Quarterly Results for FY2023

(Six-month period ended September 30, 2023)

November 2, 2023
Sumitomo Corporation

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I will provide an overview of the Q2 financial results, along with the documents.
First, I will give a brief overview in three slides.

1. Summary of FY2023 Q2 Results

- Profit for the period attributable to owners of the parent totaled ¥284.9 bil.
- Revised annual forecasts to ¥500.0 bil., which includes loss buffer of ¥-50.0 bil., as reserves to maintain sound portfolio.
- Annual dividend forecast revised to ¥125 per share, based on the current shareholder return policy. (Floor of FY2023: ¥125 per share)

Summary of FY2023 Q2 Results

	FY2023 Forecasts (announced in May 2023)	FY2023 Q2 Results (A)	FY2023 Forecasts (announced in Nov. 2023) (B)	Progress (A)/(B)
Profit for the year (attributable to owners of the parent)	¥480.0 bil.	**¥284.9 bil.**	**¥500.0 bil.**	**57%**
One-off profits/losses	¥20.0 bil.	¥28.0 bil.	¥0.0 bil.	-
Excluding one-off profits/losses	¥460.0 bil	¥257.0 bil.	¥500.0 bil.	51%
Annual dividend (per share)	¥120	**¥62.5** (interim dividend)	**¥125**	-

The Q2 results totaled JPY284.9 billion as shown in the upper center row.

In light of these H1 results and the current business environment,
we have revised our full-year forecast for FY2023 upward
from our initial forecast of JPY480 billion to JPY500 billion, as shown on the right-hand side.

In addition, we have revised the forecast for one-off profits/losses upward by JPY40 billion
from the original plan of JPY460 billion to JPY500 billion.
The one-off profits/losses are set at zero, offset by a buffer of minusJPY50 billion,
in preparation for maintaining the soundness of the portfolio.

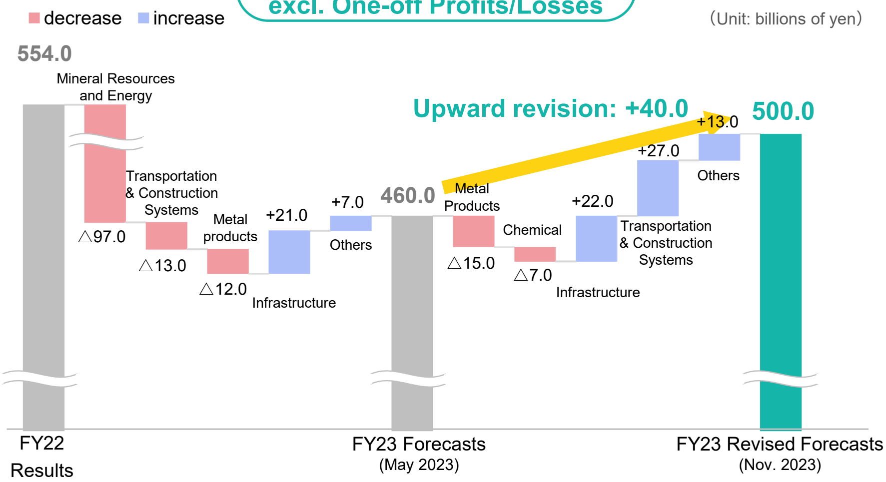
Based on the current shareholder return policy and our full-year forecast of JPY500 billion,
we have increased our annual dividend forecast for FY2023 by JPY5 from the initial forecast
to JPY125.

2. Business Portfolio SHIFT (Outcomes of Initiatives Evident in FY23 Performance)

- Anticipate FY23 Profits amounting to ¥500.0 bil. excluding one-off profits/losses (+¥40.0 bil compared to the initial forecasts) even under material changes in external environment from FY22.
- Below are the outcomes of initiatives in SHIFT 2023 to build a business portfolio with both high profitability and strong downside resilience.

Waterfall Analysis of Profit excl. One-off Profits/Losses

(Unit: billions of yen)



Enhanced profitability / increased downside resilience

- **Tubular product business in North America**
  Mitigation of the reduction in earnings during market downturns through the consolidation of wholesalers and the transformation of the inventory business model.
- **Automotive sales & marketing business**
  Revenue expansion through intensified sales efforts in key markets.
- **Construction & mining systems business**
  Revenue growth through the strengthening of business base and the expansion of product support.
- **Domestic electricity retail business**
  Performance improvement through proper management of market risks
- **Agribusiness**
  Earnings decline mitigation through business expansion of direct sales of agricultural and livestock supplies (product diversification)

The left-hand side is a waterfall showing our full-year results, excluding one-off profits/losses. The leftmost column on the left shows the actual results for FY2022, JPY554 billion; the middle column shows the forecast at the beginning of this fiscal year, JPY460 billion; and the right column shows the factors that led to the upwardly revised figure of JPY500 billion.

Although a significant decrease in profit in the mineral resources and energy business is inevitable due to the decline in commodity prices from FY2022 to the current fiscal year,
we expect to maintain the profit level of JPY500 billion for the entire company despite the headwind of the slowdown in the Chinese economy, rising interest rates, and increased operation costs due to inflation.

The main businesses that were the driving force behind this are listed on the right side of the slide.

As we have explained several times in the past, the tubular products business in North America has significantly strengthened its downward resilience through the integration of wholesalers and the transformation of its inventory business model.
Although the downward revision was made due to the prolonged adjustment of market inventories in North America, we were still able to reduce the profit margin compared to past results and maintain the profit level of over JPY70 billion for the full-year in the Metal Products as a whole.

In the automotive sales and marketing business, while production continued to decline due to the shortage of semiconductors, the Company secured inventories through various sales efforts, demonstrated its trading function, which is inherent to a trading company, and steadily increased revenues by strengthening sales in areas with strong demand.

In the construction and mining systems business, the rental business is expanding its operating base by steadily accumulating rental assets, while the sales and service business is also expanding product development and product support to meet customer needs.

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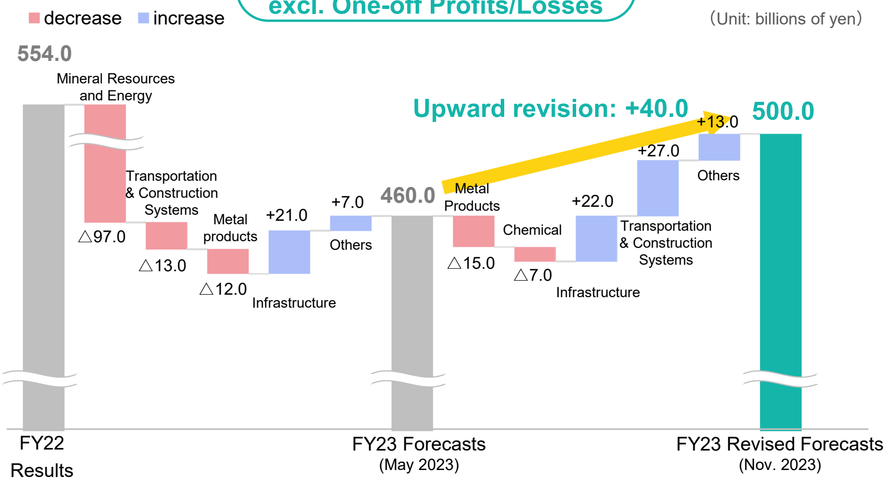

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(Continued)

In the domestic electric power retail business, which recognized a large loss in the previous fiscal year due to a drastic change in the business environment caused by soaring energy prices, we have not only improved the business environment by reviewing electricity rates in the entire electric power industry and stabilizing electricity adjustment prices, but also by reviewing contract terms and managing market risks, and have significantly improved our business performance.

In the agribusiness, we have increased our investment in the downstream agricultural input and service business in Ukraine and have been working on geographic expansion and functional enhancement, which is our growth strategy.
By reaching out directly to farmers, who are our customers, and selling a wide variety of products on a market-in basis, we have been able to curb the decline in profits even in the midst of a sharp decline in the fertilizer and agrochemical markets.

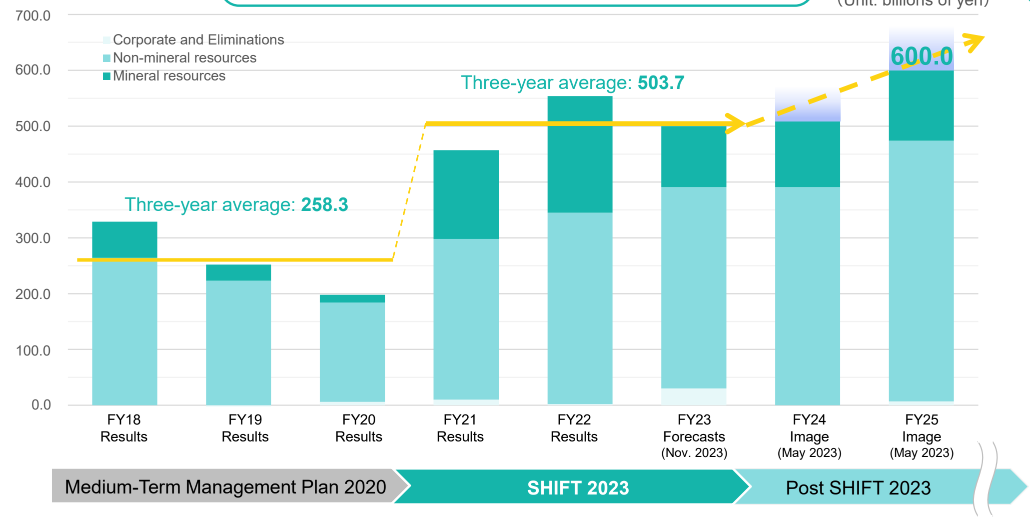
The common thread that runs through all of these initiatives is that our efforts over the past several years to shift to a portfolio with high profitability and strong downside resilience are showing results as planned and reflected in our current performance.

3. For Growth Beyond SHIFT 2023

- Through the implementation of SHIFT 2023 measures, the business portfolio has improved substantially, the profit level has also been raised significantly compared to the previous medium-term plan period, and we have returned to a growth trajectory.
- Enhance growth and stability, secure ROE between 12% and 15% regardless of external conditions, and progress to a profit level of ¥600.0 bil. by FY25 (as announced).

Trend for Profit excl. One-off Profits/Losses

(Unit: billions of yen)



SHIFT 2023 initiatives

Improvement of profitability

- Pursuing high ROIC exceeding each SBU's WACC
- Strategic allocation of management resources to two Strategic Categories: Steady Business Growth and Seeding.

Strengthen earnings stability

- Addressing businesses in turnaround, divestment of low-profit businesses and asset replacement for businesses with little growth potential.
- Focused allocation of management resources

Shift to a business portfolio securing ROE between 12-15% regardless of external conditions

This slide shows a little further back in time, showing the performance trends from the previous medium-term management plan period, excluding one-off profits/losses.
The upper green bar on the graph represents the mineral resources businesses and the lower light green bar represents the non-mineral resources businesses profits.

Looking at the three-year average of the results of the previous medium-term management plan, Medium-Term Management Plan 2020, and the current medium-term management plan, SHIFT 2023, you can see that the level of revenues has been rising, and that the non-mineral resources businesses has also been steadily raising its revenues level.

Among the initiatives under SHIFT 2023, the specific SHIFT measures for the business portfolio are summarized on the right side of the slide, and the implementation of each of these measures has led to this increase in revenues.

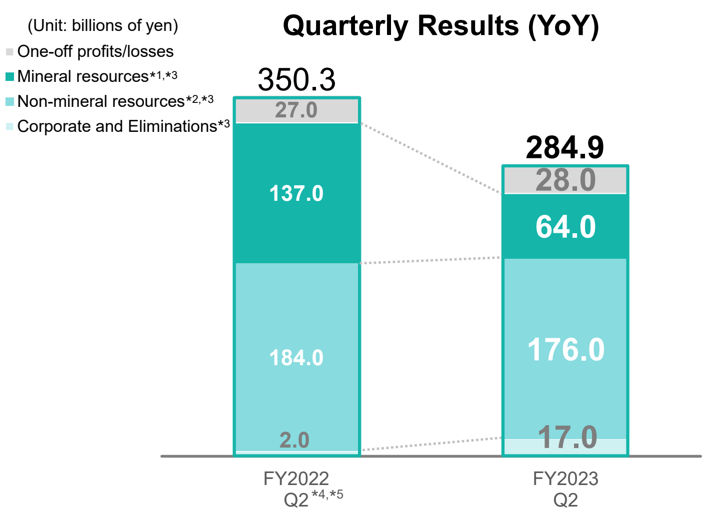
Compared to three years ago, the contents of each of the pending projects, such as Ambatovy, TBC, and Fyffes, which I explained as remaining issues at the beginning of the fiscal year, have improved so much that they are completely different businesses. We are now working to reach a certain goal by the end of the current medium-term management plan, taking into account the current changes in the business environment.

Beyond SHIFT 2023, we will maintain ROE of 12% to 15% on a growth trajectory while also expanding our invested capital to steadily advance to the JPY600 billion level by FY2025.

FY2023 Q2 Results・FY2023 Forecasts

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

- Profit for the period attributable to owners of the parent totaled ¥284.9 bil.
- Although ¥65.4 bil. decrease (-19%) compared to the same period of the previous fiscal year, non-mineral resources businesses remained strong.



Highlights

- Mineral resources (¥-73.0 bil.)
  Decline in mineral resources & energy prices
  Trade: absence of strong performance in FY2022 Q2
- Non-mineral resources (¥-8.0 bil.)
  Automotive sales & marketing・Construction & mining systems : strong
  Domestic electricity retail business: Strong due to contract renewal and stable electricity procurement prices
  Real estate business: Decline due to delivery of major projects in FY2022 Q2
  Agribusiness: Market prices decline and absence of high demand in FY2022 Q2
- Major one-off profits/losses
  Profit from the divestment of retail portfolio in tire sales & marketing business in the U.S.

(Reference) Average exchange rate (JPY/US$): FY2022 Q2 134.03
FY2023 Q2 141.06

*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 Due to reorganization carried out as of Apr. 1, 2023, the breakdown of FY2022 Q2 results, excl. one-off profits/losses are reclassified.
*5 The Company has applied IAS 12 "Income Taxes" (amended in May 2021) from the three-month period ended Jun. 30, 2023, and figures for the prior fiscal year are shown after retroactive application.

I would like to reiterate our results for Q2 of the current fiscal year.
Cumulative Q2 results totaled JPY284.9 billion, a decrease of JPY65.4 billion from the same period of the previous fiscal year.

The bar graphs in the materials show profit for the year broken down by the mineral resources businesses, non-mineral resources businesses, and elimination or corporate. One-off profits/losses and one-off profits/losses are excluded.

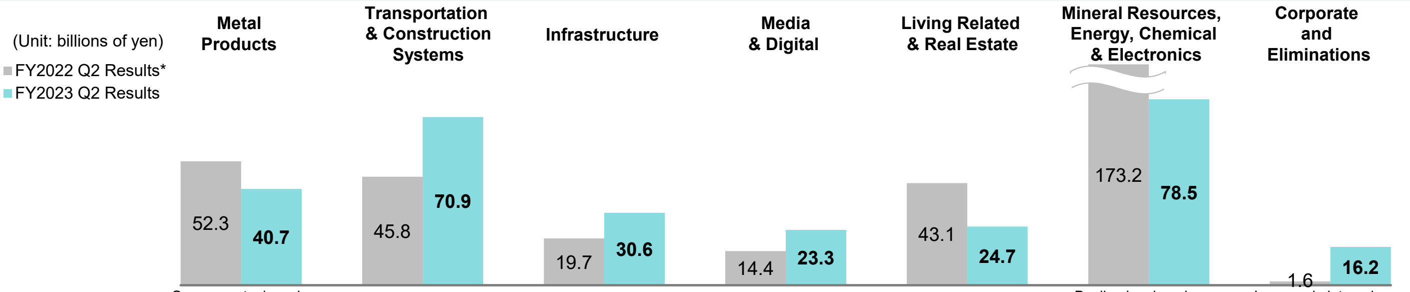
The mineral resources businesses recorded JPY64 billion, a decrease of JPY73 billion.
This was due to the impact of lower resource and energy prices, as well as a pullback from the robust performance of the trade business in the same period of the previous fiscal year.

The non-mineral resources businesses recorded JPY176 billion, a decrease of JPY8 billion.
In addition to robust performance in the automotive sales and marketing business and the construction & mining systems business, the domestic electricity retail business posted higher profits due to contract renewals and stable power procurement prices.

On the other hand, the real estate business, which had delivered a large project in the same period of the previous fiscal year, and the agribusiness saw a decrease in profit due to a decline in market conditions and a reaction to the strong demand in the same period of the previous fiscal year.

5. Profit for the Period by Segment

- Profit increased in the following segments: Transportation & Construction Systems, Infrastructure, Media & Digital.



	Metal Products	Transportation & Construction Systems	Infrastructure	Media & Digital	Living Related & Real Estate	Mineral Resources, Energy, Chemical & Electronics	Corporate and Eliminations
Main reason for increase/decrease in quarterly results	• Overseas steel service center: absence of strong performance in North America in FY2022 Q2 • Tubular products: absence of strong market in FY2022 Q2	• Automotive sales & marketing: strong • Construction & mining systems: strong • Leasing: stable • One-off profits from the divestment of retail portfolio in tire business	• Domestic electricity retail: strong due to contract renewal and stable electricity procurement prices • One-off profits in power infrastructure business in FY2022 Q2	• Major domestic business: stable • Telecommunications in Ethiopia: increase in start-up cost • One-off gains in media sector	• Real estate: delivery of major projects in FY2022 Q2 • Fresh produce business in Europe and the Americas: melon production struggled due to pests while banana improved	• Decline in mineral resources & energy prices • Mineral resources and Energy trade: absence of strong performance in FY2022 Q2 • Agribusiness: market prices decline and absence of high demand in FY2022 Q2 • Profit from the sale of O&G business in the U.K. North Sea in FY2022 Q2	• Increase in internal interest income due to interest rate increase

One-off profits/losses included in profit for the period by segment	FY2022 Q2	FY2023 Q2
Metal Products	+4.0	+2.0
Transportation & Construction Systems	+1.0	+15.0
Infrastructure	+10.0	-2.0
Media & Digital	±0.0	+9.0
Living Related & Real Estate	+2.0	+2.0
Mineral Resources, Energy, Chemical & Electronics	+10.0	+1.0
Corporate and Eliminations	±0.0	±0.0

* Due to reorganization carried out as of Apr. 1, 2023, the figures are described on a reclassified basis.

This slide shows YoY changes in profit for the year by segment.

In the Metal Products, profits declined in the oversea steel service centers and the tubular products business in North America, both in reaction to the robust performance in the same period of the previous fiscal year.

The Transportation and Construction Systems, the automotive sales and marketing business, and the construction and mining systems business performed well, and one-off profit also contributed to a significant increase in profits.

In the Infrastructure, the domestic electricity retail business and the overseas IPP/IWPP business reported higher profits.

The Media & Digital reported an increase in profits due to solid performance at domestic major group companies and a one-off profit in the media division, despite higher start-up costs in the Ethiopian telecommunications business.

The Living Related & Real Estate reported a decrease in profits due to a reactionary decline in the real estate business, while the Mineral Resources, Energy, Chemical & Electronics reported a decrease in profits mainly due to the decline in resource and energy prices.

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

- Profit excluding one-off profits/losses increasing steadily, mainly in non-mineral resources businesses.

* Due to reorganization carried out as of Apr. 1, 2023, the figures are described on a reclassified basis.

The bar graph shows quarterly changes in performance excluding one-off profits/losses.

Excluding one-off profits/losses, Q2 results, which were mainly non-mineral resources businesses, showed steady growth and amounted to JPY145 billion, second only to Q2 FY2022, when the Company posted its highest profit.

7. Operating Results (Cash Flows)

- Free cash flow post-shareholder return (adjusted) for FY2023 Q2 was cash in of ¥84.6 bil.
- Cumulative results in SHIFT 2023: cash in of 38.1 bil. Expect the cash flow positive for 3-year total in SHIFT 2023.

(Unit: billions of yen)

	SHIFT 2023 3-year Total Revised Plan (May 2023)	SHIFT 2023 Results (Apr.2021-Sep.2023)	SHIFT 2023 FY2023 Q2 Results (Apr.2023-Sep.2023)
Basic profit cash flow*1	+1,270.0	+1,138.7	+269.8 (1)
Depreciation and amortization (After netting repayments of lease liabilities)	+320.0	+272.1	+57.8
Asset replacement	+600.0	+460.0	+80.0 (2)
Others	-580.0	-560.0	+20.0 (3)
Investment & loan (New investment & loan)	-1,140.0	-890.0	-240.0 (4)
Free cash flow (adjusted*2)	**+470.0**	**+432.2**	**+187.7**
Shareholder return	-470.0	-394.1	-103.0
Free cash flow (post-shareholder return)(adjusted*2)	**Ensure Positive**	**+38.1**	**+84.6**

Highlights

1. **Basic profit cash flow**
   Steady cash generation by core businesses
2. **Asset replacement**
   Cash in from divestment of retail portfolio in tire sales & marketing business in the U.S., etc.
3. **Others**
   Decrease in working capital, etc.
4. **Investment & loan**
   Development of sustainable city in North Hanoi, Vietnam
   Acquisition of sulfuric acid business in the U.S.
   Acquisition of domestic and overseas real estate, etc.

*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

Next, I will discuss cash flow.

Free cash flow after return to shareholders, shown in green, was JPY84.6 billion in H1.

The main breakdown is as stated.

8. Operating Results (Financial Position)

- Total assets increased to ¥10.7 trillions mainly due to yen's depreciation. (approx.¥+630.0 bil. compared to the end of Mar. 2023)

(Unit: billions of yen)

	As of Mar. 31, 2023	As of Sep. 30, 2023	Increase/ Decrease
Current assets	4,873.0	4,981.2	+108.2
Non-current assets	5,232.4	5,752.0	+519.6
Total assets	**10,105.4**	**10,733.2**	**+627.8**
Other liabilities	2,976.7	2,970.0	-6.7
Interest-bearing liabilities*1	3,152.1 (2,484.4)	3,193.9 (2,526.3)	+41.8 (+41.9)
Total liabilities	**6,128.8**	**6,163.9**	**+35.1**
Shareholders' equity*2	3,778.7	4,354.1	+575.4
Total liabilities and equity	**10,105.4**	**10,733.2**	**+627.8**
D/E Ratio (Net)	**0.7**	**0.6**	**-0.1pt**
Exchange rate (JPY/US$)	133.53	149.58	+16.05

Highlights

Total assets +627.8 (10,733.2←10,105.4)

- Increase due to yen's depreciation (approx.¥+530.0 bil.)

Shareholders' equity +575.4 (4,354.1←3,778.7)

- Increase due to yen's depreciation (approx.¥+320.0 bil.)
- Profit for the period
- Dividend paid, share repurchased

*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.

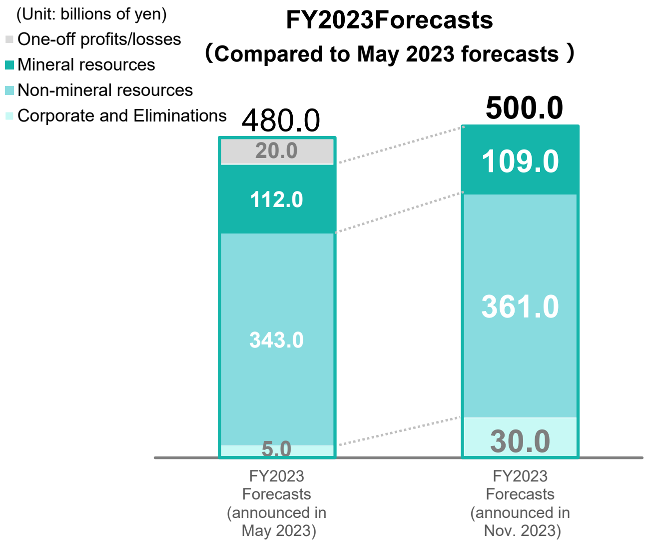
I will explain the financial condition of the Company.

Total assets increased approximately JPY630 billion to JPY10,730 billion and shareholders' equity increased JPY580 billion to JPY4,350 billion from the end of the previous fiscal year, mainly due to the impact of yen depreciation.

Net D/E ratio was 0.6 times.

9. Forecasts for FY2023 (Profit for the Year (Attributable to Owners of the Parent))

- Revised annual forecasts to ¥500.0 bil., based on the improvement in actual earnings capability, as result of SHIFT 2023 initiatives.
- Included loss buffer of ¥-50.0 bil., as reserves to maintain sound portfolio.



Highlights

- Mineral resources (¥-3.0 bil.)
  Mineral resources & energy prices: weakening
  Mineral resources & energy trade: stable
- Non-mineral resources (¥+18.0 bil.)
  Automotive sales & marketing, Construction mining systems: strong
  Domestic electricity retail business: strong due to contract renewal and stable electricity procurement prices
  Tubular products business in North America: market inventory adjustment prolonged
- Corporate and Eliminations (¥+25.0 bil.)
  Increase in internal interest income due to interest rate increase, etc.
- One-off profits/losses (¥-20.0 bil.)
  One-off profits in aircraft leasing business: ¥+30.0 bil.
  Loss buffer ¥-50.0 bil.

(Reference) Average exchange rate (JPY/US$)
: FY2023 2nd half 140.00

As explained at the beginning, we have revised our full-year forecast for FY2023 upward to JPY500 billion.

Divided into the mineral resources businesses and the non-mineral resources businesses, the full-year forecast for the mineral resources businesses is JPY109 billion, about the same level as the initial forecast, while the forecast for the non-mineral resources businesses is JPY361 billion, an increase of JPY18 billion from the initial forecast.

In the non-mineral resources businesses, robust H1 performance is expected to continue in the automotive sales and marketing business, the construction & mining systems business, and the domestic electricity retail business.

Corporate and Eliminations and are revised upward by JPY25 billion.
This is mainly due to an increase in the internal interest rates received from the operating divisions due to the high dollar interest rates.

In addition to the JPY28 billion in one-off profits/losses in H1, we received JPY30 billion in insurance proceeds in the aircraft leasing business in early October.
However, we have factored in a buffer minus JPY50 billion as a provision for maintaining portfolio health, and our full-year forecast is set at zero.

The buffer was set in preparation for further asset replacements, et cetera.

In the final fiscal year of SHIFT 2023, we intend to use this buffer to ensure that the necessary allowances are made before moving on to the next stage.

10. Forecasts for FY2023 （Profit for the Year by Segment）

- Transportation & Construction Systems leads the performance strongly, by steadily capturing earnings opportunities.
- In addition, Infrastructure, Living Related & Real Estate, and Mineral Resources, Energy, Chemical & Electronics generate profits steadily.

(Unit: billions of yen)	FY2023 Forecasts (May 2023)	FY2023 Forecasts (Nov. 2023) (A)	FY2023 Q2 Results (B)	Progress (B)/(A)	Outlook for the second half by Segment
Metal Products	91.0	76.0	40.7	54%	Although market inventory adjustment prolonged in tubular products business in North America, recovery expected from FY2023 Q4
Transportation & Construction Systems	93.0	140.0	70.9	51%	Overall: stable. Others: one-off profits in aircraft leasing* business
Infrastructure	43.0	45.0	30.6	68%	Overall: stable, but expect one-off losses
Media & Digital	36.0	36.0	23.3	65%	Major domestic businesses: stable
Living Related & Real Estate	52.0	58.0	24.7	43%	Real estate: delivery of properties as planned Others: one-off profits*
Mineral Resources, Energy, Chemical & Electronics	157.0	164.0	78.5	48%	Mineral resources & Energy: although market prices weakening, stable in trade Agribusiness: profit increase due to demand season Basic chemical: profit improvement in trade
Corporate and Eliminations	8.0	-19.0	16.2	-	Loss buffer of -50.0 included
Total	480.0	500.0	284.9	57%	

* One-off profits in aircraft leasing business: Profit recognized in 2 segments according to shares in equity ratio of Sumitomo Mitsui Finance and Leasing Company
(Transportation & Construction Systems: ¥24.0 bil, Living Related & Real Estate: ¥6.0 bil.)

This slide shows the full-year forecast by segment.

Details are shown on the slide.

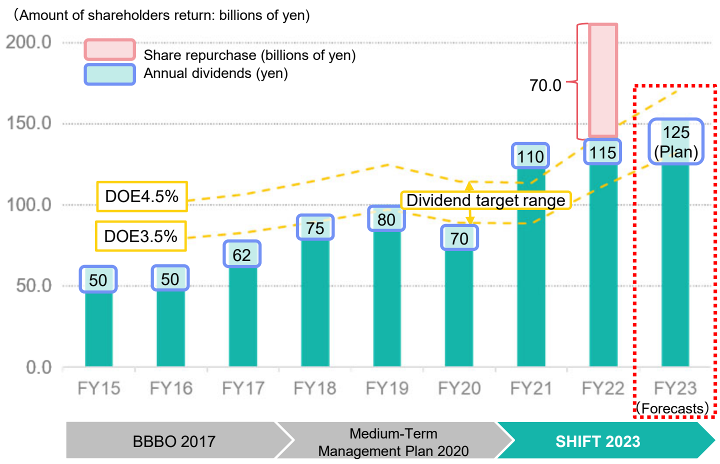
This concludes my explanation.

[END]

11. Shareholder Return

- Annual dividend forecast revised to ¥125 per share, increased by ¥5 from the initial plan of ¥120, based on the revision of annual forecasts to ¥500.0 bil. (interim dividend：¥62.5 per share)

Shareholder returns



Shareholder Return Policy

- 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.
  (DOE is calculated based on shareholders' equity at the beginning of the period.)
- When 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.
  (In the case of dividends, the dividend payout ratio shall be 30% or more in principle.)
  - The annual dividend forecast
    It 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%.
    (In the event that it is revised during the term, the revised forecast shall not, in principle, be less than the forecast immediately prior to the revision.)
  - The amount of annual dividends
    It shall be determined based on a payout ratio of 30% of actual profit for the year.
    (In principle, it is not less than the immediately preceding forecast.)
  - The interim dividend
    It shall be half of the annual dividend forecast at the time of the interim dividend payment.