Sumitomo Corporation

Enriching lives and the world

Integrated Report 2026

Snapshot / 1 Our History of Enhancing Corporate Value

Focus on our strengths—built on lessons from success and failure—to achieve stable growth and drive corporate value enhancement

Corporate value enhancement

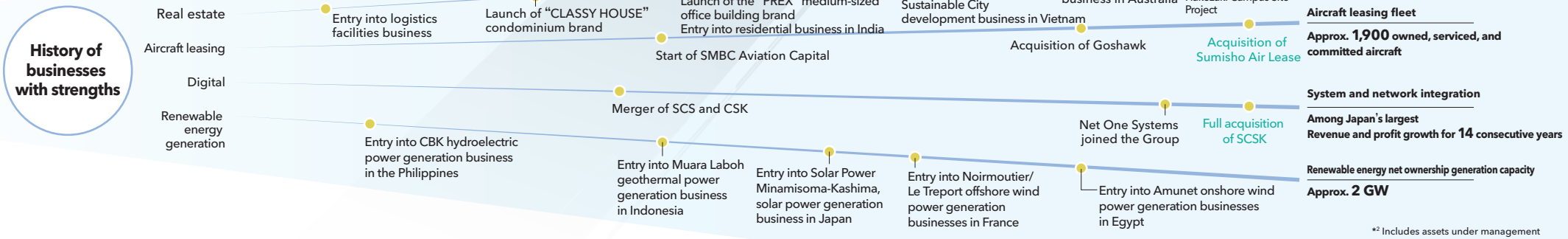
p.22 Logic Tree

Market capitalization and profit for the year (billions of yen)

*1 Market capitalization as of the end of each fiscal year

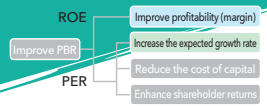
Focus on businesses with strengths

Evolving and developing our unique strengths



*2 Includes assets under management

Snapshot / 2 Accelerating Growth
—Delivering on Medium-Term Management Plan 2026—



Profit growth and business portfolio transformation progressed through major investments and the acceleration of asset replacement

No. 1 in Each Field

Growth leveraged by strengths

Steady growth in the eight growth areas*1, led by Digital, Leasing, Real estate, and Energy solutions

Strengthen driving force for growth

Empowering people and organizations
Change in governance structure

Business portfolio transformation

New investments

Investment in Net One Systems by SCSK
Full acquisition of SCSK
Acquisition of U.S.-based aircraft leasing company, and others

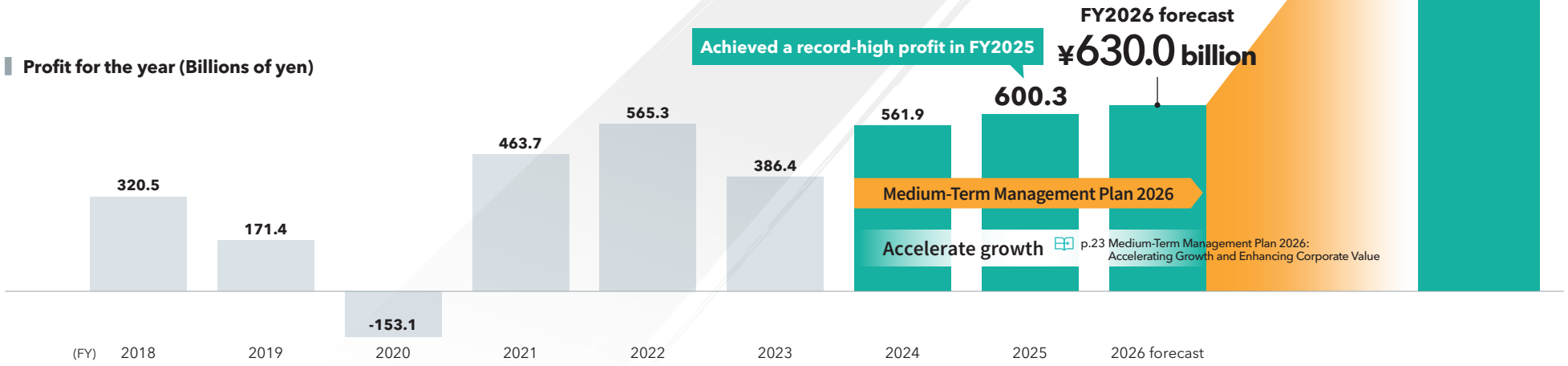
Asset replacement

Sale of the Ambatovy nickel project
Sale of T-Gaia*2
Sale of the melon production and sales business in North America, and others

Further enhance profitability

through profit contributions from major investments, as well as advancement of asset turnover and Digital & AI Strategy (DAIS)

Profit for the year (Billions of yen)



*1 Steel, Leasing, Construction systems, Real estate, Digital, Healthcare, Agriculture, Energy solutions *2 Mobile phone sales agent

Snapshot / 3 Digital & AI Strategy (DAIS)

Elevate our current medium-term plan's guiding principle—"Refine with digital, Profit with digital"—into our Digital & AI Strategy (DAIS) to further accelerate growth of the Sumitomo Corporation Group

Lead the transformation of society and industry

Pillar 2

Improve ROIC

through sales increase and cost reduction across the Sumitomo Corporation Group

Pillar 3

Create new revenue source

through collaboration between the Sumitomo Corporation Group and SCSK

Pillar 1

Double profits

vs. FY2025

Operating profit margin of **15% or higher**

FY2030

Quantitative impact of DAIS

ROIC +1 percentage point

(vs. FY2025 Sumitomo Corporation Group ROIC: 8%)

Talent

The Group's competitive advantage

Sumitomo Corporation Group

Collaboration value

SCSK

Business frontlines

Digital solutions

Digital & AI Strategy

p.30 Special Feature: DAIS

Digital & AI White Paper | https://www.sumitomocorp.com/-/media/Files/hq/news/important/2026/20260527/white_paper_2025_ja.pdf (Japanese version only)

DAIS Briefing | https://www.sumitomocorp.com/-/media/Files/hq/ir/explain/business/20260527Presentation.pdf?sc_lang=en

Snapshot / 4 Promote Sustainability Management Based on Material Issues

By addressing social challenges, we will enhance corporate value over the medium to long term

Six Material Issues identified as priorities for sustainable corporate value enhancement

- Build resilient and prosperous society
- Overcome climate change
- Preserve and regenerate natural capital
- Respect human rights
- Develop talent and promote DE&I
- Maintain and strengthen governance

Major initiatives

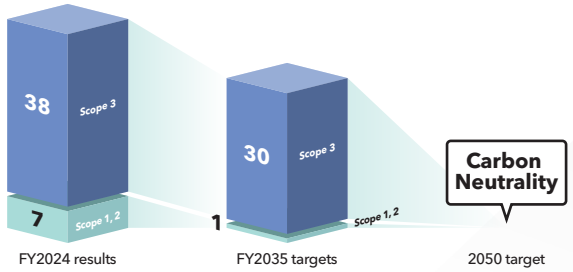
Click here for more details on our six Material Issues p.20 Material Issues

Overcome climate change

Calculate and disclose Scope 3 emissions across the supply chain and update carbon neutrality targets

Carbon neutrality targets (Million t-CO_{2e})

Total: **45 million t-CO_{2e}**

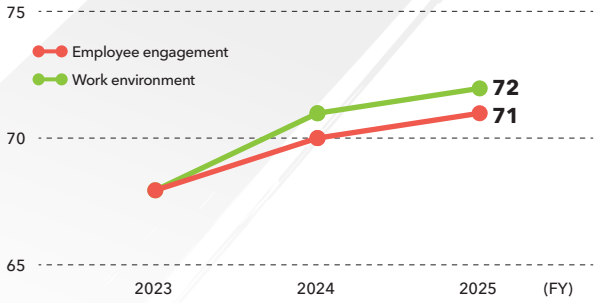


p.40 Sustainability Management
p.43 Initiatives for Disclosure

Develop talent and promote DE&I

Maintain engagement at a high level through various initiatives aimed at empowering people and organizations

Engagement score (%)

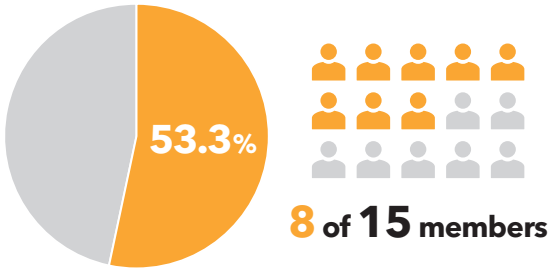


p.46 Human Capital

Maintain and strengthen governance

Strengthened monitoring functions through the transition to a Company with an Audit & Supervisory Committee and by ensuring majority of Outside Directors

Ratio of Outside Directors



p.50 Corporate Governance

CONTENTS

Introduction

01 Integrated Report 2026: Snapshot
❶ Our History of Enhancing Corporate Value
❷ Accelerating Growth
—Delivering on Medium-Term Management Plan 2026—
❸ Digital & AI Strategy (DAIS)
❹ Promote Sustainability Management Based on Material Issues
05 CONTENTS
06 Editorial Policy/Statement of Authenticity
07 Message from President and CEO
12 Roundtable Discussion among Outside Directors

01. Value Creation Stories for the Future

—Further Pursue No. 1 in Each Field

16 Values of the Sumitomo Corporation Group
17 Value Creation Model
18 Management Capital
19 Material Issues
21 Material Issues × Management Capital
22 Logic Tree
23 Medium-Term Management Plan 2026
28 Message from CFO
30 Special Feature: Digital & AI Strategy (DAIS)
37 Message from CDO and CIO

02. Foundations for Accelerating Transformation

—Sustainability, Human Capital, Governance

39 Message from CSO and CSDO
40 Sustainability Management
43 Initiatives for Disclosure
45 Message from CAO and CCO
46 Human Capital
50 Corporate Governance
59 Risk Management
60 Investment Risk Management
62 Information Security

03. Performance & Data

64 List of Group Businesses
65 Business Groups
Steel Group/Automotive Group/
Transportation & Construction Systems Group/
Diverse Urban Development Group/
Communication Services Group/Digital AI Group/
Lifestyle Business Group/Mineral Resources Group/
Chemical Solutions Group/
Energy Transformation Business Group
75 Summary of Key Financial Indicators
76 Segment Information
77 Summary of Non-Financial Indicators
78 Company Information
79 Global Network
80 Dialogue with Stakeholders
81 External Recognition

Quick guide

Q1. What are the strengths of the Sumitomo Corporation Group?
p.16 Values of the Sumitomo Corporation Group
p.17 Value Creation Model
p.18 Management Capital
pp.46–49 Human Capital
pp.64–74 Business Groups

Q2. What initiatives is the Company undertaking for business portfolio transformation?
pp.12–14 Roundtable Discussion among Outside Directors
pp.23–27 Medium-Term Management Plan 2026
p.39 Message from CSO and CSDO
pp.60–61 Investment Risk Management

Q3. What are the Company's digital and AI initiatives?
pp.30–36 Special Feature: Digital & AI Strategy (DAIS)
p.37 Message from CDO and CIO

Q4. What are the Company's initiatives for sustainability management?
pp.19–20 Material Issues
p.39 Message from CSO and CSDO
pp.40–42 Sustainability Management

Q5. I'd like to learn more about Company's governance.
pp.12–14 Roundtable Discussion among Outside Directors
pp.50–58 Corporate Governance

Q6. I'd like to review Company's quantitative information.
p.75 Summary of Key Financial Indicators
p.76 Segment Information
p.77 Summary of Non-Financial Indicators

Cautionary statement concerning forward-looking statements

This integrated report contains management targets relating to medium-term management plans and a wide range of other forward-looking statements. They are subject to the influence of a range of factors in the Company's circumstances going forward and do not constitute a guarantee of future business performance or a guarantee that the targets and forecasts will be met. Readers are therefore advised to avoid placing undue reliance on the forward-looking statements contained herein and to be aware that the Company recognizes no obligation to update or revise such statements.

Scope of report

- Period covered: April 1, 2025, to March 31, 2026 (Some activities starting on or after April 1, 2026, are included.)
- Organizations covered: Sumitomo Corporation and the Sumitomo Corporation Group

Referenced guidelines

- The International Integrated Reporting Framework (IFRS Foundation)
- ISO 26000 (Guidance on Social Responsibility)
- Guidance for Collaborative Value Creation 2.0 by the Ministry of Economy, Trade and Industry

Editorial Policy/Statement of Authenticity

At the Sumitomo Corporation Group, to respond to the interests of our stakeholders, we are working to provide both financial and non-financial corporate information by utilizing various information.

The integrated report is the primary disclosure tool for this information and serves as the core medium for communicating the medium- to long-term growth story of the Group.

Production of Integrated Report 2026 was led by the Investor Relations Dept., which developed the concept based on analysis of feedback gathered through meetings with multiple institutional investors held throughout the year. It was created in close collaboration with related departments—including the Corporate Planning & Coordination Dept., Corporate Sustainability Dept., HR Strategy Dept., Corporate Legal & General Affairs Dept., and various business groups—and through ongoing discussions with senior management.

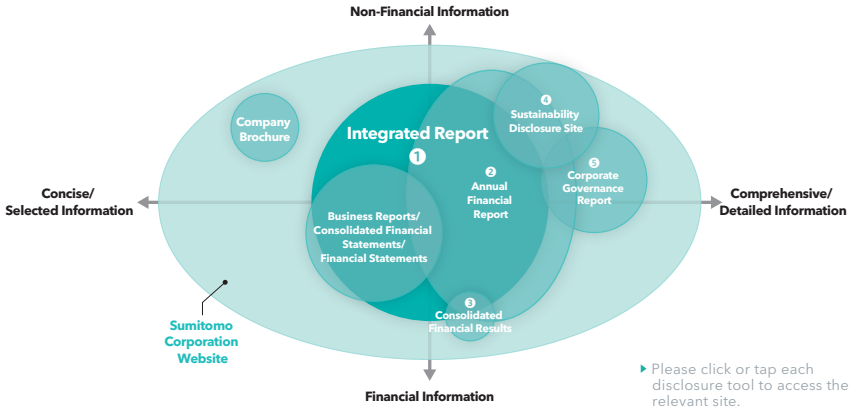
Integrated Report 2026 opens with easy-to-understand snapshots highlighting the steady progress of Medium-Term Management Plan 2026 and our medium- to long-term initiatives. It then explores important topics in greater detail in the subsequent sections, with the aim of providing a deeper understanding of the Group's approach to sustainable value creation. In addition, reflecting feedback from our stakeholders, we have enhanced the report in the areas listed below.

We affirm that the editorial process and content of this integrated report are appropriate and accurate. We will use this report as a starting point for deeper dialogue with stakeholders as we continue working to enhance corporate value.

Key enhancements	Overview
Improved readability **Improved AI readability**	This report's main highlights are presented as snapshots at the beginning, enabling readers to quickly understand the overall picture.
	We also structured and tagged the PDF to improve AI readability and facilitate information extraction and analysis.
	In addition, we piloted an AI chatbot linked to our corporate website, enabling users to explore the integrated report through an interactive, conversational interface.
Market engagement	In addition to Dialogue with Stakeholders, we included key questions and answers from a DAIS briefing held on May 27, 2026.
Quantitative information	We have disclosed ROIC and invested capital data for each of our 10 segments.
Expanded sustainability disclosures	We expanded our disclosures on climate-related risks, opportunities, and financial impacts, as well as supply chain risks and opportunities related to natural capital.

Sumitomo Corporation Group's information disclosure system

Information needs	Disclosure tools	
● Overall picture of medium- to long-term value creation and corporate value enhancement	① Integrated Report	
● Detailed financial and non-financial information	② Annual Financial Report	
● Financial results and outlook	③ Consolidated Financial Results	
● Detailed information on sustainability	④ Sustainability Disclosure Site	
● Detailed information on corporate governance	⑤ Corporate Governance Report	
● Dialogue with investors	Others	Investor information: Earnings briefings, IR Day, business briefings, and other investor events
● Value creation initiatives and stories from the frontline	Others	Enriching+: Our official content platform



▸ Please click or tap each disclosure tool to access the relevant site.

Message from President and CEO

Evolving toward “No. 1 in Each Field”

Q1. With FY2026 marking the final year of Medium-Term Management Plan 2026, how would you characterize the Sumitomo Corporation Group’s current stage of growth?

I am often asked whether Sumitomo Corporation has recently changed. I intend to demonstrate that change through our performance and actions. Medium-Term Management Plan 2026, launched in FY2024, has now entered its final year. Looking back on FY2025, the second year of the plan, I strongly believe we took major steps to put the plan’s strategies into action. Following past structural reforms, we have made a decisive shift toward growth under the current medium-term management plan, centered on “No. 1 in Each Field.” The belief that we can, and will, become No. 1 has steadily grown stronger among our employees. Since taking office as President and CEO, I have made dialogue with employees a priority through SHINGO CAFÉ, which brings together around 30 employees for each session, as well as town hall meetings overseas. Through these interactions, I have witnessed this change in mindset firsthand.

This shift in mindset among our officers and employees has become a driving force behind our business portfolio transformation, leading to major investments, such as the acquisition of a U.S.-based aircraft leasing company and the full acquisition of SCSK, as well as asset replacement. Such initiatives have contributed to profit growth and improved capital efficiency, including higher ROE. Through the accumulation of these efforts and achievements, I believe the way the market views our Company is also beginning to change, with this change reflected in our stock price.

Today, the business environment is changing at an unprecedented pace, driven by the emergence of geopolitical and related risks, advances in AI, and other factors. It is precisely in such an environment that we must allocate capital to the “core” areas where we have strengths and competitive advantages, manage those businesses ourselves, enhance their value, and replace them when necessary. Our ability to continuously transform our business portfolio in this way will be more important than ever in enhancing corporate value. With this in mind, we will continue working to deliver profit growth and further improve capital efficiency.

In FY2025, we exceeded our target and achieved record-high profit. In FY2026, the final year of Medium-Term Management Plan 2026, we will remain firmly focused on setting another record high while strengthening our management foundation for even greater growth in the future.

The Sumitomo Corporation Group is set to enter an uncharted growth stage. The prospect of what lies ahead fills me with excitement.

Shingo Ueno
Representative Director,
President and
Chief Executive Officer

Message from President and CEO

Q2. How will you transform the Group's business portfolio and deliver sustainable growth?

I am sometimes asked what kind of portfolio we are aiming to build. We will concentrate our management resources on "core-strength" businesses in growth areas where we can leverage our strengths. At the same time, there is no guarantee that we can maintain our strengths indefinitely. We must carefully assess the changes taking place around the world and seize the growth opportunities they present. We must broaden the areas where we can leverage our strengths while developing new ones. By doing so, we will build a sustainable and resilient business portfolio. That is the answer I give when asked about the portfolio we are aiming to build.

The acquisition of a U.S.-based aircraft leasing company and the full acquisition of SCSK are examples of how we have been allocating management resources to our "core-strength" businesses. SCSK, in particular, will play an extremely important role in executing our Digital & AI Strategy (DAIS). By combining SCSK's expertise with the Sumitomo Corporation Group's business operations spanning approximately 900 companies and its global customer base of around 100,000 companies, we will accelerate growth across the entire Group.

It's also important to develop our next winning strategies. In addition to sharpening our current competitive advantages, we are working to develop businesses that will become future pillars of earnings. To this end, we are investing around 20% of our initial investment plan in new areas with growth potential. We will build on our current strengths while developing new avenues for success. This cumulative effort will lead to growth over the medium to long term.

Underpinning this business portfolio transformation is the "self-direction and self-discipline" of each organization. The important thing is for those on the frontlines, who know their businesses best, to take ownership in assessing growth potential and risks, formulating strategies, and executing them. If a business has future potential, we persist with it. If it does not, we do not cling to it.

Through these efforts, we will continue evolving our business portfolio and pursue our ambition—growth beyond the ¥600.0 billion profit level.

Q3. How do you assess the decision to withdraw from the Ambatovy nickel project?

We have been closely involved with the Ambatovy nickel project for many years, since we first began considering the project internally in 2005. I have been directly involved since 2019, first as General Manager of the Mineral Resources, Energy, Chemical & Electronics Business Unit, and since 2024 as President and CEO. As management, we take seriously the significant cumulative losses incurred and the concern this has caused our stakeholders.

At the same time, the project has created around 9,000 jobs and played an important role in Madagascar's economy and local communities. For this reason, we have remained committed to pursuing both the long-term sustainability of the business and our responsibilities to society. Beginning in 2024, we explored every possible option—including continued operations, a sale, mine closure, care and maintenance, and bankruptcy—while keeping our social responsibilities foremost in our minds. Ultimately, we chose to transfer the business to a consortium led by Essenwood Partners, which possesses both the technological expertise and financial resources required. I believe this was the best option from both economic and social perspectives.

The Ambatovy project was much more than a simple nickel mining operation. Madagascar lacks well-developed industries supplying equipment and materials, raw materials, energy, and other essential inputs, making it difficult to procure sufficient supplies domestically. As the project involved not only mining but also smelting, we had to build and operate the necessary infrastructure ourselves, including sulfuric acid and hydrogen plants, on-site power generation facilities, ports, and logistics infrastructure. This made it an extremely complex undertaking, where a problem in any one part of the operation could affect the entire project. While confronting these challenges, we worked persistently to stabilize operations and strengthen the project's business foundations. We wanted to ensure that our efforts were carried forward by finding a way to keep the business operating, and I believe we were able to do so. That is why I do not view the divestment as simply a withdrawal from the project. I believe that transferring the business while fulfilling our responsibilities to local communities, rather than focusing solely on economic value, embodied Sumitomo's Business Philosophy. This approach to business has earned recognition from a number of global companies, some of which have approached us about working together. I believe it demonstrates the trust we have built with them.

Message from President and CEO

Q4. You have also said that you plan to pursue an "asset-turnover" model. How will you go about this?

The Group has refined a business model that creates value through the development and operation of assets in such areas as real estate and energy infrastructure, including power plants. Going forward, we will take this a step further by selling assets after enhancing their value and using the cash generated to drive the next stage of growth.

We are already doing this extensively in our real estate business, where we develop and operate assets to enhance their value, sell them, and then reinvest the generated cash in the next project. In our energy infrastructure business as well, we will take an integrated approach encompassing development and operation to recovery of invested capital through asset sales.

We are also strengthening our leasing businesses, which generate earnings by mobilizing assets. Rather than simply owning and leasing assets like aircraft and vehicles, we will also provide services, such as asset management and maintenance, while flexibly acquiring and selling assets in response to market conditions.

While market liquidity is important for this type of business model, it only works because of the strengths our company has cultivated over many years. In our development businesses, for example, the properties and power plants we build create enough value to attract buyers in the market. I believe this reflects the well-established reputation that "If Sumitomo Corporation built it, you know it's good." We enhance the value of assets, find the best way to realize their full potential, and use the proceeds to drive further growth. By accelerating this cycle, we will generate greater cash flows and build stronger earning foundations for each of our businesses.

From the perspective of our overall business portfolio, we will also steadily continue the asset replacement initiatives we have been pursuing. Over the three-year period from FY2026 through FY2028, we plan to replace approximately ¥1.2 trillion in assets. This is not simply intended to offset the cash outflows associated with major investments. Rather, by recovering capital from businesses with low profitability or growth potential, we will accelerate portfolio renewal and reallocate management resources to areas with greater growth potential.

Q5. How will the Digital & AI Strategy (DAIS) strengthen the Group's earning power?

As its name suggests, DAIS is the acronym for the Group's Digital & AI Strategy. It is a growth strategy for leveraging digital technologies and AI across all of our businesses to build new value creation models and lead the social and industrial transformation.

DAIS is built on three strategic pillars. Pillar 1 is the growth of SCSK itself. As its parent company, we will support SCSK's self-directed sustainable growth. SCSK's strength lies in its ability to provide end-to-end IT services, from system development to network and other IT infrastructure. By leveraging these strengths to further enhance its growth potential, while accelerating the shift to an AI-driven business and evolving toward an offering-based business model, SCSK aims to double profit from the FY2025 level in FY2030 while achieving an operating profit margin of 15% or higher. Pillar 2 is the growth of the Sumitomo Corporation Group. By deploying digital technologies and AI across our business operations, we will improve ROIC through both sales growth and cost reductions. Pillar 3 focuses on growth through collaboration between Sumitomo Corporation and SCSK.

My message to SCSK is simple: "Rather than having the Sumitomo Corporation Group make use of SCSK, I want SCSK to make full use of the Sumitomo Corporation Group." SCSK offers digital solutions, while the Sumitomo Corporation Group has business frontlines in which to apply them. If we can identify fundamental challenges in the frontlines, solve them using SCSK's expertise, and then scale those solutions across industries and SBUs*, we can create even greater value. Over 70 specific initiatives are already underway, including AI-powered automated ordering and price optimization at Summit supermarkets, AI applications in logistics, and efforts to enhance and streamline corporate functions.

We are now in an era where failing to use AI is itself the greatest risk. Through DAIS, we will evolve into an integrated trading company that fully harnesses digital technologies and AI to generate earnings. However, what I focus on with DAIS is not simply deploying technologies. It calls for us to redefine the value customers truly seek, convert tacit knowledge into explicit and organizational knowledge, and create new value by addressing fundamental challenges. Our people are uniquely positioned to identify these challenges because of their hands-on experience in running businesses. We will arm them with SCSK's expertise for deployment across our businesses. This is where our unique competitive advantage lies.

By pursuing the growth of SCSK, the growth of the Sumitomo Corporation Group, and growth through collaboration between the two as an integrated strategy, we aim to achieve our target of raising Group-wide ROIC by 1.0 percentage point through DAIS by FY2030, thereby further strengthening the Group's earning power.

* SBUs: Strategic business units

Message from President and CEO

Q6. How are you responding to the current rise in geopolitical risks?

As I mentioned earlier, the business environment is changing at an unprecedented pace, driven by the emergence of geopolitical and related risks, advances in AI, and other factors. In recent years, geopolitical risks have been on the rise around the world—due to political upheavals, conflict outbreaks, and the like—and these risks are affecting corporate activities. Against this backdrop, it is increasingly important to appropriately analyze and respond to a diverse range of risks. These include macro-level political and economic developments, direct and indirect impacts on our businesses and supply chains, energy security risks, policy change risks, and regulatory trends.

To this end, we are working to strengthen our intelligence capabilities. We have stepped up information gathering and analysis by establishing a dedicated team and launching the Intelligence Council to discuss country risk and economic security–related risks.

Our aim is to identify emerging and changing risks at an early stage and analyze how they could affect our businesses and supply chains. We then consider the necessary measures and Group-wide policies, determine the appropriate course of action, and take proactive steps accordingly.

For example, the recent closure of the Strait of Hormuz has affected our trading businesses with the Middle East. On the logistics front, however, we have been working with relevant parties on various measures—such as changing ports of call, unloading cargo en route, and exploring alternative routes—and these efforts are proving effective.

Going forward, we will also focus on analyzing major risks that could have more prolonged and widespread impacts and considering appropriate responses, while carefully assessing where the opportunities and risks lie for the Company. Through these initiatives, we will strengthen our ability to address risks and enhance our resilience while creating new opportunities for growth.

Q7. How do you position sustainability within the Group's growth strategy?

Sustainability is a source of competitive advantage that underpins medium- to long-term growth in corporate value. Without conserving and restoring the global environment and natural capital, and without respect for human rights, neither human activity nor corporate growth and value creation can be sustained. That is precisely why we have not wavered from our goal of achieving carbon neutrality by 2050.

At the same time, we must pursue a realistic transition toward 2050 in stages, taking into account economic conditions in each country, technological maturity, economic viability, energy security, and rising geopolitical risks. To do so, we need the ability to interpret regional needs and determine where the opportunities and risks lie.

The pace and path toward decarbonization vary from region to region. That is why, rather than imposing a single solution, we must provide practical solutions tailored to the conditions of each country and region in order to accelerate progress toward decarbonization. Given growing concerns about energy security, I believe that local production and consumption of energy will become an even more important concept than ever before. The Group is engaged in renewable energy businesses around the world, including offshore wind power generation in Europe, geothermal and waste-to-energy power generation in Asia, and solar and wind power generation in India. By leveraging the expertise we have accumulated through these businesses, we will help achieve both stable energy supplies and decarbonization in each country.

Sumitomo's Business Philosophy of "Benefit for self and others, private and public interests are one and the same" embodies the idea that our businesses should benefit both ourselves and society. Here, our aim is to transform sustainability into a competitive advantage and create economic value through socially meaningful business activities. We will continue to make this approach the cornerstone of growth that is unique to the Sumitomo Corporation Group. Businesses that contribute to sustainability might appear to involve costs or risks in the short term. Over the medium to long term, however, businesses that fulfill their social responsibilities and are valued by society will ultimately be the strongest. Enhancing both social and economic value is the key to achieving sustainable growth for the Group.

Message from President and CEO

Q8. How will you evolve your people and organization as sources of competitive advantage in the AI era?

How we use AI has itself become a source of competitive advantage. AI has dramatically enhanced our ability to gather and analyze information, transforming both the quality and speed of our decision-making. However, it is ultimately people who must master AI and make the final decisions. The challenge, therefore, lies in how to combine human experience and expertise with digital technology and AI. DAIS, which I mentioned earlier, is based on this same thinking.

When it comes to AI and our people, I often say that, in the end, what matters most is the quality of our people. Specifically, this means people with the ability to build relationships of trust with business partners, engage with those around them, inspire others with a vision, and listen with empathy while understanding other people's viewpoints. I believe these uniquely human qualities will become even more important as AI continues to evolve. In the end, success in our business comes down to whether customers and partners see us as people and a company they want to work with.

Even in the age of AI, people will ultimately remain the source of our competitive advantage. To maximize our people's potential, our organization must also evolve. As I mentioned earlier, "self-direction and self-discipline" are critical to each organization. This is because people on the frontlines, who understand their businesses best, must make self-disciplined decisions and determine the best path to growth.

In FY2024, we abolished our division and product-based organization and replaced it with a strategic business unit (SBU) structure. An SBU is a business unit that operates under a unified strategy. We established a system in which SBU managers articulate their own strategies, and frontline teams can make self-disciplined decisions and execute them.

In addition to these organizational reforms, we overhauled our budgeting system in FY2025. We felt that under our previous budgeting system, achieving the budget itself had become the goal. We therefore shifted our focus from meeting the budget to achieving growth. Through these organizational and system reforms, a culture of aiming for higher levels of growth is steadily taking root across each of our organizations.

However, changing systems alone is not enough to embed this mindset throughout our organizations. I continue to host SHINGO CAFÉ, which I mentioned earlier, as a way of communicating my own thinking directly to employees. In July 2026, we held the 80th SHINGO CAFÉ. At these sessions, I engage with employees as equals and share my thoughts in response to their questions and suggestions. Participants often say things like, "Now I understand what that part of the medium-term management plan really meant. It makes sense to me now." Simply communicating a strategy down through the chain of command does not convey its true intent. I believe a strategy only becomes an organizational strength once people truly understand it and put it into practice in the field. Through this ongoing dialogue, we will evolve into an organization where every individual thinks autonomously and continually takes on new challenges.

Q9. Finally, could you tell us about your commitment to sustainably enhancing corporate value?

The Sumitomo Corporation Group is supported by a diverse range of stakeholders around the world. That is precisely why we will continue engaging in dialogue with them. We aim to strike a balance between growth investments, shareholder returns, and financial soundness, while pursuing both social and economic value as we steadily deliver profit growth and improve capital efficiency.

During a recent conversation with Miho Takagi, a former Japanese national speed skater, I was particularly struck by her words: "Standing still means going backwards." The same applies to companies. If we rest on our past successes, we will fall behind relative to others as external conditions change. I believe that people and organizations that continually take on new challenges rather than standing still will enable us to become "No. 1 in Each Field."

Medium-Term Management Plan 2026 is merely a milestone on our growth journey. The Sumitomo Corporation Group will continue undergoing transformation as it strives to become "No. 1 in Each Field" and achieve sustainable growth in corporate value. We are committed to realizing our corporate message, "Enriching lives and the world."

Roundtable Discussion among Outside Directors

From Transformation to Results and On to Future Growth

Questioning the effectiveness of our business portfolio transformation and governance

As we enter the final year of Medium-Term Management Plan 2026, our business portfolio transformation and governance reforms are advancing to the next stage. Will these transformations lead to sustained enhancement of corporate value, and not end as short-lived initiatives? In this section, we invited two Outside Directors to discuss their assessment of the reforms to date, the challenges ahead, and the role of the Board of Directors in shaping the next medium-term management plan.

Nana Otsuki
Outside Director
Outside Director since June 2024. Has extensive experience in financial and capital market analysis and corporate governance, and has served as a university professor and an outside officer of listed companies. Leverages her extensive expertise in market analysis and corporate finance to supervise management from a capital markets perspective, with a focus on enhancing corporate value and strengthening governance.

Haruyasu Asakura
Outside Director
Outside Director since June 2024. Has extensive experience in the private equity industry, with a long track record in corporate investment, M&As, post-merger integration (PMI), and corporate value enhancement. Leverages his expertise in investment and capital policy, as well as business portfolio strategy, to supervise management with a focus on enhancing the Company's corporate value.

Nana Otsuki, Outside Director (left) / Haruyasu Asakura, Outside Director (right)

Sumitomo Corporation Group's current position and challenges ahead

Asakura: Since joining the Board two years ago, I have seen the executive management team engage in highly rigorous discussions on our business portfolio and the framework for evaluating each business. Recently announced initiatives—including our decision to divest the Ambatovy nickel project and make major investments in SCSK and Sumisho Air Lease—are the results of our steady business portfolio transformation. At the same time, the key is to maintain this momentum. With this in mind, the executive side is strongly determined to continue taking proactive steps forward, rather than rest on its achievements. I believe we need to embed the principles of becoming "No. 1 in Each Field" and "Growth leveraged by strengths" throughout our organization, so that today's transformation leads to sustained growth.

Otsuki: In addition to major M&As and asset replacements, our transition to a Company with an Audit & Supervisory Committee has been a significant development over the past two years. With greater authority delegated to the executive side, a more focused Board agenda, and more time for in-depth discussion, I believe the transition is now delivering outcomes. I also feel that the executive side's commitment and determination—both essential to achieving sustained growth—has grown even stronger.

Asakura: Over the past two years, the President has consistently communicated his strategic direction of becoming "No. 1 in Each Field" and achieving "Growth leveraged by strengths." He has also conveyed this message directly to employees through initiatives like SHINGO CAFÉ, which contributes to a sense of unity and momentum within our organization. The transition has also clarified the division of responsibilities between execution and supervision. In addition, I have observed active discussions at Management Council meetings, where participants engage with a strong sense of ownership that goes beyond the interests of their individual organizations. Going forward, we need to ensure that these changes do not remain temporary, but instead become embedded in a corporate culture that empowers people to make autonomous decisions and embrace new challenges.

Otsuki: I also believe the President's unwavering commitment to growth has steadily taken root throughout our organization. The Board continuously monitors where each business is positioned within our four-category portfolio framework and how it is progressing toward its strategic objectives. On the other hand, the most important thing going forward is whether each business can evolve into one where people on the front lines think independently and drive the business with autonomy and agility. How we cultivate this level of organizational self-direction will be a key challenge as we enter our next stage of growth.

Business portfolio transformation and growth investments

Asakura: The key to transforming our business portfolio lies in determining which assets we should select for replacement. Acquiring a business is never easy, but divesting it at the right

Roundtable Discussion among Outside Directors

time is even more difficult. In that sense, the steady progress made during FY2024 and FY2025 in evaluating all options and taking the necessary actions with respect to the Ambatovy nickel project was instrumental in enabling our growth investments in FY2025. When it comes to investments, I place particular importance on PMI. By making SCSK a wholly owned subsidiary, for example, we are not only monitoring whether co-creation is proceeding as planned, but we also have high upside expectations—namely, what new synergies and growth opportunities this will generate across the entire Sumitomo Corporation Group. We will closely monitor this matter at the Board. Our investment in Sumisho Air Lease is another strategic investment that leverages the Group's strengths. It also marks an important new framework for collaboration with leading U.S. investment funds. We will continue monitoring its PMI closely while ensuring that it delivers improved corporate value over the medium to long term.

Otsuki: In addition to balancing risk and return, the success of business portfolio transformation depends on the time frame over which those returns are realized. We have announced a plan to double SCSK's operating profit by FY2030 and will monitor its progress against this time frame. From the perspective of investment timing, there were concerns that a large-scale investment in SCSK, following the one in Sumisho Air Lease, could have a negative impact on our financial soundness in the short term, and we discussed this point thoroughly as well. An alternative would have been to spread out the timing of investments. Based on our business model as an integrated trading company, however, we must make flexible decisions without missing growth opportunities. Although our net debt-to-equity ratio might increase temporarily as a result, this is not because we have compromised our commitment to financial soundness, but rather because we prioritized the sustainable enhancement of corporate value. That said, executing the growth strategy through collaboration with SCSK is the responsibility of the executive side. Accordingly, we will closely monitor not only the progress of the integration but also whether it is expanding SCSK's growth opportunities, generating synergies across the Sumitomo Corporation Group, and ultimately strengthening the Group's overall competitiveness.

Asakura: I see integrated trading companies as large investment companies distinguished by the strength of their balance sheets and their PMI capabilities. Driving business portfolio transformation through asset replacement requires ongoing efforts to maximize the value of every business and operating company in the portfolio. Equally important is to continually reassess whether we remain the "best owner" of each business. Having resolved our major legacy issues and reduced our cost of capital, we have entered a new phase where we can appropriately take on risk in businesses with competitive strengths. As we look toward the next medium-term management plan, we are steadily building the foundation to pursue a more ambitious growth strategy while earning investor confidence, I feel.

Otsuki: The Group has clearly signaled its intention to strengthen its focus on digital, AI, and systems businesses. In pursuing its vision of becoming "No. 1 in Each Field," however, we must aspire to be No. 1 not only among trading companies, but also to compete head-to-head with leading specialist system integrators, AI companies, and other leading players in their respective industries. The Group is pursuing a sharply focused strategy, including the allocation of management resources to priority fields centered on its eight growth areas. At the same time, external conditions—including interest rates, market dynamics, and technological innovation—are constantly evolving, and what constitutes competitive strengths also continues to change. That is why, as an Outside Director, I believe we must continually challenge whether the assumptions underpinning the Group's strategy of "Growth leveraged by strengths" remain valid as the business environment changes, while continuing to engage in constructive dialogue with the executive side. I believe that, right now, investors are most interested in the effectiveness of cash and capital allocation. While I believe the market has responded positively overall to the two major investments, the real test lies in what comes next. Can the Group continue to generate strong cash flows, steadily transform its business portfolio through asset replacement, and sustain annual growth investments of ¥400.0 billion–¥500.0 billion? Such an execution capability will be the key determinant of the Group's future corporate value. We are now entering a phase where our true strengths will be tested. As an Outside Director, I will rigorously monitor whether major investments lead to medium- to long-term growth—rather than resulting in merely short-term gains—on behalf of shareholders.

Lessons learned from the Ambatovy nickel project

Asakura: In the investment world, everything done in the past is a sunk cost. Even under challenging circumstances, we will continue to enhance value with an eye toward the future and transfer ownership to a "better owner" at the right timing. Building an exit strategy into every investment is the top priority of portfolio management. It is only after experiencing an exit that important lessons emerge. By systematically reviewing those lessons and reflecting them in subsequent investment decisions, the Group can enhance its investment capabilities. In that sense, executing the divestment of the Ambatovy nickel project all the way through has provided the Group with valuable insights and greater confidence for the future.

Otsuki: The Ambatovy nickel project has been reviewed at every major milestone, and the lessons learned have been

Roundtable Discussion among Outside Directors

systematically embedded into the Group's investment discipline. One of the requests from Outside Directors was to reorganize the Company's internally shared case studies of past investment failures to make them more accessible to Outside Directors. At the same time, there are still issues that require improvements. For example, a certain number of our businesses have ROIC below WACC, and determining how closely the Board should monitor them is an ongoing challenge. We need to strike a balance between effective monitoring and appropriate delegation of authority to the executive side. I also believe we need to further strengthen our framework for reviewing not only investments that were made, but also those that were forgone. We need to determine whether those decisions were appropriate and to reflect on them from the perspective of lost profits.

Asakura: The fundamental objective of monitoring is to verify whether an investment is progressing in line with the assumptions made at the time the investment decision was taken. To dynamically transform our business portfolio, however, we must conduct multifaceted hypothesis testing that anticipates changes in underlying markets and business environments themselves. Although it is a challenging undertaking, I believe we need to further strengthen this perspective going forward. Furthermore, it is also important to determine in advance the limits of our balance-sheet resilience under "worst-case" scenarios that take into account geopolitical risks and other factors.

Otsuki: I agree. In addition to uncertainties like geopolitical and economic security risks, we need to evaluate from multiple perspectives how rising interest rates could affect funding costs, WACC, and demand for the Company's products and services. I believe risk management will increasingly require us to envision wide-ranging potential crisis scenarios and further enhance our stress testing accordingly.

Our next stage of growth

Asakura: For listed companies, asset mobilizing is a fundamental principle. It is only natural for the Group to expand and strengthen its asset-turnover businesses—such as leasing and real estate—which generate earnings by mobilizing assets, while continuing to reshape its portfolio through long-term asset replacement. I find it reassuring that our management team is committed to this approach. Investing with an exit strategy in mind ultimately gives management more options. The key is to have a broad range of options—whether to divest, continue holding, or make additional investments. To achieve this, we need to earn the trust of a wide range of stakeholders. Accordingly, we must continue to enhance our market valuation by presenting concrete, quantifiable results.

Otsuki: In my view, the integrated trading company business model has shifted from a focus on trading to one centered on investments. Moreover, such investments are now in a transitional period, moving from an income-centered model to one that aims for total returns, including exit strategies. Since investment time frames vary depending on the business, it's quite difficult to maximize total returns at any given point in time. Furthermore, each M&A involves another party, so it is essential to enhance management and risk management functions during the PMI process. When it comes to divesting, moreover, the decision-making process is more complex than with investing, because we have the discretion to determine the timing and terms ourselves. A key challenge moving forward is how to establish an effective monitoring system for these business acquisitions and divestitures.

Asakura: Discussions on our next medium-term management plan are about to start in earnest, and I would like to make sure we thoroughly explore the issue of capital allocation. What is the direction of our business portfolio transformation, and how will we determine the appropriate levels of leverage and shareholder returns based on that? I hope this medium-term management plan will demonstrate the Group's self-directed resolve, rather than simply being viewed in the context of general trading companies.

Otsuki: I believe our medium-term management plan is key to facilitating concrete dialogue with investors. At the same time, I would like to see it formulated only after we have deepened our discussion about our long-term aspirations and the direction we should take.

Asakura: The Board engages in constructive and candid discussions, actively incorporating the views of Outside Directors. Supported by such an effective governance framework, we remain focused on enhancing corporate value over the long term—five or even 10 years ahead—without being unduly influenced by short-term market fluctuations. As an Outside Director, I intend to fulfill my role by supervising management from a medium- to long-term perspective, ensuring that we remain a company that shareholders regard as one "worth holding for the long term."

Otsuki: Over the past two years, the Group has steadily implemented transformations in various areas, including its business portfolio, governance, and investment discipline. It is precisely because of our past failures that we have achieved something different from other companies. Building on those lessons, we have steadily made the changes that truly matter. Going forward, our priority will be to deliver tangible results. As Outside Directors, we will continue to support the executive side's pursuit of new challenges while rigorously monitoring the outcomes on behalf of the shareholders and other investors who have entrusted us. Going forward, we hope you, our shareholders and investors, will take a forward-looking perspective in observing the results of the Group's transformation and future growth.

1

Value Creation Stories for the Future

—Further Pursue No. 1 in Each Field

Contents

16 Values of the Sumitomo Corporation Group
17 Value Creation Model
18 Management Capital
19 Material Issues
21 Material Issues × Management Capital
22 Logic Tree
23 Medium-Term Management Plan 2026
28 Message from CFO
30 Special Feature: Digital & AI Strategy (DAIS)
37 Message from CDO and CIO

Values of the Sumitomo Corporation Group

We will achieve sustainable growth through addressing social challenges, while adhering to the Sumitomo Corporation Group's Management Principles and Activity Guidelines and the timeless values of Sumitomo's Business Philosophy, which serve as our basis.

Sumitomo's Business Philosophy encapsulated in five phrases

Place prime importance on integrity and sound management; don't pursue immoral business

This phrase expresses a business approach based on building a reliable foundation of trust rather than simply seeking short-term gain. A business enterprise is there to pursue profit, but this management stance, which instead prioritizes relationships of trust and sound operations over immediate gain, is what has formed the corporate ethos of today's Sumitomo Group businesses.

Benefit for self and others, private and public interests are one and the same

This phrase expresses the idea that Sumitomo's business must go beyond benefiting Sumitomo itself to also benefit the nation and society. In other words, it encapsulates the belief that "it is not enough for Sumitomo's business to aim to enrich itself only, it must have the grander goal of serving the interests of the nation and society."

Planning imbued with a farsighted perspective

This phrase expresses a planning approach which, rather than pursuing immediate profit, looks far ahead to devise a careful plan that will benefit both Sumitomo and society. This attitude—which is in sync with today's values of prioritizing management based on medium- to long-term rather than short-term perspectives—is thus a Sumitomo tradition handed down since our earliest days.

An enterprising spirit

This phrase expresses the approach of actively embracing new things and ideas, and maintaining a strong focus on goals that is not affected by difficulties. This thinking has formed the Sumitomo Group's corporate culture of "facing contemporary change positively and staying one step ahead of it, letting go of out-of-date businesses and starting new ones to meet contemporary needs instead, and then nurturing them with dedication and determination."

Business is people

While managing mines in various regions, Sumitomo came across the Besshi Copper Mine, which birthed its business, in 1690. For more than 300 years since that time, Sumitomo has developed this concept throughout its many challenges with nature. Since its founding, Sumitomo has valued free and vigorous discussions, and successive Director-Generals in the modern era have worked hard to ensure that those abilities were put to good use while securing human resources.

Sumitomo Corporation Group's Corporate Mission Statement

Management Principles

[Corporate Mission]	To achieve prosperity and realize dreams through sound business activities
[Management Style]	To place prime importance on integrity and sound management with utmost respect for the individual
[Corporate Culture]	To foster a corporate culture full of vitality and conducive to innovation

Activity Guidelines

- To act with honesty and sincerity on the basis of Sumitomo's Business Philosophy and in keeping with the Management Principles
- To comply with laws and regulations while maintaining the highest ethical standards
- To set high value on transparency and openness
- To attach great importance to protecting the global environment
- To contribute to society as a good corporate citizen
- To achieve teamwork and integrated corporate strength through active communication
- To set clear objectives and achieve them with enthusiasm

Corporate Vision

We aim to be a global organization that constantly stays a step ahead in dealing with change, creates new value, and contributes broadly to society.

Value Creation Model

Building on diverse forms of capital cultivated through sincere activities rooted in Sumitomo's Business Philosophy, we combine strong businesses with strategic partnerships to develop and expand No. 1 businesses. By addressing social issues identified as Material Issues, we create economic, social, and environmental value, and by reinvesting the outcomes to our next stage of growth, we achieve sustainable value creation.

Management Capital

Guided by its corporate message "Enriching lives and the world," Sumitomo Corporation leverages the diverse management capital amassed over many years to pursue sustainable value creation. The five key forms of management capital—human, intellectual, global relationship, financial, and natural—serve as not only the foundation of our business activities but also drivers that help us address social challenges and create new value.

By strategically strengthening and integrating these forms of capital, we aim to create value across the economic, social, and environmental dimensions to enhance corporate value and achieve sustainable growth.

Management capital	Human capital	Intellectual capital	Global relationship capital	Financial capital	Natural capital
Capital overview and key characteristics	Diverse talent	Multifaceted business expertise	Extensive business locations and presence in a wide range of industries	Stable financial position	Shared capital with society that should be preserved and regenerated
Relationship with corporate value	By effectively integrating the strengths of our talent, who possess advanced capabilities as well as the insights and experience gained across diverse business areas and global business frontlines, we create new value that drives sustainable growth and enhances corporate value.	Leveraging the advanced business expertise we have cultivated over many years in such areas as risk management, financial services, and logistics, we are steadily advancing business development, investment, and the management of Group companies. These intellectual assets form the foundation for our sustainable growth.	By leveraging our global business locations and networks built across diverse industries, we have established a strong presence in each sector. Through collaboration with diverse business partners, we are achieving multifaceted and flexible business development.	With stable fund-raising capabilities and disciplined cash flow management, we have a sound financial foundation. While pursuing increased profitability, we are also working to strengthen our financial position and enhance management stability.	Recognizing the essential value of nature to people's lives and business activities, we are committed to preserving, regenerating, and sustainably using natural capital in various ways. These include reducing environmental impacts and fostering the development of a circular economy. These initiatives contribute to harmonious coexistence with society and the creation of long-term value.
Reinforcement measures	p.46 Human Capital	● Implemented "D-Grade," a digital skills certification program, to enhance digital literacy among all employees and advance our Digital & AI Strategy (DAIS) ● Establish an organizational structure aligned with our strategic priorities to enable faster, higher-quality decision-making and more agile strategy execution	● Deliver value to partners in Japan and overseas to deepen trust and expand opportunities for co-creation ● Strengthen our global framework to drive region-specific business development and optimize networks	● Accelerate asset turnover and prioritize resource allocation in growth areas ● Utilize business-specific ROIC and WACC as indicators to accelerate business portfolio transformation and increase profitability	● Conduct risk analyses, enhance necessary measures, and set monitoring indicators and targets to minimize the impact of our business activities on natural capital ● Strengthen businesses that contribute to natural capital preservation and regeneration, including initiatives for a circular economy and decarbonization
Relevant indicators (FY2025 result)	● Number of employees (Consolidated basis) **82,488** ● Percentage of women **27.5%** (Number of women as a percentage of total number of non-consolidated employees) ● Percentage of mid-career hires **34.2%** (Number of mid-career hires as a percentage of all hires in FY2025)	● Business groups and SBUs **10 business groups/ 41 SBUs** (As of April 2026) ● FY2025 Investments **¥1,170.0 billion**	● Consolidated subsidiaries and associated companies **519** ● Number of offices **124 locations** **62 countries and regions** (As of April 1, 2026)	● Total assets **¥13.6 trillion** ● Shareholders' equity **¥4.6 trillion** ● Net D/E ratio **0.7 times** ● ROE **12.9%**	● Water withdrawal (1,000,000 m^3) **1,625** ● Exposure of upstream interests in mineral resources/energy **¥690.0 billion** ● Renewable energy net ownership generation capacity **Approx. 2 GW**
Relevant content	p.21 Material Issues × Management Capital p.46 Human Capital	p.21 Material Issues × Management Capital p.30 Special Feature: DAIS	p.21 Material Issues × Management Capital p.64 List of Group Businesses	p.23 Medium-Term Management Plan 2026 p.28 Message from CFO	p.42 Natural capital initiatives

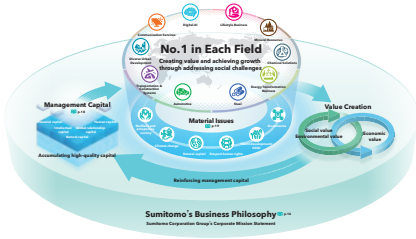
▸ 100SEED | (Sumitomo Corporation's social contribution initiative) | https://www.sumitomocorp.com/en/jp/100seed/index.html

Material Issues

Based on Sumitomo's Business Philosophy and Management Principles, we have identified Material Issues for resolving social challenges aimed at achieving sustainable growth into the future.

Since our initial formulation of the Material Issues in 2017, and following two subsequent revisions, we established a new set of six Material Issues in 2024, coinciding with the launch of Medium-Term Management Plan 2026. By addressing these issues through businesses that leverage our strengths, we aim to not only create social value but also realize our vision of becoming "No. 1 in Each Field."

▸ Material Issues | https://sumitomocorp.disclosure.site/en/themes/12



Build resilient and prosperous society

Long-term goals Contribute to the development of local communities and economies

Overcome climate change

Long-term goals Contribute to the carbon neutrality of society

p.41 Climate change initiatives

Preserve and regenerate natural capital

Long-term goals Achieve a world living in harmony with nature through initiatives including the building of a circular economy and supply chain management

p.42 Natural capital initiatives

Respect human rights

Long-term goals Respect the human rights of all stakeholders in all businesses and supply chains

p.42 Human rights initiatives

Develop talent and promote DE&I

Long-term goals Create workplaces that allow diverse employees to apply their capabilities with passion in their own ways

p.46 Human Capital

Maintain and strengthen governance

Long-term goals Develop a robust governance system to enhance the corporate value

p.50 Corporate Governance

Identification and review process

Sumitomo's Business Philosophy

Management Principles

STEP 1 Consider identification methods
Explore ways to identify material issues by referencing international guidelines and engaging with investors and experts to ensure sustainable growth together with society

STEP 2 Organize and identify challenges
Based on the SDGs, organize issues already addressed through our business activities and those to address going forward; taking into account our philosophy and values, as well as the roles we should fulfill in the future, identify and prioritize issues requiring focused action

STEP 3 Verify issues for resolution by the Board of Directors
The Corporate Sustainability Committee engages in discussion following dialogue with internal and external stakeholders, with issues discussed and resolved by the Management Council and the Board of Directors

STEP 4 Review and update
Periodically review the necessity of updates in light of our strengths, stakeholder expectations, and changes in the external environment

Material Issues

Initiatives

Rather than recognizing Material Issues as mere challenges, the Group seeks to realize sustainable value creation by setting medium- to long-term goals that are closely tied to its business activities. These goals embody our commitment to addressing social issues and serve as important guidelines for allocating management resources and developing our business portfolio. For each Material Issue, we formulate a long-term vision and a medium-term action plan, and we manage progress through the PDCA cycle. Each business identifies priority Material Issues on which it will focus and visualizes the added value and outcomes of individual projects, with the aim of accelerating the integration of sustainability and business. These initiatives serve as the foundation for achieving our vision of becoming "No. 1 in Each Field" and embody our stance as a company committed to growing in step with society.

Material Issues	Long-term goals	Initiatives through FY2025	Future initiatives
Build resilient and prosperous society	**Contribute to the development of local communities and economies** **Develop human resources who will drive the future by providing quality education**	• Continued to support the development of local communities and economies through the activities of each business group • Promoted "100SEED," an employee-participatory social contribution initiative focused on education	• In addition to continuing these initiatives, further instill the Group's values of creating economic value through socially impactful businesses
Overcome climate change	**Aim for carbon neutrality of the Group's businesses by 2050** **Contribute to the carbon neutrality of society**	• Disclosed performance data for Scope 1, 2 and 3, and updated our carbon neutrality targets • Started monitoring climate-related initiatives at the business group level, covering emission reductions and business opportunity creation • Calculated the avoided emissions and disclosed performance data from our renewable energy business	• Identify and disclose financial impacts of climate-related risks and opportunities • Promote emission reduction across the entire supply chain through our businesses • Expand initiatives to promote green transformation (GX) through public-private partnerships
Preserve and regenerate natural capital	**Achieve a world living in harmony with nature through initiatives including the building of a circular economy and supply chain management**	• Identified priority (high-risk) businesses and disclosed them based on the TNFD recommendations • Participated in circular economy initiatives	• Continue risk assessments, initiatives, and disclosures for priority businesses, including those across the supply chain • Continue to participate in circular economy initiatives
Respect human rights	**Respect the human rights of all stakeholders in all businesses and supply chains**	• Identified and disclosed information on priority (high-risk) businesses • Promoted employee education through workshops and training programs	• Continue risk assessments, initiatives, and disclosures for priority businesses, including those across the supply chain • Continue providing human rights education while raising awareness and strengthening operation of grievance mechanisms
Develop talent and promote DE&I	**Create workplaces that allow diverse employees to apply their capabilities with passion in their own ways**	• To attract and develop professional talent, implemented the WILL recruitment selection process (which guarantees initial job placement), expanded the internal job posting system, and prepared to introduce an internal certification program for digital skills • To develop future management talent, identified next-generation leaders and implemented a strategic cross-organizational talent rotation cycle • Strengthened and enhanced the succession pipeline of diverse talent for key positions	• Place the right talent in the right positions on a global basis and improve talent visibility to support this effort • Develop and implement initiatives to cultivate professional talent and future management talent
Maintain and strengthen governance	**Develop a robust governance system to enhance the corporate value**	• Transitioned to a company with an Audit & Supervisory Committee while redefining the role of the Board of Directors to provide strategic direction to ensure proper supervision of management execution and make important decisions affecting company-wide management from broad and diverse perspectives • Made Outside Directors the majority of the Board to strengthen its oversight function	• Further enhance the effectiveness of the Board of Directors as a monitoring body by refining its operations, including the selection of agenda items • Strengthen support systems to enable deeper and more sophisticated discussions by the Board of Directors

▸ Carbon credit | https://www.sumitomocorp.com/en/jp/enrich/contents/0129
▸ Sulfuric acid | https://www.sumitomocorp.com/en/jp/enrich/video/0022

Material Issues × Management Capital

Overcome climate change × Intellectual capital Human capital

Lead the carbon credit market to support transition to a decarbonized society

Carbon credits quantify the amount of greenhouse gas (GHG) emissions reduced or removed by third parties and can be traded to offset residual emissions. We are turning this emerging market into a business opportunity while contributing to society's decarbonization.

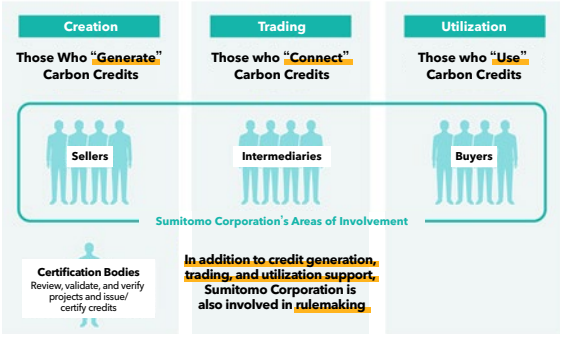
Build a track record and trust across the spectrum—generate, connect, and use

We bring together the people and expertise needed to support every stage of the carbon credit value chain—from credit creation, brokerage, and utilization support to market development. As a result, we are involved across the full spectrum (generate, connect, and use) of the carbon credit market. By leveraging our intellectual capital and engaging from the credit generation stage, we provide high-quality carbon credits that deliver value beyond decarbonization by creating additional benefits for local communities and biodiversity, thereby earning the trust of our customers.

Expand the carbon credit market to advance Japan's decarbonization and build a sustainable earnings base

Since the launch of the carbon credit market operated by the Tokyo Stock Exchange, we have helped foster market liquidity through continuous trading and have been recognized as a Best Market Maker for three consecutive years. We have also played an active role in developing market rules. By looking ahead to the market's future development, we are turning increased demand driven by the full-scale launch of GX-ETS into a growth opportunity that supports the development of Japan's decarbonization market.

Going forward, we will continue engaging across the entire process, from credit creation to sales, connecting supply and demand while enhancing market trust. In doing so, we aim to accelerate the social implementation of carbon credits while building a new earnings base.



Sumitomo Corporation's Role in the Carbon Credit Industry

Build resilient and prosperous society × Global relationship capital

Provide a stable supply of sulfuric acid—an essential material for everyday life—to customers globally as a world-leading supplier

Sulfuric acid is essential to a wide range of industries, including agriculture, mining, and manufacturing, and a vital raw material supporting people's daily lives. Through Interacid Group, a wholly owned subsidiary, we have built a global relationship that connects producers and consumers worldwide, thereby achieving social value in the form of stable supply and sustainable growth.

Business model that leverages one of the world's largest trading operations to turn supply-demand imbalances into value

Sulfuric acid is the world's most widely traded basic chemicals and an indispensable industrial raw material. However, supply and demand vary significantly by region. Handling around 30% of global maritime sulfuric acid trade, Interacid Group is one of the world's largest market players. By identifying regional supply-demand gaps and strategically securing logistics hubs, it has established a system that ensures the stable supply of sulfuric acid. Its competitive advantage lies not simply in trading but also in its ability to optimize logistics.

Integrated capabilities in seaborne trading, logistics, and distribution to ensure a stable supply

While operating as a trader, Interacid Group is the only market participant that owns and operates its own storage tanks, enabling it to provide integrated services that seamlessly combine marine transportation and inland logistics. It has established a system that enables us to reliably receive sulfuric acid, which is difficult to store, and supplies it to customers when needed. By providing the added value of balancing supply and demand and ensuring safety and reliability, Interacid Group generates sustainable earnings while delivering lasting value to its customers.

Customer trust built through decades of rigorous safety management

Handling sulfuric acid requires rigorous safety management. Accordingly, Interacid Group adheres to its Zero Leakage Policy, ensuring that not a single drop is spilled. Through its unwavering commitment to safety and reliability, it has built long-term relationships with producers and customers, creating a network that spans the world. These relationships, cultivated over more than 30 years, are the foundation of Interacid Group's sustainable growth.

Interacid's tank terminal located in Mejillones, Chile

Logic Tree (initiatives under Medium-Term Management Plan 2026 to enhance corporate value)

By steadily advancing initiatives set out in Medium-Term Management Plan 2026 (FY2024–FY2026), we aim to sustainably enhance our corporate value and improve our PBR.

Components of corporate value enhancement		Initiatives under Medium-Term Management Plan 2026	Relevant content	Relevant indicators and initiatives
Improve PBR	ROE: Improve profitability (margin)	Prioritize the allocation of management resources + Restructure businesses	p.07▶Message from President and CEO p.23▶Medium-Term Management Plan 2026 p.28▶Message from CFO	• ROE FY2025: 12.9% (+0.5pt year on year) • Profit for the year FY2025: ¥600.3 billion (+¥38.5 billion year on year)
		Drive new growth through DX and GX	p.30▶Special Feature: DAIS p.37▶Message from CDO and CIO p.40▶Sustainability Management	
		Reorganize our structure with a strategic axis	p.39▶Message from CSO and CSDO p.64▶List of Group Businesses	
	PER: Increase the expected growth rate	Achieve sustainable growth through addressing social challenges	p.17▶Value Creation Model p.18▶Management Capital p.19▶Material Issues p.39▶Message from CSO and CSDO	• Employee Engagement FY2025: 71% (+3pt vs. previous medium-term management plan) Work Environment FY2025: 72% (+4pt vs. previous plan)
		Empower people and organizations	p.45▶Message from CAO and CCO p.46▶Human Capital	
		Establish earning pillars to drive profit growth Cultivate businesses that will become new strengths	p.23▶Medium-Term Management Plan 2026 p.30▶Special Feature: DAIS	• Quantitative benefits of DAIS FY2030: ROIC: +1pt (vs. FY2025)
	PER: Reduce the cost of capital	Strengthen downside resilience → Enhance stability	p.23▶Medium-Term Management Plan 2026 p.59▶Risk Management	• Progress in addressing underperforming businesses May 2026: Completed divestiture of the Ambatovy nickel project
		Promote sustainability management	p.40▶Sustainability Management p.43▶Initiatives for Disclosure p.19▶Material Issues	• Climate change initiatives Disclosed performance across all Scope 3 categories; updated carbon neutrality targets
		Enhance information disclosure and promote constructive dialogue	p.07▶Message from President and CEO p.80▶Dialogue with Stakeholders	• Investor meetings FY2025: Approx. 420 meetings
	PER: Enhance shareholder returns	Shareholder return policy	p.28▶Message from CFO	• Annual dividend FY2025: ¥150/share • Share repurchases FY2025: ¥70.0 billion

Medium-Term Management Plan 2026: Accelerating Growth and Enhancing Corporate Value

Theme of Medium-Term Management Plan 2026

No. 1 in Each Field

Enhance our competitive advantages to achieve growth through addressing social challenges
— Accelerating profit growth and business portfolio transformation through major investments and promotion of asset replacement —

1 Growth leveraged by strengths

Underlying profit in the eight growth areas

CAGR **Approx. 11%**

(FY2023 result → FY2026 forecast)

- **Steady growth in the eight growth areas, led by Digital, Leasing, Real estate, and Energy solutions**

3 Strengthen driving force for growth

Employee engagement score

02 Foundations for Accelerating Transformation: Sustainability, Human Capital, and Governance

68% (FY2023) → **71%** (FY2025)

- **Made progress on initiatives to improve engagement and enhance talent**
- **Enhanced strategic agility through changes to governance structure and adoption of organizational structure with strategic axis**

2 Business portfolio transformation

3-year investment amount

¥1.8 trillion or more (Previous plan) → **¥3.0 trillion** (Revised plan)

- **Investment in Net One Systems by SCSK**
- **Full acquisition of SCSK**
- **Acquisition of U.S.-based aircraft leasing company, and others**

3-year asset replacement amount

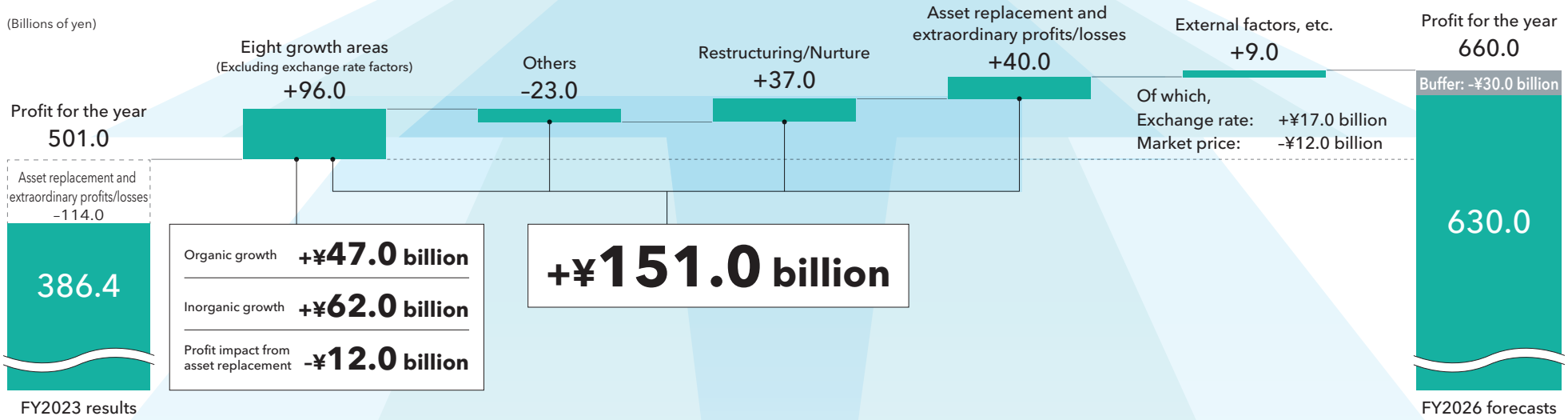
¥0.8 trillion (Previous plan) → **¥1.1 trillion** (Revised plan)

- **Sale of the Ambatovy nickel project**
- **Sale of T-Gaia**
- **Sale of the melon production and sales business in North America, and others**

Medium-Term Management Plan 2026: ❶ Growth leveraged by strengths

Total profit growth over 3 years (excluding external factors): +¥151.0 billion (exceeding original plan of +¥150.0 billion)

- **Established asset replacement as a stable source of earnings in addition to organic and inorganic growth; profit for the year (before buffer) expected to reach target set out in Medium-Term Management Plan 2026**



- **Growth among eight growth areas driven by Digital, Leasing, Real estate, and Energy solutions**

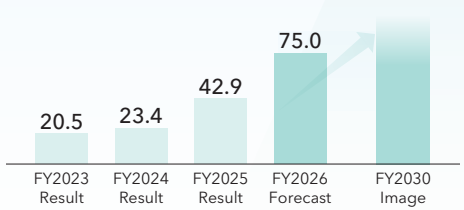
Execution of major investments

Digital SCSK

- Full acquisition of SCSK (March 2026)

Equity in earnings of SCSK

FY2023 result → FY2026 forecast CAGR: 54.1%

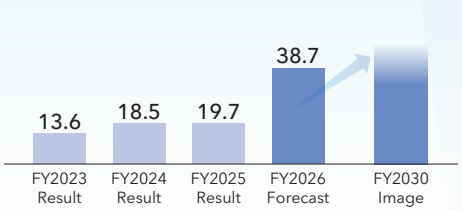


Leasing: Sumisho Air Lease

- Completed acquisition of Sumisho Air Lease (April 2026)

Underlying profit of Commercial Aviation SBU

FY2023 result → FY2026 forecast CAGR: 41.7%

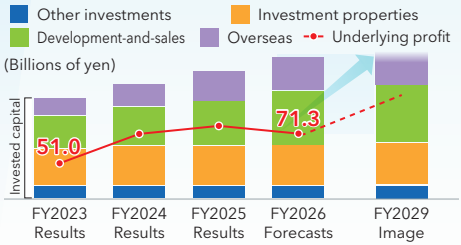


Promotion of asset-turnover businesses

Real estate

Underlying profit and invested capital

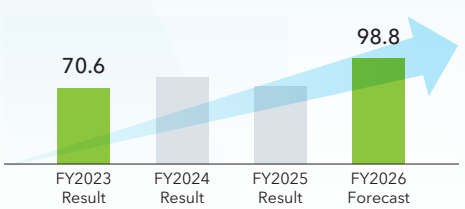
FY2023 result → FY2026 forecast CAGR: 11.8%



Energy solutions

Underlying profit

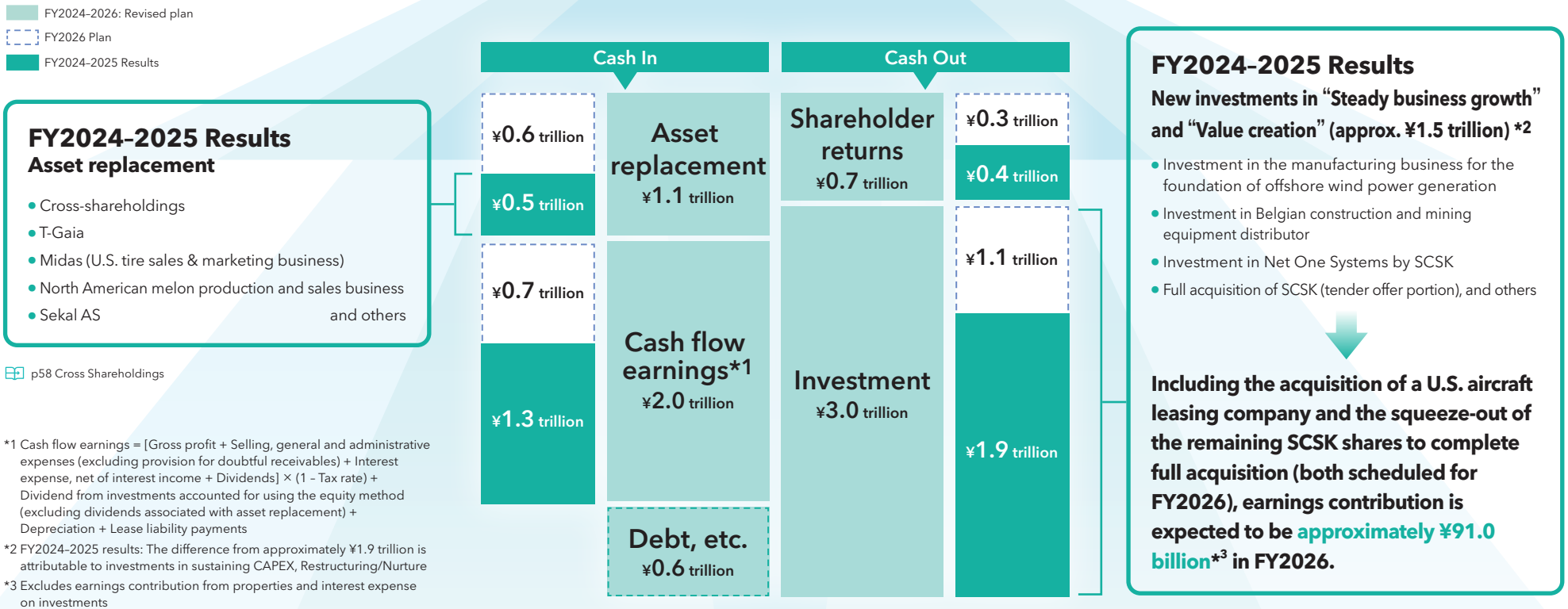
FY2023 result → FY2026 forecast CAGR: 11.9%



Medium-Term Management Plan 2026: ❷ Business portfolio transformation

Targeting ROE of approx. 13% in FY2026

- **Expect ¥1.1 trillion in cash in from asset replacement over three years; new investments expected to contribute approx. ¥91.0 billion to FY2026 profit**



FY2024–2025 Results
Asset replacement

- Cross-shareholdings
- T-Gaia
- Midas (U.S. tire sales & marketing business)
- North American melon production and sales business
- Sekal AS and others

p58 Cross Shareholdings

FY2024–2025 Results
New investments in "Steady business growth" and "Value creation" (approx. ¥1.5 trillion) *2

- Investment in the manufacturing business for the foundation of offshore wind power generation
- Investment in Belgian construction and mining equipment distributor
- Investment in Net One Systems by SCSK
- Full acquisition of SCSK (tender offer portion), and others

Including the acquisition of a U.S. aircraft leasing company and the squeeze-out of the remaining SCSK shares to complete full acquisition (both scheduled for FY2026), earnings contribution is expected to be approximately ¥91.0 billion*3 in FY2026.

*1 Cash flow earnings = [Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + Dividends] × (1 – Tax rate) + Dividend from investments accounted for using the equity method (excluding dividends associated with asset replacement) + Depreciation + Lease liability payments

*2 FY2024–2025 results: The difference from approximately ¥1.9 trillion is attributable to investments in sustaining CAPEX, Restructuring/Nurture

*3 Excludes earnings contribution from properties and interest expense on investments

- **Accelerating business portfolio transformation (SHIFT 2023 vs. Medium-Term Management Plan 2026)**

New investments

SHIFT2023 result: **¥1.2 trillion** → Medium-Term Management Plan 2026 (revised): **¥3.0 trillion**

Asset replacement

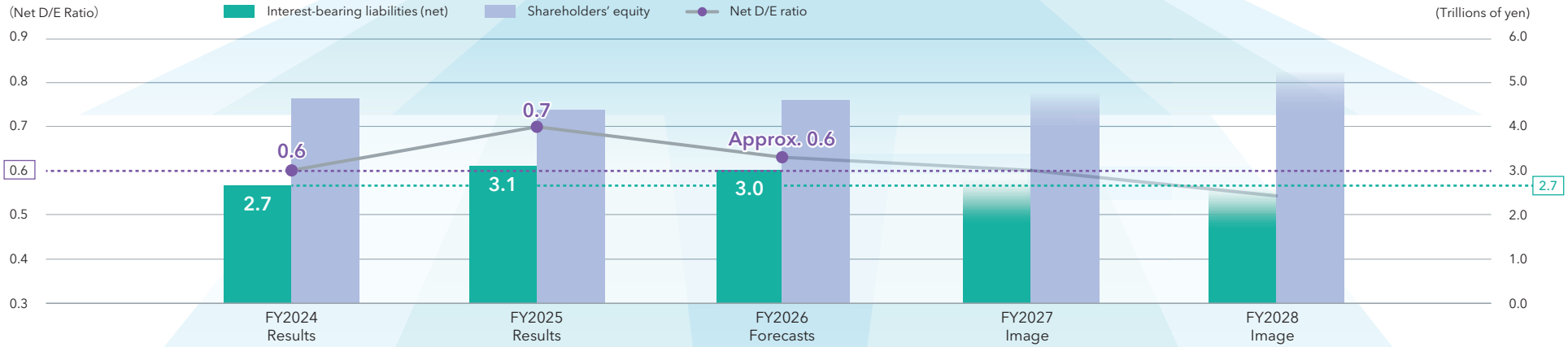
SHIFT2023 result: **¥0.6 trillion** → Medium-Term Management Plan 2026 (revised): **¥1.1 trillion**

Medium-Term Management Plan 2026: ❷ Business portfolio transformation (measures to improve financial soundness)

Improve financial soundness over the 3-year period ending in FY2028

- **Improve financial soundness to the level prior to the execution of major investments over the 3-year period ending in FY2028**

Interest-bearing liabilities balance and net D/E ratio (images)



- **Measures to improve financial soundness (FY2026–2028)**

Cash In

Further accelerate portfolio metabolism

- Cash in (FY2026 Forecast–2028 Image): Approx. ¥1.2 trillion;
  debt reduction effect from deconsolidation of subsidiaries: Approx. ¥0.5 trillion
- Specific asset replacement targets include low-growth/low-ROIC businesses (Invested capital: Approx. ¥1.0 trillion) and asset turnover businesses (Invested capital: Approx. ¥0.7 trillion)

Promote DAIS and other initiatives to drive improvements, particularly in growth areas

- Improve ROIC through SCSK's stand-alone growth, increase sales across the Sumitomo Corporation Group (application businesses, customers' business transformation and advancement, platform-based businesses, and digital infrastructure-related), reduce costs through greater efficiency (productivity improvement, advancing and optimizing corporate organization, and inventory reduction, etc.), and create a new source of earnings through collaboration between the two companies

Cash Out

Maintain current shareholder return policy of progressive dividends and a total payout ratio of 40% or higher

- Implemented 4-for-1 share split (July 2026)

Implement strategic investments with greater discipline with a focus on growth areas

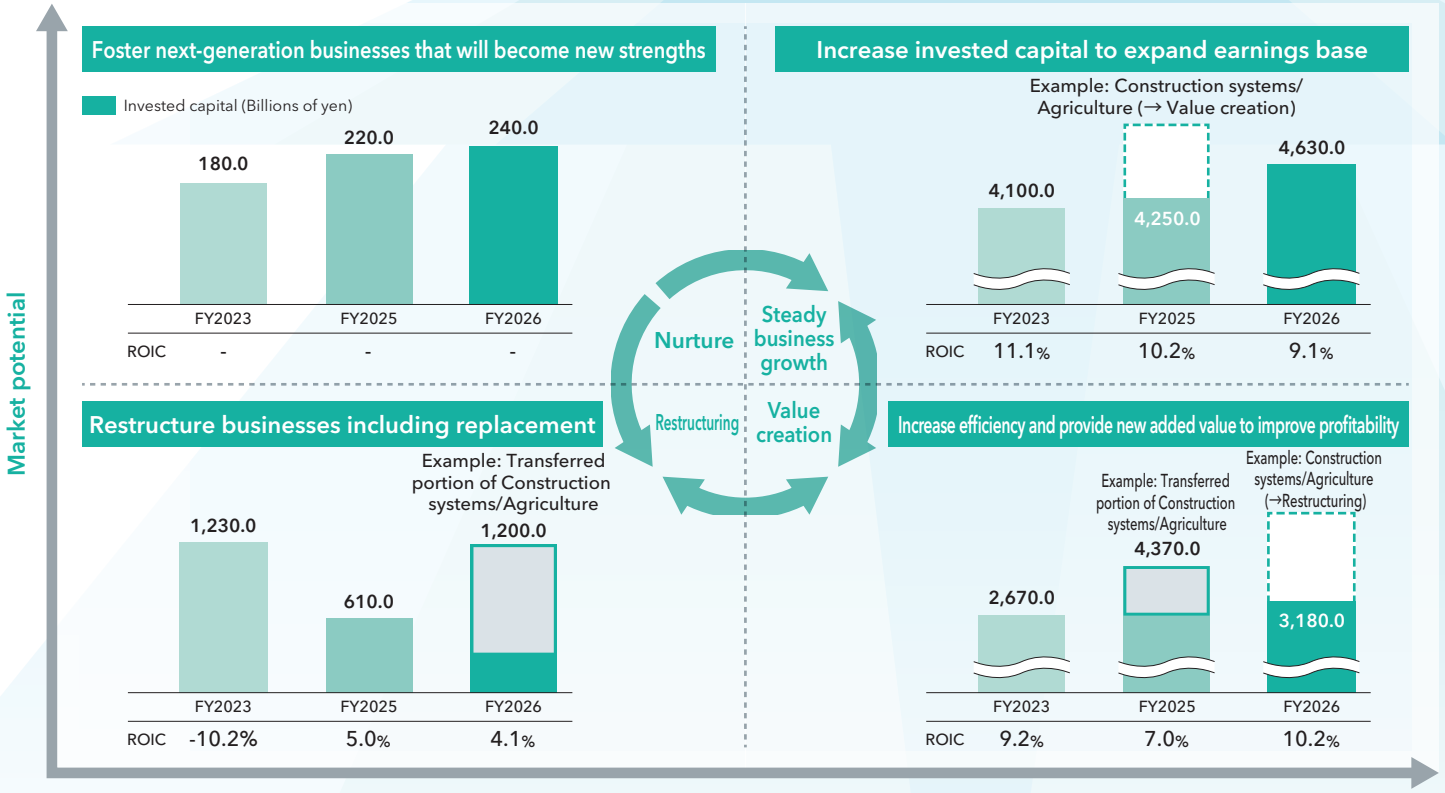
- New investments (excluding acquisition of U.S.-based aircraft leasing company and full acquisition of SCSK): Approx. ¥400.0 billion–¥500.0 billion/year (in line with previous levels)

Medium-Term Management Plan 2026: ❷ Business portfolio transformation

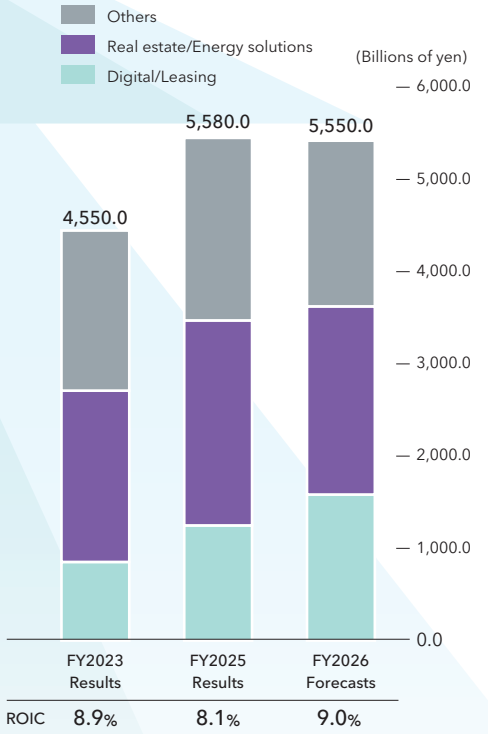
Reallocate resources to growth areas and accelerate portfolio metabolism

• Closely monitor SBU-specific ROIC/WACC and focus on enhancing overall portfolio quality

Manage invested capital allocation based on four strategic quadrants



Invested capital/ROIC in eight growth areas



• ROIC/WACC monitoring perspectives

Existing businesses
Regularly monitor strategies and progress of each business to improve ROIC

New investments
Allocate management resources to businesses with strengths and competitive advantages that are highly likely to generate added value exceeding their acquisition prices

Asset replacement
Divest businesses with limited long-term growth prospects under our ownership in addition to low-growth/low-ROIC businesses

Message from CFO

We will accelerate growth by leveraging our strengths while steadily advancing business portfolio transformation to improve ROE and further enhance corporate value.

Reiji Morooka
Representative Director, Executive Vice President Chief Financial Officer

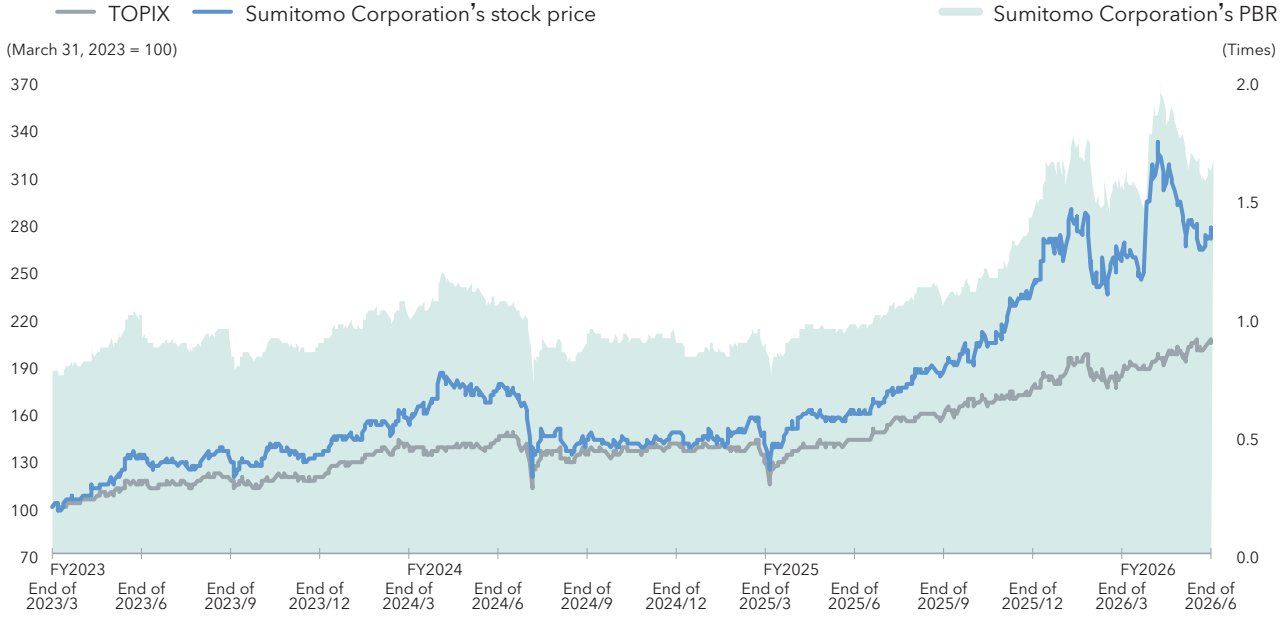
Changes in market perception

While advancing various initiatives under Medium-Term Management Plan 2026, we made several major strategic moves in FY2025, including the acquisition of a U.S.-based aircraft leasing company and the full acquisition of SCSK. In May 2026, we also completed the divestment of the Ambatovy nickel project, bringing a long-standing challenge to a close. As a result, our previously elevated cost of capital declined, and expectations for profit growth and higher ROE driven by business portfolio transformation significantly improved our PBR, lifting it from below 1.0x to well above that level.

In last year's Integrated Report, I stated that "we aim to restore market confidence and achieve a stable PBR above 1.0x by delivering stable profit growth across the Company." I believe we have made steady progress toward restoring that confidence.

In addition to progress on investments and asset replacements, we have been continuously enhancing our disclosures, and I have noticed a tangible shift in the nature of our dialogue with investors. The focus of such dialogue has moved from questions about individual underperforming businesses to discussions of the Company's overall growth strategy. I believe this reflects growing market expectation for the Company's future growth. Looking ahead, we will continue to deliver stable profit growth by focusing on our eight growth areas, while transforming our business portfolio through improvement of asset efficiency across our businesses and accelerated asset replacement. In doing so, we aim to raise ROE to a higher level.

Sumitomo Corporation's stock price performance



Message from CFO

Closing stock price, high/low stock prices, and related indicators

	FY2023	FY2024	FY2025
Close*1	¥913	¥843	¥1,445
High*1	¥942	¥1,108	¥1,689
Low*1	¥565	¥669	¥697
PBR	1.00x	0.88x	1.49x
5-year TSR*2 (TOPIX including dividends)	198.99% (93.39%)	244.85% (113.65%)	355.89% (102.21%)

*1 Stock prices have been adjusted retrospectively to reflect a 4-for-1 share split effective July 1, 2026.
*2 Total shareholder return (TSR): The rate of return on an investment assuming dividends are reinvested

Medium-Term Management Plan 2026: Challenges and Countermeasures

In FY2025, interest-bearing liabilities increased as a result of major investments, leading to a higher net D/E ratio. By further accelerating asset replacement, we aim to bring interest-bearing liabilities and leverage back to their levels at the end of FY2024 by the end of FY2028 at the latest, while maintaining the momentum of our business portfolio transformation. Assets targeted for replacement are selected not only based on exit criteria under our ROIC/WACC management framework but also from a growth perspective. We have already begun the divestment process for many of these assets. At the same time, growth investments are also essential to achieving stable and sustainable growth. Going forward, we will continue making annual growth investments of ¥400.0 billion–¥500.0 billion by carefully selecting opportunities from our pipeline, with a primary focus on those that strengthen businesses with "core-strength" where we have competitive advantages.

Aiming to deliver further profit growth and enhance corporate value

With only six months remaining in Medium-Term Management Plan 2026, I expect many of you are already turning your attention to our growth from FY2027 onward. Through our business portfolio transformation, we have improved the quality of our assets, with company-wide ROIC reaching 8% and ROE approximately 13%—above our cost of capital. While there are various methods for calculating the cost of capital, we believe that consistently achieving an ROE of 12% or higher will enable us to exceed our cost of capital and create value. That said, we do not consider our current ROE to be sufficient, and we intend to continue raising it to a higher level. We will continue to achieve sustainable profit growth, focusing on our eight growth areas where we have strengths and competitive advantages. At the same time, we will work to grow profits and improve ROE by promoting DAIS and asset-turnover-based businesses while rapidly transforming our business portfolio.

We will discuss DAIS in greater detail later in this report, but I would like to highlight that we have set a quantitative target of improving ROIC by one percentage point through DAIS. This target reflects our commitment to achieving organic profit growth and improved profitability without relying solely on asset expansion.

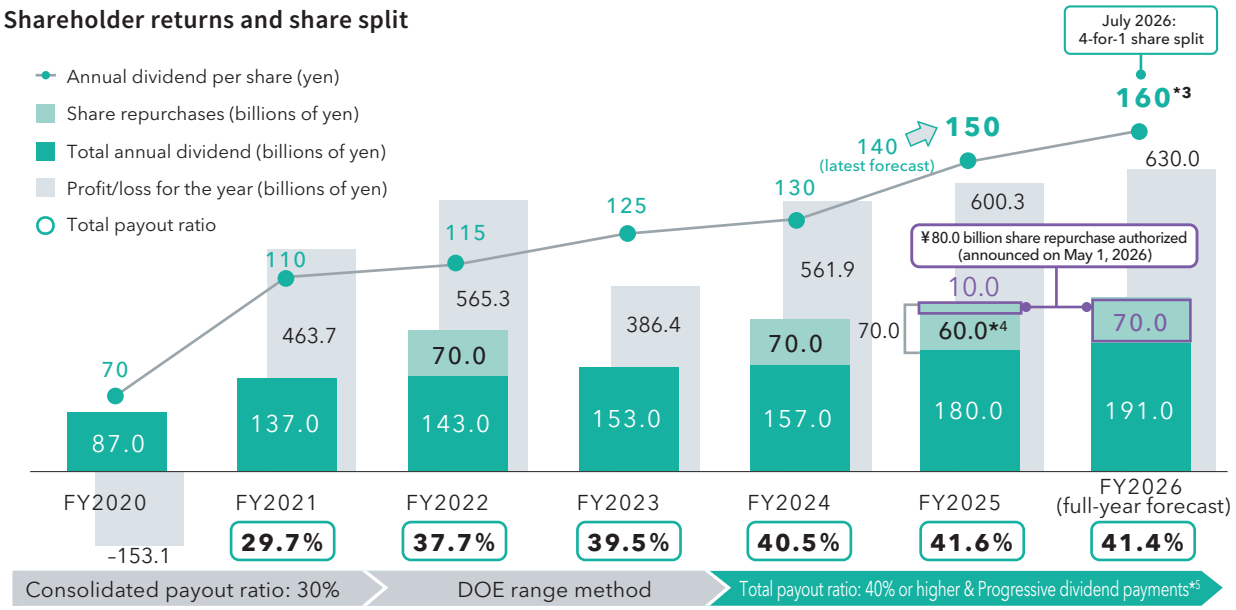
p.30 Special Feature: DAIS

Shareholder returns

In July 2026, we completed a 4-for-1 share split. By lowering the stock price per investment unit, we aim to increase the liquidity of our shares, welcome more shareholders, and, through your continued support, further enhance our corporate value.

With respect to shareholder returns, we plan to pay an annual dividend of ¥40.00 per share in FY2026 (post-share split) and have also authorized ¥80 billion in share repurchases, including ¥10 billion allocated as additional shareholder returns for FY2025. Looking ahead, we will continue to enhance shareholder returns through stable profit growth.

Shareholder returns and share split



*3 Annual dividend of ¥40 per share (post-share split)
*4 Repurchase completed on February 19, 2026; shares cancelled on April 10, 2026 (excluding 1 million shares expected to be used for share compensation)
*5 Dividends to be maintained or increased

Special Feature

DAIS

Digital & AI Strategy

Drawing on our dialogue with investors at a briefing held in May 2026, this special feature outlines the vision of our Digital & AI Strategy (DAIS), our initiatives to strengthen earnings power and improving ROIC, and our roadmap for enhancing corporate value through collaboration with SCSK and the adoption of digital and AI technologies.

Vision of DAIS p.31

Through a single vision board, we present the future envisioned by DAIS, as well as the key drivers and guiding principles that will enable the social and industrial transformation.

Three pillars and growth roadmap p.32

This section outlines an overview of the three pillars underpinning DAIS (Pillars 1–3), along with its short-, medium-, and long-term growth roadmap.

Q1. Corporate value enhancement through DAIS p.33

This section covers how collaboration with SCSK will transform our earnings structure, create new growth opportunities, and enhance corporate value.

Q2. SCSK's growth strategy p.34

This section presents SCSK's growth strategy from two strategic axes: expanding business through full-stack capabilities and improving profitability through an offering-based model.

Q3. SCSK's profitability improvement p.35

This section outlines the specific initiatives SCSK is pursuing to transform its earnings structure and improve its operating profit margin.

Q4. Growth opportunities created by generative AI p.36

This section outlines the market changes driven by the growing adoption of generative AI and the growth opportunities for SCSK.

Special Feature: Digital & AI Strategy (DAIS)

Vision of DAIS

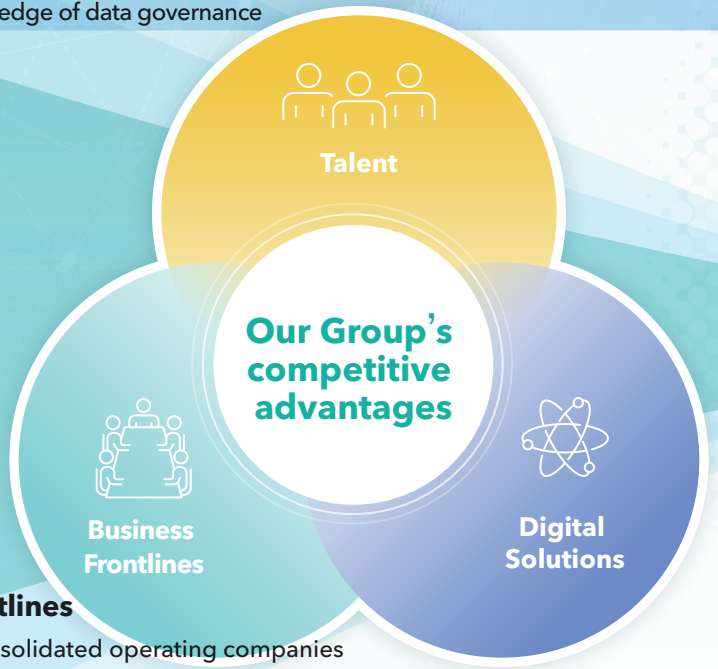
The Group aims to leverage digital and AI technologies across all of its business frontlines to build new value creation models and lead the transformation of society and industry. Supporting this vision are our business frontlines, backed by around 900 consolidated operating companies, a customer base of around 100,000 companies, our digital solutions centered on SCSK, and our talent. Our distinctive competitive advantage lies in our ability to leverage diverse industry expertise and our business platform to deploy digital and AI technologies with a frontline-driven approach, enabling us to address social challenges and create new value. Guided by our Design Principles, we will turn this advantage into tangible results.

Talent

- Strengthening digital business-design capabilities
- Acquisition of digital skills
- Requirements-definition capabilities
- Knowledge of data governance

Vision

Leveraging Digital & AI across all business frontlines to build new value creation models and lead the transformation of society and industry



Design Principles

- **Redefining the true value customers seek**
- **Further bolstering our strengths**
- **Converting tacit knowledge into explicit and organizational knowledge**
- **Transforming fundamental challenges into values**
- **Turning around underperforming businesses**
- **Implementing business concepts in society and industry**

Business Frontlines

- Around 900 consolidated operating companies
- Around 100,000 global companies
- Ability to identify issues directly from business frontline
- Customer interface capabilities
- Corporate Group (Global)
- Business Engineering Power

Digital Solutions

- System and network development
- Digital and AI engineering
- Cybersecurity
- BPO and data-center capabilities

▸ Digital & AI White Paper (Japanese only) | https://www.sumitomocorp.com/-/media/Files/hq/news/important/2026/20260527/white_paper_2025_ja.pdf
▸ DAIS Briefing | https://www.sumitomocorp.com/-/media/Files/hq/ir/explain/business/20260527Presentation.pdf?sc_lang=en

Special Feature: Digital & AI Strategy (DAIS)

Three pillars supporting the growth of DAIS

Our roadmap for growth and corporate value enhancement through DAIS is built on three pillars. Under Pillar 1, we will drive SCSK's growth by enhancing profitability through an integrated SI*1 and NI*2 delivery model and a shift toward an offering-based model. Pillar 2 focuses on strengthening the competitive advantages of the Sumitomo Corporation Group, while Pillar 3 centers on building new value creation models through collaboration between Sumitomo Corporation Group and SCSK. Together, these initiatives will drive corporate value enhancement across the Group.

*1 SI: System Integration *2 NI: Network Integration

Pillar 2

Growth of Our Group through DAIS

Leverage Digital & AI across all business frontlines of Our Group to build new value creation models and achieve growth

Pillar 3

Growth through collaboration between Our Group and SCSK

Transform and create each other's businesses through collaboration between Our Group and SCSK, accelerating growth

Pillar 1

Growth of SCSK

Accelerate the evolution toward AI and offering-based models by leveraging existing competitive advantages and strengths

Strengths of Our Group and SCSK

Advancing DAIS by further strengthening Digital Solutions, Business Frontlines, and Talent

DAIS: Overall growth roadmap

This roadmap presents the three pillars of DAIS across the short, medium, and long term. By linking SCSK's growth (Pillar 1), the strengthening of competitive advantages across the Group's businesses (Pillar 2), and the building of new value creation models through collaboration between the Group and SCSK (Pillar 3), it illustrates our path to leading the transformation of society and industry and enhancing corporate value.

	Short term	Medium term	Long term
Pillar 1: Growth of SCSK	• Growth driven by the competitive advantage of SI*1 x NI*2 • Transform into an offering-based model • Strengthen competitiveness through AI adoption	• Expand offering revenue in key areas • Enhance digital solutions • Expand globally	• Support the transformation of society and industry through AI-driven self-transformation and customer transformation in areas where core strengths can be leveraged
Pillar 2: Growth of Sumitomo Corporation Group	• Expand Digital & AI adoption in existing businesses and operations (Including advancement and efficiency improvement of corporate functions)	• Establish Digital & AI implementation models by leveraging broad industry insight and business ideation capability originating from business frontlines (Initiatives for robotics, physical AI, etc.)	• Evolve into a business structure that uses Digital & AI as sources of competitiveness and revenue, and achieve transformation of society and industry
Pillar 3: Growth through collaboration	• Create individual collaborative projects in priority areas • Select and promote strategically important themes	• Expand revenue by promoting collaborative projects and strategic themes	• Expand the results of collaboration into the transformation of society and industry

Lead the transformation of society and industry

Notes: 1. This roadmap illustrates the overall direction of growth for DAIS. Detailed value creation processes and examples for each measure are available through the various publications listed on the upper right.
2. The shaded nine arrows in the above short-, medium-, and long-term roadmap represent the degree of profit contribution by differences in color intensity.

Special Feature: Digital & AI Strategy (DAIS)

Q1. Investor and analyst perspectives

While investors are paying close attention to DAIS, their primary concern is not simply whether it advances digital transformation. Rather, what matters most is whether DAIS can enhance brand value and corporate attractiveness through higher ROE, stronger cash flow generation, and profit growth, ultimately leading to a higher corporate valuation. That said, what specific areas does Sumitomo Corporation aim to achieve an overwhelming No. 1 position in through DAIS?

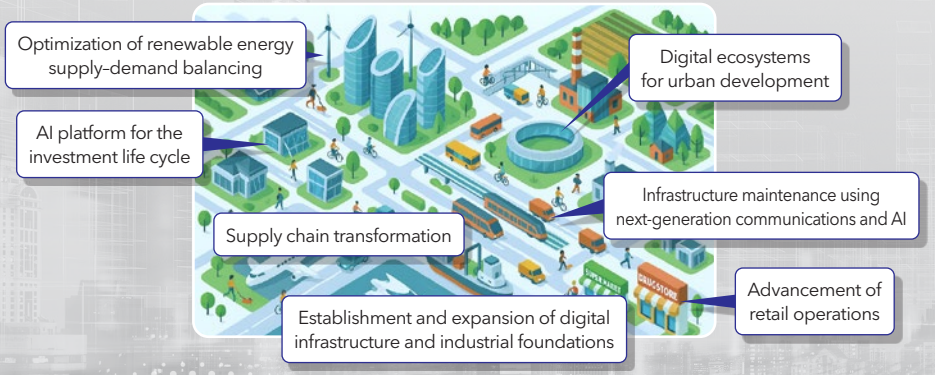
While SCSK's strengths are well understood, which indicators or area should investors focus on most closely as the company transforms its earnings structure and pursues higher profitability?

Answer

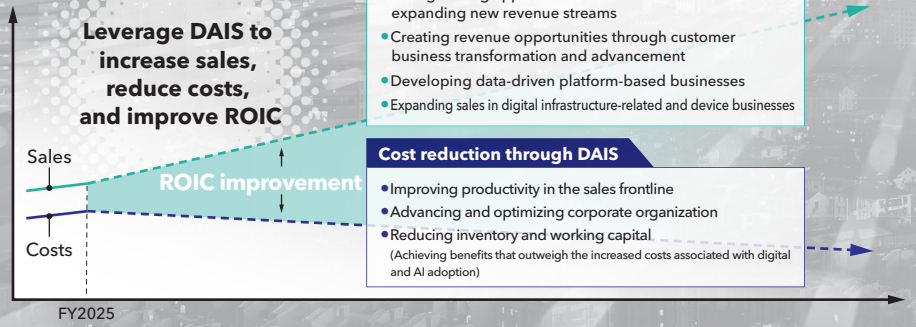
Sumitomo Corporation is currently collaborating with SCSK across a wide range of fields. Among these, there are two fields where collaboration has the potential to deliver transformational change. The first is the mobility sector. By combining SCSK's expertise in vehicle design with Sumitomo Corporation's strengths in the automotive sector, we aim to pursue co-creation across the entire mobility ecosystem. We believe this has the potential to develop into a significant growth business. The other is urban development. With implementation sites already in place, including Hakozaki in Japan and North Hanoi in Vietnam, we envision comprehensive diverse urban development and sustainable cities powered by SCSK's technological capabilities. As shown below, we have a robust pipeline of additional collaboration opportunities. We encourage investors to focus first on how Sumitomo Corporation and SCSK are driving transformation together through these initiatives.

Pillar 2 Growth of Sumitomo Corporation Group through DAIS

The society and industries Sumitomo Corporation Group will create



Growth through Pillar 2

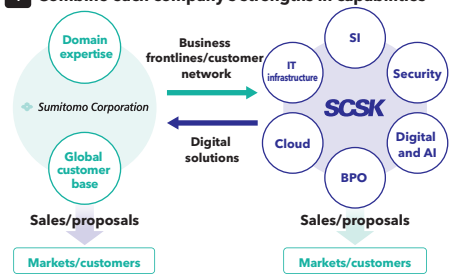


Pillar 3 Growth through collaboration between the Sumitomo Corporation Group and SCSK

Three categories of collaborative business initiatives to be promoted

Combine the strengths of both companies

1 Combine each company's strengths in capabilities



Examples

Steel sector: Explore ways to enhance steel trading and SCM

Manufacturing: Support global expansion of manufacturing companies

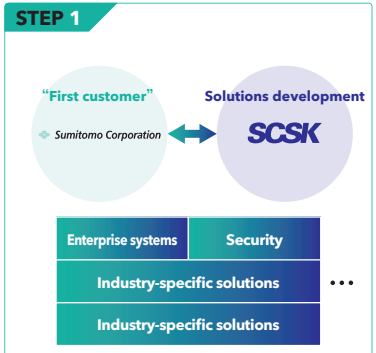
2 Combine each company's businesses

Examples

Mobility: Explore collaborative business opportunities for the automotive industry centered on OEM engineering

"First customer" strategy

3 Leverage Sumitomo Corporation and its group business frontlines to develop and validate solutions



Examples

Enterprise systems and security: Consider deployment within the Sumitomo Corporation Group while assessing broader market potential

Special Feature: Digital & AI Strategy (DAIS)

Q2. Investor and analyst perspectives

In terms of SCSK's growth, I understand that strengthening the offering-based model and expanding its full-stack capabilities through the integration of SI and NI will be key themes for SCSK's growth. Could you share the current sales mix of the offering-based model and full-stack business, the target mix for 2030, and how their current profitability compares?

Answer

Building on the strong customer relationships it has cultivated through its system integration business, SCSK has established full-stack capabilities that integrate system integration (SI) and network integration (NI) through its acquisition of Net One Systems. By addressing increasingly sophisticated customer needs, SCSK has earned recognition for its strength in designing and operating the entire system as a unified whole. It is also building systems to turn its accumulated expertise into offerings, thereby enhancing value-added services and profitability.

Although we cannot disclose the sales mix, our growth strategy will be centered on two key axes: Expanding our full-stack business (FY2030: doubling profits compared with FY2025) and increasing earnings through offerings (FY2030: operating profit margin of 15% or higher).

Changing customer needs

- Accelerate digital adoption across business units
- Expect to drive transformation from management and business conception to execution and adoption

Changing competitive environment

- Emergence of competitors leveraging digital and AI technologies to lead transformation

Technological advances

- Adoption of generative AI and AI agents
- Advances in security
- Increasing network complexity

Pillar 1

SCSK net one

New Medium-Term Management Plan

"A corporate group that leads the resolution of social issues and develops a portfolio of businesses with an overwhelming presence and influence"

Next Dimension 2030

Evolving into a next-generation IT company

Sumitomo Corporation's resources

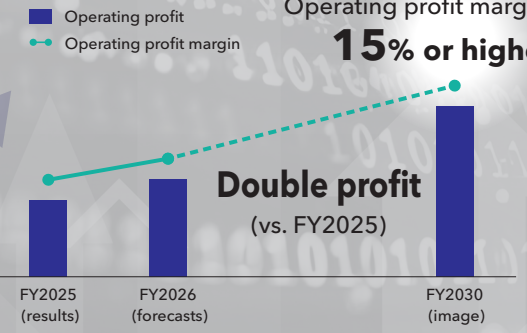
Business frontlines and data from around 900 consolidated operating companies	Utilization of domain knowledge and data gained through business frontlines across diverse industries
Global reach spanning 62 countries and regions	Global offices and operating companies
Digital/AI capabilities	Collaboration with digital and AI group companies SC Digital Insight Edge
CVC* network spanning five global regions	Access to cutting-edge technologies and tech companies in Japan and overseas
Global customer base of around 100,000 companies	Global customer network across wide-ranging industries

* CVC: Corporate venture capital

Growth of SCSK

Operating profit CAGR: **13%**

14 consecutive years of **sales and profit growth**



Three measures under SCSK's new medium-term management plan

			Major initiatives
1	AI-driven self-transformation and business expansion	Improve productivity and create high-value-added businesses using AI as a foundation for all business operations	• Productivity improvement through AI • Business expansion in AI domains
2	Transformation into an offering-based model	Shift to an offering-based model that leverages in-house intellectual property to address customer challenges and improve profitability	• Strengthening upstream functions (consulting) • Creation, accumulation, and standardization of intellectual property
3	Thorough utilization of competitive advantages and strengths	Leverage the strengths of Net One Systems and the Sumitomo Corporation Group to establish a competitive advantage	• Evolution of the SI & NI full-stack model • Collaboration with Sumitomo Corporation

Special Feature: Digital & AI Strategy (DAIS)

Q3. **Investor and analyst perspectives**

SCSK's operating profit margin is projected to improve significantly from FY2026. While we understand that demand in the IT solutions market remains firm and the Group's strategy is expected to enhance profitability, SCSK's operating profit margin has remained flat at 11.1% over the past two years. What has fundamentally changed to support such a sharp improvement from this point onward?

Answer

In addition to reducing costs through the integration of Net One Systems, we plan to raise our overall profit margin by improving productivity through AI-driven development while enhancing profitability through the offering-based model. Under the new medium-term management plan, we will introduce operating profit per employee as a new KPI to accelerate the transformation of our earnings structure in response to advances in AI and increasing workforce constraints.

AI-driven development

100% AI-driven development within two years

Future: AI-driven development (AI-centric/digital)

Development process (how it's built)	**Automate the development process with AI (through an integrated pipeline)** Requirements definition → Design → Code generation → Testing and verification → Review and refinement **Automation, continuous optimization, and rapid iteration**	**Faster development** **Maximize productivity**
Output (what is produced)	**Structured data and configuration management** Easy for AI to interpret / Easy to reuse / Changes are fully traceable / Consistent quality	**Enhance data utilization** **Improve quality and reusability**
Management (how it's managed)	**AI visualizes, analyzes, predicts, and optimizes project execution** Automate situation analysis / Risk prediction and anomaly detection / Decision support	**Improve prediction accuracy** **Minimize risks**

Offering

An offering is a delivery model that helps customers transform their businesses by addressing their challenges.

Building on the technologies and expertise cultivated through our SI and NI businesses, we accumulate competitive intellectual property to deliver sustainable value creation.

Vision

Offering-based model

Combining AI, data, and industry expertise to drive customer transformation

Promoting high-value-added businesses to enhance profitability

Standardizing proprietary services and IP for scalable deployment

Building a repeatable, sustainable delivery model to enhance profitability

Current

SI/NI (traditional model)

Labor-based, time-and-materials model

- **Deep understanding of customer challenges**
- **Ability to address individual customer requirements**
- **Close integration with customers' operations**

Special Feature: Digital & AI Strategy (DAIS)

Q4. Investor and analyst perspectives

Please share your views on how generative AI and other technological advances are reshaping the business and industry landscape. For example, there has recently been discussion about how advances in frontier AI, such as Mythos, are enabling vulnerabilities to be identified almost instantly.

In the short term, there will be an increase in work to address detected vulnerabilities, but once those issues are resolved, there is a possibility that maintenance—which has been a source of earnings for system integrators—will disappear.

In such a case, one could argue that profitability will decline over the medium to long term. How do you view that?

Answer

We believe that generative AI and similar technologies represent a significant tailwind for SCSK, which offers SI, NI, security, and BPO services.

This is because enterprise systems require human expertise throughout the cycle—from design and integration to operation—and the ability to provide end-to-end support remains a key strength. Moreover, the importance of trusted implementation partners continues to increase, driven by growing requirements for accountability and governance. In addition, the growing demand for security driven by the adoption of AI provides a favorable backdrop. By leveraging capabilities created through the integration of Net One Systems, we see significant room for growth.

AI-driven market changes

AI-driven enhancement of management and business operations

- Opportunities: Growing demand for customer business and operational transformation
- Opportunities: Shift to data-driven management

AI-driven automation

- Risks: In-house development by customers
- Opportunities: Changing development models

AI development

- Opportunities: Growing demand for AI infrastructure
- Opportunities: Need for robust security and AI governance

AI-driven automation of operations and maintenance

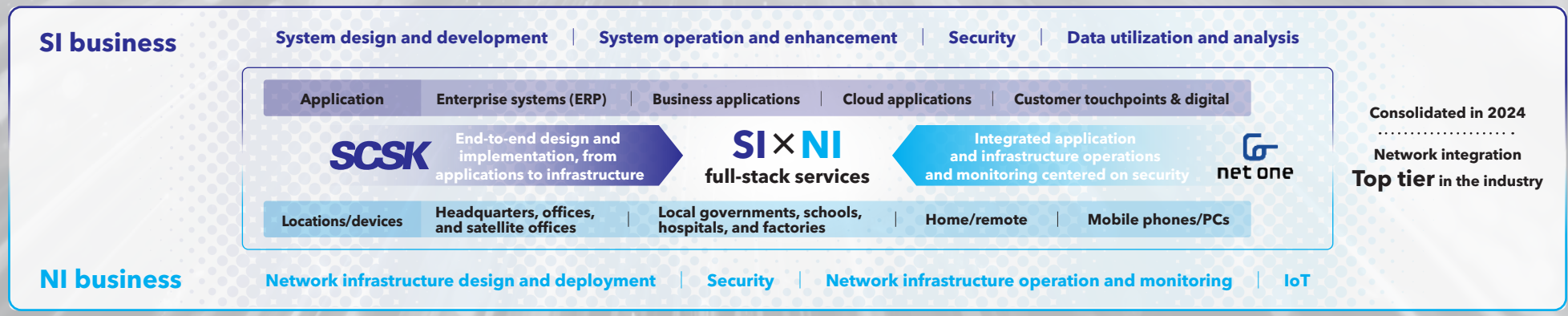
- Opportunities: Accelerating AI agent adoption in customer operations
- Opportunities: Growing demand for digital and AI-enabled BPO services

Growth opportunities for SCSK in the AI era

Creating customer value with AI and building a competitive advantage through internal AI adoption

Supporting safe and secure operations in the AI era through the quality, security, and transformation of existing systems

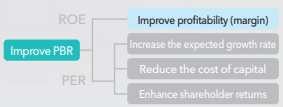
Growth potential in the AI era: Sources of competitive advantage = S + N



Message from CDO and CIO

We will create new value and enhance sustainable corporate value through the deployment of digital and AI technologies across business frontlines and corporate functions.

Tatsushi Tatsumi
Managing Executive Officer
Group CEO, Digital AI Group
CDO and CIO



Develop and drive Digital & AI Strategy (DAIS)

Since establishing the DX Center in 2018, we have positioned the utilization of digital technology as a key pillar of our management strategy and accelerated business transformation across the Company. In response to the rapid advancement of AI, we formulated our Digital & AI Strategy (DAIS) in October 2025 to accelerate the "Refine with digital, Profit with digital" initiative outlined in Medium-Term Management Plan 2026. Through DAIS, we aim to leverage digital and AI technologies across all business frontlines and build new value creation models to lead the transformation of society and industry. To drive DAIS, we established the Digital AI Group in April 2026 to integrate our business and corporate functions (CDO/CIO). Through this integrated structure, we aim to accelerate the implementation of DAIS and further strengthen our competitive advantage.

The Sumitomo Corporation Group's distinct competitive advantage

One of the Sumitomo Corporation Group's distinct competitive advantages is its robust business platform for realizing digital- and AI-driven transformation across society and industry. SCSK, which became our wholly owned subsidiary in FY2025, has built a strong track record as a system integrator through its advanced software development capabilities. In 2024, it integrated Net One Systems, establishing full-stack service spanning everything from network infrastructure to applications. Together with the Group's digital solution companies including Insight Edge (DX technologies) and SC Digital (data marketing), we leverage these capabilities to develop new value creation models.

By combining these digital solutions with the frontline capabilities we have cultivated as an integrated trading and business investment company, we are deploying digital and AI technologies across all business frontlines. Leveraging our network of around 900 consolidated operating companies, a customer base of around 100,000 companies, and our diverse industry expertise and talent, we are creating new business models and generating new value. These collective efforts have built a unique competitive advantage for the Sumitomo Corporation Group, accelerating sustainable growth and enhancing corporate value.

To strengthen the talent foundation underpinning our transformation, we introduced our proprietary digital skills certification program, D-Grade, in April 2026. A key feature of this program is that it recognizes hands-on implementation experience in business frontlines as a certification requirement, alongside formal qualifications. By making skilled digital talent visible across the organization, the program enables more agile and effective talent management. Furthermore, under the CIO function, we are strengthening IT infrastructure that supports company-wide digital and AI adoption, while advancing IT governance and cybersecurity measures suited to the AI era.

Leading social and industrial transformation and enhancing corporate value

SCSK is focusing on three priorities: "AI-driven self-transformation and business expansion," "Transformation into an offering-based model," and "Thorough utilization of competitive advantages and strengths." In particular, SCSK is creating new business opportunities through its offering-based model, under which it identifies customers' management and operational challenges and proposes solutions. Leveraging the knowledge in the manufacturing sector it has cultivated as a systems integrator, SCSK established SCSK Consulting Co., Ltd. in July 2026. Going forward, we will leverage our global reach to accelerate these initiatives. SCSK's digital solution capabilities represent a key driver in realizing DAIS.

In addition, we are advancing the deployment of digital and AI technologies across our business frontlines and corporate functions. For example, in our tubular products business, we expect to generate economic value in the range of several billion yen through the enhancement of trading operations. Within our corporate functions, we are enhancing operational efficiency and effectiveness through business process redesign and AI adoption.

Furthermore, we have launched more than 70 co-creation projects in collaboration with SCSK. We are also deploying and enhancing PROACTIVE, SCSK's enterprise resource planning (ERP) system, across the Sumitomo Corporation Group. Through these initiatives, we deliver customer solutions that incorporate our practical expertise and operational know-how. Going forward, we will continue to work closely with SCSK and various partners to lead the transformation of society and industry while driving sustainable corporate value enhancement.

Presentation at SCSK Forum 2026 in May 2026

2

Foundations for Accelerating Transformation

Sustainability, Human Capital, Governance

Contents

39 Message from CSO and CSDO
40 Sustainability Management
43 Initiatives for Disclosure
45 Message from CAO and CCO
46 Human Capital
50 Corporate Governance
59 Risk Management
60 Investment Risk Management
62 Information Security

Message from CSO and CSDO

Committed to addressing social issues, we will enhance corporate value through business portfolio transformation, organizational reinforcement, and sustainability management.

Makiko Eda
Managing Executive Officer
Chief Sustainability & DE&I Officer
CSO and CSDO

Achieve sustainable growth by addressing social issues

Based on Sumitomo's Business Philosophy and Management Principles, we remain steadfast in our commitment to achieving sustainable growth by leveraging our competitive advantages and addressing social challenges identified as the Material Issues. Contributing to a sustainable society and achieving the growth of the Group are inseparable. For this reason, we will continue creating value from a medium- to long-term perspective.

Accelerate business portfolio transformation

As Medium-Term Management Plan 2026 enters its final year, we are seeing firsthand how the results of two core themes—"Growth leveraged by strengths" and "Strengthen driving force for growth"—are helping us transform our business portfolio.

Under our business portfolio transformation, we use four strategic categories to allocate management resources to growth businesses while accelerating portfolio renewal through asset replacement. This has enabled us to achieve steady growth, particularly in such growth areas as digital, leasing, real estate, and energy solutions. Meanwhile, we are working to improve the profitability of our business portfolio by carefully assessing the business environment and performance of each segment, flexibly adjusting their strategic categories, and steadily delivering higher growth. In addition, we analyze risks and opportunities from multiple perspectives by leveraging intelligence from our offices around the world. We are also advancing discussions aimed at further transforming our business portfolio through Management Council meetings and Board meetings.

Elevate organizations to support self-directed and disciplined decision-making

To support this business portfolio transformation, we must establish a framework that enables our sales teams—who know our business best—to engage relevant stakeholders and make sophisticated, self-directed decisions. By introducing our SBU system, we have clarified our strategy and accelerated the pace of strategy execution. Moreover, even groups overseeing multiple SBUs have begun to adapt their organizational structures in an agile manner, including consolidation or reorganization of SBUs in line with strategic reviews.

At meetings of the Management Council, our principal management decision-making body, discussions have become more robust following a review of its membership and decision-making processes. From a company-wide optimization perspective, we strive to make timely and appropriate decisions by focusing on management resource allocation, business portfolio transformation, and discussions on investment and divestment opportunities. These organizational changes, combined with past discussions and initiatives, have helped us steadily implement large-scale investments and asset replacements in recent years. Furthermore, new combinations of SBUs within the Diverse Urban Development Group and the Energy Transformation Business Group—both established under the current medium-term management plan—have enabled us to integrate diverse experiences and insights as well as enhance our ability to identify and develop new projects. We are seeing tangible results in these business expansion efforts.

Coordinate non-financial and financial factors to enhance corporate value

I am convinced that addressing issues like climate change, respect for human rights, and the protection of natural capital—while taking a holistic view of the entire supply chain—goes beyond mere risk management and will lead to new business opportunities for integrated trading companies. For this reason, we aim to embed sustainability initiatives into our frontline operations and establish a system where each organizational unit identifies sustainability-related risks and opportunities as well as addresses them appropriately. As a first step, in FY2025 we introduced a process across our various business units to identify climate-related risks and opportunities, develop strategies, and formulate and monitor action plans. Through disciplined execution of the PDCA cycle, we will continue entrenching these initiatives.

The growth strategies of each business organization are rooted in Sumitomo's Business Philosophy and our belief that sustainable growth is achieved through businesses that help address social issues. Ensuring that this principle is consistently reflected in our business strategies and investment decisions is critical. Through these initiatives, we will drive business portfolio transformation and work to enhance corporate value over the medium to long term. Drawing on the trust we have built up over Sumitomo's long history, we will continue to engage in sincere dialogue with our stakeholders and strive to incorporate their feedback into our management decisions.

Sustainability Management

Implementing sustainability management

Decision-making and execution of important Group sustainability-related management matters are performed by the Management Council and Executive Officers in accordance with internal regulations. To evaluate and manage varying sustainability-related risks and opportunities and support effective decision-making, the Management Council makes comprehensive decisions after consulting with advisory bodies. These include the Corporate Sustainability Committee, the Global HR Committee, the Compliance Committee, and the IT Strategy Committee. Our sustainability initiatives and responses to sustainability-related risks and opportunities are advanced through close collaboration among specialized bodies responsible for planning initiatives and promoting organization-wide implementation in their respective topic areas. These include the Corporate Sustainability Department, the HR Strategy Department, the HR Solutions Department, the Legal Department, the Information Technologies Planning & Promotion Department, and the Disaster Response & Safety Management Department, as well as related corporate bodies, such as the Corporate Planning & Coordination Department, which is responsible for formulating the Group's overall management plans and key strategic initiatives. These functions work together with the topic leaders in each business group and overseas regional organization. Based on information gathered from the Group's research organizations, business units, overseas offices, and other sources, they formulate and implement Group-wide policies and initiatives. Moreover, we have established the Sustainability Advisory Board, consisting of external experts on ESG issues, to obtain advice and recommendations on our overall sustainability management.

Function of the Board of Directors

The Board of Directors, guided by "Sumitomo's Business Philosophy" and a shared commitment to building a sustainable society, engages in strategic and focused discussions on important matters, such as business policies and management plans. Through appropriate delegation of authority to the executive side, the Board of Directors narrows down matters requiring resolution. Via an "agenda-setting" process, in which all Directors discuss and determine key management issues to be addressed over the coming year, the Board of Directors identifies important themes such as sustainability and the human resource strategy.

At its regular meetings and in off-site sessions, the Board of Directors deliberates and decides on sustainability-related policies and measures. It also actively exchanges views on various matters, such as the progress of each SBU's medium-term targets, the status of human rights due diligence, social contribution activities, and disclosure policies based on the Sustainability Disclosure Standards (SSBJ Standards) and the Taskforce on Nature-related Financial Disclosures (TNFD). In these ways, the Board of Directors works to enhance the effectiveness of sustainability management.

Main topics discussed and reported in FY2025

Board of Directors

[Climate change] Updating of carbon neutrality targets
[Natural capital] Risk management status in high-risk businesses and TNFD-aligned disclosures
[Social and environmental risk cases] Engagement with NGOs and other stakeholders
[Social contribution activities] Participation in 100SEED and global activity outcomes

Corporate Sustainability Committee

- Progress of each SBU's initiatives based on material issues
- Updating of carbon neutrality targets
- Climate change initiatives
- Natural capital initiatives
- Human rights initiatives
- Status of social and environmental risk management
- Progress toward compliance with SSBJ Standards
- ESG ratings
- Environmental management activities
- Social contribution activities

Sustainability Advisory Board

- Strengthen the sustainability promotion framework
- Updating of carbon neutrality targets
- Natural capital initiatives
- Human rights initiatives
- Climate change initiatives

▸ Climate change | https://sumitomocorp.disclosure.site/en/themes/24

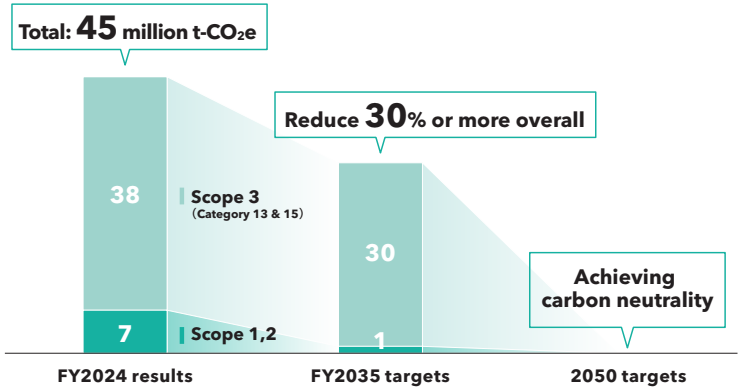
Climate change initiatives

The Group's path to carbon neutrality

Attaching importance to the global consensus reflected in the Paris Agreement, we established our Policies on Climate Change Issues to actively promote the Agreement's objective of building a carbon-neutral society. Guided by these policies, we are advancing various business activities. The policies clearly state our commitment to an early exit from coal-fired power plants and coal mine development projects in anticipation of energy transition. Regarding natural gas, they also clarify that we will engage only in projects that contribute to society's energy transition.

In 2025, we completed the calculation of Scope 3 emissions across all categories of our supply chain and obtained third-party assurance. To prepare for the adoption of the SSBJ Standards, we also updated the scope of the Group's carbon neutrality targets defined in the above policies in February 2026 to align with the GHG Protocol. Under the updated scope, the Group's carbon neutrality target covers Scope 1 and Scope 2 emissions from Sumitomo Corporation and its subsidiaries, together with Scope 3 Category 13 (Downstream Leased Assets) and Category 15 (Investments). Thermal power generation business and fossil fuel upstream business are also included within the target boundary. We also revised the baseline year and the FY2035 interim emission reduction target to reflect the updated scope.

Updated carbon neutrality targets (set in February 2026)



Supporting society's transition to carbon neutrality

Regarding one of its Material Issues, "Overcome climate change," the Group has established "Contribute to carbon neutrality of society" as a long-term goal. Guided by this goal, we are engaged in a broad range of businesses that support the transition to a decarbonized and low-carbon society.

In the short term, we are leveraging green transformation (GX) to further enhance businesses where we already have strengths and competitive advantages. At the same time, we are working across a wide range of industries to build new sources of competitive advantage over the medium to long term. For example, the Energy Innovation Initiative SBU within the Energy Transformation Business Group, which leads our cross-functional efforts to create energy and decarbonization businesses, has identified three strategic focus areas: Developing carbon-free energy, Expanding power and energy services, and Carbon management. Through these initiatives, we are expanding existing businesses and creating new ones across a range of time frames, from those expected to generate returns in the near term to those with medium- to long-term growth potential.

In FY2025, we continued to quantify our avoided emissions and disclosed the results for our renewable energy businesses. We use the avoided emissions as a metric to visualize the Group's contribution to society's transition to carbon neutrality. We also utilize it in internal discussions.

Avoided emissions from renewable energy businesses

We set a policy of continuously shifting to a power generation portfolio with lower environmental impact, and since the 2000s we have continuously engaged in the development of renewable energy projects, mainly wind power generation projects. (As of March 31, 2026, our net ownership generation capacity for renewable energy projects was approximately 2 GW). Our avoided emissions (stock basis) from the operation of our renewable energy businesses in FY2025 are shown below.

Details of contribution	Baseline	Energy mix of each country	Avoided emissions
Contribution through generation of renewable energy	Country-specific energy mix	Power generating facility capacity [MW/year] × Annual operating hours × Emission factor [t-CO_2/MWh] × Sumitomo Corporation's ownership percentage	3,265 thousand t-CO_2e

Photo credit: @EMYN - Christophe Beyssier

▸ Natural Capital | https://sumitomocorp.disclosure.site/en/themes/27
▸ Respect for Human Rights | https://sumitomocorp.disclosure.site/en/themes/30

Sustainability Management

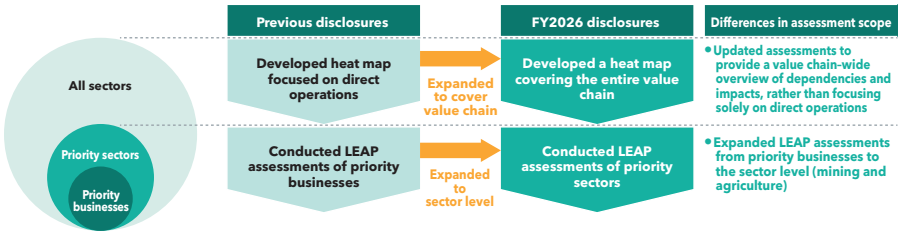
Natural capital initiatives

The Group operates various businesses, including infrastructure, mining, forestry, and agriculture, that are heavily dependent on nature. Therefore, we believe that making decisions with natural capital in mind is essential to ensuring the sustainability of our businesses while minimizing environmental impacts. Based on our medium-term targets for natural capital under our Material Issue, in FY2024, we clarified our definition of what it means to become "nature positive" as follows: "Minimize the impact of our businesses on natural capital and continue to transform our business to preserve and regenerate natural capital." We are also working to embed this concept across our organization. Through our businesses, we will accelerate efforts to both reduce risks and create opportunities aimed at conserving and restoring natural capital.

Risk mitigation

We made disclosures in September 2025 in accordance with recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). For our FY2026 disclosure, we expanded the scope of our analysis to cover our entire value chain. We also assessed our dependencies and impacts on nature, together with the related risks and opportunities, to support risk reduction across the value chain.

Key changes from previous disclosures



For further details, please refer to our Sustainability Disclosure website.

Creating opportunities

We note the existence of business opportunities for products and services that promote the shift toward a nature-positive and circular economy. In addition to pursuing businesses with near-term commercialization potential, we are undertaking proof-of-concept projects, as shown below, with a view to future commercialization.

- Joint research into commercialization of domestic production technology for recycled yellow phosphorus
- Feasibility study for commercial production of silicon carbide (semiconductor material) from CO_2 and silicon-based waste
- Feasibility study for battery recycling business development in Oceania

Human rights initiatives

Revision of Human Rights Policy

In response to changing international expectations and business conditions, we revised our Human Rights Policy in 2026. We added two new priority areas—"Technology and Human Rights" and "Environment and Human Rights"—and reorganized our most significant human rights issues into nine priority areas. We also incorporated information on our remediation efforts and the implementation and operation of our grievance mechanism. In addition, we clarified the Management Council's approval process and oversight responsibilities. At the same time, we renamed the Supply Chain CSR Action Guidelines, revised in 2013, the Sustainable Supply Chain Policy and added provisions on corrective guidance for business partners. We will continue our efforts to promote understanding and adoption of the policy.

Implementation and progress of human rights due diligence

To identify, prevent, and mitigate adverse human rights impacts arising from the Group's business activities and value chain, and to provide appropriate remediation and remedy, we began conducting human rights due diligence in 2020 and developed a Group-wide high-risk business map in FY2024. In FY2025, we began conducting focused human rights due diligence on the electronic materials (EMS*1) business, one of the businesses identified as high risk. Sumisho Global Electronics, which operates this business, is involved in a wide range of processes, from design support and electronic component procurement to printed circuit board assembly and final product assembly, and operates in 10 countries. Given the breadth of these operations, we determined that this business warranted priority attention in order to gain a more detailed understanding of human rights risks and consider appropriate response measures. In FY2026, we plan to conduct on-site assessments and consider necessary response measures based on the findings.

*EMS: Electronics Manufacturing Services

High-risk business map

Target businesses	Salient human rights issues related to business activities*2								
	Adequate wages and working hours	Safe, hygienic, and healthy working environment	Discrimination, violence, and harassment	Forced labor and child labor	Freedom of association and the right to collective bargaining	Rights of people affected by business activities	Privacy and personal information	Technology and human rights	Environment and human rights
Agriculture and food distribution	○	○	○	○	-	○	○	-	○
EPC and power generation	-	○	○	○	○	○	○	-	○
Apparel and fashion accessories	○	○	○	○	○	○	-	-	-
Mining (including minerals trading)	-	○	○	○	○	○	-	-	○
Marine transportation	○	○	-	○	○	○	-	-	-
EMS*1	○	○	-	○	○	-	-	-	-
Forestry (including forestry products trading)	-	○	-	○	-	○	-	-	○
Oil and gas (including trading)	-	○	-	-	○	○	-	-	○

*1 EMS: Electronics Manufacturing Services
*2 For details, please refer to the Human Rights Policy

▸ Annual Financial Report | https://www.sumitomocorp.com/-/media/Files/hq/ir/report/yuho/2025/202603yuho.pdf?sc_lang=en

Initiatives for Disclosure

Initiatives for disclosing sustainability information

We are working to enhance our sustainability-related disclosures based on international disclosure frameworks.

In FY2025, we began conforming with Japan's sustainability disclosure standards developed by the Sustainability Standards Board of Japan (SSBJ), which are consistent with the international standards developed by the International Sustainability Standards Board (ISSB). Specifically, we are progressively disclosing information in line with the Theme-based Sustainability Disclosure Standard No. 1 "General Disclosures" and the Theme-based Sustainability Disclosure Standard No. 2 "Climate-related Disclosures."

Based on these standards, we identify businesses that are material from a financial impact perspective and analyze the financial impacts, strategies, and mitigation measures associated with the selected risks and opportunities. At the same time, we are strengthening our governance and risk management frameworks to ensure that these risks and opportunities are addressed in a timely and effective manner. We are also steadily advancing our natural capital disclosures by building on our TNFD-based reporting and beginning to prepare disclosures in anticipation of future SSBJ disclosure requirements.

Going forward, we will strengthen our intelligence capabilities to accurately capture social trends, deepen dialogue with our stakeholders, and pursue approaches to disclosure that foster the sustainable enhancement of corporate value.

Initiatives to date

Climate change:

- Identified opportunities and confirmed business strategies for wide-ranging sectors significantly affected by changing business conditions

Boundary of Scenario analysis:
Expanded to 22 businesses in 6 sectors to disclose

- Disclosed financial impact indicators for selected sectors

Coal-fired power generation:
Investment/guarantee balances
LNG upstream interests: Exposure
Thermal coal and coking coal upstream interests: Exposure

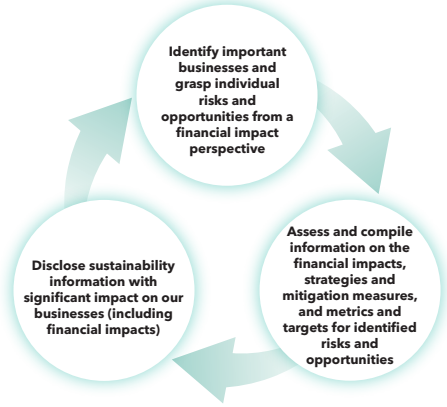
- Completed Scope 3 calculations

Nature: Early adoption of TNFD and trial disclosure

Human rights: Conducted human rights due diligence and disclosed progress

Built and strengthened information-gathering processes related to the above

Initiatives toward FY2026



Strengthen risk management and governance
frameworks to ensure timely and appropriate execution of the above

Climate-related disclosures ahead of mandatory reporting under the SSBJ Standards

To appropriately identify climate-related risks and opportunities and incorporate them into our business activities, we endorsed the recommendations of the TCFD in March 2019. We are now enhancing our disclosures in preparation for mandatory disclosure requirements under the SSBJ Standards. For further details, please refer to our FY2025 Annual Financial Report.

Governance

The Board of Directors is responsible for making key management decisions and supervising business execution, taking into account risks and opportunities related to climate change. In accordance with the Company's internal regulations, the Management Council and Executive Officers evaluate and manage climate-related risks and opportunities across the business portfolio and individual businesses. They also make decisions and execute business operations based on those assessments.

Strategy

In light of the global consensus reflected in the Paris Agreement, we established our Policies on Climate Change Issues to support society's transition to carbon neutrality, and we promote our business activities accordingly. In February 2026, we updated our carbon neutrality targets to align with emission categories in the GHG Protocol in order to strengthen accountability, reflecting progress in the calculation and disclosure of Scope 3 emissions and in anticipation of adopting the SSBJ standards. Taking into account the business model of each Group business, we identify climate-related risks and opportunities that could reasonably be expected to affect the Group's outlook (see the following page for details).

Risk management

We identify and assess various physical risks, such as reduced crop yields and operational disruptions due to flooding. We also identify transition risks, such as business contraction associated with the transition to a decarbonized society, as well as the financial impacts of carbon pricing and rising energy prices. We regularly report the monitoring results, response measures, and implementation status for such climate-related risks to the Management Council and the Board of Directors. These risks are also discussed and managed appropriately in accordance with the Company's internal regulations.

Metrics and targets

Based on its Policies on Climate Change Issues and the Material Issues, the Group has set a goal of achieving carbon neutrality by 2050. Covering Scope 1, Scope 2, and Scope 3 (Category 13 and 15), we have also established an interim target of reducing total emissions by at least 30% by FY2035 (compared with the FY2024 baseline level).

▸ Annual Financial Report | https://www.sumitomocorp.com/-/media/Files/hq/ir/report/yuho/2025/202603yuho.pdf?sc_lang=en

Initiatives for Disclosure

We identify the time frames over which climate-related risks and opportunities could arise and quantify their potential financial impacts. We recognize that, even if these risks materialize, their impact on the Group's business continuity would be limited because our business portfolio is diversified across a broad range of industries and geographic regions. With respect to transition risks, we believe the Group's business will remain resilient throughout the transition to a decarbonized society, even after taking into account the total estimated financial impact under the Net Zero Emissions by 2050 (NZE) Scenario. Through these disclosures, we aim to enhance transparency and comparability for investors while promoting a better understanding of the effectiveness and progress of our climate change strategy.

Climate-related risks and opportunities by individual businesses

The climate-related risks and opportunities that could affect our business outlook are as follows.

■ Positive impact ■ Negative impact

Business	Category	Details	Time Horizons/Financial impact		
			Short term	Medium term	Long term
Tubular products business	Transition risks	Risk of business contraction associated with the transition to a decarbonized society		Slight	Moderate
		Financial impact of carbon pricing		Slight	Slight
Shipping business	Transition risks	Risk of business contraction associated with the transition to a decarbonized society		Slight	Slight
	Business opportunities	Opportunity for business expansion associated with the transition to a decarbonized society			
Automotive business	Transition risks	Financial impact of carbon pricing		Slight	Moderate
Retail business	Transition risks	Financial impact of carbon pricing		Slight	Slight
		Financial impact of rising energy prices		–	–
Food business	Transition risks	Financial impact of carbon pricing		Slight	Slight
Copper business	Transition risks	Financial impact of carbon pricing		Slight	Slight
	Business opportunities	Opportunity for business expansion associated with the transition to a decarbonized society		+	+
Aluminum business	Transition risks	Financial impact of carbon pricing		Slight	Moderate
Thermal coal and coking coal business	Transition risks	Risk of business contraction associated with the transition to a decarbonized society		Slight	Slight
		Financial impact of carbon pricing	Slight		
Iron ore business	Transition risks	Risk of business contraction associated with the transition to a decarbonized society		Slight	Slight
Chemicals business	Business opportunities	Opportunity for business expansion associated with the transition to a decarbonized society		Slight	Slight
Agricultural materials distribution business	Physical risks	Risk of crop yield decline	Moderate	Moderate	Moderate
Power generation business	Physical risks	Operational disruption due to flooding	Moderate	Moderate	
	Transition risks	Risk of business contraction associated with the transition to a decarbonized society	Slight	Slight	Slight
Natural gas/LNG business (upstream interests)	Transition risks	Risk of business contraction associated with the transition to a decarbonized society		Slight	–
		Financial impact of carbon pricing		Significant	
Natural gas/LNG business (trading)	Transition risks	Risk of business contraction associated with the transition to a decarbonized society			Slight
	Business opportunities	Opportunity for business expansion associated with the transition to a decarbonized society		Slight	Slight
		Opportunity for shifting to low-carbon products		Slight	Slight
Offshore oil and gas production facility and chartering business	Transition risks	Risk of business contraction associated with the transition to a decarbonized society	Slight	Slight	Slight

Notes: 1. A positive impact / a negative impact on the Group's individual business.
2. In cases where "+" or "-" is indicated, this refers to risks or opportunities for which the financial impact has not been calculated.

Time frames

Short term : Through 2026, aligned with the Group's Medium-Term Management Plan (FY2026 is the final year of the current plan)

Medium term : Through 2035, aligned with the period covered by the Group's interim emission reduction targets

Long term : Through 2050, aligned with the Group's goal of achieving carbon neutrality by 2050

Financial impact on the relevant business (impact on profit for the year attributable to owners of the parent)*

Significant: ±¥30 billion to less than ±¥50 billion; Moderate: ±¥10 billion to less than ±¥30 billion; Slight: Less than ±¥10 billion

* The financial impact on the relevant business does not take into account mitigation measures implemented by the Company

Total assets of businesses exposed to climate-related risks and opportunities (as of the end of FY2025)*

	Amount (millions of yen)	Share of Group total (%)
Physical risk	564,893	4.1
Transition risk	796,029	5.8
Business opportunity	328,956	2.4

* Assets vulnerable to physical risk: Total assets of businesses exposed to physical risks
Assets vulnerable to transition risk: Non-current assets of businesses exposed to transition risks
Businesses for which the expected financial impact is considered limited are excluded.

Message from CAO and CCO

Bringing Together the Strengths of Our Global Talent to Enhance Medium- to Long-Term Corporate Value

Yasuhiro Yoshida
Representative Director, Senior Managing Executive Officer, Chief Administration Officer and Chief Compliance Officer

Our people: the driving force behind our growth strategy

We aim to achieve sustainable value creation by enabling each SBU to grow into a "No. 1 in Each Field" and contributing to the resolution of social issues. Our people are the greatest driving force behind realizing this goal. Their importance has become even greater as we advance our business portfolio transformation, execute our SBU strategies globally, and achieve significant growth under Medium-Term Management Plan 2026.

Enhancing our capabilities to address a changing business environment

The Group operates in a rapidly changing business environment shaped by rising geopolitical risks and technological advances, including generative AI. Accordingly, the social challenges we are expected to address are themselves evolving. Against this backdrop, the Group is working to optimize its business portfolio, and the roles and functions that each business provides are becoming more advanced. Meanwhile, the need for people with strong strategic execution capabilities has never been greater. Furthermore, the capabilities required are becoming increasingly diverse and sophisticated in both breadth and depth. These include the ability to envision businesses from a medium- to long-term perspective, lead business management by inspiring entire organizations, and drive continuous operational improvement and advancement.

Even if investment decisions and strategies are sound, the value created depends on the capabilities of the people responsible for driving the business on the ground. We believe the key is not simply the size of the workforce, but how effectively the organization develops and secures the breadth and depth of the capabilities it needs.

Enhancing talent management globally

To secure these capabilities across our global SBUs, we must enable our people around the world to further develop their individual strengths. As an organization, we must also maximize the value of those diverse strengths and combine them effectively. To make our SBU structure truly effective—one that manages everything from strategy formulation to execution and value creation on a globally integrated basis—we are expanding our talent management framework beyond Sumitomo Corporation in Japan to a global basis that includes our overseas offices. Among the personnel systems and practices that vary across regions, we will progressively aim to harmonize those that hinder integrated global management, while increasing the visibility of each individual's capabilities, skills, and experience. Our aim is to strategically deploy the "best talent" on a global basis.

Aligning individuals and organizations to deliver sustainable growth

To further develop the strengths of each individual within our global SBUs, it is essential that our people continue growing with self-discipline and self-direction, guided by their own "WILL"—their personal aspirations. Sharing Sumitomo's Business Philosophy and the Group's Management Principles as our common foundation, we align each individual's "WILL" with the Company's aspiration embodied in our corporate message, "Enriching lives and the world." This enables our people to approach their work with pride and a sense of purpose, set ambitious goals for themselves, embrace new challenges, and become "No. 1 in Each Field." We will continue investing in the "five fundamentals of human capital" to strengthen employee engagement and foster a virtuous cycle in which the growth of each of our people drives the growth of the Group's business, with the resulting achievements returned to our people as new opportunities for growth. Through this cycle, we aim to enhance corporate value over the medium to long term.

Human Capital

Our people

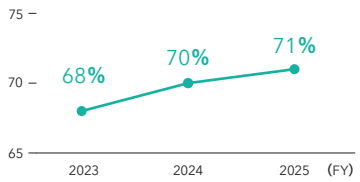
Human capital is the greatest driving force behind the Group's efforts to execute its management strategy of achieving "No. 1 in Each Field" and creating sustainable value. This approach is rooted in Sumitomo's Business Philosophy of "Business is People," which has been passed down through more than 400 years of our history. Building on this, we set forth our aspirations for both individuals and the organization in our Global HR Management Policy, which serves as our shared global vision for human capital management.

- Aspiration for individuals: Individuals who embrace the Group's vision and mission, have high aspirations, pursue continuous self-directed growth, and embrace the challenge of creating new value on a global scale.
- Aspiration for the organization: A Great Place to Work, where individuals maximize their abilities and continuously create new value, and an organization recognized for nurturing talent who continue to take on new challenges.

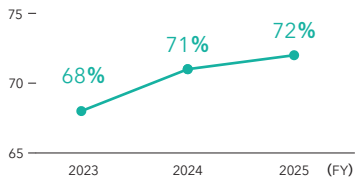
The Group's business operations are becoming increasingly diverse across regions, industries, and business models, while the external environment is undergoing rapid and discontinuous change. Against this backdrop, we are advancing human capital management to strengthen our strategy execution capabilities. To this end, we are enhancing the value of our human capital—the knowledge, skills, and experience of our diverse talent around the world—as well as the time and passion each individual devotes to their work.

To enhance the value of our human capital, we have identified five fundamentals of human capital as targets for investment and are making ongoing investments in them. Through investing in these fundamentals, we are enhancing employee engagement and fostering a virtuous cycle in which the growth of each of our people drives the growth of the Group's businesses and ultimately enhances corporate value. The resulting achievements are then returned to our people through the five fundamentals as new opportunities for growth.

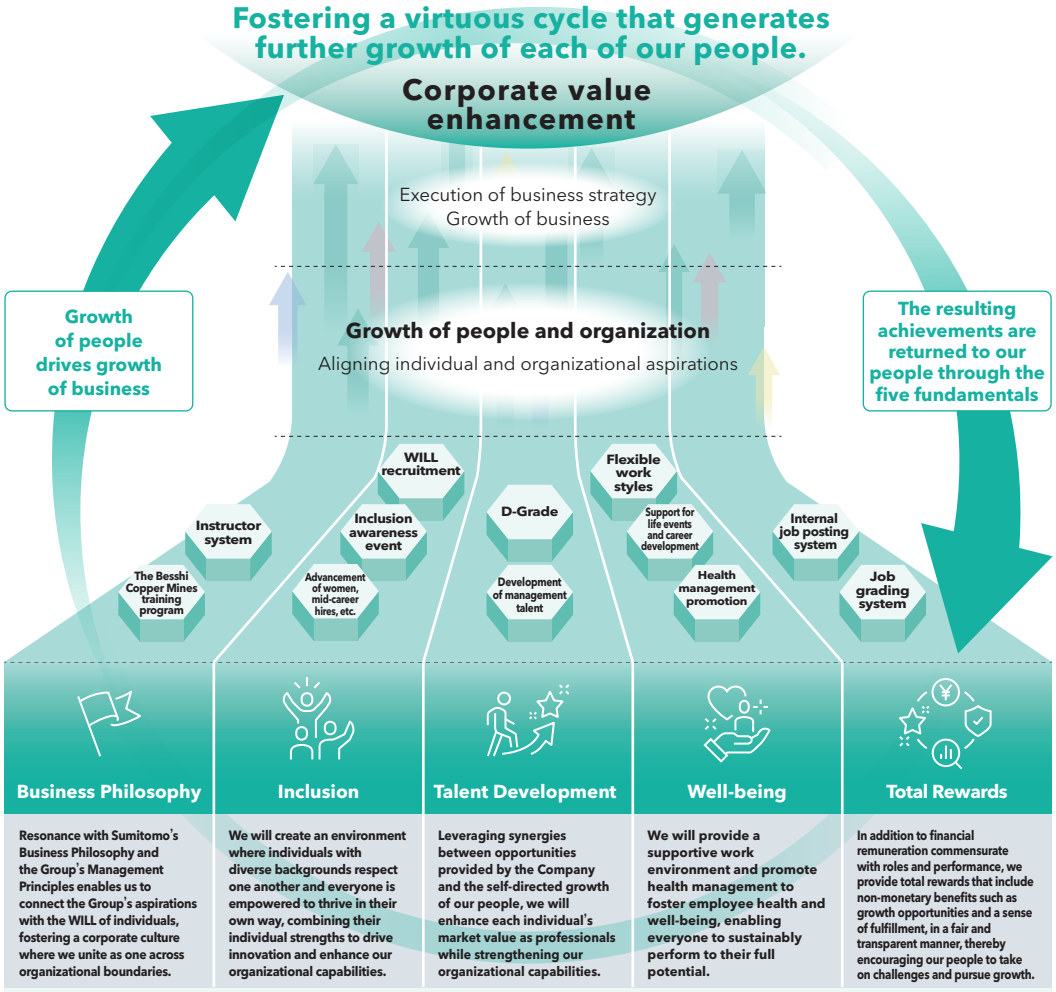
Employee engagement



Work environment



Five fundamentals of human capital investment and the corporate value enhancement cycle



By investing in these five fundamentals, we aim to create an environment where each of our people feels, "I want to continue growing here" and "I want to take on more ambitious goals" In other words, we aim to enhance employee engagement.

p.17 Value Creation Model

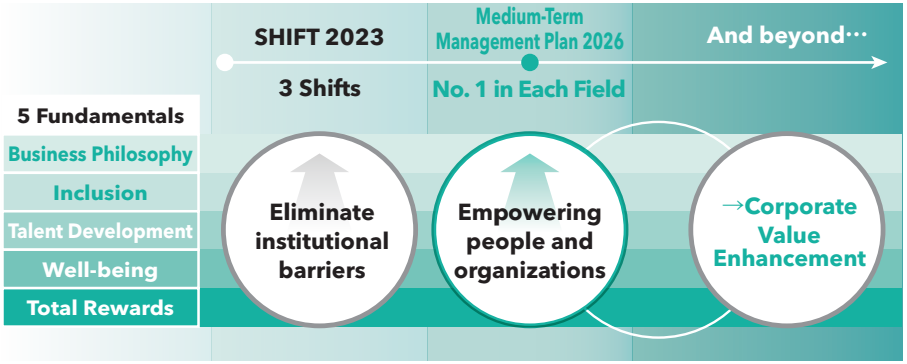
Human Capital

"Strategy Powered by People" —Realizing Medium-Term Management Plan 2026 and looking beyond

Alongside continuous medium- to long-term investment in the five fundamentals, we identify priority areas of human capital for each stage of our strategy and take measures to strengthen our strategy execution capability.

Under our previous medium-term management plan, SHIFT 2023, we pursued structural reforms to strengthen downside resilience and raise our earnings power. These included exiting low-profit businesses, implementing turnarounds, and reallocating management resources to steady business growth where we could better leverage our strengths. As a foundation for these initiatives, we overhauled our HR system and eliminated institutional barriers, such as seniority and job classification. This laid the groundwork for pursuing optimal talent deployment on a global basis, grounded in the principles of "Pay for job, Pay for performance," without being constrained by personal attributes, while focusing on each person's individuality, strengths, and values. Under Medium-Term Management Plan 2026, which marks a major shift toward a growth phase, we are building on the foundation established in the previous plan to achieve our goal of becoming "No. 1 in Each Field." To this end, we are focusing on "Empowering people and organizations," where individuals hone their own strengths, while our organizations maximize those strengths and combine diverse talents. We are also advancing and enhancing human capital management on a global basis to further strengthen our ability to execute global SBU strategies. We will expand the initiatives and achievements from our previous medium-term management plan—which focused on removing barriers in Japan—to a more global scale going forward. For example, goal management processes and evaluation systems vary by region, presenting a challenge for members around the world trying to work as a unified team to advance strategies toward a common goal. To remove these obstacles, we will progressively establish systems and frameworks that should be standardized globally, while enhancing the visibility of each talent's capabilities, skills, and experience to enable the strategic deployment of the best talent on a global basis.

HR roadmap for the future: Priorities aligned with the strategic stage



Initiatives to empower people and organizations

We conduct an annual engagement survey globally, including at regional organizations in Japan and overseas, to monitor the effectiveness of our initiatives to "empower people and organizations." When we look at initiatives in our current medium-term management plan by engagement survey item, we find that "Understanding of Business Philosophy" and "Respect & Recognition" have remained at consistently high levels. This reflects the results of our ongoing efforts, including the Besshi Copper Mine training program for employees hired overseas, the practice of Sumitomo's Business Philosophy and Group Management Principles in day-to-day operations, expanded programs that support diverse approaches to life and career, and raising awareness of inclusion. These efforts provide a strong foundation for an organizational culture where everyone is empowered to thrive in their own way. We also advanced operational reforms, including the delegation of authority over personnel-related matters to the front lines under each business group's autonomous management, as well as our global rollout of Microsoft 365 Copilot. These have led to significant improvements in "Quality & Customer Focus," "Authority & Empowerment," and "Work, Structure & Process" compared with the previous medium-term plan. They have also encouraged faster decision-making at the front lines and reduced internally focused work, leading to a mindset shift toward greater speed and a stronger focus on creating added value. Meanwhile, despite improvements in the areas of "Leadership" and "Development Opportunities," these still require further enhancement. In addition to nurturing organizational leaders through management talent development, we are working to foster self-leadership and empowering individuals to think and act on their own initiative. Going forward, we will further deepen these initiatives and accelerate the development of talent capable of envisioning and driving businesses on a global basis.

Engagement survey items	Compared with previous medium-term plan	
Understanding of Business Philosophy	Maintaining high levels	Strengths already demonstrated through long-standing efforts
Respect & Recognition		
Work, Structure, & Process	+9	Areas showing improvement
Quality & Customer Focus	+6	
Authority & Empowerment	+5	
Leadership	+2	Areas for further improvement
Development Opportunities	+2	

Human Capital

Enhancing individual growth and organizational capabilities

Diverse growth opportunities

With businesses in wide-ranging industries around the world, the Group offers diverse growth opportunities across a variety of roles and fields. These opportunities span a variety of business models, including trading and business investment; business stages ranging from start-up to growth and maturity; and roles in business and corporate functions, as well as secondments to offices and Group companies in Japan and overseas. By combining these experiences, individuals can hone their strengths and achieve significant growth.

To foster the self-directed growth of each individual and translate that into enhanced organizational capabilities, frontline organizations engage directly with employees to promote carefully planned development and placement. Through one-on-one meetings and career assessment interviews, for example, we align the Company's expectations regarding job responsibilities and development needs with each individual's career goals and the skills and experience required to achieve them, thereby ensuring that each person's career aspirations and our strategy are aligned.

Under our current medium-term management plan, certain authority over personnel transfers has been delegated from Corporate HR to the frontlines under our SBU structure. We are now able to promote more flexible, frontline-led development and placement tailored to individual employees in alignment with our business strategy.

We have also expanded our internal job posting system, which allows employees to apply directly for positions in departments where they want to take on new challenges, by increasing posting frequency and easing application requirements. This enables individuals to pursue careers aligned with their WILL, while allowing organizations to acquire the skills and capabilities they need from elsewhere in the Company.

Column: Talent development in the Energy Transformation Business Group

The Energy Transformation Business Group creates diverse growth opportunities by facilitating cross-organizational talent mobility among people with knowledge, experience, and expertise in different business domains, while taking into account each individual's aspirations and career goals. Specifically, we actively promote cross-organizational assignments, including by assigning personnel with expertise in market risk management and trading in the LNG business to our domestic retail electricity operations and creating opportunities for personnel with experience in power EPC and IPP to contribute to new business development within our Energy Innovation Initiative SBU. These initiatives strengthen both individuals and organizations. In deploying talent, we emphasize optimal Group-wide allocation, taking into account changes in the business portfolio and growth opportunities. Through these initiatives, we are creating a virtuous cycle of individual growth and enhanced organizational capabilities while strengthening the talent foundation that supports our efforts to become "No. 1 in Each Field."

Development of management talent

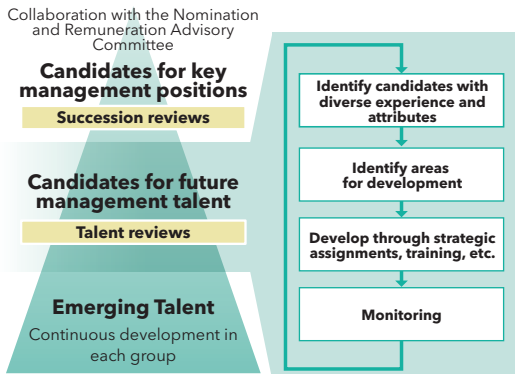
Looking ahead, we are placing particular emphasis on the planned development of management talent. In addition to conducting specific succession reviews for current key positions, we identify high-potential talent at an early stage to develop the next generation of management talent who will lead the realization of our medium- to long-term strategies. Through this approach, we are strengthening our pipeline of talent capable of leading our diverse businesses. This Group-wide initiative is driven collaboratively by the CEO and the heads of organizations in Japan and overseas. Together, we are clarifying the capabilities required of future management talent, based on the business outlook five to 10 years ahead.

We are also globally integrating the talent reviews and talent pools developed across individual regions and businesses. Through this, we are building and expanding a talent management platform that takes an integrated approach to identifying, developing, and deploying management talent. In addition, we are enhancing the global visibility of management talent candidates, including employees hired overseas and talent at Group companies, and linking them to succession plans and development initiatives. Through a seamless cycle of talent reviews and development, we aim to continuously build a talent pipeline to lead the Group in the future.

For future management talent candidates, we promote the acquisition and enhancement of capabilities through strategic assignments, including transfers across Group boundaries, experience in organizations operating in different segments (industries), and opportunities to take on larger assignments. In addition to selective development programs for management talent candidates, we conduct leadership programs for organizational leaders and senior executives entirely in English, providing opportunities for talent from Japan and overseas to learn and grow together.

We also combine mentoring and executive coaching to provide development tailored to each individual's growth needs. In this way, we are accelerating the development of management talent capable of succeeding globally.

Cycle of developing management talent and quantitative targets



Indicator	FY2025 results	Target
Strategic reassignment rate for next-generation management talent*	24.5%	Complete strategic reassignment of eligible talent within three years
Total number of participants in the management talent development program	23 participants	Maintain or increase number of participants

* Percentage of eligible talent who underwent strategic reassignment, such as transfers across Group boundaries, experience in organizations in different segments (industries), or opportunities to take on larger assignments

Human Capital

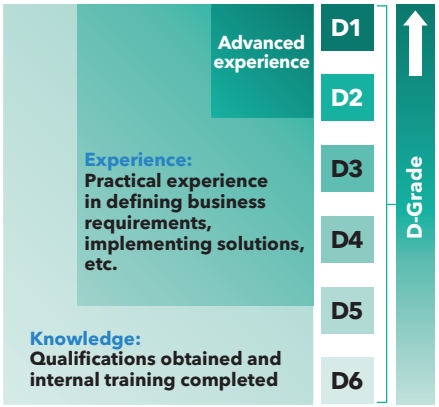
D-Grade: Digital skills certification system to support talent development for DAIS

Under our Digital & AI Strategy (DAIS; see p.30 for details), we aim to leverage digital technologies and AI across all of our Group's business operations to build new value creation models and lead the social and industrial transformation. Driving this strategy are our people, who bring knowledge and experience from diverse business operations. Enhancing the digital skills of each employee and deploying digital technologies and AI in the workplace will be the driving force that accelerates our transformation.

Based on this approach, we introduced D-Grade* in April 2026 as our unique digital skills certification system to enhance and visualize the employees' digital skills. D-Grade certification covers not only "knowledge" acquired through qualifications and training but also "experience" gained through practical application, such as defining requirements and implementing solutions. The system is designed to help employees progress step by step from acquiring knowledge to gaining practical experience in business operations, thereby supporting continuous growth.

While all employees are expected to acquire a certain level of digital skills, the system enables them to pursue higher levels based on their individual WILL and deepen their expertise in the digital domain. This allows employees to broaden their career potential by advancing their work, engaging in business development, and managing digital-related projects. On the organizational level, we will use our internal system to identify employees who have achieved higher-level certifications, enabling us to optimally allocate talent to support the execution of our strategy. We are also preparing for the global rollout of initiatives aimed at further enhancing digital skills.

* D-Grade: A six-level system consisting of four levels that certify knowledge and experience and two levels that certify advanced experience. Grades are based on training completed, qualifications obtained, and practical experience in implementing digital solutions.



Leading the social and industrial transformation through DAIS

- **Work with digital and AI partners (such as SCSK) on business planning, requirements definition, and implementation to create new value creation models**
- Require all officers and employees to attain a specified grade through knowledge acquisition and practical implementation experience
- D-Grade certifies a broad range of digital skills tailored to diverse business frontlines

Creating environments that empower our diverse talent

The Group believes that leveraging the strengths of talent with diverse backgrounds and experiences and combining those strengths leads to new value creation and innovation. Based on this belief, we are creating environments that enable diverse talent to fully realize their potential.

Inclusion & Connection Weeks

Since 2022, we have held annual company-wide awareness-raising events to help each officer and employee around the world recognize "inclusive actions they can take starting today" and reflect on their own attitudes and behavior. Our aim is to co-create an inclusive organizational culture rooted in "connections" by sharing the value of inclusion with each business group and our overseas regional organizations.

Global Connect Chat (one-on-one sessions in participants' native languages)

Family Day (visits to the CEO's office)

Regional initiatives in the Americas

Americas Week is Sumitomo Corporation of Americas' annual employee engagement event, bringing together colleagues from across North, Central, and South America to strengthen connections, share insights, and celebrate our collective impact.

Now in its ninth year, the hybrid program combines regional virtual sessions with local in-person activities, fostering a strong One Team mindset across geographies.

This year's highlights included the "Enrich & Nourish" volunteer campaign supporting local organizations in honor of World Food Day, a leadership panel featuring regional leaders discussing emerging business challenges, a professional development session open to all employees, and the always-popular "Americas Got Talent" competition showcasing the unique talents and creativity of teams across the region.

Mexico City

New York

▸ Sumitomo Corporation Corporate Governance Principles | https://sumitomocorp.disclosure.site/pdf/CorporateGovernance/principle_en.pdf
▸ Group Governance | https://sumitomocorp.disclosure.site/en/themes/38

Corporate Governance

Basic principles

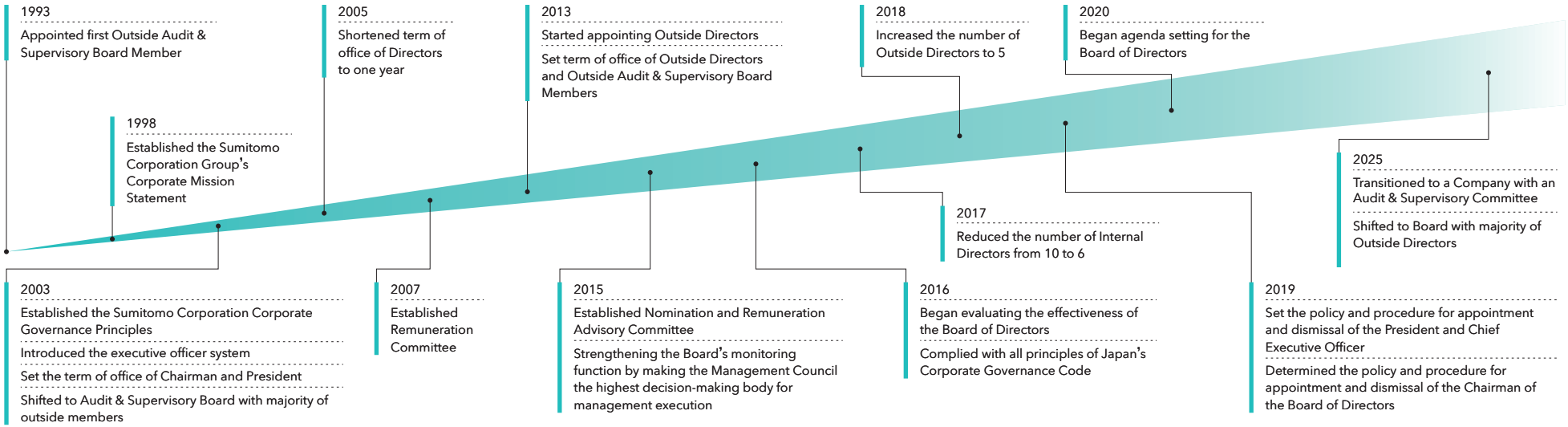
We believe that "Sumitomo's Business Philosophy" and the "Sumitomo Corporation Group's Corporate Mission Statement" form the backbone of our corporate ethics and serve as the foundation supporting our corporate governance. Based on this, we established the Sumitomo Corporation Corporate Governance Principles, 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. In accordance with these Principles, we strive to build a better governance framework and conduct our business activities appropriately. We believe that these efforts contribute to the Company's sustainable growth and the enhancement of corporate value over the medium to long term, while enabling us to fulfill our responsibilities to society and serve the interests of all stakeholders, including shareholders. We therefore remain committed to continuous improvement to further enhance our corporate governance.

Progress in transitioning to a Company with an Audit & Supervisory Committee and enhancing corporate governance

To accelerate the execution of growth strategies outlined in the current medium-term management plan, we transitioned to a Company with an Audit & Supervisory Committee in June 2025. The purpose of this transition was to ensure timely and accurate management execution while strengthening the effectiveness of the Board of Directors, which is responsible for decision-making on important matters and overseeing execution. As a result, Outside Directors now constitute a majority of the Board of Directors, further enhancing the diversity of perspectives represented on the Board. Under the new structure, we have steadily advanced the following initiatives.

(1) To enable more effective and efficient discussions focused on matters of importance to the Group, we reviewed the Board agenda and reorganized its monitoring priorities. The Board now monitors our business portfolio from both regional and time-horizon perspectives, as well as geopolitical risks and changes in the macroeconomic environment, from multiple viewpoints.
(2) By revising the Board's approval criteria, we expanded the authority delegated to management for decision-making on individual business matters, enabling more autonomous and agile execution. The Board of Directors has since focused its discussions on key management issues and major business transactions, including the full acquisition of SCSK Corporation, the acquisition of a U.S. aircraft leasing business, and the divestiture of the Ambatovy nickel project.

History of strengthening corporate governance

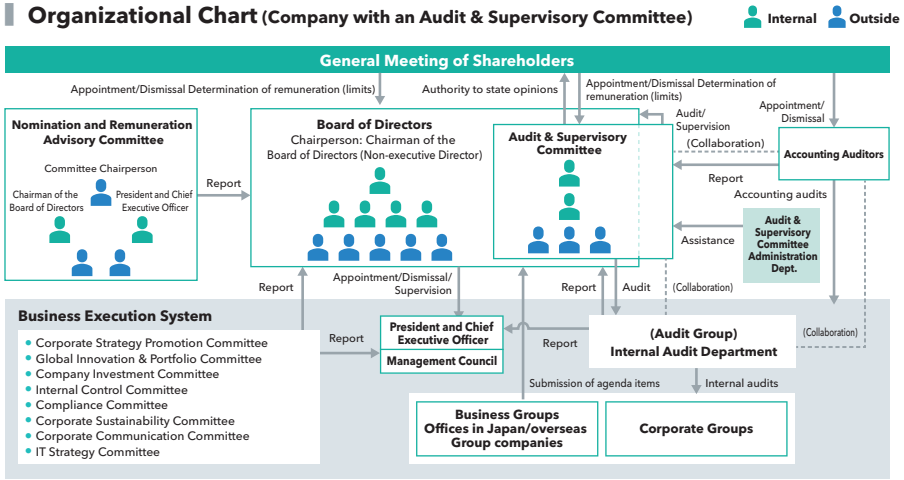


Corporate Governance

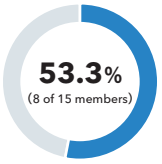
Corporate Governance Structure

Our Board of Directors now includes eight independent Outside Directors—constituting a majority of the 15-member Board of Directors—with a wealth of experience and a high degree of specialized knowledge and expertise in different fields. This structure enables more well-informed decision-making by the Board and further strengthens its supervision of management. We have also kept in place the Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors. The majority of the Committee's members are Outside Directors, and it is chaired by an Outside Director. This structure enhances the independence, objectivity, and transparency of the Board related to the nomination and remuneration of senior management. To strengthen supervision from an external perspective, three of the five members of the Audit & Supervisory Committee are independent Outside Directors. The Committee also includes one person with corporate management experience, one legal expert, and one accounting specialist, ensuring a multifaceted audit framework. Furthermore, Directors serving as Audit & Supervisory Committee Members are allowed to attend all key internal meetings, giving them access to all essential information required for effective audits. As a result, we believe we have established a highly effective and robust corporate governance framework.

Organizational Chart (Company with an Audit & Supervisory Committee)



Outside Directors on the Board



Female Directors on the Board

Board of Directors

Enhancing deliberations through effective agenda setting

The Board of Directors engages in careful discussions to determine the key management themes that should be prioritized for deliberation over the coming year, a process known as "agenda setting." As part of the agenda-setting process for the first year following our transition to a Company with an Audit & Supervisory Committee, we reorganized the Board agenda around the four monitoring themes shown below. This was intended to further strengthen the Board's monitoring function and facilitate more effective and efficient discussions focused on matters of strategic importance from a broader, company-wide perspective.

Compared with the previous year, a greater proportion of Board discussion time was devoted to company-wide management, stakeholder engagement, and internal control and risk management. This enabled the Board to engage in more in-depth discussions on a broad range of key company-wide management issues aimed at further strengthening its monitoring function. For individual business matters, our revision of the approval criteria expanded the authority delegated to management for decision-making. As a result, both the number of agenda items and the total discussion time decreased year on year, while the average discussion time per agenda item increased. This enabled the Board to devote more focused discussions to major business transactions, including the full acquisition of SCSK, the acquisition of a U.S. aircraft leasing company, and the divestiture of the Ambatovy nickel project.

Main topics discussed by the Board in FY2025

Topic		Examples of key agenda items
Company-wide management items	Progress of medium-term management plan	● Overall management review ● Business portfolio transformation
	Financial results and finance	● Annual quantitative plan ● Annual and quarterly financial results ● Funding plan ● Shareholder returns
	Sustainability*	● Updated carbon neutrality targets ● Partial revision of climate change policy and medium- to long-term materiality targets ● Social/environmental risk matters, including NGO-related issues ● Implementation of SSBJ Sustainability Disclosure Standards
	Human capital	● Global talent management ● Development of management/DX talent ● Fostering self-leadership ● Promoting generational diversity and women's advancement
	DX & IT	● Promoting Group-wide DX ● Strengthening corporate IT
Stakeholder engagement		● IR/SR activities ● Market and analyst evaluations ● Action to implement management conscious of the cost of capital and the stock price ● Corporate communications
Internal control and risk management		● Internal control and internal audit ● Enhancing the internal audit function ● Compliance
Individual business matters		● Major investment and acquisition transactions (including full acquisition of SCSK and the acquisition of a U.S. aircraft leasing company) ● Monitoring of businesses facing significant challenges (including the Ambatovy nickel project)

* p.40 For details, see the "Sustainability Management" section

Corporate Governance

Evaluation of the effectiveness of the Board of Directors

To maintain and enhance the effectiveness of the Board of Directors, we analyze and evaluate its effectiveness each year through assessments and multiple discussions by Directors, and we disclose a summary of the results. Our FY2025 Board effectiveness evaluation—the first since our transition to a Company with an Audit & Supervisory Committee—indicated that the transition had mostly achieved its intended objectives, namely, improving the agility and speed of management decision-making and strengthening the Board's monitoring function. In addition, both the survey responses and subsequent discussions confirmed that there are no major concerns regarding the effectiveness of the Board of Directors, which we consider to be functioning effectively.

Evaluation method

- Named (non-anonymous) questionnaire (covering all 15 Directors)

Function and role of the Board of Directors	Composition of the Board of Directors	Agenda items	Quality and content of discussions

12 evaluation items, including the above

- Based on the survey results, the Board held multiple discussions to evaluate and analyze the results, as well as to identify issues and discuss initiatives for improvement.

Some of the issues identified through the survey had already been recognized as areas requiring attention in FY2024. The Board considers these to be ongoing priorities and will continue addressing them in FY2026. We will steadily implement measures to address these issues, further enhance the effectiveness of the Board of Directors, and support the Group's sustainable growth and long-term corporate value creation.

FY2025 key priorities	FY2025 progress	FY2026 key priorities and planned actions
Stabilize operations under the new structure following institutional design changes	Revised submission criteria and reorganized agenda	Enhance the Board's monitoring function
Set agendas to enhance discussions on company-wide management themes		
Review the size of the Board and the desired backgrounds of Directors	Made Outside Directors a majority of the Board	Review and optimize the composition of the Board (skills, diversity, and size)
Review and implement the post-transition audit framework	Conducted in-person reporting on the annual audit policy and plan and established opportunities to share audit status and significant matters	Further leverage insights from the Audit & Supervisory Committee's activities and enhance the Board's monitoring of management execution
Strengthen coordination between the Nomination and Remuneration Advisory Committee and the Board of Directors	Established opportunity for semiannual activity report Observer attendance by the full-time Audit & Supervisory Committee Members	Improve nomination and remuneration governance through expanded reporting by the Nomination and Remuneration Advisory Committee

Further enhance the Board's effectiveness

Pursue sustainable growth and medium- to long-term corporate value enhancement

Support system for Outside Directors

We have established a dedicated department to help Outside Directors gain a deeper understanding of the Company and maximize their contribution to enhancing the effectiveness of the Board of Directors. We provide ongoing support for Outside Directors by summarizing key points of agenda items for Board meetings, facilitating communication between the Board and management, and providing the information and practical assistance necessary for the performance of their duties.

Orientation briefings

Newly appointed Outside Directors receive structured orientation briefings covering the Group's Management Principles, management policies, businesses, financial position, organizational structure, medium-term management plan, and risk management framework. They also receive a handbook that provides a comprehensive overview of the Group's management execution and corporate governance framework, as well as the relevant internal rules and procedures.

Site visits

We arrange site visits in Japan and overseas to help Outside Directors deepen their understanding of our business (FY2025: two domestic and one overseas site visit). For newly appointed Outside Directors, we also provide opportunities to visit Sumitomo-related facilities to enhance their understanding of Sumitomo's Business Philosophy.

Site visit to Oshima Shipbuilding Co., Ltd.

Site visit to Cove Point LNG facility (the United States)

Business strategy briefing by Group CEOs

To help Outside Directors better understand the strategies of each business group, Group CEOs are called to provide briefings on their respective group's strategies and execution status as well as hold dialogue sessions with the Outside Directors.

Pre-meeting briefings for the Board of Directors

To improve the efficiency of Board discussions, we provide Outside Directors with pre-meeting briefings on the outline and key points of each agenda item (FY2025: 12 sessions for Directors at the time, totaling around 21 hours). We also provide explanations of each agenda item to Audit & Supervisory Committee Members during their meetings, which are held prior to Board meetings. From FY2026 onward, we will continue arranging pre-meeting briefings on each Board agenda item to all Outside Directors, including Audit & Supervisory Committee Members.

Discussions at Outside Directors' meetings

To encourage active participation by Outside Directors in Board discussions, we hold a monthly Outside Directors' Meeting, consisting of Outside Directors, where they engage in robust discussion. In FY2025, the meetings included discussions on digital and intelligence-related topics, as well as exchanges of views with the Chairman, Vice Chairman, President and Chief Executive Officer, and securities analysts.

▸ Management | https://www.sumitomocorp.com/en/jp/about/company/officer
▸ Notice of Convocation | https://www.sumitomocorp.com/-/media/Files/hq/ir/stock/doc/ir/2025/158_e_shoshututi.pdf

Corporate Governance

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, specialization, gender, and other characteristics. Moreover, out of the 15 Directors appointed, eight are independent Outside Directors with differing experience 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 the 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. Skills (such as knowledge, experience, and competencies) that the Board of Directors is required to possess and the skills of each Director are listed below.

Skills of each Director

The skills of each Director are determined through discussions with the individual, taking into account their career background, knowledge, competencies, qualifications, and specific achievements in a comprehensive manner.

	Directors (excluding those who are Audit & Supervisory Committee Members)										Directors who are Audit & Supervisory Committee Members				
	Masayuki Hyodo Director, Chairman (Nomination and Remuneration Advisory Committee Member)	**Toshikazu Nambu** Director Vice Chairman	**Shingo Ueno** Representative Director, President and Chief Executive Officer (Nomination and Remuneration Advisory Committee Member)	**Reiji Morooka** Representative Director Executive Vice President	**Yasuhiro Yoshida** Representative Director Senior Managing Executive Officer	**Takashi Mitachi** Outside Director (Chair of the Nomination and Remuneration Advisory Committee)	**Takahisa Takahara** Outside Director	**Haruyasu Asakura** Outside Director (Nomination and Remuneration Advisory Committee Member)	**Nana Otsuki** Outside Director (Nomination and Remuneration Advisory Committee Member)	**Yasuko Gotoh** Outside Director	**Daisuke Mikogami** Director (Full-Time Audit & Supervisory Committee Member)	**Mitsuhiro Takeda** Director (Full-Time Audit & Supervisory Committee Member)	**Yukiko Nagashima** Outside Director (Audit & Supervisory Committee Member)	**Nobuo Inada** Outside Director (Audit & Supervisory Committee Member)	**Taisei Kunii** Outside Director (Audit & Supervisory Committee Member)
Attendance at Board meetings (FY2025)	16/16 (100%)	16/16 (100%)	16/16 (100%)	16/16 (100%)	–*1	16/16 (100%)	16/16 (100%)	16/16 (100%)	16/16 (100%)	–*1	16/16 (100%)	–*1	16/16 (100%)	16/16 (100%)	16/16 (100%)
Attendance at Nomination and Remuneration Advisory Committee meetings (FY2025)	8/8 (100%)		8/8 (100%)			8/8 (100%)	8/8 (100%)	–*1	–*1						
Attendance at Audit & Supervisory Committee meetings (FY2025)											17/17*2 (100%)	–*1	17/17*2 (100%)	17/17*2 (100%)	17/17*2 (100%)
Term of office	8 years*3	2 years*4	3 years	4 years	–	4 years	3 years	2 years	2 years	–	3 years*5	–	5 years*5	2 years*5	2 years*5
Shares owned in the Company (As of March 31, 2026)	253,900	85,600	113,800	77,500	18,200	0	0	0	0	0	38,800	60,800	0	0	0
Corporate Management	●	●	●	●	●	●	●	●		●	●	●	●		●
Investment/M&A	●	●	●			●	●	●	●		●	●	●		
IT/DX/Technology		●	●		●						●				
Sustainability	●		●			●	●		●	●				●	
Finance/Accounting	●	●		●	●			●	●	●		●			●
Legal/Risk Management	●			●	●	●				●		●		●	
HR Management & Development	●	●	●		●	●					●		●	●	

*1 Appointed in June 2026 *2 Of these, 6 meetings (April–June 2025) were convened as Audit & Supervisory Board meetings *3 Served as a Director of the Company for one year (June 2016–June 2017) in addition to above
*4 Served as a Director of the Company for 4 years (June 2019–June 2023) in addition to above *5 Includes period served as an Audit & Supervisory Board Member

Corporate Governance

Skills of Directors

Types of Skills, such as knowledge, experience, and competencies, that the Board of Directors is required to possess

All Directors of the Company, regardless of whether they are internal or Outside Directors, are required to be honest in character, as well as highly insightful and capable, in accordance with their respective qualifications. Also, the Company raises "No. 1 in Each Field" as a theme under Medium-Term Management Plan 2026, and the Company is transforming its business portfolio by leveraging the strengths of individual businesses to reinforce them and strengthening people and organizations, which are the driving forces for growth. Through such initiatives, the Company will strive to enhance the Group's competitive advantages and achieve growth by addressing social challenges. "Governance" and "Global perspective" are Skills that all Directors are required to possess, while we believe that the Board of Directors as a whole should possess the other seven Skills. Of these seven Skills, for Directors who are Audit & Supervisory Committee Members we place a particularly high priority on "Corporate Management," "Finance/Accounting," and "Legal/Risk Management." As the Skills that the Directors are required to possess might vary according to business strategies or changes in the external environment, the Board of Directors will continue to discuss the skills required, make necessary changes, and disclose such changes.

Skills that all Directors are required to possess and the reasons why these Skills are necessary

Governance

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

Global Perspective

From the perspective that the Company conducts business transactions and investments throughout the world, we believe that all Directors should have keen insight from a global perspective. We view that this Skill entails the ability to plan and implement an optimal business strategy that combines caution with flexibility even under extremely uncertain situations, taking into account different cultures, different industrial structures, the latest geopolitical developments, and so forth. We also view that this Skill includes the ability to appropriately supervise the execution of related management duties.

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

Corporate Management

The Company engages in a range of business activities, aiming for stable and sustainable increases in its corporate value. The Board of Directors is the body that sets the overall direction of management, exercises effective oversight of management execution from a broad and diverse perspective and makes decisions on the Company's important business matters which may affect company-wide management. It also implements an optimal business strategy for creating value in accordance with the Company's Management Principles while also meeting our stakeholders' expectations in a constantly changing operating environment.

Investment/ M&A

The Company invests in a diverse range of business domains. To identify investment opportunities that align with the Company's strategy and oversee their progress, we place particular importance on skills in investments and M&As. These skills include identifying investment themes, assessing alignment with the Company's strategy, appropriately valuing investment targets, monitoring investments after execution, and determining the optimal timing for asset replacement. Based on these skills, the Board of Directors makes and oversees key decisions relating to investment projects.

IT/DX/ Technology

As accelerating technological advancements transform societies and industrial structures, the Company will continue to create value by responding with agility to such change, by anticipating change to pursue business innovation, and by creating new businesses. We will also reform our own business foundation by making effective use of new digital technologies such as AI in our business activities in line with our own values. The Board of Directors is responsible for making key decisions in these areas and overseeing their implementation.

Sustainability

Having identified certain important challenges that need to be prioritized as Material Issues, and placed these issues at the core of its business management, the Company always pays attention to whether its businesses are contributing to society. We are pursuing sustainability management, which entails anticipating long-term changes in our operating environment relating to social issues and allocating management resources strategically to contribute to a sustainable society and achieve sustainable growth for the Company. Taking into account the awareness of international trends and an understanding of the relevant issues, the Board of Directors supervises the implementation of sustainability management.

Finance/ Accounting

To enhance its corporate value sustainability, the Company endeavors to achieve medium-to long-term earnings growth and increase its returns to shareholders while maintaining a healthy balance between investment for growth and a solid financial position. To enable us to make appropriate decisions and properly inform the Company's initiatives to stakeholders as we work forward toward these goals, we need to provide accurate, timely financial reporting.The Board of Directors also oversees these matters.

Legal/Risk Management

We consider three goals to be of key importance in ensuring that the Company achieves sustainable, robust growth: stabilizing performance, strengthening our financial base, and maintaining our corporate reputation. To achieve these goals, we conduct appropriate risk management using various means. These include assessing and analyzing the risks that accompany commercial transactions, business investments, and other business opportunities; keeping the Company's total Risk-weighted Assets to within our buffer (shareholders' equity); and maximizing Risk-adjusted Return. To this end, the Board of Directors oversees management execution by reviewing and monitoring transactions as well as investment and financing matters, considering compliance, legal risk, and other risk management factors.

HR Management & Development

Regarding human capital as its most important form of business capital, the Company provides each individual with opportunities for self-disciplined growth and self-realization and strives to upgrade its HR management cycle. Through such efforts, we are maximizing the performance of our diverse talents and the organization as a whole, thereby creating new value. We particularly emphasize DE&I, which we recognize as the core enabler for value creation, innovation, and competitiveness. The Board of Directors is responsible for making these important decisions and overseeing them.

Corporate Governance

Nomination and Remuneration Advisory Committee

Committee activities

Committee composition

The Nomination and Remuneration Advisory Committee is chaired by an Outside Director, and three of its five members are Independent Outside Directors, ensuring the Committee's objectivity. The primary reason for including Internal Directors on the Committee is to enhance the quality of its deliberations. In addition to merely providing information, senior internal executives, who are thoroughly familiar with the Company's business characteristics and corporate culture, offer their opinions on the design of the system in their capacity as Committee members. Their involvement helps reduce information asymmetry between internal and outside members while creating a highly effective framework that integrates external indicators with internal realities. When matters concerning an individual member are discussed, that member does not participate in the deliberations.

<Key matters reviewed by the Committee>

- FY2026 Director and Executive Officer appointments (including Management Council appointments and talent deployment based on the succession plan)
- FY2024 individual performance evaluations of Executive Officers
- President and CEO succession plan
- Restricted performance share unit-based remuneration for executives (review of non-financial indicators, performance levels, and remuneration structure)
- Systematization/implementation of the President and CEO evaluation system

Succession planning

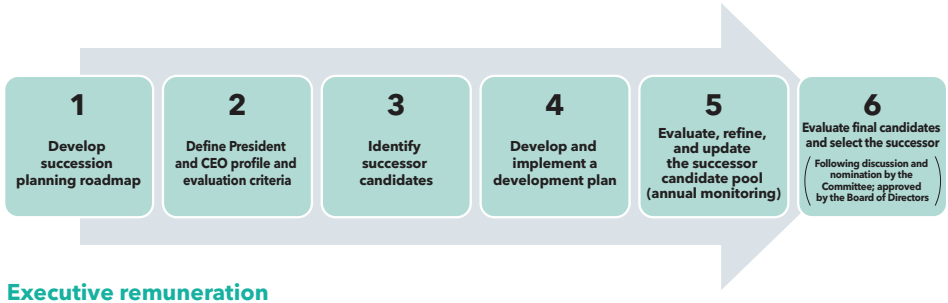
President and CEO requirements and qualities

The Company defines the criteria for selecting its President and Chief Executive Officer as embodying Sumitomo's Business Philosophy and possessing the necessary qualities and capabilities. To systematically develop a pool of such talent, the Company actively provides a range of opportunities, including job rotations and assignments that offer global and diverse business and management experience, as well as training programs.

President and CEO selection criteria	
Qualities	Being fair and impartial and being disciplined and self-controlled
	Having leadership and the ability to get messages across
	Having foresight and the ability to develop strategies
	Having the ability to get things done and to make innovative changes
	Possessing perseverance and mental fortitude
Experience	Global and diverse experience and achievements in business operation
	Global and diverse experience and achievements in company management
Other (if any)	

Selection process

Taking into account the President's term of office (which, in principle, does not exceed six years), Nomination and Remuneration Advisory Committee Members and other relevant parties share a schedule leading up to the anticipated transition period following the President's appointment. The current President prepares the candidate list, and the Nomination and Remuneration Advisory Committee monitors succession planning by reviewing and updating the list each December. The Nomination and Remuneration Advisory Committee, chaired by an Outside Director, deliberates on the selection criteria and succession plan, with the Board of Directors making final decisions. This process ensures objectivity and transparency.



Executive remuneration

Remuneration structure

- Executive remuneration (within the maximum amount approved by the General Meeting of Shareholders) is reviewed by the Nomination and Remuneration Advisory Committee and submitted to the Board of Directors for resolution.
- Remuneration for Executive Directors and Executive Officers consists of (1) Monthly remuneration, (2) Performance-linked bonus, and (3) Restricted performance share unit-based remuneration. Remuneration of the Director, Chairman, 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 designed to enhance shareholder value, in addition to monthly remuneration. Remuneration of the Director, Vice Chairman is structured in the same manner. Remuneration of Outside Directors who are not Audit & Supervisory Committee Members consists solely of fixed monthly remuneration, reflecting their role in supervising management with a high degree of objectivity and independence.
- Remuneration of Directors who are Audit & Supervisory Committee Members also consists solely of fixed monthly remuneration, reflecting their role in supervising management with a high degree of objectivity and independence. The specific remuneration amount is determined through discussions among the Directors who are Audit & Supervisory Committee Members, within the maximum amount approved by the General Meeting of Shareholders.

Corporate Governance

Executive remuneration

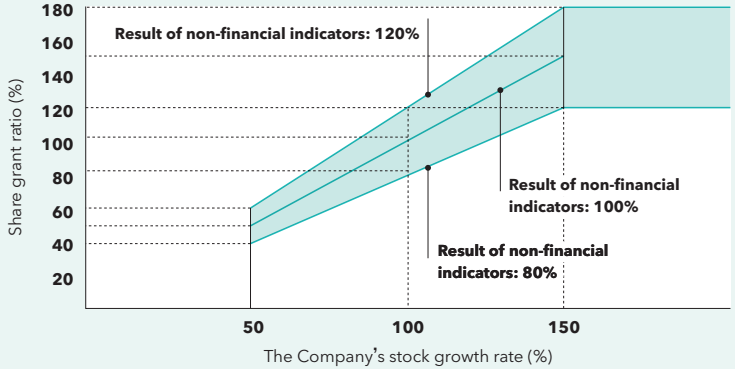
Remuneration structure

Remuneration types and purposes		Eligibility	Annual maximum amount (total)	CEO's remuneration (illustrative)*1	Summary
Fixed	**Monthly remuneration**	10 Directors who are not Audit & Supervisory Committee Members (5 Internal Directors and 5 Outside Directors)	¥700 million*2	22%	Payment determined by the recipient's title
Variable	**Performance-linked bonus** Purpose: Enhance alignment of remuneration with business strategy and performance	3 recipients (President and CEO, 1 Executive Vice President, and 1 Senior Managing Executive Officer)	¥750 million	27%	【Total amount】 The Company sets a performance target as either the full-year forecast for consolidated net income for each fiscal year or consolidated net income corresponding to an ROE of 12%, whichever is higher. The total performance-linked bonuses to be paid are determined based on the rate of achievement against this target. 【Amount paid to individuals】 The total bonus pool is allocated to each recipient based on his/her title and individual performance evaluation. Individual performance is assessed using a 50:50 weighting of financial and non-financial indicators. Key Group-wide priorities—including DX, sustainability, and DE&I—represent 20% of the overall evaluation, with the specific weighting differing depending on each executive's area of responsibility.
Variable (shares)	**Restricted performance share unit–based remuneration** Purpose: Promote management with a focus on enhancing the Group's medium- to long-term corporate and shareholder value	5 recipients (Chairman, Vice Chairman, President and CEO, 1 Executive Vice President, and 1 Senior Managing Executive Officer)	600 thousand shares/ ¥2,600 million	51%	Each year, the number of shares to be granted is determined based on the Company's share growth rate over the three-year evaluation period. The number of shares is then adjusted to reflect the evaluation results for environmental and social non-financial indicators and granted as restricted stock.

*1 The above breakdown is calculated on the assumption that the rate of achievement of business results, the stock growth rate, and the results based on non-financial indicators are all 100%. The composition ratios for each type of remuneration vary according to changes in these rates.
Share price growth rate: Reflects price changes over a three-year period. Calculation method: {(Average price of the Company's common shares in the month of termination of Evaluation Period) / (Average price of the Company's common shares in the month of commencement of Evaluation Period)} / {(Average of TOPIX in the month of termination of Evaluation Period) / (Average of TOPIX in the month of commencement of Evaluation Period)}
*2 Separately, remuneration of Directors who are Audit & Supervisory Committee Members is set at an annual maximum of ¥250 million, as approved by a resolution of the General Meeting of Shareholders.

Method for calculating the number of shares to be delivered

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



Non-financial indicators for determining the share grant ratio under restricted performance share unit-based remuneration

Indicator	Evaluation criteria	Evaluation ratio
Measures to tackle climate change	Reduction of the Group's CO_2 emissions (achievement of annual targets) and progress in developing businesses that support the energy cycle through social infrastructure transformation (overall performance is assessed at the Group level based on the achievement of SBU-specific targets and related initiatives)	Reflected in evaluation using a ratio of 1:1:1*3
Advancement of women into leadership roles	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 "work environment" in engagement surveys (improved year on year and achieved the Group average)	

*3 Performance against these indicators is reviewed and determined by the Nomination and Remuneration Advisory Committee, which is chaired by an Outside Director and composed of a majority of Outside Directors, then reported to the Board of Directors.

Corporate Governance

Audit & Supervisory Committee

Following shareholder approval at the General Meeting of Shareholders held on June 20, 2025, the Company transitioned to a Company with an Audit & Supervisory Committee. The Audit & Supervisory Committee is an independent statutory body that, together with the Board of Directors, performs the Company's oversight function. Acting on behalf of shareholders, it also supervises the execution of duties by Directors. To protect the interests of shareholders and other stakeholders, the Committee will diligently fulfill its responsibilities to further strengthen the corporate governance of the Company and the Group. In doing so, it will support sound and sustainable growth, create corporate value over the medium to long term, and earn the trust of society.

Focus of audits

In an uncertain global environment, the Group seeks to enhance sustainable corporate value over the medium to long term by effectively managing a wide range of risks while aligning its business activities with its material issues. As the Group strives to achieve this objective, the Audit & Supervisory Committee will conduct audits focusing on the following priority areas to ensure that the soundness of its business activities is maintained and enhanced.

1. Expanding our earnings base

(1) Progress of Medium-Term Management Plan 2026

(2) Business portfolio transformation

(3) Digital & AI Strategy

2. Agile risk management initiatives

(1) Addressing geopolitical risks

(2) Cybersecurity

3. Sustainability initiatives

4. Governance and compliance

(1) Strengthening global and Group governance

(2) Embedding a culture of compliance

5. Corporate culture

(1) Fostering organizational transparency

(2) Engagement of officers and employees

Audit & Supervisory Committee activities (FY2025)

The Audit & Supervisory Committee meets once a month in principle. In FY2025, it met 17 times and discussed a total of 94 agenda items. Main agenda items included 20 matters for resolution or deliberation, such as audit policy, audit plan, and audit report, and 74 reporting items, including reports on internal audits, reports from the independent auditor, and advance briefings on agenda items for the Board of Directors. Separate from the Committee's formal agenda, we held 13 off-site sessions to discuss various topics, including the effectiveness of the Committee.

In addition, the Audit & Supervisory Committee pursued the following initiatives to improve the efficiency and quality of its audit activities.

(1) Dialogue with Management and Executive Officers (Number of people who had dialogues: 139)

The Audit & Supervisory Committee held regular meetings with the Chairperson of the Board of Directors and the President and Chief Executive Officer to exchange views on management policies and issues that the Company should address. In addition, through interviews and other means with the heads of domestic and overseas corporate groups and business groups, as well as presidents of Group companies, the Audit & Supervisory Committee obtained and reviewed information on the status of operations and assets, compliance with laws and regulations, and loss risk management systems, and examined the status of the execution of duties.

(2) Attendance at important meetings (Number of meetings: 197)

Audit & Supervisory Committee Members, in addition to attending meetings of the Audit & Supervisory Committee, attend meetings of the Board of Directors in their capacity as directors. Furthermore, in order to understand the process of important decision-making and the status of the execution of duties by officers and employees, they attended important meetings, including the Management Council, General Managers' Meeting, Management Strategy Meeting, Company Investment Committee, Internal Control Committee, Compliance Committee, Corporate Sustainability Committee, and Nomination and Remuneration Advisory Committee, and expressed their opinions as necessary.

(3) On-site audits of regional organization/group companies (Number of on-site audits: 47)

(Regional organizations) 5 locations in Japan; 14 locations overseas (Subsidiaries) 19 in Japan; 9 overseas

Audit & Supervisory Committee Members conducted on-site audits of domestic and overseas regional organizations and Group companies, and through interviews with heads of those organizations and other relevant personnel, obtained information on the status of organizational management and issues, as well as the development and operation of internal control systems, thereby making efforts to gain a thorough understanding of on-site conditions.

(4) Enhance group governance

The Audit & Supervisory Committee Members exchanged opinions and shared information with statutory auditors of subsidiaries and other Group companies through information briefing sessions and company-specific meetings, and expressed their views as necessary. In addition, by reviewing audit activity reports submitted by statutory auditors dispatched by the Company, they made efforts to understand the management conditions of subsidiaries and other Group companies, as well as the status of audit implementation.

▸ Corporate Governance Report | https://sumitomocorp.disclosure.site/pdf/37/CGR_e_HP.pdf

Corporate Governance

(5) Cooperation with internal control/internal audit organizations

The Audit & Supervisory Committee Members regularly exchanged information with the internal control/internal audit organizations and attended the President's briefing sessions conducted by the Internal Audit Department (held monthly). In addition, by receiving reports on the results of internal audits at meetings of the Audit & Supervisory Committee and utilizing such internal audit results, they enhanced the effectiveness of the audit functions of the Audit & Supervisory Committee.

(6) Cooperation with accounting auditor

Regular meetings were held with the accounting auditor to ensure that audit-related reports could be received in a timely and as-needed manner. In addition, proactive exchanges of views and information were conducted on audit-related matters, including key audit issues concerning major subsidiaries and issues related to audits of internal controls.

Nobuo Inada
Outside Audit & Supervisory Committee Member

Message from Outside Audit & Supervisory Committee Member

Even before the Company transitioned to its current governance structure, we conducted extensive interviews with various internal groups, domestic and overseas offices, and Group companies under the former Audit & Supervisory Board system. The detailed findings were shared among all Audit & Supervisory Board members and have been utilized in our audit activities. Following our transition to a Company with an Audit & Supervisory Committee, we have expanded these initiatives by inviting senior executives from each business group to meet with the full Committee for active exchanges of views. Through these initiatives, we strive to identify issues facing each business group in a timely manner and further enhance the effectiveness of our audit activities. Beginning this fiscal year, we will also invite senior executives from the Corporate Group to participate in these discussions.

We are also enhancing our information sharing and dialogue with the Internal Audit Department and the independent auditor, with the aim of making audit activities across the Group more effective and efficient.

Our approach to holding listed Group companies

Benefits of being a listed Group company include establishing a solid financial basis including better financing capacity; enhancing credibility through the establishment and operation of a governance system, including the transparency of business management and internal control; increasing the corporate presence; increasing brand strength in hiring employees; further developing trust with business partners as well as the higher credibility of its services and businesses; and enhancing motivation among the officers and employees of the Group company.

We believe that by dispatching executives, etc., to each Group company through equity participation, we will be able to have more effective dialogue and collaboration, which will increase each other's corporate value, generate synergies, and ultimately maximize the corporate value of our Group. The significance of holding shares of each listed Group company in our business strategies is disclosed in our Corporate Governance Report. Going forward, the Company will continue to review the significance of holding these shares and the significance of listing them, taking into account changes in the business environment surrounding each listed Group company and the nature of collaboration and cooperation with the Company.

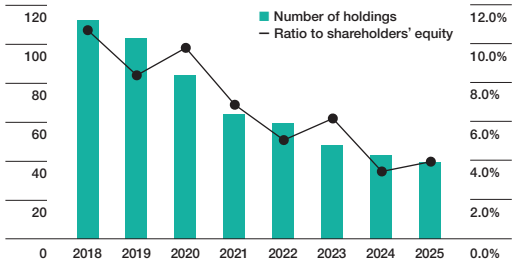
Note: The Group has three listed affiliates: WELLNEO SUGAR (Prime Market, Tokyo Stock Exchange), Mammy Mart (Standard Market, Tokyo Stock Exchange), and Japan Process Development (Standard Market, Tokyo Stock Exchange). The Group has no listed subsidiaries.

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 might 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 the significance of holding the stocks in light of the necessity of partnering or other business needs. Each year, the Board of Directors reviews whether 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 FY2025, the Company sold shares of 11 listed stocks (either in whole or in part), amounting to ¥42.0 billion in total. As of the end of March 2026, the Company's shareholdings in listed companies covered 39 stocks, with a total balance of ¥179.0 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 item 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.



▸ Sumitomo Corporation's Corporate Governance System | https://sumitomocorp.disclosure.site/en/themes/37

Risk Management

Basic policy and framework

We define "risk" as "the possibility of losses due to the occurrence of anticipated or unanticipated situations" and as "the possibility of not achieving the expected return on business activities." We identify and manage risk factors for each business and have set three items as the goals of our risk management activities: "Stabilize performance," "Strengthen the financial base," and "Maintain our corporate reputation." For each risk factor, in addition to autonomous responses taken by each business group, we implement responses by corporate departments and receive support from various committees consisting of members with specialized expertise.

Regarding major risks that have a significant impact on our business operations, we have established a system for monitoring and making decisions at the Management Council and Board of Directors levels.

In response to the growing macro risks arising from factors such as geopolitical developments and climate change, which can have both short-term concentrated impacts and long-term widespread effects, the Management Council and the Board of Directors continuously discuss the potential implications for the Company's business operations and the corresponding mitigation measures. Through these discussions, we are working to further enhance and strengthen our risk management framework.

Risk factors and key countermeasures

Risk factors	Key countermeasures	Related Committees, Departments, and others
Investment risks	Establish Investment Selection Guidelines, carefully select investments through a two-stage review process (evaluation and execution), and conduct post-investment PMI and monitoring	Company Investment Committee
Credit risks	Credit risk management and monitoring based on the internal credit rating system, and obtaining collateral and guarantees	Company Investment Committee
Commodity market risks	Set position limits and loss limits	Company Investment Committee
Geopolitical risks	Develop and implement Group-wide policies based on monitoring, information gathering, and analysis of specific countries and regions	Intelligence Council
Country risks	Monitor country-specific exposure and maintain appropriate insurance coverage	Company Investment Committee
Interest rate and foreign exchange risks	Monitor interest rate and foreign exchange trends and utilize derivatives for risk management	Finance Dept., Risk Management Dept.
Stock price fluctuation risks	Review of the rationale for holding listed shares and divestment of shares with no recognized strategic holding rationale	Finance Dept., Investment Management Dept. No. 1
Fixed asset impairment risks	Monitor asset and real estate business strategies	Company Investment Committee
Information security risks	Establish an Information Security Policy, implement technical safeguards, maintain incident response capabilities, and provide employee training	IT Strategy Committee
Legal and compliance risks	Implement and maintain a compliance framework based on the Sumitomo Corporation Group Compliance Policy, ensure appropriate case management, and promote ongoing compliance awareness	Compliance Committee
Litigation risks	Manage business operations, transactions, and contracts, as well as legal proceedings, including the initiation, defense, and settlement of litigation	Legal Dept.
Social and environmental risks	Formulate social and environmental policies, leverage external expertise, and review and monitor investment projects	Corporate Sustainability Committee, Company Investment Committee
Natural disaster risks	Develop disaster countermeasure manuals and business continuity plans (BCP), and conduct drills	Disaster Response & Safety Management Dept.
Operational risks	Formulate basic policies for internal controls, and develop, operate, and monitor internal control systems	Internal Control Committee
Fund liquidity risks	Secure sufficient liquidity by utilizing cash and deposits, commitment lines, and to diversify its procurement sources and methods	Finance Dept.
Risks pertaining to deferred tax assets	Assess and monitor recoverability based on projected future taxable income	Accounting Controlling Dept.
Human capital risks	Recruiting, developing, and empowering talent, as well as implementing and monitoring global HR initiatives	Global HR Committee

Investment Risk Management

We have adopted an integrated investment management framework that oversees the entire investment process from origination to exit, with the aim of building "No. 1 in Each Field" under Medium-Term Management Plan 2026.

Depending on the size and strategic importance of an investment opportunity, management deliberations are conducted at both the consideration and execution stages through the Management Council and its advisory body, the Company Investment Committee*1, or the Group Management Council*2 (see Figure 1). Following confirmation of the relevant SBU strategy discussed at the GIPC*3, we then conduct in-depth discussions from an early stage on the investment's strategic rationale and alignment, the assumptions and feasibility of post-investment value-up initiatives, economic evaluations based on our investment criteria, and other key success factors, including ESG considerations (see Figures 2 and 3). In addition, based on lessons learned from past large-scale investments, we have also established investment selection guidelines that are systematically applied to the evaluation of new investment opportunities. Through this disciplined decision-making process, we carefully select investments that leverage our core strengths and contribute to sustainable growth.

Furthermore, we have introduced COMPASS, an AI-powered platform that leverages insights from past investment cases to support the identification of key risks and investment considerations (see Note 4). By leveraging digital technologies and AI, we are enhancing the quality and consistency of our investment decision-making process. Moreover, to strengthen our commitment for value creation at portfolio companies, we have implemented a performance-based evaluation/compensation system linked to portfolio company performance (see Note 5).

Phase I. Strategy formulation → Consideration of individual investment opportunities → Investment execution

Figure 1: Decision-making process

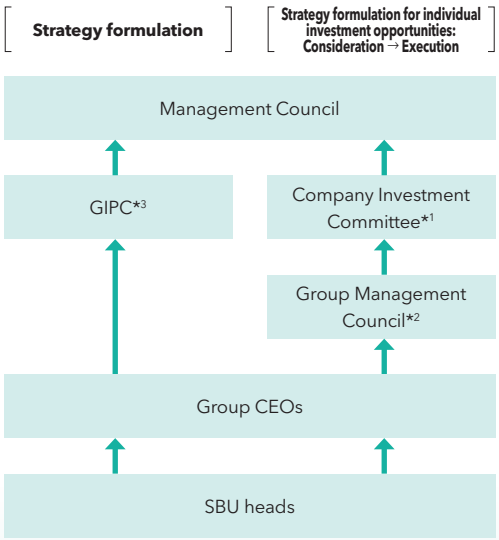


Figure 2: Two-stage review process and evaluation criteria for major investment projects

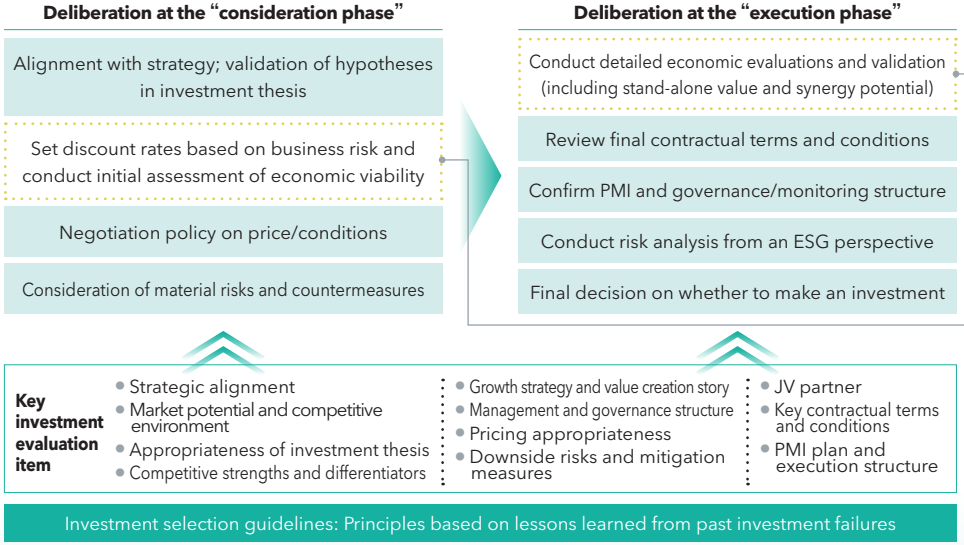


Figure 3: Investment criteria

(quantitative criteria by investee category)

Discount rate used for NPV calculations

WACC*4 or cost of capital, taking into account the investee's business characteristics and country or regional risks

Investment evaluation based on project NPV*5

NPV based on the investee's free cash flow (investee's business plan is closely reviewed by Sumitomo Corporation and, where appropriate, stress-tested)

Investment evaluation based on equity NPV

NPV based on dividend income

Note 4: Introduction of COMPASS, a generative AI-powered investment decision support tool

In 2025, we developed an AI-powered platform that leverages approximately 30 years of data, including around 1,500 Company Investment Committee meeting minutes, to support the identification of key risks and discussion points.

When evaluating new investment opportunities, we seek to enhance the quality of investment decision-making by drawing lessons from comparable past investments and failed cases.

Note 5: Introduction of a new remuneration system linked to the performance of investment

In 2021, we introduced a performance-based evaluation and compensation system linked to portfolio company performance in order to strengthen accountability for the achievement of investment plans and the realization of value creation in new investment projects.

The program primarily applies to managerial-level personnel who are accountable for the execution of business plans and the achievement of performance targets at portfolio companies.

*1 Advisory body to the Management Council that gives recommendations on investment decisions for individual investment opportunities
*2 Decision-making bodies within the business groups
*3 GIPC (Global Innovation & Portfolio Committee): Advisory body to the Management Council that reviews, from a Group-wide perspective, strategies that should be prioritized for allocating management resources, as well as cross-organizational strategic initiatives
*4 WACC: Weighted average cost of capital
*5 NPV (Net present value): Investment value calculated by discounting future cash flows to their present value

Investment Risk Management

Following an investment, we implement a "100-Day Plan" as the initial phase of the PMI*1. This includes establishing business-specific KPIs to enhance management visibility, developing a medium-term management plan to maximize enterprise value, and building a governance structure. We also provide ongoing support to investees based on our GMP*2 (see Figure 6).

Through our investee monitoring framework, meanwhile, we regularly review our portfolio companies with a focus on the growth potential and profitability of each investee. Our business groups periodically assess the strategic rationale for holding each investment, while the Management Council reviews and discusses ownership strategies for large-scale investments. For new investments above a specified threshold, post-investment reviews are conducted against the original investment plan to identify emerging issues at an early stage and implement corrective actions where necessary (see Figure 7). In parallel with identifying exit candidates based on our exit criteria (see Figure 8), we are working to transform our business portfolio and accelerate portfolio turnover.

We also support the enhancement of investment capabilities and know-how through internal training programs based on past investment cases and lessons learned from unsuccessful investments, as well as through the development of investment-related playbooks. In addition, we promote personnel exchanges between business groups and risk management–related departments to develop talent and further strengthen our investment and business management capabilities (see Note 9).

Phase II. Investment execution → Investment monitoring

Figure 6: Formulation and implementation of the 100-Day Plan as PMI

- Development of management infrastructure including the governance system
- Formulation of medium-term management plan
- Development of specific value enhancement initiatives by the Company
- Setting and monitoring of optimal KPIs
- Establishment of an optimal management team to drive value enhancement
- Design of evaluation/compensation system for investee management

We are building a foundation for the early stabilization of our investees and the steady enhancement of their business value.

For large-scale projects, PMI is carried out by cross-functional teams that include relevant corporate functions.

Figure 7: Business portfolio review focusing on the growth potential and profitability of investees and the progress of new investment projects

- All consolidated subsidiaries are classified into four quadrants based on the EBITDA growth rate and EVA*3, and each business group periodically reviews its holding policies.
- For large business companies that have a significant impact on our overall company-wide performance, the Management Council discusses the holding policy for each company, taking into account the category of four quadrants and market value trends.
- For new investment projects above a certain threshold, we review performance and progress against the original investment thesis during the first several years following the investment by comparing actual results with the original investment plan. The results are then reported to the Management Council.

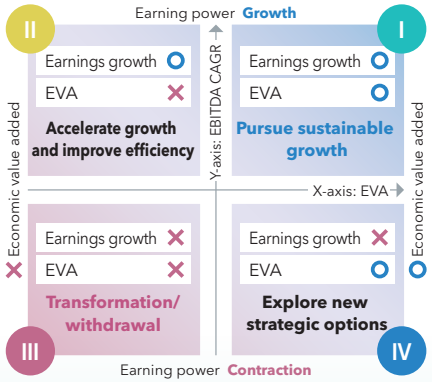
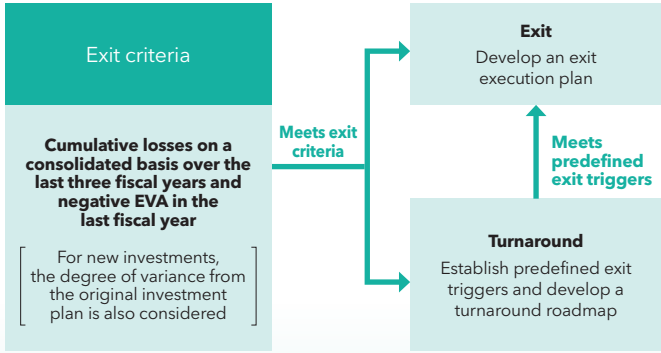


Figure 8: Exit criteria

- In principle, any investee that triggers the exit criteria should be designated for exit. If a turnaround strategy is pursued, a turnaround roadmap with predefined exit triggers must be developed and the necessary internal approvals should be obtained.
- The policy for portfolio companies that trigger the exit criteria, as well as the progress of their exit or business turnaround plans, is reported to the Management Council semiannually.



Note 9: Investment-related training, internal materials, and personnel exchanges

- Leveraging best practices from across the Group and lessons learned from past investment challenges, we deliver internal training programs covering practical aspects of investment execution, including financial modeling, due diligence (DD), documentation, PMI, and governance. In addition, we have developed tools such as M&A playbooks and divestment playbooks to strengthen practical investment capabilities across the organization.
- We also promote personnel exchanges between business groups and the risk management–related departments to cultivate professionals with expertise in both investment execution and portfolio management.

*1 Post-merger integration (PMI): Post-investment integration activities aimed at generating synergies and enhancing corporate value
*2 Group Management Policy (GMP): A policy that sets forth the principles and framework to be respected by Sumitomo Corporation and its Group companies in pursuing the maximization of the Group's overall corporate value. The GMP is founded on three principles: Jiritsu (Self-discipline), Dialogue, and Collaboration.
*3 Economic value added (EVA): Economic value added after deducting the cost of capital applicable to each business

Information Security

▸ Information Security Policy | https://www.sumitomocorp.com/en/jp/security
▸ Privacy Policy | https://www.sumitomocorp.com/en/jp/privacy
▸ Annual Financial Report | https://www.sumitomocorp.com/-/media/Files/hq/ir/report/yuho/2025/202603yuho.pdf?sc_lang=en

Basic policy and framework

To respond appropriately to risks related to information security, we have built a management structure centered on the IT Strategy Committee, which is chaired by Chief Information Officer (CIO). The IT Strategy Committee considers the development and revision of the Information Security Policy and other internal rules and systems related to information security as well as individual information security measures. With respect to personal information, we have established the Privacy Policy and have put in place related rules and an organizational structure to ensure appropriate protection.

Important matters considered by this committee are submitted to the Management Council for decision-making and supervision. The implementation status of information security measures and the status of information security incidents are reported annually by the IT Strategy Committee to the Management Council and the Board of Directors.

In addition, as information security measures at major subsidiaries, we are continuously working on improvement and monitoring through the Group's internal control framework with respect to such matters as the development of rules on information assets, the provision of education and training for officers and employees, and the establishment of a structure for crisis management response and recovery planning.

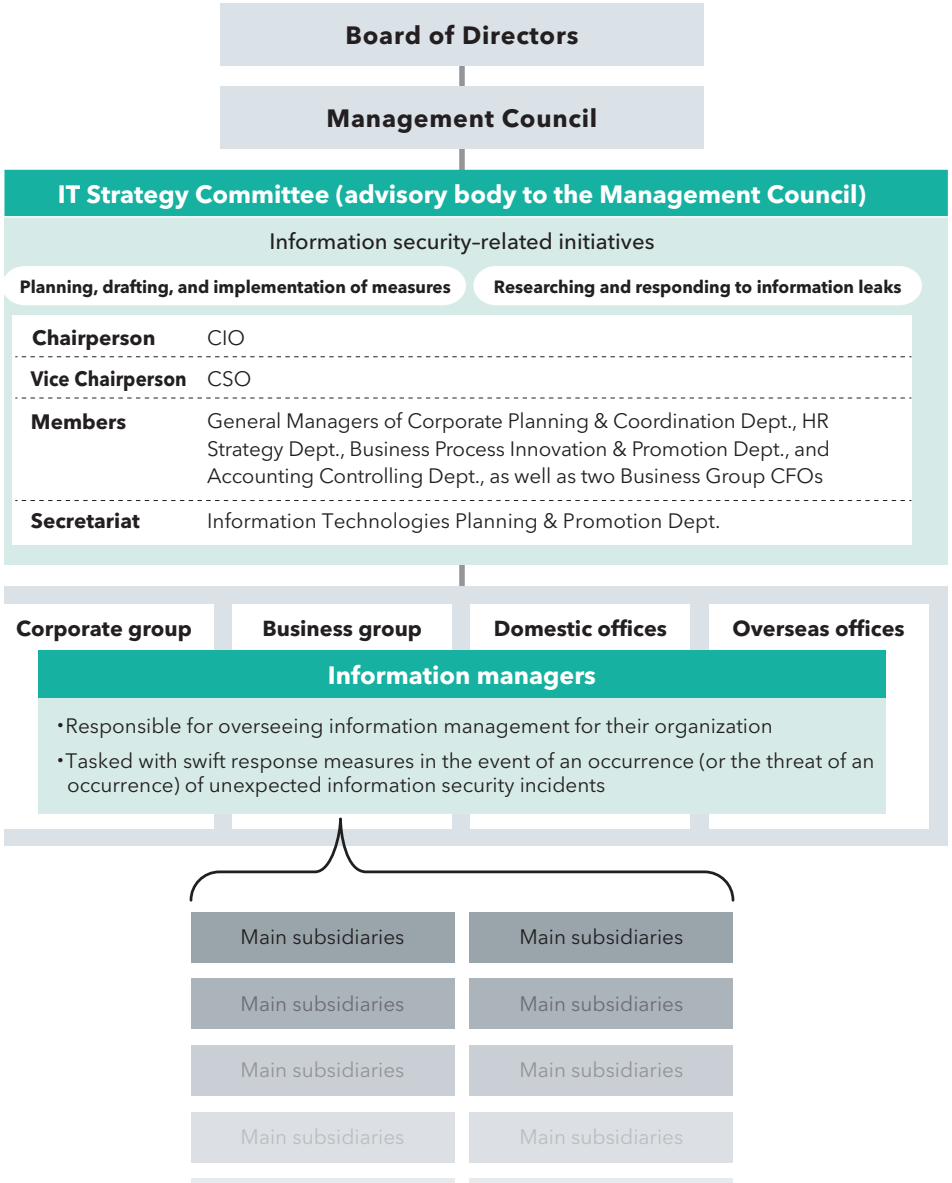
Risks and opportunities

As cyberattacks become increasingly sophisticated and advanced, information leakage or business suspensions could have a seriously adverse impact on the Company's business activities and business performance. We also recognize that strengthening information security measures contributes not only to reducing risks related to cyberattacks but also to enhancing trust from customers and business partners, ensuring business continuity, and maintaining and enhancing competitiveness.

In our IT services business, we are creating new opportunities and driving growth by capturing demand for security products and services while expanding solutions that leverage leading-edge technologies.

For more information on our strategy and risk management related to information security risks and opportunities, please refer to our Annual Financial Report.

Information security management system



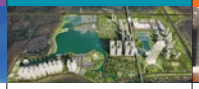
3

Performance & Data

Contents

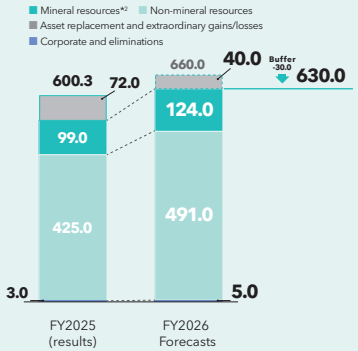
64 List of Group Businesses
65 Business Groups
Steel Group/Automotive Group/
Transportation & Construction Systems Group/
Diverse Urban Development Group/
Communication Services Group/Digital AI Group/
Lifestyle Business Group/Mineral Resources Group/
Chemical Solutions Group/
Energy Transformation Business Group
75 Summary of Key Financial Indicators
76 Segment Information
77 Summary of Non-Financial Indicators
78 Company Information
79 Global Network
80 Dialogue with Stakeholders
81 External Recognition

List of Group Businesses

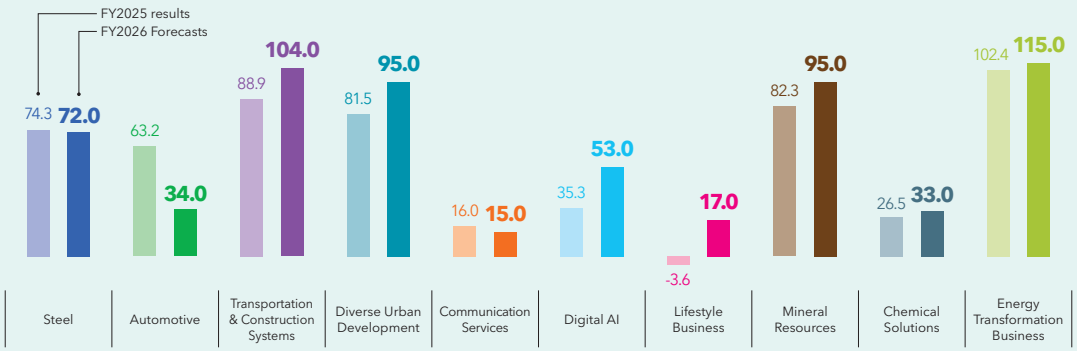
Group	Steel	Automotive	Transportation & Construction Systems	Diverse Urban Development	Communication Services	Digital AI	Lifestyle Business	Mineral Resources	Chemical Solutions	Energy Transformation Business
										
SBU*1	• Steel Group CFO Office • Energy Tubular • Steel Products • Steel GX	• Automotive Group CFO Office • Manufacturing, Engineering and Robotics • Automotive Sales & Marketing • Mobility Services • Tire	• Transportation & Construction Systems Group CFO Office • Leasing • Commercial Aviation • Aerospace Defense & Technology • Ship & Marine • Construction & Mining Systems	• Diverse Urban Development Group CFO Office • Real Estate • Global Urban Development • Industrial System & Material • Logistics and Insurance • Social Infrastructure	• Communication Services Group CFO Office • Smart Communication Platform • Next-Generation Telecommunication • Media • Innovation & Investment	• Digital AI Group CFO Office • Digital • Digital Strategy & Promotion Dept. • Information Technologies Planning & Promotion Dept.	• Lifestyle Business Group CFO Office • Retail • Food • Healthcare	• Mineral Resources Group CFO Office • Non-Ferrous Metals • Aluminium • Coal and Nuclear Fuel • Ferrous Raw Materials and Carbon • Commodity Business	• Chemical Solutions Group CFO Office • Basic Chemicals • Electronics • Green Chemical • Life Science • Agri Business	• Energy Transformation Business Group CFO Office • Energy Innovation Initiative • Japan Energy Solution • Overseas Energy Solution • Indonesia Energy Solution • Gas Value Chain
Business Lines	• Trade of steel products (steel sheets, tubular products and railway products) • Processing of steel sheets, tubular products and railway products, and other related businesses	• Manufacturing, distribution, finance, lease, and peripheral businesses of automotive products, tires and related products, as well as mobility service business	• Trade and operations for ships, aircraft, and aerospace related products, as well as general lease & finance business • Sales, services, rental, and trading of construction, mining, agricultural, and industrial equipment, together with related products	• Real estate, including office buildings, retail facilities, residences, logistics facilities, hotels, and real estate funds • Development and management of sustainable cities and industrial parks • Construction material and equipment business, including cement and industrial facilities • Integrated logistics infrastructure business and insurance business • Social infrastructure and digital infrastructure business, including transportation, airports, water infrastructure business, and submarine communication cables	• Smart communications infrastructure business and value-added service business • Businesses related to fifth-generation (5G) mobile communication systems • Media businesses in cable television and multi-channel programming distribution • TV shopping business and video content-related business • Global Corporate Venture Capital and private equity	• Digital and AI Solution Business	• Domestic and overseas retail businesses such as supermarkets and brands • Food products including perishable food (meat, fruits, and vegetables) and food raw materials (fruit juice, grains, oils, sugar, and sweeteners) • Healthcare business, such as drugstores, dispensing pharmacies, managed care, primary care	• Development and trading of non-ferrous metal raw materials such as copper, nickel, and aluminium, precious metals, coal, iron ore, and nuclear fuel, trading of carbon-related raw materials and products, non-ferrous metal products and related businesses, commodity derivatives, etc.	• Businesses related to basic chemicals (organic/inorganic chemicals and plastics), green chemicals, semiconductor/ battery materials, electronics, pharmaceuticals, cosmetics, animal health products, veterinary medicine, agricultural materials (e.g., crop protection products, fertilizers), and next-generation agriculture and food production systems	• Carbon-free energy-related business • New power and energy services business • Carbon management business (nature base) • Power infrastructure business • Maritime infrastructure business • Bunker fuel and lubricant supply and next-generation marine fuel business • LNG projects and city gas distribution • Trading of natural gas, power, environmental products, and LNG • LPG business

*1 SBU: Strategic Business Unit

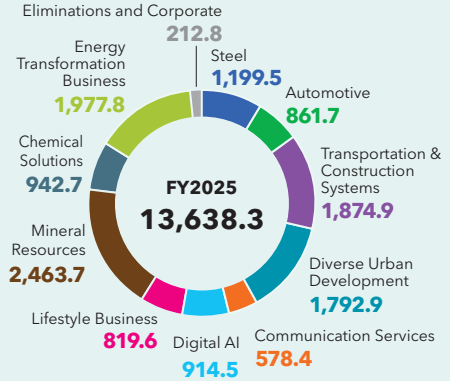
Profit for the year by mineral and non-mineral resources (Billions of yen)



Profit for the year by segment*3 (Billions of yen)



Total assets by segment (Billions of yen)



*2 Mineral resources is a sum of Mineral Resources Group and Gas Value Chain SBU within Energy Transformation Business Group. *3 Profit for the year by segment is rounded to the nearest billion yen.

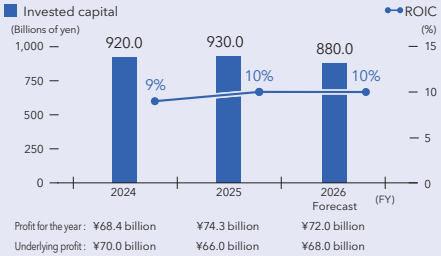
Steel Group

Leverage our global steel product supply chain to create new functions and value through the use of digital and AI.

Main relevant material issues >

Katsuya Inubushi
Group CEO, Steel Group

Quantitative information



FY2025 Investment | Approx. ¥8.0 billion

Main investment areas

- Manufacturing business for the foundation of offshore wind power generation (monopile) in Europe
- High-value-added specialty steel business in India
- Acquisition of Canadian OCTG distributor

Major asset replacement

- Divestiture of Sekal AS

Business Development

A global network with unrivaled strengths in steel products and tubular products

Energy Automotive Building materials Electrical equipment Railways

Supply of steel pipes for energy development in the North Sea

Manufacturing business for the foundation of offshore wind power (monopile)

U.S. railway materials and equipment

Steel service center operations worldwide

Special steel manufacturing business in India

Supply of oil country tubular goods (OCTG) and line pipe to major energy companies

Steel pipe recycling business in North America

External Environment: Business Environment

Opportunities

- Pursuing growth in the U.S. and India, where steel demand is expected to increase
- Increasing demand for steel materials and equipment that fosters stable energy supplies
- Increasing demand for steel products related to decarbonization and the green circular economy

Risks

- Global steel supply-demand imbalance
- U.S. tariff measures
- Deterioration in economic and social conditions due to geopolitical risks

Internal Environment: Key Strengths

- Expertise, solution capabilities, and an extensive customer network in steel products and tubular products
- Global development of a strong supply chain firmly rooted in each region
- One of the world's largest oil country tubular goods (OCTG) distribution businesses and strategic partnerships with energy majors
- Leading market shares in unique segments such as railway products
- Addressing geopolitical risks through a regional portfolio strategy

Business Strategy

- Engage in global supply chain management for steel products to swiftly address changes in the global steel industry and thus strengthen and expand business
- Strengthen regional sales capabilities and manage inventory risk to improve resilience to market volatility
- Enhance the supply chain through DX and AI technologies

Medium-Term Management Plan 2026

Initiatives in final year of medium-term management plan

- Invest in a monopile (foundation of offshore wind power generation) manufacturing business in Europe to help realize a decarbonized society through the greening of the supply chain
- Actively strengthen and expand asset replacement focused on growth businesses to improve ROIC
- Introduce an AI platform to improve asset efficiency and enhance business processes across the supply chain

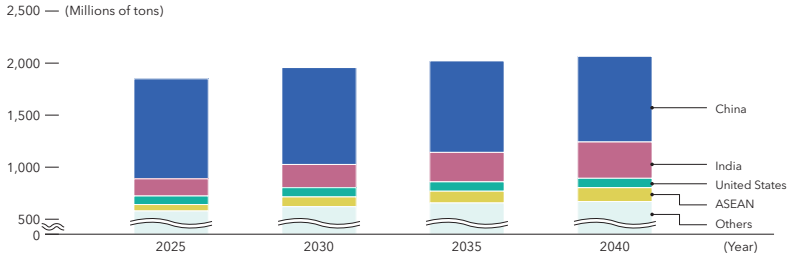
Initiatives for next medium-term management plan

- Continue promoting asset replacement while expanding investment in growth markets and enhancing procurement and sales capabilities through the use of digital technologies and AI
- Expand our existing strength (our global supply chain) while further enhancing capabilities and expanding business across a broad range of industrial sectors

Key Market Trends

We will strengthen and expand the foundation of our global steel product supply chain by capturing opportunities from rising steel demand, particularly in markets with strong growth potential.

Global crude steel production outlook



Source: Wood Mackenzie*

* The data and information provided by Wood Mackenzie should not be interpreted as advice, and you should not rely on it for any purpose. You may not copy or use this data and information except as expressly permitted by Wood Mackenzie in writing. To the fullest extent permitted by law, Wood Mackenzie accepts no responsibility for your use of this data and information except as specified in a written agreement you have entered into with Wood Mackenzie for the provision of such data and information.

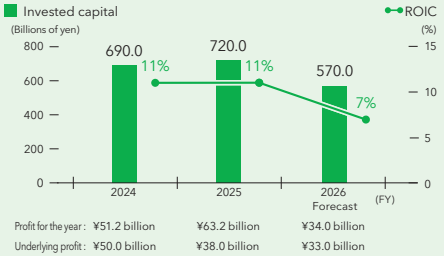
Automotive Group

Lead the transformation of mobility and create new values.

Main relevant material issues >

Takao Kusaka
Group CEO, Automotive Group

Quantitative information



FY2025 Investment | Approx. ¥17.0 billion

Main investment areas

- Automotive parts manufacturing business (capital investment)

Major asset replacement

- Divestment of Midas (U.S. tire retail business)
- Divestment of SML Isuzu

Business Development

- Engineering services
- Manufacture of automobile parts
- Automotive sales and marketing
- Leasing, rental, subscriptions
- Tire sales
- Automotive finance
- Car park operations
- Other services

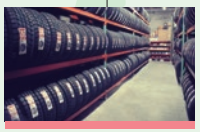
Aimo Park

Sumitomo Mitsui Auto Service

SC Automotive Engineering

Automotive sales and marketing business

KIRIU Group


TBC Corporation

External Environment: Business Environment

Opportunities

- Growing demand for automobiles in emerging regions, such as ASEAN and the Middle East
- New business opportunities stemming from changes in market and customer needs due to proliferation of electrification, car sharing, autonomous driving, and environmentally friendly vehicles, as well as advancement of reuse and recycling
- Changing competitive landscape and accelerated restructuring in each sector of the automotive industry due to technological innovation

Risks

- Negative changes in business environment and supply chain disruptions due to geopolitical risks
- Slower economic growth and rising business costs due to inflation and high interest rates

Internal Environment: Key Strengths

- Global business portfolio covering a wide range of the automotive sector—including manufacturing, sales, leasing, and services—built on a comprehensive view of the automotive value chain and with an eye toward the next generation of mobility
- Networks and partnerships with major OEMs and other key players in the industry
- Operational experiences and talent pool in various countries around the world, including high-volatility regions
- Frontline business management expertise and execution capabilities
- Strong business foundation in the mobility sector and the ability to create value by leveraging that foundation

Business Strategy

- Promote growth by expanding the product lineup and sales and service network in the automotive sales and marketing business
- Expand services and capture new business opportunities in the mobility services sector centered on the automotive leasing business
- Enhance the value of existing businesses and increase the profit scale of new businesses

Medium-Term Management Plan 2026

Initiatives in final year of medium-term management plan

- Reinforce the foundation of our automotive sales and marketing business through sales network expansion
- Strengthen domestic and overseas automotive leasing operations
- Expand the customer base of our engineering business by focusing on new customer acquisition

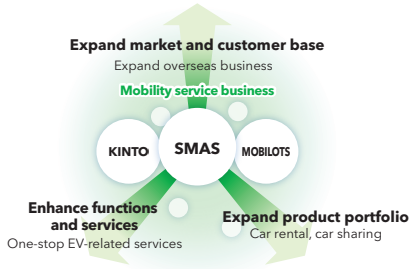
Initiatives for next medium-term management plan

- Expand the sales network and enhance supply chain management through digital transformation (DX) of the automotive sales and marketing business
- Expand and strengthen overseas operations and related areas in the automotive leasing business
- Expand the customer base and transaction volume in the engineering business
- Accelerate collaboration with SCSK

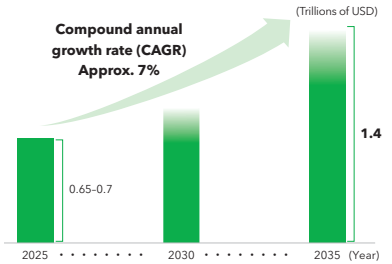
Key Market Trends

We aim to capture market growth centered on our core businesses and expand our profit scale.

Growth strategy for the mobility services business



Automotive leasing market (Worldwide)



Source: Our estimates based on market research

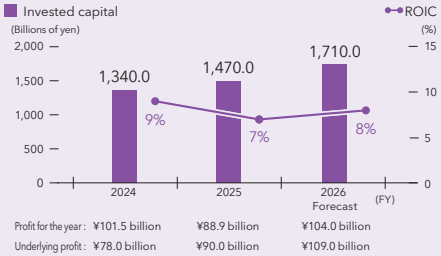
Transportation & Construction Systems Group

Drive ESG management in the construction equipment, shipping, and aerospace businesses, and leverage financial solutions and cutting-edge technologies to create new social value in the global market.

Main relevant material issues >

Takao Kusaka
Group CEO, Transportation & Construction Systems Group

Quantitative information



FY2025 Investment | Approx. ¥50.0 billion

Main investment areas
- Acquisition of U.S. aircraft leasing company
- Acquisition of leading helicopter leasing company by SMFL

Major asset replacement
- Divestment of shipping business assets

Business Development

- Leasing SBU
- Commercial Aviation SBU
- Aerospace Defense & Technology SBU
- Ship & Marine SBU
- Construction & Mining Systems SBU

External Environment: Business Environment

Opportunities
- Projected growth in demand for passenger air travel, aircraft, maritime freight transportation, and construction driven by global population growth
- Growth in government spending on defense and space driven by increasing importance of national security
- Growth in investments to meet rising demand for renewable energy, including solar and offshore wind power
- Increasing opportunities to accelerate R&D and create new businesses through the use of new technologies
- Growing demand for low-carbon and decarbonization products and services

Risks
- Heightened geopolitical risk
- Existing financial business maturing and facing intensifying competition
- Labor shortages in manufacturing, maintenance, repair, and other frontline activities
- Increased competition and high steel prices in the shipbuilding industry

Internal Environment: Key Strengths

- Track record of providing financial solutions and solution capabilities in a wide range of industries
- Expertise in aircraft, engine, and helicopter leasing and maintenance businesses in commercial aviation sector, supported by one of the world's largest leased aircraft fleets
- Business experience in aerospace, security, and precision technology areas and positive approach to new technologies
- Comprehensive business group and solid customer base covering ship manufacturing, trading, operation, and chartering
- Management track record and talented human resources in our construction equipment sales/service dealers and rental companies

Business Strategy

- Increase prime assets and improve asset efficiency in the general leasing and aircraft leasing businesses and establish the "Assets × Finance × Services" business in new areas, such as GX
- Expand the agency business in aerospace defense fields, add inventory and maintenance functions, and incorporate new technologies
- Strengthen market resilience in the ship business, expand the ship-owning business, and actively invest in offshore wind power and other marine development fields
- Broaden the customer base and provide on-site support solutions through regional and product expansion in the construction & mining equipment business

Medium-Term Management Plan 2026

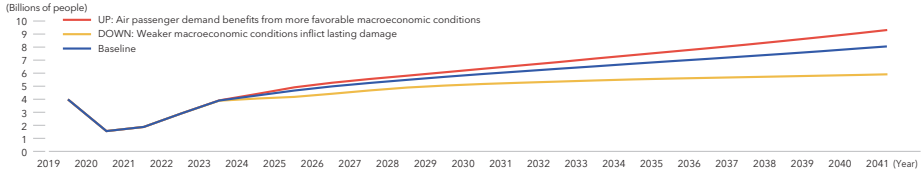
Initiatives in final year of medium-term management plan
- Leverage complementary strengths of SMBC Aviation Capital and newly acquired Sumisho Air Lease to expand earnings base
- Expand existing market share and improve asset efficiency in the construction equipment rental business through operational improvements
- Expand investments in defense, space, and new technology sectors

Initiatives for next medium-term management plan
- Drive organic growth by continuously strengthening governance at business companies and transforming business models and operations through the use of digital technologies and AI
- Leverage strengths in strategic business areas to accelerate inorganic investments and new business development

Key Market Trends

Capitalizing on forecasts for air passenger volume, which is expected to recover in the short term and normalize in the medium to long term, we will work to accumulate prime assets across the Group.

Global air passenger forecast



Source: IATA "Global Outlook for Air Transport" https://www.iata.org/en/iata-repository/publications/economic-reports/global-outlook-for-air-transport-june-2024-report/

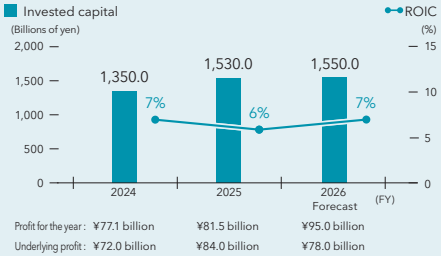
Diverse Urban Development Group

Serving as a global developer shaping the cities of the future — leveraging the unique strengths of the general trading company— to fill communities and lives with smiles and compassion.

Main relevant material issues

Yukihito Honda
Group CEO, Diverse Urban Development Group

Quantitative information



	2024	2025	2026 Forecast
Profit for the year:	¥77.1 billion	¥81.5 billion	¥95.0 billion
Underlying profit:	¥72.0 billion	¥84.0 billion	¥78.0 billion

FY2025 Investment | Approx. ¥90.0 billion

Main investment areas

Japan, the U.S., Vietnam, India, Philippines, Australia, etc.

- Urban development
- Industrial infrastructure
- Equipment supply, logistics, and insurance services

Major asset replacement

- Divestment of domestic and overseas real estate assets

Business Development

- Real Estate SBU
- Global Urban Development SBU
- Industrial System & Material SBU
- Logistics and Insurance SBU
- Social Infrastructure SBU

Elizabeth line
(Operated under contract with Transport for London)

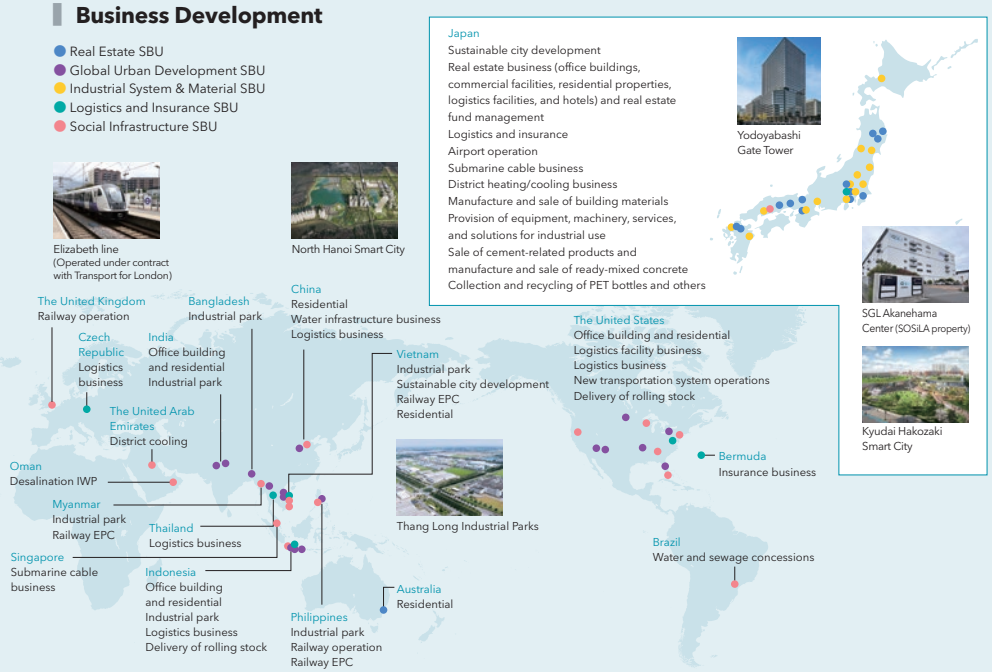
North Hanoi Smart City

Yodoyabashi Gate Tower

SGL Akanehama Center (SOSiLA property)

Kyudai Hakozaki Smart City

Thang Long Industrial Parks



External Environment: Business Environment

Opportunities

- Growing demand for enriched living and safe, disaster-resilient urban development
- Growing demand for logistics, industrial infrastructure, and data infrastructure amid global restructuring of supply chains driven by rising geopolitical risks
- Increasing opportunities for integrated real estate, social infrastructure, and digital infrastructure developments driven by urban growth and industrial development

Risks

- Rise of nationalism in various countries and further escalation of global geoeconomic risks
- Tighter lending by financial institutions and a slowdown in investment activity due to volatility in interest rates, exchange rates, and bond markets
- Construction delays and procurement difficulties due to labor shortages and surging material costs and inflation

Internal Environment: Key Strengths

- Comprehensive capabilities to design, propose, and deliver solutions across the value chain by bringing together real estate and infrastructure development and operations, supply of equipment and materials, logistics, and insurance services
- Business development capabilities that address social challenges and local needs, built on long-standing relationships of trust with local governments and local partners
- Development and operational capabilities that deliver top-level capital efficiency in Japan's real estate industry through a diverse asset portfolio

Business Strategy

- Deliver value-added urban development by combining our diverse capabilities and networks, unique to a general trading company, with our frontline expertise
- Promote multifaceted global expansion targeting markets with rapid population growth and economic expansion
- Focus on countries and regions of strategic importance (markets where we can establish a unique presence, such as Japan, the U.S., Vietnam, and India, and collaborations with partners that align closely with our strategic and business objectives)

Medium-Term Management Plan 2026

Initiatives in final year of medium-term management plan

- Improve capital efficiency and profitability by promoting asset replacement in the domestic real estate business; strengthen our portfolio by expanding high-quality assets and pipeline
- Fully launch diverse urban development projects in North Hanoi and Hakozaki (land transfer completed; construction set to begin)
- Strengthen governance by establishing the Center of Excellence to ensure construction quality and by formulating Quality and Safety Group Policy

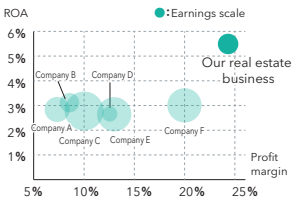
Initiatives for next medium-term management plan

- Accelerate asset replacement and third-party capital utilization to achieve after-tax profit of ¥120 billion and ROIC of over 8% by FY2030
- Realize full-scale earnings from overseas real estate, diverse development, and digital infrastructure businesses
- Develop talent capable of advancing the Group's growth strategy by drawing comprehensively on each SBU's strengths and expertise

Key Market Trends

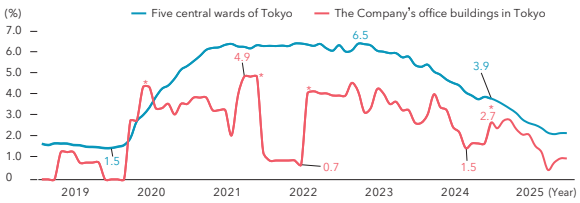
By strategically selecting regions and projects, we enhance the quality of our portfolio through asset replacement and new acquisitions while achieving industry-leading capital efficiency.

High capital efficiency and profitability (vs. industry peers)



Source: Prepared by the Company based on data from Miki Shoji

Office building vacancy rates (Comparison of actual figures)



* Temporary increase in vacancy rates due to the completion of new buildings or renovation work aimed at enhancing property value

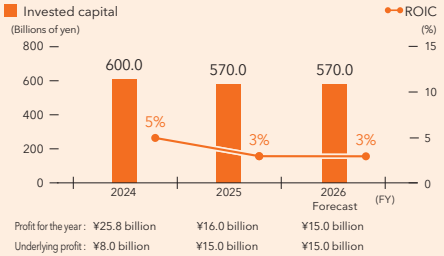
Communication Services Group

Creating new value and helping realize a sustainable society by combining cutting-edge technologies with our core strengths in the media, telecommunications, and broader communications services sectors.

Main relevant material issues >

Shinichi Kato
Group CEO, Communication Services Group

Quantitative information



FY2025 Investment | Approx. ¥27.0 billion

Main investment areas
- Mobile device business

Major asset replacement
- Sale of T-Gaia

Business Development

- Smart Communication Platform SBU
- Next-Generation Telecommunication SBU
- Media SBU
- Innovation & Investment SBU

5G-sharing infrastructure (Japan)

Media businesses in cable television (Japan)

TV shopping (Japan)

Telecommunications business (Ethiopia)

Mobile device installment sales (Kenya)

Global CVC (Start-up investment) in 5 bases

External Environment: Business Environment

Opportunities
- Growing global demand for Japanese content, such as anime
- Limitations of maintenance and inspection operations that rely on manual visual inspections, driven by aging public infrastructure and worsening labor shortages

Risks
- Emergence of country risks, especially in developing nations, due to changes in policies and regulations

Internal Environment: Key Strengths

- Domestic network directly connected to consumers (Cable television household subscriptions in Japan: No. 1)
- Expertise in building overseas telecommunications infrastructure

Business Strategy

- Strengthen the information/telecommunications infrastructure business and expand/upgrade value-added services
- Expand/upgrade the domestic 5G-sharing infrastructure and solutions
- Leverage the cable platform to expand/upgrade new services
- Transform and evolve entertainment shopping by integrating TV, digital, and in-person channels
- Roll out anime IP–related merchandising and video production businesses overseas
- Maximize the performance of global CVC and PE

Medium-Term Management Plan 2026

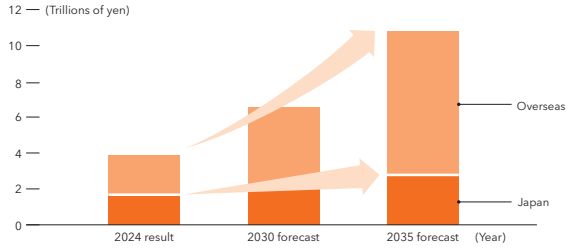
Initiatives in final year of medium-term management plan
- Leverage communications and AI technologies to expand public infrastructure solutions businesses for railway and airport operators
- Roll out merchandising and video production businesses overseas to maximize revenue from anime IP

Initiatives for next medium-term management plan
- Promote asset replacement to deliver value
- Promote digital and AI strategies to cut costs at major subsidiaries and thus achieve profit growth
- Establish a new, substantial earnings pillar

Key Market Trends

We aim to expand our business in overseas markets for Japanese anime, which is earmarked for significant growth

Japanese anime market trend



Source: Anime Industry Report (2030 and 2035 forecasts are based on the report)

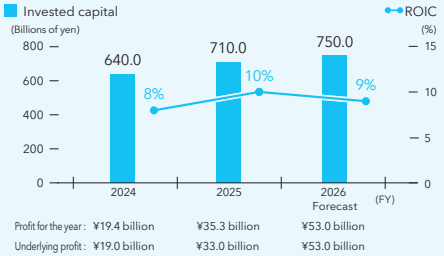
Digital AI Group

Leveraging digital and AI technologies across all business frontlines to strengthen our Group's competitiveness while building new value creation models and lead the transformation of society and industry.

Main relevant material issues >

Tatsushi Tatsumi
CEO, Digital AI Group

Quantitative information



FY2025 Investment | Approx. ¥779.0 billion

Main investment areas
- SCSK became a wholly owned subsidiary; Net One Systems joined our Group

Major asset replacement
- SCSK divested its stake in ARGO GRAPHICS

Business Portfolio Overview

External Environment: Business Environment

Opportunities
- Increasing demand for business and operational transformation driven by digital and AI technologies
- Growing demand for AI infrastructure and enablement foundation
- Growing need for robust cybersecurity and AI governance frameworks

Risks
- Customers shifting to in-house development enabled by AI-powered automation

Internal Environment: Key Strengths
- Digital and AI business expertise, business platform, and talent pool built up around SCSK
- Business frontlines, customer base, and industry expertise across our SBUs
- Company-wide digital/AI expertise accumulated through our Center of Excellence (CoE)

Business Strategy
- Growth driven by SCSK's evolution toward AI and offering-based business models, leveraging its existing competitive advantages and strengths
- Growth through the deployment of digital and AI technologies across all business frontlines of our group to build new value creation models and achieve growth
- Growth through new businesses creation enabled by collaboration between our Group and SCSK

Medium-Term Management Plan 2026

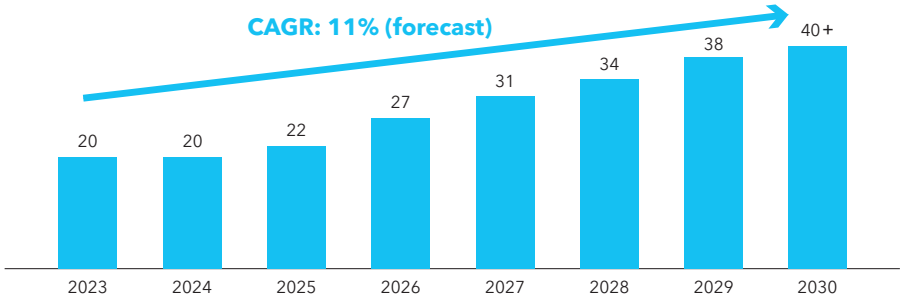
Initiatives in final year of the medium-term management plan
- Deepening operational integration between SCSK and Net One Systems toward April 2027
- Advancing co-creation initiatives following the full acquisition of SCSK
- Integration of digital and AI related organizations through the establishment of the Digital AI Group
- Strengthening digital solutions capabilities, including consulting, digital and AI, global expansion, BPO, etc.

Initiatives for next medium-term management plan
- Supporting SCSK's sustainable growth as a shareholder
- Advancing DAIS as a Center of Excellence (CoE) to accelerate growth across our Group
- Creating collaborative business opportunities in key focus areas through collaboration between our business frontlines, SCSK, and other digital solutions companies

Key Market Trends

Japan's digital and IT market is projected to reach approximately ¥40 trillion by 2030; we aim to expand our business platform and market presence in this rapidly growing sector, which is expected to achieve a CAGR of approximately 11%

Japan's digital and IT market (Trillions of yen)



Source: Estimates based on reports published by Gartner and Yano Research Institute, and other sources.

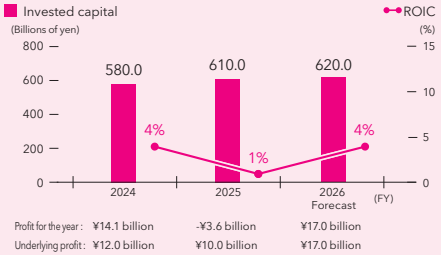
Lifestyle Business Group

Address social issues related to food and health from consumers' perspectives to make their lives more enjoyable.

Main relevant material issues >

Hiroki Takeno
Group CEO, Lifestyle Business Group

Quantitative information

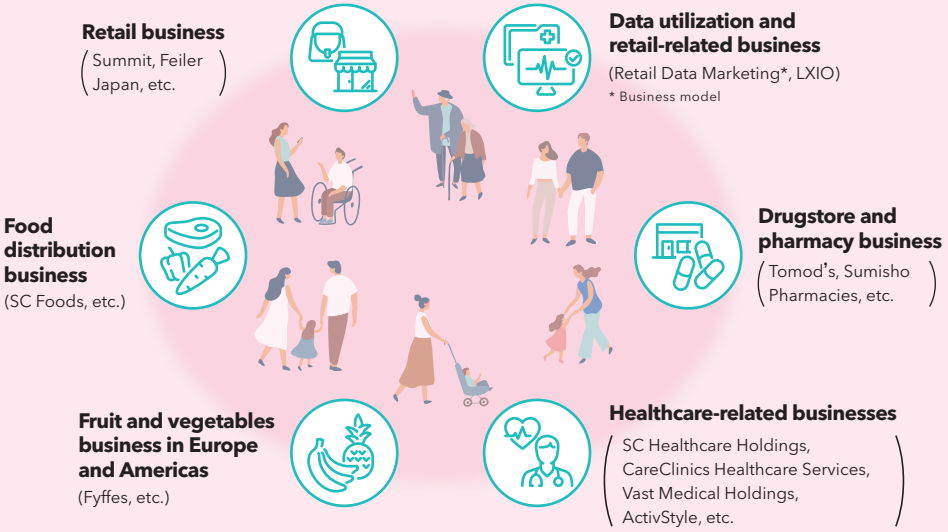


FY2025 Investment | Approx. ¥50.0 billion

Main investment areas
- Domestic pharmacy business
- North American healthcare business

Major asset replacement
- Sale of the melon business of fresh produce business in Europe and the Americas

Business Development



External Environment: Business Environment

Opportunities
- Diversifying consumer purchasing channels and segmentation of demand
- Expanding retail markets overseas backed by the rise of the middle class, particularly in emerging economies
- Improving efficiency in containing medical costs in Japan and developed countries and improving healthcare infrastructure in emerging countries
- Growing interest in the SDGs, such as those related to food loss and reduction of environmental impact
- Advances in digital and AI technologies

Risks
- Intensifying competition from domestic supermarkets, drugstores, and others (including major distribution companies)
- Impact of climate change, unfavorable weather, and geopolitical risks on the global food supply, production, and logistics
- Rising labor, fuel, and material costs, and high interest rates

Internal Environment: Key Strengths

- Retail operating know-how and customer access cultivated through Summit and Tomod's
- Brand business expertise gained through Feiler
- Knowledge of the healthcare business in Japan and overseas, ability to build business models, and market presence
- Robust global platform for food distribution and sale

Business Strategy

- Expand our store networks in supermarket, drugstore, and pharmacy businesses, and leverage know-how, digital technologies, AI, and data to develop new businesses
- Broaden our primary care system and community-based comprehensive care-related businesses to address rising healthcare costs
- Leverage our expertise in the sales and processing of food and foodstuffs and our network to expand our earnings base and develop businesses in growth markets

Medium-Term Management Plan 2026

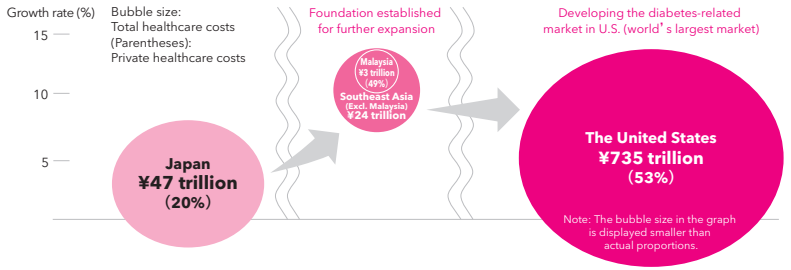
Initiatives in final year of medium-term management plan
- Enhance value through new store openings and store renovations; leverage digital technologies and AI to strengthen existing businesses
- Expand pharmacy businesses in Japan and healthcare businesses in Southeast Asia; invest in and engage with healthcare businesses in North America, the world's largest healthcare market
- Create new businesses leveraging data analysis and utilization based on the member IDs of Summit and Tomod's

Initiatives for next medium-term management plan
- Maximize earning power by harnessing the Group's collective strengths, including cross-business collaboration with existing businesses; expand business scale through M&As
- Leverage strength in frontline business operation, as well as digital technologies and AI, to enhance operations and expand profitability
- Create new businesses (marketing, retail media, etc.) as a data-driven retailer
- Enhance competitiveness by developing talent with expertise in digital technologies and AI

Key Market Trends

We aim to develop businesses that not only foster improved patient convenience and quality of life but also help control and optimize healthcare costs. In the process, we will address various social challenges, such as inadequate access to medical care in Southeast Asia and rising healthcare expenditures in countries like Japan and U.S.

Healthcare expenditures and economic growth rates (Countries where the Group operates)



Source: Company estimates based on various data from the IMF and WHO.

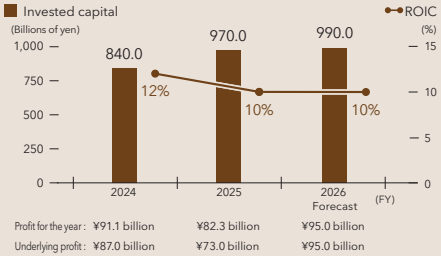
Mineral Resources Group

Through mineral resource development and the construction of its value chain, we will provide value that is unique to us and contribute to the development of industry and the realization of a sustainable society in Japan and around the world, thereby creating an enriched future for all.

Main relevant material issues >

Koichiro Yazaki
Group CEO, Mineral Resources Group

Quantitative information



FY2025 Investment | Approx. ¥15.0 billion

Main investment areas
- Upstream and midstream interests in non-ferrous metals, steel making raw materials, fuel for power generation, carbon products, etc.

Major asset replacement
- Details not disclosed

Business Development

- Handling of non-ferrous metal raw materials and products, aluminum, iron ore, coal, and carbon-related raw materials and products
- Business operations throughout the entire value chain, from upstream to midstream and downstream

Upstream business:
Mine development and operation
- Copper
- Gold
- Silver, lead, and zinc
- Aluminum
- Coal
- Iron ore
- Uranium
- Manganese
- Carbon

Midstream/downstream businesses:
Trading, manufacturing, and processing
- △ Trading
- □ Manufacturing/processing

SCGC and SCMI (e.g., derivatives trading, precious metals trading)

Quebrada Blanca copper mine (Chile)

Press Metal's aluminum smelters (Malaysia)

Assmang iron ore and manganese mining business (South Africa)

High-Performance Overhead Transmission Conductors with Carbon Fiber-Reinforced Plastic (CFRP) Core Technology (France)*

Cerro Verde copper mine (Peru)

Mineracao Usiminas iron ore mine (Brazil)

* Source: Epsilon Composite

External Environment: Business Environment

Opportunities
- The global trend of energy transition
- Shifting demand driven by decarbonization and the transition to a circular economy
- As mineral resource development becomes increasingly complex, opportunities to provide our capabilities are expanding, leading to greater chances to participate in new projects

Risks
- Rising geopolitical risks are driving changes in supply-demand structures and increasing mineral resource price volatility
- Increasing complexity in mine development is leading to higher development risks and rising development and operational costs

Internal Environment: Key Strengths

- Extensive experience and expertise gained through operating and managing complex mining projects as an operator
- Highly competitive and high-potential business assets
- Offering customized trading solutions across a wide range of market commodities, including derivatives
- Robust partnerships, strong industry networks, and a global customer base

Business Strategy

- Leverage our strengths and enhance our capabilities to expand the earnings base through engagement in copper and other projects in collaboration with partners, in anticipation of growing demand
- Advance our trading capabilities by leveraging our expertise in commodity derivatives, while pursuing integrated upstream, midstream, and downstream business development through a market-in approach, underpinned by our diverse and high-quality customer base
- Build business value chains that contribute to addressing key social challenges, such as decarbonization and the realization of a circular economy

Medium-Term Management Plan 2026

Initiatives in final year of medium-term management plan
- Maintain stable earnings from our core mining operations even amid resource price volatility, with manufacturing and trading businesses providing support and demonstrating the resilience of our portfolio
- Relentlessly pursue safe and stable operations and cost competitiveness aimed at maximizing the value of core assets; enhance the stability of our earnings base through agile reviews and capital allocation

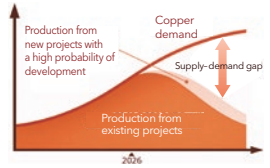
Initiatives for next medium-term management plan
- Continue maximizing the value of existing assets, sharpen the Group's distinctive strengths, and selectively capture investment opportunities that support future growth
- Continue creating earnings opportunities through manufacturing and trading while leveraging digital technologies and AI to enhance the quality of decision-making to deliver stable value creation in a rapidly changing environment

Key Market Trends

In addition to ensuring a stable supply of raw materials and products that support industry in response to market needs, we leverage derivatives to capture price differentials across markets and time horizons, thereby supporting key market functions such as price discovery and liquidity. Against the backdrop of sustained demand growth and supply constraints, we are also strengthening our business foundation by expanding our equity interests, particularly in copper and other mineral resources that are expected to face tightening supply-demand balances over the medium to long term.

Delivering resources to support markets

Widening copper supply-demand gap



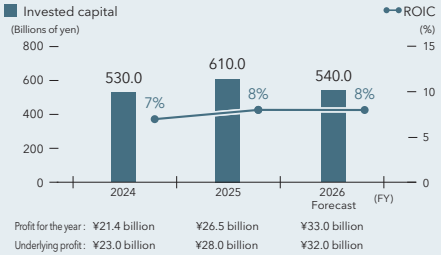
Chemical Solutions Group

We will contribute to enriching people's lives and realizing sustainable societies by building new value chains, including those based on circular economies, that address material social issues such as global food security and climate change.

Main relevant material issues

Takanori Kagohashi
Group CEO, Chemical Solutions Group

Quantitative information



FY2025 Investment | Approx. ¥22.0 billion

Main investment areas

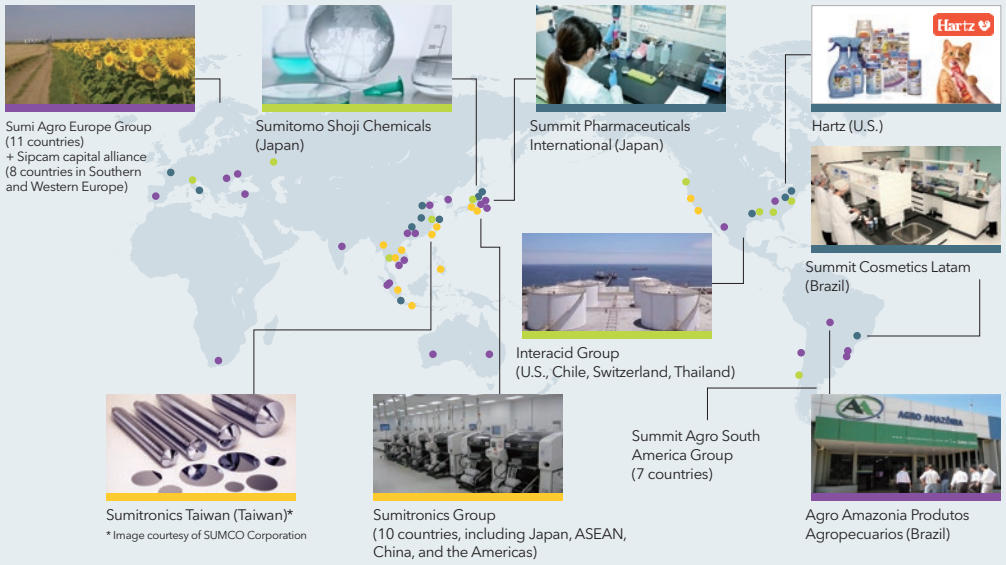
- Biological crop protection business (Chile, U.S.)
- Retail business for agricultural inputs (Vietnam)
- Organic chemical distribution business (U.S.)

Major asset replacement

- Details not disclosed

Business Portfolio Overview

Basic Chemicals ● Life Science ● Electronics ● Agri Business



* Image courtesy of SUMCO Corporation

External Environment: Business Environment

Opportunities

- Changes in the supply-demand balance, industry structure, and trade flows in the chemicals sector
- Supply chain diversification and restructuring driven by economic security considerations
- Expanding electronics applications driven by advances in digital and AI, electrification, and IoT, etc.
- Growing demand for agricultural inputs and sustainable agriculture solutions driven by rising food demand

Risks

- Changing market conditions due to growth of companies in emerging economies
- Declining plant profitability due to exchange rate fluctuations, rising labor costs, and higher logistics costs
- Changing business conditions driven by economic blocs and geopolitical risks
- Impacts of climate change on agricultural production, greater price volatility for grains and agricultural inputs (particularly fertilizers), and tightening regulations on chemical pesticides

Internal Environment: Key Strengths

- Product and service development capabilities backed by a global sales network for agricultural inputs, strong information-gathering and procurement capabilities, and close customer relationships
- Supply-demand balancing and logistics capabilities in basic chemicals trading
- Strong trading platform for semiconductor materials and manufacturing capabilities in the EMS business
- Procurement and sales networks for pharmaceutical raw materials and cosmetic materials; product development and sales capabilities in the animal health sector
- Trading platforms in chemicals and electronics sectors that align with sustainable materials business development

Business Strategy

- Strengthen resilience to downside risks arising from changes in the external environment through business portfolio optimization
- Enhance the trading function and develop related businesses to provide added value
- Improve the profitability of the agricultural input sales business by strengthening sales of high-value-added products, such as bio products
- Strengthen the earnings base in the pharmaceuticals, cosmetics, and animal health sectors
- Pursue new business models that address needs related to green transformation and economic security

Medium-Term Management Plan 2026

Initiatives in final year of medium-term management plan

- Strengthen the earnings base of the basic chemicals and electronics businesses in response to changing external conditions
- Sustain growth in existing life science businesses while building a green chemicals business leveraging biochemical trading
- Rebuild the foundation of agribusiness to improve its earning power and achieve sustainable growth

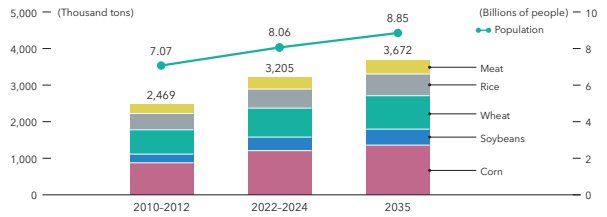
Initiatives in next medium-term management plan

- Build a business model adapted to petrochemical industry restructuring, strengthen the sulfuric acid business in North America and Asia, and enhance competitiveness in semiconductor materials and EMS
- Reinforce growth in the pharmaceutical and pet care businesses while building new supply chains for specialty inorganic materials and green chemicals
- Expand capabilities of agricultural inputs distribution business and complete its turnaround while diversifying the business portfolio through investments in biopesticides and other areas

Key Market Trends

By ensuring a steady supply of agricultural inputs and offering environmentally conscious products, we support stable food supplies.

Global food consumption outlook



Source: Prepared by Sumitomo Corporation based on Outlook for Global Food Supply and Demand in 2035 Based on the Global Food Supply and Demand Model (March 2026), Policy Research Institute, Ministry of Agriculture, Forestry and Fisheries.

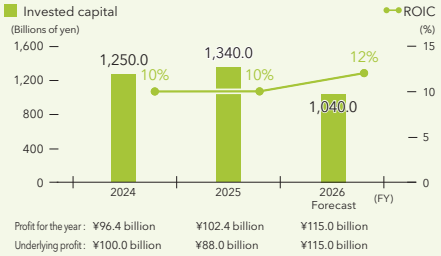
Energy Transformation Business Group

Build a stable and sustainable energy system and carbon cycle to create a society full of prosperity and dreams.

Main relevant material issues >

Hajime Mori
Group CEO, Energy Transformation Business Group

Quantitative information



FY2025 Investment | Approx. ¥97.0 billion

Main investment areas

- Renewable energy–related businesses in Japan and overseas

Major asset replacement

- Liquidation of gas-fired power generation business in Vietnam

Business Development

- Forestry business
- Energy storage business and equipment
- Bioenergy business
- IPP, IWPP business
- Power EPC
- Gas value chain and offshore infrastructure
- Carbon credit generation business

Japan
Electricity retailing
Energy storage
Offshore and onshore wind IPP
Solar IPP
Thermal IPP
Biomass IPP
Marine fuel (Very Low Sulphur Fuel Oil) trading
LNG bunkering
Domestic power trading
LPG wholesaling
LPG retailing

The United Kingdom
Offshore wind IPP
Natural gas trading and marketing

Denmark
Bioenergy

France
Offshore wind IPP*1

Spain
Solar IPP

Egypt
Onshore wind IPP

Ghana
Thermal IPP
FPSO

South Africa
Onshore wind IPP

Russia
Forestry

The United Arab Emirates
Thermal IWPP*2

Kuwait
Thermal IWPP

Bahrain
Thermal IWPP

Qatar
LNG

India
Renewable energy development and supply
City gas

Vietnam
Thermal IPP
Hydroelectric power generation

Indonesia
Thermal IPP
Geothermal IPP
LNG
Carbon credit generation

China
Onshore wind IPP

Thailand
Thermal IPP

Philippines
Hydroelectric IPP

Australia
Thermal IPP
LNG

New Zealand
Forestry

The United States
Onshore wind IPP
Thermal IPP
Solar photovoltaic (PV) + battery energy storage
Energy storage facility
LNG export
Natural gas trading and marketing

Brazil
FPSO

*1 IPP: Independent Power Producer
*2 IWPP: Independent Water Power Producer

External Environment: Business Environment

Opportunities

- Surging electricity demand driven by the expansion of data centers accompanying the widespread adoption of generative AI
- Growing concern about decarbonization and energy security
- Changing energy demand patterns, growing importance of natural gas, and gradual transition to a low-carbon economy
- Heightened energy security concerns over oil and gas and resurging hopes for renewable energy amid tensions in the Middle East

Risks

- Intensification of a competitive business environment with the entry of suppliers from emerging countries and new business operators from other industries
- Materialization of geopolitical risks and volatility in energy markets
- Changes/setbacks in national decarbonization policies/regulations and their impact on decarbonization-related businesses

Internal Environment: Key Strengths

- Project execution capabilities, including financing and EPC, built through experience in power, gas, and broader energy sectors
- Our accumulated relationships with governments, partners, and customers around the world
- Earnings from trading and retail businesses supported by a strong customer base, market intelligence, and risk management

Business Strategy

- Leverage our strong existing energy business platform with markets and governments worldwide while driving strategic transformation through the Energy Innovation Initiative (EII), which aims to commercialize next-generation energy businesses, to sustain and expand our earnings base and build new future earning pillars
- Take a full view of each industry's value chain to deliver one-stop decarbonization solutions that address regional needs and thus expand our new earnings base

Medium-Term Management Plan 2026

Initiatives in final year of medium-term management plan

- Accelerate portfolio rotation to businesses and assets with growth and strategic potential
- Develop and promote decarbonized and circular energy businesses
- Strengthen capabilities and optimize resource allocation through greater talent mobility across the Group

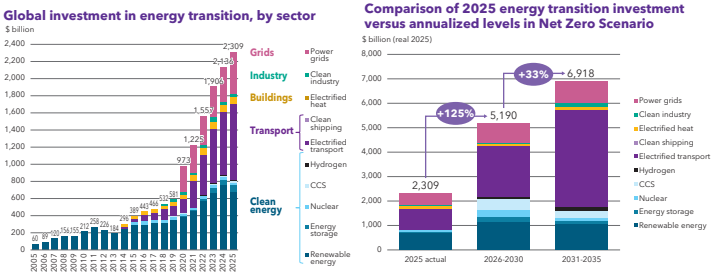
Initiatives for next medium-term management plan

- Accelerate portfolio rotation to businesses and assets with growth and strategic potential
- Aim to build a high-value-added earnings portfolio by strengthening our trading functions and mid- to downstream businesses that complement our upstream operations and enhance overall value
- Create new businesses by strengthening our EII cross-functional capabilities and further promoting innovation

Key Market Trends

As a one-stop solution provider for energy, we will pursue growth by developing and expanding our decarbonized and circular energy businesses with the aim of achieving carbon neutrality by 2050.

Global investment in energy transition, by sector
Comparison of 2025 energy transition investment versus annualized levels in New Energy Outlook 2025 Net Zero Scenario



Source: *Energy Transition Investment Trends 2026*, BloombergNEF (January 27, 2026)

▸ Annual Financial Report | https://www.sumitomocorp.com/en/jp/ir/report/yuka/

Summary of Key Financial Indicators (As of and for the years ended March 31)

We have prepared the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

Financial data

(Billions of yen)

	BBBO2017			Medium-Term Management Plan 2020			SHIFT 2023			Medium-Term Management Plan 2026	
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Results of operations:											
Gross profit	¥ 894.1	¥ 842.7	¥ 956.5	¥ 923.2	¥ 873.7	¥ 729.5	¥ 1,009.6	¥ 1,234.8	¥ 1,342.5	¥ 1,444.8	**¥ 1,509.7**
Selling, general and administrative expenses	-762.7	-693.8	-731.6	-647.6	-677.4	-678.9	-713.9	-811.7	-927.6	-1,039.7	**-1,111.4**
Interest expense, net of interest income	-2.6	-1.7	-5.8	-11.6	-15.6	-5.5	-1.2	-11.5	-16.3	-27.3	**-25.5**
Dividends	10.6	9.4	10.7	12.1	11.1	8.6	27.3	20.1	13.7	14.9	**12.2**
Share of profit (loss) of investments accounted for using the equity method	-53.8	83.5	149.7	127.1	84.8	-41.4	176.8	252.4	172.4	277.0	**266.7**
Profit (loss) for the year attributable to owners of the parent	74.5	170.9	308.5	320.5	171.4	-153.1	463.7	565.3	386.4	561.9	**600.3**
Financial position at year-end:											
Total assets	7,817.8	7,761.8	7,770.6	7,916.5	8,128.6	8,080.0	9,582.2	10,105.4	11,032.6	11,631.2	**13,638.3**
Equity attributable to owners of the parent	2,251.5	2,366.5	2,558.2	2,771.5	2,544.1	2,528.0	3,197.8	3,778.7	4,445.5	4,648.5	**4,628.6**
Interest-bearing liabilities (net)*1	2,770.3	2,627.9	2,521.5	2,427.1	2,468.8	2,300.4	2,273.7	2,484.4	2,523.4	2,672.5	**3,147.2**
Cash flows:											
Cash flows from operating activities	599.7	345.8	295.3	268.9	326.6	467.1	194.1	232.8	608.9	612.3	**813.5**
Cash flows from investing activities	-85.4	-180.7	-155.8	-51.3	-203.4	-120.1	49.0	-91.5	-219.2	-461.4	**-155.9**
Free cash flows	514.3	165.1	139.5	217.6	123.2	347.0	243.1	141.3	389.6	150.9	**657.6**
Cash flows from financing activities	-507.2	-254.4	-229.6	-233.2	-57.7	-466.4	-139.9	-250.5	-415.5	-247.4	**-252.5**
											(Yen)
Amounts per share:											
Profit (loss) for the year attributable to owners of the parent:											
Earnings per share attributable to owners of the parent (basic)	¥ 59.73	¥ 136.91	¥ 247.13	¥ 256.68	¥ 137.18	¥ -122.42	¥ 370.79	¥ 452.63	¥ 315.87	¥ 463.66	**¥ 499.09**
Diluted	59.69	136.81	246.91	256.41	137.03	-122.42	370.53	452.27	315.64	463.32	**498.66**
Equity attributable to owners of the parent	1,803.95	1,895.81	2,048.93	2,219.11	2,036.48	2,022.83	2,558.24	3,061.92	3,638.06	3,841.68	**3,880.87**
Cash dividend declared for the year*2	50.00	50.00	62.00	75.00	80.00	70.00	110.00	115.00	125.00	130.00	**150.00**
											(%/Times)
Ratios:											
Equity attributable to owners of the parent ratio (%)	28.8	30.5	32.9	35.0	31.3	31.3	33.4	37.4	40.3	40.0	**33.9**
ROE (%)	3.2	7.4	12.5	12.0	6.4	–	16.2	16.2	9.4	12.4	**12.9**
ROA (%)	0.9	2.2	4.0	4.1	2.1	–	5.3	5.7	3.7	5.0	**4.8**
Net D/E ratio (times)	1.2	1.1	1.0	0.9	1.0	0.9	0.7	0.7	0.6	0.6	**0.7**

*1 Interest-bearing liabilities (net) = Sum of bonds and borrowings (current and non-current) – (cash and cash equivalents + time deposits)
*2 Cash dividend per share represents the cash dividends declared applicable to each respective year, including dividends paid after the year-end.

Segment Information (As of and for the years ended March 31)

(Billions of yen)

	Steel		Automotive		Transportation & Construction Systems		Diverse Urban Development		Communication Services		Digital AI		Lifestyle Business		Mineral Resources		Chemical Solutions		Energy Transformation Business		Corporate and Eliminations		Total	
FY	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**
Gross profit	188.3	**174.9**	166.2	**139.8**	200.3	**216.7**	119.6	**136.3**	3.2	**3.8**	161.0	**213.8**	236.2	**262.6**	47.9	**41.9**	153.9	**150.5**	166.0	**177.0**	2.2	**-7.7**	1,444.8	**1,509.7**
Selling, general and administrative expenses	-104.1	**-103.8**	-102.9	**-101.2**	-152.5	**-161.5**	-72.5	**-77.7**	-22.4	**-21.2**	-96.6	**-134.2**	-222.3	**-244.3**	-33.6	**-31.0**	-118.6	**-117.1**	-98.8	**-101.7**	-15.4	**-17.8**	-1,039.7	**-1,111.4**
Share of profit (loss) of investments accounted for using the equity method	11.9	**17.9**	14.9	**36.2**	90.3	**68.2**	11.3	**5.7**	26.8	**31.1**	1.2	**-0.7**	6.9	**5.2**	63.1	**60.8**	8.6	**8.4**	41.9	**33.8**	0.1	**0.0**	277.0	**266.7**
Profit (loss) for the year attributable to owners of the parent	68.4	**74.3**	51.2	**63.2**	101.5	**88.9**	77.1	**81.5**	25.8	**16.0**	19.4	**35.3**	14.1	**-3.6**	91.1	**82.3**	21.4	**26.5**	96.4	**102.4**	-4.5	**33.5**	561.9	**600.3**
Asset replacement and extraordinary profit/loss Rounded figures	-1.0	**+9.0**	+1.0	**+25.0**	+23.0	**-1.0**	+5.0	**-2.0**	+18.0	**+1.0**	0	**+2.0**	+2.0	**-14.0**	+4.0	**+10.0**	-2.0	**-2.0**	-4.0	**+15.0**	+1.0	**+30.0**	+47.0	**+72.0**
Underlying profit Rounded figures	70.0	**66.0**	50.0	**38.0**	78.0	**90.0**	72.0	**84.0**	8.0	**15.0**	19.0	**33.0**	12.0	**10.0**	87.0	**73.0**	23.0	**28.0**	100.0	**88.0**	-5.0	**3.0**	515.0	**528.0**
Cash flow earnings*1	71.7	**57.9**	70.4	**53.9**	104.4	**103.5**	56.0	**57.9**	26.4	**26.9**	63.2	**79.1**	21.2	**25.7**	66.5	**45.3**	37.2	**35.6**	103.1	**113.7**	27.5	**21.4**	647.6	**621.1**
Investments Rounded figures	39.0	**8.0**	18.0	**17.0**	95.0	**50.0**	92.0	**90.0**	38.0	**27.0**	285.0	**779.0**	36.0	**50.0**	29.0	**15.0**	20.0	**22.0**	58.0	**97.0**	18.0	**14.0**	730.0	**1,170.0**
Total assets	1,170.5	**1,199.5**	848.6	**861.7**	1,736.9	**1,874.9**	1,619.9	**1,792.9**	606.2	**578.4**	914.2	**914.5**	770.0	**819.6**	1,493.9	**2,463.7**	829.9	**942.7**	1,633.2	**1,977.8**	7.9	**212.8**	11,631.2	**13,638.3**
Trade, other receivables and inventories	801.7	**786.3**	271.4	**247.9**	514.8	**599.4**	568.6	**588.0**	8.1	**7.7**	204.1	**209.7**	195.8	**205.3**	555.5	**914.2**	528.7	**594.7**	730.6	**784.8**	-204.7	**-234.7**	4,174.5	**4,703.4**
ROIC (%)*2	9	**10**	11	**11**	9	**7**	7	**6**	5	**3**	8	**10**	4	**1**	12	**10**	7	**8**	10	**10**	-	**-**	8	**8**
Invested capital*3	920.0	**930.0**	690.0	**720.0**	1,340.0	**1,470.0**	1,350.0	**1,530.0**	600.0	**570.0**	640.0	**710.0**	580.0	**610.0**	840.0	**970.0**	530.0	**610.0**	1,250.0	**1,340.0**	-	**-**	8,670.0	**9,440.0**
Number of employees (Non-consolidated; persons)*4	416	**403**	362	**364**	291	**294**	595	**593**	-	**-**	-	**-**	261	**287**	394	**401**	364	**336**	646	**671**	1,252	**1,197**	4,963	**4,938**
Number of employees (Consolidated; persons)*4	5,380	**4,940**	10,124	**8,767**	11,591	**11,496**	4,948	**4,924**	-	**-**	-	**-**	16,446	**16,885**	842	**867**	7,214	**6,912**	3,105	**3,306**	2,861	**2,808**	83,327	**82,488**

Note: FY2024 results and FY2025 results are reclassified in accordance with the reorganization effective from April 1, 2026.

*1 Cash flow earnings = [Gross profit + Selling, general and administrative expenses (excluding provision for doubtful receivables) + Interest expense, net of interest income + Dividends] × (1 – Tax rate) + Dividend from investments accounted for using the equity method (excluding dividends associated with asset replacement) + Depreciation + Lease liability payments

*2 ROIC = NOPAT (Profit for the year (including profit attributable to non-controlling interests) − Interest expense × (1 – Tax rate)) / Invested capital (Average of beginning and ending balances of [Interest-bearing liabilities (gross) + lease liabilities + Total equity])

*3 The figures represent year-end balances (billions of yen) for each fiscal year.

*4 Due to organizational restructuring effective April 1, 2026, figures for the new organizational structure have not been calculated. Number of employees (non-consolidated; persons) in the former Media & Digital Group (now the Communication Services Group and Digital AI Group): 382 in FY2024 and 392 in FY2025. Number of employees (consolidated; persons): 20,816 in FY2024 and 21,583 in FY2025.

Summary of Non-Financial Indicators (As of and for the years ended March 31)

- Our People | https://sumitomocorp.disclosure.site/en/themes/31
- Social-related data | https://sumitomocorp.disclosure.site/en/themes/19
- Environmental-related data | https://sumitomocorp.disclosure.site/en/themes/18
- GHG emissions (Scope 3 <consolidated>) | https://sumitomocorp.disclosure.site/en/themes/53
- Governance-related data | https://sumitomocorp.disclosure.site/en/themes/20

Employee data

		FY2023	FY2024	FY2025
Employee data	Number of employees (Consolidated basis)	79,692	83,327	**82,488**
	Number of employees (Non-consolidated basis)*1	5,152	5,086	**5,056**
	Number of employees dispatched overseas	926	934	**942**
	Number of new employees	100	98	**100**
	Male/Female	63/37	62/36	**58/42**
	Number of mid-career employees	88	64	**52**
	Percentage of employees with disabilities*2	2.29%	2.45%	**2.65%**
	Female manager ratio*3	9.6%	10.4%	**11.3%**
	Female department general manager ratio*3	2.4%	2.6%	**2.6%**
	Female director ratio*3	18.8%	18.8%	**20.0%**
	Average age	43.1	43.2	**43.3**
	Average years of service per person (Years/Months)	18/4	18/4	**18/3**
	Male	18/11	18/10	**18/10**
	Female	16/6	16/6	**16/7**
	Gender wage gap between male and female*4	59.0%	61.4%	**62.6%**
	Average annual salary	¥17,587,787	¥17,443,137	**¥18,402,971**
Working styles	Average monthly overtime hours (Hours/Minutes)	9/51	9/51	**9/51**
	Average annual days of paid vacation acquired	14.3	14.1	**14.5**
	Number of employees taking spousal maternity leave	86	109	**97**
	Number of employees taking leave to care for sick/injured children	243	266	**331**
	Number of employees taking childcare leave	111	141	**117**
	Male/Female	48/63	89/52	**66/51**
	Ratio of eligible male employees taking childcare leave*5	63.6%	78.6%	**79.6%**
	Number of employees using shortened work hour system	190	187	**204**
Skills development training*6	Number of employees undergoing training overseas	65	64	**57**
	Total number of employees participating in training	40,530	65,432	**73,799**
	Total training hours	106,605	142,460	**131,140**
	Average hours per employee	21.2	28.7	**26.6**

*1 Figures include employees at overseas branches, sub-branch offices and representative offices of the Company.
*2 Figures are as of June 1 of each fiscal year.
*3 Figures are as of April 1 of the subsequent fiscal year. Our targets for FY2030 are to achieve at least 20% females in managerial positions, at least 10% females in department general manager-level positions, and at least 30% females on the Board of Directors.
*4 Items subject to calculation of the gender wage gap: Monthly salary (base pay, adjustment pay, secondment allowance, separate living allowance, teleworking allowance, overtime work allowance, late-night premium allowance for managers), bonus.
Reason for gap: Our remuneration system is based on the principles of "Pay for job, Pay for performance". Accordingly, employees at the same job grade—with equivalent roles and responsibilities—receive equal pay regardless of gender. The main factor behind the gender wage gap is the lower proportion of women in management positions compared with men, resulting in fewer female managers overall. This reflects the fact that, historically, the Company had two career tracks at the time of hiring, and many female employees were in the administrative track, which in principle did not require relocation. Employees in this track primarily handled administrative work and supported employees in the professional track. In 2022, we integrated these tracks and transitioned to a system enabling employees to build their careers more flexibly based on their individual skills, capabilities, and aspirations. As a result, an increasing number of employees from the former administrative track are being promoted to management positions. As the number of female managers rises, we expect the gender wage gap to steadily narrow.
*5 The "ratio of eligible male employees taking childcare leave" is calculated based on the ratio of employees taking childcare leave or leave intended for childcare under Article 71-6, Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labour Ordinance No. 25, 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76, 1991).
*6 Training hosted by the Head Office targeted at Head Office employees and employees of overseas bases and business companies. The scope of calculation was partially revised in FY2023. From FY2024, we have introduced the e-learning platform LinkedIn Learning.

Environmental data

Scope of aggregation*7: Consolidated Sumitomo Corporation Group (Sumitomo Corporation and consolidated subsidiaries)

Scope 1, 2

(Thousand t-CO_2e)

	FY2023	FY2024	FY2025
Scope 1	4,530	6,666	**6,799**
Scope 2	572	490	**485**

Scope 3

Scope of aggregation: Consolidated Sumitomo Corporation Group (Sumitomo Corporation and consolidated subsidiaries)*8

(Thousand t-CO_2e)

Category	FY2023	FY2024	FY2025
1 Purchased goods and services	–	32,713	**31,807**
2 Capital goods	–	629	**590**
3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	–	4,542	**4,115**
4 Upstream transportation and distribution	–	2,308	**2,304**
5 Waste generated in operations	–	21	**22**
6 Business travel	–	28	**27**
7 Employee commuting	–	23	**24**
8 Upstream leased assets	–	–	–
9 Downstream transportation and distribution	–	301	**124**
10 Processing of sold products	–	1,031	**2,539**
11 Use of sold products	–	38,015	**33,273**
12 End-of-life treatment of sold products	–	245	**332**
13 Downstream leased assets	–	20,052	**18,707**
14 Franchises	–	–	–
15 Investments	–	17,778	**16,305**
Total		117,688	**110,169**

*7 In determining the scope of aggregation, we apply the operational control approach under the GHG Protocol.
*8 From the perspective of importance, some Group companies with small business revenue and those that do not fall under the category of high-emission businesses are excluded.
Notes: 1. Here, we refer to various information sources from the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the Green Value Chain Platform led by the Ministry of the Environment.
2. For trading transactions involving third-party products, revenue recognition is based on IFRS 15 Revenue Recognition, and only applies when the Group is the principal in the transaction.
3. For transactions within the Sumitomo Corporation Group, double counting within the group is excluded only when double counting is clearly identified for the same emission source, for the purpose of eliminating double counting within the group.
4. For emissions related to Cat4/9 transportation, domestic transportation of low significance is excluded.
5. For intermediate products sold, if the processing process up to the final product cannot be identified, they are excluded from the calculation.

Corporate governance data

	FY2023	FY2024	FY2025*9
Number of Directors	11	11	**10**
Number of Internal Directors	6	6	**5**
Number of Outside Directors	5	5	**5**

*9 At the 157th Ordinary General Meeting of Shareholders held in June 2025, the transition to a Company with an Audit & Supervisory Committee from a Company with an Audit & Supervisory Board was resolved. We have 10 Directors who are not Audit & Supervisory Committee Members (including 5 Outside Directors) and 5 Directors who are Audit & Supervisory Committee Members (including 3 Outside Directors).

Company Information (As of March 31, 2026)

Corporate profile

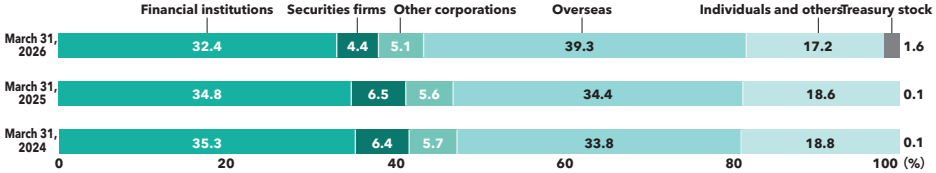
Trade name	Sumitomo Corporation
Establishment date	December 24, 1919
Paid-in capital	¥221.6 billion
Fiscal year	From April 1 of each year through March 31 of the following year
Number of consolidated subsidiaries*1	327 (Domestic 94, Overseas 233)
Number of associated companies [Equity method]	192 (Domestic 46, Overseas 146)
Total	519
Number of employees	5,056*2 (Consolidated: 82,488)
Head Office	OTEMACHI PLACE EAST TOWER 3-2 Otemachi 2-Chome, Chiyoda-ku, Tokyo 100-8601, Japan
URL	https://www.sumitomocorp.com/en/jp

*1 Of the affiliates owned by consolidated subsidiaries, those accounted for as consolidated subsidiaries or equity-method affiliates by the respective consolidated subsidiaries (346 subsidiaries and 73 equity-method affiliates as of March 31, 2026) are excluded from this figure.
*2 This figure includes 118 persons whom our overseas branch offices, sub-branch offices, and representative offices employ.

Stock information

General Meeting of Shareholders	June of each year
Stock listing	Tokyo
Securities identification code	8053
American depositary receipts	
Ratio	1ADR:1ORD
Exchange	OTC (over-the-counter)
Symbol	SSUMY
CUSIP number	865613103
Depository and registrar	Citibank, N.A. Depositary Receipts Services P.O. Box 43077 Providence, Rhode Island 02940-3077, USA
TEL	1-781-575-4555
Toll-free number	1-877-248-4237 (CITI-ADR)
Total number of shares issued	1,211,426,667 shares (including 18,766,168 treasury shares)
Number of shareholders	301,904

Shareholder composition



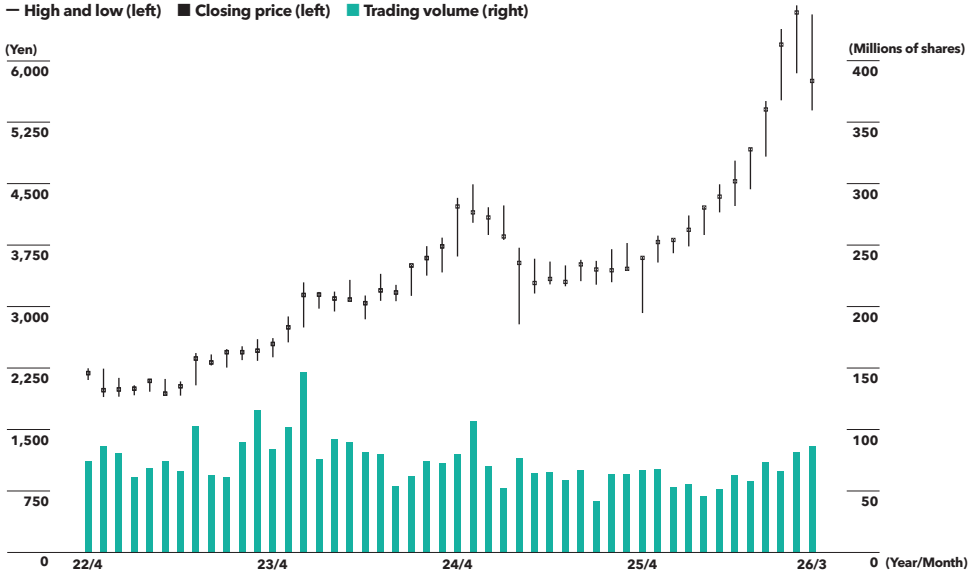
Note: The total of the shareholding ratios might not equal 100% because of rounding to the first decimal place.

Major shareholders

Rank	Name	Number of shares (Thousands of shares)	Shareholding ratio (%)*3
1	The Master Trust Bank of Japan, Ltd. (trust account)	188,776	15.83
2	STATE STREET BANK AND TRUST COMPANY 505104	116,625	9.78
3	Custody Bank of Japan, Ltd. (trust account)	64,456	5.40
4	Sumitomo Life Insurance Company	31,460	2.64
5	CITIBANK, N. A. -NY. AS DEPOSITARY BANK FOR DEPOSITARY SHARE HOLDERS	22,013	1.85
6	STATE STREET BANK AND TRUST COMPANY 505001	20,581	1.73
7	JP MORGAN CHASE BANK 385642	19,103	1.60
8	JP MORGAN CHASE BANK 385781	14,752	1.24
9	THE CHASE MANHATTAN BANK, N. A. LONDONSECS LENDING OMNIBUS ACCOUNT	12,693	1.06
10	Barclays Securities Japan Limited	11,349	0.95

*3 The shareholding ratio is calculated by dividing the number of shares held by the number of shares outstanding—which is derived by deducting treasury stock from the total number of issued shares—and rounding to the nearest hundredth of a percent.

Stock price and trading volume

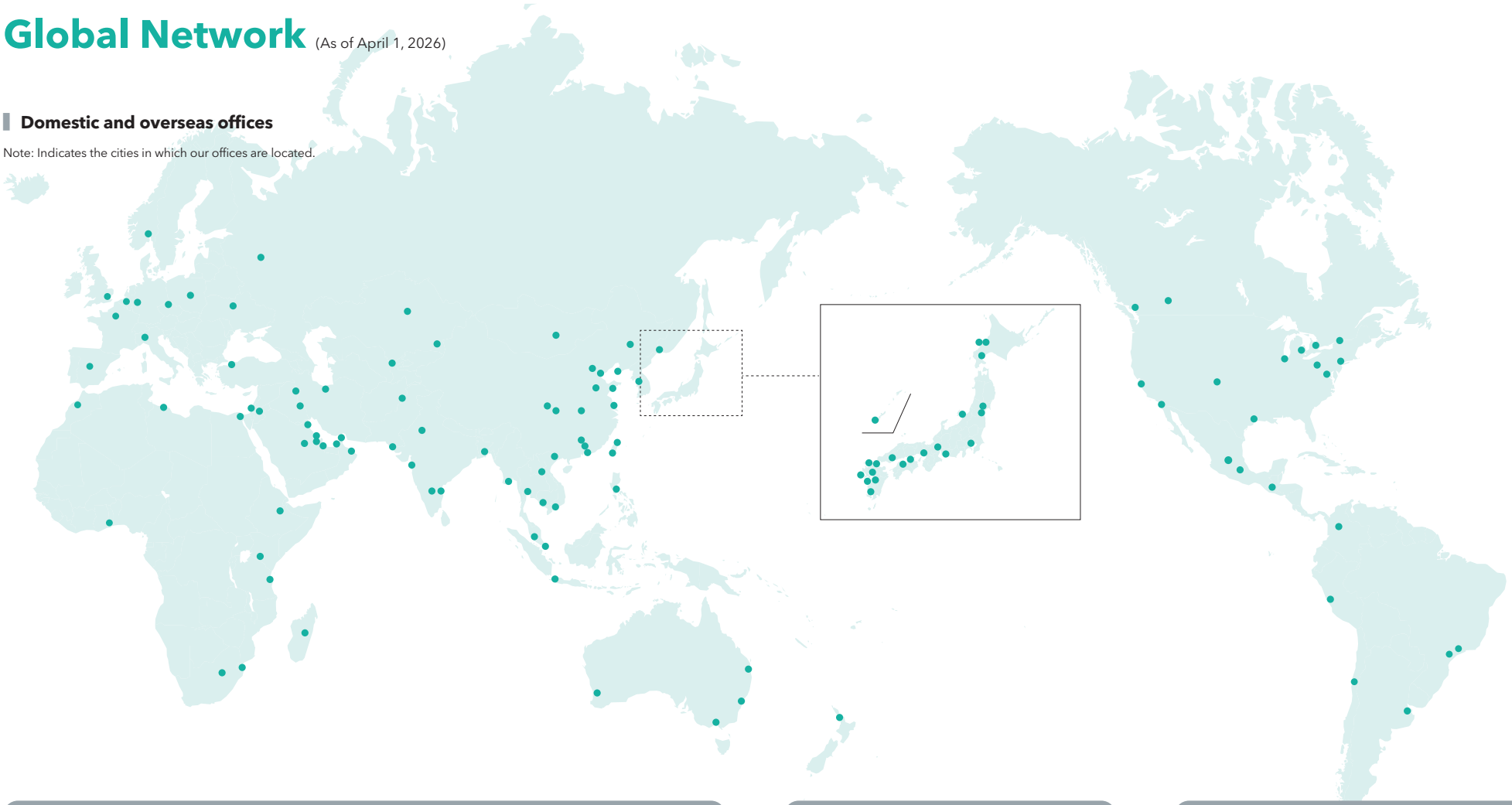


▸ Messages from Regional Heads | https://www.sumitomocorp.com/en/jp/about/point/area-organization

Global Network (As of April 1, 2026)

Domestic and overseas offices

Note: Indicates the cities in which our offices are located.



Overseas

61 countries and regions

33 subsidiaries	80 locations
1 sub-branch	1 location
2 branches	2 locations
20 offices	20 locations
Total	103 locations

Japan

Head Office

3 subsidiaries	10 locations
6 offices	10 locations
Total	21 locations

Offices

124 locations 62 countries and regions

Consolidated subsidiaries and associated companies (As of March 31, 2026)

519 companies* 66 countries and regions

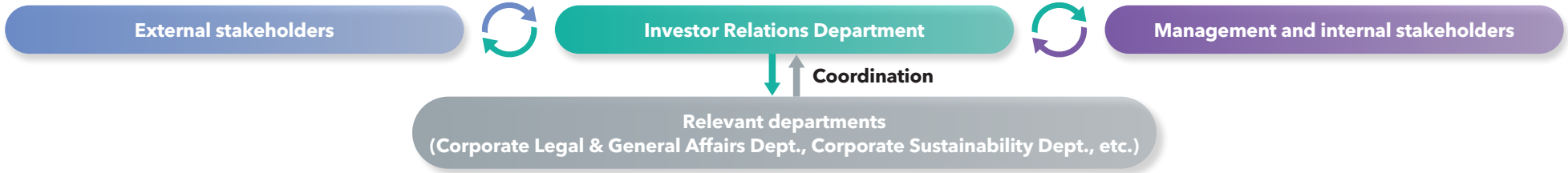
* Of the affiliates owned by consolidated subsidiaries, those accounted for as consolidated subsidiaries or equity-method affiliates by the respective consolidated subsidiaries (346 subsidiaries and 73 equity-method affiliates as of March 31, 2026) are excluded from this figure.

▸ Investor Relations | https://www.sumitomocorp.com/en/jp/ir
▸ Action to Implement Management that is Conscious of Cost of Capital and Stock Price | https://www.sumitomocorp.com/en/jp/ir/investors/enhancement

Dialogue with Stakeholders

We are working to strengthen engagement with shareholders, investors, and other stakeholders outside the Company following our Corporate Disclosure Policy. The Investor Relations Department has established four guidelines for its activities. These are Proactive Disclosure, Sincere Dialogue, Timely and Appropriate Sharing, and Constructive Proposals. We actively disseminate information in cooperation with internal related departments and collect opinions through dialogue. Based on feedback from these opinions, we make proposals and hold discussions to realize management conscious of the cost of capital and the stock price. Through this cycle of activities, we will deepen external stakeholders' understanding of the Group and contribute to the strategy execution and value creation capabilities of all officers and employees as internal stakeholders, thereby fulfilling our stated mission of "obtaining the correct evaluation from the market and contributing to the enhancement of our corporate value."

Guidelines and activities



Proactive disclosure to and sincere dialogue with external stakeholders

We strive for appropriate disclosures and expanded explanations of both financial and non-financial information based on our Corporate Disclosure Policy. In addition, we have established opportunities for proactive dialogue with shareholders and investors throughout the year to deepen understanding of the Group and solicit the opinions of stakeholders.

FY2025 results

- Number of individual meetings: Approx. 420 (54 of which were ESG/SR*1 related) [Number of times management attended: CEO 22, CFO 50]
- IR Day 2025 held
- Briefings for individual investors: 6 times annually (Total participation approx. 6,500)

Details of engagement

- Business portfolio transformation
  Sustainability and repeatability of business portfolio transformation execution, growth areas for capital allocation, approach to asset replacement, etc.
- Major investments and asset replacement
  Strategic rationale and synergy potential of major investments, quantitative targets, and measures to address external changes such as AI disruption
  Asset replacement, investments, and shareholder returns from FY2026 onward after executing major investments, as well as the likelihood of achieving FY2026 profit for the year forecast (¥630.0 billion), and others
- Sustainability management
  Financial impact/analyses of climate change (qualitative and quantitative), carbon neutrality targets across the supply chain, effectiveness of the new governance structure, composition and evaluation process of the Nomination and Remuneration Advisory Committee, audit processes, and others

Timely and appropriate sharing with and constructive proposals to management and internal stakeholders

We provide evaluations and opinions received from external stakeholders to internal stakeholders including management as feedback, which are used for proposals and discussions that help improve management.

FY2025 results

- Management Council: 12 times annually
- Board of Directors' meetings: 9 times annually
- Regular meetings with the President: 4 times annually
- Corporate Communication Committee: Quarterly
- IR/SR Subcommittee: Monthly
- IR quarterly report*2: Published quarterly
- Internal IR meetings held

Measures implemented based on feedback

- Business portfolio transformation
  Enhanced quantitative disclosures, including profit growth in main growth areas, asset replacement plan, and ROIC by business group, etc., in order to sustain and further enhance expectations for our Group's ability to execute business portfolio transformation
- Major investments and asset replacement
  Held two business briefings on major investments, clarified opportunities and risks arising from changing external conditions
  Clearly outlined timeline, scale, and target areas for asset replacement while quantifying our commitment to maintain investments at a consistent level with the aim of improving our financial soundness over the three-year period ending in FY2028
- Sustainability management
  Enhanced disclosure of the financial impact of climate change and updated our carbon neutrality targets in February 2026 to include selected Scope 3 categories (ahead of FY2026 mandatory disclosure requirements)
  Enhanced disclosure on the progress of corporate governance initiatives, the composition and evaluation process of the Nomination and Remuneration Advisory Committee, and our audit activities

*1 SR: Shareholder Relations *2 In-house IR activity report

▸ External Recognition | https://sumitomocorp.disclosure.site/en/themes/17

External Recognition

In addition to being selected for inclusion in the stocks tracked by major Japanese and overseas ESG indices, Sumitomo Corporation receives high ratings from a wide range of external organizations.

Inclusion in ESG indices

- FTSE4Good Index Series
- FTSE JPX Blossom Japan Index
- FTSE JPX Blossom Japan Sector Relative Index

FTSE4Good

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

- MSCI Nihonkabu ESG Select Leaders Index*
- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J)
- S&P/JPX Carbon Efficient Index
- Sompo Sustainability Index

2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2026 Sompo Sustainability Index

* THE INCLUSION OF SUMITOMO CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SUMITOMO CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Other external evaluations

- CDP (We were evaluated B (Management level) in the Climate Change program, A (Leadership level) in the Water Security program, and A- (Leadership level) in the Forests program.)

CDP DISCLOSURE INSIGHT ACTION

- Ministry of Health, Labour and Welfare (Japan): “Eruboshi” company on the basis of the Act on Promotion of Women’s Participation and Advancement in the Workplace
- Ministry of Health, Labour and Welfare (Japan): “Platinum Kurumin” as a company that provides superior childcare support
- Ministry of Economy, Trade and Industry (Japan): Enterprise with outstanding health and productivity management
- Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting (Selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange)

プラチナくるみん 子育てサポートしています

女性が活躍しています！

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

共働き共育て Work Style Diversity 2026

- Ministry of Economy, Trade and Industry (Japan): DX Certified Business Operator under the DX Certification

DX認定

Sumitomo Corporation

For further information, please contact:
Investor Relations Department
E-mail: ir@sumitomocorp.com