

## Part 3 People and Organizations

### Strengthening bases that will support the Company's sustainable growth in the future

Toward the next 100 years of the Sumitomo Corporation Group, the keys are people and governance essential for growth. These represent the management bases underpinning the true value of the Sumitomo Corporation Group.

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## Dialogue

# CSO and CAO

Fostering growth of the people and organizations that will realize our management strategy

### Hirokazu Higashino

Representative Director,  
Senior Managing Executive Officer,  
Chief Strategy Officer

Profile: Since joining the Company, he has worked primarily in real estate-related businesses in Japan and overseas, serving as General Manager, Materials, Supplies & Real Estate Div.; General Manager, Planning & Coordination Dept., Living Related & Real Estate Business Unit; and Deputy General Manager, Living Related & Real Estate Business Unit, among other roles. In April 2022, he was appointed Chief Strategy Officer (CSO).

### Takayuki Seishima

Representative Director, Executive Vice President,  
Chief Administration Officer and Chief Compliance Officer

Profile: Since joining the Company, he has worked primarily in risk management-related businesses and planning and administration of infrastructure-related businesses in Japan and overseas, serving as General Manager, Planning & Administration Dept., Environment & Infrastructure Business Unit; Executive Vice President and Chief Financial Officer (CFO) of Sumitomo Corporation of Americas; and Assistant CAO, Secretary & Human Resources, among other roles. In April 2019, he was appointed Chief Administration Officer (CAO) and Chief Compliance Officer (CCO).

## Dialogue CSO and CAO

### Direction and challenges of our human resources strategy

Please tell us about Sumitomo Corporation's vision and the HR strategy for realizing it.

**Higashino** The Sumitomo Corporation Group is developing diverse businesses for the next 100 years to embody its Corporate Message of "Enriching lives and the world." In this context, I believe it is important for each and every member of the team to carefully consider what "Enriching lives and the world" means to them personally and put Sumitomo's Business Philosophy into practice at the individual level. Based on our philosophy "People are our most important asset," management focuses on our human resources and works continuously to create value through the power of our people. Business strategies take on greater driving force, and organizations become more powerful by enhancing our people—the Group's most important capital—and by creating an organization where each individual can maximize their abilities. In this era of rapid changes in the business environment, we have to not only develop our existing business models but also explore new businesses beyond our current domains and pursue more complex and challenging businesses

**Seishima** It is essential that we expand our diverse talent pool with individuals who possess attractive qualities to keep up with the changing times and promote the Group's growth strategy. Under the current medium-term management plan SHIFT 2023, we are steering our HR strategy in a major new direction to create an organization which will enable our people to demonstrate their abilities in various business domains and at various work sites while enhancing their capabilities. The Global HR Management Policy serves as the compass for this endeavor and defines the vision and essential concepts of the Sumitomo Corporation Group's HR management. Our vision for Sumitomo Corporation

(SC) People is that they will share and embody the Group's vision, principles, and Sumitomo's Business Philosophy. It is also important that each individual has high aspirations and continues to grow autonomously. We are looking for people who can make decisions and execute them responsibly as professional businesspeople and who can demonstrate their abilities with an eye toward further enhancing the corporate value of the entire Group.

What do you think are the characteristics of Sumitomo Corporation's HR strategy and what future challenges do you foresee?

**Seishima** One of the characteristics of our strategy is that we are developing highly specialized talent for each business field and domain. Over the past few years, we have also made a conscious effort to ensure flexibility in the allocation of human resources at the companywide level. Achieving the Business Portfolio SHIFT set forth in the current medium-term management plan requires a corresponding shift in our management resources. Of course, this also requires a shift in our talent. Our evaluation is that our efforts to expand our internal open recruitment system and mid-career hiring have, to date, resulted in progress in our shifting of talent and recruitment as planned.

**Higashino** Up to now, career paths after joining Sumitomo Corporation have tended to follow a single route. Going forward, however, we believe we need to develop more diverse routes and positions to create a system that supports autonomous career development. For example, our talent pool will be stronger if more of our people hone their skills and master one particular area within their respective industries, rather than all of them aiming for management. I see people as "works of art." A company is like a museum that grows more attractive and popular by acquiring various works of art. Sumitomo Corporation is engaged in a wide range of businesses. I believe that by creating an environment where the roughly



80,000 people within the Group are able to choose their own career paths and reach their potential, the Company will naturally become stronger. And, from the standpoint of developing and utilizing talent to create excellent "works of art," one of our roles is to draw out potential that the individuals themselves may not be aware of. To that end, I hope to promote rotations that encourage such awareness.

**Seishima** I also believe that it's important to implement rotations that draw out potential. One caveat is that positions and roles are not solely determined by individual desires. Instead, the individual's wishes must align with the Company's expectations and needs, and they have to be competent for that position. Some people change jobs because they didn't get the job that they wanted with us. This could indicate that our Company wasn't attractive enough. The organization provides many attractive opportunities to meet the expectations of each individual, while individuals strive to excel in their desired or assigned positions. I think that it's important for both the organization and individuals to grow stronger through that mutual relationship.

Also, while eliminating the seniority-based system that still exists in practice, it's essential that we further promote diversity in terms of gender, nationality, and career backgrounds. Furthermore, as we have expanded our business from trading to



## Dialogue CSO and CAO



business investment, one of the major challenges is how to quickly develop more professionals who operate businesses across various fields and not just in management positions. We have been developing our talent pool to facilitate this process.

**What do you think the challenges are for further developing talent?**

**Mr. Higashino, you had been responsible for the real estate business. Could you tell us about that based on your experience from that time?**

**Higashino** The real estate team is mainly focused on business investments, requiring agility to capture changes and a high level of expertise. With volatile trends and rapid changes in the market coupled with continually changing mainstay products, which are the source of its revenue, the knowledge and experience possessed by individuals is vital to generate profits, and it's also crucial to pass on that expertise. The real estate team has set forth a basic strategy called "The Vision" for where we hope to be in 10 years from now. Naturally, the HR strategy is tied to this basic strategy. To achieve this vision for 10 years from now, the team is focusing on developing young people through on-the-job training, actively recruiting external talent, and promoting agile and flexible personnel rotations to adapt to market fluctuations.

As the general manager, I sought not only to develop real estate professionals but also to develop talent capable of contributing to Sumitomo Corporation as a whole. Being an integrated trading company, we are uniquely positioned to help our people to gain experience not only in real estate but in other fields as well. I think this is a career plan that will allow us to develop our people into even better "works of art."

**Seishima** Many of our business fields require a high level of expertise, like the real estate business. Right now, I consider experts who contribute to the organization by demonstrating expertise in one particular area to be exceptionally valuable talent. While leaders of organizations are classified into Management (M) job groups and assigned grades, specialized personnel are categorized into Expert (E) job groups, with its highest grade considered to be the same level as the counterpart of M job groups. Currently, we do not yet have a large number of talent in the high-grade E job groups, but I am sure that by creating a system and environment where both management and experts can thrive will lead to higher performance and autonomy in career development of our people.

## Vision for Sumitomo Corporation beyond evolving human resources management

**What are your thoughts on diversity, equity, and inclusion (DE&I) at Sumitomo Corporation?**

**Seishima** In March 2023, we expanded the concept of D&I to the next stage of DE&I. At that time, we had many discussions in the HR department about the importance of equity (the "E" in DE&I). We've made substantial progress for employees in terms of flexibility in workstyles, such as remote work, and employee benefits and now have an environment in place where employees can contribute according to their individual circumstances. However, when it comes to doing away with the male-oriented

seniority-based hierarchy and having women, young people, and foreign nationals play an active role, looking at whether equity is practiced at each workplace, we believe that equity is an issue that carries a weight equal to diversity and inclusion. While the previous D&I policy already included the concept of equity, we explicitly introduced DE&I to express our commitment to driving meaningful behavioral change in each organization and individual in light of the current situation.

**Higashino** We are no longer in an era where only men in their 40s and 50s can play an active role as a leader.

Our business is oriented toward resolving social and global issues such as climate change mitigation and local community and economic development. Given that half of the world's population is female, and people of all ages and various nationalities exist, it's safe to say that the participation of diverse members is essential in running businesses and making decisions. Going further, I believe that Sumitomo Corporation's future depends on further accelerating the promotion of DE&I that we are now actively pursuing and expanding and establishing it on a global scale. For instance, the integrated telecommunications business in Ethiopia serves as a prime example of a business that is up and running through the inclusion of diverse individuals from around the world.

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**So far, how do you evaluate the entire process from talent acquisition to development, putting the right talent in the right assignments, performance management, and fair treatment?**

**Seishima** First, in terms of recruitment, there has been considerable diversification in both the methods used and the talent recruited. As far as methods go, we have expanded mid-career hiring. We used to seek specialized individuals that would become immediate assets, but recently we have also been

## Dialogue CSO and CAO

conducting open mid-career hiring where we look at the individual's suitability and fit with the culture of the department they will be assigned to regardless of experience or expertise in a specific field. As a result, in FY2022 just under half of all hires were mid-career hires, and just under 40% of those were women. Next, regarding development, our off-the-job training program is already quite extensive, but I think we need to further enhance the system for developing talent to expand the candidates for future management positions. As for putting the right talent in the right assignments, we have the idea that the business requirements for executing business strategies comes first and then we find the right talent for it. We emphasize the capabilities and qualifications needed for the assignment without regard to seniority and will continue to focus on establishing a system of promoting the right talent. Regarding performance management and fair treatment, we have introduced a system to enhance the correlation with the business strategy of each Strategic Business Unit (SBU). Specifically, we have switched to a system that differentiates the allocation of bonus funds based on the degree to which the specific targets set by each SBU are met.

**Higashino** Mr. Seishima's explanation of putting the right talent in the right assignments is spot on. At the same time, the right talent is closely related to the development of talent. In HR management, it is essential that we view our people as capital. You can increase capital if you put in the effort, but if you slack off, it will decrease. We will put the right talent in the right assignments in our business while at the same time strengthening our talent through development. In the HR management of the future, one of the key points will be how well we can link the right assignments with the right talent and tie that into enhancing corporate value.

**How do you view the engagement survey that was launched in 2022 when it comes to improving employee motivation?**

**Seishima** Statistically, there is a positive correlation between corporate conditions such as performance and work environment and engagement scores. In other words, we can measure the status at our company based on these scores. However, the requirements for a favorable state are significantly influenced by progress on our business strategy, the way work is done, and other such factors. As such, starting from this fiscal year, we are implementing various measures that go beyond human resources strategy and have incorporated the improvement of engagement scores into management goals as a KPI to measure whether we are approaching our vision. Regarding the organizational issues that have come to light based on the results of the 2022 survey, we will keep track of the current situation and issues in each organization and work on improvements accordingly. At the same time, we recognize that there is still room for improvement in organizations and systems at the companywide level. As such, I hope to realize further enhancement of engagement by taking on practical, ongoing improvements in that regard.

**Higashino** We are in the process of restructuring our Company from losses sustained in FY2020. The results of the restructuring to date have manifested in the form of record profits for two consecutive fiscal years and a higher valuation by the market. Everyone in the Group should be proud of what has been done so far. As we continue to bear the burden of completing this restructuring, I also believe that management's steady efforts to clearly communicate the purpose and significance of operations to subordinates and ensuring their understanding will lead to an improvement in engagement.

**Seishima** Engagement is an important factor when it comes to the Company's sustainable growth. Starting from FY2023, we have incorporated the results of the engagement survey as one of

the evaluation indicators for executive stock-based remuneration. This demonstrates the resolve of the entire management team to come together and work on improving engagement.

## Our people whom will shape the future of Sumitomo Corporation

**Finally, could you each share a few words on the prospects of acquiring and developing talent that will shape the future of Sumitomo Corporation?**

**Higashino** In business, there are multiple time frames, namely the short term, medium term, and long term. We also apply these time frames to talent, seeking talent that will be on the front lines as immediate assets, talent that will conceptualize for the medium to long term and make big waves, and talent that will explore a singular path without getting caught up on immediate profits. I believe securing and developing such diverse talent will lead to prosperity 100 years from now. At the same time, I believe that if Sumitomo Corporation becomes a company that naturally attracts diverse and talented individuals, this will enhance our business strategy in due course, allowing us to evolve into an even stronger corporate group.

**Seishima** I feel that the series of HR system reforms that started with the Global HR Management Policy are of great significance, but I also believe that progress on the business strategy has a significant effect on employee morale and energy. After all, what attracts businesspeople is an organization that is achieving business growth along with significant results. The framework that supports such organizations and successes is the HR management system. As such, I believe that what is most important in our HR strategy is to evolve into an organization that everyone wants to do business with and where working here will lead to personal growth, thereby attracting more businesspeople to our Company.

## Strengthening human resources management under SHIFT 2023

### Recognizing human resources as the most important asset

As Sumitomo's Business Philosophy states that "People are our most important asset," human resources are considered the most important form of management capital. We promote management strategies by creating an environment and organization where each individual can maximize their abilities in diverse business fields. The Group is constantly working to evolve its individuals and organizations to meet the needs of the rapidly changing business environment as well as the economy and society, as the Group as a whole continues to take on the challenge of creating new value.

To respond to major changes in the business environment, we will need to expand our diverse pool of talent with skill sets in areas such as new business development as well as the management and governance of group companies. We are working to create a multifaceted organization and structure, including expanding mid-career recruitment, building centers of excellence around the world, and maintaining and strengthening networks with management and specialists.

➤ p. 34 "Human resources strategy" in Part 2 of the segment overview

### Evolving our human resources management

The Group established the Global HR Management Policy in 2020, which represents our vision and approach to HR management on a global scale. We are making progress with HR system reforms, including introduction of a job grading system in 2021 and elimination of the former clerical positions to unify career groups in 2022.

SHIFT 2023 places enhancement of HR management as a major core of its management strategy. We are promoting HR management reforms according to the concepts of expanding the pool of Top-Tier Professionals, implementing thorough "Pay for Job, Pay for Performance," promotion of DE&I, and enhancing people management skills.

➤ p. 74 Human resources management reforms

### Employee engagement as a KPI

We began conducting an annual engagement survey\*1 of all our employees in FY2022. There is a positive correlation between high employee engagement and organizational profitability and productivity, and our aim is to utilize this as one of the management indicators to better understand the current "state of the company" toward the realization of our vision and to continuously implement grassroots actions.

In addition to HR management, various factors such as business strategy, organizational structure, and work progress have an impact, and we are promoting various measures at the companywide and frontline levels while carefully interpreting the survey results. From FY2023, we plan to conduct this survey for employees around the world, including locally hired employees at domestic and overseas sites. Employee engagement\*2 has also been added as one of the calculation indicators for stock-based remuneration in officer remuneration.

\*1 Previously, we had conducted an employee awareness survey once every three years.

\*2 A general term for the Employee Engagement Index and Environmental Index for Utilizing Employees calculated using the engagement survey.

## Column

### Initiatives of the Engagement Enhancement Working Group

In response to reduced face-to-face communication during the COVID-19 pandemic, we established a companywide working group in FY2022 with the aim of developing talent to improve organizational dynamics and strengthening communication. Later, we changed its name to the Engagement Enhancement Working Group to foster an organizational culture that increases connections between the Company and individuals and based on the results of the engagement survey. The working group continues to carry out activities today.

Working group members were selected from individual business and corporate organizations, and identify issues found on the front line of business, and formulate and disseminate plans to solve them. In FY2022, the working group provided recommendations on actions to address issues to the Management Council and supported the creation and implementation of action plans in each organization. By working on both reporting and making proposals to top management and supporting the execution of actions on the front line, the working group will continue to contribute to the enhancement of employee engagement.



The Engagement Enhancement Working Group members

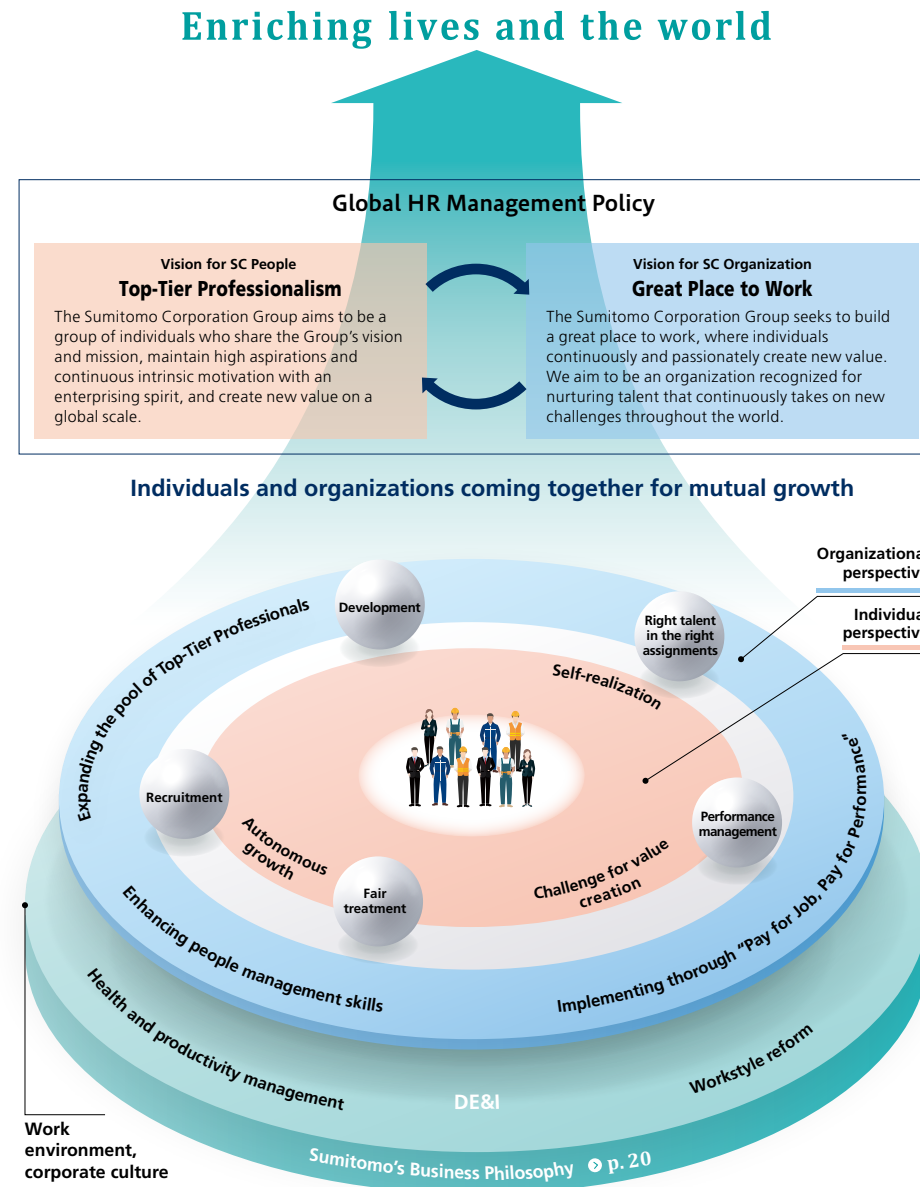
## Human resources management reforms

The Group defines its ideal employee (individual) and company (organization) within the Global HR Management Policy, and aims for “Enriching lives and the world” by building relationships in which individuals and the organization grow together.

Based on Sumitomo’s Business Philosophy, which has been passed down to the Group’s people, we are working to upgrade the HR management cycle. Specifically, we are creating a work environment and workplace culture that serves as the foundation for each and every employee to demonstrate their abilities and potential, and implementing various measures and systems from the perspectives of recruitment, development, right talent to the right assignments, performance management, and fair treatment. At the same time, following the concepts of expanding the pool of Top-Tier Professionals, implementing thorough “Pay for Job, Pay for Performance,” promotion of diversity, equity, and inclusion, and enhancing people management skills, we provide a place where each and every employee can realize autonomous growth and self-realization and encourage them to take on new challenges for value creation.

Through this cycle, we are maximizing the performance of the organization and our diverse workforce, thereby realizing our vision and creating new value for the Group.

Furthermore, important HR management policies, strategies, and measures are discussed at meetings of the Management Council and the HR Management System Committee, an advisory body to the Management Council. The Board of Directors makes decisions, supervises, and monitors these policies accordingly.



### Recruitment of human resources

- **Diversification of recruiting methods:** Enhancing mid-career hiring at each level in addition to recruiting new graduates for the purpose of addressing changes in the business environment and improving diversity
- **Expansion of reach to various candidates from junior-level employees to management-level candidates (by direct sourcing, etc.)**
- **Expansion of an alumni network**

### Development of talent • p. 75

#### Toward the more active roles of human resources: Right talent in the right assignments

- **Job grading system:** Determination of grades according to the significance of duties. Elimination of seniority-based promotion and creation of a foundation for promoting flexible and optimal assignment of the right talent to the right assignments. In FY2022, the scope was expanded to those re-employed after retirement.
- **HR shift:** Swift and flexible reassignment of talent according to the Business Portfolio SHIFT, taking into account individual aptitude and preferences. Approximately 100 employees are to be reassigned under SHIFT 2023, with these largely completed in FY2021 and FY2022.
- **Establishment of a succession plan:** Facilitation of systematic training and promotion from a medium- to long-term perspective.
- **Promotion of global job grading and global mobility:** Establishment of a common global job grading scheme to compare magnitude of jobs on a global basis. Continuous promotion of cross-border transfers of locally hired employees at overseas offices based on the Global Mobility Policy (the Group's shared policy on treatment of transfers between overseas offices).

### Performance management and fair treatment

- **Reform of evaluation system:** Introduction of absolute evaluation and 360-degree evaluation to create an evaluation system focused on diverse individuals.
- **Evaluation based on the progress of strategy execution:** Reflection of progress on SBU strategy execution in compensation.
- **Investment performance-linked evaluation:** Compensation that reflects the performance of new, large-scale investments.

### Work environment and workplace culture supporting human resources

- **Health and productivity management and workstyle reforms** • p. 76

### DE&I • p. 75

## Human resources management reforms

### Diversity, Equity, and Inclusion (DE&I)

The Group considers DE&I as a source of our value creation, innovation, and competitiveness. To develop diverse businesses, it is essential to foster a culture and awareness that embraces various values and ideas, and makes use of individual expertise, skills, and experiences regardless of attributes.

<b>Promotion of women's participation and advancement</b>	<ul style="list-style-type: none"> <li>Introduction of indicator for women's participation and advancement in officer evaluation and remuneration</li> <li>Promotions not based on attributes (gender, seniority, etc.)</li> <li>Active promotion of mid-career human resources including executive officers and promotion of women and younger employees to senior management and general manager positions</li> </ul> <p><b>Targets for FY2030</b>  Ratio of women in managerial positions: <b>20% or higher</b> (8.4% as of April 2023)  Ratio of women in general manager positions: <b>10% or higher</b> (1.4% as of April 2023)  Ratio of women in Director and Audit &amp; Supervisory Board Member positions: <b>30% or higher</b> (18.8% as of April 2023)</p>
<b>Mindset reforms</b>	<ul style="list-style-type: none"> <li>Explicit statement on the concept of "equity" in the Global HR Management Policy</li> <li>Continuous dissemination of messages from executive leadership</li> <li>Required training for managers by Outside Officers (seminars and panel discussions by female officers)</li> <li>With the cumulative participation of 3,206 respondents, more than 94% replied it was "useful" or "very useful"</li> <li>Holding of Diversity Weeks (concentrated DE&amp;I program over a three-week period)</li> <li>With the cumulative participation of 1,995 attendees, more than 90% responded "I encourage colleagues to attend"</li> </ul>

### Diversity Weeks 2023 Program

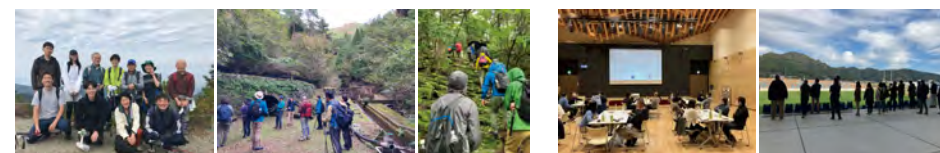
■ Sharing messages from executive leadership ■ Training and seminars by outside experts ■ Individual DE&I themes

	Monday	Tuesday	Wednesday	Thursday	Friday
<b>Week 1</b>	Message from the President and Chief Executive Officer Message from the CAO	Messages from overseas general managers	Men's roundtable discussion on taking childcare leave	Seminar: "CSV Management in a Super VUCA Era"	Men's roundtable discussion on taking childcare leave
<b>Week 2</b>	DE&I interview General Manager, Infrastructure Business Unit	Men's roundtable discussion on taking childcare leave	Column on unconscious bias	Panel talk: "LGBTQ Community at Work—Exploring Sexual Diversity and Implications for the Workplace"	Women's roundtable discussion
<b>Week 3</b>	DE&I interview General Manager, Mineral Resources, Energy, Chemical & Electronics Business Unit		Women's roundtable discussion	Dialogue: "Meaning and Essence of D&I—Making D&I a Competitive Strength"	Column on hiring of people with disabilities

### Development of talent

We focus on developing diverse professionals who can compete in various industries and fields and have world-class abilities (expertise). To this end, we implement various initiatives that link on-the-job and off-the-job training, including more than 300 training programs annually and job rotations across organizations.

<b>Inheritance of Sumitomo's Business Philosophy</b>	<ul style="list-style-type: none"> <li>Conducting training annually at Besshi Copper Mine (predecessor to Sumitomo Corporation)</li> <li>All employees learn the history of Besshi Copper Mine upon joining the Company</li> </ul>
<b>Sumisho Business College (Off-the-job training program)</b>	<ul style="list-style-type: none"> <li>Off-the-job training programs provide opportunities to acquire broad-based business knowledge and skills along with insight and reskilling, encouraging autonomous career development.</li> <li>- Number of courses: 1,705 (FY2022)</li> <li>- Total training time for all employees: 177,320 hours (FY2022)</li> </ul>
<b>Development of managerial talent</b>	<ul style="list-style-type: none"> <li>Developing talent who understand and embody Sumitomo's Business Philosophy, can take charge of business management, and can work with the management of group companies through diverse practical experience (on-the-job training) and long-term training programs for selected employees (off-the-job training)</li> </ul>
<b>Global talent development</b>	<ul style="list-style-type: none"> <li>Conducting level-specific training (executive-, manager-, and working-level personnel) for locally hired employees of overseas offices and others for the purpose of instilling our DNA as a member of the Group, sharing information on management policies, and improving skills</li> </ul>
<b>Overseas training program</b>	<ul style="list-style-type: none"> <li>Dispatching MBA, overseas, and language trainees</li> <li>- Number of dispatched employees: 61 (FY2022)</li> <li>- Number of destination countries: 17 (FY2022)</li> </ul>



Training at Besshi Copper Mine

Long-term training programs for selected employees



## Human resources management reforms

### Health and productivity management and workstyle reforms

With the aim of building a great place to work where every individual can maximize their abilities, we are working to create a culture in which diverse workstyle options are available and measures to support health maintenance and promotion are implemented. As a result, we have been selected as a “White 500” enterprise with outstanding health and productivity management for seven consecutive years.

<b>Health and productivity management</b>	<ul style="list-style-type: none"> <li>• Health management support provided by the in-house clinic</li> <li>• Subsidy for comprehensive medical checkup from the Corporate Health Insurance Society (up to ¥80,000)</li> <li>• Encouragement to undergo regular health checkups (uptake rate: 100%)</li> <li>• Establishment of counseling center (Counseling sessions in FY2022 including group companies: 2,352)</li> </ul>
<b>Promotion of well-balanced workstyles</b>	<ul style="list-style-type: none"> <li>• Mindset reform through information dissemination, training, etc.</li> <li>• Implementation of labor-management discussions</li> <li>• Development of diverse leave programs (for spouse maternity leave, marriage, refreshment, and volunteering)</li> </ul>
<b>Promotion of flexible workstyles</b>	<ul style="list-style-type: none"> <li>• Introduction of teleworking system, super flexible work hours system, and dress code modification</li> </ul>
<b>Support for balancing work and childcare/ family care</b>	<ul style="list-style-type: none"> <li>• Introduction of paid leave, days off, and reduced working hours in excess of legal requirements</li> <li>• Establishment of company-affiliated childcare centers</li> <li>• Offering of childcare consultant services and individualized long-term care consultations</li> <li>• Support for Employees Stationed Overseas with Children</li> <li>• Encouragement of men to take childcare leave</li> <li>• Information provision through handbook and seminars</li> </ul>

### SCG Counseling Center

The SCG Counseling Center, located in the Head Office building, is a dedicated counseling facility for the Group’s employees. It provides a host of services including mental health management for getting the most out of skills, regardless of job, workplace, or private matters. With thorough information management and an environment that safely accepts any form of consultation, the number of users has increased since the center’s establishment in April 2005.



### Autonomous growth and tackling the challenge of value creation

Based on the belief that the energy created by our highly motivated people when taking on challenges becomes the driving force for organizational growth and value creation, we focus on developing and expanding measures and opportunities that support the autonomous growth and self-realization of each and every employee.

<b>Internal recruitment system</b>	Application requirements were relaxed and openly recruited positions were expanded in FY2021 to promote autonomous career development
<b>Side/Second job system</b>	Qualifications were loosened for Head Office employees in January 2023 to broaden employees’ perspectives and support their autonomous growth and challenges
<b>0 → 1 Challenge</b>	<p>A global in-house entrepreneurship program that aims to foster a culture of taking on challenges where employees are encouraged to actualize new business ideas Initiated in 2018</p> <p><b>Cumulative number of applicants (FY2018 to FY2022)</b> <b>999</b></p>
<b>MIRAI LAB PALETTE</b>	<p>An open innovation lab promoting collaboration aimed at creating new value together with partners in various fields beyond the boundaries of the Company. Opened in April 2019</p> <p><b>Cumulative number of cases of business development support (FY2021 to FY2022)</b> <b>Over 30</b></p>



Presentation by 0 → 1 Challenge applicant



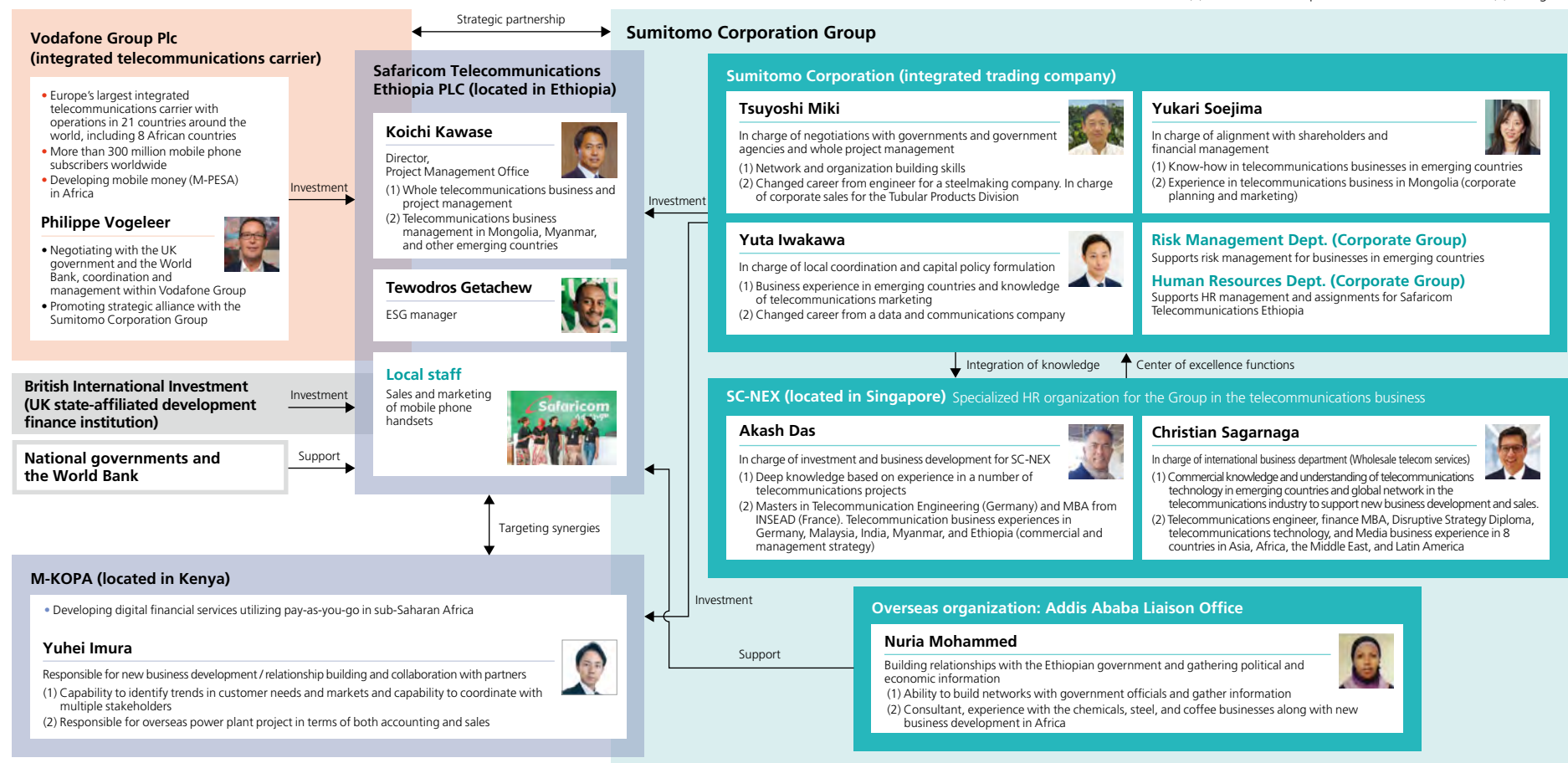
MIRAI LAB PALETTE

## Business and talent The integrated telecommunications business in Ethiopia

Through our integrated telecommunications business in Ethiopia, we contribute to building a foundation for social and economic success in Ethiopia by developing telecommunications infrastructure, an essential form of infrastructure for day-to-day living. This business requires a wide range of functions and skill sets, such as expertise in the telecommunications business, the launch and operation of businesses in emerging countries, risk management, negotiations with governments, and project management skills to implement joint projects with multiple partners and

so on. This business was launched by bringing together talent with diverse careers, experiences, skills, and know-how from not only the Group but also partners, and generating synergies while utilizing their individual abilities. Beyond nationality, culture, and background, we assign the right talent with the abilities necessary for this business to the right assignments considering individuals' capabilities and backgrounds, and ensuring that business is implemented with a diverse range of knowledge. We will further strengthen our talent as this business grows in the future.

(1) Demonstrated capabilities needed for the role (2) Background







## Results of SHIFT 2023 and emerging issues

One of the aims of medium-term management plan SHIFT 2023 is to build a business portfolio that is both highly profitable and resilient.

Now that two years have passed since the plan's launch, we had three Outside Directors sit down with us to give their perspectives on the results and emerging issues of the Business Portfolio SHIFT, one of the pillars of the plan.

The discussion also focused on Sumitomo Corporation's initiatives with respect to human capital as a driving force of corporate reform.

## Tripartite discussion between Outside Directors

Three-year medium-term management plan SHIFT 2023 is entering its final year. What are your thoughts on the progress, results, and issues as of today?

### Establishment of the guiding principle of emphasizing cost of capital

**Mitachi** The focus of the current medium-term plan is how to build a business portfolio that is both highly profitable and resilient in light of past experiences of deteriorating business performance. From this perspective, I feel that in the year since I became an Outside Director, Sumitomo Corporation's guiding principles of business promotion have been changing significantly. Specifically, thorough discussions have been held with a focus not only on investment returns such as ROIC and ROE but also on the cost of capital, represented by WACC. I believe that steady progress has been made in strengthening earning power and reducing volatility.

**Iwata** Under the current medium-term plan, the Business Portfolio SHIFT is effectively being accelerated through the Framework SHIFT and the Management Base SHIFT. By introducing a framework for evaluating ROIC/WACC at the

Strategic Business Unit (SBU) level, Sumitomo Corporation has seen more active discussions taking place on topics such as new investments and exit strategies. It has also made it easier to evaluate and monitor a wide range of businesses. In addition, it represents significant progress that the SBUs have been divided into the four strategic categories of Divestment, Value Creation, Steady Business Growth, and Seeding to promote the Business Portfolio SHIFT. This has helped to visualize where the Company is and where it is heading. It is vital that the Company takes advantage of these to complete the goals set forth in the current medium-term plan.

**Mitachi** So, what guiding principle should be added next? Discussions have begun in earnest on improving the low PBR following the request from the Tokyo Stock Exchange. When breaking the PBR down into ROE and price-to-earnings ratio (PER), it is essential to increase the PER, which is the market's evaluation based on its past track record and expectation of the Company's growth, in addition to accelerating the efforts mentioned earlier in terms of ROE. Through the initiatives of the current medium-term plan, Sumitomo Corporation strives to establish a stable and robust earnings base. Building upon this, the Company will ensure sound investment discipline

and implement trial and error to create future growth drivers. I believe it's important to sincerely communicate these efforts to the market to gain understanding.

### Bringing out and maximizing the strengths and capabilities as a group of an integrated trading company

**Iwata** While continuing to strengthen the initiatives of the current medium-term plan, the Company also acknowledges the feedback from investors who have expressed concerns about the difficulty in identifying future growth drivers based on the investor relations (IR) activities. I have also raised these concerns at the Board of Directors' meetings. In my opinion, it would be ideal to highlight the initiatives where the Company has already demonstrated its strengths, such as the Energy Innovation Initiative (EII), the cross-functional organization formed in FY2021 from the standpoint of accelerating decarbonization efforts. I would also like to see the Company work on steady efforts with a specific time frame and scale in mind to establish the next pillar in the seeding field, where the aim is to cultivate next-generation businesses.

**Ide** Speaking of steady efforts, integrated trading companies are increasingly acting as business investment firms, so overall group



**Akiko Ide, Outside Director**

**Profile** Akiko Ide was appointed an Outside Director of Sumitomo Corporation in June 2020. She has extensive knowledge and rich experience in information and telecommunications, corporate management, and corporate governance, having held key positions at a major telecommunications company over the course of many years. She has also served as an executive at its group company and a full-time Audit & Supervisory Board Member at its parent company (holding company).



**Takashi Mitachi, Outside Director**

**Profile** Takashi Mitachi was appointed an Outside Director of Sumitomo Corporation in June 2022. He has extensive knowledge and rich experience in corporate management and integrated risk management, having served in key positions at a major management consulting firm in the United States for many years.



**Kimie Iwata, Outside Director**

**Profile** Kimie Iwata was appointed an Outside Director of Sumitomo Corporation in June 2018. She has extensive knowledge and rich experience in corporate management, corporate governance, CSR, and diversity, having held a number of important positions in the Ministry of Labour (currently Ministry of Health, Labour and Welfare) over the years. Since retiring from the ministry, she has served as an executive and outside director at private companies.



## Tripartite discussion between Outside Directors



governance is crucial when envisioning further growth as a group. With the significant changes in the industrial structure and sustainability trends in recent years, making sure Sumitomo Corporation's management policy permeates the entire Group can serve as a compass to verify whether individual business activities are conducted effectively and efficiently to achieve the goals. In that sense, the Group Management Policy (GMP) is of great significance, having been established under the current medium-term plan based on the three principles of Jiritsu, Dialogue, and Collaboration. It has become increasingly important from a governance perspective to clearly define the roles and responsibilities of both parent and group companies to ensure sustainable growth and reduce risks as supply chains grow more complex. This is true in both hands-on businesses and investment projects.

**Mitachi** It is extremely important to put the GMP into practice to ensure investment discipline and to deepen dialogue with the stock market. As a company, Sumitomo Corporation engages in dialogue with its investors. As an investor at the same time, the Company engages in dialogue with companies it invests in. Under

this structure, it is important to proceed with the process of communicating what the Company has addressed as an investor, what good outcomes it has obtained, and how it will expand those to the entire group.

Through that process, it is important to strengthen the foundation of the Group, establish a track record in individual businesses, earn the trust of the market, and tie that into future investments. The Company needs to build upon this chain of progression. Furthermore, Sumitomo Corporation, as an integrated trading company, can and should combine individual businesses to create entirely new industry structures and leverage competitive advantages. At times, it is necessary to take large risks. However, Sumitomo Corporation is able to diversify those risks with its diversified business portfolio spanning various industries and regions. I hope the Company will take advantage of this characteristic and be mindful of controlling risks and opportunities taking into consideration the different time frames for returns in each business. I believe that being thorough in this regard will lead to further enhancement of the Company's portfolio management capabilities.

Under the current medium-term plan, the Company has identified enhancement of sustainability management and business reform through DX as common principles to accelerate the Business Portfolio SHIFT. How do you evaluate the Company's performance in this regard?

### Practicing sustainability management in the energy field

**Iwata** In all business domains, I believe that these two initiatives will be the source of future growth. In particular, many sustainability issues, which were once considered business risks for companies, are now considered growth opportunities, leading

to increased competition. Companies must take an integrated approach to business strategy and sustainability strategy. As a Director, I have consistently talked about this approach, and it is currently being discussed and incorporated into the business strategies of each SBU. Internal carbon pricing was introduced in the context of climate change mitigation, but it is still only used as reference information. In the future, I hope it will be used as a criterion for business evaluation, along with financial evaluation criteria, and applied as a sustainability assessment criterion for investment and divestment decisions.

Social changes are occurring at a faster pace than we could have imagined, so I hope that the Company, while always staying one step ahead, promotes the mechanisms to enhance the effectiveness of growth strategies for SBUs for the next medium-term plan.

**Mitachi** In terms of climate change mitigation, we basically need a shift in the way industries have been created since the Industrial Revolution as we use energy from fossil fuels. Today, new energy businesses such as solar and wind power are attracting a great deal of attention, but as a company that develops business in various industries and regions, we have to go one step further and be the one who creates new structures in various industries that use these new forms of energy. We need to leverage the scale, networks, and information we have cultivated to date to create a competitive advantage.

### Pursuing added value through DX

**Ide** As for the other pillar, DX, there is a notable movement toward utilizing DX as a growth strategy. The DX Center, which serves as the organizational foundation of the entire Company and possesses advanced information, actively exchanges information with SBUs that have on-site operations. Sumitomo Corporation leverages its knowledge of supply chains and

## Tripartite discussion between Outside Directors

connections in various industries as an integrated trading company to support business partners and investees in enhancing their value and roll out cross-industry solutions. Beyond that perspective, however, the Company views DX as a growth strategy and uses it as a tool to shift its business portfolio, including establishing monetization models, changing business models, and expanding the industries themselves.

One challenge in evaluating the added value lies in how to measure the results of DX. Currently, we have been able to quantify the effects of DX as improvement in operational efficiency equals cost reduction. However, the goal of DX goes beyond cost reduction and encompasses profit generation through business model reform. It is difficult to say how much DX has contributed because the results are not achieved through digital technology alone. The Company is currently working on accumulating numerical data to quantify the effect of DX within each SBU, but when it comes to the evaluation methodology, I believe that we will need to continue engaging in active discussions to enhance the accuracy.

**Mitachi** The Group has a DX company called SCSK, so there is



some experience to draw on. I feel that Sumitomo Corporation needs to be more conscious of promoting the enhancement of corporate value through DX at various group companies through the GMP and tie this into the enhancement of the corporate value of both Sumitomo Corporation and the Sumitomo Corporation Group.

What drives every business is people.  
Sumitomo Corporation is working on enhancing  
the human resources management cycle.  
What are your thoughts on these measures?

### Increasing engagement and maximizing the strengths of the Group's talent

**Ide** Japan's working-age population is declining year after year, and the government is focusing on measures to address the declining birthrate. In these circumstances, what we must recognize first and foremost is that work values and behavioral patterns have significantly changed since those in management today were young. Looking at the current situation from this perspective, the Global HR Management Policy, which positions the organization as a place to take on challenges based on the thought that individuals realizing their own career and personal growth matching their own preferences is a good measure. The policy clearly defines the direction in which the Company will recruit and develop talent. And the various measures set forth based on the policy are also well-reasoned. Within all this, what I would like to emphasize is not only discussions on achieving the numerical target of a certain percentage of female managers but also whether or not a process is firmly integrated into the organization so that each individual is motivated and can reach their full potential. People are different than other resources in that they have thoughts and feelings of their own, so I believe that



everything starts by listening carefully to feedback from them.

**Iwata** I think the Company's people both in management and among young professionals are of high quality regardless of gender. I also think that the Company could make better use of its excellent human capital, though. For example, direct feedback from employees in the open answers of engagement surveys currently being conducted provides insight on how to make the most of human capital, the driving force of corporate value enhancement. I believe there are three key points in this regard. The first is to increase productivity through business reforms such as improvement of business operational processes. It is essential to continuously increase the time spent thinking about creating new value by making time through optimization of business operational processes. The second is to promote further advancement of women. Steady progress has been made in eliminating position-based management, subsequently promoting from formerly clerical positions to manager positions, and increasing the percentage of women hired. I would like for the Company to more expand the individual domain for each member including what were formerly clerical positions,

## Tripartite discussion between Outside Directors

provide growth opportunities, and fairly evaluate and promote women. The third is to eliminate seniority-based consciousness based on the concept of “Pay for Job, Pay for Performance.” I would like for the Company to further spread the system and mechanisms, always asking to what extent those have truly penetrated the organization, including in employee mentality. Currently, as a result of evaluating employees based on their abilities and contributions, the Company has produced certain results, such as the appointment of 40-year-olds to executive positions and 20-year-olds to managerial positions. However, there is still a ways to go and more work to be done.

I hope that Sumitomo Corporation will strive to become a company where people who are capable, willing to grow, and continue to produce results can thrive, regardless of age or gender. This will lead to the growth of the Company as well.

**Mitachi** I agree. I think another crucial point is how well the Company can organize and leverage the diversity of its human capital. The Sumitomo Corporation Group has a diverse workforce, but it is not enough to just have diversity. The question is how the Company will create value by leveraging that diversity. With any global communication comes a little friction and conflict. So, you have to embrace healthy conflict and believe that innovation will arise as you move forward. I also hope that management will clearly express that it is looking for leaders who will proactively step forward, and provide support and encouragement to the employees to do so.



### The philosophy that pervades the people of the Group

**Mitachi** When leveraging the diversity of human capital, having a shared mindset among all group officers and employees makes it possible for individuals with different backgrounds and opinions to collaborate and thrive together. In that respect, having Sumitomo’s Business Philosophy as the foundation of the corporate culture is surely a strength. It is also a strength that the essence of this philosophy aligns with the contemporary issues of CSR and sustainable business practices. There are many instances where this philosophy is being effectively applied in the actual business as more than simply a slogan, and I feel that

it should be further promoted and established.

**Iwata** That never hit home for me as much as when we had discussions about mid-career recruitment during the Board of Directors’ meeting. During the exchange of various opinions, President Hyodo said something along the lines of “We should all share Sumitomo’s Business Philosophy. It doesn’t matter if we differ on anything else. In fact, I hope that we can find possibilities in those differences.” We are all human, so it is only natural for friction and problems to arise as we go about our business. This reminded me, however, that having a pervasive business philosophy is ultimately a very good thing for an organization. That is precisely why the Company has continued to be a presence in society until today, and I have high expectations going forward.

## Messages from Outside Directors (new and retiring)

**I hope to see continued improvements in the mechanisms that support the role of Outside Directors and further enhancement of the effectiveness of the Board of Directors.**

**Koji Ishida** Former Outside Director (2017–2023)



On my retirement from the position, I reflected on the role of an Outside Director.

I believe the first thing that is expected of Outside Directors is for them to provide the Board of Directors with knowledge, ideas, opinions, and judgments from backgrounds that completely differ from the experience, logic, circumstances, and personal relationships within the Company.

The Board of Directors of a company with an Audit & Supervisory Board makes decisions on business execution and supervises the execution of duties. Even as an Outside Director, I believe my main role is to verify the validity of management decisions as the primary delegate of decision-making and supervision.

The matters to be brought before the Board of Directors have been thoroughly reviewed and discussed by people with practical knowledge and experience at all executive levels and relevant departments. It is difficult for part-time Outside Directors to determine the validity of decisions due to a lack of practical knowledge and having insufficient related information. As such, for Outside Directors to fulfill their role, it is essential to have a support system in place that includes providing sufficient information to them.

Sumitomo Corporation has created and improved agenda and reference materials, enhanced preliminary explanations of propositions, and introduced a system whereby important agenda items are selected in advance and discussed off-site several times until a consensus is reached to consolidate opinions among the Board of Directors. These support measures are also reviewed and continuously improved through the evaluations of the effectiveness of the Board of Directors conducted annually by the Directors and Audit & Supervisory Board Members.

Starting this year, a new Directors' Administration Department was established to expand support to Outside Directors. This provided greater access to a variety of more in-depth information.

I believe the development and improvement of systems like this to support the role of Outside Directors will contribute to further improvement of the effectiveness of the Board of Directors in the future.

**I hope to contribute to the realization of a cohesive society where everyone can thrive through self-reliance and mutual assistance.**

**Takahisa Takahara** Outside Director (2023–)



I think that as an Outside Director it is important to uphold the pride and responsibility to support Sumitomo Corporation in fulfilling its social responsibilities and in contributing to the realization of a prosperous life for humanity.

During my time at Unicharm Corporation, I have gained experience in various fields, including

overseas business. As the company president for the past 22 years, I have been engaged in global management.

I believe that the realization of a cohesive society, where everyone around the world from babies to the elderly, and even pets, support and care for each other, is a universal dream of managers.

Although every business of Sumitomo Corporation has a remarkable story to tell, I firmly believe that the pursuit of “benefit for self and others, private and public interests are one and the same” is the very essence of its social responsibility. While the dreams of each stakeholder may vary, there exists a common goal of altruism beyond those dreams. At the same time, the spirit of altruism can become the driving force behind their materialization. I intend to work diligently and passionately to meet your expectations. I look forward to your support.



## Corporate governance

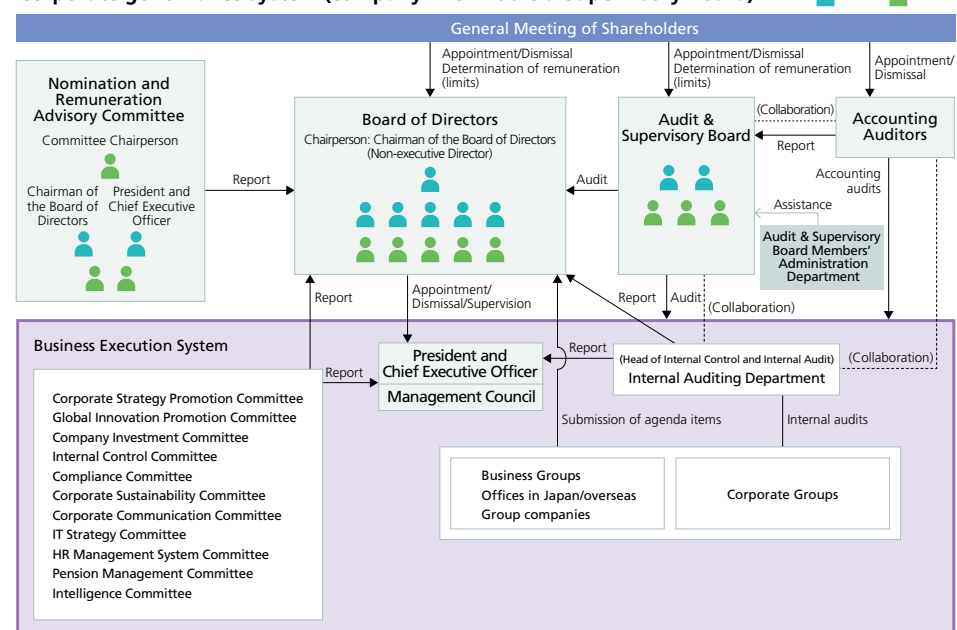
### Basic principles

Sumitomo's Business Philosophy and the Sumitomo Corporation Group's Management Principles form the backbone of the corporate ethics and represent the foundation underpinning our corporate governance. Based on this, we established the Sumitomo Corporation Corporate Governance Principles, recognizing that the essence of corporate governance is enhancing management efficiency and maintaining sound management, as well as ensuring management transparency to secure the first two. Efforts to build a better corporate governance system and carry out business activities following these principles help the Company to achieve sustainable growth, enhance corporate value over the medium to long term, and fulfill its mission as a good corporate citizen, as well as benefits the interests of shareholders and all other stakeholders. For this reason, we continuously work to further enhance and improve our corporate governance.

### System

Under the Audit & Supervisory Board system, the Company elects Outside Directors and Outside Audit & Supervisory Board Members with independence from the Company and a high level of insight in their respective specialized fields, and incorporates more diverse perspectives in the Company's decision-making and management supervision. In addition, the Company has established the Nomination and Remuneration Advisory Committee, chaired by an Outside Director and composed of a majority of Outside Directors, to enhance the independence, objectivity, and transparency of the functions of the Board of Directors regarding the nomination and remuneration of senior management, thereby ensuring effective supervision and monitoring of management. Furthermore, the introduction of the executive officer system that clarifies the responsibilities and authority of business execution and the establishment of the Management Council are among the measures designed to promote speedier and more efficient decision-making and execution of business as part of the effective corporate governance system we have put into place. The Management Council is the highest executive-level decision-making body that takes into account diverse opinions and multifaceted discussions in regard to specific key matters related to management, within the scope of the mandate conferred by the Board of Directors. It meets in principle weekly, and its members include the President and Chief Executive Officer, Officers in charge of the Corporate Group, Officers responsible for the Business Group, General Managers of Business Units, and Head of the Initiative.

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



### Overview of corporate governance system (As of June 23, 2023)

Form of organizational structure	Company with Audit & Supervisory Board
Number of Directors	11 (of whom, 5 are Outside Directors); 1-year term
Term of Chairman of the Board of Directors, President and Chief Executive Officer, and Outside Directors	No more than 6 years, in principle
Audit & Supervisory Board Members	5 (of whom, 3 are Outside Audit & Supervisory Board Members); 4-year term
Executive officer system	System adopted
Voluntarily established committees as advisory bodies to the Board of Directors	Nomination and Remuneration Advisory Committee (Chairperson: Outside Director)

## Corporate governance

### Strengthening corporate governance

Sumitomo Corporation has worked continuously to strengthen governance. This has included introducing the Audit & Supervisory Board system, increasing the number of Outside Audit & Supervisory Board Members and Outside Directors, and evaluating the effectiveness of the

Board of Directors.

Looking ahead, we will make further efforts toward enhancing the effectiveness of governance by strengthening group governance and reinforcing the functions of the Board of Directors as outlined in medium-term management plan SHIFT 2023.

#### History of strengthening corporate governance

1993	Appointed first Outside Audit & Supervisory Board Member
1998	Established the Sumitomo Corporation Group's Corporate Mission Statement
2003	Established the Sumitomo Corporation Corporate Governance Principles Reduced the number of Directors (from 24 to 12) Introduced the executive officer system Specified the term of office of Chairman and President (limited to six years) in the Sumitomo Corporation Corporate Governance Principles Increased the number of Outside Audit & Supervisory Board Members by 1 to 3 (for a total of 5 Audit & Supervisory Board Members)
2005	Shortened term of office of Directors and Executive Officers to 1 year
2007	Established the Remuneration Committee as an advisory body to the Board of Directors, the majority of whose members are Outside Directors
2013	Appointed first two Outside Directors Specified the term of office of Outside Directors (limited to 6 years) in the Sumitomo Corporation Corporate Governance Principles Specified the term of office of Outside Audit & Supervisory Board Members (limited to 8 years) in the Sumitomo Corporation Corporate Governance Principles
2015	Reviewed governance and decision-making processes <ul style="list-style-type: none"> <li>Management Council became the highest executive-level decision-making body</li> <li>Enhancement of monitoring function by the Board of Directors</li> <li>Reorganized the Remuneration Committee as the Nomination and Remuneration Advisory Committee, the majority of whose members are Outside Directors</li> </ul> Increased the number of Outside Directors by 1 to 3

2016	Began evaluating the effectiveness of the Board of Directors (evaluation period began with FY2015; continues each year) Complied with all principles of Japan's Corporate Governance Code (continues each year) Revised the Board of Directors' agenda criteria Increased the number of Outside Directors by 1 to 4
2017	Reduced the number of Internal Directors from 10 to 6 (Chairman, President, 3 Officers in charge of the Corporate Group, 1 General Manager of a Business Unit)
2018	Increased the number of Outside Directors to 5
2019	Revised the counselor and honorary advisor system Set the policy and procedure for appointment and dismissal of the President and Chief Executive Officer Determined the policy and procedure for appointment and dismissal of the Chairman of the Board of Directors
2020	Began agenda setting for the Board of Directors
2021	Disclosed the skills matrix for Directors and Audit & Supervisory Board Members
2023	Newly established a dedicated department to support Directors

### Board of Directors

















#### ■ Composition of the Board of Directors

The membership of the Board of Directors is appropriate in numerical terms to facilitate adequate discussion and speedy and rational decision-making, and provides diversity in terms of experience, knowledge, specialism, gender, and other characteristics. Moreover, out of the 11 Directors appointed, five are independent Outside Directors with differing experiences and specializations to ensure appropriate decision-making from more diverse perspectives and to further strengthen

the supervisory functions of the Board of Directors. The Chairman of the Board of Directors, who convenes meetings of the Board of Directors and presides over them as Chairperson, supervises management but does not engage in routine operations and has no authority to represent the Company. Furthermore, to allow mutual checks and balances, the posts of Chairman of the Board of Directors and President and Chief Executive Officer are in principle separate and not to be held concurrently by the same individual. The knowledge, experience, and skills which the Board of Directors is required to possess and the skills of each Director or Audit & Supervisory Board Member are listed on the next page.

## Corporate governance

### Skills of Directors and Audit & Supervisory Board Members Male Female

	Name	Position	Knowledge, experience, competencies, etc. (Skills)						
			Corporate management	Investment/M&A	ICT/DX/Technology	ESG/Sustainability	Finance/Accounting	Legal/Risk management	HR management & development
Internal	 Kuniharu Nakamura	Chairman	●	●	—	●	●	●	●
	 Masayuki Hyodo	Representative Director, President and Chief Executive Officer	●	●	—	●	●	●	●
	 Shingo Ueno	Representative Director, Executive Vice President	●	●	—	●	—	—	—
	 Takayuki Seishima	Representative Director, Executive Vice President	●	—	—	—	●	●	●
	 Reiji Morooka	Representative Director, Senior Managing Executive Officer	●	—	—	—	●	●	—
	 Hirokazu Higashino	Representative Director, Senior Managing Executive Officer	●	●	●	●	—	—	—
Outside	 Kimie Iwata	Outside Director	●	—	—	●	—	—	●
	 Hisashi Yamazaki	Outside Director	—	—	—	—	—	●	●
	 Akiko Ide	Outside Director	●	—	●	●	—	—	—
	 Takashi Mitachi	Outside Director	●	●	—	●	—	●	●
	 Takahisa Takahara	Outside Director	●	●	—	●	—	—	—
Internal	 Daisuke Mikogami	Senior Audit & Supervisory Board Member (Full-Time)	●	●	●	—	—	—	●
	 Kazunari Sakata	Audit & Supervisory Board Member (Full-Time)	●	●	—	—	—	—	—
Outside	 Toshio Nagai	Outside Audit & Supervisory Board Member	—	—	—	—	—	●	—
	 Yoshitaka Kato	Outside Audit & Supervisory Board Member	●	—	—	—	●	—	—
	 Yukiko Nagashima	Outside Audit & Supervisory Board Member	●	●	—	—	—	—	●

Notes: 1. This table identifies the types of knowledge, experience, competencies, etc. (individually, "Skill" and collectively, "Skills") that the Board of Directors is required to possess for fulfilling its roles, and indicates which Directors or Audit & Supervisory Members currently in office possesses such Skills.

In our view, it is important that the Board of Directors as a whole possesses these Skills.

2. Since the Company is active in investing in various businesses, we consider "Corporate management" and "Investment/M&A" Skills to be particularly important.

Under the ongoing medium-term management plan, SHIFT 2023, we are promoting a business portfolio shift with a focus on DX and the enhancement of sustainability management as two sweeping trends. To the end, we emphasize the Skill of "ICT/DX/Technology" for business reforms or business development through exploiting digital solutions or the mixture of technology and innovation solutions and the Skill of "ESG/Sustainability" for sophisticating sustainability management. In addition, the Skills of "Finance/Accounting," "Legal/Risk management," and "HR management & development" are important for supporting or administering the Company's business operations.

3. The key Skills for Audit & Supervisory Board Members on which a high priority is placed are "Corporate management," "Finance/Accounting," and "Legal/Risk management" since they are responsible for auditing Director's execution of duties.

4. Since the Company carries out business transactions and investments all over the world, respective Directors or Audit & Supervisory Board Members are required to have a keen insight from a global perspective.

Knowledge concerning "governance" is another indispensable Skill for serving as a Director or Audit & Supervisory Board Member. Because we mandate that all Directors and Audit & Supervisory Board Members possess such two Skills, they are not included in the seven Skills that are indicated in the table and selected in note 2 above.

5. The Skills that the Board of Directors are required to possess may vary according to business strategies or changes in the external environment. This table will be updated from time to time based on the Board of Directors' review and discussions on required Skills.

## Corporate governance

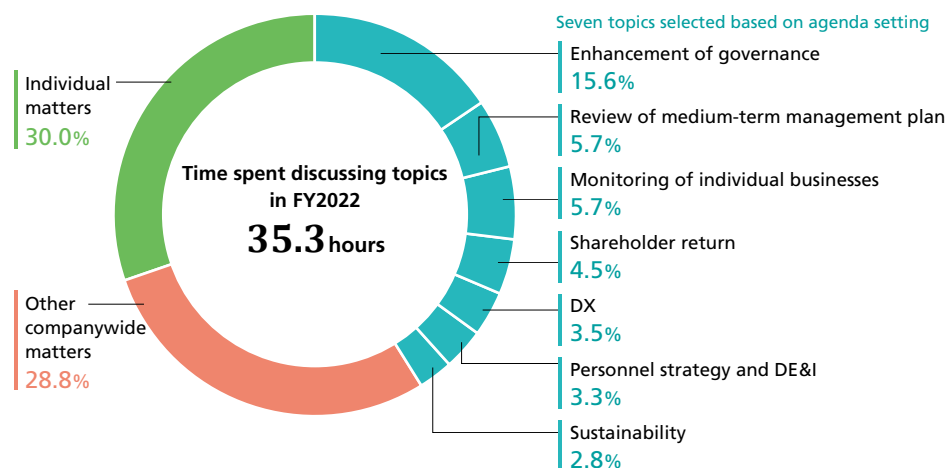
### ■ Adequate deliberation and enhancement of monitoring function

Agenda items for the Board of Directors are carefully selected by delegating authority to the business execution side within a scope deemed appropriate in order to promote more focused discussion of management policy and plans and other important matters of relevance to companywide management. Agenda setting is carried out where important management topics for the Board of Directors that should be taken up for more intensive discussion covering the next one-year period are set by all Board members through careful consideration and discussion, with sustainability and personnel strategy, among others, being identified as topics. Additionally, to further strengthen its business execution monitoring functions, the Board of Directors receives regular progress reports on each Business Unit/Initiative strategy and on the activities of important committees\*1 throughout the year, with the reports followed by a discussion focusing on companywide issues. Moreover, to further enhance the quality of Board member discussions, the Board of Directors holds off-site meetings\*2 separate from in-person Board meetings to more actively discuss important management topics, including management policy and plans as well as ESG issues. In particular, looking ahead to the completion of the medium-term management plan SHIFT 2023, which ends in FY2023, the Board of Directors is carefully monitoring the status of initiatives by the business execution side and providing support.

\*1 Corporate Strategy Promotion Committee, Global Innovation Promotion Committee, Corporate Sustainability Committee, Internal Control Committee, etc.

\*2 A venue involving all members of the Board of Directors that encourages free and frank discussions

### Main topics discussed by the Board of Directors and time spent



### Main topics and agenda items of Board of Directors' meetings

Topic	Example of agenda items
Review of medium-term management plan	<ul style="list-style-type: none"> <li>Overall management review</li> <li>Companywide portfolio valuation</li> <li>Full Potential Plan</li> </ul>
DX	<ul style="list-style-type: none"> <li>Companywide promotion of DX</li> <li>Restructuring of DX and IT organizations</li> </ul>
Monitoring of individual businesses	<ul style="list-style-type: none"> <li>Ambatovy nickel mining and refining business in Madagascar</li> <li>Telecommunications business in Myanmar</li> </ul>
Enhancement of governance	<ul style="list-style-type: none"> <li>Evaluation of the effectiveness of the Board of Directors</li> <li>Internal control and internal audit</li> <li>Status of reducing cross-shareholdings</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>Status of promoting sustainability in each SBU</li> <li>Status of human rights due diligence companywide</li> <li>Disclosure based on the TCFD</li> </ul>
Personnel strategy and DE&I	<ul style="list-style-type: none"> <li>Employee engagement</li> <li>Recruitment plans</li> </ul>
Shareholder return	<ul style="list-style-type: none"> <li>Dividend policy</li> <li>Share repurchases</li> </ul>
Other companywide matters	<ul style="list-style-type: none"> <li>General Meeting of Shareholders</li> <li>Annual results and finance</li> <li>Crisis management and compliance</li> </ul>
Individual matters	<ul style="list-style-type: none"> <li>Individual investments and loans</li> <li>Regular reporting of Business Units</li> </ul>

### ■ Discussions on sustainability

The Company, having passed down Sumitomo's Business Philosophy, recognizes the importance of contributing to the realization of a sustainable society through its business activities. Under this shared awareness, the Company's Directors and Audit & Supervisory Board Members discuss and approve important policies and measures on sustainability at Board of Directors' meetings and hold active discussions during off-site meetings. For example, they monitor the progress of the Group's specific initiatives for carbon neutrality (e.g., introduction of internal carbon pricing and setting KPIs/KALs for sustainability management at all SBUs) and human rights due diligence by each Business Unit, thereby supporting the advancement of sustainability management. In addition, they view the response to climate change issues not only as a risk but also as an opportunity. As an example, they have deliberated and approved projects that contribute to realizing clean energy conversion of business partners through the provision of products and technologies that lead to decarbonization.



## Corporate governance

### ■ Evaluation of the effectiveness of the Board of Directors

To maintain and heighten its effectiveness, each year we analyze and evaluate the effectiveness of the Board of Directors with support of an independent third party (outside consultant) and proceed to disclose the outline of the results.

In FY2022, from the perspective of continuing to implement the PDCA cycle to improve the functions of the Board of Directors, Board members discussed the methods and items of the Board's effectiveness evaluation and made the following revisions.

#### Key points pertaining to the review of the Board's effectiveness evaluation

- **Change from anonymous to a named format**

The questionnaire was changed from the conventional anonymous format to a named format, as we considered that it is important to understand the background of the respondents and their opinions as well as their awareness of the issues in order to deepen discussions based on the opinions expressed in the questionnaire, and judged that frank exchanges of opinions are sufficiently conducted at the Board of Directors at present.

- **Enhance discussions with all Board members instead of individual interviews**

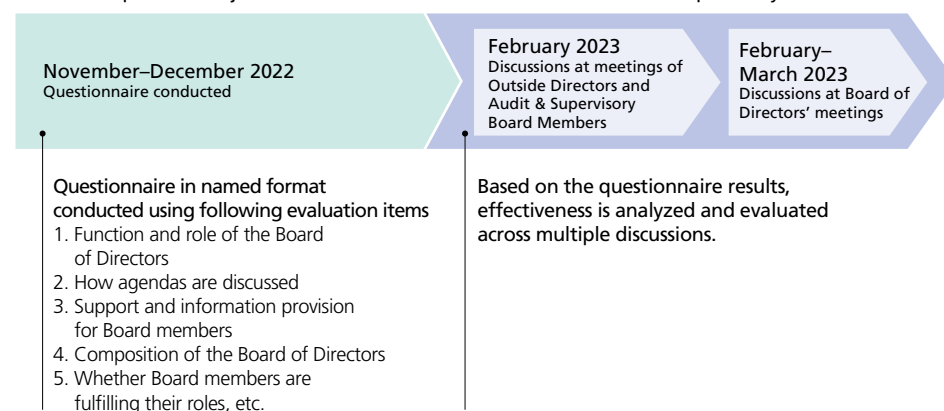
Instead of individual interviews using a third-party organization (anonymous to other Board members), a policy was established to enhance the process of discussing issues and improvement actions among all Board members based on the results of the named questionnaire.

- **Change to a questionnaire with mostly written responses**

While maintaining the basic questions to observe the progress of improvement from a fixed point of view, the questionnaire was narrowed to the main issues and changed to a format in which each Board member wrote freely what they have considered to be issues.

### Evaluation process

Number of persons subject to evaluation All Directors: 11 All Audit & Supervisory Board Members: 5



As a result of the effectiveness evaluation, the Board of Directors was again found to be functioning effectively overall in FY2022, with the level of its operations and performance of functions improving year by year. An overview of the evaluation and future initiatives is presented below.

#### Main evaluation results and future initiatives

##### Points highly rated

- **Appropriate agenda setting**

The agendas of Board of Directors' meetings are systematically discussed and appropriately set. In particular, sufficient time is spent in discussion on monitoring the progress of strategy based on the medium-term management plan. In the future, it is advisable to spend more time discussing geopolitical events and other environmental changes that may impact management as well as medium- to long-term management strategies.

- **Enhanced discussions**

Enhancements to prior briefings to Directors and Audit & Supervisory Board Members and meetings of Outside Directors and Outside Audit & Supervisory Board Members are invigorating essential discussions at Board of Directors' meetings. The constructive questions and answers and sufficient exchange of opinions on each agenda item have contributed to the enhancement of monitoring and decision-making functions of the Board of Directors.

- **Fulfillment of functions of Outside Directors**

Outside Directors provide suggestions and advice based on their specialized expertise and experience. The Outside Directors have contributed to fulfillment of supervisory function of the Board of Directors by providing opinions from the various viewpoints of stakeholders, which are difficult for Internal Officers and executive management to recognize.

##### Comments from Board members and future initiatives

- **Function and role of the Board of Directors**

Discussion returned to the most essential issues, such as "what functions and roles the Board of Directors should play." Such discussions will continue to be held in the future.

- **Optimization of agendas**

From the perspective of strengthening both the management and monitoring functions of the Board of Directors and increasing corporate value, we will continue to set appropriate agendas and deepen discussions on medium- to long-term management policies.

- **Improved quality of discussions**

We will improve the quality of discussions at Board of Directors' meetings by establishing a new organization (in April 2023) to support communications between the Board of Directors and management/officers and advancing initiatives such as reviewing agenda items for the Board of Directors, preparing concise materials, and organizing discussion points.

## Corporate governance

### ■ Corporate governance

On taking office, Outside Directors and Outside Audit & Supervisory Board Members receive a briefing on areas including the Sumitomo Corporation Group's Management Principles, management policy, business operations, finances, organization, medium-term management plan, and risk management system.

To deepen their understanding of Sumitomo's Business Philosophy, the core of the Company's Management Principles, in principle Outside Directors and Outside Audit & Supervisory Board Members visit Sumitomo-related facilities\* during the first fiscal year of their term of office. Furthermore, to facilitate their understanding of our wide-ranging businesses, they visit our business sites. In FY2023, they plan to visit multiple sites in Japan and overseas (the Americas and Asia).

\* Besshi Copper Mine (Ehime), Sumitomo Yuhoen (Kyoto), Sumitomo Kakkien (Shiga)



Besshi Copper Mine (Ehime)



Summit Steel Co., Ltd. (Osaka)

### Pre-meeting briefings for the Board of Directors

To maximize the monitoring and supervisory functions of management by Outside Officers, prior to each Board of Directors' meeting, explanatory sessions are provided to Outside Directors and Outside Audit & Supervisory Board Members outlining each project and important points. Pre-meeting briefings for Outside Directors were held 12 times in FY2022 lasting a total of 28

### Establishment of dedicated department

The Company established the new Directors' Administration Department to promote communication between the Board of Directors and executive management. The department assists the annual agenda setting and thoroughly organizes the points of discussion on the agenda at each Board of Directors' meeting. In this manner, the Company strengthened its support system necessary for Directors to execute their duties.

### Playing an active role outside of the Board of Directors

Outside Officers play an active role outside of the Board of Directors by maximizing their diverse career histories and skills. Since FY2022, Outside Officers have led in-house seminars on such topics as DE&I promotion, in addition to IR activities.

## Corporate governance

### ■ Establishment of an advisory body to the Board of Directors

The Nomination and Remuneration Advisory Committee, which is composed, in the majority, of Outside Directors and chaired by an Outside Director, operates as an advisory body to the Board of Directors. The committee is charged with the following items and reports the results thereof to the Board of Directors: (1) Policy and procedure for the appointment and dismissal of the President and Chief Executive Officer; (2) Policy and procedure for the appointment and dismissal of the Chairman of the Board of Directors; (3) Nomination criteria for Directors and Audit & Supervisory Board Members; (4) Appointment and dismissal of the President and Chief Executive Officer (including nomination of successor); (5) Nomination of candidates for Director and Audit & Supervisory Board Member (including deciding Representative and Executive Directors); (6) Appointment of Management Council members; (7) System and level of remuneration and bonus payments for Directors and Executive Officers and remuneration range for Audit & Supervisory Board Members; and (8) Consultation on the advisor system and report the results to the Board of Directors. Additionally, the committee also deliberates and determines other matters delegated by the Board of Directors outside of (1) to (8) above, and then reports its findings to the Board of Directors.

An overview of the activities of the Nomination and Remuneration Advisory Committee in FY2022 is provided below.

#### Overview of Nomination and Remuneration Advisory Committee activities

Composition of the Nomination and Remuneration Advisory Committee		Number of meetings/ Attendance rate	Main discussion items
Outside Directors	(Chairperson) Kimie Iwata	7/7 (100%)	<ul style="list-style-type: none"> <li>FY2023 Director/Audit &amp; Supervisory Board Member/Executive Officer HR management (Selection of Management Council members and allocation of human resources based on successor plan)</li> <li>Candidates for Outside Director</li> <li>FY2022 evaluations of individual Executive Officers</li> <li>Introduction of non-financial indicators into stock-based remuneration</li> <li>Review of remuneration levels of Outside Audit &amp; Supervisory Board Members</li> </ul>
	Koji Ishida	7/7 (100%)	
	Takashi Mitachi	7/7 (100%)	
Internal Directors	Kuniharu Nakamura	7/7 (100%)	
	Masayuki Hyodo	7/7 (100%)	

## Audit & Supervisory Board Members and the Audit & Supervisory Board

### ■ Enhancement of auditing capabilities

We are enhancing the audit structure so that Audit & Supervisory Board Members are able to audit the execution of duties by Directors as a member of the Board of Directors or an Executive Officer (Representative Director). The Audit & Supervisory Board comprises five members, including three Outside Audit & Supervisory Board Members. Full-time Audit & Supervisory Board Members utilize their specialized knowledge of the Company's operations and wide-ranging experience to perform audits, while Outside Audit & Supervisory Board Members utilize their advanced specialized knowledge and abundant experience in the fields of legal affairs, accounting, or corporate management. In addition to resolving statutory matters, the Audit & Supervisory Board shares the status of activities of Audit & Supervisory Board Members and receives prior explanations on matters to be discussed by the Board of Directors in an effort to improve the efficiency and quality of the auditing activities of Audit & Supervisory Board Members.

### ■ Ensuring audit effectiveness

To obtain sufficient information vital to their audits, Audit & Supervisory Board Members attend important meetings such as Board of Directors' meetings, receive reports from Directors, employees, and other relevant parties regarding the execution of their duties, ask them for explanations as necessary, inspect important internal authorization documents, and examine the status of operations and the financial status regarding the Head Office and important operating locations. Audit & Supervisory Board Members also promote communication and exchanges of information with directors, audit & supervisory board members, and other relevant parties of subsidiaries, receive reports on the subsidiaries' business as necessary, and visit and observe principal subsidiaries.

The Audit & Supervisory Board Members' Administration Department has been established as a specialized organization to support the work of the Audit & Supervisory Board Members. The Audit & Supervisory Board Members participate in personnel evaluations and transfers and so on regarding these employees to ensure their independence from the Board of Directors.

### ■ Collaboration with the Internal Auditing Department and accounting auditors

Audit & Supervisory Board Members periodically receive reports from the Internal Auditing Department on internal audit plans and their results in order to ensure the effectiveness of their auditing duties. In addition, Audit & Supervisory Board Members exchange information with the accounting auditors through regular meetings and are aware of auditing activities of the accounting auditors by attending audit review meetings and observing inventory audits by the accounting auditors. In this manner, Audit & Supervisory Board Members interact closely with the Internal Auditing Department and accounting auditors.

## Corporate governance

### Remuneration of Directors and Audit & Supervisory Board Members

#### Executive remuneration system

Type of remuneration, etc.		Eligibility			
		Executive Directors/ Executive Officers*1	Chairman of the Board of Directors*2	Outside Directors*3	Audit & Supervisory Board Members*4
Fixed	Monthly remuneration	●	●	●	●
Variable	Performance-linked bonuses	●	—	—	—
	Restricted performance share unit-based remuneration	●	●	—	—

\*1 The remuneration of Executive Directors and Executive Officers consists of “monthly remuneration,” “performance-linked bonuses,” and “restricted performance share unit-based remuneration.”

\*2 The remuneration of the Chairman of the Board of Directors, whose main role is management supervision and engaging in external relations activities as stipulated in the Sumitomo Corporation Corporate Governance Principles, consists of “restricted performance share unit-based remuneration,” which contributes to improving shareholder value, in addition to “monthly remuneration.”

\*3 The remuneration of Outside Directors, who are in a position to supervise management with a high degree of objectivity and independence, consists solely of fixed remuneration (“monthly remuneration”), which is provided on a monthly basis.

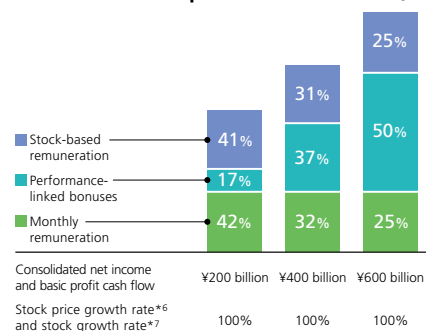
\*4 The remuneration of Audit & Supervisory Board Members, who are in a position to audit and supervise management with a high degree of objectivity and independence, consists solely of fixed remuneration (“monthly remuneration”) and is provided on a monthly basis. The remuneration of each Audit & Supervisory Board Member is decided through discussions between the Members within the maximum amount approved by shareholder resolutions.

#### Remuneration standards and remuneration composition ratios

Referring to objective remuneration market research data\*5 provided by external specialized agencies, the Company sets appropriate remuneration standards and remuneration composition ratios based on the Company's business environment and management and human resources strategies.

\*5 WTW's Executive Compensation Database

#### Breakdown of Representative Director, President and Chief Executive Officer remuneration



Note: Stock price growth rate is reflected in performance-linked bonuses and stock growth rate in stock-based remuneration.

\*6 Stock price growth rate =  $\frac{\text{Average price of Company's common shares in relevant fiscal year}}{\text{Average price of Company's common shares in the previous fiscal year}} \div \frac{\text{Average of TOPIX in relevant fiscal year}}{\text{Average of TOPIX in the previous fiscal year}}$

\*7 Stock growth rate =  $\frac{\text{Average price of Company's common shares in the month of termination of Evaluation Period}}{\text{Average price of Company's common shares in the month of commencement of Evaluation Period}} \div \frac{\text{Average of TOPIX in the month of termination of Evaluation Period}}{\text{Average of TOPIX in the month of commencement of Evaluation Period}}$

#### Performance-linked bonuses

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 in medium-term management plan SHIFT 2023, as well as stock price growth rate. Bonuses paid to individual officers is distributed according to their position and personal evaluation and paid after the end of the fiscal year.

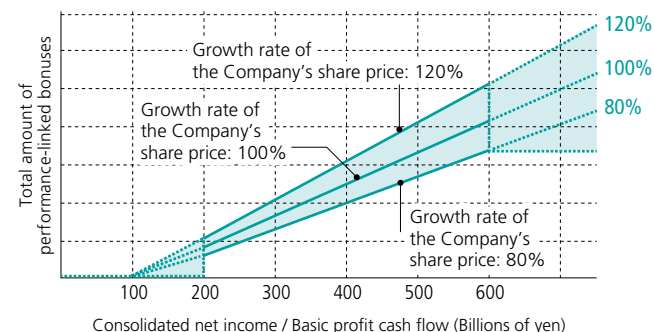
#### Calculation formula for total amount of performance-linked bonuses

Amount calculated from consolidated net income and basic profit cash flow  $\times$  The Company's stock price growth rate: 80% to 120% range

#### Total amount of performance-linked bonuses

The potential range of business results in terms of consolidated net income and basic profit cash flow is assumed to be from ¥200 billion to ¥600 billion. 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 report from the Nomination and Remuneration Advisory Committee. Additionally, in order to further promote the initiatives of the medium-term management plan SHIFT 2023, we added the year-on-year share price growth rate as an indicator for determining the total amount of performance-linked bonuses. The total amount to be paid is calculated by multiplying the amount calculated from consolidated net income and basic profit cash flow by the year-on-year share price growth rate. The range of year-on-years stock price growth rate is from 80% to 120%. The range of total performance-linked bonuses reflecting stock price growth rate is presented below.

#### Total amount of performance-linked bonuses (reflecting stock price growth rate) (image)



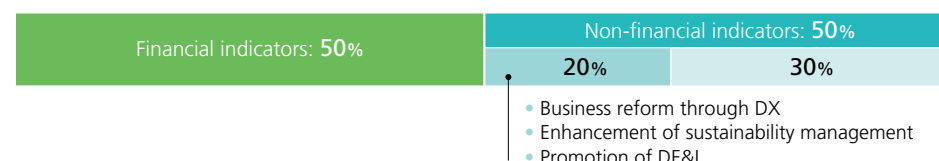


## Corporate governance

### Personal evaluations

Each Executive Director is evaluated on the basis of both financial and non-financial indicators so that they can become more aware in regard to their commitment to management strategy and results. Financial indicators mainly consider the status of achievement of the business plans in the respective areas of responsibility. Non-financial indicators take into account the status of achievement of strategies of each SBU measured by KPIs and KAls as well as the status of initiatives to address important companywide issues. The ratio of financial indicators to non-financial indicators in personal evaluation is 50:50, and of the evaluation based on non-financial indicators, 20% relates to the important companywide issues of business reform through DX, enhancement of sustainability management, and promotion of DE&I.

#### Breakdown of financial and non-financial indicators in personal evaluations



### Restricted performance share unit-based remuneration

To further encourage management to focus on promoting efforts to increase the Group's corporate value over the medium to long term and sharing value with its shareholders, the Company's common shares (restricted) in an amount determined according to the Company's stock growth rate during the three-year evaluation period are provided to officers each year in principle. Beginning in FY2023, in order to promote efforts to help solve key social issues and to make non-financial indicators related to the environment and society more closely linked with stock-based remuneration to raise awareness of the Company's commitment to enhance sustainability management, evaluation on the non-financial indicators (response to climate change, promotion of women's active engagement, and employee engagement) is used to calculate the amount of the Company's common shares to be granted as restricted shares. 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, in order to realize shareholder value over the medium to long term.

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

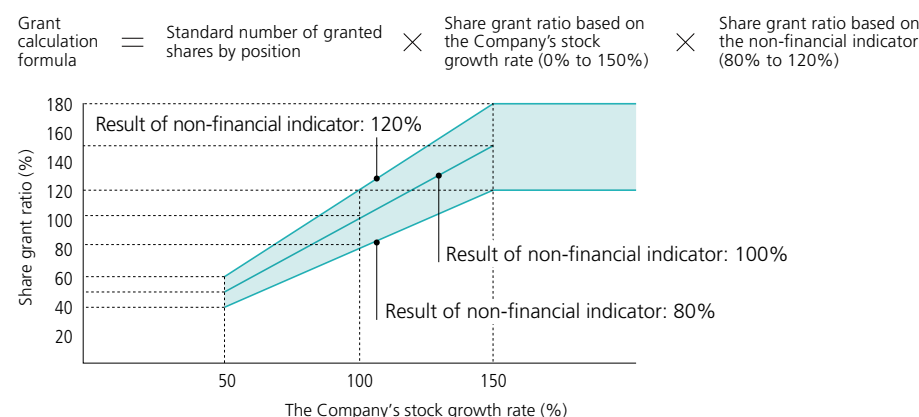


### Introduction of non-financial indicators in calculation of share grant ratio

Response to climate change, promotion of women's active engagement, and employee engagement have been set as indicators in calculating the number of granted shares. The progress and results of initiatives for each fiscal year are evaluated, and the final evaluation is determined by the Nomination and Remuneration Advisory Committee after averaging the evaluations over a three-year period.

Item	Evaluation criteria	Evaluation ratio
Response to climate change	Progress and results of initiatives related to the Group's long-term targets and medium-term targets for the Group's six key social issues	Reflected in evaluation using a ratio of 1:1:1
Promotion of women's active engagement	Results versus the quantitative targets set every year to achieve the target ratio of women in FY2030	
Employee engagement	Quantitative results of "employee engagement" and "environment that utilizes employees" in engagement surveys	

### Share grant ratio based on stock growth rate and non-financial indicator



## Corporate governance

### Cross-shareholdings

As a general rule, the Company will neither acquire nor hold shares in other listed companies for purposes other than pure investment.

However, the Company may decide to hold shares in listed companies in some exceptional cases when the Company determines that it is appropriate. For such determination, the Company will comprehensively assess and verify the cost of capital of individual stocks and economic rationality and significance of holding the stocks in light of the necessity of partnering or other business needs. Each year, the Board of Directors reviews whether or not the Company's holding of listed shares is appropriate. If such annual review concludes that specific shareholdings are of little significance, the Company will push ahead with the sale of the shares.

In FY2022, the Company sold shares of 22 listed stocks (either in whole or in part), amounting to ¥33.8 billion in total. As of the end of March 2023, the Company's shareholdings in listed companies cover 59 stocks, with the total balance of ¥190.7 billion.

The Company also takes various considerations into account under the internal guidelines when making decisions in exercising its voting rights. Having fully considered issues from both quantitative and qualitative standpoints, it adequately exercises voting rights for each agenda based on whether exercising voting rights will lead to enhanced medium- to long-term corporate value at the investee company and the Company and to enhanced value for its own shareholders.

When a company holding the Company's stock for purposes other than pure investment indicates intent to dispose of its holdings, the Company respects the decision in principle and ensures that their business relationship will not be influenced.

### Initiatives to ensure transparency of business management

#### ■ Establishment of disclosure policy

To ensure that all stakeholders correctly understand its business management policy and business activities, the Company not only discloses statutorily required information but also actively discloses information on a voluntary basis. Moreover, the Company established the Corporate Disclosure Policy in July 2016.



For details, please visit our corporate website.  
<https://www.sumitomocorp.com/en/jp/about/governance/detail/disclosurepolicy>



#### ■ Measures relating to the General Meeting of Shareholders

Approximately three weeks prior to each General Meeting of Shareholders, the Company sends out a convening notice describing how to access the materials for the General Meeting of Shareholders to our shareholders (the printed materials for the General Meeting of Shareholders, for shareholders who have requested delivery of such materials in paper form). The Company also provides the materials for the General Meeting of Shareholders on its corporate website in advance of sending the notice, together with its English-language translation. This early sending of materials for the General Meeting of Shareholders gives shareholders and institutional investors adequate time to study the content of the agenda items. In addition, we live stream to shareholders who cannot attend the General Meeting of Shareholders and provide a video of the meeting on our corporate website for viewing for a certain period following the meeting. In FY2022, we began accepting questions from shareholders online prior to the General Meeting of Shareholders held in June 2022. For questions received beforehand, we provide responses for matters of particular concern to shareholders and then post the responses on our corporate website at a later date along with other questions and comments from the meeting.



For details, please visit our corporate website.  
<https://www.sumitomocorp.com/en/jp/ir/stock/stmt>



# Directors, Audit & Supervisory Board Members, and Executive Officers

As of June 24, 2023, Executive Officers: As of July 1, 2023

**Directors** ■ Shares owned in the Company (As of March 31, 2023) ■ Attendance at meetings of the Board of Directors in FY2022



**Kuniharu Nakamura**

Chairman

■ 187,700 shares  
■ 18/18

**Apr. 1974**  
Joined the Company  
**Jun. 2012**  
Representative Director,  
President and CEO  
**Jun. 2017**  
Representative Director,  
President and Chief Executive Officer  
**Jun. 2018**  
Chairman of the Board of Directors  
(present position)



**Masayuki Hyodo**

Representative Director

■ 107,900 shares  
■ 18/18

**Apr. 1984**  
Joined the Company  
**Jun. 2018**  
Representative Director,  
President and Chief Executive Officer  
(present position)



**Shingo Ueno**

Representative Director

■ 56,200 shares  
■ -/-

**Apr. 1982**  
Joined the Company  
**Apr. 2022**  
Executive Vice President  
(Metal Products Business Unit,  
Mineral Resources, Energy,  
Chemical & Electronics  
Business Unit and Head of  
Energy Innovation Initiative)  
**Jun. 2023**  
Representative Director and  
Executive Vice President  
(Metal Products Business Unit,  
Mineral Resources, Energy,  
Chemical & Electronics  
Business Unit, and Energy  
Innovation Initiative)  
(present position)



**Takayuki Seishima**

Representative Director

■ 40,400 shares  
■ 18/18

**Apr. 1984**  
Joined the Company  
**Apr. 2021**  
Representative Director,  
Senior Managing Executive Officer,  
Chief Administration Officer and  
Chief Compliance Officer  
**Apr. 2023**  
Representative Director,  
Executive Vice President,  
Chief Administration Officer and  
Chief Compliance Officer  
(present position)



**Reiji Morooka**

Representative Director

■ 29,400 shares  
■ 14/14  
(Since appointed as a  
Director on June 24, 2022)

**Apr. 1984**  
Joined the Company  
**Jun. 2022**  
Representative Director,  
Senior Managing Executive Officer,  
Chief Financial Officer  
(present position)



**Hirokazu Higashino**

Representative Director

■ 26,400 shares  
■ 14/14  
(Since appointed as a  
Director on June 24, 2022)

**Apr. 1987**  
Joined the Company  
**Jun. 2022**  
Representative Director,  
Managing Executive Officer,  
Chief Strategy Officer and  
Chief Information Officer  
**Apr. 2023**  
Representative Director,  
Senior Managing Executive Officer,  
Chief Strategy Officer  
(present position)

## Directors, Audit &amp; Supervisory Board Members, and Executive Officers

## Outside Directors

■ Shares owned in the Company (As of March 31, 2023) ■ Attendance at meetings of the Board of Directors in FY2022

**Kimie Iwata**

Outside Director Independent

■ 0 shares  
■ 15/18**Apr. 1971**  
Joined the Ministry of Labour (currently Ministry of Health, Labour and Welfare)**Jan. 2001**  
Director-General of Equal Employment, Children and Families Bureau (retired in August 2003)**Jun. 2008**  
Representative Director, Executive Vice President, Shiseido Company, Limited (retired as Executive Vice President in March 2012; retired as Representative Director in June 2012)**Jul. 2012**  
Outside Director, Japan Airlines Co., Ltd. (retired in June 2018)  
President, Japan Institute for Women's Empowerment & Diversity Management (Retired in June 2018)**Oct. 2015**  
Audit and Inspection Commissioner, the Tokyo Metropolitan Government (present position)**Mar. 2016**  
Outside Director, Kirin Holdings Company, Limited (retired in March 2019)  
Outside Director, Stripe International Inc. (retired in April 2019)**Jun. 2018**  
Outside Director, Sumitomo Corporation (present position)**Jun. 2019**  
Outside Director, Resona Holdings, Inc. (present position)  
Outside Director, Ajinomoto Co., Inc. (present position)**Hisashi Yamazaki**

Outside Director Independent

■ 0 shares  
■ 18/18**Apr. 1974**  
Assistant Judge**Feb. 2011**  
President, Sapporo High Court (retired in March 2013)**Mar. 2013**  
Commissioner, Japan Fair Trade Commission (retired in December 2015)**Aug. 2016**  
Attorney-at-law (present position)**Jul. 2017**  
Supervisory Board Member, National Federation of Agricultural Cooperative Associations (present position)**Jun. 2018**  
Outside Director, Sumitomo Corporation (present position)  
Outside Director, Tokyo Commodity Exchange, Inc. (retired in December 2019)**Jun. 2020**  
Outside Director, JAPAN POST INSURANCE Co., Ltd. (present position)**Akiko Ide**

Outside Director Independent

■ 0 shares  
■ 18/18**Apr. 1977**  
Joined Nippon Telegraph and Telephone Public Corporation (currently Nippon Telegraph and Telephone Corporation)**Jun. 2012**  
Executive Director, Director of Information Security, NTT DoCoMo, Inc. (currently NTT DOCOMO, INC.)**May 2013**  
President and Chief Executive Officer, Radishbo-ya Co., Ltd. (currently Oisix ra daichi Inc.) (retired in May 2014)**Jun. 2013**  
Executive Director, Senior Manager in Charge of Commerce Business Promotion, NTT DoCoMo, Inc. (currently NTT DOCOMO, INC.) (retired in June 2014)**Jun. 2014**  
Full-Time Audit & Supervisory Board Member, Nippon Telegraph and Telephone Corporation (retired in June 2020)**Aug. 2018**  
Audit & Supervisory Board Member, NTT, Inc. (retired in June 2020)**Jun. 2020**  
Outside Director, Sumitomo Corporation (present position)**Jun. 2021**  
Outside Director & Audit and Supervisory Committee Member, Tohoku Electric Power Co., Inc. (present position)**Takashi Mitachi**

Outside Director Independent

■ 0 shares  
■ 14/14  
(Since appointed as a Director on June 24, 2022)**Apr. 1979**  
Joined Japan Airlines Co., Ltd.**Oct. 1993**  
Joined Boston Consulting Group**Jan. 2005**  
Japan Co-chair, Boston Consulting Group**May 2005**  
Managing Director & Senior Partner, Boston Consulting Group**Mar. 2011**  
Director, Japan Association for the World Food Programme (retired in August 2018)**Apr. 2013**  
Vice Chairman, KEIZAI DOYUKAI (Japan Association of Corporate Executives) (retired in April 2017)**Mar. 2016**  
Outside Director, Rakuten, Inc. (currently Rakuten Group, Inc.) (present position)**Jun. 2016**  
Outside Director, Lotte Holdings Co., Ltd. (present position)**Mar. 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)

**Takahisa Takahara**

Outside Director Independent

■ 0 shares  
■ -/-**Apr. 1986**  
Joined The Sanwa Bank, Ltd. (currently MUFG Bank, Ltd.)**Apr. 1991**  
Joined Unicharm Corporation**Jun. 1995**  
Director, Unicharm Corporation**Apr. 1996**  
Director, General Manager of Procurement Division and Deputy General Manager of International Division, Unicharm Corporation**Jun. 1997**  
Senior Director, Unicharm Corporation**Apr. 1998**  
Senior Director, General Manager of Feminine Hygiene Business Division, Unicharm Corporation**Oct. 2000**  
Senior Director, Responsible for Management Strategy, Unicharm Corporation**Jun. 2001**  
Representative Director, President, Unicharm Corporation**Jun. 2004**  
Representative Director, President & CEO, Unicharm Corporation (present position)**Jun. 2021**  
Outside Director, Nomura Holdings, Inc. (present position)**Jun. 2022**  
Outside Director, Sumitomo Corporation (present position)



## Directors, Audit & Supervisory Board Members, and Executive Officers

### Audit & Supervisory Board Members

■ Shares owned in the Company (As of March 31, 2023)

■ Attendance at meetings of the Board of Directors in FY2022

■ Attendance at meetings of the Audit & Supervisory Board in FY2022



#### Daisuke Mikogami

Senior Audit & Supervisory Board Member (Full-Time)

■ 35,000 shares

■ -/-

■ -/-

Apr. 1983

Joined the Company

Apr. 2014

Executive Officer

Apr. 2017

Managing Executive Officer

Apr. 2022

Senior Managing Executive Officer

Apr. 2023

Advisor

Jun. 2023

Senior Audit & Supervisory Board Member (present position)



#### Kazunari Sakata

Audit & Supervisory Board Member (Full-Time)

■ 14,200 shares

■ 14/14

■ 12/12

(Since taking office on June 24, 2022)

Apr. 1985

Joined the Company

Apr. 2020

Executive Officer

Apr. 2022

Advisor

Jun. 2022

Audit & Supervisory Board Member (present position)



#### Toshio Nagai

Outside Audit & Supervisory Board Member (Lawyer)

Independent

■ 0 shares

■ 18/18

■ 17/17

Apr. 1974

Assistant Judge

Mar. 2013

President, Osaka High Court (retired in July 2014)

Sep. 2014

Attorney-at-law (present position)

Jun. 2015

Outside Corporate Auditor, Toray Industries, Inc. (present position)

Jun. 2016

Outside Audit & Supervisory Board Member, Sumitomo Corporation (present position)



#### Yoshitaka Kato

Outside Audit & Supervisory Board Member (Certified Public Accountant)

Independent

■ 0 shares

■ 18/18

■ 17/17

Sep. 1978

Certified Public Accountant (present position)

Aug. 2008

CEO, Ernst & Young ShinNihon LLC (retired in June 2014)

Jun. 2015

Outside Corporate Auditor, Sumitomo Chemical Company, Limited (present position)

Outside Corporate Auditor, Mitsui Fudosan Co., Ltd. (present position)

Auditor, the General Insurance Rating Organization of Japan (present position)

Jun. 2016

Outside Audit & Supervisory Board Member, Sumitomo Corporation (present position)



#### Yukiko Nagashima

Outside Audit & Supervisory Board Member

Independent

■ 0 shares

■ 18/18

■ 17/17

Apr. 1985

Joined Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)

Apr. 2006

Corporate Executive Officer, Recruit Co., Ltd.

Jan. 2008

President and Representative Director, Recruit Staffing Co., Ltd. (retired in April 2016)

Oct. 2012

Corporate Executive Officer, Recruit Holdings Co., Ltd.

Jun. 2016

Standing Audit & Supervisory Board Member, Recruit Holdings Co., Ltd. (present position)

Apr. 2018

Standing Audit and Supervisory Board Member, Recruit Co., Ltd. (present position)

Mar. 2019

Outside Director, Japan Tobacco Inc. (present position)

Jun. 2021

Outside Audit & Supervisory Board Member, Sumitomo Corporation (present position)

## Directors, Audit & Supervisory Board Members, and Executive Officers

### Executive Officers

#### President and Chief Executive Officer

**Masayuki Hyodo**  
Chief Executive Officer

#### Executive Vice Presidents

##### Shingo Ueno

(Metal Products Business Unit,  
Mineral Resources, Energy,  
Chemical & Electronics Business Unit  
and Energy Innovation Initiative)

##### Takayuki Seishima

Chief Administration Officer and  
Chief Compliance Officer

#### Senior Managing Executive Officers

##### Masaki Nakajima

General Manager, Media &  
Digital Business Unit

##### Reiji Morooka

Chief Financial Officer

##### Yoshiyuki Sakamoto

General Manager, Mineral Resources,  
Energy, Chemical & Electronics  
Business Unit

##### Mitsuhiro Takeda

Director, Executive Vice President,  
JCOM Co., Ltd.

##### Hirokazu Higashino

Chief Strategy Officer

##### Katsuya Inubushi

General Manager, Metal Products  
Business Unit

#### Managing Executive Officers

##### Keigo Shiomi

General Manager for Asia & Oceania;  
CEO of Sumitomo Corporation  
Asia & Oceania Group;  
President and CEO,  
Sumitomo Corporation  
Asia & Oceania Pte. Ltd.

##### Iehisa Nakamura

Assistant General Manager,  
Media & Digital Business Unit

##### Norihiko Nonaka

General Manager, Transportation &  
Construction Systems Business Unit

##### Shinichi Kato

Assistant General Manager for  
the Americas;  
Sumitomo Corporation of Americas;  
President and CEO, TBC Corporation

##### Yoshinori Mukaida

Assistant CFO, Finance

##### Tomonori Wada

General Manager for the Americas;  
President and CEO of  
Sumitomo Corporation of  
Americas Group;  
Director and President of  
Sumitomo Corporation of Americas

##### Hajime Mori

General Manager for  
Middle East & Africa;  
CEO & COO of Sumitomo Corporation  
Middle East & Africa Group;  
Managing Director,  
Sumitomo Corporation Middle East FZE

##### Yukihito Honda

General Manager,  
Infrastructure Business Unit

##### Kotaro Tameda

General Manager, Living Related &  
Real Estate Business Unit

##### Haruhiko Aritomo

General Manager for East Asia;  
CEO of Sumitomo Corporation  
China Group, Sumitomo Corporation  
(Shanghai) Limited;  
General Manager,  
Sumitomo Corporation (China)  
Holding Ltd.

##### Nobuhiro Yoshida

General Manager for Japan Region;  
General Manager, Kansai Office

##### Hiroyuki Koike

General Manager for Europe;  
CEO of Sumitomo Corporation  
Europe Group;  
Chairman and Managing Director,  
Sumitomo Corporation  
Europe Limited

##### Takayuki Sumita

Assistant CSO;  
Energy Innovation Initiative Design &  
Strategy Dept.;  
President and CEO,  
Sumitomo Corporation  
Global Research Co. Ltd.

##### Koji Aso

Head of Energy Innovation Initiative

##### Kimihiko Sato

Head of Internal Control and  
Internal Audit;  
General Manager,  
Internal Auditing Dept.

#### Executive Officers

##### Takashi Yamana

President and Representative Director,  
Sumitomo Shoji Machinex Co., Ltd.

##### Tatsuro Tamura

Assistant General Manager for Europe;  
Deputy CEO & CFO of  
Sumitomo Corporation Europe Group;  
General Manager,  
Corporate Management Unit in  
Sumitomo Corporation Europe Group;  
CFO, Sumitomo Corporation  
Europe Limited

##### Kazumasa Watanabe

General Manager, Media Division

##### Masahiko Yokohama

General Manager, Planning &  
Coordination Dept.,  
Metal Products Business Unit

##### Yusuke Ujimoto

Managing Corporate Officer,  
JCOM Co., Ltd.

##### Hiroki Takeno

General Manager,  
Lifestyle Business Division

##### Tadayuki Ueno

Assistant CFO, Risk Management

##### Yasuhiro Yoshida

Assistant CFO, Accounting

##### Hiroshi Karashima

Assistant General Manager for  
Asia & Oceania;  
Sumitomo Corporation Asia &  
Oceania Group; President Director,  
PT. Sumitomo Indonesia

##### Takao Kusaka

General Manager, Lease, Ship &  
Aerospace Business Division

##### Hiroaki Murata

General Manager, Construction  
Material & Real Estate Business Division

##### Aki Tomita

Assistant CAO, General Affairs &  
Legal; General Manager,  
Legal Compliance Dept.

##### Gota Iwanami

Assistant General Manager for  
Japan Region; General Manager,  
Chubu Office

##### Nobuyasu Yonezu

Director of Energy Innovation Initiative;  
General Manager, Indonesia  
Energy Transition Dept.

##### Seiji Kitajima

Director of Energy  
Innovation Initiative

##### Eisuke Takenaka

General Manager,  
Corporate Planning &  
Coordination Dept.

##### Tatsushi Tatsumi

Chief Digital Officer,  
Chief Information Officer

##### Shunichi Aramaki

General Manager,  
Digital Business Division

##### Yoshiko Nakazawa

Assistant CAO, Human Resources

## Group governance

### Basic principles

#### ■ Promoting maximization of corporate value based on the Group Management Policy

The Sumitomo Corporation Group consists of 886 companies in 78 countries and regions. These companies are the source of the Group's strength. Their business domains fall under a wide range of industrial fields, and many of them are industry leaders.

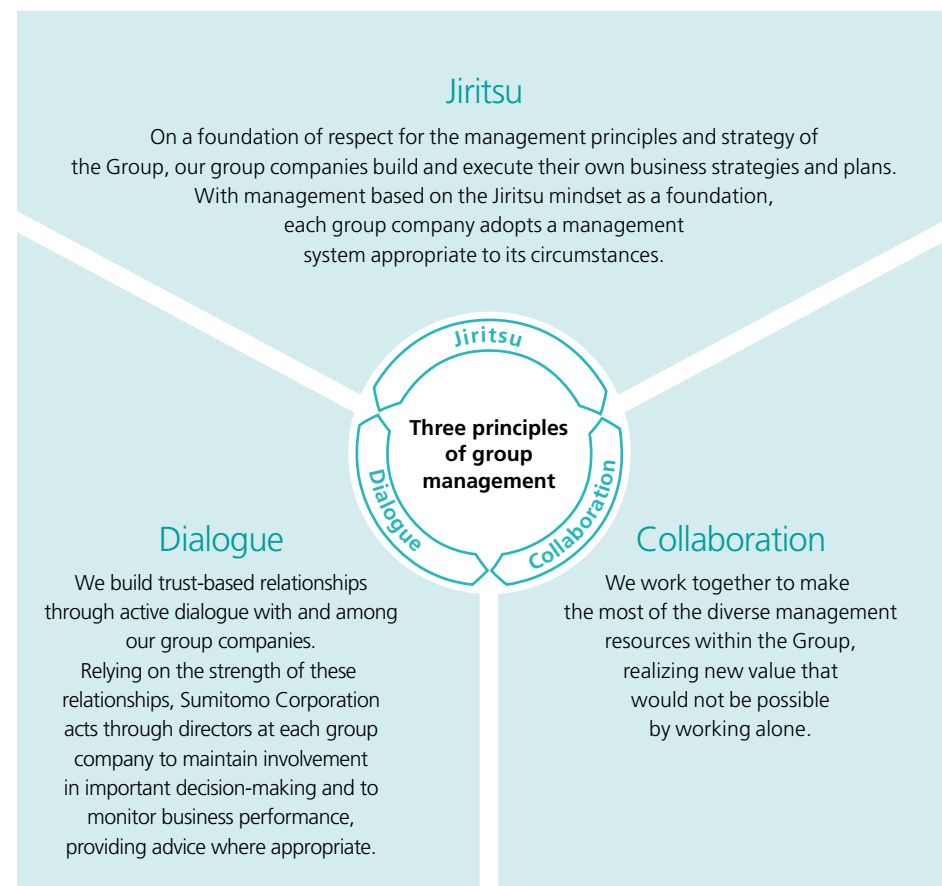
The group companies respect the Sumitomo Corporation Group's Corporate Mission Statement and management strategies, and engage in Jiritsu\* management. Our approach to group management is to contribute to important decision-making at Board and other meetings through active dialogue based on relationships of trust as a shareholder, and to create new value through collaboration among group companies including Sumitomo Corporation. For the purpose of sharing and better implementing this basic approach and policies within the Group, we established the Group Management Policy (GMP) in 2021.

The GMP clarifies the roles and responsibilities in group management, setting forth the three principles of Jiritsu, dialogue, and collaboration to be respected by Sumitomo Corporation and its group companies.

The values set forth in the Sumitomo Corporation Group's Corporate Mission Statement and the GMP are shared and implemented within the Group. This allows us to swiftly and appropriately respond to industry structural transformation and trends surrounding sustainability and to grow our group companies into future earning pillars, thereby further solidifying the Group's business portfolio and maximizing corporate value.

\* Jiritsu is a Japanese term. In the GMP, we define it to mean "following the rules necessary for the management of a Sumitomo Corporation Group company, such as the Sumitomo Corporation 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."

#### Three principles of the GMP



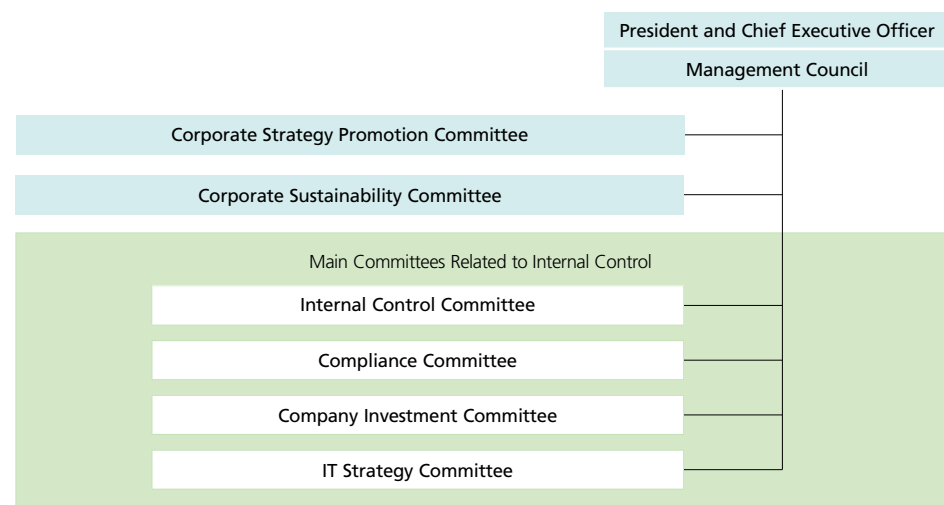
## Internal control

### Basic policy and system

To realize sustainable growth and development, the Sumitomo Corporation Group is working on enhancing group governance and improving the overall quality of groupwide operations through the development, operation, evaluation, and improvement of appropriate internal controls. We have established basic regulations on internal controls to reasonably ensure compliance with laws and regulations related to business activities, safeguarding of assets against loss, effectiveness and efficiency of operations, and reliability of financial reporting in the Group's overall businesses.

To ensure efficient operation of existing internal control frameworks, create synergy, and coordinate with internal audit functions, the Internal Control Promotion Department, which takes on overall control of the Group's internal control-related operations, has been established alongside the Internal Auditing Department under the supervision of the Head of Internal Control and Internal Audit. By actively identifying issues and utilizing internal control activities within the Group, the department will promote greater effectiveness and consistency of the above efforts throughout the Group.

### Internal control structure

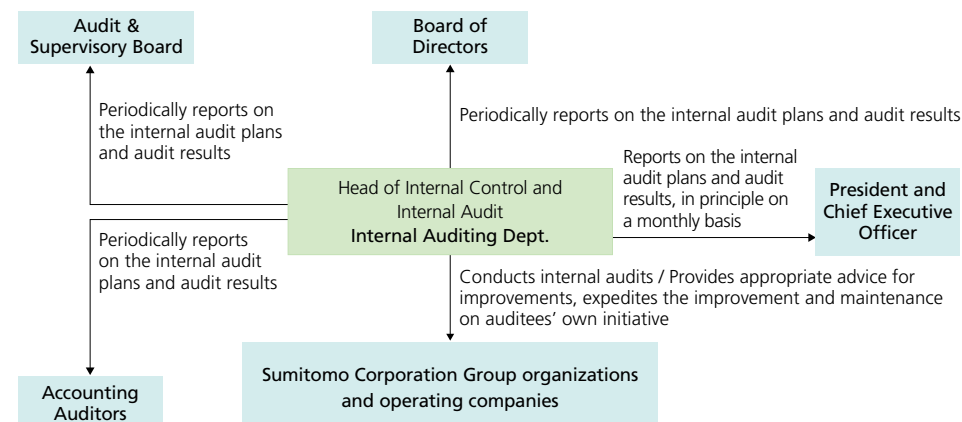


### Internal audits

The Internal Auditing Department is an independent organization under the supervision of the Head of Internal Control and Internal Audit, which reports directly to the President and Chief Executive Officer, that monitors the operations of the Group, and audits organizations and operating companies of the Group. As well as reporting the internal audit results directly to the President and Chief Executive Officer, in principle on a monthly basis, periodic reports are also made to the Board of Directors and the Audit & Supervisory Board.

The department regularly conducts audits on all aspects of internal control, comprising asset and risk management, compliance, and business operations. It evaluates the effectiveness and adequacy of the internal controls of auditees, taking into account the significance of the inherent risks. At the same time, it provides appropriate advice for improvements and expedites improvement and maintenance on the auditee's own initiative, thereby contributing to the improvement of governance and internal controls within the Group.

### Internal audit process



For further details, please visit our corporate website.  
<https://www.sumitomocorp.com/en/jp/about/governance/scic>





# Compliance

## Basic policy

The basis for the Group's compliance is to win the trust of society by practicing the Activity Guideline that states "to comply with laws and regulations while maintaining the highest ethical standards.

Accordingly, we follow our principles of "Compliance as Top Priority," which means compliance takes priority over all activities of the Group and that we must never violate compliance as a result of giving priority to the pursuit of profit, and "Immediate Report," which means, in the event of a compliance problem, employees must report the situation without delay to their line manager including the management-level personnel and to the relevant department of the corporate group.

To provide a clear understanding of this basic policy, we established the Sumitomo Corporation Group Compliance Policy, and work for its acceptance and full application groupwide through ongoing education and awareness activities.

## System

We have established the Compliance Committee chaired by the Chief Compliance Officer (CCO). The committee plans and proposes compliance measures based on the understanding of the situation within the Sumitomo Corporation Group.

In the event of a compliance issue emerging, we operate a Speak-Up System providing direct internal and external hotlines to the CCO in addition to the abovementioned regular organizational reporting lines ("Immediate Report").

Under this system, the facts and details of the report are maintained in the strictest confidence, and we ensure that the whistleblower is not subjected to disadvantageous treatment for making the report. We encourage the use of this system through internal seminars, internal notices, and other activities.

The group-based Speak-Up System, which enables officers and employees of group companies both in and outside Japan to report compliance-related issues, has also been developed and launched.

## Initiatives to ensure compliance

### ■ Appropriate responses to compliance violations and preventive measures

In the event of a compliance-related problem, we quickly ascertain the facts and investigate the cause. Based on their findings, corrective action is taken, disciplinary sanctions are imposed, and measures to prevent recurrence are applied.

In addition, the secretariat of the Compliance Committee analyzes and assesses the status of compliance violations within the Group every year and reviews such matters as future compliance-related measures. The results and details are discussed by the Compliance Committee and then reported to and discussed by the Management Council, Audit & Supervisory Board, and Board of Directors.

Through this process of improving and enhancing measures while implementing a PDCA cycle, we work on thorough familiarization with compliance.

### ■ Continuous education program initiatives

The Compliance Manual has been prepared to explain issues particularly important from a compliance perspective, such as antitrust, security trade control, and anti-bribery/corruption, and is communicated to all officers and employees of Sumitomo Corporation to familiarize them with those issues. In addition, we carry out workshops for all personnel levels as well as e-learning, harassment prevention seminars, and other activities for all officers and employees.

We also provide various support for strengthening the compliance system at each group company, including developing e-learning content related to the Sumitomo Corporation Group Compliance Policy.



For further details, please visit our corporate website.  
<https://www.sumitomocorp.com/en/jp/about/governance/compliance>



Sumitomo Corporation Group Compliance Policy  
 Compliance Management System (including the status of Compliance Committee activities)  
 Speak-Up System (including efforts to encourage its use)  
 Status of compliance (including establishment and implementation of compliance measures such as procedures for addressing compliance violations and departments in charge of providing a response)  
 Continuous education program initiatives  
 Sumitomo Corporation Group Anti-Corruption Policy

# Risk management

## Basic policy and framework

We define “risk” as “the possibility of losses due to the occurrence of anticipated or unanticipated situations,” and also as “the possibility of not achieving the expected return on business activities.” We have set the following three items as the goals of our risk management activities.

1. Stabilize performance
2. Strengthen financial base
3. Maintain corporate reputation

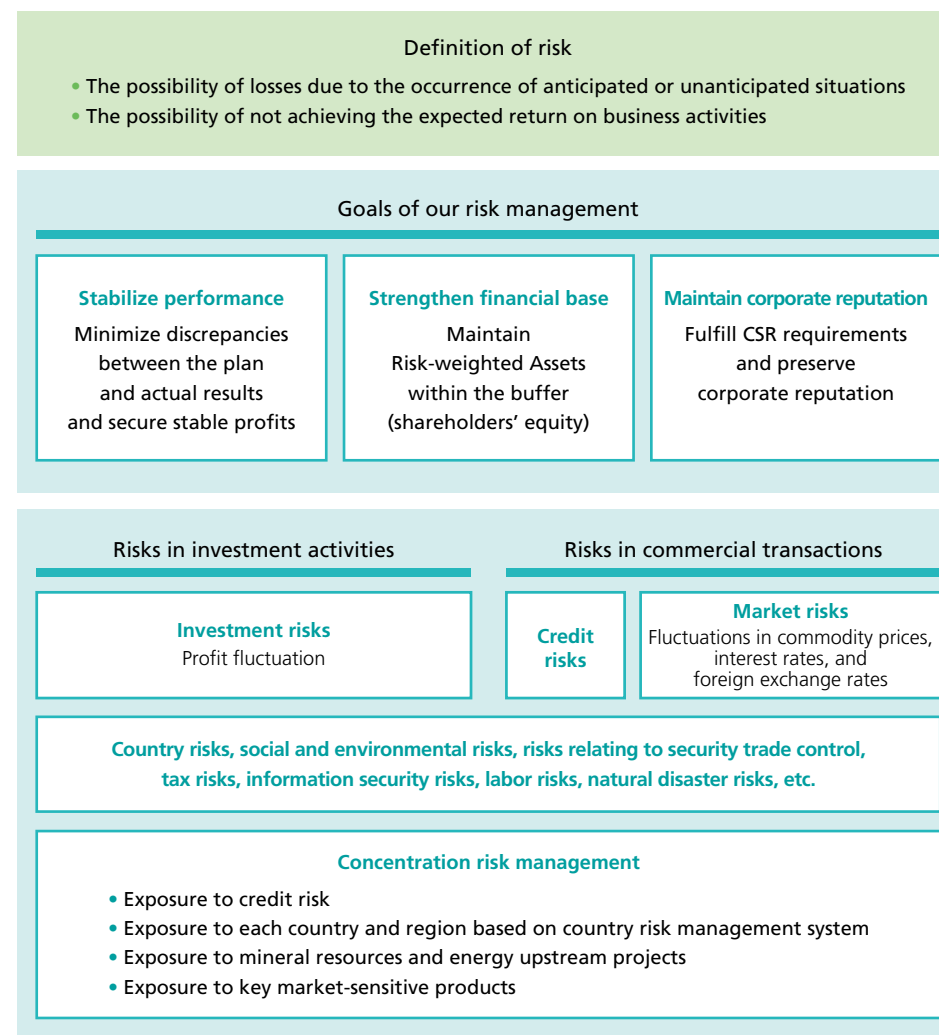
We categorize our business activities into investments and commercial transactions and manage risk after identifying both common and category-specific risk factors. By studying advanced methods and processes, we have created an effective risk management framework that anticipates changes in the external environment. Our goal is to implement the best practice in risk management while maintaining the flexibility to adapt to changes in the business environment. The business environment is continually altering, and new business models that we could never have imagined are emerging on a daily basis. To respond to such situations in a timely and effective manner, we continue to evolve our risk management activities under the leadership of senior management. As an example, we have established rigorous investment discipline as the common basis of judgment to select more appropriate investments among diverse investment opportunities in a wide range of business domains. At the same time, we have built an optimal governance structure for improving the value of each business after investment and introduced an incentive plan linked to investment performance.



For further details, please visit our corporate website.  
<https://www.sumitomocorp.com/en/jp/about/governance/risk>



## Risk management system



## Investment risk management

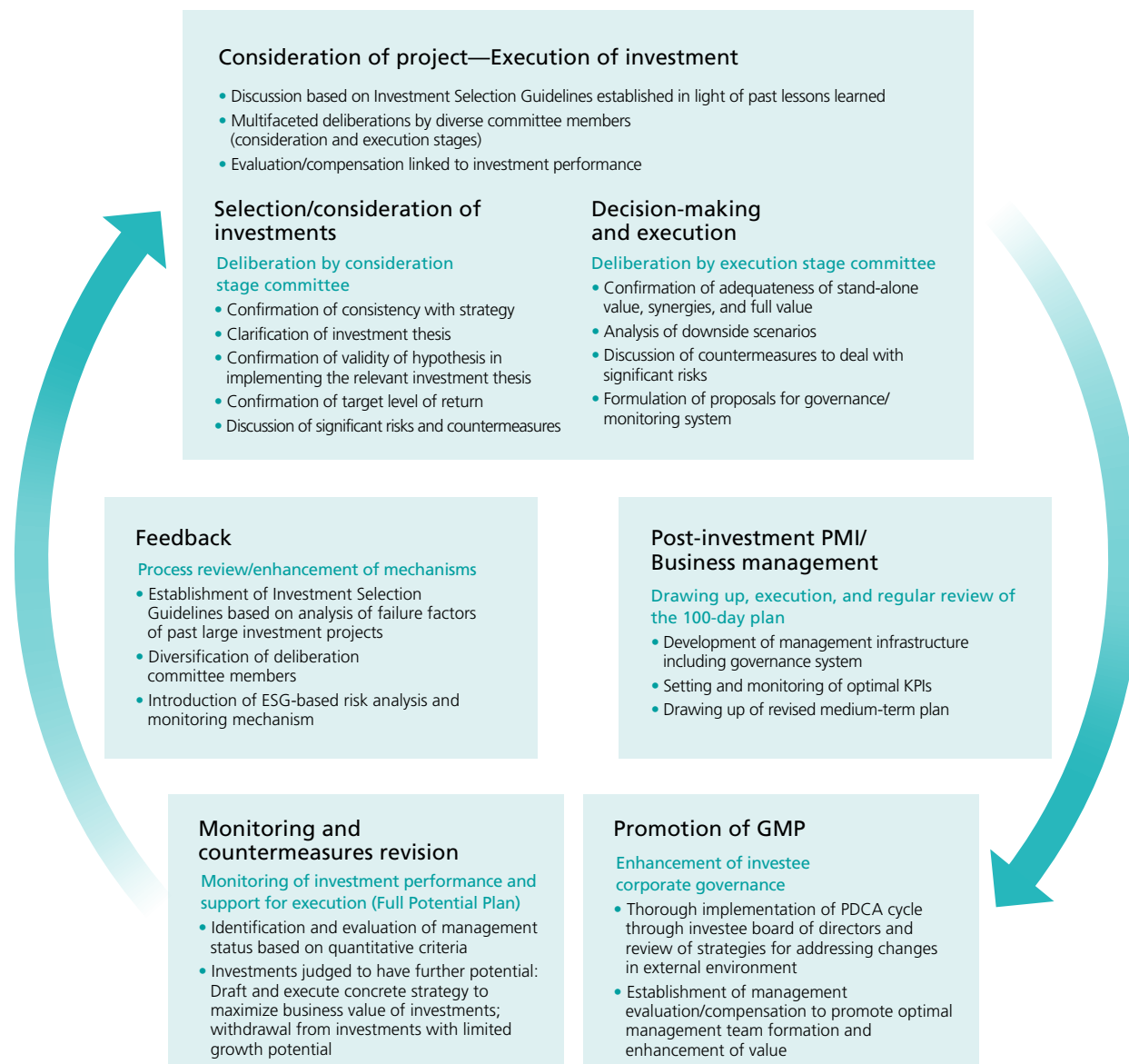
### Business investment process

We have adopted a unified framework that covers everything from the entry into the investment to the exit and that takes into account changes in the portfolio as a whole, as well as the nature of the risks involved in each individual investment opportunity, while reviewing the process for assessing and following up investment projects as appropriate.

When assessing investment projects, we clarify the investment theme at the initial stage of the process and verify its appropriateness as a key point of due diligence. In addition, by applying a discount rate appropriate to each business risk, we are able to calculate an “appropriate price” for the investment and evaluate the opportunity from both quantitative and qualitative aspects.

With regard to the decision-making process, the Business Unit Investment Committee or the Company Investment Committee meets at each stage of consideration and implementation, depending on the scale and importance of the project. From an early stage, these committees conduct in-depth discussions from various perspectives regarding the strategic positioning of the project, the background to and the reasoning behind the selection of the project, ESG, and the various factors that may affect the success of the investment.

In addition, we have enhanced the mechanisms for improving the probability of investment success at each investment stage. We will increase the value of each business by steadily implementing measures, including establishment of strict investment discipline for selecting investments, development of an optimal governance structure for increasing the value of each business after investment, reviewing strategies and establishing a medium-term plan for addressing changes in the external environment, and investing the right resources at the right time. Furthermore, to increase our commitment to value creation, we introduced a new compensation system linked to investment performance in 2022. Stepping up our monitoring efforts, we set a clear time frame and make improvements to business investments that do not increase in value as expected. If improvement is not expected, we will continue to engage in thorough asset recycling.



## Information security

### Basic policy and framework

Led by the IT Strategy Committee, which is a companywide organization chaired by the Chief Information Officer (CIO), Sumitomo Corporation has established an Information Security Policy and other relevant regulations, and works to ensure information security and the appropriate management of information assets. For personal information, we operate a Privacy Policy and have

put in place relevant regulations and organizational structures to ensure appropriate protection.

We also take steps to minimize the risk from unexpected situations involving information security, such as external attacks aimed for instance at theft or destruction of corporate information. In addition to system-based safeguards, these include continuous training and drills for officers and employees and system monitoring and upgrades covering our major subsidiaries and other group entities.

### Information security management system

