

Consolidated Financial Results FY2023 (Six-month period ended September 30, 2023)

[Prepared on the basis of International Financial Reporting Standards]

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 Stock Exchange Code No.: 8053 URL: <https://www.sumitomocorp.com/en/jp>
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Scheduled Quarterly Securities Report Submission Date: November 7, 2023
 Scheduled Starting Date of Dividend Payment: December 1, 2023
 Supplementary Documents on Financial Results: Yes
 Financial Results Meeting: Yes (for Financial Analysts)

1. Consolidated results for the six-month period ended September 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 September 30, 2023	3,343,834	(0.3)	347,295	(21.9)	301,763	(17.4)	284,885	(18.7)	702,300	(7.4)
The period ended September 30, 2022	3,354,351	31.9	444,622	—	365,423	—	350,291	—	758,579	—
	Earnings per share attributable to owners of the parent (basic)		Earnings per share attributable to owners of the parent (diluted)							
			(yen)							
The period ended September 30, 2023			232.76							
The period ended September 30, 2022			280.08							
			(yen)							
The period ended September 30, 2023			232.62							
The period ended September 30, 2022			279.91							

[Note] Due to application of Amendments to IAS 12 Income Taxes (issued in May 2021), results for the six months ended September 30, 2022, have been re-presented retrospectively. Percentages of change from the same period of the previous year for the six months ended September 30, 2022 are not presented except for 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 September 30, 2023	10,733,184	4,569,280	4,354,094	40.6
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	—	62.50			
Year ending March 31, 2024 (Forecasts)			—	62.50	125.00

[Notes] 1. Revision of the latest dividend forecasts: Yes
 2. For further details please refer to page 7 "4. Shareholder Return Policy."

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	500,000	(11.6)	408.74

[Notes] 1. Revision of the latest forecasts: Yes
 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.
 3. For further details please refer to page 6 "3. Forecasts for fiscal year ending March 31, 2024."

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 13 "Changes in accounting policies."

(3) Outstanding stocks (Common stocks)

(shares)

(i) Outstanding stocks including treasury stock	(September 30, 2023)	1,223,082,867	(March 31, 2023)	1,251,571,867
(ii) Treasury stocks	(September 30, 2023)	1,218,637	(March 31, 2023)	17,478,130
(iii) Average stocks during the period	(September 30, 2023)	1,223,264,116	(September 30, 2022)	1,250,118,277

*** 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

(Unit: billions of yen)	Six-month period ended September 30, 2022	Six-month period ended September 30, 2023	Increase/ (Decrease)	Remarks
Revenues	3,354.4	3,343.8	(10.5)	
Gross profit	626.1	639.7	+13.6	- Automotive sales & marketing: strong - Construction equipment-related business: strong mainly in North America - Domestic electricity retail business: strong due to contract renewal and stable electricity procurement prices - Decline in mineral resources & energy prices - Agribusiness: Market prices decline and absence of high demand in FY2022 Q2 - Impact of selling silver, zinc, and lead mine in Bolivia (Feb. 2023)
Selling, general and administrative expenses	(383.5)	(440.3)	(56.8)	- Impact of personnel cost increase
Gain (loss) on property, plant and equipment, net (*1)	24.5	(0.5)	(25.0)	- Delivery of major projects in real estate business in FY2022 Q2
Other, net	(0.4)	(3.1)	(2.8)	
Interest expense, net of interest income	(2.8)	(10.3)	(7.5)	
Dividends	9.7	7.5	(2.2)	
Gain (loss) on securities and other investments, net	20.4	2.1	(18.3)	- Profit from the sale of O&G business in the U.K. North Sea in FY2022 Q2
Share of profit (loss) of investments accounted for using the equity method	150.7	152.2	+1.6	
Profit before tax	444.6	347.3	(97.3)	
Income tax expense	(79.2)	(45.5)	+33.7	
Profit for the period	365.4	301.8	(63.7)	
Profit for the period attributable to: Owners of the parent	350.3	284.9	(65.4)	

(*1) Gain (loss) on property, plant and equipment, net =Sum of Impairment reversal (loss) on long-lived assets and Gain (loss) on sale of long-lived assets, net

<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.

(Unit: billions of yen)	Six-month period ended September 30, 2022	Six-month period ended September 30, 2023	Increase/ (Decrease)	Remarks
Metal Products	52.3	40.7	(11.7)	- Overseas steel service center: absence of strong performance in North America in FY2022 Q2 - Tubular products: absence of strong market in FY2022 Q2
Transportation & Construction Systems	45.8	70.9	+25.1	- Automotive sales & marketing: strong - Construction & mining systems: strong - Leasing: stable - One-off profits from the divestment of retail portfolio in tire business
Infrastructure	19.7	30.6	+10.8	- Domestic electricity retail: strong due to contract renewal and stable electricity procurement prices - One-off profits in power infrastructure business in FY2022 Q2
Media & Digital	14.4	23.3	+8.9	- Major domestic businesses: stable - Telecommunications in Ethiopia: increase in start-up cost - One-off gains in media sector
Living Related & Real Estate	43.1	24.7	(18.4)	- 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
Mineral Resources, Energy, Chemical & Electronics	173.2	78.5	(94.8)	- 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
Segment Total	348.7	268.7	(80.0)	
Corporate and Eliminations	1.6	16.2	+14.6	- Increase in internal interest income due to interest rate increase
Total	350.3	284.9	(65.4)	

2. Financial position

<Total assets, liabilities, and equity as of September 30, 2023>

(Unit: billions of yen)	As of March 31, 2023	As of September 30, 2023	Increase/ (Decrease)	Remarks
Total assets	10,105.4	10,733.2	+627.8	- Increase due to yen's depreciation
Shareholders' equity (*1)	3,778.7	4,354.1	+575.4	- Increase due to yen's depreciation - Profit for the period - Dividend paid, share repurchased
Interest-bearing liabilities (net) (*2)	2,484.4	2,526.3	+41.9	
D/E Ratio (net) (*3)	0.7	0.6	(0.1)pt	

(*1) Shareholders' equity = equivalent to equity attributable to owners of the parent in consolidated statements of financial position.

(*2) Interest-bearing liabilities (net)= Sum of bonds and borrowings (current and non-current) – (cash and cash equivalents + time deposits) (excluding lease liabilities)

(*3) D/E Ratio (net) = Interest-bearing liabilities (net) / Shareholders' equity

<Cash flows>

(Unit: billions of yen)	Six-month period ended September 30, 2022	Six-month period ended September 30, 2023	Remarks
Cash flows from operating activities	165.2	332.1	- Steady cash generation by core businesses
Basic profit cash flow (*4)	276.6	269.8	
Cash flows from investing activities	(46.2)	(106.9)	- Investment & loan: Acquisition of sulfuric acid business in the U.S. Acquisition of domestic and overseas real estate, etc. - Asset replacement: Cash in from divestment of retail portfolio in tire sales & marketing business in the U.S., etc.
Free Cash Flows	119.0	225.2	
Cash flows from financing activities	(244.2)	(261.5)	- Dividend paid, share repurchased

	As of March 31, 2023	As of September 30, 2023
Cash and cash equivalents at the end of period	656.9	657.3

(*4) 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

The global economy is expected to continue growing at a moderate pace. Persistent high prices caused by labor shortages, rising prices for raw materials, and other factors as well as financial tightening have become burdens on corporate and household economic activities. Among developed countries, the growth of the U.S. economy is supported by domestic demand, but growth is expected to slow due to effects from financial tightening. The gradual recovery trend in Japan is expected to continue. On the other hand, in the euro-zone economy, although there are differences among the economic and price trends in each country, overall, gradual recovery is expected. Among emerging countries, the Chinese economy is expected to remain sluggish due to the prolonged slump in the real estate market and other factors, but moderate recovery is expected to continue in many other emerging and developing countries. Risks include prolonged price increases and effects from the accompanying financial tightening, debt problems in emerging economies, increasing tensions in the Israeli-Palestinian situation, and other heightened geopolitical risks

Under these circumstances, we revised the forecast of consolidated financial results for FY2023 as follows:

(billions of yen)	Previous Forecast (A)	Revised Forecast (B)	Increase /Decrease (B-A)	Increase /Decrease (%)
Profit for the year attributable to owners of the parent	480.0	500.0	20.0	4.2%

(Reference) (billions of yen)	Previous Forecast (A)	Revised Forecast (B)	Increase /Decrease (B-A)
Excl. one-off profits/losses	460.0	500.0	40.0
One-off profits/losses	20.0	0.0	-20.0

Results for the first half of the fiscal year showed steady progress against the annual forecast of 480.0 billion yen, which we announced in the fiscal year 2022 earnings announcement (May 9, 2023). We expect that each business that drove performance in the first half will continue to perform well in the second half, and accordingly, we revised the annual forecast of profit for the year attributable to owners of the parent upward to 500.0 billion yen, an increase of 20.0 billion yen from the previous forecast.

4. Shareholder Return Policy

Sumitomo Corporation aims to increase dividends by achieving medium and long-term earnings growth while adhering to its fundamental policy of paying shareholders a stable dividend over the long term.

The company's policy on shareholder returns for FY2022 and beyond is as follows: we will decide the amount of annual dividends within a DOE (dividend on equity ratio) range of 3.5% to 4.5% by taking into consideration fundamental earnings capacity, cash flows, and other factors with a consolidated payout ratio of 30% as a guideline. 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.

Due to the fact that our annual forecast of profit for the year attributable to owners of the parent is revised to 500.0 billion yen, the annual dividend for the fiscal year is revised to 125 yen per share (latest plan was 120 yen per share). The interim dividend is 62.5 yen per share, half the amount of planned annual dividend (the interim dividend in the previous fiscal year was 57.5 yen per share).

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 September 30, 2023

	Millions of Yen		Millions of U.S. Dollars	
	March 31, 2023	September 30, 2023	September 30, 2023	
ASSETS				
Current assets:				
Cash and cash equivalents	¥ 656,859	¥ 657,261	\$	4,411
Time deposits	10,783	10,284		69
Marketable securities	1,741	12,252		82
Trade and other receivables	1,678,995	1,640,543		11,010
Contract assets	426,369	494,198		3,317
Other financial assets	123,827	169,063		1,135
Inventories	1,390,559	1,425,545		9,567
Advance payments to suppliers	135,177	131,317		881
Assets classified as held for sale	6,574	—		—
Other current assets	442,073	440,733		2,959
Total current assets	4,872,957	4,981,196		33,431
Non-current assets:				
Investments accounted for using the equity method	2,641,716	2,865,424		19,231
Other investments	388,767	448,613		3,011
Trade and other receivables	207,201	248,080		1,665
Other financial assets	190,736	226,370		1,519
Property, plant and equipment	1,046,316	1,126,208		7,558
Intangible assets	284,790	325,084		2,182
Investment property	346,355	375,166		2,518
Biological assets	36,891	38,827		261
Deferred tax assets	30,706	34,900		234
Other non-current assets	58,945	63,316		425
Total non-current assets	5,232,423	5,751,988		38,604
Total assets	¥ 10,105,380	¥ 10,733,184	\$	72,035

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥149=US\$1.

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries

As of March 31, 2023 and September 30, 2023

	Millions of Yen		Millions of U.S. Dollars	
	March 31, 2023	September 30, 2023	September 30, 2023	
LIABILITIES AND EQUITY				
Current liabilities:				
Bonds and borrowings	¥ 685,356	¥ 676,565	\$ 4,541	
Trade and other payables	1,648,976	1,599,811	10,737	
Lease liabilities	76,058	79,444	533	
Other financial liabilities	119,170	134,841	905	
Income tax payables	48,060	42,123	283	
Accrued expenses	137,190	134,507	903	
Contract liabilities	119,603	133,651	897	
Provisions	12,152	11,902	80	
Liabilities associated with assets classified as held for sale	5,487	—	—	
Other current liabilities	113,103	122,755	824	
Total current liabilities	2,965,155	2,935,599	19,703	
Non-current liabilities:				
Bonds and borrowings	2,466,733	2,517,329	16,895	
Trade and other payables	57,575	56,240	377	
Lease liabilities	421,759	419,203	2,813	
Other financial liabilities	57,243	57,185	384	
Accrued pension and retirement benefits	21,841	22,999	154	
Provisions	39,996	40,762	274	
Deferred tax liabilities	98,491	114,587	769	
Total non-current liabilities	3,163,638	3,228,305	21,666	
Total liabilities	6,128,793	6,163,904	41,369	
Equity:				
Common stock	220,047	220,423	1,479	
Additional paid-in capital	254,114	252,562	1,695	
Treasury stock	(39,563)	(2,910)	(20)	
Other components of equity	637,538	1,030,451	6,916	
Retained earnings	2,706,557	2,853,568	19,152	
Equity attributable to owners of the parent	3,778,693	4,354,094	29,222	
Non-controlling interests	197,894	215,186	1,444	
Total equity	3,976,587	4,569,280	30,666	
Total liabilities and equity	¥ 10,105,380	¥ 10,733,184	\$ 72,035	

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥149=US\$1.

Condensed Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries

For the six-month periods ended September 30, 2022 and 2023

	Millions of Yen		Millions of
	2022	2023	U.S. Dollars
Revenues			
Sales of tangible products	¥ 3,076,931	¥ 3,027,317	\$ 20,318
Sales of services and others	277,420	316,517	2,124
Total revenues	3,354,351	3,343,834	22,442
Cost			
Cost of tangible products sold	(2,580,302)	(2,547,982)	(17,101)
Cost of services and others	(147,926)	(156,178)	(1,048)
Total cost	(2,728,228)	(2,704,160)	(18,149)
Gross profit	626,123	639,674	4,293
Other income (expenses)			
Selling, general and administrative expenses	(383,505)	(440,323)	(2,955)
Impairment reversal (loss) on long-lived assets	6,041	(889)	(6)
Gain (loss) on sale of long-lived assets, net	18,413	382	3
Other, net	(396)	(3,148)	(22)
Total other income (expenses)	(359,447)	(443,978)	(2,980)
Finance income (costs)			
Interest income	20,478	33,006	221
Interest expense	(23,260)	(43,282)	(290)
Dividends	9,692	7,534	51
Gain (loss) on securities and other investments, net	20,365	2,102	14
Finance income (costs), net	27,275	(640)	(4)
Share of profit (loss) of investments accounted for using the equity method	150,671	152,239	1,022
Profit before tax	444,622	347,295	2,331
Income tax expense	(79,199)	(45,532)	(306)
Profit for the period	365,423	301,763	2,025
Profit for the period attributable to:			
Owners of the parent	¥ 350,291	¥ 284,885	\$ 1,912
Non-controlling interests	15,132	16,878	113
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	(9,729)	31,682	213
Remeasurements of defined benefit pension plans	(11,146)	2,827	19
Share of other comprehensive income of investments accounted for using the equity method	1,183	2,692	18
Total items that will not be reclassified to profit or loss	(19,692)	37,201	250
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	343,864	321,887	2,160
Cash-flow hedges	29,519	26,556	178
Hedging cost	(3,583)	(658)	(4)
Share of other comprehensive income of investments accounted for using the equity method	43,048	15,551	104
Total items that may be reclassified subsequently to profit or loss	412,848	363,336	2,438
Other comprehensive income, net of tax	393,156	400,537	2,688
Comprehensive income for the period	758,579	702,300	4,713
Comprehensive income for the period attributable to:			
Owners of the parent	¥ 740,053	¥ 679,558	\$ 4,561
Non-controlling interests	18,526	22,742	152

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥149=US\$1.

Condensed Consolidated Statements of Changes in Equity

Sumitomo Corporation and Subsidiaries

For the six-month periods ended September 30, 2022 and 2023

For the six-month period ended September 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		
Balance, beginning of year	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)
Balance, beginning of year after changes in accounting policies	219,894	255,996	(1,871)	454,136	2,268,681	3,196,836	183,418	3,380,254
Profit for the period					350,291	350,291	15,132	365,423
Other comprehensive income for the period				389,762		389,762	3,394	393,156
Comprehensive income for the period				389,762	350,291	740,053	18,526	758,579
Transaction with owners:								
Acquisition of treasury stock			(3)			(3)		(3)
Sales of treasury stock			98			98		98
Share-based payment transactions	153	110				263		263
Equity transactions with non-controlling interests and others		(2,423)				(2,423)	330	(2,093)
Cash dividends to owners of the parent					(81,250)	(81,250)		(81,250)
Cash dividends to non-controlling interests							(11,362)	(11,362)
Transfer to retained earnings				1,803	(1,803)	—		—
Balance, end of period	220,047	253,683	(1,776)	845,701	2,535,919	3,853,574	190,912	4,044,486

For the six-month period ended September 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		
Balance, beginning of year	220,047	254,114	(39,563)	637,538	2,706,557	3,778,693	197,894	3,976,587
Profit for the period					284,885	284,885	16,878	301,763
Other comprehensive income for the period				394,673		394,673	5,864	400,537
Comprehensive income for the period				394,673	284,885	679,558	22,742	702,300
Transaction with owners:								
Acquisition of treasury stock			(32,059)			(32,059)		(32,059)
Sales of treasury stock		(37)	70		(32)	1		1
Cancellation of treasury stock			68,642		(68,642)	—		—
Share-based payment transactions	376	(822)				(446)		(446)
Equity transactions with non-controlling interests and others		(693)				(693)	3,614	2,921
Cash dividends to owners of the parent					(70,960)	(70,960)		(70,960)
Cash dividends to non-controlling interests							(9,064)	(9,064)
Transfer to retained earnings				(1,760)	1,760	—		—
Balance, end of period	220,423	252,562	(2,910)	1,030,451	2,853,568	4,354,094	215,186	4,569,280

For the six-month period ended September 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		
Balance, beginning of year	1,477	1,705	(266)	4,279	18,165	25,360	1,328	26,688
Profit for the period					1,912	1,912	113	2,025
Other comprehensive income for the period				2,649		2,649	39	2,688
Comprehensive income for the period				2,649	1,912	4,561	152	4,713
Transaction with owners:								
Acquisition of treasury stock			(215)			(215)		(215)
Sales of treasury stock		(0)	0		(0)	0		0
Cancellation of treasury stock			461		(461)	—		—
Share-based payment transactions	2	(5)				(3)		(3)
Equity transactions with non-controlling interests and others		(5)				(5)	25	20
Cash dividends to owners of the parent					(476)	(476)		(476)
Cash dividends to non-controlling interests							(61)	(61)
Transfer to retained earnings				(12)	12	—		—
Balance, end of period	1,479	1,695	(20)	6,916	19,152	29,222	1,444	30,666

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥149=US\$1.

Condensed Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the six-month periods ended September 30, 2022 and 2023

	Millions of Yen		Millions of U.S. Dollars
	2022	2023	2023
Operating activities:			
Profit for the period	¥ 365,423	¥ 301,763	\$ 2,025
Adjustments to reconcile profit for the period to cash flows from operating activities:			
Depreciation and amortization	90,582	95,364	640
Impairment (reversal) loss on long-lived assets	(6,041)	889	6
Finance (income) costs, net	(27,275)	640	4
Share of (profit) loss of investments accounted for using the equity method	(150,671)	(152,239)	(1,022)
(Gain) loss on sale of long-lived assets, net	(18,413)	(382)	(3)
Income tax expense	79,199	45,532	306
Changes in inventories	(103,205)	37,243	250
Changes in trade and other receivables	(69,233)	112,970	758
Changes in prepaid expenses	4,743	(10,399)	(69)
Changes in trade and other payables	(86,207)	(187,521)	(1,258)
Other, net	37,046	29,666	199
Interest received	8,151	15,469	104
Dividends received	100,989	130,072	873
Interest paid	(16,530)	(35,589)	(239)
Income taxes paid	(43,338)	(51,421)	(345)
Cash flows from operating activities	165,220	332,057	2,229
Investing activities:			
Proceeds from sale of property, plant and equipment	5,505	2,195	15
Purchases of property, plant and equipment	(33,775)	(33,971)	(228)
Proceeds from sale of investment property	32,119	—	—
Purchases of investment property	(34,259)	(19,177)	(129)
Proceeds from disposal of other investments	68,955	55,671	374
Acquisitions of other investments	(77,679)	(132,239)	(888)
Collection of loans receivable	4,048	26,186	176
Increase in loans receivable	(11,161)	(5,540)	(37)
Cash flows from investing activities	(46,247)	(106,875)	(717)
Free Cash Flows:	118,973	225,182	1,512
Financing activities:			
Net changes in short-term debts	(3,625)	(128,142)	(860)
Proceeds from issuance of long-term debts	136,271	177,470	1,191
Repayments of long-term debts	(246,898)	(162,258)	(1,089)
Repayments of lease liabilities	(34,552)	(37,530)	(252)
Cash dividends paid	(81,250)	(70,960)	(476)
Capital contribution from non-controlling interests	273	2,432	16
Payments for acquisitions of subsidiary's interests from non-controlling interests	(3,129)	(1,383)	(9)
Payments of dividends to non-controlling interests	(11,362)	(9,064)	(61)
Acquisitions and disposal of treasury stock, net	32	(32,059)	(215)
Cash flows from financing activities	(244,240)	(261,494)	(1,755)
Net changes in cash and cash equivalents	(125,267)	(36,312)	(243)
Cash and cash equivalents at the beginning of year	733,824	656,859	4,408
Effect of exchange rate changes on cash and cash equivalents	60,829	32,804	220
Net changes in cash and cash equivalents resulting from transfer to assets classified as held for sale	9,169	3,910	26
Cash and cash equivalents at the end of period	¥ 678,555	¥ 657,261	\$ 4,411

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥149=US\$1.

Assumptions for Going Concern

: None

Changes in accounting policies

Material accounting policies applied in the condensed consolidated financial statements for the six-month period ended September 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 six-month period ended September 30, 2022, profit for the period increased by 80 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 six-month period ended September 30, 2022, increased by 0.06 yen, respectively.

Furthermore, in the Condensed Consolidated Statements of Changes in Equity for the six-month period ended September 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 six-month period ended September 30, 2022, is reclassified to conform to this change in presentation.

As a result, the amount of 95 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 six-month period ended September 30, 2022, has been reclassified and presented as (3) million yen for “Acquisition of treasury stock” and as 98 million yen for “Sales of treasury stock.” In addition, the amount of (2,526) million yen and 103 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 (2,423) million yen for “Equity transactions with non-controlling interests and others.”

Segment Information

Sumitomo Corporation and Subsidiaries

For the six-month periods ended September 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	¥	803,946	504,027	289,394	217,188	522,883	1,006,453	3,343,891	10,460	3,354,351
Gross profit		104,871	120,020	27,332	58,728	120,406	197,832	629,189	(3,066)	626,123
Share of profit (loss) of investments accounted for using the equity method		6,013	28,666	8,577	14,816	5,339	83,627	147,038	3,633	150,671
Profit for the period (attributable to owners of the parent)		52,342	45,811	19,748	14,424	43,134	173,237	348,696	1,595	350,291
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	¥	907,113	635,261	215,743	235,069	588,354	754,266	3,335,806	8,028	3,343,834
Gross profit		100,754	160,319	51,758	64,014	137,545	127,058	641,448	(1,774)	639,674
Share of profit (loss) of investments accounted for using the equity method		6,844	49,162	13,213	23,121	7,968	52,785	153,093	(854)	152,239
Profit for the period (attributable to owners of the parent)		40,669	70,942	30,566	23,329	24,732	78,477	268,715	16,170	284,885
Total assets (As of September 30)		1,160,430	2,271,315	1,526,179	1,119,972	1,843,460	2,553,283	10,474,639	258,545	10,733,184

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	\$	6,088	4,263	1,448	1,578	3,949	5,062	22,388	54	22,442
Gross profit		676	1,076	347	430	923	853	4,305	(12)	4,293
Share of profit (loss) of investments accounted for using the equity method		46	330	89	155	53	354	1,027	(5)	1,022
Profit for the period (attributable to owners of the parent)		273	476	205	156	166	527	1,803	109	1,912
Total assets(As of September 30)		7,788	15,244	10,243	7,517	12,372	17,136	70,300	1,735	72,035

Notes:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥149=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.