Quarterly Results for FY2021

(Nine-month period ended December 31, 2021)

February 4, 2022
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.

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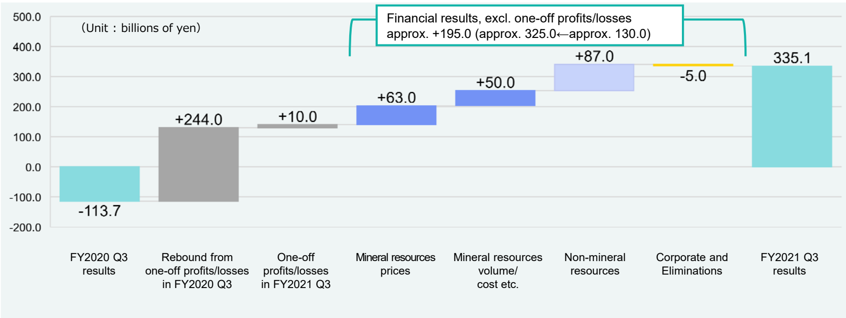
1. Operating Results (Profit/Loss for the Period)

(Unit: billions of yen)	FY2020 Q3 (Apr.-Dec.) (A)	FY2021 Q1 (Apr.-Jun.)	FY2021 Q2 (Jul.-Sep.)	FY2021 Q3 (Oct.-Dec.)	FY2021 Q3 (Apr.-Dec.) (B)	Increase/ Decrease (B)-(A)	FY2021 Revised Forecasts (announced in Nov, 2021) (C)	Progress (B) / (C)
Profit / loss (-) for the period	**-113.7**	**107.3**	**133.7**	**94.1**	**335.1**	**+448.8**	**380.0**	**88%**
One-off profits/losses	approx. -244.0	approx. +14.0	approx. +3.0	approx. -7.0	approx. +10.0	approx. +254.0	approx. +20.0	-
excl. one-off profits/losses	approx. **130.0**	approx. **93.0**	approx. **131.0**	approx. **101.0**	approx. **325.0**	approx. **+195.0**	approx. **360.0**	**90%**
Mineral resources *1	-6.0	22.0	53.0	32.0	107.0	+113.0	125.0	86%
Non-mineral resources *2	123.0	68.0	70.0	72.0	210.0	+87.0	241.0	87%
Corporate and Eliminations	13.0	3.0	8.0	-3.0	8.0	-5.0	-6.0	-



〈Profit / Loss for FY2021 Q3〉
(compared to FY2020 Q3)

【One-off profits/losses】
- ✓FY2020 Q3 one-off losses including impairment loss in several businesses such as nickel mining and refining business in Madagascar
- ✓FY2021 Q3 one-off profit from restructuring of project finance in nickel mining and refining business in Madagascar (approx. +¥14.0 bil.)

【excl. one-off profits/losses (results) 】

■ Mineral resources
- ✓Increase in earnings by higher mineral resources prices
- ✓Resume of operation in nickel mining and refining business in Madagascar

■ Non-mineral resources
- ✓Tubular products business in North America and automotive related business : recovery
- ✓Leasing business : improvement in earnings
- ✓Real estate business : large scale properties delivered

(Reference)Key indicators			FY2020 (Apr.-Dec.) Results	FY2021 (Apr.-Dec.) Results
Exchange rate		(YEN/US$)	106.11	111.14
Interest rate	TORF 6M	(YEN)	NA	-0.03%
	LIBOR 6M	(US$)	0.42%	0.19%
Copper *		(US$/MT)	5,833	9,192
Nickel		(US$/lb)	6.41	8.50
Iron ore *		(US$/MT)	100	177
Coking coal		(US$/MT)	115	257
Crude Oil (Brent) *		(US$/bbl)	41	68

Market price
* These commodities show the prices in Jan.-Sep.

*1 Mineral resources is a sum of Mineral Resources Division No.1, Mineral Resources Division No.2 and Energy Division.
*2 Non-mineral resources is calculated by subtracting "Mineral resources" and "Corporate and Eliminations" from the total.
*3 Due to reorganization carried out as of 1st Apr. 2021, the breakdown of FY2020 Q3 results, excl. one-off profits/losses are reclassified and described.

In the upper row, the numbers are highlighted in blue. As mentioned above, profit for the year for the third quarter amounted to JPY335.1 billion.

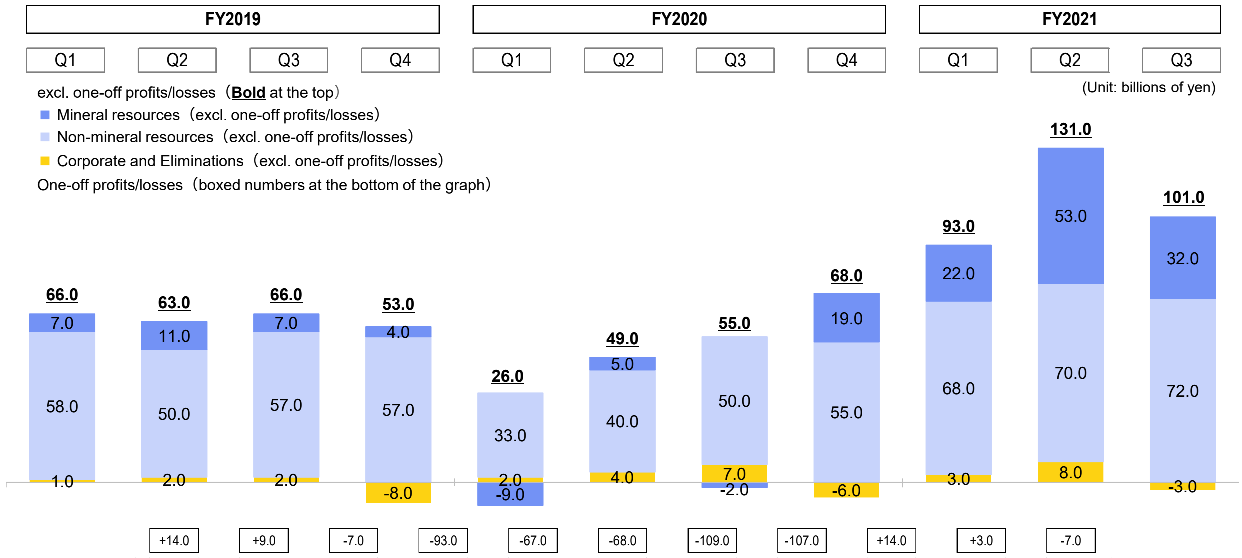
As with the trend up to the second quarter, the Company continued robust performance due to revenues opportunities from the resumption of global economic activity that were steadily incorporated into our consolidated results, and robust mineral resources prices. The rate of progress toward the full-year forecast announced in November is 88%, and we are making steady progress.

In addition, the results excluding one-off profits/losses for the current fiscal year are the figures highlighted in blue at the bottom as mentioned before. The total amount was JPY325.0 billion. Both mineral resources businesses and non-mineral resources businesses are performing solidly, and the rate of progress toward the full-year forecast announced in November is 90%, which is a strong indication.

The factors behind the YoY increase are shown in the waterfall at the bottom of the page. As you can see from the two dark blue graphs, the mineral resources businesses saw an increase in profit of JPY63.0 billion due to price factors and JPY50.0 billion due to non-price factors such as volume. Both price and volume factors contributed to a large increase in profits compared to the same period of the previous year, due to the robust mineral resources prices and the resumption of operations at the nickel business in Madagascar and so on.

Non-mineral resources businesses also reported an increase of JPY87.0 billion due to a recovery in earnings in the tubular products business and the automotive related business. This is the light blue bar on the right side of the resource.

2. Quarterly Trend for Profit/Loss for the Period



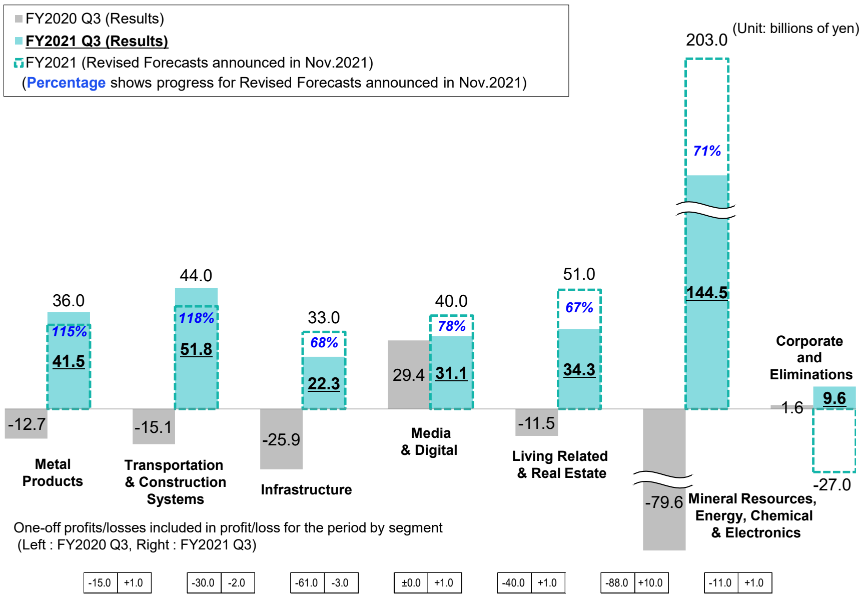
* Due to reorganization carried out as of 1st Apr. 2021, the breakdown of FY2019 and FY2020 results, excl. one-off profits/losses are reclassified and described.

The bar graph shows the quarterly changes in business performance excluding one-off profits/losses.

In the third quarter of the current fiscal year, the bar on the right is JPY101.0 billion.

Compared with the second quarter of the current fiscal year, the mineral resources businesses recorded a decrease in earnings due to the absence of approximately JPY18.0 billion in equity in earnings of the South African iron ore business, which is taken into account on a semi-annual basis.

3. Profit/Loss for the Period by Segment



⟨Profit / Loss for FY2021 Q3(Compared to FY2020 Q3)⟩
【Summary by segment】
(excl. one-off profits/losses (results))

■ **Metal Products**
- ✓ Recovery of overseas steel service centers
- ✓ Recovery of tubular products business in North America

■ **Transportation & Construction Systems**
- ✓ Improvement in earnings of leasing business
- ✓ Recovery of automotive related business

■ **Infrastructure**
- ✓ Progress decreased in several EPC projects in power infrastructure business due to the end of construction
- ✓ Performance of overseas IPP/IWPP business is stable but impacted by low wind conditions in Europe
- ✓ Decrease in earnings of domestic electricity retail business

■ **Media & Digital**
- ✓ Stable performance of major domestic group companies

■ **Living Related & Real Estate**
- ✓ Market recovery in the U.S. in fresh produce business in Europe and the Americas
- ✓ Large scale properties delivered in real estate business

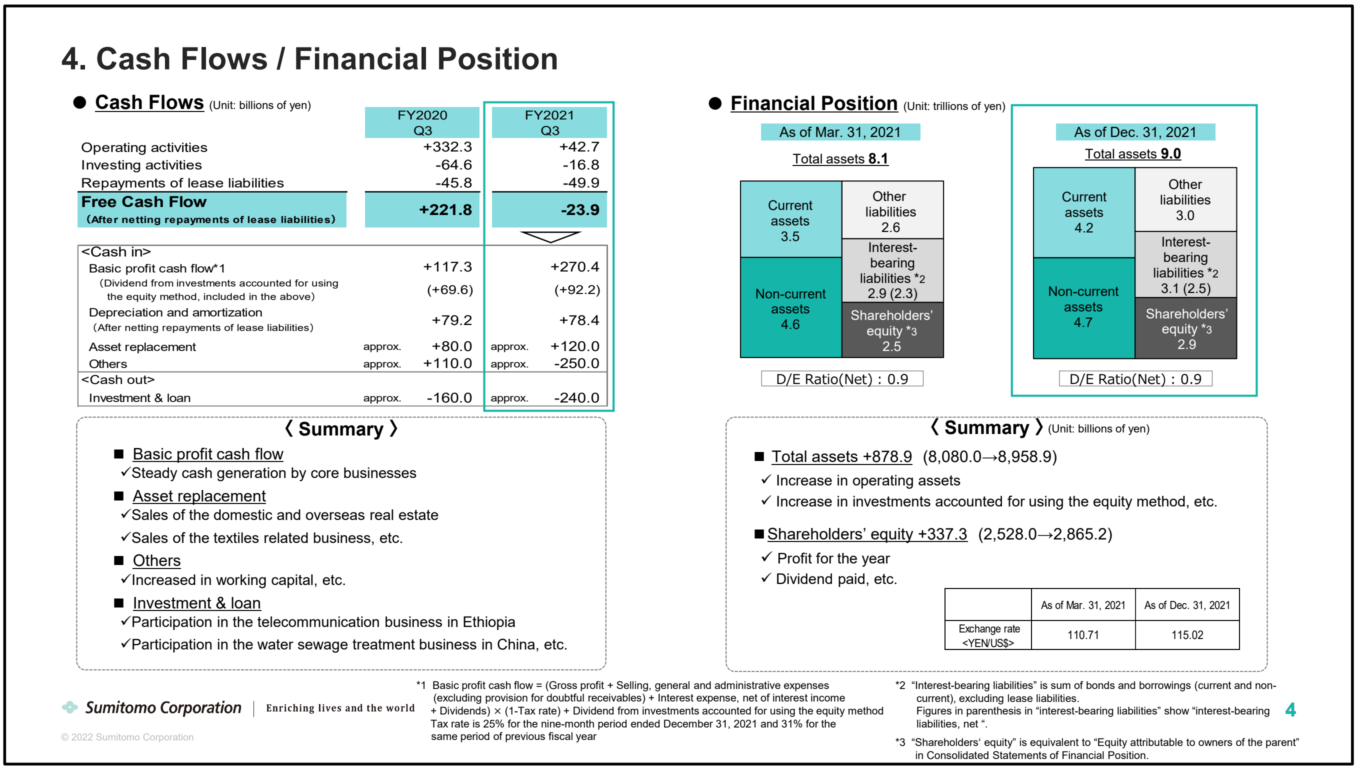
■ **Mineral Resources, Energy, Chemical & Electronics**
- ✓ Increase in earnings by higher mineral resources prices
- ✓ Resume of operation in nickel mining and refining business in Madagascar
- ✓ Stable performance in chemical trade and agricultural input business

* Due to reorganization carried out as of 1st Apr. 2021, the breakdown of FY2020 Q3 results are reclassified and described.

This section contains business results by segment.

From the left, regarding Metal Products, and Transportation & Construction Systems, they have already exceeded the forecast announced in November due to the favorable external environment, and the second one from the right, Mineral Resources, Energy, Chemical & Electronics, is expected to post one-off profits in the fourth quarter due to the realization of value.

As for the middle three segments for Infrastructure, Media & Digital, and Living Related & Real Estate are making steady progress, with no major changes from the forecast assumptions announced in November.



Next, regarding cash flow/financial position.

First, I will explain about cash flow. This is the upper part of the document, on the left. See the top row on the left.

For the purpose of controlling Interest-bearing liabilities, the Company manages its cash flow by using free cash flow, which is the sum of cash flow from operating activities and cash flow from investing activities, and adjusted free cash flow, which is adjusted for payments under lease liabilities. The actual free cash flow after adjustment of expenditures for lease liabilities for the third quarter was a cash outflow of JPY23.9 billion. This is the number highlighted in the box on the left.

As for the main breakdown, underneath, basic profit cash flow was JPY270.4 billion in cash-inflow, mainly due to steady cash generation by core businesses.

The next figure is the asset replacements, which is two numbers below that. We have recovered JPY120.0 billion from the Sales of the domestic and overseas real estate, and the sales of the textiles related business, etc.

As for other cash flows, under the asset replacements mentioned earlier, there was a cash outflow of JPY250.0 billion due to an increase in working capital as a result of the expansion of transactions, including seasonal factors.

In addition, in the bottom row, where it says investments and loans. In terms of investments and loans, cash outflows totaled JPY240.0 billion due to participation in the Ethiopian telecommunications business and sewage business in China.

On the right side of the document, I would like to explain the financial position.
Total assets increased by JPY878.9 billion from the end of the previous fiscal year to JPY8.9589 trillion. This was mainly due to an increase in operating assets such as trade receivables and inventories.

5. Annual Forecasts

(Unit: billions of yen)	FY2021 Revised Forecasts (announced in Nov. 2021) (A)	Increase/ Decrease (B)-(A)	**FY2021 Revised Forecasts (announced in Feb. 2022) (B)**	Q3 Results (Apr. -Dec.)
Profit for the period	380.0	+80.0	**460.0**	335.1
One-off profits/losses	approx. +20.0	approx. +40.0	approx. +60.0	approx. +10.0
excl. one-off profits/losses	approx. 360.0	approx. +40.0	**approx. 400.0**	approx. 325.0
Mineral resources	125.0	+17.0	142.0	107.0
Non-mineral resources	241.0	+18.0	259.0	210.0
Corporate and eliminations	-6.0	+5.0	-1.0	8.0

FY2021 Annual Forecasts

Upwardly revised by 80.0 billion yen from the 380.0 billion yen annual forecast announced in Nov. * Refer to Appendix "15. Performance Overview" for breakdown of annual forecasts by segment

●Excl.one-off profits/losses
Due to the favorable external environment, progress was high compared with the forecast announced in Nov., mainly in Metal Products, Transportation & Construction Systems, and Mineral Resources, Energy, Chemical &Electronics.

●One-off profits/losses
Several projects are expected to be divested in the fourth quarter.

Profit Plan for FY2022 and Beyond

We will closely examine the growth in profitability through structural reform as set forth in SHIFT 2023, and will disclose the profit plan at the end of the fiscal year after reviewing them in light of the surrounding environment.

Next, I will explain the outlook for the full year.

Although the outlook for the future has become increasingly uncertain due to the spread of the Omicron strain and heightened geopolitical risks, the Company has revised upward its forecast for profit for the year by JPY80.0 billion from the JPY380.0 billion announced in November, to JPY460.0 billion, due to the high level of progress in the first three quarters and the expectation of one-off profits from the realization of value in several projects in the fourth quarter.

For a breakdown of the full-year forecast by segment, please refer to Performance Overview in the Appendix later in this report.

The profit plan for FY2022 and beyond will be announced at the time of the announcement of the consolidated results at the end of the fiscal year after a review based on the progress of the structural reforms set forth in the current medium-term management plan and the surrounding environment.

6. Dividend Projection

SHIFT 2023 Dividend Policy	We decide the annual dividend based on our fundamental policy of paying long-term stable dividends and taking into consideration the status of fundamental earnings capacity, cash flows, and other factors, with a consolidated payout ratio of about 30% as a guideline, maintaining at least 70 yen per share, the same amount as the annual dividend for FY2020.
Dividend for FY2021	In accordance with the upward revision of the annual forecasts of the profit for the year to 460.0 billion yen, with a consolidated payout ratio of about 30% as a guideline, we increased an annual dividend forecast to 110 yen per share. (Forecast announced in Nov.: 90 yen per share) (The interim dividend of 45 yen per share and year-end dividend of 65 yen per share (plan))
Shareholder Return Policy for FY2022 and Beyond	Based on the progress of SHIFT 2023, together with the profit plan and cash flow plan, we will review the shareholder return policy from the perspective of sustainable growth of the company and long-term interests of shareholders, and disclose them at the end of the fiscal year.

Next, let me explain about dividends.

The dividend policy for the current mid-term management plan is as shown in the top column. The Company will maintain a dividend of at least JPY70 per share, with a target the consolidated dividend payout ratio of approximately 30%, and will make decisions after taking into consideration such factors as basic profitability and cash flow conditions.

Based on the upward revision of the full-year forecast to JPY460.0 billion, we have increased the annual dividend forecast by JPY20 from the previously announced forecast of JPY90 to JPY110, in consideration of the dividend policy of the consolidated dividend payout ratio of 30%. As the interim dividend was JPY45, the year-end dividend is expected to be JPY65.

From FY2022 onward, we will review our shareholder return policy from the perspective of sustainable growth and the long-term interests of our shareholders, and present it, along with the profit plan and cash flow plan I mentioned earlier, at the time of the announcement of the year-end consolidated results.

Progress of Medium-Term Management Plan「SHIFT 2023」

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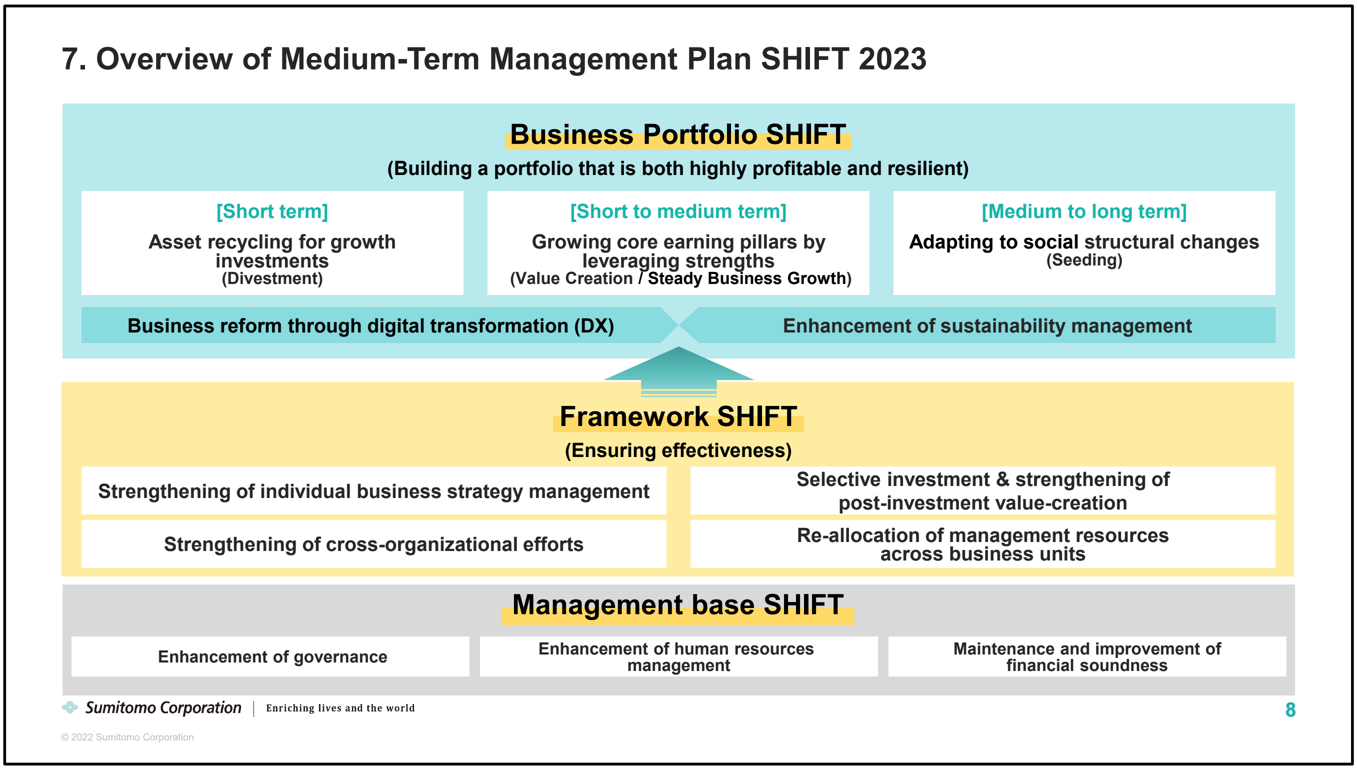


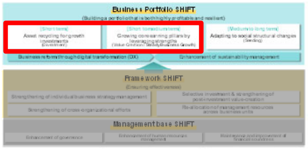
Next, I would like to explain the progress of our medium-term management plan, SHIFT 2023.

Regarding the table shown in the medium-term management plan, in order to build a portfolio with high profitability and strong downward resistance, Business Portfolio SHIFT in the blue box at the top is shown. We will shift this business portfolio based on business reform through digital transformation and enhancement of sustainability management.

We are currently implementing a variety of measures in the middle and lower sections, respectively, Framework SHIFT and Management base SHIFT.

In the following pages, I will explain the progress of each measure.

8. Business Portfolio SHIFT（Short Term and Short to Medium Term Initiatives）



■ Identify low-profitable businesses and accelerate measures to create value

- Analyzed profitability of approx. 400 groups of the companies, and identified 101 companies to exit.
- In addition to 32 companies completed in FY2020, have exited from 20 companies by FY2021 Q3.
- Approx. ¥80.0 bil. earning improvement compared to FY2020 Q3 have been showing strong progress against the initial plan. This improvement includes approx. ¥30.0 bil. earning improvement by favorable external environment, including a rise of mineral resources prices.

Full Potential Plan Progress

Category	At the start of structural reform	FY2020 Results	At the end of Medium-Term Management Plan SHIFT 2023		FY2021		
					Plan	Q3 Results	
	Targeted companies	No. of companies	No. of companies	Earnings improvement (estimated) (compared to FY2020)	No. of companies	No. of companies	Earnings improvement (compared to FY2020 Q3)
Exit	101	32	69	approx. ¥70.0 bil.	39	20	approx. ¥80.0 bil.
Turnaround	76			Included in ¥130.0+ bil. earning improvement (excl.one-off profits/losses) through SHIFT 2023			Included in ¥195.0 bil. earning improvement (excl.one-off profits/losses) in FY2021 Q3

Targeted total 177 companies for structural reform

Major turnaround projects
- Nickel mining business in Madagascar : approx. ¥28.0 bil. improvement
- Fyffes : approx. ¥7.0 bil. improvement
- TBC : approx. ¥4.0 bil. improvement

Improvement excl. external environmental effects : approx. ¥50.0 bil.

First of all, I would like to talk about Business Portfolio SHIFT that was mentioned in the upper part of the previous slide.

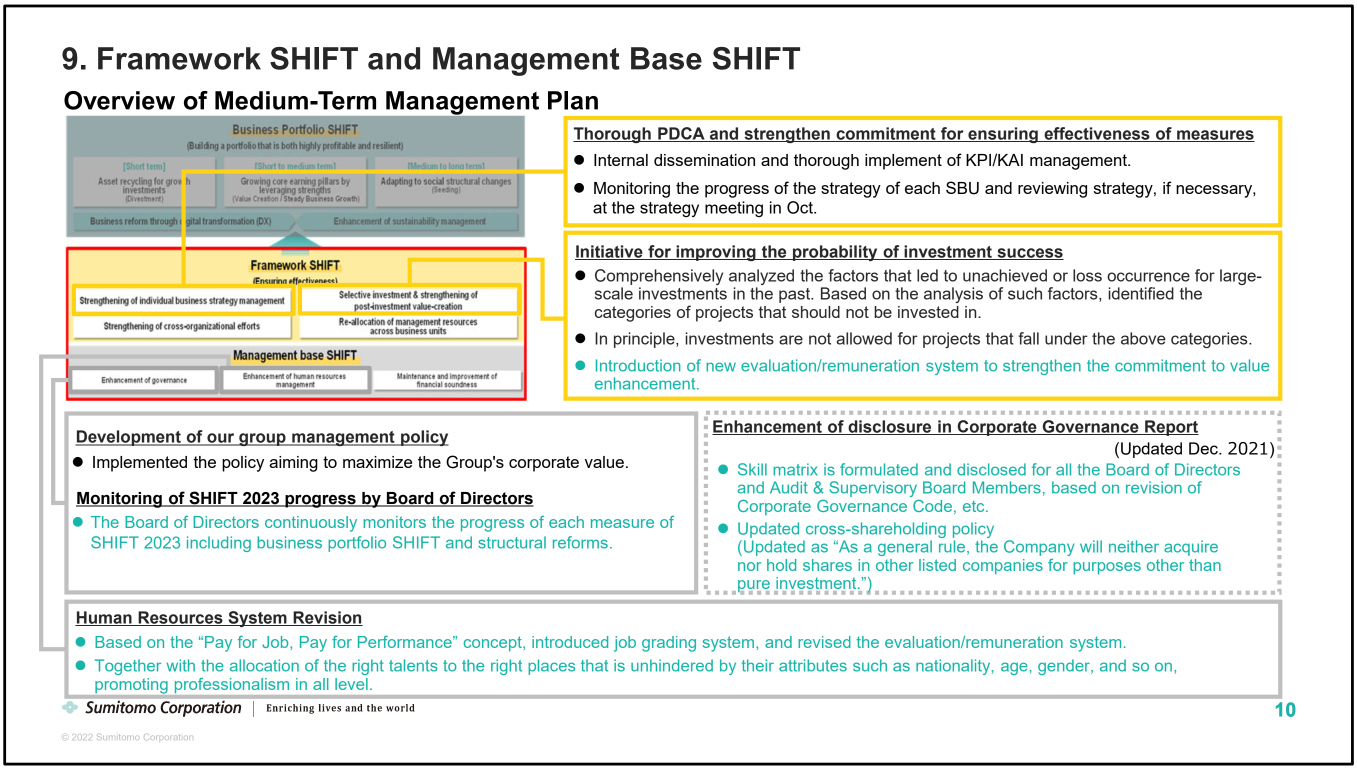
I would like to explain the progress of structural reforms under the Full Potential Plan, or FPP as we call it, which we are continuing to work on as a short- and short to medium-term initiative.

In the current medium-term management plan, we are working to exit 69 companies and increase the value of 76 companies over the three years.

As for the companies which we exited, we completed the exit for 20 companies by the third quarter of the current fiscal year, and the earnings improvement, including the exit for these 20 companies and the increase in value for 76 turnaround companies, was approximately JPY80.0 billion compared to the same period of the previous fiscal year.

We estimate that this earning improvement of approximately JPY80.0 billion includes about JPY30.0 billion in improvements due to favorable external environmental effects, such as the impact of robust mineral resources prices, and we believe that the improvement due to our capabilities will be about JPY50.0 billion.

The earnings improvement of major turnaround companies is shown in the callout on the right side of the slide.



Next, I will explain the progress of Framework SHIFT that supports Business Portfolio SHIFT and Management base SHIFT.

We are in the process of implementing various measures in each of the items listed here, but today I would like to explain the measures shown in blue.

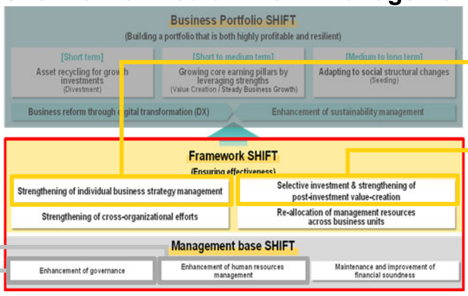
The first is about careful selective investment/strengthening of post-investment value-creation. Look at the box a little above the middle row on the right side, at the bottom of the yellow box. In blue below that, as part of our efforts to increase the probability of success in new large-scale investments, we have introduced an evaluation and remuneration system linked to the performance of investments against the initial business plan, in order to increase the sense of ownership of the investment executor.

The second is enhancement of governance. Below that, on the left side, left of center, please see the box with the gray line. The Board of Directors sets important agenda items for discussion throughout the year, such as the review of the progress of SHIFT 2023, and continuously monitors the Group's management strategies and responses to issues, such as Business Portfolio SHIFT and structural reforms.

As you can see in the box with the gray dotted line on the right, we have recently revised our Corporate Governance Report and disclosed it on our website in December. In addition to the formulation and disclosure of a skill matrix for the board of directors and audit & supervisory board members , the Company has also made changes to its policy on holding cross-shareholding policy as described here.

9. Framework SHIFT and Management Base SHIFT

Overview of Medium-Term Management Plan



Thorough PDCA and strengthen commitment for ensuring effectiveness of measures

- Internal dissemination and thorough implement of KPI/KAI management.
- Monitoring the progress of the strategy of each SBU and reviewing strategy, if necessary, at the strategy meeting in Oct.

Initiative for improving the probability of investment success

- Comprehensively analyzed the factors that led to unachieved or loss occurrence for large-scale investments in the past. Based on the analysis of such factors, identified the categories of projects that should not be invested in.
- In principle, investments are not allowed for projects that fall under the above categories.
- Introduction of new evaluation/remuneration system to strengthen the commitment to value enhancement.

Development of our group management policy

- Implemented the policy aiming to maximize the Group's corporate value.

Monitoring of SHIFT 2023 progress by Board of Directors

- The Board of Directors continuously monitors the progress of each measure of SHIFT 2023 including business portfolio SHIFT and structural reforms.

Enhancement of disclosure in Corporate Governance Report

(Updated Dec. 2021)

- Skill matrix is formulated and disclosed for all the Board of Directors and Audit & Supervisory Board Members, based on revision of Corporate Governance Code, etc.
- Updated cross-shareholding policy
(Updated as "As a general rule, the Company will neither acquire nor hold shares in other listed companies for purposes other than pure investment.")

Human Resources System Revision

- Based on the "Pay for Job, Pay for Performance" concept, introduced job grading system, and revised the evaluation/remuneration system.
- Together with the allocation of the right talents to the right places that is unhindered by their attributes such as nationality, age, gender, and so on, promoting professionalism in all level.

(Continued)

This is the third and final point. The bottom gray box, enhancement of human resources management. We are revising our human resources system based on the basic concept of Pay for Job and Pay for Performance. Specifically, we have introduced a job grading system and revised our evaluation/remuneration systems. We will strategically place and develop human resources who can contribute to the enhancement of corporate value in the right places, regardless of nationality, age, gender, or other attributes, and promote professionalization at all levels and in all jobs through a fair evaluation system based on the job grading system, and also aim to become a group of human resources that can take on the challenge of creating new value in the global field.

[END]