

November 4, 2021

Consolidated quarterly results FY2021 (Six-month period ended September 30, 2021)

[Prepared on the basis of International Financial Reporting Standards]

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Scheduled Quarterly Securities Report Submission Date: November 8, 2021
 Scheduled Starting Date of Dividend Payment: December 1, 2021
 Supplementary Documents on Financial Results: Yes
 Financial Results Meeting: Yes (for Financial Analysts)

1. Consolidated results for the six-month period ended September 30, 2021

(Remarks)

Amounts are rounded to the nearest million.

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

(1) Consolidated operating results

	Revenues	Profit before tax	Profit for the period	Profit for the period attributable to owners of the parent	Comprehensive income for the period
	(increase/ decrease)	(increase/ decrease)	(increase/ decrease)	(increase/ decrease)	(increase/ decrease)
Six-month period ended	(millions of yen) (%)	(millions of yen) (%)	(millions of yen) (%)	(millions of yen) (%)	(millions of yen) (%)
September 30, 2021	2,543,079 18.4	298,374 —	252,031 —	241,036 —	281,460 —
September 30, 2020	2,147,712 (18.5)	(39,655) —	(51,740) —	(60,203) —	(37,697) —

	Earnings per share attributable to owners of the parent (basic)	Earnings per share attributable to owners of the parent (diluted)
Six-month period ended	(yen)	(yen)
September 30, 2021	192.75	192.66
September 30, 2020	(48.15)	(48.15)

(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 September 30, 2021	8,633,362	2,931,562	2,758,122	31.9
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	—	45.00	—	—	—
Year ending March 31, 2022 (Forecasts)	—	—	—	45.00	90.00

[Note] Revision of the latest dividend forecasts: Yes

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	Earnings per share attributable to owners of the parent
	(increase/ decrease)	(yen)
Year ending March 31, 2022	(millions of yen) (%)	(yen)
	380,000 —	304.02

[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: Yes

Excluded companies: 1 (SUMMIT ETOILE TUBE, LLC)

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

(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 14 "Changes in accounting estimate."

(3) Outstanding stocks (Common stocks)

				(shares)
(i) Outstanding stocks including treasury stock	(September 30, 2021)	1,251,404,367	(March 31, 2021)	1,251,253,867
(ii) Treasury stocks	(September 30, 2021)	1,510,638	(March 31, 2021)	1,544,207
(iii) Average stocks during six months (Apr.-Sep.)	(September 30, 2021)	1,249,922,771	(September 30, 2020)	1,249,850,508

* 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 six-month period ended September 30, 2021, amounted to 2,543.1 billion yen, representing an increase of 395.4 billion yen compared to 2,147.7 billion yen in the same period of previous fiscal year.

Gross profit totaled 488.0 billion yen increased by 129.3 billion yen compared to 358.7 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 333.0 billion yen increased by 11.4 billion yen compared to 321.6 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 122.7 billion yen increased by 175.5 billion yen compared to loss of 52.8 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 241.0 billion yen, representing an increase of 301.2 billion yen compared to loss of 60.2 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 22.9 billion yen, an increase of 36.9 billion yen compared to loss of 14.1 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, in addition to the absence of impairment loss in the tubular products business in the same period of previous fiscal year.

Transportation & Construction Systems Business Unit posted profit of 33.4 billion yen, an increase of 53.1 billion yen compared to loss of 19.8 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 18.3 billion yen, an increase of 25.3 billion yen compared to loss of 7.0 billion yen in the same period of previous fiscal year. This is due mainly to stable performance of the overseas IPP/IWPP business, in addition to the absence of one-off loss including impairment loss posting for IPP business in Australia in the same period of previous fiscal year.

Media & Digital Business Unit posted profit of 19.2 billion yen, a decrease of 0.4 billion yen compared to profit of 19.6 billion yen in the same period of previous fiscal year. Major domestic group companies have been continuously showing stable performance.

Living Related & Real Estate Business Unit posted profit of 26.9 billion yen, an increase of 14.1 billion yen compared to profit of 12.9 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 104.1 billion yen, an increase of 160.0 billion yen compared to loss of 56.0 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 September 30, 2021>

Total assets stood at 8,633.4 billion yen, representing an increase of 553.4 billion yen compared to 8,080.0 billion yen 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 2,758.1 billion yen, representing an increase of 230.2 billion yen compared to 2,528.0 billion yen 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 2,326.5 billion yen increased by 26.1 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 0.8.

<Cash flows>

Net cash provided by operating activities totaled 90.2 billion yen as basic profit cash flow (*2) totaled to an inflow of 188.2 billion yen because our core businesses performed well in generating cash, while working capital increased.

Net cash used in investing activities totaled 15.8 billion yen. In the six-month period ended September 30, 2021, we executed investments 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 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 74.4 billion yen.

Net cash used in financing activities totaled 6.1 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 671.1 billion yen as of September 30, 2021, representing an increase of 72.0 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) $\times$ (1-Tax rate) + Dividend from investments accounted for using the equity method

Tax rate is 25% for the six-month period ended September 30, 2021 and 31% for the same period of previous fiscal year

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

As COVID-19 vaccinations become more widespread and infections are brought under control, the global economy is expected to continue on a recovery trend supported by financial and monetary measures. However, there have been disparities in recovery among countries, regions, and industries. Among developed countries, although we could face supply chain disruption, positive trend toward economy recovery is expected to continue. As for emerging countries, for the most part of them, economic recovery trend is expected to continue, while there has been a slight tendency of slowing recovery in China. And we expect we would see sluggish for the time being in countries where the vaccinations have not been widely spread without sufficient aids from governments. Risks include surge in price of commodities, limitation of economic activities due to the resurgence of COVID-19, the increase in debt and geopolitical risks.

Under these circumstances, we have revised our consolidated financial forecasts for FY2021 as follows:

(billions of yen)	Previous forecasts (Aug. 2021) (A)	Revised forecasts (Nov. 2021) (B)	Increase/ Decrease (B-A)	Increase/ Decrease (%)
Profit for the year attributable to owners of the parent	290.0	380.0	90.0	31.0%

Reference (billions of yen)	Previous forecasts (Aug. 2021) (A)	Revised forecasts (Nov. 2021) (B)	Increase/ Decrease (B-A)
Excl. one-off profits/losses	290.0	360.0	70.0
One-off profits/losses	—	20.0	20.0

Results for the first half of the fiscal year showed strong progress against the annual forecasts of 290.0 billion yen which we announced at the previous earnings announcements (August 4, 2021), due to higher mineral resources prices than expected in mineral resources business as well as stable performance in steel sheets business and construction systems related business in non-mineral resources business.

Taking these circumstances into consideration, we have revised the annual forecasts of profit for the year attributable to owners of the parent to 380.0 billion yen, 90.0 billion yen increased from the previous forecasts of 290.0 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. Dividend 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.

Under "SHIFT 2023", our medium-term management plan for FY2021 - FY2023, 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.

Due to the fact that our annual forecasts of the profit for the year attributable to owners of the parent is revised to 380.0 billion yen, the annual dividend for fiscal year ending March 31, 2022 is revised to 90 yen per share for FY2021 (latest plan was 70 yen per share). The interim dividend is 45 yen per share, half of the amount of planned annual dividend (the interim dividend in the previous year was 35 yen per share).

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries

As of September 30, 2021 and March 31, 2021

	Millions of Yen		Millions of U.S. Dollars	
	September 30, 2021	March 31, 2021	September 30, 2021	
ASSETS				
Current assets:				
Cash and cash equivalents	¥ 671,061	¥ 599,013	\$ 5,992	
Time deposits	14,402	12,751	129	
Marketable securities	1,644	1,621	15	
Trade and other receivables	1,332,561	1,303,621	11,898	
Contract assets	239,860	188,812	2,142	
Other financial assets	256,482	115,041	2,290	
Inventories	933,672	793,279	8,336	
Advance payments to suppliers	131,083	135,217	1,170	
Assets classified as held for sale	—	24,718	—	
Other current assets	376,359	323,511	3,360	
Total current assets	3,957,124	3,497,584	35,332	
Non-current assets:				
Investments accounted for using the equity method	2,187,572	2,102,139	19,532	
Other investments	412,005	416,934	3,678	
Trade and other receivables	233,198	239,348	2,082	
Other financial assets	111,208	87,422	992	
Property, plant and equipment	1,046,360	1,050,648	9,343	
Intangible assets	249,616	255,961	2,229	
Investment property	340,476	340,451	3,040	
Biological assets	26,109	26,183	233	
Prepaid expenses	47,117	39,493	421	
Deferred tax assets	22,577	23,821	202	
Total non-current assets	4,676,238	4,582,400	41,752	
Total assets	¥ 8,633,362	¥ 8,079,984	\$ 77,084	

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥112=US\$1.

Condensed Consolidated Statements of Financial Position

Sumitomo Corporation and Subsidiaries

As of September 30, 2021 and March 31, 2021

	Millions of Yen		Millions of U.S. Dollars
	September 30, 2021	March 31, 2021	September 30, 2021
LIABILITIES AND EQUITY			
Current liabilities:			
Bonds and borrowings	¥ 602,939	¥ 477,927	\$ 5,383
Trade and other payables	1,258,574	1,269,631	11,237
Lease liabilities	68,585	71,141	612
Other financial liabilities	280,417	90,402	2,504
Income tax payables	58,623	31,655	523
Accrued expenses	98,198	95,926	877
Contract liabilities	147,950	137,915	1,321
Provisions	9,706	6,578	87
Liabilities associated with assets classified as held for sale	—	6,295	—
Other current liabilities	88,675	80,937	792
Total current liabilities	2,613,667	2,268,407	23,336
Non-current liabilities:			
Bonds and borrowings	2,409,016	2,434,285	21,509
Trade and other payables	52,054	53,176	465
Lease liabilities	415,566	430,257	3,710
Other financial liabilities	50,871	36,404	455
Accrued pension and retirement benefits	30,962	29,619	276
Provisions	53,746	53,186	480
Deferred tax liabilities	75,918	79,100	678
Total non-current liabilities	3,088,133	3,116,027	27,573
Total liabilities	5,701,800	5,384,434	50,909
Equity:			
Common stock	219,894	219,781	1,963
Additional paid-in capital	256,175	251,781	2,287
Treasury stock	(2,018)	(2,063)	(18)
Other components of equity	194,815	187,041	1,740
Retained earnings	2,089,256	1,871,411	18,654
Equity attributable to owners of the parent	2,758,122	2,527,951	24,626
Non-controlling interests	173,440	167,599	1,549
Total equity	2,931,562	2,695,550	26,175
Total liabilities and equity	¥ 8,633,362	¥ 8,079,984	\$ 77,084

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥112=US\$1.

Condensed Consolidated Statements of Comprehensive Income

Sumitomo Corporation and Subsidiaries

For the six-month periods ended September 30, 2021 and 2020

	Millions of Yen		Millions of U.S. Dollars	
	2021	2020	2021	
Revenues				
Sales of tangible products	¥ 2,289,935	¥ 1,924,872	\$ 20,446	
Sales of services and others	253,144	222,840	2,260	
Total revenues	2,543,079	2,147,712	22,706	
Cost				
Cost of tangible products sold	(1,925,759)	(1,666,948)	(17,194)	
Cost of services and others	(129,322)	(122,034)	(1,155)	
Total cost	(2,055,081)	(1,788,982)	(18,349)	
Gross profit	487,998	358,730	4,357	
Other income (expenses)				
Selling, general and administrative expenses	(333,000)	(321,560)	(2,974)	
Impairment reversal (loss) on long-lived assets	59	(11,941)	1	
Gain (loss) on sale of long-lived assets, net	4,999	(5,537)	45	
Other, net	(3,027)	(7,547)	(27)	
Total other income (expenses)	(330,969)	(346,585)	(2,955)	
Finance income (costs)				
Interest income	12,370	11,997	110	
Interest expense	(13,515)	(16,036)	(121)	
Dividends	6,485	4,603	58	
Gain (loss) on securities and other investments, net	13,306	397	119	
Finance income (costs), net	18,646	961	166	
Share of profit (loss) of investments accounted for using the equity method	122,699	(52,761)	1,096	
Profit (loss) before tax	298,374	(39,655)	2,664	
Income tax expense	(46,343)	(12,085)	(414)	
Profit (loss) for the period	252,031	(51,740)	2,250	
Profit (loss) for the period attributable to:				
Owners of the parent	¥ 241,036	¥ (60,203)	\$ 2,152	
Non-controlling interests	10,995	8,463	98	
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Financial assets measured at fair value through other comprehensive income	6,228	20,553	56	
Remeasurements of defined benefit pension plans	5,469	10,835	49	
Share of other comprehensive income of investments accounted for using the equity method	3,069	(80)	27	
Total items that will not be reclassified to profit or loss	14,766	31,308	132	
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	14,848	(12,164)	133	
Cash-flow hedges	(1,941)	4,754	(17)	
Hedging cost	1,394	1,909	12	
Share of other comprehensive income of investments accounted for using the equity method	362	(11,764)	3	
Total items that may be reclassified subsequently to profit or loss	14,663	(17,265)	131	
Other comprehensive income, net of tax	29,429	14,043	263	
Comprehensive income for the period	281,460	(37,697)	2,513	
Comprehensive income for the period attributable to:				
Owners of the parent	¥ 269,359	¥ (46,957)	\$ 2,405	
Non-controlling interests	12,101	9,260	108	

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥112=US\$1.

Condensed Consolidated Statements of Changes in Equity

Sumitomo Corporation and Subsidiaries

For the six-month periods ended September 30, 2021 and 2020

For the six-month periods ended September 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					241,036	241,036	10,995	252,031
Other comprehensive income for the period				28,323		28,323	1,106	29,429
Comprehensive income for the period						269,359	12,101	281,460
Transaction with owners:								
Share-based payment transactions	113	113				226		226
Acquisition (disposal) of non-controlling interests, net		4,369				4,369	(225)	4,144
Acquisition (disposal) of treasury stock, net			45			45		45
Cash dividends to owners of the parent					(43,740)	(43,740)		(43,740)
Cash dividends to non-controlling interests							(6,035)	(6,035)
Others		(88)				(88)		(88)
Transfer to retained earnings				(20,549)	20,549	—		—
Balance, end of period	219,894	256,175	(2,018)	194,815	2,089,256	2,758,122	173,440	2,931,562

For the six-month periods ended September 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					(60,203)	(60,203)	8,463	(51,740)
Other comprehensive income for the period				13,246		13,246	797	14,043
Comprehensive income for the period						(46,957)	9,260	(37,697)
Transaction with owners:								
Share-based payment transactions	168	168				336		336
Acquisition (disposal) of non-controlling interests, net		646				646	467	1,113
Acquisition (disposal) of treasury stock, net			70			70		70
Cash dividends to owners of the parent					(43,725)	(43,725)		(43,725)
Cash dividends to non-controlling interests							(5,721)	(5,721)
Others		94				94		94
Transfer to retained earnings				(9,102)	9,102	—		—
Balance, end of period	219,781	257,874	(2,206)	90	1,979,058	2,454,597	152,460	2,607,057

For the six-month periods ended September 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	1,962	2,248	(18)	1,670	16,709	22,571	1,496	24,067
Profit for the period					2,152	2,152	98	2,250
Other comprehensive income for the period				253		253	10	263
Comprehensive income for the period						2,405	108	2,513
Transaction with owners:								
Share-based payment transactions	1	1				2		2
Acquisition (disposal) of non-controlling interests, net		39				39	(2)	37
Acquisition (disposal) of treasury stock, net			0			0		0
Cash dividends to owners of the parent					(390)	(390)		(390)
Cash dividends to non-controlling interests							(53)	(53)
Others		(1)				(1)		(1)
Transfer to retained earnings				(183)	183	—		—
Balance, end of period	1,963	2,287	(18)	1,740	18,654	24,626	1,549	26,175

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥112=US\$1.

Condensed Consolidated Statements of Cash Flows

Sumitomo Corporation and Subsidiaries

For the six-month periods ended September 30, 2021 and 2020

	Millions of Yen		Millions of U.S. Dollars
	2021	2020	2021
Operating activities:			
Profit (loss) for the period	¥ 252,031	¥ (51,740)	\$ 2,250
Adjustments to reconcile profit (loss) for the period to cash flows from operating activities:			
Depreciation and amortization	84,123	82,508	751
Impairment reversal (loss) on long-lived assets	(59)	11,941	(1)
Finance (income) costs, net	(18,646)	(961)	(166)
Share of (profit) loss of investments accounted for using the equity method	(122,699)	52,761	(1,096)
(Gain) loss on sale of long-lived assets, net	(4,999)	5,537	(45)
Income tax expense	46,343	12,085	414
Changes in inventories	(125,102)	51,376	(1,117)
Changes in trade and other receivables	11,400	81,035	102
Changes in prepaid expenses	(11,418)	3,131	(102)
Changes in trade and other payables	(31,258)	(48,983)	(279)
Other, net	(52,477)	(1,219)	(468)
Interest received	5,803	7,266	52
Dividends received	74,368	63,767	664
Interest paid	(9,873)	(14,824)	(88)
Income taxes paid	(7,367)	(31,340)	(66)
Cash flows from operating activities	90,170	222,340	805
Investing activities:			
Proceeds from sale of property, plant and equipment	1,744	5,288	16
Purchases of property, plant and equipment	(39,317)	(33,739)	(351)
Proceeds from sale of investment property	22,308	4,024	199
Purchases of investment property	(3,095)	(2,754)	(28)
Proceeds from sale of other investments	60,338	22,425	539
Acquisitions of other investments	(57,134)	(45,295)	(510)
Collection of loans receivable	18,180	8,635	162
Increase in loans receivable	(18,796)	(32,663)	(168)
Cash flows from investing activities	(15,772)	(74,079)	(141)
Free Cash Flows:	74,398	148,261	664
Financing activities:			
Net changes in short-term debts	24,668	(106,300)	220
Proceeds from issuance of long-term debts	191,402	97,108	1,709
Repayments of long-term debts	(137,476)	(179,196)	(1,228)
Repayments of lease liabilities	(33,165)	(29,550)	(296)
Cash dividends paid	(43,740)	(43,725)	(390)
Capital contribution from non-controlling interests	99	-	1
Payments for acquisitions of subsidiary's interests from non-controlling interests	(1,859)	(280)	(17)
Payments of dividends to non-controlling interests	(6,035)	(5,721)	(53)
Acquisitions and disposal of treasury stock, net	20	5	0
Cash flows from financing activities	(6,086)	(267,659)	(54)
Net changes in cash and cash equivalents	68,312	(119,398)	610
Cash and cash equivalents at the beginning of year	599,013	710,371	5,348
Effect of exchange rate changes on cash and cash equivalents	3,605	(3,610)	33
Net changes 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	¥ 671,061	¥ 587,363	\$ 5,992

Note: The U.S. Dollar amounts represent translations of Japanese Yen amounts at the rate of ¥112=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 six-month period ended September 2020 is reclassified to conform to this change in presentation.

As a result, the amount of 6,663 millions of yen for the six-month period ended September 2020, which was presented in “Cash-flow-hedges” in Condensed Consolidated Statements of Comprehensive Income for the six-month period September 2020 has been reclassified and presented as 4,754 millions of yen for “Cash-flow-hedges” and as 1,909 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 six-month period September 2020 is reclassified to conform to this change in presentation.

As a result, the amount of (208,746) millions of yen for the six-month period September 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 six-month period September 2020 has been reclassified and presented as (179,196) millions of yen for “Repayment of long-term debt” and as (29,550) millions of yen for “Repayment of lease liability.”

Segment Information

Sumitomo Corporation and Subsidiaries
For the six-month periods ended September 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	¥	478,181	439,215	194,202	201,454	497,374	681,224	2,491,650	51,429	2,543,079
Gross profit		61,430	90,526	42,102	53,205	112,680	125,635	485,578	2,420	487,998
Share of profit (loss) of investments accounted for using the equity method		4,304	23,029	5,184	18,926	3,913	66,273	121,629	1,070	122,699
Profit for the period (attributable to owners of the parent)		22,869	33,358	18,287	19,223	26,922	104,077	224,736	16,300	241,036
Total assets (As of September 30)		857,028	1,696,426	1,079,861	980,977	1,485,835	2,238,140	8,338,267	295,095	8,633,362
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	¥	354,378	309,960	174,141	190,729	496,542	564,793	2,090,543	57,169	2,147,712
Gross profit		34,450	61,513	35,705	49,837	106,682	68,848	357,035	1,695	358,730
Share of profit (loss) of investments accounted for using the equity method		(2,198)	(16,567)	(898)	20,368	1,910	(55,621)	(53,006)	245	(52,761)
Profit (loss) for the period (attributable to owners of the parent)		(14,063)	(19,750)	(7,046)	19,638	12,859	(55,954)	(64,316)	4,113	(60,203)
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	\$	4,269	3,922	1,734	1,799	4,441	6,082	22,247	459	22,706
Gross profit		549	808	376	475	1,006	1,122	4,336	21	4,357
Share of profit (loss) of investments accounted for using the equity method		38	206	46	169	35	592	1,086	10	1,096
Profit for the period (attributable to owners of the parent)		204	298	163	172	241	929	2,007	145	2,152
Total assets (As of September 30)		7,652	15,147	9,642	8,759	13,266	19,983	74,449	2,635	77,084

Notes:

1) The U.S. Dollar amounts represent translations of Japanese yen amounts at the rate of ¥112=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.