

# Part 1 Value Creation Story

## Looking back on the past and looking ahead to the future

Sumitomo's Business Philosophy is timeless, having been passed down for generations. See the true value and value creation story of the Sumitomo Corporation Group driven by this philosophy.

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# History

## Sumitomo Corporation Group milestones

### Around 1600

#### Starts copper mining



Copper beating pictorial record in the *Kodo Zuroku* (Source: Sumitomo Historical Archives)

### 1919

#### The Osaka North Harbour Company Limited founded (the predecessor to today's Sumitomo Corporation)



Head Office of The Osaka North Harbour (Sumitomo Sohonten Annex, former Teikokuza Theater) (Source: Sumitomo Historical Archives)

### 1945

#### Renamed to Nippon Engineering Co., Ltd. Enters the trading business



Sumitomo Building Annex, where Nippon Engineering's Head Office was located

### 1950

#### Steadily expands its presence overseas

Posted an employee to Bombay (now Mumbai), India, for the first time in 1950, and subsequently established a U.S. subsidiary in New York in 1952.

### 1952

#### Renamed to Sumitomo Shoji Kaisha, Ltd.

Usage restrictions on the "Sumitomo" trade name and trademark, resulting from a 1945 order issued by the General Headquarters of the Allied Powers in Japan for the dissolution of zaibatsu financial conglomerates, were abolished following the signing of the Japan-US Security Treaty in 1952.

### 1953

#### Begins export of Japanese tubular products

In the 1990s, long-term contracts with oil majors were evolved into supply chain management systems.



### 1962

#### Adopts a product division structure

This move involved consolidating the Osaka and Tokyo sales offices and creating nine product divisions: Iron & Steel, Nonferrous Metals, Electric, Machinery, Agriculture & Fishery, Chemicals, Textiles, General Products & Fuel, and Real Estate.

### 1963

#### Opens the first Summit store

Committed to community-based service, Summit has grown into one of the top supermarkets in the Tokyo metropolitan area.



### 1970s and later

#### Expands the scale of overseas steel service centers

Developed a system to process and supply steel products on a just-in-time basis, mainly in Asia, in response to overseas expansion by our customers.



### 1977

#### Launches the "Big Three & The Best" slogan

Set a goal of becoming one of the top three companies in terms of total trading transactions and the overall best company in the industry from an all-encompassing standpoint by improving profitability and efficiency.

### 1979

#### Introduces a sales division system

Following the expansion of the Company's business scope, four new sales divisions were established: Iron & Steel; Machinery & Electric; Nonferrous Metals, Chemical & Fuel; and Consumer Products. As a result of promoting the empowerment of these sales divisions, the flexibility of sales was significantly improved.

## Economic and social situations

### 1945

- End of World War II
- General Headquarters of the Allied Powers in Japan issues an order calling for the dissolution of zaibatsu

### 1950

- Special demand for supplying the United States in the wake of the Korean War
- Japanese economy makes strides toward recovery

### 1955

- Japanese post-war economic miracle
- Exports stimulated and trade deregulated

### 1964

- Summer Olympics and Paralympics in Tokyo

### 1970

- Expo '70 in Osaka

### 1971

- Nixon Shock

### 1973

- First oil crisis
- Transition to floating exchange rate system

### 1979

- Second oil crisis

1600s 1910s 1940s

1950s

1960s

1970s



## History

### 1988

#### Introduces the “Integrated Business Enterprise” corporate vision

Based on existing trading activities, promoted (1) acceleration of business activities, (2) expansion into downstream fields, and (3) reinforcement of integrated corporate strength, with the aim of forming two major revenue sources for the Company from trading activities and business activities.

### 1980s

#### Expands the construction and mining equipment business

The Company expanded from export and financing of construction and mining equipment to the sales & marketing business, and subsequently progressed into the rental business.



### 1990

#### Launches its first industrial park business in Indonesia



### 1996

#### The copper incident

It came to light that the general manager of a sales department was conducting unlawful copper trading unbeknownst to the Company. This incident led to the recording of losses to the extent of ¥285 billion, and roughly a decade was required to resolve the issue. Learning from this experience, the Company implemented a strict internal control system to prevent the recurrence of similar acts.

### 1998

Establishes the Sumitomo Corporation Group’s Corporate Mission Statement  
Introduces the risk-adjusted return ratio as a new management indicator

### 1999–

Promotes selection and concentration of businesses under medium-term management plan Reform Package

### 2001

#### Consolidates head offices into the Tokyo Head Office



Harumi Triton Square, where the Head Office was relocated in May 2001

### 2003

Establishes the Sumitomo Corporation Corporate Governance Principles to enhance its corporate governance

### 2011

Establishes SCSK Corporation  
Focuses on joint promotion of DX within the Group

### 2017

Identifies Six Material Issues

### 2018

Relocates Head Office to Otemachi, Tokyo



OTEMACHI PLACE EAST TOWER, where Head Office was relocated in September 2018

### 2019

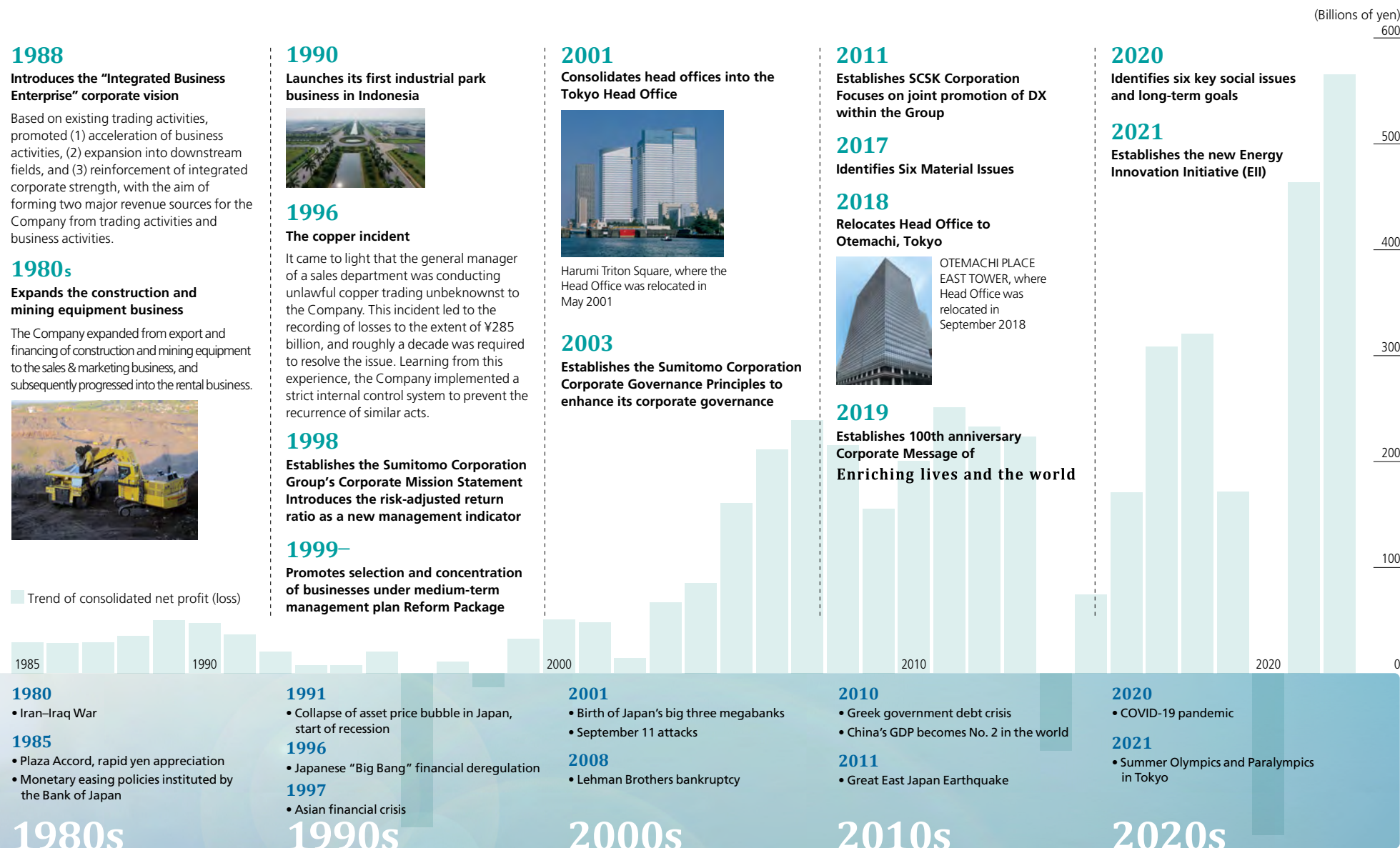
Establishes 100th anniversary Corporate Message of Enriching lives and the world

### 2020

Identifies six key social issues and long-term goals

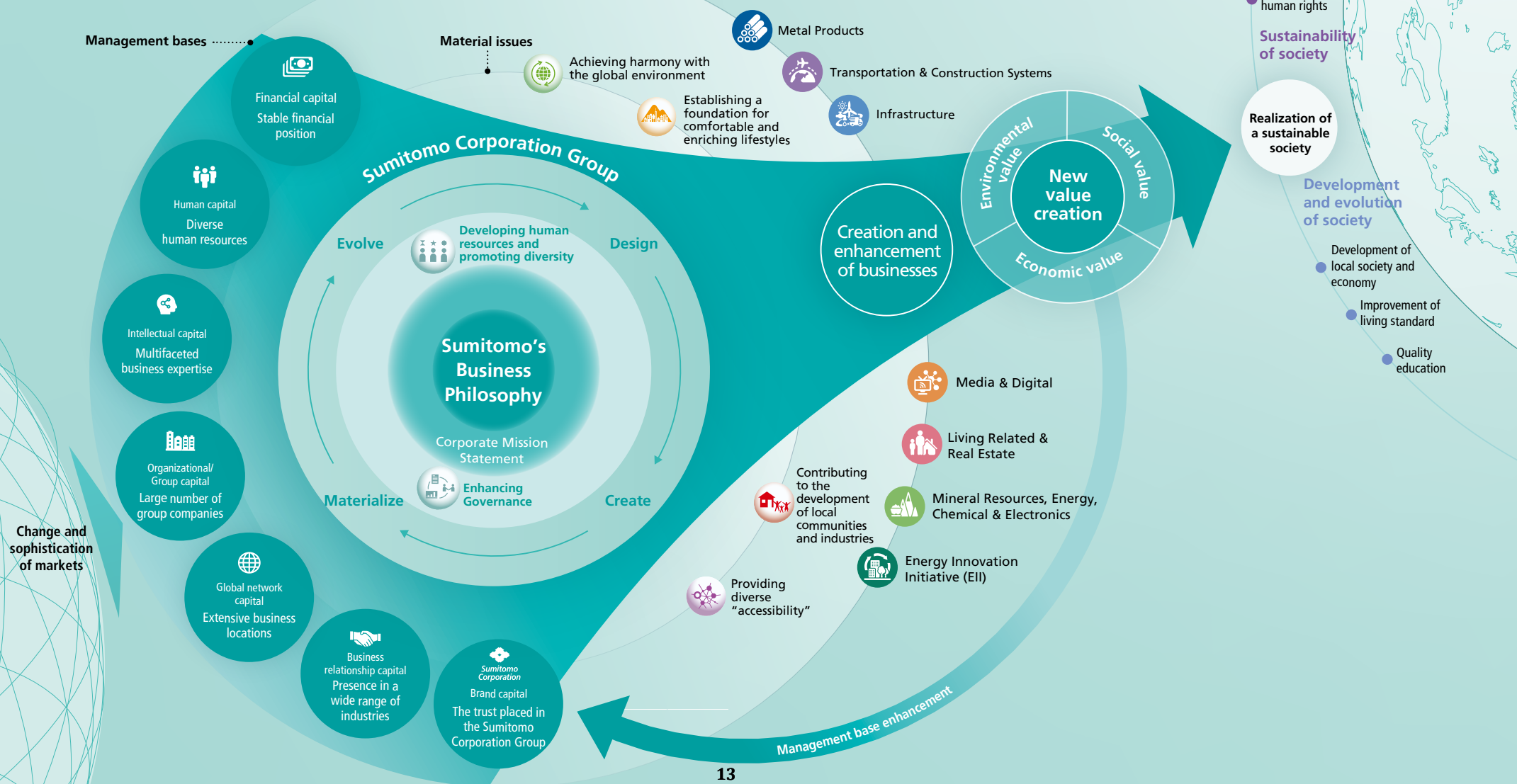
### 2021

Establishes the new Energy Innovation Initiative (EII)



## Value creation model

With Sumitomo's Business Philosophy and Sumitomo Corporation Group's Corporate Mission Statement at the core, the Sumitomo Corporation Group is creating and upgrading businesses and creating social, environmental, and economic value putting material issues at the root and leveraging the strength of the management bases we have built. Through this value creation, we are working to resolve key social issues and realize a sustainable society. At the same time, we are further strengthening our management bases by leveraging the experience and knowledge gained along the way. Through this cycle, we continue to grow with society and create new value.







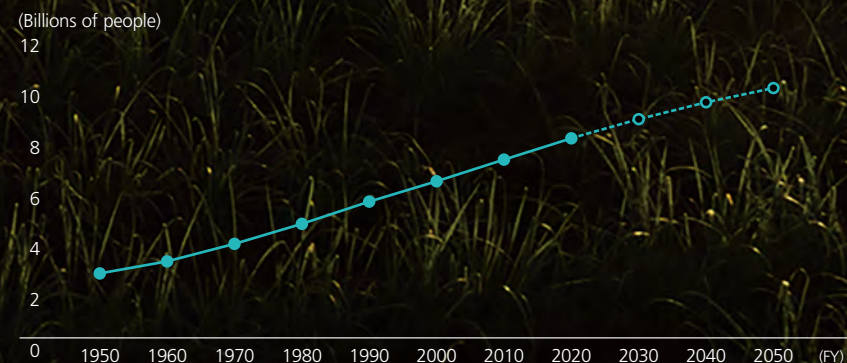
## Value creation: Example 1

### Agribusiness

# Sustainable food production

The world's population is projected to increase to approximately 10 billion by 2050. Therefore, increasing the production and stable supply of food is one of the biggest challenges facing humankind. While agriculture has high growth potential against the backdrop of rapidly expanding food demand, climate change and demands for biodiversity conservation will make it difficult to significantly expand the area of arable land in the future. Thus, it is essential to increase the yield per unit area. Yet, there are concerns about environmental impacts due to too much reliance on chemical fertilizers as a means of achieving this. In other words, the future of agriculture requires that we build a sustainable food production system by overcoming the contradictory themes of maximizing yield per unit area and reducing environmental impacts.

## Forecast of world population



Source: *World Population Prospects 2019*, published by the United Nations



## Sumitomo Corporation Group's value creation

### Pursuing the sustainable development and growth of agriculture around the world

The difficulty of agriculture lies in its diversity and locality. Climate, soil composition, water, temperature, and the insects and fungi that inhabit it—the condition of land varies greatly by country and region, and therefore the needs of consumers are equally diverse.

The Sumitomo Corporation Group's agribusiness has strengths in its integrated value chain spanning upstream to downstream. This business model enables access to a wide range of product markets and the collection of information on sales channels, and serves as the foundation for responding to the various needs of customers. In the agribusiness, the Group focuses on the agricultural input & service business. We directly and immediately grasp the voices of farmers on the front lines of agriculture, quickly procure raw materials and products that meet their needs, and provide a wide range of services. This agile procurement and provision function is one of the sources of value creation in the Group's agribusiness.

Furthermore, we are confident that the Group's experience and knowledge can be utilized in addressing the themes that agriculture currently faces; namely, improving and maximizing agricultural production and reducing environmental impacts. Through its long-standing agribusiness, the Group has gathered human resources with the knowledge of agriculture and markets around the world, and has refined its ability to build business models and relationships with partners and customers. In addition to existing businesses, we will contribute to the sustainable development and growth of agriculture around the world and realize sustainable food production systems by further strengthening our provision functions, such as farming support and consulting services using AI technology, contract production and sales of high-quality, original seeds, expansion of biopesticides, and clean agriculture.



## Strengths generating value

### Integrated value chain and Sumitomo's Business Philosophy

Since the 1950s, we have been involved in fertilizer and crop protection trading, and acquired commercial rights for crop protections around the world as well as accumulated knowledge of agricultural markets that differ depending on the region. In the early 1990s, we entered the crop protection distribution business in Eastern Europe. We have expanded our products to meet local needs and built a business model for distribution of agricultural materials in general, as today we have operations in more than 30 countries. Based on the understanding of agriculture in each country and the local business foundation accumulated through this business, we embarked on the agricultural input & service business. This began by making Alcedo S.R.L. of Romania a group company. The company is the largest integrated agricultural material distribution company in Romania, covering roughly one-third of all farmers in the country. By combining the company's direct sales network to farmers with our existing business groups offering distribution solutions, we have been able to build an integrated agricultural value chain from trading and wholesale to direct sales. Furthermore, in 2015 we invested in Agro Amazonia Produtos Agropecuários Ltda in Brazil. We have established local brands by accumulating a solid track record and trust with customers, such as thorough quality and delivery control of agricultural materials, seeds, fertilizers, and other products, and provision of custom-made products, technologies, and services through detailed dialogue with farmers. Today, we continue expanding business with both companies.

At the heart of these initiatives stands Sumitomo's Business Philosophy. Regardless of the era, we will not permit changes to mislead us; rather, we will emphasize "trust and reliability," "no pursuit of easy gains," and "benefit for self and others, private and public interests are one and the same," and anticipate changes with an enterprising spirit—a management stance that has led to good relationships with Alcedo, Agro Amazonia, and other group companies, partners, and customers—and has become a solid foundation for the growth of the agribusiness.

#### Agribusiness value chain covering upstream to downstream



## Value creation model in the agribusiness

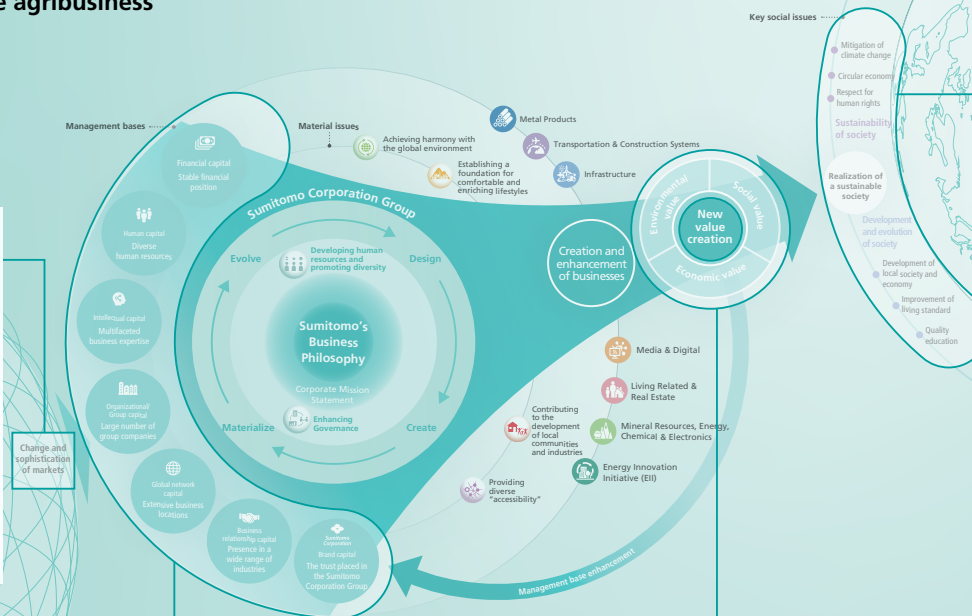
### Change and sophistication of markets

#### Growing worldwide population results in:

- Increased demand for food
- Need for higher agricultural productivity

#### Climate change results in:

- Need for reduced environmental impacts



### Sustainable development and evolution of society

#### • Mitigation of climate change

Contribute to the reduction of greenhouse gas emissions by spreading clean farming (regenerative farming) and establishing business models

#### • Circular economy

Contribute to the realization of next-generation agricultural production (development of alternative proteins and fuels using plant residues, etc.)

#### • Development of local society and economy

Contribute to economic growth in each country through agricultural development

#### • Improvement of living standard

Improve incomes by supporting productivity improvement, such as providing farmers with soil analysis and farming guidance services utilizing agritech, etc., and supplying high-quality products

### Management bases

- Financial capital** ----- Immediately and consistently expand the product supply business by leveraging the Sumitomo Corporation Group's stable financial base and capital strength
- Human capital** ----- Human resources with expert knowledge of agriculture and markets around the world
  - Business management, operations, marketing, and customer services
  - Global personnel: approx. 3,200
- Intellectual capital** ----- Knowledge of agricultural conditions and markets around the world gained through crop protection and fertilizer trading, crop protection distribution, and direct sales of agricultural materials, and capability to establish and expand business models
- Organizational/Group capital** ----- Business synergies through information and know-how sharing among agribusiness affiliates
- Global network capital** ----- Business support from regional organizations
- Business relationship capital** ----- Networks built with farmers and long-term partnerships with leading crop protection and fertilizer manufacturers

### New value creation

#### Environmental value

- Develop and sell fertilizers and crop protections with low environmental impact
- Improve yield efficiency per farmland area by providing high-quality fertilizers and crop protections

#### Social value

- Contribute to sustainable food production systems
- Develop and grow each country's economy through the development of agriculture
- Stabilize farmers' production and incomes and create a foundation for prosperous rural communities through agricultural production support

#### Economic value

- Profit for the year (excluding one-off profits/losses)
  - FY2022 results: ¥16.5 billion
  - FY2030 plan: More than ¥40 billion





## Value creation: Example 2

### Integrated telecommunications business in Ethiopia

## Bringing prosperity to Ethiopia

Ethiopia is expected to see rapid growth in the future. With the headquarters of the African Union located in its capital Addis Ababa, Ethiopia holds a position of great geopolitical importance in the continent. It is expected to offer greater growth potential with a population of approximately 120 million, a median age of roughly 19 years, and a GDP growth rate of 8.6% (2012–2021 average). While it is undergoing political and economic reforms under high economic growth potential, Ethiopia is also facing social problems such as the digital divide and education disparities. The country is trying to grasp the future by overcoming the present.

#### Population\*1

**123 million people**  
(2.5% annual growth rate)

#### Median age\*1

**19 years old**

#### Nominal GDP

**US\$ 105.7 billion**

#### GDP growth rate

**8.6%** (2012–2021 average)

#### Area\*2

**1.1 million km<sup>2</sup>**  
(three times the size of Japan)

#### Mobile penetration rate\*3

**Over 50%**

#### Number of mobile network operators

**2 companies**

Sources:

\*1 United Nations (2022)

\*2 World Bank (2022)

\*3 Calculated based on various published data (2021)



## Sumitomo Corporation Group's value creation

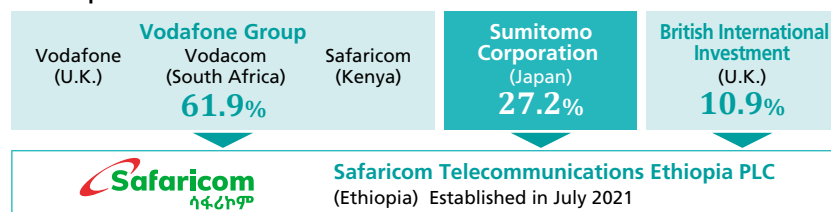
## Resolving social issues through the telecommunications business

The development of telecommunications infrastructure affects the speed of a country's economic growth. Today, an economy of the same size as the one built over the past few decades is set to emerge over the course of the next several years following the growth of telecommunications infrastructure. In other words, underdevelopment of telecommunications infrastructure can hinder a country's potential. We consider the telecommunications infrastructure business to be a top priority business in Africa.

Safaricom Telecommunications Ethiopia PLC ("Safaricom Ethiopia"), the country's first private telecommunications operator, has many specialized personnel dispatched from SC-NEX, the center of excellence for telecommunications talent in the Sumitomo Corporation Group; Vodafone Group Plc; and other companies around the world. Vodafone Group; is one of the largest integrated telecommunications carriers in Europe with operations in 21 countries around the world, including eight African countries, while the Sumitomo Corporation Group has a diverse business portfolio. In the near future, we will combine our strengths with these partners and add content in various fields, such as education, healthcare, and agriculture, to a telecommunications and financial platform that adds the mobile money function to the telecommunications infrastructure, thereby expanding our business. Through this effort, we aim to build a new telecommunications-based economy.

Our goal is to provide value in Ethiopia that goes beyond the telecommunications business and to resolve social issues. By expanding investment and business, we will eliminate poverty through job creation, bridge the digital divide, and develop digital networks for value-added services such as financial services and education. While contributing to economic development and human resources development, we are pursuing "Enriching lives and the world" with this business.

## Promotion structure for the integrated telecommunications business in Ethiopia and investment ratio



Note: As of March 31, 2023

## Strengths generating value

## History of and talent for transforming telecommunications businesses

Our strength in developing the integrated telecommunications business in Ethiopia is that we have accumulated know-how and experts over many years in the rapidly changing global telecommunications industry.

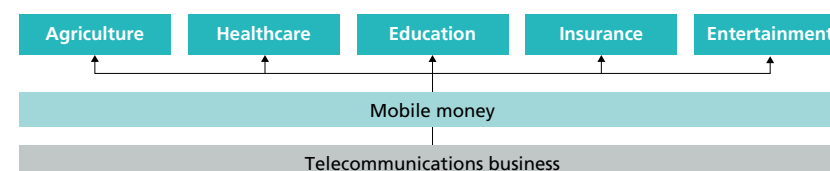
The history of our telecommunications business began in the 1960s with a trading business that supplied products from Japanese telecommunications equipment manufacturers to countries around the world. In the latter half of the 1970s, our market share grew to become the top among general trading companies, and as the scale of the trade grew, we shifted to an all-in contract scheme, including design and construction. In the 1990s, facing a wave of intense technological innovation following the advent of mobile phones, we decided to capitalize on this transformation and participate in new businesses. In 1995, we launched our first greenfield overseas telecommunications business, the Mongolian telecommunications business. Despite small population size, Mongolia is a large nomadic country where livestock are allowed to graze and move through the grasslands. Popularizing mobile services in such a country could not be done by existing business schemes alone. We built up contracts with the development of services suitable to customer behavior and for the country's economy, placing the business on track. After that, we horizontally expanded our overseas telecommunications business in emerging countries, and since the 2000s we have been investing in telecommunications businesses in Asia and the Russian Primorsky Territory. This wide range of experience in the field of overseas telecommunications businesses has led the Group to participate in the integrated telecommunications business in Ethiopia.

Experts—one of the capitals cultivated through trial and error in the highly difficult overseas telecommunications business in terms of political and economic conditions, lifestyles and climates, and technical aspects—represent a source of current and future earnings.



SIM card sales at the launch ceremony

## Future business development





## Value creation model in the integrated telecommunications business in Ethiopia

### Change and sophistication of markets

**High economic growth potential**  
Deregulation of the telecommunications market

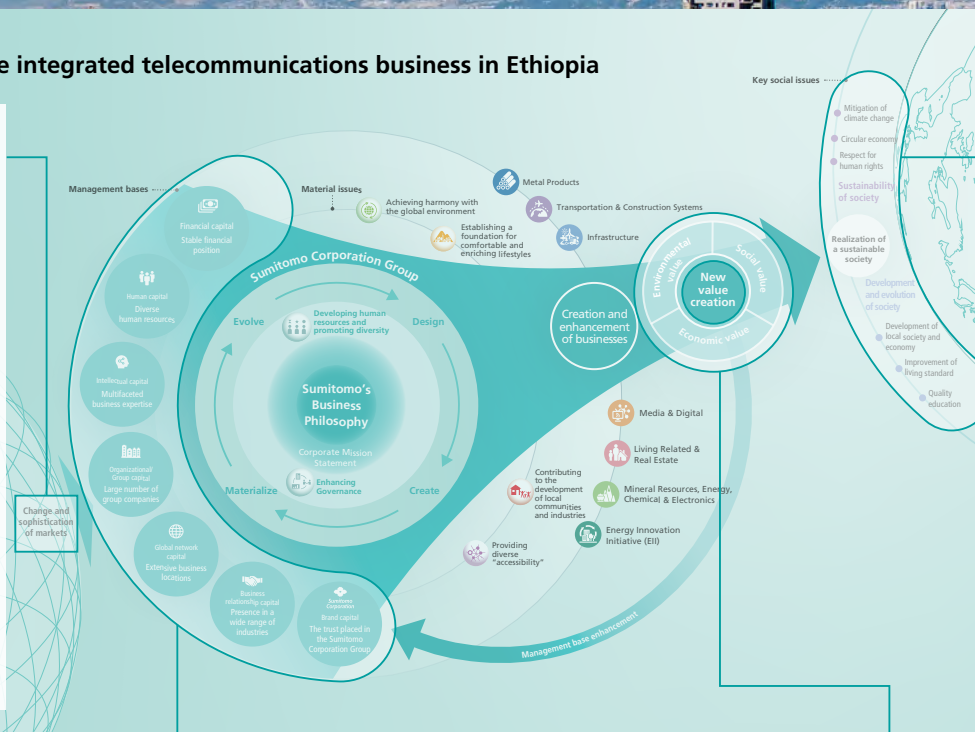
**Population**  
Approx. 120 million  
(2.5% annual growth rate)

**Median age**  
Approx. 19

**Nominal GDP**  
US\$105.7 billion

**Mobile penetration rate**  
Approx. 50%+

**Economic policies**  
**Homegrown economic reform**  
(macroeconomic stability and structural reforms)



### Sustainable development and evolution of society

#### ● Circular economy

Reuse of smartphones by promoting the used device recycling business

#### ● Respect for human rights

Bridging of digital divide through the expansion of mobile network coverage area  
Implementation of thorough health and safety policy

#### ● Development of local society and economy

Improvement of business and living environments through development of regional telecommunications infrastructure  
Financial inclusion through development of mobile money business

#### ● Improvement of living standard

Higher incomes through creation of jobs with business expansion  
Increased convenience through smartphones and other mobile handsets as well as mobile money services

#### ● Quality education

Promotion of new education business utilizing telecommunications platforms (including creation and development of human resources in DX)

### Management bases

- Financial capital** ----- Stable financial base of the Sumitomo Corporation Group
- Human capital** ----- Human resources for launching and operating overseas telecommunications businesses accumulated mainly in Asian countries
- Intellectual capital** ----- Abundant knowledge and experience in greenfield/brownfield telecommunications business start-up and operation (total business operations: approx. 30 years; number of projects: more than 20)
- Organizational/Group capital** ----- Specialized talent pool at SC-NEX (personnel: approx. 30)  
Diverse and myriad business lines enabling various services and functions
- Global network capital** ----- Business support from local organizations
- Business relationship capital** ----- Strong relationships with national governments and strategic partnership with Vodafone Group

### New value creation



#### Environmental value

- Reduced travel through development of telecommunications infrastructure
- Curtailment of fossil fuel usage through utilization of solar power



#### Social value

- Improved information transmission standard for the national economy
- Establishment and upgrading of social infrastructure platform
- Bridging of digital divide, financial inclusion, establishment of an ecosystem utilizing telecommunications platforms, and contributing to Ethiopia's economic development
- Creation of local jobs (effects of direct and indirect employment)



#### Economic value

- Aim to enable almost the entire population of Ethiopia to have access to a telecommunications network by 2030
- Telecommunications network usage as of March 31, 2023
  - Subscribers: Approx. 3 million
  - Cities served: 22
  - Sales outlets: Approx. 44,000



## Values of the Sumitomo Corporation Group

### Sumitomo's Business Philosophy encapsulated in four phrases

#### Place prime importance on integrity and sound management; don't pursue immoral business

This phrase expresses a business approach based on building a reliable foundation of trust rather than simply seeking short-term gain. A business enterprise is there to pursue profit, but this management stance, which instead prioritizes relationships of trust and sound operations over immediate gain, is what has formed the corporate ethos of today's Sumitomo Group businesses.

#### Benefit for self and others, private and public interests are one and the same

This phrase expresses the idea that Sumitomo's business must go beyond benefiting Sumitomo itself to also benefit the nation and society. In other words, it encapsulates the belief that "it is not enough for Sumitomo's business to aim to enrich itself only, it must have the grander goal of serving the interests of the nation and society."

#### Planning imbued with a farsighted perspective

This phrase expresses a planning approach which, rather than pursuing immediate profit, looks far ahead to devise a careful plan that will benefit both Sumitomo and society. This attitude—which is in sync with today's values of prioritizing management based on medium- to long-term rather than short-term perspectives—is thus a Sumitomo tradition handed down since our earliest days.

#### An enterprising spirit

This phrase expresses the approach of actively embracing new things and ideas, and maintaining a strong focus on goals that is not affected by difficulties. This thinking has formed the Sumitomo Group's corporate culture of "facing contemporary change positively and staying one step ahead of it, letting go of out-of-date businesses and starting new ones to meet contemporary needs instead, and then nurturing them with dedication and determination."

#### Recognize human resources as the most important asset

While managing mines in various regions, Sumitomo came across the Besshi Copper Mine, which birthed its business, in 1690. For more than 300 years since that time, Sumitomo has developed this concept throughout its many challenges with nature. Since its founding, Sumitomo has valued free and vigorous discussions, and successive Director-Generals in the modern era have worked hard to ensure that those abilities were put to good use while securing human resources.

### Sumitomo Corporation Group's Corporate Mission Statement

<b>Corporate Vision</b>	We aim to be a global organization that constantly stays a step ahead in dealing with change, creates new value, and contributes broadly to society.
<b>Management Principles</b>	<ul style="list-style-type: none"> <li>• Corporate Mission: To achieve prosperity and realize dreams through sound business activities</li> <li>• Management Style: To place prime importance on integrity and sound management with utmost respect for the individual</li> <li>• Corporate Culture: To foster a corporate culture full of vitality and conducive to innovation</li> </ul>
<b>Activity Guidelines</b>	<ul style="list-style-type: none"> <li>• To act with honesty and sincerity on the basis of Sumitomo's Business Philosophy and in keeping with the Management Principles</li> <li>• To comply with laws and regulations while maintaining the highest ethical standards</li> <li>• To set high value on transparency and openness</li> <li>• To attach great importance to protecting the global environment</li> <li>• To contribute to society as a good corporate citizen</li> <li>• To achieve teamwork and integrated corporate strength through active communication</li> <li>• To set clear objectives and achieve them with enthusiasm</li> </ul>





## Material issues

Over the years, we have conducted our business activities guided by Sumitomo's Business Philosophy and the Sumitomo Corporation Group's Management Principles and Activity Guidelines. Nowadays, how companies are working to help resolve social issues is growing in importance. In April 2017, we identified "Six Material Issues to Achieve Sustainable Growth with Society" based on Sumitomo's Business Philosophy and Sumitomo Corporation Group's Management Principles. These are priority issues to be addressed by leveraging our strengths through our business activities. Our material issues take the form of six issues comprising our approaches to social contributions through our businesses summarized into four phrases and two

management issues. We have positioned them as important elements within the establishment of business strategies and in the decision-making process for individual businesses.

Meanwhile, the key social issues and accompanying goals established in 2020 clearly define the role we will play in achieving a sustainable society. They ensure that our sustainability management initiatives steer us toward the sustainable growth of the Company and society. We believe that both material issues and key social issues are essential in order to understand how our business relates to social issues and also to make clear commitments to society.

▶ **p. 51** Key social issues and medium- and long-term goals

Leveraging our trust-based relationships with customers and partners across the globe and utilizing our business expertise, we will secure our growth and address social issues simultaneously by fulfilling our Corporate Mission, "To achieve prosperity and realize dreams through sound business activities."		<b>Achieving Harmony with the Global Environment</b>	To realize a recycling-oriented society and mitigate climate change, we are working to establish frameworks for the efficient use of resources and stable supply of renewable energy. In doing so, we will achieve growth in harmony with the global environment.
		<b>Contributing to the Development of Local Communities and Industries</b>	We steadily procure and provide goods and services to meet the needs of people in various countries and regions and contribute to developing industrial platforms. Through these means, we will create a virtuous cycle in which we can grow and develop together with local communities.
		<b>Establishing a Foundation for Comfortable and Enriching Lifestyles</b>	We strive to realize more convenient and comfortable lifestyles by providing goods and services for daily use while also responding to needs for high-quality lifestyles in order to support the physical and mental health of people around the world.
		<b>Providing Diverse "Accessibility"</b>	We provide diverse accessibility to open up the possibility of creating new value. To this end, we will improve mobility for safe and efficient flow of people and goods, and expand the network connecting information and finance.
As a prerequisite for resolving the issues listed above, we strive to maintain and enhance our Management Style that places prime importance on integrity and sound management with utmost respect for the individual and our Corporate Culture full of vitality and conducive to innovation.		<b>Developing Human Resources and Promoting Diversity</b>	In order to create new value and innovation by allowing our diverse personnel to fully exercise their abilities in a variety of fields, we will promote the development and empowerment of human resources, which represent our most important management resources.
		<b>Enhancing Governance</b>	We will enhance our ability to draft and implement strategies for achieving sustainable growth and to provide appropriate supervision of these strategies, all while maintaining transparency. In this manner, we will improve management efficiency and maintain sound management.



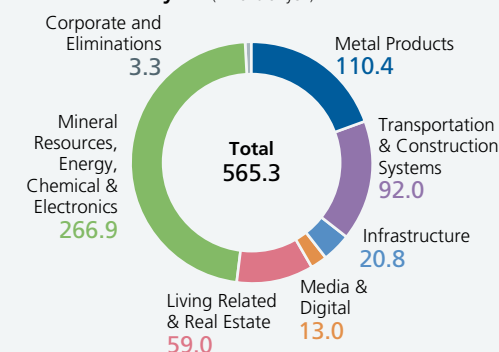
## Business overview

### Business units / Initiative

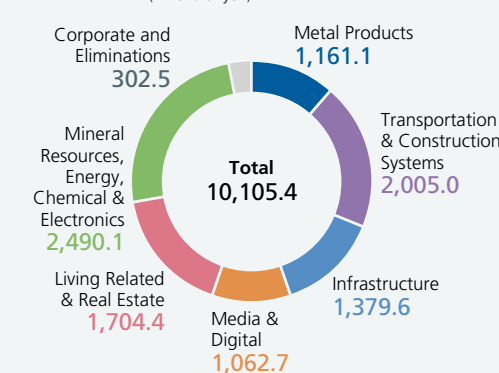
<b>Metal Products</b>  	<ul style="list-style-type: none"> <li>Steel Products Division</li> <li>Tubular Products Division</li> </ul>	<p>The Metal Products Business Unit is engaged in the trade of metal products, including steel sheets, tubular products, and railway products. The business unit offers unique service features in response to customer needs both domestically and internationally, while building a strong value chain along each product line.</p>
<b>Transportation &amp; Construction Systems</b>  	<ul style="list-style-type: none"> <li>Beyond Mobility Business Department</li> <li>Lease, Ship &amp; Aerospace Business Division</li> <li>Mobility Business Division 1</li> <li>Mobility Business Division 2</li> <li>Construction &amp; Mining Systems Division</li> </ul>	<p>The Transportation &amp; Construction Systems Business Unit is engaged in businesses in the fields of transportation systems, including ships, aircraft, and automobiles, and construction and mining equipment.</p>
<b>Infrastructure</b>  	<ul style="list-style-type: none"> <li>Social Infrastructure Business Division</li> <li>Global Power Infrastructure Business Division</li> <li>Logistics Infrastructure Business Division</li> </ul>	<p>The Infrastructure Business Unit is engaged in a global infrastructure business that meets national, regional, and social needs in the social, power, and logistics fields.</p>
<b>Media &amp; Digital</b>  	<ul style="list-style-type: none"> <li>Media Division</li> <li>Digital Business Division</li> <li>Smart Communications Platform Business Division</li> </ul>	<p>The Media &amp; Digital Business Unit is engaged in businesses in the areas of media, digital business, and smart communications platform.</p>
<b>Living Related &amp; Real Estate</b>  	<ul style="list-style-type: none"> <li>Lifestyle Business Division</li> <li>Healthcare Business Division</li> <li>Construction Material &amp; Real Estate Business Division</li> </ul>	<p>The Living Related &amp; Real Estate Business Unit is engaged in businesses in the fields of retail, food, healthcare, construction materials, and real estate.</p>
<b>Mineral Resources, Energy, Chemical &amp; Electronics</b>  	<ul style="list-style-type: none"> <li>Mineral Resources Division No. 1</li> <li>Mineral Resources Division No. 2</li> <li>Energy Division</li> <li>Basic Chemicals &amp; Electronics Division</li> <li>Life Science Division</li> </ul>	<p>The Mineral Resources, Energy, Chemical &amp; Electronics Business Unit is engaged in businesses in the fields of mineral resources, energy, basic chemicals, electronics, and life sciences.</p>
<b>Energy Innovation Initiative (EII)</b>  	<p>Three focused areas</p> <ul style="list-style-type: none"> <li>Developing carbon-free energy</li> <li>Expanding power &amp; energy services</li> <li>CO<sub>2</sub> capture, storage and utilization</li> </ul>	<p>The Energy Innovation Initiative (EII) takes a cross-organizational approach to get a bird's-eye view of the entire value chain and to design and create innovative businesses in next-generation energy fields based on three focused areas.</p>

### FY2022 data by segment

#### Profit for the year (Billions of yen)










#### Total assets (Billions of yen)



# Management capital

## Sumitomo Corporation Group's seven management capital

Sumitomo Corporation Group's seven management capital		Overview	Characteristics of capital (typical indicators)		
	<b>Financial capital</b> Stable financial position	We have a solid financial position owing to our balancing of the Core Risk Buffer (RB) and Risk-weighted Assets (RA) and our stable financing. While expanding profitability with cash flow discipline, we are working on further enhancing our financial position and improving the stability of management.	Total assets <b>¥10.1 trillion</b>	Shareholders' equity <b>¥3.8 trillion</b>	Core RB-RA <b>¥970 billion</b>
			Net DER <b>0.7 times</b>	ROE <b>16%</b>	ROA <b>6%</b>
	<b>Human capital</b> Diverse human resources	We recruit human resources with diverse backgrounds, develop them as professionals with extensive knowledge and expertise, and deploy human resources, an important management resource, globally.  <a href="#">p. 73</a> Strengthening human resources under SHIFT 2023	Number of employees (Consolidated basis) <b>78,235</b>	Percentage of women <b>25.7%</b> (as of April 1, 2023)	Percentage of mid-career hires <b>42.6%</b> (FY2022)
	<b>Intellectual capital</b> Multifaceted business expertise	We leverage our business expertise to develop, invest in, and manage businesses. This expertise, in areas including risk management, logistics solutions, and financial services, has been built up over many years.	Diverse business domains <b>6 business units + 1 initiative</b>	Diverse SBUs* Business development Business investment/management	
	<b>Organizational/Group capital</b> Large number of group companies	Owning world-class group companies in a wide range of industries, we use our accumulated management knowledge to improve profitability and further strengthen our business foundations.	Consolidated subsidiaries and associated companies <b>886</b>		
	<b>Global network capital</b> Extensive business locations	Operating from offices located worldwide, we leverage our network of ties with industry and government in each country to ensure that our businesses are swift to identify and respond to local needs.	Number of offices <b>129 locations</b> <b>66 countries and regions</b>		
	<b>Business relationship capital</b> Presence in a wide range of industries	By deepening our relationships with business partners that we have cultivated in a variety of industries, we establish our presence in each industry, and implement multifaceted development of the business.	Number of clients <b>Approx. 100,000</b>		
	<b>Brand capital</b> The trust placed in the Sumitomo Corporation Group	We have lived by Sumitomo's Business Philosophy, which has been passed down for approximately 400 years, and the Sumitomo Corporation Group's Management Principles, which "place prime importance on integrity and sound management." This is an ideal that we have consistently embodied and will continue to honor.	Sumitomo's Business Philosophy Sumitomo Corporation Group's Corporate Mission Statement		History of Sumitomo Corporation <b>104 years</b>

\* Strategic Business Unit. At Sumitomo Corporation, this term refers to a group of businesses that are united by a common strategy, regardless of the existing organization. The system was introduced in FY2021 to strengthen business strategy management.