

July 17, 2019

Sumitomo Corporation
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Notice Regarding Issue of New Shares as Restricted Stock-based Remuneration to Directors and Executive Officers

Sumitomo Corporation (the “Company”) hereby announces the resolution of its Board of Directors’ Meeting held on July 17, 2019 for issuing new shares (the “New Issue”) as restricted stock-based remuneration as follows.

1. Overview of issue

(1) Payment date for shares to be issued	August 16, 2019
(2) Class and number of shares to be issued	Common shares of the Company: 197,800 shares
(3) Issue price	1,658 yen per share
(4) Total amount of issue price	327,952,400 yen
(5) Scheduled allottees	6 Directors (*):54,900 shares 36 Executive Officers: 142,900 shares *Excluding Outside Directors.
(6) Other	The New Issue is subject to the effectuation of the securities registration statement under the Financial Instruments and Exchange Act.

2. Purpose and reason of issue

At the Board of Directors’ Meeting held on May 16, 2018, the Company passed a resolution for submitting a proposal regarding the introduction of a restricted stock plan (the “Plan”) for the Company’s Directors (excluding Outside Directors; hereinafter referred to as the “Eligible Directors”) and Executive Officers (excluding Executive Officers as Directors; hereinafter referred to as the “Eligible Executive Officers”; and the Eligible Directors and the Eligible Executive Officers are hereinafter collectively referred to as the “Eligible Officers”) to the 150th Ordinary General Meeting of Shareholders held on June 22, 2018, as a new remuneration plan for the Eligible Officers with an aim to further reinforce the interrelation with shareholder value and thereby promote efforts to improve our corporate value over medium- to long-term and create greater shared values with our shareholders. Furthermore, in the foregoing Ordinary General Meeting of Shareholders, as the monetary remuneration receivables to be used as the property contributed in-kind for subscribing restricted stocks based on the Plan, the Company has obtained an approval for (i) setting the total amount of monetary remuneration receivables to be paid to the Eligible Directors to an annual amount of 130 million yen or less, and (ii) setting the total number of the Company’s common shares to be issued or disposed to the Eligible Directors to be 120,000 shares or less per year.

The overview of the Plan is as follows.

<Overview of the Plan>

The Eligible Officers will receive the Company’s common shares to be issued or disposed by the Company in exchange for in-kind contribution of all monetary remuneration receivables granted by the Company

pursuant to the Plan.

The total amount of monetary remuneration receivables to be paid under the Plan will be an annual amount of 130 million yen or less for the Eligible Directors and an annual amount of 520 million yen or less for, the total number of the Company's common shares to be issued or disposed under the Plan will be 120,000 shares or less per year for the Eligible Directors and 490,000 shares or less per year for, and the paid-in amount per share shall be decided by the Board of Directors based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day preceding the date of the resolution of the Board of Directors (if the Company's shares are not traded on said date, then the closing price of the most recent trading day preceding said date) to the extent that it will not be excessively advantageous for the Eligible Officers to receive the allotted shares.

Furthermore, upon the issuance or disposal of the Company's common shares pursuant to the Plan, the Company and the Eligible Officers will execute a restricted stock allotment agreement (the "Allotment Agreement") to receive the allotted shares.

In light of the above, the Board of Directors' Meeting held on July 17, 2019 passed a resolution for issuing monetary remuneration receivables in a total amount of 327,952,400 yen (among which 91,024,200 yen is for the Eligible Directors), and consequently 197,800 shares of the Company's common shares (among which 54,900 shares are for the Eligible Directors; hereinafter referred to as the "Allotted Shares"), to 6 Eligible Directors and 36 Eligible Executive Officers.

<Overview of Allotment Agreement>

The Company and the Eligible Officers will individually execute the Allotment Agreement accompanied by the New Issue, and the overview of the Allotment Agreement is as follows.

(1) Restriction period

An Eligible Officer may not transfer, create security interest on, or otherwise dispose the Allotted Shares during a period from August 16, 2019 from the payment date for the shares to be issued (the "Stock Payment Date") to the date that the Eligible Officer resigns or retires from his/her position as the Company's Director or Executive Officer.

(2) Conditions for cancelling transfer restriction

On the condition that an Eligible Officer continuously serves the position as the Company's Director or Executive Officer (i) from the conclusion of the Ordinary General Meeting of Shareholders nearest to the Stock Payment Date to the conclusion of the Ordinary General Meeting of Shareholders of the following year when the Eligible Officer is a Director, and (ii) from April 1, 2019 to March 31, 2020 when the Eligible Officer is an Executive Officer that is not a Director (each a "Service Period"), the Company will cancel the transfer restriction regarding all Allotted Shares at the time of expiration of the restriction period (at the time immediately after resignation or retirement); provided, however, that, if an Eligible Officer resigns or retires from his/her position as the Company's Director or Executive Officer during the Service Period due to death, expiration of term of office, or other reasons deemed legitimate by the Board of Directors, the Company will cancel, at the time of expiration of the restriction period (at the time immediately after resignation or retirement), the transfer restriction regarding the Allotted Shares in a quantity obtained by multiplying the number, which is obtained by dividing the number of months from the month including the commencement date of the Service Period to the month including the date of resignation or retirement by 12, by the number of Allotted Shares (if any fraction less than 1 share unit arises as a result of the calculation, such fraction shall be rounded down).

(3) Acquisition of Allotted Shares by the Company without compensation

The Company will, as a matter of course, acquire the Allotted Shares, for which the transfer restriction has not been cancelled as of the expiration of the restriction period (at the time immediately after resignation or retirement), without any compensation.

(4) Management of shares

During the restriction period, the Allotted Shares will be managed in a dedicated account of the restricted stocks opened by the Eligible Officers in Daiwa Securities Co. Ltd. so that the Eligible Officers cannot transfer, create security interest on, or otherwise dispose the Allotted Shares during the restriction period.

(5) Measures to be taken upon organizational restructuring, etc.

If a merger agreement in which the Company will become the absorbed company, a share exchange

agreement or a share transfer plan in which the Company will become the wholly-owned subsidiary, or any other matter related to organizational restructuring, etc. is approved in the General Meeting of Shareholders (if approval in the General Meeting of Shareholders is not required in relation to such organizational restructuring, then the Board of Directors' Meeting) during the restriction period, the Company will cancel the transfer restriction based on the resolution of the Board of Directors immediately before the business day preceding the effective date of such organizational restructuring, etc. for the Allotted Shares in a quantity obtained by multiplying the number (if this number exceeds 1 as a result of the calculation, then this number shall be deemed to be 1), which is obtained by dividing the number of months from the month including the commencement date of the Service Period to the month including the date that such organizational restructuring, etc. is approved by 12, by the number of Allotted Shares held at such point in time (if any fraction less than 1 share unit arises as a result of the calculation, such fraction shall be rounded down).

3. Basis of calculation of paid-in amount and specific details thereof

The New Issue will be carried out with the monetary remuneration receivables, which are paid to the scheduled allottees based on the Plan, as the contributed assets, and the paid-in amount thereof is 1,658 yen, which is the closing price of the Company's common shares on the Tokyo Stock Exchange on July 16, 2019 (business day preceding the date of the resolution of the Board of Directors), in order to adopt a price that excludes arbitrariness. This price is the market value immediately preceding the date of the resolution of the Board of Directors, and is a reasonable price that properly reflects the Company's corporate value in a state where there are no special circumstances under which the foregoing price is not relied upon the most recent stock price, and does not fall within a price that is excessively advantageous for the Eligible Officers.