

- Investors Meeting - Quarterly Results for FY2020 (Six-month period ended September 30, 2020)

November 9th, 2020

Sumitomo Corporation

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.

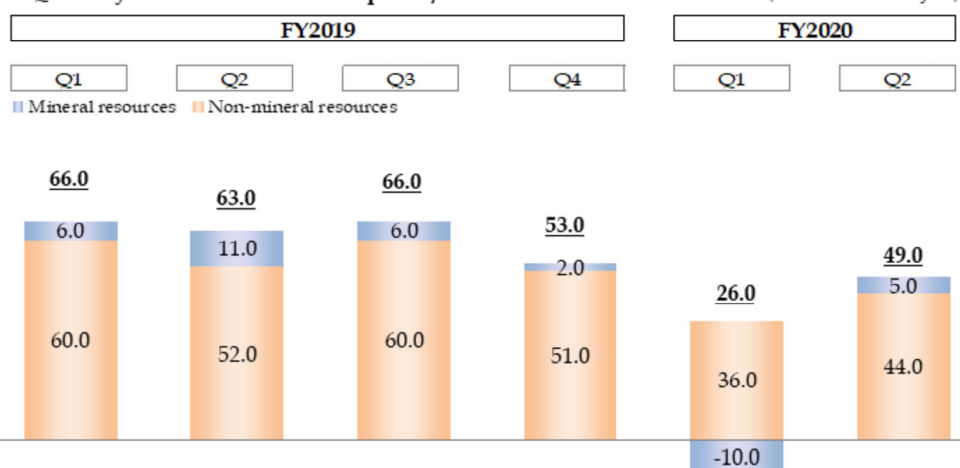
The management forecasts included in this report are not projections, and do not represent management's current estimates of future performance. Rather, they represent forecasts that management strives to achieve through the successful implementation of the Company's business strategies. The Company 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.

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1. Operating Results (Profit/Loss for the period)

| (Unit: Billions of yen) | FY2019 Q2 (Apr.-Sep.) (A) | Q1 (Apr.-Jun.) | Q2 (Jul.-Sep.) | FY2020 Q2 (Apr.-Sep.) (B) | Increase/ Decrease (B)-(A) |
|-----------------------------------------|------------------------------------|-------------------|-------------------|------------------------------------|----------------------------------|
| Profit / Loss (-) for the period | 152.4 | -41.1 | -19.1 | -60.2 | -212.6 |
| One-off profits/losses | approx. +23.0 | approx. -67.0 | approx. -68.0 | approx. -135.0 | approx. -158.0 |
| excl. one-off profits/losses | approx. 129.0 | approx. 26.0 | approx. 49.0 | approx. 75.0 | approx. -54.0 |
| Mineral resources *1 | 17.0 | -10.0 | 5.0 | -5.0 | -22.0 |
| Non-mineral resources *2 | 112.0 | 36.0 | 44.0 | 80.0 | -32.0 |

< Quarterly Trend for excl. one-off profits/losses >



*1 Mineral resources is a sum of Mineral Resources Division No.1, Mineral Resources Division No.2 and Energy Division.

*2 Non-mineral resources is calculated by subtracting Mineral resources from the total (excl. one-off profits/losses)

< Summary(Results) >

■ One-off losses

- (Q1)
 - ✓ Impairment loss in nickel mining and refining business in Madagascar (approx.-55.0 billion)
- (Q2)
 - ✓ Impairment loss, etc. in IPP business in Australia (approx.-25.0 billion)
 - ✓ Impairment loss in automotive financing business in Indonesia (approx.-15.0 billion)
 - ✓ Impairment loss in tubular products business (approx.-12.0 billion)

(excl. one-off profits/losses)

■ Mineral resources

- ✓ Suspension of operation
- ✓ Decrease in earnings of coal mining projects in Australia

■ Non-mineral resources

- ✓ Decrease in earnings of tubular products business in North America
- ✓ Decrease in earnings of automotive related business
- ✓ Peak out of large-scale projects in power infrastructure business
- ✓ Stable performance of major group companies in Media & Digital segment
- ✓ Stable performance of IPP/IWPP business

| (Reference) Key indicators | FY2019 (Apr.-Sep.) Results | FY2020 (Apr.-Sep.) Results |
|-------------------------------|----------------------------------|----------------------------------|
| Exchange rate (YEN/US\$) | 108.60 | 106.93 |
| Interest rate LIBOR 6M (YEN) | -0.02% | -0.01% |
| LIBOR 6M (US\$) | 2.30% | 0.51% |

The Company recorded impairment loss in several projects in the second quarter, in addition to the impairment loss in nickel mining and refining business in Madagascar in the first quarter of the fiscal year under review. As shown in the upper line in column two, cumulative one-off losses of JPY135 billion were recorded, resulting in a loss of JPY60.2 billion.

As described in the upper right, I will explain the status of major projects for which one-off losses were recorded in the second quarter.

First, in IPP business in Australia, senior loans were bought and sold at a discount between third parties. Based on this fact, we recorded impairment loss and others for the full amount of investments and loans held by our Group, which is approximately JPY25 billion.

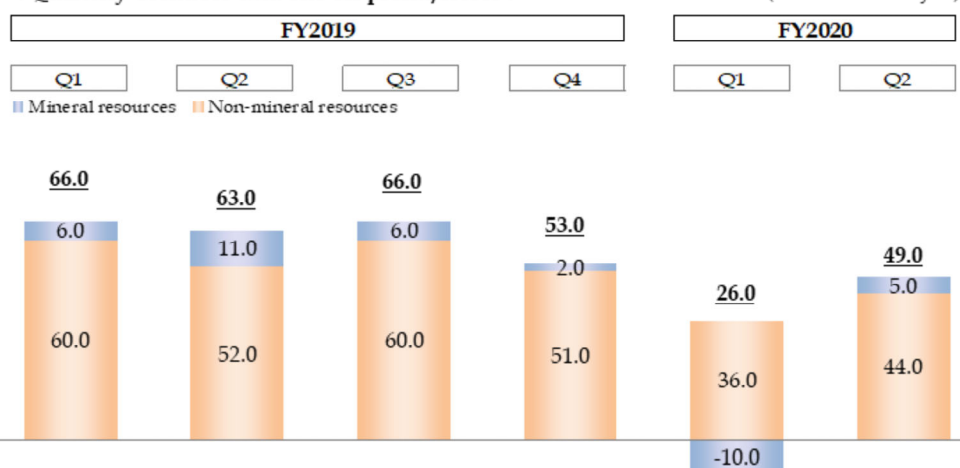
The automotive financing business in Indonesia in the Transportation & Construction Systems Segment, we posted approximately JPY15 billion in goodwill impairment loss as a result of a review of our business plans in light of the deterioration in economic conditions due to the prolonged spread of COVID-19 infections in Indonesia.

In tubular products business in Metal Products Segment, we revised our business plan again to reflect the fact that rig counts remained at a lower level than the forecast for impairment testing conducted at the end of the previous fiscal year, and tubular products market remained severe. As a result, impairment loss of amortizable intangibles amounted to approximately JPY12 billion. On the other hand, in the second quarter of the fiscal year under review, results excluding one-off losses were JPY75 billion, a decrease of JPY54 billion from the same period of the previous fiscal year, as shown in the middle row in a blue box in column two.

1. Operating Results (Profit/Loss for the period)

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■ Mineral resources

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- ✓ Decrease in earnings of tubular products business in North America
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(Continued)

Mineral resources businesses and Non-mineral resources businesses both posted YoY declines. As shown in the bottom panel, the quarterly trend shows an increase of JPY23 billion to JPY49 billion in the second quarter compared to JPY26 billion in the first quarter, due in part to a moderate recovery in the business environment.

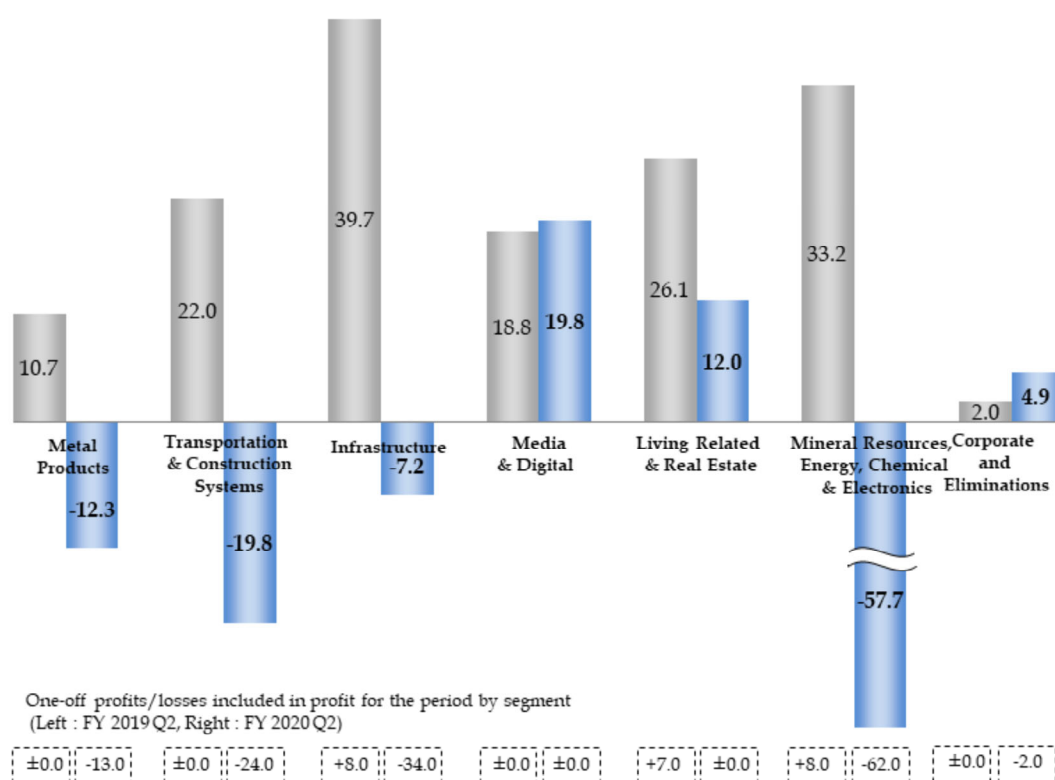
Looking at a breakdown of Mineral resources businesses and Non-mineral resources businesses, Mineral resources businesses recorded a loss of JPY10 billion in the first quarter and a surplus of JPY5 billion in the second quarter (Jul.-Sep). This was mainly due to the posting of equity in earnings in Iron ore mining project in South Africa of approximately JPY8 billion in the second quarter, as well as the resumption of operations by Silver, zinc and lead business in Bolivia in late May, and an increase in resource prices.

On the other hand, Non-mineral resources businesses was JPY44 billion in the second quarter (Jul.-Sep), compared to JPY36 billion for the first quarter. This was mainly due to the fact that operating income increase in the other Segments resulted from reopening of the automotive manufacturing business from May onward and others, while there was a slight decrease in Infrastructure Segment, due to factors such as the peak-out of the progress in construction of large-scale projects in power infrastructure business.

2. Profit / Loss for the period by Segment

■ FY2019 Q2 (Results) ■ FY2020 Q2 (Results)

(Unit: Billions of yen)



Summary by segment (excl. one-off profits/losses (Results))

- **Metal Products**
 - ✓ Decrease in earnings of the operation of overseas steel service centers
 - ✓ Decrease in earnings of tubular products business in North America
- **Transportation & Construction Systems**
 - ✓ Decrease in earnings of leasing business
 - ✓ Decrease in earnings of automotive related business
 - ✓ Decrease in earnings of construction equipment sales & marketing and rental business
- **Infrastructure**
 - ✓ Peak out of large-scale projects in power infrastructure business
 - ✓ Stable performance of IPP/IWPP business
- **Media & Digital**
 - ✓ Stable performance of major group companies
- **Living Related & Real Estate**
 - ✓ Real estate business : large scale properties delivered in FY2019 Q2
 - ✓ Fresh produce business : stagnant of market conditions in the U.S.
 - ✓ Strong performance of supermarket chains in Japan
- **Mineral Resources, Energy, Chemical & Electronics**
 - ✓ Suspension of operation (nickel mining and refining business in Madagascar, silver, zinc and lead business in Bolivia)
 - ✓ Decrease in earnings of coal mining projects in Australia

Results by business segment are shown here.

Compared to the same period of the previous fiscal year, Media & Digital Segment reported an increase in profit, while other Segments reported a decrease in profit. Of this total, Metal Products, Transportation and Construction Systems, Infrastructure, and Mineral Resources, Energy, Chemical & Electronics posted losses due to the effects of one-off losses. We provided an overview of the performance of each Segment on the right side of the materials for your reference.

3. Cash Flows/Financial Position

● Cash Flows (Unit: Billions of yen)

| | FY2019 Q2 | FY2020 Q2 |
|------------------------------------------------------------------------------------------|----------------|----------------|
| Operating activities | +66.2 | +222.3 |
| Investing activities | -110.3 | -74.1 |
| Free Cash Flow | -44.1 | +148.3 |
| <Cash in> | | |
| Basic profit cash flow*1 | +155.5 | +87.5 |
| (Dividend from investments accounted for using the equity method, included in the above) | (+71.7) | (+38.1) |
| Depreciation and amortization | +77.3 | +82.5 |
| Asset replacement | approx. +60.0 | approx. +30.0 |
| Others | approx. -130.0 | approx. +60.0 |
| <Cash out> | | |
| Investment & Loan | approx. -200.0 | approx. -110.0 |

〈 Summary 〉

- **Basic profit cash flow**
 - ✓ Core businesses generated cash
- **Asset replacement**
 - ✓ Sale in Marcellus shale project in the U.S., etc.
- **Others**
 - ✓ Decrease in working capital, etc.
- **Investment & Loan**
 - ✓ Participation in operation and maintenance of passenger railway business in Philippines
 - ✓ Capital investment in SCSK Corporation, etc.

*1 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

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

● Financial Position (Unit: Trillions of yen)

| As of Mar. 31, 2020 | | As of Sep. 30, 2020 | |
|-------------------------|-------------------------------------------|-------------------------|-------------------------------------------|
| Total assets 8.1 | | Total assets 7.8 | |
| Current assets 3.5 | Other liabilities 2.4 | Current assets 3.3 | Other liabilities 2.3 |
| Non-current assets 4.6 | Interest-bearing Liabilities *2 3.2 (2.5) | Non-current assets 4.5 | Interest-bearing Liabilities *2 3.0 (2.4) |
| | Shareholders' equity *3 2.5 | | Shareholders' equity *3 2.5 |
| D/E Ratio(Net) : 1.0 | | D/E Ratio(Net) : 1.0 | |

〈 Summary (Unit: Billions of yen) 〉

- **Total assets -372.5** (8,128.6→7,756.1)
 - ✓ Decrease in operating assets
 - ✓ Decrease in investments accounted for using the equity method due to impairment loss, etc.
- **Shareholders' equity -89.5** (2,544.1→2,454.6)
 - ✓ Loss for the period
 - ✓ Dividend paid, etc.

| | As of Mar. 31, 2020 | As of Sep. 30, 2020 |
|-----------------------------|------------------------|------------------------|
| Exchange rate (YEN/US\$) | 106.83 | 105.80 |

*2 "Interest-bearing liabilities" is sum of bonds and borrowings (current and non-current), excluding lease liabilities. Figures in parenthesis in "interest-bearing liabilities" show "interest-bearing liabilities, net".

*3 "Shareholders' equity" is equivalent to "Equity attributable to owners of the parent" in Consolidated Statements of Financial Position.

I would like to explain Cash Flows and Financial Position.

First, as shown on the left-hand side, Free Cash Flow for the second quarter was a cash inflow of JPY148.3 billion. This is mainly because Basic profit cash inflow was JPY87.5 billion.

Continuing on, Asset replacement recovered JPY30 billion from the sale in Marcellus shale project in the U.S. and others.

In addition, Cash inflow of JPY60 billion was recorded in the "Others" column due to a decrease in working capital through efforts to optimize inventories, et cetera.

Investments & Loans are conducted while carefully screening of investments and loans during Emergency Mode. In particular, due to the participation in operation and maintenance of passenger railway business in Philippines and capital investment in SCSK Corporation, et cetera, we generated a cash outflow of JPY110 billion and continue to invest to strengthen our earning capacity.

3. Cash Flows/Financial Position

● Cash Flows (Unit: Billions of yen)

| | FY2019 Q2 | FY2020 Q2 |
|------------------------------------------------------------------------------------------|----------------|----------------|
| Operating activities | +66.2 | +222.3 |
| Investing activities | -110.3 | -74.1 |
| Free Cash Flow | -44.1 | +148.3 |
| <Cash in> | | |
| Basic profit cash flow*1 | +155.5 | +87.5 |
| (Dividend from investments accounted for using the equity method, included in the above) | (+71.7) | (+58.1) |
| Depreciation and amortization | +77.3 | +82.5 |
| Asset replacement | approx. +60.0 | approx. +30.0 |
| Others | approx. -130.0 | approx. +60.0 |
| <Cash out> | | |
| Investment & Loan | approx. -200.0 | approx. -110.0 |

〈 Summary 〉

- Basic profit cash flow
 - ✓ Core businesses generated cash
- Asset replacement
 - ✓ Sale in Marcellus shale project in the U.S., etc.
- Others
 - ✓ Decrease in working capital, etc.
- Investment & Loan
 - ✓ Participation in operation and maintenance of passenger railway business in Philippines
 - ✓ Capital investment in SCSK Corporation, etc.

*1 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

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

● Financial Position (Unit: Trillions of yen)

| As of Mar. 31, 2020 | | As of Sep. 30, 2020 | |
|-------------------------|-------------------------------------------|-------------------------|-------------------------------------------|
| Total assets 8.1 | | Total assets 7.8 | |
| Current assets 3.5 | Other liabilities 2.4 | Current assets 3.3 | Other liabilities 2.3 |
| Non-current assets 4.6 | Interest-bearing Liabilities *2 3.2 (2.5) | Non-current assets 4.5 | Interest-bearing Liabilities *2 3.0 (2.4) |
| | Shareholders' equity *3 2.5 | | Shareholders' equity *3 2.5 |
| D/E Ratio(Net) : 1.0 | | D/E Ratio(Net) : 1.0 | |

〈 Summary (Unit: Billions of yen) 〉

- Total assets -372.5 (8,128.6→7,756.1)
 - ✓ Decrease in operating assets
 - ✓ Decrease in investments accounted for using the equity method due to impairment loss, etc.
- Shareholders' equity -89.5 (2,544.1→2,454.6)
 - ✓ Loss for the period
 - ✓ Dividend paid, etc.

| | As of Mar. 31, 2020 | As of Sep. 30, 2020 |
|-----------------------------|------------------------|------------------------|
| Exchange rate (YEN/US\$) | 106.83 | 105.80 |

*2 "Interest-bearing liabilities" is sum of bonds and borrowings (current and non-current), excluding lease liabilities. Figures in parenthesis in "interest-bearing liabilities" show "interest-bearing liabilities, net".

*3 "Shareholders' equity" is equivalent to "Equity attributable to owners of the parent" in Consolidated Statements of Financial Position.

(Continued)

Next, Financial Position is shown on the right side of the materials on the same page.

Total assets decreased by JPY372.5 billion from the end of the previous fiscal year to JPY7.8 trillion. This was mainly due to a decrease in operating assets as a result of efforts to optimize inventories and a decrease in investments accounted for using the equity method due to impairment loss, et cetera.

Shareholders' equity decreased by JPY89.5 billion to JPY2.5 trillion. This was mainly due to the recording of a loss for the year and the payment of dividends.

Annual Forecasts

Although our result of the second quarter is progressed strongly against the annual forecast announced in Aug. 2020, we have not changed the annual forecast of -150.0 billion yen because of the ongoing uncertainties caused by re-outbreak of COVID-19 in the Europe and the U.S., etc.

“Medium-Term Management Plan 2020” Cash flow plan

We have not changed our plan announced in Aug. 2020, continuing to reducing interest-bearing liabilities to enhance financial soundness.

Dividend for FY2020

Initial plan remains unchanged.
Interim ¥35/share
Year-end ¥35/share (Annual ¥70/share (plan))

I would like to explain Annual Forecasts of FY2020.

Regarding the outlook for profit for the year shown at the top, the results for the second quarter of the current fiscal year have been stronger than the Annual Forecasts announced in the first quarter. The outlook remains unclear due to concerns about the worsening of the global economy caused by the re-outbreak of COVID-19, mainly in Europe and the U.S. Accordingly, although the outlook remains strong, the forecast for loss of JPY150 billion has been left unchanged.

Next, regarding Cash flow plan shown in the middle row of the page, we have not changed our policy of reducing Interest-bearing liabilities by JPY200 billion over the three-year period, in order to continue to enhance financial soundness.

As shown at the bottom, the annual dividend forecasts for FY2020 remains unchanged from the initial forecasts of JPY70 per share. Accordingly, the interim dividend will be JPY35 per share, half of that amount.

5. Forecasts of FY2020 (One-off profits/losses)

(Unit: Billions of yen)

| Business units | Projects | FY2020 | | | |
|---------------------------------------------------|---------------------------------------------------|-------------------|-------------------|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | | Risks for the third quarter onward |
| | | Q1 (Apr.-Jun.) | Q2 (Jul.-Sep.) | Q2 (Apr.-Sep.) | |
| Metal Products | Specialty steel business in India | - | - | - | Impairment loss, depending on the economic recovery in India |
| | Tubular products business | - | -12.0 | -12.0 | Limited possibility of additional impairment loss, although depending on the future demand outlook |
| Transportation & Construction Systems | Automotive financing business in Indonesia | -6.0 | -15.0 | -21.0 | Additional credit cost |
| Infrastructure | IPP business in Australia (Bluewaters) | - | -25.0 | -25.0 | Posted loss for the total amount of investment and loan |
| Living Related & Real Estate | Fresh produce business in Europe and the Americas | - | - | - | Impairment loss for goodwill due to low performance (Goodwill as of Sep. 30, 2020 : approx. 35.0 billion yen) |
| Mineral Resources, Energy, Chemical & Electronics | Nickel mining and refining business in Madagascar | -55.0 | - | -55.0 | Impairment loss due to worse business environment by longer period of operational suspension (Exposure as of Sep. 30, 2020 : approx. 90.0 billion yen) |
| | Marcellus shale project in the U.S. | - | -7.0 | -7.0 | Sold |
| | Others | -6.0 | -9.0 | -15.0 | Other impairment losses and losses related to restructuring of unprofitable businesses |
| Total | | -67.0 | -68.0 | -135.0 | There is a possibility of approx. -250.0 billion yen of one-off losses in FY2020. |

Next, I would like to explain the status of one-off profits and losses.

Depending on the impact of COVID-19 and our medium-to long-term outlook, we continue to anticipate additional impairment loss on the projects listed in the tables. In addition, we anticipate losses associated with resolute structural reforms, including the restructuring of unprofitable businesses, in order to return to a growth trajectory at an early stage.

After incorporating these required costs, as shown in the lower right of the table, we currently expect an aggregated one-off losses to be around JPY250 billion, unchanged from the time of the announcement in the first quarter.

In the second quarter of the fiscal year under review, due to the sale in Marcellus shale project in the U.S. in the Mineral Resources, Energy, Chemical & Electronics Segment, in addition to the impairment losses in tubular products business in Metal Products Segment, the Automotive financing business in Indonesia in Transportation and Construction Systems Segment, and the IPP Business in Australia in Infrastructure Segment, which I explained earlier, we recorded one-off losses of approximately JPY7 billion. Both figures are within the range expected as of the first quarter.

5. Forecasts of FY2020 (One-off profits/losses)

(Unit: Billions of yen)

| Business units | Projects | FY2020 | | | |
|---------------------------------------------------|---------------------------------------------------|-------------|-------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Q1 | Q2 | Q2 | Risks for the third quarter onward |
| | | (Apr.-Jun.) | (Jul.-Sep.) | (Apr.-Sep.) | |
| Metal Products | Specialty steel business in India | - | - | - | Impairment loss, depending on the economic recovery in India |
| | Tubular products business | - | -12.0 | -12.0 | Limited possibility of additional impairment loss, although depending on the future demand outlook |
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| Living Related & Real Estate | Fresh produce business in Europe and the Americas | - | - | - | Impairment loss for goodwill due to low performance (Goodwill as of Sep. 30, 2020 : approx. 35.0 billion yen) |
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(Continued)

The following is an overview of major concerns that are anticipated from the third quarter onward.

First is the specialty steel business in India for Metal Products Segment. That is in the upper line. This is a specialty steel business for automobiles that we are conducting jointly with Mukand Ltd. in India. The operations had been suspended due to the lockdown announced at the beginning of the year, but currently, the business has resumed operations. However, operations have not yet reached full-scale operation, and while demand is expected to recover in the future, we believe it is necessary to closely monitor trends in the recovery of the Indian economy.

The second is the automotive financing business in Indonesia in Transportation and Construction Systems Segment. This is a project in Indonesia that is engaged in the finance business for automobiles and motorcycles. However, the business environment continues to be challenging due to the notification of rescheduling of repayment in accordance with local government remedy for COVID-19. Depending on future conditions in the Indonesian economy, credit costs may increase further. Conversely, if conditions improve, there are variable factors such as a decrease in credit costs, and we believe it is necessary to closely monitor these factors.

5. Forecasts of FY2020 (One-off profits/losses)

(Unit: Billions of yen)

| Business units | Projects | FY2020 | | | |
|---------------------------------------------------|---------------------------------------------------|-------------|-------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | Q1 | Q2 | Q2 | Risks for the third quarter onward |
| | | (Apr.-Jun.) | (Jul.-Sep.) | (Apr.-Sep.) | |
| Metal Products | Specialty steel business in India | - | - | - | Impairment loss, depending on the economic recovery in India |
| | Tubular products business | - | -12.0 | -12.0 | Limited possibility of additional impairment loss, although depending on the future demand outlook |
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| Living Related & Real Estate | Fresh produce business in Europe and the Americas | - | - | - | Impairment loss for goodwill due to low performance (Goodwill as of Sep. 30, 2020 : approx. 35.0 billion yen) |
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| | Others | -6.0 | -9.0 | -15.0 | Other impairment losses and losses related to restructuring of unprofitable businesses |
| Total | | -67.0 | -68.0 | -135.0 | There is a possibility of approx. -250.0 billion yen of one-off losses in FY2020. |

(Continued)

Next is the fresh produce business, Fyffes, in Europe and the Americas in the Living Related and Real Estate Segment. Recently, performance has been sluggish due to the deterioration in the U.S. market. Assumptions have changed from the expected project plan owing to a decrease in demand due to the impact of COVID-19 and an increase in costs such as expenses for countermeasures against infections. Depending on the status of revisions to the business plan in the future, there is a possibility that an impairment loss for goodwill, et cetera, may be posted.

Finally, this is the nickel mining and refining business in Madagascar in the Mineral Resources, Energy, Chemical & Electronics Segment. An impairment loss of JPY55 billion was recorded in the first quarter. At this time, we assume that we will resume operations in the fourth quarter of FY2020. However, we anticipate additional impairment loss, depending on a review of our mining plans and adverse market conditions.

As for these projects, we are working to reform them so that they will be able to generate solid revenues after the convergence of COVID-19.

6. Forecasts of FY2020 (by Segment, excl. one-off profits/losses)

| (Unit: Billions of yen) | FY2020 Original Forecasts as of Aug. 2020 (A) | Increase/ Decrease (B)-(A) | FY2020 | | <Forecasts for the third quarter onward> |
|---------------------------------------------------|-----------------------------------------------------------|----------------------------------|------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | Revised Forecasts as of Nov. 2020 (B) | Q2 (Apr.-Sep.) | |
| Metal Products | -6.0 | +3.0 | -3.0 | 0.0 | •Steel products business : improve in automotive related business / stagnant market condition continues for other businesses •Tubular products business : severe business environment continues due to low demand mainly in North America |
| Transportation & Construction Systems | 4.0 | +2.0 | 6.0 | 4.0 | •Automotive financing business in Indonesia : decrease in new contracts, COVID-19 influences remain during FY2020 •Automotive manufacturing business : recovery trend continues although it differs in regions. |
| Infrastructure | 35.0 | +1.0 | 36.0 | 26.0 | •IPP/IWPP business : stable •EPC projects : peak out in large-scale projects |
| Media & Digital | 35.0 | +1.0 | 36.0 | 20.0 | •Major group companies : stable |
| Living Related & Real Estate | 35.0 | -2.0 | 33.0 | 12.0 | •Real estate business : delivering of properties in or after FY2020 Q3 •Fresh produce business in Europe and the Americas : recovering of market conditions in the U.S. |
| Mineral Resources, Energy, Chemical & Electronics | -3.0 | +16.0 | 13.0 | 4.0 | •Nickel mining and refining business in Madagascar : resume operation in FY2020 Q4 •Mineral Resources : recovery in commodity prices •Iron ore mining project in South Africa : stable |
| (Mineral Resources) | (-20.0) | (+15.0) | (-5.0) | (-5.0) | •Chemicals & Electronics : stable |
| Corporate and Eliminations | - | -20.0 | -20.0 | 7.0 | |
| Total | 100.0 | ±0.0 | 100.0 | 75.0 | |

| (Reference) Key indicators | | FY2020 (Apr.-Mar.) Forecasts | Q2 (Apr.-Sep.) |
|-------------------------------|----------------|------------------------------------|-------------------|
| Exchange rate (YEN / US\$) | | 110.00 | 106.93 |
| Interest rate | LIBOR 6M(YEN) | 0.05% | -0.01% |
| | LIBOR 6M(US\$) | 0.40% | 0.51% |

* Sensitivity of exchange rate is slight.

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Next, I would like to explain the results excluding one-off profits / losses by Segment.

In light of the progress made through the second quarter, we have reviewed each Segment, which has resulted in a slight downward revision in Living Related & Real Estate Segment, where Fyffes' performance has been sluggish, but upward revisions have been made in other Segments. Among these, we have made the upward revision of JPY16 billion in the Mineral Resources, Energy, Chemical & Electronics Segment, mainly because the prices of resources such as iron ore have risen compared with the time of the announcement in the first quarter.

On the other hand, as the outlook remains unclear, we have factored in certain risks in Corporate and Eliminations, and as a whole have left the Annual Forecasts at JPY100 billion unchanged.

Next, I will explain the main points in the revisions to the Forecasts by Segment.

First, regarding Metal Products, we have revised our Annual Forecasts upward by JPY3 billion, mainly due to the fact that some trades on tubular products business did not worsen as originally anticipated, despite the expectation that conditions will continue to be severe due to low demand, mainly in North America in the second half of the fiscal year. While the steel products business is expected to remain mostly weak, we anticipate a certain level of recovery in automotive related business from the third quarter onward.

6. Forecasts of FY2020 (by Segment, excl. one-off profits/losses)

| (Unit: Billions of yen) | FY2020 Original Forecasts as of Aug. 2020 (A) | Increase/ Decrease (B)-(A) | FY2020 | | <Forecasts for the third quarter onward> |
|---------------------------------------------------|-----------------------------------------------------------|----------------------------------|------------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | Revised Forecasts as of Nov. 2020 (B) | Q2 (Apr.-Sep.) | |
| Metal Products | -6.0 | +3.0 | -3.0 | 0.0 | <ul style="list-style-type: none"> Steel products business : improve in automotive related business / stagnant market condition continues for other businesses Tubular products business : severe business environment continues due to low demand mainly in North America |
| Transportation & Construction Systems | 4.0 | +2.0 | 6.0 | 4.0 | <ul style="list-style-type: none"> Automotive financing business in Indonesia : decrease in new contracts, COVID-19 influences remain during FY2020 Automotive manufacturing business : recovery trend continues although it differs in regions. |
| Infrastructure | 35.0 | +1.0 | 36.0 | 26.0 | <ul style="list-style-type: none"> IPP/IWPP business : stable EPC projects : peak out in large-scale projects |
| Media & Digital | 35.0 | +1.0 | 36.0 | 20.0 | <ul style="list-style-type: none"> Major group companies : stable |
| Living Related & Real Estate | 35.0 | -2.0 | 33.0 | 12.0 | <ul style="list-style-type: none"> Real estate business : delivering of properties in or after FY2020 Q3 Fresh produce business in Europe and the Americas : recovering of market conditions in the U.S. |
| Mineral Resources, Energy, Chemical & Electronics | -3.0 | +16.0 | 13.0 | 4.0 | <ul style="list-style-type: none"> Nickel mining and refining business in Madagascar : resume operation in FY2020 Q4 Mineral Resources : recovery in commodity prices Iron ore mining project in South Africa : stable |
| (Mineral Resources) | (-20.0) | (+15.0) | (-5.0) | (-5.0) | <ul style="list-style-type: none"> Chemicals & Electronics : stable |
| Corporate and Eliminations | - | -20.0 | -20.0 | 7.0 | |
| Total | 100.0 | ±0.0 | 100.0 | 75.0 | |

| (Reference) | | FY2020 (Apr.-Mar.) | Q2 (Apr.-Sep.) |
|----------------------------|----------------|-----------------------|-------------------|
| Key indicators | | Forecasts | |
| Exchange rate (YEN / US\$) | | 110.00 | 106.93 |
| Interest rate | LIBOR 6M(YEN) | 0.05% | -0.01% |
| | LIBOR 6M(US\$) | 0.40% | 0.51% |

* Sensitivity of exchange rate is slight.

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(Continued)

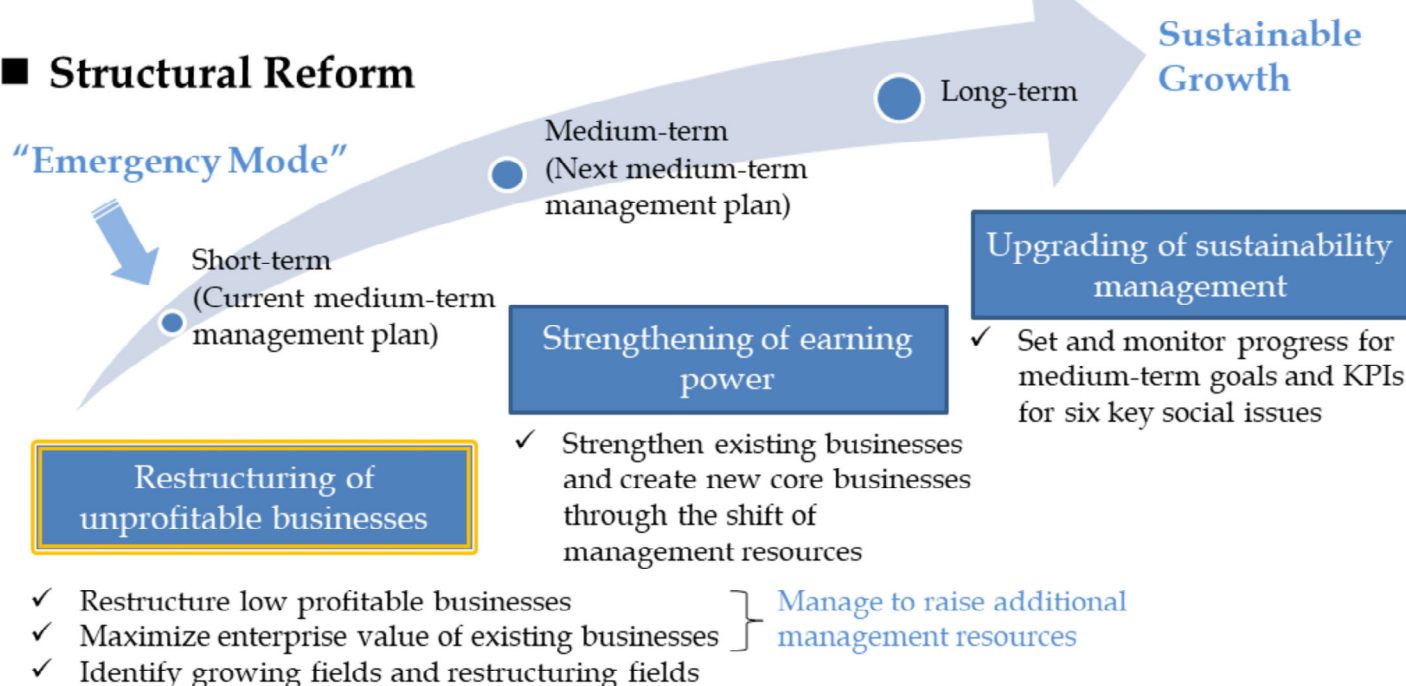
Transportation & Construction Systems Segment is revised upward by JPY2 billion, mainly due to recovery trends in the automobile manufacturing business. On the other hand, automotive financing business in Indonesia is experiencing a decline in new contracts, and we assume that the impact of COVID-19 will continue within the fiscal year.

In the Living Related & Real Estate Segment, we revised the forecast downward by JPY2 billion, taking into account factors such as a decline in the extent to which earnings improved in the second half of the fiscal year in FY2019. On the other hand, in addition to robust performance trend in the domestic supermarket business, we also anticipate increased deliveries of Real Estate Business from the third quarter onward, and expect it to bottom out for the full fiscal year and continue to trend.

■ “Emergency Mode”

- ✓ Strengthening cash flow management to maintain the financial soundness
- ✓ Cost reduction / Careful screening of investments
- ✓ Utmost efforts to increase earning power at the front line

■ Structural Reform



Finally, I would like to explain the status of our initiatives in FY2020.

In addition to entering Emergency Mode in the fiscal year under review, we are working to restructure unprofitable businesses. In response to crises, we strive to maintain and improve our financial soundness by striving to reduce costs, carefully select investments, and other cash flow management. In addition, we will steadily integrate the moderate recovery in the operating environment while making steady efforts at each site and strengthening basic profit capabilities of existing businesses.

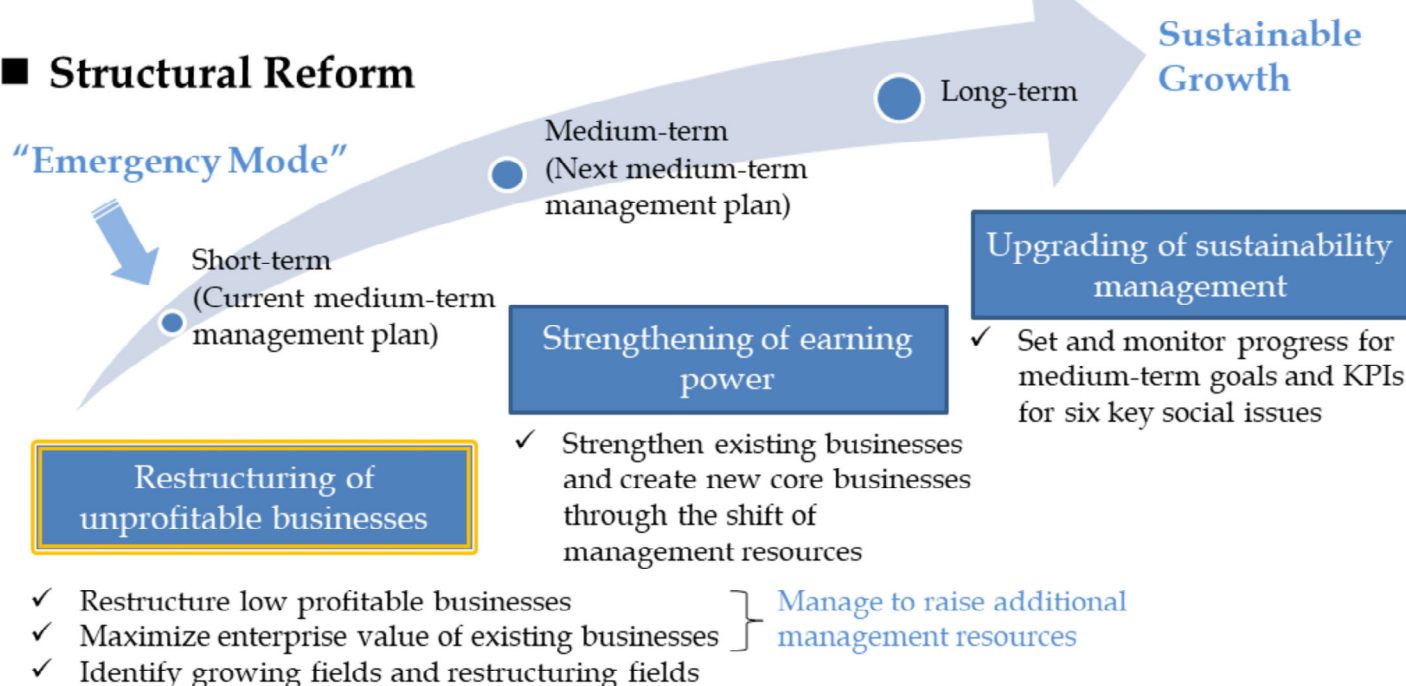
See the bottom left of the page. Within the Structural Reform, we have recently restructured low profitable businesses, and in the second quarter we exited the Marcellus shale project in the U.S. We are also striving to maximize enterprise value of existing businesses. Through these efforts, we will manage to raise additional management resources and reallocate them to fields with growth potential.

As a mid-term structural reform plan, we will accelerate efforts to thoroughly strengthen our earning power. In the future, we will visualize and clarify each strategy, including the businesses we will focus on, businesses that will realize value, and seeding businesses for the future.

■ “Emergency Mode”

- ✓ Strengthening cash flow management to maintain the financial soundness
- ✓ Cost reduction / Careful screening of investments
- ✓ Utmost efforts to increase earning power at the front line

■ Structural Reform



(Continued)

Specifically, in preparation for the formulation of the next medium-term management plan, we are reorganizing the businesses we are involved in into strategic units which we call SBU or Strategic Business Unit within the Company. Now, we are clarifying each SBU’s positioning. In other words, we are in the process of once again implementing of selection and concentration of businesses.

Going forward, we will restructure our portfolio by strengthening our SBUs and creating new core businesses by firmly implementing strategies in line with each positioning, including reallocating management resources. The specific policies to be incorporated into the next medium-term management plan will be announced at the appropriate time.

Finally, from the top right and long-term perspectives, we will focus on upgrading sustainability management. In June of this year, we identified and announced six key social issues. Then, we will establish a medium-term goals and KPIs, and progress will be monitored and publicized.

We will contribute to not only our sustainable growth but also the realization of a sustainable society by enhancing our corporate value by implementing short-and medium-term initiatives to strengthen our earning power, as well as by actively promoting sustainability management over the long-term that contributes to solving key social issues, as I have explained above.

[END]