

Sumitomo Electric Industries, Ltd.

Mid-term Management Plan 2025

Creating a Green Society through
our Connecting and Supporting Technologies



Corporate Philosophy

Sumitomo Spirit

Banji-nissei Shinyo-kakujitsu Fusu-furi

Sumitomo Electric Group
Corporate Principles

Each company of the Sumitomo Electric Group (SEG) shall

- Offer the very best goods and services to satisfy customer needs
- Build technical expertise, realize changes, and strive for consistent growth
- Contribute to creating a better society and environment, with firm awareness of our social responsibility
- Maintain high corporate ethics and strive to become a company worthy of society's trust
- Nurture a lively corporate culture that enables employee self-improvement

With our focus on contributing to the public benefit,
SEG strives for mutual prosperity with all of our stakeholders
“Multistakeholder Capitalism”

(Customers, employees, suppliers, regional communities, and shareholders/investors)



Purpose

Contribute to building a better society
by pursuing Top Technology and innovation on a global scale,
using the integrated capabilities of Sumitomo Electric Group

Business Environment and 2030 VISION

- Reflections on VISION 2022
- Business Environment
- 2030 VISION

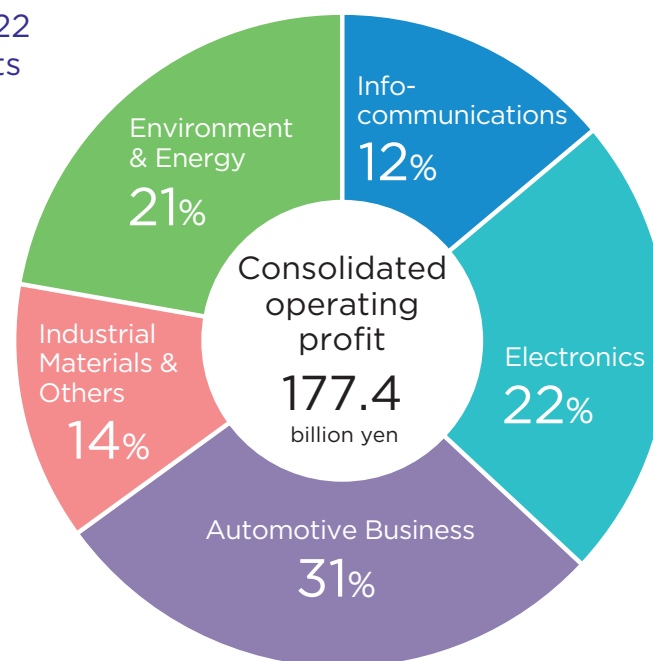
Reflections on VISION 2022

Both sales and operating profit reached record highs, however SEG was unable to swiftly and sufficiently implement measures to respond to changes in the business environment, including sudden changes in demand for automobiles, and as a result some issues remain

Numerical targets

| | 17 Results | 22 Results | 22V Targets |
|--|------------|------------|-------------|
| Net sales (billion yen) | 3,082.2 | 4,005.6 | 3,600 |
| Operating profit (billion yen) | 173.1 | 177.4 | 230 |
| Operating profit ratio (%) | 5.6% | 4.4% | 6.4% |
| Operating profit ROIC | 7.9% | 5.9% | >9% |
| ROE | 8.1% | 6.1% | >8% |
| Capital investment (billion yen / 5 years cum. total) | - | 969.3 | 950 |
| R&D expenses (billion yen / 5 years cum. total) | - | 624.6 | 600 |

FY2022 Results

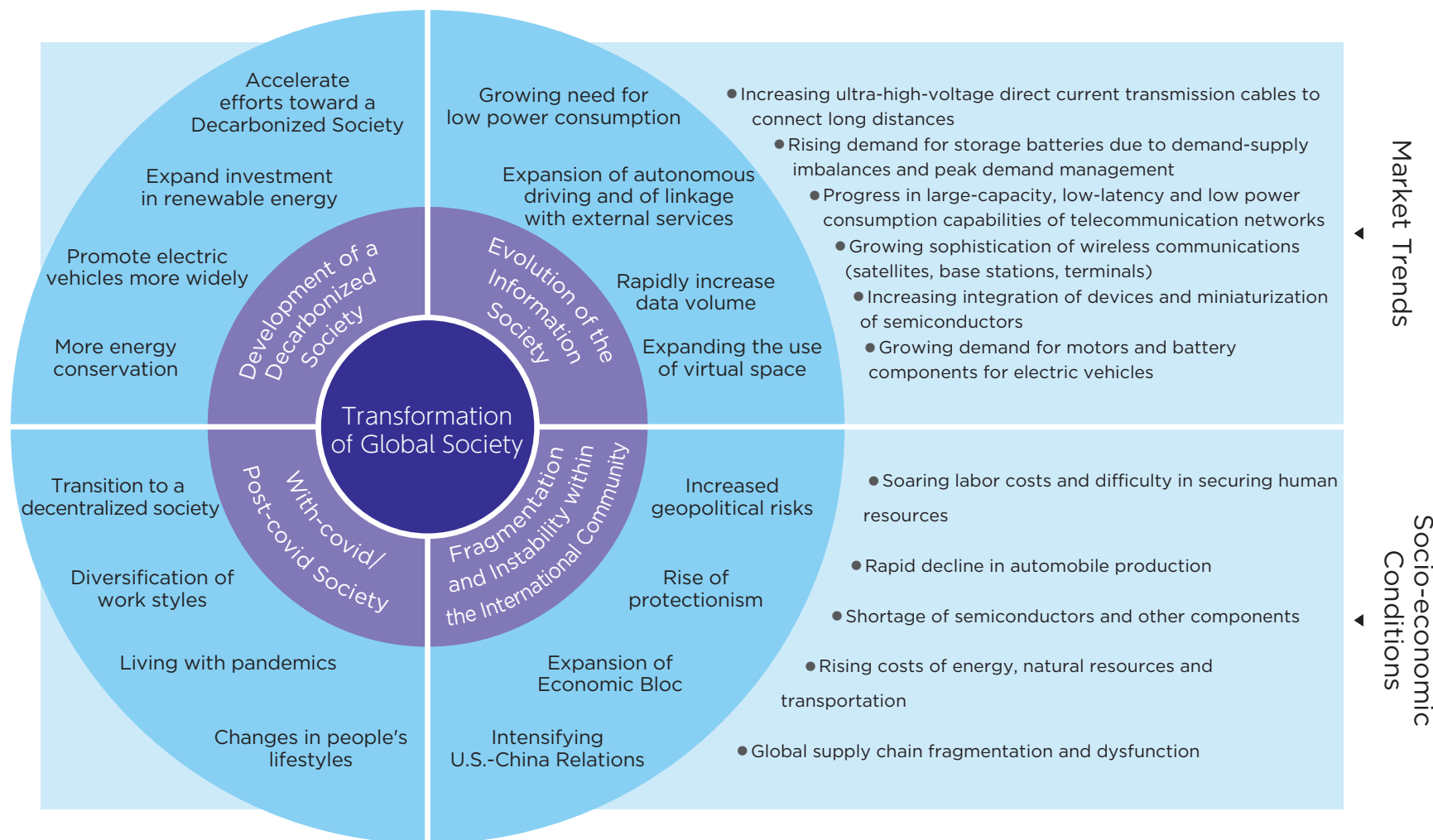


| | Results | Challenges |
|------------------|--|--|
| Growth Potential | Despite a challenging business environment, sales of 4 trillion yen were recorded, exceeding the VISION 2022 target, as a result of efforts to expand sales of strategic products and to secure supplies | Achieve further growth by seizing new business opportunities in a drastically changing market environment |
| Profitability | Three segments* achieved their highest profits during the VISION 2022 period, building momentum for the creation of a well-balanced portfolio | Strengthening our capability to respond to rapid changes in the business environment, such as sudden changes in demand and soaring raw material and transportation costs |

* These segments are Environment & Energy, Info-communications, and Electronics

Business Environment

SEG recognizes that our challenge is to seize various business opportunities arising from the Development of a Decarbonized Society and the Evolution of the Information Society, and to respond quickly and flexibly to the changes in global society



2030 VISION

Slogan

LIVING IN SAFETY AND COMFORT ON OUR GREEN PLANET

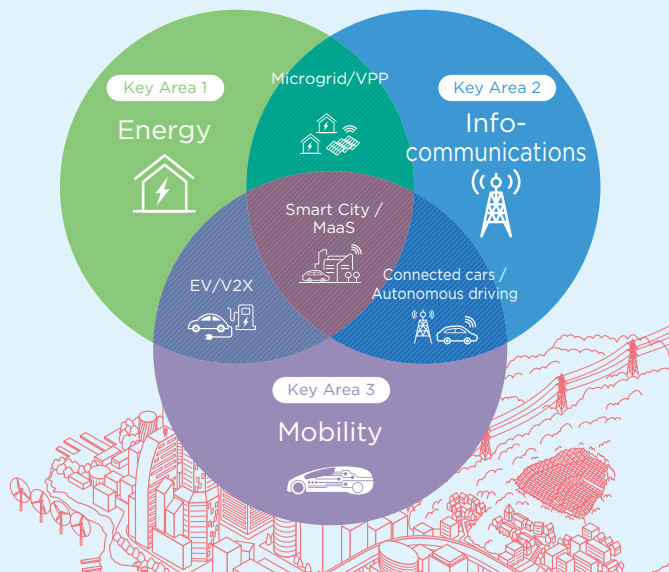
Relentlessly challenging ourselves to use Technology for Good

Management Policy

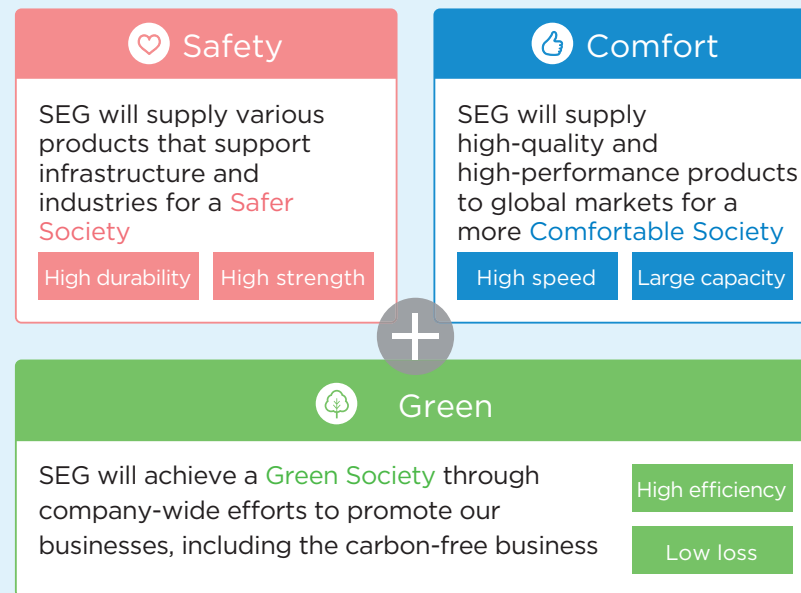
- Pursuit of Top Technology
- Enhance Global Presence
- Promote Diversity & Inclusion

Business Domains

Products supporting infrastructure and industry



Values



2030 VISION

By 2030, SEG aims to achieve sales of over 5 trillion yen and before-tax ROIC of over 10%, while working on reducing CO2 emissions, promoting D&I and improving engagement

Targets

Achieving a Glorious Excellent Company

| Glorious | | |
|------------|---|---|
| E | Global Environment | Various efforts as follows: CO2 emissions reduction 2030 <Scope 1+2> 30%; <Scope 3> 15% (compared to FY 2018) 2050 <Scope 1+2> carbon neutrality |
| S | Diversity & Inclusion | Creation of new values through the integration of diverse perspectives, experiences and technologies |
| | Engagement | Empathy with the creation of corporate value and actual feeling of contribution |
| G | Legal Compliance | Compliance with laws, regulations, and corporate ethics throughout SEG, including its supply chain, on a global basis |
| Excellent | | |
| Growth | Consolidated net sales: 5 trillion yen or more 1 trillion yen or more in growth from the 3 key areas of energy, info-communications and mobility | |
| Efficiency | Before-tax ROIC: >10% (Presentation of even higher value and improvement in the profit structure) | |

Mid-term Management Plan 2025

Positioning

Overall Concept

Growth Strategies

3 Key Areas

- Environment & Energy
- Info-communications
- Automotive Business
- Electronics
- Industrial Materials & Others

Strengthening Business Foundations

3 Key Driving Forces

1. R&D
2. Manufacturing
3. Supply Chain

3 Key Sources of Capital

1. Financial Capital
2. Human Capital
3. Intellectual Capital

Sustainability

Environment

Social / Governance

Net Sales and Operating Profit by segment / Growth Themes

Key Indicators and Targets

Positioning



Development of a Decarbonized Society

Evolution of the Information Society

With-covid/Post-covid Society

Decoupling and destabilization in the global community

FY2022 (actual)

Net sales : 4.0 trillion yen
Operating profit : 177.4 billion yen
Before-tax ROIC : 6.6%

FY2025

Net sales : 4.4 trillion yen
Operating profit : 250 billion yen
Before-tax ROIC : >8%

FY2030 (2030 VISION)

Net Sales : >5 trillion yen
Before-tax ROIC : >10%

Overall Concept

Under the slogan “Creating a Green Society through our Connecting and Supporting Technologies”, SEG is working on growth strategies and strengthening our foundations with the integrated capabilities of SEG

Creating a Green Society through our Connecting and Supporting Technologies

What SEG wants to achieve to move toward a sustainable society by 2030



3 Key Areas

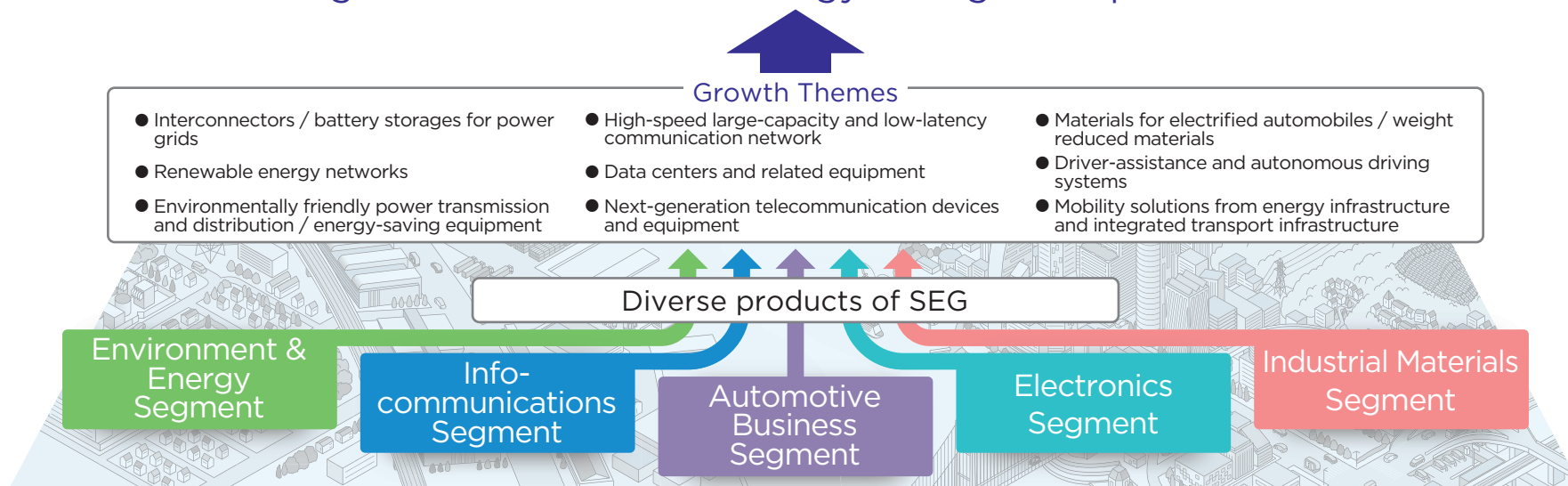
SEG will contribute to the future of a Green Society by seizing business opportunities across the Group in 3 key areas as part of progress toward a Decarbonized and Information-oriented Society

Realizing a Green Society that is both Safer and more Comfortable

3 Key Areas Driving Growth



Creating New Value with Technology through Group Wide Efforts

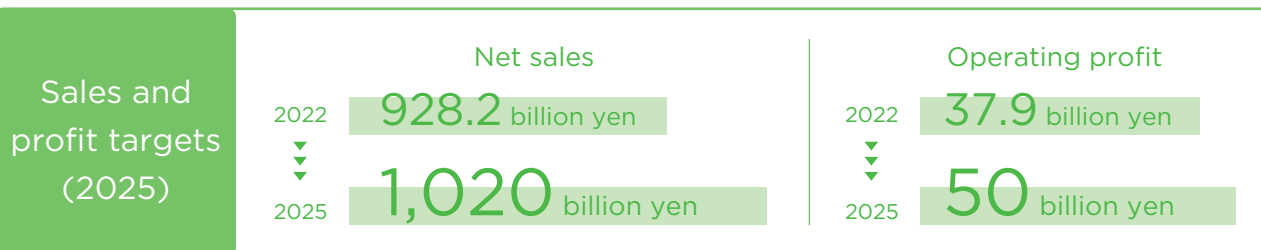


Environment & Energy

Policy for 2030

SEG will contribute to the development of next-generation energy infrastructure by providing products and services that contribute to decarbonization and support the future of a Green Society globally

2025
Growth
Strategies



Business Environment

In a time when countries around the world are making large-scale investments for the mass introduction of renewable energy, and when long-distance power transmission linking remote areas and balancing the supply-demand of electricity are even more in demand, SEG is committed to contribute by enhancing and improving the efficiency of power grids by evolving our high-voltage technology

Strategies Going Forward

1 Extra-high-voltage DC cable for interconnector

- Significantly expanding manufacturing and installation capacity both in Japan and overseas
- Developing environmentally friendly high-performance insulation materials
- Improving project risk management capabilities
- Strengthening collaboration with strategic partners

2 Offering products and services for renewable energy

- Strengthening cooperation with group companies (Nissin Electric Co., Ltd. and Sumitomo Densetsu Co., Ltd.) to offer solutions
- Increasing capacity and expanding sales of array cables and export cables for offshore wind power
- Securing large-scale projects for redox flow batteries, promoting local production and local consumption, and introducing new products with EV linkage functions for residential energy storage systems

3 Rectangular magnet wires for driving motors used in electric vehicles

- Launching next-generation and differentiated products for higher voltage electric vehicles
- Increasing manufacturing capacity and improve productivity in response to the growing popularity of electric vehicles
- Establishing a global supply chain

Environment & Energy

■ Key Initiatives

Launching state-of-the-art submarine cable factories

Our goal is to launch large-scale submarine power transmission projects in various countries. Refining our DC power transmission technology, which is essential for long-distance and high-capacity transmission, and strengthening our manufacturing capability in each region will put us in a leading position in global decarbonization efforts



Current Minato Factory (Ibaraki Prefecture)

1

Extra high voltage
DC cable

2

Renewable energy
products and
services

3

Rectangular
magnet wires
for motors

Developing a power transmission system to support wind power generation

By leveraging our world-class technological capabilities, SEG will contribute to building a sustainable future addressing challenges in floating offshore wind generation, to enable mass deployment of renewable energy systems to meet net zero commitments



Photo courtesy of Akita Offshore Wind Corporation

Increasing performance and global expansion of rectangular magnet wires

SEG will develop and market next-generation differentiated products that can respond to further increases in high voltage required for electric vehicle adoption. SEG will also further strengthen our global supply chain by focusing on in-house production and procuring of key raw materials locally



Rectangular magnet wires for driving motors

Info-communications

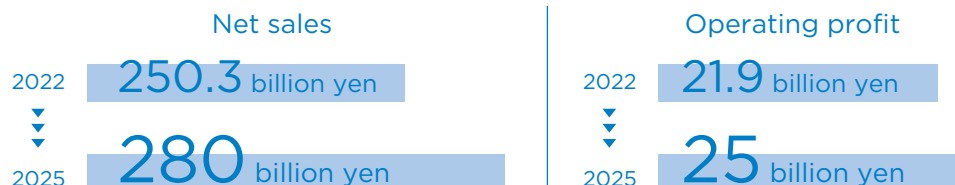
Policy for 2030

SEG will provide a variety of original products for developing All-Photonics Network and Beyond 5G that brings high-speed large-capacity, low-latency communications with low power consumption, which are required for AI and virtual space applications

2025
Growth
Strategies



Sales and
profit targets
(2025)



Business Environment

The advancement of our data-driven society is increasing the amount of communication data transferred at an annual rate of approx. 30%, and this is increasing demands for high-speed large-capacity, low-latency communication networks. SEG is committed to contribute by building low power consumption communication networks through providing solutions based on the variety of products and services

Strategies Going Forward

1 Optical communication products for data centers & data center interconnection

- Deploying high fiber density optical cables for air blown installation
- Reducing power consumption through ultra-low loss optical connectors
- Performance and energy-saving improvements for InP devices for optical communication and improvement of InP substrate quality

2 High-performance, high-value-added products for high-speed large-capacity optical communications

- Application of multi-core optical fiber for intercontinental submarine optical communication
- Advancing construction work with fusion splicer equipped with AI/DX functionality
- Higher performance optical fiber(ultimate lowering loss, bending performance improvement)

3 Devices and equipment for high-speed large-capacity mobile wireless communication (5G/B5G)

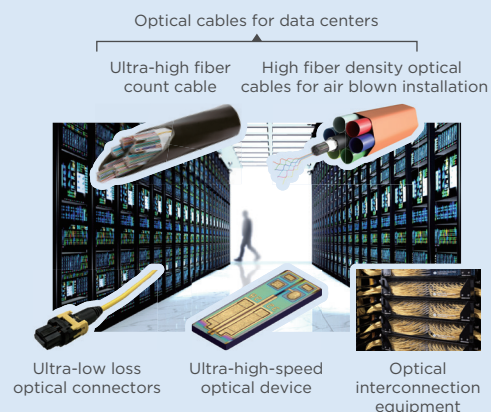
- Expanding bandwidth, improving energy-saving performance, and increasing production capacity of GaN based power amplifier for mobile phone base stations
- Beginning to supply industrial 5G terminals and 5G access optical transmission equipment for use in factories and transportation

Info-communications

Key Initiatives

Development of Higher Performance Products for Data Centers

SEG will provide high fiber density slim cable and optical interconnection equipment that supports efficient use of space for data centers, as well as ultra-low loss optical connectors and ultra-high-speed optical devices that boost energy conservation and decarbonization



1

Optical communication products for data centers

2

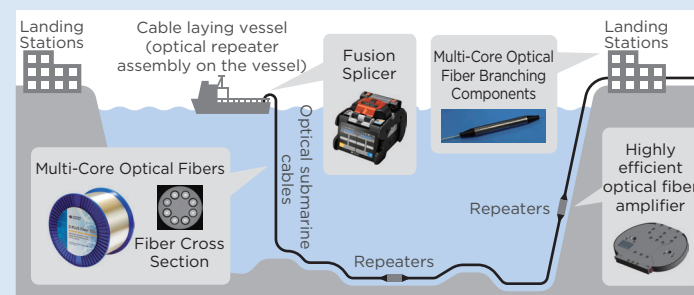
High-speed large-capacity optical communication products

3

Products for high-speed large-capacity wireless communications

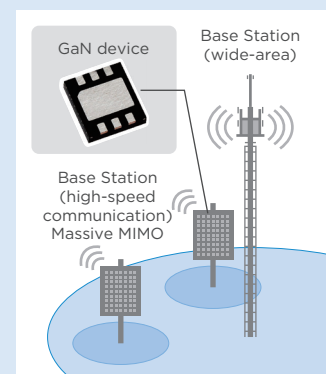
Providing Multi-Core Optical Fiber Solutions

As a leader in multi-core fiber, a new key technology for high-speed large-capacity optical communications, SEG provides comprehensive solutions through supplying fusion splicer, amplifiers and other products. SEG has introduced intercontinental optical submarine cables and expanded these to land use and for data centers



Wideband power amplifier for mobile wireless communication of 5G and Achieving B5G

SEG is continuously incorporating new technologies to improve power efficiency in high-frequency GaN devices which are used in wireless communication for mobile phone base stations and other mobile devices. This reduces operating costs and increases decarbonization for base stations, which are growing in number

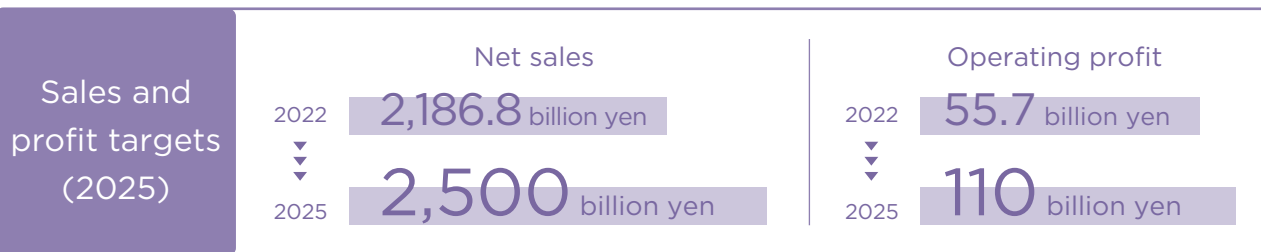


Automotive Business

Policy for 2030

SEG will expand our connection business as a mobility partner that enables connectivity by evolving wiring harnesses and responding to electrification and high-speed communication

2025
Growth
Strategies



Business Environment

With electrified vehicles* forecasted to account for approximately 30% of the global vehicle production in 2025, and with driver assist features and autonomous driving systems becoming increasingly sophisticated, we are committed to contribute to the evolution of mobility by advancing technologies for electrification, high-speed communications, and infrastructure coordination, in addition to the further enhancement of our traditional harness business

Strategies Going Forward

- 1 Global supply system for wiring harnesses**
 - Further increasing sales of aluminum wiring harnesses which contributes to weight reduction
 - Reconfiguring our production system to optimize global locations, prioritizing local production for local consumption
 - Creating a new design and new construction method for wiring harnesses
 - Better supply chain visualization through digital transformation
- 2 New products that capture the expanding CASE market**
 - Expanding our supply of high-voltage products and battery-related parts as electrification advances
 - Accelerate development of new products in response to increased/higher speed communication functions
 - Strengthening partnerships and promoting collaboration with existing customers
 - Penetrating into Europe, US and other emerging EV manufacturers
- 3 Cooperating within our Group, aiming for a new era in mobility**
 - SEG will strengthen the development of new products for next-generation mobility using polymer materials, by reorganizing manufacturing bases and business structures for anti-vibration rubber and hoses, through collaboration with existing businesses (Sumitomo Riko Co., Ltd.)
 - Providing smart infrastructure for the EV Society by linking traffic management systems and energy management systems

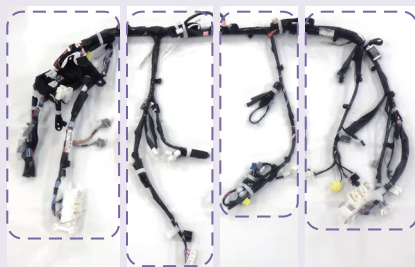
*BEV, Full-HEV, PHEV, FCV

Automotive Business

Key Initiatives

Manufacturing innovation and better supply chain visualization

Using automation technology to create split harnesses, which will allow for a wide variety of products with a small number of parts, and will accelerate local production for local consumption and BCP. SEG will also strengthen our global supply system through digital transformation and supply chain visualization



Split wiring harness (4 - 5 sections)

1

Strengthening our global supply system

2

New products for the CASE market

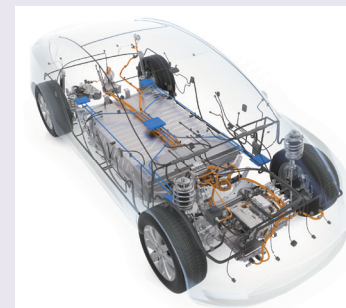
3

Strengthening cooperation within the Group

Development of electrification / high-speed communication components for CASE

Development of unique products and technologies that boost electrification and high-speed communication that support the development of next-generation mobility

[Examples]
 High-Voltage Harnesses
 Battery Wiring Modules
 High-Voltage Junction Boxes
 High-Speed Communication Harnesses
 Zone ECU
 Battery Cooling Hoses
 Management System for EV Charging and Discharging



New product development of polymer materials

Anti-vibration rubber cooling hoses for EVs, hydrogen hoses for FCVs, new technologies for polymer materials that contribute to innovation in automobiles



Anti-vibration rubber parts for EV



Hoses for FCV

Increased collaboration on infrastructure

Total solution design through collaboration on mobility and social infrastructure

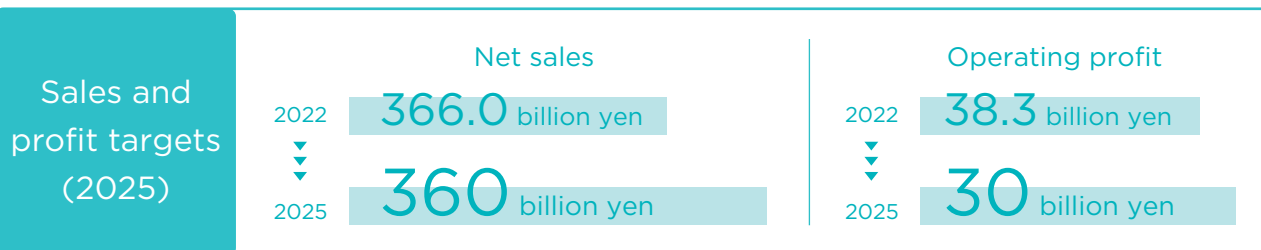
[Examples]
 Pedestrian/vehicle detector and AI-based traffic signal control
 Energy management through EV charging and discharging

Electronics

Policy for 2030

SEG will focus on meeting new requirements for the information society and CASE, and aim to develop and supply high-performance interconnect products as well as expanding sales of products that are useful for the medical and environmental sectors

2025 Growth Strategies



Business Environment

With many social and industrial changes being accelerated as seen in GX, DX, and CASE, our commitment to contribute is to support the realization of a comfortable and environmentally friendly society by applying our proprietary technology in high-performance materials and wiring technologies toward a wide range of industries

Strategies Going Forward

1 High-performance FPC* supporting next-generation telecommunication devices

- Further business differentiation through ultra fine pitch circuit technology and multi layer technology
- Promoting the development of Fluororesin/High-frequency FPC with excellent high-speed transmission performance
- Expand the scale of our business to develop CASE-compatible FPC, including electrification

2 High-performance wires used in a wide range of applications such as electrification

- Building a production system to meet the growing demand for lead wires for EV battery
- Developing and enhancing capacity of information cables and high-voltage wire for vehicles and aircraft
- Supplying high-performance wires for a wide range of applications, from satellites to robots

3 High-performance products that positively contribute to the environment and boost medical care

- Increasing production capacity for microfiltration membranes for semiconductor manufacturing equipment
- Developing high value-added membranes for higher performance water treatment membrane modules
- Developing and expanding sales of high-performance materials used in the products field, e.g. for catheters

*Flexible Printed Circuit (wiring material)

Electronics

Key Initiatives

Increasing sophistication for our ultra fine pitch circuit technology used for FPC

SEG will supply reliable high-density wiring, leveraging our strengths in ultra fine pitch circuit technology using the semi-additive method, to meet the needs for further miniaturization, weight reduction, and better functionality of information terminals

Conventional etching method



>70μm pitch

Semi-additive method



30μm pitch

1

High-performance FPC

2

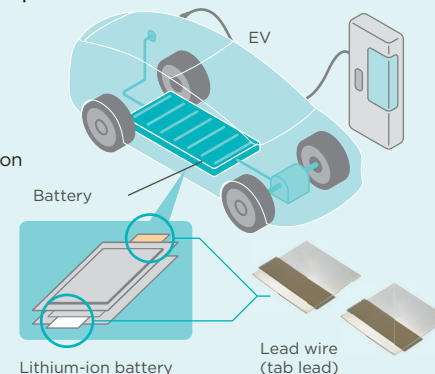
High-performance electric wire

3

High-performance products

Expanding our supply of lead wires to support high performance EV batteries

In order to meet increasing demands for lead wires for lithium-ion batteries, SEG is focusing on the development of next-generation products by establishing new operating bases and constructing a global production system



Achieving superior quality filtration and water treatment with unique high-performance membranes

SEG will increase production capacity for impurity removal filter membranes for semiconductor manufacturing equipment that requires precision filtration



Development of high-performance membrane modules and high value-added membranes that can meet the challenges of a wide range of water resources

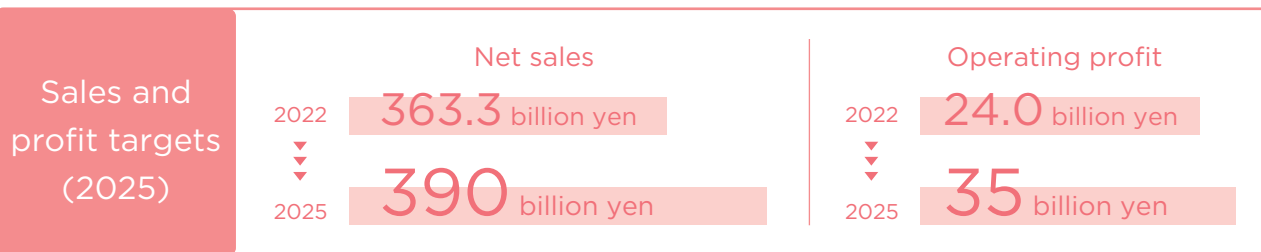


Industrial Materials & Others

Policy for 2030

By further developing our material processing technology, SEG will broadly support the development of infrastructure and industry with high-precision, high-strength products that are useful for a Green Society

2025 Growth Strategies



Business Environment

With various industries reaching a turning point and manufacturing methods and the use of products changing, our commitment to contribute is support the realization of green society by applying the advanced materials processing technologies SEG has developed to a wide range of fields, including electrified vehicles and green-related facilities

Strategies Going Forward

1 Promoting differentiation and production system enhancement with our cutting tools

- Build demand for various cutting processes for aircraft parts, leading to next-generation CBN and new materials for electric vehicles and wind power generation
- Uncover new demand by differentiating through sensing technology and data utilization to predict improvements in machining processes and tool maintenance
- Strengthen our global service system for all machining processes

2 Technological expansion for cemented carbide materials and expanding into growing markets

- Expanding sales of diamond cutting wheels for magnets used in electrified vehicles and high-precision cutters for electronic components
- Expanding sales of heatspreaders for use in automotive and medical sectors with innovative technology and increased production capacity
- Supplying tungsten monoblocks with super hardness and excellent thermal shock resistance to the nuclear fusion market

3 High-precision, high-strength materials that contribute to infrastructure enhancement and the environment

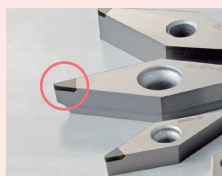
- Increasing sales of highly durable, high value-added prestressing steel strand in North America and Asia, where we expect demand to increase
- Development and increased sales of prestressing steel strand with optical fiber for navigating infrastructure and sloping ground
- Expansion of sintered parts for EV products, expansion into non-vehicle sectors

Industrial Materials & Others

Key Initiatives

Accelerated development and market expansion for cutting tools

Develop new materials and new processing technologies to expand into new sectors, including electric vehicles, renewable energy, and aviation
Expand our share of the growing global market by enhancing our global service capability



NCB100 Sintered binderless CBN for high efficiency finishing



Diamond-coated endmills for manufacturing electrified vehicle parts

1

Cutting tools

2

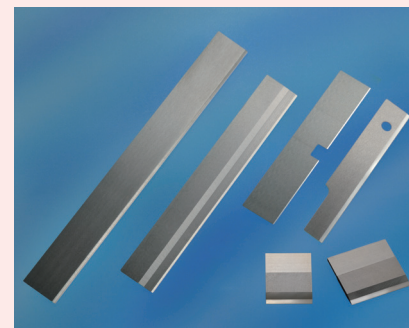
Cemented carbide material

3

High-precision, high-strength materials

Expanding supply of cemented carbide cutting blades that support the development of electrified vehicles and 5G

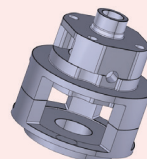
Further strengthening our production system for cemented carbide cutting blades and our ultra-precision processing technology to expand supply for the multilayer ceramic capacitor (MLCC) market, which is expanding due to the development of electrified vehicles and 5G



Cemented carbide high-precision cutting blades

Strengthen development of sintered parts for EVs

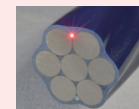
Capturing demand in new sectors such as EVs through dissimilar material bonding and sinter-forging technology



Carrier for e-Axle*1

Development of green market for prestressing steel strand

With applications, including in coated prestressing strand tanks*2 and tower for wind-power generation*3. Monitoring achieved by SmART Strand®



Prestressing steel strand with optical fiber SmART Strand®



Tower for wind-power generation

*1 e-Axle: The main drive system that integrates the electric vehicle motor, inverter, and speed reducer

*2 Tank: Storage tank for next-generation energy such as biomass and other liquids

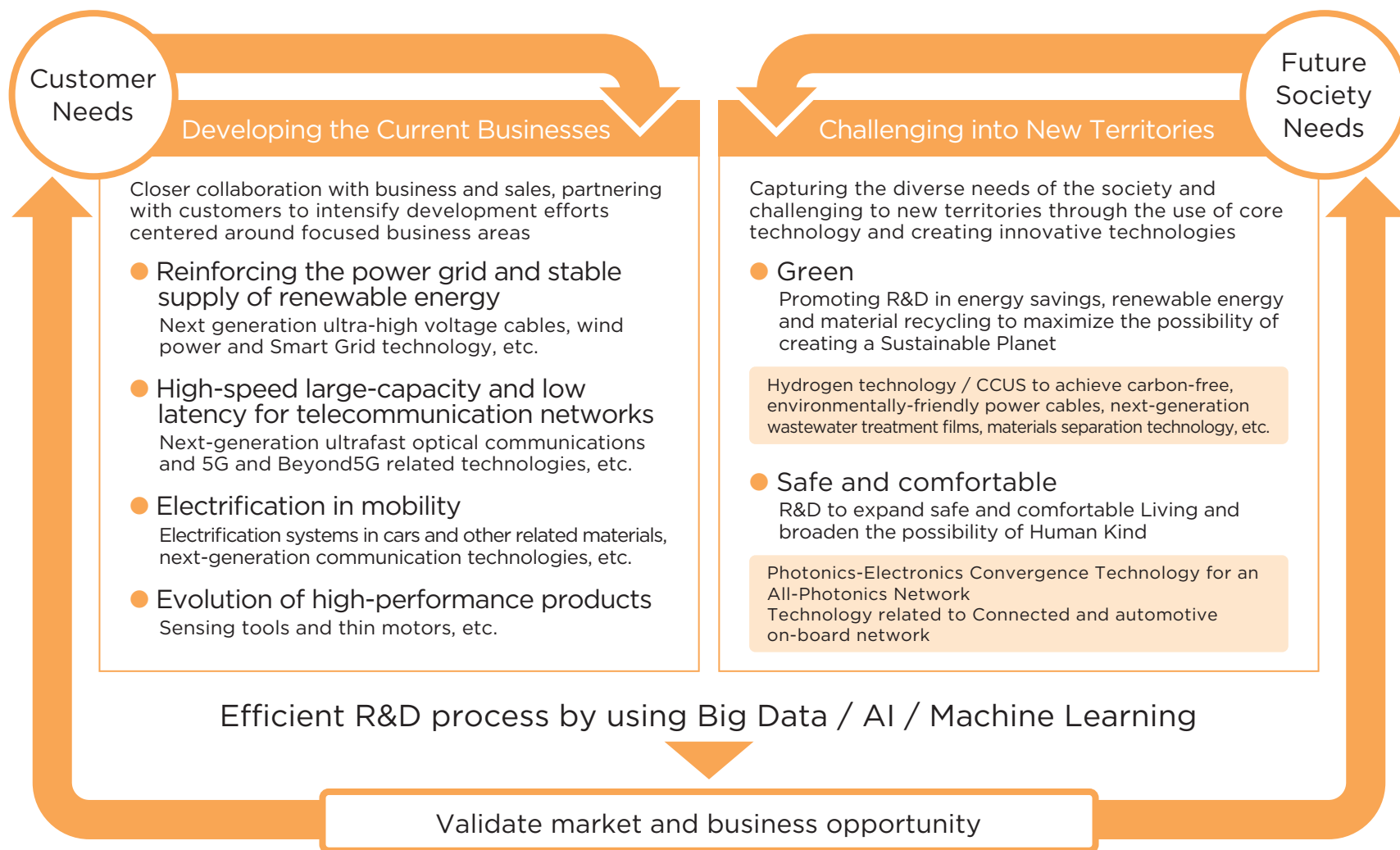
*3 Tower for wind-power generation: A hybrid tower (steel + concrete tower) for wind turbines, increased rigidity enabling a taller structure, benefits for the ease of transport and less cost to assemble

1. R&D

Policy for 2030

Invigorate and accelerate R&D as one of the key driving forces to create an extensive range of technologies

- Backcasting from social issues
- More sophisticated and efficient processes
- Open innovation and cooperation with outside entities



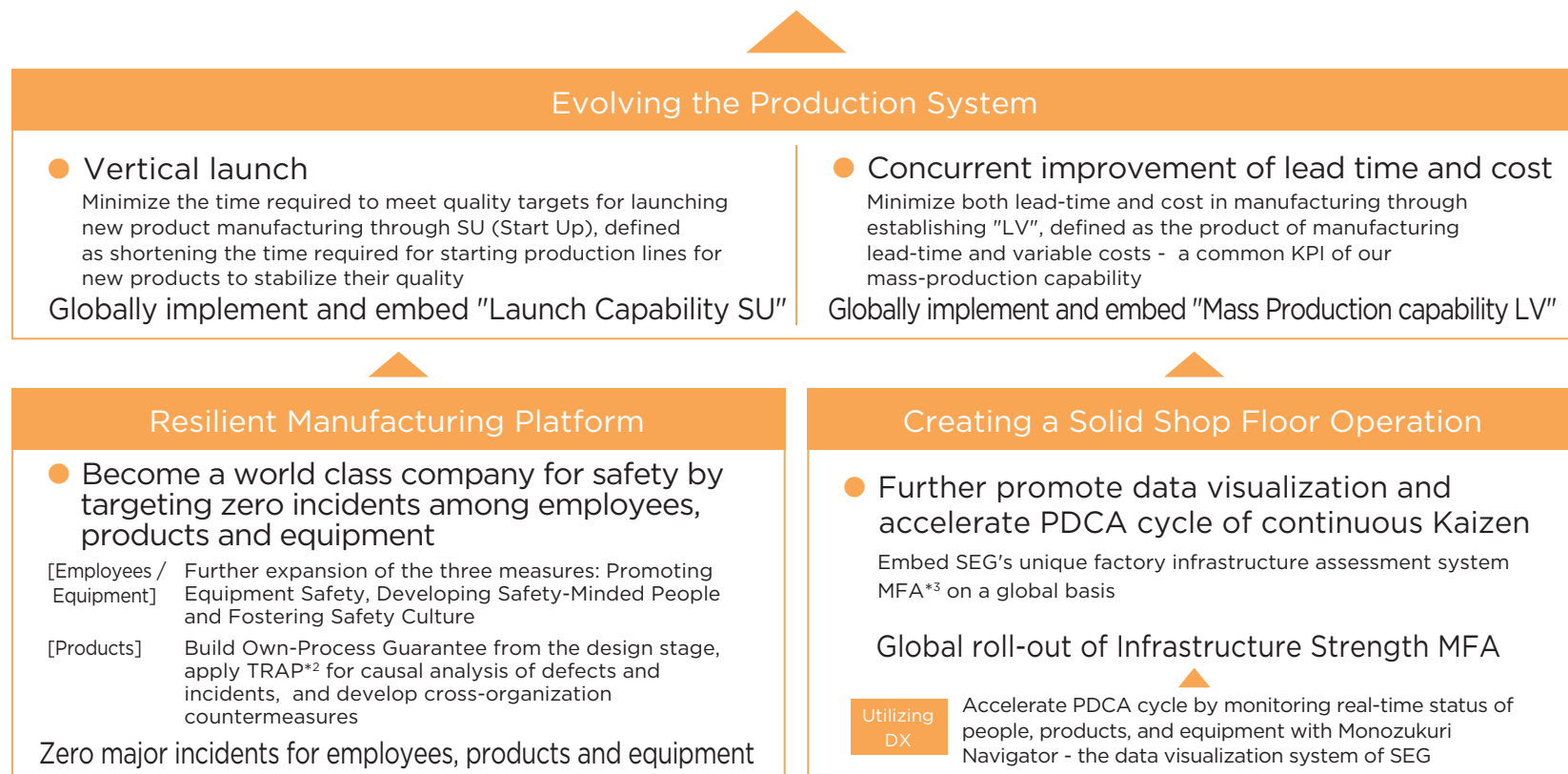
2. Manufacturing

Policy for 2030

Creating resilient factories that can adapt to change

- Contributing to the global environment
- Promoting a resilient manufacturing platform
- Building a solid shop floor operation
- Evolving the production system

Building a manufacturing capability that achieves world leading standards for all of SEQCDD*1



*1 Safety, Environment, Quality, Cost, Delivery, Development

*2 Trap Avoiding Program : The company's own method for preventing the occurrence and recurrence of work-related accidents and defects, based on the Theories of Failure

*3 Monozukuri Fundamentals Assessment

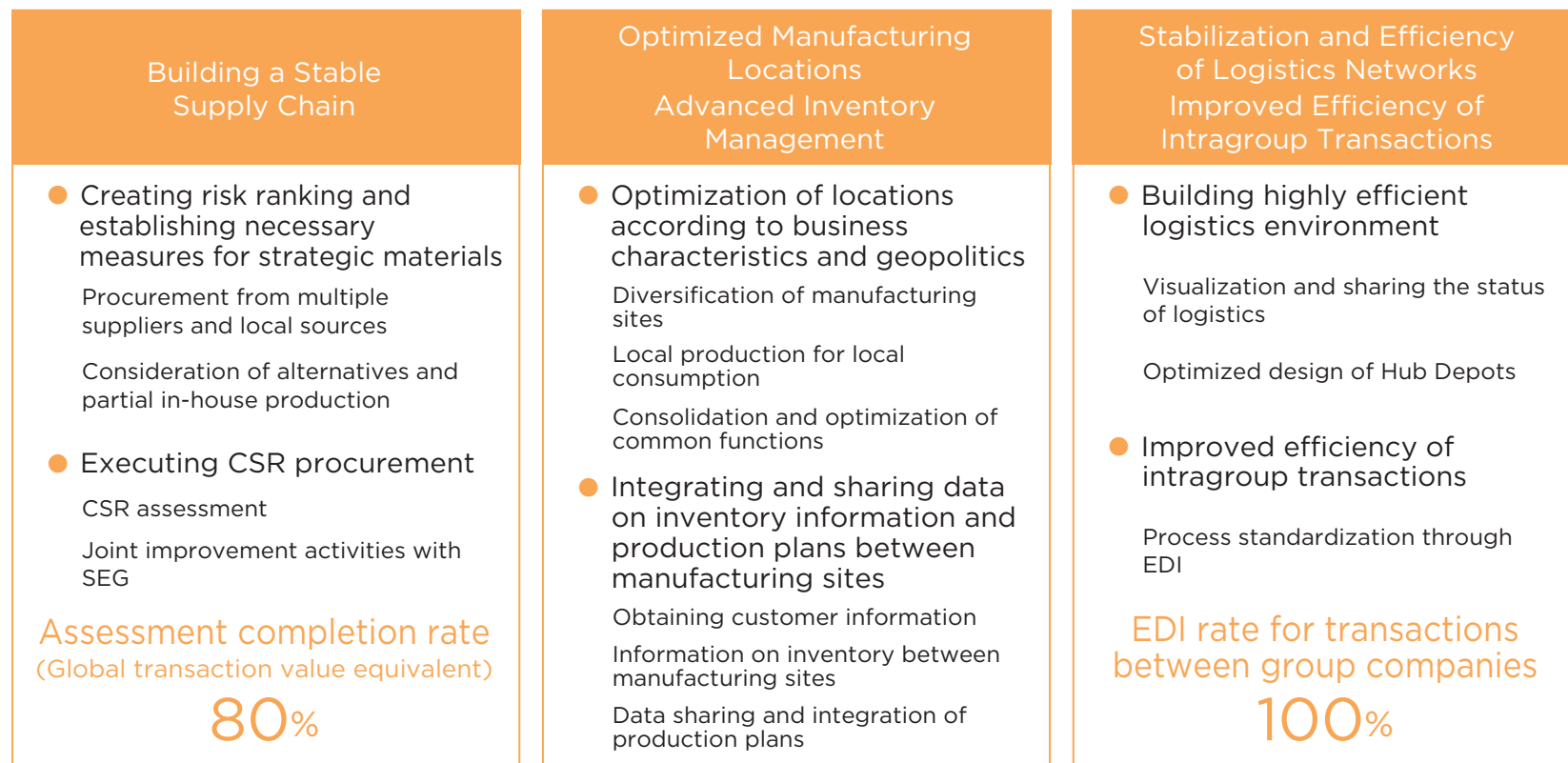
3. Supply Chain

Policy for 2030

Stable Supply Chain Resilient to Changes and Responding Precisely and Promptly to Customers

- Fair and impartial trade, protection of the environment and human rights, and the BCPs
- Presenting solutions
- Production at the most appropriate site and cooperation on a global scale
- Optimizing division of labor among operation sites

Building a solid supply chain that can adapt structural changes and abrupt fluctuations

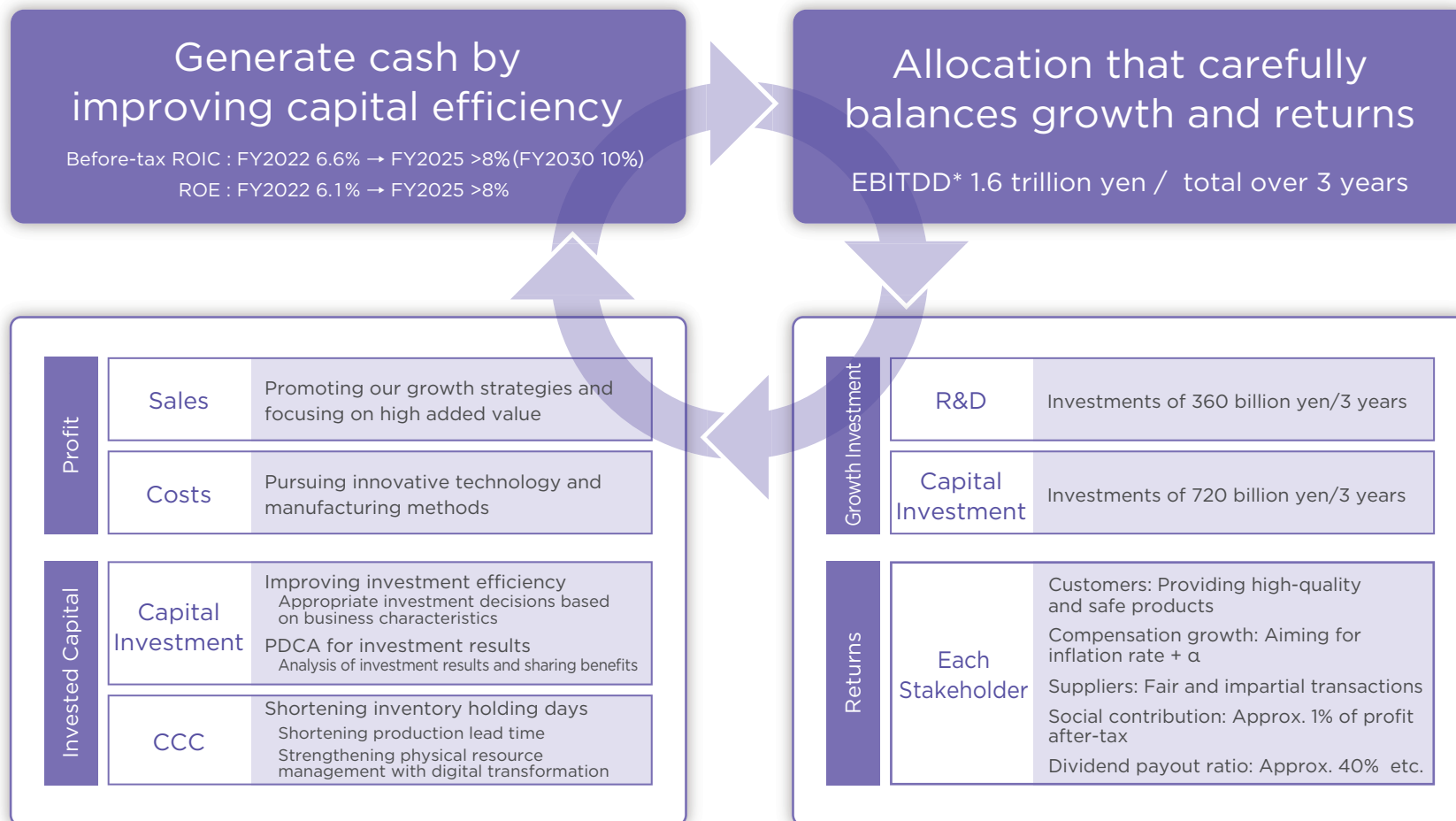


1. Financial Capital

Policy for 2030

Maximize cash flow, invest in growth, and return profits to stakeholders

- Generate cash through reinforcing operation, implementing growth strategy, and ROIC management
- Strategic R&D and capital investment
- Sharing returns with stakeholders



* EBITDD: Earnings Before Interest Taxes Depreciation and Development

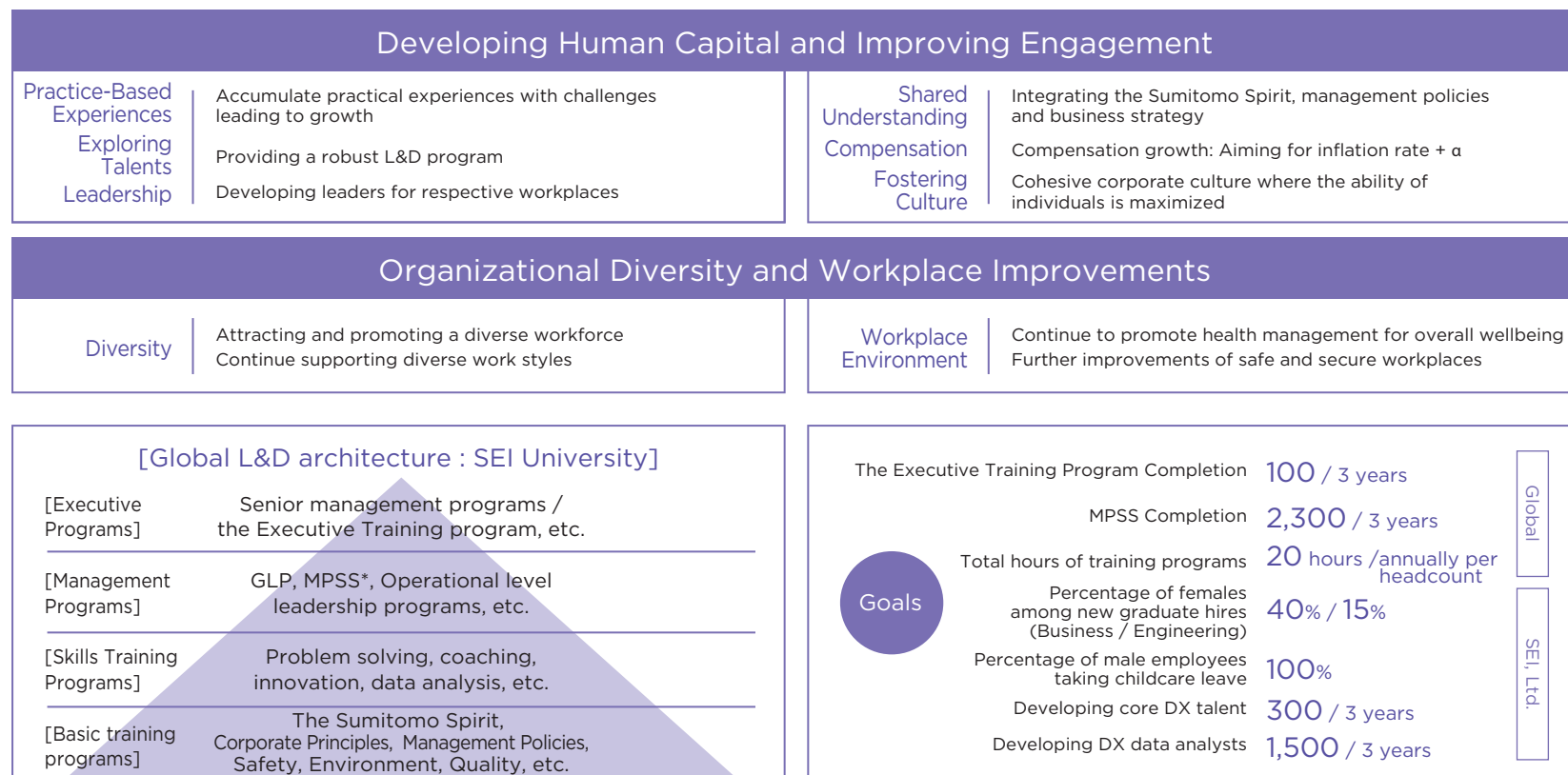
2. Human Capital

Policy for 2030

Evolve to be a Group where everyone can excel, grow and contribute to society

- Diversity & inclusion
- Nurturing a corporate culture that values growth and challenges
- SEG's integrated power on a global scale

Develop Human Capital creating new value in the age of changes



*GLP : Global Leadership development Program, MPSS : Management Program based on the Sumitomo Spirit

3. Intellectual Capital

Policy for 2030

Globally manage and make use of intellectual capital generated from our core technologies

- Intellectual Property(IP) strategy for business competitiveness
- Global IP network
- Contribution to the establishment of global regulations

Enhancing the Competitive Advantage / Growing Globally

Managing Intellectual Capital / Utilizing IP Rights

Manage and utilize marketing knowledge and trade secrets

- Protect and utilize unique knowledge as a source of our competitive advantage
- Meticulously managing trade secrets of the global operation

Obtaining and making use of IP rights

- Acquire and utilize IP rights to secure flexibility and gain competitive advantage in key activities of the global business, such as procurement, production and sales
- Protecting our brands and business by avoiding infringements of our IP rights from various countries, e-commerce and other markets

Targets

- Maintaining approx. 25,000 rights, Japan and international
- More than 2,000 new applications filed each year across the Group

Contribute and Comply with International Standards and Rule-making

Contribute to the development of international standards and rule-making

- Contribute to the development of new structures of the society, such as DX and GX, through participating in the development of international standards and rule-making
- Promote the application of next-generation technologies, such as Environment Friendly and Resource Recycling, to society working together with our partner companies

Compliance with country and regional level legislation and regulations

- Obtaining timely and appropriate information on country and regional trends, including economic security issues
- Adapting the Group's business in each country/region

Targets

- Accelerate to apply our environmental technologies and data usage technologies to the society by working together with our partners

Use of third party intelligence for intellectual capital:
technology and market studies, benchmarking, business competitiveness analysis

Intellectual capital generated through business and R&D activities

Environment

SEG will promote three core activities: Operate for a Greener Global Environment, Contribute to the Global Environment Through Our Business and Promote Day to Day Ecological activities ("Eco-Activities 2030")

Operate for a Greener Global Environment

Reduction in CO2 emissions (% reduction vs 2018)

Scope1+2

Direct Emissions +
Indirect Emissions

FY2025

17.5%



FY2030

30.0%

- Decarbonizing power sources through "Saving Energy", "Creating Energy" and "Purchasing Energy"*1
- Minimizing the effect on the global environment, especially through "Saving Energy" and self-help efforts

Scope3

Other Emissions

FY2025

8.7%



FY2030

15.0%

- Promoting green procurement and logistics initiatives
- Promoting LCA initiatives

Promoting circular economy

- Product design and material development for easy recycling
- Waste reduction through reducing defects and sorting, water recycling

Preventing environmental pollution

- Zero environmental incidents, reduction of environmentally hazardous substances

Contribute to the Global Environment Through Our Business

Green contribution sales

- Products and services that promote a Green Society

>700

billion yen
(FY2025)

Sales from Eco-Friendly products

- Sales from environmentally friendly products and services

>1

trillion yen
(FY2025)

Promoting "Eco-Activities 2030"

"Eco-Activities 2030"

By FY2030...

Over 300 Good for the Planet activities in over 20 countries and regions*2

*1 "Creating Energy" : Creating electricity from solar power, "Purchasing Energy" : sourcing electricity from renewable energy

*2 Protection of biodiversity, local clean-up efforts, greening activities, etc.

Social / Governance

As a responsible member of society, SEG will actively promote our CSR activities and ensure to respect human rights and promote rigorous compliance

| Respect for human rights | | Compliance | |
|--------------------------|---|------------|--|
| Intragroup | Human rights due diligence Examination of key risks, prevention and mitigation measures for 280 Group companies* | Intragroup | Maintain and reinforce the compliance platform Conduct training on code of conduct, compliance with competition law, etc. (target employees 250k / 3 years) Establish and confirm program implementation at Group companies Promoting the use of consultation and claims hotline |
| | Human rights training Training and awareness-raising for discrimination, harassment and other human rights issues | | |
| Suppliers | Supplier code of conduct Requests to engage in human rights and labor relations efforts based on the Supplier Code of Conduct | Suppliers | Promoting compliance initiatives Ensuring awareness of the Supplier Code of Conduct Ensuring awareness of consultation and claims hotline Engaging in Responsible Mineral Sourcing |

Group Corporate Principles (excerpt)

Contribute to creating a better society and environment, with a firm awareness of our social responsibility
 Maintain high corporate ethics and strive to become a company worthy of society's trust

| Contribution to Society |
|---|
| <ul style="list-style-type: none"> ● Develop next generation talents and promote academic pursuits through the Sumitomo Electric Group CSR Fund, and contribute to a wide variety of activities, including activities to protect the environment ● Promoting community contribution activities at each site ● Continued support for employee volunteer activities ● Actively supporting sports activities and events <p>Our contribution to CSR activities will be approx. 1 % profit after-tax</p> |

*Domestic and overseas Group companies except for listed subsidiaries

Net Sales and Operating Profit by Segment / Growth Themes

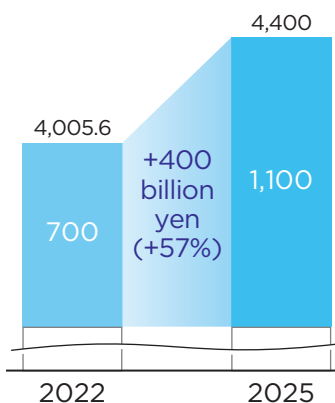
Unit : Billion yen

| | Net sales | | Operating profit | |
|-------------------------------|-----------|--------|------------------|--------|
| | FY2022 | FY2025 | FY2022 | FY2025 |
| Environment & Energy | 928.2 | 1,020 | 37.9 | 50 |
| Info-communications | 250.3 | 280 | 21.9 | 25 |
| Automotive Business | 2,186.8 | 2,500 | 55.7 | 110 |
| Electronics | 366.0 | 360 | 38.3 | 30 |
| Industrial Materials & Others | 363.3 | 390 | 24.0 | 35 |
| Company-wide Total | 4,005.6 | 4,400 | 177.4 | 250 |

[Growth Themes in the 3 Key Areas]

| Key Areas | Growth Themes |
|-----------------------|--|
| Energy Infrastructure | Products and services related to <ul style="list-style-type: none"> ● Interconnectors / battery storages for power grids ● Renewable energy networks ● Environmentally friendly power transmission and distribution / energy-saving equipment |
| Info-Communications | Products and services related to <ul style="list-style-type: none"> ● High-speed large-capacity and low-latency communication network ● Data centers and related equipment ● Next-generation telecommunication devices and equipment |
| Mobility System | Products and services related to <ul style="list-style-type: none"> ● Materials for electrified automobiles / weight reduced materials ● Driver-assistance and autonomous driving systems ● Mobility solutions from energy infrastructure and integrated transport infrastructure |

Sales by Growth Themes



Large-scale capital expenditure by Growth Themes

| | |
|---------------------------|---|
| 100 billion yen / 3 years | New submarine cable plant Enhancement of cable manufacturing facilities Manufacturing facility for large-scale storage batteries ... |
| 100 billion yen / 3 years | Manufacturing facility for next generation optical and electrical devices Production increase of large diameter semiconductor wafers Development and production increase of Ultra fine pitch FPC ... |
| 100 billion yen / 3 years | Manufacturing facilities for high-voltage / high-speed communication electric parts and ECU Production increase of lead wire for EV battery Production increase of rectangular magnet wires for electric vehicles ... |
| Total : 300 billion yen | |

Key indicators and targets

Capturing business opportunities from the Advancement of a Decarbonized Society and Evolution of the Information Society, and enhancing our sustainability initiatives to achieve a shared prosperity with our stakeholders

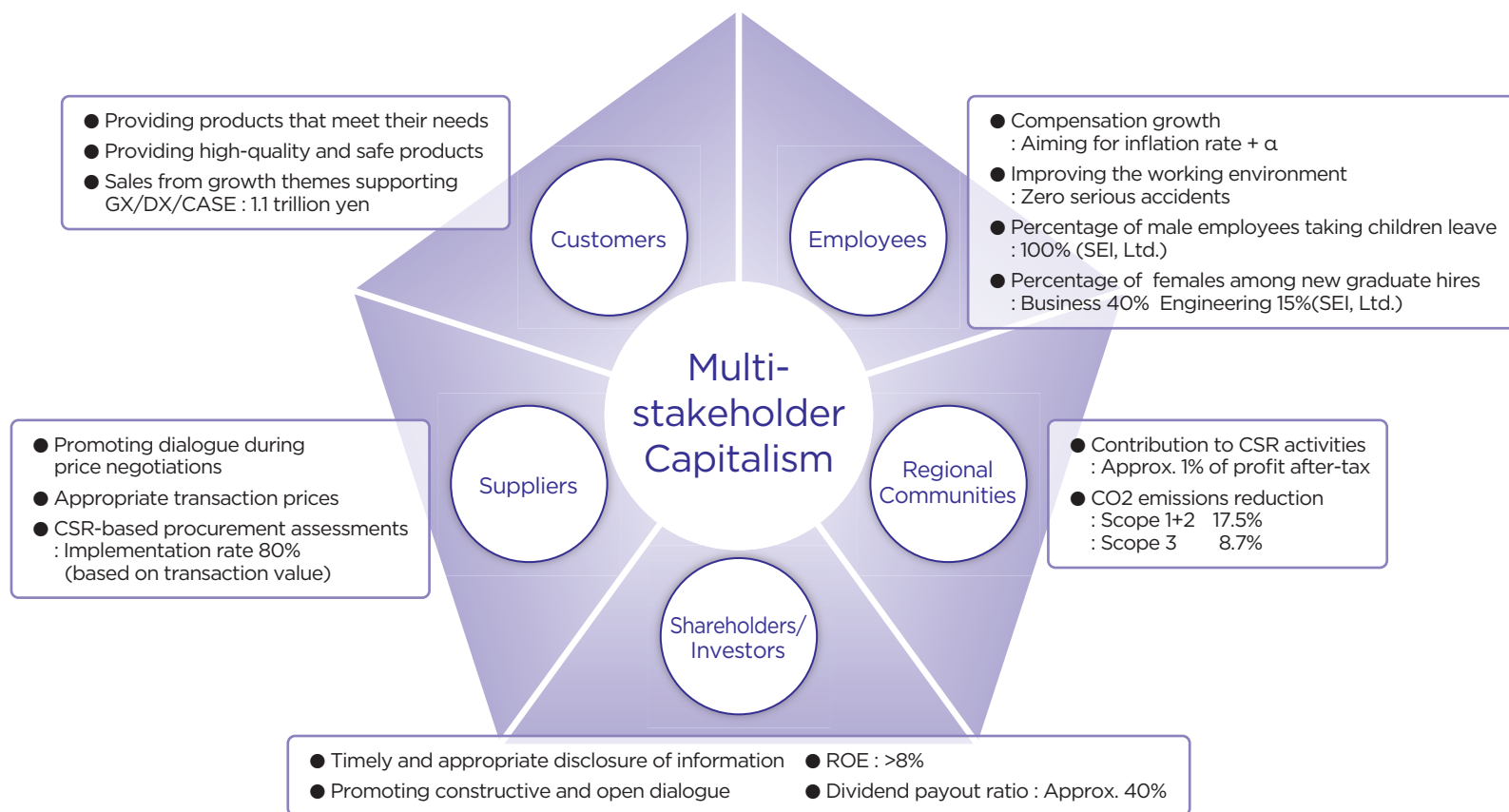
Net sales
4.4 trillion Yen

Operating profit
250 billion Yen

Before-tax ROIC
>8%

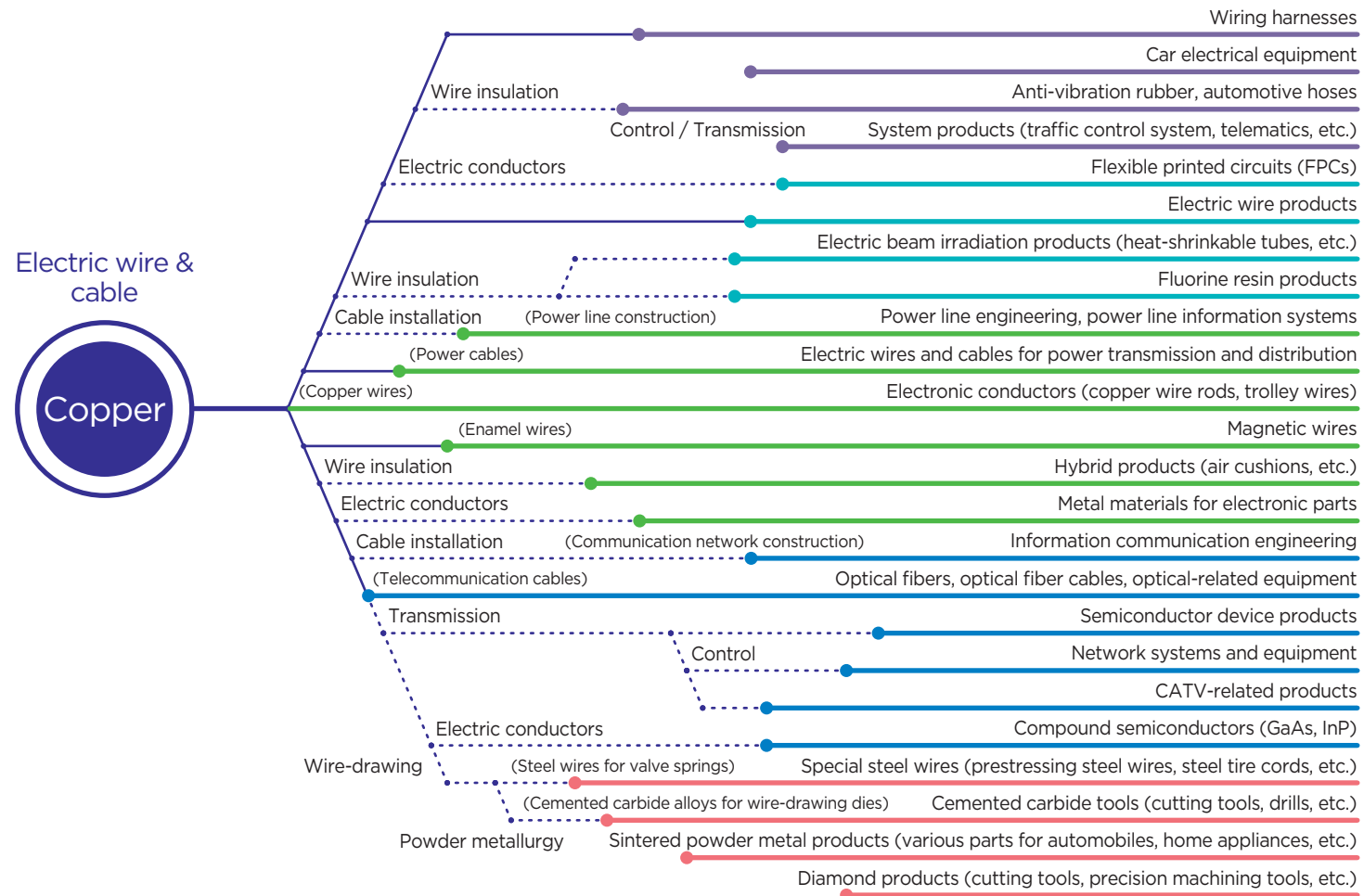
R&D
360 billion Yen / 3years

Capital Investment
720 billion Yen / 3years



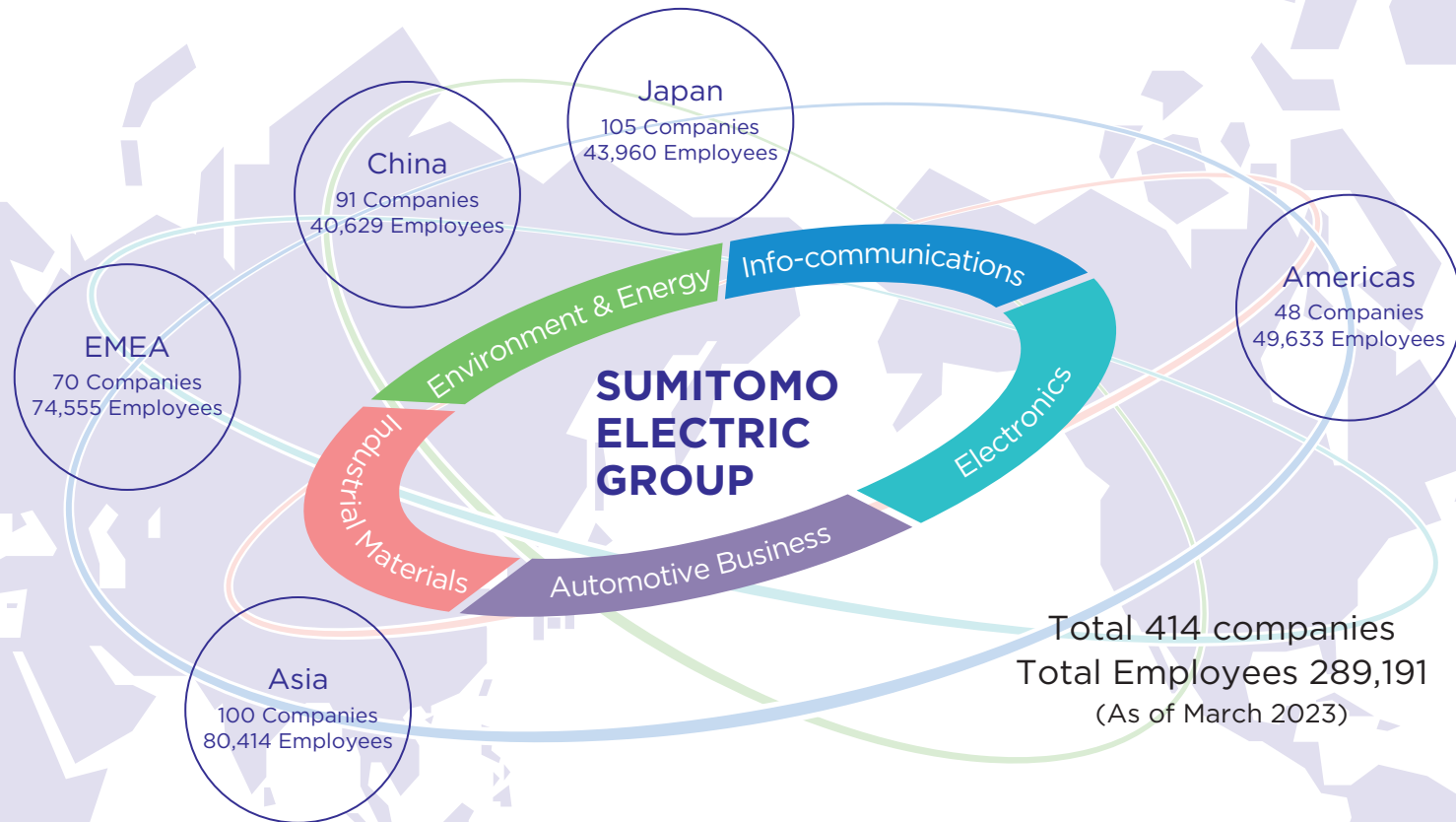
Pursue Top Technology and create new value through innovations

Genealogy of Technology evolved from foundation of copper wire and cable business



Creating new value through technology

Contributing globally to a Green Society with the integrated capabilities of SEG



May 2023
Becoming wholly
owned subsidiary

Forge a bright future for both people and technology
NISSIN ELECTRIC CO., LTD.

- Enhancing the ability to provide solutions
Providing total solutions for power transmission and distribution facilities
Providing packaged services for the renewable energy market
- Integration and exchange of organizations and human capital
- Cross-utilization of overseas offices and customer base

Connect, Communicate and Create
TECHNO ASSOCIE CO., LTD.

- Increase in Group added value and sales and earnings
Deploying Solution Development Based Marketing more effectively
Use of extensive supplier and processing networks
- Cooperation in procurement and logistics
- Shared corporate functions



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