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FOR IMMEDIATE RELEASE

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**Notice Concerning the Conclusion of Agreement on Absorption-Type Company Split Related to  
the Company Split of the Metal Products Business to Wholly Owned Subsidiaries**

As disclosed in the “Notice Concerning the Conclusion of Basic Agreements on Company Split of the Metal Products Business to Wholly Owned Subsidiaries” dated February 27, 2017, Sumitomo Corporation (hereinafter, “the Company”) has entered into a basic agreement on a company split to the effect that it will transfer a part of its metal products business to its wholly owned subsidiaries, Sumitomo Corporation Global Metals Co., Ltd. (hereinafter, “Global Metals”) and Sumisho Metalex Corporation (hereinafter, “Metalex”) (hereinafter, the “Company Split”). The Company hereby announces that it has resolved at its meeting of the Board of Directors held today that it will conclude agreements on an absorption-type Company Split with Global Metals and Metalex, which are scheduled to come into effect on April 1, 2018.

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 subsidiaries.

1. Purpose of the Company Split

Through the Company Split, the Company aims to strengthen its ability to conduct business by appropriately transferring authority to Global Metals and Metalex, thus speeding up business management and leveraging diverse human resources. By establishing an agile organization that can flexibly respond to changes in the environment that surrounds the metals business, the Company seeks to provide customers with further added value and achieve the growth of group companies Global Metals and Metalex.

2. Outline of the Company Split in Which Global Metals Is to Be the Successor Company (Hereinafter, “Company Split A”)

(1) Schedule for Company Split A

Resolution of the absorption-type company split by the Board of Directors of the Company	January 30, 2018
Resolution of the absorption-type Company Split by the Board of Directors of Global Metals	January 30, 2018
Conclusion of the agreement on the absorption-type Company Split	January 30, 2018 (planned)
Resolution of the absorption-type Company Split by the general meeting of shareholders of Global Metals	February 21, 2018 (planned)
Due date of the split (effective date)	April 1, 2018 (planned)

Note: Since Company Split A 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.

Note: The execution of Company Split A is subject to the company split in which Metalex is to be the successor company (hereinafter, “Company Split B”) coming into effect as a condition precedent thereto. In addition, if any approval or permit is required by regulatory authorities in Japan or abroad to conduct Company Split A, the Company Split will be conducted after such approval or permit is obtained.

(2) Method of Company Split A

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

(3) Details of Allotments Related to Company Split A

Global Metals will issue 1 share of common stock and allot it to the Company.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights

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

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

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

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

Global Metals will succeed to the assets, liabilities, the contractual status and other rights and obligations relating to the target business for the purpose of Company Split A (hereinafter, “Company Split A Business”) and which are considered necessary for conducting Company Split A Business.

(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 Global Metals for the purpose of Company Split A.

(8) Summary of the Companies Involved in Company Split A

	Splitting Company (As of March 31, 2017)	Successor Company (As of March 31, 2017)
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	300 million yen
6) Establishment Date	December 24, 1919	April 4, 2003
7) Number of Shares Outstanding	1,250,602,867	402
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) 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, 2017	Fiscal year ended March 31, 2017
Net Assets (Equity attributable to owners of the parent)	2,366,485	284

Total Assets	7,761,794	1,629
Net Assets per Share (yen) (Equity per share attributable to owners of the parent)	1,895.81	706,592
Total Trading Transactions	—	8,823
Revenues	3,996,974	—
Operating Profit	—	-191
Ordinary Income	—	-198
Net Income (Profit for the year attributable to owners of the parent)	170,889	-152
Net Income per Share (yen) (Earnings per share attributable to owners of the parent [basic])	136.91	-377,156

(9) Outline of the Business Subject to Company Split A (Company Split A Business)

- 1) Business relating to steel sheets and strips (except for (i) 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] dated October 1, 2012; (ii) the stainless steel business operated by the Specialty Steel Flat Rolled Products Business Dept.; and (iii) business relating to titanium and high-performance materials.)
- 2) Business relating to automotive steel sheets
- 3) Business relating to wire rods and specialty steel
- 4) Business relating to plates
- 5) Business relating to construction steel products
- 6) Business relating to mechanical tubular products (except for business relating to airbags in Japan) and specialty tubular products (except for domestic transactions)

All of the shares held by the Company in Summit Steel Co., Ltd., Sumisho Metalex Corporation (including shares issues to the Company as consideration for Company Split B), Ootone Warehouse Co., Ltd., Mazda Steel Co., Ltd. and Sumisho Speciality Steel Corporation, as well as a part of the shares in Marubeni Itochu Sumisho Techno Steel Inc., which both parties concerned separately agree upon, are subject to the split.

The above businesses subject to the split are businesses described in the basic agreement concluded on February 27, 2017 excluding business relating to light metal (except for virgin aluminum metal transactions), business relating to airbags in Japan under business relating to mechanical tubular products, business relating to general tubular products for domestic markets, domestic transactions in the specialty tubular product business, and shares in SC Pipe Solutions Co., Ltd.

(10) Operating Results of the Business to be Split (Fiscal year ended March 31, 2017)

Total trading transactions: 707,300 million yen

(11) Assets and Liabilities to be Split (as of September 30, 2017)

Assets		Liabilities	
Current assets	107 million yen	Current liabilities	207 million yen
Noncurrent assets	10,005 million yen	Noncurrent liabilities	—
Total	10,112 million yen	Total	207 million yen

Note: The amounts of assets and liabilities to be split 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.

(12) Status of the Companies Involved in Company Split A after the Split

There will be no change in the name, head office, representative, business, paid-in capital, or book closing date of the Company as a result of Company Split A.

There will be no change in the name, head office, representative, business, or book closing date of Global Metals as a result of Company Split A. Paid-in capital of Global Metals will increase by 9,700 million yen to 10,000 million yen.

3. Outline of the Company Split in Which Metalex Is to Be the Successor Company (Hereinafter, “Company Split B”)

(1) Schedule for Company Split B

Resolution of the absorption-type company split by the Board of Directors of the Company	January 30, 2018
Resolution of the absorption-type Company Split by the Board of Directors of Metalex	January 30, 2018
Conclusion of the agreement on the absorption-type Company Split	January 30, 2018 (planned)
Resolution of the absorption-type Company Split by the general meeting of shareholders of Metalex	February 16, 2018 (planned)
Due date of the split (effective date)	April 1, 2018 (planned)

Note: Since Company Split B 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.

Note: If any approval or permit is required by regulatory authorities in Japan or abroad to conduct Company Split B, the Company Split will be conducted after such approval or permit is obtained.

(2) Method of Company Split B

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

(3) Details of Allotments Related to Company Split B

Metalex will issue 32,000 shares of common stock and allot them to the Company.

(4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights

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

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

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

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

Metalex will succeed to the assets, liabilities, the contractual status and other rights and obligations relating to the target business for the purpose of Company Split B (hereinafter, "Company Split B Business") and which are considered necessary for conducting Company Split B Business.

(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 Metalex for the purpose of Company Split B.

(8) Summary of the Companies Involved in Company Split B

	Splitting Company (As of March 31, 2017)	Successor Company (As of March 31, 2017)
1) Company Name	Sumitomo Corporation	Sumisho Metalex Corporation
2) Head Office	8-11, Harumi 1-chome, Chuo-ku, Tokyo	4-3, Kanda-nishikicho 1-chome, Chiyoda-ku, Tokyo (Relocated on September 19, 2017)
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	9,981,000

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) 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, 2017	Fiscal year ended March 31, 2017
Net Assets (Equity attributable to owners of the parent)	2,366,485	8,457
Total Assets	7,761,794	26,169
Net Assets per Share (yen) (Equity per share attributable to owners of the parent)	1,895.81	847.26
Total Trading Transactions	—	58,423
Revenues	3,996,974	—
Operating Profit	—	1,334
Ordinary Income	—	1,256
Net Income (Profit for the year attributable to owners of the parent)	170,889	823
Net Income per Share (yen) (Earnings per share attributable to owners of the parent [basic])	136.91	82.49

(9) Outline of the Business Subject to Company Split B (Company Split B Business)

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

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.

The above businesses subject to the split are businesses described in the basic agreement concluded on February 27, 2017 plus business relating to aluminum materials for heat exchangers.

(10) Operating Results of the Business to be Split (Fiscal year ended March 31, 2017)

Total trading transactions: 45,100 million yen

(11) Assets and Liabilities to be Split (as of September 30, 2017)

Assets		Liabilities	
Current assets	454 million yen	Current liabilities	3 million yen
Noncurrent assets	3 million yen	Noncurrent liabilities	—
Total	457 million yen	Total	3 million yen

Note: The amounts of assets and liabilities to be split 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.

(12) Status of the Companies Involved in Company Split B after the Split

There will be no change in the name, head office, representative, business, paid-in capital, or book closing date of the Company or Metalex as a result of Company Split B.

4. 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.

(Reference)

The consolidated earnings forecasts for the fiscal year ending March 31, 2018 (April 1, 2017 to March 31, 2018) as announced on November 6, 2017, and the results for the previous consolidated fiscal year.

Unit	Profit for the year attributable to owners of the parent Million yen	Earnings per share attributable to owners of the parent (basic) Yen
Forecasts for the fiscal year ending March 31, 2018	280,000	224.29
Results for the previous consolidated 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.