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May 10, 2024

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)

Company name: Sumitomo Electric Industries, Ltd.
Listing: Tokyo Stock Exchange / Nagoya Stock Exchange / Fukuoka Stock Exchange
Securities code: 5802
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Scheduled date of annual general meeting of shareholders: June 26, 2024
Scheduled date to commence dividend payments: June 27, 2024
Scheduled date to file annual securities report: June 26, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2024	4,402,814	9.9	226,618	27.7	215,341	24.2	149,723	32.9
March 31, 2023	4,005,561	18.9	177,443	45.2	173,348	25.5	112,654	17.0

Note: Comprehensive income For the fiscal year ended March 31, 2024: ¥379,678 million [63.7%]
For the fiscal year ended March 31, 2023: ¥231,936 million [15.0%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2024	191.98	—	7.3	5.1	5.1
March 31, 2023	144.45	—	6.1	4.4	4.4

Reference: Share of profit (loss) of investments accounted for using equity method

For the fiscal year ended March 31, 2024: ¥20,177 million
For the fiscal year ended March 31, 2023: ¥11,485 million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2024	4,365,397	2,431,888	50.6	2,830.82
March 31, 2023	4,013,008	2,110,819	47.3	2,436.14

Reference: Equity

As of March 31, 2024: ¥2,207,662 million
As of March 31, 2023: ¥1,899,879 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2024	393,465	(123,809)	(292,313)	268,273
March 31, 2023	265,191	(147,821)	(98,290)	279,432

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	—	25.00	—	25.00	50.00	39,004	34.6	2.1
March 31, 2024	—	25.00	—	52.00	77.00	60,066	40.1	2.9
March 31, 2025 (Forecast)	—	36.00	—	36.00	72.00		40.1	

3. Consolidated financial forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	2,180,000	5.2	94,000	39.6	92,000	51.4	50,000	87.3	64.11
Full year	4,500,000	2.2	240,000	5.9	232,000	7.7	140,000	(6.5)	179.52

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: 1 company (Company name: Sumitomo Electric U.K. Power Cables Ltd.)

Excluded: — company (Company name: —)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	793,940,571 shares
As of March 31, 2023	793,940,571 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2024	14,073,448 shares
As of March 31, 2023	14,068,126 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2024	779,869,723 shares
Fiscal year ended March 31, 2023	779,876,486 shares

[Reference] Overview of non-consolidated financial results**1. Non-consolidated financial results for the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2024	1,628,376	13.7	17,287	10.9	81,615	23.8	43,229	(21.7)
March 31, 2023	1,431,971	9.7	15,584	(0.8)	65,929	2.9	55,181	5.4

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2024	55.42	—
March 31, 2023	70.74	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2024	1,748,660	813,927	46.5	1,043.40
March 31, 2023	1,522,314	795,440	52.3	1,019.70

Reference: Equity

As of March 31, 2024:	¥813,927 million
As of March 31, 2023:	¥795,440 million

* This document is exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

This material contains forward-looking statements, based on judgments and estimates that have been made on the basis of currently available information. Therefore, the final results might be different from the forecast due to various factors.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and time deposits	283,425	269,744
Trade notes and accounts receivable	842,794	875,933
Contract assets	32,838	36,497
Inventories	851,224	885,017
Other current assets	154,802	186,414
Allowance for doubtful receivables	(2,395)	(11,390)
Total current assets	2,162,688	2,242,215
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	319,613	323,798
Machinery, equipment and vehicles, net	446,390	460,343
Land	99,932	101,934
Construction in progress	73,273	75,835
Other, net	123,571	136,241
Total property, plant and equipment	1,062,779	1,098,151
Intangible assets	36,682	39,831
Investments and other assets		
Investment securities	503,791	607,105
Net defined benefit asset	175,997	303,740
Deferred tax assets	30,909	31,953
Other	40,885	43,148
Allowance for doubtful receivables	(723)	(746)
Total investments and other assets	750,859	985,200
Total non-current assets	1,850,320	2,123,182
Total assets	4,013,008	4,365,397

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Trade notes and accounts payable	445,951	479,831
Short-term debt	601,237	385,575
Commercial papers	7,000	—
Current portion of bonds	—	10,000
Contract liabilities	50,168	74,263
Other current liabilities	295,051	357,701
Total current liabilities	1,399,407	1,307,370
Non-current liabilities		
Bonds	94,864	174,890
Long-term debt	195,578	164,579
Deferred tax liabilities	87,895	136,103
Provision for loss on business	—	12,762
Net defined benefit liabilities	45,794	52,935
Other non-current liabilities	78,651	84,870
Total non-current liabilities	502,782	626,139
Total liabilities	1,902,189	1,933,509
Net assets		
Shareholders' equity		
Common stock	99,737	99,737
Capital surplus	166,817	165,424
Retained earnings	1,383,046	1,493,708
Treasury stock	(20,793)	(20,803)
Total shareholders' equity	1,628,807	1,738,066
Accumulated other comprehensive income		
Net unrealized holding gains or losses on available-for-sale securities	135,032	183,971
Deferred gains or losses on hedges	(2,340)	(2,679)
Foreign currency translation adjustments	85,258	155,338
Remeasurements of defined benefit plans	53,122	132,966
Total accumulated other comprehensive income	271,072	469,596
Non-controlling interests	210,940	224,226
Total net assets	2,110,819	2,431,888
Total liabilities and net assets	4,013,008	4,365,397

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	4,005,561	4,402,814
Cost of sales	3,335,585	3,635,226
Gross profit	669,976	767,588
Selling, general and administrative expenses	492,533	540,970
Operating profit	177,443	226,618
Non-operating income		
Interest income	1,533	2,794
Dividend income	4,772	6,541
Share of profit of investments accounted for using the equity method	11,485	20,177
Other income	14,206	14,536
Total non-operating income	31,996	44,048
Non-operating expenses		
Interest expenses	16,107	29,321
Other expenses	19,984	26,004
Total non-operating expenses	36,091	55,325
Ordinary profit	173,348	215,341
Extraordinary income		
Gain on sales of investment securities	32,478	66,834
Gain on sales of property, plant and equipment	5,832	—
Fire insurance recovery gain and compensation income	2,508	—
Total extraordinary income	40,818	66,834
Extraordinary losses		
Loss on disposal of property, plant and equipment	3,123	5,834
Impairment loss on fixed assets	2,823	9,421
Restructuring expenses	9,622	15,613
Provision for loss on business	—	12,762
Loss due to fire	2,126	—
Total extraordinary losses	17,694	43,630
Profit before income taxes	196,472	238,545
Income taxes - current	61,828	77,726
Income taxes - deferred	2,371	(8,142)
Total income taxes	64,199	69,584
Profit for the year	132,273	168,961
Profit attributable to non-controlling interests	19,619	19,238
Profit attributable to owners of parent	112,654	149,723

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit for the year	132,273	168,961
Other comprehensive income		
Net unrealized holding gains or losses on available-for-sale securities	58,593	50,978
Deferred gains or losses on hedges	(1,048)	(328)
Foreign currency translation adjustments	30,112	65,799
Remeasurements of defined benefit plans	(6,061)	78,688
Share of other comprehensive income of affiliates accounted for using equity method	18,067	15,580
Total other comprehensive income	99,663	210,717
Comprehensive income	231,936	379,678
Comprehensive income attributable to		
Owners of the parent	207,375	347,539
Non-controlling interests	24,561	32,139

(3) Consolidated Statement of Changes in Net Assets
Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	99,737	170,539	1,346,210	(20,781)	1,595,705
Hyperinflation adjustment			48		48
Restated balance at beginning of period	99,737	170,539	1,346,258	(20,781)	1,595,753
Changes of items during the period					
Cash dividends			(39,004)		(39,004)
Profit attributable to owners of parent			112,654		112,654
Purchases of treasury stock				(12)	(12)
Disposal of treasury stock		(0)		0	0
Change in scope of consolidation					—
Change in scope of equity method			(36,862)		(36,862)
Change in ownership interests arising from transactions with non-controlling shareholders		(3,722)			(3,722)
Other					
Total changes of items during the period	—	(3,722)	36,788	(12)	33,054
Balance at end of period	99,737	166,817	1,383,046	(20,793)	1,628,807

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized holding gains or losses on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	76,687	(1,366)	38,821	59,941	174,083	283,150	2,052,938
Hyperinflation adjustment			2,268		2,268	(33)	2,283
Restated balance at beginning of period	76,687	(1,366)	41,089	59,941	176,351	283,117	2,055,221
Changes of items during the period							
Cash dividends							(39,004)
Profit attributable to owners of parent							112,654
Purchases of treasury stock							(12)
Disposal of treasury stock							0
Change in scope of consolidation							—
Change in scope of equity method							(36,862)
Change in ownership interests arising from transactions with non-controlling shareholders							(3,722)
Other	58,345	(974)	44,169	(6,819)	94,721	(72,177)	22,544
Total changes of items during the period	58,345	(974)	44,169	(6,819)	94,721	(72,177)	55,598
Balance at end of period	135,032	(2,340)	85,258	53,122	271,072	210,940	2,110,819

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	99,737	166,817	1,383,046	(20,793)	1,628,807
Hyperinflation adjustment					—
Restated balance at beginning of period	99,737	166,817	1,383,046	(20,793)	1,628,807
Changes of items during the period					
Cash dividends			(39,004)		(39,004)
Profit attributable to owners of parent			149,723		149,723
Purchases of treasury stock				(10)	(10)
Disposal of treasury stock		0		0	0
Change in scope of consolidation			(41)		(41)
Change in scope of equity method			(16)		(16)
Change in ownership interests arising from transactions with non-controlling shareholders		(1,393)			(1,393)
Other					
Total changes of items during the period	—	(1,393)	110,662	(10)	109,259
Balance at end of period	99,737	165,424	1,493,708	(20,803)	1,738,066

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized holding gains or losses on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	135,032	(2,340)	85,258	53,122	271,072	210,940	2,110,819
Hyperinflation adjustment							—
Restated balance at beginning of period	135,032	(2,340)	85,258	53,122	271,072	210,940	2,110,819
Changes of items during the period							
Cash dividends							(39,004)
Profit attributable to owners of parent							149,723
Purchases of treasury stock							(10)
Disposal of treasury stock							0
Change in scope of consolidation							(41)
Change in scope of equity method							(16)
Change in ownership interests arising from transactions with non-controlling shareholders							(1,393)
Other	48,939	(339)	70,080	79,844	198,524	13,286	211,810
Total changes of items during the period	48,939	(339)	70,080	79,844	198,524	13,286	321,069
Balance at end of period	183,971	(2,679)	155,338	132,966	469,596	224,226	2,431,888

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	196,472	238,545
Depreciation and amortization	195,999	206,331
Share of loss (profit) of investments accounted for using the equity method	(11,485)	(20,177)
Decrease (increase) in trade notes and accounts receivable	(41,241)	4,886
Decrease (increase) in inventories	26,540	21,281
Increase (decrease) in trade notes and accounts payable	(7,322)	21,418
Other, net	(48,094)	(12,290)
Subtotal	310,869	459,994
Interest and dividends received	14,093	17,402
Interest paid	(14,988)	(30,330)
Income taxes paid	(44,783)	(53,601)
Net cash provided by (used in) operating activities	265,191	393,465
Cash flows from investing activities		
Purchase of property, plant and equipment	(184,467)	(179,323)
Proceeds from sale of property, plant and equipment	10,252	5,217
Purchase of investment securities	(478)	(4,214)
Proceeds from sales of investment securities	43,810	70,141
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	762
Other, net	(16,938)	(16,392)
Net cash provided by (used in) investing activities	(147,821)	(123,809)
Cash flows from financing activities		
Net increase (decrease) in short-term debt	86,272	(234,314)
Increase (decrease) in commercial papers	(1,000)	(7,000)
Proceeds from long-term debt	39,868	9,055
Repayments of long-term debt	(66,073)	(71,014)
Proceeds from issuance of bonds	10,000	90,000
Redemption of bonds	(10,000)	—
Payments for purchase of treasury stock	(3)	(4)
Cash dividends paid	(39,004)	(39,004)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(91,624)	(13,189)
Other, net	(26,726)	(26,843)
Net cash provided by (used in) financing activities	(98,290)	(292,313)
Effect of exchange rate change on cash and cash equivalents	4,812	11,287
Net increase (decrease) in cash and cash equivalents	23,892	(11,370)
Cash and cash equivalents at beginning of period	255,540	279,432
Increase in cash and cash equivalents from newly consolidated subsidiaries	—	211
Cash and cash equivalents at end of period	279,432	268,273

Segment Information

Reportable segment information for the years ended March 31, 2023 and 2024 was as follows:

Fiscal year ended March 31, 2023

(Millions of yen)

	Reportable segment					Total	Adjustments (Note 1)	Consolidated (Note 2)
	Environment & Energy	Infocommuni- cations	Automotive	Electronics	Industrial Materials & Others			
Sales to customers	900,755	244,962	2,184,541	327,846	347,457	4,005,561	—	4,005,561
Intersegment sales	27,484	5,363	2,308	38,167	15,839	89,161	(89,161)	—
Net sales	928,239	250,325	2,186,849	366,013	363,296	4,094,722	(89,161)	4,005,561
Segment profit or loss	37,920	21,926	55,745	38,349	23,978	177,918	(475)	177,443

1. Segment profit or loss included in Adjustments of ¥ (475) million consists mainly of unrealized profits caused by intersegment transactions.

2. Segment profit or loss is reconciled with operating income in the consolidated statement of income.

Fiscal year ended March 31, 2024

(Millions of yen)

	Reportable segment					Total	Adjustments (Note 1)	Consolidated (Note 2)
	Environment & Energy	Infocommuni- cations	Automotive	Electronics	Industrial Materials & Others			
Sales to customers	949,182	202,660	2,593,472	308,383	349,117	4,402,814	—	4,402,814
Intersegment sales	30,795	3,414	2,932	48,095	15,068	100,304	(100,304)	—
Net sales	979,977	206,074	2,596,404	356,478	364,185	4,503,118	(100,304)	4,402,814
Segment profit or loss	42,890	(11,552)	144,674	29,297	21,067	226,376	242	226,618

1. Segment profit or loss included in Adjustments of ¥ 242 million consists mainly of unrealized profits caused by intersegment transactions.

2. Segment profit or loss is reconciled with operating income in the consolidated statement of income.