

SC
Sumitomo Corporation Business Report
NEWS
The 1st Half of 154th Newsletter to Shareholders
April 1, 2021 through September 30, 2021



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To Our Shareholders



Building a New Foundation toward Returning to Growth Trajectory

-By Accomplishing “Business Portfolio SHIFT”

Representative Director
President and Chief Executive Officer

Masayuki Hyodo

In the first half of fiscal 2021, although the global economy varied widely by country and region, it is on a recovery trend overall after slowing down due to the spread of COVID-19. Vaccinations are making progress not only in Japan, Europe, and the United States, but also in emerging and developing countries. Together with the move to resume economic activities, there are growing expectations that the infections will come to an end. However, we are still in a state where we cannot let our guard down.

Amid such an uncertain environment, Sumitomo Corporation steadily executed the various measures in its new medium-term management plan “SHIFT 2023” to enhance its earning power. As a result, our profit for the first half of fiscal 2021 was ¥241.0 billion, an increase of ¥301.2 billion from the same period of the previous fiscal year. For the Metal Products Business Unit, Transportation & Construction Systems Business Unit, and Mineral Resources, Energy, Chemical & Electronics Business Unit, profits were at a high level partly due to the uplifting effects of the external environment, such as high mineral resource prices and prices of materials such as steel sheets and the rapid recovery of automotive production activities. Performance is also stable for the Infrastructure Business Unit, Media & Digital Business Unit, and Living Related & Real Estate Business Unit.

In the second half of the fiscal year, while we anticipate the presence of downturn factors such as a decrease in mineral resource prices and lower automotive production due to a shortage of semiconductors, given the high level of progress against the plan so far, we have further revised our profit forecast for fiscal 2021 from ¥290.0 billion announced in August 2021 to ¥380.0 billion, which will be a new record high profit. Accordingly, we have set our annual dividend forecast at ¥90 per share (initial projection was ¥70 per share) and also revised our basic profit cash flow plan for fiscal 2021 to ¥280.0 billion (initial plan was ¥160.0 billion).

More than half a year has passed since we embarked on SHIFT 2023. In this plan, we set the goal of shifting to a business portfolio with strong earning power and downturn resilience and are undertaking fundamental structural reforms. In fact, we have exited from low-profitability businesses and executed value creation measures toward the turnaround of businesses. As specific progress in the first half of the fiscal year, we have achieved

divestment of 13 companies, generated approximately ¥90.0 billion cash through asset recycling, and made investment of approximately ¥160.0 billion. We will continue to decisively carry out structural reforms with a strong conviction to accomplish “Business Portfolio SHIFT.”

The global economy is gradually rallying, but there is still the risk of economic activities being restricted again due to another wave of COVID-19 infections. However, the Sumitomo Corporation Group will return to a growth trajectory by continuing to refine its ability to adapt to such changes in the external environment and enhancing its overall business portfolio.

We ask for your continued support in our endeavors.

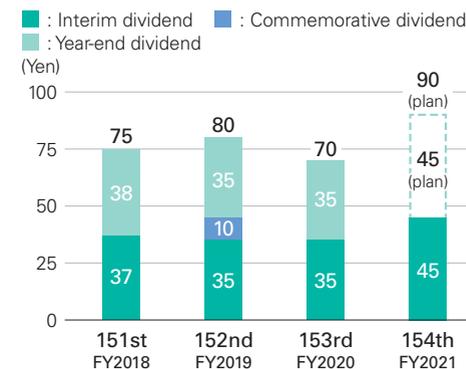
Annual Dividend Forecast in Fiscal 2021 will be ¥90 per Share

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

Under “SHIFT 2023,” our medium-term management plan for fiscal 2021 to fiscal 2023, we decide the annual dividend taking into consideration the status of fundamental earnings capacity, cash flows, and other factors, with a consolidated payout ratio of about 30% as a guideline, maintaining at least ¥70 per share, the same amount as the annual dividend for fiscal 2020.

Due to the fact that our annual forecasts of profit for the year attributable to owners of the parent is revised to ¥380.0 billion, the annual dividend forecast for fiscal 2021 is revised to ¥90 per share (initial forecast: ¥70). The interim dividend will be ¥45 per share, half of the amount of planned annual dividend.

▶ Dividends per share



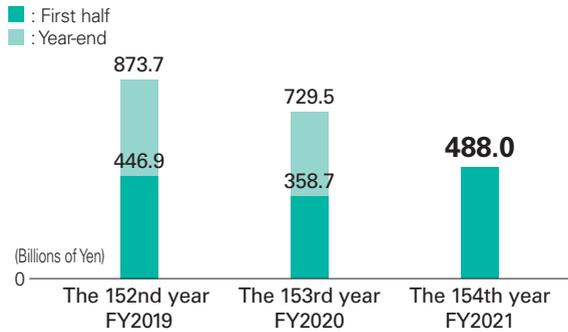
* Basic profit cash flow = (Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + Dividends) × (1-Tax rate) + Dividend from entities accounted for using the equity method

Performance Highlights

Changes in primary management indicators

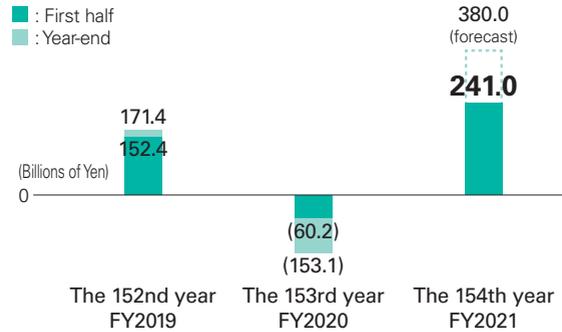
Gross Profit

¥488.0 billion



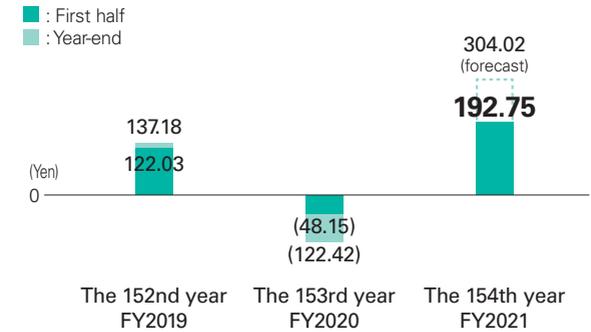
Consolidated Net Income or Loss

¥241.0 billion



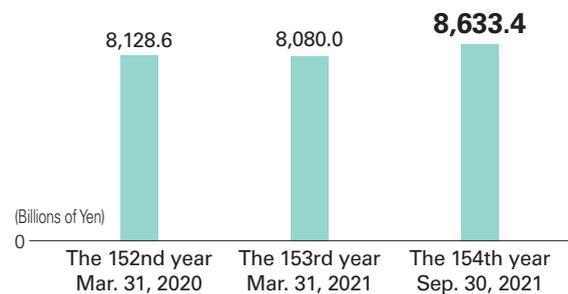
Consolidated Net Income or Loss per Share

¥192.75



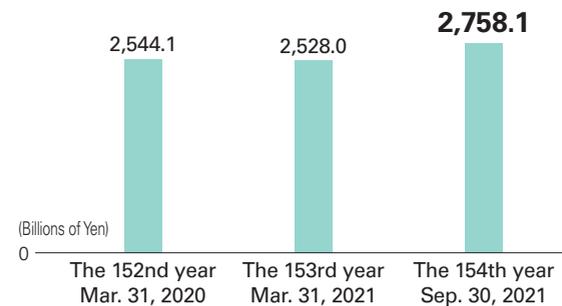
Total Assets

¥8,633.4 billion



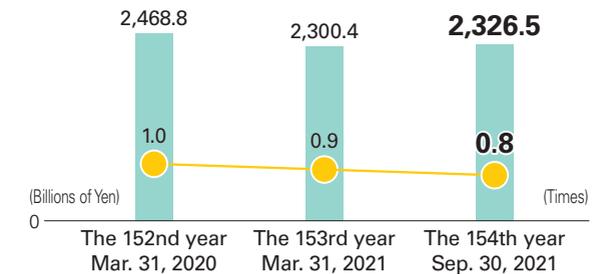
Shareholders' Equity

¥2,758.1 billion



Interest-Bearing Liabilities (Net) / Debt-Equity Ratio (Net)

Interest-Bearing Liabilities (Net) Debt-Equity Ratio (Net)
¥2,326.5 billion 0.8 times



Glossary of terms

Interest-Bearing Liabilities (Net)

Gross interest-bearing liabilities (bank borrowings, corporate bonds, commercial paper, etc.) that must be repaid with interest, minus cash and cash equivalents.

Debt-Equity Ratio (Net)

The value of interest-bearing liabilities (net) divided by shareholders' equity; an indicator of financial soundness.

* In this publication, "consolidated net income or loss" corresponds to "profit or loss for the year attributable to owners of the parent" under IFRS and "shareholders' equity" corresponds to "equity attributable to owners of the parent."

Cash Flow Results

The basic profit cash flow for the first half of fiscal 2021 was an inflow of ¥188.2 billion because our core business performed well in generating cash. Net cash provided by other activities was an outflow of ¥130.0 billion due mainly to an increase in working capital accompanying the expansion of business. In addition, we recovered funds of approximately ¥90.0 billion due to asset replacement, including the sale of domestic real estate and textile-related business. We executed investments of approximately ¥160.0 billion, primarily for the participation in the telecommunication business in Ethiopia and the progress in construction of the domestic biomass power plant.

As a result, free cash flow for the first half of fiscal 2021 was an inflow of ¥41.2 billion.

Cash flow results (Billions of Yen)	FY2020 Q2	FY2021 Q2
Operating activities	+222.3	+90.2
Investing activities	-74.1	-15.8
Repayments of lease liabilities	-29.6	-33.2
Free cash flow (after netting repayments of lease liabilities)	+118.7	+41.2
▼		
<Cash in>		
Basic profit cash flow (of which, dividend from investments accounted for using the equity method)	+87.5	+188.2
Depreciation and amortization (After netting repayments of lease liabilities)	(+58.1)	(+67.7)
Asset replacement	approx. +30.0	approx. +90.0
Others	approx. +60.0	approx. -130.0
<Cash out>		
Investment and loan	approx. -110.0	approx. -160.0

Consolidated net income or loss by segment / Overview

Metal Products Business Unit

- Metal Products Business Unit posted profit of ¥22.9 billion, an increase of ¥36.9 billion compared to loss of ¥14.1 billion in the same period of previous fiscal year. This is due mainly to increase in earnings for the overseas steel service centers and the tubular products business in North America, in addition to the absence of impairment loss in the tubular products business in the same period of previous fiscal year.

Transportation & Construction Systems Business Unit

- Transportation & Construction Systems Business Unit posted profit of ¥33.4 billion, an increase of ¥53.1 billion compared to loss of ¥19.8 billion in the same period of previous fiscal year. This is due mainly to increase in earnings for the leasing business and the automotive related business, in addition to the absence of one-off loss in the automotive financing business in Indonesia in the same period of previous fiscal year.

Infrastructure Business Unit

- Infrastructure Business Unit posted profit of ¥18.3 billion, an increase of ¥25.3 billion compared to loss of ¥7.0 billion in the same period of previous fiscal year. This is due mainly to stable performance of the overseas IPP/IWPP business, in addition to the absence of one-off loss including impairment loss posting for the IPP business in Australia in the same period of previous fiscal year.

Media & Digital Business Unit

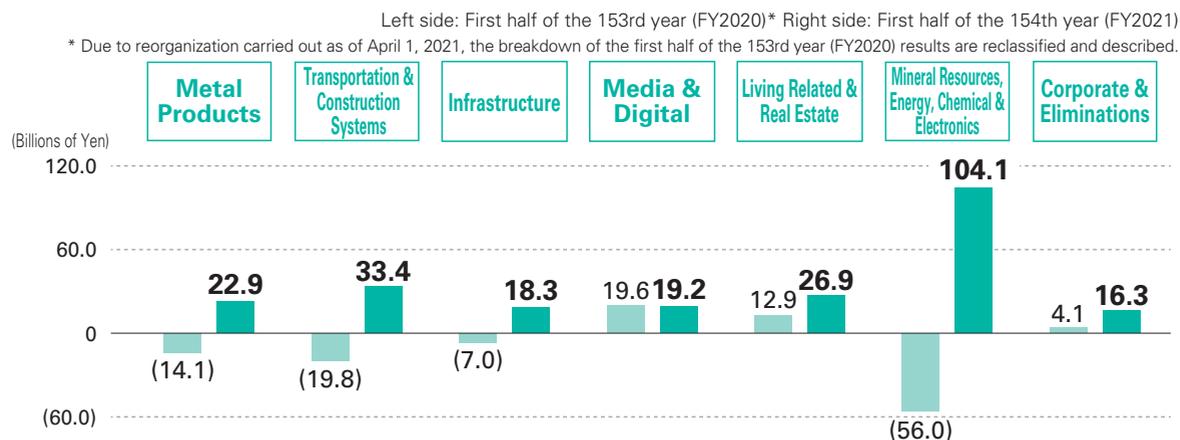
- Media & Digital Business Unit posted profit of ¥19.2 billion, a decrease of ¥0.4 billion compared to profit of ¥19.6 billion in the same period of previous fiscal year. Major domestic group companies have been continuously showing stable performance.

Living Related & Real Estate Business Unit

- Living Related & Real Estate Business Unit posted profit of ¥26.9 billion, an increase of ¥14.1 billion compared to profit of ¥12.9 billion in the same period of previous fiscal year. This is primarily owing to large scale properties delivered in the real estate business, in addition to increase in earnings for the fresh produce business in Europe and the Americas due to market recovery in the U.S.

Mineral Resources, Energy, Chemical & Electronics Business Unit

- Mineral Resources, Energy, Chemical & Electronics Business Unit posted profit of ¥104.1 billion, an increase of ¥160.0 billion compared to loss of ¥56.0 billion in the same period of previous fiscal year. This is primarily owing to increase in earnings accompanied by increase in sales volume due to resumption of operation from March this year and one-off profit from restructuring of project finance in the nickel mining and refining business in Madagascar, in addition to the absence of impairment loss in the same period of previous fiscal year in that business. Furthermore, the increase is also due to high mineral resources prices and increase in earnings for the chemical trade and the agricultural input business due to solid performance.



Business Topics

Sumitomo Corporation Group deploys its global business operations in a wide range of industries, placing the “Six Material Issues to Achieve Sustainable Growth with Society” as the core of corporate management.

Metal Products Business Unit



Steel Coils Processing Business at U.S. Plant in Joint Venture Between Japanese Auto Manufacturers



Automotive manufacturing plants' arrival in America's South contributing to local economic development

In February 2020, SteelSummit Holdings (SSH), a wholly owned American subsidiary of Sumitomo Corporation based in Nashville, along with Toyota Tsusho America and Southern Mobility Products, established Madison Metal Processing (MMP) in the city of Huntsville, Alabama. MMP is an on-campus supplier for Mazda Toyota Manufacturing (MTMUS), which was established in Huntsville in March 2018 as a joint venture between Mazda and Toyota Motor, with automotive steel blanks, which are used in the pre-production process in the manufacture of automotive press components. It also manages the purchasing of steel coils for MTMUS's internal production and for parts manufacturers, thus occupying a key position in MTMUS's supply chain. MMP's establishment has strengthened SSH's value chain and will contribute to the development of the local economy and manufacturing industry. At a time of major transformation in the mobility industry in response to CASE and carbon-neutral trends, we will demonstrate new functions in the United States, an automotive giant, and strive to expand the revenue base of our steel business in the United States.



MMP's blanking machinery



Transportation & Construction Systems Business Unit

Collaboration with Leading Company in Quantum Encryption Technology



Aiming to offer cyber security solutions with cutting-edge technology

Sumitomo Corporation has made an agreement with UK-based Arqit Quantum (“Arqit”), a global leader in quantum encryption technology, for the distribution rights to Arqit's products and services in the Japanese market.

Today, data is encrypted when being sent over the internet to protect information. But current encryption services are being compromised frequently and the “Public Key” algorithms they rely on are definitely destroyed by Quantum Computers, presenting a major cyber security threat to the world.

Arqit was established in 2017 with the mission of securing cyber security utilizing next-generation quantum encryption technology. Since then, Arqit developed and commercialized the most advanced encryption technology ever invented, protected by over 1,400 patent claims. Its new product, QuantumCloud, is a cloud service that delivers quantum safe encryption technology at low cost. The addressable demand for this is every connected device in the world.

Sumitomo Corporation began building a relationship with Arqit in 2019. As well as marketing Arqit's products and services in Japan, we will work toward that aim by considering R&D and joint businesses with government agencies, manufacturers, financial institutions, and other parties.



Quantum keys are delivered by satellite to protect telecommunications infrastructure and individual IoT devices on the ground.

Sumitomo Corporation Group's Material Issues



Achieving harmony with the global environment



Contributing to the development of local communities and industries



Establishing a foundation for comfortable and enriching lifestyles



Providing diverse "accessibility"



Developing human resources and promoting diversity



Enhancing Governance



Infrastructure Business Unit

Sumitomo Corporation Wins Contract to Build Geothermal Power Station in New Zealand



Contributing to realization of a sustainable society with aim to become carbon-neutral by 2050

Sumitomo Corporation has won a contract for construction work on Tauhara Geothermal Power Station in New Zealand from that country's leading private-sector electricity generation utility, Contact Energy. The planned generation capacity of 152 megawatts will make it the largest single-unit geothermal power station in the world. Sumitomo Corporation has signed an EPC contract which covers design engineering, manufacture/procurement, and construction of the power station, with Fuji Electric to manufacture and procure the power generation equipment and New Zealand firm Naylor Love Waikato/BOP to undertake the civil work. Construction is due to be completed in 2023.

As efforts to achieve a decarbonized society accelerate around the world, geothermal power generation has been garnering attention as a clean, renewable energy. Sumitomo Corporation has so far been involved in the construction and delivery of geothermal power stations worldwide with a total capacity of 2,530 megawatts, making us the leader among Japanese general trading firms in EPC contracts in particular. This will be the third time that we have teamed up with Fuji Electric on the construction of geothermal power stations in New Zealand.

New Zealand has set a target of sourcing 100% of its electric power from renewable energies by 2035 and is promoting geothermal power generation. Leveraging its experience and expertise, Sumitomo Corporation will work with its partners to contribute to realizing a reliable and stable green power supply in New Zealand.



3D image of Tauhara Geothermal Power Station. It will be the world's largest single-unit geothermal power station.



Media & Digital Business Unit

Licence Award to Operate Telecom Services in Ethiopia



Sumitomo Corporation partners with Vodafone Group to contribute to Ethiopia's economic development

Sumitomo Corporation is a member of a consortium together with Vodafone Group (Vodafone) and it has been awarded a licence to operate telecom services in Ethiopia. The consortium aims to start services from 2022. The members of the consortium include: Vodafone, Safaricom, Vodacom Group, Sumitomo Corporation and CDC Group, the UK's development finance institution and impact investor.

Ethiopia is home to over 112 million people, making it the second largest country in Africa by population, and has achieved 7–10% economic growth in recent years. On the other hand, mobile phone penetration rate is only around 40%, and the Ethiopian government has been pursuing the liberalization of the telecom industry since 2019 as part of its economic reforms. The reforms aim to increase jobs, reduce poverty and grow the local economy in an inclusive and sustainable manner.

Sumitomo Corporation will deliver experience and digital transformation (DX) expertise obtained in telecom businesses in Asia and elsewhere to help expand the use of mobile phones and contribute to Ethiopia's economic growth and human resources development.

This is the first joint investment project for Sumitomo Corporation and Vodafone Group, and we are considering many future collaborations in digital sectors including DX.



Addis Ababa, Ethiopia's capital city, progressing Infrastructure Development



Telecom licence signing ceremony. Executives of the consortium members attended alongside Ethiopia's Prime Minister (center right).

Living Related & Real Estate Business Unit



Sumitomo Corporation Enters the Managed Care Business in Vietnam



Aims to enhance the managed care business with promotion of DX including telemedicine

As part of its efforts to expand into the healthcare business, Sumitomo Corporation has invested in Insmart, a leading Vietnamese managed care operator, to enter the Vietnamese managed care market.

In recent years, demand for medical care has grown rapidly in Vietnam, and there is a growing need for managed care that provides healthcare management services by controlling medical costs. Insmart is the largest company with a market share of more than 60% in the rapidly growing industry with an annual growth rate of 20% and plays a vital role in managing the healthcare system in Vietnam.

Sumitomo Corporation has positioned “healthcare” as one of its next-generation growth fields in its medium-term management plan “SHIFT 2023” and is engaged in a variety of related healthcare businesses, including expansion of drugstore chains with dispensing facilities, development of the community-based integrated care system, and drug discovery support. In the managed care business, we have entered the managed care market in Malaysia in 2019 and has since enhanced our services.

By leveraging the experience gained in Malaysia in the development of business in Vietnam, we will aim to enhance our managed care business by promoting digital transformation (DX), such as improving the efficiency of medical claim operations and introducing telemedicine and online prescription drug services.



Insmart, a leading Vietnamese managed care operator

Mineral Resources, Energy, Chemical & Electronics Business Unit



Storing CO₂ in Farm with Introduction of Environmentally Friendly Farming



Collaboration with American agritech unicorn* in agricultural soil carbon storage business

Sumitomo Corporation has entered into an MOU with US-based Indigo Agriculture, an agricultural technology unicorn start-up (launched in 2014).

The spotlight is on farming land’s carbon storage function, in which eco-friendly farming practices are used to reduce atmospheric CO₂ levels by maximizing soil carbon sequestration and abating on-farm emissions.

Indigo’s business involves purchasing verified agricultural carbon credits from farmers and selling them to companies, thereby creating new income streams for producers and facilitates a shift to sustainable farming. Its diverse range of services leveraging microbial and digital technologies, such as the manufacture and sale of seeds coated with microbes that are beneficial to crop growth, and operation of online marketplaces, have won broad acceptance from producers.

We will work with Indigo to create new businesses and add value to existing businesses in Japan and Asia, such as generating carbon credits through the promotion of agricultural soil carbon storage and expanding the sale of microbe-coated seeds, with the aim of building decarbonized, circular energy systems and achieving a carbon neutral society.

*Unicorn: Privately held start-up company in its first ten years with a value of over \$1 billion



Environmentally friendly farming will curb CO₂ emissions and help prevent global warming.

Sumitomo Corporation Group's Material Issues



Achieving harmony with the global environment



Contributing to the development of local communities and industries



Establishing a foundation for comfortable and enriching lifestyles



Providing diverse "accessibility"



Developing human resources and promoting diversity



Enhancing Governance



Energy Innovation Initiative

New Organization Transcending Current Framework of Business Units



Establishment of Energy Innovation Initiative

In April 2021, Sumitomo Corporation established a new business organization called the Energy Innovation Initiative (EII), to create next-generation businesses that will help achieve a carbon-neutral society. This organization aims to develop a decarbonization and recycling energy system and is engaged in cross-organizational efforts. Its three priority fields of "developing carbon-free energy," "expanding power and energy services," and "CO₂ capture, storage and utilization," are not separate and independent from each other, but instead intertwine to form a single energy system, which will give rise to new value through combinations and integration. The EII calls this "the new energy management business" and is pursuing the creation of a next-generation business by combining related demand and synergy. It will take a medium- to long-term view and contribute to the realization of a carbon-neutral society.

Example of developing carbon-free energy

Green hydrogen production through hydroelectric power generation in Malaysia

Since launching the Hydrogen Value Chain Subcommittee in 2015, Sumitomo Corporation has been building a global network and organizing projects with many partners.

We are currently working on a feasibility study in collaboration with a Sarawak state government's investment agency and Japanese partner.

We aim to start hydrogen production in Sarawak for local consumption with a target of 2024, and also aim to build a system for producing and exporting hydrogen mainly to the Japanese market, in the second half of the decade.



Hydroelectric power generation



Green hydrogen

Please visit the website below to view the details of Material Issues of the Sumitomo Corporation Group.

<https://www.sumitomocorp.com/en/jp/sustainability/material-issues>

Sumitomo Corporation Material Issues

Search

Example of expanding power and energy services

Green electricity platform business centered on distributed solar power sources

In April 2021, Sumitomo Corporation invested in Singapore-based Sunseap Group Pte. Ltd. The company has a distributed solar power generation business with a net ownership generation capacity of approximately 220 MW, and boasts the top share of the Southeast Asian market. Leveraging Sunseap's know-how and the Sumitomo Corporation Group's customer base, we will promote a green electricity platform business.



Example of CO₂ capture, storage, and utilization

Creation of new environmental value through utilization of forest resources in New Zealand and Russia

Sumitomo Corporation has a timber and forestry business in New Zealand and Russia as our core. The scale of the forest assets that we manage and operate is outstanding among Japanese trading companies. We will contribute to the absorption and storage of CO₂ through appropriate forest management that considers the environment. We are also working to create new value, including emission credits, making full use of our forestry business portfolio.





General Manager Interview

Introduction of Life Science Division



Corporate Officer
General Manager,
Life Science Division

Tomoaki Tetsu

Joined Sumitomo Corporation in 1990. Became General Manager of the AgriScience Department in 2016. Assumed current position in April 2020.

Contributing to Society through “Medicine, Food and Living”

The Life Science Division comprises three business areas related to medicine, food, and living that deal in commodities such as pharmaceutical and cosmetic materials, agricultural input materials such as crop protection products (CPPs) and fertilizers, and veterinary products and pet care products. We support people's bodies and minds through the pharmaceuticals/cosmetics and veterinary products/pet care products businesses and improve agricultural productivity through the development and supply of agricultural input materials, with the aim of contributing to the safe, secure, and stable supply of food. All of these businesses deliver goods and services that are essential to everyday life. By handling commodities that have a low environmental impact, such as natural materials, we endeavor to help improve sustainability through environmentally friendly businesses.

In our agricultural input business, we are engaged in two businesses – trade and distribution of CPPs and agricultural input retail business. Our CPP trade and distribution business already wholesales CPPs in 37 countries, and we are enhancing



On-farm seminar for farmers held by Spectr-Agro

our product portfolio to reinforce and expand our existing businesses.

The agricultural input retail business that provides sales and services of CPPs and fertilizers and a wide range of agricultural input materials, from seeds to farm machinery, directly to farmers. Since entering this business in Romania in 2011, we have expanded our business into Brazil and Ukraine. In addition to our many years of experience and long track record in CPP production, fertilizer secondary processing, and seed production, we have expanded our business into areas of market need, such as grain buying services as well as commercial farming advice functions and services for farmers. We are also developing digital agriculture through the use of agritech.

In the pharmaceuticals/cosmetics business, the pharmaceuticals area centers on global sales of pharmaceutical ingredients, with Summit Pharmaceuticals International Corporation's quality control and development capabilities at the core. We are also pursuing initiatives in new treatment domains, such as investing in SUSMED, which



Summit Pharmaceutical International's API Laboratory

develops digital therapeutics. In the United States, we are working with Japanese generic drug manufacturer, Sawai Pharmaceutical, in a generic drug joint venture (Upsher-Smith Laboratories).

In the cosmetics area, we have cosmetic ingredient distribution businesses in the United States, Brazil, Europe, China, and Japan. Pursuing globally integrated operations, our efforts are focused on the sale of naturally derived ingredients. In Japan, we have partnered with Italy's Intercos to pursue an original design manufacturing (ODM) business. In the United States, we are engaged in a business that manufactures and sells aerosol propellant gases that include cosmetics and coolant gases for LNG.

In our veterinary products/pet care products business,

Hartz, our American joint-venture company with Unicharm, operates a pet care products business that includes flea and tick remedies, taking advantage of the company's 95-year history, market-leading brand power, and sales networks that span the entire country.



Hartz pet care products

In China, we are pursuing a livestock healthcare business with Sinder, our strategic investment partner.

Promotion of agricultural input business in Ukraine

Sumitomo Corporation invested in Spectr-Agro, a leading agricultural input retailer in Ukraine in 2018.

Ukraine is a major agricultural nation, producing a wide range of crops including sunflower seeds, wheat, and corn. Spectr-Agro has 21 branches nationwide and a customer base of some 4,000 farmers. Through the sale of agricultural input materials such as CPPs, fertilizers and agricultural machinery and provision of commercial farming advice, it supports farmers as it strives to improve their productivity.

Since the 1990s, Sumitomo Corporation has strengthened its sales by establishing CPP import and distribution companies in various locations around the world under the "Summit Agro" and "Sumi Agro" brands. From 2011, it started participating in businesses that, in addition to CPPs, provided sales and services of agricultural input materials, including fertilizers, seeds, and agricultural machinery, directly to farmers. It currently operates such businesses in Romania, Brazil, and Ukraine.

After our investment in Spectr-Agro, the company fully demonstrated its synergies with the Sumitomo Corporation Group to achieve steady growth, leaping from its No. 4 position in the global industry to No. 2. Currently strong in CPPs and seeds, Spectr-Agro's next move is to expand its agricultural machinery sales and services. Late in 2020, it opened a large-scale service center just outside the capital city of Kiev. As a center for agricultural machinery servicing and parts sales, Spectr-Agro is seeking to expand to peripheral services in addition to machinery sales. It has plans to open service centers in three or four more locations to give it nationwide coverage.



Agricultural machinery promotion for farmers by Spectr-Agro

Expansion and Diversification of Crop Protection Business in South America



Sumitomo Corporation is currently distributing crop protection products in 37 countries. These products, which are primarily from Japanese manufacturers, enable growers to boost agricultural productivity and efficiency for sustainable local agriculture.

South America is one of the fundamental regions for agriculture. In fact, the crop protection market in South America accounts for 25% of the global market and it has stably contributed to food production to meet the increasing demand due to a growing global population.

In 2015, as a part of the strategy to contribute to increasing food production for sustainable agriculture in South America, Sumitomo Corporation established Summit Agro South America SpA (“SASA”) in Chile, subsequently operating crop protection distribution companies throughout five countries (Argentina, Chile, Colombia, Ecuador, and Peru) and pursuing integrated regional operations.

In order to strengthen the business foundation of SASA, the company established Summit Agro Paraguay (“SAPY”) in 2021 to expand its distribution area. Paraguay is the third largest producer of soybeans in South America, and has further potential to grow with the increase in the production area. SAPY will expand its product portfolio by promoting new crop protection products and providing high-quality customer service in order to contribute to food production and the growth of sustainable agriculture in Paraguay.

SASA will continue to strengthen its portfolio of Japanese specialty products while also developing bio-products to meet the increasing demand by growers and society for more innovative and sustainable solutions. By increasing the handling of bio-products, SASA will increase its competitive offering of diverse crop protection products and contribute to food safety and security, one of the world’s most pressing social issues.



Summit Agro’s agronomist visiting growers and fields for technical service



Corn field in Argentina



Soybean field in Argentina

Participates in First Annual 100 SEED Day of Service

Sumitomo Corporation of Americas (“SCOA”) launched its first annual 100SEED* Day of Service in the United States during National Volunteer Week in April of 2021. The program enabled SCOA employees to participate in a “volunteer day” between April 15 and May 31 to support an organization, community or non-profit of their choosing. These social impact activities also served as an educational opportunity for employees and their families to learn about important issues in their communities and spread this knowledge to a broader audience.

The purpose of the 100SEED Day of Service is two-fold; First, it empowers employees to make a difference in their own communities or give back to causes that are important to them. Participants were given the opportunity to choose where and with what organization they volunteer their time. Second, the program very literally supports the Sumitomo Corporation Group’s mission to contribute broadly to society. By empowering our people and giving them time specifically dedicated to giving back, they were able to go out into the world and make it better through their service.

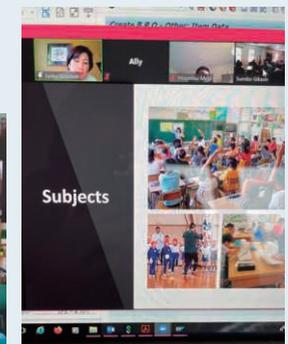
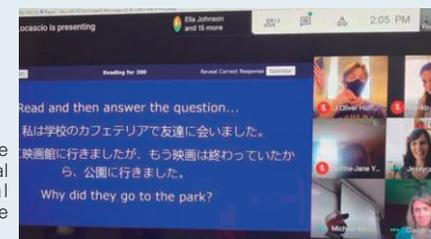
Through this inaugural program, SCOA supported 16 organizations across 11 towns and cities. From educational programs to park clean-up, fostering animals and much more, SCOA’s social impact was as far-reaching and diverse as the businesses that make up our portfolio.

*100SEED: A social contribution program implemented globally by Sumitomo Corporation Group.



Members of SCOA's Houston office volunteered at the Houston Food Bank by inspecting before distribution.

SCOA's Denver Office Employees support for local schools in educational programs about Japanese language and culture.



President, Summit Agro South America SpA,

Daniel Stante

“Closer to farmers, providing innovative solutions for sustainable agriculture”; this is our Vision, which fits perfectly to the new paradigm of agriculture, like the switch from chemicals to biological solutions, the eruption of D/X and AI, and the direct access to the market. In SASA, we want to lead this innovation, and we are working hard on it: digital crop monitoring, drones, a biological portfolio with 25 projects underway, e-commerce platforms. In this way we contribute responsibly to an increasingly sustainable agriculture market.

My Favorite

I always recommend visiting Mendoza in Argentina, which is located around 1.000 km from Buenos Aires. This province is the largest wine producing area in the country, particularly the famous Malbec. Apart from the vineyards and the wineries, there are very good ski slopes and meandering rivers for rafting. There you can find the Aconcagua, the highest mountain in South America, which is 6,960 meters high, being a great challenge for mountaineering lovers.



Mount Aconcagua

Quantum Transformation “QX” Project, Creating the Future with Quantum Technology

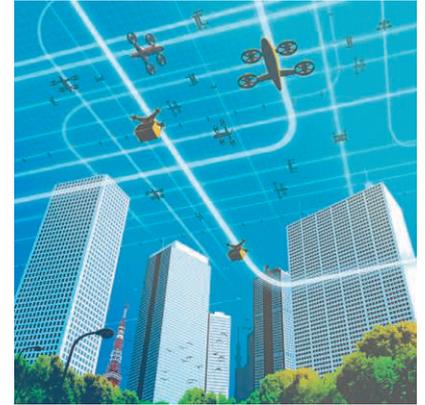


Sumitomo Corporation is engaged in a Quantum Transformation (QX) Project that aims to use quantum computing to transform society and create new industries. Quantum computing can calculate at super high speeds in specific areas using quantum bits that hold 0 and 1 simultaneously. Development is stepping up around the world with hopes of the technology’s future contributions to a range of social challenges, such as eliminating traffic congestion.

In 2020, we recruited a leader in the social implementation of quantum computing and inaugurated the QX Project, with the aim of combining quantum computing with Sumitomo Corporation’s global and extensive business fields that range from underground to space, to create new businesses. We have partnered with Tohoku University, Keio University, and Israel-based startup, Classiq, leveraging their world-class technological capabilities to undertake a variety of demonstration initiatives.

Specifically, we have launched a demonstration initiative of super high-speed air traffic control technology with U.S.-based OneSky Systems in anticipation of a world in the 2030s where numerous flying cars will be crisscrossing the skies. In addition, we are working on demonstration for the advancement of trading, and also working on the concept of ultra-high-speed supply-demand adjustments of renewable energies that are easily affected by the weather, reduction of power consumption by ever-larger data centers, and the use of quantum computing in smart cities.

Just as it was with digital, the kinds of lifestyles and industries that are unimaginable today will be created by quantum computing. We will continue with this challenge together with our partners who share our vision.



QX Project seminar

[QX PJ website](https://en.quantumtransformation.world)

<https://en.quantumtransformation.world>

Corporate Profile/Stock Information

Corporate Profile (As of September 30, 2021)

Establishment:	December 1919
Paid-in Capital:	¥219,893,641,183
Status of Employees:	Number of Employees 5,396 ^(Note) Number of Employees (Consolidated basis) 75,383 (Note) It includes 153 persons whom overseas branches and offices of the Company employ.
Status of Subsidiaries and Associated Companies:	Number of Consolidated Subsidiaries 657 Number of Associated Companies 264
Status of Operating Locations, etc.:	Domestic 22 Overseas 112
Accounting Auditor:	KPMG AZSA LLC

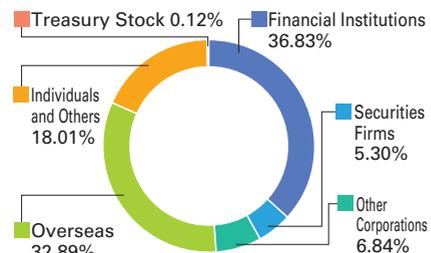
Stock Information (As of September 30, 2021)

Number of Shares Authorized for Issuance: 2,000,000,000 shares

Number of Issued Shares: 1,251,404,367 shares

Number of Shareholders: 209,923

Shareholders Composition:



(Note) The total is not 100% as the ratio is rounded to the nearest hundredth of a percent.

Major Shareholders

Name	Number of Shares (In Thousands of Shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	186,810	14.95
BNYM AS AGT/CLTS NON TREATY JASDEC	68,099	5.45
Custody Bank of Japan, Ltd. (trust account)	61,933	4.96
Sumitomo Life Insurance Company	30,855	2.47
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	18,740	1.50
STATE STREET BANK WEST CLIENT – TREATY 505234	18,177	1.45
Mitsui Sumitomo Insurance Company, Limited	17,004	1.36
Custody Bank of Japan, Ltd. (trust account 7)	16,467	1.32
Nippon Life Insurance Company	14,879	1.19
Custody Bank of Japan, Ltd. (trust account 4)	14,484	1.16

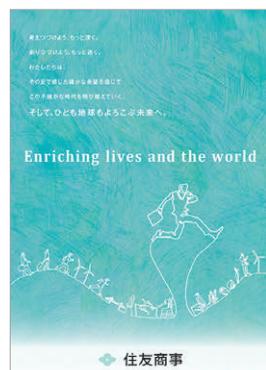
(Note) The shareholding ratio is calculated by dividing the number of shares held by the number of shares outstanding – which is derived by deducting treasury stock (1,510,638 shares) from the total number of issued shares – and rounding to the nearest hundredth of a percent.

New Corporate Advertising, “Leap”

This year, we launched a new corporate commercial, “Leap,” inspired by the leap we will take in our Medium-Term Management Plan “SHIFT 2023.” The many, diverse smiling faces in the video symbolize a world where our corporate message of “Enriching lives and the world” is a reality.

The background music is an original composition containing the lyrics “Enriching lives and the world.” Scan the QR code below to watch the video.

Scan here for the “Leap” video ▶



“Leap” expressed in a single-line drawing

Information for Shareholders

Fiscal Year:	From April 1 of each year through March 31 of the following year
Ordinary General Meeting of Shareholders:	June
Record Date:	Ordinary General Meeting of Shareholders March 31 Year-end Dividends March 31 Interim Dividends September 30
Stock Transfer Agent and Account Management Institution for Special Accounts:	Sumitomo Mitsui Trust Bank, Limited 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Stock Transfer Agent, Handling Office:	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Department 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo
(Mailing Address)	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Business Planning Department 8-4, Izumi 2-chome, Suginami-ku, Tokyo, 168-0063
(Telephone Inquiries)	0120-782-031
(URL)	https://www.smtb.jp/tools/english/
Shares per Unit:	100 shares
Stock Listings:	Tokyo, Nagoya, Fukuoka (Note) Application for delisting from the Nagoya and Fukuoka Stock Exchanges was made in November this year. The Company will be delisted from these stock exchanges in about one month following the prescribed procedures.
Stock Exchange Code:	8053
Public Notices:	Public notices shall be made electronically. If electronic notice is impossible due to accident or other unavoidable reason, the notice shall appear in the <i>Nihon Keizai Shimbun</i> .
(Public Notice URL)	https://www.sumitomocorp.com

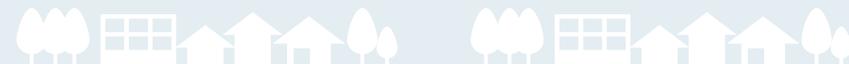
● Contact for Notifications and Inquiries Concerning Shares

For shareholders having an account with a securities company, please contact your securities company for notifications of change of address, etc. and inquiries. For shareholders not having an account with a securities company, please contact the telephone inquiries number on the left.

● About Special Accounts

For shareholders who have not used the custody and book-entry transfer system for securities prior to the introduction of electronic share certificate system, a special account has been established with Sumitomo Mitsui Trust Bank, Limited. For inquiries concerning special accounts, please contact the telephone inquiries number on the left.

Everyday Life



J:COM Japan's first telemedicine service through cable television

J:COM, a member of the Sumitomo Corporation Group, delivers quality entertainment through cable television, movie and video production, and the operation of exclusive channels. It also operates various lifestyle support services, including the internet, telephone, mobile, electricity, home IoT, and insurance services.

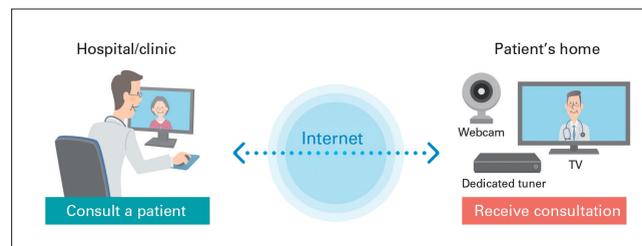
J:COM launched a telemedicine service in July 2021. The current service area is limited to greater Tokyo but will be expanded nationwide.

While most telemedicine services are available via smartphones, with J:COM services, clients can use the remote control of their home television to access a full range of services, such as making appointments, consulting with a doctor via webcam, having prescriptions delivered, and even making payments, all on their television screens. At clients' request, J:COM also offers direct support by its staff.

J:COM is aiming to provide comprehensive healthcare services in which anyone can receive online healthcare easily and safely, including medication guidance, health advice, and management of vital data (pulse, blood pressure, body temperature, etc.).



Anyone will be able to consult their doctors smoothly on a large television screen



Consortium for telemedicine and community healthcare

Telemedicine and online medication guidance are currently garnering attention as solutions to the increasingly serious healthcare challenges of an aging society, such as the increased burden on patients to visit clinics and the uneven geographical distribution of physicians, and as COVID-19 countermeasures. In May 2021, J:COM played a key role in establishing the consortium for telemedicine and community healthcare to respond to these challenges. The consortium's 22 members*, including Chiba University Hospital, Sumitomo Corporation, Tomod's, one of Sumitomo group companies, are working to promote telemedicine and online medication guidance services in Japan.

*Pharmaceutical and medical equipment businesses, dispensing pharmacy/drugstore chains, cable TV operators, etc.

Clients can consult with their family doctor using a TV remote control at their home. J:COM is currently working to expand the number of partner medical institutions and to develop an environment that will give more patients access to the service.

Cable TV Dept.
Suguru Kurihara



Sumitomo Corporation

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Sumitomo Corporation official Facebook page

Editor's Note

In September 2021, Sumitomo Corporation published the Integrated Report 2021. The report presents an overview of our initiatives to create values and achieve sustainable growth for the Group in chronological order, with the medium-term management plan "SHIFT 2023" at its core. The rising sun in the cover expresses our determination for an early return to a growth trajectory. We hope that this report will help you understand more about Sumitomo Corporation.



Caution Concerning Forward-looking Statement

Statements included in this publication regarding future performance and other matters have been determined on the basis of information currently available. Such statements may differ in future depending on changes in the business environment, etc., and Sumitomo Corporation does not guarantee their reliability.