

December 22, 2017

FOR IMMEDIATE RELEASE

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

Notice Regarding Company Split (Simplified Absorption-type Company Split)

Sumitomo Corporation (“the Company”) hereby announces that it has resolved at its meeting of the Board of Directors held today that it will transfer a part of its petrochemicals business (“the Company Split”) to SUMITOMO SHOJI CHEMICALS CO., LTD. (“SSC”), a wholly owned subsidiary, effective April 1, 2017, as detailed below.

Certain information has been omitted from this announcement since the Company Split is a simplified absorption-type company split in which the Company will transfer the assets to its wholly owned consolidated subsidiary.

1. Purpose of the Company Split

The Company decided that the business relating to plastics (synthetic resins), which is a part of the Company’s petrochemicals business, be transferred to SSC with the aim of boosting the corporate value of the Group by enhancing proposal capabilities to clients and business performance. SSC has a wide variety of customers and sales rights in the entire chemical industry, and is expanding the business base as a trading company specializing in chemicals, who is knowledgeable with related products. For SSC, the business transfer will bring commercial opportunities to expand new customer contacts and products, especially in the field of automobile.

2. Outline of the Company Split

(1) Schedule for the Company Split

December 22, 2017:	Meetings of the Board of Directors of the Company and SSC for the resolution of the absorption-type company split
December 22, 2017 (planned):	Company Split Contract to be concluded between the Company and SSC
January 22, 2018 (planned):	General meeting of shareholders of SSC
April 1, 2018 (planned):	Effective date of the Company Split

Note: Since the Company Split satisfies the requirements for a simplified company split stipulated in Article 784 (2) of the Companies Act, the Company as the splitting company may proceed with it without the approval of its general meeting of shareholders.

(2) Method of Company Split

This is an absorption-type company split (simplified company split) in which the Company is the splitting company and SSC is the successor company.

(3) Details of Allotments Related to the Company Split

The successor company will issue 1,000 shares of common stock, and allot them to the Company.

(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) Deduction of Capital due to the Company Split

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

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

For the purpose of the Company Split, the successor company will succeed the assets considered necessary for conducting the business relating to plastics as well as the contractual status and the rights and obligations arising from these contracts.

(7) Prospect of Fulfillment of Obligations

The Company considers there to be no problems relating to the prospect of fulfillment of obligations to be borne by the successor company for the purpose of the Company Split.

3. Summary of Companies Involved in the Company Split

	Splitting Company (As of March 31, 2017)	Successor Company (As of March 31, 2017)
(1) Company Name	SUMITOMO CORPORATION	SUMITOMO SHOJI CHEMICALS CO., LTD.
(2) Head Office	1-8-11, Harumi, Chuo-ku, Tokyo	1-8-12, Harumi, Chuo-ku, Tokyo
(3) Representative	Kuniharu Nakamura, President and CEO	Yasuhiro Tsuji, Representative Director and President
(4) Summary of Businesses	Integrated trading company	Chemicals trading company
(5) Paid-in Capital	219,279 million yen	900 million yen
(6) Establishment Date	December 24, 1919	February 23, 1998
(7) Number of Shares Issued	1,250,602,867	21,500
(8) Book Closing Date	March 31	March 31

(9) Major Shareholders and Shareholding Ratio	The Master Trust Bank of Japan, Ltd.: 6.02% Japan Trustee Services Bank, Ltd.: 4.77% LIBERTY PROGRAMMING JAPAN, LLC.: 3.65% JP MORGAN CHASE BANK 385632: 3.58% Sumitomo Life Insurance Company: 2.47%	SUMITOMO CORPORATION: 100%
(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)		
Name	SUMITOMO CORPORATION (Consolidated)	SUMITOMO SHOJI CHEMICALS
Fiscal Year	Ended March 31, 2017	Ended March 31, 2017
Net assets (Equity attributable to owners of the parent)	2,366,485	9,220
Gross assets	7,761,794	38,434
Net assets per share (yen) (Equity per share attributable to owners of the parent)	1,895.81	428,860.54
Sales	—	134,198
Revenues	3,996,974	—
Operating profit	—	2,917
Ordinary income	—	2,675
Net income (Profit for the year attributable to owners of the parent) (SSC: Net income)	170,889	1,915
Net income per share (Earnings per share attributable to owners of the parent (basic)) (yen)	136.91	89,078.67

4. Outline of the Business Section Subject to the Company Split

(1) Outline of the Business

Businesses relating to plastics (synthetic resin).

(2) Operating Results of the Business Subject to the Company Split (Fiscal year ended March 31, 2017)

Net sales: 28.6 billion yen

(3) Assets and Liabilities To Be Split Off (scheduled)

Assets		Liabilities	
Current assets	480 million yen	Current liabilities	—
Noncurrent assets	10 million yen	Noncurrent liabilities	—
Total	490 million yen	Total	—

5. Status of the Company after the Company Split

There will be no change in the trade name, location of the head office, name and title of the representative, line of business, paid-in capital or accounting term due to the Company Split.

6. Future Outlook

The Company Split is expected to have minor impacts on the consolidated business results of the Company because it is a transaction between the Company and a wholly owned subsidiary.

(Reference)

The consolidated earnings forecasts for the fiscal year ending March 31, 2018 (released on November 6, 2017) and the results for the previous year

	Profit for the year attributable to owners of the parent	Profit per share
Forecasts for the fiscal year ending March 31, 2018	(millions of yen) 280,000	(yen) 224.29
Results for the fiscal year ended March 31, 2017	170,889	136.91

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.