

Investor Day 2022

**To demonstrate
our true value**

Sumitomo Corporation

September 14, 2022



Sumitomo Corporation

Enriching lives and the world

Investor Day 2022 - To demonstrate our true value -

Time	Program	Speakers
1:30~1:35	Opening Remarks	President and Chief Executive Officer, Masayuki Hyodo
1:40~1:50	Presentation by CSO	Managing Executive Officer, Chief Strategy Officer, Hirokazu Higashino
Part 1 Business Unit Strategy under SHIFT 2023		
1:55~2:15	Metal Products Business Unit	Managing Executive Officer, General Manager, Metal Products Business Unit, Katsuya Inubushi
2:15~2:35	Questions and Answers	
	(Intermission)	
2:45~3:05	Transportation & Construction Systems Business Unit	Managing Executive Officer, General Manager, Transportation & Construction Systems Business Unit, Norihiko Nonaka
3:05~3:25	Questions and Answers	
	(Intermission)	
Part 2 Monitoring and Supervisory Functions for Improvement of Corporate Value		
3:30~3:50	Panel Discussion by Outside Directors	Outside Director, Koji Ishida Outside Director, Kimie Iwata Facilitator: Japan Investor Relations Association, Executive Managing Director, Ms. Yoshiko Sato
3:50~4:10	Questions and Answers	
Closing session		
4:15~4:40	General overview・Questions and Answers	President and Chief Executive Officer, Masayuki Hyodo Managing Executive Officer, Chief Strategy Officer, Hirokazu Higashino
4:40	Closing	

Opening Remarks

President and Chief Executive Officer , Masayuki Hyodo

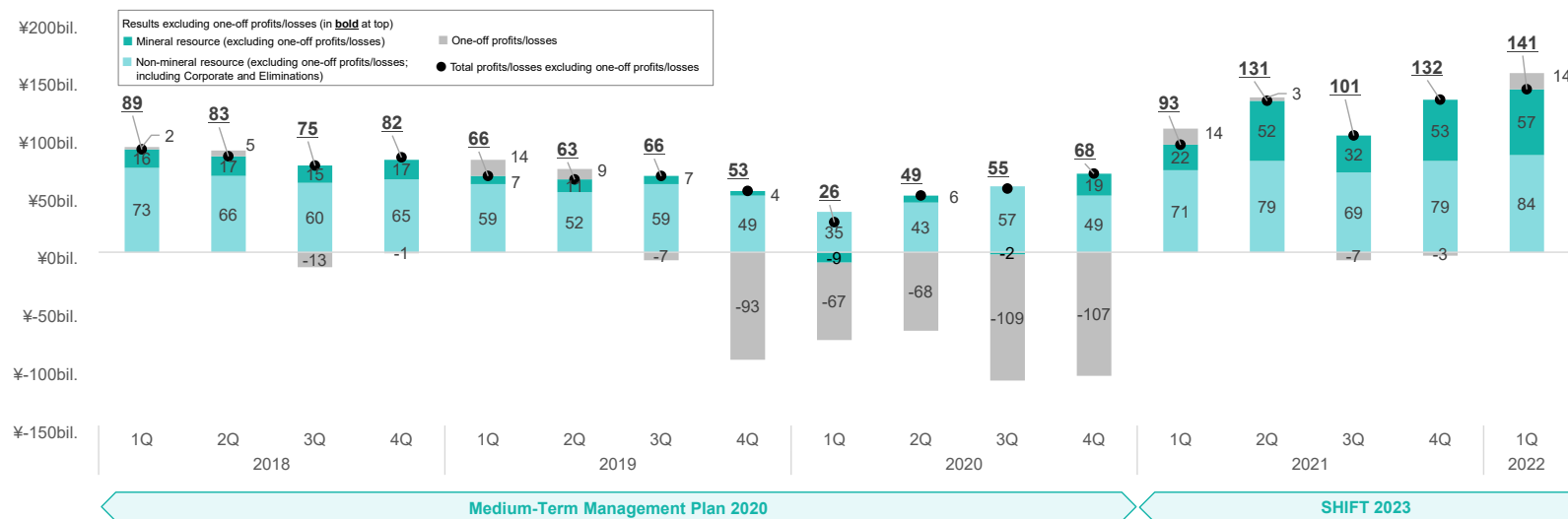
Promotion of SHIFT 2023 to Enhance Corporate Value

**Representative Director, Managing Executive Officer, and Chief Strategy Officer,
Hirokazu Higashino**

1. Recovery of Earning Power (Trend of Quarterly Results)

- Although there was positive impact from the external environment such as the rise in mineral resource prices, our earning power is steadily recovering, as various measure under structural reforms and turnaround for major businesses made progress.

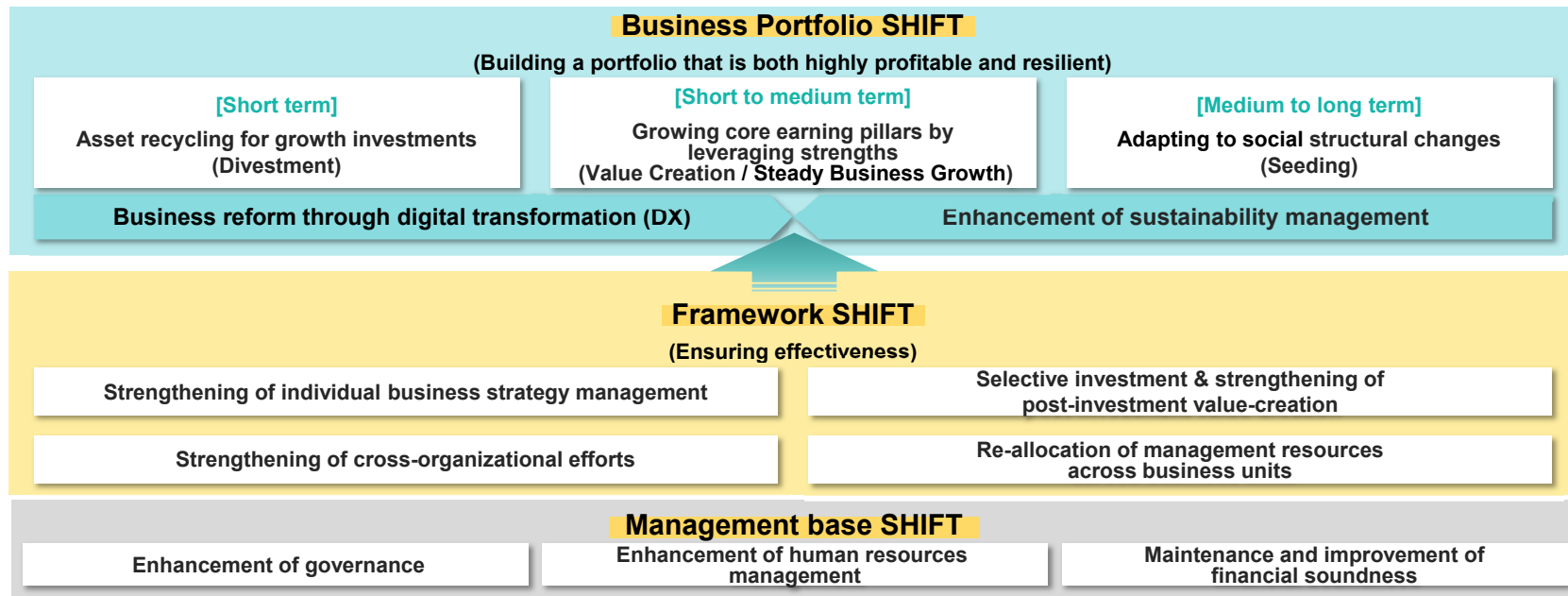
Trend of quarterly results from FY2018



* Results for each fiscal year are calculated based on the organization as of April 1, 2022

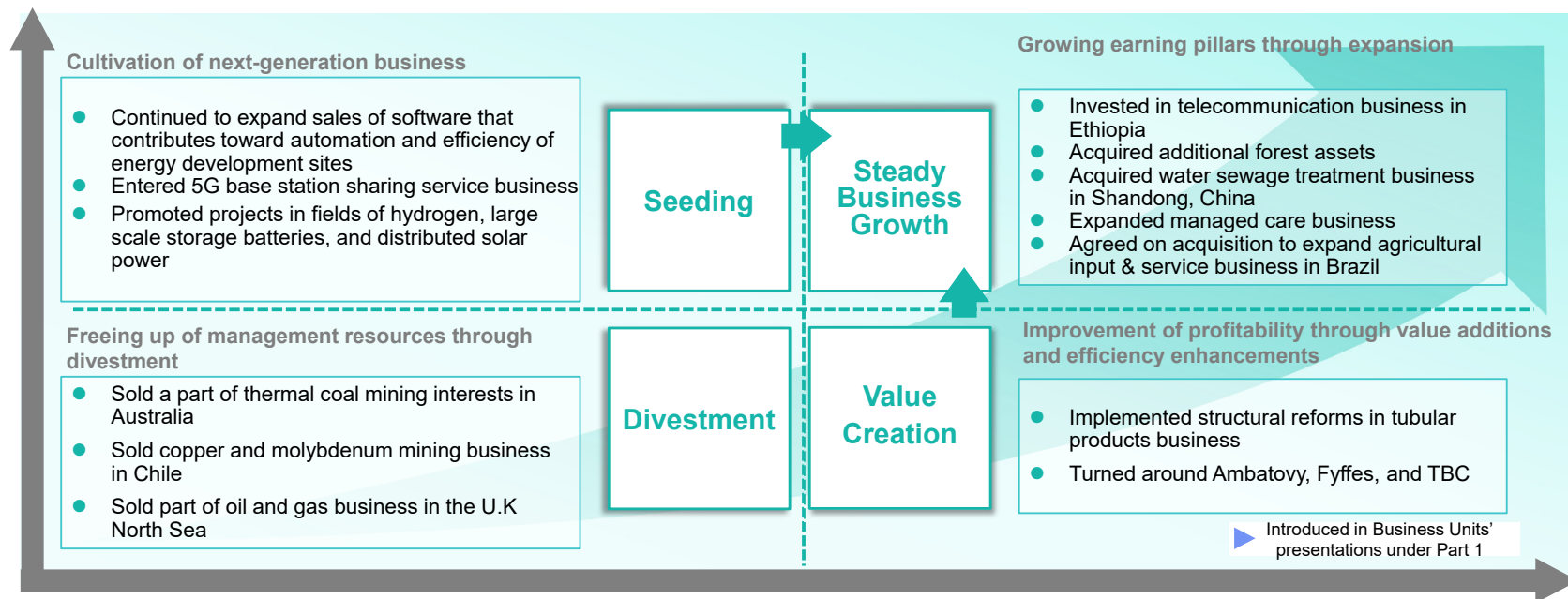
2-1. Overview of SHIFT 2023

- Having the Business Portfolio SHIFT at the core of structural reform, we are promoting Framework SHIFT that guarantees the effectiveness, and Management Base SHIFT that supports them both.
- We will continue to accelerate efforts to build a portfolio that is both highly profitable and resilient to downward pressure while allocating management resources.



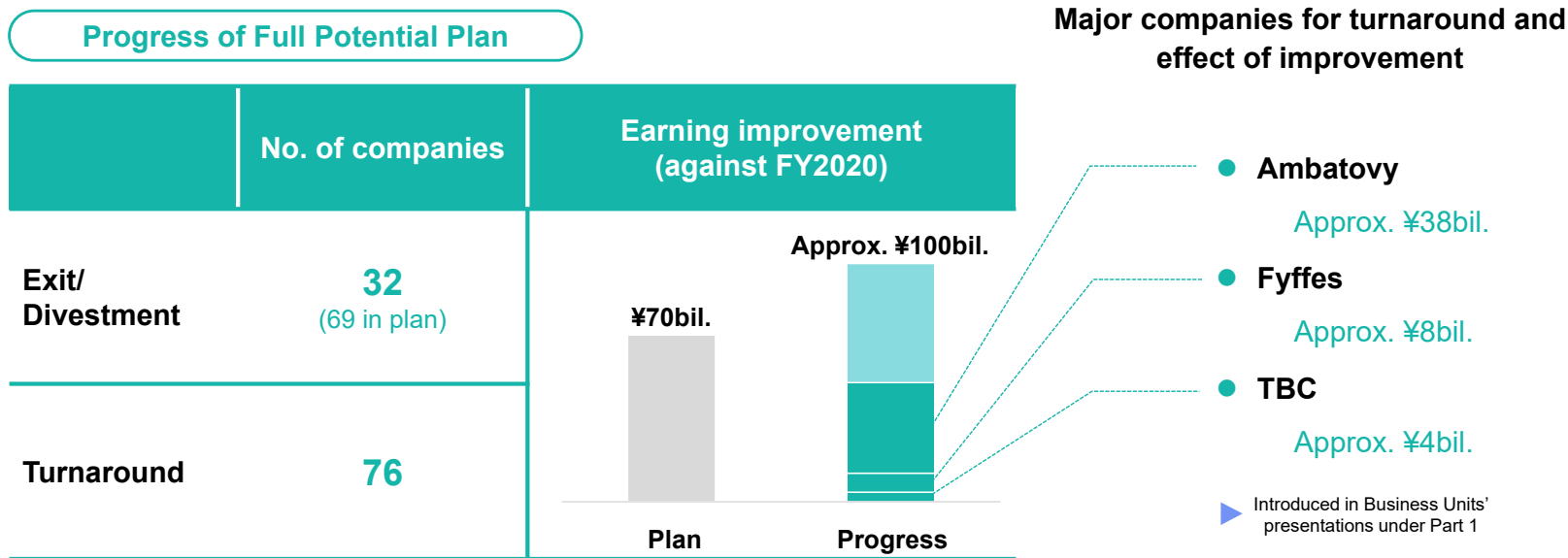
2-2. Steady Progress in the Three SHIFTs (Business Portfolio SHIFT)

- We collected 210 billion yen in funds and made steady progress in recovering management resources to shift 280 billion yen mainly to Steady Business Growth category.



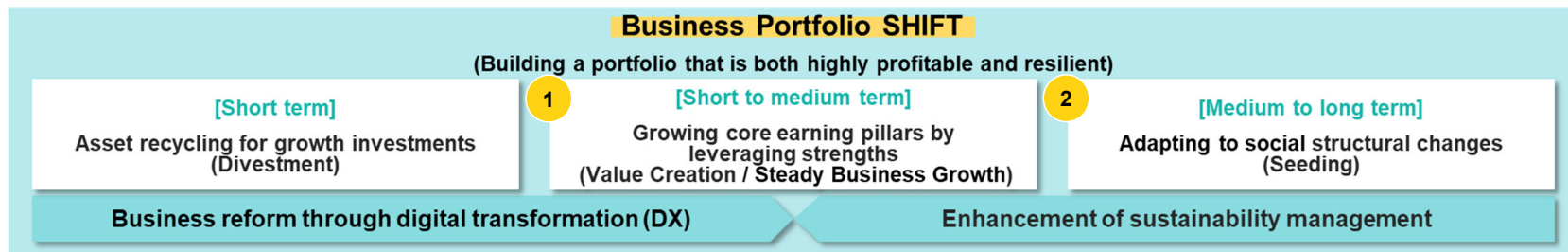
2-3. Steady Progress in the Three SHIFTs (Business Portfolio SHIFT)

- We exited from low-profitability businesses and promoted turnarounds, including businesses with challenges. Earnings improved by approximately 100 billion yen compared to FY2020.
- Results improved at major turnaround business by reviewing business strategies, management structures, and operations.



2-4. Steady Progress in the Three SHIFTs (Business Portfolio SHIFT)

- We will promote with greater effort in strengthening earning power commensurate with invested capital and creating new core businesses that will lead the expansion of earnings in the future, in order to delivery the results as early as possible.



1 Achieve profit levels commensurate with capital costs

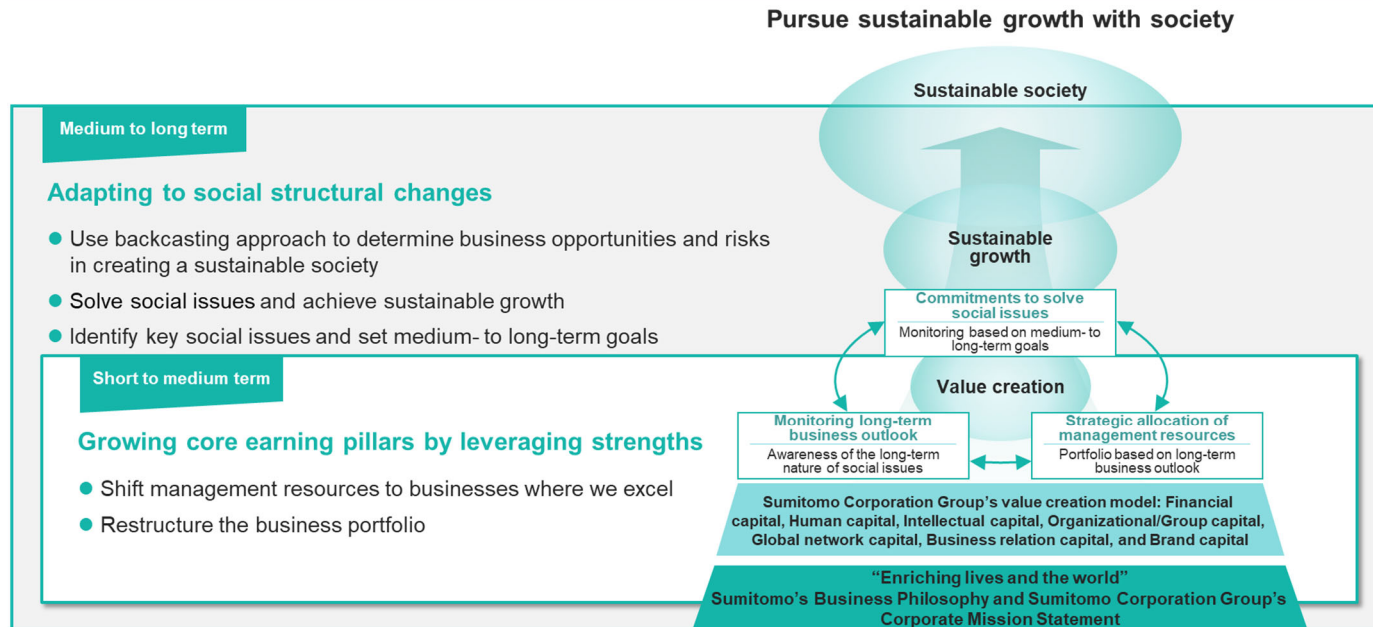
We are working for early realization to achieve profit levels that covers capital costs in both Steady Business Growth and Value Creation, including review of business strategies and plans. For Steady Business Growth in particular, we will accelerate the expansion of earning base by increasing investments with discipline.

2 Develop new core businesses

With “Our strengths” and “Grand Design” as the key phrases, in addition to the efforts of the business organizations, we will develop the business in growth field by expanding the cross-organizational activities supported by the Global Innovation Promotion Committee.

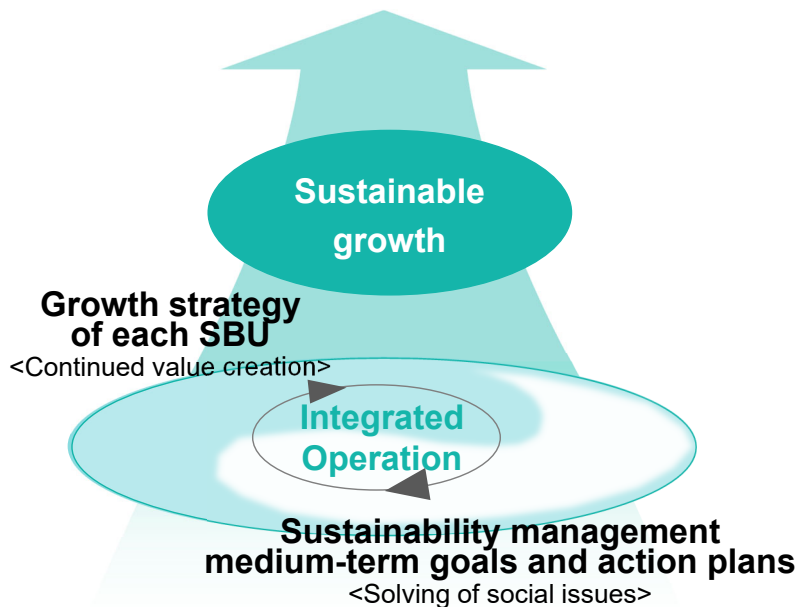
3-1. Promoting Growth Strategy Centered on Sustainability Management

- We are strategically reallocating management resources, centered on enhancement of sustainability management.
- We have been incorporating long-term perspectives such as digitalization and sustainability and working on Business Portfolio SHIFT and Next-Generation Growth Field.



3-2. Incorporating Key Social Issues and Medium/Long-term Goals into Business Strategy

- We see the social needs as business opportunities and integrate them into the growth strategies of the SBUs, and we are carrying out the monitoring using the PDCA cycle.



Specific examples

Medium-term goal	Progress
Provide services that contribute to the reduction of direct CO ₂ emissions in oil and gas drilling operations	Supported drilling automation and operational optimization in oil and gas well development by introduction of Sekai's software ▶ Introduced in Business Units' presentations under Part 1
Promote the widespread use of EVs/ PHVs/FCVs* and the development of EV infrastructure	Launched trials for EV car-sharing service for corporate clients, electric buses, and electric taxi service businesses (Japan) Invested in EV-related operator (Europe) ▶ Introduced in Business Units' presentations under Part 1
Expand high-quality social infrastructure	Increased treatment capacity by expanding water business (56% increase)
Develop telecommunications infrastructure in emerging countries and roll out various value-added services on these platforms	Commenced developing telecommunications infrastructure in Ethiopia

* EV: Electric vehicle; PHV: plug-in hybrid vehicle; FCV: fuel cell vehicle

Part 1

Business Unit Strategy under SHIFT 2023

Metal Products Business Unit

**Managing Executive Officer, General Manager, Metal Products Business Unit,
Katsuya Inubushi**

Overview of Business Portfolio

Automotive, shipbuilding,
railway

Construction materials, civil
engineering, industrial
machinery

Electrical machinery, home
appliances

Steel Products Business SBU (= Sumitomo Corporation Global Metals)



Domestic and overseas sales of hot- and cold-rolled steel sheets and surface-treated steel sheets
Operation of subsidiary companies including steel service centers and construction material products processing



Sales of steel plates to domestic and overseas customers in shipbuilding, construction equipment, and industrial machinery
Sales of steel plates and shaped steel related to overseas resource and infrastructure business



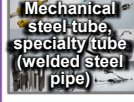
Domestic and overseas sales of multi-functional, high-quality wires, steel rods, and tool steel
Operation of subsidiary companies serving as processing and distribution network nodes



Global trading of railway materials and equipment
Operation of subsidiary companies including manufacturing and sales companies and expansion into services
Railway materials and equipment sales and services in domestic and Asia market



Sales of forged products and components for automotive, construction equipment, and industrial machinery
Operation of automotive component manufacturing subsidiary companies



Sales of steel pipes tailored to specific customer requirements
Sales of specialty sheets for petroleum refining, petrochemical, LNG, and other plants

Energy

OCTG and Line Pipe Business SBU



OCTG and line pipe distribution and supply chain management for major energy companies

North America Tubular Group Companies SBU



OCTG and line pipe distribution to shale companies in North America

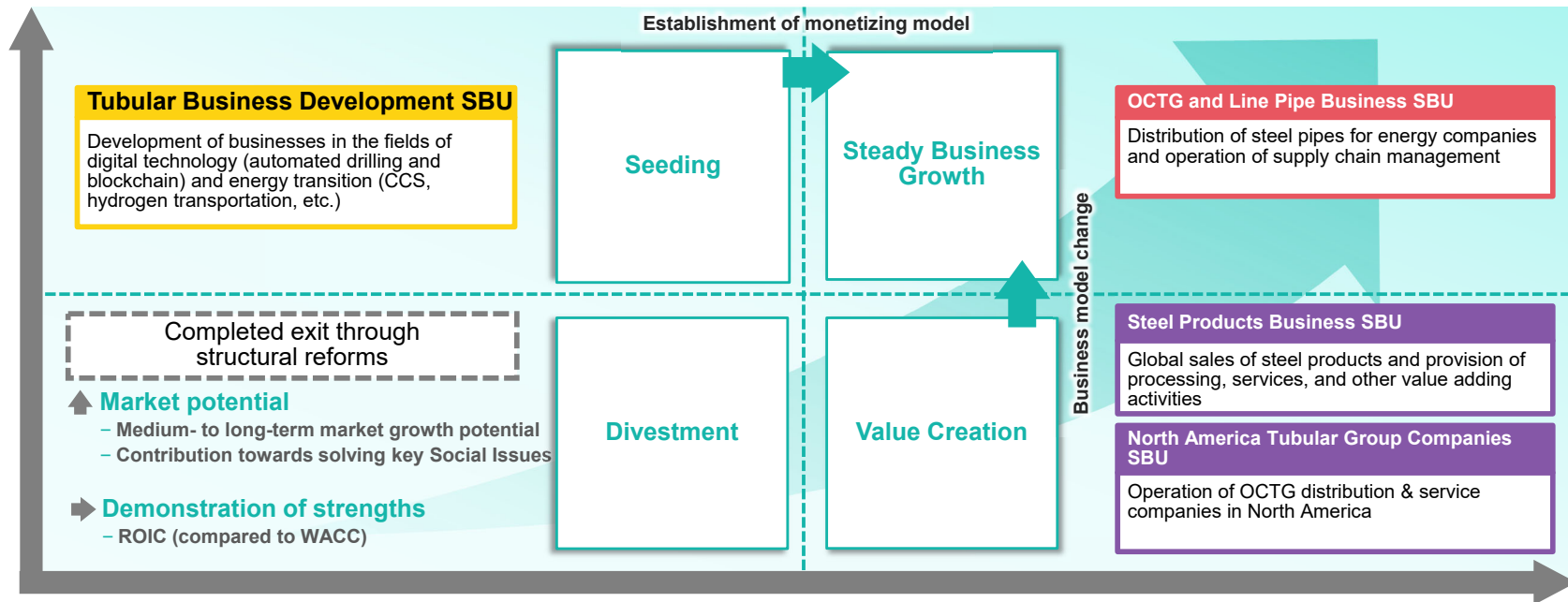
Tubular Business Development SBU



Sekal (autonomous drilling solutions)
Development of software that automates the purchasing and supply chain process

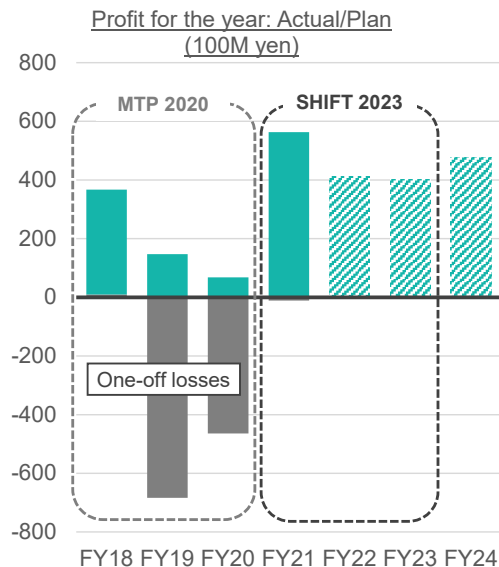
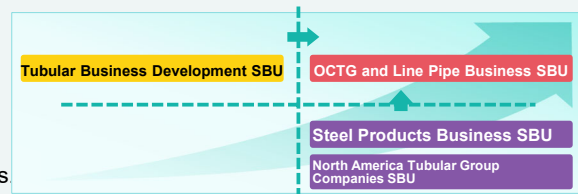
State of Business Portfolio (Four Quadrants)

- Regarding businesses under value realization, we largely completed exit by the end of FY2021 through structural reforms, which will be described subsequently.
- Together with capital investments in the OCTG and line pipe business, which has stable earnings, we are currently enhancing and transforming the business models of the steel products business and North America tubular group companies.
- We are developing new businesses at the Tubular Business Development SBU in preparation for medium- to long-term changes in the business environment of the steel pipe business.



SHIFT 2023: Results of Structural Reforms in First Fiscal Year

- During the previous medium-term plan, the performance was on a downward trend even after excluding one-off losses, and businesses with low contributions to the business unit's performance were identified and structural reforms were conducted at the respective SBUs.
- As a result, in FY2021, profitability improved significantly, further boosted by favorable market conditions



Steel Products Business SBU

- Made exit centered on companies with relatively low PL/CF contributions, efficiency, and growth potential
- Formulated roadmap toward soundness of businesses to be continued, and progressing largely according to plan

OCTG and Line Pipe Business SBU

- Promoted restructuring of Edgen's businesses in Eastern Hemisphere
- Reduced risk exposures (e.g., diluting share of thermoplastic composite pipe business (Strohm))

North America Tubular Group Companies SBU

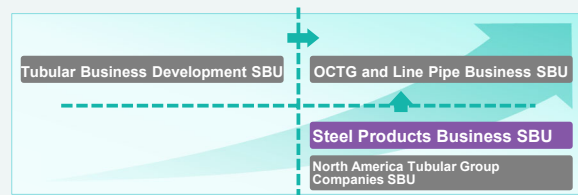
- Consolidated group companies, offices and operation sites to strengthen business portfolio
- Strengthened resilience to downward pressure by improving inventory risk profile

Tubular Business Development SBU

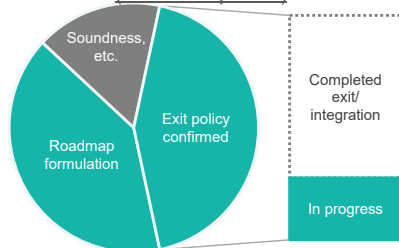
- Executed streamlining measures at HOWCO, including closing sites and reducing headcount

Structural Reform Example 1: Reorganization of Steel Products Business Portfolio

- Following the companywide structural reform project, we defined and implemented our business portfolio reorganization policy.
- This allowed us to remove hidden factors that adversely affect performance and significantly improve profitability.



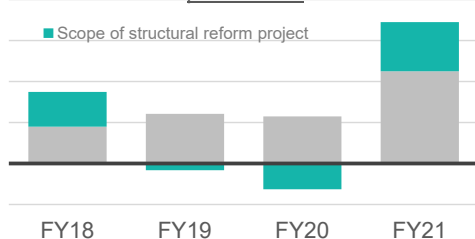
Structural reform project categories
(no. of companies)



Established sorting criteria for operating companies, and implemented policy of either continuation or exit

- For all operating companies under the business unit, scores were assigned based on the established scoring model that considers PL/CF contribution, efficiency, and growth potential, and categorized into soundness, roadmap formulation, and exit candidates based on the results.
- Operating companies under roadmap formulation are those that formulate roadmaps toward soundness within a given period; progress is monitored companywide, and recategorize as exit candidates if soundness is not achieved within the period.
- For exit candidates, exit plan was formulated and procedures—such as selling or dissolving—were implemented.

Trend of operating company
performance

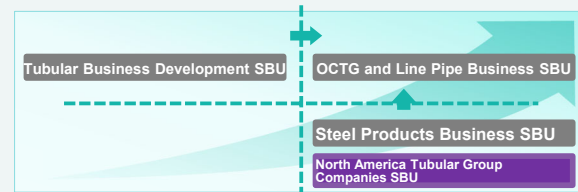


Recovered earnings of operating companies and built resilience to downward pressure by structural improvement of factors that worsen performance

- Operating companies under roadmap formulation and exit candidate in the above structural reform project eventually became factors that worsen performance during the poor market of FY2019 and FY2020.
- Those under roadmap formulation accomplished structural reforms based on the plan and recovered in profitability. For exit candidates, even if contributions to earnings can be expected during market upturns, selection was conducted from the perspective of whether they should be included in the long-term portfolio.

Structural Reform Example 2: Business Model Transformation of North America Tubular Group Companies SBU

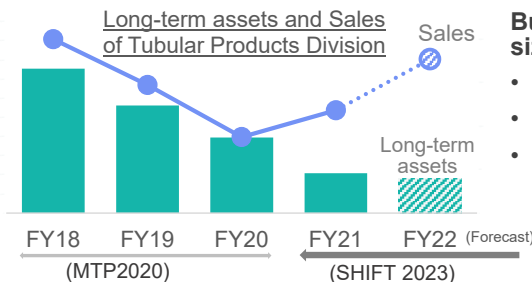
- As a result of consolidating group companies and operation sites, we significantly reduced asset size and fixed costs. We also reviewed our inventory risk profile.
- We strengthened our resilience to downward pressure from potential future market downturns through a series of business transformations.



	Start of FY2019	End of FY2021
OCTG distributors	6	2
Line Pipe distributors	1	1
Manufacturing & processing	5	0
Total	12	3

Consolidated group companies, offices and operation sites to strengthen business portfolio

- In consideration of the increasing business risk arising from the trend of decarbonization, exited from manufacturing and processing of steel pipes for oil and gas industries based on a medium- to long-term perspective.
- In the distribution business, integrated OCTG distributors in North America, from six to two companies. Strengthened the capability of stable supply for customers by reinforcing purchasing power. Also improved management efficiency by consolidating business sites including inventory yards.
- Built systems to properly secure earnings during market upturn and drive next generation business anticipating energy transition.



Built resilience to downward pressure in preparation for possible market downturn by right-sizing assets, etc.

- Significantly compressed total assets through integration and consolidation of group companies.
- Reduced fixed costs by integrating and closing business sites and reducing headcount.
- Significantly reduced inventory risk by transforming inventory business model.

Changes in Trend of Global Steel Industry and Business Unit's Actions

Changes in environment

1 Global crude steel production (efforts and changes toward decarbonization and carbon neutrality)

- China has more than 50% of the global share ⇒ Market structure is one where international prices of iron and steel raw materials and scrap are significantly influenced by China
- Efforts toward carbon neutrality ⇒ Shrinking of blast furnace crude steel production in China results in promoting imports of upstream semi-finished products; product export limitations result in shift toward domestic demand

Crude steel production of major countries and regions in 2021 (1,000 tons)

China	1,032,790	(53%)
EU	152,575	
India	118,244	
Japan	96,334	
US	85,791	
Russia	75,585	
Korea	70,516	
Global	1,951,924	

2 Steel industry's efforts to reduce CO₂ emissions (challenge of hydrogen reduction steelmaking, expansion of electric furnace demand, local production for local consumption, and pursuit of renewable energy sources)

- Technological development competition for hydrogen reduction steelmaking with a view to 2050 (Japan, South Korea, China, and Europe). Expansion in electric furnace investment and electric furnace product demand during development.
- Development of large-scale demand globally for reduction steel and scrap, significantly changing global distribution (enclosing domestic demand of countries producing scrap).

Changes in steel industry

3 Structural reforms and strategy changes of steel industry

- Structural reforms (integration and closing of steel works and production lines) and new investment in and acquisition of electric furnaces.
- Exit from unprofitable business and product manufacturing, and selection of strategic product groups.

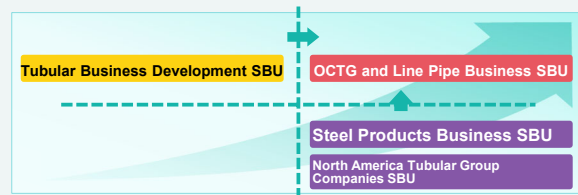
Our measures

4 Business model transformation as Sumitomo Corporation

- Strengthening of regional sales capabilities in view of local production for local consumption; further deepening of collaboration with regional organizations; participation in upstream steelmaking businesses (reduction steel business and electric furnace business).
- Collaboration with Mineral Resources, Energy, Chemical & Electronics Business Unit, Infrastructure Business Unit, and EII; participation in study by Zero Carbon Steelmaking Business Study Team. (Capabilities for proposals to steel manufacturers)
- Collaborate in environmental infrastructure business arising from metal products field. (CCUS, hydrogen pipelines, offshore wind power generation monopile manufacturing, etc.)

SHIFT 2023: Efforts from Second Year

- We aim for business model transformation at the respective SBUs to respond to changes in steel industry trends.
- Alongside solving the remaining issues of structural reform and the continual improvement in business efficiency, new businesses will also be developed.



Steel Products Business SBU

- Increase ROIC by thoroughly improving profitability of existing businesses using DX
- Pursue minimum inventory operation at steel service centers
- Switch to products with high added value (such as silicon steel for electric vehicles)
- Enhance strategy of each region where local production for local consumption is advancing, and consider ESG investments with a view to decarbonization

OCTG and Line Pipe Business SBU

- Strengthen relationships with strategic partners (added-value improvement and renewal of long-term contracts) and increase ROIC of SCM projects
- Improve operational efficiency through DX
- Continue to expand steel pipe sales to CCS/CCUS applications and hydrogen transport

North America Tubular Group Companies SBU

- Continue to review inventory risk profile to strengthen resilience to downward pressure during market downturns
- Promote ESG and DX business at Summit Industrial Park (SIP) in West Texas

Tubular Business Development SBU

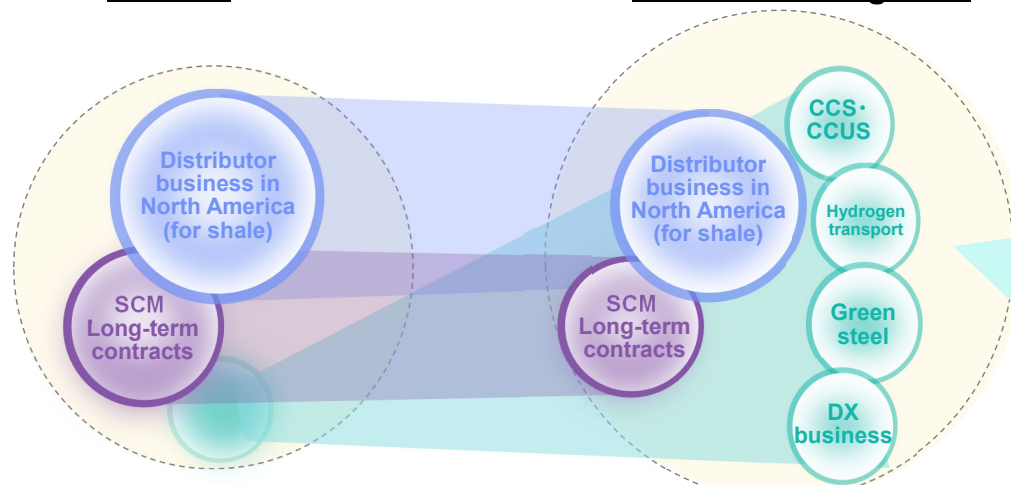
- Sekal (autonomous drilling solutions): Grow earnings by expanding sales to the Middle East and North America following the North Sea model and by strengthening service provision
- Energy transition field: Develop new businesses by collaboration with EII
- Business model transformation through DX implementation and initiatives in new fields

Concept of Medium- to Long-term Efforts (Tubular Products Business)

- We will improve our portfolio by accelerating business model shift while utilizing the knowledge accumulated over many years.

Current

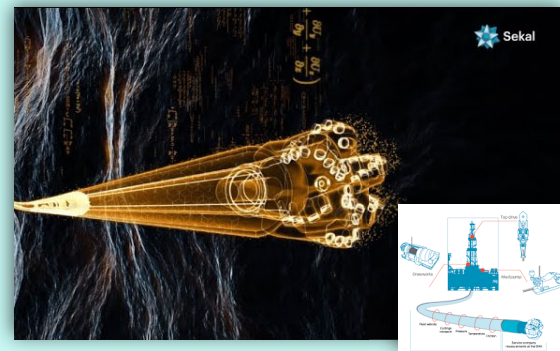
Medium-to-long term



Business foundation accumulated in tubular products business

Distribution sites, strategic partners, global human resources, and information networks

As an example, Sekal AS* receives service fees for efficient and autonomous drilling.



* Overview of Sekal AS

- Development and sale of software that automates drilling process control.
- This Increases drilling efficiency, improves the health and safety of offshore operations, and consequently contributes to CO2 reduction.

Part 1

Business Unit Strategy under SHIFT 2023 Transportation & Construction Systems Business Unit

**Managing Executive Officer, General Manager,
Transportation & Construction Systems Business Unit, Norihiko Nonaka**

Contents

01

Overview of Business Unit

P.2

02

Growth Strategy and Profit Plan of Business Unit and SBUs

P.6

03

Initiatives of SBUs Toward Growth

P.11

01

Overview of Business Unit

Businesses in Transportation and Construction Systems

- **Lease, Ship and Aerospace field:** engage in leasing and financing, commercial aviation and engine leasing, ship, and aerospace businesses
- **Automotive field:** provide functions across the entire value chains through businesses in manufacturing, distribution, and financial services of automobiles and motorcycles
- **Construction systems field:** contribute to infrastructure and mine development through construction equipment distribution and rental business

Lease, Ship & Aerospace Business Division



Construction & Mining Systems Division

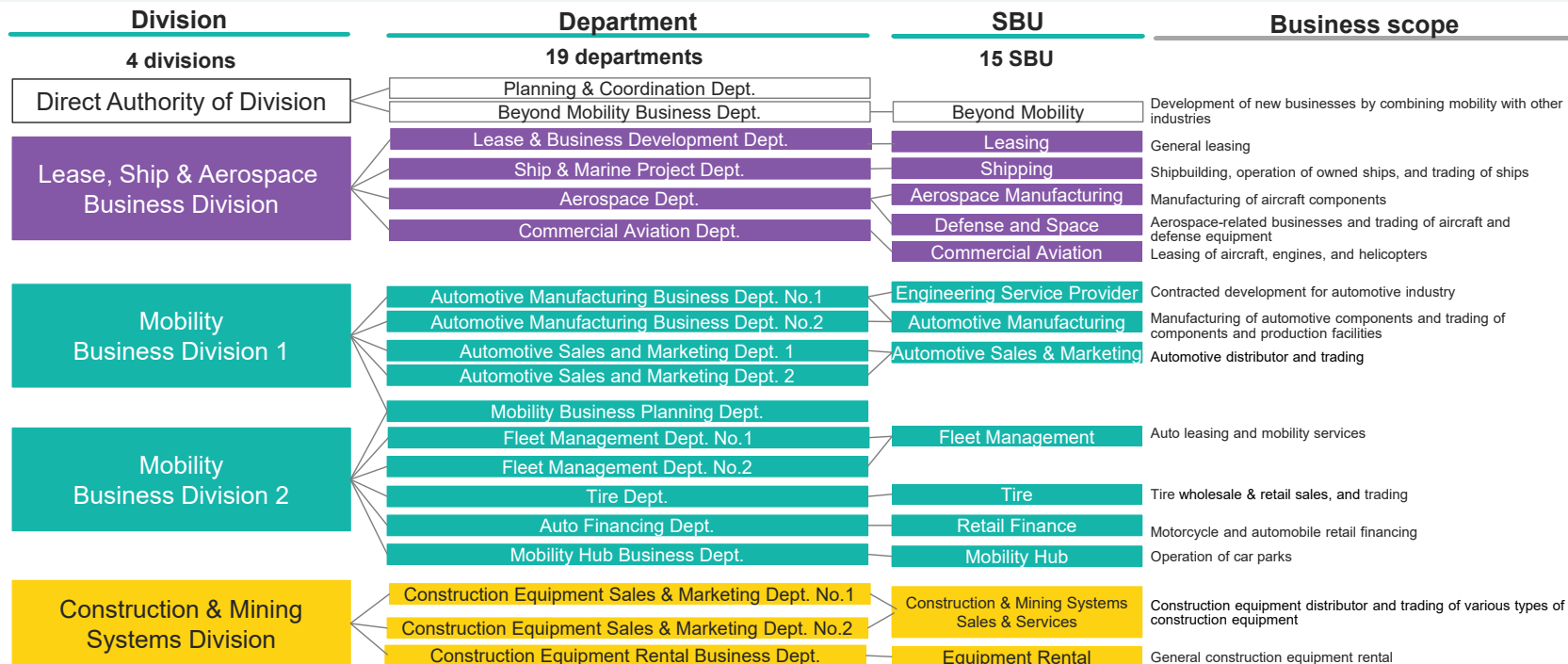


Mobility Business Division 1 & 2



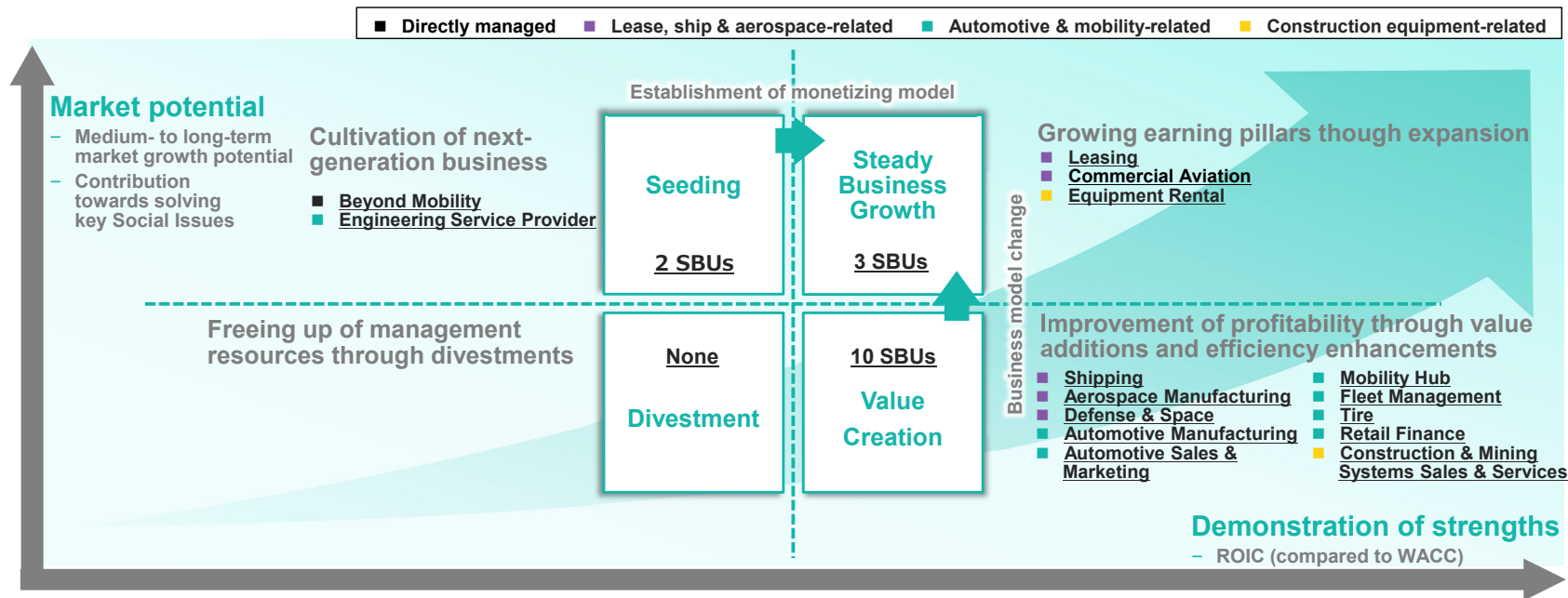
Execution of Business Unit Strategy Centered on SBUs

- Strategic Business Units (SBUs), which group businesses into strategic units, execute and promote strategies with clear roles and positioning.



SBU Portfolio

- **Steady Business Growth:** For leasing, commercial aviation and equipment rental SBUs, build up high-quality assets, expand products and regions to expand earning capacity.
- **Value Creation:** Focus on increasing profitability through expanding products and services, strengthening functions, and improving asset efficiency.
- **Seeding:** Develop new businesses that would become pillars in the next generation with a view to changes in the business environment and industry structure.



02

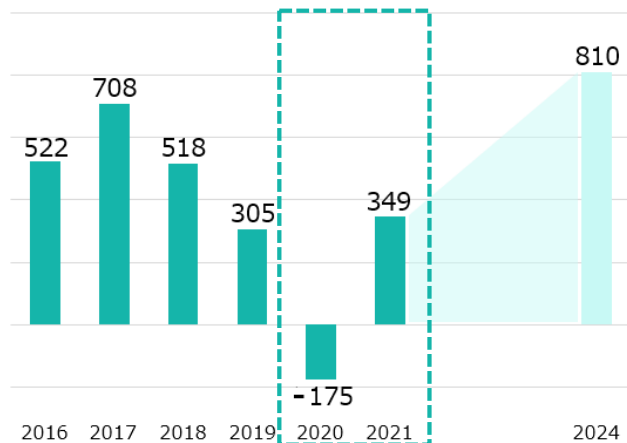
Growth Strategy and Profit Plan of Business Unit and SBUs

Summary of the First Fiscal Year of SHIFT 2023

- In FY2021, through the execution of the strategy by each SBU, profits recovered to the level before COVID-19 even after reflecting the impact of the Russian-Ukrainian situation.

Profit for the year: Results (FY2016-FY2021) and FY2024 plan

Unit: billions of yen



*1 One-off profits/losses
FY2020: approx. -¥43.0 bil.
FY2021: approx. -¥37.0 bil.

*2 Profits/losses for each fiscal year is calculated based on the organization as of April 1, 2022

Main progress in FY2021

Steady Business Growth

- (Leasing) Expansion of business in real estate and environmental fields and acceleration of overseas expansion
- (Commercial Aviation) Capturing demand from COVID-19 recovery, and promoting efforts for inorganic growth (one-off losses related to the Russian-Ukrainian situation)
- (Equipment Rental) Strong construction demand in North America, and completion of PMI for Aver Asia

Value Creation

- (Shipping) Covering with trading and owned ship business under the situation of increasing shipbuilding costs
- (Automotive Sales & Marketing) Securing unites in supply and reducing costs under the environment of reduced production by automotive manufacturers

(Tire) Steady implementation of business transformation at TBC

- (Fleet Management) Strengthening of earnings base centered on cost reduction
- (Construction & Mining Systems Sales & Services) Incorporation of construction and mining demand

Full Potential Plan (FPP)

Reference: FY2020-FY2023 FPP

- ✓ Turnaround :7 companies
- ✓ Divestment :11 companies
- ✓ Turnaround and Divestment : **Total of 58 companies**

Efforts of Tire SBU (Business Transformation at TBC)

Business transformation by new management team

1 Revamp of management structure and reform of corporate culture

- **Building of new management structure (from April 2021)**
Both shareholders sent top management (CEO/CAO) for the first time and promoted structural reforms



■ Promoting of corporate culture reforms

- Imbued companywide perspective and taking of ownership
- Dissolved organizational silos (strengthened cross-sectoral efforts)



2 Improvement of earning power with a focus on wholesale business

- **Improvement of earning power in wholesale business**
 - Improved operation quality of secondary wholesale business merged with Michelin
 - Quickly passed on cost increases—such as rising maritime freight charges—to market prices



■ Companywide optimization of logistics

Promoted supply chain reforms across departments centered on wholesale business



3 Streamlining of management structure and higher efficiency through companywide optimization

- **Strengthening of resilience to downward pressure through thorough expense management**
Pushed down break-even point by further reducing fixed costs

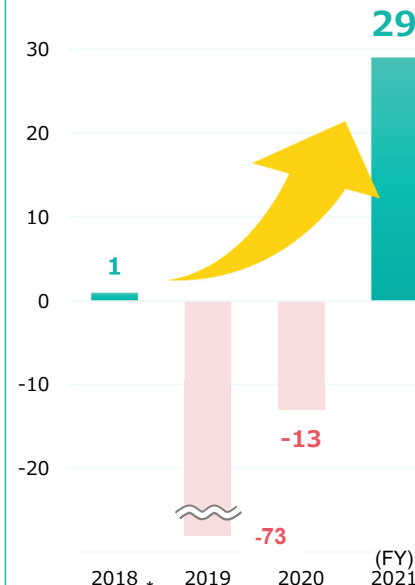


- **Inventory management with companywide optimization**
Shared inventory between departments by adopting common systems



Equity in earnings from TBC

40 (Hundred million yen)

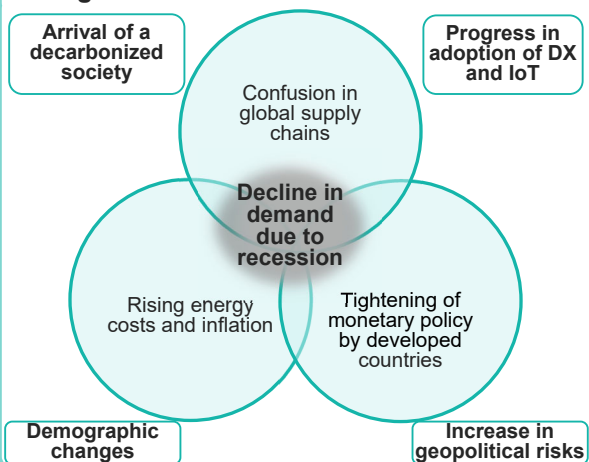


* 50-50 joint venture with Michelin in FY2018

Recognition of Changes in the Business Environment

- Amid increasing uncertainty about the global economic outlook, we promote growth strategies anticipating changes in the business environment and industry structure while increasing resilience against economic downturns.

Changes in the business environment



Recognition of the business environment at each SBU

■ Lease, Ship & Aerospace Business Division

(Leasing) Saturated and competitive in domestic market; while growing in environmental, real estate, and overseas fields

(Aircraft) Expect recovery and growth in travel demand even though there is still the impact from COVID-19 and the Russian-Ukrainian situation

■ Mobility Business Division 1 and 2

(Automotive Manufacturing) Decrease in production of automotive manufacturers due to confusion in supply chains; rising material, energy, and other costs

(Automotive Distribution) Supply shortages due to confusion in supply chains; growth in markets of emerging countries

(Fleet Management) Market for urban corporate fleet is matured; individuals, non-urban areas, and overseas markets are growing

(Retail Finance) Increase in mobility needs in emerging countries; diversification of financing demands

■ Construction & Mining Systems Division

(Equipment Sales) Inventory shortages due to supply chain confusion; concerns over cooling construction investments due to inflation and rising interest rates

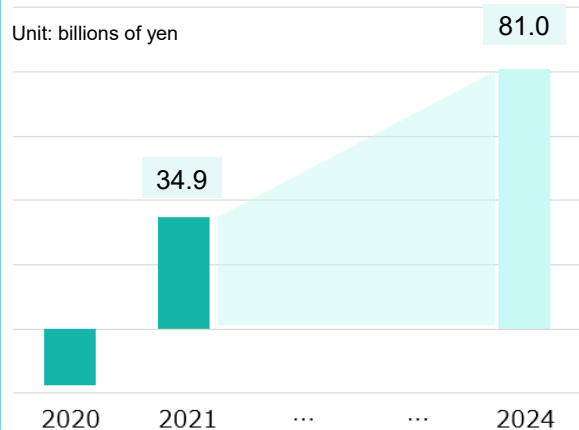
(Equipment Rental) Concerns over cooling construction investments due to inflation and rising interest rates; increase in proportion of rentals in future recovery phase

Strategies and Actions to Achieve FY2024 Plan

- Aim to achieve a profit of 81 billion yen in FY2024 by strengthening the business platforms, expanding products and services, and entering peripheral businesses.

Plan for profit in FY2024

Unit: billions of yen



Strategies and actions of each SBU

■ Lease, Ship & Aerospace Business Division

(Leasing) Accumulate high-quality assets in the environmental, real estate, and overseas fields

(Aircraft) Complete PMI at Goshawk Management (Ireland) Limited; diversify products and services

■ Mobility Business Division 1 and 2

(Automotive Manufacturing) Increase value of existing businesses by reorganizing sites and improving management culture

(Automotive Distribution) Ensure the volume of supply; expand value chain functions in response to customer needs

(Fleet Management) Collaborate and cooperate with partners in strategic fields (logistics, individuals, data, decarbonization)

(Retail Finance) Improve efficiency by using digital technology in credit and payment collection operations; diversify products

■ Construction & Mining Systems Division

(Equipment Sales) Strengthen resilience by expanding after-sales services; diversify earnings by expanding products and services

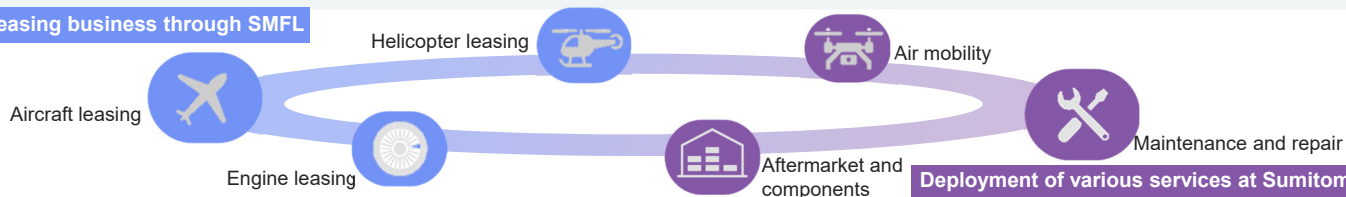
(Equipment Rental) Maintain and acquire high-quality assets; expand business by developing peripheral services

03

Initiatives of SBUs Toward Growth

Commercial Aviation SBU

Deployment of leasing business through SMFL



Aircraft leasing business

Seize demand of the recovery in global aviation field in with/post-COVID-19 era

Recover and increase earnings by using strengths of aircraft portfolio



Establish highly competitive business foundation through M&A and achieve further growth

Achieve earning base (scale, area, business partner) expansion and synergy through acquisition of Goshawk



Goshawk Aviation



- Rank: 5th
- No. of aircraft: 546
- Assets: \$15.7B

- Rank: 18th
- No. of aircraft: 176
- Assets: \$6.7B

- Rank: **2nd**
- No. of aircraft: **722**
- Assets: **\$22.4B**

Aircraft-related businesses

Develop needs for new mobility services that fit new lifestyles

Helicopter leasing

Expand helicopter leasing focus on emergency medical evacuation, and search and rescue activities



Air mobility

Provide next-generation transportation services that allow less expensive and easier movement in short- and mid-range zones, such as unmanned logistics drones and air taxis



Contribute to realization of circular economy through aircraft aftermarket and component reuse



Contribute to sustainable and stable growth of the aircraft industry through effective resource utilization by reusing aircraft components

Fleet Management SBU

Automotive leasing and peripheral services

Enhance fleet management through the business platform of domestic industry leader Sumitomo Mitsui Auto Service (SMAS) to deploy businesses into growth fields and lead mobility societal innovation in each regions and industries

Existing business base of SMAS



Sumitomo Mitsui Auto Service

1 million fleet owned and managed by SMAS Group (No.1 in Japan)

No. of corporate customers
53,000 companies

Maintenance partners
22,000 sites

Overseas bases
Thailand, Australia, India, Indonesia

Expand existing business (enhance fleet management)



Contracted operations



Mobility Passport



Data utilization business



Build and expand new business platform with strategic partners

Phase 1
(Establish domestic platform)

Phase 2
(Expand overseas and broaden services)

Car life
(Expansion of demand due to shift to utilization)

Spread subscription services and develop into future earning pillar

Respond to diversifying customer needs



Passenger vehicle (include electric vehicles) subscription service for individuals

Logistics
(Expansion of demand due to population growth and e-commerce development)

Provide further utilization and services derived from leasing



Provide composite services for transportation operators
Leasing of commercial vehicles to corporations

Equipment Rental SBU

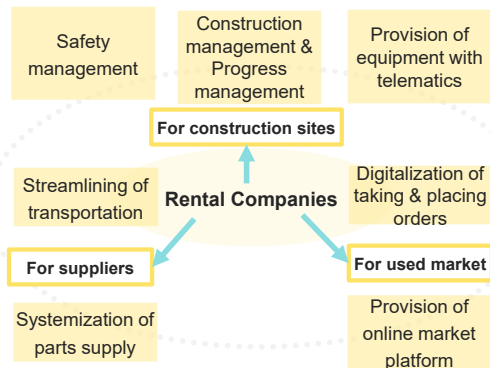
Construction equipment rental business

Contribute to improving safety and productivity in the construction industry through the supply of reliable construction equipment.
Increase earnings in multiple markets at different growth stages by expanding products and services while anticipating changes in market needs

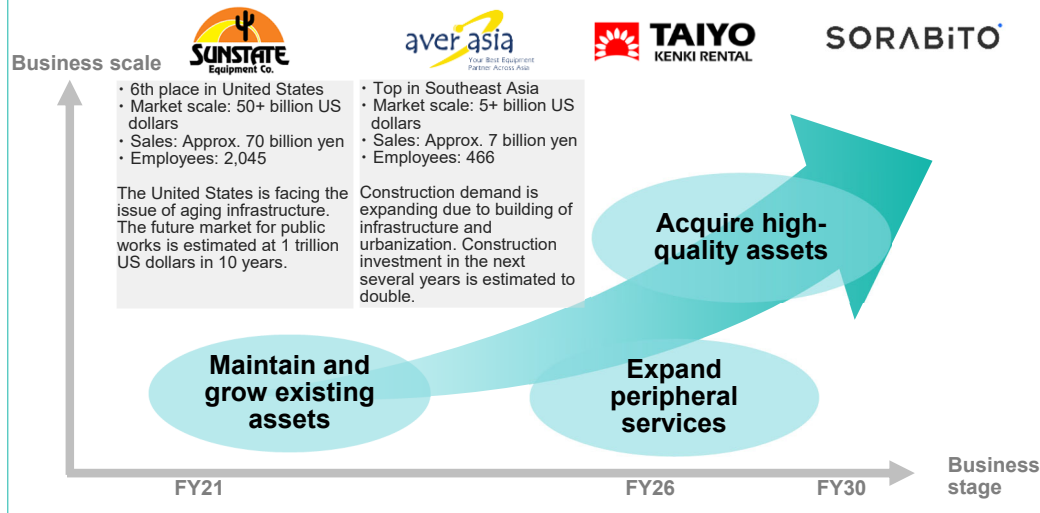
Equipment rental operating companies



Expand peripheral services



Grow business along the two axes of
(1) maintaining and acquiring high-quality assets and
(2) expanding peripheral services,
in view of the industry's steady growth trend and diversifying customer needs



Part 2

Monitoring and Supervisory Functions for Improvement of Corporate Value - Panel Discussion -

Outside Director Koji Ishida x Outside Director Kimie Iwata

Brief profiles of the panelists



Koji Ishida

June 2017 — Outside Director, Sumitomo Corporation

He has wide-ranging knowledge and a wealth of experience in finance and business management, accumulated through his many years working in important positions at a major financial institution, and serving as a member of the Policy Board at the Bank of Japan, among other roles.



Kimie Iwata

June 2018 — Outside Director, Sumitomo Corporation

She has wide-ranging knowledge and a wealth of experience in business management, corporate governance, corporate social responsibility, and diversity, etc. accumulated through her many years serving in several key positions at the Ministry of Labor (currently the Ministry of Health, Labor and Welfare), and after retiring from the ministry working in various executive and outside director positions for private companies, among other roles.



Facilitator : Ms. Yoshiko Sato

Japan Investor Relations Association (JIRA)
Executive Managing Director

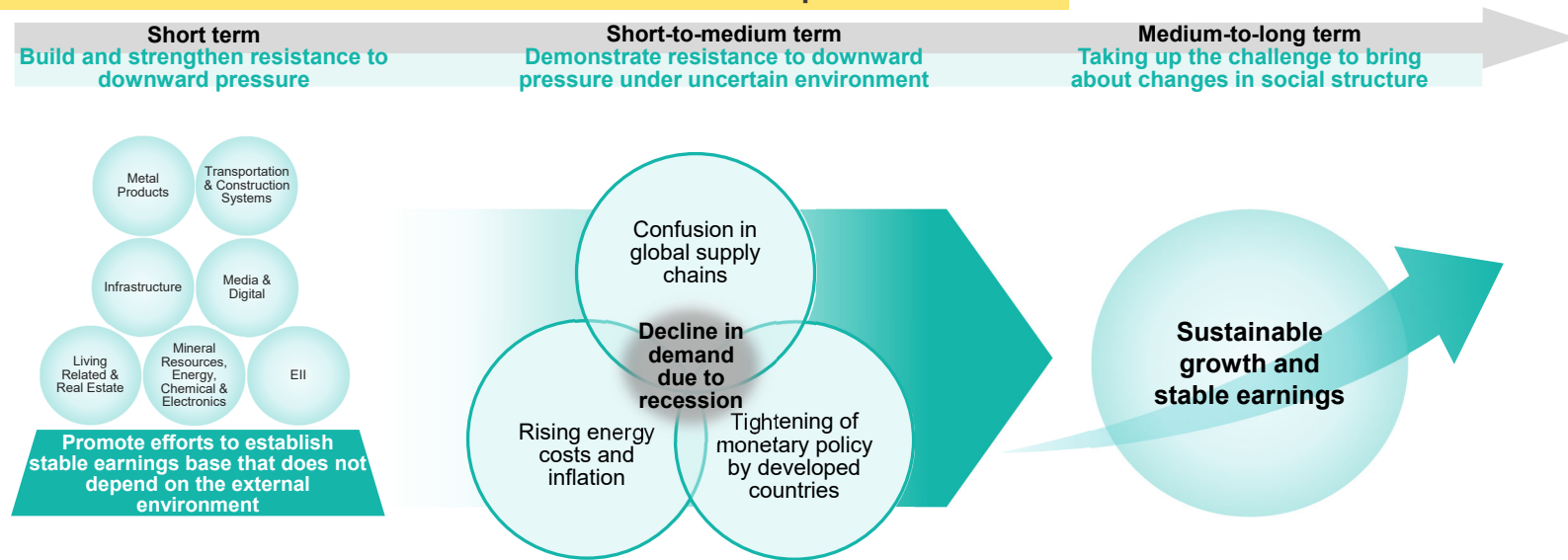
Increasing the Corporate Value for Realization of Sustainable Society

**Representative Director, President and Chief Executive Officer,
Masayuki Hyodo**

Responding to Changes in the Business Environment

- We have enhanced our earning power by steadily executing structural reforms. For the Metal Products Business Unit and Transportation & Construction Systems Business Unit presented today, we were able take in the effect of market upturn and recovery.
- Although there will be some business that possibly affected by changes in the business environment, we will firmly maintain the earnings base that we have built up through structural reforms.

Outlook of the business environment and Sumitomo Corporation's actions



Toward Greater Effectiveness of Structural Reforms

[Enhancing earning power and resistance to downward pressure]

We will establish structurally strong businesses with resistance to downward pressure that can minimize losses and create expected profits in overall portfolio under any environments.

▶ Toward increasing our corporate value, we will lift earning levels to levels that meet market expectations and aim for greater.

Sumitomo Corporation's management base that guarantees the effectiveness of various efforts under structural reforms

1

Strong relationships of trust with operating companies that maximize the Group's value

2

Strong relationships with customers built over many years

Our Value Creation Model

