

(Translation)

Corporate Governance Report

CORPORATE GOVERNANCE

Sumitomo Corporation.

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Sumitomo Corporation

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

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

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

https://sumitomocorp.disclosure.site/pdf/CorporateGovernance/principle_en.pdf

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

The Company complies all Principles of the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code

[Principle 1-3]

The Company, guided by its basic management policy of aiming to continue to enhance corporate value in a sustainable way, has

a capital policy based on retaining an adequate level of shareholders' equity with a view to preservation and reinforcement of its financial soundness and effectiveness of its capital. Additionally, the Company continues pursuing sustainable profit growth and further strengthening our earnings base to enhance shareholder returns and increase shareholder value. The shareholder return policy of the Company is disclosed.

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

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

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

[Principle 1-4]

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

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

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

In FY 2024, the Company sold shares of 11 listed stocks (either in whole or in part), amounting to 81.8 billion yen in total. As of the end of March 2025, the Company's shareholdings in listed companies cover 43 stocks, with the total balance of 158 billion yen.

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

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

[Principle 1-7]

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

[Supplementary Principle 2-4-1]

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

As a corporate group operating globally, the Sumitomo Corporation Group is committed to fostering an organizational culture where each individual with diverse perspectives and ways of thinking can demonstrate their unique capabilities. We believe that creating such an environment is key to unlocking individual potential, generating new value and innovation, and ultimately enhancing our corporate value. Specifically, we are implementing various initiatives as follows:

<Specific Examples of Efforts>

- Appointments regardless of age, gender, nationality, etc and Career Support: A job grade system based on “Pay for Job, Pay for Performance”, career development programs that support autonomous career development.
- Promoting internal awareness for understanding diversity: Continuous holding of Diversity Weeks, including president panel discussion and messages from the managements, various training sessions, employee roundtable discussions on family care and childcare, alumni seminars, and family days co-hosted with the labor union.
- Promotion of Flexible Working Styles: Introduction of teleworking system, super flexible work hours system, and dress code modification.
- Support For Balancing Work and Childcare/family care: Providing support system for employees with overseas assignments to accompany only their children, encouraging men to take childcare leave, offering childcare consultation services, partnering with childcare facilities, seminars on caregiving issues, and consultation sessions with family care experts.
- Support For Women's Empowerment: Implementing an internal mentorship program and offering internal and external management training programs, formation of women's community for mutual consultation within the company, flexible assignment responses to life events such as spouse transfers, etc.
- Support For Employees with Disabilities: Established Sumisho Well Support Co., Ltd., a special subsidiary company, in 2014, for the purpose of improving the working environment for people with disabilities and promoting their employment and retention. The company actively supports continued employment by providing opportunities tailored to each individual's abilities and needs, and by developing a supportive environment where essential work habits and skills can be acquired.
- Initiatives for LGBTQ+: Applying benefits and HR systems to same-sex partners, allowing the use of preferred names, and installing universal restrooms for everyone regardless of gender.
- Health management: Establishment of in-house clinic, counseling center, and massage room, and promoting understanding of women's specific health issues (internal femtech exhibitions where products can be viewed in person) and health initiatives promoted in collaboration with the health insurance society.

*Diversity, Equity and Inclusion (DE&I) : The Sumitomo Corporation Group recognizes “Diversity, Equity & Inclusion” as “the core enabler for value creation, innovation and competitiveness” . In terms of recruitment and appointments, we adhere to employment-related laws and regulations in each country and are committed to providing opportunities based on individual aptitude and ability. We do not engage in any form of unfair preference or discrimination based on personal attributes such as race, nationality, gender, age, sexual orientation, gender identity, gender expression, etc.

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

<Appointment of female employees>

To promote women’s empowerment in the workplace, the Company is implementing various initiatives, from the perspective of supporting a balance between life events and career development. We are simultaneously promoting tangible initiatives such as establishing various systems that exceed legal requirements, as well as intangible initiatives such as correcting long working hours, encouraging the use of paid leave, and raising employee awareness.

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

	Current state (April 2025)	Goal (FY 2030)
Female managers	10.4%	20% or more
Female department general manager positions	2.6%	10% or more
Female Directors and Audit & Supervisory Board Members*	18.8%	30% or more

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

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

<Appointment of mid-career hires>

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

The track records of mid-career hires working at the Company cover a wide variety of fields, ranging from attorneys-at-law, certified public accountants and other licensed or qualified professional. By exploiting their skills and expertise developed in their previous careers, such mid-career hires are active on the front lines of business. Additionally, they bring different perspectives based on their experiences at other companies, which are difficult to obtain within our company, thereby introducing new insights and ideas to the entire organization. In terms of actual results, mid-career hires now represent 40% of all annual hires including new graduates. More than 75% of these mid-career hires are assigned to managerial positions just after joining the Company. As of April 2025, the ratio of mid-career hires in all manager positions at the Company was about 14% (about 400 employees).

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

<Appointment of foreign personnel>

The Sumitomo Corporation Group deploys business operations globally in a wide range of industries. Such operations are supported by the Group's global network consisting of 21 offices in Japan and 104 outside Japan, extending to 63 countries and regions throughout the world, with approximately 7,500 employees as of April 2025. The latest data shows that the number of locally hired overseas employees in managerial positions has reached around 950, up from 820 employees recorded five years earlier. The ratio of locally hired overseas employees in management positions in the organizations outside Japan is more than 66%.

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

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

[Principle 2-6]

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

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

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

[Principle 3-1]

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

- Business Principles

Refer to the Sumitomo Corporation Group Management Principles and Activity Guidelines—as well as Sumitomo's Business Philosophy, on which they are based—which the Company makes public on its website.

(<https://www.sumitomocorp.com/en/global/about/principles/statement>)

- Medium-Term Management Plan

Additionally, refer to the medium-term management plan, which the Company also makes public on its website

(<https://www.sumitomocorp.com/en/global/about/principles/mid-term>)

- (ii) Refer to the Sumitomo Corporation Corporate Governance Principles, which summarize the Company’s basic views and policy with regard to corporate governance, and are made public on the Company’s website.
https://sumitomocorp.disclosure.site/pdf/CorporateGovernance/principle_en.pdf
- (iii) Refer to the policies and procedures of the Board of Directors for determining the remuneration of Directors and Executive Officers, which are disclosed in the Company’s annual securities report (yukashoken houkokusho), and in this corporate governance report in the section of “1. Organizational Composition and Operation [Director Remuneration]” under “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight” and “2. Matters Concerning Functions of Business Execution, Auditing, Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Remuneration Decision-making Function].”
- (iv) Refer to the Company’s policies and procedures regarding appointment and dismissal of Directors and Audit & Supervisory Board Members, which are disclosed in this corporate governance report in the section of “2. Matters Concerning Functions of Business Execution, Auditing, Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Nomination Function, etc.]” under “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight”
- (v) Refer to the reasons for nominating candidates for the posts of Outside Director, which are disclosed in the reference documents within the Notice of Convocation of the Ordinary General Meeting of Shareholders, and in this corporate governance report in the section of “1. Organizational Composition and Operation [Directors].” under “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight” Refer also to the reasons for nominating candidates for the posts of internal Director, which are disclosed in the reference documents within the Notice of Convocation of the Ordinary General Meeting of Shareholders.
<https://www.sumitomocorp.com/en/jp/ir/stock/stmt>

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

[Supplementary Principle 3-1-3]

[Sustainability initiatives(Material Issues)]

“Enriching lives and the world” is the corporate message of the Group. We are developing our business around the world with the aim of realizing a sustainable society and enriching people’s lives. The background to this message is a phrase that conveys the Group’s business philosophy: “Benefit for self and others, private and public interests are one and the same.” It means that Sumitomo’s business, while benefiting Sumitomo, must also benefit the nation and benefit society. This philosophy is the source of the Group’s sustainability management, and under this philosophy, we strategically allocate management resources in anticipation of the long-term shifting business landscape impacted by these social issues, and we leverage our strengths to continue creating the value that society truly needs. We promote sustainability management in the belief that each of these actions will create a sustainable society and achieve sustainable growth for Sumitomo Corporation.

Sumitomo Corporation Group has identified six Material Issues that are medium- to long- term commitment for the Group to take one step further toward addressing key social challenges that we must undertake. For each of six Material Issues, “Build resilient and prosperous society”, “Overcome climate change”, “Preserve and regenerate natural capital”, “Respect human rights”, “Develop talent and promote DE&I”, and “Maintain and strengthen governance”, the Group formulate and implement action plans aligned with our long-term and medium-term goals. The Group will achieve sustainable growth through addressing the social challenges by continuing to implement PDCA cycle to review progress.

For details, please refer to our website.

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

[Climate Change Initiatives]

Climate change is a pressing issue to be undertaken globally. The key to overcoming this issue is to balance the steady promotion of decarbonization and the stable supply of energy that supports the daily lives of people around the world. The Group aims to achieve carbon neutralization of its businesses by 2050 and sets a medium-term goal of reducing the Group’s CO2 emissions by 50% or more by 2035. We supported recommendation of the Task Force on Climate-related Financial Disclosures (TCFD) in March 2019 in order to analyze risks and opportunities in relation to climate changes and utilize them on our business activities. We have continued to make disclosure based on TCFD recommendations after that.

For details, please refer to our website.

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

[Initiatives on Natural Capital]

Sumitomo Corporation updated our material issues in 2024 and added “Preserve and regenerate natural capital” with “Accelerate initiatives toward a nature-positive world by 2030” as its medium-term goal to again demonstrate our medium- to long-term commitment to natural capital.

Sumitomo Corporation Group conduct business in multiple sectors including infrastructure, mining, forestry and agriculture, and our business activities are largely dependent on natural capital. Integrating nature into our business decision-making is crucial for the sustainable future of the company and contribution to the sustainability of the global environment. To achieve a world living in harmony with nature, we avoid or minimize the impact on natural capital caused by our business activities and go beyond preservation to also pursue regeneration and effective use of natural capital through the building of a circular economy and other measures.

In addition, Sumitomo Corporation have been putting our effort to enhance our disclosure on natural capital. We joined the TNFD Forum in 2022, a network of institutional supporters who share the vision and mission of the Task Force on Nature-related Financial Disclosures (TNFD) and were registered as an Early Adopter of TNFD in January 2024. Since then, we conducted a trial disclosure based on the TNFD Recommendations in 2024, during which we identified sectors within our group that are highly dependent on and have significant impacts on natural capital, thereby enhancing our disclosures related to natural capital. In 2025, we plan to conduct a full-scale disclosure in accordance with the TNFD Recommendation.

For details, please refer to the disclosure in relation to natural capital in our website.

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

[Initiatives Related to Human Rights]

Based on the Sumitomo Corporation Group's Human Rights Policy, we began human rights due diligence in 2020 so that we can identify, prevent, mitigate, and account for how we address risks of human rights related to our group's business activities and have been conducting such activities on an ongoing basis. Our human rights due diligence process is carried out via a process in line with international guidance such as the United Nations Guiding Principles on Business and Human Rights and the United Nations Guiding Principles Reporting Framework. We also identified salient human rights issues that should be prioritized in order to assess the risks on human rights for entire our group and are currently verifying risks with a focus on the salient human rights issues through human rights due diligence in each unit. Based on the results human rights due diligence conducted to date, as well as the characteristics and risks concerning our businesses, we will adopt a risk-based approach. This includes selecting businesses that prioritize reinforcement of human rights due diligence and enhancement of human rights education by risk type. For details, please refer to the human rights initiatives in our website.

<https://sumitomocorp.disclosure.site/en/themes/30>

[Disclosure of Sustainability Information]

In January 2021, Sumitomo Corporation supported and signed the Stakeholder Capitalism Metrics, a standard for non-financial information disclosure published by the International Business Council (IBC) of the World Economic Forum. Stakeholder Capitalism Metrics is a set of universal and comparable disclosures consisting of 21 core metrics and 34 expanded metrics focused on people, planet, prosperity and governance. While utilizing this Metrics, we will further expand the disclosure of nonfinancial information to our stakeholders. While we have not yet disclosed information for all metrics, we will continue to review and consider disclosures based on importance to our company and usefulness to our stakeholders.

For disclosures based on the IBC Stakeholder Capitalism Metrics, please refer to our website.

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

[Engagement in social contribution activities]

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

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

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

[Investment in human capital development]

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

In our current Medium-Term Management Plan 2026, we are focusing on empowering our people and organizations to further

strengthen our strategy execution capabilities. Specifically, we are prioritizing "Business Engineering Power," "Leadership," and "Speed" as essential capabilities for our group.

We are implementing various initiatives, including the following:

- **Development of management talent:** To systematically develop successors for future key positions, we aim to nurture rich and strong talent pipelines of individuals who have acquired the necessary skills and experience. We cultivate management talent by identifying high-potential talent at an early stage through nomination, building talent pools, assigning them to challenging developmental roles, and implementing a continuous development cycle;
- **Initiatives to fulfill the Willpower and Potential of Diverse Individuals:** Respecting the willpower of each employee and supporting autonomous career development, we have expanded our internal job posting system to be more flexible. As part of providing equal career development opportunities, we introduced an e-learning platform in April 2024 that allows employees to learn anytime, anywhere, at their own pace. For future employees, we conduct a "WILL-based" hiring process during new graduate recruitment in Japan, which allows initial assignments to be determined before joining the company, which is intended to value each job applicant's "willingness to be engaged in a specific business field", and
- **Line Manager Empowerment:** We delegate authority over HR-related matters such as appointments, transfers, and evaluations to the line managers, enabling them to engage more effectively with each employee and promote efficient and effective organizational management in alignment with the strategy. We focus on improving the skills required of line managers, providing e-learning and opening a website dedicated to line managers.

[Company's investment in intellectual property enhancement]

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

In this context, the Company holds the corporate vision of "aiming to be a global organization that constantly stays a step ahead in dealing with change, creates new value, and contributes broadly to society." Under this vision, we are always exploring new business models, know-how and technologies and planting the seeds for future business development. We believe that in most of those new business models, our existing and future intellectual property and intangible assets can contribute toward upholding and strengthening our high profitability, differentiation from competitors' products or services, and pricing power in the markets, which are expected to eventually bring about greater competitiveness and higher profit margins in the future. Efforts to leverage intellectual property and intangible assets to create new businesses are being deployed by respective organizations in the business group.

In our Medium-term Management Plan 2026, the Company will pursue growth leveraged by our strengths and transform our business portfolio by strengthening our people and organization, which are the driving forces for growth. In order to achieve growth leveraged by our strengths, we will invest capital in businesses that have strengths and competitive advantages in growth

areas to further enhance them. Additionally, through digital and Green Transformation (GX), we will accelerate the growth of businesses in which we have a competitive advantage, while nurturing next-generation businesses and acquiring new strengths. By utilizing digital technology to transform various existing businesses within SC Group, we will enhance the earning power of the entire Company. In addition, by making maximum use of digital technology and AI, such as by introducing AI technology and using data to speed up and advance decision-making, we will transform our management base and business operations and develop new strengths.

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

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

[Supplementary Principle 4-1-1]

Sumitomo Corporation positions the role of the Board of Directors in its “Sumitomo Corporation Corporate Governance Principles” as “to indicate the major direction of management, to supervise the execution of operations effectively from a broad and diverse perspective, and to make important decisions that affect company-wide management.” Accordingly, the Board discusses the major direction of management, including the medium-term management plan and its progress.

With regard to the decision-making function of the Board of Directors, we aim to realize autonomous and swift business execution while enhancing the effectiveness of the Board, the Company revised the criteria for matters to be submitted to the Board of Directors in line with its transition to a company with an Audit & Supervisory Committee, thereby expanding the scope of delegation to Directors. Matters to be decided by the Board are limited to those of strategic importance to the company’s management and are clearly defined by internal regulations.

Decisions on matters not designated by the aforementioned internal regulations as requiring resolution by the Board are delegated to directors and executed through the Management Council, which serves as the highest decision-making body at the operational level. Furthermore, the results and status of such decisions and executions are required to be reported to the Board of Directors under the same internal regulations. Through these reports, the Board supervises the decision-making and execution of operations by the Management Council and Executive Officers.

[Principle 4-8]

Of the fifteen Directors, eight are Outside Directors (including three Outside Directors who are Audit & Supervisory Committee Members), and they meet the standards set by the Company for independence of Outside Directors, as well as the standards related to independence set by the financial instruments exchange that the Company is listed on.

[Principle 4-9]

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

https://sumitomocorp.disclosure.site/pdf/CorporateGovernance/outdirec_independ_en.pdf

[Supplementary Principle 4-10-1]

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

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

[Supplementary Principle 4-11-1]

- For details of the appropriate balance between knowledge, experience, and skills of the Board of Directors as a whole, and the Company’s view with regard to the diversity and appropriate size of the Board of Directors, refer to the Sumitomo Corporation Corporate Governance Principles, which are made public on the Company’s website.
https://sumitomocorp.disclosure.site/pdf/CorporateGovernance/principle_en.pdf
- Refer to the Company’s policies and procedures regarding appointment of Directors, which are disclosed in this corporate governance report in the section of “Matters Concerning Functions of Business Execution, Auditing, Supervision, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) [Nomination Function, etc.]” under “II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight”
- Refer to the skill matrix posted in the end of this corporate governance report, which indicates the types of knowledge, experience and competencies, etc. (collectively, “Skills”) that the Board of Directors is required to possess for fulfilling its roles, and which Directors currently in office possess such Skills.

[Supplementary Principle 4-11-2]

The Company discloses significant positions concurrently held by Directors (Directors and Audit & Supervisory Board Members before the transition to a Company with an Audit & Supervisory Committee in June 2025) and candidates for those posts on an annual basis in disclosure documents such as the reference documents within the Notice of Convocation of the Ordinary General Meeting of Shareholders, the business report, and the Company’s annual securities report.

[Supplementary Principle 4-11-3]

Evaluation of the Board of Directors

To maintain and enhance the effectiveness of the Board of Directors, each year Directors (Directors and Audit & Supervisory

Board Members before the transition to a Company with an Audit & Supervisory Committee in June 2025) engage in analysis and evaluation of the Board's effectiveness through evaluation and several discussions. This is followed by the disclosure of overviews of the results. The effectiveness evaluation for fiscal 2023 and the overview of the results is as follows.

1. Evaluation method

- (1). Target: All members of the Board of Directors (11) and all Audit & Supervisory Board members (5)
- (2). Implementation method:

In November 2024, we implemented a questionnaire survey (*). Based on the results, Directors and Audit & Supervisory Board members held several discussions to evaluate and analyze the results, and to identify issues and the initiatives on how we should improve them.

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

- (3). Evaluations items:
 - (i) Functions and roles of the Board of Directors
 - (ii) Composition of the Board of Directors
 - (iii) Agenda items
 - (iv) Content and Quality of discussions
 - (v) Provision of support and information
 - (vi) Advisory body to the Board of Directors
 - (vii) Fulfillment of roles of the Board chair
 - (viii) Fulfillment of roles of internal Directors
 - (ix) Fulfillment of roles of Outside Directors
 - (x) Self-evaluation
 - (xi) Expectations in Audit & Supervisory Board members
 - (xii) Comprehensive evaluation
- (4). Third-party Assistance:

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

2. Evaluation results overview

In this fiscal 2024, prior to conducting the survey, the Board of Directors held five off-site meetings to discuss the future of the Company's Board of Directors. As a result of these discussions, members share an awareness of the functions and roles of the Board of Directors that should be achieved in the future, and no significant problems with the effectiveness of the Board of Directors were identified in either the responses to the questionnaire or the discussions among all Directors and Audit & Supervisory Board Members regarding the results of the questionnaire, and it was determined that the Company's Board of Directors continues to function effectively.

In fiscal 2025, the Board will focus on stabilizing the operation of the Company's new management framework following the

change in its governance structure. In addition, based on the feedback from the effectiveness evaluation, the Board has positioned the following items as priority issues to be addressed, and will strive to steadily implement improvements.

- Set meeting agendas that facilitate discussion of company-wide management issues.
- Consider the ideal number of Directors on the Board and their required backgrounds.
- Strengthen collaboration between the Nomination and Remuneration Advisory Committee and the Board of Directors
- Study and implement the appropriate audit system after the transition to a Company with an Audit & Supervisory Committee governance system.

3. Results of initiatives implemented in fiscal 2024 to address issues identified in the effectiveness evaluation conducted in fiscal 2023

In the evaluation of the effectiveness of the Board of Directors conducted in fiscal 2023, three key items were identified as issues/initiatives going forward in fiscal 2024: (1) Functions and roles that should be fulfilled by the Board of Directors, (2) Composition of the Board of Directors, and (3) Setting the agenda for the Board of Directors. To address these issues, in fiscal 2024, the Board of Directors held intensive off-site discussions from August to December 2024 on the topic of reviewing the ideal structure of the Board of Directors. As a result of the discussions mainly below, the Board established a direction for a comprehensive review of the Board of Directors, including its role, structure, agenda setting, and changes to its corporate governance structure. At a meeting held on January 28, 2025, the Board resolved to changes to its governance structure (transition to a Company with an Audit & Supervisory Committee), and disclosed this decision publicly on the same day.

- Conducted discussion on the future of the Company's Board of Directors to enhance its role as a forum for more effective dialogue and discussion that contributes to the enhancement of the Group's corporate value over the mid- to long- term.
- In line with the April 2024 revision of the Company's business organization, which was designed to implement agile decision-making and autonomous management in order to achieve sustainable growth and enhance corporate value, it was confirmed that the roles of the Board of Directors and the Management Council will be divided more clearly, and reorganized into a structure and operating framework that enables the Board of Directors to perform more effective supervision of the Company's executive functions.
- As specific measures to strengthen the supervisory function of the Board of Directors, the Board confirmed its intention to increase the number of Outside Directors to a majority and to expand monitoring and discussion of important company-wide management issues.
- Based on the above three considerations, the Board decided to expand the scope of authority delegated to the Management Council for individual matters such as investment projects and to make necessary changes to the Company's governance structure (transition to a Company with an Audit & Supervisory Committee).

[Supplementary Principle 4-14-2]

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

roles and responsibilities.

[Principle 5-1]

[Basic policy of dialogue with shareholders]

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

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

When conducting dialogue with shareholders and investors, insider information is managed appropriately in accordance with the internal Rules.

[Implementation systems and activities]

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

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

- General Meeting of Shareholders

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

- Institutional investors (in and outside Japan)

In Japan, quarterly financial results briefings for Japanese institutional investors are conducted by the President & CEO and the

CFO (*2). Semiannual small meetings are conducted by the President & CEO and the CFO.

Meetings with individual institutional investors are vigorously conducted by the President & CEO, the CFO, and Investor Relations Department. For overseas, we have continued to visit institutional investors, mainly in Europe, North America, and Asia. (A total of seven visits to overseas investors in fiscal 2024.)

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

▪ Individual investors

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

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

<List of activities in fiscal 2024>

President and CEO: General Meeting of Shareholders, financial results briefings (2 times), IR Day, dialogue with institutional investors and analysts in and outside Japan (24 times), briefings for individual investors (2 times)

CFO: General Meeting of Shareholders, financial results briefings (4 times), dialogue with institutional investors, analysts, and other stakeholders in and outside Japan (39 times)

CSO: General Meeting of Shareholders, financial results briefings (1 time), IR Day CAO (*3): General Meeting of Shareholders, IR Day

Investor Relations Department:

Dialogue with institutional investors, analysts, and other stakeholders in and outside Japan. (approx. 340 times, including 29 ESG/SR meetings), IR Day, briefings for individual investors (9 times)

(*1) CSO (Chief Strategy Officer)

(*2) CFO (Chief Financial Officer)

(*3) CAO (Chief Administration Officer)

[Status of dialogue with shareholders, etc.]

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

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

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

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

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure

Disclosure of Initiatives (Update)

Availability of English Disclosure	Available
Date of Disclosure Update	June/24/2024

Explanation of Actions

2. Capital Structure

Foreign Shareholding Ratio	30% or more
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Status of Major Shareholders

Name or Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (trust account)	198,114,700	16.37
BNYM AS AGT/CLTS 10 PERCENT	119,617,201	9.89
Custody Bank of Japan, Ltd. (trust account)	62,996,400	5.21
Sumitomo Life Insurance Company	30,855,000	2.55
STATE STREET BANK WEST CLIENT - TREATY 505234	21,653,164	1.79
STATE STREET BANK AND TRUST COMPANY 505001	17,846,969	1.47
JP Morgan Securities Japan Co., Ltd.	17,509,751	1.45
Goldman Sachs Japan Co., Ltd. BNYM	16,737,544	1.38
JP MORGAN CHASE BANK 385781	16,643,552	1.38
Mitsui Sumitomo Insurance Company, Limited	15,000,000	1.24

Name of Controlling Shareholder, if applicable (excluding Parent Companies)	—
Name of Parent Company, if applicable	No

Supplementary Explanation

The shareholding ratio is calculated by dividing the number of shares held by the number of shares outstanding, which is derived by deducting treasury stock (1,092,736 shares) from the total number of issued shares, and rounding to the nearest hundredth of a percent.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Tokyo Prime Market
Fiscal Year-End	March
Business Sector	Wholesale Trade
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥1 trillion or more
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	300 or more

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

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

Views and policies on group management

1. Group Management Policy

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

The Company's policy for its group management is to respect "autonomous" management by each Group Company, and to be involved in important decision-making at the board of directors or organization equivalent to the board of directors of each Group Company based on the relationship of trust established through active "dialogue" as a shareholder, and to create new value through strong "cooperation" of Group Companies including the Company.

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

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

Sumitomo Corporation Group has, as a listed subsidiary, SCSK Corporation (Tokyo Stock Exchange Prime Market; hereinafter "SCSK"), and as listed affiliates, WELLNEO SUGAR Co., Ltd. (Tokyo Stock Exchange Prime Market; hereinafter "WELLNEO SUGAR"), and Mammy Mart Corporation (Tokyo Stock Exchange Standard Market; hereinafter "Mammy Mart").

(1). Our approach to holding listed Group Companies

Benefits of being a listed Group Company include: establishing a solid financial basis including better financing capacity; enhancing credibility through the establishment and operation of governance system, including the transparency of business management and internal control; increasing the corporate presence; increasing brand

strengths in hiring employees; further development of trust with business partners as well as to the higher credibility of its services and businesses; and enhancing motivation among the officers and employees of the Group Company. The Company, as an integrated trading company engaged in a wide range of businesses, verifies, considers and judges the appropriateness of holdings shares in each listed Group Company at the Management Council etc., taking into account the position of each listed Group Company within our Group's strategy, its business situation, and the surrounding business environment, while also taking into account the need to ensure the management independence of each listed Group Company.

(2). The significance of holding listed Group Companies

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

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

(i) SCSK

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

(ii) WELLNEO SUGAR

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

(iii) Mammy Mart

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

3. Policy regarding governance of listed Group Companies

Regarding the governance systems of our listed Group Companies, our policy is, in principle, that the management of each Group Company should take the initiative in establishing, operating and improving them, and as a shareholder, the Company respects their decisions. On the other hand, from the perspective of maintaining and enhancing the corporate value of each Group Company and managing risks based on the establishment and operation of internal controls across the Group, the Company requires prior consultation or reporting from each listed Group Company regarding important business operations that could have a significant impact on the corporate value of the Group.

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

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

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

1. Organizational Composition and Operation

Corporate Governance System	Company with Audit & Supervisory Committee
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Directors

Number of Directors Stipulated in Articles of Incorporation	No upper limit
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairperson (excluding those concurrently serving as President)
Number of Directors	15
Election of Outside Directors	Elected
Number of Outside Directors	8
Number of Independent Directors	8

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Akiko Ide	From another company											
Takashi Mitachi	From another company								△			
Takahisa Takahara	From another company								○			
Haruyasu Asakura	From another company											
Nana Otsuki	From another company											
Yukiko Nagashima	From another company								△			
Nobuo Inada	Lawyer											
Taisei Kunii	CPA								△			

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/company auditor
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies

- to director him/herself only)
j. Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
k. Other

Outside Directors' Relationship with the Company (2)

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

			<p>Corporate Executives), to which the Company pays membership fees, etc. However, the amount of the fees are negligible – less than 1% of the association’s total ordinary revenue. We have therefore determined that his independence is unaffected.</p>	<p>well as highly insightful and capable. Mr. Mitachi will contribute to the Company’s aims of ensuring appropriate decision- making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Director.</p> <p>Mr. Mitachi meets the standards set by Sumitomo Corporation for Independence of Outside Directors, and also meets the standards related to independence set by the financial instruments exchange that the Company is listed on. The Company has notified the exchange of his status as an independent director.</p>
Takahisa Takahara		○	<p>Mr. Takahara engages in the execution of operational duties as President & CEO of UNICHARM CORPORATION. The Company and UNICHARM CORPORATION jointly invest in The Hartz Mountain Corporation, and this investment is based on a shareholders’ agreement between the two companies. However, the amount invested by the Company is negligible – less than 0.1% of its total</p>	<p>Mr. Takahara has held several key positions for many years at a major consumer goods manufacturer, serving as Director, Senior Director, and President & CEO. Through these and other roles, Mr. Takahara has accumulated wide-ranging knowledge and a wealth of experience in business management; he is also honest in character, as well as highly insightful and capable. Mr. Takahara will contribute to the Company’s aims of ensuring appropriate decision- making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Director.</p> <p>Mr. Takahara meets the standards set by Sumitomo Corporation for Independence of Outside Directors, and also meets the standards related to independence set by the financial instruments exchange that the Company is listed on. The Company has notified the exchange of his status as an independent director.</p>

			<p>consolidated assets and less than 0.4% of UNICHARM CORPORATION's total consolidated assets. We have therefore determined that his independence is unaffected.</p>	
Haruyasu Asakura		○	—	<p>Mr. Asakura has held several key positions for many years at private equity fund investment companies and served in executive and outside director positions for multiple companies. Through these and other roles, Mr. Asakura has accumulated wide-ranging knowledge and a wealth of experience in M&A and business management, etc.; he is also honest in character, as well as highly insightful and capable. Mr. Asakura will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Director.</p> <p>Mr. Asakura meets the standards set by Sumitomo Corporation for Independence of Outside Directors, and also meets the standards related to independence set by the financial instruments exchange that the Company is listed on. The Company has notified the exchange of his status as an independent director.</p>
Nana Otsuki		○	—	<p>Ms. Otsuki has held several key positions for many years at companies including leading securities firms and has served as a university professor and in outside director positions for listed companies. Through these and other roles, Ms. Otsuki has accumulated wide-</p>

				<p>ranging knowledge and a wealth of experience in market analysis and corporate governance, etc.; she is also honest in character, as well as highly insightful and capable. Ms. Otsuki will contribute to the Company's aims of ensuring appropriate decision-making from diverse perspectives in board meetings and further enhancing supervisory functions, and is thus judged to be qualified for the role of Outside Director of the Company and to be able to perform her duties properly in that position. For these reasons, she is appointed as the position of Outside Director.</p> <p>Ms. Otsuki meets the standards set by Sumitomo Corporation for Independence of Outside Directors, and also meets the standards related to independence set by the financial instruments exchange that the Company is listed on. The Company has notified the exchange of her status as an independent director.</p>
Yukiko Nagashima	○	○	<p>Ms. Nagashima served until March 2016 as Representative Director at Recruit Staffing Co., Ltd. With which the Company has business transactions. However, the transaction amount between the Company and Recruit Staffing Co., Ltd. is negligible – less than 0.1% of Recruit Staffing Co., Ltd.'s total annual sales. We have</p>	<p>Ms. Nagashima has highly specialized knowledge and a wealth of experience in corporate management and corporate governance based on her career over many years in which she held key positions at a major comprehensive human resources company (holding company), as well as experience managing group companies and serving as a full-time audit & supervisory board member at the holding company and an outside director at a major corporation. She is also honest in character, as well as highly insightful and capable. Ms. Nagashima will contribute to the Company's aim of strengthening the appropriate decision-making and supervisory functions of our Board of Directors, and conducting audits from diverse perspectives, and is thus judged to be able to perform her duties properly in that position. For these reasons, she is appointed as the position of Outside Audit & Supervisory Committee Member.</p> <p>Ms. Nagashima meets the independence standards</p>

			therefore determined that her independence is unaffected.	respectively set by the Company, the financial instruments exchange that the Company is listed on. The Company has notified the exchange of her status as an independent auditor.
Nobuo Inada	○	○	—	<p>Mr. Inada has highly specialized knowledge and a wealth of experience in law based on his career over many years as a prosecutor and attorney at law. He is also honest in character, as well as highly insightful and capable. Mr. Inada will contribute to the Company's aim of strengthening the appropriate decision-making and supervisory functions of our Board of Directors, and conducting audits from diverse perspectives, and is thus judged to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Audit & Supervisory Committee Member.</p> <p>Mr. Inada meets the independence standards respectively set by the Company, the financial instruments exchange that the Company is listed on. The Company has notified the exchange of his status as an independent auditor.</p>
Taisei Kunii	○	○	<p>Mr. Kunii engaged until May 2022 in the execution of operational duties as Chief Executive Officer of Deloitte Touche Tohmatsu LLC, to which the Company makes payments including outsourcing fees. However, the amount is negligible – less than 0.2% of Deloitte Touche Tohmatsu LLC's total revenue.</p>	<p>Mr. Kunii has highly specialized knowledge and a wealth of experience in finance, accounting, and corporate auditing based on his career over many years as a certified public accountant. He is also honest in character, as well as highly insightful and capable. Mr. Kunii will contribute to the Company's aim of strengthening the appropriate decision-making and supervisory functions of our Board of Directors, and conducting audits from diverse perspectives, and is thus judged to be able to perform his duties properly in that position. For these reasons, he is appointed as the position of Outside Audit & Supervisory Committee Member.</p> <p>Mr. Kunii meets the independence standards respectively set by the Company, the financial</p>

			We have therefore determined that his independence is unaffected.	instruments exchange that the Company is listed on. The Company has notified the exchange of his status as an independent auditor.
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Supervisory Committee

Composition of Supervisory Committee and Attributes of the Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Committee Chair
Supervisory Committee	5	2	2	3	Inside Director

Appointment of Directors and/or Staff to Support the Supervisory Committee

Appointed

Matters Concerning Independence of Said Directors and/or Staff from Executive Officers/Reasons for Adopting Current System

A department has been established to assist the Audit & Supervisory Committee in its duties, with several dedicated staff assigned. Personnel evaluations of the members of this department are conducted by an Audit & Supervisory Committee member designated by the Committee. Additionally, any personnel transfers are subject to prior consultation with, and consent from, the designated Audit & Supervisory Committee Member.

Cooperation among the Supervisory Committee, Accounting Auditors and Internal Audit Department

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

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

In fiscal 2024, the remuneration paid to KPMG AZSA LLC, the Company's Accounting Auditor, was as follows:

- (a) Fees for services described in Article 2, paragraph (1) of the Certified Public Accountants Act (attestation services) ...¥546 million
- (b) Fees for services other than those described in Article 2, paragraph (1) of the Certified Public Accountants Act...¥19 million
- (c) Total remuneration paid to the Accounting Auditor for fiscal 2023...¥565 million

- (d) Total amount of cash and other financial benefits payable by the Company and its consolidated subsidiaries to the Accounting Auditor (including (c))...¥1,219 million

Notes:

1. In line with the “Practical Guidelines for Collaboration with Accounting Auditors” published by the Japan Audit & Supervisory Board Members Association, the Company’s Audit & Supervisory Committee checks the details of audit plans, the performance of duties during the preceding fiscal year, the calculation bases for remuneration estimates, etc., and gives due consideration to these findings when approving compensation, etc. for the Accounting Auditor, as stipulated in Article 399, paragraph (1) of the Companies Act.
2. The audit agreement between the Company and the Accounting Auditor does not differentiate remuneration and other fees relating to the audit based on the Companies Act from remuneration and other fees relating to the audit based on the Financial Instruments and Exchange Act, and the two types of remuneration cannot actually be differentiated. Therefore, the above amounts show the total of these two types of remuneration and other fees.
3. The Company pays remuneration to the Accounting Auditor for creating comfort letters, etc. in addition to the service defined in Article 2, paragraph (1) of the Certified Public Accountants Act.
4. Some of the consolidated subsidiaries are audited by audit firms other than the Company’s Accounting Auditor.

Voluntary Established Committee(s)

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee	Established
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Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Advisory Committee	5	0	2	3	0	0	Outside Director
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Advisory Committee	5	0	2	3	0	0	Outside Director

Supplementary Explanation

The Nomination and Remuneration Advisory Committee is composed of the Chairman of the Board of Directors, the President and Chief Executive Officer and three Outside Directors. The Nomination and Remuneration Advisory Committee is in charge of reviewing (1) policies and procedures regarding appointment and dismissal of the President and Chief Executive Officer, (2) policies and procedures regarding appointment and dismissal of the Chairman of the Board of Directors, (3) nomination criteria for Directors (including Directors who are Audit & Supervisory Committee Members), (4) appointment and dismissal of the President and Chief Executive Officer (including the nomination of a successor of the President and Chief Executive Officer), (5) nominations of candidates for Directors (including determination of Representative Directors and Executive Directors)(excluding Directors who are Audit & Supervisory Committee Members), (6) nomination of candidates for Directors who are Audit & Supervisory Committee Members, (7) appointment of Management Council members, (8) the structures/levels of remuneration and bonuses for Directors (excluding Directors who are Audit & Supervisory Committee Members) and Executive Officers and the limit of remuneration for Directors who are Audit & Supervisory Committee Members, and (9) the advisor system, and will submit the results thereof as recommendations to the Board of Directors. Additionally, the committee will also deliberate and determine any matters delegated by the board of directors that are not included in (1) to (9) mentioned above, and report the outcome of such deliberation or decision to the board of directors. In fiscal 2024, the Nomination and Remuneration Advisory Committee met 8 times to make discussions and submitted the results thereof as recommendations to the Board of Directors. All committee members except for Mr. Takahara attended all of the 8 meetings, and Mr. Takahara attended all 7 meetings (since her appointment in June 2024). Overview of the Nomination and Remuneration Advisory Committee is as follows:

- Composition of the Nomination and Remuneration Advisory Committee
 - (1). The Nomination and Remuneration Advisory Committee shall be comprised of internal and external members, with the majority of committee members being the latter. The number of committee members shall be set within the range that enables the committee to carry out thorough consultations and to make prompt and reasonable decisions. Specifically, the committee shall have a total of five members, including two internal members consisting of the Chairman of the Board of Directors and the President and Chief Executive Officer, and three external members who are Outside Directors (excluding Directors who are Audit & Supervisory Committee Members).
 - (2). The Chairperson of the Nomination and Remuneration Advisory Committee is required to be an external member.
 - (3). The Chief Administration Officer (HR Strategy Department) shall serve as the secretariat.
- Selection criteria for external committee members

The external members shall consist of those Outside Directors (excluding Directors who are Audit & Supervisory Committee Members) who specifically have extensive knowledge and experience as well as deep insights, both in and outside the Company, concerning the breadth of issues to be deliberated by the committee. The composition of external members shall ensure diversity in terms of knowledge, experience, specialty and so on.
- Method for selecting external committee members

External committee members are selected by a resolution of the Board of Directors.
- Method for selecting the Chairperson

The Chairperson shall be appointed by a resolution of the Board of Directors based on the outcome of an election by committee members' mutual vote.
- Handling when the Chairperson has an accident or for other reasons

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

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

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

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

Matters Concerning Independent Directors

Number of Independent Directors	8
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Other Matters Concerning Independent Directors

All of Outside Directors in the Company meet the Company's internal rule of "Standards for Appointment and Independence of Outside Directors", and also the criteria for independence set by the financial instruments exchange on which the Company is listed. Regarding the criteria for the independence of Outside Directors, the Company has established "Standards for Appointment

and Independence of Outside Directors” which is publicly available on our website.

(https://sumitomocorp.disclosure.site/pdf/CorporateGovernance/outdirec_independ_en.pdf)

Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Performance-linked Remuneration, Stock Options, Others

Supplementary Explanation for Applicable Items

The Company's performance-linked remuneration system for directors is comprised of a performance-linked bonus plan and a stock-based remuneration plan.

For details about these plans, including (1) the policy on determining the ratio of performance-linked remuneration, (2) the indicators related to performance-linked remuneration and the reason for adopting such indicators, and (3) the method for determining the amounts of performance-linked remuneration, see the section of "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management" under "1. Organizational Composition and Operation [Director Remuneration]."

Persons Eligible for Stock Options

Internal Directors, Employees, Other

Supplementary Explanation for Applicable Items

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

[Summary of the new share acquisition rights]

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

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

Director Remuneration

Status of Disclosure of Individual Director's Remuneration	Disclosure for Selected Directors
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Supplementary Explanation for Applicable Items

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

The total amount of remuneration for the 15 Company Directors in fiscal 2024 was 1,452 million yen, with the breakdown as follows.

- Monthly remuneration: ¥550 million
- Total amount of bonus: ¥287 million
- Total amount recorded as expenses for restricted performance share unit-based remuneration by calculating the estimated amount to be paid as monetary remuneration receivables in accordance with the estimated number of shares to be granted in 2025, 2026 and 2027: ¥ 615 million

For individuals whose total remuneration is 100 million yen or more for the year ended March 31, 2025, the total remuneration and its breakdown are as follows:

(Unit: Million Yen)

Name	Position	Monthly remuneration	Directors' bonuses	Restricted Performance Share Unit- Based Remuneration (*3)	Total
Kuniharu Nakamura	Director (*4)	25	0	111	136
Masayuki Hyodo	Director	95	0	194	288
Shingo Ueno	Director	103	123	94	319
Takayuki Seishima	Director	66	61	72	199
Reiji Morooka	Director	58	52	48	159
Norihiko Nonaka	Director (*5)	45	51	37	133

1. None of the directors above serve as a director or an audit & supervisory board member of subsidiaries of the Company, and their remuneration are all paid by the Company.

2. The figures on the table above are rounded to the nearest million yen.

3. The figures represent the amount accounted for (expensed) in fiscal 2024 and are different from the amount of remuneration from shares actually delivered in the same fiscal year.

4. He retired as a director due to the expiration of his term of office at the conclusion of the 156th Ordinary General Meeting of Shareholders held on June 21, 2024.

5. He was newly elected at the 156th Ordinary General Meeting of Shareholders held on June 21, 2024.

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

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

(A) System for remuneration

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

The remuneration for the Chairman of the Board of Directors and Director, Vice Chairman consists of monthly remuneration and stock-based remuneration.

The remuneration for Outside Directors is fixed-amount compensation only (monthly remuneration).

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

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

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

- Policy on the decision of the amount of each remuneration

- ✓ Monthly Remuneration

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

- ✓ Performance Linked Bonus

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

- ✓ Restricted Performance Share Unit-Based Remuneration

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

- Method on the decision of the amount of each remuneration

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

- ✓ Performance Linked Bonus

- The Board of Directors, reflecting reports from the Nomination and Remuneration Advisory Committee, set assumed values for each performance management index and decide formula for calculating the performance linked bonuses for individual Executive Directors (for the relevant fiscal year) based on actual values for each performance management index.
 - After the end of fiscal year, Representative Director, President and Chief Executive Officer (who is delegated such decision by the Board of Directors) shall decide personal evaluations of each Executive Directors regarding the performance management index which is a part of the formula, following meetings with each of Executive Directors, and performance linked bonuses for each fiscal year will be determined as per the formula, within the limit resolved at the General Meeting of Shareholders.
 - Representative Director, President and Chief Executive Officer will report to the Nomination and Remuneration Advisory Committee about the grading results to make sure that the personal evaluations are appropriate.
- ✓ Restricted Performance Share Unit-Based Remuneration
- The Board of Directors, reflecting reports from the Nomination and Remuneration Advisory Committee, decide formula for calculating the stock-based remuneration for individual Executive Directors at the first board meeting of relevant evaluation period based on actual values for each performance management index in several fiscal years.
 - Nomination and Remuneration Advisory Committee (who is delegated such decision by the Board of Directors), comprised of Outside Directors, Chairman of the Board of Directors and Representative Director, President and Chief Executive Officer, shall decide personal evaluations of each Executive Directors on the non-financial indicator which is a part of the formula, and report the evaluations to the Board of Directors.

(2). Remuneration system for fiscal 2024

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

- We have set competitive remuneration standards and remuneration composition ratios in light of the current business environment, business strategies, and human capital strategy. We have done so with reference to remuneration market research data, etc. provided by independent external specialized agencies.
- We have set increased the ratio of variable remuneration accounted for by restricted performance share unit-based remuneration to set further strengthen the incentive to increase the Company's corporate value over the medium to long term and to pursue business management that is more concerned than ever before with the Company's stock price and with a focus on sharing value with the shareholders.

The image of the remuneration of Representative Director, President and Chief Executive Officer is as shown below.

Fixed remuneration	Variable remuneration	
Monthly Remuneration	Performance-Linked Bonus	Restricted performance share unit-based
27%	33%	40%
Total 27%	Total 73%	

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

(B) Performance-linked bonus

- Each fiscal year the Company sets the full-year forecast (consolidated net income for the year) or the consolidated net income for the year when ROE is 12% (whichever amount is higher) as the target business result and decides the total amount of performance-linked bonuses to be paid according to the rate of achievement of this target business result.
- The potential range of business results is assumed to be up to 50% above or below the target business result set each fiscal year and the standard for the total amount of performance-linked bonuses to be paid is set at 100% when the target business result is achieved, with a range of variation from 25% to 175% in line with the potential range of business results.
If business results fall outside this range, the total amount of performance-linked bonuses to be paid is decided separately by the Board of Directors based on a report from the Nomination and Remuneration Advisory Committee.
- The amount to be paid to individual officers is distributed according to their position and personal evaluation and paid after the end of the fiscal year.
- Each officer is evaluated on the basis of both financial indicators (achievement of business plans, etc. in the respective areas of responsibility) and non-financial indicators (such as individual Strategic Business Units' achievement of the goals, and progress in addressing important company-wide issues) so that they can become more aware regarding their commitment to management strategy and results.
Of evaluation based on non-financial indicators, 20% relates to the important company-wide issues of business reform through digital transformation (DX), enhancement of sustainability management, and promotion of Diversity, Equity & Inclusion.

(C) Restricted Performance Share Unit-Based Remuneration

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

Support System for Outside Directors

- In order to contribute to essential deliberations at the Board of Directors, the Company supports its Outside Directors with distributing and explaining in advance documents on each respective agenda to be presented at each meeting of the Board of Directors, and it has appointed a secretary with responsibility for providing the support necessary for Outside Directors to execute their duties. In addition, the Company established a dedicated organization to support communication between the Board of Directors and the executing persons (executive officers, etc.), and aims to improve the quality of discussions

at the Board of Directors meetings by selection of agenda items to be discussed at the Board of Directors meetings and organization of issues. The Company has also established an organization dedicated to assisting all Audit & Supervisory Committee Members including Outside Audit & Supervisory Committee Members with their duties. The organization provides the necessary support as appropriate to enable the Audit & Supervisory Committee Members to perform an effective audit.

- On taking office, Outside Directors have the opportunity to receive a briefing on areas including the Sumitomo Corporation Group's Management Principles, management policy, business activities, finances, organization, medium-term management plan, and risk management system. To enable Directors to acquire the necessary knowledge and update it as appropriate, we additionally provide access to resources including seminars and e-learning facilities, offering financial support to cover the necessary costs. To deepen their understanding of Sumitomo's Business Philosophy, Outside Directors visit a Sumitomo-related facility, in principle during the first fiscal year of their term of office. Outside Directors are also given the opportunity to make a group companies observation visit to a facility in Japan and to an overseas.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (*Sodanyaku, Komon, etc.*) after Retiring as Representative Director and President, etc.

Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
Kenji Miyahara	Special Advisor	Engagement only in external activities, such as activities in business communities and activities related to the Sumitomo Group upon the request of the President and Chief Executive Officer	Part-time Unpaid	2001/6/22	Determined
Motoyuki Oka	Special Advisor	Engagement only in external activities, such as activities in business communities and activities related to the Sumitomo Group upon the request of the President and Chief Executive Officer	Part-time Paid	2003/6/22	Determined
Kuniharu Nakamura	Special Advisor	Engagement only in external activities, such as activities in business communities and activities related to the Sumitomo Group upon the request of the President and Chief Executive Officer	Part-time Paid	2018/6/22	Determined

Number of Persons Holding Advisory Positions (*Sodanyaku, Komon, etc.*)
After Retiring as Representative Director and President, etc.

3

Other Related Matters

- The Company appoints those who used to serve as the President and Chief Executive Officer or the Chairmen of the Board of Directors as a special advisor for a definite term.
- Special advisors who are eligible for compensation payment receive compensation commensurate with their duties.

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

[Business Execution]

- In principle, based on checks and balances, there shall be both a Chairman of the Board of Directors and a President and Chief Executive Officer, and no single individual shall serve as both the Chairman of the Board of Directors and the President and Chief Executive Officer.

- The company has introduced an executive officer system to clarify responsibility and authority for business execution. For details on the appointment of Executive Officers, please refer to the description of [Executive Officers] of [Nomination Functions, etc.] in this section.
- The Management Council, as a highest decision-making body for the business execution delegated by the Board of Directors, monitors the autonomous execution of strategies and operations by the Business Groups and Corporate functions from a company-wide optimization perspective, and deliberates and makes decisions on important management matters. The Management Council, comprising 7 members - the President and Chief Executive Officer and Executive Officers, meets 3 times a month in principle. In addition, the Company has established a range of committees to act as advisory bodies to the Chief Executive Officer and the Management Council with regard to specific matters that are particularly important from the perspective of The Company as a whole. The committees are the Corporate Strategy Promotion Committee, the Global Innovation and Portfolio Committee, the Company Investment Committee, the Internal Control Committee, the Compliance Committee, the Corporate Sustainability Committee, and other committees.
- For the three-year period of the Medium-Term Management Plan 2026 which begins in fiscal 2024, we are establishing the position of “Vice Chairman,” who will be responsible for strengthening the functions of the Board of Directors and, at the request of the President & CEO, providing advisory services to support the management team in terms of transforming the business portfolio and developing management talent.

[Audit & Supervisory Functions]

1. Board of Directors

- The Company positions the role of the Board of Directors, in accordance with the “Sumitomo Corporation Corporate Governance Principles” as determining the overall direction of business, carries out highly effective supervision over business execution from a broad and diverse perspective, and making important decisions that affect the overall management of the Company.
- The Sumitomo Corporation Corporate Governance Principles state that, regarding the number of directors, "The number of directors shall be set within a scope which enables due deliberation and speedy and reasonable decision-making by the board of directors. Currently, around 15 directors or less is considered an appropriate number." Currently in actual, the Company has 15 Directors; this means that the structure of the Board of Directors (the functions of which are to supervise business execution and make decisions relating to important management matters) is such that it can conduct substantive, lively discussions and make appropriate decisions speedily. To enhance the effectiveness of the Board of Directors, we will continue to examine the appropriate number of its members. In addition, management responsibilities are made clear each business year, and the term of office for Directors (excluding Directors who are Audit & Supervisory Committee Members) is set at one year so as to respond speedily to changes in the business environment and they are reelected every year when they are reelected.
- The Sumitomo Corporation Corporate Governance Principles state that, as for the composition of the Board of Directors, "The composition of the board of directors shall be diverse in terms of experience, knowledge, specialty, gender, etc." and the Company strives to further strengthen the appropriate decision-making and supervisory functions of the Board of

Directors from diverse perspectives. Of the current 15 directors, 8 are Outside Directors. Of the 15 directors, 12 are male and 3 are female (three of whom are Outside Directors).

- Of the current 15 directors, the remaining 3, excluding Outside Directors, Directors who are Audit & Supervisory Committee Members, the Chairman, and the Vice Chairman, concurrently serve as Executive Officers. The 3 directors who concurrently serve as Executive Officers have the authority of representation.
- The Chairman of the Board chairs the Board of Directors. For the role and authority of the Chairman of the Board, please refer to the description in [Chairman of the Board of Directors] of [Nomination Functions, etc.] in this section.
- The Board of Directors meets once a month, in principle. In fiscal 2024, the Board of Directors met 16 times (13 times since June 21, 2024).
- The Board of Directors enhances its deliberations and strengthens its monitoring functions by the following initiatives:
 - ✓ Agenda items for the Board of Directors are carefully selected by the Board of Directors to promote more focused discussion of management policies and plans and other important matters for companywide management. Members of the Board of Directors also select items that should be taken up for more intensive discussion at the Board of Directors meetings each year (agenda setting);
 - ✓ The Board of Directors receives reports on the status of businesses important to the Company's management and, any associated issues and its response to those issues, and carries out a discussion focusing on such issues. The Board of Directors also periodically monitors the state of business execution companywide by receiving reports on the activities of the main corporate committees;
 - ✓ The Board of Directors holds off-site meetings in addition to regular meetings, for free and open discussions on important management topics, including management policies and plans, roles and functions of the Board of Directors, and ESG (Environment, Social and Governance) issues. Moreover, to ensure that Outside Directors and Outside Audit & Supervisory Board Members actively contribute to the discussions at the Board of Directors, a monthly meeting is held, which is comprised of Outside Directors, in which they engage in robust discussion; and
 - ✓ Prior to every meeting of the Board of Directors, Outside Directors are briefed on the agenda items due for discussion.
- Attendance of directors in fiscal 2024 at Board meetings:

Chairman of the Board of Directors Hyodo: 16 times/16 meetings

Director Nambu*: 13 times/13 meetings

Director Ueno: 16 times/16 meetings

Director Seishima: 16 times/16 meetings

Director Morooka: 16 times/16 meetings

Outside Director Ide: 16 times/16 meetings

Outside Director Mitachi: 16 times/16 meetings

Outside Director Takahara: 16 times/16 meetings

Outside Director Asakura*: 13 times/13 meetings

Outside Director Otsuki*: 13 times/13 meetings

* Their attendance at Board of Directors meetings held up since their appointments as Directors on June 21, 2024.

- Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into liability limitation agreements with the Chairman of the Board and each of the Outside Directors to limit their liabilities to the extent permitted by laws and regulations in the event that they are without knowledge and without gross negligence.
 - The Company has entered into a liability insurance contract for directors' compensation as provided in Article 430-3 paragraph (1) of the Companies Act, which covers all directors as insured persons. Except for those cases that fall under the grounds for exemption provided in the insurance contract, the insurance provider shall compensate directors for any damages, etc. that may arise as a result of either being liable for the performance of their duties or being subject to a claim for such liability. The Company pays all premiums for the insurance policy.
2. Audit & Supervisory Committee Members, Audit & Supervisory Committee and Accounting Audit
- Audit & Supervisory Committee consists of 5 members: 2 full-time internal Audit & Supervisory Board Members and 3 part-time Outside Audit & Supervisory Committee Members. Eligibility for the role of internal Audit & Supervisory Committee Members and Outside Audit & Supervisory Committee Members is as set forth in [Directors who are Audit & Supervisory Committee Members] of [Nomination Functions, etc.]. Experience and ability for the role of Outside Audit & Supervisory Committee Members are as set forth in [Reasons for Appointment] of [Outside Directors' Relationship with the Company(2)].
 - In fiscal 2024, The Audit & Supervisory Board has established Audit's policies, division of duties, etc., and receives reports on the status of implementation and results of Audit from each Audit & Supervisory Board Members, as well as reports on the status of execution of their duties from the Directors, etc. and the Accounting Auditors, and requests explanations as necessary. In fiscal 2024, based on Sumitomo Corporation Group's updated materiality, which reflects our aim to become a corporate group that grows sustainably together with society through the resolution of social issues, and in line with the theme of "No.1 Business Clusters" set forth in the Medium-Term Management Plan 2026, the Company are accelerating the transformation of our business portfolio to enhance competitive advantage and achieve significant growth. With a focus on "growth centered on strengths" and "strengthening the drivers of growth," Audit & Supervisory Board have conducted audits on the following matters.
 - (1). Status of compliance with the Companies Act, other laws and regulations, the Company Articles of Incorporation, internal rules, and the Sumitomo Corporation Group's Management Principles and Conduct Guidelines
 - (2). Construction and operation status of Internal Control Corporation Group's such as legal compliance system, risk management system, etc.
 - (3). Establishment and operation of Internal Control for Financial Reporting in accordance with the Financial Instruments and Exchange Act
 - (4). Accounting Appropriateness of financial reporting through Accounting Auditor's independence, expertise, and monitoring and verification of Accounting Audit's quality management system
 - In fiscal 2024 Audit & Supervisory Board Member attended meetings of the Board of Directors and other important meetings, receives reports on the status of the execution of his/her duties from directors and employees, requests explanations as necessary, examines important approval documents and other documents, and investigates the status of business and assets with respect to headquarters and major business locations. In addition, with regard to Subsidiary, the

Audit & Supervisory Board Member communicates with and exchanges information with Directors and audit & supervisory board members of Subsidiary, and receives business reports from Subsidiary as necessary.

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

The Company's accounting audit was conducted by Michitaka Shishido, Kenji Kasashima, and Takeshi Takahashi. All three are certified public accountants at KPMG AZSA LLC, and each has audited the Company's accounts continuously for no more than seven years. A total of 98 people assisted with the accounting audit; they comprised 30 certified public accountants, 17 assistant accountants (who have passed the CPA examination) and others, and an additional 51 people. For further details refer also to the sections of this report entitled "Cooperation among Audit & Supervisory Committee Members, Accounting Auditors, and Internal Audit Departments" and "Supporting System for Outside Directors."

[Nomination Function, etc.]

[Overall]

- The Company has established the Nomination and Remuneration Advisory Committee, an advisory body to the Board of Directors chaired by an Outside Director, the majority of whose members are Outside Directors.
- Refer to the Company's standards related to the independence of Outside Directors from the Company, which are made public on its website.

https://sumitomocorp.disclosure.site/pdf/CorporateGovernance/outdirec_independ_en.pdf

[Nomination and Remuneration Advisory Committee]

Regarding the composition, matters to be deliberated, etc. of the Nomination and Remuneration Advisory Committee as an advisory body to the Board of Directors, refer to the section entitled "Voluntary Established Committee(s)" under "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight"

[President and Chief Executive Officer]

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

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

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

- Possessing perseverance and mental fortitude

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

- Policy and Procedure for Appointment

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

- Policy and Procedure for Dismissal

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

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

- A successor President and Chief Executive Officer shall be appointed by a resolution of the Board of Directors after the Nomination and Remuneration Advisory Committee deliberates on, and recommends to the Board of Directors, the person who is considered best suited to serve as the successor President and Chief Executive Officer.
- If the Board of Directors cannot immediately appoint a successor President and Chief Executive Officer, the person who is required to exercise the authority to act on behalf of the President and Chief Executive Officer stipulated under the internal rules shall exercise the authority to execute operations on behalf of the President and Chief Executive Officer, and the procedure for appointing a new President and Chief Executive Officer shall be carried forward as promptly as possible.

[Executive Officers]

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

[Directors (excluding Directors who are Audit & Supervisory Committee Members)]

In order to ensure objectivity and transparency of procedures, the nomination of a candidates for the post of Director (excluding Directors who are do not Serve as Audit & Supervisory Committee Members) is deliberated by the Nomination and Remuneration Advisory Committee, resolved by the Board of Directors following the submission of deliberation results by the committee and then proposed at the general meeting of shareholders as an agenda item.

- Candidates for the post of internal Director (excluding Directors who are as Audit & Supervisory Committee Members) are required to be persons of high integrity with deep insights and excellent abilities and to possess professional knowledge and extensive experience including management experience. Factors such as gender or nationality are not taken into consideration.
- Candidates for the post of Outside Director (excluding Directors who are Audit & Supervisory Committee Members) are required to be persons of high integrity with deep insights and excellent abilities and to possess extensive knowledge and experience, accompanied by an outstanding track record in any specialized field, in light of the Company's need to ensure diverse perspectives. Factors such as gender or nationality are not taken into consideration.

[Chairman of the Board of Directors]

- Role and Responsibilities

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

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

- Policy and Procedure for Appointment

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

- Policy and Procedure for Dismissal

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

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

- A successor Chairman of the Board of Directors shall be appointed by a resolution of the Board of Directors after the Nomination and Remuneration Advisory Committee deliberates on, and recommends to the Board of Directors, the person who is considered best suited to serve as the successor Chairman of the Board of Directors.
- However, if the Board of Directors cannot immediately decide on a successor Chairman of the Board of Directors, another director shall act as the convener and chairman of meetings of the Board of Directors in place of the Chairman

of the Board of Directors, in the order that shall be separately decided by the Board of Directors and in which the directors shall exercise their authority to act on behalf of the Chairman of the Board of Directors, and the procedure for appointing a successor Chairman of the Board of Directors shall be carried forward as promptly as possible.

[Directors who are Audit & Supervisory Committee Members]

- In order to ensure objectivity and transparency of procedures, the nomination of a candidate for the post of Directors who are Audit & Supervisory Committee Members is deliberated by the Nomination and Remuneration Advisory Committee, resolved by the Board of Directors following the submission of deliberation results by the committee and proposed at the general meeting of shareholders as an agenda item after obtaining the approval of the Audit & Supervisory Committee.
- Candidates for the post of internal Directors who are Audit & Supervisory Committee Members are required to be persons of high integrity with deep insights and excellent abilities and to possess professional knowledge and extensive experience in business, regardless of gender or nationality.
- Candidates for the post of Outside Directors who are Audit & Supervisory Committee Members are required to be persons of high integrity with deep insights and excellent abilities and to possess highly professional knowledge and a wealth of experience in a specialized field such as law, accounting, or business management, among others. Factors such as gender or nationality are not taken into consideration.

[Remuneration Decision-making Function]

- Remuneration for the Company's Directors (excluding Directors who are Audit & Supervisory Committee Members) is decided based on report from the Nomination and Remuneration Advisory Committee by the Board of Directors within the scope of the overall amount approved by resolution of the general meeting of shareholders.
- The Company has established the Nomination and Remuneration Advisory Committee chaired by an Outside Director, within which Outside Directors comprise a majority, to serve as an advisory body to the Board of Directors. The committee reviews the formula and level of remuneration and bonuses for Directors and Executive Officers and the limit of remuneration for Audit & Supervisory Committee Members, and reports the results of its review to the Board of Directors.

3. Reasons for Adoption of Current Corporate Governance System

In June 2025, the Company transitioned to a Company with an Audit & Supervisory Committee.

Through this transition, we aim to (i) strengthen business execution in timely and appropriate manner, and (ii) enhance the effectiveness of the Board of Directors, which is responsible for decision-making on important matters and supervisory function over business execution.

Specifically, we aim to:

1. enable more agile strategy implementation and faster decision-making in our business execution by establishing of a clearer separation between supervisory and executive function, and the delegation of authority from the Board of Directors to executive managements on clarification of roles and responsibilities of the Company's Board of Directors and executive management;
2. further strengthen the Board of Directors' supervisory function to executive management and its appropriate decision-making functions through diverse perspectives by appointing of eight independent Outside Directors who constitute a majority of the fifteen-member Board Members, and;

3. enhance the independence, objectivity, and transparency of the Board's functions related to the nomination and remuneration of Executive Manager by maintaining of Nomination and Remuneration Advisory Committee, which is composed of a majority of independent Outside Directors and chaired by an Outside Director as an advisory body.

4. In addition to above, to strengthen the audit framework from an external perspective, our Audit & Supervisory Committee consists of five directors, three of whom are independent Outside Directors. Each of these Outside Directors is a specialist with advanced expertise and extensive experience in fields such as law, accounting, and corporate management, enabling the committee to conduct audits from a multifaceted perspective. Furthermore, all Directors serving on the Audit & Supervisory Committee are allowed to attend all important internal meetings, ensuring Audit & Supervisory Committee Members have access to the essential information required for effective auditing.

Through these measures, we believe we have established a robust and highly effective corporate governance system.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

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

2. Status of IR-related Activities

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	The Company has set down a Corporate Disclosure Policy and made it public in Japanese and English on the Company's website. (https://www.sumitomocorp.com/en/jp/about/governance/detail/disclosurepolicy)	
Regular Investor Briefings held for Individual Investors	The Company periodically holds briefings in major cities in Japan. In fiscal 2024, the Company held 34 briefings. The	Held

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

which is jointly managed by CFO and CSO and plans and implements a range of IR and SR activities.

3. Status of Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	<p>The Sumitomo Corporation Corporate Governance Principles stipulate the Company's policy with regard to respecting the positions of stakeholders. The Corporate Disclosure Policy is also established. The Japanese version and the English version of the Policy are available on the website of the Company.</p> <p>https://www.sumitomocorp.com/en/jp/about/governance/detail/disclosurepolicy</p>
Formulation of Policies, etc. on Provision of Information to Stakeholders	<p>The Sumitomo Corporation Corporate Governance Principles stipulate that the Company strives to actively disclose information to stakeholders and to ensure that information is disclosed in full. The Corporate Disclosure Policy is also established. The Japanese version and the English version of the Policy are available on the website of the Company.</p> <p>https://www.sumitomocorp.com/en/jp/about/governance/detail/disclosurepolicy</p>

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

The Company will establish and implement the following systems necessary to ensure the properness of the operations of the Company and operations of group of enterprises consisting of the Company and its subsidiaries as described in the Companies Act and the Regulations for Enforcement of the Companies Act (these systems are hereinafter referred to collectively as the “Internal Control System”).

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

1. **Systems for ensuring that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation:**

- In addition to explicitly requiring compliance with laws and regulations under the “Corporate Mission Statement” of the Sumitomo Corporation Group, the Company will set forth important items that are to be observed with particular strictness from the viewpoint of compliance as Sumitomo Corporation Group Compliance Policy” and a “Compliance Manual” will be
- prepared and distributed to all officers and employees.
- The Company will require all officers and employees to provide a written “Confirmation of Compliance” with the purport of rigorously assuring strict compliance with laws and regulations.
- Based on the Company’s internal rules, a “Chief Compliance Officer,” a “Compliance Committee,” “Compliance Leaders,” and a “Speak-Up System” will be created.
- The Chief Compliance Officer will supervise the handling of potential and verified compliance violations, will implement measures to ensure compliance, and will deal with matters brought to light via the “Speak-Up System.”
- The Compliance Committee will formulate and propose compliance-related measures, and will offer advice to the Chief Compliance Officer on the implementation of these compliance-related measures.
- Compliance Leaders will rigorously assure compliance in each Business Group and domestic and overseas office from a position close to the front lines, and they will also conduct activities relating to compliance enlightenment.
- Routes will be secured via the Speak-Up System that enable employees and officers to Communicate information on compliance directly to the Chief Compliance Officer, with the Legal Department, the Audit & Supervisory Committee, outside professionals and outside attorneys serving as liaisons.

2. **Systems for retaining and managing information pertaining to the Directors’ execution of their duties:**

- Important documents with regard to meetings of each type, including minutes of meetings of the Board of Directors, and information pertaining to the execution of duties and decision-making will be properly preserved and managed under internal rules regarding the respective matters.
- Steps will be taken under internal rules to prevent divulgence of information to third parties or other misuse of information.

- Important documents pertaining to the Directors' execution of their duties will be made available for review in a timely manner when requested by an Audit & Supervisory Committee Member.

3. Rules and other systems pertaining to the management of risk of loss:

- The Company defines "risk" as "the possibility of losses due to the occurrence of anticipated or unanticipated situations," and also as "the possibility of not achieving the expected return on business activities." The Company has set the following three items: "stabilize performance," "strengthen financial base" and "maintain corporate reputation" as the goals of its risk management activities. The Company categorizes its business activities into investments and commercial transactions and manages risk after identifying both common and category specific risk factors. Furthermore, the Company will continue to evolve its risk management activities in order to adequately respond to changes in external environment and the development of new business models.
- The sections of the Corporate Group will build a framework, conduct monitoring, and implement improvements regarding risk management across all levels of the Company through the formulation of internal rules pertaining to the respective areas of operational responsibility and the formulation of risk management policies, methods, and guidelines. In addition, they will strive to improve risk management through the preparation and distribution of manuals and training activities as appropriate. All business units and other sections conducting business including the Business Group will carry out risk management required for the conduct of individual cases under this company-wide framework.
- An "Internal Control Committee" will be instituted and will carry out overall management and timely evaluation of internal controls as a whole on a consolidated basis, along with the identification of important issues with respect to internal controls and the planning and implementation of basic policies for improvement. In addition, in order to more efficiently operate each of the existing internal control frameworks, create synergies, and collaborate with the 3rd Line (the Internal Auditing Department), the "Internal Control Promotion Department," which will be responsible for conducting the Sumitomo Corporation Group's internal control-related operations in an integrated manner, will be established within the same organization with the Internal Auditing Department under the "Head of Internal Control and Internal Audit Group." The Internal Control Promotion Department will actively identify issues in terms of internal control matters and utilize internal control activities within the Sumitomo Corporation Group to establish a more effective and consistent PDCA cycle for internal control throughout the Sumitomo Corporation Group.
- A "Company-wide Loan and Investment Committee" will be established as an advisory organ to the "Management Council", which serves as a decision-making body and will carry out deliberations regarding important rules, systems, and the like for risk management and regarding important investment and financing cases.
- A "Global Innovation & Portfolio Committee (GIPC)" will be established as an advisory organ to the "Management Council", which discuss and make recommendations on matters that should be considered and proposed from a company-wide perspective, such as areas in which management resources should be allocated with priority and cross-organizational strategies. Also, GIPC will monitor the status of the company-wide business portfolio and make recommendations as necessary.
- A "Corporate Sustainability Committee" will be established as an advisory body to the "Management Council", which serves as a decision-making body and discusses important policies, measures, and initiatives relating to the promotion of sustainability.

- The Company will develop and maintain the resilient system to ensure the safety of its Group members, rapid recovery and continuity of its business under the crisis such as natural disasters (Earthquake, Windstorm, Flood, etc.), infection disease, terrorism or riot, etc.
- The “Internal Auditing Department” will be established as an independent body for company-wide monitoring of operations, and its auditing will apply to all organizations within the Company and in its domestic and overseas subsidiaries. The results of internal auditing will be reported directly to the President and Chief Executive Officer each month and will also be reported regularly to the Board of Directors.

4. Systems for ensuring the efficient execution of the Directors’ duties:

- The size of the Board of Directors will be sufficient to enable full discussions and speedy and reasonable decision-making.
- Two or more Outside Directors will be elected so that through their diverse perspectives, the Company can ensure appropriate decision-making in the meeting of the Board of Directors and further enhancement of supervisory functions.
- A system of Executive Officers will be introduced in order to clarify responsibility and authority for the execution of operations and to endeavor for the strengthening of the supervisory functions of the Board of Directors.
- With the exceptions of the Chairman of the Board of Directors and Outside Directors, all Directors who do not serve as Audit & Supervisory Committee Member will, in principle, be Representative Directors, and will hold concurrent posts as Executive Officers.
- Management responsibilities will be made clear each business year, and the term of office for Directors who do not serve as Audit & Supervisory Committee Member will be set at one year so as to respond speedily to changes in the management environment.
- The terms of office of the director serving as the Chairman of the Board of Directors and of the executive officer serving as the President and Chief Executive Officer will not, in principle, exceed six years each.
- A “Nomination and Remuneration Advisory Committee” composed of a majority of outside directors will be established as an advisory organ to the Board of Directors. The Nomination and Remuneration Advisory Committee will deliberate on the matters (1) through (9) below and will submit the results thereof as recommendations to the Board of Directors. Additionally, the committee shall also deliberate and determine any matters delegated by the Board of Directors that are not included in following matters, and report the outcome of such deliberation or decision to the Board of Directors:
 - (1). Policy and procedure for appointment and dismissal of the President and Chief Executive Officer
 - (2). Policy and procedure for appointment and dismissal of the Chairman
 - (3). Nomination criteria for Directors (including Directors who serve as Audit & Supervisory Committee Member)
 - (4). Appointment and dismissal of the President and Chief Executive Officer (including nominating successors to the President and Chief Executive Officer)
 - (5). Nominations of candidates for Directors who do not serve as Audit & Supervisory Committee Member (including deciding representative directors and executive directors)
 - (6). Nominations of candidates for Directors who serve as Audit & Supervisory Committee Member
 - (7). Appointment of members of the Management Council

(8). Structure and level of remuneration and bonuses for Directors who do not serve as Audit & Supervisory Committee Member and Executive Officers, as well as limits for remuneration of Directors who serve as Audit & Supervisory Committee Member

(9). Advisor system.

- A dedicated organization will be established to strengthen the support functions of the Board of Directors, such as communication between the Board of Directors and the executing persons (executive officers, etc.), selection of agenda items to be discussed at the Board of Directors meetings, and organization of issues, to improve the quality of discussions at the Board of Directors meetings.
- In addition to the Management Council as a decision-making body, various committees will be established as advisory organs. In addition, “Liaison Meetings” and various other conferences will be instituted for the exchange of information.
- A medium-term management plan will be formulated and a budget will be compiled to set goals. In addition, a performance management system will be introduced in order to ascertain the state of Business Group CEO’s execution of operations and to serve in the formulation of strategies for the future.
- Under internal rules, agenda items requiring discussion by the Board of Directors will be specified in writing, and the job responsibilities of officers and employees will be made clear; in addition, the decision-making authority of officers and employees regarding important matters will be specified in writing.

5. Systems for ensuring the properness of operations by the corporate group comprising the Company and its subsidiaries:

- The Corporate Mission Statement of the Sumitomo Corporation Group promotes compliance with laws and regulations and the sharing of values to be respected throughout the Group.
- For the purpose of sharing and implementing its approaches to group management, the Company will establish the Group Management Policy (GMP) and set Jiritsu (working toward one’s own goals subject to Group rules and accountability), dialogue, and collaboration as the three principles of group management. Through this, the Company will aim to enhance the corporate value of its Group as a whole.
- In order to ensure that appropriate institutional decisions which contribute to maintaining and enhancing enterprise value of its subsidiaries and other consolidated companies are made, the Company shall – based on agreements with such group companies – obtain enough information and request prior consultation on “important management matters”. In addition, the Company will manage its subsidiaries and other consolidated companies through the dispatch of directors, audit & supervisory board members, and employees and other personnel assigned who execute business operations – in line with the businesses and situations of such group companies.
- The Company will carry out support so that internal controls are created, operated, evaluated, and improved appropriately at its subsidiaries and other consolidated companies.
- Internal audits of subsidiaries and other consolidated companies of which the Company is the managing entity will be conducted in accordance with internal rules.
- The Company will support its subsidiaries and other consolidated companies to construct a framework for risk management, including risk management policies, methods, guidelines, regulations, etc., and to make necessary improvements thereto.

- Subsidiaries will be supported to develop systems for complying with laws and regulations in the same strict manner as the Company, including through aiming to familiarize and implement “Sumitomo Corporation Group Compliance Policy”, the expansion of the “SC Global Speak-UP” system (an internal whistle-blowing system for Sumitomo Corporation group companies), the establishment of a Compliance Committee, and the preparation/distribution of a Compliance Manual.
- The Company will ascertain its consolidated performance, including that of subsidiaries, promptly and accurately on a monthly basis, and it will carry out performance management in detail.

6. Matters regarding personnel assigned to support the operations of Audit & Supervisory Committee:

- A Department will be established to support the operations of the Audit & Supervisory Committee, and several full-time staffers will be assigned to this department.
- Internal rules will clearly stipulate those persons authorized to issue instructions to the Department and the responsibilities of the Department, and will clearly define the purpose of the Department as an organization for assisting the Audit & Supervisory Committee in their operations.
- The personnel evaluations of the members of the Department will be conducted by the Audit & Supervisory Committee or an Audit & Supervisory Committee Member appointed by the Audit & Supervisory Committee. In addition, the personnel transfers shall be consulted in advance with the Audit & Supervisory Committee or an Audit & Supervisory Committee Member appointed by the Audit & Supervisory Committee and the consent thereof shall be obtained.

7. Systems for reporting to Audit & Supervisory Committee:

- Audit & Supervisory Committee Members may attend all meetings, including those of the Management Council. In addition, the Chairman of the Board of Directors, the President and Chief Executive Officer, and Audit & Supervisory Committee Members will meet regularly.
- Important materials pertaining to the execution of operations involving the Company, its subsidiaries and other consolidated companies will be delivered to the Audit & Supervisory Committee, and officers and employees will report and give briefings to the Audit & Supervisory Committee as necessary.
- Persons submitting the aforementioned reports and persons making contact via the Speak-Up System will not be subjected to adverse treatment due to such reports/contact.

8. Other systems for ensuring that auditing will be carried out effectively by the Audit & Supervisory Committee:

- The outside Directors who serve as Audit & Supervisory Committee Member will be experts on law, accounting, and the like, and auditing will be implemented from diverse points of view.
- The Internal Auditing Department will maintain close contact with the Audit & Supervisory Committee so as to contribute to effective auditing by the Audit & Supervisory Committee, such as by reporting the plans and results of internal audits to the Audit & Supervisory Committee in a timely manner.
- The Audit & Supervisory Committee will endeavor to ascertain the audit activities of the Accounting Auditor responsible for auditing the Company’s financial results and exchange information by holding regular meetings, and will endeavor to efficiently and qualitatively improve the audit activities of the Accounting Auditor such as by attending audit evaluation meetings, and being present for inventory audits.

- In order to pursue their duties appropriately, the Audit & Supervisory Committee will endeavor to communicate and exchange information with the subsidiaries' audit & supervisory board members, such as by conducting liaison meetings with them.
- Internal rules will clearly stipulate the methods for handling the expenses and financial obligations incurred by Audit & Supervisory Committee Members in the execution of the Audit & Supervisory Committee's duties.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

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

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

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

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures

Not Adopted

Supplementary Explanation for Applicable Items

2. Other Matters Concerning the Corporate Governance System

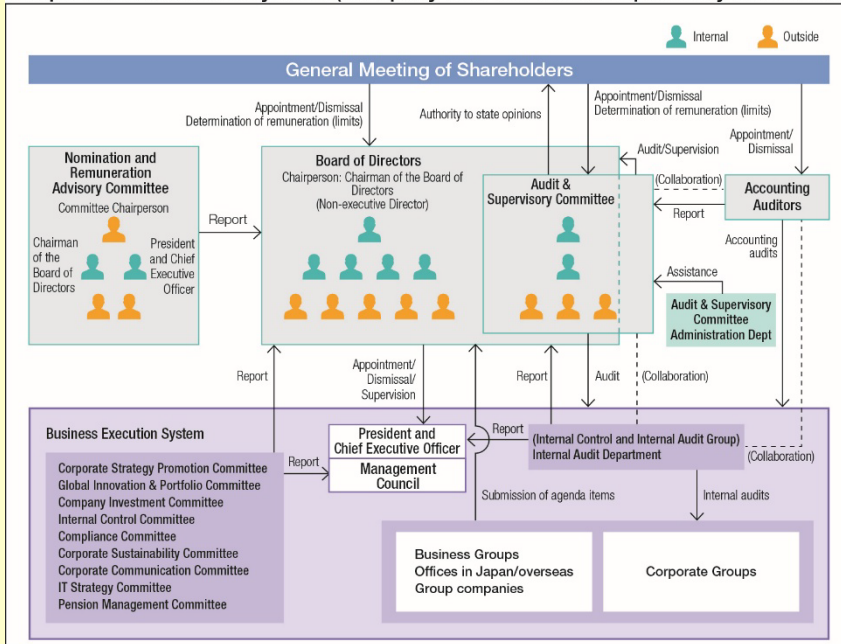
The Sumitomo Corporation Corporate Governance Principles stipulate that the essence of corporate governance is improving management efficiency and maintaining sound management, while ensuring management transparency in order to secure these two aims. Furthermore, the Company makes proactive efforts to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

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

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

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

[Corporate Governance System](Company with an Audit & Supervisory Committee)



(Reference) The skills of Directors

The Skills that the Board of Directors is required to possess

All Directors of the Company, regardless of whether they are internal or Outside Directors, are required to be honest in character, as well as highly insightful and capable, in accordance with their respective qualifications. Also, the Company raises "No.1 in Each Field" as a theme under "Midium-Term Management Plan 2026," and the Company is transforming its business portfolio by leveraging the strengths of individual businesses to reinforce them and strengthening people and organizations, which are the driving forces for growth. Through such initiatives, the Company will strive to enhance the Group's competitive advantages and achieve growth by addressing social challenges.

For successful implementation of this management plan, we have identified the types of knowledge, experience, and competencies, etc. (hereinafter "Skills") which enables the Board of Directors to adequately fulfill its roles of making decisions on important business matters and supervising business execution. "Governance" and "Global perspective" are Skills that all Directors are required to possess, while we believe that the Board of Directors as a whole should possess the other seven Skills. Of these seven skills, for Directors who are Audit & Supervisory Committee Members we place a particularly high priority on "Corporate Management", "Finance/Accounting", and "Legal/Risk Management". As the Skills that the Board of Directors is required to possess may vary according to business strategies or changes in the external environment, the Board of Directors will continue to discuss the skills required, make necessary changes, and disclose such changes.

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

Governance

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

Global Perspective

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

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

Corporate Management

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

Investment/ M&A

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

IT/DX/ Technology

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

Sustainability

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

Skills that Directors currently in office possess

Of the Skills identified above as necessary for the Board of Directors as a whole, Skills currently possessed by individual Directors are shown in the table below. The skills of individual Directors are determined after consiring all their attributes, including their careers, knowledge, experience, capabilities, qualifications, and spscific achievements, and discussing these with the individuals concerned. Brief history of each individual Directors can be found on our website.

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

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

END