

May 10, 2022

Consolidated Financial Results FY2021 (Year ended March 31, 2022)

[Prepared on the basis of International Financial Reporting Standards]

Company Name: *Sumitomo Corporation* Stock Listing: Tokyo
Stock Exchange Code No.: 8053 URL: <https://www.sumitomocorp.com/en/jp>
Representative: Masayuki Hyodo Tel.: +81-3-6285-3100
 Representative Director, President and Chief Executive Officer
Contact: Shuichi Nagasawa
 Corporate Communications Dept.
Scheduled Ordinary Shareholder's Meeting Date: June 24, 2022
Scheduled Securities Report Submission Date: June 24, 2022
Scheduled Starting Date of Dividend Payment: June 27, 2022
Supplementary Documents on Financial Results: Yes
Financial Results Meeting: Yes (for Financial Analysts)

1. Consolidated results for the year ended March 31, 2022

(Remarks)

Amounts are rounded to the nearest million.
% : change from the previous year.

(1) Consolidated operating results

	Revenues	(increase/ (decrease))	Profit before tax	(increase/ (decrease))	Profit for the year	(increase/ (decrease))	Profit for the year attributable to owners of the parent	(increase/ (decrease))	Comprehensive income for the year	(increase/ (decrease))
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Year ended March 31, 2022	5,495,015	18.3	590,019	—	484,567	—	463,694	—	791,265	682.3
Year ended March 31, 2021	4,645,059	(12.4)	(94,215)	—	(134,484)	—	(153,067)	—	101,145	—

	Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)	Profit ratio to equity attributable to owners of the parent	Profit before tax ratio to total assets
	(yen)	(yen)	(%)	(%)
Year ended March 31, 2022	370.79	370.53	16.2	6.7
Year ended March 31, 2021	(122.42)	(122.42)	(6.0)	(1.2)

[Note] Share of profit (loss) of investments accounted for using the equity method (FY2021) 176,831 million yen (FY2020) (41,367) million yen

(2) Consolidated financial position

	Total Assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio	Equity per share attributable to owners of the parent
	(millions of yen)	(millions of yen)	(millions of yen)	(%)	(yen)
As of March 31, 2022	9,582,166	3,381,285	3,197,816	33.4	2,558.24
As of March 31, 2021	8,079,984	2,695,550	2,527,951	31.3	2,022.83

(3) Consolidated cash flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at the end of year
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Year ended March 31, 2022	194,066	49,039	(139,924)	733,824
Year ended March 31, 2021	467,097	(120,107)	(466,368)	599,013

2. Dividends

	Cash dividends per share					Total amount of cash dividends per annum	Dividend payout ratio (Consolidated)	Dividend on equity attributable to owners of the parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total			
	(yen)	(yen)	(yen)	(yen)	(yen)	(millions of yen)	(%)	(%)
Year ended March 31, 2021	—	35.00	—	35.00	70.00	87,476	—	3.4
Year ended March 31, 2022	—	45.00	—	65.00	110.00	137,496	29.7	4.8
Year ending March 31, 2023 (Forecasts)	—	45.00	—	45.00	90.00		30.4	

3. Forecasts for the year ending March 31, 2023

(Remarks)

% : change from the previous year.

	Profit for the year attributable to owners of the parent	(increase/ (decrease))	Earnings per share attributable to owners of the parent
	(millions of yen)	(%)	(yen)
Year ending March 31, 2023	370,000	△20.2	296.00

Notes

(1) Change in significant subsidiaries (changes in "Specified Subsidiaries" accompanying changes in scope of consolidation) during this period: Yes

Excluded companies: 3 (SUMMIT ETOILE TUBE, LLC INVERSIONES SC SIERRA GORDA SPA, SUMISHO COAL AUSTRALIA PTY LIMITED)

[Note] SUMMIT ETOILE TUBE, LLC was absorbed by Sumitomo Corporation of Americas.

INVERSIONES SC SIERRA GORDA SPA (renamed from INVERSIONES SC SIERRA GORDA LIMITADA in December 2021) has been excluded from the scope of consolidation of Sumitomo Corporation due to the sale of its shares to a third party. SUMISHO COAL AUSTRALIA PTY LIMITED has been excluded from the scope of consolidation of Sumitomo Corporation after the sale of its stake in coal mine interests.

(2) Changes in accounting policies and accounting estimate

- | | |
|---|------|
| (i) Changes in accounting policies required by IFRS | None |
| (ii) Other changes | None |
| (iii) Changes in accounting estimate | Yes |

[Note] For further details please refer to page 15 "Changes in accounting estimate."

(3) Outstanding stocks (Common stocks)

					(shares)
(i) Outstanding stocks including treasury stock	(March 31, 2022)	1,251,404,367	(March 31, 2021)	1,251,253,867	
(ii) Treasury stocks	(March 31, 2022)	1,399,754	(March 31, 2021)	1,544,207	
(iii) Average stocks	(April 1, 2021-March 31, 2022)	1,249,983,857	(April 1, 2020-March 31, 2021)	1,249,855,977	

[Note] With regard to number of stocks used in earnings per share attributable to owners of the parent, please refer page 18.

[Reference] Non-consolidated information

Non-consolidated results FY2021 (Year ended March 31, 2022)

(Remarks)

Amounts are rounded down to the nearest million.

% : change from the previous year.

(1) Operating results

	Revenues	(increase/ (decrease)	Total trading transactions	(increase/ (decrease)	Operating income	(increase/ (decrease)	Ordinary income	(increase/ (decrease)	Net income	(increase/ (decrease)
	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
Year ended March 31, 2022	518,495	—	—	—	(71,049)	—	275,466	—	287,902	—
Year ended March 31, 2021	—	—	1,622,317	(19.7)	(121,971)	—	(105,187)	—	(125,560)	—

	Net income per share (basic)	Net income per share (diluted)
	(yen)	(yen)
Year ended March 31, 2022	230.35	230.19
Year ended March 31, 2021	(100.49)	—

[Note 1] The Company have been applied the Accounting Standards for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as "Revenue Recognition Accounting Standards") from the beginning of the fiscal year ended March 31, 2022, and "Sales" in Non-consolidated Statements of Income are presented as "Revenue" from the fiscal year ended March 31, 2022. Revenue Recognition Accounting Standards are applied in accordance with the transitional treatment provided by the provisory clause of Article 84 of the Accounting standards.

[Note 2] "Net income per share (diluted)" for the year ended March 31, 2021 is not applicable due to net loss per share.

(2) Financial position

	Total assets	Net worth	Shareholders' equity ratio	Net worth per share
	(millions of yen)	(millions of yen)	(%)	(yen)
As of March 31, 2022	4,702,441	1,205,666	25.6	963.97
As of March 31, 2021	4,174,571	1,053,351	25.2	842.21

[Note] Shareholders' equity (As of March 31, 2022) 1,204,967 million yen (As of March 31, 2021) 1,052,523 million yen

* This report is not subject to audits by certified public accountants or auditing firms.

* 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.

Management results

1. Operating results

Revenues for the fiscal year ended March 31, 2022, amounted to 5,495.0 billion yen, representing an increase of 850.0 billion yen compared to 4,645.1 billion yen in the previous fiscal year.

Gross profit totaled 1,009.6 billion yen increased by 280.1 billion yen compared to 729.5 billion yen in the previous fiscal year. This is due mainly to increase in earnings for the silver, zinc and lead business in Bolivia, in addition to the absence of recording the additional cost accompanied by delay in construction of EPC projects in the previous fiscal year. Selling, general and administrative expenses totaled 713.9 billion yen increased by 35.0 billion yen compared to 678.9 billion yen in the previous fiscal year.

Gain (loss) on fixed assets totaled loss of 12.6 billion yen improved by 73.0 billion yen compared to loss of 85.6 billion yen in the previous fiscal year. This is due mainly to the absence of impairment losses for the fresh produce business in Europe and the Americas and tubular products business.

Gain (loss) on securities and other investments totaled profit of 48.2 billion yen increased by 45.3 billion yen compared to profit of 2.9 billion yen in the previous fiscal year. This is due mainly to realization of divestment in multiple businesses in the fiscal year ended March 31, 2022.

Share of profit (loss) of investments accounted for using the equity method totaled profit of 176.8 billion yen increased by 218.2 billion yen compared to loss of 41.4 billion yen in the previous fiscal year. This is primarily owing to increase in earnings accompanied by increase in sales volume due to resume of operation from March, 2021 and one-off profit from restructuring of project finance in the nickel mining and refining business in Madagascar, in addition to the absence of impairment loss in the previous fiscal year in that business, while the aircraft leasing business recorded a loss related to the Russian-Ukrainian situation in the fiscal year ended March 31, 2022.

As a result, profit for the year attributable to owners of the parent totaled 463.7 billion yen, representing an increase of 616.8 billion yen compared to loss of 153.1 billion yen in the previous fiscal year.

<Profit / loss for the year attributable to owners of the parent by segment>

Metal Products Business Unit posted profit of 55.2 billion yen, an increase of 95.0 billion yen compared to loss of 39.8 billion yen in the previous fiscal year. This is due mainly to increase in earnings for the overseas steel service centers and the tubular products business in the North America, in addition to the absence of impairment loss in the tubular products business in the previous fiscal year.

Transportation & Construction Systems Business Unit posted profit of 34.9 billion yen, an increase of 52.4 billion yen compared to loss of 17.5 in the previous fiscal year. This is due mainly to increase in earnings for the leasing business and the automotive related business, in addition to the absence of one-off loss in the automotive financing business in Indonesia, while the aircraft leasing business recorded a loss related to the Russian-Ukrainian situation in the fiscal year ended March 31, 2022.

Infrastructure Business Unit posted profit of 33.3 billion yen, an increase of 88.5 billion yen compared to loss of 55.2 billion yen in the previous fiscal year. This is due mainly to the absence of recording the additional cost accompanied by delay in construction of EPC projects in the previous fiscal year regardless of the peak-out of those projects in the fiscal year ended March 31, 2022. And the increase is also attributable to the absence of one-off loss including impairment loss posting for IPP business in Australia, etc. in the previous fiscal year.

Media & Digital Business Unit posted profit of 39.4 billion yen, a decrease of 4.9 billion yen compared to profit of 44.3 billion yen in the previous fiscal year. This is due mainly to decrease in earnings for overseas telecommunication business, while major domestic group companies had shown stable performance.

Living Related & Real Estate Business Unit posted profit of 44.0 billion yen, an increase of 48.8 billion yen compared to loss of 4.8 billion yen in the previous fiscal year. This is primarily owing to the absence of impairment loss for the fresh produce business in Europe and the Americas in the previous fiscal year, in addition to increase in earnings of the same business due to market recovery in the U.S. And the increase is also attributable to large scale earnings in the real estate business.

Mineral Resources, Energy, Chemical & Electronics Business Unit posted profit of 247.3 billion yen, an increase of 306.8 billion yen compared to loss of 59.5 billion yen in the previous fiscal year. This is primarily owing to increase in earnings accompanied by increase in sales volume due to resume of operation from March, 2021 and one-off profit from restructuring of project finance in the nickel mining and refining business in Madagascar, in addition to the absence of impairment loss in the previous fiscal year in that business. And the increase is also attributable to recording profit from the sale of copper and molybdenum mining business in Chile. Furthermore, the increase is also due to high mineral resources prices and increase in earnings for the chemical trade and the agricultural input business due to solid performance.

2. Financial position

<Total assets, liabilities, and equity as of March 31, 2022>

Total assets stood at 9,582.2 billion yen, representing an increase of 1,502.2 billion yen compared to 8,080.0 billion yen at the previous fiscal year-end, due mainly to the impact of yen's depreciation, the increase of working capital and investments accounted for using the equity method.

Equity attributable to owners of the parent totaled 3,197.8 billion yen, representing an increase of 669.9 billion yen compared to 2,528.0 billion yen at the previous fiscal year-end, due mainly to impact of yen's depreciation and the profit attributable to owners of the parent posted in the fiscal year ended March 31, 2022, while dividend payment was executed.

Interest-bearing liabilities (net) (*1) totaled 2,273.7 billion yen decreased by 26.7 billion yen compared to 2,300.4 billion yen at the previous fiscal year-end.

In consequence, the net debt-equity ratio (Interest-bearing liabilities (net)/ Equity attributable to owners of the parent) was 0.7.

(*1) Interest-bearing liabilities = Sum of bonds and borrowings (current and non-current) (excluding lease liabilities)

<Cash flows>

Net cash provided in operating activities totaled 194.1 billion yen as basic profit cash flow(*2) totaled to an inflow of 359.5 billion yen because our core businesses performed well in generating cash, while working capital increased.

Net cash provided in investing activities totaled 49.0 billion yen. In the fiscal year ended March 31, 2022, we recovered funds due to asset replacement, including sales of copper and molybdenum mining business in Chile and domestic and overseas real estate. On the other hand, we executed investments mainly for participation in the telecommunication business in Ethiopia and water sewage treatment business in China.

As a result, free cash flows, representing sum of net cash provided in operating activities and net cash provided in investing activities, totaled to an inflow of 243.1 billion yen.

Net cash used in financing activities totaled 139.9 billion yen due primarily to repayments of lease liabilities and dividend payment.

In consequence of the foregoing and consideration of the impact such as foreign exchange fluctuation, cash and cash equivalents stood at 733.8 billion yen as of March 31, 2022, representing an increase of 134.8 billion yen compared to 599.0 billion yen at the previous fiscal year-end.

(*2) Basic profit cash flow = (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

Tax rate is 25% for FY2021 and 31% for FY2020

3. Forecasts for fiscal year ending March 31, 2023(*3)

While there have been uncertainties in the Russian-Ukrainian situation, the global economy is expected to continue a recovery trend, with economic activity resuming as COVID-19 outbreak is coming to an end. However, there have been disparities in recovery among countries, regions, and industries. In developed countries, economic growth is expected to be moderate due to rising prices of commodities and associated changes in monetary policy. As for emerging countries, for the most part, the economic recovery trend is expected to continue, although there has been a tendency of slowing recovery in China. We also expect to see sluggish economic recovery for the time being in countries where governments have limited capacity to provide financial and monetary aid. Risks include deterioration of the Russian-Ukrainian situation and strengthening of economic sanctions against Russia, further rise in commodity prices, significant fluctuations in the financial and capital markets, limiting of economic activities due to the resurgence of COVID-19, increase in debt, and rise in geopolitical risks in Northeast Asia, the Middle East, North Africa, and other regions.

Under these circumstances, our forecast for consolidated financial results for FY2022 is as follows:

- Profit for the year attributable to owners of the parent 370.0 billion yen

While the impact of Russian-Ukrainian situation remains and the soaring market conditions of the previous fiscal year are expected to wear off, the real estate business and major domestic group companies in Media & Digital Business Unit are expected to continue to perform well. As a result, our forecast for consolidated financial results for FY2022 is 370.0 billion yen.

(*3)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.

4. Shareholder Return Policy

Sumitomo Corporation aims to increase dividends by achieving medium and long-term earnings growth while adhering to its fundamental policy of paying shareholders a stable dividend over the long term.

As indicated in our mid-term management plan “SHIFT 2023”, we decide the annual dividend 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.

Profit for the year attributable to owners of the parent in FY2021 totaled 463.7 billion yen, the annual dividend for FY2021 is planned to be 110 yen per share. The year-end dividend for FY2021 is planned to be 65 yen per share since the interim dividend was 45 yen per share.

In light of the progress made in improvement of our revenue base and financial soundness through the progress in structural reforms, etc., we have reviewed our shareholder return policy for FY2022 and beyond from the perspective of our sustainable growth and the long-term interests of our shareholders.

In the new shareholder return policy, we will decide the amount of annual dividends within a DOE (dividend on equity ratio) range of 3.5% to 4.5% by 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. If 30% of the profit for the year exceeds the above range, we will pay dividends or repurchase our shares for the excess portion in a flexible and agile manner.

The forecast for consolidated financial results for FY2022 is 370.0 billion yen, and in accordance with the new shareholder return policy, we plan to pay an annual dividend of 90 yen (interim 45 yen, year-end 45 yen) per share for FY2022.

Basic Concept Regarding Selection of Accounting Standard

Sumitomo Corporation has adopted International Financial Reporting Standards (IFRS), which are global accounting standards, to enhance the convenience of our financial statements for investors by improving their quality. We are also utilizing IFRS as a significant management tool to deal with management issues such as the further improvement of operational quality, the promotion of management resource reallocation, etc.

Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries
As of March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2022	March 31, 2021	March 31, 2022
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 733,824	¥ 599,013	\$ 6,065
Time deposits	13,847	12,751	114
Marketable securities	2,308	1,621	19
Trade and other receivables	1,621,862	1,303,621	13,404
Contract assets	300,539	188,812	2,484
Other financial assets	250,892	115,041	2,073
Inventories	1,058,003	793,279	8,744
Advance payments to suppliers	116,795	135,217	965
Assets classified as held for sale	33,815	24,718	279
Other current assets	513,598	323,511	4,245
Total current assets	4,645,483	3,497,584	38,392
Non-current assets:			
Investments accounted for using the equity method	2,356,984	2,102,139	19,479
Other investments	416,667	416,934	3,444
Trade and other receivables	215,941	239,348	1,785
Other financial assets	204,415	87,422	1,689
Property, plant and equipment	1,023,733	1,050,648	8,461
Intangible assets	254,966	255,961	2,107
Investment property	339,336	340,451	2,804
Biological assets	40,241	26,183	333
Deferred tax assets	26,660	23,821	220
Other non-current assets	57,740	39,493	477
Total non-current assets	4,936,683	4,582,400	40,799
Total assets	¥ 9,582,166	¥ 8,079,984	\$ 79,191

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥121=US\$1.

Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries
As of March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	March 31, 2022	March 31, 2021	March 31, 2022
LIABILITIES AND EQUITY			
Current liabilities:			
Bonds and borrowings	¥ 608,031	¥ 477,927	\$ 5,025
Trade and other payables	1,612,480	1,269,631	13,326
Lease liabilities	73,820	71,141	610
Other financial liabilities	292,185	90,402	2,415
Income tax payables	63,373	31,655	524
Accrued expenses	119,979	95,926	992
Contract liabilities	155,651	137,915	1,286
Provisions	6,429	6,578	53
Liabilities associated with assets classified as held for sale	16,917	6,295	140
Other current liabilities	127,925	80,937	1,057
Total current liabilities	3,076,790	2,268,407	25,428
Non-current liabilities:			
Bonds and borrowings	2,413,343	2,434,285	19,945
Trade and other payables	50,651	53,176	419
Lease liabilities	410,027	430,257	3,389
Other financial liabilities	95,764	36,404	791
Accrued pension and retirement benefits	20,742	29,619	171
Provisions	55,969	53,186	463
Deferred tax liabilities	77,595	79,100	641
Total non-current liabilities	3,124,091	3,116,027	25,819
Total liabilities	6,200,881	5,384,434	51,247
Equity:			
Common stock	219,894	219,781	1,817
Additional paid-in capital	255,996	251,781	2,116
Treasury stock	(1,871)	(2,063)	(15)
Other components of equity	454,136	187,041	3,752
Retained earnings	2,269,661	1,871,411	18,758
Equity attributable to owners of the parent	3,197,816	2,527,951	26,428
Non-controlling interests	183,469	167,599	1,516
Total equity	3,381,285	2,695,550	27,944
Total liabilities and equity	¥ 9,582,166	¥ 8,079,984	\$ 79,191

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥121=US\$1.

Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries
For the years ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars	
	2022	2021	2022	
Revenues				
Sales of tangible products	¥ 4,997,278	¥ 4,187,392	\$ 41,300	
Sales of services and others	497,737	457,667	4,113	
Total revenues	5,495,015	4,645,059	45,413	
Cost				
Cost of tangible products sold	(4,219,322)	(3,666,589)	(34,870)	
Cost of services and others	(266,090)	(249,009)	(2,199)	
Total cost	(4,485,412)	(3,915,598)	(37,069)	
Gross profit	1,009,603	729,461	8,344	
Other income (expenses)				
Selling, general and administrative expenses	(713,941)	(678,935)	(5,900)	
Impairment reversal (loss) on long-lived assets	(17,887)	(80,967)	(148)	
Gain (loss) on sale of long-lived assets, net	5,244	(4,679)	43	
Other, net	55,881	(23,762)	462	
Total other income (expenses)	(670,703)	(788,343)	(5,543)	
Finance income (costs)				
Interest income	28,989	25,159	240	
Interest expense	(30,194)	(30,679)	(250)	
Dividends	27,255	8,643	225	
Gain (loss) on securities and other investments, net	48,238	2,911	399	
Finance income (costs), net	74,288	6,034	614	
Share of profit (loss) of investments accounted for using the equity method	176,831	(41,367)	1,461	
Profit (loss) before tax	590,019	(94,215)	4,876	
Income tax expense	(105,452)	(40,269)	(871)	
Profit (loss) for the year	484,567	(134,484)	4,005	
Profit (loss) for the year attributable to:				
Owners of the parent	¥ 463,694	¥ (153,067)	\$ 3,832	
Non-controlling interests	20,873	18,583	173	
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Financial assets measured at fair value through other comprehensive income	14,188	74,747	117	
Remeasurements of defined benefit pension plans	10,577	24,306	87	
Share of other comprehensive income of investments accounted for using the equity method	(1,646)	7,711	(14)	
Total items that will not be reclassified to profit or loss	23,119	106,764	190	
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	246,071	98,096	2,033	
Cash-flow hedges	19,354	12,450	160	
Hedging cost	(2,209)	2,654	(18)	
Share of other comprehensive income of investments accounted for using the equity method	20,363	15,665	168	
Total items that may be reclassified subsequently to profit or loss	283,579	128,865	2,343	
Other comprehensive income, net of tax	306,698	235,629	2,533	
Comprehensive income for the year	791,265	101,145	6,538	
Comprehensive income for the year attributable to:				
Owners of the parent	¥ 765,330	¥ 76,083	\$ 6,324	
Non-controlling interests	25,935	25,062	214	

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥121=US\$1.

Consolidated Statements of Changes in Equity

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2022 and 2021

For the years ended March 31, 2022

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
Balance, beginning of year	219,781	251,781	(2,063)	187,041	1,871,411	2,527,951	167,599	2,695,550
Profit for the year					463,694	463,694	20,873	484,567
Other comprehensive income for the year				301,636		301,636	5,062	306,698
Comprehensive income for the year						765,330	25,935	791,265
Transaction with owners:								
Share-based payment transactions	113	113				226		226
Acquisition (disposal) of non-controlling interests, net		3,967				3,967	643	4,610
Acquisition (disposal) of treasury stock, net			192			192		192
Cash dividends to owners of the parent					(99,985)	(99,985)		(99,985)
Cash dividends to non-controlling interests							(10,708)	(10,708)
Others		135				135		135
Transfer to retained earnings				(34,541)	34,541	—		—
Balance, end of year	219,894	255,996	(1,871)	454,136	2,269,661	3,197,816	183,469	3,381,285

For the years ended March 31, 2021

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
Balance, beginning of year	219,613	256,966	(2,276)	(4,054)	2,073,884	2,544,133	148,454	2,692,587
Profit (loss) for the year					(153,067)	(153,067)	18,583	(134,484)
Other comprehensive income for the year				229,150		229,150	6,479	235,629
Comprehensive income for the year						76,083	25,062	101,145
Transaction with owners:								
Share-based payment transactions	168	168				336		336
Acquisition (disposal) of non-controlling interests, net		(5,318)				(5,318)	4,538	(780)
Acquisition (disposal) of treasury stock, net			213			213		213
Cash dividends to owners of the parent					(87,461)	(87,461)		(87,461)
Cash dividends to non-controlling interests							(10,455)	(10,455)
Others		(35)				(35)		(35)
Transfer to retained earnings				(38,055)	38,055	—		—
Balance, end of year	219,781	251,781	(2,063)	187,041	1,871,411	2,527,951	167,599	2,695,550

For the years ended March 31, 2022

Millions of U.S. Dollars

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
Balance, beginning of year	1,816	2,081	(17)	1,546	15,466	20,892	1,385	22,277
Profit for the year					3,832	3,832	173	4,005
Other comprehensive income for the year				2,492		2,492	41	2,533
Comprehensive income for the year						6,324	214	6,538
Transaction with owners:								
Share-based payment transactions	1	1				2		2
Acquisition (disposal) of non-controlling interests, net		33				33	5	38
Acquisition (disposal) of treasury stock, net			2			2		2
Cash dividends to owners of the parent					(826)	(826)		(826)
Cash dividends to non-controlling interests							(88)	(88)
Others		1				1		1
Transfer to retained earnings				(286)	286	—		—
Balance, end of year	1,817	2,116	(15)	3,752	18,758	26,428	1,516	27,944

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥121=US\$1.

Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries
For the years ended March 31, 2022 and 2021

	Millions of Yen		Millions of U.S. Dollars
	2022	2021	2022
Operating activities:			
Profit (loss) for the year	¥ 484,567	¥ (134,484)	\$ 4,005
Adjustments to reconcile profit (loss) for the year to cash flows from operating activities:			
Depreciation and amortization	170,363	170,906	1,408
Impairment reversal (loss) on long-lived assets	17,887	80,967	148
Finance (income) costs, net	(74,288)	(6,034)	(614)
Share of (profit) loss of investments accounted for using the equity method	(176,831)	41,367	(1,461)
(Gain) loss on sale of long-lived assets, net	(5,244)	4,679	(43)
Income tax expense	105,452	40,269	871
Changes in inventories	(148,056)	217,409	(1,224)
Changes in trade and other receivables	(200,792)	(10,383)	(1,660)
Changes in prepaid expenses	(28,476)	(4,606)	(235)
Changes in trade and other payables	251,924	138,399	2,082
Other, net	(249,621)	(91,962)	(2,063)
Interest received	13,601	15,904	112
Dividends received	142,767	97,149	1,180
Interest paid	(22,650)	(27,134)	(187)
Income taxes paid	(86,537)	(65,349)	(715)
Cash flows from operating activities	194,066	467,097	1,604
Investing activities:			
Proceeds from sale of property, plant and equipment	5,300	9,034	44
Purchases of property, plant and equipment	(69,716)	(66,342)	(576)
Proceeds from sale of investment property	22,327	8,602	184
Purchases of investment property	(7,576)	(7,986)	(63)
Proceeds from sale of other investments	166,017	96,877	1,372
Acquisitions of other investments	(95,738)	(137,233)	(791)
Collection of loans receivable	50,492	23,249	417
Increase in loans receivable	(22,067)	(46,308)	(182)
Cash flows from investing activities	49,039	(120,107)	405
Free Cash Flows:	243,105	346,990	2,009
Financing activities:			
Net changes in short-term debts	55,708	(201,485)	460
Proceeds from issuance of long-term debts	354,709	278,486	2,932
Repayments of long-term debts	(369,915)	(382,996)	(3,057)
Repayments of lease liabilities	(68,365)	(62,586)	(565)
Cash dividends paid	(99,985)	(87,461)	(826)
Capital contribution from non-controlling interests	758	375	6
Payments for acquisitions of subsidiary's interests from non-controlling interests	(2,178)	(280)	(18)
Payments of dividends to non-controlling interests	(10,708)	(10,455)	(88)
Acquisitions and disposal of treasury stock, net	52	34	0
Cash flows from financing activities	(139,924)	(466,368)	(1,156)
Net changes in cash and cash equivalents	103,181	(119,378)	853
Cash and cash equivalents at the beginning of year	599,013	710,371	4,951
Effect of exchange rate changes on cash and cash equivalents	40,668	8,151	336
Net changes in cash and cash equivalents resulting from transfer to assets classified as held for sale	(9,038)	(131)	(75)
Cash and cash equivalents at the end of year	¥ 733,824	¥ 599,013	\$ 6,065

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥121=US\$1.

Assumptions for Going Concern

: None

Changes in accounting estimate

The significant changes in accounting estimates in the Consolidated Financial Statements are as follow.

Sumitomo, through Summit Ambatovy Mineral Resources Investment B.V., its wholly-owned subsidiary, has invested in Ambatovy Minerals S.A., a mining company, and Dynatec Madagascar S.A., a refining company, (hereinafter “Project Companies”) at 54.17% share ratio respectively.

Project Companies agreed on the revision regarding repayment conditions of the loan agreement with lenders.

In the 1st quarter of this fiscal year, Project Companies recognized a gain on financial liabilities, as a result of the reassessment of the fair value related to financial liabilities due to the revision of repayment conditions. Since the increase in the carrying amount of the investment for Project Companies resulting from the recognition of the gain is not expected to contribute to future cash-in-flows from Project Companies, Sumitomo recognized a loss equivalent to the amount of the gain corresponding to the equity interest as a decreasing the carrying amount of the investment for Project Companies in terms of the recoverability. Consequently, Sumitomo does not expect any impact to the Consolidated Financial Statements due to the reassessment of financial liabilities in Project Companies.

In addition, Project Companies recognized a gain related to the debt restructuring. Consequently, Sumitomo recognized a gain of 14,409 million yen as “Share of profit (loss) of investments accounted for using the equity method” in the Consolidated Statements of Comprehensive Income.

Sumitomo recognized an impairment loss of 15,125 million yen on the investments relating to Upsher-Smith Laboratories, LLC, a pharmaceutical business company in the United States, that Sumitomo indirectly invests 20% through Sumitomo Corporation of Americas, which is a wholly owned subsidiary, as a result of reassessing the business plan based on changes in the business environment which are mainly due to entering by competitors into the market related to goods handled.

The impairment loss is included in “Share of profit (loss) of investments accounted for using the equity method” in the Consolidated Statements of Comprehensive Income.

Sumitomo had provided shareholder financing to the mining project operating company in the Republic of Chile (hereinafter “Operating Company”) through SC Sierra Gorda Finance B.V., a wholly owned subsidiary. Sumitomo assess the recoverability of the shareholder financing based on the latest business plan of the Operating Company every fiscal year. As a result of reassessing the business plan of Operating Company based on the mid-long term price outlook for copper, Sumitomo recognized a gain of 32,779 million yen as “Other, net” in the Consolidated Statements of Comprehensive Income.

As of February 22, 2022, Sumitomo transferred all of its equity interests in SC Sierra Gorda Finance B.V. to South32 Limited, which operates mainly in Australia.

Changes in Presentation

(Consolidated Statements of Financial Position)

“Other non-current assets” is newly presented in the Consolidated Statements of Financial Position from the year ended March 31, 2022 in order to ensure a clear presentation. Consolidated Statements of Financial Position for the year ended March 31, 2021 is reclassified to conform to this change in presentation.

As a result, the amount of 39,493 millions of yen which was previously presented as “Prepaid expenses” is presented as “Other non-current assets” in the Consolidated Statements of Financial Position for the year ended March 31, 2021.

(Consolidated Statements of Comprehensive Income)

Foreign currency basis spread on the cross currency interest rate swaps held as cash flow hedges are excluded from designation as hedging instruments and are recognized as hedging costs. “Hedging cost”, which was previously included in “Cash-flow hedges” is separately presented from the year ended March 31, 2022 because of the increased materiality. Consolidated Statements of Comprehensive Income for the year ended March 31, 2021 is reclassified to conform to this change in presentation.

As a result, the amount of 15,104 millions of yen for the year ended March 31, 2021, which was presented in “Cash-flow hedges” in the Consolidated Statements of Comprehensive Income for the year ended March 31, 2021 has been reclassified and presented as 12,450 millions of yen for “Cash-flow hedges” and as 2,654 millions of yen for “Hedging cost.”

(Consolidated Statements of Cash Flows)

“Repayments of lease liabilities”, which was previously included in “Repayments of long-term debts” is separately presented from the year ended March 31, 2022 in order to ensure a clear presentation. Consolidated Statements of Cash Flows for the year ended March 31, 2021 is reclassified to conform to this change in presentation.

As a result, the amount of (445,582) millions of yen for the year ended March 31, 2021, which was presented in “Repayments of long-term debts” within “Cash flows from financing activities” in the Consolidated Statements of Cash Flows for the year ended March 31, 2021 has been reclassified and presented as (382,996) millions of yen for “Repayments of long-term debts” and as (62,586) millions of yen for “Repayments of lease liabilities.”

Segment Information

Sumitomo Corporation and Subsidiaries
For the years ended March 31, 2022 and 2021

2022:	Millions of Yen									
		Metal Products	Transportation & Construction Systems	Infrastructure	Media & Digital	Living Related & Real Estate	Mineral Resources, Energy, Chemical & Electronics	Segment Total	Corporate and Eliminations	Consolidated
Total revenues	¥	1,056,058	894,124	524,605	418,527	979,185	1,526,106	5,398,605	96,410	5,495,015
Gross profit		140,288	189,382	71,491	111,006	222,651	271,164	1,005,982	3,621	1,009,603
Share of profit (loss) of investments accounted for using the equity method		8,179	5,786	10,042	35,962	8,000	107,530	175,499	1,332	176,831
Profit for the year (attributable to owners of the parent)		55,197	34,938	33,283	39,442	44,007	247,295	454,162	9,532	463,694
Total assets (As of March 31)		982,216	1,751,865	1,228,743	1,009,209	1,526,489	2,747,151	9,245,673	336,493	9,582,166

2021:	Millions of Yen									
		Metal Products	Transportation & Construction Systems	Infrastructure	Media & Digital	Living Related & Real Estate	Mineral Resources, Energy, Chemical & Electronics	Segment Total	Corporate and Eliminations	Consolidated
Total revenues	¥	790,360	684,439	347,489	399,351	1,089,678	1,214,093	4,525,410	119,649	4,645,059
Gross profit		66,200	140,384	15,515	105,315	235,410	160,134	722,958	6,503	729,461
Share of profit (loss) of investments accounted for using the equity method		(9,154)	(2,091)	(3,592)	40,396	4,486	(70,941)	(40,896)	(471)	(41,367)
Profit (loss) for the year (attributable to owners of the parent)		(39,790)	(17,472)	(55,195)	44,296	(4,828)	(59,460)	(132,449)	(20,618)	(153,067)
Total assets (As of March 31)		821,719	1,748,545	1,002,534	918,296	1,424,108	1,823,866	7,739,068	340,916	8,079,984

2022:	Millions of U.S. Dollars									
		Metal Products	Transportation & Construction Systems	Infrastructure	Media & Digital	Living Related & Real Estate	Mineral Resources, Energy, Chemical & Electronics	Segment Total	Corporate and Eliminations	Consolidated
Total revenues	\$	8,728	7,390	4,336	3,459	8,092	12,612	44,617	796	45,413
Gross profit		1,160	1,565	591	917	1,840	2,241	8,314	30	8,344
Share of profit (loss) of investments accounted for using the equity method		67	48	83	297	66	889	1,450	11	1,461
Profit for the year (attributable to owners of the parent)		456	289	275	326	363	2,044	3,753	79	3,832
Total assets (As of March 31)		8,117	14,478	10,155	8,341	12,616	22,704	76,411	2,780	79,191

Notes:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥121=US\$1.

2) On April 1, 2021, the Energy Innovation Initiative was established. Next-generation energy-related businesses were transferred from Infrastructure Business Unit, Living Related & Real Estate Business Unit and Mineral Resources, Energy, Chemical & Electronics Business Unit to the Initiative and have been incorporated into Corporate and Eliminations. On the same date, production and sales business of aluminum ingot and sheets was transferred from Metal Products Business Unit to Mineral Resources, Energy, Chemical & Electronics Business Unit. Accordingly, the segment information of the previous year has been reclassified.

Earnings per share

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2022 and 2021

The calculation of the basic and diluted earnings per share for the years ended March 31, 2022 and 2021 is as follows:

	Millions of Yen		Millions of
	2022	2021	U.S. Dollars
Profit (loss) used to calculate basic earnings per share and diluted earnings per share:			
Profit (loss) attributable to owners of the parent	¥ 463,694	¥ (153,067)	\$ 3,832
Adjustment to profit (loss)	(213)	58	(2)
Profit (loss) used to calculate basic earnings per share	463,481	(153,009)	3,830
Adjustment to profit (loss)	213	—	2
Profit (loss) used to calculate diluted earnings per share	463,694	(153,009)	3,832

	Number of shares	
	2022	2021
Weighted-average shares:		
Weighted-average shares-basic	1,249,983,857	1,249,855,977
Dilutive effect of:		
Stock options	6,253	—
Restricted stock	490,100	—
Performance share unit	547,322	—
Restricted performance share unit	411,443	—
Weighted-average shares-diluted	1,251,438,975	1,249,855,977

	Yen		U.S.
	2022	2021	Dollars
Earnings per share:			
Basic	¥ 370.79	¥ (122.42)	\$ 3.06
Diluted	370.53	(122.42)	3.06

Notes:

1) The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥121=US\$1.

2) Diluted earnings per share does not include stock options, restricted stock and performance share unit due to the anti-dilutive effect caused by the loss during the year ended 31 March, 2021.

Subsequent events

There are no material subsequent events to be disclosed.

Other

The loss of 50,232 millions of yen is included in “Share of profit (loss) of investments accounted for using the equity method” in the Consolidated Statements of Comprehensive Income, relating to the aircraft leasing business, invested through Sumitomo Mitsui Finance and Leasing Company, Limited, which is an equity method affiliate. Regarding the aircraft assets leased to Russian airlines, the lease agreement has been terminated in compliance with applicable sanctions. However, in consideration of the current situation where the possibility of repossessing the aircraft assets is uncertain, the Company recognized the loss relating to the aircraft leasing business.