



Enriching lives and the world

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Accelerating SHIFT 2023 and Walk on a Growth Trajectory

Representative Director
President and Chief Executive Officer

Masayuki Hyodo



While the global economy in the first half of FY2022 has made a gradual recovery from the stagnation caused by the impact of COVID-19, its momentum is weakening due to factors such as monetary tightening to control inflation. In addition, Russian-Ukrainian situation has also increased uncertainty about the future.

In this environment, we steadily implemented the measures of our medium-term management plan “SHIFT 2023” and enhanced our earning power. As a result, profit attributable to owners of the parent for the first half of FY2022 was 350.2 billion yen, an increase of 109.2 billion yen compared to the same period of the previous fiscal year. For the Mineral Resources, Energy, Chemical & Electronics Business Unit, besides the higher mineral resource prices as well as the solid performance in mineral resources and energy trading, the chemical products and electronics businesses also demonstrated stable performance. Our tubular products business in the North America under the Metal Products Business Unit performed strongly, as well as our construction equipment related business mainly in the

North America under the Transportation & Construction Systems Business Unit. The Living Related & Real Estate Business Unit performed well due to the transfer of large-scale properties for the real estate business.

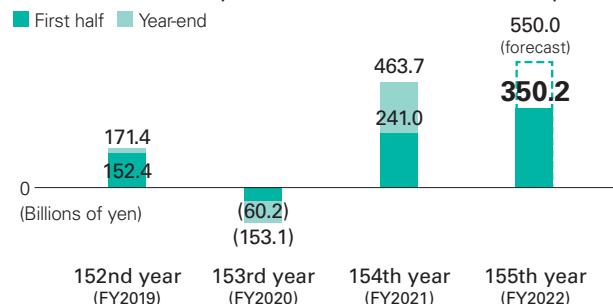
In the second half of this fiscal year, we expect downturn factors such as a slowdown in the economy due to the impact of monetary tightening and a decline in mineral resource prices. However, based on the high progress against the plan, we have revised upward our profit forecast for FY2022 to 550 billion yen, compared to 370 billion yen announced in May 2022.

We have now passed the midpoint of SHIFT 2023, which began in FY2021. We have been working on fundamental structural reforms under the three “SHIFTS”: “Business Portfolio SHIFT,” “Framework SHIFT,” and “Management Base SHIFT.” We have enhanced our earning power by steadily implementing measures—such as exit from low-profitability businesses and value creation for business turnaround—and have prioritized the allocation of management resources toward Steady Business Growth. As a result, we are

feeling confident of our initiatives to date, since we posted record high profit for the second quarter. In addition, we are also making a progress in value creation through digital transformation (DX) and green transformation (GX) and developing businesses that can be expected to become future earnings pillars, such as the telecommunications business in Ethiopia and the large-scale power storage business in various regions. Going forward, we will steadily advance the initiatives of SHIFT 2023, realize the shift to a business portfolio that is both highly profitable and resilient, and walk on a growth trajectory.

We ask for your continued support in our endeavors.

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



Shareholder Returns Policy

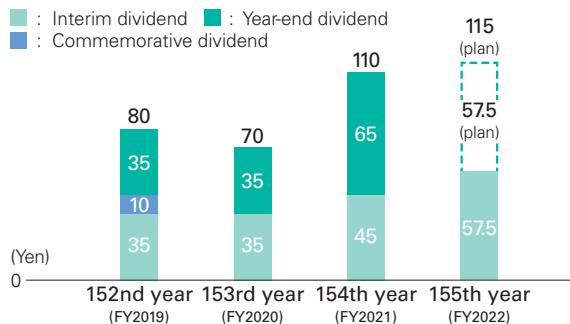
Sumitomo Corporation aims to increase dividends by achieving medium- and long-term earnings growth while adhering to its fundamental policy of paying shareholders a stable dividend over the long term.

Our policy on shareholder returns for FY2022 and beyond is as follows: we will decide the amount of annual dividends within a DOE (dividend on equity ratio) range of 3.5% to 4.5% by taking into consideration the fundamental earnings capacity, cash flows, and other factors with a consolidated payout ratio of 30% as a guideline. If 30% of the profit for the year exceeds the above range, we will pay dividends or repurchase our shares for the excess portion in a flexible and agile manner.

Due to the fact that our annual forecast of profit for the year attributable to owners of the parent is revised upward to 550.0 billion yen, the annual dividend forecast for the fiscal year is revised to 115 yen per share (initial forecast was 90 yen per share), which is the upper threshold

(4.5%) of the DOE range. The interim dividend will be 57.5 yen per share, half the amount of planned annual dividend. Further, we will pay dividends and/or repurchase our shares for the excess portion in a flexible and agile manner.

▶ Dividends per share



Please refer to the corporate website for more details.

Shareholders Information ▶



Telecommunications Business in Ethiopia

Leveraging our strengths in the media and digital spaces, for the telecommunications business in particular, we have a proven track record centering on Asia and are building a 5G* network in Japan as well as promoting digital transformation (DX) worldwide. In this article, we introduce telecommunications business in Ethiopia as an example of our initiatives to lay the foundation of a smart society and resolve social issues, with the aim of realizing a better life for everyone.

*5G: A communication technology that achieves ultra-high speed, ultra-low latency, and multiple simultaneous connections. 5G will be indispensable for the spread of IoT and automated driving as well as the development of new services, such as remote medical consultation services, which will help resolve social issues.

Contributing to Ethiopia's development through digital technology

In October 2022, Sumitomo Corporation launched telecommunications services in Ethiopia through Safaricom Telecommunications Ethiopia, a joint venture between Vodafone Group (Vodafone), the largest pan-European and African technology communications company, its subsidiary companies, Safaricom, headquartered in Kenya and Vodacom Group, headquartered in South Africa; and British International Investment, the UK's development finance institution. As of early October, services are available in 11 major cities in Ethiopia and cover more than 90% of the population in Addis Ababa, the capital. Safaricom Telecommunications Ethiopia will expand its service area to 25 major cities by April 2023, and then nationwide.

With its youthful population of approximately 123 million (the second largest in Africa) whose median age* is 18.6 years, Ethiopia has been achieving an annual economic growth rate of 6 to 10% in recent years. Nevertheless, the mobile phone penetration rate is only over 50%. The Ethiopian government is endeavoring to expand employment, reduce poverty, and achieve sustainable economic growth through the liberalization of the telecommunications market. This is expected to create great opportunities for business.

Vodafone operates mobile and fixed networks in 21 countries and partners with mobile networks in 47 and more countries. As of 30 June 2022, it had over 300 million mobile customers, more than 28 million fixed broadband customers and 22 million TV customers. Vodafone is also a world leader in the Internet of Things (IoT), connecting around 160 million devices and platforms.

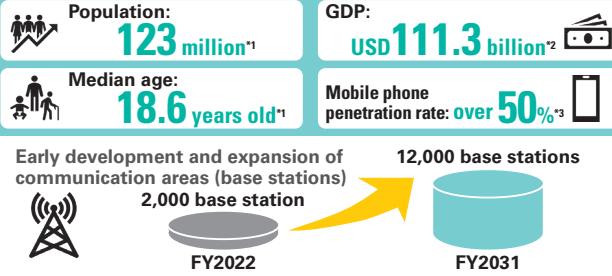


Toshikazu Nambu, Executive Vice President, Sumitomo Corporation (at center) talks with Shameel Joosub, CEO, Vodacom Group (at left).



Abiy Ahmed, prime minister of Ethiopia (center at right) and William Ruto, president of Kenya (center at left) attend the ceremony.

Potential



*1 Source: United Nations database (2022) *2 Source: World Bank Open Data (2021)

*3 Source: Estimate by Sumitomo Corporation based on data announced by official database (2021)

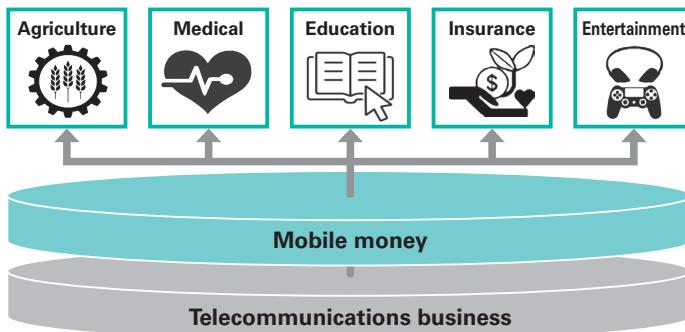
Promotion Structure



By providing expertise gained through its telecommunications business in Japan, Asia, and other regions as well as DX knowhow, Sumitomo Corporation will develop services that resolve social issues for its customers based on mobile phones, which are ubiquitous in everyday life. Specifically, in addition to the provision of mobile phone and high-speed Internet communication services, we will provide mobile money that enables money transfers and settlements on mobile phones without the need for a bank account, and various digital value-added services in agriculture, medicine, education, finance, and other areas. Through this project, we expect to create more than 1.5 million new jobs over 10 years and contribute to Ethiopia's economic, human resources, and overall national development through digital technology.

*The median age divides the population into two parts of equal size

Future business development



Customers at a sales counter of Safaricom Telecommunications Ethiopia

Please refer to the corporate website for more details.

Our Business ▶



News ▶



Publication of the ESG Communication Book 2022

The Sumitomo Corporation Group endeavors to provide both financial and non-financial corporate information to stakeholders by utilizing various communication tools.

The ESG Communication Book summarizes information on the Sumitomo Corporation Group's activities related to sustainability management from the perspective of environmental, social, and governance (ESG).

TOPIC ESG Communication Book Newly Includes Story Book

In order to clearly communicate the Sumitomo Corporation Group's value creation mechanism, we are breaking up the ESG Communication Book into two books: the Story Book and the Disclosure Book. On the next page, two examples of value creation featured in the Story Book are presented.

ESG Communication Book 2021

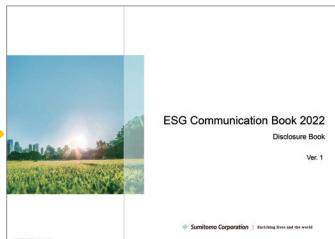


ESG Communication Book 2022



Story Book

The Story Book presents practical examples of the Sumitomo Corporation Group's initiatives to solve key social issues. It also features a roundtable talk among young employees on their vision of the Group's future.



Disclosure Book

Comprehensively updated non-financial corporate information provided in the previous edition. This year's edition includes expanded information disclosure on progress toward medium-term goals for each key social issue, human capital (human resources management), and information based on the TCFD recommendations.

Story Book ▶



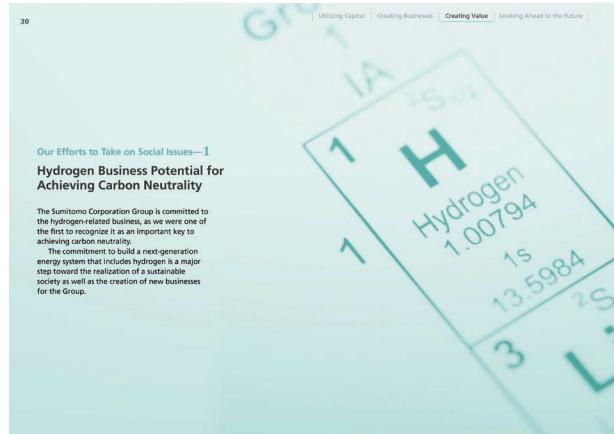
Disclosure Book ▶





Hydrogen business potential for achieving carbon neutrality

Achieving carbon neutrality by 2050 and realizing a sustainable energy cycle is a corporate mission. The Sumitomo Corporation Group has been engaged in the hydrogen-related business since 2015. Hydrogen is expected to play a major role: it is an effective means of decarbonization as it can not only be used as base power contributing to improvement of renewable energy usage rates but also as heat sources, chemical materials, and reducing agents. We will continue to leverage the Group's business expertise and network and build hydrogen value chains, thereby contributing to carbon neutrality.



Summit's initiative to achieve a sustainable society

Summit, the Sumitomo Corporation Group's supermarket operating 120 stores mainly in the Tokyo metropolitan area, announced its medium-term management plan "GO GREEN 2022" in 2020 and redefined its business as "Sharing the source of life" to meet the new needs of society. In 2021, Summit announced the GO GREEN Challenge Declaration, which outlines key topics corresponding to the social issues to be addressed by Summit, including not only environmental issues but also contributions to customers, local communities, and society, as well as initiatives to make Summit a comfortable and rewarding place to work at for its employees. Summit emphasizes actions by putting this policy into practice.



Please refer to the ESG Communication Book (Story Book) for details. ▶



Information for Shareholders

Publication of the Integrated Report 2022

Sumitomo Corporation publishes the Integrated Report every year to facilitate stakeholders' understanding of its medium- to long-term value creation story. The Integrated Report 2022 explains the Sumitomo Corporation Group's long-term strategy for sustainable growth and its initiatives to complete the medium-term management plan "SHIFT 2023", including practical examples. The contents of this report are linked to the ESG Communication Book 2022 (Story Book) released at the same time. So please read it too. We hope the Integrated Report will help you grasp the big picture of the Sumitomo Corporation Group's initiatives.

Integrated Report 2022 ▶



Corporate Profile (As of September 30, 2022)

Company Name: Sumitomo Corporation
Establishment: December 1919
Paid-in Capital: ¥220.0 billion
Head Office: Otemachi Place East Tower, 3-2 Otemachi 2-chome, Chiyoda-ku, Tokyo 100-8601, Japan
Phone: +81-3-6285-5000

Website:

<https://www.sumitomocorp.com/en/jp>

For stock information, visit the Investor Relations page.



Facebook:

<https://www.facebook.com/sumitomocorporation.global/>



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 and Year-end Dividends: March 31
Interim Dividends: September 30
Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Stock Transfer Agent and Account Management Institution for Special Accounts:
Shares per Unit: 100 shares
Stock Listing: Tokyo
Stock Exchange Code: 8053
Method for Public Notice: Electronic public notice
<https://www.sumitomocorp.com>
(If we cannot issue an electronic public notice due to an accident or other unavoidable reason, we will post the notice in the *Nihon Keizai Shimbun*.)

Stock-related Procedures

- **For shareholders having an account with a securities company:**
Please contact the securities company where you hold the account.
- **For shareholders not having an account with a securities company (shareholders having a special account):**
Please contact the following account management institution for special accounts.

Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Business Planning Department
Phone Inquiries: 0120-782-031
Website: <https://www.smtb.jp/tools/english/>

* Special accounts have been opened at our account management institution for special accounts. Sumitomo Mitsui Trust Bank, Limited, for shareholders who did not use the custody and book-entry transfer system for securities prior to the introduction of the electronic share certificate system.

Cautionary Statement Concerning Forward-looking Statements

This publication includes forward-looking statements relating to future performance and other matters. They 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.