

March 31, 2022

For Immediate Release

Sumitomo Corporation
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Notice of Change to Specified Subsidiary

Sumitomo Corporation (hereinafter “SC”), through Sumisho Coal Australia Pty Limited (headquartered in Sydney, Australia; hereinafter, “SCAP”), its wholly-owned subsidiary, had invested in thermal coal mining at the Rolleston coal mine in Queensland, Australia and the Rolleston coal mine had been operated together with the resource giant Glencore PLC (headquartered in Baar, Switzerland; hereinafter, “Glencore”). As SC announced in the press release dated August 17, 2021, “Sale of Rolleston Coal Mine Interests in Australian Coal Business,” a sales agreement (hereinafter, “SA”) was signed on August 9, 2021 between SCAP and a Glencore subsidiary wherein the two companies agreed on transferring SCAP’s entire stake in Rolleston coal mine interests to the Glencore subsidiary. After the conditions of the SA such as obtaining permission from the state government were satisfied, the transaction was completed on November 1, 2021. Consequently, SCAP will be excluded from the scope of consolidation of SC as there are no material assets/liabilities of SCAP after transferring the interests in Rolleston coal mine and SCAP is not expected to be used strategically for other projects in Australia in the future.

As a result, SCAP will be removed as a specified Subsidiary of SC, and notice is hereby given of the following.

1. Reason for change

SC had invested in thermal coal mining at the Rolleston coal mine in Queensland, Australia through SCAP and operated the mine. With the transfer of the entire stake in Rolleston coal mine interests, SCAP will be excluded from the scope of consolidation of SC as there are no material assets/liabilities after transferring the interests and SCAP is not expected to be used strategically for other projects in Australia in the future.

2. Overview of the subsidiaries to be changed

(1) Name	Sumisho Coal Australia Pty Limited
(2) Address	Level 33, Grosvenor Place 225 George Street Sydney NSW 2000 Australia
(3) Name/title of representative	Kenji Suzuki / Managing Director
(4) Nature of business	Investment in coal mine business in Australia
(5) Capital	A\$261.4 million (approximately 22 billion yen; as of December 31, 2021)
(6) Date established	November, 1997

(7) Major shareholders and shareholding ratios	Sumitomo Corporation 100%		
(8) Relations between Sumitomo (listed company) and this company	Capital ties	SC directly holds 100% share in this company.	
	Personnel relations	SC has dispatched executives to this company.	
	Business relations	SC and this company have business relations.	
(9) This company's operating results and financial position for the three most recent years			
Fiscal year	March 31, 2019	March 31, 2020	March 31, 2021
Net assets	A\$124.4million	A\$134.8million	A\$36.3million
Total assets	A\$187.1million	A\$191.7million	A\$79.6million
Net Sales	A\$189.8million	A\$163.3million	A\$96.9million
Operating income	A\$48.8million	A\$14.8million	-A\$31.7million
Pre-tax income	A\$52.6million	A\$15.8million	- A\$100.1million
Net income attributable to owners of the parent company	A\$36.8million	A\$11.1million	- A\$99.2million

3. Process of the change

SCAP will be excluded from the scope of consolidation of SC in consolidated financial closing for fiscal year 2021 (ending March 31, 2022) after SC recognizes a valuation loss on investment in SCAP, including possible losses that may occur in future, in the non-consolidated financial statement for fiscal year 2021.

4. Future outlook

With the exclusion of SCAP from the scope of consolidation of SC, SC will recognize a valuation loss on investment in SCAP of approximately 2.6 billion yen as "Valuation loss on investment securities" under "Non-operating expense" in the non-consolidated financial statement for fiscal year 2021.

As the loss has already been recognized in the consolidated financial statement in the past, the impact on the consolidated financial statement for fiscal year 2021 is expected to be negligible.

(Reference) Full-year consolidated earnings forecast for the fiscal year ending March 2022 (announced on February 4, 2022) and consolidated results for the previous fiscal year

	Net income or loss attributable to owners of the parent company	Basic net income per share
Unit	million yen	yen
Forecast for the current fiscal year (ending March 2022)	460,000	368.01
Results for the previous fiscal year (ended March 2021)	-153,067	-122.42

(Note) 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. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. Sumitomo Corporation is under no obligation—and expressly disclaims any such obligation—to update or alter its forward-looking statements.

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