# Quarterly Results for FY2024

## (Nine-month period ended December 31, 2024)

**February 4, 2025**
**Sumitomo Corporation**

# 1. Summary of FY2024 Q1-3 Results

- Profit for the period attributable to owners of the parent totaled ¥416.5 bil.
- Revised full-year forecasts to ¥560.0 bil. (Reduced buffer of ¥-20.0 bil., which was incorporated in the full-year forecast announced in Oct, to zero and revised the full-year forecast by segment)
- Further shareholder return shall be made under the shareholder return policy of total payout ratio of 40% or higher (method and amount to be determined)

## Summary of FY2024 Q1-3 Results

(Unit: billions of yen)

| | FY2023 Q1-3 Results (A) | FY2024 Q1-3 Results (B) | Increase/ Decrease (B)-(A) | FY2024 full-year Forecasts (announced in Oct. 2024) | FY2024 full-year Forecasts (announced in Feb. 2025) (C) | Progress (B)/(C) |
|---|---|---|---|---|---|---|
| **Profit for the Period** (attributable to owners of the parent) | **404.1** | **416.5** | **+12.4** | 530.0 | 560.0 | **74%** |
| One-off profits/losses | 44.0 | 28.0 | -16.0 | 20.0 | 40.0 | - |
| Excluding one-off profits/losses | 360.0 | 388.0 | +28.0 | 510.0 | 520.0 | 75% |

| **FY2024 Shareholder Return** | • Annual dividend forecast: ¥130 per share. (announced in Oct. 2024) (interim dividend: ¥65, year-end: ¥65 (plan))<br>• Share repurchase: ¥50.0 bil. (repurchased from May 7 to Jun. 17, all the shares repurchased have been canceled)<br>• Further shareholder return shall be made under the shareholder return policy of total payout ratio of 40% or higher (method and amount to be determined) |
|---|---|




The profit for Q1-3 was JPY416.5 billion. In light of the results and the current business environment, we have revised our full-year forecast for FY2024 upward from the JPY530.0 billion announced in October to JPY560.0 billion.

The buffer of JPY-20.0 billion included in the October forecast has been reduced to zero, and the full-year forecast for each segment has been updated. We will explain later.

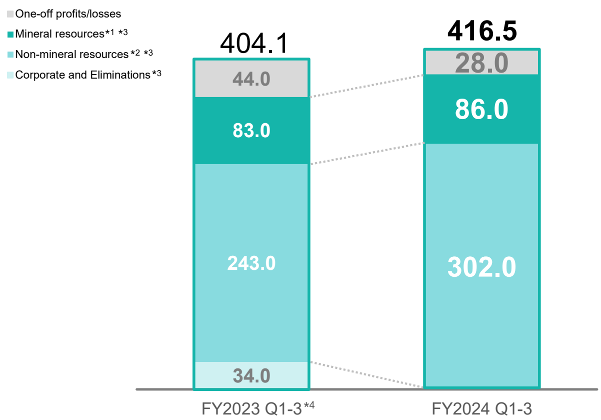
In light of the upward revision of the forecasts for FY2024, further shareholder return shall be made under the shareholder return policy in the Medium-Term Management Plan 2026, which calls for a total return ratio of 40% or more, after considering the method and amount, etc.,

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

- Profit for the period attributable to owners of the parent for FY2024 Q1-3 totaled ¥416.5 bil., a ¥12.4 bil. increase compared to the same period of the previous fiscal year.
- Non-mineral resources business excluding one-off profits/losses totaled ¥302.0 bil., a record-high for Q1-Q3 results.

(Unit: billions of yen)

**Quarterly Results (YoY)**




**Highlights**

- **Mineral resources (¥+3.0 bil.)**
  - Aluminum price increase among others
- **Non-mineral resources (¥+59.0 bil.)**
  - Leasing business: stable
  - Real estate: strong
  - Overseas IPP/IWPP business: strong
  - Construction & mining systems: slowdown in construction demand growth and the increased costs of depreciation and others
  - Agribusiness: decrease in demand due to falling market price and declining farmers' income, ongoing impact from unusual weather conditions in FY2023
- **Major one-off profits/losses**
  - Gain related to selling T-Gaia
  - Nickel mining and refining business in Madagascar: loss from shareholder loans resulting from debt restructuring, tax-effect
- **Impact of the depreciation of the yen**
  (Reference) Average exchange rate (JPY/US$): FY2023 Q1-3 143.33
  FY2024 Q1-3 152.63

*1 Mineral resources is a sum of Mineral Resources Group, and Gas Value Chain SBU within Energy Transformation Business Group.
*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 The breakdown of FY2023 Q1-3 results, excl. one-off profits/losses, are reclassified in accordance with the reorganization effective from Apr. 1, 2024.




Cumulative Q1-3 results totaled JPY416.5 billion, an increase of JPY12.4 billion from FY2023 Q1-3. The bar graphs in the material show profit for the year broken down into one-off profits/losses, and results excluding one-off profits/losses for Mineral resources, Non-mineral resources, and Corporate and Eliminations.

Mineral resources recorded JPY86.0 billion, an increase of JPY3.0 billion. This was due to factors such as higher aluminum prices.
Non-mineral resources recorded a record high of JPY302.0 billion for Q1-3, an increase of JPY59.0 billion from FY2023 Q1-3. This was mainly due to solid performance in leasing business, and was partly due that real estate, and overseas IPP/IWPP business have been robust performance.

I will also explain about one-off profits/losses. In addition to a gain of approximately JPY18.0 billion related to the sale of T-Gaia in Q3, Nickel mining and refining business in Madagascar recorded a net loss of approximately JPY6.0 billion.
The above loss is composed of a loss of JPY18.9 billion after the review of the collectability of shareholder loans, as the project company proceeded with debt restructuring procedures based on the UK Restructuring Plan, and a tax-effect of approximately JPY+13.0 billion related to debt restructuring procedures.

As a result, one-off profits/losses totaled JPY+28.0 billion in FY2024 Q1-3.

## 3. Profit for the Period by Segment

FY2023 Q1-3 Results: ¥404.1 bil. (excl. one-off profits/losses: ¥360.0 bil.)
FY2024 Q1-3 Results: ¥416.5 bil. (excl. one-off profits/losses: ¥388.0 bil.)

(Unit: billions of yen)

Profit: Upper: FY2023 Q1-3 Results; Lower: FY2024 Q1-3 Results

| Segment | Profit (Upper: FY2023 Q1-3 Results) | Profit (Lower: FY2024 Q1-3 Results) | Increase/ Decrease | Main factors for the increase/decrease |
|---|---|---|---|---|
| Steel | 57.3 | 53.5 | -3.8 | • Tubular products: weakening market conditions in North America<br>• Steel sheets: impact of sluggish demand in China and other regions |
| Automotive | 50.9 | 40.3 | -10.5 | • Automotive sales & marketing・domestic auto leasing business: stable<br>• Tire business: one-off profits in FY2023 Q1 |
| Transportation & Construction Systems | 78.6 | 65.8 | -12.8 | • Transportation: stable mainly in leasing business and ship business, one-off profits in FY2023 Q3<br>• Construction & mining systems: profit decrease due to a slowdown in construction demand growth, and the increased costs of depreciation and others |
| Diverse Urban Development | 23.4 | 43.5 | +20.1 | • Real estate: strong |
| Media & Digital | 27.2 | 35.4 | +8.2 | • Telecommunications in Ethiopia: increase in start-up cost among others<br>• Major domestic businesses: stable •Gain related to selling T-Gaia in FY2024 Q3<br>• Media business: one-off profits in FY2023 Q2 |
| Lifestyle Business | 5.8 | 11.0 | +5.2 | • Fresh produce business in Europe and the Americas: melon business was affected by external factors while banana and pineapple business performed strongly<br>• Mushroom business in North America: performance improved by measures to ensure stable production |
| Mineral Resources | 52.6 | 61.7 | +9.1 | • Aluminum: increase in aluminum price and other factors<br>• Nickel mining & refining business in Madagascar: one-off loss on shareholder loans resulting from debt restructuring |
| Chemical Solutions | 17.8 | 21.2 | +3.3 | • Agribusiness: decrease in demand due to falling market price and declining farmers' income, ongoing impact from unusual weather conditions in FY2023<br>• Life science: strong performance in pharmaceuticals trading & pet care business |
| Energy Transformation Business | 57.5 | 83.7 | +26.1 | • Overseas IPP/IWPP business: strong |
| Corporate and Eliminations | 33.0 | 0.5 | -32.5 | • Impact of revisions to the internal cost allocation policy in managerial accounting |

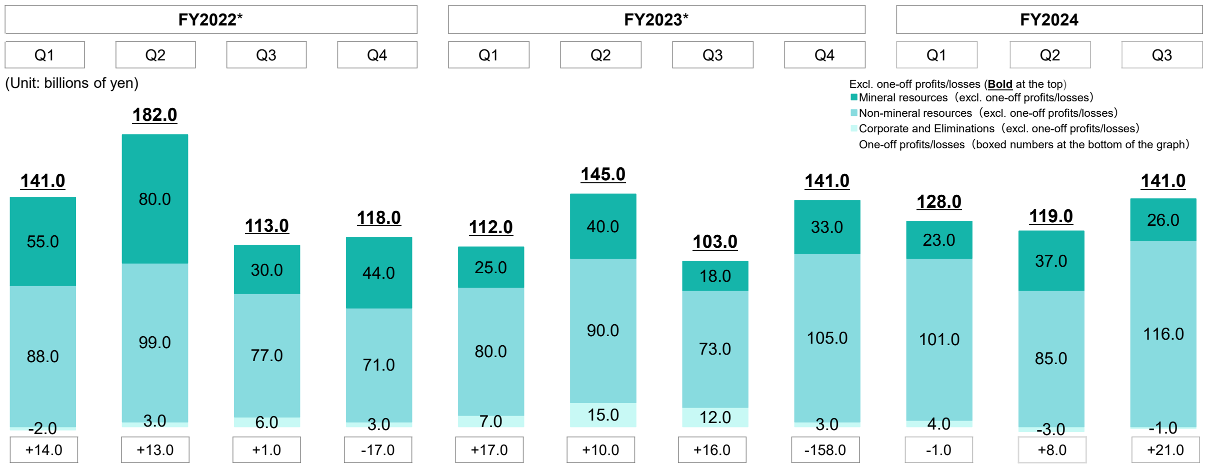



The following table shows YoY changes in profit for the year by segment.

In Steel, earnings declined JPY3.8 billion, mainly due to softening market conditions in tubular products business in North America.
Automotive reported a JPY10.5 billion decrease, mainly due to the absence of one-off profits recorded in FY2023 Q1. Automobile sales & marketing and Domestic auto leasing business remained solid performance.
Transportation & Construction Systems saw a decrease of JPY12.8 billion due to the absence of one-off profits recorded in FY2023 Q3, while leasing business and ship business remained solid performance.
Diverse Urban Development reported an increase of JPY20.1 billion due to robust performance in real estate.
Media & Digital recorded an increase of JPY8.2 billion due to the solid performance of domestic major group companies and a gain from the sale of T-Gaia in FY2024 Q3.
Lifestyle business reported an increase of JPY5.2 billion, mainly due to the impact of improved performance in fresh produce business in Europe and the Americas and mushroom business in North America.
Mineral Resources reported an increase of JPY9.1 billion, mainly due to higher aluminum prices.
In Chemical Solutions, although there was a decrease in demand due to falling market price, declining farmers' income, and ongoing impact from unusual weather conditions in FY2023 in Agribusiness, robust performance of pharmaceutical-related transactions and pet care–related business in Life Science increased the earnings by JPY3.3 billion.
Energy Transformation Business reported an increase of JPY26.1 billion due to robust performance in overseas IPP/IWPP business.

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

- In FY2024 Q3, delivery of properties increased, while other businesses were stable.
- In FY2024 Q4, stable performance is expected in non-mineral resources and earnings from iron ore business in South Africa will be recognized in mineral resources




* Due to reorganization carried out as of Apr. 1, 2024, 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, the profit in Q3 amounted to JPY141.0 billion. Non-mineral resources showed robust performance. In Q4, we expect Non-mineral resources businesses to remain solid performance, and we also expect to capture equity-method earnings from iron ore mining business in South African in Mineral resources.

## 5. Operating Results (Cash Flows)

- In FY2024 Q1-3, total cash inflow was steady, driven by robust cash generation mainly from core businesses.
- Cash inflow was largely allocated to growth investments for businesses with strengths and competitive advantages.

| (Unit: billions of yen) | Medium-Term Management Plan 2026 3-year Total Plan*1 (Apr. 2024-Mar. 2027) | FY2024 Q1-3 Results (Apr. 2024-Dec. 2024) |
|---|---|---|
| **Cash in** | | |
| **Cash flow earnings*2** | **+2,000.0** | **+492.4** |
| **Asset replacement** | **+800.0** | **+160.0** |
| **Cash out** | | |
| **Investment** | **-1,800.0 ～** | **-600.0** |
| (Steady business growth /Value creation) | (-1,400.0 ～) | (-530.0) |
| (Nurture/Restructuring) | (-400.0 ～) | (-60.0) |
| **Shareholder return** | **-700.0 ～** | **-205.0** |
| **Free cash flow (post-shareholder return)** (Changes in working capital, etc. excluded) | **Positive** | **-150.0** |

### Highlights

**Cash flow earnings**
- Steady cash generation by core businesses

**Asset replacement**
- Sale of cross-shareholdings
- Proceeds from the sale of the U.S. pharmaceutical business among others

**Investment**
- Investment in Norwegian owner and operator of offshore windfarm support vessels
- Investment in BIA Group, the distributor of construction and mining equipment
- Acquisition of Net One Systems by SCSK
- Investment in city gas business in India and others

**Shareholder return**
- Dividend paid, share repurchased

*1 Cash flow allocation policy on "Medium-Term Management Plan 2026" is as follows.
・Positive free cash flow post shareholder returns (changes in working capital, etc. excluded)
・Allocate funds to shareholder returns and growth investments considering investment opportunities, business environment, cash flow conditions, etc., to improve ROE
*2 Cash flow earnings＝(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 + Depreciation + Lease liability payments




Cash flow earning was JPY+492.4 billion due to steady cash generation by core businesses.
Asset replacements resulted in a cash inflow of JPY160.0 billion, mainly due to the sale of cross-shareholdings.
Investments resulted in a cash outflow of JPY600.0 billion. In FY2024 Q3, SCSK invested in Net One Systems in digital business, categorized Steady business growth.
In addition, shareholder return was a cash outflow of JPY205.0 billion.
As a result of the above, free cash flow post-shareholder return resulted in a cash outflow of JPY150.0 billion.

## 6. Operating Results (Financial Position)

- Total assets increased to ¥12.1 trillion, mainly due to increase in operating assets. (an increase of approx. ¥1,050.0 billion compared to the end of Mar. 2024)

(Unit: billions of yen)

| | As of Mar. 31, 2024 | As of Dec. 31, 2024 | Increase/ Decrease |
|---|---|---|---|
| Current assets | 5,235.7 | 5,740.3 | +504.6 |
| Non-current assets | 5,796.9 | 6,341.0 | +544.1 |
| **Total assets** | **11,032.6** | **12,081.3** | **+1,048.7** |
| Other liabilities | 3,158.5 | 3,412.4 | +253.9 |
| Interest-bearing liabilities*1 | 3,201.7 (2,523.4) | 3,695.3 (2,987.7) | +493.6 (+464.3) |
| **Total liabilities** | **6,360.3** | **7,107.7** | **+747.4** |
| Shareholders' equity*2 | 4,445.5 | 4,695.1 | +249.6 |
| **Total liabilities and equity** | **11,032.6** | **12,081.3** | **+1,048.7** |
| **D/E Ratio (Net)** | **0.6** | **0.6** | **±0.0pt** |
| Exchange rate (JPY/US$) | 151.41 | 158.18 | +6.77 |

*1 "Interest-bearing liabilities" is sum of bonds and borrowings (current and non- current), excluding lease liabilities.
Figures in parenthesis in "interest-bearing liabilities" show "interest-bearing liabilities, net".
*2 "Shareholders' equity" is equivalent to "equity attributable to owners of the parent" in consolidated statements of financial position.

### Highlights

**Total assets +1,048.7 (12,081.3← 11,032.6)**

- Increase as a result of the depreciation of the yen (approx.¥+140.0 bil.)
- Increase in operating assets
- Net One Systems newly consolidated by SCSK

**Shareholders' equity +249.6 (4,695.1← 4,445.5)**

- Increase as a result of the depreciation of the yen (approx.¥+60.0 bil.)
- Profit for the period
- Dividend paid, share repurchased




The financial position is shown on page six of the document.
Total assets increased approximately JPY1.0 trillion from FY2023 to JPY12.1 trillion, mainly due to an increase in operating assets, and shareholders' equity increased approximately JPY250.0 billion to JPY4.7 trillion.
The net debt-to-equity ratio was 0.6 times, unchanged from FY2023.

## 7. Forecasts for FY2024 (Profit for the Year by Segment)

- Revised full-year forecasts by segment based on the steady progress and the current business environment including exchange rate.
- Reduced the buffer of ¥-20.0 bil., which was incorporated in “Corporate and Eliminations” in the October full-year forecast, to zero.

(Unit: billions of yen)

| Segment | FY2024 Forecasts (announced in Oct. 2024) | FY2024 Forecasts (announced in Feb. 2025) (A) | FY2024 Q1-3 Results (B) | Progress (B)/(A) | Outlook for the Q4 by segment |
|---|---|---|---|---|---|
| Steel | 74.0 | 72.0 | 53.5 | 74% | • Tubular products: market recovery expected in North America<br>• Steel sheets: impact of sluggish demand in China and other regions continues |
| Automotive | 50.0 | 52.0 | 40.3 | 78% | • Automotive sales & marketing: stable |
| Transportation & Construction Systems | 83.0 | 84.0 | 65.8 | 78% | • Transportation: stable mainly in leasing business and ship business<br>• Construction & mining systems: slowdown in construction demand growth, and the increased costs of depreciation and others continue |
| Diverse Urban Development | 75.0 | 75.0 | 43.5 | 58% | • Real estate: delivery of properties as forecasted |
| Media & Digital | 42.0 | 43.0 | 35.4 | 82% | • Major domestic businesses: stable |
| Lifestyle Business | 14.0 | 14.0 | 11.0 | 79% | • Fresh produce business in Europe and the Americas: banana business to maintain strong performance |
| Mineral Resources | 86.0 | 89.0 | 61.7 | 69% | • Iron ore mining business in South Africa: recognize earnings semi-annually in Q4<br>• Coal business in Australia: decrease in production due to the rainy season and other factors as forecasted |
| Chemical Solutions | 39.0 | 24.0 | 21.2 | 88% | • Agribusiness: expect sales decrease and additional bad debt expense for doubtful receivables |
| Energy Transformation Business | 97.0 | 102.0 | 83.7 | 82% | • Overseas IPP/IWPP business: although business itself is stable, expect one-off loss in Q4<br>• Domestic electricity retail business & Gas value chain: stable |
| Corporate and Eliminations | -30.0 | 5.0 | 0.5 | 9% | • Reduced loss buffer of ¥-20.0 bil.to zero<br>• One-off profit expected in Q4 |
| **Total** | 530.0 | 560.0 | 416.5 | 74% | |




We have revised our full-year forecast in light of our progress through Q3 and the current business environment, including foreign exchange assumptions.

As you can see, the progress rate of Q1-3 results against the revised full-year forecast is as follows. Supplementary explanations are provided for some segments.

First, in Chemical Solutions, where we have revised our full-year forecast significantly, we have revised downward our full-year forecast by JPY15.0 billion, due to the impact of bad debt expenses and lower sales resulting from stricter credit policies in our agribusinesses in Brazil and elsewhere, given that the impact of unusual weather in FY2023 is more prolonged than we had assumed when we announced the forecast in October.

Next, in Diverse Urban Development, we expect to deliver properties in Q4 as planned, and in Mineral Resources, we expect to record equity in earnings from iron ore mining business in South Africa in Q4.

Finally, Corporate and Eliminations expects to record one-off profits at the end of the period, after reversing a buffer of JPY-20.0 billion.

As mentioned above, all segments are expected to make solid performance progress toward the revised forecast, which is JPY560.0 billion for the entire company.

[END]