

Consolidated quarterly results FY2020 (Three-month period ended June 30, 2020)

[Prepared on the basis of International Financial Reporting Standards]

Company Name: **Sumitomo Corporation** Stock Listings: Tokyo, Nagoya and Fukuoka Stock Exchanges
 Stock Exchange Code No.: 8053 URL: <https://www.sumitomocorp.com/en/jp>
 Representative: Masayuki Hyodo Tel.: +81-3-6285-3100
 Representative Director, President and Chief Executive Officer
 Contact: Ryuichiro Hirano
 Corporate Communications Dept.

Scheduled Quarterly Securities Report Submission Date: August 14, 2020
 Scheduled Starting Date of Dividend Payment: —
 Supplementary Documents on Financial Results: Yes
 Financial Results Meeting: Yes (for Financial Analysts)

1. Consolidated results for the three-month period ended June 30, 2020

(Remarks)

Amounts are rounded to the nearest million.

% : change from the same period of the previous year.

(1) Consolidated operating results

	Revenues	Profit before tax	Profit for the period	Profit for the period attributable to owners of the parent	Comprehensive income for the period
	(increase/ (decrease))	(increase/ (decrease))	(increase/ (decrease))	(increase/ (decrease))	(increase/ (decrease))
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Three-month period ended	(%)	(%)	(%)	(%)	(%)
June 30, 2020	1,035,728 (21.1)	(30,160) —	(36,994) —	(41,091) —	(8,261) —
June 30, 2019	1,313,134 6.7	113,172 (1.9)	83,231 (12.0)	79,740 (12.7)	8,254 (93.5)

	Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)
	(yen)	(yen)
Three-month period ended		
June 30, 2020	(32.87)	(32.87)
June 30, 2019	63.85	63.79

(2) Consolidated financial position

	Total Assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio
	(millions of yen)	(millions of yen)	(millions of yen)	(%)
As of June 30, 2020	7,952,454	2,636,595	2,487,398	31.3
As of March 31, 2020	8,128,596	2,692,587	2,544,133	31.3

2. Dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended March 31, 2020	—	45.00	—	35.00	80.00
Year ending March 31, 2021	—	—	—	—	—
Year ending March 31, 2021 (Forecasts)	—	35.00	—	35.00	70.00

[Note] 1. Revision of the latest dividend forecasts: None

2. Second quarter-end dividend for the year ended March 31, 2020 consists of 35.00 yen for an ordinary dividend and 10.00 yen for the commemorative dividend for the 100th anniversary.

3. Forecasts for the year ending March 31, 2021

(Remarks)

% : change from the previous year.

	Profit for the year attributable to owners of the parent	Earnings per share attributable to owners of the parent
	(increase/ (decrease))	
	(millions of yen)	(yen)
Year ending March 31, 2021	(150,000) —	(120.01)

[Note] 1. Revision of the latest forecasts: Yes

2. For further details please refer to page 5 "3. Forecasts for fiscal year ending March 31, 2021."

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 None
- (ii) Other changes None
- (iii) Changes in accounting estimate Yes

[Note] For further details please refer to page 15 "Changes in accounting estimate."

(3) Outstanding stocks (Common stocks)

				(shares)
(i) Outstanding stocks including treasury stock	(June 30, 2020)	1,250,985,467	(March 31, 2020)	1,250,985,467
(ii) Treasury stocks	(June 30, 2020)	1,699,210	(March 31, 2020)	1,702,929
(iii) Average stocks during three months (Apr.-Jun.)	(June 30, 2020)	1,249,845,034	(June 30, 2019)	1,248,804,093

* This report is not subject to quarterly reviews 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

1. Operating results

Revenues for the three-month period ended June 30, 2020, amounted to 1,035.7 billion yen, representing a decrease of 277.4 billion yen from the same period of previous fiscal year.

Gross profit totaled 173.3 billion yen decreased of 54.8 billion yen owing to San Cristobal silver-zinc-lead mining project in Bolivia decreased the earnings due mainly to lower shipment volume. Selling, general and administrative expenses increased by 0.6 billion yen to 159.7 billion yen.

Other gain (loss) decreased by 3.4 billion yen to 3.5 billion yen due mainly to the absence of the one-off profit from change in the shareholding structure of Gyxis Corporation posted in the same period of previous year.

Share of profit (loss) of investments accounted for using the equity method decreased by 76.9 billion yen to a loss of 48.9 billion yen, due mainly to impairment loss posted in the Nickel mining and refining business in Madagascar.

As a result, profit for the period attributable to owners of the parent totaled a loss of 41.1 billion yen, representing a decrease of 120.8 billion yen from the same period of previous fiscal year. Basic profit(*1) totaled to a loss of 37.5 billion yen, representing a decrease of 113.9 billion yen from the same period of previous fiscal year.

<Profit / loss for the period attributable to owners of the parent by segment>

Metal Products Business Unit posted profit of 0.9 billion yen, a decrease of 5.1 billion yen from the same period of previous fiscal year, primarily due to decrease in earnings of tubular products business in the North America and low performance of overseas steel service centers.

Transportation & Construction Systems Business Unit posted a loss of 9.4 billion yen, a decrease of 21.5 billion yen from the same period of previous fiscal year, in addition to the one-off loss posted by the automotive financing business in Indonesia owing to the increase of allowances caused by rescheduling of repayment in accordance with local government remedy for COVID-19, the decrease is due to decrease in earnings for leasing business and automotive related business.

Infrastructure Business Unit posted profit of 12.1 billion yen, a decrease of 8.2 billion yen from the same period of previous fiscal year. This is mainly due to the peak-out of the progress in construction of large-scale EPC projects and the absence of one-off profit in power infrastructure business in the same period of previous fiscal year, while IPP/IWPP business has kept solid performance.

Media & Digital Business Unit posted profit of 9.7 billion yen, an increase of 1.0 billion yen from the same period of previous fiscal year due to stable performance of major group companies.

Living Related & Real Estate Business Unit posted profit of 5.7 billion yen, a decrease of 5.8 billion yen from the same period of previous fiscal year. This is due mainly to the absence profit posted by large scale properties delivered in the same period of previous fiscal year and decrease in earnings for fresh produce business in Europe and the Americas due to stagnant market environment in the U.S., while domestic supermarket business has kept solid performance.

Mineral Resources, Energy, Chemical & Electronics Business Unit posted a loss of 60.3 billion yen, a decrease of 81.2 billion yen from the same period of previous fiscal year. In addition to the impairment loss posted in the Nickel mining and refining business in Madagascar, this is due to decrease in earnings from coal business in Australia which were impacted mainly by lower mineral resources prices and impacts from the suspension of the Nickel mining and refining business in Madagascar and San Cristobal silver-zinc-lead mining projects.

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

2. Financial position

<Total assets, liabilities, and equity as of June 30, 2020>

Total assets stood at 7,952.5 billion yen, representing a decrease of 176.1 billion yen from the previous fiscal year-end due mainly to a decrease of working capital and decrease by the impairment loss posted in the Nickel mining and refining business in Madagascar.

Equity attributable to owners of the parent totaled 2,487.4 billion yen, decreased by 56.7 billion yen from the previous fiscal year-end, due to the quarterly loss attributable to owners of the parent posted in the current period and dividend payment.

Interest-bearing liabilities (net) (*2) increased by 59.5 billion yen from the previous fiscal year-end, to 2,528.3 billion yen.

In consequence, the net debt-equity ratio (Interest-bearing liabilities (net)/ Equity attributable to owners of the parent) was 1.0.

(*2) Interest-bearing liabilities = Sum of bonds and borrowings (current and non-current) (excluding lease liabilities)

<Cash flows>

Net cash provided by operating activities totaled 46.8 billion yen as basic profit cash flow(*3) totaled to an inflow of 57.8 billion yen because our core businesses generated cash while working capital increased.

Net cash used in investing activities totaled 53.2 billion yen. In this period, we executed investments approx. 50.0 billion yen primarily for the participation in the operation and maintenance of railway business in Philippines and the participation in FPSO (Floating Production, Storage and Offloading) owning and chartering business for offshore oil and gas field in Brazil. On the other hand, we recovered funds of approx. 10.0 billion yen due to asset replacement.

As a result, free cash flows, representing sum of net cash provided by operating activities and net cash used in investing activities, totaled to an outflow of 6.4 billion yen.

Net cash used in financing activities totaled 101.2 billion yen due primarily to repayment of the borrowings and dividend payment.

In consequence of the foregoing, cash and cash equivalents stood at 604.5 billion yen as of June 30, 2020, representing a decrease of 105.8 billion yen from the previous fiscal year-end.

(*3) Basic profit cash flow = Basic profit - Share of profit (loss) of investments accounted for using the equity method
+ Dividend from investments accounted for using the equity method

3. Forecasts for fiscal year ending March 31, 2021(*4)

For the current period, the global economy has become stagnant due to impact from the worldwide outbreak of the COVID-19. Although the economic activities have now recovered in China due to the success of controlling over the COVID-19 outbreak, the employment rate in the U.S. is now at the worst level of the postwar period and caused the deterioration of the economy, and the European economy has also grown negatively impacted by the municipal lockdown to control the outbreak. Also, economic activities generally lowered among the emerging countries. Lastly, as for the domestic economy, the situation was also severe due to lower consumer spending and capital expenditure for domestic demand and lower foreign demand.

Under these circumstances, our businesses have also impacted significantly from the deterioration of the global economy due to the outbreak of the COVID-19 and it is forecasted that the severe business environment will continue second quarter onward though there are several different scenarios by each business for the improvement of performance and impacts from COVID-19 outbreak. Under this situation we are promoting the structural reform under “emergency mode” with its focus to our next management plan. The details are follows:

- Restructuring of unprofitable businesses

In addition to the delay in the value-up for existing business and the impact from COVID-19 outbreak, there is a possibility of posting some one-off losses from multiple businesses in this fiscal year. For these businesses, we will draw a roadmap for early improvement and returning to its growth path and will shift our management resources to growing businesses.

- Strengthening of earning power

We will accelerate the shift of management resources to the businesses in which expecting higher growth with our corporate strength by restructuring our company’s business portfolio.

- Upgrading of sustainability management

With six key social issues and long-term targets identified and set, we will promote initiatives to address each issue and will enhance our corporate value by the management based on the long-term trends related to social issues.

Although it is uncertain for the timing for the end of COVID-19 outbreak and its future outlook, based on the results of first quarter and the above measures, we have set the annual forecast for FY2020 as follows:

Annual Forecast for FY2020 (profit / loss (-) for the period attributable to owners of the parent):

- 150.0 billion yen

(above includes one-off losses: - 250.0 billion yen)

(profit excluding one-off losses: 100.0 billion yen)

Above one-off losses includes the impairment loss posted in the Nickel mining and refining business in Madagascar and there is a possibility of posting not only additional impairment loss from this project but also one-off losses from multiple businesses depending on the external environment and future outlook of businesses in the second quarter onward. By promoting structural reform such as restructuring of unprofitable businesses returning to its growth path, there will be some concerns in posting one-off losses in multiple businesses.

The major businesses having concerns for the one-off losses are as follows:

- Depending on the situation on the economic recovery in India, there is a possibility of posting impairment loss for the specialty steel business in India.
- Depending on the future outlook on the demand recovery, there is a possibility of posting impairment loss for the tubular products business.
- The automotive financing business in Indonesia has posted the one-off loss due to the increase of allowances caused by rescheduling of repayment in accordance with local government remedy for COVID-19 and there is a possibility of having additional credit cost and posting impairment loss in second quarter onward.
- The fresh produce business in Europe and the Americas has possibility of posting impairment loss for goodwill and others due to low performance.
- The Nickel mining and refining business in Madagascar posted impairment loss of 55.0 billion yen for the current period, and there is a possibility of posting additional impairment loss due to worse business environment by longer period for operational suspension.

The forecast for each business segment excluding the one-off profit/loss for the second quarter onward is as follows. Three segments, “Metal Products”, “Transportation & Construction Systems”, “Mineral Resources, Energy, Chemical & Electronics”, have large impacts from COVID-19 and it is difficult to recover its profitability within this fiscal year. Other three segments, “Infrastructure”, “Media & Digital”, and “Living Related & Real Estate”, are not affected largely at this moment though there will be a decline due to solid performance in previous fiscal year:

- In Metal Products Business Unit, although automotive related business in steel products business is forecasted to recover from second quarter, the business for home electronics will be low. And for tubular products business, severe business environment continues mainly in the U.S. due to lower demand.
- In Transportation & Construction Systems Business Unit, the number of new contracts decreased for the automotive financing business in Indonesia and will continue to have impacts negatively from COVID-19 outbreak within this fiscal year to the other businesses as well. For the automotive manufacturing business, although all of the group companies have resumed its operation, it will take some time recovering to the full operation.
- In Infrastructure Business Unit, the peak-out of large-scale EPC project construction progress is anticipated, while performance of IPP/IWPP business is stable.
- In Media & Digital Business Unit, major group companies is forecasted to keep stable performance.
- In Living Related & Real Estate Business Unit, it is forecasted to have additional deliveries for the real estate business in the second quarter onward.

- In Mineral Resources, Energy, Chemical & Electronics Business Unit, the nickel mining and refining business in Madagascar is expecting to resume its operation in the fourth quarter of this fiscal year and the iron ore mining projects in South Africa and chemicals & electronics business are forecasted to keep stable performance.

(*4)**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.

4. Dividend Policy

Sumitomo Corporation aims to increase dividends by achieving medium and long-term earnings growth while adhering to its fundamental policy of paying shareholders a stable dividend over the long term.

Although we are forecasting to post the consolidated losses of 150.0 billion yen as to the annual forecast for FY2020, we have not changed our projection on the annual ordinary dividend amount of 70 yen per share (the interim and the year-end dividend: 35 yen per share respectively) which was disclosed on the announcement for full-year result for FY2019 (May 8th, 2020). The decision is based on our fundamental policy of paying shareholders a stable dividend over the long term, and the fact that the major portion of one-off losses are not associating with cash and it is expected to maintain the balance of core risk buffer and risk-weighted assets.

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries
As of June 30, 2020 and March 31, 2020

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2020	March 31, 2020	June 30, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 604,548	¥ 710,371	\$ 5,703
Time deposits	14,945	10,262	141
Marketable securities	1,964	2,014	19
Trade and other receivables	1,099,092	1,231,088	10,369
Other financial assets	87,014	112,723	821
Inventories	948,008	929,981	8,943
Advance payments to suppliers	170,302	131,520	1,607
Other current assets	479,912	408,432	4,527
Total current assets	3,405,785	3,536,391	32,130
Non-current assets:			
Investments accounted for using the equity method	1,988,431	2,025,255	18,759
Other investments	386,418	358,961	3,645
Trade and other receivables	285,537	331,871	2,694
Other financial assets	91,240	94,981	861
Property, plant and equipment	1,058,795	1,054,042	9,989
Intangible assets	292,164	288,913	2,756
Investment property	362,826	355,844	3,423
Biological assets	22,358	21,075	211
Prepaid expenses	24,122	23,186	227
Deferred tax assets	34,778	38,077	328
Total non-current assets	4,546,669	4,592,205	42,893
Total assets	¥ 7,952,454	¥ 8,128,596	\$ 75,023

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries
As of June 30, 2020 and March 31, 2020

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2020	March 31, 2020	June 30, 2020
LIABILITIES AND EQUITY			
Current liabilities:			
Bonds and borrowings	¥ 703,682	¥ 754,696	\$ 6,639
Trade and other payables	1,029,644	1,079,099	9,714
Lease liabilities	64,759	65,871	611
Other financial liabilities	76,174	87,578	719
Income tax payables	22,411	25,785	211
Accrued expenses	65,710	95,318	620
Contract liabilities	106,924	98,951	1,009
Provisions	4,832	4,837	45
Other current liabilities	83,553	84,411	788
Total current liabilities	2,157,689	2,296,546	20,356
Non-current liabilities:			
Bonds and borrowings	2,444,077	2,434,696	23,057
Trade and other payables	57,298	57,189	541
Lease liabilities	435,439	426,080	4,108
Other financial liabilities	42,668	46,051	403
Accrued pension and retirement benefits	37,109	44,946	350
Provisions	46,461	46,248	438
Deferred tax liabilities	95,118	84,253	897
Total non-current liabilities	3,158,170	3,139,463	29,794
Total liabilities	5,315,859	5,436,009	50,150
Equity:			
Common stock	219,613	219,613	2,072
Additional paid-in capital	256,800	256,966	2,423
Treasury stock	(2,270)	(2,276)	(21)
Other components of equity	17,378	(4,054)	163
Retained earnings	1,995,877	2,073,884	18,829
Equity attributable to owners of the parent	2,487,398	2,544,133	23,466
Non-controlling interests	149,197	148,454	1,407
Total equity	2,636,595	2,692,587	24,873
Total liabilities and equity	¥ 7,952,454	¥ 8,128,596	\$ 75,023

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Condensed Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2020 and 2019

	Millions of Yen		Millions of
	2020	2019	U.S. Dollars
Revenues			
Sales of tangible products	¥ 928,489	¥ 1,203,864	\$ 8,759
Sales of services and others	107,239	109,270	1,012
Total revenues	1,035,728	1,313,134	9,771
Cost			
Cost of tangible products sold	(801,533)	(1,030,454)	(7,562)
Cost of services and others	(60,872)	(54,558)	(574)
Total cost	(862,405)	(1,085,012)	(8,136)
Gross profit	173,323	228,122	1,635
Other income (expenses)			
Selling, general and administrative expenses	(159,744)	(159,134)	(1,507)
Impairment reversal (loss) on long-lived assets	50	(194)	0
Gain (loss) on sale of long-lived assets, net	159	3,272	2
Other, net	3,538	6,923	33
Total other income (expenses)	(155,997)	(149,133)	(1,472)
Finance income (costs)			
Interest income	6,550	7,072	62
Interest expense	(8,678)	(11,779)	(82)
Dividends	3,573	5,125	34
Gain (loss) on securities and other investments, net	(12)	5,827	(0)
Finance income (costs), net	1,433	6,245	14
Share of profit (loss) of investments accounted for using the equity method	(48,919)	27,938	(462)
Profit (loss) before tax	(30,160)	113,172	(285)
Income tax expense	(6,834)	(29,941)	(64)
Profit (loss) for the period	(36,994)	83,231	(349)
Profit (loss) for the period attributable to:			
Owners of the parent	¥ (41,091)	¥ 79,740	\$ (388)
Non-controlling interests	4,097	3,491	39
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	14,832	(11,321)	140
Remeasurements of defined benefit pension plans	7,824	1,975	74
Share of other comprehensive income of investments accounted for using the equity method	2,439	(278)	23
Total items that will not be reclassified to profit or loss	25,095	(9,624)	237
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	11,520	(53,699)	108
Cash-flow hedges	(895)	(562)	(8)
Share of other comprehensive income of investments accounted for using the equity method	(6,987)	(11,092)	(66)
Total items that may be reclassified subsequently to profit or loss	3,638	(65,353)	34
Other comprehensive income, net of tax	28,733	(74,977)	271
Comprehensive income for the period	(8,261)	8,254	(78)
Comprehensive income for the period attributable to:			
Owners of the parent	¥ (12,850)	¥ 5,049	\$ (121)
Non-controlling interests	4,589	3,205	43

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Condensed Consolidated Statements of Changes in Equity

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2020 and 2019

For the three-month periods ended June 30, 2020

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 year	219,613	256,966	(2,276)	(4,054)	2,073,884	2,544,133	148,454	2,692,587
Profit (loss) for the period					(41,091)	(41,091)	4,097	(36,994)
Other comprehensive income for the period				28,241		28,241	492	28,733
Comprehensive income for the period						(12,850)	4,589	(8,261)
Transaction with owners:								
Acquisition (disposal) of non-controlling interests, net		(206)				(206)	473	267
Acquisition (disposal) of treasury stock, net			6			6		6
Cash dividends to owners of the parent					(43,725)	(43,725)		(43,725)
Cash dividends to non-controlling interests							(4,319)	(4,319)
Others		40				40		40
Transfer to retained earnings				(6,809)	6,809	—		—
Balance, end of period	219,613	256,800	(2,270)	17,378	1,995,877	2,487,398	149,197	2,636,595

For the three-month periods ended June 30, 2019

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 year	219,449	258,292	(2,501)	234,937	2,061,306	2,771,483	134,716	2,906,199
Impact of changes in accounting policies					(53,325)	(53,325)	(909)	(54,234)
Balance, beginning of year after changes in accounting policies	219,449	258,292	(2,501)	234,937	2,007,981	2,718,158	133,807	2,851,965
Profit for the period					79,740	79,740	3,491	83,231
Other comprehensive income for the period				(74,691)		(74,691)	(286)	(74,977)
Comprehensive income for the period						5,049	3,205	8,254
Transaction with owners:								
Acquisition (disposal) of non-controlling interests, net		(814)				(814)	55	(759)
Acquisition (disposal) of treasury stock, net			66			66		66
Cash dividends to owners of the parent					(47,459)	(47,459)		(47,459)
Cash dividends to non-controlling interests							(3,364)	(3,364)
Others		(468)				(468)		(468)
Transfer to retained earnings				(2,132)	2,132	—		—
Balance, end of period	219,449	257,010	(2,435)	158,114	2,042,394	2,674,532	133,703	2,808,235

For the three-month periods ended June 30, 2020

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 year	2,072	2,424	(21)	(39)	19,565	24,001	1,401	25,402
Profit (loss) for the period					(388)	(388)	39	(349)
Other comprehensive income for the period				267		267	4	271
Comprehensive income for the period						(121)	43	(78)
Transaction with owners:								
Acquisition (disposal) of non-controlling interests, net		(2)				(2)	4	2
Acquisition (disposal) of treasury stock, net			0			0		0
Cash dividends to owners of the parent					(413)	(413)		(413)
Cash dividends to non-controlling interests							(41)	(41)
Others		1				1		1
Transfer to retained earnings				(65)	65	—		—
Balance, end of period	2,072	2,423	(21)	163	18,829	23,466	1,407	24,873

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Condensed Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2020 and 2019

	Millions of Yen		Millions of
	2020	2019	U.S. Dollars
Operating activities:			
Profit (loss) for the period	¥ (36,994)	¥ 83,231	\$ (349)
Adjustments to reconcile profit for the period to net cash provided by operating activities:			
Depreciation and amortization	39,795	38,437	375
Impairment reversal (loss) on long-lived assets	(50)	194	(0)
Finance (income) costs, net	(1,433)	(6,245)	(14)
Share of (profit) loss of investments accounted for using the equity method	48,919	(27,938)	462
(Gain) loss on sale of long-lived assets, net	(159)	(3,272)	(2)
Income tax expense	6,834	29,941	64
Increase in inventories	(39,232)	(37,496)	(370)
Decrease in trade and other receivables	113,199	39,836	1,068
Decrease (Increase) in prepaid expenses	356	(6,997)	3
Decrease in trade and other payables	(96,345)	(66,203)	(909)
Other, net	(3,572)	(28,382)	(34)
Interest received	3,015	7,035	28
Dividends received	50,848	66,815	481
Interest paid	(7,109)	(12,224)	(67)
Income tax paid	(31,298)	(27,792)	(295)
Net cash provided by operating activities	46,774	48,940	441
Investing activities:			
Proceeds from sale of property, plant and equipment	931	1,300	9
Purchase of property, plant and equipment	(17,870)	(19,530)	(169)
Proceeds from sale of investment property	—	3,214	—
Purchase of investment property	(962)	(15,825)	(9)
Proceeds from sale of other investments	5,990	24,528	57
Acquisition of other investments	(28,526)	(80,990)	(269)
Collection of loan receivables	4,659	9,918	44
Increase in loan receivables	(17,373)	(11,942)	(164)
Net cash used in investing activities	(53,151)	(89,327)	(501)
Free Cash Flows:	(6,377)	(40,387)	(60)
Financing activities:			
Net increase in short-term debt	(19,027)	115,595	(180)
Proceeds from issuance of long-term debt	57,890	89,168	547
Repayment of long-term debt	(91,711)	(89,564)	(864)
Cash dividends paid	(43,725)	(47,459)	(413)
Capital contribution from non-controlling interests	—	2,314	—
Payment for acquisition of subsidiary's interests from non-controlling interests	(280)	(2,316)	(3)
Payment of dividends to non-controlling interests	(4,319)	(3,364)	(41)
(Acquisition) disposal of treasury stock, net	6	18	0
Net cash provided by (used in) financing activities	(101,166)	64,392	(954)
Net (decrease) increase in cash and cash equivalents	(107,543)	24,005	(1,014)
Cash and cash equivalents at the beginning of year	710,371	660,359	6,702
Effect of exchange rate changes on cash and cash equivalents	1,720	(9,021)	15
Net increase in cash and cash equivalents resulting from transfer to assets classified as held for sale	—	496	—
Cash and cash equivalents at the end of period	¥ 604,548	¥ 675,839	\$ 5,703

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥106=US\$1.

Assumptions for Going Concern

: None

Changes in accounting estimate

The significant change in accounting estimate in the Condensed Consolidated Statements is as follow.

Sumitomo, 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 47.7% share ratio respectively.

Project Companies recognized an impairment loss on the fixed assets up to the recoverable amount, as a result of reassessing the business plan in relation to the stoppage of operation due to the spread of COVID-19 and the decline in mid-long term nickel price outlook. Consequently, Sumitomo recognized a loss of 54,956 million yen as “Share of profit (loss) of investments accounted for using the equity method” in the Condensed Consolidated Statements of Comprehensive Income.

The reassessed business plan is based on the assumption that the timing of resuming operations will be within the 4th quarter of fiscal year ending March 31st 2021.

Segment Information

Sumitomo Corporation and Subsidiaries
For the three-month periods ended June 30, 2020 and 2019

2020:	Millions of Yen									
		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	¥	196,455	141,495	87,182	94,621	246,711	241,019	1,007,483	28,245	1,035,728
Gross profit		19,559	27,423	18,571	24,523	52,256	29,371	171,703	1,620	173,323
Share of profit (loss) of investments accounted for using the equity method		2,069	(4,792)	5,546	9,738	1,694	(63,174)	(48,919)	—	(48,919)
Profit (loss) for the period (attributable to owners of the parent)		891	(9,428)	12,076	9,721	5,733	(60,314)	(41,321)	230	(41,091)
Total assets (As of June 30)		1,018,471	1,662,550	900,202	863,985	1,569,035	1,550,077	7,564,320	388,134	7,952,454

2019:	Millions of Yen									
		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	¥	308,822	198,772	140,265	91,292	250,675	273,531	1,263,357	49,777	1,313,134
Gross profit		29,614	39,276	31,629	22,618	54,805	46,723	224,665	3,457	228,122
Share of profit (loss) of investments accounted for using the equity method		1,622	9,739	2,774	9,703	1,805	1,463	27,106	832	27,938
Profit for the period (attributable to owners of the parent)		6,029	12,076	20,310	8,764	11,491	20,905	79,575	165	79,740
Total assets (As of March 31)		1,093,023	1,689,030	894,792	879,898	1,538,397	1,595,839	7,690,979	437,617	8,128,596

2020:	Millions of U.S. Dollars									
		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	\$	1,853	1,335	823	893	2,327	2,274	9,505	266	9,771
Gross profit		185	259	175	231	493	277	1,620	15	1,635
Share of profit (loss) of investments accounted for using the equity method		19	(45)	52	92	16	(596)	(462)	—	(462)
Profit (loss) for the period (attributable to owners of the parent)		8	(89)	114	92	54	(569)	(390)	2	(388)
Total assets (As of June 30)		9,608	15,685	8,493	8,151	14,802	14,623	71,362	3,661	75,023

Notes:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥106=US\$1.

2) On April 1, 2020, a part of manufacturing and sales business of automotive components was transferred from Transportation & Construction Systems Business Unit to Metal Products Business Unit and secondary use business of lithium-ion batteries was transferred from Transportation & Construction Systems Business Unit to Infrastructure Business Unit.

Accordingly, the segment information of the same period of the previous year has been reclassified.