

03

Governance

—— Management foundation supporting the future

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Roundtable Discussion among Outside Directors

Transition to a Company with an Audit & Supervisory Committee: Enhancing medium- to long-term corporate value through business portfolio optimization and further reinforcement of supervisory functions

Having completed the first year of the Medium-Term Management Plan 2026 and transitioned to a company with an Audit & Supervisory Committee, Outside Directors shared their insights on the challenges and expectations for the current state of the Sumitomo Corporation Group and further enhancement of our corporate value, drawing from their extensive experience and reflecting on the progress made to date.



Outside Director

**Takashi
Mitachi**

Profile

Mr. Mitachi was appointed Outside Director of the Company in June 2022. He served in several key positions for many years at a major U.S. consulting firm. Through these and other roles, Mr. Mitachi has accumulated wide-ranging knowledge and a wealth of experience in business management and enterprise risk management.

Outside Director

**Nana
Otsuki**

Profile

Ms. Otsuki was appointed Outside Director of the Company in June 2024. She has held several key positions for many years at companies including leading securities firms and has served as a university professor and outside director for listed companies. Through these and other roles, Ms. Otsuki has accumulated wide-ranging knowledge and a wealth of experience in market analysis and corporate governance.

Outside Director

**Yukiko
Nagashima**

Profile

Ms. Nagashima was appointed Outside Director (Audit & Supervisory Committee Member) of the Company in June 2025, after serving as Audit & Supervisory Board Member of the Company from June 2021 to June 2025. She has served several key positions for many years at a major comprehensive human resource services company (holding company), and has served as executive at its group company, Standing Audit & Supervisory Board Member at the holding company, and outside officer positions at another major company. Through these and other roles, Ms. Nagashima has accumulated highly specialized knowledge and a wealth of experience in business management and corporate governance.

Roundtable Discussion among Outside Directors

Progress of the Medium-Term Management Plan 2026

I Mitachi: We established a management base that incorporates cost of capital awareness during the previous medium-term management plan. Under the current plan, we have entered a new stage of growth built upon that base. Our performance in the first year of the plan has been strong, and we feel that our progress is on track. Above all, there has been a clear increase in internal discussions that reference terms such as “No. 1 in Each Field” and competitive advantage. I believe these discussions will ultimately help enhance shareholder value. Each of our nine business groups has been engaged in ongoing strategic discussions on how to leverage their respective strengths to become No. 1 in their fields. We are now at a stage where we can clearly present these strengths to our shareholders. Of course, the entire Board of Directors recognizes that the most important thing is to turn these strategies into reality and deliver sustainable growth in corporate value.

I Nagashima: I personally feel that the concept of “No. 1 in Each Field” has been embedded in our business front lines. While each business domain is different, during the previous medium-term management plan, each organization thoroughly embraced a shared performance metric: achieving ROIC above WACC. Under the current plan, we have clearly defined the goals for FY2026 based on the concept of “No. 1 in Each Field.” We are in the process of further clarifying the path to achieving those goals.

I Otsuki: FY2024 was a highly challenging year in terms of the international situation, but we believe our company performed well under such circumstances. On the other hand, as Mr. Mitachi mentioned, we are on a long-term journey of value creation that we must strive to pursue. Our medium-term management plan is only a three-year milestone along that path. While our profit levels at the start of the plan are strong, we still have a considerable distance to cover to reach our envisioned goals. I also view the major organizational reform—the first in 60 years—as a transformative initiative of which the true value will be tested in the latter half of the plan.

Having joined the Board as an Outside Director last year, I’ve come to appreciate the challenges of portfolio management. While each business aims to become No. 1 in its field, we must also ensure overall optimization as Sumitomo Corporation. Moreover, we need to pursue such optimization with a time frame in mind—looking not just one year ahead but 10 years or more into the future. As we enter the second half of the current medium-term management plan, I intend to focus on both proactive and defensive aspects—risk management and governance. From the perspective of optimizing risk-return profiles across different time frames, I believe this will be a critical area for each business.

Business portfolio development

I Mitachi: Building a portfolio requires balancing both defensive and proactive elements. This means mitigating risk on one hand and driving growth and cash generation on the other. Our business is a diverse collection of operations spanning a wide range of industries, regions, and time frames for generating profit. Striking this balance has long been a challenge, and we have approached it through continuous trial and error. For example, some businesses, like copper mining, require a long time to generate profit, while others, such as retail, must produce cash on a daily basis. I would like to further deepen discussions within the Board of Directors around the concepts of time frames and risk diversification.

On the other hand, there are few operating companies engaged in such a diverse range of fields that maintain a large balance sheet totaling ¥11 trillion. A trading company’s strength lies in its ability to oversee the entire value chain, from upstream to downstream. It can take a step back to assess where and how to build businesses that will generate value over the medium to long term. Having this foresight and acting swiftly is the direction we should pursue going forward.

I Nagashima: When it comes to our business portfolio, AI is now constantly by our side, intelligently handling brainwork tasks, such as analyzing environmental changes over time and identifying the causes behind our past failed projects. At the



same time, it is essential to embed the intent of management into the process of building the portfolio. Through the organizational reform conducted in FY2024, we now have a more agile execution framework allowing us to act at the right moment without missing opportunities to embed that intent. As Outside Directors, we also monitor the validity of consensus-building within the executive team. Some businesses could take a long time to emerge from a tunnel, while others might go through a cycle of entering and exiting tunnels year after year. From a time-frame perspective as well, it’s important to act with intent when building the portfolio and deciding what to prioritize in order to flexibly evolve it in response to environmental changes.

I Otsuki: “Acting with intent” is a powerful phrase. When we consider what kind of intent we should embody, I believe the unwavering foundation lies in Sumitomo’s Business Philosophy. Since my appointment as an Outside Director, I’ve been reminded on many occasions of the importance of such value.

At the same time, when it comes to learning from the past, Ambatovy nickel project in Madagascar remains a major concern. We must actively transform the experience and insights gained from the past into constructive lessons that can be elevated and applied more proactively.

Roundtable Discussion among Outside Directors



Our businesses are classified into four strategic categories: Steady business growth, Value creation, Restructuring, and Nurture. Some businesses that were once positioned negatively within this framework might, by not only analyzing the causes of failure but also turning those lessons into positives or applying them to other businesses, allow the strategic category itself to evolve more interactively and drive growth.

■ Mitachi: In terms of applying lessons learned from the past, it is extremely important to identify the key points of value creation unique to each of our diverse businesses and apply them to future investments. For example, although Ambatovy has been challenging and caused concern among our shareholders, it has also been instructive. Our deep involvement on the front lines in Madagascar, a challenging region, has given us in-depth operational knowledge in the resource business and experience in managing regional risks. In the Diverse Urban Development business, which includes infrastructure and real estate, we have also built up deep expertise over the years as a professional operator of various asset types. Learning from such experience, we must consider which risks to take in each diverse investment—and how to create value unique to the Company. This comprehensive approach is the essence of effective portfolio management.

Transition to a Company with an Audit & Supervisory Committee

■ Nagashima: Following the 2025 General Meeting of Shareholders, we transitioned from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee. As a result, my position also shifted from Audit & Supervisory Board Member to Director serving as Audit & Supervisory Committee Member. Even after the transition, our focus remains unchanged. We will continue closely monitoring how the executive side identifies business risks, including future risks, and what kinds of risk-taking they adopt to create opportunities.

Our Board of Directors has engaged in constructive discussions about its role over the years and worked to enhance its effectiveness. In that context, the Board began concrete discussions on changes to the governance structure in July 2024. It all began with a study session. Around ten years had passed since Japan's Corporate Governance Code was introduced in 2015, and in today's globally open capital markets, we used that opportunity to take a forward-looking view of our governance structure. This served as a starting point for exchanging opinions in a neutral manner about what needs to be done and the order of priority. We then thoroughly discussed the future role and structure of the Board, seven times at the Board of Directors meetings, twice at the Council of Outside Directors and Outside Audit & Supervisory Board Members meetings, and six times at the Audit & Supervisory Boards in total. As part of these discussions, we examined the possibility of delegating certain matters of resolution from the Board of Directors to the Management Council, with the aim of enabling more agile strategic execution and faster decision-making. Throughout this process, the Board of Directors has engaged in repeated discussions on whether we can maintain effective oversight, and whether our existing risk-check frameworks remain adequate in terms of speed, especially as execution becomes more agile. This process was highly meaningful because it enabled us to reaffirm the core foundations of the Board in

fulfilling its proper supervisory responsibilities. For me personally, the discussions served as an opportunity to reaffirm my own sense of ownership over our corporate mission as an Audit & Supervisory Committee Member. The process went far beyond simply changing the governance structure.

■ Otsuki: With the change in governance structure, we will be able to allocate more time to individual agenda items and engage in deeper discussions than before. We must also remember that the governance structure is merely a means to an end. Under the new system, we must be particularly conscious of how we think and make decisions responsibly in order to achieve our ultimate goal. Here, it is important to think on a different level from the executive side. We need to consider various time frames. As agents entrusted by our shareholders, we must also be more conscious of how we communicate with the market.

■ Mitachi: To deliver better management and supervision, actual implementation is more important than just formal structures. With fewer statutory matters now requiring resolution by the Board, we can spend that time discussing our business portfolio and overall risk management. I hope that each Outside Director will freely express opinions based on their respective areas of expertise, thereby enhancing the effectiveness of governance. In that sense, I feel we now have a solid foundation in place.

Especially, one major change is that Outside Directors now make up the majority of the Board. With less than half of the Directors having firsthand knowledge of frontline operations, there is a heightened sense of responsibility in ensuring that the Board operates in a way that earns the trust and understanding of our shareholders.

Challenges for the medium- to long-term enhancement of corporate value

■ Mitachi: One of the major challenges I see in pursuing medium- to long-term growth is how we approach talent management as a Japan-based global company. Under a global headquarters structure, the ideal vision is to directly hire

Roundtable Discussion among Outside Directors

professionals in growth areas locally across the globe and eventually develop future executive leaders from among them. In today's world, where companies compete for professionals who can do what AI cannot, we must work harder to build a system for attracting talented individuals who can succeed in any part of the world.

Nagashima: With respect to talent, we have challenges on both the executive side and within the Board of Directors. For the Board, we need to continue examining what elements are required from a supervisory perspective—based on the skills matrix and other factors—relative to those already present on the executive side.

It has been four years since I became an Audit & Supervisory Board Member. During that time, there have been cases where executives have been directly recruited from outside the Company. In recent years, the Company has demonstrated a clear commitment to bringing in external talent at all levels as necessary to secure the capabilities essential for its future. Looking ahead, it will be important to accelerate this talent acquisition from a more global perspective.

Otsuki: Managing resources, including talent, capital, and the potential of assets across a wide range of businesses, is also important for strengthening risk management. While day-to-day risks can be managed through profit and loss control, when preparing contingency plans for potential shocks, the amount of available resources directly influences how much risk we can take on. We need to approach this from three dimensions: risk, return, and time horizon. It is essential to consider how we manage risks during normal times, how we respond during shocks, and how we secure the necessary resources. I believe we need to be increasingly mindful of strengthening our resource base to support these efforts.

Engagement with the capital markets

Otsuki: As a Japanese company, we have successfully embedded the concepts of ROIC and WACC even at the operational level, enabling us to practice management that is conscious of cost of capital. The reason why the concepts of

ROIC and WACC are so deeply rooted in our organization is because we had already promoted such capital cost-conscious management even before the Tokyo Stock Exchange reforms. We calculate WACC individually for all businesses—whether existing, newly launched, or acquired through M&As. As long as each business with an ROIC in excess of its WACC is organically integrated, a PBR above 1x starts looking like a natural outcome.

I think the reason why the market has yet to fully recognize our efforts is that we haven't clearly communicated a forward-looking growth story that would drive an increase in PER. Also, there is a mismatch between the market and our perspective regarding capital costs. Regarding the risk component in calculating WACC, there might still be concerns in the capital market about our "invisible risks" shaped by past experience. I believe it's important for us to clearly communicate how we plan to improve going forward—both in terms of our growth story and our approach to capital costs, including how we convey these efforts to the market.

Nagashima: Even just looking at Ambatovy, the situation has changed significantly over the past year. It is essential that we fulfill our responsibility to explain what has changed and how progress is being made. For our eight growth areas—each with different trajectories and speeds of development—it is important to communicate progress and competitive advantages using KPIs and other measurable indicators. At the same time, the Company is well ahead of the curve in using AI as a strategic asset. The key now is to clearly define our targets and demonstrate how we will compete in this field—specifically, how we will translate our AI capabilities into concrete business value.

Otsuki: Looking back on the past year, one significant development in our pursuit of next-generation growth through enhanced DX was the acquisition of Net One Systems by our subsidiary SCSK. I see this as a defining moment—one that marked a major turning point in the Company's history. Going forward, I believe the Board of Directors must closely examine how this acquisition will help enhance the Group's overall earnings.



Mitachi: As I mentioned last year, the Company has firmly embedded a framework for improving business operations with a clear awareness of cost of capital. Through this approach to business management, we are seeing improvements in both performance and stock price. However, our PBR has yet to consistently exceed 1x. Therefore, we must deepen our engagement with the capital markets and build a sense of future growth potential—one that conveys the clear message that Sumitomo Corporation is on a path of sustained growth. To gain the trust of the capital markets, nothing is more important than a solid track record. Accordingly, we must demonstrate that we are keeping our promises—or even outperforming market expectations—in terms of growth.

Our overall stock price performance has also been solid and following an upward trajectory. And we are receiving positive feedback from global investors. Amid increasing uncertainty in the global economy, we will steadily lay the groundwork for growth and deliver results through disciplined portfolio management. I think that sums it up. Given the broad scope of our business, we will need to make considerable efforts in terms of IR. I also feel that clearly communicating the details of our eight growth areas, the direction of our portfolio, and our competitive advantages will create opportunities for investors to have confidence in our future.

Corporate Governance

Basic principles

We believe that “Sumitomo’s Business Philosophy” and the “Sumitomo Corporation Group’s Management Principles and Activity Guidelines” form the backbone of our corporate ethics and serve as the foundation supporting 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 us achieve sustainable growth, enhance corporate value over the medium to long term, fulfill our mission as a good corporate citizen, and benefit the interests of shareholders and all other stakeholders. For this reason, we work continuously to further enhance and improve our corporate governance.

Purpose of transitioning to a Company with an Audit & Supervisory Committee

To accelerate the execution of the growth strategies outlined in the Medium-Term Management Plan 2026, which began in April 2024, we transitioned to a Company with an Audit & Supervisory Committee. The purpose of this transition is to ensure timely and accurate management execution while strengthening the effectiveness of the Board of Directors, which is responsible for decision-making on important matters and overseeing execution.

Points

- **Making a clearer distinction between the Board of Directors and executive functions to achieve timely and accurate management execution**
 - Ensure a clearer distinction between supervision and execution, and delegate authority from the Board to executive management.
 - This will enable more agile execution of strategies and swifter decision-making by executive management.
- **Further strengthening the Board of Directors’ supervision of management execution and its decision-making functions**
 - By appointing Outside Directors as the majority of the Board, we ensure proper supervision of management execution and make important decisions affecting company-wide management from broad and diverse perspectives.
- **Enhancing our effective audit system**
 - The Audit & Supervisory Committee collaborates with the Internal Auditing Department and others to strengthen overall audit effectiveness.

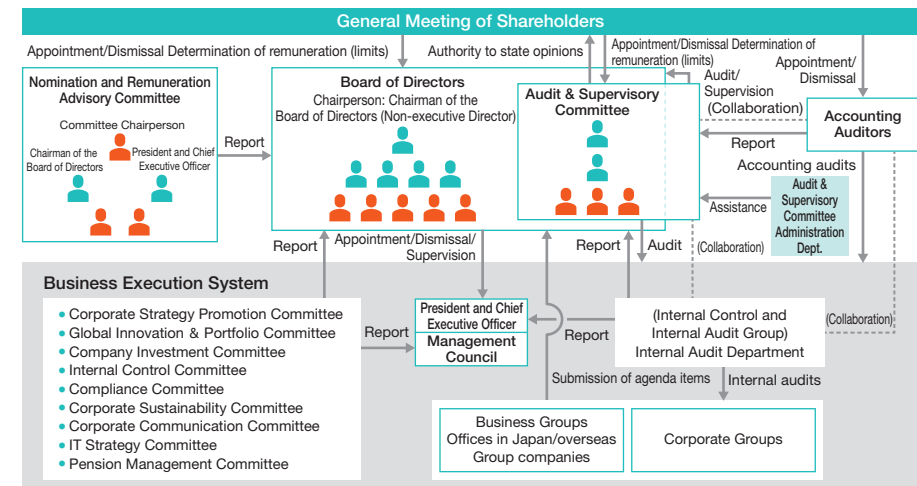


Sumitomo Corporation Corporate Governance Principles ▶ https://sumitomocorp.disclosure.site/pdf/CorporateGovernance/principle_en.pdf
 Group Governance ▶ <https://sumitomocorp.disclosure.site/en/themes/38>
 Compliance ▶ <https://sumitomocorp.disclosure.site/en/themes/39>
 Internal Control ▶ <https://sumitomocorp.disclosure.site/en/themes/42>

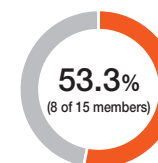
Post-transition framework as a Company with an Audit & Supervisory Committee

Our Board of Directors now includes eight independent Outside Directors—constituting a majority of the 15-member Board of Directors—with a wealth of experience and a high degree of specialized knowledge and expertise in different fields. This structure enables more well-informed decision-making by the Board and further strengthens its supervisory of management. We have also kept in place the Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors. The majority of the Committee’s members are Outside Directors, and it is chaired by an Outside Director. This structure enhances the independence, objectivity, and transparency of the Board related to the nomination and remuneration of senior management. To strengthen supervisory from an external perspective, three of the five members of the Audit & Supervisory Committee are independent Outside Directors. The Committee also includes one person with corporate management experience, one legal expert, and one accounting specialist, ensuring a multifaceted audit framework. Furthermore, Directors serving as Audit & Supervisory Committee Members are allowed to attend all key internal meetings, giving them access to all essential information required for effective audits. As a result, we believe we have established a highly effective and robust corporate governance framework.

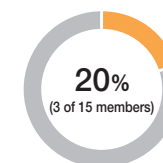
Corporate governance system (Company with Audit & Supervisory Committee) ■ Internal ■ Outside



Ratio of Outside Directors on the Board



Ratio of Female Directors on the Board



Corporate Governance

Message from the Chairman of the Board of Directors

Enhancing the Board to deliver increased corporate value

Masayuki Hyodo Director,
Chairman of the Board of Directors



Thank you for your continued understanding and support of our business activities.

As Chairman of the Board of Directors, I would like to explain the background and significance of the corporate governance reforms implemented pursuant to the resolution at the General Meeting of Shareholders held in June 2025.

We believe that building a stronger governance framework is essential for achieving sustainable growth, enhancing our medium- to long-term corporate value, and fulfilling our mission as a responsible corporate citizen. To this end, we have continuously examined the fundamental question of what role our Board of Directors should play and how it should fulfill that role. We have also sought to enhance the Board's effectiveness by increasing the number of Outside Directors and improving the setting of agendas.

Regarding business execution, in April 2024 we transitioned to a structure based on strategically focused business groups to promote more self-disciplined and agile decision-making and operations. With this in mind, we engaged in extensive discussions on the role of the Board of Directors. We

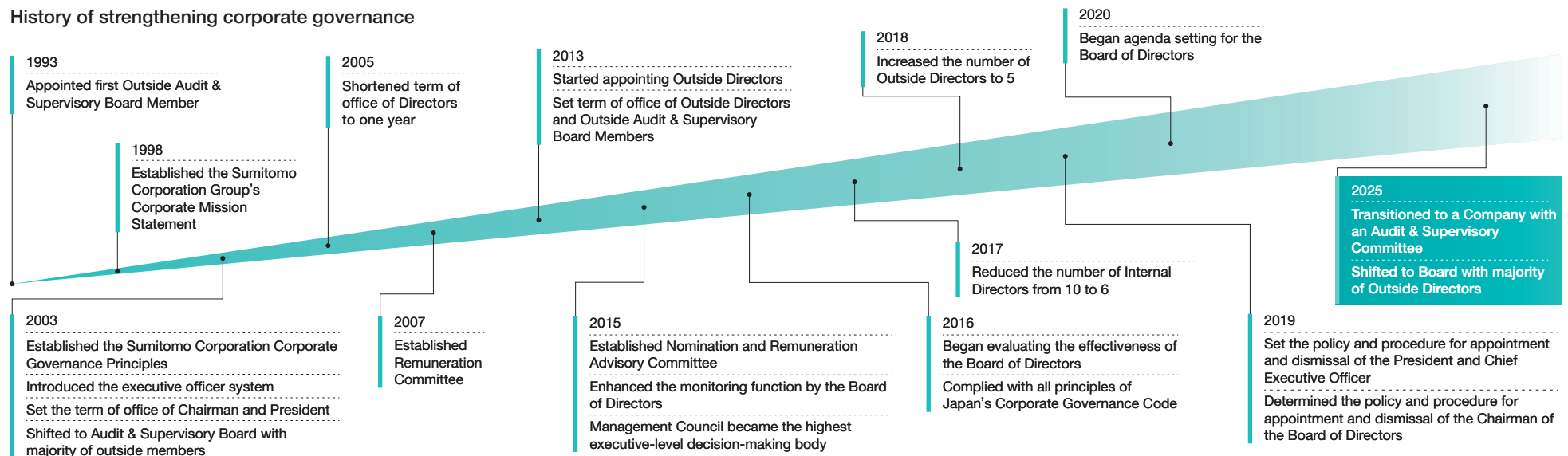
concluded that we needed to clearly distinguish between supervision and execution and delegate authority from the Board of Directors to executive management. At the same time, the Board must exercise highly effective supervision of management execution from a broad and diverse perspective, while the Board enhances its effectiveness by making key decisions that affect company-wide management. We believe this will help increase corporate value.

Based on this approach, we transitioned to a Company with an Audit & Supervisory Committee, expanded the scope of delegated decision-making authority for individual business matters, and shifted to the Board of Directors with a majority of outside members.

Beyond advances in "form," such as institutional design and Board composition, the true priority here lies in "substance." For the Board of Directors to practice highly effective supervision, it is essential to provide information in a timely and appropriate manner while setting agendas and organizing issues from a broad medium- to long-term perspective. Another prerequisite is a management team with strong business execution capabilities. Our Board of Directors and management team work in unison, fully understanding each other's roles and continually enhancing their capabilities, to take our management to the next level.

We must also continuously improve corporate governance from time to time in accordance with changing business conditions and operating circumstances. With the constant goal of enhancing corporate value, we will continue working to build a truly effective governance framework.

History of strengthening corporate governance



Corporate Governance

Board of Directors

● Evaluation of the effectiveness of the Board of Directors

To maintain and enhance the effectiveness of the Board of Directors, we analyze and evaluate its effectiveness each year through assessments and multiple discussions by Directors and Audit & Supervisory Board Members, and we disclose a summary of the results. Below are the results and summary of the FY2024 evaluation.

■ Evaluation method

- **Named (non-anonymous) questionnaire** (covering all 11 Directors and all 5 Audit & Supervisory Board Members).

Function and role of the Board of Directors	Composition of the Board of Directors	Topics and agenda	Content and quality of discussions
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12 evaluation items, including the above

- **Based on the survey results, Directors and Audit & Supervisory Board Members held multiple discussions to evaluate and analyze the findings, as well as to identify issues and discuss initiatives for improvement.**

■ Evaluation results overview

- **Both the survey responses and subsequent discussions confirmed that there are no major concerns regarding the effectiveness of the Board of Directors, which we consider to be functioning effectively.**
- **Key initiatives identified for FY2025**
 - Stabilize operations under the new structure following institutional design changes
 - Set agendas to enhance discussions on company-wide management themes
 - Review the size of the Board and the desired backgrounds of Directors
 - Strengthen collaboration between the Nomination and Remuneration Advisory Committee and the Board of Directors
 - Review and implement optimal audit practices following the transition to a Company with an Audit & Supervisory Committee

■ FY2024 actions taken to address FY2023 issues

- **Based on the three issues identified in the FY2023 effectiveness evaluation, the Board held intensive off-site discussions on the topic of reviewing the functions and roles of the Board going forward**

Functions and roles that should be fulfilled by the Board of Directors	Composition of the Board of Directors	Setting the agenda for the Board of Directors
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- **Established policy for a comprehensive review of the Board of Directors, including its role, structure, and agenda setting, as well as changes to institutional design**
 - Discussed the future of the Company's Board of Directors to enhance its role as a forum for more effective dialogue and discussion that helps enhance the Group's corporate value over the medium- to long-term
 - In line with the April 2024 revision of the Company's business organization (designed to implement agile decision-making and self-disciplined management aimed at achieving sustainable growth and enhancing corporate value), confirmed the intention to divide roles of the Board of Directors and Management Council more clearly, and reorganized into a structure and operating framework enabling the Board to perform more effective supervision of executive management
 - Confirmed the intention to increase the number of Outside Directors to a majority and expand monitoring and discussion of important company-wide management issues as specific measures to strengthen the supervision function of the Board
- Based on the above three considerations, decided to expand the scope of authority delegated to the Management Council for individual matters (such as investment projects) and make necessary changes to institutional design (transition to a Company with an Audit & Supervisory Committee)

● Enhancing deliberations through effective agenda setting

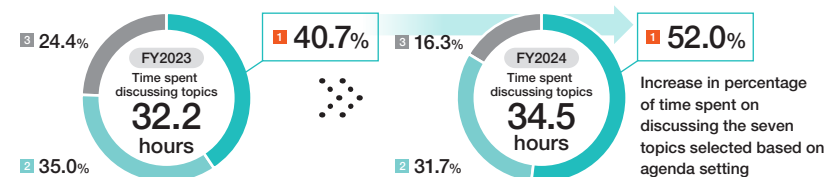
The Board of Directors engages in careful discussions to determine the key management themes that should be prioritized for deliberation over the coming year, a process known as "agenda setting." For the FY2024 agenda setting, we considered opinions raised during the FY2023 effectiveness evaluation—specifically, "Focus should be shifted to company-wide strategies as opposed to individual business strategies" and "Focus of discussion should be narrowed down to issues that should be undertaken, particularly under the Medium-Term Management Plan 2026 (such as company-wide growth strategy, business portfolio reshuffling, and human resource training/education)." Based on this, we established seven agenda items, as shown in the following table, to enhance the quality of deliberations. In particular, we held seven sessions (around six hours in total), including off-site meetings*, to discuss governance enhancement (reassessing the role of the Board). We also held discussions focusing on business portfolio, human resource strategy, and shareholder returns. As shown in the pie chart below, we increased the proportion of agenda-setting topics in the total deliberation time from the previous year and stepped up monitoring and discussions of key company-wide management issues.

* A forum separate from Board meetings where all Board members participate in free and open discussions

Main topics discussed by the Board in FY2024

Topic	Example of agenda items
Medium-Term Management Plan progress monitoring	• Overall management review • Business portfolio transformation
Human resource strategy and DE&I	• Employee engagement • Management personnel development • Succession planning • Employee demographics • Promotion of women's active engagement
Enhancement of governance	• Evaluation of the effectiveness of the Board of Directors • Internal control and internal audit • Governance system review • Officer nomination and remuneration • Efforts to enhance Group management • Revision of the Board of Directors' agenda criteria
Sustainability	• Status of promoting sustainability in each SBU • Status of human rights due diligence company-wide • Disclosure based on the TCFD recommendations • Response to climate change • Initiatives related to natural capital
DX and IT	• Promoting company-wide DX • Strengthening corporate IT
Shareholder return	• Dividend policy • Share repurchases
Monitoring of individual businesses	• Ambatovy nickel project • Acquisition of Net One Systems by CSMK
Other company-wide matters	• 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	• Individual investments (e.g., Myanmar telecommunications business, domestic offshore wind power business)

Deliberation time and proportion



Corporate Governance

● Support system for Outside Directors

For newly appointed Outside Directors, we explain the Group's Management Principles and medium-term management plan and give opportunities to visit Sumitomo-related facilities to enhance their understanding of Sumitomo's Business Philosophy. We also arrange site visits each year to help deepen understanding of our business (FY2024: one domestic and one overseas site visit).



Site visit to construction and mining equipment businesses in Canada

■ Pre-meeting briefings for the Board of Directors

To improve the efficiency of Board discussions, we provide Outside Directors with pre-meeting briefings on the outline and key points of each agenda item (FY2024: 14 sessions for Directors at the time, totaling around 33 hours). We also provide explanations of each agenda item to Audit & Supervisory Board Members during their meetings, which are held prior to Board meetings. From FY2025 onward, we will continue arranging pre-meeting briefings on each Board agenda item to all Outside Directors, including Audit & Supervisory Committee Members.

■ Discussions at Outside Directors' meetings

To encourage active participation by Outside Directors in Board discussions, we hold a monthly Outside Directors' Meeting, consisting of Outside Directors including Outside Audit & Supervisory Committee Members, where they engage in robust discussion. In FY2024, the Outside Directors' Meeting focused its discussions on governance and the role of the Board of Directors. The meeting also served as a forum for exchanging views with the Chairman, Vice Chairman, President, and the accounting auditor.

● Advisory body to the Board of Directors

■ Overview of the Nomination and Remuneration Advisory Committee activities

	Members	Number of meetings/ Attendance rate	Main discussion items
Outside Directors	(Chairperson) Takashi Mitachi	8/8 (100%)	<ul style="list-style-type: none"> FY2025 Director/Executive Officer HR management (Selection of Management Council members and allocation of human resources based on successor plan) FY2024 evaluations of individual Executive Officers Executive remuneration system after transition to a Company with an Audit & Supervisory Committee Stock-based remuneration system for officers (incorporating non-financial metrics and peer group criteria)
	Akiko Ide	8/8 (100%)	
	Takahisa Takahara	7/7 (100%)*1	
Internal Directors	Masayuki Hyodo	8/8 (100%)	
	Shingo Ueno	8/8 (100%)	

*1 Attended all 7 committee meetings held after appointment as committee member in June 2024

■ President succession plan

The Company defines the criteria for selecting its President and Chief Executive Officer as embodying the Sumitomo's Business Philosophy and possessing the necessary qualities and capabilities*2. To systematically develop a pool of such talent, the Company actively provides a range of opportunities, including job rotations and assignments that offer global and diverse business and management experience, as well as training programs.

The Nomination and Remuneration Advisory Committee, chaired by an Outside Director, discusses appointment criteria and succession plans, which are then decided by the Board of Directors, ensuring an objective and transparent process.

*2 "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"

● Audit & Supervisory Committee

Following approval at the General Meeting of Shareholders on June 20, 2025, we transitioned to a Company with an Audit & Supervisory Committee. The Audit & Supervisory Committee is an independent statutory body that works with the Board of Directors to supervise the Company and is entrusted by shareholders to supervise the Directors' execution of their duties. By properly executing its duties while taking into consideration the interests of various stakeholders, the Committee will strive to further enhance the corporate governance system of the Company and the Group, help realize sound and sustainable growth and create medium- to long-term corporate value, and earn the trust of society.

■ Audit plan and activity status

Amid an uncertain global environment marked by conflicts and trade frictions in various regions, the Group is working steadily to realize its Medium-Term Management Plan 2026 by managing a wide range of risks while pursuing sustainability management. In this process, the Audit & Supervisory Committee will focus on maintaining and enhancing the soundness of business activities and will audit the following items.

• Focus of audits

- (1) Status of compliance with the Companies Act and other laws and regulations, our Articles of Incorporation and internal rules, and the "Sumitomo Corporation Group's Management Principles and Activity Guidelines"
- (2) Status of the establishment and implementation of the Sumitomo Corporation Group's internal control system, including the systems for compliance with laws and regulations and risk management systems
- (3) Establishment and implementation of internal control systems related to financial reporting under the Financial Instruments and Exchanges Act
- (4) Appropriateness of financial reporting through monitoring and verifying the independence, expertise, and audit quality management systems of the accounting auditor

• Audit & Supervisory Committee activities

- (1) Attendance at important meetings
- (2) Exchange of opinions with persons in charge of management and business execution
- (3) On-site audits and observations
- (4) Cooperation with internal audit organization
- (5) Cooperation with accounting auditor
- (6) Cooperation with Audit & Supervisory Board Members of subsidiaries and other related entities

Message from the Chairperson of the Audit & Supervisory Committee

I believe that the difference between an Audit & Supervisory Committee and a conventional Audit & Supervisory Board is that the Committee operates as an organized body. All five members of our Audit & Supervisory Committee share the same level of information and, through open discussions that respect each member's expertise and experience, work together as a unified body to fulfill their duties. In addition, we will step up collaboration with the accounting auditors, Internal Auditing Department, and internal control-related departments to enhance the effectiveness and efficiency of the Audit & Supervisory Committee's duties. Through these efforts, we will foster the sound, sustainable growth of the Company and the Group and the enhancement of social trust.



Daisuke Mikogami
Chairperson of the Audit & Supervisory Committee

Corporate Governance
















● 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, specialization, gender, and other characteristics. Moreover, out of the 15 Directors appointed, eight are independent Outside Directors with differing experience 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 the 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 knowledge, experience, and competencies) that the Board of Directors is required to possess and the skills of each Director are listed below.

● Skills of each Director

The skills of each Director are determined through discussions with the individual, taking into account their career background, knowledge, competencies, qualifications, and specific achievements in a comprehensive manner.

	Directors (excluding those who are Audit & Supervisory Committee Members)										Directors who are Audit & Supervisory Committee Members				
	 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, Executive Vice President	 Akiko Ide Outside Director	 Takashi Mitachi Outside Director	 Takahisa Takahara Outside Director	 Haruyasu Asakura Outside Director	 Nana Otsuki Outside Director	 Daisuke Mikogami Director (Full-Time Audit & Supervisory Committee Member)	 Kazunari Sakata Director (Full-Time Audit & Supervisory Committee Member)	 Yukiko Nagashima Outside Director (Audit & Supervisory Committee Member)	 Nobuo Inada Outside Director (Audit & Supervisory Committee Member)	 Taisei Kunii Outside Director (Audit & Supervisory Committee Member)
Nomination and Remuneration Advisory Committee Member	○		○			○	◎	○							
Attendance at Board meetings (FY2024)	16/16 (100%)	13/13 (100%)*4	16/16 (100%)	16/16 (100%)	16/16 (100%)	16/16 (100%)	16/16 (100%)	16/16 (100%)	13/13 (100%)*4	13/13 (100%)*4	16/16 (100%)	16/16 (100%)	16/16 (100%)	13/13 (100%)*4	13/13 (100%)*4
Attendance at Audit & Supervisory Board meetings (FY2024)											17/17 (100%)	17/17 (100%)	17/17 (100%)	12/12 (100%)*4	12/12 (100%)*4
Term of office	7 years*1	1 year*2	2 years	6 years	3 years	5 years	3 years	2 years	1 year	1 year	2 years*3	3 years*3	4 years*3	1 year*3	1 year*3
Shares owned in the Company (As of March 31, 2025)	183,600	85,600	89,600	68,000	54,500	0	0	0	0	0	38,800	14,200	0	0	0
Corporate Management	●	●	●	●	●	●	●	●	●		●	●	●		●
Investment/M&A	●	●	●				●	●	●	●	●	●	●		
IT/DX/Technology		●				●					●				
Sustainability	●		●			●	●	●		●					
Finance/Accounting	●	●		●	●				●	●					●
Legal/Risk Management	●			●	●		●							●	
HR Management & Development	●	●	●	●			●				●		●	●	

*1 Served as a Director of the Company for one year (June 2016–June 2017) in addition to above *2 Served as a Director of the Company for 4 years (June 2019–June 2023) in addition to above

*3 Includes period served as an Audit & Supervisory Board Member *4 Status since assuming office on June 21, 2024

○ Member ◎ Chairperson

Corporate Governance

● Skills of Directors

■ Types of Skills, such as knowledge, experience, and competencies, that the Board of Directors is required to possess

All Directors of the Company, regardless of whether they are Internal or Outside Directors, 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 (hereinafter

“Skills”), that enable 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 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 Committee Members we place a particularly high priority on “Corporate Management,” “Finance/Accounting,” and “Legal/Risk Management.” As the Skills that the Directors are required to possess might 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 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 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 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, the latest geopolitical developments, and so forth. 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.

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.

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.

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. 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.

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.

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 goals, 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.

HR Management & Development

Regarding human capital as its most important form of business capital, the Company provides each individual with opportunities for self-disciplined 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.

Corporate Governance

Executive remuneration

● Executive remuneration plan

- Executive remuneration (within the maximum amount approved by the General Meeting of Shareholders) is reviewed by the Nomination and Remuneration Advisory Committee and submitted to the Board of Directors for resolution.
- Remuneration for Executive Directors and Executive Officers consists of (1) Monthly remuneration, (2) Performance-linked bonus, and (3) Restricted performance share unit-based remuneration. Remuneration of the Director, Chairman, 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 designed to enhance shareholder value, in addition to monthly remuneration. Remuneration of the Director, Vice Chairman is structured in the same manner. Remuneration of Outside Directors who are not Audit & Supervisory Committee Members consists solely of fixed monthly remuneration, reflecting their role in supervising management with a high degree of objectivity and independence.
- Remuneration of Directors who are Audit & Supervisory Committee Members also consists solely of fixed monthly remuneration, reflecting their role in supervising management with a high degree of objectivity and independence. The specific remuneration amount are determined through discussions among the Directors who are Audit & Supervisory Committee Members, with the maximum amount approved by the General Meeting of Shareholders.

Remuneration types and purposes		Annual maximum amount (total)	Eligibility				Remuneration breakdown of the Representative Director, President and Chief Executive Officer *1
			Executive Directors	Chairman of the Board of Directors/Director, Vice Chairman	Outside Directors (excluding Audit & Supervisory Committee Members)	Directors (Audit & Supervisory Committee Members)	
Fixed	Monthly remuneration	¥700 million*2	●	●	●	●	27%
Variable	Performance-linked bonus Purpose: Enhance alignment of remuneration with business strategy and performance	¥750 million	●	—	—	—	33%
Variable (shares)	Restricted performance share unit-based remuneration Purpose: Promote management with a focus on enhancing the Group's medium- to long-term corporate and shareholder value	¥2.6 billion	●	●	—	—	40%

*1 The above breakdown is calculated on the assumption that the rate of achievement of business results, the stock growth rate, 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.

Share price growth rate: Reflects price changes over a three-year period.

Calculation method: $\{(\text{Average price of the Company's common shares in the month of termination of Evaluation Period}) / (\text{Average price of the Company's common shares in the month of commencement of Evaluation Period})\} / \{(\text{Average of TOPIX in the month of termination of Evaluation Period}) / (\text{Average of TOPIX in the month of commencement of Evaluation Period})\}$

*2 Separately, remuneration of Directors who are Audit & Supervisory Committee Members is set at an annual maximum of ¥250 million, as approved by a resolution of the General Meeting of Shareholders.

● Performance-linked bonus

■ Total amount

The Company sets a performance target as either the full-year forecast for consolidated net income for each fiscal year or consolidated net income corresponding to an ROE of 12%, whichever is higher. The total performance-linked bonuses to be paid is determined based on the rate of achievement against this target. The performance range is set at $\pm 50\%$ of the performance target established for each fiscal year. The total payout amount is set at 100% when the target is achieved and varies between 25% and 175% depending on the level of performance against the range.

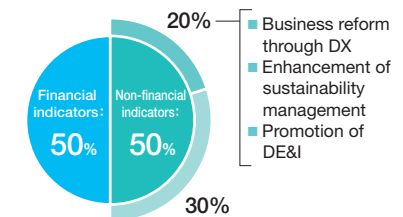
Note: If the performance falls outside the specified range, the Board of Directors will make a separate decision based on the recommendation of the Nomination and Remuneration Advisory Committee.

■ Amount paid to individuals

For individual evaluations, we use a 50:50 weighting between financial and non-financial indicators to ensure a stronger commitment to management strategies and results. Financial indicators take into account the achievement of business plans and other targets within the individual's area of responsibility. For non-financial indicators, we consider the achievement level of SBU-specific targets, as well as efforts to address company-wide priority initiatives.

Company-wide priority issues—business reform through DX, enhancement of sustainability management, and promotion of DE&I—account for 20% of the total evaluation. The weight of these three items varies by individual, depending on each person's area of responsibility.

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



● 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 annually calculates the number of shares to be granted based on its stock growth rate during the three-year evaluation period. In addition, evaluations on non-financial indicators concerning the environment and society are reflected to promote initiatives to address key social issues, and thus, calculated number of the Company's common shares (restricted) is granted.

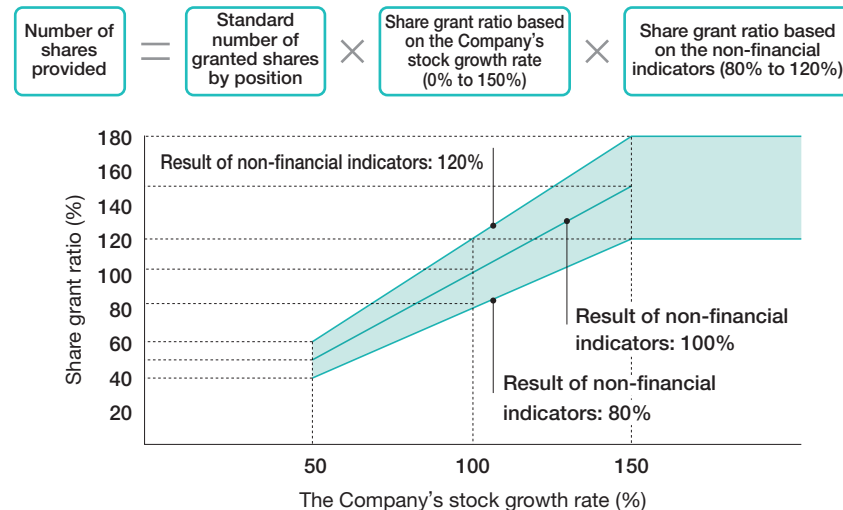
Evaluation period of the Company's stock growth rate and non-financial indicators (image)

	2025	2026	2027	2028	2029	2030
2025 plan		Evaluation period		Share grant		
2026 plan			Evaluation period		Share grant	
2027 plan				Evaluation period		Share grant

Note: 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.

Corporate Governance

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



■ 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	Reduction of CO ₂ emissions across the Group (achievement of annual targets) and the progress and outcomes of initiatives related to building businesses that support a sustainable energy cycle for society (evaluated comprehensively at the Company level based on the achievement of SBU-specific targets)	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 (year-on-year improvement and achievement of global average)	

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 FY2024, the Company sold shares of 11 listed stocks (either in whole or in part), amounting to ¥81.7 billion in total. As of the end of March 2025, the Company's shareholdings in listed companies covered 43 stocks, with a total balance of ¥158.0 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.

Our approach to holding listed Group companies

Benefits of being a listed Group company include establishing a solid financial basis including better financing capacity; enhancing credibility through the establishment and operation of a governance system, including the transparency of business management and internal control; increasing the corporate presence; increasing brand strength in hiring employees; further developing trust with business partners as well as the higher credibility of its services and businesses; and enhancing motivation among the officers and employees of the Group company.

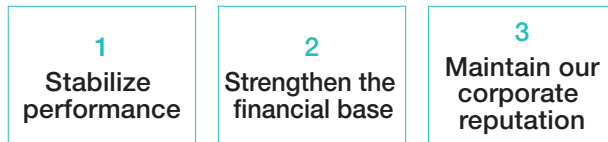
The Company, as an integrated trading company engaged in a wide range of businesses, verifies, considers, and judges the appropriateness of holding shares in each listed Group company at the Management Council and other forums, taking into account the position of each listed Group company within our Group's strategy, its business situation, and the surrounding business environment, while also taking into account the need to ensure the management independence of each listed Group company.

The Company also believes that by dispatching executives and others to each Group company through equity participation, we will be able to have more effective dialogue and collaboration, which will increase each other's corporate value, generate synergies, and ultimately maximize the corporate value of our Group. The significance of holding shares of each listed Group company in our business strategies is disclosed in our Corporate Governance Report. Going forward, the Company will continue to review the significance of holding these shares and the significance of listing them, taking into account changes in the business environment surrounding each listed Group company and the nature of collaboration and cooperation with the Company.

Risk Management

Basic policy and framework

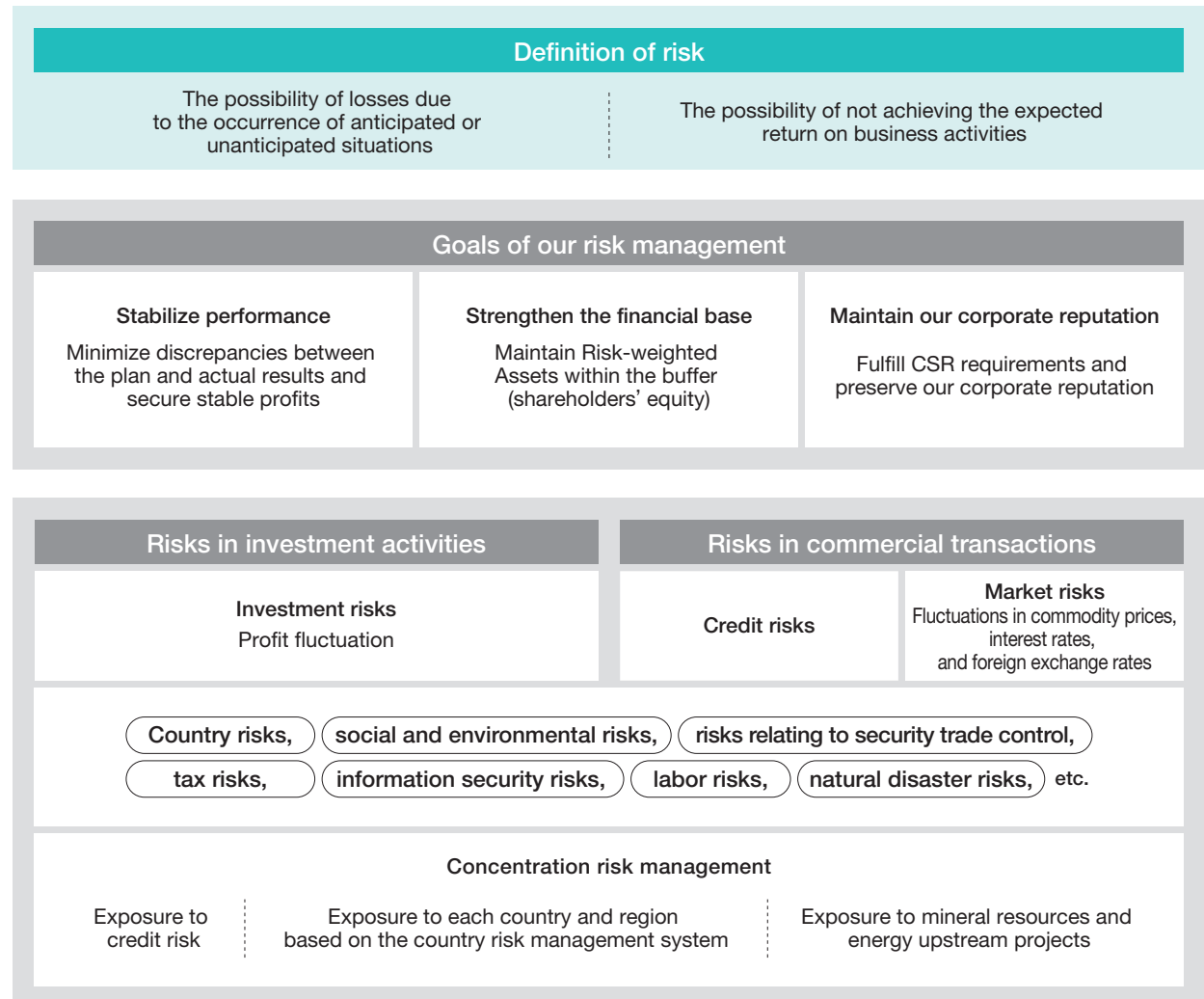
We define “risk” as “the possibility of losses due to the occurrence of anticipated or unanticipated situations” and as “the possibility of not achieving the expected return on business activities.” We have set the following three items as the goals of our risk management activities.



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

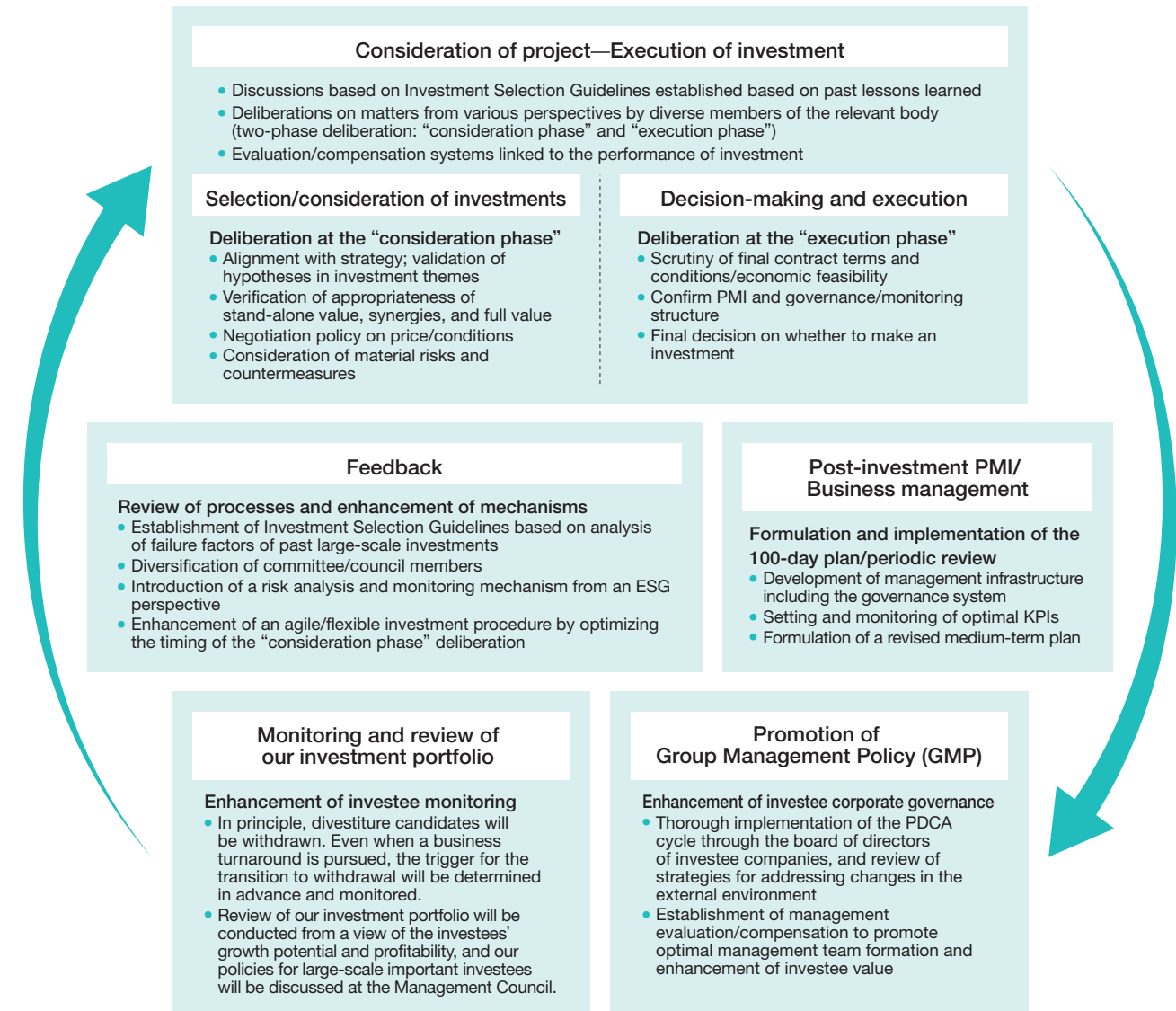
Dealing with the changes in our overall portfolio, as well as the nature of the risks involved in each individual investment opportunity, we have adopted a unified framework that covers the whole investment process from the entrance to the exit of investments, while reviewing the process for assessing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

At each stage of consideration and execution, investment decisions are deliberated, depending on the size and importance of the investment, at the Management Council and the Company Investment Committee (the advisory body to the Management Council), or the Group Management Council (the investment decision-making body of each business group). From an early stage, these institutions conduct in-depth discussions from a variety of perspectives on the various factors that might 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.

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. In addition, starting in FY2025, we have revised the previous monitoring framework for investees. Under the new system, we will identify divestiture candidates based on certain quantitative criteria and conduct business investment reviews focused on the growth potential and profitability of investees, as well as the progress of new investment projects. Through this process, we will pursue further reallocation and optimization of our investment portfolio.

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

