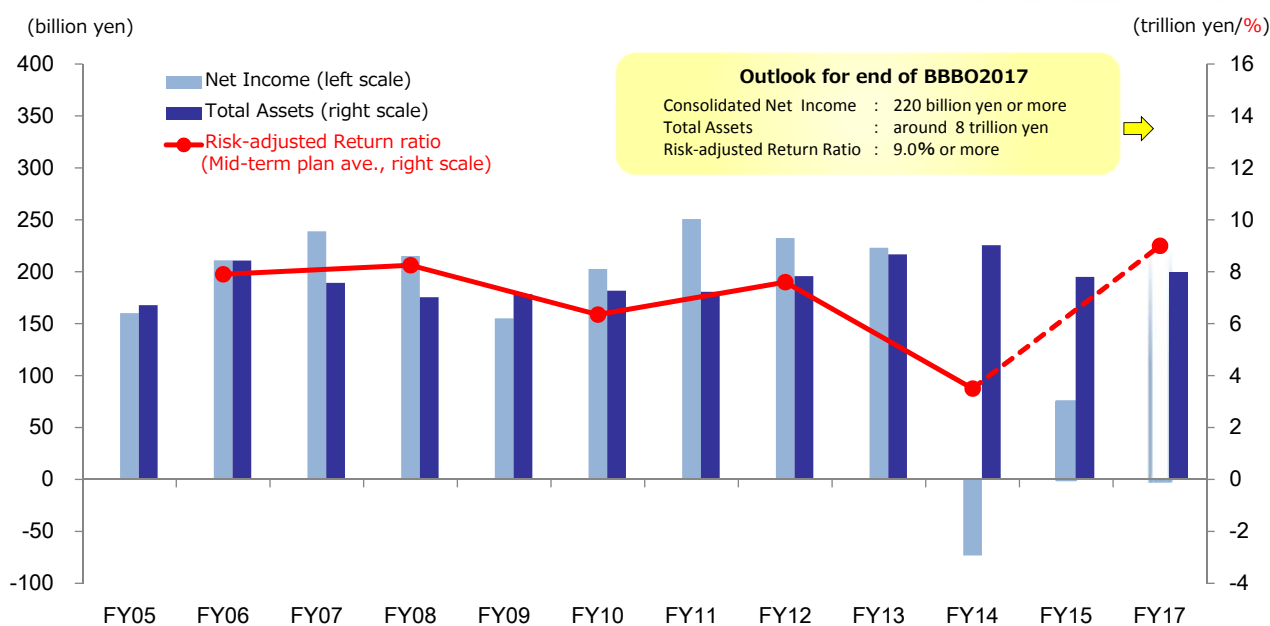
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	U.S. GAAP					IFRS				
	AG Plan	GG Plan		FOCUS'10		f(x)		BBBO2014		BBBO2017
(Billion yen)	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Total Assets	8,430.5	7,571.4	7,018.2	7,137.8	7,230.5	7,226.8	7,832.8	8,668.7	9,021.4	7,817.8
Equity attributable to owners of the parent	1,473.1	1,492.7	1,353.1	1,583.7	1,570.5	1,689.1	2,052.8	2,404.7	2,481.4	2,251.5
Interest-bearing liabilities (gross)	3,355.6	3,709.8	3,702.7	3,600.7	3,767.4	3,613.8	3,861.4	4,238.9	4,421.3	3,650.9(*)
Interest-bearing liabilities (net)	2,913.3	3,247.6	3,186.8	2,781.8	3,056.3	2,786.7	2,930.3	3,123.5	3,517.5	2,770.3
Equity attributable to owners of the parent ratio (%)	17.5	19.7	19.3	22.2	21.7	23.4	26.2	27.7	27.5	28.8
ROE (%)	15.2	16.1	15.1	10.6	12.9	15.4	12.4	10.0	(3.0)	3.2
ROA (%)	2.8	3.0	2.9	2.2	2.8	3.5	3.1	2.7	(0.8)	0.9
Debt-Equity Ratio (net) (times)	2.0	2.2	2.4	1.8	1.9	1.6	1.4	1.3	1.4	1.2
(Yen)										
Stock price of Sumitomo Corp. (closing price)	2,120	1,313	843	1,075	1,189	1,196	1,178	1,313	1,286.0	1,118.5
(highest)	2,330	2,445	1,658	1,113	1,297	1,284	1,276	1,616	1,420.0	1,513.0
(lowest)	1,280	1,221	556	811	874	875	984	1,101	1,054.0	983.5
Nikkei stock average (closing price)	17,287.65	12,525.54	8,109.53	11,089.94	9,755.10	10,083.56	12,397.91	14,827.83	19,206.99	16,758.67
Shares of common stock issued (unit: thousand)	1,250,603	1,250,603	1,250,603	1,250,603	1,250,603	1,250,603	1,250,603	1,250,603	1,250,603	1,250,603
Earnings per share attributable to owners of the parent (basic)	169.93	192.51	172.06	124.15	160.17	200.52	185.92	178.59	(58.64)	59.73

We have prepared consolidated financial statements in accordance with U.S. GAAP for FY2009 or earlier and International Financial Reporting Standards ("IFRS") for FY2010 or later. Under U.S. GAAP, "Share of profit of investments accounted for using the equity method" corresponds to "Equity in earnings of associated companies, net," "Profit for the year attributable to owners of the parent" corresponds to "Net income attributable to Sumitomo Corporation," "Equity attributable to owners of the parent" corresponds to "Sumitomo Corporation shareholders' equity" and "Equity attributable to owners of the parent ratio" corresponds to "Sumitomo Corporation shareholders' equity ratio." (\*) Interest-bearing liabilities of financing for motor vehicles and rental for construction equipment related business ;101.6 billion yen. Interest-bearing liabilities of project finance (non-recourse) ;135.4 billion yen.

## Medium-term Management Plans

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AG Plan (2 year)	GG Plan (2 year)	FOCUS'10 (2 year)	f(x) (2 year)	BBBO2014 (2 year)	BBBO2017 (3 year)
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	To make group-wide efforts in overcoming issues and to outline a path toward the realization of "What We Aim to Be"

