

February 27<sup>th</sup>, 2017

To whom it may concern:

Company: Sumitomo Corporation  
Representative: Kuniharu Nakamura, President & CEO  
(Code No. 8053 [First Section, Tokyo Stock Exchange])  
Inquiries: Kenji Shinmori, General Manager  
Corporate Communications Department  
(TEL 03-5166-3100)

**Notice of Acquisition of 100% Ownership of KIRIU Corporation through Simplified  
Share Exchange**

Sumitomo Corporation and its consolidated subsidiary KIRIU Corporation (hereinafter, "KIRIU") have approved resolutions at their respective Board of Directors meetings held today to carry out a share exchange involving Sumitomo Corporation as the wholly owning parent company and KIRIU as the wholly owned subsidiary company (hereinafter, "this Share Exchange"), and a share exchange agreement has been concluded between the two companies.

Because this Share Exchange is a simplified share exchange (kani kabushiki kokan) for the purpose of converting a consolidated subsidiary into a wholly owned subsidiary, some of the disclosure items/content have been partially omitted in this disclosure.

**1. Purpose of this Share Exchange**

KIRIU is a consolidated subsidiary of Sumitomo Corporation (which holds 99.76% of shares) and SC-ABeam Automotive Consulting (which holds 0.24% of shares) engaged in casting, machining and sales of mainly brake-disc and drum. In making KIRIU a wholly owned subsidiary, Sumitomo Corporation is aiming to increase speed and flexibility in its Group management, to ensure sustained business growth by fully utilizing resources available within the Sumitomo Corporation Group, and to improve its own corporate value.

**2. Overview of this Share Exchange**

(1) Schedule of this Share Exchange

Board resolution to conclude share exchange agreement (both companies)

Monday, February 27<sup>th</sup>, 2017

Conclusion of share exchange agreement (both companies)

Monday, February 27<sup>th</sup>, 2017

Effective date of this Share Exchange

Saturday, April 1st, 2017 (tentative)

(Note) Sumitomo Corporation and KIRU will implement this Share Exchange without obtaining the approval of the shareholders at a general meeting of shareholders in accordance with the simplified share exchange and summary share exchange (ryakushiki kabushiki kokan) procedures.

(2) Method of this Share Exchange

This Share Exchange will involve Sumitomo Corporation as the wholly owning parent company and KIRIU as the wholly owned subsidiary company.

(3) Allocation of shares in connection with this Share Exchange

Company	Sumitomo Corporation (wholly owning parent company)	KIRIU Corporation (wholly owned subsidiary company)
Allocation of shares in connection with this Share Exchange	1	421.87
Number of shares to be delivered under this Share Exchange	42,187	

(Note 1) Share exchange ratio of shares

Sumitomo Corporation will allocate/deliver 421.87 ordinary shares for each share of KIRIU. However, there will be no allocation of shares for this Share Exchange for the KIRIU shares already held by Sumitomo Corporation.

(Note 2) Number of shares to be delivered in this Share Exchange

Sumitomo Corporation intends to deliver 42,187 ordinary Sumitomo Corporation shares for this Share Exchange. The shares to be delivered by Sumitomo Corporation will come from treasury shares it owns; Sumitomo Corporation has no plans to issue new shares for allocation in this Share Exchange.

(4) Handling of share options and bonds with share options

KIRIU has not issued share options or bonds with share options.

**3. Allocation calculations for this Share Exchange**

The share price for Sumitomo Corporation as a listed company, was determined Japanese Yen 1,373 per share, by the opening price on December 30, 2016\*. The share price for KIRIU as a non-listed company, was determined Japanese Yen 579,238 per share, by using book value method\*\*. The share exchange ratio was calculated by above calculation results.

\*As the most recent quarterly consolidated balance sheet of KIRIU to share exchange contract day is as at December end 2016, share price of Sumitomo Corporation is also based on the same timing. Opening price was determined with reference to other projects of Sumitomo Corporation.

\*\*After considering other options, parties decided to use book value method as less arbitrary method. On the premise of calculation, consolidated balance sheet of KIRIU as at December end, 2016, which is the most recent quarter before the date of conclusion of the share exchange agreement, is used. In addition, retirement of treasury stock 1,400 shares was resolved at KIRIU board meeting held on February 27, 2017 under Article 178.1 of the Companies Act. Based on this resolution, retirement of the treasury stock was executed on the same day, which was taken into account when calculating share price for KIRIU based on book value method.

The share exchange ratio was calculated on the presumption that neither Sumitomo Corporation nor KIRIU are expected to see substantial changes in earnings and that their assets and liabilities are not likely to differ significantly from their most recent financial statements.

#### 4. Profiles of the companies involved in this Share Exchange

	Wholly owning parent company (as of March 31, 2016)	Wholly owned subsidiary company (as of March 31, 2016)
(1) Company Name	Sumitomo Corporation	KIRIU Corporation
(2) Head Office	Harumi 1-8-11, Chuo-ku, Tokyo	2,Omata Minami, Ashikaga City, Tochigi
(3) Representative	Kuniharu Nakamura, President & CEO	Makoto Yoshimoto, President & CEO
(4) Summary of Business	General trading company	Casting, machining and Sales of brake-disc and drum, etc.
(5) Paid-in Capital	219,279 million yen	2,098 million yen
(6) Establishment Date	December 24, 1919	March 12, 1982
(7) Number of Shares Issued	1,250,602,867 shares	43,122 shares
(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% JP Morgan Chase Bank 385632:3.29% Sumitomo Life Insurance Company 2.47%	Sumitomo Corporation 99.86% SC-ABeam Automotive Consulting 0.24%
(10) Operating Results for the Most Recent Business Year and Financial Position as of the End of the Business Year (In millions of yen, except for those stated otherwise)		
Company	Sumitomo Corporation (consolidated)	KIRIU
Fiscal term	Term ended March 31, 2016	Term ended March 31, 2016
Net assets (Equity attributable to owners of the parent)	2,251,509	24,551
Total assets	7,817,818	60,261
Net assets per share (yen) (Equity per share attributable to owners of the parent)	1,803.95	569,327.25
Total trading transactions	7,584,146 (Note 1)	50,920
Revenues	4,010,808 (Note 2)	—
Operating profit	113,722	4,284
Ordinary income	—	4,335
Net income (Profit for the year attributable to owners of the parent)	74,546	3,194
Net income per share (yen) (Earnings per share attributable to owners of the parent (basic)) (yen)	59.73	74,069

(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.

## 5. Status after this Share Exchange

There will be no changes made by Sumitomo Corporation in its name, address, name/title of

representative, business activities, capital or fiscal term as a consequence of this Share Exchange.

## 6. Future outlook

This Share Exchange is a transaction between Sumitomo Corporation and a consolidated subsidiary of Sumitomo Corporation, so any impact that this Share Exchange might have on Sumitomo Corporation's consolidated financial results will be negligible.

(Reference)

The consolidated earnings forecasts for the fiscal year ending March 31, 2017 (Fiscal year beginning on April 1, 2016 and ending March 31, 2017) and the results for the previous year

	Profit before tax	Profit for the year attributable to owners of the parent	Earnings per share attributable to owners of the parent (basic)
Forecasts for the fiscal year ending March 31, 2017	(millions of yen) 180,000	(millions of yen) 130,000	(yen) 104.17
Results for the 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.