

Quarterly Results for FY2025

(Three-month period ended June 30, 2025)

July 31, 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 FY2025 Q1 Results

FY2025 Q1 Results	<ul style="list-style-type: none">Profit for FY2025 Q1 attributable to owners of the parent totaled ¥170.9 bil., a ¥44.6 bil. increase compared to the same period of the previous fiscal year.Progress against FY2025 forecasts of ¥570.0 bil.* was 30%. (28% against the pre-buffer total of ¥610.0 bil.)High progress achieved, driven by the gain on the sale of Midas in tire sales & marketing business in the U.S. and the concentration of large-scale property deliveries in the real estate business.
FY2025 Full-year Forecast and Annual Dividend	<ul style="list-style-type: none">Overall progress remains on track with the initial plan, leaving both the annual forecasts of ¥570.0 bil.* and the planned annual dividend of ¥140 per share unchanged from the initial forecast announced in May 2025.

	FY2024 Q1 Results	FY2025 Q1 Results	FY2025 full-year Forecasts
Profit for the Period (attributable to owners of the parent)	126.3	170.9 +44.6 (YoY)	570.0* 30% (Progress)

(Unit: billions of yen)
*including a loss buffer of ¥-40.0bil.

I would like to provide an overview of the financial results for Q1 of FY2025.

Profit for Q1 was JPY170.9 billion, an increase of JPY44.6 billion YoY.

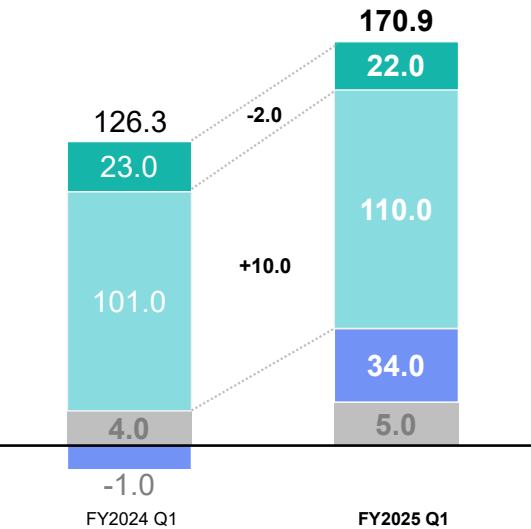
Progress against the full-year forecasts of JPY570.0 billion announced in May was 30%. The JPY570.0 billion figure includes a buffer of negative JPY40.0 billion in consideration of the uncertainties in the business environment, but excluding this buffer, progress against the JPY610.0 billion figure was 28%.

The gain on the sale of Midas in tire sales & marketing business in the U.S. and the concentration of large-scale property deliveries in the real estate business contributed to high progress.

Since the overall progress is generally in line with the initial plan, both the full-year forecasts of JPY570.0 billion and the annual dividend of JPY140 per share remain unchanged from the initial forecast announced in May 2025.

2. Operating Results (Profit for FY2025 Q1 (Attributable to Owners of the Parent))

Quarterly Results (YoY)
(Unit: billions of yen)



Mineral resources *1 *3 (¥-2.0 bil.)

Coal business in Australia: decline in prices
Copper business: increase in prices among others

Non-mineral resources *2 *3 (¥+10.0 bil.)

Real estate: delivery of large-scale properties in FY25 Q1
Digital: Profit increase from Net One Systems' consolidation into SCSK
Agribusiness: recovery in agricultural input & service business in Brazil
Overseas IPP/IWPP business: absence of gains from asset sales

Asset replacement and extraordinary profits/losses

Gain from the sale of Midas in tire sales & marketing business in the U.S.

Corporate and Eliminations *3

-

Impact of the appreciation of the yen

Average exchange rate (JPY/US\$): FY2024 Q1 155.85
FY2025 Q1 144.59

*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. "asset replacement and extraordinary profits/losses".

I will explain the YoY comparison.

The bar graph shows quarterly profit divided into Asset replacements and extraordinary profits/losses, Mineral resources businesses, Non-mineral resource businesses, and Corporate and Eliminations.

Mineral resources businesses recorded JPY22.0 billion, a decrease of JPY2.0 billion. This was due to the impact of price declines in the coal business in Australia and other factors.

Non-mineral resource businesses recorded JPY110.0 billion, an increase of JPY10.0 billion. Despite a decrease due to the absence of gains from asset sales in the overseas IPP/IWPP business, profit increased due to the delivery of large-scale properties in the real estate business, Net One Systems' consolidation into SCSK in the digital business, and the recovery in agricultural input & service business in Brazil in the agribusiness.

In asset replacements and extraordinary profits/losses, in the current period, tire sales & marketing business in the U.S. recorded an asset replacement gain from the sale of Midas.

3. Profit for the Period by Segment

		Profit	Increase/ Decrease	Main factors for the increase/decrease	(Unit: billions of yen)
Steel	Upper: FY2024 Q1 Results	18.2	+0.6	• Steel sheets: Start of earnings contribution from monopile manufacturing for offshore wind foundations • Tubular products: Demand declined in North America due to falling oil prices	
	Lower: FY2025 Q1 Results	18.8			
Automotive		7.2	+32.5	• Automotive sales & marketing: Profit declined following intensified competition in key markets • Automotive finance business: Decrease in credit costs among others • Gain from the sale of Midas in tire sales & marketing business in the U.S.	
		39.7			
Transportation & Construction Systems		20.0	+0.9	• Transportation: Stable in leasing business and profit increase due to vessel sales in the ship business • Construction & mining systems: Profit declined due to one-off costs related to organizational restructuring and continued softness in construction demand	
		20.9			
Diverse Urban Development		14.3	+21.9	• Real estate: Delivery of large-scale properties	
		36.2			
Media & Digital		6.9	+1.6	• Digital: Profit increased from Net One Systems' consolidation into SCSK	
		8.4			
Lifestyle Business		0.4	-0.1	• Fresh produce business in Europe and the Americas: despite strong performance in the banana and pineapple businesses, profit declined due to the weak performance of the melon business • Domestic supermarket business: Profit increased driven by the opening and renovation of stores	
		0.3			
Mineral Resources		15.3	-4.6	• Coal business in Australia: Profit declined due to a drop in coal prices and a decrease in coking coal sales volume • Copper business: Profit increased due to higher prices	
		10.6			
Chemical Solutions		9.1	-1.9	• Agribusiness: Recovery in agricultural input & service business in Brazil • Absence of divestment-related gain in FY2024 Q1	
		7.2			
Energy Transformation Business		31.0	-7.0	• Overseas IPP/IWPP business: Absence of gains from asset sales • Gas Value Chain: Sales volume increase in gas upstream business	
		24.0			
Corporate and Eliminations		4.0	+0.7	-	
		4.7			

I would like to explain the quarterly profit by segment on a YoY basis.

In Steel, the tubular products business in North America was affected by a decline in demand due to lower oil prices, while the monopile manufacturing business began to contribute to profits in the steel sheets business.

Automotive recorded a large increase due to a gain on the sale of Midas in tire sales & marketing business in the U.S. In terms of underlying profit, automotive sales & marketing reported lower profit due to intensified competition in key markets, while automotive finance business reported higher profit mainly due to lower credit costs.

In Transportation & Construction Systems, profit in construction & mining systems declined due to one-off costs related to organizational restructuring, while in transportation, the leasing business remained solid and there were gains on vessel sales in the ship business.

Diverse Urban Development recorded a large increase in profit due to the delivery of large-scale properties in the real estate.

In Media & Digital, digital reported an increase due to Net One Systems' consolidation into SCSK.

In Lifestyle Business, profit increased in the domestic supermarket business driven by the opening and renovation of stores, but was flat YoY due to the poor performance of the melon business in the fresh produce business in Europe and the Americas.

In Mineral Resources, profit decreased due to the impact of falling prices in the coal business in Australia and other factors.

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Corporate and Eliminations		4.0	+0.7	-	
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(Continued)

Chemical Solutions reported a decrease due to gains in the life sciences related to asset replacements in the same period of the previous year. Underlying profit increased due to the recovery in the agricultural input & service business in Brazil.

In Energy Transformation Business, profit declined in the overseas IPP/IWPP business due to the absence of gains from asset sales and other factors.

4. Operating Results (Cash Flows)

(Unit: billions of yen)

		Medium-Term Management Plan 2026		
		Total Results	FY2024 Results	FY2025 Q1 Results
		(Apr. 2024-Jun. 2025)	(Apr. 2024-Mar. 2025)	(Apr. 2025-Jun. 2025)
Cash In				
Cash flow earnings*2	+2,000.0	+846.2	+647.6	+198.6
Asset replacement	+800.0	+340.0	+240.0	+100.0
Cash Out				
Investment	-1,800.0 ~	-900.0	-730.0	-170.0
(Steady business growth / Value creation)	(-1,400.0 ~)	(-790.0)	(-630.0)	(-160.0)
(Nurture / Restructuring)	(-400.0 ~)	(-110.0)	(-100.0)	(-10.0)
Shareholder return	-700.0 ~	-283.7	-205.0	-78.7
Free cash flow (post-shareholder return)				
(Changes in working capital, etc. excluded)		±0.0	-40.0	+40.0

*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 (excluding dividend associated with asset replacement) + Depreciation + Lease liability payments

Cash flow earnings

- Steady cash generation by core businesses

Asset replacement

- Sale of Midas in tire sales & marketing business in the U.S.
- Sale of domestic and overseas properties
- Sale of T-Gaia

Investment

- Acquisition of shares in Net One Systems by SCSK
- Investment in ActivStyle, a healthcare company in the U.S.

Shareholder return

- Dividend paid

Next, I will explain the cash flows.

First, in terms of cash-in, cash flow earnings generated JPY198.6 billion in cash, mainly due to steady growth in core businesses. In asset replacements, cash of JPY100.0 billion was recovered mainly from the sale of Midas in tire sales & marketing business in the U.S. and the sale of T-Gaia shares in the previous fiscal year.

On the other hand, in terms of cash-out, the Company executed investments amounting to JPY170.0 billion, including acquisition of shares in Net One Systems by SCSK and an investment in the U.S. healthcare company ActivStyle.

In addition, shareholder returns were made in the form of dividend payments.

5. Operating Results (Financial Position)

(Unit: billions of yen)	As of Mar. 31, 2025	As of Jun. 30, 2025	Increase/ Decrease
Current assets	5,074.1	5,111.3	+37.2
Non-current assets	6,557.0	6,447.0	-110.0
Total assets	11,631.2	11,558.4	-72.8
Other liabilities	3,490.9	3,302.2	-188.6
Interest-bearing liabilities*1	3,254.7 (2,672.5)	3,355.1 (2,737.8)	+100.3 (+65.3)
Total liabilities	6,745.6	6,657.3	-88.3
Shareholders' equity*2	4,648.5	4,661.7	+13.2
Total liabilities and equity	11,631.2	11,558.4	-72.8
D/E Ratio (Net)	0.6	0.6	±0.0pt
Exchange rate (JPY/US\$)	149.52	144.81	-4.71

Total assets (Increase/decrease: ¥-72.8 bil.)

- Decrease resulting from the appreciation of the yen (approx.¥-92.0 bil.)

Shareholders' equity (Increase/decrease: ¥+13.2 bil.)

- Increase from profit for the period
- Decrease due to dividend payment
- Decrease resulting from the appreciation of the yen (approx.¥-71.0 bil.)

*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.

Next, I will explain the financial position.

Total assets decreased by approximately JPY70.0 billion from the end of the previous fiscal year to JPY11,560.0 billion. This was mainly caused by approximately JPY 90.0 billion decrease due to the yen's appreciation.

Shareholders' equity increased by approximately JPY13.0 billion to JPY4,660.0 billion, mainly due to the recording of profit for the period. Net DER was 0.6x.

6. Forecasts for FY2025 (Profit for the Year by Segment)

(Unit: billions of yen)

	FY2025 Forecasts <small>(announced in May 2025)</small>	FY2025 Q1 Results	Progress	Outlook
Steel	76.0	18.8	25%	<ul style="list-style-type: none">• Tubular products: impact from reduced demand in North America due to falling oil prices continues, while other regions are expected to progress in line with FY2025 forecasts• Steel sheets: monopile manufacturing business remains strong; other businesses are also expected to progress as planned.
Automotive	82.0	39.7	48%	<ul style="list-style-type: none">• Automotive sales & marketing: tough competitive environment in key markets expected to continue• Domestic auto leasing business: stable
Transportation & Construction Systems	88.0	20.9	24%	<ul style="list-style-type: none">• Transportation: stable mainly in leasing business and ship business• Construction & mining systems: expect higher sales during the high-demand season and improved profitability from cost reductions
Diverse Urban Development	78.0	36.2	46%	<ul style="list-style-type: none">• Real estate: property deliveries expected as planned, driven by active asset turnover
Media & Digital	40.0	8.4	21%	<ul style="list-style-type: none">• Major domestic businesses: in line with FY2025 forecasts• Telecommunications in Ethiopia: sales growth expected through increased customer acquisitions
Lifestyle Business	15.0	0.3	2%	<ul style="list-style-type: none">• Domestic supermarket business: strong performance supported by store renovations and improved operational efficiency through DX initiatives• Healthcare: earnings growth expected through business expansion, both in Japan and overseas• Loss expected from asset replacement
Mineral Resources	83.0	10.6	13%	<ul style="list-style-type: none">• Iron ore mining business in South Africa: recognize earnings semi-annually in Q2 and Q4• Coal business in Australia: sluggish market conditions• Earnings contribution expected from new investments
Chemical Solutions	35.0	7.2	21%	<ul style="list-style-type: none">• Agribusiness: Sales volume increase expected during the high-demand season• Electronics & Life Science: stable
Energy Transformation Business	95.0	24.0	25%	<ul style="list-style-type: none">• Expected to progress in line with initial forecasts overall, including asset replacement
Corporate and Eliminations	18.0	4.7	26%	-
Total <small>(excluding a loss buffer of ¥40.0bil.)</small>	610.0	170.9	28%	-
Full-year Forecast <small>(including a loss buffer of ¥40.0bil.)</small>	570.0	170.9	30%	-

I will explain the full-year forecast by segment.

As explained at the beginning of this report, the full-year forecast of JPY570.0 billion and the buffer of negative JPY40.0 billion announced in May remain unchanged.

In Steel, demand is expected to continue to decline due to low oil prices in the tubular products business in North America, while the monopile manufacturing business is expected to remain solid.

In Automotive, the automotive sales & marketing business is expected to continue to face a competitive environment in key markets, while the domestic auto leasing business is expected to remain solid.

In Transportation & Construction Systems, we expect the construction & mining systems to benefit from higher sales and cost reductions during the demand season, while in the transportation, we anticipate solid growth, especially in the leasing business and the ship business.

Diverse Urban Development expects to deliver properties as planned by continuing to promote asset replacements.

In Media & Digital, the major domestic businesses are expected to progress as planned, while the telecommunications business in Ethiopia is expected to increase sales through increased customer acquisitions.

In Lifestyle Business, the domestic supermarket business is expected to remain robust. In the healthcare, we expect an increase in revenues through business expansion, both in Japan and overseas.

6. Forecasts for FY2025 (Profit for the Year by Segment)

(Unit: billions of yen)

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Corporate and Eliminations	18.0	4.7	26%	-
Total <small>(excluding a loss buffer of ¥40.0bil.)</small>	610.0	170.9	28%	-
Full-year Forecast <small>(including a loss buffer of ¥40.0bil.)</small>	570.0	170.9	30%	-

(Continued)

In Mineral Resources, although the coal business in Australia is expected to be affected by the sluggish market, we expect to see a contribution to earnings from new investments, in addition to equity in earnings from the iron ore mining business in South Africa in Q2 and Q4.

In Chemical Solutions, we expect an increase in sales volume in Agri business, which is entering the high-demand season.

Energy Transformation Business is expected to remain solid overall and progress as planned, including asset replacements.

As explained above for each segment, as of Q1, some businesses are lagging behind in progress, while others are expected to be profit-biased in H2 due to seasonality, and others are expected to contribute to profits through future earnings improvement and new investments.

In light of the uncertain outlook for the business environment, we will continue to carefully examine our financial results for Q2, including the buffer of negative JPY40.0 billion that we have incorporated.

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