

For Immediate Release

(This is an English translation of the Japanese original.)

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Sumitomo Corporation

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Notice Concerning Recognition of Impairment Loss for the fiscal year ending March 31, 2017

Sumitomo Corporation (hereinafter “**Sumitomo**”) announces that Sumitomo recognized the impairment loss relating to Sierra Gorda copper and molybdenum mining business in Chile in the 3rd quarter of FY 2016 (October 1, 2016 to December 31, 2016).

1. Impairment loss in Sierra Gorda copper and molybdenum mining business in Chile

Background and reason for the impairment loss

In 2011, Sumitomo participated in Sierra Gorda copper and molybdenum mining business in Chile. Management of the copper and molybdenum mine is conducted by Sierra Gorda SCM (Head Office: Santiago, Chile, hereinafter “**the mine management company**”). SMM Sierra Gorda Inversiones Limitada (Head Office: Santiago, Chile, hereinafter “**the joint venture**”), a joint venture between Sumitomo and Sumitomo Metal Mining Co., Ltd. (Head Office: Minato-ku, Tokyo), owns a 45% share of the mine management company, jointly operated with KGHM Polska Miedz S.A. (Head Office: Lubin, Poland).

Sumitomo, through its wholly-owned subsidiary Inversiones SC Sierra Gorda Limitada (Head Office: Santiago, Chile), owns a 30% share of the joint venture.

As a result of revising the long-term business plan based on the current performance of mining operation and the medium and long-term trend in copper prices, the mine management company determined that it will be difficult to recover the full book value of the fixed assets and accordingly posted an impairment loss down to the recoverable amount.

Consequently, Sumitomo recognized the loss of 33.6 billion yen as “Share of loss of investments accounted for using the equity method” in its consolidated financial statements and the loss of 31.8 billion yen as “Valuation loss on investment securities” under “Non-operating expense” in its non-consolidated financial statements.

2. The consolidated earnings forecasts for the fiscal year ending March 31, 2017

The consolidated earnings forecasts announced on November 1, 2016 remain unchanged.

Please refer to “Consolidated quarterly results FY2016 (Nine-month period ended December 31, 2016)” released today.