

Annual Results for FY2016 Be the Best, Be the One 2017

May 10th, 2017
Sumitomo Corporation

Topics

1. Progress in Be the Best, Be the One 2017

2. Six Material Issues to Achieve Sustainable Growth with Society

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.

1. Progress in Be the Best, Be the One 2017

1. Progress in Be the Best, Be the One 2017

(1) Results for FY2016

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(Unit: Billions of yen)	FY2015 (Apr.-Mar.) (A)	FY2016 (Apr.-Mar.) (B)	Increase/ Decrease (B)-(A)	FY2016 Annual Forecasts as of Nov. 2016
Profit for the year	74.5	170.9	+96.3	130.0
Basic profit ^{*1} (excl. impairment losses)	193.2	226.7	+33.5	180.0
Mineral resources ^{*2}	-9.5	16.1	+25.6	-10.0
Tubular products ^{*2}	-6.1	-12.5	-6.5	-10.0
Non-mineral resources (excl. Tubular products)	208.7	223.1	+14.4	200.0
One-off profits/losses	Approx. -120.0	Approx. -46.0	Approx. +74.0	Approx. -40.0

Summary (Results)

- **Mineral resources** : ✓ Increase in the earnings due to higher commodity prices, cost reduction and sales volume increase
- **Tubular products** : ✓ Decrease in the earnings due to the drop in crude oil prices
- **Non-mineral resources** : ✓ Stable performance by domestic major group companies in Media, ICT, Lifestyle Related Goods & Services segment^{*3} and real estate business
✓ Stable performance by leasing business
- **One-off profits/losses** : ✓ Decrease in the earnings of ship business (lackluster shipping market)
✓ (FY2016) Impairment loss in Copper-molybdenum mining business in Chile (-33.6), Tax provisions in Silver-zinc-lead mining project in Bolivia, etc.
✓ (FY2015) Impairment losses^{*4}, Profits from the reorganization of automotive financing business in Indonesia etc.

^{*1} 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 (loss) of investments accounted for using the equity method

^{*2} Global basis, including operations in Overseas Subsidiaries and Branches segment (reference)

^{*3} Segment name has been changed from Media, Network, Lifestyle Related Goods & Services segment on October 1, 2016. (The same applies hereafter in this material.)

^{*4} Total amount: -195.1, Nickel Project in Madagascar: -77.0, Iron ore mining project in South Africa: -18.3, Edgen Group: -18.1, Iron ore mining project in Brazil: -14.6, Copper and molybdenum mining business in Chile: -14.0 etc.

(Reference)	FY2015 (Apr.-Mar.)	FY2016 (Apr.-Mar.)
Key indicators		
Exchange rate (YEN/US\$)	120.14	108.38
Interest rate LIBOR 6M (YEN)	0.11%	0.01%
LIBOR 6M (US\$)	0.61%	1.20%
Copper *1 (US\$/MT)	5,502	4,863
Zinc (US\$/MT)	1,831	2,367
Nickel (US\$/lb)	5.32	4.55
Iron ore *1 (US\$/MT)	56	59
Hard Coking coal *2 (US\$/MT)	93	165
Crude Oil Brent *1 (US\$/bbl)	52	44
WTI (US\$/bbl)	45	48

^{*1} These commodities show the prices in Jan.-Dec.

^{*2} Hard Coking coal : Market price

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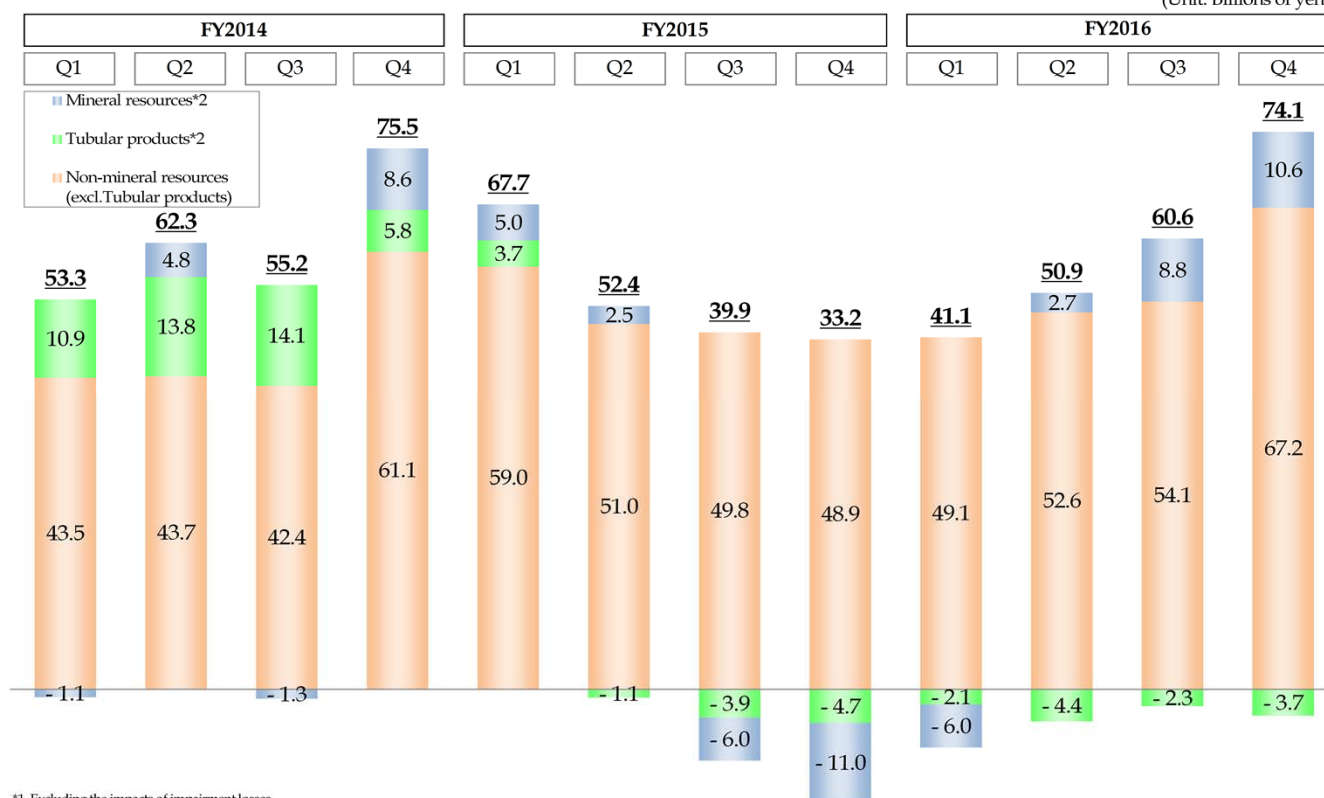
- Profit for the year for FY2016 : 170.9 billion yen
(+96.3 billion yen compared with FY2015)
- Basic profit for FY2016 (excl. impairment losses) : 226.7 billion yen
(+33.5 billion yen compared with FY2015)
- ✓ **Mineral resources : Increase**
 - Due to increase in the prices of Coal and Zinc, cost reduction and sales volume increase.
 - Decrease in prices of Nickel and Crude Oil, etc.
- ✓ **Tubular products : Decrease**
 - Due to slow recovery of the demand affected by lower oil price.
- ✓ **Non-mineral resources : Increase**
 - Robust performance of domestic major group companies in Media, ICT, Lifestyle Related Goods & Services Unit, real estate business and leasing business although the earnings of shipping business decreased due to lackluster shipping market.
- One-off profits and losses for FY2016 : approx.-46.0 billion yen
(+74.0 billion yen compared with FY2015)
- ✓ FY2016 : Due mainly to impairment loss of -33.6 billion yen by Copper-molybdenum mining business in Chile(Sierra Gorda)
- ✓ FY2015 : Impairment losses of approx.-120.0 billion yen by several projects like Nickel Project in Madagascar.

1. Progress in Be the Best, Be the One 2017

(2) Quarterly Trend for Basic profit ^{*1}

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(Unit: Billions of yen)



^{*1} Excluding the impacts of impairment losses

^{*2} Global basis, including operations in Overseas Subsidiaries and Branches segment (reference)

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【Quarterly Trend for Basic profit】

- Non-mineral resources(orange)
 - ✓ Stable
- Mineral resources(blue)
 - ✓ Turn to black from FY2016.Q2 due to increase in commodity prices.
- Tubular products(green)
 - ✓ Continue challenging business environment.
- Basic Profit for FY2016.Q4 : +74.1 billion yen
 - ✓ The level of Basic Profit is over 60 billion yen.

1. Progress in Be the Best, Be the One 2017

(3) Cash Flows / Financial Position

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● Cash Flows (Unit: Billions of yen)

	FY2015	FY2016
Operating activities	+599.7	+345.8
Investing activities	- 85.4	- 180.7
Free Cash Flow	+514.3	+165.1
<Cash in>		
Basic profit cash flow*	+204.3	+210.6
Depreciation	+125.1	+114.3
Asset replacement	Approx. +230.0	Approx. +180.0
Others	Approx. +220.0	Approx. ±0.0
<Cash out>		
Investment & Loan	Approx. - 270.0	Approx. - 340.0

* Basic profit cash flow = Basic profit
 - Share of profit (loss) of investments accounted for using the equity method
 + Dividend from investments accounted for using the equity method

〈 Summary 〉

- **Basic profit cash flow**
 - ✓ Core businesses generated cash steadily (Dividend from J:COM, Sumitomo Mitsui Finance and Leasing, etc.)
- **Asset replacement**
 - ✓ Sale of interests in Batu Hijau Copper Gold mine in Indonesia
 - ✓ Sale of all shares in Soukai Drug, etc.
- **Investment & Loan**
 - ✓ Acquisition of Fyffes in Ireland
 - ✓ Acquisition of office buildings in the U.S.

● Financial Position (Unit: Trillions of yen)

As of Mar. 31, 2016		As of Mar. 31, 2017	
Total asset 7.8		Total asset 7.8	
Current assets 3.4	Other liabilities 1.9	Current assets 3.3	Other liabilities 2.0
Non-Current assets 4.4	Interest-bearing liabilities 3.7 (2.8)*	Non-Current assets 4.4	Interest-bearing liabilities 3.4 (2.6)*
	Shareholders' equity* 2.3		Shareholders' equity* 2.4
D/E Ratio(Net) : 1.2		D/E Ratio(Net) : 1.1	

* Figures in parenthesis in "interest-bearing liabilities" show "interest-bearing liabilities, net".
 "Shareholders' equity" is equivalent to "Equity attributable to owners of the parent" in Consolidated Statements of Financial Position.
 Shareholders' equity includes
 Exchange differences on translating foreign operations (199 billion yen→158).
 Financial assets measured at fair value through other comprehensive income (143→173).

〈 Summary (Unit: Billions of yen) 〉

- **Total asset 7,762**
 (decreased by 56 from Mar.31,2016)
- ✓ Decrease due to asset replacement
- ✓ Increase in investment and loan
- **Shareholders' equity 2,367**
 (increased by 115 from Mar.31,2016)
- ✓ Increase in retained earnings

< Exchange rate (YEN/US\$) >	
As of Mar. 31, 2016	As of Mar. 31, 2017
112.68	112.19

【 Cash Flows 】

- Free Cash Flow for FY2016 : +165.1 billion yen

<Cash in>

- ✓ Basic profit cash flow : + 210.6 billion yen
- ✓ Asset replacement : approx. +180 billion yen
 - Sale of interests in Batu Hijau Copper Gold mine in Indonesia and all shares in Soukai Drug Co.,Ltd, etc.

<Cash out>

- ✓ Investment & Loan : approx. - 340.0 billion yen
- Acquisition of office buildings in the U.S. and Fyffes an international produce marketer and distributor in Ireland, etc.

【 Financial Position 】

- Total Assets : 7,762 billion yen
 - ✓ Almost the same as Mar.31,2016, cause of decrease due to asset replacement and of increase due to new investment and loan.
- Shareholders' equity : 2,367 billion yen
 (+115 billion yen compared with Mar.31,2016)
 - ✓ Increase due primarily to the retained earnings have been accumulated.

1. Progress in Be the Best, Be the One 2017

(4) Forecasts for FY2017

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(Unit: Billions of yen)	FY2016 Results (A)	FY2017 Forecasts as of May. 2017 (B)	Increase/ Decrease (B)-(A)	FY2017 Revised Plans as of May. 2016
Profit for the year	170.9	230.0	+59.1	220.0 or more
Basic profit ^{*1} (excl. impairment losses)	226.7	260.0	+33.3	240.0 or more
Mineral resources ^{*2}	16.1	30.0	+13.9	Approx. -10.0
Tubular products ^{*2}	-12.5	0	+12.5	Approx. 10.0
Non-mineral resources (excl. Tubular products)	223.1	230.0	+6.9	250.0 or more
				(adjustment for revision of forex assumption) -10.0
One-off profits/losses	Approx. -46.0	Approx. -20.0 ^{*3}	Approx. +26.0	Approx. -20.0

〈 Summary (Forecasts) 〉

- Mineral resources : ✓ Increase in the earnings due to higher commodity prices
- Tubular products : ✓ Recovery in the second half along with gradual increase in rig counts
- Non-mineral resources : ✓ Stable performance of core businesses, including domestic major group companies in Media, ICT, Lifestyle Related Goods & Services segment and real estate business, etc.
✓ Progress in development and construction of new large-scale projects in power infrastructure business
- One-off profits/losses : ✓ (FY2017) Costs for strategic assets replacement (-20.0)
✓ (FY2016) Impairment losses etc.

^{*1} 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 (loss) of investments accounted for using the equity method

^{*2} Global basis, including operations in Overseas Subsidiaries and Branches segment (reference)

^{*3} One-off loss of -20 billion yen in FY2017 is budgeted for costs for strategic assets replacement.

(Reference) Key indicators	FY2016 Results (Apr.-Mar.)	FY2017 Forecasts as of May. 2017 (Apr.-Mar.)
Exchange rate (YEN/US\$)	108.38	110.00
Interest rate LIBOR 6M (YEN)	0.01%	0.05%
LIBOR 6M (US\$)	1.20%	1.73%
Copper *1 (US\$/MT)	4,863	5,864
Zinc (US\$/MT)	2,367	2,650
Nickel (US\$/lb)	4.55	4.60
Iron ore *1 (US\$/MT)	59	70
Hard Coking coal *2 (US\$/MT)	165	150
Crude Oil Brent *1 (US\$/bbl)	44	53
WTI (US\$/bbl)	48	52

^{*1} These commodities show the prices in Jan.-Dec.

^{*2} Hard Coking coal : Market price

- World Economic Outlook
 - ✓ Although there remains uncertainty about the future, including the policy of the new U.S. administration, the progress in the UK's negotiation about the withdrawal from EU and the geopolitical risk in the middle East, we expect to continue slow but steady growth in the global economy mainly led by the U.S..
 - ✓ Mineral resources prices are expected to remain unchanged or increase on the ground of stable domestic demand in China.
- Profit for the year for FY2017 forecasts : +230.0 billion yen
- Basic Profit for the FY2017 forecasts : +260.0 billion yen
 - ✓ Mineral resources : Increase
 - Due to higher commodity prices mainly Zinc and Iron ore.
 - ✓ Tubular products : Increase
 - Though it takes time to recover demand perfectly, we expected profitability is getting recovered after the second half of FY2017.
 - ✓ Non-mineral resources : Stable
 - Stable performance of core businesses, including domestic major group companies in Media, ICT, Lifestyle Related Goods & Services segment and real estate business, etc.
- One-off profits and losses for the FY2017 forecasts : approx. -20.0 billion yen
 - ✓ As planned FY2016, we also budgeted 20.0 billion yen of one-off loss as costs for improving our financial soundness through the steady execution of asset replacement.

【Sponsor Structural Change】

- An agreement in principle has been reached on revising the partnership structure of Ambatovy Nickel Project, as announced on May 2.
 - ✓ Sumitomo Corporation will increase its interest to 47.7 % from 32.5%.
 - ✓ Sherritt will reduce its interest to 12% from 40%, remain as operator and resume funding.
 - ✓ This interest is in exchange of a non-recourse loan from Sumitomo Corporation to Sherritt, and thus requires no additional expenditure for the transaction and exposure of Sumitomo Corporation to Ambatovy of approx. 1.7 billion US dollars will not change after the close of the deal.

⇒ **With the increased stability of partnership, we will continue and further enhance our support to the project in its endeavor to become a world leading nickel laterite project.**



- We will gain 15.2% of Sherritt's share to become a 47.7% shareholder.
- Sherritt will reduce its interest to 12% from the current 40%, remain as Operator and resume funding at the same level retroactively to the end of 2015 and on a go-forward basis.
- This interest is in exchange of a non-recourse loan from us to Sherritt, and thus requires no additional expenditure for the transaction and exposure of us to Ambatovy will not change after the close of the deal.
- With the increased stability of partnership achieved by this new structure, we will, hand in hand with its partners, firmly support Ambatovy in its endeavor to become a world leading nickel laterite project.

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
Dividend	FY 2016 ¥50 per share (Interim ¥25 per share, Year-end ¥25 per share [plan]) FY 2017 ¥50 per share (plan)

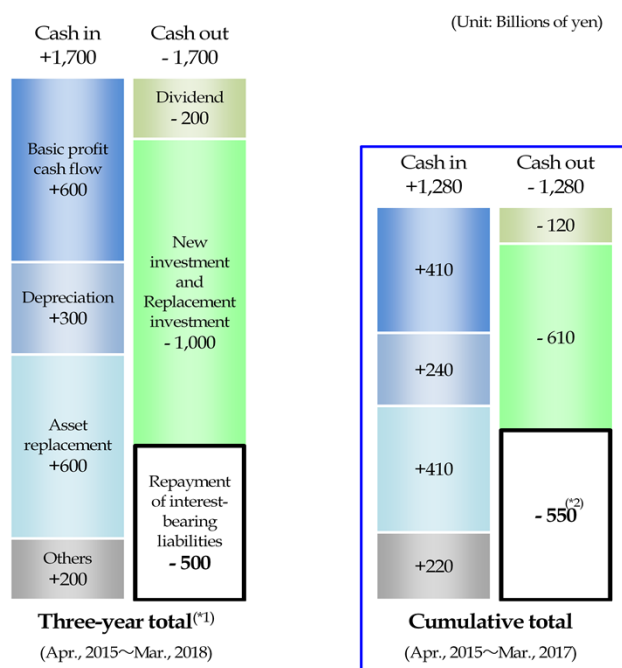
➤ Annual Dividend

- ✓ FY2016 :
Be projected to be ¥50 per share based on our annual
dividend policy during BBBO2017.
- ✓ FY2017 : ¥50 per share(plan)

1. Progress in Be the Best, Be the One 2017

(7) Progress in Cash Flows Plans

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(*) We set our post-dividend free cash flow target of 500 billion yen (three-year total), with the funds recovered to be used to repay interest-bearing liabilities, during the term for our current medium-term management plan "Be the Best, Be the One 2017 (BBBO2017)", which covers three years from April 2015 to March 2018. The plan above was revised from the plan announced in May 2016 in the following points.
 * Basic profit cash flow : +100 (+600 → +300)
 * Others : -100 (+200 → +300)

(*) Cumulative total of our post-dividend free cash flow (+/- reversal)

〈Cash Flow Results〉

- **Basic profit cash flow**
(Plans 600 billion yen / Results 410 billion yen)
 - ✓ Expect core businesses to generate cash continuously
- **Asset replacement and Others**
(Plans 800 billion yen / Results 630 billion yen)
 - ✓ Collection from large-scale assets replacement
(Sales of whole interest in Batu Hijau Copper/Gold mine, all shares in Soukai Drug, etc.)
 - ✓ Continue replacements steadily
- **New investment and Replacement investment**
(Plans 1 trillion yen / Results 610 billion yen)
 - ✓ Executed investments for growth
(Acquisition of Fyffes in Ireland, Office buildings in the U.S., etc.)

➤ Basic profit cash flow

- ✓ Steady progress with cumulative results of 410 billion yen, compared with planned 600 billion yen.
- ✓ Expect core businesses to generate cash continuously.

➤ Asset replacement and Others

- ✓ Cumulative results of 630 billion yen, compared with planned 800 billion yen.

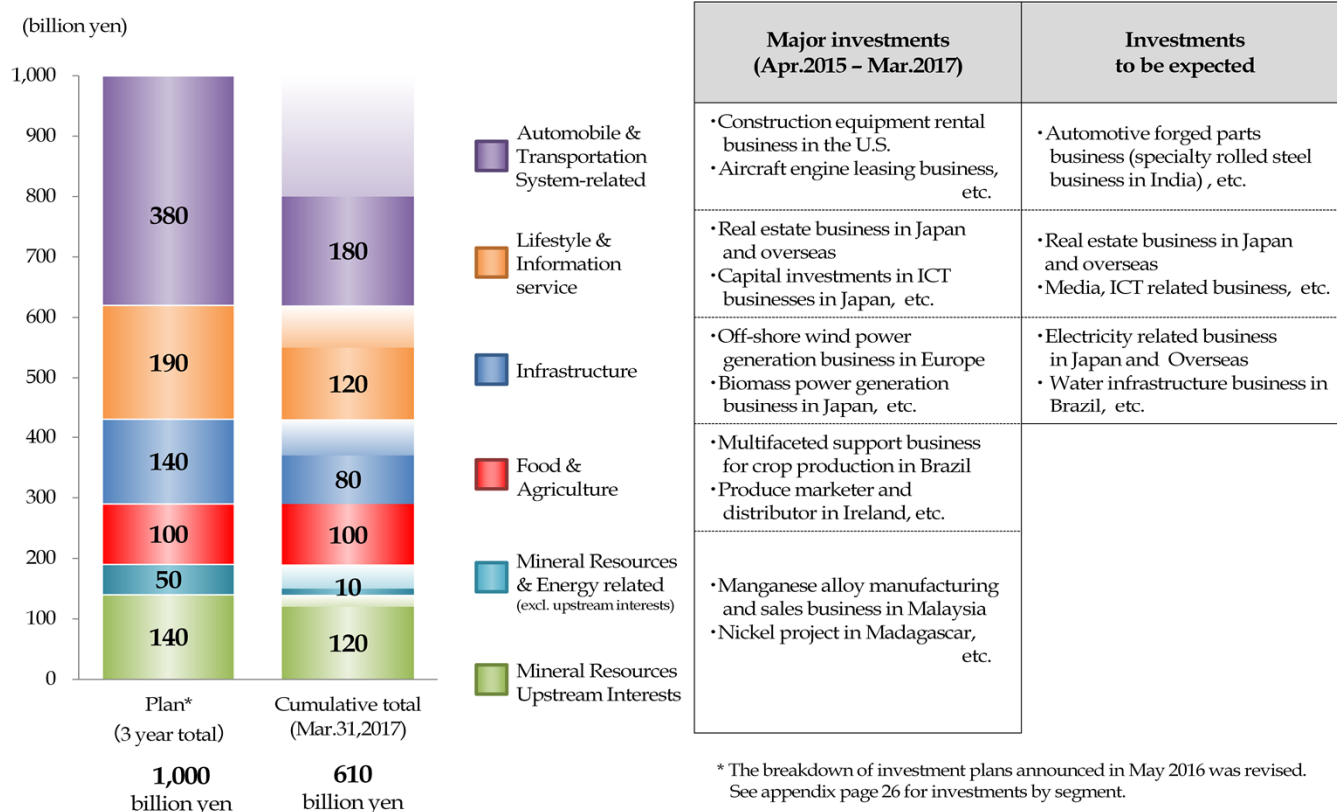
➤ New Investment and Replacement investment

- ✓ Cumulative results of 610 billion yen, compared with planned 1,000 billion yen.

1. Progress in Be the Best, Be the One 2017

(8) Promote growth strategies (Investments by Business Field)

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- Major investments in Apr.2015-Mar.2017.
 - ✓ Described as on the above table.

【Investments to be expected】

- Automobile & Transportation System-related
 - ✓ Plan to invest mainly to Automobile materials and parts business. (ex. Investment in the Specialty rolled steel business in India , etc.)
- Lifestyle & Information service
 - ✓ Plan to invest to Real estate business in Japan and overseas, Media, ICT related businesses.
- Infrastructure
 - ✓ Plan to invest to Electricity business in Japan and Overseas, and announced to participate in Water infrastructure business in Brazil.

Improve corporate governance and decision-making process

➤ Update process in business management / Strengthen the function of Board of Directors

- ✓ Changed the Management Council into the top executive decision-making body
- ✓ Strengthened the system of deliberation and monitoring of material issues through review of deliberation items of the Board of Directors
- ✓ Plan to review the constitution of the Board of Directors after shareholders' meeting in 2017



Enable for intense discussions from a wide range of viewpoints,
separating the functions of management execution and supervision

Strengthen risk management system

➤ Establish a system of multiple-stage and multiple-layer deliberation of large-scale investments

- ✓ Established the Unit Investment Committee
- Introduced two-stage deliberation at initial assessment stage and execution stage

➤ Update a monitoring process after investment

- ✓ Strengthened follow-up actions after investment through "100 days plan"



Improve investment success rate
Bring forward start-up and profit realization

- Improve corporate governance and decision-making process
 - ✓ Changed the Management Council into the top executive decision-making body, in order to decide important matters through various opinion and multifaceted discussion.
 - ✓ Review the deliberative agenda of Board of Directors, and establish a system that can discuss important matters deeply and monitor them.
 - ✓ Reduce the number of internal directors and separating the functions of management execution and supervision by reconstituting Board of Directors after the shareholders' meeting in 2017.
 - ⇒Enable for intense discussions from a wide range of viewpoints.
- Strengthen risk management system
 - ✓ In making investment decisions related to large-scale investments, we newly established "Unit Investment Committee" in addition to the conventional "Company Investment Committee".
Moreover, we deliberate 2 stages deliberation at initial assessment stage and execution stage.
 - ✓ Monitoring process after investment, we systemized the "100-day plans" in order to realize early start-up and profit realization.
 - We dispatched employees to Fyffes(in Dublin) which invested in February 2017 and we are executing "100-day plans" to support them by utilizing our company's 3 bases network in Japan, U.S., Europe.
- We will work on building a better management system because we consider that promotion of management reforms are endless.

1. Progress in Be the Best, Be the One 2017

(10) Key Financial Indicators

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(Unit: Billions of yen)	FY2015 (Results, Mar.31,2016)	FY2016 (Results, Mar.31,2017)	FY2017 (Forecasts, Mar.31,2018)
Profit for the year	74.5	170.9	230.0
Total Assets	7,817.8	7,761.8	8,000.0
Shareholders' Equity	2,251.5	2,366.5	2,500.0
Shareholders' Equity Ratio	28.8%	30.5%	approx. 30%
Interest-bearing Liabilities (Net)	2,770.3	2,627.9	2,700.0
DER (Net, times)	1.2	1.1	approx. 1.1
ROA	0.9%	2.2%	2.5% or more
ROE	3.2%	7.4%	approx. 9.0%
Risk-adjusted Return Ratio	3.2%	7.7%	9.0% or more
Basic Profit Cash Flow	+204.3	+210.6	3-year total +600.0
Free Cash Flow	+514.3	+165.1	3-year total +700.0
Free Cash Flow (post-dividend)	+451.9	+102.7	3-year total +500.0
Risk-adjusted Assets [RA]	2,200.0	2,240.0	2,400.0
Core Risk Buffer [RB]*	2,140.0	2,220.0	2,400.0
(Core RB-RA)	(-60.0)	(-20.0)	(Regain balance)

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

- We aim to accomplish "BBBO2017" by promoting growth strategies and management reforms.

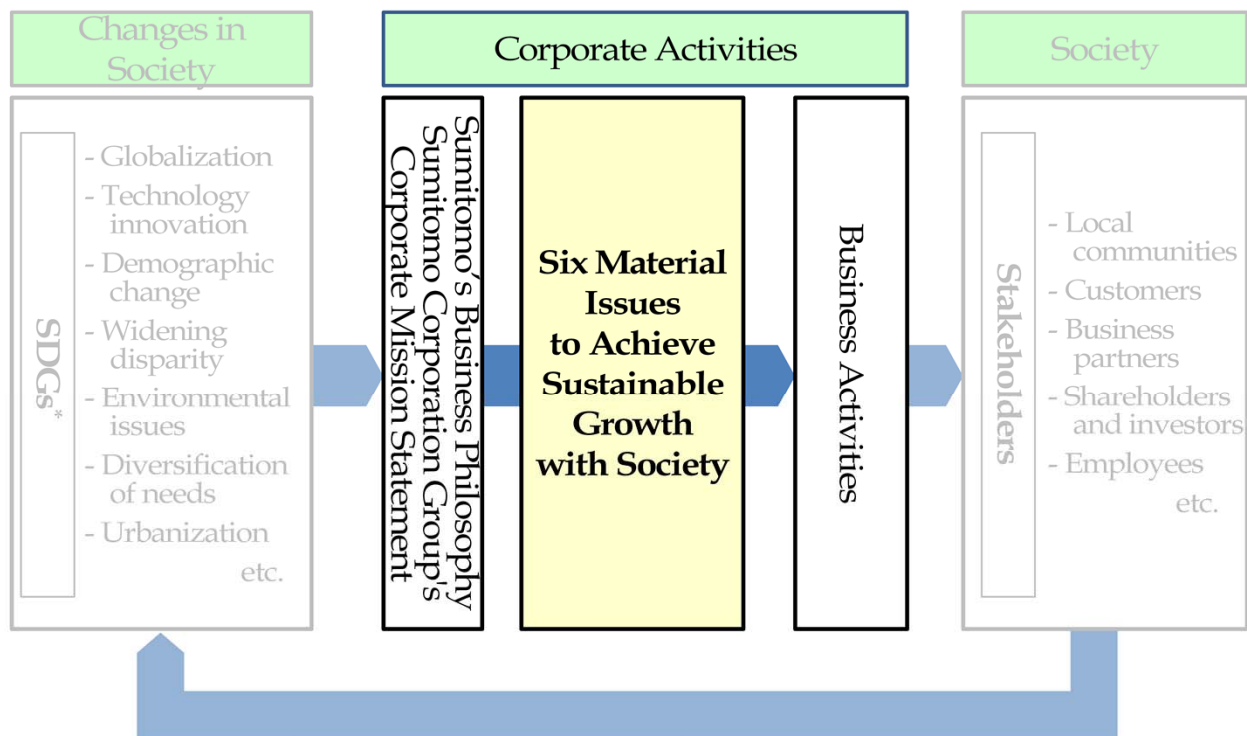
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2. Six Material Issues to Achieve Sustainable Growth with Society

2. Six Material Issues to Achieve Sustainable Growth with Society

(1) Where Material Issues Fit In

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*An abbreviation of Sustainable Development Goals. Comprising 17 goals encompassing global challenges to be achieved by 2030. These goals were embraced by all 193 UN member states at a UN General Assembly held in 2015.

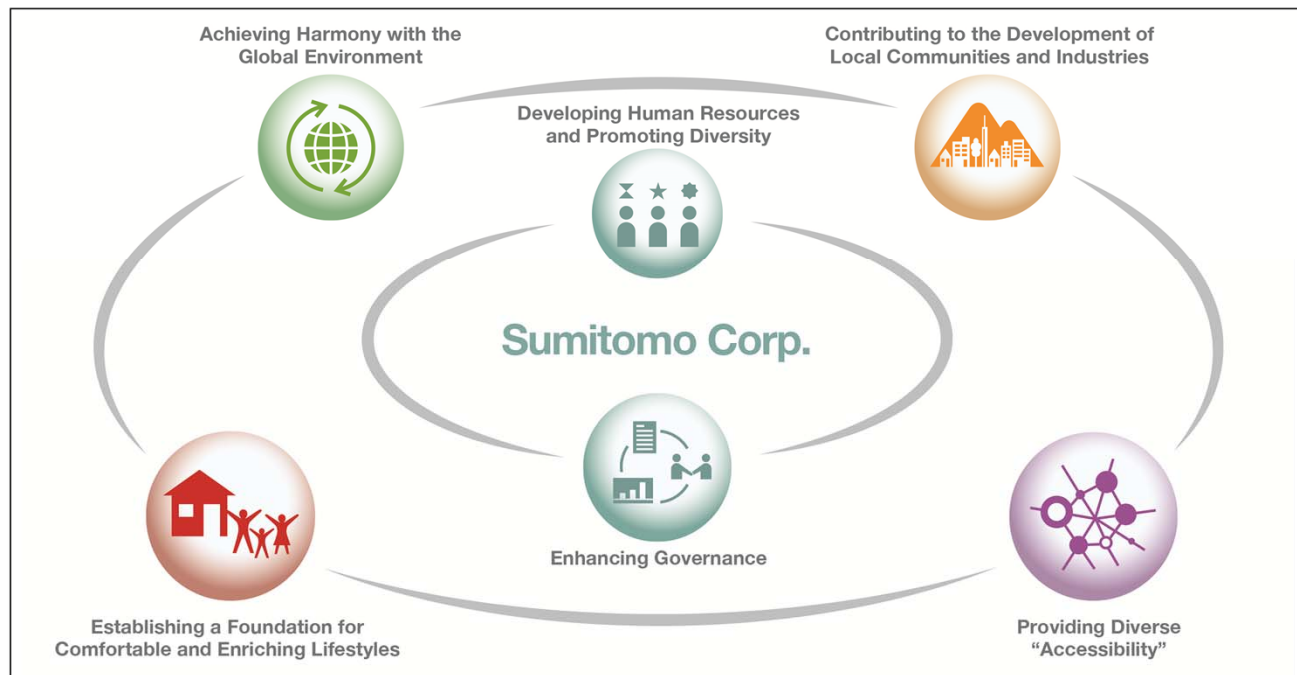
- Material Issues are not new philosophy for us.
- The basis for our Group's operations can be found in Sumitomo's Business Philosophy, which has formed the foundation for Sumitomo's sustainable development over the course of 400 years.
- One of the credos of this philosophy states:
 "Benefit for self and others, private and public interests are one and the same."
 We interpret this credo advocates Sumitomo's business activities must benefit not only Sumitomo, but also society around us to achieve sustainable growth together. This credo has been incorporated into our Group's Corporate Mission Statement.
- We solved many social issues until now through our business activities based on Sumitomo's Business Philosophy and our Group's Corporate Mission Statement.
- We have identified material issues that we regards as important and should address with priority through our business activities by leveraging our strengths.

2. Six Material Issues to Achieve Sustainable Growth with Society

(2) Sumitomo Corporation's Material Issues

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- To achieve sustainable growth together with society into the future, we have identified material issues that we should address with priority by leveraging our strengths in April 2017.



- Social issues to address with priority by leveraging our strengths (Outside)
 - ✓ Leveraging our trust-based relationships with customers and partners across the globe and utilizing our business expertise, we will secure our growth and address social issues simultaneously by fulfilling our Corporate Mission: "To achieve prosperity and realize dreams through sound business activities."
- Issues for ourselves (Inside)
 - ✓ Essential bases for solving social issues.

2. Six Material Issues to Achieve Sustainable Growth with Society

(3) Six Material Issues

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Social issues to address with priority by leveraging our strengths



Achieving Harmony with the Global Environment

To realize recycling-oriented society and mitigate climate change, we are working to establish frameworks for the efficient use of resources and stable supply of renewable energy. In doing so, we will achieve growth in harmony with the global environment.



Contributing to the Development of Local Communities and Industries

We steadily procure and provide goods and services to meet the needs of people in various countries and regions and contribute to developing industrial platforms. Through these means, we will create a virtuous cycle in which we can grow and develop together with local communities.



Establishing a Foundation for Comfortable and Enriching Lifestyles

We strive to realize more convenient and comfortable lifestyles by providing goods and services for daily use while also responding to needs for high-quality lifestyles in order to support the physical and mental health of people around the world.



Providing Diverse "Accessibility"

We provide diverse accessibility to open up the possibility of creating new value. To this end, we will improve mobility for safe and efficient flow of people and goods, and expand the network connecting information and finance.

Issues for ourselves



Developing Human Resources and Promoting Diversity

In order to create new value and innovation by allowing our diverse personnel to fully exercise their abilities in a variety of fields, we will promote the development and empowerment of human resources, which represent our most important management resources.



Enhancing Governance

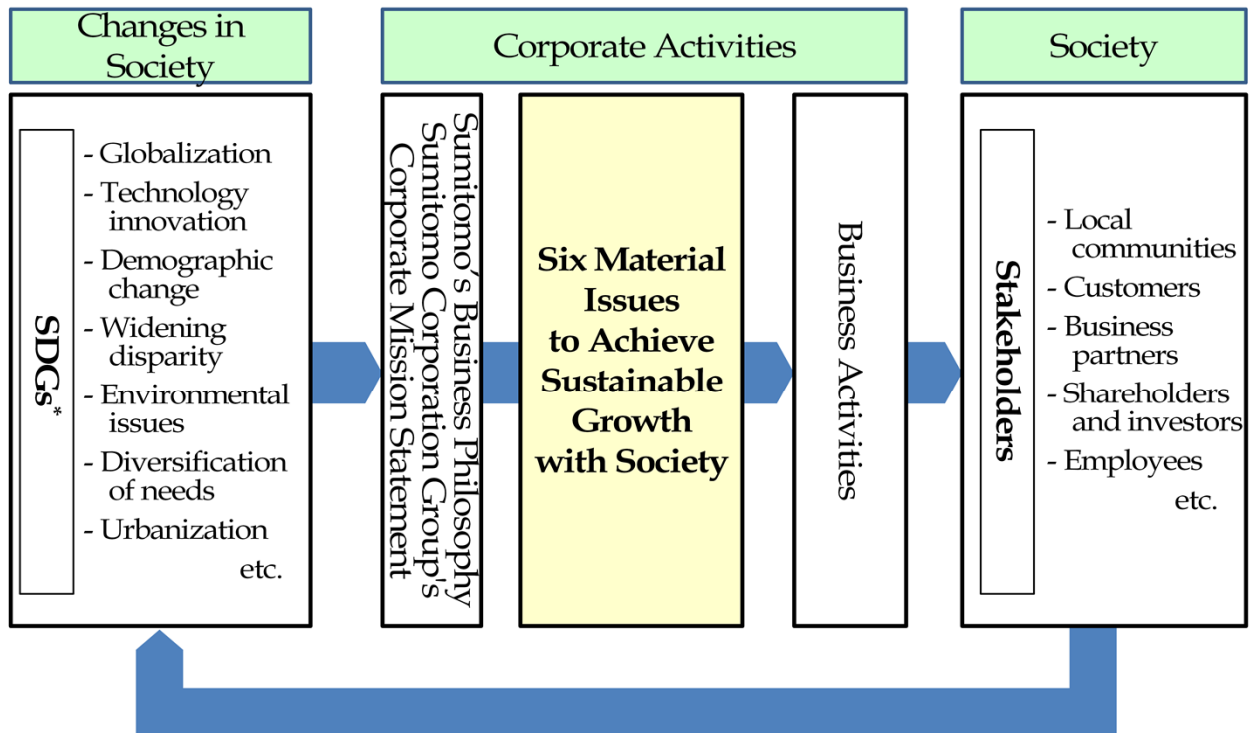
We will enhance our ability to draft and implement strategies for achieving sustainable growth and to provide appropriate supervision of these strategies, all while maintaining transparency. In this manner, we will improve management efficiency and maintain sound management.

- Achieving Harmony with the Global Environment
 - ✓ As the requirement for realizing recycling-oriented society and for mitigating climate change accelerates in the world, we will achieve growth in harmony with the global environment.
- Contributing to the Development of Local Communities and Industries
 - ✓ An essential approach for general trading companies that operate globally in all fields.
 - ✓ We steadily procure and provide goods and services and contribute to developing industrial platforms. Through these means, we will create a virtuous cycle in which we can grow and develop together with local communities.
- Establishing a Foundation for Comfortable and Enriching Lifestyles
 - ✓ We put our Group's thought to aim to realize more convenient and comfortable lifestyles of people around the world in this sentence.
 - ✓ We image the unique business of our group closely related to our lives. (ex. Cable TV business, etc.)
- Providing Diverse "Accessibility"
 - ✓ We expand possibilities of creating new value not only by physical access, which called mobility, like cars, ships and aircraft but also by access to information, in other words, to build network.

2. Six Material Issues to Achieve Sustainable Growth with Society

(4) Future Initiatives

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*An abbreviation of Sustainable Development Goals. Comprising 17 goals encompassing global challenges to be achieved by 2030. These goals were embraced by all 193 UN member states at a UN General Assembly held in 2015.

- We have defined the identified Material Issues as an important factor in developing business strategies and in the decision-making process for individual businesses. Going forward, we will pursue sustainable growth.
- At the same time, we will advance the dialogue with our stakeholders to remain an in-depth understanding of society's expectations for us and of our strengths.
We will revise the Material Issues flexibly in response to changes in society.

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- We expect that the business environment surrounding us is rapidly changing and the situation remains uncertain.
- Under such circumstances, as we will work to improve corporate value over the medium to long term, we steadily carry out the medium-term management plan “BBBO 2017” which reached the final year and thereby implement to return to the growth track.