



Sumitomo Corporation

Enriching lives and the world

Stock Exchange Code: 8053

Sumitomo Corporation Business Report

SC NEWS

**156th Newsletter
to Shareholders**

April 1, 2023 through March 31, 2024

Enriching lives and the world





I am Shingo Ueno, President and Chief Executive Officer appointed in April 2024. I wish to express my sincere appreciation for the exceptional support you have always shown us. Here, it is my pleasure to deliver to you our 156th period (April 1, 2023 through March 31, 2024.) newsletter.

Representative Director
President and Chief Executive Officer

Shingo Ueno

During fiscal 2023, which was the last year of “SHIFT 2023,” the medium-term management plan we launched in fiscal 2021, we worked to complete structural reforms aimed at strengthening resilience and raising earnings power.

Due to the fact that we recorded one-off losses in several projects, the profit for the year attributable to owners of the parent in fiscal 2023 totaled 386.4 billion yen, however, as per our shareholder return policy, the year-end dividend for fiscal 2023 has become 62.5 yen (annual dividend is 125 yen) per share. (Please see “Business Report” in the Notice of Convocation of the 156th Ordinary General Meeting of Shareholders for more detail.)

The theme of our “Medium-Term Management Plan 2026” is “No. 1 in Each Field.” We will endeavor to enhance our strength and competitive advantages and achieve growth by addressing social challenges. For that purpose, we will enhance metabolism by accelerating the transformation of our business portfolio and focus on building earning pillars that drive growth.

We ask our shareholders for your continued support going forward.

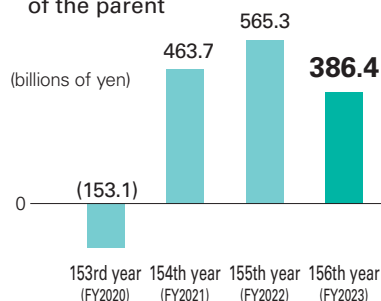
June 2024

For more information, please see the link

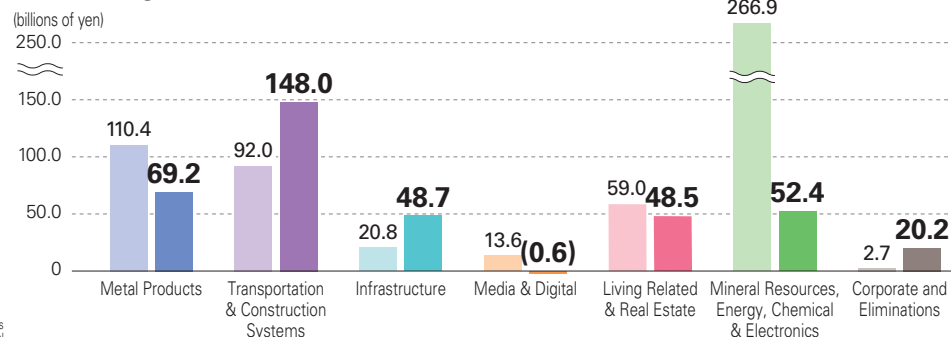


Performance Highlights

▶ Profit (loss) for the year attributable to owners of the parent



▶ Profit for the year (attributable to owners of the parent) of each Segment



Left side: The 155th year (FY2022)
Right side: The 156th year (FY2023)

We have applied IAS 12 “Income Taxes” (amended in May 2021) from the 156th year. This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis.

Medium-Term Management Plan 2026

On May 2, 2024, we announced our new Medium-Term Management Plan 2026 which starts from fiscal 2024.

Update of Material Issues

On moving forward to the next stage, we have updated our material issues, with the view of value-creation. This is to show Sumitomo Corporation Group's commitment on important social challenges and to address them, taking into account external environmental changes such as climate change and/or loss of biodiversity which are becoming more serious, the strength of Sumitomo Corporation Group and expectation from stakeholders.

For more information, please see the link

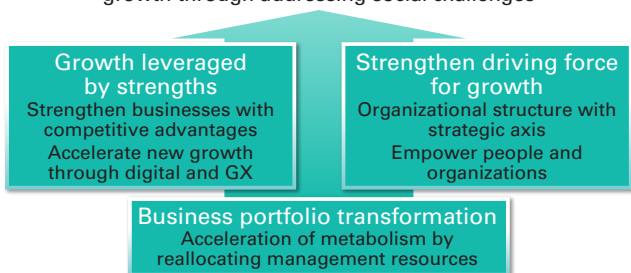


Medium-Term Management Plan 2026

Under the theme of "No.1 in Each Field," we will accelerate business portfolio transformation to enhance our competitive advantages and achieve growth through addressing social challenges. For that purpose, we will focus on "growth leveraged by strengths" and "strengthen driving force for growth."

No.1 in Each Field

Enhance our competitive advantages to achieve growth through addressing social challenges



1 Business Portfolio Transformation

By allocating management resources to businesses with strength and competitive advantages in attractive markets and restructuring businesses with low profitability with strategy and timeline, we will accelerate metabolism of our business portfolio and realize growth.

2 Growth Leveraged by Strengths

We will further strengthen businesses with strength and competitive advantages and accelerate new developments through digital and green transformation (GX). As for digital, we will create/transform our existing businesses using digital and expand earnings. As for GX, we will create next-

generation businesses and acquire new strengths by initiatives such as transition for decarbonized/low-carbon energy sources in various industry fields.

3 Strengthen Driving Force for Growth

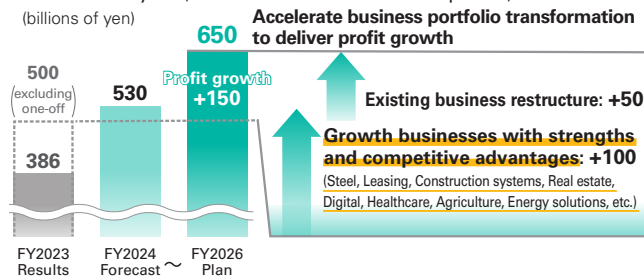
This April, we reviewed the structure of our management council and business organizations. For our management council, we have updated matters such as its composition to enable faster and more sophisticated decision making, through which we will accelerate the transformation of our business portfolio from the viewpoint of companywide optimization. As for business organizations, we reorganized them into 44 SBUs (Strategic Business Unit) and 9 business groups based on global strategies. Further, in order to unleash the power of human resources, which we view as the driving force for value-creation, we will strengthen strategy execution capability through implementing several initiatives prioritizing "Business engineering power," "Leadership" and "Speed."

Quantitative Targets

Profit Plan

During the term of "Medium-Term Management Plan 2026," while maintaining ROE of 12% or higher, we aim to achieve an annual profit of 530 billion yen for fiscal 2024 and of 650 billion yen for fiscal 2026 by expanding growth businesses with competitive advantages.

Profit for the year (attributable to owners of the parent) (billions of yen)



Cash flow allocation

We aim to generate cash of 2.8 trillion yen through further asset replacement and improvement of cash flow earnings. We will allocate such cash to growth investments and shareholder returns. While maintaining financial soundness, we aim to improve ROE.

For more information, please see the link



Shareholder Return Policy

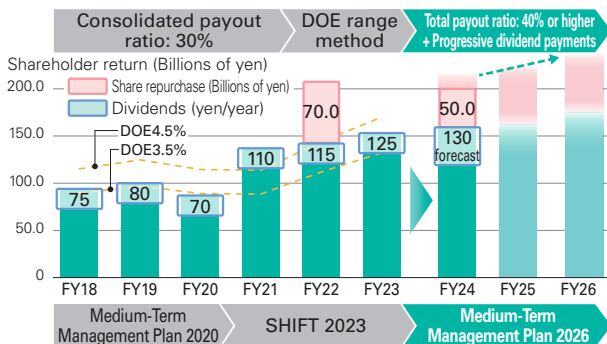
As a result of the approval of the year-end dividend at the 156th Ordinary General Meeting of Shareholders (62.5 yen per share), the annual dividend for fiscal 2023 has become 125 yen per share as per our previous shareholder return policy*1.

Considering factors such as the improvement of basic profitability through “SHIFT 2023,” continuous strengthening of our financial position and securing funds for investments for sustainable growth, our shareholder return policy under the “Medium-Term Management Plan 2026” and beyond is as follows:

New Shareholder Return Policy

- Pay **dividends** and **repurchase our shares** in a **flexible and agile manner** with a **total payout ratio of 40% or higher**
- Further improve dividend stability and increase dividends in line with profit growth through **progressive dividend payments***2

Based on the new policy mentioned above, we plan to pay an annual dividend of 130 yen for fiscal 2024, representing an increase of 5 yen from the fiscal 2023. Further, at the meeting of the Board of Directors held on May 2, 2024, it was resolved to repurchase shares of our common stock up to 50 billion yen. (period for repurchase: from May 7, 2024 to July 19, 2024) All repurchased shares are scheduled to be cancelled on August 28, 2024.



*1 To 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, to pay dividends or repurchase shares for the excess portion in a flexible and agile manner. In principle, the amount of annual dividend will not be lower than the amount announced in the immediately preceding forecast.

*2 Dividends to be maintained or increased.

Corporate website

We deliver our latest information via our corporate website. Please take a look.

Presentation of FY2023 earnings results

On Thursday, May 2, 2024, we announced and conducted a presentation of our fiscal 2023 earnings results and our new medium-term management plan. You may watch the video of the presentation, including the Q&A session.



For more information, please see the link



Information regarding General Meetings of Shareholders

On Friday, June 21, 2024, we held the 156th Ordinary General Meeting of Shareholders. In addition to the Notice of Resolutions, matters related to the General Meeting of Shareholders of Sumitomo Corporation, including scenes from the day of the General Meeting of Shareholders and responses to questions received in advance from shareholders, will be uploaded to our corporate website. Therefore, in addition to those who have attended our General Meeting of Shareholders, shareholders who were unable to attend or watch the livestream, please take this opportunity to view our website.



For more information, please see the link





Corporate Profile

Company Name: Sumitomo Corporation
Establishment: December 1919
Paid-in Capital: ¥220.4 billion
Head Office: Otemachi Place East Tower, 3-2 Otemachi
2-chome, Chiyoda-ku, Tokyo 100-8601, Japan
Phone: +81-3-6285-5000

Website: <https://www.sumitomocorp.com/en/jp>
For stock information, visit the Investor Relations page.



LinkedIn <https://www.linkedin.com/company/sumitomocorporation/>



Information for Shareholders

Fiscal Year: From April 1 of each year through March 31 of the following year

Ordinary General Meeting of Shareholders: June

Record Date: Ordinary General Meeting of Shareholders and Year-end Dividends: March 31
Interim Dividends: September 30

Stock Transfer Agent and Account Management Institution for Special Accounts: Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Shares per Unit: 100 shares

Stock Listing: Tokyo

Stock Exchange Code: 8053

Method for Public Notice: Electronic public notice
<https://www.sumitomocorp.com>
(If we cannot issue an electronic public notice due to an accident or other unavoidable reason, we will post the notice in the *Nihon Keizai Shimbun*.)

Stock-related Procedures

- For shareholders having an account with a securities company: Please contact the securities company where you hold the account.
- For shareholders not having an account with a securities company (shareholders having a special account): Please contact the following account management institution for special accounts.

Sumitomo Mitsui Trust Bank, Limited
Stock Transfer Agency Business Planning Department
Phone Inquiries: 0120-782-031
Website: <https://www.smtb.jp/tools/english/>

* Special accounts have been opened at our account management institution for special accounts, Sumitomo Mitsui Trust Bank, Limited, for shareholders who did not use the custody and book-entry transfer system for securities prior to the introduction of the electronic share certificate system.