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August 1, 2024

Consolidated Financial Results for the Three Months Ended June 30, 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 to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

(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	%
Three months ended								
June 30, 2024	1,115,547	12.2	53,285	181.4	58,793	242.9	31,763	—
June 30, 2023	994,123	13.3	18,936	(0.3)	17,148	(35.3)	1,928	(90.5)

Note: Comprehensive income For the three months ended June 30, 2024: ¥160,580 million [100.3%]
 For the three months ended June 30, 2023: ¥80,154 million [(1.8)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	40.73	—
June 30, 2023	2.47	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	4,630,035	2,546,094	50.0
March 31, 2024	4,365,397	2,431,888	50.6

Reference: Equity

As of June 30, 2024: ¥2,315,949 million
 As of March 31, 2024: ¥2,207,662 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	25.00	—	52.00	77.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		36.00	—	36.00	72.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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	2,260,000	9.1	106,000	57.4	107,000	76.1	55,000	106.0	70.52
Full year	4,600,000	4.5	250,000	10.3	243,000	12.8	145,000	(3.2)	185.93

Note: Revisions to the financial forecasts most recently announced: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: — company (Company name: —)

Excluded: — company (Company name: —)

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of June 30, 2024	793,940,571 shares
As of March 31, 2024	793,940,571 shares

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

As of June 30, 2024	14,074,557 shares
As of March 31, 2024	14,073,448 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	779,866,407 shares
Three months ended June 30, 2023	779,871,861 shares

* Review of attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and time deposits	269,744	308,805
Trade notes, accounts receivable and contract assets	912,430	867,262
Inventories	885,017	967,585
Other current assets	186,414	214,372
Allowance for doubtful receivables	(11,390)	(11,160)
Total current assets	2,242,215	2,346,864
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	323,798	330,753
Machinery, equipment and vehicles, net	460,343	474,640
Tools, furniture and fixtures, net	61,470	63,083
Other, net	252,540	263,655
Total property, plant and equipment	1,098,151	1,132,131
Intangible assets	39,831	40,141
Investments and other assets		
Investment securities	607,105	726,969
Other	378,841	384,678
Allowance for doubtful receivables	(746)	(748)
Total investments and other assets	985,200	1,110,899
Total non-current assets	2,123,182	2,283,171
Total assets	4,365,397	4,630,035

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Trade notes and accounts payable	479,831	498,422
Short-term debt	385,575	498,641
Current portion of bonds	10,000	10,000
Accrued income taxes	50,227	33,255
Provisions	3,172	2,058
Other current liabilities	378,565	387,045
Total current liabilities	1,307,370	1,429,421
Non-current liabilities		
Bonds	174,890	174,896
Long-term debt	164,579	156,710
Net defined benefit liabilities	52,935	54,414
Provisions	13,411	12,154
Other non-current liabilities	220,324	256,346
Total non-current liabilities	626,139	654,520
Total liabilities	1,933,509	2,083,941
Net assets		
Shareholders' equity		
Common stock	99,737	99,737
Capital surplus	165,424	165,328
Retained earnings	1,493,708	1,484,769
Treasury stock	(20,803)	(20,805)
Total shareholders' equity	1,738,066	1,729,029
Accumulated other comprehensive income		
Net unrealized holding gains or losses on available-for-sale securities	183,971	258,454
Deferred gains or losses on hedges	(2,679)	(4,253)
Foreign currency translation adjustments	155,338	202,781
Remeasurements of defined benefit plans	132,966	129,938
Total accumulated other comprehensive income	469,596	586,920
Non-controlling interests	224,226	230,145
Total net assets	2,431,888	2,546,094
Total liabilities and net assets	4,365,397	4,630,035

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

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	994,123	1,115,547
Cost of sales	849,426	924,770
Gross profit	144,697	190,777
Selling, general and administrative expenses	125,761	137,492
Operating profit	18,936	53,285
Non-operating income		
Interest income	512	812
Dividend income	2,483	3,334
Share of profit of investments accounted for using the equity method	2,962	9,019
Other income	3,552	6,230
Total non-operating income	9,509	19,395
Non-operating expenses		
Interest expenses	6,680	7,994
Other expenses	4,617	5,893
Total non-operating expenses	11,297	13,887
Ordinary profit	17,148	58,793
Extraordinary losses		
Loss on disposal of property, plant and equipment	587	516
Total extraordinary losses	587	516
Profit before income taxes	16,561	58,277
Income taxes	11,900	21,016
Profit	4,661	37,261
Profit attributable to non-controlling interests	2,733	5,498
Profit attributable to owners of parent	1,928	31,763

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	4,661	37,261
Other comprehensive income		
Net unrealized holding gains or losses on available- for-sale securities	38,672	73,027
Deferred gains or losses on hedges	1,563	(1,578)
Foreign currency translation adjustments	35,193	44,224
Remeasurements of defined benefit plans	(2,562)	(2,955)
Share of other comprehensive income of affiliates accounted for using equity method	2,627	10,601
Total other comprehensive income	75,493	123,319
Comprehensive income	80,154	160,580
Comprehensive income attributable to		
Owners of the parent	71,484	148,691
Non-controlling interests	8,670	11,889

Segment Information

Reportable segment information for the three months ended June 30, 2023 and 2024 was as follows:

Three months ended June 30, 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	201,162	47,721	589,533	69,194	86,513	994,123	—	994,123
Intersegment sales	6,875	646	978	10,324	4,045	22,868	(22,868)	—
Net sales	208,037	48,367	590,511	79,518	90,558	1,016,991	(22,868)	994,123
Segment profit or loss	3,689	(811)	7,426	3,621	4,747	18,672	264	18,936

Notes:

1. Segment profit or loss included in Adjustments of ¥ 264 million consists mainly of unrealized profits caused by intersegment transactions.
2. Segment profit or loss is reconciled with operating profit in the consolidated statement of income.

Three months ended June 30, 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	240,774	52,010	661,953	76,223	84,587	1,115,547	—	1,115,547
Intersegment sales	7,363	981	588	12,209	5,030	26,171	(26,171)	—
Net sales	248,137	52,991	662,541	88,432	89,617	1,141,718	(26,171)	1,115,547
Segment profit or loss	16,377	2,285	24,975	5,450	4,236	53,323	(38)	53,285

Notes:

1. Segment profit or loss included in Adjustments of ¥ (38) million consists mainly of unrealized profits caused by intersegment transactions.
2. Segment profit or loss is reconciled with operating profit in the consolidated statement of income.