

(Translation)

## Corporate Governance Report

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Sumitomo Corporation

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The corporate governance of Sumitomo Corporation (the “Company” or “Sumitomo Corporation”) is described below.

### I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

#### 1. Basic Views

The Company recognizes that the aims of corporate governance are improving management efficiency and maintaining sound management, while ensuring management transparency is important in order to secure these aims. Accordingly, the Company is endeavoring to establish corporate governance that will result in management serving the interests of shareholders and all other stakeholders. The Company has already taken steps to strengthen and enhance its corporate governance by such means as reinforcing its audit & supervisory board member system and improving the way it functions, optimizing the size of the Board of Directors, limiting the terms of office of the Chairman and the President and Chief Executive Officer, and introducing an executive officer system. Additionally, for the purpose of ensuring appropriate decision-making by the Board of Directors from a variety of perspectives and further strengthening the supervisory function, the Company appoints multiple Outside Directors, and is working to strengthen the supervisory and monitoring function of management by independent Outside Directors and Outside Audit & Supervisory Board Members. In addition, the Company has established the Nomination and Remuneration Advisory Committee (chaired by an outside director), which is an advisory body to the Board of Directors and is composed of a majority of outside directors, to enhance the independence, objectivity and transparency of the functions of the Board of Directors in relation to the nomination and remuneration of senior management. By these means, the Company believes that it will be able to further achieve the aforementioned corporate governance objectives. The Company has summarized its basic views and policy with regard to corporate governance as the Sumitomo Corporation Corporate Governance Principles, which it has made public on its website. (<https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/principle.pdf?la=en>)

#### [Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company complies all Principles of the Corporate Governance Code.

#### [Disclosure Based on the Principles of the Corporate Governance Code]

New

[Principle 1-3]

The Company, guided by its basic management policy of aiming to continue to enhance corporate value in a sustainable way, has a capital policy based on retaining an adequate level of shareholders' equity with a view

to preservation and reinforcement of its financial soundness and effectiveness of its capital. Additionally, the Company continues pursuing sustainable profit growth and further strengthening our earnings base to enhance shareholder returns and increase shareholder value. The shareholder return policy of the Company is disclosed.

(<https://www.sumitomocorp.com/en/jp/ir/stock/information>)

The Company keeps interest-bearing debt at an appropriate level by paying attention to the balance between cash generated as a result of business activities and asset reduction, and cash necessary for returns to shareholders and loans and investments, etc. for the pursuit of growth strategies.

The Company's basic policy in relation to shareholder returns is to provide shareholders with stable dividends over the long term. We also aim to raise per-share dividend payments by pursuing the growth of profit in the medium to long term.

[Principle 1-4]

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

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

If such annual review concludes that specific shareholdings are of little significance, the Company will push ahead with the sale of the shares.

In FY 2023, the Company sold shares of 18 listed stocks (either in whole or in part), amounting to 20.6 billion yen in total. As of the end of March 2024, the Company's shareholdings in listed companies cover 48 stocks, with the total balance of 272.2 billion yen.

When exercising voting rights, the Company examines various aspects through both quantitative and qualitative approaches in accordance with its own guidelines. Such examination focuses on whether each proposal presented to shareholders will lead to the enhancement of shareholder value and medium- to long-term corporate value of both the Company and the investee company. In this way, the Company tries to make adequate decisions as to whether to vote in favor of or against each proposal based on comprehensive judgments.

If an entity holding shares in the Company for purposes other than pure investment indicates its intention to sell the shares, the Company will, in principle, respect such intention, and the business relationship between the entity and the Company will not be affected.

[Principle 1-7]

It is stipulated in laws and regulations and in the Company's internal rules entitled Matters Related to the Administration of Board of Directors that the approval of the Board of Directors must be obtained to conduct business transactions between the Company and its Directors that are competitive or involve conflicts of interest, and if such transactions are executed, key facts regarding the transactions must be reported to the Board of Directors.

[Supplementary Principle 2-4-1]

[Policies on human resources development to ensure diversity and policies on improvement of diversity-oriented working environments, and the progress of implementing these policies]

The Sumitomo Corporation Group recognizes "Diversity, Equity & Inclusion" as "the core enabler for value creation, innovation and competitiveness", and aim to create an environment in which diverse individuals maximize their potentials and continue to generate new values and innovation without any bias based on nationality, age, gender, sexual orientation, gender identity or any other individual attributes and without being restricted by any conventional values. We promote this as an essential management strategy to have a competitive advantage.

<Specific Examples of Efforts>

- Appointments regardless of age, gender, or nationality: A job grade system based on "Pay for Job,

Pay for Performance”.

- Promoting Diversity Awareness: Holding of Diversity Weeks for intensive DE&I programs, including messages from management, various training sessions, and employee roundtable discussions.
- Promoting Flexible Work Styles: Introduction of teleworking system, super flexible work hours system, and dress code modification.
- Supporting For Balancing Work and Childcare/family care: Providing support system for employees with overseas assignments to accompany only their children, encouraging men to take childcare leave, offering childcare consultation services, partnering with childcare facilities, seminars on caregiving issues, and consultation sessions with family care experts.
- Supporting Women's Active Participation: Implementing an internal mentorship program and offering internal and external management training programs.
- Supporting For Senior Employees: Offering career development programs and career design seminars.
- Supporting For Employees with Disabilities: Establishing Sumisho Well Support Co., Ltd., a special subsidiary company, to promote the employment, retention, and active participation of people with disabilities by having them handle office work such as data entry and printing. The number of hires has increased by expanding operations and promoting the subsidiary internally.
- Initiatives for LGBTQ+: Applying benefits and HR systems to same-sex partners, allowing the use of preferred names, and installing universal restrooms for everyone regardless of gender.
- Health management: Establishment of in-house clinic, counseling center, and massage room, and promoting understanding of women’s specific health issues (internal femtech exhibitions where products can be viewed in person).

Since these efforts were highly acclaimed, the Company has been certified as follows:

- "Platinum Kurumin" certification by the Ministry of Health, Labor, and Welfare (MHLW) in recognition of providing superior childcare support among the "Kurumin" certified companies.
- A second-highest class "Eruboshi" company in recognition of the effort to promote the active involvement of female employees on the basis of the Act on Promotion of Women's Participation and Advancement in the Workplace.
- “White 500” enterprise with outstanding health and productivity management for seven consecutive years from FY2017 to FY2023.
- "The Top Hundred Telework Pioneers" for FY2019 by the Ministry of Internal Affairs and Communications (MIC).
- Telework Promotion Company Award (Kagayaku Telework Award) presented by the MHLW for FY2020.
- "Gold" in "PRIDE INDEX" in recognition of the effort to support sexual minorities including LGBTQ+ by a general incorporated association "work with Pride" for FY2023.
- "Next Nadeshiko: Companies Supporting Dual-career and Co-parenting" for FY2023.

[Stance to ensure diversity in personnel in managerial positions, voluntary and measurable goals, and progress toward such goals]

<Appointment of female employees>

The Company regards encouraging active involvement of women in business as an important pillar of Diversity, Equity & Inclusion. We are simultaneously promoting intangible initiatives such as reducing long working hours, encouraging employees to take paid leave, and raising employee awareness, in addition to tangible initiatives, such as establishing various systems that exceed legal requirements, from the perspective of supporting a balance between life events and career development.

To foster female professionals active in various fields globally on an ongoing basis, the Company has set the following goals to be achieved in FY 2030 in light of the present circumstances, as stated in the relevant action plan.

	Current state (April 2024)	Goal (FY 2030)
Female managers	9.6%	20% or more

Female department general manager positions	2.4%	10% or more
Female Directors and Audit & Supervisory Board Members*	18.8%	30% or more

\*These numerical targets are based on the Company's support for "Challenge toward 30% by 2030" announced by KEIDANREN (Japan Business Federation) in March 2021.

To achieve these goals, we are promoting further enhancement of our recruitment activities, strategic training and appointments and improved succession planning, all targeted at conscious development and appointment from medium- to long-term perspectives, as well as creating an environment where each individual can demonstrate their full potential.

#### <Appointment of mid-career hires>

The business environment surrounding the Company is changing rapidly. In order to survive the competition in the age of tremendous changes, we need to take on the challenge of doing business in new fields while expanding and advancing our existing businesses. To meet these business needs and based on business strategies, the Company hires professional mid-career personnel who have great expertise or knowledge.

The track records of mid-career hires working at the Company cover a wide variety of fields, ranging from attorneys-at-law, certified public accountants and other licensed or qualified persons, to managers or engineers from manufacturing, financial, media, information technology or other industries. By exploiting their skills and expertise developed in their previous careers, such mid-career hires are active on the front lines of business. Looking at the number of those newly employed (including new graduates) each year, the ratio of mid-career hires for the most recent business year made up more than 47%. More than 60% of these mid-career hires are assigned to managerial positions just after joining the Company. As of April 2024, the ratio of mid-career hires in all manager positions at the Company was about 10% (about 350 persons).

We will continue to strengthen mid-career employment and increase professional personnel in various business fields.

#### <Appointment of foreign personnel>

The Sumitomo Corporation Group deploys business operations globally in a wide range of industries. Such operations are supported by the Group's global network consisting of 20 offices in Japan and 107 outside Japan, extending to 64 countries and regions throughout the world, with about 8,000 employees as of April 2024. The latest data shows that the number of locally hired overseas employees in managerial positions has reached around 930, up from 820 persons recorded five years earlier. The ratio of locally hired overseas employees in management positions in the organizations outside Japan is more than 66%.

In order to promote strategic assignment and appointment in line with the business strategies and to consistently promote the principle of "the right talent to the right assignments" on a global basis, the Sumitomo Corporation Group develops and updates succession plans for the next generation and subsequent generations. Such succession planning covers key positions in both domestic and overseas organizations and our group companies, and is aimed at fostering successful talent management across the Sumitomo Corporation Group. For candidates to key positions, we arrange systematic career development plans to ensure that they can gain the necessary experience and skills. In this way, we endeavor to enrich our talent pool in terms of both quality and quantity. As a tool for this purpose, we have established the Global Mobility Policy (common rules for the Sumitomo Corporation Group regarding treatment and benefits for employees when relocating overseas) and Job Grading, which enables us to compare the size of jobs on a global basis. We are also building a human resource database on a global basis.

Toward the sustainable growth of the Sumitomo Corporation Group, we will continue to actively appoint talented people to key positions in Japan and overseas, regardless of nationality.

[Principle 2-6]

The Company has adopted a defined benefit corporate pension plan (contract type).

It also deploys personnel with financial market and investment experience as investment managers and manages the investment operations of pension assets. When selecting an external asset manager, the Company sufficiently checks investment management track records and management structures including governance while periodically monitoring the conditions of them even after the commencement of investment management operations.

Furthermore, the Pension Management Committee, which is chaired by the Head of Human Resources and comprised of managers in charge of human resources, finance and accounting organizations, verifies investment results and the financial position of pension assets, reports them to the Management Council and also discloses them to the pension holders.

[Principle 3-1]

(i) Company objectives (e.g., business principles), business strategies, and management plan

▪ Business Principles

Refer to the Sumitomo Corporation Group Management Principles and Activity Guidelines—as well as Sumitomo’s Business Philosophy, on which they are based—which the Company makes public on its website (<https://www.sumitomocorp.com/en/jp/about/policy/principles>).

▪ Medium-Term Management Plan

Additionally, refer to the medium-term management plan, which the Company also makes public on its website (<https://www.sumitomocorp.com/en/jp/about/policy/mid-term>).

(ii) Refer to the Sumitomo Corporation Corporate Governance Principles, which summarize the Company’s basic views and policy with regard to corporate governance, and are made public on the Company’s website. (<https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/principle.pdf?la=en>)

(iii) Refer to the policies and procedures of the Board of Directors for determining the remuneration of Directors and Executive Officers, which are disclosed in the Company’s annual securities report (yukashoken houkokusho), and in this corporate governance report in the section entitled “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” under “1. Organizational Composition and Operation [Director Remuneration]” and “2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Remuneration Decision-making Function].”

(iv) Refer to the Company’s policies and procedures regarding appointment and dismissal of Directors and Audit & Supervisory Board Members, which are disclosed in this corporate governance report in the section entitled “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” under “2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Nomination Function, etc.]”

(v) Refer to the reasons for nominating candidates for the posts of Outside Director and Outside Audit & Supervisory Board Member, which are disclosed in the reference documents within the Notice of Convocation of the Ordinary General Meeting of Shareholders, and in this corporate governance report in the section entitled “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” under “1. Organizational Composition and Operation [Directors] and [Audit & Supervisory Board Members].” Refer also to the reasons for nominating candidates for the posts of internal Director and internal Audit & Supervisory Board Member, which are disclosed in the reference documents within the Notice of Convocation of the Ordinary General Meeting of Shareholders (<https://www.sumitomocorp.com/en/jp/ir/stock/stmt>).

Refer to the Company’s policies and procedures regarding the selection and dismissal of Executive Officers, which are disclosed in this corporate governance report in the section entitled “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” under “2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Nomination Function, etc.]”

[Supplementary Principle 3-1-3]

•[Sustainability initiatives]

In line with Sumitomo's Business Philosophy<sup>1</sup> and the Sumitomo Corporation Group's Mission Statement<sup>2</sup>, Material Issues were identified in 2017 and the key social issues and specific goals were set in 2020. We have been undertaking business and corporate activities toward these goals. The Material Issues are now merged with the key social issues and updated through discussions held with internal and external stakeholders over the course of approximately one year. The review was conducted from the perspective of value creation, with consideration also given to the further aggravation of social issues such as climate change and the loss of biodiversity, the Group's strengths, and expectations from stakeholders.

Material Issues are medium- to long- term commitment for the Group to take one step further toward addressing key social challenges that we must undertake. The Group will achieve sustainable growth through addressing the social challenges. In the revised Material Issues, following six issues are specified: "Build resilient and prosperous society", "Overcome climate change", "Preserve and regenerate natural capital", "Respect human rights", "Develop talent and promote DE&I", and "Maintain and strengthen governance".

Climate change is a pressing issue to be undertaken globally. The key to overcoming this issue is to balance the steady promotion of decarbonization and the stable supply of energy that supports the daily lives of people around the world. The Group aims to achieve carbon neutralization of its businesses by 2050 and sets a medium-term goal of reducing the Group's CO<sub>2</sub> emissions by 50% or more by 2035. Besides working to reduce the Group's CO<sub>2</sub> emissions from the Group's businesses toward achieving these goals, the Group will further contribute to the acceleration of energy transition toward achieving carbon neutrality in society. There are various pathways toward achieving a carbon-neutral society depending on countries or regions. The Group intends to contribute to the greatest extent possible and has therefore revised<sup>3</sup> its policies along the following lines:

- Previously, a goal for the ratio of the power generation portfolio was set. However, in the gas-fired power generation business and renewable energy power generation business, the Group will pursue optimal development of power sources and stable supply of electricity toward achieving the decarbonization and energy plans of countries and regions without being confined by the ratio of power generation businesses portfolio.
- Regarding fossil fuel upstream business, the timing of terminating thermal coal mining interest previously stated has been further clarified. As for the remaining upstream gas developments, the Group clarified its stance, considering the important role natural gas plays in energy transition toward achieving a carbon-neutral society.

For each Material Issues, Sumitomo Corporation Group defines medium - and long-term goals and implements initiatives to achieve sustainable growth through addressing the social challenges<sup>4</sup>.

Notes 1–2: Sumitomo's Business Philosophy; Sumitomo Corporation Group's Management Principles and Activity Guidelines

(<https://www.sumitomocorp.com/en/jp/about/policy/principles>)

Note 3: Revised Policies on Climate Change Issues

([https://www.sumitomocorp.com/-/media/Files/hq/news/release/2024/17610/17610\\_en.pdf](https://www.sumitomocorp.com/-/media/Files/hq/news/release/2024/17610/17610_en.pdf))

Note 4: Material Issues and the long- and medium-term goals

(<https://sumitomocorp.disclosure.site/en/themes/12>)

#### 【Disclosure under the TCFD and IBC framework】

Recognizing that climate change is one of the major issues faced by the entire world, the Sumitomo Corporation Group identifies businesses which may interact significantly with climate change and conducts scenario analyses based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We analyze the impact of climate change on power generation and next-generation energy, resources, automobiles, aircraft, ships, steel, chemicals, cement, aluminium smelting, real estate, and other business areas where changes in technology and the introduction of regulations for mitigating the climate change will have a relatively significant impact on their risks and opportunities related to business environment change.

We assume that there are risks and opportunities in these areas that could affect our business activities. Through periodic scenario analysis, we recognize their magnitude and consider appropriate countermeasures to minimize the negative impact on our business performance. We also strengthen our efforts to contribute to developing business opportunities, such as establishing decarbonized and recycling-oriented energy systems. Specifically, we analyze transition risks and opportunities using APS<sup>1</sup>, the NZE scenario<sup>2</sup> to limit the temperature increase to within 1.5 degrees Celsius of the pre-industrial revolution level, and other scenarios. We also analyze the physical risks associated with natural disasters and other events caused by climate change. We will continue to expand our disclosures, including additional information on opportunities.

For details, please refer to the description of TCFD in our website<sup>3</sup>.

Note 1: Announced Pledges Scenario (APS) assumes that all national governments' climate change commitments, including Nationally Determined Contributions (NDCs) and long-term net zero targets, will be fulfilled within the designated period.

Note 2: NZE (Net Zero Emission Scenario) is a scenario back cast from the global net-zero emission goal in 2050.

Note 3: Climate Change - Disclosure Based on TCFD Recommendations

<https://sumitomocorp.disclosure.site/en/themes/24>

In January 2021, Sumitomo Corporation showed support for the Stakeholder Capitalism Metrics, which had been formulated under the initiative of the International Business Council (IBC) of the World Economic Forum (WEF). The WEF is well known as an organizer of the Davos Forum. Our disclosure information based on the Stakeholder Capitalism Metrics is found in our website.<sup>4</sup>

These metrics offer the framework for non-financial disclosure and reporting, comprised of common and comparable disclosure items that are reportable by enterprises in any industry or in any region. The disclosure items are presented as non-financial performance indicators covering four themes (Governance, Planet, People, and Prosperity) and containing 21 core and 34 expanded metrics.

Through the use of these metrics, we intend to enhance disclosure of non-financial information to our stakeholders. While our present disclosures have not yet covered all of the metrics, we will continue to examine the significance of the respective metrics for the Company and their benefits for stakeholders, and may redefine the scope of disclosure.

Note 4: Disclosure based on IBC Stakeholder Capitalism Metrics

<https://sumitomocorp.disclosure.site/en/themes/21>

#### **【Registration to TNFD Early Adopter and disclosures on natural capital】**

Sumitomo Corporation joined the TNFD Forum in 2022, a network of institutional supporters who share the vision and mission of the Task Force on Nature-related Financial Disclosures (TNFD)<sup>1</sup>. Since then, we have been putting our effort to enhance our disclosure on natural capital including conducting a trial analysis of our forestry business in New Zealand based on the TNFD's Beta v0.4 framework and disclosing the results<sup>2</sup> in September 2023. In January 2024, we were registered as an Early Adopter of TNFD<sup>3</sup>.

In addition, we established the Sumitomo Corporation Group Forest Management Policy and the Sumitomo Corporation Group Sourcing Policy for Forest Products in April 2022. The Forest Management Policy clarifies the Group's environmental and social commitment to sustainable forest management, while the Sourcing Policy for Forest Products describes the Group's policy on procuring forest products in cooperation with suppliers and customers<sup>4</sup>.

Based on one of the Material Issues, "Preserve and regenerate natural capital," the Group will promote initiatives to conserve and restore natural capital and expand disclosure.

Note 1: TNFD is the Nature version of TCFD, an organization that defines a corporate disclosure framework for natural capital.

Note 2: Trial analysis of forestry operations in New Zealand

<https://sumitomocorp.disclosure.site/en/themes/27>)

Note 3: TNFD Adopter refers to companies or organizations that have been registered on the TNFD website with their intention to disclose information in accordance with the TNFD Recommendations. Companies that have been registered by January 10, 2024 were announced as TNFD Early Adopters at the Annual Meeting of The World Economic Forum in Davos, Switzerland, in the same month.

[https://tnfd.global/engage/inaugural-tnfd-early-adopters/?sf\\_paged=2](https://tnfd.global/engage/inaugural-tnfd-early-adopters/?sf_paged=2))

Note 4: Sumitomo Corporation Group Forest Management Policy and Sourcing Policy for Forest Products

[https://sumitomocorp.disclosure.site/en/themes/25#144\\_ManagementPolicy](https://sumitomocorp.disclosure.site/en/themes/25#144_ManagementPolicy))

[https://sumitomocorp.disclosure.site/en/themes/25#144\\_ForestProducts](https://sumitomocorp.disclosure.site/en/themes/25#144_ForestProducts))

#### 【Engagement in social contribution activities】

The Sumitomo Corporation Group works to resolve social issues through its business activities and social contribution activities, with the aim of contributing to the realization of a sustainable society by fulfilling its Management Principles and Activity Guidelines as a global business group.

Under the “100SEED” social contribution program, we are promoting social contribution activities on a medium- and long-term basis through the use of our human resources, to encourage employees of the Sumitomo Corporation Group to grow sustainably together with society. For details, please refer to the description of the activities in our website.

<https://sumitomocorp.disclosure.site/en/themes/36>)

#### • [Investment in human capital development]

The Sumitomo Corporation Group recognizes our people as the core enablers of value creation. Each employee, embracing Sumitomo's business philosophy of "Enterprising Spirit," continuously anticipates changes and drives the creation and advancement of our businesses. To realize “Enriching lives and the world,” we aim to create a work environment that unleashes the power of our people, who are the driving force behind our value creation.

In our current Medium-Term Management Plan 2026, we are focusing on empowering our people and organizations to further strengthen our strategy execution capabilities. Specifically, we are implementing various initiatives, including the following:

- Talent Management: New graduate recruiting that is more reflective of the candidate's intentions, capabilities identification, and development of management personnel.
- Line Manager Empowerment: Delegating authority over HR matters such as appointments, transfers, and evaluations, and enhancing people management skills.
- Open/flat communication initiated by leaders: Revamping the entrance ceremony to focus on new employees and holding roundtable discussions between the president and employees.
- Equal career development opportunities: Implementing a learning platform and expanding internal open recruitment and concurrent jobs within company.

#### • [Company's investment in intellectual property enhancement]

The Company's investment in business development, which extends over a variety of business fields, focuses on additional value to be created by such means as business model transformation driven by innovative technologies or the offering of new product designs. In addition, the Company is underpinned not only by the competitive superiority brought about by technological innovation and creative designs or content, but also by its management base which comprises the Company's diverse human resources, multifaceted business expertise accumulated so far, the Company's global network, trust relationships with clients and business partners, the Company's brand value in the markets, and all other wealth of capital (intangible assets). The Company's strategy is to integrate or combine this management base and the diverse business functions of the business group, aiming to create new businesses and further boost business growth.

In this context, the Company holds the corporate vision of “aiming to be a global organization that constantly stays a step ahead in dealing with change, creates new value, and contributes broadly to society.”

Under this vision, we are always exploring new business models, know-how and technologies and planting the seeds for future business development. We believe that in most of those new business models, our existing and future intellectual property and intangible assets can contribute toward upholding and strengthening our high profitability, differentiation from competitors' products or services, and pricing power in the markets, which are expected to eventually bring about greater competitiveness and higher



profit margins in the future. Efforts to leverage intellectual property and intangible assets to create new businesses are being deployed by respective organizations in the business group.

In our Medium-term Management Plan 2026, the Company will pursue growth leveraged by our strengths and transform our business portfolio by strengthening our people and organization, which are the driving forces for growth. In order to achieve growth leveraged by our strengths, we will invest capital in businesses that have strengths and competitive advantages in growth areas to further enhance them. Additionally, through digital and Green Transformation (GX), we will accelerate the growth of businesses in which we have a competitive advantage, while nurturing next-generation businesses and acquiring new strengths.

By utilizing digital technology to transform various existing businesses within SC Group, we will enhance the earning power of the entire Company. In addition, by making maximum use of digital technology and AI, such as by introducing AI technology and using data to speed up and advance decision-making, we will transform our management base and business operations and develop new strengths.

Furthermore, the Company will utilize the know-how and knowledge we have gained through our efforts to enhance sustainability management and the establishment of the EII as a company-wide organization to find new business opportunities in areas such as energy and resource conservation in the short term and decarbonization and the shift to low-carbon energy sources in the medium to long term, thereby building our strengths and achieving growth through addressing social challenges.

With a focus on the value obtained from intellectual property and intangible assets in the manner described above, our business investment, reinforcement and development will continue based on meticulous analyses on how such property and assets can lead to competitiveness, differentiation and earning power.

[Supplementary Principle 4-1-1]

The functions of the Board of Directors are to supervise business execution and to make decisions relating to important management matters including basic management policies such as business plans. The Board also makes decisions on important aspects of business execution required by laws and regulations and the Company's Articles of Incorporation to be decided by the Board of Directors. Standards for such decision-making are stipulated in the Company's internal rules, Matters Related to the Administration of Board of Directors.

Decision-making and execution regarding matters not required by the foregoing internal rules to be decided by the Board of Directors are delegated to the Management Council, the decision-making body at the operational execution level, and to the Executive Officers. Moreover, the foregoing internal rules specify that decisions and progress with execution relating to matters delegated to the Management Council and the Executive Officers should be reported to the Board of Directors. The Board of Directors uses such reports and related information as a means to supervise decision-making and business execution by the Management Council and the Executive Officers.

[Principle 4-8]

Of the eleven Directors, five are Outside Directors, and they meet the standards set by the Company for independence of Outside Directors, as well as the standards related to independence set by the financial instruments exchange that the Company is listed on.

[Principle 4-9]

For details of standards related to the independence of Outside Directors and Outside Audit & Supervisory Board Members from the Company, refer to the Standards for Appointment and Independence of Outside Directors and Outside Audit & Supervisory Board Members, which the Company has set down and made public on its website.

([https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/outdirec\\_independ.pdf?la=en](https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/outdirec_independ.pdf?la=en))

[Supplementary Principle 4-10-1]

The Nomination and Remuneration Advisory Committee serves as an advisory board to the Board of Directors. A majority of committee members shall be Outside Directors, with one of them acting as the committee chairperson. This scheme helps to enhance the independence, objectivity and transparency of the Board of Directors' function for executive nomination and remuneration.

The Company's view on the composition and independence of the Nomination and Remuneration Advisory Committee, the scope of authority and roles assigned to the committee and other related information are disclosed in the following section in this report (II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management >>

1. Organizational Composition and Operation >> Committee's Name, Composition, and Attributes of Chairperson >> Supplementary Explanation).

[Supplementary Principle 4-11-1]

- For details of the appropriate balance between knowledge, experience, and skills of the Board of Directors as a whole, and the Company's view with regard to the diversity and appropriate size of the Board of Directors, refer to the Sumitomo Corporation Corporate Governance Principles, which are made public on the Company's website.  
(<https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/principle.pdf?la=en>)
- Refer to the Company's policies and procedures regarding appointment of Directors, which are disclosed in this corporate governance report in the section entitled "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management" under "2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Nomination Function, etc.]."
- Refer to the skill matrix posted in the end of this corporate governance report, which indicates the types of knowledge, experience and competencies, etc. (collectively, "Skills") that the Board of Directors is required to possess for fulfilling its roles, and which Directors or Audit & Supervisory Board Members currently in office possess such Skills.

[Supplementary Principle 4-11-2]

The Company discloses significant positions concurrently held by Directors, Audit & Supervisory Board Members, and candidates for those posts on an annual basis in disclosure documents such as the reference documents within the Notice of Convocation of the Ordinary General Meeting of Shareholders, the business report, and the Company's annual securities report.

[Supplementary Principle 4-11-3]

Evaluation of the Board of Directors

To maintain and enhance the effectiveness of the Board of Directors, each year Directors and Audit & Supervisory Board Members engage in analysis and evaluation of the Board's effectiveness through evaluation and several discussions. This is followed by the disclosure of overviews of the results. The effectiveness evaluation for fiscal 2023 and the overview of the results is as follows.

**1. Evaluation method**

(1) Target: All members of the Board of Directors (11) and all Audit & Supervisory Board members (5)

(2) Implementation method:

In November 2023, we implemented a questionnaire survey (\*). Based on the results, Directors and Audit & Supervisory Board members held several discussions to evaluate and analyze the results, and to identify issues and the initiatives on how we should improve them.

\*The questionnaire survey primarily consists of a free-writing format regarding topics that Directors and Audit & Supervisory Board members view as issues. In addition, given the current candid exchange of opinions by the Board of Directors to grasp the background of respondents' issue awareness and opinions to deepen discussions, from fiscal 2022 respondents are asked to fill in their names.

(3) Evaluations items:

(i) Functions and roles of the Board of Directors

(ii) Composition of the Board of Directors

(iii) Agenda items

(iv) Quality and content of discussions

(v) Provision of support and information

(vi) Advisory body to the Board of Directors

(vii) Fulfillment of roles of the Board chair

(viii) Fulfillment of roles of internal Directors

(ix) Fulfillment of roles of Outside Directors

(x) Self-evaluation

(xi) Expectations in Audit & Supervisory Board members

(xii) Comprehensive evaluation

(4) Third-party Assistance:

We received advice and assistance from a third party (external consultant) mainly to determine the questions used in this questionnaire.

## **2. Evaluation results overview**

All Directors and Audit & Supervisory Board Members held discussions based on the results of the questionnaire, and evaluated that the Board of Directors is functioning effectively overall, with the level of operations and performance of functions improving year by year through constant efforts. The main opinions are as follows:

- **Functions and roles that should be fulfilled by the Board of Directors**  
[Evaluation results] In general, evaluated that the current format with both monitoring and management functions is effectively functioning.  
[Issues/initiatives going forward] Opinions were exchanged on each member's recognition of the roles of the Company's Board of Directors, as well as the anticipated roles of Outside Directors and internal Directors that also concurrently execute duties. As a result of the discussion, the members decided to reconfirm the functions and roles of the Board of Directors, which is the foundation of the Board of Directors by way of documentation etc. We plan to further strengthen supervisory functions.
- **Composition of the Board of Directors**  
[Evaluation results] At present, we evaluated that there are no major issues with the current system.  
[Issues/initiatives going forward] With respect to direction going forward, there were various opinions regarding the diversity and skills of Outside Directors, the composition of Outside/internal Directors, and institutional design. An ongoing discussion is being carried out on the composition and structure of the Board of Directors, and based on a review of the structure of Management Council and organization in April 2024, we have decided to continue considering the future ideal structure of the Board of Directors.
- **Setting the agenda for the Board of Directors**  
[Evaluation results] In general it was evaluated that we systematically discussed the agenda, and the agenda is being properly set up.  
[Issues/initiatives going forward] A proposal was discussed to narrow down the agenda items appropriate for discussion by the Board of Directors (expanding the scope of delegation for the execution of duties). With respect to the agenda setting for in and after fiscal 2024, there were opinions, on which discussions should be focused and concentrated: (1) Focus should be shifted to companywide strategies as opposed to individual business strategies; and (2) Taking into account the situation the Company is in and the opinions of investors, the focus of discussion should be narrowed down to issues that should be undertaken, in particular, in the three-year, medium-term management plan, starting from fiscal 2024 (Examples: companywide growth strategy, reshuffling the business portfolio, human resources training/education, etc.). In fiscal 2024, we decided to set agendas that allow more effective discussions while taking into account these opinions.
- **Issues taken up in the results of the effectiveness evaluation conducted in fiscal 2022 as opposed to the results of initiatives implemented in fiscal 2023**
  - With regard to the issue of taking more time to deepen discussion on medium-and-long-term corporate strategies, the Board of Directors held a total of four (4) discussions at off-site meetings to discuss the formulation of the next medium-term management plan from the initial stage.
  - To strengthen the Board of Directors' supervisory function, we revised discussion criteria, including addressing discussions to the Board earlier regarding the implementation of investment or divestment and financing projects to the point where the Company embarks on full-fledged consideration of a project, as opposed to the point prior to the conventional implementation of a transaction depending on the project.
  - With respect to the enhancement of support and information provision to the Board of Directors, a dedicated organization, which was newly set up in fiscal 2023 to support communications between the Board of Directors and individuals executing duties, has started functioning. The evaluation assessed that improvements have been made to the establishment of discussion points and to brushing up discussion materials.

In this effectiveness evaluation, we are undertaking further improvement to the effectiveness of the Board of Directors by taking into consideration the opinions raised by and issues recognized by the Board of Directors and Audit & Supervisory Board Members.

[Supplementary Principle 4-14-2]

The Company provides its Outside Directors and Outside Audit & Supervisory Board Members with information as required in order to deepen their understanding of the Sumitomo Corporation Group Management Principles, as well as the Company's business management, activities, organization, and related matters. In addition, for its Directors and Audit & Supervisory Board Members, including Outside Directors and Outside Audit & Supervisory Board Members, the Company provides, arranges, and covers expenses for opportunities to acquire knowledge of its business, finances, organization and other matters necessary for them to fulfill their roles and responsibilities.

[Principle 5-1]

[Basic policy of dialogue with shareholders]

The Company endeavors to explain its business management and activities, holding a range of meetings as opportunities for communication with shareholders and investors. These include the general meeting of shareholders, quarterly financial results briefings, and individual meetings.

Dialogue with shareholders and investors is supervised by Executive Officers assigned to act as the persons responsible for such dialogue, while the relevant departments within the Company liaise to distribute information and gather opinions from shareholders and investors.

When conducting dialogue with shareholders and investors, insider information is managed appropriately in accordance with the internal Rules for the Prevention of Insider Trading.

[Implementation systems and activities]

To achieve its sustainable growth and increase its corporate value over medium- to long-term, the Company promotes dialogue with stakeholders, including shareholders and investors, which is provided by top management, including the President and Chief Executive Officer, taking into account the requests and major concerns of shareholders and investors, in direct communication opportunities.

As an organization to promote dialogue with shareholders and investors, the Company has established a Corporate Communication Committee chaired by the CSO (\*1) and consisting of each Head of Corporate Group or the person designated by each Head of Corporate Group to ensure the integrity of our external communications. The committee has also established an IR/SR subcommittee to promote more effective IR/SR (Shareholder Relations) activities. At its regular meetings, the Corporate Communication Committee discusses IR/SR activity policies, challenges, and measures to enhance dialogue with shareholders and investors. The Company also has a system in place to provide timely feedback to management on external opinions and requests obtained through IR and SR activities. The Company has also established the Investor Relations Department., which is dedicated to IR and SR activities. While collaborating with other relevant corporate departments in a coordinated fashion, it serves as an organization that aims to plan and manage various IR and SR activities, disclose information to meet expectations of shareholders and investors, and obtain opinions from outside through IR and SR activities to help improve management quality in a timely manner.

▪ General Meeting of Shareholders

The Company proactively discloses not only information required by law but also information on the environmental, social and governance (ESG) and corporate governance initiatives etc. within the Notice of Convocation of the General Meeting of Shareholders, and strives to provide in-depth explanations in response to questions from shareholders at the General Meeting. Refer to the details which are disclosed in this corporate governance report in the section entitled "III. Implementation of Measures for Shareholders and Other Stakeholders" under "1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights."

▪ Institutional investors (in and outside Japan)

In Japan, quarterly financial results briefings for Japanese institutional investors are conducted by the President & CEO and the CFO (\*2). Business units also hold briefings to report on their businesses regularly. Semiannual small meetings are conducted by the President & CEO and the CFO.

Meetings with individual institutional investors are vigorously conducted by the President & CEO, the CFO, and Investor Relations Department. For overseas, we have continued to visit institutional investors, mainly in Europe, North America, and Asia. (A total of seven visits to overseas investors in fiscal 2023.)

Additionally, the Company has held ESG briefings from fiscal 2018. From fiscal 2019, the Company has held an IR Day (former Investor Day) to have a deep dialogue with institutional investors, aiming to deepen their understanding of the Company's initiatives for medium- to long-term growth. The Company has held one-on-one meetings with managers in charge of exercising voting rights and ESG analysts at institutional investors (SR activities) in and outside Japan, organized jointly by the Investor Relations Department, the Corporate Sustainability Department, and the Corporate Legal & General Affairs Department).

▪ Individual investors

The Company periodically holds briefings at physical venues in some major cities in Japan and online briefings on several occasions every year.

To shareholders and investors, the Company discloses not only financial but also non-financial information, including that related to ESG. By presenting the Group's medium- to long-term efforts to increase its corporate value, the Company strives to enhance dialogue with them.

<List of activities in fiscal 2023>

President and CEO: General Meeting of Shareholders, financial results briefings (2 times), IR Day, dialogue with institutional investors and analysts in and outside Japan (3 times), briefings for individual investors (2 times)

CFO: General Meeting of Shareholders, financial results briefings (4 times), dialogue with institutional investors, analysts, and other stakeholders in and outside Japan (32 times)

CSO: General Meeting of Shareholders, financial results briefings (2 times), IR Day

CAO (\*3): General Meeting of Shareholders, IR Day

Investor Relations Department:

Dialogue with institutional investors, analysts, and other stakeholders in and outside Japan. (approx. 250 times, including 29 ESG/SR meetings), IR Day, briefings for individual investors (14 times)

(\*1) CSO (Chief Strategy Officer)

(\*2) CFO (Chief Financial Officer)

(\*3) CAO (Chief Administration Officer)

[Action to implement management that is conscious of cost of capital and stock price]

Refer to our website regarding this matter.

(<https://www.sumitomocorp.com/en/jp/ir/investors/enhancement>)

[Status of dialogue with shareholders, etc.]

Refer to the "Q&A" sections of each briefing on our website for the details of the dialogue with investors and analysts at each session.

(<https://www.sumitomocorp.com/en/jp/ir>)

Also refer to the "IR/SR Activities" sections of the Integrated Report.

(<https://www.sumitomocorp.com/en/jp/ir/financial/investors-guide/2024>)

## 2. Capital Structure

Foreign Shareholding Ratio	More than 30%
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### [Status of Major Shareholders]

Name / Shareholder Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	200,965,200	16.45
BNYM AS AGT/CLTS 10 PERCENT	113,294,324	9.27
Custody Bank of Japan, Ltd. (trust account)	66,522,900	5.44
Sumitomo Life Insurance Company	30,855,000	2.53

JP Morgan Securities Japan Co., Ltd.	21,477,571	1.76
STATE STREET BANK WEST CLIENT - TREATY 505234	20,338,064	1.66
JP MORGAN CHASE BANK 385781	15,036,952	1.23
Mitsui Sumitomo Insurance Company, Limited	15,000,000	1.23
Nippon Life Insurance Company	14,879,067	1.22
JP MORGAN CHASE BANK 385632	12,290,673	1.01

Controlling Shareholder (except for Parent Company)	—
Parent Company	No

#### Supplementary Explanation

The shareholding ratio is calculated by dividing the number of shares held by the number of shares outstanding, which is derived by deducting treasury stock (1,143,723 shares) from the total number of issued shares, and rounding to the nearest hundredth of a percent.

### 3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Prime Market
Fiscal Year-End	March
Type of Business	Wholesale Trade
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 300

### 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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### 5. Other Special Circumstances which may have Material Impact on Corporate Governance

New

#### Views and policies on group management

##### 1. Group Management Policy

With business groups in the Company and regional organizations in Japan and overseas integrating, Sumitomo Corporation Group is developing a wide range of business activities in a wide range of industrial fields globally through subsidiaries and affiliates (collectively hereinafter referred to as "Group Companies").

The Company's policy for its group management is to respect "autonomous" management by each Group Company, and to be involved in important decision-making at the board of directors or organization equivalent to the board of directors of each Group Company based on the relationship of trust established through active

"dialogue" as a shareholder, and to create new value through strong "cooperation" of Group Companies including the Company.

In order to maximize our Group's corporate value through sharing and putting into practice the principles of Group management, the Company has established a Group Management Policy that sets the three principles of Group management: "autonomy", "dialogue", and "cooperation".

## 2. Our approach to listed subsidiaries and affiliates (hereinafter referred to as "listed Group Companies") and the significance of holding shares

Sumitomo Corporation Group has, as a listed subsidiary, SCSK Corporation (Tokyo Stock Exchange Prime Market; hereinafter "SCSK"), and as listed affiliates, WELLNEO SUGAR Co., Ltd. (Tokyo Stock Exchange Prime Market; hereinafter "WELLNEO SUGAR"), and Mommy Mart Corporation (Tokyo Stock Exchange Standard Market; hereinafter "Mommy Mart"). Regarding T-Gaia Corporation, our listed affiliate, as disclosed by us on September 30, 2024, we plan to sell all of our holdings of shares in the company.

### (1) Our approach to holding listed Group Companies

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

The Company, as an integrated trading company engaged in a wide range of businesses, verifies, considers and judges the appropriateness of holdings shares in each listed Group Company at the Management Council etc., taking into account the position of each listed Group Company within our Group's strategy, its business situation, and the surrounding business environment, while also taking into account the need to ensure the management independence of each listed Group Company.

### (2) The significance of holding listed Group Companies

The Company also believes that by dispatching executives etc. to each Group Company through equity participation, we will be able to have more effective dialogue and collaboration, which will increase each other's corporate value, generate synergies, and ultimately maximize the corporate value of our Group.

The significance of holding shares of each listed Group Company in our business strategies is as follows (i) to (iii). Going forward, the Company will continue to review the significance of holding these shares and the significance of listing them, taking into account changes in the business environment surrounding each listed Group Company and the nature of collaboration and cooperation with our Company.

#### (i) SCSK

By working closely with SCSK to support and enhance global business execution through the development and operation of the Group's IT platforms, as well as to create global business in such areas as digital transformation (DX) and open innovation, SCSK will be able to gain new business opportunities and business partners, and Sumitomo Corporation will be able to expand our options for business creation. In this way, we believe that sharing business strategies with SCSK and the Company and leveraging our respective strengths will increase the corporate value of both the Company and SCSK, leading to maximization of the corporate value of our entire Group.

#### (ii) WELLNEO SUGAR

WELLNEO SUGAR is a major player in the Japanese sugar industry. The Company has been involved in the sugar manufacturing business since the 1980s, contributing to the stable supply of sugar, a daily necessity, and to the provision of functional ingredients that contribute to health. Furthermore, the sugar manufacturing business has also of great social significance as it contributes to revitalizing the local economies of raw material producing areas such as Okinawa, Kagoshima and Hokkaido. The Company believes that collaboration with WELLNEO SUGAR, including the Company's role in selling WELLNEO SUGAR's products, will increase the corporate value of both the Company and WELLNEO SUGAR, leading to maximization of the corporate value of our entire Group.

#### (iii) Mommy Mart

Mommy Mart's main business is the supermarket business, and the Company invested in it in 1999. The capital alliance with Mommy Mart is in line with our strategy of expanding our retail business domestically, primarily in the Tokyo metropolitan area. The Company also believes that collaboration and cooperation with our other retail businesses both in Japan and overseas will increase the corporate value of both the Company and Mommy Mart, leading to maximization of the corporate value of our entire Group.

## 3. Policy regarding governance of listed Group Companies

Regarding the governance systems of our listed Group Companies, our policy is, in principle, that the management of each Group Company should take the initiative in establishing, operating and improving them, and as a shareholder, the Company respects their decisions. On the other hand, from the perspective of

maintaining and enhancing the corporate value of each Group Company and managing risks based on the establishment and operation of internal controls across the Group, the Company requires prior consultation or reporting from each listed Group Company regarding important business operations that could have a significant impact on the corporate value of the Group.

Each listed Group Company appoints independent outside directors, and at SCSK, independent outside directors make up the majority of the board of directors. Additionally, in SCSK, in light of the risk of conflicts of interest between the Company as the parent company and SCSK's general shareholders, SCSK has taken measure to establish the "Conflict of Interest Advisory Committee," which is composed of SCSK's independent outside directors and independent outside experts, as an advisory body to SCSK's board of directors.

Furthermore, when the Company recommends candidates for the nomination of officers of listed Group Companies, the Company takes care not to undermine the decision-making autonomy of each Group Company and engages in dialogue with the relevant listed Group Company. In addition, the exercise of voting rights regarding the appointment and dismissal of directors and audit & supervisory board members of listed Group Companies is determined based on the reasons why each Group Company proposes the candidates.



## II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

### 1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board
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#### [Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	N/A
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairperson (Excluding individual holding concurrent position as president)
Number of Directors	11
Appointment of Outside Directors	Yes
Number of Outside Directors	5
Number of Independent Directors	5

#### Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*											
		a	b	c	d	e	f	g	h	i	j	k	
Akiko Ide	From another company												
Takashi Mitachi	From another company									△		△	
Takahisa Takahara	From another company									○			
Haruyasu Asakura	From another company												
Nana Otsuki	From another company												

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries

b. Non-executive director or executive of a parent company of the Company

c. Executive of a fellow subsidiary company of the Company

d. A party whose major client or supplier is the Company or an executive thereof

e. Major client or supplier of the listed company or an executive thereof

f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/audit & supervisory board member

g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)

h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)

i. Executive of a company, between which and the Company outside directors/audit & supervisory board members are mutually appointed (the director himself/herself only)

- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)  
k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Akiko Ide	○		<p>Ms. Ide served in several key positions for many years at a major telecommunications carrier, working as a group company executive and as a full time audit &amp; supervisory board member of the parent (holding) company. Through these and other roles, Ms. Ide has accumulated wide-ranging knowledge and a wealth of experience in information and communications, business management, and corporate governance, etc.; she is also honest in character, as well as highly insightful and capable. Ms. Ide will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform her duties properly in that position. For these reasons, she is appointed as the position of Outside Director.</p> <p>Ms. Ide meets the standards set by Sumitomo Corporation for Independence of Outside Directors, and also meets the standards related to independence set by the financial instruments exchange that the Company is listed on. The Company has notified the exchange of her status as an independent director.</p>
Takashi Mitachi	○	<p>Mr. Mitachi served until April 2017 as Vice Chairman at KEIZAI DOYUKAI (Japan Association of Corporate Executives), to which the Company pays membership fees, etc. and makes donations. However, the amount of the fees and the donations are negligible – less than 1% of the association's total ordinary revenue. Furthermore, Mr. Mitachi engaged until September 2017 in the</p>	<p>Mr. Mitachi served in several key positions for many years at a major US consulting firm. Through these and other roles, Mr. Mitachi has accumulated wide-ranging knowledge and a wealth of experience in business management and enterprise risk management, etc.; he is also honest in character, as well as highly insightful and capable. Mr. Mitachi will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Director.</p> <p>Mr. Mitachi meets the standards set by Sumitomo Corporation for Independence of Outside</p>

		<p>execution of operational duties as Managing Director &amp; Senior Partner of Boston Consulting Group, to which the Company pays outsourcing fees. However, the amount is negligible – less than 0.01% of the Boston Consulting Group’s worldwide net sales. We have therefore determined that his independence is unaffected.</p>	<p>Directors, and also meets the standards related to independence set by the financial instruments exchange that the Company is listed on. The Company has notified the exchange of his status as an independent director.</p>
Takahisa Takahara	○	<p>Mr. Takahara engages in the execution of operational duties as President &amp; CEO of UNICHARM CORPORATION. The Company and UNICHARM CORPORATION jointly invest in The Hartz Mountain Corporation, and this investment is based on a shareholders’ agreement between the two companies. However, the amount invested by the Company is negligible – less than 0.1% of its total consolidated assets and less than 0.4% of UNICHARM CORPORATION’s total consolidated assets. We have therefore determined that his independence is unaffected.</p>	<p>Mr. Takahara has held several key positions for many years at a major consumer goods manufacturer, serving as Director, Senior Director, and President &amp; CEO. Through these and other roles, Mr. Takahara has accumulated wide-ranging knowledge and a wealth of experience in business management; he is also honest in character, as well as highly insightful and capable. Mr. Takahara will contribute to the Company’s aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Director.</p> <p>Mr. Takahara meets the standards set by Sumitomo Corporation for Independence of Outside Directors, and also meets the standards related to independence set by the financial instruments exchange that the Company is listed on. The Company has notified the exchange of his status as an independent director.</p>
Haruyasu Asakura	○		<p>Mr. Asakura has held several key positions for many years at private equity fund investment companies and served in executive and outside director positions for multiple companies. Through these and other roles, Mr. Asakura has accumulated wide-ranging knowledge and a wealth of experience in M&amp;A and business management, etc.; he is also honest in character, as well as highly insightful and capable. Mr. Asakura will contribute to the Company’s aims of ensuring appropriate decision-making from</p>

			<p>diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Director.</p> <p>Mr. Asakura meets the standards set by Sumitomo Corporation for Independence of Outside Directors, and also meets the standards related to independence set by the financial instruments exchange that the Company is listed on. The Company has notified the exchange of his status as an independent director.</p>
Nana Otsuki	○		<p>Ms. Otsuki has held several key positions for many years at companies including leading securities firms and has served as a university professor and in outside director positions for listed companies. Through these and other roles, Ms. Otsuki has accumulated wide-ranging knowledge and a wealth of experience in market analysis and corporate governance, etc.; she is also honest in character, as well as highly insightful and capable. Ms. Otsuki will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform her duties properly in that position. For these reasons, she is appointed as the position of Outside Director.</p> <p>Ms. Otsuki meets the standards set by Sumitomo Corporation for Independence of Outside Directors, and also meets the standards related to independence set by the financial instruments exchange that the Company is listed on. The Company has notified the exchange of her status as an independent director.</p>

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination and Remuneration Advisory Committee	Nomination and Remuneration Advisory Committee
All Committee Members	5	5
Full-time Members	0	0

Inside Directors	2	2
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

#### Supplementary Explanation

The Nomination and Remuneration Advisory Committee is composed of the Chairman of the Board of Directors, the President and Chief Executive Officer and three outside directors. The Nomination and Remuneration Advisory Committee is in charge of reviewing (1) policies and procedures regarding appointment and dismissal of the President and Chief Executive Officer, (2) policies and procedures regarding appointment and dismissal of the Chairman of the Board of Directors, (3) nomination criteria for directors and audit & supervisory board members, (4) appointment and dismissal of the President and Chief Executive Officer (including the nomination of a successor of the President and Chief Executive Officer), (5) nominations of candidates for directors and audit & supervisory board members (including determination of Representative Directors and Executive Directors), (6) appointment of Management Council members, (7) the structures/levels of remuneration and bonuses for Directors and Executive Officers and the limit of remuneration for Audit & Supervisory Board Members, and (8) the advisor system, and will submit the results thereof as recommendations to the Board of Directors. Additionally, the committee will also deliberate and determine any matters delegated by the board of directors that are not included in (1) to (8) mentioned above, and report the outcome of such deliberation or decision to the board of directors. In fiscal 2023, the Nomination and Remuneration Advisory Committee met 9 times to deliberate the abovementioned matters, and submitted the results thereof as recommendations to the Board of Directors. All committee members except for Ms. Ide attended all of the 9 meetings, and Ms. Ide attended all 7 meetings (since her appointment in June 2023). Overview of the Nomination and Remuneration Advisory Committee is as follows:

- Composition of the Nomination and Remuneration Advisory Committee

(1) The Nomination and Remuneration Advisory Committee shall be comprised of internal and external members, with the majority of committee members being the latter. The number of committee members shall be set within the range that enables the committee to carry out thorough consultations and to make prompt and reasonable decisions. Specifically, the committee shall have a total of five members, including two internal members consisting of the Chairman of the Board of Directors and the President and Chief Executive Officer, and three external members who are Outside Directors.

(2) The Chairperson of the Nomination and Remuneration Advisory Committee is required to be an external member.

(3) The Chief Administration Officer (HR Strategy Department) shall serve as the secretariat.

- Selection criteria for external committee members

The external members shall consist of those Outside Directors who specifically have extensive knowledge and experience as well as deep insights, both in and outside the Company, concerning the breadth of issues to be deliberated by the committee. The composition of external members shall ensure diversity in terms of knowledge, experience, specialty and so on.

- Method for selecting external committee members

External committee members are selected by a resolution of the Board of Directors.

- Method for selecting the Chairperson

The Chairperson shall be appointed by a resolution of the Board of Directors based on the outcome of an election by committee members' mutual vote.

- Handling when the Chairperson has an accident or for other reasons

If the Chairperson is unable to act or is otherwise unavailable, another external member shall act in place of the Chairperson in the order decided by a resolution of the Board of Directors in which the external members shall exercise their authority to act on behalf of the Chairperson.

▪ Term of office for external committee members and the Chairperson

The terms of office for external committee members and the Chairperson are the same as their term as a Director.

▪ Resolution method

Any resolution on an agenda item of the Nomination and Remuneration Advisory Committee is required to be made by a majority of members present at a meeting attended by a majority of committee members.

▪ Convener

The Nomination and Remuneration Advisory Committee is convened by the Chairperson.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	N/A
Number of Audit & Supervisory Board Members	5

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Department

Audit & Supervisory Board Members, Accounting Auditor and the Internal Audit Department periodically exchange information to enhance cooperation between them. The Company has established the Internal Auditing Department under the direct supervision of the President and Chief Executive Officer as an independent body for company-wide monitoring of operations. The department maintains close contact with the Audit & Supervisory Board Members and Accounting Auditor, such as by reporting audit plans and the results of internal auditing to them in a timely manner, so as to contribute to effective auditing by the Audit & Supervisory Board Members and Accounting Auditor.

The Audit & Supervisory Board Members endeavor to ascertain the audit activities of the Accounting Auditor and to exchange information with the Accounting Auditor by holding regular meetings; they also strive to improve the efficiency and quality of their own audit activities, such as by attending the Accounting Auditor's audit review meetings, and being present for inventory audits.

In fiscal 2023, the remuneration paid to KPMG AZSA LLC, the Company's Accounting Auditor, was as follows:

- (a) Fees for services described in Article 2, paragraph (1) of the Certified Public Accountants Act (attestation services) ...¥525 million
- (b) Fees for services other than those described in Article 2, paragraph (1) of the Certified Public Accountants Act...¥16 million
- (c) Total remuneration paid to the Accounting Auditor for fiscal 2023...¥541 million
- (d) Total amount of cash and other financial benefits payable by the Company and its consolidated subsidiaries to the Accounting Auditor (including (c))...¥1,147 million

Notes:

1. In line with the "Practical Guidelines for Collaboration with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, the Company's Audit & Supervisory Board checks the

details of audit plans, the performance of duties during the preceding fiscal year, the calculation bases for remuneration estimates, etc., and gives due consideration to these findings when approving compensation, etc. for the Accounting Auditor, as stipulated in Article 399, paragraph (1) of the Companies Act.

2. The audit agreement between the Company and the Accounting Auditor does not differentiate remuneration and other fees relating to the audit based on the Companies Act from remuneration and other fees relating to the audit based on the Financial Instruments and Exchange Act, and the two types of remuneration cannot actually be differentiated. Therefore, the above amounts show the total of these two types of remuneration and other fees.
3. The Company pays remuneration to the Accounting Auditor for creating comfort letters, etc. in addition to the service defined in Article 2, paragraph (1) of the Certified Public Accountants Act.
4. Some of the consolidated subsidiaries are audited by audit firms other than the Company's Accounting Auditor.

In addition, the Audit & Supervisory Board Member attends the Internal Control Committee's meetings, and receives reports on the status of the Company's internal control systems in a timely manner.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Independent Audit & Supervisory Board Members	3

#### Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Yukiko Nagashima	From another company										△			
Nobuo Inada	Lawyer													
Taisei Kunii	CPA										△			

\* Categories for "Relationship with the Company"

\* "○" when the director presently falls or has recently fallen under the category;

"△" when the director fell under the category in the past

\* "●" when a close relative of the director presently falls or has recently fallen under the category;

"▲" when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiary
- b. Non-executive director or accounting advisor of the Company or its subsidiaries
- c. Non-executive director or executive of a parent company of the Company
- d. Audit & Supervisory Board Member of a parent company of the Company
- e. Executive of a fellow subsidiary company of the Company
- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an audit & supervisory board member
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the audit & supervisory board member himself/herself only)

- k. Executive of a company, between which and the Company outside directors/audit & supervisory board members are mutually appointed (the audit & supervisory board member himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the audit & supervisory board member himself/herself only)
- m. Others



Outside Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board Members	Supplementary Explanation of the Relationship	Reasons of Appointment
Yukiko Nagashima	○	<p>Ms. Nagashima served until March 2016 as Representative Director at Recruit Staffing Co., Ltd. with which the Company has business transactions. However, the transaction amount between the Company and Recruit Staffing Co., Ltd. is negligible – less than 0.1% of Recruit Staffing Co., Ltd.'s total annual sales. We have therefore determined that her independence is unaffected.</p>	<p>Ms. Nagashima has highly specialized knowledge and a wealth of experience in corporate management and corporate governance based on her career over many years in which she held key positions at a major comprehensive human resources company (holding company), as well as experience managing group companies and serving as a full-time audit &amp; supervisory board member at the holding company and an outside director at a major corporation. She is also honest in character, as well as highly insightful and capable. Ms. Nagashima will contribute to the Company's aim of conducting audits from diverse perspectives, and is thus judged to be qualified for the role of Outside Audit &amp; Supervisory Board Member of the Company and to be able to perform her duties properly in that position. For these reasons, she is appointed as the position of Outside Audit &amp; Supervisory Board Member.</p> <p>Ms. Nagashima meets the independence standards respectively set by the Company, the financial instruments exchange that the Company is listed on. The Company has notified the exchange of her status as an independent auditor.</p>
Nobuo Inada	○	—	<p>Mr. Inada has highly specialized knowledge and a wealth of experience in law based on his career over many years as a prosecutor and attorney at law. He is also honest in character, as well as highly insightful and capable. Mr. Inada will contribute to the Company's aim of conducting audits from diverse perspectives, and is thus judged to be qualified for the role of Outside Audit &amp; Supervisory Board Member of the Company and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Audit &amp; Supervisory Board Member.</p> <p>Mr. Inada meets the independence standards respectively set by the Company, the financial instruments exchange that the Company is listed on. The Company has notified the exchange of his status as an independent auditor.</p>
Taisei Kunii	○	Mr. Kunii engaged until May 2022 in the execution of operational duties	Mr. Kunii has highly specialized knowledge and a wealth of experience in finance, accounting, and corporate auditing based on his career over many years as a certified public accountant. He is also

		<p>as Chief Executive Officer of Deloitte Touche Tohmatsu LLC, to which the Company makes payments including outsourcing fees. However, the amount is negligible – less than 0.2% of Deloitte Touche Tohmatsu LLC’s total revenue. We have therefore determined that his independence is unaffected.</p>	<p>honest in character, as well as highly insightful and capable. Mr. Kunii will contribute to the Company’s aim of conducting audits from diverse perspectives, and is thus judged to be qualified for the role of Outside Audit &amp; Supervisory Board Member of the Company and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Audit &amp; Supervisory Board Member.</p> <p>Mr. Kunii meets the independence standards respectively set by the Company, the financial instruments exchange that the Company is listed on. The Company has notified the exchange of his status as an independent auditor.</p>
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**[Independent Directors/Audit & Supervisory Board Members]**

Number of Independent Directors/Audit & Supervisory Board Members	8
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Matters relating to Independent Directors/Audit & Supervisory Board Members

All of Outside Directors and Outside Audit & Supervisory Board Members in the Company meet the Company's internal rule of Standards for Appointment and Independence, and also the criteria for independence set by the financial instruments exchange on which the Company is listed. The Company has registered all these individuals as independent executives based on the exchange’s respective provisions.  
[https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/outdirec\\_independ.pdf?la=en](https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/outdirec_independ.pdf?la=en)

**[Incentives]**

Incentive Policies for Directors	Performance-linked Remuneration, Stock Options, Others
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Supplementary Explanation

The Company’s performance-linked remuneration system for directors is comprised of a performance-linked bonus plan and a stock-based remuneration plan.  
 For details about these plans, including (1) the policy on determining the ratio of performance-linked remuneration, (2) the indicators related to performance-linked remuneration and the reason for adopting such indicators, and (3) the method for determining the amounts of performance-linked remuneration, see the section entitled “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” under “1. Organizational Composition and Operation [Director Remuneration].”

Recipients of Stock Options	Internal Directors, Employees, Other
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Supplementary Explanation

New Share Acquisition Rights in the Form of Stock Options for a Stock-Linked Compensation Plan to the Company's Directors and Executive Officers.

[Summary of the new share acquisition rights]

- FY2006 111 new share acquisition rights  
(Number of shares for each new share acquisition right: 1,000 shares Exercise price per share: ¥1)
- FY2007 944 new share acquisition rights  
(Number of shares for each new share acquisition right: 100 shares Exercise price per share: ¥1)
- FY2008 1,430 new share acquisition rights  
(Number of shares for each new share acquisition right: 100 shares Exercise price per share: ¥1)
- FY2009 1,875 new share acquisition rights  
(Number of shares for each new share acquisition right: 100 shares Exercise price per share: ¥1)
- FY2010 2,172 new share acquisition rights  
(Number of shares for each new share acquisition right: 100 shares Exercise price per share: ¥1)
- FY2011 2,024 new share acquisition rights  
(Number of shares for each new share acquisition right: 100 shares Exercise price per share: ¥1)
- FY2012 2,053 new share acquisition rights  
(Number of shares for each new share acquisition right: 100 shares Exercise price per share: ¥1)
- FY2013 1,569 new share acquisition rights  
(Number of shares for each new share acquisition right: 100 shares Exercise price per share: ¥1)
- FY2014 1,511 new share acquisition rights  
(Number of shares for each new share acquisition right: 100 shares Exercise price per share: ¥1)
- FY2015 1,277 new share acquisition rights  
(Number of shares for each new share acquisition right: 100 shares Exercise price per share: ¥1)
- FY2016 1,695 new share acquisition rights  
(Number of shares for each new share acquisition right: 100 shares Exercise price per share: ¥1)
- FY2017 1,370 new share acquisition rights  
(Number of shares for each new share acquisition right: 100 shares Exercise price per share: ¥1)

The Company will not issue new stock options in and after fiscal 2018. Stock options issued in previous years will remain effective.

**[Director Remuneration]**

Disclosure of Individual Directors' Remuneration	Selected Directors
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Supplementary Explanation

The Company states the total remuneration for Directors and Audit & Supervisory Board Members in its annual securities report and business report, and makes them available for public inspection on the Company's website.

The total amount of remuneration for the 13 Company Directors in fiscal 2023 was 1,802 million yen, with the breakdown as follows.

- Monthly remuneration: ¥550 million
- Total amount of bonus: ¥397 million
- Total amount recorded as expenses for performance-linked stock remuneration in fiscal 2023: ¥107 million
- Total amount recorded as expenses for restricted performance share unit-based remuneration by calculating the estimated amount to be paid as monetary remuneration receivables in accordance with the estimated number of shares to be granted in 2024, 2025 and 2026: ¥749 million

For individuals whose total remuneration is 100 million yen or more for the year ended March 31, 2024, the total remuneration and its breakdown are as follows:

(Unit: Million Yen)

Name	Position	Monthly remuneration	Directors' bonuses	Performance-linked stock remuneration (Performance Share Unit) plan (*3)	Restricted Performance Share Unit-Based Remuneration (*3)	Total
Kuniharu Nakamura	Director	149	0	36	165	349
Masayuki Hyodo	Director	95	152	36	276	559
Toshikazu Nambu	(*4)	12	0	22	79	113
Shingo Ueno	Director (*5)	41	69	0	30	140
Takayuki Seishima	Director	54	68	13	85	220
Reiji Morooka	Director	45	54	0	62	162
Hirokazu Higashino	Director	47	53	0	52	152

1. None of the directors above serve as a director or an audit & supervisory board member of subsidiaries of the Company, and their remuneration are all paid by the Company.
2. The figures on the table above are rounded to the nearest million yen.
3. The figures represent the amount accounted for (expensed) in fiscal 2023 and are different from the amount of remuneration from shares actually delivered in the same fiscal year.
4. He retired as a director due to the expiration of his term of office at the conclusion of the 155th Ordinary General Meeting of Shareholders held on June 23, 2023.
5. He was newly elected at the 155th Ordinary General Meeting of Shareholders held on June 23, 2023.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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#### Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

##### (1) Matters related to policy for deciding the remuneration for individual directors

###### (A) System for remuneration

- The remuneration for Executive Directors consists of monthly remuneration, performance-linked bonus, and stock-based remuneration.

- The remuneration for the Chairman of the Board of Directors and Director, Vice Chairman consists of monthly remuneration and stock-based remuneration.
- The remuneration for Outside Directors is fixed-amount compensation only (monthly remuneration).

(B) Ratio and remuneration standards regarding each types of remuneration

The Company will establish an appropriate ratio, etc. between fixed remuneration (monthly remuneration) and variable remuneration (“performance linked bonus” which is linked with short term performance of the Company and “stock-based remuneration” which is linked with middle and long term performance of the Company and shareholder value) which corresponds to Director’s position, (i) by setting an appropriate remuneration standards to acquire and retain highly capable management who will bring about the Company’s sustainable growth and increase of corporate value in the middle to long term, and (ii) to design as healthy incentive to sustainable growth of the Company, based on its business environment, management strategy and human resources strategy, with reference to objective remuneration market research data, etc. provided by external specialized agencies.

(C) Policy and method on the decision of the amount of each remuneration

● Policy on the decision of the amount of each remuneration

✓ Monthly Remuneration

Fixed amount remuneration determined based on the abovementioned standards is provided.

✓ Performance Linked Bonus

- From the perspective of reinforcing the relationship with its group’s management strategy, the total amount to be paid is determined in accordance with the performance management index to be focused on in the medium-term management plan. The amount to be paid to individual Executive Directors is distributed according to their position and personal evaluation and is paid after the end of the fiscal year.
- Each Executive Director is evaluated on the basis of both financial indicators and non-financial indicators.

✓ Restricted Performance Share Unit-Based Remuneration

This remuneration is aimed at promoting efforts at optimizing its business portfolio, increasing corporate value in the medium to long term and to ensure sustainable growth, focusing on the link with indicators related to environment, society and governance (ESG) together with shareholder value. Further, we shall promote to share value with the shareholders. The actual contents and timing of payment of the stock-based remuneration for each Directors is decided by the Board of Directors after consultation with the Nomination and Remuneration Advisory Committee.

● Method on the decision of the amount of each remuneration

Remuneration of each Directors is resolved by the Board of Directors within the limit resolved at the General Meeting of Shareholders. For the resolution by the Board of Directors, the details are deliberated by the Nomination and Remuneration Advisory Committee and the results thereof are reported to the Board of Directors. For other method, as follows;

✓ Performance Linked Bonus

- The Board of Directors, reflecting reports from the Nomination and Remuneration Advisory Committee, set assumed values for each performance management index and decide formula for calculating the performance linked bonuses for individual Executive Directors (for the relevant fiscal year) based on actual values for each performance management index.
- After the end of fiscal year, Representative Director, President and Chief Executive Officer (who is delegated such decision by the Board of Directors) shall decide personal evaluations of each Executive Directors regarding the performance management index which is a part of the formula, following meetings with each of Executive Directors, and performance linked bonuses for each fiscal year will be determined as per the formula, within the limit resolved at the General Meeting of Shareholders.
- Representative Director, President and Chief Executive Officer will report to the Nomination and Remuneration Advisory Committee about the grading results to make sure that the personal evaluations are appropriate.

✓ Restricted Performance Share Unit-Based Remuneration

- The Board of Directors, reflecting reports from the Nomination and Remuneration Advisory Committee, decide formula for calculating the stock-based remuneration for individual Executive Directors at the first board meeting of relevant evaluation period based on actual values for each performance management index in several fiscal years.
- Nomination and Remuneration Advisory Committee (who is delegated such decision by the Board of Directors), comprised of Outside Directors, Chairman of the Board of Directors and Representative Director, President and Chief Executive Officer, shall decide personal evaluations of each Executive Directors on the non-financial indicator which is a part of the formula, and report the evaluations to the Board of Directors.

(2) Remuneration system for fiscal 2024

(A) Remuneration standards and remuneration composition ratios of Executive Directors and Executive Officers

- We have set competitive remuneration standards and remuneration composition ratios in light of the current business environment, business strategies, and human resources strategy. We have done so with reference to remuneration market research data, etc. provided by independent external specialized agencies.
- We have increased the ratio of variable remuneration accounted for by restricted performance share unit-based remuneration to further strengthen the incentive to increase the Company's corporate value over the medium to long term and to pursue business management that is more concerned than ever before with the Company's stock price and with a focus on sharing value with the shareholders.
- We have amended the overall remuneration standard for Executive Directors and Executive Officers in light of current business results and the level of business results we seek to achieve, with the aim of setting a standard that assists in acquiring and retaining our management personnel.
- The image of the remuneration of Representative Director, President and Chief Executive Officer is as shown below.

	Fixed remuneration	Variable remuneration	
	Monthly Remuneration	Performance-Linked Bonus	Restricted performance share unit-based remuneration
Before change	34%	33%	33%
	Total 34%	Total 66%	
▼			
After change	27%	33%	40%
	Total 27%	Total 73%	

The above breakdown is calculated based on the rate of achievement of business results, the stock price growth rate, and the results on non-financial indicators all being 100%. The composition ratios for each type of remuneration vary according to changes in these rates.

(B) Performance-linked bonus

- Each fiscal year the Company sets the full-year forecast (consolidated net income for the year) or the consolidated net income for the year when ROE is 12% (whichever amount is higher) as the target business result and decides the total amount of performance-linked bonuses to be paid according to the rate of achievement of this target business result.
- The potential range of business results is assumed to be up to 50% above or below the target business result set each fiscal year and the standard for the total amount of performance-linked bonuses to be paid is set at 100% when the target business result is achieved, with a range of variation from 25% to 175% in line with the potential range of business results.

- If business results fall outside this range, the total amount of performance-linked bonuses to be paid is decided separately by the Board of Directors based on a report from the Nomination and Remuneration Advisory Committee.
- The amount to be paid to individual officers is distributed according to their position and personal evaluation and paid after the end of the fiscal year.
- Each officer is evaluated on the basis of both financial indicators (achievement of business plans, etc. in the respective areas of responsibility) and non-financial indicators (such as individual Strategic Business Units' achievement of KPIs and KAIs, and progress in addressing important company-wide issues) so that they can become more aware regarding their commitment to management strategy and results.
- The ratio of financial indicators to non-financial indicators in personal evaluation is 50:50, and of evaluation based on non-financial indicators, 20% relates to the important company-wide issues of business reform through digital transformation (DX), enhancement of sustainability management, and promotion of Diversity, Equity & Inclusion.
- As a result of increasing the ratio of stock-based remuneration, the stock price growth rate will no longer be included as an element in the calculation of performance-linked bonuses.

(C) Restricted Performance Share Unit-Based Remuneration

- With the aim of promoting efforts to increase the Group's corporate value over the medium to long term and pursue business management that ensures a focus on sharing value with the shareholders, the number of the Company's common shares (restricted) to be provided is calculated according to the Company's stock growth rate (ratio of the Company's stock price growth to the growth rate of the TOPIX (Tokyo Stock Exchange Stock Price Index)) during the three-year evaluation period.
- Evaluation based on non-financial indicators (measures to tackle climate change, promotion of women's active engagement, and employee engagement) is used to calculate the number of the Company's common shares to be granted as restricted shares. In this way the Company aims to enable increased awareness of its commitment to the enhancement of sustainability management by linking non-financial indicators (related to environment and/or society) more closely to stock-based remuneration and further promoting efforts to address its Key Social Issues.
- To enable a shared focus on shareholder value over the medium to long term, the restriction period will be from the day the shares are provided until the day the recipient resigns or retires from all their positions as Director or Executive Officer of the Company or any other position determined by the Board of Directors.

**[Supporting System for Outside Directors and/or Audit & Supervisory Board Members]**

- In order to contribute to essential deliberations at the Board of Directors, the Company supports its Outside Directors and Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members by tasking the Board of Directors secretariat and the Audit & Supervisory Board Members' Administration Department with distributing and explaining in advance documents on each respective agenda to be presented at each meeting of the Board of Directors, and it has appointed a secretary with responsibility for providing the support necessary for Outside Directors to execute their duties. In addition, the Company established a dedicated organization to support communication between the Board of Directors and the executing persons (executive officers, etc.), and aims to improve the quality of discussions at the Board of Directors meetings by selection of agenda items to be discussed at the Board of Directors meetings and organization of issues. The Company has also established the Audit & Supervisory Board Members' Administration Department as a team dedicated to assisting all Audit & Supervisory Board Members including Outside Audit & Supervisory Board Members with their duties. The team provides the necessary support as appropriate to enable the Audit & Supervisory Board Members to perform an effective audit.
- On taking office, Outside Directors and Outside Audit & Supervisory Board Members have the opportunity to receive a briefing on areas including the Sumitomo Corporation Group's Management Principles, management policy, business activities, finances, organization, medium-term management plan, and risk management system. To enable Directors and Audit & Supervisory Board Members to acquire the necessary knowledge and update it as appropriate, we additionally provide access to resources including seminars and e-learning facilities, offering financial support to cover the necessary costs. To

deepen their understanding of Sumitomo's Business Philosophy, Outside Directors and Audit & Supervisory Board Members visit a Sumitomo-related facility, in principle during the first fiscal year of their term of office. Outside Directors and Audit & Supervisory Board Member are also given the opportunity to make a group companies observation visit to a facility in Japan and to an overseas.

**[Status of persons retired from Representative Director and President, etc.]**

[Names, etc., of advisors ("sodanyaku," "komon," etc.) who have formerly served as Representative Director and President, etc.]

Name	Title/Position	Duties	Working Arrangement / Conditions ( Full-time / Part-time, Compensation etc.)	Date of Retirement from President, etc.	Term
Kenji Miyahara	Special Advisor	Engagement only in external activities, such as activities in business communities and activities related to the Sumitomo Group upon the request of the President and Chief Executive Officer	Part-time Unpaid	2001/6/22	Determined
Motoyuki Oka	Special Advisor	Engagement only in external activities, such as activities in business communities and activities related to the Sumitomo Group upon the request of the President and Chief Executive Officer	Part-time Paid	2003/6/22	Determined
Kuniharu Nakamura	Special Advisor	Engagement only in external activities, such as activities in business communities and activities related to the	Part-time Paid	2018/6/22	Determined



		Sumitomo Group upon the request of the President and Chief Executive Officer			
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[Total number of advisors (“sodanyaku,” “komon,” etc.) who have formerly served as Representative Director and President, etc.]	3
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[Other Matters]
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- The Company appoints those who used to serve as the President and Chief Executive Officer or the Chairmen of the Board of Directors as a special advisor for a definite term.
- Special advisors who are eligible for compensation payment receive compensation commensurate with their duties.

## 2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

<p>[Business Execution]</p> <ul style="list-style-type: none"> <li>▪ In principle, based on checks and balances, there shall be both a Chairman of the Board of Directors and a President and Chief Executive Officer, and no single individual shall serve as both the Chairman of the Board of Directors and the President and Chief Executive Officer.</li> <li>▪ The company has introduced an executive officer system to clarify responsibility and authority for business execution. For details on the appointment of Executive Officers, please refer to the description of [Nomination Function, etc.] [Executive Officers] in this section.</li> <li>▪ The Company’s Management Council serves as a decision-making body at the operational execution level. Its aim in so doing is to incorporate diverse opinions and multilateral discussions into the decision-making process on specific key matters related to management within the scope of its mandate from the Board of Directors. The Management Council, comprising 7 members - the President and Chief Executive Officer, the Executive Vice President, 3 chief officers in the Corporate Groups, and 2 CEOs of Business Groups, meets 3 times a month in principle. In addition, the Company has established a range of committees to act as advisory bodies to the Chief Executive Officer and the Management Council with regard to specific matters that are particularly important from the perspective of The Company as a whole. The committees are the Corporate Strategy Promotion Committee, the Global Innovation and Portfolio Committee, the Company Investment Committee, the Internal Control Committee, the Compliance Committee, the Corporate Sustainability Committee, Corporate Communication Committee, the IT Strategy Committee, and Pension Management Committee.</li> <li>▪ For the three-year period of the Medium-Term Management Plan 2026 which begins in fiscal 2024, we are establishing the position of “Vice Chairman,” who will be responsible for strengthening the functions of the Board of Directors and, at the request of the President &amp; CEO, providing advisory services to support the management team in terms of transforming the business portfolio and developing management talent.</li> </ul> <p>[Audit &amp; Supervisory Functions]</p> <p>1. Board of Directors</p> <ul style="list-style-type: none"> <li>▪ The Company positions the role of the Board of Directors as "The board of directors renders decisions concerning key management matters and oversees the operation of the business by the directors and the executive officers" in its Corporate Governance Principles.</li> <li>▪ The Corporate Governance Principles state that, regarding the number of directors, "The number of directors shall be set within a scope which enables due deliberation and speedy and reasonable decision-making by the board</li> </ul>
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of directors. Currently, around 15 directors or less is considered an appropriate number." Currently in actual, the Company has 11 Directors; this means that the structure of the Board of Directors (the functions of which are to supervise business execution and make decisions relating to important management matters) is such that it can conduct substantive, lively discussions and make appropriate decisions speedily. In addition, management responsibilities are made clear each business year, and the term of office for Directors is set at one year so as to respond speedily to changes in the business environment and they are reelected every year when they are reelected.

- The Corporate Governance Principles state that, as for the composition of the Board of Directors, "The composition of the board of directors shall be diverse in terms of experience, knowledge, specialty, gender, etc." and the Company strives to further strengthen the appropriate decision-making and supervisory functions of the Board of Directors from diverse perspectives. Of the current 11 directors, 5 are Outside Directors. Of the 11 directors, 9 are male and 2 are female (both of whom are Outside Directors).

- Of the current 11 directors, the remaining 4, excluding Outside Directors, the Chairman, and the Vice Chairman, concurrently serve as Executive Officers. The 4 directors who concurrently serve as Executive Officers have the authority of representation.

- The Chairman of the Board chairs the Board of Directors. For the role and authority of the Chairman of the Board, please refer to the description in [Nomination Function etc.] [Chairman of the Board of Directors] in this section.

- The Board of Directors meets once a month, in principle. In fiscal 2023, the Board of Directors met 17 times (14 times after June 23, 2023).

- The Board of Directors enhances its deliberations and strengthen its monitoring functions by the following initiatives:

- ✓ Agenda items for the Board of Directors are carefully selected by the Board of Directors to promote more focused discussion of management policies and plans and other important matters for companywide management. Members of the Board of Directors also select items that should be taken up for more intensive discussion at the Board of Directors meetings each year (agenda setting);

- ✓ The Board of Directors receives reports from each Business Group on the state of progress on its strategies, any associated issues and its response to those issues, and carries out a discussion focusing on such issues. The Board of Directors also periodically monitors the state of business execution companywide by receiving reports on the activities of the main corporate committees;

- ✓ The Board of Directors holds off-site meetings in addition to regular meetings, for free and open discussions on important management topics, including management policies and plans and ESG (Environment, Social and Governance) issues. Moreover, to ensure that Outside Directors and Outside Audit & Supervisory Board Members actively contribute to the discussions at the Board of Directors, a monthly meeting is held, which is comprised of Outside Directors and Outside Audit & Supervisory Board Members, in which they engage in robust discussion; and

- ✓ Prior to every meeting of the Board of Directors, Outside Directors and Audit & Supervisory Board Members are briefed on the agenda items due for discussion.

- Attendance of directors in fiscal 2023 at Board meetings:

Chairman of the Board of Directors Hyodo: 17 times/17 meetings

Director Nambu\*: 3 times/3 meetings

Director Ueno\*\*: 14 times/14 meetings

Director Seishima: 17 times/17 meetings

Director Morooka: 17 times/17 meetings

Outside Director Ide: 17 times/17 meetings

Outside Director Mitachi: 17 times/17 meetings

Outside Director Takahara\*\*: 14 times/14 meetings

\* His attendance at Board of Directors meetings held up until his retirement as a Director on June 23, 2023.

\*\* Their attendances at Board of Directors meetings held up since their appointments as Directors on June 23, 2023.

- Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into liability limitation agreements with the Chairman of the Board and each of the Outside Directors to limit their liabilities to the extent permitted by laws and regulations in the event that they are without knowledge and without gross negligence.

▪ The Company has entered into a liability insurance contract for directors' compensation as provided in Article 430-3 paragraph (1) of the Companies Act, which covers all directors as insured persons. Except for those cases that fall under the grounds for exemption provided in the insurance contract, the insurance provider shall compensate directors for any damages, etc. that may arise as a result of either being liable for the performance of their duties or being subject to a claim for such liability. The Company pays all premiums for the insurance policy.

## 2. Audit & Supervisory Board Members, Audit & Supervisory Board and Accounting Audit

▪ Audit Board of Directors consists of 5 members: 2 full-time Audit & Supervisory Board Members inside the Company and 3 part-time Audit & Supervisory Board Members outside the Company. Eligibility for the role of internal Audit & Supervisory Board Members and external Audit & Supervisory Board Members is as set forth in [Audit & Supervisory Board Members] of [Nomination Functions, etc.]. Experience and ability for the role of external Audit & Supervisory Board Members are as set forth in [Reasons for Appointment] of [Audit & Supervisory Board Members].

▪ The Audit & Supervisory Board has established Audit's policies, division of duties, etc., and receives reports on the status of implementation and results of Audit from each Audit & Supervisory Board Members, as well as reports on the status of execution of their duties from the Directors, etc. and the Accounting Auditors, and requests explanations as necessary. In fiscal 2023, our group addressed the following issues as priority areas for Audit, taking into account (1) rising awareness of social sustainability (sustainability/ESG), (2) dramatic progress in a data-driven society typified by DX (Including the use of AI such as ChatGPT) and the consequent increase in information security risks, and (3) the dramatic changes in the business environment caused by actualization of geopolitical risks in all regions of the world.

(1) Status of compliance with the Companies Act, other laws and regulations, the Company Articles of Incorporation, internal rules, and the Sumitomo Corporation Group's Management Principles and Conduct Guidelines

(2) Construction and operation status of Internal Control Corporation Group's such as legal compliance system, risk management system, etc.

(3) Establishment and operation of Internal Control for Financial Reporting in accordance with the Financial Instruments and Exchange Act

(4) Accounting Appropriateness of financial reporting through Accounting Auditor's independence, expertise, and monitoring and verification of Accounting Audit's quality management system

▪ Audit & Supervisory Board Member attends meetings of the Board of Directors and other important meetings, receives reports on the status of the execution of his/her duties from directors and employees, requests explanations as necessary, examines important approval documents and other documents, and investigates the status of business and assets with respect to headquarters and major business locations. In addition, with regard to Subsidiary, the Audit & Supervisory Board Member communicates with and exchanges information with Directors and audit & supervisory board members of Subsidiary, and receives business reports from Subsidiary as necessary.

▪ As an organization dedicated to assisting the duties of the role of Audit & Supervisory Board Members, the Audit & Supervisory Board Members' Administration Department (5 members) has been established. The Audit & Supervisory Board Members is involved in personnel evaluation and personnel changes of the Audit & Supervisory Board Members' Administration Department members, and secures the independence of the members of the Audit & Supervisory Board Members' Administration Department from the Directors.

The Company's accounting audit was conducted by Michitaka Shishido, Isao Kamizuka and Kenji Kasashima. All three are certified public accountants at KPMG AZSA LLC, and each has audited the Company's accounts continuously for no more than seven years. A total of 94 people assisted with the accounting audit; they comprised 29 certified public accountants, 15 assistant accountants (who have passed the CPA examination) and others, and an additional 50 people. For further details refer also to the sections of this report entitled "Cooperation among Audit & Supervisory Board Members, Accounting Auditors, and Internal Audit Departments" and "Supporting System for Outside Directors and/or Audit & Supervisory Board Members."

[Nomination Function, etc.]

[Overall]

▪ The Company has established the Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors chaired by an Outside Director, the majority of whose members are Outside Directors.

▪ Refer to the Company's standards related to the independence of Outside Directors and Outside Audit & Supervisory Board Members from the Company, which are made public on its website.

([https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/outdirec\\_independ.pdf?la=en](https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/outdirec_independ.pdf?la=en))

[Nomination and Remuneration Advisory Committee] Regarding the composition, matters to be deliberated, etc. of the Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors, refer to the section entitled “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management” under “1. Organizational Composition and Operation [Director Remuneration],” “Committee’s Name, Composition and Attributes of the Chairperson,” and “Supplementary Explanation.”

[President and Chief Executive Officer]

- The President and Chief Executive Officer shall be responsible for the overall management of the Company.
- Appointment criteria (qualities, competencies, experience, etc.)

The President and Chief Executive Officer shall be a person who personifies the Sumitomo business philosophy, possesses the following qualities and competencies required as the President and Chief Executive Officer, and has global and diverse experience and achievements in business operation and company management:

- Being fair and impartial and being disciplined and self-controlled
- Having leadership and the ability to get messages across
- Having foresight and the ability to develop strategies
- Having the ability to get things done and to make innovative changes
- Possessing perseverance and mental fortitude

Any revision of the appointment criteria described above shall be determined by a resolution of the Board of Directors following the Nomination and Remuneration Advisory Committee’s deliberations and submission of the deliberation results to the Board of Directors.

- Policy and Procedure for Appointment

A new President and Chief Executive Officer shall be appointed by a resolution of the Board of Directors after the Nomination and Remuneration Advisory Committee nominates candidates for the post of President and Chief Executive Officer based on the appointment criteria listed above and selects from among the nominated candidates the person who is considered best suited to enhance the Company’s corporate value as the new President and Chief Executive Officer, at the appropriate timing in light of the term of the President and Chief Executive Officer (not exceeding six years in principle) and submits nominations to the Board of Directors as recommendations.

- Policy and Procedure for Dismissal

In light of the appropriate evaluation of the Company’s performance and other aspects, if the President and Chief Executive Officer is considered as not properly fulfilling his/her function, the Nomination and Remuneration Advisory Committee shall, at a meeting to be convened by its Chairperson (which meeting shall not be attended by the President and Chief Executive Officer), deliberate whether or not to dismiss the President and Chief Executive Officer and shall report the deliberation results to the Board of Directors. The Board of Directors shall then decide by a resolution whether or not to dismiss the President and Chief Executive Officer.

- Policy and Procedure for Appointment of Successor President and Chief Executive Officer after Dismissal

■ A successor President and Chief Executive Officer shall be appointed by a resolution of the Board of Directors after the Nomination and Remuneration Advisory Committee deliberates on, and recommends to the Board of Directors, the person who is considered best suited to serve as the successor President and Chief Executive Officer.

■ If the Board of Directors cannot immediately appoint a successor President and Chief Executive Officer, the person who is required to exercise the authority to act on behalf of the President and Chief Executive Officer stipulated under the internal rules shall exercise the authority to execute operations on behalf of the President and Chief Executive Officer, and the procedure for appointing a new President and Chief Executive Officer shall be carried forward as promptly as possible.

[Executive Officers]

- Executive Officers are in principle appointed by means of selection from among those holding managerial positions under the Company’s employment grade system. The appointment is determined by a resolution of the Board of Directors based on recommendations from a superior.
- The dismissal of the Executive Officer is determined by a resolution of the Board of Directors as stipulated under Company regulations.
- Candidates for the post of Executive Officer are required to be persons of high integrity with deep insights and excellent abilities and to possess professional knowledge and extensive experience including management experience. Factors such as gender or nationality are not taken into consideration.

[Directors]

- In order to ensure objectivity and transparency of procedures, the nomination of a candidate for the post of Director is deliberated by the Nomination and Remuneration Advisory Committee, resolved by the Board of Directors following the submission of deliberation results by the committee and then proposed at the general meeting of shareholders as an agenda item.
- Candidates for the post of internal Director are required to be persons of high integrity with deep insights and excellent abilities and to possess professional knowledge and extensive experience including management experience. Factors such as gender or nationality are not taken into consideration.
- Candidates for the post of Outside Director are required to be persons of high integrity with deep insights and excellent abilities and to possess extensive knowledge and experience, accompanied by an outstanding track record in any specialized field, in light of the Company's need to ensure diverse perspectives. Factors such as gender or nationality are not taken into consideration.

[Chairman of the Board of Directors]

- Role and Responsibilities

The Chairman of the Board of Directors shall convene a meeting of the Board of Directors and presides as chairman at the meeting. The Chairman of the Board of Directors shall be engaged in external activities, such as activities in business communities and activities related to the Sumitomo Group.

The Chairman of the Board of Directors shall supervise the management of the Company and have no representative powers and no authority to execute business operations.

- Policy and Procedure for Appointment

A new Chairman of the Board of Directors shall be appointed by a resolution of the Board of Directors after the Nomination and Remuneration Advisory Committee deliberates on, and recommends to the Board of Directors, the person who is considered best suited to fulfill the role and responsibilities stipulated above, at the appropriate timing in light of the term of the Chairman of the Board of Directors (not exceeding six years in principle).

- Policy and Procedure for Dismissal

If the Chairman of the Board of Directors is considered as not properly fulfilling his/her role and responsibilities, the Nomination and Remuneration Advisory Committee shall, at a meeting to be convened by its Chairperson (which meeting shall not be attended by the Chairman of the Board of Directors), deliberate whether or not to dismiss the Chairman of the Board of Directors and shall report the deliberation results to the Board of Directors. The Board of Directors shall then decide by a resolution whether or not to dismiss the Chairman of the Board of Directors.

- Policy and Procedure for Appointment of Successor Chairman of the Board of Directors after Dismissal

- A successor Chairman of the Board of Directors shall be appointed by a resolution of the Board of Directors after the Nomination and Remuneration Advisory Committee deliberates on, and recommends to the Board of Directors, the person who is considered best suited to serve as the successor Chairman of the Board of Directors.

- However, if the Board of Directors cannot immediately decide on a successor Chairman of the Board of Directors, another director shall act as the convener and chairman of meetings of the Board of Directors in place of the Chairman of the Board of Directors, in the order that shall be separately decided by the Board of Directors and in which the directors shall exercise their authority to act on behalf of the Chairman of the Board of Directors, and the procedure for appointing a successor Chairman of the Board of Directors shall be carried forward as promptly as possible.

[Audit & Supervisory Board Members]

- In order to ensure objectivity and transparency of procedures, the nomination of a candidate for the post of Audit & Supervisory Board Member is deliberated by the Nomination and Remuneration Advisory Committee, resolved by the Board of Directors following the submission of deliberation results by the committee and proposed at the general meeting of shareholders as an agenda item after obtaining the approval of the Audit & Supervisory Board.

- Candidates for the post of internal Audit & Supervisory Board Member are required to be persons of high integrity with deep insights and excellent abilities and to possess professional knowledge and extensive experience in business, regardless of gender or nationality.

- Candidates for the post of Outside Audit & Supervisory Board Member are required to be persons of high integrity with deep insights and excellent abilities and to possess highly professional knowledge and a wealth of experience in a specialized field such as law, accounting, or business management, among others. Factors such as gender or nationality are not taken into consideration.

[Remuneration Decision-making Function]

- Remuneration for the Company's Directors is decided by the Board of Directors within the scope of the overall amount approved by resolution of the general meeting of shareholders.

- The Company has established the Nomination and Remuneration Advisory Committee chaired by an Outside Director, within which Outside Directors comprise a majority, to serve as an advisory body to the Board of Directors. The committee reviews the formula and level of remuneration and bonuses for Directors and Executive Officers and the limit of remuneration for Audit & Supervisory Board Members, and reports the results of its review to the Board of Directors.

### **3. Reasons for Adoption of Current Corporate Governance System**

The Company believes that it is the most appropriate system for the Company by reinforcing the supervisory and monitoring function of management oversight by electing independent Outside Directors and Outside Audit & Supervisory Board Members and by establishing the Nomination and Remuneration Advisory Committee, comprised mainly of independent Outside Directors, under an audit & supervisory board member system. The Company has elected multiple independent Outside Directors (five individuals) with a wealth of experience and a high degree of specialized knowledge and expertise in different fields. This ensures appropriate decision-making in board meetings and further reinforces the oversight function through further diverse perspectives. Also, the Company has established the Nomination and Remuneration Advisory Committee (chaired by an Outside Director) as an advisory body of the Board of Directors, in which the majority of members are Outside Directors. This enhances independence, objectivity and transparency of the Board of Directors' function with respect to nomination and remuneration of Executive Officers. To strengthen the oversight framework from an external perspective, the Company has three independent Outside Audit & Supervisory Board Members who are one member with experience in corporate management and as a full-time auditor of a publicly-listed company, one legal expert (a former Prosecutor-General), and one accounting expert out of the five members of the Audit & Supervisory Board, thereby ensuring an auditing system that incorporates a diversity of perspectives. In addition to attending meetings of the Board of Directors, Audit & Supervisory Board Members are permitted to attend all internal meetings, enabling them to obtain sufficient information essential for auditing by always participating in important meetings. By implementing the measures above, the Company believes that it has developed an effective, enhanced corporate governance system.

While valuing its management culture as a Japanese corporation, the Company intends to continue deliberating on the most appropriate form of corporate governance for its own circumstances. In doing so, it will take into account global trends and developments in corporate legislation and use the best aspects of corporate governance in other countries for reference.

### III. Implementation of Measures for Shareholders and Other Stakeholders

#### 1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company sends out a convening notice describing how to access the material for the General Meeting of Shareholders to our shareholders (for shareholders who requested the delivery of such material in paper, the printed material for the General Meeting of Shareholders) approximately three weeks prior to the meeting. The Company also provides the material for the General Meeting of Shareholders on our corporate website and submit it to the financial instruments exchange that the Company is listed on in advance of sending the notice, together with its English-language translation.
Scheduling AGMs Avoiding the Peak Day	The Company holds its general meeting of shareholders early, avoiding the “peak” day.
Allowing Electronic Exercise of Voting Rights	The Company allows shareholders to exercise their voting rights via the Internet using PCs, smartphones or mobile phones, etc.
Participation in Electronic Voting Platform	The Company uses the Electronic Voting Platform for institutional investors operated by Investor Communication Japan, Inc. (ICJ), allowing institutional investors sufficient time to examine propositions.
Providing Convocation Notice in English	The Company prepares an English-language translation of the Notice of Convocation, which it posts on its website.
Other	The Company live-streams the General Meeting of Shareholders for shareholders on internet. The video of the meeting can be viewed on its website for a certain period after the close of the meeting. Furthermore, we accept questions from shareholders on internet prior to the General Meeting of Shareholders.

#### 2. IR Activities

	Supplementary Explanations	Explanation by Representative
Preparation and Publication of Disclosure Policy	The Company has set down a Corporate Disclosure Policy and made it public in Japanese and English on the Company's website. ( <a href="https://www.sumitomocorp.com/en/jp/about/governance/detail/disclosurepolicy">https://www.sumitomocorp.com/en/jp/about/governance/detail/disclosurepolicy</a> )	
Regular Investor Briefings for Individual Investors	The Company periodically holds briefings in major cities in Japan. In fiscal 2023, the Company held 14 briefings. The Company discloses on its website explanatory materials and videos used in the event as well as the records of dialogues with participants on the event days.	Yes

Regular Investor Briefings for Analysts and Institutional Investors	<p>Following the announcement of financial results (after the end of each quarter and each fiscal year), the Company holds briefings for analysts and institutional investors in Japan in a timely manner. In addition, the President and the CFO jointly host small meetings on a semiannual basis. The Company holds business units briefings on a regular basis and other events including IR Day (former Investor Day) and ESG briefings from time to time.</p> <p>The Company discloses on its website explanatory materials and videos used in the event as well as the records of dialogues with participants on the event days. ( <a href="https://www.sumitomocorp.com/en/jp/ir">https://www.sumitomocorp.com/en/jp/ir</a> )</p>	Yes
Regular Investor Briefings for Overseas Investors	<p>The Company has continued one-on-one meetings with mainly institutional investors in Europe, North America and Asia hosted by the President, CFO, CSO, and the General Manager of Investor Relations.</p> <p>The Company also has had one-on-one meetings with managers in charge of exercising voting rights at institutional investors (SR activities) and ESG dialogues with institutional investors in and outside Japan from a medium- to long-term perspective.</p> <p>Refer to the details which are disclosed in this corporate governance report in the section entitled “I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information” under “1. Basic Views [Disclosure Based on the Principles of the Corporate Governance Code]” under “[Principle 5-1].”</p>	Yes
Posting of IR Materials on Website	<p>The Company posts materials that may be useful for investors to make investment decisions or otherwise on its website in a timely manner. These materials include financial results, Tokyo Stock Exchange filings other than financial results, annual securities reports, quarterly reports, company briefing materials, integrated reports, Notices of Convocation for the general meetings of shareholders, and business reports. ( <a href="https://www.sumitomocorp.com/en/jp/ir">https://www.sumitomocorp.com/en/jp/ir</a> )</p>	
Establishment of Department and/or Manager in Charge of IR	<p>The Company has established the Investor Relations Department as the department in charge of IR activities, which is jointly managed by CFO and CSO and plans and implements a range of IR and SR activities.</p>	

### 3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	<p>The Sumitomo Corporation Corporate Governance Principles stipulate the Company’s policy with regard to respecting the positions of stakeholders. The Corporate Disclosure Policy is also established. The Japanese version and the English version of the Policy are available on the website of the Company. (<a href="https://www.sumitomocorp.com/ja/jp/about/governance/detail/disclosurepolicy">https://www.sumitomocorp.com/ja/jp/about/governance/detail/disclosurepolicy</a> )</p>



Development of Policies on Information Provision to Stakeholders	The Sumitomo Corporation Corporate Governance Principles stipulate that the Company strives to actively disclose information to stakeholders and to ensure that information is disclosed in full. The Corporate Disclosure Policy is also established. The Japanese version and the English version of the Policy are available on the website of the Company. ( <a href="https://www.sumitomocorp.com/ja/jp/about/governance/detail/disclosurepolicy">https://www.sumitomocorp.com/ja/jp/about/governance/detail/disclosurepolicy</a> )
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#### IV. Matters Related to the Internal Control System

##### 1. Basic Views on Internal Control System and the Progress of System Development

The Company's Board of Directors approved the development of the systems (internal control systems) set forth in the Companies Act, Article 362, paragraph (4), item (vi), described below.

In addition, the Internal Control Committee assessed the implementation of the approved internal control systems, confirmed that these internal control systems are functioning effectively, and reported this fact at the Board of Directors' meeting.

The Company will establish and implement, as described in the following, systems to ensure that the Company's Directors comply with laws and regulations and the Company's Articles of Incorporation in the execution of their duties, and other systems necessary to ensure the properness of the operations of the Company and operations of group of enterprises consisting of the Company and its subsidiaries (these systems are hereinafter referred to collectively as the "Internal Control System").

The Internal Control System based on this resolution has already been established and implemented, but henceforth the Company will endeavor to establish a superior system in line with requests made from time to time based on ongoing reevaluations.

1. Systems for ensuring that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation:
  - In addition to explicitly requiring compliance with laws and regulations under the "Corporate Mission Statement" of the Sumitomo Corporation Group, the Company will set forth important items that are to be observed with particular strictness from the viewpoint of compliance as "Sumitomo Corporation Group Compliance Policy" and a "Compliance Manual" will be prepared and distributed to all officers and employees.
  - The Company will require all officers and employees to provide a written "Confirmation of Compliance" with the purport of rigorously assuring strict compliance with laws and regulations.
  - Based on the Company's internal rules, a "Chief Compliance Officer," a "Compliance Committee," "Compliance Leaders," and a "Speak-Up System" will be created.
  - The Chief Compliance Officer will supervise the handling of potential and verified compliance violations, will implement measures to ensure compliance, and will deal with matters brought to light via the "Speak-Up System."
  - The Compliance Committee will formulate and propose compliance-related measures, and will offer advice to the Chief Compliance Officer on the implementation of these compliance-related measures.
  - Compliance Leaders will rigorously assure compliance in each Business Group and domestic and overseas office from a position close to the front lines, and they will also conduct activities relating to compliance enlightenment.
  - Routes will be secured via the Speak-Up System that enable employees and officers to communicate information on compliance directly to the Chief Compliance Officer, with the Legal Department, Audit & Supervisory Board Members, outside professionals, and outside attorneys serving as liaisons.
2. Systems for retaining and managing information pertaining to the Directors' execution of their duties:
  - Important documents with regard to meetings of each type, including minutes of meetings of the Board of Directors, and information pertaining to the execution of duties and decision-making will be properly preserved and managed under internal rules regarding the respective matters.
  - Steps will be taken under internal rules to prevent divulgence of information to third parties or other

misuse of information.

- Important documents pertaining to the Directors' execution of their duties will be made available for review in a timely manner when requested by an Audit & Supervisory Board Member.
3. Rules and other systems pertaining to the management of risk of loss:
- The Company defines "risk" as "the possibility of losses due to the occurrence of anticipated or unanticipated situations," and also as "the possibility of not achieving the expected return on business activities." The Company has set the following three items: "stabilize performance," "strengthen financial base" and "maintain corporate reputation" as the goals of its risk management activities. The Company categorizes its business activities into investments and commercial transactions and manages risk after identifying both common and category specific risk factors. Furthermore, the Company will continue to evolve its risk management activities in order to adequately respond to changes in external environment and the development of new business models.
  - The sections of the Corporate Group will build a framework, conduct monitoring, and implement improvements regarding risk management across all levels of the Company through the formulation of internal rules pertaining to the respective areas of operational responsibility and the formulation of risk management policies, methods, and guidelines. In addition, they will strive to improve risk management through the preparation and distribution of manuals and training activities as appropriate. All business units and other sections conducting business including the Business Group will carry out risk management required for the conduct of individual cases under this company-wide framework.
  - An "Internal Control Committee" will be instituted and will carry out overall management and timely evaluation of internal controls as a whole on a consolidated basis, along with the identification of important issues with respect to internal controls and the planning and implementation of basic policies for improvement. In addition, in order to more efficiently operate each of the existing internal control frameworks, create synergies, and collaborate with the 3rd Line (the Internal Auditing Department), the "Internal Control Promotion Department," which will be responsible for conducting the Sumitomo Corporation Group's internal control-related operations in an integrated manner, will be established within the same organization with the Internal Auditing Department under the "Head of Internal Control and Internal Audit Group." The Internal Control Promotion Department will actively identify issues in terms of internal control matters and utilize internal control activities within the Sumitomo Corporation Group to establish a more effective and consistent PDCA cycle for internal control throughout the Sumitomo Corporation Group.
  - A "Company-wide Loan and Investment Committee" will be established as an advisory organ to the "Management Council", which serves as a decision-making body and will carry out deliberations regarding important rules, systems, and the like for risk management and regarding important investment and financing cases.
  - A "Corporate Sustainability Committee" will be established as an advisory body to the "Management Council", which serves as a decision-making body and discusses important policies, measures, and initiatives relating to the promotion of sustainability.
  - The Company will develop and maintain the resilient system to ensure the safety of its Group members, rapid recovery and continuity of its business under the crisis such as natural disasters (Earthquake, Windstorm, Flood, etc.), infection disease, terrorism or riot, etc.
  - The "Internal Auditing Department" will be established under the direct supervision of the President and Chief Executive Officer as an independent body for company-wide monitoring of operations, and its auditing will apply to all organizations within the Company and in its domestic and overseas subsidiaries. The results of internal auditing will be reported directly to the President and Chief Executive Officer each month and will also be reported regularly to the Board of Directors.
4. Systems for ensuring the efficient execution of the Directors' duties:
- The size of the Board of Directors will be sufficient to enable full discussions and speedy and reasonable decision-making.
  - Two or more Outside Directors will be elected so that through their diverse perspectives, the Company can ensure appropriate decision-making in the meeting of the Board of Directors and further enhancement of supervisory functions.
  - A system of Executive Officers will be introduced in order to clarify responsibility and authority for the execution of operations and to endeavor for the strengthening of the supervisory functions of the Board

of Directors.

- With the exceptions of the Chairman of the Board of Directors and Outside Directors, all Directors will, in principle, be Representative Directors, and will hold concurrent posts as Executive Officers.
  - Management responsibilities will be made clear each business year, and the term of office for Directors will be set at one year so as to respond speedily to changes in the management environment.
  - The terms of office of the director serving as the Chairman of the Board of Directors and of the executive officer serving as the President and Chief Executive Officer will not, in principle, exceed six years each.
  - A “Nomination and Remuneration Advisory Committee” composed of a majority of outside directors will be established as an advisory organ to the Board of Directors. The Nomination and Remuneration Advisory Committee will deliberate on the matters 1 through 8 below and will submit the results thereof as recommendations to the Board of Directors. Additionally, the committee shall also deliberate and determine any matters delegated by the Board of Directors that are not included in following matters, and report the outcome of such deliberation or decision to the Board of Directors:
    - (1) Policy and procedure for appointment and dismissal of the President and Chief Executive Officer
    - (2) Policy and procedure for appointment and dismissal of the Chairman
    - (3) Nomination criteria for Directors and Audit & Supervisory Board Members
    - (4) Appointment and dismissal of the President and Chief Executive Officer (including nominating successors to the President and Chief Executive Officer)
    - (5) Nominations of candidates for Directors and Audit & Supervisory Board Members (including deciding Representative Directors and Executive Directors)
    - (6) Appointment of members of the Management Council
    - (7) Structure and level of remuneration and bonuses for Directors and Executive Directors, as well as limits for remuneration of Audit & Supervisory Board Members
    - (8) Advisor system.
  - A dedicated organization will be established to strengthen the support functions of the Board of Directors, such as communication between the Board of Directors and the executing persons (executive officers, etc.), selection of agenda items to be discussed at the Board of Directors meetings, and organization of issues, to improve the quality of discussions at the Board of Directors meetings.
  - In addition to the Management Council as a decision-making body, various committees will be established as advisory organs. In addition, “Liaison Meetings” and various other conferences will be instituted for the exchange of information.
  - A medium-term management plan will be formulated and a budget will be compiled to set goals. In addition, a performance management system will be introduced in order to ascertain the state of Business Group CEO’s execution of operations and to serve in the formulation of strategies for the future.
  - Under internal rules, agenda items requiring discussion by the Board of Directors will be specified in writing, and the job responsibilities of officers and employees will be made clear; in addition, the decision-making authority of officers and employees regarding important matters will be specified in writing.
5. Systems for ensuring the properness of operations by the corporate group comprising the Company and its subsidiaries:
- The Corporate Mission Statement of the Sumitomo Corporation Group promotes compliance with laws and regulations and the sharing of values to be respected throughout the Group.
  - For the purpose of sharing and implementing its approaches to group management, the Company will establish the Group Management Policy (GMP) and set Jiritsu (working toward one’s own goals subject to Group rules and accountability), dialogue, and collaboration as the three principles of group management. Through this, the Company will aim to enhance the corporate value of its Group as a whole.
  - In order to ensure that appropriate institutional decisions which contribute to maintaining and enhancing enterprise value of its subsidiaries and other consolidated companies are made, the Company shall – based on agreements with such group companies – obtain enough information and request prior consultation on “important management matters”. In addition, the Company will manage its subsidiaries and other consolidated companies through the dispatch of directors, audit & supervisory board members, and employees and other personnel assigned who execute business operations – in line with the businesses and situations of such group companies.
  - The Company will carry out support so that internal controls are created, operated, evaluated, and improved appropriately at its subsidiaries and other consolidated companies.

- Internal audits of subsidiaries and other consolidated companies of which the Company is the managing entity will be conducted in accordance with internal rules.
  - The Company will support its subsidiaries and other consolidated companies to construct a framework for risk management, including risk management policies, methods, guidelines, regulations, etc., and to make necessary improvements thereto.
  - Subsidiaries will be supported to develop systems for complying with laws and regulations in the same strict manner as the Company, including through aiming to familiarize and implement “Sumitomo Corporation Group Compliance Policy,” the expansion of the “SC Global Speak-UP” system (an internal whistle-blowing system for Sumitomo Corporation group companies), the establishment of a Compliance Committee, and the preparation/distribution of a Compliance Manual.
  - The Company will ascertain its consolidated performance, including that of subsidiaries, promptly and accurately on a monthly basis, and it will carry out performance management in detail.
6. Matters regarding personnel assigned to support the operations of Audit & Supervisory Board Members:
- An “Audit & Supervisory Board Members’ Administration Department” will be established to support the operations of the Audit & Supervisory Board Members, and several full-time staffers will be assigned to this department.
  - Internal rules will clearly stipulate those persons authorized to issue instructions to the Audit & Supervisory Board Members’ Administration Department and the responsibilities of the Audit & Supervisory Board Members’ Administration Department, and will clearly define the purpose of the Audit & Supervisory Board Members’ Administration Department as an organization for assisting the Audit & Supervisory Board Members in their operations.
  - The personnel evaluations of the members of the Audit & Supervisory Board Members’ Administration Department will be conducted by the Audit & Supervisory Board or an Audit & Supervisory Board Member appointed by the Audit & Supervisory Board. In addition, the Directors shall consult in advance with the Audit & Supervisory Board or an Audit & Supervisory Board Member appointed by the Audit & Supervisory Board and obtain the consent thereof regarding personnel transfers.
7. Systems for reporting to Audit & Supervisory Board Members:
- Audit & Supervisory Board Members may attend all meetings, including those of the Management Council. In addition, the Chairman of the Board of Directors, the President and Chief Executive Officer, and the Audit & Supervisory Board Members will meet regularly.
  - Important materials pertaining to the execution of operations involving the Company, its subsidiaries and other consolidated companies will be delivered to the Audit & Supervisory Board Members, and officers and employees will report and give briefings to the Audit & Supervisory Board Members as necessary.
  - Persons submitting the aforementioned reports and persons making contact via the Speak-Up System will not be subjected to adverse treatment due to such reports/contact.
8. Other systems for ensuring that auditing will be carried out effectively by the Audit & Supervisory Board Members:
- The external Audit & Supervisory Board Members will be experts on law, accounting, and the like, and auditing will be implemented from diverse points of view.
  - The Internal Auditing Department will maintain close contact with the Audit & Supervisory Board Members so as to contribute to effective auditing by the Audit & Supervisory Board Members, such as by reporting the plans and results of internal audits to the Audit & Supervisory Board Members in a timely manner.
  - The Audit & Supervisory Board Members will endeavor to ascertain the audit activities of the Accounting Auditor responsible for auditing the Company’s financial results and exchange information by holding regular meetings, and will endeavor to efficiently and qualitatively improve the audit activities of the Accounting Auditor such as by attending audit evaluation meetings, and being present for inventory audits.
  - In order to pursue their duties appropriately, the Audit & Supervisory Board Members will endeavor to communicate and exchange information with the subsidiaries’ audit & supervisory board members, such as by conducting liaison meetings with them.
  - Internal rules will clearly stipulate the methods for handling the expenses and liabilities incurred by Audit & Supervisory Board Members in the execution of their duties.



## 2. Basic Views on Eliminating Anti-Social Forces

One of Sumitomo Corporation's Activity Guidelines is "to comply with laws and regulations while maintaining the highest ethical standards." To ensure that this is put into practice, the Company makes all personnel aware of its basic policy of not yielding to anti-social forces\*, but confronting them resolutely, which is set out in the compliance manual distributed to all officers and employees. In line with this basic policy, the Company has put an internal system in place to preclude relationships with anti-social forces, as detailed below.

- Within the department in charge of general affairs, the Company has appointed an individual responsible for handling unreasonable demands from anti-social forces. This individual oversees the response if any unreasonable demands are received, while gathering and centrally managing related information.
- The Company has prepared a manual on responding to anti-social forces, and provides relevant educational programs for its personnel including regular training sessions.
- The Company has forged close partnerships with external specialists, such as the police and attorneys. It monitors and manages compliance when individual organizational units respond to anti-social forces.

\* "Anti-social forces" is the term used in Japan to refer to organized crime groups and similar entities.

## V. Other

### 1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
Supplementary Explanation	
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### 2. Other Matters Concerning to Corporate Governance System

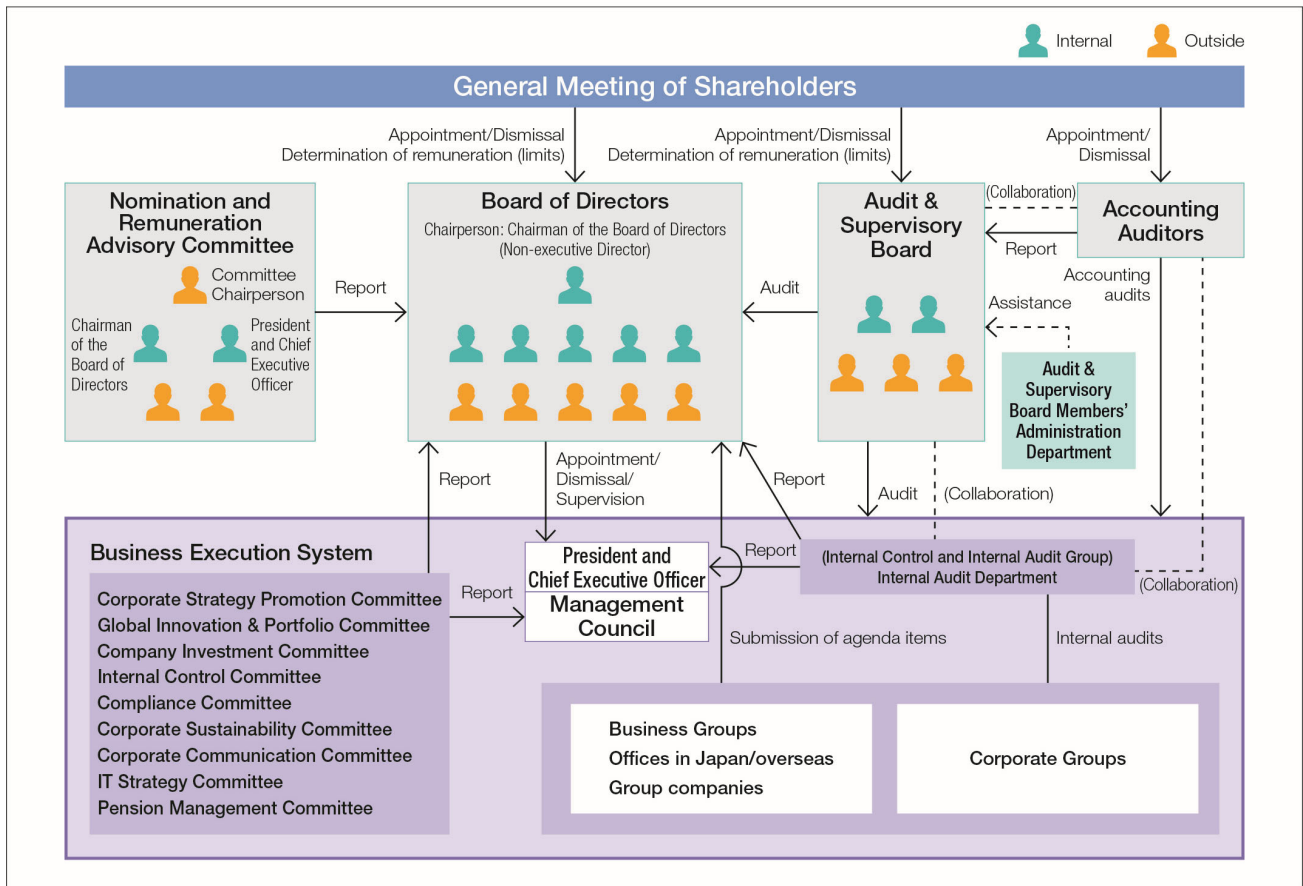
The Sumitomo Corporation Corporate Governance Principles stipulate that the essence of corporate governance is improving management efficiency and maintaining sound management, while ensuring management transparency in order to secure these two aims. Furthermore, the Company makes proactive efforts to disclose corporate information in a timely and appropriate manner. Its Corporate Governance Principles state, "In an effort to bring an accurate understanding of the Company's management policies and business activities to all stakeholders, the Company shall strive to make full disclosure, not limiting itself to the disclosure of information required by law, but also actively pursuing the voluntary disclosure of information." In accordance with this fundamental approach, the Company has instituted internal rules relating to the handling and disclosure of corporate information. In specific terms, these rules stipulate points to bear in mind and internal procedures relating to timely disclosure as prescribed in the timely disclosure rules of the Tokyo Stock Exchange. The Company also endeavors to ensure appropriate management of corporate information, having instituted internal rules to prevent insider trading, among other measures. As a framework for internal information management, it has put an internal system in place to ensure timely and appropriate disclosure by appointing an individual responsible for information handling in the Corporate Group to gather and centrally manage information.

To provide a means of communicating corporate information internally, the Company has enabled Business Groups and other operating entities to enter information related to financial results directly into the accounting system, from which the data is immediately transmitted and aggregated. Moreover, information related to consolidated financial results from subsidiaries and other consolidated companies can also be entered directly into the Company's consolidated financial results system by those companies, enabling rapid transmission and aggregation of the data. The reliability of such information is assured by checking it using appropriate business procedures and internal accounting rules based on generally accepted corporate accounting standards.

Other material corporate information is transmitted to and aggregated in the Corporate Group pursuant to internal rules, and using previously determined means. Information thus gathered is promptly reported to the Executive Officer in charge of information disclosure, and depending on the nature of the information, including its content and materiality, the Executive Officer issues instructions to the individual responsible for information handling regarding whether the information in question requires timely disclosure, and if so, the method to be used. If any inadequacies or difficulties arise with regard to the internal procedures or organization, the relevant departments consult with each other and promptly enact countermeasures.

The Company's internal systems with regard to transmission, and timely and appropriate disclosure, of material corporate information are as detailed above, but the Company is continuing efforts to further improve its internal control systems.

**[Corporate Governance System]**



## The Skills that the Board of Directors is required to possess

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

### Skills that all Directors and Audit & Supervisory Board Members are required to possess and reasons why these Skills are necessary

#### Governance

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

#### Global Perspective

From the perspective that the Company conducts business transactions and investments throughout the world, we believe that all Directors and Audit & Supervisory Board Members should have keen insight from a global perspective. We view that this Skill entails the ability to plan and implement an optimal business strategy that combines caution with flexibility even under extremely uncertain situations, taking into account different cultures, different industrial structures, or the latest geopolitical developments, etc.

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

#### Corporate Management

The Company engages in a range of business activities, aiming for a stable and sustainable increase in its corporate value. As the Board of Directors is the body that makes decisions on the Company's important business matters and supervises operational execution, we place a high priority on Skills related to corporate management. Such Skills are necessary to plan and implement an optimal business strategy for creating value in accordance with the Company's Management Principles while also meeting our stakeholders' expectations in a constantly changing operating environment.

#### Investment /M&A

The Company invests in a diverse range of business domains. We consider Skills related to investment and M&A to be important for maximizing corporate value by selecting and implementing investment projects aligned with our strategy, and for supervising the progress of such projects. Such Skills include the abilities to clearly define investment objectives and determine their compatibility with our strategy, to properly evaluate investment targets, to undertake post-investment monitoring, and to ascertain the best timing for replacement of assets. We believe that it is expected for the Board of Directors to take a broad overview of investment projects and express its opinions on such projects from a standpoint one step away from that of Executive Officers and other executives.

#### IT/DX/ Technology

As accelerating technological advancements transform societies and industrial structures, the Company will continue to create value by responding with agility to such change, by anticipating change to pursue business innovation, and by creating new businesses. We will also reform our own business foundation by making effective use of new digital technologies such as AI in our business activities in line with our own values. We therefore place priority on Skills related to IT, DX, and Technology to facilitate decision-making and supervision in relation to such initiatives.

#### Sustainability

Having identified certain important challenges that need to be prioritized as Material Issues, and placed these issues at the core of its business management, the Company always pays attention to whether its businesses are contributing to society. We are pursuing sustainability management, which entails anticipating long-term changes in our operating environment relating to social issues and allocating management resources strategically to contribute to a sustainable society and achieve sustainable growth for the Company. In order to implement and supervise such management, therefore, we place priority on knowledge and Skills relating to sustainability, including awareness of international trends and understanding of the relevant issues.

#### Finance /Accounting

To enhance its sustainable corporate value, the Company endeavors to achieve medium- to long-term earnings growth and increase its returns to shareholders while maintaining a healthy balance between investment for growth and a solid financial position. To enable us to make appropriate decisions and properly inform the Company's initiatives to stakeholders as we work forward toward these goals, we need to provide accurate, timely financial reporting. We regard specialized Skills relating to finance and accounting as vital for the implementation and supervision of these tasks.

#### Legal/Risk Management

We consider three goals to be of key importance in ensuring that the Company achieves sustainable, robust growth: stabilizing performance, strengthening our financial base, and maintaining our corporate reputation. To achieve these objectives, we conduct appropriate risk management using various means. These include assessing and analyzing the risks that accompany commercial transactions, business investments, and other business opportunities; keeping the Company's total Risk-weighted Assets to within our buffer (shareholder's equity); and maximizing Risk-adjusted Return. Accordingly, we place priority on a wide variety of risk management-related skills necessary to achieve these ends, including the ability to screen and monitor transactions, investments, and loans, and expertise in legal and compliance risk management.

#### HR Management & Development

Regarding human resources as its most important form of business capital, the Company provides each individual with opportunities for autonomous growth and self-realization and strives to upgrade its HR management cycle. Through such efforts, we are maximizing the performance of our diverse workforce and the organization as a whole, thereby pursuing our business strategies and creating new value. We particularly emphasize Diversity, Equity & Inclusion, which we recognize as the core enabler for value creation, innovation, and competitiveness. We therefore regard Skills related to HR management and development as important for enabling the Board of Directors to make key decisions on such initiatives and supervise their implementation.



## Skills that Directors or Audit & Supervisory Board Members currently in office possess

Of the Skills identified above as necessary for the Board of Directors as a whole, Skills currently possessed by individual Directors or Audit & Supervisory Board members are shown in the table below. The skills of individual Directors or Audit & Supervisory Board Members are determined after considering all their attributes, including their careers, knowledge, experience, capabilities, qualifications, and specific achievements, and discussing these with the individuals concerned.

A brief history of each of the incumbent Directors and Audit & Supervisory Board Member is disclosed.

<https://www.sumitomocorp.com/en/jp/about/company/officer>

Name	Role	Knowledge, experience and competencies, etc. (Skills)						
		Corporate management	Investment/M&A	IT/DX/Technology	Sustainability	Finance/Accounting	Legal/Risk management	HR management & development
Masayuki Hyodo	Director, Chairman	●	●		●	●	●	●
Toshikazu Nambu	Director Vice Chairman	●	●	●		●		●
Shingo Ueno	Representative Director, President and Chief Executive Officer	●	●		●			●
Takayuki Seishima	Representative Director, Executive Vice President	●				●	●	●
Reiji Morooka	Representative Director, Senior Managing Executive Officer	●				●	●	
Norihiko Nonaka	Representative Director, Senior Managing Executive Officer	●	●					
Akiko Ide	Outside Director	●		●	●			
Takashi Mitachi	Outside Director	●	●		●		●	●
Takahisa Takahara	Outside Director	●	●		●			
Haruyasu Asakura	Outside Director	●	●			●		
Nana Otsuki	Outside Director		●		●	●		
Daisuke Mikogami	Senior Audit & Supervisory Board Member (Full-Time)	●	●	●				●
Kazunari Sakata	Audit & Supervisory Board Member (Full-Time)	●	●					
Yukiko Nagashima	Outside Audit & Supervisory Board Member	●	●					●
Nobuo Inada	Outside Audit & Supervisory Board Member						●	●
Taisei Kunii	Outside Audit & Supervisory Board Member	●				●		