

New Medium-Term Management Plan

2024-2026

May 2, 2024

Sumitomo Corporation

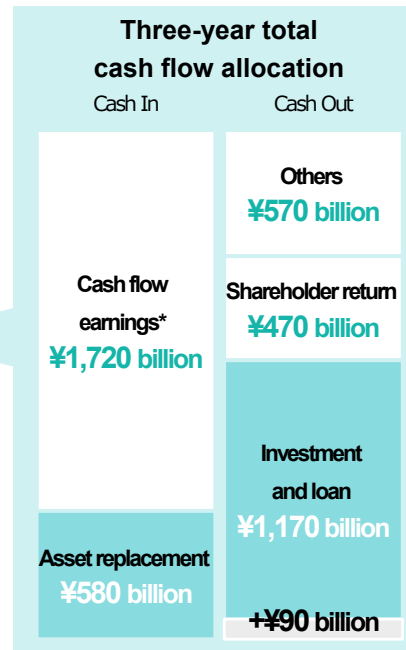
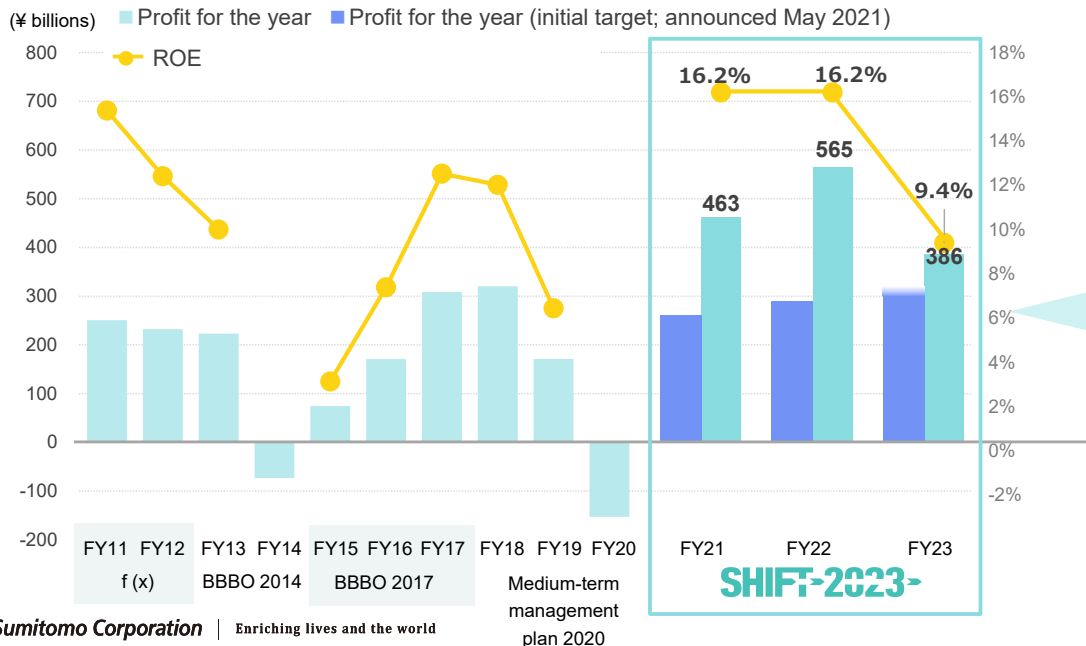
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Summary of SHIFT 2023

Quantitative outcomes

- Achieved initial profit plans set at beginning of the medium-term management plan; income levels have increased compared with the period of the previous medium-term management plan.
- ROE: 16.2% in FY2021 and FY2022; 9.4% in FY2023 due partly to one-off loss.
- Enhanced shareholder returns by increasing dividends per share and repurchasing shares; secured positive free cash flow post shareholder returns, thus maintaining financial soundness.

Profit for the year and ROE



Main initiatives of SHIFT 2023

- Strengthened framework of business strategy management and management resource allocation, etc. and management base to ensure effectiveness of the business portfolio shift.
- Expanded invested capital and scale of earnings mainly in steady business growth; exited from low-profitability businesses and recovered management resources through divestment.

Business Portfolio SHIFT

Asset recycling for growth investments			Growing core earning pillars by leveraging strengths				Adapting to social structural changes	
Divestment (total)			Value creation (total)		Steady business growth (total)		Seeding (total)	
	Invested capital	Profit for the year excluding one-off	Invested capital	Profit for the year excluding one-off	Invested capital	Profit for the year excluding one-off	Invested capital	Profit for the year excluding one-off
FY2020	¥200 billion	-¥10 billion	¥2.3 trillion	¥40 billion	¥3.2 trillion	¥160 billion	¥35 billion	-¥5 billion
FY2023	0 billion	0 billion	¥2.5 trillion	¥140 billion	¥5.5 trillion	¥340 billion	¥200 billion	-¥15 billion
<ul style="list-style-type: none"> Recovered management resources through sale of upstream interests in fossil fuels 			<ul style="list-style-type: none"> Expanded invested capital and earnings mainly by steady business growth SBUs where we have strengths Strengthened resilience, including turnarounds Loss recognition of large struggling businesses (FY2023 one-off loss ¥150 billion) 				<ul style="list-style-type: none"> Accumulated invested capital to create next-generation businesses, such as EII 	

Adopted IT and digital technologies in existing businesses and worked to improve functionality and profitability

Set medium-term goals for key social issues, introduced ICP, conducted segment-specific human rights due diligence, and took early action on TNFD

Framework

- Started SBU-specific business strategy management, and introduced ROIC (vs. WACC)
- Adopted cross-organizational approach to promote next-generation growth fields, including establishment of EII

- Made progress in exit from and turnaround of low-profitability businesses based on Full Potential Plan
- Shifted from Business Unit-based to SBU-based invested capital allocation

Management base

- Strengthened supervisory function of Board of Directors
- Formulated Group Management Policy

- Revamped head office HR system; promote pay-for-job and pay-for-performance

- Maintained cash flow discipline without over-reliance on interest-bearing liabilities

Summary of SHIFT 2023

- SHIFT 2023: Strengthened resilience and raised our earnings power by implementing structural reforms
- New medium-term management plan: Transform business portfolio and ourselves to enhance metabolism and build earning pillars to drive growth

SHIFT 2023

Summary

Business Portfolio SHIFT

- Significantly improved profit levels compared with the previous medium-term management plan. Strengthened resilience by progressing with withdrawal from low-profit businesses and completing loss recognition for struggling businesses
- Recovered management resources from divestment SBUs and reallocated them mainly to steady business growth SBUs
- Halfway to asset replacement and building earning pillars that drive profit increase for exponential growth

Framework

- Took various measures, such as adoption of business strategy management (SBU-specific; ROIC vs. WACC), optimal groupwide allocation of management resources, investment discipline, and new HR system

Management base

- Recognized need to accelerate decision-making, strengthen human capital, address changing environment (including geopolitical risks), and improve business processes, strengthening initiatives going forward

Direction for New medium-term management plan

Accelerate business portfolio transformation

Build earning pillars that drive profit growth

Strengthen people and organizations to increase agility and profitability

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Medium-Term Management Plan 2026

Aims and Material Issues

Enriching lives and the world

Taking into account external environmental changes, we updated our material issues from the perspective of value creation. We will take our medium- to long-term commitment one step further and achieve sustainable growth through addressing the social challenges.

Build resilient
and prosperous
society

Overcome
Climate Change

Preserve and
regenerate
natural capital

Respect
human rights

Develop talent
and
promote DE&I

Maintain and
strengthen
governance

Theme of Medium-Term Management Plan 2026

No.1 in Each Field

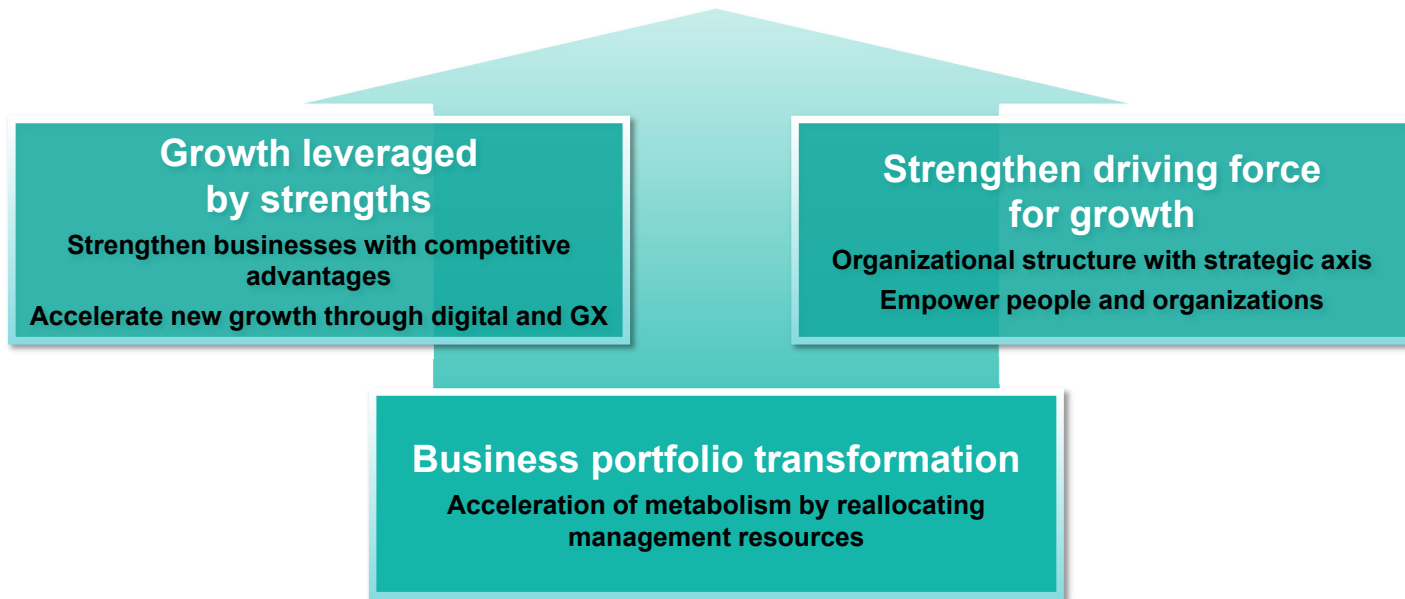
Enhance our competitive advantages to achieve growth through addressing social challenges



Medium-Term Management Plan 2026

No.1 in Each Field

Enhance our competitive advantages to achieve growth through addressing social challenges



Summary of Quantitative Targets

Profit for the year (attributable to owners of the parent)

FY2024 Forecast **¥530** billion

FY2026 Plan **¥650** billion

Efficiency ratio

ROE 12% or higher

Financial soundness

**Positive free cash flow post
shareholder return***

Shareholder return

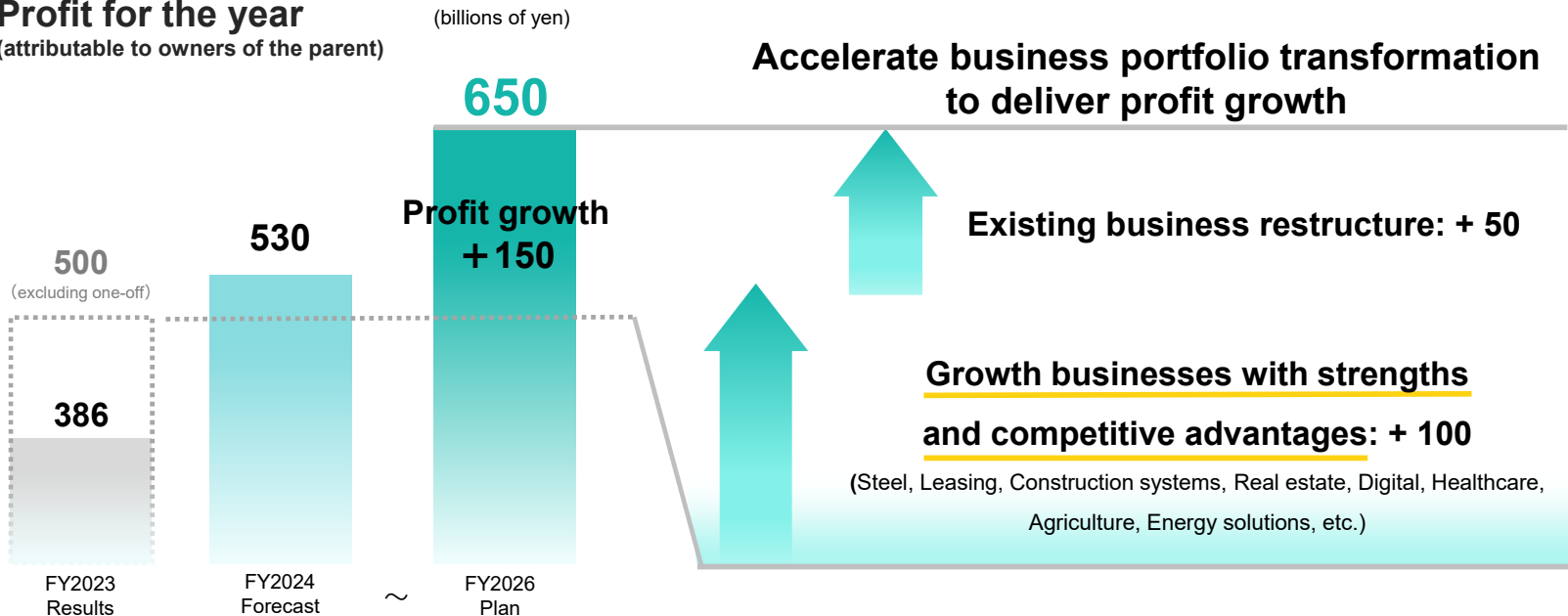
**Total payout ratio: 40% or higher
Progressive dividend payments**

* Excludes changes in working capital, etc.

Profit Plan

- By maintaining ROE of 12% or higher while expanding growth businesses with competitive advantages, we aim to achieve profit for the year of ¥650 billion in FY2026.

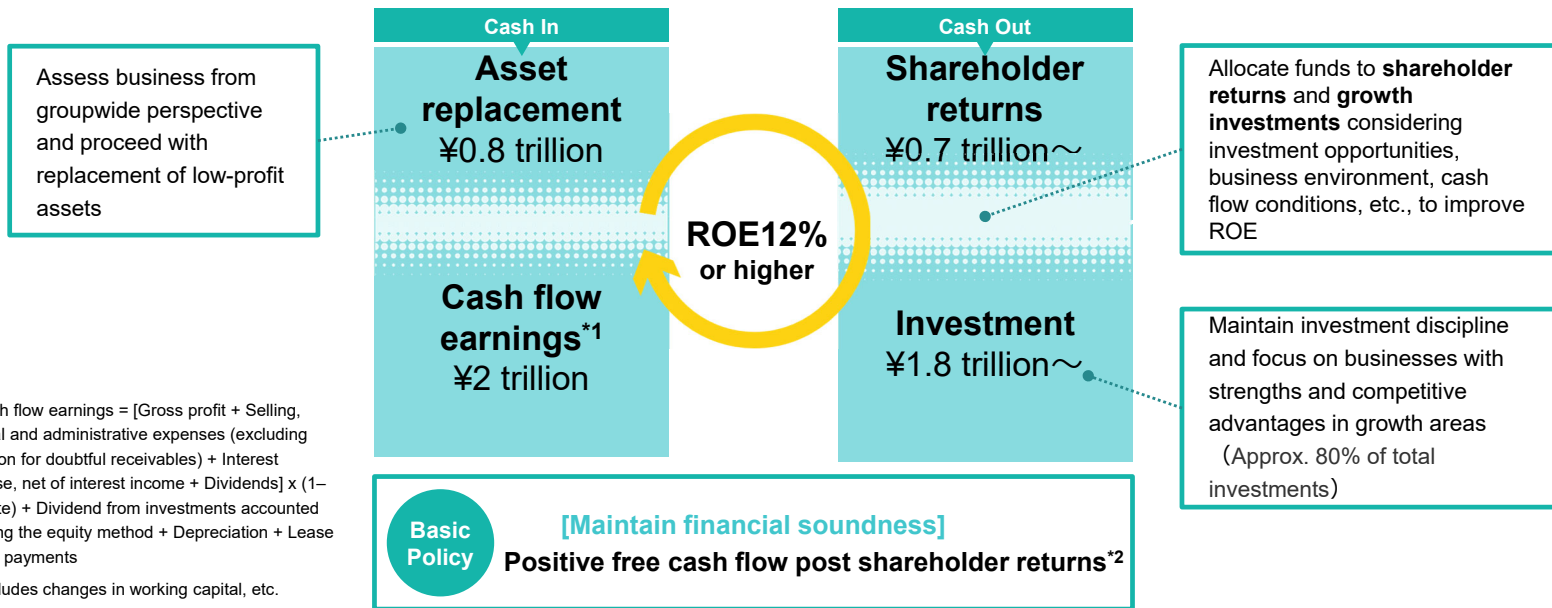
Profit for the year (attributable to owners of the parent)



Cash flow allocation

- Increase cash generation through further asset replacement and improvement of cash flow earnings
- Optimal allocation to shareholder returns and growth investments while maintaining financial soundness

Cash flow allocation (three-year total)



*1 Cash flow earnings = [Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + Dividends] x (1 - Tax rate) + Dividend from investments accounted for using the equity method + Depreciation + Lease liability payments

*2 Excludes changes in working capital, etc.

Shareholder return policy

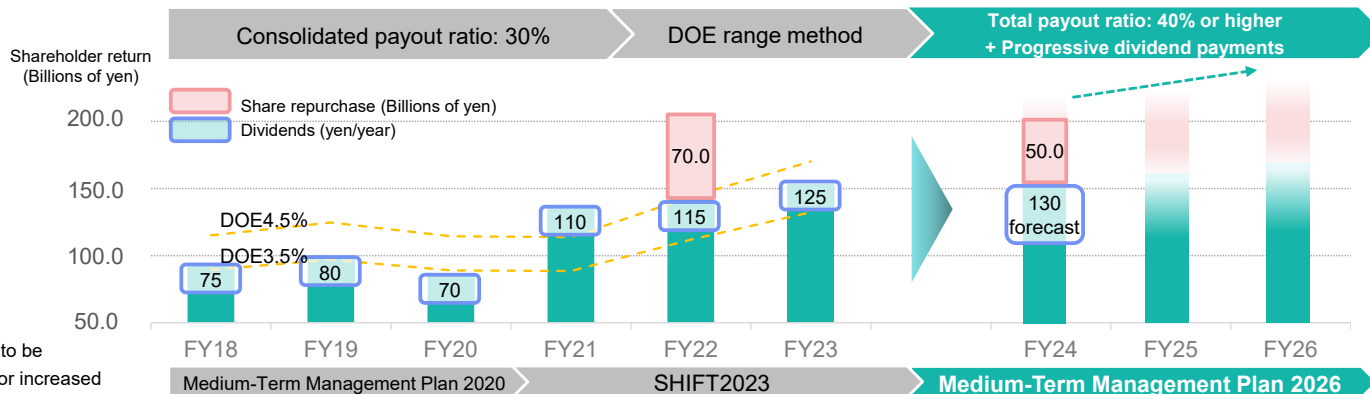
- We made the following revisions after comprehensively considering the improvement of basic profitability through SHIFT 2023, continuously strengthening our financial position and securing funds for investments for sustainable growth:
 - ✓ **Pay dividends** and **repurchase our shares in a flexible and agile manner** with a **total payout ratio of 40% or higher**
 - ✓ Further improve dividend stability and increase dividends in line with profit growth **through progressive dividend payments***
- We will continue pursuing sustainable profit growth and further strengthening our earnings base to enhance shareholder returns and increase shareholder value.

Shareholder return in FY2024

Annual dividend forecast: ¥130 per share

(up ¥5 from FY2023)

Share repurchase: ¥50 billion



Business portfolio transformation

- Continue to utilize business-specific ROIC and WACC as indicators. Restructure businesses (including replacement) and allocate management resources to businesses with strengths and competitive advantages in growth areas.

Accelerate initiatives under new management structure

Prioritize allocation of management resources to growth businesses

Accelerate metabolism by reallocating management resources

Business strategy category

The diagram is a 2x2 matrix with 'Market Potential' on the vertical axis and 'ROIC (compared to WACC)' on the horizontal axis. A horizontal dashed line separates the top and bottom quadrants, and a vertical dashed line separates the left and right quadrants.

- Top-Left (Nurture):** Foster next-generation businesses that will become new strengths.
- Top-Right (Steady business growth):** Expand invested capital to broaden earnings base.
- Bottom-Left (Restructuring):** Restructure businesses (including replacement).
- Bottom-Right (Value creation):** Increase efficiency and provide new added value to improve profitability.

Arrows indicate a clockwise cycle between the four quadrants.

* Among the previous four strategy categories, two names have been changed (Seeding → Nurture; Divestment → Restructuring)

Management resource allocation (FY2023 → FY2026)

The chart plots 'Profit (loss) excluding one-off (Billions of yen)' on the Y-axis (ranging from -50 to 450) against 'ROIC' on the X-axis (ranging from -10% to 20%). The size of each bubble represents the amount of invested capital.

- Nurture:** A yellow bubble at approximately (-7%, 20) with an arrow pointing right towards the Restructuring bubble.
- Restructuring:** A purple bubble at approximately (4%, 40) with an arrow pointing up and right towards the Value creation bubble.
- Value creation:** A blue bubble at approximately (10%, 200) with an arrow pointing up and right towards the Steady business growth bubble.
- Steady business growth:** A large teal bubble at approximately (10%, 400).

A vertical shaded region highlights the ROIC range from approximately 0% to 10%.

* The first chart shows the transition from Seeding to Nurture and Divestment to Restructuring. The second chart shows the allocation of management resources from FY2023 to FY2026, with bubble sizes indicating invested capital.

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Strengthen businesses with competitive advantage

- Strengthen growth businesses that can fully leverage our competitive advantage and aim to be No.1 by allocating management resources
- Create new value through collaboration among SBUs gathering as new business groups

Energy Transformation

Provision of energy solutions, including transition energy, renewable energy, and new technologies

Energy solutions

Expand development of renewable energy; midstream and downstream energy management

Steel

Expand business in regions where steel demand is growing such as the US and India, and in new areas such as steel GX

Digital

Globally strengthen full value chain of digital business

Healthcare

Expand business scale in Japan and overseas; provide services that help solve issues, such as rising medical costs

Agriculture

Geographically expand and functionally enhance agricultural input business

Construction systems

Expand scale of construction equipment sales/rental business and service product lineup

Leasing

Expand business areas domestically and internationally by combining strong businesses such as aviation, automobile and real estate

Examples of growth businesses with strengths and competitive advantages

Diverse Urban Development

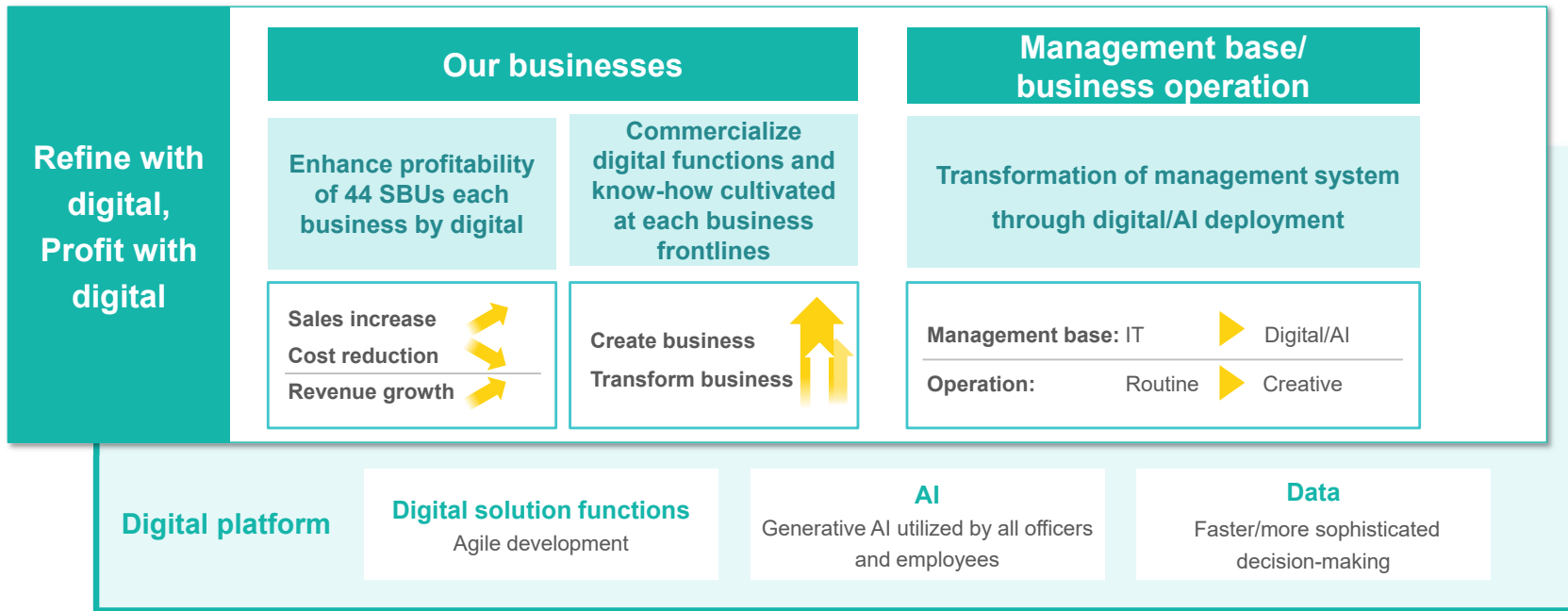
Urban development that combines our strengths in real estate and infrastructure

Real estate

Expand asset types and build portfolio of assets according to growth potential

Accelerated new growth driven by digital

- Further enhancement in the strengths and competitive advantages of our business by digital. Accelerate growth while developing new strengths.
- Strengthen groupwide earning power by transforming management base and operations by digital. Expand earnings and create/ transform our businesses.

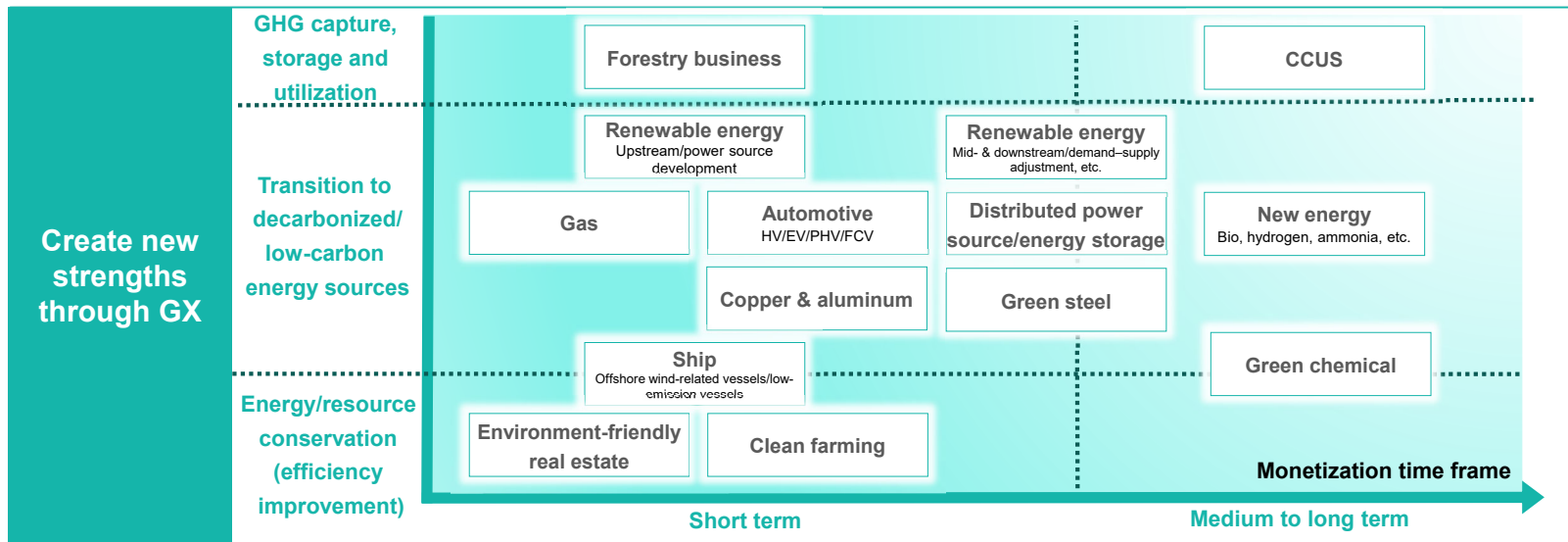


Growth leveraged by strengths Strengthen driving force for growth

Business portfolio transformation

Accelerated new growth driven by GX

- Further enhancement in the strengths and competitive advantages of our business through green transformation (GX)
- In various industrial fields, create new strengths considering time frame to monetization (including market formation)



Create new strengths through GX

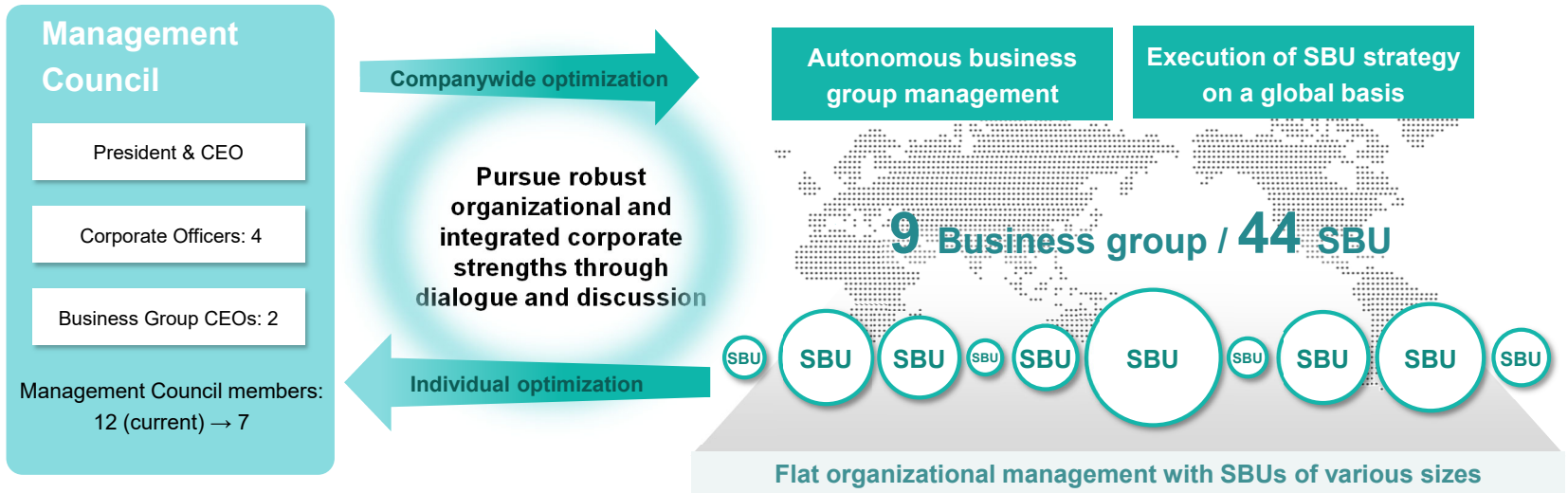
Sustainability management as foundation of GX

Visualize supply chain GHG emissions Calculate/analyze reduction contribution and Scope 3

Practicing integrated problem solving Promote GX while holistically considering impacts on human rights and natural capital, etc.

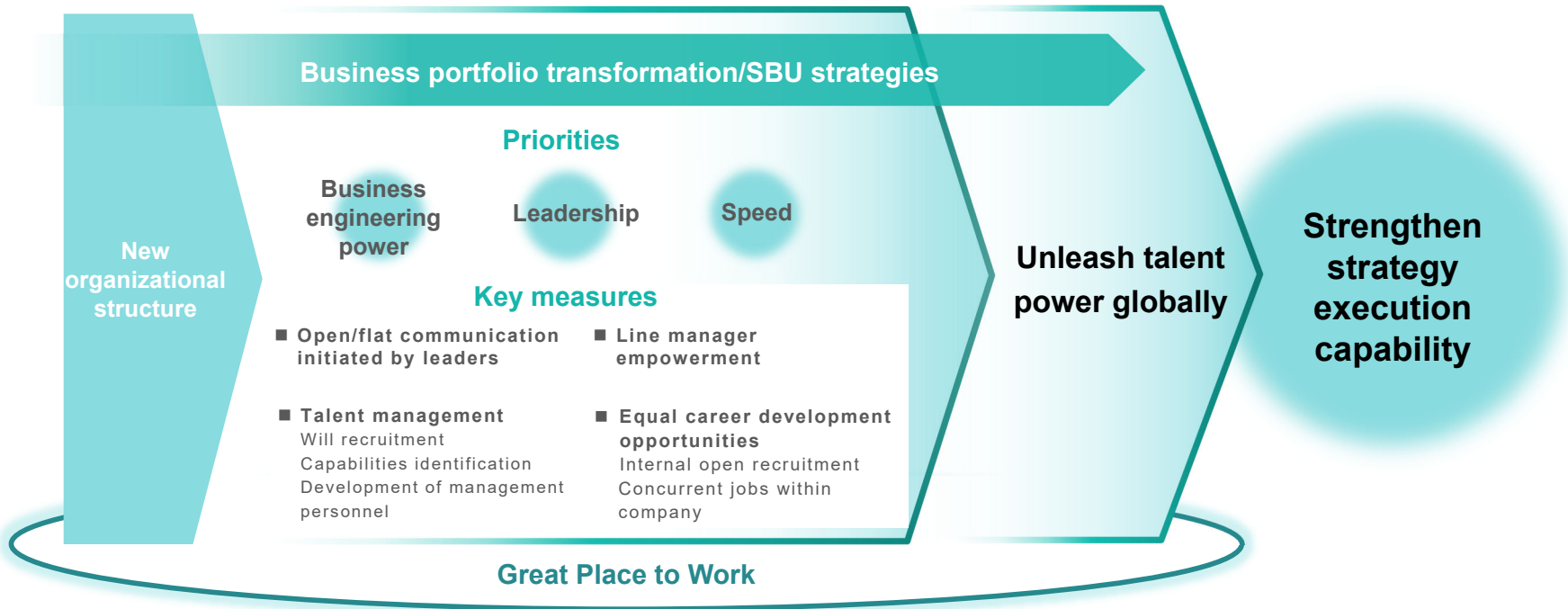
Organizational structure with strategic axis

- Management Council: Review member composition and resolution methods; emphasize timely and accurate decision-making to accelerate business portfolio transformation
- Business organization: Reorganize around Strategic Business Units (SBUs) without consideration of size
9 business groups, which contain SBUs with high strategic affinity, promote autonomous group management
Formulate SBU strategy on a global basis and execute the strategy with all sites working together



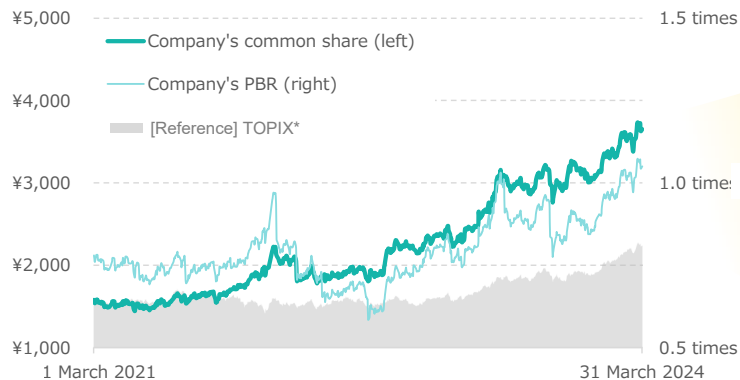
Empower people and organizations

- Under the new organizational structure, strengthen strategy execution capability through unleashing talent power (driving force for growth)



Aiming for sustainable increase in corporate value

- Under SHIFT 2023: Market capitalization has more than doubled (TOPIX in same period: less than 1.5 times) owing to strengthened resilience and improved profitability.
- Medium-Term Management Plan 2026: Transform into a business portfolio that can consistently exceed the cost of shareholders' equity and achieve higher ROE.
- While considering financial soundness, we aim to achieve a sustainably high ROE and increase corporate value by increasing profits through growth investments and increasing shareholder returns.



* Relative price based on Company's common share price on March 31, 2021



APPENDIX

- (1) Key Financial Indicators
- (2) Business Group Strategies and Quantitative Plans

(1) Key Financial Indicators

	At the start of Medium-Term Management Plan 2026	At the end of Medium-Term Management Plan 2026
	Results of Mar. 31, 2024	Plan of Mar. 31, 2027
(Unit: billions of yen)		
Profit for the year (attributable to owners of the parent)	386.4	650.0
Total assets	11,032.6	Around 12,000.0
Shareholders' equity	4,445.5	Around 5,000.0
Interest bearing liabilities(Net)	2,523.4	Around 3,000.0
D/ER(Net)	0.6 times	Around 0.6 times
ROA	3.7%	Around 5%
ROE	9.4%	12% or higher
Three-year free cash flows (post-shareholder return)(adjusted)	+89.0 (Apr. 2021 – Mar. 2024)	Positive*

* Excludes changes in working capital, etc.



Steel Group

Mission

Leverage our global steel product supply chain to contribute to the achievement of carbon neutrality in the industry and create new functions and value.

SBU Businesses and Strategies

Energy Tubular SBU

Sales of tubular products, materials and equipment, etc., and provision of related services (supply chain management) for integrated energy companies, etc.

- Strengthen tubular product sales network for energy development and develop new businesses according to energy transition trends.

Steel Products SBU

Sales of steel products, materials and equipment, etc., and provision of related services (supply chain management) to customers in a wide range of industries (including transportation, construction, and electric).

- Strengthen the functions of Sumitomo Corporation Global Metals Co., Ltd. (responsible for trading steel products and managing our group companies) to help solve issues faced by society and customers.

Steel GX SBU

Supply of materials and provision of services that help reduce CO₂ emissions and development of new businesses for a wide range of sectors that use steel products, as well as the steelmaking industry.

- Leverage relationships in existing businesses to develop high-value offerings that help deliver decarbonization through the value chain of steel products and form a foundation for future earnings.

Key Financial Indicators

	FY23 Results (A)	FY24 Forecasts (B)	Increase/Decrease (B)-(A)
Profit for the year attributable to owners of the parent	69.2	89.0	+19.8
One-off profits/losses	approx.+1.0	approx.+3.0	approx.+2.0
Excl. one-off profits/losses	approx.68.0	approx.86.0	approx.+18.0

FY24 Forecasts (Excl. One-off Profits/Losses)

Tubular products

- Tubular products business in North America: moderate recovery trend
- Tubular products business in other areas: strong
- Impact of revisions to the internal cost allocation policy in managerial accounting

Steel sheets

- Stable

Principal Subsidiaries and Associated Companies

(Unit: billions of yen)

Company	Shares in Equity (Mar. 31, 2024)	Equity in Earnings	
		FY23 Results	FY24 Forecasts
Sumitomo Corporation Global Metals Group*	100.00 %	8.7	8.1
Eryngium	100.00 %	5.6	5.5
Edgen Group	100.00 %	1.4	1.4

* Sumitomo Corporation Global Metals' combined financial results, including the financial results of the operating companies that it is involved in and supports the operation regardless of the investment relationship, is ¥21.2 bil. in FY23 result, ¥23.3 bil. in FY24 forecast.

Automotive Group

Group Overview

Mission

Lead the transformation of mobility and create new values

SBU Businesses and Strategies

Automotive Manufacturing and Engineering SBU

Manufacture of automobile parts, trading of related parts and equipment, and provision of engineering services in the areas of design, development, inspection, etc.

- Value-up of the key parts manufacturing business and the trading business.
- Expand the base and scale of earnings in the engineering services business.

Automotive Sales & Marketing SBU

Sales and distribution of automobiles, aftermarket parts, and related products and provision of peripheral services.

- Expand automotive distributorship business by enhancing product lineup and broadening sales network, etc.

- Optimize and streamline supply chain by promoting DX and leverage this business to broaden value chain (develop and deploy value-added services, such as leasing and insurance, according to market needs).

Mobility Services SBU

Automobile leasing, retail finance, car park operations, and related services and peripheral businesses.

- Leverage core automobile leasing business to develop services and businesses according to changes in the business environment such as increased utilization, electrification, decarbonization and logistics issues.
- Expand business base and cross-functional collaboration with partners to develop services and businesses.

Tire SBU

Sales of tires and related products and provision of peripheral services.

- Upgrade supply chain and optimize costs in the North American tire wholesale, repair, and maintenance business.
- Strengthen overseas trading and sales operations and develop products and businesses that reduce environmental impact.

Beyond Mobility SBU

Develop new businesses in Beyond Mobility (areas arising from and surpassing mobility).

- Make full use of intelligence to strengthen incubation functions.
- Steadily generate revenue from projects that have been commercialized.

Group profit plan

Key Financial Indicators

	FY23 Results (A)	FY24 Forecasts (B)	Increase/Decrease (B)-(A)
Profit for the year attributable to owners of the parent	51.8	50.0	-1.8
One-off profits/losses	0.0	approx.-3.0	approx.-3.0
Excl. one-off profits/losses	approx.52.0	approx.53.0	approx.+1.0

FY24 Forecasts (Excl. One-off Profits/Losses)

Automotive manufacturing and engineering business

- Improve profitability through optimization of production system

Automotive sales & marketing business

- Stable
- Large-lot spot transactions in FY23

Mobility services business

- Improve profitability through collaboration with partners in the automotive finance business

Tire business

- Expect cost reductions due to structural reforms and sales increase due to market improvement

Principal Subsidiaries and Associated Companies

Company	Shares in Equity (Mar. 31, 2024)	Equity in Earnings	
		FY23 Results	FY24 Forecasts
Sumitomo Corporation Power & Mobility ^{*1, *2}	100.00 %	2.9	1.9
Sumitomo Mitsui Auto Service Company	40.43 %	7.9	6.9
TBC	50.00 %	16.7	- ^{*3}

(Unit: billions of yen)

*1 Equity in earnings for this company is amounts for company-total including another segment.

*2 This company's results and forecasts for automotive business are allocated to this group, those for social infrastructure business are allocated to Diverse Urban Development Group, and those for energy solution business are allocated to Energy Transformation Business Group, respectively.

*3 We refrain from disclosing the forecasts due to relationship with the business partner.

Transportation & Construction Systems Group

Mission

Drive ESG management in construction equipment, shipping, and aerospace businesses, and leverage financial solutions and cutting-edge technologies, to create new social value in the global market.

SBU Businesses and Strategies

Leasing SBU

Leasing and financing services across all industries. Developing own businesses in collaboration with SMFL/SMFG and other financial institutions.

- Support SMFL in increasing prime assets and improving asset efficiency; assist in the creation of new core businesses.
- Build own new business in the area of "Assets x Finance x Services."

Commercial Aviation SBU

Aircraft leasing, engine leasing, and aircraft after-market services, and advanced air mobility services.

- Increase prime assets and enhance asset efficiency in aircraft leasing business.
- Strengthen aircraft after-market business and integrate it with existing businesses to establish a circular economy.

Aerospace Defense & Technology SBU

Sales and services for defense and aerospace related companies; manufacturing business by Sumitomo Precision Products Co., Ltd.

- Expand distributorship business in aerospace defense sectors and promote inventory and maintenance business.
- Strengthen thermal management and ICT in precision technology business.

Ship & Marine SBU

Ship trading, ship owning, and shipbuilding.

- Strengthen resilience to shipbuilding and shipping volatility and expand ship owning business.
- Promote new businesses that contribute to a decarbonized society, such as offshore wind-power related vessels, floating offshore wind-power structures, and low-emission vessels.

Construction & Mining Systems SBU

Sales, trade and services of construction, mining, industrial, and agricultural machinery; rental of construction equipment and provision of construction/mining site support solutions.

- Target business growth based on four axes: geographic expansion, product diversification, customer base expansion, and provision of on-site support solutions.

Key Financial Indicators

	FY23 Results (A)	FY24 Forecasts (B)	Increase/Decrease (B)-(A)
Profit for the year attributable to owners of the parent	96.2	87.0	-9.2
One-off profits/losses	approx.+28.0	approx.+4.0	approx.-24.0
Excl. one-off profits/losses	approx.68.0	approx.83.0	approx.+15.0

FY24 Forecasts (Excl. One-off Profits/Losses)

Transportation

- Leasing business: stable mainly in aircraft leasing business
- Ship business: strong due to strong market conditions

Construction & mining systems

- Stable mainly in North American market

Principal Subsidiaries and Associated Companies

(Unit: billions of yen)

Company	Shares in Equity (Mar. 31, 2024)	Equity in Earnings	
		FY23 Results	FY24 Forecasts
Sumitomo Mitsui Finance and Leasing Company (SMFL) ^{*1, *2}	50.00 %	76.7	42.6
incl. SMBC Aviation Capital	-	48.6 ^{*3}	- ^{*4}

- ^{*1} Equity in earnings for this company is amounts for company-total including another segment.
- ^{*2} The total equity stake is 50%, with 10% attributed to the Diverse Urban Development Group. The remaining portion of the 40% is divided between two groups: one represents an indirect equity interest in Sumitomo Mitsui Auto Service Company, held by the Automotive Group, and the other belongs to this group.
- ^{*3} As the company has not yet announced its full-year financial results, the FY23 equity in earnings temporarily features the result for Q1-3 of FY23. This provisional figure will be replaced with the full-year result as soon as it becomes available for disclosure.
- ^{*4} We refrain from disclosing the forecast due to relation with business partner.

Diverse Urban Development Group

Group Overview

Mission

Filling communities and lives with smiles and compassion through real estate and infrastructure business.

SBU Businesses and Strategies

Real Estate SBU

Development and operation of office buildings, retail facilities, residence, logistics facilities, hotels, and complex facilities; real estate fund management.

- Capture growth of real estate market and needs for environmental value; expand earnings base through both asset turnover and prime rental asset accumulation.

Industrial Park and Sustainable City SBU

Development and management of industrial parks and sustainable cities.

- Leverage our experience in operating industrial parks in 9 locations in 6 countries (covering 2,876ha with 621 tenant companies and 230,000 employees) and presence, to develop and operate industrial parks and sustainable cities with high-quality infrastructure.

Industrial System & Material SBU

Manufacture and sales of building materials and cement-related products, sales of industrial equipment, and provision of related services.

- Combine strength in supplying cement, building materials, and industrial equipment (essential for real estate and infrastructure construction) with delivery of solutions (in terms of environmental friendliness, durability, and standardization of standards) to create added value.

Logistics and Insurance SBU

Domestic and international integrated logistics services, including operation of logistics centers, transportation, and logistics equipment; Various insurance services (including agency and brokerage) and business travel services.

- Provide value-added logistics solutions, such as freshness preservation, efficiency improvement, and environmental

responsiveness, as well as various insurance and risk management services, to solve social issues and promote enrichment and development of each industry, society, and lives.

Social Infrastructure SBU

Development, and construction and operation of, social infrastructure, including water supply, sewage, airports, ports, and railroads; supply of equipment and systems.

- Capture infrastructure development needs in countries, regions, and urban to provide transportation, and social service infrastructure as diverse of comprehensive urban development.

Group profit plan

Key Financial Indicators

	FY23 Results (A)	FY24 Forecasts (B)	Increase/Decrease (B)-(A)
Profit for the year attributable to owners of the parent	46.5	61.0	+14.5
One-off profits/losses	approx.-2.0	approx.+1.0	approx.+3.0
Excl. one-off profits/losses	approx.48.0	approx.60.0	approx.+12.0

FY24 Forecasts (Excl. One-off Profits/Losses)

Real Estate

- Overall solid, with a primary focus on domestic business
- Impact of revisions to the internal cost allocation policy in managerial accounting

Principal Subsidiaries and Associated Companies

(Unit: billions of yen)

Company	Shares in Equity (Mar. 31, 2024)	Equity in Earnings	
		FY23 Results	FY24 Forecasts
Sumisho Global Logistics	100.00 %	1.8	2.2
Sumisho Realty Management	100.00 %	2.0	1.4
S.C. Cement	100.00 %	1.5	1.7
Sumisho Building Management	100.00 %	2.0	1.9
Sumisho Tatemono	100.00 %	3.2	2.0
SCOA Real Estate Partners	100.00 %	2.2	0.8

Media & Digital Group

Mission

In the field of media and digital technology, we combine cutting-edge technology with our strengths to create new value and contribute to the realization of a sustainable society.

SBU Businesses and Strategies

Digital SBU

Provision of digital and IT services.

- Leverage existing business assets in Japan to strengthen and expand customer proposal capabilities and business foundation.
- Develop upstream consulting and DX services (including overseas).

Smart Communication Platform SBU

Provision of overseas telecommunications services and telecommunications carrier peripheral services.

- Invest in telecommunications carrier-related businesses with high growth potential.
- Leverage our many years of experience in the telecommunications business to develop and expand services for telecommunications carriers.

5G SBU

Provision of 5G base station sharing services and 5G solutions.

- Collaborate with carriers to accelerate and upscale 5G base station sharing business.
- Establish and commercialize solutions for railway business.

Cable Platform SBU

Provision of cable TV (broadcasting, telecommunications, energy, etc.) and wireless broadband (local 5G) services.

- Maximize corporate value of JCOM Co., Ltd. (core operating company).
- Leverage knowledge of cable platform business to create regional DX/GX business.

Media Commerce & Contents SBU

Provision of TV shopping, e-commerce (EC), and visual content-related services.

- Transform traditional TV shopping business to new business model that integrates TV and EC.
- Promote global development of domestic content and acquire peripheral business functions to build a Japanese content ecosystem.

Innovation & Investment SBU

CVC business, PE (buyout fund) business, and new business development.

- CVC business: Pursue financial and strategic returns through social adoption of new technologies and commercialization of new business models.
- PE business: Secure long-term stable investment returns.

Key Financial Indicators

	FY23 Results (A)	FY24 Forecasts (B)	Increase/ Decrease (B)-(A)
Profit for the year attributable to owners of the parent	-1.0	29.0	+30.0
One-off profits/losses	approx.-26.0	approx.+1.0	approx.+27.0
Excl. one-off profits/losses	approx.25.0	approx.28.0	approx.+3.0

FY24 Forecasts (Excl. One-off Profits/Losses)

Major domestic group companies

- Generally steady

Telecommunications business in Ethiopia

- Start-up costs continues

Principal Subsidiaries and Associated Companies

(Unit: billions of yen)

Company	Shares in Equity (Mar. 31, 2024)	Equity in Earnings	
		FY23 Results	FY24 Forecasts
JCOM	50.00 %	39.9	34.8
Jupiter Shop Channel ^{*1}	45.00 %	6.5	6.9
SCSK	50.60 ^{*2} %	20.5	21.9
T-Gaia	41.82 ^{*3} %	2.1 ^{*4}	2.1 ^{*4}
Safaricom Telecommunications Ethiopia	25.23 %	-10.6 ^{*4}	- ^{*5}

^{*1} The Equity in earnings from this company represents the aggregate amounts including the portion allocated to another segment. The overall equity stake is 45%; in the FY24 forecasts, 37.5% pertains to this segment, with the remaining 7.5% is allocated to Lifestyle Business Group. (In the FY23 results, 30% pertains to this segment, with the remaining 15% is allocated to Lifestyle Business Group.)

^{*2} The share in equity has been reduced from 50.62% to 50.60% since Jul. 2023.

^{*3} The share in equity has been reduced from 41.84% to 41.82% since Jul. 2023.

^{*4} Additional disclosure of FY23 results and FY24 forecasts, which were undisclosed at the time of FY2023 Q4 earning announcement on May 2, 2024.

^{*5} We refrain from disclosing the forecast due to relationship with the business partner.



Lifestyle Business Group

Mission

Address social issues related to food and health from consumers' perspectives to make their lives more enjoyable.

SBU Businesses and Strategies

Retail SBU

Domestic and overseas retail business (including supermarkets and brands), new businesses in retail-related areas, and next-generation retail business.

- Expand supermarket business (centered on Summit, Inc. and FujiMart Vietnam Retail LLC) and further increase earnings through retail DX, M&A, and retail data marketing.
- Increase revenue from next generation retail business through fan-based marketing and the metaverse business.

Food SBU

Domestic and overseas food-related business (excluding fruit and vegetable business in Europe and the Americas).

- Solve social issues related to food and agriculture through business activities.
- Leverage strengths of Group companies (such as SC Foods Co., Ltd.) to expand business base.
- Develop new earning opportunities through next-generation businesses and in growing markets.

Global Fruit and Vegetables SBU

Fruit and vegetables business in Europe and Americas.

- Review the allocation of invested capital, improve logistics efficiency, and accelerate value proposition strategy to increase earnings and thus improve ROIC.

Healthcare SBU

Drugstore and dispensing pharmacy-related business and new healthcare business utilizing DX and data (Japan); primary healthcare business, including managed care organization and clinics (overseas)

- Increase business scale in Japan and overseas through M&As and other means.
- Utilize DX/data to provide healthcare services that help solve social issues such as medical cost inflation.

Key Financial Indicators

	FY23 Results (A)	FY24 Forecasts (B)	Increase/Decrease (B)-(A)
Profit for the year attributable to owners of the parent	-3.7	14.0	+17.7
One-off profits/losses	approx.-10.0	approx.+2.0	approx.+12.0
Excl. one-off profits/losses	approx.7.0	approx.12.0	approx.+5.0

FY24 Forecasts (Excl. One-off Profits/Losses)

Fresh produce business in Europe and the Americas

- Banana business to maintain strong performance

Domestic supermarket business

- Strong

Healthcare

- Profit increase due to business expansion both domestically and internationally

Principal Subsidiaries and Associated Companies

(Unit: billions of yen)

Company	Shares in Equity (Mar. 31, 2024)	Equity in Earnings	
		FY23 Results	FY24 Forecasts
Summit	100.00 %	4.0	5.7
Feiler Japan	100.00 %	1.2	1.2
SC Foods	100.00 %	2.7	3.0
Wellneo Sugar*	25.32 %	1.5	1.3
Fyffes	100.00 %	-4.3	3.8
Highline	100.00 %	-7.6	-0.9
Tomod's	100.00 %	2.8	2.3

* Additional disclosure of FY23 results and FY24 forecasts, which were undisclosed at the time of FY2023 Q4 earning announcement on May 2, 2024.



Mineral Resources Group

Mission

Through resource development and the establishment of the related value chain, the Company will provide its unique value, contribute to the development of industry in Japan and globally as well as to the achievement of a sustainable society, and create a prosperous future for people.

SBU Businesses and Strategies

Non-Ferrous Metals SBU

Copper upstream business, nickel business in Madagascar, and midstream and downstream trading.

- Restructure nickel business in Madagascar and expand earnings base for copper and other commodities for which demand is expected to grow.
- Upgrade midstream and downstream trading functions and develop market-driven business that unifies upstream, midstream, and downstream.

Commodity Business SBU

Trading of precious metals; provision of services to the Group and its clients based on expertise in derivatives across range of market commodities.

- Deploy expertise in market commodity derivatives and other highly dimensional functions to expand earnings base; support groupwide businesses; operate in tandem with precious metals trading business.

Aluminum SBU

Aluminum business (upstream, midstream, and downstream) and other metal products business centered on non-ferrous metals.

- Aim to achieve "greener" operations; deploy strength (diverse and excellent business partner base) to build and expand business through both investment and trading.

Coal and Nuclear Fuel SBU

Coal business (upstream, midstream, and downstream) and nuclear fuel business (upstream, midstream, and downstream).

- Coal business: Continue to focus on improving efficiency and profitability with a medium-term portfolio shift in mind.
- Nuclear fuel business: Leverage our unique position as a company with specialized know-how to expand businesses that meet needs of society.

Iron & Steel Making Raw Materials and Carbon SBU

Steel raw materials-related business (upstream, midstream, and downstream) and carbon trading.

- Maintain and expand strong relationships of trust with partners in existing businesses; build and develop business value chains that help mitigate climate change.

Key Financial Indicators

	FY23 Results (A)	FY24 Forecasts (B)	Increase/Decrease (B)-(A)
Profit for the year attributable to owners of the parent	-9.5	80.0	+89.5
One-off profits/losses	approx.-82.0	approx.+8.0	approx.+90.0
Excl. one-off profits/losses	approx.72.0	approx.72.0	0.0

FY24 Forecasts (Excl. One-off Profits/Losses)

- Nickel mining and refining project in Madagascar: rebound from deficit in FY23
- Copper business in Chile: begin substantial operations
- Decline in coal price

Principal Subsidiaries and Associated Companies

(Unit: billions of yen)

Company	Shares in Equity (Mar. 31, 2024)	Equity in Earnings	
		FY23 Results	FY24 Forecasts
Copper business companies	-*1 %	4.8	9.0
Nickel mining and refining business in Madagascar	54.17 %	-108.0	0.0
Aluminium smelting business in Malaysia	20.00 %	9.2	..*2
Companies related to coal business in Australia	..*1	35.6	17.6
Oresteel Investments	49.00 %	50.3	31.8
Iron ore mining business in Brazil	30.00 %	5.4	3.4

*1 Group of companies with different ratio of shares.
*2 We refrain from disclosing the forecast due to relation with business partner.

Chemical Solutions Group

Mission

We will contribute to enriching people's lives and realizing sustainable societies around the world, by building new value chains in the chemicals, electronics, and agricultural sectors with the goal of dealing with material societal issues arising from food security and climate change due to global population growth.

SBU Businesses and Strategies

Basic Chemicals SBU

Global trading and manufacture of organic chemicals, synthetic resins, and inorganic chemicals and investment in logistics for same.

- Leverage the business foundation (including customers, suppliers, manufacturing businesses, and logistics assets) to strengthen supply-demand balance adjustment and logistics service functions.

Electronics SBU

Trading of materials related to semiconductors and rechargeable batteries; electronics manufacturing service (EMS) business.

- Leverage solid customer base to strengthen profitability and downside resistance and create new value for the industry and peripheral fields.

Green Chemical SBU

Development of new businesses in green chemicals field (including sustainable plastics and bio-chemicals).

- Create new business models according to greening and economic security needs.

Life Science SBU

Trading of pharmaceuticals, distribution of cosmetics ingredients and ODM business, and animal health services (including pet care).

- Enhancing and strengthening functions and products (from raw materials to finished products) and geographical expansion in pharmaceuticals, cosmetics, and pet care fields.

Agri Business SBU

Provision of comprehensive services to agricultural producers, crop protection products (CPP) trading and distribution, and business development in next-generation agriculture and sustainable food production systems.

- Geographically expand and functionally enhance agricultural input business; promote business in innovation fields (such as next-generation food production).

Key Financial Indicators

	FY23 Results (A)	FY24 Forecasts (B)	Increase/Decrease (B)-(A)
Profit for the year attributable to owners of the parent	16.4	45.0	+28.6
One-off profits/losses	approx.-6.0	approx.+5.0	approx.+11.0
Excl. one-off profits/losses	approx.23.0	approx.40.0	approx.+17.0

FY24 Forecasts (Excl. One-off Profits/Losses)

Agri Business	Basic Chemicals
<ul style="list-style-type: none"> ● Recovery from poor sales in FY23 due to unusual weather, etc. 	<ul style="list-style-type: none"> ● Increase of sales volume in petrochemicals trading business ● Stable trend in sulfuric acid business
Electronics	
<ul style="list-style-type: none"> ● Recovery of demand for semiconductors 	

Principal Subsidiaries and Associated Companies

(Unit: billions of yen)

Company	Shares in Equity (Mar. 31, 2024)	Equity in Earnings	
		FY23 Results	FY24 Forecasts
Sumitomo Shoji Chemicals	100.00 %	4.0	4.4
Sumitronics group	-*	3.8	4.4
Summit Pharmaceuticals International	100.00 %	3.6	3.8
Sumi Agro Europe	100.00 %	2.4	3.8
Agro Amazonia Produtos Agropecuarios	100.00 %	2.7	6.3
Summit Rural Western Australia	100.00 %	-0.7	0.9

* Group of companies with different ratio of shares.



Energy Transformation Business Group

Group Overview

Mission

Build a stable and sustainable energy system and carbon cycle to create a society full of prosperity and dreams.

SBU Businesses and Strategies

Energy Innovation Initiative SBU

Creation of decarbonization and recycling energy system to provide next-generation energy solutions that help realize a carbon-neutral society

- Create new energy management systems from three angles: development and deployment of carbon-free energy, expansion of new power and energy services, and CO₂ capture, storage and utilization.

Japan Energy Solution SBU

:Domestic power generation and electricity retail businesses; provision of energy solutions, including matching end customers' demand..

- Leverage our strengths in renewable energy power source development and electricity retail sales to expand our green energy supply capabilities and contribute to carbon neutrality in Japan.

Overseas Energy Solution SBU

Overseas power generation business; provision of energy solutions (including power plants, equipment, and services).

- Contribute to acceleration and realization of energy transition in line with characteristics and requirements of each overseas country and region.

Indonesia Energy Solution SBU

Provision of energy solutions (including power generation and transmission business and energy system construction) in Indonesia.

- Establish energy value chain by utilizing renewable energy to contribute to energy transition in Indonesia.

Gas Value Chain SBU

Natural gas and LNG business (upstream, midstream, and downstream), energy trading business, and LPG business (wholesale and retail).

- Advance natural gas and LNG investment, energy trading, and LPG businesses to maximize earnings and expand new businesses.

Maritime Energy Solution SBU

Offshore infrastructure business (mainly floating production, storage, and offloading (FPSO)) and marine fuel supply business (supply of conventional marine fuel and development of next-generation marine fuel).

- Promote stable energy supply and decarbonization through maritime infrastructure business and stable supply and decarbonization of marine fuel.

Group profit plan

Key Financial Indicators

	FY23 Results (A)	FY24 Forecasts (B)	Increase/Decrease (B)-(A)
Profit for the year attributable to owners of the parent	84.3	81.0	-3.3
One-off profits/losses	approx.-15.0	approx.+1.0	approx.+16.0
Excl. one-off profits/losses	approx.99.0	approx.80.0	approx.-19.0

FY24 Forecasts (Excl. One-off Profits/Losses)

Domestic electricity retail business

- Stable although absence of strong performance in FY23

Overseas IPP/IWPP business

- Stable

Gas value chain

- Absence of strong performance in trade business in FY23

Principal Subsidiaries and Associated Companies

(Unit: billions of yen)

Company	Shares in Equity (Mar. 31, 2024)	Equity in Earnings	
		FY23 Results	FY24 Forecasts
Overseas IPP/IWPP business ^{*1}	- ^{*2}	53.5	58.1
Pacific Summit Energy	100.00 %	25.4	13.0
LNG Japan	50.00 %	8.0	7.8

^{*1} Equity in earnings for the entire overseas IPP/IWPP business.

^{*2} Group of companies with different ratio of shares.