

The following is an unofficial English translation of the Notice of Convocation of the 152nd Ordinary General Meeting of Shareholders of Sumitomo Corporation (hereinafter referred to as the “Company”). The Company provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. Please also refer to “Terms and Conditions of Use” on Sumitomo Corporation website.

Cautionary Statement Concerning Forward-Looking Statements

Certain statements contained in this notice relating to our future plans, targets, objectives, expectations, operations, performance and other developments, economic prospects, projections of revenue, income, earnings, expenditures or other financial results and intentions constitute forward-looking statements. The forward-looking statements can be identified by the use of words such as “believes,” “expects,” “anticipate,” “should,” “will,” “would,” “plan,” “estimate,” “potential,” “goal,” “outlook,” “may,” “predicts,” “could,” “seek,” “intend,” or the negative of those words and other comparable expressions. The forward-looking statements are based on management's current assumptions and expectations of future events, and are subject to a number of factors and uncertainties that may result in changes in circumstances. Actual results may differ materially from those the Company expected for a wide range of possible reasons, including general industry and market conditions, general international economic conditions and the risk factors identified in our public filings. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The Company may be unsuccessful in implementing its business strategies, and management may fail to achieve its targets. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, events or performances. These forward-looking statements are made as of the date of this notice and the Company is under no obligation -- and expressly disclaims any such obligation -- to update or alter its forward-looking statements.

**NOTICE OF CONVOCAION OF THE 152nd ORDINARY GENERAL MEETING OF
SHAREHOLDERS**

April 1, 2019 through March 31, 2020



Sumitomo Corporation

Enriching lives and the world

To All Shareholders,

I wish to express my sincere thanks for the exceptional favor you have always given us.

I express my deepest condolence to all those who suffered from losses due to COVID-19 outbreak, and I would like to wish all those who have been affected by COVID-19 a speedy recovery.

It is my great pleasure to send you the Notice of Convocation of our 152nd Ordinary General Meeting of Shareholders (for the fiscal year from April 1, 2019 to March 31, 2020), to be held on June 19, 2020.

I humbly ask that you review the Notice of Convocation which includes the present status of the Sumitomo Corporation Group during the above fiscal year, and explains the propositions that will be put before the Meeting.

May 2020
Masayuki Hyodo
President and Chief Executive Officer

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Sumitomo Corporation Group's Management Principles

Based on Sumitomo's Business Philosophy, which was devised 400 years ago, Sumitomo Corporation established the following Management Principles in 1998. By sharing the values presented in the Management Principles across Sumitomo Corporation Group to materialize them in specific business activities, we aim to be a global organization that constantly stays a step ahead in dealing with change, creates new value, and contributes broadly to society.

Sumitomo Corporation Group's Management Principles

- To achieve prosperity and realize dreams through sound business activities
- To place prime importance on integrity and sound management with utmost respect for the individual
- To foster a corporate culture full of vitality and conducive to innovation

Sumitomo's Business Philosophy

Sumitomo's Business Philosophy, which is the basis of our Management Principles, has been handed down through many generations for over 400 years in Sumitomo's businesses, based on the Founder's Precepts "Monjuin Shiigaki," which Masatomo Sumitomo (1585-1652), the founder of the Sumitomo family, wrote and passed on to describe how a merchant should conduct business. The basic points of Sumitomo's Business Philosophy have been embodied in the form of the following two articles on the Business Principles:

Business Principles

Article 1. Sumitomo shall achieve strength and prosperity by placing prime importance on integrity and sound management in the conduct of its business.

Article 2. Sumitomo shall manage its activities with foresight and flexibility in order to cope effectively with the changing times. Under no circumstances, however, shall it pursue easy gains or act imprudently.

Article 1 emphasizes the utmost importance of integrity and sound management in the business, while Article 2 advocates the importance of having an enterprising spirit to generate profits quickly and faithfully while adapting to a changing society, and improving business operations while avoiding the pursuit of easy gains or acting carelessly.

Several other credos are also contained in Sumitomo's Business Philosophy. One example is: "Benefit for self and others, private and public interests are one and the same." To put it another way, Sumitomo's business, while benefiting Sumitomo, must also benefit the nation and benefit society. This represents the corporate vision that the Sumitomo Corporation Group as a whole must pursue at all times.

Sumitomo's Business Philosophy thus stresses the need for an enterprising spirit to stay a step ahead in dealing with change, while ascribing importance to maintaining integrity and sound management, avoiding easy gains, and working for the public interest, without being misled by short-term immediate changes. This philosophy has continuously formed the basis of the Sumitomo Corporation Group's business.

To All Shareholders

Sumitomo Corporation
3-2, Otemachi 2-chome
Chiyoda-ku, Tokyo

NOTICE OF CONVOCATION OF
THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

We wish to express our sincere appreciation for the exceptional favor you have always shown us.

We hereby notify you that the 152nd Ordinary General Meeting of Shareholders of the Company (hereinafter referred to as the “Meeting”) will be held as set forth below.

In order to prevent the spread of novel Coronavirus infection, we kindly ask that you exercise your voting rights in writing or by electronic means (the Internet, etc.) prior to the Meeting date as far as possible, in place of your attendance at the Meeting in person.

If you may exercise your voting rights in writing or by electronic means (the Internet, etc.) (please refer to pages 6 and 7 for more details) prior to the Meeting date, please take the time to review the Reference Documents for the Meeting on the following pages and exercise your voting rights no later than 5:45 p.m. on Thursday June 18, 2020.

With highest regards,

Masayuki Hyodo

Representative Director, President & Chief Executive Officer

- If you attend the Meeting in person, please submit the enclosed Proxy Card to the receptionists.
- If any of the items included in the following Business Report, Consolidated Financial Statements, Financial Statements, or Reference Documents for the Meeting require amendment up to and including the day before the Meeting, the amended items will be posted on the Sumitomo Corporation website.

Sumitomo Corporation Website <https://www.sumitomocorp.com/en/jp/ir/stock/stmt>

1. Date & Time: Friday June 19, 2020, at 10:00 a.m. (Open at 9:00 a.m.)

2. Venue: Heian Room
1st floor, The Okura Prestige Tower, The Okura Tokyo
2-10-4 Toranomom, Minato-ku, Tokyo

Please kindly note that in order to prevent the spread of the novel Coronavirus infection, the number of seats to be prepared at the Meeting will be limited, and that we may not allow you to attend the Meeting if there are no more seats to offer. We highly appreciate for your understanding and cooperation in advance. Also, depending on the status of the spread of the novel Coronavirus, the Time and the Venue of the Meeting may be changed. In such case, we will announce the changes on our website (<http://www.sumitomocorp.com/ja/jp/ir/stock>)

3. Purpose of the Meeting

Presentation of Reports:

No. 1: Business Report, Consolidated Financial Statements, and Audit Reports by the Accounting Auditor and the Audit & Supervisory Board regarding the Consolidated Financial Statements for the 152nd Fiscal Year (April 1, 2019 through March 31, 2020)

No. 2: Non-consolidated Financial Statements for the 152nd Fiscal Year (April 1, 2019 through March 31, 2020)

Propositions:

Proposition No. 1: Distribution of Retained Earnings as Cash Dividends

Proposition No. 2: Election of Eleven Directors

Proposition No. 3: Election of Two Audit & Supervisory Board Members

Proposition No. 4: Paying Bonuses to the Company's Directors

Guidance Notes on the Exercise of Voting Rights

1. Methods

Please refer to the Reference Documents for the General Meeting of Shareholders attached from page 8 onward and exercise your voting rights by any of the following methods:

(1) Attendance at the General Meeting of Shareholders

Date and time: Friday June 19, 2020, at 10:00 a.m. (Open at 9:00 a.m.)

Please bring the enclosed Proxy Card to the meeting and submit it to any of the receptionists.

Please arrive at the venue in plenty of time, since the reception desk will be very congested immediately before the meeting begins.

(2) Exercise of Voting Rights in Writing

Deadline for exercise of voting rights: 5:45 p.m. on Thursday June 18, 2020.

Please indicate your approval or disapproval of each proposition on the enclosed Proxy Card and return it to reach our Registrar of Shareholders no later than the deadline noted above.

(3) Exercise of Voting Rights by “Smart Voting”

Deadline for exercise of voting rights: 5:45 p.m. on Thursday June 18, 2020.

Scan the “Smartphone use voting right exercise website login QR code” on the lower right of the enclosed Proxy Card with a smartphone or tablet. Accessing the URL that appears causes the voting right exercise website screen to appear. There are two methods for exercise of voting rights: (i) Separate indication for each proposition; and (ii) indication of “approval” for all propositions recommended by the Company. Please follow the screen instructions to exercise your voting rights.

(4) Exercise of Voting Rights by Electronic Means (the Internet)

Deadline for exercise of voting rights: 5:45 p.m. on Thursday June 18, 2020.

To exercise your voting rights, please use a personal computer, smartphone, or other Internet-capable device to access the website for exercising voting rights, <https://www.web54.net>, and register your approval or disapproval of each proposition, by using the code and password for the exercise of voting rights indicated on the Proxy Card enclosed herewith and following the directions on the screen.



The website can be accessed from smartphones or other devices equipped with a barcode reader by scanning the QR code on the left.

Notes:

➤ Provider access fees, telecommunication fees, and any other fees for usage of the

website to exercise voting rights shall be borne by the shareholders.

- Ability to use the website for exercising voting rights may depend on the user's Internet environment, ISP contract, or device model.

2. Treatment of Duplicate Exercising of Voting Rights

- (1) In the event of dual exercising of voting rights both in writing and via the Internet (including "Smart Voting") or other means, only use of the Internet (including "Smart Voting") will be treated as the valid exercising of voting rights.
- (2) In the event of multiple exercising of voting rights via the Internet (including "Smart Voting") or other means, only the final exercising of voting rights will be treated as valid.

3. Institutional Investors

If you have already registered for the electronic voting platform operated by ICJ, please exercise your voting rights via this platform.

Please call the following number if you have any questions relating to this guidance.

Stock Transfer Agency Business Planning Department, Sumitomo Mitsui Trust Bank, Limited

Inquiries about exercising voting rights: 0120-652-031 (9:00 a.m.–9:00 p.m., toll-free)

Other inquiries: 0120-782-031 (9:00 a.m.–5:00 p.m. Mon.–Fri., toll free)

Reference Documents for the General Meeting of Shareholders

Propositions to be Voted on and Reference Matters Relating thereto

Proposition No. 1: Distribution of Retained Earnings as Cash Dividends

We aim to increase dividends by achieving medium- to long-term earnings growth while adhering to its fundamental policy of paying shareholders a stable dividend over the long term.

Under the “Medium-Term Management Plan 2020,” the Company’s medium-term management plan addressing the three-year period from fiscal 2018, the company has established the policy of determining the amount of dividends through considerations for basic profit, cash flow and other aspects of performance, targeting a consolidated dividend payout ratio of approximately 30%.

On November 1, 2019, when we announced our consolidated results for the 2nd Quarter and revised the full-year forecast for profit attributable to owners of the parent from 340 billion yen predicted at the beginning of the fiscal year to 300 billion yen, we revised the proposed annual dividend for fiscal 2019 from 90 yen per share predicted at the beginning of the year (the sum of ordinary dividend of 80 yen per share and a commemorative dividend to mark the Company’s 100th anniversary of 10 yen per share) to 80 yen per share (the sum of ordinary dividend of 70 yen and a commemorative dividend of 10 yen), pursuant to the aforementioned dividend policy, since the main factor of such revision was decrease in earnings mainly caused by a decline in our profitability in cash flow basis.

Ultimately, our consolidated profits of fiscal 2019 resulted in 171.4 billion yen due to rapid deterioration of business environment along with the worldwide outbreak of the COVID-19. Although the result was much lower than the said revised full-year forecast for the profit, since the fact that the decrease in earnings were mainly caused by one-off losses not impacting our cash flow, we intend to maintain the amount of the said revised annual dividend in light of our fundamental policy of paying shareholders a stable dividend over the long term, and therefore it is proposed that the year-end dividend will be distributed as follows:

(1) Type of dividend assets

Cash

(2) Matters related to the allotment of dividend assets to shareholders and total amount thereof

- 35 yen per common share of the Company
- Total amount: 43,724,888,830 yen

Annual dividends for the fiscal 2019 will be 80 yen per share, which is the sum of the amount of the interim dividend (45 yen per share, comprising an ordinary dividend of 35 yen per share and a commemorative dividend to mark the Company’s 100th anniversary of 10 yen per share) and the amount of the said year-end dividend (35 yen per share).

(3) Effective date of distribution of the dividend

June 22, 2020

Proposition No. 2: Election of Eleven Directors

The term of all of the ten incumbent Directors will expire as of the close of the Meeting. Accordingly, this proposition calls for the election of eleven Directors. The candidates for Directors are as described below.


Five of the eleven Director candidates are candidates for the position of Outside Director as provided for in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act. All five candidates satisfy the Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members set by the Company. (Please refer to pages 32 and 33 regarding the standards for appointment of Directors and Audit & Supervisory Board Members [including the Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members].)

Candidate No.	Name		Present Positions	Term as a Director	Nomination and Remuneration Advisory Committee ^{*3}	Outside Director's Areas of Expertise and Experience				
						Business Management	Investment	Finance	Law	Government Agency
1	Re-election	Kuniharu Nakamura	Chairman of the Board of Directors	11 years	○					
2 ^{*1}	Re-election	Masayuki Hyodo	Representative Director, President & Chief Executive Officer	2 years ^{*2}	○					
3 ^{*1}	Re-election	Toshikazu Nambu	Representative Director, Executive Vice President, General Manager, Media & Digital Business Unit, Chief Digital Officer	1 year	—					
4 ^{*1}	Re-election	Hideki Yamano	Representative Director, Senior Managing Executive Officer, Chief Strategy Officer and Chief Information Officer	2 years	—					
5 ^{*1}	Re-election	Takayuki Seishima	Representative Director, Managing Executive Officer, Chief Administration Officer and Chief Compliance Officer	1 year	—					

6* ¹	New-election	Masaru Shiomi		Managing Executive Officer, Chief Financial Officer	—	—						
7	Re-election	Nobuyoshi Ehara	Outside Director Candidate	Outside Director	4 years	◎	●	●	●	—	—	—
			Independent Director									
8	Re-election	Koji Ishida	Outside Director Candidate	Outside Director	3 years	○	●	—	●	—	●	—
			Independent Director									
9	Re-election	Kimie Iwata	Outside Director Candidate	Outside Director	2 year	○	●	—	—	—	●	—
			Independent Director									
10	Re-election	Hisashi Yamazaki	Outside Director Candidate	Outside Director	2 year	—	—	—	—	●	●	—
			Independent Director									
11	New-election	Akiko Ide	Outside Director Candidate	—	—	—	●	—	—	—	—	●
			Independent Director									

(Notes)

- *¹ Each candidate denoted by an asterisk is supposed to be appointed as Representative Director at the Board of Directors meeting which will be held after this Ordinary General Meeting of Shareholders if this resolution is approved.
- *² Apart from the above, Mr. Masayuki Hyodo, served a one-year term as Director from June 2016 to June 2017.
- *³ ○ denotes Member and ◎ denotes Chair (both as of April 1, 2020). The Nomination and Remuneration Advisory Committee consists of five Members (of which three Members are Outside Directors).

Candidate No. 1	Kuniharu Nakamura (Born August 28, 1950)		Re-election
	Shares owned in the Company	138,100	
	Term as a Director	11 years (as of the close of this General Meeting of Shareholders)	
	Attendance at Meetings of the Board of Directors in fiscal 2019	16 of 16 meetings (100%)	

●Work History, Positions and Responsibilities


April 1974	Entered the Company
June 2009	Representative Director & Senior Managing Executive Officer
April 2012	Representative Director & Executive Vice President
June 2012	Representative Director, President & CEO
April 2017	Representative Director, President & CEO (<i>Change in Japanese only; English Unchanged</i>)
June 2017	Representative Director, President & Chief Executive Officer
April 2018	Representative Director, Chairman of the Board of Directors
June 2018	Chairman of the Board of Directors (present position)

●Significant positions concurrently held

Outside Director, NEC Corporation

●Reasons for proposing Mr. Kuniharu Nakamura as a candidate for Director

Since entering the Company, Mr. Nakamura has worked primarily in automotive-related businesses in Japan and overseas, serving as General Manager, Corporate Planning & Coordination Group, and General Manager, Mineral Resources, Energy, Chemical & Electronics Business Unit, among other roles. From 2012 to March 2018 he served as President & CEO and President & Chief Executive Officer, and since 2018 has been serving as the Chairman of the Board of Directors. Through these roles Mr. Nakamura has accumulated expert knowledge and a wealth of experience, including management experience, and he is also honest in character, as well as highly insightful and capable. Having judged that he will be able to perform his duties properly as Director of the Company, we propose him as a candidate for re-election to that position.

Candidate No. 2	Masayuki Hyodo (Born June 26, 1959)		Re-election
	Shares owned in the Company	62,700	
	Term as a Director	2 years (as of the close of this General Meeting of Shareholders) (*)	
	Attendance at Meetings of the Board of Directors in fiscal 2019	16 of 16 meetings (100%)	


(*) Apart from the above, Mr. Masayuki Hyodo served a one-year term as Director from June 2016 to June 2017.

●Work History, Positions and Responsibilities

April 1984	Entered the Company
June 2016	Representative Director & Managing Executive Officer
April 2017	Representative Director & Senior Managing Executive Officer
June 2017	Senior Managing Executive Officer
April 2018	President & Chief Executive Officer
June 2018	Representative Director, President & Chief Executive Officer (present position)

●Reasons for proposing Mr. Masayuki Hyodo as a candidate for Director

Since entering the Company, Mr. Hyodo has worked primarily in electric power infrastructure-related businesses in Japan and overseas, serving as President and CEO, PT. Sumitomo Indonesia, General Manager, Corporate Planning & Coordination Dept., and General Manager, Environment & Infrastructure Business Unit, among other roles. Since 2018 he has been serving as President & Chief Executive Officer. Through these roles Mr. Hyodo has accumulated expert knowledge and a wealth of experience, including management experience, and he is also honest in character, as well as highly insightful and capable. Having judged that he will be able to perform his duties properly as Director of the Company, we propose him as a candidate for re-election to that position.


Candidate No. 3	Toshikazu Nambu (Born January 21, 1959)		Re-election
	Shares owned in the Company	58,100	
	Term as a Director	1 year (as of the close of this General Meeting of Shareholders)	
	Attendance at Meetings of the Board of Directors in fiscal 2019	13 of 13 meetings (100%) (Since appointed Director on June 21, 2019)	

●Work History, Positions and Responsibilities

April 1982	Entered the Company
April 2012	Executive Officer
April 2015	Managing Executive Officer
April 2017	Senior Managing Executive Officer
June 2019	Representative Director & Senior Managing Executive Officer (General Manager, Media & Digital Business Unit, Chief Digital Officer)
April 2020	Representative Director & Executive Vice President (General Manager, Media & Digital Business Unit, Chief Digital Officer) (present position)

●Reasons for proposing Mr. Toshikazu Nambu as a candidate for Director

Since entering the Company, Mr. Nambu has worked primarily in metal-related businesses in Japan and overseas, serving as General Manager, Tubular Products Division, Director and President of Sumitomo Corporation of Americas, General Manager of Media & ICT Business Unit, among other roles. He currently serves as Representative Director & Executive Vice President (General Manager, Media & Digital Business Unit, Chief Digital Officer). Through these roles Mr. Nambu has accumulated expert knowledge and a wealth of experience, including management experience, and he is also honest in character, as well as highly insightful and capable. Having judged that he will be able to perform his duties properly as Director of the Company, we propose him as a candidate for re-election to that position.

Candidate No. 4	Hideki Yamano (Born February 23, 1960)		Re-election
	Shares owned in the Company	21,452	
	Term as a Director	2 years (as of the close of this General Meeting of Shareholders)	
	Attendance at Meetings of the Board of Directors in fiscal 2019	16 of 16 meetings (100%)	


●Work History, Positions and Responsibilities

April 1983	Entered the Company
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April 2016	Executive Officer
April 2018	Managing Executive Officer (Chief Strategy Officer and Chief Information Officer)
June 2018	Representative Director & Managing Executive Officer (Chief Strategy Officer and Chief Information Officer)
April 2020	Representative Director & Senior Managing Executive Officer (Chief Strategy Officer and Chief Information Officer) (present position)

●Reasons for proposing Mr. Hideki Yamano as a candidate for Director

Since entering the Company, Mr. Yamano has worked primarily in infrastructure-related businesses in Japan and overseas, serving as General Manager, Environment & Infrastructure Project Business Division, and General Manager, Corporate Planning & Coordination Dept., among other roles. He currently serves as Representative Director & Senior Managing Executive Officer (Chief Strategy Officer and Chief Information Officer). Through these roles Mr. Yamano has accumulated expert knowledge and a wealth of experience, including management experience, and he is also honest in character, as well as highly insightful and capable. Having judged that he will be able to perform his duties properly as Director of the Company, we propose him as a candidate for re-election to that position.


Candidate No. 5	Takayuki Seishima (Born January 1, 1962)		Re-election
	Shares owned in the Company	24,500	
	Term as a Director	1 year (as of the close of this General Meeting of Shareholders)	
	Attendance at Meetings of the Board of Directors in fiscal 2019	13 of 13 meetings (100%) (Since appointed Director on June 21, 2019)	

●Work History, Positions and Responsibilities

April 1984	Entered the Company
April 2016	Executive Officer
April 2019	Managing Executive Officer (Chief Administration Officer and Chief Compliance Officer)
June 2019	Representative Director & Managing Executive Officer (Chief Administration Officer and Chief Compliance Officer) (present position)

●Reasons for proposing Mr. Takayuki Seishima as a candidate for Director

Since entering the Company, Mr. Seishima has worked primarily in risk management-related business and planning and administration of infrastructure-related businesses in Japan and overseas, serving as General Manager, Planning & Administration Dept, Environmental & Infrastructure Business Unit, Executive Vice President and CFO of Sumitomo Corporation of Americas, Assistant CAO, Secretary & Human Resources, among other roles. He currently serves as Representative Director & Managing Executive Officer (Chief Administration Officer and Chief Compliance Officer). Through these roles Mr. Seishima has accumulated expert knowledge and a wealth of experience, including management experience, and he is also honest in character, as well as highly insightful and capable. Having judged that he will be able to perform his duties properly as Director of the Company, we propose him as a candidate for re-election to that position.


Candidate No. 6	Masaru Shiomi (Born October 22, 1962)		New-election
	Shares owned in the Company	14,100	
	Term as a Director	—	
	Attendance at Meetings of the Board of Directors in fiscal 2019	—	

●Work History, Positions and Responsibilities

April 1985	Entered the Company
April 2013	Corporate Unit General Manager of Sumitomo Corporation Asia & Oceania Group Corporate Officer (Assistant General Manager for Asia & Oceania, Corporate Unit General Manager of Sumitomo Corporation Asia & Oceania Group) Corporate Officer (General Manager, Finance Dept.)
April 2017	Executive Officer (General Manager, Finance Dept.)
April 2018	Executive Officer (Assistant CFO, Finance)
April 2020	Managing Executive Officer (Chief Financial Officer) (present position)

●Reasons for proposing Mr. Masaru Shiomi as a candidate for Director

Since entering the Company, Mr. Shiomi has worked primarily in finance-related operations in Japan and overseas, serving as Corporate Unit General Manager of Sumitomo Corporation Asia & Oceania Group, General Manager, Finance Dept. and Assistant CFO, finance, among other roles. He currently serves as Managing Executive Officer (Chief Financial Officer). Through these roles Mr. Shiomi has accumulated expert knowledge and a wealth of experience, including management experience, and he is also honest in character, as well as highly insightful and capable. Having judged that he will be able to perform his duties properly as Director of the Company, we propose him as a candidate for election to that position.

Candidate No. 7	Nobuyoshi Ehara (Born October 17, 1951)		Re-election
			Outside Director Candidate
			Independent Director
	Shares owned in the Company	0	
	Term as an Outside Director	4 years (as of the close of this General Meeting of Shareholders)	
	Attendance at Meetings of the Board of Directors in fiscal 2019	16 of 16 meetings (100%)	

●Work History, Positions and Responsibilities

September 1978	Entered Morgan Guaranty Trust Company
October 1980	Entered Goldman Sachs & Co.
October 1988	Partner, Goldman Sachs & Co.
November 1996	Limited Partner, Goldman Sachs & Co.
January 1999	Representative Director, Unison Capital, Inc.
June 2016	Outside Director, Sumitomo Corporation (present position)
February 2020	Partner, Unison Capital, Inc. (present position)

●Significant positions concurrently held


Partner, Unison Capital, Inc.

●Reasons for proposing Mr. Nobuyoshi Ehara as a candidate for Outside Director

Mr. Ehara has wide-ranging knowledge and a wealth of experience in finance and business management accumulated through his many years working in important positions at a major US financial institution and managing a private equity firm, among other roles. He is also honest in character, as well as highly insightful and capable. Mr. Ehara will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform his duties properly in that position. For these reasons, we propose him as a candidate for re-election to the position of Outside Director.

●Item warranting special mention related to candidacy for Outside Director's position

During the period when Mr. Nobuyoshi Ehara was in the position of Representative Director at Unison Capital Inc., the Company acquired an equity interest in Community Healthcare Coordination Platform, Inc. (CHCP), a corporate entity in which Unison Capital invests, and thus has entered into a shareholders agreement with the shareholders of CHCP (including Unison Capital) in relation to such equity investment. However, the value of the Company's investment is negligible – less than 0.001% of the Company's total consolidated assets, and less than 0.1% of the total value of capital managed by Unison Capital. In addition, during the period when Mr. Ehara was in the position of Representative Director at Unison Capital, the Company acquired an equity interest in CHCP Pharmacy Inc., a corporate entity in which a fund managed by Unison Capital invests, and thus has entered into a shareholders agreement with the said fund in relation to such equity investment. However, the value of the Company's investment is negligible – less than 0.01% of the Company's total consolidated assets, and less than 0.5% of the total value of capital managed by the fund. It has therefore been judged that this situation exerts no impact on the independence of Mr. Ehara with respect to the Company.

Candidate No. 8	Re-election	
	Outside Director Candidate	
	Independent Director	
	Shares owned in the Company	0
	Term as an Outside Director	3 years (as of the close of this General Meeting of Shareholders)
	Attendance at Meetings of the Board of Directors in fiscal 2019	16 of 16 meetings (100%)

●Work History, Positions and Responsibilities

May 1970	Entered The Sumitomo Bank, Limited
June 1997	Director, The Sumitomo Bank, Limited
June 1999	Executive Officer, The Sumitomo Bank, Limited
January 2001	Managing Executive Officer, General Manager of Corporate Planning Dept., The Sumitomo Bank, Limited
April 2001	Managing Executive Officer, General Manager of Corporate Planning Dept., Sumitomo Mitsui Banking Corporation (SMBC)
June 2002	Managing Executive Officer, Head of Tokyo Corporate Banking Division I, SMBC
June 2003	Representative Director, Managing Director, Sumitomo Mitsui Financial Group, Inc. (SMFG)
April 2004	Representative Director, Senior Managing Director, SMFG
June 2005	Standing Corporate Auditor, SMFG (retired in June 2006)
	Corporate Auditor, SMBC (retired in June 2006)
June 2006	President & CEO, SMBC Leasing Co., Ltd.

October 2007	President, Sumitomo Mitsui Finance and Leasing Co., Ltd. (SMFL; retired in June 2011) (*)
	(*)In October 2007, SMBC Leasing Co., Ltd. merged with Sumisho Lease Co., Ltd. to become SMFL. Mr. Ishida continued in office as president of SMFL, retiring in June 2011.
June 2011	Member of the Policy Board, the Bank of Japan (retired in June 2016)
July 2016	Member of the Management Advisory Committee, KPMG AZSA LLC
June 2017	Outside Director, Sumitomo Corporation (present position)
July 2017	Member of the Public Interest Oversight Committee, KPMG AZSA LLC (present position)

●Significant positions concurrently held

Member of the Public Interest Oversight Committee, KPMG AZSA LLC

●Reasons for proposing Mr. Koji Ishida as a candidate for Outside Director


Mr. Ishida has wide-ranging knowledge and a wealth of experience in finance and business management, accumulated through his many years working in important positions in a major financial institution, and serving as a member of the Policy Board at the Bank of Japan, among other roles. He is also honest in character, as well as highly insightful and capable. Mr. Ishida will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform his duties properly in that position. For these reasons, we propose him as a candidate for re-election to the position of Outside Director.

●Item warranting special mention related to candidacy for Outside Director's position

Mr. Koji Ishida served until June 2003 as an executive at Sumitomo Mitsui Banking Corporation (SMBC), one of the Company's principal lenders; until June 2005 as an executive at Sumitomo Mitsui Financial Group, Inc. (SMFG), SMBC's parent company; and until June 2006 as a corporate auditor at SMBC and SMFG. However, more than 14 years have now passed since Mr. Ishida's retirement from his positions as an executive at SMBC and SMFG, and he has not engaged in the execution of operations since his retirement. We have therefore judged that his independence is unaffected.

Mr. Ishida also served until June 2011 as an executive at SMFL, an associated company of the Company. However, more than 8 years have now passed since Mr. Ishida's retirement from that position, and he has not engaged in the execution of operations since his retirement. Furthermore, the value of transactions between SMFL and the Company are negligible, amounting to less than 0.1% of both SMFL's annual consolidated net sales and the Company's annual consolidated revenues. We have therefore judged that his independence is unaffected.

Mr. Ishida also holds a concurrent position as a member of the Public Interest Oversight Committee at KPMG AZSA, the Company's Accounting Auditor. We have confirmed with KPMG AZSA that it set up the Public Interest Oversight Board as an oversight body with the aim of reinforcing oversight functions from the perspective of public interest, and that Mr. Ishida, as an external third party serving on this committee, is not an executive of KPMG AZSA and is therefore not involved in auditing or non-auditing services for individual companies, including the Company. We have therefore judged that this concurrent position does not affect his independence with respect to the Company.

Candidate No. 9	Kimie Iwata (Born April 6, 1947)	Re-election
		Outside Director Candidate
		Independent Director
	Shares owned in the Company	0
	Term as an Outside Director	2 years (as of the close of this General Meeting of Shareholders)
	Attendance at Meetings of the Board of Directors in fiscal 2019	16 of 16 meetings (100%)

●Work History, Positions and Responsibilities

April 1971	Entered the Ministry of Labour (currently Ministry of Health, Labour and Welfare)
July 1996	Deputy Director-General, Human Resource Development Bureau, Ministry of Labor
October 1998	Assistant Minister of Labor for International Affairs
January 2001	Director-General of Equal Employment, Children and Families Bureau (retired in August 2003)
June 2004	Director, Corporate Officer, Shiseido Company, Limited
January 2007	Member, Council for Gender Equality, the Cabinet Office
April 2007	Director, Corporate Executive Officer, Shiseido Company, Limited
April 2008	Director and Vice President, Shiseido Company, Limited
June 2008	Representative Director, Executive Vice President, Shiseido Company, Limited
March 2012	Outside Audit & Supervisory Board Member, Kirin Holdings Company, Limited
April 2012	Director, Shiseido Company, Limited
June 2012	Adviser, Shiseido Company, Limited (Retired in June 2016)
July 2012	Outside Director, Japan Airlines Co., Ltd. (Retired in June 2018) President, Japan Institute for Women's Empowerment & Diversity Management (Retired in June 2018)
September 2013	Commissioner, the Consumer Commission, the Cabinet Office
October 2015	Audit and Inspection Commissioner, the Tokyo Metropolitan Government (present position)
March 2016	Outside Director, Kirin Holdings Company, Limited (Retired in March 2019)
April 2016	Outside Director, Stripe International Inc. (Retired in April 2019)
June 2018	Outside Director, Sumitomo Corporation (present position)
June 2019	Outside Director, Resona Holdings, Inc. (present position) Outside Director, Ajinomoto Co., Inc. (present position)

●Significant positions concurrently held

Audit and Inspection Commissioner, the Tokyo Metropolitan Government
Outside Director, Resona Holdings, Inc.
Outside Director, Ajinomoto Co., Inc.


●Reasons for proposing Ms. Kimie Iwata as a candidate for Outside Director

Ms. Iwata served in several key positions for many years at the Ministry of Labour (currently Ministry of Health, Labour and Welfare), and after retiring from the ministry served in various executive and outside director positions for private companies. Through these and other roles, Ms. Iwata has accumulated wide-ranging knowledge and a wealth of experience in business management, corporate governance, corporate social responsibility, and diversity, etc.; she is also honest in character, as well as highly insightful and capable. Ms. Iwata will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform her duties properly in that position. For these reasons, we propose her as a candidate for re-election to the position of

Outside Director.

●Item warranting special mention related to candidacy for Outside Director's position

Ms. Iwata engaged in the execution of operational duties as a Representative Director of Shiseido Company, Limited until March 2012. There are no existing business relationships between the Company and Shiseido Company, Limited.

Candidate No. 10	Hisashi Yamazaki (Born November 14, 1948)		Re-election
			Outside Director Candidate
			Independent Director
	Shares owned in the Company	0	
	Term as an Outside Director	2 years (as of the close of this General Meeting of Shareholders)	
	Attendance at Meetings of the Board of Directors in fiscal 2019	16 of 16 meetings (100%)	

●Work History, Positions and Responsibilities

April 1974	Assistant Judge
April 1995	Presiding Judge, Tokyo District Court
December 2000	Chief, Training and Research Institute for Family Court Probation Officers
December 2002	Chief, Family Bureau, General Secretariat, Supreme Court
December 2005	Chief Judge, Maebashi District Court
February 2007	Chief Judge, Yokohama Family Court
December 2008	Presiding Judge, Tokyo High Court
August 2009	President, Tokyo Family Court
February 2011	President, Sapporo High Court (Retired in March 2013)
March 2013	Commissioner, Japan Fair Trade Commission (Retired in December 2015)
August 2016	Attorney at Law (present position)
July 2017	Supervisory Board Member, National Federation of Agricultural Cooperative Associations (present position)
June 2018	Outside Director, Sumitomo Corporation (present position)
	Outside Director, Tokyo Commodity Exchange, Inc. (retired in December 2019)

●Significant positions concurrently held

Attorney at Law
Supervisory Board Member, National Federation of Agricultural Cooperative Associations


●Reasons for proposing Mr. Hisashi Yamazaki as a candidate for Outside Director

Mr. Yamazaki has highly specialized knowledge and a wealth of experience in law based on his career over many years as a judge and attorney at law. He is also honest in character, as well as highly insightful and capable. Mr. Yamazaki will contribute to the Company's aims of ensuring appropriate decision making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform his duties properly in that position. For these reasons, we propose him as a candidate for re-election to the position of Outside Director.

●Item warranting special mention related to candidacy for Outside Director's position

The Company has business transactions with the National Federation of Agricultural Cooperative Association, in which Mr. Hisashi Yamazaki serves as a Supervisory Board Member. However, the transaction amount between the Company and the National Federation of Agricultural Cooperative Association is negligible – less than 0.1% of the association's total

consolidated operating earnings and the Company's total consolidated revenues respectively. It has therefore been judged that this situation exerts no impact on the independence of Mr. Yamazaki with respect to the Company.

Candidate No. 11	Akiko Ide (Born February 28, 1955)		New-election
			Outside Director Candidate
			Independent Director
	Shares owned in the Company	0	
	Term as an Outside Director	—	
	Attendance at Meetings of the Board of Directors in fiscal 2019	—	

●Work History, Positions and Responsibilities

April 1977	Entered Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation)
June 2000	General Manager of Corporate Sales Planning, NTT DoCoMo, Inc. (currently NTT DOCOMO, INC.)
December 2001	General Manager, Marunouchi Branch, NTT DOCOMO, INC.
June 2003	General Manager of Customer Services, NTT DOCOMO, INC.
September 2004	Concurrently General Manager of Customer Services and General Manager of Information Security, NTT DOCOMO, INC.
June 2005	General Manager of Customer Services, NTT DOCOMO, INC.
April 2006	General Manager of Corporate Citizenship Department, NTT DOCOMO, INC.
June 2006	Executive Director, General Manager of Corporate Citizenship Department, NTT DOCOMO, INC.
July 2008	Executive Director, General Manager for Chugoku regional office, NTT DOCOMO, INC.
June 2012	Executive Director, Director of Information Security, NTT DOCOMO, INC.
May 2013	President and Chief Executive Officer, Radishbo-ya Co., Ltd. (retired in May 2014)
June 2013	Executive Director, Senior Manager in Charge of Commerce Business Promotion, NTT DoCoMo, Inc. (currently NTT DOCOMO, INC.)
June 2014	Full Time Audit & Supervisory Board Member, Nippon Telegraph and Telephone Corporation (present position) (*)
August 2018	Audit & Supervisory Board Member, NTT, Inc. (present position) (*)

(*) Ms. Akiko Ide plans to retire from audit & supervisory board member of Nippon Telegraph and Telephone Corporation as of the close of its ordinary general meetings of shareholders scheduled for June 23, 2020, and she also plans to retire from that of NTT, Inc. on the same day.

●Reasons for proposing Ms. Akiko Ide as a candidate for Outside Director

Ms. Ide served in several key positions for many years at a major telecommunications carrier, working as a group company executive and as a full time audit & supervisory board member of the parent (holding) company. Through these and other roles, Ms. Ide has accumulated wide-ranging knowledge and a wealth of experience in information and communications, business management, and corporate governance, etc.; she is also honest in character, as well as highly insightful and capable. Ms. Ide will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform her duties properly in that position. For these reasons, we propose her as a candidate for election to the position of Outside Director.

●Item warranting special mention related to candidacy for Outside Director's position

Ms. Ide engaged in the execution of operational duties as a Representative Director of Radishbo-ya Co., Ltd. until May 2014. There are no existing business relationships between the Company and Radishbo-ya Co., Ltd..

The Company has business transactions with NTT DOCOMO, INC., in which Ms. Ide served as Executive Director until June 2014. However, the transaction amount between the Company and NTT DOCOMO, INC. is negligible – less than 0.1% of NTT DOCOMO, INC.'s total consolidated operating revenues and the Company's total consolidated revenues respectively. It has therefore been judged that this situation exerts no impact on the independence of Ms. Ide with respect to the Company.

(Notes)


1. Special Interest between Candidates and the Company
None of the above candidates have any particular interests in the Company.
2. Independent Directors
Mr. Nobuyoshi Ehara, Mr. Koji Ishida, Ms. Kimie Iwata, Mr. Hisashi Yamazaki and Ms. Akiko Ide fulfill the standards related to independence set by the financial instruments exchanges that the Company is listed on. The Company has designated Mr. Nobuyoshi Ehara, Mr. Koji Ishida, Ms. Kimie Iwata, and Mr. Hisashi Yamazaki as independent directors under the respective provisions of the exchanges, and the Company also intends to designate Ms. Akiko Ide as an independent director under the respective provisions of the exchanges.
3. Conclusion of Limitation of Liability Contracts
Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded a limitation of liability contract with each of Mr. Kuniharu Nakamura, Mr. Nobuyoshi Ehara, Mr. Koji Ishida, Ms. Kimie Iwata and Mr. Hisashi Yamazaki limiting the liability of each of them to the amount stipulated by law provided each of them has acted in good faith and without gross negligence. If their elections are approved, the Company will continue said limitation of liability contract with each of them, and will conclude a limitation of liability contract on the same terms and conditions with Ms. Akiko Ide.

Proposition No. 3: Election of Two Audit & Supervisory Board Members

Of the Company's five incumbent Audit & Supervisory Board Members, Mr. Toshio Nagai and Mr. Yoshitaka Kato will reach the end of their term as of the close of the Meeting. Accordingly, this proposition calls for the election of two Audit & Supervisory Board Members. The candidates for Audit & Supervisory Board Members are as follows.

Both of the two Audit & Supervisory Board Member candidates are candidates for the position of Outside Audit & Supervisory Board Member as provided for in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act. Both of the candidates satisfy the Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members set by the Company. (Please refer to pages 32 and 33 regarding the standards for appointment of Directors and Audit & Supervisory Board Members [including the Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members].)

The Audit & Supervisory Board has given its consent with regard to the submission of this proposition.

Candidate No. 1	Toshio Nagai (Born July 13, 1949)	Re-election	
		Outside Audit & Supervisory Board Member Candidate	
		Independent Audit & Supervisory Board Member	
	Shares owned in the Company	0	
	Term as an Outside Audit & Supervisory Board Member	4 years (as of the close of this General Meeting of Shareholders)	
	Attendance at Meetings of the Board of Directors and Audit & Supervisory Board in fiscal 2019	Meetings of the Board of Directors: 16 of 16 meetings (100%) Meetings of Audit & Supervisory Board: 15 of 15 meetings (100%)	

●Work History and Positions

April 1974	Assistant Judge
April 1986	Judicial Research Official, Supreme Court
April 1997	Presiding Judge, Tokyo District Court
September 2001	Senior Judicial Research Official, Supreme Court
December 2006	Chief Judge, Kofu District/Family Court
December 2007	Presiding Judge, Tokyo High Court
November 2008	Chief Judicial Research Official, Supreme Court
March 2012	President, Hiroshima High Court
March 2013	President, Osaka High Court (Retired in July 2014)
September 2014	Attorney at Law (present position)
June 2015	Outside Corporate Auditor, Toray Industries, Inc. (present position)
June 2016	Outside Audit & Supervisory Board Member, Sumitomo Corporation (present position)


●Significant positions concurrently held

Attorney at Law
Outside Corporate Auditor, Toray Industries, Inc.

●Reasons for proposing Mr. Toshio Nagai as a candidate for Outside Audit & Supervisory Board Member

Mr. Nagai has highly specialized knowledge and a wealth of experience in law based on his career over many years as a judge and attorney at law. He is also honest in character, as well as highly insightful and capable. Mr. Nagai will contribute to the Company's aim of conducting audits from diverse perspectives, and is thus judged to be qualified for the role of Outside Audit & Supervisory Board Member of the Company and to be able to perform his duties properly in

that position. For these reasons, we propose him as a candidate for re-election to the position of Outside Audit & Supervisory Board Member.

Candidate No. 2	Yoshitaka Kato (Born September 17, 1951)	Re-election
		Outside Audit & Supervisory Board Member Candidate
		Independent Audit & Supervisory Board Member
	Shares owned in the Company	0
	Term as an Outside Audit & Supervisory Board Member	4 years (as of the close of this General Meeting of Shareholders)
	Attendance at Meetings of the Board of Directors and Audit & Supervisory Board in fiscal 2019	Meetings of the Board of Directors: 14 of 16 meetings (87.5%) Meetings of Audit & Supervisory Board: 14 of 15 meetings (93.3%)

●Work History and Positions

November 1974	Entered Tetsuzo Ota & Co. (*)
September 1978	Certified Public Accountant (present position)
May 1998	Representative Associate, Showa Ota & Co. (*)
June 2006	Executive Director, Ernst & Young ShinNihon (*)
August 2008	CEO, Ernst & Young ShinNihon LLC (retired from Ernst & Young ShinNihon LLC in June 2014)
June 2015	Outside Corporate Auditor, Sumitomo Chemical Company, Limited (present position)
June 2015	Corporate Auditor (Outside Auditor), Mitsui Fudosan Co., Ltd. (present position)
June 2015	Auditor, the General Insurance Rating Organization of Japan (present position)
June 2016	Outside Audit & Supervisory Board Member, Sumitomo Corporation (present position)

(*) Currently Ernst & Young ShinNihon LLC

●Significant positions concurrently held

Certified Public Accountant
Outside Corporate Auditor, Sumitomo Chemical Company, Limited
Corporate Auditor (Outside Auditor), Mitsui Fudosan Co., Ltd.

●Reasons for proposing Mr. Yoshitaka Kato as a candidate for Outside Audit & Supervisory Board Member

Mr. Kato has highly specialized knowledge and a wealth of experience in finance, accounting, and corporate auditing based on his career over many years as a certified public accountant. He is also honest in character, as well as highly insightful and capable. Mr. Kato will contribute to the Company's aim of conducting audits from diverse perspectives, and is thus judged to be qualified for the role of Outside Audit & Supervisory Board Member of the Company and to be able to perform his duties properly in that position. For these reasons, we propose him as a candidate for re-election to the position of Outside Audit & Supervisory Board Member.

●Item warranting special mention related to candidacy for Outside Audit & Supervisory Board Member's position

Mr. Kato engaged in the execution of operational duties as CEO of Ernst & Young ShinNihon LLC until June 2014. There are no existing business relationships between the Company and Ernst & Young ShinNihon LLC.

(Notes)

1. Special Interest between Candidates and the Company
None of the above candidates have any particular interests in the Company.
2. Independent Audit & Supervisory Board Members
Mr. Toshio Nagai and Mr. Yoshitaka Kato fulfill the standards related to independence set by the financial instruments exchanges that the Company is listed on. The Company has designated Mr. Toshio Nagai and Mr. Yoshitaka Kato as independent Audit & Supervisory Board Members under the respective provisions of the exchanges.
3. Conclusion of Limitation of Liability Contracts
Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded a limitation of liability contract with each of Mr. Toshio Nagai and Mr. Yoshitaka Kato limiting the liability of each of them to the amount stipulated by law provided each of them has acted in good faith and without gross negligence. If their elections are approved, the Company will continue said limitation of liability contract with each of them.

Proposition No. 4: Paying Bonuses to the Company's Directors

The Company proposes that an amount calculated based on the formula for determining bonuses, being linked to the Company's consolidated performance as determined by the Board of Directors, totaling no more than 194 million yen, be paid as Director's bonuses to the five Directors serving in those posts at the end of fiscal 2019 (excluding the Chairman of the Board of Directors and Outside Directors at the end of the said fiscal year).

(Reference) Overview of Sumitomo Corporation's Corporate Governance Efforts ¹

1. Corporate Governance Principles

Sumitomo Corporation established the "Sumitomo Corporation Corporate Governance Principles" retaining "Sumitomo's Business Philosophy" and "Management Principles" as the backbone of our corporate ethics. The Sumitomo Corporation Corporate Governance Principles were established based on our view that the essence of corporate governance is "improving management efficiency" and "maintaining sound management," as well as "ensuring management transparency" to secure the first two. Following the Sumitomo Corporation Corporate Governance Principles, we are always seeking to establish the most appropriate managerial system for the Company and are continuously strengthening our corporate governance to realize management that serves the interests of shareholders and all other stakeholders.

2. Corporate Governance System and Characteristics

We have developed an effective corporate governance system by implementing a range of measures. Having adopted an audit & supervisory board member system, we have reinforced the supervisory and monitoring function of management oversight by electing independent Outside Directors and Outside Audit & Supervisory Board Members and by establishing the Nomination and Remuneration Advisory Committee, comprised mainly of independent Outside Directors. We have also taken steps to make decision-making and execution of operations faster and more efficient by introducing an executive officer system and establishing the Management Council, among other measures.

3. Framework for "Improving Management Efficiency" and "Maintaining Sound Management"

(1) Directors and the Board of Directors

(A) Composition of the Board of Directors and Election of Outside Directors

To facilitate thorough debate and prompt, rational decision-making, the Board of Directors is composed of an appropriate number of members and diversity is ensured in terms of attributes including experience, knowledge, expertise, and gender. In addition, of the ten Directors² elected, four³ are Outside Directors with a wealth of experience and a high degree of

¹ Specifics of the corporate governance systems of the Company, including the number of Directors and Corporate Audit & Supervisory Board Members(including Outside Directors and Audit & Supervisory Board Members), are as of March 31, 2020.

² In the event Proposition 2 is resolved in its original form at the General Meeting of Shareholders, the number of Directors will become eleven.

³ In the event Proposition 2 is resolved in its original form at the General Meeting of Shareholders, the number of Outside Directors will become five.

specialized knowledge and expertise in different fields. This ensures appropriate decision-making in board meetings and further reinforces the oversight function through diverse perspectives. All Outside Directors meet the standards related to independence set by the Tokyo Stock Exchange and other exchanges, and the Standards for Independence set by the Company (please refer to pages 32 and 33).

(B) Improvement of Deliberation and Enhancement of Monitoring Function at the Board of Directors

We carefully select agenda items requiring discussion by the Board of Directors so that the Board of Directors can concentrate on the deliberation of important matters regarding company-wide management such as the business policy and management plan. At the same time, we have improved the matters to be reported to the Board of Directors so that it can concentrate more on supervising execution of operations, with the aim of enhancing its monitoring function. With regard to important topics, moreover, we provide the opportunity for Directors to exchange opinions freely before the resolution.

(C) Separation of Duties between the Chairman of the Board of Directors and the President and Chief Executive Officer, and Limits on Their Terms of Office

In principle, both the Chairman of the Board of Directors and the President and Chief Executive Officer are appointed in order to ensure mutual supervision, and both positions cannot be held simultaneously by the same person. The role of the Chairman of the Board of Directors is to supervise management; the Chairman has no involvement in day-to-day execution of operations and no authority to represent the Company.

In principle, the Chairman of the Board of Directors and the President and Chief Executive Officer are each limited to terms of up to six years. These limitations on the tenure of top management help eliminate the risk of governance problems occurring as a result of the top management not being changed over for a long period of time.

(D) Establishment of the Advisory Body to the Board of Directors

We have established the Nomination and Remuneration Advisory Committee (chaired by an Outside Director) as an advisory body of the Board of Directors in which the majority of members are Outside Directors. The Nomination and Remuneration Advisory Committee is in charge of reviewing (1) policies and procedures regarding appointment and dismissal of the President and Chief Executive Officer, (2) policies and procedures regarding appointment and dismissal of the Chairman of the Board of Directors, (3) nomination criteria for Directors and Audit & Supervisory Board Members, (4) appointment and dismissal of the President and Chief Executive Officer (including the nomination of a successor of the President and Chief Executive Officer), (5) nominations of candidates for Directors and Audit & Supervisory Board Members (including

determination of Representative Directors and Executive Directors), (6) appointment of Management Council members, (7) the structures/levels of remuneration and bonuses for Directors and Executive Officers and the limit of remuneration for Audit & Supervisory Board Members, and (8) the advisor system, and will submit the results thereof as recommendations to the Board of Directors.

In May, 2019, the senior advisor and honorary advisor system was reviewed by a resolution of the Board of Directors based on deliberation results by the Nomination and Remuneration Advisory Committee whereby former President and Chief Executive Officers and Chairmen of the Board of Directors are hereafter appointed as special advisors with fixed terms instead of senior advisor and honorary advisor.

Evaluation 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 self-evaluation and other methods. This is followed by the disclosure of overviews of the results. In Fiscal 2019, in order to boost initiatives to further enhance the effectiveness of the Board of Directors, we conducted interviews by a third party in addition to conducting a questionnaire survey (anonymous) as in Fiscal 2018. The following is an overview of the Board of Directors' effectiveness evaluation and the results of such evaluation for Fiscal 2019, which was reported at the Board of Directors' meeting held on March 24, 2020:

1. Evaluation Methods

(1) Individuals Evaluated

All 10 Directors and 5 Audit & Supervisory Board Members

(2) Implementation method

Questionnaire survey (anonymous) and interviews conducted during the period from December 2019 to January 2020.

Note: Implemented by a third party (external consultant).

(3) Evaluation Items

- (i) Composition of the Board of Directors
- (ii) Administration of the Board of Directors
- (iii) Enhancement of discussions at meetings and reinforcement of the monitoring function of the Board of Directors
- (iv) Systems for providing support, including information provision, to Outside Directors
- (v) Own initiatives, etc.
- (vi) Evaluation of improvement measures, etc.

(4) Evaluation process

The results of analysis of the questionnaire survey and interview responses as evaluated by a third party (external consultant) were reported to the Board of Directors.

2. Evaluation Results Overview

The overall evaluation and analysis by a third party concluded that the Board of Directors has generally been functioning effectively.

With regard to the items (please refer to item 3. below), which had been identified as issues in Fiscal 2018's evaluation and we worked on improvement in Fiscal 2019, it was confirmed that the majority

of evaluations were positive, citing that improvement has been seen in each of them.

At the same time, regarding the composition of the Board of Directors, enhancement of deliberations on matters to be focused on, and further enhancement of the monitoring function of the Board of Directors, various opinions and proposals were presented to improve the effectiveness of the Board of Directors, and it was confirmed that there was an awareness of issues.

Based on this, in order to further improve the effectiveness of the Board of Directors of the Company, the Board of Directors will discuss issues and priority matters that the Board of Directors should address in the future.

3. Major Initiatives in Fiscal 2019 Addressing Board of Directors Evaluations for Fiscal 2018

The Fiscal 2018 Board of Directors evaluation recommended reviewing the way in which business units conduct regular reporting on strategy, specific initiatives, and their progress, and also reviewing the duration of related discussions, while it also recommended improvements to materials distributed at Board meetings. With regard to these recommendations, we carried out the following measures to further improve the effectiveness of the Board of Directors in Fiscal 2019:

- (i) In Board meetings, discussions are required to be limited to important points on the agenda in order to secure more time for discussing agenda that are to be focused on and to enhance discussions.
- (ii) Recognizing that management strategy, the management plan, and the business portfolio are matters to be focused on in discussions, regular reporting by business units on strategy, specific initiatives, and their progress is required to provide an explanation with a focus on issues in promoting the Medium-term Management Plan 2020, and solutions and policies to address the issues; and
- (iii) Materials distributed at Board meetings are required to explain technical terms in the main body with footnotes, etc. and clarify key points of discussions.

(2) Audit & Supervisory Board Members and Audit & Supervisory Board

(A) Enhancement of Corporate Auditing Framework

To strengthen our oversight framework from an external perspective, we appoint Outside Audit & Supervisory Board Members who are legal or accounting experts as three out of the five members of the Audit & Supervisory Board, thereby ensuring an auditing system that incorporates a diversity of perspectives. They all meet the standards related to independence set by the Tokyo Stock Exchange and other exchanges, and the Standards for Independence set by the Company (please refer to pages 32 and 33).

(B) Ensuring Audit Effectiveness

Audit & Supervisory Board Members attend meetings of the Board of Directors and all other important internal meetings, to obtain the information necessary for proper auditing. Audit & Supervisory Board Members also meet the Chairman of the Board of Directors, the President

and Chief Executive Officer, and the Outside Directors once a month in principle, to exchange opinions.

(C) Collaboration with Internal Auditing Department and Accounting Auditors

To ensure audit efficiency, Audit & Supervisory Board Members interact closely with the Internal Auditing Department, receiving reports on internal audit plans and their results in a timely manner. In addition, the Audit & Supervisory Board Members constantly work to improve audit efficiency and quality by, for example, exchanging information with and monitoring the auditing activities of the Accounting Auditors through regular meetings.

(3) Training and Information Provision for Directors and Audit & Supervisory Board Members

On taking office, Outside Directors and Audit & Supervisory Board Members have the opportunity to receive a briefing on areas including the Sumitomo Corporation Group's Management Principles, management policy, business activities, finances, organization, medium-term management plan, and risk management system. To enable Directors and Audit & Supervisory Board Members to acquire the necessary knowledge and update it as appropriate, we additionally supply books and other materials and provide access to other resources including seminars and e-learning facilities, offering financial support to cover the necessary costs.

To deepen their understanding of Sumitomo's Business Philosophy, Outside Directors and Audit & Supervisory Board Members, in principle, visit a Sumitomo-related facility during the first fiscal year of their term of office. Outside Directors are also given the opportunity to make an on-site observation visit to a facility in Japan and to an overseas facility related to the Company's businesses at least once a year.

4. System for Ensuring Management Transparency

(1) Basic Policy on Information Disclosure

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

(2) Communicating with Shareholders and Other Investors

(A) Measures relating to the General Meeting of Shareholders

We send out a Notice of Convocation to shareholders approximately three weeks prior to each General Meeting of Shareholders. We also provide an English-language translation of the notice on our website in advance of sending a Notice of Convocation. We allow shareholders

and investors sufficient time to thoroughly examine the propositions to be resolved at the Meeting by enabling them to exercise their voting rights via internet (including through the Electronic Voting Platform for institutional investors operated by Investor Communication Japan, Inc. [ICJ]). In addition, we stream video of the General Meeting of Shareholders on our website for a certain period following the close of the meeting.

(B) Disclosing Various Information

Our corporate website provides various materials that may be useful in making investment decisions in a timely manner. These materials include financial results, *yukashoken houkokusho* (Japanese annual securities reports) and other Tokyo Stock Exchange filings as well as documents from company briefings. Moreover, we provide our Integrated Report and endeavor to ensure proactive disclosure.

(C) Investor Relations and Shareholder Relations

In order to ensure direct communication with shareholders and other investors, we hold quarterly meetings attended by top management to provide information on our financial results for analysts and institutional investors in Japan. Also, we periodically visit the United States, the United Kingdom, and other countries in Europe and Asia to hold one-on-one meetings with investors in each region. In addition, we regularly hold company briefings for individual investors in major cities throughout Japan. Meanwhile, we ensure constructive dialogue (engagement) between the Company and institutional shareholders who hold the Company's shares substantially in Japan, Europe and North America, through meetings with individuals responsible for exercising voting rights on behalf of such institutional investors, etc. Such dialogue primarily addresses our initiatives and policies relating to environment (E), social (S), and governance (G) issues.

While increasing management transparency, we aim to strengthen our relationships of trust with shareholders and investors.

Further information regarding Sumitomo Corporation's corporate governance efforts is provided on our website: <https://www.sumitomocorp.com/en/jp/about/governance/detail>

(Reference) Standards for Appointment of Directors and Audit & Supervisory Board Members

Candidates for internal Directors shall be honest in character, highly insightful and capable, and must have expert business knowledge and extensive experience, including management experience. Candidates for Outside Directors shall be honest in character, highly insightful and capable, and with a view to bringing in diverse perspectives, shall have knowledge of their particular area of business as well as extensive knowledge and experience.

Candidates for internal Audit & Supervisory Board Members shall be honest in character, highly insightful and capable, and must have expert business knowledge and extensive experience. Candidates for Outside Audit & Supervisory Board Members shall be honest in character, highly insightful and capable, and hold a high degree of specialized knowledge and a wealth of experience in specific fields such as law, accounting, business management, and the like.

Gender and nationality etc. shall be of no consequence.

Outside Directors and Outside Audit & Supervisory Board Members are selected in accordance with the Company's internal rules, the Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members, Article 4, as referenced below.

Candidates for Directors and Audit & Supervisory Board Members are deliberated by the Nomination and Remuneration Advisory Committee (comprised of a majority of Outside Directors and chaired by an Outside Director), acting as an advisory body to the Board of Directors, in accordance with the standards for selecting Directors and Audit & Supervisory Board Members established by the Committee. The Board of Directors approves the appointment of nominated Directors and Audit & Supervisory Board Members based on the results of the deliberation reported by the Committee.

Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members

Article 4

- (1) Outside Directors or Outside Audit & Supervisory Board Members of the Company shall be judged to be independent provided none of the following descriptions apply.
 1. A major shareholder of the Company (holding 10% or more of the total voting rights in the Company at the end of the most recent fiscal year) or an individual who serves as an executive in an entity that is a

- major shareholder of the Company
2. An individual for whom the Company is a major business partner or who serves as an executive in an entity for which the Company is a major business partner
 3. An individual who is a major business partner of the Company or who serves as an executive in an entity that is a major business partner of the Company
 4. An accounting auditor of the Company or its consolidated subsidiary, or an individual who is responsible for auditing the Company or its consolidated subsidiary as an employee at an auditing firm
 5. An attorney, judicial scrivener, patent agent, certified public accountant, certified tax accountant, consultant, or other professional who receives more than JPY 10 million in cash or other assets annually from the Company in addition to Director's or Audit & Supervisory Board Member's remuneration (or if the entity receiving such assets is an organization such as a corporation or association, an individual belonging to an entity receiving assets from the Company exceeding 2% of annual income)
 6. A major lender for the Company (a lender whose personal or corporate name is stated as a major lender in the Company's business report for the most recent fiscal year) or who serves as an executive in an entity that is a major lender for the Company
 7. An individual who receives more than JPY 10 million in donations annually from the Company (or if the entity receiving such donations is an organization such as a corporation or association, an individual who serves as an executive in an entity receiving assets from the Company exceeding 2% of annual income).
 8. An individual to whom any of the items numbered 1 to 7 above applied within the last three years
 9. A relative within the second degree of kinship or closer of an individual described in any of the items numbered 1 to 8 above (applies only to key individuals)
 10. A relative within the second degree of kinship or closer of a Director, Executive Officer, Corporate Officer, manager, employee, or accounting advisor (in the case of a corporation, this includes corporate employees required to perform work for the corporation) of the Company or its consolidated subsidiary
 11. A relative within the second degree of kinship or closer of an individual who was a Director, Executive Officer, Corporate Officer, manager, employee, or accounting advisor (in the case of a corporation, this includes corporate employees required to perform work for the corporation) of the Company or its consolidated subsidiary within the last three years
 12. An individual subject to any exceptional circumstances other than those described in the items above that might potentially cause a conflict of interest with the Company or otherwise make it impossible to fulfill duties as an independent Outside Director or Outside Audit & Supervisory Board Member
- (2) Outside Director or Outside Audit & Supervisory Board Member judged to be independent pursuant to this Article shall notify the Company immediately once they no longer qualify as independent.
 - (3) Within this Article "major business partner" denotes a business partner accounting for more than 2% of annual consolidated net sales (or in the case that a business partner adopts the International Financial Reporting Standards, annual consolidated revenues) of that business partner for the most recent fiscal year.

(Reference) Overview of Executive Remuneration Plan

1. Processes for Determining Executive Remuneration, etc.

Remuneration of Directors (excluding performance-linked bonus) is resolved by the Board of Directors within the limit resolved at the Ordinary General Meeting of Shareholders. Upon the resolution of the Board of Directors, the details are deliberated by the Nomination and Remuneration Advisory Committee, an advisory body of the Board of Directors in which a majority of its members are Outside Directors, and the results thereof are reported to the Board of Directors as part of our efforts to further enhance transparency and objectivity.

As the performance-linked bonus is highly linked to business performance, it is paid upon resolution of the Ordinary General Meeting of Shareholders each year. Bonuses are paid, once that the payment amount calculated based on the formula for determining bonuses, being linked to the Company's consolidated performance as determined by the Board of Directors, and its upper limit are approved at the Ordinary General Meeting of Shareholders each year. As for the distribution of performance-linked bonuses to each officer (personal evaluation), the Chief Executive Officer makes decisions based on interviews with officers and reports the results to the Nomination and Remuneration Advisory Committee.

The remuneration, etc. of Audit & Supervisory Board Members is deliberated by the Nomination and Remuneration Advisory Committee, and the amount of remuneration to be paid to the respective Audit & Supervisory Board Members is determined based on consultation with the Audit & Supervisory Board Members, within the upper limit resolved at the Ordinary General Meeting of Shareholders.

2. Basic Policy and Structure of Executive Remuneration

In order to determine the remuneration, etc. of Directors and Audit & Supervisory Board Members, the Company has formulated the following basic policy, etc. to realize a plan with the aim of reinforcing the Group's governance and increasing its corporate value over the medium to long term, and promoting the Company's sustainable growth in line with its management strategy.

(1) Basic policy

- In order to retain and acquire superior management personnel who will drive the Group's sustainable growth and increase its corporate value over the medium to long term, competitive remuneration levels shall be established.
- By appropriately setting the ratio of fixed remuneration (monthly remuneration) and variable remuneration (performance-linked bonus which is linked to short-term results and share-based remuneration (Restricted Stock-based remuneration and Performance Share Unit-based remuneration) which is linked to medium- to long-term results and shareholder value), the plan shall function as a robust incentive for achieving sustainable growth.

- By focusing on the relationship between the Group's management strategy and the performance-linked bonus, the plan shall promote the execution of duties that coincide with its management strategy and offer strong motivation for achieving specific business objectives.
- By further focusing on the interrelationship with shareholder value regarding the stock remuneration plan, further efforts shall be made to share value with shareholders while promoting the optimization of business portfolios as well as the improvement of corporate value over the medium to long term.

(2) Executive remuneration plan (● indicates the persons eligible for each type of remuneration, etc.)

Type of remuneration, etc.		Eligibility			
		Executive Directors / Executive Officers (Note 1)	Chairman of the Board of Directors (Note 2)	Outside Directors (Note 3)	Audit & Supervisory Board Members (Note 4)
Fixed	Monthly Remuneration	●	●	●	●
Variable	Performance-Linked Bonus	●	—	—	—
	Restricted Stock-Based Remuneration	●	●	—	—
	Performance Share Unit-Based Remuneration	●	●	—	—

(Note 1) The remuneration of Executive Directors and Executive Officers consists of “monthly remuneration,” “performance-linked bonus,” “Restricted Stock-based remuneration” and “Performance Share Unit-based remuneration.”

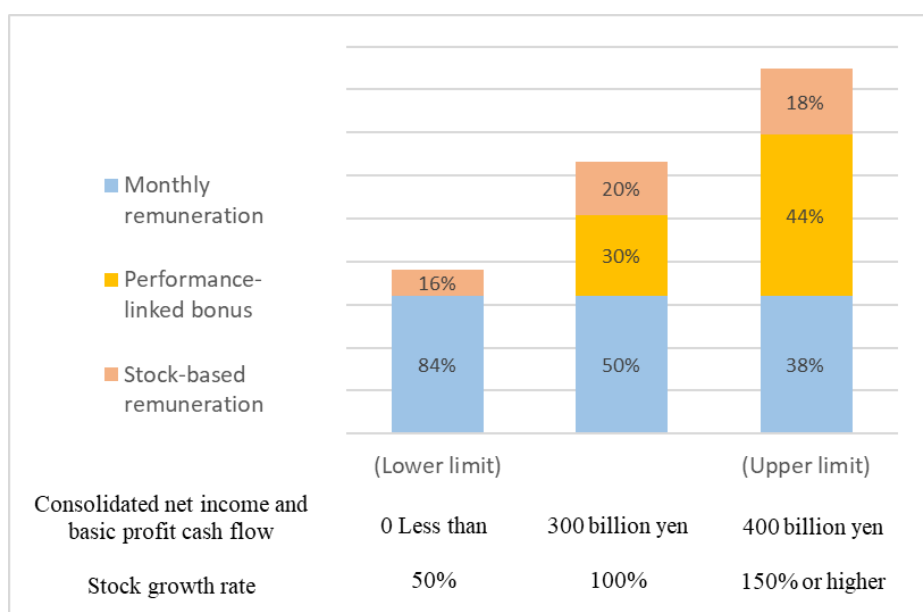
(Note 2) The remuneration of the Chairman of the Board of Directors, whose main role is management supervision as stipulated in the “Sumitomo Corporation Corporate Governance Principles,” consists of “Restricted Stock-based remuneration” and “Performance Share Unit-based remuneration,” which contribute to improving shareholder value, in addition to “monthly remuneration.”

(Note 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”) and is provided on a monthly basis.

(Note 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.

(3) Remuneration standards and remuneration composition ratios of Executive Directors and Executive Officers

- The Company has established appropriate remuneration standards and remuneration composition ratios based on its business environment, management strategy and human resources strategy, with reference to objective remuneration market research data, etc. provided by external specialized agencies such as the Willis Towers Watson “Executive Compensation Database.”
- The remuneration composition ratio for Executive Directors is set so that when consolidated net income¹ and basic profit cash flow² are 300 billion yen and the stock growth rate³ reaches 100%, monthly remuneration, performance-linked bonus and stock-based remuneration are 50:30:20, respectively. The following is a visual representation of each performance achievement scenario.



(4) Performance-linked bonus

From the perspective of reinforcing the relationship with the Group’s management strategy, the total amount to be paid is determined in accordance with the consolidated net income and basic profit cash flow, which are adopted as the performance management index to be focused on in the Medium-Term Management Plan 2020, and the amount to be paid to individual officers is distributed according to

¹ “Consolidated net income” is equivalent to the “profit attributable to owners of the parent” set out in International Financial Reporting Standards (IFRS).

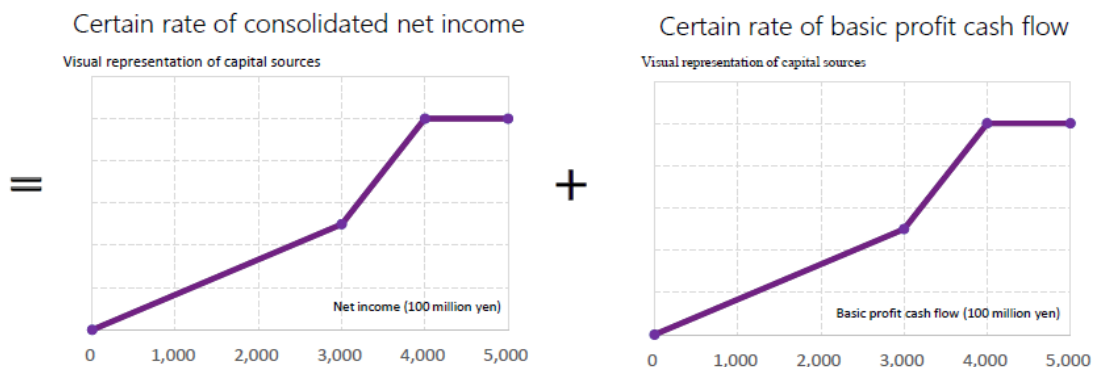
² “Basic profit cash flow” = “Basic profit(*)” – “Share of profit (loss) of investments accounted for using the equity method” + “Dividend from investments accounted for using the equity method.”

(*) “Basic profit” = (Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + Dividends) × (1-Tax Rate) + Share of profit (loss) of investments accounted for using the equity method.

³ “Stock growth rate” = {(Average price of Company’s common shares in the month of termination of Evaluation Period + Total amount of dividends during 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)}

their position and personal evaluation and paid after the end of the fiscal year. In addition, each officer is evaluated on the basis of both financial indicators (status of achievement of business plans, etc. in the respective areas of responsibility) and non-financial indicators (initiatives to address material issues to achieve sustainable growth for the Group, demonstration of leadership, etc.) so that they can become more aware in regard to their commitment to management strategy and results. In principle, the ratio of financial indicators to non-financial indicators in personal evaluation is 50:50.

(i) Total amount of bonus to be paid



- (ii) Amount of bonus to be paid to individuals =
 Total amount of bonus to be paid x Coefficient in accordance with the positions and personal evaluation of individuals

(5) Restricted Stock-based remuneration

With the aim of further promoting initiatives to improve corporate value over the medium to long term and share value with shareholders, the Company's common shares are granted with a specific time-based restriction on transfer.

Upon the allotment of restricted shares, after concluding a transfer restriction agreement (restricted stock allotment agreement) between the Company and eligible persons, the Company's common shares are granted each year in principle based on the number determined in accordance with the positions of the eligible persons. In order to create greater shared values with our shareholders over the medium to long term, the restriction period is set from the date that such shares are allotted until the date that an eligible person resigns or retires from all his/her positions as Director or Executive Officer of the Company or any other position determined by the Board of Directors.

(6) Performance share unit-based remuneration

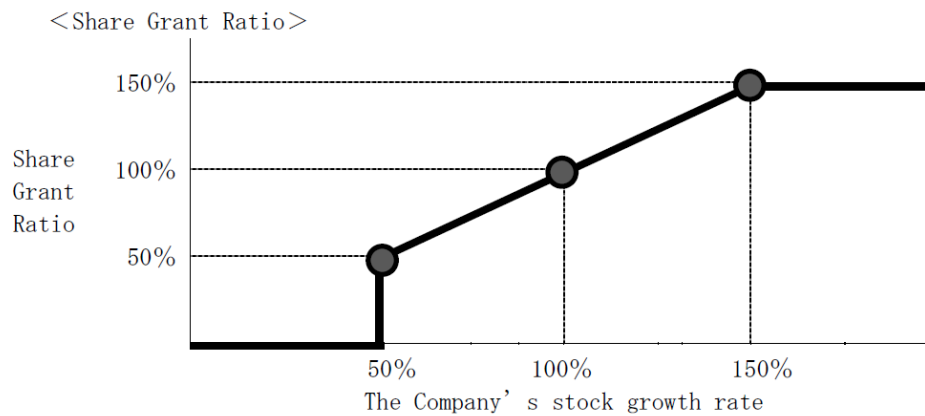
With the aim of offering incentives to seek sustainable improvement of the Company's corporate value as well as promoting efforts to increase our corporate value over the medium to long term, the Company's common shares in number determined according to the Company's stock growth rate (ratio of the Company's stock growth including dividends to the growth rate of TOPIX (Tokyo Stock Exchange Stock Price Index)) during the three-year evaluation period are granted each year in principle.

[Evaluation period of the Company's stock growth rate (image)]

	2018	2019	2020	2021	2022	2023
2018 Plan	← Evaluation period →			● Granting of shares		
2019 Plan		← Evaluation period →			● Granting of shares	
2020 Plan			← Evaluation period →			● Granting of shares

[Method for calculating the number of granted shares]

Number of granted shares = Standard number of granted shares by position × The Company's stock growth rate (Share grant ratio) × Ratio of service period



Business Report (April 1, 2019 through March 31, 2020)

I. Particulars Regarding the Present Status of the Sumitomo Corporation Group

1. Course of Operations and Operating Results

(1) Economic Environment

The global economy grew only slowly during the fiscal year under review. Growth in trade and investment remained sluggish due to increased uncertainty over the future arising from the prolonged trade conflict between the United States and China. On top of that, since the beginning of 2020, the global outbreak of the novel coronavirus (COVID-19) pandemic has become an unprecedented constraining factor for economic activities, and such economic activities resulted in a rapid decline around the world. In the United States, while personal consumption had been supporting the economy backed by the low unemployment rate, the impact of COVID-19 has led to a rapid increase in unemployment, which has a serious negative effect on economic activities. In China, the worsening of trade issues with the United States has weighed on economic activities, and consumer sentiment has deteriorated. While consumption of durable goods, such as automobiles, had already been declining, the spread of COVID-19 has had an enormous impact on economic activities. In Europe, amid the declining trend in economic recovery, the COVID-19 pandemic exerted extremely strong downward pressure on the economy. In international commodities markets, the prices of many commodities tended toward a gradual decline due to the impact of weaker demand. In particular, crude oil prices plummeted as the supply-demand balance broke down over a short period of time as a result of COVID-19-related restrictions on movement, in addition to the effects of unsuccessful coordinated production cuts.

The Japanese economy faced an extremely difficult situation due to the stagnation of economic activities caused by the outbreak of COVID-19, amid a situation where the momentum for economic recovery had already been weak, as shown in the sluggish external demand and the decline in consumer spending growth reflecting the negative impact of the consumption tax rate hike.

(2) Operating Results and Financial Status

(A) Operating results

For Fiscal 2019, profit for the year attributable to owners of the parent¹ totaled 171.4 billion yen, representing a decrease of 149.2 billion yen from the previous fiscal year. One-off profits/losses totaled a loss of approximately 77.0 billion yen, representing a decrease of approximately 69.0 billion yen from the previous fiscal year, owing to recording losses from impairment and write-down of inventory in tubular products business mainly in the U.S. due to the decline in oil prices and one-off loss in the silver-zinc-lead mining projects in Bolivia, etc.

Profit for the year attributable to owners of the parent excluding one-off profits/losses totaled approximately 248.0 billion yen, representing a decrease of approximately 81.0 billion yen from the

¹ “Profit for the year attributable to owners of the parent” means the net profit attributes to the shareholders of Sumitomo Corporation.

previous fiscal year. The profit from non-mineral resources businesses² decreased due to the decrease of profit of the tubular products business in North America by decreasing in demand and low performance of automotive related business which were impacted by the U.S.-China trade issues etc., while the EPC projects in power infrastructure business have progressed in construction steadily and the real estate business have kept solid performance. The profit from mineral resources businesses³ decreased in earnings from the silver-zinc-lead mining projects in Bolivia and coal business in Australia which were impacted mainly by lower mineral resources prices.

(Unit: Billions of yen)	151st year Fiscal 2018	152nd year Fiscal 2019	Increase/ Decrease
Profit for the year (attributable to owners of the parent)	320.5	171.4	-149.2
One-off profits/(losses)	Approx. (8.0)	Approx. (770)	Approx. - 69.0
Excl. one-off profits/(losses)	Approx. 329.0	Approx. 248.0	Approx. - 81.0
(Mineral resources business)	(61.0)	(- 25.0)	(- 36.0)
(Non-mineral resources business)	(268.0)	(- 223.0)	(- 45.0)
Basic profit ⁴	320.7	222.0	- 98.8
Basic profit cash flow ⁵	290.0	239.0	- 51.0

(B) Financial position

(a) Total assets, liabilities, and equity

Total assets stood at 8,128.6 billion yen, representing an increase of 212.1 billion yen from the previous fiscal year-end due mainly to an increase by adopting IFRS 16 (change in accounting treatment for “lease”), despite a decrease of assets by Yen’s appreciation.

Equity attributable to owners of the parent⁶ totaled 2,544.1 billion yen, decreased by 227.4 billion yen from the previous fiscal year-end, due to the impact from Yen’s appreciation and dividend payment, despite an increase in retained earnings.

Interest-bearing liabilities (net)⁷ increased by 41.7 billion yen from the previous fiscal year-end, to

² “Non-mineral resources business” refers to all businesses of the Company except for the Mineral resources business (Please refer to note 3 below).

³ “Mineral resources business” refers to the businesses conducted by Mineral Resources Division No.1, Mineral Resources Division No.2 and Energy Division.

⁴ “Basic profit” = (Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + Dividends) × (1-Tax rate) + Share of profit (loss) of investments accounted for using the equity method.

⁵ “Basic profit cash flow” = Basic profit – Share of profit (loss) of investments accounted for using the equity method + Dividend from investments accounted for using the equity method.

⁶ “Equity attributable to owners of the parent” stands for the equity attributable to shareholders of Sumitomo Corporation.

⁷ “Interest-bearing liabilities” is Sum of bonds and borrowings (current and non-current) and excludes lease liabilities.

2,468.8 billion yen.

In consequence, the net debt-equity ratio⁸ was 1.0.

(b)Cash flows

Net cash provided by operating activities totaled 326.6 billion yen as basic profit cash flow totaled to an inflow of 239.0 billion yen because our core businesses generated cash while working capital increased.

Net cash used in investing activities totaled 203.4 billion yen. In this fiscal year, we executed investments approx. 350.0 billion yen primarily for the acquisition of the parking provider in northern Europe and the acquisition of office building in the U.S. On the other hand, we recovered funds of approx. 120.0 billion yen through the sale of offshore wind farms in the United Kingdom and the restructuring of aircraft engine leasing business.

As a result, free cash flows, representing sum of net cash provided by operating activities and net cash used in investing activities, totaled to an inflow of 123.2 billion yen.

Net cash used in financing activities totaled 57.7 billion yen due primarily to dividend payment.

In consequence of the foregoing, cash and cash equivalents stood at 710.4 billion yen as of March 31, 2020, representing an increase of 50.0 billion yen from the previous fiscal year-end.

(C) Dividend for fiscal 2019

We had revised our annual forecast of profit for the year attributable to owners of the parent for the fiscal 2019 from 340.0 billion yen to 300.0 billion yen at the announcement of our consolidated results for the 2nd Quarter in November 2019. Since the decrease in earnings were mainly caused by our profitability in cash flow basis, we had revised the annual dividend forecast for the fiscal 2019 from 90 yen per share (the sum of the ordinary dividend of 80 yen and the commemorative dividend of 10 yen per share) announced in May, 2019 to be 80 yen per share (the sum of the ordinary dividend of 70 yen and the commemorative dividend of 10 yen per share) in November 2019, based on our “dividend policy of Medium-Term Management Plan 2020” with a consolidated payout ratio of 30% as our guideline.

Our profit for the year attributable to owners of the parent of the fiscal 2019 resulted in 171.4 billion yen due to rapid deterioration of business environment along with the worldwide outbreak of the COVID-19. Although the result was much lower than our revised annual forecasts, we keep the annual dividend for the fiscal 2019 to be 80 yen per share (the sum of the ordinary dividend of 70 yen and the commemorative dividend of 10 yen per share) as announced previously based on our fundamental policy of paying shareholders a stable dividend over the long term and the fact that the decrease in earnings were mainly caused by one-off losses not impacting our cash flow. The year-end dividend will be 35 yen per share since the interim dividend was 45 yen per share (the sum of the ordinary

⁸ “Debt-equity ratio (net)” is calculated by dividing Interest-bearing liabilities (net) by “equity attributable to owners of the parent.”

dividend of 35 yen and the commemorative dividend of 10 yen per share) , which will be proposed to the Ordinary General Meeting of Shareholders scheduled in June, 2020.

(D) Forecasts for fiscal 2020 and Annual dividend plan

It is difficult to make reasonable assumption about the annual forecasts for the fiscal 2020 since it is extremely hard to logically determine the degree of impacts from COVID-19. Therefore, we will disclose the annual forecasts for the fiscal 2020 promptly after confirming and analyzing the information on resuming economic activities such as plans to lift lockdowns of each countries.

Though the annual forecasts for the fiscal 2020 are as described above, the annual ordinary dividend for the fiscal 2020 is projected to be 70 yen per share (the interim and the year-end dividend: 35 yen per share respectively). We plan to have the annual dividend for the fiscal 2020 to be 70 yen per share (by deducting the commemorative dividend of 10 yen per share from the projected annual ordinary dividend for the fiscal 2019 of 80 yen per share) based on our fundamental policy of paying shareholders a stable dividend over the long term, though we anticipate that the negative impacts on our financial performance is inevitable by the current deterioration of business environment in fiscal 2020.

(3)Segment Information

(A)Profit (loss) for the year (attributable to owners of the parent) of each Segment

<Profit (loss) for the year (attributable to owners of the parent)>

Segment	Profit (loss) for the year (attributable to owners of the parent) (Unit: Billions of yen)	
	151st year Fiscal 2018	152nd year Fiscal 2019
Metal Products	40.5	(50.0)
Transportation & Construction Systems	52.0	30.0
Infrastructure	64.4	61.7
Media & Digital	47.5	38.3
Living Related & Real Estate	42.1	51.3
Mineral Resources, Energy, Chemical & Electronics	68.5	43.2
Corporate and Eliminations	5.7	(30.1)

Notes: 1. Profit (loss) for the year (attributable to owners of the parent) figures above are rounded to the nearest tenth. Therefore, the sum of the break down figures and the total figure may not necessary coincide.

(B) Activities of Business Units

(a) Metal Products Business Unit

[Business Overview]

- Trade of steel products (steel sheets, plates, wires, tubular products such as Oil Country Tubular Goods (OCTG) and line pipes, etc.) and non-ferrous metals (aluminum, titanium, etc.)
- Processing of steel sheets, tubular products, and non-ferrous metals, and other related businesses

[Profit for the Year Attributable to Owners of the Parent]

Metal Products Business Unit posted loss of 50.0 billion yen, a decrease of 90.5 billion yen from the previous fiscal year, primarily due to recording losses from impairment and write-down of inventory and decrease in earnings of tubular products business in the U.S. and low performance of overseas steel service centers.

(b) Transportation & Construction Systems Business Unit

[Business Overview]

- Trade of ships, aircraft, automobiles, motorcycles, construction and mining equipment, agricultural machinery, and industrial vehicles, and their related equipment and components as well as other associated businesses
- Leasing and financing businesses

[Profit for the Year Attributable to Owners of the Parent]

Transportation & Construction Systems Business Unit posted profit of 30.0 billion yen, a decrease of 22.0 billion yen from the previous fiscal year, due to low performance of ship business and automotive related business and decrease in earnings of construction equipment sales & marketing business.

(c) Infrastructure Business Unit

[Business Overview]

- Social infrastructure businesses such as water supply, sewerage systems, railway, airport and smart city projects
- Electric power infrastructure businesses such as IPP⁹, EPC¹⁰ and wholesale and retail of electricity, both in Japan and overseas
- Renewable energy businesses such as solar photovoltaic power generation and wind power generation ventures
- Environmental businesses such as next-generation batteries and recycling
- Logistics infrastructure businesses such as logistics, insurance and overseas industrial parks including container terminals

[Profit for the Year Attributable to Owners of the Parent]

Infrastructure Business Unit posted profit of 61.7 billion yen, a decrease of 2.7 billion yen from the previous year. IPP/IWPP business has kept solid performance in addition to the stable progress in construction of the large-scale projects in power infrastructure business.

(d) Media & Digital Business Unit

[Business Overview]

- Media businesses in the cable television, multi-channel programming distribution, TV shopping business and digital media
- ICT (information and communication technology) platform and IT solution business and digital business such as global CVC (Corporate Venture Capital) business¹¹
- Smart platform business¹² such as smart communications infrastructure business and value-added service business

⁹ A business in which the Company, as an Independent Power Producer (IPP), owns power generation facilities and sells the generated electricity to local electric power companies.

¹⁰ A business in which the Company undertakes the Engineering, Procurement and Construction (EPC) of a power plant.

¹¹ Business to make venture capital investment in startup companies for the purpose of driving mutual growth of such startup companies and the Company.

¹² Business which forms the foundation for new information and communication services and products using cutting-edge ICT technologies and other technologies.

[Profit for the Year Attributable to Owners of the Parent]

Media & Digital Business Unit posted profit of 38.3 billion yen, a decrease of 9.2 billion yen from the previous year, due to the absence of earnings by telecommunication business in Myanmar caused by the change of their fiscal year and one-off profit from asset replacement in the previous year, while the major domestic group companies showed stable performance.

(e) Living Related & Real Estate Business Unit

[Business Overview]

- Lifestyle/Retail businesses such as supermarkets and healthcare
- Food/food product production, processing and distribution businesses such as fruits, vegetables, meat and sugar
- General materials and supplies such as wood, other building materials and biomass materials and comprehensive real estate ventures

[Profit for the Year Attributable to Owners of the Parent]

Living Related & Real Estate Business Unit posted profit of 51.3 billion yen, an increase of 9.2 billion yen from the previous year. The major domestic group companies and real estate business have kept solid performance.

(f) Mineral Resources, Energy, Chemical & Electronics Business Unit

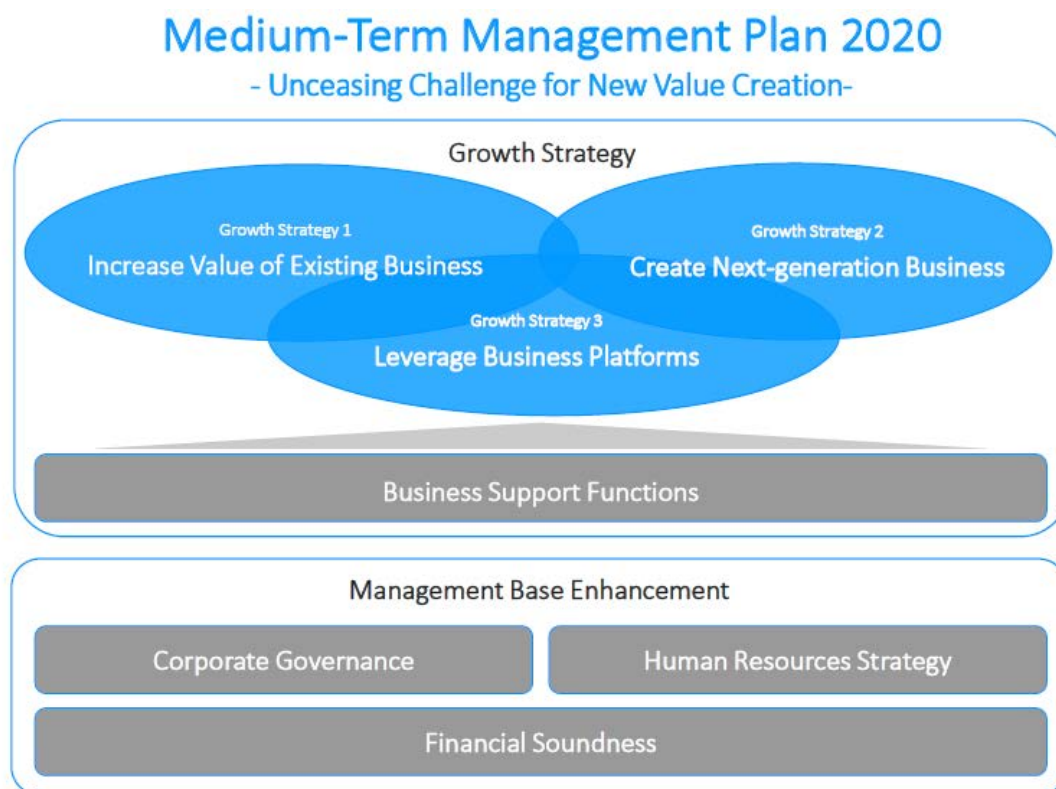
[Business Overview]

- Businesses related to coal, iron ore, non-ferrous metal materials, petroleum, natural gas, carbon-related materials, and their finished products
- Businesses related to synthetic resins, organic/inorganic chemicals, battery materials, electronic materials, pharmaceuticals, cosmetics, agricultural chemicals and fertilizers

[Profit for the Year Attributable to Owners of the Parent]

Mineral Resources, Energy, Chemical & Electronics Business Unit posted profit of 43.2 billion yen, a decrease of 25.3 billion yen from the previous year, due to decrease in earnings from the silver-zinc-lead mining projects in Bolivia and the coal business in Australia which were impacted mainly by lower mineral resources prices, while absence of the impact from impairment loss posted in the Nickel mining and refining business in Madagascar in the previous year.

The Company formulated the “Medium-Term Management Plan 2020,” which covers the three-year period through fiscal 2020, in May 2018.



The status of progress of the “Medium-Term Management Plan 2020” during fiscal 2019 is as follows.

(a) Increasing the value of existing businesses

With the aim of “increasing the value of existing businesses,” we took measures to pursue and realize the growth potential of existing businesses in each business unit.

Amid accelerated changes surrounding our business environment, we will invest our management resources intensively in areas of considerable potential growth. Specifically, we are focused on the three emerging fields of “Technology x Innovation,” in which we can expect to upgrade business and unleash a business model revolution through the acceleration of digital transformation¹³; “Healthcare,” for which rapid market expansion is anticipated due to the aging of society among

¹³ The evolution of the innovative digital technologies of IoT, Big Data and AI has helped improve the sophistication of existing businesses and led to the development of new businesses that make use of cutting-edge information and communications technology (ICT).

other factors; and “Social Infrastructure,” for which growth is forecasted for smart city projects, urban development and infrastructure installation as a result of population growth and the advance of urbanization.

In fiscal 2019, we invested a total of approximately 80.0 billion yen in these three fields.

(c)Leveraging cross-business platform

A wide range of business foundations and functions held by the Sumitomo Corporation Group have points of contact with various industries, societies and regions, which are becoming a driving force for new value creation. We have been striving to create new value through the hybridization of multiple businesses and cross-organizational collaboration through our business foundations such as “Customer base,” “Telecommunications/Broadcasting networks,” “Lease/Rental/Sharing” and “Digital platform.”

The main initiatives aimed at the promotion of growth strategies during fiscal 2019 are as follows.

Increasing the value of existing businesses	<ul style="list-style-type: none"> • Investment in Magic Steel Sales, LLC, a coil center in the U.S. (Metal Products) • Reinforcement of the casting business through the acquisition of ASAMA GIKEN CO., LTD (Transportation & Construction Systems) • Receipt of an order to supply train cars for the Philippines’ North-South Commuter Railway Project (Infrastructure) • Promotion of the real estate business such as the construction of KANDA SQUARE (Living Related & Real Estate) • Promotion of Company-wide digital transformation (Media & Digital) • Improvement of profitability or reinforcement of cost competitiveness for upstream resources projects (nickel mining and refining business in Madagascar; copper and molybdenum mining business in Chile; silver-zinc-lead mining business in Bolivia; and other businesses) (Mineral Resources, Energy, Chemical & Electronics)
Creating the next-generation businesses	<p><Technology x Innovation></p> <ul style="list-style-type: none"> • Acquisition of a stake in Sekal AS, a developer of automated oil and gas drilling process control software (Metal Products) • 5G-related business (localized 5G solutions and base-station sharing) (Infrastructure / Media & Digital) • Investment in Elephantech Inc. in the printed electronics¹⁴ field (Mineral Resources, Energy, Chemical & Electronics)

¹⁴ The technology for manufacturing electronic circuits and devices by utilizing printing technology. By directly applying metal ink on substrates, the manufacturing process can be simplified and smaller and slimmer products can be made.

	<Healthcare> <ul style="list-style-type: none"> • Promotion of managed care business¹⁵ in Malaysia (Living Related & Real Estate) <Social Infrastructure> <ul style="list-style-type: none"> • Acquisition of AIMO Park, a parking lot business operator in Northern Europe (Transportation & Construction Systems)
Leveraging cross-business platform	<ul style="list-style-type: none"> • Development of a smart city in north Hanoi (Infrastructure) • Promotion of the horizontal expansion of the agricultural input and service business (Mineral Resources, Energy, Chemical & Electronics)

(B) Status of expansion of business support functions

As a company-wide scheme for promoting our growth strategies, we have been working on expanding the four “business support functions” of “Support for developing new businesses,” “Full potential planning,” “Asset cycle management” and “Digital transformation.”

As part of “Support for developing new businesses,” we have been endeavoring to develop a scheme to nurture next-generation businesses from a company-wide perspective. Also, we have been strengthening a scheme to take on challenges in high growth potential fields such as healthcare and smart cities as company-wide projects through cross-organizational collaboration.

Under the heading of “Full potential planning,” we have been formulating specific measures to maximize the business value of those subsidiaries and associated companies that have room for improvement but have not yet delivered the expected results, as well as those subsidiaries and associated companies whose further growth is anticipated, and thoroughly monitor the implementation of such measures, thereby aiming to further enhance the value of the investment portfolio.

As part of “Asset cycle management,” we have been providing support to increase the asset efficiency of each business through utilization of external capital.

With regard to “Digital transformation,” we have been working on the revolutionary development of our business models by hybridizing knowledge in each field and platform business foundation using technology with a focus on the DX Center established in April 2018.

¹⁵ A medical-related services business that creates a scheme to provide medical services with better quality at lower cost, improving the health management of individuals in collaboration with private medical insurance companies and medical institutions.

The following initiatives were implemented during fiscal 2019.

Support for developing new businesses	<ul style="list-style-type: none"> • Strengthened the collaboration system globally between the Company and venture companies through the establishment of a corporate venture capital (CVC)¹⁶ fund in Israel • Commenced a demonstration experiment toward the commercialization of “iscream,” a personal information management and utilization tool, for the Company’s intrapreneurship program named “0→1 Challenge” (“zero to one challenge”) • Established “MIRAI LAB PALETTE” as an open innovation laboratory to integrate various ideas both within and outside the Company and create new value
Full potential planning	<ul style="list-style-type: none"> • Continued measures to provide support for increasing the value of existing businesses
Asset cycle management	<ul style="list-style-type: none"> • Listed a logistics REIT, comprising logistics facilities (including those developed by the Company) as investment targets • Completed investment in a renewable energy fund in which the Company’s offshore wind power generation business in the U.K. has been included as part of seed assets
Digital transformation	<ul style="list-style-type: none"> • Promoted re-form consciousness in the company by establishing the DX Center beginning with promoting working efficiency. Reduced operation hours by more than 100,000 hours per year across the Group by promoting robotic process automation(RPA) • Promoted business model innovation, utilizing digital skills and data by promoting the recruitment and appointment of the experts who have specialized knowledge in such field • Established the DX Center at overseas offices and promoted DX with 140 members in total on a global basis, working together with the external partners

(C) Reinforcement of management bases

(a)Enhancement of governance

We strived to further reinforce the Board of Directors’ monitoring function over the execution of operations through discussions on a wide range of key management issues including environment, society and governance (ESG)-related matters at the Board of Directors’ off-site sessions, in addition to the reporting to the Board of Directors regarding the status of progress and issues of business unit

¹⁶ Business to make venture capital investment in startup companies for the purpose of driving mutual growth of such startup companies and the Company.

strategies, policies for responding to issues, and reporting on activities of principal committees as well as portfolio reporting related to concentrated risks such as market fluctuation risk and country risk.

In addition, with the aim of maintaining and improving the effectiveness of Group governance on a global consolidated basis, we have visualized the status of internal control through dialogues with our consolidated subsidiaries using a Group standard tool since fiscal 2018, thereby taking steps to improve the quality of business operations. During fiscal 2019, we further promoted these dialogues with our consolidated subsidiaries.

(b)Enhancement of human resources strategy

Based on the basic concept of “Diversity & Inclusion—Making diverse strengths a source of competitiveness,” we have been pushing forward with our growth strategies by introducing a wide range of human resources measures. We have developed a system to put the right person in the right position at the right time on a global consolidation basis by implementing strategic personnel deployment in key areas through rotations across different business units and organizations, expanding the recruitment of highly specialized external personnel and introducing common Group-wide rules for remuneration associated with overseas transfers. In addition, with the aim of maximizing the power of diverse individuals, we further utilized teleworking and “super-flexible” working hours, while promoting health and productivity management. Moreover, we launched the “SC Alumni Network” targeting the former employees of the Company. By enhancing the relationship with our alumni¹⁷, we will aim to foster an open corporate culture that inspires business innovation.

(c)Enhancement of financial soundness

With the aim of further reinforcing management bases, we have been striving to enhance our financial soundness by securing positive free cash flow after dividends. Furthermore, continuous efforts have been made to maintain a balance between core risk buffer and risk-adjusted assets¹⁸.

¹⁷ The word “alumni” originally meant those who have graduated from a particular university. However, it has recently come to be used to refer to a group of former employees of a particular company.

¹⁸ Our core risk buffer represents the sum of “common stock,” “additional paid-in capital,” “retained earnings” and “exchange difference on translating foreign operation,” minus “treasury stock, at cost.” Our basic management policy is to keep risk-adjusted assets, which are our maximum possible losses, within our core risk buffer.

2. Management Challenges

(1) Initiatives under the “Medium-Term Management Plan 2020” and impact of the outbreak of novel coronavirus (COVID-19)

In terms of our efforts toward increasing the value of existing businesses, which is one of the initiatives under the “Medium-Term Management Plan 2020,” they still remain as our challenges, particularly in automobile-related businesses in the Metal Products Business Unit and Transportation & Construction Systems Business Unit due to the effects of the trade frictions between the United States and China and the sluggish state of the automobile industry since the first half of fiscal 2019.

In addition, the tubular products business in North America and mineral resource-related businesses have been affected by the impact of falling commodity prices, such as crude oil prices. For nickel business in Madagascar, further efforts are needed to achieve higher levels of operational stability. We are making company-wide efforts to increase the value of these businesses.

In the latter half of fiscal 2019, we were faced with an unprecedented outbreak of COVID-19. Although many of our businesses, including those of the Infrastructure Business Unit, Media & Digital Business Unit and Living Related & Real Estate Business Unit, have continued to generate solid revenues, supporting the overall earnings of the Company, the global pandemic has had a significant impact on a wide range of businesses conducted by other business units. As a result, it has been difficult to foresee the magnitude and duration of the impact of COVID-19 on the Company’s overall business activities.

(2) Response policies based on the current situation

As it stands now, the Sumitomo Corporation Group has sufficient liquidity to continue its business activities, and is expected to be able to secure and maintain a risk buffer commensurate with its risk assets. In the current fiscal year, the Company also plans to pay dividends based on its basic policy of long-term stable dividend payment, while working to reduce interest-bearing debt to further improve its financial soundness.

On the other hand, amid uncertainties surrounding the future outlook, the Company will give top priority to ensuring and maintaining on-hand liquidity in order to steadily continue its business activities, looking ahead to post-COVID-19 opportunities, even in the event where the Company is exposed to a more challenging operating environment in the future. Accordingly, by designating this year as a year for responding to crises, we will be implementing concrete measures to minimize the deterioration in cash flow in each of the Group’s businesses. With regard to our investments plans, we will review all of our previous plans from scratch, carefully select only those that are absolutely necessary, and prioritize them for implementation. We will also thoroughly manage expenses, improve working capital and steadily implement asset reductions.

At the same time, we are accelerating our efforts to increase the value of existing businesses and identify which businesses should withdraw, while working to restore profitability at an early stage. We are also undertaking to execute drastic structural reforms for each of our businesses and the

Sumitomo Corporation Group as a whole, including the review of our strategies on portfolio management for increasing corporate value and the enhancement of sustainability management.

(3) Promotion and enhancement of sustainability management

The Sumitomo Corporation Group identified its “Six Material Issues to Achieve Sustainable Growth with Society”¹⁹ a set of issues which the Group should prioritize addressing through its business activities taking advantage of its strengths based on Sumitomo’s Business Philosophy and the Sumitomo Corporation Group’s Management Principles²⁰, thereby implementing sustainable management.

While the impact of the outbreak of COVID-19 on society in the short and medium-to-long term is expected to be wide-ranging, climate change is one of the most pressing social issues that must be dealt with in order for the world to continue to pursue economic development in the future. In view of the global climate change situation, the Sumitomo Corporation Group has already set out a “policy on climate change”²¹. We will continue to closely monitor international efforts and changes in the business environment, and will revise the policy as appropriate.

In addition, Sumitomo Corporation Group has set out an “Environmental Policy” and “Sumitomo Corporation Group CSR Action Guidelines for Supply Chain Management” as comprehensive policies to address social issues. On top of these, the Group established Sumitomo Corporation Group’s Human Rights Policy²² in May 2020 by declaring its commitment to respect human rights in order to fulfill the Group’s corporate social responsibility.

Even if the urgency of various issues facing society changes due to the impact of COVID-19, the Sumitomo Corporation Group will continue to promote the enhancement of its sustainability management by formulating concrete policies and implementing measures to resolve social issues and realize a sustainable society as one of the world’s leading corporate groups.

Although the business environment surrounding Sumitomo Corporation is extremely challenging, we will continue to meet the expectations and trust of our shareholders by the concerted efforts of all of our officers and employees to tackle this difficult situation and recover profitability as soon as possible.

We sincerely ask for the further support and encouragement of our shareholders as we take on future challenges.

¹⁹ Please refer to page 78 to 81 for Sumitomo Corporation Group’s Material Issues.

²⁰ Please refer to page 3 for Sumitomo Corporation Group’s Management Principles

²¹ The Policy on Climate Change has been posted on the Sumitomo Corporation website.
<https://www.sumitomocorp.com/en/jp/sustainability/environmental-management/climate>

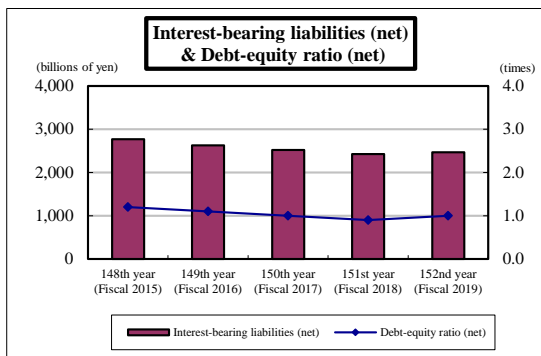
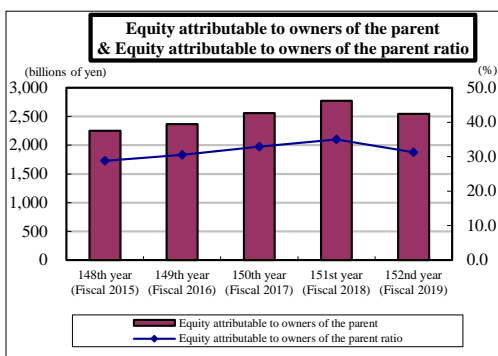
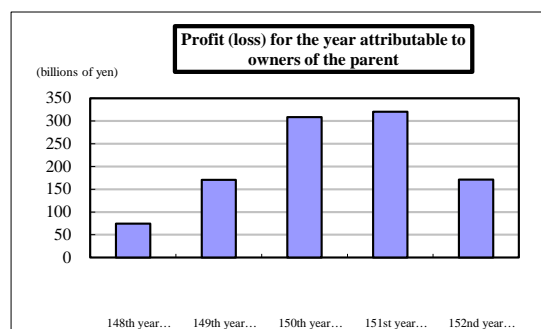
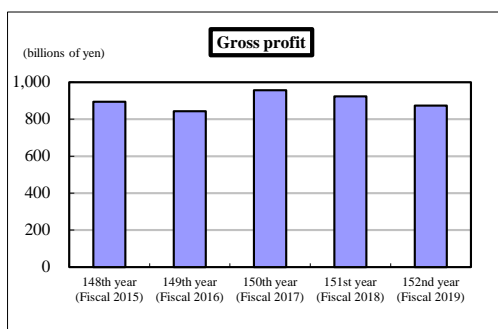
²² Sumitomo Corporation Group’s Human Rights Policy has been posted on the Sumitomo Corporation website.
<https://www.sumitomocorp.com/en/jp/sustainability/csr>

3. Trend of Financial Status and Profit and Loss [Prepared on the basis of IFRSs]

	148th year (Fiscal 2015)	149th year (Fiscal 2016)	150th year (Fiscal 2017)	151st year (Fiscal 2018)	152nd year (Fiscal 2019)
Revenues (billions of yen)	4,010.8	3,997.0	4,827.3	5,339.2	5,299.8
Gross profit (billions of yen)	894.1	842.7	956.5	923.2	873.7
Profit (loss) for the year attributable to owners of the parent (billions of yen)	74.5	170.9	308.5	320.5	171.4
Earnings (loss) per share attributable to owners of the parent (yen)	59.73	136.91	247.13	256.68	137.18
Total assets (billions of yen)	7,817.8	7,761.8	7,770.6	7,916.5	8,128.6
Equity attributable to owners of the parent (billions of yen)	2,251.5	2,366.5	2,558.2	2,771.5	2,544.1
Equity per share attributable to owners of the parent (yen)	1,803.95	1,895.81	2,048.93	2,219.11	2,036.48
ROE (%)	3.2	7.4	12.5	12.0	6.4
ROA (%)	0.9	2.2	4.0	4.1	2.1
Equity attributable to owners of the parent ratio (%)	28.8	30.5	32.9	35.0	31.3
Interest-bearing liabilities (net) (billions of yen)	2,770.3	2,627.9	2,521.5	2,427.1	2,468.8
Debt-equity ratio (net) (times)	1.2	1.1	1.0	0.9	1.0

Notes: 1. Interest-bearing liabilities (net) excludes cash and cash equivalents and time deposits from interest-bearing liabilities.

2. Amounts in billions of yen are rounded to the nearest tenth.



4. Principal Lines of Business (as of March 31, 2020)

Through its worldwide network, the Sumitomo Corporation Group engages in diverse business activities in a wide variety of fields, such as Metal Products; Transportation & Construction Systems; Infrastructure; Media & Digital; Living Related & Real Estate; Mineral Resources, Energy, Chemical & Electronics. These activities include engaging in domestic and overseas transactions, import and export of various goods and commodities, providing wide range of services, and investing in businesses.

5. Status of Principal Operating Locations and Work Force (as of March 31, 2020)

(1) Domestic

The Company's head office	Chiyoda-ku, Tokyo	
The Company's regional main offices	6 offices	Hokkaido (Sapporo), Tohoku (Sendai), Chubu (Nagoya), Kansai (Osaka), Chugoku (Hiroshima), Kyushu (Fukuoka)
The Company's branch offices	5 offices	Hamamatsu, Shikoku (Takamatsu), Niihama, Nagasaki, Okinawa (Naha)

Notes: 1. In addition to the above, there is 1 sub-branch office of the Company.

The Company's domestic incorporated subsidiaries	3 subsidiaries	Sumitomo Corporation Hokkaido Co., Ltd., Sumitomo Corporation Tohoku Co., Ltd., Sumitomo Corporation Kyushu Co., Ltd.
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Note: There are 9 head, branch or other offices of these 3 domestic incorporated subsidiaries of the Company.

(2) Overseas

The Company's branch offices and sub-branch offices	4 offices	Johannesburg Branch, Kiev Branch, Almaty Branch, Astana Sub-Branch Office
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Note: In addition to the above, there are 24 overseas representative offices of the Company.

The Company's overseas locally-incorporated subsidiaries	38 subsidiaries	Sumitomo Corporation of Americas (US), Sumitomo Corporation do Brasil S.A., Sumitomo Corporation Europe Holding Limited (UK), Sumitomo Corporation Europe Limited (UK), Sumitomo Corporation Africa Pty. Ltd. (South Africa), Sumitomo Corporation Middle East FZE (UAE), Sumitomo Corporation (Central Eurasia) LLC (Russia), Sumitomo Corporation Asia & Oceania Pte. Ltd. (Singapore), Sumitomo Corporation (China) Holding Ltd., Sumitomo Corporation (Shanghai) Limited, etc.
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Note: There are 87 head, branch or other offices of these 38 overseas locally-incorporated subsidiaries of the Company.

6. Status of Work Force (as of March 31, 2020)

(1) Number of employees of the Sumitomo Corporation Group

	Number of employees
Metal Products	8,054
Transportation & Construction Systems	18,893
Infrastructure	3,687
Media & Digital	14,524
Living Related & Real Estate	15,439
Mineral Resources, Energy, Chemical & Electronics	9,229
Others	2,816
Total	72,642 (increase of 6,980 compared with the end of the previous fiscal year)

(2) Number of employees of the Company

Total 5,376 (increase of 81 compared with the end of the previous fiscal year)

Note: It includes 169 persons whom overseas branch offices, sub-branch offices and representative offices of the Company employ.

7. Status of Important Subsidiaries

(1) Status of Consolidated Subsidiaries and Other Associated Companies

	149th year (Fiscal 2016)	150th year (Fiscal 2017)	151st year (Fiscal 2018)	152nd year (Fiscal 2019)
Number of consolidated subsidiaries	664	654	626	663
Number of associated companies	286	293	305	294

(2) Status of Major Consolidated Subsidiaries and Associated Companies

	Company name	Major lines of business
Metal Products	Edgen Group Inc. (C)	Global distributor of metal and tubular products for energy industry
	Sumitomo Corporation Global Metals Co., Ltd. (C)	Domestic and International trading of steel products/nonferrous metal products and related business
Transportation & Construction Systems	Sumitomo Mitsui Finance and Leasing Company, Limited (A)	Leasing business
	Sumitomo Mitsui Auto Service Company, Limited (A)	Auto leasing business and related services
Infrastructure	PT. Central Java Power (C)	Leasing operations of power plants in Indonesia
	Summit Energy Corporation (C)	Development, ownership and management of power plants, and electric power sales in Japan
Media & Digital	SCSK Corporation (C)	System Integration, IT infrastructure implementation, IT management, BPO (Business Process Outsourcing) , and IT hardware software sales
	Jupiter Telecommunications Co., Ltd. (A)	Operation of multiple cable TV systems (Multiple System Operator) and channels (Multiple Channel Operator)
Living Related & Real Estate	Summit, Inc. (C)	Supermarket chain
	Fyffes Limited (C)	Fresh produce production and wholesale business operator in Europe and the Americas
Mineral Resources, Energy, Chemical & Electronics	Minera San Cristobal S.A. (C)	Operation of silver/zinc/lead mine in Bolivia
	Sumisho Coal Australia Holdings Pty Ltd. (C)	Investment in coal mines in Australia
Others	Sumitomo Corporation of Americas (C)	Export, import and wholesale
	Sumitomo Corporation Europe Holding Limited (C)	Holding company of European subsidiaries

Note: (C) and (A) stand for “consolidated subsidiaries” and “associated companies,” respectively.

8. Principal Lenders and Loans Payable (as of March 31, 2020)

Name of Lender	Loans payable (in millions of yen)
MUFG Bank, Ltd.	199,114
Development Bank of Japan Inc.	143,867
Sumitomo Mitsui Banking Corporation	120,321
Mizuho Bank, Ltd.	115,901
The Norinchukin Bank	90,000
Nippon Life Insurance Company	89,888
Sumitomo Mitsui Trust Bank, Limited	88,325
Sumitomo Life Insurance Company	88,000
Meiji Yasuda Life Insurance Company	86,000
Shinkin Central Bank	60,000
Others	715,6860
Total of loans payable by the Company	1,797,101
Total of loans payable by consolidated subsidiaries of the Company	822,741
Total of consolidated loans payable	2,619,842

Note: "Others" presented above includes syndicate loans of a total of 75,500 million yen which were arranged by one or plural of banks of Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd. and Mizuho Bank, Ltd.

9. Status of Fund Raising

With respect to fund raising, in addition to using means such as long-term and short-term borrowing and the issuance of commercial paper, the Sumitomo Corporation Group has been issuing unsecured straight bonds as follows:

By the Company

Issue	Issue Amount (Billions of yen)	Issue Date	Maturity Date	Annual rate (%)
2nd series USD-Dominated Unsecured Straight Bond	54	July 2019	July 2024	2.600

10. Status of Capital Investment

The Living Related & Real Estate Business Unit acquired a commercial facility in Japan with the aim of engaging in the leasing business. In addition, the Sumitomo Corporation Group newly acquired an office building in the U.S.

II. Particulars regarding the Shares of the Company (as of March 31, 2020)

1. Number of Shares Authorized for Issuance 2,000,000,000 shares

2. Number of Issued Shares 1,250,985,467 shares

(increase of 197,800 compared with the end of the previous fiscal year/
including treasury stock 1,702,929 shares)

Note: The increase in the number of issued shares is due to the issuance of common shares as restricted stock-based remuneration on August 16, 2019.

3. Number of Shareholders 183,064 persons

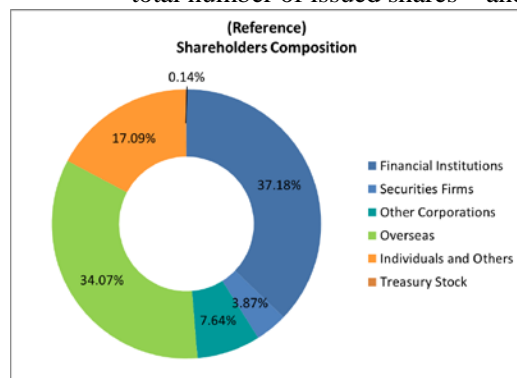
(increase of 26,004 compared with the end of the previous fiscal year)

4. Number of Shares in One Voting Unit 100 shares

5. Major Shareholders

Name of shareholder	Ownership of shares of the Company	
	Number of shares (thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	109,579	8.77
Japan Trustee Services Bank, Ltd. (trust account)	58,183	4.66
BNYM RE NORWEST / WELLS FARGO OMNIBUS	55,293	4.43
Sumitomo Life Insurance Company	30,855	2.47
Japan Trustee Services Bank, Ltd. (trust account 5)	25,306	2.03
JP Morgan Chase Bank 385151	19,553	1.57
Mitsui Sumitomo Insurance Company, Limited	19,000	1.52
Japan Trustee Services Bank, Ltd. (trust account 9)	18,726	1.50
Japan Trustee Services Bank, Ltd. (trust account 7)	18,413	1.47
State Street Bank West Client – Treaty 505234	17,385	1.39

Note: The shareholding ratio is calculated by dividing the number of shares held by the number of shares outstanding—which is derived by deducting treasury stock (1,702,929 shares) from the total number of issued shares—and rounding to the nearest hundredth of a percent.



(Note) The total is not 100% as the ratio is rounded to the nearest hundredth of a percent.

III. Particulars regarding the New Share Acquisition Rights, etc. of the Company

New Share Acquisition Rights Held by the Company's Directors, etc. as of the Final Day of this Fiscal Year

(1) New Share Acquisition Rights

(A) Summary of the new share acquisition rights

Date issued	Total number of the new share acquisition rights	Type and number of shares subject to the new share acquisition rights	Number of shares for each new share acquisition right	Issuing price	Exercise price per share	Exercise period
July 31, 2015 (the 14 th)	450 rights	Common Shares 45,000 shares	100 shares	Issued without consideration	¥1,532	From April 1, 2016 to June 30, 2020
August 2, 2016 (the 15 th)	380 rights	Common Shares 38,000 shares	100 shares	Issued without consideration	¥1,124	From April 1, 2017 to June 30, 2021
July 31, 2017 (the 16 th)	1,070 rights	Common Shares 107,000 shares	100 shares	Issued without consideration	¥1,516	From April 1, 2018 to June 30, 2022

Notes: 1. The amount to be paid for exercising a new share acquisition right shall be the exercise price per share, multiplied by the number of shares for every right.

2. "Total number of the new share acquisition rights" presented above does not include the new share acquisition rights which the holders do not satisfy the condition required to exercise by reason of retirement, etc.

(B) Total number of persons holding the new share acquisition rights and rights held by such persons (breakdown)

Date issued	Directors (excluding those who are Outside Directors concurrently)		Executive Officers (excluding those who are Directors concurrently)		Employees (Corporate Officers under the Company's qualification system)	
	Total number of persons holding the new share acquisition rights	Total number of the new share acquisition rights held by persons	Total number of persons holding the new share acquisition rights	Total number of the new share acquisition rights held by persons	Total number of persons holding the new share acquisition rights	Total number of the new share acquisition rights held by persons
July 31, 2015 (the 14 th)	3 persons	150 rights	15 persons	270 rights	3 persons	30 rights
August 2, 2016 (the 15 th)	0 person	0 right	17 persons	300 rights	8 persons	80 rights
July 31, 2017 (the 16 th)	3 persons	200 rights	30 persons	640 rights	23 persons	230 rights

Note: "Total number of the new share acquisition rights" presented above does not include the new share acquisition rights which the holders do not satisfy the condition required to exercise by reason of retirement, etc.

(2) New Share Acquisition Rights in the Form of Stock Options for a Stock-Linked Compensation Plan

(A) Summary of the new share acquisition rights

Date issued	Total number of the new share acquisition rights	Type and number of shares subject to the new share acquisition rights	Number of shares for each new share acquisition right	Issuing price	Exercise price per share	Exercise period
July 31, 2006 (the 1 st)	2 rights	Common Shares 2,000 shares	1,000 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
July 31, 2007 (the 2 nd)	67 rights	Common Shares 6,700 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
July 31, 2008 (the 3 rd)	169 rights	Common Shares 16,900 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
July 31, 2009 (the 4 th)	401 rights	Common Shares 40,100 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
July 31, 2010 (the 5 th)	622 rights	Common Shares 62,200 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer

July 31, 2011 (the 6 th)	546 rights	Common Shares 54,600 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
July 31, 2012 (the 7 th)	902 rights	Common Shares 90,200 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
July 31, 2013 (the 8 th)	945 rights	Common Shares 94,500 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
August 1, 2014 (the 9 th)	1,015 rights	Common Shares 101,500 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
July 31, 2015 (the 10 th)	1,049 rights	Common Shares 104,900 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
August 2, 2016 (the 11 th)	1,584 rights	Common Shares 158,400 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
July 31, 2017 (the 12 th)	1,290 rights	Common Shares 129,000 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer

Note: The amount to be paid for exercising a new share acquisition right shall be the exercise price per share, multiplied by the number of shares for every right.

(B) Total number of persons holding the new share acquisition rights and rights held by such persons (breakdown)

Date issued	Directors (excluding those who are Outside Directors concurrently)		Audit & Supervisory Board Members (excluding those who are Outside Audit & Supervisory Board Members concurrently)		Executive Officers (excluding those who are Directors concurrently)		Employees or others	
	Total number of persons holding the new share acquisition rights	Total number of the new share acquisition rights held by persons	Total number of persons holding the new share acquisition rights	Total number of the new share acquisition rights held by persons	Total number of persons holding the new share acquisition rights	Total number of the new share acquisition rights held by persons	Total number of persons holding the new share acquisition rights	Total number of the new share acquisition rights held by persons
July 31, 2006 (the 1 st)	1 person	1 right	0 person	0 right	0 person	0 right	1 person	1 right
July 31, 2007 (the 2 nd)	1 person	29 rights	0 person	0 right	0 person	0 right	2 persons	38 rights
July 31, 2008 (the 3 rd)	1 person	39 rights	0 person	0 right	0 person	0 right	4 persons	130 rights
July 31, 2009 (the 4 th)	1 person	102 rights	0 person	0 right	0 person	0 right	6 persons	299 rights
July 31, 2010 (the 5 th)	2 persons	120 rights	0 person	0 right	0 person	0 right	8 persons	502 rights
July 31, 2011 (the 6 th)	2 persons	117 rights	0 person	0 right	0 person	0 right	8 persons	429 rights
July 31, 2012 (the 7 th)	4 persons	259 rights	0 person	0 right	2 persons	52 rights	13 persons	591 rights
July 31, 2013 (the 8 th)	4 persons	234 rights	1 person	26 rights	2 persons	67 rights	15 persons	618 rights
August 1, 2014 (the 9 th)	3 persons	188 rights	1 person	24 rights	5 persons	139 rights	16 persons	664 rights
July 31, 2015 (the 10 th)	3 persons	209 rights	1 person	23 rights	8 persons	193 rights	14 persons	624 rights
August 2, 2016 (the 11 th)	4 persons	357 rights	2 persons	86 rights	12 persons	450 rights	12 persons	691 rights
July 31, 2017 (the 12 th)	5 persons	296 rights	2 persons	63 rights	17 persons	468 rights	10 persons	463 rights

Note: The Company does not grant new share acquisition rights in the form of stock options for a stock-linked compensation plan to Outside Directors or Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members) or employees or others. The new share acquisition rights held by the above Audit & Supervisory Board Members and employees or others are rights granted to them when they assumed the position of Directors or Executive Officers.

IV. Particulars regarding the Company's Directors and Audit & Supervisory Board Members

1. Status of the Directors and Audit & Supervisory Board Members (as of March 31, 2020)

Name	Position in the Company	Particulars of important posts concurrently held	
Kuniharu Nakamura	Chairman of the Board of Directors	Outside Director, NEC Corporation	
Masayuki Hyodo	Representative Director, President and Chief Executive Officer		
Koichi Takahata	Representative Director, Executive Vice President		
Toshikazu Nambu ^{*3}	Representative Director, Senior Managing Executive Officer		
Hideki Yamano	Representative Director, Managing Executive Officer		
Takayuki Seishima	Representative Director, Managing Executive Officer		
Nobuyoshi Ehara ^{*4}	Outside Director ^{*1}	Partner, Unison Capital, Inc. ^{*8}	
	Attendance in meetings of the Board of Directors	Main activities	
	16 of 16 meetings (100%)	<p>Mr. Nobuyoshi Ehara asked questions and made comments as necessary from an objective and independent perspective based on his broad knowledge and many years of experience in the fields of finance and business management accumulated mainly through working at a financial institution and managing a private equity firm.</p> <p>He also served as the chairman of the Nomination and Remuneration Advisory Committee, in which he played an important role.</p>	

Koji Ishida	Outside Director ^{*1}	Member of the Public Interest Oversight Committee, KPMG AZSA LLC ^{*9}
	Attendance in meetings of the Board of Directors	Main activities
	16 of 16 meetings (100%)	Mr. Koji Ishida asked questions and made comments as necessary from an objective and independent perspective based on his broad knowledge and many years of experience in the fields of finance and business management accumulated mainly through managing a financial institution and serving as a member of the Policy Board at the Bank of Japan. He also served as a member of the Nomination and Remuneration Advisory Committee, in which he played an important role.
Kimie Iwata ^{*5}	Outside Director ^{*1}	Audit and Inspection Commissioner, the Tokyo Metropolitan Government ^{*10} Outside Director, Resona Holdings Inc. ^{*10} Outside Director, Ajinomoto Co., Inc. ^{*10}
	Attendance in meetings of the Board of Directors	Main activities
	16 of 16 meetings (100%)	Ms. Kimie Iwata asked questions and made comments as necessary from an objective and independent perspective based on her broad knowledge and many years of experience in such fields as business management, corporate governance, corporate social responsibility, and diversity accumulated mainly through serving as a government official, and as an executive, outside director or audit & supervisory board member for private companies. She also served as a member of the Nomination and Remuneration Advisory Committee, in which she played an important role.
Hisashi Yamazaki ^{*6}	Outside Director ^{*1}	Attorney at Law Supervisory Board Member, National Federation of Agricultural Cooperative Associations ^{*11}
	Attendance in meetings of the Board of Directors	Main activities
	16 of 16 meetings (100%)	Mr. Hisashi Yamazaki asked questions and made comments as necessary from an objective and independent perspective based on his broad knowledge and many years of experience mainly as a judge and attorney at law.
Michihiko Hosono	Senior Audit & Supervisory Board Member (full-time)	
Toshiaki Murai	Audit & Supervisory Board Member (full-time)	

Haruo Kasama	Outside Audit & Supervisory Board Member ^{*2}	Attorney at Law Outside Audit & Supervisory Board Member, Toppan Printing Co., Ltd. ^{*10}	
	Attendance in meetings of the Board of Directors	Attendance in meetings of Audit & Supervisory Board	Main activities
	16 of 16 meetings (100%)	15 of 15 meetings (100%)	Mr. Haruo Kasama asked questions and made comments as necessary from an objective and independent perspective based on his broad knowledge and many years of experience mainly as a public prosecutor and attorney at law.
Toshio Nagai	Outside Audit & Supervisory Board Member ^{*2}	Attorney at Law Outside Audit & Supervisory Board Member, Toray Industries, Inc. ^{*11}	
	Attendance in meetings of the Board of Directors	Attendance in meetings of Audit & Supervisory Board	Main activities
	16 of 16 meetings (100%)	15 of 15 meetings (100%)	Mr. Toshio Nagai asked questions and made comments as necessary from an objective and independent perspective based on his broad knowledge and many years of experience mainly as a judge and attorney at law.
Yoshitaka Kato ^{*7}	Outside Audit & Supervisory Board Member ^{*2}	Certified Public Accountant Outside Audit & Supervisory Board Member, Sumitomo Chemical Company, Limited ^{*11} Outside Audit & Supervisory Board Member, Mitsui Fudosan Co., Ltd. ^{*10}	
	Attendance in meetings of the Board of Directors	Attendance in meetings of Audit & Supervisory Board	Main activities
	14 of 16 meetings (87.5%)	14 of 15 meetings 93.3%)	Mr. Yoshitaka Kato made questions and comments as necessary from an objective and independent perspective based on his broad knowledge and many years of experience mainly as a certified public accountant.

- Notes: 1. Individuals marked with ^{*1} meet the requirements of an Outside Director specified by Article 2 Item 15 of the Companies Act. The individuals marked with ^{*1} also meet the criteria for independence set by the Tokyo Stock Exchange and other exchanges on which the Company is listed, and in the Company's internal rules "Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members"(please refer to pages 32 and 33). The Company has designated all these individuals as independent directors based on the exchanges' respective provisions.
2. Individuals marked with ^{*2} meet the requirements of an Outside Audit & Supervisory Board Member specified by Article 2 Item 16 of the Companies Act. The individuals marked with ^{*2} also meet the criteria for independence set by the Tokyo Stock Exchange and other exchanges on which the Company is listed, and in the Company's internal rules "Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members" (please refer to pages 32 and 33). The Company has designated all these individuals as independent Audit & Supervisory Board Members based on the exchanges' respective provisions.
3. ^{*3} Mr. Toshikazu Nambu resigned from his position of Director of SCSK Corporation on June 25, 2019.
4. ^{*4} Mr. Nobuyoshi Ehara resigned from his position of Representative Director of Unison Capital, Inc. on January 31, 2020, however he remains as the Partner of Unison Capital, Inc. as of February 1, 2020.
5. ^{*5} Ms. Kimie Iwata resigned from her position of Outside Director of Stripe International Inc. ^{*10} on April 23, 2019.
6. ^{*6} Mr. Hisashi Yamazaki resigned from his position of Outside Director of Tokyo Commodity Exchange, Inc. ^{*10} on December 1, 2019.
7. ^{*7} Mr. Yoshitaka Kato is qualified as a certified public accountant, and thus has a respectable degree of knowledge regarding finance and accounting.

8. *8 The Company has an equity interest in Community Healthcare Coordination Platform, Inc. (CHCP), a corporate entity in which Unison Capital, Inc. invests, and thus has entered into a shareholders agreement with the shareholders of CHCP (including Unison Capital) in relation to such equity investment. In addition, the Company holds an equity interest in CHCP Pharmacy, Inc., a corporate entity in which a fund managed by Unison Capital invests, and thus has entered into a shareholders agreement with the said fund in relation to such equity investment.
9. *9 KPMG AZSA LLC is the Company's accounting auditor.
10. *10 No special relationship exists between the Company and the Tokyo Metropolitan Government, Stripe International Inc., Resona Holdings Inc., Ajinomoto Co., Inc., Toppan Printing Co., Ltd., Mitsui Fudosan Co., Ltd. In addition, while the Company had owned shares of Tokyo Commodity Exchange, Inc. (TOCOM), TOCOM became a wholly owned subsidiary of Japan Exchange Group, Inc. on November 1, 2019. Therefore, the Company does not currently own shares of TOCOM, and no special relationship exists between the Company and TOCOM.
11. *11 The Company has business transactions with National Federation of Agricultural Cooperative Associations, Toray Industries, Inc. and Sumitomo Chemical Company, Limited.
12. Mr. Takuro Kawahara resigned from his position of Senior Audit & Supervisory Board Members of Sumitomo Corporation as of the close of the 151th Ordinary General Meeting of Shareholders on June 21, 2019.

2. Total Amount of Remuneration of the Company's Directors and Audit & Supervisory Board Members

Classification		Number of payees	Total amount of remuneration pertaining to this fiscal year	Breakdown			
				Monthly remuneration	Bonuses	Restricted stock-based remuneration	Performance share unit-based remuneration
Directors	Internal Directors	8 persons	¥831 million	¥474 million	¥194 million	¥92 million	¥70 million
	Outside Directors	5 persons	¥65 million	¥65 million	-	-	-
	Total	13 persons	¥896 million	¥540 million	¥194 million	¥92 million	¥70 million
Audit & Supervisory Board Members	Internal Audit & Supervisory Board Members (full-time)	3 persons	¥87 million	¥87 million	-	-	-
	Outside Audit & Supervisory Board Members	3 persons	¥38 million	¥38 million	-	-	-
	Total	6 persons	¥125 million	¥125 million	-	-	-

- Notes:
1. As of the end of this fiscal year, we had 10 Directors and 5 Audit & Supervisory Board Members (including 4 Outside Directors and 3 Outside Audit & Supervisory Board Members).
 2. No Director of the Company is concurrently an employee of the Company.
 3. The amounts in the Bonuses above are the upper limit of the total payments to be proposed at the 152nd Ordinary General Meeting of Shareholders scheduled on June 19, 2020.
 4. The above restricted stock-based remuneration and performance share unit-based remuneration respectively refer to restricted stock-based remuneration and performance share unit-based remuneration which are granted based on the restricted stock-based remuneration plan and the performance share unit-based remuneration plan adopted pursuant to the resolution of the 150th Ordinary General Meeting of Shareholders held on June 22, 2018. Please

refer to pages 34 to 38 for the overview of the Company's Executive Remuneration Plan.

5. The above restricted stock-based remuneration are the total amounts recorded as expenses in this fiscal year.
6. The above performance share unit-based remuneration are the total amounts that should be recorded as expenses in this fiscal year based on the calculation of the estimated amounts to be provided as monetary remuneration receivables in accordance with the estimated number of shares to be granted in 2021 and 2022.
7. The total amount of remuneration of Directors (excluding bonuses) and remuneration of Audit & Supervisory Board Members has been resolved as follows at the past ordinary general meetings of shareholders. Meanwhile, as the bonuses are highly linked to business performance, they are paid upon the resolution of the ordinary general meeting of shareholders each year.

	Matters resolved			Number of officers at the time of close of resolution
	Total amount of remuneration of Directors (excluding bonuses)	Total amount of remuneration of Outside Directors included in the amount on the left	Total amount of remuneration of Audit & Supervisory Board Members	
145th Ordinary General Meeting of Shareholders (June 21, 2013)	Annual amount of 1.2 billion yen or less	Annual amount of 60 million yen or less	Annual amount of 180 million yen or less	12 Directors (including 2 Outside Directors) 5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members)
150th Ordinary General Meeting of Shareholders (June 22, 2018)	—	Annual amount of 100 million yen or less	—	11 Directors (including 5 Outside Directors)

In addition, it was resolved to provide monetary remuneration receivables in order to offer restricted stock-based remuneration and performance share unit-based remuneration within the range of the aforementioned total amount of remuneration of Directors (excluding bonuses), and the upper limits of the total amount of monetary remuneration receivables and the total number of the Company's common shares to be issued or disposed of were also resolved as follows at the 150th Ordinary General Meeting of Shareholders held on June 22, 2018.

	Total amount of monetary remuneration receivables	Total number of Company's common shares
Restricted Stock-Based Remuneration	Annual amount of 130 million yen or less	120,000 shares or less per year
Performance Share Unit-Based Remuneration	Annual amount of 430 million yen or less	180,000 shares or less per year
Total	Annual amount of 560 million yen or less	300,000 shares or less per year

(Note) The above "total amount of monetary remuneration receivables" and "total number of Company's common shares" (upper limit) in the foregoing "performance share unit-based remuneration" have been set in anticipation of a case where the total number of the Company's common shares (and the total amount of monetary remuneration receivables to be consequently paid) will be at the maximum level in light of the Company's stock growth rate during the three-year evaluation period and other factors.

8. The figures for breakdown of Director remuneration have been rounded up or down to the nearest million yen. Therefore, the sum of those figures does not add up to the "Total amount of remuneration" for Directors. In addition, the figures for the "Total amount of remuneration pertaining to this fiscal year" and "Monthly remuneration" of Internal Directors and Outside Directors have been rounded up or down to the nearest million yen. Therefore, the sum of those figures does not add up to the total amount for Directors.

3. Summary of the agreement regarding the exemption of liability

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has concluded a limitation of liability contract with each of the Directors (excluding executive directors, etc) and Audit & Supervisory Board Members limiting the liability of each of them to the amount stipulated by law provided each of them has acted in good faith and without gross negligence.

4. Name and Other Particulars of the Company's Executive Officers (as of April 1, 2020)

Positions in the Company	Name	Areas of responsibility in the Company
President and Chief Executive Officer* ¹	Masayuki Hyodo	Chief Executive Officer
Executive Vice President* ¹	Toshikazu Nambu	General Manager, Media & Digital Business Unit, Chief Digital Officer
Senior Managing Executive Officer	Fumihiko Koba	General Manager, Metal Products Business Unit
Senior Managing Executive Officer	Shingo Ueno	General Manager, Mineral Resources, Energy, Chemical & Electronics Business Unit
Senior Managing Executive Officer	Shoichiro Oka	General Manager, Transportation & Construction Systems Business Unit
Senior Managing Executive Officer	Tsutomu Akimoto	General Manager, Infrastructure Business Unit
Senior Managing Executive Officer* ¹	Hideki Yamano	Chief Strategy Officer and Chief Information Officer
Managing Executive Officer	Kiyoshi Sunobe	President and CEO, Sumitomo Corporation Global Research Co. Ltd.
Managing Executive Officer	Hideo Ogawa	General Manager, Internal Auditing Dept.
Managing Executive Officer	Daisuke Mikogami	General Manager for East Asia
Managing Executive Officer	Masato Ishida	Executive Vice President, CSO, T-Gaia Corporation
Managing Executive Officer	Nobuki Ando	General Manager, Living Related & Real Estate Business Unit
Managing Executive Officer	Keiji Tanaka	General Manager for Japan Region, General Manager, Osaka Office
Managing Executive Officer* ¹	Takayuki Seishima	Chief Administration Officer and Chief Compliance Officer
Managing Executive Officer	Masaki Nakajima	General Manager for the Americas
Managing Executive Officer	Keigo Shiomi	General Manager for Asia & Oceania
Managing Executive Officer	Koji Tamefusa	Assistant CFO in charge of Risk Management
Managing Executive Officer	Reiji Morooka	Representative Director, Senior Managing Executive Officer, Sumitomo Mitsui Finance and Leasing Company, Limited
Managing Executive Officer	Yoshiyuki Sakamoto	Assistant General Manager, Mineral Resources, Energy, Chemical & Electronics Business Unit, General Manager, Planning & Coordination Dept., Mineral Resources, Energy, Chemical & Electronics Business Unit
Managing Executive Officer	Masaru Shiomi	Chief Financial Officer

Managing Executive Officer	Iehisa Nakamura	General Manager for Europe, Middle East, Africa & CIS
Managing Executive Officer	Bin Haga	Assistant General Manager, Media & Digital Business Unit, General Manager, Digital Business Division
Executive Officer	Kei Sato	Assistant General Manager, Living Related & Real Estate Business Unit, General Manager, Food & Agriculture Business Division
Executive Officer	Norihiko Nonaka	General Manager, Planning & Coordination Dept., Infrastructure Business Unit
Executive Officer	Shinji Nakano	Assistant CAO in charge of Human Resources
Executive Officer	Mitsuhiro Takeda	Assistant General Manager for the Americas, Executive Vice President and CFO of Sumitomo Corporation of Americas Group, Executive Vice President and CFO of Sumitomo Corporation of Americas
Executive Officer	Shinichi Kato	General Manager, Automobility Business Division
Executive Officer	Hirokazu Higashino	General Manager, Planning & Coordination Dept., Living Related & Real Estate Business Unit
Executive Officer	Haruo Matsuzaki	General Manager, Mineral Resources Division No.2
Executive Officer	Katsuya Inubushi	General Manager, Steel Products Division
Executive Officer	Yoshinori Mukaida	General Manager, Finance Dept.
Executive Officer	Hiroyuki Sugai	Assistant CFO in charge of Accounting, General Manager, Accounting Controlling Dept.
Executive Officer	Haruhiko Aritomo	General Manager, Mineral Resources Division No.1
Executive Officer	Eiji Ishida	General Manager, Lease, Ship & Aerospace Business Division
Executive Officer	Nobuhiro Yoshida	Assistant General Manager for the Americas, General Manager for South America
Executive Officer	Hiroyuki Koike	General Manager, Planning & Coordination Dept., Media & Digital Business Unit
Executive Officer	Tomonori Wada	CEO, SUMMIT FRESH PRODUCE LIMITED
Executive Officer ^{*2}	Kanji Tojo	Assistant General Manager for Asia & Oceania, Sumitomo Corporation Asia & Oceania Group, President and CEO, PT. Sumitomo Indonesia
Executive Officer ^{*2}	Kazunari Sakata	President and CEO, Sumitomo Corporation Global Metals Co., Ltd.
Executive Officer ^{*2}	Tsutomu Ozaki	Assistant General Manager for Europe, Middle East, Africa & CIS, Sumitomo Corporation Europe Group, General Manager, Europe Corporate Group
Executive Officer ^{*2}	Takashi Yamana	Assistant General Manager for Europe, Middle East, Africa & CIS, General Manager for Europe
Executive Officer ^{*2}	Tatsuro Tamura	Director, Managing Executive Officer, SCSK Corporation
Executive Officer ^{*2}	Kazumasa Watanabe	General Manager, Media Division
Executive Officer ^{*2}	Masahiko Yokohama	Assistant General Manager for East Asia, General Manager, China Metal Products Business Unit, Sumitomo Corporation China Group, President and CEO, Sumitomo Corporation (Shanghai) Limited
Executive Officer ^{*2}	Hajime Mori	General Manager, Energy Division
Executive Officer ^{*2}	Yukihito Honda	General Manager, Tubular Products Division
Executive Officer ^{*2}	Kotaro Tameda	General Manager, Corporate Planning & Coordination Dept.

Notes:

1. Individuals marked with *1 are Directors (Representative Directors).
2. Individuals marked with *2 are Executive Officers who were newly elected and each of them assumed his duty as of April 1, 2020.

V. Particulars regarding the Company's Accounting Auditor

1. Name of the Accounting Auditor

KPMG AZSA LLC

2. Total Remuneration, etc. to Be Paid to the Accounting Auditor

(A) Audit remuneration and other fees to be paid to Accounting Auditors by the Company	¥536 million
(B) Total amount of cash and other financial benefits payable by the Company and its consolidated subsidiaries to Accounting Auditors (including (A))	¥1,155 million

- Notes:
1. In line with the "Practical Guidelines for Collaboration with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, the Company's Audit & Supervisory Board checks the details of auditing plans, the performance of duties during the preceding fiscal year, the calculation bases for remuneration estimates, etc., and gives due consideration to these findings when approving compensation, etc. for the Accounting Auditor, as stipulated in Article 399, Paragraph 1 of the Companies Act.
 2. The Company pays remuneration to the Accounting Auditor for accounting advisory services, etc. in addition to the service defined in Article 2, Paragraph 1 of the Certified Public Accountants Act.
 3. The subsidiaries abroad such as Sumitomo Corporation of Americas and Sumitomo Corporation Europe Holding Limited, etc. of the major consolidated subsidiaries described in "I. 7. Status of Important Subsidiaries," is audited by audit firms other than the Company's Accounting Auditor.
 4. The audit agreement between the Company and the Accounting Auditor does not differentiate audit remuneration and other fees based on the Companies Act from audit remuneration and other fees based on the Financial Instruments and Exchange Act, and the two types of remuneration cannot actually be differentiated. Therefore, the above amounts show the total of these two types of remuneration and other fees.

3. Policy for the Determination of the Dismissal or Non-reappointment of the Accounting Auditor

In the event of a significant adverse effect on the adequate execution of the Company's Accounting Auditor's duties due to reasons such as the emergence of causes detrimental to the eligibility or independence of said Accounting Auditor, and the Audit & Supervisory Board judges that there is no expectancy for such a situation to be resolved, the Audit & Supervisory Board's policy is to dismiss or refuse to reappoint said Accounting Auditor and to decide on an agenda for the election of a new Accounting Auditor. Based on the decision, the Board of Directors shall submit said agenda to the General Meeting of Shareholders.

In addition, in the event the Company's Accounting Auditor falls under any of the situation stipulated in each clause of Article 340, Paragraph 1 of the Companies Act, and the Board Audit & Supervisory Board judges that there is no expectancy for such situation to be remedied, the Audit & Supervisory Board's policy is to dismiss such Accounting Auditor, with the consent of all the Audit & Supervisory Board Members.

VI. Systems Necessary to Ensure the Properness of Operations of the Company (Internal Control Systems)

The Company's Board of Directors determines and implements the systems (internal control systems) set forth in the Companies Act, Article 362, Paragraph 4, Item 6 to achieve effective internal control. In addition, the Company assesses the implementation of the internal control systems annually and endeavors to establish systems in line with requests made from time to time based on ongoing reevaluations.

An overview of the Company's internal control systems and their implementation status as of March 31, 2020, is provided below. Moreover, in a February 2020 meeting the Internal Control Committee assessed the implementation of the internal control systems during 2019, confirmed that these internal control systems were functioning effectively, and reported this fact at the Board of Directors' meeting held in March 2020.

Further details regarding the internal control systems are posted on the Sumitomo Corporation website (https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/internal_control_system_02.pdf?la=en).

Internal Control Systems	Current Implementation Status
1. Systems for ensuring that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation	
<ul style="list-style-type: none"> ● Ensuring full compliance with laws and regulations under the Corporate Mission Statement of the Sumitomo Corporation Group ● Drawing up the Sumitomo Corporation Group Compliance Policy ● Preparing the Compliance Manual and distributing it to all officers and employees ● Requiring all officers and employees to provide a written Confirmation of Compliance ● Appointing/creating the Chief Compliance Officer, the Compliance Committee, Compliance Leaders, and the Speak-Up System 	<ul style="list-style-type: none"> ➤ We included compliance with laws and regulations and maintenance of the highest ethical standards in the Corporate Mission Statement of the Sumitomo Corporation Group, and we are making officers and employees aware of the mission statement. ➤ By formulating the Sumitomo Corporation Group Compliance Policy and distributing the Compliance Manual to all officers and employees as well as making it available on the company intranet, we strive to ensure thorough awareness of the said Policy and implementation of compliance. ➤ We are raising awareness of compliance and providing relevant education through such means as training tailored to various trainee types, and seminars responding to the needs of different business units, subsidiaries, and other consolidated companies. ➤ We require all officers and employees to provide a written Confirmation of Compliance when they join the Company and when companywide training is conducted, among other occasions. ➤ Based on the Speak-Up System, we have secured a route by which our officers and employees can directly communicate compliance information to the Chief Compliance Officer (CCO) via the Legal Compliance Department, Audit & Supervisory Board Members, outside professionals and outside attorneys serving as liaisons. ➤ In order to promote the active use of the Speak-Up System, we put up posters about the system on bulletin boards on the office floors of the head office building, distributed portable cards with contact

Internal Control Systems	Current Implementation Status
	<p>information for the system, and formulated detailed regulations that specify the operational procedures of the system.</p> <p>➤ The Compliance Committee was convened three times during 2019. Matters reported and discussed at the committee meetings included details of activities undertaken in 2018, as well as compliance measures for 2019 and their implementation status. As one such compliance measure, seminars regarding prevention of insider trading, protection of personal data, prevention of power-harassment and prevention of sexual harassment were held.</p>
<u>2. Systems for retaining and managing information pertaining to the Directors' execution of their duties</u>	
<ul style="list-style-type: none"> ● Properly preserving and managing important documents including minutes of meetings of the Board of Directors and information pertaining to the execution of duties and decision-making ● Implementing measures to prevent divulgence of information to third parties or other misuse of information ● Making important documents pertaining to the Directors' execution of their duties available for review to Audit & Supervisory Board Members in a timely manner 	<p>➤ We preserve and manage the important documents and information described to the left properly in accordance with internal rules. In addition, the Basic Rules for Information Management stipulate steps to prevent divulgence of information to third parties, which we implement. These include specifying the responsibilities of officers and employees regarding information security, developing an information security system and managing confidential information.</p> <p>➤ We continued to implement measures aimed at information security education and awareness in 2019, including "seminars for information managers" and "training on targeted email attacks" for all officers and employees. In addition, we regularly disseminated information on information security incidents and accidents within the Sumitomo Corporation Group.</p> <p>➤ We submit documents for review by delivering to Audit & Supervisory Board Members any documents they request.</p>
<u>3. Rules and other systems pertaining to the management of risk of loss</u>	
<ul style="list-style-type: none"> ● Setting the three objectives of risk management: to stabilize business performance, to strengthen the corporate structure, and to maintain credit. Analyzing and managing risk factors specific to investment and commercial transactions and common risk factors. ● Building a framework, conducting monitoring, and implementing necessary improvements regarding risk management through measures such as setting internal rules and formulating risk management policies, methods, and guidelines ● Establishing the "Internal Control Committee," "Company-wide Loan and Investment Committee" and "Corporate Sustainability Committee" as an advisory 	<p>➤ We have revised our internal rules regarding risk management. With respect to risk management by the Company, we have divided our business activities into investment activities and commercial transactions, determined specific risk factors and common risk factors associated with both activities, and determined to make every effort to achieve the purpose of risk management by analyzing and evaluating the probability of occurrence and the impact of such risk factors. In addition, among risks that can be quantified, country risks that have a particularly large impact on the entire company and the status of major assets are reported regularly to the Board of Directors.</p> <p>➤ We have built a framework, and are conducting</p>

Internal Control Systems	Current Implementation Status
<p>organ to the Management Council</p> <ul style="list-style-type: none"> ● Formulating plans for restoration of operations in the event of disaster ● Establishing the Internal Auditing Department as an independent body under the direct supervision of the President and Chief Executive Officer and ensuring the results of internal auditing are reported to the President and Chief Executive Officer as well as the Board of Directors 	<p>monitoring and implementing necessary improvements regarding risk management at the company-wide level through measures such as setting internal rules and formulating risk management policies, methods, and guidelines. In addition, we are improving risk management through the preparation and distribution of manuals and conducting training activities as appropriate.</p> <ul style="list-style-type: none"> ➤ In 2019, in preparation for the revision of the Civil Code to come into effect in April 2020, we sent out within the company a Q&A on the Civil Code Revision summarizing relevant Q&As and held related seminars. In addition, we conducted internal training and seminars on anti-trust law and prevention of bribery of public officials. ➤ The Internal Control Committee was convened three times during 2019; it reviewed the Company's internal control systems and progress with internal control activities. ➤ We are enhancing the quality of decision-making in the Management Council by means of the Company-wide Loan and Investment Committee. ➤ In 2019, we reported on our efforts to enhance risk management related to society and the environment and on social and environmental risk incidents at meetings of the "Corporate Sustainability Committee." ➤ In April 2019, we established the Disaster Response & Safety Management Department to promote disaster countermeasures. This department plays a central role in formulating operational recovery plans, we convene regular meetings of initial response teams. In 2019, as a measure to improve disaster response capabilities in particular, we held lifesaving courses and disaster prevention seminars for female officers and employees as measures to improve disaster response capabilities. ➤ We established an Internal Auditing Department and the results of its internal auditing are reported to the President and Chief Executive Officer as well as to the Board of Directors.
<p>4. Systems for ensuring the efficient execution of the Directors' duties</p>	
<ul style="list-style-type: none"> ● Making the number of Directors sufficient to enable full discussions and speedy and reasonable decision-making in the Board of Directors ● Electing two or more Outside Directors so that their diverse perspectives can enhance decision-making and supervisory functions ● Introducing a system of Executive Officers in order to clarify responsibility and authority for the execution of 	<ul style="list-style-type: none"> ➤ The number of Directors is sufficient to enable a variety of proposals and full discussions in the Board of Directors and we are ensuring speedy and appropriate decision-making and strengthening supervisory functions. ➤ The term of office for Directors is set at one year and the terms of office for the Chairman and the President

Internal Control Systems	Current Implementation Status
<p>operations and strengthen the supervisory functions of the Board of Directors</p> <ul style="list-style-type: none"> ● Adopting the business unit system ● Term of office for Directors: one year ● Terms of office for the Chairman and the President and Chief Executive Officer: not exceeding six years, in principle ● Establishing the Nomination and Remuneration Advisory Committee composed of a majority of Outside Directors as an advisory organ to the Board of Directors ● Establishing the Management Council as a decision-making body, various committees as advisory organs, and various other conferences for the exchange of information ● Specifying in writing the agenda items requiring discussion by the Board of Directors and the decision-making authority of officers and employees regarding important matters 	<p>and Chief Executive Officer do not exceed six years.</p> <ul style="list-style-type: none"> ➤ The Nomination and Remuneration Advisory Committee is chaired by an Outside Director. In 2019, we deliberated matters including the review of the advisor and honorary advisor system and reported the results of the deliberations to the Board of Directors. ➤ In addition to establishing the Management Council as a decision-making body, we have established various other conferences to discuss and share information. In addition, we have established committees including the Medium-term Management Plan Promotion Support Committee as advisory organs to the Management Council. ➤ The Board of Directors Regulations and other internal rules specify agenda items requiring discussion by the Board of Directors, the job responsibilities of each officer and employee, and the decision-making authority of officers and employees regarding important matters.
<p>5. Systems for ensuring the properness of operations by the corporate group comprising the Company and its subsidiaries</p>	
<ul style="list-style-type: none"> ● Using the Corporate Mission Statement of the Sumitomo Corporation Group, which promotes compliance with laws and regulations, to share values to be respected throughout the Group and to guide the development of compliance systems ● Determining matters on which subsidiaries and other consolidated companies are to report to and consult with the Company regarding “important management issues” at these companies. In addition, managing subsidiaries and other consolidated companies through Audit & Supervisory Board Members and other personnel dispatched from the Company ● Supporting subsidiaries and other consolidated companies in implementing internal controls and in constructing a framework for risk management and making improvements thereto ● Setting an internal rule to require internal auditing for subsidiaries and other consolidated companies of which the Company is the managing entity ● Ascertaining and managing consolidated performance on a monthly basis 	<ul style="list-style-type: none"> ➤ We are raising awareness of compliance and providing relevant education by informing everybody in the Group about the Corporate Mission Statement and providing training tailored to various trainee types, among other initiatives. ➤ We have determined internal procedures for the implementation of important management issues at each consolidated company. We also provide training for Audit & Supervisory Board Members we dispatch and share information with them, having clearly defined the criteria for determining the subsidiaries and consolidated companies to which Audit & Supervisory Board Members will be dispatched, the procedures for their selection, and the minimum duties to be performed by them. ➤ We support subsidiaries and other consolidated companies in a variety of ways, including: educating and raising awareness regarding internal control at subsidiaries; requiring subsidiary employees to participate in risk management training; raising awareness of the Sumitomo Corporation Group Compliance Policy through training and briefings; providing a selection of rules for subsidiaries to use as examples; and promoting the introduction of Speak Up Systems. ➤ Toward the realization of “enhancement of governance” set forth in the “Medium-Term Management Plan 2020,” we promoted the Group Governance Enhancement Project (Note). In 2019, we

Internal Control Systems	Current Implementation Status
	<p>endeavored to further raise awareness of and promote this project by holding seminars aimed at providing explanations on the project guidebook and sharing internal control incidents with the managers in charge of administration departments at subsidiaries and associated companies..</p> <p>(Note) Project that supports the assessment of internal control system at subsidiaries, identification of issues and improvement thereof by specifying basic items that should be developed and operated for the development, operation, assessment and improvement of internal controls at subsidiaries and conducting regular dialogues on such items between the Company and its subsidiaries.</p> <p>➤ The results of auditing subsidiaries and other consolidated companies subject to internal auditing are reported to the President and Chief Executive Officer as well as to the Board of Directors.</p>
6. Matters regarding personnel assigned to support the operations of Audit & Supervisory Board Members	
<ul style="list-style-type: none"> ● Establishing the Audit & Supervisory Board Members' Administration Department to support the Audit & Supervisory Board Members and assigning several full-time staffers to this department ● Specifying in writing those persons authorized to issue instructions to the Audit & Supervisory Board Members' Administration Department and the department's responsibilities, and clearly defining its purpose as an organization for assisting the Audit & Supervisory Board Members ● Conducting personnel evaluations of members of the Audit & Supervisory Board Members' Administration Department by an Audit & Supervisory Board Member. Consulting in advance with an Audit & Supervisory Board Member regarding transfers of the department's personnel 	<ul style="list-style-type: none"> ➤ We have assigned several full-time staffers to the Audit & Supervisory Board Members' Administration Department. ➤ Internal rules specify that the Audit & Supervisory Board Members are authorized to issue instructions to General Manager of the Audit & Supervisory Board Members' Administration Department and that the Audit & Supervisory Board Members' Administration Department's area of operational responsibility is assisting the Audit & Supervisory Board Members in their duties. ➤ An Audit & Supervisory Board Member appointed by the Audit & Supervisory Board conducts the personnel evaluations of general manager of the Audit & Supervisory Board Members' Administration Department. An advance consultation is conducted with an Audit & Supervisory Board Member appointed by the Audit & Supervisory Board to obtain the Audit & Supervisory Board Member's consent regarding transfers of the department's personnel.
7. Systems for reporting to Audit & Supervisory Board Members	
<ul style="list-style-type: none"> ● Developing a system that enables Audit & Supervisory Board Members to attend all meetings, including those of the Management Council ● Delivering to the Audit & Supervisory Board Members important materials pertaining to the execution of operations involving the Company, its subsidiaries and other consolidated companies, and arranging for officers and employees to report and give briefings to the Audit & Supervisory Board Members 	<ul style="list-style-type: none"> ➤ In addition to meetings of the Board of Directors, Audit & Supervisory Board Members attend other important meetings including those of the Management Council, the Company-wide Loan and Investment Committee, the Internal Control Committee, the Corporate Sustainability Committee and the Compliance Committee in accordance with internal rules. ➤ We deliver important materials pertaining to the execution of operations when requested to do so by

Internal Control Systems	Current Implementation Status
<ul style="list-style-type: none"> ● Developing a system to ensure that persons submitting the aforementioned reports and persons making contact via the Speak-Up System will not be subjected to adverse treatment due to such reports/contact 	<p>Audit & Supervisory Board Members, and arrange for officers and employees to report and give briefings on businesses of each company as per the request of Audit & Supervisory Board Members.</p> <ul style="list-style-type: none"> ➤ We ensure that persons submitting the aforementioned reports to Audit & Supervisory Board Members are not subjected to adverse treatment due to such reports/contact. In addition, we have specified in the internal rules that persons making contact via the Speak-Up System should not be subjected to adverse treatment and that in cases where persons submitting reports believe they have been subjected to such prohibited adverse treatment, they can report to the Speak-Up contact desk..
8. Other systems for ensuring that auditing will be carried out effectively by the Audit & Supervisory Board Members	
<ul style="list-style-type: none"> ● Appointing experts on law, accounting, and the like, as external Audit & Supervisory Board Members ● Maintaining close contact between the Internal Auditing Department and the Audit & Supervisory Board Members to contribute to effective auditing, such as by reporting internal auditing plans and results to the Audit & Supervisory Board Members ● Exchanging information between the Audit & Supervisory Board Members and the Accounting Auditor to improve the efficiency and quality of audit activities ● Exchanging information between the Company's Audit & Supervisory Board Members and subsidiaries' Audit & Supervisory Board Members ● Clearly stipulating the methods for handling the expenses and liabilities incurred by Audit & Supervisory Board Members in the execution of their duties 	<ul style="list-style-type: none"> ➤ The Internal Auditing Department interacts closely with the Audit & Supervisory Board Members, submitting an internal auditing plan to them prior to the start of the business year and sharing internal audit results with them in a timely manner. In addition, the Internal Auditing Department shares audit results with the Accounting Auditor on a regular basis. ➤ Audit & Supervisory Board Members conduct regular meetings with the Accounting Auditor, as well as liaison meetings and small-group meetings with standing Audit & Supervisory Board Members at subsidiaries. During 2019, as in previous years, they held several small-group meetings, interacting and exchanging information with standing auditors at subsidiaries and associated companies. ➤ Expenses and liabilities incurred by Audit & Supervisory Board Members in the execution of their duties are handled in accordance with internal rules, including by drawing up budgets and managing their implementation.

Note: Amounts in billions of yen and those in millions of yen in the business report are rounded to the nearest billion and the nearest million respectively. Also, numbers of shares shown per a unit of thousand shares are rounded down to the nearest thousand.

(Reference) Sumitomo Corporation Group's Material Issues

1. Six Material Issues to Achieve Sustainable Growth with Society

With growing expectations for businesses to play a role in addressing social issues, as well as the movement towards environment, society, and governance (ESG) factors having influence on the evaluation of and investment in businesses, in April 2017, Sumitomo Corporation identified its “Six Material Issues to Achieve Sustainable Growth with Society,” a set of issues which the Company should prioritize addressing through its business activities taking advantage of its strengths, based on Sumitomo’s Business Philosophy and the Sumitomo Corporation Group’s Management Principles¹. Sumitomo Corporation positions these material issues as an important factor in developing business strategies and in the decision-making process for individual business.

- Leveraging our trust-based relationships with customers and partners across the globe and utilizing our business expertise, we will secure our sustainable growth and address social issues simultaneously by fulfilling our Corporate Mission, “To achieve prosperity and realize dreams through sound business activities.”



Achieving Harmony with the Global Environment

To realize recycling-oriented society and mitigate climate change, we are working to establish frameworks for the efficient use of resources and stable supply of renewable energy. In doing so, we will achieve growth in harmony with the global environment.



Contributing to the Development of Local Communities and Industries

We steadily procure and provide goods and services to meet the needs of people in various countries and regions and contribute to developing industrial platforms. Through these means, we will create a virtuous cycle in which we can grow and develop together with local communities.



Establishing a Foundation for Comfortable and Excitingly Enriching Lifestyles

We strive to realize more convenient and comfortable lifestyles by providing goods and services for daily use while also responding to needs for high-quality lifestyles in order to support the physical and mental health of people around the world.



Providing Diverse “Accessibility”

We provide diverse accessibility to open up the possibility of creating new value. To this end, we will improve mobility for safe and efficient flow of people and goods, and expand the network connecting information and finance.

¹ Please refer to page 3 for Sumitomo Corporation Group’s Management Principles.

- As a prerequisite for resolving the issues listed above, we strive to maintain and enhance our Management Style that places prime importance on integrity and sound management with utmost respect for the individual and our Corporate Culture full of vitality and conducive to innovation.



Developing Human Resources and Promoting Diversity

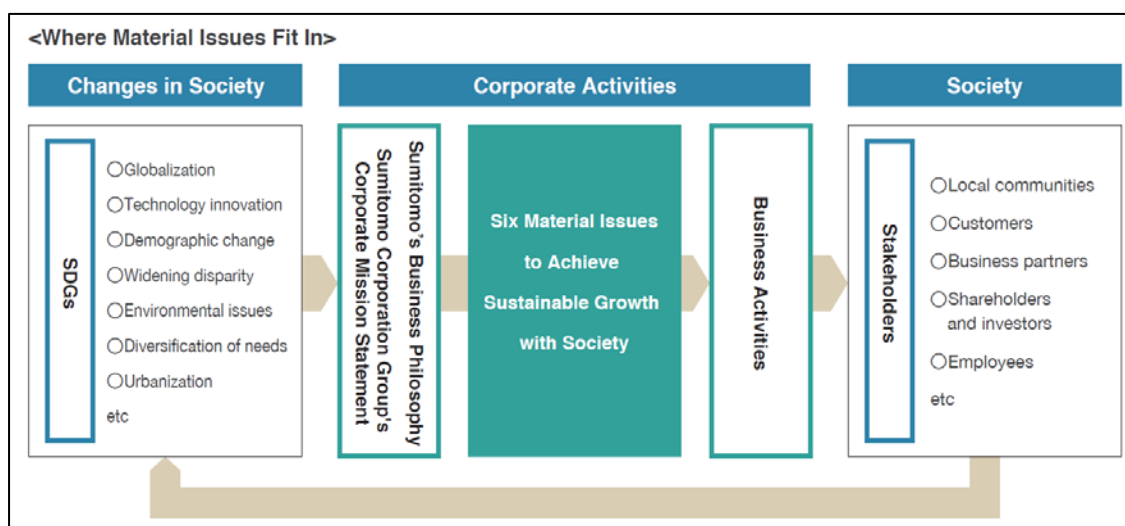
In order to create new value and innovation by allowing our diverse personnel to fully exercise their abilities in a variety of fields, we will promote the development and empowerment of human resources, which represent our most important management resources.



Enhancing Governance

We will enhance our ability to draft and implement strategies for achieving sustainable growth and to provide appropriate supervision of these strategies, all while maintaining transparency. In this manner, we will improve management efficiency and maintain sound management.

2. Where Material Issues fit in, and its identification process



(Note) SDGs is an abbreviation for Sustainable Development Goals comprising 17 goals encompassing global challenges to be achieved by 2030. These goals were embraced by all 193 UN member states at a UN General Assembly held in 2015.

<Identification Process>

With reference to the SDGS and international guidelines, each business unit first gathered information on and analyzed its relationship with social issues. The next step was to select social issues that we regard as important and that need to be addressed as priorities in light of Sumitomo's Business Philosophy and the Sumitomo Corporation Group's Corporate Mission Statement. After surveys covering all officers and employees and exchange of opinions with outside experts, the selected social issues were outlined. The selected issues and their importance were then reviewed by the CSR Committee (now the Corporate Sustainability Committee). The material issues were finalized following deliberation and approval by the Management Council and the Board of Directors. By addressing the material issues identified in the above process through our business activities, we believe that the Sumitomo Corporation Group will contribute to realization of the SDGs.



3. Examples of initiatives

<Smart City Development Project in North Hanoi, Vietnam>



In October 2019, we collaborated with a Vietnamese local group to establish a real estate development company, thereby participating in a smart city development project targeting 272 ha of the land in northern Hanoi. The project aims to create a comfortable residential environment and community that is also safe and secure by developing hospitals, schools, disaster prevention facilities, security systems, and commercial facilities, as well as greenery, waterways, and a main street lined with cherry trees. At the same time, the project will introduce 5G, facial recognition, and blockchain technologies to enhance the smart city services provided, contributing to the sustainable development of Hanoi.



<The Future Islands Project in Koshikishima Islands, Kagoshima Prefecture and the Future Plant Project in Nagasaki Prefecture>



In 2017, we collaborated with Satsumasendai City, Kagoshima Prefecture to launch the “Islands of the Future” Project, and have continued to channel our efforts into this project. We are seeking to solve the challenges facing regions with declining populations by using electric vehicles (EVs) as an ecological means of mobility compatible with the natural environment, and as a form of public transport that can help those currently without access to transportation. Meanwhile, in a separate initiative, we have continued working on the Future Plant Project underway in Nagasaki Prefecture. Here we are building a model of smart plant equipped with the latest environmental facilities utilizing reused EV storage batteries. We will continue helping to increase the use of renewable energy sources in order to further contribute to society by reducing the environmental load.



Consolidated Statements of Financial Position [Prepared on the basis of IFRSs]

Sumitomo Corporation and Subsidiaries
As of March 31, 2020 and 2019

	Millions of Yen	
	March 31, 2020	March 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	¥ 710,371	¥ 660,359
Time deposits	10,262	10,492
Marketable securities	2,014	1,989
Trade and other receivables	1,231,088	1,340,451
Other financial assets	112,723	62,692
Inventories	929,981	925,204
Advance payments to suppliers	131,520	161,037
Assets classified as held for sale	—	56,034
Other current assets	408,432	329,392
Total current assets	3,536,391	3,547,650
Non-current assets:		
Investments accounted for using the equity method	2,025,255	2,130,517
Other investments	358,961	429,532
Trade and other receivables	331,871	371,420
Other financial assets	94,981	75,576
Property, plant and equipment	1,054,042	746,647
Intangible assets	288,913	259,759
Investment property	355,844	275,273
Biological assets	21,075	22,858
Prepaid expenses	23,186	21,043
Deferred tax assets	38,077	36,248
Total non-current assets	4,592,205	4,368,873
Total assets	¥ 8,128,596	¥ 7,916,523

Note:

The Consolidated Statement of Financial Position as of March 31, 2019 is not required to be included under the Companies Act, and is included solely for the convenience of shareholders.

Consolidated Statements of Financial Position [Prepared on the basis of IFRSs]

Sumitomo Corporation and Subsidiaries
As of March 31, 2020 and 2019

	Millions of Yen	
	March 31, 2020	March 31, 2019
LIABILITIES AND EQUITY		
Current liabilities:		
Bonds and borrowings	¥ 754,696	¥ 682,349
Trade and other payables	1,079,099	1,178,542
Lease liabilities	65,871	11,717
Other financial liabilities	87,578	50,787
Income tax payables	25,785	28,467
Accrued expenses	95,318	94,019
Contract liabilities	98,951	132,693
Provisions	4,837	8,356
Liabilities associated with assets classified as held for sale	—	8,841
Other current liabilities	84,411	82,935
Total current liabilities	2,296,546	2,278,706
Non-current liabilities:		
Bonds and borrowings	2,434,696	2,415,606
Trade and other payables	57,189	57,775
Lease liabilities	426,080	56,637
Other financial liabilities	46,051	23,660
Accrued pension and retirement benefits	44,946	34,869
Provisions	46,248	46,364
Deferred tax liabilities	84,253	96,707
Total non-current liabilities	3,139,463	2,731,618
Total liabilities	5,436,009	5,010,324
Equity:		
Common stock	219,613	219,449
Additional paid-in capital	256,966	258,292
Treasury stock	(2,276)	(2,501)
Other components of equity	(4,054)	234,937
Retained earnings	2,073,884	2,061,306
Equity attributable to owners of the parent	2,544,133	2,771,483
Non-controlling interests	148,454	134,716
Total equity	2,692,587	2,906,199
Total liabilities and equity	¥ 8,128,596	¥ 7,916,523

Note:

The Consolidated Statement of Financial Position as of March 31, 2019 is not required to be included under the Companies Act, and is included solely for the convenience of shareholders.

Consolidated Statements of Comprehensive Income [Prepared on the basis of IFRSs]

Sumitomo Corporation and Subsidiaries
For the years ended March 31, 2020 and 2019

	Millions of Yen			
	2020		2019	
Revenues:				
Sales of tangible products	¥	4,822,984	¥	4,920,772
Sales of services and others		476,830		418,466
Total revenues		5,299,814		5,339,238
Cost:				
Cost of tangible products sold		(4,180,175)		(4,151,165)
Cost of services and others		(245,976)		(264,880)
Total cost		(4,426,151)		(4,416,045)
Gross profit		873,663		923,193
Other income (expenses):				
Selling, general and administrative expenses		(677,430)		(647,553)
Impairment losses on long-lived assets		(65,286)		(7,567)
Gain (loss) on sale of long-lived assets, net		3,507		3,581
Other, net		16,436		2,502
Total other income (expenses)		(722,773)		(649,037)
Finance income (costs):				
Interest income		30,621		28,975
Interest expense		(46,191)		(40,535)
Dividends		11,099		12,107
Gain (loss) on securities and other investments, net		20,712		2,204
Finance income (costs), net		16,241		2,751
Share of profit (loss) of investments accounted for using the equity method		84,791		127,110
Profit before tax		251,922		404,017
Income tax expense		(62,405)		(66,230)
Profit for the year		189,517		337,787
Profit for the year attributable to:				
Owners of the parent	¥	171,359	¥	320,523
Non-controlling interests		18,158		17,264
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Financial assets measured at fair value through other comprehensive income		(47,001)		(20,646)
Remeasurements of defined benefit pension plans		(1,536)		(10,799)
Share of other comprehensive income of investments accounted for using the equity method		(6,903)		(1,453)
Total items that will not be reclassified to profit or loss		(55,440)		(32,898)
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations		(133,359)		18,784
Cash-flow hedges		(11,769)		5,183
Share of other comprehensive income of investments accounted for using the equity method		(43,410)		(6,887)
Total items that may be reclassified subsequently to profit or loss		(188,538)		17,080
Other comprehensive income, net of tax		(243,978)		(15,818)
Comprehensive income for the year		(54,461)		321,969
Comprehensive income for the year attributable to:				
Owners of the parent	¥	(69,413)	¥	305,075
Non-controlling interests		14,952		16,894

Note:

The Consolidated Statement of Comprehensive Income for the year ended March 31, 2019 is not required to be included under the Companies Act, and is included solely for the convenience of shareholders.

Consolidated Statements of Changes in Equity [Prepared on the basis of IFRSs]

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2020 and 2019

For the year ended March 31, 2020

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
Balance, beginning of year	219,449	258,292	(2,501)	234,937	2,061,306	2,771,483	134,716	2,906,199
Impact of changes in accounting policies					(53,325)	(53,325)	(909)	(54,234)
Balance, beginning of year after changes in accounting policies	219,449	258,292	(2,501)	234,937	2,007,981	2,718,158	133,807	2,851,965
Profit for the year					171,359	171,359	18,158	189,517
Other comprehensive income for the year				(240,772)		(240,772)	(3,206)	(243,978)
Comprehensive income for the year						(69,413)	14,952	(54,461)
Transaction with owners:								
Share-based payment transactions	164	164				328		328
Acquisition (disposal) of non-controlling interests, net		(1,357)				(1,357)	11,516	10,159
Acquisition (disposal) of treasury stock, net			225			225		225
Cash dividends to owners of the parent					(103,675)	(103,675)		(103,675)
Cash dividends to non-controlling interests							(11,821)	(11,821)
Others		(133)				(133)		(133)
Transfer to retained earnings				1,781	(1,781)	—		—
Balance, end of year	219,613	256,966	(2,276)	(4,054)	2,073,884	2,544,133	148,454	2,692,587

For the year ended March 31, 2019

Millions of Yen

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Common stock	Additional paid-in capital	Treasury stock	Other components of equity	Retained earnings	Total		
Balance, beginning of year	219,279	265,126	(2,796)	248,564	1,827,987	2,558,160	136,161	2,694,321
Impact of changes in accounting policies					3,270	3,270		3,270
Balance, beginning of year after changes in accounting policies	219,279	265,126	(2,796)	248,564	1,831,257	2,561,430	136,161	2,697,591
Profit for the year					320,523	320,523	17,264	337,787
Other comprehensive income for the year				(15,448)		(15,448)	(370)	(15,818)
Comprehensive income for the year						305,075	16,894	321,969
Transaction with owners:								
Share-based payment transactions	170	170				340		340
Acquisition (disposal) of non-controlling interests, net		(7,760)				(7,760)	(10,319)	(18,079)
Acquisition (disposal) of treasury stock, net			295			295		295
Cash dividends to owners of the parent					(88,653)	(88,653)		(88,653)
Cash dividends to non-controlling interests							(8,020)	(8,020)
Others		756				756		756
Transfer to retained earnings				1,821	(1,821)	—		—
Balance, end of year	219,449	258,292	(2,501)	234,937	2,061,306	2,771,483	134,716	2,906,199

Note:

The Consolidated Statement of Changes in Equity for the year ended March 31, 2019 is not required to be included under the Companies Act, and is included solely for the convenience of shareholders.

Condensed Consolidated Statements of Cash Flows [Prepared on the basis of IFRSs]

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2020 and 2019

(Unaudited)

	Millions of Yen	
	2020	2019
Operating activities:		
Profit for the year	¥ 189,517	¥ 337,787
Adjustments to reconcile profit for the year to net cash provided by operating activities:		
Depreciation and amortization	165,340	111,838
Impairment losses on long-lived assets	65,286	7,567
Finance (income) costs, net	(16,241)	(2,751)
Share of (profit) loss of investments accounted for using the equity method	(84,791)	(127,110)
(Gain) loss on sale of long-lived assets, net	(3,507)	(3,581)
Income tax expense	62,405	66,230
Decrease (increase) in inventories	505	(46,038)
Decrease (increase) in trade and other receivables	127,337	(60,634)
Increase in prepaid expenses	(7,228)	(2,831)
(Decrease) increase in trade and other payables	(97,292)	108,735
Other, net	(114,966)	(133,370)
Interest received	30,587	28,155
Dividends received	114,401	108,909
Interest paid	(45,458)	(38,933)
Income tax paid	(59,277)	(85,090)
Net cash provided by operating activities	326,618	268,883
Investing activities:		
Proceeds from sale of property, plant and equipment	3,472	19,222
Purchase of property, plant and equipment	(76,935)	(110,028)
Proceeds from sale of investment property	15,739	5,100
Purchase of investment property	(42,424)	(26,310)
Proceeds from sale of other investments	115,408	217,846
Acquisition of other investments	(209,085)	(182,599)
Collection of loan receivables	42,145	63,407
Increase in loan receivables	(51,737)	(37,955)
Net cash used in investing activities	(203,417)	(51,317)
Financing activities:		
Net increase in short-term debt	152,687	36,570
Proceeds from issuance of long-term debt	453,651	298,841
Repayment of long-term debt	(547,690)	(454,880)
Cash dividends paid	(103,675)	(88,653)
Capital contribution from non-controlling interests	2,824	3,806
Payment for acquisition of subsidiary's interests from non-controlling interests	(3,798)	(21,055)
Payment of dividends to non-controlling interests	(11,821)	(8,020)
(Acquisition) disposal of treasury stock, net	80	195
Net cash used in financing activities	(57,742)	(233,196)
Net increase (decrease) in cash and cash equivalents	65,459	(15,630)
Cash and cash equivalents at the beginning of year	660,359	667,152
Effect of exchange rate changes on cash and cash equivalents	(15,943)	4,821
Net increase in cash and cash equivalents resulting from transfer to assets classified as held for sale	496	4,016
Cash and cash equivalents at the end of year	¥ 710,371	¥ 660,359

Note:

The Condensed Consolidated Statements of Cash Flows are not required to be included under the Companies Act, and are included solely for the convenience of shareholders.

Notes to Consolidated Financial Statements (For the year ended March 31, 2020)

Basic Significant Matters Regarding Preparation of Consolidated Financial Statements

1. Accounting standards of consolidated financial statements

The consolidated financial statements including consolidated statements of financial position, consolidated statements of comprehensive income and consolidated statements of changes in equity have been prepared on the basis of International Financial Reporting Standards ("IFRSs"), in compliance with Article 120, paragraph 1 of the Company Accounting Regulations.

In compliance with the second sentence of the same paragraph, certain disclosures required on the basis of IFRSs are omitted.

2. The scope of the consolidation

Number of consolidated subsidiaries 663

Names of principal consolidated subsidiaries

Consolidated subsidiaries	Sumitomo Corporation of Americas
	SCSK Corporation

3. The application of equity method

Number of associated companies 294

Names of principal associated companies

Investments accounting for using the equity method	Sumitomo Mitsui Finance and Leasing Company, Limited
	Jupiter Telecommunications Co., Ltd.

4. Significant accounting principles

(1) Valuation basis and method for assets

(A) Valuation basis and method for financial assets

Financial assets measured at amortized cost

Financial assets measured at amortized cost are initially measured at fair value (including directly attributable transaction costs).

However, trade receivables and other receivables that do not contain a significant financing component are initially recognized at the transaction price.

Subsequently, the carrying amount of the financial assets measured at amortized cost is calculated using the effective interest method, less impairment loss when necessary.

Debt instruments which are measured at fair value through other comprehensive income ("FVTOCI")

Debt instruments measured at FVTOCI are initially measured at their fair value (including directly attributable transaction costs).

Subsequently, they are measured at fair value, and gains and losses arising from changes in fair value are recognized in other comprehensive income and presented as "Financial assets measured at fair value through other comprehensive income" in other components of equity.

The accumulated amount recognized as other comprehensive income is reclassified to profit or loss, when the debt instruments are derecognized.

Financial instruments which are measured at fair value through profit or loss ("FVTPL")

Financial assets other than equity instruments that do not meet the conditions for measurement at amortized cost and measurement at

FVTOCI are measured at fair value and recognized in profit or loss

Equity instruments are measured at fair value with gains or losses on re-measurement recognized in profit or loss unless the Company and

its subsidiaries re-measurement recognized in profit or loss unless the Company and its subsidiaries (the "Companies") make an irrevocable election to measure equity instruments at fair value through other comprehensive income on initial recognition.

Financial instruments measured at FVTPL are initially measured at fair value and transaction costs are recognized in profit or loss when they occur.

Equity instruments which are measured at fair value through other comprehensive income ("FVTOCI")

Equity instruments measured at FVTOCI are initially measured at their fair value (including directly attributable transaction costs).

Subsequently, they are measured at fair value, and gains and losses arising from changes in fair value are recognized in other comprehensive income and presented as "Financial assets measured at fair value through other comprehensive income" in other components of equity.

The amount of other components of equity is transferred directly to retained earnings, not to profit or loss, when the equity investment is derecognized or the decline in its fair value compared to its acquisition cost is significant and other-than-temporary.

However, dividends on financial assets measured at FVTOCI are recognized in profit or loss as finance income.

Impairment loss on financial assets

For financial assets measured at amortized cost, lease receivables, contract assets, and debt instruments measured at fair value through other comprehensive income, the Companies recognize loss allowance based on the expected credit losses for the financial asset. At each reporting date, if the credit risk on financial assets has not increased significantly the impairment loss is measured at an amount equal to 12-months of expected credit losses. On the other hand, if the credit risk on financial assets has increased significantly since initial recognition, the impairment loss is measured at an amount equal to the lifetime expected credit losses. However, the impairment loss for trade and other receivables, etc. which do not contain a significant financing component is always at an amount equal to the lifetime expected credit loss. Credit risk change and calculation of expected credit losses are mainly based on original credit rating model, the Sumisho Credit Rating ("SCR"). "SCR" includes the debtor's past bad debts experience, current financial condition and reasonably available forecast information. The existence of evidence of credit impairment is judged based on events such as a debtor's serious financial difficulties and breach of contract including overdue. For financial assets that have evidence of credit impairment at the reporting date, expected credit losses are measured individually after comprehensive evaluation of the individual situation of the debtor including collateral and guarantees. If it is reasonably determined that all or part of a financial asset can not be collected, the companies directly write off the financial assets.

(B) Valuation basis and method for non-financial assets

Inventories

Inventories are measured at the lower of cost and net realizable value. Net realizable value represents the estimated selling price in the ordinary course of business less any estimated costs of completion and the estimated costs necessary to make the sale. Inventories acquired with the purpose of generating profits from short-term fluctuations in price are measured at fair value less costs to sell, and changes in fair value are recognized in profit or loss. The cost of inventories other than acquired with the purpose of generating profits from short-term fluctuations in price is determined based on either specific identification basis when inventories are not ordinarily interchangeable, or mainly moving average basis when inventories are ordinarily interchangeable.

Property, plant, equipment and investment p

Property, plant, equipment and investment property are measured at cost less any accumulated depreciation and accumulated impairment losses.

Intangible assets

Intangible assets are measured at cost less any accumulated amortization and accumulated impairment losses.

Impairment

At the end of each reporting period, the carrying amounts of non-financial assets, excluding inventories, biological assets and deferred tax assets, are assessed whether there is any indication of impairment. If any such indication exists, the recoverable amount of the non-financial asset is estimated.

Regarding goodwill and intangible assets with indefinite useful lives, and intangible assets not yet available for use, the recoverable amount is estimated at the same time every year.

(2) Non-current assets held for sale

If the carrying amount of non-current assets or disposal groups will be recovered principally through a sale transaction rather than through continuing use, the Company classifies such non-current assets or disposal groups as held for sale, and reclassifies them into current assets.

Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying amount of fair value less costs to sell.

(3) Depreciation and amortization method of assets

(A) Property, plant and equipment

Buildings, leasehold improvements, machinery and equipment

Depreciation is principally computed by the straight-line method.

Mining rights

Depreciation is computed by the unit-of-production method.

(B) Intangible assets except goodwill

Amortization is computed by the straight-line method.

(C) Investment property

Depreciation is principally computed by the straight-line method.

(4) Provisions

Provisions are recognized when the Companies have present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates can be made of the amount of the obligations. Provisions are discounted to their present value using a pre-tax rate that reflects the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance costs.

(5) Defined benefit plans

The Companies' net defined benefit obligations are calculated separately for each plan by estimating the future amount of benefit that employees have earned in exchange for their service for the previous years. The benefits are discounted to determine the present value, and fair value of plan assets is deducted.

When plan amendments are made, the change in defined benefit obligations related to past service by employees is recognized in profit or loss immediately.

The Companies recognize remeasurements of the net defined benefit liability (asset) in other comprehensive income and immediately reclassify them from other components of equity to retained earnings.

(6) Derivatives including hedge accounting

At the initial designation of the hedging relationship, the Companies document the relationship between the hedging instrument and the hedged item, along with their risk management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, and how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed, and the analysis of ineffective portion.

In order to ascertain whether the change in the fair value or cash flow of the hedging instrument has a high offset with the change in the fair value or cash flow of the hedged item, at the beginning and the during the hedge accounting is applied, the companies confirm the existence of an economic relationship between the hedged item and the hedging instrument. Specifically, the Companies evaluate qualitative assessment of whether the key terms of the hedged item and the hedging instrument are identical or closely related, and evaluate quantitative assessment of whether the value of the hedged item and the hedging instrument are offset by the same risk.

To qualify as a cash flow hedge of a forecast transaction, the transaction must be highly probable.

Derivatives are initially recognized at fair value with transaction costs recognized in profit or loss when they occur. Subsequently derivatives are measured at fair value, and gains and losses arising from changes in the fair values are accounted for as follows:

(A) Fair value hedges

The changes in the fair value of the hedging instrument are recognized in profit or loss. The carrying amounts of the hedged items are measured at fair value and the gains or losses on the hedged items attributable to the hedged risks are recognized in profit or loss.

(B) Cash flow hedges

When derivatives are designated as hedging instrument to hedge the exposure to variability in cash flows that are attributable to a particular risk associated with recognized assets or liabilities or a highly probable forecast transactions which could affect profit or loss, the effective portion of changes in the fair value of derivatives is recognized in other comprehensive income and included in cash flow hedges in the other components of equity. The balances of cash flow hedges are reclassified to profit or loss from other comprehensive income in the periods when the cash flows of hedged items affect profit or loss, in the same line items of the consolidated statement of comprehensive income as those of hedged items. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

(C) Hedges of a net investment in foreign operations

Exchange differences arising from the retranslation of financial instruments designated as hedging instruments for a net investment in foreign operations are recognized in other comprehensive income to the extent that the hedge is effective, and are presented as "Exchange differences on translating foreign operations" in other components of equity.

(7) Revenue

The Companies recognize revenue for goods sold and services provided in the ordinary course of business, except for lease and financial instrument transaction, based on the following five-step approach.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

(8) Consumption tax

Consumption tax is accounted for by the segregated method under which consumption tax is excluded from presentation of sales, cost of sales and expenses.

1. IFRS 16 “Leases”

For leases that the Companies as lessee previously classified as operating leases applying International Accounting Standard No.17 *Leases* (“IAS 17”), right-of-use assets and lease liabilities are recognized at the date of initial application.

At inception of a contract, the Companies assess whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

If a contract is, or contains, a lease, the Companies recognize right-of-use assets and lease liabilities on the consolidated statements of financial position at the commencement date. The Companies recognize the lease payments associated with short-term leases as an expense on a straight-line basis over the lease term.

Right-of-use assets are measured by using the cost model and are measured at cost less any accumulated depreciation and accumulated impairment losses.

An acquisition cost of right-of-use assets includes the amount of the initial measurement of lease liabilities adjusted for initial direct costs and any lease payments made at or before the commencement date. Right-of-use assets are depreciated using the straight-line method over its lease terms.

Lease liabilities are initially measured at the discounted present value of unpaid lease payments at the commencement date of the contract. Lease payments are allocated into finance costs and the portion of the balance of lease liabilities, to ensure that the interest rate remains constant for the balance of lease liabilities. Finance costs are presented separately from the depreciation of the right-of-use assets in the consolidated statements of comprehensive income.

In addition, “Lease liabilities,” which were previously included in “Trade and other payables” in the consolidated statements of financial position, have increased as a result of application of IFRS 16. It has been presented independently from the reporting period. Right-of-use assets were included in “Inventories,” “Property, plant and equipment,” “Intangible assets” and “Investment property.”

In accordance with the transitional measures under IFRS 16 (the modified retrospective approach), the cumulative effect is recognized as an adjustment to the opening balance of retained earnings for the year ended March 31, 2020.

Accordingly, compared with the case where the previous accounting standards would be applied, total assets increased by ¥391,100 million, total liabilities increased by ¥415,116 million and retained earnings decreased by ¥23,107 million each at the beginning of the year ended March 31, 2020.

The weighted average of the Company’s incremental borrowing rate applied to lease liabilities on the consolidated statements of financial position at the date of initial application is 1.3%.

The following is a reconciliation of non-cancellable operating leases contracts based on IAS 17 as of March 31, 2019 and lease liabilities recognized in the consolidated statements of financial position at the date of initial application.

(Millions of Yen)	
Non-cancellable operating leases contracts	322,421
The weighted average of the Company’s incremental borrowing rate	1.3%
Non-cancellable operating leases contracts (after discount)	304,390
Finance lease obligations	68,354
Cancellable operating leases contracts, etc.	107,150
Lease liabilities	479,894

In applying IFRS 16, the Companies have elected the practical expedient and assesses whether contracts contain leases in accordance with IAS 17 and IFRIC 4 “*Determining whether an Arrangement contains a Lease*.”

The following practical expedients are used in the application of IFRS 16.

- Leases for which the lease term ends within 12 months of the date of initial application are accounted for in the same way as short-term leases.
- Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application.
- The Companies use hindsight to calculate the lease term for lease contracts including options to extend or terminate the lease.

2. IAS 28 “Investments in Associates and Joint Ventures”

The Companies have applied amendments of International Financial Reporting Standard No.28 *Investments in Associates and Joint Ventures* (“IAS 28”) from the reporting period. The amendments clarified the accounting for long-term interests in associates and joint ventures. As a result, the Companies have recognized impairment loss by applying IFRS 9 “*Financial Instruments*” to long-term interests before applying the equity method.

In accordance with the transitional measures under the amendments of IAS 28, the cumulative effect is recognized as an adjustment to the opening balance of retained earnings for the year ended March 31, 2020.

Accordingly, compared with the case where the previous accounting standards would be applied, “Trade and other receivables” and “Retained earnings” decreased by ¥30,218 million each at the beginning of the year ended March 31, 2020.

Notes to changes in accounting estimates

The significant change in accounting estimate for the year ended March 31, 2020 is described in "Notes to Consolidated Statements of Comprehensive Income - Impairment loss".

Notes to Consolidated Statements of Financial Position

1. Pledged assets and secured liabilities

(1) Pledged assets

Cash and deposits	38,188 Millions of yen
Trade and other receivables	281,491 Millions of yen
Inventories	28,589 Millions of yen
Marketable securities and investments	142,239 Millions of yen
Property, plant and equipment	86,040 Millions of yen
Investment property	2,915 Millions of yen
Total	579,462 Millions of yen

(2) Secured liabilities

Bonds, borrowings and other	177,090 Millions of yen
Total	177,090 Millions of yen

2. Allowance for doubtful receivables directly deducted 22,851 Millions of yen

3. Tax receivables included in other current assets 35,339 Millions of yen

4. Accumulated depreciation and impairment losses of property, plant and equipment 986,280 Millions of yen

5. Accumulated depreciation and impairment losses of investment property 91,445 Millions of yen

6. Guarantees of indebtedness

Associated companies	73,168 Millions of yen
Others	42,533 Millions of yen
Total	115,701 Millions of yen

Notes to Consolidated Statements of Comprehensive Income

Impairment loss

The significant impairment loss for the year ended March 31, 2020 is as follow.

The Company recognized the impairment loss of 21,525 million yen relating to the tubular products business company B&L PIPECO SERVICES, INC. due to the decline in demand resulting from drop in the oil prices and revision of the long-term business plan.

The impairment loss is included in “Impairment losses on long-lived assets” in the Consolidated Statements of Comprehensive Income.

(Reference)

The significant impairment loss for the year ended March 31, 2019 was as follow.

Nickel mining and refining business in Madagascar 10,431 millions of yen

The impairment loss was included in “Share of profit (loss) of investments accounted for using the equity method” in the Consolidated Statements of Comprehensive Income.

Notes to Consolidated Statements of Changes in Equity

1. Number of issued shares (Common shares) 1,250,985,467 shares

The number of common shares outstanding at the end of the current fiscal year increased by 197,800 shares as a result of the issuance of new shares for restricted share remuneration.

2. Dividends for the year ended March 31, 2020

The year-end ordinary dividends were resolved in the ordinary general meeting of shareholders held on June 21, 2019 as follows:

Total amount of dividends (yen)	47,458,762,476
Dividends per share (yen)	38
Record date	March 31, 2019
Effective date	June 24, 2019

The interim dividends were resolved by the board of directors on November 1, 2019 as follows:

Total amount of dividends (yen)	56,215,909,035
Dividends per share (yen)	45
Record date	September 30, 2019
Effective date	December 2, 2019

3. Dividends after March 31, 2020

The year-end ordinary dividends will be resolved in the ordinary general meeting of shareholders held on June 19, 2020 as follows:

Total amount of dividends (yen)	43,724,888,830
Source of dividends	Retained earnings
Dividends per share (yen)	35
Record date	March 31, 2020
Effective date	June 22, 2020

4. Number of shares subject to new share acquisition rights

authorized by the ordinary general meeting of shareholders or the board of directors

In the ordinary general meeting of shareholders held on June 23, 2006 (Stock-Linked compensation plan)	2,000 shares
In the ordinary general meeting of shareholders held on June 22, 2007 (Stock-Linked compensation plan)	6,700 shares
In the ordinary general meeting of shareholders held on June 20, 2008 (Stock-Linked compensation plan)	16,900 shares
In the ordinary general meeting of shareholders held on June 19, 2009 (Stock-Linked compensation plan)	40,100 shares
In the ordinary general meeting of shareholders held on June 22, 2010 (Stock-Linked compensation plan)	62,200 shares
In the ordinary general meeting of shareholders held on June 24, 2011 (Stock-Linked compensation plan)	54,600 shares
In the ordinary general meeting of shareholders held on June 22, 2012 (Stock-Linked compensation plan)	90,200 shares
In the ordinary general meeting of shareholders held on June 21, 2013 (Stock-Linked compensation plan)	94,500 shares
In the meeting of the board of directors held on July 31, 2014 (Stock-Linked compensation plan)	101,500 shares
In the meeting of the board of directors held on July 30, 2015	45,000 shares
In the meeting of the board of directors held on July 30, 2015 (Stock-Linked compensation plan)	104,900 shares
In the meeting of the board of directors held on August 1, 2016	38,000 shares
In the meeting of the board of directors held on August 1, 2016 (Stock-Linked compensation plan)	158,400 shares
In the meeting of the board of directors held on July 28, 2017	107,000 shares
In the meeting of the board of directors held on July 28, 2017 (Stock-Linked compensation plan)	129,000 shares
Total	<u>1,051,000 shares</u>

"Total" includes 332,900 shares for which the exercise period has not commenced at March 31, 2020.

Notes to Financial Instruments

1. Qualitative information of financial instruments

The Companies' basic policy for fund raising activities is to secure stable, medium- to long-term funds and liquidity for our operations.

Marketable securities and other investments are mainly strategic investments in stocks and others issued by financial institutions, customers and suppliers. The Companies are exposed to equity price risk inherent in these securities. On a continuous basis, but no less frequently than at the end of each quarterly period, the Companies evaluate the cost basis of these securities for possible impairment.

Trade and other receivables are mainly accounts receivable and loans from customers. Credit risk of customers is managed through the credit line approved by management and by monitoring the credibility of counterparties periodically based on the internal credit rating model. On a continuous basis, but no less frequently than at the end of each quarterly period, the Companies make provisions for doubtful receivables based on assessments about the possibility of collection.

The Companies operate internationally, exposing them to the risk of changes in foreign exchange rates, interest rates and commodity prices. Derivative financial instruments are comprised principally of foreign exchange contracts, foreign currency swaps, interest rate swaps and commodity future contracts utilized by the Company and certain of its subsidiaries to reduce these risks. The Companies assess foreign currency exchange rate risk, interest rate risk and commodity price risk by continuously monitoring changes in these exposures and by evaluating hedging opportunities. The Companies hold or issue commodity derivatives for trading purposes.

Management has been monitoring liquidity risk by setting various worst case scenarios including financial market turmoil. The Companies secure necessary liquidity from the cash flows from operations and borrowing from financial institutions. The Companies deposit these funds at the highly creditable financial institutions.

2. Fair values of financial instruments

Carrying amounts of financial instruments, fair values and the differences as of March 31, 2020 are as follows:

Financial instruments measured at amortized cost			(Millions of yen)
	Carrying amount	Fair value	Difference
Assets:			
Securities and other investments	7,332	7,332	—
Trade and other receivables	1,523,408	1,539,518	16,110
Liabilities:			
Bonds and borrowings	3,189,392	3,221,190	31,798
Trade and other payables	1,017,089	1,017,309	220

Financial instruments measured at fair value			
	Carrying amount	Fair value	Difference
Assets:			
Securities and other investments	353,643	353,643	—
Trade and other receivables	39,551	39,551	—
Other financial assets	207,704	207,704	—
Liabilities:			
Trade and other payables	119,199	119,199	—
Other financial liabilities	133,629	133,629	—

The fair values of financial assets and liabilities are determined as follows:

Quoted market prices, if available, are used as fair values of financial instruments. If quoted market prices are not available, fair values for such financial instruments are measured by using appropriate measurement techniques such as a discounted future cash flow method or others.

(1) Cash and cash equivalents, time deposits and marketable securities

The carrying amounts of these instruments approximate their fair value due to their short-term maturities.

(2) Other investments

The fair values of marketable securities are estimated using quoted market prices.

Fair values of unlisted investments in common stock are determined by discounted future cash flow method, valuation models based on revenue, profitability and net assets of investees, market values of comparable companies, and other valuation approaches.

(3) Trade and other receivables, trade and other payables

The fair values of current and non-current trade receivables and payables, except for loans with floating rates whose carrying amounts approximate fair value, are estimated by discounted future cash flow analysis, using interest rates currently being offered for loans or accounts receivables with similar terms to borrowers or customers of similar credit quality and remaining maturities.

(4) Bonds and borrowings

The fair values of bonds and borrowings, except for debt with floating rates whose carrying amount approximates fair value, are estimated by discounted future cash flow analysis using interest rates currently available for similar types of borrowings with similar terms and remaining maturities.

(5) Other financial assets, other financial liabilities

The fair values of interest rate swaps, currency swap agreements and currency option contracts

are estimated by obtaining quotes from brokers and other appropriate valuation techniques based on information available to the Companies.

The fair values of foreign exchange forward contracts are estimated based on quoted market prices for contracts with similar terms.

The fair values of interest rate future contracts, bond future contracts, commodity forwards, futures and swap contracts are estimated by using quoted market prices and others.

Notes to Investment Property

1. Qualitative information of investment property

The Companies own office buildings for rent in Tokyo and other areas.

2. Fair values of investment property

(Millions of yen)

Carrying amount	Fair value
355,844	406,649

Notes: 1. Investment property is measured at cost less any accumulated depreciation and accumulated impairment losses.

2. The fair value as of March 31, 2020 is based on valuation conducted by independent valuation appraisers having recent experience in the locations and categories of the investment property being valued and the appropriate and recognized professional qualifications, such as a registered appraiser. The valuation, which conforms to the standards of the country where the investment property is located, is based on market evidence of transaction prices for similar properties.

Notes to per Share Information

1. Equity per share attributable to owners of the parent 2,036.48 yen

2. Earnings per share attributable to owners of the parent 137.18 yen

Note to Significant Subsequent Events There are no significant subsequent events to be disclosed.

Note : Consolidated results' amounts in millions of yen are rounded to the nearest million.

Non-consolidated Balance Sheets

Sumitomo Corporation

[Prepared on the basis of accounting principles generally accepted in Japan]

(Unit: millions of yen)

Assets	As of March 31, 2020	As of March 31, 2019	Liabilities and net assets	As of March 31, 2020	As of March 31, 2019
Current assets	1,428,067	1,440,070	Current liabilities	1,091,789	1,173,208
Cash and deposits	243,486	225,396	Notes payable, trade	6,985	7,269
Notes receivable, trade	8,504	9,964	Accounts payable, trade	467,216	476,198
Accounts receivable, trade	413,049	429,438	Short-term loans	250,003	282,137
Marketable securities	34,308	45,303	Commercial paper	45,000	–
Merchandise	69,755	73,056	Bonds and notes (Due within one year)	10,000	30,000
Real estate held for development and resale	179,704	138,072	Accrued expenses	16,155	17,812
Advances to suppliers	157,273	194,524	Income taxes	314	796
Prepaid expenses	8,511	8,955	Advances from customers	123,619	159,518
Short-term loans receivable	167,482	191,200	Deposits received	140,102	173,738
Other current assets	148,307	126,557	Deferred income	755	674
Allowance for doubtful receivables	(2,315)	(2,400)	Other current liabilities	31,636	25,061
Fixed assets	2,860,952	2,867,335	Long-term liabilities	1,972,618	1,883,098
Tangible fixed assets, at cost less accumulated depreciation	279,155	269,233	Long-term loans	1,547,097	1,505,188
Buildings	58,725	61,003	Bonds and notes	373,691	330,444
Other structures	737	822	Other long-term liabilities	51,829	47,465
Machinery and equipment	662	783			
Vehicles and transportation equipment	192	299	Total liabilities	3,064,407	3,056,307
Furniture and fixtures	3,237	3,503			
Land	212,869	196,000	Shareholders' equity	1,132,503	1,131,595
Construction in progress	2,729	6,818	Common stock	219,612	219,448
Intangible fixed assets	28,293	16,824	Capital surplus	230,754	230,607
Software	11,288	10,501	Additional paid-in capital	230,746	230,582
Other intangible fixed assets	17,004	6,322	Other capital surplus	8	25
Investments and other assets	2,553,503	2,581,277	Retained earnings	684,411	684,039
Investment securities	243,798	324,975	Appropriated for legal reserve	17,696	17,696
Investment securities in subsidiaries and associated companies	1,626,911	1,548,032	Other retained earnings	666,715	666,343
Other investment securities in subsidiaries and associated companies	9,457	1,052	General reserve	65,042	65,042
Other equity interests	8,699	8,283	Retained earnings brought forward	601,672	601,300
Other equity interests in subsidiaries and associated companies	466,436	535,004	Treasury stock	(2,274)	(2,500)
Long-term loans receivable	94,479	91,746	Difference of appreciation and conversion	91,127	118,377
Long-term trade receivables, over due	22,477	16,441	Net unrealized holding gains on securities and others	66,793	116,966
Long-term prepaid expenses	28,625	37,622	Net deferred profits on hedges	24,334	1,410
Deferred tax assets	42,841	20,082	New shares acquisition rights	980	1,125
Other investments and assets	67,723	44,646			
Allowance for doubtful receivables	(57,950)	(46,609)	Total net assets	1,224,612	1,251,098
Total assets	4,289,019	4,307,405	Total liabilities and net assets	4,289,019	4,307,405

Note:

The Non-consolidated Balance Sheet as of March 31, 2019 is not required to be included under the Companies Act, and is included solely for the convenience of shareholders.

Non-consolidated Statements of Income

Sumitomo Corporation

[Prepared on the basis of accounting principles generally accepted in Japan]

(Unit : millions of yen)

	For the years ended March 31	
	2020	2019
Sales	2,021,074	2,353,642
Cost of sales	(1,872,629)	(2,188,503)
Gross trading profit	148,445	165,138
Selling, general and administrative expenses	(193,025)	(190,016)
Operating loss	(44,579)	(24,878)
Non-operating income	287,731	335,824
Interest income	10,485	13,475
Dividends	243,143	264,249
Gain on sale of investment securities	21,448	47,552
Other non-operating income	12,653	10,546
Non-operating expense	(160,690)	(47,737)
Interest expense	(12,586)	(12,663)
Loss on sale of investment securities	(22,913)	(2,418)
Valuation loss on investment securities	(103,132)	(20,507)
Provision for bad debts reserve of affiliates and others	(10,199)	(881)
Other non-operating expense	(11,858)	(11,265)
Ordinary income	82,461	263,208
Extraordinary gain	3,316	1,702
Gain on sale of fixed assets	3,316	1,702
Extraordinary loss	(231)	(649)
Loss on sale of fixed assets	(231)	(649)
Net income before income taxes	85,546	264,261
Income taxes-current	8,600	(600)
Income taxes-deferred	9,900	(6,300)
Net income	104,046	257,361

Note:

The Non-consolidated Statement of Income for the year ended March 31, 2019 is not required to be included under the Companies Act, and is included solely for the convenience of shareholders.

Non-consolidated Statements of Changes in Shareholders' Equity

Sumitomo Corporation

[Prepared on the basis of accounting principles generally accepted in Japan]

For the year ended March 31, 2020

(Unit: millions of yen)

	Shareholders' equity										Difference of appreciation and conversion			New share acquisition rights	Total net assets
	Common stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities and others	Net deferred profits on hedges	Total difference of appreciation and conversion			
		Additional paid-in capital	Other capital surplus	Total capital surplus	Appropriated for legal reserve	Other retained earnings							Total retained earnings		
						General reserve	Retained earnings brought forward								
Balance, beginning of year	219,448	230,582	25	230,607	17,696	65,042	601,300	684,039	(2,500)	1,131,595	116,966	1,410	118,377	1,125	1,251,098
Changes in the year															
Issuance of shares	163	163		163						327					327
Cash dividends							(103,674)	(103,674)		(103,674)					(103,674)
Net income							104,046	104,046		104,046					104,046
Acquisition of treasury stock									(5)	(5)					(5)
Disposal of treasury stock			(17)	(17)					231	213					213
Changes of items other than shareholders' equity (Net)										-	(50,173)	22,923	(27,249)	(144)	(27,394)
Total Changes in the year	163	163	(17)	146	-	-	371	371	226	907	(50,173)	22,923	(27,249)	(144)	(26,486)
Balance, end of year	219,612	230,746	8	230,754	17,696	65,042	601,672	684,411	(2,274)	1,132,503	66,793	24,334	91,127	980	1,224,612

For the year ended March 31, 2019

(Unit: millions of yen)

	Shareholders' equity									Difference of appreciation and conversion				(Unit: millions of yen)	
	Common stock	Capital surplus			Retained earnings				Treasury stock	Total shareholders' equity	Net unrealized holding gains on securities and others	Net deferred profits on hedges	Total difference of appreciation and conversion	New share acquisition rights	Total net assets
		Additional paid-in capital	Other capital surplus	Total capital surplus	Appropriated for legal reserve	Other retained earnings		Total retained earnings							
						General reserve	Retained earnings brought forward								
Balance, beginning of year	219,278	230,412	17	230,430	17,696	65,042	429,462	512,201	(2,763)	959,146	146,907	452	147,360	1,196	1,107,703
Cumulative effects of change in accounting policies							3,134	3,134		3,134					3,134
Opening Balance reflecting change in accounting policies	219,278	230,412	17	230,430	17,696	65,042	432,596	515,335	(2,763)	962,280	146,907	452	147,360	1,196	1,110,837
Changes in the year															
Issuance of shares	169	169		169						339					339
Cash dividends							(88,656)	(88,656)		(88,656)					(88,656)
Net income							257,361	257,361		257,361					257,361
Acquisition of treasury stock									(6)	(6)					(6)
Disposal of treasury stock			8	8					269	277					277
Changes of items other than shareholders' equity (Net)										-	(29,941)	958	(28,982)	(71)	(29,054)
Total Changes in the year	169	169	8	177	-	-	168,704	168,704	262	169,314	(29,941)	958	(28,982)	(71)	140,260
Balance, end of year	219,448	230,582	25	230,607	17,696	65,042	601,300	684,039	(2,500)	1,131,595	116,966	1,410	118,377	1,125	1,251,098

Note:

The Non-consolidated Statement of Changes in Shareholders' Equity for the year ended March 31, 2019 is not required to be included under the Companies Act, and is included solely for the convenience of shareholders.

Notes to Non-consolidated Financial Statements (For the year ended March 31, 2020)

Significant Accounting Principles

1. Valuation basis and method for assets

- | | |
|--|--|
| (1) Valuation basis and method for securities | |
| Trading securities | Stated at fair value. The cost of securities sold is determined based on the average cost of all shares of such security held at the time of sale. |
| Held to maturity securities | Stated at amortized cost |
| Other securities | |
| - Marketable securities | Stated at fair value based on quoted market prices and others at the end of the fiscal year. Unrealized holding gains and losses are excluded from earnings and reported in a separate component of net assets. The cost of securities sold is determined based on the average cost of all shares of such security held at the time of sale. |
| - Non-marketable securities | Stated at average cost |
| Investment securities in subsidiaries and associated companies | Stated at average cost |
| (2) Valuation basis and method for derivatives | |
| Stated at fair value | |
| (3) Valuation basis and method for inventories | |
| Inventories held for ordinary transaction | Stated at cost based on moving average basis or specific identification basis (book-value is stated lower according to the decline of profitability) |
| Inventories held for trading purpose | Stated at fair value |

2. Depreciation method of fixed assets

- | | |
|--|---|
| (1) Tangible fixed assets | |
| Tangible fixed assets acquired before April 1, 2007 | Depreciation is computed by the straight-line method under pre-revised Corporate Tax Law. |
| Tangible fixed assets acquired on and after April 1, 2007 | Depreciation is computed by the straight-line method. |
| (2) Intangible fixed assets | |
| Depreciation is computed by the straight-line method. | |
| Depreciation of internal-use software is based on the estimated useful life in the Company (5years). | |

3. Allowance and provisions

- | | |
|--|--|
| (1) Allowance for doubtful receivables | |
| An allowance for doubtful receivables is maintained at the level which is adequate to provide for probable losses that can be reasonably estimated. | |
| As for the general receivables, an allowance is computed based on internal credit rating system. | |
| As for the specific receivables, an allowance is computed based on the specific probability of uncollectibility. | |
| (2) Accrued pension and severance liabilities | |
| Accrued pension and severance liabilities are to be recognized based upon the estimated benefit obligation and the fair value of plan assets for postretirement benefits. | |
| Since the fair value of plan assets for postretirement benefits exceeds benefit obligation, no accrued pension and severance liabilities were recognized as of March 31, 2020. | |
| Estimated retirement benefits are attributed to periods of service under the plan's benefit formula. | |
| Past service costs are recognized over 12 years which is within average remaining service period (straight line). | |
| Unrecognized actuarial losses are recognized over 12 years which is within average remaining service period (straight line). | |

4. Deferred charges

All items which may be deferred under the Companies Act are charged to earnings when incurred.

5. Hedge accounting

Gains or losses on derivatives are principally deferred until realization of the designated hedged items. Interest rate swaps are not remeasured at fair value, but the differential paid or received under the swap contracts are recognized on an accrual basis and included in interest expense or income to the extent that their nominal amounts, conditions of interest receipts or payments and contractual periods are almost the same as hedged items.

6. Consumption tax

Consumption tax is accounted for by the segregated method under which consumption tax is excluded from presentation of sales, cost of sales and expenses.

7. Other

The Company adopted a consolidated taxation system.

In accordance with the transitional treatment provided in "Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System" (Practical Issues Task Force ("PITF") No. 39), the deferred tax assets and liabilities were recognized based on the tax law before the revision, instead of the application of paragraph 44 in "Implementation Guidance on Tax Effect Accounting" (ASBJ Guidance No.28).

Notes to Non-consolidated Balance Sheets**1. Pledged assets and secured liabilities****(1) Pledged assets**

Buildings	3,158 millions of yen
Land	354 millions of yen
Intangible fixed assets	770 millions of yen
Investment securities	8,309 millions of yen
Investment securities in subsidiaries and associated companies	116,901 millions of yen
Long-term loans receivable	3,016 millions of yen
Total	132,509 millions of yen

(2) Secured liabilities

Other long-term liabilities and others	1,792 millions of yen
Total	1,792 millions of yen

2. Accumulated depreciation of tangible fixed assets 64,405 millions of yen**3. Guarantees of indebtedness**

Subsidiaries and associated companies	513,945 millions of yen
Others	28,284 millions of yen
Sub-total	542,230 millions of yen
Keep-well agreement on subsidiaries' financing arrangements	376,460 millions of yen
Total	918,690 millions of yen

4. Discounted trade notes receivable with banks 19,749 millions of yen**5. Monetary receivables and payables to subsidiaries and associated companies**

Short-term monetary receivables	422,225 millions of yen	Long-term monetary receivables	105,711 millions of yen
Short-term monetary payables	216,219 millions of yen	Long-term monetary payables	11,210 millions of yen

Notes to Non-consolidated Statements of Income**1. Operating transactions with subsidiaries and associated companies**

Sales	805,723 millions of yen
Purchases	344,307 millions of yen

2. Non-operating transactions with subsidiaries and associated companies 328,974 millions of yen**3. Valuation loss on investment securities**

In the year ended March 31, 2020, "Valuation loss on investment securities" of 69,932 millions of yen was recognized in relation to the investment in Nickel mining and refining business in Madagascar.

Note to Non-consolidated Statements of Changes in Shareholders' Equity

Number of issued shares (Common shares) 1,250,985,467 shares

The number of common shares outstanding at the end of the current fiscal year increased by 197,800 shares as a result of the issuance of new shares for restricted share remuneration.

Number of treasury stock (Common shares) Balance, beginning of year	1,872,865 shares
Decrease due to sale through exercise of stock options	173,200 shares
Increase due to purchase of less-than-one-voting-unit shares and others	3,264 shares
Balance, end of year	<u>1,702,929 shares</u>

Notes to Deferred Income Tax

- | | |
|---|--|
| 1. Significant components of deferred tax assets | Valuation loss on investment securities, provision for bad debts reserve and others. |
| 2. Significant components of deferred tax liabilities | Net unrealized holding gains on securities, net deferred profits on hedges and others. |

Notes to Related Party Transactions

(Millions of yen)

Category	Name of company	Proportion of voting power	Relationship with related party	Transactions	Transaction amount	Account name	As of March 31, 2020
Subsidiary	SUMITOMO CORPORATION GLOBAL METALS CO., LTD.	Directly held 100%	Loan of funds	Collection of funds _(Note 1)	3,976	Short-term loans	62,940
				Interest received _(Note 1)	391	—	—
Subsidiary	SUMMIT AMBATOVY MINERAL RESOURCES INVESTMENT BV	Directly held 100%	Guarantee of indebtedness	Guarantee of indebtedness _(Note 2)	49,532	—	—
				Receipt of guarantee fee _(Note 2)	619	—	—

Transaction terms and policy

- Notes:
- 1.The interest rates are determined by considering market rates.
 - 2.The rate of the guarantee fee is determined by considering the creditworthiness and other factors.

Notes to per Share Information

- | | |
|-------------------------|------------|
| 1. Net assets per share | 979.47 yen |
| 2. Net income per share | 83.29 yen |

Note to Significant Subsequent Events

There are no significant subsequent events to be disclosed.

Note : Non-consolidated results' amounts in millions of yen are rounded down to the nearest million.

Independent Auditor's Report

To the Board of Directors of Sumitomo Corporation:

Opinion

We have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the related notes of Sumitomo Corporation ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 444-4 of the Companies Act.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position and the results of operations of the Group for the period, for which the consolidated financial statements were prepared, in accordance with the latter part of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the latter part of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with the latter part of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic

decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with the latter part of Article 120-1 of the Ordinance of Companies Accounting that prescribes some omissions of disclosure items required by International Financial Reporting Standards, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its consolidated subsidiaries which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Toshiya Mori
Designated Engagement Partner
Certified Public Accountant

Atsuji Maeno
Designated Engagement Partner
Certified Public Accountant

Isao Kamizuka
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
May 13, 2020

Notes to the Reader of Independent Auditor's Report:

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Independent Auditor's Report

To the Board of Directors of Sumitomo Corporation:

Opinion

We have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules of Sumitomo Corporation ("the Company") as at March 31, 2020 and for the year from April 1, 2019 to March 31, 2020 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements and the supplementary schedules were prepared, in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements and Others* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Financial Statements and Others

Management is responsible for the preparation and fair presentation of the financial statements and the supplementary schedules in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the supplementary schedules, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties including the design, implementation and maintenance of the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements and Others

Our objectives are to obtain reasonable assurance about whether the financial statements and the supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and the supplementary schedules.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the supplementary schedules or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the financial statements and the supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the supplementary schedules, including the disclosures, and whether the financial statements and the supplementary schedules represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Toshiya Mori
Designated Engagement Partner
Certified Public Accountant

Atsuji Maeno
Designated Engagement Partner
Certified Public Accountant

Isao Kamizuka
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
May 13, 2020

Notes to the Reader of Independent Auditor's Report:

This is a copy of the Independent Auditor's Report and the original copies are kept separately by the Company and KPMG AZSA LLC.

Audit Report by the Audit & Supervisory Board

[English translation of the Audit & Supervisory Board Members' report originally issued in the Japanese language]

Audit Report

In accordance with each Audit & Supervisory Board Member's audit report and due deliberation, we, the Audit & Supervisory Board, have made this audit report regarding the Company's Directors' execution of their duties during the 152nd fiscal year from April 1, 2019 to March 31, 2020 as follows:

1. Details of the Audit by Each Audit & Supervisory Board Member and the Audit & Supervisory Board

(1) The Audit & Supervisory Board has established the policies of audit, the manner of dividing roles, etc., and in addition to receiving reports on the status of audit and its results from each Audit & Supervisory Board Member, we received reports from the Directors, etc. and the Accounting Auditor regarding the execution of their duties, and asked them for explanations as necessary.

(2) Each Audit & Supervisory Board Member, in accordance with the standard concerning the Audit & Supervisory Board Member's audit, the policies of audit and the manner of dividing roles, which were established by the Audit & Supervisory Board, promoted communications with the Directors, Internal Auditing Department, other employees and the Accounting Auditor, strove to collect information and to enhance the environment for auditing, and conducted the audit by the following methods:

- (i) Each Audit & Supervisory Board Member attended important meetings such as the Meeting of the Board of Directors, received reports from Directors and employees, etc. regarding the execution of their duties, asked them for explanations as necessary, inspected important internal authorization documents and examined the status of operations and the financial status at the head office and important operating locations. As for subsidiaries, each Audit & Supervisory Board Member promoted communication and exchange of information with directors and audit & supervisory board members, etc. of the subsidiaries, and received reports on the subsidiaries' business as necessary.
- (ii) On the details of the Board of Directors' resolution regarding the development of systems necessary to ensure that the execution of duties by directors complies with laws and regulations and the articles of incorporation, and other systems prescribed in Article 362 (4) (vi) promulgated under the Companies Act as systems necessary to ensure the properness of operations of the Company and operations of group of enterprises consisting of the Company and its subsidiaries, which is stated in the Business Report, and the system that is established in accordance with such resolution (the "Internal Control System"), each Audit & Supervisory Board Member received regular reports from Directors and employees, etc. regarding the status of the development and implementation of the Internal Control System, asked them for explanations as necessary, and stated opinions. As for internal controls over financial reporting, each Audit & Supervisory Board Member received reports from the Directors, etc. and KPMG AZSA LLC regarding the evaluation and the status of audit on such internal controls, and asked them for explanations as necessary.
- (iii) Each Audit & Supervisory Board Member monitored and followed up on whether the Accounting Auditor has retained its independent position and has conducted its audit in an adequate manner, and received reports from the Accounting Auditor regarding the execution of its duties, and asked the Accounting Auditor for explanations as necessary. In addition, each Audit & Supervisory Board Member received notice from the Accounting Auditor that the "System to Ensure the Execution of Duties is Conducted in an Appropriate Manner (the matters set forth in each item of Article 131 of the Enforcement Regulations Regarding Accounting promulgated under the Companies Act)" is developed and operated under the "Quality Control Standard Regarding Audit (by the Business Accounting Council, October 28, 2005)," and asked the Accounting Auditor for explanations as necessary.

By the methods set forth above, we inspected this fiscal year's business report and its supporting schedules, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in shareholders' equity

and notes to the non-consolidated financial statements) and their supporting schedules, and the consolidated financial statements (consolidated statements of financial position, consolidated statements of comprehensive income, consolidated statements of changes in equity and notes to the consolidated financial statements).

2. Results of Our Audit

(1) Results of the Audit regarding the Business Report, etc.

- (i) We consider that the Business Report and its supporting schedules comply with the applicable laws and regulations and with the Articles of Incorporation of the Company and that they present fairly the status of the Company.
- (ii) There is no serious violation of any applicable laws and regulations or of the Articles of Incorporation of the Company concerning the Directors' execution of their duties.
- (iii) We consider the contents of the Business Report and the Board of Director's resolution regarding the Internal Control System to be proper. Furthermore, there is no matter that requires comment, regarding the Directors' execution their duties concerning the Internal Control System including internal controls over financial reporting.

(2) Results of the Audit regarding the Non-consolidated Financial Statements and their Supporting Documents

We consider the method and results of the audit conducted by the Accounting Auditor, KPMG AZSA LLC, to be proper.

(3) Results of the Audit regarding the Consolidated Financial Statements

We consider the method and results of the audit conducted by the Accounting Auditor, KPMG AZSA LLC, to be proper.

May 14, 2020

The Audit & Supervisory Board
Sumitomo Corporation

Michihiko Hosono (Seal)
Senior Audit & Supervisory
Board Member(full-time)

Toshiaki Murai(Seal)
Audit & Supervisory Board Member(fu

Haruo Kasama (Seal)
Audit & Supervisory Board Member

Toshio Nagai (Seal)
Audit & Supervisory Board Member

Yoshitaka Kato (Seal)
Audit & Supervisory Board Member

Note: Haruo Kasama, Toshio Nagai and Yoshitaka Kato are Outside Audit & Supervisory Board Members stipulated by Article 2, Item 16 and Article 335, Paragraph 3 of the Companies Act.

* * *