Internal Control

The Sumitomo Corporation Group has strengthened its internal controls to retain the trust of all its stakeholders.



The Sumitomo Corporation Group comprises five Business Units as well as regional organizations in Japan and overseas. Business Units, organizations, and Group companies collectively work together in a broad range of business fields. It is essential that we provide a uniform standard for operational quality at these businesses, irrespective of their business sector or region. Also, this standard must meet the expectations of our stakeholders. Mindful of this, since 2004, we have strengthened internal control by taking the measures shown below.

FY	Developments in Japan and Overseas	Т	he Sumitomo Corporation Group's progress	
	December 2001 Bankruptcy of Enron			
	July 2002 Enactment of SOX Act in U.S.	Preparation and introduction of basic policies for overall internal control		
2004		July 2004: Established Internal Control Committee • Integrated and upgraded internal control system and risk management measures	Establishment of foundations for evaluation system and implementation of measures for comprehensive evaluations —Established systems compliant with Companies Act before its enforcement—	Strengthening of education
2005	June 2005 Enactment of Companies Act in Japan	by constructing internal control system based on COSO framework	July 2005: Began evaluations that use checklists based on COSO framework • Implemented improvements after inspecting status of control in overall management of organizations, including risk management, accounting and finan-	
2006	May 2006 Enforcement of Companies Act June 2006 Establishment of J-SOX system		Maintenance of internal control system in compliance with the Companies Act	August 2006: Released "essence of control" • Explained basic aim and main points of important monitoring items for internal control
2007			FY 2006~: Confirmed compliance of existing systems	
2008	April 2008 Commencement of adoption of J-SOX system		Response to stipulations of Financial Instruments and Exchange Act FY 2008~: Began to respond to	
2009			stipulations of J-SOX	
2010		August 2010: Established basic regulations for internal control • Conducted overall management and timely evaluation of internal control • Identified important internal control issues and prepared and implemented basic policies for improvement • Responded to stipulations of the Companies Act and Financial Instruments and Exchange Act		FY2010~: Increased and improved educational tools • Established "focused controls" Established ine focused controls as important internal control actions based on analysis of cases of inadequate inter- nal control • Distributed case studies showing of consequences of inadequate internal control • Prepared standard checklist for internal control • Established e-learning on internal control
Present				FY 2012~: Strengthened in-house training