

The following is an unofficial English translation of the Notice of Convocation of the 156th 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 156th ORDINARY GENERAL MEETING OF SHAREHOLDERS

April 1, 2023 through March 31, 2024

To All Shareholders,

To All Shareholders,

I would like to express our sincere appreciation for the exceptional support our shareholders have always shown us. I took up the position of President and Chief Executive Officer of Sumitomo Corporation on April 1, 2024.

It is my great pleasure to send you the Notice of Convocation of our 156th Ordinary General Meeting of Shareholders (for the fiscal year from April 1, 2023 to March 31, 2024), to be held on June 21, 2024.

During fiscal 2023, the last year of SHIFT 2023, the medium-term management plan we launched in fiscal 2021, we worked to complete structural reforms aimed at strengthening resilience and raising earnings power in our businesses. As a result, we achieved the profits we had planned when SHIFT 2023 was first drawn up, attaining a significantly higher level of profits than during the previous medium-term management plan.

During our Medium-Term Management Plan 2026—covering the next three years from fiscal 2024—we will embark on a new growth stage, having set the theme of “No. 1 in Each Field.” To this end, we are accelerating the transformation of our business portfolio by leveraging the strengths of individual businesses to reinforce them and strengthening people and organizations, which are the driving forces for growth. We will endeavor to enhance the Group’s competitive advantages and achieve growth by addressing social challenges as we continue working to achieve the objective expressed in our corporate message, “Enriching lives and the world.”

We ask our shareholders for continued support going forward.

May 2024  
Shingo Ueno  
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, we established the following Management Principles in 1998. By sharing the values presented in the Management Principles across our 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 156th Ordinary General Meeting of Shareholders of the Company (hereinafter referred to as the “Meeting”) will be held as set forth below.

In convening the Meeting, information contained in the reference documents, etc. for a General Meeting of Shareholders (the matters provided electronically) is furnished electronically, and is posted on our corporate website as the Notice of Convocation of the 156th Ordinary General Meeting of Shareholders. Please access to our corporate website below to view this information.

The Company’s website: <https://www.sumitomocorp.com/en/jp/ir/stock/stmt>

In addition to the above website, the matters provided electronically are also available on the website of the Tokyo Stock Exchange (TSE). If you are unable to view this information on our corporate website, please kindly view it by accessing the TSE website below (the Listed Company Search webpage). To see the information, enter the stock name (Sumitomo Corporation) or stock code (8053), click “Search,” and select “Basic information,” and go on to “Documents for public inspection/PR information.”

The TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

In the event of any revision to the matters provided electronically, the fact that we have something to revise, the information before revision and the revised information will be posted on our corporate website and the TSE website above.

**You may exercise your voting rights in writing or by electronic means (the Internet, etc.) (please refer to page 5 for more details) prior to the Meeting date. Please take the time to review the Reference Documents for the Meeting on the following pages 6 to 39 and exercise your voting rights no later than 5:45p.m. on Thursday June 20, 2024.**

With highest regards,  
Shingo Ueno

Representative Director, President & Chief Executive Officer

**1. Date & Time:** Friday June 21, 2024, 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

**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 156th Fiscal Year (April 1, 2023 through March 31, 2024)

No. 2: Non-consolidated Financial Statements for the 156th Fiscal Year (April 1, 2023 through March 31, 2024)

**Propositions:**

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

Proposition No. 2: Election of Eleven Directors

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

Proposition No. 4: Revision of Amount of Remuneration for Directors

## Guidance Notes on the Exercise of Voting Rights

### 1. Methods

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

(1) Attendance at the General Meeting of Shareholders

Date and time: Friday June 21, 2024, at 10:00 a.m. (Open at 9:00 a.m.)

Please bring the 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 crowded 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 20, 2024.

Please indicate your vote (“for” or “against”) for each proposition on the 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 20, 2024.

Scan the “Smartphone use voting right exercise website login QR code” on the lower right of the Proxy Card with a smartphone or tablet. By accessing the URL (<https://www.soukai-portal.net>) that appears, the voting right exercise website will appear on the screen. 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.

\*You may also exercise voting rights via website for exercising voting rights (<https://www.web54.net>).

(4) Treatment of Exercising of Voting Rights

- (1) In the event of exercising of voting rights in writing, and there is no indication of “for” or “against” on each of the propositions, such vote will be treated as a vote “for” the proposal.
- (2) 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.
- (3) 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.

(5) 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)
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## Reference Documents for the General Meeting of Shareholders

### Propositions to be Voted on and Reference Matters Relating thereto

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

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

In our shareholder return policy after fiscal 2022, we will decide the amount of annual dividends within a DOE (dividend on equity ratio) range of 3.5% to 4.5% by taking into consideration fundamental earnings capacity, cash flows, and other factors with a consolidated payout ratio of 30% as a guideline. If 30% of the profit for the year exceeds the above range, we will pay dividends or repurchase shares for the excess portion in a flexible and agile manner. In principle, the amount of annual dividend will not be lower than the amount announced in the immediately preceding forecast.

Although the profit for the year attributable to owners of the parent in the fiscal 2023<sup>1</sup> totaled 386.4 billion yen, as per the policy stated above, it is proposed that the year-end dividend be distributed as follows in accordance with the aforementioned shareholder return policy.

(1) Type of dividend assets

Cash

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

62.5 yen per common share of the Company

Total amount: 76,371,208,169 yen

Annual dividends for the fiscal 2023 will be 125 yen per share, which is the sum of the amount of the interim dividend (62.5 yen per share) and the amount of the said year-end dividend (62.5 yen per share).

(3) Effective date of distribution of the dividend

June 24, 2024

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<sup>1</sup> Profit attributable to owners of the parent refers to profit attributable to the shareholders of Sumitomo Corporation.

## 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.

Each candidate was decided by the Board of Directors after deliberation at the Nomination and Remuneration Advisory Committee (chaired by Outside Director), a majority of whose members are Outside Directors. 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 27 to 28 regarding the standards for appointment of Directors and Audit & Supervisory Board Members [including the Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members].)


Candidate No.		Name	Present Positions	Term as a Director	Nomination and Remuneration Advisory Committee *4
1	Re-election	Masayuki Hyodo	Director, Chairman of the Board of Directors	6 years*2	○
2	New-election	Toshikazu Nambu	Vice Chairman	-*3	-
3*1	Re-election	Shingo Ueno	Representative Director, President & Chief Executive Officer	1 year	○
4*1	Re-election	Takayuki Seishima	Representative Director, Executive Vice President, (Corporate Planning & Coordination Group, Sustainability, DE&I Group and Human Resources, General Affairs & Legal Group)	5 years	-
5*1	Re-election	Reiji Morooka	Representative Director, Senior Managing Executive Officer, Chief Financial Officer	2 years	-
6*1	New-election	Norihiko Nonaka	Senior Managing Executive Officer, Group CEO, Automotive Group	-	-
7	Re-election	Akiko Ide	Outside Director	4 years	○
		Independent Director			
8	Re-election	Takashi Mitachi	Outside Director	2 years	◎
		Independent Director			
9	Re-election	Takahisa Takahara	Outside Director	1 year	○
		Independent Director			
10	New-election	Haruyasu Asakura	Outside Director	-	-
		Independent Director			
11	New-election	Nana Otsuki	Outside Director	-	-
		Independent Director			

(Notes)

- \*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. \*<sup>2</sup> Apart from the above, Mr. Masayuki Hyodo, served a one-year term as Director from June 2016 to June 2017.
3. \*<sup>3</sup> Apart from the above, Mr. Toshikazu Nambu, served a four-years term as Director from June 2019 to June 2023.
4. \*<sup>4</sup> 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	<b>Masayuki Hyodo</b> (Born June 26, 1959)	Re-election
	Shares owned in the Company	134,100
	Term as a Director	6 years (as of the close of this General Meeting of Shareholders) (*)
	Attendance at Meetings of the Board of Directors in fiscal 2023	17 of 17 meetings (100%)
	Attendance at Meetings of the Nomination and Remuneration Advisory Committee in fiscal 2023	9 of 9 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	Joined 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 and Chief Executive Officer
June 2018	Representative Director, President and Chief Executive Officer
April 2024	Director, Chairman of the Board of Directors (present position)

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

Since he joined 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 served as President and Chief Executive Officer and since April 2024 has been serving as Director, Chairman of the Board of Directors. 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. 2	<b>Toshikazu Nambu</b> (Born January 21, 1959)	New-election
	Shares owned in the Company	85,600


(\*)Mr. Toshikazu Nambu served a four-year term as Director from June 2019 to June 2023.

#### ●Work History

April 1982	Joined the Company
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
April 2022	Representative Director, Executive Vice President & Chief Digital Officer (Media & Digital Business Unit and Living Related & Real Estate Business Unit)
April 2023	Representative Director, Assistant to President and CEO (Adviser of Chief Digital Officer)
June 2023	Adviser, (Adviser of Chief Digital Officer)
April 2024	Vice Chairman (present position)

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

Since he joined the Company, Mr. Nambu has worked primarily in metal-related businesses in Japan and overseas, serving as General Manager, Tubular Business Division, Director and President of Sumitomo Corporation of Americas, General Manager, Media & Digital Business Unit, Chief Digital Officer and Representative Director, Executive Vice President & Chief Digital Officer (Media & Digital Business Unit and Living Related & Real Estate Business Unit). Since 2024 he has been serving as Vice Chairman. 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 election to that position.


Candidate No. 3	<b>Shingo Ueno</b> (Born November 21, 1959)	Re-election
	Shares owned in the Company	67,800
	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 2023	14 of 14 meetings (100%) (Since appointed as a Director on June 23, 2023)

#### ●Work History, Positions and Responsibilities

April 1982	Joined the Company
April 2013	Executive Officer
April 2016	Managing Executive Officer
April 2018	Senior Managing Executive Officer
April 2021	Executive Vice President
June 2023	Representative Director, Executive Vice President (Metal Products Business Unit, Mineral Resources, Energy, Chemical & Electronics Business Unit and Energy Innovation Initiative)
April 2024	Representative Director, President and Chief Executive Officer (present position)

#### ●Reasons for proposing Mr. Shingo Ueno as a candidate for Director

Since he joined the Company, Mr. Ueno has worked primarily in metal-related businesses in Japan and overseas, serving as Director and President of Sumitomo Corporation of Americas, General Manager, Mineral Resources, Energy, Chemical & Electronics Business Unit and Representative Director, Executive Vice President (Metal Products Business Unit, Mineral Resources, Energy, Chemical & Electronics Business Unit and Energy Innovation Initiative), among other roles. Since April 2024, he has been serving as Representative Director, President and Chief Executive Officer. Through these roles Mr. Ueno 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	<b>Takayuki Seishima</b> (Born January 1, 1962)		Re-election
	Shares owned in the Company	50,300	
	Term as a Director	5 years (as of the close of this General Meeting of Shareholders)	
	Attendance at Meetings of the Board of Directors in fiscal 2023	17 of 17 meetings (100%)	

#### ●Work History, Positions and Responsibilities

April 1984	Joined the Company
April 2016	Executive Officer
April 2019	Managing Executive Officer
June 2019	Representative Director, Managing Executive Officer
April 2021	Representative Director, Senior Managing Executive Officer
April 2023	Representative Director, Executive Vice President, Chief Administration Officer and Chief Compliance Officer
April 2024	Representative Director, Executive Vice President, (Corporate Planning & Coordination Group, Sustainability, DE&I Group and Human Resources, General Affairs & Legal Group) (present position)

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

Since he joined the Company, Mr. Seishima has worked primarily in risk management-related operation 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, Representative Director, Executive Vice President, Chief Administration Officer and Chief Compliance Officer, among other roles. He currently serves as Representative Director, Executive Vice President, (Corporate Planning & Coordination Group, Sustainability, DE&I Group and Human Resources, General Affairs & Legal Group). 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. 5	<b>Reiji Morooka</b> (Born April 25, 1961)	Re-election
	Shares owned in the Company	39,300
	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 2023	17 of 17 meetings (100%)

#### ●Work History, Positions and Responsibilities

April 1984	Joined the Company
April 2016	Executive Officer
April 2020	Managing Executive Officer
April 2022	Senior Managing Executive Officer
June 2022	Representative Director, Senior Managing Executive Officer, Chief Financial Officer
April 2024	Representative Director, Senior Managing Executive Officer, Chief Financial Officer (present position)

#### ●Reasons for proposing Mr. Reiji Morooka as a candidate for Director

Since he joined the Company, Mr. Morooka has worked primarily in accounting-related operations in Japan and overseas, serving as General Manager, Treasury & Accounting Group in Sumitomo Corporation of America, General Manager, Planning & Coordination Dept., Transportation & Construction Systems Business Unit, General Manager, Accounting Controlling Dept., Assistant CFO, Accounting and Representative Director, Senior Managing Executive Officer, Sumitomo Mitsui Finance and Leasing Company, Limited, which is the Company's associated company, among other roles. He currently serves as Representative Director, Senior Managing Executive Officer, Chief Financial Officer. Through these roles Mr. Morooka 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	<b>Norihiko Nonaka</b> (Born December 14 1961)	New-election
	Shares owned in the Company	34,100

#### ●Work History

April 1985	Joined the Company
April 2010	General Manager, Battery Business Development Dept., Corporate Officer, Deputy General Manager, Global Power Infrastructure Business Division, General Manager, IPP & IWPP Dept. No.1, General Manager, Battery Business Development Dept., Corporate Officer, Assistant General Manager for Asia & Oceania, General Manager, Environment & Infrastructure Business Unit in Sumitomo Corporation Asia & Oceania Group, President and CEO, PT. Sumitomo Indonesia, General Manager, Surabaya Office
April 2017	Executive Officer, Assistant General Manager for Asia & Oceania, General Manager, Environment & Infrastructure Business Unit in Sumitomo Corporation Asia & Oceania Group, President and CEO, PT. Sumitomo Indonesia
April 2018	Executive Officer, General Manager, Infrastructure Business Division
April 2020	Executive Officer, General Manager, Planning & Coordination Dept., Infrastructure Business Unit
April 2021	Managing Executive Officer, Assistant General Manager, Infrastructure Business Unit, General Manager, Planning & Coordination Dept., Infrastructure Business Unit
April 2022	Managing Executive Officer, General Manager, Transportation & Construction Systems Business Unit
April 2024	Senior Managing Executive Officer, Group CEO, Automotive Group (present position)

#### ●Reasons for proposing Mr. Norihiko Nonaka as a candidate for Director

Since he joined the Company, Mr. Nonaka has worked primarily in automotive and infrastructure-related businesses in Japan and overseas, serving as President and CEO, PT. Sumitomo Indonesia, General Manager, Infrastructure Business Division, General Manager, Planning & Coordination Dept., Infrastructure Business Unit and General Manager, Transportation & Construction Systems Business Unit. He currently serves as Senior Managing Executive Officer, Group CEO, Automotive Group. Through these roles Mr. Nonaka has accumulated expert knowledge and a wealth of experience, including management experience, and he is also honest in character, as well as highly insightful and capable. Having judged that he will be able to perform his duties properly as Director of the Company, we propose him as a candidate for election to that position.

Candidate No. 7	Akiko Ide (Born February 28, 1955)	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 2023	17 of 17 meetings (100%)
	Attendance at Meetings of the Nomination and Remuneration Advisory Committee in fiscal 2023	7 of 7 meetings (100%) (Since appointed as a Director on June 23, 2023)

#### ●Work History, Positions and Responsibilities

April 1977	Joined 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)
June 2021	Outside Director & Audit and Supervisory Committee Member, Tohoku Electric Power Co., Inc. (present position)

#### ●Significant position concurrently held

Outside Director & Audit and Supervisory Committee Member, Tohoku Electric Power Co., Inc.

#### ●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. In addition, as a member of the Nomination and Remuneration Advisory Committee (scheduled to be appointed if this Proposition is approved), Ms. Ide 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.



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


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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.

Ms. Ide served as Full Time Audit & Supervisory Board Member at Nippon Telegraph and Telephone Corporation from June 2014 to June 2020. On October 7, 2022, that company's subsidiary Nippon Telegraph and Telephone West Corporation received a cease-and-desist order and a surcharge payment order from the Japan Fair Trade Commission under Japan's Antimonopoly Act in connection with bidding to supply equipment including computers for use in schools ordered by the local authorities of Hiroshima prefecture and the city of Hiroshima. At the time this matter came to light, Ms. Ide had retired from the position of Full Time Audit & Supervisory Board Member; until the matter was discovered, she was unaware of it, and had been fulfilling her duties by pointing out issues and providing advice from the perspective of legal compliance on a regular basis at meetings of the Board of Directors and other bodies. In addition, on February 9, 2024, Nippon Telegraph and Telephone West Corporation was placed under administrative guidance after it was discovered that information regarding clients of Nippon Telegraph and Telephone West Corporation and several other subsidiaries of Nippon Telegraph and Telephone Corporation had been leaked to third parties. At the time this matter came to light, Ms. Ide had retired from the position of Full Time Audit & Supervisory Board Member; until the matter was discovered, she was unaware of it, and had been fulfilling her duties by pointing out issues and providing advice from the perspective of legal compliance on a regular basis at meetings of the Board of Directors and other bodies.

Furthermore, Ms. Ide was appointed Outside Director (Audit and Supervisory Committee Member) of Tohoku Electric Power Co., Inc. in June 2021 and currently serves in this position. On April 17, 2023, Electricity and Gas Market Surveillance Commission made a recommendation to Tohoku Electric Power Co., due that its employees had inappropriately viewed information regarding the clients of other retail electricity suppliers. Until this matter came to light, Ms. Ide was unaware of it, and had been pointing out issues and providing advice from the perspective of legal compliance and information management on a regular basis. Since the matter was discovered, she has been fulfilling her duties, primarily by providing advice on protecting customers and preventing recurrence.

Candidate No. 8	<b>Takashi Mitachi</b> (Born January 21, 1957)		Re-election
			Outside Director Candidate
			Independent Director
	Shares owned in the Company	0	
	Term as an Outside Director	2 years (as of the close of this General Meeting of Shareholders)	
	Attendance at Meetings of the Board of Directors in fiscal 2023	17 of 17 meetings (100%)	
	Attendance at Meetings of the Nomination and Remuneration Advisory Committee in fiscal 2023	9 of 9 meetings (100%)	

#### ●Work History, Positions and Responsibilities

April 1979	Joined Japan Airlines Co., Ltd.
October 1993	Joined Boston Consulting Group
January 1999	Vice President & Partner, Boston Consulting Group
January 2005	Japan Co-chair, Boston Consulting Group
May 2005	Managing Director & Senior Partner, Boston Consulting Group
March 2011	Director, Japan Association for the World Food Programme (retired in August 2018)
April 2013	Vice Chairman, KEIZAI DOYUKAI (Japan Association of Corporate Executives) (retired in April 2017)
March 2016	Outside Director, Rakuten, Inc. (currently Rakuten Group, Inc.) (present position)
June 2016	Outside Director, Lotte Holdings Co., Ltd. (present position)
March 2017	Outside Director, DMG MORI CO., LTD. (present position)
	Outside Director, FiNC co., Ltd. (currently FiNC Technologies Inc.) (retired in March 2020)
	Outside Director, Audit and Supervisory Committee Member, UNICHARM CORPORATION (retired in March 2021)
June 2017	Outside Director, Tokio Marine Holdings, Inc. (present position)
October 2017	Senior Advisor, Boston Consulting Group (retired in December 2021)
April 2020	Professor, Graduate School of Management, Kyoto University (present position)
June 2022	Outside Director, Sumitomo Corporation (present position)

#### ●Significant positions concurrently held

Outside Director, Rakuten Group, Inc.  
 Outside Director, DMG MORI CO., LTD.  
 Outside Director, Tokio Marine Holdings, Inc.

#### ●Reasons for proposing Mr. Takashi Mitachi as a candidate for Outside Director and summary of expected roles

Mr. Mitachi served in several key positions for many years at a major US consulting firm. Through these and other roles, Mr. Mitachi has accumulated wide-ranging knowledge and a wealth of experience in business management and enterprise risk management, etc.; he is also honest in character, as well as highly insightful and capable. Mr. Mitachi 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. Mitachi 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. In addition, as a chair of the Nomination and Remuneration Advisory Committee (scheduled to be appointed if this Proposition is approved), Mr. Mitachi 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.

**●Items warranting special mention related to candidacy for Outside Director’s position**


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Mr. Mitachi served as Director of Japan Association for the World Food Programme until August 2018. There are no existing business relationships between the Company and Japan Association for the World Food Programme.

The Company pays membership fees, etc. to KEIZAI DOYUKAI (Japan Association of Corporate Executives), in which Mr. Mitachi served as Vice Chairman until April 2017. However, the amount is negligible – less than 1% of the association’s total ordinary revenue. It has therefore been judged that this situation exerts no impact on the independence of Mr. Mitachi with respect to the Company.

Furthermore, the Company pays outsourcing fees to Boston Consulting Group, in which Mr. Mitachi engaged in the execution of operational duties as Managing Director & Senior Partner until September 2017. However, the amount is negligible – less than 0.01% of the Boston Consulting Group’s worldwide net sales. It has therefore been judged that these situations exert no impact on the independence of Mr. Mitachi with respect to the Company.

Mr. Mitachi was appointed as Outside Director at Tokio Marine Holdings, Inc. in June 2017 and currently serves in this position. On December 26, 2023, that company’s subsidiary Tokio Marine & Nichido Fire Insurance Co., Ltd. received a business improvement order from the Financial Services Agency pursuant to the Insurance Business Act after it was found to have committed acts considered to be in violation of Japan’s Antimonopoly Act and acts that were inappropriate in light of the purpose of the Act, and underlying systemic issues that led to such acts were also ascertained. Until this matter came to light, Mr. Mitachi was unaware of it, and had been pointing out issues and providing advice from the perspectives of strengthening group governance, legal compliance, and the like on a regular basis at meetings of the Board of Directors and other bodies. Since the matter was discovered, he has been focusing on preventing recurrence through such means as calling for a thorough investigation and analysis of the root causes and assisting in the creation of a business improvement plan by pointing out issues and providing advice from the perspectives of group business management and legal compliance.

Candidate No. 9	<b>Takahisa Takahara</b> (Born July 12, 1961)		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 2023	14 of 14 meetings (100%) (Since appointed as a Director on June 23, 2023)	

#### ●Work History, Positions and Responsibilities

April 1986	Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)
April 1991	Joined UNICHARM CORPORATION
June 1995	Director, UNICHARM CORPORATION
June 1997	Senior Director, UNICHARM CORPORATION
June 2001	Representative Director, President, UNICHARM CORPORATION
June 2004	Representative Director, President & CEO, UNICHARM CORPORATION (present position)
June 2015	Outside Director, Calbee, Inc. (retired in June 2023)
June 2021	Outside Director, Nomura Holdings, Inc. (present position)
June 2023	Outside Director, Sumitomo Corporation (present position)

#### ●Significant positions concurrently held


Representative Director, President & CEO, UNICHARM CORPORATION  
Outside Director, Nomura Holdings, Inc.

#### ●Reasons for proposing Mr. Takahisa Takahara as a candidate for Outside Director and summary of expected roles

Mr. Takahara has held several key positions for many years at a major consumer goods manufacturer, serving as Director, Senior Director, and President & CEO. Through these and other roles, Mr. Takahara has accumulated wide-ranging knowledge and a wealth of experience in business management; he is also honest in character, as well as highly insightful and capable. Mr. Takahara 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. Takahara 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 a member of the Nomination and Remuneration Advisory Committee (scheduled to be appointed if this Proposition is approved), Mr. Takahara 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. Takahara engages in the execution of operational duties as President & CEO of UNICHARM CORPORATION. The Company and UNICHARM CORPORATION jointly invest in The Hartz Mountain Corporation, and this investment is based on a shareholders' agreement between the two companies. However, the amount invested by the Company is negligible – less than 0.1% of its total consolidated assets and less than 0.4% of UNICHARM CORPORATION's total consolidated assets. It has therefore been judged that this situation exerts no impact on the independence of Mr. Takahara with respect to the Company.

Candidate No. 10	Haruyasu Asakura (Born April 16, 1961)		New-election
			Outside Director Candidate
			Independent Director
	Shares owned in the Company	0	

#### ●Work History

April 1984	Joined Mitsubishi Corporation
May 1999	Partner, Apax Globis Partners (currently GLOBIS CAPITAL PARTNERS Co., Ltd.)
February 2001	Managing Director, Carlyle Japan LLC
July 2009	Senior Managing Director (COO), Innovation Network Corporation of Japan (currently Japan Investment Corporation) (retired in June 2015)
March 2012	Outside Director, Japan Display Inc. (retired in June 2014)
October 2013	Outside Director, Renesas Electronics Corporation (retired in June 2015)
April 2014	Trustee, KEIZAI DOYUKAI (Japan Association of Corporate Executives) (present position)
March 2016	Representative Director, President (CEO and CIO), Marunouchi Capital Inc.
December 2022	Senior Advisor, Marunouchi Capital Inc. (retired in December 2023)
June 2023	Outside Director/Audit and Supervisory Committee Member, SAKAI HEAVY INDUSTRIES, LTD. (present position)

#### ●Significant positions concurrently held

Outside Director/Audit and Supervisory Committee Member, SAKAI HEAVY INDUSTRIES, LTD.


#### ●Reasons for proposing Mr. Haruyasu Asakura as a candidate for Outside Director and summary of expected roles

Mr. Asakura has held several key positions for many years at private equity fund investment companies and served in executive and outside director positions for multiple companies. Through these and other roles, Mr. Asakura has accumulated wide-ranging knowledge and a wealth of experience in M&A and business management, etc.; he is also honest in character, as well as highly insightful and capable. Mr. Asakura 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 election to the position of Outside Director. Mr. Asakura 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.

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

Mr. Asakura engaged in the execution of operational duties as President (CEO and CIO) of Marunouchi Capital Inc. until November 2022. There are no existing business relationships between the Company and Marunouchi Capital Inc.

Mr. Asakura engaged in the execution of operational duties as Senior Managing Director and COO of Innovation Network Corporation of Japan (currently Japan Investment Corporation) until June 2015. The Company invests in Japan Investment Corporation. However, the amount invested by the Company is negligible – less than 0.1% of the Company's total consolidated assets – and the Company's ratio of capital contribution to Japan Investment Corporation is also negligible – less than 0.2%. It has therefore been judged that this situation exerts no impact on the independence of Mr. Asakura with respect to the Company.

Candidate No. 11	<b>Nana Otsuki</b> (Born September 17, 1964)	New-election
		Outside Director Candidate
		Independent Director
	Shares owned in the Company	0

### ●Work History

April 1988	Joined Mitsui Trust and Banking Company, Limited (currently Sumitomo Mitsui Trust Bank, Limited)
June 1994	Joined Banque Nationale de Paris (currently BNP Paribas, Tokyo Branch)
March 1998	Joined HSBC Securities (Japan) Limited
January 2000	Head of Japan and Korea Financial Ratings, Standard & Poor's Ratings Japan K.K.
December 2005	Managing Director, Research Division, UBS Securities Japan Co., Ltd.
June 2011	Managing Director, Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.) (retired in December 2015)
September 2015	Professor, Faculty of Economics, Nagoya University of Commerce & Business
January 2016	Executive Officer and Chief Analyst, Monex, Inc.
June 2017	Outside Director, Credit Saison Co., Ltd. (present position) *1
April 2018	Professor, Graduate School of Division of Business Administration, Nagoya University of Commerce & Business (present position)
June 2018	Outside Audit & Supervisory Board Member, Tokio Marine Holdings, Inc. (present position)
April 2021	Expert Director and Chief Analyst, Monex, Inc.
June 2021	Outside Director, Mochida Pharmaceutical Co., Ltd. (present position) *2
September 2022	Senior Fellow, Pictet Asset Management (Japan) Ltd. (present position)

\*1Ms. Otsuki plans to retire from board member of Credit Saison Co., Ltd. as of the close of its ordinary general meetings of shareholders scheduled on June 2024.

\*2 Ms. Otsuki plans to retire from board member of Mochida Pharmaceutical Co., Ltd. as of the close of its ordinary general meetings of shareholders scheduled on June 2024.

### ●Significant positions concurrently held

Outside Audit & Supervisory Board Member, Tokio Marine Holdings, Inc.  
Senior Fellow, Pictet Asset Management (Japan) Ltd.

### ●Reasons for proposing Ms. Nana Otsuki as a candidate for Outside Director and summary of expected roles

Ms. Otsuki has held several key positions for many years at companies including leading securities firms and has served as a university professor and in outside director positions for listed companies. Through these and other roles, Ms. Otsuki has accumulated wide-ranging knowledge and a wealth of experience in market analysis and corporate governance, etc.; she is also honest in character, as well as highly insightful and capable. Ms. Otsuki will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform her duties properly in that position. For these reasons, we propose her as a candidate for election to the position of Outside Director. Ms. Otsuki 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.

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

Ms. Otsuki engaged in the execution of operational duties as a Managing Director of Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.) until December 2015. There are no existing business relationships between the Company and BofA Securities Japan Co., Ltd. Furthermore, Ms. Otsuki engaged in the execution of operational duties as Executive Officer and Chief Analyst of Monex, Inc. until August 2022. However, there are no existing business relationships between the Company and Monex, Inc. Ms. Otsuki was appointed as Outside Audit & Supervisory Board Member at Tokio Marine Holdings, Inc. in

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June 2018 and currently serves in this position. On December 26, 2023, that company's subsidiary Tokio Marine & Nichido Fire Insurance Co., Ltd. received a business improvement order from the Financial Services Agency pursuant to the Insurance Business Act after it was found to have committed acts considered to be in violation of Japan's Antimonopoly Act and acts that were inappropriate in light of the purpose of the Act, and underlying systemic issues that led to such acts were also ascertained. Until this matter came to light, Ms. Otsuki was unaware of it, and had been pointing out issues and providing advice from the perspectives of strengthening group governance, legal compliance, and the like on a regular basis at meetings of the Board of Directors and other bodies. Since the matter was discovered, she has been focusing on preventing recurrence through such means as calling for a thorough investigation and analysis of the root causes and assisting in the creation of a business improvement plan by pointing out issues and providing advice from the perspectives of group business management and legal compliance.


(Notes)

1. **Special Interest between Candidates and the Company**  
None of the above candidates have any particular interests in the Company.
2. **Independent Directors**  
Ms. Akiko Ide, Mr. Takashi Mitachi, Mr. Takahisa Takahara, Mr. Haruyasu Asakura and Ms. Nana Otsuki fulfill the standards related to independence set by the financial instruments exchange that the Company is listed on. The Company has designated each of them as independent directors under the provisions of the exchange.
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 Ms. Akiko Ide, Mr. Takashi Mitachi and Mr. Takahisa Takahara limiting the liability of each of them to the amount stipulated by law provided each of them has acted in good faith and without gross negligence. If their elections are approved, the Company will continue said limitation of liability contract with each of them, and will conclude a limitation of liability contract on the same terms and conditions with Mr. Masayuki Hyodo, Mr. Haruyasu Asakura and Ms. Nana Otsuki.
4. **Summary of Directors and Officers Liability Insurance Contract**  
The Company concludes directors and officers liability insurance contract pursuant to Article 430.3, Paragraph 1 of the Companies Act with an insurance company 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.



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

Of the Company's five incumbent Audit & Supervisory Board Members, Mr. Toshio Nagai and Mr. Yoshitaka Kato will reach the end of their terms as of the close of the Meeting. Accordingly, this proposition calls for the election of two Audit & Supervisory Board Members. The candidate for Audit & Supervisory Board Members are as follows. Each candidate was decided by the Board of Directors after deliberation at the Nomination and Remuneration Advisory Committee (chaired by Outside Director), a majority of whose members are Outside Directors. Each candidates are candidates for the position of Outside Audit & Supervisory Board Member as provided for in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act. Each 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 27 to 28 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].) In addition, the Audit & Supervisory Board has given its consent with regard to the submission of this proposition.

Candidate No. 1	<b>Nobuo Inada</b> (Born August 14, 1956)		New-election
	Shares owned in the Company	0	

**●Work History**

April 1981	Public Prosecutor
October 2008	Deputy Vice-Minister of Justice, Ministry of Justice
August 2011	Director-General of the Criminal Affairs Bureau, Ministry of Justice
January 2014	Vice-Minister of Justice, Ministry of Justice
September 2016	Superintending Prosecutor, Sendai High Public Prosecutor's Office
September 2017	Superintending Prosecutor, Tokyo High Public Prosecutor's Office
July 2018	Prosecutor-General (retired in July 2020)
October 2020	Attorney at Law (present position)
June 2021	Outside Director, Member of the Audit and Supervisory Committee, Nomura Securities Co.,Ltd. (present position)
March 2023	Outside Audit & Supervisory Board Member, JAPAN TOBACCO INC. (present position)


**●Significant positions concurrently held**

Attorney at Law  
 Outside Director, Member of the Audit and Supervisory Committee, Nomura Securities Co.,Ltd.  
 Outside Audit & Supervisory Board Member, JAPAN TOBACCO INC.

**●Reasons for proposing Mr. Nobuo Inada as a candidate for Outside Audit & Supervisory Board Member**

Mr. Inada has highly specialized knowledge and a wealth of experience in law based on his career over many years as a prosecutor and attorney at law. He is also honest in character, as well as highly insightful and capable. Mr. Inada 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 and to be able to perform his duties properly in that position. For these reasons, we propose him as a candidate for election to the position of Outside Audit & Supervisory Board Member.



Candidate No.2	<b>Taisei Kunii</b> (Born June 12, 1959)	New-election
	Shares owned in the Company	0

#### ●Work History

October 1985	Joined Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)
August 1989	Certified Public Accountant (present position)
June 1999	Partner, Tohmatsu Awoki & Co. (currently Deloitte Touche Tohmatsu LLC)
October 2010	General Manager, Tokyo Audit Division, Deloitte Touche Tohmatsu LLC
November 2010	Member of Management Committee, Deloitte Touche Tohmatsu LLC
October 2013	Executive Officer (General Manager, Tokyo Audit Department), Deloitte Touche Tohmatsu LLC
June 2018	Chief Executive Officer, Deloitte Touche Tohmatsu LLC (retired in May 2022)
January 2023	retired Deloitte Touche Tohmatsu LLC
February 2023	Established Taisei Kunii & Co. (present position)

#### ●Significant positions concurrently held

Certified Public Accountant

#### ●Reasons for proposing Mr. Taisei Kunii as a candidate for Outside Audit & Supervisory Board Member

Mr. Kunii has highly specialized knowledge and a wealth of experience in finance, accounting, and corporate auditing based on his career over many years as a certified public accountant. He is also honest in character, as well as highly insightful and capable. Mr. Kunii will contribute to the Company's aim of conducting audits from diverse perspectives, and is thus judged to be qualified for the role of Outside Audit & Supervisory Board Member of the Company and to be able to perform his duties properly in that position. For these reasons, we propose him as a candidate for 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 makes payments including outsourcing fees to Deloitte Touche Tohmatsu LLC, in which Mr. Kunii engaged in the execution of operational duties as Chief Executive Officer until May 2022. However, the amount is negligible – less than 0.2% of Deloitte Touche Tohmatsu LLC's total revenue. It has therefore been judged that this situation exerts no impact on the independence of Mr. Kunii with respect to the Company.

(Notes)

1. Special Interest between Candidate and the Company  
None of the candidates have any particular interest in the Company.
2. Independent Directors  
Mr. Nobuo Inada and Mr. Taisei Kunii fulfill the standards related to independence set by the financial instruments exchange that the Company is listed on. The Company has designated each of them as independent directors under the provisions of the exchange.
3. Conclusion of Limitation of Liability Contract  
If the election of Mr. Nobuo Inada and Mr. Taisei Kunii are approved, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company intends to conclude a limitation of liability contract with them, limiting his liability to the amount stipulated by law provided he has acted in good faith and without gross negligence.
4. Summary of Directors and Officers Liability Insurance Contract

The Company concludes directors and officers liability insurance contract pursuant to Article 430.3, Paragraph 1 of the Companies Act with an insurance company 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 these Propositions are approved, Mr. Nobuo Inada and Mr. Taisei Kunii shall be insured under the contract. The Company intends to update the contract with equivalent provisions for the candidate during their 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.

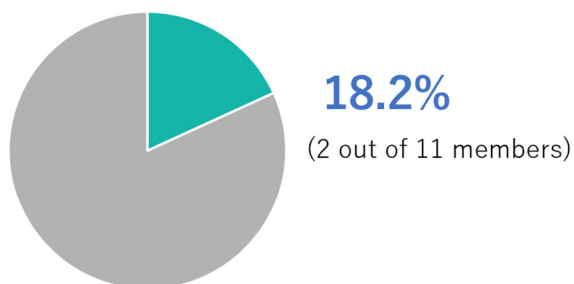
Name		Positions	Term as Audit & Supervisory Board Member
Mr. Daisuke Mikogami	Incumbent	Senior Audit & Supervisory Board Member (Full-Time)	1 year
Mr. Kazunari Sakata	Incumbent	Audit & Supervisory Board Member (Full-Time)	2 years
Ms. Yukiko Nagashima	Incumbent	Outside Audit & Supervisory Board Member	3 years
	Independent Audit & Supervisory Board Member		
Mr. Nobuo Inada	New Election	Outside Audit & Supervisory Board Member	-
	Independent Audit & Supervisory Board Member		
Mr. Taisei Kunii	New Election	Outside Audit & Supervisory Board Member	-
	Independent Audit & Supervisory Board Member		

(Notes)

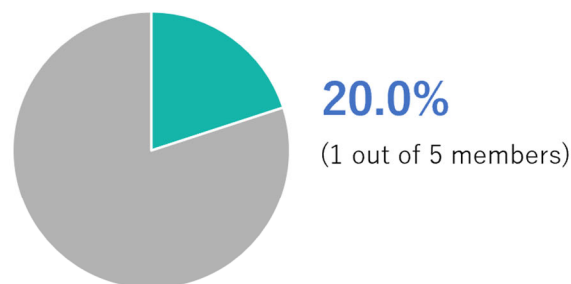
The term as Audit & Supervisory Board Member is as of the close of the 156<sup>th</sup> General Meeting of Shareholders.

**(Reference)**

If Proposition No.2 and No.3 are resolved as proposed, the ratio of female members in the Board of Directors and Audit & Supervisory Board will be as follows.



**Ratio of Female Members  
(Board of Directors)**



**Ratio of Female Members  
(Audit & Supervisory Board)**

## **(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 not be taken into account.

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) The skills of Directors and Audit & Supervisory Board Members**

### **The Skills that the Board of Directors is required to possess**

All Directors and Audit & Supervisory Board Members of the Company, regardless of whether they are internal or Outside Directors or Audit & Supervisory Board Members, are required to be honest in character, as well as highly insightful and capable, in accordance with their respective qualifications. Also, the Company raises "No.1 in Each Field" as a theme under "Midium-Term Management Plan 2026," and the Company is transforming its business portfolio by leveraging the strengths of individual businesses to reinforce them and strengthening people and organizations, which are the driving forces for growth. Through such initiatives, the Company will strive to enhance the Group's competitive advantages and achieve growth by addressing social challenges.

For successful implementation of this management plan, we have identified the types of knowledge, experience, and competencies, etc. (hereinafter "Skills") which enables the Board of Directors to adequately fulfill its roles of making decisions on important business matters and supervising business execution. "Governance" and "Global perspective" are Skills that all Directors and Audit & Supervisory Board Members are required to possess, while we believe that the Board of Directors as a whole should possess the other seven Skills. Of these seven skills, for Audit & Supervisory Board Members we place a particularly high priority on "Corporate Management", "Finance/Accounting", and "Legal/Risk Management". As the Skills that the Board of Directors is required to possess may vary according to business strategies or changes in the external environment, the Board of Directors will continue to discuss the skills required, make necessary changes, and disclose such changes.

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

#### **Governance**

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

#### **Global Perspective**

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

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

### Corporate Management

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

### Investment/ M&A

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

### IT/DX/ Technology

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

### Sustainability

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

### Finance/ Accounting

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

### Legal/Risk Management

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

### HR management & development

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

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

Of the Skills identified from pages 29 to 30 as necessary for the Board of Directors as a whole, Skills currently possessed by individual Directors or Audit & Supervisory Board members are shown in the table below. The skills of individual Directors or Audit & Supervisory Board Members are determined after consiring all their attributes, including their careers, knowledge, experience, capabilities, qualifications, and spsific achievements, and discussing these with the individuals concerned.

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



## (Reference) Overview of the Company's Initiatives for Reinforcing Corporate Governance<sup>1</sup>

### 1. Corporate Governance Principles

We 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 working to continuously improve our corporate governance to realize management that serves the interests of all stakeholders including shareholders.

### 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 ensured 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.

The basic matters of our corporate governance system are shown in the table below.

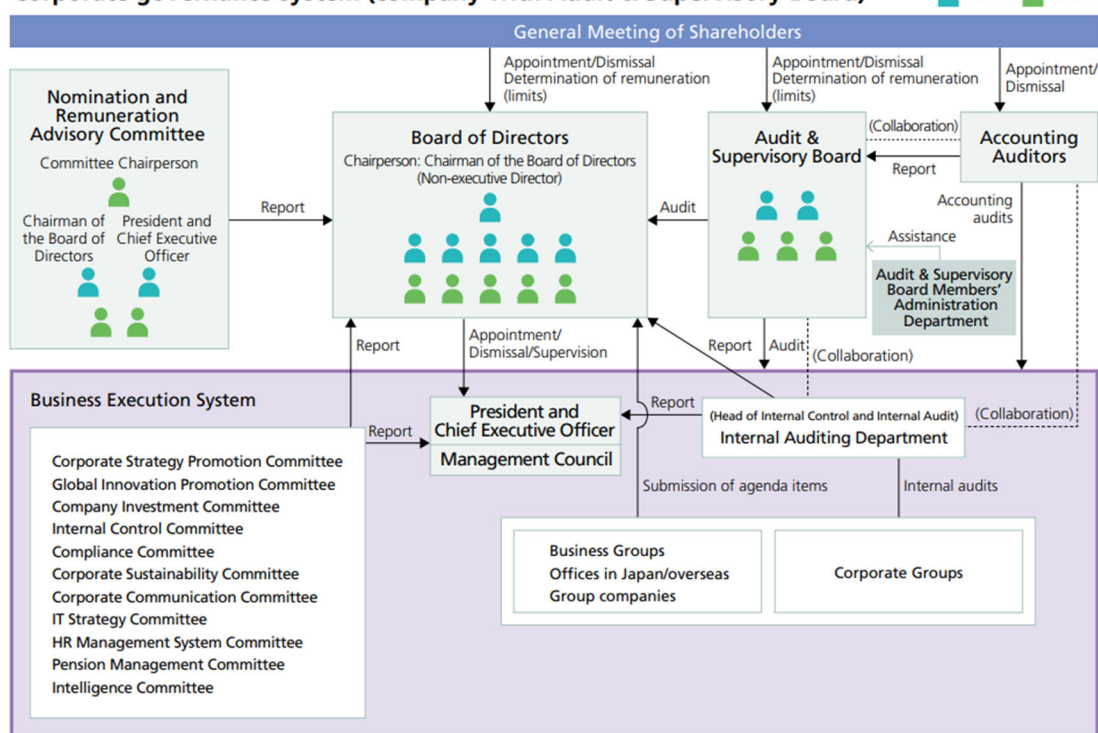
Directors & the Board of Directors	<ul style="list-style-type: none"><li>● The Board of Directors is composed of an appropriate number of members to facilitate thorough debate and prompt and rational decision-making, and diversity is ensured in terms of attributes including experience, knowledge, expertise, and gender.</li><li>● 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.</li><li>● The term of Directors is one year.</li></ul>
Audit & Supervisory Board Members and Audit & Supervisory Board	<ul style="list-style-type: none"><li>● The Audit &amp; Supervisory Board consists of five members, including three Outside Audit &amp; Supervisory Board Members.</li><li>● Each Audit &amp; Supervisory Board Member audits the execution of duties by Directors in their roles. To be effective in their respective roles, internal Audit &amp; Supervisory Board Members draw on specialized knowledge and a range of experience related to operations, while Outside Audit &amp; Supervisory Board Members draw on highly specialized knowledge and a wealth of experience in specific fields such as law, accounting, and business management.</li><li>● The term of Audit &amp; Supervisory Board Members is four years.</li></ul>
Independence of Outside Directors and Outside Audit & Supervisory Board Members	Each Outside Director and Outside Audit & Supervisory Board Member meets the independence standards set by the financial instruments exchange on which the Company is listed, and the independence standards set by the Company (please refer to pages 27 to 28).
Limits on the Terms of Office	<ul style="list-style-type: none"><li>● 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</li></ul>

<sup>1</sup> Specifics of corporate governance systems of the Company, including the number of Directors and Audit & Supervisory Board Members (including Outside Directors and Outside Audit & Supervisory Board Members), are as of March 31, 2023.

	<p>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.</p> <ul style="list-style-type: none"> <li>● In principle, Outside Directors are limited to terms of up to six years.</li> <li>● In principle, Outside Audit &amp; Supervisory Board Members are limited to terms of up to eight years.</li> </ul>
Separation of Duties	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.
Chairman of the Board of Directors	The Chairman of the Board of Directors convenes the Board of Directors and presides over them as chairperson. The Chairman of the Board of Directors supervises management but does not engage in routine execution of operations and has no representative authorities.
the Advisory Body to the Board of Directors	<ul style="list-style-type: none"> <li>● We have established the Nomination and Remuneration Advisory Committee (in which, of the five Members of the committee, three are Outside Directors, and which is chaired by an Outside Director).</li> <li>● The Nomination and Remuneration Advisory Committee reviews the matters (including but not limited to the following matters) and submits the results thereof as recommendations to the Board of Directors: <ul style="list-style-type: none"> <li>(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 &amp; 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 &amp; 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 &amp; Supervisory Board Members, and (8) the advisor system.</li> </ul> </li> </ul>

## Corporate governance system (company with Audit & Supervisory Board)

Internal Outside



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

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

The Board of Directors enhances its deliberations and strengthen its monitoring functions by the following initiatives:

- Agenda items for the Board of Directors are carefully selected by the Board of Directors to promote more focused discussion of management policies and plans and other important matters for companywide management. Members of the Board of Directors also select items that should be taken up for more intensive discussion at the Board of Directors meetings each year.
- The Board of Directors receives reports from each business unit on the state of progress on its strategies, any associated issues and its response to those issues, and carries out a discussion focusing on such issues. The Board of Directors also periodically monitors the state of business execution companywide by receiving reports on the activities of the main corporate committees.
- The Board of Directors holds off-site meetings in addition to regular meetings, for free and open discussions on important management topics, including management policies and plans and ESG (Environment, Social and Governance) issues. Moreover, to ensure that Outside Directors and Outside Audit & Supervisory Board Members actively contribute to the discussions at the Board of Directors, a monthly meeting is held, which is comprised of Outside Directors and Outside Audit & Supervisory Board Members, in which they engage in robust discussion.
- Prior to every meeting of the Board of Directors, Outside Directors and Audit & Supervisory Board Members are briefed on the agenda items due for discussion.

#### 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 evaluation and several discussions. This is followed by the disclosure of overviews of the results. The effectiveness evaluation for fiscal 2023 and the overview of the results is as follows.

##### 1. Evaluation method

###### (1) Target:

All members of the Board of Directors (11) and all Audit & Supervisory Board members (5)

###### (2) Implementation method:

In November 2023, we implemented a questionnaire survey (\*). Based on the results, Directors and Audit & Supervisory Board members held several discussions to evaluate and analyze the results, and to identify issues and the initiatives on how we should improve them.

\*The questionnaire survey primarily consists of a free-writing format regarding topics that Directors and Audit

& Supervisory Board members view as issues. In addition, given the current candid exchange of opinions by the Board of Directors to grasp the background of respondents' issue awareness and opinions to deepen discussions, from fiscal 2022 respondents are asked to fill in their names.

(3) Evaluations items:

(i) Functions and roles of the Board of Directors	(ii) Composition of the Board of Directors	(iii) Agenda items	(iv) Quality and content of discussions
(v) Provision of support and information	(vi) Advisory body to the Board of Directors	(vii) Fulfillment of roles of the Board chair	(viii) Fulfillment of roles of internal Directors
(ix) Fulfillment of roles of Outside Directors	(x) Self-evaluation	(xi) Expectations in Audit & Supervisory Board members	(xii) Comprehensive evaluation

(4) Third-party Assistance: We received advice and assistance from a third party (external consultant) mainly to determine the questions used in this questionnaire.

## 2. Evaluation Results Overview

All Directors and Audit & Supervisory Board Members held discussions based on the results of the questionnaire, and evaluated that the Board of Directors is functioning effectively overall, with the level of operations and performance of functions improving year by year through constant efforts. The main opinions are as follows:

- Functions and roles that should be fulfilled by the Board of Directors  
[Evaluation results] In general, evaluated that the current format which possesses both monitoring and management functions is effectively functioning.  
[Issues/initiatives going forward] Opinions were exchanged on each member's recognition of the roles of the Company's Board of Directors, as well as the anticipated roles of Outside Directors and internal Directors that also concurrently execute duties. As a result of the discussion, the members decided to reconfirm the functions and roles of the Board of Directors, which is the foundation of the Board of Directors by way of documentation etc. We plan to further strengthen supervisory functions.
- Composition of the Board of Directors  
[Evaluation results] At present, we evaluated that there are no major issues with the current system.  
[Issues/initiatives going forward] With respect to direction going forward, there were various opinions regarding the diversity and skills of Outside Directors, the composition of Outside/internal Directors, and institutional design. An ongoing discussion is being carried out on the composition and structure of the Board of Directors, and based on a review of the structure of management council and business organization in April 2024, we have decided to continue considering the future ideal structure of the Board of Directors.
- Setting the agenda for the Board of Directors  
[Evaluation results] In general it was evaluated that we systematically discussed the agenda and the agenda is being properly set up.  
[Issues/initiatives going forward] A proposal was discussed to narrow down the agenda items appropriate for discussion by the Board of Directors (expanding the scope of delegation for the execution of duties). With respect to the agenda setting for in and after fiscal 2024, there were opinions, on which discussions should be focused and concentrated: (1) Focus should be shifted to companywide strategies as opposed to individual business strategies; and (2) Taking into account the situation the Company is in and the opinions of investors, the focus of discussion should be narrowed down to issues that should be undertaken in particular in the three-year, medium-term management plan, starting from fiscal 2024 (Examples: companywide growth strategy, reshuffling the business portfolio, human resources training/education, etc.). In fiscal 2024, we decided to set agendas that more effectively carries out discussions while taking into account these opinions.
- Issues taken up in the results of the effectiveness evaluation conducted in fiscal 2022 as opposed to the results of initiatives implemented in fiscal 2023
  - With regard to the issue of taking more time to deepen discussion on medium-and-long-term corporate strategies, the Board of Directors held a total of four (4) discussions at off-site meetings to discuss the formulation of the next medium-term management plan from the initial stage.
  - To strengthen the Board of Director's supervisory function, we revised discussion criteria, including addressing discussions to the Board earlier regarding the implementation of investment or divestment and financing projects to the point where the Company embarks on full-fledged consideration of a project, as

opposed to the point prior to the conventional implementation of a transaction depending on the project.

- With respect to the enhancement of support and information provision to the Board of Directors, a dedicated organization, which was newly set up in fiscal 2023 to support communications between the Board of Directors and individuals executing duties, has started functioning. The evaluation assessed that improvements have been made to the establishment of discussion points and to brushing up discussion materials.

In this effectiveness evaluation, we are undertaking further improvement to the effectiveness of the Board of Directors by taking into consideration the opinions raised by and issues recognized by the Board of Directors and Audit & Supervisory Board Members.

## **(2) Enhancement of Corporate Auditing Framework and Ensuring Audit Effectiveness**

- The Audit & Supervisory Board makes decisions on legally mandated matters and also strives to improve the efficiency and quality of auditing activities performed by its members by, for example, sharing information on those activities and receiving advance explanation of items on the Board of Directors' agenda.
- Audit & Supervisory Board Members attend the Board of Directors meetings and other important internal meetings, meet with organizational leaders, and inspect important documents to obtain sufficient information essential for conducting audits. Additionally, they have meetings with Audit & Supervisory Board Members of the Company's subsidiaries, as well as one-on-one meetings with Directors and Audit & Supervisory Board Members of those subsidiaries.
- To execute their assigned functions, Audit & Supervisory Board Members collaborate closely with Internal Auditing Dept. and accounting auditors. These collaborations include receiving reports on internal audit plans and results in a timely manner from Internal Auditing Dept., and exchanging information with and monitoring auditing activities by 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.
- Additionally, Directors and Audit & Supervisory Board Members are offered seminars, e-learning courses, and other learning opportunities so they can gain new and updated knowledge required for their roles.
- To deepen their understanding of Sumitomo's business philosophy and the Company's business activities, Outside Directors and Outside Audit & Supervisory Board Members, in principle, visit a Sumitomo-related facility during the first fiscal year of their term in office and have opportunities to observe at least one workplace in Japan and at least one workplace overseas every year. In fiscal 2023, in addition to one Japanese workplace and two overseas workplaces visits, Sumitomo-related facility visits were conducted.

## **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**

We strive to actively communicate with shareholders and other investors through the following initiatives:

#### **(A) Measures relating to the General Meeting of Shareholders**

- We send out a convening notice describing how to access the material for the General Meeting of Shareholders to our shareholders (for shareholders who requested the delivery of such material in paper, the printed material for the General Meeting of Shareholders) approximately three weeks prior to each General Meeting of Shareholders.
- We also provide the material for the General Meeting of Shareholders on our corporate website in advance of sending the notice, together with its English-language translation.
- We accept questions from shareholders on internet prior to the General Meeting of Shareholders.
- 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]).
- 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.
- We provide our Integrated Report and ESG Communication Book, and endeavor to ensure proactive disclosure of financial information and non-financial information.

**(C) Investor Relations and Shareholder Relations**

- We hold quarterly meetings attended by top management to provide information on our financial results for analysts and institutional investors in Japan.
- We continuously dialogue with shareholders and institutional investors mainly in North America, Europe and Asia through one-on-one meetings (including constructive dialogue addressing our initiatives and policies, etc. relating to ESG (Environment, Social and Governance) issues).
- For individual investors, we hold company briefings online as well as at major cities across Japan.

Further information regarding the Company's initiatives for reinforcing corporate governance can be found on our website:

<https://www.sumitomocorp.com/en/jp/about/governance/detail>

**Proposition No. 4: Revision of Amount of Remuneration for Directors**

Remuneration for the Company's Directors consists of monthly remuneration, performance-linked bonuses, and stock-based remuneration for all Directors (excluding the Chairman of the Board of Directors, Director, Vice-Chairman and Outside Directors); of monthly remuneration and stock-based remuneration for the Chairman of the Board of Directors and Director, Vice Chairman; and of only monthly remuneration for Outside Directors.

With regard to the amount of remuneration for the Company's Directors, the 154th Ordinary General Meeting of Shareholders held on June 24, 2022 approved monthly remuneration totaling 600 million yen or less per year (including an annual amount of 150 million yen or less for Outside Directors) and performance-linked bonuses totaling 750 million yen or less per year. For stock-based remuneration, the 153rd Ordinary General Meeting of Shareholders held on June 18, 2021 approved the introduction of the restricted performance share unit-based remuneration plan, the 154th Ordinary General Meeting of Shareholders held on June 24, 2022 approved a maximum remuneration amount under the plan of 1.1 billion yen or less per year and an upper limit on the total number of the Company's common shares to be issued or disposed of 450,000 shares or less per year and the 155th Ordinary General Meeting of Shareholders held on June 23, 2023 approved to add non-financial indicators to the indicators used for the calculation formula.

The Company has now decided to amend its overall executive remuneration plan with the aim of further reinforcing the growth strategies and commitment to results targeted in its new Medium-Term Management Plan 2026 in order to pursue business management that ensures a greater focus on sharing value with the shareholders. In specific terms, it has decided to increase the ratio of stock-based remuneration for Directors and make associated changes to the remuneration composition ratios and the performance-linked bonus plan. In conjunction with this, the Company has decided to set competitive remuneration standards befitting the roles required of its Directors and its business performance by revising the remuneration standards with reference to remuneration market research data, etc. provided by independent external specialized agencies. (Please refer to pages 40 to 42 of this Notice of Convocation for the Overview of Executive Remuneration Plan.)

Therefore, the Company proposes revising the amount of remuneration for Directors and setting their remuneration after fiscal 2024 onward by type of remuneration as follows.

- (1) Monthly remuneration totaling 700 million yen or less per year (including an annual amount of 200 million yen or less for Outside Directors).
- (2) Total performance-linked bonuses to remain unchanged at the existing level (750 million yen or less per year).
- (3) Stock-based remuneration with an upper monetary limit of 2.6 billion yen or less per year and an upper limit on the total number of the Company's common shares to be issued or disposed of 600,000 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 proportionally 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, a share split (including gratis allotment of the 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.

Details regarding the stock-based remuneration shall remain unchanged, except the upper monetary limit and the upper limit on the total number of shares to be issued or disposed as stated in (3).

[Grounds for the validity of paying remuneration, etc. based on the Company's executive remuneration 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, deliberated on the revisions to the Company's executive remuneration plan and judged their content to be valid. Their judgment was based on the revisions being in accordance with policies related to decisions on remuneration, etc. packages for individual Directors decided by the Company's Board of Directors (as summarized in [Reference] below).

If Proposition No. 2 is approved as proposed, the number of Directors eligible for performance-linked bonuses will change as shown below.

Number of Directors eligible for each type of remuneration

Type of remuneration, etc.	Current no. of Directors	No. following approval of Proposition No. 2
Monthly remuneration	11 (including 5 Outside Directors)	No change
Performance-linked bonuses	5 (excluding Chairman of the Board of Directors and Outside Directors)	4 (excluding Chairman of the Board of Directors, Director, Vice Chairman and Outside Directors)
Stock-based remuneration	6 (excluding Outside Directors)	No change

[Reference] Policies related to decisions on remuneration, etc. packages for individual Directors (summary)

Type of remuneration, etc.		Policy for deciding the amount of each remuneration
Fixed	Monthly remuneration	<ul style="list-style-type: none"> <li>A fixed amount of remuneration is provided in light of the current business environment, business strategies, and human resources strategy and with reference to objective remuneration market research data, etc. provided by external specialized agencies.</li> </ul>
Variable	Performance-linked bonus	<ul style="list-style-type: none"> <li>From the perspective of reinforcing the relationship with 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. The amount is distributed to individual Executive Directors according to their position and personal evaluation and is paid after the end of the fiscal year.</li> <li>Each Executive Director is evaluated on the basis of both financial indicators and non-financial indicators.</li> </ul>
	Stock-based remuneration	<ul style="list-style-type: none"> <li>This remuneration is intended to promote efforts to optimize the Company's business portfolio, increase corporate value, and ensure stable growth in the medium to long term, focusing on the link with indicators related to the environment, society, and governance (ESG) in addition to shareholder value. It is also intended to facilitate a greater focus on sharing value with the shareholders.</li> </ul> <p>The specific details and timing of payment of the stock-based remuneration for each Director are decided by the Board of Directors after consultation with the Nomination and Remuneration Advisory Committee.</p>



## (Reference) Overview of Executive Remuneration Plan

Below is the overview of the executive remuneration plan to be introduced in the event Proposition No.4 is approved as proposed, at this year's Ordinary General Meeting of Shareholders. Revisions are (a) changes to the remuneration standards and remuneration composition ratios and (b) Revise the performance-linked bonus plan, which are underlined as follows. The fundamental details of the stock-based remuneration plan remain unchanged.

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

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

### **(1) Remuneration standards and remuneration composition ratios of Executive Directors and Executive Officers**

- We have set competitive remuneration standards and remuneration composition ratios in light of the current business environment, business strategies, and human resources strategy. We have done so with reference to remuneration market research data, etc. provided by independent external specialized agencies.
- We have increased the ratio of variable remuneration accounted for by restricted performance share unit-based remuneration to further strengthen the incentive to increase the Company's corporate value over the medium to long term and to pursue business management that is more concerned than ever before with the Company's stock price and with a focus on sharing value with the shareholders.
- We have amended the overall remuneration standard for Executive Directors and Executive Officers in light of current business results and the level of business results we seek to achieve, with the aim of setting a standard that assists in acquiring and retaining our management personnel.
- If Proposition No. 4 is approved as proposed, the remuneration breakdown for the Representative Director, President and Chief Executive Officer will be as shown below.

	Fixed remuneration	Variable remuneration	
	Monthly remuneration	Performance-linked bonus	Restricted performance share unit-based remuneration
Before change	34%	33%	33%
	<b>Total 34%</b>	<b>Total 66%</b>	



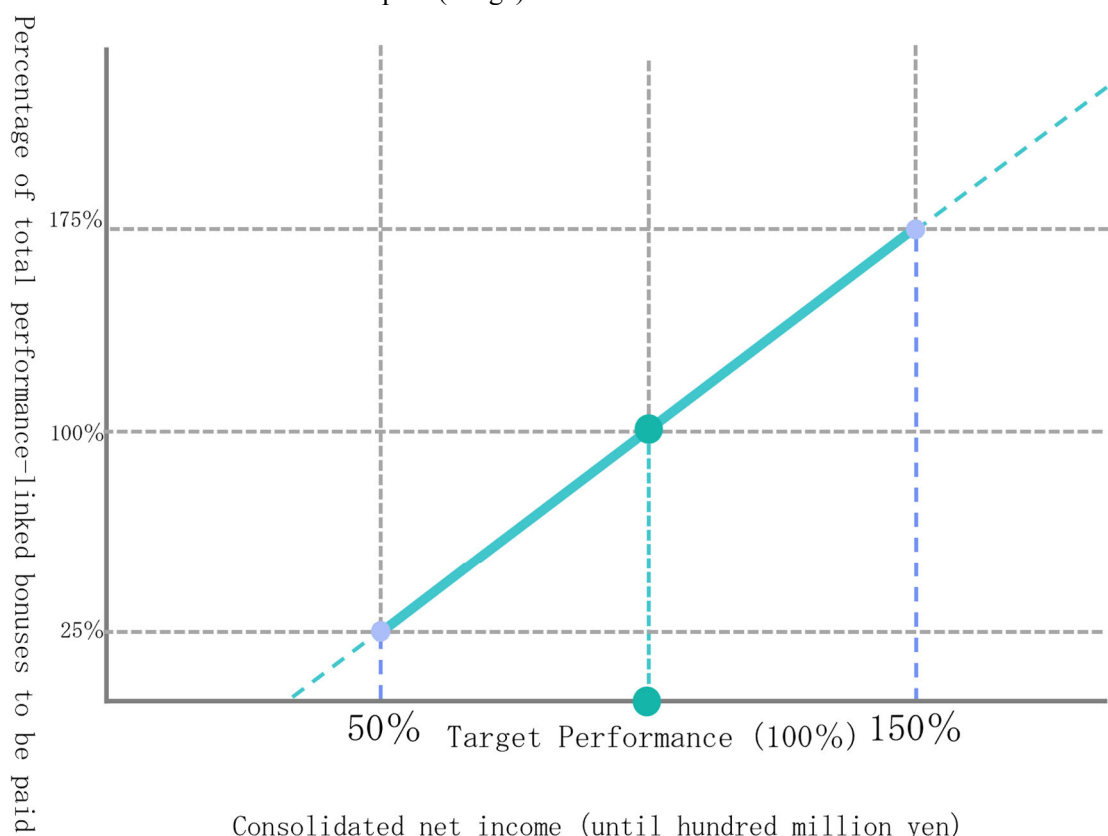
	Fixed remuneration	Variable remuneration	
	Monthly remuneration	Performance-linked bonus	Restricted performance share unit-based remuneration
After change	27%	33%	40%
	<b>Total 27%</b>	<b>Total 73%</b>	

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

## (2) Performance-linked bonus

- Each fiscal year the Company sets the full-year forecast (consolidated net income for the year) or the consolidated net income for the year when ROE is 12% (whichever amount is higher) as the target business result and decides the total amount of performance-linked bonuses to be paid according to the rate of achievement of this target business result.
- The potential range of business results is assumed to be up to 50% above or below the target business result set each fiscal year and the standard for the total amount of performance-linked bonuses to be paid is set at 100% when the target business result is achieved, with a range of variation from 25% to 175% in line with the potential range of business results.
- If business results fall outside this range, the total amount of performance-linked bonuses to be paid is decided separately by the Board of Directors based on a report from the Nomination and Remuneration Advisory Committee.
- The amount to be paid to individual officers is distributed according to their position and personal evaluation and paid after the end of the fiscal year.
- Each officer is evaluated on the basis of both financial indicators (achievement of business plans, etc. in the respective areas of responsibility) and non-financial indicators (such as individual Strategic Business Units' achievement of KPIs and KAIs, and progress in addressing important company-wide issues) so that they can become more aware regarding their commitment to management strategy and results.
- The ratio of financial indicators to non-financial indicators in personal evaluation is 50:50, and of evaluation based on non-financial indicators, 20% relates to the important company-wide issues of business reform through digital transformation (DX), enhancement of sustainability management, and promotion of Diversity, Equity & Inclusion.
- As a result of increasing the ratio of stock-based remuneration, the stock price growth rate will no longer be included as an element in the calculation of performance-linked bonuses.

<Performance-linked bonus to be paid (image)>



## (3) Restricted Performance Share Unit-Based Remuneration

- With the aim of promoting efforts to increase the Group's corporate value over the medium to long term and pursue business management that ensures a focus on sharing value with the shareholders, the number of the Company's common shares (restricted) to be provided is calculated according to the

Company's stock growth rate (ratio of the Company's stock price growth to the growth rate of the TOPIX (Tokyo Stock Exchange Stock Price Index)) during the three-year evaluation period.

- Evaluation based on non-financial indicators (measures to tackle climate change, promotion of women's active engagement, and employee engagement) is used to calculate the number of the Company's common shares to be granted as restricted shares. In this way the Company aims to enable increased awareness of its commitment to the enhancement of sustainability management by linking non-financial indicators (related to environment and/or society) more closely to stock-based remuneration and further promoting efforts to address its Key Social Issues.
- To enable a shared focus on shareholder value over the medium to long term, the restriction period will be from the day the shares are provided until the day the recipient resigns or retires from all their positions as Director or Executive Officer of the Company or any other position determined by the Board of Directors.

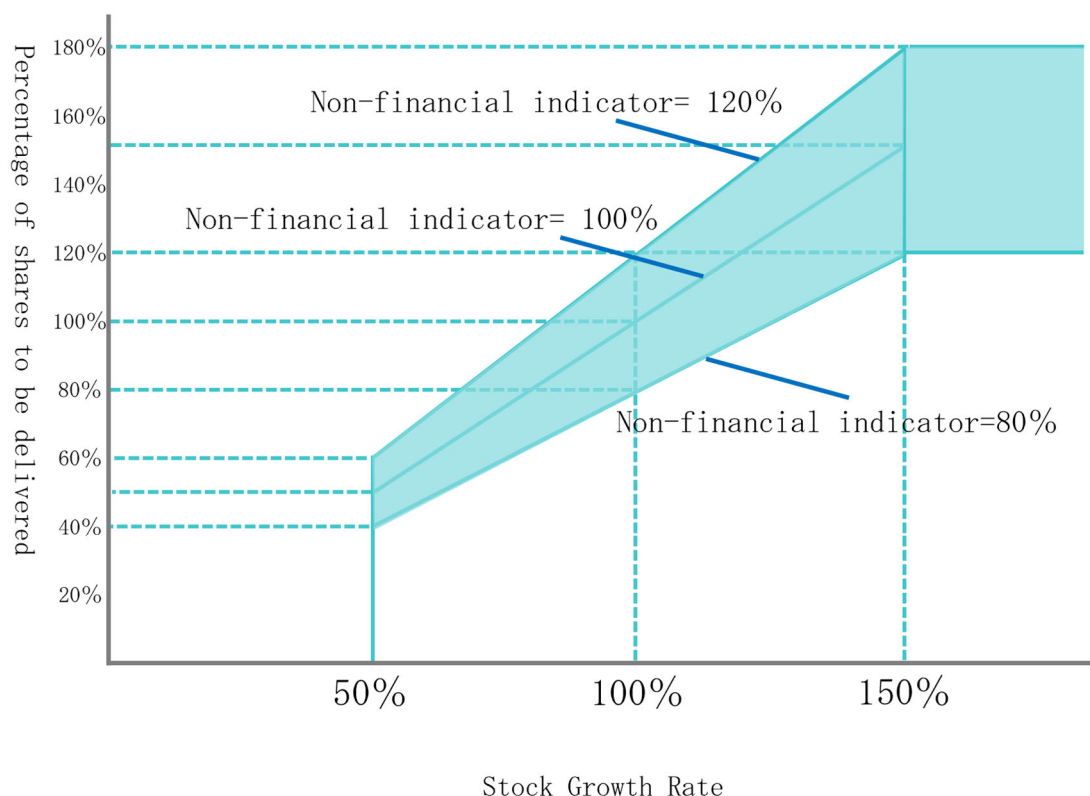
< Evaluation period of the Company's stock growth rate and non-financial indicator (image) >

	2024	2025	2026	2027	2028	2029
2024 Plan	Evaluation Period			● Stock Delivery		
2025 Plan		Evaluation Period			● Stock Delivery	
2026 Plan			Evaluation Period			● Stock Delivery

[Method for calculating the number of shares to be delivered]

Number of shares to be delivered = Standard number of shares by position ×  
percentage of shares to be delivered based on Company's stock growth rate (0%-150%) ×  
percentage of shares to be delivered based on evaluation on non-financial indicators (80%-120%)

< share grant ratio based on stock growth rate and non-financial indicator >



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

**1. Course of Operations and Operating Results**

**(1) Economic Environment**

The global economy in this fiscal year continued to trend toward modest recovery overall. The pace of economic growth was varied depending on the country and region. In the United States, although monetary tightening policies were adopted, the US economy was supported by brisk internal demand, employment and prices were stable, and economic activities trended solidly in general. Meanwhile, Europe ushered in an economic slowdown although the upward trend in prices subsided. In China, the ongoing real estate issue weighed down an economic recovery. In particular, prices declined in contrast with those in the United States and Europe, exhibiting warning signs of potential deflation.

Uncertainty has increased in the international community, reflecting the fighting between Israel and Hamas while there are no signs of a resolution to the situation between Russia and Ukraine. This impact is a threat to the safety of navigation, including ocean vessels sailing near the Red Sea coming under attack by extremists. Coupled with the traffic restrictions placed on the Panama Canal around that time, chaos continues, including maritime transport being forced to make substantial detours.


In the international commodity market, among energy-related products, prices for natural gas have settled at low levels owing to an ease in supply-and-demand due to warm winter trends globally. Petroleum prices are trending stability due that there are signs of delay in the recovery of petroleum demand while the benefits of coordinated production cuts by oil-producing countries have been limited. Meanwhile, the lull in metal prices has strengthened mainly reflecting a delay in recovery in China's economy.

The economy in Japan has been seesawing. Although a modest recovery has been ongoing, there are signs that domestic demand in Japan has taken a weak tone due to the impact from rising prices. In addition to production shutdowns in a part of the manufacturing industry, the Noto Peninsula Earthquake, which struck in January 2024, was a factor that exerted downward pressure on Japan's economic activities. Elsewhere, given the establishment of laws and financial policies in Japan to realize GX (green transformation), a global trend, and process in creating an environment, including the issuance of transition bonds to procurement financing, medium-to-long-term activities have become brisk at companies, mainly consisting of capex and R&D investments, thereby underpinning economies activities.

In foreign exchange rates, the yen once again lost out against the US dollar, reaching a new low for the first time in approximately 34 years, dipping below 150 yen/USD. This is primarily attributable to overall easing of financial policies by Japan and a retreat in expectations that the United States would ease its fiscal policies. Moreover, the Nikkei 225 average stock price reached a new high underpinned by easy monetary policies and brisk corporate earnings, at one time trading above the 40,000-point level.


## (2) Operating Results and Financial Status

### ① Operating results


**Profit for the year attributable to owners of the parent<sup>(\*)</sup>** **¥386.4 bil.**  Decrease of 179.0 billion yen from the previous fiscal year

**Profit for the year attributable to owners of the parent excluding one-off profits/losses**


**¥501.0 bil.**  Decrease of 54.0 billion yen from the previous fiscal year

**Mineral resources business<sup>(\*)2,4)</sup>** **¥117.0 bil.**  Decrease of 92.0 billion yen from the previous fiscal year


- Decline in mineral resources & energy prices
- Trade: absence of strong performance in FY2022

**Non-mineral resources business<sup>(\*)3,4)</sup>** **¥360.0 bil.**  Increase of 16.0 billion yen from the previous fiscal year

- Automotive sales & marketing, Construction & mining systems: strong
- Domestic electricity retail business: strong due to contract renewal and stable electricity procurement prices
- Tubular business: absence of strong market in FY2022
- Agribusiness: absence of high demand in FY2022 and poor sales demand due to unusual weather

**Corporate and Eliminations<sup>(\*)4)</sup>** **¥24.0 bil.**  Increase of 22.0 billion yen from the previous fiscal year

### One-off profits/losses

**¥-114.0 bil.** 

Decrease of 125.0 billion yen from the previous fiscal year

- Impairment loss in nickel mining and refining business in Madagascar
- Provision for doubtful receivables in telecommunications business in Myanmar
- Receipt of insurance proceeds in aircraft leasing business, etc.

Due to reorganization carried out as of Apr. 1, 2023, the breakdown of FY2022 results, excl. one-off profits/losses are reclassified. The Company has applied IAS 12 "Income Taxes" (amended in May 2021) from the three-month period ended Jun. 30, 2023, and figures for the prior fiscal year are shown after retroactive application.

(\*)1 "Profit for the year attributable to owners of the parent" means the net profit attributes to our shareholders.

(\*)2 "Mineral resources business" is a sum of Mineral Resources Division No.1, Mineral Resources Division No.2 and Energy Division.

(\*)3 "Non-mineral resources business" is calculated by subtracting "Mineral resources business" and "Corporate and Eliminations" from the total.

(\*)4 The results of "Mineral resources business", "Non-mineral resources business", and "Corporate and Eliminations" represents profits/losses excl. one-off profits/losses.

### The main projects recording one-off losses

Segment	Projects	Amount (Billions of yen)	Situation and Countermeasures
Mineral Resources, Energy, Chemical & Electronics	Impairment loss in Nickel mining & refining business in Madagascar	approx.-89.0	<ul style="list-style-type: none"> <li>• Recognized an impairment loss, as a result of updating the business plan in relation to the downward revision of its production forecast in light of the current operating conditions, including facility process issues.</li> <li>• While as a shareholder of this project, we will also consider all options to identify the best policy going forward for all related stakeholders, incorporating the social importance of this project and our responsibility as well as the recent market environment.</li> </ul>
Media & Digital	Provision in Telecommunications business in Myanmar	approx.-35.0	<ul style="list-style-type: none"> <li>• Recognized provision for approximately 80% of outstanding receivables with respect to current lease receivables in dollars</li> <li>• We will continue to make efforts to collect dollar-denominated lease receivables for which the provision has been recognized.</li> </ul>
Living Related & Real Estate	Impairment loss in Fresh produce business in Europe and Americas	approx.-14.0	<ul style="list-style-type: none"> <li>• Overall profitability has been steadily improving as planned product by product, and optimization will be accelerated by divesting part of assets.</li> <li>• Recognized impairment losses on some assets as a result of updating the business plan</li> </ul>
Transportation & Construction Systems	Impairment loss in parking business in Nordic countries	approx.-12.0	<ul style="list-style-type: none"> <li>• Recognized an impairment loss, as a result of updating the business plan based on changes in business environment such as new behavior pattern due to the pandemic and continued high inflation.</li> <li>• We are implementing a turnaround plan while considering all options available.</li> </ul>



## ② Financial position

### (a) Total assets, liabilities, and equity

<b>Total assets</b> <b>¥11,032.6 bil.</b> Increase of 927.2 billion yen from the previous fiscal year	<b>POINT</b> • Increase due to yen's depreciation	<b>Interest-bearing liabilities (net)<sup>(*)2</sup></b> <b>¥2,523.4 bil.</b> Increase of 39.0 billion yen from the previous fiscal year
<b>Equity attributable to owners of the parent<sup>(*)1</sup></b> <b>¥4,445.5 bil.</b> Increase of 666.8 billion yen from the previous fiscal year	<b>POINT</b> • Increase due to yen's depreciation • Profit for the year • Dividend paid • Share repurchased	<b>D/E Ratio (net)<sup>(*)3</sup></b> <b>0.6</b>


(\*)1 "Equity attributable to owners of the parent" stands for the equity attributable to our shareholders.

(\*)2 "Interest-bearing liabilities (net)" = Sum of bonds and borrowings (current and non-current) - (cash and cash equivalents + time deposits) (excluding lease liabilities)

(\*)3 "D/E Ratio (net)" = "Interest-bearing liabilities (net)" / "Equity attributable to owners of the parent"

### (b) Cash flows

#### (b) Cash flows

<b>Cash flows from operating activities</b> <b>¥608.9 bil.</b> (Basic profit cash flow <sup>(*)1</sup> <b>¥510.9 bil.</b> )	<b>POINT</b> • Steady cash generation by core businesses
<b>Cash flows from investing activities</b> <b>¥-219.2 bil.</b>	<b>POINT</b> • Investment & loan: Acquisition of construction equipment rental company in the U.S. Capital increase of sustainable city in North Hanoi, Vietnam Acquisition of sulfuric acid business in the U.S. Acquisition of domestic and overseas real estate, etc. • Asset replacement: Cash in from divestment of retail portfolio in tire sales & marketing business in the U.S. Cash in from the change of shareholder composition in automotive financing business in Indonesia, etc.
	
<b>Free Cash Flows<sup>(*)2</sup></b> <b>¥389.6 bil.</b>	

**Cash flows from financing activities : ¥-415.5 bil.**

**Cash and cash equivalents at the end of year : ¥667.9 bil.**

(\*)1 "Basic profit cash flow" = (Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + Dividends) × (1-Tax rate) + Dividend from investments accounted for using the equity method.

(\*)2 Sum of net cash provided by operating activities and net cash used in investing activities

### ③ Shareholder Return

In our shareholder return policy for fiscal 2023, we will decide the amount of annual dividends within a DOE (dividend on equity ratio) range of 3.5% to 4.5% by taking into consideration fundamental earnings capacity, cash flows, and other factors with a consolidated payout ratio of 30% as a guideline. If 30% of the profit for the year exceeds the above range, we will pay dividends or repurchase shares for the excess portion in a flexible and agile manner. In principle, the amount of annual dividend will not be lower than the amount announced in the immediately preceding forecast.

Although the profit for the year attributable to owners of the parent in fiscal 2023 totaled 386.4 billion yen, as per the policy stated above, the annual dividend for fiscal 2023 is planned to be 125 yen per share. Since the interim dividend was 62.5 yen per share, the year-end dividend will be 62.5 yen per share, which will be proposed to the Ordinary General Meeting of Shareholders scheduled in June. With respect to the annual dividend policy for fiscal 2024, please see “Issues to be Addressed 2(5) Shareholder Return Policy”.

### (3) Segment Information

#### ① 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)	
	155th year (Fiscal 2022)	156th year (Fiscal 2023)
Metal Products	110.4	69.2
Transportation & Construction Systems	92.0	148.0
Infrastructure	20.8	48.7
Media & Digital	13.6	-0.6
Living Related & Real Estate	59.0	48.5
Mineral Resources, Energy, Chemical & Electronics	266.9	52.4
Corporate and Eliminations	2.7	20.2

(\*)

1. Profit (loss) for the year (attributable to owners of the parent) figures above are round to the nearest tenth. Therefore, the sum of the break down figures and the total figure may not necessary coincide.
2. On April 1, 2023, DX promotion support organization was transferred from Media & Digital Business Unit to Corporate and Eliminations. Accordingly, the segment information of the same period of the previous year has been reclassified.

#### ② Activities of business units

##### (a) Metal Products Business Unit

###### [Business Overview]

- Trade of, various types of processes of, and provision of services related to, steel sheets and tubular products used in a wide range of industrial fields including automobiles, shipbuilding, railway products, construction/civil engineering, industrial equipment, home appliances/electrical equipment and energy, as well as other associated businesses

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

- Overseas steel service center: absence of strong performance in North America in FY2022
- Tubular products: absence of strong market in FY2022
- One-off profits in tubular business in FY2022

##### (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]



- Automotive sales & marketing: strong
- Construction & mining systems: strong
- Leasing: stable
- One-off profits in aircraft leasing business and tire business
- Impairment loss in the parking business in Nordic countries

### **(c) Infrastructure Business Unit**

#### **[Business Overview]**

- Social infrastructure businesses such as water supply, transportation systems & infrastructure, and airport, port and smart city development projects
- Electric power infrastructure businesses such as I(W)PP<sup>1</sup> and EPC<sup>2</sup> including reusable energy and in both Japan and overseas and domestic electric retail, energy management
- Logistics infrastructure and insurance businesses such as logistics, development and operation of overseas industrial parks as well as the procurement and development of insurance

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

- Domestic electricity retail: strong due to contract renewal and stable electricity procurement prices
- One-off losses in IWPP business in Bahrain and UK water business

### **(d) Media & Digital Business Unit**

#### **[Business Overview]**

- Media businesses such as the cable television, 5<sup>th</sup> generation mobile communication system (5G), multi-channel programming distribution, TV shopping business and digital media
- Digital solution business, global CVC (Corporate Venture Capital) business<sup>3</sup> and private equity business<sup>4</sup>
- Smart platform business<sup>5</sup> such as smart communications infrastructure business and value-added service business

#### **[Profit (loss) for the Year Attributable to Owners of the Parent]**

- Major domestic businesses: stable
- Telecommunications in Ethiopia: increase in start-up cost
- One-off gains in media sector
- Provision for doubtful receivables in telecommunications business in Myanmar

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<sup>1</sup> I(W)PP stands for Independent (Water and) Power Producer. In the IPP business, we, as an Independent Power Producer (IPP), own power generation facilities and sell the generated electricity to local electric power companies. IWPP is an acronym based on IPP, with the addition of “W” for “Water.” In the IWPP business, we operate a desalination facility that uses the energy from power generation in the IPP business to desalinate seawater to produce domestic water, and sell the desalinated water to local public water corporations.

<sup>2</sup> EPC stands for Engineering, Procurement and Construction. In the EPC business, we undertake the Engineering, Procurement and Construction of a power plant.

<sup>3</sup> Business to make venture capital investment in startup companies for the purpose of driving mutual growth of such startup companies and the Company.

<sup>4</sup> Business which aims to increase the corporate value of invested companies where we invest in via funds that we have established or invested in, by providing management support to the investee companies.

<sup>5</sup> Business which forms the foundation for new information and communication services and products using cutting-edge ICT technologies and other technologies.

**(e) Living Related & Real Estate Business Unit**

**[Business Overview]**

- Retail businesses such as supermarkets
- Food production, processing and distribution businesses such as for fruits, vegetables and meat as well as food materials such as sugar
- Healthcare businesses such as drugstores with dispensing pharmacy
- Construction materials and other related materials businesses such as building materials and cement, and comprehensive real estate ventures businesses

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

- Real estate: delivery of major projects in FY2022
- Fresh produce business in Europe and the Americas: banana business was strong while melon business was struggling
- Impairment loss in Fresh produce business in Europe and the Americas

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

**[Business Overview]**

- Businesses related to non-ferrous metal materials and their finished products, coal, iron ore, petroleum, natural gas, and carbon-related materials and their finished products
- Businesses related to basic chemicals (organic chemicals, synthetic resins and inorganic chemicals), green chemicals, battery materials, electronic materials, electronics, pharmaceuticals, cosmetics, agricultural chemicals, fertilizers, and veterinary drugs

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

- Decline in mineral resources & energy prices
- Mineral resources and Energy trade: absence of strong performance in FY2022
- Agribusiness: absence of high demand in FY2022 and poor sales demand due to unusual weather
- Impairment loss in nickel mining and refining business in Madagascar

**(Reference)**

Our company has carried out an organizational revision as of April 1, 2024. To further accelerate the implementation of flexible and agile execution of the strategies and to achieve exponential growth, we have moved away from the former product division structure based on products and industries and reorganized into 44 Strategic Business Units (SBUs) based on a global strategy. These SBUs have been reclassified into 9 Groups with high strategic affinity. These groups will aim to enhance our corporate value by demonstrating its strengths in their areas.

**<Steel Group>**

We handle variety of metal products such as steel sheets, tubular products to railway products, and create global value chains to contribute to the development of local communities and industries. Through our supply chains and businesses as global, we will create and provide new functions and value in order to achieve carbon neutrality in industry.

**<Automotive Group>**

We are globally developing business from manufacturing to distribution and financial services, for automobiles, automotive components, motorcycles, and tires, while focusing on the next generation mobility society with a bird's eye view of the industry value chain. We strive to promote sustainable mobility society through businesses that contribute to climate change mitigation and creation of circular economy.

**<Transportation & Construction Systems Group>**

We operate in the fields of ships, aircraft, aerospace, national security, and leasing and finance related business, as well as businesses regarding construction equipment, mining equipment, agricultural equipment, and industrial equipment. We will evolve our business in response to the trends of the times by having establishment of circular economy as a base, for the realization of sustainable social infrastructure.

**<Diverse Urban Development Group>**

We aim to implement the comprehensive development of prosperous and sustainable cities through the building of site infrastructure (ports, airports, logistics facilities, etc.) and social infrastructure (water and sewage, transportation, logistics, etc.), area development (retail facilities, residences, industrial parks, sustainable cities, etc.), and trade and services which support these businesses and industrial infrastructures (supply of materials, equipment and facilities, logistics, insurance, etc.).

**<Media & Digital Group>**

We operate in the fields of digital, overseas telecommunications, high-speed telecommunications, cable television, media commerce, contents, global CVC and private equity. By combining our strengths into newly advanced technology, we create new value and contribute to the enhancement of society.

**<Lifestyle Business Group>**

Under the mission of "aiming to take on social issues related to food and health and making lives more enjoyable from the perspective of consumers", we are conducting businesses in the fields of retail, food, and healthcare. Through improving each individual's QOL (Quality of Life), we are contributing to a prosperous and sustainable life."

### **<Mineral Resources Group>**

We provide unique value, contribute to the development of industry in Japan and globally as well as to the achievement of a sustainable society, and create a prosperous future for people, within businesses of (i) development, operation and production of interests regarding commodities such as copper, nickel, aluminum, coal and iron ore, (ii) manufacture and sales of products, (iii) offering extensive functions in trade businesses such as the use of commodity derivatives.

### **<Chemical Solutions Group>**

We are contributing to enriching people's lives and realizing sustainable societies around the world, by building new value chains in the chemicals, electronics, and agricultural sectors with the goal of dealing with material societal issues arising from food security and climate change due to global population growth.

### **<Energy Transformation Business Group>**

We are contributing to the realization of stable, sustainable energy and carbon cycle systems

To create society full of prosperity and dreams. We will accelerate business development in the next-generation energy field and drive the energy transformation business of the Sumitomo Corporation Group as a whole, while leveraging our power infrastructure business platform, and further expanding the trade and business development of natural gas, LNG, and others.

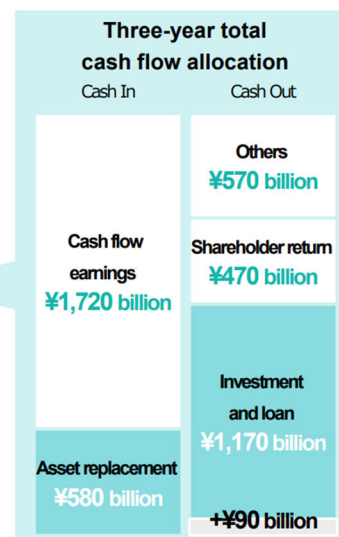
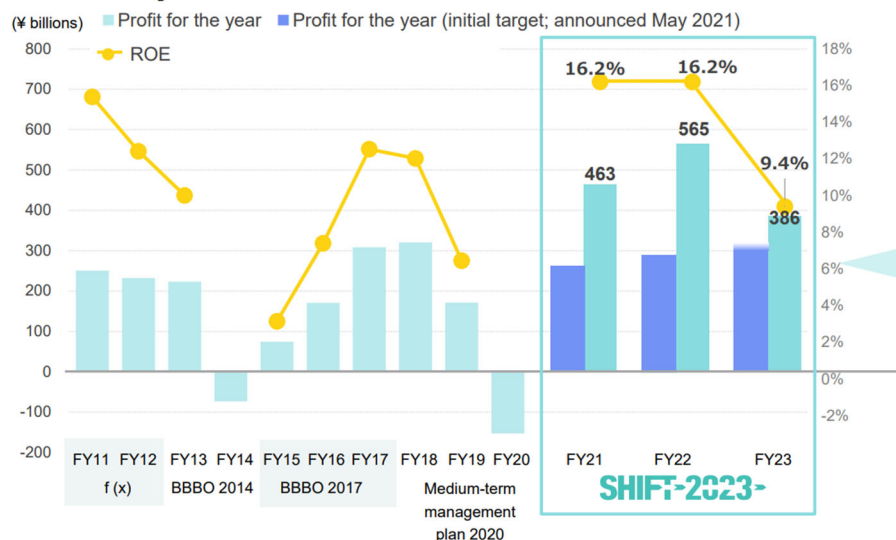
#### (4) Review of SHIFT 2023

In the SHIFT 2023 covering the three years from fiscal 2021 to fiscal 2023, we have worked on three SHIFTS, that is, “Business Portfolio Shift”, “Framework Shift” and “Management Base Shift” and thereby endeavored to strengthen our business portfolio.

##### ① Achievement of the Quantitative Plan

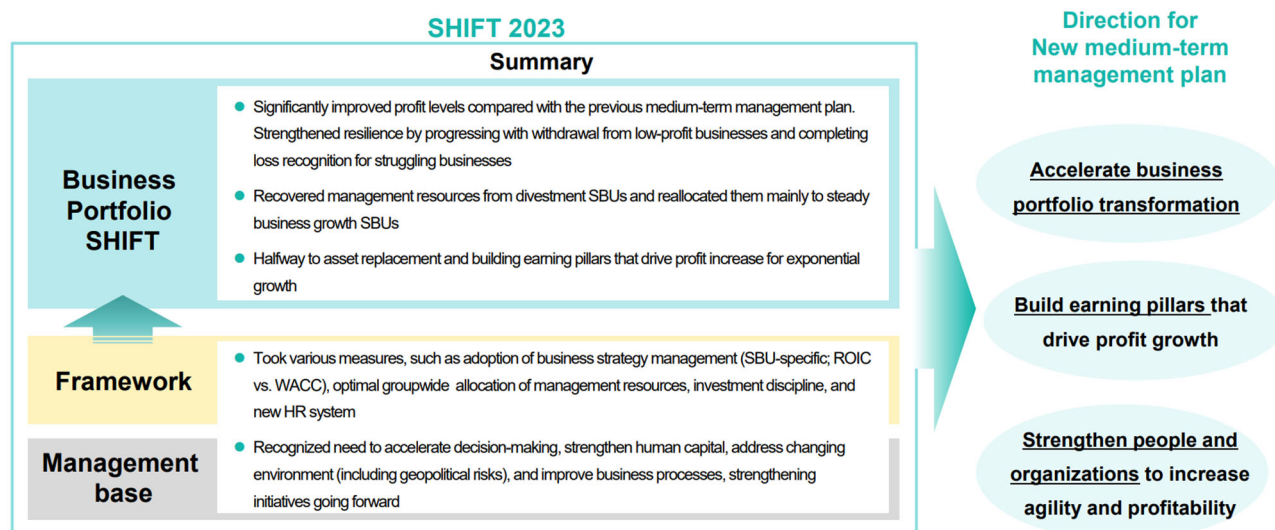
- Compared with it under ex-midterm management plan, our profit level has improved significantly. It is above the planned profit level which we have announced as of the beginning of SHIFT 2023. Although our ROE marked 16.2% in fiscal 2021 and 2022, in fiscal 2023, as there were several one-off losses, it was 9.4%.
- On three-year total cash flow allocation, we maintained financial soundness. We maintained positive cash flow after shareholder returns, even after increasing cash dividend per share and repurchase of shares of our common stock.

#### Profit for the year and ROE



## ② Main initiatives of SHIFT 2023

- In the SHIFT 2023, we have improved basic profitability and resiliency by restructuring our systems.
- We have enhanced sustainability management by Strategic Business Unit (SBU)'s strategic approach toward mid-term plan against social challenges such as climate change or human rights, portfolio shift which is aiming for realization of carbon neutral society and implementation of human rights due diligence.
- In the new medium-term management plan, we will accelerate business portfolio transformation. For that purpose, we will focus more than ever on enhancing our metabolism (including asset replacement) and building earning pillars that will drive growth.



## 2. Issues to be addressed

### (1) Our Aims

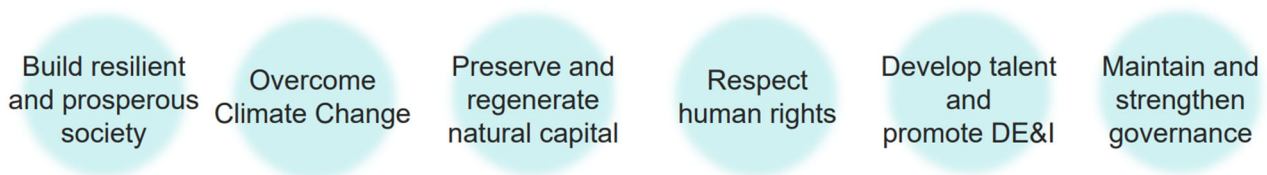
We aim to be a corporate group which achieves sustainable growth through addressing social challenges, with our view to “further enrich the world, society, and people’s lives” which is embodied in the Group’s corporate message “Enriching the lives and the world”.

### (2) Update of material issues

On going forward to the next stage, we have updated our material issues, with the view that the value-creation which contributes to address the social challenges will contribute our group’s sustainable growth. This is to show Sumitomo Corporation Group’s commitment on important social challenges and to address them, taking into account external environmental changes such as climate change and/or loss of biodiversity which are becoming more serious, the strength of Sumitomo Corporation Group and expectation from stakeholders.

## Enriching lives and the world

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



By following PDCA cycle where we make action plans for mid-term goals and long-term goals for each material issues, execute said plan and make a review of our progress, we will achieve sustainable growth through addressing social challenges. For example, for climate change, which is an urgent matter we need to tackle by whole world, we will contribute more than ever to realization of carbon neutral society through initiatives with an overall view of supply chain.

<Reference>

For more details of mid-term goals and long-term goals for material issues, please access to our corporate website.

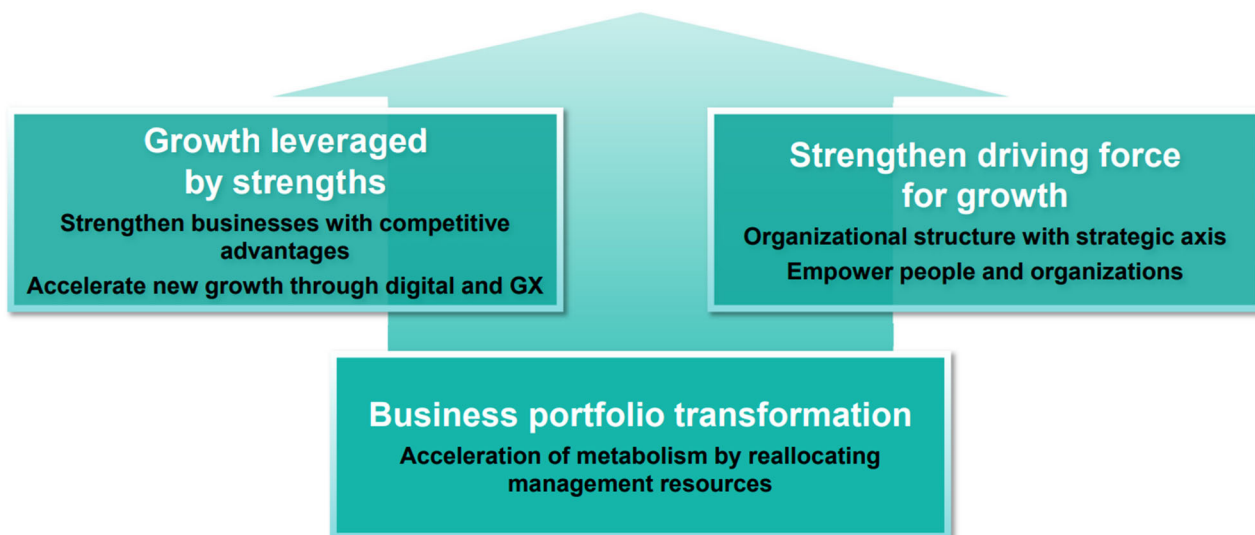
<https://sumitomocorp.disclosure.site/en/themes/12>

### (3) Medium-Term Management Plan 2026

The theme of Medium-Term Management Plan 2026 is “No.1 in Each Field”. To enhance our competitive advantages to achieve growth through addressing social challenges, we will accelerate business portfolio transformation. For that purpose, we will focus on “growth leveraged by strengths” and “strengthen driving force for growth”.

## No.1 in Each Field

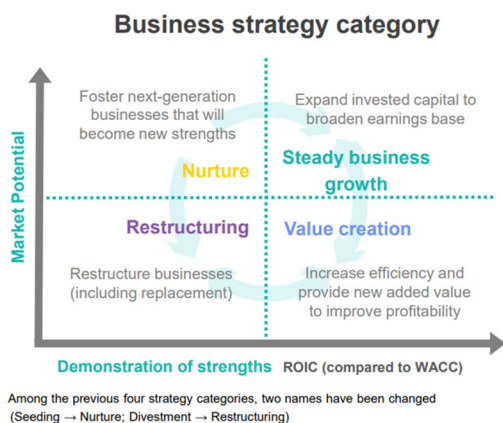
Enhance our competitive advantages to achieve growth through addressing social challenges



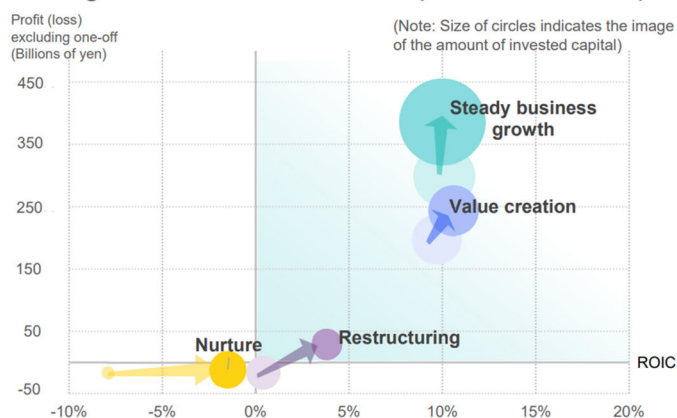
#### ① Business portfolio transformation

We will realize growth by accelerating metabolism via following initiatives.

- Allocate management resources to businesses with strength and competitive advance in the market with potential
- Restructuring businesses with low profitability with strategy and timeline, including collection of management resources by way of asset replacement
- Continuously utilizing four business strategy categories and ROIC/WACC comparison for the purpose of business strategy management



#### Management resource allocation (FY2023 → FY2026)



#### ② Growth leveraged by strengths

(a) Strengthen businesses with competitive advantage

- Enhance our competitive advantages like know-hows, relationship and competitive position in each



industry, which we have accumulated for years, in growth businesses

- New value creation from growth business which is beyond traditional industrial framework, by strengthening collaboration between SBUs which rallied as new business group,

(b) Accelerated new growth driven by digital and green transformation (GX)

Accelerated new growth driven by digital

- Further enhancement in the strengths and competitive advantages of our business by digital and acceleration of growth while developing new strengths
- To strengthen groupwide earning power by transforming management base and operations by digital and to expand earnings and create/transform our businesses

Accelerated new growth driven by GX

- Further enhancement in the strengths and competitive advantages of our business through GX
- In various industrial fields, create new strengths considering time frame to monetization (including market formation)
- Further enhancement of sustainability management which is the basis of GX (visualize supply chain GHG emission and practicing integrated problem solving which holistically considering impacts on human rights and natural capital)

**③ Strengthen driving force for growth**

(a) Organizational structure with strategic axis

Review the structure of management council and business organization as below. By combining the viewpoint of companywide optimization and each business group's optimization, we will pursue robust organizational and integrated corporate strengths.

- Review member composition and resolution methods for timely and accurate decision-making
- For the purpose of optimization of organizational structure and improve agile decision-making, reorganized 20 business divisions into 44 SBUs based on strategy and establish business group as organizations to combine those SBUs
- Incorporate part of corporate function into business group for autonomous business group management
- Execution of SBU strategy on a global basis and initiatives to improve profitability

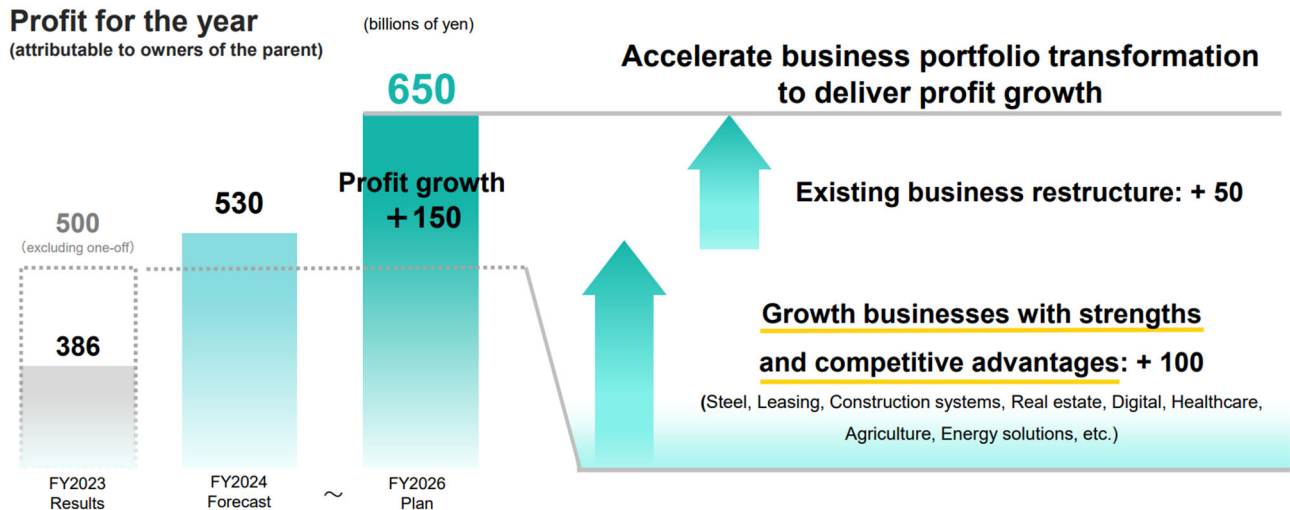
(b) Empower people and organizations

- Talent management based on capabilities identification
- Line power empowerment with delegation of authority
- Open/flat communication initiated by leaders

#### (4) Quantitative Targets

##### Profit plan

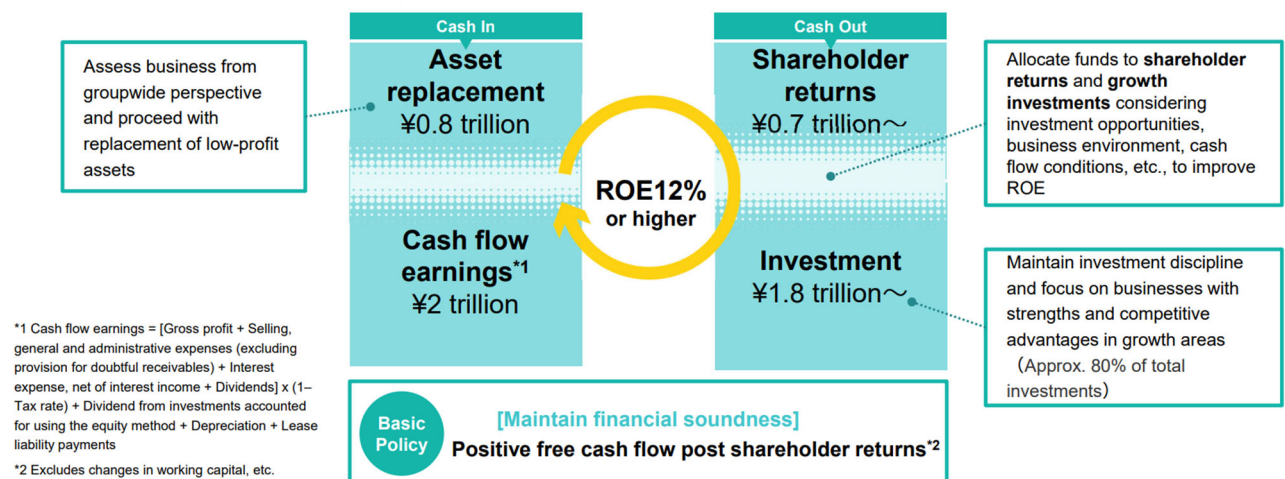
During the term of “Medium-Term Management Plan 2026”, by maintaining ROE of 12% or higher while expanding growth businesses with competitive advantages, we aim to achieve profit for the year of 530 billion yen for fiscal 2024 and of 650 billion yen for fiscal 2026.



##### Cash flow allocation

We aim to generate cash of 2.8 trillion yen through further asset replacement and improvement of cash flow earnings. We will allocate cash generated thereby to growth investments and shareholder returns. While maintaining financial soundness, we will aim to improve ROE.

##### **Cash flow allocation (three-year total)**



## (5) Shareholder Return Policy

### New shareholder return policy

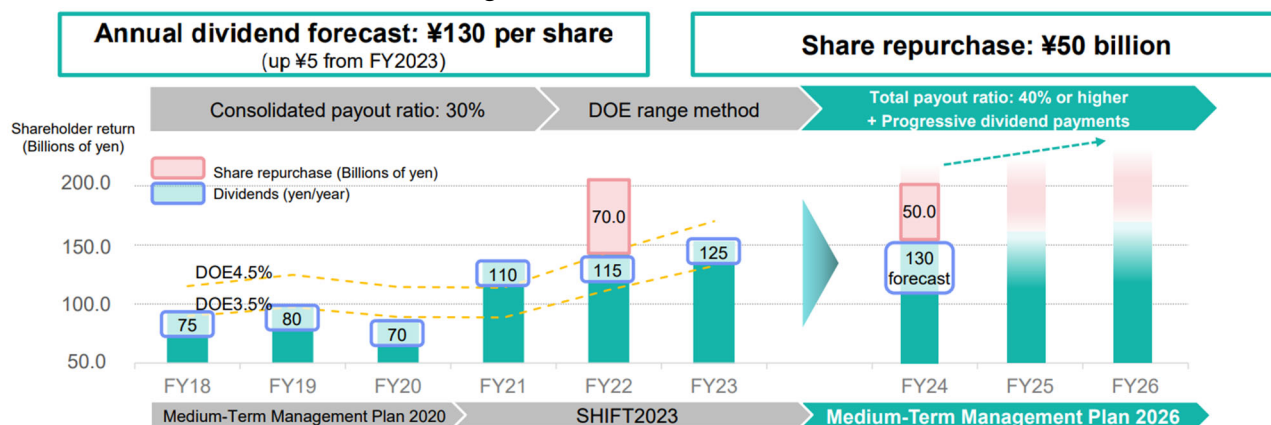
Considering the improvement of basic profitability through SHIFT 2023, continuously strengthening our financial position and securing funds for investments for sustainable growth, our shareholder return policy in the Medium-Term Management Plan 2026 and thereafter are as follows:

- Pay dividends and repurchase our shares in a flexible and agile manner with a total payout ratio of 40% or higher
- Further improve dividend stability and increase dividends in line with profit growth through progressive dividend payments<sup>1</sup>

### Shareholder return in fiscal 2024

Based on the policy mentioned above, we plan to pay an annual dividend of 130 yen for fiscal 2024, representing an increase of 5 yen from the previous fiscal year.

Further, at the meeting of the Board of Directors held on May 2, 2024, resolved to repurchase shares of our common stock up to 50 billion yen. (period for repurchase: from May 7 2024 to July 19 2024) All repurchased shares are scheduled to be cancelled on August 28 2024.



With an aim to increase corporate value sustainably, we will work on with “Medium Term Management Plan 2026” by promoting several necessary changes. We kindly appreciate for our shareholder’s continuous support.

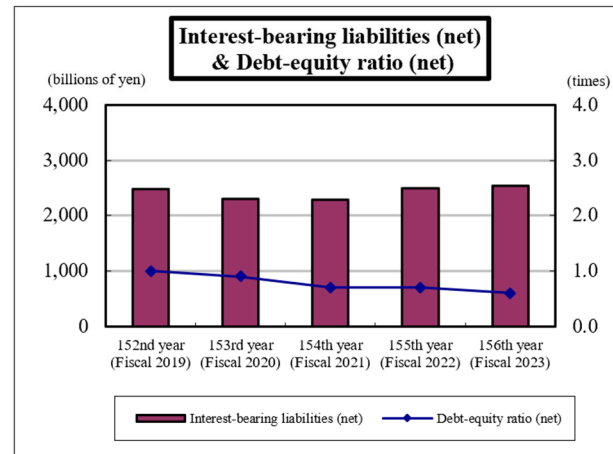
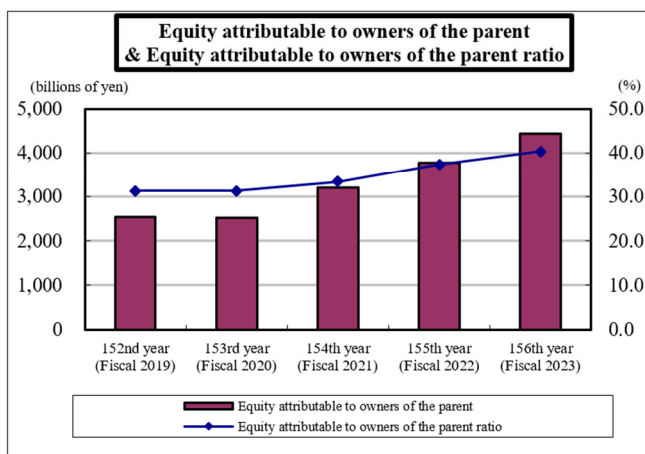
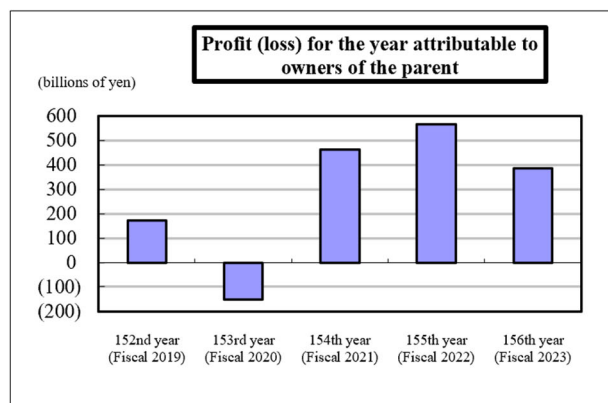
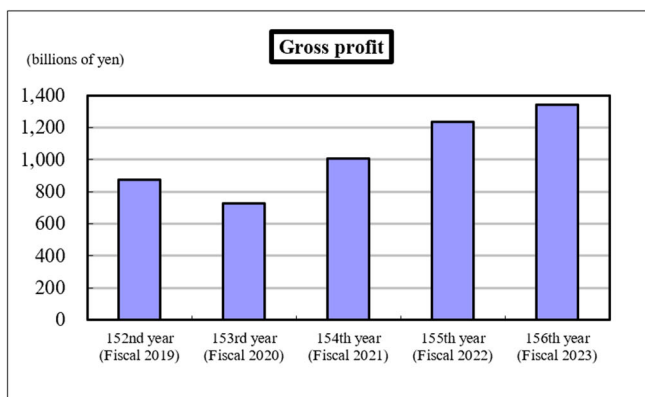
<sup>1</sup> Dividends to be maintained or increased.

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

	International Financial Reporting Standards				
	152nd year (Fiscal 2019)	153rd year (Fiscal 2020)	154th year (Fiscal 2021)	155th year (Fiscal 2022)	156th year (Fiscal 2023)
Revenues (billions of yen)	5,299.8	4,645.1	5,495.0	6,817.9	6,910.3
Gross profit (billions of yen)	873.7	729.5	1,009.6	1,234.8	1,342.5
Profit (loss) for the year attributable to owners of the parent (billions of yen)	171.4	-153.1	463.7	565.3	386.4
Earnings (loss) per share attributable to owners of the parent (yen)	137.18	-122.42	370.79	452.63	315.87
Total assets (billions of yen)	8,128.6	8,080.0	9,582.2	10,105.4	11,032.6
Equity attributable to owners of the parent (billions of yen)	2,544.1	2,528.0	3,197.8	3,778.7	4,445.5
Equity per share attributable to owners of the parent (yen)	2,036.48	2,022.83	2,558.24	3,061.92	3,638.06
ROE (%)	6.4	-6.0	16.2	16.2	9.4
ROA (%)	2.1	-1.9	5.3	5.7	3.7
Equity attributable to owners of the parent ratio (%)	31.3	31.3	33.4	37.4	40.3
Interest-bearing liabilities (net) (billions of yen)	2,468.8	2,300.4	2,273.7	2,484.4	2,523.4
Debt-equity ratio (net) (times)	1.0	0.9	0.7	0.7	0.6

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, 2024)

Through its worldwide network, our 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, 2024)

##### (1) Domestic

Our head office	Chiyoda-ku, Tokyo	
Our regional main offices	6 offices	Hokkaido (Sapporo), Tohoku (Sendai), Chubu (Nagoya), Kansai (Osaka), Chugoku (Hiroshima), Kyushu (Fukuoka)
Our branch offices	4 offices	Hamamatsu, Shikoku (Takamatsu), Niihama, Nagasaki

Our domestic incorporated subsidiaries	3 subsidiaries	Sumitomo Corporation Hokkaido Co., Ltd., Sumitomo Corporation Tohoku Co., Ltd., Sumitomo Corporation Kyushu Co., Ltd.
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Note: These 3 domestic incorporated subsidiaries have 9 head, branch or other offices.

##### (2) Overseas

Our branch offices and sub-branch offices	4 offices	Johannesburg Branch, Kyiv Branch, Almaty Branch, Astana Sub-Branch Office
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Note: In addition to the above, we have 22 overseas representative offices.

Our overseas locally-incorporated subsidiaries	36 subsidiaries	Sumitomo Corporation of Americas (US), Sumitomo Corporation do Brasil S.A., Sumitomo Corporation Europe Limited (UK), Sumitomo Corporation Africa Proprietary Limited (South Africa), Sumitomo Corporation Middle East FZE (UAE), Sumitomo Corporation (Central Eurasia) LLC (Russia), Sumitomo Corporation Asia & Oceania Pte. Ltd. (Singapore), Sumitomo Corporation (China) Holding Ltd., Sumitomo Corporation (Shanghai) Limited, etc.
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Note: These 36 overseas locally-incorporated subsidiaries have 83 head, branch or other offices.

## 6. Status of Work Force (as of March 31, 2024)

### (1) Number of Employees of the Sumitomo Corporation Group

Segment	Number of employees
Metal Products	5,340
Transportation & Construction Systems	22,194
Infrastructure	3,479
Media & Digital	16,844
Living Related & Real Estate	18,641
Mineral Resources, Energy, Chemical & Electronics	9,838
Others	3,356
Total	79,692 (increase of 1,457 compared with the end of the previous fiscal year)

Note: “Others” presented above includes employees engaging in the business of the Energy Innovation Initiative (EII).

### (2) Number of Employees of the Company

Total 5,152 (decrease of 71 compared with the end of the previous fiscal year)

Note: This figure includes 132 persons whom our overseas branch offices, sub-branch offices and representative offices employ.

## 7. Status of Important Subsidiaries

### (1) Particulars regarding Consolidated Subsidiaries and Other Associated Companies

Classification	International Financial Reporting Standards			
	153rd year (Fiscal 2020)	154th year (Fiscal 2021)	155th year (Fiscal 2022)	156th year (Fiscal 2023)
Number of consolidated subsidiaries	662	637	636	633
Number of associated companies	273	256	250	251

### (2) Particulars regarding Major Consolidated Subsidiaries and Associated Companies

Segment	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
	JCOM 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	Sumisho Coal Australia Holdings Pty Ltd. (C)	Investment in coal mines in Australia
	Sumitomo Shoji Chemicals Co., Ltd. (C)	Domestic and international trade of chemicals and electronic materials
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, 2024)

Name of Lender	Loans payable (in millions of yen)
MUFG Bank, Ltd.	201,632
Development Bank of Japan Inc.	160,010
Sumitomo Mitsui Banking Corporation	134,000
Sumitomo Mitsui Trust Bank, Limited	99,649
SUMITOMO LIFE INSURANCE COMPANY	88,000
Meiji Yasuda Life Insurance Company	86,000
Nippon Life Insurance Company	82,888
Mizuho Bank, Ltd.	80,000
Shinkin Central Bank	65,000
The Norinchukin Bank	60,000
Others	702,188
Total of loans payable by the Company	1,759,367
Total of loans payable by consolidated subsidiaries of the Company	835,474
Total of consolidated loans payable	2,594,841

Note: “Others” presented above includes syndicate loans of a total of 25,000 million yen which were arranged by Sumitomo Mitsui Banking Corporation or MUFG 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, our group has been issuing unsecured straight bonds as follows:

### By the Company

Issue	Issue amount (Billions of yen)	Issue date	Maturity date	Annual rate (%)
63rd series Yen-Dominated Unsecured Straight Bond	10	June 2023	June 2033	0.840%
64th series Yen-Dominated Unsecured Straight Bond	10	September 2023	September 2033	1.012%
65th series Yen-Dominated Unsecured Straight Bond	20	November 2023	November 2028	0.648%
66th series Yen-Dominated Unsecured Straight Bond	10	November 2023	November 2030	0.973%
67th series Yen-Dominated Unsecured Straight Bond	10	February 2024	February 2034	1.025%

### By the Company's Consolidated Subsidiaries

The 10 billion yen unsecured straight bond issued by SCSK Corporation

## **10. Status of Capital Investment**

Living Related & Real Estate Business Unit acquired an office building in Japan.

## II. Particulars regarding the Shares of the Company (as of March 31, 2024)

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

**2. Number of Issued Shares** 1,223,082,867 shares

(decrease of 28,489,000 compared with the end of the previous fiscal year/  
including treasury stock 1,143,723 shares)

Note: The decrease in the number of issued shares is due to the cancellation of treasury stock on June 2, 2023 and July 24, 2023 (–28,746,200 shares) and issuance of common shares as performance share unit-based remuneration on August 17, 2023 (257,200 shares).

**3. Number of Shareholders** 287,634 persons

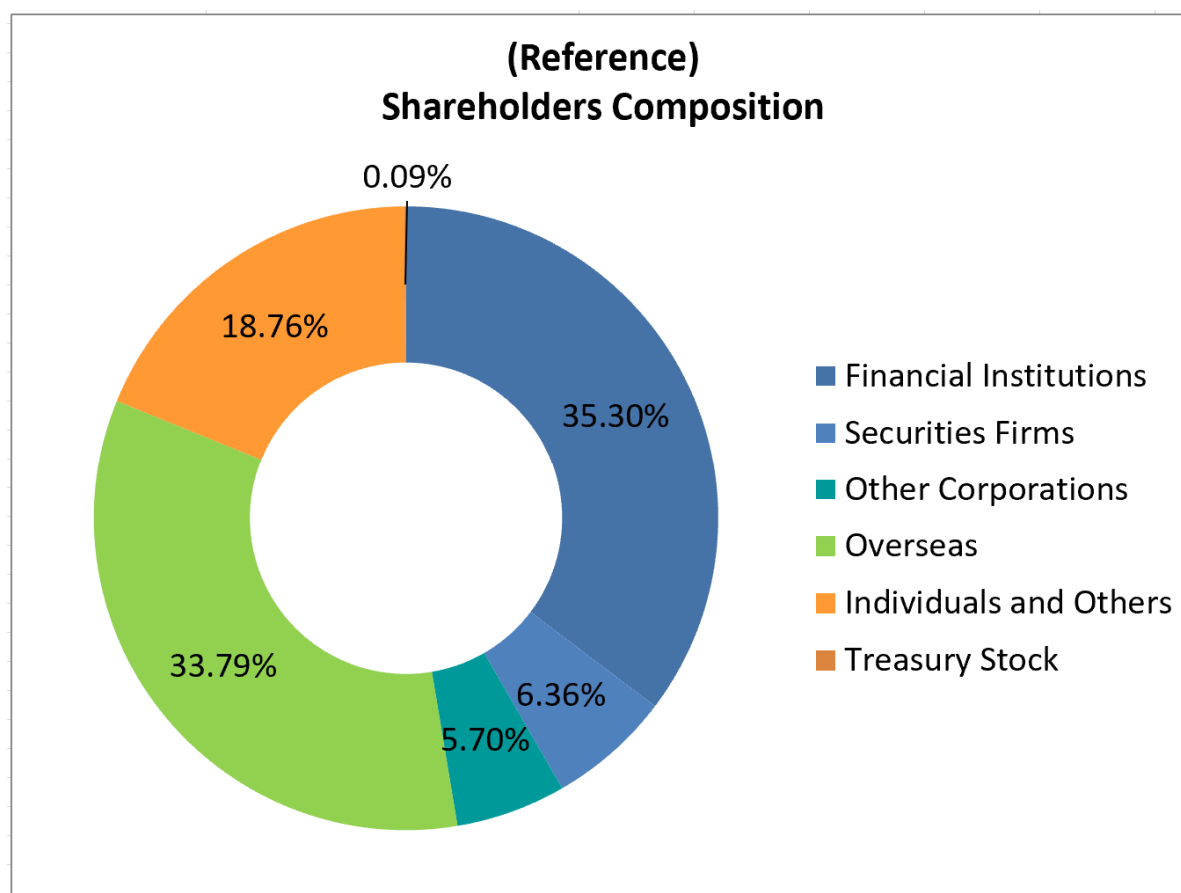
(increase of 27,957 compared with the end of the previous fiscal year)

**4. Number of Shares in One Voting Unit** 100 shares

### 5. Major Shareholders

Name of Shareholder	Number of shares (thousands of shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	200,965	16.45
BNYM AS AGT/CLTS 10 PERCENT	113,294	9.27
Custody Bank of Japan, Ltd. (trust account)	66,522	5.44
SUMITOMO LIFE INSURANCE COMPANY	30,855	2.53
JP Morgan Securities Japan Co., Ltd.	21,477	1.76
STATE STREET BANK WEST CLIENT - TREATY 505234	20,338	1.66
JP MORGAN CHASE BANK 385781	15,036	1.23
Mitsui Sumitomo Insurance Company, Limited	15,000	1.23
Nippon Life Insurance Company	14,879	1.22
JP MORGAN CHASE BANK 385632	12,290	1.01

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 from the total number of issued shares—and rounding to the nearest hundredth of a percent.



#### 6. The State of Shares Granted to the Company's Officers as Remuneration in Fiscal 2023

	Class and number of shares	Number of officers to whom such shares were granted
Directors (excluding outside directors)	89,600 common shares	6 persons

Note: No such shares were granted to Outside Directors and Audit & Supervisory Board Members as the compensation for its execution of duties during fiscal 2023.

#### 7. Other Important Matters regarding the Shares of the Company

We repurchased shares of our common stock pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Act in order to improve capital efficiency and to enhance shareholder returns, and all repurchased shares were cancelled as follows.

Date of the resolutions of the meeting of the Board of Directors	February 6, 2023	May 9, 2023
Class of shares repurchased	Common stock	Common stock
Total number of shares	21,268,200 shares	7,478,000 shares

repurchased		
Aggregate repurchased amount	49,999,766,200 yen	19,999,913,350 yen
Period for repurchases	From February 7, 2023 to April 28, 2023	From May 10, 2023 to June 9, 2023
Method of repurchases	Purchase on the Tokyo Stock Exchange	Purchase on the Tokyo Stock Exchange
Date of cancellation	June 2, 2023	July 24, 2023

Also, we, at the meeting of the Board of Directors held on May 2, 2024, resolved to repurchase shares of our common stock as follows. All shares to be repurchased are scheduled to be cancelled on August 28, 2024, in accordance with the resolution of the same meeting of the Board of Directors.

Class of shares to be repurchased	Common stock
Total number of shares to be repurchased	Up to 19 million shares
Aggregate repurchase amount	Up to 50 billion yen
Period for repurchases	From May 7 2024 to July 19, 2024
Method of repurchases	Purchase on the Tokyo Stock Exchange

### 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

#### 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 <sup>st</sup> )	1 right	Common Shares 1,000 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 <sup>nd</sup> )	29 rights	Common Shares 2,900 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, 2008 (the 3 <sup>rd</sup> )	39 rights	Common Shares 3,900 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
July 31, 2009 (the 4 <sup>th</sup> )	102 rights	Common Shares 10,200 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
July 31, 2010 (the 5 <sup>th</sup> )	86 rights	Common Shares 8,600 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer

July 31, 2011 (the 6 <sup>th</sup> )	86 rights	Common Shares 8,600 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
July 31, 2012 (the 7 <sup>th</sup> )	379 rights	Common Shares 37,900 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 <sup>th</sup> )	408 rights	Common Shares 40,800 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 <sup>th</sup> )	399 rights	Common Shares 39,900 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, 2015 (the 10 <sup>th</sup> )	444 rights	Common Shares 44,400 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
August 2, 2016 (the 11 <sup>th</sup> )	944 rights	Common Shares 94,400 shares	100 shares	Issued without consideration	¥1	10 years from the day following the day on which the person allocated the new share acquisition right becomes neither a Director nor an Executive Officer
July 31, 2017 (the 12 <sup>th</sup> )	898 rights	Common Shares 89,800 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)		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 <sup>st</sup> )	1 person	1 right	0 person	0 right	0 person	0 right	0 person	0 right
July 31, 2007 (the 2 <sup>nd</sup> )	1 person	29 rights	0 person	0 right	0 person	0 right	0 person	0 right
July 31, 2008 (the 3 <sup>rd</sup> )	1 person	39 rights	0 person	0 right	0 person	0 right	0 person	0 right
July 31, 2009 (the 4 <sup>th</sup> )	1 person	102 rights	0 person	0 right	0 person	0 right	0 person	0 right
July 31, 2010 (the 5 <sup>th</sup> )	1 person	86 rights	0 person	0 right	0 person	0 right	0 person	0 right
July 31, 2011 (the 6 <sup>th</sup> )	1 person	86 rights	0 person	0 right	0 person	0 right	0 person	0 right
July 31, 2012 (the 7 <sup>th</sup> )	2 persons	176 rights	0 person	0 right	0 person	0 right	6 persons	203 rights
July 31, 2013 (the 8 <sup>th</sup> )	3 persons	180 rights	0 person	0 rights	0 person	0 right	7 persons	228 rights
August 1, 2014 (the 9 <sup>th</sup> )	3 persons	169 rights	1 person	24 rights	0 person	0 right	7 persons	206 rights
July 31, 2015 (the 10 <sup>th</sup> )	3 persons	175 rights	1 person	22 rights	0 person	0 right	8 persons	247 rights
August 2, 2016 (the 11 <sup>th</sup> )	4 persons	314 rights	1 person	32 rights	2 persons	62 rights	11 persons	536 rights
July 31, 2017 (the 12 <sup>th</sup> )	3 persons	184 rights	1 person	40 rights	4 persons	90 rights	15 persons	584 rights



Note: We do 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 others. The new share acquisition rights held by the above Audit & Supervisory Board Members and 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, 2024)

Name	Position in the Company	Particulars of important posts concurrently held	Attendance in meetings of the Board of Directors/ Audit & Supervisory Board
Kuniharu Nakamura	Chairman of the Board of Directors	Outside Director, NEC Corporation Outside Director, Shin-Etsu Chemical Co., Ltd.	the Board of Directors 17 of 17 meetings (100%)
Masayuki Hyodo	Representative Director, President and Chief Executive Officer	Chief Executive Officer	the Board of Directors 17 of 17 meetings (100%)
Shingo Ueno	Representative Director, Executive Vice President	(Metal Products Business Unit, Mineral Resources, Energy, Chemical & Electronics Business Unit and Energy Innovation Initiative)	the Board of Directors*10 14 of 14 meetings (100%)
Takayuki Seishima	Representative Director, Executive Vice President	Chief Administration Officer and Chief Compliance Officer	the Board of Directors 17 of 17 meetings (100%)
Reiji Morooka	Representative Director, Senior Managing Executive Officer	Chief Financial Officer	the Board of Directors 17 of 17 meetings (100%)
Hirokazu Higashino	Representative Director, Senior Managing Executive Officer	Chief Strategy Officer	the Board of Directors 17 of 17 meetings (100%)
Kimie Iwata*3	Outside Director*1	Outside Director, Resona Holdings, Inc.*8 Outside Director, Ajinomoto Co., Inc.*8	the Board of Directors
			16 of 17 meetings (94.1%)
	Main activities and overview of work undertaken in relation to their expected role		
	Ms. Iwata has broad knowledge and many years of experience in the fields of 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. Based on such knowledge and experience, she actively made comments and provided useful advice and suggestions from an objective and independent point of view with regard to various important management issues including the climate change response and human resources strategy at offsite meetings by board members in addition to the Board of Directors. Through these efforts, she has contributed to ensuring appropriate decision-making by the Board of Directors and enhancing management supervisory functions therefore fulfilling their role which we expect from her.		
	Furthermore, as a chair 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, Audit & Supervisory Board Member and executive management therefore fulfilling the role which we expect from her.		
Hisashi Yamazaki*4	Outside Director*1	Attorney at Law Outside Director, JAPAN POST INSURANCE Co., Ltd.*8	the Board of Directors
			17 of 17 meetings (100%)
	Main activities and overview of work undertaken in relation to their expected role		

	Mr. Yamazaki actively made comments and provided useful advice and suggestions from an objective and independent point of view with regard to various important management issues including legal affairs and the response to human rights issues at offsite meetings by board members in addition to the Board of Directors based on his broad knowledge and many years of experience mainly as a judge and attorney at law. Through these efforts, he has contributed to ensuring appropriate decision-making by the Board of Directors and enhancing management supervisory functions therefore fulfilling the role which we expect from him.		
Akiko Ide	Outside Director <sup>*1</sup>	Outside Director (Audit & Supervisory Committee Member), Tohoku Electric Power Co., Inc. <sup>*9</sup>	the Board of Directors
			17 of 17 meetings (100%)
	Main activities and overview of work undertaken in relation to their expected role		
	Ms. Ide has 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. Based on such knowledge and experience, she actively made comments and provided useful advice and suggestions from an objective and independent point of view with regard to various important management issues including the promotion of DX (digital transformation) and internal control at offsite meetings by board members in addition to the Board of Directors. Through these efforts, she has contributed to ensuring appropriate decision-making by the Board of Directors and enhancing management supervisory functions. 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, Audit & Supervisory Board Member and executive management therefore fulfilling the role which we expect from her.		
Takashi Mitachi	Outside Director <sup>*1</sup>	Outside Director, Rakuten Group, Inc. <sup>*8</sup> Outside Director, DMG MORI CO., LTD. <sup>*8</sup> Outside Director, Tokio Marine Holdings, Inc. <sup>*8</sup>	the Board of Directors
			17 of 17 meetings (100%)
	Main activities and overview of work undertaken in relation to their expected role		
	Mr. Mitachi has broad knowledge and many years of experience in the fields of business management and enterprise risk management accumulated mainly through serving in several key positions at a major US consulting firm or as an Outside Director for private companies. Based on such knowledge and experience, he actively made comments and provided useful advice and suggestions from an objective and independent point of view with regard to various important management issues including the management strategies and how the Company’s business portfolio should be at offsite meetings by board members in addition to the Board of Directors. Through these efforts, he has contributed to ensuring appropriate decision-making by the Board of Directors and enhancing management supervisory functions therefore fulfilling their role which we expect from him. 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, Audit & Supervisory Board Member and executive management therefore fulfilling the role which we expect from him.		
Takahisa Takahara	Outside Director <sup>*1</sup>	Representative Director, President & CEO, UNICHARM CORPORATION <sup>*9</sup> Outside Director, Nomura Holdings, Inc. <sup>*8</sup>	the Board of Directors <sup>*10</sup>
			14 of 14 meetings (100%)
	Main activities and overview of work undertaken in relation to their expected role		

	<p>Mr. Takahara has broad knowledge and a wealth of experience in the fields of business management accumulated mainly through serving as an executive for major consumer goods manufacturer or as an outside director for private companies. Based on such knowledge and experience, he actively made comments and provided useful advice and suggestions from an objective and independent point of view with regard to various important management issues including the management strategies and risk management at offsite meetings by board members in addition to the Board of Directors. Through these efforts, he has contributed to ensuring appropriate decision-making by the Board of Directors and enhancing management supervisory functions therefore fulfilling the role which we expect from him.</p>			
Daisuke Mikogami	Senior Audit & Supervisory Board Member (full-time)		the Board of Directors <sup>*10</sup>	Audit & Supervisory Board <sup>*10</sup>
			14 of 14 meetings (100%)	11 of 11 meetings (100%)
Kazunari Sakata	Audit & Supervisory Board Member (full-time)		the Board of Directors	Audit & Supervisory Board
			17 of 17 meetings (100%)	16 of 16 meetings (100%)
Toshio Nagai <sup>*5</sup>	Outside Audit & Supervisory Board Member <sup>*2</sup>	Attorney at Law	the Board of Directors	Audit & Supervisory Board
			17 of 17 meetings (100%)	16 of 16 meetings (100%)
	Main activities			
	Mr. 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 <sup>*6,7</sup>	Outside Audit & Supervisory Board Member <sup>*2</sup>	Certified Public Accountant Outside Audit & Supervisory Board Member, SUMITOMO CHEMICAL COMPANY, LIMITED <sup>*9</sup>	the Board of Directors	Audit & Supervisory Board
			17 of 17 meetings (100%)	16 of 16 meetings (100%)
	Main activities			
	Mr. 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.			
Yukiko Nagashima	Outside Audit & Supervisory Board Member <sup>*2</sup>	Audit & Supervisory Board Member (full-time), Recruit Holdings Co., Ltd. <sup>*8</sup> Audit & Supervisory Board Member (full-time), Recruit Co., Ltd. <sup>*9</sup> Outside Director, Japan Tobacco Inc. <sup>*8</sup>	the Board of Directors	Audit & Supervisory Board
			17 of 17 meetings (100%)	16 of 16 meetings (100%)
	Main activities			
	Ms. Nagashima asked questions and made comments as necessary from an objective and independent perspective based on her broad knowledge and many years of experience mainly as a full-time Audit & Supervisory Board Member of a major (holding) company and an executive of a group company.			

Notes: 1. Individuals marked with <sup>\*1</sup> meet the requirements of an Outside Director specified by Article 2 Item 15 of the Companies Act. The individuals marked with <sup>\*1</sup> also meet the criteria for independence set by the financial instruments exchange that we are listed on, and in our internal rules "Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members" (please refer to pages 27 to 28). We have designated all these individuals as

- independent directors based on the exchanges' respective provisions.
2. Individuals marked with \*<sup>2</sup> meet the requirements of an Outside Audit & Supervisory Board Member specified by Article 2 Item 16 of the Companies Act. The individuals marked with \*<sup>2</sup> also meet the criteria for independence set by the financial instruments exchange that we are listed on, and in our internal rules "Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members" (please refer to pages 27 to 28). We have designated all these individuals as independent Audit & Supervisory Board Members based on the exchanges' respective provisions.
  3. \*<sup>3</sup> Ms. Iwata resigned from her position of Audit and Inspection Commissioner, the Tokyo Metropolitan Government\*<sup>8</sup> on October 14, 2023.
  4. \*<sup>4</sup> Mr. Yamazaki resigned from his position of Supervisory Board Member, National Federation of Agricultural Cooperative Associations\*<sup>9</sup> on July 28, 2023.
  5. \*<sup>5</sup> Mr. Nagai resigned from his position of Outside Audit & Supervisory Board Member, Toray Industries, Inc.\*<sup>9</sup> on June 27, 2023.
  6. \*<sup>6</sup> Mr. Kato resigned from his position of Outside Audit & Supervisory Board Member, Mitsui Fudosan Co., Ltd.\*<sup>8</sup> on June 29, 2023.
  7. \*<sup>7</sup> Mr. Kato is qualified as a certified public accountant, and thus has a respectable degree of knowledge regarding finance and accounting.
  8. \*<sup>8</sup> No special relationship exists between the Company and the Tokyo Metropolitan Government, Resona Holdings, Inc., Ajinomoto Co., Inc., JAPAN POST INSURANCE Co., Ltd., Rakuten Group, Inc., DMG MORI CO., LTD., Tokio Marine Holdings, Inc., Nomura Holdings, Inc., Mitsui Fudosan Co., Ltd., Recruit Holdings Co., Ltd. and Japan Tobacco Inc.
  9. \*<sup>9</sup> We have business transactions with National Federation of Agricultural Cooperative Associations, Tohoku Electric Power Co., Inc., Toray Industries, Inc., SUMITOMO CHEMICAL COMPANY, LIMITED and Recruit Co., Ltd. We and UNICHARM CORPORATION jointly invest in The Hartz Mountain Corporation. We and UNICHARM CORPORATION executed a shareholders' agreement in relation with this investment.
  10. \*<sup>10</sup> Of the above, the status of attendance in meetings of the Board of Directors/ Audit & Supervisory Board of Mr. Ueno, Mr. Takahara and Mr. Mikogami and main activities and overview of work undertaken in relation to the expected role of Mr. Takahara as Outside Director apply from their election on June 23, 2023.

## 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	Old Plan (Before June 2021)	New Plan (After June 2021)	
						Performance share unit-based remuneration	Restricted performanceshare unit-based remuneration	
							Before June 2022	After June 2022
Directors	Internal Directors	7	¥1,771 million	¥442 million	¥472 Million	¥107 million	¥196 million	¥554 million
	Outside Directors	6	¥107 Million	¥107 million	—	—	—	—
	Total	13	¥1,878 million	¥550 million	¥472 Million	¥107 million	¥196 million	¥554 million
	The upper limits of the total amount of monetary remuneration receivables/common shares to be issued or disposed of (yearly amount/yearly		—	¥600 million (for Outside Directors, ¥150 million) * <sup>1</sup>	¥750 million* <sup>2</sup>	¥430 million/ 180 thousand shares* <sup>3</sup>	¥650 million / 300 thousand shares* <sup>4</sup>	¥1,100 million / 450 thousand shares* <sup>5</sup>

	total amount)						
Audit & Supervisory Board Members	Internal Audit & Supervisory Board Members (full-time)	3	¥91 million	¥91 million	—	—	—
	Outside Audit & Supervisory Board Members	3	¥61 million	¥61 million	—	—	—
	Total	6	¥153 million	¥153 million	—	—	—
	The upper limits of the total amount of monetary remuneration receivables (yearly amount)		—	¥180 million <sup>※6</sup>	—	—	—

Notes: 1. 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 general meetings of shareholders.

	The date of general meetings of shareholders	Number of officers at the time of resolution
※1	The 154th Ordinary General Meeting of Shareholders (June 24, 2022)	11 Directors (including 5 Outside Directors)
※2	The 154th Ordinary General Meeting of Shareholders (June 24, 2022)	6 Directors (excluding Outside Directors)
※3	The 150th Ordinary General Meeting of Shareholders (June 22, 2018)	6 Directors (excluding Outside Directors)
※4	The 153th Ordinary General Meeting of Shareholders (June 18, 2021)	6 Directors (excluding Outside Directors)
※5	The 154th Ordinary General Meeting of Shareholders (June 24, 2022)	6 Directors (excluding Outside Directors)
※6	The 145th Ordinary General Meeting of Shareholders (June 21, 2013)	5 Audit & Supervisory Board Members (including 3 Outside Audit & Supervisory Board Members)

- 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).
- No Director is concurrently our employee.
- The “performance-linked bonus” is within the maximum amount approved at the 154th Ordinary General Meeting of Shareholders held on June 24, 2022. The stated maximum amount was calculated in accordance with the calculation method approved by the Board of Directors.
- The “Old Plan” refers to 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. No restricted stock-based remuneration under the Old Plan was provided in this fiscal year.
- The “New Plan” refers to the restricted performance share unit-based remuneration plan adopted pursuant to the resolution of the 153rd Ordinary General Meeting of Shareholders held on June 18, 2021 by integrating the restricted stock-based remuneration plan and the performance share unit-based remuneration plan under the Old Plan.

7. The “performance share unit-based remuneration” is the amounts that were recorded as expenses under the Old Plan in this fiscal year.
8. The “restricted performance share unit-based remuneration” are the total amounts that will be recorded as expenses in this fiscal year based on the calculation of the estimated amount to be provided as monetary remuneration receivables in accordance with the estimated number of shares to be granted in 2024, 2025 and 2026 under the New Plan.
9. The total amount of performance linked remuneration (“performance linked bonuses”, “performance share unit-based remuneration” and “restricted performance share unit-based remuneration” listed above) of Directors is ¥1,328 million, and the total amount of non-monetary remuneration (“performance share unit-based remuneration” and “restricted performance share unit-based remuneration” listed above) of Directors is ¥856 million.
10. The sum of the figures does not precisely add up because each of the figures listed as the remuneration of Directors and Audit & Supervisory Board Members has been rounded to the nearest million yen.

### 3. Overview of Director’s Remuneration System

#### (1) Particulars regarding the decision making policy for the remuneration of individual Directors

The decision making policy for the remuneration of individual Directors was resolved at the Board of Directors meeting after deliberation within the Nomination and Remuneration Advisory Committee (chaired by Outside Director), a majority of whose members are Outside Directors.

##### ① System for remuneration (● indicates such Director eligible for each type of remuneration)

Type of Remuneration		Director Type		
		Executive Director	Chairman of the Board of Directors Director, Vice Chairman	Outside Director
Fixed	Monthly Remuneration	●	●	●
Variable	Performance Linked Bonus	●	—	—
	Stock-based remuneration	●	●	—

##### ② Ratio and remuneration standards regarding each types of remuneration

The Company will establish an appropriate ratio, etc. 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 of the Company and shareholder value) which corresponds to Director’s position, (i) by setting an appropriate remuneration standards to acquire and retain highly capable management who will bring about the Company’s sustainable growth and increase of corporate value in the middle to long term, and (ii) to design as healthy incentive to sustainable growth of the Company, 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.

③ **Policy and method on the decision of the amount of each remuneration**

- ✧ Policy on the decision of the amount of each remuneration: as follows
- ✧ Method on the decision of the amount of each remuneration: Remuneration of each Directors is resolved by the Board of Directors within the limit resolved at the General Meeting of Shareholders. For the resolution by 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. For other method, as follows

		Policy on the decision of the amount of each remuneration	Method on the decision of the amount of each remuneration
Fixed	Monthly Remuneration	Fixed amount remuneration determined based on the abovementioned standards is provided.	-
Variable	Performance Linked Bonus	<ul style="list-style-type: none"> <li>• From the perspective of reinforcing the relationship with its 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. The amount to be paid to individual Executive Directors is distributed according to their position and personal evaluation and is paid after the end of the fiscal year.</li> <li>• Each Executive Director is evaluated on the basis of both financial indicators and non-financial indicators</li> </ul>	<ul style="list-style-type: none"> <li>• The Board of Directors, reflecting reports from the Nomination and Remuneration Advisory Committee, set assumed values for each performance management index and decide formula for calculating the performance linked bonuses for individual Executive Directors (for the relevant fiscal year) based on actual values for each performance management index.</li> <li>• After the end of fiscal year, Representative Director, President and Chief Executive Officer (who is delegated such decision by the Board of Directors) shall decide personal evaluations of each Executive Directors regarding the performance management index which is a part of the formula, following meetings with each of Executive Directors, and performance linked bonuses for each fiscal year will be determined as per the formula, within the limit resolved at the General Meeting of</li> </ul>



			<p>Shareholders.</p> <ul style="list-style-type: none"> <li>• Representative Director, President and Chief Executive Officer will report to the Nomination and Remuneration Advisory Committee about the grading results to make sure that the personal evaluations are appropriate.</li> </ul>
	Restricted Performance Share Unit-Based Remuneration	<p>This remuneration is aimed at promoting efforts at optimizing its business portfolio, increasing corporate value in the medium to long term and to ensure sustainable growth, focusing on the link with indicators related to environment, society and governance (ESG) together with shareholder value. Further, we shall promote to share value with the shareholders.</p> <p>The actual contents and timing of payment of the stock-based remuneration for each Directors is decided by the Board of Directors after consultation with the Nomination and Remuneration Advisory Committee.</p>	<ul style="list-style-type: none"> <li>• The Board of Directors, reflecting reports from the Nomination and Remuneration Advisory Committee, decide formula for calculating the stock-based remuneration for individual Executive Directors at the first board meeting of relevant evaluation period based on actual values for each performance management index in several fiscal years.</li> <li>• Nomination and Remuneration Advisory Committee (who is delegated such decision by the Board of Directors), comprised of Outside Directors, Chairman of the Board of Directors and Representative Director, President and Chief Executive Officer, shall decide personal evaluations of each Executive Directors on the non-financial indicator which is a part of the formula, and report the evaluations to the Board of Directors.</li> </ul>

**④ Reasons why the Board of Directors decided the contents of the remuneration of Directors for this fiscal year is in line with the decision making policy for the remuneration of individual Directors**

The Board of Directors judges that the content of the remuneration of individual Directors for this fiscal year is in line with the decision making policy for the remuneration of individual Directors, since such

content was considered by the Nomination and Remuneration Advisory Committee in accordance with the basic policy, structure and decision process for executive remuneration previously decided on by the Board of Directors.

**(2) Particulars regarding performance linked remuneration, etc. and non-monetary remuneration, etc. for fiscal year 2023**

**① Performance linked bonus**

- From the perspective of reinforcing the relationship with its group's management strategy, the total amount to be paid is determined in accordance with the consolidated net income, basic profit cash flow and the Company stock growth rate (which is a ratio of growth rate of the Company's stock price to the growth rate of the TOPIX index) which are adopted as the performance management index to be focused on in the medium term management plan "SHIFT 2023".
- The amount to be paid to each Executive Directors is distributed according to their position and personal evaluation and is paid after the end of the fiscal year.
- Each Executive Directors is evaluated on the basis of both financial indicators and non-financial indicators.
- The performance indicators chosen as a basis of calculation of performance linked remuneration, etc. ended in the below results for fiscal 2023.

	Result (billion yen)
Consolidated Net Income	386.4
Basic Profit Cash flow	510.9
Company stock growth rate	120%

- After the end of fiscal 2022, Representative Director, President and Chief Executive Officer (Mr. Shingo Ueno) will decide personal evaluations, following meetings with each of Executive Directors, and performance linked bonuses for fiscal 2023 (which is to be paid in June, 2024) will be paid to each Executive Directors.
- Such decisions are delegated to Representative Director, President and Chief Executive Officer for the reason that he may decide the personal evaluations of each Executive Directors comprehensively from his position to supervise executions of business. In order to make sure that such decisions are made appropriately, Representative Director, President and Chief Executive Officer must report such results to the Nomination and Remuneration Advisory Committee.

**② Stock-based remuneration**

- With the aim of promoting management with a focus on increase in the Company group's corporate value over the medium to long term and shareholder value, in 2018 the Company adopted restricted stock-based remuneration in which it grants, as restricted stock, its common shares to Directors (excluding Outside Directors, hereinafter "Eligible Directors") with the number of shares being determined according to their position (hereinafter "Previous Plan 1 (Restricted Stock-based

Remuneration)), together with performance share unit-based remuneration (hereinafter “Previous Plan 2 (Performance Share Unit-based Remuneration)”), where such remuneration is granted to the Eligible Directors for services rendered during the relevant period starting from the close of the annual ordinary general meeting of shareholders until the close of the same meeting of the following year (hereinafter “Service Period”). The number of shares granted are determined according to the Company’s stock growth rate (ratio of the Company’s stock price growth rate including dividends to the growth rate of TOPIX (Tokyo Stock Exchange Stock Price Index), hereinafter “Stock Growth Rate”) during an evaluation period from June 1st in the year in which the Service Period begins until the end of June three years later (hereinafter “Evaluation Period”).

- At the 153<sup>rd</sup> Ordinary General Meeting of Shareholders held on June 18, 2021, approval was obtained to establish a restriction on transfer (from the day the shares are granted until the day the Eligible Director resigns or retires from all positions as Director, Executive Officer or any other position stipulated by the Board of Directors) of the Company’s common shares to be granted in accordance with the Previous Plan 2 (Performance Share Unit-based Remuneration) to any Eligible Director who leaves office at any time after the close of said Ordinary General Meeting of Shareholders.
- The Evaluation Period (from June 1, 2020 to June 30, 2023) for the Previous Plan 2 (Performance Share Unit-based Remuneration) ended on the last day of June in 2023, and accordingly, 89,600 of the Company’s common shares as restricted stock were issued and distributed to the six Eligible Directors, reflecting the stock growth rate (178.4%) during the relevant Evaluation Period.
- At the 153<sup>rd</sup> Ordinary General Meeting of Shareholders held on June 18, 2021, the Company adopted a restricted performance share unit-based remuneration plan (hereinafter “New Plan”) that integrated the Previous Plan 1 (Restricted Stock-based Remuneration) and the Previous Plan 2 (Performance Share Unit-based Remuneration). Under the New Plan, as remuneration for services rendered during each Service Period, the Company will grant its common shares as restricted stock to the Eligible Directors. The number of shares to be granted will be calculated in accordance with the Company’s stock growth rate (\*1: for the stock-based remuneration, the evaluation period of which starts on or after June 2023, the amount of dividend is not be used for the calculation of the number of shares to be granted) and evaluation of non-financial indicator (\*2: added on or after the stock-based remuneration, the evaluation period of which starts on or after June 2023,) (\*1 and \*2 were approved at the 155<sup>th</sup> Ordinary General Meeting of Shareholders held on June 23, 2023,) during the Evaluation Period. The restriction period is set from the day the shares are granted until the day the Eligible Director resigns or retires from all positions as Director, Executive Officer or any other position stipulated by the Board of Directors.
- Since the initial Evaluation Period under the New Plan does not end until the last day of June in 2024, no results are yet available for the Company’s stock growth rate under the New Plan.

#### **4. Summary of the Contracts Regarding the Limitation of Liability**

Pursuant to Article 427, Paragraph 1 of the Companies Act, we have 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 that each of them has acted in good faith and without gross negligence.

## 5. Particulars regarding Directors and Officers Liability Insurance Contracts

We have concluded a Directors and Officers Liability Insurance Contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, designating all or some of our Directors, Audit & Supervisory Board Members, Executive Officers, etc., and those of our consolidated subsidiaries and associated companies (hereinafter, “Directors and Officers”) as insured persons. Under this contract, Directors and Officers are indemnified against damages, etc. that may arise from the bearing of liability regarding the execution of their duties or from lawsuits brought against them with regard to the said liability, provided, however, that there are certain grounds for exemption, such as no compensation offered for damages arising from actions taken by Directors and Officers with knowledge that such actions violate laws and regulations. The full amount of insurance premiums under the contracts are borne by us.

## 6. Name and Other Particulars of Executive Officers (as of April 1, 2024)

Positions in the Company	Name	Areas of responsibility in the Company
President and Chief Executive Officer <sup>*1</sup>	Shingo Ueno	Chief Executive Officer
Executive Vice President <sup>*1</sup>	Takayuki Seishima	(Corporate Planning & Coordination Group, Sustainability, DE&I Group and Human Resources, General Affairs & Legal Group)
Senior Managing Executive Officer <sup>*1</sup>	Reiji Morooka	Chief Financial Officer
Senior Managing Executive Officer	Mitsuhiro Takeda	Head of Risk Management
Senior Managing Executive Officer <sup>*2</sup>	Hirokazu Higashino	General Manager for Asia & Oceania;
Senior Managing Executive Officer	Katsuya Inubushi	Group CEO, Steel Group
Senior Managing Executive Officer	Norihiko Nonaka	Group CEO, Automotive Group
Senior Managing Executive Officer	Shinichi Kato <sup>*4</sup>	Assistant to President & CEO, Sumitomo Corporation of Americas, President & CEO, TBC Corporation
Managing Executive Officer	Iehisa Nakamura	Deputy Group CEO, Media & Digital Group
Managing Executive Officer	Yoshinori Mukaida	Head of Finance
Managing Executive Officer	Tomonori Wada	General Manager for the Americas
Managing Executive Officer	Hajime Mori	General Manager for Middle East & Africa
Managing Executive Officer	Yukihito Honda	Group CEO, Diverse Urban Development Group
Managing Executive Officer	Kotaro Tameda	Group CEO, Lifestyle Business Group
Managing Executive Officer	Haruhiko Aritomo	General Manager for East Asia

Managing Executive Officer	Nobuhiro Yoshida	General Manager for Japan Region, General Manager, Kansai Office
Managing Executive Officer	Hiroyuki Koike	General Manager for Europe
Managing Executive Officer	Takayuki Sumita	Chief Strategy Officer
Managing Executive Officer	Koji Aso	Group CEO, Energy Transformation Business Group
Managing Executive Officer	Kimihiko Sato	Head of Internal Control and Internal Audit Group
Managing Executive Officer	Makiko Eda	Chief Sustainability, DE&I Officer, Chief Administration Officer and Chief Compliance Officer
Managing Executive Officer	Tadayuki Ueno	Director, Executive Vice President, JCOM Co., Ltd.
Managing Executive Officer	Yasuhiro Yoshida	Deputy Head of Human Resources, General Affairs & Legal Group
Managing Executive Officer	Hiroshi Karashima	Deputy General Manager for Asia & Oceania, Sumitomo Corporation Asia & Oceania Group, Sumitomo Corporation Asia & Oceania Pte. Ltd.
Executive Officer	Kazumasa Watanabe	General Manager, Media Commerce & Contents Strategic Business Unit
Executive Officer	Masahiko Yokohama	Group CFO, Steel Group
Executive Officer	Hiroki Takeno	General Manager, Retail Strategic Business Unit
Executive Officer	Takao Kusaka	Group CEO, Transportation & Construction Systems Group
Executive Officer	Hiroaki Murata	Deputy Group CEO, Diverse Urban Development Group
Executive Officer	Aki Tomita	Head of General Affairs and Legal
Executive Officer	Gota Iwanami	Assistant General Manager for Japan Region, General Manager, Chubu Office
Executive Officer	Nobuyasu Yonezu	General Manager, Indonesia Energy Solution Strategic Business Unit, Assistant General Manager for Asia & Oceania, Sumitomo Corporation Asia & Oceania Group, President Director, PT. Sumitomo Indonesia
Executive Officer	Seiji Kitajima	General Manager, Energy Innovation Initiative Strategic Business Unit
Executive Officer	Eisuke Takenaka	Head of Corporate Planning & Coordination Dept.
Executive Officer	Tatsushi Tatsumi	Chief Digital Officer and Chief Information Officer
Executive Officer	Shunichi Aramaki	General Manager, Digital Strategic Business Unit
Executive Officer	Yoshiko Nakazawa	Head of Human Resources
Executive Officer <sup>*3</sup>	Takuya Tsujigaki	Group CEO, Chemical Solutions Group
Executive Officer <sup>*3</sup>	Kentaro Hori	Group CFO, Chemical Solutions Group
Executive Officer <sup>*3</sup>	Kazushi Awa	Group CFO, Media & Digital Group
Executive Officer <sup>*3</sup>	Koichiro Yazaki	Group CEO, Mineral Resources Group
Executive Officer <sup>*3</sup>	Koji Endo	General Manager, Gas Value Chain Strategic Business Unit, Deputy General Manager, Energy Innovation Initiative Strategic Business Unit

- Notes:
1. Individuals marked with \*1 are Directors (Representative Directors).
  2. Individual marked with \*2 is Director who is scheduled to resign from his position of Director on the close of the Ordinary General Meeting of Shareholders scheduled on 21 June, 2024.
  3. Individuals marked with \*3 are Executive Officers who were newly elected and each of them assumed their duty as of April 1, 2024.
  4. Individual marked with \*4 was newly elected as Group CEO, Media & Digital Group as of May 1, 2024.

## 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 <sup>(Note 1) (Note2)</sup>	525
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 <sup>(Note3)</sup>	16
Audit remuneration and other fees to be paid to Accounting Auditors by the Company	541
Total amount of cash and other financial benefits payable by the Company and its consolidated subsidiaries to Accounting Auditors	1,147

(Notes 1) In line with the "Practical Guidelines for Collaboration with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, our 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.

(Notes 2) The audit agreement with 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.

(Notes 3) We pay 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.

(Notes 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 our Accounting Auditor.

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

In the event the Audit & Supervisory Board recognizes that an Accounting Auditor falls under any of situations stipulated in each clause of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board's policy is to dismiss the said Accounting Auditor in accordance with the consent of all the members of the Audit & Supervisory Board. In this case, an Audit & Supervisory Board Member selected by the Audit & Supervisory Board shall report the said dismissal and the reason for the dismissal at the first General Meeting of Shareholders convened following the dismissal of said Accounting Auditor.

In addition, in the event of a significant adverse effect on the adequate execution of an Accounting Auditor's duties due to reasons such as the emergence of causes detrimental to the eligibility or independence of the said Accounting Auditor, in accordance with Article 344 of the Companies Act, the Audit & Supervisory Board shall determine the details of the agenda item to be submitted at the General Meeting of Shareholders regarding the dismissal or non-reappointment of the said Accounting Auditor and the election of a new Accounting Auditor.

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

Our 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, we assess 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 our internal control systems and their implementation status is provided below. Moreover, the Internal Control Committee assessed the implementation of the internal control systems, confirmed that these internal control systems were functioning effectively, and reported this fact at the Board of Directors' meeting.

Further details regarding the internal control systems are posted on our website ([https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/internal\\_control\\_system\\_02.pdf?la=en](https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/internal_control_system_02.pdf?la=en)).

Internal Control Systems	Current Implementation Status
<b>1. Systems for ensuring that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation</b>	
<ul style="list-style-type: none"> <li>● Ensuring full compliance with laws and regulations under the “Corporate Mission Statement of the Sumitomo Corporation Group”</li> <li>● Drawing up the “Sumitomo Corporation Group Compliance Policy”</li> <li>● Preparing the “Compliance Manual” and distributing it to all officers and employees</li> <li>● Requiring all officers and employees to provide a written “Confirmation of Compliance”</li> <li>● Appointing the “Chief Compliance Officer”, the “Compliance Committee”, and “Compliance Leaders”, and creating the “Speak-Up System”</li> </ul>	<ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ By formulating the “Sumitomo Corporation Group Compliance Policy” and making the “Compliance Manual” available on the company intranet, we strive to ensure thorough awareness of the said policy and implementation of compliance among all officers and employees.</li> <li>➤ 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, and e-learning programs targeting all of our officers and employees. For example, we conducted webinars regarding the fair competition for all of our officers and employees.</li> <li>➤ 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.</li> <li>➤ Based on the “Speak-Up System”, we have secured a route by which our officers and employees can directly communicate compliance information to the “Chief Compliance Officer (CCO)” via the Legal Compliance Department, Audit &amp; Supervisory Board Members, outside professionals and outside attorneys serving as liaisons. We are also establishing a system to protect whistleblowers. We are conducting education for people dealing with whistleblowing and regular evaluations and inspections of system management..</li> <li>➤ In order to promote active use of the “Speak-Up System”, we have launched initiatives (including but</li> </ul>

Internal Control Systems	Current Implementation Status
	<p>not limited to putting up posters on the office floors of the head office building, distributed portable cards, notified officers and employees of the system through internal communications, formulated detailed regulations, posted materials to explain about the system on the company intranet, and released a video to increase awareness).</p> <ul style="list-style-type: none"> <li>➤ We also disclosed on our corporate website an overview of the “Speak-Up System,” and information regarding its operational status and how its use is being promoted.</li> <li>➤ We also hold the Compliance Committee, where the details of compliance activities and measures are reported and deliberated.</li> <li>➤ We are also implementing a compliance awareness survey for all officers and employees to utilize them for proposals and implementation of compliance measures.</li> </ul>
<u>2. Systems for retaining and managing information pertaining to the Directors’ execution of their duties</u>	
<ul style="list-style-type: none"> <li>● 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</li> <li>● Implementing measures to prevent divulgence of information to third parties or other misuse of information</li> <li>● Making important documents pertaining to the Directors’ execution of their duties available for review to Audit &amp; Supervisory Board Members in a timely manner</li> </ul>	<ul style="list-style-type: none"> <li>➤ We are pouring energies into the proper storage and management of information assets, including formulating “Information Security Policy,” and establishing relevant regulations in accordance with these policies. The “Basic Rules for Information Management”, which are our 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 addition, we are creating respective manuals that explain the procedures for addressing information management and information security incidents when they occur.</li> <li>➤ We implement measures aimed at information security education and awareness, including “information security course” and “training on targeted email attacks” for all officers and employees. In addition, we regularly disseminate information on information security incidents and accidents within our group.</li> <li>➤ The “IT Strategy Committee” plans, formulates and implements company-wide measures on information security, and collects and responds to information concerning information security incidents (divulgence of information, etc.).</li> <li>➤ We submit for review by Audit &amp; Supervisory Board Members any documents they request.</li> </ul>
<u>3. Rules and other systems pertaining to the management of risk of loss</u>	



Internal Control Systems	Current Implementation Status
<ul style="list-style-type: none"> <li>● 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</li> <li>● 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</li> <li>● Establishing the “Internal Control Committee,” “Company-wide Loan and Investment Committee” and “Corporate Sustainability Committee” as advisory organs to the “Management Council”</li> <li>● Established the “Internal Control Promotion Department,” which takes an overall control of the Group’s internal control-related operations, alongside the Internal Auditing Department under the supervision of the Head of Internal Control and Internal Audit</li> <li>● Building a resilient system that includes the formulation of plans to quickly restore operations and continue business operations while securing the safety of all officers and employees in the event of a disaster</li> <li>● 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</li> </ul>	<ul style="list-style-type: none"> <li>➤ With respect to our risk management, we, in accordance with our internal rules, 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.</li> <li>➤ 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.</li> <li>➤ We are setting quantitative and qualitative standards to secure consistency in the external disclosure of information and to correctly disseminate necessary information. We also deliberate ideal methods for external information transmission at the “Corporation Communication Committee,” an advisory organ to the Management Council.</li> <li>➤ We have established a system to make decisions in light of social and environmental impact by strengthening the system for evaluating social and environmental risks in investment projects and ensuring participation in deliberations by specialized organizations.</li> <li>➤ We strive to identify, prevent, and rectify human rights risks posed by the business activities of our group by progressively conducting human rights due diligence of the supply chains for all businesses, including those of our subsidiaries and other group entities.</li> <li>➤ We have set medium- and long-term targets related to “Six Key Social Issues” for the entire company. In addition, each Business Unit has formulated short- and medium-term action plans, thus promoting specific initiatives, and disclosed their progress status.</li> <li>➤ With respect to climate change issues, we have formulated the “Policies on Climate Change Issues” and are reviewing them as required, with ongoing efforts aimed at carbon-neutralizing our group’s business activities and realizing a sustainable energy cycle. We established the “Forest Management Policy</li> </ul>

Internal Control Systems	Current Implementation Status
	<p>and the Sourcing Policy for Forest Products” to promote the strengthening of a sustainable sourcing system for the major natural resources handled by our group.</p> <ul style="list-style-type: none"> <li>➤ For security trade control, we are conducting various measures, including the creation of various guidelines, the internal notifications of various sanctions information, and training activities.</li> <li>➤ We hold meetings of the “Internal Control Committee”, where our internal control systems and progress with internal control activities were reviewed. In addition, we are installing an Internal Control Promotion Department with consolidated functions to review the implementation status of Internal Control System Board of Director resolutions, J-SOX compliance, and the improvement of internal controls at group companies.</li> <li>➤ We are enhancing the quality of decision-making in the Management Council by means of the “Company-wide Loan and Investment Committee”.</li> <li>➤ We are holding “Corporate Sustainability Committee” meetings and deliberating key policies, measures and initiatives related to the promotion of sustainability. In addition, to receive multifaceted opinions and advice on sustainability from specialists, we have set up an advisory board.</li> <li>➤ We set up the “Intelligence Committee” to facilitate the consideration and establishment of policies related to business development in countries and regions where country and geopolitical risks are heightening.</li> <li>➤ “Disaster Response &amp; Safety Management Department”, which is mainly responsible for promoting disaster response measures, plays a central role in implementing various disaster response measures and safety management measures. We established and are regularly upgrading a multi-hazard BCP manual should Tokyo fail to function, mainly in the case of an epicentral earthquake striking Tokyo.</li> <li>➤ 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.</li> </ul>
4. Systems for ensuring the efficient execution of the Directors’ duties	
<ul style="list-style-type: none"> <li>● Making the number of Directors sufficient to enable full discussions and speedy and reasonable decision-making</li> </ul>	<ul style="list-style-type: none"> <li>➤ The number of Directors is 11, which is sufficient to enable a variety of proposals and full discussions to be</li> </ul>

Internal Control Systems	Current Implementation Status
<p>by the Board of Directors</p> <ul style="list-style-type: none"> <li>● Electing two or more Outside Directors so that their diverse perspectives can enhance decision-making and supervisory functions</li> <li>● 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</li> <li>● Term of office for Directors: one year</li> <li>● Terms of office for the Chairman and the President and Chief Executive Officer: not exceeding six years, in principle</li> <li>● Establishing the “Nomination and Remuneration Advisory Committee” composed of a majority of Outside Directors as an advisory organ to the Board of Directors</li> <li>● Establishing a dedicated organization to strengthen Board of Director support functions</li> <li>● Establishing the “Management Council” as a decision-making body, various committees as advisory organs, and various other conferences for the exchange of information</li> <li>● Formulating the medium-term management plan, preparing budgets and introducing performance management systems</li> <li>● 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</li> </ul>	<p>made by the Board of Directors and we are ensuring speedy and appropriate decision-making and strengthening supervisory functions.</p> <ul style="list-style-type: none"> <li>➤ 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.</li> <li>➤ The “Nomination and Remuneration Advisory Committee”, which is an advisory organ 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 &amp; 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 &amp; Supervisory Board Members and the advisory system, and submits the results thereof as recommendations to the Board of Directors.</li> <li>➤ To improve the quality of discussions carried out by the Board of Directors, we established the Directors’ Administration Department as a dedicated organization mainly to support communication between directors and individuals executing duties (Executive Officers, etc.), select issues/topics to be discussed at Board of Directors meetings and organize discussion points.</li> <li>➤ In addition to establishing the “Management Council” as a decision-making body, we have established various other conferences including the “Corporate Strategy Promotion Committee”, the “Global Innovation Promotion Committee”, and “Company-wide Loan and Investment Committee”, as advisory organs to the “Management Council”.</li> <li>➤ 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 our 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.</li> <li>➤ The “Board of Directors Regulations” and other internal rules specify agenda items requiring discussion by the Board of Directors and reviewing from time to</li> </ul>

Internal Control Systems	Current Implementation Status
	time discussion criteria from the perspective of proper agenda selection. Further, we specify the job responsibilities of each officer and employee, and the decision-making authority of officers and employees regarding important matters.
5. Systems for ensuring the properness of operations by the corporate group comprising the Company and its subsidiaries	
<ul style="list-style-type: none"> <li>● Using the “Corporate Mission Statement of the Sumitomo Corporation Group”, which promotes compliance with laws and regulations, to share values to be respected throughout our group and to guide the development of compliance systems</li> <li>● Sharing and implementing the principles of the Group management—“Jiritsu,” “Dialogue” and “Collaboration” in “Group Management Policy” — which aims to improve the corporate value of our group</li> <li>● Obtaining sufficient information and conducting preliminary considerations/discussions on “important management issues” regarding target subsidiaries and other consolidated companies, and manage target subsidiaries and other consolidated companies through the dispatching of directors and auditors</li> <li>● Supporting subsidiaries and other consolidated companies in implementing internal controls and in constructing a framework for risk management and making improvements thereto</li> <li>● Setting an internal rule to require internal auditing for subsidiaries and other consolidated companies of which we are the managing entity</li> <li>● Ascertaining and managing consolidated performance on a monthly basis</li> </ul>	<ul style="list-style-type: none"> <li>➤ We are raising awareness of compliance and providing relevant education by informing everybody in our group about the “Corporate Mission Statement” and providing training tailored to various trainee types, among other initiatives.</li> <li>➤ We established a “Group Management Policy”, to respect the “Jiritsu”* management by each group company, and to be involved in important decision-making at the board of directors or organization equivalent to the board of directors of each group company based on the relationship of trust established through active “Dialogue” as a shareholder, and to create new value through strong “Collaboration” of each group company including the Company. *“Jiritsu” is the Japanese term. In Group Management Policy, we define it to mean “following the rules necessary for the management of each group company, such as our group’s management principles, strategies, and policies, to discipline oneself, to think, make decisions, act for oneself in order to achieve goals, and to be accountable to stakeholders”.</li> <li>➤ With respect to the “important management issues” determined by each of our consolidated companies, we are instilling 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.</li> <li>➤ In cases where Audit &amp; Supervisory Board Members are dispatched to a subsidiary from the Company, each Audit &amp; Supervisory Board Member strives to implement an effective audit by specifying important audit items in accordance with the business risks of each subsidiary to ensure the mitigation of risk and autonomous management at each subsidiary.</li> <li>➤ We support our 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, briefings and e-learning materials; providing a selection of rules for</li> </ul>

Internal Control Systems	Current Implementation Status
	<p>subsidiaries to use as examples; and promoting the introduction of “Speak-Up Systems”.</p> <ul style="list-style-type: none"> <li>➤ With respect to information security, in addition to implementing assessments related to IT security at a portion of subsidiaries, we are also providing support to subsidiaries by providing seminars and training pertaining to information security.</li> <li>➤ We are supporting various types of risk management related to insurance for subsidiaries. We select subsidiaries including important risks from the perspective of insurance risk management, identify the business risks faced by these companies, and carry out measures that support the analysis, evaluation, and correct recognition of insurance coverage.</li> <li>➤ We are supporting evaluation of the internal control systems at subsidiaries, as well as the identification and rectification of issues by setting basic elements to be developed and operated in order to establish, operate, evaluate, and improve internal control at subsidiaries, and are conducting regular dialogue on such elements between us and our subsidiaries. Also, we conduct analysis of the issue identification capabilities and issue solution capabilities of these activities, and are planning to utilize these outcomes of this analysis.</li> <li>➤ Through this initiative, we are continuing to support the strengthening of compliance systems at subsidiaries by using a “Compliance Roadmap,” which indicates the condition of each compliance system that our group should target.</li> <li>➤ We are implementing activities that promote the improvement of corporate value by encouraging the autonomous growth of subsidiaries and other entities. We are issuing manuals related to subsidiary, etc. strategies, medium-term management plan, and group governance as the parent company, in addition to in-house training, we are selecting specific subsidiaries as a leading model, enhancing subsidiary governance, and undertaking the formulation of business strategies for specific businesses. We are then deploying this model at other subsidiaries, etc.</li> <li>➤ 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.</li> </ul>
<b>6. Matters regarding personnel assigned to support the operations of Audit &amp; Supervisory Board Members</b>	
<ul style="list-style-type: none"> <li>● Establishing the “Audit &amp; Supervisory Board Members’ Administration Department” to support the Audit &amp; Supervisory Board Members and assigning several full-</li> </ul>	<ul style="list-style-type: none"> <li>➤ We have assigned several full-time staffers to the “Audit &amp; Supervisory Board Members’ Administration Department”.</li> </ul>

Internal Control Systems	Current Implementation Status
<p>time staffers to this department</p> <ul style="list-style-type: none"> <li>● Specifying in writing those persons authorized to issue instructions to the “Audit &amp; Supervisory Board Members’ Administration Department” and the department’s responsibilities, and clearly defining its purpose as an organization for assisting the Audit &amp; Supervisory Board Members</li> <li>● Conducting personnel evaluations of members of the “Audit &amp; Supervisory Board Members’ Administration Department” by an Audit &amp; Supervisory Board Member; consulting in advance with an Audit &amp; Supervisory Board Member regarding transfers of the department’s personnel</li> </ul>	<ul style="list-style-type: none"> <li>➤ Internal rules specify that the Audit &amp; Supervisory Board Members are authorized to issue instructions to the general manager of the Audit &amp; Supervisory Board Members’ Administration Department and that the area of operational responsibility of the Audit &amp; Supervisory Board Members’ Administration Department is assisting the Audit &amp; Supervisory Board Members in their duties.</li> <li>➤ An Audit &amp; Supervisory Board Member appointed by the Audit &amp; Supervisory Board conducts the personnel evaluations of the general manager of the Audit &amp; Supervisory Board Members’ Administration Department. An advance consultation is conducted with an Audit &amp; Supervisory Board Member appointed by the Audit &amp; Supervisory Board to obtain the Audit &amp; Supervisory Board Member’s consent regarding transfers of the department’s personnel.</li> </ul>
7. Systems for reporting to Audit & Supervisory Board Members	
<ul style="list-style-type: none"> <li>● Developing a system that enables Audit &amp; Supervisory Board Members to attend all meetings, including those of the “Management Council”</li> <li>● Delivering to the Audit &amp; Supervisory Board Members important materials pertaining to the execution of operations involving the Company, its subsidiaries and other consolidated companies, and arranging for officers and employees to report and give briefings to the Audit &amp; Supervisory Board Members</li> <li>● 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</li> </ul>	<ul style="list-style-type: none"> <li>➤ In addition to meetings of the Board of Directors, Audit &amp; Supervisory Board Members attend other important meetings including those of the “Management Council”, the “Company-wide Loan and Investment Committee”, the “Internal Control Committee”, the “Corporate Sustainability Committee” and the “Compliance Committee” in accordance with internal rules.</li> <li>➤ We deliver important materials pertaining to the execution of operations when requested to do so by Audit &amp; Supervisory Board Members, and arrange for officers and employees to report and give briefings on the businesses of each organization and company as per the request of Audit &amp; Supervisory Board Members.</li> <li>➤ We ensure that persons submitting the aforementioned reports to Audit &amp; 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.</li> </ul>
8. Other systems for ensuring that auditing will be carried out effectively by the Audit & Supervisory Board Members	
<ul style="list-style-type: none"> <li>● Appointing experts on law, accounting, and the like, as external Audit &amp; Supervisory Board Members</li> <li>● Maintaining close contact between the “Internal Auditing Department” and the Audit &amp; Supervisory Board Members to contribute to effective auditing, such as by</li> </ul>	<ul style="list-style-type: none"> <li>➤ The “Internal Auditing Department” interacts closely with the Audit &amp; 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</li> </ul>

Internal Control Systems	Current Implementation Status
<p>reporting internal auditing plans and results to the Audit &amp; Supervisory Board Members</p> <ul style="list-style-type: none"> <li>● Exchanging information between the Audit &amp; Supervisory Board Members and the Accounting Auditor to improve the efficiency and quality of audit activities</li> <li>● Exchanging information between our Audit &amp; Supervisory Board Members and subsidiaries' Audit &amp; Supervisory Board Members</li> <li>● Clearly stipulating the methods for handling the expenses and liabilities incurred by Audit &amp; Supervisory Board Members in the execution of their duties</li> </ul>	<p>Internal Auditing Department shares audit results with the Accounting Auditor on a regular basis.</p> <ul style="list-style-type: none"> <li>➤ Audit &amp; Supervisory Board Members conduct regular meetings with the Accounting Auditor.</li> <li>➤ In addition to liaison meetings attended by Audit &amp; Supervisory Board Members at subsidiaries, Audit &amp; Supervisory Board Members conduct separate meetings with the Audit &amp; Supervisory Board Members of each subsidiary several times a year, interacting and exchanging information with Audit &amp; Supervisory Board Members at subsidiaries and associated companies.</li> <li>➤ Expenses and liabilities incurred by Audit &amp; 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.</li> </ul>

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.



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

Sumitomo Corporation and Subsidiaries

As of March 31, 2024 and 2023

	Millions of Yen	
	March 31, 2024	March 31, 2023
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	¥ 667,852	¥ 656,859
Time deposits	10,447	10,783
Marketable securities	12,896	1,741
Trade and other receivables	1,863,238	1,678,995
Contract assets	421,480	426,369
Other financial assets	176,934	123,827
Inventories	1,486,770	1,390,559
Advance payments to suppliers	131,137	135,177
Assets classified as held for sale	7,058	6,574
Other current assets	457,892	442,073
Total current assets	5,235,704	4,872,957
<b>Non-current assets:</b>		
Investments accounted for using the equity method	2,857,899	2,641,716
Other investments	485,540	388,767
Trade and other receivables	201,356	207,201
Other financial assets	228,372	190,736
Property, plant and equipment	1,152,019	1,046,316
Intangible assets	349,829	284,790
Investment property	361,774	346,355
Biological assets	39,635	36,891
Deferred tax assets	47,055	30,706
Other non-current assets	73,400	58,945
Total non-current assets	5,796,879	5,232,423
Total assets	¥ 11,032,583	¥ 10,105,380

Note:

The Consolidated Statement of Financial Position as of March 31, 2023 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, 2024 and 2023

	Millions of Yen	
	March 31, 2024	March 31, 2023
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities:</b>		
Bonds and borrowings	¥ 745,186	¥ 685,356
Trade and other payables	1,713,936	1,648,976
Lease liabilities	77,651	76,058
Other financial liabilities	139,118	119,170
Income tax payables	46,068	48,060
Accrued expenses	147,383	137,190
Contract liabilities	133,999	119,603
Provisions	24,689	12,152
Liabilities associated with assets classified as held for sale	—	5,487
Other current liabilities	112,553	113,103
Total current liabilities	3,140,583	2,965,155
<b>Non-current liabilities:</b>		
Bonds and borrowings	2,456,547	2,466,733
Trade and other payables	50,796	57,575
Lease liabilities	427,457	421,759
Other financial liabilities	60,245	57,243
Accrued pension and retirement benefits	23,644	21,841
Provisions	42,839	39,996
Deferred tax liabilities	158,168	98,491
Total non-current liabilities	3,219,696	3,163,638
Total liabilities	6,360,279	6,128,793
<b>Equity:</b>		
Common stock	220,423	220,047
Additional paid-in capital	252,709	254,114
Treasury stock	(2,733)	(39,563)
Other components of equity	1,077,039	637,538
Retained earnings	2,898,056	2,706,557
Equity attributable to owners of the parent	4,445,494	3,778,693
<b>Non-controlling interests</b>	226,810	197,894
Total equity	4,672,304	3,976,587
Total liabilities and equity	¥ 11,032,583	¥ 10,105,380

Note:

The Consolidated Statement of Financial Position as of March 31, 2023 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, 2024 and 2023

	Millions of Yen	
	2024	2023
<b>Revenues:</b>		
Sales of tangible products	¥ 6,223,423	¥ 6,238,706
Sales of services and others	686,879	579,166
<b>Total revenues</b>	<b>6,910,302</b>	<b>6,817,872</b>
<b>Cost:</b>		
Cost of tangible products sold	(5,228,493)	(5,278,970)
Cost of services and others	(339,321)	(304,150)
<b>Total cost</b>	<b>(5,567,814)</b>	<b>(5,583,120)</b>
<b>Gross profit</b>	<b>1,342,488</b>	<b>1,234,752</b>
<b>Other income (expenses):</b>		
Selling, general and administrative expenses	(927,594)	(811,737)
Impairment reversal (loss) on long-lived assets	(37,412)	(6,861)
Gain (loss) on sale of long-lived assets, net	6,752	20,152
Other, net	(30,031)	(3,241)
<b>Total other income (expenses)</b>	<b>(988,285)</b>	<b>(801,687)</b>
<b>Finance income (costs):</b>		
Interest income	72,014	48,340
Interest expense	(88,328)	(59,791)
Dividends	13,675	20,068
Gain (loss) on securities and other investments, net	3,710	29,050
<b>Finance income (costs), net</b>	<b>1,071</b>	<b>37,667</b>
<b>Share of profit (loss) of investments accounted for using the equity method</b>	<b>172,372</b>	<b>252,390</b>
<b>Profit before tax</b>	<b>527,646</b>	<b>723,122</b>
<b>Income tax expense</b>	<b>(101,530)</b>	<b>(123,875)</b>
<b>Profit for the year</b>	<b>426,116</b>	<b>599,247</b>
<b>Profit for the year attributable to:</b>		
Owners of the parent	¥ 386,352	¥ 565,333
Non-controlling interests	39,764	33,914
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Financial assets measured at fair value through other comprehensive income	75,167	4,735
Remeasurements of defined benefit pension plans	10,345	8,885
Share of other comprehensive income of investments accounted for using the equity method	5,517	769
<b>Total items that will not be reclassified to profit or loss</b>	<b>91,029</b>	<b>14,389</b>
<b>Items that may be reclassified subsequently to profit or loss</b>		
Exchange differences on translating foreign operations	358,465	123,559
Cash-flow hedges	20,899	26,175
Hedging cost	1,628	(1,596)
Share of other comprehensive income of investments accounted for using the equity method	(1,275)	48,835
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>379,717</b>	<b>196,973</b>
<b>Other comprehensive income, net of tax</b>	<b>470,746</b>	<b>211,362</b>
<b>Comprehensive income for the year</b>	<b>896,862</b>	<b>810,609</b>
<b>Comprehensive income for the year attributable to:</b>		
Owners of the parent	¥ 847,100	¥ 774,417
Non-controlling interests	49,762	36,192

Note:

The Consolidated Statement of Comprehensive Income for the year ended March 31, 2023 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, 2024 and 2023

For the year ended March 31, 2024							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		
<b>Balance, beginning of year</b>	220,047	254,114	(39,563)	637,538	2,706,557	3,778,693	197,894	3,976,587
Profit for the year					386,352	386,352	39,764	426,116
Other comprehensive income for the year				460,748		460,748	9,998	470,746
<b>Comprehensive income for the year</b>				460,748	386,352	847,100	49,762	896,862
<b>Transaction with owners:</b>								
Acquisition of treasury stock			(32,065)			(32,065)		(32,065)
Sales of treasury stock			253		(132)	121		121
Cancellation of treasury stock			68,642		(68,642)	0		0
Share-based payment transactions	376	(195)				181		181
Equity transactions with non-controlling interests and others		(1,210)				(1,210)	7,716	6,506
Cash dividends to owners of the parent					(147,326)	(147,326)		(147,326)
Cash dividends to non-controlling interests							(28,562)	(28,562)
<b>Transfer to retained earnings</b>				(21,247)	21,247	—		—
<b>Balance, end of year</b>	220,423	252,709	(2,733)	1,077,039	2,898,056	4,445,494	226,810	4,672,304

For the year ended March 31, 2023							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		
<b>Balance, beginning of year</b>	219,894	255,996	(1,871)	454,136	2,269,661	3,197,816	183,469	3,381,285
Impact of changes in accounting policies					(980)	(980)	(51)	(1,031)
<b>Balance, beginning of year after changes in accounting policies</b>	219,894	255,996	(1,871)	454,136	2,268,681	3,196,836	183,418	3,380,254
Profit for the year					565,333	565,333	33,914	599,247
Other comprehensive income for the year				209,084		209,084	2,278	211,362
<b>Comprehensive income for the year</b>				209,084	565,333	774,417	36,192	810,609
<b>Transaction with owners:</b>								
Acquisition of treasury stock			(37,950)			(37,950)		(37,950)
Sales of treasury stock			258			258		258
Share-based payment transactions	153	559				712		712
Equity transactions with non-controlling interests and others		(2,441)				(2,441)	1,839	(602)
Cash dividends to owners of the parent					(153,139)	(153,139)		(153,139)
Cash dividends to non-controlling interests							(23,555)	(23,555)
<b>Transfer to retained earnings</b>				(25,682)	25,682	—		—
<b>Balance, end of year</b>	220,047	254,114	(39,563)	637,538	2,706,557	3,778,693	197,894	3,976,587

Note:  
The Consolidated Statement of Changes in Equity for the year ended March 31, 2023 is not required to be included under the Companies Act, and is included solely for the convenience of shareholders.

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

Sumitomo Corporation and Subsidiaries

For the years ended March 31, 2024 and 2023

(Unaudited)

	Millions of Yen			
	2024		2023	
<b>Operating activities:</b>				
Profit for the year	¥	426,116	¥	599,247
Adjustments to reconcile profit for the year to cash flows from operating activities:				
Depreciation and amortization		200,172		183,749
Impairment (reversal) loss on long-lived assets		37,412		6,861
Finance (income) costs, net		(1,071)		(37,667)
Share of (profit) loss of investments accounted for using the equity method		(172,372)		(252,390)
(Gain) loss on sale of long-lived assets, net		(6,752)		(20,152)
Income tax expense		101,530		123,875
Changes in inventories		(4,034)		(264,356)
Changes in trade and other receivables		(76,554)		(9,911)
Changes in prepaid expenses		(18,315)		(10,599)
Changes in trade and other payables		(83,175)		(39,662)
Other, net		130,279		(118,258)
Interest received		35,352		20,728
Dividends received		217,161		205,786
Interest paid		(71,713)		(46,483)
Income taxes paid		(105,186)		(107,967)
Cash flows from operating activities		608,850		232,801
<b>Investing activities:</b>				
Proceeds from sale of property, plant and equipment		9,385		15,140
Purchases of property, plant and equipment		(93,380)		(70,295)
Proceeds from sale of investment property		13,123		32,119
Purchases of investment property		(28,313)		(44,333)
Proceeds from disposal of other investments		176,993		116,771
Acquisitions of other investments		(300,563)		(145,218)
Collection of loans receivable		30,166		20,273
Increase in loans receivable		(26,621)		(15,982)
Cash flows from investing activities		(219,210)		(91,525)
<b>Financing activities:</b>				
Net changes in short-term debts		(94,365)		72,247
Proceeds from issuance of long-term debts		337,960		381,151
Repayments of long-term debts		(379,502)		(415,156)
Repayments of lease liabilities		(74,710)		(71,509)
Cash dividends paid		(147,326)		(153,139)
Capital contribution from non-controlling interests		6,403		663
Payments for acquisitions of subsidiary's interests from non-controlling interests		(3,311)		(3,247)
Payments of dividends to non-controlling interests		(28,562)		(23,555)
Acquisitions and disposal of treasury stock, net		(32,065)		(37,914)
Cash flows from financing activities		(415,478)		(250,459)
<b>Net changes in cash and cash equivalents</b>		<b>(25,838)</b>		<b>(109,183)</b>
<b>Cash and cash equivalents at the beginning of year</b>		<b>656,859</b>		<b>733,824</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>		<b>32,921</b>		<b>26,959</b>
<b>Net changes in cash and cash equivalents resulting from transfer to assets classified as held for sale</b>		<b>3,910</b>		<b>5,259</b>
<b>Cash and cash equivalents at the end of year</b>	¥	<b>667,852</b>	¥	<b>656,859</b>

Note:

The 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, 2024)

### 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 633

Names of principal consolidated subsidiaries

Consolidated subsidiaries	Sumitomo Corporation of Americas
	SCSK Corporation

#### 3. The application of equity method

Number of associated companies 251

Names of principal associated companies

Investments accounting for using the equity method	Sumitomo Mitsui Finance and Leasing Company, Limited
	AMBATOVY MINERALS S.A. and DYNATEC MADAGASCAR S.A.

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. Material 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 assets.

At each reporting date, if the credit risk on financial assets has not increased significantly since initial recognition, the impairment loss is measured at an amount equal to expected credit losses resulting from default events that are possible within 12 months after the reporting date.

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 expected credit losses resulting from all possible default events over the expected lifetime of the financial instruments.

However, the impairment loss for trade and other receivables, etc. which does not contain a significant financing component is always measured at an amount equal to the lifetime expected credit losses.

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 assets 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 assets 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 or 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 instruments and the hedged items, along with their risk management objective and strategy for undertaking the hedge, the hedging instruments, the hedged items, the nature of the risk being hedged, and how the hedging instruments' 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 instruments has a high offset with the change in the fair value or cash flow of the hedged items, at the beginning and the during the hedge accounting is applied, the companies confirm the existence of an economic relationship between the hedged items and the hedging instruments.

Specifically, the Companies evaluate qualitative assessment of whether the key terms of the hedged items and the hedging instruments are identical or closely related, and evaluate quantitative assessment of whether the value of the hedged items and the hedging instruments 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 instruments 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 instruments to hedge the exposure to variability in cash flows that are attributable to a particular risk associated with recognized assets or liabilities or 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 as "Cash-flow hedges" and included in other components of equity. Foreign currency basis spread on cross currency interest rate swaps are excluded from hedging instruments, and changes in the fair value are recognized in other comprehensive income as "Hedging cost" and included in other components of equity.

The balances accumulated in other components of equity are reclassified to profit or loss over the periods when the cash flows of hedged items affect profit or loss. The ineffective portion of changes in the fair value of derivatives 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

The policies on revenue recognition are as follows.

(A) Revenue from sales of tangible products

The Companies recognize revenue from sales of tangible products in connection with the Companies' wholesale, retail, manufacturing and processing operations and real estate operations when the Companies satisfy a performance obligation by providing a promised good or service to a customer. Depending upon the terms of the contract, this may occur at the time of delivery or shipment or upon the attainment of customer acceptance. The conditions of acceptance are governed by the terms of the contract or customer arrangement and those not meeting the predetermined specifications are not recognized as revenue until the attainment of customer acceptance.

The Companies' policy is not to accept product returns unless the products are defective.

The Companies transfer control of a good or service over time and, therefore, satisfy a performance obligation and recognize revenue and costs over time, if certain conditions are met, from sales of tangible products under long-term construction contracts, etc., principally in connection with the construction of power plants in which the Companies provide engineering, procurement and construction service, and software development business in which the Companies customize the software to customer specifications.

Progress towards complete satisfaction of a performance obligation is measured by reference to the stage of completion measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. If circumstances arise that may change the original estimates of revenue, costs, or extent of progress toward completion, then, revisions to the estimates are made.

(B) Revenue from sales of services and others

The Companies also generate revenue from sales of services and others in connection with services related to software, loans, finance leases and operating leases of commercial real estate and vessels.

Revenue from maintenance related to software is recognized over the contractual period or as the services are rendered.

Revenue from loans in connection with vessels, etc. is recognized using the effective interest method over the terms of the loans.

Revenue from finance leases is calculated using the interest rate implicit in the lease.

Revenue from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

The policies on principal versus agent considerations are as follows.

In the ordinary course of business, the Companies may act as an intermediary or an agent in executing transactions with third parties. In these arrangements, the Companies determine whether to recognize revenue based on the "gross" amount billed to the ultimate customer for tangible products or services provided or on the "net" amount received from the customer after considering commissions and other payments to third parties. However, the amounts of "Gross profit" and "Profit (loss) for the period attributable to owners of the parent" are not affected by whether revenue is recognized on a gross or net basis.

The Companies determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the entity is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the entity is an agent). To the extent that the Companies are acting as a principal in a transaction, the Companies recognize revenue on a gross basis when or as the entity satisfies a performance obligation. To the extent that the Companies are acting as an agent in a transaction, the Companies recognize revenue on a net basis in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party when or as the entity satisfies a performance obligation.



(9) Income Taxes

Income taxes comprise current taxes and deferred taxes. These are recognized in profit or loss, except for the taxes which arise from business combinations or are recognized either in other comprehensive income or directly in equity.

Current taxes are the expected taxes payables or receivables on the taxable profit, using the tax rates enacted or substantially enacted by the end of the reporting period, adjusted by taxes payables or receivables in prior years.

Deferred taxes are recognized on temporary differences between the carrying amounts of assets and liabilities for accounting purposes and their tax basis.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the temporary differences will reverse, based on tax laws that have been enacted or substantively enacted by the end of reporting period.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not related to a business combination, affects neither accounting profit nor taxable profit at the time of the transaction, and does not give rise to equal taxable and deductible temporary differences at the time of the transaction.

Deferred tax liabilities are not recognized if the taxable temporary difference arises from the initial recognition of goodwill.

Due to the application of the temporary exception in International Accounting Standard No.12 Income Taxes, deferred tax assets and liabilities for income taxes arising from tax laws enacted or substantively enacted to implement the Pillar 2 model rule published by the Organization for Economic Co-operation and Development are not recognized.

Deferred tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint arrangements. However, if the Companies are able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future, deferred tax liabilities are not recognized.

Deferred tax assets arising from deductible temporary differences associated with investments in subsidiaries, associates and joint arrangements are recognized only to the extent that it is probable that there will be sufficient taxable profit against which the benefit of temporary differences can be utilized and the temporary differences will reverse in the foreseeable future.

Deferred tax assets and Deferred tax liabilities are offset when: there is a legally enforceable right to offset current tax assets against current tax liabilities; and income taxes are levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously.

**Notes to changes in accounting policies**

The Companies have applied the following Standards and Interpretations required to be adopted from the year ended March 31, 2024.

1. IAS 12 “Income Taxes”

The Companies have applied IAS 12 “Income Taxes” (amended in May 2021) from the year ended March 31, 2024. The amendments clarified the accounting treatment upon initial recognition for transactions that result in taxable temporary differences and deductible temporary differences of the same amount at the time of the transaction.

As a result, taxable temporary differences and deductible temporary differences are recognized as deferred tax liabilities and deferred tax assets, respectively, in the Consolidated Statements of Financial Position.

This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the year ended March 31, 2023, have been prepared on a retrospective basis.

As a result, in the Consolidated Statements of Financial Position at the end of the year ended March 31, 2023, assets decreased by 872 millions of yen due to changes in “Investments accounted for using the equity method” and “Deferred tax assets” and equity decreased by 872 millions of yen due to changes in “Retained earnings” and “Non-controlling interests.” Also, in the Consolidated Statements of Comprehensive Income for the year ended March 31, 2023, profit for the year increased by 159 millions of yen due to changes in “Share of profit (loss) of investments accounted for using the equity method” and “Income tax expense.”

Furthermore, in the Consolidated Statements of Changes in Equity for the year ended March 31, 2023, the balances of “Retained earnings” and “Non-controlling interests” at the beginning of year decreased by 980 millions of yen and 51 millions of yen respectively due to the reflection of the cumulative effect of applying the above-mentioned standard.

## Notes to Changes in Presentation

Change in presentation of acquisition and disposal transactions of treasury stocks

Acquisition and disposal transactions of treasury stocks which were previously presented as “Acquisition (disposal) of treasury stock, net” in the Consolidated Statements of Changes in Equity are separately presented as “Acquisition of treasury stock” (the amount is (32,065) millions of yen as of March 31, 2024) and “Sales of treasury stock” (the amount is 253 millions of yen as of March 31, 2024) from the year ended March 31, 2024, in order to ensure a clear presentation.

(Reference)

The amount of “Acquisition of treasury stock” for the year ended March 31, 2023, is (37,950) millions of yen.

The amount of “Sales of treasury stock” for the year ended March 31, 2023, is 258 millions of yen.

Change in presentation of Equity transactions with non-controlling interests and other transactions

Equity transactions with non-controlling interests and other transactions which were previously presented separately as “Acquisition (disposal) of non-controlling interests, net” and “Others” in the Consolidated Statements of Changes in Equity are collectively presented as “Equity transactions with non-controlling interests and others” (the amount is (1,210) millions of yen as of March 31, 2024) from the year ended March 31, 2024, considering the materiality.

(Reference)

The amount of “Equity transactions with non-controlling interests and others” for the year ended March 31, 2023, is (2,441) 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 follows.

Investments accounted for using the equity method	2,857,899 millions of yen
Intangible assets	349,829 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 happen. 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, 2024, are described in "Notes to Consolidated Statements of Comprehensive Income" - "Impairment and impairment reversals".

**Notes to Consolidated Statements of Financial Position****1. Pledged assets and secured liabilities****( 1 ) Pledged assets**

Cash and deposits	42,376 Millions of yen
Trade and other receivables	411,781 Millions of yen
Inventories	21,646 Millions of yen
Marketable securities and investments	257,985 Millions of yen
Property, plant and equipment	7,265 Millions of yen
Investment property	2,258 Millions of yen
Others (Note 1)	45,455 Millions of yen
<b>Total</b>	<b>788,766 Millions of yen</b>

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

**( 2 ) Secured liabilities**

Bonds, borrowings and others	322,533 Millions of yen
<b>Total</b>	<b>322,533 Millions of yen</b>

**2. Allowance for doubtful receivables directly deducted from trade and other receivables** 71,489 Millions of yen

**3. Tax receivables included in other current assets** 27,324 Millions of yen

**4. Accumulated depreciation and impairment losses of property, plant and equipment** 1,260,803 Millions of yen

**5. Accumulated depreciation and impairment losses of investment property** 141,133 Millions of yen

**6. Guarantees of indebtedness**

Associated companies	135,398 Millions of yen
Others	86,796 Millions of yen
<b>Total</b>	<b>222,194 Millions of yen</b>

## Notes to Consolidated Statements of Comprehensive Income

### Impairment losses and impairment reversals

The significant impairment losses and impairment reversals for the year ended March 31, 2024 are as follow.

The Company, through Summit Ambatovy Mineral Resources Investment B.V., its wholly-owned subsidiary, has invested in Ambatovy Minerals S.A., a mining company, and Dynatec Madagascar S.A., a refining company, (hereinafter “Project Companies”) at 54.17% share ratio respectively.

The Company revised production volume forecast downward in light of the current operating conditions including plant equipment malfunctions and other factors, and recently reassessed business plan. The Company recognized an impairment loss on investments and loans, as a result of acknowledging an impairment loss on fixed assets held by the Project Companies to the recoverable amount based on the reassessed business plan. The loss of 75,462 millions of yen is included in “Share of profit (loss) of investments accounted for using the equity method” and 13,258 millions of yen is included in “Other, net” in the Consolidated Statements of Comprehensive Income.

The Company, through KDDI Summit Global Singapore Pte.Ltd. (hereinafter “holding company”), its equity-method affiliate at 49.9% share ratio, has invested in KDDI Summit Global Myanmar Co.,Ltd. to support Myanma Posts & Telecommunications (hereinafter “MPT”) which is a licensed telecommunications service provider in Myanmar.

A provision for doubtful receivable to lease receivables in dollars against MPT was recognized mainly due to the ongoing dollar exchange regulations imposed by the Myanmar government. A loss of 35,215 millions of yen on the investments in the holding company, considering the reversal of impairment loss in the fiscal year ended March 31, 2023, 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 an impairment loss of 12,249 millions of yen on the goodwill relating to the Parking business in Nordic countries, as a result of reassessing the business plan based on changes in business environment such as new behavior pattern due to the pandemic and continued high inflation. The impairment loss is included in “Impairment reversal (loss) on long-lived assets” in the Consolidated Statements of Comprehensive Income.

The Company recognized an impairment reversal of 13,782 millions of yen in the iron ore mining project in South Africa, due to revision of the long-term business plan in line with market recovery in mineral resources. The impairment reversal 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 losses and impairment reversals for the year ended March 31, 2023 were as follows:

- Telecommunications business in Myanmar	(17,464) millions of yen
- Tubular products business in North America	11,379 millions of yen

The impairment losses and impairment reversals relating to telecommunications business in Myanmar were included in “Share of profit (loss) of investments accounted for using the equity method” and tubular products business in North America were included in “Impairment reversal (loss) 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) 1,223,082,867 shares

The number of common shares outstanding at the end of the current fiscal year increased by 257,200 shares as a result of the issuance of new shares for Performance-Linked Stock-based Remuneration and decreased by 28,746,200 shares as a result of cancellation of treasury stocks.

### 2. Dividends for the year ended March 31, 2024

The year-end ordinary dividends were resolved in the ordinary general meeting of shareholders held on June 23, 2023 as follows:

Total amount of dividends (yen)	70,960,398,290
Dividends per share (yen)	57.5
Record date	March 31, 2023
Effective date	June 26, 2023

The interim dividends were resolved by the board of directors on November 23, 2023 as follows:

Total amount of dividends (yen)	76,366,524,816
Dividends per share (yen)	62.5
Record date	September 30, 2023
Effective date	December 1, 2023

### 3. Dividends after March 31, 2024

The year-end ordinary dividends will be resolved in the ordinary general meeting of shareholders held on June 21, 2024 as follows:

Total amount of dividends (yen)	76,371,208,169
Source of dividends	Retained earnings
Dividends per share (yen)	62.5
Record date	March 31, 2024
Effective date	June 24, 2024

**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)	1,000 shares
In the ordinary general meeting of shareholders held on June 22, 2007 (Stock-Linked compensation plan)	2,900 shares
In the ordinary general meeting of shareholders held on June 20, 2008 (Stock-Linked compensation plan)	3,900 shares
In the ordinary general meeting of shareholders held on June 19, 2009 (Stock-Linked compensation plan)	10,200 shares
In the ordinary general meeting of shareholders held on June 22, 2010 (Stock-Linked compensation plan)	8,600 shares
In the ordinary general meeting of shareholders held on June 24, 2011 (Stock-Linked compensation plan)	8,600 shares
In the ordinary general meeting of shareholders held on June 22, 2012 (Stock-Linked compensation plan)	37,900 shares
In the ordinary general meeting of shareholders held on June 21, 2013 (Stock-Linked compensation plan)	40,800 shares
In the meeting of the board of directors held on July 31, 2014 (Stock-Linked compensation plan)	39,900 shares
In the meeting of the board of directors held on July 30, 2015 (Stock-Linked compensation plan)	44,400 shares
In the meeting of the board of directors held on August 1, 2016 (Stock-Linked compensation plan)	94,400 shares
In the meeting of the board of directors held on July 28, 2017 (Stock-Linked compensation plan)	89,800 shares
Total	<u>382,400 shares</u>

"Total" includes 170,200 shares for which the exercise period has not commenced at March 31, 2024.

## 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, 2024, are as follows:

Financial instruments measured at amortized cost

	(Millions of yen)		
	Carrying amount	Fair value	Difference
Assets:			
Marketable securities and other investments	13,928	13,928	—
Trade and other receivables	1,965,616	1,973,438	7,822
Liabilities:			
Bonds and borrowings	3,201,733	3,196,917	(4,816)
Trade and other payables	1,553,391	1,553,138	(253)

Financial instruments measured at fair value

	(Millions of yen)		
	Carrying amount	Fair value	Difference
Assets:			
Marketable securities and other investments	484,508	484,508	—
Trade and other receivables	98,978	98,978	—
Other financial assets	405,306	405,306	—
Liabilities:			
Trade and other payables	211,341	211,341	—
Other financial liabilities	199,363	199,363	—

### 3. The information by level for financial instruments measured at fair value

The fair value of financial instruments is categorized into one of the following three levels based on the observability and importance of the inputs used to calculate the fair value.

Level 1 inputs are quoted prices in active markets for identical assets or liabilities

Level 2 inputs are inputs other than quoted prices that are observable for the assets or liabilities, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the assets or liabilities.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The fair values of financial assets and liabilities measured at fair value, grouped by fair value hierarchy as of March 31, 2024, are as follows:

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities and other investments	312,902	—	171,606	484,508
Trade and other receivables	—	98,978	—	98,978
Other financial assets				
Derivatives designated as hedges	—	197,273	—	197,273
Derivatives not designated as hedges	6,214	176,583	24	182,821
Liabilities:				
Trade and other payables	—	211,341	—	211,341
Other financial liabilities				
Derivatives designated as hedges	—	14,959	—	14,959
Derivatives not designated as hedges	14,168	147,852	233	162,253

The differences between the amounts of other financial assets and other financial liabilities stated above and those stated in the Consolidated Statements of Financial Position resulted from a financial liability for the put option granted to the non-controlling shareholder and offsetting derivative assets and derivative liabilities with deposits. The amounts of "Other financial assets" and "Other financial liabilities" in the Consolidated Statements of Financial Position that are subject to enforceable master netting arrangements or similar arrangements are 76,767 millions of yen.

Reconciliation between the beginning and ending balance of financial assets measured at fair value on a recurring basis using Level 3 inputs for the year ended March 31, 2024, is as follows:

	(Millions of yen)		
	Financial assets measured at FVTPL	Financial assets measured at FVTOCI	Net other financial assets (liabilities)
Balance, beginning of year	40,636	116,891	—
Purchases	15,553	8,183	—
Comprehensive income			
Profit (loss) for the year (Note 1)	1,944	—	(255)
Other comprehensive income (Note 2)	4,501	2,273	—
Disposals	(337)	(11,733)	—
Settlements	(3,067)	(625)	46
Others (Note 3)	(179)	(2,434)	—
Balance, end of year	59,051	112,555	(209)
Profit or (loss) for the year included in earnings relating to financial instruments still held at the end of year, net	4,417	—	(209)

Notes: 1. "Profit (loss) for the year" is included in "Sales of tangible products," "Cost of tangible products sold" and "Gain (loss) on securities and other investments, net" in the Consolidated Statements of Comprehensive Income.  
2. "Other comprehensive income" includes the effect of changes in exchange rate (exchange differences on translating foreign operations).  
3. "Others" includes the effect of changes in scope of consolidation and transfers due to initial public offering of the stocks.

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 of such financial instruments are measured by using appropriate measurement techniques such as 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
361,774	443,441

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

2. The fair value as of March 31, 2024 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 Revenue

### 1. Segment information

We conduct business through six industry-based business operating segments (business units).

Revenues from contracts with customers by operating segment for the year ended March 31, 2024 is as follows:

(Millions of yen)

	Metal Products	Transportation & Construction Systems	Infrastructure	Media & Digital	Living Related & Real Estate	Mineral Resources, Energy, Chemical & Electronics	Segment Total	Corporate and Eliminations	Consolidated
Revenues	1,742,543	1,376,364	505,992	488,653	1,203,935	1,586,743	6,904,230	6,072	6,910,302

### 2. Contract balances

#### (1) Contract assets

“Contract assets” are the rights of the Companies to considerations in exchange for goods or services that the Companies have transferred to a customer in the normal course of business, when those rights are conditioned on something other than the passage of time.

Contract assets are transferred to receivables arising from contracts with customers when the rights of the Company and its consolidated subsidiaries to consideration become unconditional. The changes in contract assets during the year ended March 31, 2024 are mainly due to the satisfaction of performance obligations of long-term construction contracts in infrastructure business.

#### (2) Contract liabilities

“Contract liabilities” represent the Companies’ obligations to transfer goods or services to a customer for which the Companies have received considerations or the amount is due. There are no significant changes in the contract liabilities balances during the year ended March 31, 2024.

Also, the amount of contract liabilities that was included in the beginning balance as of April 1, 2023 and from which revenue has not been recognized during the year ended March 31, 2024 is not material.

### 3. Transaction price allocated to the remaining performance obligations

The Companies customarily enter into long-term sales contracts for certain transactions. For the performance obligation of these long-term sales contracts, the amount of transaction price allocated to the remaining performance obligations as of March 31, 2024 is 2,364,147 million yen. These remaining performance obligations include contracts such as long-term sales contracts in energy business and long-term sales contracts in biomass fuel business, and are deemed to be recognized as revenue within 24 years at March 31, 2024. As a practical expedient stipulated in IFRS 15, the amount above does not include transaction price allocated to the performance obligation of a contract with an original expected duration of one year or less. In case that the consideration of these long-term contract is subject to variability, the Companies include such consideration only when it is highly probable that a significant reversal in the amount of cumulative revenue will not occur at the time the uncertainty associated with the variability is subsequently resolved.

## Notes to per Share Information

1. Equity per share attributable to owners of the parent	3,638.06 yen
2. Earnings per share attributable to owners of the parent	315.87 yen

## Note to Significant Subsequent Events

(Repurchases and Cancellation of Treasury Stock)

At a meeting of its Board of Directors held on May 2, 2024, the Company has resolved to repurchase shares of its common stock pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Act, and to cancel a portion of its treasury stock in accordance with Article 178 of the Act.

Details of the repurchase and cancellation are as follows.

#### 1. Purpose of the share repurchases

To improve capital efficiency and to enhance shareholder returns

#### 2. Details of the share repurchases

(1) Class of shares to be repurchased	Common stock
(2) Total number of shares to be repurchased	Up to 19 million shares (Ratio to the number of outstanding shares (excluding treasury stock) about 1.6%)
(3) Aggregate repurchase amount	Up to 50 billion yen
(4) Period for repurchases	From May 7, 2024 to July 19, 2024
(5) Method of repurchases	Purchase on the Tokyo Stock Exchange

#### 3. Details of cancellation

(1) Class of shares to be cancelled	Common stock
(2) Total number of shares of treasury stock to be cancelled	All shares repurchased
(3) Scheduled date of cancellation	August 28, 2024

(Reference)

Number of treasury stock shares (as of March 31, 2024)	
Number of outstanding shares (excluding treasury stock)	1,221,939,144 shares
Number of treasury stock shares	1,143,723 shares

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

# Non-consolidated Balance Sheets

Sumitomo Corporation

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

(Unit: millions of yen)

Assets	As of March 31, 2024	As of March 31, 2023	Liabilities and net assets	As of March 31, 2024	As of March 31, 2023
<b>Current assets</b>	<b>1,667,275</b>	<b>1,632,967</b>	<b>Current liabilities</b>	<b>1,400,850</b>	<b>1,358,879</b>
Cash and deposits	139,219	176,542	Notes payable, trade	2,734	2,828
Notes receivable, trade	5,656	2,972	Accounts payable, trade	642,465	689,615
Accounts receivable, trade	551,581	472,496	Short-term loans	212,124	210,918
Contract assets	57,571	145,062	Commercial paper	35,000	65,000
Marketable securities	21,479	400	Bonds and notes (Due within one year)	95,695	45,000
Merchandise	83,864	105,078	Accrued expenses	20,660	21,659
Real estate held for development and resale	298,206	230,199	Income taxes	816	1,271
Advances to suppliers	48,639	78,913	Contract liabilities	44,008	45,214
Prepaid expenses	9,381	8,608	Deposits received	301,288	233,690
Short-term loans receivable	219,605	218,948	Deferred income	1,403	1,175
Other current assets	235,669	197,543	Other current liabilities	44,653	42,507
Allowance for doubtful receivables	(3,600)	(3,800)			
<b>Fixed assets</b>	<b>3,283,014</b>	<b>3,168,033</b>	<b>Long-term liabilities</b>	<b>2,002,460</b>	<b>2,022,761</b>
Tangible fixed assets, at cost less accumulated depreciation	287,493	285,987	Long-term loans	1,547,243	1,556,959
Buildings	56,076	52,271	Bonds and notes	406,264	415,086
Other structures	767	768	Other long-term liabilities	48,952	50,715
Machinery and equipment	575	826			
Vehicles and transportation equipment	208	163	<b>Total liabilities</b>	<b>3,403,310</b>	<b>3,381,641</b>
Furniture and fixtures	2,025	1,991			
Land	218,097	218,388	<b>Shareholders' equity</b>	<b>1,398,980</b>	<b>1,331,284</b>
Construction in progress	9,742	11,577	Common stock	220,423	220,046
<b>Intangible fixed assets</b>	<b>49,115</b>	<b>28,885</b>	Capital surplus	231,556	231,180
Software	18,114	11,996	Additional paid-in capital	231,556	231,180
Other intangible fixed assets	31,000	16,888			
<b>Investments and other assets</b>	<b>2,946,405</b>	<b>2,853,160</b>	Retained earnings	949,733	919,619
Investment securities	303,416	222,357	Appropriated for legal reserve	17,696	17,696
Investment securities in subsidiaries and associated companies	1,837,609	1,802,689	Other retained earnings	932,036	901,923
Other investment securities in subsidiaries and associated companies	74,634	58,290	General reserve	65,042	65,042
Other equity interests	11,945	20,747	Unappropriated retained earnings	866,994	836,880
Other equity interests in subsidiaries and associated companies	491,359	528,487	Treasury stock	(2,732)	(39,562)
Long-term loans receivable	49,592	59,119	<b>Valuation and translation adjustments</b>	<b>147,575</b>	<b>87,532</b>
Long-term trade receivables, over due	18,952	23,050	Unrealized gains or losses on securities and others	173,939	98,878
Long-term prepaid expenses	28,297	28,943	Deferred gains or losses on hedges	(26,364)	(11,346)
Deferred tax assets	11,204	31,765			
Other investments and assets	165,732	124,821	<b>Shares acquisition rights</b>	<b>423</b>	<b>542</b>
Allowance for doubtful receivables	(46,340)	(47,112)			
<b>Total assets</b>	<b>4,950,289</b>	<b>4,801,000</b>	<b>Total net assets</b>	<b>1,546,979</b>	<b>1,419,359</b>
			<b>Total liabilities and net assets</b>	<b>4,950,289</b>	<b>4,801,000</b>

Note:

The Non-consolidated Balance Sheet as of March 31, 2023 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	
	2024	2023
Revenues	517,852	590,170
Cost	(353,048)	(442,745)
Gross profit	164,804	147,425
Selling, general and administrative expenses	(222,284)	(206,935)
Operating loss	(57,480)	(59,510)
Non-operating income	499,707	489,512
Interest income	7,837	5,672
Dividends	408,888	415,444
Gain on sale of investment securities	23,750	56,865
Reversal of provision for bad debts reserve of affiliates and others	1	1,249
Other non-operating income	59,230	10,280
Non-operating expense	(210,250)	(38,283)
Interest expense	(27,487)	(15,861)
Loss on sale of investment securities	(2,727)	(1,292)
Valuation loss on investment securities	(157,558)	(6,203)
Provision for bad debts reserve of affiliates and others	(447)	-
Other non-operating expense	(22,029)	(14,925)
Ordinary income	231,977	391,718
Extraordinary gain	5,732	17,582
Gain on sale of fixed assets	5,732	17,582
Extraordinary loss	(1,386)	(145)
Loss on sale of fixed assets	(1,386)	(145)
Net income before income taxes	236,322	409,156
Income taxes-current	13,985	1,674
Income taxes-deferred	(3,443)	2,730
Net income	246,864	413,561

Note:

The Non-consolidated Statement of Income for the year ended March 31, 2023 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, 2024

(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	Appropriated for legal reserve	Other retained earnings		Total retained earnings							
				General reserve	Unappropriated retained earnings								
Balance, beginning of the year	220,046	231,180	17,696	65,042	836,880	919,619	(39,562)	1,331,284	98,878	(11,346)	87,532	542	1,419,359
Changes in the year													
Issuance of shares	376	376						752					752
Cash dividends					(147,326)	(147,326)		(147,326)					(147,326)
Net income					246,864	246,864		246,864					246,864
Acquisition of treasury stock							(32,065)	(32,065)					(32,065)
Sales of treasury stock					(132)	(132)	252	119					119
Cancellation of treasury stock					(68,642)	(68,642)	68,642	-					-
Decrease due to corporate split					(649)	(649)		(649)					(649)
Changes of items other than shareholders' equity (Net)								-	75,061	(15,018)	60,042	(119)	59,923
Total Changes in the year	376	376	-	-	30,113	30,113	36,829	67,696	75,061	(15,018)	60,042	(119)	127,619
Balance, end of the year	220,423	231,556	17,696	65,042	866,994	949,733	(2,732)	1,398,980	173,939	(26,364)	147,575	423	1,546,979

For the year ended March 31, 2023

(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	Appropriated for legal reserve	Other retained earnings		Total retained earnings							
				General reserve	Unappropriated retained earnings								
Balance, beginning of the year	219,893	231,027	17,696	65,042	576,528	659,267	(1,870)	1,108,317	108,779	(12,129)	96,649	699	1,205,666
Changes in the year													
Issuance of shares	153	153						306					306
Cash dividends					(153,139)	(153,139)		(153,139)					(153,139)
Net income					413,561	413,561		413,561					413,561
Acquisition of treasury stock							(37,949)	(37,949)					(37,949)
Sales of treasury stock					(69)	(69)	257	187					187
Changes of items other than shareholders' equity (Net)								-	(9,900)	783	(9,117)	(156)	(9,273)
Total Changes in the year	153	153	-	-	260,352	260,352	(37,691)	222,966	(9,900)	783	(9,117)	(156)	213,693
Balance, end of the year	220,046	231,180	17,696	65,042	836,880	919,619	(39,562)	1,331,284	98,878	(11,346)	87,532	542	1,419,359

Note:  
The Non-consolidated Statement of Changes in Shareholders' Equity for the year ended March 31, 2023 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, 2024)

### 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	
- Securities with market prices	Stated at fair value. 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.
- Securities without market prices	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, 2024.  
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. Revenue and expense

The policies on revenue recognition are as follows.

The Company recognizes revenue mainly from sales of tangible products in connection with the Company's wholesale, processing operations, etc. and real estate operations when the Company satisfies a performance obligation by providing a promised good or service to a customer. Depending upon the terms of the contract, this may occur at the time of delivery or shipment or upon the attainment of customer acceptance.

The Company's policy is not to accept product returns unless the products are defective.

The Company transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue and costs over time, if certain conditions are met, from sales of tangible products under long-term construction contracts, etc., principally in connection with the construction of power plants in which the Company provides engineering, procurement and construction service. Progress towards complete satisfaction of a performance obligation is measured by reference to the stage of completion measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

The policies on principal versus agent considerations are as follows.

In the ordinary course of business, the Company may act as an intermediary or an agent in executing transactions with third parties.

The Company determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the entity is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the entity is an agent). To the extent that the Company is acting as a principal in a transaction, the Company recognizes revenue on a gross basis when or as the entity satisfies a performance obligation. To the extent that the Company is acting as an agent in a transaction, the Company recognizes revenue on a net basis in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party when or as the entity satisfies a performance obligation.

#### 5. Deferred charges

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

#### 6. 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.

## 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 impact on the Non-consolidated Financial Statements for the following fiscal year are as follows.

Investment securities in subsidiaries and associated companies	1,837,609 millions of yen
Other equity interests in subsidiaries and associated companies	491,359 millions of yen

The securities without market prices 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, 2024, are described in "Notes to Non-consolidated Statements of Income -

3. Valuation loss on investment securities".

## Notes to Non-consolidated Balance Sheets

### 1. Pledged assets and secured liabilities

#### (1) Pledged assets

Buildings	2,326 millions of yen
Land	354 millions of yen
Intangible fixed assets	767 millions of yen
Investment securities	28,917 millions of yen
Investment securities in subsidiaries and associated companies	155,872 millions of yen
Long-term loans receivable	1,220 millions of yen
Others (Note 2)	33,041 millions of yen
<b>Total</b>	<b>222,497 millions of yen</b>

- 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 current assets and others	10,885 millions of yen
<b>Total</b>	<b>10,885 millions of yen</b>

### 2. Accumulated depreciation of tangible fixed assets 80,454 millions of yen

### 3. Guarantees of indebtedness

Subsidiaries and associated companies	614,752 millions of yen
Others	71,001 millions of yen
<b>Sub-total</b>	<b>685,753 millions of yen</b>
Keep-well agreement on subsidiaries' financing arrangements	213,017 millions of yen
<b>Total</b>	<b>898,770 millions of yen</b>

### 4. Discounted trade notes receivable with banks 8,644 millions of yen

### 5. Monetary receivables and payables to subsidiaries and associated companies

Short-term monetary receivables	614,834 millions of yen	Long-term monetary receivables	56,681 millions of yen
Short-term monetary payables	255,770 millions of yen	Long-term monetary payables	8,268 millions of yen

### 6. Concerning Notes Maturing on the Last Day of the Fiscal Year

Notes maturing on the last day of the fiscal year are recognized on the clearance date. Since the last day of the fiscal year ended March 31, 2024 was a holiday for financial institutions, the following mature notes are included in the year-end balance for the fiscal year.

Trade notes receivable	991 millions of yen
Trade notes payable	252 millions of yen

## Notes to Non-consolidated Statements of Income

### 1. Operating transactions with subsidiaries and associated companies

Sales (Note 1)	957,769 millions of yen
Purchases	330,949 millions of yen

Note: 1. Revenue in the Non-consolidated Statement of Income includes certain transactions presented on a net basis.

### 2. Non-operating transactions with subsidiaries and associated companies 440,967 millions of yen

### 3. Valuation loss on investment securities

In the year ended March 31, 2024, "Valuation loss on investment securities" of 94,518 millions of yen was recognized in relation to the investment in Nickel mining and refining business in Madagascar.

"Valuation loss on investment securities" of 24,605 millions of yen was recognized in relation to the investment in the telecommunications business in Myanmar.

"Valuation loss on investment securities" of 19,168 millions of yen was recognized in relation to the investment in the mushroom business in North America.

"Valuation loss on investment securities" of 10,882 millions of yen was recognized in relation to the investment in the UK water business.

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

Number of treasury stock as of March 31, 2024

Common stock 1,143,723 shares

**Notes to Deferred Income Tax**

## 1. Significant components of deferred tax assets

Loss on valuation of investment securities, provision for bad debts, deferred gains or losses on hedges and others.

## 2. Significant components of deferred tax liabilities

Unrealized gains or losses on securities, deferred gains or losses on hedges and others.

## 3. Accounting for corporate taxes and local income taxes, and tax effect accounting related to those taxes

The Company applies the group tax sharing system. In accordance with the "Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System" (ASBJ PITF No.42, August 12, 2021), the company conducts accounting treatment and disclosure of corporate taxes and local income taxes, and tax effect accounting related to those taxes.

**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, 2024
Subsidiary	SUMITOMO CORPORATION GLOBAL METALS CO., LTD.	Directly held 100%	Loan of funds	Loan of funds <sub>(Note 1)</sub>	9,209	Short-term loans	65,637
				Collection of funds	14,038		
				Interest received <sub>(Note 1)</sub>	417		
Subsidiary	SUMITOMO CORPORATION EUROPE LIMITED	Indirectly held 100%	Guarantee of indebtedness	Guarantee of indebtedness <sub>(Note 2)</sub>	68,430	—	—
				Receipt of guarantee fee <sub>(Note 2)</sub>	191	—	—

Transaction terms and policy

Notes: 1. The interest rates are determined by considering market rates.

2. The rate of the guarantee fee is determined by considering the creditworthiness and other factors.

**Notes to per Share Information**

## 1. Net assets per share

1,265.66 yen

## 2. Net income per share

201.91 yen

**Note to Significant Subsequent Events**

(Repurchases and Cancellation of Treasury Stock)

At a meeting of its Board of Directors held on May 2, 2024, the Company has resolved to repurchase shares of its common stock pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Paragraph 3, Article 165 of the Act, and to cancel a portion of its treasury stock in accordance with Article 178 of the Act.

Details of the repurchase and cancellation are as follows.

## 1. Purpose of the share repurchases

To improve capital efficiency and to enhance shareholder returns

## 2. Details of the share repurchases

- |  |   |
|--|---|
| (1) Class of shares to be repurchased        | Common stock  |
| (2) Total number of shares to be repurchased | Up to 19 million shares (Ratio to the number of outstanding shares (excluding treasury stock) about 1.6%) |
| (3) Aggregate repurchase amount              | Up to 50 billion yen  |
| (4) Period for repurchases                   | From May 7, 2024 to July 19, 2024   |
| (5) Method of repurchases                    | Purchase on the Tokyo Stock Exchange  |

## 3. Details of cancellation

- |  |                        |
|--|------------------------|
| (1) Class of shares to be cancelled                          | Common stock           |
| (2) Total number of shares of treasury stock to be cancelled | All shares repurchased |
| (3) Scheduled date of cancellation                           | August 28, 2024        |

(Reference)

Number of treasury stock shares (as of March 31, 2024)

Number of outstanding shares (excluding treasury stock) 1,221,939,144 shares

Number of treasury stock shares 1,143,723 shares

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



## **Independent Auditor's Report**

**May 10, 2024**

To the Board of Directors of Sumitomo Corporation.

KPMG AZSA LLC  
Tokyo Office, Japan

Michitaka Shishido  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Isao Kamizuka  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

Kenji Kasajima  
Designated Limited Liability Partner  
Engagement Partner  
Certified Public Accountant

### **Opinion**

We have audited the consolidated financial statements, which comprise the consolidated statements of financial position, the consolidated statements of comprehensive income, the consolidated statements 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, 2024 and for the year from April 1, 2023 to March 31, 2024 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.

### **Other Information**

The other information comprises the business report and its supplementary schedules. Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to 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, actions taken to eliminate threats or safeguards applied.

### **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.

**Notes to the Reader of Independent Auditor's Report:**

The Independent Auditor's Report herein is the English translation of the Independent Auditor's Report as required by the Companies Act for the conveniences of the reader.

## **Independent Auditor's Report**

May 10, 2024

To the Board of Directors of Sumitomo Corporation:

KPMG AZSA LLC  
Tokyo Office, Japan

Michitaka Shishido  
Designated Limited  
Liability Partner  
Engagement Partner  
Certified Public  
Accountant

Isao Kamizuka  
Designated Limited  
Liability Partner  
Engagement Partner  
Certified Public  
Accountant

Kenji Kasajima  
Designated Limited  
Liability Partner  
Engagement Partner  
Certified Public  
Accountant

### **Opinion**

We have audited the financial statements, which comprise the non-consolidated balance sheets, the non-consolidated statements of income, the non-consolidated statements of changes in shareholders' equity and the related notes, and the accompanying supplementary schedules of Sumitomo Corporation. ("the Company") as at March 31, 2024 and for the year from April 1, 2023 to March 31, 2024 in accordance with Article 436-2-1 of the Companies Act.

In our opinion, the financial statements and the accompanying 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 accompanying 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 the Accompanying Supplementary Schedules* 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.

### **Other Information**

The other information comprises the business report and its supplementary schedules . Management is responsible for the preparation and presentation of the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Financial Statements and the Accompanying Supplementary Schedules**

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying 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 accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying 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.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements and the Accompanying Supplementary Schedules**

Our objectives are to obtain reasonable assurance about whether the financial statements and the accompanying 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 accompanying 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 accompanying 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 accompanying 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 accompanying supplementary schedules are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the financial statements and the accompanying supplementary schedules, including the disclosures, and whether the financial statements and the accompanying 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, actions taken to eliminate threats or safeguards applied.

#### **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.

**Notes to the Reader of Independent Auditor's Report:**

This is an English translation of the Independent Auditor's Report as required by the Companies Act of Japan for the conveniences of the reader.



## 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 155th fiscal year from April 1, 2023 to March 31, 2024 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 established under the "Quality Control Standard Regarding Audit (by the Business Accounting Council)," 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, 2024

The Audit & Supervisory Board  
Sumitomo Corporation

Daisuke Mikogami (Seal)  
Senior Audit & Supervisory  
Board Member(full-time)

Kazunari Sakata (Seal)  
Audit & Supervisory Board Member  
(full-time)

Toshio Nagai (Seal)  
Audit & Supervisory Board Member

Yoshitaka Kato (Seal)  
Audit & Supervisory Board Member

Yukiko Nagashima (Seal)  
Audit & Supervisory Board Member

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