

Consolidated quarterly results FY2021 (Three-month period ended June 30, 2021)

[Prepared on the basis of International Financial Reporting Standards]

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Scheduled Quarterly Securities Report Submission Date: August 6, 2021
 Scheduled Starting Date of Dividend Payment: —
 Supplementary Documents on Financial Results: Yes
 Financial Results Meeting: Yes (for Financial Analysts)

1. Consolidated results for the three-month period ended June 30, 2021

(Remarks)

Amounts are rounded to the nearest million.

% : change from the same period of the previous year.

(1) Consolidated operating results

	Revenues	(increase/ (decrease))	Profit before tax	(increase/ (decrease))	Profit for the period	(increase/ (decrease))	Profit for the period attributable to owners of the parent	(increase/ (decrease))	Comprehensive income for the period	(increase/ (decrease))
Three-month period ended	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)	(millions of yen)	(%)
June 30, 2021	1,265,980	22.2	137,727	—	112,607	—	107,302	—	136,927	—
June 30, 2020	1,035,728	(21.1)	(30,160)	—	(36,994)	—	(41,091)	—	(8,261)	—

	Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)
Three-month period ended	(yen)	(yen)
June 30, 2021	85.81	85.77
June 30, 2020	(32.87)	(32.87)

(2) Consolidated financial position

	Total Assets	Total equity	Equity attributable to owners of the parent	Equity attributable to owners of the parent ratio
	(millions of yen)	(millions of yen)	(millions of yen)	(%)
As of June 30, 2021	8,293,440	2,788,809	2,619,806	31.6
As of March 31, 2021	8,079,984	2,695,550	2,527,951	31.3

2. Dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	(yen)	(yen)	(yen)	(yen)	(yen)
Year ended March 31, 2021	—	35.00	—	35.00	70.00
Year ending March 31, 2022	—	—	—	—	—
Year ending March 31, 2022 (Forecasts)	—	35.00	—	35.00	70.00

[Note] Revision of the latest dividend forecasts: None

3. Forecasts for the year ending March 31, 2022

(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, 2022	290,000	—	232.01

[Note] 1. Revision of the latest forecasts: Yes

2. For further details please refer to page 6 "3. Forecasts for fiscal year ending March 31, 2022."

Notes

(1) Change in significant subsidiaries (changes in "Specified Subsidiaries" accompanying changes in scope of consolidation) during this period: None

(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 13 "Changes in accounting estimate."

(3) Outstanding stocks (Common stocks)

				(shares)
(i) Outstanding stocks including treasury stock	(June 30, 2021)	1,251,253,867	(March 31, 2021)	1,251,253,867
(ii) Treasury stocks	(June 30, 2021)	1,530,655	(March 31, 2021)	1,544,207
(iii) Average stocks during three months (Apr.-Jun.)	(June 30, 2021)	1,249,948,894	(June 30, 2020)	1,249,845,034

* This report is not subject to quarterly reviews 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 three-month period ended June 30, 2021, amounted to 1,266.0 billion yen, representing an increase of 230.3 billion yen compared to 1,035.7 billion yen in the same period of previous fiscal year.

Gross profit totaled 235.3 billion yen increased by 62.0 billion yen compared to 173.3 billion yen in the same period of previous fiscal year. This is due mainly to increase in earnings accompanied by increase in sales volume in the silver, zinc and lead business in Bolivia. Selling, general and administrative expenses totaled 166.0 billion yen increased by 6.2 billion yen compared to 159.7 billion yen in the same period of previous fiscal year.

Share of profit (loss) of investments accounted for using the equity method totaled profit of 56.5 billion yen increased by 105.4 billion yen compared to loss of 48.9 billion yen in the same period of previous fiscal year. This is primarily owing to increase in earnings accompanied by increase in sales volume due to resume of operation from March this year 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 same period of previous fiscal year in that business.

As a result, profit for the period attributable to owners of the parent totaled profit of 107.3 billion yen, representing an increase of 148.4 billion yen compared to loss of 41.1 billion yen in the same period of previous fiscal year.

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

Metal Products Business Unit posted profit of 7.2 billion yen, an increase of 7.2 billion yen compared to 0.0 billion yen in the same period of 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.

Transportation & Construction Systems Business Unit posted profit of 14.5 billion yen, an increase of 23.9 billion yen compared to loss of 9.4 billion yen in the same period of 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 in the same period of previous fiscal year.

Infrastructure Business Unit posted profit of 6.9 billion yen, a decrease of 5.2 billion yen compared to profit of 12.1 billion yen in the same period of previous fiscal year. This is due mainly to the peak-out of the progress of EPC projects in the power infrastructure business, while the overseas IPP/IWPP business has kept solid performance.

Media & Digital Business Unit posted profit of 10.5 billion yen, an increase of 0.9 billion yen compared to profit of 9.6 billion yen in the same period of previous fiscal year. This is due mainly to stable performance of major domestic group companies.

Living Related & Real Estate Business Unit posted profit of 17.6 billion yen, an increase of 11.3 billion yen compared to profit of 6.3 billion yen in the same period of previous fiscal year. This is primarily owing to large scale properties delivered in the real estate business, in addition to increase in earnings for the fresh produce business in Europe and the Americas due to market recovery in the U.S.

Mineral Resources, Energy, Chemical & Electronics Business Unit posted profit of 47.1 billion yen, an increase of 106.6 billion yen compared to loss of 59.5 billion yen in the same period of previous fiscal year. This is primarily owing to increase in earnings accompanied by increase in sales volume due to resume of operation from March this year 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 same period of previous fiscal year in that business. 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 June 30, 2021>

Total assets stood at 8,293.4 billion yen, representing an increase of 213.5 billion yen compared to 8,080.0 at the previous fiscal year-end, due mainly to increase of working capital and investments accounted for using the equity method.

Equity attributable to owners of the parent totaled 2,619.8 billion yen, representing an increase of 91.9 billion yen compared to 2,528.0 at the previous fiscal year-end, due mainly to the quarterly profit attributable to owners of the parent posted in the current period, while dividend payment was executed.

Interest-bearing liabilities (net) (*1) totaled 2,330.4 billion yen increased by 30.0 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 0.9.

<Cash flows>

Net cash provided by operating activities totaled 53.2 billion yen as basic profit cash flow (*2) totaled to an inflow of 110.4 billion yen because our core businesses performed well in generating cash, while working capital increased.

Net cash used in investing activities totaled 2.9 billion yen. In the three-month period ended June 30, 2021, we executed investments approx. 110.0 billion yen mainly for participation in the telecommunication business in Ethiopia and the progress in construction of the domestic biomass power plant. On the other hand, we recovered funds of approx. 60.0 billion yen due to asset replacement, including sales of the domestic real estate and textiles related business.

As a result, free cash flows, representing sum of net cash provided by operating activities and net cash used in investing activities, totaled to an inflow of 50.3 billion yen.

Net cash used in financing activities totaled 13.1 billion yen due mainly to repayments of lease liabilities and dividend payment, while execution of borrowings.

In consequence of the foregoing, cash and cash equivalents stood at 637.9 billion yen as of June 30, 2021, representing an increase of 38.9 billion yen compared to 599.0 billion yen at the previous fiscal year-end.

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

(*2) Basic 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 the three-month period ended June 30, 2021 and 31% for the same period of previous fiscal year

3. Forecasts for fiscal year ending March 31, 2022 (*3)

We have revised the annual forecasts for fiscal year ending March 31, 2022 as follows:

(billions of yen)	Initial forecasts (A)	Revised forecasts (B)	Increase/ Decrease (B-A)	Increase/ Decrease (%)
Profit for the year attributable to owners of the parent	230.0	290.0	60.0	26.1%

In addition to the steady incorporation of profitable business opportunities associated with the resumption of economic activities into financial results, and thanks to a favorable external environment including a rise of mineral resources prices, results for the first quarter have been showing strong progress against the annual forecasts of 230.0 billion yen released in the FY2020 Earnings Announcement (May 7, 2021). Taking these circumstances into consideration, we have revised the annual forecasts of profit for the year attributable to owners of the parent to 290.0 billion yen, 60.0 billion yen increased from the initial forecasts of 230.0 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.

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries
As of June 30, 2021 and March 31, 2021

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2021	March 31, 2021	June 30, 2021
ASSETS			
Current assets:			
Cash and cash equivalents	¥ 637,891	¥ 599,013	\$ 5,747
Time deposits	12,676	12,751	114
Marketable securities	1,684	1,621	15
Trade and other receivables	1,301,034	1,303,621	11,721
Contract assets	217,706	188,812	1,961
Other financial assets	139,986	115,041	1,261
Inventories	875,162	793,279	7,884
Advance payments to suppliers	136,403	135,217	1,229
Assets classified as held for sale	—	24,718	—
Other current assets	353,936	323,511	3,189
Total current assets	3,676,478	3,497,584	33,121
Non-current assets:			
Investments accounted for using the equity method	2,147,210	2,102,139	19,344
Other investments	398,007	416,934	3,586
Trade and other receivables	225,941	239,348	2,036
Other financial assets	95,451	87,422	861
Property, plant and equipment	1,058,208	1,050,648	9,533
Intangible assets	252,552	255,961	2,275
Investment property	342,360	340,451	3,084
Biological assets	26,163	26,183	236
Prepaid expenses	47,739	39,493	430
Deferred tax assets	23,331	23,821	210
Total non-current assets	4,616,962	4,582,400	41,595
Total assets	¥ 8,293,440	¥ 8,079,984	\$ 74,716

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥111=US\$1.

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries
As of June 30, 2021 and March 31, 2021

	Millions of Yen		Millions of U.S. Dollars
	June 30, 2021	March 31, 2021	June 30, 2021
LIABILITIES AND EQUITY			
Current liabilities:			
Bonds and borrowings	¥ 573,412	¥ 477,927	\$ 5,166
Trade and other payables	1,244,453	1,269,631	11,211
Lease liabilities	70,397	71,141	634
Other financial liabilities	141,898	90,402	1,278
Income tax payables	38,484	31,655	347
Accrued expenses	84,409	95,926	760
Contract liabilities	149,650	137,915	1,348
Provisions	6,142	6,578	55
Liabilities associated with assets classified as held for sale	—	6,295	—
Other current liabilities	94,582	80,937	853
Total current liabilities	2,403,427	2,268,407	21,652
Non-current liabilities:			
Bonds and borrowings	2,407,567	2,434,285	21,690
Trade and other payables	52,666	53,176	474
Lease liabilities	430,469	430,257	3,878
Other financial liabilities	43,458	36,404	392
Accrued pension and retirement benefits	31,070	29,619	280
Provisions	53,699	53,186	484
Deferred tax liabilities	82,275	79,100	741
Total non-current liabilities	3,101,204	3,116,027	27,939
Total liabilities	5,504,631	5,384,434	49,591
Equity:			
Common stock	219,781	219,781	1,980
Additional paid-in capital	256,249	251,781	2,309
Treasury stock	(2,045)	(2,063)	(18)
Other components of equity	192,392	187,041	1,733
Retained earnings	1,953,429	1,871,411	17,598
Equity attributable to owners of the parent	2,619,806	2,527,951	23,602
Non-controlling interests	169,003	167,599	1,523
Total equity	2,788,809	2,695,550	25,125
Total liabilities and equity	¥ 8,293,440	¥ 8,079,984	\$ 74,716

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥111=US\$1.

Condensed Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2021 and 2020

	Millions of Yen		Millions of
	2021	2020	U.S. Dollars
Revenues			
Sales of tangible products	¥ 1,145,843	¥ 928,489	\$ 10,323
Sales of services and others	120,137	107,239	1,082
Total revenues	1,265,980	1,035,728	11,405
Cost			
Cost of tangible products sold	(966,941)	(801,533)	(8,711)
Cost of services and others	(63,727)	(60,872)	(574)
Total cost	(1,030,668)	(862,405)	(9,285)
Gross profit	235,312	173,323	2,120
Other income (expenses)			
Selling, general and administrative expenses	(165,981)	(159,744)	(1,495)
Impairment reversal (loss) on long-lived assets	39	50	0
Gain (loss) on sale of long-lived assets, net	3,503	159	32
Other, net	1,185	3,538	10
Total other income (expenses)	(161,254)	(155,997)	(1,453)
Finance income (costs)			
Interest income	5,953	6,550	54
Interest expense	(6,694)	(8,678)	(60)
Dividends	5,145	3,573	46
Gain (loss) on securities and other investments, net	2,789	(12)	25
Finance income (costs), net	7,193	1,433	65
Share of profit (loss) of investments accounted for using the equity method	56,476	(48,919)	509
Profit (loss) before tax	137,727	(30,160)	1,241
Income tax expense	(25,120)	(6,834)	(226)
Profit (loss) for the period	112,607	(36,994)	1,015
Profit (loss) for the period attributable to:			
Owners of the parent	¥ 107,302	¥ (41,091)	\$ 967
Non-controlling interests	5,305	4,097	48
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Financial assets measured at fair value through other comprehensive income	(2,301)	14,832	(20)
Remeasurements of defined benefit pension plans	5,105	7,824	46
Share of other comprehensive income of investments accounted for using the equity method	1,259	2,439	11
Total items that will not be reclassified to profit or loss	4,063	25,095	37
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	19,182	11,520	172
Cash-flow hedges	604	(1,861)	5
Hedging cost	490	966	4
Share of other comprehensive income of investments accounted for using the equity method	(19)	(6,987)	0
Total items that may be reclassified subsequently to profit or loss	20,257	3,638	182
Other comprehensive income, net of tax	24,320	28,733	219
Comprehensive income for the period	136,927	(8,261)	1,234
Comprehensive income for the period attributable to:			
Owners of the parent	¥ 131,109	¥ (12,850)	\$ 1,181
Non-controlling interests	5,818	4,589	53

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥111=US\$1.

Condensed Consolidated Statements of Changes in Equity

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2021 and 2020

For the three-month periods ended June 30, 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	219,781	251,781	(2,063)	187,041	1,871,411	2,527,951	167,599	2,695,550
Profit for the period					107,302	107,302	5,305	112,607
Other comprehensive income for the period				23,807		23,807	513	24,320
Comprehensive income for the period						131,109	5,818	136,927
Transaction with owners:								
Acquisition (disposal) of non-controlling interests, net		4,454				4,454	132	4,586
Acquisition (disposal) of treasury stock, net			18			18		18
Cash dividends to owners of the parent					(43,740)	(43,740)		(43,740)
Cash dividends to non-controlling interests							(4,546)	(4,546)
Others		14				14		14
Transfer to retained earnings				(18,456)	18,456	—		—
Balance, end of period	219,781	256,249	(2,045)	192,392	1,953,429	2,619,806	169,003	2,788,809

For the three-month periods ended June 30, 2020

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 period					(41,091)	(41,091)	4,097	(36,994)
Other comprehensive income for the period				28,241		28,241	492	28,733
Comprehensive income for the period						(12,850)	4,589	(8,261)
Transaction with owners:								
Acquisition (disposal) of non-controlling interests, net		(206)				(206)	473	267
Acquisition (disposal) of treasury stock, net			6			6		6
Cash dividends to owners of the parent					(43,725)	(43,725)		(43,725)
Cash dividends to non-controlling interests							(4,319)	(4,319)
Others		40				40		40
Transfer to retained earnings				(6,809)	6,809	—		—
Balance, end of period	219,613	256,800	(2,270)	17,378	1,995,877	2,487,398	149,197	2,636,595

For the three-month periods ended June 30, 2021

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	1,980	2,268	(19)	1,685	16,860	22,774	1,510	24,284
Profit for the period					967	967	48	1,015
Other comprehensive income for the period				214		214	5	219
Comprehensive income for the period						1,181	53	1,234
Transaction with owners:								
Acquisition (disposal) of non-controlling interests, net		40				40	1	41
Acquisition (disposal) of treasury stock, net			1			1		1
Cash dividends to owners of the parent					(395)	(395)		(395)
Cash dividends to non-controlling interests							(41)	(41)
Others		1				1		1
Transfer to retained earnings				(166)	166	—		—
Balance, end of period	1,980	2,309	(18)	1,733	17,598	23,602	1,523	25,125

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥111=US\$1.

Condensed Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the three-month periods ended June 30, 2021 and 2020

	Millions of Yen		Millions of
	2021	2020	U.S. Dollars
Operating activities:			
Profit (loss) for the period	¥ 112,607	¥ (36,994)	\$ 1,015
Adjustments to reconcile profit for the period to net cash provided by operating activities:			
Depreciation and amortization	42,451	39,795	382
Impairment reversal (loss) on long-lived assets	(39)	(50)	(0)
Finance (income) costs, net	(7,193)	(1,433)	(65)
Share of (profit) loss of investments accounted for using the equity method	(56,476)	48,919	(509)
(Gain) loss on sale of long-lived assets, net	(3,503)	(159)	(32)
Income tax expense	25,120	6,834	226
Changes in inventories	(73,204)	(39,232)	(660)
Changes in trade and other receivables	23,065	113,199	208
Changes in prepaid expenses	(9,457)	356	(85)
Changes in trade and other payables	(61,249)	(96,345)	(552)
Other, net	18,062	(3,572)	163
Interest received	3,214	3,015	29
Dividends received	60,449	50,848	545
Interest paid	(4,420)	(7,109)	(40)
Income tax paid	(16,219)	(31,298)	(146)
Cash flows from operating activities	53,208	46,774	479
Investing activities:			
Proceeds from sale of property, plant and equipment	558	931	5
Purchase of property, plant and equipment	(25,313)	(17,870)	(228)
Proceeds from sale of investment property	19,803	-	179
Purchase of investment property	(2,369)	(962)	(21)
Proceeds from sale of other investments	37,440	5,990	337
Acquisition of other investments	(38,501)	(28,526)	(347)
Collection of loan receivables	12,137	4,659	109
Increase in loan receivables	(6,668)	(17,373)	(60)
Cash flows from investing activities	(2,913)	(53,151)	(26)
Free Cash Flows:	50,295	(6,377)	453
Financing activities:			
Net increase in short-term debts	55,046	(19,027)	496
Proceeds from issuance of long-term debts	65,412	57,890	590
Repayments of long-term debts	(67,040)	(78,687)	(604)
Repayments of lease liabilities	(16,637)	(13,024)	(150)
Cash dividends paid	(43,740)	(43,725)	(395)
Payment for acquisition of subsidiary's interests from non-controlling interests	(1,601)	(280)	(14)
Payment of dividends to non-controlling interests	(4,546)	(4,319)	(41)
(Acquisition) disposal of treasury stock, net	16	6	0
Cash flows from financing activities	(13,090)	(101,166)	(118)
Net change in cash and cash equivalents	37,205	(107,543)	335
Cash and cash equivalents at the beginning of year	599,013	710,371	5,397
Effect of exchange rate changes on cash and cash equivalents	1,542	1,720	14
Net change in cash and cash equivalents resulting from transfer to assets classified as held for sale	131	-	1
Cash and cash equivalents at the end of period	¥ 637,891	¥ 604,548	\$ 5,747

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥111=US\$1.

Assumptions for Going Concern

: None

Changes in accounting estimate

The significant change in accounting estimate in the Condensed Consolidated Financial Statements is 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 Condensed 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 Condensed Consolidated Statements of Comprehensive Income.

Changes in Presentation

(Condensed 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 three-month period ended June 2021 because of the increased materiality. Condensed Consolidated Statements of Comprehensive Income for the three-month period ended June 2020 is reclassified to conform to this change in presentation.

As a result, the amount of (895) millions of yen for the three-month period ended June 2020, which was presented in “Cash-flow-hedges” in Condensed Consolidated Statements of Comprehensive Income for the three-month period June 2020 has been reclassified and presented as (1,861) millions of yen for “Cash-flow-hedges” and as 966 millions of yen for “Hedging cost.”

(Condensed Consolidated Statements of Cash Flows)

“Repayment of lease liability”, which was previously included in “Repayment of long-term debt” is separately presented from the three-month period ended June 2021 in order to ensure a clear presentation.

Condensed Consolidated Statements of Cash Flows for the three-month period ended June 2020 is reclassified to conform to this change in presentation.

As a result, the amount of (91,711) millions of yen for the three-month period ended June 2020, which was presented in “Repayment of long-term debt” within “Cash flows from financing activities” in the Condensed Consolidated Statements of Cash Flows for the three-month period ended June 2020 has been reclassified and presented as (78,687) millions of yen for “Repayment of long-term debt” and as (13,024) millions of yen for “Repayment of lease liability.”

Segment Information

Sumitomo Corporation and Subsidiaries
For the three-month periods ended June 30, 2021 and 2020

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	¥	222,274	206,503	93,115	99,925	269,656	349,453	1,240,926	25,054	1,265,980
Gross profit		28,101	41,427	19,704	26,031	59,714	59,029	234,006	1,306	235,312
Share of profit (loss) of investments accounted for using the equity method		1,633	10,943	1,121	10,782	2,384	29,271	56,134	342	56,476
Profit for the period (attributable to owners of the parent)		7,220	14,489	6,896	10,473	17,609	47,137	103,824	3,478	107,302
Total assets (As of June 30)		806,292	1,687,561	1,048,517	963,584	1,471,146	1,966,695	7,943,795	349,645	8,293,440

2020:	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	¥	165,692	141,495	87,173	94,589	242,478	272,123	1,003,550	32,178	1,035,728
Gross profit		17,354	27,423	18,565	24,493	51,943	31,917	171,695	1,628	173,323
Share of profit (loss) of investments accounted for using the equity method		1,705	(4,792)	5,553	9,738	1,769	(62,810)	(48,837)	(82)	(48,919)
Profit (loss) for the period (attributable to owners of the parent)		39	(9,428)	12,138	9,619	6,346	(59,459)	(40,745)	(346)	(41,091)
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

2021:	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	\$	2,003	1,861	839	900	2,429	3,148	11,180	225	11,405
Gross profit		253	373	177	235	538	532	2,108	12	2,120
Share of profit (loss) of investments accounted for using the equity method		15	99	10	97	21	264	506	3	509
Profit for the period (attributable to owners of the parent)		65	130	62	94	159	425	935	32	967
Total assets (As of June 30)		7,264	15,203	9,446	8,681	13,254	17,718	71,566	3,150	74,716

Notes:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥111=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 same period of the previous year has been reclassified.