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November 1, 2024

Consolidated Financial Results for the Six Months Ended September 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 file semi-annual securities report: November 6, 2024
 Scheduled date to commence dividend payments: December 2, 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 six months ended September 30, 2024 (from April 1, 2024 to September 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	%
Six months ended								
September 30, 2024	2,247,778	8.5	119,315	77.2	121,704	100.3	75,755	183.8
September 30, 2023	2,072,103	9.6	67,329	35.4	60,759	(0.2)	26,696	(23.9)

Note: Comprehensive income For the six months ended September 30, 2024: ¥144,226 million [(5.4)%]
 For the six months ended September 30, 2023: ¥152,494 million [18.1%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2024	97.14	—
September 30, 2023	34.23	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	4,454,771	2,528,670	51.7
March 31, 2024	4,365,397	2,431,888	50.6

Reference: Equity

As of September 30, 2024: ¥2,303,113 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	—	36.00			
Fiscal year ending March 31, 2025 (Forecast)			—	41.00	77.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

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
Full year	4,550,000	3.3	260,000	14.7	255,000	18.4	150,000	0.2	192.34

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 semi-annual 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 September 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 September 30, 2024	14,075,854 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)

Six months ended September 30, 2024	779,865,787 shares
Six months ended September 30, 2023	779,871,126 shares

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

* 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 September 30, 2024
Assets		
Current assets		
Cash and time deposits	269,744	276,301
Trade notes, accounts receivable and contract assets	912,430	834,582
Inventories	885,017	931,130
Other current assets	186,414	176,796
Allowance for doubtful receivables	(11,390)	(10,245)
Total current assets	2,242,215	2,208,564
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	323,798	319,221
Machinery, equipment and vehicles, net	460,343	444,217
Tools, furniture and fixtures, net	61,470	60,843
Other, net	252,540	271,334
Total property, plant and equipment	1,098,151	1,095,615
Intangible assets	39,831	46,289
Investments and other assets		
Investment securities	607,105	721,208
Other	378,841	383,823
Allowance for doubtful receivables	(746)	(728)
Total investments and other assets	985,200	1,104,303
Total non-current assets	2,123,182	2,246,207
Total assets	4,365,397	4,454,771

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Trade notes and accounts payable	479,831	470,122
Short-term debt	385,575	404,347
Current portion of bonds	10,000	10,000
Accrued income taxes	50,227	31,385
Provisions	3,172	2,223
Other current liabilities	378,565	371,860
Total current liabilities	1,307,370	1,289,937
Non-current liabilities		
Bonds	174,890	174,903
Long-term debt	164,579	145,843
Net defined benefit liabilities	52,935	52,270
Provisions	13,411	11,149
Other non-current liabilities	220,324	251,999
Total non-current liabilities	626,139	636,164
Total liabilities	1,933,509	1,926,101
Net assets		
Shareholders' equity		
Common stock	99,737	99,737
Capital surplus	165,424	165,319
Retained earnings	1,493,708	1,528,761
Treasury stock	(20,803)	(20,806)
Total shareholders' equity	1,738,066	1,773,011
Accumulated other comprehensive income		
Net unrealized holding gains or losses on available-for-sale securities	183,971	246,675
Deferred gains or losses on hedges	(2,679)	(4,165)
Foreign currency translation adjustments	155,338	159,552
Remeasurements of defined benefit plans	132,966	128,040
Total accumulated other comprehensive income	469,596	530,102
Non-controlling interests	224,226	225,557
Total net assets	2,431,888	2,528,670
Total liabilities and net assets	4,365,397	4,454,771

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

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	2,072,103	2,247,778
Cost of sales	1,744,887	1,852,436
Gross profit	327,216	395,342
Selling, general and administrative expenses	259,887	276,027
Operating profit	67,329	119,315
Non-operating income		
Interest income	1,134	1,724
Dividend income	4,123	5,119
Share of profit of investments accounted for using the equity method	6,387	16,994
Other income	7,509	8,394
Total non-operating income	19,153	32,231
Non-operating expenses		
Interest expenses	13,900	15,911
Other expenses	11,823	13,931
Total non-operating expenses	25,723	29,842
Ordinary profit	60,759	121,704
Extraordinary income		
Gain on sales of investment securities	2,449	2,180
Total extraordinary income	2,449	2,180
Extraordinary losses		
Loss on disposal of property, plant and equipment	1,224	1,309
Restructuring expenses	5,460	—
Total extraordinary losses	6,684	1,309
Profit before income taxes	56,524	122,575
Income taxes	22,185	35,866
Profit	34,339	86,709
Profit attributable to non-controlling interests	7,643	10,954
Profit attributable to owners of parent	26,696	75,755

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	34,339	86,709
Other comprehensive income		
Net unrealized holding gains or losses on available-for-sale securities	53,136	59,690
Deferred gains or losses on hedges	1,594	(1,457)
Foreign currency translation adjustments	52,746	(16,704)
Remeasurements of defined benefit plans	(4,154)	(4,687)
Share of other comprehensive income of affiliates accounted for using equity method	14,833	20,675
Total other comprehensive income	118,155	57,517
Comprehensive income	152,494	144,226
Comprehensive income attributable to		
Owners of the parent	135,775	135,865
Non-controlling interests	16,719	8,361

(3) Consolidated Statement of Cash Flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	56,524	122,575
Depreciation and amortization	101,885	102,657
Share of loss (profit) of investments accounted for using the equity method	(6,387)	(16,994)
Decrease (increase) in trade notes and accounts receivable	56,616	67,640
Decrease (increase) in inventories	(4,605)	(66,033)
Increase (decrease) in trade notes and accounts payable	25,039	(5,473)
Other, net	27,522	(3,764)
Subtotal	256,594	200,608
Interest and dividends received	7,961	11,209
Interest paid	(14,413)	(15,834)
Income taxes paid	(27,170)	(39,662)
Net cash provided by (used in) operating activities	222,972	156,321
Cash flows from investing activities		
Purchase of property, plant and equipment	(92,482)	(93,082)
Proceeds from sale of property, plant and equipment	1,636	2,776
Purchase of investment securities	(1,421)	(628)
Proceeds from sales of investment securities	3,078	2,320
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(7,126)
Other, net	(6,948)	(9,194)
Net cash provided by (used in) investing activities	(96,137)	(104,934)
Cash flows from financing activities		
Net increase (decrease) in short-term debt	(167,810)	27,762
Increase (decrease) in commercial papers	(7,000)	—
Proceeds from long-term debt	2,099	23,532
Repayments of long-term debt	(39,767)	(33,523)
Proceeds from issuance of bonds	90,000	—
Payments for purchase of treasury stock	(2)	(2)
Cash dividends paid	(19,502)	(40,564)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(13,184)	(956)
Other, net	(14,034)	(16,699)
Net cash provided by (used in) financing activities	(169,200)	(40,450)
Effect of exchange rate change on cash and cash equivalents	9,129	(4,404)
Net increase (decrease) in cash and cash equivalents	(33,236)	6,533
Cash and cash equivalents at beginning of period	279,432	268,273
Increase in cash and cash equivalents from newly consolidated subsidiaries	—	18
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	142
Cash and cash equivalents at end of period	246,196	274,966

Segment Information

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

Six months ended September 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	433,536	100,800	1,212,988	152,375	172,404	2,072,103	—	2,072,103
Intersegment sales	15,203	1,578	1,635	23,162	7,505	49,083	(49,083)	—
Net sales	448,739	102,378	1,214,623	175,537	179,909	2,121,186	(49,083)	2,072,103
Segment profit or loss	12,200	(810)	32,297	14,455	8,955	67,097	232	67,329

Notes:

1. Segment profit or loss included in Adjustments of ¥ 232 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.

Six months ended September 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	499,307	101,495	1,304,279	166,395	176,302	2,247,778	—	2,247,778
Intersegment sales	17,060	2,104	1,159	25,098	9,383	54,804	(54,804)	—
Net sales	516,367	103,599	1,305,438	191,493	185,685	2,302,582	(54,804)	2,247,778
Segment profit or loss	31,540	4,862	55,026	18,228	9,529	119,185	130	119,315

Notes:

1. Segment profit or loss included in Adjustments of ¥ 130 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.