

**CONVOCAATION NOTICE OF  
THE 154TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

June 4, 2024  
Sumitomo Electric Industries, Ltd.

On May 28, 2024, Sumitomo Electric Industries, Ltd. (the “Company”) posted the information contained in the Reference Documents and other documents regarding the Ordinary General Meeting of Shareholders (the “Electronic Provision Measures Matters”) on the Internet websites in convening the 154th Ordinary General Meeting of Shareholders. This document only provides translations of information contained in the Japanese original text of the Electronic Provision Measures Matters (except non-consolidated financial statements, independent auditor's reports, the report of Audit & Supervisory Board, instructions on exercise of voting rights, Internet live streaming information, and the map of the venue of the Ordinary General Meeting of Shareholders) disclosed on the Internet in convening the 154th Ordinary General Meeting of Shareholders, solely for the purpose of identifying the items of information contained in the Electronic Provision Measures Matters for reference. The Company does not represent or warrant that the information provided in this document (the “Information”) constitutes a summary of the Electronic Provision Measures Matters or provides a complete and accurate record of the material information of the Electronic Provision Measures Matters. No warranty is given to any user of the Information as to its accuracy or completeness or timeliness. In the event of any dispute regarding or difference between the meaning or intent of the Information and that of the Japanese original text of the Electronic Provision Measures Matters, the Japanese original text of the Electronic Provision Measures Matters shall prevail. In order to accurately and completely understand the information contained in the Electronic Provision Measures Matters, it is necessary to read their complete Japanese original text. The shareholders of the Company are therefore requested to refer to the complete text of the Electronic Provision Measures Matters. The original Japanese text of the Electronic Provision Measures Matters should be available on the Company’s Japanese Web site (<https://sumitomoelectric.com/jp/ir/meeting>).

Neither the provision of the Information nor any part of the Information shall be deemed to be an offer to purchase or sell, or a solicitation of an offer to purchase or sell, any securities, nor shall it be deemed a recommendation for or an endorsement of investment by the Company. Neither the Company nor any of its Directors, officers, employees, agents, affiliates and assigns shall be liable to any person for any losses, damages, costs or expenses of whatever nature arising out of, or in any way related to, any errors to, delays in, ambiguities of, omissions from or alterations to, the Information or for any reliance by such person on any part of the Information.

(Translation)

Securities Code: 5802

June 4, 2024

(Electronic provision measures commencement date: May 28, 2024)

To the Shareholders

Sumitomo Electric Industries, Ltd.  
5-33, Kitahama 4-chome  
Chuo-ku, Osaka City  
Represented by: Osamu Inoue  
President

## CONVOCAION NOTICE OF THE 154TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to hereby inform you that the 154th Ordinary General Meeting of Shareholders (the “Meeting”) will be held as set forth below.

In convening the Ordinary General Meeting of Shareholders, we take electronic provision measures for the information contained in the Reference Documents and other documents regarding the Ordinary General Meeting of Shareholders (the “Electronic Provision Measures Matters”). The Electronic Provision Measures Matters is posted on the following Internet websites. Please access one of the following websites to review the information.

|  |   |
|--|---|
| The Company’s website:                                   | <a href="https://sumitomoelectric.com/jp/ir/meeting">https://sumitomoelectric.com/jp/ir/meeting</a>   |
| TSE website<br>TSE Listed Company<br>Information Service | <a href="https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show">https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show</a> |

On the TSE website, please search by issue name (Sumitomo Electric Industries) or securities code (5802), and select “Basic Information” and “Documents for Public Inspection/PR Information” to review the information.

In addition to attending the Meeting, you have an option to exercise your voting rights by electromagnetic means (the Internet, etc.) or in writing. We cordially request that you exercise your voting rights (in doing so, please follow the “Instructions Regarding Voting” set forth on page 5 [of the Japanese original text]) by 5:15 p.m. of June 25, 2024 (Tuesday), after examining the Reference Documents regarding the Ordinary General Meeting of Shareholders set out below.

- Date:** June 26, 2024 (Wednesday) at 10:00 a.m.
- Place:** “The Grand Ballroom” 2nd floor  
The Ritz-Carlton, Osaka  
5-25, Umeda 2-chome, Kita-ku, Osaka City

### 3. Purposes of the Meeting:

#### Matters to be reported

1. Reporting on the Business Report, the Consolidated Financial Statements and the results of the examination of the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Board for the 154th fiscal year (from April 1, 2023 to March 31, 2024)
2. Reporting on the Non-Consolidated Financial Statements for the 154th fiscal year (from April 1, 2023 to March 31, 2024)

#### Matters to be resolved

- First item: Disposition of surplus
- Second item: Appointment of fifteen (15) Directors
- Third item: Appointment of one (1) Audit & Supervisory Board Member
- Fourth item: Payment of bonuses to the Directors
- Fifth item: Revision of the amount of remuneration of Directors
- Sixth item: Revision of the amount of remuneration of Audit & Supervisory Board Members

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- \* Substitutions are allowed only when the proxy is the Company's shareholder with voting rights, and one person for each shareholder. (The proxy must bring not only the "Voting Instruction Form" of the shareholder but also a certification for his or her authority.)
- \* Of the Electronic Provision Measures Matters, the following matters are not included in the documents to be delivered to shareholders who requested the delivery of written documents, as they are posted on the aforementioned Internet websites in accordance with laws and regulations and the Articles of Incorporation; in addition, the Audit & Supervisory Board Members and the Accounting Auditors audited the documents subject to the audit, including the following matters:
- (i) "Content of Resolutions Regarding Development of Systems Necessary to Ensure the Propriety of Operations and Outline of the Operational Status of the Systems" in the business report;
  - (ii) "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the consolidated financial statements; and
  - (iii) "Non-Consolidated Statement of Changes in Net Assets" and "Notes to Non-Consolidated Financial Statements" in the non-consolidated financial statements.
- \* When the Electronic Provision Measures Matters need modification by the day before the Meeting, we will notify the shareholders by notice on the aforementioned Internet websites.

(Translation)

**REFERENCE DOCUMENTS  
REGARDING THE ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Agendas and Reference Information

**First item: Disposition of surplus**

Based on maintenance of stable dividends, the Company has the basic policy of making distribution of profits to shareholders after taking into consideration the consolidated business results, the dividend payout ratio, the accumulation level of the retained earnings and other matters.

As for the year-end dividend for the 154th fiscal year, in consideration of the business results for this fiscal year and other matters, the Company proposes to distribute in the amount of fifty two yen (¥52) per share, which is twenty seven yen (¥27) more than that of the preceding fiscal year. As a result, the dividend for this fiscal year, including the interim dividend (twenty five yen (¥25)), is seventy seven yen (¥77) per share, which is twenty seven yen (¥27) more than that of the preceding fiscal year.

1. Matters concerning the year-end dividend
  - (1) Type of properties to be distributed:

Cash
  - (2) Matter concerning the allocation of properties to be distributed and the total amount thereof:

Fifty two yen (¥52) per ordinary share of the Company  
Total amount of dividends: 40,563,789,084yen
  - (3) Effective date of distribution of surplus:

June 27, 2024
2. Other matters concerning the disposition of surplus

Not applicable.

**Second item: Appointment of fifteen (15) Directors**

The terms of office of all fourteen (14) current Directors will expire upon the closing of this Meeting. Approval is hereby requested for the appointment of fifteen (15) Directors.

The nominees for the offices of Directors are as stated on pages 11 to 26.

[Reference Information] List of Nominees for Directors

| Nominee Number | Name                |         | Position and Areas of Responsibility in the Company<br>(as of May 28, 2024)  | Number of Times Attending Board of Directors Meetings (FY2023) |
|----------------|---------------------|---------|--|--|
| 1              | Masayoshi Matsumoto | Reappt. | Chairman & CEO   | 13/13  |
| 2              | Osamu Inoue         | Reappt. | President & COO  | 13/13  |
| 3              | Hideo Hato          | Reappt. | Executive Vice President<br>General Manager, New Business Development Unit<br>Deputy General Manager, Automotive Business Unit (Systems & Electronics Division)<br>Corporate Staff Group (Legal, Public Relations, Information Systems, Corporate Planning, Intellectual Property, Security Trade Control) | 13/13  |
| 4              | Akira Nishimura     | Reappt. | Senior Managing Director<br>General Manager, R&D Unit  | 13/13  |
| 5              | Masaki Shirayama    | Reappt. | Managing Director<br>General Manager, Electric Wire & Cable, Energy Business Unit  | 13/13  |
| 6              | Yasuhiro Miyata     | Reappt. | Managing Director<br>General Manager, Electronics Sales Unit<br>Sales Group (Sales Compliance)   | 13/13  |
| 7              | Toshiyuki Sahashi   | Reappt. | Managing Director<br>General Manager, Advanced Materials Business Unit<br>Industrial Materials Group(Sintered Metal Components,Division Special Steel Wire Division)   | 13/13  |
| 8              | Shigeru Nakajima    | Reappt. | Managing Director<br>General Manager, Semiconductor Innovation Business Unit<br>Deputy General Manager, R&D Unit(Transmission Device Laboratory)   | 13/13  |
| 9              | Hiroshi Sato        | Reappt. | Outside Director<br><input type="checkbox"/> /S <input type="checkbox"/> Ind. Officer  | 13/13  |

| Nominee Number   | Name                |             | Position and Areas of Responsibility in the Company<br>(as of May 28, 2024)   | Number of Times Attending Board of Directors Meetings (FY2023) |
|--|---------------------|-------------|---|--|
| 10   | Michihiro Tsuchiya  | Reappt.     | Outside Director<br>O/S Ind. Officer  | 12/13  |
| 11   | Christina Ahmadjian | Reappt.     | Outside Director<br>O/S Ind. Officer  | 13/13  |
| 12   | Katsuaki Watanabe   | Reappt.     | Outside Director<br>O/S Ind. Officer  | 13/13  |
| 13   | Atsushi Horiba      | Reappt.     | Outside Director<br>O/S Ind. Officer  | 12/13  |
| 14   | Yoshiyuki Ogata     | *New appt.* | Senior Managing Executive Officer<br>Deputy General Manager, Automotive Business Unit<br>General Manager, Chubu District Office | -  |
| 15   | Kyoko Kawamata      | *New appt.* | O/S Ind. Officer  | -  |
| <p>"Reappt." means a reappointed nominee; "New appt." means a newly appointed nominee; "O/S" means a nominee for Outside Director; and "Ind. Officer" means a nominee for Independent Officer as defined by Tokyo Stock Exchange, Inc., etc.</p> |                     |             |   |  |

| Nominee Number | Name (Birth Date)  | Number of Company Shares Owned |
|----------------|--|--------------------------------|
| 1              | Masayoshi Matsumoto<br>(September 18, 1944)  | 71,300 shares                  |
|                | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b>  |                                |
|                | <p>Apr. 1967      Joined the Company</p> <p>Jun. 1997      Director</p> <p>Jun. 1999      Managing Director</p> <p>Jun. 2003      Senior Managing Director</p> <p>Jun. 2004      President</p> <p>Jun. 2017      Chairman &amp; CEO</p> <p>(currently maintained)</p> <p>Important Concurrent Posts<br/>Chairman, Kansai Economic Federation</p>   |                                |
|                | <b>Reasons Why the Company Nominates the Nominee as a Director</b>   |                                |
|                | <p>The Company has selected him as a nominee for the office of Director because he has been, as a President since June 2004, and as a Chairman &amp; CEO since June 2017, one of the core members of the Company's management and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit &amp; Supervisory Board Member, etc."</p> |                                |

| Nominee Number   | Name (Birth Date)   | Number of Company Shares Owned  |
|--|---|---|
| 2  | Osamu Inoue<br>(August 25, 1952)  | 48,110 shares   |
|  | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b>                               |   |
|  | Apr. 1975   | Joined the Company  |
|  | Jun. 2004   | Executive Officer<br>Deputy General Manager, Automotive Business Unit |
|  | Jan. 2006   | Executive Officer, Sumitomo Wiring Systems, Ltd.                      |
|  | Jun. 2006   | Director, Managing Executive Officer, Sumitomo Wiring Systems, Ltd.   |
| Jun. 2007  | Director, Senior Managing Executive Officer, Sumitomo Wiring Systems, Ltd.  |   |
| Jun. 2008  | Managing Director,<br>General Manager, Automotive Business Unit of the Company  |   |
| Apr. 2009  | Director of the Company<br>President, Sumitomo Electric Bordnetze GmbH (now known as Sumitomo Electric Bordnetze SE)  |   |
| Jun. 2012  | Deputy General Manager, Automotive Business Unit of the Company<br>Director, President, Sumitomo Wiring Systems, Ltd. |   |
| Apr. 2017  | Managing Executive Officer of the Company<br>Director, Sumitomo Wiring Systems, Ltd.                                  |   |
| Jun. 2017  | President & COO   |   |
|  | (currently maintained)  |   |
| <b>Reasons Why the Company Nominates the Nominee as a Director</b>   |   |   |
| The Company has selected him as a nominee for the office of Director because he has been, as a President & COO, one of the core members of the Company's management since June 2017 and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." |   |   |



| Nominee Number  | Name (Birth Date)  | Number of Company Shares Owned                          |
|---|--|---|
| 3   | <b>Hideo Hato</b><br>(September 3, 1957)   | 17,400 shares   |
|   | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b>  |   |
|   | Apr. 1981  | Joined the Ministry of International Trade and Industry |
|   | Jun. 2013  | Commissioner, Patent Office                             |
|   | Jul. 2014  | Retired from office                                     |
| Jun. 2016   | Joined the Company<br>Managing Executive Officer   |   |
| Jun. 2017   | Managing Director  |   |
| Apr. 2018   | Ditto<br>Deputy General Manager, Automotive Business Unit  |   |
| Jun. 2018   | Ditto<br>General Manager, New Business Development Unit  |   |
| Jun. 2019   | Senior Managing Director<br>General Manager, New Business Development Unit<br>Deputy General Manager, Automotive Business Unit |   |
| Jun. 2023   | Executive Vice President<br>General Manager, New Business Development Unit<br>Deputy General Manager, Automotive Business Unit |   |
| (currently maintained)  |  |   |
| Areas of Responsibility:  |  |   |
| General Manager, New Business Development Unit  |  |   |
| Deputy General Manager, Automotive Business Unit (Systems & Electronics Division)   |  |   |
| Corporate Staff Group (Legal, Public Relations, Information Systems, Corporate Planning, Intellectual Property, Security Trade Control)   |  |   |
| <b>Reasons Why the Company Nominates the Nominee as a Director</b>  |  |   |
| <p>The Company has selected him as a nominee for the office of Director because he has been, as an Executive Vice President, one of the core members of the Company's management since June 2023 and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit &amp; Supervisory Board Member, etc."</p> |  |   |

| Nominee Number  | Name (Birth Date)   | Number of Company Shares Owned   |
|---|---|--|
| 4   | Akira Nishimura<br>(April 7, 1958)  | 24,600 shares  |
|   | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b> |  |
|   | Apr. 1984   | Joined the Company   |
|   | Jun. 2013   | Executive Officer<br>Deputy General Manager, Infocommunications Business Unit          |
|   | Jun. 2015   | Managing Executive Officer<br>Deputy General Manager, Infocommunications Business Unit |
| Jun. 2016   | Managing Director<br>General Manager, Infocommunications Business Unit                  |  |
| Jun. 2019   | Senior Managing Director<br>General Manager, Infocommunications Business Unit           |  |
| Jun. 2020   | Senior Managing Director<br>General Manager, R&D Unit                                   |  |
| (currently maintained)  |   |  |
| Areas of Responsibility:<br>General Manager, R&D Unit   |   |  |
| Important Concurrent Posts:<br>Director, Nissin Electric Co.,Ltd.   |   |  |
| <b>Reasons Why the Company Nominates the Nominee as a Director</b>  |   |  |
| He has abundant business experience at the Infocommunications Group and great insight into technical development. The Company has selected him as a nominee for the office of Director because he has served as Senior Managing Director since June 2019 and has served as General Manager of the R&D Group since June 2020, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." |   |  |

| Nominee Number  | Name (Birth Date)   | Number of Company Shares Owned   |
|---|---|--|
| 5   | Masaki Shirayama<br>(November 29, 1961)   | 26,700 shares  |
|   | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b>     |  |
|   | Apr. 1985   | Joined the Company   |
|   | Jun. 2012   | General Manager, Business Development Division   |
|   | Jun. 2013   | Executive Officer<br>Deputy General Manager, Network Products Sales & Marketing Unit<br>General Manager, New Business Marketing and Promotion Division<br>General Manager, Marketing & Promotion Department, New Business Development Unit |
| Jun. 2014   | Managing Executive Officer<br>General Manager, Social Infrastructure Sales & Marketing Unit |  |
| Jun. 2017   | Managing Director<br>General Manager, Social Infrastructure Sales & Marketing Unit          |  |
| Jun. 2018   | Managing Director<br>General Manager, Electric Wire & Cable, Energy Business Unit           |  |
| (currently maintained)  |   |  |
| Areas of Responsibility:<br>General Manager, Electric Wire & Cable, Energy Business Unit  |   |  |
| <b>Reasons Why the Company Nominates the Nominee as a Director</b>  |   |  |
| He has abundant business experience in the sales departments of infrastructure businesses. The Company has selected him as a nominee for the office of Director because he assumed the office of Managing Director in June 2017 and has served as General Manager of the Environment and Energy Group since June 2018, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." |   |  |

| Nominee Number  | Name (Birth Date)   | Number of Company Shares Owned   |
|---|---|--|
| 6   | Yasuhiro Miyata<br>(April 12, 1961)   | 8,500 shares   |
|   | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b> |  |
|   | Apr. 1984   | Joined the Company   |
|   | Jun. 2006   | General Manager, Flexible Printed Circuits & Components Sales Division |
|   | Dec. 2011   | President, Sumitomo Electric Interconnect Products (Hong Kong), Ltd.   |
| Jun. 2013   | Executive Officer<br>Deputy General Manager, Electronics Sales Unit<br>Ditto            |  |
| Jun. 2014   | Managing Executive Officer<br>General Manager, Electronics Sales Unit                   |  |
| Jun. 2021   | Managing Director<br>General Manager, Electronics Sales Unit                            |  |
| (currently maintained)  |   |  |
| Areas of Responsibility:<br>General Manager, Electronics Sales Unit<br>Sales Group (Sales Compliance)   |   |  |
| Important Concurrent Posts:<br>Director, TECHNO ASSOCIE Co.,Ltd.<br>Director, Sumitomo Electric Interconnect Products (Hong Kong), Ltd.   |   |  |
| <b>Reasons Why the Company Nominates the Nominee as a Director</b>  |   |  |
| He has abundant business experience in the Sales Division for electronics products, and has insight into the global business activities of enterprises. The Company has selected him as a nominee for the office of Director because he assumed the offices of Managing Executive Officer and General Manager of the Sales Group in June 2014 and has continuously served as General Manager of the Group since assuming the office of Managing Director in June 2021, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." |   |  |

| Nominee Number   | Name (Birth Date)  | Number of Company Shares Owned               |
|--|--|--|
| 7  | Toshiyuki Sahashi<br>(December 31, 1960)   | 8,500 shares                                 |
|  | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b>  |  |
|  | Apr. 1986  | Joined the Company                           |
|  | Jun. 2016  | President, Sumitomo Electric Hardmetal Corp. |
|  | Jun. 2017  | Executive Officer<br>Ditto                   |
| Jun. 2019  | Managing Executive Officer<br>Deputy General Manager, Advanced Materials Business Unit<br>President, Sumitomo Electric Hardmetal Corp. |  |
| Jun. 2021  | Managing Director<br>General Manager, Advanced Materials Business Unit   |  |
| (currently maintained)   |  |  |
| Areas of Responsibility:<br>General Manager, Advanced Materials Business Unit<br>Industrial Materials Group(Sintered Metal Components Division, Special Steel Wire Division)   |  |  |
| Important Concurrent Posts:<br>Director, Sumitomo Electric Hardmetal Corp.   |  |  |
| <b>Reasons Why the Company Nominates the Nominee as a Director</b>   |  |  |
| He has abundant business experience in the Industrial Materials Group, and has insight into the global business activities of enterprises. The Company has selected him as a nominee for the office of Director because he has served as Managing Director and General Manager of the Industrial Materials Group since June 2021, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." |  |  |

| Nominee Number  | Name (Birth Date)   | Number of Company Shares Owned  |
|---|---|---|
| 8   | Shigeru Nakajima<br>(July 23, 1959)   | 10,500shares  |
|   | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b> |   |
|   | Apr. 1984   | Joined the Company  |
|   | Jun. 2012   | General Manager, Transmission Devices Division<br>President, Sumitomo Electric Device Innovations, Inc.                               |
|   | Jun. 2015   | Executive Officer<br>Deputy General Manager, Infocommunications Business Unit<br>Ditto  |
|   | Jun. 2016   | Managing Executive Officer<br>General Manager, Transmission Devices Division<br>President, Sumitomo Electric Device Innovations, Inc. |
| Jan. 2017   | Managing Executive Officer<br>General Manager, Semiconductor Innovation Business Unit   |   |
| Jun.2022  | Managing Director<br>General Manager, Semiconductor Innovation Business Unit            |   |
| Jun. 2023   | Ditto<br>Deputy General Manager, R&D Unit   |   |
| (currently maintained)  |   |   |
| Areas of Responsibility:<br>General Manager, Semiconductor Innovation Business Unit<br>Deputy General Manager, R&D Unit (Transmission Devices Laboratory)   |   |   |
| Important Concurrent Posts:<br>Director, Sumitomo Electric Device Innovations, Inc.   |   |   |
| <b>Reasons Why the Company Nominates the Nominee as a Director</b>  |   |   |
| He has abundant business experience in the R&D Group and the transmission devices business. The Company has selected him as a nominee for the office of Director because he assumed the offices of Managing Executive Officer and General Manager of the Group which supervises the transmission devices business, etc. in January 2017 and has continuously served as General Manager of the Group since assuming the office of Managing Director in June 2022, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Director and Audit & Supervisory Board Member Candidates, etc." |   |   |

| Nominee Number  | Name (Birth Date)   | Number of Company Shares Owned |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
|---|---|--------------------------------|-----------|-------------------------|-----------|----------------------------|-----------|--|-----------|--|-----------|-----------------------------------|-----------|---|-----------|--|-----------|---|-----------|--|-----------|--|-----------|---|-----------|--|-----------|--|
| 9   | <p style="text-align: center;"><b>Hiroshi Sato</b><br/>(September 25, 1945)</p> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Outside Director</div> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Independent Officer</div>  | 18,000 shares                  |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
|   | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b>   |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
|   | <table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 15%; vertical-align: top;">Apr. 1970</td><td>Joined Kobe Steel, Ltd.</td></tr> <tr><td style="vertical-align: top;">Jun. 1996</td><td>Director, Kobe Steel, Ltd.</td></tr> <tr><td style="vertical-align: top;">Apr. 1999</td><td>Ditto, Executive Officer, Kobe Steel, Ltd.</td></tr> <tr><td style="vertical-align: top;">Jun. 1999</td><td>Managing Executive Officer, Kobe Steel, Ltd.</td></tr> <tr><td style="vertical-align: top;">Jun. 2000</td><td>Director, Kobe Steel, Ltd., Ditto</td></tr> <tr><td style="vertical-align: top;">Jun. 2002</td><td>Director, Senior Managing Executive Officer, Kobe Steel, Ltd.</td></tr> <tr><td style="vertical-align: top;">Jun. 2003</td><td>Senior Managing Director, Kobe Steel, Ltd.</td></tr> <tr><td style="vertical-align: top;">Apr. 2004</td><td>Executive Vice President and Director, Kobe Steel, Ltd.</td></tr> <tr><td style="vertical-align: top;">Apr. 2009</td><td>President and Director, Kobe Steel, Ltd.</td></tr> <tr><td style="vertical-align: top;">Apr. 2013</td><td>Chairman of the Board and Director, Kobe Steel, Ltd.</td></tr> <tr><td style="vertical-align: top;">Apr. 2016</td><td>Senior Advisor and Director, Kobe Steel, Ltd.</td></tr> <tr><td style="vertical-align: top;">Jun. 2016</td><td>Senior Advisor, Kobe Steel, Ltd.<br/>Director of the Company (Outside Director)</td></tr> <tr><td style="vertical-align: top;">Apr. 2018</td><td>Advisor, Kobe Steel Ltd.<br/>Director of the Company (Outside Director)</td></tr> </table> <p>(currently maintained)</p> <p>Important Concurrent Posts:<br/> Advisor, Kobe Steel, Ltd.<br/> President &amp; Representative Director, The Kobe International House Inc.<br/> Director, Iwatani Corporation (Outside Director)</p> |                                | Apr. 1970 | Joined Kobe Steel, Ltd. | Jun. 1996 | Director, Kobe Steel, Ltd. | Apr. 1999 | Ditto, Executive Officer, Kobe Steel, Ltd. | Jun. 1999 | Managing Executive Officer, Kobe Steel, Ltd. | Jun. 2000 | Director, Kobe Steel, Ltd., Ditto | Jun. 2002 | Director, Senior Managing Executive Officer, Kobe Steel, Ltd. | Jun. 2003 | Senior Managing Director, Kobe Steel, Ltd. | Apr. 2004 | Executive Vice President and Director, Kobe Steel, Ltd. | Apr. 2009 | President and Director, Kobe Steel, Ltd. | Apr. 2013 | Chairman of the Board and Director, Kobe Steel, Ltd. | Apr. 2016 | Senior Advisor and Director, Kobe Steel, Ltd. | Jun. 2016 | Senior Advisor, Kobe Steel, Ltd.<br>Director of the Company (Outside Director) | Apr. 2018 | Advisor, Kobe Steel Ltd.<br>Director of the Company (Outside Director) |
|   | Apr. 1970   | Joined Kobe Steel, Ltd.        |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| Jun. 1996   | Director, Kobe Steel, Ltd.  |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| Apr. 1999   | Ditto, Executive Officer, Kobe Steel, Ltd.  |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| Jun. 1999   | Managing Executive Officer, Kobe Steel, Ltd.  |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| Jun. 2000   | Director, Kobe Steel, Ltd., Ditto   |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| Jun. 2002   | Director, Senior Managing Executive Officer, Kobe Steel, Ltd.   |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| Jun. 2003   | Senior Managing Director, Kobe Steel, Ltd.  |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| Apr. 2004   | Executive Vice President and Director, Kobe Steel, Ltd.   |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| Apr. 2009   | President and Director, Kobe Steel, Ltd.  |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| Apr. 2013   | Chairman of the Board and Director, Kobe Steel, Ltd.  |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| Apr. 2016   | Senior Advisor and Director, Kobe Steel, Ltd.   |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| Jun. 2016   | Senior Advisor, Kobe Steel, Ltd.<br>Director of the Company (Outside Director)  |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| Apr. 2018   | Advisor, Kobe Steel Ltd.<br>Director of the Company (Outside Director)  |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| <b>Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.</b>   |   |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |
| <p>He has abundant experience and great insight into overall corporate management, through being involved in the management of a company globally conducting a wide range of business, such as materials, machinery, and energy, with a central focus on iron and steel, as well as abundant business experience in fields of research on materials and technical development, in particular. In addition, he serves as a Chairman of both the Nominating Advisory Committee and the Compensation Advisory Committee of the Company. Based on the foregoing, the Company has selected him as a nominee for the office of Outside Director because the Company expects that he will contribute to supervising management from an objective perspective that is independent from the execution of business and ensuring transparency and fairness in the consideration of Officers' personnel affairs and remuneration, and the Company considers him to be qualified for the office of Outside Director in light of the Company's "Policy to Nominate Candidates for Director and Audit &amp; Supervisory Board Member, etc." While the Company has a business relationship with Kobe Steel, Ltd., where he previously served as an executive, involving matters such as the purchase and sale of the products, the value of each transaction is less than 1% of the total sales of the Company and Kobe Steel, Ltd. respectively. Therefore, that fact above does not influence his independence. The Company has no transactions with The Kobe International House Inc., where he currently holds office as a President &amp; Representative Director.</p> |   |                                |           |                         |           |                            |           |  |           |  |           |                                   |           |   |           |  |           |   |           |  |           |  |           |   |           |  |           |  |

| Nominee Number  | Name (Birth Date)   | Number of Company Shares Owned |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
|---|---|--------------------------------|-----------|--|-----------|--|-----------|---|-----------|--|-----------|--|-----------|--|-----------|--|-----------|---|-----------|---|-----------|---|-----------|--|-----------|---|-----------|--|
| 10  | <p style="text-align: center;"><b>Michihiro Tsuchiya</b><br/>(July 12, 1947)</p> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Outside Director</div> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Independent Officer</div> | 11,200 shares                  |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
|   | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b>   |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| <table border="0" style="width: 100%;"> <tr> <td style="width: 15%; vertical-align: top;">Apr. 1976</td> <td>Joined Tanabe Seiyaku Co., Ltd.<br/>(now known as Mitsubishi Tanabe Pharma Corporation)</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2001</td> <td>Board Director, Tanabe Seiyaku Co., Ltd.</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2003</td> <td>Managing Board Director, Tanabe Seiyaku Co., Ltd.</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2005</td> <td>Board Director, Managing Executive Officer, Tanabe Seiyaku Co., Ltd.</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2006</td> <td>Representative Director, Senior Managing Executive Officer, Tanabe Seiyaku Co., Ltd.</td> </tr> <tr> <td style="vertical-align: top;">Oct. 2007</td> <td>Board Director, Vice President, Mitsubishi Tanabe Pharma Corporation</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2008</td> <td>Ditto<br/>Director, Mitsubishi Chemical Holdings Corporation (now known as Mitsubishi Chemical Group Corporation)</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2009</td> <td>President &amp; Representative Director, Chief Executive Officer, Mitsubishi Tanabe Pharma Corporation<br/>Director, Mitsubishi Chemical Holdings Corporation (now known as Mitsubishi Chemical Group Corporation) (now Ditto)</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2014</td> <td>Chairman of the Board &amp; Representative Director, Mitsubishi Tanabe Pharma Corporation</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2016</td> <td>Chairman of the Board, Mitsubishi Tanabe Pharma Corporation</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2017</td> <td>Senior Advisor, Mitsubishi Tanabe Pharma Corporation</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2018</td> <td>Ditto<br/>Director of the Company (Outside Director)</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2019</td> <td>Director of the Company (Outside Director)</td> </tr> </table> <p>(currently maintained)</p> <p>Important Concurrent Posts:<br/>Director, RaQualia Pharma Inc. (Outside Director)</p> |   |                                | Apr. 1976 | Joined Tanabe Seiyaku Co., Ltd.<br>(now known as Mitsubishi Tanabe Pharma Corporation) | Jun. 2001 | Board Director, Tanabe Seiyaku Co., Ltd. | Jun. 2003 | Managing Board Director, Tanabe Seiyaku Co., Ltd. | Jun. 2005 | Board Director, Managing Executive Officer, Tanabe Seiyaku Co., Ltd. | Jun. 2006 | Representative Director, Senior Managing Executive Officer, Tanabe Seiyaku Co., Ltd. | Oct. 2007 | Board Director, Vice President, Mitsubishi Tanabe Pharma Corporation | Jun. 2008 | Ditto<br>Director, Mitsubishi Chemical Holdings Corporation (now known as Mitsubishi Chemical Group Corporation) | Jun. 2009 | President & Representative Director, Chief Executive Officer, Mitsubishi Tanabe Pharma Corporation<br>Director, Mitsubishi Chemical Holdings Corporation (now known as Mitsubishi Chemical Group Corporation) (now Ditto) | Jun. 2014 | Chairman of the Board & Representative Director, Mitsubishi Tanabe Pharma Corporation | Jun. 2016 | Chairman of the Board, Mitsubishi Tanabe Pharma Corporation | Jun. 2017 | Senior Advisor, Mitsubishi Tanabe Pharma Corporation | Jun. 2018 | Ditto<br>Director of the Company (Outside Director) | Jun. 2019 | Director of the Company (Outside Director) |
| Apr. 1976   | Joined Tanabe Seiyaku Co., Ltd.<br>(now known as Mitsubishi Tanabe Pharma Corporation)  |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| Jun. 2001   | Board Director, Tanabe Seiyaku Co., Ltd.  |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| Jun. 2003   | Managing Board Director, Tanabe Seiyaku Co., Ltd.   |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| Jun. 2005   | Board Director, Managing Executive Officer, Tanabe Seiyaku Co., Ltd.  |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| Jun. 2006   | Representative Director, Senior Managing Executive Officer, Tanabe Seiyaku Co., Ltd.  |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| Oct. 2007   | Board Director, Vice President, Mitsubishi Tanabe Pharma Corporation  |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| Jun. 2008   | Ditto<br>Director, Mitsubishi Chemical Holdings Corporation (now known as Mitsubishi Chemical Group Corporation)  |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| Jun. 2009   | President & Representative Director, Chief Executive Officer, Mitsubishi Tanabe Pharma Corporation<br>Director, Mitsubishi Chemical Holdings Corporation (now known as Mitsubishi Chemical Group Corporation) (now Ditto)   |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| Jun. 2014   | Chairman of the Board & Representative Director, Mitsubishi Tanabe Pharma Corporation   |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| Jun. 2016   | Chairman of the Board, Mitsubishi Tanabe Pharma Corporation   |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| Jun. 2017   | Senior Advisor, Mitsubishi Tanabe Pharma Corporation  |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| Jun. 2018   | Ditto<br>Director of the Company (Outside Director)   |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| Jun. 2019   | Director of the Company (Outside Director)  |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| <b>Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.</b>   |   |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |
| <p>He has abundant experience and great insight into overall corporate management, through being involved in the management of the companies developing global manufacture and sales business of pharmaceuticals, as well as abundant business experience in fields of research and development and management strategies, in particular. In addition, he serves as a member of both the Nominating Advisory Committee and the Compensation Advisory Committee of the Company. Based on the foregoing, the Company has selected him as a nominee for the office of Outside Director because the Company expects that he will contribute to supervising management from an objective perspective that is independent from the execution of business and ensuring transparency and fairness in the consideration of Officers' personnel affairs and remuneration, and the Company considers him to be qualified for the office of Outside Director in light of the Company's "Policy to Nominate Candidates for Director and Audit &amp; Supervisory Board Member, etc." The Company has no transactions with Mitsubishi Tanabe Pharma Corporation, where he previously served as an executive.</p>   |   |                                |           |  |           |  |           |   |           |  |           |  |           |  |           |  |           |   |           |   |           |   |           |  |           |   |           |  |



| Nominee Number   | Name (Birth Date)  | Number of Company Shares Owned  |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
|--|--|---|-----------|---|-----------|---|-----------|---|-----------|---|-----------|--|-----------|--|-----------|---|-----------|--|-----------|--|
| 11   | <p style="text-align: center;">Christina Ahmadjian<br/>(March 5, 1959)</p> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Outside Director</div> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Independent Officer</div>  | 6,300 shares  |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
|  | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b>  |   |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
|  | <table border="0" style="width: 100%;"> <tr> <td style="width: 15%; vertical-align: top;">Jan. 1995</td> <td>Assistant Professor, Graduate School of Business, Columbia University</td> </tr> <tr> <td style="vertical-align: top;">Oct. 2001</td> <td>Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University</td> </tr> <tr> <td style="vertical-align: top;">Jan. 2004</td> <td>Professor, Graduate School of International Corporate Strategy, Hitotsubashi University</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2010</td> <td>Dean of Graduate School, Graduate School of International Corporate Strategy, Hitotsubashi University</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2012</td> <td>Professor, Graduate School of Commerce and Management, Hitotsubashi University</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2018</td> <td>Professor, Graduate School of Business Administration, Hitotsubashi University</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2018</td> <td>Ditto<br/>Director of the Company (Outside Director)</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2022</td> <td>Specially Appointed Professor, Department of Global Business, College of Business, Rikkyo University; Director of the Company (Outside Director)</td> </tr> <tr> <td style="vertical-align: top;">Apr. 2023</td> <td>Director of the Company (Outside Director)</td> </tr> </table> <p>(currently maintained)</p> <p>Important Concurrent Posts:<br/> Director, Asahi Group Holdings, Ltd. (Outside Director)<br/> Director, NEC Corporation (Outside Director)<br/> Director, Niterra Co., Ltd. (Outside Director)<br/> Executive Director, National University Corporation Hokkaido University (part-time)</p> |   | Jan. 1995 | Assistant Professor, Graduate School of Business, Columbia University | Oct. 2001 | Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University | Jan. 2004 | Professor, Graduate School of International Corporate Strategy, Hitotsubashi University | Apr. 2010 | Dean of Graduate School, Graduate School of International Corporate Strategy, Hitotsubashi University | Apr. 2012 | Professor, Graduate School of Commerce and Management, Hitotsubashi University | Apr. 2018 | Professor, Graduate School of Business Administration, Hitotsubashi University | Jun. 2018 | Ditto<br>Director of the Company (Outside Director) | Apr. 2022 | Specially Appointed Professor, Department of Global Business, College of Business, Rikkyo University; Director of the Company (Outside Director) | Apr. 2023 | Director of the Company (Outside Director) |
|  | Jan. 1995  | Assistant Professor, Graduate School of Business, Columbia University |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
| Oct. 2001  | Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University  |   |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
| Jan. 2004  | Professor, Graduate School of International Corporate Strategy, Hitotsubashi University  |   |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
| Apr. 2010  | Dean of Graduate School, Graduate School of International Corporate Strategy, Hitotsubashi University  |   |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
| Apr. 2012  | Professor, Graduate School of Commerce and Management, Hitotsubashi University   |   |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
| Apr. 2018  | Professor, Graduate School of Business Administration, Hitotsubashi University   |   |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
| Jun. 2018  | Ditto<br>Director of the Company (Outside Director)  |   |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
| Apr. 2022  | Specially Appointed Professor, Department of Global Business, College of Business, Rikkyo University; Director of the Company (Outside Director)   |   |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
| Apr. 2023  | Director of the Company (Outside Director)   |   |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
| <b>Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, and Reasons Why the Company Has Determined that the Nominee is Capable of Conducting the Duties Appropriately as an Outside Director, etc.</b>  |  |   |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |
| <p>She has great insight and a global perspective as a university professor mainly studying in fields of corporate management and corporate governance. In addition, she serves as a member of both the Nominating Advisory Committee and the Compensation Advisory Committee of the Company. Based on the foregoing, the Company has selected her as a nominee for the office of Outside Director because the Company expects that she will contribute to supervising management from an objective perspective that is independent from the execution of business and ensuring transparency and fairness in the consideration of Officers' personnel affairs and remuneration, and the Company considers her to be qualified for the office of Outside Director in light of the Company's "Policy to Nominate Candidates for Director and Audit &amp; Supervisory Board Member, etc." She has no experience concerning company management other than acting as an Outside Director; however, the Company has determined that she is capable of conducting the duties appropriately as an Outside Director because of the reasons above. The Company has no transactions with and has made no donations to either Hitotsubashi University, where she had served as a professor until March 2022, or Rikkyo University, where she had served as a Specially Appointed Professor until March 2023.</p> |  |   |           |   |           |   |           |   |           |   |           |  |           |  |           |   |           |  |           |  |

| Nominee Number | Name (Birth Date)  | Number of Company Shares Owned |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
|----------------|--|--------------------------------|-----------|--|------------|------------------------------------|-----------|---|-----------|--|-----------|--|-----------|-------------------------------------|-----------|---|-----------|--|-----------|---|-----------|---|-----------|--|-----------|--|
|                | <p style="text-align: center;">Katsuaki Watanabe<br/>(February 13, 1942)</p> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Outside Director</div> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Independent Officer</div>  | 18,300 shares                  |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
| 12             | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b>  |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
|                | <table border="0" style="width: 100%;"> <tr> <td style="width: 15%; vertical-align: top;">Apr. 1964</td> <td>Joined Toyota Motor Co., Ltd.<br/>(now known as Toyota Motor Corporation)</td> </tr> <tr> <td style="vertical-align: top;">Sept. 1992</td> <td>Director, Toyota Motor Corporation</td> </tr> <tr> <td style="vertical-align: top;">Jun. 1997</td> <td>Managing Director, Toyota Motor Corporation</td> </tr> <tr> <td style="vertical-align: top;">Jun. 1999</td> <td>Senior Managing Director, Toyota Motor Corporation</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2001</td> <td>Executive Vice President, Toyota Motor Corporation</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2005</td> <td>President, Toyota Motor Corporation</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2009</td> <td>Vice Chairman, Toyota Motor Corporation</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2011</td> <td>Senior Advisor, Toyota Motor Corporation</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2013</td> <td>Ditto<br/>Audit &amp; Supervisory Board Member (Outside Audit &amp; Supervisory Board Member) of the Company</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2015</td> <td>Advisor, Toyota Motor Corporation<br/>Audit &amp; Supervisory Board Member (Outside Audit &amp; Supervisory Board Member) of the Company</td> </tr> <tr> <td style="vertical-align: top;">Jul. 2018</td> <td>Audit &amp; Supervisory Board Member (Outside Audit &amp; Supervisory Board Member) of the Company</td> </tr> <tr> <td style="vertical-align: top;">Jun. 2021</td> <td>Director of the Company (Outside Director)</td> </tr> </table> <p>(currently maintained)</p> <p>Important Concurrent Posts:<br/>Director, Kyushu Financial Group, Inc. (Outside Director)</p> |                                | Apr. 1964 | Joined Toyota Motor Co., Ltd.<br>(now known as Toyota Motor Corporation) | Sept. 1992 | Director, Toyota Motor Corporation | Jun. 1997 | Managing Director, Toyota Motor Corporation | Jun. 1999 | Senior Managing Director, Toyota Motor Corporation | Jun. 2001 | Executive Vice President, Toyota Motor Corporation | Jun. 2005 | President, Toyota Motor Corporation | Jun. 2009 | Vice Chairman, Toyota Motor Corporation | Jun. 2011 | Senior Advisor, Toyota Motor Corporation | Jun. 2013 | Ditto<br>Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of the Company | Jun. 2015 | Advisor, Toyota Motor Corporation<br>Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of the Company | Jul. 2018 | Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of the Company | Jun. 2021 | Director of the Company (Outside Director) |
| Apr. 1964      | Joined Toyota Motor Co., Ltd.<br>(now known as Toyota Motor Corporation)   |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
| Sept. 1992     | Director, Toyota Motor Corporation   |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
| Jun. 1997      | Managing Director, Toyota Motor Corporation  |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
| Jun. 1999      | Senior Managing Director, Toyota Motor Corporation   |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
| Jun. 2001      | Executive Vice President, Toyota Motor Corporation   |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
| Jun. 2005      | President, Toyota Motor Corporation  |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
| Jun. 2009      | Vice Chairman, Toyota Motor Corporation  |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
| Jun. 2011      | Senior Advisor, Toyota Motor Corporation   |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
| Jun. 2013      | Ditto<br>Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of the Company  |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
| Jun. 2015      | Advisor, Toyota Motor Corporation<br>Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of the Company  |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
| Jul. 2018      | Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of the Company   |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
| Jun. 2021      | Director of the Company (Outside Director)   |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
|                | <b>Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.</b>  |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |
|                | <p>He was involved in the management of a company that conducted its business globally with a central focus on transportation equipment, and he has extensive experience and great insight in relation to overall corporate management, as well as abundant business experience in fields of supply chains, corporate planning, and manufacturing, etc. in particular. In addition, he serves as a member of both the Nominating Advisory Committee and the Compensation Advisory Committee of the Company. Based on the foregoing, the Company has selected him as a nominee for the office of Outside Director because the Company expects that he will contribute to supervising management from an objective perspective that is independent from the execution of business and ensuring transparency and fairness in consideration of Officers' personnel affairs and remuneration, and the Company considers him to be qualified for the office of Outside Director in light of the Company's "Policy to Nominate Candidates for Director and Audit &amp; Supervisory Board Member, etc." While the Company has a business relationship with Toyota Motor Corporation, where he previously served as an executive, involving matters such as the purchase and sale of products, ten years or more have passed since he retired from the position of executive of Toyota Motor Corporation, and he retired from all positions at Toyota Motor Corporation in June 2018. In addition, considering the scale of the relevant transactions, that fact above does not influence his independence.</p>   |                                |           |  |            |                                    |           |   |           |  |           |  |           |                                     |           |   |           |  |           |   |           |   |           |  |           |  |

| Nominee Number  | Name (Birth Date)   | Number of Company Shares Owned |
|---|---|--------------------------------|
| 13  | <p style="text-align: center;"><b>Atsushi Horiba</b><br/>(February 5, 1948)</p> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Outside Director</div> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Independent Officer</div>  | 4,900 shares                   |
|   | <b>Career Summary, Position, Areas of Responsibility, and Important Concurrent Posts</b>  |                                |
|   | <p>Sept. 1972      Joined HORIBA, Ltd.</p> <p>Jun. 1982      Director of HORIBA, Ltd.</p> <p>Jun. 1988      Senior Managing Director of HORIBA, Ltd.</p> <p>Jan.1992      President of HORIBA, Ltd.</p> <p>Jun. 1995      Ditto<br/>President of STEC Co., Ltd. (now known as HORIBA STEC, Co., Ltd.)</p> <p>Jun. 2005      Chairman, President &amp; CEO of HORIBA, Ltd., President of HORIBA STEC, Co., Ltd.</p> <p>Apr. 2016      Chairman, President &amp; CEO of HORIBA, Ltd., Chairman of HORIBA STEC, Co., Ltd.</p> <p>Jan. 2018      Chairman &amp; Group CEO of HORIBA, Ltd., Chairman of HORIBA STEC, Co., Ltd.</p> <p>Jun. 2021      Ditto<br/>Director of the Company (Outside Director)</p> <p>(currently maintained)</p> <p>Important Concurrent Posts:<br/>Chairman &amp; Group CEO of HORIBA, Ltd.<br/>Chairman of HORIBA STEC, Co., Ltd.<br/>Director, SoftBank Corp. (Outside Director)</p> |                                |
|   | <b>Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.</b>   |                                |
| <p>He was involved in the management of a company that conducted its business globally with a central focus on analysis and measuring equipment, and he has extensive experience and great insight in relation to overall corporate management, as well as abundant business experience in fields of management strategies (global management, M&amp;A, etc.), in particular. Based on the foregoing, the Company has selected him as a nominee for the office of Outside Director because the Company expects that he will contribute to further improvements in supervisory functions of management from an objective perspective that is independent from the execution of business, and the Company considers him to be qualified for the office of Outside Director in light of the Company's "Policy to Nominate Candidates for Director and Audit &amp; Supervisory Board Member, etc." While the Company has a business relationship with HORIBA, Ltd., where he currently holds office as a Chairman &amp; Group CEO, involving matters such as the purchase of equipment, the value of each transaction is less than 1% of the total sales of the Company and HORIBA, Ltd. respectively. Therefore, that fact above does not influence his independence. In addition, while the Company has a business relationship with HORIBA STEC, Co., Ltd., where he currently holds office as a Chairman, involving matters such as the purchase of equipment, the value of each transaction is less than 1% of the total sales of the Company and HORIBA STEC, Co., Ltd. respectively. Therefore, that fact above does not influence his independence.</p> |   |                                |

| Nominee Number   | Name (Birth Date)  | Number of Company Shares Owned   |
|--|--|--|
| 14   | <p style="text-align: center;">Yoshiyuki Ogata<br/>(November 25, 1963)</p> <div style="border: 1px solid black; width: fit-content; margin: 0 auto; padding: 2px;">Newly appointed</div> | 11,300 shares  |
|  | <b>Career Summary, Position, Areas of Responsibility and Important Concurrent Posts</b>  |  |
|  | Apr, 1986  | Joined the Company   |
|  | Jan, 2012  | General Manager, Sales Division (Eastern Japan)                                |
|  | Jun, 2016  | Executive Officer<br>Deputy General Manager, Automotive Business Unit<br>Ditto |
| Apr, 2020  | Managing Executive Officer<br>Deputy General Manager, Automotive Business Unit<br>General Manager, Sales Division (Eastern Japan)  |  |
| Oct, 2020  | Managing Executive Officer<br>Deputy General Manager, Automotive Business Unit   |  |
| Jun, 2022  | Ditto<br>General Manager, Chubu District Office  |  |
| Jun, 2023  | Senior Managing Executive Officer<br>Deputy General Manager, Automotive Business Unit<br>General Manager, Chubu District Office  |  |
| (currently maintained)   |  |  |
| Important Concurrent Posts:<br>Director, Sumitomo Wiring Systems, Ltd.<br>Director, Sumitomo Electric Wiring Systems, Inc.<br>Director, Sumitomo Electric Wiring Systems(Europe) Limited.<br>Director, Sumitomo Electric Bordnetze SE<br>Chairman of the Board of Directors, SEWS-CABIND S.p.A   |  |  |
| <b>Reasons Why the Company Nominates the Nominee as a Director</b>   |  |  |
| <p>He has abundant business experience in the sales departments of automotive businesses, and has insight into the global business activities of enterprises. The Company has selected him as a nominee for the office of Director because he assumed the offices of Executive Officer and Deputy General Manager of the Automotive Group in June 2016 and has continuously served as Deputy General Manager of the Automotive Group since assuming the office of Managing Executive Officer in April 2020 and assuming the office of Senior Managing Executive Officer in June 2023, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit &amp; Supervisory Board Member, etc."</p> |  |  |

| Nominee Number   | Name (Birth Date)   | Number of Company Shares Owned  |
|--|---|---|
| 15   | <p style="text-align: center;">Kyoko Kawamata<br/>(December 3, 1964)</p> <div style="text-align: center; border: 1px solid black; width: fit-content; margin: 5px auto;">Newly appointed</div> <div style="text-align: center; border: 1px solid black; width: fit-content; margin: 5px auto;">Nominee for Outside Director</div> <div style="text-align: center; border: 1px solid black; width: fit-content; margin: 5px auto;">Nominee for Independent Officer</div> | 0 shares  |
|  | <b>Career Summary, Position, Areas of Responsibility, and Important Concurrent Posts</b>  |   |
|  | Apr. 1988   | Joined The Mainichi Newspapers Co., Ltd.  |
|  | Jul. 2015   | Deputy General Manager, Project Headquarters of The Mainichi Newspapers Co., Ltd. |
|  | Apr. 2020   | Deputy Manager, President's Office of The Mainichi Newspapers Co., Ltd.           |
| Apr. 2021  | General Manager, Intellectual Property Business Headquarters of The Mainichi Newspapers Co., Ltd.   |   |
| Apr. 2022  | Ditto<br>Director of The Mainichi Newspapers Co., Ltd.  |   |
| Oct. 2022  | Director of The Mainichi Newspapers Co., Ltd. (scheduled to retire at the end of May 2024), Member of the Group Corporate Strategy Office of The Mainichi Newspapers Group Holdings Co., Ltd. (scheduled to retire at the end of May 2024)<br><br>(currently maintained)  |   |
| <b>Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.</b>  |   |   |
| <p>She held important posts in a major newspaper company for many years and has abundant business experience and a wide range of insight. Based on the foregoing, the Company has selected her as a nominee for the office of Outside Director because the Company expects that she will contribute to further improvements in supervisory functions of management from an objective perspective that is independent from the execution of business, and the Company considers her to be qualified for the office of Outside Director in light of the Company's "Policy to Nominate Candidates for Director and Audit &amp; Supervisory Board Member, etc." The Company has no transactions with either The Mainichi Newspapers Co., Ltd., where she has served as a director, or The Mainichi Newspapers Group Holdings Co., Ltd., where she has served as a member of the Group Corporate Strategy Office.</p> |   |   |

Notes:

1. None of the nominees for the offices of Directors have business connections with the Company.
2. Mr. Hiroshi Sato, Mr. Michihiro Tsuchiya, Ms. Christina Ahmadjian, Mr. Katsuaki Watanabe, Mr. Atsushi Horiba, and Ms. Kyoko Kawamata are nominees for Outside Directors and for Independent Officers as defined by Tokyo Stock Exchange, Inc., etc.
3. Matters to be described specifically regarding the Outside Director nominees (Mr. Hiroshi Sato, Mr. Michihiro Tsuchiya, Ms. Christina Ahmadjian, Mr. Katsuaki Watanabe, Mr. Atsushi Horiba, and Ms. Kyoko Kawamata) are as follows:

- (1) Number of years since the Outside Director nominees started to hold office as an Outside Director or an Audit & Supervisory Board Member of the Company

Mr. Hiroshi Sato will have held office as an Outside Director for eight (8) years upon the closing of this Meeting.

Mr. Michihiro Tsuchiya and Ms. Christina Ahmadjian will have held office as Outside Directors for six (6) years upon the closing of this Meeting.

Mr. Katsuaki Watanabe will have held office as an Outside Director for three (3) years upon the closing of this Meeting. He had held office as an Outside Audit & Supervisory Board Member for eight (8) years until the time when he retired in June 2021.

Mr. Atsushi Horiba will have held office as an Outside Director for three (3) years upon the closing of this Meeting.

- (2) Outline of the substance of the limited liability contract

The Company has entered into a limited liability contract with Mr. Hiroshi Sato, Mr. Michihiro Tsuchiya, Ms. Christina Ahmadjian, Mr. Katsuaki Watanabe, and Mr. Atsushi Horiba. The contract provides, with respect to the liability under Article 423, paragraph 1 of the Companies Act, that each of them owes liability for damages limited to the higher amount of either 10 million yen or the minimum liability amount provided under Article 425, paragraph 1 of the Act, if they act without knowledge and are not grossly negligent in conducting their duties.

If the appointment of Ms. Kyoko Kawamata is approved, the Company intends to enter into a limited liability contract with her, the terms and conditions of which are similar to the limited liability contract with each of the nominees above.

4. The Company has entered into a directors and officers liability insurance contract under which all Directors are insureds, and the contract provides that it will compensate for damage (through the payment of monetary damages and litigation costs, etc.) borne by the insureds if such compensation for damage is claimed as a result of an act (or an omission) conducted by the insureds in relation to the execution of their duties.  
If each nominee starts to hold office as a Director, they will become insureds under the insurance contract and the insurance contract will be renewed during their terms of office.

**Third item: Appointment of one (1) Audit & Supervisory Board Member**

The term of office of Audit & Supervisory Board Member Ms. Michiko Uehara will expire upon the closing of this Meeting. Approval is hereby requested for the appointment of one (1) Audit & Supervisory Board Member.

The nominee for the office of Audit & Supervisory Board Member is as follows, and this agenda has already been approved by the Audit & Supervisory Board.

|           | Name (Birth Date)  | Number of Company Shares Owned |           |                                      |           |  |           |                                       |           |                               |           |                     |           |                               |           |  |
|-----------|--|--------------------------------|-----------|--------------------------------------|-----------|--|-----------|---------------------------------------|-----------|-------------------------------|-----------|---------------------|-----------|-------------------------------|-----------|--|
|           | <p style="text-align: center;">Michiko Uehara<br/>(December 24, 1949)</p> <div style="border: 1px solid black; padding: 2px; margin: 5px auto; width: 80%;">Nominee for Outside Audit &amp; Supervisory Board Member</div> <div style="border: 1px solid black; padding: 2px; margin: 5px auto; width: 60%;">Nominee for Independent Officer</div>   | 6,900 shares                   |           |                                      |           |  |           |                                       |           |                               |           |                     |           |                               |           |  |
|           | <b>Career Summary, Position and Important Concurrent Posts</b>   |                                |           |                                      |           |  |           |                                       |           |                               |           |                     |           |                               |           |  |
|           | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%; padding: 5px;">Apr. 1976</td> <td style="padding: 5px;">Assistant Judge, Kobe District Court</td> </tr> <tr> <td style="padding: 5px;">Apr. 1979</td> <td style="padding: 5px;">Assistant Judge, Kobe District Court, Amagasaki Branch</td> </tr> <tr> <td style="padding: 5px;">Apr. 1982</td> <td style="padding: 5px;">Assistant Judge, Osaka District Court</td> </tr> <tr> <td style="padding: 5px;">Apr. 1986</td> <td style="padding: 5px;">Judge, Fukuoka District Court</td> </tr> <tr> <td style="padding: 5px;">Mar. 1989</td> <td style="padding: 5px;">Retired from office</td> </tr> <tr> <td style="padding: 5px;">May. 1989</td> <td style="padding: 5px;">Registered as Attorney at law</td> </tr> <tr> <td style="padding: 5px;">Jun. 2016</td> <td style="padding: 5px;">Audit &amp; Supervisory Board Member of the Company (Outside Audit &amp; Supervisory Board Member)</td> </tr> </table> <p>(currently maintained)</p> <p>Important Concurrent Post:<br/>           Attorney at law<br/>           Audit and Supervisory Board Member, The Japan Wool Textile Co., Ltd. (Outside Audit &amp; Supervisory Board Member)<br/>           Director, Sekisui Kasei Co., Ltd. (Outside Director)</p> |                                | Apr. 1976 | Assistant Judge, Kobe District Court | Apr. 1979 | Assistant Judge, Kobe District Court, Amagasaki Branch | Apr. 1982 | Assistant Judge, Osaka District Court | Apr. 1986 | Judge, Fukuoka District Court | Mar. 1989 | Retired from office | May. 1989 | Registered as Attorney at law | Jun. 2016 | Audit & Supervisory Board Member of the Company (Outside Audit & Supervisory Board Member) |
| Apr. 1976 | Assistant Judge, Kobe District Court   |                                |           |                                      |           |  |           |                                       |           |                               |           |                     |           |                               |           |  |
| Apr. 1979 | Assistant Judge, Kobe District Court, Amagasaki Branch   |                                |           |                                      |           |  |           |                                       |           |                               |           |                     |           |                               |           |  |
| Apr. 1982 | Assistant Judge, Osaka District Court  |                                |           |                                      |           |  |           |                                       |           |                               |           |                     |           |                               |           |  |
| Apr. 1986 | Judge, Fukuoka District Court  |                                |           |                                      |           |  |           |                                       |           |                               |           |                     |           |                               |           |  |
| Mar. 1989 | Retired from office  |                                |           |                                      |           |  |           |                                       |           |                               |           |                     |           |                               |           |  |
| May. 1989 | Registered as Attorney at law  |                                |           |                                      |           |  |           |                                       |           |                               |           |                     |           |                               |           |  |
| Jun. 2016 | Audit & Supervisory Board Member of the Company (Outside Audit & Supervisory Board Member)   |                                |           |                                      |           |  |           |                                       |           |                               |           |                     |           |                               |           |  |
|           | <b>Reason Why the Company Nominates the Nominee as an Outside Audit &amp; Supervisory Board Member, and Reason Why the Company Has Determined that the Nominee is Capable of Conducting the Duties Appropriately as an Outside Audit &amp; Supervisory Board Member</b>  |                                |           |                                      |           |  |           |                                       |           |                               |           |                     |           |                               |           |  |
|           | <p>She has great insight and abundant experience in relation to corporate law, including compliance, having been engaged in the judiciary as a judge and an attorney-at-law. The Company has selected her as a nominee for the office of Outside Audit &amp; Supervisory Board Member because the Company considers her to be qualified for an Outside Audit &amp; Supervisory Board Member in light of the Company’s “Policy to Nominate Candidates for Director and Audit &amp; Supervisory Board Member, etc.” She has no experience directly concerning company management; however, the Company has determined that she is capable of appropriately conducting the duties of an Outside Audit &amp; Supervisory Board Member, due to the reasons mentioned above. The Company has no specific transactional relationship with her, except for payment of remuneration as an Audit &amp; Supervisory Board Member of the Company, etc.</p>   |                                |           |                                      |           |  |           |                                       |           |                               |           |                     |           |                               |           |  |

Notes:

1. The nominee for the office of Audit & Supervisory Board Member has no business connections with the Company.
2. Ms. Michiko Uehara is a nominee for an Outside Audit & Supervisory Board Member and for an Independent Officer as defined by Tokyo Stock Exchange, Inc., etc.
3. Matters to be described specifically regarding the Outside Audit & Supervisory Board Member nominee are as follows:
  - (1) Number of years since the Outside Audit & Supervisory Board Member nominee started to hold office as an Outside Audit & Supervisory Board Member of the Company  

Ms. Michiko Uehara will have held office as an Outside Audit & Supervisory Board Member for eight (8) years upon the closing of this Meeting.
  - (2) Outline of the substance of the limited liability contract  

The Company has entered into a limited liability contract with Ms. Michiko Uehara. The contract provides, with respect to the liability provided under Article 423, paragraph 1 of the Companies Act, that Ms. Michiko Uehara owes liability for damages limited to the higher amount of either 10 million yen or the minimum liability amount provided under Article 425, paragraph 1 of the Act, if she acts without knowledge and is not grossly negligent in conducting her duties.
4. The Company has entered into a directors and officers liability insurance contract under which all Audit & Supervisory Board Members are insureds, and the contract provides that it will compensate for damage (through the payment of monetary damages and litigation costs, etc.) borne by the insureds if such compensation for damage is claimed as a result of an act (or an omission) conducted by the insureds in relation to the execution of their duties. If Ms. Michiko Uehara starts to hold office as an Audit & Supervisory Board Member, she will become insured under the insurance contract and the insurance contract will be renewed during her term of office.

*[Reference Information]*

The "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." of the Company is as follows:

1. Candidates to be nominated as Inside Directors will be individuals who have and have carried out the Sumitomo Spirit – which values doing your sincere best, not only in business but also in every aspect of your life, placing importance on integrity and not acting rashly or carelessly in pursuit of immoral business. These will be individuals who have extensive experience and excellent performance records in connection with our business; who have sound objective judgement concerning management in light of the changing environment surrounding us and future changes; and who have superior character, foresight and insight.
2. Candidates to be nominated as Outside Directors will be individuals with experience in company management, experts of respective fields or academic experts who would be suitable for supervising our management from the viewpoint of encouraging sustainable growth and striving to increase corporate value over the mid-to-long term.
3. If a Director is found to be in material breach of compliance with the laws and regulations or the Articles of Incorporation, or it is otherwise determined that they are not able to appropriately fulfill their role or responsibility as a Director, the submission of an agenda for dismissal to the meeting of shareholders may be deliberated, depending on the circumstances.



4. Candidates to be nominated as Audit & Supervisory Board Members will be individuals with experience in company management and persons with expertise in law, finance or accounting.
5. The Nominating Advisory Committee will deliberate the candidates for Directors and Audit & Supervisory Board Members and the submission of an agenda regarding the dismissal of a Director to the meeting of shareholders, and the Board of Directors will decide them by a resolution based on the report of the committee.

#### **Fourth item: Payment of bonuses to Directors**

The Company proposes to declare bonuses totaling 330 million yen (¥330,000,000) for nine (9) Directors, other than the five (5) Outside Directors, from among the fourteen (14) total Directors, as of the end of this fiscal year. With respect to this item, the Company took the existing amount of payments and other factors into consideration, as well as the business results for this fiscal year based on the policy for determining bonuses. Further, the Compensation Advisory Committee, of which more than half of the members consist of outside officers, deliberated and reported to the Board of Directors that this item is appropriate. Based on these facts, the Company has determined that the details of this item are proper.

#### **Fifth item: Revision of the amount of remuneration of Directors**

With respect to the current amount of Directors' remuneration, the amount of monthly remuneration of Directors is not more than 70 million yen (of this, the amount of monthly remuneration of Outside Directors is not more than 6 million yen) as resolved at the 146th Ordinary General Meeting of the Shareholders, held on June 24, 2016, and the amount of remuneration of Directors remained unchanged, of which the amount of monthly remuneration of Outside Directors is not more than 10 million yen, as resolved at the 151st Ordinary General Meeting of the Shareholders, held on June 25, 2021. However, due to the increased responsibility associated with the expansion of the management scope thereafter, and the fact that if the Second item is adopted as proposed, the number of Outside Directors will increase by one (1) to become six (6), the Company requests approval to revise the amount of monthly remuneration of Directors to be not more than 90 million yen (of this, the amount of monthly remuneration of Outside Directors is not more than 20 million yen).

Further, as in the past, the Company proposes to have the amount of remuneration of Directors not include the amount of employee salaries of Directors who have duties as employees. In addition, if the Second item is adopted as proposed, the number of Directors will be fifteen (15) (of which, the number of Outside Directors will be six (6)).

Moreover, this item was considered based on the policy for determining remuneration of Directors. In addition, the Compensation Advisory Committee, of which more than half of the members consist of Outside Directors, deliberated and reported to the Board of Directors that this item is appropriate. Based on these facts, the Company has determined that the details of this item are proper.

#### **Sixth item: Revision of the amount of remuneration of Audit & Supervisory Board Members**

With respect to the current amount of Audit & Supervisory Board Members' remuneration, the amount of monthly remuneration of Audit & Supervisory Board Members is not more than 12 million yen as resolved at the 151st Ordinary General Meeting of the Shareholders, held on June 25, 2021. In order to continue to secure human resources with various, appropriate

insights, and to consider the system of Audit & Supervisory Board Members with flexibility depending on the business conditions of the Group, the Company requests approval to revise the amount of monthly remuneration of Audit & Supervisory Board Members to be not more than 14 million yen.

Further, if the Third item is adopted as proposed, the number of Audit & Supervisory Board Members will remain five (5).

**[Reference] Executive Structure and Skills Matrix in the Case Where the Second and Third Items Are Approved**

The Company is a technology-development-type manufacturer that conducts its business globally by taking advantage of advanced technologies for customers in the various areas of environment and energy, infocommunications, automotive, electronics, and industrial materials, based on the production technology of electric wires, and in order to fulfill the functions of the Board of Directors as a whole and to achieve the 2030 VISION and Mid-term Management Plan 2025, the Company posts personnel who are familiar with important fields in the decision-making process of corporate strategies, personnel with abundant knowledge and experience in specialized fields which are taken seriously by the Company as a manufacturer, personnel with abundant experience in corporate management and abundant international sensibility, personnel with knowledge of law and industrial economic policies, etc., and personnel with independence contributing to enhancement of corporate value in a bird's-eye-view position, in a well balanced manner.

Based on this view, and with the Nominating Advisory Committee having discussed the matter, the Company describes the necessary requirements for directors who are responsible for management of the Company in the matrix and describes the fields in which each individual has particular expertise or areas of responsibility in the company.

| Name and Attributes   | Committees of Which They will be Members, if the Second and Third Items are Approved | Human Resources and Organization | Finance and Accounting | Corporate Governance | Research and Technical Development | Manufacturing and Production Technology (*) | Supply Chain, Sales and Procurement | Internationality and Global Management | Fields in Which One Has Particular Expertise or Areas of Responsibility in the Company  |
|---|--|----------------------------------|------------------------|----------------------|------------------------------------|---|-------------------------------------|--|---|
| Masayoshi Matsumoto<br>Representative Director<br>Chairman & CEO<br><small>Male</small>       | Nominating Advisory Committee/ Compensation Advisory Committee                       | ○                                |                        | ○                    |                                    |   | ○                                   | ○                                      | Corporate manager   |
| Osamu Inoue<br>Representative Director<br>President & COO<br><small>Male</small>              | Nominating Advisory Committee/ Compensation Advisory Committee                       | ○                                | ○                      | ○                    |                                    |   |                                     | ○                                      | Corporate manager   |
| Hideo Hato<br>Representative Director<br>Executive Vice President<br><small>Male</small>      |  | ○                                | ○                      | ○                    |                                    | ○   |                                     | ○                                      | DX, Intellectual Property, Corporate Disclosure, Industrial Policy, Information Systems |
| Akira Nishimura<br>Representative Director<br>Senior Managing Director<br><small>Male</small> |  |                                  |                        |                      | ○                                  | ○   |                                     |  | R&D, Infocommunications   |
| Masaki Shirayama<br>Managing Director<br><small>Male</small>                                  |  |                                  |                        |                      |                                    | ○   | ○                                   | ○                                      | Environment and Energy  |
| Yasuhiro Miyata<br>Managing Director<br><small>Male</small>                                   |  |                                  |                        |                      |                                    |   | ○                                   | ○                                      | Electronics   |
| Toshiyuki Sahashi<br>Managing Director<br><small>Male</small>                                 |  |                                  |                        |                      |                                    | ○   | ○                                   | ○                                      | Industrial Materials  |
| Shigeru Nakajima<br>Managing Director<br><small>Male</small>                                  |  |                                  |                        |                      | ○                                  | ○   | ○                                   |  | Transmission Devices  |
| Yoshiyuki Ogata<br>Managing Director<br><small>Male</small>                                   |  |                                  |                        |                      |                                    | ○   | ○                                   | ○                                      | Automotive  |
| Hiroshi Sato<br><small>Male</small><br><small>Ind. Officer</small>                            | Nominating Advisory Committee/ Compensation Advisory Committee                       | ○                                |                        | ○                    | ○                                  | ○   |                                     | ○                                      | Experienced in corporate management   |
| Michihiro Tsuchiya<br><small>Male</small><br><small>Ind. Officer</small>                      | Nominating Advisory Committee/ Compensation Advisory Committee                       | ○                                |                        | ○                    | ○                                  |   |                                     | ○                                      | Experienced in corporate management   |
| Christina Ahmadjian<br><small>Female</small><br><small>Ind. Officer</small>                   | Nominating Advisory Committee/ Compensation Advisory Committee                       | ○                                |                        | ○                    |                                    |   |                                     | ○                                      | Academic expert   |
| Katsuaki Watanabe<br><small>Male</small><br><small>Ind. Officer</small>                       | Nominating Advisory Committee/ Compensation Advisory Committee                       | ○                                |                        | ○                    |                                    | ○   | ○                                   | ○                                      | Experienced in corporate management   |
| Atsushi Horiba<br><small>Male</small><br><small>Ind. Officer</small>                          |  | ○                                |                        | ○                    | ○                                  |   |                                     | ○                                      | Experienced in corporate management   |
| Kyoko Kawamata<br><small>Female</small><br><small>Ind. Officer</small>                        |  | ○                                |                        | ○                    |                                    |   |                                     |  | Experienced in mass media   |
| Yoshitomo Kasui<br><small>Male</small>  |  | ○                                |                        | ○                    |                                    |   |                                     |  | -   |
| Akira Hayashi<br><small>Male</small>  |  |                                  | ○                      | ○                    |                                    |   |                                     |  | -   |
| Michiko Uehara<br><small>Female</small><br><small>Ind. Officer</small>                        |  | ○                                |                        | ○                    |                                    |   |                                     |  | Attorney at law   |
| Ikuo Yoshikawa<br><small>Male</small><br><small>Ind. Officer</small>                          |  |                                  | ○                      | ○                    |                                    |   |                                     |  | Certified public accountant   |
| Tatsuo Kijima<br><small>Male</small><br><small>Ind. Officer</small>                           |  | ○                                |                        | ○                    |                                    |   |                                     |  | Experienced in corporate management   |

Ind. Officer Independent Officer as defined by Tokyo Stock Exchange, Inc., etc.

O/S Outside Director / Outside Audit & Supervisory Board Member

\*.....Includes expertise in environmental conservation

The matrix is based on each person's experience and indicates the areas in which they can demonstrate their expertise. Please note that it does not represent all the expertise or experience possessed.

(Translation)

**BUSINESS REPORT**  
**(from April 1, 2023 to March 31, 2024)**

**1. Matters Concerning Current Status of Corporate Group**

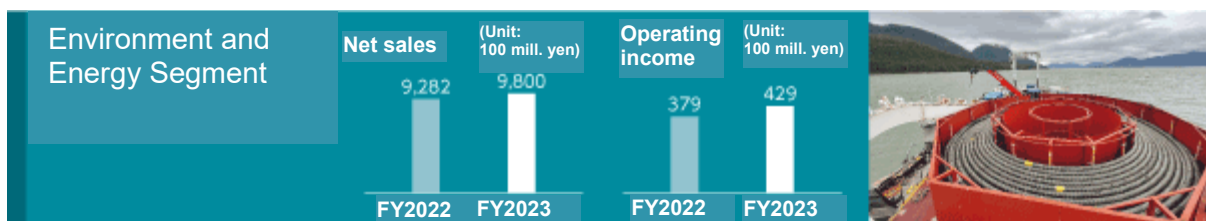
**(1) Progression of Business and its Results**

|   |   |
|---|---|
| Net Sales                                   | 4,402,814million yen (an increase of 9.9 % compared with the preceding fiscal year) |
| Operating Income                            | 226,618million yen (an increase of 27.7 % compared with the preceding fiscal year)  |
| Ordinary Income                             | 215,341million yen (an increase of 24.2 % compared with the preceding fiscal year)  |
| Profit Attributable to Owners of the Parent | 149,723million yen (an increase of 32.9 % compared with the preceding fiscal year)  |

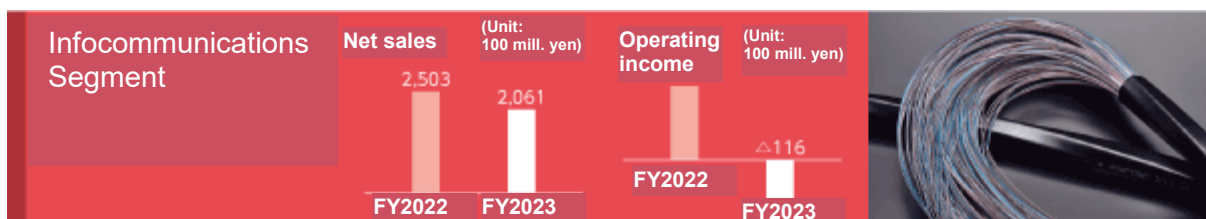
With respect to the world economy during this fiscal year, in the U.S., the economic recovery continued, supported by stable personal consumption; however, in Europe, the continued tight monetary policies brought the economy to a standstill; further, in China, the pace of growth slowed due in part to worsening real estate market conditions. The Japanese economy recovered moderately, despite the impact of global price increases, partly due to moves to expand capital expenditure backed by improved corporate profits.

With respect to the business circumstances of the Group, although the business circumstances continued to be challenging in the Infocommunication sector due to restrained investment by customers and inventory adjustments, in the Automotive sector, recovery of the production of automobiles progressed as a result of an easing of a supply shortage of semiconductors and other components, and in the Environment and Energy sector, robust demand continued. In this environment, in the consolidated financial settlement for this fiscal year, net sales increased from the preceding fiscal year to 4,402,814 million yen (preceding fiscal year: 4,005,561 million yen, +9.9%), thanks to efforts to expand the sale of wiring harnesses, anti-vibration rubber, power cables, and other commodities, as well as the depreciation of the Japanese yen. With respect to income and profits, we worked to increase sales as well as to thoroughly improve productivity, reduce costs, and improve selling prices; as a result, operating income was 226,618 million yen (preceding fiscal year: 177,443 million yen, +27.7%), ordinary income was 215,341 million yen (preceding fiscal year: 173,348 million yen, +24.2%), and the profit attributable to owners of the parent was 149,723 million yen (preceding fiscal year: 112,654 million yen, +32.9%). In this way, each of these items increased from the preceding fiscal year and achieved new record highs. We also made efforts to improve asset efficiency, such as reducing inventories. As a result, ROIC (return on invested capital) before tax increased from the preceding fiscal year to 7.6% (preceding fiscal year: 6.6%).

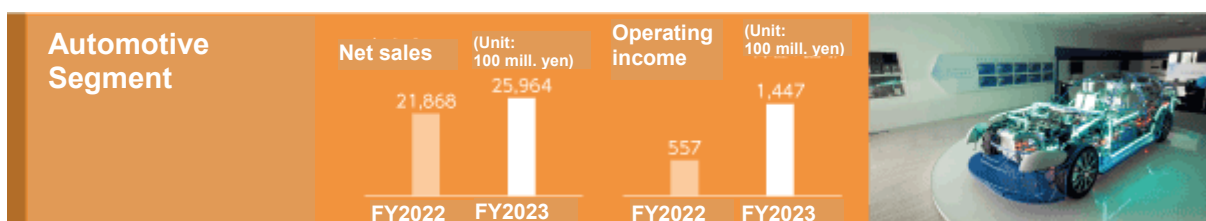
The following section is a report outlining each segment.



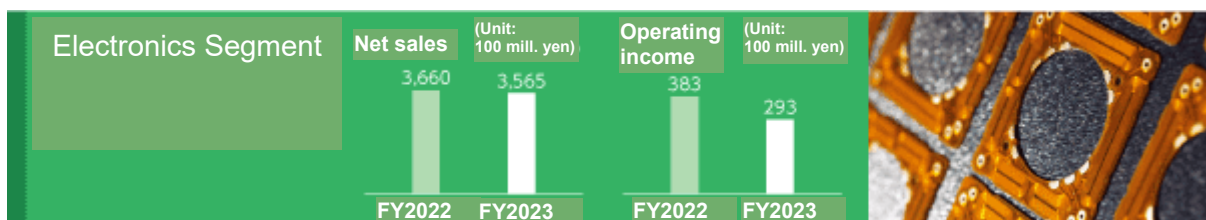
Net sales increased by 51,738 million yen (compared with the preceding fiscal year: 5.6%) to 979,977 million yen due to the expansion of sales of power cables and rectangular magnet wires for motors used in electric vehicles. Operating income increased by 4,970 million yen to 42,890 million yen due to the impact of copper price fluctuations as well as an increase in sales.



Net sales decreased by 44,251 million yen (17.7%) to 206,074 million yen as a result of reduced demand for optical fiber cables and optical/wireless devices due to investment restraint and inventory adjustments by telecommunications and data center business operators. Operating income resulted in a loss of 11,552 million yen and a decrease of 33,478 million yen due to a decrease in sales and a deterioration in productivity due to a decrease in volume.

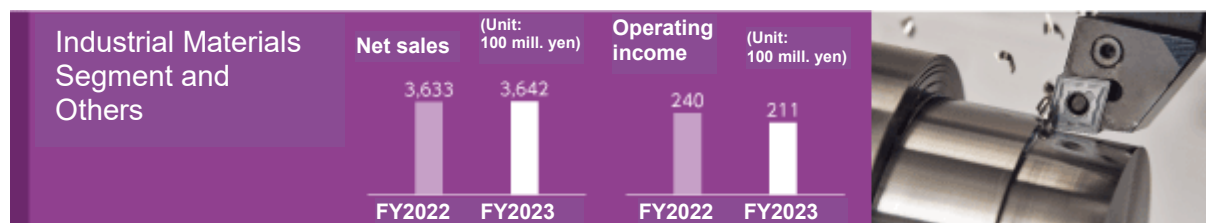


As a result of the recovery in automobile production due to the easing of the shortage in the supply of components such as semiconductors, demand for wiring harnesses, electronic components of cars, and anti-vibration rubber increased. As a result, net sales increased by 409,555 million yen (18.7%) to 2,596,404 million yen. Operating income increased by 88,929 million yen to 144,674 million yen partly due to an increase in sales as well as improvement of productivity.



Net sales decreased by 9,535 million yen (2.6%) to 356,478 million yen partly due to a decrease in demand for electronic wires and heat shrink tubes for consumer use as well as a decrease in demand from major customers for FPCs (flexible printed circuits). Operating

income decreased by 9,052 million yen to 29,297 million yen partly due to a decrease in sales as well as an increase in personnel expenses.



Although demand for cemented carbide tools declined in China and Japan, net sales increased by 889 million yen (0.2%) to 364,185 million yen due to the impact of the depreciation of the Japanese yen. Operating income decreased by 2,911 million yen to 21,067 million yen due to a decrease in demand as well as an increase in personnel expenses.

## (2) Conditions of Capital Expenditure

The total amount of capital expenditure for this fiscal year was 193.8 billion yen. The following list shows the breakdown of capital expenditure by segment.

| Segment                         | Amount of Capital Expenditure (billions of yen) | Main Content of Capital Expenditure  |
|---------------------------------|---|--|
| Environment and Energy          | 25.9  | Increased production of and rationalization investment in power system equipment such as power transmission wires/cables/equipment and substation equipment/control system |
| Infocommunications              | 14.6  | Increased production of and rationalization investment in optical/wireless devices and optical fiber cables  |
| Automotive                      | 111.5   | Increased production of and rationalization investment in wiring harnesses and anti-vibration rubbers  |
| Electronics                     | 22.3  | Increased production of and rationalization investment in FPCs and electronic wires  |
| Industrial Materials and Others | 19.6  | Increased production of and rationalization investment in cemented carbide tools and sintered powder metal parts   |

(Note)

The amounts of net sales and operating income of each segment indicate those amounts before the elimination of intersegment transactions, etc.

## (3) Fundraising

The Group raised funds through the issuance of 90.0 billion yen in bonds and other methods for purposes such as repayment of short-term borrowings in order to acquire shares of both Nissin Electric Co., Ltd. and TECHNO ASSOCIE Co., Ltd. and for other similar purposes, as well as repayment of long-term borrowings.

## (4) Key Issues Requiring Attention

Economic Situation Hereafter

It is anticipated that there will be concerns regarding a slowdown in the global economy due to further increased political and geopolitical risks and prolonged credit squeezes due to continued rising prices, and that the business circumstances of the Group will continue to be unpredictable.

### ■ The Group's Efforts Hereafter

In these circumstances, aiming to realize the Group's ideal vision of becoming a "Glorious Excellent Company", the Group will work to improve our corporate values in a unified effort toward the realization of "living in safety and comfort on our green planet" set forth in the "Sumitomo Electric Group 2030 VISION," our long-term vision, and conduct management based on the Multistakeholder Capitalism ("Goho Yoshi" (Five-Way-Win)), which means the steady distribution of positive outcomes to our stakeholders, i.e., "employees", "customers", "suppliers", "communities", and "shareholders/investors."

Specifically, we will work to further improve the basics of the manufacturing industry, "S" (Safety), "E" (Environment), "Q" (Quality), "C" (Cost), "D" (Delivery), and "D" (Development), and with respect to improvement of asset efficiency, for the improvement of ROIC, which we regard as an important index, we will further improve our efforts, such as by making reasonable inventory balance and balance of operating receivables and payables, implementing careful selection of capital expenditure projects, and shifting to high-value-added items. We are promoting the growth strategies by the Group's integrated capabilities and working to strengthen the management base, and we are pursuing the following strategies in each of our business segments, in order to achieve the "Mid-term Management Plan 2025", which started in the FY2023 as a milestone toward the realization of our long-term vision.

### Environment and Energy Segment

With regard to power cables, we will make efforts to capture domestic demand for replacement of facilities, among other things, and in addition to that, expand orders for projects related to renewable energy, as well as cross-national and cross-regional interconnection lines, which contribute to the decarbonization, and focus on strengthening production capacity, cost reductions, quality improvement, development of new products, and strengthening project management. With regard to rectangular magnet wires for motors used in electric vehicles, we will make improvements in profitability through the reduction of costs and proceed with developing next-generation products that respond to electric vehicles becoming high-voltage and establishing the global supply system. Furthermore, we will strive to create further synergies with Nissin Electric Co., Ltd., which we made our wholly-owned subsidiary in May 2023, and make efforts to expand orders further, while taking advantage of the Group's integrated capabilities, including those of Sumitomo Densetsu Co., Ltd.

### Infocommunications Segment

Although some temporary demand stagnation due to investment restraint by customers and inventory adjustments has continued, changes to a market environment, which allows the Company to better demonstrate its technological capability, are becoming visible, such as the worldwide expansion of the fifth-generation mobile communications system (5G), steady growth of the market for cloud services\*, and further expansion of data center-related market due to rapid dissemination of generative AI\*. In order to ensure that these demands are captured, we will continue and accelerate development and marketing of

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\*"Goho Yoshi (Five-Way-Win)": a basic idea about "distribution" in the Company's management.

\*Cloud services: providing data and software that previously were used by users on local computers, as a service to users via a network.

\*Generative AI: AI (Artificial Intelligence), which generates various contents such as images, text, music, videos, and programs by responding to questions, work instructions, etc.

new products of optical cables, optical wiring equipment, and optical devices, and high-performance products that have environmentally-resistant performance including low power consumption, such as extra low-loss and large capacity optical fibers for submarine cables, multi-core fibers of which the Company began mass production for the first time in the world, highly efficient wireless devices for 5G base stations, and access network equipment that is increasingly adopting the new method, and we will make efforts to improve profitability by thorough reduction of costs.

### Automotive Segment

In order for the Company, as a “connecting” partner for mobility systems, to expand the “connected” business, we will work to further reduce costs and thoroughly improve asset efficiency and further expand sales of aluminum harnesses corresponding to the needs of weight reduction, as well as push evolution of conventional harnesses such as automation of production and expansion of new designs and new methods of production that will lead to cost reduction. In addition, the Group will also make efforts to create and expand sales of new products that capture the market of CASE\*, which is expected to expand in the future, such as high-voltage wiring harnesses for electric vehicles, and connectors for high-speed communication, by enhancing collaboration within the Group and partner relationships and cooperation with customers. Sumitomo Riko Company Limited will try to make the existing businesses more efficient in the field of automotive anti-vibration rubbers and hoses, and will further work to improve the business growth and profitability by focusing on developing new products for the next-generation mobility systems.

### Electronics Segment

With regard to FPCs, we will strive to market high-performance products that utilize fine circuit fabrication technology, thoroughly reduce costs, and increase performance, and we will accelerate marketing for CASE compatible products and products for medical care and development of new products with high frequency characteristics. With regard to lead wire (tab leads) for battery terminals of electric vehicles, wires for electric parking brakes, and heat shrink tubes, which utilize irradiation cross-linking technology, and porous water-treatment membrane systems that utilize fluorine resin processing technology, we will strive to expand business by capturing various customer needs. In addition, we will strive to create further synergies with TECHNO ASSOCIE Co., Ltd., which we made our wholly-owned subsidiary in May 2023.

### Industrial Materials Segment

With regard to cemented carbide tools, we will surely capture the demand not only in the main automotive area but also in the areas of construction machines, agriculture machines, electronics, etc. by strengthening our global sales power and will proceed with new business development related to electric vehicles, aircrafts, semiconductors, renewable energy, etc. and will make efforts to expand our market share. With regard to sintered powder metal parts, we will aim to develop new products and further strengthen marketing for electric vehicles or non-automotive purposes and the cost competitiveness. With regard to prestressed concrete and precision spring steel wires, we will strive to improve profitability by strengthening global production and sales organization and developing new products.

### Research and Development Activities

Aiming to revitalize and accelerate research and development as one of the key driving forces to create an extensive range of technologies, we will work to use a backcasting approach regarding social issues, advance and make processes more efficient, and strengthen open innovation and collaboration with outside entities. As specific initiatives, in order to develop the current businesses, we will work on themes such as reinforcement of

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\*CASE: a term that represents an automotive industry trend and combines the initials of “Connected,” “Autonomous,” “Shared,” and “Electric.”



power grids, stable supply of renewable energy, enabling large-capacity and low latency telecommunication networks, and electrification in mobility by utilizing close relationship with the Business Division and the Sales & Marketing Division and partnership relationships with customers, focusing on key business areas. In addition, as our challenge to new themes, we have set “Earth,” “Life,” and “Human” as three new dynamic value spheres, and for the sustainability of “Earth,” we will promote research on matters such as energy saving, renewable energy, and material recycling, and also promote research aimed at a safe and comfortable “Life” and expanding possibility of “Human.”

#### Management Basis, etc.

Ultimately, we believe that compliance with laws and regulations and maintaining corporate ethics constitute the foundation of the Company’s management, and that they are the absolute basis to continue and develop as a corporation. From now on, under the principles of the Sumitomo Spirit, which values doing your sincere best, not only in business but also in every aspect of your life, placing importance on integrity, and not acting rashly or carelessly in pursuit of immoral business, we will make all efforts to ensure that all corporate activities are conducted fairly and honestly and can be trusted by society. In addition, we consider that the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles share common core values with the SDGs (Sustainable Development Goals). We will strive to realize a sustainable society through consideration of global environmental issues such as climate change, respecting human rights, ensuring employee well-being and a healthy work environment, and fair and impartial trade with clients, as well as managing natural disasters, etc., which are issues related to sustainability.

We would like to ask our shareholders for your further understanding and support in the future.

## (5) Trend of Assets and Profits or Losses

### (i) Trend of Assets and Profit or Losses of Corporate Group (Consolidated)

| Entry \ Year   | FY2019    | FY2020    | FY2021    | FY2022    | FY2023<br>(this fiscal year) |
|--|-----------|-----------|-----------|-----------|------------------------------|
| Net Sales<br>(millions of yen)   | 3,107,027 | 2,918,580 | 3,367,863 | 4,005,561 | 4,402,814                    |
| Operating Income<br>(millions of yen)                                  | 127,216   | 113,926   | 122,195   | 177,443   | 226,618                      |
| Ordinary Income<br>(millions of yen)                                   | 130,498   | 114,072   | 138,160   | 173,348   | 215,341                      |
| Profit Attributable<br>to Owners of the<br>Parent<br>(millions of yen) | 72,720    | 56,344    | 96,306    | 112,654   | 149,723                      |
| Earnings per<br>Share<br>(yen)   | 93.24     | 72.25     | 123.49    | 144.45    | 191.98                       |
| Net Assets<br>(millions of yen)  | 1,766,647 | 1,892,506 | 2,052,938 | 2,110,819 | 2,431,888                    |
| Total Assets<br>(millions of yen)                                      | 3,100,260 | 3,381,914 | 3,807,390 | 4,013,008 | 4,365,397                    |

#### (Notes)

- Earnings per share is computed based on the weighted average number of shares of common stock outstanding during each period.
- With respect to FY2020, due to, e.g., a decrease in production of automobiles caused by COVID-19, delays in communication and power supply work, and a decline in the price of

optical fibers, sales decreased from the preceding fiscal year. With respect to income, despite our all-out efforts toward cost reduction measures, such as cutting down non-urgent costs and refraining from capital expenditures, not all of the effect of the decrease in sales could be absorbed, and operating income, ordinary income, and the profit attributable to owners of the parent decreased from the preceding fiscal year.

(ii) Trend of Assets and Profits or Losses of the Company

| Entry \ Year                             | FY2019    | FY2020    | FY2021    | FY2022    | FY2023<br>(this fiscal year) |
|--|-----------|-----------|-----------|-----------|------------------------------|
| Net Sales<br>(millions of yen)           | 1,149,030 | 1,064,781 | 1,305,756 | 1,431,971 | 1,628,376                    |
| Operating Income<br>(millions of yen)    | 3,882     | (7,007)   | 15,704    | 15,584    | 17,287                       |
| Ordinary Income<br>(millions of yen)     | 48,625    | 26,874    | 64,063    | 65,929    | 81,615                       |
| Profit for the year<br>(millions of yen) | 42,442    | 9,558     | 52,354    | 55,181    | 43,229                       |
| Earnings per<br>Share<br>(yen)           | 54.41     | 12.25     | 67.11     | 70.74     | 55.42                        |
| Net Assets<br>(millions of yen)          | 772,037   | 762,483   | 781,185   | 795,440   | 813,927                      |
| Total Assets<br>(millions of yen)        | 1,331,126 | 1,376,632 | 1,413,289 | 1,522,314 | 1,748,660                    |

(Notes)

Earnings per share is computed based on the weighted average number of shares of common stock outstanding during each period.

**(6) Content of Main Businesses (as of March 31, 2024)**

The Group conducts manufacturing and sales of the following products, as well as construction design and execution.

| Segment                         | Main products and others   |
|---------------------------------|--|
| Environment and Energy          | Electric conductors, power transmission wires/cables/equipment, magnet wires, air cushions for railroad vehicles, power system equipment such as substation equipment/control system, charged beam equipment and processing, electrical/power supply work and engineering, porous metals, metal materials for electronic parts |
| Infocommunications              | Optical fiber cables, telecommunication cables and equipment, fusion splicers, optical/wireless devices such as optical transceiver modules/wireless communication devices, compound semiconductors, access network equipment (GE-PON/set-top box/CATV-related products, etc.)   |
| Automotive                      | Wiring harnesses, anti-vibration rubbers/automotive hoses, electronic components of cars and network system products such as traffic control   |
| Electronics                     | Electronic wires, electron beam irradiated products, flexible printed circuits, fluorine resin products, fasteners, metal parts, chemical products   |
| Industrial Materials and Others | Tensioning materials for prestressed concrete, precision spring steel wires, steel tire cords, cemented carbide tools,   |

|         |  |
|---------|--|
| Segment | Main products and others   |
|         | diamond/CBN tools, laser optics, sintered powder metal parts, semiconductors heat-spreader materials |

**(7) Main Offices and Factories (as of March 31, 2024)**

(i) The Company

|             |  |
|-------------|--|
| Head Office | Osaka City   |
| Offices     | Osaka, Tokyo, Chubu District Office (Nagoya City), Okinawa Branch Office (Naha City), Kyushu Branch Office (Fukuoka City), Shikoku Sales Office (Takamatsu City), Chugoku Branch Office (Hiroshima City), Hokuriku Sales Office (Toyama City), Hitachi Branch Office (Hitachi City, Ibaraki Prefecture), Tohoku Branch Office (Sendai City), Hokkaido Branch Office (Sapporo City) |
| Factories   | Osaka Works (Osaka City), Itami Works (Itami City, Hyogo Prefecture), Yokohama Works (Yokohama City), Ibaraki Works (Hitachi City, Ibaraki Prefecture)   |

- (ii) Subsidiaries and Affiliates  
Please see “(9) Status of Important Subsidiaries and Affiliates.”

**(8) Employee Situation (as of March 31, 2024)**

(i) Employee Situation of Corporate Group

| Segment                         | Number of Employees | Increase from March 31, 2023 |
|---------------------------------|---------------------|------------------------------|
| Environment and Energy          | 15,296              | (111)                        |
| Infocommunications              | 7,259               | (196)                        |
| Automotive                      | 235,492             | 4,486                        |
| Electronics                     | 19,658              | (103)                        |
| Industrial Materials and Others | 15,561              | (1)                          |
| Total                           | 293,266             | 4,075                        |

(Note)

“Number of Employees” means the number of actual employees on duty (i.e., the number of employees dispatched to non-consolidated companies is not included, but the number of those dispatched from non-consolidated companies is included).

(ii) Employee Situation of the Company

| Number of Employees | Increase from March 31, 2023 | Average age | Average Length of Service (Years) |
|---------------------|------------------------------|-------------|-----------------------------------|
| 6,995               | (149)                        | 43.2        | 17.5                              |

(Note)

“Number of Employees” does not include the 5,982 employees of the Company who are dispatched to companies other than the Company.

**(9) Status of Important Subsidiaries and Affiliates (as of March 31, 2024)**

| Company Name                               | Location                                    | Capital               | Share-holding | Main Business  |
|--|---|-----------------------|---------------|--|
| Sumitomo Wiring Systems, Ltd.              | Yokkaichi City, Mie Prefecture              | JPY<br>20,042 Million | %<br>100.00   | Manufacture, processing and sales of automotive wiring harnesses, connectors   |
| Sumitomo Electric Device Innovations, Inc. | Yokohama City                               | JPY<br>15,000 Million | 100.00        | Development, manufacture and sales of optical transceiver, optical/wireless devices composed of compound semiconductors, and their application |
| Sumitomo Riko Company Limited              | Nagoya City                                 | JPY<br>12,145 Million | 50.67         | Manufacture and sales of anti-vibration rubbers, hoses and resin products  |
| Sumitomo Electric Hardmetal Corp.          | Itami City, Hyogo Prefecture                | JPY<br>11,900 Million | 100.00        | Manufacture and sales of cemented carbide tools, diamond/CBN tools, etc.   |
| Nissin Electric Co., Ltd.                  | Kyoto City                                  | JPY<br>10,253 Million | 100.00        | Manufacture and sales of substation equipment, plant control system, photovoltaic system, etc.   |
| Sumitomo Densetsu Co., Ltd.                | Osaka City                                  | JPY<br>6,440 Million  | 50.17         | Design, installation and supervision of power transmission lines, indoor wiring cables and communications system works                         |
| Sumitomo Electric Tochigi Co., Ltd.        | Utsunomiya City                             | JPY<br>5,250 Million  | 55.56         | Manufacture and sales of steel tire cords and precision spring steel wires   |
| TECHNO ASSOCIE Co., Ltd.                   | Osaka City                                  | JPY<br>5,001 Million  | 100.00        | Sales of screws, non-ferrous metal products, etc.  |
| Hokkaido Sumiden Precision Co., Ltd.       | Naie Town, Sorachi Sub-prefecture, Hokkaido | JPY<br>4,350 Million  | 100.00        | Manufacture and sales of cemented carbide and raw metal powder   |
| Sumitomo Electric Sintered Alloy, Ltd.     | Takahashi City, Okayama Prefecture          | JPY<br>3,004 Million  | 100.00        | Manufacture and sales of sintered powder metal parts   |
| Sumitomo Electric Wintec, Inc.             | Koka City, Shiga Prefecture                 | JPY<br>3,000 Million  | 100.00        | Manufacture and sales of magnet wires  |
| Sumiden HST Cable, Ltd.                    | Osaka City                                  | JPY<br>400 Million    | 56.00         | Sales of wire cables   |

| Company Name                                      | Location  | Capital                    | Share-holding | Main Business  |
|---|-----------|----------------------------|---------------|--|
| Sumitomo Electric Wiring Systems, Inc.            | U.S.A.    | USD<br>243,920<br>Thousand | %<br>100.00   | Manufacture and sales of automotive wiring harnesses and connectors  |
| Sumitomo Electric Lightwave Corp.                 | U.S.A.    | USD<br>54,780<br>Thousand  | 100.00        | Manufacture and sales of optical cables, etc., and sales of fusion splicers, etc.  |
| Judd Wire, Inc.                                   | U.S.A     | USD<br>40,000<br>Thousand  | 100.00        | Manufacture and sales of electronic wires  |
| Sumidenso do Brasil Industrias Elétricas Ltda.    | Brazil    | BRL<br>232,921<br>Thousand | 100.00        | Manufacture and sales of automotive wiring harnesses   |
| ※<br>Sumitomo Electric U.K. Power Cables Ltd.,    | U.K.      | GBP<br>127,000<br>Thousand | 100.00        | Manufacture and sales of power cables  |
| Sumitomo Electric Wiring Systems (Europe) Limited | U.K.      | EUR<br>93,950<br>Thousand  | 100.00        | Manufacture and sales of automotive wiring harnesses and connectors  |
| Sumitomo Electric Bordnetze SE                    | Germany   | EUR<br>2,046<br>Thousand   | 100.00        | Manufacture and sales of automotive wiring harnesses   |
| SEWS-CABIND S.p.A.                                | Italy     | EUR<br>30,000<br>Thousand  | 100.00        | Manufacture and sales of automotive wiring harnesses   |
| PT. Sumiden Serasi Wire Products                  | Indonesia | USD<br>51,000<br>Thousand  | 100.00        | Manufacture and sales of tensioning materials for prestressed concrete, precision spring steel wires, and steel wires for reinforcement of tires |
| PT. Karya Sumiden Indonesia                       | Indonesia | USD<br>44,109<br>Thousand  | 100.00        | Manufacture and sales of wire rods   |
| PT. Sumitomo Electric Wintec Indonesia            | Indonesia | USD<br>35,000<br>Thousand  | 100.00        | Manufacture and sales of magnet wires  |
| PT. Sumi Indo Kabel Tbk.                          | Indonesia | USD<br>52,431<br>Thousand  | 91.67         | Manufacture and sales of wire cables   |
| SEI Thai Electric Conductor Co., Ltd.             | Thailand  | THB<br>2,010<br>Million    | 100.00        | Manufacture and sales of wire rods, aluminum wire rods and bars, automotive aluminum wires   |

| Company Name   | Location         | Capital                    | Share-holding | Main Business   |
|--|------------------|----------------------------|---------------|---|
| Sumiden Steel Wire(Thailand) Co.,Ltd. ※                    | Thailand         | THB<br>1,130 Million       | %<br>100.00   | Manufacture and sales of steel tire cordsand zinc-coated wires          |
| SEI Electronic Components (Vietnam), Ltd.                  | Vietnam          | USD<br>100,000<br>Thousand | 100.00        | Manufacture and sales of flexible printed circuits                      |
| Sumidenso Vietnam Co., Ltd.                                | Vietnam          | USD<br>35,000<br>Thousand  | 100.00        | Manufacture and sales of automotive wiring harnesses                    |
| Sumi Philippines Wiring Systems Corporation                | Philippines      | USD<br>60,000<br>Thousand  | 100.00        | Manufacture and sales of automotive wiring harnesses and electric wires |
| Sumi North Philippines Wiring Systems Corporation ※        | Philippines      | USD<br>39,821<br>Thousand  | 100.00        | Manufacture and sales of automotive wiring harnesses and electric wires |
| Sumitomo Electric Wintec (Malaysia) Sdn, Bhd.              | Malaysia         | USD<br>36,141<br>Thousand  | 100.00        | Manufacture and sales of magnet wires                                   |
| Sumitomo Electric Wintec Magnet Wire (Changzhou)           | China            | RMB<br>454,466<br>Thousand | 100.00        | Manufacture and sales of wire rods and magnet wires                     |
| Sumidenso Mediatech Suzhou Co., Ltd.                       | China            | RMB<br>347,585<br>Thousand | 100.00        | Manufacture and sales of automotive wiring harnesses                    |
| Sumitomo Electric Interconnect Products (Suzhou), Ltd.     | China            | RMB<br>338,299<br>Thousand | 100.00        | Manufacture and sales of electronic wires                               |
| Sumitomo Electric Interconnect Components (Shenzhen), Ltd. | China            | RMB<br>326,943<br>Thousand | 100.00        | Manufacture and sales of electronic wires                               |
| Fuzhou Zhu Wiring Systems Co., Ltd.                        | China            | RMB<br>275,236<br>Thousand | 100.00        | Manufacture and sales of automotive wiring harnesses and electric wires |
| Huizhou Zhurun Wiring Systems Co., Ltd.                    | China            | RMB<br>288,020<br>Thousand | 87.86         | Manufacture and sales of automotive wiring harnesses                    |
| Sumitomo Electric Interconnect Products (Hong Kong), Ltd.  | Hong Kong, China | HKD<br>648,000<br>Thousand | 100.00        | Sales of electronic wires, flexible printed circuits                    |

| Company Name                     | Location  | Capital                  | Share-holding | Main Business                                   |
|----------------------------------|-----------|--------------------------|---------------|---|
| Sumitomo Rubber Industries, Ltd. | Kobe City | JPY<br>42,658<br>Million | %<br>28.91    | Manufacture and sales of automotive tires, etc. |

(Notes)

1. The figures under “Shareholding” above are the percentages, including the shareholding by the subsidiaries, etc.
2. A company marked with “※” under “Company Name” is a company added to the list starting this fiscal year.
3. With respect to Sumitomo Electric U.K. Power Cables Ltd., the amount of capital includes the amount of capital surplus.

#### **(10) Important Corporate Restructuring, etc.**

We made Nissin Electric Co., Ltd. and TECHNO ASSOCIE Co., Ltd. our wholly-owned subsidiaries as of May 1, 2023.

#### **(11) Major Lenders (as of March 31, 2024)**

| Lenders                             | Balance of Borrowings |
|-------------------------------------|-----------------------|
|                                     | millions of yen       |
| Sumitomo Mitsui Banking Corporation | 156,514               |
| The Norinchukin Bank                | 74,085                |
| Sumitomo Mitsui Trust Bank, Limited | 60,477                |
| MUFG Bank, Ltd.                     | 54,690                |
| Development Bank of Japan Inc.      | 51,000                |

(Notes)

1. The balance of borrowings above includes the borrowings from the overseas subsidiaries of each financial institution.
2. In addition to what is set forth in the table above, there is a syndicated loan which amounts to 62,485 million yen.

#### **(12) Other Important Matters Concerning Current Status of Corporate Group**

The Company is in negotiations with some automakers for compensation regarding violation of antitrust law in the Automotive segment.

**2. Information Concerning Shares (as of March 31, 2024)**

**(1) Total Number of Authorized Shares**

3,000,000,000 shares

**(2) Total Number of Issued Shares**

793,940,571 shares (compared with the end of preceding fiscal year: no increase or decrease)

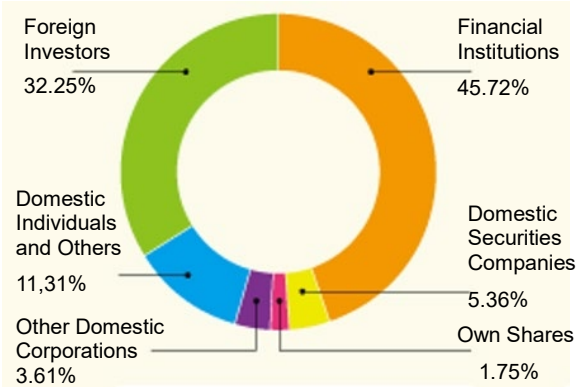
**(3) Number of Shares for One Unit of Shares**

100 shares

**(4) Number of Shareholders**

68,001 shareholders (compared with the end of preceding fiscal year: decrease of 718 shareholders)

**[Reference] Distribution of Ownership of Shares by Holder**





**(5) Largest Shareholders** (top 10 shareholders)

| Name of the Shareholder  | Number of Shares Held  | Shareholding Percentage |
|--|------------------------|-------------------------|
|  | in thousands of shares | %                       |
| The Master Trust Bank of Japan, Ltd. (trust account)   | 137,932                | 17.68                   |
| Custody Bank of Japan, Ltd. (trust account)  | 76,990                 | 9.87                    |
| Nippon Life Insurance Company  | 24,703                 | 3.17                    |
| BBH/BBH+CO SUMITOMO MITSUI TRUST BANK, LIMITED(LONDON BRANCH)FOR SIMPLEX VALUE CREATION FUND JPY A CLT A/C | 19,077                 | 2.45                    |
| SUMITOMO LIFE INSURANCE COMPANY  | 15,556                 | 1.99                    |
| STATE STREET BANK WEST CLIENT - TREATY 505234  | 13,732                 | 1.76                    |
| The Master Trust Bank of Japan, Ltd. (trust account J)   | 12,590                 | 1.61                    |
| JPMorgan Securities Japan Co., Ltd.  | 12,424                 | 1.59                    |
| Kochi Shinkin Bank   | 11,453                 | 1.47                    |
| JP MORGAN CHASE BANK 385781  | 10,466                 | 1.34                    |
|  | in thousands of shares | %                       |
| Total  | 334,927                | 42.94                   |

(Notes)

1. SUMITOMO LIFE INSURANCE COMPANY, in addition to what is set forth in the table above, has established a trust for retirement benefits holding 8,000 thousand shares (a 1.03% shareholding) in the Company, and has retained the authority to give instructions to exercise voting rights.
2. Shareholding percentages have been calculated after deducting from the total number of issued shares the 13,867,704 of its own shares that the Company holds.

### 3. Matters Related to Officers of the Company

#### (1) Name, etc. of Directors and Audit & Supervisory Board Members (as of March 31, 2024)

| Name                 | Position and Areas of Responsibility  | Important Concurrent Post  |
|----------------------|---|--|
| ※Masayoshi Matsumoto | Chairman & CEO  | Chairman, Kansai Economic Federation   |
| ※Osamu Inoue         | President & COO   |  |
| ※Mitsuo Nishida      | Executive Vice President<br>General Manager, Automotive Business Unit   | Chairman of Board of Directors, Sumitomo Wiring Systems, Ltd.<br>Chairman of the Board, Sumitomo Electric Wiring Systems, Inc.<br>Joint Representative Director, Kyungshin Co., Ltd. |
| ※Hideo Hato          | Executive Vice President<br>General Manager, New Business Development Unit<br>Deputy General Manager, Automotive Business Unit (Systems & Electronics Division)<br>Corporate Staff Group (Legal, Public Relations, Information Systems, Corporate Planning, Intellectual Property, Security Trade Control)<br>Environment and Energy Group (Energy System Division) |  |
| ※Akira Nishimura     | Senior Managing Director<br>General Manager, R&D Unit   | Director, Nissin Electric Co., Ltd.  |
| Masaki Shirayama     | Managing Director<br>General Manager, Electric Wire & Cable, Energy Business Unit   |  |
| Yasuhiro Miyata      | Managing Director<br>General Manager, Electronics Sales Unit<br>Sales Group (Sales Compliance)  | Director, TECHNO ASSOCIE Co., Ltd.<br>Director, Sumitomo Electric Interconnect Products (Hong Kong), Ltd.  |
| Toshiyuki Sahashi    | Managing Director<br>General Manager, Advanced Materials Business Unit<br>Industrial Material Group(Sintered Metal Components Division, Special Steel Wire Division)  | Director, Sumitomo Electric Hardmetal Corp.  |

| Name                | Position and Areas of Responsibility   | Important Concurrent Post  |
|---------------------|--|--|
| Shigeru Nakajima    | Managing Director<br>General Manager, Semiconductor Innovation Business Unit<br>Deputy General Manager, R&D Unit (Transmission Devices Laboratory) | Director, Sumitomo Electric Device Innovations, Inc.   |
| Hiroshi Sato        | Director   | Advisor, Kobe Steel, Ltd.<br>President & Representative Director, The Kobe International House Inc.<br>Director, Iwatani Corporation |
| Michihiro Tsuchiya  | Director   | Director, RaQualia Pharma Inc.   |
| Christina Ahmadjian | Director   | Director, Asahi Group Holdings, Ltd.<br>Director, NEC Corporation<br>Director, Niterra Co., Ltd.                                     |
| Katsuaki Watanabe   | Director   | Director, Kyushu Financial Group, Inc.   |
| Atsushi Horiba      | Director   | Chairman & Group CEO, HORIBA, Ltd.<br>Chairman, HORIBA STEC, Co., Ltd.<br>Director, Softbank Corp.                                   |
| Yoshitomo Kasui     | Audit & Supervisory Board Member (full-time)   |  |
| Akira Hayashi       | Audit & Supervisory Board Member (full-time)   |  |
| Michiko Uehara      | Audit & Supervisory Board Member   | Attorney at law<br>Audit & Supervisory Board Member, The Japan Wool Textile Co., Ltd<br>Director, Sekisui Kasei, Co., Ltd.           |
| Ikuo Yoshikawa      | Audit & Supervisory Board Member   | Certified public accountant  |
| Tatsuo Kijima       | Audit & Supervisory Board Member   | Advisor, West Japan Railway Company<br>Director, Osaka Gas Co., Ltd.   |

(Notes)

1. Directors marked with “※” are Representative Directors.
2. Among the Directors above, Mr. Hiroshi Sato, Mr. Michihiro Tsuchiya, Ms. Christina Ahmadjian, Mr. Katsuaki Watanabe, and Mr. Atsushi Horiba are not only Outside

Directors under Article 2, Item 15 of the Companies Act, but also Independent Officers under the rules of Tokyo Stock Exchange, Inc., etc.

3. Among the Audit & Supervisory Board Members above, Ms. Michiko Uehara, Mr. Ikuo Yoshikawa, and Mr. Tatsuo Kijima are not only Outside Audit & Supervisory Board Members under Article 2, Item 16 of the Companies Act, but also Independent Officers under the rules of Tokyo Stock Exchange, Inc., etc.
4. Mr. Akira Hayashi, an Audit & Supervisory Board Member, having years of experience in the Accounting and Finance Division of the Company, has a distinguished level of knowledge of finance and accounting.  
Mr. Ikuo Yoshikawa, an Audit & Supervisory Board Member, qualified as a certified public accountant, has a distinguished level of knowledge of finance and accounting.
5. As of June 28, 2023, Mr. Nobuyuki Kobayashi (Managing Director) retired from his director position due to expiration of his term of office.  
The positions in parentheses are as of their retirement.
6. The reassignment of the position and areas of responsibility of a director after the last day of this fiscal year are as follows:

| Name       | Position and areas of responsibility after the reassignment  | Position and areas of responsibility before the reassignment  | Date of reassignment |
|------------|--|---|----------------------|
| Hideo Hato | Executive Vice President<br>General Manager, New Business Development Unit<br>Deputy General Manager, Automotive Business Unit (Systems & Electronics Division)<br>Corporate Staff Group (Legal, Public Relations, Information Systems, Corporate Planning, Intellectual Property, Security Trade Control) | Executive Vice President<br>General Manager, New Business Development Unit<br>Deputy General Manager, Automotive Business Unit (Systems & Electronics Division)<br>Corporate Staff Group (Legal, Public Relations, Information Systems, Corporate Planning, Intellectual Property, Security Trade Control)<br>Environment and Energy Group (Energy System Division) | As of April 1, 2024  |

7. The changes regarding the important concurrent post of a director after the last day of this fiscal year are as follows:

| Name                | Position after the change  | Position before the change   | Date of change      |
|---------------------|--|--|---------------------|
| Christina Ahmadjian | Director, Asahi Group Holdings, Ltd.<br>Director, NEC Corporation<br>Director, Niterra Co., Ltd.<br>Executive Director, National University Corporation Hokkaido University(part-time) | Director, Asahi Group Holdings, Ltd.<br>Director, NEC Corporation<br>Director, Niterra Co., Ltd. | As of April 1, 2024 |

## (2) Remuneration, etc. of Directors and Audit & Supervisory Board Members

### (i) Total Amounts of Remuneration, etc. of Directors and Audit & Supervisory Board Members

| Position of Officers              | Total Amount of Remuneration, etc. | Total Amount by Type of Remuneration, etc. |                           | Number of Target Officers |
|-----------------------------------|------------------------------------|--|---------------------------|---------------------------|
|                                   |                                    | Fixed Remuneration                         | Performance-based Bonuses |                           |
| Directors                         | 1,041,300,000yen                   | 711,300,000yen                             | 330,000,000yen            | 15                        |
| Audit & Supervisory Board Members | 131,100,000yen                     | 131,100,000yen                             | -                         | 5                         |

#### (Notes)

1. The number of officers above includes one Director who retired as of June 28, 2023.
2. The amount of remuneration for Directors shown above includes the amount of a bonus payment of 330 million yen if a resolution regarding the payment of a bonus to the Directors is adopted as proposed at the 154th General Meeting of the Shareholders.

### (ii) Policy for Determining Remuneration, etc. and Similar Matters

The Company has established a policy for determining individual remuneration, etc. for Directors and when determining these issues, they are discussed at the Compensation Advisory Committee, which is chaired by an Outside Director and a majority of the members of which are Outside Directors, and based on the content reported to the Board of Directors, they are adopted by resolutions of the Board of Directors. The specific content of the policy is as follows.

For determining Directors' remuneration, etc., based on the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, we will maintain a firm stance on our universal basic policy of contributing to society through fair business activities and have designed a remuneration structure whereby we provide incentives for Directors making the Company Group grow sustainably and improving our corporate value in the mid- and long-term.

#### a. Composition of Remuneration for Directors

Remuneration for Directors is composed of monthly remuneration and bonus.

#### b. Policy for Determining Monthly Remuneration

Regarding monthly remuneration, a monthly remuneration table for each post is set based on each post's role and degree of responsibility as well as on the extent of their contribution to the Company's performance, after ensuring the objectivity of the standards of remuneration by utilizing third party analysis of officers' remuneration covering corporations similar to the Company in areas such as the business contents and scale. The amount in the table adopted for each person is determined upon consideration of the Director's role, degree of responsibility, scale, complexity and difficulty of the area of which the Director is in charge as well as on the extent of their contribution to the Company's performance also with a mid- and long-term perspective. The total amount of monthly remuneration for Directors is determined within the framework of the remuneration amount resolved at the shareholders' meeting.

c. Policy for Determining Bonuses and Content of Performance Indicators

The Directors' bonuses shall be performance-based bonuses, and their total amount is subject to the annual shareholders' meeting resolution and determined comprehensively considering the Company's performance in each fiscal year, particularly items such as dividend levels, in addition to net sales, operating income, ROIC, and the profit attributable to owners of the parent, which are taken seriously by the Company in its management strategy, after ensuring the objectivity of the standards of remuneration by utilizing third party analysis of officers' remuneration covering corporations similar to the Company in areas such as the business contents and scale. The allocation for each Director is set at a standard that provides incentives for each Director and in consideration of a mid- and long-term perspective and taking into account the Director's post, degree of responsibility, achievement of the main goals in the department or division for which they are responsible (items such as net sales, each profit index, and ROIC), their contribution to the Company's performance each fiscal year, and qualitative factors such as qualifications necessary to achieve them. The Company does not pay bonuses to Outside Directors from the viewpoint of ensuring independence.

[Indices, Goals, Results, etc. Related to Performance-based Bonuses]

The goals and results of indices related to performance-based bonuses during this fiscal year are as shown in the following table.

| Indicators<br>Entry                             | Net Sales<br>(millions of<br>yen) | Operating<br>Income<br>(millions<br>of yen) | Operating<br>Income<br>Margin | Ordinary<br>Income<br>(millions<br>of yen) | Profit<br>Attributable to<br>Owners of the<br>Parent<br>(millions of<br>yen) | ROIC | ROE  |
|---|-----------------------------------|---|-------------------------------|--|--|------|------|
| (Results of<br>the<br>preceding<br>fiscal year) | 4,005,561                         | 177,443                                     | 4.4%                          | 173,348                                    | 112,654  | 5.9% | 6.1% |
| Goals (at<br>the<br>beginning<br>of the year)   | 4,100,000                         | 180,000                                     | 4.4%                          | 170,000                                    | 100,000  | 6.0% | 5.2% |
| Goals (in<br>interim)                           | 4,300,000                         | 200,000                                     | 4.7%                          | 183,000                                    | 110,000  | 6.6% | 5.6% |
| Results   | 4,402,814                         | 226,618                                     | 5.1%                          | 215,341                                    | 149,723  | 7.2% | 7.3% |

(Notes)

Regarding the values stated as goals, those (at the beginning of the year) are in the consolidated performance forecast value at the time of announcing the settlement in the full fiscal year ended in March 2023 and those (in interim) are in the consolidated performance forecast value revised at the time of announcing the settlement in the second quarter for the fiscal year ended in March 2024.

d. Policy for Determining Ratio of Monthly Remuneration and Bonuses

The ratio of monthly remuneration and bonuses is not established, and changes due to performance indicators, individual evaluation, etc. as set forth in paragraph c. above. Furthermore, the payment ratio of monthly remuneration and bonuses is approximately 1:0.24-0.5 in the results for past few years.

e. Procedure for Determining Remuneration

Regarding the procedure for determining monthly remuneration and bonuses, important matters such as the policy for their determination, the establishment and revision

or abolition of related internal rules, etc., and the specific amounts of individual monthly remuneration and bonuses based on performance evaluations are discussed at the Compensation Advisory Committee from an objective perspective. The Board of Directors will discuss and determine the policy for their determination thereof, and establishment and revision or abolition of related internal rules based on the report from the Compensation Advisory Committee, and will determine agenda items for the total amounts of bonuses and monthly remuneration for each fiscal year to be proposed in the shareholders' meeting if it reconsiders the cap on their total amounts. The specific amounts of individual monthly remuneration and bonuses and the timing and method of payment thereof are determined by the President, as delegated by the Board of Directors, based on the content reported by the Compensation Advisory Committee. Remuneration for Audit & Supervisory Board Members is determined through discussion among Audit & Supervisory Board Members within the framework of the remuneration amount resolved at the shareholders' meeting.

■ **Matters Concerning Delegation Related to Determining Directors' Individual Remuneration, etc.**

As for the approach and method of calculation of Directors' monthly remuneration and bonuses, and individual amounts based thereon, the President (Osamu Inoue), who receives an overview of the performance of the Company as a whole and evaluates each Executive Director, made a proposal, and the Compensation Advisory Committee discussed and made decisions on these matters. The Board of Directors approved the approach and method of calculation of monthly remuneration and bonuses, delegated the specific amounts and timing and method of payment to the President (Osamu Inoue), decided the amounts of individual monthly remuneration and bonuses in line with the report from the Compensation Advisory Committee and the content discussed by the Board of Directors.

■ **Reasons Why the Board of Directors Meeting Determined that the Content of Remuneration, etc. for Individual Directors in This Fiscal Year Is in Line with the Policy for the Determination**

The individual monthly remuneration and bonus amounts are determined based on the policy for the determination of Directors' remuneration after discussions by the Compensation Advisory Committee based on an objective perspective, and the Board of Directors determined that such amounts are in line with the policy for the determination.

■ **Shareholders' Meeting Resolution Regarding Remuneration, etc. for Officers**

Monthly remuneration for Directors is not more than 70,000,000 yen per month (and for Outside Directors is not more than 10,000,000 yen per month) as resolved at the shareholders' meeting held on June 25, 2021. The number of Directors at the time was 15 (of whom, the number of Outside Directors was five). In addition, with respect to Directors' bonuses, 250,000,000 yen will be paid in total for ten Directors (excluding five Outside Directors) as resolved at the shareholders' meeting held on June 28, 2023. With respect to the total amount of monthly remuneration for Audit & Supervisory Board Members, the amount of remuneration for five Audit & Supervisory Board Members is not more than 12,000,000 yen per month as resolved at the shareholders' meeting held on June 25, 2021.

f. **Holding of Company's Shares**

In order to further raise motivation and morale to improve the Company's performance and promote management that takes shareholder value seriously, the Company has set a certain target level and encourages Inside Directors to hold Company's shares through the officer shareholding association, and Inside Directors continue to hold the Company's shares during their terms of office.

**(3) Outline of Contents of Directors and Officers Liability Insurance Contract**

The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with the insurance company, under which all Directors, Audit & Supervisory Board Members, and Executive Officers are the insureds, and the contract provides that it will compensate for damage (through the payment of monetary damages and litigation costs, etc.) borne by the insureds if such compensation for damage is claimed as a result of an act (or an omission) conducted by the insureds in relation to the execution of their duties. However, by providing that damage etc. resulting from an act, etc. conducted with knowledge of the fact that such act, etc. constitutes a violation of law is not subject to compensation, we are taking a measure to ensure that the propriety of the execution of Officers' duties will be upheld. All of the insurance premiums are borne by the Company.

**(4) Matters Concerning Outside Officers**

- (i) Relationships Between the Company and Important Companies, etc. at Which Positions are Concurrently Held by Officers of the Company (Concurrent Positions as Executives or Outside Officers, etc. at Other Companies, etc.)

| Position | Name                | Company, etc. at which Positions are Concurrently Held by Officers of the Company and Content | Relationship  |
|----------|---------------------|---|---|
| Director | Hiroshi Sato        | President & Representative Director, The Kobe International House Inc.                        | No particular relationship.   |
|          |                     | Outside Director, Iwatani Corporation   | This company has business relations with the Company, such as the sale and purchase of products.  |
|          | Michihiro Tsuchiya  | Outside Director, RaQualia Pharma Inc.  | No particular relationship.   |
|          | Christina Ahmadjian | Outside Director, Asahi Group Holdings, Ltd.  | No particular relationship.   |
|          |                     | Outside Director, NEC Corporation   | This company has business relations with the Company, such as the sale and purchase of products and joint development of submarine cables. In addition, this company has capital relations with the Company, but it does not have a significant impact on business. |
|          |                     | Outside Director, Niterra Co., Ltd.   | This company has business relations with the Company, such as the sale and purchase of products.  |



| Position                          | Name              | Company, etc. at which Positions are Concurrently Held by Officers of the Company and Content | Relationship  |
|-----------------------------------|-------------------|---|---|
|                                   | Katsuaki Watanabe | Outside Director, Kyushu Financial Group, Inc.  | No particular relationship.   |
|                                   | Atsushi Horiba    | Chairman & Group CEO, HORIBA, Ltd.  | This company has business relations with the Company, such as the purchase of equipment.                                  |
|                                   |                   | Chairman, HORIBA STEC, Co., Ltd.  | This company has business relations with the Company, such as the purchase of equipment.                                  |
|                                   |                   | Outside Director, Softbank Corp.  | This company has business relations with the Company, such as the sale of products.                                       |
| Audit & Supervisory Board Members | Michiko Uehara    | Outside Audit & Supervisory Board Member, The Japan Wool Textile Co., Ltd                     | No particular relationship.   |
|                                   |                   | Outside Director, Sekisui Kasei, Co., Ltd.  | This company has business relations with the Company, such as the purchase of products.                                   |
|                                   | Tatsuo Kijima     | Outside Director, Osaka Gas Co., Ltd.   | This company has business relations with the Company, such as the supply of gas to production bases, etc. of the Company. |

(Note) The information under the heading “Company, etc. at which Positions are Concurrently Held by Officers of the Company and Content” is as of March 31, 2024.

(ii) Main Activity Status

a. Directors

| Name               | Main Activity Status   |
|--------------------|--|
| Hiroshi Sato       | <p>He attended all 13 Board of Directors meetings held this fiscal year. In addition, including important internal meetings other than Board of Directors meetings and opportunities for dialogues with Executive Directors, etc., he makes statements, as necessary, on corporate management in general, based on his rich experience and his extensive knowledge as a manager of a corporation with a wide range of business areas, such as materials like iron and steel, machines and energy, and in particular, based on his rich business experience in fields of research on materials and in technical development. Other than the above, he serves as a Chairman of both the Nominating Advisory Committee and the Compensation Advisory Committee and attended all five respective meetings of the committees held this fiscal year and led the operation and made statements regarding the approach, etc. to personnel appointments and training plans of Officers and Officers' remuneration from an independent and objective position. Furthermore, regarding compliance, he reviews and expresses opinions on internal control systems and specific measures, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis. He is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and how to ensure its effectiveness, with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.</p> |
| Michihiro Tsuchiya | <p>He attended 12 out of 13 Board of Directors meetings held this fiscal year. In addition, including important internal meetings other than Board of Directors meetings and opportunities for dialogues with Executive Directors, etc., he makes statements, as necessary, on corporate management in general, based on his rich experience and his extensive knowledge as a manager of a corporation developing global business activities, and in particular, based on his rich business experience in fields of research &amp; development and in management strategies. Other than the above, he serves as a member of both the Nominating Advisory Committee and the Compensation Advisory Committee and attended all five respective meetings of the committees held this fiscal year and made statements regarding the approach, etc. to personnel appointments and training plans of Officers and Officers' remuneration from an independent and objective position. Furthermore, regarding compliance, he reviews and expresses opinions on internal control systems and specific measures, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis. He is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and how to ensure its effectiveness, with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.</p>  |

| Name                | Main Activity Status   |
|---------------------|--|
| Christina Ahmadjian | <p>She attended all 13 Board of Directors meetings held this fiscal year. In addition, including important internal meetings other than Board of Directors meetings and opportunities for dialogues with Executive Directors, etc., she makes statements, as necessary, mainly on methods relating to the governance system of the whole group and points for attention of global management strategies, etc., based on her extensive knowledge as a professor of a university whose main research fields are corporate management and corporate governance and global perspective. Other than the above, she serves as a member of both the Nominating Advisory Committee and the Compensation Advisory Committee and attended four out of five respective meetings of the committees which were held this fiscal year and made statements regarding the approach, etc. to personnel appointments and training plans of Officers and Officers' remuneration from an independent and objective position. Furthermore, regarding compliance, she reviews and expresses opinions on internal control systems and specific measures, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis. She is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and how to ensure its effectiveness, with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.</p>   |
| Katsuaki Watanabe   | <p>He attended all 13 Board of Directors meetings held this fiscal year. In addition, including important internal meetings other than Board of Directors meetings and opportunities for dialogues with Executive Directors, etc., he makes statements, as necessary, on corporate management in general, based on his rich experience in and extensive knowledge of corporate management in general, acquired by engaging in management of corporations developing global operations and in particular, based on his rich business experience in a wide range of fields including supply chains, corporate planning, and manufacture. Other than the above, he serves as a member of both the Nominating Advisory Committee and the Compensation Advisory Committee and attended all five respective meetings of the committees which were held this fiscal year and made statements regarding the approach, etc. to personnel appointments and training plans of Officers and Officers' remuneration from an independent and objective position. Furthermore, regarding compliance, he reviews and expresses opinions on internal control systems and specific measures, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis. He is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and how to ensure its effectiveness, with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.</p> |

| Name           | Main Activity Status  |
|----------------|---|
| Atsushi Horiba | <p>He attended 12 out of 13 Board of Directors meetings held this fiscal year. In addition, including important internal meetings other than Board of Directors meetings and opportunities for dialogues with Executive Directors, etc., he makes statements, as necessary, on corporate management in general, based on his rich experience and his extensive knowledge as a manager of a corporation developing global business activities, and in particular, based on his rich business experience in fields of management strategies (global management, M&amp;A, etc.). Furthermore, regarding compliance, he reviews and expresses opinions on internal control systems and specific measures, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis. He is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and how to ensure its effectiveness, with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.</p> |

b. Audit & Supervisory Board Members

| Name           | Main Activity Status  |
|----------------|---|
| Michiko Uehara | <p>She attended all 13 Board of Directors meetings and all 16 Audit &amp; Supervisory Board meetings held this fiscal year. She makes statements, as necessary, mainly on business management, including risk management, measures responding to changes in global regulations and misconduct by other companies, and points for attention, etc. concerning corporate governance, based on her expertise and experience as an attorney at law and great insight into risk and crisis management, etc. including compliance by corporations. Furthermore, regarding compliance, she reviews and expresses opinions on internal control systems and specific measures in cooperation with other Audit &amp; Supervisory Board Members, on a routine basis. She is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and its thoroughness and organization with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.</p> |

| Name              | Main Activity Status   |
|-------------------|--|
| Ikuo<br>Yoshikawa | He attended 12 out of 13 Board of Directors meetings and 15 out of 16 Audit & Supervisory Board meetings held this fiscal year. He makes statements, as necessary, mainly on business management, including risk management, measures responding to changes in global regulations, etc., and misconduct by other companies, and points for attention, etc. concerning corporate governance, based on his expertise and experience as a certified public accountant and his extensive knowledge as a professor of a university whose main research field is accountancy. Furthermore, regarding compliance, he reviews and expresses opinions on internal control systems and specific measures in cooperation with other Audit & Supervisory Board Members, on a routine basis. He is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and its thoroughness and organization with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.  |
| Tatsuo<br>Kijima  | He attended all 13 Board of Directors meetings and all 16 Audit & Supervisory Board meetings held this fiscal year. He makes statements, as necessary, mainly on methods for viable business management for the whole group, and statements on measures responding to changes in global regulations, etc., misconduct by other companies, and points for attention, etc. concerning corporate governance, based on his rich experience in and extensive knowledge of corporate management in general, acquired by engaging in management of corporations supporting social infrastructures involving transportation. Furthermore, regarding compliance, he reviews and expresses opinions on internal control systems and specific measures in cooperation with other Audit & Supervisory Board Members, on a routine basis. He is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and its thoroughness and organization with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law. |

(iii) Outline of Contents of Limited Liability Contract

The Company has entered into limited liability contracts with all of the Outside Directors and the Outside Audit & Supervisory Board Members in accordance with the provisions of the Articles of Incorporation. With respect to the liability under Article 423, Paragraph 1 of the Companies Act, the Outside Director or the Outside Audit & Supervisory Board Member shall assume liability for damages limited to the higher amount of either 10 million yen or the minimum liability amount under Article 425, Paragraph 1 of the Act, if he was without knowledge and not grossly negligent in conducting his duties.

(iv) Total Amount of Remuneration, etc.

Five Directors and three Audit & Supervisory Board Members: 153,450,000 yen

#### **4. Matters Regarding Accounting Auditor**

##### **(1) Name of Accounting Auditor**

KPMG AZSA LLC

##### **(2) Amount of Remuneration, etc. to Accounting Auditor**

|      |   |                |
|------|---|----------------|
| (i)  | Amount of remuneration, etc. to be paid by the Company  | 222million yen |
| (ii) | Total amount of money and other financial benefits to be paid by the Company and its subsidiaries | 805million yen |

(Notes)

1. As a result of examining items such as the details of the audit plans for this fiscal year, the audit results of the preceding fiscal year, and the basis for calculating estimates on which remuneration is based, the Audit & Supervisory Board determined that the remuneration amount of the Accounting Auditor was appropriate. Therefore, the Audit & Supervisory Board gave consent regarding Article 399, Paragraph 1 of the Companies Act.
2. Under the audit contract concluded between the Company and the Accounting Auditor, the amount of remuneration, etc. for audits as per the Companies Act and the amount of remuneration, etc. for audits as per the Financial Instruments and Exchange Act are not and cannot practically be separated. Therefore, the total of these amounts is shown in (i) above.
3. The Company pays to the Accounting Auditor compensation for services (i.e., guidance and advice relating to financial investigation of subsidiaries, etc.), other than the services set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act.
4. Among the important subsidiaries of the Company specified in “1.(9) Status of Important Subsidiaries and Affiliates”, overseas subsidiaries are subject to audits (limited to the types of audit set forth in the Companies Act or the Financial Instruments and Exchange Act and their foreign equivalents) by certified public accountants or audit firms (including persons with qualifications in foreign countries that are equivalent to these qualifications) other than the Accounting Auditor of the Company.

##### **(3) Policy for Determination of Dismissal or Non-Reappointment of Accounting Auditor**

It is the Company's policy that if any of the Items of Article 340, Paragraph 1 of the Companies Act applies to the Accounting Auditor, the Company will dismiss the Accounting Auditor. In addition, in any other circumstances where it is reasonably suspected that the Accounting Auditor cannot ensure fairness in implementing its duties and, therefore, it is deemed inappropriate for the Accounting Auditor to continue auditing, the Company will either dismiss or refuse to reappoint the Accounting Auditor, depending on the circumstances.

**5. Content of Resolutions Regarding Development of Systems Necessary to Ensure the Propriety of Operations and Outline of the Operational Status of the Systems**

In accordance with Article 362, Paragraph 4, Item 6 of the Companies Act and Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, the Company, at its Board of Directors meeting, adopted a resolution concerning development of systems necessary to ensure the propriety of operations of a stock company (basic policies regarding establishment of an internal control system), with the following content. In addition, the operational status of the systems is outlined as follows.

**I. Content of Resolutions Regarding the Basic Policies to Establish the Internal Control Systems**

**(1) Systems for Preservation and Management of Information Related to the Execution of Duties by Directors**

The Company shall produce and keep the minutes of Board of Directors meetings, and shall record and appropriately manage information regarding the execution of duties and making of decisions by Directors, such as an internal document for drafting proposals and making internal approvals, as set forth in the internal rules of information management, the internal rules of document handling and the internal rules of papers preservation.

**(2) Internal Rules and Other Systems for Managing Risk of Loss**

Regarding major cross-Group risks such as those related to disaster, quality, safety, environment, credit extension and export and import trade controls, risk management shall be conducted by each department or division. Each department or division shall assess the risks pertaining to implementation of the business it controls pursuant to the responsive measures and accident examples and preventative measures which are shared within the Group either by the Corporate Staff Group which is responsible for each risk or by the committees hosted by Directors, etc. (meaning the "Executive Directors or Executive Officers"; hereinafter the same) who are in charge of the Corporate Staff Group.

Regarding pressing issues such as bribery prevention which is increasingly important in conjunction with global business development, as well as cyber security, measures relating to infectious diseases, management of confidential information and personal information, and legal, labor and tax issues, the Company intends to develop systems and reinforce its commitments through cooperation among relevant departments and divisions under the initiative of the Risk Management Committee.

Further, regarding risks peculiar to a specific department or division, the relevant department or division shall decrease risks by, as deemed necessary, obtaining the assistance of the Corporate Staff Group having expertise and external experts.

The Risk Management Committee shall exercise control over these activities pursuant to the internal rules of risk management, and shall monitor them in cooperation with the Audit & Supervisory Board Members, the Internal Auditing Department and the Corporate Staff Group which is responsible for each risk.

Further, if any material risk becomes evident and countermeasures urgently need to be taken, the Risk Management Steering Committee shall, among other things, assess the severity of the crisis and establish a task force.

### **(3) Systems for Ensuring the Efficiency of the Execution of Duties by Directors**

In order to ensure efficient and appropriate execution of duties by Directors, etc. and administrative members the Company shall set forth, in the job classification system and the internal rules of operations, the department or division in charge, the authority vested in each role, and the operations governed by each organization.

Further, the Company shall adopt the Executive Officer System and the Business Unit System, and develop a system in which each Business Unit, the Sales & Marketing Unit and the R&D Unit will do business flexibly under the supervision of each General Manager of the Unit depending on environmental changes and customer demands.

Further, regarding the operational results, etc. of each Business Unit, the Company will develop a medium-term plan and an annual plan designed to achieve the medium-term plan, and adopt a system under which the Accounting and Finance Department and the Director in charge of accounting and finance shall track and analyze the progress toward achievement on a monthly basis, and shall report the results to the Management Conference and the Board of Directors in order to examine what measures might need to be taken.

The Company shall promote the use of video conference and computer and communication network systems, aiming to efficiently gather, analyze, utilize and share management information.

### **(4) Systems for Ensuring that the Execution of Duties by Directors and Employees Is Compliant with Laws and the Articles of Incorporation**

The Company shall endeavor to spread the Charter of Corporate Behavior, which elaborates the Sumitomo Spirit and the Corporate Principles, and the Code of Conduct, which provides the Group's common rules on compliance. Further, the Company shall thoroughly implement the principle that compliance with laws and maintenance of corporate ethics constitute the foundation of management, through the statements and behavior of the top management.

The Compliance Committee chaired by the President shall, among other things, do the following: identify and analyze cross-Group compliance risks; confirm the dissemination and firm establishment of the Code of Conduct; plan and perform training; investigate the cause of violations and formulate proposed measures to prevent their reoccurrence; disseminate and have the above items thoroughly implemented within the Group; and conduct monitoring of the compliance promotion activities.

Meanwhile, each department and division shall identify and analyze compliance risks, including risks peculiar to the department or division, and take measures to prevent them; whereas the Compliance Committee, the Legal Department, the Audit & Supervisory Board Members and the Internal Auditing Department shall conduct their monitoring, in cooperation with one another.

Regarding compliance with domestic and foreign competition laws, the Company shall continuously provide education regarding competition laws in order to eradicate any cartel or bid-rigging activities, including suspicious activities, within the Group. Further, under the Compliance Committee, the Compliance & Risk Management Office shall monitor the status of operation of, and compliance with, a set of rules and regulations to ensure compliance with competition laws and, further, plan and implement any other competition law compliance measures, in cooperation with the respective dedicated organization of each Unit or Compliance Liaison.



Further, the Compliance Committee shall appropriately identify the circumstances pertaining to information provided to the notification and consultation desk established within and without the Company, and shall take necessary measures.

**(5) Systems for Ensuring the Propriety of Financial Reporting**

The Company shall establish an Internal Control Committee for Financial Reporting, chaired by the President, and shall also build a promotion organization in the Corporate Staff Group. Pursuant to their policies, guidance and assistance, each department, division and subsidiary shall proceed with the development and appropriate operation of the internal control system in accordance with the Financial Instruments and Exchange Act, as well as with the assessment and audit standards and implementation standards set forth by the Financial Services Agency, in order to further enhance the Company's system for ensuring the propriety of financial reporting. The Internal Auditing Department shall assess the effectiveness of the internal control system of the whole Group for each fiscal year, and compile an internal control report to be submitted to the Financial Services Agency based on the results of such assessment and shall obtain the approval of the Internal Control Committee for Financial Reporting and the Board of Directors.

**(6) Systems for Ensuring the Propriety of the Operations Performed by the Corporate Group Comprised of the Company and the Subsidiaries**

The Company shall also endeavor to spread the Charter of Corporate Behavior, which elaborates the Sumitomo Spirit and the Corporate Principles, to the Group companies, aiming to share with them the principles that should be respected and complied with in the course of business operations.

Pursuant to the internal rules of affiliated companies management, the Company shall receive reports from subsidiaries or have subsidiaries consult with the Company as deemed necessary, regarding matters to be decided and accrued facts to be reported or referred to the Management Conference and the Board of Directors meeting of the Company, and certain matters related to risk management and compliance, etc.

In addition, the related persons of the governing Unit and the administrative members of the Accounting and Finance Department, among others, shall assume the offices of Directors and Audit & Supervisory Board Members of the subsidiaries in order to track their management status. Furthermore, information regarding risk management and compliance systems, etc. shall be exchanged at the conference of Audit & Supervisory Board Members of the Group, or through communication and exchanges between the Corporate Staff Group of the Company, such as the Human Resources Division, the Administration Division and the Accounting and Finance Department, on the one hand, and the relevant departments or divisions of the subsidiaries, on the other hand. In this regard, the major activities relating to risk management and compliance do not only cover the Company itself, but also its domestic and foreign subsidiaries, excluding listed companies and their subsidiaries.

Regarding major cross-Group risks, each subsidiary shall practice risk management by assessing the risks pertaining to the implementation of its business, pursuant to the responsive measures and accident examples and preventative measures shared within the Group by each department or division of the Company in charge, among others. Further, each subsidiary shall minimize risks peculiar to itself, by obtaining the assistance of the Company.

Regarding compliance risks, too, the Company has adopted a system under which each subsidiary takes measures, including those to cope with its peculiar risks, pursuant to the major compliance risks and measures to prevent their occurrence shared within the

Group by the Compliance Committee and the Legal Department of the Company, among others. With respect to the notification and consultation desk for whistle-blowing, the Company guides each subsidiary to establish its own internal consultation desk, whereas the Company also maintains the Group's common external consultation desks, both in Japan and abroad.

Under the current system, the business of each subsidiary is operated flexibly under the Business Unit System. Under this system, the business plan of each subsidiary is formulated as part of the medium-term plan and annual plan of each Unit, and the operational results of each Unit are reported to the Management Conference and the Board of Directors on a monthly basis, in order to examine measures required to be taken. Further, utilization of the Group's common infrastructure has also been promoted in regard to the utilization of computer and telecommunication systems, etc. at subsidiaries.

**(7) Matters Related to the Employees to Provide Support to the Audit & Supervisory Board Members and Matters for Ensuring their Independence from Directors and the Effectiveness of Instructions to Such Employees**

The Company shall establish the Office of Audit & Supervisory Board Members as a dedicated office to provide support to the Audit & Supervisory Board Members and shall allocate employees to such tasks (the "staff of Office of Audit & Supervisory Board Members"), some of whom shall be dedicated staff members. Personnel transfer and personnel evaluation of the staff of Office of Audit & Supervisory Board Members shall be subject to prior consultation with the Audit & Supervisory Board or full-time Audit & Supervisory Board Members for their opinions, and the staff of Office of Audit & Supervisory Board Members shall follow the directions and commands of the Audit & Supervisory Board Members.

**(8) Systems for Reporting by Directors and Employees of the Company, Directors and Employees of the Subsidiaries, or Persons Who Have Received Reports therefrom to the Audit & Supervisory Board Members of the Company and Other Systems for Reporting to the Audit & Supervisory Board Members of the Company**

Audit & Supervisory Board Members shall attend various important meetings which govern the operation of the Company's whole Group, such as the Management Conference, the Risk Management Committee and the Compliance Committee. Further, the Company shall adopt a system under which the Directors, the senior managers of the departments or divisions, the presidents of the subsidiaries and others shall report to the Audit & Supervisory Board Members, as deemed necessary, regarding matters which occur within the Group such as sudden and unexpected acts violating laws or the Articles of Incorporation, or material execution of business or change to internal control system (excluding minor ones).

**(9) Systems for Ensuring That a Person Who Has Made a Report to the Audit & Supervisory Board Members Shall Not Be Unfavorably Treated on Account of Having Made Such a Report**

The Company and each subsidiary shall refrain from unfavorably treating any person who has made a report to the Audit & Supervisory Board Members as set forth in paragraph (8) above on account of having made such a report, by taking such measures as setting forth in their internal rules for whistle-blowing desk system that they shall not dismiss or otherwise unfavorably treat a person on account of such person having provided information to the staff of Office of Audit & Supervisory Board Members.

**(10) Matters Related to Policies Regarding Accounting for the Costs or Debts Incurred in Relation to Execution of Duties of the Audit & Supervisory Board Members**

For each fiscal year, a necessary budget shall be set with the approval of the Audit & Supervisory Board in order to account for costs or debts incurred in relation to execution of duties of the Audit & Supervisory Board Members, and a prompt response shall be made if an Audit & Supervisory Board Member requests reimbursement for costs having been prepaid or disbursed, or repayment of debts having been borne, by such Audit & Supervisory Board Member.

Further, costs incurred in the case where the Audit & Supervisory Board Members consult with external experts, such as lawyers and certified public accountants, in relation to execution of their duties shall be borne by the Company.

**(11) Other Systems for Ensuring that the Audit & Supervisory Board Members Can Conduct Audits Effectively**

The Company shall, as deemed necessary, secure opportunities for the Audit & Supervisory Board Members to interview Directors and the senior managers of the departments or divisions, and shall also periodically hold meetings for the Audit & Supervisory Board Members and Outside Directors to exchange opinions with, among others, the Chairman of the Board of Directors, the President and the Officers in charge of the Corporate Staff Group concerning important audit matters. Furthermore, the Internal Auditing Department shall act in cooperation with the Audit & Supervisory Board Members.

**II Outline of Operational Status**

**(1) Systems for Preservation and Management of Information Related to the Execution of Duties by Directors**

The minutes of Board of Directors meetings are produced each time a meeting is held, and the originals, to which the officers who attend the meeting affix their names and seals, are kept at the Administration Division. Each department or division manages the documents and electronic data regarding the execution of duties and making of decisions by Directors, such as an internal document for drafting proposals and making internal approvals, as set forth in the internal rules of information management, the internal rules of document handling and the internal rules of papers preservation.

**(2) Internal Rules and Other Systems for Managing Risk of Loss**

Meetings of the Risk Management Committee are held at the same time as meetings of the Management Conference. Directors, etc. report matters such as the appearance of material risks in the department or division for which they are responsible, and discuss topics such as measures against those risks as necessary.

Major cross-Group risks are handled in accordance with the basic policies. Each department or division manages risks by reassessing the risks pertaining to implementation of the business it controls, following the responsive measures and accident examples and preventative measures which are shared within the Group either by the Corporate Staff Group which is responsible for each risk or by the committees hosted by Directors, etc. who are in charge of the Corporate Staff Group. Further, regarding risks unique to a specific department or division, the relevant department or division decreases risks by, as deemed necessary, obtaining the assistance of the Corporate Staff Group and external experts.

As for pressing issues, regarding personal information management, the Company is arranging a system corresponding to the legal system of protection of personal information including the EU General Data Protection Regulation in each country including Japan, and the Company strives to reinforce the development of cyber security through cooperation among relevant departments and divisions under the initiative of the Risk Management Committee to deal with the increase and sophistication of cyber-attacks.

The Risk Management Committee and its secretariat, the Compliance & Risk Management Office, monitor these activities in cooperation with the Audit & Supervisory Board Members, the Internal Auditing Department, and the Corporate Staff Group which is responsible for each risk.

In addition, the Company has established a Sustainability Management Promotion Committee, whose chairperson is the President, and this committee has adopted a system under which it discusses policies and provides advice in order to consistently promote measures for consideration regarding respecting the global environment and human rights, ensuring employee well-being and a healthy work environment, and reinforcing fair and impartial trade, as well as managing natural disasters, etc.

### **(3) Systems for Ensuring the Efficiency of the Execution of Duties by Directors**

In order to ensure efficient and appropriate execution of duties by Directors, etc. and administrative members, the Company defines, in the job classification system and the internal rules of operations, (i) the department or division in charge, (ii) the authority vested in each role, and (iii) the operations governed by each organization. The Company appropriately revises the contents of the system and rules as necessary.

Further, regarding the operational results, etc. of each Business Unit, the Company develops a medium-term plan and an annual plan designed to achieve the medium-term plan, and the Accounting and Finance Department and the Director in charge of accounting and finance track and analyze the progress toward achievement on a monthly basis, and report the results to the Management Conference and the Board of Directors in order to examine what measures might need to be taken.

In order to gather and analyze management information, the Company has established and utilizes an accounting system that enables prompt and efficient gathering.

### **(4) Systems for Ensuring that the Execution of Duties by Directors and Employees Is Compliant with Laws and the Articles of Incorporation**

The Company endeavors to spread the Sumitomo Spirit and the Charter of Corporate Behavior through measures such as distributing booklets explaining those ideas, and awareness about compliance by distributing the Code of Conduct and conducting training. Further, the President comments on the importance of the Sumitomo Spirit and that compliance with laws and maintenance of corporate ethics constitute the foundation of management, at opportunities to deliver messages within the Group, such as New Year's speeches and in-house newsletters, striving to spread awareness of these ideas.

In fiscal 2023, the Compliance Committee held four meetings and, among other things, undertook the following: identified and analyzed cross-Group compliance risks; planned and performed compliance training; and conducted monitoring of the compliance promotion activities of each department or division. Regarding compliance training, it was offered to officers, managers, those who were promoted, and new employees of the Company, and employees of the subsidiaries.

Regarding compliance with domestic and foreign competition laws, under the Global Antitrust and Competition Policy, the Company provides education regarding competition laws, within the Group, including domestic and foreign subsidiaries. Further, the Compliance & Risk Management Office monitors the status of operation of, and compliance with, a set of rules and regulations to ensure compliance with competition laws in cooperation with the respective dedicated organization of each Unit or the Compliance Liaison.

Regarding prevention of bribery, the Company provides education within the Group, including domestic and foreign subsidiaries, and the Compliance Liaison in each department or division operates systems such as a pre-approval system to providing business entertainment, among others, pursuant to the internal rules on bribery prevention.

The Compliance Committee appropriately identifies the circumstances pertaining to information provided to the notification and consultation desk established by the Company and domestic and foreign subsidiaries within and without the Company (law firms and experts), and takes necessary measures.

#### **(5) Systems for Ensuring the Propriety of Financial Reporting**

Pursuant to the guidance and assistance of the Internal Control Committee for Financial Reporting and the relevant Corporate Staff Group, each department, division, and subsidiary has developed and operated the internal control system. The Internal Auditing Department assesses the effectiveness of the internal control system of the whole Group, compiles an internal control report to be submitted to the Financial Services Agency based on the results of such assessment and obtains the approval of the Internal Control Committee for Financial Reporting and the Board of Directors.

#### **(6) Systems for Ensuring the Propriety of the Operations Performed by the Corporate Group Comprised of the Company and the Subsidiaries**

The Company also endeavors to spread the Sumitomo Spirit, the Charter of Corporate Behavior, the Multistakeholder Capitalism (“Goho Yoshi” (Five-Way-Win)), and long-term visions, etc. to each subsidiary, aiming to share with them the principles that should be respected and complied with in the course of business operations.

Regarding specific matters pursuant to the internal rules of affiliated companies management, the responsible Unit and the relevant Corporate Staff Group of each subsidiary receive reports and consultation from the subsidiary, and as necessary, refer them to the Management Conference and the Board of Directors meeting of the Company.

The related persons of the governing Unit and the administrative members of the Accounting and Finance Department, among others, are placed as Directors or Audit & Supervisory Board Members of the subsidiaries in order to track their management status.

The business plan of each subsidiary is formulated as part of the medium-term plan and annual plan of each Unit, and the operational results of each Unit are reported to the Management Conference and the Board of Directors on a monthly basis, in order to examine measures required to be taken.

Regarding commitments to risk management and compliance systems, such information is exchanged at the conference of Audit & Supervisory Board Members of the Group, or through meetings held by the Corporate Staff Group of the Company, such as the Human Resources Division, the Administration Division, and the Accounting and Finance Department, with the relevant departments or divisions of the subsidiaries, and guidance and

support are conducted by the relevant Corporate Staff Group for each subsidiary. Also, the major activities relating to risk management and compliance do not only cover the Company itself, but also its domestic and foreign subsidiaries, excluding listed companies and their subsidiaries.

**(7) Systems for Ensuring that the Audit & Supervisory Board Members Can Conduct Audits Effectively**

The Company has established the Office of Audit & Supervisory Board Members as a dedicated office to provide support to the Audit & Supervisory Board Members and allocated employees consisting of one dedicated staff member and four members who hold posts concurrently elsewhere to such tasks (the “staff of Office of Audit & Supervisory Board Members”). The Office of Audit & Supervisory Board Members does not fall under the responsibility of any Directors, etc. in terms of the organization, and the staff of Office of Audit & Supervisory Board Members must follow the instructions of the Audit & Supervisory Board Members. Regarding personnel transfer and personnel evaluation of the staff of Office of Audit & Supervisory Board Members, the Company hears the opinions of the Audit & Supervisory Board or full-time Audit & Supervisory Board Members.

Audit & Supervisory Board Members attend various important meetings, such as the Management Conference, the Risk Management Committee and the Compliance Committee. The Directors, etc., the senior managers of the departments or divisions, the presidents of the subsidiaries and others report to the Audit & Supervisory Board Members, as deemed necessary, regarding material matters of the contents of the various important meetings that need supplementation.

A necessary budget is set with the approval of the Audit & Supervisory Board in order to account for costs or debts incurred in relation to execution of duties of the Audit & Supervisory Board Members, and a prompt response is made if an Audit & Supervisory Board Member makes requests such as reimbursement for costs having been prepaid or disbursed by such Audit & Supervisory Board Member.

The Directors and the senior managers of the departments or divisions hold meetings upon request from the Audit & Supervisory Board Members and are interviewed about matters necessary for audits. In fiscal 2023, the Chairman of the Board of Directors, the President and the Officers in charge of the Human Resources, the Administration, and the Accounting and Finance held a meeting twice with the Audit & Supervisory Board Members and Outside Directors to report and exchange opinions concerning management policies and tasks, etc. Furthermore, the Internal Auditing Department requests that the Audit & Supervisory Board Members attend report meetings regarding the results of audit in each division, department, etc. and hears the opinions of the Audit & Supervisory Board Members. It also acts in cooperation with the Audit & Supervisory Board Members through activities such as reporting and exchanging opinions concerning annual audit plans and its results.

End

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(Note)

In this Business Report, all figures have been rounded to the nearest number as stated, except for the number of shares indicated in units of one thousand shares which have been rounded down to the nearest number as stated.

### **[Reference Information]**

In addition to what is set forth in the above, as for the reference information described in the convocation notice in Japanese, please see the following URL.

#### **Corporate Principles of the Company**

As for the “Sumitomo Spirit” and the “Sumitomo Electric Group Corporate Principles,” please see the website of the Company.

<https://sumitomoelectric.com/company/vision>

#### **Corporate Governance of the Company**

As for the Sumitomo Electric Group’s corporate governance structure, please see the website of the Company.

<https://sumitomoelectric.com/company/governance>

### **Analysis and evaluation of the effectiveness of the Board of Directors**

In addition to analyzing and evaluating the effectiveness of the Board of Directors on an annual basis, the Board of Directors of the Company periodically examines whether the Board of Directors is functioning properly and, based on the results, improves issues, enhances strengths, and takes other similar measures. In 2023, after a questionnaire was given to all Directors and Audit & Supervisory Board Members and individual interviews were conducted with five Outside Directors and three Outside Audit & Supervisory Board Members, the effectiveness of the Board of Directors was analyzed and evaluated, and an outline of the results is as below.

#### **<Analysis and Evaluation Results>**

##### **(1) Overall**

Continuous improvements are being made in all aspects of its roles, operation, and composition, and effectiveness is being ensured.

##### **(2) Role of the Board of Directors**

The Board of Directors confirmed that there have been largely appropriate deliberations and reports in the process of making decisions on important matters, such as establishment of the “Mid-term Management Plan 2025” based on the concept of “Multistakeholder Capitalism” (“Goho Yoshi” (Five-Way-Win)) and measures to strengthen the Group governance, and the process of quarterly performance reports, etc., and the Board of Directors was properly fulfilling its “function of deciding on basic management policies and other important issues” and its “supervisory function over the management,” which are seen by the Company as important.

##### **(3) Operation of the Board of Directors, as well as the Nominating Advisory Committee and the Compensation Advisory Committee for Senior Management, Directors, etc.**

The Board of Directors confirmed that as a result of the continual review of its meeting agenda criteria, operational rules, etc., it is able to conduct appropriate deliberations through the free and open exchange of opinions. In addition, the Board of Directors also confirmed that the Nominating Advisory Committee and Compensation Advisory Committee meetings are each held five times a year, and that their operations, deliberations, and reports to the Board of Directors, etc. were properly conducted.

##### **(4) Composition of the Board of Directors**

The Board of Directors confirmed that its composition, including the number of Outside Directors, was appropriate with regard to balance in terms of the Company’s

business execution system, as it operates a wide range of businesses, knowledge, experience, diversity, etc.

### **Future initiatives**

- (1) The Board of Directors aims to enhance opportunities for reviewing and information sharing regarding the progress of achievement of measures to address the issues in order to realize the long-term vision “Sumitomo Electric Group 2030 VISION,” and the main indicators and goals listed in the “Mid-term Management Plan 2025” by utilizing the Board of Directors meetings, other internal meetings, etc.
- (2) Toward further enhancement of supervisory function over the management, the Board of Directors identifies business risks in a more timely and accurate manner than previously, share information thereon, and continue to engage in prior examination by various committees, business units, etc. and improvement of the effectiveness of risk management in order to make the deliberation for decision-making on important matters more effective and efficient.
- (3) The Board of Directors aims to further expand deliberation, mainly in decision-making on important matters, by operating meetings more efficiently through further improvement of materials and the like.
- (4) The Board of Directors will continue to pay attention to diversity in the composition of the Board of Directors.

### **Mid-term Management Plan 2025**

As for the long-term vision mid-term management plan 2025, please see the following URL.  
<https://sumitomoelectric.com/company/segmid-term2025>



(Translation)

## **Consolidated Balance Sheet**

(As of March 31, 2024)

(Millions of yen)

| Accounts                             | Amount           | Accounts  | Amount           |
|--------------------------------------|------------------|---|------------------|
| <b>(ASSETS)</b>                      |                  | <b>(LIABILITIES)</b>  |                  |
| <b>Current assets</b>                | <b>2,242,215</b> | <b>Current liabilities</b>                                    | <b>1,307,370</b> |
| Cash and time deposits               | 269,744          | Trade notes and accounts payable                              | 479,831          |
| Trade notes and accounts receivable  | 875,933          | Short-term debt   | 385,575          |
| Contract assets                      | 36,497           | Current portion of bonds                                      | 10,000           |
| Inventories                          | 885,017          | Contract liabilities  | 74,263           |
| Other current assets                 | 186,414          | Other current liabilities                                     | 357,701          |
| Allowance for doubtful receivables   | (11,390)         | <b>Non-current liabilities</b>                                | <b>626,139</b>   |
| <b>Non-current assets</b>            | <b>2,123,182</b> | Bonds   | 174,890          |
| <b>Property, plant and equipment</b> | <b>1,098,151</b> | Long-term debt  | 164,579          |
| Buildings and structures             | 323,798          | Deferred tax liabilities                                      | 136,103          |
| Machinery, equipment and vehicles    | 460,343          | Provision for loss on business                                | 12,762           |
| Land                                 | 101,934          | Net defined benefit liabilities                               | 52,935           |
| Construction in progress             | 75,835           | Other non-current liabilities                                 | 84,870           |
| Other                                | 136,241          | <b>Total liabilities</b>                                      | <b>1,933,509</b> |
| <b>Intangible assets</b>             | <b>39,831</b>    | <b>(NET ASSETS)</b>   |                  |
| <b>Investments and other assets</b>  | <b>985,200</b>   | <b>Shareholders' equity</b>                                   | <b>1,738,066</b> |
| Investment securities                | 607,105          | Common stock  | 99,737           |
| Net defined benefit asset            | 303,740          | Capital surplus   | 165,424          |
| Deferred tax assets                  | 31,953           | Retained earnings   | 1,493,708        |
| Other                                | 43,148           | Treasury stock  | (20,803)         |
| Allowance for doubtful receivables   | (746)            | <b>Accumulated other comprehensive income</b>                 | <b>469,596</b>   |
| <b>Total assets</b>                  | <b>4,365,397</b> | Net unrealized holding gains on available-for-sale securities | 183,971          |
|                                      |                  | Deferred gains or losses on hedges                            | (2,679)          |
|                                      |                  | Foreign currency translation adjustments                      | 155,338          |
|                                      |                  | Remeasurements of defined benefit plans                       | 132,966          |
|                                      |                  | <b>Non-controlling interests</b>                              | <b>224,226</b>   |
|                                      |                  | <b>Total net assets</b>                                       | <b>2,431,888</b> |
|                                      |                  | <b>Total liabilities and net assets</b>                       | <b>4,365,397</b> |

(Note) Amounts shown in this financial statement have been rounded to the nearest million yen.

## Consolidated Statement of Income

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

| Accounts  | Amount  |                |
|---|---------|----------------|
| Net sales   |         | 4,402,814      |
| Cost of sales   |         | 3,635,226      |
| <b>Gross profit</b>   |         | <b>767,588</b> |
| Selling, general and administrative expenses                            |         | 540,970        |
| <b>Operating profit</b>   |         | <b>226,618</b> |
| <b>Non-operating income</b>   |         |                |
| Interest income   | 2,794   |                |
| Dividend income   | 6,541   |                |
| Share of profit of investments<br>accounted for using the equity method | 20,177  |                |
| Other income  | 14,536  | 44,048         |
| <b>Non-operating expenses</b>   |         |                |
| Interest expenses   | 29,321  |                |
| Other expenses  | 26,004  | 55,325         |
| <b>Ordinary profit</b>  |         | <b>215,341</b> |
| <b>Extraordinary income</b>   |         |                |
| Gain on sales of investment securities                                  | 66,834  | 66,834         |
| <b>Extraordinary losses</b>   |         |                |
| Loss on disposal of property, plant and equipment                       | 5,834   |                |
| Impairment loss on fixed assets   | 9,421   |                |
| Restructuring expenses  | 15,613  |                |
| Provision for loss on business  | 12,762  | 43,630         |
| <b>Profit before income taxes</b>                                       |         | <b>238,545</b> |
| Income taxes – current  | 77,726  |                |
| Income taxes – deferred   | (8,142) | 69,584         |
| <b>Profit for the year</b>  |         | <b>168,961</b> |
| Profit attributable to non-controlling interests                        |         | 19,238         |
| <b>Profit attributable to owners of parent</b>                          |         | <b>149,723</b> |

(Note) Amounts shown in this financial statement have been rounded to the nearest million yen.

## Consolidated Statement of Changes in Net Assets

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

|   | Shareholders' equity |                 |                   |                |                            |
|---|----------------------|-----------------|-------------------|----------------|----------------------------|
|   | Common stock         | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at beginning of period  | 99,737               | 166,817         | 1,383,046         | (20,793)       | 1,628,807                  |
| Changes of items during the period  |                      |                 |                   |                |                            |
| Cash dividends  |                      |                 | (39,004)          |                | (39,004)                   |
| Profit attributable to owners of parent   |                      |                 | 149,723           |                | 149,723                    |
| Purchases of treasury stock   |                      |                 |                   | (10)           | (10)                       |
| Disposal of treasury stock  |                      | 0               |                   | 0              | 0                          |
| Change in scope of consolidation  |                      |                 | (41)              |                | (41)                       |
| Change in scope of equity method  |                      |                 | (16)              |                | (16)                       |
| Change in ownership interests arising from transactions with non-controlling shareholders |                      | (1,393)         |                   |                | (1,393)                    |
| Other   |                      |                 |                   |                |                            |
| Total changes of items during the period  | —                    | (1,393)         | 110,662           | (10)           | 109,259                    |
| Balance at end of period  | 99,737               | 165,424         | 1,493,708         | (20,803)       | 1,738,066                  |

|   | Accumulated other comprehensive income                        |                                    |  |   |  | Non-controlling interests | Total net assets |
|---|---|------------------------------------|--|---|--|---------------------------|------------------|
|   | Net unrealized holding gains on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of period  | 135,032   | (2,340)                            | 85,258                                   | 53,122                                  | 271,072                                      | 210,940                   | 2,110,819        |
| Changes of items during the period  |   |                                    |  |   |  |                           |                  |
| Cash dividends  |   |                                    |  |   |  |                           | (39,004)         |
| Profit attributable to owners of parent   |   |                                    |  |   |  |                           | 149,723          |
| Purchases of treasury stock   |   |                                    |  |   |  |                           | (10)             |
| Disposal of treasury stock  |   |                                    |  |   |  |                           | 0                |
| Change in scope of consolidation  |   |                                    |  |   |  |                           | (41)             |
| Change in scope of equity method  |   |                                    |  |   |  |                           | (16)             |
| Change in ownership interests arising from transactions with non-controlling shareholders |   |                                    |  |   |  |                           | (1,393)          |
| Other   | 48,939  | (339)                              | 70,080                                   | 79,844                                  | 198,524                                      | 13,286                    | 211,810          |
| Total changes of items during the period  | 48,939  | (339)                              | 70,080                                   | 79,844                                  | 198,524                                      | 13,286                    | 321,069          |
| Balance at end of period  | 183,971   | (2,679)                            | 155,338                                  | 132,966                                 | 469,596                                      | 224,226                   | 2,431,888        |

(Note) Amounts shown in this financial statement have been rounded to the nearest million yen.

# Notes to Consolidated Financial Statements

## 1. Basis of Consolidated Financial Statements

### 1-1. Scope of consolidation

#### (1) Consolidated subsidiaries

Consolidated subsidiaries: 382 companies

Major consolidated subsidiaries

Sumitomo Wiring Systems, Ltd., Sumitomo Electric Device Innovations, Inc., Sumitomo Riko Co., Ltd., Sumitomo Electric Hardmetal Corp. and Sumitomo Electric Wiring Systems, Inc. Sumitomo Electric U.K. Power Cables Ltd. was newly included in the scope of consolidation as a result of establishment and 1 company was newly included in the scope of consolidation as a result of increase in materiality in the fiscal year ended March 31, 2024.

And 3 companies were excluded from the scope of consolidation as a result of sales of shares or completion of liquidation.

#### (2) Unconsolidated subsidiaries

Major unconsolidated subsidiaries

SEI HR SERVICES, INC.

Reason for being excluded from consolidation

The unconsolidated subsidiaries are immaterial in terms of their assets, sales, profit or loss and retained earnings, and would not have significant effect on the consolidated financial statements either individually or collectively.

### 1-2. Adoption of the equity method

#### (1) Unconsolidated subsidiaries and affiliates accounted for by the equity method

Unconsolidated subsidiaries accounted for by the equity method: none

Affiliates accounted for by the equity method: 33 companies

Major companies accounted for by the equity method

Sumitomo Rubber Industries, Ltd.

2 companies were included in the scope of the equity method as a result of increase in materiality.

#### (2) Unconsolidated subsidiaries and affiliates not accounted for by the equity method

Major companies not accounted for by the equity method

KINKIDENKI Co.

Reason for not applying the equity method

The unconsolidated subsidiaries and affiliates not accounted for by the equity method are immaterial in terms of their profit or loss and retained earnings, and would not have significant effect on the consolidated financial statements either individually or collectively.

### 1-3. Significant accounting policies

#### (1) Valuation methods for assets

##### (a) Securities

Held-to-maturity debt securities are stated at amortized cost.

Available-for-sale securities other than those without market values are stated at the fair value at the fiscal year end. Unrealized gains and losses, net of related taxes and non-controlling interests, are recognized as a separate component of net assets. Acquisition costs on sales are computed using average cost.

Available-for-sale securities without market values are stated at average cost.

##### (b) Derivatives

Derivative financial instruments are stated at fair value.

##### (c) Inventories

Inventories are mainly stated at the lower of average cost or net realizable value.

#### (2) Depreciation method of fixed assets

##### (a) Property, plant and equipment (excluding leased assets)

The straight-line method is applied.

##### (b) Leased assets

Leased assets related to finance leases which do not transfer ownership of the lease assets and right-of-use assets in consolidated subsidiaries that apply IFRS 16 "Leases" are depreciated by the straight-line method, assuming the lease period as the useful life and no residual value.

#### (3) Basis for allowance

##### Allowance for doubtful receivables

The allowance for doubtful receivables is provided based upon estimated uncollectible amounts for individually identified doubtful receivables and historical loss experience for other receivables.

##### Provision for loss on business

The provision for loss on business is provided based upon reasonable estimated amounts of losses expected to be incurred in the future for building a mass production system in some business.

(4) Basis for revenue and expense

The Company and its consolidated subsidiaries recognize the amount expected to be received in exchange for promised goods or services as revenue at the time when the control of the goods or services is transferred to the customer.

The main businesses of the Company and its consolidated subsidiaries are manufacture and sales of products in the following business segments: Environment and Energy, Infocommunications, Automotive, Electronics and Industrial Materials and Others. Revenue is recognized at the time when the control of the goods or services is transferred to the customer. The time of domestic sales transactions is mainly at the time of the acceptance inspection by the customer or arrival at the customer, the time of export sales transactions is mainly at the time when risks are transferred to the customer on the basis of trade terms such as incoterms. In the Environment and Energy segment, the Company and its consolidated subsidiaries operate the business of design and construction, such as the installation of products, as well as the manufacture and sales of the products. For construction contracts in which the performance obligation is satisfied over time, revenue is recognized based on the estimated progress towards the satisfaction of the performance obligation. The method used to estimate the progress towards the satisfaction of the performance obligation is the input method based on the ratio of the actual costs to the total estimated costs, because incurred cost is considered to represent the progress of construction appropriately. For other contracts, revenue is recognized mainly on the completion of installation as the performance obligation is satisfied at that point in time. Consideration for the transaction is received mainly within one year from the satisfaction of the performance obligation and does not include a significant financing component.

(5) Other significant accounting policies

(a) Basis for retirement benefits

( i ) Method of attributing expected benefits to periods of service

When calculating retirement benefit obligations, the benefit formula basis is used for attributing expected retirement benefits to periods of service.

( ii ) Method of expenses for actuarial gains and losses and past service costs

Past service cost is amortized on a straight-line basis over certain periods within the average remaining service years of employees (mainly 3 years) from the year in which it arises, or accounted for as an expense when it arises at some consolidated subsidiaries. Actuarial gains and losses are amortized on a straight-line basis over certain periods within the average remaining service years of employees (mainly 14 years) from the year following the year in which they arise. At some consolidated subsidiaries, they are accounted for as an expense when they arise.

(b) Accounting for corporation tax and local corporation tax and tax effect accounting

The Company and its wholly owned domestic consolidated subsidiaries apply the group tax sharing system. In addition, corporation tax and local corporation tax, as well as their tax effects, are accounted for and disclosed under "Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System" (PITF No.42, August 12, 2021).

## 2. Revenue recognition

### (1) Disaggregation of revenue

The Company and its consolidated subsidiaries derive revenue primarily from contracts with customers. The following table shows the disaggregation of revenue attributable to each reportable segment and its main products. Revenues from other sources are not material.

(Millions of yen)

|   | FY 2023<br>(From April 1, 2023<br>to March 31, 2024) |
|---|--|
| Environment and Energy segment  |  |
| Electric conductors   | 163,576  |
| Power transmission wires, cables, equipment,<br>work and engineering                            | 284,138  |
| Sumitomo Densetsu   | 185,524  |
| Nissin Electric   | 145,220  |
| Magnet wires and others   | 201,519  |
| Subtotal  | 979,977  |
| Infocommunications segment  |  |
| Optical fiber cables, telecommunication cables and equipment,<br>fusion splicers                | 86,825   |
| Optical and electronic devices  | 54,500   |
| Access network equipment  | 43,310   |
| Others  | 21,439   |
| Subtotal  | 206,074  |
| Automotive segment  |  |
| Wiring harnesses, car electronic components   | 1,976,607  |
| Sumitomo Riko and others  | 619,797  |
| Subtotal  | 2,596,404  |
| Electronics segment   |  |
| Electronic wires  | 105,671  |
| Flexible printed circuits   | 92,355   |
| Electron beam irradiation products, fluorine resin products                                     | 23,886   |
| Techno Associe  | 96,349   |
| Others  | 38,217   |
| Subtotal  | 356,478  |
| Industrial Materials and Others segment   |  |
| Tensioning materials for prestressed concrete,<br>precision spring steel wires, steel tire cord | 111,591  |
| Cemented carbide tools, diamond and CBN tools, laser optics                                     | 110,226  |
| Sintered powder metal parts   | 82,872   |
| A.L.M.T.  | 44,234   |
| Others  | 15,262   |
| Subtotal  | 364,185  |
| Adjustments   | (100,304)  |
| Total   | 4,402,814  |

(2) Basic information for understanding revenues

Please refer to “1-3. Significant accounting policies (4) Basis for revenue and expense”.

(3) Information for understanding the amount of revenue from the current fiscal year onward

(a) Contract balances

The following table shows the balances of receivables from contracts with customers, contract assets and contract liabilities.

(Millions of yen)

|   | FY 2022<br>(As of March 31, 2023) | FY 2023<br>(As of March 31, 2024) |
|---|-----------------------------------|-----------------------------------|
| Receivables from contracts with customers | 842,794                           | 875,933                           |
| Contract assets                           | 32,838                            | 36,497                            |
| Contract liabilities                      | 50,168                            | 74,263                            |

The increase in contract assets was caused mainly by revenue recognition and the decrease in contract assets was caused mainly by their transfer to trade receivables.

The increase in contract liabilities was caused mainly by the receipt of advances from customers and the decrease in contract liabilities was caused mainly by revenue recognition. Of the revenue recognized during the fiscal year ended March 31, 2024, ¥41,480 million was included in contract liabilities at the beginning of the fiscal year. And revenue recognized in relation to performance obligations satisfied or partially satisfied in past periods was not material.

(b) Transaction price allocated to remaining performance obligations

The following table shows the total amounts of transaction price allocated to the remaining performance obligations and the period when the revenues were expected to be recognized in the Environment and Energy segment. There were no significant amounts of consideration arising from contracts with customers that were not included in the transaction price.

In some consolidated subsidiaries, transactions with initial expected contract terms of less than one year were not included in the amounts below.

In some consolidated subsidiaries, the transaction price in a contract in which the schedule of installation was not determined as of the end of the fiscal year ended March 31, 2024, is classified by the timing for the completion of the installation.

The segments except Environment and Energy, which have contracts in which initial expected terms are mainly one year or less are not included in this disclosure.

(Millions of yen)

| Environment and Energy segment | FY 2023<br>(As of March 31, 2024) |
|--------------------------------|-----------------------------------|
| Within 1 year                  | 228,194                           |
| Later than 1 year              | 191,167                           |
| Total                          | 419,361                           |



### 3. Accounting estimate

(Large construction projects)

(1) Amount recorded in the consolidated financial statements for the current fiscal year

The amount of sales was ¥979,977 million and the amount of provisions for loss on orders received was ¥1,415 million in the Environment and Energy segment.

(2) Other information that contributes to the understanding of accounting estimates

In the Environment and Energy segment, the Company and its consolidated subsidiaries operate the business of design and construction such as electrical/power supply work, engineering and installation of products as well as the manufacture and sales of the products.

In the recognition of revenue for construction contracts when the performance obligation is satisfied over time, revenue is recognized over time based on the estimated progress towards the satisfaction of that performance obligation. If it is possible to measure the outcome of the performance obligation reasonably, the method used to estimate the progress towards the satisfaction of the performance obligation is the input method based on the ratio of the actual costs to the total estimated costs. If it is not possible to measure the outcome of the performance obligation reasonably, revenue is recognized only to the extent of actual costs incurred.

Regarding orders received for constructions that the total construction cost is more likely to exceed the total construction revenue at the end of the consolidated fiscal year and the amount can be reasonably estimated, the provision is recognized for losses expected to be incurred in the next consolidated fiscal year onward.

When estimating the total construction cost, the Company and its consolidated subsidiaries calculate the appropriate cost after considering the entire content of the work to be performed according to the customer's specifications, and review the estimate in a timely manner in response to any change in the situation after receiving the order. However, regarding long-term construction projects, such as installation projects of high-voltage direct current cables for interconnections among national and regional power electric utilities or remote island power transmission business, if additional costs that exceed the estimate as of the end of the consolidated fiscal year are incurred because of unexpected circumstances such as an extension of the construction period due to the influence of the weather or unforeseen changes in the work content or additional costs due to soaring outsourcing costs and personnel expenses and exchange rate fluctuations, the profit and loss of the next consolidated fiscal year may be affected.

### 4. Notes to Consolidated Balance Sheet

4-1. Assets pledged as collateral and liabilities secured by collateral

(1) Assets pledged as collateral

|                               |                |
|-------------------------------|----------------|
| Property, plant and equipment | ¥2,009 million |
|-------------------------------|----------------|

(2) Liabilities secured by the above collateral

|                 |              |
|-----------------|--------------|
| Short-term debt | ¥ 30 million |
|-----------------|--------------|

4-2. Accumulated depreciation of property, plant and equipment ¥2,431,179 million

#### 4-3. Guarantees

|  |                |
|--|----------------|
| Debt guarantees and similar agreements                 |                |
| Jiaxing SEI-Futong Optical Fiber Co., Ltd.             | ¥ 813 million  |
| Sumiden International Trading (Shanghai) Co.,Ltd.      | ¥ 691 million  |
| Daeheung SumiRiko Rubber Material (Yancheng) Co., Ltd. | ¥ 521 million  |
| Employees  | ¥ 78 million   |
| Others   | ¥ 532 million  |
| Total  | ¥2,635 million |

|                                  |                |
|----------------------------------|----------------|
| 4-4. Notes receivable discounted | ¥2,285 million |
| Notes receivable endorsed        | ¥ 20 million   |

#### 4-5. Inventories

|                                |                  |
|--------------------------------|------------------|
| Merchandise and finished goods | ¥331,906 million |
| Work in process                | ¥253,554 million |
| Raw materials and supplies     | ¥299,557 million |

#### 4-6. Other

The Company is in negotiations with some automakers for damages regarding violation of competition law in the Automotive segment.

### 5. Notes to Consolidated Statement of Income

- (1) Restructuring expenses in extraordinary losses were related to the reorganization of the business locations to strengthen profitability and make the production structure of sintered powder metal parts business, etc., more efficient and the partial review of R&D themes in the Company.
- (2) The provision for loss on business in extraordinary losses is provided based upon reasonable estimated amounts of losses expected to be incurred in the future for building a mass production system in some business.

### 6. Notes to Consolidated Statement of Changes in Net Assets

#### 6-1. Type and number of shares issued and outstanding at the end of current fiscal year

|              |                    |
|--------------|--------------------|
| Common stock | 793,940,571 shares |
|--------------|--------------------|

#### 6-2. Dividend Information

##### (1) Dividends paid

| Resolution                             | Type of shares | Total amount (Millions of yen) | Dividends per share (Yen) | Record date        | Effective date   | Resources of dividends |
|--|----------------|--------------------------------|---------------------------|--------------------|------------------|------------------------|
| Shareholders' meeting on June 28, 2023 | Common stock   | 19,502                         | 25.00                     | March 31, 2023     | June 29, 2023    | Retained earnings      |
| Board of Directors on November 2, 2023 | Common stock   | 19,502                         | 25.00                     | September 30, 2023 | December 1, 2023 | Retained earnings      |

(2) Dividends of which record date was in the current fiscal year and effective date will be in the next fiscal year

| Resolution                             | Type of shares | Total amount (Millions of yen) | Dividends per share (Yen) | Record date    | Effective date | Resources of dividends |
|--|----------------|--------------------------------|---------------------------|----------------|----------------|------------------------|
| Shareholders' meeting on June 26, 2024 | Common stock   | 40,564                         | 52.00                     | March 31, 2024 | June 27, 2024  | Retained earnings      |

## 7. Financial Instruments

### 7-1. Qualitative Information on Financial Instruments

The Company and its consolidated subsidiaries finance investment in equipment and operating capital for business mainly through borrowings from banks and the issuance of bonds and commercial papers in accordance with their cash flow planning.

Trade notes and accounts receivable are exposed to the credit risks of customers. The Company and its consolidated subsidiaries try to reduce and manage the risk according to their rules for credit control.

Operating receivables denominated in foreign currency are exposed to foreign exchange risks.

The Company and its consolidated subsidiaries hedge the risks using forward exchange contracts, etc., for the net position of foreign currency operating receivables and payables.

Securities and investment securities are mainly held to build and strengthen long-term and stable customer relationships and to facilitate business and technical customer partnerships and are exposed to market value fluctuation risks.

The main purpose of holding debt and issuing bonds and commercial papers is to secure financing for capital expenditure and working capital.

### 7-2. Fair Value of Financial Instruments

The carrying amounts and fair values of the financial instruments on the consolidated balance sheet as of March 31, 2024 are set forth in the table below.

Securities without market values (the carrying amount on the consolidated balance sheet is ¥132,195 million) are not included in "(1) Investment securities". Cash is omitted. In addition, time deposits, trade notes and account receivable, securities, trade notes and account payable, short-term debt and commercial papers are also omitted because their carrying amounts approximate the fair value because of the short maturity.

(Millions of yen)

|                           | Carrying amount* | Fair value* | Difference |
|---------------------------|------------------|-------------|------------|
| (1) Investment securities | 474,910          | 576,576     | 101,666    |
| (2) Bonds                 | (184,890)        | (182,506)   | (2,384)    |
| (3) Long-term debt        | (164,579)        | (161,749)   | (2,830)    |

\*Any item accounted for as a liability on the consolidated balance sheet is indicated in parentheses.

### 7-3. Breakdown of fair value of financial instruments by level

The fair values of financial instruments are categorized into three levels on the basis of the observability and the materiality of the valuation inputs used in fair value measurements.

Fair values of Level 1: Fair values measured by quoted prices for the assets or liabilities are given in active markets among observable valuation inputs

Fair values of Level 2: Fair values measured by inputs other than inputs included within Level 1 among observable valuation inputs

Fair values of Level 3: Fair values measured by unobservable valuation inputs

When several inputs that have significant impact on the fair value measurement are used and those inputs are categorized into different levels, the fair value is categorized into the lowest priority level for fair value measurement among the levels in which each of the inputs belongs.

#### (1) Financial instruments recorded at fair value in the consolidated balance sheet

(Millions of yen)

| Category              | Fair value |         |         |         |
|-----------------------|------------|---------|---------|---------|
|                       | Level 1    | Level 2 | Level 3 | Total   |
| Investment securities |            |         |         |         |
| Other securities      |            |         |         |         |
| Stocks                | 291,853    | —       | 6,396   | 298,249 |
| Bonds (other)         | —          | —       | —       | —       |
| Other                 | —          | —       | —       | —       |

(2) Financial instruments other than those recorded at fair value in the consolidated balance sheet

(Millions of yen)

| Category                                   | Fair value |         |         |         |
|--|------------|---------|---------|---------|
|  | Level 1    | Level 2 | Level 3 | Total   |
| Investment securities                      |            |         |         |         |
| Held-to-maturity debt securities           |            |         |         |         |
| Government bonds, Local government bonds   | —          | —       | —       | —       |
| Bonds (other)                              | —          | —       | —       | —       |
| Investments in subsidiaries and affiliates |            |         |         |         |
| Investments in affiliates                  | 278,327    | —       | —       | 278,327 |
| Bonds                                      | —          | 182,506 | —       | 182,506 |
| Long-term debt                             | —          | 161,749 | —       | 161,749 |

(Note) Explanation of valuation techniques and valuation inputs used in fair value measurements

Investment securities

The fair value of listed shares is stated at the fair market value in active markets and is categorized as Level 1.

The fair value of unlisted shares is determined using valuation techniques based on market prices of comparable companies and others and is categorized as Level 3. In measuring the fair value of unlisted shares, unobservable inputs, such as valuation multiples, are used.

Bonds

The fair value of bonds is stated at the fair market value and is categorized as Level 2.

Long-term debt

The fair value of long-term debt is estimated based on the present value of future cash flows using appropriate current discount rates and is categorized as Level 2.

**8. Per Share Information**

|                      |           |
|----------------------|-----------|
| Net assets per share | ¥2,830.82 |
| Earnings per share   | ¥ 191.98  |