SUMITOMO ELECTRIC
Connect with Innovation

FY2026 1st half results and annual forecasts

Sumitomo Electric Industries, Ltd.
November 12, 2026

SUMITOMO ELECTRIC GROUP

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(Reference)

- First Half Performance (by Segment)
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1. FY2026 1st half Results

1-1. Performance Summary

¥bn	FY2024 1H Actual	FY2025 1H Actual	FY2026 1H Plan	**FY2026 1H Actual**	Growth
Net Sales	2,247.8	2,373.5	2,640.0	**2,764.9**	+16%
Operating Profit	119.3	153.0	195.0	**219.6**	+43%
Ordinary Income	121.7	155.5	201.0	**231.2**	+49%
Profit Attributable to Owners of the Parent	75.8	97.9	140.0	**159.4**	+63%
Dividend(¥/share)	9.0	12.5	19.0	**19.0**	
USD		¥146		¥159	
EUR		¥168		¥184	
Copper		¥1461k/t		¥2278k/t	

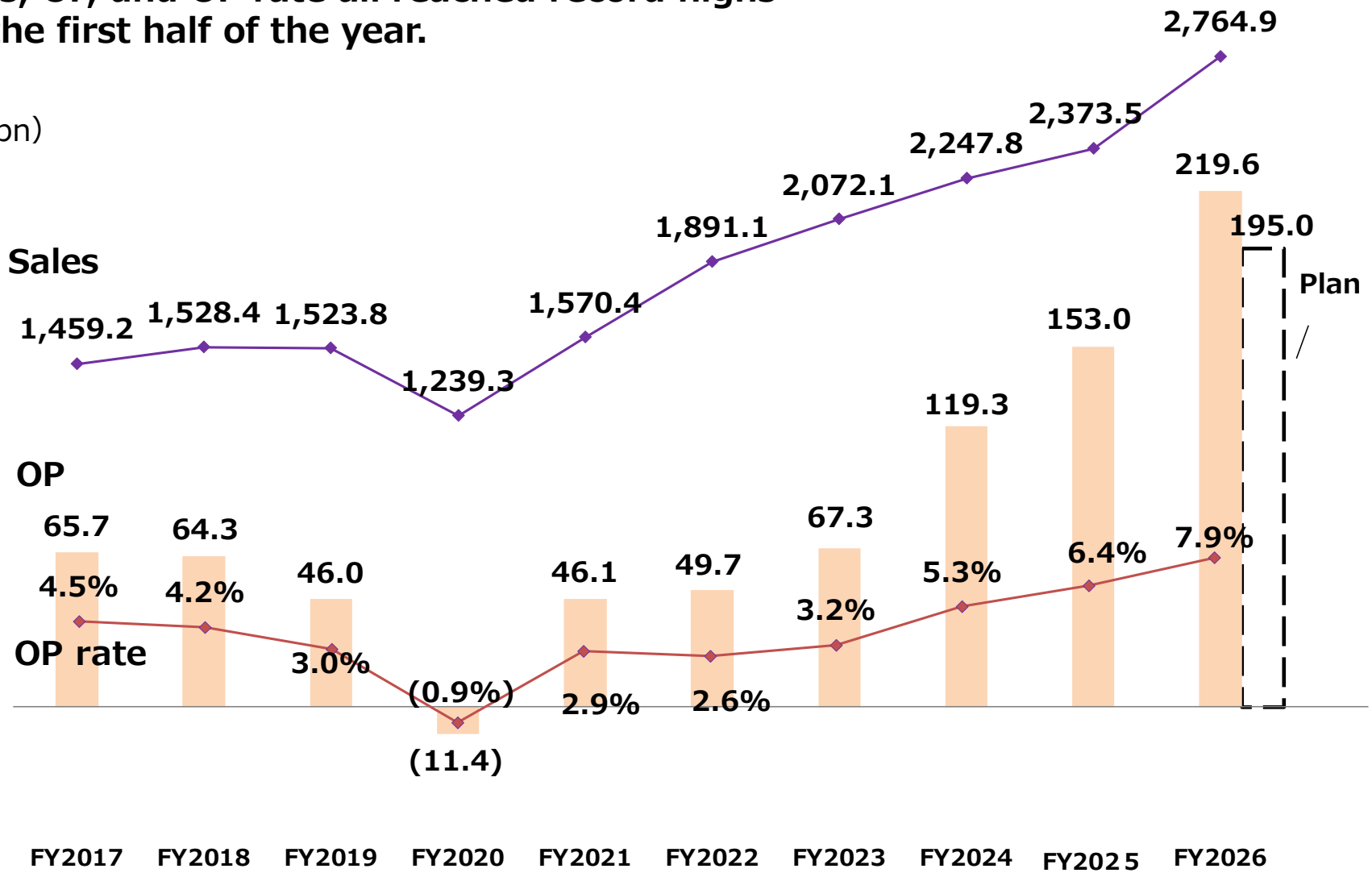
Net sales increased by 16% year-on-year, driven by expanded sales of optical connector products and optical devices for data centers, electric power cables, wire harnesses, FPCs, cemented-carbide products, as well as the impact of the weak yen and rising copper prices.

Operating income increased 43% year-on-year, driven not only by sales growth but also by product mix improvement, productivity improvement, and selling prices improvement.

Net sales, operating profit, ordinary income, and net profit all reached record highs for the first half of the fiscal year.

1-2. First Half Performance Trends

Sales, OP, and OP rate all reached record highs for the first half of the year.



1-3. Sales and OP by Segment

Across the three business segments of Info-communications, Electronics, and Industrial Materials, the company posted record-high segment profits.

¥ bn	FY2025 1H Actual①		FY2026 1H Plan②		**FY2026 1H Actual③**		Growth ③－①		Difference ③－②	
	Sales	OP	Sales	OP	**Sales**	**OP**	Sales	OP	Sales	OP
Environment and Energy	536.0	34.5	520.0	22.0	**546.5**	**33.2**	+10.5	(1.3)	+26.5	+11.2
[Of which Sumitomo Densetsu]	[99.0]	[8.6]					[(99.0)]	[(8.6)]		
Info-communications	135.4	22.1	200.0	54.0	**201.5**	**61.2**	+66.0	+39.2	+1.5	+7.2
Automotive	1,378.2	65.4	1,550.0	63.0	**1,616.6**	**53.8**	+238.4	(11.6)	+66.6	(9.2)
Electronics	197.3	18.0	220.0	26.0	**233.4**	**28.6**	+36.2	+10.6	+13.4	+2.6
Industrial Materials and Others	188.2	12.9	230.0	30.0	**241.1**	**42.7**	+52.9	+29.8	+11.1	+12.7
Total	2,373.5	153.0	2,640.0	195.0	**2,764.9**	**219.6**	+391.5	+66.5	+124.9	+24.6

※Differences between the aggregate of all segments and Total are consolidated eliminations.

1-4. BS as of FY2026 1st half end

¥ bn	FY2025 Atual①	**FY2026 1H Actual②**	Difference ②－①
Cash and Time Deposits	237.0	**223.4**	(13.5)
Trade Receivables	948.2	**960.8**	+12.6
Inventories	1,018.1	**1,219.8**	+201.7
Property, Plant and Equipment	1,189.4	**1,228.6**	+39.2
Investment Securities	713.0	**820.0**	+106.9
Other	718.7	**737.1**	+18.4
Total Assets	4,824.5	**5,189.9**	+365.3

¥ bn	FY2025 Actual①	**FY2026 1H Actual②**	Difference ②－①
Trade Payables	487.7	**554.9**	+67.3
Interest Bearing Debt	709.8	**795.7**	+85.9
Other	792.1	**874.0**	+81.9
Total Liabilities	1,989.5	**2,224.6**	+235.1
Total Shareholders' Equity	2,124.5	**2,202.1**	+77.5
Total Accumulated Other Comprehensive Income	618.9	**673.6**	+54.6
Non-Controlling Interests	91.6	**89.6**	(1.9)
Total Net Assets	2,835.0	**2,965.3**	+130.3
Total Liabilities and Net Assets	4,824.5	**5,189.9**	+365.3

1-5. Free cash flow

¥ bn	FY2025 1H①	**FY2026 1H②**	Difference ②－①
Profit before Income Taxes	158.1	**236.3**	+78.2
Depreciation and Amortization	101.3	**109.4**	+8.1
Changes in Working Capital	5.6	△**164.3**	(169.9)
Other	△13.1	△**42.0**	(28.9)
Cash Flows from Operating Activities	251.9	**139.4**	(112.6)
Purchase of Property, Plant and Equipment	△110.8	△**124.8**	(14.0)
Proceeds from Sales of Investment Securities	1.7	**7.6**	+6.0
Other	△8.9	△**5.1**	+3.9
Cash Flows from Investing Activities	△118.1	△**122.2**	(4.1)
Free Cash Flow	133.8	**17.2**	(116.7)

2 . FY 2026 Annual Forecast

2-1. Summary of Business Environment

While the outlook for the global economy remains uncertain amid growing political and geopolitical risks, including tensions in the Middle East and between the U.S. and China, as well as concerns about an economic slowdown due to global inflation and monetary tightening, the following factors are expected to support growth:

- ✓ Demand for data center-related products is expected to continue to grow.
- ✓ Progress of decarbonized society continues, investment in energy infrastructure and renewable energy is brisk.
- ✓ The automotive sector is expected to see medium-to-long-term growth driven by CASE advancements.

Business opportunities are expected to expand further going forward.

Based on the results of the first half of the year and future prospects, the profit forecast has been revised upwards.

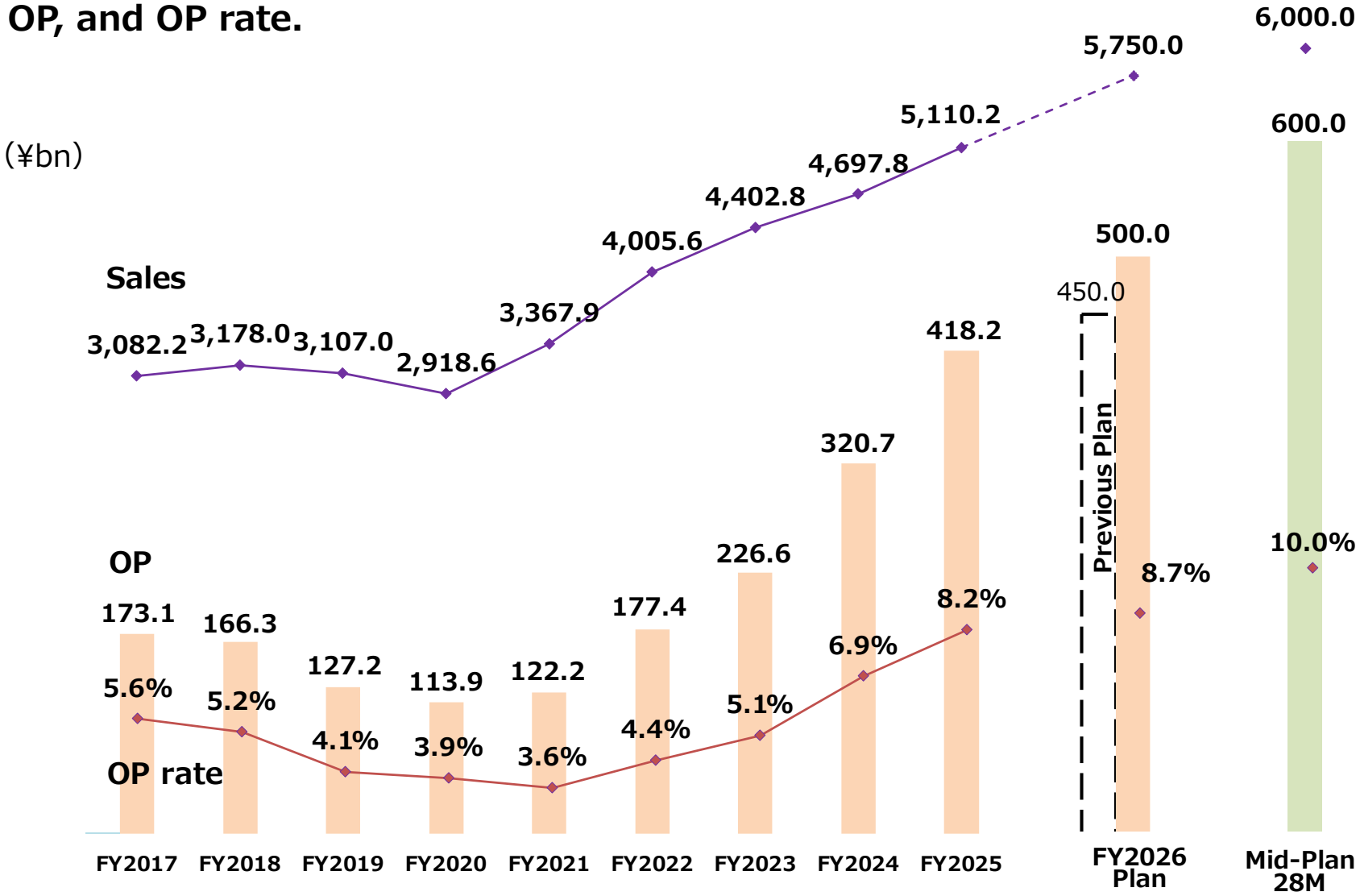
2-2. Consolidated performance forecast

¥bn	FY2025 Actual①	FY2025	FY2026 Previous Plan②	FY2026 Revised Plan③	Growth ③－①	Dfference ③－②
Net Sales	5,110.2		5,400.0	**5,750.0**	+639.8	+350.0
Operating Profit	418.2		450.0	**500.0**	+81.8	+50.0
Ordinary Income	431.3	[Excluding Gain on Sale of Sumitomo Densetsu]	460.0	**515.0**	+83.7	+55.0
Profit Attributable to Owners of the Parent	369.5	[299.3]	340.0	**370.0**	+0.5	+30.0
Before-tax ROIC	14.7%	[12.5%]		13.9%		
ROE	14.7%	[11.9%]		12.9%		
			(From 2Q)	(2nd half)		
USD	¥151		¥150	¥155		
EUR	¥175		¥170	¥180		
Copper	¥1695k/t		¥1900k/t	¥2100k/t		

Based on the latest business conditions, we have revised upward the forecast announced in July.
Net sales, operating profit, ordinary income, and net profit are all expected to reach record highs.

2-3. Performance Trends

We are expected to achieve record-high sales, OP, and OP rate.



2-4. Sales and OP by Segment

We revised our forecasts by segment based on first-half results and the current business environment.

Info-communications segment is expected to significantly surpass its previous record profit (FY2025: 77.4 billion yen).

¥bn	FY2025 Actual①		FY2026 Previous Plan②		**FY2026 Revised Plan③**		Growth ③－①		Difference ③－②	
	Sales	OP	Sales	OP	**Sales**	**OP**	Sales	OP	Sales	OP
Environment and Energy	1,178.8	90.6	1,090.0	50.0	**1,170.0**	**62.0**	(8.8)	(28.6)	+80.0	+12.0
[Of which Sumitomo Densetsu]	[228.4]	[25.6]					[(228.4)]	[(25.6)]		
Info-communications	326.6	77.4	500.0	133.0	**510.0**	**156.0**	+183.4	+78.6	+10.0	+23.0
Automotive	2,937.2	179.7	3,100.0	180.0	**3,290.0**	**165.0**	+352.8	(14.7)	+190.0	(15.0)
Electronics	409.1	39.5	420.0	37.0	**450.0**	**41.0**	+40.9	+1.5	+30.0	+4.0
Industrial Materials and Others	388.4	31.4	460.0	50.0	**500.0**	**76.0**	+111.6	+44.6	+40.0	+26.0
Total	5,110.2	418.2	5,400.0	450.0	**5,750.0**	**500.0**	+639.8	+81.8	+350.0	+50.0

※Differences between the aggregate of all segments and Total are consolidated eliminations.

3. Status and Initiatives by Segment

3-1. Environment and Energy

Left:Sales Right:OP (¥bn)

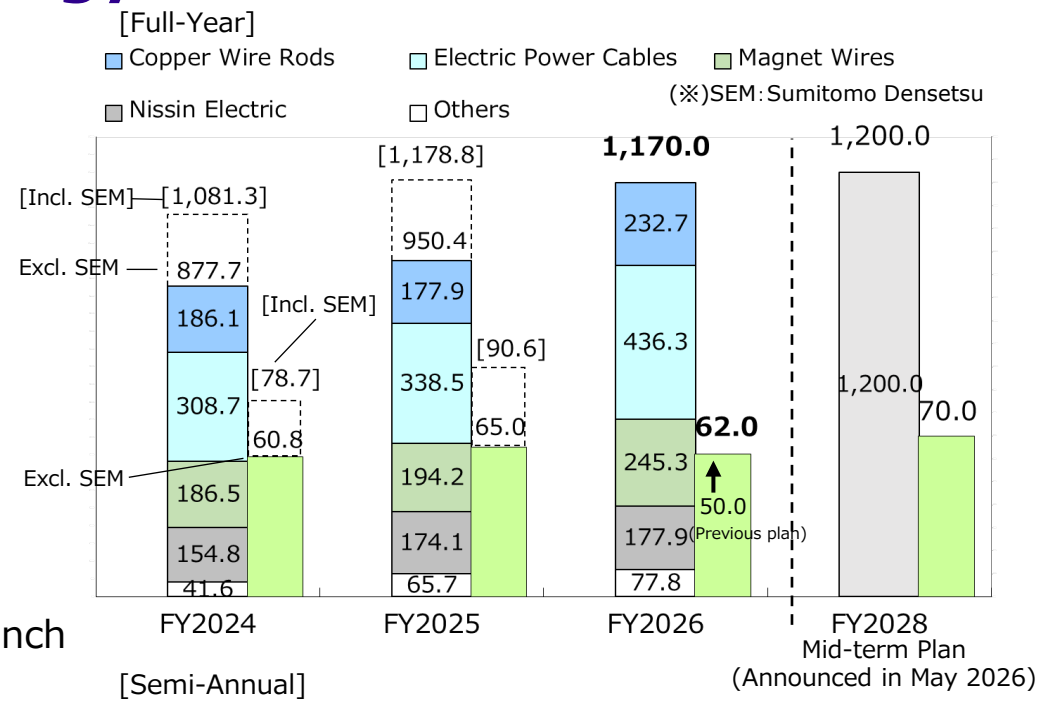
Business environment

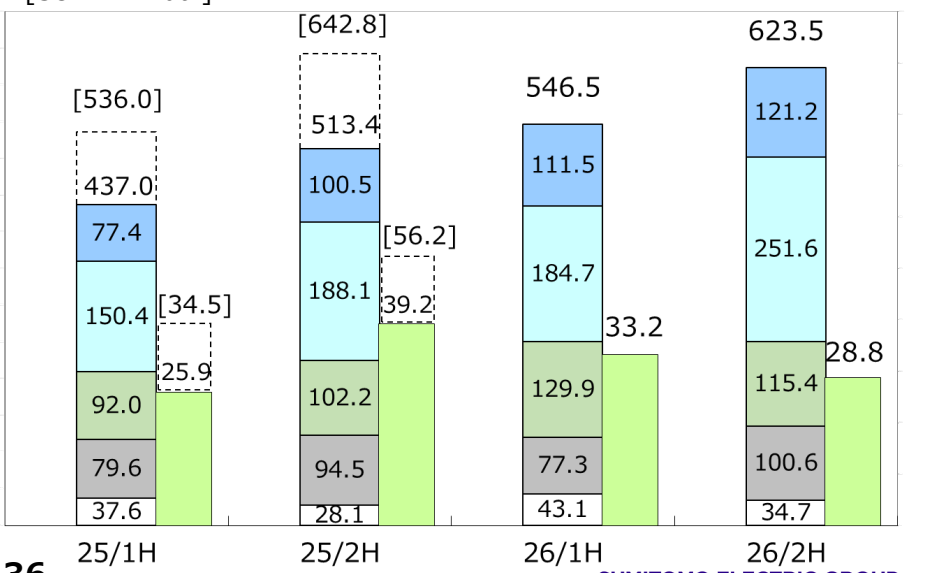
・The shift toward a decarbonized society continues. Investment in energy infrastructure is very active in Japan and overseas, and demand for electric power cable and transmission and distribution equipment will remain bullish.

・Steady demand for the rectangular magnet wires for electric vehicles.

Initiatives

- ✓ Increase orders for electric power cable, launch new European plant, reduce costs, improve quality, develop new products, and strengthen project management
- ✓ Expand production capacity for transmission and distribution equipment, increase orders, and strengthen development and proposals for environmentally friendly products
- ✓ Reduce costs for the rectangular magnet wires used in electric vehicles and develop next-generation products





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3-2. Info-communications

Business environment

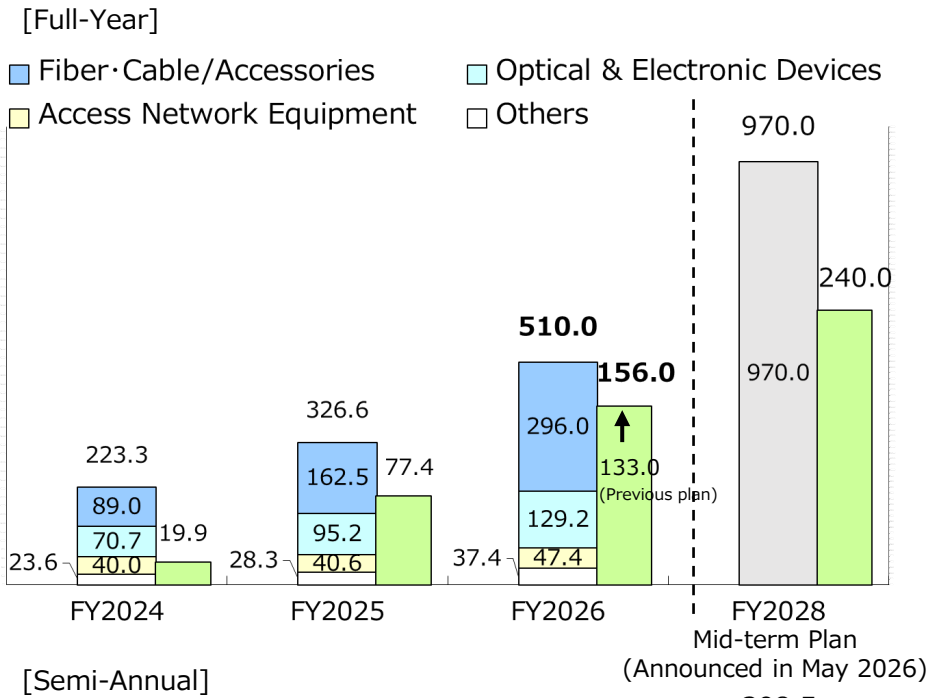
・Capital investment by data center providers continues to rise, leading to further growth in demand for related products (optical connectors, optical cables, optical devices, and compound semiconductor substrates).

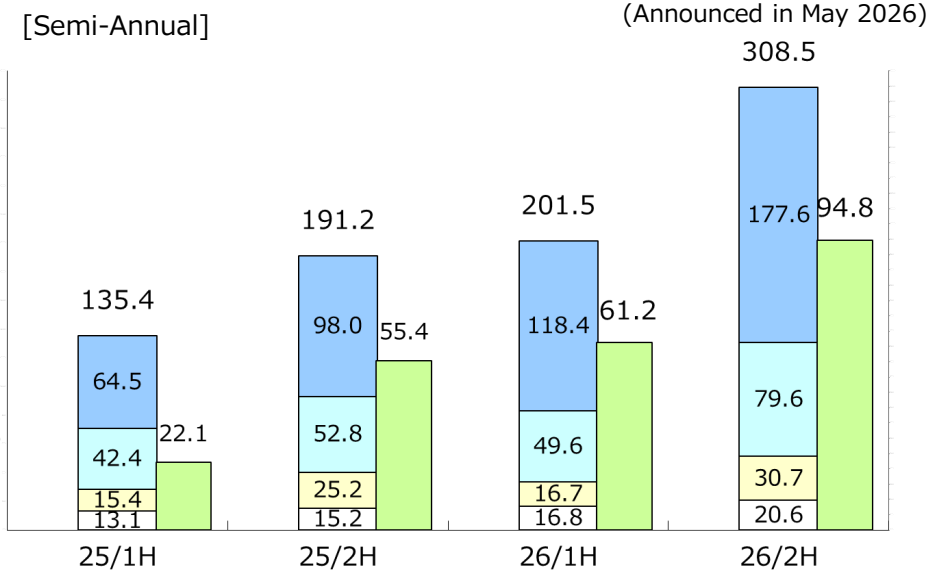
・As the volume of data transmission increases, demands for higher speeds, lower latency, and lower power consumption will become even greater.

Initiatives

- ✓ Stregnthen production capacity, develop new products and promote sales for data center products (Optical connectors, optical devices, optical cables, compound semiconductor substrates)
- ✓ Develop and promote ultra low-loss, high-capacity optical fiber for use as submarine cables
- ✓ Develop and promote high-efficiency GaN devices

Left:Sales Right:OP (¥bn)





3-3. Automotive

Left:Sales Right:OP (¥bn)

Business environment

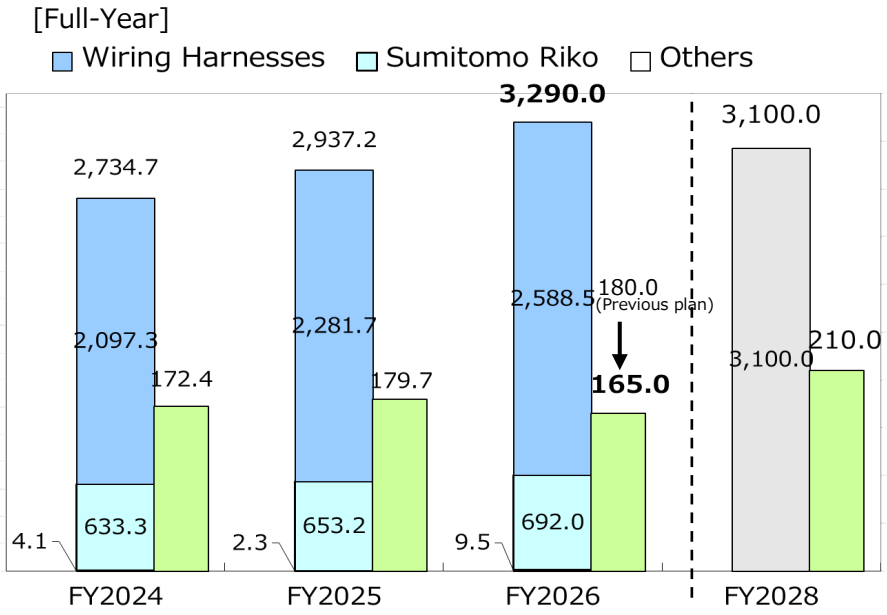
・Global automobile production is expected to be roughly on par with the previous fiscal year.

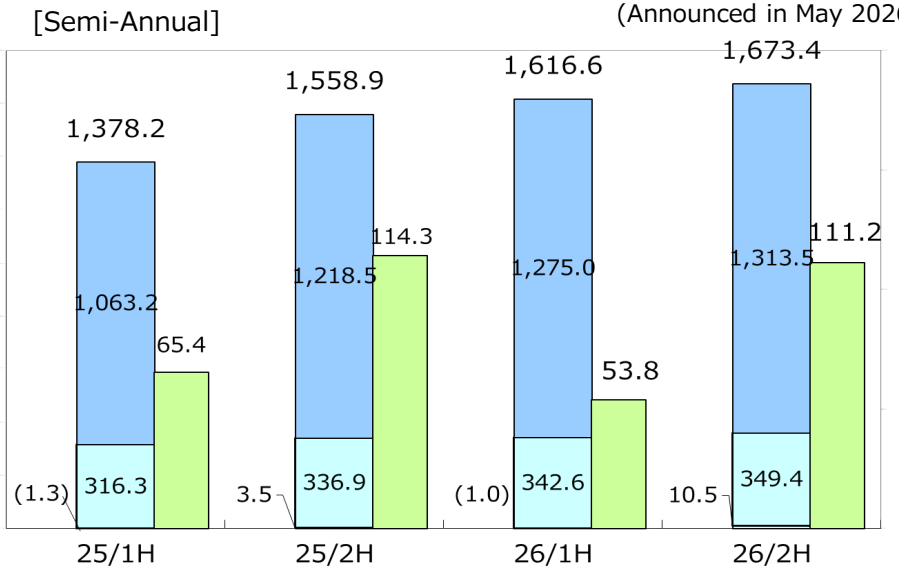
・Demand for electric vehicles is growing alongside soaring fuel prices. In addition, we have seen an increase in inquiries for connected products and other solutions designed to support the growing sophistication and intelligence of vehicles.

・Rising raw material prices due to the situation in the Middle East and higher copper prices are weighing on earnings.

Initiatives

- ✓ Strengthen the global supply chain (utilizing digital transformation and AI, reforming the supply chain, and promoting the Smart Factory Concept)
- ✓ Develop and expand sales of new CASE-compatible products, acquire new customers, and develop new markets
- ✓ Create synergies by leveraging the combined strengths of the Group, including Sumitomo Riko





3-4. Electronics

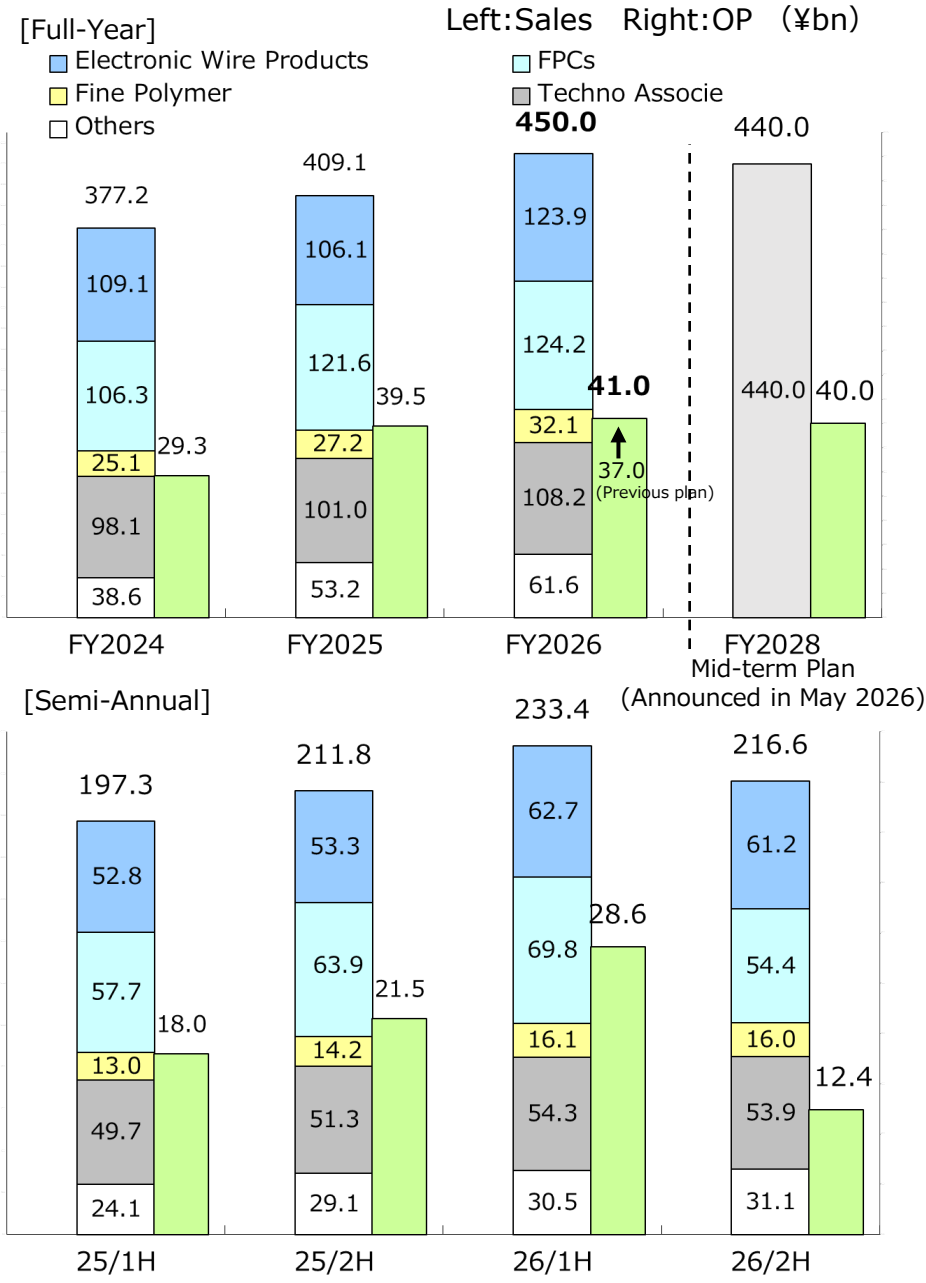
Business environment

・FPC demand remains steady for major customers. Demand slows down in the second half due to seasonal factors.

・In addition to growing demand in the automotive and aviation sectors, the electronic wire market is also expanding into new fields such as the medical sector.

Initiatives

- ✓ Further improve the performance of FPCs and expand sales to new fields (data center-related, etc.)
- ✓ Increase production of electronic wires for the automotive and aviation sectors, and expand sales into new fields (medical, aerospace, and semiconductor equipment-related sectors)
- ✓ Expand market share of heat-shrinkable tubing in the automotive/aviation sectors, and expand sales to new fields (data center-related, semiconductor equipment-related, etc.)
- ✓ Achieve thorough total cost reduction



3-5. Industrial Materials

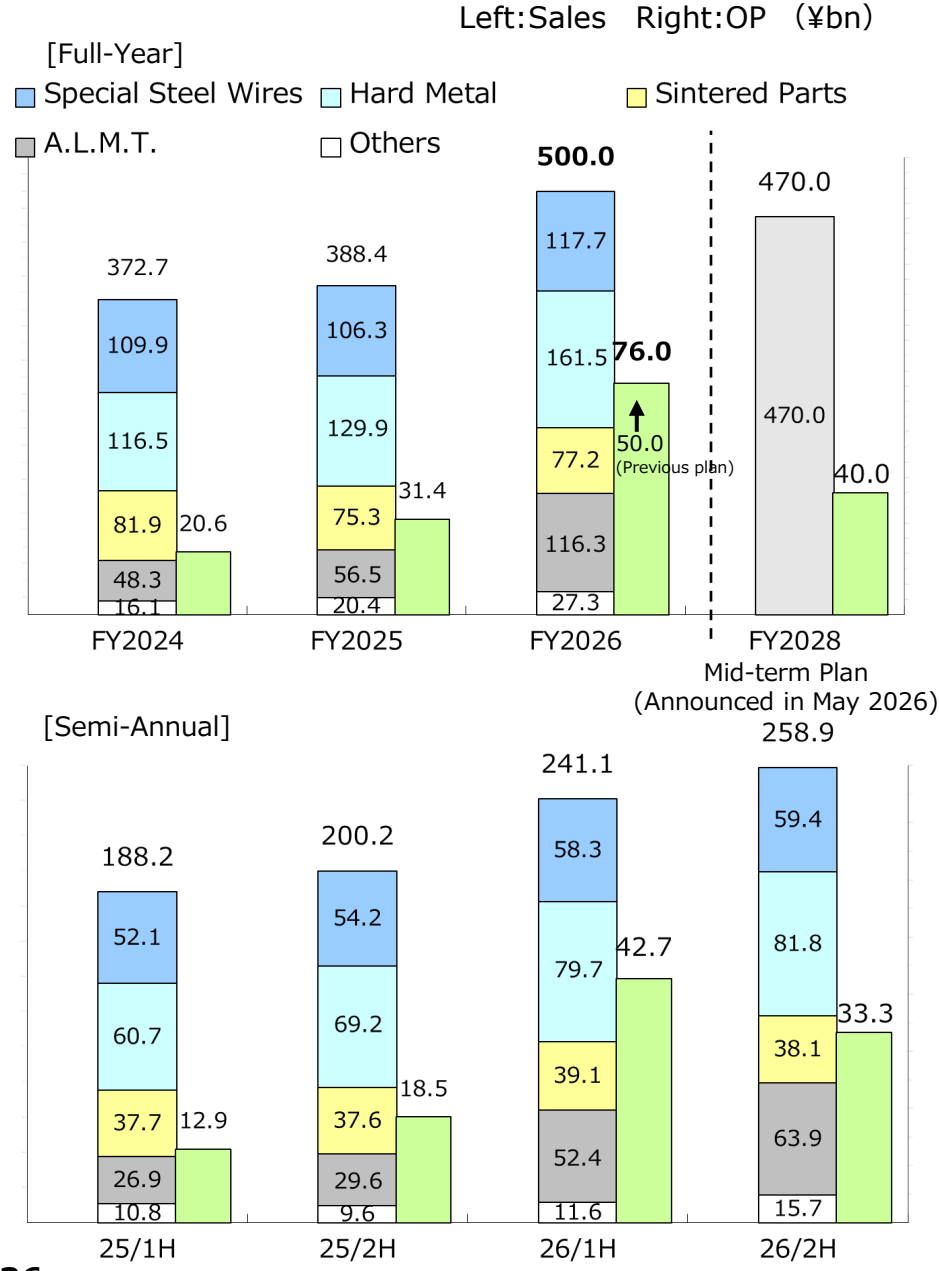
Business environment

・With tungsten prices remaining high, demand for tungsten powder and cemented-carbide tools remains strong, and tight supply-demand conditions persist.

・ Demand is increasing for tools designed for difficult-to-machine materials, such as those used in the aviation and semiconductor industries. Emerging markets like India are also growing.

Initiatives

- ✓ Global sales promotion of cemented-carbide tools; breaking into new markets (electric vehicles, aircraft, semiconductors) and expanding market share
- ✓ Strengthen the recycling of tungsten materials
- ✓ Develop and promote new sintered products for EVs and non-vehicle use, and enhance cost-competitiveness
- ✓ Reinforce manufacturing and selling structure for PC steel materials and wire used in springs while improving profitability by developing new products



4. Topics

4-1. European Power Cable Business

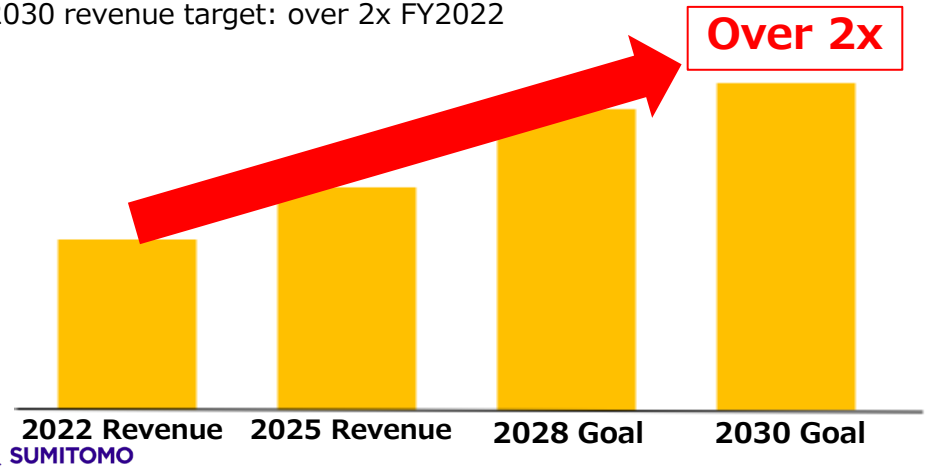
Global renewable energy investment for decarbonization is driving demand for HVDC cables, mainly in Europe. Sumitomo Electric Groupe has been globally awarded by major TSOs with its world-class technology and manufacturing capabilities.

Strengths

- **Technology :** DC insulation compound – high insulation, polarity reversal, 90°C heat resistance
- **Manufacturing :** European bases(UK,Germany) – cost competitiveness, local reputation, rapid maintenance response
- **Track record :** NEMO Link and Greenlink completed on schedule; zero accidents since; high client praise incl. quality

Company Mid-Term Goals for Power Cable Business (Worldwide Total)

FY2030 revenue target: over 2x FY2022



Order Intake in Europe

Country	PJ name	Type		Completion
UK-Belgium	NEMO Link	Submarine	400kV/283km	2019
UK-Ireland	Greenlink	Submarine	320kV/380km	2024
UK	Shetland2	Submarine	525kV/660km	2032
UK	Sea Link	Submarine	525kV/254km	2031
Germany	A-Nord	Under-ground	525kV/640km	2028
Germany	V49	Under-ground	525kV/610km	2033
Germany	DC35	Under-ground	525kV/1590km	2032

Focus: SSE* and National Grid (UK), Amprion (Germany)

*Scottish and Southern Energy plc

4-1. European Power Cable Business

To enhance our responsiveness in the European market, we have established new facilities in the UK and Germany.

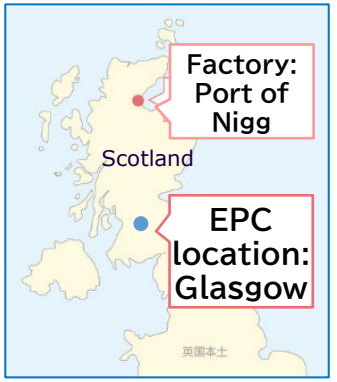
*abbr. of Engineering, Construction, Manufacturing

UK

SEUK : Eng., constr., and Mfg.* of Submarine cables

May 2023 Established
May 2024 Factory construction starts (£350M)
Oct 2026 Opening ceremony
2027 Mass production starts (planned)

・Shetland2, Sea Link to be manufactured



Germany

SEP-E : Eng. and constr. of Underground cables

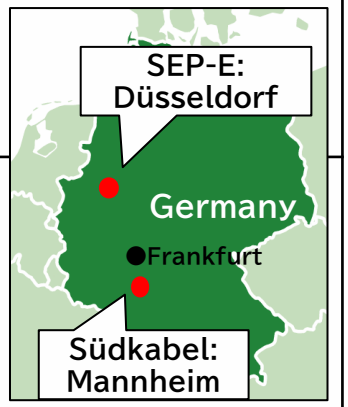
Feb 2026 Established

・V49, DC35 to be implemented

Südkabel : Eng., constr., and Mfg. of Underground cables

Oct 2024 Became a subsidiary of Sumitomo Electric

・A-Nord under manufactured
・V49, DC35 to be manufactured



Strong European demand for DC interconnectors and offshore wind to continue – secure further projects by leveraging our strengths and track record.

4-1. European Power Cable Business

Oct 19, 2026:Opening Ceremony of SEUK



<From left: John Swinney (First Minister of Scotland), Masayoshi Matsumoto (Chairman, Sumitomo Electric), Douglas Alexander (Secretary of State for Scotland)>



<Attendees>



<Osamu Inoue,
(President, Sumitomo Electric)>

4-2. Redox Flow Battery

Redox Flow Batteries

A high-capacity storage battery that charges and discharges through redox reactions of ions, with the electrolyte circulated by a pump

Reduction
Oxidation
Flow
] **Redox Flow**


Inside Minami-Hayakita Substation of HEPCO Network

Major Features

We are seeing an increase in interest across a wide range of applications including power grid stabilization, the effective utilization of renewable energy, strengthening power resilience, and business continuity planning (BCP), and deployment is expanding

Fire Safety (Extremely low fire risk)	The electrolyte is non-flammable and all other components are made from flame-retardant materials Does not qualify as a hazardous material under Japan's Fire Service Act A project to install the system at operating coal mine is currently underway in Australia
Long Life (30-year operational lifespan)	Designed for long-term reliability with minimal degradation of electrolyte and electrodes With proper maintenance, it can be operated for 30 years
Eco-friendly	The electrolyte can be reused, and 99% (by weight) of system materials can be recycled
Superior Life Cycle Cost	The system achieves low life cycle costs in long-duration configurations

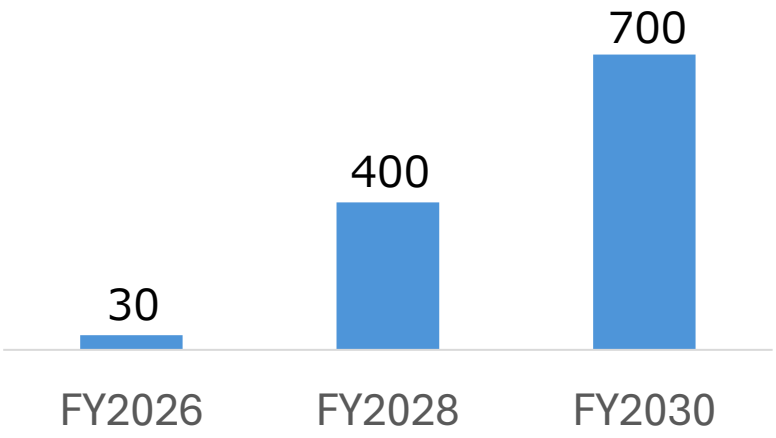
4-2. Redox Flow Battery

Business Environment and Our Strategy

As the adoption of renewable energy continues to progress, demand for high-capacity grid-scale batteries is increasing, serving as a measure to stabilize the power grid.

In the **Long-Term Decarbonized Power Auction** launched in Japan in fiscal year 2023, a category for “non-lithium battery energy storage” was established starting in fiscal year 2025, further raising expectations for our redox flow batteries. We will steadily capitalize on these market opportunities while continuing to expand our production capacity.

Sales Target (100 million yen)



Long-Term Decarbonized Power Auction
This is a bidding system through which the national government supports new investments in and the upgrading of decarbonized power sources, with the goal of achieving carbon neutrality by 2050 and ensuring a stable supply of electricity.
Energy storage systems are also included in the scope of the program, and in the fiscal year 2025 auction, contracts for over 1.2 GW of energy storage systems were awarded. The Organization for Cross-regional Coordination of Transmission Operators, Japan (OCCTO) is responsible for administering the program.

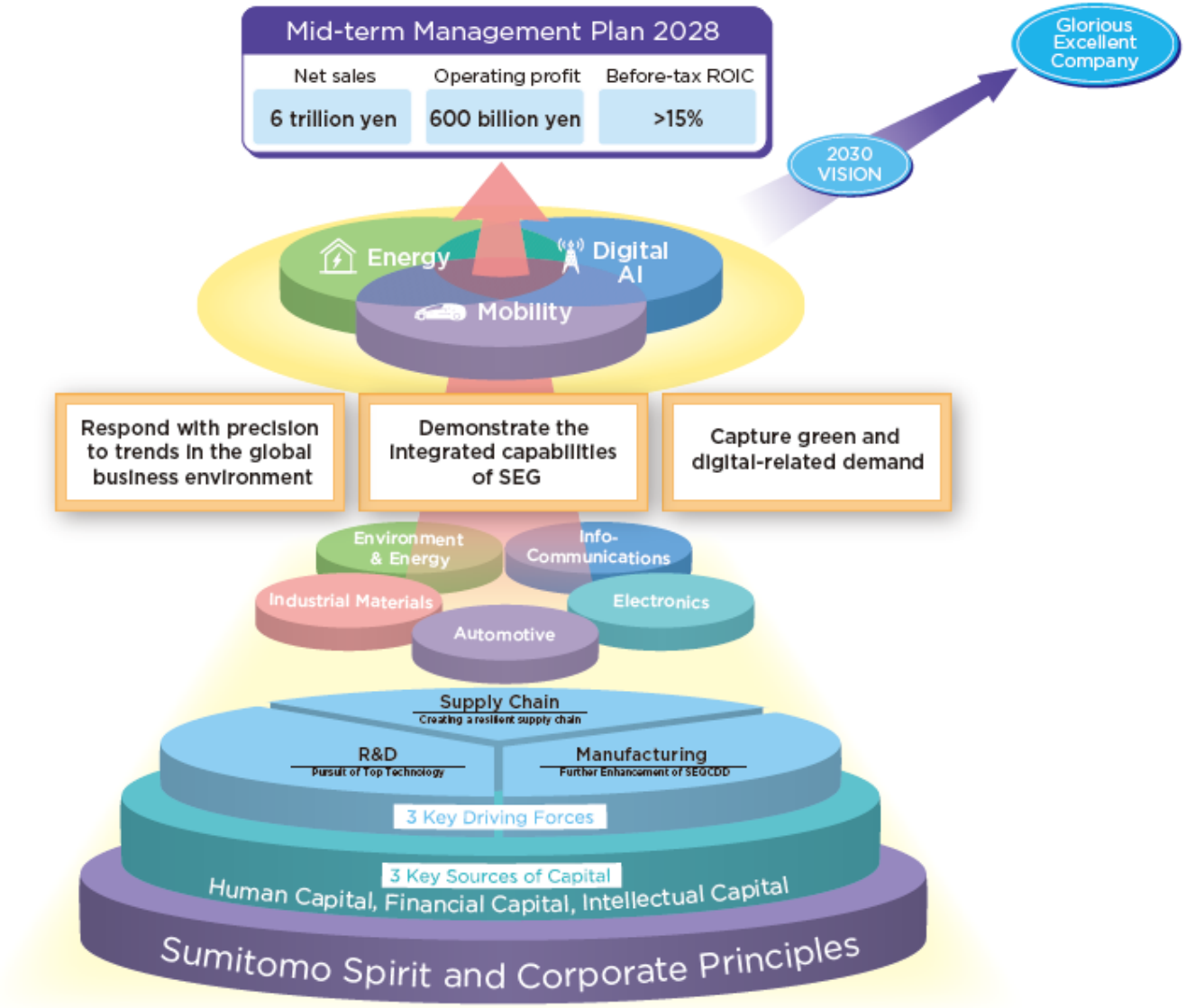
5. Toward Enhancing Corporate Values

5-1. Medium-Term Management Plan 2028

As the second step toward our 2030 vision, we have established the Medium-Term Management Plan 2028



5-1. Medium-Term Management Plan 2028



5-1. Medium-Term Management Plan 2028

Aiming for sustainable enhancement of corporate values by pursuing growth and efficiency through growth strategies and strengthening of the foundation set forth in the Mid term Management Plan 2028.

Growth Potential

Three focal areas:
"Digital / AI" "Energy" "Mobility"

Net sales of green and digital-related products
2 trillion yen in 2025 → 3.5 trillion yen in 2028 target

R&D (cumulative total over 3 years)
FY23-25 results 461.2 billion yen → **28M 540.0 billion yen**

Capital Investment (cumulative total over 3 years)
FY23-25 results 680.3 billion yen → **28M 1 trillion yen**

Efficiency

FY25 results Before-tax ROIC 12.5%
*excluding gain on sale of Sumitomo Densetsu ROE 11.9%

28M Target Before-tax ROIC of 15% or more
ROE 13% or more

Maximize cash generation through efficiency.

EBITDD 2.7 trillion yen over 3 years

EBITDD: Earnings Before Interest Taxes Depreciation and Development

5-2. Initiatives to Improve ROIC

Set ROIC as the most important indicator for efficiency improvement and work on improvement.

ROIC Tree Items		Focal Initiatives
Improving profitability	Improving operating margin ratio	・Improving profitability through higher added value ・Pursuing innovative technologies and manufacturing methods ・Improving orders-received profitability
	Reducing interest rate burden	・Reducing interest-bearing debt (to improve financial soundness)
Improving asset efficiency	BS overall	・Strengthening division-specific B/S and free CF management (estimation of WACC by division) ・Reviewing cross shareholdings
	CCC (Improving working assets)	・Optimizing inventory balances and number of days held ・Improving balance of receivables and payables and number of days held
	Tangible fixed assets	・Capital investment management (Improving investment certainty and strengthening investment budget management)

5-2-1. Initiatives to Improve Profitability

Adding High Value **Pursuit of high value-added products through "business metabolism"**

Environment and energy



Extra-high-voltage DC power cables

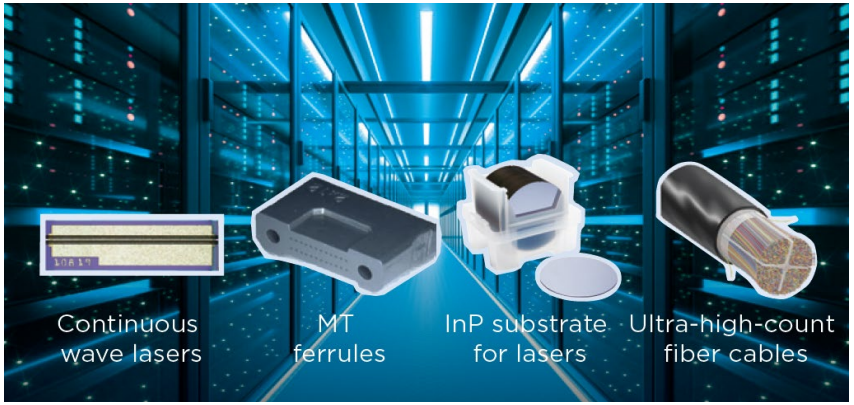


Environmentally friendly transmission and distribution equipment



Rectangular Magnet wires for driving motors

Info-communications

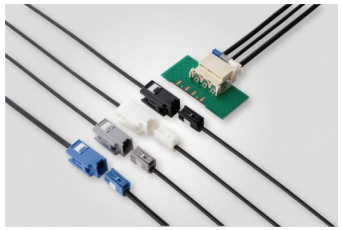


Fiber optic products for data centers

Automotive

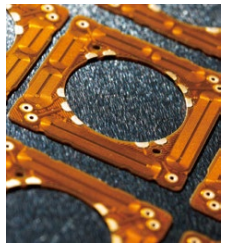


Battery busbar module

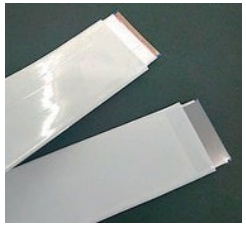


High-speed communication connector

Electronics

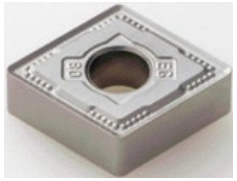


Ultra fine pitch FPC
Flexible printed circuits



High-speed transmission FFCs
Flexible flat cables

Industrial materials



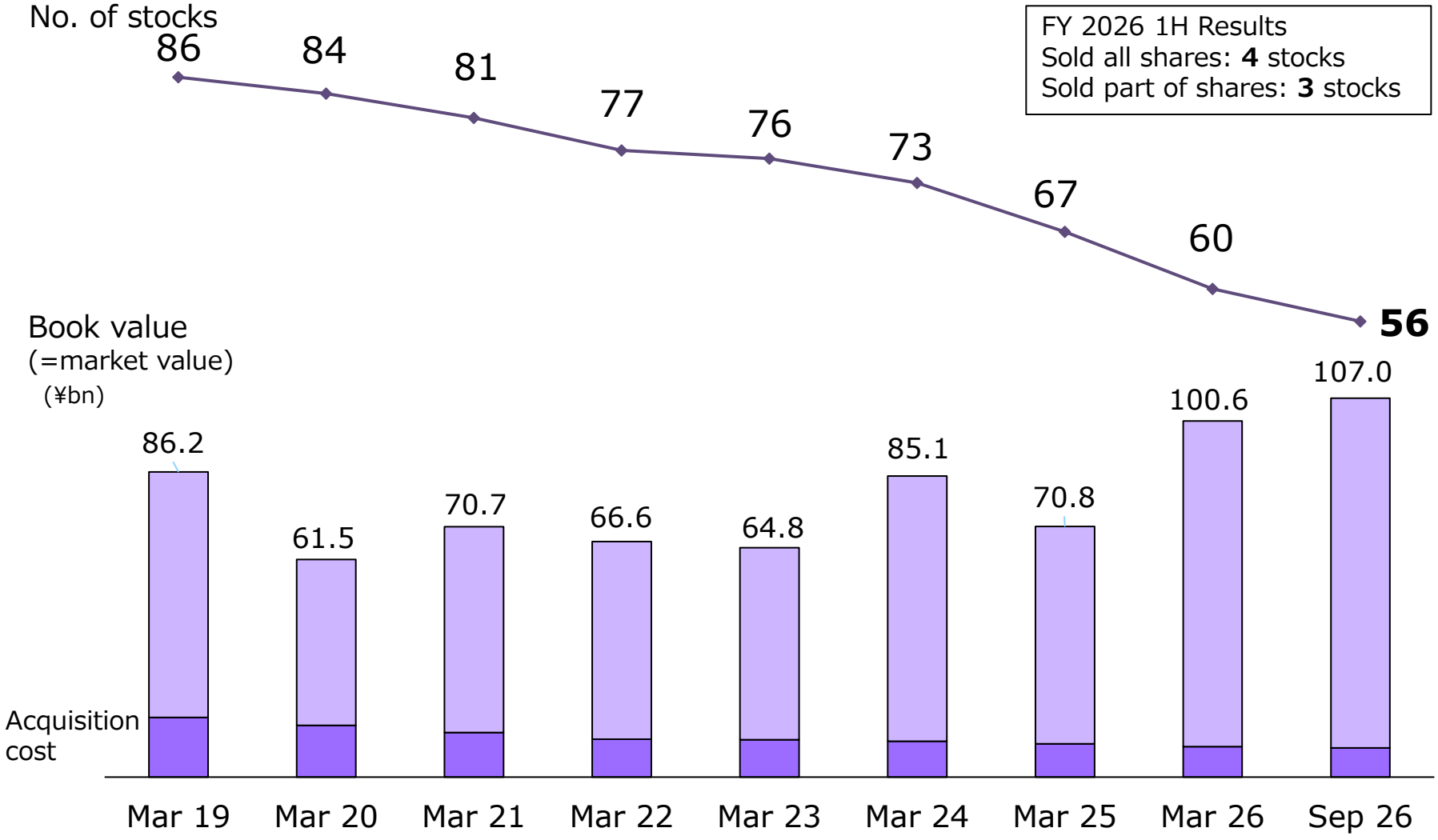
Cemented carbide inserts for aircraft



Coated cemented carbide drills For semiconductor applications

5-2-2. Initiatives to Improve Asset Efficiency

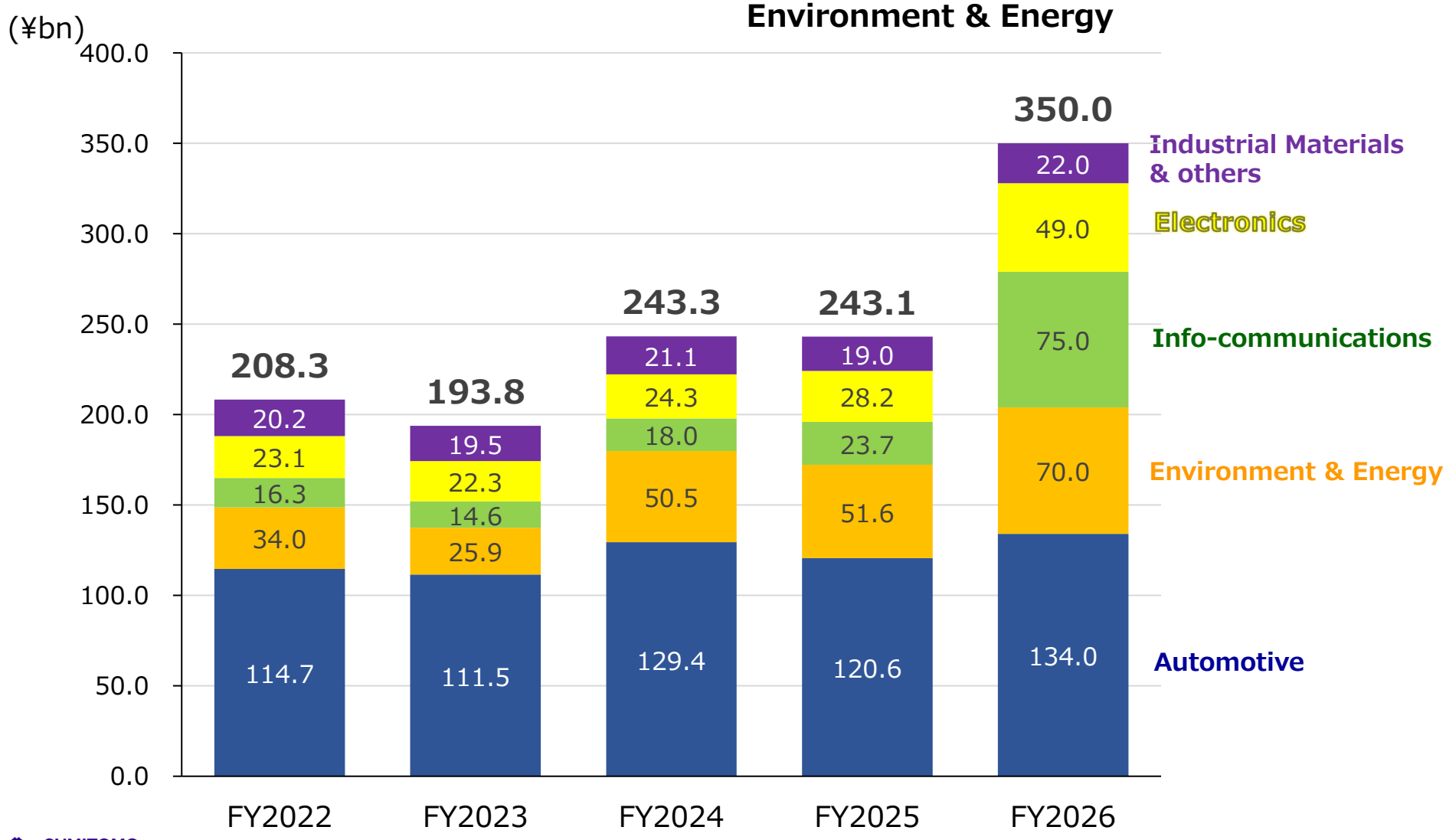
Strategic shareholdings



5-3. Capital investment

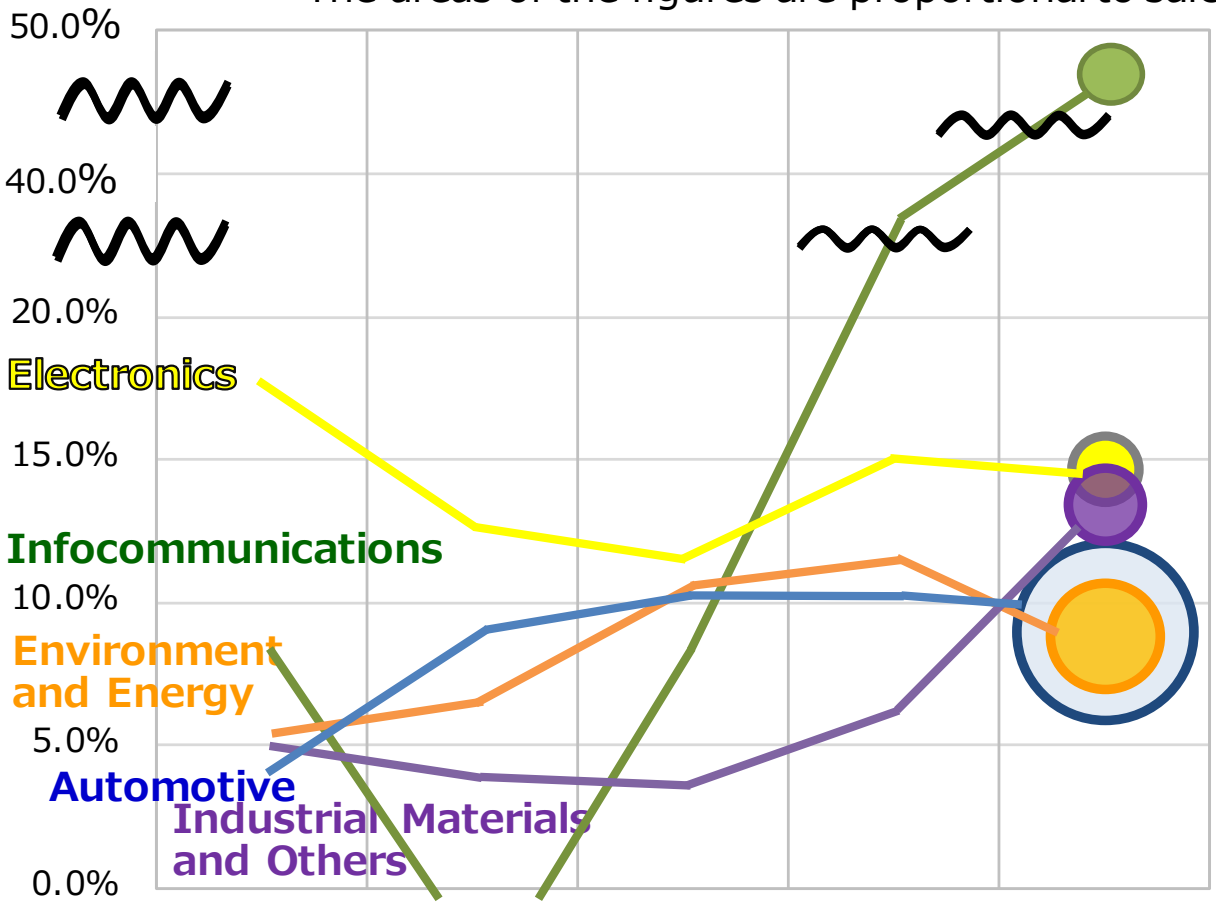
Capital investment by segment

Actively implement capital investment primarily in Info-communications and Environment & Energy



5-4. ROE and ROIC by segment

* The figure below is OP ROIC trends
* The areas of the figures are proportional to sales

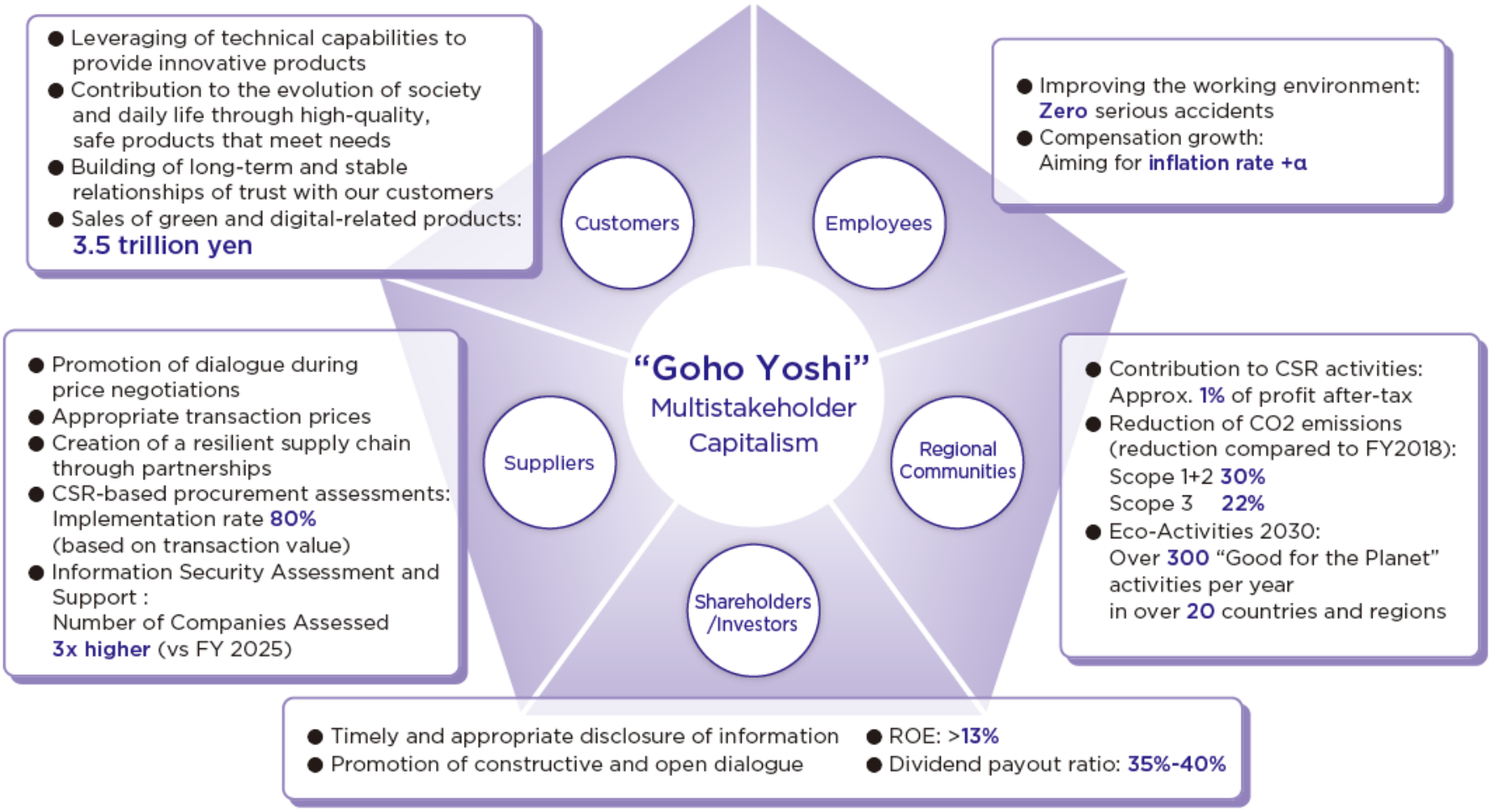


	FY2022	FY2023	FY2024	FY2025	FY2026	28M Plan
Operating profit ROIC	5.9%	7.2%	9.8%	12.2%	13.4%	
Before-tax ROIC	6.6%	7.6%	9.3%	※12.5%	13.9%	**15% or more**
ROE	6.1%	7.3%	8.6%	※11.9%	12.9%	**13% or more**

※Excluding gain on sale of Sumitomo Densetsu

5-5. “Goho Yoshi” (Five-Way Win) Multi-Stakeholder Capitalism

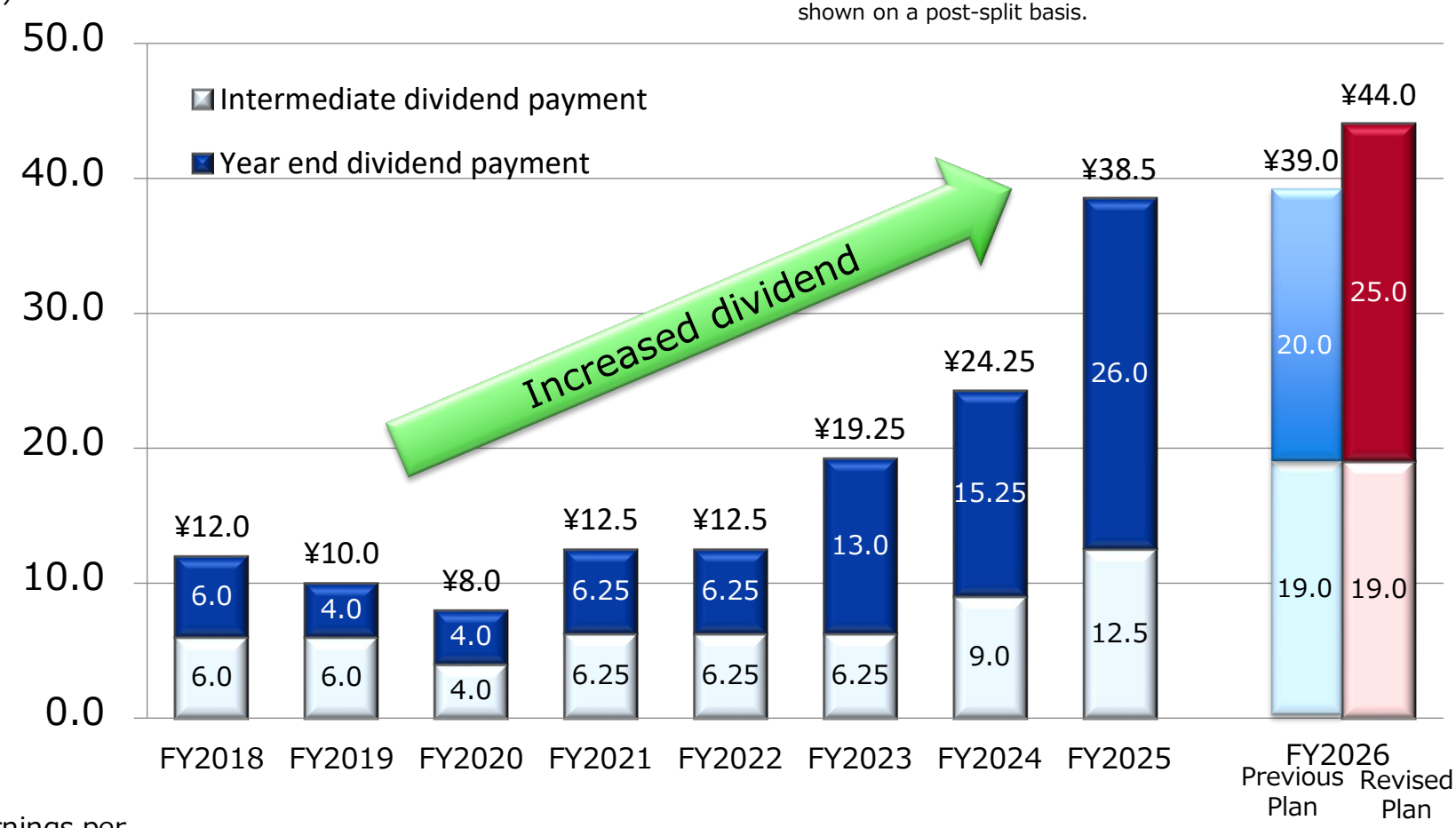
Achieving increased corporate values and sharing the results with stakeholders



5-6. Shareholder returns and dividends

(¥/share)

(※) Reflects the stock split effective July 1, 2026; figures are shown on a post-split basis.

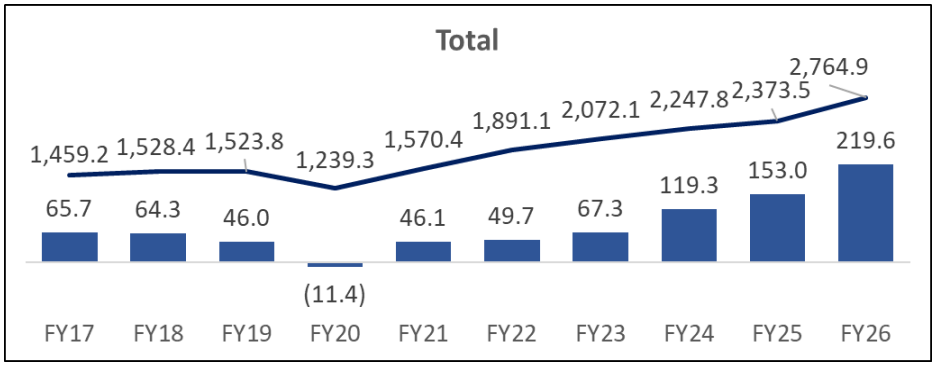


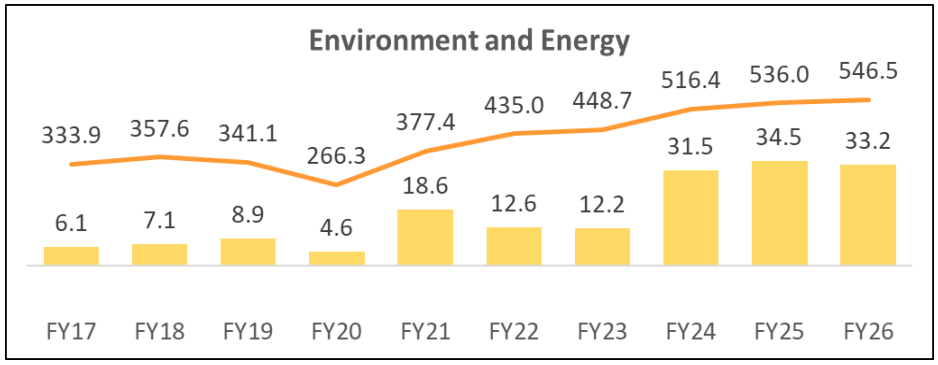
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026 Previous Plan	FY2026 Revised Plan
(※) Earnings per share (Yen)	37.85	23.31	18.06	30.87	36.11	48.00	62.12	95.95		118.60
Dividend Payout Ratio	31.7%	42.9%	44.3%	40.5%	34.6%	40.1%	39.0%	**40.1%**		**37.1%**

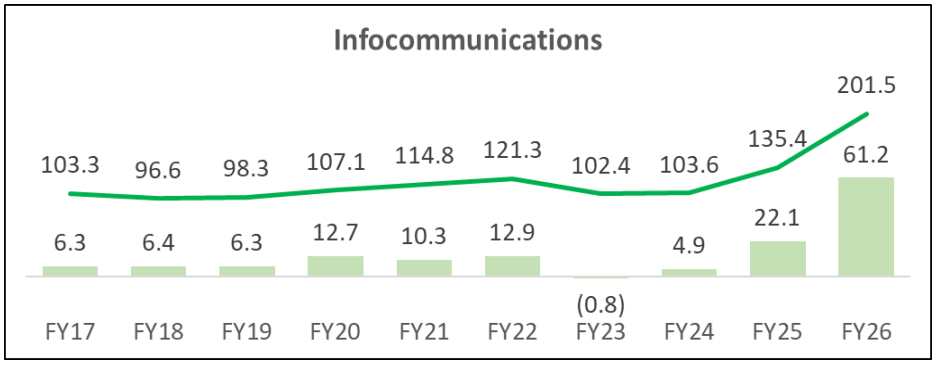
Excluding Gain on sale of SumitomoDensetsu

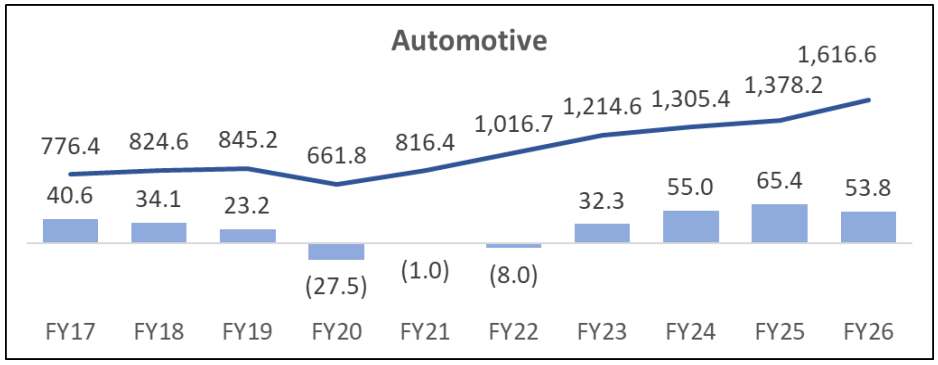
(Reference) First Half Performance (by Segment)

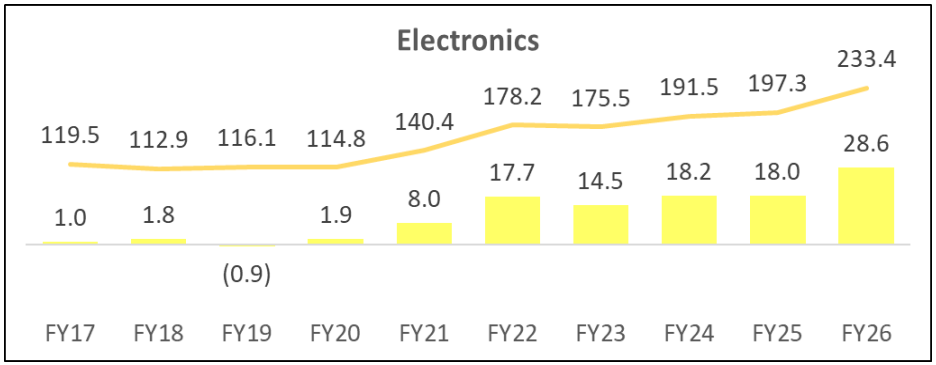
line:Sales bar:OP (¥bn)

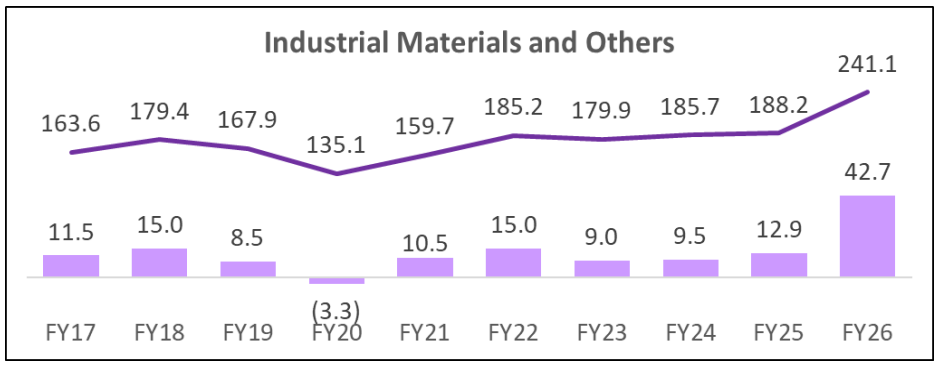






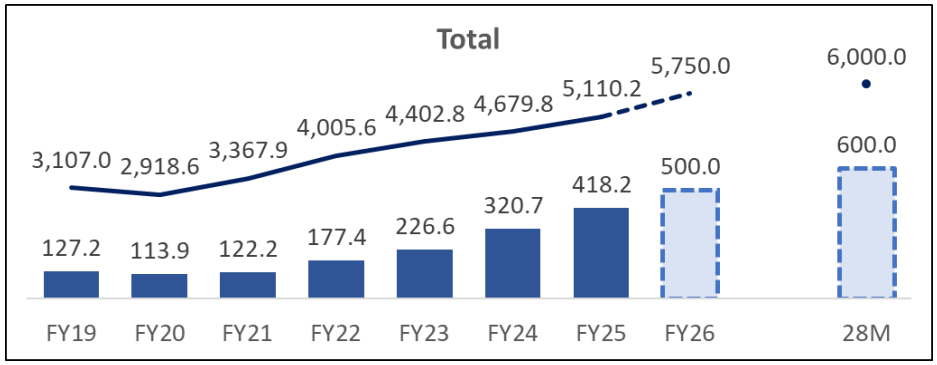


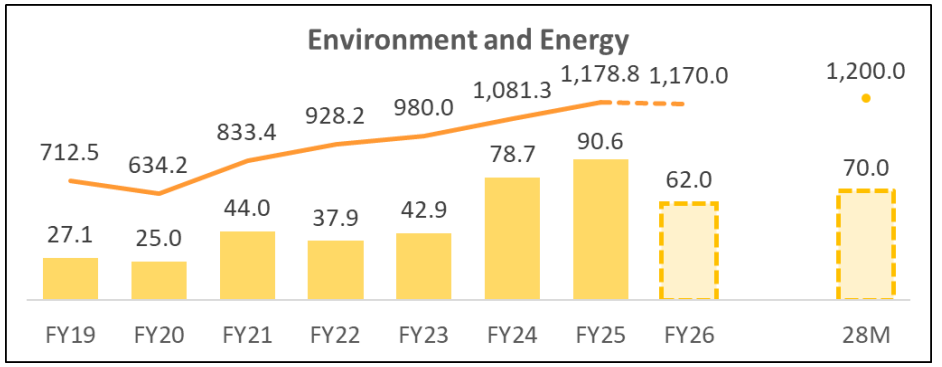


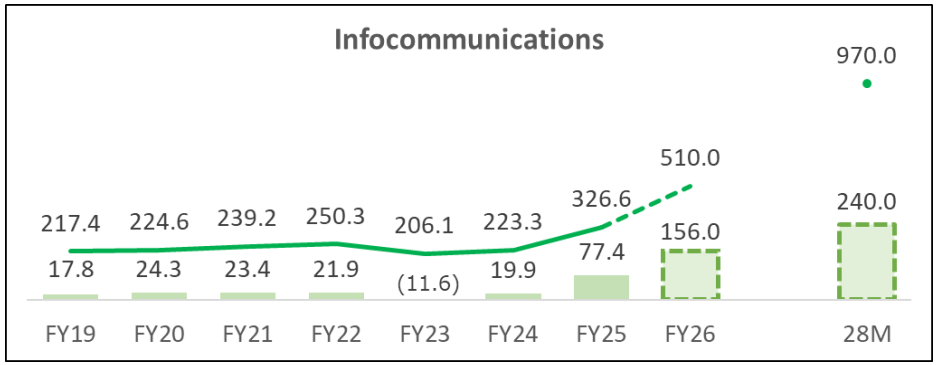


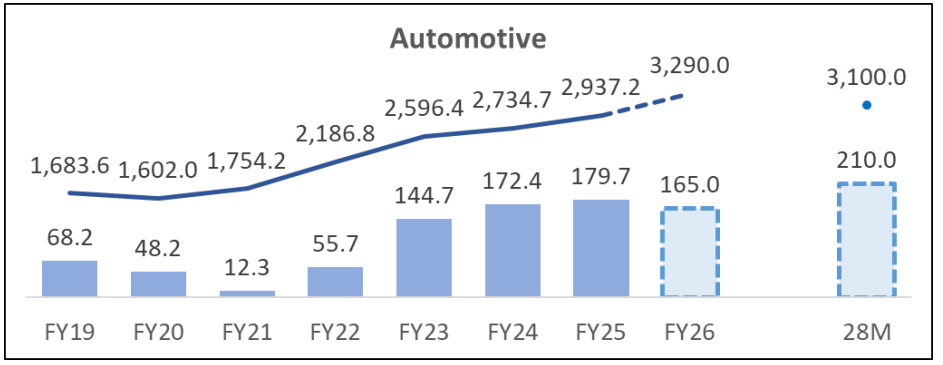
(Reference) Full Year Performance (by Segment)

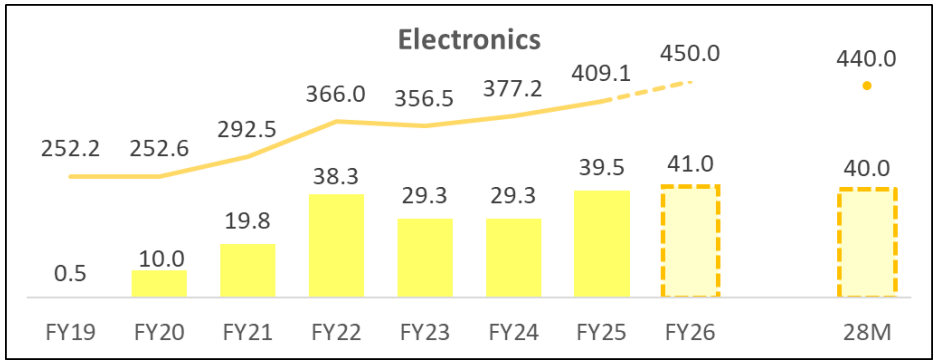
line:Sales bar:OP (¥bn)

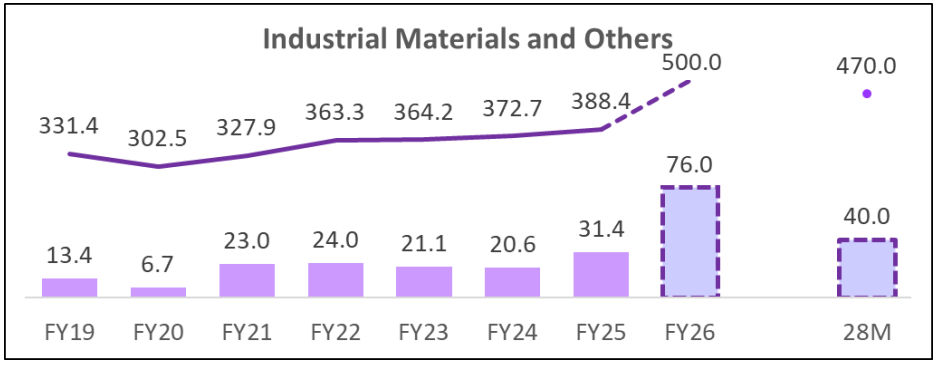






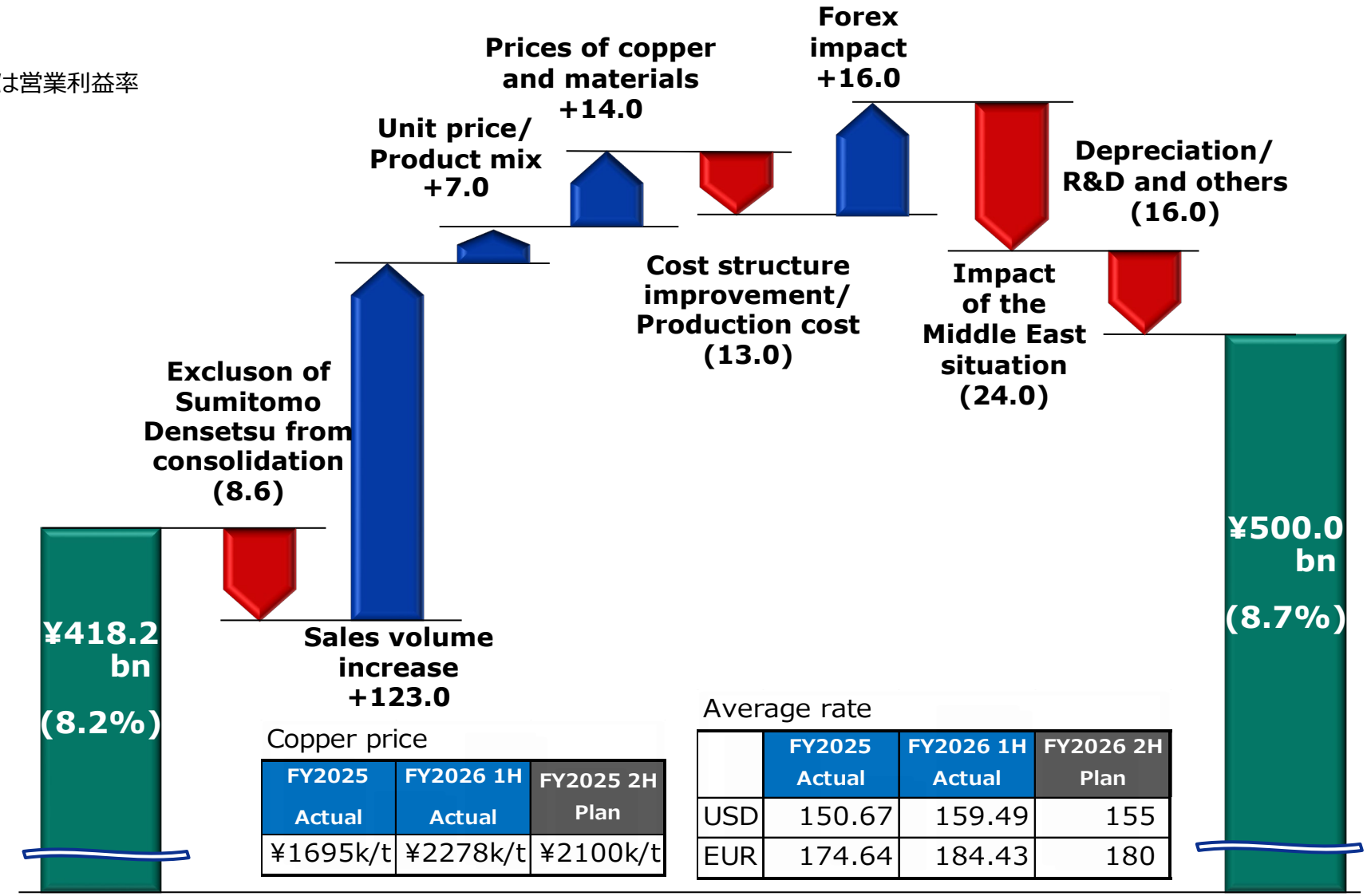






(Reference) OP variation factors from FY2025 to FY2026

(%)は営業利益率



Copper price

FY2025 Actual	FY2026 1H Actual	FY2025 2H Plan
¥1695k/t	¥2278k/t	¥2100k/t

Average rate

	FY2025 Actual	FY2026 1H Actual	FY2026 2H Plan
USD	150.67	159.49	155
EUR	174.64	184.43	180

Notes on Perspective Information

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2. Fluctuations of currency exchange rates, especially between the Japanese yen and the U.S. dollar, the euro and Asian currencies.
3. The ability of Sumitomo Electric and its affiliated companies to cope with rapid technological development.
4. Changes in financial, management, environmental and other presumptions.
5. Current and future laws and regulations in foreign countries involving trade and other activities.
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