



For immediate Release
To whom it may concern

May 2, 2024

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Notice Concerning the New Medium-Term Management Plan (FY2024-FY2026)

A new medium-term management plan (FY2024-FY2026) has been resolved, at the ordinary meeting of the Board of Directors held today. For details, please see the attached document.

Medium-Term Management Plan 2026 (FY2024-FY2026)

Under our medium-term management plan "SHIFT 2023," which covers the three-year period from FY2021, we have been working to achieve a shift our business portfolio to a portfolio that is highly profitable and resilient by asset recycling for growth investments, growing core earning pillars by leveraging strengths, and adapting to social structural changes.

We have started our new medium-term management plan with the theme of "No. 1 in Each Field". We will promote business portfolio transformation by strengthening individual businesses leveraged by our core strengths and strengthening the people and organizations that are the driving force for growth. Through these initiatives, we will enhance our competitive advantages to achieve growth through addressing social challenges.

The main initiatives and quantitative plans are shown as follows.

<<Main initiatives>>

1. Business portfolio transformation:
 - Accelerate metabolism through reallocation of management resources
2. Growth leveraged by strengths:
 - Strengthen businesses with competitive advantages
 - Accelerate new growth through digital and Green Transformation (GX)
3. Strengthen driving force for growth:
 - Organizational structure with strategic axis
 - Empower people and organizations

<<Quantitative Targets>>

1. Profit Plan:
 - Profit for the period (attributable to owners of the parent):
¥530.0 billion in FY2024 / ¥650.0 billion in FY2026
 - ROE:
12% or higher
2. Financial Policy:
 - Positive free cash flow post shareholder return (*1)
3. Shareholder Return Policy from "Medium-Term Management Plan 2026:
 - Pay dividends and repurchase our shares in a flexible and agile manner with a total payout ratio of 40% or higher
 - Further improve dividend stability and increase dividends in line with profit growth through progressive dividend payments (*2)

(*1) Excluding changes in working capital, etc. (*2) Dividends to be maintained or increased.

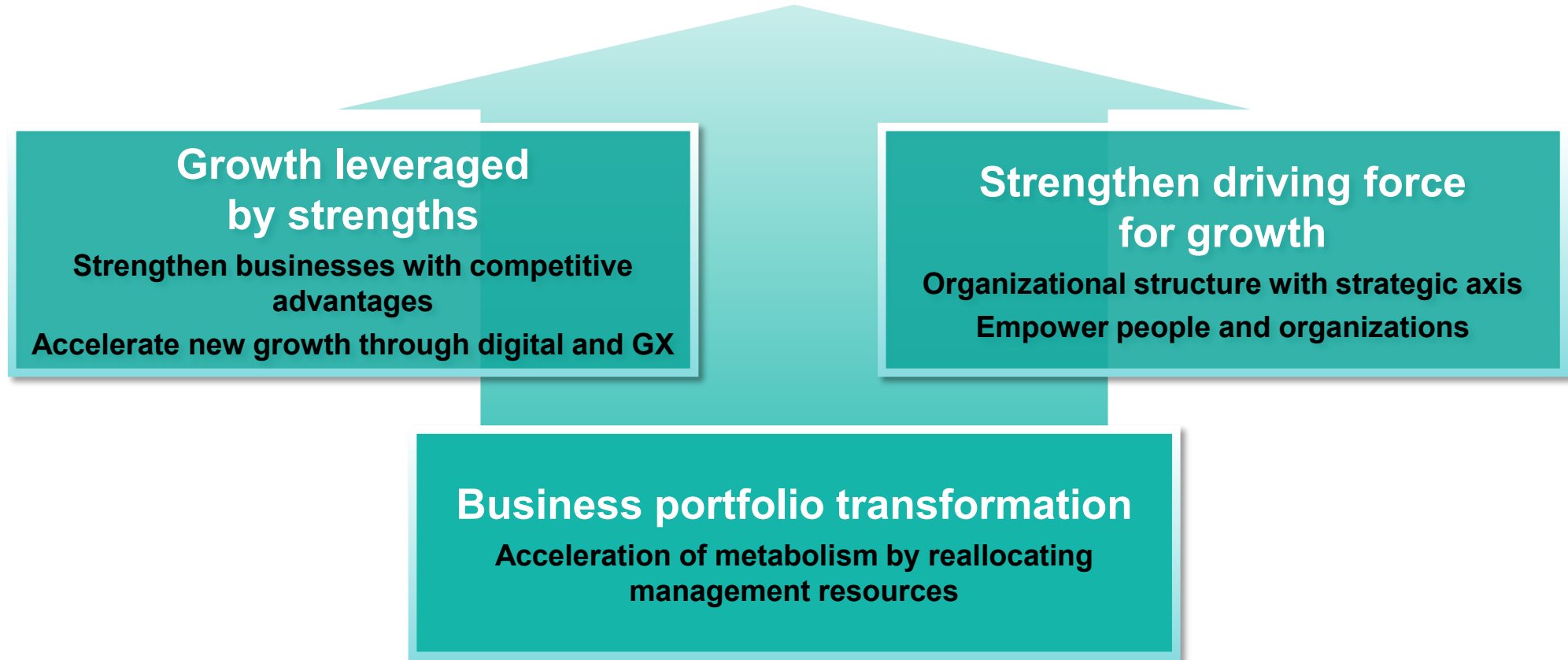
Details of the Medium-Term Management Plan 2026 are available on the Company's website today. Please refer to the attached sheet for the main slides. Materials can be found at:

https://www.sumitomocorp.com/-/media/Files/hq/ir/report/summary/2023/20240502Presentation_3geiy.pdf?sc_lang=en

Medium-Term Management Plan 2026

No.1 in Each Field

Enhance our competitive advantages to achieve growth through addressing social challenges



Summary of Quantitative Targets

Profit for the year (attributable to owners of the parent)

FY2024 Forecast **¥530** billion

FY2026 Plan **¥650** billion

Efficiency ratio

ROE 12% or higher

Financial soundness

**Positive free cash flow post
shareholder return***

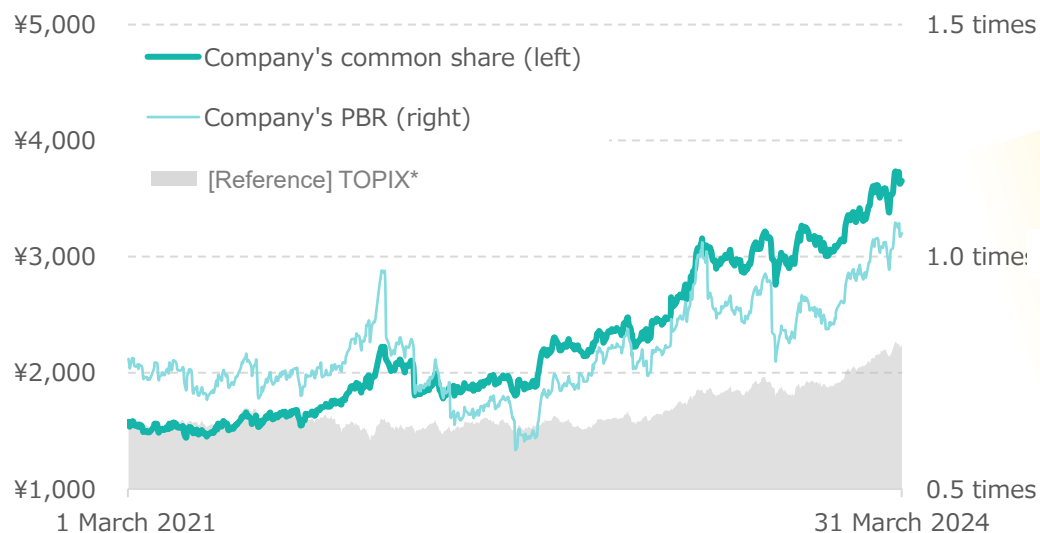
Shareholder return

**Total payout ratio: 40% or higher
Progressive dividend payments**

* Excludes changes in working capital, etc.

Aiming for sustainable increase in corporate value

- Under SHIFT 2023: Market capitalization has more than doubled (TOPIX in same period: less than 1.5 times) owing to strengthened resilience and improved profitability.
- Medium-Term Management Plan 2026: Transform into a business portfolio that can consistently exceed the cost of shareholders' equity and achieve higher ROE.
- While considering financial soundness, we aim to achieve a sustainably high ROE and increase corporate value by increasing profits through growth investments and increasing shareholder returns.



* Relative price based on Company's common share price on March 31, 2021