



# NOTICE OF THE 71ST ANNUAL GENERAL MEETING OF SHAREHOLDERS

**Time and Date:**

**1:00 p.m., Thursday, March 26, 2026 (JST)**

(The reception desk will open at 0:30 p.m., JST.)

**Venue:**

Magnolia, 7th floor, Tokyo Kaikan  
3-2-1 Marunouchi, Chiyoda-ku, Tokyo

**Items to be resolved:**

**Agenda 1: Election of eight (8) directors**

**Agenda 2: Issuance of share acquisition rights to directors and employees of the Company's subsidiaries**

■ **Regarding the delivery of the summary version of informational materials for the General Meeting of Shareholders to shareholders who have not requested the delivery of paper-based documents**

Based on the Companies Act, the system for providing informational materials for General Meetings of Shareholders in electronic format is applied. In light of the purpose of this system, the Company shall provide informational materials for General Meetings of Shareholders for this General Meeting of Shareholders on its website. Shareholders who have not requested the delivery of paper-based documents by the legally specified record date (December 31 for an Annual General Meeting of Shareholders) will be provided a summary version, which will allow them to confirm the overview of items to be resolved and other such information.

Please kindly note that the Company does not distribute gifts to the shareholders who attend the General Meeting of Shareholders.

We greatly appreciate your understanding.

SUMIDA CORPORATION

Stock Code: 6817

## **Table of Contents**

### **Notice of the General Meeting of Shareholders**

---

Notice of the 71st Annual General Meeting of Shareholders .....	1
---	---

### **Concerning the Exercise of Voting Rights**

---

#### **Reference Materials for Annual General Meeting of Shareholders**

---

Agenda 1: Election of eight (8) directors .....	5
Agenda 2: Issuance of share acquisition rights to directors and employees of the Company's subsidiaries .....	17

#### **Business Report**

---

1. Matters Concerning the Current Status of the Sumida Group .....	26
2. Matters Concerning the Company .....	43

<b>Consolidated Financial Statements</b> .....	59
--	----

<b>Non-consolidated Financial Statements</b> .....	62
--	----

<b>Audit Report</b> .....	65
---------------------------	----

---

*This is a translation of the original notice in Japanese. In the event of any discrepancy, the original notice in Japanese shall prevail.*

(Stock Code: 6817)

March 5, 2026

## **NOTICE OF THE 71ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders,

We would like to express our gratitude for your continued patronage.

SUMIDA CORPORATION (the “Company”) hereby would like to inform you that the 71st Annual General Meeting of Shareholders will be held as outlined on the following pages.

We believe in the importance of our shareholders’ rights to vote. Please review the Reference Materials for Annual General Meeting of Shareholders from p.5 to p.24 below, and indicate your approval or disapproval of the proposals on the voting form sent out with this convocation notice and return it to us by mail by 5:00 p.m. on Wednesday, March 25, 2026 (JST), or exercise your voting rights via the specified voting website (<https://evote.tr.mufg.jp/>) (in Japanese) by the above deadline. We do request for exercising your rights in order to ensure that our shareholders’ intention is reflected on management.

In convening the General Meeting of Shareholders, we take measures for providing information that constitutes the content of reference materials for the general meeting of shareholders, etc. in electronic format (matters for which measures for providing information in electronic format are to be taken). Please review the information posted on the Company's website given below.

The Company's website: <https://www.sumida.com>

(Please access the above website, and select "INVESTOR RELATIONS" and then "Reports" on the menu.)

Other than the Company's website, matters for which measures for providing information in electronic format are posted on the following Tokyo Stock Exchange (TSE) website.

Tokyo Stock Exchange (TSE) website:

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(Please access the above TSE website. Search by "Sumida Corporation" or "Ticker code (6817)," select "Basic information" and then "Documents for public inspection/PR information," and find "[Notice of General Shareholders Meeting / Informational Materials for a General Shareholders Meeting]" under "Filed information available for public inspection.")

Yours faithfully,

Shigeyuki Yawata

Director

SUMIDA CORPORATION

7th floor, KDX Ginza East Building

3-7-2 Irifune, Chuo-ku, Tokyo

**1. Time and Date:** 1:00 p.m., Thursday, March 26, 2026 (JST)  
(The reception desk will open at 0:30 p.m., JST.)

**2. Venue:** Magnolia, 7th floor, Tokyo Kaikan  
3-2-1 Marunouchi, Chiyoda-ku, Tokyo

**3. Meeting Agenda:**

*- Items to be reported*

1. Business Report, Consolidated Financial Statements and reports on the audited results of the Consolidated Financial Statements by the independent auditors and the Audit Committee for the 71st term (January 1 to December 31, 2025)
2. Non-consolidated Financial Statements for the 71st term (January 1 to December 31, 2025)

*- Items to be resolved*

Agenda 1: Election of eight (8) directors

Agenda 2: Issuance of share acquisition rights to directors and employees of the Company's subsidiaries

#### 4. Decisions Made for the Meeting:

- (1) If a shareholder does not indicate acceptance or rejection of the agenda items when exercising a voting right via the Internet etc. or in writing, the Company will treat such cases as indications of acceptance.
- (2) In the event that a shareholder exercises a voting right on multiple occasions via the Internet etc., the Company will treat the shareholder's final vote as the effective exercise of the voting right.
- (3) In the event that a shareholder exercises a voting right via the Internet etc., even if the voting form is returned to us by mail, the Company will treat the shareholder's vote via the Internet etc. as the effective exercise of the voting right.
- (4) If a shareholder exercises a voting right in writing, the shareholder is requested to return the voting form to us by mail by 5:00 p.m. on Wednesday, March 25, 2026 (JST).
- (5) If a shareholder exercises a voting right via the Internet etc., the shareholder is requested to do so by 5:00 p.m. on Wednesday, March 25, 2026 (JST).
- (6) In the event that a shareholder exercises voting rights diversely, the shareholder is requested to submit his/her intention to do so and the reason for the diverse exercise of voting rights to the Company in writing or by electromagnetic method by three days before the meeting.

---

\*Among the matters subject to measures for electronic provision, the following matters are not included in the documents under laws and regulations and the Company's Articles of Incorporation. Accordingly, the Business Report, the Consolidated Financial Statements and Non-consolidated Financial Statements included in the documents are part of the documents subject to audit by the independent auditors for the Accounting Auditor's Report and the Audit Committee in preparing the audit report.

[Business Report]	Independent auditors, System to secure properness of operations and operation status of the system
[Consolidated Financial Statements]	Consolidated Statement of Changes in Equity, Notes to Consolidated Financial Statements
[Non-consolidated Financial Statements]	Non-consolidated Statement of Changes in Shareholders' Equity, Notes to Non-consolidated Financial Statements

\*Changes in matters for which measures for providing information in electronic format will be taken will be published via the Company's website and the Tokyo Stock Exchange website by indicating comparison between before and after revision.

\*If attending the meeting in person, please hand in the voting form sent out with this convocation notice, completed, to the receptionist at the meeting.

\*Please note that the Company is not planning to hold any company presentation or reception after the meeting.

### <Concerning the Exercise of Voting Rights>

- \* Shareholders attending the meeting in person are requested to submit the voting form sent out with this notice at the reception desk on the day of the meeting.
- \* A shareholder may exercise his/her voting rights by designating one proxy who is another shareholder of the Company with voting rights pursuant to Article 17 of the Articles of Incorporation. In such cases, please submit to the Company a document proving the proxy's power of representation (power of attorney).
- \* If you are unable to attend the meeting in person, please exercise your voting rights using either of the below methods.

#### [Exercising Voting Rights by Electromagnetic Method (via the Internet)]

Please access the Website for Exercising Voting Rights (<https://evote.tr.mufg.jp/>) (in Japanese) with a computer or smartphone, etc. and enter the log-in ID and temporary password shown on the voting form sent out with this notice. Follow the instructions given on the screen to indicate your acceptance or rejection.

In addition, you can exercise voting rights from the Website for Exercising Voting Rights for smartphones, which does not require the entry of the log-in ID and temporary password, by scanning the QR code shown on the voting form with your smartphone or other devices.

#### **Votes to be given by: 5:00 p.m., Wednesday, March 25, 2026 (JST)**

1. Please note that shareholders are to bear any and all telecommunications charges and connection charges to be paid to Internet service providers when accessing the Website for Exercising Voting Rights.
2. For shareholders who intend to exercise voting rights via smartphones, etc., please note that it may not be possible to do so using certain models.

Please direct any inquiries you may have concerning the exercise of voting rights via the Internet to:

Shareholders' Register Manager: Transfer Agent Department (Help Desk), Mitsubishi UFJ Trust and Banking Corporation

Tel: 0120-173-027 (Toll-free, available only in Japan)

Operating hours: 9:00 a.m. to 9:00 p.m. (JST)

#### [Exercising Voting Rights by Mail (in Writing)]

After indicating your acceptance or rejection of the agenda items on the voting form sent out with this notice, return it without affixing a stamp.

#### **Votes to be received by: 5:00 p.m., Wednesday, March 25, 2026 (JST)**

- \* If a shareholder does not indicate acceptance or rejection of the agenda items when exercising a voting right via the Internet etc. or in writing, the Company will treat such cases as indications of acceptance.
- \* In the event that a shareholder exercises a voting right on multiple occasions via the Internet etc., the Company will treat the shareholder's final vote as the effective exercise of the voting right.
- \* In the event that a shareholder exercises a voting right via the Internet etc., even if the voting form is returned to us by mail, the Company will treat the shareholder's vote via the Internet etc. as the effective exercise of the voting right.
- \* "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

The platform for electronic exercise of voting rights for institutional investors operated by ICJ, Inc. is available for all institutional investors.

## Reference Materials for Annual General Meeting of Shareholders

### Agenda 1: Election of eight (8) directors

The terms of office of eight (8) directors will expire at the conclusion of this Annual General Meeting of Shareholders. The Company hereby requests the election of eight (8) directors including six (6) outside directors as nominated by the Nomination Committee.

The candidates for the directors' positions are as follows. Six (6) of the candidates for director, namely Messrs. Tatsuo Umemoto, Yan Hok Fan, Ryo Hayakawa, Dr. Albert Kirchmann, Mses. Sawako Ueno and Junko Dochi seek the positions as outside directors as stipulated in Article 2, paragraph (3), item (vii) of the Regulations for Enforcement of the Companies Act.

#### [Reference] List of candidates

No.	Name	Positions and duties at the Company	
1	Shigeyuki Yawata	Director (Chairman of the Board of Directors), member of the Nomination Committee and Compensation Committee, and Chairman of the Risk Management Committee	[Re-election]
2	Tatsuo Umemoto	Director (Vice Chairman of the Board of Directors), Chairman of the Nomination Committee and Compensation Committee, and member of the Risk Management Committee	[Re-election] [Outside] [Independent]
3	Yan Hok Fan	Director and member of the Nomination Committee and Compensation Committee	[Re-election] [Outside] [Independent]
4	Ryo Hayakawa	Director, Chairman of the Audit Committee, and member of the Risk Management Committee	[Re-election] [Outside] [Independent]
5	Albert Kirchmann	Director and member of the Nomination Committee and Compensation Committee	[Re-election] [Outside] [Independent]
6	Sawako Ueno	Director and member of the Audit Committee	[Re-election] [Outside] [Independent]
7	Yoshiyuki Honda	Director and member of the Audit Committee, Nomination Committee and Compensation Committee	[Re-election]
8	Junko Dochi	Director and member of the Audit Committee and Risk Management Committee	[Re-election] [Outside] [Independent]

### Candidates' attendance to meetings

Name	Number of years in office	The Board of Directors meetings	Audit Committee meetings	Nomination Committee meetings	Compensation Committee meetings	Risk Management Committee meetings
Shigeyuki Yawata	–	7/7 (100%)	–	6/6 (100%)	6/6 (100%)	4/4 (100%)
Tatsuo Umemoto	7	7/7 (100%)	–	6/6 (100%)	6/6 (100%)	4/4 (100%)
Yan Hok Fan	4	7/7 (100%)	–	6/6 (100%)	6/6 (100%)	–
Ryo Hayakawa	4	7/7 (100%)	8/8 (100%)	–	–	4/4 (100%)
Albert Kirchmann	2	7/7 (100%)	–	6/6 (100%)	6/6 (100%)	–
Sawako Ueno	2	7/7 (100%)	8/8 (100%)	–	–	–
Yoshiyuki Honda	–	7/7 (100%)	8/8 (100%)	6/6 (100%)	6/6 (100%)	–
Junko Dochi	1	5/5 (100%)	5/5 (100%)	–	–	3/3 (100%)

Notes:

1. The number of years in office is that as Outside Director.
2. For Ms. Junko Dochi, the attendance after her appointment as a director on March 26, 2025 is presented.

No.	Name (Date of birth)	Brief personal profile and positions and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
1 Re-election	Shigeyuki Yawata (October 28, 1951)  Rate of attendance at the Board of Directors meetings in FY2025: 7/7	<p><b>(Brief personal profile)</b></p> <p>Nov. 1977    Joined the Company</p> <p>Mar. 1988    Director</p> <p>Mar. 1990    Representative Director and Senior Managing Director</p> <p>Apr. 1991    Representative Director and Vice President</p> <p>Mar. 1992    Representative Director and President</p> <p>Apr. 2003    Representative Executive Officer and CEO</p> <p>Apr. 2003    Director (To date)</p> <p>Dec. 2005    Managing Director, Sumida Holding Germany GmbH (Currently SUMIDA Europe GmbH)</p> <p><b>(Positions and duties at the Company)</b></p> <p>Director (Chairman of the Board of Directors), member of the Nomination Committee and Compensation Committee, and Chairman of the Risk Management Committee</p>	0 (Note 1) (Note 2)

<Reasons for the election of candidate nominated for director>

Mr. Shigeyuki Yawata possesses abundant experience and a proven track record in regard to not only his service in the executive management of the Sumida Group but also his role in operating and developing global business operations. The Company proposed him as a candidate for director because it expects Mr. Yawata to continue to strengthen the function of the Board of Directors, based on his experience of having served for many years in the Company in the executive management role of Representative Executive Officer and CEO, as well as based on his extensive insight regarding the electronic components industry.

No.	Name (Date of birth)	Brief personal profile and positions and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
2 Re-election/ Outside/ Independent	Tatsuo Umemoto (September 14, 1956)  Rate of attendance at the Board of Directors meetings in FY2025: 7/7	<p><b>(Brief personal profile)</b></p> <p>Apr. 1979 Joined Nippon Telegraph and Telephone Public Corporation (Currently NIPPON TELEGRAPH AND TELEPHONE CORPORATION)</p> <p>Aug. 1985 Joined Bain &amp; Company Japan, Inc.</p> <p>Sep. 1991 Joined Schroeder PTV Partners Co., Ltd.</p> <p>Apr. 1995 Joined SAZABY Inc. (Currently SAZABY LEAGUE, Ltd.) as Director of Corporate Planning Office Project Leader for start-up of Starbucks Coffee Japan Co., Ltd. Corporate Leader for the “second startup” (business re-establishment activities) project Chief Planning Officer (From 2000)</p> <p>Jan. 2005 Established iGRAM Inc., Representative Director (To date)</p> <p>Aug. 2011 Established LEAGUE MILLION INC., Representative Director</p> <p>Apr. 2015 Specially Appointed Professor at Graduate School of Social Design Studies, Rikkyo University</p> <p>Jun. 2015 Councilor, THE KIYOSHI HAYAKAWA FOUNDATION</p> <p>Apr. 2017 Outside Director, Forum Engineering Inc.</p> <p>Mar. 2019 Outside Director of the Company (To date)</p> <p>Apr. 2020 Specially Appointed Professor at Graduate School of Media and Governance, Keio University</p> <p>Apr. 2020 Visiting Professor at Graduate School of Social Design Studies, Rikkyo University (To date)</p> <p><b>(Positions and duties at the Company)</b> Director (Vice Chairman of the Board of Directors) and Chairman of the Nomination Committee and Compensation Committee, member of the Risk Management Committee</p> <p><b>(Important concurrent occupations or positions at other organizations)</b> Visiting Professor at Graduate School of Social Design Studies, Rikkyo University Representative Director, iGRAM Inc.</p>	0

**<Reasons for the election of candidate nominated for outside director and overview of expected roles>**

Mr. Tatsuo Umemoto has accumulated a wealth of international experience as a management consultant and corporate executive over many years. He has played leading roles in the launches of multiple companies, including Starbucks Coffee Japan Co., Ltd., and he currently works as an advisor in various fields and as a Visiting Professor at Graduate School of Social Design Studies, Rikkyo University. The Company proposed him as a candidate for outside director because he is expected to oversee and check management based on his insight which is especially informed by his experience in business strategy, business planning, new business development, organization personnel, competency development, and marketing and branding. He currently serves as outside director of the Company. The length of his service as outside director will be seven (7) years at the conclusion of this Annual General Meeting of Shareholders.

No.	Name (Date of birth)	Brief personal profile and positions and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
3 Re-election / Outside/ Independent	Yan Hok Fan (September 5, 1949)  Rate of attendance at the Board of Directors meetings in FY2025: 7/7	<p><b>(Brief personal profile)</b></p> <p>Oct. 1976    Joined Nigerian Spanish Engineering LTD. (Nigeria)</p> <p>Nov. 1979    Managing Director, Mayor Engineering Ltd. (Nigeria)</p> <p>Sep. 1984    Joined Pfizer MSP KK, Materials Engineering Department (Hong Kong)</p> <p>Jan. 1994    Representative Director, CITIC Pacific Limited (Hong Kong)</p> <p>Nov. 1997    Representative Director and General Manager, China Everbright International Limited (Currently China Everbright Environment Group Limited) (Hong Kong)</p> <p>Jan. 2010    Independent Non-executive Director, Hysan Development Company Limited (Hong Kong)</p> <p>Dec. 2012    Independent Non-executive Director, China Everbright Environment Group Limited (Hong Kong) (To date)</p> <p>Dec. 2012    Independent Non-executive Director, First Pacific Company Limited (Hong Kong) (To date)</p> <p>Sep. 2013    Independent Non-executive Director, China Aircraft Leasing Group Holdings Limited (Hong Kong)</p> <p>Sep. 2016    Independent Non-executive Director, PFC Device Inc. (Hong Kong)</p> <p>Mar. 2022    Outside Director of the Company (To date)</p> <p><b>(Positions and duties at the Company)</b></p> <p>Director and member of the Nomination Committee and Compensation Committee</p> <p><b>(Important concurrent occupations or positions at other organizations)</b></p> <p>Independent Non-executive Director, China Everbright Environment Group Limited (Hong Kong)</p> <p>Independent Non-executive Director, First Pacific Company Limited (Hong Kong)</p>	0

<Reasons for the election of candidate nominated for outside director and overview of expected roles>

Mr. Yan Hok Fan has worked as a manager and a director of Asian companies over many years, primarily in China and Hong Kong. The Company proposed him as a candidate for outside director because he is expected to oversee and check management based on the knowledge and experience as a manager that he has accumulated throughout his career, and his insight into the Asian market. He currently serves as outside director of the Company. The length of his service as outside director will be four (4) years at the conclusion of this Annual General Meeting of Shareholders.

No.	Name (Date of birth)	Brief personal profile and positions and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
4 Re-election / Outside/ Independent	Ryo Hayakawa (December 17, 1962)  Rate of attendance at the Board of Directors meetings in FY2025: 7/7	<p><b>(Brief personal profile)</b></p> <p>May 1985 Joined Darroch Industrial Consultants, Ltd. (Auckland, New Zealand)</p> <p>Apr. 1989 Joined Investment Banking Division, Tokyo Branch, Goldman Sachs Japan Co., Ltd.</p> <p>Nov. 1992 Vice President, Corporate Finance Department, Investment Banking Division, Goldman Sachs Japan Co., Ltd. (promoted in June 1996)</p> <p>Dec. 1997 Vice President, Advisory Group, Investment Banking Division, Goldman Sachs Japan Co., Ltd.</p> <p>Feb. 2000 Vice President, Equity Capital Markets, Investment Banking Division, Goldman Sachs Japan Co., Ltd.</p> <p>Apr. 2002 Director, Equity Capital Markets, Investment Banking Division, Deutsche Securities Inc.</p> <p>Mar. 2007 Representative Director, A1 Consulting Ltd. (To date)</p> <p>Oct. 2007 Investment Banking Lecturer, Institute for Business and Finance, Waseda University (Currently Financial Professional Course, Nikkei Business School) (To date)</p> <p>Mar. 2008 Managing Director and General Manager, Equity Capital Markets, Investment Banking Division, Macquarie Capital Securities (Japan) Limited</p> <p>Apr. 2008 Executive Council, Australian and New Zealand Chamber of Commerce</p> <p>Sep. 2014 Representative Director and Managing Partner, AKSUS Advisors, Inc. (To date)</p> <p>Sep. 2020 Outside Director, UDC Finance Limited (Auckland, New Zealand)</p> <p>Mar. 2022 Outside Director of the Company (To date)</p> <p><b>(Positions and duties at the Company)</b> Director, Chairman of the Audit Committee, and member of the Risk Management Committee</p> <p><b>(Important concurrent occupations or positions at other organizations)</b> Representative Director, A1 Consulting Ltd. Representative Director and Managing Partner, AKSUS Advisors Inc. Investment Banking Lecturer, Financial Professional Course, Nikkei Business School</p>	0

<Reasons for the election of candidate nominated for outside director and overview of expected roles>

Mr. Ryo Hayakawa has accumulated a wealth of experience in the financial industry over many years, and currently engages in management and serves as director at several companies. The Company proposed him as a candidate for outside director because he is expected to oversee and check management based on the experience and insight that he has accumulated throughout his career. He currently serves as outside director of the Company. The length of his service as outside director will be four (4) years at the conclusion of this Annual General Meeting of Shareholders.

No.	Name (Date of birth)	Brief personal profile and positions and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
5 Re-election/ Outside/ Independent	Albert Kirchmann (December 16, 1956)  Rate of attendance at the Board of Directors meetings in FY2025: 7/7	<p><b>(Brief personal profile)</b></p> <p>Aug. 1984    Joined Daimler-Benz AG (Currently Mercedes-Benz Group AG and Daimler Truck Holding AG)</p> <p>Jul. 2004    Executive Vice President, Finance &amp; Controlling, Business and Product Planning, Daimler Trucks &amp; Buses, Daimler AG (Currently Daimler Truck Holding AG) and Director, Mitsubishi Fuso Truck and Bus Corporation</p> <p>Jun. 2009    President and Chief Executive Officer, Mitsubishi Fuso Truck and Bus Corporation</p> <p>Jul. 2010    Chief Representative, Representative Office in Japan, Daimler AG</p> <p>Apr. 2013    Executive Director, Japan Automobile Manufacturers Association</p> <p>Jun. 2013    Board Member, German Chamber of Commerce and Industry in Japan, and Member of the Executive Board, the European Business Council</p> <p>Aug. 2013    Head of Daimler Trucks Asia, Daimler AG and President and Chief Executive Officer, Mitsubishi Fuso Truck and Bus Corporation</p> <p>Jul. 2014    Vice President, German Chamber of Commerce and Industry in Japan</p> <p>Apr. 2015    Chairman of the Board, Mitsubishi Fuso Truck and Bus Cooperation and Chairman, Daimler Trucks Asia</p> <p>Jan. 2017    Retired from Daimler AG</p> <p>Jan. 2019    Outside Director, TRATON SE (To date)</p> <p>Mar. 2024    Outside Director of the Company (To date)</p> <p><b>(Positions and duties at the Company)</b> Director and member of the Nomination Committee and Compensation Committee</p> <p><b>(Important concurrent occupations or positions at other organizations)</b> Outside Director, TRATON SE</p>	0

<Reasons for the election of candidate nominated for outside director and overview of expected roles>

Dr. Albert Kirchmann has accumulated a wealth of international experience over many years including senior leadership roles with responsibility for finance & controlling, business and product planning within the commercial vehicle business of Daimler Truck Holding AG, as well as holding positions including Representative Director and CEO for Mitsubishi Fuso Truck and Bus Corporation. The Company proposed him as a candidate for outside director because he is expected to oversee and check management given his knowledge and experience as well as the insight he brings in relation to automobiles and the European, Japanese and Asian markets as an international manager cultivated throughout his career. He currently serves as outside director of the Company. The length of his service as outside director will be two (2) years at the conclusion of this Annual General Meeting of Shareholders.

No.	Name (Date of birth)	Brief personal profile and positions and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
6 Re-election/ Outside/ Independent	Sawako Ueno (August 12, 1964)  Rate of attendance at the Board of Directors meetings in FY2025: 7/7	<p><b>(Brief personal profile)</b></p> <p>Apr. 1988    Joined The Dai-Ichi Kangyo Bank, Limited (Currently Mizuho Bank, Ltd.)</p> <p>Oct. 1996    Joined Showa Ota &amp; Co. (Currently Ernst &amp; Young ShinNihon LLC)</p> <p>Oct. 2008    Partner, Ernst &amp; Young ShinNihon LLC</p> <p>Sep. 2017    Partner, Deloitte Touche Tohmatsu LLC</p> <p>Sep. 2019    Director, Deloitte Touche Tohmatsu LLC</p> <p>Jan. 2021    Joined Financial Services Agency; Securities Transaction Special Inspector, Executive Bureau, Securities and Exchange Surveillance Commission</p> <p>Apr. 2023    Representative, Sawako Ueno CPA Office</p> <p>Jun. 2023    Outside Auditor, Morinaga &amp; Co., Ltd. (To date)</p> <p>Jun. 2023    Outside Auditor, Airport Facilities Co., Ltd. (To date)</p> <p>Mar. 2024    Outside Director of the Company (To date)</p> <p>Nov. 2025    Established Japan Integrity Co., Ltd., Representative Director (To date)</p> <p><b>(Positions and duties at the Company)</b> Director and member of the Audit Committee</p> <p><b>(Important concurrent occupations or positions at other organizations)</b> Outside Auditor, Morinaga &amp; Co., Ltd. Outside Auditor, Airport Facilities Co., Ltd. Representative Director, Japan Integrity Co., Ltd.</p>	0

<Reasons for the election of candidate nominated for outside director and overview of expected roles>

Ms. Sawako Ueno has been involved in audit, strengthening governance, and transformation of business models, as well as digitization of domestic and foreign corporations over many years as a certified public accountant, and held positions as partner and director in major audit firms. In addition, Ms. Ueno has accumulated abundant experience as a Securities Transaction Special Inspector at the Securities and Exchange Surveillance Commission. The Company proposed her as a candidate for outside director because she is expected to contribute to maintaining and improving the Company's compliance based on her knowledge and experience cultivated throughout her career. She currently serves as outside director of the Company. The length of her service as outside director will be two (2) years at the conclusion of this Annual General Meeting of Shareholders.

No.	Name (Date of birth)	Brief personal profile and positions and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
7 Re-election	Yoshiyuki Honda (January 8, 1956)  Rate of attendance at the Board of Directors meetings in FY2025: 7/7	<p><b>(Brief personal profile)</b></p> <p>Nov. 1980 Joined Tokyo Office, Coopers &amp; Lybrand LLP. (Currently PricewaterhouseCoopers)</p> <p>Sep. 1985 Chicago Office, Coopers &amp; Lybrand LLP.</p> <p>Apr. 1992 Partner, Chicago Office, Coopers &amp; Lybrand LLP.</p> <p>Jul. 1992 Joined PepsiCo, Inc. in New York</p> <p>Nov. 1993 Joined Pepsi Cola Japan Co., Ltd.; General Manager of Corporate Planning</p> <p>Jul. 1995 General Manager of Finance, Pepsi Cola Japan Co., Ltd.</p> <p>Feb. 1998 Joined Cisco Systems G. K. in Japan; General Manager of Finance</p> <p>Sep. 1999 Director and General Manager of Administrative Headquarter, Cisco Systems G. K. in Japan</p> <p>Aug. 2002 Joined D &amp; M Holdings Inc.; CFO</p> <p>Jun. 2003 Executive Officer, D &amp; M Holdings Inc.</p> <p>Feb. 2005 Joined RHJ international Japan Inc.; CFO</p> <p>Jun. 2005 Representative Director, RHJ international Japan Inc.</p> <p>Oct. 2007 Joined D &amp; M Holdings Inc.; CFO</p> <p>Jun. 2009 Representative Director and Vice President, D &amp; M Holdings Inc.</p> <p>Nov. 2009 Retired from D &amp; M Holdings Inc.</p> <p>Mar. 2011 Joined SUMIDA Group</p> <p>Aug. 2011 Executive Officer of the Company</p> <p>Mar. 2012 Representative Executive Officer and CFO of the Company</p> <p>Mar. 2016 Outside Auditor, McDonald's Holdings Company (Japan), Ltd. (To date)</p> <p>Mar. 2024 Director of the Company (To date)</p> <p><b>(Positions and duties at the Company)</b></p> <p>Director and member of the Audit Committee, Nomination Committee and Compensation Committee</p> <p><b>(Important concurrent occupations or positions at other organizations)</b></p> <p>Outside Auditor, McDonald's Holdings Company (Japan), Ltd.</p> <p>Certified Public Accountant in Japan and US</p>	22,300

<Reasons for the election of candidate nominated for director>

Mr. Yoshiyuki Honda has been involved in global corporations' finance, audit, internal control, and international financial reporting standards (IFRS), etc. over many years, and held positions including Partner and Chief Financial Officer (CFO). Mr. Honda has also served for many years as a Representative Executive Officer and CFO in the Group, and demonstrated strong leadership as a manager. The Company proposed him as a candidate for director because he is expected to oversee and check management given his experience, particularly the knowledge and experience as an international manager he has cultivated in the field of finance.

No.	Name (Date of birth)	Brief personal profile and positions and duties at the Company (Important concurrent occupations or positions at other organizations)	Number of shares held in the Company
8 Re-election/ Outside/ Independent	Junko Dochi (August 31, 1963)  Rate of attendance at the Board of Directors meetings in FY2025: 5/5	<p><b>(Brief personal profile)</b></p> <p>Apr. 1986      Joined NEC Corporation</p> <p>Nov. 1988      Joined Japan Branch of Virgin Atlantic Airways Ltd.</p> <p>Aug. 1995      Joined Apple Japan, Inc.</p> <p>May 1996      Joined AT&amp;T Japan Ltd.</p> <p>Oct. 2002      Registered as Attorney (Dai-Ichi Tokyo Bar Association) Joined Tokyo Eiwa Attorneys at Law (Currently, TMI Associates)</p> <p>Oct. 2007      Joined Jones Day Foreign Law Joint Enterprise</p> <p>Jun. 2008      Registered as Attorney in the State of California</p> <p>Apr. 2013      Representative Attorney, DOCHI Law Office (formerly Hills Law Office) (To date)</p> <p>Jun. 2019      Outside Director, COMTURE CORPORATION</p> <p>Jun. 2020      Outside Director, AEON Bank, Ltd. (To date) Outside Director, AEON Credit Service (Asia) Co., Ltd. (To date)</p> <p>Mar. 2025      Outside Director of the Company (To date)</p> <p><b>(Positions and duties at the Company)</b> Director, member of the Audit Committee, and member of the Risk Management Committee</p> <p><b>(Important concurrent occupations or positions at other organizations)</b> Representative Attorney, DOCHI Law Office Outside Director, AEON Bank, Ltd. Outside Director, AEON Credit Service (Asia) Co., Ltd.</p>	0

<Reasons for the election of candidate nominated for outside director and overview of expected roles>

Ms. Junko Dochi has accumulated a wealth of experience mainly in the fields of corporate legal affairs, international B2B transactions, and intellectual property as an attorney over many years. The Company proposed her as a candidate for outside director because she is expected to oversee and check management based on her insight cultivated throughout her career as an attorney at law with global perspective. She currently serves as outside director of the Company. The length of her service as outside director will be one (1) year at the conclusion of this Annual General Meeting of Shareholders.

Notes:

1. The candidate Mr. Shigeyuki Yawata concurrently serves as Director of Yawata Building Co., Ltd., and the aforementioned company is a major shareholder of the Company. There are no special interest relationships between the Company and the aforementioned company.
2. The candidate Mr. Shigeyuki Yawata concurrently serves as Director of Yawata Zaidan Limited, and the aforementioned company is a major shareholder of the Company. There are no special interest relationships between the Company and the aforementioned company.
3. There are no special interest relationships between the candidates for the directors' positions and the Company.
4. The six (6) persons, Messrs. Tatsuo Umemoto, Yan Hok Fan, Ryo Hayakawa, Dr. Albert Kirchmann, Mses. Sawako Ueno and Junko Dochi are independent directors in accordance with the provisions of Tokyo Stock Exchange, Inc. In case of their re-election, the Company plans to designate these six (6) persons as independent directors in accordance with the provisions of Tokyo Stock Exchange, Inc.

5. The Company has entered into an insurance contract covering officer liability for damages (“D&O insurance contract”) with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. The insurance contract will cover damages to be borne by the insured, including compensation, judgment amounts decided by the court, settlement money, amounts paid in out-of-court settlements and legal costs, which may arise in relation to damage compensation claims. All of the directors, executive officers, and employees who manage, supervise, and give directions and orders are insured by the said insurance contract. In addition, such insurance contract is expected to be renewed with the same contents at the next renewal. The following candidates for director will be included in those insured under the said insurance contract: Messrs. Shigeyuki Yawata, Tatsuo Umemoto, Yan Hok Fan, Ryo Hayakawa, Dr. Albert Kirchmann, Ms. Sawako Ueno, Mr. Yoshiyuki Honda, and Ms. Junko Dochi.
6. AEON Bank, Ltd., where Ms. Junko Dochi serves as an outside director, received business improvement orders from the Financial Services Agency on December 26, 2025, pursuant to the Banking Act, due to inappropriate business operations related to countermeasures against money laundering and the funding of terrorism. Although Ms. Junko Dochi was not aware of this issue until it was discovered, she regularly expressed her opinions on enhancing the effectiveness of internal controls and the importance of legal compliance at Board of Directors and other meetings. After the issue was discovered, she fulfilled her responsibilities by suggesting thorough cause analysis and measures to prevent recurrence, as well as monitoring the status of improvements.

Reasons for the election:

Six (6) of the candidates nominated for director, Messrs. Tatsuo Umemoto, Yan Hok Fan, Ryo Hayakawa, Dr. Albert Kirchmann, Ms. Sawako Ueno and Junko Dochi have sufficiently served as directors who determine basic management policies and supervise operations. The Company therefore requests to reelect them as outside directors.

The election of candidates nominated for outside director, independence as outside directors and the explanation of liability limitation contracts with outside directors are as follows.

1. The election of candidates nominated for outside director
 

The Company is a company employing a committee-based corporate governance structure, called a company with nomination committee, etc. At a company with nomination committee, etc., the board of directors specializes in supervising management, while a committee, a majority of which consists of outside directors, is established to improve the transparency of management and executive officers are installed as an organ to work full-time for the execution of operations. Thus, a company with nomination committee, etc. clearly separates “supervision of management” from “execution of operations” to make them function effectively. Such a company generally needs to elect multiple outside directors. To further enhance the functions of the board of directors, the Company is to make outside directors account for a majority of directors, and hereby requests the election of six (6) outside directors.
2. Independence of candidates for outside director
  - (i) None of the candidates for outside director have been managing members of the Company or business operators that have specific relations with the Company in the past.
  - (ii) None of the candidates for outside director have received or plan to receive a large amount of money or other property from the Company or business operators that have specific relations with the Company.
  - (iii) None of the candidates for outside director have relatives in the third degree or closer with managing members of the Company or business operators that have specific relations with the Company.
3. Liability limitation contracts with outside directors
 

The Company has entered into liability limitation contracts with outside directors of the Company, Messrs. Tatsuo Umemoto, Yan Hok Fan, Ryo Hayakawa, Dr. Albert Kirchmann, Ms. Sawako Ueno and Junko Dochi. (Outline of the contracts is stated on “2. (3) (vi) Outline of liability limitation contracts” of the Business Report.) In case of their re-election, the Company will continue the above liability limitation contracts with them.

Major fields of experience and expertise of Directors

Name	Position	Corporate management	Related industries and businesses	Global businesses	Finance and accounting	Legal and compliance	Governance and risk management	New businesses and M&A
Shigeyuki Yawata	Director	●	●	●			●	●
Tatsuo Umemoto	Outside Director	●		●			●	●
Yan Hok Fan	Outside Director	●	●	●			●	●
Ryo Hayakawa	Outside Director	●	●	●	●		●	●
Albert Kirchmann	Outside Director	●	●	●	●		●	●
Sawako Ueno	Outside Director			●	●	●	●	
Yoshiyuki Honda	Director	●	●	●	●		●	●
Junko Dochi	Outside Director			●		●	●	

Note: The above table indicates the planned roster of Directors in case this Agenda is approved and adopted as originally proposed.

## **Agenda 2: Issuance of share acquisition rights to directors and employees of the Company's subsidiaries**

The Company requests approval for the determination of offering terms for share acquisition rights to be issued as share options to directors and employees of the Company's subsidiaries in accordance with the provisions of Articles 236, 238 and 239 of the Companies Act, to be entrusted to the board of directors of the Company (the "Board of Directors") or to the executive officer of the Company delegated by resolution of the Board of Directors.

### **1. Reasons for the need to solicit subscribers for share acquisition rights on particularly favorable terms**

The Sumida Group formulated the Mid-Term Business Plan covering the three-year period from the fiscal year ending December 31, 2026 to the fiscal year ending December 31, 2028. In aiming to achieve the targets in the Mid-Term Business Plan, realize sustainable growth and enhance mid- and long-term corporate value, share acquisition rights will be issued, without contribution, to directors and employees of the Company's subsidiaries, upon exercise of which shares are delivered on stipulation that the value of property to be contributed upon exercise of the share acquisition rights is one (1) yen per share.

As stipulated in 2. (3) "(viii) Terms and conditions for exercising share acquisition rights" below, these share acquisition rights may be exercised to the extent made possible by the level of achievement of the business results targets in the Sumida Group's Mid-Term Business Plan only when a certain level of such achievement has been achieved. Therefore, their contents consist of commitments toward the Group's business results targets by the directors and employees of the Company's subsidiaries eligible to receive the share acquisition rights.

### **2. Details of, maximum number of, and matters regarding payment for share acquisition rights for which offering terms may be determined based on the decision of this Annual General Meeting of Shareholders**

- (1) Maximum number of share acquisition rights for which offering terms may be determined based on this entrustment

The maximum number of the share acquisition rights shall be 8,000, with the terms specified in (3) below.

The maximum number of shares to be granted upon exercise of the share acquisition rights shall be 800,000 shares of ordinary shares of the Company. In the event that the number of shares to be granted is adjusted pursuant to (3) (i) below, the maximum number of shares to be granted upon exercise of share acquisition rights shall be the number obtained by multiplying the number of shares granted after adjustment by the maximum number of share acquisition rights as provided for above.

- (2) Amount to be paid in for share acquisition rights for which offering terms may be determined based on this entrustment

Monetary payment is not required for the share acquisition rights as they are issued without contribution.

(3) Details of the share acquisition rights for which offering terms may be determined based on this entrustment

(i) Class and number of shares to be delivered upon exercise of share acquisition rights

The class of shares to be delivered upon exercise of the share acquisition rights shall be ordinary shares and the number of shares to be delivered upon exercise of one (1) share acquisition right (hereinafter the “Number of Shares Granted”) shall be 100.

Notwithstanding the foregoing, in the event that the Company carries out a share split (including any allotment of shares without contribution; the same shall apply hereinafter) or a share consolidation of ordinary shares of the Company after the date of the resolution at the General Meeting of Shareholders (hereinafter the “Resolution Date”), the Number of Shares Granted for share acquisition rights that are unexercised as of the time of the share split or share consolidation shall be adjusted according to the following formula. Any fraction of less than one (1) share resulting from this adjustment shall be discarded.

$$\begin{array}{l} \text{Number of shares} \\ \text{granted after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Number of shares} \\ \text{granted before} \\ \text{adjustment} \end{array} \times \begin{array}{l} \text{Ratio of share split or} \\ \text{consolidation} \end{array}$$

In addition, in the event that it is necessary for the Company to make an adjustment to the Number of Shares Granted in cases where the Company carries out a merger, company split, share exchange, share transfer, etc., the Company may make an appropriate adjustment taking into account the merger ratio and other conditions, to the extent reasonable.

(ii) Value of property to be contributed upon exercise of share acquisition rights

The value of property to be contributed upon exercise of one (1) share acquisition right shall be the amount obtained by multiplying one (1) yen, which is the amount to be paid in per one (1) share to be delivered upon exercise of the share acquisition rights (hereinafter the “Exercise Price”), by the Number of Shares Granted. Notwithstanding the foregoing, if the Company carries out a share split or share consolidation of ordinary shares of the Company after the Resolution Date, the Exercise Price for share acquisition rights that are unexercised as of the time of the share split or share consolidation shall be adjusted according to the following formula. Any fraction of less than one (1) yen resulting from this adjustment shall be rounded up to the nearest yen.

$$\begin{array}{l} \text{Exercise price after} \\ \text{adjustment} \end{array} = \begin{array}{l} \text{Exercise price before} \\ \text{adjustment} \end{array} \times \frac{1}{\begin{array}{l} \text{Ratio of share split or} \\ \text{consolidation} \end{array}}$$

In addition, in the event that it is necessary for the Company to make an adjustment to the Exercise Price in cases where the Company carries out a merger, company split, share exchange, share transfer, etc., the Company may make an appropriate adjustment taking into account the merger ratio and other conditions, to the extent reasonable.

(iii) Exercise period of the share acquisition rights

From the corresponding date one year from an allotment date through March 31, 2044.

(iv) Matters concerning capital stock and legal capital surplus increases in event of issuance of shares upon exercise of share acquisition rights

(a) The amount of capital stock increase in the event of an issuance of shares upon exercise of the share acquisition rights shall be half the maximum amount of increase in capital stock, etc., calculated in accordance with the provision in Article 17, Paragraph 1 of the Ordinance on Accounting of Companies. Any fraction of less than one (1) yen resulting from the calculation shall be rounded up to the nearest yen.

(b) The amount of legal capital surplus increase in the event of an issuance of shares upon exercise of the share acquisition rights shall be the amount obtained by subtracting the capital stock increase stipulated in (a) above from the maximum amount of increase in capital stock, etc., described in (a) above.

(v) Restriction on the transfer of share acquisition rights

Any transfer of the share acquisition rights shall be subject to the approval of the Board of Directors.

(vi) Matters regarding repurchase of share acquisition rights

(a) In the event that any of the agenda items set forth in 1), 2), 3), 4) and 5) below is approved at a General Meeting of Shareholders of the Company (or, if a resolution at a General Meeting of Shareholders is not required, is resolved by the Board of Directors or determined by the executive officer of the Company delegated by resolution of the Board of Directors), the Company may acquire the share acquisition rights without contribution on the date to be separately determined by the Board of Directors or determined by the executive officer of the Company delegated by resolution of the Board of Directors:

- 1) Agenda item for approval of a merger agreement under which the Company shall become a disappearing company;
- 2) Agenda item for approval of absorption-type company split agreement or incorporation-type company split plan under which the Company shall become a split company;
- 3) Agenda item for approval of a share exchange agreement or share transfer plan under which the Company shall become a wholly-owned subsidiary;
- 4) Agenda item for approval of an amendment to the Articles of Incorporation in order to establish the provision that an acquisition by way of transfer of all shares to be issued by the Company shall require the approval of the Company; and
- 5) Agenda item for approval of an amendment to the Articles of Incorporation in order to establish the provision that an acquisition by way of transfer of a class of shares to be delivered upon exercise of the share acquisition rights shall require the approval of the Company or that the Company may acquire all of such class of shares by resolution at a General Meeting of Shareholders.

- (b) In the event that an individual who has been allotted share acquisition rights (hereinafter the “Share Acquisition Rights Holder”) is no more possible to exercise his/her share acquisition rights due to the provisions set forth in (viii) below or by other reasons before exercising his/her rights, the Company may acquire the share acquisition rights without contribution.

(vii) Handling of share acquisition rights in relation to an act of structural reorganization

In the event that the Company carries out a merger (limited to cases where the Company disappears due to the merger), an absorption-type or incorporation-type company split (limited to cases where the Company becomes a split company), or a share exchange or transfer (limited to cases where the Company becomes a wholly-owned subsidiary) (collectively, the “Act of Structural Reorganization”), the Company shall, in each of the above cases, deliver the share acquisition rights of any of the relevant companies set forth in Article 236, Paragraph 1, Items 8 (a) to 8 (e) of the Companies Act (hereinafter referred to as the “Reorganized Company”) to the Share Acquisition Rights Holder remaining as of the effective date of the relevant Act of Structural Reorganization (hereinafter the “Remaining Share Acquisition Rights”) in accordance with the following terms and conditions. In this case, the Remaining Share Acquisition Rights shall be extinguished and the Reorganized Company shall issue new share acquisition rights; provided, however, that the foregoing shall be on the condition that delivery of such share acquisition rights of the Reorganized Company in accordance with the following terms and conditions is stipulated in a merger agreement, an absorption-type company split agreement, an incorporation-type company split plan, a share exchange agreement or a share transfer plan.

- (a) Number of share acquisition rights of the Reorganized Company to be delivered

A number equal to the number of the Remaining Share Acquisition Rights held by the Share Acquisition Rights Holder shall be delivered to each such holder.

- (b) Class of shares of the Reorganized Company to be delivered upon exercise of share acquisition rights

Ordinary shares of the Reorganized Company

- (c) Number of shares of the Reorganized Company to be delivered upon exercise of share acquisition rights

To be determined in accordance with (i) above, taking into consideration the conditions, etc. of the Act of Structural Reorganization.

- (d) Value of property to be contributed upon exercise of share acquisition rights

The value of property to be contributed upon exercise of each share acquisition right to be delivered shall be the amount obtained by multiplying the amount per share to be paid in after reorganization obtained by adjusting the Exercise Price set forth in (ii) above by the number of shares of the Reorganized Company to be delivered upon exercise of relevant share acquisition rights as determined in accordance with (c) above, taking into consideration the conditions, etc. of the Act of Structural Reorganization.

- (e) Exercise period of the share acquisition rights

From and including whichever is the later of the commencement date of the period during which the share acquisition rights may be exercised as provided for in (iii) above

(hereinafter the “Exercise Period”) or the effective date of the Act of Structural Reorganization, to and including the expiry date of the Exercise Period.

- (f) Terms and conditions for exercising share acquisition rights

To be determined in accordance with (viii) below.

- (g) Matters concerning capital stock and legal capital surplus increases in event of issuance of shares upon exercise of share acquisition rights

To be determined in accordance with (iv) above.

- (h) Matters concerning acquisition of share acquisition rights

To be determined in accordance with (vi) above.

- (i) Restriction on acquisition of share acquisition rights by way of transfer

Acquisition of the share acquisition rights by way of transfer shall be subject to the approval by resolution of the board of directors of the Reorganized Company (or a director of the Reorganized Company if the Reorganized Company is not a company with a board of directors).

- (viii) Terms and conditions for exercising share acquisition rights

- (a) A Share Acquisition Right Holder may not exercise the share acquisition rights allotted from the Allotment Date until the day before the corresponding date one year from the Allotment Date.

- (b) A Share Acquisition Right Holder may exercise the share acquisition rights allotted during the period from the corresponding date one year from the Allotment Date to the day before the Corresponding Date two years from the Allotment Date (hereinafter referred to as the “First Period”), up to a number equivalent to one-sixth of the number of share acquisition rights allotted (any fraction less than one shall be rounded down).

- (c) A Share Acquisition Right Holder may exercise the share acquisition rights allotted during the period commencing on the corresponding date two years from the Allotment Date and ending on the day before the corresponding date three years from the Allotment Date (hereinafter referred to as the “Second Period”), up to a maximum number of rights equal to two-sixths of the number of share acquisition rights allotted (any fraction less than one shall be rounded down), less the number of rights exercised during the First Period.

- (d) A Share Acquisition Right Holder may exercise, during the period commencing on the corresponding date three years from the Allotment Date to March 31, 2044 (hereinafter referred to as the “Third Period”), a number of share acquisition rights equivalent to three-sixths of the number of share acquisition rights allotted (any fraction less than one shall be rounded down; hereinafter referred to as the “Maximum Number of Options Exercisable Subject to Continued Employment”).

- (e) A Share Acquisition Right Holder may, with respect to the number of allotted share acquisition rights obtained by subtracting the Maximum Number of Options Exercisable Subject to Continued Employment from the number of share acquisition rights allotted (hereinafter referred to as the “Maximum Number of Rights Exercisable upon Meeting the Performance Condition”), provided that the two conditions of (i) operating profit recorded

in consolidated statement of profit or loss in the annual securities report (hereinafter referred to as “Performance Assessment Level”) reaches 8 billion yen or more, in any fiscal year of the Company, from the fiscal year ending December 31, 2026 to the fiscal year ending December 31, 2028 (hereinafter referred to as “Target Fiscal Years”), and (ii) the average of the top two fiscal years ranked by the highest average on return on invested capital during the Target Fiscal Years reaches 5.0% or higher, are met, the Maximum Number of Rights Exercisable upon Meeting the Performance Condition multiplied by exercisable ratio (calculated by dividing the largest amount of Performance Assessment Level achieved during Target Fiscal Years (15 billion yen if it exceeds 15 billion yen) by 15 billion yen (any fraction of less than one (1) unit shall be discarded). The period during which a Share Acquisition Right Holder may exercise such rights shall be from April 2, 2029 to March 31, 2044 (hereinafter referred to as the “Fourth Period”). However, if a significant change occurs in the concept of index to be referred to, the Board of Directors shall determine another index to be referred to.

- (f) A Share Acquisition Rights Holder must be in a position of director or employee of the Company or its subsidiary (collectively, the “Required Position”) until the time of exercise of the share acquisition rights on a continuing basis.
- (g) With regard to Share Acquisition Rights Holders, there must not be a situation where dismissal of the Share Acquisition Rights Holder has been adopted at a general meeting of shareholders of the relevant subsidiary of the Company, or where punitive dismissal of the Share Acquisition Rights Holder has been decided pursuant to the rules of employment of the Company or its subsidiary, or a similar situation, as of the time of exercise of the share acquisition rights.
- (h) Share acquisition rights may be exercised even when a Share Acquisition Rights Holder has lost the Required Position, if the reason for the loss of the Required Position is mandatory retirement at the age limit, retirement because of reaching contractual age-limit, retirement assigned by company, retirement mainly because of physical disability resulting from occupational injury or illness, dismissal because of unavoidable operational reason (layoff) or resignation or retirement similar to these. In this case, the following shall apply notwithstanding (f) above:
  - (1) If a Share Acquisition Right Holder loses the Required Position during the period from the Allotment Date to April 1, 2029, and all of the conditions (i) and (ii) specified in (e) above (or, if a significant change occurs in the concept of the reference index to be used pursuant to the provisions of (e) above and a separate reference index is determined by the Board of Directors, the conditions based on such separate reference index; hereinafter referred to as the “Performance Achievement Conditions”) are satisfied, the Share Acquisition Right Holder may exercise the rights only until the date two years after April 2, 2029, up to the number calculated based on the formula below (any fraction less than one shall be rounded down).

$$\text{Number of exercisable share acquisition rights} = \text{Limit number of (e) above} \times \frac{\text{The number of days from the allotment date to the date of loss of the Required Position}}{\text{The number of days from the allotment date to April 1, 2029}}$$

- (2) If all Performance Achievement Conditions are satisfied and the Share Acquisition Right Holder loses the Required Position during the Fourth Period, the Share Acquisition Right Holder may exercise the maximum number of share acquisition rights provided for in (e) above only until the earlier of the date two years after the date of loss of the Required Position or March 31, 2044.
  - (3) In addition to (1), if a Share Acquisition Right Holder loses the Required Position during the First Period, the Share Acquisition Right Holder may exercise the maximum number of share acquisition rights provided for in (b) above only until the date two years after the date of loss of the Required Position.
  - (4) In addition to (1) or (2), if a Share Acquisition Right Holder loses the Required Position during the Second Period, the Share Acquisition Right Holder may exercise the share acquisition rights only until the date two years after the date of such loss of the Required Position, up to the maximum number provided for in (c) above.
  - (5) In addition to (2), if a Share Acquisition Right Holder loses the Required Position during the Third Period, the Share Acquisition Right Holder may exercise share acquisition rights up to the maximum number provided for in (d) above only until the earlier of the date two years after the date of loss of the Required Position or March 31, 2044.
- (i) Share acquisition rights may not be exercised by inheritors of share acquisition rights.
  - (j) Any fraction of a share acquisition right less than one (1) may not be exercised.
- (ix) Handling of fractions of less than one (1) share resulting from exercise of share acquisition rights
- Any fraction of less than one (1) share included in the number of shares to be delivered to a Share Acquisition Rights Holder who exercised share acquisition rights shall be discarded.

(4) Other matters regarding share acquisition rights

If there are finer details of the aforementioned or any other matters relating to the subscription of share acquisition rights, these shall be determined by the Board of Directors of the Company or by executive officers of the Company who have been delegated by resolution of the Board of Directors.

(5) Miscellaneous

Unless otherwise provided for, if a corresponding date in this guidance falls on a Saturday, Sunday, or public holiday (hereinafter referred to as a “holiday”), that corresponding date shall be the preceding non-holiday business day.

(Reference)

The Sumida Group formulated the Mid-Term Business Plan covering the three-year period from the fiscal year ending December 31, 2026 to the fiscal year ending December 31, 2028. In aiming to achieve the targets in the Mid-Term Business Plan, realize sustainable growth and enhance mid- and long-term corporate value, the Company plans to issue share acquisition rights to executive officers of the Company with terms and conditions for exercise that are similar to the incentive plan to directors and employees of the Company's subsidiaries as a medium-term incentive plan. With regard to share acquisition rights to be allotted to executive officers of the Company, the paid-in amount will be the amount obtained by multiplying the fair value of a share acquisition right calculated by the formula of the Black-Sholes Model by the number of share acquisition rights to be allotted to each executive officer. Incidentally, the Compensation Committee will, on the condition that this agenda item is approved and adopted, grant to each executive officer remuneration at the same amount as the amount to be paid in, where each executive officer's right to claim the remuneration from the Company and each executive officer's obligation to pay the amount to be paid in will offset each other. In addition, the details of share acquisition rights regarding specifics of individual remuneration, etc. of executive officers will be similar to those set forth in 2. (3) above.

# Business Report

for the 71st term

(January 1 to December 31, 2025)

Kanji Hori  
Representative Executive Officer and CEO  
SUMIDA CORPORATION

## **Business Report**

(January 1 to December 31, 2025)

### **1. Matters Concerning the Current Status of the Sumida Group**

#### **(1) Business conditions for the fiscal year under review**

##### **(i) Progress and results of the business**

For the fiscal year ended December 31, 2025, while the military conflict between Russia and Ukraine remained at a stalemate, geopolitical tensions are also rising in the Middle East and Central America. We see the business environment continues to be highly uncertain. In the United States, based on various economic indicators, corporate earnings have been squeezed by the impact of tariffs, and the employment conditions have deteriorated. We also see that consumer sentiment is worsening due to heightened concerns about cost-push inflation caused by tariffs. In Europe, although it seemed the signs of recovery appeared in the manufacturing sector, there are still uncertainties such as the outcome of tariff negotiations with the United States, and it is expected to take some more time for a full economic recovery. In China, while domestic demand is being stimulated by subsidies for replacing durable consumer goods, there are also moves to diversify export destinations to ASEAN countries. In terms of monetary policy, the U.S. Federal Reserve conducted a total of three interest rate cuts in response to worsening employment conditions, while the European Central Bank implemented a total of eight rate cuts since last year and has kept rates unchanged since the July meeting. In addition, following the interest rate increase implemented in January 2025, the Bank of Japan raised interest rates again in December.

Approximately 60% of the Sumida Group's revenue comes from automotive-related applications. Global automobile sales are growing, which is driven by China. In China, the market has expanded, particularly for xEVs, with fierce price competition among manufacturers. Now the government is trying to curb excessive price competition and to normalize payment terms. In addition, while new energy vehicles continue to hold a high share of new car sales, there are concerns about production overcapacity. In the United States, automobile sales remain stable, while in Europe, they are declining due to deteriorating consumer sentiment.

Regarding the impact of the United States administration's tariff policy on our business, we are closely monitoring the parties that will ultimately bear the additional costs due to tariffs. In the Group, there are few transactions where the Group directly bears the tariffs upon delivery. Therefore, we believe that the direct impact of tariffs on the Group is minimal. On the other hand, indirect impacts may happen. If consumers bear the additional costs due to tariffs, final demand may decrease, and if the industry sectors bear the costs, there may be downward pressure on prices at each stage of the supply chain. In addition, we are also closely monitoring exchange rate fluctuations. Furthermore, in the fiscal year under review, the United States accounted for about 20% of the Group's total revenue.

Our Group has long recognized geopolitical risks as business risks and analyzes policies such as tariff hikes in various countries, export controls based on security trade regulations, and transaction restrictions on emerging technologies, while also reviewing transaction structures and supply chains as needed to reduce their impact on our business. We are also diversifying risks by producing products at multiple production sites. As part of these efforts, we have established a local production and consumption system that can complete design, manufacturing, and sales

within each region of Asia, Europe, and North America. We aim to respond flexibly to customer demands while leveraging this local production and consumption system in a rapidly changing environment.

In the fiscal year under review, the business structure reform in Europe was completed as planned. The optimization of indirect manufacturing costs in China is also progressing as planned. In light of the increasing uncertainty in the business environment, we are striving to further improve the break-even point through further cost reductions.

In addition to the improvement in the break-even point, the Group is also working to diversify its revenue sources. As part of this effort, on October 1, 2025, we acquired 80% of the issued shares of Schmidbauer Transformatoren- und Gerätebau GmbH (hereinafter “Schmidbauer”), headquartered in Germany, making it a subsidiary. Schmidbauer develops, manufactures, and specializes in selling large-scale coil products for the industrial sectors including wind power, solar, energy storage, railway, testing equipment, ship and defense. As a family-owned business Schmidbauer faces some hurdles in expanding its manufacturing sites, thus sought for business partner with global manufacturing footprint. Schmidbauer capitalizes on significant growth potential across high power applications, renewable energy, military and non-road mobile machinery markets. While the Group has similarly supplied products in these fields to date, differences in product size mean that the customer bases of the two are largely non-overlapping. By producing Schmidbauer’s products at the Group’s manufacturing bases in Eastern Europe, Asia, and North America and selling them in those regions, we aim to expand into the countries and regions that are untapped by Schmidbauer. At the same time, by mutually utilizing the specialized technologies of both companies in product development and manufacturing, we will strengthen quality, reliability, and efficiency, and expand into application markets that were previously untapped by both parties.

The Group’s financial results for the fiscal year under review are as follows. Revenue increased by 2.2% from the previous fiscal year to 147,194 million yen and operating profit increased by 64.8% from the previous fiscal year to 7,439 million yen. During the fiscal year under review, we agreed with certain customers that the Group would receive indemnification for decreases in order volumes, resulting in a one-time increase in profit of 1,007 million yen. In comparison with the previous fiscal year, business restructuring expenses of 1,086 million yen recorded in the previous fiscal year became a one-time increase in profit. In addition, the factors for the year-on-year changes in operating profit include; the impact of decreased revenue (a 3,793 million yen decrease in profit), the decreased fixed costs due to higher production volume (a 2,281 million yen increase in profit), the decreased indirect manufacturing costs (a 1,008 million yen increase in profit), and the decrease in wage (a 562 million yen increase in profit). The cost reductions from the business structure reform in Europe are mainly included in the decrease in wage. Meanwhile, due to the impact of interest payments and other factors, net profit before taxes increased by 272.9% from the previous fiscal year to 4,830 million yen and net profits for the year attributable to owners of parent increased by 512.4% from the previous fiscal year to 3,618 million yen, in part due to a negative 2,608 million yen associated with net finance income/finance expenses largely in relation to interest payments.

(Million yen)

		1st quarter	2nd quarter	3rd quarter	4th quarter
Revenue		35,390	35,779	36,906	39,117
Operating profit		1,236	2,128	2,124	1,950
Operating profit ratio		3.5%	5.9%	5.8%	5.0%
Exchange rates during the fiscal term (Yen)	U.S. dollars	154.16	145.72	146.79	152.73
	euro	160.95	162.65	170.83	177.70
	yuan	21.17	20.11	20.49	21.48
	Hong Kong dollars	19.82	18.70	18.74	19.64

(Reporting segment information)

The following is the business performance in the fiscal year under review by reporting segment.

### 1) Asia Pacific Business

In the Asia Pacific Business, while demand for automotive-related products in China declined, demand for industry-related products in the other parts of Asia and North America increased. Revenue increased by 4.6% year on year to 99,035 million yen. The optimization of indirect manufacturing costs in China is also progressing as planned. In addition, there was an increase in revenue due to a one-time factor stemming from an agreement with a certain customer for the Group to receive indemnification for decreases in order volumes. Segment profit increased 50.9% year on year to 4,748 million yen.

### 2) EU Business

In the EU Business, demand for rapid charging infrastructure for xEVs and solar power-related products significantly decreased. Revenue increased by 0.9% from the previous fiscal year to 56,756 million. Amidst these circumstances, the business structure reforms decided in the previous fiscal year were completed as planned and contributed to profit generation. Segment profit increased by 27.0% year on year to 3,403 million yen.

Business segment	Revenue (million yen)
Asia Pacific Business	99,035
EU Business	56,756
Intersegment revenue and transfers	(8,597)
Total	147,194

(Status by market)

### 1) Automotive market

Due to the significant growth of local manufacturers in China and the stagnation of European manufacturers, demand for the Group's products for European manufacturers in China remained sluggish. Demand was also sluggish in North America. Automotive-related revenue decreased by 2.8% from the previous fiscal year to 85,415 million yen.

## 2) Industry market

In Europe, demand for rapid charging infrastructure for xEVs and solar power-related products decreased. On the other hand, demand for solar power and battery storage-related products increased in North America and Asia (excluding China). As a result, industry-related revenue increased by 8.3% from the previous fiscal year to 39,312 million yen.

## 3) Consumer electronics market

There was an increase in revenue due to a one-time factor stemming from an agreement with a certain customer for the Group to receive indemnification for decreases in order volumes. Demand for products related to notebook PCs, tablet devices, and smartphones remained firm, partly driven by the recent launch of generative AI-powered models. As a result, revenue from consumer electronics-related products increased by 13.6% from the previous fiscal year to 22,466 million yen.

(Million yen)

	FY2024	FY2025	Change (%)
Automotive market	87,893	85,415	(2.8)%
Industry market	36,314	39,312	8.3%
Consumer electronics market	19,770	22,466	13.6%

## Financial position

### (Assets)

Total assets at the end of the fiscal year under review were 163,656 million yen, up 15,890 million yen from the end of the previous fiscal year. This was mainly due to an increase in Schmidbauer-related assets following its consolidation as a subsidiary and an increase in the valuation of euro-denominated assets caused by the appreciation of the euro against the yen during the period under review.

Cash and cash equivalents at the end of the fiscal year under review was 6,129 million yen, up 1,843 million yen from the end of the previous fiscal year. In regard to funds on hand, in light of the risk of a reduction in capital efficiency due to funds stagnating at each consolidated subsidiary in Japan and overseas, we set a minimum amount of funds on hand for major subsidiaries. We are working to reduce the surplus funds and reduce loans payable for the entire group by comparing that set amount with the actual amount of funds on hand each month. In addition, we manage funds by issuing rolling forecasts out to three months ahead on a monthly basis.

### (Liabilities)

Total liabilities at the end of the fiscal year under review were 98,302 million yen, up 11,450 million yen from the end of the previous fiscal year. This was mainly due to an increase in Schmidbauer-related liabilities following its consolidation as a subsidiary, and an increase in the valuation of euro-denominated liabilities caused by the appreciation of the euro against the yen during the period under review, as well as changes in the balance from borrowings and repayments of interest-bearing debts and decreases associated with the utilization of provisions for their intended purposes.

Net interest-bearing debts at the end of the fiscal year under review increased by 2,110 million yen from the end of the previous fiscal year to 50,252 million yen. The net DE ratio was 0.81

at the end of the fiscal year under review, down 0.01 points from the end of the previous fiscal year. As of the end of the fiscal year under review, short-term interest-bearing debts (including current portion of long-term debt) were 40,960 million yen, while long-term interest-bearing debts were 15,421 million yen. Of the Group's debts, approximately 85% are variable interest and approximately 15% are fixed interest.

Given that a significant portion of Group-held assets are denominated in foreign currencies, the Group has, in principle, been implementing financing in local currencies in order to reduce impact of foreign exchange, while optimizing fund procurement by considering interest costs. Approximately 78% of total debts are foreign-currency-denominated debts, and the average interest rate on debts is 3.5%.

The Sumida Group regularly holds meetings with key banks and has built good relationships with those banks. The open commitment line from financial institutions has been maintained at 11.0 billion yen, all of which is unused. The Group will work to increase its profitability and strengthen its financial structure over the medium term, with the objectives of gaining credit ratings and ensuring more options when it comes to fundraising approaches.

(Equity)

Total equity at the end of the fiscal year under review rose 4,439 million yen from the end of the previous fiscal year to 65,354 million yen. Due to factors such as the recording of net profits for the year, dividends paid, a decrease in capital surplus due to the recognition of a written put option granted to non-controlling shareholders who continue to hold shares in Schmidbauer, and the recording of other comprehensive income primarily attributable to changes in exchange differences on translation of foreign operations, total equity attributable to owners of parent at the end of the fiscal year under review was 62,008 million yen. The ratio of equity attributable to owners of parent was 37.9% at the end of the fiscal year under review, compared to 39.7% at the end of the previous fiscal year. Equity attributable to owners of parent per share at the end of the fiscal year under review amounted to 1,875.53 yen from 1,774.64 yen at the end of the previous fiscal year.

Reference: Year-end exchange rate

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
U.S. dollars/yen	156.15	156.59
euro/yen	162.70	183.58
yuan/yen	21.34	22.38
Hong Kong dollars/yen	20.11	20.12

(ii) Plant and equipment investment

The Group continuously makes investments to launch new products, increase production volume, rationalize production, improve quality, enhance research and development, and pursue other initiatives. In the fiscal year under review, we had planned for total plant and equipment investment of 8,600 million yen. Given delays in projects for which we had already secured orders and an environment in which order volumes are declining and it is difficult to foresee the profitability of investments to improve production efficiency, we carried out investments only after more rigorously reviewing their profitability. As a result, total plant and equipment investment amounted to 6,233 million yen, which included 3,862 million yen in the Asia Pacific Business and 2,370 million yen in the EU Business.

The breakdown of plant and equipment investment for the fiscal year under review was 56% for new products, 24% for increasing production, 10% for improving productivity and upgrading plants and equipment, and 10% for others.

(iii) Fund procurement

1) Loan commitment agreements

In order to raise working capital effectively, the Group has concluded loan commitment agreements with seven of its financing banks during the fiscal year under review. Total amount specified in loan commitment agreements, outstanding borrowings and unused loan commitments at the end of the fiscal year under review are as follows:

(Million yen)

Total amount specified in loan commitment agreements	3,000
Outstanding borrowings	—
Unused loan commitments	3,000

2) Multi-currency commitment line agreements

In order to make it possible to raise working capital effectively, the Group has concluded U.S. dollar, euro and yen multi-currency commitment line agreements with seven of its financing banks. Total amount specified in multi-currency commitment line agreements, outstanding borrowings and unused multi-currency commitment lines based on the said agreements at the end of the fiscal year under review are as follows:

(Million yen)

Total amount specified in multi-currency commitment line agreements	8,000
Outstanding borrowings	—
Unused multi-currency commitment lines	8,000

**(2) Summary of assets, profit and losses**

	68th term (ended Dec. 2022)	69th term (ended Dec. 2023)	70th term (ended Dec. 2024)	71st (current) term (ended Dec. 2025)
Revenue (million yen)	138,600	147,672	143,978	147,194
Operating profit (million yen)	8,189	8,564	4,513	7,439
Net profits for the year attributable to owners of parent (million yen)	5,099	5,064	590	3,618
Basic earnings per share (yen)	187.54	167.46	17.96	109.47
Total assets (million yen)	134,846	142,786	147,766	163,656
Total equity (million yen)	48,877	57,312	60,915	65,354
Equity attributable to owners of parent per share (yen)	1,722.08	1,687.39	1,774.64	1,875.53
ROE (Return on equity attributable to owners of parent) (%)	12.0	9.9	1.0	6.0

Note:

Basic earnings per share is calculated based on the average number of shares issued in each fiscal term, and equity attributable to owners of parent per share is calculated based on the total number of shares issued at the end of each fiscal term.

In calculating basic earnings per share and equity attributable to owners of parent per share, treasury shares are excluded from the average number of shares issued during each fiscal term and from the total number of shares issued at the end of each fiscal term.

### (3) Significant matters of the parent company and subsidiaries

(i) Parent company

There were no relevant issues.

(ii) Significant subsidiaries

Company name	Capital		Voting rights of the Company (%)	Key business
Sumida Electric Co., Ltd.	460,000	thousand yen	100	Manufacture, sale and research & development of coils
Dongguan Sumida (Tai Ping) Electric Co., Ltd.	305,000	thousand Hong Kong dollars	100 (100)	Manufacture of coils
SUMIDA ELECTRIC (GUANGXI) CO., LTD.	20,000	thousand Hong Kong dollars	100 (100)	Manufacture of coils
Sumida Electric (H.K.) Company Limited	927,000	thousand Hong Kong dollars	100 (100)	Manufacture and research & development of coils
SUMIDA TRADING PTE. LTD.	6,000	thousand Singapore dollars	100	Sale of coils
SUMIDA TRADING (SHANGHAI) COMPANY LIMITED	12,070	thousand yuan	100 (100)	Sale of coils
TAIWAN SUMIDA TRADING COMPANY LIMITED	30,000	thousand Taiwan dollars	100	Sale of coils
SUMIDA TRADING (KOREA) COMPANY LIMITED	2,000,000	thousand Korea won	100	Sale of coils
SUMIDA Europe GmbH	25	thousand euro	100	Control of the EU Business
SUMIDA Components GmbH	105	thousand euro	98.1 (98.1)	Manufacture and sale of coils
SUMIDA AG	7,344	thousand euro	98.1 (98.1)	Intermediate holding company of the EU Business
SUMIDA Components & Modules GmbH	25	thousand euro	98.1 (98.1)	Manufacture, sale and research & development of coils
SUMIDA Lehesten GmbH	25	thousand euro	98.1 (98.1)	EMS
SUMIDA ROMANIA S.R.L.	3,101	thousand euro	98.1 (98.1)	Manufacture of coils
SUMIDA electronic Shanghai Co., Ltd.	37,904	thousand yuan	98.1 (98.1)	Manufacture and sale of coils
SUMIDA COMPONENTS DE MEXICO, S.A. DE C.V.	50	thousand Mexico peso	72.3 (72.3)	Manufacture of coils
SUMIDA Slovenija, d.o.o.	503	thousand euro	72.3 (72.3)	Manufacture of coils

Company name	Capital		Voting rights of the Company (%)	Key business
vogtronics GmbH	25	thousand euro	72.3 (72.3)	Manufacture and sale of coils
Schmidbauer Transformatoren- und Gerätebau GmbH (Note 2)	255	thousand euro	78.4 (78.4)	Manufacture, sale and development of coils
VOGT electronic Miesau GmbH	5,000	thousand euro	98.1 (98.1)	Intermediate holding company
SUMIDA flexible connections GmbH	25	thousand euro	98.1 (98.1)	Manufacture and sale of flat cables
SUMIDA FLEXIBLE CONNECTIONS ROMANIA S.R.L.	156	thousand euro	98.1 (98.1)	Manufacture and sale of flat cables
Sumida Electric (Thailand) Co., Ltd.	275,000	thousand baht	100	Development, manufacture and sales of power electronics related coils
ISMART GLOBAL LIMITED	6,308	thousand euro	100	Intermediate holding company
Sumida Finance B.V.	20	thousand euro	100	Financial control company
SUMIDA ELECTRONIC VIETNAM CO., LTD.	5,000	thousand U.S. dollars	100	Manufacture of coils
Sumida Electric (Changde) Co., Ltd.	37,664	thousand yuan	100 (100)	Manufacture of coils
Sumida Electric (JI'AN) Co., Ltd.	193,537	thousand yuan	100 (100)	Manufacture of coils
Guangzhou Sumida Electric Co., Ltd.	376,040	thousand yuan	100 (100)	Manufacture of coils
SUMIDA Electronic SuQian Co., Ltd.	4,500	thousand yuan	98.1 (98.1)	Manufacture of coils
SUMIDA ELECTRONIC QUANG NGAI CO., LTD.	22,500	thousand U.S. dollars	100	Manufacture of coils
SUMIDA INSURANCE CORPORATION	5,000	thousand U.S. dollars	100	Control and management of group insurance
SUMIDA AMERICA HOLDINGS INC.	100	thousand U.S. dollars	100	Intermediate holding company
Sumida America Inc.	6,350	thousand U.S. dollars	100 (100)	Manufacture, sale and research & development of coils
Sumida Electric (India) Private Limited	30,000	thousand Indian rupee	100	Sale of coils

Notes:

1. Figures shown in parentheses in the column of voting rights are the percentages held indirectly.
2. On October 1, 2025, we acquired 80% of the total number of issued shares of Schmidbauer Transformatoren- und Gerätebau GmbH, making it a subsidiary.

#### **(4) Issues to address**

In February 2024, the Company announced its Mid-term Business Plan 2024-2026, spanning the three-year period from 2024 to 2026. This plan positioned green energy-related as a pillar of growth and anticipated substantial increases in both revenue and profit. However, from early 2024, the suspension of EV subsidies in Europe and shifts in U.S. environmental policies caused a rapid change in market conditions. As we expanded facilities and increased personnel to boost production, our break-even point rose, while project delays and declining demand put pressure on earnings. Amid these circumstances, with a focus on improving our break-even point and diversifying revenue sources, we reduced headcount in Europe and China and, in October 2025, acquired Schmidbauer, which complements our operations in the industry domain. As described above, both the business environment and our initiatives have changed significantly from our initial assumptions. We therefore recognize it as our responsibility to present an updated growth strategy grounded in our current understanding of the business environment and to execute it steadily.

- (i) **Driving our Niche Top Strategy toward our vision for 2035, “Top Position in Multiple Niches”**  
We recognize that by 2035, trends in areas such as the environment, technology, geopolitics, and demographics will affect our business. We believe these trends can pose both opportunities and risks for our business. Since our founding, we have supplied coil products that are essential to all kinds of electronic devices. Guided by our management philosophy of “connecting technology to people,” we have leveraged our technical capabilities and global footprint to respond sincerely to each and every customer request. This track record has created a virtuous cycle in which past business leads to inquiries for subsequent projects. We regard these attributes as our strengths.

In light of these trends, our management philosophy, and our strengths, we set our vision for 2035 as “Top Position in Multiple Niches.” We will drive our Niche Top Strategy to realize this vision. Under this strategy, we will strengthen our earnings base and pursue growth driven by megatrends while aiming for the top position in multiple niche markets.

Vision for 2035: “Top Position in Multiple Niches”

Niche:	Markets that require highly customized products in which we can differentiate ourselves by leveraging our strengths
Top Position:	Achieving a market share of 50% or more and thereby establishing the number-one position in that market
Multiple:	Holding number-one positions in multiple markets

Niche Top Strategy

1. **High capital efficiency:** Strengthen cash generation capabilities in existing business areas. Achieve higher efficiency by pursuing faster operations.
2. **Megatrends:** Win projects in application markets aligned with megatrends. In addition to conventional green energy-related fields (xEV, renewable energy), these include power grids, transportation, data centers, medical, and robotics.
3. **New business:** Turn proprietary technology developed in-house into products. Create new markets by delivering value that is hard to copy. Apply VP coil technology to healthcare, and apply quantum sensing technology to advanced measurement.

As part of our Niche Top Strategy toward 2035, we have set new initiatives and quantitative targets to be achieved by 2028 under the Mid-term Business Plan 2026-2028, and will carry out these initiatives.

#### Mid-term Business Plan 2026-2028

##### [Driving the Niche Top Strategy]

1. High capital efficiency: Speed up processes, improve the break-even point, and repurpose resources
2. Megatrends: Green energy-related fields, power grids, transportation, data centers, healthcare, robotics, and others
3. New business: Create synergies with Schmidbauer

[Regional strategy] A “local production and consumption” system in which the three functions of sales, development, and manufacturing are completed and integrated within each region, enabling us to respond quickly to local needs.

Europe: Schmidbauer’s PMI and winning projects in new domains

Asia: Optimizing production capacity, winning local projects in China, winning projects in India, and expanding production capacity in Vietnam

North America: Strengthening the research and development system and strengthening the production framework

##### [Numerical targets]

- Aim for revenue of 165.0 billion yen, operating profit of 10.0 billion yen, and basic earnings per share (EPS) of 174.0 yen by FY2028.
- Aim for return on invested capital (ROIC) of 6.7% by FY2028.

#### (ii) Continuing focus on strengthening corporate governance system

In 2003, to make clear the separation of management and supervision, the Company changed into a company with committees, etc. as the first listed company in Japan. Furthermore, six of our eight directors are outside directors with diversified expertise, two of whom are female directors and two of whom are foreign directors from Europe and China, where the Company does a relatively large proportion of its business. The Company has been working to further strengthen corporate governance including such structure of the Board of Directors.

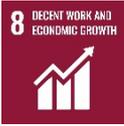
#### (iii) ESG initiatives

The Sumida Group’s mission is to continue providing solutions which enable the development of environmentally friendly products and technologies and improve our quality of life. We recognize that fulfilling this mission with Sumida Group products continuing to make a major contribution to energy savings and decarbonization is an important issue.

[Most important issues]

1. To contribute to reducing CO2 through Sumida Group's technology development and products.
2. To carry out business operations while promoting the effective use of resources, reduction of waste, and the use of alternative energy.
3. To continue efforts to achieve the 17 sustainable development goals formulated by the United Nations Development Programme together with all Sumida Group's stakeholders.

The Sumida Group is targeting a 42% reduction in greenhouse gas emissions (SCOPE 1&2) in FY2030 compared to FY2022. In FY2024, we reduced emissions by 30.2% compared with FY2022.

<b>Environment (E)</b>	
<p><b>Take care of the earth and its resources</b></p> <ol style="list-style-type: none"> <li>i. Improve energy efficiency</li> <li>ii. Reduce waste and recycle resources</li> <li>iii. Adopt sustainable energy</li> <li>iv. Use sustainable resources</li> <li>v. Prevent pollution</li> </ol>	    
<b>Society (S)</b>	
<p><b>Become a company that is respected by society</b></p> <ol style="list-style-type: none"> <li>i. Labor and human rights</li> <li>ii. Develop new technologies and solutions for a sustainable future</li> <li>iii. Recruit, develop and retain talented personnel</li> <li>iv. Consolidate a responsible supply chain</li> <li>v. Contribute to society</li> </ol>	   
<b>Governance (G)</b>	
<p><b>Conduct business activities with high integrity and durability</b></p> <ol style="list-style-type: none"> <li>i. Compliance and risk management</li> <li>ii. Product quality and security</li> <li>iii. IT security</li> <li>iv. Transparency</li> <li>v. CSR promotion and training</li> </ol>	  

**(5) Major business lines (as of December 31, 2025)**

The Group engages in design, manufacture and sales of coil-related parts and module products. The Group's products are incorporated into a wide range of electronic devices, including those related to the automotive, industry, and consumer electronics domains. The Group's main products are as follows.

- |  |  |
|--|--|
| ▶ <b>Power Inductors &amp; RF Inductors</b><br>Surface Mount, Through Hole, LPF Coils for Digital Amplifiers, RF Chip Inductors                      | ▶ <b>Sensors &amp; Actuators</b><br>Rotor Position Sensors, ABS Coils, Solenoid Coils  |
| ▶ <b>Power Transformers</b><br>Surface Mount, Through Hole, PoE Transformers, Switching Mode Power Supplies, Reactors, Wireless Power Transfer Coils | ▶ <b>Automotive Modules</b><br>Choke Modules for Inverters, Power Conversion, Filter Modules   |
| ▶ <b>Signal Magnetics</b><br>RF/Communication, RFID, Antennas, Others  | ▶ <b>Magnetic Materials, Ceramics, EMS &amp; Flexible Connections</b><br>Ceramic based Passive Components, Electronic Manufacturing Services (EMS), Flexible Flat Cables |
| ▶ <b>EMC Coils</b><br>AC Powerline, DC Powerline, Normal Mode Chokes, Common Mode Chokes   | ▶ <b>Components for Medical Equipment</b><br>Network Isolation Transformer, Isolation Transformer  |

**(6) Major business offices of the Sumida Group (as of December 31, 2025)**

**Headquarters:** Chuo-ku, Tokyo (the Company)

**Business supervising companies:**

SUMIDA Europe GmbH (Germany), SUMIDA AG (Germany), Sumida Finance B.V. (Netherlands), SUMIDA INSURANCE CORPORATION (Micronesia), SUMIDA AMERICA HOLDINGS INC. (U.S.)

**Domestic sales offices:**

Sumida Electric Co., Ltd. (Natori-shi [Miyagi], Chuo-ku [Tokyo], Saitama-shi [Saitama], Kawasaki-shi [Kanagawa], Komoro-shi [Nagano], Nagoya-shi [Aichi], Osaka-shi [Osaka])

**Overseas sales offices:**

Sumida Electric (H.K.) Company Limited (Hong Kong), SUMIDA TRADING PTE. LTD. (Singapore), Sumida America Inc. (U.S.), SUMIDA Components GmbH (Germany), SUMIDA TRADING (SHANGHAI) COMPANY LIMITED (China), SUMIDA Components & Modules GmbH (Germany), vogtronics GmbH (Germany), SUMIDA Lehesten GmbH (Germany), Schmidbauer Transformatoren- und Gerätebau GmbH (Germany), SUMIDA flexible connections GmbH (Germany), SUMIDA TRADING (KOREA) COMPANY LIMITED (South Korea), TAIWAN SUMIDA TRADING COMPANY LIMITED (Taiwan), Sumida Electric (Thailand) Co., Ltd. (Thailand), SUMIDA electronic Shanghai Co., Ltd. (China), Sumida Electric (India) Private Limited (India)

**Domestic production bases:**

Sumida Electric Co., Ltd. (Mutsu-shi [Aomori], Komoro-shi [Nagano])

**Overseas production bases:**

Sumida Electric (H.K.) Company Limited (Hong Kong), Dongguan Sumida (Tai Ping) Electric Co., Ltd. (China), SUMIDA Components GmbH (Germany), SUMIDA Components & Modules GmbH (Germany), SUMIDA ROMANIA S.R.L. (Romania), SUMIDA COMPONENTS DE MEXICO, S.A. DE C.V. (Mexico), SUMIDA Slovenija, d.o.o. (Slovenia), SUMIDA Lehesten GmbH (Germany), SUMIDA electronic Shanghai Co., Ltd. (China), Schmidbauer Transformatoren- und Gerätebau GmbH (Germany), SUMIDA flexible connections GmbH (Germany), SUMIDA ELECTRIC (GUANGXI) CO., LTD. (China), Sumida Electric (Thailand) Co., Ltd. (Thailand), SUMIDA FLEXIBLE CONNECTIONS ROMANIA S.R.L. (Romania), SUMIDA ELECTRONIC VIETNAM CO., LTD. (Vietnam), Sumida Electric (JI'AN) Co., Ltd. (China), Sumida Electric (Changde) Co., Ltd. (China), Guangzhou Sumida Electric Co., Ltd. (China), SUMIDA Electronic SuQian Co., Ltd. (China), SUMIDA ELECTRONIC QUANG NGAI CO., LTD. (Vietnam), Sumida America Inc. (U.S.)

**Domestic R&D centers:**

Sumida Electric Co., Ltd. (Natori-shi [Miyagi], Chuo-ku [Tokyo], Komoro-shi [Nagano])

**Overseas R&D centers:**

Sumida Electric (H.K.) Company Limited (Hong Kong), Sumida America Inc. (U.S.), SUMIDA Components GmbH (Germany), SUMIDA Components & Modules GmbH

(Germany), Schmidbauer Transformatoren- und Gerätebau GmbH (Germany), SUMIDA flexible connections GmbH (Germany)

**(7) Employees (as of December 31, 2025)**

(i) Employees of the Sumida Group

Business segments	Number of employees	Changes from the end of the previous fiscal year
Asia Pacific Business	12,408	Increase by 456
EU Business	2,467	Decrease by 149
Company-wide (common)	89	Decrease by 5
Total	14,964	Increase by 302

Notes:

1. The number of employees is the number of persons who engage in work in the Sumida Group.
2. “Company-wide (common)” indicates the number of employees posted in Sumida Electric (H.K.) Company Limited and the Service Department of Sumida Electric Co., Ltd., which carry out a headquarter and support function.
3. The number of employees includes those in the consigned processing companies.

(ii) Employees of the Company

The Company is a pure holding company and it has no employees.

**(8) Major lenders (as of December 31, 2025)**

Lenders	Amount borrowed (million yen)
Sumitomo Mitsui Banking Corporation	18,476
MUFG Bank, Ltd.	11,110
Mizuho Bank, Ltd.	6,939
Sumitomo Mitsui Trust Bank, Limited	5,501
The 77 Bank, Ltd.	3,000
Resona Bank, Limited	2,400

## **(9) Basic strategy for capital policy and policy on determination of dividends of surplus**

### **(i) Basic strategy for capital policy**

In regard to funds on hand, in light of the risk of a reduction in capital efficiency due to funds stagnating at each consolidated subsidiary in Japan and overseas, the Group set a minimum amount of funds on hand for major subsidiaries and is working to reduce the surplus funds and reduce loans payable for the entire group by comparing that set amount with the actual amount of funds on hand each month. While the Group strives to minimize amounts of funds on hand, it has also established an open commitment line with financial institutions. The open commitment line amounts to 11.0 billion yen at the end of the fiscal year under review, all of which is unused.

The net DE ratio was 0.81 at the end of the fiscal year under review. From the standpoint of optimizing our cost of capital, we plan over the medium term to improve our financial position with a target net DE ratio of 0.6. However, if opportunities arise for growth investments such as M&A, we intend to permit a temporary increase in the net DE ratio up to 1.0.

The Group builds good relationships with key banks by regularly holding meetings with them in seeking to maintain and improve the Company's credit ratings with the respective banks. The Group will work to increase its profitability and strengthen its financial structure over the medium term, with the objectives of gaining credit ratings and ensuring more options when it comes to fundraising approaches.

### **(ii) Source of capital and liquidity of funds**

The Sumida Group's main fund requirements are for operating expenses such as material costs, personnel expenses, and selling, general and administrative expenses as well as for investment in non-current assets, etc. Fund requirements are mainly covered by the Company's own funds, with loans from banks, etc. raised as required.

The Group has long engaged in practices to ensure fund transparency and accordingly manages the movement of funds and outstanding balances of Group companies enlisting a global cash management system. Moreover, the Group manages funds by issuing rolling forecasts out to three months ahead on a monthly basis.

### **(iii) Policy on determination of dividends of surplus**

The Company's basic policy for the return of profits to shareholders is to deliver dividends in consideration of a consolidated dividend payout ratio (30% or more) with top priority on the profit distribution through dividends. When it is inappropriate to deliver dividends in accordance with the basic policy based on actual consolidated business results, the Company will work to enhance shareholder returns up to the amount of distributable surplus after considering Dividend on Equity (DOE) of 3% and other measures. The Company stipulates in the Articles of Incorporation that it may allocate dividends of surplus upon a resolution of the Board of Directors, and it is the Company's basic policy to pay dividends twice a year, once at the interim and once at the end of the fiscal year. In addition, the Company's policy is to pay its year-end dividend in a manner taking into consideration the actual consolidated business results at the end of the fiscal year while ensuring that the annual dividend aligns with the above dividend policy. The Company will utilize internal reserve funds to strengthen its financial structure and keep growth power for the future.

Dividends of surplus for the fiscal year under review is as follows:

Date of Board of Directors resolution	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Date of commencement of payment
July 31, 2025	859	26.00	June 30, 2025	August 27, 2025
February 20, 2026	892	27.00	December 31, 2025	March 6, 2026

Note:

Pursuant to Article 459 of the Companies Act, the Company stipulates in the Articles of Incorporation that it shall be entitled to allocate dividends of surplus on predetermined record dates (June 30 and December 31) by a resolution of the Board of Directors.

## 2. Matters Concerning the Company

### (1) Shares of the Company (as of December 31, 2025)

- (i) Number of shares issuable: 70,000,000 shares
- (ii) Total number of shares issued: 33,109,717 shares (including treasury shares)
- (iii) Number of shareholders as of December 31, 2025: 22,030
- (iv) Major shareholders (top 10 shareholders, excluding treasury shares)

Name of shareholders	Number of shares held (thousand shares)	Ratio of the number of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,951	14.97
Custody Bank of Japan, Ltd. (Trust Account)	1,739	5.26
STATE STREET BANK AND TRUST COMPANY 505223	1,310	3.96
Yawata Building Co., Ltd.	1,112	3.36
Yawata Zaidan Limited	759	2.29
Tetsuo Sato	720	2.17
JP MORGAN CHASE BANK 385781	422	1.27
JPMorgan Securities Japan Co., Ltd.	370	1.12
JP JPMSE LUX RE BARCLAYS CAPITAL SEC LTD EQ CO	341	1.03
THE BANK OF NEW YORK MELLON 140040	319	0.96

Note:

The ratio of the number of shares held has been calculated excluding treasury shares (47,763 shares).

- (v) Other significant matters concerning shares  
There were no relevant issues.

## (2) Matters concerning the Company's share acquisition rights

- (i) Share acquisition rights granted to and held by officers of the Company as compensation for exercise of their duties at the end of the fiscal year under review

Date of resolution to issue	March 25, 2021 Resolution at the Compensation Committee	March 27, 2024 Resolution at the Compensation Committee
Class of share subject to share acquisition rights	Ordinary shares	Ordinary shares
Number of shares subject to share acquisition rights	111,700 shares	146,800 shares
Amount to be paid in per share upon exercise of share acquisition rights	1 yen	1 yen
Exercise period of share acquisition rights	from April 1, 2024 through March 31, 2033	from April 1, 2027 through March 31, 2036
Issue price and amount to be accounted for as stated capital in the case shares are issued upon exercise of share acquisition rights (yen)	Issue price: 993.75 yen Amount to be accounted for as stated capital: 496.88 yen	Issue price: 885 yen Amount to be accounted for as stated capital: 443 yen
Terms and conditions for exercising share acquisition rights	(Note 1)	(Note 2)
Status of share acquisition rights held by officers	Directors and executive officers (excluding outside directors)	Number of share acquisition rights: 270 units Number of shares subject to share acquisition rights: 27,000 shares Number of holders: 1
		Number of share acquisition rights: 1,468 units Number of shares subject to share acquisition rights: 146,800 shares Number of holders: 4

Note 1:

Terms and conditions for exercising share acquisition rights

- (a) Provided that the two conditions of (i) the operating profit recorded in the consolidated statement of profit or loss in the annual securities report (hereinafter referred to as "Performance Assessment Level") reaches 6,400 million yen or more, in any fiscal year of the Company, from the fiscal year ended December 31, 2021 to the fiscal year ended December 31, 2023 (hereinafter referred to as "Target Fiscal Years"), and (ii) the average return on invested capital during the Target Fiscal Years was 4.9% or higher, are met, the maximum number of share acquisition rights that each holder of the share acquisition rights may exercise shall be the number of share acquisition rights held by each holder multiplied by the exercisable ratio (calculated by dividing the largest amount achieved during the Target Fiscal Years (the Performance Assessment Level can only be a maximum of 10,000 million yen even if the operating profit recorded in the consolidated statement of profit or loss in the annual securities report exceeds 10,000 million yen) by 10,000 million yen (any fraction of less than one (1) unit shall be discarded)). However, if a significant change occurs in the concept of index to be referred to, the Board of Directors shall determine another index to be referred to.
- (b) Holder of the share acquisition rights must be in a position of executive officer or director of the Company or director or employee of the Company's subsidiaries (collectively referred to as "Required Position" in (d) below) until the time of exercise of the share acquisition rights on a continuing basis.
- (c) Holders of the share acquisition rights shall not be entitled to exercise such rights thereafter in the event of a violation of laws, regulations, or the company rules (including, but not limited to, cases where the grantee has been convicted, become liable for damage compensation as provided for in Article 423, paragraph (1) of the Companies Act, or has been dismissed or subjected to punitive dismissal).
- (d) Notwithstanding (b) above, share acquisition rights may be exercised even when a holder of the share acquisition rights has lost the Required Position, if the reason for the loss of the Required Position is resignation due to expiration of the term of office, retirement assigned by company, resignation mainly because of physical disability resulting from occupational injury or illness, resignation because of unavoidable operational reason or resignation or retirement similar to these. In this case, the holder may exercise share acquisition rights only from and including whichever is later of the date of loss of the Required Position or the commencement date of the Exercise Period, to and including the date on which two (2) years have elapsed from the aforesaid date on the condition that

the last day is on or before the expiration date of the Exercise Period. However, if the date of loss of the Required Position is prior to the commencement date of the Exercise Period, the number of share acquisition rights that can be exercised is calculated based on the following formula (any fraction of less than one (1) unit shall be discarded):

$$\begin{array}{r} \text{Number of} \\ \text{exercisable share} \\ \text{acquisition rights} \end{array} = \text{Limit number of (a) above} \times \frac{\begin{array}{l} \text{The number of days from the} \\ \text{allotment date to the date of loss of} \\ \text{the Required Position} \end{array}}{\begin{array}{l} \text{The number of days from the} \\ \text{allotment date to the day} \\ \text{immediately preceding the} \\ \text{commencement date of the Exercise} \\ \text{Period of the share acquisition rights} \end{array}}$$

- (e) Share acquisition rights may not be exercised by inheritors of share acquisition rights.
- (f) Any fraction of a share acquisition right less than one (1) may not be exercised.

Note 2:

Terms and conditions for exercising share acquisition rights

- (a) Provided that the two conditions of (i) the operating profit recorded in the consolidated statement of profit or loss in the annual securities report (hereinafter referred to as “Performance Assessment Level”) reaches 9,000 million yen or more, in any fiscal year of the Company, from the fiscal year ended December 31, 2024 to the fiscal year ending December 31, 2026 (hereinafter referred to as “Target Fiscal Years”), and (ii) the average return on invested capital during the Target Fiscal Years was 6.0% or higher, are met, the maximum number of share acquisition rights that each holder of the share acquisition rights may exercise shall be the number of share acquisition rights held by each holder multiplied by the exercisable ratio (calculated by dividing the largest amount achieved during the Target Fiscal Years (the Performance Assessment Level can only be a maximum of 15,000 million yen even if the operating profit recorded in the consolidated statement of profit or loss in the annual securities report exceeds 15,000 million yen) by 15,000 million yen (any fraction of less than one (1) unit shall be discarded)). However, if a significant change occurs in the concept of index to be referred to, the Board of Directors shall determine another index to be referred to.
- (b) Holder of the share acquisition rights must be in a position of executive officer or director of the Company or director or employee of the Company’s subsidiaries (collectively referred to as “Required Position” in (d) below) until the time of exercise of the share acquisition rights on a continuing basis.
- (c) Holders of the share acquisition rights shall not be entitled to exercise such rights thereafter in the event of a violation of laws, regulations, or the company rules (including, but not limited to, cases where the grantee has been convicted, become liable for damage compensation as provided for in Article 423, paragraph (1) of the Companies Act, or has been dismissed or subjected to punitive dismissal).
- (d) Notwithstanding (b) above, share acquisition rights may be exercised even when a holder of the share acquisition rights has lost the Required Position, if the reason for the loss of the Required Position is resignation due to expiration of the term of office, resignation assigned by company, resignation mainly because of physical disability resulting from occupational injury or illness, resignation because of unavoidable operational reason or resignation similar to these. In this case, the holder may exercise share acquisition rights only from and including whichever is later of the date of loss of the Required Position or the commencement date of the Exercise Period, to and including the date on which two (2) years have elapsed from the aforesaid date on the condition that the last day is on or before the expiration date of the Exercise Period. However, if the date of loss of the Required Position is prior to the commencement date of the Exercise Period, the number of share acquisition rights that can be exercised is calculated based on the following formula (any fraction of less than one (1) unit shall be discarded):

$$\text{Number of exercisable share acquisition rights} = \text{Limit number of (a) above} \times \frac{\text{The number of days from the allotment date to the date of loss of the Required Position}}{\text{The number of days from the allotment date to the day immediately preceding the commencement date of the Exercise Period}}$$

- (e) Share acquisition rights may not be exercised by inheritors of share acquisition rights.
- (f) One (1) share acquisition right may not be exercised in installments.

(ii) Share acquisition rights granted to employees, etc. as compensation for exercise of their duties during the fiscal year under review  
There were no relevant issues.

(iii) Other important matters concerning share acquisition rights  
There were no relevant issues.

### (3) Matters concerning corporate officers of the Company

#### (i) Directors and executive officers (as of December 31, 2025)

Position at the Company	Name	Duties at the Company and important concurrent occupations or positions at other organizations
Director	Shigeyuki Yawata	Chairman of the Board of Directors and member of the Nomination Committee and Compensation Committee Chairman of the Risk Management Committee
Director (Independent director)	Tatsuo Umemoto	Vice Chairman of the Board of Directors, Chairman of the Nomination Committee and Compensation Committee, and member of the Risk Management Committee Visiting Professor at Graduate School of Social Design Studies, Rikkyo University Representative Director, iGRAM Inc.
Director (Independent director)	Yan Hok Fan	Member of the Nomination Committee and Compensation Committee Independent Non-executive Director, China Everbright Environment Group Limited (Hong Kong) Independent Non-executive Director, First Pacific Company Limited (Hong Kong)
Director (Independent director)	Ryo Hayakawa	Chairman of the Audit Committee and member of the Risk Management Committee Representative Director, AI Consulting Ltd. Representative Director and Managing Partner, AKSUS Advisors Inc. Investment Banking Lecturer, NIKKEI BUSINESS SCHOOL Financial Professional Course
Director (Independent director)	Albert Kirchmann	Member of the Nomination Committee and Compensation Committee Outside Director, TRATON SE
Director (Independent director)	Sawako Ueno	Member of the Audit Committee Outside Auditor, Morinaga & Co., Ltd. Outside Auditor, Airport Facilities Co., Ltd. Representative Director, Japan Integrity Co., Ltd.
Director	Yoshiyuki Honda	Member of the Audit Committee, Nomination Committee and Compensation Committee Outside Auditor, McDonald's Holdings Company (Japan), Ltd. Certified Public Accountant in Japan and US
Director (Independent director)	Junko Dochi	Member of the Audit Committee and Risk Management Committee Representative Attorney, DOCHI Law Office Outside Director, AEON Bank, Ltd. Outside Director, AEON Credit Service (Asia) Co., Ltd.
Representative Executive Officer and CEO	Kanji Hori	Member of the Risk Management Committee Managing Director, SUMIDA Europe GmbH Managing Director, SUMIDA AMERICA HOLDINGS INC. Director, Sumida Electric (H.K.) Company Limited Director, ISMART GLOBAL LIMITED Director, SUMIDA INSURANCE CORPORATION

Position at the Company	Name	Duties at the Company and important concurrent occupations or positions at other organizations
Executive Officer	Katsuyuki Kojima	Executive Vice President Head of Global Sales and Head of Region (Asia) Director, Sumida Electric (H.K.) Company Limited Director, SUMIDA TRADING (SHANGHAI) COMPANY LIMITED Director, TAIWAN SUMIDA TRADING COMPANY LIMITED Director, SUMIDA TRADING (KOREA) COMPANY LIMITED
Executive Officer	Hiromatsu Takeshima	Executive Vice President Head of Region (Japan) Head of Global Manufacturing Representative Director, Sumida Electric Co., Ltd.
Executive Officer	Klaus Neumeier	Executive Vice President Head of Global R&D and Head of Region (Europe) Representative Director, SUMIDA Components & Modules GmbH Board Member, SUMIDA AG Management Representative Director, SUMIDA Europe GmbH

Notes:

1. Messrs. Tatsuo Umemoto, Yan Hok Fan, Ryo Hayakawa, Dr. Albert Kirchmann, Mses. Sawako Ueno and Junko Dochi are outside directors set forth in Article 2, item (xv) of the Companies Act.
2. Messrs. Tatsuo Umemoto, Yan Hok Fan, Ryo Hayakawa, Dr. Albert Kirchmann, Mses. Sawako Ueno and Junko Dochi have been designated as independent directors of the Company in accordance with the rules of the Tokyo Stock Exchange and their names have been notified to the said stock exchange.
3. Aside from statutory committees (Nomination, Audit and Compensation Committees), the Company has voluntarily set up a Risk Management Committee.
4. Member of the Audit Committee Mr. Ryo Hayakawa (Chairman of the Audit Committee) has been involved in running several companies and Ms. Sawako Ueno and Mr. Yoshiyuki Honda are certified public accountants. As such, all three members of the Audit Committee have considerable financial and accounting knowledge.
5. Although none of them serve on a full-time basis, the Corporate Office takes charge of internal control of not only the Company, but also the Group and oversees compliance and risk management operations, while Internal Audit Office performs internal audits working closely with the Audit Committee in order to enhance the effectiveness of the audit.

(ii) Directors who retired during the fiscal year under review

There were no relevant issues.

(iii) Executive officers who retired during the fiscal year under review

There were no relevant issues.

- (iv) Policy to determine the amount of compensation for directors and executive officers by the Compensation Committee

The Company, as a company with nomination committee, etc., determines compensation for its directors and executive officers in a fair and appropriate manner, having established a Compensation Committee, a majority of which consists of outside directors, and appointed an outside director as its chairman to ensure transparency.

The Company's officer compensation system, in accordance with the management policies, aims to further motivate its executive officers to continuously improve the business performance over the medium to long term and to contribute to the increase of overall corporate value of the Sumida Group, so that the Company can meet the expectations of its shareholders.

The Company targets a level of compensation sufficient for securing and maintaining talented human resources who will lead its development.

In line with this objective, the Compensation Committee has decided on the policy to determine individual compensation for directors and executive officers as follows, and determines the amounts of individual compensation for directors and executive officers in accordance with this policy.

The content of individual compensation for directors and executive officers of the Company in the fiscal year under review has been decided after appropriate deliberation in the Compensation Committee in accordance with the policy resolved by the Compensation Committee, and is judged to conform with the policy.

1. Scope of decision and extent of disclosure

"The amount of individual compensation for directors and executive officers" that the Compensation Committee defines and discloses shall be the total amount of compensation paid by the Sumida Group in order to enhance its transparency. It shall be disclosed separately for directors and executive officers.

2. Directors' compensation

The directors' compensation shall be determined by reflecting the position and responsibility of each director, and in consideration of the economic trends and the business environment of the Company. Directors' compensation is composed of the following four elements.

- 1) Basic compensation

Compensation for the responsibilities as director (including the compensation for the responsibilities of the members of the Nomination and Compensation Committees)

- 2) Compensation of Audit Committee members

Compensation for the responsibilities as the member of the Audit Committee

- 3) Compensation of Committee Chairmen

Compensation for the responsibilities as Chairman of the Audit Committee, Chairman of the Nomination Committee and the Compensation Committee

- 4) Compensation of Vice Chairman of the Board of Directors

Compensation for the responsibilities as Vice Chairman of the Board of Directors

3. Executive officers' compensation

For executive officers' compensation, incentive compensation (corporate performance-linked compensation) shall be adopted in addition to the basic compensation (fixed compensation) in order to maintain and raise the motivation for the execution of operations.

Executive officers' compensation is composed of the following four elements:

1) Basic compensation

Basic compensation shall be on a fixed basis in consideration of the position and responsibility as an executive officer within the Company, and any additional post as an officer at subsidiaries. The amount of compensation shall be determined by taking into account the previous operational performance and comparison with the actual compensation for the previous fiscal year.

2) Short-term incentives

These compensations are intended to maintain and raise the short-term motivation, and the base amount shall be determined depending on the position and responsibility of each executive officer. The amount to be paid will be changed in accordance with the target performance set at the beginning of the term and the actual performance and execution of duties of the Group as a whole or the function in charge. Additional bonuses may be paid to any distinguished achievement for which the Compensation Committee gives credit.

3) Stock options

The Company shall grant performance-linked share acquisition rights (stock options) in accordance with the Mid-term Business Plan.

4) Pension plans

The Company shall grant this compensation as additional benefit to public pension in consideration of their service period in order to help eligible retired executive officers have stable lives after retirement.

4. Total compensation and basic compensation shall be set at appropriate levels in consideration of each rank and value of duties while periodically referring to external objective data and evaluation data.

5. Compensation for directors and outside directors shall not include a portion that reflects short-term performance in light of their position to supervise management, and only the basic compensation on a fixed basis, as well as the compensation of Committee Chairmen for chairmen of committees, compensation of Audit Committee members for members of the Audit Committee, and compensation of Vice Chairman of the Board of Directors for Vice Chairman of the Board of Directors shall be paid.

(v) Total amount of compensation paid to directors and executive officers  
(Period: January 1 to December 31, 2025)

Category	Number of payees (person)	Basic compensation (million yen)	Short-term incentive (million yen)	Stock options without contribution (million yen)	Pension plan (million yen)	Fringe benefits (million yen)	Total (million yen)
Executive officers	4	149	54	–	20	0	224
Inside directors	2	36	–	–	–	0	36
Outside directors	6	45	–	–	–	–	45
Total	12	231	54	–	20	1	307

Notes:

- The total amount of compensation shown above represents the consolidated compensation of the Group (the total amount of expenses paid, to be paid, or borne by the Company and the Company's subsidiaries).
- Short-term incentive compensation  
The amount paid was calculated in accordance with the achievement rate of consolidated operating profit target for the fiscal year under review. The performance indicator for the "short-term incentive" is the consolidated operating profit target set at the beginning of the fiscal year (7.0 billion yen for the fiscal year ended December 31, 2025), and its actual result was 7.4 billion yen. The reason why the Company selected this indicator is because it judged that the amount of operating profit is one of the most appropriate indicators to measure the performance responsibility to be fulfilled by the executive officers, and it aims to achieve sustainable growth and increase corporate value by achieving a higher level of operating profit. The amount of compensation is calculated by multiplying the basic compensation by the coefficient set for each position and the payment rate according to the degree of achievement of the indicator.
- The cell of outside directors in the basic compensation column indicates the sum of basic compensation, compensation of the Audit Committee members, compensation of Committee Chairmen, and compensation of Vice Chairman of the Board of Directors.
- Stock options without contribution  
Under the accounting standard, stock options without contribution are treated as the amount recorded as expenses in the fiscal year under review. Stock options without contribution corresponding to the fiscal year under review were not granted. The stock options without contribution do not include the amount of compensation of (38) million yen, which was reversed due to forfeiture before vesting.
- Fringe benefits  
In addition to the above compensations, the Group paid fringe benefits totaling 1 million yen (including 0 million yen paid by the Company) to one eligible executive officer and two inside directors.

(vi) Outline of liability limitation contracts

In order to obtain excellent directors from outside, the Company has made provisions limiting liability for damages under Article 423, paragraph (1) of the Companies Act in the Articles of Incorporation pursuant to the provisions under Article 427, paragraph (1) of the said act. In accordance with the aforementioned provisions, the Company has entered into liability limitation contracts with six outside directors. The limit of liability for damages under such contracts has been set at the minimum liability provided for under Article 425, paragraph (1) of the Companies Act. However, liability limitation is applied only when the relevant outside directors have carried out their duties, for which they are supposed to assume liability, in good faith and without gross negligence.

(vii) Outline of insurance contract covering officer liability for damages

The Company has entered into an insurance contract covering officer liability for damages with an insurance company as provided for in Article 430-3, paragraph (1) of the Companies Act. The insurance contract will cover damages to be borne by the insured, including compensation, judgment amounts decided by the court, settlement money, amounts paid in out-of-court settlements and legal costs, which may arise in relation to damage compensation claims. All of the directors, executive officers, and employees who manage, supervise, and give directions and orders are insured by the said insurance contract. Furthermore, insurance premiums for the said insurance contract are fully paid by the Company, based on an approval of the Board of Directors and a unanimous consent of outside directors.

(viii) Matters concerning outside directors

1. Important concurrent occupations or positions at other organizations
  - 1) This is as described in the list of (i) Directors and executive officers above. There are no business relationships between the Company and other organizations where they hold the additional posts.
2. Relatives of managing members or officers (excluding those who are managing members) of the Company or business operators that have specific relations with the Company such as main clients
  - 1) None of the outside directors have been managing members or officers (excluding those who are managing members) of the Company or business operators that have specific relations with the Company in the past.
  - 2) None of the outside directors have relatives in the third degree or closer with managing members or officers (excluding those who are managing members) of the Company or business operators that have specific relations with the Company.

3. Main activities during the fiscal year under review

1) Attendance of outside directors

Name	The Board of Directors meetings	Audit Committee meetings	Nomination Committee meetings	Compensation Committee meetings	Risk Management Committee meetings
Tatsuo Umemoto	7/7 (100%)	–	6/6 (100%)	6/6 (100%)	4/4 (100%)
Yan Hok Fan	7/7 (100%)	–	6/6 (100%)	6/6 (100%)	–
Ryo Hayakawa	7/7 (100%)	8/8 (100%)	–	–	4/4 (100%)
Albert Kirchmann	7/7 (100%)	–	6/6 (100%)	6/6 (100%)	–
Sawako Ueno	7/7 (100%)	8/8 (100%)	–	–	–
Junko Dochi	5/5 (100%)	5/5 (100%)	–	–	3/3 (100%)

Notes:

1. The Company established the Risk Management Committee. Members include executive officers, chairman of the Nomination Committee and the Audit Committee.
2. For Ms. Junko Dochi, the attendance after her appointment as a director on March 26, 2025 is presented.

2) The status of statements by outside directors and an outline of the duties concerning the expected roles of outside directors

	The status of statements and an outline of the duties concerning the expected roles of outside directors
<p>Outside Director Tatsuo Umemoto</p>	<p>Mr. Tatsuo Umemoto made necessary remarks in deliberations at meetings of the Board of Directors as Vice Chairman on a timely basis, mainly from his point of view as a management consultant and corporate executive. He has adequately fulfilled his role and responsibilities as an outside director such as by providing supervision and advice on management in general from a professional point of view based on his extensive knowledge and experience in business strategy, business planning, new business development, organization personnel, competency development, and marketing and branding in particular.</p> <p>In addition, as chairman of the Nomination Committee, he has made necessary remarks in deliberations on a timely basis, from the standpoint of examining and actualizing the lineup and organization of the Board of Directors and executive officers and the desired images of directors and executive officers that are appropriate and required for the business development of the Company.</p> <p>In addition, as chairman of the Compensation Committee, he has made necessary remarks in deliberations on a timely basis from the perspective of determining fairly and properly the compensation bases for directors and executive officers.</p> <p>In addition, at the Risk Management Committee, he supervised risk management, including the identification of risks to the Group as well as the formulation and implementation of responsive measures, and made remarks and suggestions on a timely basis to enhance effectiveness.</p>
<p>Outside Director Yan Hok Fan</p>	<p>Mr. Yan Hok Fan has made necessary remarks in deliberations at meetings of the Board of Directors on a timely basis, mainly from his perspective as a corporate business executive and director, primarily in China and Hong Kong. He has adequately fulfilled his role and responsibilities as an outside director such as by providing supervision and advice on management in general from a professional point of view based on his knowledge and experience as a global corporate executive, and his insight into the Asian market.</p> <p>In addition, he has made necessary remarks in deliberations at the Nomination Committee on a timely basis, from the standpoint of examining and actualizing the lineup and organization of the Board of Directors and executive officers and the desired images of directors and executive officers that are appropriate and required for the business development of the Company.</p> <p>In addition, he has made necessary remarks in deliberations at the Compensation Committee on a timely basis from the perspective of determining fairly and properly the compensation bases for directors and executive officers.</p>

	The status of statements and an outline of the duties concerning the expected roles of outside directors
<p>Outside Director Ryo Hayakawa</p>	<p>Mr. Ryo Hayakawa has made necessary remarks in deliberations at meetings of the Board of Directors on a timely basis, mainly from his perspective as a corporate business executive. He has adequately fulfilled his role and responsibilities as an outside director such as by providing supervision and advice on management in general from a professional point of view based on his extensive experience and insights as a global corporate executive, particularly in relation to the financial industry.</p> <p>In addition, as chairman of the Audit Committee, he has made necessary remarks in deliberations on a timely basis from the perspective of promoting compliance management through audits and leveraging it to enhance the corporate value.</p> <p>In addition, at the Risk Management Committee, he supervised risk management, including the identification of risks to the Group as well as the formulation and implementation of responsive measures, and made remarks and suggestions on a timely basis to enhance effectiveness.</p>
<p>Outside Director Albert Kirchmann</p>	<p>Dr. Albert Kirchmann has made necessary remarks in deliberations at meetings of the Board of Directors on a timely basis, mainly from his perspective as a corporate business executive. He has adequately fulfilled his role and responsibilities as an outside director such as by providing supervision and advice on management in general from a professional point of view based on his knowledge and experience as a corporate executive, and his insights into the automobile industry, particularly in the European market.</p> <p>In addition, he has made necessary remarks in deliberations at the Nomination Committee on a timely basis, from the standpoint of examining and actualizing the lineup and organization of the Board of Directors and executive officers and the desired images of directors and executive officers that are appropriate and required for the business development of the Company.</p> <p>In addition, he has made necessary remarks in deliberations at the Compensation Committee on a timely basis from the perspective of determining fairly and properly the compensation bases for directors and executive officers.</p>

	The status of statements and an outline of the duties concerning the expected roles of outside directors
Outside Director Sawako Ueno	Ms. Sawako Ueno has made necessary remarks in deliberations at meetings of the Board of Directors on a timely basis, mainly from her perspective as an accounting expert. She has adequately fulfilled her role and responsibilities as an outside director such as highly effective supervision of the Company's management based on her extensive experience and insights, particularly as a certified public accountant. In addition, she has made necessary remarks in deliberations at the Audit Committee on a timely basis from the perspective of promoting compliance management through audits and leveraging it to enhance the corporate value.
Outside Director Junko Dochi	Ms. Junko Dochi has made, since being appointed an outside director on March 26, 2025, remarks in deliberations at meetings of the Board of Directors on a timely basis, drawing on her extensive experience and broad insight as an international attorney. She has adequately fulfilled her role and responsibilities as an outside director such as by supervising management and providing advice aimed at achieving sustainable enhancement of corporate value. In addition, since being appointed a member of the Audit Committee on March 26, 2025, she has made necessary remarks in deliberations at the Audit Committee on a timely basis from the perspective of promoting compliance management through audits and leveraging it to enhance the corporate value. In addition, at the Risk Management Committee, she supervised risk management, including the identification of risks to the Group as well as the formulation and implementation of responsive measures, and made remarks and suggestions on a timely basis to enhance effectiveness.

4. Total amount of compensations received from the subsidiaries

There were no relevant issues.

5. Criteria and policy relating to independence

Outside directors of the Company who do not fall under any of the following items are to be judged to have independence.

1. Person who is currently a managing member of the Company, one of its subsidiaries, or affiliates (hereinafter the "Sumida Group"), or who has been a managing member at any point in the ten years prior to appointment as a director.

"Managing Member" refers to the following persons. The same shall apply hereinafter.

- (a) Managing director, executive officer, or officer who executes business of other corporations.

(b) Member who executes business, person who is to execute duties specified in Article 598, paragraph (1) of the Companies Act, or other person who is in an equivalent position.

(c) Employee

2. Person whose spouse or relative is within the second degree of kinship is currently a managing member of the Sumida Group, or held a position of managing member at any time during the five years prior to the assumption of office as director.

3. Person who is a major shareholder of the Company or a managing member thereof.

“Major shareholder” refers to a shareholder who holds 10% or more of the voting rights of the Company either directly or indirectly.

4. Major business partner of the Sumida Group or a managing member thereof or a person whose major business partner is the Sumida Group or a managing member thereof.

“Major business partner” refers to a corporation, etc. which received from or made payments to the Sumida Group in the amount of 2% or more of consolidated revenue of the Sumida Group or the corporation, etc. in any one of the past five fiscal years.

5. Person who receives from the Sumida Group a large amount of monetary payment or other property benefits other than officer compensation (such as lawyer, accounting or tax specialist, and consultant). If the receiver of a large amount of monetary payment or other property benefits is an organization, such as a corporation or association, a person belonging to the organization.

“A large amount” refers to the case where the annual amount of monetary payment or other property benefits exceeded 5 million yen in any one of the past three fiscal years (hereinafter the same).

6. Person who receives from the Sumida Group a large amount of donations in monetary payment or other property benefits, or a person belonging to the organization, such as a corporation or association that receives such donations.

7. Spouse or relative within the second degree of kinship of the person who falls under the preceding four items.

8. Any other person who possesses potential conflicts of interest with ordinary shareholders of the Company and is deemed to be under circumstances that affect the fulfillment of duties as an independent outside director.

Note: The amounts of money and the numbers of shares described in this Business Report are rounded down to the nearest units.

Consolidated Financial Statements (IFRS) and  
Non-consolidated Financial Statements (Japanese GAAP)  
for the 71st term  
(January 1 to December 31, 2025)

Consolidated Statement of Financial Position  
Consolidated Statement of Profit or Loss  
Non-consolidated Balance Sheet  
Non-consolidated Statement of Income

Kanji Hori  
Representative Executive Officer and CEO  
SUMIDA CORPORATION

## Consolidated Statement of Financial Position

(Millions of yen)

	71st term As of December 31, 2025	(Reference) 70th term As of December 31, 2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	6,129	4,286
Trade and other receivables	32,500	30,167
Inventories	30,296	29,350
Other current assets	5,866	5,867
<b>Total current assets</b>	<b>74,793</b>	<b>69,672</b>
<b>Non-current assets</b>		
Property, plant and equipment	56,002	54,906
Right-of-use asset	7,595	5,605
Goodwill	8,157	5,730
Intangible assets	12,522	7,722
Financial assets	744	636
Deferred tax assets	3,342	2,973
Other non-current assets	499	518
<b>Total non-current assets</b>	<b>88,862</b>	<b>78,094</b>
<b>Total assets</b>	<b>163,656</b>	<b>147,766</b>

Note: The amounts of money described above are rounded down to the nearest million yen.

## Consolidated Statement of Financial Position

(Millions of yen)

	71st term As of December 31, 2025	(Reference) 70th term As of December 31, 2024
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	16,895	14,960
Short-term interest-bearing debts	38,170	30,964
Current portion of long-term debt	2,790	5,459
Current portion of lease liabilities	1,478	1,264
Provisions	382	2,083
Income taxes payable	1,024	638
Accrued expenses	4,727	3,847
Other current liabilities	2,739	2,451
<b>Total current liabilities</b>	<b>68,209</b>	<b>61,669</b>
<b>Non-current liabilities</b>		
Long-term interest-bearing debts	15,421	16,004
Lease liabilities	6,164	4,284
Retirement benefit liability	1,872	1,582
Provisions	48	47
Deferred tax liabilities	2,101	966
Other non-current liabilities	4,483	2,297
<b>Total non-current liabilities</b>	<b>30,093</b>	<b>25,181</b>
<b>Total liabilities</b>	<b>98,302</b>	<b>86,851</b>
<b>EQUITY</b>		
<b>Equity attributable to owners of parent</b>		
Share capital	13,631	13,624
Capital surplus	11,250	13,179
Retained earnings	22,181	20,315
Share acquisition rights	79	130
Treasury shares	(98)	(98)
Accumulated other comprehensive income	14,964	11,497
<b>Total equity attributable to owners of parent</b>	<b>62,008</b>	<b>58,648</b>
<b>Non-controlling interests</b>	<b>3,345</b>	<b>2,266</b>
<b>Total equity</b>	<b>65,354</b>	<b>60,915</b>
<b>Total liabilities and equity</b>	<b>163,656</b>	<b>147,766</b>

Note: The amounts of money described above are rounded down to the nearest million yen.

## Consolidated Statement of Profit or Loss

	71st term Year ended December 31, 2025	(Millions of yen) (Reference) 70th term Year ended December 31, 2024
<b>Revenue</b>	<b>147,194</b>	<b>143,978</b>
Cost of sales	(126,270)	(125,970)
<b>Gross profit</b>	<b>20,924</b>	<b>18,008</b>
Selling, general and administrative expenses	(12,840)	(12,375)
Other operating income	51	215
Other operating expenses	(695)	(1,334)
<b>Operating profit</b>	<b>7,439</b>	<b>4,513</b>
Finance income	18	38
Finance expenses	(2,627)	(3,256)
<b>Net profit before taxes</b>	<b>4,830</b>	<b>1,295</b>
Income taxes	(1,247)	(861)
<b>Net profits for the year</b>	<b>3,582</b>	<b>434</b>
<b>Attributable to:</b>		
Owners of parent	3,618	590
Non-controlling interests	(35)	(156)

Note: The amounts of money described above are rounded down to the nearest million yen.

## Non-consolidated Balance Sheet

(Millions of yen)

	71st term As of December 31, 2025	(Reference) 70th term As of December 31, 2024
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	165	154
Prepaid expenses	76	88
Short-term loans receivable	18,558	8,409
Other	802	374
<b>Total current assets</b>	<b>19,603</b>	<b>9,026</b>
<b>Non-current assets:</b>		
<b>Property, plant and equipment</b>		
Buildings	729	752
Structures	5	7
Tools, furniture and fixtures	0	0
Vehicles	1	2
Land	503	503
<b>Total property, plant and equipment</b>	<b>1,239</b>	<b>1,265</b>
<b>Intangible assets:</b>		
Telephone subscription right	3	3
Software	7	9
Patent right	175	178
<b>Total intangible assets</b>	<b>187</b>	<b>191</b>
<b>Investments and other assets:</b>		
Shares of subsidiaries and associates	33,892	33,293
Long-term loans receivable	8,332	7,385
Deferred tax assets	569	471
Other	61	118
<b>Total investments and other assets</b>	<b>42,856</b>	<b>41,268</b>
<b>Total non-current assets</b>	<b>44,282</b>	<b>42,724</b>
<b>Total assets</b>	<b>63,885</b>	<b>51,751</b>

Note: The amounts of money described above are rounded down to the nearest million yen.

## Non-consolidated Balance Sheet

(Millions of yen)

	71st term As of December 31, 2025	(Reference) 70th term As of December 31, 2024
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Short-term borrowings	16,587	6,739
Current portion of long-term borrowings	164	1,377
Accounts payable - other	117	106
Accrued expenses	69	73
Other	727	1,609
<b>Total current liabilities</b>	<b>17,665</b>	<b>9,906</b>
<b>Non-current liabilities:</b>		
Long-term borrowings	12,332	10,549
Other	-	29
<b>Total non-current liabilities</b>	<b>12,332</b>	<b>10,578</b>
<b>Total liabilities</b>	<b>29,998</b>	<b>20,485</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Share capital	13,631	13,624
Capital surplus	13,444	13,437
Legal capital surplus	13,444	13,437
Retained earnings	7,917	5,217
Legal retained earnings	264	264
Other retained earnings	7,652	4,953
Retained earnings brought forward	7,652	4,953
Treasury shares	(98)	(98)
<b>Total shareholders' equity</b>	<b>34,893</b>	<b>32,180</b>
<b>Valuation and translation adjustments</b>		
Deferred gains or losses on hedges	(1,085)	(1,045)
<b>Total valuation and translation adjustments</b>	<b>(1,085)</b>	<b>(1,045)</b>
<b>Share acquisition rights</b>	<b>79</b>	<b>130</b>
<b>Total net assets</b>	<b>33,887</b>	<b>31,265</b>
<b>Total liabilities and net assets</b>	<b>63,885</b>	<b>51,751</b>

Note: The amounts of money described above are rounded down to the nearest million yen.

## Non-consolidated Statement of Income

(Millions of yen)

	71st term Year ended December 31, 2025	(Reference) 70th term Year ended December 31, 2024
<b>Operating revenue</b>	<b>5,440</b>	<b>1,400</b>
<b>Operating expenses</b>	<b>529</b>	<b>762</b>
<b>Operating profit</b>	<b>4,911</b>	<b>638</b>
<b>Non-operating income:</b>		
Interest income	325	194
Foreign exchange gains	32	-
Other	0	1
<b>Total non-operating income</b>	<b>359</b>	<b>195</b>
<b>Non-operating expenses:</b>		
Interest expenses	701	735
Commission expenses	66	65
Foreign exchange losses	-	65
Other	1	4
<b>Total non-operating expenses</b>	<b>769</b>	<b>871</b>
<b>Ordinary profit (loss)</b>	<b>4,501</b>	<b>(37)</b>
<b>Extraordinary losses:</b>	<b>-</b>	<b>0</b>
Loss on retirement of non-current assets	-	0
<b>Profit (loss) before income taxes</b>	<b>4,501</b>	<b>(37)</b>
Income taxes - current	109	37
Income taxes - deferred	(59)	14
<b>Profit (loss)</b>	<b>4,451</b>	<b>(89)</b>

Note: The amounts of money described above are rounded down to the nearest million yen.

(Translation)

## **Audit Report**

The Audit Committee has audited the performance of duties by directors and executive officers for the 71st term from January 1, 2025 to December 31, 2025. We report the methods and the results of the audit as follows.

### **1. Methods used in audits and content of audits**

With respect to the resolutions of the Board of Directors regarding the organization of the system stipulated in Article 416, paragraph (1), item (i), (b) and (e) of the Companies Act and the status of the system based on said resolutions (internal control systems), the Audit Committee received reports from directors, executive officers, employees and others periodically, requested explanations on those reports, when necessary, expressed an opinion concerning the establishment and operation of the system, and conducted audits using the following methods.

(i) The Audit Committee cooperated with the internal control division and the internal audit division in accordance with the auditing policies established by the Audit Committee, the respectively allocated duties, and other directives. The Audit Committee members attended important meetings, the Audit Committee received reports from directors, executive officers and other personnel on matters related to the execution of their duties, and when necessary sought further explanations. The Audit Committee members read documents related to important decisions and conducted investigations on the operational and financial statuses of the Company. Furthermore, with respect to subsidiaries, the Audit Committee took steps to facilitate communication with the directors and other personnel of subsidiaries and, when necessary, received reports from subsidiaries on the status of their businesses.

(ii) The Audit Committee also monitored and verified whether the independent auditor was maintaining its independence and was carrying out its audits in an appropriate manner. The Audit Committee received reports from the independent auditor on the execution of its duties and, when necessary, requested explanations regarding those reports. The Audit Committee also received notification from the independent auditor that it implemented the “system for ensuring the proper execution of its duties” (as enumerated in items of Article 131 of the Regulation on Corporate Accounting) in compliance with the “Quality Control Standards Relating to Auditing” (adopted by the Business Accounting Deliberation Council). When necessary, the Audit Committee requested explanations on the notification.

Based on the foregoing methods, the Audit Committee also examined the Business Report and supporting schedules, the Consolidated Financial Statements, and the Non-consolidated Financial Statements (Non-consolidated Balance Sheet, Non-consolidated Statement of Income, Non-consolidated Statement of Changes in Shareholders' Equity, and notes to Non-consolidated Financial Statements) and supporting schedules related to the fiscal year.

## 2. Results of the audit

### (1) Results of audit of Business Report

- (i) In our opinion, the Business Report and supporting schedules fairly present the situation of the Company, in compliance with the provisions of applicable laws and regulations, and the Articles of Incorporation.
- (ii) Neither improper actions in the execution of duties by directors and executive officers, nor material facts in violation of the provisions of applicable laws and regulations or the Articles of Incorporation, were found.
- (iii) In our opinion, the content of the resolution by the Board of Directors regarding internal control systems was appropriate; furthermore, nothing was pointed out regarding the contents of the Business Reports with respect to executing internal control systems and the execution of duties by directors and executive officers.

### (2) Results of the audit of Consolidated Financial Statements

In our opinion, the auditing methods used by the independent auditor, KPMG AZSA LLC and the results of its audit were appropriate.

### (3) Results of the audit of Non-consolidated Financial Statements and supporting schedules

In our opinion, the auditing methods used by the independent auditor, KPMG AZSA LLC and the results of its audit were appropriate.

February 18, 2026

Audit Committee  
SUMIDA CORPORATION

Ryo Hayakawa  
Member of the Audit Committee

Sawako Ueno  
Member of the Audit Committee

Yoshiyuki Honda  
Member of the Audit Committee

Junko Dochi  
Member of the Audit Committee

Note: Members of the Audit Committee Ryo Hayakawa, Sawako Ueno and Junko Dochi are outside directors as stipulated in Article 2, item (xv) and Article 400, paragraph (3) of the Companies Act.