

May 2, 2024

Consolidated Financial Results FY2023 (Year ended March 31, 2024)

[Prepared on the basis of International Financial Reporting Standards]

Company Name: **Sumitomo Corporation** Stock Listing: Tokyo
 Stock Exchange Code No.: 8053 URL: <https://www.sumitomocorp.com/en/jp>
 Representative: Shingo Ueno Tel.: +81-3-6285-3100
 Representative Director, President and Chief Executive Officer
 Contact: Shuichi Nagasawa
 Corporate Communications Dept.
 Scheduled Ordinary Shareholder's Meeting Date: June 21, 2024
 Scheduled Securities Report Submission Date: June 21, 2024
 Scheduled Starting Date of Dividend Payment: June 24, 2024
 Supplementary Documents on Financial Results: Yes
 Financial Results Meeting: Yes (for Financial Analysts)

1. Consolidated results for the year ended March 31, 2024

(Remarks)

Amounts are rounded to the nearest million.

% : change from the previous year

(1) Consolidated operating results

	Revenues	increase/ (decrease)	Profit before tax	increase/ (decrease)	Profit for the year	increase/ (decrease)	Profit for the year attributable to owners of the parent	increase/ (decrease)	Comprehensive income for the year	increase/ (decrease)
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Year ended March 31, 2024	6,910,302	1.4	527,646	(27.0)	426,116	(28.9)	386,352	(31.7)	896,862	10.6
Year ended March 31, 2023	6,817,872	24.1	723,122	—	599,247	—	565,333	—	810,609	—
	Earnings per share attributable to owners of the parent (basic)		Earnings per share attributable to owners of the parent (diluted)		Profit ratio to equity attributable to owners of the parent		Profit before tax ratio to total assets			
	(yen)		(yen)		(%)		(%)			
Year ended March 31, 2024	315.87		315.64		9.4		5.0			
Year ended March 31, 2023	452.63		452.27		16.2		7.3			

[Notes] 1.Share of profit (loss) of investments accounted for using the equity method (FY2023) 172,372 million yen (FY2022) 252,390 million yen
 2.Due to application of Amendments to IAS 12 Income Taxes (issued in May 2021), results for the year ended March 31, 2023, have been re-presented retrospectively.
 Percentages of change from the previous year for the year ended March 31, 2023 are not presented except for revenues.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio	Equity per share attributable to owners of the parent
	(millions of yen)	(millions of yen)	(millions of yen)	(%)	(yen)
As of March 31, 2024	11,032,583	4,672,304	4,445,494	40.3	3,683.06
As of March 31, 2023	10,105,380	3,976,587	3,778,693	37.4	3,061.92

[Note] Due to application of Amendments to IAS 12 Income Taxes (issued in May 2021), figures as of March 31, 2023, have been re-presented retrospectively.

(3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of year
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Year ended March 31, 2024	608,850	(219,210)	(415,478)	667,852
Year ended March 31, 2023	232,801	(91,525)	(250,459)	656,859

[Note] Due to application of Amendments to IAS 12 Income Taxes (issued in May 2021), figures as of March 31, 2023, have been re-presented retrospectively.

2. Dividends

	Cash dividends per share					Total amount of cash dividends per annum	Dividend payout ratio (Consolidated)	Dividend on equity attributable to owners of the parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	(yen)	(yen)	(yen)	(yen)	(yen)	(millions of yen)	(%)	(%)
Year ended March 31, 2023	—	57.50	—	57.50	115.00	142,849	25.4	4.1
Year ended March 31, 2024	—	62.50	—	62.50	125.00	152,738	39.6	3.7
Year ending March 31, 2025 (Forecasts)	—	65.00	—	65.00	130.00		30.0	

3. Forecasts for the year ending March 31, 2025

(Remarks)

% : change from the previous year

	Profit for the year attributable to owners of the parent	increase/ (decrease)	Earnings per share attributable to owners of the parent
	(millions of yen)	(%)	(yen)
Year ending March 31, 2025	530,000	37.2	433.74

Notes

(1) Change in significant subsidiaries (changes in "Specified Subsidiaries" accompanying changes in scope of consolidation) during this period: None

(2) Changes in accounting policies and accounting estimate

- (i) Changes in accounting policies required by IFRS Yes
- (ii) Other changes None
- (iii) Changes in accounting estimate Yes

[Note] For further details please refer page 13 "Changes in accounting policies." and page 14 "Changes in accounting estimate."

(3) Outstanding stocks (Common stocks)

(shares)

- (i) Outstanding stocks including treasury stock (March 31, 2024) 1,223,082,867 (March 31, 2023) 1,251,571,867
- (ii) Treasury stocks (March 31, 2024) 1,143,723 (March 31, 2023) 17,478,130
- (iii) Average stocks (April 1, 2023- March 31, 2024) 1,222,466,301 (April 1, 2022- March 31, 2023) 1,248,421,952

[Note] With regard to number of stocks used in earnings per share attributable to owners of the parent, please refer page 17.

[Reference] Non-consolidated information

Non-consolidated results FY2023 (Year ended March 31, 2024)

(Remarks)

Amounts are rounded down to the nearest million.

% : change from the previous year

(1) Operating results

	Revenues	increase/ (decrease)	Operating income	increase/ (decrease)	Ordinary income	increase/ (decrease)	Net income	increase/ (decrease)
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Year ended March 31, 2024	517,852	(12.3)	(57,480)	—	231,977	(40.8)	246,864	(40.3)
Year ended March 31, 2023	590,170	13.8	(59,510)	—	391,718	42.2	413,561	43.6
	Net income per share (basic)		Net income per share (diluted)					
	(yen)		(yen)					
Year ended March 31, 2024	201.91		201.76					
Year ended March 31, 2023	331.27		331.00					

(2) Financial position

	Total assets	Net worth	Shareholders' equity ratio	Net worth per share
	(millions of yen)	(millions of yen)	(%)	(yen)
As of March 31, 2024	4,950,289	1,546,979	31.2	1,265.66
As of March 31, 2023	4,801,000	1,419,359	29.6	1,149.68

[Note] Shareholders' equity

(As of March 31, 2024) 1,546,555million yen

(As of March 31, 2023) 1,418,816million yen

*** This report is not subject to audits by certified public accountants or auditing firms.**

*** Cautionary Statement Concerning Forward-looking Statements**

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

Management results

The Company has applied IAS 12 “Income Taxes” (amended in May 2021) from the three-month period ended June 30, 2023. This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis. Details regarding changes in accounting policies are described in “Changes in accounting policies” .

1. Operating results

(Unit: billions of yen)	Year ended March 31,2023	Year ended March 31,2024	Increase/ (Decrease)	Remarks
Revenues	6,817.9	6,910.3	+92.4	
Gross profit	1,234.8	1,342.5	+107.7	<ul style="list-style-type: none"> - Automotive sales & marketing: strong - Construction equipment-related business: strong mainly in North America - Domestic electricity retail business: strong due to contract renewal and stable electricity procurement prices - Decline in mineral resources & energy prices - Impact of selling silver, zinc, and lead mine in Bolivia (Feb. 2023)
Selling, general and administrative expenses	(811.7)	(927.6)	(115.9)	- Impact of personnel cost increase
Gain (loss) on property, plant and equipment, net (*1)	13.3	(30.7)	(44.0)	<ul style="list-style-type: none"> - Delivery of major projects in real estate business in FY2022 - Impairment loss in the Parking business in Nordic countries
Other, net	(3.2)	(30.0)	(26.8)	
Interest expense, net of interest income	(11.5)	(16.3)	(4.9)	
Dividends	20.1	13.7	(6.4)	
Gain (loss) on securities and other investments, net	29.1	3.7	(25.3)	- Profit from the sale of O&G business in the U.K. North Sea in FY2022
Share of profit (loss) of investments accounted for using the equity method	252.4	172.4	(80.0)	<ul style="list-style-type: none"> - Impairment loss in nickel mining & refining business in Madagascar - Provision for doubtful receivables in telecommunications business in Myanmar - Impact of decline in mineral resources prices - Receipt of insurance proceeds in aircraft leasing business
Profit before tax	723.1	527.6	(195.5)	
Income tax expense	(123.9)	(101.5)	+22.3	
Profit for the year	599.2	426.1	(173.1)	
Profit for the year attributable to: Owners of the parent	565.3	386.4	(179.0)	

(*1) Gain (loss) on property, plant and equipment, net =Sum of Impairment reversal (loss) on long-lived assets and Gain (loss) on sale of long-lived assets, net

<Profit for the year attributable to owners of the parent by segment>

Full amounts from retroactive application of IAS 12 “Income Taxes” (amended in May 2021) to figures for the prior fiscal year are included in Corporate and Eliminations.

(Unit: billions of yen)	Year ended March 31,2023	Year ended March 31, 2024	Increase/ (Decrease)	Remarks
Metal Products	110.4	69.2	(41.2)	<ul style="list-style-type: none"> - Overseas steel service center: absence of strong performance in North America in FY2022 - Tubular products: absence of strong market in FY2022 - One-off profits in tubular business in FY2022
Transportation & Construction Systems	92.0	148.0	+56.0	<ul style="list-style-type: none"> - Automotive sales & marketing: strong - Construction & mining systems: strong - Leasing: stable - One-off profits in aircraft leasing business and tire business - Impairment loss in the Parking business in Nordic countries
Infrastructure	20.8	48.7	+27.9	<ul style="list-style-type: none"> - Domestic electricity retail: strong due to contract renewal and stable electricity procurement prices - One-off losses in IWPP business in Bahrain and UK water business
Media & Digital	13.6	(0.6)	(14.2)	<ul style="list-style-type: none"> - Major domestic businesses: stable - Telecommunications in Ethiopia: increase in start-up cost - One-off gains in media sector - Provision for doubtful receivables in telecommunications business in Myanmar
Living Related & Real Estate	59.0	48.5	(10.5)	<ul style="list-style-type: none"> - Real estate: delivery of major projects in FY2022 - Fresh produce business in Europe and the Americas: banana business was strong while melon business was struggling - Impairment loss in Fresh produce business in Europe and the Americas
Mineral Resources, Energy, Chemical & Electronics	266.9	52.4	(214.5)	<ul style="list-style-type: none"> - Decline in mineral resources & energy prices - Mineral resources and Energy trade: absence of strong performance in FY2022 - Agribusiness: absence of high demand in FY2022 and poor sales demand due to unusual weather - Impairment loss in nickel mining and refining business in Madagascar
Segment Total	562.6	366.2	(196.4)	
Corporate and Eliminations	2.7	20.2	+17.5	- Increase in internal interest income due to interest rate increase
Total	565.3	386.4	(179.0)	

2. Financial position

<Total assets, liabilities, and equity as of March 31, 2024>

(Unit: billions of yen)	As of March 31, 2023	As of March 31, 2024	Increase/ (Decrease)	Remarks
Total assets	10,105.4	11,032.6	+927.2	- Increase due to yen's depreciation
Shareholders' equity (*1)	3,778.7	4,445.5	+666.8	- Increase due to yen's depreciation - Profit for the year - Dividend paid, share repurchased
Interest-bearing liabilities (net) (*2)	2,484.4	2,523.4	+390	
D/E Ratio (net) (*3)	0.7	0.6	(0.1)pt	

(*1) Shareholders' equity = equivalent to equity attributable to owners of the parent in consolidated statements of financial position.

(*2) Interest-bearing liabilities (net)= Sum of bonds and borrowings (current and non-current) – (cash and cash equivalents + time deposits) (excluding lease liabilities)

(*3) D/E Ratio (net) = Interest-bearing liabilities (net) / Shareholders' equity

<Cash flows>

(Unit: billions of yen)	Year ended March 31,2023	Year ended March 31,2024	Remarks
Cash flows from operating activities	232.8	608.9	- Steady cash generation by core businesses
Basic profit cash flow (*4)	509.3	510.9	
Cash flows from investing activities	(91.5)	(219.2)	- Investment & loan: Acquisition of construction equipment rental company in the U.S. Capital increase of sustainable city in North Hanoi, Vietnam Acquisition of sulfuric acid business in the U.S. Acquisition of domestic and overseas real estate, etc. - Asset replacement: Cash in from divestment of retail portfolio in tire sales & marketing business in the U.S. Cash in from the change of shareholder composition in automotive financing business in Indonesia, etc.
Free Cash Flows	141.3	389.6	
Cash flows from financing activities	(250.5)	(415.5)	- Dividend paid, share repurchased

	As of March 31, 2023	As of March 31, 2024
Cash and cash equivalents at the end of year	656.9	667.9

(*4) Basic profit cash flow = (Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + Dividends) × (1-Tax rate) + Dividend from investments accounted for using the equity method

3. Forecasts for fiscal year ending March 31, 2025

Despite rising prices and financial tightening have been burdens on personal consumption and capital investment, the global economy as a whole is expected to continue recovering at a moderate pace. Among developed countries, the moderate recovery trend of the U.S. economy is expected to continue. The Euro-zone economy has been stalled but is expected to turn toward recovery in the future. The Japanese economy has been at a standstill in some sectors, but from an overall perspective, the moderate recovery trend is continuing. Among emerging countries, in China, the downturn in the real estate sector has acted as a drag on the economy and growth remains sluggish, but moderate economic recovery is expected to continue in many other emerging and developing countries. Future risks include further heightening of tensions in the Russia-Ukraine situation and the Israel-Palestine situation, re-acceleration in inflation and accompanying financial tightening measures, debt problems in emerging economies, and rising geopolitical risks in Northeast Asia, the Middle East, North Africa, and other regions.

Under these circumstances, the forecast of consolidated financial results for FY2024 is as follows.

Profit for the year attributable to owners of the parent: 530.0 billion yen

The mineral resources businesses are expected to report lower profits due to the lack of the previous year's strong performance in gas trading and the impact of declining coal prices. However, the non-mineral resources businesses are expected to achieve steady profit growth centered on tubular products, construction and mining systems, real estate, and agribusiness.

4. Shareholder Return Policy

Regarding our policy on shareholders returns for FY2023, we will decide the amount of annual dividends within a DOE (dividend on equity ratio) range of 3.5% to 4.5% by taking into consideration fundamental earnings capacity, cash flows, and other factors with a consolidated payout ratio of 30% as a guideline. If 30% of the profit for the year exceeds the above range, we will pay dividends or repurchase shares for the excess portion in a flexible and agile manner.

Profit for the year attributable to owners of the parent in FY2023 was 386.4 billion yen, and we plan to pay an annual dividend of 125 yen per share, as forecasted at the time of the announcement of financial results for the third quarter of FY2023 (announced on February 5, 2024). The interim dividend for the fiscal year was 62.5 yen per share, and accordingly, the year-end dividend will be 62.5 yen per share.

The policy on shareholder returns under the Medium-Term Management Plan 2026 starting in FY2024 will be as follows, comprehensively considering the improvement of basic profitability through SHIFT 2023, continuously strengthening our financial position and securing funds for investments for sustainable growth,

- Pay dividends and repurchase our shares in a flexible and agile manner with a total payout ratio of 40% or higher; and
- Further improve dividend stability and increase dividends in line with profit growth through progressive dividend payments*.

In accordance with this policy, we plan to increase the FY2024 dividend by 5 yen per share compared to the previous fiscal year to a total of 130 yen per share.

Furthermore, we decided today to execute share repurchase (from May 7 to July 19, 2024) in the amount of 50 billion yen. We plan to cancel all of the shares acquired through the repurchase on August 28, 2024. For further details, please refer to the release issued today titled “Notice Regarding Share Repurchases and Cancellation of Treasury Stock.”

We will continue pursuing sustainable profit growth and further strengthening our earnings base to enhance shareholder returns and increase shareholder value.

*Dividends to be maintained or increased.

Cautionary Statement Concerning Forward-Looking Statements

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

Basic Concept Regarding Selection of Accounting Standard

Sumitomo Corporation has adopted International Financial Reporting Standards (IFRS), which are global accounting standards, to enhance the convenience of our financial statements for investors by improving their quality. We are also utilizing IFRS as a significant management tool to deal with management issues such as the further improvement of operational quality, the promotion of management resource reallocation, etc.

Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries

As of March 31, 2023 and 2024

	Millions of Yen		Millions of U.S. Dollars	
	March 31, 2023	March 31, 2024	March 31, 2024	
ASSETS				
Current assets:				
Cash and cash equivalents	¥ 656,859	¥ 667,852	\$ 4,423	
Time deposits	10,783	10,447	69	
Marketable securities	1,741	12,896	85	
Trade and other receivables	1,678,995	1,863,238	12,339	
Contract assets	426,369	421,480	2,791	
Other financial assets	123,827	176,934	1,172	
Inventories	1,390,559	1,486,770	9,846	
Advance payments to suppliers	135,177	131,137	868	
Assets classified as held for sale	6,574	7,058	47	
Other current assets	442,073	457,892	3,033	
Total current assets	4,872,957	5,235,704	34,673	
Non-current assets:				
Investments accounted for using the equity method	2,641,716	2,857,899	18,926	
Other investments	388,767	485,540	3,215	
Trade and other receivables	207,201	201,356	1,333	
Other financial assets	190,736	228,372	1,512	
Property, plant and equipment	1,046,316	1,152,019	7,629	
Intangible assets	284,790	349,829	2,317	
Investment property	346,355	361,774	2,396	
Biological assets	36,891	39,635	262	
Deferred tax assets	30,706	47,055	312	
Other non-current assets	58,945	73,400	488	
Total non-current assets	5,232,423	5,796,879	38,390	
Total assets	¥ 10,105,380	¥ 11,032,583	\$ 73,063	

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥151=US\$1.

Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries

As of March 31, 2023 and 2024

	Millions of Yen		Millions of U.S.
	March 31, 2023	March 31, 2024	Dollars March 31, 2024
LIABILITIES AND EQUITY			
Current liabilities:			
Bonds and borrowings	¥ 685,356	¥ 745,186	\$ 4,935
Trade and other payables	1,648,976	1,713,936	11,351
Lease liabilities	76,058	77,651	514
Other financial liabilities	119,170	139,118	921
Income tax payables	48,060	46,068	305
Accrued expenses	137,190	147,383	976
Contract liabilities	119,603	133,999	887
Provisions	12,152	24,689	164
Liabilities associated with assets classified as held for sale	5,487	—	—
Other current liabilities	113,103	112,553	746
Total current liabilities	2,965,155	3,140,583	20,799
Non-current liabilities:			
Bonds and borrowings	2,466,733	2,456,547	16,269
Trade and other payables	57,575	50,796	335
Lease liabilities	421,759	427,457	2,831
Other financial liabilities	57,243	60,245	399
Accrued pension and retirement benefits	21,841	23,644	157
Provisions	39,996	42,839	284
Deferred tax liabilities	98,491	158,168	1,047
Total non-current liabilities	3,163,638	3,219,696	21,322
Total liabilities	6,128,793	6,360,279	42,121
Equity:			
Common stock	220,047	220,423	1,460
Additional paid-in capital	254,114	252,709	1,674
Treasury stock	(39,563)	(2,733)	(18)
Other components of equity	637,538	1,077,039	7,133
Retained earnings	2,706,557	2,898,056	19,191
Equity attributable to owners of the parent	3,778,693	4,445,494	29,440
Non-controlling interests	197,894	226,810	1,502
Total equity	3,976,587	4,672,304	30,942
Total liabilities and equity	¥ 10,105,380	¥ 11,032,583	\$ 73,063

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥151=US\$1.

Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2023 and 2024

	Millions of Yen		Millions of U.S. Dollars	
	2023	2024	2024	
Revenues				
Sales of tangible products	¥ 6,238,706	¥ 6,223,423	\$ 41,215	
Sales of services and others	579,166	686,879	4,549	
Total revenues	6,817,872	6,910,302	45,764	
Cost				
Cost of tangible products sold	(5,278,970)	(5,228,493)	(34,626)	
Cost of services and others	(304,150)	(339,321)	(2,247)	
Total cost	(5,583,120)	(5,567,814)	(36,873)	
Gross profit	1,234,752	1,342,488	8,891	
Other income (expenses)				
Selling, general and administrative expenses	(811,737)	(927,594)	(6,143)	
Impairment reversal (loss) on long-lived assets	(6,861)	(37,412)	(248)	
Gain (loss) on sale of long-lived assets, net	20,152	6,752	45	
Other, net	(3,241)	(30,031)	(199)	
Total other income (expenses)	(801,687)	(988,285)	(6,545)	
Finance income (costs)				
Interest income	48,340	72,014	477	
Interest expense	(59,791)	(88,328)	(585)	
Dividends	20,068	13,675	91	
Gain (loss) on securities and other investments, net	29,050	3,710	24	
Finance income (costs), net	37,667	1,071	7	
Share of profit (loss) of investments accounted for using the equity method	252,390	172,372	1,142	
Profit before tax	723,122	527,646	3,495	
Income tax expense	(123,875)	(101,530)	(672)	
Profit for the year	599,247	426,116	2,823	
Profit for the year attributable to:				
Owners of the parent	¥ 565,333	¥ 386,352	\$ 2,559	
Non-controlling interests	33,914	39,764	264	
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Financial assets measured at fair value through other comprehensive income	4,735	75,167	498	
Remeasurements of defined benefit pension plans	8,885	10,345	69	
Share of other comprehensive income of investments accounted for using the equity method	769	5,517	36	
Total items that will not be reclassified to profit or loss	14,389	91,029	603	
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	123,559	358,465	2,374	
Cash-flow hedges	26,175	20,899	138	
Hedging cost	(1,596)	1,628	11	
Share of other comprehensive income of investments accounted for using the equity method	48,835	(1,275)	(9)	
Total items that may be reclassified subsequently to profit or loss	196,973	379,717	2,514	
Other comprehensive income, net of tax	211,362	470,746	3,117	
Comprehensive income for the year	810,609	896,862	5,940	
Comprehensive income for the year attributable to:				
Owners of the parent	¥ 774,417	¥ 847,100	\$ 5,610	
Non-controlling interests	36,192	49,762	330	

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥151=US\$1.

Consolidated Statements of Changes in Equity

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2023 and 2024

For the year ended March 31, 2023

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
Balance, beginning of the year	219,894	255,996	(1,871)	454,136	2,269,661	3,197,816	183,469	3,381,285
Impact of changes in accounting policies					(980)	(980)	(51)	(1,031)
Balance, beginning of the year after changes in accounting policies	219,894	255,996	(1,871)	454,136	2,268,681	3,196,836	183,418	3,380,254
Profit for the year					565,333	565,333	33,914	599,247
Other comprehensive income for the year				209,084		209,084	2,278	211,362
Comprehensive income for the year				209,084	565,333	774,417	36,192	810,609
Transaction with owners:								
Acquisition of treasury stock			(37,950)			(37,950)		(37,950)
Sales of treasury stock			258			258		258
Share-based payment transactions	153	559				712		712
Equity transactions with non-controlling interests and others		(2,441)				(2,441)	1,839	(602)
Cash dividends to owners of the parent					(153,139)	(153,139)		(153,139)
Cash dividends to non-controlling interests							(23,555)	(23,555)
Transfer to retained earnings				(25,682)	25,682	—		—
Balance, end of the year	220,047	254,114	(39,563)	637,538	2,706,557	3,778,693	197,894	3,976,587

For the year ended March 31, 2024

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
Balance, beginning of the year	220,047	254,114	(39,563)	637,538	2,706,557	3,778,693	197,894	3,976,587
Profit for the year					386,352	386,352	39,764	426,116
Other comprehensive income for the year				460,748		460,748	9,998	470,746
Comprehensive income for the year				460,748	386,352	847,100	49,762	896,862
Transaction with owners:								
Acquisition of treasury stock			(32,065)			(32,065)		(32,065)
Sales of treasury stock			253		(132)	121		121
Cancellation of treasury stock			68,642		(68,642)	—		—
Share-based payment transactions	376	(195)				181		181
Equity transactions with non-controlling interests and others		(1,210)				(1,210)	7,716	6,506
Cash dividends to owners of the parent					(147,326)	(147,326)		(147,326)
Cash dividends to non-controlling interests							(28,562)	(28,562)
Transfer to retained earnings				(21,247)	21,247	—		—
Balance, end of the year	220,423	252,709	(2,733)	1,077,039	2,898,056	4,445,494	226,810	4,672,304

For the year ended March 31, 2024

Millions of U.S. Dollars

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
Balance, beginning of the year	1,457	1,683	(262)	4,222	17,924	25,024	1,311	26,335
Profit for the year					2,559	2,559	264	2,823
Other comprehensive income for the year				3,051		3,051	66	3,117
Comprehensive income for the year				3,051	2,559	5,610	330	5,940
Transaction with owners:								
Acquisition of treasury stock			(213)			(213)		(213)
Sales of treasury stock			2		(1)	1		1
Cancellation of treasury stock			455		(455)	—		—
Share-based payment transactions	3	(1)				2		2
Equity transactions with non-controlling interests and others		(8)				(8)	50	42
Cash dividends to owners of the parent					(976)	(976)		(976)
Cash dividends to non-controlling interests							(189)	(189)
Transfer to retained earnings				(140)	140	—		—
Balance, end of the year	1,460	1,674	(18)	7,133	19,191	29,440	1,502	30,942

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥151=US\$1.

Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2023 and 2024

	Millions of Yen		Millions of U.S. Dollars
	2023	2024	2024
Operating activities:			
Profit for the year	¥ 599,247	¥ 426,116	\$ 2,823
Adjustments to reconcile profit for the year to cash flows from operating activities:			
Depreciation and amortization	183,749	200,172	1,326
Impairment (reversal) loss on long-lived assets	6,861	37,412	248
Finance (income) costs, net	(37,667)	(1,071)	(7)
Share of (profit) loss of investments accounted for using the equity method	(252,390)	(172,372)	(1,142)
(Gain) loss on sale of long-lived assets, net	(20,152)	(6,752)	(45)
Income tax expense	123,875	101,530	672
Changes in inventories	(264,356)	(4,034)	(27)
Changes in trade and other receivables	(9,911)	(76,554)	(507)
Changes in prepaid expenses	(10,599)	(18,315)	(121)
Changes in trade and other payables	(39,662)	(83,175)	(551)
Other, net	(118,258)	130,279	863
Interest received	20,728	35,352	234
Dividends received	205,786	217,161	1,438
Interest paid	(46,483)	(71,713)	(475)
Income taxes paid	(107,967)	(105,186)	(697)
Cash flows from operating activities	232,801	608,850	4,032
Investing activities:			
Proceeds from sale of property, plant and equipment	15,140	9,385	62
Purchases of property, plant and equipment	(70,295)	(93,380)	(618)
Proceeds from sale of investment property	32,119	13,123	87
Purchases of investment property	(44,333)	(28,313)	(188)
Proceeds from disposal of other investments	116,771	176,993	1,172
Acquisitions of other investments	(145,218)	(300,563)	(1,991)
Collection of loans receivable	20,273	30,166	200
Increase in loans receivable	(15,982)	(26,621)	(176)
Cash flows from investing activities	(91,525)	(219,210)	(1,452)
Free Cash Flows:	141,276	389,640	2,580
Financing activities:			
Net changes in short-term debts	72,247	(94,365)	(625)
Proceeds from issuance of long-term debts	381,151	337,960	2,238
Repayments of long-term debts	(415,156)	(379,502)	(2,513)
Repayments of lease liabilities	(71,509)	(74,710)	(495)
Cash dividends paid	(153,139)	(147,326)	(976)
Capital contribution from non-controlling interests	663	6,403	42
Payments for acquisitions of subsidiary's interests from non-controlling interests	(3,247)	(3,311)	(22)
Payments of dividends to non-controlling interests	(23,555)	(28,562)	(189)
Acquisitions and disposal of treasury stock, net	(37,914)	(32,065)	(212)
Cash flows from financing activities	(250,459)	(415,478)	(2,752)
Net changes in cash and cash equivalents	(109,183)	(25,838)	(172)
Cash and cash equivalents at the beginning of year	733,824	656,859	4,350
Effect of exchange rate changes on cash and cash equivalents	26,959	32,921	219
Net changes in cash and cash equivalents resulting from transfer to assets classified as held for sale	5,259	3,910	26
Cash and cash equivalents at the end of year	¥ 656,859	¥ 667,852	\$ 4,423

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥151=US\$1.

Assumptions for Going Concern

: None

Changes in accounting policies

Material accounting policies applied in the consolidated financial statements for the year ended March 31, 2024, remain the same as those applied in the consolidated financial statements for the previous fiscal year, except for the items below.

IAS 12 “Income Taxes”

Sumitomo Corporation have applied IAS 12 “Income Taxes” (amended in May 2021) from the year ended March 31, 2024. The amendments clarified the accounting treatment upon initial recognition for transactions that result in taxable temporary differences and deductible temporary differences of the same amount at the time of the transaction. As a result, taxable temporary differences and deductible temporary differences are recognized as deferred tax liabilities and deferred tax assets, respectively, in the Consolidated Statements of Financial Position.

This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis.

As a result, in the Consolidated Statements of Financial Position at the end of the previous fiscal year, assets decreased by 872 million yen due to changes in “Investments accounted for using the equity method” and “Deferred tax assets” and equity decreased by 872 million yen due to changes in “Retained earnings” and “Non-controlling interests.” Also, in the Consolidated Statements of Comprehensive Income for the previous fiscal year, profit for the year increased by 159 million yen due to changes in “Share of profit (loss) of investments accounted for using the equity method” and “Income tax expense.” In addition, “Earnings per share attributable to owners of the parent (basic)” and “Earnings per share attributable to owners of the parent (diluted)” for the previous fiscal year, increased by 0.12 yen, respectively.

Furthermore, in the Consolidated Statements of Changes in Equity for the previous fiscal year, the balances of “Retained earnings” and “Non-controlling interests” at the beginning of year decreased by 980 million yen and 51 million yen respectively due to the reflection of the cumulative effect of applying the above-mentioned standard.

Changes in accounting estimate

The significant changes in accounting estimates in the Consolidated Financial Statements are as follow.

Sumitomo Corporation, through Summit Ambatovy Mineral Resources Investment B.V., its wholly-owned subsidiary, has invested in Ambatovy Minerals S.A., a mining company, and Dynatec Madagascar S.A., a refining company, (hereinafter “Project Companies”) at 54.17% share ratio respectively.

Sumitomo Corporation revised production volume forecast downward in light of the current operating conditions including plant equipment malfunctions and other factors, and recently reassessed business plan. Sumitomo Corporation recognized an impairment loss on investments and loans, as a result of acknowledging an impairment loss on fixed assets held by the Project Companies to the recoverable amount based on the reassessed business plan.

The loss of 75,462 million yen is included in “Share of profit (loss) of investments accounted for using the equity method” and 13,258 million yen is included in “Other, net” in the Consolidated Statements of Comprehensive Income.

Sumitomo Corporation, through KDDI Summit Global Singapore Pte.Ltd. (hereinafter “holding company”), its equity-method affiliate at 49.9% share ratio, has invested in KDDI Summit Global Myanmar Co.,Ltd. to support Myanma Posts & Telecommunications (hereinafter “MPT”) which is a licensed telecommunications service provider in Myanmar.

A provision for doubtful receivable to lease receivables in dollars against MPT was recognized mainly due to the ongoing dollar exchange regulations imposed by the Myanmar government. A loss of 35,215 million yen on the investments in the holding company, considering the reversal of impairment loss in the fiscal year ended March 31, 2023, is included in “Share of profit (loss) of investments accounted for using the equity method” in the Consolidated Statements of Comprehensive Income.

Sumitomo Corporation recognized an impairment loss of 12,249 million yen on the goodwill relating to the Parking business in Nordic countries, as a result of reassessing the business plan based on changes in business environment such as new behavior pattern due to the pandemic and continued high inflation. The impairment loss is included in “Impairment reversal (loss) on long-lived assets” in the Consolidated Statements of Comprehensive Income.

Sumitomo Corporation recognized an impairment reversal of 13,782 million yen in the iron ore mining project in South Africa, due to revision of the long-term business plan in line with market recovery in mineral resources. The impairment reversal is included in “Share of profit (loss) of investments accounted for using the equity method” in the Consolidated Statements of Comprehensive Income.

Changes in Presentation

(Consolidated Statements of Change in Equity)

“Acquisition of treasury stock” and “Sales of treasury stock”, which were included in “Acquisition (disposal) of treasury stock, net” previously, are presented separately from the year ended March 31, 2024, in order to ensure a clear presentation. In addition, “Equity transactions with non-controlling interests and others”, which was presented separately in “Acquisition (disposal) of non-controlling interests, net” and “Others” previously, are presented collectively from the year ended March 31, 2024, because of considering the materiality.

Consolidated Statements of Change in Equity for the previous fiscal year, is reclassified to conform to this change in presentation.

As a result, the amount of (37,692) million yen, which was presented in “Acquisition (disposal) of treasury stock, net” within “Transaction with owners” in the Consolidated Statements of Change in Equity for the previous fiscal year, has been reclassified and presented as (37,950) million yen for “Acquisition of treasury stock” and as 258 million yen for “Sales of treasury stock.” In addition, the amount of (2,578) million yen and 137 million yen, which were presented in “Acquisition (disposal) of non-controlling interests, net” and “Others” within “Transaction with owners,” have been reclassified and presented as (2,441) million yen for “Equity transactions with non-controlling interests and others.”

Segment Information

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2023 and 2024

Millions of Yen										
2023:		Metal Products	Transportation & Construction Systems	Infrastructure	Media & Digital	Living Related & Real Estate	Mineral Resources, Energy, Chemical & Electronics	Segment Total	Corporate and Eliminations	Consolidated
Total revenues	¥	1,760,388	1,053,184	613,633	453,929	1,059,099	1,854,780	6,795,013	22,859	6,817,872
Gross profit		220,449	261,033	59,813	123,900	242,754	329,661	1,237,610	(2,858)	1,234,752
Share of profit (loss) of investments accounted for using the equity method		11,704	63,313	11,964	14,319	8,624	140,983	250,907	1,483	252,390
Profit for the year (attributable to owners of the parent)		110,372	91,968	20,822	13,589	58,997	266,882	562,630	2,703	565,333
Total assets (As of March 31)		1,161,058	2,004,969	1,379,568	1,062,483	1,704,435	2,490,098	9,802,611	302,769	10,105,380
Millions of Yen										
2024:		Metal Products	Transportation & Construction Systems	Infrastructure	Media & Digital	Living Related & Real Estate	Mineral Resources, Energy, Chemical & Electronics	Segment Total	Corporate and Eliminations	Consolidated
Total revenues	¥	1,742,543	1,376,364	505,992	488,653	1,203,935	1,586,743	6,904,230	6,072	6,910,302
Gross profit		191,374	340,824	120,684	133,571	295,451	267,709	1,349,613	(7,125)	1,342,488
Share of profit (loss) of investments accounted for using the equity method		13,063	116,240	7,103	542	11,959	24,649	173,556	(1,184)	172,372
Profit for the year (attributable to owners of the parent)		69,170	147,978	48,735	(647)	48,532	52,413	366,181	20,171	386,352
Total assets (As of March 31)		1,144,826	2,421,580	1,476,581	1,131,755	1,935,919	2,553,240	10,663,901	368,682	11,032,583
Millions of U.S. Dollars										
2024:		Metal Products	Transportation & Construction Systems	Infrastructure	Media & Digital	Living Related & Real Estate	Mineral Resources, Energy, Chemical & Electronics	Segment Total	Corporate and Eliminations	Consolidated
Total revenues	\$	11,540	9,115	3,351	3,236	7,973	10,508	45,723	41	45,764
Gross profit		1,267	2,257	799	885	1,957	1,773	8,938	(47)	8,891
Share of profit (loss) of investments accounted for using the equity method		87	770	47	4	79	163	1,150	(8)	1,142
Profit for the year (attributable to owners of the parent)		458	980	323	(4)	321	347	2,425	134	2,559
Total assets (As of March 31)		7,581	16,037	9,779	7,495	12,821	16,909	70,622	2,441	73,063

Notes:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥151=US\$1.

2) On April 1, 2023, DX promotion support organization was transferred from Media & Digital Business Unit to Corporate and Eliminations. Accordingly, the segment information of the same period of the previous year has been reclassified.

Earnings per share

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2023 and 2024

The calculation of the basic and diluted earnings per share for the years ended March 31, 2023 and 2024 is as follows:

	Millions of Yen				Millions of U.S. Dollars
	2023		2024		2024
Profit used to calculate basic earnings per share and diluted earnings per share:					
Profit attributable to owners of the parent	¥	565,333	¥	386,352	\$ 2,559
Adjustment to profit		(257)		(208)	(1)
Profit used to calculate basic earnings per share		565,076		386,144	2,558
Adjustment to profit		257		208	1
Profit used to calculate diluted earnings per share		565,333		386,352	2,559
	Number of shares				
	2023		2024		
Weighted-average shares:					
Weighted-average shares-basic		1,248,421,952		1,222,466,301	
Dilutive effect of:					
Stock options		1,819		—	
Restricted stock		384,983		297,017	
Performance share unit		405,136		372,533	
Restricted performance share unit		771,615		892,043	
Weighted-average shares-diluted		1,249,985,505		1,224,027,894	
	Yen				U.S. Dollars
	2023		2024		2024
Earnings per share:					
Basic	¥	452.63	¥	315.87	\$ 2.09
Diluted		452.27		315.64	2.09

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥151=US\$1.

Subsequence Events

Repurchases and Cancellation of Treasury Stock

At a meeting of its Board of Directors held on May 2, 2024, the Company has resolved to repurchase shares of its common stock pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Act, and to cancel a portion of its treasury stock in accordance with Article 178 of the Act. Details of the repurchase and cancellation are as follows.

1. Purpose of the share repurchases

To improve capital efficiency and to enhance shareholder returns

2. Details of the share repurchases

- (1) Class of shares to be repurchased: Common stock
- (2) Total number of shares to be repurchased: Up to 19 million shares (Ratio to the number of outstanding shares (excluding treasury stock) about 1.6%)
- (3) Aggregate repurchase amount: Up to 50 billion yen
- (4) Period for repurchases: From May 7, 2024 to July 19, 2024
- (5) Method of repurchases: Purchase on the Tokyo Stock Exchange

3. Details of cancellation

- (1) Class of shares to be cancelled: Common stock
- (2) Total number of shares of treasury stock to be cancelled: All shares repurchased
- (3) Scheduled date of cancellation: August 28, 2024

(Reference)

Number of treasury stock shares (as of March 31, 2024)

Number of outstanding shares (excluding treasury stock): 1,221,939,144 shares

Number of treasury stock shares: 1,143,723 shares