

# Annual Results for FY2024

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May 1, 2025  
Sumitomo Corporation

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.

# 1. Summary of FY2024 Results・FY2025 Forecasts

- FY2024 Results: Profit for the year attributable to owners of the parent totaled ¥561.9 bil., ¥175.5 bil. increase compared to FY2023.
- FY2025 Forecasts: Annual profit of record-high ¥570.0 bil. and ROE of 12%, incorporating a loss buffer of ¥-40.0 bil. considering uncertain business environment.
- Annual dividend is planned to be ¥140/share increased by ¥10/share from FY2024. Also, share repurchase of ¥80.0 bil. in total is resolved.

## Summary of FY2024 Results・FY2025 Forecasts

	FY2023 Results	FY2024 Results	Increase/Decrease (YoY)	FY2025 Forecasts
Profit for the year (attributable to owners of the parent)	¥386.4 bil.	¥561.9 bil.	¥+175.5 bil.	¥570.0 bil. (including a loss buffer of ¥-40.0bil.)
ROE	9.4%	12.4%	+3.0%	12%
Shareholder Return	Annual dividend: ¥125/share	Annual dividend: ¥130/share Share repurchase: ¥70.0 bil.*		Annual dividend: ¥140/share Share repurchase: ¥60.0 bil.

\*¥50.0 bil.: repurchased and canceled  
¥20.0 bil.: newly announced in May 2025 as an additional shareholder return attributable to FY2024 results

### 【Business Environment in FY2025】

- Uncertain business environment continues, such as the rise of political turmoil and geopolitical tensions, and sluggish growth in major developed countries.
- The U.S. Tariff Measures: Impact on the supply chain will be managed by working with customers and suppliers. Although direct burden on the Company as a contracting party in cross-border transactions is expected to be limited, a certain degree of indirect impact may arise and thus, a loss buffer has been set accordingly.

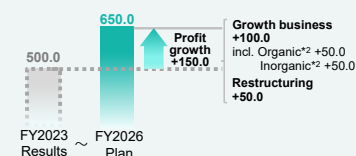
Profit for FY2024 is JPY561.9 billion, an increase of JPY175.5 billion from the previous fiscal year, and ROE is 12.4%. Since the full-year forecast of JPY530.0 billion was presented at the beginning of the fiscal year, it was subsequently revised upward to JPY560.0 billion in Q3, and we were able to steadily achieve that forecast. As the first year of the medium-term management plan 2026, we are pleased to report that we have made a good start.

The full-year profit forecast for FY2025 is JPY570.0 billion. A buffer of negative JPY40.0 billion has been factored in to account for uncertainties in the business environment, compared to the aggregated amount of JPY610.0 billion from each operating group. This is our historical high, and ROE will be 12%.

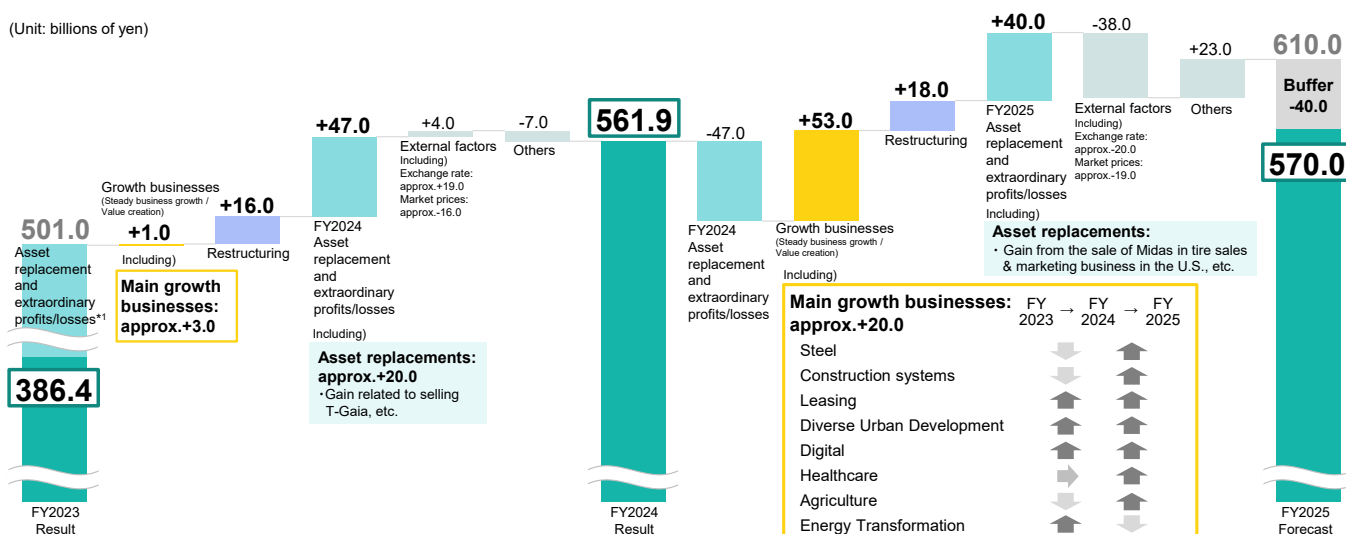
Regarding shareholder returns, the annual dividend for FY2024 is JPY130 per share, unchanged from the previous announcement. The annual dividend for FY2025 is planned to be JPY140 per share, an increase of JPY10 per share. In addition, the Company has decided to repurchase a total of JPY80.0 billion of its own shares.

## 2. Progress of Medium-Term Management Plan 2026: Profit Plan

- FY2024: asset replacement as a part of business portfolio transformation contributed to the profit growth
- FY2025: profit growth mainly in growth businesses and improved performance of currently struggling businesses.



(Unit: billions of yen)



This figure shows the actual increase or decrease from FY2023 to FY2024 and the growth image from FY2024 to FY2025. Asset replacements and extraordinary profits/losses, which are listed in the waterfall, correspond to previous one-off profits/losses.

In FY2024, the second from the left, profit growth in growth businesses added JPY1.0 billion, of which only JPY3.0 billion was added in the main growth businesses circled in yellow on the bottom right. We achieved steady growth in the areas of leasing, diverse urban development, digital and energy transformation; while the steel, construction systems, and agriculture businesses remained sluggish due to external factors that differed from our expectations. Second item to the right of that, JPY47.0 billion was recorded in asset replacements and extraordinary profits/losses, such as the sale of T-Gaia. As a result, the actual amount for FY2024 was JPY561.9 billion.

In FY2025, we plan to increase profits by JPY53.0 billion in the growth businesses on the right center and in yellow. This will be achieved by further investing management resources in businesses where we have strengths as well as improving our steel, construction systems, and agriculture businesses, which were weak in the previous fiscal year. In addition, the second item to the right of that, we expect a profit of JPY40.0 billion in FY2025 from asset replacements and extraordinary profits/losses, including the sale of Midas in the tire sales and marketing business in the US. This will result in an accumulated profit of JPY610.0 billion.

On the other hand, as explained earlier, we have set a buffer of JPY40.0 billion in light of the uncertain business environment, including the tariff measures in the US, and our full-year forecast is JPY570.0 billion.

### 3. Progress of Medium-Term Management Plan 2026: Growth businesses with strengths and competitive advantages

Main growth business	Current situation	Action
Steel	<ul style="list-style-type: none"> <li>Investment in EEW, a manufacturing business for "Monopiles", used for the foundation of offshore wind power generation</li> <li>Recovery of market conditions for tubular products in North America</li> </ul>	<ul style="list-style-type: none"> <li>Expand businesses with EEW, and capture demand for energy transition including Monopiles</li> <li>Enhance customer services, promote new products, and strengthen the supply chain foundation</li> </ul>
Construction systems	<ul style="list-style-type: none"> <li>Investment in BIA Group, the distributor of construction and mining equipment in about 20 countries in African and Europe</li> <li>Construction equipment rental business in North America: recovery measurements, such as reducing personnel costs etc. and reviewing unit prices, were implemented in response to the delay against the profit plan due to a slowdown in construction demand growth</li> </ul>	<ul style="list-style-type: none"> <li>Aiming to further improve profitability and capital efficiency while strengthening the earnings base by increasing regional market share and expanding product lineups</li> <li>Construction equipment rental business in North America: cultivate national account business, strengthen specialty rentals such as trenches, and strengthen our cost competitiveness under the new management team</li> </ul>
Leasing	<ul style="list-style-type: none"> <li>Expanded customer base of existing businesses through acquisition of a helicopter leasing company and a real estate asset management company</li> <li>Achieved an expansion of business area and diversifying business portfolio, by entering to the container leasing business</li> </ul>	<ul style="list-style-type: none"> <li>Improve profitability and asset efficiency by strengthening asset management business in real estate, aircraft, etc.</li> </ul>
Diverse Urban Development	<ul style="list-style-type: none"> <li>Steady progress driven by the promotion of asset turnover, mainly in Japan, and strong performance in the U.S. housing business</li> </ul>	<ul style="list-style-type: none"> <li>Continued steady efforts toward earnings growth through asset turnover of domestic and overseas real estate, global development and expansion of high-quality projects, enhanced profitability from businesses such as sustainable city development in Vietnam and industrial parks, and the realization of diverse urban development by leveraging the strengths of each SBU</li> </ul>
Digital	<ul style="list-style-type: none"> <li>Steady growth in related businesses by steadily capturing increasing DX/IT investment demand</li> <li>SCSK completed the acquisition of Net One Systems as a wholly-owned subsidiary</li> <li>Enter the GPU as a Service business and strengthen the AI solution business</li> </ul>	<ul style="list-style-type: none"> <li>Build the "No. 1 digital business platform in the Asia-Pacific region" and respond to DX/IT needs not only in Japan but also globally, by leveraging the customer base and knowledge of industry issues cultivated by each sales group of Sumitomo Corporation, from upstream consulting to downstream BPO, from core system development to data-driven management support.</li> </ul>
Healthcare	<ul style="list-style-type: none"> <li>Enhanced value through operational efficiency improvements in existing businesses</li> <li>Expanded business base in Southeast Asia and North America, despite some delays in the pharmacy roll-up in Japan</li> </ul>	<ul style="list-style-type: none"> <li>Further enhance the value of existing businesses and realize multiple new projects in the pipeline</li> </ul>
Agriculture	<ul style="list-style-type: none"> <li>In response to declining farmers' income due to unusual weather condition in FY2023, countermeasures such as tightening credit control are implemented in Brazil</li> <li>Investments were steadily proceeded in the areas of agricultural inputs distributor in Vietnam/Romania and biocontrol manufacturing business in Chile</li> </ul>	<ul style="list-style-type: none"> <li>Focus on improving the profitability and strengthening resilience of existing businesses in Brazil</li> <li>Also strengthen sales of high value-added products such as bio-pesticides</li> </ul>
Energy Transformation	<ul style="list-style-type: none"> <li>Strong performance in overseas IPP/IWPP business, and stable performance in other businesses</li> <li>Investment in city gas business in India, entry into India's corporate PPA market supplying power derived from renewable sources</li> </ul>	<ul style="list-style-type: none"> <li>Provide one-stop decarbonization solution capturing regional needs by overseeing the entire value chain of each industrial sector, shift to decarbonization business, increase trading, and expand new revenue bases</li> </ul>

Specific “hows” for the eight main growth areas are summarized on this slide, such as how to improve and how to further develop our strengths.

In the construction systems business, we have been implementing measures such as cost containment and revising unit prices in construction equipment rental business in North America, which saw a large decrease in profit in FY2024. In addition, in FY2025, we will work to improve performance by cultivating national account business and strengthening specialty rentals.

In the leasing business, the Company made progress in expanding its profit base through the acquisition of a helicopter leasing company and entry into the container leasing business. We would like to continue to strengthen our existing businesses by accumulating quality assets, while expanding our business areas and improving the quality of our portfolio.

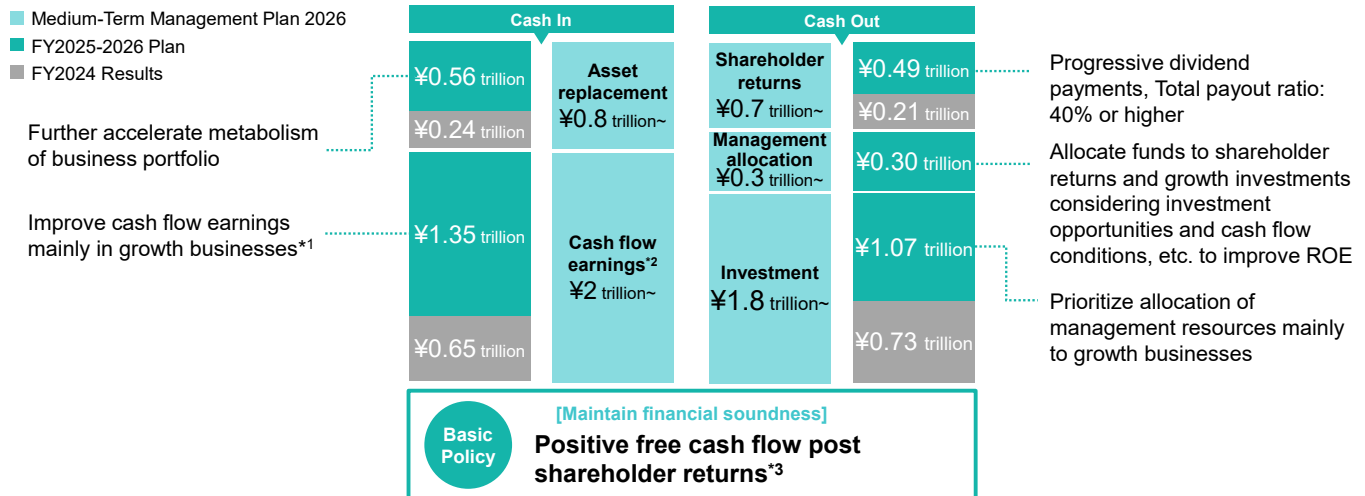
Diverse urban development recorded a significant increase in profit due to the promotion of asset replacements of real estate projects, mainly in Japan. In FY2025, we will continue to accelerate asset turnover while steadily accumulating quality projects in Japan and overseas.

In the agriculture business, bad debts have been incurred due to unfavorable weather conditions in Brazil and other factors, and tightening credit control and other countermeasures are being implemented. In FY2025, in addition to the above, we will improve profitability by strengthening sales of high value-added products such as bio-pesticides to improve business performance.

## 4. Progress of Medium-Term Management Plan 2026: Cash flow allocation

- Basic policy of positive free cash flow post shareholder returns and cash flow allocation policy remain the same.

Cash In Asset replacement ¥0.8 trillion	ROE 12% or higher	Cash Out Shareholder returns ¥0.7 trillion~
Cash flow earnings ¥2 trillion		Investment ¥1.8 trillion~



\*1 Steel, Leasing, Construction systems, Diverse Urban Development, Digital, Healthcare, Agriculture, Energy Transformation

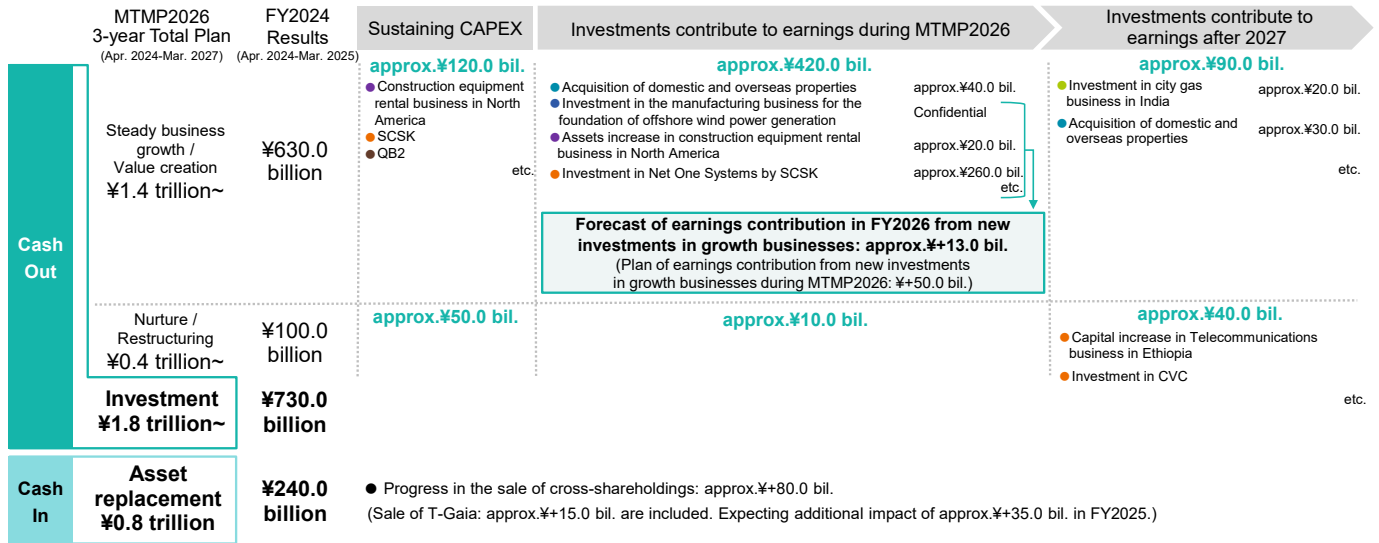
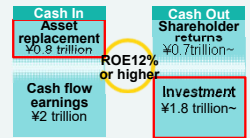
\*2 Cash flow earnings = [Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + Dividends] x (1-Tax rate) + Dividend from investments accounted for using the equity method + Depreciation + Lease liability payments

\*3 Excludes changes in working capital, etc.

Cash allocation is progressing well against the plan set forth in the mid-term management plan. There is no change in the basic policy of aiming for positive free cash flow post shareholder returns and the cash flow allocation policy.

## 5. Progress of Medium-Term Management Plan 2026: Investment and Asset replacement

- Both investments and asset replacements are steadily proceeding against the 3-year total plan.
- Earnings contribution in FY2026 from new investments in growth businesses are expected to be approx.¥13.0 bil.



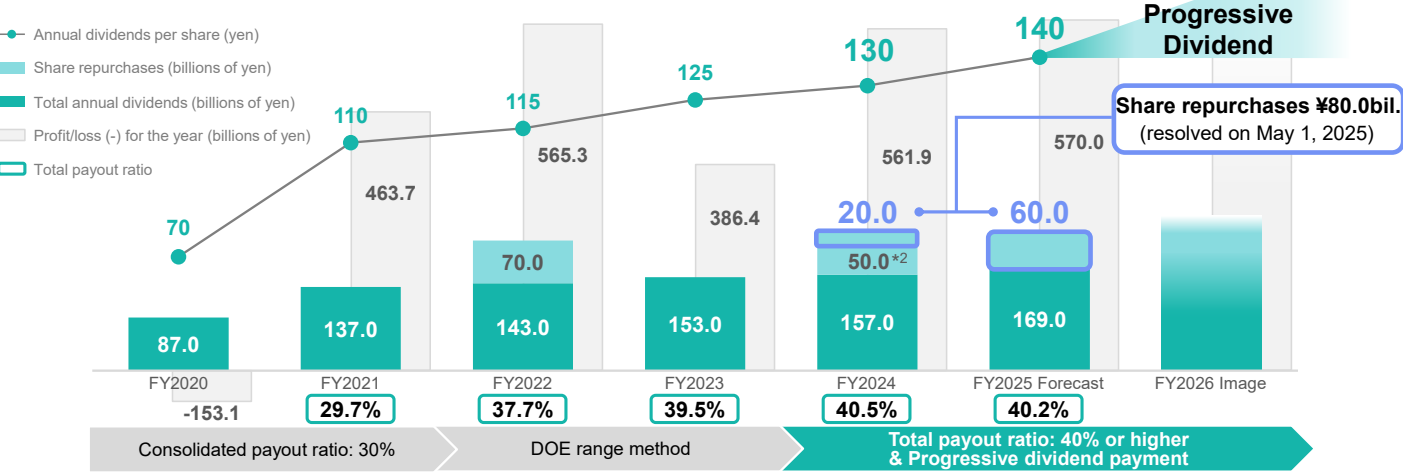
Actual investment for FY2024 was JPY730.0 billion. Of this amount, the profit contribution in FY2026, which is expected from inorganic investments belonging to steady business growth/value creation mentioned in the middle of the chart, has progressed to JPY13.0 billion.

## 6. Shareholder Return

- FY2024: Annual dividend is ¥130/share. (interim dividend: ¥65/share, year-end: ¥65/share (plan))  
We will repurchase ¥20.0 bil. of our share as additional shareholder return.
- FY2025: Annual dividend forecast is set at ¥140/share (plan), an increase of ¥10/share from FY2024.  
In addition, we will repurchase ¥60.0 bil. of our share.

### Shareholder return policy    Total payout ratio of 40% or higher & Progressive dividend payments\*1

Pursuing sustainable profit growth and further strengthening our earnings base to enhance shareholder returns and increase shareholder value



\*1 Dividends to be maintained or increased  
\*2 Repurchased on Jun. 17, 2024, and canceled on Aug. 28, 2024

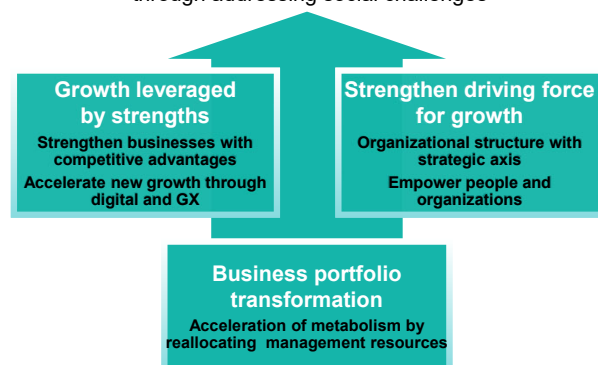
Since FY2020, we have increased dividends along with profit growth and improved the total payout ratio. Based on the shareholder return policy, "total payout ratio of 40% or higher and progressive dividend payments" set forth in the mid-term management plan, we will implement the shareholder return described here. We will continue our efforts to achieve sustainable profit growth and further strengthen our profit base to enhance shareholder returns and increase shareholder value.

## 7. Medium-Term Management Plan 2026: Summary of the First Year

- Although business environment became more uncertain considering the rise of political turmoil and geopolitical tensions, and sluggish growth in major developed countries, we have achieved profit growth exceeding the company's initial plan by implementing various measurements to realize No.1 in Each Field.

### No.1 in Each Field

Enhance our competitive advantages to achieve growth through addressing social challenges



#### Business portfolio transformation

- Investments totaling a record high of ¥730.0 bil. have been executed mainly in growth businesses. (e.g. acquisition of Net One Systems by SCSK, etc.)
- Asset replacement progressed steadily, which accelerated metabolism of business portfolio transformation. (e.g. sale of T-Gaia, sale of Midas in tire sales & marketing business in the U.S.\*<sup>1</sup>, etc.)

#### Growth leveraged by strengths

- In terms of main growth businesses, although Construction systems and Agriculture are currently struggling, Leasing, Diverse Urban Development, and Digital contributed to the expansion of earnings base.

#### Strengthen driving force for growth

- By reorganizing businesses with affinity into the same group, synergy effects have been increased. In Diverse Urban Development, investments of overseas properties projects have been executed by leveraging the knowledge/know-how of the infrastructure business.
- In addition to the measures to maximize the willpower and the growth potential of diverse individuals, such as implementing "WILL-based hiring process"<sup>\*2</sup> and expanding the internal job posting system, we are promoting a human resources management cycle to systematically develop management talent, as well as human resource allocation that truly supports business growth strategies, such as active mid-career hiring and promotion of the right talent in the right positions regardless of attributes.

Here is a summary of the first year of the mid-term plan.

In business portfolio transformation, we executed a record level of JPY730.0 billion in investments, mainly in major growth businesses, and made steady progress in asset replacements, thereby accelerating the transformation of our portfolio.

Growth leveraged by strengths will be driven by the measures described on page three to achieve further growth in our main growth businesses, although some businesses are currently sluggish.

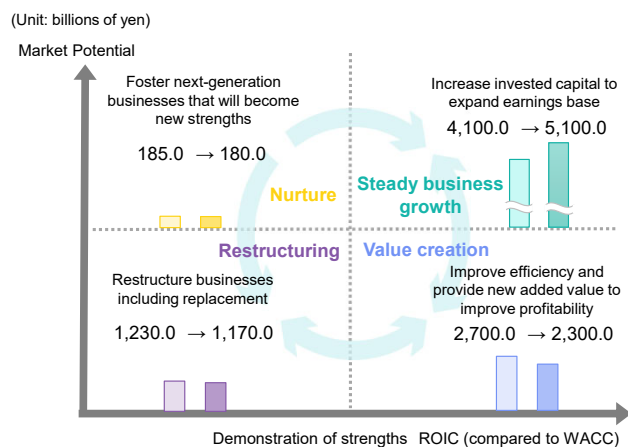
In the area of strengthening driving force for growth, the reorganization of the Group has gradually expanded synergy effects, such as investment in overseas real estate projects by leveraging the knowledge and know-how of the infrastructure business in Diverse urban development.



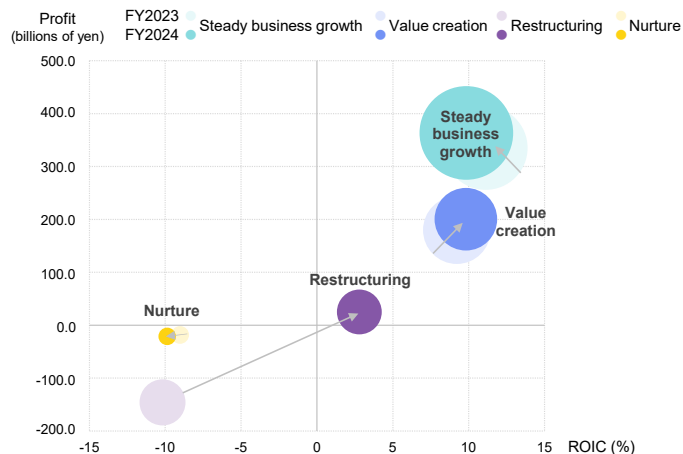
## 8. Progress of Medium-Term Management Plan 2026: Business Portfolio Transformation

- Steadily increased invested capital mainly in steady business growth, while proceeding asset replacement.

Invested capital allocation (FY2023→FY2024)



Profit / ROIC Trend\* (FY2023→FY2024)

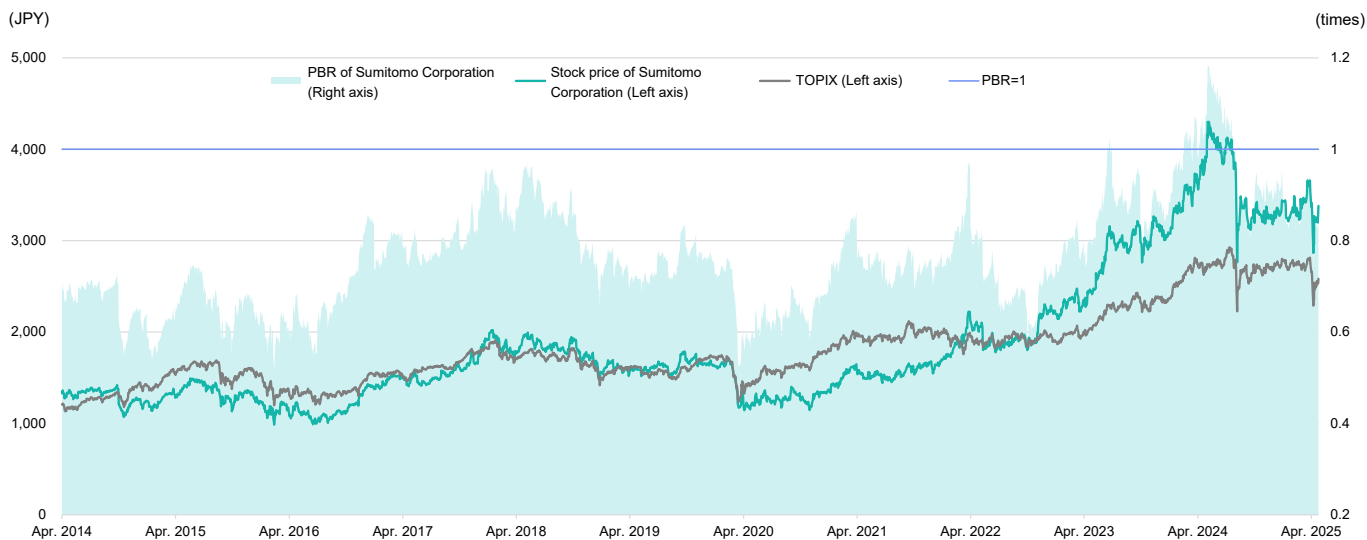


\* Note: Size of circles indicates the image of the amount of invested capital

As shown on the left-hand side of the slide, we have increased our invested capital over the past year, mainly in steady business growth. We are steadily moving forward with a well-balanced allocation of management resources and asset replacements. The right-hand side of the slide shows the actual trends in profit for the year and ROIC for each strategy category. We will strive to improve ROIC as well as the scale of profits in steady business growth.

## 9. Stock Price / PBR Trend

- Stock price has been outperforming TOPIX since 2022 along with the profit growth.
- By implementing various measures in Medium-Term Management Plan 2026 steadily, we will achieve early recovery to PBR of 1 or more.



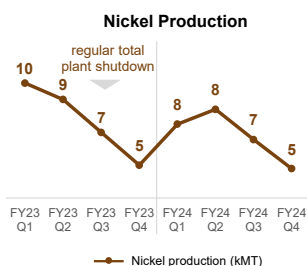
Over the long term, our stock price is in an uptrend. On the other hand, the current P/B ratio is less than one time. We will strive to restore P/B ratios to more than one time through stable profit growth by implementing various measures in the mid-term management plan.

## 20. Supplementary Segment Information (Mineral Resources)



### Ambatovy Nickel Project

	FY23 Results (A)	FY24 Results (B)	Increase/ Decrease (B)-(A)	FY25 Forecasts
Equity in Earnings (billions of yen)	-108.0	-18.9	+89.1	0.0
Nickel price (US\$/lb)	8.68	7.52	-1.16	7.67
Nickel production (kMT) *1	above 30	just below 30	-	mid 30
Cobalt price (US\$/lb)	14.61	11.63	-2.98	12.40
Main subsidiary materials price	Coal (US\$/MT)	approx.130	0	approx.110
	Sulfur (US\$/MT)	approx.120	approx.+10	approx.130



#### FY24 Results

- Production declined compared to FY23, attributed to the utility plant issue at the end of Dec. 2023 and the damage to the slurry pipeline at the end of Sep. 2024.
- FY24 Q3: The debt restructuring process based on the UK Restructuring Plan has been completed for the project company, resulting in the full elimination of project finance debt. Consequently, considering the recoverability of loans, a loss of ¥18.9 bil. has been recorded in our consolidated accounts\*2. Additionally, we have recorded a tax effect of approx.¥13.0 bil. related to this debt restructuring process, resulting in a net impact of approx.¥-6.0 bil.
- FY24 Q4: From Feb. 2025, a detailed inspection of the slurry pipeline has been conducted, and efforts are being made to establish appropriate operating conditions necessary for stable production.



#### Outlook

- The nickel production for FY25 is expected to increase compared to FY24 driven by the resolution of issues with the utility plant and slurry pipeline.
- While continuing to strengthen the business foundation, as a shareholder of this project, we will keep considering all options to identify the best policy going forward for all related stakeholders, incorporating the social importance of this project and our responsibility as well as the recent market environment.

\*1 Ambatovy Nickel Project 100% base.

\*2 After recording this loss, this project's exposure is limited to a guarantee liability of approx.¥5.0 bil. for borrowings from local banks.

Last, I would like to explain the current situation of the Ambatovy project. During the past year, we have been working to improve the project's structure, believing that it is best to stabilize the operations and then determine its policy. The debt restructuring last November has improved its financial position, and we have been working to improve operations, reduce costs, and promote localization for effective organization and personnel structure in order to strengthen its business management foundation.

The cause of the damage to the slurry pipeline that occurred last September has been identified, and maintenance has been completed. The operations will resume as soon as the safety of the entire pipeline is confirmed. As we work to stabilize production and revise our medium-term business plan, we will continue to consider all options to identify the best policy for all related stakeholders.

# FY2024 Results・FY2025 Forecasts

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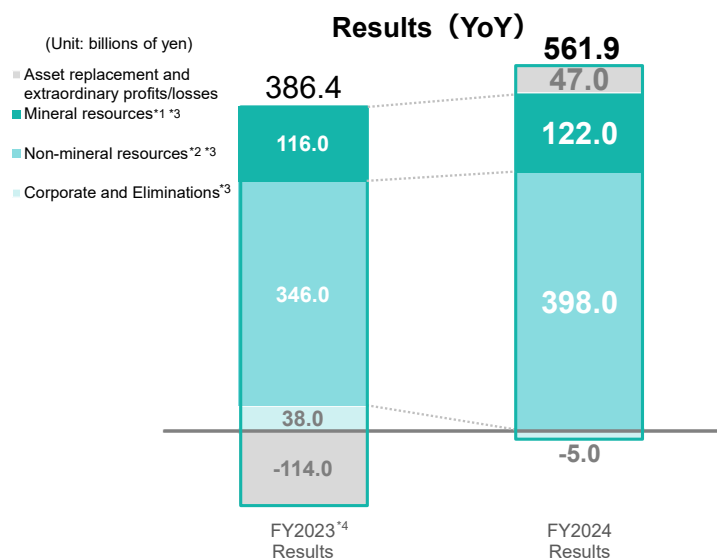
I will now provide a supplemental explanation of the results for FY2024.

## 10. Operating Results (Profit for the Year (Attributable to Owners of the Parent))

- Profit for the year attributable to owners of the parent for FY2024 totaled ¥561.9 bil., a ¥175.5 bil. increase compared to the previous fiscal year.
- Non-mineral resources business performed strongly, with a profit increase of ¥51.0 bil., reaching ¥398.0 bil. Mineral resources business also remained steady, with a profit increase of ¥6.0 bil. despite the market downturns.

### Highlights

- Mineral resources (¥+6.0 bil.)**
  - Copper and aluminum price increase among others
- Non-mineral resources (¥+51.0 bil.)**
  - Leasing business: stable
  - Real estate: profit increased, driven by the promotion of asset turnover
  - 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 prices and impact from unusual weather conditions in FY2023
- Asset replacement and extraordinary profits/losses**
  - Receipt of insurance settlement proceeds in aircraft leasing business in FY2024
  - Gain related to selling T-Gaia in FY2024
- Corporate and Eliminations**
  - Impact of revisions to the internal cost allocation policy in managerial accounting
- Impact of the depreciation of the yen**  
(Reference) Average exchange rate (JPY/US\$): FY2023 144.59  
FY2024 152.61



The following table shows the YoY comparison of the results for FY2024. The bar graphs in the material show profit for the year divided into four categories: asset replacements and extraordinary profits/losses, mineral resources businesses, non-mineral resources businesses, and corporate and eliminations.

Mineral resources businesses recorded JPY122.0 billion, an increase of JPY6.0 billion. This was mainly due to higher copper and aluminum prices.

Non-mineral resources businesses amounted to JPY398.0 billion, an increase of JPY51.0 billion. This was mainly due to solid performance in the leasing business, as well as robust performance in the real estate business and overseas IPP/IWPP business.

Asset replacements and extraordinary profits/losses resulted in a gain of JPY47.0 billion, due to gains related to selling T-Gaia of approximately JPY18.0 billion and insurance settlement proceeds in the aircraft leasing business totaling approximately JPY28.0 billion.

## 11. Profit for the Year by Segment

FY2023 Results: ¥386.4 bil.

FY2024 Results: ¥561.9 bil.

Segment	Profit	Increase/ Decrease	Main factors for the increase/decrease	(Unit: billions of yen)
Steel	Upper: FY2023 Results Lower: FY2024 Results			
	69.2			
	68.4	-0.8	<ul style="list-style-type: none"> <li>Tubular products: despite the weakening market conditions in North America, other regions performed strongly</li> <li>Steel sheets: impact of sluggish demand in China and other regions</li> </ul>	
Automotive	51.8			
	51.2	-0.7	<ul style="list-style-type: none"> <li>Automotive sales &amp; marketing: domestic auto leasing business: stable</li> </ul>	
Transportation & Construction Systems	96.2			
	101.5	+5.3	<ul style="list-style-type: none"> <li>Transportation: stable mainly in leasing business and ship business</li> <li>Construction &amp; mining systems: profit decrease due to a slowdown in construction demand growth, and the increased costs of depreciation and others</li> </ul>	
Diverse Urban Development	46.5			
	77.1	+30.6	<ul style="list-style-type: none"> <li>Real estate: profit increased, driven by the promotion of asset turnover</li> </ul>	
Media & Digital	-1.0			
	45.2	+46.3	<ul style="list-style-type: none"> <li>Major domestic businesses: stable</li> <li>Telecommunications in Ethiopia: increase in start-up cost among others</li> <li>Gain related to selling T-Gaia in FY2024</li> <li>Recognized provision for doubtful receivables in telecommunications business in Myanmar in FY2023</li> </ul>	
Lifestyle Business	-3.7			
	14.1	+17.8	<ul style="list-style-type: none"> <li>Fresh produce business in Europe and the Americas: banana and pineapple business performed strongly, recognized impairment loss on fixed assets in FY2023</li> <li>Mushroom business in North America: improved by measures to ensure stable production</li> </ul>	
Mineral Resources	-9.5			
	91.1	+100.6	<ul style="list-style-type: none"> <li>Increase in copper and aluminum price, and other factors</li> <li>Recognized impairment loss in nickel mining &amp; refining business in Madagascar in FY2023</li> </ul>	
Chemical Solutions	16.4			
	21.4	+5.0	<ul style="list-style-type: none"> <li>Life Science: strong performance in pharmaceuticals trading &amp; pet care business, recognized loss from the sale in FY2023</li> <li>Agribusiness: decrease in demand due to the impact of unusual weather in FY2023 and falling market price, recognized bad debt expense in FY2024</li> </ul>	
Energy Transformation Business	84.3			
	96.4	+12.1	<ul style="list-style-type: none"> <li>Overseas IPP/IWPP business: strong</li> </ul>	
Corporate and Eliminations	-4.5			
	36.3	-40.8	<ul style="list-style-type: none"> <li>Impact of revisions to the internal cost allocation policy in managerial accounting</li> </ul>	

The table shows YoY changes in profit for the year by segment and the factors behind such changes. I omit individual descriptions.

## 12. Operating Results (Cash Flows)

- In FY2024, total cash inflow was steady, driven by robust cash generation mainly from core businesses.
- Asset replacement proceeded steadily, and 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 Results (Apr. 2024-Mar. 2025)
<b>Cash in</b>		
<b>Cash flow earnings*2</b>	<b>+2,000.0</b>	<b>+647.6</b>
<b>Asset replacement</b>	<b>+800.0</b>	<b>+240.0</b>
<b>Cash out</b>		
<b>Investment</b>	<b>-1,800.0 ~</b>	<b>-730.0</b>
(Steady business growth / Value creation)	(-1,400.0 ~)	(-630.0)
(Nurture / Restructuring)	(-400.0 ~)	(-100.0)
<b>Shareholder return</b>	<b>-700.0 ~</b>	<b>-205.0</b>
<b>Free cash flow (post-shareholder return)</b> (Changes in working capital, etc. excluded)	<b>Positive</b>	<b>-40.0</b>

\*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

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### Highlights

#### Cash flow earnings

- Steady cash generation by core businesses

#### Asset replacement

- Sale of cross-shareholdings
- Sale of T-Gaia, etc.

#### Investment

- Investment in the manufacturing business for the foundation of offshore wind power generation
- Investment in BIA Group, the distributor of construction and mining equipment
- Acquisition of domestic and overseas properties
- Investment in Net One Systems by SCSK
- Investment in city gas business in India, etc.

#### Shareholder return

- Dividend paid, share repurchased

Cash flow earnings were JPY647.6 billion cash inflow, as core businesses steadily generated cash. Asset replacements resulted in a cash inflow of JPY240.0 billion, mainly due to the sale of cross-shareholdings and T-Gaia shares. Investments resulted in a cash outflow of JPY730.0 billion. In Q4, we executed an investment in the manufacturing business for the foundation of offshore wind power generation. Shareholder return resulted in 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 JPY40.0 billion.

## 13. Operating Results (Financial Position)

- Total assets increased to ¥11.6 tri., mainly due to increase in operating assets. (an increase of approx.¥600.0 bil. compared to the end of Mar. 2024)

(Unit: billions of yen)

	As of Mar. 31, 2024	As of Mar. 31, 2025	Increase/ Decrease
Current assets* <sup>1</sup>	4,937.9	5,074.1	+136.2
Non-current assets* <sup>1</sup>	6,094.6	6,557.0	+462.4
<b>Total assets</b>	<b>11,032.6</b>	<b>11,631.2</b>	<b>+598.6</b>
Other liabilities	3,158.5	3,490.9	+332.3
Interest-bearing liabilities* <sup>2</sup>	3,201.7 (2,523.4)	3,254.7 (2,672.5)	+53.0 (+149.1)
<b>Total liabilities</b>	<b>6,360.3</b>	<b>6,745.6</b>	<b>+385.3</b>
Shareholders' equity* <sup>3</sup>	4,445.5	4,648.5	+203.0
<b>Total liabilities and equity</b>	<b>11,032.6</b>	<b>11,631.2</b>	<b>+598.6</b>
<b>D/E Ratio (Net)</b>	<b>0.6</b>	<b>0.6</b>	<b>±0.0pt</b>
Exchange rate (JPY/US\$)	151.41	149.52	-1.89

### Highlights

**Total assets +598.6 (11,631.2← 11,032.6)**

- Increase in operating assets
- Net One Systems newly consolidated by SCSK

**Shareholders' equity +203.0 (4,648.5← 4,445.5)**

- Profit for the year
- Dividend paid, share repurchased

\*<sup>1</sup> In accordance with IFRIC 12 "Service Concession Arrangements," after detailed consideration, some transactions included in current assets are presented as both current assets and non-current assets from FY2024, and figures for FY2023 have been also revised accordingly.

\*<sup>2</sup> "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".

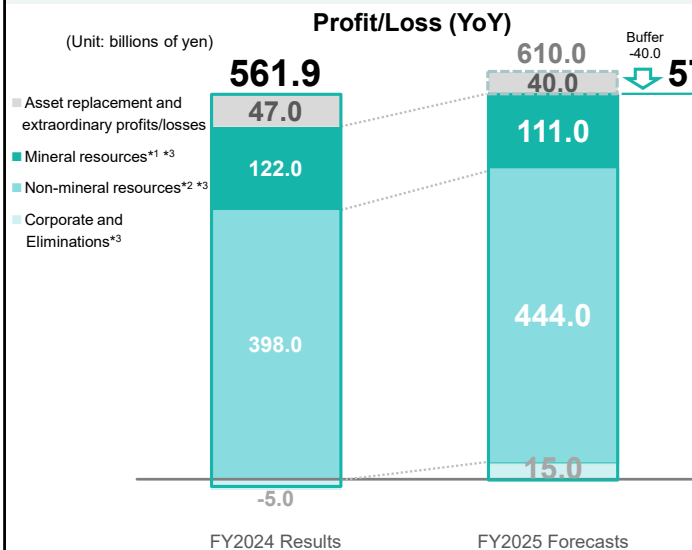
\*<sup>3</sup> "Shareholders' equity" is equivalent to "equity attributable to owners of the parent" in consolidated statements of financial position.

Total assets increased approximately JPY600.0 billion from the end of the previous fiscal year to JPY11,600.0 billion, mainly due to an increase in operating assets, and shareholders' equity increased approximately JPY200.0 billion to JPY4,600.0 billion. As a result, the net D/E ratio was 0.6 times.



## 14. Forecasts for FY2025 (Profit for the Year (Attributable to Owners of the Parent))

- FY2025 Forecasts: Annual profit of record-high ¥570.0 bil. Expect steady profit growth in non-mineral resources. Also incorporated a loss buffer of ¥-40.0 bil. considering uncertain business environment.



### Highlights

- Mineral resources (¥-11.0 bil.)**  
Decline in market prices  
Earnings contribution from new investments
- Non-mineral resources (¥+46.0 bil.)**  
Leasing business: stable  
Real estate: stable due to the promotion of asset turnover  
Digital・Healthcare: profit increase due to business expansion  
Overseas telecommunications business: increase in sales by expanding the number of customer acquisitions  
Agribusiness: recovery from poor sales due to unusual weather and other factors
- Asset replacement and extraordinary profits/losses (FY2025: ¥40.0 bil.)**  
Gain from the sale of the automotive repair and maintenance company in tire sales & marketing business in the U.S.
- Buffer ¥-40.0**  
(Reference) Average exchange rate (JPY/US\$): FY2024 152.61  
FY2025 140.00

As explained by the president at the beginning of this presentation, the full-year profit forecast for FY2025 is JPY570.0 billion, incorporating a buffer of negative JPY40.0 billion. Increases and decreases for FY2025 are explained on the next page.

## 15. Forecasts for FY2025 (Profit for the Year by Segment)

FY2024 Results : ¥561.9 bil.

FY2025 Forecasts: ¥570.0 bil.

Segment	Profit	Increase/ Decrease	Main factors for the increase/decrease	(Unit: billions of yen)
<b>Steel</b>	Upper: FY2024 Results Lower: FY2025 Forecasts			
	68.4			
	76.0	+7.6	<ul style="list-style-type: none"> <li>Tubular products: market recovery expected in tubular products business in North America</li> <li>Steel sheets: earnings contribution from the manufacturing business for the foundation of offshore wind power generation</li> </ul>	
<b>Automotive</b>	51.2			
	82.0	+30.8	<ul style="list-style-type: none"> <li>Automotive sales &amp; marketing: domestic auto leasing business: stable</li> <li>Gain from the sale of the automotive repair and maintenance company in tire sales &amp; marketing business in the U.S. expected in FY2025</li> </ul>	
<b>Transportation &amp; Construction Systems</b>	101.5			
	88.0	-13.5	<ul style="list-style-type: none"> <li>Transportation: stable mainly in leasing business and ship business</li> <li>Construction &amp; mining systems: cost reduction expected</li> <li>Receipt of insurance settlement proceeds in aircraft leasing business in FY2024</li> </ul>	
<b>Diverse Urban Development</b>	77.1			
	78.0	+0.9	<ul style="list-style-type: none"> <li>Real estate: robust performance backed by continuous asset turnover</li> </ul>	
<b>Media &amp; Digital</b>	45.2			
	40.0	-5.2	<ul style="list-style-type: none"> <li>Major domestic businesses: stable, expect the effect from the acquisition of Net One Systems by SCSK</li> <li>Telecommunication business in overseas: increase in sales by expanding the number of customer acquisitions</li> <li>Gain related to selling T-Gaia in FY2024</li> </ul>	
<b>Lifestyle Business</b>	14.1			
	15.0	+0.8	<ul style="list-style-type: none"> <li>Healthcare: earnings growth through improved operational efficiency in existing operations and business expansion, both in Japan and overseas</li> <li>Loss from the asset replacement expected in FY2025</li> </ul>	
<b>Mineral Resources</b>	91.1			
	83.0	-8.1	<ul style="list-style-type: none"> <li>Decline in market prices, earnings contribution from new investments</li> </ul>	
<b>Chemical Solutions</b>	21.4			
	35.0	+13.6	<ul style="list-style-type: none"> <li>Agribusiness: increase of sales by recovery of demand in Brazil, recognized bad debt expense in FY2024</li> <li>Basic Chemicals: increase of sales in petrochemicals trading business and stable in sulfuric acid business</li> </ul>	
<b>Energy Transformation Business</b>	96.4			
	95.0	-1.4	<ul style="list-style-type: none"> <li>Overseas IPP/IWPP business: absence of strong performance in FY2024 and decrease in equity earnings from Van Phong project</li> <li>Gain from the asset replacement expected in FY2025</li> </ul>	
<b>Corporate and Eliminations</b>	-4.5			
	-22.0	-17.5	<ul style="list-style-type: none"> <li>Loss buffer of ¥-40.0 bil. incorporated</li> </ul>	

In Steel, we forecast an increase of JPY7.6 billion, mainly due to a moderate market recovery in the tubular products business in North America and profit contributions from the manufacturing business for the foundation of offshore wind power generation in steel sheets business.

In addition to gains related to asset replacements, we forecast a JPY30.8 billion increase in Automotive due to solid performance in automobile distribution and sales and the domestic auto leasing business.

In Transportation & Construction Systems, we expect a decrease of JPY13.5 billion. While there is a reaction to the receipt of insurance settlement proceeds in the aircraft leasing business in the previous fiscal year, we expect solid performance mainly in the leasing and ship business.

Diverse urban development is expected to perform solidly due to the promotion of continuous asset replacements in the real estate business.

Media & Digital expects a JPY5.2 billion decrease in profit. Despite the absence of gains related to selling T-Gaia, the domestic major group companies are expected to perform well, with SCSK expecting the effect of the acquisition of Net One Systems in addition to the telecommunications business in overseas expecting an increase in sales by expanding the number of customer acquisitions.

In Lifestyle Business, although a loss related to asset replacements is expected in the current fiscal year, the healthcare business is expected to post a profit on par with the previous fiscal year due to increased profits from streamlining existing business operations and expanding the scale of business in Japan and overseas.

In Mineral Resources, we expect a decrease of JPY8.1 billion due to lower resource prices, while we expect a profit contribution from new investments.

## 15. Forecasts for FY2025 (Profit for the Year by Segment)

FY2024 Results : ¥561.9 bil.

FY2025 Forecasts: ¥570.0 bil.

Segment	Profit	Increase/ Decrease	Main factors for the increase/decrease	(Unit: billions of yen)
<b>Steel</b>	Upper: FY2024 Results Lower: FY2025 Forecasts			
	68.4 76.0	+7.6	<ul style="list-style-type: none"> <li>Tubular products: market recovery expected in tubular products business in North America</li> <li>Steel sheets: earnings contribution from the manufacturing business for the foundation of offshore wind power generation</li> </ul>	
<b>Automotive</b>	51.2 82.0	+30.8	<ul style="list-style-type: none"> <li>Automotive sales &amp; marketing: domestic auto leasing business: stable</li> <li>Gain from the sale of the automotive repair and maintenance company in tire sales &amp; marketing business in the U.S. expected in FY2025</li> </ul>	
<b>Transportation &amp; Construction Systems</b>	101.5 88.0	-13.5	<ul style="list-style-type: none"> <li>Transportation: stable mainly in leasing business and ship business</li> <li>Construction &amp; mining systems: cost reduction expected</li> <li>Receipt of insurance settlement proceeds in aircraft leasing business in FY2024</li> </ul>	
<b>Diverse Urban Development</b>	77.1 78.0	+0.9	<ul style="list-style-type: none"> <li>Real estate: robust performance backed by continuous asset turnover</li> </ul>	
<b>Media &amp; Digital</b>	45.2 40.0	-5.2	<ul style="list-style-type: none"> <li>Major domestic businesses: stable, expect the effect from the acquisition of Net One Systems by SCSK</li> <li>Telecommunication business in overseas: increase in sales by expanding the number of customer acquisitions</li> <li>Gain related to selling T-Gaia in FY2024</li> </ul>	
<b>Lifestyle Business</b>	14.1 15.0	+0.8	<ul style="list-style-type: none"> <li>Healthcare: earnings growth through improved operational efficiency in existing operations and business expansion, both in Japan and overseas</li> <li>Loss from the asset replacement expected in FY2025</li> </ul>	
<b>Mineral Resources</b>	91.1 83.0	-8.1	<ul style="list-style-type: none"> <li>Decline in market prices, earnings contribution from new investments</li> </ul>	
<b>Chemical Solutions</b>	21.4 35.0	+13.6	<ul style="list-style-type: none"> <li>Agribusiness: increase of sales by recovery of demand in Brazil, recognized bad debt expense in FY2024</li> <li>Basic Chemicals: increase of sales in petrochemicals trading business and stable in sulfuric acid business</li> </ul>	
<b>Energy Transformation Business</b>	96.4 95.0	-1.4	<ul style="list-style-type: none"> <li>Overseas IPP/IWPP business: absence of strong performance in FY2024 and decrease in equity earnings from Van Phong project</li> <li>Gain from the asset replacement expected in FY2025</li> </ul>	
<b>Corporate and Eliminations</b>	-4.5 -22.0	-17.5	<ul style="list-style-type: none"> <li>Loss buffer of ¥-40.0 bil. incorporated</li> </ul>	

(Continued)

In Chemical Solutions, we forecast an increase of JPY13.6 billion, mainly due to higher sales in the agribusiness, reflecting a recovery in demand in Brazil, and a solid performance in the sulfuric acid business in basic chemicals.

Energy Transformation Business is expected to post a profit on par with the previous year due to the gain from asset replacements, despite the impact of the rebound from the robust performance of the previous year in the overseas IPP/IWPP business and the decrease in equity in earnings of the Van Phong business.

[END]