Quarterly Results for FY2022

(Six-month period ended September 30, 2022)

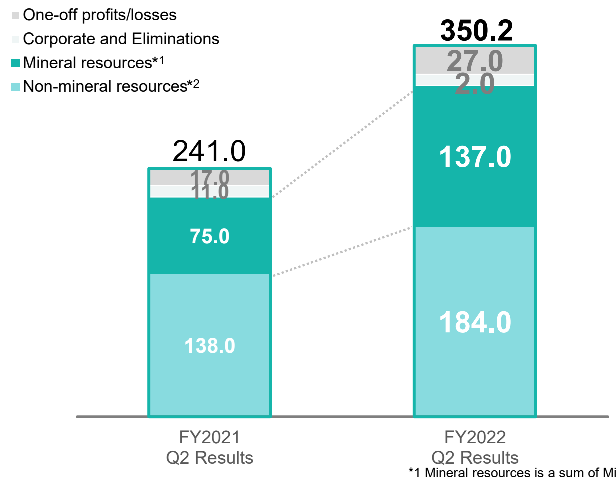
November 4, 2022
Sumitomo Corporation

1. Operating Results (Profit for the Period (Attributable to Owners of the Parent))

- Profit for the period attributable to owners of the parent totaled 350.2 billions of yen, record high as a half year result.
- 109.2 billions of yen increase compared to the same period of previous fiscal year (+45%). Profit increased in both mineral resources and non-mineral resources businesses.

(Unit: billions of yen)

Quarterly Results (YoY)



Highlights

- Mineral resources (+62.0 billions of yen)
  Upstream business: higher prices
  Trading business: strong performance
- Non-mineral resources (+45.0 billions of yen)
  Tubular products business in North America: strong performance
  Construction equipment related business:
  stable mainly in North American market
  Real Estate business: large-scale properties delivered
  Chemical and electronics business: stable
- Major one-off profits/losses
  Sale of oil and gas business in the British territories of U.K. North Sea in FY2022 Q1 (+10.0 billions of yen)
- Impact of yen's depreciation (+25.0 billions of yen: included in the above increase)

Average exchange rate (YEN/US$): FY2021 Q2 109.81
FY2022 Q2 134.03

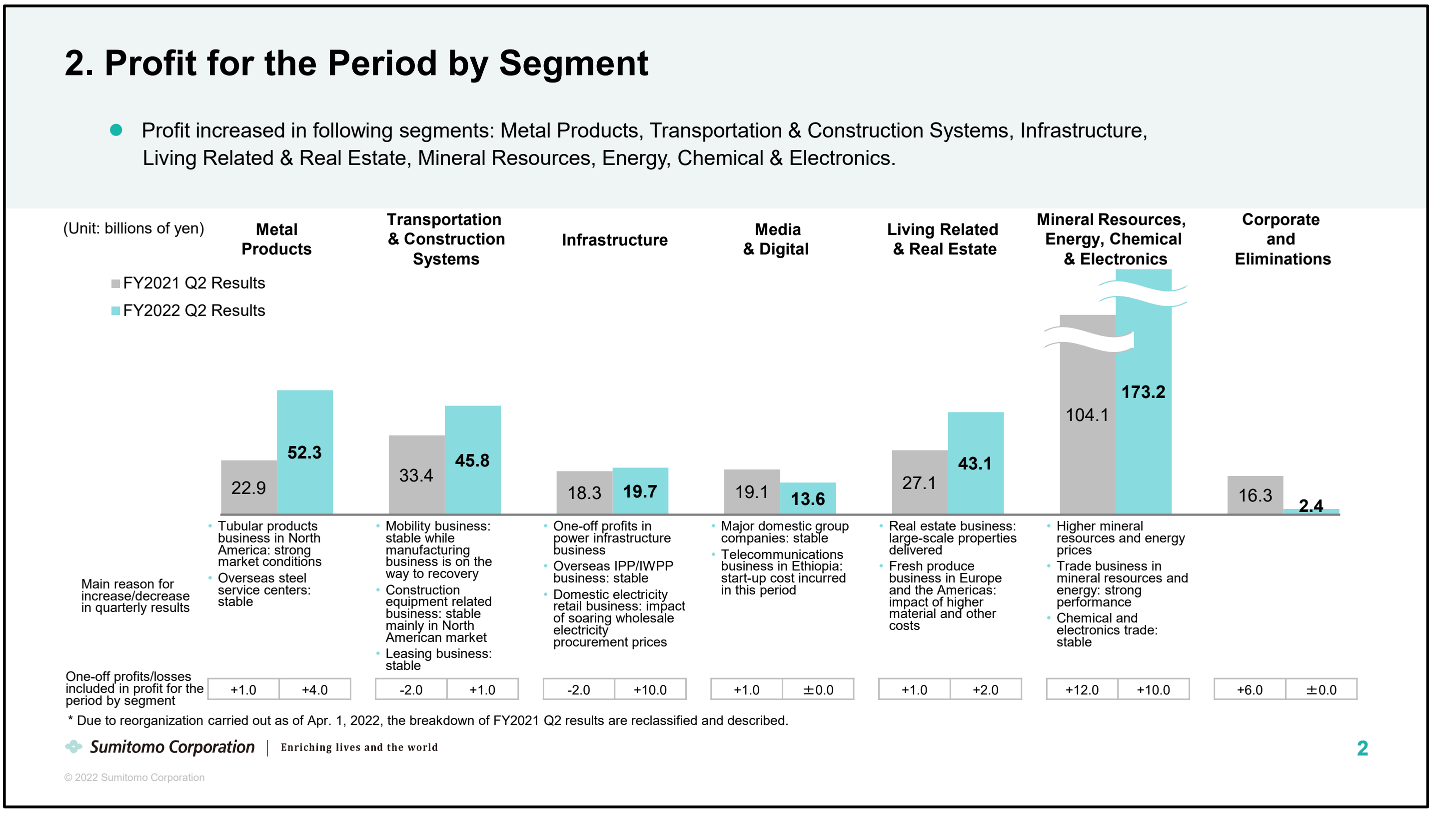
*1 Mineral resources is a sum of Mineral Resources Division No.1, Mineral Resources Division No.2, and Energy Division.
*2 Non-mineral resources is calculated by subtracting "Mineral resources" and "Corporate and Eliminations" from the total.
*3 The results of Mineral resources, Non-mineral resources, and Corporate and Eliminations represents profits/losses excl. one-off profits/losses.
*4 Each result is rounded off to the nearest 1 billion.
*5 Due to reorganization carried out as of Apr. 1, 2022, the breakdown of FY2021 Q2 results, excl. one-off profits/losses are reclassified and described.

As you can see, our profit for H1 of the fiscal year amounted to JPY350.2 billion. With the global economy recovering and commodity prices soaring, we steadily turned our revenue opportunities into profits. By doing so, we have achieved a record-high half-year profit. In addition, profit increased JPY109.2 billion over the same period last year.

I will explain the factors behind the increase. Please refer to the bar graph on the left side of the page. The graph shows one-off profits and losses, and the results excluding one-off profits and losses broken down into mineral resources businesses, non-mineral resources businesses, and corporate and eliminations.

Profit from mineral resources businesses was JPY137 billion, an increase of JPY62 billion. This was mainly due to higher prices for mineral resources and energy and robust performance in the trade business.

Profit from non-mineral resources businesses was JPY184 billion, an increase of JPY45 billion. This was due to solid performances in tubular products business in North America and construction equipment business centered in North America, as well as in chemicals and electronics business, and the delivery of a large-scale real estate project.



Page two shows the YoY changes in quarterly profit by segment.

The metal products business reported an increase in profit, mainly due to solid performances in the tubular products business in North America as well as in the overseas steel service centers business. The transportation and construction systems business also reported an increase in profit, owing to solid performances in the mobility, construction equipment, and leasing businesses.

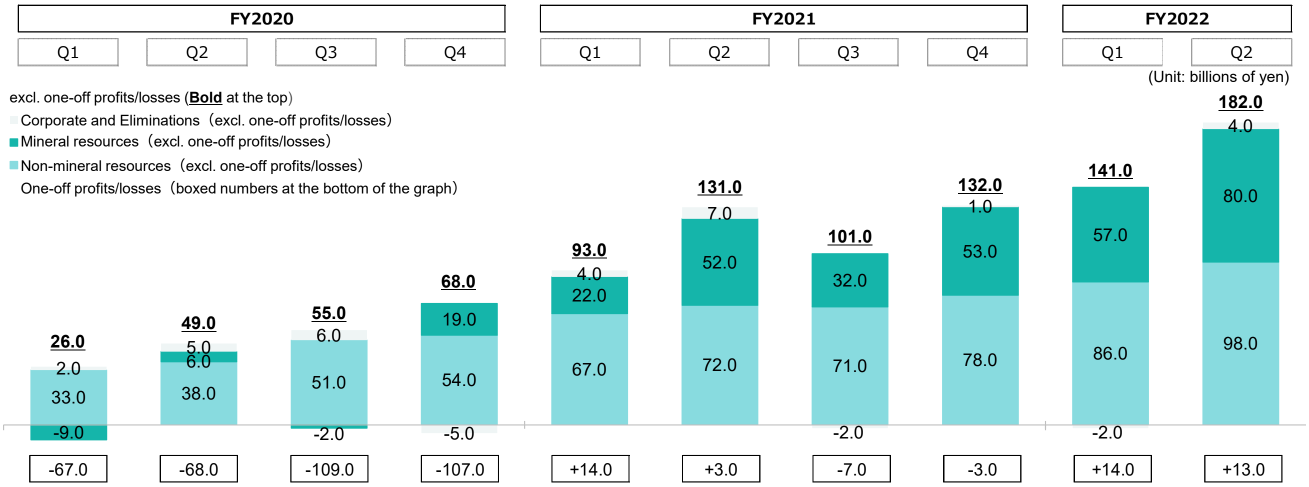
On the other hand, the infrastructure business reported an increase in profit due to the solid performance of the overseas IPP/IWPP business and one-off profits, but the domestic electricity retail business continued to struggle due to the impact of soaring wholesale electricity procurement prices.

In the media and digital business, profit decreased from the same period of the previous year, mainly due to upfront start-up costs in the Ethiopian telecommunications business. The living related and real estate business reported an increase in profit, primarily due to the delivery of a large real estate project, despite the impact of higher material and other costs on the fresh produce business in Europe and the Americas.

In addition, the mineral resources, energy, chemical and electronics business posted higher profit due to higher resource and energy prices and a favorable trade business, as well as solid performance in the chemical and electronics business.

3. Quarterly Trend for Profit for the Period (excluding one-off profits/losses)

- Both mineral resources and non-mineral resources businesses continued the trend of earning increase from FY2021.
- Q2 results exceeded Q1 and achieved record high as a quarterly result.



* Due to reorganization carried out as of Apr. 1, 2022, the breakdown of FY2020 and FY2021 results, excl. one-off profits/losses are reclassified and described.

Here we present a bar chart showing the quarterly trends in performance, excluding one-off profits or losses.

Both the mineral resources and non-mineral resources businesses continued the trend of increasing revenues from the previous fiscal year. Q2 of this fiscal year exceeded Q1 of this fiscal year, resulting in a new record for the highest quarterly profit.

Despite the external factors such as the sharp rise in commodity prices, we believe that the structural reforms we are currently undertaking under our medium-term management plan, SHIFT 2023, are steadily bearing fruit. For example, these reforms include withdrawal from unprofitable businesses, revenue improvement, and implementation of value-added measures to strengthen our downside resilience.

4. Operating Results (Cash Flows)

- Free cash flow (post-dividend) (adjusted) cumulated in SHIFT 2023 (from Apr. 2021 to Sep. 2022) was cash in of 77.9 billions of yen.
- Manage and ensure the cash flow to be positive for 3-year total in SHIFT 2023, while continuing growth investment with a focus on business areas where the market is highly attractive in potential and our strengths can be fully demonstrated.

(Unit: billions of yen)

	SHIFT 2023 3-year Total Revised Plan (May 2022)	SHIFT 2023		
		Results (Apr.2021-Sep.2022)	FY2021 Results (Apr.2021-Mar.2022)	FY2022 Q2 Results (Apr.2022-Sep.2022)
Basic profit cash flow*1	+910.0	+636.1	+359.5	+276.6 (1)
Depreciation and amortization (After netting repayments of lease liabilities)	+320.0	+158.0	+102.0	+56.0
Asset replacement	+660.0	+320.0	+220.0	+100.0 (2)
Others	-190.0	-360.0	-220.0	-140.0 (3)
Investment & loan (New investment & loan)	-1,230.0 (-500.0)	-510.0 (-140.0)	-290.0 (-50.0)	-210.0 (-90.0) (4)
Free cash flow (adjusted*2)	**+470.0**	**+259.2**	**+174.7**	**+84.4**
Dividend	-350.0	-181.2	-100.0	-81.3
Free cash flow (post-dividend) (adjusted*2)	**Ensure Positive**	**+77.9**	**+74.7**	**+3.2**

*1 Basic profit cash flow = (Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + dividends) × (1-tax rate) + dividend from investments accounted for using the equity method
*2 Repayments of lease liabilities categorized in financing activities is adjusted

Highlights

1 Basic profit cash flow
Steady cash generation by core businesses

2 Asset replacement
Sale of domestic real estates
Sale of oil and gas business in the British territories of U.K. North Sea
Sale of cross-shareholding, etc.

3 Others
Increase in working capital, etc.

4 Investment & loan
Acquisition of domestic and overseas real estates
Asset increase in construction equipment rental business

Next, I will explain our cash flows.

Please look at our Q2 results for FY2022 enclosed in green borders. After adjusting for expenditures for lease liabilities, free cash flow after dividends for H1 of the current fiscal year amounted to a cash inflow of JPY3.2 billion.

The main breakdown is as follows. Basic profit cash flow was JPY276.6 billion, mainly due to steady cash generation by core businesses. Asset replacements generated cash inflows of JPY100 billion, mainly due to the completion of the sale of a domestic real estate project and the UK North Sea Oil Field business in Q2 of the current fiscal year.

As for other cash transfers, working capital increased due to the expansion of commercial transactions, resulting in a cash outflow of JPY140 billion. Investments and loans resulted in a cash outflow of JPY210 billion. Of this amount, new investments and loans amounted to JPY90 billion, mainly due to the acquisition of domestic and overseas real estate.

Looking at the cumulative results so far in the SHIFT 2023 medium-term management plan started in April 2021, free cash flow after dividends amounted to an inflow of JPY77.9 billion.

As we move into the second half of SHIFT 2023, we will continue to invest in growth but will also manage cash flow well to ensure profitability over the three-year period of the medium-term management plan.

5. Operating Results (Financial Position)

- Total assets increased to 10.5 trillions of yen due to yen's depreciation and others (+approx. 900.0 billions of yen compared to the end of Mar. 2022).

(Unit: billions of yen)

	As of Mar. 31, 2022	As of Sep. 30, 2022	Increase/ Decrease
Current assets	4,645.5	5,059.7	+414.2
Non-current assets	4,936.7	5,425.6	+489.0
Total assets	**9,582.2**	**10,485.3**	**+903.2**
Other liabilities	3,179.5	3,382.4	+202.9
Interest-bearing liabilities*1	3,021.4 (2,273.7)	3,057.6 (2,366.3)	+36.2 (+92.6)
Total liabilities	**6,200.9**	**6,439.9**	**+239.0**
Shareholders' equity*2	3,197.8	3,854.5	+656.7
Total liabilities and equity	**9,582.2**	**10,485.3**	**+903.2**
D/E Ratio (Net)	**0.7**	**0.6**	**Improved 0.1pt**
Exchange rate 〈YEN/US$〉	**122.39**	**144.81**	**+22.42**

*1 "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 ".
*2 "Shareholders' equity" is equivalent to "equity attributable to owners of the parent" in consolidated statements of financial position.

Highlights

Total assets +903.2 (10,485.3←9,582.2)

- Increase due to the yen's depreciation (approx.+610.0 billions of yen)
- Increase in operating assets
- Increase in investments accounted for using the equity method

Shareholders' equity +656.7 (3,854.5←3,197.8)

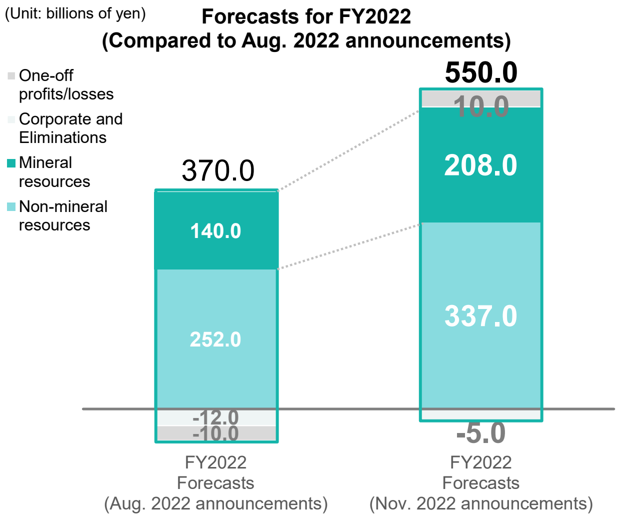
- Increase due to the yen's depreciation (approx.+340.0 billions of yen)
- Profit for the period
- Dividend paid

Next, I will explain our financial position.

Total assets increased JPY900 billion from the end of the previous fiscal year to JPY10,500 billion. This was mainly due to an increase of approximately JPY610 billion resulting from the depreciation of the yen, as well as an increase in transactions other than the effect of foreign exchange rates, and a corresponding increase in operating assets such as trade receivables and inventories. Shareholders' equity increased approximately JPY700 billion from the end of the previous fiscal year to JPY3,900 billion due to the profit for the period and the effect of foreign exchange rates.

6. Forecasts for FY2022

- Revised the annual forecasts to 550.0 billions of yen (+180.0 billions of yen compared to Aug. 2022 announcements).
- FY2022 results are expected to exceed FY2021 results and revise the historical record high.



Business Outlook

- First half: Commodity prices sored due to the global economic recovery, the impact by the Russian-Ukrainian situation, as well as the supply-chain disruption.
- Second half: Consumption demand decreases along with slowdown in the global economy, while energy price remains high, and commodity market weaken.

Highlights

- Mineral resources business (+68.0 billions of yen)
  Upstream business: higher prices
- Non-mineral resources business (+85.0 billions of yen)
  Tubular products business in North America: continues strong performance
  Mobility business, Construction equipment related business: stable
  Chemical and electronics business: stable
- Impact of yen's depreciation (+25.0 billions of yen: included in the above upward revision)
  Assumption for the second half: (YEN/US$): 145.00
- Buffer (-20.0 billions of yen)
  Included in the one-off profits/losses of FY2022 forecasts (Nov. 2022 announcements)

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As explained earlier, we had a good H1, but we expect the global economy to slow down in H2 of the year. We expect commodity prices, with the exception of energy prices, to soften in H2 of the year as monetary tightening measures in various countries weigh on the economic recovery and consumer demand declines.

Based on this recognition of the environment and the results of H1, we have revised our profit for the year upward to JPY550 billion from the previously announced forecast of JPY370 billion, as we expect profit to exceed the previous fiscal year's level and achieve a record high.

Excluding one-off profits and losses, we revised our forecast for the mineral resources businesses and non-mineral resources businesses upward by JPY68 billion and JPY85 billion, respectively, from the previously announced forecasts. The main reasons for the upward revisions are that, in addition to the impact of the weaker yen, mineral resources businesses benefited from the greater-than-anticipated increase in mineral resources and energy prices, while non-resource businesses benefited from solid performance in tubular products business in North America, mobility products business, construction equipment business, and chemicals and electronics business.

We have assumed an exchange rate of JPY145 to the US dollar for H2 of the year. In light of the growing uncertainty in the business environment, we have factored in a JPY20 billion buffer in one-time profits or losses.

7. Forecasts for FY2022 (by Segment)

- Revised upward in Metal Products, Transportation & Construction Systems, Mineral Resources, Energy, Chemical & Electronics. Revised downward in Infrastructure.
- While captured revenue opportunities in upturn of commodity market in the first half, anticipate decline in consumption demand and weakening of commodity market due to the global economic slowdown in the second half.

Forecasts by Segment

(Unit: billions of yen)	FY2022 Forecasts (Aug. 2022)	FY2022 Forecasts (Nov. 2022)	FY2022 Q2	Progress	Outlook for the Second Half by Segment
Metal Products	44.0	100.0	52.3	52%	Stable performance under continuation of current market conditions in both steel sheets and tubular products
Transportation & Construction Systems	50.0	82.0	45.8	56%	Stable performance as a whole, while profit decrease compared to the first half in shipping and construction equipment business, etc.
Infrastructure	33.0	24.0	19.7	82%	Stable performance in overseas IPP/IWPP business, while anticipate further decline in earnings in domestic electricity retail business
Media & Digital	36.0	36.0	13.6	38%	Stable performance of major domestic group companies
Living Related & Real Estate	58.0	58.0	43.1	74%	Profit decrease compared to the first half in Real estate business due to absence of large-scale properties delivery, while expect to pass-through the cost increase to sales price in Fresh produce business in Europe and the Americas
Mineral Resources, Energy, Chemical & Electronics	168.0	273.0	173.2	63%	Weakening of mineral resources prices and decline in earnings after the strong performance of mineral resources and energy trading business in the first half
Corporate and Eliminations	-19.0	-23.0	2.4	-	Include buffer of -20.0 billions of yen
Total	370.0	550.0	350.2	64%	

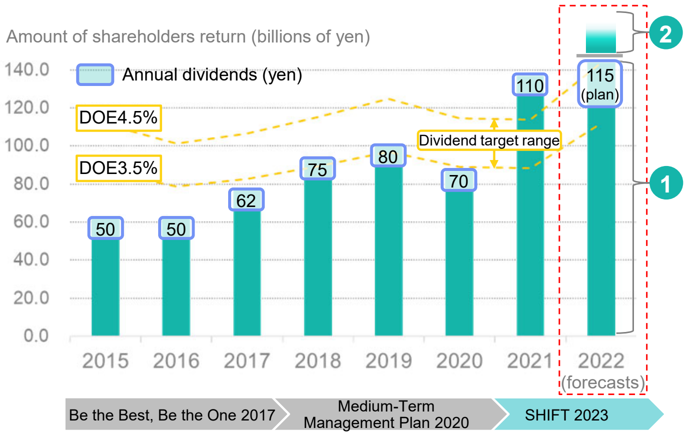
Next, I will explain a description of our full-year forecast by segment.

We upwardly revised our forecast for the metal products, transportation and construction systems, and mineral resources, energy, and chemical and electronics businesses but downwardly revised our forecast for the infrastructure business, mainly due to the expectation of further deterioration in performance in the domestic electricity retail business, although the overseas IPP/IWPP business is performing well.

We included our H2 outlook for each segment on the right side of the page, so please read them later.

8. Shareholder Return

1. Dividend (apply the consolidated dividend payout ratio of 30% within the DOE range of 3.5 to 4.5%)
   Revised the FY2022 annual dividend forecast to upper threshold of the DOE range of 115 yen per share (initial plan: 90 yen), based on the revision of the annual forecasts to 550.0 billions of yen (interim dividend: 57.5 yen per share / year-end : 57.5 yen per share (plan))
2. Further shareholder return
   Will pay dividends and / or repurchase our shares for the excess portion of the DOE range. (method, amount, etc. to be considered)



Shareholder Return Policy (May 10, 2022, announcement)

- The annual dividend amount will be determined based on the consolidated dividend payout ratio of 30% within the DOE range of 3.5 to 4.5%, taking into consideration the status of fundamental earnings capacity, cash flows and other factors.
- If 30% of the profit for the year exceeds the above range, we will pay dividends or repurchase our shares for the excess portion in a flexible and agile manner.

Supplementary Explanation

- The annual dividend forecast is determined based on a dividend payout ratio of 30% of the annual forecasts of profit for the year within a DOE range of 3.5% to 4.5%.
  * DOE is calculated based on shareholders' equity at the beginning of the period.
- The amount of annual dividends shall be determined based on a payout ratio of 30% of actual profit for the year. In principle, however, the amount of annual dividends shall not be less than that of the immediately preceding dividend forecast.
  * In the event that the annual forecasts of profit for the year is revised during the term, the revised dividend forecast shall not, in principle, be less than the dividend forecast immediately prior to the revision.
- If 30% of actual profit for the year exceeds DOE 4.5%, we will flexibly implement dividend payments or share repurchase in addition to the above.
  * In the case of dividends, the dividend payout ratio shall be 30% or more in principle.
- In principle, the interim dividend shall be half of the annual dividend forecast at the time of the interim dividend payment.

Next, I will explain our shareholder returns. Please see page eight.

Our shareholder return policy from this fiscal year, as announced at the beginning of the fiscal year, is shown on the right side of the page. We will determine the dividend amount with a target consolidated dividend payout ratio of 30%, within the DOE range. Based on the revised earnings forecast, we have revised our annual dividend forecast from JPY90 per share to JPY115 per share which is at the upper end of the DOE range. The interim dividend will be JPY57.5, half of the projected annual dividend of JPY115.

Since the profit level in the current full-year forecast exceeds the upper limit equivalent to DOE of 4.5%, we will consider and implement further methods and amounts of shareholder return in the future.

Progress of Medium-Term Management Plan「SHIFT 2023」

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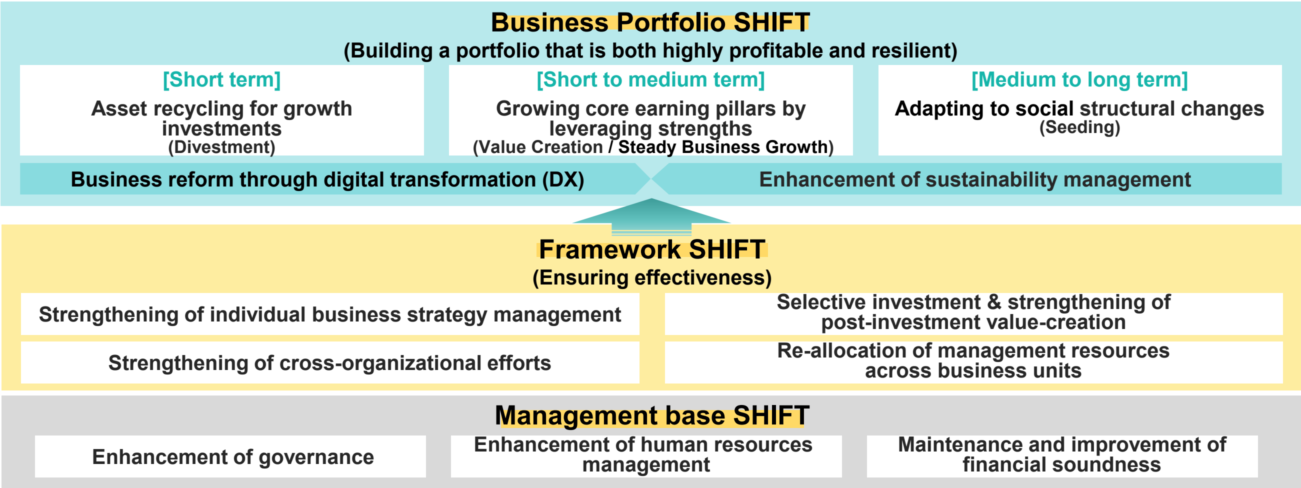
9. Overview of Medium-Term Management Plan SHIFT 2023

- Major shift of the framework and management base has been completed in the first half of the mid-term plan period. We will continue to accelerate business portfolio shift.



Let me now review SHIFT 2023.

We have been working on this medium-term management plan with three shifts in mind and have largely completed the introduction of new schemes and systems to shift our business structure and management foundation. Therefore, we are now focusing on shifting our business portfolio, and we are accelerating our efforts to shift to a portfolio with high revenues and strong downside resilience.

10. Business Portfolio SHIFT

Business Portfolio SHIFT
Framework SHIFT
Management base SHIFT

- Asset recycling progressed as planned, and the earnings improvement of the initial plan of SHIFT 2023 from exit and turnaround (approx. ¥70.0 bil. improvement) was achieved.
- As for businesses with value-up on the way, such as nickel mining and refining business in Madagascar, fresh produce business in Europe and the Americas and others, we continue to work diligently to increase their value.
- Accelerating building a portfolio that is both more highly profitable and resilient through reallocation of management resources.

Business Portfolio SHIFT
(Building a portfolio that is both highly profitable and resilient)

[Short term]
Asset recycling for growth investments
(Divestment)


Sold a part of thermal coal mining interests in Australia


Sold part of oil and gas business in the U.K. North Sea

[Progress of major projects]
- Sold a part of thermal coal mining interests in Australia
- Sold copper and molybdenum mining business in Chile
- Sold part of oil and gas business in the U.K. North Sea

[Short to medium term]
Growing core earning pillars by leveraging strengths
(Value Creation / Steady Business Growth)


Acquired additional forest assets


Acquired water sewage treatment business in Shandong, China

[Progress of major projects]
- Invested in telecommunications business in Ethiopia
- Acquired additional forest assets
- Acquired water sewage treatment business in Shandong, China
- Expanded managed care business
- Assets increase in construction equipment rental business
- Agreed on acquisition to expand agricultural input & service business in Brazil
- Implemented structural reforms in tubular products business
- Turn around Ambatovy, Fyffes, and TBC in progress

[Medium to long term]
Adapting to social structural changes
(Seeding)

Autonomous drilling solutions


Promoted projects in fields of hydrogen, large-scale storage batteries and distributed solar power

[Progress of major projects]
- Continued to expand sales of software that contributes to automation and efficiency of energy development sites
- Entered 5G base station sharing service business
- Promoted projects in fields of hydrogen, large-scale storage batteries and distributed solar power

This page summarizes the main progress we have made in shifting our business portfolio.

First, asset replacements are progressing as planned. Progress on the plan for earnings improvement through withdrawal from unprofitable businesses and value-up measures has also advanced well beyond our initial goal of JPY70 billion.

There are still some businesses for which value-up has not been completed, such as the fresh produce business in Europe and the Americas and the nickel mining and refining business in Madagascar. We will continue to work on enhancing the value of these businesses. At the same time, we will accelerate our efforts to maintain higher revenues by reallocating management resources to build a portfolio that is more resilient to downturns.

I hope you will look over the slide in detail when you have time. It includes a list of the representative individual projects that we have conducted in the past year and a half.

11. Asset Recycling for Growth Investments (Divestment)

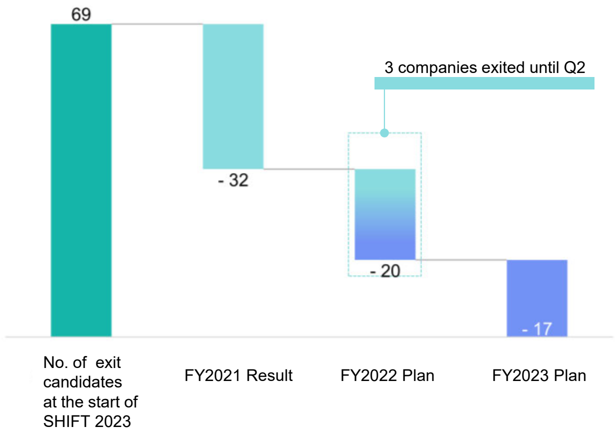
Business Portfolio SHIFT
Framework SHIFT
Management base SHIFT

- 35 companies exited in 18 months, against a target of 69 exit candidates during SHIFT 2023.
- The remaining exit candidates include those with high levels of difficulty, but we promote this initiatives to achieve the target.

State of Exit from Low-profitability Businesses

- We planned to exit 101 companies in each category, Steady Business Growth, Value Creation, Divestment, through one of the initiatives in Full Potential Plan, which is started at the year before SHIFT 2023. We exited from 35 companies in total until FY2022 Q2, out of 69 exit candidates in SHIFT 2023.
- Exit candidates are included profit-making companies which don't achieve profit levels commensurate with cost of capital, therefore the impact of this initiatives on our financial results is limited.

Full Potential Plan
- Regularly assessing and evaluating the business situation of the investee based on quantitative criteria.
- Developing and implementing specific measures that will lead to maximizing the business value of investee, which is expected to further fulfil its potential. Also, initiatives to facilitate exit from businesses with limited growth potential.



On the left side of the slide is a description of the value we have realized. This is the result of the withdrawals we have been reporting progress on at each meeting.

We have set a goal of withdrawing from 69 businesses during the SHIFT 2023 plan period and have completed withdrawals from 35 businesses in the past year and a half. Although the remaining businesses are all difficult to withdraw from, we will continue to complete them without loosening the reins.

12. Growing Core Earning Pillars by Leveraging Strengths (Value Creation)

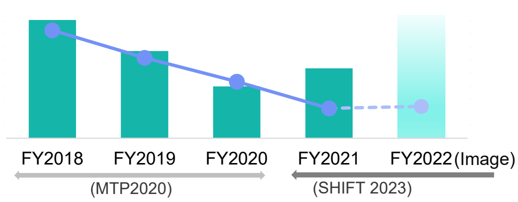
Business Portfolio SHIFT
Framework SHIFT
Management base SHIFT

- In North America Tubular Group Companies SBU, we improved profitability through consolidation and efficiency of management resources and strengthened our resilience to downward pressure from potential market downturns through a series of business transformations.
- As for TBC, new management team promote business transformation.

Business Model Transformation of North America Tubular Group Companies SBU

- As a result of comprehensive restructuring of group companies and operation sites, we significantly reduced asset size. We concentrate our management resources on our core distribution business. (start of FY2019: 12 companies →end of FY2021: 3 companies)
- Maintenance and improvement of profitability by reducing fixed costs by integrating and closing business sites and reducing headcount.
- Significantly reduced inventory risk by transforming inventory business model.

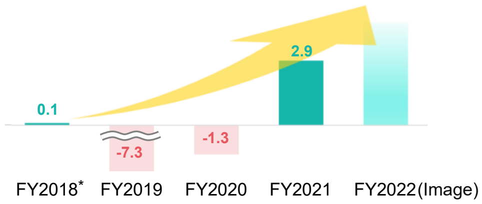
Long-term assets (line graph) and sales (bar graph) of Tubular Products Division



Business Transformation at TBC

- Sent top management with Michelin to strengthen cross-sectoral efforts.
- Improved earning power with a focus on wholesale business by improving operation quality and passing on cost increases to market prices.
- Strengthened resilience to downward pressure through thorough expense management.

Equity in earnings from TBC (Unit: billions of yen)



* 50-50 joint venture with Michelin in FY2018.

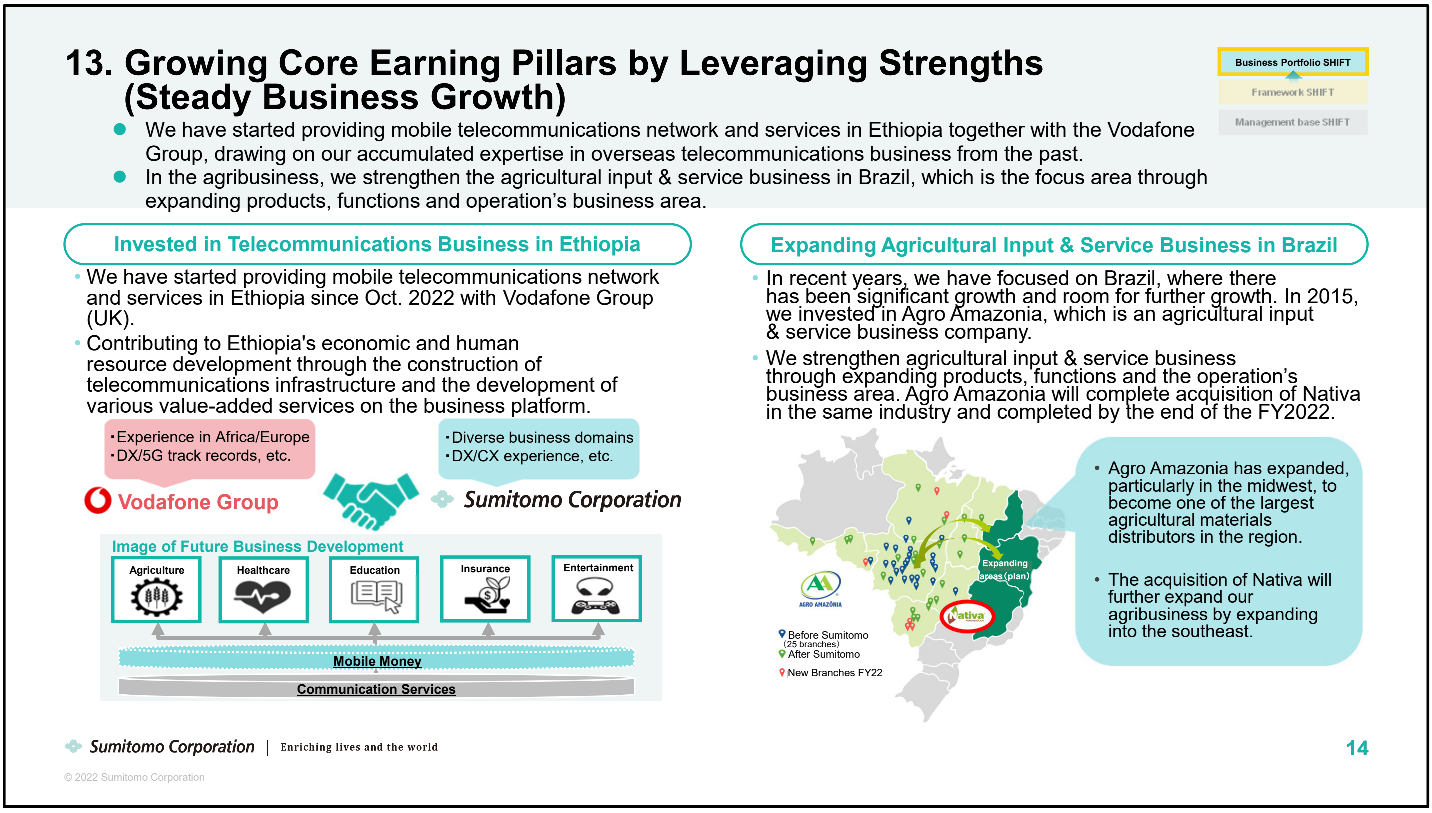
Next, I will explain our value creation, including how we achieved our structural reforms, through two specific examples.

In the tubular products business in North America, shown on the left side, we have integrated and consolidated our operating companies from the original 12 to the current 3three companies. We have also restructured our business structure to be leaner by consolidating and eliminating offices and reducing the workforce, thereby drastically reducing total assets and fixed costs. At the same time, we improved our function as a wholesaler through integration and consolidation, and this has been highly appreciated in the current difficult market and has contributed to the improvement of revenues.

In addition, we have consulted individually with our customers and suppliers to significantly reduce inventory risk, which in the past has contributed to the volatility of our business results. Alternatively, we have achieved a high level of control over these inventory risks and greatly improved our price resilience. As a result, we have transformed our business model to one that is highly profitable, while reducing asset size and risk.

At TBC, explained on the right, we are working to improve the quality of operations under new management and to strengthen its downward resilience through thorough cost control. As a result, we have lowered the break-even point of TBC. We have also been the first in the industry to pass on rising costs to prices, thereby improving revenues.

While we are already being affected by the economic slowdown in the US market and rising inflation, we expect that these measures will limit the negative impact on TBC's performance to a certain extent.



This slide is about our focus businesses. And we provide two specific examples.

On the left is a description of our investment in the Ethiopian telecommunications business, in which we participated with the Vodafone Group, taking advantage of our expertise in overseas telecommunications business, which is one of our strengths. We launched the service last month and held a ceremony there on October 6. We plan to achieve 25% population coverage by April 2023 and to provide access to our telecommunications network throughout Ethiopia by 2030.

In the next step, we will develop a variety of value-added services on the platform we have built, and implement the concept of creating a broad digital economic zone in the country.

To the right is a description of our agribusiness. In April of this year, we reorganized our strategy and structure under the umbrella of agribusiness, and are working to strengthen our agricultural materials business through the expansion of our products and capabilities, as well as geographic expansion.

In particular, in Brazil, our key market, we are working to expand our business to other regions of Brazil, with Agro Amazonia as our core company. As part of this effort, we have reached an agreement to acquire Nativa, a company in the same industry, which currently has sales of about JPY13 billion, compared to Agro Amazonia's sales of about JPY100 billion. We intend to expand our geographic coverage by opening new stores and to increase revenues through synergies between the two companies.

In addition to these efforts in Brazil, we are working to improve revenues in our agribusiness as a whole by expanding our products and capabilities. Specifically, in our next-generation agriculture and innovation efforts, we are developing and promoting new agribusinesses around the world that capture new technologies and trends, such as clean farming, smart farming, and next-generation agricultural production.

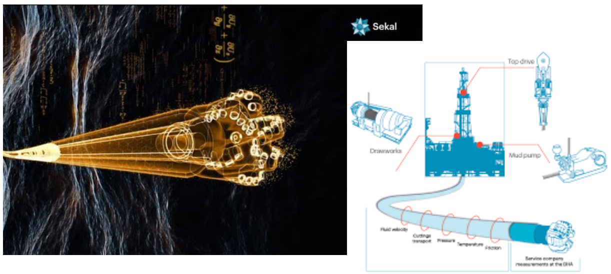
14. Adapting to Social Structural Changes (Seeding)

Business Portfolio SHIFT
Framework SHIFT
Management base SHIFT

- We are in progress of developing new businesses, such as DX and energy transition, as a preparation for mid- to long-term changes in the tubular products business environment.
- Globally proceeding various stages of business development and demonstration experiment, aiming to create next-generation businesses that contribute to realization of a carbon neutrality.

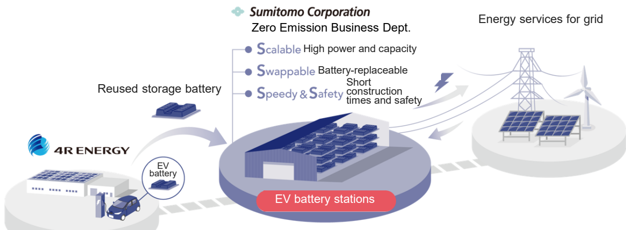
Developing New Businesses in Tubular Business Development BU

- Business model transformation through DX implementation and initiatives in new fields.
- As an example, Sekal AS receives service fees for efficient and autonomous drilling.
- The company's products are used in approx. 80% of the operating drilling rigs in Norway, and the company has been profitable since FY2021. In the future we aim to expand sales and earnings in the Asia-Oceania and North, Central and South America regions.



Commercialization of Large-Scale Storage Battery Business and Asset Increase

- Proceeding, as a pioneer, commercialization of storage battery business that will be critically important for renewable energy value chain.
- In 2015, introduced joint project for large-scale storage battery connected to power system on Koshiki Island with Satsumasendai City.
- In 2022, successfully established "EV Battery Station" in Namie, Fukushima.
- By FY2023, plan to connect pilot project of storage battery system to grid in Chitose, Hokkaido.
- With area expansion, aim to introduce 100MW in Japan by FY2026.



2021-2023 Practical development in Namie, Fukushima

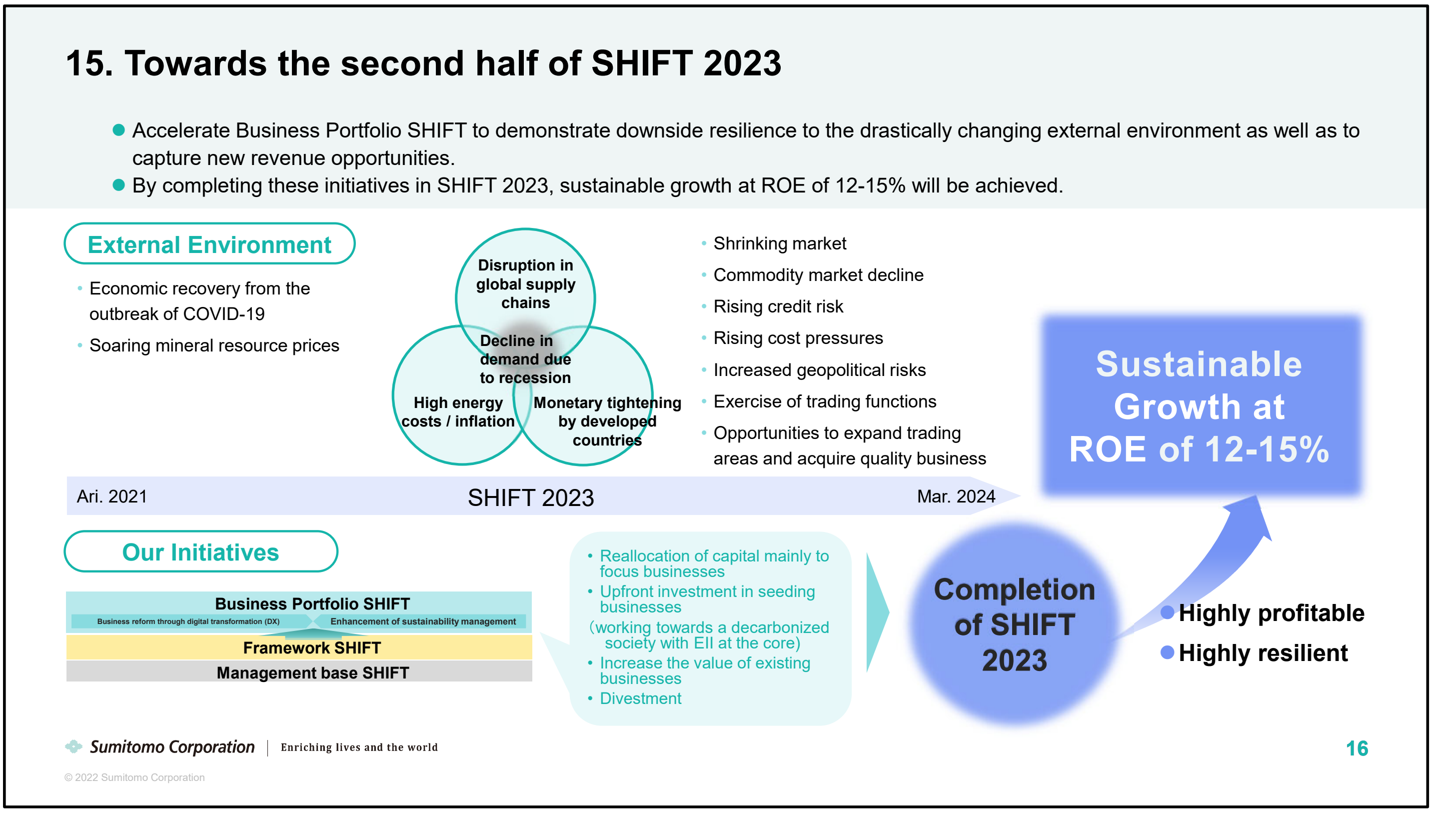
The last slide of the progress report on our medium-term plan is about seeding, again with two specific examples.

Explained on the left are examples of new business development, such as DX and energy transition, to prepare the tubular products businesses for medium- to long-term changes in the business environment.

I have already mentioned this point previously. We acquired Sekal, a drilling automation solution provider, three years ago, and our efforts are finally bearing fruit. In the last fiscal year, Sekal not only became profitable, but is now used in approximately 80% of the rigs in operation in Norway. In the future, we intend to expand sales and revenues in other regions as well.

To the right is an explanation of our large-scale energy storage business, one of our next-generation energy-related initiatives. We believe that the energy storage business will play an important role in the renewable energy value chain, and we have been promoting its commercialization as a pioneer in the industry.

Specifically, we launched a demonstration project on Koshikishima Islands in 2015 and are working on a pilot project in Chitose City, Hokkaido to be completed by the end of this fiscal year. Furthermore, we will gradually expand the area and aim to introduce a total of 100,000 kilowatts nationwide by FY2026.



Finally, as I have mentioned, due to the steady implementation of measures, we have revised upward our profit forecast for the current fiscal year to JPY550 billion, which is a new record high. On the other hand, the external environment is currently undergoing drastic changes and various risk factors are emerging.

We will steadily address new revenues opportunities, not only by demonstrating the downward resilience we have strengthened, but also by accelerating the shift of our business portfolio, including the advancement of sustainability management and business transformation through digital technology. We will also continue to work on the businesses that need to be increased in value, which I mentioned earlier, so that they can contribute to revenues as soon as possible.

Since last year's financial results presentation, we have expressed our commitment to raising ROE from 12% to 15% through the completion of SHIFT 2023. We have already reached that range, and we are more confident than ever that we will achieve sustained growth while maintaining that level regardless of the external environment. We hope you will look forward to the future growth of Sumitomo Corporation.

Finally, I would like to thank you all for your continued support and to conclude my explanation of our business results. Thank you for your attention.

[END]