

## Consolidated Financial Results FY2023 (Three-month period ended June 30, 2023)

[Prepared on the basis of International Financial Reporting Standards]

Company Name: **Sumitomo Corporation** Stock Listing: Tokyo  
 Stock Exchange Code No.: 8053 URL: <https://www.sumitomocorp.com/en/jp>  
 Representative: Masayuki Hyodo Tel.: +81-3-6285-3100  
 Representative Director, President and Chief Executive Officer  
 Contact: Shuichi Nagasawa  
 Corporate Communications Dept.  
 Scheduled Quarterly Securities Report Submission Date: August 7, 2023  
 Scheduled Starting Date of Dividend Payment: —  
 Supplementary Documents on Financial Results: Yes  
 Financial Results Meeting: Yes (for Financial Analysts)

### 1. Consolidated results for the three-month period ended June 30, 2023

(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)
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
The period ended June 30, 2023	1,671,393	3.5	159,108	(21.3)	137,034	(15.1)	129,420	(16.6)	415,197	(3.0)
The period ended June 30, 2022	1,615,201	27.6	202,184	—	161,484	—	155,267	—	427,953	—

	Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)
	(yen)	(yen)
The period ended June 30, 2023	105.60	105.51
The period ended June 30, 2022	124.15	124.06

[Note] Due to application of Amendments to IAS 12 Income Taxes (issued in May 2021), results for the three-months ended June 30, 2022, have been re-presented retrospectively. Percentages of change from the same period of the previous year for the three-months ended June 30, 2022 are not presented excluding revenues.

#### (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 June 30, 2023	10,596,468	4,283,073	4,079,716	38.5
As of March 31, 2023	10,105,380	3,976,587	3,778,693	37.4

[Note] Due to application of Amendments to IAS 12 Income Taxes (issued in May 2021), figures as of March 31, 2023, have been re-presented retrospectively.

### 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, 2023	—	57.50	—	57.50	115.00
Year ending March 31, 2024	—				
Year ending March 31, 2024 (Forecasts)		60.00	—	60.00	120.00

[Note] Revision of the latest dividend forecasts: None

### 3. Forecasts for the year ending March 31, 2024

(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, 2024	480,000	(15.1)	391.79

[Notes] 1. Revision of the latest forecasts: None

2. Due to application of Amendments to IAS 12 Income Taxes (issued in May 2021), percentage of change from the previous year is calculated based on the figures that have been altered retrospectively.

**Notes**

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

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

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

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

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

(shares)

(i) Outstanding stocks including treasury stock	(June 30, 2023)	1,230,303,667	(March 31, 2023)	1,251,571,867
(ii) Treasury stocks	(June 30, 2023)	8,722,928	(March 31, 2023)	17,478,130
(iii) Average stocks during the period	(June 30, 2023)	1,225,158,662	(June 30, 2022)	1,250,152,651

**\* 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

The Company has applied IAS 12 “Income Taxes” (amended in May 2021) from the three-month period ended June 30, 2023. This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis. Details regarding changes in accounting policies are described in “Changes in accounting policies” .

### 1. Operating results

Revenues for the three-month period ended June 30, 2023, amounted to 1,671.4 billion yen, representing an increase of 56.2 billion yen compared to 1,615.2 billion yen in the same period of the previous fiscal year.

Gross profit totaled 306.7 billion yen, increased by 11.2 billion yen compared to 295.5 billion yen in the same period of the previous fiscal year. This was due mainly to strong sales in the construction & mining systems business and a recovery of results from contract renewal in the domestic electricity retail business.

Selling, general and administrative expenses totaled 218.9 billion yen, an increase of 30.7 billion yen compared to 188.1 billion yen in the same period of the previous year.

Gain (loss) on securities and other investments totaled loss of 1.6 billion yen, decreased by 19.1 billion yen compared to profit of 17.5 billion yen in the same period of the previous fiscal year. This was due mainly to the absence of profits from the sale of the oil and gas business in the British territories of U.K. North Sea in the same period of the previous fiscal year.

Share of profit (loss) of investments accounted for using the equity method totaled profit of 72.7 billion yen, increased by 1.0 billion yen from 71.7 billion yen in the same period of the previous fiscal year. Although decline in mineral resource & energy prices, the increase occurred primarily as a result of the recording of one-off profit from the divestment of retail portfolio in tire sales & marketing business in the U.S., etc.

As a result, profit for the period attributable to owners of the parent totaled 129.4 billion yen, representing a decrease of 25.8 billion yen compared to 155.3 billion yen in the same period of the previous fiscal year.

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

Full amounts from retroactive application of IAS 12 “Income Taxes” (amended in May 2021) to figures for the prior fiscal year are included in Corporate and Eliminations.

The Metal Products Business Unit posted profit of 23.6 billion yen, a decrease of 0.7 billion yen compared to 24.3 billion yen in the same period of the previous fiscal year. This was due mainly to the absence of profits from strong performance of overseas steel service centers mainly in North America in the same period of the previous fiscal year, while solid performance by the tubular products business.

The Transportation & Construction Systems Business Unit posted profit of 39.5 billion yen, an increase of 19.1 billion yen compared to profit of 20.4 billion yen in the same period of the previous fiscal year. This was due mainly to strong performance in the construction & mining systems business and stable performance in the leasing business as well as the recording of one-off profit from the divestment of retail portfolio in tire sales & marketing business in the U.S., etc.

The Infrastructure Business Unit posted profit of 13.7 billion yen, an increase of 5.5 billion yen compared to profit of 8.2 billion yen in the same period of the previous fiscal year. This was due mainly to a recovery of results from contract renewal in the domestic electricity retail business and improvement of wind conditions at offshore wind farms in Europe.

The Media & Digital Business Unit posted profit of 7.2 billion yen, a decrease of 1.3 billion yen compared to 8.4 billion yen in the same period of the previous fiscal year. This was due mainly to increased start-up costs in telecommunications business in Ethiopia and the impact of local currency depreciation in the telecommunications business in Myanmar while stable performance by major domestic group companies.

The Living Related & Real Estate Business Unit posted profit of 10.1 billion yen, a decrease of 5.7 billion yen compared to 15.7 billion yen in the same period of the previous fiscal year. This was due mainly to the result of the absence of profits from the delivery of major projects in the real estate business in the same period of the previous fiscal year.

The Mineral Resources, Energy, Chemical & Electronic Business Unit posted profit of 31.2 billion yen, a decrease of 49.7 billion yen compared to 80.9 billion yen in the same period of the previous fiscal year. This was due mainly to decline in mineral resource & energy prices and market prices in basic chemical business as well as the absence of profits from the sale of the oil and gas business in the British territories of U.K. North Sea in the same period of the previous fiscal year.

## **2. Financial position**

### ***<Total assets, liabilities, and equity as of June 30, 2023>***

Total assets stood at 10,596.5 billion yen, representing an increase of 491.1 billion yen compared to 10,105.4 at the previous fiscal year-end, due mainly to the impact of yen's depreciation.

Equity attributable to owners of the parent totaled 4,079.7 billion yen, representing an increase of 301.0 billion yen compared to 3,778.7 at the previous fiscal year-end, due mainly to the impact of yen's depreciation and the profit attributable to owners of the parent posted in the current period, while dividend payment and share repurchase were executed.

Interest-bearing liabilities (net) (\*1) totaled 2,610.3 billion yen increased by 125.8 billion yen compared to 2,484.4 billion yen at the previous fiscal year-end.

In consequence, the net debt-equity ratio (Interest-bearing liabilities (net)/ Equity attributable to owners of the parent) was 0.6.

### *<Cash flows>*

Net cash provided by operating activities totaled 153.0 billion yen as basic profit cash flow (\*2) totaled an inflow of 150.3 billion yen because our core businesses performed well in generating cash, while working capital increased.

Net cash used in investing activities totaled 60.8 billion yen. We have acquired sulfuric acid business in the U.S. and also invested in domestic and overseas real estate. On the other hand, we have recovered funds, such as the capital collection by divestment of retail portfolio in tire sales & marketing business 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 an inflow of 92.3 billion yen.

Net cash used in financing activities totaled 71.4 billion yen due mainly to dividend payment and share repurchase, while execution of borrowings.

In consequence of the foregoing and consideration of the impact such as foreign exchange fluctuation, cash and cash equivalents stood at 709.8 billion yen as of June 30, 2023, representing an increase of 53.0 billion yen compared to 656.9 billion yen at the previous fiscal year-end.

(\*1) Interest-bearing liabilities = Sum of bonds and borrowings (current and non-current) (excluding lease liabilities)

(\*2) 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

### **3. Forecasts for fiscal year ending March 31, 2024**

We have not revised the forecast for the fiscal year ending March 31, 2024 from annual forecasts of 480.0 billion yen announced on May 9, 2023.

#### **Cautionary Statement Concerning Forward-Looking Statements**

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

## Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries

As of March 31, 2023 and June 30, 2023

	Millions of Yen		Millions of U.S.
	March 31, 2023	June 30, 2023	Dollars June 30, 2023
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	¥ 656,859	¥ 709,814	\$ 4,929
Time deposits	10,783	11,558	80
Marketable securities	1,741	7,155	50
Trade and other receivables	1,678,995	1,642,851	11,409
Contract assets	426,369	478,118	3,320
Other financial assets	123,827	158,704	1,102
Inventories	1,390,559	1,435,958	9,972
Advance payments to suppliers	135,177	118,899	826
Assets classified as held for sale	6,574	1,965	14
Other current assets	442,073	479,764	3,332
Total current assets	4,872,957	5,044,786	35,034
<b>Non-current assets:</b>			
Investments accounted for using the equity method	2,641,716	2,728,663	18,949
Other investments	388,767	423,624	2,942
Trade and other receivables	207,201	242,244	1,682
Other financial assets	190,736	228,708	1,589
Property, plant and equipment	1,046,316	1,099,067	7,632
Intangible assets	284,790	315,329	2,190
Investment property	346,355	376,030	2,611
Biological assets	36,891	38,508	267
Deferred tax assets	30,706	33,581	233
Other non-current assets	58,945	65,928	458
Total non-current assets	5,232,423	5,551,682	38,553
Total assets	¥ 10,105,380	¥ 10,596,468	\$ 73,587

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥144=US\$1.

## Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries

As of March 31, 2023 and June 30, 2023

	Millions of Yen		Millions of U.S. Dollars	
	March 31, 2023	June 30, 2023	June 30, 2023	
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities:</b>				
Bonds and borrowings	¥ 685,356	¥ 816,467	\$	5,670
Trade and other payables	1,648,976	1,605,562		11,150
Lease liabilities	76,058	78,808		547
Other financial liabilities	119,170	144,920		1,006
Income tax payables	48,060	32,487		226
Accrued expenses	137,190	110,059		764
Contract liabilities	119,603	148,390		1,030
Provisions	12,152	11,016		77
Liabilities associated with assets classified as held for sale	5,487	—		—
Other current liabilities	113,103	130,730		908
Total current liabilities	2,965,155	3,078,439		21,378
<b>Non-current liabilities:</b>				
Bonds and borrowings	2,466,733	2,515,189		17,467
Trade and other payables	57,575	59,207		411
Lease liabilities	421,759	420,557		2,921
Other financial liabilities	57,243	64,167		446
Accrued pension and retirement benefits	21,841	22,392		155
Provisions	39,996	40,631		282
Deferred tax liabilities	98,491	112,813		783
Total non-current liabilities	3,163,638	3,234,956		22,465
Total liabilities	6,128,793	6,313,395		43,843
<b>Equity:</b>				
Common stock	220,047	220,047		1,528
Additional paid-in capital	254,114	254,073		1,764
Treasury stock	(39,563)	(20,829)		(145)
Other components of equity	637,538	906,453		6,295
Retained earnings	2,706,557	2,719,972		18,889
Equity attributable to owners of the parent	3,778,693	4,079,716		28,331
<b>Non-controlling interests</b>	197,894	203,357		1,413
Total equity	3,976,587	4,283,073		29,744
Total liabilities and equity	¥ 10,105,380	¥ 10,596,468	\$	73,587

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥144=US\$1.



## Condensed Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2022 and 2023

	Millions of Yen		Millions of
	2022	2023	U.S. Dollars
<b>Revenues</b>			
Sales of tangible products	¥ 1,483,655	¥ 1,519,101	\$ 10,549
Sales of services and others	131,546	152,292	1,058
<b>Total revenues</b>	1,615,201	1,671,393	11,607
<b>Cost</b>			
Cost of tangible products sold	(1,245,730)	(1,288,872)	(8,951)
Cost of services and others	(73,931)	(75,811)	(526)
<b>Total cost</b>	(1,319,661)	(1,364,683)	(9,477)
<b>Gross profit</b>	295,540	306,710	2,130
<b>Other income (expenses)</b>			
Selling, general and administrative expenses	(188,145)	(218,878)	(1,520)
Impairment reversal (loss) on long-lived assets	46	(1)	(0)
Gain (loss) on sale of long-lived assets, net	681	300	2
Other, net	(845)	(300)	(2)
<b>Total other income (expenses)</b>	(188,263)	(218,879)	(1,520)
<b>Finance income (costs)</b>			
Interest income	9,425	15,621	108
Interest expense	(10,004)	(20,200)	(140)
Dividends	6,265	4,721	33
Gain (loss) on securities and other investments, net	17,498	(1,604)	(11)
<b>Finance income (costs), net</b>	23,184	(1,462)	(10)
<b>Share of profit (loss) of investments accounted for using the equity method</b>	71,723	72,739	505
<b>Profit before tax</b>	202,184	159,108	1,105
<b>Income tax expense</b>	(40,700)	(22,074)	(153)
<b>Profit for the period</b>	161,484	137,034	952
<b>Profit for the period attributable to:</b>			
<b>Owners of the parent</b>	¥ 155,267	¥ 129,420	\$ 899
<b>Non-controlling interests</b>	6,217	7,614	53
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Financial assets measured at fair value through other comprehensive income	(4,943)	14,527	101
Remeasurements of defined benefit pension plans	(6,090)	5,948	41
Share of other comprehensive income of investments accounted for using the equity method	1,119	1,620	11
<b>Total items that will not be reclassified to profit or loss</b>	(9,914)	22,095	153
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translating foreign operations	240,673	231,251	1,606
Cash-flow hedges	22,442	16,881	117
Hedging cost	(3,294)	(395)	(3)
Share of other comprehensive income of investments accounted for using the equity method	16,562	8,331	59
<b>Total items that may be reclassified subsequently to profit or loss</b>	276,383	256,068	1,779
<b>Other comprehensive income, net of tax</b>	266,469	278,163	1,932
<b>Comprehensive income for the period</b>	427,953	415,197	2,884
<b>Comprehensive income for the period attributable to:</b>			
<b>Owners of the parent</b>	¥ 418,739	¥ 404,078	\$ 2,807
<b>Non-controlling interests</b>	9,214	11,119	77

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥144=US\$1.

## Condensed Consolidated Statements of Changes in Equity

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2022 and 2023

For the three-month periods ended June 30, 2022

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
<b>Balance, beginning of year</b>	219,894	255,996	(1,871)	454,136	2,269,661	3,197,816	183,469	3,381,285
Impact of changes in accounting policies					(980)	(980)	(51)	(1,031)
<b>Balance, beginning of year after changes in accounting policies</b>	219,894	255,996	(1,871)	454,136	2,268,681	3,196,836	183,418	3,380,254
Profit for the period					155,267	155,267	6,217	161,484
Other comprehensive income for the period				263,472		263,472	2,997	266,469
<b>Comprehensive income for the period</b>				263,472	155,267	418,739	9,214	427,953
<b>Transaction with owners:</b>								
Acquisition of treasury stock			(1)			(1)		(1)
Sales of treasury stock			42			42		42
Equity transactions with non-controlling interests and others		(1,928)				(1,928)	390	(1,538)
Cash dividends to owners of the parent					(81,250)	(81,250)		(81,250)
Cash dividends to non-controlling interests							(5,570)	(5,570)
<b>Transfer to retained earnings</b>				(998)	998	—		—
<b>Balance, end of period</b>	219,894	254,068	(1,830)	716,610	2,343,696	3,532,438	187,452	3,719,890

For the three-month periods ended June 30, 2023

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
<b>Balance, beginning of year</b>	220,047	254,114	(39,563)	637,538	2,706,557	3,778,693	197,894	3,976,587
Profit for the period					129,420	129,420	7,614	137,034
Other comprehensive income for the period				274,658		274,658	3,505	278,163
<b>Comprehensive income for the period</b>				274,658	129,420	404,078	11,119	415,197
<b>Transaction with owners:</b>								
Acquisition of treasury stock			(32,057)			(32,057)		(32,057)
Sales of treasury stock			5		(2)	3		3
Cancellation of treasury stock			50,786		(50,786)	—		—
Share-based payment transactions		56				56		56
Equity transactions with non-controlling interests and others		(97)				(97)	1,345	1,248
Cash dividends to owners of the parent					(70,960)	(70,960)		(70,960)
Cash dividends to non-controlling interests							(7,001)	(7,001)
<b>Transfer to retained earnings</b>				(5,743)	5,743	—		—
<b>Balance, end of period</b>	220,047	254,073	(20,829)	906,453	2,719,972	4,079,716	203,357	4,283,073

For the three-month periods ended June 30, 2023

Millions of U.S. Dollars

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
<b>Balance, beginning of year</b>	1,528	1,765	(275)	4,427	18,796	26,241	1,375	27,616
Profit for the period					899	899	53	952
Other comprehensive income for the period				1,908		1,908	24	1,932
<b>Comprehensive income for the period</b>				1,908	899	2,807	77	2,884
<b>Transaction with owners:</b>								
Acquisition of treasury stock			(223)			(223)		(223)
Sales of treasury stock			0		0	0		0
Cancellation of treasury stock			353		(353)	—		—
Share-based payment transactions		0				0		0
Equity transactions with non-controlling interests and others		(1)				(1)	10	9
Cash dividends to owners of the parent					(493)	(493)		(493)
Cash dividends to non-controlling interests							(49)	(49)
<b>Transfer to retained earnings</b>				(40)	40	—		—
<b>Balance, end of period</b>	1,528	1,764	(145)	6,295	18,889	28,331	1,413	29,744

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥144=US\$1.

## Condensed Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2022 and 2023

	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
<b>Operating activities:</b>			
Profit for the period	¥ 161,484	¥ 137,034	\$ 952
Adjustments to reconcile profit for the period to cash flows from operating activities:			
Depreciation and amortization	44,542	46,081	320
Impairment reversal (loss) on long-lived assets	(46)	1	0
Finance (income) costs, net	(23,184)	1,462	10
Share of (profit) loss of investments accounted for using the equity method	(71,723)	(72,739)	(505)
(Gain) loss on sale of long-lived assets, net	(681)	(300)	(2)
Income tax expense	40,700	22,074	153
Changes in inventories	(67,484)	15,354	107
Changes in trade and other receivables	(17,298)	113,698	790
Changes in prepaid expenses	625	(14,983)	(104)
Changes in trade and other payables	(126,468)	(181,763)	(1,262)
Other, net	93,609	48,400	336
Interest received	3,205	6,250	43
Dividends received	80,386	88,477	614
Interest paid	(6,691)	(15,960)	(111)
Income taxes paid	(34,513)	(40,038)	(278)
Cash flows from operating activities	76,463	153,048	1,063
<b>Investing activities:</b>			
Proceeds from sale of property, plant and equipment	926	894	6
Purchases of property, plant and equipment	(19,867)	(16,630)	(115)
Purchases of investment property	(33,654)	(18,401)	(128)
Proceeds from disposal of other investments	32,038	30,337	211
Acquisitions of other investments	(40,426)	(68,806)	(478)
Collection of loans receivable	1,112	16,618	115
Increase in loans receivable	(4,762)	(4,806)	(33)
Cash flows from investing activities	(64,633)	(60,794)	(422)
Free Cash Flows:	11,830	92,254	641
<b>Financing activities:</b>			
Net changes in short-term debts	(15,445)	37,207	258
Proceeds from issuance of long-term debts	111,872	58,978	410
Repayments of long-term debts	(86,755)	(40,262)	(279)
Repayments of lease liabilities	(16,704)	(18,115)	(126)
Cash dividends paid	(81,250)	(70,960)	(493)
Capital contribution from non-controlling interests	273	1,205	8
Payments for acquisitions of subsidiary's interests from non-controlling interests	(2,388)	(347)	(2)
Payments of dividends to non-controlling interests	(5,570)	(7,001)	(49)
Acquisitions and disposal of treasury stock, net	34	(32,057)	(223)
Cash flows from financing activities	(95,933)	(71,352)	(496)
<b>Net changes in cash and cash equivalents</b>	<b>(84,103)</b>	<b>20,902</b>	<b>145</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>733,824</b>	<b>656,859</b>	<b>4,562</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>46,042</b>	<b>28,143</b>	<b>195</b>
<b>Net changes in cash and cash equivalents resulting from transfer to assets classified as held for sale</b>	<b>9,169</b>	<b>3,910</b>	<b>27</b>
<b>Cash and cash equivalents at the end of period</b>	<b>¥ 704,932</b>	<b>¥ 709,814</b>	<b>\$ 4,929</b>

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥144=US\$1.

## Assumptions for Going Concern

: None

## Changes in accounting policies

Material accounting policies applied in the condensed consolidated financial statements for the three-month period ended June 30, 2023, remain the same as those applied in the consolidated financial statements for the previous fiscal year, except for the items below.

### IAS 12 “Income Taxes”

Sumitomo Corporation has applied IAS 12 “Income Taxes” (amended in May 2021) from the three-month period ended June 30, 2023. The amendments clarified the accounting treatment upon initial recognition for transactions that result in taxable temporary differences and deductible temporary differences of the same amount at the time of the transaction. As a result, taxable temporary differences and deductible temporary differences are recognized as deferred tax liabilities and deferred tax assets, respectively, in the Consolidated Statements of Financial Position.

This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis.

As a result, in the Condensed Consolidated Statements of Financial Position at the end of the previous fiscal year, assets decreased by 872 million yen due to changes in “Investments accounted for using the equity method” and “Deferred tax assets” and equity decreased by 872 million yen due to changes in “Retained earnings” and “Non-controlling interests.” Also, in the Condensed Consolidated Statements of Comprehensive Income for the three-month period ended June 30, 2022, profit for the period increased by 40 million yen due to changes in “Share of profit (loss) of investments accounted for using the equity method” and “Income tax expense.” In addition, “Earnings per share attributable to owners of the parent (basic)” and “Earnings per share attributable to owners of the parent (diluted)” for the three-month period ended June 30, 2022, increased by 0.03 yen, respectively.

Furthermore, in the Condensed Consolidated Statements of Changes in Equity for the three-month period ended June 30, 2022, the balances of “Retained earnings” and “Non-controlling interests” at the beginning of year decreased by 980 million yen and 51 million yen respectively due to the reflection of the cumulative effect of applying the above-mentioned standard.

## Changes in Presentation

(Condensed Consolidated Statements of Change in Equity)

“Acquisition of treasury stock” and “Sales of treasury stock,” which were included in “Acquisition (disposal) of treasury stock, net” previously, are presented separately from the three-month period ended June 30, 2023, in order to ensure a clear presentation. In addition, “Equity transactions with non-controlling interests and others,” which was presented separately in “Acquisition (disposal) of non-controlling interests, net” and “Others” previously, are presented collectively from the three-month period ended June 30, 2023, because of considering the materiality.

Condensed Consolidated Statements of Change in Equity for the three-month period ended June 30, 2022, is reclassified to conform to this change in presentation.

As a result, the amount of 41 million yen, which was presented in “Acquisition (disposal) of treasury stock, net” within “Transaction with owners” in the Condensed Consolidated Statements of Change in Equity for the three-month period ended June 30, 2022, has been reclassified and presented as (1) million yen for “Acquisition of treasury stock” and as 42 million yen for “Sales of treasury stock.” In addition, the amount of (2,131) million yen and 203 million yen, which were presented in “Acquisition (disposal) of non-controlling interests, net” and “Others” within “Transaction with owners,” have been reclassified and presented as (1,928) million yen for “Equity transactions with non-controlling interests and others.”

## Segment Information

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2022 and 2023

Millions of Yen										
2022:		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	¥	371,778	238,450	138,452	107,226	273,875	480,946	1,610,727	4,474	1,615,201
Gross profit		49,487	54,341	10,623	28,553	63,120	92,532	298,656	(3,116)	295,540
Share of profit (loss) of investments accounted for using the equity method		3,333	13,260	5,645	8,428	3,572	36,869	71,107	616	71,723
Profit for the period (attributable to owners of the parent)		24,298	20,352	8,228	8,447	15,738	80,912	157,975	(2,708)	155,267
Total assets (As of March 31)		1,161,058	2,004,969	1,379,568	1,062,483	1,704,435	2,490,098	9,802,611	302,769	10,105,380

Millions of Yen										
2023:		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	¥	467,435	293,944	115,275	115,527	296,338	380,747	1,669,266	2,127	1,671,393
Gross profit		53,112	72,840	23,160	31,581	68,163	59,259	308,115	(1,405)	306,710
Share of profit (loss) of investments accounted for using the equity method		3,176	33,377	6,672	6,944	2,277	20,819	73,265	(526)	72,739
Profit for the period (attributable to owners of the parent)		23,638	39,476	13,698	7,153	10,063	31,229	125,257	4,163	129,420
Total assets (As of June 30)		1,209,360	2,172,833	1,458,306	1,089,290	1,763,641	2,527,344	10,220,774	375,694	10,596,468

Millions of U.S. Dollars										
2023:		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	\$	3,246	2,041	801	802	2,058	2,644	11,592	15	11,607
Gross profit		369	506	161	219	473	412	2,140	(10)	2,130
Share of profit (loss) of investments accounted for using the equity method		22	232	46	48	16	145	509	(4)	505
Profit for the period (attributable to owners of the parent)		164	274	95	50	70	217	870	29	899
Total assets (As of June 30)		8,398	15,089	10,127	7,565	12,248	17,551	70,978	2,609	73,587

Notes:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥144=US\$1.

2) On April 1, 2023, DX promotion support organization was transferred from Media & Digital Business Unit to Corporate and Eliminations. Accordingly, the segment information of the same period of the previous year has been reclassified.