Notice Concerning Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2020

Sumitomo Corporation (hereinafter “Sumitomo”) hereby announced the possibility to record lower consolidated earnings for the fiscal year ending March 31, 2020 (from April 1, 2019 to March 31, 2020) by 30% or more compared to the forecast announced on February 7, 2020, due to the deterioration of business environment including the worldwide outbreak of the COVID-19. The actual impact is currently under review.

1. Forecast of Consolidated Earnings for the Fiscal Year Ending March 31, 2020

Though Sumitomo had announced the forecast on consolidated earnings (profit for the year attributable to owners of the parent) for the fiscal year ending March 31, 2020 of 300.0 billion yen on February 7, 2020, there is a possibility to record some impairment losses and write-down of inventory in the tubular products business mainly in the U.S. due to the decline in oil prices and U.S. rig count from the deterioration of business environment including the worldwide outbreak of the COVID-19. In addition, there is a possibility to record some impairment losses in other projects according to the review of its business plans based on the deterioration of business environment, and it is anticipated that consolidated earnings exclude one-off profits/losses have impacted by operation stoppage in some businesses due to the slowdown of global economic activities.

Under these circumstances, there is a possibility to record lower consolidated earnings for the fiscal year ending March 31, 2020 by almost 100.0 billion yen, compared to 300.0 billion yen, the forecast announced on February 7, 2020.

2. Dividend forecast

Though the impact of the deteriorating business environment and the worldwide outbreak of the COVID-19 is under review, the consolidated earnings excluding these impacts are expected to show steady progress according to the forecast announced on February 7, 2020.

Therefore, Sumitomo will not revise the dividend forecast for the fiscal year ending March 31, 2020 which is 80 yen per share (the interim dividend: 45 yen per share (including commemorative dividend of 10 yen per share), the year-end dividend: 35 yen per share) as announced on February 7, 2020.