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For Immediate Release

Sumitomo Corporation
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Notice on Transfer of a Part of Metal Products Business to 100% Consolidated Sub-subsidiary through Company Split (simple absorption-type)

Sumitomo Corporation hereby announces that its Board of Directors meeting held today has resolved to conclude an absorption-type split agreement on an company split (hereinafter, “Company Split”) whereby Sumitomo Corporation will transfer a part of its Metal Products Business to its 100% consolidated sub-subsidiary, Sumisho Metalex Corporation (hereinafter, “Sumisho Metalex”), with effective date of April 1, 2021. As of today, Sumisho Metalex has been invested through Sumitomo Corporation’s 100% consolidated subsidiary, Sumitomo Corporation Global Metals Co., Ltd. (hereinafter, “Sumisho Global Metals”), and on April 1, 2021, Sumisho Global Metals plans to distribute its share in Sumisho Metalex to Sumitomo Corporation through in-kind dividend. As a result, Sumisho Metalex is expected to be Sumitomo Corporation’s 100% consolidated subsidiary as of the effective date.

Since the Company Split is a simple absorption-type split involving 100% consolidated sub-subsidiary (100% subsidiary as of the effective date), certain disclosure items/details have been omitted from this announcement.

1. Purpose of the Company Split

Sumitomo Corporation will transfer its operations related to the following businesses (hereinafter, “Businesses”) to Sumisho Metalex as a consequence of the Company Split, aiming to further increase value as a group by integrating functions.

- (1) Aluminum products
- (2) Logistics equipment
- (3) Titanium rolled products

Sumitomo Corporation’s Metal Business Products Unit has outsourced the aluminum products and logistics equipment business to Sumisho Metalex since 2020. As Sumisho Metalex has established its capabilities for further growth, it has been determined to transfer the businesses. Also, Sumitomo Corporation transferred a part of its titanium related businesses to Sumisho Metalex in 2018, and Sumitomo Corporation have reached the conclusion that it is in the best interest of group and, in turn, of business partners to integrate titanium rolled products business and form a specialized organization within Sumisho Metalex to provide further added values.

2. Overview of the Company Split

(1) Schedule for the Company Split

Resolution on the absorption-type split by the Board of	February 24, 2021
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Directors (Sumitomo Corporation and Sumisho Metalex)	
Conclusion of the absorption-type split agreement	February 24, 2021
Conclusion of the absorption-type split by the General Meeting of Shareholders (Sumisho Metalex)	March 12, 2021 (scheduled)
Effective date of the Company Split	April 1, 2021 (scheduled)

(Note) Sumitomo Corporation, the splitting company, satisfies the requirements for a simple absorption-type split under the provisions of Article 784.2 of the Companies Act. Hence, Sumitomo Corporation will carry out the Company Split without approval from the General Meetings of Shareholders.

(2) Method of the Company Split

This is an absorption-type company split (simple split), with Sumitomo Corporation as the splitting company and Sumisho Metalex as the succeeding company.

(3) Allocation of shares in connection with the Company Split

Sumisho Metalex, the succeeding company, will issue 406,000 shares of common stock in exchange for the Businesses to be transferred in the Company Split.

(4) Handling of share options and bonds with share options associated with the Company Split

There will be no changes made to share options issued by Sumitomo Corporation as a consequence of the Company Split. Moreover, Sumitomo Corporation has not issued bonds with share options.

(5) Changes in capital as a consequence of the Company Split

There will be no changes made in Sumitomo Corporation's capital as a consequence of the Company Split.

(6) Rights and obligations assumed by the succeeding company

Regarding the contractual status as well as rights and obligations under the contracts related to business activities deemed necessary to carry out the Businesses, Sumisho Metalex, the succeeding company, is to inherit those prescribed in the absorption-type split agreement upon the Company Split.

(7) Prospects for fulfillment of obligations

Sumitomo Corporation has determined that there is no liabilities to be succeeded by the succeeding company, Sumisho Metalex, and Sumisho Metalex can be rightfully expected to fulfill the obligations it assumes with the Company Split.

3. Profiles of the Companies Involved in the Company Split

	Splitting company (As of March 31, 2020)	Succeeding company (As of March 31, 2020)
(1) Name	Sumitomo Corporation	Sumisho Metalex Corporation
(2) Address	3-2 Otemachi 2-Chome, Chiyoda-ku, Tokyo	4-3 Kanda Nishiki-cho 1-Chome, Chiyoda-ku, Tokyo

(3) Name and title of representative	Representative Director, President and Chief Executive Officer Masayuki Hyodo	Representative Director and President Yoshimitsu Matsuda
(4) Description of business	Integrated trading company	Metal products trading company
(5) Capital	219,613 million yen (*1)	1,170 million yen
(6) Date established	December 24, 1919	April 5, 1973
(7) Outstanding stocks	1,250,985,467 shares (*2)	10,013,000 shares
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and shareholding ratios	The Master Trust Bank of Japan, Ltd. 8.77% Japan Trustee Services Bank, Ltd. 4.66% BNYM RE NORWEST/WELLS FARGO OMNIBUS 4.43% Sumitomo Life Insurance Company 2.47% Japan Trustee Services Bank, Ltd. 2.03%	Sumisho Global Metals 100% (*3)

(10) Financial position and operating results for the most recent fiscal year (in millions of yen, except when otherwise specified)		
Company name	Sumitomo Corporation (consolidated)	Sumisho Metalex
Fiscal year	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2020
Net assets (Equity attributable to owners of the parent)	2,544,133	8,427
Total assets	8,128,596	38,383
Net assets per share (yen) (Equity per share attributable to owners of the parent)	2,036.48	841.65
Revenues	—	94,068
Operating income	5,299,814	—
Ordinary income	—	1,471
Net income (Profit attributable to owners of the parent)	171,359	1,677
Net income per share (yen) (Earnings per share attributable to owners of	137.18	167.51

the parent)		
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(*1, 2) The capital has increased by 168 million yen to 219,781 million yen due to the issuance of new shares as restricted stock-based remuneration on August 14, 2020. The total number of outstanding stocks has also increased by 268,400 shares to 1,251,253,867 shares.

(*3) Sumisho Global Metals is Sumitomo Corporation's 100% consolidated subsidiary. On April 1, 2021, Sumisho Global Metals plans to distribute its shares in Sumisho Metalex to Sumitomo Corporation through in-kind dividend. As a consequence, Sumisho Metalex is expected to be Sumitomo Corporation's 100% subsidiary as of the effective date of the Company Split.

4. Outline of the Business Subject to the Company Split

(1) Business to be split

Businesses related to Aluminum products, Logistics equipment, and titanium rolled products

(2) Operating results of the business to be split (fiscal year ended March 31, 2020)

Sales: 54.5 billion yen

(3) Assets and liabilities to be split (scheduled)

Assets		Liabilities	
Current assets	2 million yen	Current liabilities	—
Fixed assets	5,678 million yen	Fixed liabilities	—
Total	5,680 million yen	Total	—

(Note) Assets and liabilities to be transferred will be determined after adding or subtracting the increase or decrease until the day before the Company Split to the above amount.

5. Status of the Companies Involved after the Company Split

There will be no change made to the name, address, name/title of representative, business activities, capital and fiscal term of Sumitomo Corporation and Sumisho Metalex as a consequence of the Company Split.

6. Future Outlook

The effects of the Company Split on Sumitomo Corporation's consolidated financial results are expected to be minor since it is a transaction with its 100% consolidated sub-sub-subsidiary (100% consolidated subsidiary as of the effective date of Company Split).

(Reference) Consolidated earnings forecasts for the fiscal year ending March 31, 2021 (announced on February 4, 2021) and consolidated results for the previous fiscal year

	Profit for the year attributable to owners of the parent	Earnings per share attributable to owners of the parent
Unit	million yen	yen

Forecasts for the current fiscal year (ending March 31, 2021)	(120,000)	(96.01)
Results for the previous fiscal year (ended March 31, 2020)	171,359	137.18

(Note) 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. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. Sumitomo Corporation is under no obligation—and expressly disclaims any such obligation—to update or alter its forward-looking statements.

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