

Consolidated quarterly results FY2020 (Nine-month period ended December 31, 2020)

[Prepared on the basis of International Financial Reporting Standards]

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Scheduled Quarterly Securities Report Submission Date: February 8, 2021
 Scheduled Starting Date of Dividend Payment: -
 Supplementary Documents on Financial Results: Yes
 Financial Results Meeting: Yes (for Financial Analysts)

1. Consolidated results for the nine-month period ended December 31, 2020

(Remarks)

Amounts are rounded to the nearest million.

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

(1) Consolidated operating results

	Revenues	(increase/ (decrease))	Profit before tax	(increase/ (decrease))	Profit for the period	(increase/ (decrease))	Profit for the period attributable to owners of the parent	(increase/ (decrease))	Comprehensive income for the period	(increase/ (decrease))
Nine-month period ended	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
December 31, 2020	3,292,551	(16.3)	(81,284)	—	(100,270)	—	(113,718)	—	(59,035)	—
December 31, 2019	3,934,732	2.7	276,251	(12.7)	225,046	(11.2)	211,349	(12.6)	189,441	(15.1)

	Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)
Nine-month period ended	(yen)	(yen)
December 31, 2020	(90.95)	(90.95)
December 31, 2019	169.20	169.03

(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, 2020	7,778,580	2,538,980	2,384,182	30.7
As of March 31, 2020	8,128,596	2,692,587	2,544,133	31.3

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, 2020	—	45.00	—	35.00	80.00
Year ending March 31, 2021	—	35.00	—	—	—
Year ending March 31, 2021 (Forecasts)	—	—	—	35.00	70.00

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

2. Second quarter-end dividend for the year ended March 31, 2020 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, 2021

(Remarks)

% : change from the previous year.

	Profit for the year attributable to owners of the parent	(increase/ (decrease))	Earnings per share attributable to owners of the parent
	(millions of yen)	(%)	(yen)
Year ending March 31, 2021	(120,000)	—	(96.01)

[Note] 1. Revision of the latest forecasts: Yes

2. For further details please refer to page 5 "3. Forecasts for fiscal year ending March 31, 2021."

Notes

(1) Change in significant subsidiaries (changes in "Specified Subsidiaries" accompanying changes in scope of consolidation) during this period: Yes

Excluded companies: 1 (EMERALD GRAIN PTY LTD)

[Note] EMERALD GRAIN PTY LTD has been excluded from the scope of consolidation of Sumitomo Corporation due to the sale of its shares to a third party during this period.

(2) Changes in accounting policies and accounting estimate

(i) Changes in accounting policies required by IFRS None

(ii) Other changes None

(iii) Changes in accounting estimate Yes

[Note] For further details please refer to page 15 "Changes in accounting estimate."

(3) Outstanding stocks (Common stocks)

				(shares)
(i) Outstanding stocks including treasury stock	(December 31, 2020)	1,251,253,867	(March 31, 2020)	1,250,985,467
(ii) Treasury stocks	(December 31, 2020)	1,622,551	(March 31, 2020)	1,702,929
(iii) Average stocks during nine months (Apr.-Dec.)	(December 31, 2020)	1,249,852,013	(December 31, 2019)	1,248,864,377

* 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, 2020, amounted to 3,292.6 billion yen, representing a decrease of 642.2 billion yen from the same period of previous fiscal year.

Gross profit totaled 543.0 billion yen decreased of 115.0 billion yen owing to the peak-out of the progress and recording the additional cost accompanied by delay in construction of large-scale EPC projects in addition to decrease in the earnings in San Cristobal silver-zinc-lead mining project in Bolivia due mainly to lower shipment volume. Selling, general and administrative expenses decreased by 5.7 billion yen to 486.5 billion yen.

Gain (loss) on fixed assets was loss of 61.1 billion yen due to recording impairment loss for the Fresh produce business in Europe and the Americas and tubular products business, representing a decrease of 60.8 billion yen from the same period of previous fiscal year.

Gain (loss) on securities and other investments decreased by 15.0 billion yen to 0.5 billion yen due to the absence of one-off profit from asset replacement posted on the same period of previous fiscal year.

Share of profit (loss) of investments accounted for using the equity method decreased by 162.3 billion yen to a loss of 71.4 billion yen, due to impairment loss posted in the Nickel mining and refining business in Madagascar and the automotive financing business in Indonesia.

As a result, profit for the period attributable to owners of the parent totaled a loss of 113.7 billion yen, representing a decrease of 325.1 billion yen from the same period of previous fiscal year. Basic profit(*1) totaled to a loss of 23.6 billion yen, representing a decrease of 229.2 billion yen from the same period of previous fiscal year.

<Profit / loss for the period attributable to owners of the parent by segment>

Metal Products Business Unit posted loss of 9.8 billion yen, a decrease of 24.6 billion yen from the same period of previous fiscal year. In addition to the impairment loss posted for tubular products business, the decrease is due to decrease in earnings of tubular products business in the North America and low performance of overseas steel service centers.

Transportation & Construction Systems Business Unit posted a loss of 15.1 billion yen, a decrease of 50.3 billion yen from the same period of previous fiscal year. In addition to decrease in earnings for

leasing business and automotive related business, the decrease is due to posting impairment loss and one-off loss owing to the increase of allowances caused by rescheduling of repayment in accordance with local government remedy for COVID-19 in the automotive financing business in Indonesia.

Infrastructure Business Unit posted loss of 26.1 billion yen, a decrease of 70.9 billion yen from the same period of previous fiscal year. This is mainly due to one-off losses including impairment loss posting for IPP business in Australia and IWPP business in UAE in addition to the peak-out of the progress and recording the additional cost accompanied by delay in construction of large-scale EPC projects.

Media & Digital Business Unit posted profit of 29.6 billion yen, an increase of 1.2 billion yen from the same period of previous fiscal year due to stable performance of major group companies.

Living Related & Real Estate Business Unit posted loss of 14.9 billion yen, a decrease of 50.7 billion yen from the same period of previous fiscal year. This is due mainly to recording impairment loss for the Fresh produce business in Europe and the Americas, while the strong performance of supermarket chains in Japan in addition to the solid performance in real estate business.

Mineral Resources, Energy, Chemical & Electronics Business Unit posted a loss of 82.5 billion yen, a decrease of 129.4 billion yen from the same period of previous fiscal year. In addition to decrease in earnings from coal business in Australia which were impacted mainly by lower mineral resources prices and impacts from the suspension of the Nickel mining and refining business in Madagascar and San Cristobal silver-zinc-lead mining projects, the decrease is due to the impairment loss of 84.8 billion yen posted in the Nickel mining and refining business in Madagascar.

(*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

2. Financial position

<Total assets, liabilities, and equity as of December 31, 2020>

Total assets stood at 7,778.6 billion yen, representing a decrease of 350.0 billion yen from the previous fiscal year-end due mainly to a decrease of working capital and decrease by the impairment loss posted in multiple businesses.

Equity attributable to owners of the parent totaled 2,384.2 billion yen, decreased by 160.0 billion yen from the previous fiscal year-end, due to the quarterly loss attributable to owners of the parent posted in the current period and dividend payment.

Interest-bearing liabilities (net) (*2) decreased by 150.6 billion yen from the previous fiscal year-end, to 2,318.2 billion yen.

In consequence, the net debt-equity ratio (Interest-bearing liabilities (net)/ Equity attributable to owners of the parent) was 1.0.

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

<Cash flows>

Net cash provided by operating activities totaled 332.3 billion yen as basic profit cash flow(*3) totaled to an inflow of 117.3 billion yen because our core businesses generated cash and working capital decreased.

Net cash used in investing activities totaled 64.6 billion yen. In this period, we executed investments approx. 160.0 billion yen primarily for the acquisition of construction equipment sales and rental company in Southeast Asia and capital investment in SCSK Corporation. On the other hand, we recovered funds of approx. 80.0 billion yen due to asset replacement, including the sale of automobile assembly business in Mexico and tight oil and shale gas projects in the U.S.

As a result, free cash flows, representing sum of net cash provided by operating activities and net cash used in investing activities, totaled to an inflow of 267.6 billion yen.

Net cash used in financing activities totaled 343.9 billion yen due primarily to repayment of the borrowings and dividend payment.

In consequence of the foregoing, cash and cash equivalents stood at 629.2 billion yen as of December 31, 2020, representing a decrease of 81.2 billion yen from the previous fiscal year-end.

(*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, 2021(*4)

As the COVID-19 pandemic gradually subsides, the global economy is expected to continue on a moderate recovery trend supported by fiscal and monetary policy measures. In developed countries, the situation is still serious due to resurgence of COVID-19, but the economy appears likely to continue on a moderate recovery trend due to the commencement of vaccination. In emerging countries, while economic activities in China are expected to recover strongly, the economic recovery is expected to be slow for the time being in countries where the spread of COVID-19 is continuing.

Risks include delays in the vaccination process, the resurgence of COVID-19, prolonged limitation of economic activities due to the resurgence of COVID-19, the increase in uncertainty associated with changes in political and social circumstances, and the increase in debt and geopolitical risks.

Under these circumstances, we have revised the annual forecast of FY2020 as follows taking consideration that financial results excluding one-off losses are steadily recovering since the second quarter of this fiscal year while we forecast larger one-off losses than those anticipated when the financial results for the second quarter of this fiscal year were announced.

	Profit / loss (-) for the period attributable to owners of the parent	Profit / loss (-) per share (basic)
Revised annual forecast of FY2020 as of Nov. 2020 (A)	(billions of yen) -150.0	(yen) -120.01
Revised annual forecast of FY2020 as of Feb. 2021 (B)	-120.0	-96.01
Increase/Decrease (B-A)	30.0	24.00
Rate of change (%)	—	—

Reference (billions of yen)	Revised annual forecast of FY2020 as of Nov. 2020 (A)	Revised annual forecast of FY2020 as of Feb. 2021 (B)	Increase/Decrease (B-A)
One-off profits / losses	-250.0	-300.0	-50.0
excl. One-off profits / losses	100.0	180.0	80.0

Regarding one-off losses, impairment losses of 244.0 billion yen related to the Nickel mining and refining business in Madagascar and the Fresh produce business in Europe and the Americas, etc. were recognized in the first nine months of FY2020. However, since additional impairment losses and one-off losses such as structural reform expenses are expected to occur in the fourth quarter of this fiscal year, the annual forecast was revised downward by 50.0 billion yen to a loss of 300.0 billion yen from a loss of 250.0 billion yen that was announced in the second quarter of this fiscal year.

As financial results excluding one-off losses are on a steady recovery trend and a profit of 130.0 billion yen was reported for the first nine months of FY2020 owing to the improvement of the business environment and other factors, the annual forecast was revised upward by 80.0 billion yen to a profit of 180.0 billion yen from a profit of 100.0 billion yen that was announced in the second quarter of this fiscal year. The financial results forecast by segment, excluding the one-off profit/loss, at the end of the current period is as follows:

- In Metal Products Business Unit, while automotive-related business in steel products business is expected to recover, the severe business environment is forecast to continue in the tubular products business due to lower demand mainly in the U.S.
- In Transportation & Construction Systems Business Unit, while automotive-related business is expected to continue on a recovery trend, structural reform expenses are expected to occur in the fourth quarter of this fiscal year. In addition, the number of new contracts decreased for the automotive financing business in Indonesia and the impact of the COVID-19 pandemic is expected to continue throughout the rest of this fiscal year.
- In Infrastructure Business Unit, the peak-out of large-scale EPC projects construction progress is anticipated.
- In Media & Digital Business Unit, major group companies are forecast to keep stable performance.
- In Living Related & Real Estate Business Unit, while it is forecast to have deliveries of properties in the real estate business in the fourth quarter of this fiscal year, the Fresh produce business in Europe and the Americas is expected to be on a slow trend.
- In Mineral Resources, Energy, Chemical & Electronics Business Unit, it is forecast that equity in earnings will be posted in the iron ore mining project in South Africa in the fourth quarter of this fiscal year. It is also forecast that the Nickel mining and refining business in Madagascar will resume its operation in March 2021 and the chemicals & electronics business will continue to remain steady.

We are promoting structural reform under “emergency mode” with a focus on our next medium-term management plan. The details of measures being taken on a short-term, medium-term and long-term time base are follows:

In the short term, asset replacement is being accelerated and asset replacement for about 40 companies is scheduled to be realized by the end of this fiscal year. Furthermore, we are promoting initiatives to improve the profitability of group companies and expecting profit improvement effects of more than 30 billion yen over the next two to three years compared to the result of FY2019 by implementing the asset replacement and the turnaround of unprofitable businesses, then aiming to profit improvement of more than 50 billion yen including above mentioned effects and the turnaround of large businesses. In addition, we will continue careful screening investments and are working on thorough cost reduction.

As a medium-term initiative, we will divide the Company’s entire business into strategic business units (SBUs) by strategic unit, clearly define SBUs that are expected to grow in the future, and invest management resources intensively in those businesses in order to strengthen the Group’s business portfolio. Moreover, we are continually examining the creation of new core businesses and in the next medium-term management plan we plan to specify “next-generation energy sectors,” etc. as sectors to be targeted on a long-term basis. We are enhancing systems to promote initiatives in that sector such as

founding the Hydrogen Business Department.

Lastly, as a long-term initiative, we will strive to transform the portfolio by executing growth strategies with a focus on the sustainability of society. Also, we will set medium-term targets and key performance indicators (KPIs) for key social issues to promote initiatives for addressing those issues. In addition, we will strive to enhance our corporate value by management based on long-term trends in social issues.

(*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.

4. Dividend 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.

Although we are forecasting to post the consolidated losses of 120.0 billion yen as to the annual forecast of FY2020, we have not changed our projection on the annual ordinary dividend amount of 70 yen per share which was disclosed on the announcement for full-year result of FY2019 (May 8th, 2020). Among this, the interim dividend amount of 35 yen per share was already paid and the year-end dividend is projected to be 35 yen per share. The decision is based on our fundamental policy of paying shareholders a stable dividend over the long term, and the fact that the major portion of one-off losses are not associating with cash and it is expected to maintain the balance of core risk buffer and risk-weighted assets in case of posting the consolidated losses of 120.0 billion yen.

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries
As of December 31, 2020 and March 31, 2020

	Millions of Yen		Millions of U.S. Dollars
	December 31, 2020	March 31, 2020	December 31, 2020
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 629,162	¥ 710,371	\$ 6,108
Time deposits	9,256	10,262	90
Marketable securities	1,578	2,014	15
Trade and other receivables	1,184,054	1,231,088	11,496
Other financial assets	93,091	112,723	904
Inventories	852,700	929,981	8,279
Advance payments to suppliers	171,056	131,520	1,661
Other current assets	444,668	408,432	4,317
Total current assets	3,385,565	3,536,391	32,870
Non-current assets:			
Investments accounted for using the equity method	1,969,188	2,025,255	19,118
Other investments	396,183	358,961	3,846
Trade and other receivables	229,834	331,871	2,231
Other financial assets	77,750	94,981	755
Property, plant and equipment	1,029,782	1,054,042	9,998
Intangible assets	253,801	288,913	2,464
Investment property	350,571	355,844	3,404
Biological assets	23,660	21,075	230
Prepaid expenses	32,083	23,186	311
Deferred tax assets	30,163	38,077	293
Total non-current assets	4,393,015	4,592,205	42,650
Total assets	¥ 7,778,580	¥ 8,128,596	\$ 75,520

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥103=US\$1.

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries
As of December 31, 2020 and March 31, 2020

	Millions of Yen		Millions of U.S. Dollars
	December 31, 2020	March 31, 2020	December 31, 2020
LIABILITIES AND EQUITY			
Current liabilities:			
Bonds and borrowings	¥ 588,432	¥ 754,696	\$ 5,713
Trade and other payables	1,143,885	1,079,099	11,106
Lease liabilities	64,267	65,871	624
Other financial liabilities	86,653	87,578	841
Income tax payables	19,600	25,785	190
Accrued expenses	62,175	95,318	604
Contract liabilities	126,079	98,951	1,224
Provisions	4,846	4,837	47
Other current liabilities	90,408	84,411	878
Total current liabilities	2,186,345	2,296,546	21,227
Non-current liabilities:			
Bonds and borrowings	2,368,208	2,434,696	22,992
Trade and other payables	53,685	57,189	521
Lease liabilities	430,231	426,080	4,177
Other financial liabilities	36,506	46,051	355
Accrued pension and retirement benefits	32,553	44,946	316
Provisions	45,942	46,248	446
Deferred tax liabilities	86,130	84,253	836
Total non-current liabilities	3,053,255	3,139,463	29,643
Total liabilities	5,239,600	5,436,009	50,870
Equity:			
Common stock	219,781	219,613	2,134
Additional paid-in capital	258,006	256,966	2,505
Treasury stock	(2,167)	(2,276)	(22)
Other components of equity	14,726	(4,054)	143
Retained earnings	1,893,836	2,073,884	18,387
Equity attributable to owners of the parent	2,384,182	2,544,133	23,147
Non-controlling interests	154,798	148,454	1,503
Total equity	2,538,980	2,692,587	24,650
Total liabilities and equity	¥ 7,778,580	¥ 8,128,596	\$ 75,520

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥103=US\$1.

Condensed Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries

For the nine-month periods ended December 31, 2020 and 2019

	Millions of Yen		Millions of
	2020	2019	U.S. Dollars
Revenues			
Sales of tangible products	¥ 2,952,649	¥ 3,593,104	\$ 28,667
Sales of services and others	339,902	341,628	3,300
Total revenues	3,292,551	3,934,732	31,967
Cost			
Cost of tangible products sold	(2,559,276)	(3,103,889)	(24,848)
Cost of services and others	(190,318)	(172,930)	(1,848)
Total cost	(2,749,594)	(3,276,819)	(26,696)
Gross profit	542,957	657,913	5,271
Other income (expenses)			
Selling, general and administrative expenses	(486,527)	(492,270)	(4,723)
Impairment losses on long-lived assets	(55,495)	(3,870)	(539)
Gain (loss) on sale of long-lived assets, net	(5,643)	3,513	(55)
Other, net	(8,680)	7,056	(84)
Total other income (expenses)	(556,345)	(485,571)	(5,401)
Finance income (costs)			
Interest income	18,755	22,312	182
Interest expense	(22,984)	(34,302)	(223)
Dividends	7,217	9,495	70
Gain (loss) on securities and other investments, net	469	15,484	5
Finance income (costs), net	3,457	12,989	34
Share of profit (loss) of investments accounted for using the equity method	(71,353)	90,920	(693)
Profit (loss) before tax	(81,284)	276,251	(789)
Income tax expense	(18,986)	(51,205)	(184)
Profit (loss) for the period	(100,270)	225,046	(973)
Profit (loss) for the period attributable to:			
Owners of the parent	¥ (113,718)	¥ 211,349	\$ (1,104)
Non-controlling interests	13,448	13,697	131
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	37,206	364	361
Remeasurements of defined benefit pension plans	15,332	8,083	149
Share of other comprehensive income of investments accounted for using the equity method	3,579	1,410	34
Total items that will not be reclassified to profit or loss	56,117	9,857	544
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	(16,937)	(25,547)	(164)
Cash-flow hedges	3,526	2,562	34
Share of other comprehensive income of investments accounted for using the equity method	(1,471)	(22,477)	(14)
Total items that may be reclassified subsequently to profit or loss	(14,882)	(45,462)	(144)
Other comprehensive income, net of tax	41,235	(35,605)	400
Comprehensive income for the period	(59,035)	189,441	(573)
Comprehensive income for the period attributable to:			
Owners of the parent	¥ (73,807)	¥ 176,061	\$ (717)
Non-controlling interests	14,772	13,380	144

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥103=US\$1.

Condensed Consolidated Statements of Changes in Equity

Sumitomo Corporation and Subsidiaries

For the nine-month periods ended December 31, 2020 and 2019

For the nine-month periods ended December 31, 2020

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		
Balance, beginning of year	219,613	256,966	(2,276)	(4,054)	2,073,884	2,544,133	148,454	2,692,587
Profit (loss) for the period					(113,718)	(113,718)	13,448	(100,270)
Other comprehensive income for the period				39,911		39,911	1,324	41,235
Comprehensive income for the period						(73,807)	14,772	(59,035)
Transaction with owners:								
Share-based payment transactions	168	168				336		336
Acquisition (disposal) of non-controlling interests, net		717				717	1,307	2,024
Acquisition (disposal) of treasury stock, net			109			109		109
Cash dividends to owners of the parent					(87,461)	(87,461)		(87,461)
Cash dividends to non-controlling interests							(9,735)	(9,735)
Others		155				155		155
Transfer to retained earnings				(21,131)	21,131	—		—
Balance, end of period	219,781	258,066	(2,167)	14,726	1,893,836	2,384,182	154,798	2,538,980

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		
Balance, beginning of year	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)
Balance, beginning of year after changes in accounting policies	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)
Comprehensive income for the period						176,061	13,380	189,441
Transaction with owners:								
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)
Transfer to retained earnings				(11,559)	11,559	—		—
Balance, end of period	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, 2020

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		
Balance, beginning of year	2,132	2,495	(23)	(39)	20,135	24,700	1,441	26,141
Profit (loss) for the period					(1,104)	(1,104)	131	(973)
Other comprehensive income for the period				387		387	13	400
Comprehensive income for the period						(717)	144	(573)
Transaction with owners:								
Share-based payment transactions	2	2				4		4
Acquisition (disposal) of non-controlling interests, net		7				7	13	20
Acquisition (disposal) of treasury stock, net			1			1		1
Cash dividends to owners of the parent					(849)	(849)		(849)
Cash dividends to non-controlling interests							(95)	(95)
Others		1				1		1
Transfer to retained earnings				(205)	205	—		—
Balance, end of period	2,134	2,505	(22)	143	18,387	23,147	1,503	24,650

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥103=US\$1.

Condensed Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the nine-month periods ended December 31, 2020 and 2019

	Millions of Yen		Millions of U.S. Dollars
	2020	2019	2020
Operating activities:			
Profit (loss) for the period	¥ (100,270)	¥ 225,046	\$ (973)
Adjustments to reconcile profit for the period to net cash provided by operating activities:			
Depreciation and amortization	125,000	119,720	1,214
Impairment reversal (loss) on long-lived assets	55,495	3,870	539
Finance (income) costs, net	(3,457)	(12,989)	(34)
Share of (profit) loss of investments accounted for using the equity method	71,353	(90,920)	693
(Gain) loss on sale of long-lived assets, net	5,643	(3,513)	55
Income tax expense	18,986	51,205	184
Decrease (increase) in inventories	108,715	(70,974)	1,055
Decrease in trade and other receivables	43,055	35,825	418
Increase in prepaid expenses	(5,221)	(1,915)	(51)
Decrease in trade and other payables	(11,499)	(79,069)	(112)
Other, net	(1,437)	(34,683)	(14)
Interest received	11,438	22,356	111
Dividends received	78,015	101,563	757
Interest paid	(20,228)	(33,500)	(195)
Income tax paid	(43,338)	(44,756)	(421)
Net cash provided by operating activities	332,250	187,266	3,226
Investing activities:			
Proceeds from sale of property, plant and equipment	7,001	2,460	68
Purchase of property, plant and equipment	(51,500)	(54,912)	(500)
Proceeds from sale of investment property	8,602	10,533	84
Purchase of investment property	(4,644)	(38,054)	(45)
Proceeds from sale of other investments	61,989	80,151	602
Acquisition of other investments	(68,377)	(173,328)	(664)
Collection of loan receivables	17,421	18,232	169
Increase in loan receivables	(35,102)	(22,481)	(341)
Net cash used in investing activities	(64,610)	(177,399)	(627)
Free Cash Flows:	267,640	9,867	2,599
Financing activities:			
Net increase in short-term debt	(109,948)	204,128	(1,067)
Proceeds from issuance of long-term debt	163,434	308,811	1,587
Repayment of long-term debt	(299,919)	(416,255)	(2,912)
Cash dividends paid	(87,461)	(103,675)	(849)
Capital contribution from non-controlling interests	—	2,824	—
Payment for acquisition of subsidiary's interests from non-controlling interests	(280)	(2,404)	(3)
Payment of dividends to non-controlling interests	(9,735)	(8,916)	(95)
(Acquisition) disposal of treasury stock, net	3	62	0
Net cash used in financing activities	(343,906)	(15,425)	(3,339)
Net decrease in cash and cash equivalents	(76,266)	(5,558)	(740)
Cash and cash equivalents at the beginning of year	710,371	660,359	6,897
Effect of exchange rate changes on cash and cash equivalents	(4,943)	(4,807)	(49)
Net increase in cash and cash equivalents resulting from transfer to assets classified as held for sale	—	496	—
Cash and cash equivalents at the end of period	¥ 629,162	¥ 650,490	\$ 6,108

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥103=US\$1.

Assumptions for Going Concern

: None

Changes in accounting estimate

The significant changes in accounting estimates in the Condensed Consolidated Statements are as follow.

Sumitomo, through Summit Ambatovy Mineral Resources Investment B.V., its wholly-owned subsidiary, has invested in Ambatovy Minerals S.A., a mining company, and Dynatec Madagascar S.A., a refining company, (hereinafter “Project Companies”) at 54.17% share ratio respectively.

In the 1st quarter of this fiscal year, Project Companies recognized an impairment loss on the fixed assets up to the recoverable amount, as a result of reassessing the business plan in relation to the stoppage of operation due to the spread of COVID-19 and the decline in mid-long term nickel price outlook.

In the 3rd quarter of this fiscal year, Project Companies recognized an additional impairment loss on the fixed assets up to the recoverable amount, as a result of scrutinization and adjustment to the business/production plan in considering of the past production performance including the current shutdown to reflect a more reliable/stable operation after restart.

Consequently, Sumitomo recognized a loss of 84,810 million yen as “Share of profit (loss) of investments accounted for using the equity method” in the Condensed Consolidated Statements of Comprehensive Income.

The timing of restart of operations is targeted to be around March, 2021.

Sumitomo exchanged Sherritt’s financial loan owed to Sumitomo with Sherritt’s corresponding shares in Project Companies at the end of August, 2020. As a result of this exchange, Sumitomo’s share ratio of Project Companies increased by 6.5%.

Sumitomo, through Summit Southern Cross Power Holdings Pty Ltd, its wholly-owned subsidiary, has invested in Bluewaters Power 1 Pty Ltd and Bluewaters Power 2 Pty Ltd, coal-fired power generation companies, (hereinafter “Project”) at 49.99% share ratio respectively.

In the 2nd quarter of this fiscal year, Sumitomo recognized losses on the investments, as a result of reassessing recoverable amount of Project in consideration of the difficulty in refinance of senior secured loans, whose due had come in August 2020. The loss of 11,199 million yen is included in “Share of profit (loss) of investments accounted for using the equity method” and 15,102 million yen is included in “Other, net” in the Condensed Consolidated Statements of Comprehensive Income.

In the 2nd quarter of this fiscal year, Sumitomo recognized an impairment loss of 15,032 million yen on the investments relating to the automotive financing business in Indonesia, as a result of reassessing the long-term business plan based on the deterioration of the economy due to the spread of COVID-19 which has continued longer than anticipated. The impairment loss is included in “Share of profit (loss) of investments accounted for using the equity method” in the Condensed Consolidated Statements of Comprehensive Income.

The prospect of revenue in the reassessed long-term business plan is based on the assumption that the

effect of COVID-19 will remain for a while and be recovered gradually after that.

In the 3rd quarter of this fiscal year, Sumitomo recognized an impairment loss of 41,050 million yen on the goodwill and other intangible assets relating to the Fresh produce business in Europe and the Americas, as a result of reassessing the business plan based on the effect due to the spread of COVID-19 and getting more competitive market conditions of the banana distribution business in Europe. The impairment loss is included in “Impairment losses on long-lived assets” in the Condensed Consolidated Statements of Comprehensive Income.

The reassessed business plan is based on the assumption that the production costs will increase for a while in mushroom business and stagnant demand in the U.S. will continue in melon business due to the effect of COVID-19. On the other hand, the effect of COVID-19 is expected to be limited to banana and pineapple business.

Sumitomo, through Summit Global Management VIII BV, its wholly-owned subsidiary, has invested in Shuweihat CMS International Power Company PJSC, a power generation and water production company in UAE, at 20% share ratio and Shuweihat O&M Limited Partner, an operation and maintenance company in UAE, at 50% share ratio (hereinafter “Project Investments”).

In the 3rd quarter of this fiscal year, Sumitomo recognized losses on the Project Investments, as a result of reassessing their recoverable amounts from the Project Investments in consideration of revision of the business plan. It was caused by the downward revision of long term forecasts for power and water demand announced by a counterparty due to deteriorating economic conditions by the spread of COVID-19. Consequently, Sumitomo recognized the impairment loss of 10,140 million yen as “Share of profit (loss) of investments accounted for using the equity method” in the Condensed Consolidated Statements of Comprehensive Income.

Segment Information

Sumitomo Corporation and Subsidiaries
For the nine-month periods ended December 31, 2020 and 2019

2020:	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	¥	635,559	489,786	249,708	292,387	774,733	778,860	3,221,033	71,518	3,292,551
Gross profit		60,116	95,335	35,878	76,885	172,368	98,239	538,821	4,136	542,957
Share of profit (loss) of investments accounted for using the equity method		499	(8,979)	(7,740)	30,846	2,104	(88,083)	(71,353)	—	(71,353)
Profit (loss) for the period (attributable to owners of the parent)		(9,829)	(15,098)	(26,138)	29,626	(14,881)	(82,503)	(118,823)	5,105	(113,718)
Total assets (As of December 31)		938,344	1,629,533	902,124	878,247	1,512,144	1,568,420	7,428,812	349,768	7,778,580

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	¥	928,068	593,840	416,323	281,777	749,598	818,428	3,788,034	146,698	3,934,732
Gross profit		87,316	124,615	83,963	74,081	162,073	118,122	650,170	7,743	657,913
Share of profit (loss) of investments accounted for using the equity method		4,742	30,171	10,695	29,526	8,669	4,451	88,254	2,666	90,920
Profit for the period (attributable to owners of the parent)		14,759	35,218	44,792	28,464	35,788	46,930	205,951	5,398	211,349
Total assets (As of March 31)		1,093,023	1,689,030	894,792	879,898	1,538,397	1,595,839	7,690,979	437,617	8,128,596

2020:	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	\$	6,170	4,755	2,424	2,839	7,522	7,562	31,272	695	31,967
Gross profit		584	926	348	746	1,673	954	5,231	40	5,271
Share of profit (loss) of investments accounted for using the equity method		5	(87)	(75)	299	20	(855)	(693)	—	(693)
Profit (loss) for the period (attributable to owners of the parent)		(95)	(147)	(254)	288	(145)	(801)	(1,154)	50	(1,104)
Total assets (As of December 31)		9,110	15,821	8,758	8,527	14,681	15,227	72,124	3,396	75,520

Notes:

- 1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥103=US\$1.
- 2) On April 1, 2020, a part of manufacturing and sales business of automotive components was transferred from Transportation & Construction Systems Business Unit to Metal Products Business Unit and secondary use business of lithium-ion batteries was transferred from Transportation & Construction Systems Business Unit to Infrastructure Business Unit. Accordingly, the segment information of the same period of the previous year has been reclassified.