

IR Day 2025

¹² / **18** _{Thu} **14:00~17:00**

Program

Time	Program	Speakers	
14:00 ~ 14:10	Opening	Representative Director, President and CEO	Shingo Ueno
Part1 Progress of Initiatives in Non-Financial Areas			
14:10 ~ 14:20	Sustainability Management	Managing Executive Officer, CSDO	Makiko Eda
14:20 ~ 14:35	Human Capital Management	Managing Executive Officer, CAO・CCO	Yasuhiro Yoshida
14:35 ~ 14:40	Corporate Governance	Managing Executive Officer, CAO・CCO	Yasuhiro Yoshida
14:40 ~ 15:00	Panel Discussion with Outside Directors	Panelist) Representative Director, President and CEO	Shingo Ueno
		Panelist) Outside Director	Nana Otsuki
		Panelist) Outside Director, Audit & Supervisory Committee Member	Yukiko Nagashima
		Moderator) Executive Officer, Head of Investor Relations Dept.	Yoshinori Takayama
15:00 ~ 15:35	Q&A		
Part2 Examples of Growth Strategies (On-site・Digital・Human Resources)			
15:45 ~ 16:10	Digital & AI Strategy Update Initiative Example: Tubular Supply Chain	Executive Officer, CDO・CIO General Manager of Steel Business Unit (SCEU)	Tatsushi Tatsumi Taku Hattori
16:10 ~ 16:25	Retail	Managing Executive Officer, Group CEO of Lifestyle Business Group	Hiroki Takeno
16:25 ~ 16:50	Q&A		
16:50 ~ 17:00	Closing	Representative Director, President and CEO	Shingo Ueno

Opening

Shingo Ueno, Representative Director, President and CEO

Part1

**Progress of Initiatives
in Non-Financial Areas**

01

Sustainability Management

Makiko Eda, Managing Executive Officer, CSDO

Management Principles and Business Philosophy



Precepts written by Masatomo Sumitomo “Monjuin Shiigaki”—the origin of Sumitomo’s Business Philosophy, which has been passed down for 400 years.

Benefit for self and others, private and public interests are one and the same

This means that Sumitomo’s business must go beyond benefiting Sumitomo itself to also benefit the nation and society.



Enriching lives and the world

Value Creation Model of Sumitomo Corporation



Enriching lives and the world

Taking into account external environmental changes, we updated our material issues from the perspective of value creation. We will take our medium- to long-term commitment one step further and achieve sustainable growth through addressing the social challenges.

Build resilient and prosperous society

Overcome climate change







Preserve and regenerate natural capital

Respect human rights

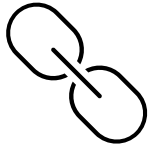
Develop talent and promote DE&I

Maintain and strengthen governance

Long-term goals and progress for each material issue

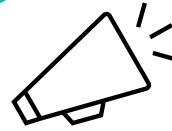
Material issues	Long-term goals	Status of initiatives up to FY2024	Policies for future initiatives
 <p>Build resilient and prosperous society</p>	Contribute to the development of local communities and economies	<ul style="list-style-type: none"> Promoted 100SEED, employee-participation social contribution activities based on the theme of “education,” on a global scale. Participation rate of employees in Sumitomo Corporation and regional organizations is expected to be more than 5% each in Japan and overseas 	<ul style="list-style-type: none"> Continue 100SEED activities through the “Mirai School” career education support program. Plan to implement the program for more than 100,000 students at 80 schools across Japan due to the increase in number of schools requesting it in FY2025
 <p>Overcome climate change</p>	Contribute to the carbon neutrality of society	<ul style="list-style-type: none"> Completed calculation of greenhouse gas emissions (Scope 3) in the supply chain for the entire Group Implemented trial calculation of reduction contribution as a quantitative indicator to measure contribution of major GX promotion projects for a carbon-neutral society 	<ul style="list-style-type: none"> Plan to disclose information in accordance with SSBJ (including the financial impact of climate-related risks and opportunities) from FY2026 and take measures accordingly Work with stakeholders to decarbonize society as well as accelerate new growth through GX promotion
 <p>Preserve and regenerate natural capital</p>	Achieve a world living in harmony with nature through initiatives including the building of a circular economy and supply chain management	<ul style="list-style-type: none"> Implemented trial disclosure based on TNFD as TNFD Early Adopter Identified priority businesses (high-risk businesses) across the Group to strengthen risk-based initiatives toward a nature-positive world in the future 	<ul style="list-style-type: none"> Enhance information disclosure, including implementation of TNFD full disclosure during FY2025 Strengthen initiatives toward a nature-positive world in priority businesses, including the supply chain
 <p>Respect human rights</p>	Respect the human rights of all stakeholders in all businesses and supply chains	<ul style="list-style-type: none"> Completed human rights due diligence for all businesses that have been implemented since FY2021 Identified priority businesses (high-risk businesses) across the Group to strengthen risk-based human rights due diligence in the future 	<ul style="list-style-type: none"> Further strengthen human rights due diligence and grievance mechanisms in priority businesses, including the supply chain
 <p>Develop talent and promote DE&I</p>	Create workplaces that allow diverse employees to apply their capabilities with passion in their own ways	<ul style="list-style-type: none"> Implemented measures to maximize the will and potential of diverse individuals, such as implementing “WILL recruitment” selection process and expanding the internal job posting system In order to systematically develop management talent, started the training cycle by identifying potential personnel, setting up target positions for training, and matching them with each personnel. Enhanced and strengthened the succession pipeline for key positions (initatively nominating mid-career talent, women, and young employees) 	<ul style="list-style-type: none"> Formulate leadership competencies and conduct talent assessments based on them Reorganize human resources development system to develop management talent
 <p>Maintain and strengthen governance</p>	Develop a robust governance system to enhance the corporate value	<ul style="list-style-type: none"> Confirmed the direction of reviewing the structure and operation of the Board of Directors to enable it to exercise highly effective oversight functions over management execution Specific actions decided: (1) increase the number of outside directors to a majority; (2) expand the scope of delegation of important business execution decision-making to the Management Council; and (3) set agenda items to enhance monitoring and discussion of important management themes throughout the company 	<ul style="list-style-type: none"> Plan to start operation under the new structure subject to the submission of related proposals, including changes to organizational design (transition to a company with an Audit & Supervisory Committee), to the regular General Meeting of Shareholders in June and approval

Key points of Sustainability Management in the Medium-Term Management Plan 2026



**Expand viewpoint to
the entire supply chain**

Expanding our perspective
beyond our company itself to
the entire supply chain to
acquire opportunities and
address risks



**Strengthen
sustainability
management at
business
frontlines**

Taking more strategic and
agile actions at each
business frontline



**Strengthen
accountability**

Strengthen efforts to fulfill
the duty of accountability
to stakeholders

Climate Change Initiatives

- Disclosure of Scope 3 emissions began in Integrated Report FY2025.
- Progress is on track toward achieving carbon neutrality in 2050. The target coverage will be updated in 2026 so that it will be aligned with the GHG Protocol*.
- Viewing decarbonization as a business opportunity, we will advance initiatives to achieve carbon neutrality in society together with our suppliers and business partners.

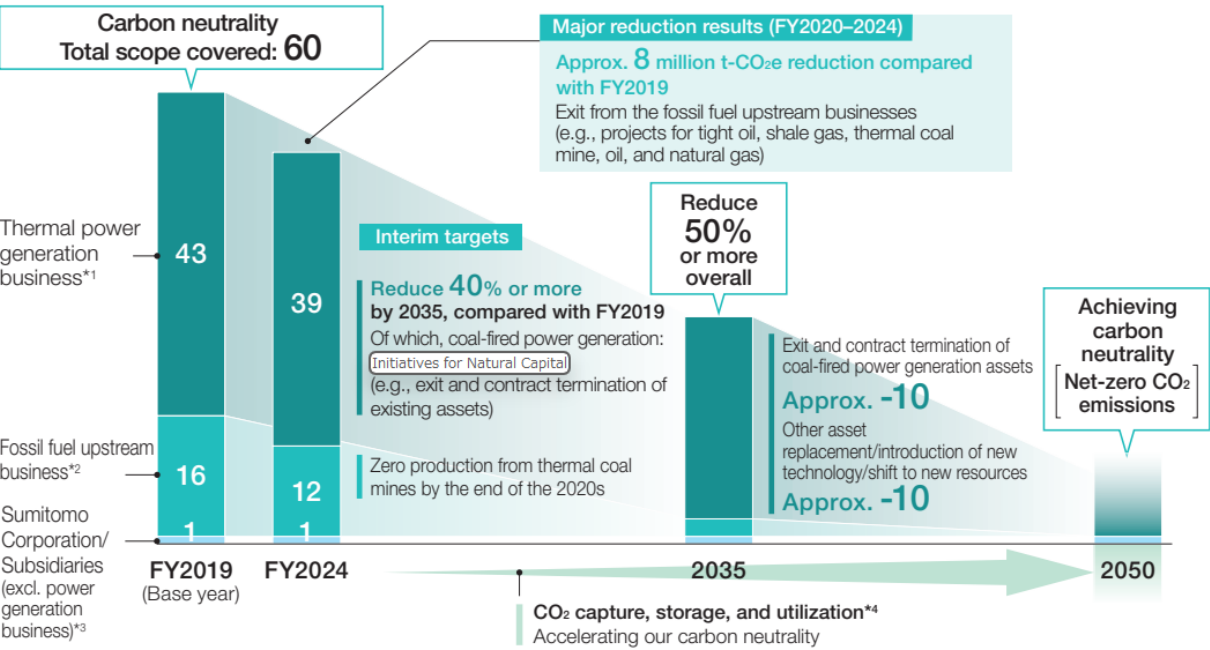
Scope 3 emissions

Based on the GHG Protocol—the standard for calculating GHG emissions — we completed calculation for all 15 categories of Scope 3 emissions across our supply chain, in addition to Scope 1 and Scope 2 emissions from our own operations, and disclosed the information after obtaining third-party assurance.

Category		Emissions (Million t-CO ₂ e)
Upstream	1 Purchased products and services	32.7
	2 Capital goods	0.6
	3 Fuel- and energy-related activities not included in Scope 1 or Scope 2	4.5
	4 Upstream transport and delivery	2.3
	5 Waste generated in operations	0
	6 Business travel	0
	7 Employee commuting	0
	8 Leased assets (upstream)	—
Upstream total		40.1
Category		Emissions (Million t-CO ₂ e)
Downstream	9 Transportation and distribution (downstream)	0.3
	10 Processing of sold products	1.0
	11 Use of sold products	38.0
	12 End-of-life treatment of sold products	0.2
	13 Downstream Leased Assets	20.1
	14 Franchises	—
	15 Investments	17.8
Downstream total		77.4
Scope 3 total		117.5

Progress toward carbon neutrality target

Milestones for CO₂ emission reduction toward carbon neutrality of the Group (Millions of t-CO₂e)



*Common rules to measure and account for companies' greenhouse gas emissions in an internationally consistent way

*1 Includes estimated figures for projects still under construction and emissions from equity-method affiliates
*2 Indirect CO₂ emissions from energy resources produced by Sumitomo Corporation and its subsidiaries and used by others
*3 Direct CO₂ emissions of Sumitomo Corporation and its subsidiaries and indirect CO₂ emissions in conjunction with the generation of energy used by them
*4 Through means recognized by international standards such as capture and storage by forests and other technical methods

Initiatives for Natural Capital

- The definition of initiatives toward a nature-positive world was clarified to promote understanding of our medium-term goal “Accelerate initiatives toward a nature-positive world by 2030” and strengthen initiatives for the goal.
- In September 2025, disclosures were made in line with recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). We were also selected as one of the 28 companies with “Excellent TNFD disclosure” announced by the Government Pension Investment Fund (GPIF) in August.

■ Sumitomo Corporation’s definition of initiatives toward a nature-positive world :

“Minimize the impact of our businesses on natural capital and continue to transform our business to preserve and regenerate natural capital”

(=Mitigation of risk)

(=Creation of opportunities)

Initiatives to mitigate risk

- Identified businesses to be prioritized by our Group from the perspectives of dependency or impact on nature, the amount of invested capital, etc.
- Conducted scenario analyses of five businesses, assessed risk taking regional characteristics into account, and examined response measures. Confirmed that a certain level of measures have been in place against high risk (water stress, impact on ecosystem, etc.).

Sector	Business
Agriculture	● Fresh produce business in Europe and the Americas: Fyffes
Mining	● Copper mining project in Chile: Quebrada Blanca
	● Iron ore and manganese mining project in South Africa: Oresteel
	● Iron ore mining project in Brazil: MUSA
Thermal power	● Gas-fired power generation project in the UAE: Hamriyah

Initiatives to create opportunities

- Developed initiatives and businesses that contribute to a nature-positive and circular economy.

<Major initiatives>

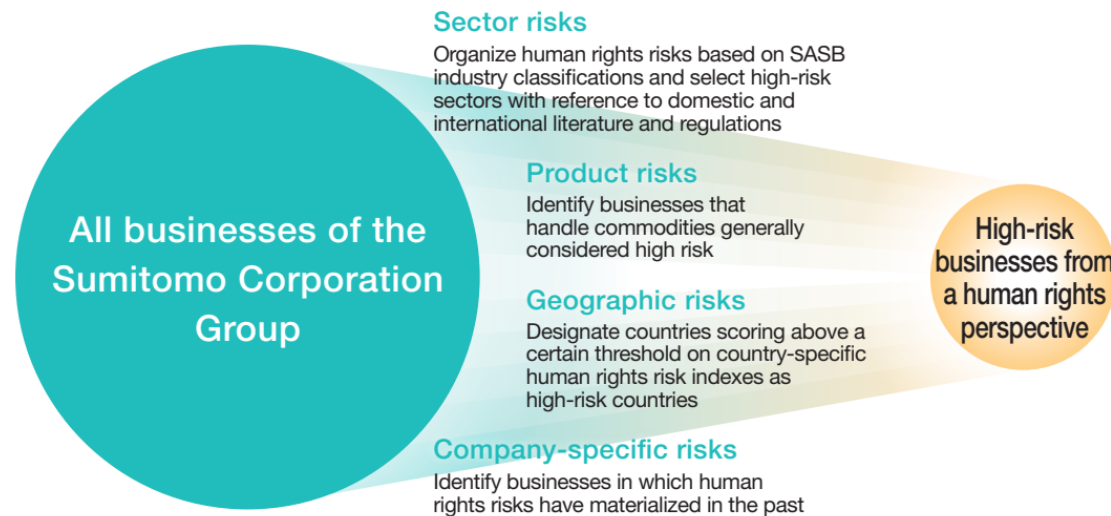
- Establishment of the Nature-Positive Working Group within the company
- Aircraft parts business of Werner Aero
- PET bottle collection and recycling business operated by Tomra Japan
- Mangrove plantation project

Initiatives to Respect Human Rights

- In an effort to proceed with initiatives using a risk-based approach, we have identified businesses with high risk. We will continue to conduct human rights due diligence.
- We will strengthen grievance mechanisms and continue employee training on human rights.

Human rights due diligence (DD)

- Completed human rights due diligence covering all of our businesses that began in FY2021.
- Conducted a company-wide risk mapping exercise based on the results of human rights due diligence to date as well as the characteristics of risks at each business. Plan to continue human rights due diligence going forward, mainly for the businesses identified as having high risk.



Grievance mechanism

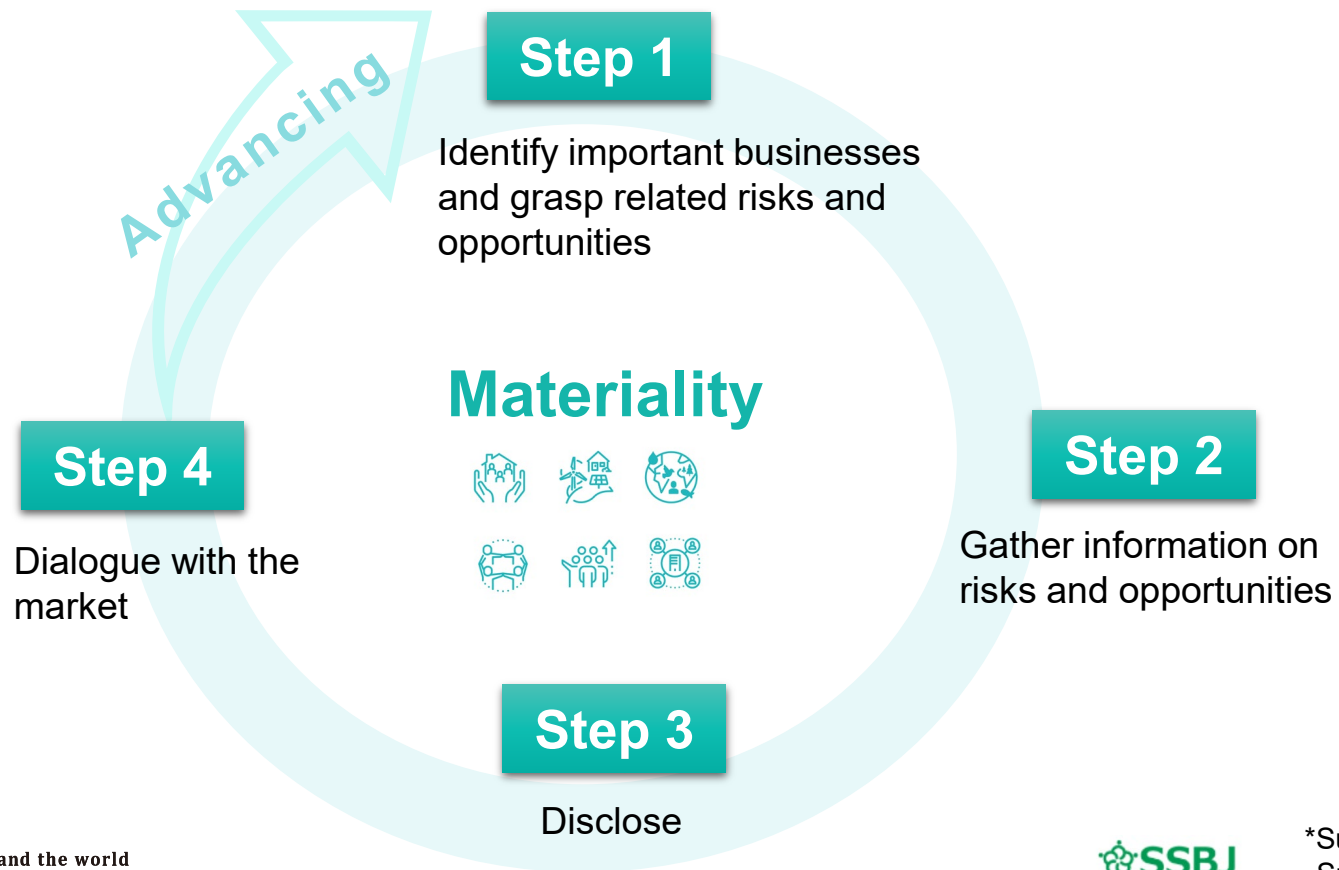
- Joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER). Implemented measures in compliance with the UN Guiding Principles on Business and Human Rights.

Employee training on human rights

- Provided e-learning and held seminars by external lectures with regard to human rights-related laws and regulations and external developments, the necessity of respecting human rights across the entire supply chain, issues requiring attention in conducting business activities, etc.

Advancement of Sustainability Management Strategy

- We are advancing our sustainability management strategy by strengthening information disclosure in anticipation of statutory disclosure* and dialogue with the market, while implementing a range of measures based on materiality.
- We plan to disclose information including the financial impact of sustainability-related risks and opportunities in the securities report for FY2025 (aiming for disclosure that is in accordance with statutory standards as much as possible).
- We are actively addressing social issues, viewing the resolution of these issues as business opportunities.



Enriching lives and the world

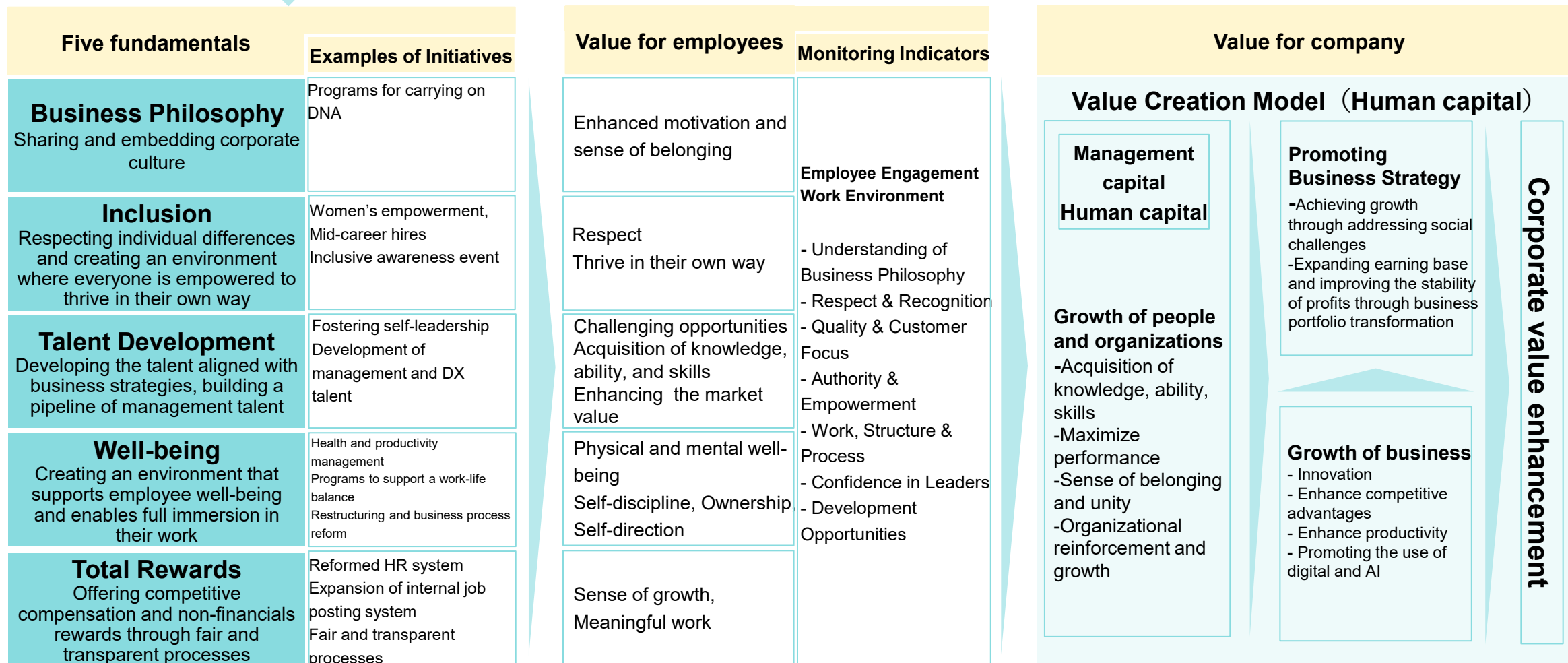
02

Human Capital Management

Yasuhiro Yoshida, Managing Executive Officer, CAO・CCO

Five fundamentals of human capital

We continuously invest in and advance the following five fundamentals of human capital and enhance employee engagement and foster individual growth. We aim to create a virtuous cycle where the growth of each of our people drives the growth of the Group's business.



“Strategy Powered by People”

～HR roadmap from previous to current Medium-Term Management Plan～

Under the previous Medium-Term Management Plan, we fundamentally reformed our HR system, eliminating the institutional barriers, such as seniority and job classification. With this foundation, the current Medium-Term Management Plan, we are focusing on “**Empowering people and organizations**” toward being "No. 1 in Each Field."

Strategy			
FY2021～FY2023 【SHIFT 2023】 <u>Business Portfolio SHIFT</u> Improve profitability and strengthen resilience through structural reforms	FY2024～FY2026 【Medium-Term Management Plan 2026】 <u>No.1 in Each Field</u> Enhance our competitive advantages to achieve growth through addressing social challenges		
People			
<u>Breaking Barriers</u> Regardless of personal attributes, solid foundation which ensure the right talent in the right position at the global level, has been established.	<u>Empowerment</u> Enhance <u>self-disciplined management</u> of each organization and <u>self-leadership</u> of each individual to strengthen organization.		
<Five Fundamentals>			
Business Philosophy	Reform HR system in Japan : Introduction of job grading system Reform of evaluation system Integration of career courses	From the next page onward	
Inclusion		Examples of initiatives to empower people and organizations : Organizational restructuring and business process reform :	
Talent Development		Delegating authority to line managers, adoption of generative AI Growth opportunities built on “will” :	
Well-being		Expansion of internal job posting system, WILL recruitment Fostering self-leadership : Leader’s behavior and mindset	
Total Rewards			

Empowering people and organizations

～ Organizational restructuring and business process reform ～

Delegating authority to line managers

Organizational restructuring to group・SBUs



- Replacing product-based organization with a group・strategic business unit (SBUs) structure.
- The aim of the Medium-Term Management Plan 2026 is to grow our businesses into “No. 1 in Each Field” through the **self-disciplined management** of SBUs that leverage their competitive advantages to refine their strategies.
- With respect to Human capital, we have **delegated authority to line managers** to enable optimal and rapid personnel decisions. To support the enhancement of leadership capabilities among line managers, a dedicated “Line Manager Portal” has been launched and made accessible company-wide.

Process man-hours for personnel decisions regarding the appointment and transfer of certain personnel:



Empowering people and organizations

～ Organizational restructuring and business process reform ～

Use of Microsoft 365 Copilot generative AI service



The PIC of the IT Planning and Promotion Dept who leads company-wide adoption of Copilot (left) and employees who promote utilization within the sales organization (center and right)

Comments from members of Copilot Champion



Maki Sakamoto
Logistics Management Dept.

I planned and held seminars on business reforms for my department and supported business efficiency improvements through the use of Copilot. To ensure that insights gained from the seminars are continuously applied in daily work, I created a dedicated Copilot channel within Microsoft Teams for the Logistics Management Dept. This enables us to regularly share specific tips and other information to promote practical application and adoption.



Nanami Sekino
Digital Strategy & Promotion Dept.

I entrust Copilot with various tasks, such as obtaining regular industry news, creating icons for PowerPoint presentations, and performing instant searches during work. These small time-savings all add up. I also share examples of how to use Copilot on our internal social networking site and encourage broader adoption.

- To maximize the outcomes of our organizational restructuring, **all employees are proactively reviewing and implementing business reforms** aimed at improving our earning power and creating a rewarding workplace.
- A specific business reform measure is promoting the use of digital and IT. In April 2024, we became **the first company in Japan to globally implement generative AI service, Microsoft 365 Copilot.**
- To support information sharing, we are building open communities and promoting awareness and adoption of Copilot through various initiatives, such as the Copilot Champion program.

time saved on operations amounts to around

10,000 hours per month

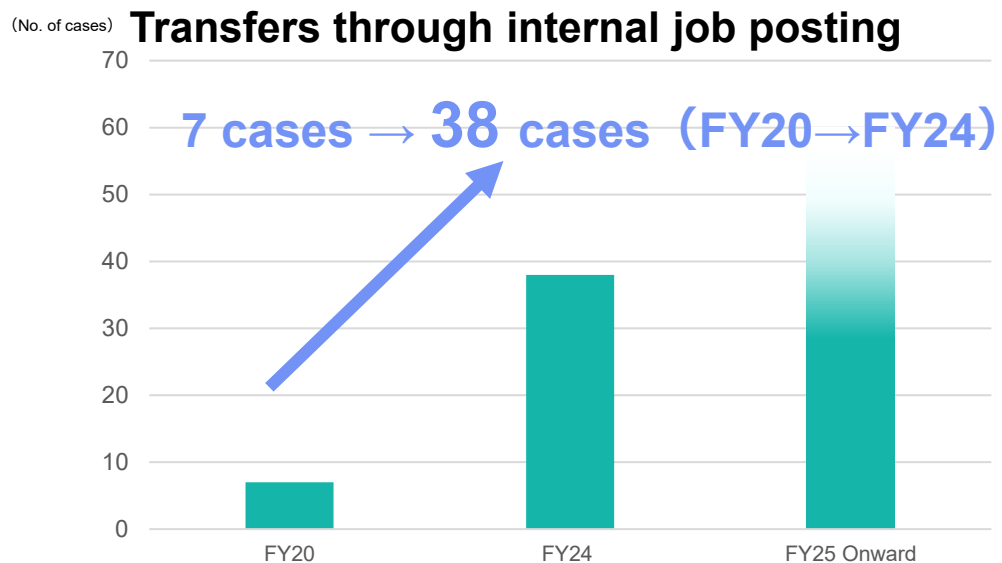
Cost reduction effect estimated at around

1.2 billion yen annually

Empowering people and organizations

～ Growth opportunities built on “will” ～

Expansion of internal job posting system



An employee who transferred from the food business to the overseas industrial park business through the internal job posting system

Overview

- We revised the system, which was previously conducted once a year, by allowing departments to post openings at any time and relaxing the application requirements for employees.

Effects on individuals

- Individuals can **pursue self-directed career development according to their own "will"**.
- To be aware of their own careers and change their behaviors.

Effects on organizations

- Opportunities to attract motivated talent with the necessary skills, capabilities, or diverse experience from other departments.
- The participation of diverse talent** fosters new ideas, leading to innovative discussions and high-quality decision making.
- Contributes to enhancing the **organization's attractiveness and competitiveness**.

<Employee survey results regarding expansion of internal job posting system>

Question	Positive answer
Leading to individual growth by enabling challenges	79%
Contributing to strengthening and growing organizational capability through improved diversity among members.	67%
Would you like to use the job posting system in the future?	66%

Empowering people and organizations

～ Growth opportunities built on “will” ～

WILL recruitment

Overview

- To provide growth opportunities that respect people’s individual will, we introduced “**WILL recruitment**” selection process in our new graduate recruitment, which allows candidates to receive confirmation of their initial assignment before joining the Company.

Effects on individuals

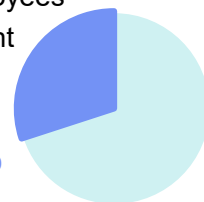
- Aligns expectations and resolves any gap between pre-employment hopes and post-employment reality.
- Enables them to continue working **while leveraging experiences and issue awareness developed during student life.**

Effects on organizations

- Allows hiring based on matching and future potential**, as the head of the assigned SBU conducts the selection directly.
- Attracting more diverse applicants** such as students in science and engineering fields or with doctoral degrees.

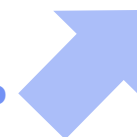
Percentage of new graduate employees
hired through WILL recruitment

Approx. 30%



Number of applicants:
(vs. before introduction of WILL recruitment)

19%UP



100年を
拓く、
挑戦を。



“An employee from Corporate Communications Dept. (right) interviewing new employees who joined in 2025 through the WILL recruitment (left and center)”

Empowering people and organizations

～ Fostering self-leadership ～

Global discussion on the “Mindset and Behaviors Expected of Our Leaders”.

- Conducted leadership interviews with about 70 people across all levels and regions globally. Aiming to achieve the “No.1 Business Group,” we gathered candid feedback on “the leadership we need now” and “behaviors that should be changed.”
- Launched global discussion in October 2025, marking the midpoint of the current Medium-Term Management Plan, to provide an opportunity for individual to reflect on their leadership and consider actions for the future.
- Encouraged each organization and individual to exchange opinions and hold discussions, and collected feedback on insights gained and actions they plan to implement, using it to develop initiatives that will boost company-wide momentum.

Insights from the interviews: the mindset and behaviors expected of our leaders	
Lead Organization	<ul style="list-style-type: none">• Say "no" when necessary to steer the company towards the greater good, even if it leads to conflict.• Inaction is a risk—build that into your decisions
Lead Others	<ul style="list-style-type: none">• Insights from the interviews: the mindset and behaviors expected of leaders in SC• Make space while remaining involved enough to support autonomy.
Lead Self	<ul style="list-style-type: none">• Take ownership of your results - learn from them and grow.• Speak up when disagreeing - “I see it differently.”

Current Status Based on Engagement Survey Results and Future Initiatives

- Monitoring indicators to verify whether our initiatives for people and our organization are producing the intended effects
- Both of the following two indicators, known for their high correlation with performance, have improved for three consecutive years, and are now on par with the global average

FY25 Results **Employee Engagement : 71%** (+1% from last year), **Work Environment : 72%** (+1% from last year)

		Indicators	vs previous mid-term plan	Examples of Initiatives	< 5 Fundamentals>
Strengths	Strengths already demonstrated through years of initiatives across 5 fundamentals	Understanding of Business Philosophy	Maintaining high levels	Business Philosophy : Various programs conducted such as visiting Besshi Copper Mine to pass on our DNA	Business Philosophy
		Respect & Recognition		Inclusion: Mid-career hires, women's empowerment, and inclusive awareness event Well-being: Work transformation, programs to support WLB.	Inclusion Talent Development Well-being Total Rewards
Improving	Areas where improvements are becoming visible under the new organizational structure through initiatives for empowering people and organizations, a focus of the current Medium-Term Management Plan (MTMP)	Quality & Customer Focus	+6	(Initiatives within each group/organization to become No. 1 in each field; initiatives for improvement based on the engagement survey)	
		Authority & Empowerment	+5	Talent Development : Delegating authority to line managers	
		Work, Structure & Process	+5	Well-being : restructuring and business process reform such as introducing Microsoft 365 Copilot	
Further improvement needed	Areas we aim to further improve through initiatives for empowering people and organizations, a focus of the current MTMP	Confidence in Leaders	+2	Talent Development : Mindset and Behaviors Expected of Our Leaders , Development of management talent	
		Development Opportunities	+2	Total Rewards : Expansion job posting、WILL recruitment	

03

Corporate Governance

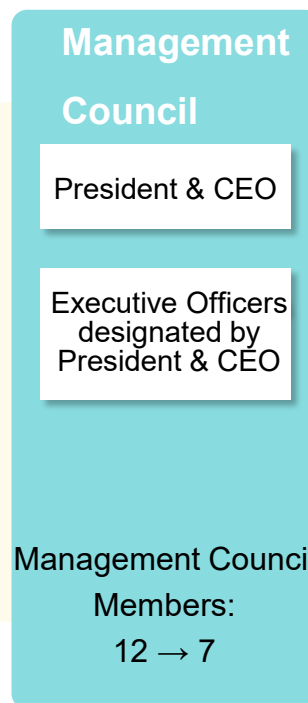
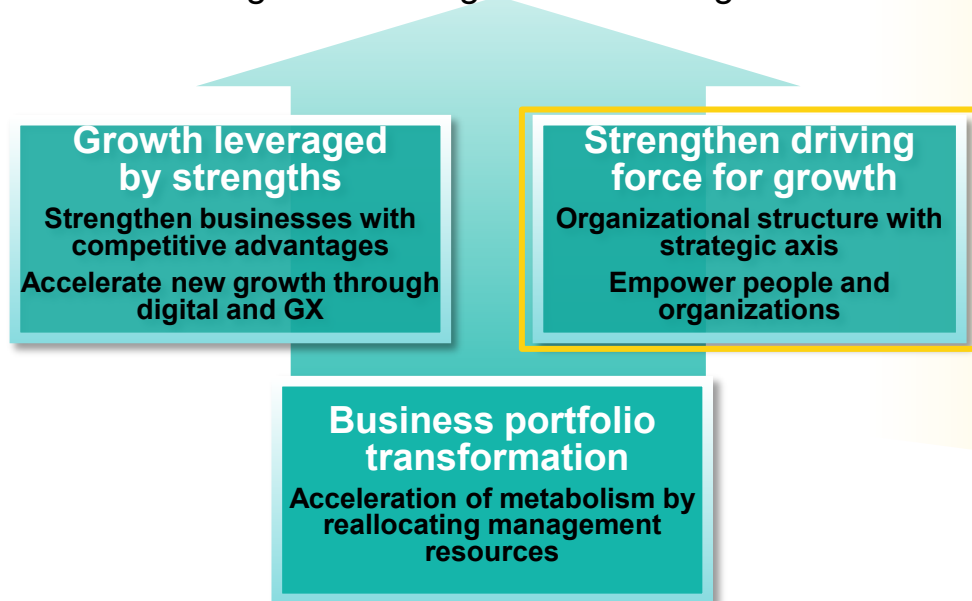
Yasuhiro Yoshida, Managing Executive Officer, CAO・CCO

Medium-Term Management Plan 2026

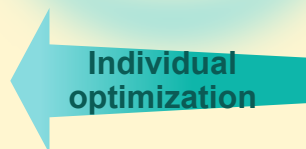
- Theme of Medium-Term Management Plan 2026: Aiming to be “No.1 in Each Field” as we enter a new stage of growth following the preceding plan (during which structural reforms were implemented).
- Regarding “strengthen driving force for growth,” in April 2024, we reorganized our structure with a strategic axis in management execution and reviewed the structure and decision-making processes of the Management Council.

No.1 in Each Field

Enhance our competitive advantages to achieve growth through addressing social challenge



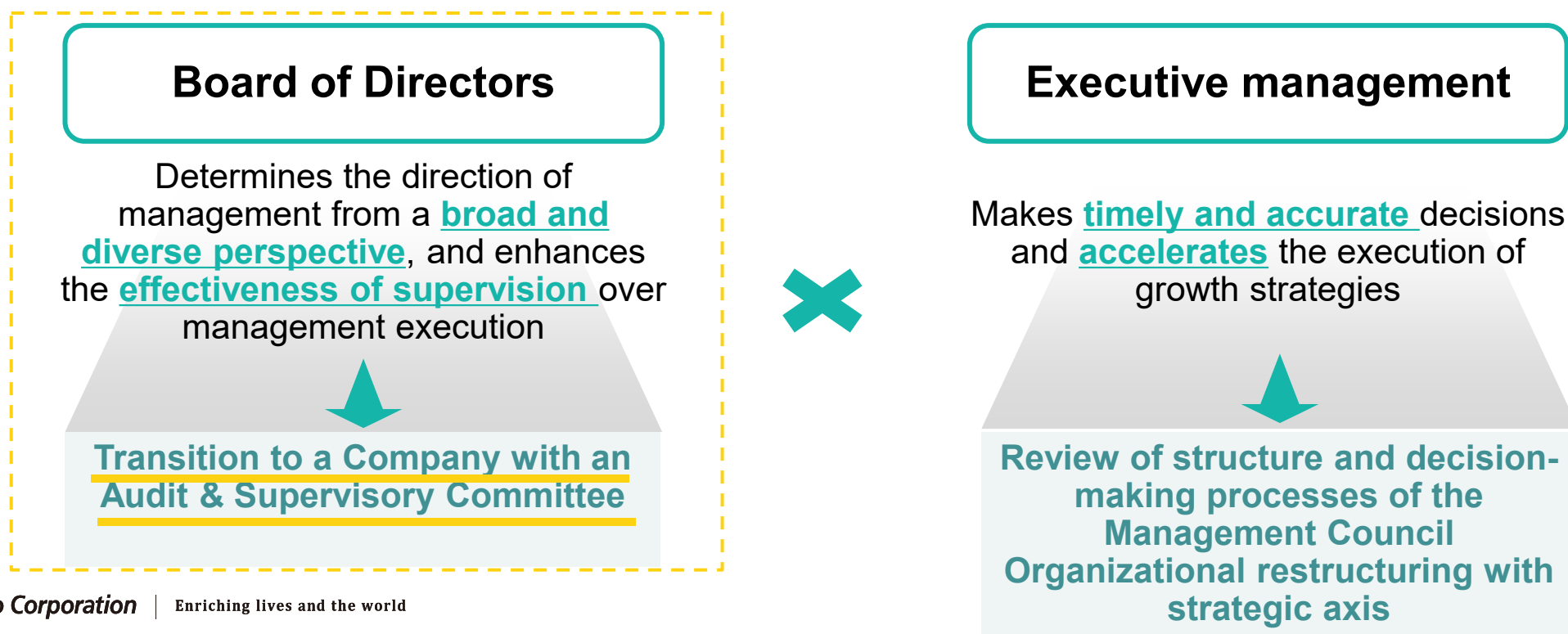
Pursue robust organizational and integrated corporate strengths through dialogue and discussion



Background of Changes in Governance Structure

- Based on the organizational restructuring in April 2024 and following concrete deliberations on the ideal relationship between the Board of Directors and management execution, it was determined that transitioning to a Company with an Audit & Supervisory Committee is the most appropriate course of action. This decision is based on the belief that defining the roles of the Board and executive management more clearly, further delegating authority to executive management, and simultaneously enhancing the effectiveness of the Board's supervision over management execution, will lead to the improvement of corporate value over the medium to long term.

Toward the medium- to long-term growth of the Sumitomo Corporation Group



Enhancing the Effectiveness of Supervisory Functions

- In conjunction with changes in the governance structure, the following revisions have been implemented to enhance the effectiveness of the supervisory functions.

Enhance the effectiveness of supervisory functions

Enhancement of the agenda

- **Matters deemed rational and appropriate** for determination by executive management will be **delegated to the Management Council**, thereby achieving **self-disciplined and agile management execution**.
- Meanwhile, **the Board of Directors will exercise its supervisory function from a higher-level perspective than executive management** by enhancing the quality of **monitoring and discussions on key group-wide management themes as well as the strategic direction** for the Sumitomo Corporation Group's sustainable growth and medium- to long-term corporate value improvement (enhancing agenda setting).

Board with majority of Outside Directors

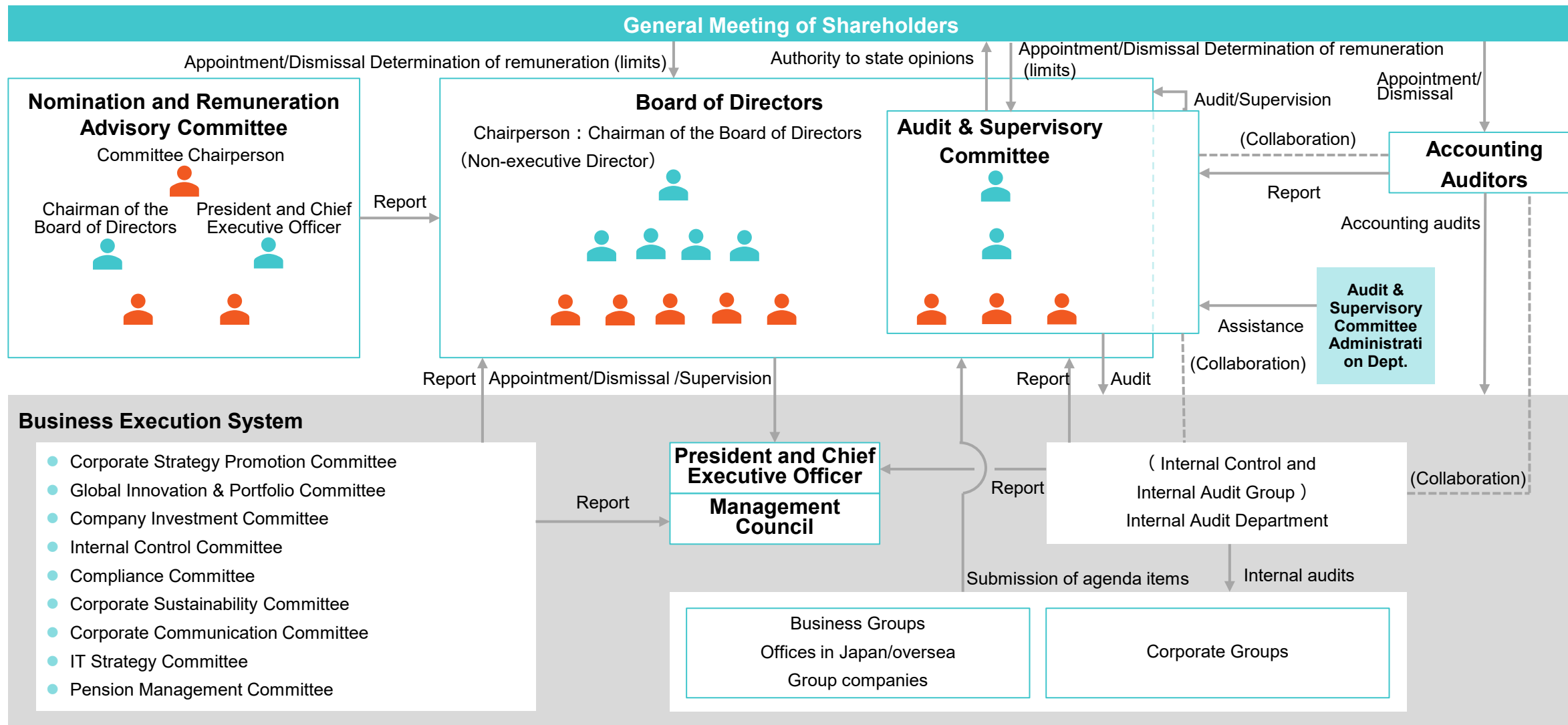
- The positioning of the Board of Directors will be **clarified as a forum primarily for the supervision** of management execution by Outside Directors, and **Outside Directors will constitute a majority of the Board**.

Appendix



Corporate Governance System (Company with Audit & Supervisory Committee)

 Internal  Outside



04

Panel Discussion with Outside Directors

Shingo Ueno, Representative Director, President and CEO

Nana Otsuki, Outside Director

Yukiko Nagashima, Outside Director, Audit & Supervisory Committee Member

Nana Otsuki

Outside Director

- 1988 Apr. Joined Mitsui Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)
- 2011 Jun. Managing Director, Merrill Lynch Japan Securities Co., Ltd.
(currently BofA Securities Japan Co., Ltd.) (retired in Dec. 2015)
- 2016 Jan. Executive Officer and Chief Analyst, Monex, Inc.
- 2017 Jun. Outside Director, Credit Saison Co., Ltd. (retired in Jun. 2024)
- 2018 Apr. Professor, Graduate School of Division of Business Administration,
Nagoya University of Commerce & Business (present position)
Jun. Outside Audit & Supervisory Board Member, Tokio Marine Holdings, Inc. (present position)
- 2021 Apr. Expert Director and Chief Analyst, Monex, Inc. (retired in Aug. 2022)
Jun. Outside Director, Mochida Pharmaceutical Co., Ltd. (retired in Jun. 2024)
- 2022 Sep. Senior Fellow, Pictet Asset Management (Japan) Ltd. (present position)
- 2024 Jun. Outside Director, Sumitomo Corporation (present position)

Yukiko Nagashima

**Outside Director,
Audit & Supervisory
Committee Member**

- 1985 Apr. Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)
- 2006 Apr. Corporate Executive Officer, Recruit Co., Ltd.
- 2008 Jan. President and Representative Director, Recruit Staffing Co., Ltd. (retired in Apr. 2016)
- 2012 Oct. Corporate Executive Officer, Recruit Holdings Co., Ltd.
- 2016 Jun. Standing Audit & Supervisory Board Member, Recruit Holdings Co., Ltd. (present position)
- 2018 Apr. Standing Audit and Supervisory Board Member, Recruit Co., Ltd. (present position)
- 2019 Mar. Outside Director, JAPAN TOBACCO INC. (present position)
- 2021 Jun. Outside Audit & Supervisory Board Member, Sumitomo Corporation
- 2025 Jun. Outside Director, Audit & Supervisory Committee Member, Sumitomo Corporation (present position)

Part2

**Examples of Growth Strategies
(On-site・Digital・Human Resources)**

05

Digital & AI Strategy Update

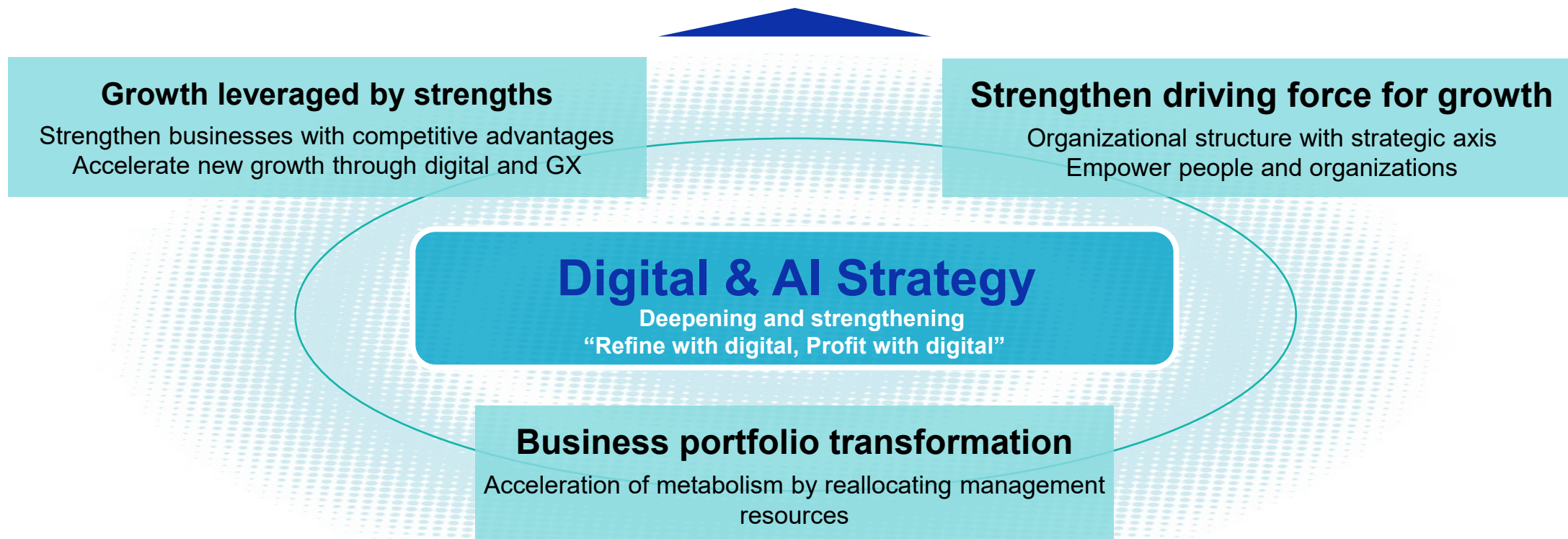
Tatsushi Tatsumi, Executive Officers, CDO・CIO

Medium-Term Management Plan 2026: Accelerating Growth Through Digital

- Since establishing the DX Center in 2018, we have positioned digital-driven business transformation as one of our key initiatives under the previous Medium-Term Management Plan (SHIFT 2023).
- Digital and AI technologies have advanced at a pace far exceeding the assumptions made when formulating Medium-Term Management Plan 2026. In response, and to further deepen and reinforce the plan's pillars – “growth leveraged by strengths,” “strengthen driving force for growth” and “Business portfolio transformation” – we have developed a comprehensive Digital & AI Strategy.

No.1 in Each Field

Enhance our competitive advantages to achieve growth through addressing social challenges



Digital & AI Strategy Vision

Vision

Leveraging **Digital & AI**
across all business frontlines
to build new value creation
models and lead the
transformation
of society and industry

Business Frontlines

- 900 consolidated operating companies
- 100,000 global customers
- Ability to identify issues directly from business frontlines
- Customer interface capabilities
- Corporate Group (Global)
- Business engineering power



Talent

- Strengthening digital business–design capabilities
- Acquisition of digital skills
- Requirements-definition capabilities
- Knowledge of digital governance

Design Principles

- Redefining the true value customers seek
- Further bolstering our strengths
- Converting tacit knowledge into explicit and organizational knowledge
- Transforming fundamental challenges into value
- Turning around underperforming businesses
- Implementing business concepts in society and industry

⋮

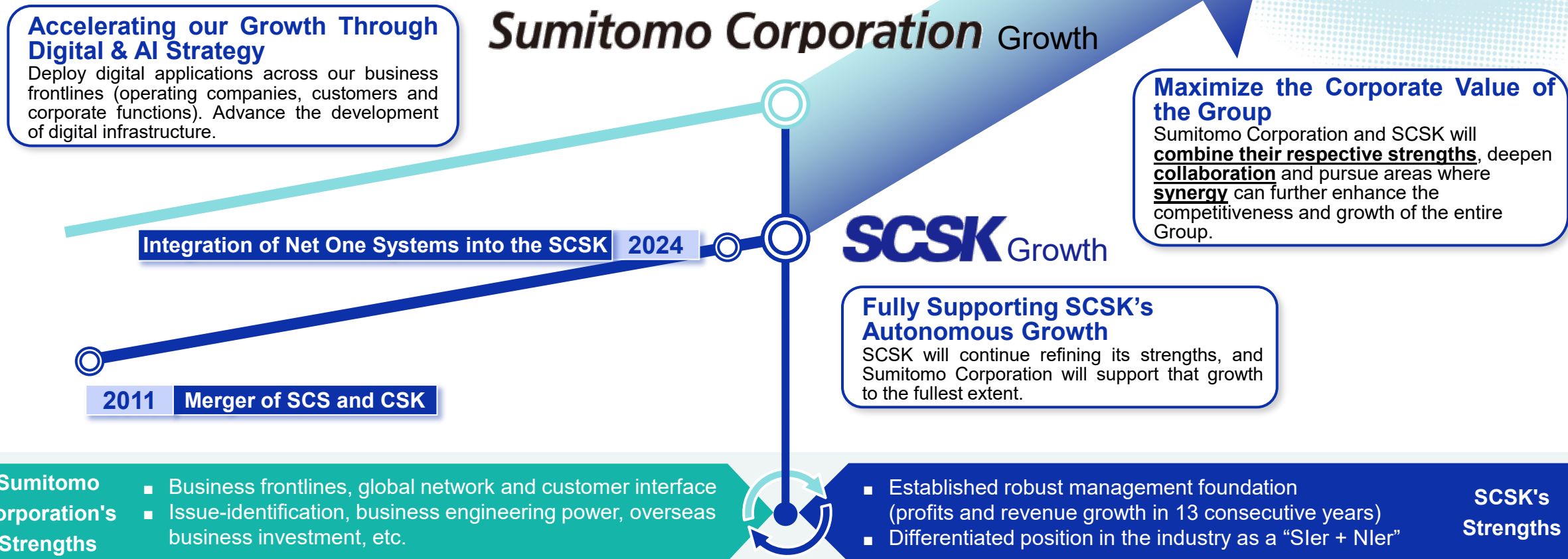
Digital Solutions

- System and network development
- Digital and AI engineering
- Cybersecurity
- BPO and data-center capabilities

Growth of Sumitomo Corporation, SCSK, and the Sumitomo Corporation Group

- By fully supporting SCSK's growth and strongly driving our Digital & AI Strategy, we will enable significant, exponential growth for the entire Sumitomo Corporation Group.

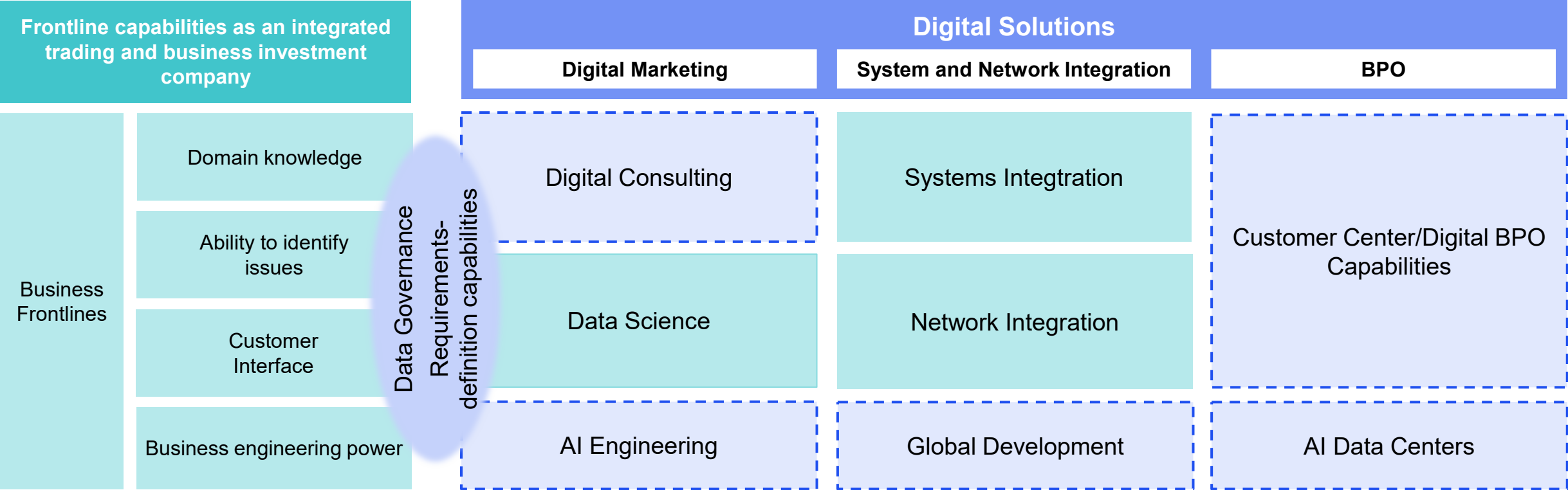
Leading the transformation of society and industry





Strengthening Frontline Capabilities and Digital Solutions

- To realize our Vision, we must strengthen our ability to identify issues and business engineering power, and integrate these with robust digital solutions.
- In parallel with enhancing our digital solutions, we will also pursue greater synergy across solution areas.

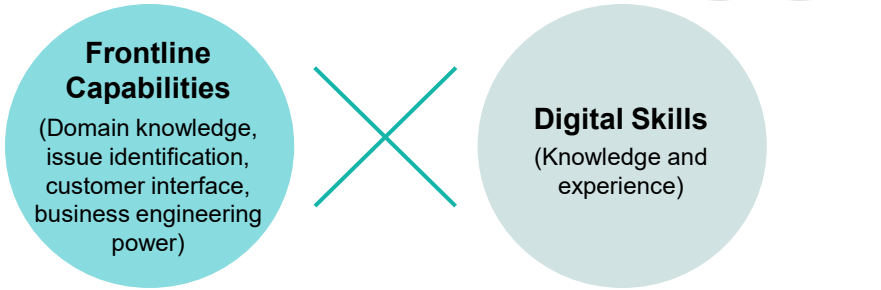


Digital solution areas already within the Group.

Digital solutions to be further developed and strengthened

Strengthening Our Talent Development Initiatives

- We are implementing initiatives to raise digital skills across the organization and enhance digital utilization capabilities – combining frontline issue-identification, business engineering power and digital skills. We’ve also introduced the Digital Talent Certification System (D-Grade).
- New opportunities created by digital and AI technologies provide a chance for each employee to enhance their value and open new career paths. Individual growth feeds directly into the value enhancement of the entire Sumitomo Corporation Group.



Examples of Upcoming Initiatives	
Rising Digital Skills Levels Nurturing Leaders of Digital Transformation	<ul style="list-style-type: none">✓ Intensive digital and AI training (for employees & organizational managers)✓ Visualization and certification of digital skills (D-Grade)✓ Reskilling programs
Enhancing Digital Utilization Capabilities	<ul style="list-style-type: none">✓ Providing practical, value-generating content (e.g., internal and external case studies)
Visualization and Sharing of Initiatives	<ul style="list-style-type: none">✓ Digital & AI business-concept events✓ Use of the internal DX Channel✓ Showcasing initiatives at Company-wide meeting, etc.

Society and Industries Shaped by Digital & AI Strategy

- Transformation on the Global Business Frontlines -

5G and AI-Driven Infrastructure Maintenance

Addressing workforce shortages in social-infrastructure inspection by providing efficient, digital-powered solutions.

Digital Infrastructure and Industrial Base Development & Expansion

Expansion and enhancement of the industrial foundation, including data centers, telecommunications infrastructure, power systems and semiconductor-related facilities.

1

Transforming Supply Chains

Optimizing industrial supply chains worldwide to improve efficiency and ensure stable delivery.



Advancing Agriculture Through Global Data Utilization

Integrating and analyzing crop, soil, weather and agricultural-input data to support stable growth in agricultural production.

New Businesses Leveraging Retail Data

Integrating and analyzing customer data from supermarkets, drugstores, and other retail channels to develop services tailored to individual consumers.

Building a Digital Ecosystem for Urban Development

Enhancing energy efficiency, promoting residents' health management, and strengthening disaster-prevention and mitigation through digital technologies.

<Example of Approaches>

• Analyze all business-related/supply chain data with AI to implement solutions tailored to frontline needs and expand our added values.

Society and Industries Shaped by Digital & AI Strategy

- Transformation on the Global Business Frontlines -

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<Example of Approaches>

- Analyze all business-related data with AI to develop solutions tailored to frontline needs and expand our businesses.
- Integrate and accumulate customer data, analyze it with AI, and develop personalized, proposal-based application services and new businesses.

05

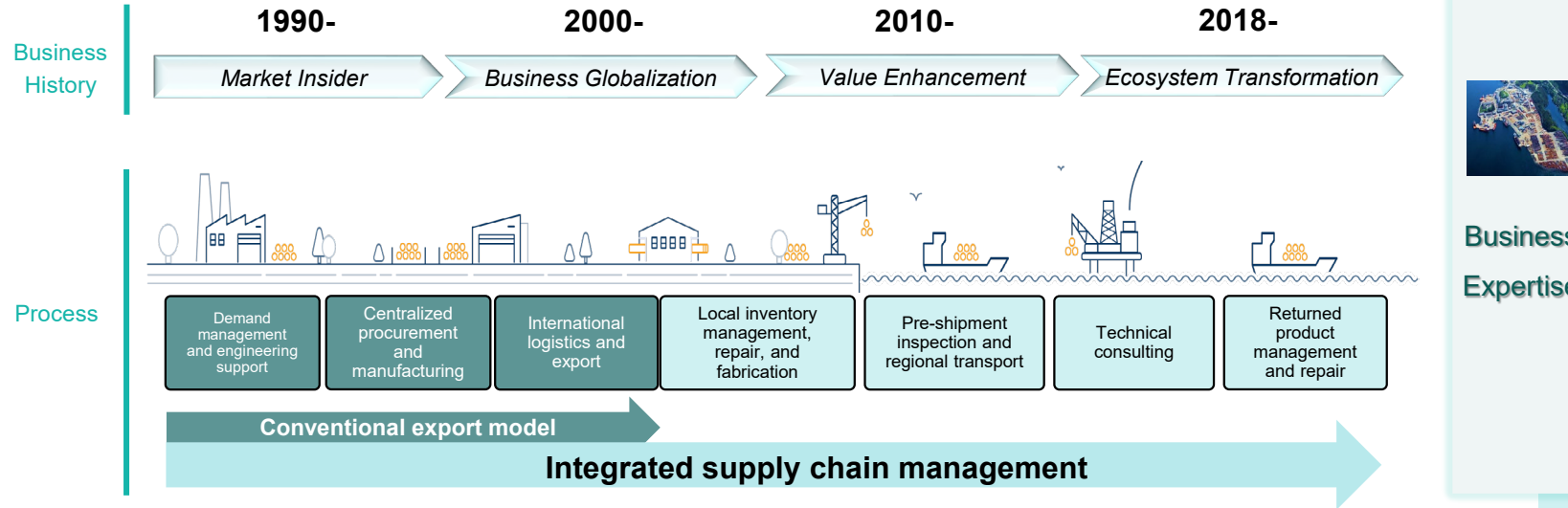
Digital & AI Strategy: Initiative Example

- Enhancing of the Tubular Supply Chain through AI Adoption -

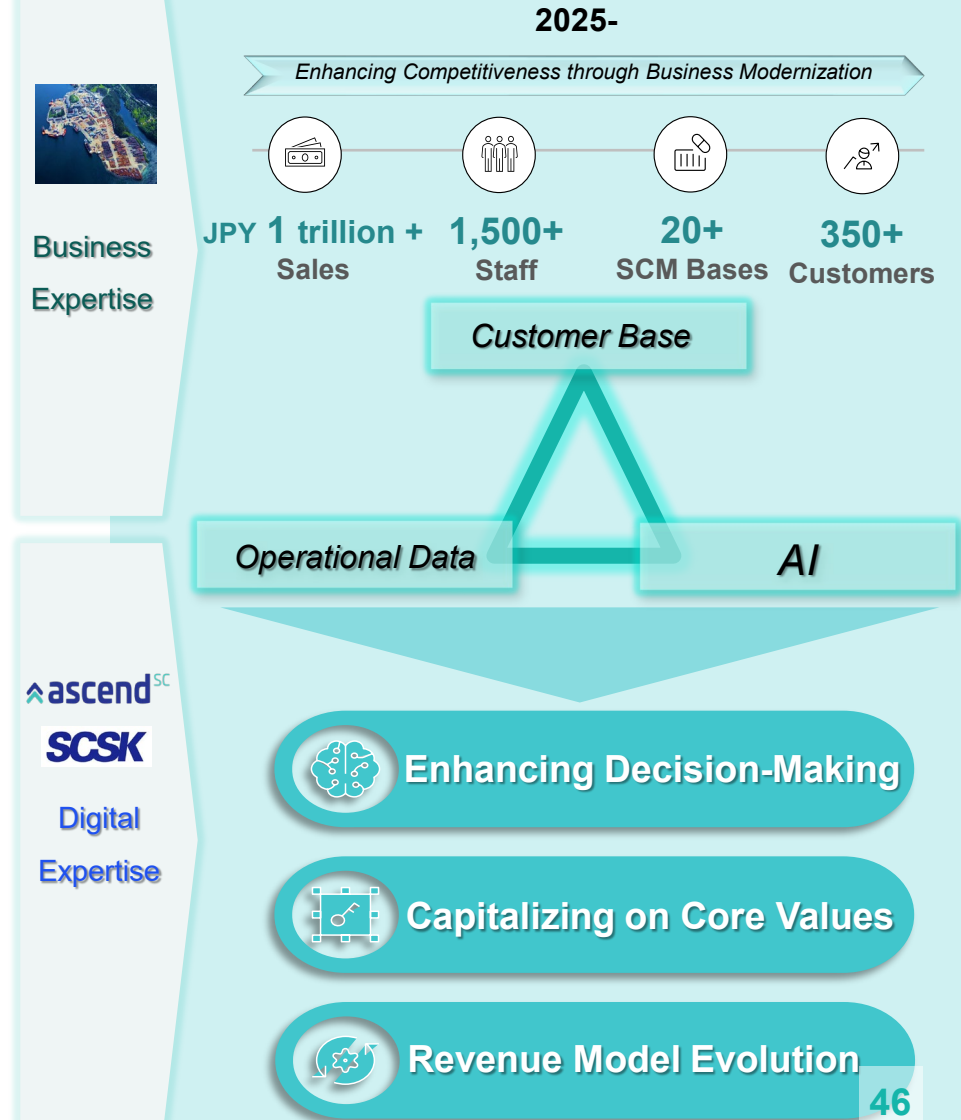
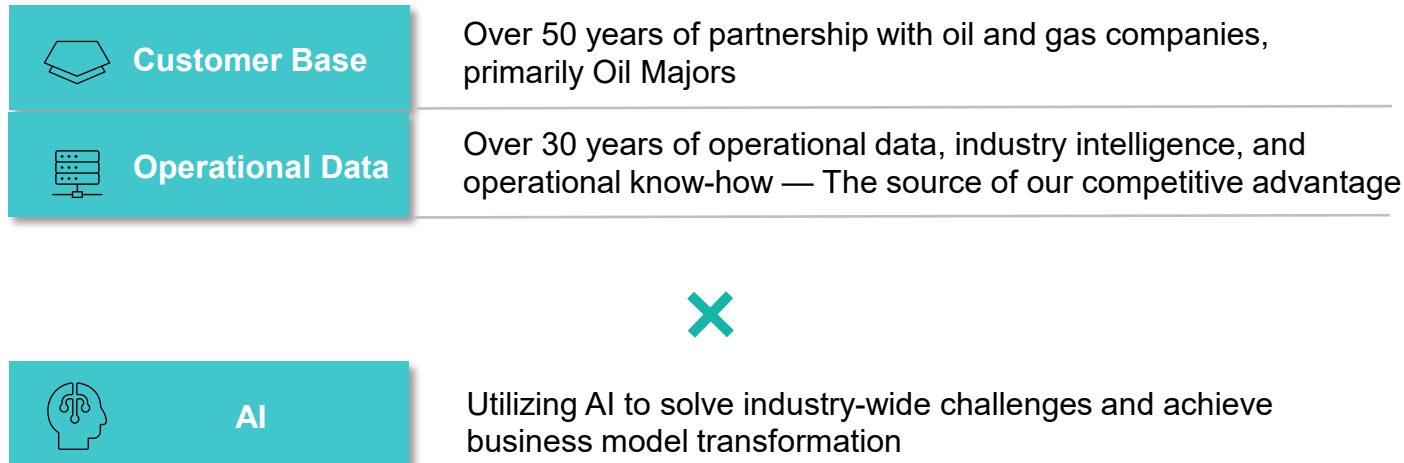
Taku Hattori, General Manager of Steel Business Unit (SCEU)

1. Transformation of Our Tubular Business

Transition from a Conventional Export Model to Integrated Supply Chain Management



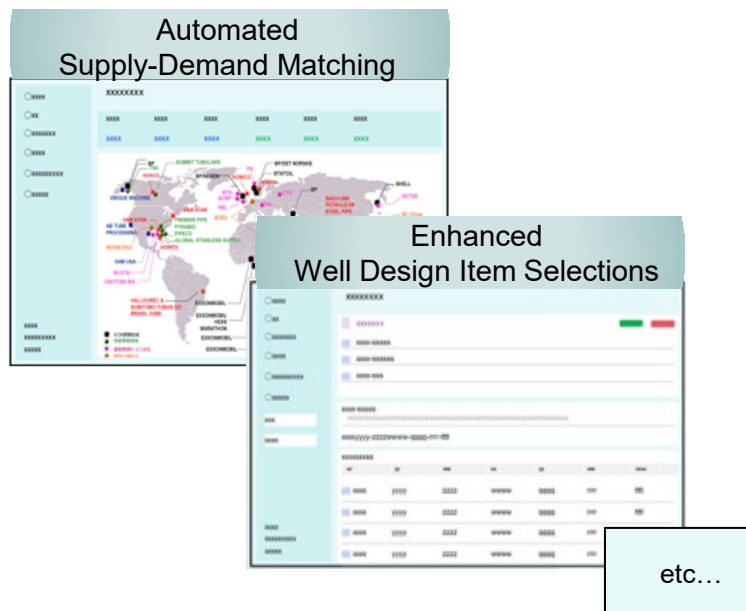
Our Strengths



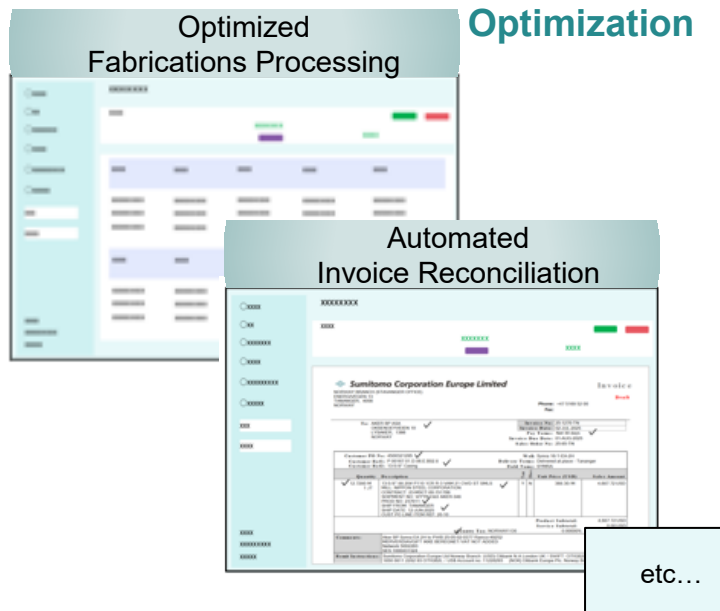
2. Enhancing Decision-Making Through AI Adoption

Completed a Proof of Concept (PoC) Phase; built use cases to address frontline challenges.
Developed 10+ prototypes with the participation of SCSK engineers - **Implementation Phase to begin next year**

AI Adoption Area①: Asset Optimization



AI Adoption Area②: Business Process Optimization



Enhanced decision-making through AI



Core system overhaul & Data infrastructure modernization



Asset Optimization

- Supply-demand optimization
- Aged inventory reduction
- Financial cost reduction...



Business Process Optimization

- Operational efficiencies
- Enhanced decision-making...



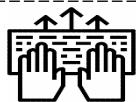
Economic impact of several billion yen projected during the next Medium-Term Management Plan period



Revenue Model Evolution



AI platform



Operational Data

3. Outlook and Scalability

Tubular Business

Approach in expanding into Other Businesses within Our Group

Analyze all business-related/supply chain data with AI to implement solutions tailored to frontline needs and expand our added values.

* Oil & Gas Equipment and Services Market Size: Approx. JPY 50 trillion



Expansion to Sumitomo's other business

Use Case Solution

New Orders/
Predictive Maintenance
Well item selection support

Inventory Management/
Supply-demand optimization

Approach in expanding into Other Businesses within Our Group

Transform competitive strengths and profit sources into intellectual property by converting tacit knowledge into formalized knowledge.

Leveraging data and AI to build digital platforms, strength customer engagement platforms to service providers targeting various customer segments.

Continuously analyze market data using AI to enable supply-demand matching, condition optimization and automated transactions.

06

Retail

- On site x Digital in the retail business -

Hiroki Takeno, Managing Executive Officer, Group CEO of Lifestyle Business Group

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- On site x Digital -**

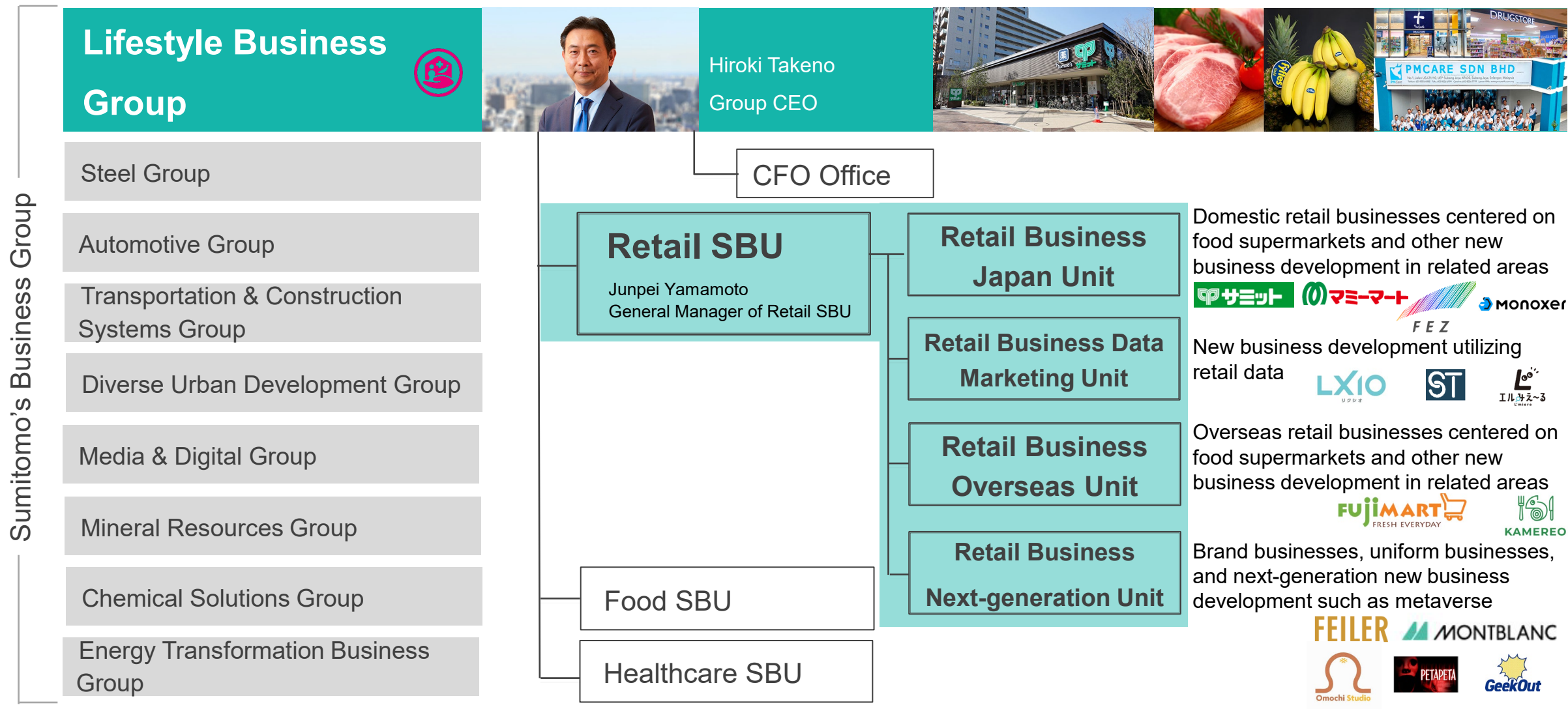
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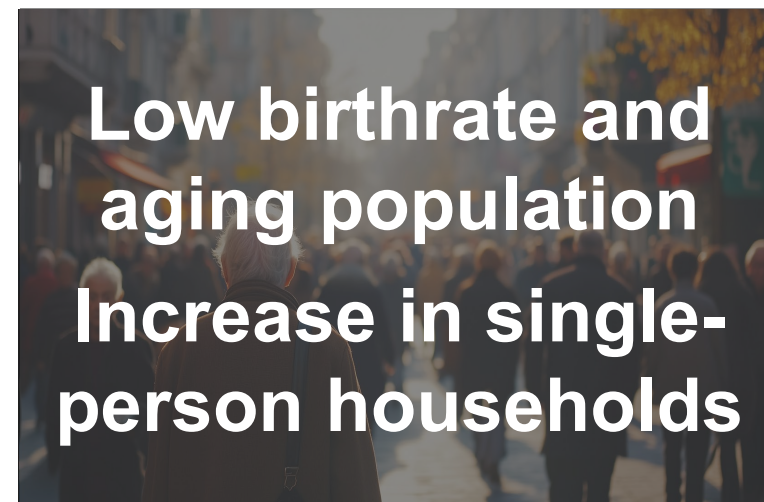
**Human Capital Supporting Growth of Retail
Business**

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Organizational Structure of Retail Business: Overview



Social Issues Surrounding the Retail Business



Upstream

Down-
stream

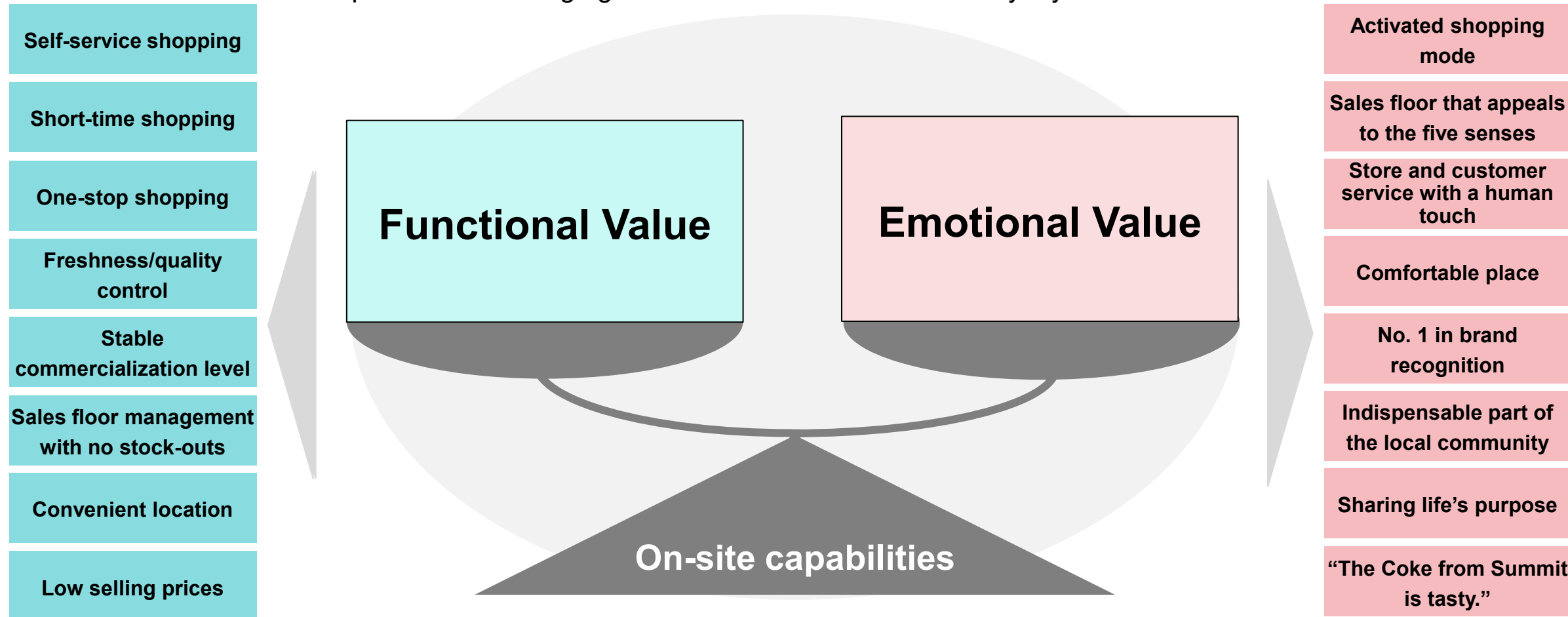






On-site Capabilities: Balance Between Functional and Emotional Value

- Based on our **functional value**, which has been our company's strength since its founding, we formulated a new business vision for Summit in 2017: "Making supermarkets in Japan more enjoyable". We are strengthening our **emotional value** to respond to the changing times and increase customer loyalty to our stores.



Providing Emotional Value①: Store Design

Sales floor with a human touch



Providing Emotional Value②: Store Design

Customer service with a human touch



大特価の商品が
大量に!?

店内騒然! 逃げ場なし!
うそのような
ホントの価格
襲来!!

忍び寄る謎の
絆創膏の男…

押し寄せるお客様に店内
大パニック!

エイプリルフール
インフェルノ
II

CP サミット

CP サミット

4.1 TUE

バイヤーを震撼させた“あのセール”が今度は店を大混乱に!?

逃げ場なしの地獄のセールが今始まる——。

※実際の映画の上映はありません。 ※「エイプリルフールインフェルノ」はありません。

〈撮影協力〉サミットストア 和泉店のみなど

[illegible]

58

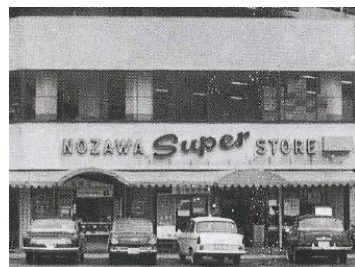
Retail Business Strengths

- 01** **Operational capabilities** (Functional value) **x Marketing capabilities** (Emotional value)
x Retail DX promotion capabilities
- 02** **Store network and customer contact points centered on**
the Tokyo metropolitan area x Retail data visualizing food and health
- 03** **Diverse retail business talent x Ability to increase value**

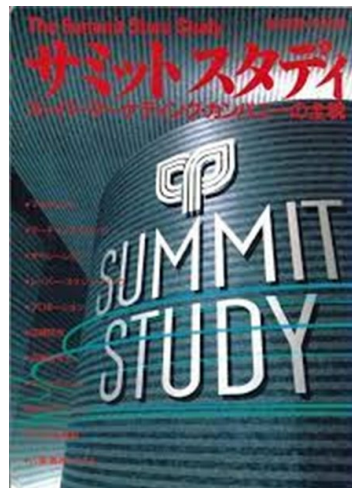
Journey of Enhancing On-Site Capabilities and Creating Value

Enhancement
of strengths

[First store]



[Featured books]



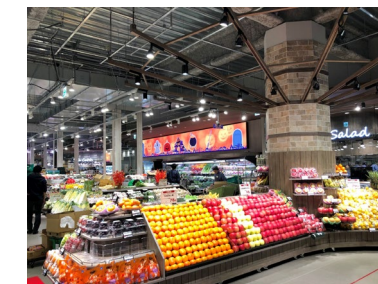
[Attendant staff]



[Unique leaflets]



[Terrace Mall Matsudo Store]



Evolution of
service levels

Retail DX
Digital/AI utilization

Evolution of operations

Enhancement of marketing

Time

1963
Founding

1996
Annual sales exceeded
¥100 billion

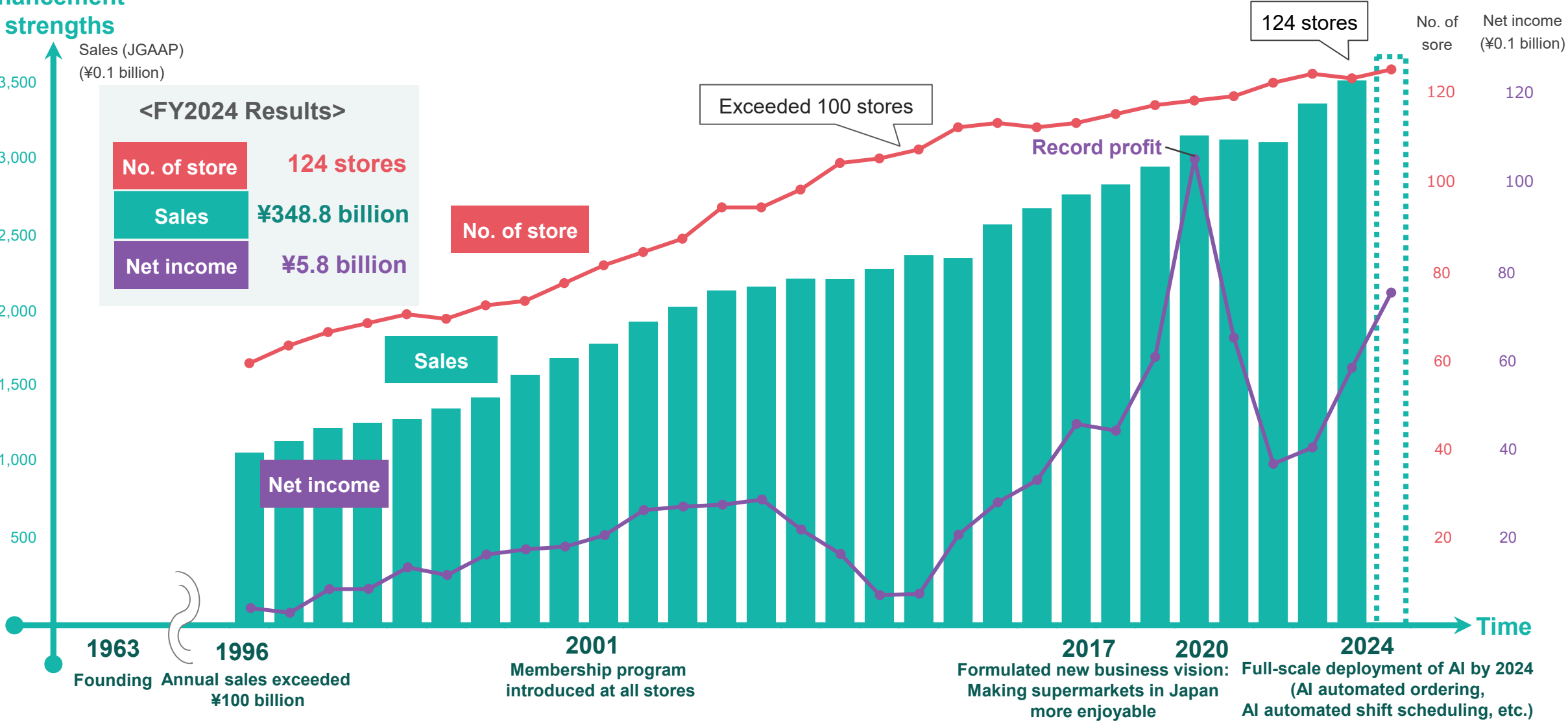
2001
Membership program
introduced at all stores

2017
Formulated new business vision:
Making supermarkets in Japan
more enjoyable

2024
Full-scale deployment of AI by 2024
(AI automated ordering,
AI automated shift scheduling, etc.)

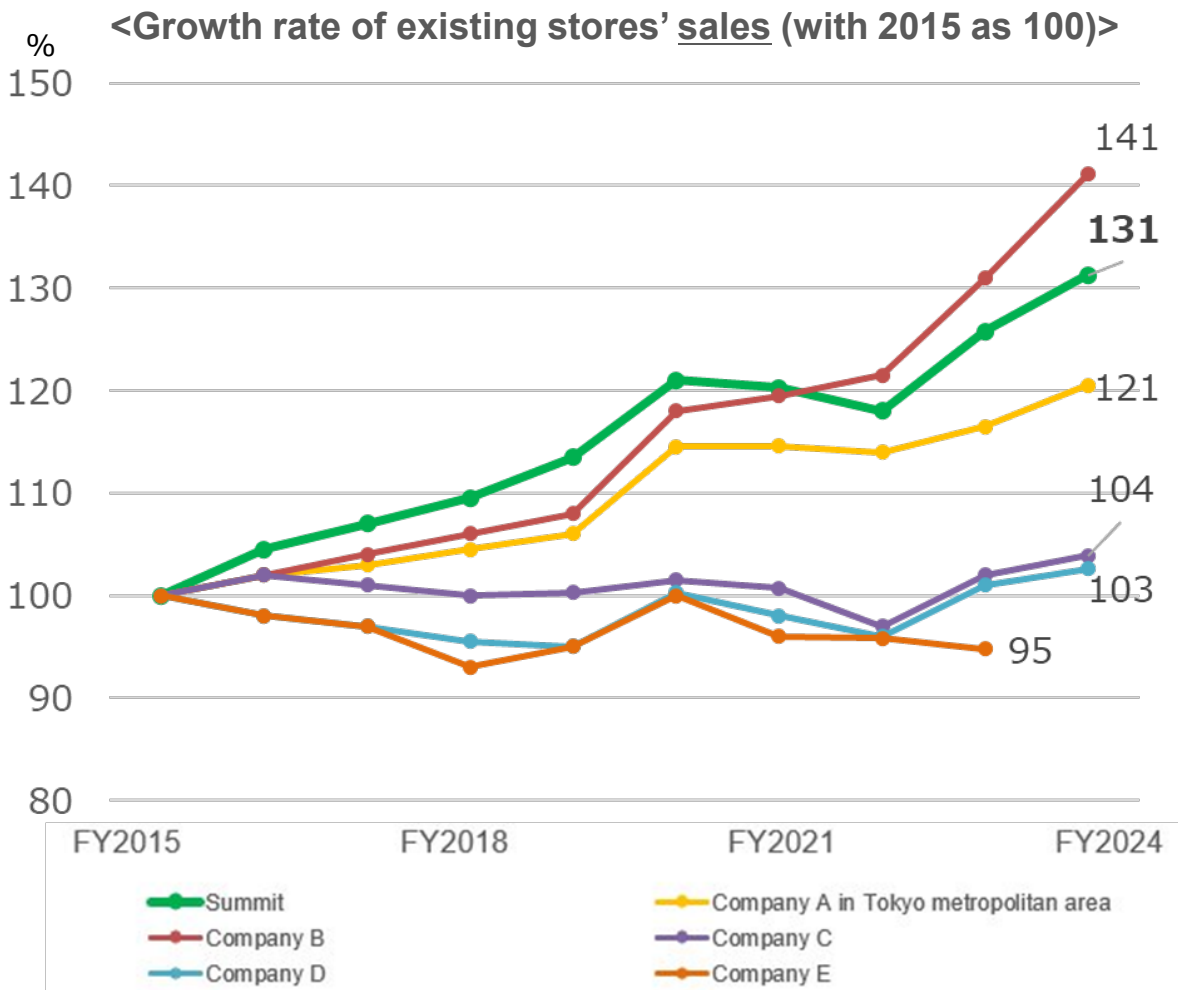
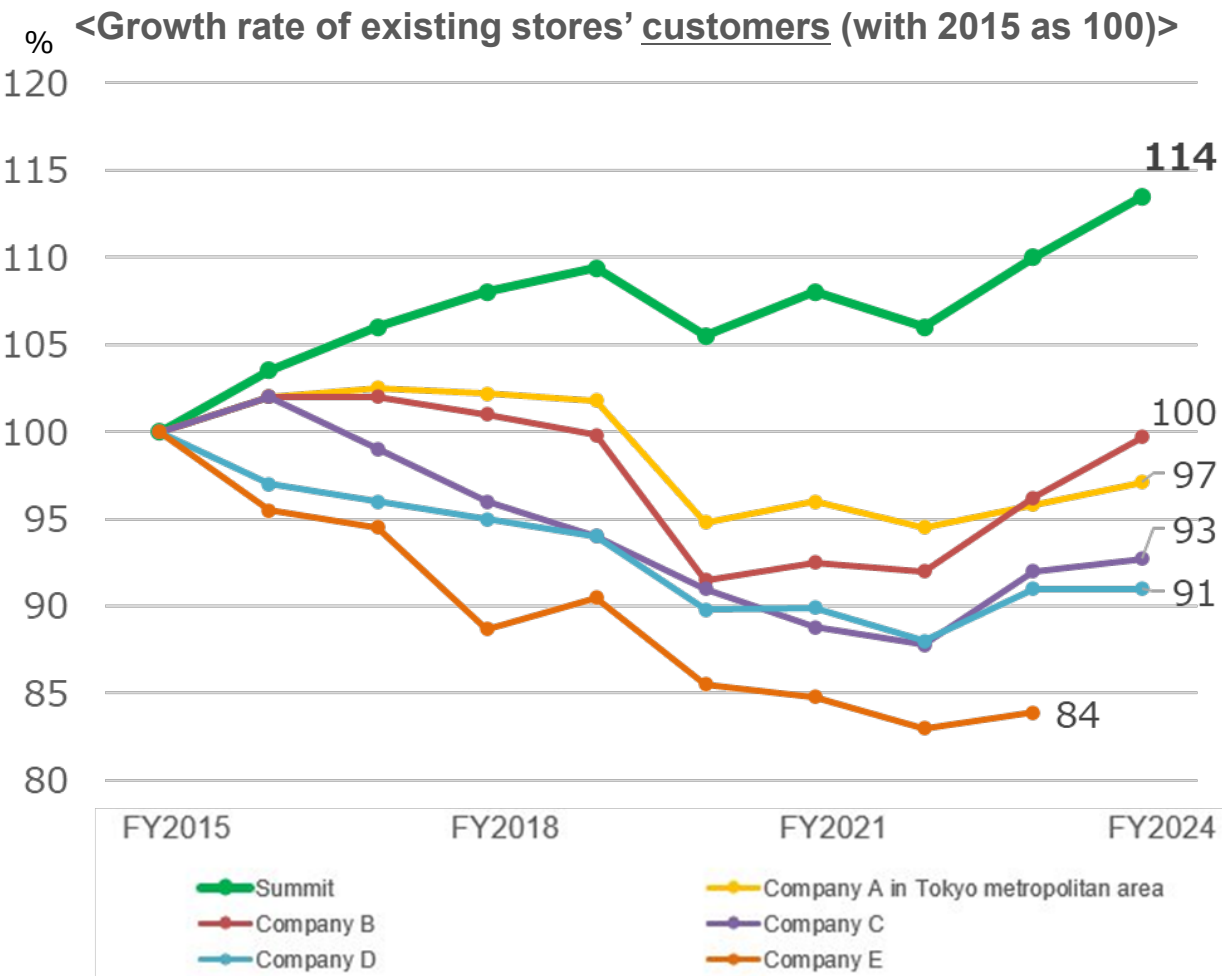
Growth Trajectory: Transition of the Domestic Food Supermarket Business

Enhancement
of strengths



Going Beyond the Boundaries of a Supermarket

- By strengthening our on-site capabilities, we have been able to improve both **functional and emotional value**, resulting in an increase in Summit fans.



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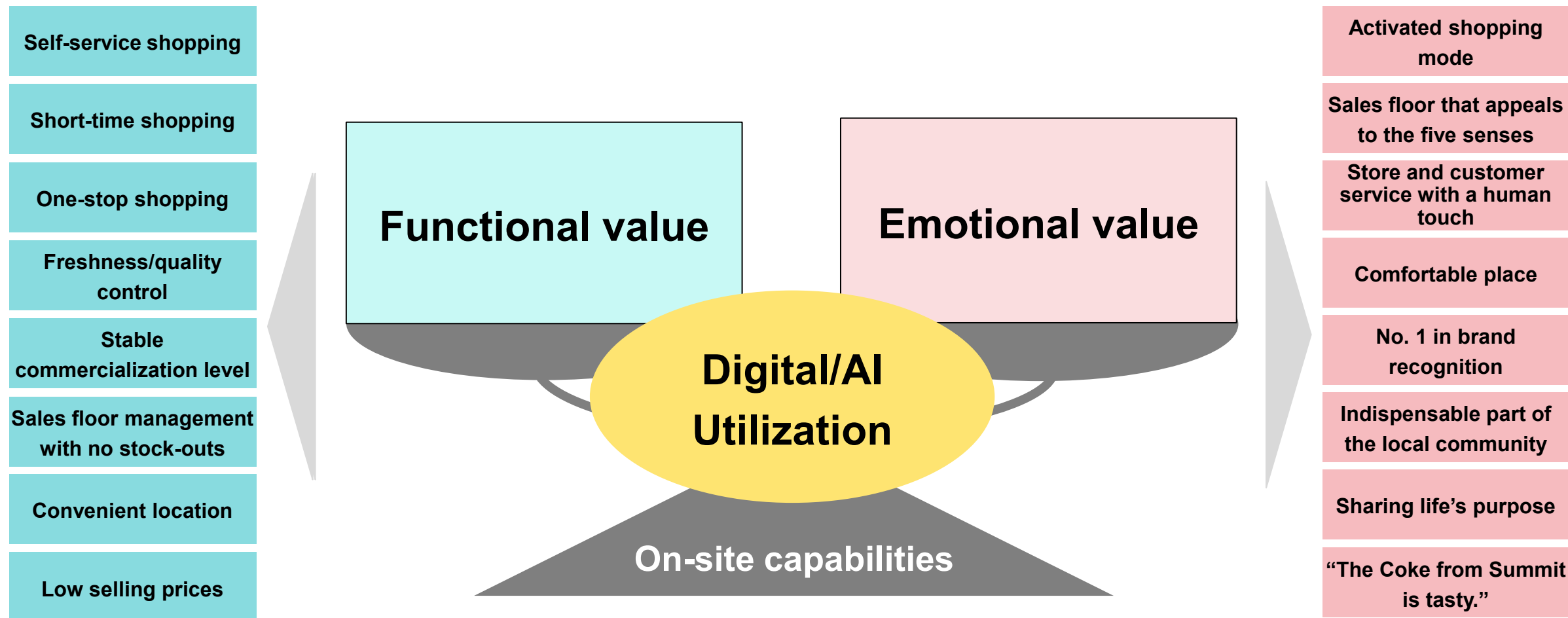
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**Human Capital Supporting Growth of Retail
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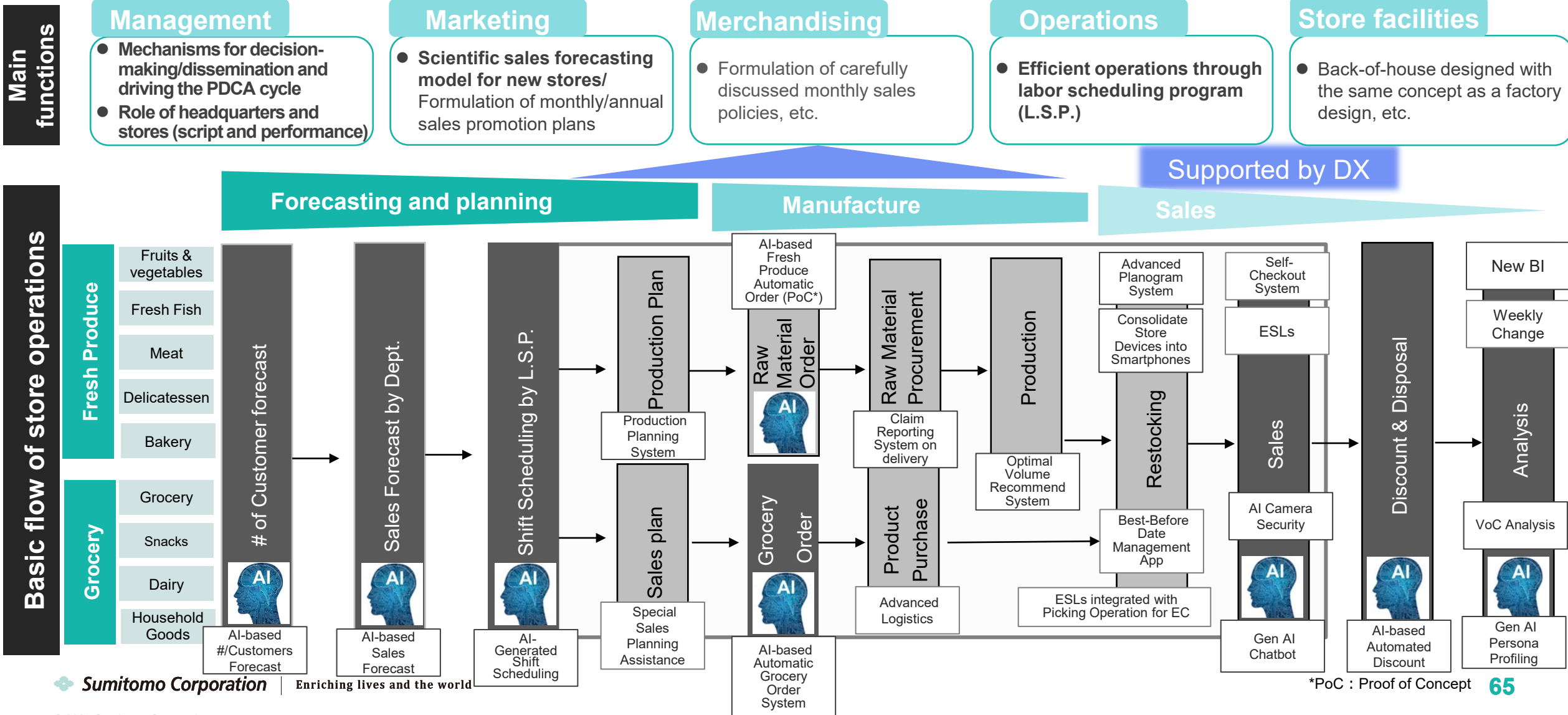
Leveraging On-site Capabilities to Add Further Business Value Through the Utilization of Digital/AI

- By combining our on-site capabilities that provide **functional value** and **emotional value** with digital and AI, we can further improve business value.



Utilization of Digital/AI: Case Studies of Enhanced On-site Operations

- We dramatically improve productivity by combining diverse workplaces with digital and AI (“Refine with digital”).



Utilization of Digital/AI: Strong Customer Base and Store Network

- Utilizing a wide range of customer touch points and digital technology, we develop optimal services that fit their lifestyles and new businesses that utilize data.

Over **700** stores concentrated in the Tokyo metropolitan area

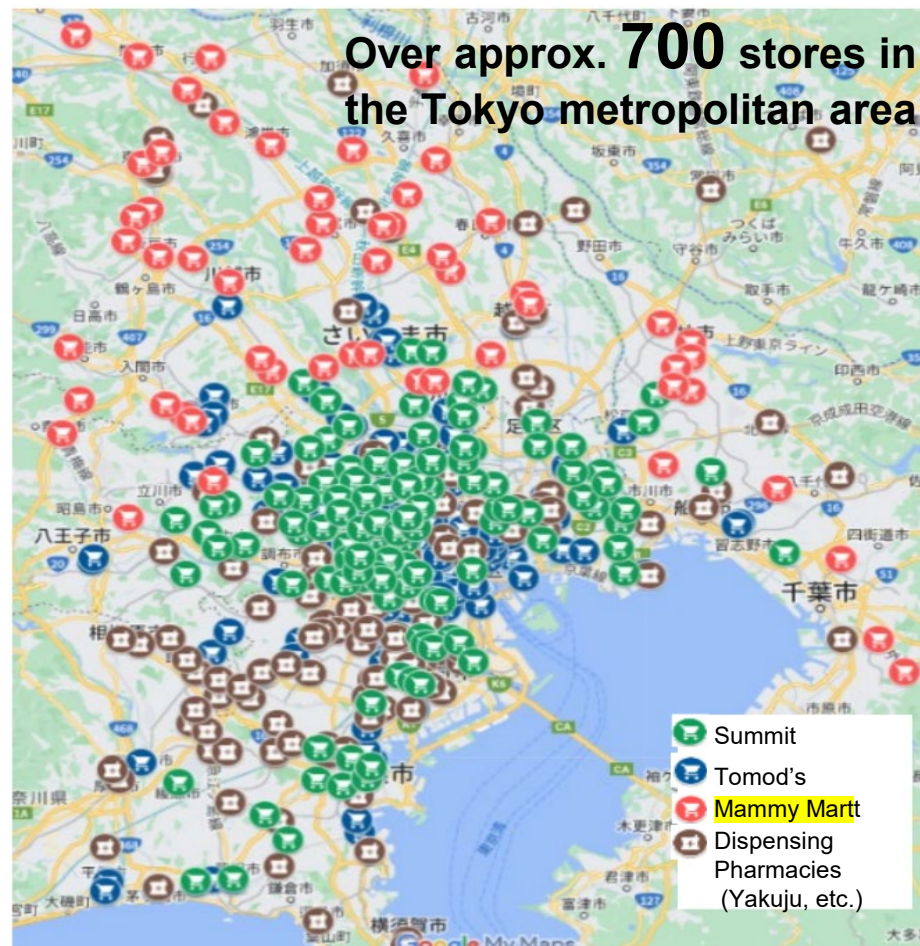


We operate over 700 stores in the huge Tokyo metropolitan market, primarily supermarkets, drugstores, and dispensing pharmacies, to meet all needs of our customers.

Approx. **5** million members



We strengthen our customer base through data integration with physical stores and creating new value that uses retail data.



Utilization of Digital/AI: Creating New Value and Business through Physical Stores and Data Utilization

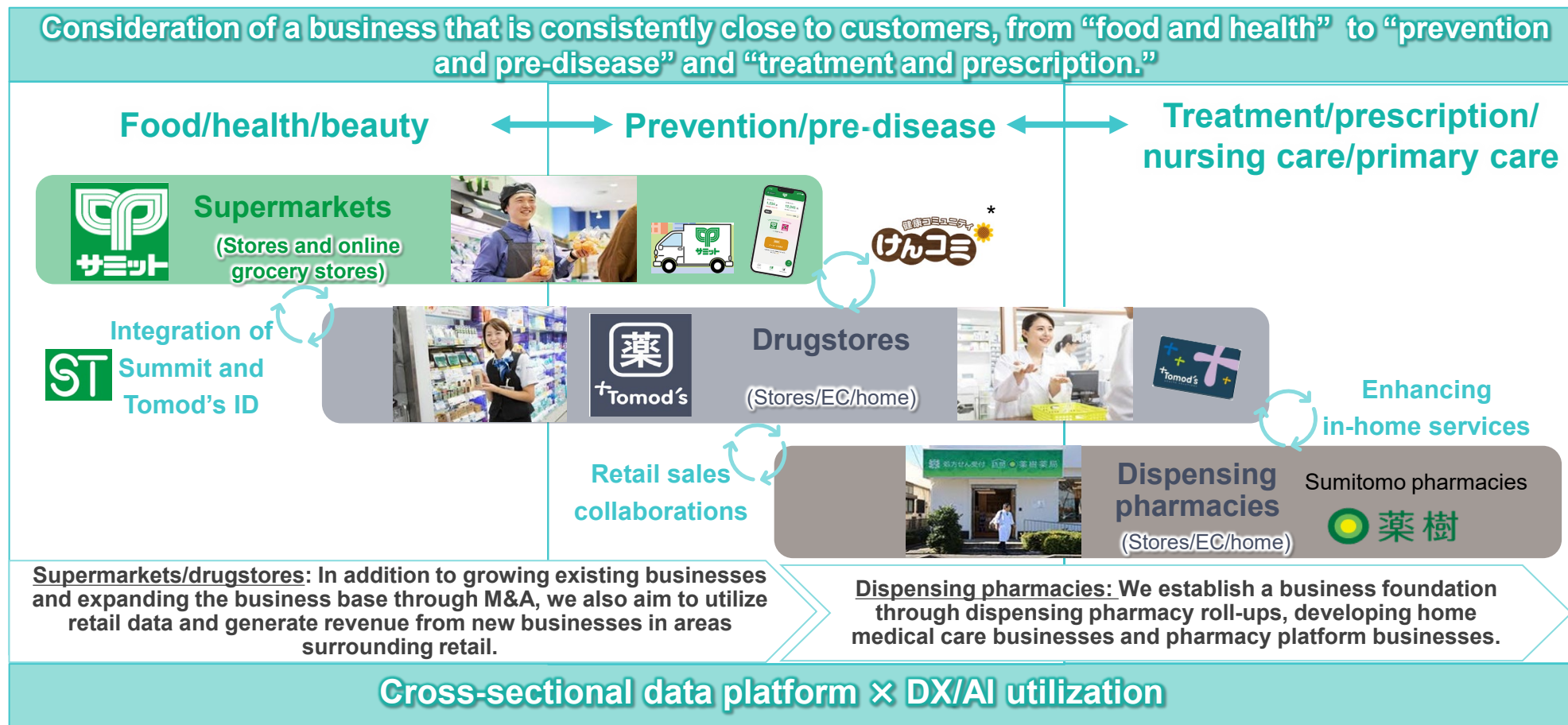
- We acquire first-party data from our group's affiliated companies, which have a wide range of touch points, and aggregate and analyze it into a data infrastructure to create new value.
- We are using the value we create to strengthen services for customers and are also working to build a new monetization model ("Profit with digital").



Vision For Retail x Digital: A Business Foundation That Enables Us to Combine Our Strengths

- Leveraging the power of digital technology, we demonstrate our unique development and scaling capabilities, enhancing our social value as a **“data-driven retailer”** that brings together the strengths of individual companies.

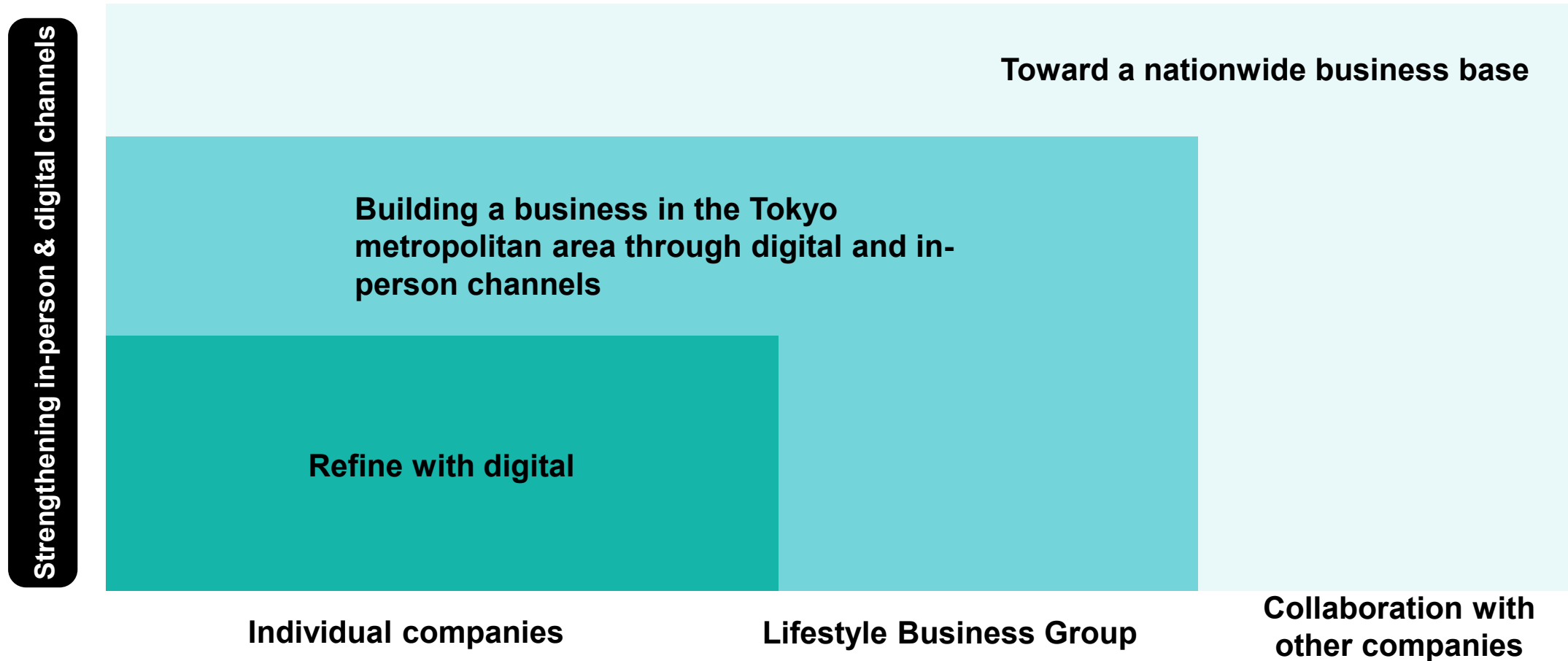
Vision: Address social issues related to food and health from the consumers' perspectives to make their lives more enjoyable



*Kenkomi: Located adjacent to Sumitomo, this corner allows you to quickly check your health status using a health measuring device..

Retail x Digital Vision

- By combining the strengths of physical stores and data integration, we can gain touchpoints with consumers nationwide. We demonstrate the value of connecting directly with consumers through data and digital technology/AI and aim to evolve into a data-driven retailer.



Society and Industries Shaped by Digital & AI Strategy

- Transformation on the Global Business Frontlines -

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<Our Approach>

• **Analyze all business-related data with AI to develop solutions tailored to frontline needs and expand our businesses.**

【Retail Use Case】 Operational Excellence at Summit Business (such as AI-based customer volume prediction and other advanced capabilities)

• **Integrate and accumulate customer data, analyze it with AI, and develop personalized, proposal-based application services and new businesses.**

【Retail Use Case】 Utilize in-store and first-party data to generate new business models and value.

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Ideal Managerial Talent of Lifestyle Group

- As Lifestyle Group primarily focus on business management, the development of management talent is essential for sustainable growth. “Development of management talent” has been made as a key organizational policy, and the ideal management talent has been clearly defined.

1. Visionary

Possessing the ability to discuss strategies and motivate the organization with outstanding foresight and insight (including DX/AI utilization)

2. Track record of problem-solving skills

No matter how much you sing your own praises, if you don't have a proven track record of accomplishments, others won't trust you or follow your lead.

3. Management skills

Possessing team building and presentation skills, verbal skills, and digital skills, in addition to MBA-like management skills

4. Human strengths

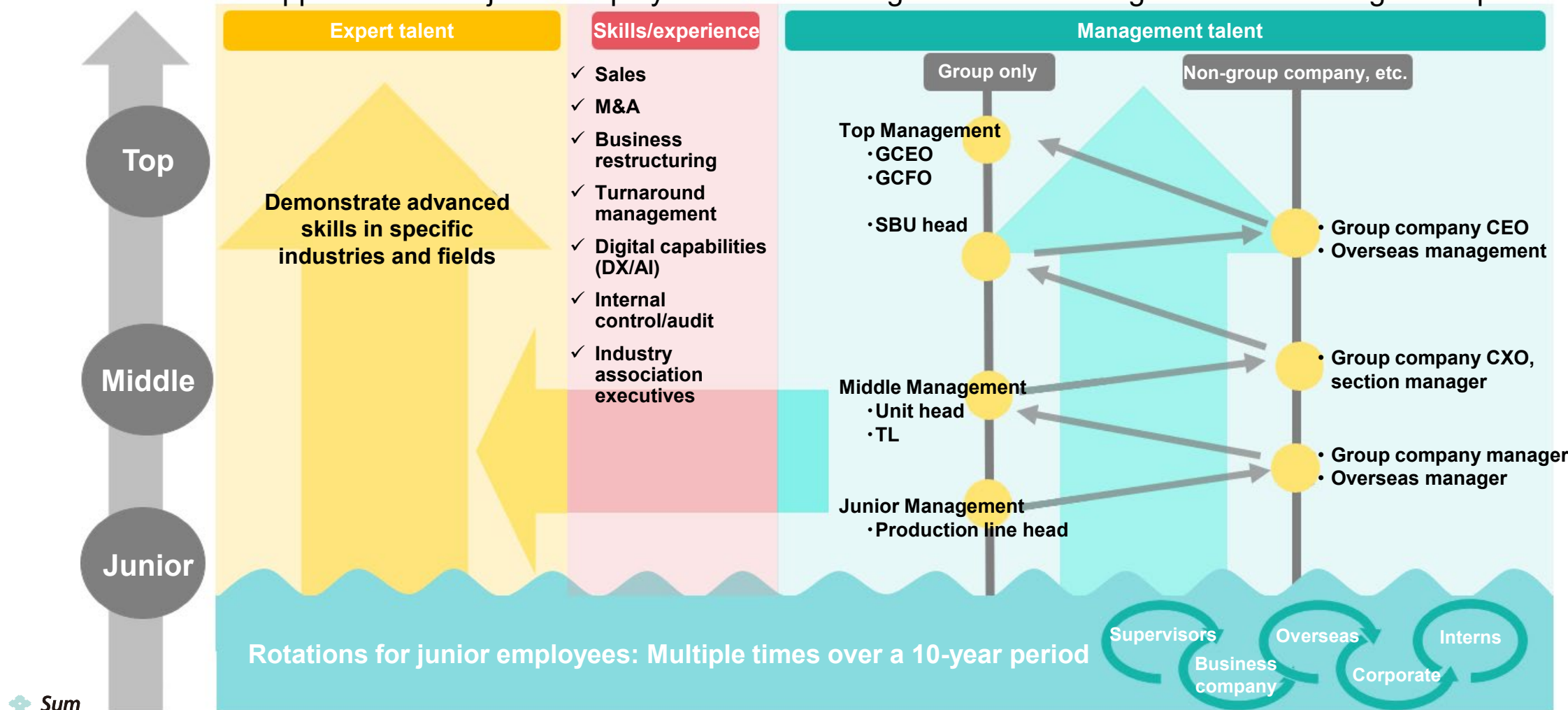
Having integrity (nobility/unselfishness), the ability to serve others (virtue), and leading with authority rather than power

5. Courage

Having unwavering strength, decisiveness rather than judgment, and the ability to make unexpected decisions (contrarian decisions)

Talent Development Model of Lifestyle Group: Management Skills Developed Through Challenges and Rotations

- Through ladder model rotation and diverse experiences, employees hone multiple perspectives and skills and develop the ability to solve management issues.
- We also create opportunities for junior employees to take on organizational management and management positions.

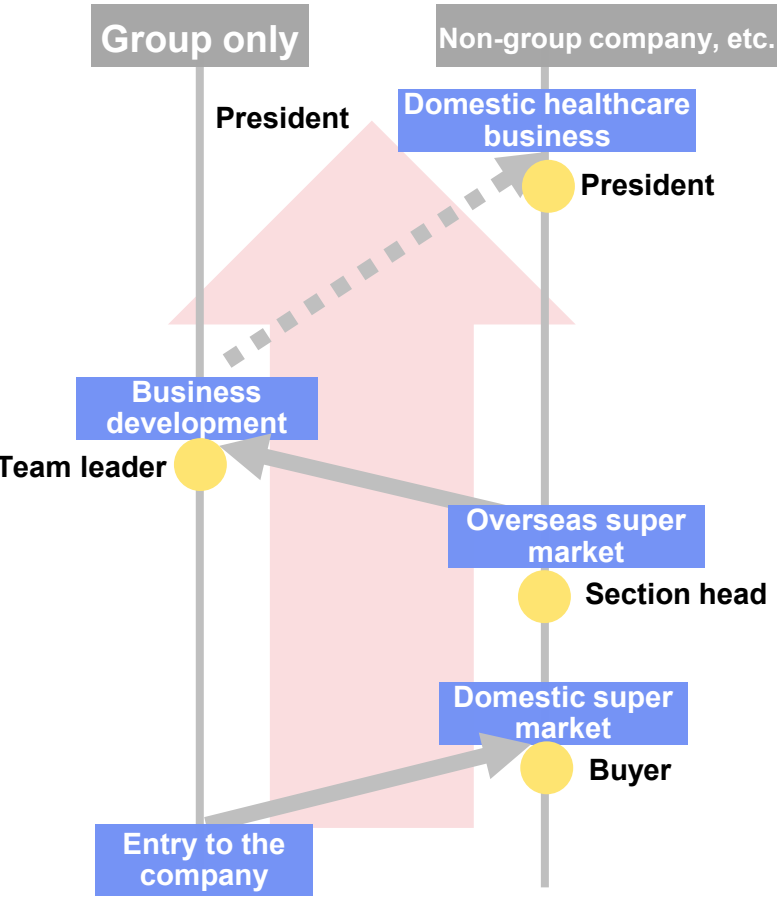


The Future Depicted Through a Human Resource Development of Lifestyle Group: Career Development Vision



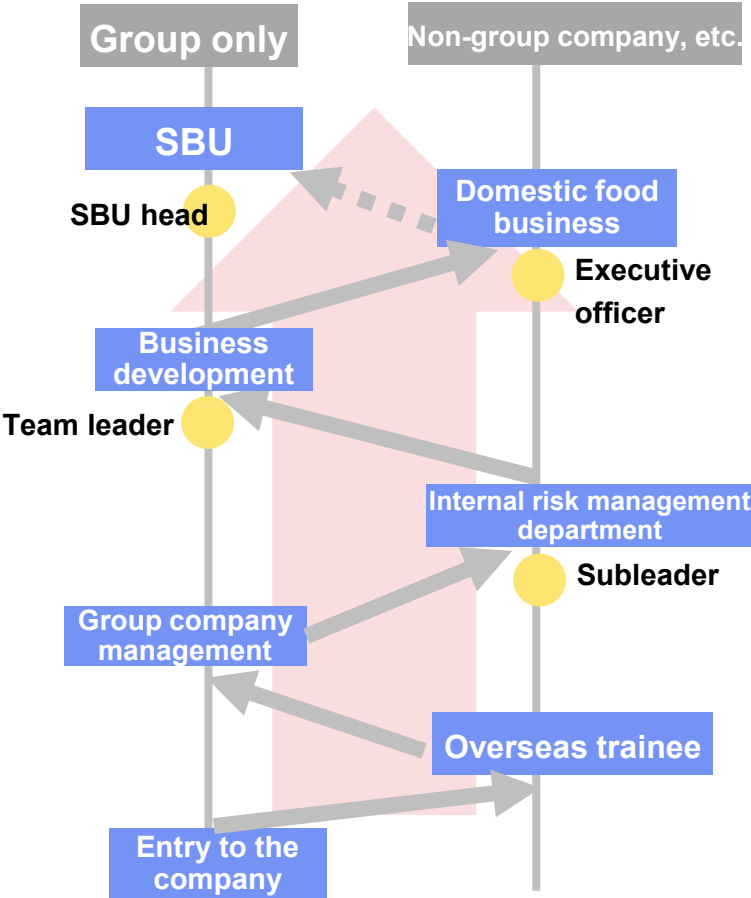
Person A

Management talent



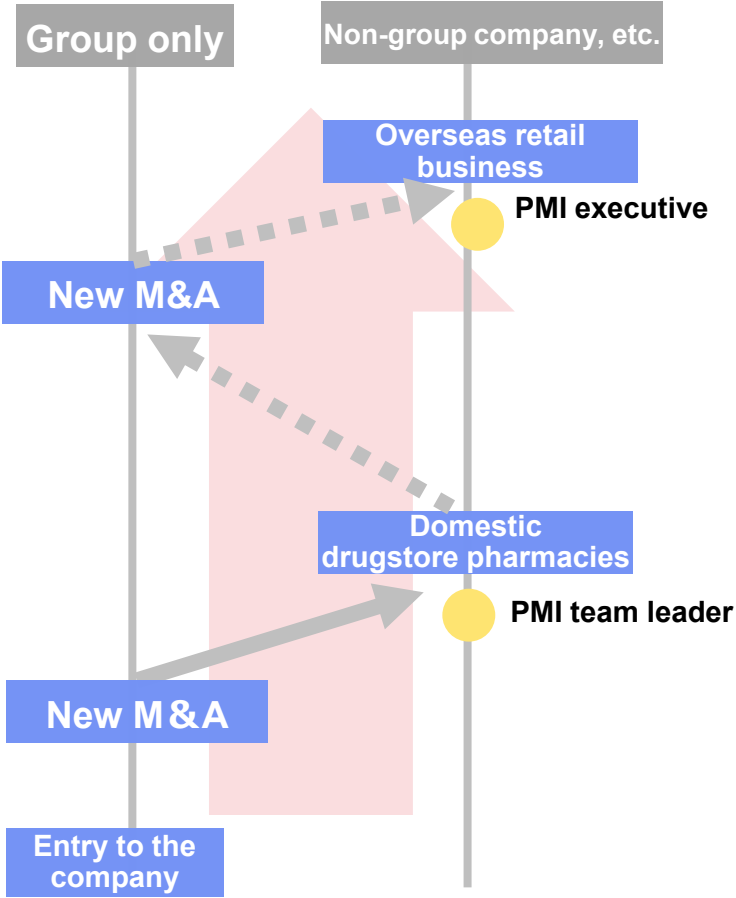
Person B

Management talent



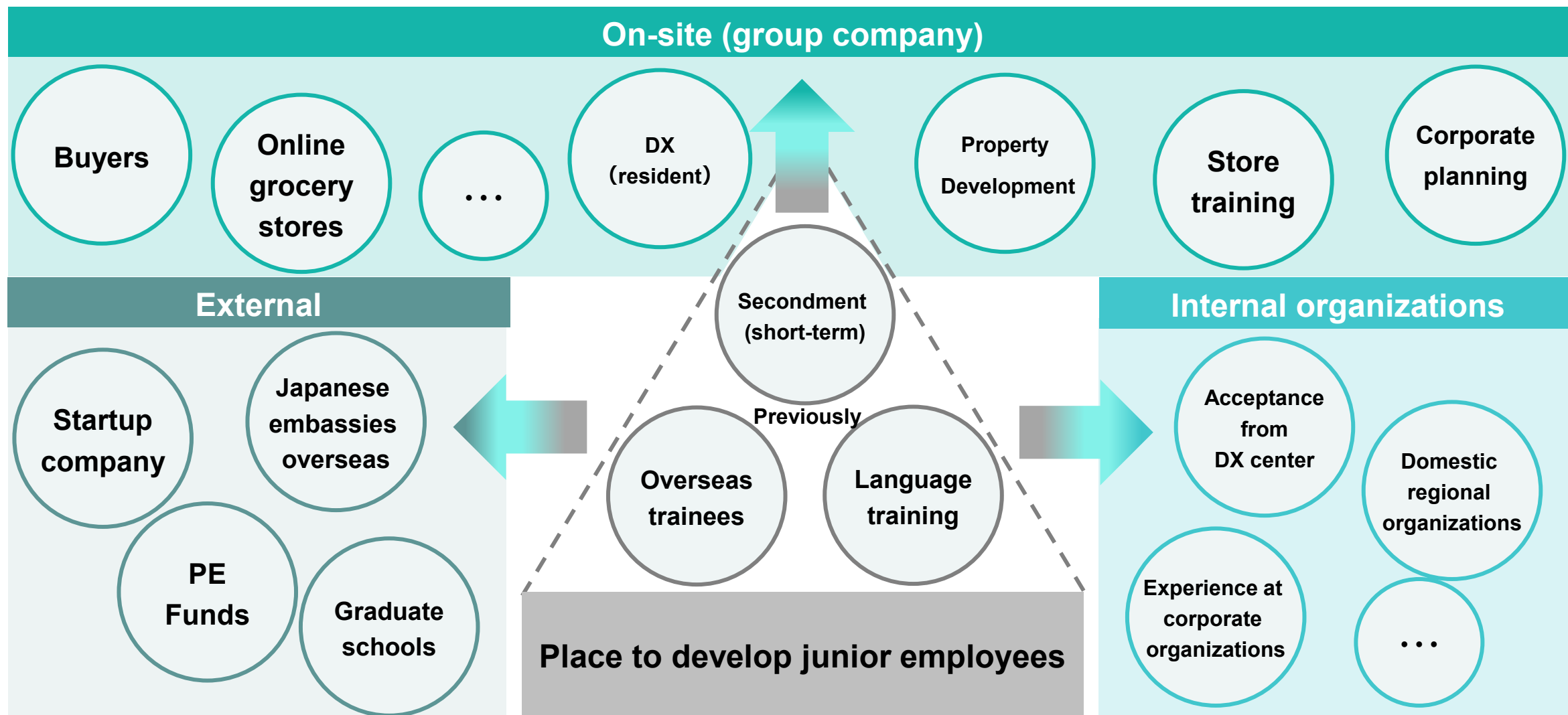
Person C

Expert talent



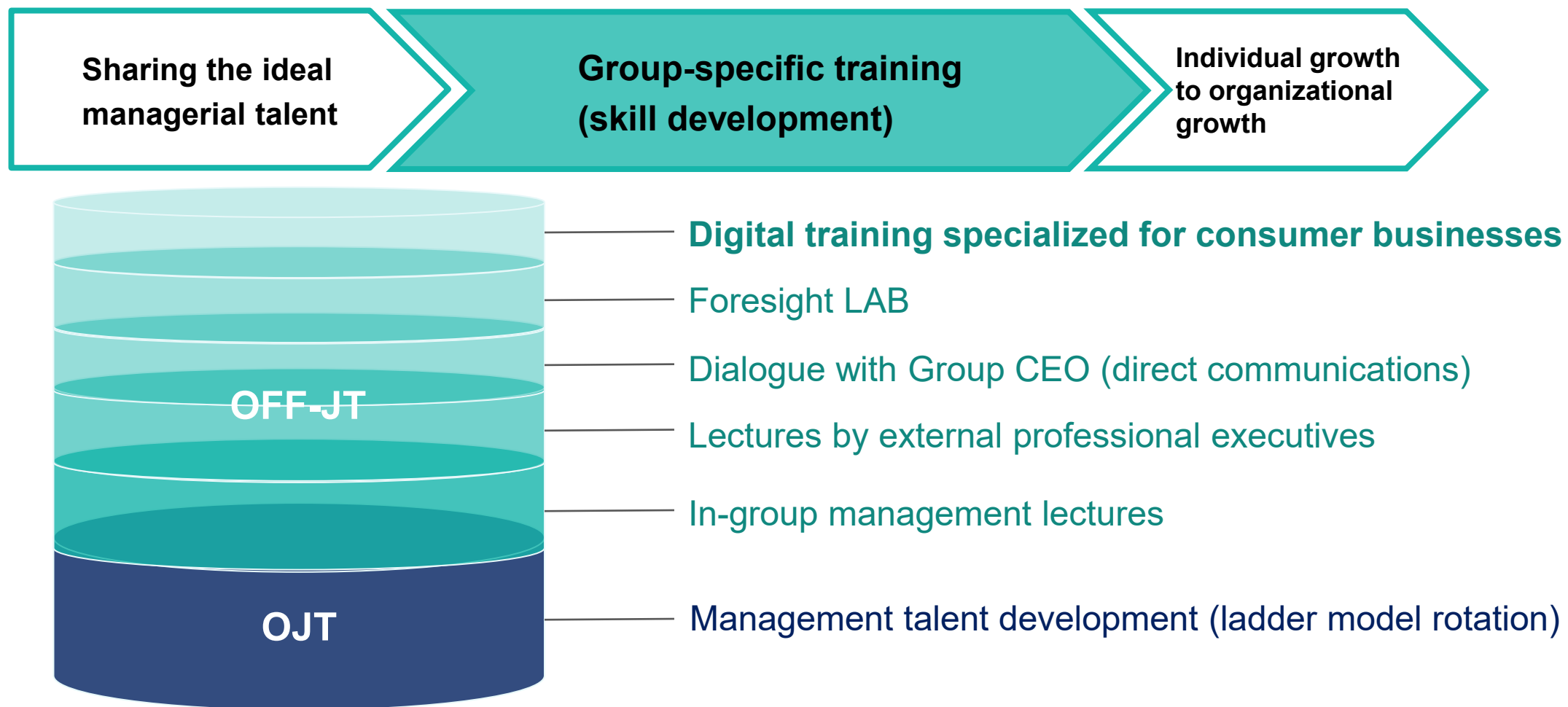
Expanding Opportunities for Training Junior Employees

- Expanding the places to train junior employees on-site (group companies), at external and internal organizations, etc.



Unique Management Talent Development to Drive Growth of Lifestyle group

- In addition to company-wide systems and training, we also provide training independently within the group, developing talent with a wide range of skills at multiple levels.



Developing Talent That Can Utilize Digital/AI: Strengthening Consumer Businesses

- In addition to company-wide training, we are promoting the group's own digital training specifically tailored to consumer businesses.
- By combining training for all group employees with selective training, we are capturing cutting-edge trends and improving the competitiveness of our organization.

Company-wide Digital/AI strategy: “Refine with digital, Profit with digital”

Company-wide training

Group training (general and comprehensive)

(Model example)

- ✓ Digital/AI intensive training (for employees and department heads)
- ✓ Visualization of digital skills and introduction of a certification system (D grade)
- ✓ Digital/AI business planning event

Unique group training (specialized for consumer businesses)

Training for all employees

(Model example)

- ✓ Latest generative AI utilization techniques
- ✓ Sharing examples of internal utilization (Summit, etc.)
- ✓ Creative business ideas using generative AI

Selective training

(Model example)

- ✓ Utilizing DX/AI tools to address own business challenges
- ✓ Seminars by Musashino Art University professors

The future is in our hands

Consumer-driven approach for food, health, and a better life

Closing

Shing Ueno, Representative Director, President and CEO

Enriching lives and the world