

The following is an unofficial English translation of the Notice of Convocation of the 153rd 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 153rd ORDINARY GENERAL MEETING OF SHAREHOLDERS

April 1, 2020 through March 31, 2021



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 are still affected by COVID-19 a speedy recovery.

It is my great pleasure to send you the Notice of Convocation of our 153rd Ordinary General Meeting of Shareholders (for the fiscal year from April 1, 2020 to March 31, 2021), to be held on June 18, 2021.

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 2021
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 430 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 430 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 CONVOCAION 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 153rd 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 COVID-19 infection, we kindly ask that you exercise your voting rights in writing or by electronic means (the Internet, etc.) prior to the Meeting date to the extent 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 8 to 37 and exercise your voting rights no later than 5:45 p.m. on Thursday June 17, 2021.

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 18, 2021, 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 Toranomon, Minato-ku, Tokyo

Please kindly note that in order to prevent the spread of COVID-19 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 COVID-19, 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 153rd Fiscal Year (April 1, 2020 through March 31, 2021)

No. 2: Non-consolidated Financial Statements for the 153rd Fiscal Year (April 1, 2020 through March 31, 2021)

Propositions:

< Company Proposals (Proposition No. 1 through 4) >

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

Proposition No. 2: Election of Eleven Directors

Proposition No. 3: Election of One Audit & Supervisory Board Member

Proposition No. 4: Determination of Remuneration for Directors under a Restricted
Performance Share Unit-Based Remuneration Plan

< Shareholder Proposal (Proposition No. 5) >

Proposition No. 5: Partial amendment to the Articles of Incorporation (adoption and disclosure of a plan outlining the company's business strategy to align its business with the goals of the Paris Agreement)

Please note the following when exercising your voting rights:

A shareholder proposal (Proposition No. 5) has been submitted for consideration at the Meeting; the Company's Board of Directors opposes this proposition. You are requested to review the Reference Documents for the Meeting on pages 32 to 37 (including the opinion of the Company's Board of Directors) and exercise your voting rights, referring to the guidance notes on the exercise of voting rights below.

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 18, 2021, 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 17, 2021.

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 17, 2021.

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 is a method for exercise of voting rights by separate indication for each proposition. 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 17, 2021.

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:

- If you do not indicate your approval or disapproval for any of the propositions, you will be deemed to have voted “approve” in the case of the Company proposals, and

“disapprove” in the case of the shareholder proposal.

- 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

<Company Proposals (Proposition No. 1 through 4)>

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. Profit for the year attributable to owners of the parent in the fiscal year¹ totaled loss of 153.1 billion yen. However, our financial soundness is maintained as planned by tightening cost management, reducing interest bearing liabilities through cash flow management and maintaining risk weighted assets within core risk buffer² under emergency mode, and the profitability is expected to recover and the financial soundness is expected to maintain and improve. Therefore, it is proposed that the year-end dividend 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: 43,739,838,100 yen

Annual dividends for the fiscal 2020 will be 70 yen per share, which is the sum of the amount of the interim dividend (35 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 21, 2021

Proposition No. 2: Election of Eleven Directors

The term of all of the eleven 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 45 and 46 regarding the standards for appointment of Directors and Audit & Supervisory Board Members [including the Standards for Appointment and Independence of

¹ Profit (loss) attributable to owners of the parent refers to profit or loss attributable to the shareholders of Sumitomo Corporation.


² 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.

Outside Directors and Outside Audit & Supervisory Board Members].)

| Candidate No. | | Name | | Present Positions | Term as a Director | Nomination and Remuneration Advisory Committee *3 |
|---------------|-------------|-------------------|----------------------------|--|--------------------|---|
| 1 | Re-election | Kuniharu Nakamura | | Chairman of the Board of Directors | 12 years | ○ |
| 2*1 | Re-election | Masayuki Hyodo | | Representative Director, President & Chief Executive Officer | 3 years *2 | ○ |
| 3*1 | Re-election | Toshikazu Nambu | | Representative Director, Executive Vice President, General Manager, Media & Digital Business Unit, Chief Digital Officer | 2 years | — |
| 4*1 | Re-election | Hideki Yamano | | Representative Director, Senior Managing Executive Officer, Chief Strategy Officer and Chief Information Officer | 3 years | — |
| 5*1 | Re-election | Takayuki Seishima | | Representative Director, Senior Managing Executive Officer, Chief Administration Officer and Chief Compliance Officer | 2 years | — |
| 6*1 | Re-election | Masaru Shiomi | | Representative Director, Managing Executive Officer, Chief Financial Officer | 1 year | — |
| 7 | Re-election | Nobuyoshi Ehara | Outside Director Candidate | Outside Director | 5 years | ◎ |
| | | | Independent Director | | | |
| 8 | Re-election | Koji Ishida | Outside Director Candidate | Outside Director | 4 years | ○ |
| | | | Independent Director | | | |
| 9 | Re-election | Kimie Iwata | Outside Director Candidate | Outside Director | 3 years | ○ |
| | | | Independent Director | | | |
| 10 | Re-election | Hisashi Yamazaki | Outside Director Candidate | Outside Director | 3 years | — |
| | | | Independent Director | | | |
| 11 | Re-election | Akiko Ide | Outside Director Candidate | Outside Director | 1 year | — |
| | | | Independent Director | | | |

(Notes)

1. *¹ Each candidate denoted by an asterisk is scheduled 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 Proposition is approved.
2. *² Apart from the above, Mr. Masayuki Hyodo, served a one-year term as Director from June 2016 to June 2017.
3. *³ The members of the Nomination and Remuneration Advisory Committee are those scheduled to be appointed as members if this Proposition is approved. (○ denotes Member; ◎ denotes Chair.) The composition of the committee will be five members including three Outside Directors.

| Candidate No. 1 | Kuniharu Nakamura (Born August 28, 1950) | | Re-election |
|---|---|--|-------------|
|  | Shares owned in the Company | 155,600 | |
| | Term as a Director | 12 years (as of the close of this General Meeting of Shareholders) | |
| | Attendance at Meetings of the Board of Directors in fiscal 2020 | 21 of 21 meetings (100%) | |
| | Attendance at Meetings of the Nomination and Remuneration Advisory Committee in fiscal 2020 | 11 of 11 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 |
| Outside Director, Shin-Etsu Chemical Co., Ltd. |

●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 | 80,200 | |
| | Term as a Director | 3 years (as of the close of this General Meeting of Shareholders) (*) | |
| | Attendance at Meetings of the Board of Directors in fiscal 2020 | 21 of 21 meetings (100%) | |
| | Attendance at Meetings of the Nomination and Remuneration Advisory Committee in fiscal 2020 | 11 of 11 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 | 67,800 | |
| | 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 2020 | 21 of 21 meetings (100%) | |

●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 | 29,152 | |
| | Term as a Director | 3 years (as of the close of this General Meeting of Shareholders) | |
| | Attendance at Meetings of the Board of Directors in fiscal 2020 | 21 of 21 meetings (100%) | |

●Work History, Positions and Responsibilities

| | |
|------------|---|
| April 1983 | Entered the Company |
| April 2016 | Executive Officer |
| April 2018 | Managing Executive 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 | 31,100 | |
| | 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 2020 | 21 of 21 meetings (100%) | |


●Work History, Positions and Responsibilities

| | |
|------------|---------------------|
| April 1984 | Entered the Company |
| April 2016 | Executive Officer |

| | |
|------------|--|
| April 2019 | Managing Executive Officer |
| June 2019 | Representative Director & Managing Executive Officer (Chief Administration Officer and Chief Compliance Officer) |
| April 2021 | Representative Director & Senior 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 & Senior 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) | | Re-election |
|--|---|--|-------------|
|  | Shares owned in the Company | 22,300 | |
| | 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 2020 | 18 of 18 meetings (100%) (Since appointed Director on June 19, 2020) | |

●Work History, Positions and Responsibilities

| | |
|------------|---|
| April 1985 | Entered the Company |
| April 2017 | Executive Officer |
| April 2020 | Managing Executive Officer (Chief Financial Officer) |
| June 2020 | Representative Director & 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 Representative Director & 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 re-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 | 5 years (as of the close of this General Meeting of Shareholders) | |
| | Attendance at Meetings of the Board of Directors in fiscal 2020 | 21 of 21 meetings (100%) | |
| | Attendance at Meetings of the Nomination and Remuneration Advisory Committee in fiscal 2020 | 11 of 11 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. (retired in June 2020) |


●Reasons for proposing Mr. Nobuyoshi Ehara as a candidate for Outside Director and summary of expected roles

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. Mr. Ehara is expected to draw on his experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and enhancing management supervisory functions. In addition, as Chair of the Nomination and Remuneration Advisory Committee (scheduled to be appointed if this Proposition is approved), Mr. Ehara is also expected to contribute to further enhancing the independence, objectivity and transparency of the nomination and remuneration process for Director, Audit & Supervisory Board Member and executive management.

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

Mr. Nobuyoshi Ehara engaged in the execution of operational duties as a partner at Unison Capital Inc. (Unison Capital) until June 2020. During the period when Mr. Ehara was in the position of Representative Director at Unison Capital, 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. together with a fund managed by Unison Capital 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 | Koji Ishida (Born June 22, 1947) | | 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 2020 | 21 of 21 meetings (100%) | |
| | Attendance at Meetings of the Nomination and Remuneration Advisory Committee in fiscal 2020 | 11 of 11 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 and summary of expected roles

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. Mr. Ishida is expected to draw on his experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and enhancing management supervisory functions. In addition, as Member of the Nomination and Remuneration Advisory Committee (scheduled to be appointed if this Proposition is approved), Mr. Ishida is also expected to contribute to further enhancing the independence, objectivity and transparency of the nomination and remuneration process for Director, Audit & Supervisory Board Member and executive management.

●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 15 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. It has therefore been judged that this situation exerts no impact on the independence of Mr. Ishida with respect to the Company.

Mr. Ishida also served until June 2011 as an executive at SMFL, an associated company of the Company. However, more than 9 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. It has therefore been judged that this situation exerts no impact on the independence of Mr. Ishida 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 | 3 years (as of the close of this General Meeting of Shareholders) | |
| | Attendance at Meetings of the Board of Directors in fiscal 2020 | 19 of 21 meetings (90.5%) | |
| | Attendance at Meetings of the Nomination and Remuneration Advisory Committee in fiscal 2020 | 10 of 11 meetings (90.9%) | |

●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 and summary of expected roles

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. Ms. Iwata is expected to draw on her experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and enhancing management supervisory functions. In addition, as Member of the Nomination and Remuneration Advisory Committee (scheduled to be appointed if this Proposition is approved), Ms. Iwata is also expected to contribute to further enhancing the independence, objectivity and transparency of the nomination and remuneration process for Director, Audit & Supervisory Board Member and executive management.

●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 | 3 years (as of the close of this General Meeting of Shareholders) | |
| | Attendance at Meetings of the Board of Directors in fiscal 2020 | 21 of 21 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) |
| June 2020 | Outside Director, JAPAN POST INSURANCE Co., Ltd. (present position) |

●Significant positions concurrently held

Attorney at Law
Supervisory Board Member, National Federation of Agricultural Cooperative Associations
Outside Director, JAPAN POST INSURANCE Co., Ltd.


●Reasons for proposing Mr. Hisashi Yamazaki as a candidate for Outside Director and summary of expected roles

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. Mr. Yamazaki is expected to draw on his experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and further enhancing management supervisory functions.

●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.

Mr. Yamazaki was appointed as Outside Director at JAPAN POST INSURANCE Co., Ltd. (JP Insurance) in June 2020 and currently serves in this position. Prior to his appointment, it came to light at JP Insurance that there were cases of policy rewriting, etc. that may have caused disadvantages to customers, not in line with their intentions, and JP Insurance received administrative dispositions from the Financial Services Agency pursuant to the Insurance Business Act and other relevant laws on December 27, 2019 for these cases. Since his appointment at JP Insurance, Mr. Yamazaki has been fulfilling his duties by providing advice on protecting customers and preventing recurrence, etc.

| Candidate No. 11 | Akiko Ide (Born February 28, 1955) | | Re-election |
|---|---|--|----------------------------|
| | | | Outside Director Candidate |
| | | | Independent Director |
|  | Shares owned in the Company | 0 | |
| | Term as an Outside Director | 1 year (as of the close of this General Meeting of Shareholders) | |
| | Attendance at Meetings of the Board of Directors in fiscal 2020 | 18 of 18 meetings (100%) (Since appointed Director on June 19, 2020) | |

●Work History, Positions and Responsibilities

| | |
|-------------|---|
| April 1977 | Entered Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation) |
| June 2006 | Executive Director, General Manager of Corporate Citizenship Department, NTT DoCoMo, Inc. (currently 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. (currently Oisix ra daichi Inc.) (retired in May 2014) |
| June 2013 | Executive Director, Senior Manager in Charge of Commerce Business Promotion, NTT DoCoMo, Inc. (currently NTT DOCOMO, INC.) (retired in June 2014) |
| June 2014 | Full Time Audit & Supervisory Board Member, Nippon Telegraph and Telephone Corporation (retired in June 2020) |
| August 2018 | Audit & Supervisory Board Member, NTT, Inc. (retired in June 2020) |
| June 2020 | Outside Director, Sumitomo Corporation (present position) |

●Reasons for proposing Ms. Akiko Ide as a candidate for Outside Director and summary of expected roles

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 re-election to the position of Outside Director. Ms. Ide is expected to draw on her experience and knowledge to fulfill the role of ensuring appropriate decision-making by the Board of Directors and further enhancing management supervisory functions.

●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. (currently Oisix ra daichi Inc.) 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 each of them as independent directors 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, Mr. Hisashi Yamazaki and Ms. Akiko Ide 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.
4. Summary of Directors and Officers Liability Insurance Contracts
The Company concludes directors and officers liability insurance contracts pursuant to Article 430.3, Paragraph 1 of the Companies Act to provide liability insurance to all Directors. Except in cases corresponding to the grounds for exemption stipulated in the contract, Directors are insured against damages, etc. arising from the bearing of liability regarding the execution of their duties or from claims received related to the pursuit of the said liability. The contract's insurance premiums are borne by the Company in full, and if this Proposition is approved, each candidate shall be insured under the contract. The Company intends to update the contract with equivalent provisions for each candidate during his/her term of office.

(Reference) Composition of the Board of Directors

If Proposition No. 2 is resolved as proposed, the composition of the Board of Directors will be as follows.

| Board of Directors | | Ratio of Independent Outside Directors | Ratio of Female Directors |
|---|---|--|---|
| Internal (6 Directors) One is Chairman of the Board of Directors and Chairperson | <div>Diversity</div> Outside (independent) (5 Directors) Mr. Ehara Business Management, Investment and Finance Mr. Ishida Business Management, Investment, Finance and Government Agency Ms. Iwata Business Management and Government Agency Mr. Yamazaki Law and Government Agency Ms. Ide Business Management and Information and Communications | 45.5% (5 of 11 are Independent Outside Directors) | 18.2% (2 of 11 are female Directors) |

Note: For overview of Sumitomo Corporation's initiatives for reinforcing corporate governance, please refer to page 38 to 44.

(Reference) Outside Director's Areas of Expertise and Experience

| Name | Areas of Expertise and Experience | | | | | |
|---|-----------------------------------|------------|---------|-----|-------------------|--------------------------------|
| | Business Management | Investment | Finance | Law | Government Agency | Information and Communications |
| Nobuyoshi Ehara Nomination and Remuneration Advisory Committee, Chair* | ● | ● | ● | | | |
| Koji Ishida Nomination and Remuneration Advisory Committee, Member* | ● | ● | ● | | ● | |
| Kimie Iwata Nomination and Remuneration Advisory Committee, Member* | ● | | | | ● | |
| Hisashi Yamazaki | | | | ● | ● | |
| Akiko Ide | ● | | | | | ● |


Note: The asterisk (*) denotes members scheduled to be appointed if Proposition 2 is resolved as proposed.

Proposition No. 3: Election of One Audit & Supervisory Board Member

Of the Company's five incumbent Audit & Supervisory Board Members, Mr. Haruo Kasama will reach the end of his term as of the close of the Meeting. Accordingly, this proposition calls for the election of one Audit & Supervisory Board Member. The candidate for Audit & Supervisory Board Member is as follows.

Audit & Supervisory Board Member candidate is candidate 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. The candidate satisfies the Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members set by the Company. (Please refer to pages 45 and 46 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 | Yukiko Nagashima (Born April 4, 1961) | | New-election |
|--|--|---|--|
| | | | Outside Audit & Supervisory Board Member Candidate |
| | | | Independent Audit & Supervisory Board Member |
|  | Shares owned in the Company | 0 | |

●Work History and Positions

| | |
|--------------|---|
| April 1985 | Entered Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.) |
| April 2006 | Corporate Executive Officer, Recruit Co., Ltd. |
| January 2008 | President and Representative Director, Recruit Staffing Co., Ltd. (retired in April 2016) |
| October 2012 | Corporate Executive Officer, Recruit Holdings Co., Ltd. |
| June 2016 | Standing Audit & Supervisory Board Member, Recruit Holdings Co., Ltd. (present position) |
| April 2018 | Standing Audit and Supervisory Board Member, Recruit Co., Ltd. (present position) |
| March 2019 | Outside Director, Japan Tobacco Inc. (present position) |

●Significant positions concurrently held

Standing Audit & Supervisory Board Member, Recruit Holdings Co., Ltd.
 Standing Audit and Supervisory Board Member, Recruit Co., Ltd.
 Outside Director, Japan Tobacco Inc.

●Reasons for proposing Ms. Yukiko Nagashima as a candidate for Outside Audit & Supervisory Board Member

Ms. Nagashima has highly specialized knowledge and a wealth of experience in business management and corporate governance based on her career over many years, including key positions at a major staffing services company (holding company), executive at its group company, full time audit & supervisory board member at the holding company, and outside director positions at a major company. She is honest in character, as well as highly insightful and capable. Ms. Nagashima 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 her duties properly in that position. For these reasons, we propose her as a candidate for 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

The Company has business transactions with Recruit Staffing Co., Ltd. (Recruit Staffing), in which Ms. Nagashima served as Representative Director until March 2016. Transactions between the Company and Recruit Staffing account for a portion of the Recruit Staffing's sales, but the amount is negligible—less than 0.1% of its total annual sales. It has therefore been judged that this situation exerts no impact on the independence of Ms. Nagashima with respect to the Company.

(Notes)

1. **Special Interest between Candidates and the Company**
Ms. Yukiko Nagashima does not have any particular interest in the Company.
2. **Independent Audit & Supervisory Board Members**
Ms. Yukiko Nagashima fulfills the standards related to independence set by the financial instruments exchanges that the Company is listed on. The Company intends to designate Ms. Yukiko Nagashima as an independent Audit & Supervisory Board Member under the respective provisions of the exchanges.
3. **Conclusion of Limitation of Liability Contracts**
If the election of Ms. Yukiko Nagashima is approved, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company intends to conclude a limitation of liability contract with her, limiting her liability to the amount stipulated by law provided she has acted in good faith and without gross negligence.
4. **Summary of Directors and Officers Liability Insurance Contracts**
The Company concludes directors and officers liability insurance contracts pursuant to Article 430.3, Paragraph 1 of the Companies Act to provide liability insurance to all Audit & Supervisory Board Members. Except in cases corresponding to the grounds for exemption stipulated in the contract, Audit & Supervisory Board Members are insured against damages, etc. arising from the bearing of liability regarding the execution of their duties or from claims received related to the pursuit of the said liability. The contract's insurance premiums are borne by the Company in full, and if this Proposition is approved, Ms. Yukiko Nagashima shall be insured under the contract. The Company intends to update the contract with equivalent provisions for the candidate during her term of office.

(Reference) Composition of the Audit & Supervisory Board

If Proposition No. 3 is resolved as proposed, the composition of the Audit & Supervisory Board will be as follows.

| Name | | Positions | Term as an Audit & Supervisory Board Member |
|----------------------|--|---|---|
| Mr. Michihiko Hosono | Incumbent | Senior Audit & Supervisory Board Member (Full-Time) | 2 years |
| Mr. Toshiaki Murai | Incumbent | Audit & Supervisory Board Member (Full-Time) | 3 years |
| Mr. Toshio Nagai | Incumbent | Outside Audit & Supervisory Board Member | 5 years |
| | Independent Audit & Supervisory Board Member | | |
| Mr. Yoshitaka Kato | Incumbent | Outside Audit & Supervisory Board Member | 5 years |
| | Independent Audit & Supervisory Board Member | | |
| Ms. Yukiko Nagashima | New-election | Outside Audit & Supervisory Board Member | — |
| | Independent Audit & Supervisory Board Member | | |

(Notes)

1. The term as an Audit & Supervisory Board Member is as of the close of this General Meeting of Shareholders.
2. For overview of Sumitomo Corporation's initiatives for reinforcing corporate governance, please refer to page 38 to 44.

Proposition No. 4: Determination of Remuneration for Directors under a Restricted Performance Share Unit-Based Remuneration Plan

The current amount of remuneration for the Company's Directors is "an annual amount of 1.2 billion yen or less (including an annual amount of 100 million yen or less for Outside Directors)," which was approved at the 150th Ordinary General Meeting of Shareholders held on June 22, 2018. The remuneration for Directors (excluding Outside Directors and including the Chairman of the Board of Directors; hereinafter, "Eligible Directors") consists of monthly remuneration, restricted stock-based remuneration, and performance share unit-based remuneration (hereinafter, restricted stock-based remuneration and performance share unit-based remuneration referred to collectively as "Current Stock-based Remuneration"), and for Outside Directors, of monthly remuneration only. Current Stock-based Remuneration has been approved within the aforementioned remuneration limit as follows: payment of monetary remuneration receivables in an annual amount of 130.0 million yen or less for restricted stock-based remuneration and in an annual amount of 430 million yen or less for performance share unit-based remuneration (total annual amount of 560 million yen or less). Regarding performance-linked bonuses for Directors (excluding the Chairman of the Board of Directors and Outside Directors), since they are strongly linked to performance, the bonuses are paid each year upon approval by the General Meeting of Shareholders separately from the aforementioned remuneration limit.

The Company proposes partially revising its executive remuneration plan and integrating restricted stock-based remuneration and performance share unit-based remuneration into a single plan as follows in order to further promote the objectives of the current stock-based remuneration, which are to incentivize Eligible Directors to seek sustainable improvement of the Company's corporate value, advance initiatives for raising medium/long-term corporate value, and further advance the sharing of value with shareholders. Specifically, the Company proposes introducing a restricted performance share unit-based remuneration plan (hereinafter, "the Plan") that provides, as restricted stock, a given number of the Company's common shares in accordance with the Company's performance conditions (stock value evaluation) as remuneration, etc. to Eligible Directors within the aforementioned remuneration limit (an annual amount of 1.2 billion yen or less (including an annual amount of 100 million yen or less for Outside Directors)) and within the upper limit indicated in (2) below.

With introduction of the Plan, except for the current performance share unit-based remuneration, for which the evaluation period has already started as of before June 2021, going forward there will be no new provision of the Company's common shares based on Current Stock-based Remuneration. However, regarding current performance share unit-based remuneration for which the evaluation period has already started as of before June 2021, using the number of shares to be provided based on current performance share unit-based remuneration as the standard, (a) Company's common shares that are not restricted stock will be provided in accordance with current performance share unit-based

remuneration to Eligible Directors who have already retired from their positions as of before the close of this General Meeting of Shareholders, and (b) Company's common shares will be provided as restricted stock on the same conditions as stipulated below in (6) to (8), or instead of this, monetary amount rationally stipulated by the Company's Board of Directors may be paid to Eligible Directors retiring from their positions after the close of this General Meeting of Shareholders.

Currently, there are six Eligible Directors. There will be no change to the number of Eligible Director even when Proposition No. 2 is approved as proposed.

[Description of Plan]

(1) Overview of Plan

The Plan is a performance share unit-based remuneration plan in which a period of 3 years commencing from the first month of the service period (the period from the close of the Ordinary General Meeting of shareholders of each year until the close of the Ordinary General Meeting of the following year; hereinafter, "Service Period") is set as the evaluation period (hereinafter, "Evaluation Period"), and in which Company's common shares as restricted stock in number calculated based on the growth rate of the Company's shares during the Evaluation Period (please refer to the calculation formula stated in (4) below), are provided to the Eligible Directors. In principle, in order to allot Company's common shares after the end of the Evaluation Period, the Company will issue, or dispose of, common shares for Eligible Directors using either of the following methods.

(a) Issue or disposition of Company's common shares as remuneration, etc. for Eligible Directors without the need of monetary payment or provision of contribution in kind (hereinafter, "Gratis Provision").

(b) Payment of monetary remuneration receivables as remuneration, etc. to Eligible Directors, and Eligible Directors providing the full amount of monetary remuneration receivables as contribution in kind to receive issue or disposition of Company's common shares (hereinafter, "Provision with Contribution in kind").

The initial Evaluation Period will be from June 2021 to June 2024; and subsequent Evaluation Periods will be from June of each year to June three years thereafter.

As the provision of Company's common shares to Eligible Directors will be carried out after the termination of the Evaluation Period, whether or not to provide Company's common shares to the respective Eligible Directors or the number of Company's common shares to be provided will not be fixed at the point of the introduction of the Plan.

(2) Maximum amount of remuneration under the Plan and upper limit on total number of shares

The maximum monetary amount of remuneration for each Service Period to be provided to

Eligible Directors based on this Proposition shall be an annual amount of 650 million yen or less, and the total number of Company's common shares to be issued or disposed to the Eligible Directors for each Service Period shall be 300,000 shares or less per year. Nevertheless, if there is a possibility of exceeding the foregoing upper limits, the Company will reduce the number of shares to be provided to each Eligible Director proportionately or by other rational measures to the extent that it does not exceed the foregoing upper limits. Additionally, if, on or after the date that this Proposition is approved and adopted, share split (including gratis allotment of Company's common shares) or a consolidation of shares is executed, the Company will adjust such total number based on the split (or allotment) ratio or consolidation ratio. Also, specific payment dates and allocations to each Eligible Director will be determined by the Board of Directors.

(3) Payment amount per share

Within the scope of the maximum amount of remuneration stated in (2) above, (a) in the case of Gratis Provision, monetary payment, etc. is not necessary, however the amount of remuneration for Eligible Directors is the amount calculated based on the closing price of the Company's common shares on the Tokyo Stock Exchange on the business day prior to the day of the Board resolution regarding the allotment of shares (or if the Company's shares are not traded on the said date, then the closing price of the most recent trading day preceding the said date), or some other fair valuation amount, and (b) in the case of Provision with Contribution in kind, monetary remuneration receivables are paid to be appropriated as contribution in kind for the issue or disposal of Company's common shares. In the case of (b), the payment amount per share of the Company's common shares allotted under the Plan is determined by the Board of Directors to an extent that will not be excessively advantageous for Eligible Directors, using as the basis the closing price per share of Company's common shares on the Tokyo Stock Exchange on the business day prior to the day of the Board resolution regarding the allotment of shares (or if the Company's shares not traded on the said that date, then the closing price of the most recent trading day preceding the said date).

(4) Method for calculating the number of Company's common shares provided to Directors

Under the Plan, the number of Company's common shares to be provided as restricted stock to each Eligible Director at the end of the Evaluation Period (hereinafter, "Number of Shares Provided") shall be determined by multiplying the number of shares of each Eligible Director determined by the Company's Board of Directors (hereinafter, "Standard Number of Shares Provided") by the share provision ratio determined based on the growth rate of the Company's share (hereinafter, "Share Provision Ratio"). The Company stock growth rate is calculated by

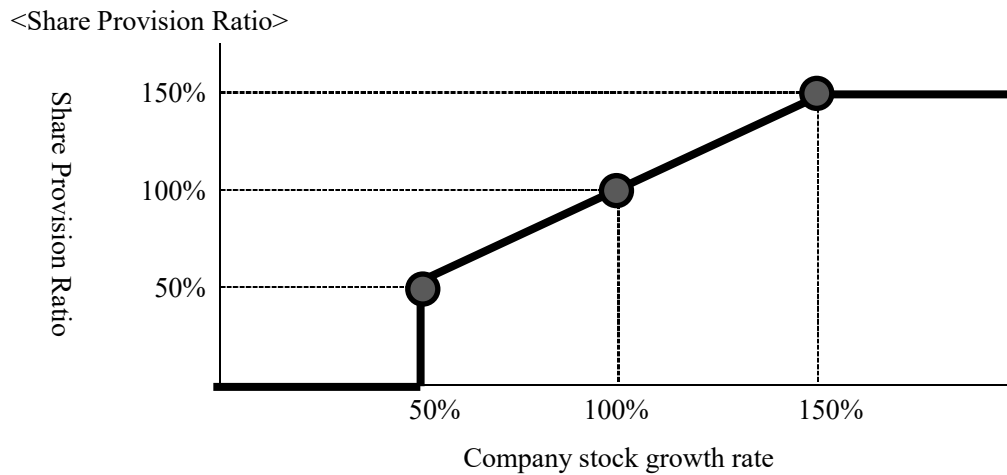
dividing the Company's total shareholder return (TSR) during the Evaluation Period by the growth rate of the TOPIX index during the Evaluation Period.

Specifically, the number will be calculated in accordance with the following calculation formula. Nevertheless, the Company's stock growth rate shall be rationally adjusted in proportion to the Eligible Director's term of office during the Service Period, etc. Additionally, if, on or after the date that this Proposition is approved and adopted, share split (including gratis allotment of Company's common shares) or a consolidation of shares is executed, or there are other circumstances requiring the adjustment of the following calculation items, the Company will adjust such calculation items to a reasonable extent.

<Calculation Formula>

$$\begin{aligned} \text{Number of Shares Provided} &= \text{Standard Number of Shares Provided} \times \text{Share Provision Ratio} \\ \text{Standard Number of Shares Provided} &: \text{Determined by the Company's Board of Directors for each Eligible Director} \\ \text{Share Provision Ratio} &: \begin{aligned} &(1) \text{ If the Company stock growth rate is less than } 50\% : 0\% \\ &(2) \text{ If the Company stock growth rate is between } 50\% \text{ and } 150\% : \text{Company stock growth rate} \\ &(3) \text{ If the Company stock growth rate exceeds } 150\% : 150\% \end{aligned} \\ & \text{(Refer to graph shown in the next page)} \\ \text{Company stock growth rate} &= \left\{ \frac{B + C}{A} \right\} \div \left\{ \frac{E}{D} \right\} \\ & \begin{aligned} A: & \text{ Simple average of the closing prices of Company's common shares on the Tokyo Stock Exchange in the month the Evaluation Period begins (June of the year)} \\ B: & \text{ Simple average of the closing prices of Company's common shares on the Tokyo Stock exchange in the month the Evaluation Period ends (June three years thereafter)} \\ C: & \text{ Total amount of dividend per Company's common share for dividends on retained earnings during the Evaluation Period} \\ D: & \text{ Simple average of the TOPIX index in the month the Evaluation Period begins (June of the year)} \\ E: & \text{ Simple average of the TOPIX index in the month the Evaluation Period ends} \end{aligned} \end{aligned}$$

(June three years thereafter)



(5) Provision requirements

Under the Plan, when the termination of Evaluation Period ends and the following requirements for providing Company's common shares have been satisfied, Company's common shares shall be provided to Eligible Directors.

- (a) Served as a Company Director, Executive Officer or in another position stipulated by the Company's Board of Directors during the Service Period.
- (b) Committed no acts of misconduct specified by the Company's Board of Directors.
- (c) Conditions deemed necessary to achieve other aims stipulated by the Company's Board of Directors for restricted performance share unit-based remuneration.

(6) Measures to be taken upon retirement, etc. during the Service Period

Notwithstanding the stipulations of (5) above, in the event (a) an Eligible Director retires or resigns from their positions as Director, Executive Officer, or other positions stipulated by the Company's Board of Directors during Service Period for reasons deemed legitimate by the Board of Directors, or if (b) after the Service Period elapses the Eligible Director retires or resigns from their positions as Director, Executive Officer, or other positions stipulated by the Company's Board of Directors before provision of Company's common shares based on the Plan, or there are other reasons deemed legitimate by the Board of Directors, within the range of the foregoing total amount of remuneration under the Plan, the Company may pay a monetary amount in an amount rationally calculated by the Company's Board of Directors based on the number of months the Eligible Director served in office in substitute for providing Company's common shares.

- (7) Measures to be taken upon organizational restructuring, etc.

Notwithstanding the stipulations of (5) above, in the event after the commencement of the Service Period, a merger agreement in which the Company is absorbed, a stock exchange agreement or stock transfer plan in which the Company becomes a wholly owned subsidiary, or some other matter related to organizational restructuring, etc. is approved by the Company's General Meeting of Shareholders (or if the organizational restructuring, etc. does not require approval by the Company's General Meeting of Shareholders, then by the Company's Board of Directors), within the range of the foregoing total amount of remuneration under the Plan, the Company may pay a monetary amount in an amount rationally calculated by the Company's Board of Directors based on the period from the commencement date of the Service Period to the date such organizational restructuring, etc is approved in substitute for providing Company's common shares.

- (8) Summary of transfer restrictions, etc. on Company's common shares provided to Eligible Directors

An allotment agreement with the following content (hereinafter, "Allotment Agreement") shall be concluded between the Company and Eligible Directors with regard to provision of Company's common shares based on this Proposition.

- (a) Transfer restriction period

The transfer restriction period shall be the period from the date that Company's common shares are provided under the Allotment Agreement (hereinafter, "Allotted Shares") until the date that the Eligible Director retires or resigns from their positions as the Company's Director, Executive Officer, or other positions stipulated by the Company's Board of Directors (hereinafter, "Restriction Period"), and during the Restriction Period, Eligible Directors may not transfer, create security interest on, or otherwise dispose the Allotted Shares (hereinafter, "Transfer Restrictions").

- (b) Cancellation of Transfer Restrictions

The Company will cancel Transfer Restrictions on all Allotted Shares as of the expiration of the Restriction Period.

- (c) Gratis acquisition by the Company

In the event there is a violation of the law, internal rules, or the Allotment Agreement, or if there are other reasons deemed legitimate as stipulated by the Company's Board of Directors for gratis acquisition of Allotted Shares, the Company will make gratis acquisition of Allotted

Shares.

- (d) Measures to be taken upon organizational restructuring, etc.

Notwithstanding the stipulations of (a) above, if during the Restriction Period, a merger agreement in which the Company is absorbed, a stock exchange agreement or stock transfer plan in which the Company becomes a wholly owned subsidiary, or some other matter related to organizational restructuring, etc. is approved by the Company's General Meeting of Shareholders (or if the organizational restructuring, etc. does not require approval by the Company's General Meeting of Shareholders, then by the Company's Board of Directors), the Company will cancel Transfer Restrictions on all Allotted Shares prior to the date that such organizational restructuring, etc. goes into effect.

[Grounds for the validity of paying remuneration, etc. based on the Plan]

To ensure the validity of Director remuneration and the transparency of the decision-making process, the Nomination and Remuneration Advisory Committee (chaired by an Outside Director), a majority of whose members are Outside Directors, has deliberated on the introduction of the Plan and judged the content to be valid as follows.

- (a) Payment of remuneration, etc. based on the Plan is in accordance with policies related to decisions on remuneration, etc. packages for individual Directors (as summarized on page 86 to 89 of this notice of convocation) decided by the Company's Board of Directors.
- (b) Performance conditions (stock price valuation) during the Evaluation Period are defined and stock is provided based on the degree of achievement of the performance conditions, and by setting transfer restrictions on stock provided, efforts are promoted to optimize the medium-to long-term business portfolio and raise corporate value, and by further raising the relative link to performance (link to stock price) compared with Current Stock-based Remuneration, the further sharing of value with shareholders is additionally promoted.
- (c) The total of the upper limit of Company's common shares for which issue or disposition is received by Eligible Directors under the plan (300,000 shares per year) is equivalent to approximately 0.02% of the Company's total shares outstanding of 1,251,253,867 (as of March 31, 2021) (the ratio to total shares outstanding if the upper limit of Company's common shares are issued for ten years based on the plan is approximately 0.2%), and this dilution ratio is negligible.

[Reference]

The Plan will be introduced as a part of the new remuneration plan for the Company's Directors (excluding Outside Directors) and Executive Officers with the aim of reinforcing its group's

governance and increasing its corporate value over medium- to long-term, and promoting the Company's sustainable growth in link with its management strategy, and the Company also plans to introduce a restricted performance share unit-based remuneration plan, which is the same sort of remuneration plan to the Plans, for Executive Officers who are not concurrently serving as Directors. Please refer to pages from 47 to 50 for the "Overview of New Executive Remuneration Plan" upon approval and adoption of this Proposition as proposed.

<Shareholder Proposal>

This Proposition is a proposal from a shareholder.

The following proposal (summary of the Proposition) and the reasons for the proposal have been transcribed directly from the original text submitted by the proposing shareholder.

Proposition No. 5: Partial amendment to the Articles of Incorporation (adoption and disclosure of a plan outlining the company's business strategy to align its business with the goals of the Paris Agreement)

Proposal content (summary of the Proposition)

It is proposed that the following provision be added to the Articles of Incorporation:

Noting the Company's support for the Task Force on Climate-related Financial Disclosures (TCFD), the Company shall adopt and disclose in its annual reporting a plan outlining the company's business strategy, including metrics and short-, medium-, and long-term targets, to align its business exposure to coal, oil and gas assets with the goals of the Paris Agreement.

Reasons for the proposal

The aim of the proposal is to manage the company's exposure to climate change risks, and protect its shareholders' assets.

Climate change presents severe risks to the human society and the economic system. The Paris Agreement, a treaty to prevent this crisis from becoming a reality, aims to strengthen the global response to the threat of climate change by limiting the global temperature rise to well below 2 degrees Celsius above pre-industrial levels and making efforts to limit the temperature rise to 1.5 degrees Celsius.

While other Japanese trading companies are shedding their thermal coal assets (mines and power plants), the company's current policy allows acquisition of existing coal mines and construction of

new coal-fired power plants. Additionally, the company's moves on oil and gas do not demonstrate a pathway consistent with carbon neutrality within Paris-aligned timelines. The company's insufficient policy and practice pose significant financial risks to the company in a transition to a decarbonized economy. The proposal will allow shareholders to be informed as to how the company is managing risks of this nature.

The Company's Board of Directors opposes to this shareholder proposal.

1. Opinion of the Company's Board of Directors

In developing a sustainable society, the Company has identified mitigation of climate change as one of the key social issues, and it aims at solving various issues concerning the mitigation of climate change, including the achievement of goals set in the Paris Agreement.

Based on this assumption, the Company will engage in various businesses set forth in the Articles of Incorporation based on the management policies set forth in Section 2 below; at the same time, it will appropriately manage climate change risks to prevent its corporate value from deteriorating and will identify forthcoming changes as an opportunity and lead those changes toward sustainable growth and enhancement of the corporate value, thereby continuing to meet the expectations of shareholders.

The Company has already been working on the development and disclosure of the plan outlining the Company's business strategy as included in the Shareholder Proposal; thus, it is not necessary to newly add the content requested by the Shareholder Proposal to the Articles of Incorporation. The Articles of Incorporation sets forth basic matters regarding corporate organization, among other matters, and from the perspective of changing relevant policies and plans as necessary and flexibly and implementing those promptly, the Company intends to maintain the Articles of Incorporation with the current content without setting forth any individual and specific policies.

Accordingly, the Company will oppose the Shareholder Proposal.

2. Background Leading to the Decision of the Board of Directors' Opinion

(1) The Company's efforts to date

In its Management Principles, the Company group declares that its corporate mission is to support its shareholders, clients, local communities, employees, and everyone else around the world in their

endeavors to achieve economic and spiritual prosperity and realize their dreams through its sound business activities, and it aims to be a global organization that contributes broadly to society. Based on the concept of Sumitomo's business philosophy, which has been preached since about 430 years ago, "benefit for self and others, private and public interests are one and the same" (the Company's business, while benefiting the Company itself, must also benefit the society surrounding itself, and the Company and the society must improve together), the philosophy of instantly working on environmental issues and on the contribution to local society has been succeeded to by the Company. The foregoing is represented in the goal of "making the business activity carbon neutral by 2050," which was set in June 2020.

As the Company works to enhance its sustainability management, in 2020, it identified six key social issues, which it should work on: "mitigation of climate change," "circular economy," "respect for human rights," "development of local society and economy," "improvement of living standards," and "quality education." The Company also set long-term goals for the respective issues, and took the initiative in acting to "make the business activity carbon neutral by 2050." Then, in May 7, 2021, the Company developed medium-term goals and the KPIs towards the achievement of the long-term goals, and officially announced them together with the new medium-term management plan and the revision to the Policies on Climate Change Issues.

(2) The medium-term goals for realizing carbon neutrality by 2050 and the revision of the Policies on Climate Change Issues

Details of the announcement made by the Company are as stated below, which specifically indicate how carbon neutrality will be realized, including the policies concerning the thermal power generation business and fossil energy concession business. Based on stakeholders' opinions, these medium-term goals were determined by the Company's Management Council and the Board of Directors after thorough discussions.

Medium- and Long-term goals for Climate Change Mitigation

| | |
|-------------------|---|
| Long-term goals | Aim for carbon neutrality by 2050 and challenge to realize sustainable energy cycle |
| Medium-term Goals | <ul style="list-style-type: none"> ■ Reduce the Group's CO2 emissions 50% or more by 2035 (compared to 2019) ■ Reduce CO2 emissions of the power generation business by 40% or more by 2035 (of which reduce 60% or more for coal-fired power generation business); power generation portfolio in 2035 to comprise 20% coal-fired, 50% gas-fired and 30% renewables (*1) in terms of net ownership generation capacity. ■ Reduce indirect CO2 emissions from fossil energy concessions (*2) by 90% or more by 2035. ■ Reduce CO2 emissions in all other businesses (*3). ■ Establish businesses that will form the foundation for a sustainable energy cycle in society ■ Develop hydrogen and other forms of carbon-free energy and increase supply of renewable energy (3GW or more by 2030)(*4), and expand new power and energy services. ■ Expand businesses encouraging electrification, fuel conversion, improved energy and coal efficiency, and energy conservation. ■ Capture, store and utilize CO2 via carbon recycling, forestry business, CCS, and emissions credit trading, etc. |

(*1) As of 2020 : coal 50%, gas 30%, renewables 20% (*2) Indirect CO2 emissions generated by others with the use of fossil fuel
 (*3) Contribute to CO2 reduction by setting targets for individual businesses (*4) As of 2020: 1.5 GW (1 GW = 1 billion W)

Revision of Policies on Climate Change Issues

| | Former policy | Revised Policy |
|---|---|--|
| Power generation portfolio (net ownership generation capacity) | 2020: Coal 50%, gas 30%, renewables 20% 2035: Coal 30%, gas 40%, renewables 30% | 2035: Coal 20%, gas 50%, renewables 30% |
| Coal-fired power generation business | New coal-fired power generation will not be developed. Provided, however, that individual considerations will be taken for projects which are indispensable for the economic and industrial development of regional communities, and match the policies of the governments of Japan and the relevant host country considering international initiatives and trends in the mitigation of climate change. | We will not be involved in any new coal-fired power generation business neither IPP (Independent Power Producer) nor EPC (Engineering, Procurement, Construction)(*1). For IPP business, we aim to reduce CO2 emissions by 60% or more by 2035 (compared to 2019) and we will end all the coal-fired power generation business in the late 2040s. |
| Thermal coal mining business | The current level of equity share coal production shall be the upper limit, and new development will not be implemented | We will not make any further investment in the thermal coal mining interest and aim to achieve zero production from thermal coal mines by 2030. |

(*1) As the only exception, we acknowledge the project of Unit 3 and 4 of Matarbari plant in Bangladesh, which is under discussion between the Bangladesh and Japanese governments, as a potential expansion project of the Unit 1 and 2 project which we participate as a contractor. We will judge the possibility of participating in the Unit 3 and 4 project based on dialogue with our various stakeholders and also after we confirm the project's consistency with the Paris Agreement (this will be the last project of coal-fired power generation business that we may have a possibility to consider).

The Company will hereafter monitor the progress on the achievement of these goals, and strategically allocate management resources so that the business portfolio of the Company group can create value required by the society.

(3) The Company's disclosure policy regarding the climate change issues

In the "Integrated Report," the Company indicates its Management Principles, as well as management strategies that originate from six material issues including achievement of harmony with the global environment, and discloses the status of its annual activities. Also, the Company discloses information regarding sustainability, mainly consisting of non-financial information, in the "ESG Communication Book." Furthermore, in March 2019, the Company announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and since 2020, it has been making disclosures in the ESG Communication Book in line with the framework. The Company will continue to use its efforts to expand/develop the scope and scenario for risk analysis (such as expansion of target business/target risk and consideration of 1.5 degrees scenario), to disclose measures to achieve the medium-term and long-term goals, and to further expand disclosure of data including quantitative information, and will reflect those in the ESG Communication Book 2021.

(4) Risk management and governance

The Company is monitoring the status of the Company group's climate change-related risks in the Management Council and Board of Directors' meetings, regularly. Further, since April 2020, the Company developed a system under which decisions are made taking into consideration assessments regarding the social/environmental impact before making new investment/financing.

Further, matters regarding climate change are discussed by the Corporate Sustainability Committee, and are determined by the Management Council and the Board of Directors (five of the eleven directors are outside directors; and three of the five Audit & Supervisory Board Members are outside members) through active discussions thereat.

(5) Strategic preparations for the future

In the new medium-term management plan, the Company has set the creation of next generation business that contributes to the realization of a carbon neutral society through a de-carbonized and recycling energy system as a key priority measure; and in April 2021, it established the Energy Innovation Initiative.

Through this new organization, the Company will overlook the entire value chain through a multilateral approach utilizing various knowledge and human resources inside and outside the Company, and will focus on creating energy management business with the following three themes as

its cores: “developing carbon-free energy,” “expanding new power & energy services,” and “CO2 capture, storage and utilization.” Through such efforts, the Company will resolve the key social issues including “mitigation of climate change” and “circular economy” and contribute to the realization of a carbon neutral society.

As stated above, the Company sets the mitigation of climate change as one of the key social issues for promoting and accelerating sustainability management, and understands it not only as a risk but also as an opportunity therefor, and is enhancing and improving its efforts from the perspective of implementing measures, disclosure, risk management and governance. Also, to achieve carbon neutrality by 2050 and the medium-term goals by 2035, the Company is striving to improve its corporate value through specific efforts.

End.

(Reference) Overview of Sumitomo Corporation's Initiatives for Reinforcing Corporate Governance¹

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 eleven Directors elected, five are Outside Directors with a wealth of experience and a high degree of 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

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, 2021.

other exchanges, and the Standards for Independence set by the Company (please refer to pages 45 and 46).

(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.

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 2020, 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 2019. The following is an overview of the Board of Directors' effectiveness evaluation and the results of such evaluation for Fiscal 2020, which was reported to and deliberated at the Board of Directors' meeting held on May 7, 2021:

1. Evaluation Methods

(1) Individuals Evaluated

All 11 Directors and 5 Audit & Supervisory Board Members

(2) Implementation method

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

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

(3) Evaluation Items

- (i) Selection of items to be deliberated on by the Board of Directors
- (ii) Deliberations based on changes in the external environment and/or management environment
- (iii) Adequate provision of information in advance to members of the Board of Directors
- (iv) Consensus formation after adequate deliberation
- (v) Demonstration of roles of Outside Directors
- (vi) Demonstration of roles of the Chairman
- (vii) Demonstration of roles of Directors (other than (v) and (vi))
- (viii) General evaluation, 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 and deliberated at the Board of Directors.

2. Evaluation Results Overview and corresponding actions

The overall evaluation and analysis by a third party concluded that the Board of Directors has generally been functioning effectively. On the whole, as stated below, a majority of opinions were positive.

- As a result of defining agenda items (agenda setting) based on the effectiveness evaluation from Fiscal 2019, adequate time was reserved for themes that require higher priority in deliberation.
- In regular reporting to the Board of Directors by business units, as a result of continuous improvements made thus far, deliberations centered not only on the financial performance of the units but on strategies, challenges and policies to address them, and points have been narrowed down.
- The Board of Directors were able to enter into deliberations immediately due to prior briefings for Outside Directors and Audit & Supervisory Board Members on the Board meeting's agenda items. The focus of deliberations has been narrowed down, and this leads to a more constructive discussion and effective proceedings. Also, at offsite meetings which are set up apart from the Board of Directors, free and active discussion on important and diverse management issues took place, supplementing the Board meetings efficiently.
- The Chairman of the Board of Directors leads the proceedings in a way that encourages attendees to speak while promoting adequate discussion in a fair and neutral manner. The Board meeting is managed to help produce active discussion.

Efforts have been made in Fiscal 2020 to make deliberations more adequate regarding progress review in mid-term management plan, business strategy and monitoring of addressing challenges in each business unit and human resources strategy, etc. Based on the evaluation results, in Fiscal 2021 as well, it was confirmed to address making deliberations further more adequate regarding important management strategy and policy and progress review in new mid-term management plan (including strategy for allotment of management resources and business portfolio, and monitoring of efforts for sustainability management) to further improve the effectiveness of the Board of Directors.

(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 45 and 46).

(B) Ensuring Audit Effectiveness

Audit & Supervisory Board Members attend meetings of the Board of Directors and all other important internal meetings in order to obtain information sufficient for proper auditing. They also hold coordinating meetings with Audit & Supervisory Board Members at subsidiaries and other relevant personnel.

(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. In Fiscal 2020, observation visits to overseas facilities were canceled due to the spread of COVID-19.

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 the General Meeting of Shareholders live for shareholders on internet. The streaming video of the meeting is posted on our website for a certain period after 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 of not only financial information but non-financial information as well.

(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, and regularly hold company briefings for individual investors in major cities throughout Japan². 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) issues³. 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>

² These were all held online in Fiscal 2020 due to the spread of COVID-19.

³ These were all held online in Fiscal 2020 due to the spread of COVID-19.

(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 New Executive Remuneration Plan

Below is the overview of the new executive remuneration plan to be introduced in the case the Fourth Agenda of the Annual Shareholders Meeting is approved.

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 Performance Share Unit-Based Remuneration | ● | ● | — | — |
| | | | | | |

(Note 1) The remuneration of Executive Directors and Executive Officers consists of “monthly remuneration,” “performance-linked bonus”, and “Restricted 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 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. The remuneration of each Audit & Supervisory Board Member is decided through discussions between the Members within the maximum amount approved by shareholder resolutions.

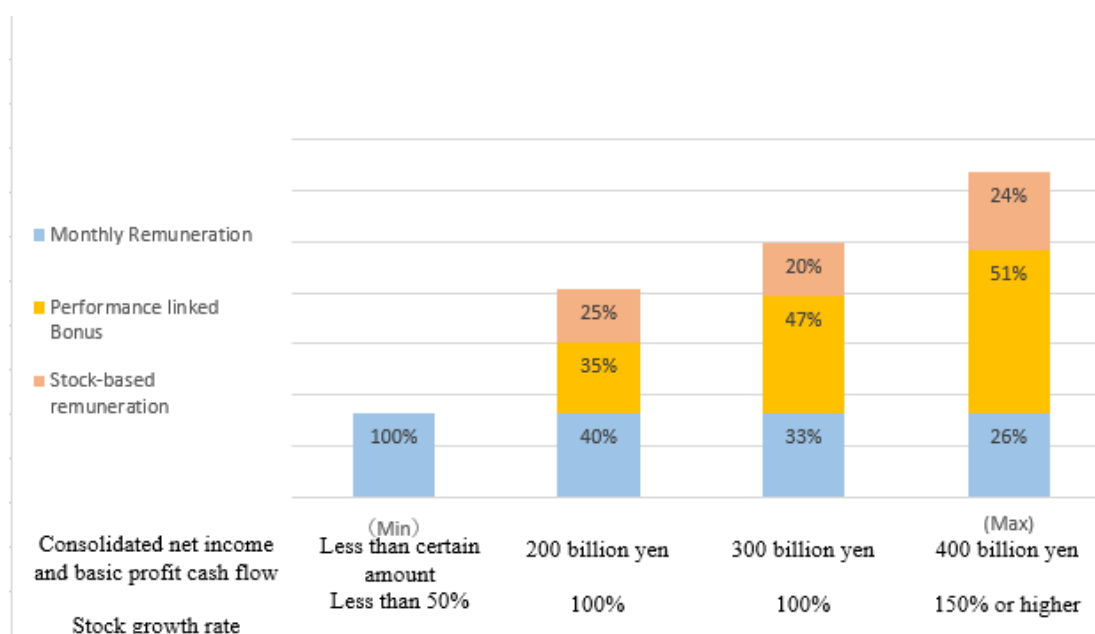
(Note 5) The decision policy regarding the remuneration of each Director has been approved by the Board of Directors. Please see page 86~92 for details.

(1) 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 200 billion yen and the stock growth rate³ reaches 100%, monthly remuneration, performance-linked bonus and stock-based remuneration are as follows.

CEO: 40: 35: 25

Other Executive Directors: 47.5: 32.5: 20



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

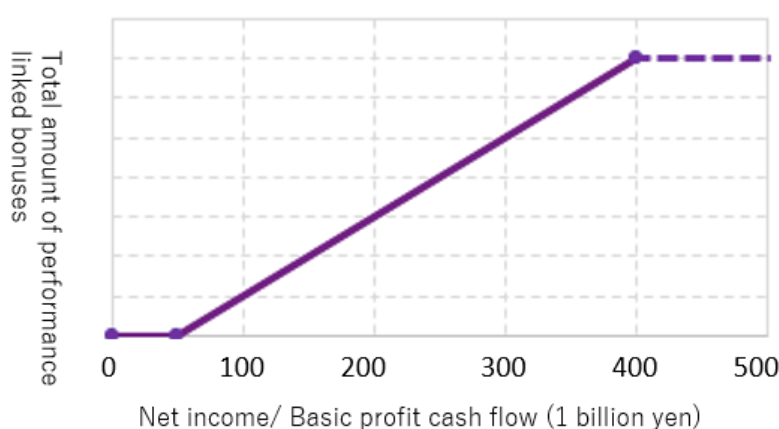
² “Basic profit cash flow” = “Basic profit(*)” – “Share of profit (loss) of investments accounted for using the equity method” + “Dividend from investments accounted for using the equity method.”

(*) “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)}

(2) 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 performance management index to be focused on in the medium term management plan "SHIFT 2020", and the amount to be paid to individual officers is distributed according to their position and personal evaluation and paid after the end of the fiscal year. 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 (business reform through digital transformation (DX), enhancement of sustainability management, promotion of diversity & inclusion, 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.



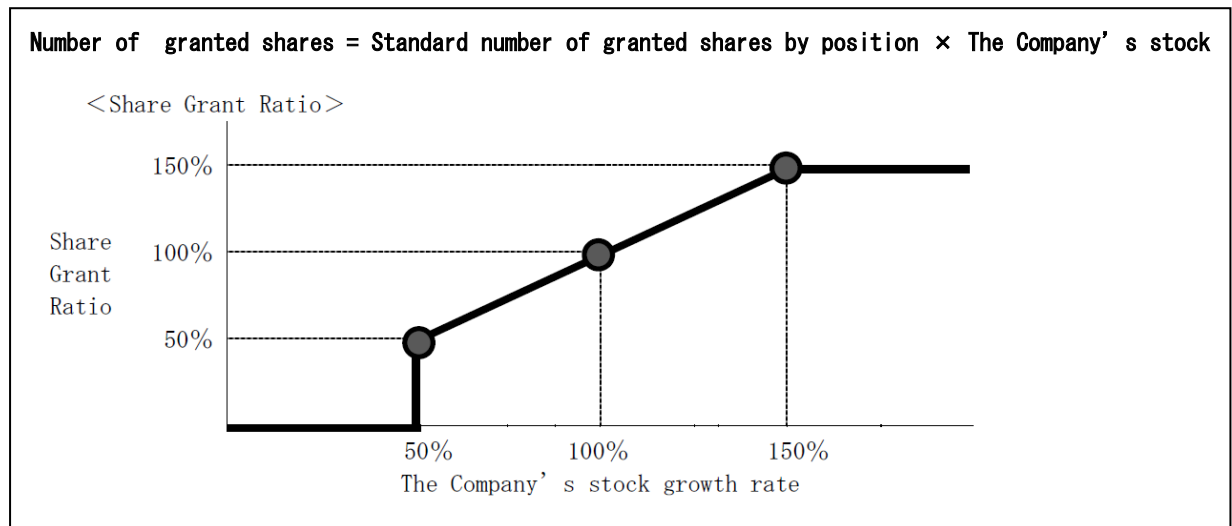
(3) Restricted Performance Share Unit-Based Remuneration

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 (restricted) 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. The restriction period will be from the day the shares are granted until the day the recipient resigns or retires from all their positions as Director or Executive Officer of the Company or any other position determined by the Board of Directors.

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

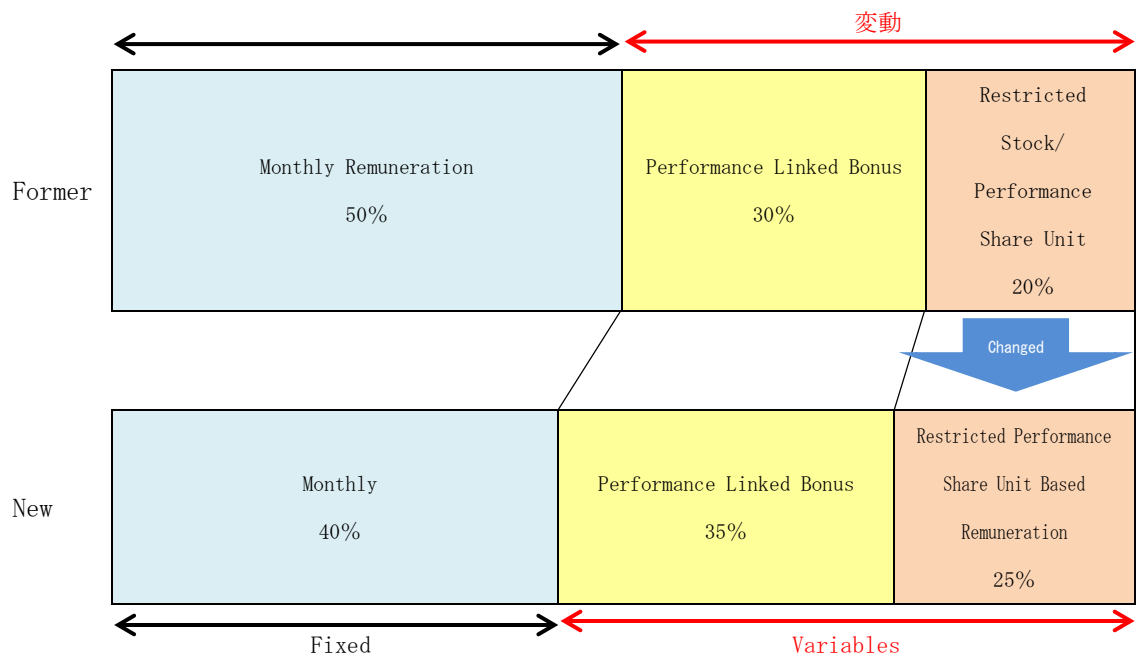
| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 |
|-----------|-----------------------|-----------------------|-----------------------|----------------|----------------|----------------|
| 2021 plan | ← Evaluation Period → | | | ● Grant shares | | |
| 2022 plan | | ← Evaluation Period → | | | ● Grant shares | |
| 2023 plan | | | ← Evaluation Period → | | | ● Grant shares |

[Method for calculating the number of granted shares]



(Reference) Difference from the Former Executive Remuneration Plan

<Remuneration composition of the CEO>



(Note) The above shows an image composition at a certain level of the Company's performance and stock rate.
In reality, the actual composition will differ depending on the actual performance and stock rate.

Business Report (April 1, 2020 through March 31, 2021)

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

1. Course of Operations and Operating Results

(1) Economic Environment

During the fiscal year under review (fiscal 2020), the global economy suffered the worst recession since the end of World War II, due to the global pandemic caused by COVID-19. Overcoming the pandemic became the top priority for governments in each country; strict restrictions on movement were imposed and social activities were constrained to an unprecedented level. As a result, consumer confidence plummeted and production slumped.

As the spread of COVID-19 slowed temporarily and governments provided massive fiscal and financial support, economic recovery rapidly gained momentum during the middle of the fiscal year under review. However, the number of new COVID-19 cases surged again in various parts of the world toward the fiscal year end, resulting in a negative impact on economic activities.

In international commodity markets, prices remained unstable due to a deterioration in the supply-demand balance, as shown by US crude oil prices dropping below zero as a result of significant oversupply.

The Japanese economy stagnated considerably as COVID-19 spread. In addition, imports and exports were severely affected by the global economic downturn. However, as the spread of infections gradually subsided, demand both in Japan and overseas began to recover, albeit with some variances among regions and industries.

(2) Operating Results and Financial Status

(A) Operating results

For fiscal 2020, profit for the year attributable to owners of the parent¹ totaled a loss of 153.1 billion yen, representing a decrease of 324.4 billion yen from the previous fiscal year. One-off profits/losses totaled a loss of approximately 351.0 billion yen, representing a decrease of approximately 274.0 billion yen from the previous fiscal year, owing to recording impairment losses in multiple businesses. The main projects recording one-off losses as follows:

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

| Business units | Projects | One-off profits/losses(Billions of yen) |
|---|--|---|
| Metal Products | Tubular products business | -34.0 |
| | Specialty steel business in India | -8.0 |
| Transportation & Construction Systems | Automotive financing business in Indonesia | -20.0 |
| | Automotive sales and marketing business in Libya | -6.0 |
| Infrastructure | Additional costs occurred in several EPC projects due to delay in construction | -54.0 |
| | IPP business in Australia(Bluewaters) | -26.0 |
| | IWPP business in UAE(Shuweihat1) | -10.0 |
| Living Related & Real Estate | Fresh produce business in Europe and the Americas(Fyffes) | -38.0 |
| Mineral Resources, Energy, Chemical & Electronics | Nickel mining and refining business in Madagascar | -85.0 |
| Corporate and Eliminations | Reversal of defferred tax assets | -28.0 |
| | Others | -42.0 |
| Total | | -351.0 |

Note: With respect to EPC, please see note 10 of (3) Segment Information (B) Activities of Business Units (c) Infrastructure Business Unit.

Note: The “UAE” above stands for the United Arab Emirates.

Profit for the year attributable to owners of the parent excluding one-off profits/losses totaled approximately 198.0 billion yen, representing a decrease of approximately 50.0 billion yen from the previous fiscal year. With regards to non-mineral resources businesses², large-scale EPC projects (which peaked out), the tubular products business in the North America and automotive related businesses resulted in a decrease in earnings, although major group companies under the Media Digital Business Unit performed well. With regards to mineral resources businesses³, the nickel mining and refining business in Madagascar decreased in earnings due to the impact from the suspension of operation while earning from the coal business in Australia also fell as a result of lower mineral resources prices and a decrease of shipment volume.

² “Non-mineral resources business” refers to all businesses of the Company except for the Mineral resources business (Please refer to the following No.3).

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.

(B) Financial position

(a) Total assets, liabilities, and equity

Total assets stood at 8,080.0 billion yen, representing a decrease of 48.6 billion yen from the previous fiscal year-end despite an increase by the impact from depreciation of yen. This is mainly due to a decrease of working capital and recording impairment losses in multiple businesses.

Equity attributable to owners of the parent¹ totaled 2,528.0 billion yen, decreased by 16.2 billion yen from the previous fiscal year-end despite an increase by the impact from depreciation of yen, due to the loss for the year attributable to owners of the parent posted in the fiscal year ended March 31, 2021 and dividend payment.

Interest-bearing liabilities (net)² decreased by 168.4 billion yen from the previous fiscal year-end, to 2,300.4 billion yen.

In consequence, the net debt-equity ratio³ was 0.9.

(b) Cash flows

Net cash provided by operating activities totaled 467.1 billion yen as basic profit cash flow totaled to an inflow of 130.8 billion yen because the Company's core businesses generated cash and working capital decreased.

Net cash used in investing activities totaled 120.1 billion yen. In this fiscal year, the Company executed investments approx. 260.0 billion yen primarily for additional investment to Sumitomo Mitsui Finance and Leasing Company, Limited and capital investment in SCSK Corporation. On the other hand, the Company recovered funds of approx. 110.0 billion yen due to asset replacement, including the sale of automobile assembly business in Mexico and tight oil and shale gas projects in the U.S.

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 347.0 billion yen.

Net cash used in financing activities totaled 466.4 billion yen due primarily to repayment of the borrowings and dividend payment.

In consequence of the foregoing, cash and cash equivalents stood at 599.0 billion yen as of March 31, 2021, representing a decrease of 111.4 billion yen from the previous fiscal year-end.

¹ "Equity attributable to owners of the parent" stands for the equity attributable to shareholders of Sumitomo Corporation.

² Interest-bearing liabilities is Sum of bonds and borrowings (current and non-current) and excluding lease liabilities

³ "Debt-equity ratio (net)" is calculated by dividing Interest-bearing liabilities (net) by "equity attributable to owners of the parent"

(C) Dividend for fiscal 2020

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

Although profit for the year attributable to owners of the parent in the fiscal 2020 totaled loss of 153.1 billion yen, the annual dividend for the fiscal 2020 is planned to be 70 yen per share. The decision is based on the fact that our financial soundness is maintained as planned by tightening cost management, reducing interest-bearing liabilities through cash flow management and maintaining risk weighted assets within core risk buffer under emergency mode. It is also based on the projection that the profitability is expected to recover and the financial soundness is expected to maintain and improve. The year-end dividend will be 35 yen per share since the interim dividend was 35 yen per share, which will be proposed to the Ordinary General Meeting of Shareholders scheduled in June. With respect to the annual dividend for fiscal 2021, please see “(6) Shareholder Return (Dividend Policy) and Annual Dividend for fiscal 2021” for further details.

(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) | |
|--|--|---------------------------|
| | 152nd year Fiscal 2019 | 153rd year Fiscal 2020 |
| Metal Products | (50.4) | (35.6) |
| Transportation & Construction Systems | 30.5 | (17.5) |
| Infrastructure | 61.5 | (55.6) |
| Media & Digital | 38.3 | 44.3 |
| Living Related & Real Estate | 51.3 | (8.4) |
| Mineral Resources, Energy, Chemical & Electronics | 43.2 | (63.7) |
| Corporate and Eliminations | (3.0) | (16.6) |

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.

2. On April 1, 2020, a part of manufacturing and sales business of automotive components was transferred from Transportation & Construction Systems Business Unit to Metal Products Business Unit and secondary use business of lithium-ion batteries was transferred from Transportation & Construction Systems Business Unit to Infrastructure Business Unit.

Accordingly, the segment information of the previous year has been reclassified.

(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 35.6 billion yen, an increase of 14.8 billion yen from the previous fiscal year by decreasing impairment loss in tubular products business, while the earnings in tubular products business in the North America was decreased.

(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 loss of 17.5 billion yen, a decrease of 48.0 billion yen from the previous fiscal year. In addition to decrease in earnings for leasing business and automotive related business, the decrease is due to posting impairment loss and one-off loss owing to the increase of allowances caused by rescheduling of repayment in accordance with local government remedy for COVID-19 in automotive financing business in Indonesia.

(c) Infrastructure Business Unit

[Business Overview]

- Social infrastructure businesses such as domestic electric retail, energy management, water supply, transportation systems & infrastructure, airport and smart city projects
- Electric power infrastructure businesses such as IPP⁹ and EPC¹⁰ including reusable energy and in both Japan and overseas
- Logistics infrastructure businesses such as logistics, development and operation of ports and overseas industrial parks and the procurement and development of insurance

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

Infrastructure Business Unit posted loss of 55.6 billion yen, a decrease of 117.1 billion yen from the previous fiscal year. This is mainly due to one-off losses including impairment loss posting for IPP business in Australia and IWPP business in United Arab Emirates in addition to the peak-out of the progress and recording the additional cost accompanied by delay in construction of large-scale EPC projects.

(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

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.

- Smart platform business¹² such as smart communications infrastructure business and value-added service business

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

Media & Digital Business Unit posted profit of 44.3 billion yen, an increase of 6.0 billion yen from the previous fiscal year due to stable performance of major domestic group companies.

(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 loss of 8.4 billion yen, a decrease of 59.6 billion yen from the previous fiscal year. This is mainly due to the absence of large scale properties delivered in the previous fiscal year and recording impairment loss for fresh produce business in Europe and the Americas, while the strong performance of supermarket chains in Japan.

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

[Business Overview]

- Businesses related to non-ferrous metal materials, coal, iron ore, 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]

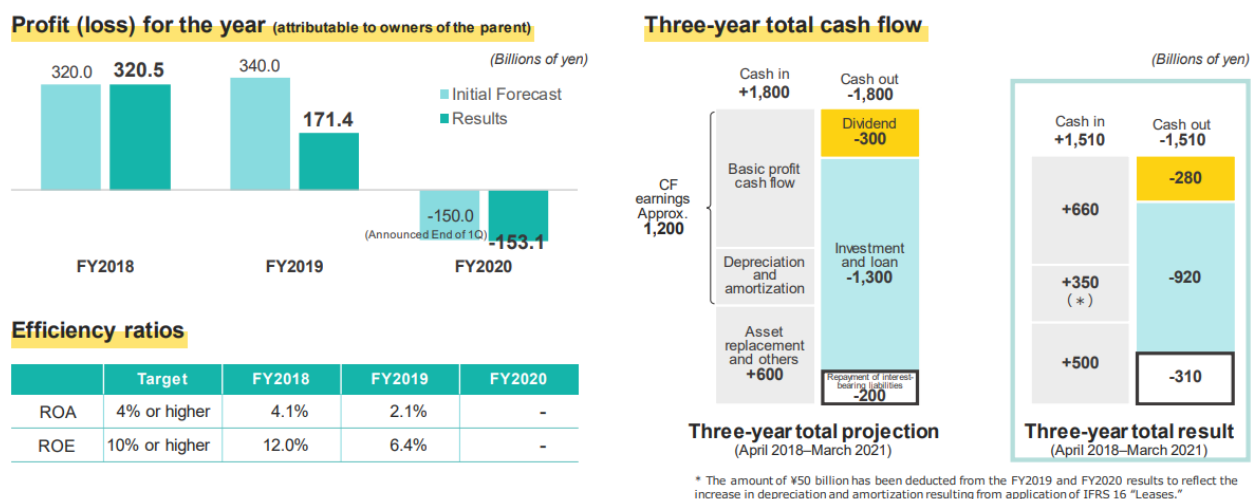
Mineral Resources, Energy, Chemical & Electronics Business Unit posted loss of 63.7 billion yen, a decrease of 106.9 billion yen from the previous fiscal year. This is due to decrease in earnings from coal business in Australia impacted by lower mineral resources prices and decrease of shipment volume, in addition to decrease in earnings from nickel mining and refining business in Madagascar due to the impact from the suspension, and recording impairment loss of 84.8 billion yen.

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

(4) Review of Medium-term Management Plan 2020

We have endeavored to promote growth strategies by reinforcing management base under the slogan "Unceasing Challenge for New Value Creation" presented in the Medium-Term Management Plan 2020 covering the three years from fiscal 2018 to fiscal 2020. The initial plan for the first fiscal year was fulfilled and record-high profits achieved, but we were unable to reach our initial targets for fiscal 2019 due to the global economic downturn triggered by matters such as the trade friction between U.S. and China, while the Company fell into the red by 153.1 billion yen in the final fiscal year following the outbreak of COVID-19 and significant one-time losses stemming from the reorganization of unprofitable businesses, leaving us a number issues to address.

① Business Performance Review



② Switchover to emergency mode and structural reform efforts

The Medium-Term Management Plan 2020 aimed to “increase the value of existing businesses”, “create next-generation businesses” and “leverage cross-business platforms” as growth strategies, however, due to the unprecedented circumstances brought about by COVID-19 pandemic that broke out in the latter half of fiscal 2019, we positioned the final fiscal year of the Medium-Term Management Plan 2020 as a year for responding to crisis, and under such mode, we carefully selected investments and loans, reduced cross-shareholdings, reduced selling, general and administrative expenses, and otherwise tightened cash flow management across the Company, and undertook structural reforms that includes acceleration of turnaround or withdrawal from underperforming businesses and acceleration of value improvements to existing businesses for the restructure our business portfolio. Furthermore, we worked on determining the key social issues and medium- to long-term goals necessary to enhance our sustainability management.

Our business portfolio in fiscal 2020 highlighted the Company's weaknesses attributable to the drastic changes in the business environment caused by the spread of COVID-19, but the portfolio was already being significantly affected by global economic conditions and other environmental changes prior to the pandemic, and this persistent downturn is an issue. In order to overcome such issue, we will work determinedly to reorganize underperforming businesses and replace assets, as well as to create new schemes for investment discipline and management to steadily monetize new investment projects. We will also transform existing businesses and bolster their profitability while at the same time developing new core businesses.

In carrying out the aforementioned structural reforms, we methodically identified underperforming businesses and completed withdrawal from 32 group companies. We also formulated specific plans for approximately 150 companies by 70 billion yen over the next three years that are expected to improve the profits. We have completed the evaluation of all business strategies for restructuring our business portfolio, and we will be steadily proceeding through PDCA cycles as we rigorously review them.

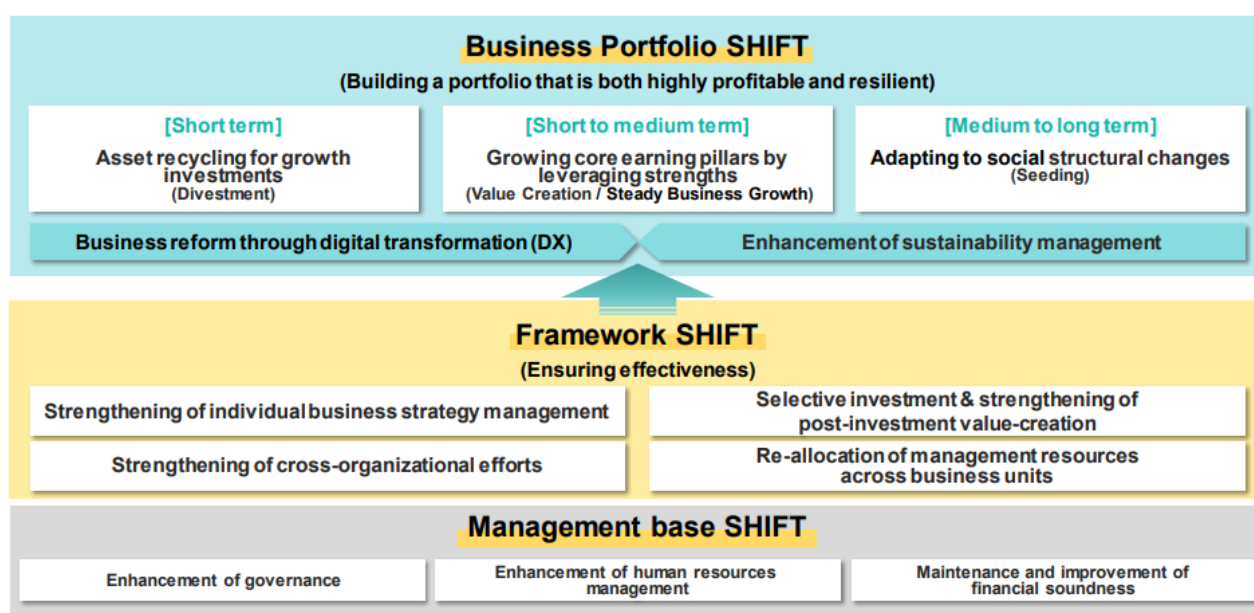
2. Issues to be addressed

In the new medium-term management plan "SHIFT 2023" covering the three-year period from fiscal 2021 to fiscal 2023, to (i) overcome the weaknesses inherent to our business portfolio and achieve a V-shaped recovery, and to (ii) approach and get rid of the root causes underlying in these issues, in addition to the initiatives which we have started from last fiscal year, we will be introducing mechanisms to strengthen the individual organization that execute business strategies - the Strategic Business Units (hereinafter, "SBUs") and achieve the optimal allocation of resources across the Company, as well as carrying out comprehensive structural reforms.

"SHIFT 2023" maintains the momentum of last fiscal year's crisis response (emergency mode) and restructures the efforts pursued heretofore as structural reforms from a more specific and medium-term perspective. With the entire Company fully committing to the steady implementation of "SHIFT 2023", we will be quickly improving our Company's current situation and translating these improvements into better business performance to recapture our shareholders' trust as soon as possible.

Overview of New medium-term management plan "SHIFT 2023"

Under "SHIFT 2023," we will raise “Business Portfolio SHIFT”, which is a name of a shift which we will be transitioning our current business portfolio to one that combines higher profitability and more resistant to changes in the environment. We will then conduct a “Framework SHIFT” to ensure the effectiveness of “Business Portfolio SHIFT”. Additionally, we will accomplish “Management base SHIFT” enhancing governance, enhancing our human resources management and maintaining and improving our financial soundness.

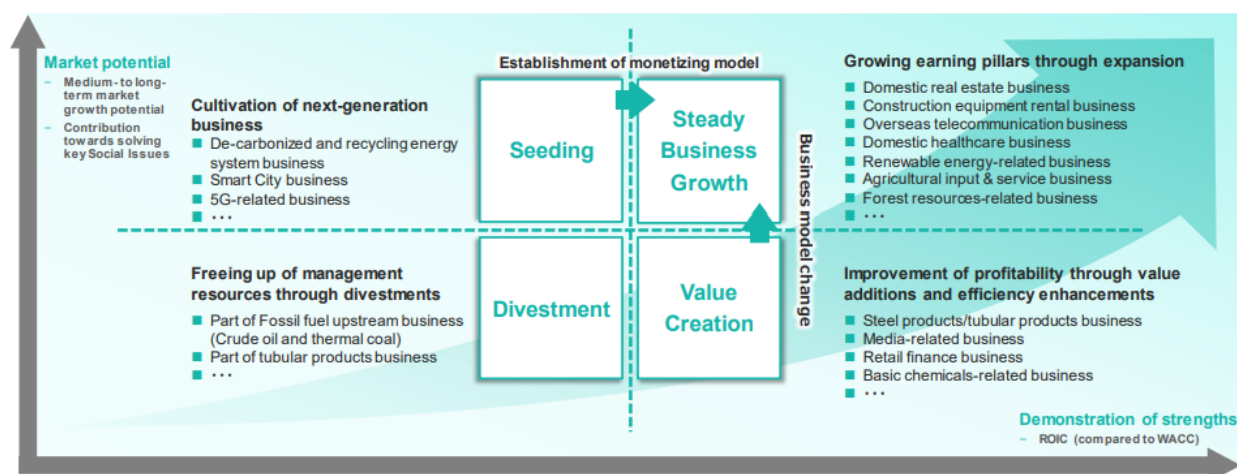


① Business Portfolio SHIFT

(a) Clarifying the positioning of individual business strategies

After reorganizing all our businesses into SBUs, we will classify them into four categories – “Divestment”, “Value Creation”, “Steady Business Growth” and “Seeding”, to determine the positioning of each individual business, and then clarify the directions in which they are to proceed and the roles they are to play. By having each business endeavoring to accomplish its goals and striving to become a “Steady Business Growth” which has a market attractiveness and is capable of adequately leveraging the Company’s strengths, we will be able to build a more profitable business portfolio that is resistant to changes in the business environment. The classification of each category will change from time to time in relation to the changes in the market or the changes of the Company’s strengths.

In bringing about such a shift, we will be consciously seeking to get a firm grasp on two major trends demanded in our society: digitization and sustainability.



(b) Quantitative Pictures by Business Strategy Category

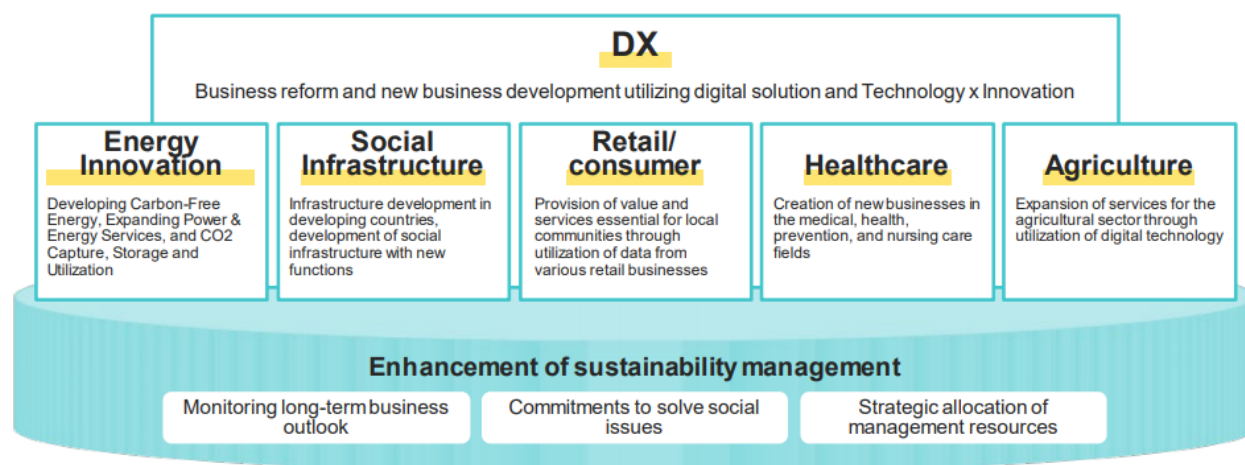
Quantitative images of each of the four categories are shown below. The plan is to invest or lend about 1.1 trillion yen during the period of the new medium-term management plan, primarily in the “Steady Business Growth” category where market growth is anticipated and where the Company’s strengths have already been demonstrated, while recouping our funds by replacing assets in the other three categories. More specifically, we plan to expand investment in the business areas of domestic real estate, construction equipment rental and renewable energy businesses among others.

| | | Asset recycle for growth investments | Growing core earning pillars by leveraging strengths | | Adapting to social structural changes |
|------------|---|--------------------------------------|--|------------------------|---------------------------------------|
| | | Divestment | Value Creation | Steady Business Growth | Seeding |
| FY 2020 | Asset scale | ¥400 billion | ¥3 trillion | ¥4.4 trillion | ¥50 billion |
| | Profit scale | -¥10 billion | ¥40 billion | ¥160 billion | - |
| | | | | | |
| SHIFT 2023 | Cash generated through asset disposal (Three-year total) | ¥100 billion | ¥180 billion | ¥170 billion | - |
| | Investments and loans (including renewal investment) (Three-year total) | - | ¥330 billion | ¥760 billion | ¥50 billion |
| | Profit improvement (from FY2020) | ¥10+ billion | ¥80+ billion | ¥40+ billion | - |

(c) Setting next-generation Growth fields

We set six areas as “next-generation growth fields” which the entire company will be augmenting and cultivating businesses in these areas over the medium to long term, to nurture next-generation core businesses. In addition to the three areas “Digital Transformation”, “Social Infrastructure” and “Health Care” that we have already been

pursuing in our Medium-term Management Plan 2020, we have added three new areas in which our strengths can likely be put to advantage – “Energy Innovation”, “Retail/Consumer” and “Agriculture”. We believe that it is essential for us to shift our company’s business portfolio to a one which is consistent with a sustainable society, and thus, we will be addressing in these areas from the perspective of enhancement of sustainability management.



② Framework Shift

We will be introducing the following four new mechanisms to ensure the effectiveness of our business portfolio shift.

(a) Developing of Individual Business Strategy Management

We will reorganize all our businesses by SBU, determine their positioning and future directions in terms of our business strategy, and conduct prompt decision on asset replacements and increase the value of our investments by improving our strategic level. To ensure the effectiveness of this approach, we will stipulate specific targets for each SBU and thoroughly manage the PDCA cycle.

(b) Strengthening of Investment Evaluation Process and Post-Investment Value Creation

At each stage of the investment process – (i) selecting individual businesses and making investment decisions, (ii) managing businesses after investment, and (iii) evaluating businesses based on investment performance, we will be taking steps to avoid repeating past failures. More specifically, we will increase the value of investment projects by establishing strict investment discipline to carefully select investments, allocating the optimal resources to invested companies, building governance systems and monitoring unprofitable businesses more closely.

(c) Strengthening of Cross-organizational Efforts

We have introduced new organization framework, named “initiative”, with the aim of pursuing specific topics from business concept to commercialization) within a single organization to create a future core business for the Company. Initiatives will sketch out a grand design from a company-wide perspective that gives a bird's-eye view of the entire business transcending departmental boundaries, and then work to create next-generation businesses from a medium-to long-term perspective. In April this year, we have established our first initiative, "Energy Innovation Initiative (EII)" to take on the challenge of creating new value in the energy sector by going beyond our conventional organizational framework to marshal the company group's knowledge.

(d) Re-allocation of Financial and Human resources Across Business Units

We will be redistributing human resources, funds and other management resources across departments sufficient from the company-wide perspective. We will also be prioritize to allocate management resources to business areas in which we are already demonstrating our strengths in those sectors where market growth can be expected, in order to nurture and expand our new core businesses as our company's own will. To accelerate this effort, we will be upgrading and expanding the functions of company-wide committees such as the Global Innovation Promotion Committee and the Management Plan Promotion Support Committee to help them propel these businesses forward on a company-wide basis.

③ Management Base Shift

To reinforce our management base, we will continue working to enhance governance, enhance human resources management, and maintain and improve our financial soundness.

(a) Enhancement of Governance

We will seek to bolster the functions of the Board of Directors to further enhance our corporate governance. Accordingly, we will be working to improve our governance systems to provide a more effective oversight of, and promote greater objectivity in, the allocation of management resources based on the new medium-term management plan, business portfolio strategies, sustainability management measures and other key management policies and strategies.

(b) Enhancement of Human Resources Management

We will be pursuing human resources management reforms to embody the Global Human Resources Management Policy established in 2020. In April of this year, we

revised our human resources system in line with such keywords as “Pay for Job, Pay for Performance” and “Developing Global Top-tier Professionals”. We will use this revision to further promote "Diversity & Inclusion" and aim to achieve our goal to assign the right person in the right places globally. In addition, we will continue pursuing health management and work style innovation to maximize the performance and productivity of both organizations and individuals under the “new normal” of a prolonged COVID-19.

(c) Maintenance and Improvement of Financial Soundness

To maintain investment discipline not overly dependent on interest-bearing liabilities, we will secure a post-dividend free cash flow surplus for the total three-year period. We will also maintain a proper balance of risk-weighted assets within core risk buffer.

④ Enhancement of Sustainability Management

The Sumitomo Corporation Group identified its “Six Material Issues to Achieve Sustainable Growth with Society”¹³, a set of issues which the Group should prioritized addressing through its business activities taking advantage of its strengths based on Sumitomo’s Business Philosophy and the Sumitomo Corporation Group’s Management Principles¹⁴, thereby implementing sustainable management. In June 2020, we identified six “Key Social Issues” and implemented “Long-Term Target” to be pursued by the Group in the interest of realizing a sustainable society, and in May 2021, we implemented “Medium-Term Targets” constituting a concrete action plan. The progress made toward these medium- and long-term targets and the specific initiatives undertaken to address each issue will be disclosed in the annually updated ESG Communication Book¹⁵ as well as in our integrated report and elsewhere.

Within the “Key Social Issues”, especially regarding the “Mitigation of Climate Change”, we publicly announced in May 2021 the revision of our “Policies on Climate Change Issues” in light of global circumstances surrounding climate change. The new Policies concretely lay out our plans for our coal-fired power generation and coal mine development businesses as well as our path toward carbon neutrality, and they clearly call on us to ensure our business portfolio has less of an environmental impact.

From the perspective that we will appropriately manage climate change risks to prevent

¹³ Please refer to page 106~107 for Sumitomo Corporation Group’s Material Issues

¹⁴ Please refer to page 3 for Sumitomo Corporation Group’s Management Principles

¹⁵ ESG Communication Book can be found on our website.

its corporate value from deteriorating and will identify forthcoming changes as an opportunity and lead those changes toward sustainable growth, we will continue to work on the initiatives including the new policy as explained above, and will continue to make our best effort.

Revision of Policies on Climate Change Issues

| | Former policy | Revised Policy |
|---|---|---|
| Power generation portfolio (net ownership generation capacity) | 2020: Coal 50%, gas 30%, renewables 20% 2035: Coal 30%, gas 40%, renewables 30% | 2035: Coal 20%, gas 50%, renewables 30% |
| Coal-fired power generation business | New coal-fired power generation will not be developed. Provided, however, that individual considerations will be taken for projects which are indispensable for the economic and industrial development of regional communities, and match the policies of the governments of Japan and the relevant host country considering international initiatives and trends in the mitigation of climate change. | We will not be involved in any new coal-fired power generation business neither IPP (Independent Power Producer) nor EPC (Engineering, Procurement, Construction)(*1). For IPP business, we aim to reduce CO2 emissions by 60% or more by 2035 (compared to 2019) and we will end all the coal-fired power generation business in the late 2040s. |
| Thermal coal mining business | The current level of equity share coal production shall be the upper limit, and new development will not be implemented | We will not make any further investment in the thermal coal mining interest and aim to achieve zero production from thermal coal mines by 2030. |

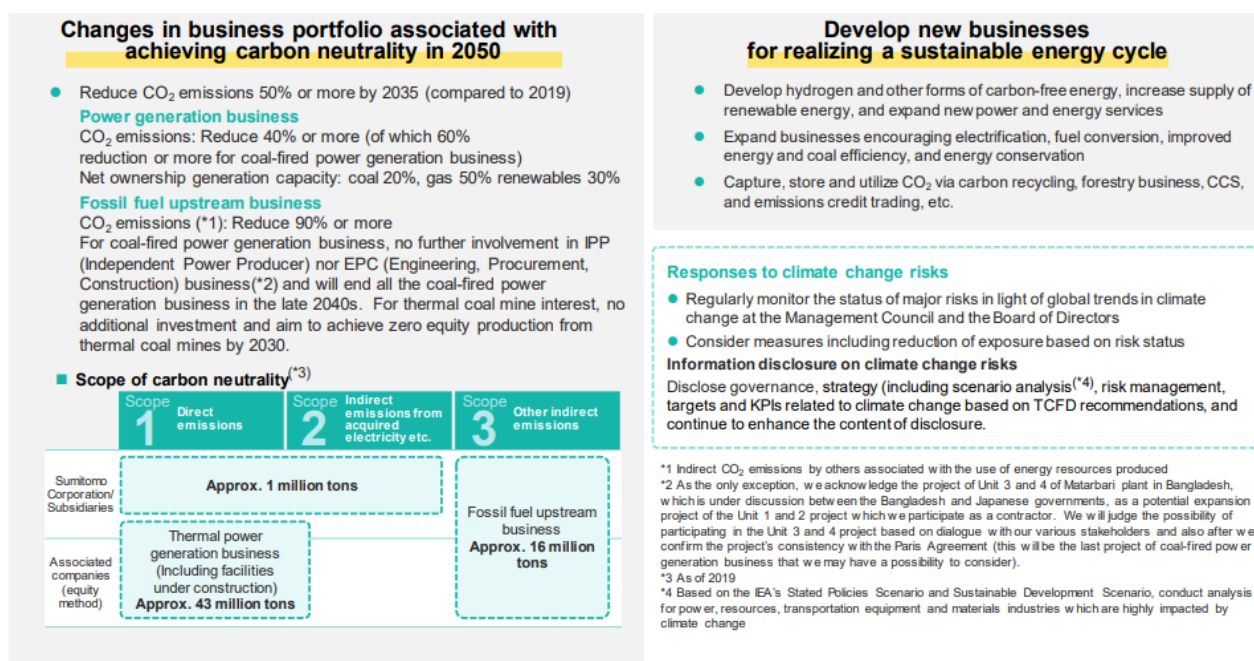
(*1) As the only exception, we acknowledge the project of Unit 3 and 4 of Matarbari plant in Bangladesh, which is under discussion between the Bangladesh and Japanese governments, as a potential expansion project of the Unit 1 and 2 project which we participate as a contractor. We will judge the possibility of participating in the Unit 3 and 4 project based on dialogue with our various stakeholders and also after we confirm the project's consistency with the Paris Agreement (this will be the last project of coal-fired power generation business that we may have a possibility to consider).

Medium- and Long-term goals for Climate Change Mitigation

| | |
|--------------------------|---|
| Long-term goals | Aim for carbon neutrality by 2050 and challenge to realize sustainable energy cycle |
| Medium-term Goals | <ul style="list-style-type: none"> ■ Reduce the Group's CO2 emissions 50% or more by 2035 (compared to 2019) ■ Reduce CO2 emissions of the power generation business by 40% or more by 2035 (of which reduce 60% or more for coal-fired power generation business); power generation portfolio in 2035 to comprise 20% coal-fired, 50% gas-fired and 30% renewables (*1) in terms of net ownership generation capacity. ■ Reduce indirect CO2 emissions from fossil energy concessions (*2) by 90% or more by 2035. ■ Reduce CO2 emissions in all other businesses (*3). ■ Establish businesses that will form the foundation for a sustainable energy cycle in society ■ Develop hydrogen and other forms of carbon-free energy and increase supply of renewable energy (3GW or more by 2030)(*4), and expand new power and energy services. ■ Expand businesses encouraging electrification, fuel conversion, improved energy and coal efficiency, and energy conservation. ■ Capture, store and utilize CO2 via carbon recycling, forestry business, CCS, and emissions credit trading, etc. |

(*1) As of 2020 : coal 50%, gas 30%, renewables 20% (*2) Indirect CO2 emissions generated by others with the use of fossil fuel

(*3) Contribute to CO2 reduction by setting targets for individual businesses (*4) As of 2020: 1.5 GW (1 GW = 1 billion W)



In addition, our group has formulated an "Environmental Policy" and "Sumitomo Corporation Group Action Guidelines for Supply Chain Management" as comprehensive policies to address social issues. On top of these, we established the "Sumitomo Corporation Group Human Rights Policy" in May 2020 by declaring its commitment to respect human rights in order to fulfill our corporate social responsibility. We began human rights due diligence¹⁶ in fiscal 2020 and have since been evaluating human rights risks and identifying human rights issues relevant to our Group's business operations. We will continue engaging in dialogue with stakeholders, raising awareness within the Company, and disclosing information to promote respect for human rights.

⑤ Quantitative Plan

We intend to achieve consolidated net income of 230 billion yen in fiscal 2021, the first year of the new medium-term management plan, and 260 billion yen in fiscal 2022, the second year. In fiscal 2023, the third year, we will be enhancing our portfolio to generate consolidated net income of 300 billion yen or more regardless of conditions.

¹⁶ An ongoing risk management process that a reasonable and prudent company needs to follow in order to identify, prevent, mitigate and account for how it addresses its adverse human rights impacts. It includes four key steps: assessing actual and potential human rights impacts; integrating and acting on the findings; tracking responses; and communicating about how impacts are addressed.

⑥ Shareholder Return (Dividend Policy) and Annual Dividend for fiscal 2021

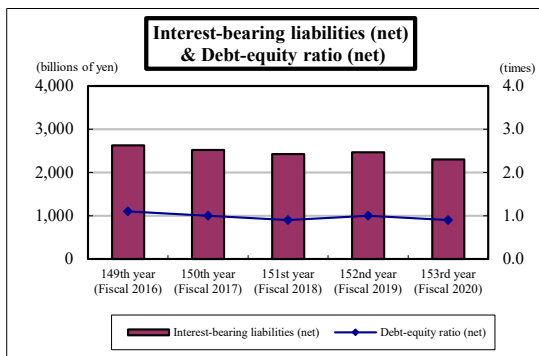
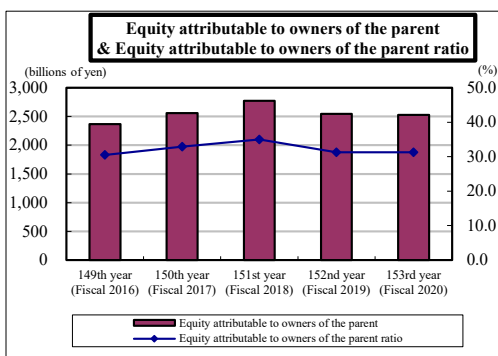
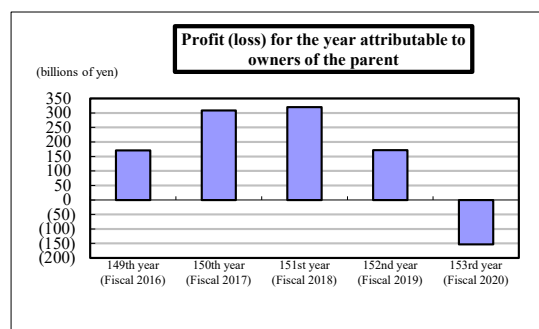
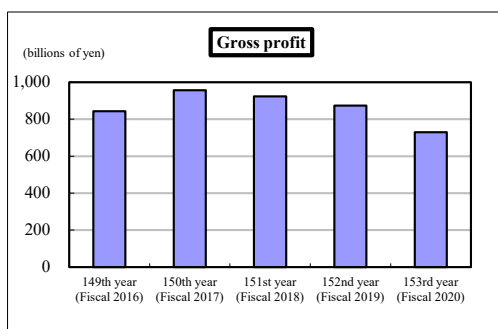
We aim to increase dividends by achieving medium- to long-term earnings growth while adhering to its fundamental policy of paying shareholders a stable dividend over the long term. Under the "SHIFT 2023", through the shift in our business portfolio, we hope to restore profitability as soon as possible, and in accordance with our basic policy of long-term stable dividends, we will determine this fiscal year's dividend taking into consideration our basic profit, cash flow, and other aspects targeting a consolidated dividend payout ratio of approximately 30%, maintaining the annual dividend level of 70 yen or more per share paid out in fiscal 2020. Our full-year consolidated earnings forecast for fiscal 2021 is 230 billion yen so, applying this approach, our annual dividend forecast for fiscal 2021 is 70 yen per share (with an interim dividend of 35 yen and a year-end dividend of 35 yen).

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

| | 149th year (Fiscal 2016) | 150th year (Fiscal 2017) | 151st year (Fiscal 2018) | 152nd year (Fiscal 2019) | 153rd year (Fiscal 2020) |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Revenues (billions of yen) | 3,997.0 | 4,827.3 | 5,339.2 | 5,299.8 | 4,645.1 |
| Gross profit (billions of yen) | 842.7 | 956.5 | 923.2 | 873.7 | 729.5 |
| Profit (loss) for the year attributable to owners of the parent (billions of yen) | 170.9 | 308.5 | 320.5 | 171.4 | (153.1) |
| Earnings (loss) per share attributable to owners of the parent (yen) | 136.91 | 247.13 | 256.68 | 137.18 | (122.42) |
| Total assets (billions of yen) | 7,761.8 | 7,770.6 | 7,916.5 | 8,128.6 | 8,080.0 |
| Equity attributable to owners of the parent (billions of yen) | 2,366.5 | 2,558.2 | 2,771.5 | 2,544.1 | 2,528.0 |
| Equity per share attributable to owners of the parent (yen) | 1,895.81 | 2,048.93 | 2,219.11 | 2,036.48 | 2,022.83 |
| ROE (%) | 7.4 | 12.5 | 12.0 | 6.4 | (6.0) |
| ROA (%) | 2.2 | 4.0 | 4.1 | 2.1 | (1.9) |
| Equity attributable to owners of the parent ratio (%) | 30.5 | 32.9 | 35.0 | 31.3 | 31.3 |
| Interest-bearing liabilities (net) (billions of yen) | 2,627.9 | 2,521.5 | 2,427.1 | 2,468.8 | 2,300.4 |
| Debt-equity ratio (net) (times) | 1.1 | 1.0 | 0.9 | 1.0 | 0.9 |

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, 2021)

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, 2021)

(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. |
|--|----------------|---|

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 |
|---|-----------|---|

Note: In addition to the above, there are 24 overseas representative offices of the Company.

| | | |
|--|-----------------|--|
| The Company's overseas locally-incorporated subsidiaries | 37 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. |
|--|-----------------|--|

Note: There are 86 head, branch or other offices of these 37 overseas locally-incorporated subsidiaries of the Company.

6. Status of Work Force (as of March 31, 2021)

(1) Number of employees of the Sumitomo Corporation Group

| | Number of employees |
|---|---|
| Metal Products | 7,054 |
| Transportation & Construction Systems | 19,666 |
| Infrastructure | 3,698 |
| Media & Digital | 15,148 |
| Living Related & Real Estate | 16,674 |
| Mineral Resources, Energy, Chemical & Electronics | 9,717 |
| Others | 2,963 |
| Total | 74,920 (increase of 2,278 compared with the end of the previous fiscal year) |

(2) Number of employees of the Company

Total 5,390 (increase of 14 compared with the end of the previous fiscal year)

Note: This includes 150 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

| | 150th year (Fiscal 2017) | 151st year (Fiscal 2018) | 152nd year (Fiscal 2019) | 153rd year (Fiscal 2020) |
|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Number of consolidated subsidiaries | 654 | 626 | 663 | 662 |
| Number of associated companies | 293 | 305 | 294 | 273 |

(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, 2021)

| Name of Lender | Loans payable (in millions of yen) |
|--|------------------------------------|
| MUFG Bank, Ltd. | 193,298 |
| Development Bank of Japan Inc. | 162,411 |
| Sumitomo Mitsui Banking Corporation | 128,741 |
| Mizuho Bank, Ltd. | 94,426 |
| Nippon Life Insurance Company | 89,888 |
| Sumitomo Life Insurance Company | 88,000 |
| Meiji Yasuda Life Insurance Company | 86,000 |
| Sumitomo Mitsui Trust Bank, Limited | 73,324 |
| The Norinchukin Bank | 70,000 |
| Shinkin Central Bank | 60,000 |
| Others | 686,152 |
| Total of loans payable by the Company | 1,732,240 |
| Total of loans payable by consolidated subsidiaries of the Company | 678,001 |
| Total of consolidated loans payable | 2,410,241 |

Note: "Others" presented above includes syndicate loans of a total of 55,000 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 (%) |
|---|-----------------------------------|--------------|---------------|--------------------|
| 58th series Yen-Dominated Unsecured Straight Bond | 15 | October 2020 | October 2030 | 0.390% |

By the Company's Consolidated Subsidiaries

Sumitomo Corporation of Americas (USA) and Sumitomo Corporation Capital Europe (UK) raised 88 million USD (9.7 billion JPY) under a Euro MTU program set up by the two companies.

10. Status of Important Business Reorganization, etc.

At the Board of Directors meeting held on December 22, 2020, the Company resolved to enter into an absorption-type company split agreement under which one portion of the shipping business operated by the

Company would be transferred to Sumitomo Marine Co. Ltd, a wholly-owned subsidiary of the Company.

Pursuant to the said agreement, the absorption-type company split came into force on April 1, 2021.

II. Particulars regarding the Shares of the Company (as of March 31, 2021)

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

2. Number of Issued Shares 1,251,253,867 shares

(increase of 268,400 compared with the end of the previous fiscal year/
including treasury stock 1,544,207 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 14, 2020.

3. Number of Shareholders 205,689 persons

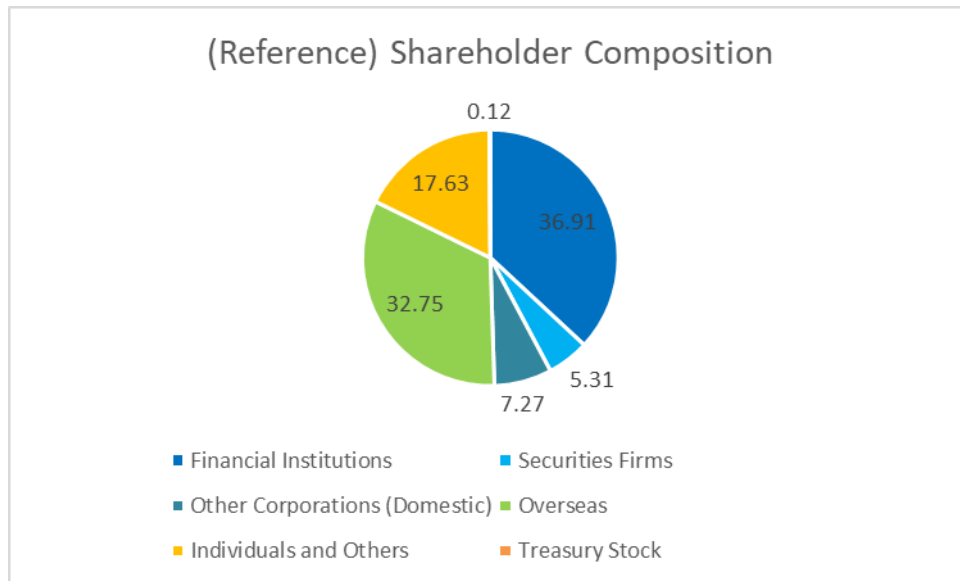
(increase of 22,625 compared with the end of the previous fiscal year)

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) | 123,170 | 9.86 |
| BNYMAS AGT/CLTS NON TREATY JASDEC | 67,010 | 5.36 |
| Custody Bank of Japan, Ltd. (trust account) | 61,222 | 4.90 |
| Sumitomo Life Insurance Company | 30,855 | 2.47 |
| Custody Bank of Japan, Ltd. (trust account 5) | 19,053 | 1.52 |
| STATE STREET BANK WEST CLIENT - TREATY 505234 | 18,067 | 1.45 |
| Mitsui Sumitomo Insurance Company, Limited | 18,000 | 1.44 |
| NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST | 17,539 | 1.40 |
| Custody Bank of Japan, Ltd. (trust account 7) | 17,046 | 1.36 |
| Custody Bank of Japan, Ltd. (trust account 6) | 16,895 | 1.35 |

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 (1,544,207 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.

The State of Shares Delivered to The Company's Officers as Remuneration in Fiscal Year 2020

| | Class and Number of Shares | Number of Officers to whom such Shares were delivered |
|---|----------------------------|---|
| Directors (Excluding Outside Directors) | 67,200 Common Shares | 6 |

* No such Shares were delivered to and Outside Directors or Company Auditors.

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 |
|---|--|---|---|------------------------------|--------------------------|-------------------------------------|
| August 2, 2016 (the 15 th) | 230 rights | Common Shares 23,000 shares | 100 shares | Issued without consideration | ¥1,124 | From April 1, 2017 to June 30, 2021 |
| July 31, 2017 (the 16 th) | 850 rights | Common Shares 85,000 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 |
| August 2, 2016 (the 15 th) | 0 person | 0 right | 15 persons | 210 rights | 2 persons | 20 rights |
| July 31, 2017 (the 16 th) | 2 persons | 150 rights | 33 persons | 570 rights | 13 persons | 130 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) | 87 rights | Common Shares 8,700 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, 2009 (the 4 th) | 263 rights | Common Shares 26,300 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) | 427 rights | Common Shares 42,700 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, 2011 (the 6 th) | 411 rights | Common Shares 41,100 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, 2012 (the 7 th) | 789 rights | Common Shares 78,900 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, 2013 (the 8 th) | 777 rights | Common Shares 77,700 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 |
| August 1, 2014 (the 9 th) | 915 rights | Common Shares 91,500 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) | 900 rights | Common Shares 90,000 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 |
| August 2, 2016 (the 11 th) | 1,449 rights | Common Shares 144,900 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, 2017 (the 12 th) | 1,177 rights | Common Shares 117,700 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 |

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 | 2 persons | 48 rights |
| July 31, 2009 (the 4 th) | 1 person | 102 rights | 0 person | 0 right | 0 person | 0 right | 3 persons | 161 rights |
| July 31, 2010 (the 5 th) | 1 persons | 86 rights | 0 person | 0 right | 0 person | 0 right | 6 persons | 341 rights |
| July 31, 2011 (the 6 th) | 1 persons | 86 rights | 0 person | 0 right | 0 person | 0 right | 6 persons | 325 rights |
| July 31, 2012 (the 7 th) | 3 persons | 206 rights | 0 person | 0 right | 1 persons | 30 rights | 12 persons | 553 rights |
| July 31, 2013 (the 8 th) | 3 persons | 187 rights | 1 person | 26 rights | 1 persons | 20 rights | 13 persons | 544 rights |
| August 1, 2014 (the 9 th) | 2 persons | 145 rights | 1 person | 24 rights | 4 persons | 96 rights | 16 persons | 650 rights |
| July 31, 2015 (the 10 th) | 2 persons | 153 rights | 1 person | 23 rights | 7 persons | 154 rights | 12 persons | 570 rights |
| August 2, 2016 (the 11 th) | 3 persons | 258 rights | 2 persons | 86 rights | 10 persons | 340 rights | 13 persons | 765 rights |
| July 31, 2017 (the 12 th) | 5 persons | 262 rights | 2 persons | 63 rights | 13 persons | 344 rights | 12 persons | 508 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, 2021)

| Name | Position in the Company | Particulars of important posts concurrently held | |
|-------------------------------|---|--|--|
| Kuniharu Nakamura | Chairman of the Board of Directors | Outside Director, NEC Corporation Outside Director, Shin-Etsu Chemical Co., Ltd. | |
| Masayuki Hyodo | Representative Director, President and Chief Executive Officer | | |
| Toshikazu Nambu | Representative Director, Executive Vice President | | |
| Hideki Yamano | Representative Director, Senior Managing Executive Officer | | |
| Takayuki Seishima | Representative Director, Managing Executive Officer | | |
| Masaru Shiomi | Representative Director, Managing Executive Officer | | |
| Nobuyoshi Ehara ^{*3} | Outside Director ^{*1} | | |
| | Attendance in meetings of the Board of Directors | Main activities and overview of work undertaken in relation to their expected role | |
| | 21 of 21 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>In addition to board meetings, he actively discussed and provided useful advice and suggestions from an objective and independent point of view with regards to various important management issues including management policy / plan and ESG (environment / society / governance) at offsite meetings by board members. Through these efforts, he has contributed to ensuring appropriate decision-making by the Board and enhancing management supervisory functions therefore fulfilling their role which the Company expects from him.</p> <p>Furthermore, as the chairman of the Nomination and Remuneration Advisory Committee, he played an important role in the committee and contributed to further enhancing the independence, objectivity, and transparency of the nomination and remuneration process for Directors, Auditors and executive management therefore fulfilling the role which the Company expects from him.</p> | |

| | | |
|-------------|--|---|
| Koji Ishida | Outside Director* ¹ | Member of the Public Interest Oversight Committee, KPMG AZSA LLC* ⁶ |
| | Attendance in meetings of the Board of Directors | Main activities and overview of work undertaken in relation to their expected role |
| | 21 of 21 meetings (100%) | <p>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.</p> <p>In addition to board meetings, he actively discussed and provided useful advice and suggestions from an objective and independent point of view with regards to various important management issues including management policy / plan and ESG (environment / society / governance) at offsite meetings by board members. Through these efforts, he has contributed to ensuring appropriate decision-making by the Board and enhancing management supervisory functions therefore fulfilling their role which the Company expects from him.</p> <p>Furthermore, as a member of the Nomination and Remuneration Advisory Committee, he played an important role in the committee and contributed to further enhancing the independence, objectivity, and transparency of the nomination and remuneration process for Directors, Auditors and executive management therefore fulfilling the role which the Company expects from him.</p> |
| Kimie Iwata | Outside Director* ¹ | Audit and Inspection Commissioner, the Tokyo Metropolitan Government* ⁷ Outside Director, Resona Holdings Inc.* ⁷ Outside Director, Ajinomoto Co., Inc.* ⁷ |
| | Attendance in meetings of the Board of Directors | Main activities and overview of work undertaken in relation to their expected role |
| | 21 of 19 meetings (90.5%) | <p>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 the 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.</p> <p>In addition to board meetings, she actively discussed and provided useful advice and suggestions from an objective and independent point of view with regards to various important management issues including management policy / plan and ESG (environment / society / governance) at offsite meetings by board members. Through these efforts, she has contributed to ensuring appropriate decision-making by the Board and enhancing management supervisory functions therefore fulfilling their role which the Company expects from her.</p> <p>Furthermore, as a member of the Nomination and Remuneration Advisory Committee, she played an important role in the committee and contributed to further enhancing the independence, objectivity, and transparency of the nomination and remuneration process for Directors, Auditors and executive management therefore fulfilling the role which</p> |

| | | |
|-------------------------|--|--|
| | | the Company expects from her. |
| Hisashi Yamazaki | Outside Director* ¹ | Attorney at Law Supervisory Board Member, National Federation of Agricultural Cooperative Associations* ⁸ Outside Director, JAPAN POST INSURANCE Co.,Ltd.* ⁷ |
| | Attendance in meetings of the Board of Directors | Main activities and overview of work undertaken in relation to their expected role |
| | 21 of 21 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. In addition to board meetings, he actively discussed and provided useful advice and suggestions from an objective and independent point of view with regards to various important management issues including management policy / plan and ESG (environment / society / governance) at offsite meetings by board members. Through these efforts, he has contributed to ensuring appropriate decision-making by the Board and enhancing management supervisory functions therefore fulfilling their role which the Company expects from them. |
| Akiko Ide* ⁴ | Outside Director* ¹ | |
| | Attendance in meetings of the Board of Directors* ⁹ | Main activities and overview of work undertaken in relation to their expected role* ⁹ |
| | 18 of 18 meetings (100%) | Ms. Akiko Ide asked questions and made comments as necessary from an objective and independent perspective based on her broad knowledge and many years of experience in the fields of information and communications, business management and corporate governance, etc. accumulated mainly through working at a major telecommunications carrier, as a group company executive and as a full time audit & supervisory board member of the parent (holding) company. In addition to board meetings, she actively discussed and provided useful advice and suggestions from an objective and independent point of view with regards to various important management issues including management policy / plan and ESG (environment / society / governance) at offsite meetings by board members. Through these efforts, she has contributed to ensuring appropriate decision-making by the Board and enhancing management supervisory functions therefore fulfilling their role which the Company expects from them. |
| 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. ^{*7} Outside Director, Central Japan Railway Company ^{*8} | |
| | Attendance in meetings of the Board of Directors | Attendance in meetings of Audit & Supervisory Board | Main activities |
| | 21 of 21 meetings (100%) | 17 of 17 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. ^{*8} | |
| | Attendance in meetings of the Board of Directors | Attendance in meetings of Audit & Supervisory Board | Main activities |
| | 20 of 21 meetings (95.2%) | 17 of 17 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 ^{*5} | Outside Audit & Supervisory Board Member ^{*2} | Certified Public Accountant Outside Audit & Supervisory Board Member, Sumitomo Chemical Company, Limited ^{*8} Outside Audit & Supervisory Board Member, Mitsui Fudosan Co., Ltd. ^{*7} | |
| | Attendance in meetings of the Board of Directors | Attendance in meetings of Audit & Supervisory Board | Main activities |
| | 21 of 21 meetings (100%) | 17 of 17 meetings (100%) | 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 45~46). 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 45~46). The Company has designated all these individuals as independent Audit & Supervisory Board Members based on the exchanges' respective provisions.
3. ^{*3} Mr. Nobuyoshi Ehara resigned from his position of Partner of Unison Capital, Inc. on June 30, 2020.
4. ^{*4} Ms. Akiko Ide resigned from her position of Full Time Audit & Supervisory Board Member, Nippon Telegraph and Telephone Corporation^{*7} and Audit & Supervisory Board Member, NTT, Inc.^{*7} on June 23, 2020.
5. ^{*5} Mr. Yoshitaka Kato is qualified as a certified public accountant, and thus has a respectable degree of knowledge regarding finance and accounting.
6. ^{*9} KPMG AZSA LLC is the Company's accounting auditor.
7. ^{*7} No special relationship exists between the Company and the Tokyo Metropolitan Government, Resona

Holdings Inc., Ajinomoto Co., Inc., Toppan Printing Co., Ltd., Mitsui Fudosan Co., Ltd., Nippon Telegraph and Telephone Corporation and NTT, IC.

8. *8 The Company has business transactions with National Federation of Agricultural Cooperative Associations, Central Japan Railway Company, Toray Industries, Inc. and Sumitomo Chemical Company, Limited. Also, 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 Of the above, the status of attendance in meetings of the Board of Directors and main activities and overview of work undertaken in relation to their expected role of Ms. Akiko Ide apply from her election as Outside Director on June 19, 2020.

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 | Performance Linked Bonuses | Restricted stock-based remuneration | Performance share unit-based remuneration |
| Directors | Internal Directors | 7 persons | ¥592 million | ¥470 million | - | ¥86 million | ¥36 million |
| | Outside Directors | 5 persons | ¥87 million | ¥87 million | - | - | - |
| | Total | 12 persons | ¥679 million | ¥557 million | - | ¥86 million | ¥36 million |
| Audit & Supervisory Board Members | Internal Audit & Supervisory Board Members (full-time) | 2 persons | ¥87 million | ¥87 million | - | - | - |
| | Outside Audit & Supervisory Board Members | 3 persons | ¥50 million | ¥50 million | - | - | - |
| | Total | 5 persons | ¥137 million | ¥137 million | - | - | - |

- Notes:
1. As of the end of this fiscal year, we had 11 Directors and 5 Audit & Supervisory Board Members (including 5 Outside Directors and 3 Outside Audit & Supervisory Board Members).
 2. No Director of the Company is concurrently an employee of the Company.
 3. The total amount of performance linked remuneration ("performance share unit-based remuneration" listed above) this fiscal year is ¥36 million, and the amount of non-monetary remuneration ("restricted stock-based remuneration" and "performance share unit-based remuneration" listed above) is ¥123 million yen. (The sum of these figures do not precisely add up because each of the figures have been rounded to the nearest million yen.)
 4. There are no performance linked bonuses for fiscal year 2020.
 5. 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.
 6. The above restricted stock-based remuneration are the total amounts recorded as expenses in this fiscal year.

7. 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, 2022 and 2023.
8. The remuneration of Audit & Supervisory Board Members, who are in a position to audit and supervise management with a high degree of objectivity and independence, consists solely of fixed remuneration (“monthly remuneration”) and is provided on a monthly basis. The remuneration of each Audit & Supervisory Board Member is decided through discussions between the Members within the maximum amount approved by shareholder resolutions.
9. The total amount of remuneration of Directors (excluding performance linked bonuses) and remuneration of Audit & Supervisory Board Members has been resolved as follows at the past ordinary general meetings of shareholders. Meanwhile, as the performance linked 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 performance linked 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 performance linked 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. The number of Directors (excluding Outside Directors) at the time of this resolution is 6.

| | 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.

3. Remuneration System for Directors

(1) The Decision making policy for the remuneration of individual Directors

① How the above policy was decided

March 24, 2021 Board of Directors resolution (after discussion within the Nomination and Remuneration Advisory Committee)

② Overview of the above policy

(A) System for deciding remuneration of individual Directors and the policy for deciding the composition of different types of remuneration

(a) System for remuneration of individual Directors (● indicates such Director may be granted such remuneration)

| Type of Remuneration | | Director Type | | |
|----------------------|-----------------------------|--------------------------------|--------------------------------------|------------------------------|
| | | Executive Director (Note 1) | Chairman of the Board (Note 2) | Outside Director (Note 3) |
| Fixed | Monthly Remuneration | ● | ● | ● |
| Variable | Performance Linked Bonus | ● | — | — |
| | Stock-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.

(b) Policy on deciding the composition of the monthly remuneration, performance linked bonus and stock-based remuneration

The remuneration of individual Directors is decided with the aim of offering incentives to seek enhanced corporate governance, increased corporate value over the medium to long run, and push forward a sustainable growth as in line with the Company’s business strategy.

The Company has established appropriate remuneration composition ratios between fixed remuneration (“monthly remuneration”) and variable remuneration (“performance linked bonus” which is linked with short term performance of the Company and “stock-based remuneration” which is linked with middle and long term performance and shareholder value) 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. This composition is based on the Director’s position and is designed to (i) acquire and retain highly capable management who will bring about the Company’s sustainable growth and increase of corporate value in the middle and long run, and (ii) work as a healthy incentive to sustainable growth of the Company.

Moreover, Executive Directors are also paid remuneration for taking part in a health promotion programs.

- (B) Policy on the decision of the amount or calculation method of Director's monthly remuneration(including policy on the decision of when or under what circumstances such remuneration will be paid)

The monthly remuneration for individual Directors is paid each month. The remuneration level is designed 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. The remuneration level is linked to the Director's position and is decided by Board resolution after consultation with the Nomination and Remuneration Advisory Committee (which is chaired by an Outside Director and which majority consists of Outside Directors).

Moreover, Outside Directors who are members of the Nomination and Remuneration Advisory Committee are paid an amount decided by the Board of Directors.

- (C) Policy on the decision of the amount or calculation method of the performance linked remuneration and non-monetary remuneration of individual Directors (including policy on the decision of when or under what circumstances such remuneration will be granted)

- (c) Performance linked bonus

Performance linked bonuses for individual Executive Directors are designed with a focus on the relationship between the Group's management strategies and shall promote the execution of duties that coincide with its management strategy and offer strong motivation for achieving specific business objectives. 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 performance management index to be focused on in the Medium-Term Management Plan, and the amount to be paid to individual Executive Directors is distributed according to their position and personal evaluation and paid after the end of the fiscal year. In addition, each Executive Director is evaluated on the basis of both financial indicators and non-financial indicators so that they can become more aware in regard to their commitment to management strategy and results. The ratio of such indicators shall be appropriately set out.

The remuneration level is designed 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. The remuneration level is linked to the Director's position and is decided by Board resolution after consultation with the Nomination and Remuneration Advisory Committee.

- (d) Stock-based remuneration

The actual contents and timing of payment of the stock-based remuneration for individual Directors (excluding Outside Directors) is decided by the Board of Directors after consultation with the Nomination and Remuneration Advisory Committee. This remuneration is aimed at promoting efforts at optimizing the business portfolio and increasing corporate value in the middle and long run by focusing on the link with shareholder value.

The remuneration level is designed 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. The remuneration level is linked to the Director's position and is decided by Board resolution after consultation with the Nomination and Remuneration Advisory Committee.

- (D) Particulars regarding the delegation to Directors or other outside parties of the decision of all or part of the remuneration for individual Directors/ Decision making process of the remuneration content of other Directors

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 and the results thereof are reported to the Board of Directors as part of our efforts to further enhance transparency and objectivity.

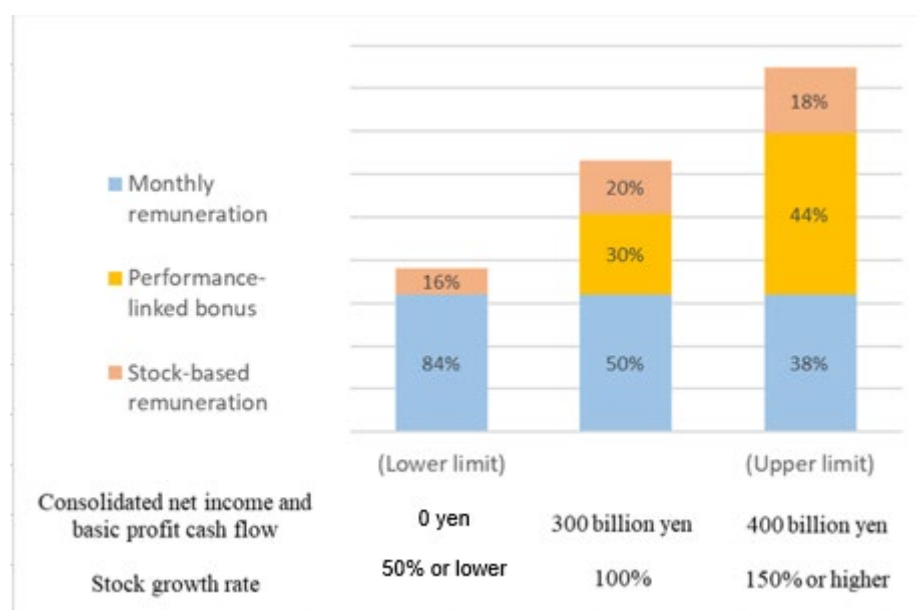
The formula for calculating the performance linked bonuses for individual Executive Directors (for this fiscal year) is decided by the Board of Directors reflecting reports from the Nomination and Remuneration Advisory Committee. After the fiscal year ends, the CEO will grade each individual Executive Director after a meeting with such Director and the performance linked bonus for such Director will be calculated accordingly. This will be done within the limit which is approved by at the Ordinary General Meeting of Shareholders after such fiscal year ends. Moreover, the CEO will report to the Nomination and Remuneration Committee about the grading results in order to make sure the individual evaluations are appropriate.

- ③ Reasons why the Board of Directors decided the contents of the remuneration of Directors for this fiscal year is in line with the policy for deciding such content

The Board of Directors has decided for the reason that the remuneration for individual Directors was decided in line with the basic policy and structure previously decided on by the Board of Directors and was also considered by the Nomination and Remuneration Committee.

- (2) Remuneration levels and composition of Executive Directors

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 income and basic profit cash flow are 300 billion yen and the stock growth rate 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.

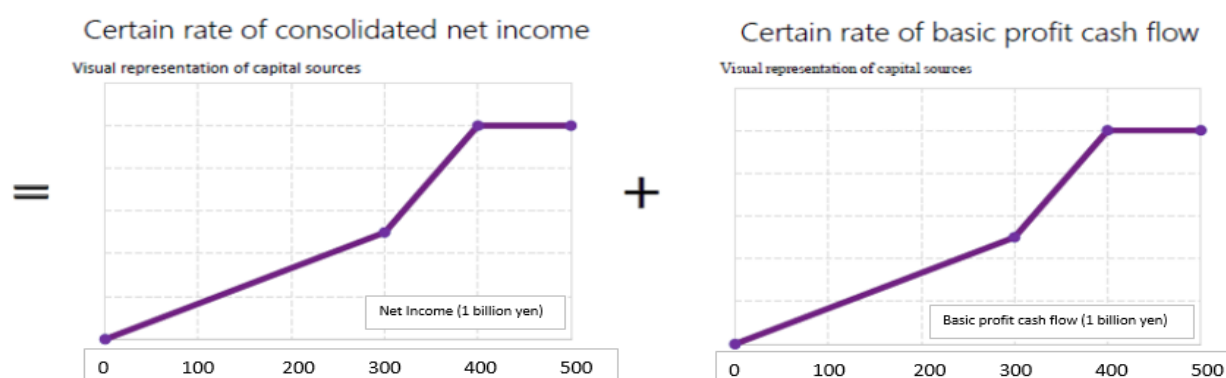


(3) Particulars regarding performance linked remuneration and non-monetary remuneration for fiscal year 2020

① 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 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

No performance linked bonus will be paid for fiscal year 2020 (which were meant to be paid in June 2021)

| | Result (billion yen) |
|----------------------------|-------------------------|
| Consolidated Net Income | (151.3) |
| Basic Profit Case flow | 130.8 |

② Restricted-stock based remuneration

Under a Board of Directors resolution on July 15, 2020, 67,200 of the Company's common shares were granted to Directors (excluding Outside Directors) with a specific time-based restriction on transfer, with the aim of further promoting initiatives to improve corporate value over the medium to long term and share value with shareholders.

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.

③ Performance linked share unit-based remuneration

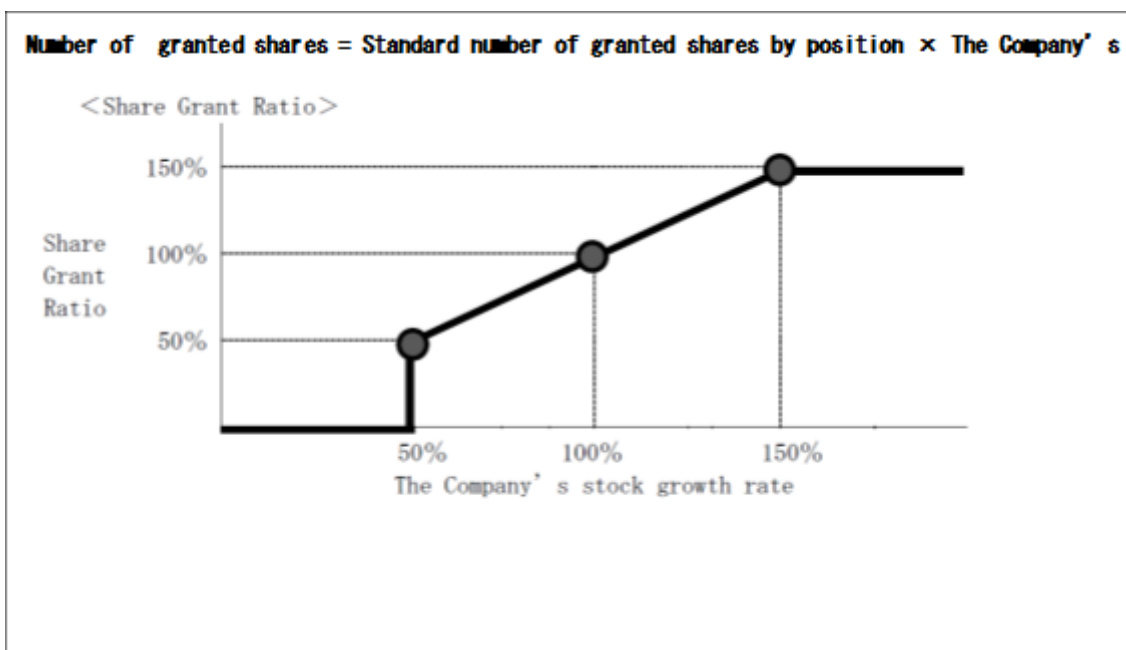
Directors (excluding Outside Directors) are granted the Company's common shares with the aim of offering incentives to seek sustainable improvement of the Company's corporate value as well as promoting efforts to increase our corporate value over the medium to long term. Such grants consist a part of remuneration for such Director's services during the year starting from the end of the annual shareholders meeting of one year until the end of the same meeting for the next year (the "Service Period"). The number of shares granted are 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)) between June 1 of the year the Service Period began and June 30 of the year three years later. However, if such Director dies or reorganization of the Company takes place before such shares are granted, he/she will be paid a monetary equivalent of the ungranted shares.

This remuneration system began in 2018 and the first Company stock growth evaluation period will end on June 30, 2021. Therefore, there are no actual results to be disclosed this fiscal year.

< 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 >



4. 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.

5. Name and Other Particulars of the Company's Executive Officers (as of April 1, 2021)

| 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 |
| Executive Vice President | Shingo Ueno | General Manager, Metal Products Business Unit General Manager, Mineral Resources, Energy, Chemical & Electronics Business Unit Head of Energy Innovation Initiative* ³ |
| 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 |
| Senior Managing Executive Officer* ¹ | Takayuki Seishima | Chief Administration Officer and Chief Compliance Officer |
| Senior Managing Executive Officer | Masaki Nakajima | General Manager for the Americas |
| Senior Managing Executive Officer | Koji Tamefusa | Director, Executive Vice President, Managing Executive Officer, SCSK Corporation |
| 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 | Keigo Shiomi | General Manager for Asia & Oceania |
| Managing Executive Officer | Reiji Morooka | Representative Director, Senior Managing Executive Officer, Sumitomo Mitsui Finance and Leasing Company, Limited |
| Managing Executive Officer | Yoshiyuki Sakamoto | Deputy General Manager, Mineral Resources, Energy, Chemical & Electronics Business Unit, |
| Managing Executive Officer* ¹ | 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 |
| Managing Executive Officer | Kei Sato | Assistant General Manager, Living Related & Real Estate Business Unit, General Manager, Food & Agriculture Business Division |
| Managing Executive Officer | Norihiko Nonaka | Assistant General Manager, Infrastructure Business Unit, General Manager, Planning & Coordination Dept., Infrastructure Business Unit |
| Managing Executive Officer | Shinji Nakano | Assistant CAO in charge of Secretary & Human Resources |
| Managing Executive Officer | Mitsuhiro Takeda | Director, Executive Vice President, Jupiter Telecommunications Co., Ltd. |
| Managing Executive Officer | Hirokazu Higashino | Deputy General Manager, Living Related & Real Estate Business Unit, General Manager, Planning & Coordination Dept., Living Related & Real Estate Business Unit |
| Managing Executive Officer | Katsuya Inubushi | Deputy General Manager, Metal Products Business Unit |
| Executive Officer | Shinichi Kato | General Management, Mobility Business Division No. 2 |
| Executive Officer | Haruo Matsuzaki | General Manager, Mineral Resources Division No.2 |
| Executive Officer | Yoshinori Mukaida | Assistant CFO in charge of Finance, General Manager, Finance 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 | 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 | Tomonori Wada | CEO, SUMMIT FRESH PRODUCE LIMITED |
| Executive Officer | Kazunari Sakata | President and CEO, Sumitomo Corporation Global Metals Co., Ltd. |
| Executive Officer | Tsutomu Ozaki | General Manager, Planning & Coordination Dept., Media & Digital Business Unit |
| Executive Officer | Takashi Yamana | Assistant General Manager for Europe, Middle East, Africa & CIS, General Manager for Europe & CIS |
| Executive Officer | Tatsuro Tamura | Assistant General Manager for Europe, Middle East, Africa & CIS, General Manager, Europe & CIS Corporate Management Unit |
| Executive Officer | Kazumasa Watanabe | General Manager, Media Division |
| Executive Officer | 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 | Hajime Mori | General Manager, Energy Division, Director of Energy Innovation Initiative ^{*3} |
| Executive Officer | Yukihito Honda | General Manager, Tubular Products Division |
| Executive Officer | Kotaro Tameda | General Manager, Corporate Planning & Coordination Dept. |
| Executive Officer ^{*2} | Takayuki Sumita | Assistant CSO |
| Executive Officer ^{*2} | Koji Aso | General Manager, Construction & Mining Systems Division |
| Executive Officer ^{*2} | Yusuke Ujimoto | Managing Corporate Officer, Jupiter Telecommunications Co., Ltd. |

| | | |
|---------------------------------|------------------|---|
| Executive Officer ^{*2} | Hiroki Takeno | General Manager, Lifestyle & Retail Business Division |
| Executive Officer ^{*2} | Tadayuki Ueno | Assistant CFO in charge of Risk Management |
| Executive Officer ^{*2} | Yasuhiro Yoshida | Assistant CFO in charge of Accounting, General Manager, Accounting Controlling 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 their duty as of April 1, 2021.
 3. The Energy Innovation Initiative (marked with *3) is a new business organization established on April 1, 2021 which transcends the current framework of business units.

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

(In million Japanese Yen)

| | |
|--|-------|
| Remuneration and fees to be paid in relation to auditing and attesting services under Article 2, Paragraph 2.1 of the Certified Public Accountants Act | 508 |
| Remuneration and fees to be paid in relation to services other than auditing and attesting services under Article 2, Paragraph 2.1 of the Certified Public Accountants Act | 11 |
| Audit remuneration and other fees to be paid to Accounting Auditors by the Company | 519 |
| Total amount of cash and other financial benefits payable by the Company and its consolidated subsidiaries to Accounting Auditors | 1,110 |

- 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 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. 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.
 4. 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.

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 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, 2021, is provided below. Moreover, in a February 2021 meeting the Internal Control Committee assessed the implementation of the internal control systems during 2020, confirmed that these internal control systems were functioning effectively, and reported this fact at the Board of Directors' meeting held in March 2021.

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 the Chief Compliance Officer, the Compliance Committee, and Compliance Leaders, and creating 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. In 2020, we revised the Antitrust Law Compliance Manual and raised awareness of such Manual by making it available on the company intranet^{*1}. ➤ 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. In 2020, we held company-wide seminars^{*2} on the protection of personal information, harassment prevention seminars and seminars on antitrust law and prevention of bribery of public officials, while providing compliance education for new employees. We also issued an internal warning regarding compliance with the Subcontract Act. ➤ 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 |

| Internal Control Systems | Current Implementation Status |
|--|--|
| | <p>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.</p> <ul style="list-style-type: none"> ➤ In order to promote active use of the Speak-Up System, we have put up posters about the system on noticeboards on the office floors of the head office building, distributed portable cards with contact information for the system, notified officers and employees of the system through internal communications, and formulated detailed regulations that specify the operational procedures of the system. ➤ In 2020, we also held the Compliance Committee, where the details of compliance activities and measures were reported and deliberated. |
| <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 | <ul style="list-style-type: none"> ➤ We preserve and manage the important documents and information described on the left properly in accordance with internal rules. In addition, the Basic Rules for Information Management, which are the Company's internal regulations, 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. ➤ In 2020, each department inspected the status of management of documents (including electronic documents) within its organization and reviewed the guidelines on document retention and management from the perspective of enhancing operational efficiency. ➤ We continued to implement measures aimed at information security education and awareness*³ in 2020, including "information security course" 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. ➤ In 2020, we also held meetings of the Information Security Committee, where activity plans were deliberated and approved and the results of activities were reported and verified. ➤ In 2020, in order to respond to the increase in the number of employees teleworking due to COVID-19, we implemented measures such as strengthening |

| Internal Control Systems | Current Implementation Status |
|--|--|
| | <p>authentication when using the system, introducing an additional anti-spoofing email system, building a special monitoring system during long vacations, disseminating warnings using the intranet, and expanding the scope of awareness-raising and training activities.</p> <p>➤ We submit for review by Audit & Supervisory Board Members any documents they request.</p> |
| 3. Rules and other systems pertaining to the management of risk of loss | |
| <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 advisory organs to the Management Council ● 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>➤ We establish our internal rules regarding risk management. With respect to risk management by the Company, we divide our business activities into investment activities and commercial transactions, determine specific risk factors and common risk factors associated with both activities, and 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 could 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 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> <p>➤ As for environmental and society-related activities, we maintained ISO 14001 certification; promoted educational activities by conducting training sessions on environment-related laws and regulations, industrial waste disposal operations and internal environmental auditor training and by offering e-Learning environmental courses; resolved and issued a statement by the Board of Directors on the U.K. Modern Slavery Act; established the Sumitomo Corporation Group’s Human Rights Policy and conducted human rights due diligence; identified six key social issues for the Group and set relevant long-term targets; and released the Policies on Climate Change Issues with the basic policy of aiming to carbon-neutralize the Sumitomo Corporation Group’s business activities by 2050. In addition, we established new internal rules and introduced a system for evaluating social and environmental risks in</p> |

| Internal Control Systems | Current Implementation Status |
|--------------------------|---|
| | <p>investment projects for which the Company plays a central role when applying for investment internally.</p> <ul style="list-style-type: none"> ➤ We revised the templates for contracts in response to the revision of the Civil Code which came into effect in April 2020, and issued internal guidelines that summarize legal procedures for responding to various disasters including the COVID-19 pandemic. ➤ In 2020, we also held meetings of the Corporate Sustainability Committee, where key policies, measures and initiatives related to the promotion of sustainability activities were deliberated. ➤ In 2020, we also held meetings of the Internal Control Committee, where the Company's internal control systems and progress with internal control activities were reviewed. ➤ We are enhancing the quality of decision-making in the Management Council by means of the Company-wide Loan and Investment Committee. In addition, we formulate and update a playbook summarizing the processes before and after investment execution as well as the evaluation, appointment and dismissal, remuneration, and succession of the senior management of subsidiaries and associated companies. ➤ For security trade control, various guidelines are established, and various sanctions information is notified internally. ➤ Under the leadership of the Disaster Response & Safety Management Department in charge of promoting disaster countermeasures, various disaster response and safety promotion measures are taken, including holding a monthly disaster response and safety measures promotion and information liaison meeting. In 2020, we were particularly focused on measures against COVID-19, including establishing the COVID-19 hotline to share information on the infection, developing and notifying the information communication flow and response protocols related to COVID-19, grasping the situations of employees dispatched overseas, conducting health checks, and establishing emergency medical systems. In addition, we promoted the reestablishment of the emergency response headquarters in the head office in anticipation of an earthquake directly hitting the Tokyo metropolitan area and conducted comprehensive disaster response drills in line with floor autonomy. Moreover, we checked the BCP implementation status, conducted sampling evaluations, and published the general-purpose BCP development guidebook. In April 2020, we launched |

| Internal Control Systems | Current Implementation Status |
|---|---|
| | <p>the Disaster Prevention Newsletter to raise awareness of disaster prevention among officers and employees and improve their disaster prevention skills.</p> <p>➤ 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 | |
| <ul style="list-style-type: none"> ● Making the number of Directors sufficient to enable full discussions and speedy and reasonable decision-making by 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 operations and strengthen the supervisory functions of the Board of Directors ● 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 ● Formulating the medium-term management plan, preparing budgets and introducing performance management systems ● 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 | <ul style="list-style-type: none"> ➤ The number of Directors is 11, which is sufficient to enable a variety of proposals and full discussions to be made by 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 and Chief Executive Officer do not exceed six years. ➤ The Nomination and Remuneration Advisory Committee, which is an advisory committee to the Board of Directors, is chaired by an Outside Director. The committee reviews the policies and procedures regarding appointment and dismissal of the President and the Chairman, appointment and dismissal of the President, nomination criteria for Directors and Audit & Supervisory Board Members and nomination of candidates therefor, appointment of Management Council members, the structures/levels of remuneration and bonuses for Directors and Executive Officers, as well as the limit of remuneration for Audit & Supervisory Board Members and the advisory system, and submits the results thereof as recommendations 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. ➤ In order to deepen strategic discussions in management and promote the appropriate allocation of management resources based on these discussions and the steady implementation of the PDCA cycle, each division/department under the Company's business units has been reorganized into a unit called the Strategic Business Unit. We have introduced a system in which each Strategic Business Unit creates a strategic format for business management, discusses the format through internal strategy meetings, and follows up on the results of the discussions, and have |

| Internal Control Systems | Current Implementation Status |
|--|---|
| | <p>commenced operation of this system.</p> <p>➤ 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 | |
| <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 procedures for subsidiaries and other consolidated companies to report their “important management issues” to the Company, and 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 | <p>➤ 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.</p> <p>➤ For each of Sumitomo Corporation’s consolidated companies, internal procedures have been determined in respect to the matters deemed as important management issues (matters for which the procedures between the Company and its consolidated companies have been determined regarding decision-making within the consolidated companies). In 2020, risk management regulations related to important management issues of Sumitomo Corporation’s consolidated companies were revised. In addition, for the purpose of clarifying the roles and responsibilities between the shareholders and consolidated subsidiaries and enhancing Group governance, we have replaced the conventional consultation and agreement method for the decision-making process for important management issues of Sumitomo Corporation’s consolidated companies with the institutional decision-making method, in which consolidated subsidiaries and the Company hold discussions in advance to ensure that they are on common ground regarding the important resolution issues, with the ultimate goal of making an institutional decision by consolidated subsidiaries. Operation based on this method will gradually commence in fiscal 2021.</p> <p>➤ We support the Company’s subsidiaries and other consolidated companies in a variety of ways, including: educating and raising awareness regarding internal control at subsidiaries; requiring employees of subsidiaries 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.</p> <p>➤ Toward the realization of “enhancement of</p> |

| Internal Control Systems | Current Implementation Status |
|---|---|
| | <p>governance” set forth in the “Medium-Term Management Plan 2020,” we have been promoting the Group Governance Enhancement Project*. We conducted training sessions on the importance of internal control based on case studies, a seminar by an external lecturer to explain key points in organizational design, as well as training sessions on the points of internal control that should be taken into consideration amid the COVID-19 pandemic.</p> <p>* This project supports the assessment of internal control systems 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 the general manager of the Audit & Supervisory Board Members’ Administration Department and that the area of operational responsibility of the Audit & Supervisory Board Members’ Administration Department 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 the 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 | <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 |

| Internal Control Systems | Current Implementation Status |
|--|--|
| <p>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</p> <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>Committee, the Corporate Sustainability Committee and the Compliance Committee in accordance with internal rules.</p> <ul style="list-style-type: none"> ➤ We deliver important materials pertaining to the execution of operations when requested to do so by Audit & Supervisory Board Members, and arrange for officers and employees to report and give briefings on the businesses of each company as per the request of Audit & Supervisory Board Members. ➤ 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 the matter 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 2020, 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. |

| | | |
|----|----|--|
| 1. | *1 | The Compliance Manual was revised and made available on the company intranet to raise awareness in January 2021. |
| 2. | *2 | As a company-wide seminar aimed at compliance awareness and education, the Insider Trading Prevention Seminar was held in March 2021 |
| 3. | *3 | As a measure aimed at information security education and awareness, the Information Managers Seminar was held in March 2021. |

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 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, 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 see 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. Material Issues and SDGs

To identify the material issues, With reference to the SDGs² 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.

² 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.

Consolidated Financial Statements

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

Sumitomo Corporation and Subsidiaries

As of March 31, 2021 and 2020

| | Millions of Yen | |
|---|-----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | ¥ 599,013 | ¥ 710,371 |
| Time deposits | 12,751 | 10,262 |
| Marketable securities | 1,621 | 2,014 |
| Trade and other receivables | 1,303,621 | 1,231,088 |
| Contract assets | 188,812 | 117,230 |
| Other financial assets | 115,041 | 112,723 |
| Inventories | 793,279 | 929,981 |
| Advance payments to suppliers | 135,217 | 131,520 |
| Assets classified as held for sale | 24,718 | — |
| Other current assets | 323,511 | 291,202 |
| Total current assets | 3,497,584 | 3,536,391 |
| Non-current assets: | | |
| Investments accounted for using the equity method | 2,102,139 | 2,025,255 |
| Other investments | 416,934 | 358,961 |
| Trade and other receivables | 239,348 | 331,871 |
| Other financial assets | 87,422 | 94,981 |
| Property, plant and equipment | 1,050,648 | 1,054,042 |
| Intangible assets | 255,961 | 288,913 |
| Investment property | 340,451 | 355,844 |
| Biological assets | 26,183 | 21,075 |
| Prepaid expenses | 39,493 | 23,186 |
| Deferred tax assets | 23,821 | 38,077 |
| Total non-current assets | 4,582,400 | 4,592,205 |
| Total assets | ¥ 8,079,984 | ¥ 8,128,596 |

Note:

The Consolidated Statement of Financial Position as of March 31, 2020 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, 2021 and 2020

| | Millions of Yen | |
|--|-----------------|----------------|
| | March 31, 2021 | March 31, 2020 |
| LIABILITIES AND EQUITY | | |
| Current liabilities: | | |
| Bonds and borrowings | ¥ 477,927 | ¥ 754,696 |
| Trade and other payables | 1,269,631 | 1,079,099 |
| Lease liabilities | 71,141 | 65,871 |
| Other financial liabilities | 90,402 | 87,578 |
| Income tax payables | 31,655 | 25,785 |
| Accrued expenses | 95,926 | 95,318 |
| Contract liabilities | 137,915 | 98,951 |
| Provisions | 6,578 | 4,837 |
| Liabilities associated with assets classified as held for sale | 6,295 | — |
| Other current liabilities | 80,937 | 84,411 |
| Total current liabilities | 2,268,407 | 2,296,546 |
| Non-current liabilities: | | |
| Bonds and borrowings | 2,434,285 | 2,434,696 |
| Trade and other payables | 53,176 | 57,189 |
| Lease liabilities | 430,257 | 426,080 |
| Other financial liabilities | 36,404 | 46,051 |
| Accrued pension and retirement benefits | 29,619 | 44,946 |
| Provisions | 53,186 | 46,248 |
| Deferred tax liabilities | 79,100 | 84,253 |
| Total non-current liabilities | 3,116,027 | 3,139,463 |
| Total liabilities | 5,384,434 | 5,436,009 |
| Equity: | | |
| Common stock | 219,781 | 219,613 |
| Additional paid-in capital | 251,781 | 256,966 |
| Treasury stock | (2,063) | (2,276) |
| Other components of equity | 187,041 | (4,054) |
| Retained earnings | 1,871,411 | 2,073,884 |
| Equity attributable to owners of the parent | 2,527,951 | 2,544,133 |
| Non-controlling interests | 167,599 | 148,454 |
| Total equity | 2,695,550 | 2,692,587 |
| Total liabilities and equity | ¥ 8,079,984 | ¥ 8,128,596 |

Note:

The Consolidated Statement of Financial Position as of March 31, 2020 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, 2021 and 2020

| | Millions of Yen | | | |
|--|-----------------|-------------|------|-------------|
| | 2021 | | 2020 | |
| Revenues: | | | | |
| Sales of tangible products | ¥ | 4,187,392 | ¥ | 4,822,984 |
| Sales of services and others | | 457,667 | | 476,830 |
| Total revenues | | 4,645,059 | | 5,299,814 |
| Cost: | | | | |
| Cost of tangible products sold | | (3,666,589) | | (4,180,175) |
| Cost of services and others | | (249,009) | | (245,976) |
| Total cost | | (3,915,598) | | (4,426,151) |
| Gross profit | | 729,461 | | 873,663 |
| Other income (expenses): | | | | |
| Selling, general and administrative expenses | | (678,935) | | (677,430) |
| Impairment losses on long-lived assets | | (80,967) | | (65,286) |
| Gain (loss) on sale of long-lived assets, net | | (4,679) | | 3,507 |
| Other, net | | (23,762) | | 16,436 |
| Total other income (expenses) | | (788,343) | | (722,773) |
| Finance income (costs): | | | | |
| Interest income | | 25,159 | | 30,621 |
| Interest expense | | (30,679) | | (46,191) |
| Dividends | | 8,643 | | 11,099 |
| Gain (loss) on securities and other investments, net | | 2,911 | | 20,712 |
| Finance income (costs), net | | 6,034 | | 16,241 |
| Share of profit (loss) of investments accounted for using the equity method | | (41,367) | | 84,791 |
| Profit (loss) before tax | | (94,215) | | 251,922 |
| Income tax expense | | (40,269) | | (62,405) |
| Profit (loss) for the year | | (134,484) | | 189,517 |
| Profit (loss) for the year attributable to: | | | | |
| Owners of the parent | ¥ | (153,067) | ¥ | 171,359 |
| Non-controlling interests | | 18,583 | | 18,158 |
| Other comprehensive income: | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Financial assets measured at fair value through other comprehensive income | | 74,747 | | (47,001) |
| Remeasurements of defined benefit pension plans | | 24,306 | | (1,536) |
| Share of other comprehensive income of investments accounted for using the equity method | | 7,711 | | (6,903) |
| Total items that will not be reclassified to profit or loss | | 106,764 | | (55,440) |
| Items that may be reclassified subsequently to profit or loss | | | | |
| Exchange differences on translating foreign operations | | 98,096 | | (133,359) |
| Cash-flow hedges | | 15,104 | | (11,769) |
| Share of other comprehensive income of investments accounted for using the equity method | | 15,665 | | (43,410) |
| Total items that may be reclassified subsequently to profit or loss | | 128,865 | | (188,538) |
| Other comprehensive income, net of tax | | 235,629 | | (243,978) |
| Comprehensive income for the year | | 101,145 | | (54,461) |
| Comprehensive income for the year attributable to: | | | | |
| Owners of the parent | ¥ | 76,083 | ¥ | (69,413) |
| Non-controlling interests | | 25,062 | | 14,952 |

Note:

The Consolidated Statement of Comprehensive Income for the year ended March 31, 2020 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, 2021 and 2020

For the year ended March 31, 2021

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 | 219,613 | 256,966 | (2,276) | (4,054) | 2,073,884 | 2,544,133 | 148,454 | 2,692,587 |
| Profit (loss) for the year | | | | | (153,067) | (153,067) | 18,583 | (134,484) |
| Other comprehensive income for the year | | | | 229,150 | | 229,150 | 6,479 | 235,629 |
| Comprehensive income for the year | | | | | | 76,083 | 25,062 | 101,145 |
| Transaction with owners: | | | | | | | | |
| Share-based payment transactions | 168 | 168 | | | | 336 | | 336 |
| Acquisition (disposal) of non-controlling interests, net | | (5,318) | | | | (5,318) | 4,538 | (780) |
| Acquisition (disposal) of treasury stock, net | | | 213 | | | 213 | | 213 |
| Cash dividends to owners of the parent | | | | | (87,461) | (87,461) | | (87,461) |
| Cash dividends to non-controlling interests | | | | | | | (10,455) | (10,455) |
| Others | | (35) | | | | (35) | | (35) |
| Transfer to retained earnings | | | | (38,055) | 38,055 | — | | — |
| Balance, end of year | 219,781 | 251,781 | (2,063) | 187,041 | 1,871,411 | 2,527,951 | 167,599 | 2,695,550 |

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 |

Note:

The Consolidated Statement of Changes in Equity for the year ended March 31, 2020 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, 2021 and 2020

(Unaudited)

| | Millions of Yen | |
|---|------------------|------------------|
| | 2021 | 2020 |
| Operating activities: | | |
| Profit (loss) for the year | ¥ (134,484) | ¥ 189,517 |
| Adjustments to reconcile profit for the year to net cash provided by operating activities: | | |
| Depreciation and amortization | 170,906 | 165,340 |
| Impairment reversal (loss) on long-lived assets | 80,967 | 65,286 |
| Finance (income) costs, net | (6,034) | (16,241) |
| Share of (profit) loss of investments accounted for using the equity method | 41,367 | (84,791) |
| (Gain) loss on sale of long-lived assets, net | 4,679 | (3,507) |
| Income tax expense | 40,269 | 62,405 |
| Decrease in inventories | 217,409 | 505 |
| (Increase) decrease in trade and other receivables | (10,383) | 127,337 |
| Increase in prepaid expenses | (4,606) | (7,228) |
| Increase (decrease) in trade and other payables | 138,399 | (97,292) |
| Other, net | (91,962) | (114,966) |
| Interest received | 15,904 | 30,587 |
| Dividends received | 97,149 | 114,401 |
| Interest paid | (27,134) | (45,458) |
| Income tax paid | (65,349) | (59,277) |
| Net cash provided by operating activities | 467,097 | 326,618 |
| Investing activities: | | |
| Proceeds from sale of property, plant and equipment | 9,034 | 3,472 |
| Purchase of property, plant and equipment | (66,342) | (76,935) |
| Proceeds from sale of investment property | 8,602 | 15,739 |
| Purchase of investment property | (7,986) | (42,424) |
| Proceeds from sale of other investments | 96,877 | 115,408 |
| Acquisition of other investments | (137,233) | (209,085) |
| Collection of loan receivables | 23,249 | 42,145 |
| Increase in loan receivables | (46,308) | (51,737) |
| Net cash used in investing activities | (120,107) | (203,417) |
| Financing activities: | | |
| Net increase in short-term debt | (201,485) | 152,687 |
| Proceeds from issuance of long-term debt | 278,486 | 453,651 |
| Repayment of long-term debt | (445,582) | (547,690) |
| Cash dividends paid | (87,461) | (103,675) |
| Capital contribution from non-controlling interests | 375 | 2,824 |
| Payment for acquisition of subsidiary's interests from non-controlling interests | (280) | (3,798) |
| Payment of dividends to non-controlling interests | (10,455) | (11,821) |
| (Acquisition) disposal of treasury stock, net | 34 | 80 |
| Net cash used in financing activities | (466,368) | (57,742) |
| Net (decrease) increase in cash and cash equivalents | (119,378) | 65,459 |
| Cash and cash equivalents at the beginning of year | 710,371 | 660,359 |
| Effect of exchange rate changes on cash and cash equivalents | 8,151 | (15,943) |
| Net (decrease) increase in cash and cash equivalents resulting from transfer to assets classified as held for sale | (131) | 496 |
| Cash and cash equivalents at the end of year | ¥ 599,013 | ¥ 710,371 |

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, 2021)

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 Ordinance on Company Accounting.

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 662

Names of principal consolidated subsidiaries

| | |
|---------------------------|----------------------------------|
| Consolidated subsidiaries | Sumitomo Corporation of Americas |
| | SCSK Corporation |

3. The application of equity method

Number of associated companies 273

Names of principal associated companies

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

Note: Although the Company holds more than 50% of the voting rights in Ambatovy Minerals S.A. and Dynatec Madagascar S.A., the equity method is applied to these companies as they are jointly controlled entities.

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 property

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) Leases

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.

The 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 present value of unpaid lease payments at the commencement date of the contract. Lease payments are allocated to finance costs and the repayment 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.

(5) 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.

(6) 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.

(7) 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.

(8) 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

(9) 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.

Notes to Changes in Presentation

Changes in presentation of Contract assets

"Contract assets", which was included in "Other current assets" in the Consolidated Statements of Financial Position for the year ended March 31, 2020 is separately presented as "Contract assets" (the amount as of March 31, 2021 is 188,812 millions of yen) from the year ended March 31, 2021 due to its importance increased.

(Reference)

The amount of Contract assets as of March 31, 2020 is 117,230 millions of yen

Notes to accounting estimates

Items for which the amount were recorded in the Consolidated Financial Statements for the current fiscal year based on accounting estimates and which may have significant impacts on the Consolidated Financial Statements for the following fiscal year are as follow.

| | |
|---|---------------------------|
| Investments accounted for using the equity method | 2,102,139 millions of yen |
| Intangible assets | 255,961 millions of yen |

Investments accounted for using the equity method are tested for impairment whenever changes in the corporate environment or economic events which may impair the recoverability of the carrying amount are happened. Goodwill and intangible assets with indefinite useful lives included in intangible assets are tested for impairment at least once a year.

At the time of impairment testing, the recoverable amount of the assets are estimated. The recoverable amounts of assets or cash-generating units are the higher of either its value-in-use or its fair value less costs to sell.

In calculating the recoverable amounts, estimates are made based on assumptions such as past performance, business plans and discount rates.

These estimates may be significantly affected by changes in business strategies or changes in market conditions. If the timing and amount of the future cash flows differ from the estimates, the impairment loss may be incurred in the Consolidated Financial Statements for the following fiscal year.

Notes to changes in accounting estimates

The significant changes in accounting estimates for the year ended March 31, 2021 are 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 | 67,113 | Millions of yen |
| Trade and other receivables | 222,254 | Millions of yen |
| Inventories | 24,868 | Millions of yen |
| Marketable securities and investments | 132,154 | Millions of yen |
| Property, plant and equipment | 79,441 | Millions of yen |
| Intangible assets | 5 | Millions of yen |
| Investment property | 2,763 | Millions of yen |
| Others (Note 1) | 45,702 | Millions of yen |
| Total | 574,300 | Millions of yen |

Note: 1. Guarantee deposits related to derivative transactions and security deposits on rental properties are mainly included.

(2) Secured liabilities

| | | |
|-----------------------------|---------|-----------------|
| Bonds, borrowings and other | 237,746 | Millions of yen |
| Total | 237,746 | Millions of yen |

2. Allowance for doubtful receivables directly deducted from trade and other receivables 49,598 Millions of yen

3. Tax receivables included in other current assets 35,532 Millions of yen

4. Accumulated depreciation and impairment losses of property, plant and equipment 1,064,461 Millions of yen

5. Accumulated depreciation and impairment losses of investment property 99,722 Millions of yen

6. Guarantees of indebtedness

| | | |
|----------------------|---------|-----------------|
| Associated companies | 52,409 | Millions of yen |
| Others | 62,621 | Millions of yen |
| Total | 115,030 | Millions of yen |

Notes to Consolidated Statements of Comprehensive Income

Impairment loss

The significant impairment losses for the year ended March 31, 2021 are as follow.

The Company recognized the impairment loss of 84,810 millions of yen relating to the Nickel mining and refining business in Madagascar, as a result of reassessing the business plan in relation to the stoppage of operation due to the spread of COVID-19 and the decline in mid-long term nickel price outlook, and also scrutinization and adjustment to the business/production plan.

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

The Company recognized losses relating to the coal-fired power generation business in Australia, as a result of reassessing recoverable amount of the business in consideration of the difficulty in refinance of senior secured loans, whose due had come in August 2020.

The loss of 11,199 millions of yen is included in “Share of profit (loss) of investments accounted for using the equity method” and 15,102 millions of yen is included in “Other, net” in the Consolidated Statements of Comprehensive Income.

The Company recognized the impairment loss of 15,032 millions of yen relating to the automotive financing business in Indonesia, as a result of reassessing the long-term business plan based on the deterioration of the economy due to the spread of COVID-19 which has continued longer than anticipated.

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

The Company recognized the impairment loss of 41,050 millions of yen relating to the Fresh produce business in Europe and the Americas, as a result of reassessing the business plan based on the effect due to the spread of COVID-19 and getting more competitive market conditions of the banana distribution business in Europe.

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

The Company recognized the impairment loss of 10,140 millions of yen relating to the power generation and water production business in UAE, as a result of reassessing their recoverable amounts from the business in consideration of revision of the business plan. It was caused by the downward revision of long term forecasts for power and water demand announced by a counterparty due to deteriorating economic conditions by the spread of COVID-19.

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

(Reference)

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

| | |
|---|------------------------|
| Tubular products business company B&L PIPECO SERVICES, INC. | 21,525 millions of yen |
|---|------------------------|

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

Notes to Consolidated Statements of Changes in Equity

1. Number of issued shares (Common shares) 1,251,253,867 shares

The number of common shares outstanding at the end of the current fiscal year increased by 268,400 shares as a result of the issuance of new shares for restricted share remuneration.

2. Dividends for the year ended March 31, 2021

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

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

The interim dividends were resolved by the board of directors on November 6, 2020 as follows:

| | |
|---------------------------------|--------------------|
| Total amount of dividends (yen) | 43,736,079,345 |
| Dividends per share (yen) | 35 |
| Record date | September 30, 2020 |
| Effective date | December 1, 2020 |

3. Dividends after March 31, 2021

The year-end ordinary dividends will be resolved in the ordinary general meeting of shareholders held on June 18, 2021 as follows:

| | |
|---------------------------------|-------------------|
| Total amount of dividends (yen) | 43,739,838,100 |
| Source of dividends | Retained earnings |
| Dividends per share (yen) | 35 |
| Record date | March 31, 2021 |
| Effective date | June 21, 2021 |

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) | 8,700 shares |
| In the ordinary general meeting of shareholders held on June 19, 2009 (Stock-Linked compensation plan) | 26,300 shares |
| In the ordinary general meeting of shareholders held on June 22, 2010 (Stock-Linked compensation plan) | 42,700 shares |
| In the ordinary general meeting of shareholders held on June 24, 2011 (Stock-Linked compensation plan) | 41,100 shares |
| In the ordinary general meeting of shareholders held on June 22, 2012 (Stock-Linked compensation plan) | 78,900 shares |
| In the ordinary general meeting of shareholders held on June 21, 2013 (Stock-Linked compensation plan) | 77,700 shares |
| In the meeting of the board of directors held on July 31, 2014 (Stock-Linked compensation plan) | 91,500 shares |
| In the meeting of the board of directors held on July 30, 2015 (Stock-Linked compensation plan) | 90,000 shares |
| In the meeting of the board of directors held on August 1, 2016 | 23,000 shares |
| In the meeting of the board of directors held on August 1, 2016 (Stock-Linked compensation plan) | 144,900 shares |
| In the meeting of the board of directors held on July 28, 2017 | 85,000 shares |
| In the meeting of the board of directors held on July 28, 2017 (Stock-Linked compensation plan) | 117,700 shares |
| Total | <u>836,200 shares</u> |

"Total" includes 235,300 shares for which the exercise period has not commenced at March 31, 2021.

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 conduct commodity derivatives transactions 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, 2021 are as follows:

Financial instruments measured at amortized cost

| (Millions of yen) | | | |
|---|-----------------|------------|------------|
| | Carrying amount | Fair value | Difference |
| Assets: | | | |
| Marketable securities and other investments | 7,948 | 7,948 | — |
| Trade and other receivables | 1,471,564 | 1,489,759 | 18,195 |
| Liabilities: | | | |
| Bonds and borrowings | 2,912,212 | 2,940,081 | 27,869 |
| Trade and other payables | 1,118,958 | 1,119,289 | 331 |

Financial instruments measured at fair value

| | Carrying amount | Fair value | Difference |
|---|-----------------|------------|------------|
| Assets: | | | |
| Marketable securities and other investments | 410,607 | 410,607 | — |
| Trade and other receivables | 71,405 | 71,405 | — |
| Other financial assets | 202,463 | 202,463 | — |
| Liabilities: | | | |
| Trade and other payables | 203,849 | 203,849 | — |
| Other financial liabilities | 126,806 | 126,806 | — |

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 |
|-----------------|------------|
| 340,451 | 389,698 |

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

2. The fair value as of March 31, 2021 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 | 2,022.83 yen |
|--|--------------|

| | |
|--|------------|
| 2. Loss per share attributable to owners of the parent | 122.42 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.

Financial Statements

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, 2021 | As of March 31, 2020 | Liabilities and net assets | As of March 31, 2021 | As of March 31, 2020 |
|---|----------------------------|----------------------------|--|----------------------------|----------------------------|
| Current assets | 1,353,493 | 1,428,067 | Current liabilities | 1,134,646 | 1,091,789 |
| Cash and deposits | 166,537 | 243,486 | Notes payable, trade | 6,690 | 6,985 |
| Notes receivable, trade | 5,377 | 8,504 | Accounts payable, trade | 598,661 | 467,216 |
| Accounts receivable, trade | 497,374 | 413,049 | Short-term loans | 157,009 | 250,003 |
| Marketable securities | 10,381 | 34,308 | Commercial paper | - | 45,000 |
| Merchandise | 71,081 | 69,755 | Bonds and notes (Due within one year) | 35,000 | 10,000 |
| Real estate held for development and resale | 140,305 | 179,704 | Accrued expenses | 13,199 | 16,155 |
| Advances to suppliers | 143,006 | 157,273 | Income taxes | 541 | 314 |
| Prepaid expenses | 6,803 | 8,511 | Advances from customers | 128,321 | 123,619 |
| Short-term loans receivable | 165,630 | 167,482 | Deposits received | 157,419 | 140,102 |
| Other current assets | 151,108 | 148,307 | Deferred income | 959 | 755 |
| Allowance for doubtful receivables | (4,114) | (2,315) | Other current liabilities | 36,843 | 31,636 |
| Fixed assets | 2,821,078 | 2,860,952 | Long-term liabilities | 1,986,573 | 1,972,618 |
| Tangible fixed assets, at cost less accumulated depreciation | 271,652 | 279,155 | Long-term loans | 1,575,230 | 1,547,097 |
| Buildings | 58,375 | 58,725 | Bonds and notes | 355,608 | 373,691 |
| Other structures | 750 | 737 | Other long-term liabilities | 55,734 | 51,829 |
| Machinery and equipment | 588 | 662 | | | |
| Vehicles and transportation equipment | 139 | 192 | Total liabilities | 3,121,220 | 3,064,407 |
| Furniture and fixtures | 3,006 | 3,237 | | | |
| Land | 208,086 | 212,869 | Shareholders' equity | 919,999 | 1,132,503 |
| Construction in progress | 705 | 2,729 | Common stock | 219,781 | 219,612 |
| Intangible fixed assets | 27,658 | 28,293 | Capital surplus | 230,914 | 230,754 |
| Software | 10,633 | 11,288 | Additional paid-in capital | 230,914 | 230,746 |
| Other intangible fixed assets | 17,025 | 17,004 | Other capital surplus | - | 8 |
| Investments and other assets | 2,521,767 | 2,553,503 | Retained earnings | 471,366 | 684,411 |
| Investment securities | 274,884 | 243,798 | Appropriated for legal reserve | 17,696 | 17,696 |
| Investment securities in subsidiaries and associated companies | 1,671,900 | 1,626,911 | Other retained earnings | 453,670 | 666,715 |
| Other investment securities in subsidiaries and associated companies | 12,676 | 9,457 | General reserve | 65,042 | 65,042 |
| Other equity interests | 17,169 | 8,699 | Unappropriated retained earnings | 388,627 | 601,672 |
| Other equity interests in subsidiaries and associated companies | 406,663 | 466,436 | Treasury stock | (2,062) | (2,274) |
| Long-term loans receivable | 62,834 | 94,479 | Valuation and translation adjustments | 132,524 | 91,127 |
| Long-term trade receivables, over due | 28,424 | 22,477 | Unrealized gains or losses on securities and others | 117,776 | 66,793 |
| Long-term prepaid expenses | 27,356 | 28,625 | Deferred gains or losses on hedges | 14,748 | 24,334 |
| Deferred tax assets | 12,511 | 42,841 | Shares acquisition rights | 827 | 980 |
| Other investments and assets | 85,084 | 67,723 | | | |
| Allowance for doubtful receivables | (77,737) | (57,950) | Total net assets | 1,053,351 | 1,224,612 |
| Total assets | 4,174,571 | 4,289,019 | Total liabilities and net assets | 4,174,571 | 4,289,019 |

Note:

The Non-consolidated Balance Sheet as of March 31, 2020 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 | |
|--|------------------------------|-------------|
| | 2021 | 2020 |
| Sales | 1,622,317 | 2,021,074 |
| Cost of sales | (1,561,766) | (1,872,629) |
| Gross trading profit | 60,550 | 148,445 |
| Selling, general and administrative expenses | (182,521) | (193,025) |
| Operating loss | (121,971) | (44,579) |
| Non-operating income | 257,954 | 287,731 |
| Interest income | 5,576 | 10,485 |
| Dividends | 207,376 | 243,143 |
| Gain on sale of investment securities | 35,966 | 21,448 |
| Other non-operating income | 9,035 | 12,653 |
| Non-operating expense | (241,171) | (160,690) |
| Interest expense | (6,165) | (12,586) |
| Loss on sale of investment securities | (6,301) | (22,913) |
| Valuation loss on investment securities | (200,518) | (103,132) |
| Provision for bad debts reserve of affiliates and others | (18,000) | (10,199) |
| Other non-operating expense | (10,185) | (11,858) |
| Ordinary income (loss) | (105,187) | 82,461 |
| Extraordinary gain | 1,938 | 3,316 |
| Gain on sale of fixed assets | 1,938 | 3,316 |
| Extraordinary loss | (211) | (231) |
| Loss on sale of fixed assets | (211) | (231) |
| Net income (loss) before income taxes | (103,460) | 85,546 |
| Income taxes-current | 6,100 | 8,600 |
| Income taxes-deferred | (28,200) | 9,900 |
| Net income (loss) | (125,560) | 104,046 |

Note:

The Non-consolidated Statement of Income for the year ended March 31, 2020 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, 2021

(Unit: millions of yen)

| | Shareholders' equity | | | | | | | | | | Valuation and translation adjustments | | | Shares acquisition rights | Total net assets |
|--|----------------------|----------------------------|-----------------------|-----------------------|--------------------------------|-------------------------|----------------------------------|-------------------------|----------------|----------------------------|---|------------------------------------|---|---------------------------|------------------|
| | Common stock | Capital surplus | | | Retained earnings | | | | Treasury stock | Total shareholders' equity | Unrealized gains or losses on securities and others | Deferred gains or losses on hedges | Total valuation and translation adjustments | | |
| | | Additional paid-in capital | Other capital surplus | Total capital surplus | Appropriated for legal reserve | Other retained earnings | | Total retained earnings | | | | | | | |
| | | | | | | General reserve | Unappropriated retained earnings | | | | | | | | |
| Balance, beginning 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 |
| Changes in the year | | | | | | | | | | | | | | | |
| Issuance of shares | 168 | 168 | | 168 | | | | | | 336 | | | | | 336 |
| Cash dividends | | | | | | | (87,460) | (87,460) | | (87,460) | | | | | (87,460) |
| Net loss | | | | | | | (125,560) | (125,560) | | (125,560) | | | | | (125,560) |
| Acquisition of treasury stock | | | | | | | | | (4) | (4) | | | | | (4) |
| Disposal of treasury stock | | | (8) | (8) | | | (24) | (24) | 216 | 184 | | | | | 184 |
| Changes of items other than shareholders' equity (Net) | | | | | | | | | | - | 50,983 | (9,586) | 41,396 | (153) | 41,243 |
| Total Changes in the year | 168 | 168 | (8) | 160 | - | - | (213,045) | (213,045) | 212 | (212,504) | 50,983 | (9,586) | 41,396 | (153) | (171,261) |
| Balance, end of year | 219,781 | 230,914 | - | 230,914 | 17,696 | 65,042 | 388,627 | 471,366 | (2,062) | 919,999 | 117,776 | 14,748 | 132,524 | 827 | 1,053,351 |

For the year ended March 31, 2020

(Unit: millions of yen)

| | Shareholders' equity | | | | | | | | | | Valuation and translation adjustments | | | Shares acquisition rights | Total net assets |
|--|----------------------|----------------------------|-----------------------|-----------------------|--------------------------------|-------------------------|----------------------------------|-------------------------|----------------|----------------------------|---|------------------------------------|---|---------------------------|------------------|
| | Common stock | Capital surplus | | | Retained earnings | | | | Treasury stock | Total shareholders' equity | Unrealized gains or losses on securities and others | Deferred gains or losses on hedges | Total valuation and translation adjustments | | |
| | | Additional paid-in capital | Other capital surplus | Total capital surplus | Appropriated for legal reserve | Other retained earnings | | Total retained earnings | | | | | | | |
| | | | | | | General reserve | Unappropriated retained earnings | | | | | | | | |
| 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 |

Note:

The Non-consolidated Statement of Changes in Shareholders' Equity for the year ended March 31, 2020 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, 2021)

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, 2021.
- 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 expenses 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 accounting estimates

Items for which the amount were recorded in the Non-consolidated Financial Statements for the current fiscal year based on accounting estimates and which may have significant impacts on the Non-consolidated Financial Statements for the following fiscal year are as follow.

| | |
|---|---------------------------|
| Investment securities in subsidiaries and associated companies | 1,671,900 millions of yen |
| Other equity interests in subsidiaries and associated companies | 406,663 millions of yen |

The securities for which determining fair value is extremely difficult are recorded as the acquisition cost in the Non-consolidated Balance Sheets. However, if the actual value of the securities declines significantly due to deterioration in the financial position of the company issuing the securities, the securities are accounted for the reduction as a loss for the current fiscal year.

The actual value may be estimated based on the future business plans.

Such estimates may be affected by changes in the environment including technological innovation, or by the poor business results of partners. If the timing and amounts of the future cash flows differ from the estimates, the impairment loss may be incurred in the Non-consolidated Financial Statements for the following fiscal year.

Notes to changes in accounting estimates

The significant changes in accounting estimates for the year ended March 31, 2021 are described in "Notes to Non-consolidated Statements of Income -

3. Valuation loss on investment securities and Provision for bad debts reserve of affiliates and others, and 4. Income taxes-deferred".

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

| | |
|--|--------------------------------|
| Buildings | 2,974 millions of yen |
| Land | 354 millions of yen |
| Intangible fixed assets | 767 millions of yen |
| Investment securities | 19,510 millions of yen |
| Investment securities in subsidiaries and associated companies | 113,436 millions of yen |
| Long-term loans receivable | 2,291 millions of yen |
| Others (Note 2) | 41,671 millions of yen |
| Total | 181,003 millions of yen |

- Notes: 1. The Company's assets which were provided as pledges include those for loans payable of subsidiaries and associated companies.
2. Guarantee deposits related to derivative transactions and security deposits on rental properties are mainly included.

(2) Secured liabilities

| | |
|--|------------------------------|
| Other long-term liabilities and others | 1,715 millions of yen |
| Total | 1,715 millions of yen |

2. Accumulated depreciation of tangible fixed assets 68,679 millions of yen**3. Guarantees of indebtedness**

| | |
|---|--------------------------------|
| Subsidiaries and associated companies | 418,892 millions of yen |
| Others | 51,909 millions of yen |
| Sub-total | 470,801 millions of yen |
| Keep-well agreement on subsidiaries' financing arrangements | 265,857 millions of yen |
| Total | 736,658 millions of yen |

4. Discounted trade notes receivable with banks 19,432 millions of yen**5. Monetary receivables and payables to subsidiaries and associated companies**

| | | | |
|---------------------------------|-------------------------|--------------------------------|------------------------|
| Short-term monetary receivables | 450,671 millions of yen | Long-term monetary receivables | 85,753 millions of yen |
| Short-term monetary payables | 269,783 millions of yen | Long-term monetary payables | 10,409 millions of yen |

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

| | |
|-----------|-------------------------|
| Sales | 647,978 millions of yen |
| Purchases | 291,276 millions of yen |

2. Non-operating transactions with subsidiaries and associated companies 229,578 millions of yen**3. Valuation loss on investment securities and Provision for bad debts reserve of affiliates and others**

In the year ended March 31, 2021, "Valuation loss on investment securities" of 127,471 millions of yen was recognized in relation to the investment in Nickel mining and refining business in Madagascar.

"Valuation loss on investment securities" of 10,009 millions of yen was recognized in relation to the investment in Grain business in Australia.

"Provision for bad debts reserve of affiliates and others" of 12,062 millions of yen was recognized in relation to the loan in coal-fired power generation business in Australia.

4. Income taxes-deferred

Based on the forecast of future taxable income, it has been determined that the measurement of deferred tax assets should be reduced for part of tax benefits as a result of a drop in profits during the current fiscal year and withdrawals from unprofitable projects under the structural reform.

Income taxes-deferred recognized for the year ended March 31, 2021 arising from this change in accounting estimates was 28,714 millions of yen.

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

Number of issued shares (Common shares) 1,251,253,867 shares

The number of common shares outstanding at the end of the current fiscal year increased by 268,400 shares as a result of the issuance of new shares for restricted share remuneration.

| | | |
|--|---|-------------------------|
| Number of treasury stock (Common shares) | Balance, beginning of year | 1,702,929 shares |
| | Decrease due to sale through exercise of stock options | 161,800 shares |
| | Increase due to purchase of less-than-one-voting-unit shares and others | 3,078 shares |
| | Balance, end of year | <u>1,544,207 shares</u> |

Notes to Deferred Income Tax

- | | |
|---|--|
| 1. Significant components of deferred tax assets | Loss on valuation of investment securities, provision for bad debts and others. |
| 2. Significant components of deferred tax liabilities | Unrealized gains or losses on securities, deferred gains or losses 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, 2021 |
|------------|--|----------------------------|--|--|--------------------|------------------|----------------------|
| Subsidiary | SUMITOMO CORPORATION GLOBAL METALS CO., LTD. | Directly held 100% | Loan of funds | Loan of funds _(Note 1) | 20,630 | Short-term loans | 64,942 |
| | | | | Collection of funds | 16,031 | Long-term loans | 2,620 |
| | | | | Interest received _(Note 1) | 332 | | |
| Subsidiary | SUMMIT AMBATOVY MINERAL RESOURCES INVESTMENT BV | Directly held 100% | Guarantee of indebtedness | Guarantee of indebtedness _(Note 2) | 44,513 | — | — |
| | | | | Receipt of guarantee fee _(Note 2) | 634 | — | — |
| Affiliates | SUMITOMO MITSUI FINANCE AND LEASING COMPANY, LIMITED | Directly held 50% | Underwriting of capital increase Dispatching of directors | Underwriting of capital increase _(Note 3) | 50,000 | — | — |

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.
 - 3.The price of capital increase was 9,662 yen per share.

Notes to per Share Information

- | | |
|-------------------------|------------|
| 1. Net assets per share | 842.21 yen |
| 2. Net loss per share | 100.49 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 statement of financial position, the consolidated statement of comprehensive 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, 2021 and for the year from April 1, 2020 to March 31, 2021 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 Corporate auditors and the board of corporate auditors 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.

Corporate auditors and the board of corporate auditors 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 corporate auditors and the board of corporate auditors 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 corporate auditors and the board of corporate auditors 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

Isao Kamizuka
Designated Engagement Partner
Certified Public Accountant

Kenji Kasajima
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
May 12, 2021

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 shareholder's equity and the related notes, and the supplementary schedules of Sumitomo Corporation. ("the Company") as at March 31, 2021 and for the year from April 1, 2020 to March 31, 2021 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 Corporate Auditors and the Board of Corporate Auditors 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.

Corporate auditors and the board of corporate auditors 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 corporate auditors and the board of corporate auditors 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 corporate auditors and the board of corporate auditors 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

Isao Kamizuka
Designated Engagement Partner
Certified Public Accountant

Kenji Kasajima
Designated Engagement Partner
Certified Public Accountant

KPMG AZSA LLC
Tokyo Office, Japan
May 12 , 2021

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 153rd fiscal year from April 1, 2020 to March 31, 2021 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 regarding 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 13, 2021

The Audit & Supervisory Board
Sumitomo Corporation

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

Toshiaki Murai(Seal)
Audit & Supervisory Board Member
(full-time)

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.

* * *