

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 and Revision of Consolidated Earnings Forecasts
for the fiscal year ending March 31, 2016**

Sumitomo Corporation (hereinafter “**Sumitomo**”) will recognize the impairment loss of approximately 77 billion yen relating to Ambatovy Nickel Project in Madagascar in the 3rd quarter of FY 2015 (October 1, 2015 to December 31, 2015). Sumitomo also announces that it resolved at the meeting of the Board of Directors held today to revise its consolidated earnings forecasts for the fiscal year ending March 31, 2016 (April 1, 2015 to March 31, 2016), which was announced on October 30, 2015, to “Undetermined”. The details are as follows:

1. The recognition of impairment loss in Ambatovy Nickel Project

Background and reason for the impairment loss

In 2005, Sumitomo participated in Ambatovy Nickel Project in Madagascar tasked with establishing nickel operations that integrate processes from mining through to refining.

Sumitomo, through Summit Ambatovy Mineral Resources Investment B.V. (Head Office: Amsterdam Netherlands, hereinafter “**SAMRI**”), its wholly-owned subsidiary, has invested in Ambatovy Minerals S.A., a mining company, and Dynatec Madagascar S.A., a refining company, (Head Office: Antananarivo Madagascar, hereinafter “**Project Companies**”) at 32.5% share ratio respectively.

The Project is jointly operated with Sherritt International Corporation (Head Office: Ontario Canada, Share ratio 40%) and Korea Resources Corporation (Head Office: Gangwon-do Korea, Share ratio 27.5%).

As a result of revisions to medium and long-term price forecasts due to the current decline in nickel prices, Project Companies have determined that it will be difficult to recover the entire carrying value of their fixed assets and have accordingly posted an impairment loss up to the recoverable amount. Consequently, Sumitomo will recognize a loss in its consolidated and non-consolidated financial statements as follows:

(1) Consolidated Financial Statement

SAMRI will recognize the loss of approximately 77 billion yen as “Share of loss of investments accounted for using the equity method” in relation to its investments in Project Companies.

(2) Non-consolidated Financial Statement of Sumitomo

Sumitomo will recognize the loss of approximately 87 billion yen as “Valuation loss on investment securities” in relation to its investment in SAMRI under “Non-operating expense”.

2. Revision of the consolidated earnings forecasts for the fiscal year ending March 31, 2016

(1) Contents of the revision

(Fiscal year beginning on April 1, 2015 and ending March 31, 2016)

	Total trading transactions	Operating profit	Profit before tax	Profit for the year attributable to owners of the parent	Earnings per share attributable to owners of the parent (basic)
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(yen)
Previous forecasts (A)	8,000,000	N/A	295,000	230,000	184.34
Revised forecasts (B)	Undetermined	N/A	Undetermined	Undetermined	Undetermined
Difference (B-A)	N/A	N/A	N/A	N/A	N/A
Increase/decrease (%)	N/A	N/A	N/A	N/A	N/A
Results for the fiscal year ended March 31, 2015 (for reference)	8,596,699	(84,374)	(18,561)	(73,170)	(58.64)

(2) Reason for the revision

As explained above, Sumitomo will recognize the impairment loss of approximately 77 billion yen relating to Ambatovy Nickel Project due mainly to the decline in nickel prices in the 3rd quarter of FY 2015. Also, there is a possibility that we may post impairment losses in additional projects other than Ambatovy Nickel Project. Currently, Sumitomo is in the process of reviewing the likely effect on consolidated earnings forecasts but since it is difficult to determine reasonable forecasts at the present time, Sumitomo has decided to revise the forecasts announced on October 30, 2015 to “Undetermined” explained in (1) above.

These forecasts are planned to be announced at the time of the announcement of the 3rd quarter result of FY 2015 which is scheduled for February 5, 2016.

3. Year-end dividend forecast

Sumitomo will not revise the year-end dividend forecast for the fiscal year ending March 31, 2016 which is 25 yen per share as announced on October 30, 2015.

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.