



Sumitomo Corporation

Enriching lives and the world

Sumitomo Corporation Business Report

SC NEWS

**The 1st Half of 157th
Newsletter to Shareholders**

April 1, 2024 through September 30, 2024

Stock Exchange Code: 8053

Enriching lives and the world

This cover was designed by
an employee of our special
subsidiary company, (Sumisho
Well Support Co., Ltd.)

To All Shareholders,

I wish to express my sincere appreciation for the exceptional support you have always shown us. Here, it is my pleasure to deliver to you the first half of the 157th (April 1, 2024 through September 30, 2024) newsletter.

Representative Director
President and Chief Executive Officer

Shingo Ueno



The Medium-Term Management Plan 2026 launched during the current fiscal year, and each business has been executing its strategy to achieve the theme of the plan, “No. 1 in Each Field.” Profit attributable to owners of the parent for the first half of the current fiscal year was 254 billion yen. This figure represents a year-on-year decrease of 30.9 billion yen due to factors such as the impact of price declines in the coal business in Australia and a reaction to temporary profit losses in the same period of the previous fiscal year, despite a stable leasing business and strong overseas power generation business.

As for the second half of the fiscal year, although there will be some gaps among segments, we expect steady progress in general. Our full-year forecast for profit attributable to owners of the parent remains at 530 billion yen, unchanged from the forecast announced in this May. As a result, the forecast for the annual dividend, as per our shareholder return policy, remains at 130 yen per share (an increase of 5 yen compared with the previous fiscal year) and 65 yen per share for the interim dividend (an increase of 2.5 yen per share compared with the same period of the previous fiscal year).

In line with the Medium-Term Management Plan 2026, we endeavor to achieve growth of 150 billion yen in profit attributable to owners of the parent over next three years by focusing on capital investment in growth fields with strengths and competitive advantages, and by strengthening people and organizations, which we view as driving force for growth, thereby accelerating the transformation of our business portfolio through the

reallocating management resources. Thus, we will achieve growth through addressing social challenges by steadily conducting our planned investments as well as replacing assets.

We ask our shareholders for your continued support going forward.

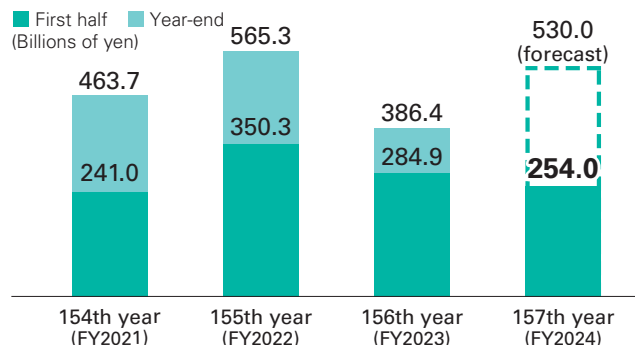
November 2024

Note: For the results of the first half of FY2024 (157th term), please see our corporate website.



Performance Highlights

► Profit for the year attributable to owners of the parent



Consolidated net income or loss by segment / Overview

Profit for the year (Unit: Billions of yen)

Upper: First half of the 156th year (FY2023)

Lower: First half of the 157th year (FY2024)

Remarks

Steel	<div><div>40.7</div><div>35.2</div></div>	<ul style="list-style-type: none">● Tubular products: weakening market conditions in North America● Steel sheets: stable
Automotive	<div><div>37.6</div><div>23.4</div></div>	<ul style="list-style-type: none">● Automotive sales & marketing: stable● Tire business: one-off profits in FY2023 Q1● Automotive manufacturing and engineering: one-off losses in FY2024 Q1
Transportation & Construction Systems	<div><div>33.4</div><div>38.8</div></div>	<ul style="list-style-type: none">● Transportation: stable mainly in leasing business and ship business● Construction & mining systems: profit decrease due to a slowdown in construction demand growth, and the increased costs of depreciation and others
Diverse Urban Development	<div><div>22.5</div><div>20.5</div></div>	<ul style="list-style-type: none">● Domestic real estate: steady
Media & Digital	<div><div>23.2</div><div>8.2</div></div>	<ul style="list-style-type: none">● Telecommunications in Ethiopia: increase in start-up cost and foreign exchange valuation loss due to the devaluation of the local currency● Major domestic businesses: stable● Media business: one-off profits in FY2023 Q2
Lifestyle Business	<div><div>2.4</div><div>2.6</div></div>	<ul style="list-style-type: none">● Healthcare: impacted by the revision of dispensing fees for major domestic pharmacy chains● Fresh produce business in Europe and the Americas: melon business was affected by external factors while banana and pineapple businesses performed strongly
Mineral Resources	<div><div>44.4</div><div>50.4</div></div>	<ul style="list-style-type: none">● Aluminum: Aluminum price increase among others● Coal business in Australia: coal price decline● Non-Ferrous metals: one-off profits in FY2024 Q2
Chemical Solutions	<div><div>16.4</div><div>14.8</div></div>	<ul style="list-style-type: none">● Agribusiness: decrease in sales volume of agricultural supplies and ongoing impact from unusual weather conditions in FY2023● Life science: one-off profits in FY2024 Q1
Energy Transformation Business	<div><div>42.5</div><div>58.9</div></div>	<ul style="list-style-type: none">● Overseas IPP/IWPP business: strong
Corporate and Eliminations	<div><div>21.9</div><div>1.1</div></div>	<ul style="list-style-type: none">● Impact of revisions to the internal cost allocation policy in managerial accounting

As of April 1, 2024, the “Business Units,” “Energy Innovation Initiative” along with its “Divisions” and “Departments” have been removed and we operate our organization based on Strategic Business Units (SBUs). SBUs are structured into nine “Groups.” Accordingly, the segment information of the same period of the previous year has been reclassified.

Information

We occasionally deliver our latest information via corporate website. We kindly hope that you take a look.

Released Television Commercial Series *Beyond Problem Solving to Value Creation GX*

In August 2024, we released its second television commercial series, *Beyond Problem Solving to Value Creation GX (Green Transformation)*.

As well as the first commercial released last year, in this second one, the Sumitomo Corporation Group showcases—from the perspective of a young girl who came from 100 years in the future—the prosperous world it will create through the businesses it is currently engaged in alongside the efforts of its employees in line with the corporate message of “Enriching lives and the world.” We emphasize the Green Transformation domain as a specific business in which we endeavor to become the “No. 1 in Each Field,” the theme of the Medium-Term Management Plan 2026. This represents our commitment to focus on value creation through addressing social challenges together with our stakeholders in long-term projects for the future, which is both facilitating the transition to carbon neutrality and securing a stable supply of energy.



Television Commercial



Release of Integrated Report 2024 / Notice of Sustainability Disclosure Website

The Integrated Report 2024, which communicates the Sumitomo Corporation Group’s medium- to long-term growth story, was released in September 2024. In this report, we delve into the concept of “competitive advantage,” which is central to the theme of our new Medium-Term Management Plan 2026, “No. 1 in Each Field.” By explaining the plan’s objectives and strategies, we aim to convey the strengths and momentum of the Group to our stakeholders as we move forward.

The Sustainability Disclosure website is where we disclose detailed information on our activities related to sustainability from the perspective of environment, social and governance (ESG), among other non-financial information. We provide our stakeholders with the latest relevant information by disclosing it on our corporate website and updating it as necessary. We hope this will help visitors to our website to better understand the Group.



Integrated Report 2024



Sustainability Disclosure website



Refine with digital, Profit with digital

The theme of the Medium-Term Management Plan 2026 is “No. 1 in Each Field.” We aim to enhance our competitive advantages to achieve growth in each respective business field through addressing social challenges. Under the slogan, “Refine with digital, Profit with digital” we promote digital transformation (DX) internally to accelerate further growth. Our goal is to expand our earnings by deploying the digital strategy and know-how we have cultivated at each business frontline while nurturing new strengths.

To accelerate and enhance our decision-making process, we have started to utilize artificial intelligence (AI) which leverages internal data we have accumulated. Notably, we are the first Japanese company to implement Microsoft 365 Copilot* globally across the entire organization. By leveraging generative AI, we will transform our employee’s workstyles, enabling each individual to engage in more creative work, thereby elevating our creativity and productivity to new heights.

In collaboration with Insight Edge, Inc., the digital technology specialist of our group, and SC Digital Co., Ltd., which supports data marketing, we are driving business transformation through DX across various business sectors. One prime example is Jupiter Shop Channel Co., Ltd., which operates one of Japan’s largest shopping channels. It is integrating its rich and vast customer and product-related data with AI to accelerate various initiatives, such as maximizing sales by automatically optimizing program guides, improving order prediction accuracy, and enhancing the quality of inquiry responses.

Sumitomo Corporation Group is taking on the challenge of delivering new value to the world by embracing innovations through the advancement of digital and AI.



*Microsoft 365 Copilot:
An AI assistant integrated across Microsoft apps (mainly Word, Excel, Power Point and Teams)

What is Sumitomo Corporation’s “Refine with Digital, Profit with Digital” Goal? We asked CDO and CIO Tatsushi Tatsumi, who is leading the DX strategy. ▶



EmiTerraceTokorozawa opens

Emi Terrace Tokorozawa, a community-based retail facility which Sumitomo Corporation and the Seibu Group jointly developed, opened in September 2024. Located at the west exit of Tokorozawa Station in Tokorozawa, Saitama Prefecture, its four commercial floors house a total of 142 diverse stores.

TOKOROZAWA e-CUBE, an atrium space located in the center of the facility, is furnished with one of the largest LED displays of any retail facility in Japan, as well as projectors, moving lights, and speakers. It provides various kinds of sensory experiences and activities such as e-sport, music and other events, and offers digital content on a daily basis. A large food court is equipped with approximately 1,000 seats and designed in the image of a forest. There are many restaurants featuring new business formats and some that are the first of their kind in the area.

As part of our sustainability initiatives, by installing solar panels on the rooftop of the facility and by utilizing a FIT Non-fossil Certificate*, we eliminate carbon emissions to virtually zero for the electricity used at the facility. We have also obtained a certification given to buildings with excellent environmental performance.

This facility was developed based on a “community-made approach” of conducting development in line with the value and characteristics built by a community, which we value in the development of retail facilities. Also, this facility was developed based on a “terrace philosophy” of creating a comfortable space that is fun, relaxing, and that makes people want to return. We employed the comprehensive strengths of the Sumitomo Corporation Group in procuring equipment and materials, establishing a mobile communication environment, and opening a “Summit Store” supermarket and a “Tomod’s” drugstore. Going forward, we will endeavor to make Emi Terrace even more appealing as the central growth area of Tokorozawa.



*FIT Non-fossil Certificate:
A certificate issued to authenticate that electricity is generated by using resources other than fossil fuels.

©SEIBU REALTY SOLUTIONS INC.

Emi Terrace Tokorozawa opens at the west exit of Tokorozawa Station! A 10-year Urban Development Initiative of Seibu Group and Sumitomo Corporation ▶



Corporate Profile (As of September 30, 2024)

Company Name: Sumitomo Corporation
Establishment: December 1919
Paid-in Capital: ¥221.0 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.



LinkedIn

[https://www.linkedin.com/
company/sumitomocorporation/](https://www.linkedin.com/company/sumitomocorporation/)



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

Stock Transfer Agent and Account Management Institution for Special Accounts: Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Shares per Unit: 100 shares

Stock Listing: Tokyo

Stock Exchange Code: 8053

Method for Public Notice: Electronic public notice
<https://www.sumitomocorp.com/en/jp/>
(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.