

**Consolidated quarterly results FY2019 (Nine-month period ended December 31, 2019)**

[Prepared on the basis of International Financial Reporting Standards]

**Sumitomo Corporation**

Stock Exchange code No. 8053

(Listed on Tokyo, Nagoya and Fukuoka Stock Exchanges)

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(URL <https://www.sumitomocorp.com/en/jp>)**1. Consolidated results for the nine-month period ended December 31, 2019**

(Remarks)

Amounts are rounded to the nearest million.

% : change from the same period of the previous year.

**(1) Consolidated operating results**

	Revenues		Profit before tax		Profit for the period		Profit for the period attributable to owners of the parent		Comprehensive income for the period	
	(millions of yen)	(increase/ decrease) (%)	(millions of yen)	(increase/ decrease) (%)	(millions of yen)	(increase/ decrease) (%)	(millions of yen)	(increase/ decrease) (%)	(millions of yen)	(increase/ decrease) (%)
Nine-month period ended										
December 31, 2019	3,934,732	2.7	276,251	(12.7)	225,046	(11.2)	211,349	(12.6)	189,441	(15.1)
December 31, 2018	3,832,986	10.2	316,381	(2.9)	253,305	(7.3)	241,796	(4.4)	223,054	(36.3)

	Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)
	(yen)	(yen)
Nine-month period ended		
December 31, 2019	169.20	169.03
December 31, 2018	193.64	193.45

**(2) Consolidated financial position**

	Total Assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio
	(millions of yen)	(millions of yen)	(millions of yen)	(%)
As of December 31, 2019	8,378,747	2,929,695	2,789,417	33.3
As of March 31, 2019	7,916,523	2,906,199	2,771,483	35.0

**2. Dividends**

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended March 31, 2019	—	37.00	—	38.00	75.00
Year ending March 31, 2020	—	45.00	—	—	—
Year ending March 31, 2020 (Forecasts)				35.00	80.00

[Note] 1. Revision of the latest dividend forecasts: None

2. Interim dividend consists of 35.00 yen for an ordinary dividend and 10.00 yen for the commemorative dividend for the 100th anniversary.

**3. Forecasts for the year ending March 31, 2020**

(Remarks)

% : change from the previous year.

	Profit for the year attributable to owners of the parent	Earnings per share attributable to owners of the parent
	(millions of yen)	(yen)
Year ending March 31, 2020	300,000	240.22

[Note] Revision of the latest forecasts: None

**Notes**

**(1) Change in significant subsidiaries (changes in "Specified Subsidiaries" accompanying changes in scope of consolidation) during this period: None**

**(2) Changes in accounting policies and accounting estimate**

- (i) Changes in accounting policies required by IFRS      Yes
- (ii) Other changes      None
- (iii) Changes in accounting estimate      None

[Note] For further details please refer page 12 "Changes in accounting policies and others."

**(3) Outstanding stocks (Common stocks)**

				(shares)
(i) Outstanding stocks including treasury stock	(December 31, 2019)	1,250,985,467	(March 31, 2019)	1,250,787,667
(ii) Treasury stocks	(December 31, 2019)	1,744,020	(March 31, 2019)	1,872,865
(iii) Average stocks during nine months (Apr.-Dec.)	(December 31, 2019)	1,248,864,377	(December 31, 2018)	1,248,598,211

**\* This report is not subject to quarterly reviews by certified public accountants or auditing firms.**

**\* Cautionary Statement Concerning Forward-looking Statements**

This report includes forward-looking statements relating to our future plans, forecasts, objectives, expectations and intentions. The forward-looking statements reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The management forecasts included in this report are not projections, and do not represent management's current estimates of future performance. Rather, they represent forecasts that management strives to achieve through the successful implementation of the Company's business strategies. The Company may be unsuccessful in implementing its business strategies, and management may fail to achieve its forecasts. The Company is under no obligation -- and expressly disclaims any such obligation -- to update or alter its forward-looking statements.

# Management results

## 1. Operating results

Revenues for the nine-month period ended December 31, 2019, amounted to 3,934.7 billion yen, representing an increase of 101.7 billion yen from the same period of the previous year.

Gross profit totaled 657.9 billion yen decreased by 27.5 billion yen owing to San Cristobal silver-zinc-lead mining project in Bolivia decreased the earnings due mainly to lower mineral resources prices. Selling, general and administrative expenses increased by 15.1 billion yen to 492.3 billion yen.

Share of profit (loss) of investments accounted for using the equity method decreased by 2.6 billion yen to 90.9 billion yen, due to low performance of automotive related business and the absence of earnings by telecommunication business in Myanmar caused by the change of their fiscal year in the same period of the previous year, while increase in earnings due to absence of the impact from impairment loss posted in the Nickel mining and refining business in Madagascar in the same period of the previous year.

Other profit (loss) increased by 6.8 billion yen to 7.1 billion yen due mainly to the one-off profit from change in the shareholding structure of Gyxis Corporation.

As a result, profit for the period attributable to owners of the parent totaled 211.3 billion yen, representing a decrease of 30.4 billion yen from the same period of the previous year. Basic profit (excluding impairment loss) (\*1) totaled 205.5 billion yen, representing a decrease of 45.2 billion yen from the same period of the previous year.

### *<Profit for the period attributable to owners of the parent by segment>*

Metal Products Business Unit posted profit of 15.2 billion yen, a decrease of 16.8 billion yen from the same period of the previous year, primarily due to decrease in earnings of tubular products business in North America and low performance of overseas steel service centers.

Transportation & Construction Systems Business Unit posted profit of 34.7 billion yen, a decrease of 15.3 billion yen from the same period of the previous year, due to decrease in earnings of automotive manufacturing business, while leasing business kept solid performance.

Infrastructure Business Unit posted profit of 44.9 billion yen, an increase of 3.0 billion yen from the same period of the previous year. The profit increase is due to the stable progress of construction of large-scale projects in power infrastructure business and stable performance of IPP/IWPP business.

Media & Digital Business Unit posted profit of 28.5 billion yen, a decrease of 6.1 billion yen from the same period of the previous year, due to the absence of earnings by telecommunication business in Myanmar caused by the change of their fiscal year and one-off profit from asset replacement in the same period of the previous year, while domestic major group companies kept solid performance.

Living Related & Real Estate Business Unit posted profit of 35.8 billion yen, an increase of 2.9 billion yen from the same period of the previous year. The domestic major group companies and the real estate business are keeping solid performance.

Mineral Resources, Energy, Chemical & Electronics Business Unit posted profit of 46.9 billion yen, an increase of 0.9 billion yen from the same period of the previous year, due to absence of the impact from impairment loss posted in the Nickel mining and refining business in Madagascar in the same period of the previous year, while decrease in earnings from San Cristobal silver-zinc-lead mining project in Bolivia and companies related to coal business in Australia which were impacted mainly by lower mineral resources prices.

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

Excluding the impact of impairment loss

(Third quarter of FY2018: - 10.4 billion yen in the Nickel mining and refining business in Madagascar)

## 2. Financial position

### <Total assets, liabilities, and equity as of December 31, 2019>

Total assets stood at 8,378.7 billion yen, representing an increase of 462.2 billion yen from the previous fiscal year-end due mainly to an increase by adopting IFRS 16 (change in accounting treatment for “lease”).

Equity attributable to owners of the parent totaled 2,789.4 billion yen, increased by 17.9 billion yen from the previous fiscal year-end, due to increase in retained earnings.

Interest-bearing liabilities (net) (\*2) increased by 137.4 billion yen from the previous fiscal year-end, to 2,564.5 billion yen.

In consequence, the net debt-equity ratio (Interest-bearing liabilities (net)/ Equity attributable to owners of the parent) was 0.9.

### <Cash flows>

Net cash provided by operating activities totaled 187.3 billion yen as basic profit cash flow (\*3) totaled to an inflow of 205.6 billion yen as core businesses performed well in generating cash while working capital increased.

Net cash used in investing activities totaled 177.4 billion yen. In this period, we executed investments approx. 290.0 billion yen primarily for the acquisition of the parking provider in northern Europe and the acquisition of office building in the U.S. On the other hand, we recovered funds of approx. 80.0 billion yen through the sale of offshore wind farms in the United Kingdom and the restructuring of aircraft engine leasing business.

As a result, free cash flow, representing sum of net cash provided by operating activities and net cash used in investing activities, totaled to an inflow of 9.9 billion yen.

Net cash used in financing activities totaled 15.4 billion yen primarily due to dividend payment.

In consequence of the foregoing, cash and cash equivalents stood at 650.5 billion yen as of December 31, 2019, representing a decrease of 9.9 billion yen from the previous fiscal year-end.

(\*2) Interest-bearing liabilities = Sum of bonds and borrowings (current and non-current)  
(excluding lease liabilities)

(\*3) Basic profit cash flow = Basic profit - Share of profit (loss) of investments accounted for using the equity method  
+ Dividend from investments accounted for using the equity method

### 3. Forecasts for fiscal year ending March 31, 2020(\*4)

We did not revise the forecasts for the fiscal year ending March 31, 2020 from the revised annual forecasts of 300.0 billion yen (announced in Nov. 2019), taking into consideration that profit for the period attributable to owners of the parent has showed steady progress against this revised annual forecasts.

#### (\*4)Cautionary Statement Concerning Forward-Looking Statements

This report includes forward-looking statements relating to our future plans, forecasts, objectives, expectations and intentions. The forward-looking statements reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The management forecasts included in this report are not projections, and do not represent management's current estimates of future performance. Rather, they represent forecasts that management strives to achieve through the successful implementation of the Company's business strategies. The Company may be unsuccessful in implementing its business strategies, and management may fail to achieve its forecasts. The Company is under no obligation -- and expressly disclaims any such obligation -- to update or alter its forward-looking statements.

# Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries

As of December 31, 2019 and March 31, 2019

	Millions of Yen		Millions of U.S. Dollars
	December 31, 2019	March 31, 2019	December 31, 2019
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 650,490	¥ 660,359	\$ 5,968
Time deposits	10,091	10,492	93
Marketable securities	2,274	1,989	21
Trade and other receivables	1,290,342	1,340,451	11,837
Other financial assets	64,848	62,692	595
Inventories	1,010,612	925,204	9,272
Advance payments to suppliers	164,452	161,037	1,508
Assets classified as held for sale	—	56,034	—
Other current assets	341,228	329,392	3,131
Total current assets	3,534,337	3,547,650	32,425
<b>Non-current assets:</b>			
Investments accounted for using the equity method	2,144,270	2,130,517	19,672
Other investments	432,647	429,532	3,970
Trade and other receivables	368,191	371,420	3,378
Other financial assets	71,393	75,576	655
Property, plant and equipment	1,070,755	746,647	9,823
Intangible assets	329,658	259,759	3,024
Investment property	345,833	275,273	3,173
Biological assets	22,712	22,858	208
Prepaid expenses	20,647	21,043	190
Deferred tax assets	38,304	36,248	351
Total non-current assets	4,844,410	4,368,873	44,444
Total assets	¥ 8,378,747	¥ 7,916,523	\$ 76,869

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥109=US\$1.

## Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries  
As of December 31, 2019 and March 31, 2019

	Millions of Yen		Millions of U.S. Dollars
	December 31, 2019	March 31, 2019	December 31, 2019
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities:</b>			
Bonds and borrowings	¥ 796,327	¥ 682,349	\$ 7,306
Trade and other payables	1,123,737	1,178,542	10,310
Lease liabilities	62,356	11,717	572
Other financial liabilities	58,953	50,787	541
Income tax payables	15,296	28,467	140
Accrued expenses	77,279	94,019	709
Contract liabilities	133,553	132,693	1,225
Provisions	5,069	8,356	46
Liabilities associated with assets classified as held for sale	—	8,841	—
Other current liabilities	75,189	82,935	690
Total current liabilities	2,347,759	2,278,706	21,539
<b>Non-current liabilities:</b>			
Bonds and borrowings	2,428,769	2,415,606	22,282
Trade and other payables	55,385	57,775	508
Lease liabilities	419,928	56,637	3,853
Other financial liabilities	14,692	23,660	135
Accrued pension and retirement benefits	30,913	34,869	284
Provisions	46,117	46,364	422
Deferred tax liabilities	105,489	96,707	968
Total non-current liabilities	3,101,293	2,731,618	28,452
Total liabilities	5,449,052	5,010,324	49,991
<b>Equity:</b>			
Common stock	219,613	219,449	2,015
Additional paid-in capital	256,830	258,292	2,356
Treasury stock	(2,330)	(2,501)	(21)
Other components of equity	188,090	234,937	1,725
Retained earnings	2,127,214	2,061,306	19,516
Equity attributable to owners of the parent	2,789,417	2,771,483	25,591
<b>Non-controlling interests</b>	140,278	134,716	1,287
Total equity	2,929,695	2,906,199	26,878
Total liabilities and equity	¥ 8,378,747	¥ 7,916,523	\$ 76,869

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥109=US\$1.

# Condensed Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries

For the nine-month periods ended December 31, 2019 and 2018

	Millions of Yen		Millions of U.S. Dollars	
	2019	2018	2019	
<b>Revenues</b>				
Sales of tangible products	¥ 3,593,104	¥ 3,526,250	\$ 32,964	
Sales of services and others	341,628	306,736	3,134	
<b>Total revenues</b>	<b>3,934,732</b>	<b>3,832,986</b>	<b>36,098</b>	
<b>Cost</b>				
Cost of tangible products sold	(3,103,889)	(2,951,213)	(28,476)	
Cost of services and others	(172,930)	(196,360)	(1,586)	
<b>Total cost</b>	<b>(3,276,819)</b>	<b>(3,147,573)</b>	<b>(30,062)</b>	
<b>Gross profit</b>	<b>657,913</b>	<b>685,413</b>	<b>6,036</b>	
<b>Other income (expenses)</b>				
Selling, general and administrative expenses	(492,270)	(477,176)	(4,516)	
Impairment losses on long-lived assets	(3,870)	(597)	(36)	
Gain (loss) on sale of long-lived assets, net	3,513	3,577	32	
Other, net	7,056	293	65	
<b>Total other income (expenses)</b>	<b>(485,571)</b>	<b>(473,903)</b>	<b>(4,455)</b>	
<b>Finance income (costs)</b>				
Interest income	22,312	20,848	205	
Interest expense	(34,302)	(30,029)	(315)	
Dividends	9,495	11,145	87	
Gain (loss) on securities and other investments, net	15,484	9,391	142	
<b>Finance income (costs), net</b>	<b>12,989</b>	<b>11,355</b>	<b>119</b>	
<b>Share of profit (loss) of investments accounted for using the equity method</b>	<b>90,920</b>	<b>93,516</b>	<b>834</b>	
<b>Profit before tax</b>	<b>276,251</b>	<b>316,381</b>	<b>2,534</b>	
<b>Income tax expense</b>	<b>(51,205)</b>	<b>(63,076)</b>	<b>(469)</b>	
<b>Profit for the period</b>	<b>225,046</b>	<b>253,305</b>	<b>2,065</b>	
<b>Profit for the period attributable to:</b>				
Owners of the parent	¥ 211,349	¥ 241,796	\$ 1,939	
Non-controlling interests	13,697	11,509	126	
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Financial assets measured at fair value through other comprehensive income	364	(31,789)	3	
Remeasurements of defined benefit pension plans	8,083	(3,585)	74	
Share of other comprehensive income of investments accounted for using the equity method	1,410	(2,120)	13	
<b>Total items that will not be reclassified to profit or loss</b>	<b>9,857</b>	<b>(37,494)</b>	<b>90</b>	
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange differences on translating foreign operations	(25,547)	5,081	(234)	
Cash-flow hedges	2,562	3,187	23	
Share of other comprehensive income of investments accounted for using the equity method	(22,477)	(1,025)	(206)	
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(45,462)</b>	<b>7,243</b>	<b>(417)</b>	
<b>Other comprehensive income, net of tax</b>	<b>(35,605)</b>	<b>(30,251)</b>	<b>(327)</b>	
<b>Comprehensive income for the period</b>	<b>189,441</b>	<b>223,054</b>	<b>1,738</b>	
<b>Comprehensive income for the period attributable to:</b>				
Owners of the parent	¥ 176,061	¥ 211,889	\$ 1,615	
Non-controlling interests	13,380	11,165	123	

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥109=US\$1.



**Condensed Consolidated Statements of Changes in Equity**  
Sumitomo Corporation and Subsidiaries  
For the nine-month periods ended December 31, 2019 and 2018

For the nine-month periods ended December 31, 2019

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
<b>Balance, beginning of year</b>	219,449	258,292	(2,501)	234,937	2,061,306	2,771,483	134,716	2,906,199
Impact of changes in accounting policies					(53,325)	(53,325)	(909)	(54,234)
<b>Balance, beginning of year after changes in accounting policies</b>	219,449	258,292	(2,501)	234,937	2,007,981	2,718,158	133,807	2,851,965
Profit for the period					211,349	211,349	13,697	225,046
Other comprehensive income for the period				(35,288)		(35,288)	(317)	(35,605)
<b>Comprehensive income for the period</b>						176,061	13,380	189,441
<b>Transaction with owners:</b>								
Share-based payment transactions	164	164				328		328
Acquisition (disposal) of non-controlling interests, net		(860)				(860)	2,007	1,147
Acquisition (disposal) of treasury stock, net			171			171		171
Cash dividends to owners of the parent					(103,675)	(103,675)		(103,675)
Cash dividends to non-controlling interests							(8,916)	(8,916)
Others		(766)				(766)		(766)
<b>Transfer to retained earnings</b>				(11,559)	11,559	—		—
<b>Balance, end of period</b>	219,613	256,830	(2,330)	188,090	2,127,214	2,789,417	140,278	2,929,695

For the nine-month periods ended December 31, 2018

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
<b>Balance, beginning of year</b>	219,279	265,126	(2,796)	248,564	1,827,987	2,558,160	136,161	2,694,321
Impact of changes in accounting policies					3,270	3,270		3,270
<b>Balance, beginning of year after changes in accounting policies</b>	219,279	265,126	(2,796)	248,564	1,831,257	2,561,430	136,161	2,697,591
Profit for the period					241,796	241,796	11,509	253,305
Other comprehensive income for the period				(29,907)		(29,907)	(344)	(30,251)
<b>Comprehensive income for the period</b>						211,889	11,165	223,054
<b>Transaction with owners:</b>								
Share-based payment transactions	170	170				340		340
Acquisition (disposal) of non-controlling interests, net		(939)				(939)	(1,117)	(2,056)
Acquisition (disposal) of treasury stock, net			170			170		170
Cash dividends to owners of the parent					(88,653)	(88,653)		(88,653)
Cash dividends to non-controlling interests							(7,884)	(7,884)
Others		350				350		350
<b>Transfer to retained earnings</b>				(4,693)	4,693	—		—
<b>Balance, end of period</b>	219,449	264,707	(2,626)	213,964	1,989,093	2,684,587	138,325	2,822,912

For the nine-month periods ended December 31, 2019

Millions of U.S. Dollars

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
<b>Balance, beginning of year</b>	2,013	2,369	(23)	2,155	18,911	25,425	1,236	26,661
Impact of changes in accounting policies					(489)	(489)	(8)	(497)
<b>Balance, beginning of year after changes in accounting policies</b>	2,013	2,369	(23)	2,155	18,422	24,936	1,228	26,164
Profit for the period					1,939	1,939	126	2,065
Other comprehensive income for the period				(324)		(324)	(3)	(327)
<b>Comprehensive income for the period</b>						1,615	123	1,738
<b>Transaction with owners:</b>								
Share-based payment transactions	2	2				4		4
Acquisition (disposal) of non-controlling interests, net		(8)				(8)	18	10
Acquisition (disposal) of treasury stock, net			2			2		2
Cash dividends to owners of the parent					(951)	(951)		(951)
Cash dividends to non-controlling interests							(82)	(82)
Others		(7)				(7)		(7)
<b>Transfer to retained earnings</b>				(106)	106	—		—
<b>Balance, end of period</b>	2,015	2,356	(21)	1,725	19,516	25,591	1,287	26,878

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥109=US\$1.

# Condensed Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the nine-month periods ended December 31, 2019 and 2018

	Millions of Yen				Millions of U.S. Dollars	
	2019		2018		2019	
<b>Operating activities:</b>						
Profit for the period	¥	225,046	¥	253,305	\$	2,065
Adjustments to reconcile profit for the period to net cash provided by operating activities:						
Depreciation and amortization		119,720		83,923		1,098
Impairment losses on long-lived assets		3,870		597		36
Finance (income) costs, net		(12,989)		(11,355)		(119)
Share of (profit) loss of investments accounted for using the equity method		(90,920)		(93,516)		(834)
(Gain) loss on sale of long-lived assets, net		(3,513)		(3,577)		(32)
Income tax expense		51,205		63,076		469
Increase in inventories		(70,974)		(130,731)		(651)
Decrease (increase) in trade and other receivables		35,825		(84,800)		329
Increase in prepaid expenses		(1,915)		(11,589)		(18)
(Decrease) increase in trade and other payables		(79,069)		120,500		(726)
Other, net		(34,683)		(102,836)		(318)
Interest received		22,356		20,875		205
Dividends received		101,563		94,519		932
Interest paid		(33,500)		(29,537)		(307)
Income tax paid		(44,756)		(51,632)		(411)
Net cash provided by operating activities		187,266		117,222		1,718
<b>Investing activities:</b>						
Proceeds from sale of property, plant and equipment		2,460		15,950		22
Purchase of property, plant and equipment		(54,912)		(89,993)		(504)
Proceeds from sale of investment property		10,533		5,100		97
Purchase of investment property		(38,054)		(9,434)		(349)
Proceeds from sale of other investments		80,151		152,335		735
Acquisition of other investments		(173,328)		(127,885)		(1,590)
Collection of loan receivables		18,232		57,632		167
Increase in loan receivables		(22,481)		(32,915)		(206)
Net cash used in investing activities		(177,399)		(29,210)		(1,628)
Free Cash Flows:		9,867		88,012		90
<b>Financing activities:</b>						
Net increase in short-term debt		204,128		72,526		1,873
Proceeds from issuance of long-term debt		308,811		224,941		2,833
Repayment of long-term debt		(416,255)		(290,567)		(3,819)
Cash dividends paid		(103,675)		(88,653)		(951)
Capital contribution from non-controlling interests		2,824		217		26
Payment for acquisition of subsidiary's interests from non-controlling interests		(2,404)		(1,753)		(22)
Payment of dividends to non-controlling interests		(8,916)		(7,884)		(82)
(Acquisition) disposal of treasury stock, net		62		109		(0)
Net cash used in financing activities		(15,425)		(91,064)		(142)
<b>Net decrease in cash and cash equivalents</b>		(5,558)		(3,052)		(52)
<b>Cash and cash equivalents at the beginning of year</b>		660,359		667,152		6,058
<b>Effect of exchange rate changes on cash and cash equivalents</b>		(4,807)		7,025		(43)
<b>Net increase in cash and cash equivalents resulting from transfer to assets classified as held for sale</b>		496		4,011		5
<b>Cash and cash equivalents at the end of period</b>	¥	650,490	¥	675,136	\$	5,968

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥109=US\$1.

**Assumptions for Going Concern**

: None

## Changes in accounting policies and others

:

Significant accounting policies applied in this summary of the consolidated financial statements for the nine months period ended December 31, 2019, remain the same as those applied in the consolidated financial statements for the previous fiscal year, except for the items below.

### (1) IFRS 16 “Leases”

The Companies have applied International Financial Reporting Standard No.16 *Leases* (“IFRS 16”) from the reporting period. For leases that the Companies as lessee previously classified as operating leases applying International Accounting Standard No.17 *Leases* (“IAS 17”), right-of-use assets and lease liabilities are recognized at the date of initial application.

At inception of a contract, the Companies assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

If a contract is, or contains, a lease, the Companies recognize right-of-use assets and lease liabilities on the consolidated statement of financial position at the commencement date. The Companies recognize the lease payments associated with short-term leases as an expense on a straight-line basis over the lease term.

Right-of-use assets are measured by using the cost model and are measured at cost less any accumulated depreciation and accumulated impairment losses.

An acquisition cost of right-of-use assets includes the amount of the initial measurement of lease liabilities adjusted for initial direct costs and any lease payments made at or before the commencement date. Right-of-use assets are depreciated using the straight-line method over its lease terms.

Lease liabilities are initially measured at the discounted present value of unpaid lease payments at the commencement date of the contract. Lease payments are allocated into finance costs and the portion of the balance of lease liabilities, to ensure that the interest rate remains constant for the balance of lease liabilities. Finance costs are presented separately from the depreciation of the right-of-use assets in the consolidated statement of comprehensive income.

In addition, “Lease liabilities,” which were previously included in “Trade and other payables” in the consolidated statement of financial position, have increased as a result of application of IFRS 16. It has been presented independently from the reporting period. In order to reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

Accordingly, Finance lease obligations that were included in “Trade and Other Payables” in the consolidated statement of financial position for the previous fiscal year have been reclassified to “lease liabilities.” The reclassified amount was ¥68,354 million.

Right-of-use assets were included in “Inventories,” “Property, plant and equipment,” “Intangible assets” and “Investment property.”

In accordance with the transitional measures under IFRS 16 (the modified retrospective approach), the

cumulative effect is recognized as an adjustment to the opening balance of retained earnings for the year ended March 31, 2020.

Accordingly, compared with the case where the previous accounting standards would be applied, total assets increased by ¥391,100 million, total liabilities increased by ¥415,116 million and retained earnings decreased by ¥23,107 million each at the beginning of the year ended March 31, 2020.

In addition, cash flows from operating activities increased, and cash flows from financing activities decreased by the same amount, as lease payments of the principal of lease liabilities are classified as financing activities in the consolidated statement of cash flows.

The weighted average of the Company's incremental borrowing rate applied to lease liabilities on the consolidated statement of financial position at the date of initial application is 1.3%.

The following is a reconciliation of non-cancellable operating leases contracts based on IAS 17 as of March 31, 2019 and lease liabilities recognized in the consolidated statement of financial position at the date of initial application.

(Millions of Yen)

Non-cancellable operating leases contracts	322,421
The weighted average of the Company's incremental borrowing rate	1.3%
Non-cancellable operating leases contracts (after discount)	304,390
Finance lease obligations	68,354
Cancellable operating leases contracts, etc.	107,150
Lease liabilities	479,894

In applying IFRS 16, the Companies have elected the practical expedient and assesses whether contracts contain leases in accordance with IAS 17 and IFRIC 4 “*Determining whether an Arrangement contains a Lease.*”

The following practical expedients are used in the application of IFRS 16.

- Leases for which the lease term ends within 12 months of the date of initial application are accounted for in the same way as short-term leases.
- Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application.
- The Companies use hindsight to calculate the lease term for lease contracts including options to extend or terminate the lease.

## (2) IAS 28 “Investments in Associates and Joint Ventures”

The Companies have applied amendments of International Financial Reporting Standard No.28 *Investments in Associates and Joint Ventures* (“IAS 28”) from the reporting period. The amendments clarified the accounting for long-term interests in associates and joint ventures. As a result, the Companies have recognized impairment loss by applying IFRS 9 “*Financial Instruments*” to long-term interests before applying the equity method.

In accordance with the transitional measures under the amendments of IAS 28, the cumulative effect is

recognized as an adjustment to the opening balance of retained earnings for the year ended March 31, 2020.

Accordingly, compared with the case where the previous accounting standards would be applied, “Trade and other receivables” and “Retained earnings” decreased by ¥30,218 million each at the beginning of the year ended March 31, 2020.

## Segment Information

Sumitomo Corporation and Subsidiaries  
For the nine-month periods ended December 31, 2019 and 2018

2019:	Millions of Yen									
		Metal Products	Transportation & Construction Systems	Infrastructure	Media & Digital	Living Related & Real Estate	Mineral Resources, Energy, Chemical & Electronics	Segment Total	Corporate and Eliminations	Consolidated
Total revenues	¥	928,072	593,836	416,323	281,777	749,598	818,428	3,788,034	146,698	3,934,732
Gross profit		87,320	124,610	83,963	74,081	162,073	118,122	650,169	7,744	657,913
Share of profit (loss) of investments accounted for using the equity method		5,192	29,613	10,803	29,526	8,669	4,451	88,254	2,666	90,920
Profit for the period (attributable to owners of the parent)		15,158	34,711	44,900	28,464	35,788	46,930	205,951	5,398	211,349
Total assets (As of December 31)		1,208,982	1,788,530	916,124	849,739	1,546,781	1,656,362	7,966,518	412,229	8,378,747

2018:	Millions of Yen									
		Metal Products	Transportation & Construction Systems	Infrastructure	Media & Digital	Living Related & Real Estate	Mineral Resources, Energy, Chemical & Electronics	Segment Total	Corporate and Eliminations	Consolidated
Total revenues	¥	990,410	561,783	359,874	257,558	734,510	757,126	3,661,261	171,725	3,832,986
Gross profit		110,912	118,547	79,964	66,145	157,917	144,153	677,638	7,775	685,413
Share of profit (loss) of investments accounted for using the equity method		7,827	37,574	10,293	35,592	7,229	(8,133)	90,382	3,134	93,516
Profit for the period (attributable to owners of the parent)		31,908	49,967	41,909	34,588	32,920	46,016	237,308	4,488	241,796
Total assets (As of March 31)		1,245,179	1,752,518	923,098	813,196	1,243,284	1,700,969	7,678,244	238,279	7,916,523

2019:	Millions of U.S. Dollars									
		Metal Products	Transportation & Construction Systems	Infrastructure	Media & Digital	Living Related & Real Estate	Mineral Resources, Energy, Chemical & Electronics	Segment Total	Corporate and Eliminations	Consolidated
Total revenues	\$	8,514	5,448	3,820	2,585	6,877	7,509	34,753	1,345	36,098
Gross profit		801	1,143	770	680	1,487	1,084	5,965	71	6,036
Share of profit (loss) of investments accounted for using the equity method		48	272	99	271	79	41	810	24	834
Profit for the period (attributable to owners of the parent)		139	318	412	261	328	431	1,889	50	1,939
Total assets (As of December 31)		11,091	16,408	8,405	7,796	14,191	15,196	73,087	3,782	76,869

Note: The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥109=US\$1.