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For Immediate Release

Sumitomo Corporation
Kuniharu Nakamura, President and CEO
Code No: 8053 Tokyo Stock Exchange (TSE), 1st Section
Contact: Kenji Shinmori, General Manager,
Corporate Communications Dept.
Tel. +81-3-5166-3100

**Notice Concerning the Conclusion of Basic Agreements on Company Split of
the Metal Products Business to Wholly Owned Subsidiaries**

Sumitomo Corporation (hereinafter, “the Company”) announces that it has entered into basic agreements (hereinafter, the “Basic Agreement[s]”) with its wholly owned subsidiaries, Sumitomo Corporation Global Metals Co., Ltd. (hereinafter, “Global Metals”) and Sumisho Metalex Corporation (hereinafter, “Metalex”), to the effect that it will transfer a part of its metal products business (hereinafter, “the Business”) to each of the above-mentioned companies (hereinafter, the “Company Split”), which is scheduled to come into effect on April 1, 2018.

Matters pending as of today will be announced as soon as they are decided.

1. Background and Purpose of the Conclusion of the Basic Agreements

As disclosed in the announcement dated January 29, 2016, regarding the “Start of Consideration of Partial Transfer of Sumitomo Corporation’s Metal Products Business to Wholly-owned Subsidiary,” the Company has been considering a transfer of the Business to Global Metals. In the course of the consideration, as stated in the announcement dated August 1, 2016, regarding the “Notice regarding Company Split (Simplified Absorption-type Company Split),” the relevant company split of the business relating to ground mounting system for solar photovoltaics took effect on October 1, 2016, and the transfer to Metalex was completed.

Subsequently, in considering the transfer of the Business, the Company reached a conclusion that it is the best option for the Group that the majority of the Business be transferred to Global Metals whereas the business relating to stainless steel, titanium and high-performance materials in the remaining portion of the Business be transferred to Metalex, in order to realize growth of Global Metals and Metalex while providing more added value to business partners. As a result, the Company entered into the Basic Agreements with Global Metals and Metalex, respectively.

Metalex handles a wide variety of products ranging from solar photovoltaics-related business to construction products, aluminum and copper products. By transferring the stainless steel and titanium business to Metalex, the

Company expects that Metalex will be able to further expand its business based on increased product line-up, new business opportunities, and improvement of customer satisfaction. Since Metalex also develops electronics and semi-conductor domains which are deeply linked to high-performance materials, the Company determined that the concentration of the high-performance materials business into Metalex will create synergies for further expansion in the electronics and semi-conductor domains, contributing to the expansion of its overall businesses.

The Company Split as provided for in the Basic Agreements is summarized below.

2. Outline of the Company Split

(1) Schedule of the Company Split

- February 27, 2017: Signing of the Basic Agreements
- December 2017 (planned): Resolution of the Company Split by the Board of Directors of the Company
- December 2017 (planned): Resolution of the Company Split by the Board of Directors of Global Metals
- December 2017 (planned): Resolution of the Company Split by the general meeting of shareholders of Global Metals
- December 2017 (planned): Resolution of the Company Split by the Board of Directors of Metalex
- December 2017 (planned): Resolution of the Company Split by the general meeting of shareholders of Metalex
- December 2017 (planned): Conclusion of the Agreement on the absorption-type Company Split with Global Metals
- December 2017 (planned): Conclusion of the Agreement on the absorption-type Company Split with Metalex
- April 1, 2018 (planned): Company Split will be implemented. (Effective date)

(2) Method of Company Split

This is an absorption-type company split in which the Company is the splitting company, whereas Global Metals and Metalex are the successor companies.

(3) Details of Allotments Related to the Company Split

Global Metals and Metalex will allot their shares, respectively, to the Company in consideration of the Business to be succeeded through the Company Split. The number of shares to be allotted, however, has not been decided yet.

The Company owns all outstanding shares in the successor companies, and all ordinary shares to be issued by the successor companies for the purpose of the Company Split will be allotted to the Company. Therefore, shareholders' equity of the Company will not change regardless of the number of shares to be allotted.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights Accompanying the Company Split

There is no change to stock acquisition rights issued by the Company due to the Company Split. The Company issues no bonds with stock acquisition rights.

(5) Increase or Decrease in Capital due to the Company Split

There is no increase or decrease in capital due to the Company Split.

(6) Rights and Obligations to be Succeeded by Successor Companies

For the purpose of the Company Split, each successor company will succeed the assets, the contractual status and other rights and obligations relating to the Business and which are considered necessary for conducting the Business. Details will be decided before the absorption-type Company Split agreements will be concluded.

(7) Prospect of Fulfillment of Obligations

The Company expects that there will be no problems relating to the prospect of fulfillment of obligations to be borne by the successor companies for the purpose of the Company Split.

3. Company Split in Which Global Metals Is to be the Successor Company

(1) Summary of the Companies Involved in the Company Split (as of March 31, 2016)

	Splitting Company (As of March 31, 2016)	Successor Company (As of March 31, 2016)
1) Company Name	Sumitomo Corporation	Sumitomo Corporation Global Metals Co., Ltd.
2) Head Office	8-11, Harumi 1-chome, Chuo-ku, Tokyo	8-12, Harumi 1-chome, Chuo-ku, Tokyo
3) Representative	Kuniharu Nakamura, President & CEO	Kazunari Sakata, President and CEO
4) Summary of Businesses	Integrated trading company	Integrated metal trading company
5) Paid-in Capital	219,279 million yen	20 million yen
6) Establishment Date	December 24, 1919	April 4, 2003
7) Number of Shares Outstanding	1,250,602,867	400
8) Book Closing Date	March 31	March 31
9) Major Shareholders and Shareholding Ratio	The Master Trust Bank of Japan, Ltd.: 5.65%	Sumitomo Corporation: 100%
	Japan Trustee Services Bank, Ltd.: 4.73%	
	LIBERTYPROGRAMMING JAPAN, LLC: 3.65%	
	JPMORGAN CHASE BANK 385632: 3.29%	
	Sumitomo Life Insurance Company: 2.47%	
10) Financial Position as of the end of the Most Recent Fiscal Year and Operating Results for the Same Year (In millions of yen, except for where stated otherwise)		

Company Name	Sumitomo Corporation (Consolidated)	Sumitomo Corporation Global Metals Co., Ltd.
Fiscal Year	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net Assets(Equity attributable to owners of the parent)	2,251,509	62
Total Assets	7,817,818	1,111
Net Assets per Share (yen) (Equity per share attributable to owners of the parent)	1,803.95	155,146.45
Total trading transactions	7,584,146 (Note 1)	7,559
Revenues	4,010,808 (Note 2)	—
Operating Profit	113,722	85
Ordinary Income	—	85
Net Income (Profit for the year attributable to owners of the parent)	74,546	27
Net Income per Share (yen) (Earnings per share attributable to owners of the parent [basic])	59.73	68,223.76

Note: Sumitomo Corporation Global Metals Co., Ltd. (former name: Sumisho Steel Corporation [hereinafter, “Sumisho Steel”]) merged with SC Tubulars Co., Ltd. on April 1, 2016, increasing its capital (paid-in capital after capital increase: 300 million yen). Financial position as of the end of the most recent fiscal year and operating results for the same year as shown in the above table represent the results of Sumisho Steel as the successor company.

(Note 1) Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which the Companies act as a principal or as an agent. It is presented in a manner customarily used in Japan solely for Japanese investors' purposes.

(Note 2) Revenues is presented in accordance with IFRS.

(2) Outline of the Business Subject to the Company Split

- 1) Business connected with steel sheets and strips (except for the electrical steel sheet business for domestic market which was transferred from the former Sumitomo Metal Industries, Ltd., following the merger of the former Nippon Steel Corporation and former Sumitomo Metal Industries, Ltd. [presently, Nippon Steel & Sumitomo Metal Corporation])
- 2) Business connected with automotive steel sheets
- 3) Business connected with wire rods and specialty steel
- 4) Business connected with light metal (except for virgin aluminum metal transactions)
- 5) Business connected with plates
- 6) Business connected with construction steel products

- 7) Business connected with mechanical tubular products, specialty tubular products and general tubular products for domestic markets

The shares held by the Company in Summit Steel Co., Ltd., Sumisho Metalex Corporation, Ootone Warehouse Co., Ltd., Mazda Steel Co., Ltd., Sumisho Speciality Steel Corporation, SC Pipe Solutions Co., Ltd., as well as a part of the shares in Marubeni Itochu Sumisho Techno Steel Inc. are subject to the transfer.

(3) Operating Results of the Business to be Transferred (Fiscal year ended March 31, 2016)

	Results of the Business subject to the Company Split (A)	Consolidated operating results of the Company (B)	Ratio (A/B)
Total trading transactions	920,280 million yen	7,584,146 million yen	12.13%

(4) Assets and Liabilities to be Transferred (as of December 31, 2016)

Assets		Liabilities	
Current assets	164 million yen	Current liabilities	164 million yen
Noncurrent assets	13,495 million yen	Noncurrent liabilities	–
Total	13,659 million yen	Total	164 million yen

Note: The amounts of assets and liabilities to be transferred will be determined by adding or deducting the increase or decrease recorded up to one day prior to the date of the Company Split to or from the amounts stated in the table above.

4. Company Split in Which Metalex Is to be the Successor Company

(1) Summary of the Companies Involved in the Company Split (as of March 31, 2016)

	Splitting Company (As of March 31, 2016)	Successor Company (As of March 31, 2016)
1) Company Name	Sumitomo Corporation	Sumisho Metalex Corporation
2) Head Office	8-11, Harumi 1-chome, Chuo-ku, Tokyo	8-10, Harumi 1-chome, Chuo-ku, Tokyo
3) Representative	Kuniharu Nakamura, President & CEO	Yoshifumi Yamawaki, Representative Director and President
4) Summary of Businesses	Integrated trading company	Metal trading company
5) Paid-in Capital	219,279 million yen	1,170 million yen
6) Establishment Date	December 24, 1919	April 5, 1973
7) Number of Shares Outstanding	1,250,602,867	9,980,000
8) Book Closing Date	March 31	March 31
9) Major Shareholders and Shareholding Ratio	The Master Trust Bank of Japan, Ltd.: 5.65% Japan Trustee Services Bank, Ltd.: 4.73% LIBERTY PROGRAMMING JAPAN, LLC: 3.65%	Sumitomo Corporation: 100%

	JPMORGANCHASEBANK385632: 3.29%	
	Sumitomo Life Insurance Company: 2.47%	
10) Financial Position as of the end of the Most Recent Fiscal Year and Operating Results for the Same Year (In millions of yen, except for where stated otherwise)		
Company Name	Sumitomo Corporation (Consolidated)	Sumisho Metalex Corporation
Fiscal Year	Fiscal year ended March 31, 2016	Fiscal year ended March 31, 2016
Net Assets (Equity attributable to owners of the parent)	2,251,509	8,425
Total Assets	7,817,818	26,634
Net Assets per Share (yen) (Equity per share attributable to owners of the parent)	1,803.95	844.23
Total trading transactions	7,584,146 (Note 1)	63,716
Revenues	4,010,808 (Note 2)	—
Operating Profit	113,722	1,398
Ordinary Income	—	1,528
Net Income (Profit for the year attributable to owners of the parent)	74,546	862
Net Income per Share (yen) (Earnings per share attributable to owners of the parent [basic])	59.73	86.37

(Note 1) Total trading transactions represents the gross transaction volume of trading activities, or the nominal aggregate value of the transactions for which the Companies act as a principal or as an agent. It is presented in a manner customarily used in Japan solely for Japanese investors' purposes.

(Note 2) Revenues is presented in accordance with IFRS.

(2) Outline of Business Subject to the Company Split

- 1) Stainless steel business operated by the Specialty Steel Flat Rolled Products Business Dept.
- 2) Business relating to titanium and high-performance materials

Other than the above businesses, the shares held by the Company in Inokin Co., Ltd. and Osaka Stainless Center Co., Ltd., are also subject to transfer.

(3) Operating Results of the Business to be Transferred (Fiscal year ended March 31, 2016)

	Results of the business subject to the Company Split (A)	Results of the Company (B)	Ratio (A/B)
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Total trading transactions	42,446 million yen	7,584,146 million yen	0.56%
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(4) Assets and Liabilities to be Transferred (as of December 31, 2016)

Assets		Liabilities	
Current assets	3 million yen	Current liabilities	3 million yen
Noncurrent assets	4 million yen	Noncurrent liabilities	—
Total	7 million yen	Total	3 million yen

Note: The amounts of assets and liabilities to be transferred will be determined by adding or deducting the increase or decrease recorded up to one day prior to the date of the Company Split to or from the amounts stated in the table above.

5. Future Outlook

The Company Split is expected to have a minor impact on the consolidated business results of the Company since it is a transaction between the Company and its wholly owned subsidiaries.

The Company intends to maintain strong partnerships with both companies even after the Company Split, in order to exercise the Group's integrated corporate strength, by leveraging the resources of an integrated trading company and the expertise of specialized trading companies.

(Reference)

The consolidated earnings forecasts for the fiscal year ending March 31, 2017 (April 1, 2016, to March 31, 2017) as announced on November 1, 2016, and the results for the previous consolidated fiscal year.

	Profit before tax	Profit for the year attributable to owners of the parent	Earnings per share attributable to owners of the parent (basic)
Unit	Million yen	Million yen	Yen
Forecasts for the fiscal year ending March 31, 2017	180,000	130,000	104.17
Results for the previous consolidated fiscal year ended March 31, 2016	140,116	74,546	59.73

Note: Cautionary Statement Concerning Forward-looking Statements

This notice 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 notice 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 Sumitomo's business strategies. Sumitomo may be unsuccessful in implementing its business strategies, and management may fail to achieve its forecasts. Sumitomo is under no obligation – and - expressly disclaims any such obligation - to update or alter its forward-looking statements.