

Tripartite discussion among Outside Directors

Expectations and challenges for long-term corporate value enhancement under the Medium-Term Management Plan 2026 and new executive structure

Following the structural reforms under SHIFT 2023, we are now entering a growth stage under a new executive structure. In this section, three of our Outside Directors share their insights on the challenges and expectations for the long-term enhancement of the Sumitomo Corporation Group's value, drawing from their extensive experience.



Takashi Mitachi

Outside Director

Profile

Takashi Mitachi was appointed an Outside Director of Sumitomo Corporation in June 2022. He has extensive knowledge and rich experience in corporate management and integrated risk management, having served in key positions at a major management consulting firm in the United States for many years.

Akiko Ide

Outside Director

Profile

Akiko Ide was appointed an Outside Director of Sumitomo Corporation in June 2020. She has extensive knowledge and rich experience in information and telecommunications, corporate management, and corporate governance, having held key positions with a major telecommunications group over the course of many years. She has also served as an executive at its group companies and a full-time Audit & Supervisory Board Member at its parent company (holding company).

Takahisa Takahara

Outside Director

Profile

Takahisa Takahara was appointed an Outside Director of Sumitomo Corporation in June 2023. He has extensive knowledge and rich experience in corporate management, having served in key positions, including as President & CEO, at a major consumer goods manufacturer for many years.

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The Medium-Term Management Plan 2026 has commenced. What discussions took place regarding the strategy to enhance our competitive advantages under the theme of “No.1 in Each Field” and achieve dynamic growth by addressing social challenges?

Discussion of the unique strengths and organizational structure needed to grow and win



Ide When the previous medium-term management plan, SHIFT 2023, was formulated, we reflected that important management policies should be discussed by the Board members at an earlier stage. Accordingly, we began discussing “post-SHIFT 2023” in May 2023, one year before the announcement of the new plan. This time, we were able to discuss the organizational structure for implementing the plan from an early stage, which was highly beneficial. Initially, our focus was on organizational restructuring. And then once the concept of the new plan took shape, we engaged in lively discussions about our growth strategies and the significance of the “No.1 in Each Field” theme. We also addressed sustainability matters early on, such as updating the Material Issues and reviewing climate-related policies, in parallel

with the organizational restructuring. This approach allowed us to finalize the opinions and proposals of the Outside Directors, ensuring alignment with the executive side and avoiding any discrepancies.

Mitachi The Board of Directors, including Outside Directors, is entrusted by shareholders to protect and enhance corporate value. Under the previous medium-term management plan, we thoroughly emphasized the importance of considering return on invested capital (ROIC) and weighted average cost of capital (WACC) when evaluating businesses, which has yielded positive results. Under the new plan, we are focused on growth and achieving competitive success. Naturally, we cannot win by simply imitating other companies, so we discussed strategies to outperform competitors, ultimately settling on the theme, “No.1 in Each Field.” In addition to strengthening individual businesses, we deliberated on the optimal combination of businesses for our portfolio, how to manage and grow the overall portfolio effectively, and how we, as Outside Directors, could support the execution of this process.

Takahara At the recent General Meeting of Shareholders, we received encouraging comments from our shareholders, urging us not to be complacent about the current situation in which we are being

outpaced by other trading companies. They emphasized that, regardless of external environmental impacts, we should respond decisively rather than speak of performance fluctuations as a third party. With respect to sustainability, one of the pillars of the new medium-term management plan, we received suggestions about delivering both social value and economic value rather than solely pursuing economic superiority. Our theme, “No.1 in Each Field,” encompasses both relative and absolute value. It would be beneficial for our SBUs to thoroughly analyze and pursue both economic value and social value, breaking down and considering the unique value that makes them unique in their respective fields.

To effectively implement the medium-term management plan and achieve positive outcomes, it is crucial for those on the ground to have a clear understanding of how to best move forward with the plan. In my company, we select a project owner from among frontline leaders who will be involved in the execution from the planning stage, and we allow them to choose their own project members. As a Japanese saying goes, “the outcome of a battle is decided while the sword is still in its sheath,” and I believe that formulating the plan in this way significantly increases its chances of success. In addition, it is crucial for top management to spend time visiting the field and explaining the plan to the frontline employees who will implement it, even if that requires extra time.

Organizational reforms to speed up decision-making

Ide In our recent organizational reform, we positioned SBUs in parallel regardless of size and reorganized them into nine business groups with high strategic affinity, creating a structure that enables autonomous organizational management. Past employee engagement surveys have indicated that the lengthy and complex decision-making process leads to an increase in non-rewarding and inward-looking work. I believe this organizational restructuring was also aimed at quickly incorporating an understanding of the situation on the ground into management decisions.

Mitachi I consider our battlefield to have a “3+1” configuration. The “3” refers to three layers of competition: competition with other companies, competition within each sector of our business groups, and competition at the level of our 44 SBUs. It is important for the nine business groups in the middle to define their meaning of “No.1” in both quantitative and qualitative terms, ensuring that their focus extends beyond just managing the SBUs. The “+1” refers to our investee companies. In 2021, we established the Group Management Policy to spearhead the creation of synergies with SBUs through governance as a shareholder of investee companies. This approach aims to create value for both those companies and our SBUs. I believe we need to link the three layers of competition with our

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“+1” management approach, encompassing investee companies, to further sharpen our competitive advantages by leveraging the mechanisms we have accumulated to date. It is crucial to do this skillfully, and I believe we have incorporated these elements into the framework of our new medium-term management plan.

What do you see as the competitive advantages of the Sumitomo Corporation Group, and what challenges do you foresee in leveraging those advantages for sustainable growth?

Creating “No.1” businesses from a long-term perspective in areas of strength, taking a comprehensive, bird’s-eye view of the value chain, along with the values and mindset that underpin this approach.

Mitachi The business model of integrated trading companies, including Sumitomo Corporation, is currently being reevaluated positively. This shift is due to our growing emphasis on long-term holdings and our adoption of an bird’s-eye view of the entire value chain in each industry, from upstream to downstream. From the perspective of an integrated trading company with a “long-term, bird’s-eye view,” creating business models such as Sumitomo Corporation’s unique “No.1” model will provide us with competitive advantages. The challenge lies in how many of these models we can successfully develop. As Mr. Takahara has mentioned, the pursuit of both

economic value and social value is more easily achieved in the long term when economic value is derived from social value. Now, amid significant changes, we undoubtedly have more opportunities to pursue this approach. Here, it is crucial for the Company to invest cash and management resources in a timely manner, adhering to rigorous investment discipline and appropriate risk management. I would like to see Sumitomo Corporation create unique value by enhancing the areas of strength it already possesses in the value chain, from upstream to downstream. In addition, by organically linking the value of our trading business with that of our long-standing customers, we can truly become “No.1” in the Sumitomo Corporation sense of the word. This, in turn, will allow us to return that value to our shareholders.



Takahara I believe that a company’s competitive advantage also lies in its organizational culture and values. Last year, when I visited a project company in Vietnam, I met our employees working in a jungle-like remote site, and it was evident to me that our corporate culture values experience on the front lines of our businesses. They were highly aware that, as frontline leaders, they were the vanguards embodying Sumitomo’s corporate culture. Remarkably, one of them was a young employee who had been with the Company for only one or two years. I witnessed how even new personnel were given the opportunity to gain on-the-job experience from the very beginning, instilling in them the importance of making a sincere effort. I was deeply impressed by this approach to personnel development. At the same time, I realized that the Company recognizes through experience that the fresh ideas and energy of young people will be at the heart of the Company’s transformation and will drive our future growth.

Ide Recently, there has been an increase in the number of career hires, including those in executive positions, who bring diverse experience from outside the Company. Even with this influx of new perspectives and values, there is an ingrained practice of making decisions that reflect Sumitomo’s Business Philosophy in meetings and various other settings. I believe this is another great strength of our organization. In addition, the Company makes a concerted effort to solve issues by getting deeply involved at the business front lines, more so than I had initially imagined. While some projects might not succeed, being on the front lines allows us to apply the lessons learned from both successes and failures to other initiatives. In this respect, the strength of being directly engaged in the business front lines provides us with competitive advantages. Mr. Ueno, President and CEO, emphasizes that the greatest significance of the keyword “No.1” is to change the mindset of employees. This involves encouraging them to consider where they should aim to be “No.1” in their own unique way. I believe these words reflect our desire to take the next step forward and adopt a more proactive, offensive approach.



Digital and GX: Key to business creation and value creation for differentiation

Ide We began our digital transformation (DX) journey at an early stage with the establishment of our DX Center in 2018. The DX Center spearheads efforts to share cases where digital technologies have led to operational improvements, sales growth, and business model

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transformation. We have also focused on developing human resources through personnel exchanges between our business units and the DX Center. Under the theme of “Refine with digital, profit with digital” in our new medium-term management plan, I am confident that digital technologies will play a major role in strengthening our new capabilities, which transcend the traditional boundaries within the Group.

Takahara I think the primary purpose of digital technology is to facilitate the achievement of our goal of business creation. First, we need to confirm whether the themes considered by each SBU are correct from a deductive perspective and reflect Sumitomo's Business Philosophy, as well as whether social value and economic value can be reconciled. Then, the challenge is how to leverage digital technology to achieve these objectives. Because technology is advancing rapidly, there is a risk of falling behind if we rely only on inductive reasoning to learn what we currently need. I believe that digital technology should be positioned as a method of value creation that sets us apart, beginning with the goal of determining what kind of business to create from a deductive perspective.

Mitachi Digital technology is precisely a means of “creation and innovation,” and we are at the stage where we must advance to the level of determining what kind of businesses we will create. Meanwhile, the battle for GX is just beginning. Amid the significant and irreversible trend of GX, various industry structures will undergo major changes in the future as new standards are introduced. If each ton of greenhouse gas emissions incurs a cost, such as a carbon tax, there will be a heightened awareness of the need to shift our focus from return on equity (ROE) to return on carbon (ROC). As we consider how to ride the wave of this structural change and create new businesses, we must leverage the bird's-eye view unique to integrated trading companies and start working ahead of the curve during the current medium-term management plan. Just as the automobile revolutionized business and life worldwide, GX represents a carbon-based movement that is transforming global behavior. The individual who spearheaded the GX initiative and launched the Energy Innovation Initiative (EII) under the previous medium-term management plan has now been appointed President and CEO. This positions us well to ride the wave of change, and we must contribute actively to this effort.

Expectations for the new executive team and new President and CEO, Mr. Ueno

Ide Recently, I have felt that diversity has been expanding in terms of new graduate and mid-career hires, leading to noticeable changes within the Company. Generally, when mid-career hires join a company where the majority of employees were hired as new graduates, feelings of conflict or tension can easily arise due to human nature. Nevertheless, I am hopeful that top management will view the power of mid-career hires as an opportunity to unlock the

potential of existing employees. Particularly at the executive level, mid-career hires bring new perspectives and drive work forward. This will enable us to harness our diversity and strengthen our entire organization.

Takahara I am confident that the Company can establish unique competitive advantages by anticipating dramatic changes in society and pursuing both economic and social value. Especially as we predominantly operate in the B2B space, it is crucial to understand the perspectives of the consumers who are ultimately impacted by our partner companies and business customers. Making a conscious effort to consider the changes we bring to consumers' lives will be key to demonstrating our competitive advantages from the perspective of social value.

Targeting medium- to long-term value creation, we have announced our new medium-term management plan, with the theme “No.1 in Each Field.” Our vision and purpose must resonate with employees and inspire them to want to contribute to their realization. Emotional keywords are important, but we also need to set quantitative KPIs not only at the company-wide level but also for each SBU and other organizational units. To change individual behavior, these KPIs need to be translated into specific actions for each person. Otherwise, it is difficult to influence personal actions effectively. I am confident that Mr. Ueno will ensure that all employees fully understand and embrace the medium-term management plan and vision and elevate engagement to a level where they genuinely resonate with the aspirations of top leadership.

Mitachi Company leaders are like relay runners: They must contribute to long-term corporate value by adding efforts at each stage of the journey, not only setting a record for their own section. For better or worse, we are living in a time of significant change, marked by challenging social conditions, such as geopolitical risks and increasingly severe natural disasters. In this context, I believe the important role of a top leader, as a vital symbol of the organization, is to be cautiously optimistic. The Company has had several charming and optimistic leaders in succession, and the new President and CEO, Mr. Ueno, is also promoting a forward-looking and positive approach to work. I have high expectations for this.

In the past, integrated trading companies had a significant advantage due to their deep understanding of cultures and languages, as well as their extensive networks in both the government and private sector worldwide. While the situation is changing with the advance of globalization, I believe it is now time to reimagine integrated trading companies as entities that are both global and locally rooted in the regions and domains where they excel. This vision might indeed represent the culmination of the “No.1 in Each Field” theme of our new medium-term management plan.

Message from former Chairperson of the Nomination and Remuneration Advisory Committee

Nomination of New President and Chief Executive Officer

Kimie Iwata

**Former Outside Director,
former Chairperson of the Nomination and
Remuneration Advisory Committee**

Profile

Kimie Iwata was appointed an Outside Director of Sumitomo Corporation in June 2018 and the Chairperson of the Nomination and Remuneration Advisory Committee in June 2022. She retired in June 2024. She has extensive knowledge and rich experience in corporate management, corporate governance, CSR, and diversity, having held a number of important positions in the Ministry of Labour (currently Ministry of Health, Labour and Welfare) over the years. Since retiring from the ministry, she has served as an executive and outside director at private companies.



Integrated trading companies face a fast-paced, complex, and unpredictable business environment. Under these conditions, they have built a track record of developing diverse businesses globally. They also have a history of forming strong networks with varying stakeholders. Accordingly, integrated trading companies are currently in a phase of unprecedented strength. At the Company, as well, we have been studying ways to pass the baton to strong leaders who will turn our diversity into a strength in the next phase of our business.

Our specific nomination process began in February 2019, when we held deliberations on criteria for appointing the President and Chief Executive Officer, who will personally embody Sumitomo's Business Philosophy and possess the qualities and abilities required of such a position: "Be fair, impartial, disciplined, and self-controlled," "Have leadership and communication skills," "Have foresight and the ability to develop strategies," "Have the ability to execute and make innovative changes," and "Have perseverance and mental fortitude." The candidate should also have experience and a proven track record in global and diverse business operations and corporate management. From FY2022 onwards, when the change in President and Chief Executive Officer became imminent, we stepped up discussions and reaffirmed that there was no need to revise these appointment criteria. Following numerous subsequent discussions about multiple candidates, we narrowed down our list of candidates. We then made contact with the listed candidates and others, both at internal meetings and off-site, and considered the most suitable person for the position. After taking the time to understand and carefully consider the candidates, the Nomination and Remuneration Advisory Committee unanimously decided

to nominate Mr. Ueno as the new President and Chief Executive Officer, which was approved by the Board of Directors in December 2023.

Mr. Ueno has the qualifications and abilities required to serve as the President and Chief Executive Officer of the Company. With respect to "foresight and ability to build strategies" and "ability to execute and change," in particular, the Committee highly praised his ability to oversee the entire energy value chain and coordinate our Energy Innovation Initiative, which is creating next-generation businesses that help realize a carbon-neutral society from a customer perspective, as well as his efforts to promote new value creation across industries. Regarding "leadership and communication skills," as well, he has gained broad-ranging experience as a trading company employee and always led our organization with a positive attitude. He is also highly regarded for his ability to communicate his ideas and business direction to various internal and external stakeholders in a logical and easy-to-understand manner.

Under SHIFT 2023, we strengthened our resilience and raised our earnings power by implementing structural reforms. Under our new medium-term management plan, we will transform our business portfolio and ourselves to enhance metabolism and build earning pillars to drive growth. In this context, Mr. Ueno is capable of implementing an unrestrained transformation of the Company's organizational structure, business portfolio, human resource policies, and decision-making structure, in order to achieve greater heights and dynamic and sustainable corporate growth. Accordingly, I am convinced that he is the right person to whom we can entrust the future of Sumitomo Corporation.

Following the nomination of Mr. Hyodo, our former President and Chief Executive Officer, we were able to nominate a new President and Chief Executive Officer based on the recommendation of the Nomination and Remuneration Advisory Committee while ensuring objectivity, transparency, and fairness. This is a testament to the high standards of our corporate governance. The role of the Nomination and Remuneration Advisory Committee is to enhance objectivity and transparency in the appointment of candidates for the Board of Directors and determine their remuneration. The Nomination and Remuneration Advisory Committee, which serves as an advisory body to the Board of Directors, has five members, three of whom are Outside Directors, and I have chaired the Committee since FY2022. In the meantime, we have positioned the nomination of candidates for the new President and Chief Executive Officer as a matter of utmost importance and have deliberated carefully as a result. Although I retired from the Board of Directors in June 2024, I trust that the Committee continue working appropriately to build strong relationships of trust with our stakeholders and enhance our corporate value.

Corporate governance

Basic principles

Sumitomo's Business Philosophy and the Sumitomo Corporation Group's Management Principles form the backbone of the corporate ethics and represent the foundation underpinning our corporate governance. Based on this, we established the Sumitomo Corporation Corporate Governance Principles, recognizing that the essence of corporate governance is enhancing management efficiency and maintaining sound management, as well as ensuring management transparency to secure the first two. Efforts to build a better corporate governance system and carry out business activities following these principles help the Company to achieve sustainable growth, enhance corporate value over the medium to long term, and fulfill its mission as a good corporate citizen, as well as benefits the interests of shareholders and all other stakeholders. For this reason, we continuously work to further enhance and improve our corporate governance.

System

Under the Audit & Supervisory Board system, the Company elects Outside Directors and Outside Audit & Supervisory Board Members with independence from the Company and a high level of insight in their respective specialized fields, and incorporates more diverse perspectives in the Company's decision-making and management supervision. In addition, the Company has established the Nomination and Remuneration Advisory Committee, chaired by an Outside Director and composed of a majority of Outside Directors, to enhance the independence, objectivity, and transparency of the functions of the Board of Directors regarding the nomination and remuneration of senior management, thereby ensuring effective supervision and monitoring of management. Furthermore, the introduction of the executive officer system that clarifies the responsibilities and authority of business execution and the establishment of the Management Council are among the measures designed to promote speedier and more efficient decision-making and execution of business as part of the effective corporate governance system we have put into place. The Management Council is the highest executive-level decision-making body that takes into account diverse opinions and multifaceted discussions in regard to specific key matters related to management, within the scope of the mandate conferred by the Board of Directors. It meets three times a month in principle and consists of seven members: the President and CEO, the officer responsible for the Corporate Group, three Heads of Corporate Groups, and two CEOs of Business Groups. To accelerate the transformation of our business portfolio from a company-wide perspective, in April 2024 the Company reviewed the composition of members and methods of resolution, with the aim of establishing a system for ensuring timely and accurate decision-making.

Group governance: Promoting maximization of corporate value based on the Group Management Policy

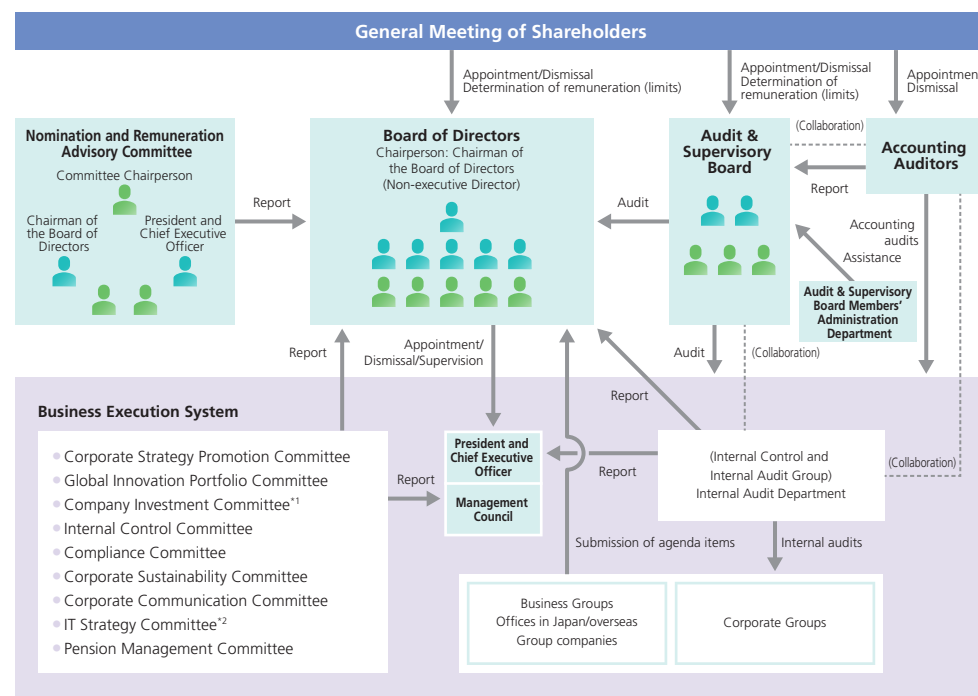
► <https://sumitomocorp.disclosure.site/en/themes/38>

Compliance ► <https://sumitomocorp.disclosure.site/en/themes/39>

Internal control ► <https://sumitomocorp.disclosure.site/en/themes/42>

Corporate governance system (company with Audit & Supervisory Board)

Internal Outside



*1 p.69 | Investment risk management *2 p.70 | Information security

Overview of corporate governance system (As of June 21, 2024)

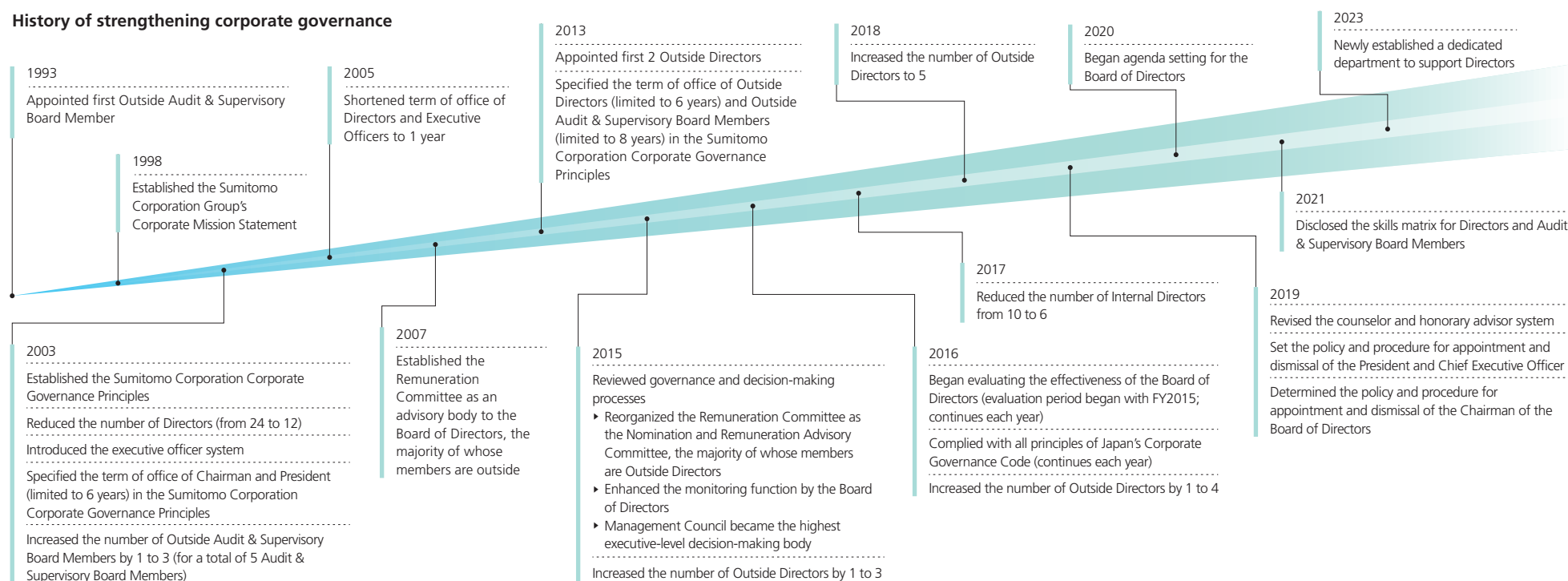
Form of organizational structure	Company with Audit & Supervisory Board
Directors	11 (of whom 5 are Outside Directors); 1-year term
Term of Chairman of the Board of Directors, President and Chief Executive Officer, and Outside Directors	No more than 6 years, in principle
Audit & Supervisory Board Members	5 (of whom 3 are Outside Audit & Supervisory Board Members); 4-year term
Executive officer system	System adopted
Voluntarily established committees as advisory bodies to the Board of Directors	Nomination and Remuneration Advisory Committee (Chairperson: Outside Director)

Corporate governance

Strengthening corporate governance

Sumitomo Corporation has worked continuously to strengthen governance. This has included introducing the Audit & Supervisory Board system, increasing the number of Outside Audit & Supervisory Board Members and Outside Directors, and evaluating the effectiveness of the Board of Directors. Our Material Issues, which were updated in 2024, include “Maintain and strengthen governance.” To strengthen the functions of the Board of Directors, the Company will strive to further improve the functions of the Board of Directors in monitoring the execution of operations through the effective supervision of key management policies and strategies (allocation of management resources, strategies related to business portfolio, sustainability management, etc.) and enhancing organizations for further strengthening the objectivity of the Board of Directors.

History of strengthening corporate governance



Board of Directors

Composition of the Board of Directors

The membership of the Board of Directors is appropriate in numerical terms to facilitate adequate discussion and speedy and rational decision-making, and provides diversity in terms of experience, knowledge, specialism, gender, and other characteristics. Moreover, out of the 11 Directors appointed, five are independent Outside Directors with differing experiences and specializations to ensure appropriate decision-making from more diverse perspectives and to further strengthen the supervisory functions of the Board of Directors. The Chairman of the Board of Directors, who convenes meetings of the Board of Directors and presides over them as Chairperson, supervises management but does not engage in routine operations and has no authority to represent the Company. Furthermore, to allow mutual checks and balances, the posts of Chairman of the Board of Directors and President and Chief Executive Officer are in principle separate and not to be held concurrently by the same individual. Skills such as the knowledge, experience, and competencies, etc., that the Board of Directors is required to possess and the skills of each Director or Audit & Supervisory Board Member are listed on the next page.

Corporate governance

● Skills of Directors and Audit & Supervisory Board Members

The types of Skills such as knowledge, experience, and competencies, etc., that the Board of Directors is required to possess

All Directors and Audit & Supervisory Board Members of the Company, regardless of whether they are internal or Outside Directors or Audit & Supervisory Board Members, are required to be honest in character, as well as highly insightful and capable, in accordance with their respective qualifications. Also, the Company raises “No.1 in Each Field” as a theme under the Medium-Term Management Plan 2026, and the Company is transforming its business portfolio by leveraging the strengths of individual businesses to reinforce them and strengthening people and organizations, which are the driving forces for growth. Through such initiatives, the Company will strive to enhance the Group's competitive advantages and achieve growth by addressing social challenges. For successful implementation of this management plan, we have identified the types of knowledge, experience, and competencies, etc. (hereinafter “Skills”), which enables the Board of Directors to adequately fulfill its roles of making decisions on important business matters and supervising business execution. “Governance” and “Global perspective” are Skills that all Directors and Audit & Supervisory Board Members are required to possess, while we believe that the Board of Directors as a whole should possess the other seven Skills. Of these seven Skills, for Audit & Supervisory Board Members we place a particularly high priority on “Corporate Management,” “Finance/Accounting,” and “Legal/Risk Management.” As the Skills that the Board of Directors is required to possess may vary according to business strategies or changes in the external environment, the Board of Directors will continue to discuss the skills required, make necessary changes, and disclose such changes.

Skills that all Directors and Audit & Supervisory Board Members are required to possess and the reasons why these Skills are necessary

Governance

We believe that in order to fulfill our mandate from shareholders while at the same time managing our business in the interests of all stakeholders, it is essential for all Directors and Audit & Supervisory Board Members to be well-equipped with a high level of knowledge regarding governance. The essence of corporate governance based on our view is defined in the Sumitomo Corporation Corporate Governance Principles as “improving management efficiency” and “maintaining sound management,” as well as “ensuring management transparency.”

Global Perspective

From the perspective that the Company conducts business transactions and investments throughout the world, we believe that all Directors and Audit & Supervisory Board Members should have keen insight from a global perspective. We view that this Skill entails the ability to plan and implement an optimal business strategy that combines caution with flexibility even under extremely uncertain situations, taking into account different cultures, different industrial structures, or the latest geopolitical developments, etc. We also view that this Skill includes the ability to appropriately supervise the execution of related management duties.

Skills that the Board of Directors as a whole is required to possess and the reasons why these Skills are necessary

Corporate Management

The Company engages in a range of business activities, aiming for a stable and sustainable increase in its corporate value. As the Board of Directors is the body that makes decisions on the Company's important business matters and supervises operational execution, we place a high priority on Skills related to corporate management. Such Skills are necessary to plan and implement an optimal business strategy for creating value in accordance with the Company's Management Principles while also meeting our stakeholders' expectations in a constantly changing operating environment.

Finance/ Accounting

To enhance its sustainable corporate value, the Company endeavors to achieve medium- to long-term earnings growth and increase its returns to shareholders while maintaining a healthy balance between investment for growth and a solid financial position. To enable us to make appropriate decisions and properly inform the Company's initiatives to stakeholders as we work forward toward these goals, we need to provide accurate, timely financial reporting. We regard specialized Skills relating to finance and accounting as vital for the implementation and supervision of these tasks.

Investment/ M&A

The Company invests in a diverse range of business domains. We consider Skills related to investment and M&A to be important for maximizing corporate value by selecting and implementing investment projects aligned with our strategy, and for supervising the progress of such projects. Such Skills include the abilities to clearly define investment objectives and determine their compatibility with our strategy, to properly evaluate investment targets, to undertake post-investment monitoring, and to ascertain the best timing for replacement of assets. We believe that it is expected for the Board of Directors to take a broad overview of investment projects and express its opinions on such projects from a standpoint one step away from that of Executive Officers and other executives.

Legal/ Risk Management

We consider three goals to be of key importance in ensuring that the Company achieves sustainable, robust growth: stabilizing performance, strengthening our financial base, and maintaining our corporate reputation. To achieve these objectives, we conduct appropriate risk management using various means. These include assessing and analyzing the risks that accompany commercial transactions, business investments, and other business opportunities; keeping the Company's total Risk-weighted Assets to within our buffer (shareholders' equity); and maximizing Risk-adjusted Return. Accordingly, we place priority on a wide variety of risk management-related skills necessary to achieve these ends, including the ability to screen and monitor transactions, investments, and loans, and expertise in legal and compliance risk management.

IT/DX/ Technology

As accelerating technological advancements transform societies and industrial structures, the Company will continue to create value by responding with agility to such change, by anticipating change to pursue business innovation, and by creating new businesses. We will also reform our own business foundation by making effective use of new digital technologies such as AI in our business activities in line with our own values. We therefore place priority on Skills related to IT, DX, and Technology to facilitate decision-making and supervision in relation to such initiatives.

HR Management & Development

Regarding human capital as its most important form of business capital, the Company provides each individual with opportunities for autonomous growth and self-realization and strives to upgrade its HR management cycle. Through such efforts, we are maximizing the performance of our diverse talents and the organization as a whole, thereby pursuing our business strategies and creating new value. We particularly emphasize Diversity, Equity & Inclusion, which we recognize as the core enabler for value creation, innovation, and competitiveness. We therefore regard Skills related to HR management and development as important for enabling the Board of Directors to make key decisions on such initiatives and supervise their implementation.

Sustainability

Having identified certain important challenges that need to be prioritized as Material Issues, and placed these issues at the core of its business management, the Company always pays attention to whether its businesses are contributing to society. We are pursuing sustainability management, which entails anticipating long-term changes in our operating environment relating to social issues and allocating management resources strategically to contribute to a sustainable society and achieve sustainable growth for the Company. In order to implement and supervise such management, therefore, we place priority on knowledge and Skills relating to sustainability, including awareness of international trends and understanding of the relevant issues.

Corporate governance

● Skills that Directors or Audit & Supervisory Board Members currently in office possess

Of the Skills identified above as necessary for the Board of Directors as a whole, Skills currently possessed by individual Directors or Audit & Supervisory Board Members are shown in the table below. The skills of individual Directors or Audit & Supervisory Board Members are determined after considering all their attributes, including their careers, knowledge, experience, capabilities, qualifications, and specific achievements, and discussing these with the individuals concerned.

Name		Position	Skills such as knowledge, experience, and competencies, etc.						
			Corporate management	Investment/ M&A	IT/DX/ Technology	Sustainability	Finance/ Accounting	Legal/ Risk management	HR management & development
Internal	Masayuki Hyodo	Director, Chairman	●	●		●	●	●	●
	Toshikazu Nambu	Director, Vice Chairman	●	●	●		●		●
	Shingo Ueno	Representative Director, President and Chief Executive Officer	●	●		●			●
	Takayuki Seishima	Representative Director, Executive Vice President	●				●	●	●
	Reiji Morooka	Representative Director, Senior Managing Executive Officer	●				●	●	
	Norihiko Nonaka	Representative Director, Senior Managing Executive Officer	●	●					
Outside	Akiko Ide	Outside Director	●		●	●			
	Takashi Mitachi	Outside Director	●	●		●		●	●
	Takahisa Takahara	Outside Director	●	●		●			
	Haruyasu Asakura	Outside Director	●	●			●		
	Nana Otsuki	Outside Director		●		●	●		
Internal	Daisuke Mikogami	Senior Audit & Supervisory Board Member (Full-Time)	●	●	●				●
	Kazunari Sakata	Audit & Supervisory Board Member (Full-Time)	●	●					
Outside	Yukiko Nagashima	Outside Audit & Supervisory Board Member	●	●					●
	Nobuo Inada	Outside Audit & Supervisory Board Member						●	●
	Taisei Kunii	Outside Audit & Supervisory Board Member	●				●		

Note: Currently, 2 of the 11 members of the Board of Directors and 1 of the 5 members of the Audit & Supervisory Board are female.

Corporate governance

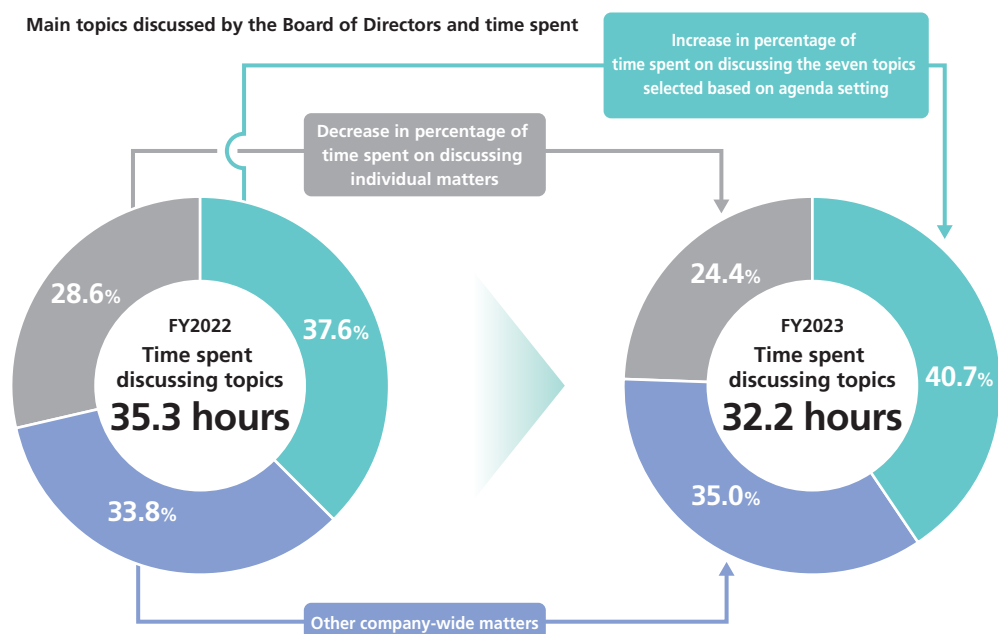
● Adequate deliberation and enhancement of monitoring function

Agenda items for the Board of Directors are carefully selected by delegating authority to the business execution side within a scope deemed appropriate in order to promote more focused discussion of management policy and plans and other important matters of relevance to company-wide management. Agenda setting is carried out where important management topics for the Board of Directors that should be taken up for more intensive discussion covering the next one-year period are set by all Board members through careful consideration and discussion, with sustainability and personnel strategy, among others, being identified as topics. In addition, to further strengthen its business execution monitoring functions, the Board of Directors receives regular progress reports on each Business Unit/Initiative strategy and on the activities of important committees^{*1} throughout the year, with the reports followed by a discussion focusing on company-wide issues. Moreover, to further enhance the quality of Board member discussions, the Board of Directors holds off-site meetings^{*2} separate from in-person Board meetings to more actively discuss important management topics, including management policy and plans as well as ESG issues.

*1 Corporate Strategy Promotion Committee, Global Innovation Portfolio Committee, Corporate Sustainability Committee, Internal Control Committee, etc.

*2 A venue involving all members of the Board of Directors that encourages free and frank discussions

Main topics discussed by the Board of Directors and time spent



Main topics and agenda items of Board of Directors' meetings

Topic	Example of agenda items
Review of current medium-term plan and discussion on next medium-term plan	<ul style="list-style-type: none"> Overall management review Next medium-term management plan Full Potential Plan
DX	<ul style="list-style-type: none"> Company-wide promotion of DX
Monitoring of individual businesses	<ul style="list-style-type: none"> Ambatovy nickel mining and refining business in Madagascar Mining business in Bolivia
Enhancement of governance	<ul style="list-style-type: none"> Evaluation of the effectiveness of the Board of Directors Internal control and internal audit Status of reducing cross-shareholdings Officer nomination and remuneration Efforts to enhance Group management Revision of the Board of Directors' agenda criteria
Sustainability	<ul style="list-style-type: none"> Status of promoting sustainability in each SBU Status of human rights due diligence company-wide Disclosure based on the TCFD recommendations Review of Material Issues
Personnel strategy and DE&I	<ul style="list-style-type: none"> Employee engagement
Shareholder return	<ul style="list-style-type: none"> Dividend policy Share repurchases
Other company-wide matters	<ul style="list-style-type: none"> General Meeting of Shareholders Annual results and finance Crisis management and compliance Monthly business reports by President and CEO Reports on activities of important committees
Individual matters	<ul style="list-style-type: none"> Individual investments and loans Regular reporting of Business Units

● Discussions on sustainability

The Company, having passed down Sumitomo's Business Philosophy, recognizes the importance of contributing to the realization of a sustainable society through its business activities. Under this shared awareness, the Company's Directors and Audit & Supervisory Board Members discuss and approve important policies and measures on sustainability at Board of Directors' meetings and hold active discussions during off-site meetings. For example, the Board of Directors receives reports on the progress of each SBU's medium-term sustainability targets, the results of human rights due diligence, and the status of social contribution activities, and it follows up and monitors the progress of the Corporate Sustainability Committee's consideration of critical social and environmental risks. In addition, it discusses disclosures related to the Group's sustainability, including those based on such frameworks as the TCFD (climate change) and the TNFD (natural capital). Moreover, it held an off-site meeting to consider updating the Group's Material Issues, which we announced in May 2024.

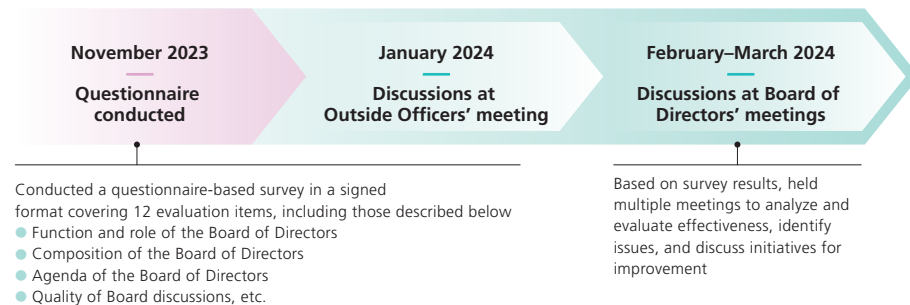
Corporate governance

● Evaluation of the effectiveness of the Board of Directors

To maintain and enhance the effectiveness of the Board of Directors, each year Directors and Audit & Supervisory Board Members engage in analysis and evaluation of the Board's effectiveness through evaluation and several discussions with support of an independent third party (outside consultant) and proceed to disclose the outline of the results.

1 — Evaluation process

Number of persons subject to evaluation | All Directors: 11 | All Audit & Supervisory Board Members: 5

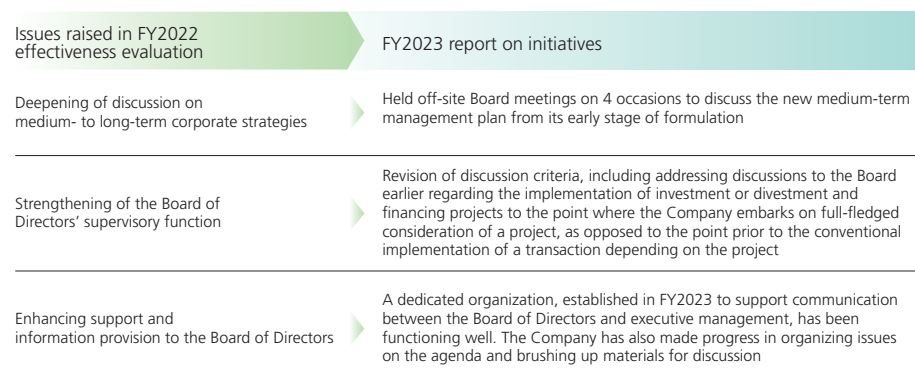


The questionnaire survey primarily consists of a free-writing format regarding topics that Directors and Audit & Supervisory Board Members view as issues. In addition, given the current candid exchange of opinions by the Board of Directors to grasp the background of respondents' issue awareness and opinions to deepen discussions, from FY2022 respondents are asked to fill in their names.

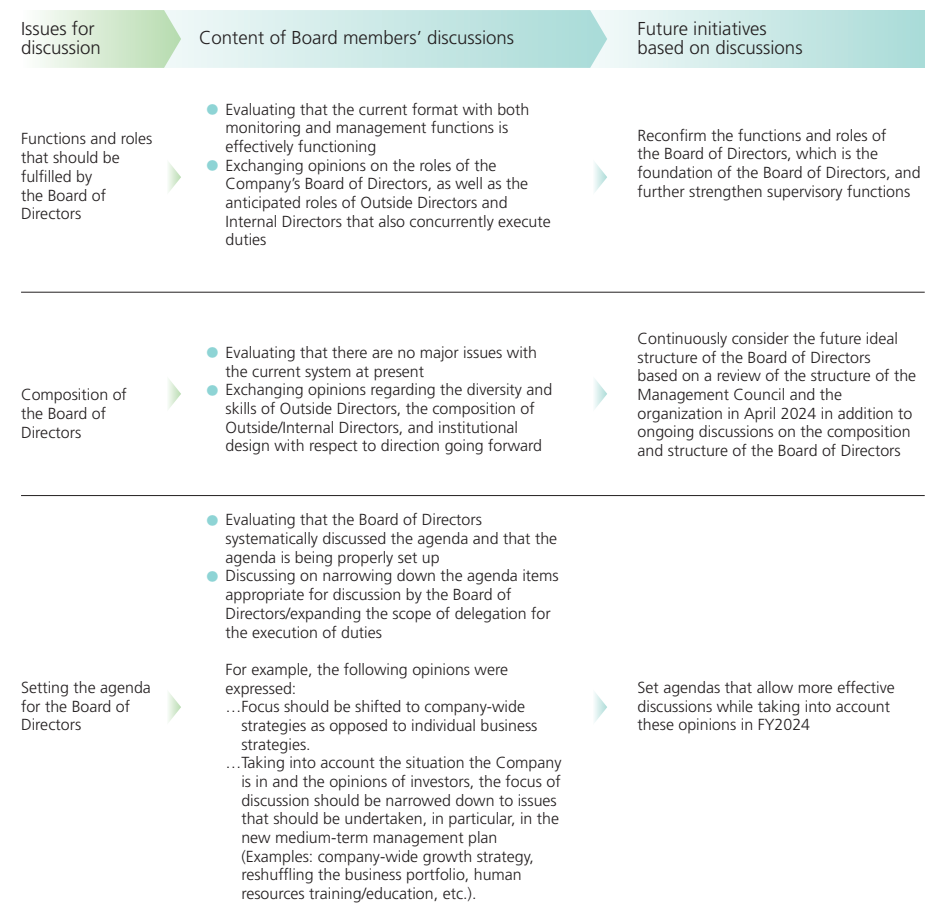
2 — Evaluation results overview

We evaluated that the Board of Directors is functioning effectively overall, with the level of operations and performance of functions improving year by year through constant efforts.

FY2023 report on initiatives to address issues raised in FY2022 effectiveness evaluation



3 — Discussion at Board meetings regarding specific issues and future actions



Corporate governance

◆ Support system for Outside Officers

On taking office, Outside Directors and Outside Audit & Supervisory Board Members receive a briefing on areas including the Sumitomo Corporation Group's Management Principles, management policy, business operations, finances, organization, medium-term management plan, and risk management system.

To deepen their understanding of Sumitomo's Business Philosophy, the core of the Company's Management Principles, in principle, Outside Directors and Outside Audit & Supervisory Board Members visit Sumitomo-related facilities during the first fiscal year of their term of office. Furthermore, to facilitate their understanding of our wide-ranging businesses, they visit our business sites. In FY2023, they conducted one site visit in Japan and two site visits overseas.



Supermarket Business in Vietnam



Tubular Product Business in the United States

Pre-meeting briefings for the Board of Directors

To maximize the monitoring and supervisory functions of management by Outside Officers, prior to each Board of Directors' meeting, explanatory sessions are provided to Outside Directors and Outside Audit & Supervisory Board Members outlining each project and important points. Pre-meeting briefings for Outside Directors were held 12 times in FY2023 lasting approximately 28 hours.

Establishment of a dedicated department

The Company established the Directors' Administration Department to promote communication between the Board of Directors and executive management. In addition to assisting in setting the annual agenda, the department ensures that the issues to be discussed at each Board meeting are properly organized. In these ways, the Company is improving the quality of discussions at Board meetings and strengthening the support system to help Directors execute their duties.

Discussions at Outside Officers' meetings

To ensure that Outside Directors and Outside Audit & Supervisory Board Members actively contribute to the discussions at the Board of Directors, a monthly meeting is held, which is

comprised of Outside Directors and Outside Audit & Supervisory Board Members, in which they engage in robust discussion. In FY2023, some meetings were attended solely by outside officers, who reviewed discussions at Board meetings and the results of the effectiveness evaluation. Other meetings included an exchange of opinions on important matters concerning overall management with the attendance of the Chairman and the President and an exchange of opinions with the accounting auditors.

◆ Establishment of an advisory body to the Board of Directors

The Nomination and Remuneration Advisory Committee, which is composed, in the majority, of Outside Directors and chaired by an Outside Director, operates as an advisory body to the Board of Directors. The committee is charged with the following items and reports the results thereof to the Board of Directors: (1) Policy and procedure for appointment and dismissal of the President and Chief Executive Officer; (2) Policy and procedure for appointment and dismissal of the Chairman; (3) Nomination criteria for directors and Audit & Supervisory Board Members; (4) Appointment and dismissal of the President and Chief Executive Officer (including nominating the successor to the President and Chief Executive Officer); (5) Nomination of candidates for director and Audit & Supervisory Board Members (including deciding representative directors and executive directors); (6) Appointment of members of the Management Council; (7) Structure and level of remuneration and bonuses for directors and executive officers, as well as limits for remuneration of Audit & Supervisory Board Members; and (8) Advisor system. In addition, the committee deliberates and determines other matters delegated by the Board of Directors outside of (1) to (8) above, and then reports its findings to the Board of Directors.

An overview of the Nomination and Remuneration Advisory Committee activities in FY2023 is provided below.

Overview of the Nomination and Remuneration Advisory Committee activities

Composition of the Nomination and Remuneration Advisory Committee		Number of meetings/ Attendance rate	Main discussion items
Outside Directors	(Chairperson) Kimie Iwata	9/9 (100%)	<ul style="list-style-type: none"> Appointment of the President and Chief Executive Officer Revision of the executive remuneration system FY2024 Director/Audit & Supervisory Board Member/Executive Officer HR management (Selection of Management Council members and allocation of human resources based on successor plan) FY2022 evaluations of individual Executive Officers Evaluations of non-financial indicators for stock-based remuneration
	Akiko Ide	7/7 (100%) *	
	Takashi Mitachi	9/9 (100%)	
Internal Directors	Kuniharu Nakamura	9/9 (100%)	
	Masayuki Hyodo	9/9 (100%)	

* Attended all 7 committee meetings held after appointment as committee member in June 2023

Corporate governance

Audit & Supervisory Board Members and the Audit & Supervisory Board

Enhancement of auditing capabilities

We are enhancing the audit structure so that Audit & Supervisory Board Members are able to audit the execution of duties by Directors as a member of the Board of Directors or an Executive Officer (Representative Director). The Audit & Supervisory Board comprises five members, including three Outside Audit & Supervisory Board Members. Full-time Audit & Supervisory Board Members utilize their specialized knowledge of the Company's operations and wide-ranging experience to perform audits, while Outside Audit & Supervisory Board Members utilize their advanced specialized knowledge and abundant experience in the fields of corporate management, legal affairs, or accounting. In addition to resolving statutory matters, the Audit & Supervisory Board shares the status of activities of Audit & Supervisory Board Members and receives prior explanations on matters to be discussed by the Board of Directors in an effort to improve the efficiency and quality of the auditing activities of Audit & Supervisory Board Members.

Ensuring audit effectiveness

To obtain sufficient information vital to their audits, Audit & Supervisory Board Members attend important meetings such as Board of Directors' meetings; receive reports from Directors, officers and employees, and other relevant parties regarding the execution of their duties; ask them for explanations as necessary; inspect important internal authorization documents; and examine the status of operations and the financial status regarding the Head Office and important operating locations. Audit & Supervisory Board Members also promote communication and exchanges of information with directors, audit & supervisory board members, and other relevant parties of subsidiaries, receive reports on the subsidiaries' business as necessary, and visit and observe principal subsidiaries. The Audit & Supervisory Board Members' Administration Department has been established as a specialized organization to support the work of the Audit & Supervisory Board Members. The Audit & Supervisory Board Members participate in personnel evaluations and transfers and so on regarding these employees to ensure their independence from the Board of Directors.

Collaboration with the Internal Auditing Department and accounting auditors

Audit & Supervisory Board Members periodically receive reports from the Internal Auditing Department on internal audit plans and their results in order to ensure the effectiveness of their auditing duties. In addition, Audit & Supervisory Board Members exchange information with the accounting auditors through regular meetings and are aware of the auditing activities of the accounting auditors by attending audit review meetings and observing inventory audits by the accounting auditors. In this manner, Audit & Supervisory Board Members interact closely with the Internal Auditing Department and accounting auditors.

Executive remuneration

Executive remuneration system

Type of remuneration, etc.		Eligibility			
		Executive Directors/ Executive Officers ^{*1}	Chairman of the Board of Directors ^{*2} / Director, Vice Chairman	Outside Directors ^{*3}	Audit & Supervisory Board Members ^{*4}
Fixed	Monthly remuneration	●	●	●	●
Variable	Performance-linked bonus	●	—	—	—
	Restricted performance share unit-based remuneration	●	●	—	—

^{*1} The remuneration of Executive Directors and Executive Officers consists of "monthly remuneration," "performance-linked bonus," and "restricted performance share unit-based remuneration."

^{*2} The remuneration of the Chairman of the Board of Directors, whose main role is management supervision and engaging in external relations activities as stipulated in the Sumitomo Corporation Corporate Governance Principles, consists of "restricted performance share unit-based remuneration," which contributes to improving shareholder value, in addition to "monthly remuneration." In addition, the remuneration of the Vice Chairman of the Board of Directors also consists of "monthly remuneration" and "restricted performance share unit-based remuneration" for the same reasons.

^{*3} The remuneration of Outside Directors, who are in a position to supervise management with a high degree of objectivity and independence, consists solely of fixed remuneration ("monthly remuneration"), which is provided on a monthly basis.

^{*4} The remuneration of Audit & Supervisory Board Members, who are in a position to audit and supervise management with a high degree of objectivity and independence, consists solely of fixed remuneration ("monthly remuneration") and is provided on a monthly basis. The remuneration of each Audit & Supervisory Board Member is decided through discussions between the Members within the maximum amount approved by shareholder resolutions.

Remuneration standards and remuneration composition ratios

Referring to remuneration market research data^{*5} provided by independent external specialized agencies, the Company sets competitive remuneration standards and remuneration composition ratios in light of the current business environment, business strategies, and human capital strategy.

Regarding remuneration for Executive Directors and Executive Officers, from FY2024, we have increased the ratio of variable remuneration accounted for by restricted performance share unit-based remuneration to further strengthen the incentive to increase the Company's corporate value over the medium to long term and to pursue business management that is more concerned than ever before with the Company's stock price and with a focus on sharing value with the shareholders. Also, we have amended the overall remuneration standard in light of current business results and the level of business results we seek to achieve, with the aim of setting a standard that assists in acquiring and retaining our management personnel.

^{*5} WTW's Executive Compensation Database

Corporate governance

Breakdown of the Representative Director, President and Chief Executive Officer remuneration

	Before change	After change	Increase/decrease
Fixed remuneration (Monthly remuneration)	34%	27%	-7%
Variable remuneration (1) Performance-linked bonus (2) Restricted performance share unit-based remuneration	66% ((1) 33% (2) 33%)	73% ((1) 33% (2) 40%)	+7% ((1) ±0% (2) +7%)

Note: The above breakdown is calculated on the assumption that the rate of achievement of business results, the stock price growth rate^{*1}, the stock growth rate^{*2}, and the results based on non-financial indicators are all 100%. The composition ratios for each type of remuneration vary according to changes in these rates.

*1 Stock price growth rate = {(Average price of Company's common shares in relevant fiscal year) / (Average price of Company's common shares in the previous fiscal year)} / {(Average of TOPIX in relevant fiscal year) / (Average of TOPIX in the previous fiscal year)}

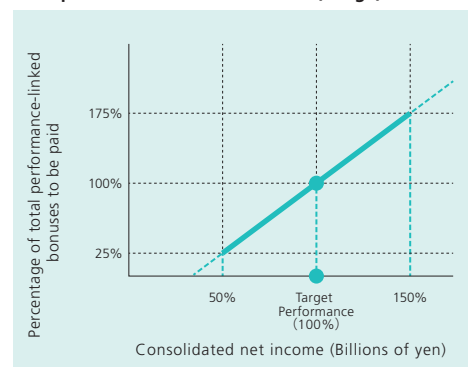
*2 Stock growth rate = {(Average price of Company's common shares in the month of termination of Evaluation Period) / (Average price of Company's common shares in the month of commencement of Evaluation Period)} / {(Average of TOPIX in the month of termination of Evaluation Period) / (Average of TOPIX in the month of commencement of Evaluation Period)}

● Performance-linked bonus (total amount)

Beginning in FY2024, the formula for calculating the total performance-linked bonuses will be changed. In particular, each fiscal year the Company sets the full-year forecast (consolidated net income for the year) or the consolidated net income for the year when ROE is 12% (whichever amount is higher) as the target business result and decides the total performance-linked bonuses to be paid according to the rate of achievement of this target business result. The potential range of business results is assumed to be up to 50% above or below the target business result set each fiscal year and the standard for the total performance-linked bonuses to be paid is set at 100% when the target business result is achieved, with a range of variation from 25% to 175% in line with the potential range of business results. If business results fall outside this range, the total performance-linked bonuses to be paid is decided separately by the Board of Directors based on a report from the Nomination and Remuneration Advisory Committee.

As a result of increasing the ratio of stock-based remuneration, the stock price growth rate will be no longer be included as an element in the calculation of performance-linked bonuses.

Total performance-linked bonuses (image)



● Performance-linked bonus (paid to individuals)

The amount to be paid to individual officers is distributed according to their position and personal evaluation and paid after the end of the fiscal year.

Each officer is evaluated on the basis of both financial and non-financial indicators so that they can become more aware in regard to their commitment to management strategy and results. Financial indicators mainly consider the status of achievement of the business plans in the respective areas of responsibility. Non-financial indicators take into account the status of achievement of strategies of each SBU measured by KPIs and KAIs as well as the status of initiatives to address important company-wide issues. The ratio of financial indicators to non-financial indicators in the personal evaluation is 50:50, and of the evaluation based on non-financial indicators, 20% relates to the important company-wide issues of business reform through DX, enhancement of sustainability management, and promotion of DE&I.

Breakdown of financial and non-financial indicators in the personal evaluation

Financial indicators : 50%	Non-financial indicators : 50%	
	20%	30%
	<ul style="list-style-type: none"> ● Business reform through DX ● Enhancement of sustainability management ● Promotion of DE&I 	

● Restricted performance share unit-based remuneration

To further encourage management to focus on promoting efforts to increase the Group's corporate value over the medium to long term and sharing value with its shareholders, the Company's common shares (restricted) in an amount determined according to the Company's stock growth rate during the three-year evaluation period are provided to officers each year, in principle. Beginning in FY2023, to promote efforts to help solve Key Social Issues and to make non-financial indicators related to the environment and society more closely linked with stock-based remuneration to raise awareness of the Company's commitment to enhance sustainability management, evaluation on the non-financial indicators (measures to tackle climate change, promotion of women's active engagement, and employee engagement) is used to calculate the amount of the Company's common shares to be granted as restricted shares. To enable a shared focus on shareholder value over the medium to long term, the restriction period will be from the day the shares are provided until the day the recipient resigns or retires from all their positions as Director or Executive Officer of the Company or any other position determined by the Board of Directors.

Evaluation period of the Company's stock growth rate and non-financial indicators (image)

	2024	2025	2026	2027	2028	2029
2024 plan	Evaluation period			Share grant		
2025 plan		Evaluation period			Share grant	
2026 plan			Evaluation period			Share grant

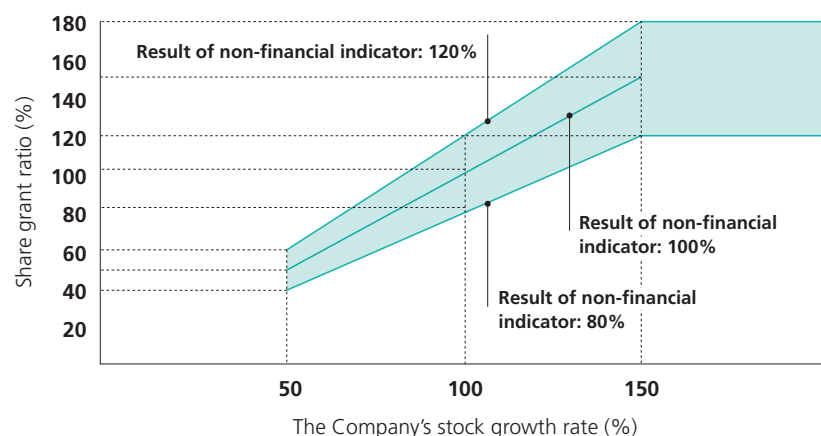
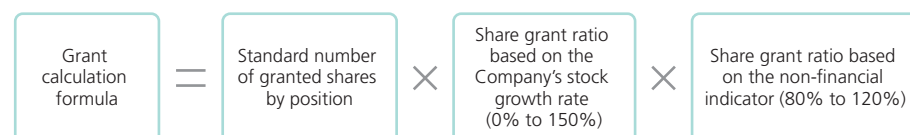
Corporate governance

● Non-financial indicators in calculation of the share grant ratio

Measures to tackle climate change, promotion of women's active engagement, and employee engagement have been set as indicators in calculating the number of granted shares. The progress and results of initiatives for each fiscal year are evaluated, and the final evaluation is determined by the Nomination and Remuneration Advisory Committee after averaging the evaluations over a three-year period.

Item	Evaluation criteria	Evaluation ratio
Measures to tackle climate change	Progress and results to reduce our Group's CO ₂ emissions and build businesses that will serve as the foundation for a sustainable energy cycle for society	Reflected in evaluation using a ratio of 1:1:1
Promotion of women's active engagement	Results versus the quantitative targets set every year to achieve the target ratio of women in FY2030	
Employee engagement	Quantitative results of "employee engagement" and "environment that utilizes employees" in engagement surveys	

Share grant ratio based on the stock growth rate and non-financial indicator



Cross-shareholdings

As a general rule, the Company will neither acquire nor hold shares in other listed companies for purposes other than pure investment.

However, the Company might decide to hold shares in listed companies in some exceptional cases when the Company determines that it is appropriate. For such determination, the Company will comprehensively assess and verify the cost of capital of individual stocks and economic rationality and the significance of holding the stocks in light of the necessity of partnering or other business needs. Each year, the Board of Directors reviews whether the Company's holding of listed shares is appropriate. If such annual review concludes that specific shareholdings are of little significance, the Company will push ahead with the sale of the shares. In FY2023, the Company sold shares of 18 listed stocks (either in whole or in part), amounting to ¥20.6 billion in total. As of the end of March 2024, the Company's shareholdings in listed companies covered 48 stocks, with a total balance of ¥272.2 billion.

The Company also takes various considerations into account under the internal guidelines when making decisions in exercising its voting rights. Having fully considered issues from both quantitative and qualitative standpoints, it adequately exercises voting rights for each agenda item based on whether exercising voting rights will lead to enhanced medium- to long-term corporate value at the investee company and the Company and to enhanced value for its own shareholders. When a company holding the Company's stock for purposes other than pure investment indicates intent to dispose of its holdings, the Company respects the decision in principle and ensures that their business relationship will not be influenced.

Initiatives to ensure transparency of business management

● Basic Policy on Information Disclosure

To bring an accurate understanding of the Company's management policies and business activities to all our stakeholders, we shall strive to make full disclosure, not limiting ourselves to the disclosure of information required by law but also actively pursuing the voluntary disclosure of information.

● Measures relating to the General Meeting of Shareholders

Approximately three weeks prior to each General Meeting of Shareholders, the Company sends out a convening notice describing how to access the materials for the General Meeting of Shareholders to our shareholders (the printed materials for the General Meeting of Shareholders, for shareholders who have requested delivery of such materials in paper form). The Company also provides the materials for the General Meeting of Shareholders on its corporate website in advance of sending the notice, together with its English-language translation. This early sending of materials for the General Meeting of Shareholders gives shareholders and institutional investors adequate time to study the content of the agenda items. In addition, we live stream to shareholders who cannot attend the General Meeting of Shareholders and provide a video of the meeting on our corporate website for viewing for a certain period following the meeting as well as accept questions from shareholders online prior to the meeting. For questions received beforehand, we provide responses for matters of particular concern to shareholders and then post the responses on our corporate website at a later date along with other questions and comments from the meeting.



Directors, Audit & Supervisory Board Members



(As of June. 24, 2024)

 Shares owned in the Company (As of March. 31, 2024)
  Attendance at meetings of the Board of Directors in FY2023

Directors



Masayuki Hyodo
Director, Chairman

 134,100 shares
 17/17

Apr. 1984

Joined the Company

Jun. 2016

Representative Director,
Managing Executive Officer

Apr. 2017

Representative Director,
Senior Managing Executive
Officer

Jun. 2017

Senior Managing Executive
Officer

Apr. 2018

President and Chief Executive
Officer

Jun. 2018

Representative Director,
President and Chief Executive
Officer

Apr. 2024

Director, Chairman of the
Board of Directors (present
position)



Toshikazu Nambu
Director, Vice Chairman

 85,600 shares
 -/-

Apr. 1982

Joined the Company

Jun. 2019

Representative Director, Senior
Managing Executive Officer,
General Manager, Media &
Digital Business Unit,
Chief Digital Officer

Apr. 2020

Representative Director,
Executive Vice President,
General Manager, Media &
Digital Business Unit,
Chief Digital Officer

Apr. 2022

Representative Director,
Executive Vice President & Chief
Digital Officer (Media & Digital
Business Unit and Living Related
& Real Estate Business Unit)

Apr. 2023

Representative Director,
Assistant to President and CEO
(Adviser of Chief Digital Officer)

Jun. 2023

Adviser (Adviser of Chief
Digital Officer)

Apr. 2024



Vice Chairman

Jun. 2024

Director, Vice Chairman
(present position)



Shingo Ueno
Representative Director,
President & Chief Executive Officer

 67,800 shares
 14/14

(Since taking office on June. 23, 2023)

Apr. 1982

Joined the Company

Apr. 2013

Executive Officer

Apr. 2016

Managing Executive Officer

Apr. 2018

Senior Managing Executive
Officer

Apr. 2021

Executive Vice President

Jun. 2023



Representative Director,
Executive Vice President
(Metal Products Business Unit,
Mineral Resources, Energy,
Chemical & Electronics Business
Unit and Energy Innovation
Initiative)

Apr. 2024

Representative Director,
President and Chief Executive
Officer (present position)



Takayuki Seishima
Representative Director,
Executive Vice President

 50,300 shares
 17/17

Apr. 1984

Joined the Company

Apr. 2016

Executive Officer

Apr. 2019

Managing Executive Officer

Jun. 2019

Representative Director,
Managing Executive Officer

Apr. 2021

Representative Director,
Senior Managing Executive
Officer

Apr. 2023


Representative Director,
Executive Vice President,
Chief Administration Officer
and Chief Compliance Officer

Apr. 2024

Representative Director,
Executive Vice President
(Corporate Planning &
Coordination Group,
Sustainability, DE&I Group and
Human Resources, General
Affairs & Legal Group) (present
position)



Reiji Morooka
Representative Director,
Senior Managing Executive Officer

 39,300 shares
 17/17

Apr. 1984

Joined the Company

Apr. 2016

Executive Officer

Apr. 2020

Managing Executive Officer

Apr. 2022

Senior Managing Executive
Officer

Jun. 2022



Representative Director,
Senior Managing Executive
Officer,
Chief Financial Officer

Apr. 2024

Representative Director,
Senior Managing Executive
Officer,
Chief Financial Officer (present
position)



Norihiko Nonaka
Representative Director,
Senior Managing Executive Officer

 34,100 shares
 -/-

Apr. 1985

Joined the Company

Apr. 2017

Executive Officer

Apr. 2021

Managing Executive Officer

Apr. 2024

Senior Managing Executive
Officer, Group CEO,
Automotive Group

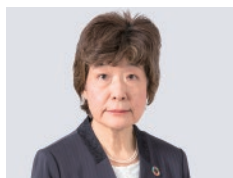
Jun. 2024

Representative Director,
Senior Managing Executive
Officer,
Group CEO, Automotive
Group (present position)

Directors, Audit & Supervisory Board Members

Outside Directors

■ Shares owned in the Company (As of March. 31, 2024) ■ Attendance at meetings of the Board of Directors in FY2023



Akiko Ide

Outside Director Independent

■ 0 shares
■ 17/17

Apr. 1977

Joined Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation)

Jun. 2006

Executive Director, General Manager of Corporate Citizenship Department, NTT DoCoMo, Inc. (currently NTT DOCOMO, INC.)

Jul. 2008

Executive Director, General Manager for Chugoku regional office, NTT DOCOMO, INC.

Jun. 2012

Executive Director, Director of Information Security, NTT DOCOMO, INC.

May 2013

President and Chief Executive Officer, Radishbo-ya Co., Ltd. (currently Oisix ra daichi Inc.) (retired in May 2014)

Jun. 2013

Executive Director, Senior Manager in Charge of Commerce Business Promotion, NTT DoCoMo, Inc. (currently NTT DOCOMO, INC.) (retired in Jun. 2014)

Jun. 2014

Full Time Audit & Supervisory Board Member, Nippon Telegraph and Telephone Corporation (retired in Jun. 2020)

Aug. 2018

Audit & Supervisory Board Member, NTT, Inc. (retired in Jun. 2020)

Jun. 2020

Outside Director, Sumitomo Corporation (present position)

Jun. 2021

Outside Director & Audit and Supervisory Committee Member, Tohoku Electric Power Co., Inc. (present position)



Takashi Mitachi

Outside Director Independent

■ 0 shares
■ 17/17

Apr. 1979

Joined Japan Airlines Co., Ltd.

Oct. 1993

Joined Boston Consulting Group

Jan. 1999

Vice President & Partner, Boston Consulting Group

Jan. 2005

Japan Co-chair, Boston Consulting Group

May 2005

Managing Director & Senior Partner, Boston Consulting Group

Mar. 2011

Director, Japan Association for the World Food Programme (retired in Aug. 2018)

Apr. 2013

Vice Chairman, KEIZAI DOYUKAI (Japan Association of Corporate Executives) (retired in Apr. 2017)

Mar. 2016

Outside Director, Rakuten, Inc. (currently Rakuten Group, Inc.) (present position)

Jun. 2016

Outside Director, Lotte Holdings Co., Ltd. (present position)

Mar. 2017

Outside Director, DMG MORI CO., LTD. (present position)

Outside Director, FiNC co., Ltd. (currently FiNC Technologies Inc.) (retired in Mar. 2020)

Outside Director, Audit and Supervisory Committee Member, UNICHARM CORPORATION (retired in Mar. 2021)

Jun. 2017

Outside Director, Tokio Marine Holdings, Inc. (present position)

Oct. 2017

Senior Advisor, Boston Consulting Group (retired in Dec. 2021)

Apr. 2020

Professor, Graduate School of Management, Kyoto University (present position)

Jun. 2022

Outside Director, Sumitomo Corporation (present position)



Takahisa Takahara

Outside Director Independent

■ 0 shares
■ 14/14
(Since taking office on June. 23, 2023)

Apr. 1986

Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)

Apr. 1991

Joined UNICHARM CORPORATION

Jun. 1995

Director, UNICHARM CORPORATION

Jun. 1997

Senior Director, UNICHARM CORPORATION

Jun. 2001

Representative Director, President, UNICHARM CORPORATION

Jun. 2004

Representative Director, President & CEO, UNICHARM CORPORATION (present position)

Jun. 2015

Outside Director, Calbee, Inc. (retired in Jun. 2023)

Jun. 2021

Outside Director, Nomura Holdings, Inc. (present position)

Jun. 2023

Outside Director, Sumitomo Corporation (present position)



Haruyasu Asakura

Outside Director Independent

■ 0 shares
■ -/-

Apr. 1984

Joined Mitsubishi Corporation

May 1999

Partner, Apax Globis Partners (currently GLOBIS CAPITAL PARTNERS Co., Ltd.)

Feb. 2001

Managing Director, Carlyle Japan LLC

Jul. 2009

Senior Managing Director (COO), Innovation Network Corporation of Japan (currently Japan Investment Corporation) (retired in Jun. 2015)

Mar. 2012

Outside Director, Japan Display Inc. (retired in Jun. 2014)

Oct. 2013

Outside Director, Renesas Electronics Corporation (retired in Jun. 2015)

Apr. 2014

Trustee, KEIZAI DOYUKAI (Japan Association of Corporate Executives) (present position)

Mar. 2016

Representative Director, President (CEO and CIO), Marunouchi Capital Inc.

Dec. 2022

Senior Advisor, Marunouchi Capital Inc. (retired in Dec. 2023)

Jun. 2023

Outside Director/Audit and Supervisory Committee Member, SAKAI HEAVY INDUSTRIES, LTD. (present position)

Jun. 2024

Outside Director, Sumitomo Corporation (present position)



Nana Otsuki

Outside Director Independent

■ 0 shares
■ -/-

Apr. 1988

Joined Mitsui Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)

Jun. 1994

Joined Banque Nationale de Paris (currently BNP Paribas), Tokyo Branch

Mar. 1998

Joined HSBC Securities (Japan) Limited

Jan. 2000

Head of Japan and Korea Financial Ratings, Standard & Poor's Ratings Japan K.K.

Dec. 2005

Managing Director, Research Division, UBS Securities Japan Co., Ltd.

Jun. 2011

Managing Director, Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.) (retired in Dec. 2015)

Sep. 2015

Professor, Faculty of Economics, Nagoya University of Commerce & Business

Jan. 2016

Executive Officer and Chief Analyst, Monex, Inc.

Jun. 2017

Outside Director, Credit Saison Co., Ltd. (retired in Jun. 2024)

Apr. 2018

Professor, Graduate School of Division of Business Administration, Nagoya University of Commerce & Business (present position)

Jun. 2018

Outside Audit & Supervisory Board Member, Tokio Marine Holdings, Inc. (present position)

Apr. 2021

Expert Director and Chief Analyst, Monex, Inc. (retired in Aug. 2022)

Jun. 2021

Outside Director, Mochida Pharmaceutical Co., Ltd. (retired in Jun. 2024)

Sep. 2022

Senior Fellow, Pictet Asset Management (Japan) Ltd. (present position)

Jun. 2024

Outside Director, Sumitomo Corporation (present position)

Directors, Audit & Supervisory Board Members

■ Shares owned in the Company (As of March. 31, 2024) ■ Attendance at meetings of the Board of Directors in FY2023 ■ Attendance at meetings of the Audit & Supervisory Board in FY2023

Audit & Supervisory Board Members

**Daisuke Mikogami**

Senior Audit & Supervisory Board Member (Full-Time)

■ 38,800 shares
■ 14/14
■ 11/11

(Since taking office on June. 23, 2023)

Apr. 1983

Joined the Company

Apr. 2014

Executive Officer

Apr. 2017

Managing Executive Officer

Apr. 2022

Senior Managing Executive Officer

Apr. 2023

Advisor

Jun. 2023

Senior Audit & Supervisory Board Member (Full-Time) (present position)

**Kazunari Sakata**

Audit & Supervisory Board Member (Full-Time)

■ 14,200 shares
■ 17/17
■ 16/16

Apr. 1985

Joined the Company

Apr. 2020

Executive Officer

Apr. 2022

Advisor

Jun. 2022

Audit & Supervisory Board Member (Full-Time) (present position)

**Yukiko Nagashima**

Outside Audit & Supervisory Board Member

■ 0 shares
■ 17/17
■ 16/16

Independent

Apr. 1985

Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)

Apr. 2006

Corporate Executive Officer, Recruit Co., Ltd.

Jan. 2008

President and Representative Director, Recruit Staffing Co., Ltd. (retired in Apr. 2016)

Oct. 2012

Corporate Executive Officer, Recruit Holdings Co., Ltd.

Jun. 2016

Standing Audit & Supervisory Board Member, Recruit Holdings Co., Ltd. (present position)

Apr. 2018

Standing Audit and Supervisory Board Member, Recruit Co., Ltd. (present position)

Mar. 2019

Outside Director, JAPAN TABACCO INC. (present position)

Jun. 2021

Outside Audit & Supervisory Board Member, Sumitomo Corporation (present position)

**Nobuo Inada**

Outside Audit & Supervisory Board Member

■ 0 shares
■ -/-
■ -/-

Independent

Apr. 1981

Public Prosecutor

Oct. 2008

Deputy Vice-Minister of Justice, Ministry of Justice

Aug. 2011

Director-General of the Criminal Affairs Bureau, Ministry of Justice

Jan. 2014

Vice-Minister of Justice, Ministry of Justice

Sep. 2016

Superintending Prosecutor, Sendai High Public Prosecutor's Office

Sep. 2017

Superintending Prosecutor, Tokyo High Public Prosecutor's Office

Jul. 2018

Prosecutor-General (retired in Jul. 2020)

Oct. 2020

Attorney at Law (present position)

Jun. 2021

Outside Director, Member of the Audit and Supervisory Committee, Nomura Securities Co., Ltd. (present position)

Mar. 2023

Outside Audit & Supervisory Board Member, JAPAN TOBACCO INC. (present position)

Jun. 2024

Outside Audit & Supervisory Board Member, Sumitomo Corporation (present position)

**Taisei Kunii**

Outside Audit & Supervisory Board Member

■ 0 shares
■ -/-
■ -/-

Independent

Oct. 1985

Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)

Aug. 1989

Certified Public Accountant (present position)

Jun. 1999

Partner, Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)

Oct. 2010

General Manager, Tokyo Audit Division, Deloitte Touche Tohmatsu LLC

Nov. 2010

Member of Management Committee, Deloitte Touche Tohmatsu LLC

Oct. 2013

Executive Officer (General Manager, Tokyo Audit Department), Deloitte Touche Tohmatsu LLC

Jun. 2018

Chief Executive Officer, Deloitte Touche Tohmatsu LLC (retired in May 2022)

Jan. 2023

Retired Deloitte Touche Tohmatsu LLC

Feb. 2023

Established Taisei Kunii & Co. (present position)

Jun. 2024

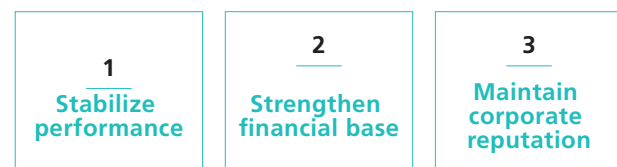
Outside Audit & Supervisory Board Member, Sumitomo Corporation (present position)

Outside Audit & Supervisory Board Member, MS&AD Insurance Group Holdings, Inc. (present position)

Risk management

Basic policy and framework

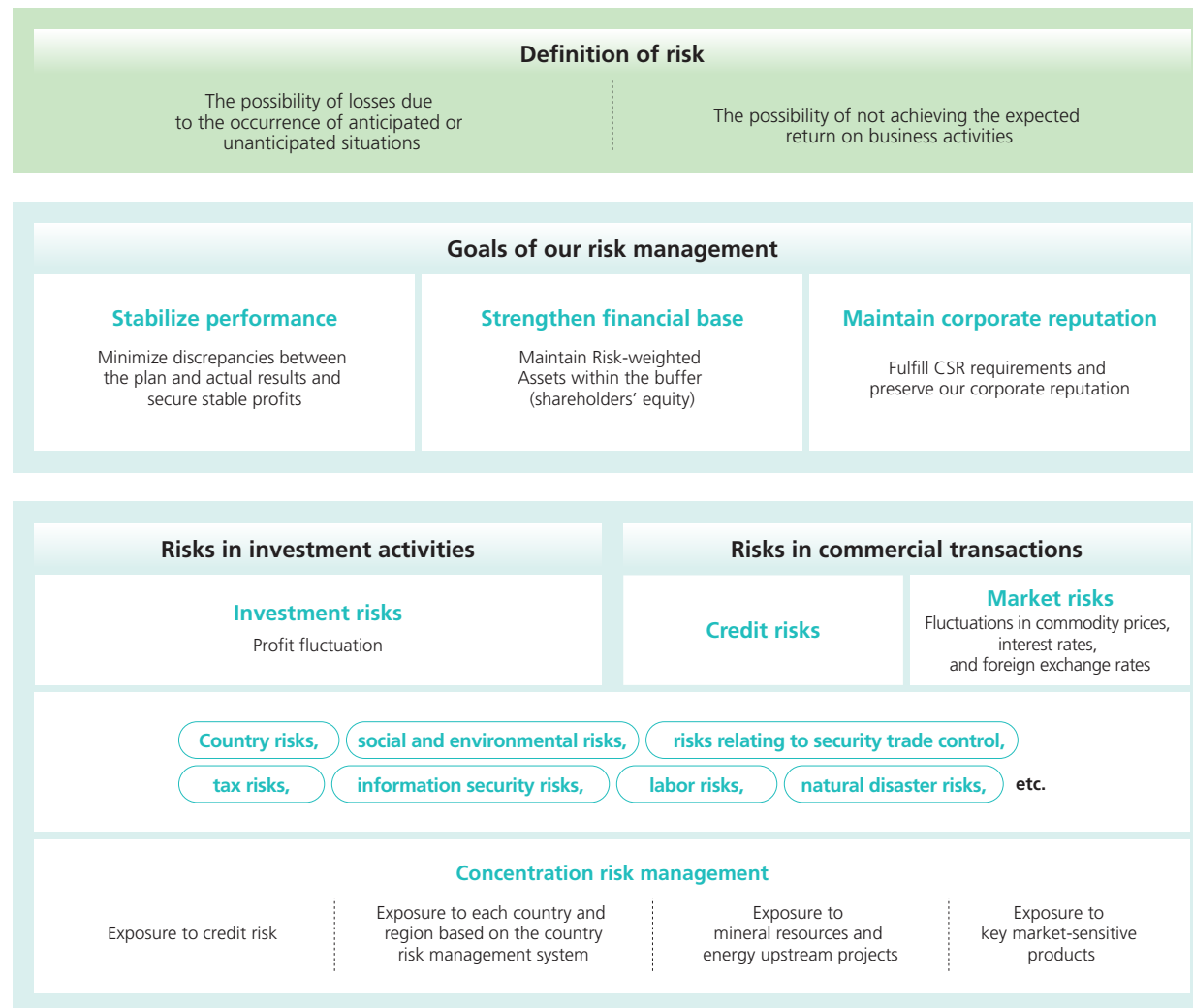
We define “risk” as “the possibility of losses due to the occurrence of anticipated or unanticipated situations” and as “the possibility of not achieving the expected return on business activities.” We have set the following three items as the goals of our risk management activities.



We categorize our business activities into investments and commercial transactions and manage risk after identifying both common and category-specific risk factors. By studying advanced methods and processes, we have created an effective risk management framework that anticipates changes in the external environment. Our goal is to implement the best practice in risk management while maintaining the flexibility to adapt to changes in the business environment.

The business environment is continually altering, and new business models that we could never have imagined are emerging on a daily basis. To respond to such situations in a timely and effective manner, we continue to evolve our risk management activities under the leadership of senior management. As an example, we have established rigorous investment discipline as the common basis of judgment to select more appropriate investments among diverse investment opportunities in a wide range of business domains. At the same time, we have built an optimal governance structure for improving the value of each business after investment and introduced an incentive plan linked to investment performance.

Risk management system



Risk management

Investment risk management

Dealing with the changes in our overall portfolio, as well as the nature of the risks involved in each individual investment opportunity, we have adopted a unified framework that covers the whole investment process from the entrance to the exit of investments, while reviewing the process for assessing and following up on investment projects as appropriate.

When assessing investment projects, we clarify the investment theme at the initial stage of the process and verify its appropriateness as a key point of due diligence. In addition, by applying a discount rate appropriate to each business risk, we are able to calculate an “appropriate price” for the investment and evaluate the opportunity from both quantitative and qualitative aspects.

Investment decisions are made at meetings of the Company Investment Committee or the Group Management Council (the investment decision-making body of each business group) at each stage of consideration and execution, depending on the size and importance of the investment. From an early stage, these institutions identify issues and conduct in-depth discussions from a variety of perspectives on the various factors that may affect the success or failure of investments, such as the strategic positioning of the project, the background to and the reasoning behind the selection of the project, the assumptions and certainty of post-investment value-up measures, and the ESG issues. Discussions on the feasibility of each project including countermeasures are also held.

In addition, we have enhanced the mechanisms for improving the probability of investment success at each stage of investment. We will increase the value of each business by steadily implementing measures, including establishment of strict investment disciplines for selecting investments, implementation of an optimal governance structure for increasing the value of each business after investment, reviewing strategies and establishing a medium-term plan for addressing changes in the external environment, and deployment of the right resources at the right time. In 2022, to further enhance our commitment to value creation, we introduced a new compensation system linked to the performance of our portfolio companies. We are strengthening the monitoring efforts of our portfolio companies, setting a clear time frame and implementing improvement measures for business investments that do not increase in value as expected. We will continue to thoroughly replace assets where improvement is not expected.

Investment risk management framework





Information security

Recognizing the importance of information security, Sumitomo Corporation, led by the IT Strategy Committee chaired by the Chief Information Officer (CIO), has established the Information Security Policy and other relevant regulations, and works to ensure information security and the appropriate management of information assets. For personal information, we operate a Privacy Policy and have put in place relevant regulations and organizational structures to ensure appropriate protection.

We also take steps to minimize the risk from unexpected situations involving information security, such as external attacks aimed for instance at theft or

destruction of corporate information, through collaboration with external specialized agencies. In addition to system-based safeguards, we conduct continuous training and drills for officers and employees and system monitoring and upgrades covering our major subsidiaries and other group entities.

Furthermore, we have assigned information managers to each organization. These people classify information assets according to their importance and provide instructions on how to handle them, thereby ensuring overall information security.

Information security management system

