



January 28, 2025

To whom it may concern

Sumitomo Corporation  
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### **Notice of Transition to a Company with an Audit & Supervisory Committee**

At today's Board of Directors meeting, Sumitomo Corporation resolved to transition from its current status as a "Company with an Audit & Supervisory Board" to a "Company with an Audit & Supervisory Committee," contingent upon approval at the General Meeting of Shareholders scheduled for June 2025. We hereby notify you as follows.

#### **1. Transition to a Company with an Audit & Supervisory Committee**

##### **(1) Objectives of the Transition**

Sumitomo Corporation believes that "Sumitomo's Business Philosophy" and the "Sumitomo Corporation Group's Management Principles and Activity Guidelines" serve as the backbone of our corporate ethics and the foundation of our corporate governance. The company is committed to building a better governance framework, which will contribute to our sustainable growth, the mid-to-long term enhancement of corporate value and fulfilling our responsibilities as a corporation to society. This effort aligns with the interests of all stakeholders, including shareholders, and we are dedicated to continuous improvement in corporate governance.

Based on this fundamental philosophy, we have taken a number of measures to improve the effectiveness of the Board of Directors, such as increasing the number of outside directors and enhancing agenda setting under the current governance structure (a company with an Audit & Supervisory Board). To accelerate the execution of the growth strategy outlined in our Medium-Term Management Plan 2026, launched in April 2024, we have decided to transition to a Company with an Audit & Supervisory Committee. This change aims to ensure timely and

appropriate business execution by the management team and strengthen the effectiveness of the Board of Directors in making decisions on important matters and supervising the execution of those decisions. Further, in alignment with this structure change, the Board of Directors will be restructured to have a majority of outside directors to enhance its supervisory function.

## (2) Transition Timeline

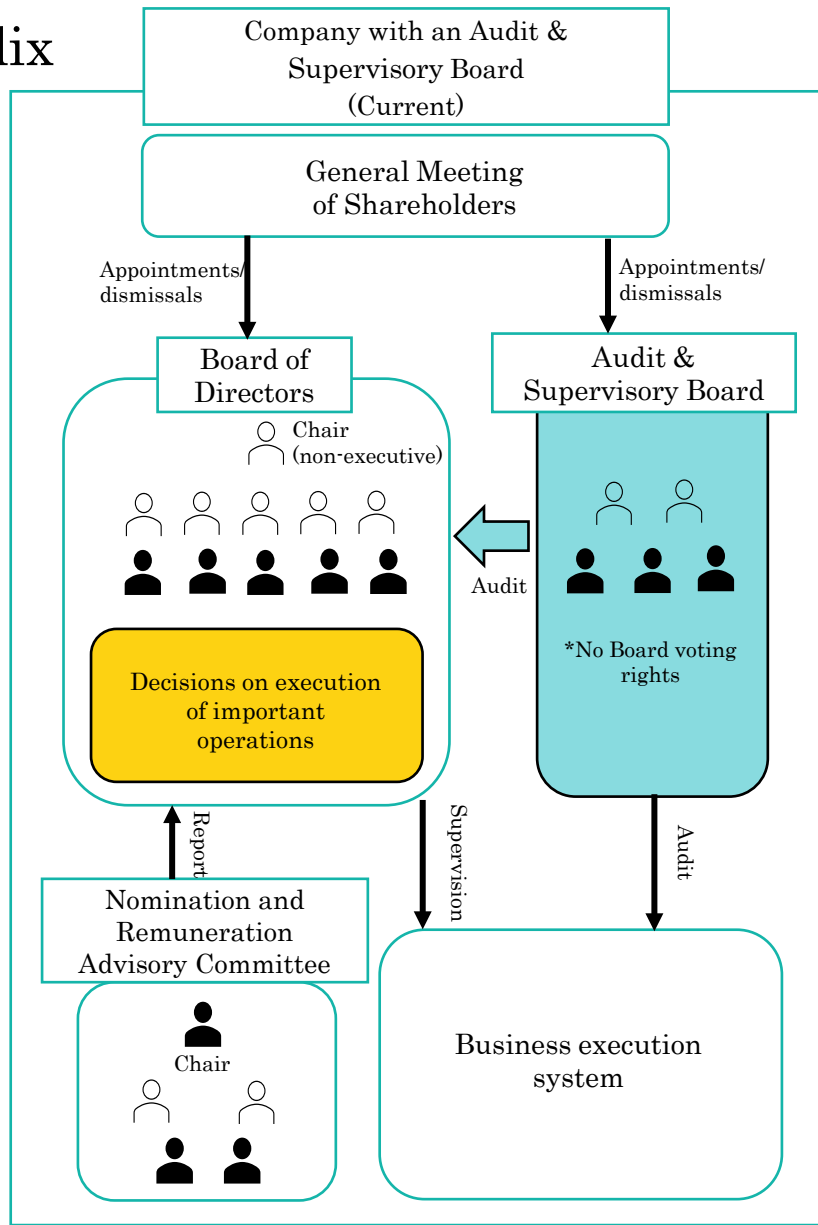
The transition to a Company with an Audit & Supervisory Committee is to be approved at the General Meeting of Shareholders scheduled for June 2025. We will publish the specific amendments to the Articles of Incorporation once they have been finalized.

## 2. Structure Overview After Transition to a Company with an Audit & Supervisory Committee

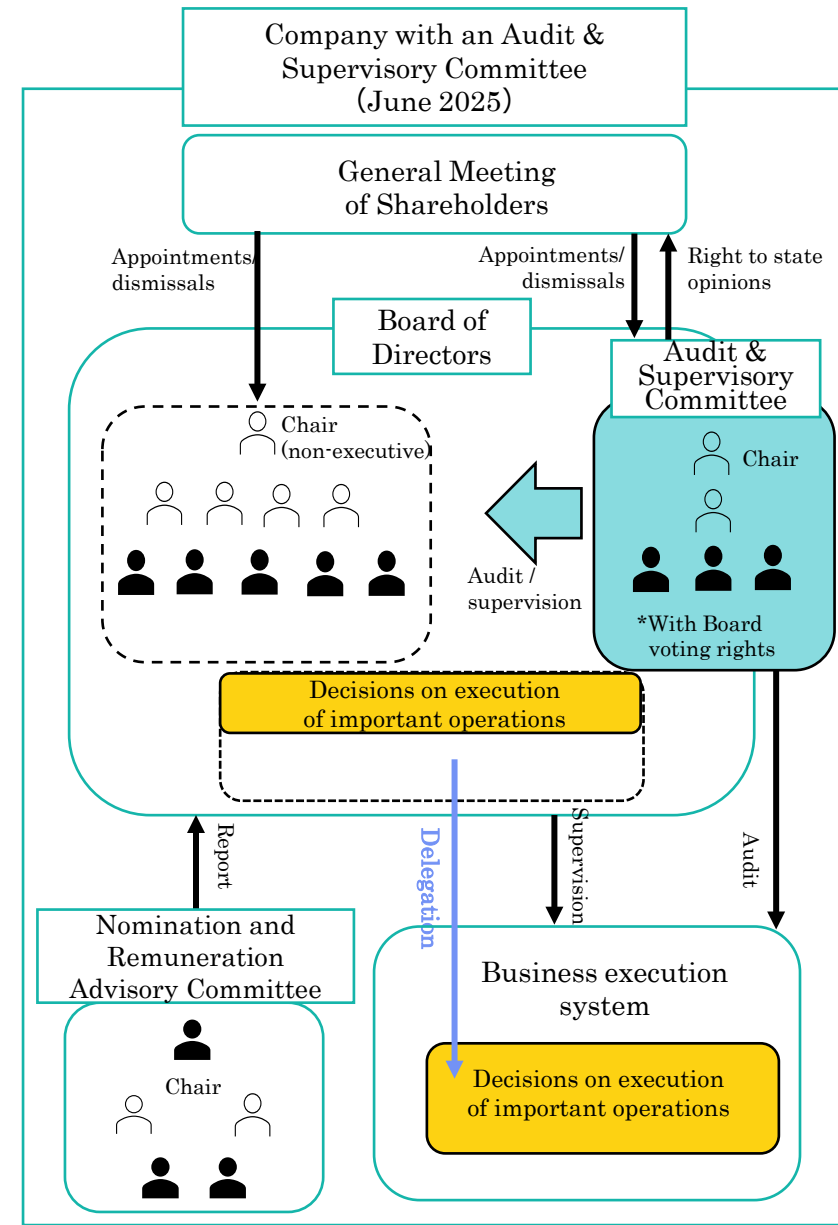
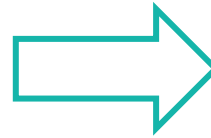
After the transition to a Company with an Audit & Supervisory Committee, the governance structure will be as follows (see the attached Appendix). For information regarding the nominees for the Board of Directors, please refer to today's announcement on "Appointments of Directors and Personnel Changes of Executive Officers."

- Currently, our Board members consists of eleven directors (6 internal, 5 outside) and five Audit & Supervisory Board members (2 internal, 3 outside) for a total of 16 members. After the transition the Board will consist of fifteen members (7 internal, 8 outside), with outside directors forming the majority. Of these, five directors (2 internal, 3 outside) will serve as members of the Audit & Supervisory Committee.
- To ensure the effectiveness of audits by the Audit & Supervisory Committee, two internal directors who are familiar with our business will serve as full-time members of the committee, with one being appointed as the committee's chairperson. Additionally, we will establish an organization to assist the committee in its duties.
- After the transition, we will continue to have the Nomination and Remuneration Advisory Committee. The majority of the committee will consist of outside directors, and the chairperson will also be an outside director, ensuring greater transparency and objectivity in the decision-making process for director nominations and remunerations.



# Appendix



Executive structure	Directors: 11 (incl. 5 outside) Audit & Supervisory Board Members: 5 (incl. 3 outside)
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Directors (excl. Audit & Supervisory Committee members): 10 (incl. 5 outside) Directors who are members of the Audit & Supervisory Committee: 5 (incl. 3 outside)
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 Internal  
 Outside