

# Integrated Report 2025



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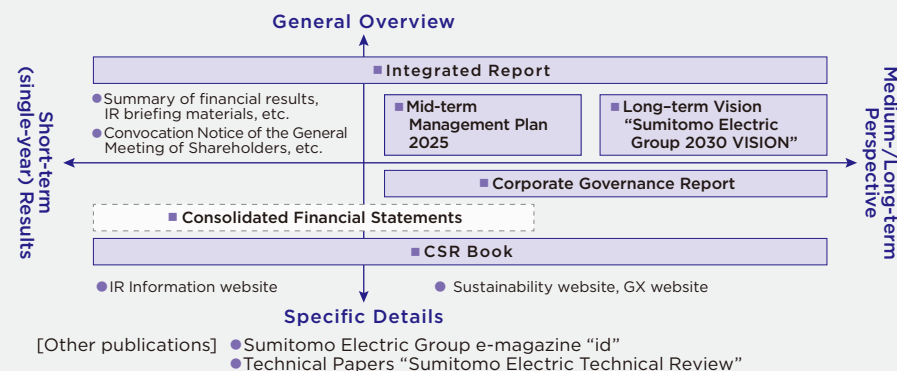
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## Framework for Disclosure of Information

The Group's disclosure media are organized along two axes: “General and Specific” and “Short-term (single-year) Results and Medium-/Long-term Perspective.” The Integrated Report is a disclosure medium that helps readers to understand the overall picture of the Group's value creation story. For details on our Sustainability Initiatives, please refer to our CSR Book and Corporate Governance Report. For information on SEG's Long-term Vision and Mid-term Management Plan, please refer to our 2030 VISION and the Mid-term Management Plan 2025. For more in-depth understanding, we invite you to explore our website.



#### Integrated Report



Discloses as a value creation story the overview of initiatives being taken to improve corporate value over the medium to long term through business activities

#### CSR Book



Comprehensively discloses all ESG initiatives as a collection of documents, data books, and fact books that complement the contents of the Integrated Report

#### Corporate Governance Report



Discloses corporate governance initiatives that support value creation

#### Long-term Vision "Sumitomo Electric Group 2030 VISION"



#### Mid-term Management Plan 2025



### Editorial Policy

#### Period covered :

April 1, 2024 to March 31, 2025  
(Some of the information provided is not applicable to this period)

#### Scope of coverage:

Sumitomo Electric Industries, Ltd. and Sumitomo Electric Group companies.  
As of the end of March 2025, 421 companies (389 Consolidated subsidiaries and 32 Equity method affiliates)

Date of issue : October 2025

#### Reference guidelines :

IFRS Foundation "International Integrated Reporting Framework" and Ministry of Economy, Trade and Industry "Guidance for Collaborative Value Creation 2.0"



#### Disclaimer regarding forward-looking statements :


The forward-looking statements in this Report, such as the Group's future plans, forecasts, and strategies, have been prepared based on certain assumptions that the Group considered reasonable at the time of disclosure. Actual results may differ from these forecasts due to a variety of factors.

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## Message from the Chairman &amp; CEO



## The Practice of “Goho Yoshi” (Five-Way Win) at SEG (Sumitomo Electric Group)

Chairman &amp; CEO

*M. Matsumoto*

### The approach to Sustainability Management as part of the Sumitomo Spirit

Sumitomo has a history of more than 400 years, and at its core lies the spiritual foundation known as the Sumitomo Spirit [→ P05 Corporate Philosophy]. The Sumitomo Spirit is represented by “*Banji-nissei*,” based on the preamble of “*Monjuin Shiigaki*,” which describes how a merchant should conduct his business and was written by Masatomo Sumitomo, the founding father of the House of Sumitomo, and “*Shinyo-kakujitsu*” and “*Fusu-furi*,” based on the Business Principles codified during the Meiji Era (1868–1912). It is also a collection of other traditional values that have been passed down through the generations as shared assets of all members of the Sumitomo Group, including “Attaching Importance to Technology,” “Respect for Human Resources,”

“Long-Range Planning,” and “Mutual Prosperity, Respect for the Public Good.”

SEG believes that it has been able to continue to develop sustainably as a corporation since its establishment in 1897 because it has firmly adhered to the Sumitomo Spirit. All of the successive managers of our Group, including myself, have run our business in accordance with the Sumitomo Spirit. Included in the Sumitomo Spirit are today’s ideas on Sustainability Management, as expressed in the phrase “Mutual Prosperity, Respect for the Public Good.” In order to achieve sustainable corporate operations, it is important for companies to continue to grow by contributing to society through their business activities and to distribute and return the results of that growth to all stakeholders. My management stance is based on my firm belief that this virtuous cycle of growth and distribution/return constitutes the source of sustainability.

The Group will continue to base its business on the Sumitomo Spirit and grow its business under a management philosophy of contributing to the public good through fair business activities, and strive to enhance its sustainable corporate value by steadily distributing and returning the results of this growth to its five stakeholder groups — employees, customers, suppliers, regional communities, and shareholders and investors — in accordance with the concept of Multistakeholder Capitalism known as “*Goho Yoshi*” (Five-Way Win).

### Human capital development and corporate expansion process

The Sumitomo Spirit also advocates “Respect for Human Resources”; the Group has long espoused this philosophy and is committed to developing human capital. I myself have been practicing this process of “human resource development” and “corporate expansion” in my management, based on the belief that “a company develops and expands” by “developing high-quality human resources.” In recent years, there has been growing demand to link “investment in human capital” to “enhancing corporate value,” and I feel that this is exactly in line with my beliefs.

I expect our employees, especially our leaders, to practice virtue, to refine their character, and to possess “intelligence, stamina, and courage.” Then, people with additional characteristics such as “an enterprising spirit,” “a daring temperament,” “an orientation toward innovation,” and “a desire to achieve targets” will/can carry out plans using a logical and scientific approach, while also utilizing their intuition and flexibility in their work to yield successful



results. I believe that developing such human capital will lead to business growth and ultimately to increased corporate value for our Group.

### Responsibilities and Role as Chairman of the Board

I currently serve as the Chairman of the Board and the CEO of SEG. President Inoue, as COO in charge of general management and I, as CEO fulfilling a supervisory management role, have been jointly leading the management of our Group.

As Chairman of the Board, I am personally committed to ensuring that substantive discussions take place in an uninhibited and unreserved manner at Board meetings. Topics to be submitted to the Board of Directors are discussed and reported in advance at the Management Conference. At the Management Conference, the content considered by the relevant department is presented as an agenda item, and the Conference members, including SEG Directors, repeatedly hold discussions based on the experience they have accumulated within the Group.

Our Outside Directors are people with broad insight, including extensive management experience and academic experience, and who have perspectives that differ from those of SEG Directors. At Board of Directors' meetings, multidimensional opinions are voiced by Outside Directors from a variety of perspectives, which encourages multifaceted thinking and elevates the perspective on the matter at hand, thereby deepening exploration of the agenda items.

### The significance of supporting the hosting of the Expo 2025 Osaka, Kansai, Japan

With respect to the 2025 World Exposition in Japan, or Expo 2025 Osaka, Kansai, Japan (held from April 13 to October 13, 2025), I have been involved in its bid since immediately after I became chairman of the Kansai Economic Federation in June 2017, working in cooperation with the national and local governments and the business community. Since the decision was made to host the Expo, I have been working on preparations for the event as a Deputy Chairperson of the Japan Association for the 2025 World Exposition and the Chairperson of the Momentum Fostering Committee. I have visited the venue and toured the pavilions, and heard exhibitors' comment, "A variety of people are coming to the event, seeing the exhibitions first-hand, and deepening their knowledge. We're happy to have participated in the Expo." This makes me very happy.

The Sumitomo Group was born in Kyoto and has grown and developed in Osaka. As one of the core companies of the Sumitomo Group, SEG has viewed the Expo 2025 Osaka, Kansai, Japan as an opportunity to give back to the regional communities in a tangible manner, based on our "Goho Yoshi" (Five-Way Win) philosophy, and we have provided as much support as possible in order to repay our debt of gratitude to Osaka and Kansai for nurturing Sumitomo.

We will continue to strive for mutual prosperity with our stakeholders through the practice of our "Goho Yoshi" (Five-Way Win) philosophy. To this end, I kindly ask all of our stakeholders for their continued support, which is greatly appreciated.

## "Goho Yoshi"

(Five-Way Win)

Multistakeholder Capitalism



"Goho Yoshi" (Five-Way Win) is a concept that has been part of the business management of the Sumitomo Electric Group for some time and is based on the Sumitomo Corporate Philosophy.

We are committed to sustainable growth and medium to long term value creation by sharing prosperity with our multiple stakeholders: employees, customers, suppliers, regional communities, and shareholders & investors.

## What SEG Strives to Be

## Glorious Excellent Company

## What is a Glorious Excellent Company?

A “Glorious Excellent Company” is what SEG strives to be.

“Glorious” represents the philosophical and qualitative goals of our Group. In other words, it represents the ideal form that embodies the Sumitomo Spirit, which has been faithfully passed on throughout Sumitomo’s history, and the Sumitomo Electric Group Corporate Principles, which were established based on that spirit.

“Excellent” is a word that quantitatively expresses what our Group should be, meaning achieving excellent business results as a company. This symbolizes our desire to be a company that continues to achieve excellent results by steadily achieving the targets set, including those in our Mid-term Management Plan.

## Formulating and implementing a Long-term Vision and the Mid-term Management Plan

In order to establish the vision for the Group amid the occurrence of a variety of social changes, SEG has formulated our Long-term Vision, the “2030 VISION,” with 2030 as the critical year. In addition, SEG has formulated and is implementing our Mid-term Management Plan 2025, which runs from FY2023 to FY2025, in order to consistently seize various business opportunities and respond quickly and flexibly to the transformation of global society. In formulating this plan, SEG has incorporated both a forecasting perspective that takes into account the uncertain and discontinuous business environment, and a backcasting perspective based on what SEG strives to be.

Under our long-term vision, “2030 VISION”, with 2030 as the critical year, SEG will work to achieve the targets set in our annual business plans and the Mid-term Management Plan and to increase our corporate value, as well as continuing to work toward becoming a “Glorious Excellent Company.”

Relationship with “Glorious Excellent Company,” the “Long-term Vision,” and the “Mid-term Management Plan” (Strategic System)



## Glorious

## Qualitative goals

What can be achieved by observing and practicing the Sumitomo Spirit, the Sumitomo Electric Group Corporate Principles, and the Sumitomo Electric Group Charter of Corporate Behavior

- Corporate Philosophy [→ P05]
- “Goho Yoshi” (Five-Way Win) (Multistakeholder Capitalism) [→ P03]
- Promotion of Sustainability Management [→ P32]

## Excellent

## Quantitative goals

What can be achieved by steadily accomplishing numerical targets prescribed in the Mid-term Management Plan

- History of Growth [→ P06]
- Sumitomo Electric Group 2030 VISION [→ P12]
- Mid-term Management Plan 2025 [→ P13]
- Achievements of “Goho Yoshi” (Five-Way Win) [→ P14]
- At a glance [→ P15]



## Corporate Philosophy

Honoring both the tradition of “the Sumitomo Spirit” and “the Sumitomo Electric Group Corporate Principles,” the Group has always prioritized its contribution to society. The Group manages based on the spirit of “contributing to the public benefit through business,” while striving to ensure mutual prosperity with its stakeholders.

### The Sumitomo Spirit

The Sumitomo Spirit originates from the guiding principles of “*Monjuin Shiigaki*”—the Aphorisms of Monjuin, which describe how a merchant should conduct his business—set down by the founding father of the House of Sumitomo, Masatomo Sumitomo (1585–1652). The Sumitomo Spirit has been enriched and elaborated on throughout the history of Sumitomo. The core principles of the spirit can be found in the “Business Principles” codified in 1891. The Sumitomo Spirit also integrates the principles and beliefs of previous generations of Sumitomo leadership,

#### Monjuin Shiigaki

“Do your sincere best in not only business but also every aspect of your life”

#### Banji-nissei

The preamble admonishes us to pay attention to any matters, including business, and work wholeheartedly on everything we do. This precept, “Banji-nissei,” has been passed down continuously, in the hope that each one of us in Sumitomo does not focus only on making money but also on improving our personality and developing our character. This lofty document urges us to persist in sincere and careful effort and to cultivate a good character. The Group has positioned “*Banji-nissei*” as a keyword that expresses the Sumitomo Spirit, along with “*Shinyo-kakujitsu*” and “*Fusu-furi*.”

passed down through the generations in the form of important remarks and thoughts behind critical business decisions.

#### Business Principles

Business Rules of Sumitomo Goshi Kaisha (established in 1928)

##### Article 1

**Sumitomo shall achieve prosperity based on solid foundations by placing prime importance on integrity and sound management in the conduct of its business.**

##### Article 2

**Sumitomo's business interest must always be in harmony with public interest; Sumitomo shall adapt to good times and bad times but will not pursue immoral business.**

#### Shinyo-kakujitsu

“Place importance on integrity and sound management”

The Business Principles Article 1 emphasizes the importance of integrity; that is, being worthy of the trust of others.

#### Fusu-furi

“Do not act rashly or carelessly in pursuit of immoral business”

In its first part, Article 2 speaks of the importance of maintaining a proactive and initiative-taking mindset while keeping business continuity in mind, pursuing fair profit by quickly and appropriately responding to changes in society. At the same time, Article 2 emphasizes the importance of harmonizing business gains with the public interest and scorns reckless or careless actions in pursuit of easy gain. While *furi* means easy, temporary or short-term gain, the term also implies unfair profit obtained through dishonest means.

### Principles inherited over generations in Sumitomo

#### Attaching Importance to Technology

Sumitomo's original copper business centered on the “*Nanban-buki*” (foreign style) refining technique, which at the time constituted the leading edge of smelting technology. The business policy of valuing technology and tackling the development of new technology has been a driving force in the evolution of Sumitomo business from the very beginning.

#### Respect for Human Resources

Sumitomo's history features many events that demonstrate the great value the Group attaches to the opinions of those working in its various areas of business. Sumitomo has always considered that people are the foundation of the enterprise, and has attached importance to human capital. This tradition has coexisted with the commitment among Sumitomo personnel to character cultivation.

#### Long-Range Planning

This principle is derived from Sumitomo's original experience in copper mine management, which requires long-term and constant views. Business development with a future-looking, long-term view, complemented by a wider perspective to ensure national and social interests, is one of the factors that have made Sumitomo distinctive.

#### Mutual Prosperity, Respect for the Public Good

This phrase represents the principle that Sumitomo's business must benefit not only Sumitomo but also the nation and society in general. Everyone in Sumitomo is required to focus not only on making money but also on always conducting business in harmony with public interests. This spirit is also demonstrated by Sumitomo's more than century-long efforts to solve environmental problems in the Besshi Copper Mine—a spirit that has always remained unchanged at Sumitomo.

## The Sumitomo Electric Group Corporate Principles

#### Each company of the Sumitomo Electric Group 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 a 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.

## The Sumitomo Electric Group Charter of Corporate Behavior

The Sumitomo Electric Group recognizes that our operations are supported by a range of stakeholders, including “customers,” “employees,” “suppliers,” “regional communities,” and “shareholders/investors,” and that it is mandatory to strive to build appropriate cooperative relationships with our stakeholders while taking their interests into consideration, in order to achieve sustainable growth and enhance the corporate value of the Sumitomo Electric Group over the medium to long term, as well as to steadily return the results to all of our stakeholders as a going concern.

Based on such recognition, as described below, the Sumitomo Electric Group promotes appropriate collaboration with stakeholders to achieve the co-creation of values and shared prosperity with the stakeholders.

### 1 | Provision of Useful and Safe Products and Services

We aim to provide useful and safe products and services that will satisfy customers in all aspects, including quality and cost.

### 2 | Development of New and Original Businesses and Products

We aim to develop new, original, and profitable businesses and products by using our unsurpassed creativity to meet customers' demands.

### 3 | Growth and Development of the Sumitomo Electric Group through Global Business Activities

We will strive for consistent growth of the Sumitomo Electric Group by consistently conducting our businesses from a global perspective and taking full advantage of the Group's dynamic business operations.

### 4 | Contribution to Preservation of the Global Environment

We will contribute to the construction of a sustainable society, taking voluntary and active initiatives to preserve the global environment.

### 5 | Observance of Laws and Regulations

We will observe national and international laws and regulations and always act fairly and openly.

### 6 | Fair and Proper Business Activities

We will promote fair, transparent, and free competition and sound trade.

### 7 | Conduct as a Member of Society

We will act with awareness as members of society and contribute to society at large in order to realize a better society. We will take a firm stand against anti-social forces that threaten social order and safety.

### 8 | In Harmony with the International Community

As a corporate member of the international community, we will respect the culture and customs of every region of the world and contribute to the development of those regions.

### 9 | Safe, Sound Workplace and Employees' Growth and Development

We respect the rights of all individuals and will endeavor to make our workplaces safe, sound, and energetic.

We will strive to respect the personality and individuality of our employees and support their professional development and career to enable self-realization.

### 10 | Disclosure of Relevant Information and Promotion of Communication with Society

We will aim to provide appropriate corporate information to contribute to adequate collaboration with stakeholders.

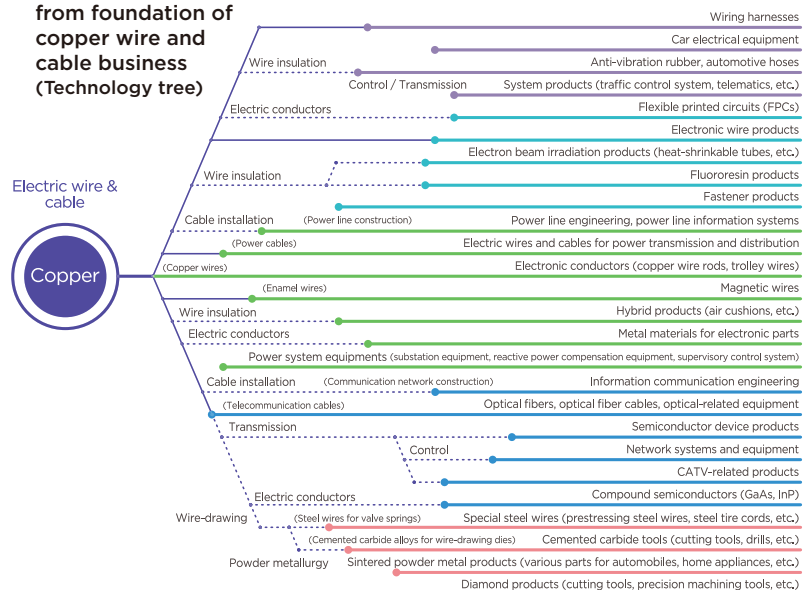
We will also promote good communication with society through public information and hearings.

## History of Growth

## The Track Record

SEG's business began with the manufacture of copper electric wires and cables, based on the technology used in copper refining that the Sumitomo family began approximately 400 years ago. The Group has also worked on business diversification strongly attuned to changes in the social environment, bringing to the world groundbreaking products and technologies such as cemented carbide and sintered powder metal products, optical fibers, and compound semiconductors. SEG's businesses and product lines may seem varied on the surface, but tracing back to the roots of the technology tree will reveal that they are integrated into technologies cultivated in the manufacture of electric wires and cables. The Group currently operates globally in five business segments: Automotive, Electronics, Environment & Energy, Info-Communications, and Industrial Materials.

### Genealogy of Technology evolved from foundation of copper wire and cable business (Technology tree)



Creating  
new value  
through  
technology



"Kodo Zuroku"—Illustrated Book on the Copper Refining (Sumitomo Historical Archives)

#### Around 1600

Perfected *nanban-buki*, a copper refining technique for separating silver from copper ore containing silver

#### 1690

Discovered the Besshi Copper Mine (opened the mine in the following year)



Sumitomo Copper Rolling Works (Sumitomo Historical Archives)

#### 1897

Started as the Sumitomo Copper Rolling Works

#### 1911

Established Sumitomo Electric Wire & Cable Works (the founding of Sumitomo Electric)

Supplied the first Japanese-made high-voltage underground cables

#### 1916

Opened the Osaka Works

Started production of enamel wire

#### 1920

Reorganized into Sumitomo Electric Wire and Cable Works (establishment of Sumitomo Electric)

#### 1922

Manufactured and installed the world's longest submarine power cable

#### 1923

Supplied electric wiring and cables at pre-earthquake prices



Wiring harnesses in the 80's

#### 1931

Started production of cemented carbide tools, IGETALLOY™



#### 1932

Started production of special steel wires

#### 1939

Company name changed to Sumitomo Electric Industries, Ltd.

#### 1941

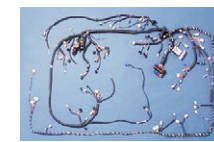
Opened the Itami Works

#### 1943

Started production of anti-vibration rubber

#### 1948

Started production of sintered powder metal products



Wiring harnesses in the 80's

#### 1949

Started automotive wiring harness business

#### 1957

Supplied first Japanese-made television broadcasting antennas

#### 1958

Started production of air springs for railroad vehicles

#### 1961

Opened the Yokohama Works

#### 1964

Started production of electron beam irradiated products (tubes, electric wires)



#### 1968

Started the traffic control system business

#### 1969

Started the flexible printed circuit (FPCs) business



Established the first overseas production base

#### 1970

Started production of compound semiconductors

#### 1971

Opened the Kanto Works

1600

1910

1920

1930

1940

1950

1960

1970

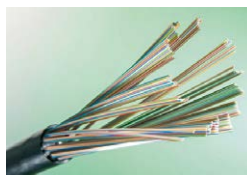
## The name "Sumitomo" resonates throughout modern Japan

In 1897, Sumitomo Copper Rolling Work, the predecessor of SEI, was established. It started manufacturing copper wire along with copper sheets and rods. During the turbulent times from World War I to the end of the Pacific War, the Company actively expanded its business, starting with the manufacture of insulated wires, Japan's first high-voltage underground power transmission cables, enameled wires, cemented carbide products called "IGETALLOY™" and special steel wires. At the time of the Great Kanto Earthquake in 1923, the Company was the only major manufacturer able to supply the electric wires and cables essential for reconstruction, and it fulfilled its responsibility by delivering them at the same prices as before the earthquake, despite the soaring prices of raw materials.

## Mainly focused on electric wires, but also expanding into non-electric wire fields

After the war, the Company overcame major crises, including an order to dissolve Sumitomo headquarters, and made a fresh start under a reconstruction plan. It has grown by promptly and accurately meeting the needs of the times, successfully developing cutting-edge products such as sintered powder metal products and automotive wiring harnesses as well as those that have helped promote the development of the industrial sector. In 1969, it established its first overseas manufacturing base in the suburbs of Bangkok, Thailand, and began expanding its business globally.





**1974**  
Started production of optical fiber cables

**1975**  
Received an order for electric power transmission line construction work in Iran



**1976**  
Received an order for a large telecommunications network project in Nigeria



**1978**  
Started operation of the world's first bi-directional fiber optic CATV system (Hi-OVIS)

**1981**  
Supplied the first supply of fiber-optic LAN systems



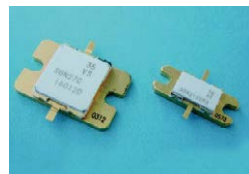
**1982**  
Succeeded in producing the world's-largest-class synthetic monocrystal diamonds (1.2 carats)

**1997**

Celebrated its 100th anniversary by establishing the SEG Corporate Principles

**2003**

Began mass production of the world's first gallium nitride (GaN) substrates



**2006**

Succeeded in the world's first mass production of high-performance gallium nitride transistors (GaN HEMT)

**2008**

Developed the aluminum wiring harness



**2019**

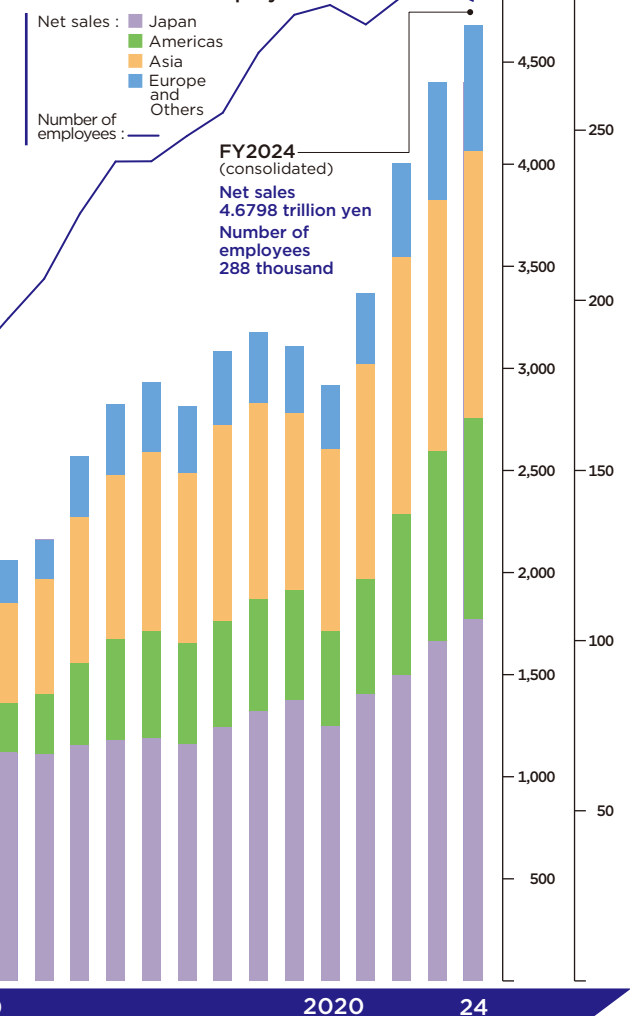
Opened the Ibaraki Works  
Completed the world's first 400kV HVDC XLPE cable system



**2022**

Started commercial operation of the world's-largest-class redox flow battery system

## Changes in net sales and in the number of employees




## Leading the Times with New Technologies and Materials

As the era of high economic growth came to an end, the Company successfully secured a contract for a power transmission line project in Iran and a telecommunications network construction project in Nigeria. Since then, it has been actively expanding its business on the global stage, opening overseas production bases in a wide range of business fields and engaging in power and communications engineering. In Japan, the Company foresaw the arrival of an advanced information society and was at the forefront of developing optical fiber, which could transmit large amounts of information quickly and reliably. It also produced related products such as connectors and construction equipment, contributing to the construction of optical communication networks. In the fiscal year ended March 1990, consolidated

sales exceeded one trillion yen, and in FY1997, the 100th anniversary of the Company's establishment, the Company had grown into a corporate group with consolidated sales of approximately 1.3 trillion yen and 135 consolidated subsidiaries.

It is true that, due to the collapse of the IT bubble, the Company posted its first net loss since its establishment in FY2002. However, the Company accelerated structural reforms and implemented a management restructuring, and once again strengthened the Group's unifying power by setting the goal of becoming a Glorious Excellent Company. Since then, the Company has faced various difficulties, including the Global Financial Crisis, the Great East Japan Earthquake, and the COVID-19 pandemic, but it has overcome them by challenging itself to develop new technologies and products. The Company will continue to achieve sustainable growth while responding to the demands of the times.

## Message from the President &amp; COO



## Creating a Virtuous Cycle of Sustainable Growth and Steady Returns

President &amp; COO



### The Progress of the 2030 VISION and the Mid-term Management Plan 2025

#### Looking back at the business environment over the past year

Looking back at FY2024, demand for wiring harnesses remained strong in the Automotive segment, while demand for power cables and transmission and distribution equipment expanded in the Environment & Energy segment, and demand in the data center-related markets expanded in the Info-communications segment.

As a result of our efforts to expand sales of each product amid this business environment, and also due to the effects of rising copper prices and a weak yen, consolidated sales for FY2024 were 4,679.8 billion yen, a record high. Furthermore, as sales increased, we made thorough efforts to improve productivity, reduce costs, and improve selling prices, which enabled us to achieve operating profit of 320.7 billion yen, an increase of nearly 100 billion yen from the previous fiscal year, setting a new record high in terms of profits. Additionally, we have worked to improve asset efficiency by reducing inventory and cross-shareholdings, resulting in a before tax ROIC (return on invested capital) of 9.3% and an ROE of 8.6%, improving efficiency as well.

As a result, we were able to achieve the FY2025 targets set out in the Mid-term Management Plan 2025 [→ P13] ahead of schedule for all indicators: net sales, operating profit, before tax ROIC, and ROE.

#### Outlook for FY2025

Regarding the economic outlook for FY2025, we expect the global economy to experience increased bloc formation as well as a growing sense of slowdown due to the impact of policy reviews, including additional tariffs imposed by the United States, and increased geopolitical risks due to Russia's prolonged invasion of Ukraine, tensions in the Middle East, and stagnation in the European and Chinese economies. The Group will continue to work to achieve the targets of the Mid-term Management Plan 2025 in FY2025 by responding flexibly and appropriately to changes in the business environment.

#### Medium- to long-term issues

One of the management challenges to achieve the 2030 VISION [→ P12], which sets out the state the Group aims to achieve in 2030, is strengthening the supply chain from a global perspective in a manner tailored to the characteristics of each business. Specifically, in the Automotive segment, we are building a global quadripolar system consisting of



the Americas, Europe, China, and Southeast Asia; in the Environment & Energy segment, we are expanding into the European market, including the construction of a power cable factory in Scotland; and in the Info-communications segment, we are working on the North American data center-related market. We believe that it is necessary to operate our business while closely monitoring the global situation, such as the U.S. tariff policy.

## Attention to Sustainability

### Structure to promote Sustainability Management

Our Group has always provided products and services that contribute to reducing environmental impact and improving environmental value, and has engaged in environmental conservation activities such as reducing CO<sub>2</sub> emissions. As GX is making progress throughout society, in October 2024 we established the GX Promotion Committee, chaired by myself, the President, to further create and expand environmental value and strengthen our response to global environmental regulations and systems.

As a result, in promoting sustainability management, we have established a system to comprehensively address ESG-related themes through the activities of the GX Promotion Committee, the CSR Promotion Committee, and the Human Resources and D&I Promotion Committee, all of which are under the Sustainability Management Promotion Committee, of which I am the chair.

### Enhanced Promotion of GX Initiatives

In recent years, customers, particularly in Europe, have been calling for more ambitious CO<sub>2</sub> reduction targets.\*<sup>1</sup> In addition, regulations requiring companies to disclose information in accordance with the Sustainability Standards Board of Japan and the EU's Corporate Sustainability Reporting Directive (CSRD) have been strengthened, and the content of disclosure is expanding to cover environmental matters in general, including not only climate change but also the promotion of a circular economy, the prevention of environmental pollution, and the conservation of biodiversity. In response to this situation, we are taking measures within the Company, including revising our CO<sub>2</sub> reduction targets for FY2030 to a higher level.

As an example of our efforts to reduce CO<sub>2</sub> emissions, we are aiming to achieve carbon neutrality by 2050 by naming factories that achieve annual greenhouse gas emissions of zero or less and that are promoting exemplary efforts in saving and creating energy as "Net Zero factories." We plan to gradually convert all of our Group's approximately 270 factories into "Net Zero factories." As a starting point, in

August 2025, SWS West Japan, Ltd.'s Matsusaka Factory began operation as the first "Net Zero factory." In addition to thorough energy-saving measures in the production process, the factory has installed solar power generation equipment on the factory roof as part of its efforts to use renewable energy, and has introduced off-site PPA\*<sup>2</sup> that utilizes electricity supplied by solar power plants. Furthermore, to maintain a balance between the factory's power consumption and power generation, the charging and discharging of Redox flow batteries is optimized using an energy management system, and surplus electricity is sent to the Yokkaichi Plant of Sumitomo Wiring Systems, Ltd.; this and other efforts are helping achieve net zero emissions.

In addition, in May 2025, we launched a special GX website to strengthen the dissemination of information regarding GX. In addition to our Group's efforts to reduce CO<sub>2</sub> emissions, we also introduce various products and services that help our customers in their efforts to reduce their environmental impact and improve environmental value.

### Strengthening efforts to strengthen the supply chain

In recent years, regulations and systems in the fields of the environment and human rights have been strengthened, particularly in Europe and the United States, reflecting growing societal demands. As a result, companies are being held accountable not only for their own manufacturing processes, but also for the entire supply chain, from purchasing raw materials to delivery.

In response to this situation, in January 2025, I issued a message to all Group employees instructing them to enhance efforts to strengthen the supply chain. This calls for the establishment of systems within SEI and within the Group that can respond to regulations, systems, and customer requests, and to address this, progress has been made in building an internal information-sharing platform to support responses to customers.

## Together with Our Stakeholders

Finally, I would like to take this opportunity to express my gratitude to all our stakeholders who support our daily business operations. Such support is why we were able to achieve the FY2025 numerical targets set out in our Mid-term Management Plan 2025 in FY2024, ahead of schedule. In FY2025, we will keep striving to achieve the targets of our Mid-term Management Plan, and will keep aiming for sustainable improvement of our corporate value by staying true to the Sumitomo Spirit in practicing management based on the concept of Multistakeholder Capitalism, known as "Goho Yoshi" (Five-Way Win). To this end, I kindly ask all of our stakeholders for their continued support, which is greatly appreciated.



\*<sup>1</sup> CO<sub>2</sub> reduction target to limit the rise in global average temperature to 1.5°C compared to pre-industrial levels

\*<sup>2</sup> An off-site PPA (Power Purchase Agreement) is a contract under which a company purchases electricity generated by off-site renewable energy power generation facilities.

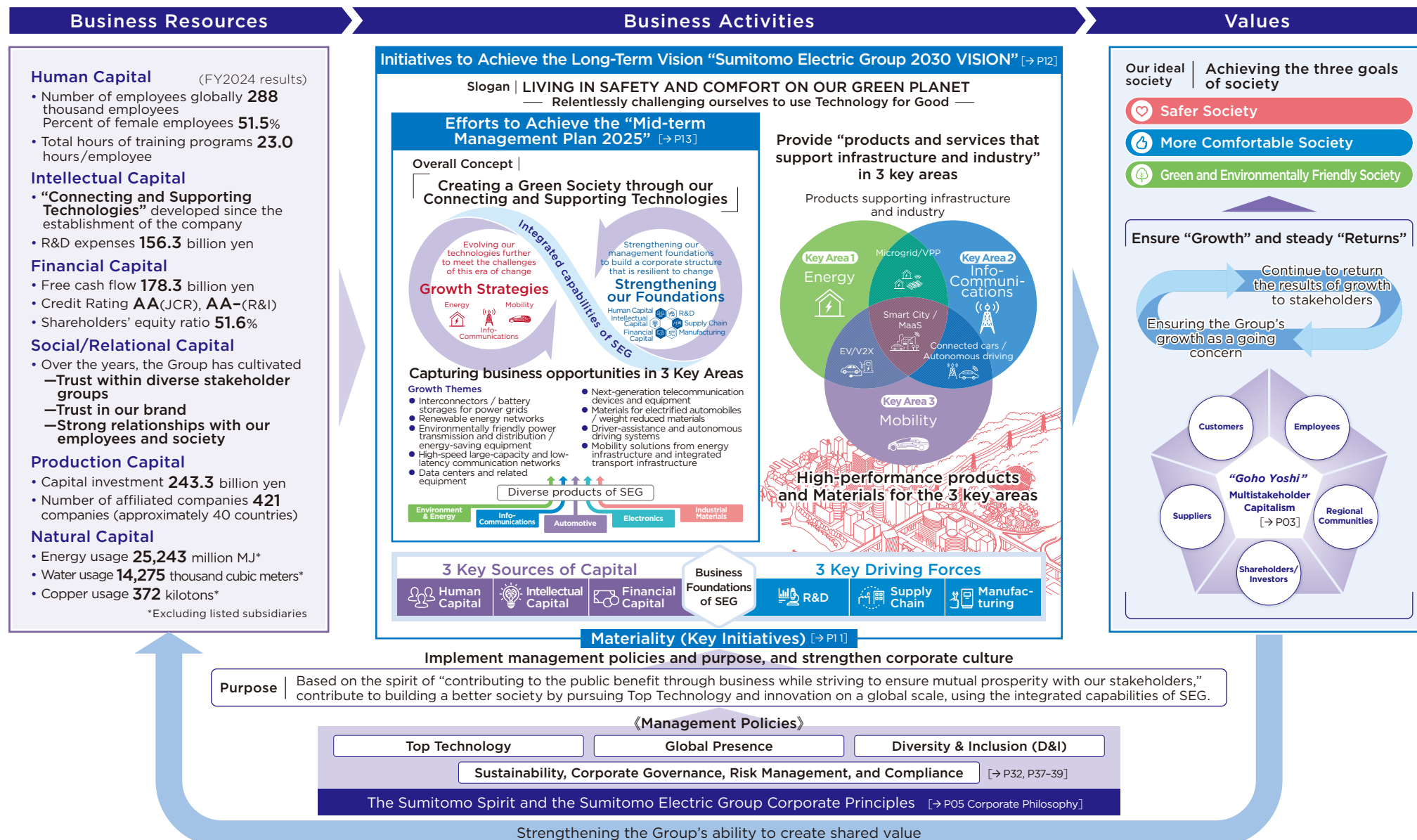


## Management Policies

### Value Creation Process

The Group has set the goal of becoming a Glorious Excellent Company as SEG strives to be, and is working to realize its vision of a “Safer Society,” a “More Comfortable Society,” and a “Green and Environmentally Friendly Society,” based on the concept of “*Goho Yoshi*” (Five-Way Win) (Multistakeholder Capitalism). In line with the Sumitomo Electric Group’s 2030 VISION and Mid-term Management Plan 2025, SEG will consider as two inseparable driving forces the

“growth strategies” in our three key areas of Energy, Info-communications, and Mobility and the “strengthening of our foundations” through our 3 Key Sources of Capital and 3 Key Driving Forces, and strive to improve our corporate value over the medium to long term through our five businesses — Environment & Energy, Info-communications, Automotive, Electronics, and Industrial Materials — and steadily return the results of our growth to our stakeholders.



## Materiality

The Group has defined “materiality” as efforts to solve social issues that the Group believes are important to achieve the “Three Goals for Society” and to “Ensure growth and steady returns.” Through the materiality initiatives, the Group will capture opportunities and reduce risks.

### Summary of the Materiality Process

#### ➔ Comprehensive Understanding of Social Issues

Comprehensively grasped the social issues facing various stakeholders and created a long list of social issues by referring to the 169 targets of the SDGs, the global risks listed in the Global Risks Report (published by the World Economic Forum), and the evaluation criteria of ESG rating agencies.

#### ➔ Materiality Assessment

Narrowed down the social issues that are important to both based on the two axes of “importance to SEG (including in terms of financial impact)” and “importance to stakeholders.”

#### ➔ Identification of Important Social Issues

In order to achieve the social vision set forth in the 2030 VISION, discussions were held to identify issues that are important to both the Group and society, and five high-priority issues were identified as “important social issues.”

#### “Important Social Issues” Identified through the Discussions

1. Addressing social issues and revitalizing industries through new technologies
2. Increasing environmental risks and intensifying global warming
3. More frequent natural disasters, increasing information security risks, and underdeveloped and aging social infrastructure
4. Growing importance of Diversity and Inclusion (D&I) and the work environment
5. Emerging risks in supply chains (protection of human rights, strengthened business continuity planning)

#### ➔ Materiality Assessment

In the process of formulating the 2030 VISION and the “Mid-term Management Plan 2025,” the SEI management became aware of “important social issues” that need to be addressed in order to reach the social vision it aims to achieve, and has identified, with the approval of the Management Conference and the Board of Directors, “materiality” (key) initiatives that the management believes are important to addressing these “important social issues.”

## Values

Our ideal society | Achieving the three goals of society

Safer Society

More Comfortable Society

Green and Environmentally Friendly Society

Ensure “Growth” and steady “Returns”  
“Goho Yoshi” (Five-Way Win)  
— Multistakeholder Capitalism

### Details of Materiality (key Initiatives) — Our Group's mission towards 2030 —

**Business Domains** | 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.

#### Energy Supporting GX

##### Challenges toward 2030

— SEG will further improve our power cable technology and take on challenges to reinforce power lines on a global basis and to provide solutions addressing the various needs of power users.

##### Growth Themes

- Interconnectors / battery storages for power grids
- Renewable energy networks
- Environmentally friendly power transmission and distribution / energy-saving equipment

#### Info-Communications Supporting DX

##### Challenges toward 2030

— SEG will rise to the challenge to developing innovative materials and devices to support the progress of large-capacity optical communications, lower power consumption and the evolution from 5G to 6G.

##### Growth Themes

- High-speed large-capacity and low-latency communication networks
- Data centers and related equipment
- Next-generation telecommunication devices and equipment

#### Mobility Supporting CASE

##### Challenges toward 2030

— In addition to the evolution of existing products, like wiring harnesses, SEG will endeavor to advance electrification and high-speed communications of automobiles, including architectural innovations, leveraging the integrated technologies of the Group, such as energy and info-communications.

##### Growth Themes

- Materials for electrified automobiles / weight reduced materials
- Driver-assistance and autonomous driving systems
- Mobility solutions from energy infrastructure and integrated transport infrastructure

**Indicators and targets** | Sales from growth themes supporting GX/DX/CASE 1.1 trillion yen, and capital investment 720 billion yen/3 years (including 300 billion yen/3 years for major capital investments in growth themes)

## Management Foundation

Targets without a target year are for FY2025. Please see the CSR Book for short-term targets.

### 3 Key Sources of Capital

#### Human Capital

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

- Diversity & Inclusion, Respect for human rights
- Nurturing a corporate culture that values growth and challenges
- Group's integrated power on a global scale

#### Intellectual Capital

Generate long-term competitiveness by generating intellectual capital from our core technologies and manage and utilize the capital on a global basis.

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

#### Financial Capital

Generate cash to maximize funds for growth and investment as well as distributions that optimize returns for our stakeholders.

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

#### Indicators and Targets

Compensation growth  
Aiming for inflation rate + α  
Percentage of male employees taking childcare leave: 100%  
Percentage of females among new graduate hires  
Administrative 40% Technical 15%

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

Before tax ROIC >8%  
ROE: >8%  
Dividend payout ratio  
Approx. 40%  
EBITDD\*1.6 trillion yen/3 years

\*EBITDD: Earnings Before Interest Taxes Depreciation and Development

### 3 Key Driving Forces

#### R&D

Invigorate and accelerate R&D to generate returns.

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

#### Supply chain

Reinforce BCP through building a stable supply chain framework that is resilient to changes.

- Fair and impartial trade, protection of the environment and human rights, and BCP-conscious procurement
- Promotion of sales with a focus on presenting solutions
- Production at the most appropriate site and cooperation on a global scale
- Optimizing division of labor among operation sites and transportation means

#### Manufacturing

Create resilient factories that can adapt to change.

- Contributing to the global environment : Promoting circular economy, preventing environmental pollution, saving, creating and purchasing energy, along with eco-friendly activities
- Resilient manufacturing platform : Completely zero accidents involving employees, materials and equipment
- Building a solid shop floor operation : Autonomous and continuous “maintenance and improvement”
- Evolving the production system : Vertical launch and simultaneous improvement of lead time and cost

#### Indicators and Targets

R&D  
360 billion yen/3 years

CSR-based procurement assessments  
Implementation rate 80% (based on transaction value)

Reduction of CO<sub>2</sub> emissions (FY2030 target)  
Scope 1+2 30%  
Scope 3 15%  
Zero serious accidents

### Contribution to Society

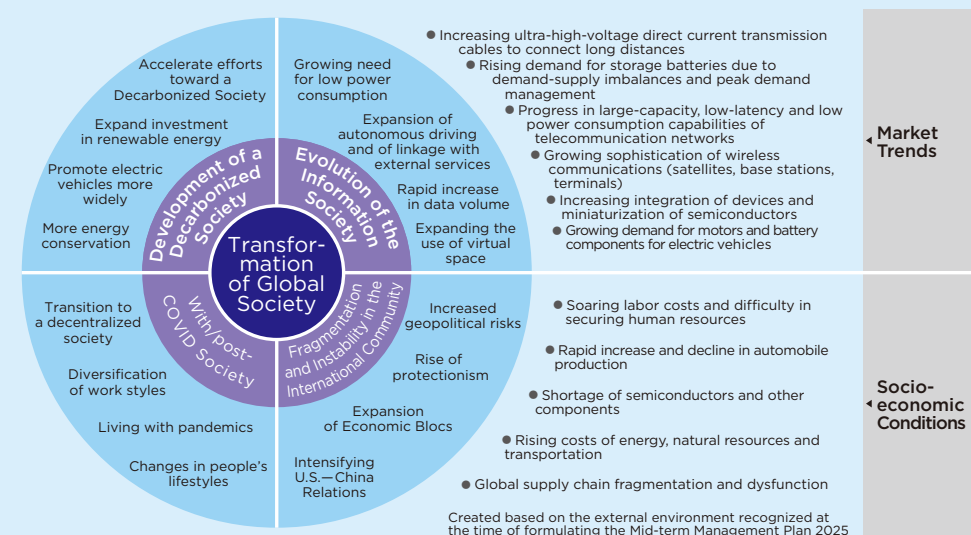
Proactively engage in voluntary activities for “Contributing to Society (CSR Activities)” as a responsible member of society

Contribution to CSR activities  
Approx. 1% of profit after-tax

To see the progress of indicators and targets related to materiality at a glance, please refer to “Indicators, Targets and Progress Related to Materiality” [→ P09 of the CSR Book 2025].

## “Sumitomo Electric Group 2030 VISION” and “Mid-term Management Plan 2025”

**Business Environment** | SEG recognizes that its 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 changes in global society.



### Long-term vision “Sumitomo Electric Group 2030 VISION”



### Management Policies

The management policies laid out in the “2030 VISION” are “Pursuit of Top Technology,” “Enhance Global Presence,” and “Promote Diversity & Inclusion.”

#### Pursuit of Top Technology

Founded as a copper wire and cable business, the Group has evolved an entire Genealogy of Technology, like a family tree, that combines materials technology and precision manufacturing. The Group will continue to pursue **Top Technology** that connects and supports society, and use **the Group’s integrated power and innovation** to contribute on a global scale.

#### Enhance Global Presence

The Group has been meeting the needs of the global market by creating new value through Top Technologies. **The Group’s global business initiatives** will continue to contribute to the development of infrastructure and industries around the world.

#### Promote Diversity & Inclusion

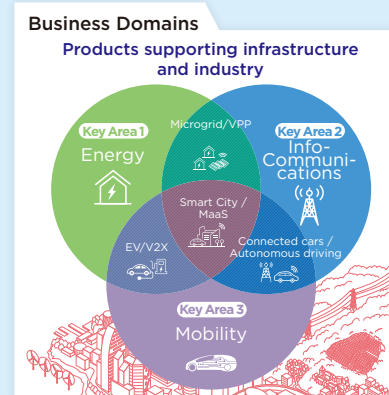
The Group’s global business activities are supported by approximately 290,000 employees across over 400 companies in various countries and regions (as of the end of March 2025). The Group will **continue to maximize the individual characteristics and capabilities of our diverse human capital** to create top technology and **strengthen our organizational vitality and competitiveness**.

### Business Domains and Values

Under the slogan “**LIVING IN SAFETY AND COMFORT ON OUR GREEN PLANET — Relentlessly challenging ourselves to use Technology for Good.**” the Group will make concerted efforts toward the year 2030 to achieve a “**Safer Society**,” a “**More Comfortable Society**,” and a “**Green and Environmentally Friendly Society**.” In particular, the Group has positioned “**Energy**,” “**Info-Communications**,” and “**Mobility**” as the three key areas, and through these key areas and interconnected areas, it will contribute with the collective strength of the Group.

### Slogan

**LIVING IN SAFETY AND COMFORT ON OUR GREEN PLANET**  
— Relentlessly challenging ourselves to use Technology for Good —



### Values



### Targets

#### Achieving a Glorious Excellent Company

By 2030, SEG aims to achieve net sales of over five trillion yen (an increase of at least one trillion yen in the three key areas) and before tax ROIC of 10% or more, while working on reducing CO<sub>2</sub> emissions, promoting D&I, improving engagement, and ensuring compliance.

Glorious		
E	Global Environment	CO <sub>2</sub> emissions reduction 2030 [Scope 1+2] 30% [Scope 3] 15% (compared to FY2018) 2050 [Scope 1+2] carbon neutrality
S	Diversity & Inclusion	Creation of new value 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 >1 trillion yen in growth from the 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 (FY2023-FY2025)



### Basic Policy

In order to achieve the 2030 VISION, under the slogan of “Creating a Green Society through our Connecting and Supporting Technologies”, the Mid-term Management Plan 2025 aims to capture global business opportunities associated with the “Development of a Decarbonized Society” and the “Evolution of the Information Society,” and to promote growth strategies by leveraging the collective strengths of the Group. The basic policy of the Group is to strengthen our management foundation and continue to return the results of the growth to stakeholders.

### Creating a Green Society through our Connecting and Supporting Technologies

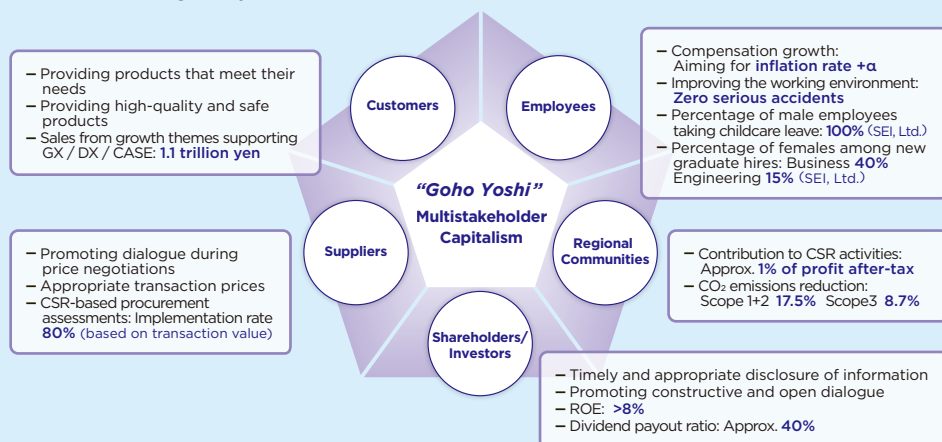


### Key indicators and targets

Toward 2025, SEG aims to achieve net sales of 4.4 trillion yen, operating profit of 250 billion yen, and before tax ROIC of 8% or higher. Specifically, the Group will work to achieve the key indicators and targets shown below.

Net sales 4.4 trillion yen	Operating profit 250 billion yen	Before tax ROIC >8%	R&D 360 billion yen/3 years	Capital Investments 720 billion yen/3 years
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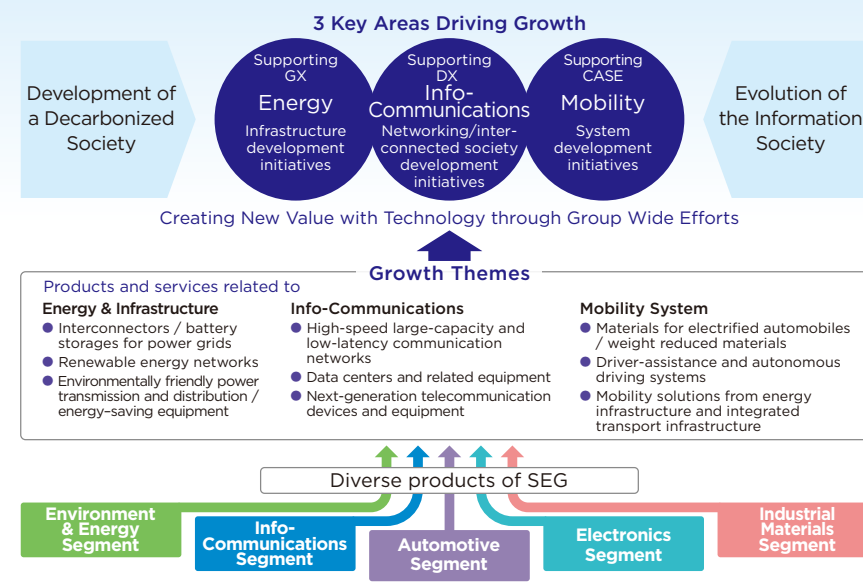
### Indicators and targets by stakeholder



### Growth Strategies

In order to capture business opportunities and achieve growth in the three key areas of “Energy,” “Info-communications,” and “Mobility,” which are expanding as a result of the “Development of a Decarbonized Society” and the “Evolution of the Information Society,” the Group has positioned nine themes across the Group as “Growth Themes.” It plans to make a major capital investment of 300 billion yen over the next three years in the growth themes, and through these efforts across the five business segments of “Environment & Energy,” “Info-Communications,” “Automotive,” “Electronics,” and “Industrial Materials,” the Group will create new value through technology to achieve our goal of “LIVING IN SAFETY AND COMFORT ON OUR GREEN PLANET,” as stated in the 2030 VISION.

### Realizing LIVING IN SAFETY AND COMFORT ON OUR GREEN PLANET



### Results for FY2024

Net sales increased from the previous fiscal year to 4,679.8 billion yen due to efforts to expand sales of power cables and optical devices for data centers as well as the impact of the weak yen and rising copper prices. The Group achieved a record operating profit of 320.7 billion yen, reflecting its efforts to thoroughly improve productivity, reduce costs, and improve selling prices. The Group achieved our targets for net sales, operating profit, before-tax ROIC, and ROE ahead of schedule under the Mid-term Management Plan 2025. For FY2025, it is difficult to predict the impact of additional tariffs on the global economy, and the outlook remains uncertain. However, The Group will strive to minimize the impact of tariffs and aim to increase profits on an actual basis excluding the impact of tariffs.

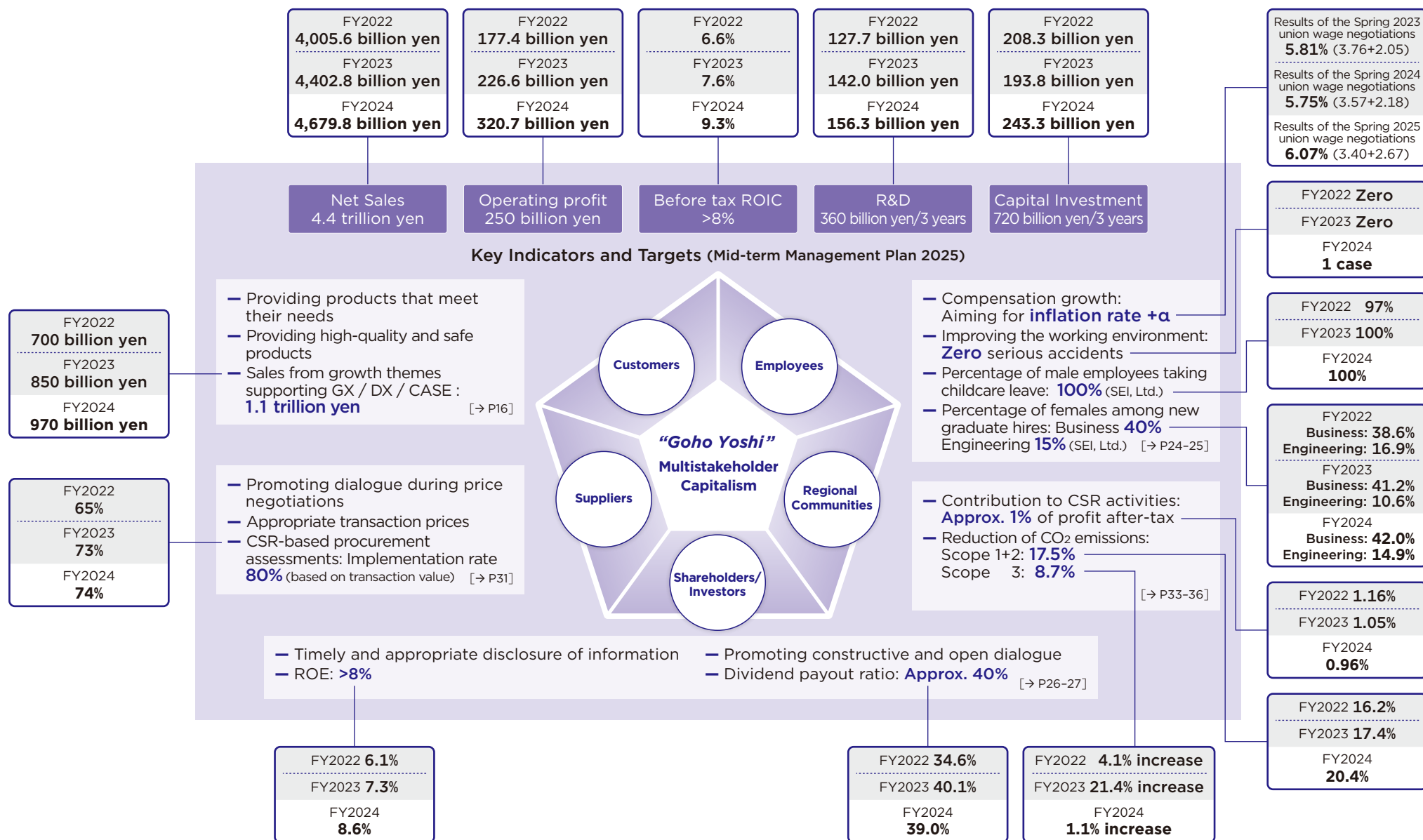
Please see [→ P16 thereafter] for the progress of efforts in strengthening each business segment and our foundations. For the latest earnings forecast, please refer to the Group's website.

Numerical targets	Results for FY2024	Targets for FY2025
Net Sales (Billion yen) (of which from growth themes)	4,679.8 (970)	4,400 (1,100)
Operating profit (Billion yen)	320.7	250
Before tax ROIC	9.3%	>8%
ROE	8.6%	>8%

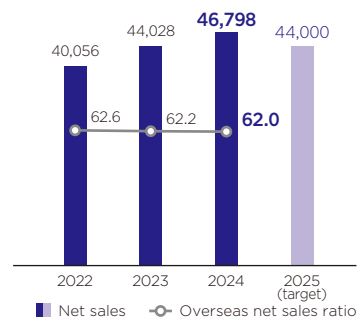


## Achievements of “Goho Yoshi” (Five-Way Win) — at a glance

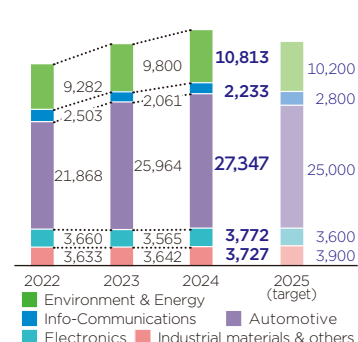
In the Mid-term Management Plan 2025, the Group set specific quantitative indicators and targets for the distribution of results to its stakeholders (employees, customers, business partners, regional communities, and shareholders and investors), and is making steady progress toward achieving its targets for FY2025.



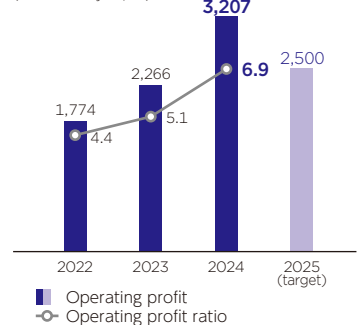
### Net sales / overseas sales ratio (100 million yen / %)



### Net Sales by Business Segment (100 million yen)



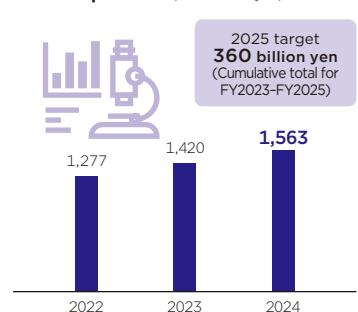
### Operating profit / Operating profit ratio (100 million yen / %)



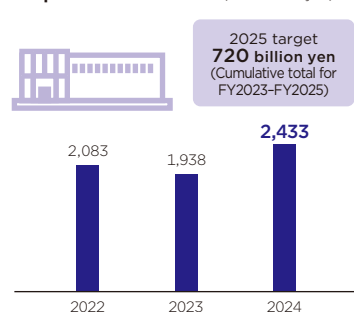
### ROIC (%)



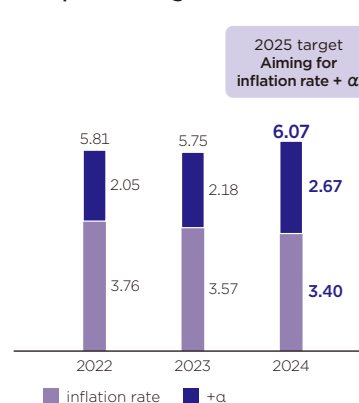
### R&D expenses (100 million yen)



### Capital investment (100 million yen)



### Compensation growth (%)



### Number of industrial accidents (cases)

	2022	2023	2024
Serious accidents	0	0	1 (fatal accident)
Accidents resulting in lost work time	11	14	14

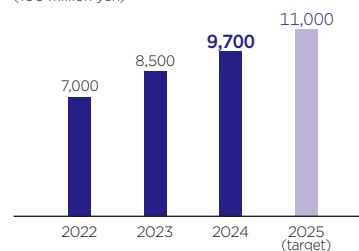
### Percentage of male employees taking childcare leave (%)

	2022	2023	2024	2025(target)
Percentage of male employees taking childcare leave (%)	97	100	100	100

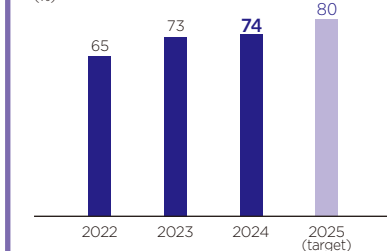
### Percentage of females among new graduate hires (%)

	2022	2023	2024	2025(target)
Business	38.6	41.2	42.0	40.0
Engineering	16.9	10.6	14.9	15.0

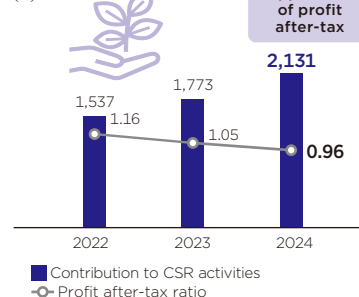
### Sales from growth themes supporting GX / DX / CASE (100 million yen)



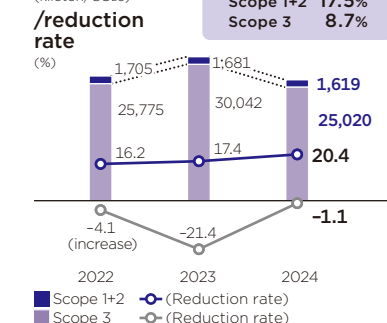
### CSR-based procurement assessments implementation rate (%)



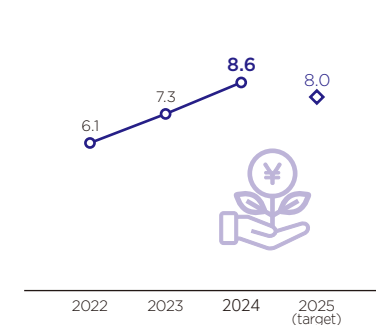
### Contributions to CSR activities / Profit after-tax ratio (%)



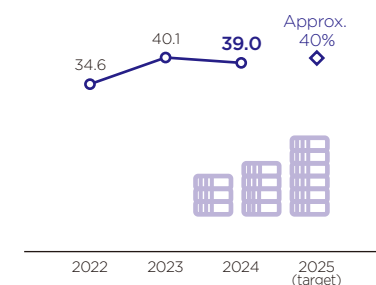
### Greenhouse gas emissions (kiloton/CO<sub>2</sub>e)



### ROE (%)



### Dividend payout ratio (%)



### Dialogue with shareholders and investors

#### Financial results briefing\* (twice)

2022	2023	2024
A total of 133 companies	A total of 131 companies	A total of 135 companies

#### Interviews\* (as needed)

2022	2023	2024
A total of 278 companies	A total of 343 companies	A total of 734 companies

\*Cumulative

The opinions and issues identified through dialogue are regularly reported to the Board of Directors.



## Growth Strategies

## Growth Strategies for Five Business Segments

## Overview of Each Segment

Segment overview and strengths		Main product examples	Customers and industries	Industry achievement examples (based on the Group survey)	Net sales and operating income forecasts and results (Billions of yen)															
<div>Environment &amp; Energy</div>	<p>Electric wire and cable products, evolving from copper wire production since the Group's establishment, have a solid foundation and proven track record among Japan's top companies in the category of low to ultrahigh voltage electric wire and cable products. In addition, the redox flow battery system, which has a long service life and is highly safe, is expected to contribute to the expanded use of renewable energy. The Group's strength lies in its overall capabilities involving affiliates in the fields of heavy electrical machinery and engineering, as well as end-to-end system development from raw materials to finished products.</p>	<ul style="list-style-type: none"><li>● Electric conductors</li><li>● Power transmission wires, cables and equipment</li><li>● Magnet wires</li><li>● Air springs</li><li>● Power equipment, transmission and distribution equipment and supervisory control system</li><li>● Beam and vacuum application equipment</li><li>● Electrical and power line construction and engineering</li><li>● Porous metals</li><li>● Metal materials for electronic parts</li><li>● Redox flow battery system</li></ul>	<p>Electric power companies</p> <p>Automotive manufacturers etc.</p>	<p><b>[Power transmission and distribution cables]</b> No. 1 in domestic market share</p> <p><b>[Magnet wires]</b> No. 1 in domestic market share</p>	<table><tr><th>Year</th><th>Net sales</th><th>Operating income</th></tr><tr><td>2022</td><td>928.2</td><td>37.9</td></tr><tr><td>2023</td><td>980</td><td>42.9</td></tr><tr><td>2024</td><td>1,081.3</td><td>78.7</td></tr><tr><td>2025 (FY) targets</td><td>1,020</td><td>50</td></tr></table>	Year	Net sales	Operating income	2022	928.2	37.9	2023	980	42.9	2024	1,081.3	78.7	2025 (FY) targets	1,020	50
Year	Net sales	Operating income																		
2022	928.2	37.9																		
2023	980	42.9																		
2024	1,081.3	78.7																		
2025 (FY) targets	1,020	50																		
<div>Info-Communications</div>	<p>The Group has developed a range of products with superior transmission characteristics and high reliability, including a world record in optical fiber transmission loss reduction. The Group's strengths lie in its world-class design capabilities and manufacturing technologies for products, such as optical cables, optical interconnect devices and optical connectors for data centers, imaging and optical access devices, and compound semiconductors for optical and wireless communications.</p>	<ul style="list-style-type: none"><li>● Optical fibers and cables</li><li>● Communication cables and equipment</li><li>● Optical fusion splicers</li><li>● Compound semiconductor devices for optical and wireless communications</li><li>● Compound semiconductor substrates</li><li>● Access network equipment (PON, Set Top Box, CATV-related products, etc.)</li></ul>	<p>Telecommunications carriers</p> <p>Data center operators etc.</p>	<p><b>[Optical fibers and cables]</b> Recorded the world's lowest transmission loss (March 2024) World's first mass production of ultra-low loss, multi-core optical fiber (September 2023)</p> <p><b>[Access network equipment]</b> No. 1 in domestic market share</p>	<table><tr><th>Year</th><th>Net sales</th><th>Operating income</th></tr><tr><td>2022</td><td>250.3</td><td>21.9</td></tr><tr><td>2023</td><td>206.1</td><td>11.6</td></tr><tr><td>2024</td><td>223.3</td><td>19.9</td></tr><tr><td>2025 (FY) targets</td><td>280</td><td>25</td></tr></table>	Year	Net sales	Operating income	2022	250.3	21.9	2023	206.1	11.6	2024	223.3	19.9	2025 (FY) targets	280	25
Year	Net sales	Operating income																		
2022	250.3	21.9																		
2023	206.1	11.6																		
2024	223.3	19.9																		
2025 (FY) targets	280	25																		
<div>Automotive</div>	<p>The Group's primary product is wiring harnesses, which run throughout the vehicle, transmitting power and information, and it has established a prominent presence in the market, with one in four vehicles worldwide using harnesses made by the Group.* The strength of the Group lies in its ability to expand its business globally, with operations in 32 countries and territories around the world.</p> <p>*Based on market share estimates from the Group survey</p>	<ul style="list-style-type: none"><li>● Wiring harnesses</li><li>● Anti-vibration rubber, automotive hoses</li><li>● Car electrical equipment</li><li>● Network system products such as traffic control systems</li></ul>	<p>Automotive manufacturers etc.</p>	<p><b>[Automotive wiring harnesses]</b> World-leading</p>	<table><tr><th>Year</th><th>Net sales</th><th>Operating income</th></tr><tr><td>2022</td><td>2,186.8</td><td>55.7</td></tr><tr><td>2023</td><td>2,596.4</td><td>144.7</td></tr><tr><td>2024</td><td>2,734.7</td><td>172.4</td></tr><tr><td>2025 (FY) targets</td><td>2,500</td><td>110</td></tr></table>	Year	Net sales	Operating income	2022	2,186.8	55.7	2023	2,596.4	144.7	2024	2,734.7	172.4	2025 (FY) targets	2,500	110
Year	Net sales	Operating income																		
2022	2,186.8	55.7																		
2023	2,596.4	144.7																		
2024	2,734.7	172.4																		
2025 (FY) targets	2,500	110																		
<div>Electronics</div>	<p>Flexible printed circuits (FPCs), one of the core products of the Group, are wiring materials that enable high-density and highly flexible designs in a small area, and can be used for increasingly complex wiring in all types of devices. In addition to these products, the strengths of the Group lie in its unique material development, design, and processing technologies for electric wire products for high-speed transmission and heat-shrinkable tubes used in a wide range of fields.</p>	<ul style="list-style-type: none"><li>● Flexible printed circuits (FPCs)</li><li>● Electric wire products (electric wires, flat cables, harnesses)</li><li>● Heat-shrinkable tubes</li><li>● Fluororesin products</li><li>● Fasteners</li><li>● Metal parts</li><li>● Chemical products</li></ul>	<p>Electronic and information equipment industry</p> <p>Automotive and aerospace industries</p> <p>Medical and industrial equipment industry etc.</p>	<p><b>[Ultra fine pitch circuit technology]</b> Industry-leading</p> <p><b>[Low transmission loss FPC using Fluororesin]</b> Industry-leading</p> <p><b>[UL standard electric wires]</b> No. 1 in domestic market share</p> <p><b>[USB 80 Gbps 240W Type - C cable]</b> World's first certification</p>	<table><tr><th>Year</th><th>Net sales</th><th>Operating income</th></tr><tr><td>2022</td><td>366</td><td>38.3</td></tr><tr><td>2023</td><td>356.5</td><td>29.3</td></tr><tr><td>2024</td><td>377.2</td><td>29.3</td></tr><tr><td>2025 (FY) targets</td><td>360</td><td>30</td></tr></table>	Year	Net sales	Operating income	2022	366	38.3	2023	356.5	29.3	2024	377.2	29.3	2025 (FY) targets	360	30
Year	Net sales	Operating income																		
2022	366	38.3																		
2023	356.5	29.3																		
2024	377.2	29.3																		
2025 (FY) targets	360	30																		
<div>Industrial Materials &amp; Others</div>	<p>Cutting and grinding tools, which were developed based on the wire-drawing die manufacturing technology for drawing copper wire into thin strands, now supports manufacturing in all fields throughout the world. The Group also provides other products that are essential for the growth of society and industries based on its world-class materials development capabilities, such as special steel wires used to reinforce concrete structures and tires, and sintered powder metal parts used in automobiles.</p>	<ul style="list-style-type: none"><li>● Prestressing steel wires</li><li>● Steel wires for precision springs</li><li>● Steel cords</li><li>● Cemented carbide tools</li><li>● Diamond and CBN tools</li><li>● Laser optics</li><li>● Sintered powder metal parts</li><li>● High thermal conductivity heatspreaders</li></ul>	<p>Automotive and aerospace industries</p> <p>Construction industry</p> <p>Telecommunications carriers</p> <p>Energy industry</p> <p>Medical equipment manufacturers etc.</p>	<p><b>[Prestressing steel wires]</b> No. 1 in domestic market share <b>[Steel wires for precision spring]</b> No. 2 in domestic market share <b>[Steel cords]</b> No. 1 in domestic market share <b>[Diamond and CBN tools, monocrystal diamond products]</b> No. 1 in domestic market share <b>[Sintered powder metal parts]</b> No. 1 in domestic market share, No. 2 in global market share <b>[Heatspreaders]</b> The only company in the world capable of handling a wide range of high-performance heatspreaders</p>	<table><tr><th>Year</th><th>Net sales</th><th>Operating income</th></tr><tr><td>2022</td><td>363.3</td><td>24</td></tr><tr><td>2023</td><td>364.2</td><td>21.1</td></tr><tr><td>2024</td><td>372.7</td><td>20.6</td></tr><tr><td>2025 (FY) targets</td><td>390</td><td>35</td></tr></table>	Year	Net sales	Operating income	2022	363.3	24	2023	364.2	21.1	2024	372.7	20.6	2025 (FY) targets	390	35
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2025 (FY) targets	390	35																		

Below are the concepts (business models) and progress of initiatives in each business segment in response to the current business environment. Please see [→ P45] for net sales by main products.

## 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  
Strategies)

### Mid-term Management Plan 2025 Targets

#### Net sales

FY2024 Actual **1.0813** trillion yen  
↓  
FY2025 target **1.02** trillion yen

#### Operating profit

FY2024 Actual **78.7** billion yen  
↓  
FY2025 target **50** billion yen

Business  
Environment  
(Opportunities  
and Risks)

As the shift toward a decarbonized society continues, and investment in energy infrastructure and renewable energy remains very active both in Japan and internationally, demand for electric power cables and transmission and distribution equipment continues to be strong. Similarly, the demand for rectangular magnet wires for electric vehicles also remains strong. On the other hand, it is important to closely monitor ongoing reviews of energy policies by the U.S. administration.

Key  
Initiatives  
(Addressing  
Issues)

For the electric power cable business, the Group will work to increase orders both in Japan and international markets, expand production capacity - including launching new bases in Europe - and enhance project management capabilities. For the transmission and distribution equipment business, the Group will also work to increase production capacity to meet growing demand and to strengthen the development and proposal of environmentally friendly products. For the rectangular magnet wires business for electric vehicles, the Group will pursue cost efficiencies and develop high-value-added next-generation products.

Progress  
in FY2024

Strong sales of power cables, transmission and distribution equipment, and rectangular magnet wires for electric vehicles enabled the Group to achieve its sales target for FY2025 ahead of schedule. In the UK, the Group began construction of its subsea transmission cable factory in Scotland and has been provisionally awarded the contract for the Shetland 2 subsea power cable project. In Germany, the Group acquired Südkabel, a land cable manufacturer, and secured a contract for a large-scale direct current power transmission project.

Outlook  
for FY2025

With the advancement of a decarbonized society, strong demand is expected to continue both in Japan and internationally.

### Key Initiatives

#### Launching state-of-the-art submarine cable factories

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



Minato Factory  
(Ibaraki prefecture)

#### Developing a power transmission system to support wind power generation

By leveraging its world-class technological capabilities, the Group will contribute to building a sustainable future by 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

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



Rectangular  
magnet wires for driving motors

## Info-Communications

### Policy for 2030

The Group will provide a variety of original products for developing all-photronics networks and beyond 5G, which bring high-speed large-capacity and low-latency communications with low power consumption, and are required for AI and virtual space applications.

2025  
Growth  
Strategies  
(Business  
Strategies)

### Mid-term Management Plan 2025 Targets

#### Net sales

FY2024 Actual **223.3** billion yen  
↓  
FY2025 target **280** billion yen

#### Operating profit

FY2024 Actual **19.9** billion yen  
↓  
FY2025 target **25** billion yen

Business  
Environment  
(Opportunities  
and Risks)

Investment from data center operators is accelerating, driven by the growth of generative AI. Simultaneously, as data traffic increases, the market's need for higher speeds, more compact devices, and lower power consumption continues to rise. Conversely, investment from telecommunications businesses is slowly recovering.

Key  
Initiatives  
(Addressing  
Issues)

The Group is committed to advancing new product development and expanding production capacity for data center-related products such as cables, connectors, optical devices, and compound semiconductor substrates. Furthermore, the Group will focus on strengthening the development and sales of ultra-low-loss, large-capacity optical fibers for intercontinental submarine cables, as well as high-efficiency GaN devices for wireless communications.

Progress  
in FY2024

Driven by the rapid expansion of the expanding generative AI market, demand for optical devices and interconnection equipment for data centers has risen, resulting in growth in both sales and profits. The Group continues to advance its technological development to achieve its 2025 targets, which include the mass production of high density fiber optic cables to support data center requirements, delivery of multi-core fiber fusion splicers, development of high-power optical communication light sources, and setting of a new world record for low-loss quartz-based optical fibers.

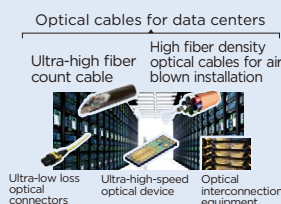
Outlook  
for FY2025

As generative AI continues to expand, data center operators are expected to increase their investments, leading to a corresponding rise in demand for associated products.

### Key Initiatives

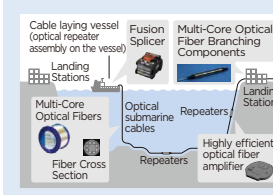
#### Development of higher performance products for data centers

The Group will provide high fiber density slim cable and optical interconnection equipment that support 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.



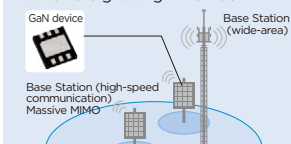
#### Providing multi-core optical fiber solutions

As a leader in multi-core optical fiber, a new key technology for high-speed large-capacity optical communications, the Group provides comprehensive solutions including fusion splicers, amplifiers, and other products. The Group has introduced intercontinental optical submarine cables and will be expanding them to land use and data centers.



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

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



## Automotive

### Policy for 2030

The Group will expand its 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  
Strategies)

**Mid-term  
Management  
Plan 2025  
Targets**

**Net sales**

FY2024 Actual **2.7347** trillion yen

FY2025 target **2.5** trillion yen

**Operating profit**

FY2024 Actual **172.4** billion yen

FY2025 target **110** billion yen

**Business  
Environment  
(Opportunities  
and Risks)**

Over the medium to long term, business opportunities are anticipated to grow as CASE technologies advance. Conversely, demand may stagnate as a result of the ongoing economic slowdown in China and Europe, and there are concerns that new U.S. tariffs could impact both sales and costs.

**Key  
Initiatives  
(Addressing  
Issues)**

The Group will proactively address challenges by adapting to changes in the business environment, such as the introduction of additional U.S. tariffs, and by reinforcing its business structure through improved manufacturing capabilities and greater asset efficiency. Additionally, the Group will direct significant efforts toward the development of innovative designs and manufacturing methods—including split harnesses—and the creation and sale of new products aligned with CASE requirements.

**Progress  
in FY2024**

Although sales volumes of wiring harnesses declined primarily in China, the Group surpassed last year's sales and profit figures by mitigating the effects of the weak yen and enhancing productivity. As a result, it is ahead of schedule in achieving its 2025 targets. In the electrification and high-speed communications segment for CASE, the development and commercialization of new products—including battery-related items and high-speed communication cables—are progressing smoothly.

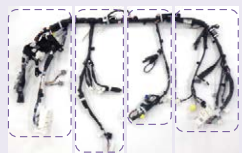
**Outlook  
for FY2025**

Orders for wiring harnesses are projected to decline as a result of new U.S. tariffs and waning customer demand in both China and Europe. Although the rapid expansion of the EV market is slowing down, demand for HEVs remains robust. Additionally, the strategic direction for CASE advancements is expected to remain consistent over the medium to long term.

### 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, will accelerate local production for local consumption and BCP. The Group will also strengthen its global supply system through digital transformation and supply chain visualization.



Split wiring harness (4-5 sections)

#### 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 Wiring Harnesses
- Battery Wiring Modules
- High-Voltage Junction Block
- High-Speed Communication Wiring Harnesses
- Zone ECU
- Battery Cooling Hoses
- Management System for EV Charging and Discharging



#### New product development of polymer materials

Anti-vibration rubber and 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

## Electronics

### Policy for 2030

The Group 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  
Strategies)

**Mid-term  
Management  
Plan 2025  
Targets**

**Net sales**

FY2024 Actual **377.2** billion yen

FY2025 target **360** billion yen

**Operating profit**

FY2024 Actual **29.3** billion yen

FY2025 target **30** billion yen

**Business  
Environment  
(Opportunities  
and Risks)**

Driven by advancements in DX and CASE, the digitization and electrification of devices are anticipated to generate increased demand not only from existing customers and sectors, but also from emerging areas such as aerospace, medical, and industrial equipment. However, the overall outlook remains uncertain, influenced by factors including U.S. tariff policies, Chinese export restrictions, tighter regulatory frameworks, rising geopolitical risks, and escalating raw material costs.

**Key  
Initiatives  
(Addressing  
Issues)**

The Group is committed to revitalizing its businesses and driving high value-added growth. In particular, the Group will work to improve the performance of FPC products and increase sales in the medical, CASE, and data center sectors. Additionally, efforts will be made to boost sales of electronic wires and heat-shrinkable tubes across the automotive, aerospace, medical, and infrastructure markets.

**Progress  
in FY2024**

Sales and profits remained strong, driven by consistent demand for FPC products among major customers. In the electronic wire products, USB cables featuring high-speed transmission and charging capabilities received certification from Allion Labs, Inc. Furthermore, in the water treatment business, the Group secured its largest order to date for a sewage treatment plant in Indonesia.

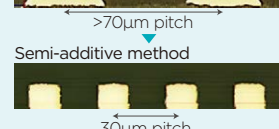
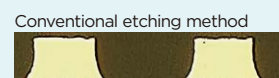
**Outlook  
for FY2025**

While continuing to expand sales to new growth sectors and customers, the Group will carefully monitor demand trends, as the economic slowdown in China and Europe as well as the impact of additional U.S. tariffs, cannot be ignored.

### Key Initiatives

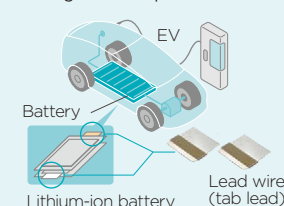
#### Increasing sophistication for our ultra fine pitch circuit technology used for FPC

The Group 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



#### Expanding the Group's supply of lead wires to support high performance EV batteries

In order to meet increasing demands for lead wires for lithium-ion batteries, the Group will enhance its global production capacity, and also focus on developing next-generation products.



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

The Group will increase its 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 its material processing technology, the Group 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  
Strategies)

Mid-term  
Management  
Plan 2025  
Targets

#### Net sales

FY2024 Actual **372.7** billion yen

FY2025 target **390** billion yen

#### Operating profit

FY2024 Actual **20.6** billion yen

FY2025 target **35** billion yen

Business  
Environment  
(Opportunities  
and Risks)

The expansion of new markets - including electric vehicles, aircraft, and renewable energy - along with the growth of the Indian market and other emerging markets, is expected to create additional business opportunities. For the cemented-carbide tool market, demand stagnated in China, Europe, and Japan in fiscal 2024; however, a recovery in demand is anticipated moving forward. On going monitoring of automotive industry trends and the effects of the U.S.-China trade dispute and U.S. tariff policies, will be essential to manage potential risks.

Key  
Initiatives  
(Addressing  
Issues)

For cemented-carbide tools, the Group aims to expand global sales, enter new markets—including electric vehicles, aircraft, semiconductors, and renewable energy—and increase its market share. For sintered powder metal parts, the Group will develop and promote new products for both EVs and non-vehicle applications, while enhancing cost competitiveness. For prestressing steel wires and steel wires for springs, the Group will drive profitability by optimizing production and sales structures and introducing innovative products.

Progress  
in FY2024

For cutting tools, the Group expanded sales for aircraft applications in Europe and the U.S. and strengthened its sales and service systems at its sales base in India. For the precision diamond drawing dies business, A.L.M.T. Corp., a Group member that leads the industry mainly in Asia, has made progress in its efforts to expand its market share, including the acquisition of the Esteves Group, a major manufacturer in this industry.

Outlook  
for FY2025

Demand for the Group's products is expected to increase due to the expansion of new markets for electric vehicles, aircraft, and renewable energy, as well as the growth of emerging markets, such as India.

## 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 the share of the growing global market by enhancing the Group's global service capability.



NCB100 Sintered binderless CBN for high efficiency finishing



Diamond-coated endmills for manufacturing electrified vehicle parts

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

Further strengthening the Group's production system for cemented carbide cutting blades and 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 strands

With applications, including in coated prestressing strand\*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

## Business Topics

### Sumitomo Electric's safe, long-life, large capacity "Redox Flow Battery System" will change the future of energy.

Renewable energy is increasingly recognized as a vital solution for achieving a decarbonized society. However, because it depends on natural phenomena, controlling power output to match demand remains challenging. This can lead to short-term fluctuations, resulting in either surplus or insufficient power and complicating the delivery of a stable supply. To overcome these challenges, rechargeable batteries are now viewed with high expectations.

The redox flow battery system developed by Sumitomo Electric is a large capacity rechargeable battery that charges and discharges by circulating electrolytes and causing ions to undergo oxidation-reduction reactions. The operational life of this battery system is over 20 years, and the new model scheduled to be released in fiscal 2025 will have an operational life of 30 years, which is longer than that of other rechargeable batteries. It uses a non-flammable



electrolyte, and the device materials are made of flame-resistant materials, so there is no risk of fire, unlike with lithium-ion batteries. Furthermore, the electrolyte is reusable, and most other device materials are recyclable, resulting in a reuse/recycling rate of 99%, making this battery system highly rated for its eco-friendliness.

Sumitomo Electric has supplied redox flow battery systems to a wide range of companies and local governments both in Japan and internationally. Notable projects include the 8 MWh energy storage facility for San Diego Gas & Electric in the United States, which earned Sumitomo Electric the ISGAN Award (International Smart Grid Action Network Award). Another significant project is the 51 MWh energy storage facility for Hokkaido Electric Power Network, for which Sumitomo Electric received the New Energy Award in partnership with Hokkaido Electric Power Network. Please refer to the following for case introductions.

### Introduction cases



## GX Strategies

The Group has set forth the pursuit of “LIVING IN SAFETY AND COMFORT ON OUR GREEN PLANET” in its long-term vision, the “2030 VISION,” and the goal of “Creating a Green Society through Our Connecting and Supporting Technologies” in its “Mid-term Management Plan 2025,” emphasizing its contribution to the realization of a “green society.”

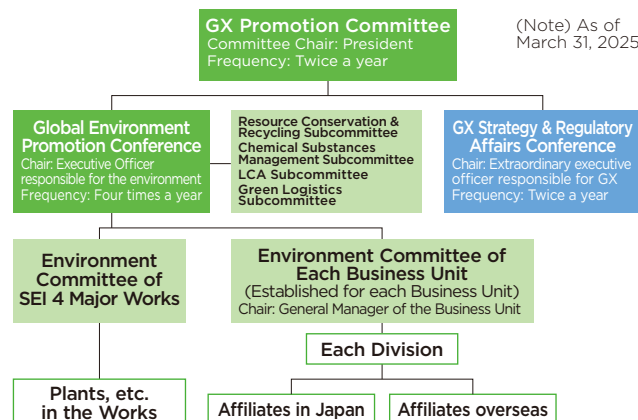
The Group has been steadily engaged in environmental

protection activities, including decarbonization, the circular economy, and the prevention of environmental pollution [→ P33-35 for details]. To further create and expand environmental value, respond quickly and appropriately to developments in the institutional environment in the global market, and strengthen its planning capabilities, the Group established the GX Promotion Committee chaired by the President in October 2024.

### Structure

The GX Promotion Committee has been established under the Sustainability Management Promotion Committee [→ P32 for details]. The Committee consists of the Global Environment Promotion Conference and the GX Strategy & Regulatory Affairs Conference. The Global Environment Promotion Conference oversees environmental protection activities on a global level and discusses and deliberates specific targets and implementation methods for responding to global environmental issues. The GX Strategy & Regulatory Affairs Conference oversees all GX-related planning activities throughout the Group.

#### Structure to promote the GX strategies



### Three initiatives of the GX Promotion Committee

The Group is committed to ensuring sustainable growth and strengthening its GX initiatives based on the Management Policy of “Goho Yoshi” (Five-Way Win) through the concerted efforts of the entire Group. To this end, the GX Promotion Committee is engaged in the following three activities.

- 1 | **Strengthening measures to address various GX regulations, including climate change**
- 2 | **Balancing revenue growth and CO<sub>2</sub> emissions reduction in green-related businesses**
- 3 | **Strengthening internal and external communication regarding the Group's initiatives related to GX**

#### 1 | Strengthening measures to address various GX regulations, including climate change

Regulatory frameworks are being strengthened both domestically and internationally, including the EU Battery Regulation and the Corporate Sustainability Reporting Directive (CSRD) in Europe, and the emissions trading system, fossil fuel levy, and sustainability disclosure standards in Japan. These movements are impacting the Group's business activities, either directly or through demands of the market and customers for initiatives to reduce environmental impact and enhance environmental value. For example, in the decarbonization field, there is growing demand for CO<sub>2</sub> emissions reductions across the entire supply chain including the Group, and the Group is currently reviewing its 2030 reduction targets [→ P34] with a view to setting higher targets. In addition, the Group is strengthening its response to product life cycle assessment (LCA), which is becoming increasingly important due to factors such as the need to improve competitiveness by reducing the environmental impact of products and increasing customer requests for disclosure of product carbon footprints (CFP). Furthermore, in the circular economy field, the Group has been promoting waste reduction, recycling rate improvement, and raw material recycling at production sites, and is responding to increasing customer requests for higher use of recycled materials in products by, for example, developing new technologies. The Group will continue to strengthen its capabilities to ensure that it can respond appropriately to regulatory requirements and market and customer demands.

#### 2 | Balancing revenue growth and CO<sub>2</sub> emissions reduction in green-related businesses

Although trends, such as the strengthening of regulatory systems in Japan and internationally, will inevitably lead to increased costs, the Group will view these trends as business opportunities and promote initiatives that will help increase its revenue. Specifically, these would include technologies and products that help its customers save energy, and technologies and products that contribute to renewable energy generation. The Group will strive to expand sales of green-related products and services that reduce environmental impact and enhance environmental value. Please see the next page [→ P21] for the Group's product groups that contribute to a “Green and Environmentally Friendly Society.”

#### 3 | Strengthening internal and external communication regarding the Group's initiatives related to GX

In May 2025, the Group launched a special website introducing the Group's GX initiatives, including environmental protection activities. This website introduces the Group's products, technologies, and services that contribute to GX, as well as the Group's initiatives related to GX, such as those related to decarbonization, circular economy, and nature positivity.



SEG's GX special website



### Participation in external frameworks

The Group announced its support for the GX League Basic Concept in December 2022, and joined the GX League in fiscal 2024. The Group is also investing in the GX Acceleration Agency, which was established as a core institution to promote GX investment by the public and private sectors, and is supporting global efforts to realize GX.

Furthermore, in the field of circular economy, the Group is participating in Circular Partners, a partnership established by the Ministry of Economy, Trade and Industry to promote collaboration between industry, government, and academia, with the aim of realizing a circular economy based on the Growth-Oriented, Resource-Autonomous Circular Economy Strategy.



## Product Groups That Contribute to a “Green and Environmentally Friendly Society”

Among the wide variety of products offered by our group, the following are key products that contribute to the “Green and Environmentally Friendly Society” set forth in our “2030 VISION”.

**Green** Green Contribution: Products and services that promote a Green Society

**ECO** Eco-Products: Environmentally friendly products and services





## DX Strategies

The Group has positioned the further acceleration and deepening of “SEQCDD\*” improvements/reinforcement through the use of digital technology as the goal of its digital transformation (DX), and is unified in promoting it as an essential element in achieving the “2030 VISION” and the “Mid-term Management Plan 2025.”

\*S (Safety), E (Environment), Q (Quality), C (Cost), D (Delivery) and D (R&D)

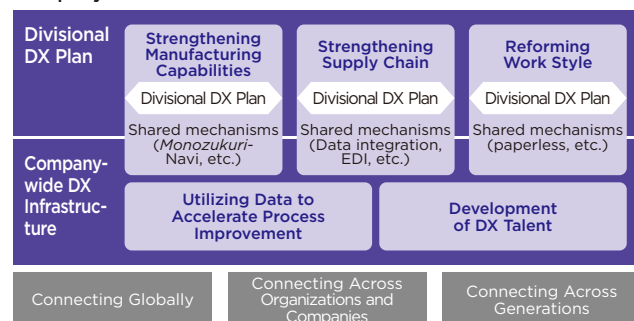
### Structure

Under the leadership of the DX Promotion Committee, chaired by the President, the Group has formulated a Company-wide DX Plan and is regularly reviewing the progress and effectiveness of the initiatives. The Company-wide DX Plan consists of Divisional DX Plans tailored to the business characteristics and issues of each division, and a Company-wide DX Infrastructure, which can be utilized across divisions. To steadily advance the Divisional DX Plan, the Group has appointed DX Promotion Managers for each division and has established a DX Promotion Officials' Committee, which consists of the DX Promotion Managers, to share examples from each division and consider rolling them out. The Company-wide DX Infrastructure consists of company-wide mechanisms and tools based on the three pillars of “Strengthening Manufacturing Capabilities,” “Strengthening the Supply Chain,” and “Reforming Work Style,” as well as shared and cross-divisional initiatives for efficiently promoting the DX

### Structure to promote DX



### Company-Wide DX Plan

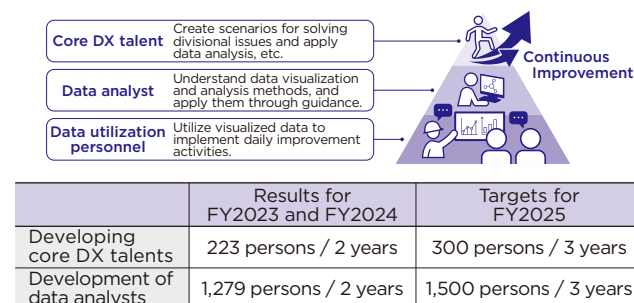


of “Utilizing Data to Accelerate Process Improvement,” and “Developing Human Capital.” The Group is currently working to develop and utilize this infrastructure.

### Noteworthy activities and results

#### Development of DX talent Company-Wide DX Infrastructure

In order for DX initiatives to become independent and reliable, it is essential to develop human capital who can utilize digital technology to create scenarios and work to solve issues specific to each division's business, and in particular, leaders who can take the initiative in implementing divisional initiatives on the front lines. By 2025, the Group plans to develop 300 core DX talents who will serve as leaders, and 1,500 data analysts who will use data analysis tools to understand the current situation and find solutions. The Group is also promoting the development of data utilization

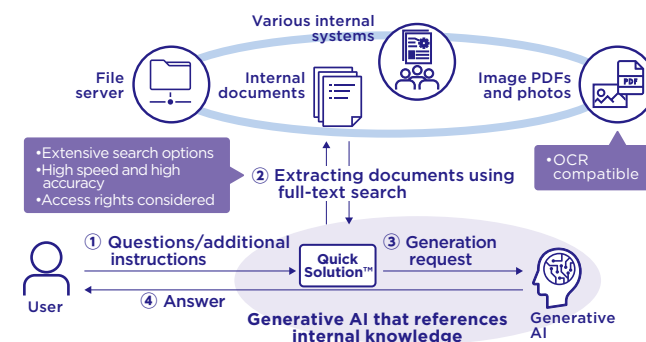


personnel who utilize visualized data to implement daily improvement activities.

### Passing on knowledge through generative AI

#### Company-Wide DX Infrastructure

The Group has been utilizing AI in the inspection process at manufacturing sites to determine defects, and has recently expanded its application of AI to a wide range of areas, including the research and development of unique materials. The Group is also promoting the active use of generative AI after establishing a secure environment for its use within the company. The Group is promoting the integration and utilization of various types of internal knowledge by linking the “Quick Solution™” search system and citing vast amounts of document data stored in-house. This mechanism is used to improve the efficiency of internal administrative work and rule inquiries, refer to past cases when considering manufacturing methods, and respond to customer inquiries regarding sustainability. In this way, the Group is promoting the use of AI not only to improve the quality and efficiency of its operations but also to pass on knowledge across generations and locations.



### Winner of the Gold Award at the “KANSAI DX AWARD 2024”

Sumitomo Electric received the Gold Award (Large Enterprise Category) at the KANSAI DX AWARD 2024 organized by the Kansai Digital Month Executive Committee (Secretariat: Kansai Economic Federation). The “KANSAI DX AWARD” is a program established in 2023 by the Kansai Digital Month Executive Committee with the aim of fostering momentum for DX promotion in the Kansai region. It recognizes companies in Kansai that are taking an advanced approach to DX.

#### [Reason for award]

- The president himself is taking the lead in systematically promoting DX-related initiatives.
- These initiatives have led to improved operational efficiency and productivity, and are useful examples for other manufacturing companies.

The Group will continue to steadily implement its Company-wide DX Plan, respond accurately and flexibly to changes in the environment, and seize opportunities for further business expansion.



The award ceremony



## Strengthening Our Foundations

### “3 Key Sources of Capital” and “3 Key Driving Forces”

#### Policy for 2030

SEG will make our organization stronger and create new value during this time of rapid change by investing in Human Capital and Intellectual Capital, while increasing Financial Capital as the funding for further growth and distribution.

#### 3 Key Sources of Capital

Even more robust  
organizations to create  
new value



#### 3 Key Key Driving Forces

Three elements serving as  
the key driving forces for  
manufacturing

To create an organization resilient to change, SEG will further develop S/E/Q/C/D/D qualities. R&D, Supply Chain and Manufacturing — the 3 Key Driving Forces especially important to manufacturers — will be reinforced.

Foundation	Policy for 2030	Mid-term Management Plan 2025 Indicators and Targets	Progress (FY2024 results)	Challenges
3 Key Sources of Capital	<b>Human Capital</b> [→ P24] <p><b>Evolve to be a Group where everyone can excel, grow, and contribute to society.</b></p> <ul style="list-style-type: none"> <li>● Diversity &amp; Inclusion</li> <li>● Nurturing a corporate culture that values growth and challenges</li> <li>● Group's integrated power on a global scale</li> </ul>	<ul style="list-style-type: none"> <li>● Compensation growth               <ul style="list-style-type: none"> <li>- Aiming for inflation rate + α</li> </ul> </li> <li>● Human capital development               <ul style="list-style-type: none"> <li>- Completion of Executive Training Program: 100 employees / 3 years</li> <li>- Completion of MPSS: 2,300 employees / 3 years</li> <li>- Total hours of training programs: 20 hours / annually per headcount</li> <li>- Developing core DX talent: 300 employees / 3 years</li> <li>- Developing data analysis talent: 1,500 employees / 3 years</li> </ul> </li> <li>● Diversity &amp; Inclusion*3               <ul style="list-style-type: none"> <li>- Percentage of male employees taking childcare leave: 100%</li> <li>- Percentage of females among new graduate hires: Business: 40%, Engineering: 15%</li> </ul> </li> <li>● Human Rights               <ul style="list-style-type: none"> <li>- Human rights due diligence: Examination of key risks, prevention and mitigation measures for approx. 280 Group companies</li> <li>- Human rights training: Training and awareness-raising for discrimination, harassment and other human rights issues</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Compensation growth               <ul style="list-style-type: none"> <li>- [Results of the Spring 2025 union wage negotiations] 6.07%</li> </ul> </li> <li>● Human capital development               <ul style="list-style-type: none"> <li>- Completion of Executive Training Program: 71 employees*2</li> <li>- Completion of MPSS: 1,924 employees*2</li> <li>- Total hours of training programs: 23.0 hours / annually per headcount</li> <li>- Developing core DX talent: 223 employees*2</li> <li>- Developing data analysis talent: 1,279 employees*2</li> </ul> </li> <li>● Diversity &amp; Inclusion*3               <ul style="list-style-type: none"> <li>- Percentage of male employees taking childcare leave: 100%</li> <li>- Percentage of females among new graduate hires: Business: 42.0%, Engineering: 14.9%</li> </ul> </li> <li>● Human Rights               <ul style="list-style-type: none"> <li>- Human rights due diligence: Corrective measures for issues recognized in the survey have been completed</li> <li>- Human rights training: 36,284 participants</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Securing and developing human capital</li> <li>- Demonstrating comprehensive strength through the synergy of diverse personalities, values, and experiences through “Diversity &amp; Inclusion”</li> <li>- Further developing and utilizing DX talent</li> </ul>
	<b>Intellectual Capital</b> [→ P28] <p><b>Globally manage and make use of intellectual capital generated from our core technologies</b></p> <ul style="list-style-type: none"> <li>● Intellectual Property (IP) strategy for business competitiveness</li> <li>● Global IP network</li> <li>● Contribution to the establishment of global regulations</li> </ul>	<ul style="list-style-type: none"> <li>● Maintaining approx. 25,000 rights, Japan and international</li> <li>● More than 2,000 new applications filed every year across the Group</li> </ul>	<ul style="list-style-type: none"> <li>● Number of rights held: 27,444</li> <li>● Number of new applications: 1,853</li> </ul>	<ul style="list-style-type: none"> <li>- Building and utilizing an efficient and effective intellectual property rights network</li> <li>- Contributing to business through international standardization, rule-making, and their utilization</li> </ul>
	<b>Financial Capital</b> [→ P26] <p><b>Maximize cash flow, invest in growth, and return profits to stakeholders</b></p> <ul style="list-style-type: none"> <li>● Generate cash through reinforcing operation, implementing growth strategy, and ROIC management</li> <li>● Strategic R&amp;D and capital investment</li> <li>● Share returns with our stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>● Before-tax ROIC: &gt;8%</li> <li>● ROE: &gt;8%</li> <li>● Dividend payout ratio: Approx. 40%</li> <li>● EBITDD*: 1.6 trillion yen/3 years</li> </ul>	<ul style="list-style-type: none"> <li>● Before-tax ROIC: 9.3%</li> <li>● ROE: 8.6%</li> <li>● Dividend payout ratio: 39.0%</li> <li>● EBITDD: 1.2581 trillion yen*2 (Breakdown) 574.9 billion yen [FY2023] 683.2 billion yen [FY2024]</li> </ul>	<ul style="list-style-type: none"> <li>- Further deepening activities to improve ROIC</li> <li>- Improving cash generation ability</li> <li>- Ensuring stable capital profitability that exceeds capital costs</li> </ul>
3 Key Driving Forces	<b>R&amp;D</b> [→ P29] <p><b>Invigorate and accelerate R&amp;D as one of the key driving forces to create an extensive range of technologies</b></p> <ul style="list-style-type: none"> <li>● Backcasting from social issues</li> <li>● More sophisticated and efficient processes</li> <li>● Open innovation and cooperation with outside entities</li> </ul>	<ul style="list-style-type: none"> <li>● R&amp;D: 360 billion yen/3 years</li> </ul>	<ul style="list-style-type: none"> <li>● R&amp;D: 298.3 billion yen*2</li> </ul>	<ul style="list-style-type: none"> <li>- Developing the current businesses: developing new products with high market competitiveness</li> <li>- Challenging new frontiers: creating value and identifying business domains that address social issues 30 years into the future</li> <li>- Enhancing our strengths: accelerating and streamlining R&amp;D by strengthening our DX foundation</li> </ul>
	<b>Supply Chain</b> [→ P31] <p><b>“Stable Supply Chain Resilient to Changes” and “Responding Precisely and Promptly to Customers”</b></p> <ul style="list-style-type: none"> <li>● Fair and impartial trade, protection of the environment and human rights, and the BCPs</li> <li>● Presenting solutions</li> <li>● Production at the most appropriate site and cooperation on a global scale</li> <li>● Optimizing division of labor among operation sites</li> </ul>	<ul style="list-style-type: none"> <li>● Consideration for human rights and the environment in the supply chain               <ul style="list-style-type: none"> <li>- CSR-based procurement assessment implementation rate (based on transaction value): 80%</li> </ul> </li> <li>● EDI rate for transactions between group companies: 100%</li> </ul>	<ul style="list-style-type: none"> <li>● Consideration for human rights and the environment in the supply chain               <ul style="list-style-type: none"> <li>- CSR-based procurement assessments implementation rate: 74%</li> </ul> </li> <li>● EDI rate for transactions between group companies: 91%</li> </ul>	<ul style="list-style-type: none"> <li>- Creating a resilient supply chain</li> <li>- Reducing environmental and human rights risks in the supply chain</li> <li>- Quick and accurate understanding of regulations, systems and customer requests</li> </ul>
	<b>Manufacturing</b> [→ P30] <p><b>Create “Resilient Factories” that can adapt to change.</b></p> <ul style="list-style-type: none"> <li>● Contributing to the global environment</li> <li>● Promoting a resilient manufacturing platform</li> <li>● Building a solid shop floor operation</li> <li>● Evolving the production system</li> </ul> <p>For information on CO<sub>2</sub> emissions reduction, please refer to [→ P33 Environment].</p>	<ul style="list-style-type: none"> <li>● Major incidents for employees, products and equipment: 0</li> <li>● Reduction of CO<sub>2</sub> emissions (Reduction compared to FY2018)               <ul style="list-style-type: none"> <li>- [Scopes 1+2] 17.5%, [Scope 3] 8.7%</li> <li>- [Scopes 1+2] 30%; [Scope 3] 15% (FY2030 target)</li> <li>- [Scopes 1+2] Carbon neutrality (FY2050 target)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>● Major incidents for employees, products and equipment: 1 (fatal accident)</li> <li>● Reduction of CO<sub>2</sub> emissions (Reduction compared to FY2018)               <ul style="list-style-type: none"> <li>- [Scopes 1+2] 20.4% decrease; [Scope 3] 1.1% increase</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>- Further evolving and deepening of SEQDD</li> <li>- Promoting decarbonization in manufacturing</li> </ul>

\*1 EBITDD: Earnings Before Interest Taxes Depreciation and Development

\*2 Cumulative total for FY2023–2024

\*3 The indicators and targets related to diversity and inclusion are set by and apply to Sumitomo Electric Industries, Ltd. in Japan.

## 3 Key Sources of Capital | Human Capital



### Basic Views

Based on “Respect for Human Resources” as part of the Sumitomo Spirit, the Group is working to “invest in people” by “Developing Human Capital and Improving Engagement” and ensuring “Organizational Diversity and Workplace Improvements,” with the aim of becoming a group where all human capital can excel, grow and contribute to society. Furthermore, based on the “Goho Yoshi” (Five-Way Win) philosophy, the Group will return the results of the Group’s growth to our employees, creating a virtuous cycle of growth and distribution, which will lead to the realization of becoming a Glorious Excellent Company and increasing our corporate value.

#### Initiatives under the Mid-term Management Plan 2025

Develop Human Capital creating new value in the age of changes

Developing Human Capital  
and Improving Engagement

Organizational Diversity  
and Workplace Improvements

### Compensation growth

To create a virtuous cycle of growth and distribution over the medium to long term, based on the “Goho Yoshi” philosophy, it is important to increase compensation as an investment and return to employees, thereby improving engagement and contributing to the sustainable development of the Group. Therefore, taking into consideration price trends and Company performance, SEG is aiming for compensation growth at “inflation rate + α.”

Results for FY2024	Targets for FY2025
Average: 6.07% (Achieved the aim of inflation rate + α)	Aiming for inflation rate + α

(Note) Average for SUMITOMO ELECTRIC WORKERS' UNION members

### Developing Human Capital and Improving Engagement

#### Global Human Capital Development: SEI University

The Group defines the type of human capital it seeks as “people who adhere to the Sumitomo Spirit, understand management policies, adhere to the basics, possess advanced skills and knowledge, and are globally competitive,” and is focused on supporting the growth and success of approximately 290,000 employees. Specifically, we have established a Group-wide education system called “SEI University” as a place for sharing our business spirit, vision and management plans, and as a place for improving the skills, techniques, and knowledge essential for global competence. The Group strongly supports the fundamentals of development, namely “a strong desire for self-improvement in each individual” and “on-the-job training in the workplace through guidance and dialogue from superiors,” thereby realizing both the growth of each employee and the achievement of the Group’s targets.

	Results for FY2024	Targets for FY2025
Total hours of training programs	23.0 hours / annually per headcount	20.0 hours / annually per headcount



#### Spreading the Sumitomo Spirit and the Vision

In order to achieve the 2030 VISION and Mid-term Management Plan 2025, the Group believes that in addition to the growth of individual employees, it is important for each employee to embrace the Group’s vision and targets, have a strong willingness to contribute to achieving the targets, and have a strong sense of belonging (engagement) to the Group.

For this reason, SEG has created opportunities in all settings to learn about the Sumitomo Spirit, which is the foundation for conducting business, including new employee training, various level-specific trainings, MPSS, GLP, and the Executive Training Program.

Furthermore, to ensure that the Vision and management plan permeate down to the shop floor level and become internalized in the Company’s workforce, executives visit each shop floor to communicate the feelings embedded in the Vision and management plan, and create and distribute video content that

directly appeals to each employee. [→ P26 of CSR Book 2025]

#### Leadership Development

In order for the Group to achieve further global growth amid a rapidly changing business environment, it is essential that SEG makes maximum use of all resources, including products, technologies, and human capital, and to this end, SEG is working to develop global leaders who can support our global business expansion. Specifically, SEG provides training tailored to each employee’s position and role.

Target	Training
<b>Executive Officers, division heads</b>	<b>[Executive Training Program]</b> In order to develop the next generation of executives, SEG has implemented a program centered on action learning in which cross-departmental teams propose solutions to company-wide management issues to executives.
<b>General Manager</b>	<b>[GLP (Global Leadership Development Program)]</b> Through group training in Japan and online training, participants will report on their action plans to the executives and receive lectures on the Sumitomo Spirit, building their leadership skills and global network.
<b>Manager</b>	<b>[MPSS (SEG Management Program based on the Sumitomo Spirit)]</b> Common programs are implemented in various parts of the world, including Germany, the United States, Singapore, China, Mexico, and Japan. The program helps participants internalize the Sumitomo Spirit and teaches management methods based on it.

Additionally, SEG has introduced a Global Grade System that is a common grading system for all domestic and overseas Group companies in order to identify, develop, assign, and promote human capital on a global basis. SEG certifies the executives of our overseas Group companies as SEG Global Executives (42 executives have been certified as of April 1, 2025), and SEG monitors and compensates them appropriately, while also providing them with a variety of career opportunities. [→ P30 of CSR Book 2025]

The SEG Global Executives also participate in the Executive

	Results for FY2023 and FY2024	Targets for FY2025
Executive Training Program	71 employees / 2 years	100 employees / 3 years
MPSS	1,924 employees / 2 years	2,300 employees / 3 years



Training Program, which provides an important opportunity for executives to get to know the Group Global Executive Talents.

### Development of and compensation for human capital who support the business

As a manufacturer, manufacturing is the foundation of the Group's business activities, and SEG develops Manufacturing Personnel, the source of our sustainable growth, at our dedicated training center, the Technical Training Center. [→ P26 of CSR Book 2025]

SEG particularly focuses on the skills that support the foundation of Manufacturing, and in order to maintain and improve skills, SEG certifies and appropriately compensates technicians who possess skills important on the shop floor as "Meisters" and "Experts." As of April 1, 2025, a total of eight people have been certified.

Additionally, SEG certifies and appropriately compensates personnel who possess advanced and rare technologies, skills, know-how, knowledge, etc. that are useful in carrying out our Group's business as "Fellows" and "Senior Specialists." As of April 1, 2025, a total of 20 people have been certified, and each of them plays an important role in increasing the presence of our Group and passing on and developing important skills.

Further promoting the use of digital technology is an important management challenge in providing products and systems that utilize the technologies SEG has cultivated to the global market. For this reason, SEG is enhancing our efforts in the development of Core DX Talent who use digital technology to solve problems in their workplaces. [→ P26 of CSR Book 2025]

### Organizational Diversity and Workplace Improvements

#### Fostering the Success of a Diverse Pool of Talents (Support Diversity & Inclusion)

For the Group to achieve sustainable growth, it must respond to various changes, including those in the business environment and the labor situation. SEG believes that the driving force behind the growth and development of an organization is the demonstration of the capabilities of diverse human capital. SEG incorporates diverse perspectives into decision-making processes, regardless of gender or nationality, and strives to create an organization and environment that can attract and allow active engagement of diverse human capital so that SEG may demonstrate the collective strengths of the Group.

As part of this, in Japan, Sumitomo Electric has set and is striving to

meet targets for female employee engagement in particular, viewing them as key initiatives to foster a culture in which all employees can play an even more active role, and to achieve the growth and development of the organization. [→ P29 of CSR Book 2025]

#### Initiatives for the promotion of female active engagement by Sumitomo Electric in Japan

<b>Strengthening management capabilities to maximize the capabilities of diverse human capital</b>	<ul style="list-style-type: none"> <li>Management training for managers who have new employees as subordinates</li> <li>Create a system to strengthen dialogue with superiors during periods of childbirth and child-rearing</li> </ul>
<b>Planned development and promotion of female leaders</b>	<ul style="list-style-type: none"> <li>Formulation of a Female Manager Development Plan and progress management</li> <li>Mentoring program</li> </ul>
<b>Strengthening the environment to enable women to maximize their abilities</b>	<ul style="list-style-type: none"> <li>Childcare and housework support (expanding babysitter services, strengthening housework support)</li> <li>Support program for overseas dispatch of one parent accompanied by children</li> <li>Publication of the career support guidebook</li> </ul>

	Results for FY2024*1	Targets for FY2025*1
Percentage of females among new graduate hires (business)	42.0%	40%
Percentage of females among new graduate hires (engineering)	14.9%	15%
Ratio of female managers*2	4.7%	4.9%

\*1 The results and targets are set by Sumitomo Electric Industries, Ltd. in Japan.

\*2 Scope of coverage: SEI, Ltd.

Outside Japan, SEG is promoting Area Committee Activities in the four regions of the Americas, Europe/Africa, APAC, and Greater China, where SEG Global Executives and next-generation leaders of Group companies work together to address issues common to all regions. In FY2024, we tackled a wide variety of themes, including manufacturing capabilities, sustainability, and branding, and promoted collaboration between area committees.

#### Supporting diverse work styles

It is also essential that employees maintain and improve their physical and mental health so that they can work with energy and a sense of fulfillment. To improve work-life balance, SEG has put in place various personnel systems so as to reduce total annual working hours, encourage employees to take paid holidays, and increase productivity

	Results for FY2024	Targets for FY2025
Percentage of male employees taking childcare leave	100%	100%

through improved work efficiency. Sumitomo Electric is also promoting men's participation in childcare by making childcare leave mandatory for men, and is expanding our programs to meet the diverse needs of employees who wish to balance work with childcare or nursing care.

#### Health management

SEG established the "Sumitomo Electric Group Health and Productivity Management Declaration" and is promoting "Kenkatsu!" initiatives based on the three pillars of "lifestyle-related diseases," "developing exercise habits," and "mental health care," in order to become a Company in which employees can remain healthy and engaged in a vibrant manner. SEG is promoting various initiatives, setting our ultimate goals of reducing "absenteeism" and "presenteeism," which are indicators of declining productivity, and improving engagement, and has set KPIs for related indicators such as the rate of employees maintaining an ideal body weight. [→ P33 of CSR Book 2025]

#### Development of employee welfare facilities

To enhance employee satisfaction and attract and develop outstanding human capital, SEG is currently developing and improving various welfare facilities, including cafeterias and dormitories. In FY2024, KOYA Terrace, a cafeteria with the concept of "enhancing employee satisfaction through food and communication," opened its doors at Itami Works, and the construction of a new wing of the Hibarigaoka Dormitory, one of the dormitories for employees, commenced. SEG will continue to improve and develop various facilities.



KOYA Terrace



New wing of the Hibarigaoka Dormitory

#### Engagement survey

SEG is working to improve engagement through the various human capital initiatives mentioned above. SEG conducts an engagement survey every year to understand the actual situation and utilize the results in organizational management for further growth for the Group.

Details of other human capital initiatives are available in the CSR book and on our website.

## 3 Key Sources of Capital | Financial Capital



### Basic Views

In addition to striving to maintain a strong financial position, the Group is working to strengthen profitability and improve capital efficiency as a top priority, with ROIC as a key indicator. By ensuring that ROIC exceeds the cost of capital, the Group will maximize the cash flow generated by its operations while achieving sustainable growth, and use the results to invest in strategic growth and return profits to its stakeholders.

#### Initiatives under the Mid-term Management Plan 2025

#### Generate cash by improving capital efficiency

Before-tax ROIC: FY2022 6.6%  
→ FY2025 >8% (FY2030 >10%)  
ROE: FY2022 6.1% → FY2025 >8%

#### Allocation that carefully balances growth and returns

Capital Investment: 720 billion yen / 3 years  
R&D: 360 billion yen / 3 years  
EBITDD\*: 1.6 trillion yen / total over 3 years

\*Earnings Before Interest Taxes Depreciation and Development.

### ROE / ROIC Trends by Business Segment

The Group is committed to the strategies for growth and strengthening our foundations set forth in the Mid-term Management Plan 2025 to pursue growth and efficiency and to achieve a sustainable increase in corporate value. To improve efficiency, the Group has set ROIC as the most important indicator and is working on improvements at both the corporate and business unit levels.

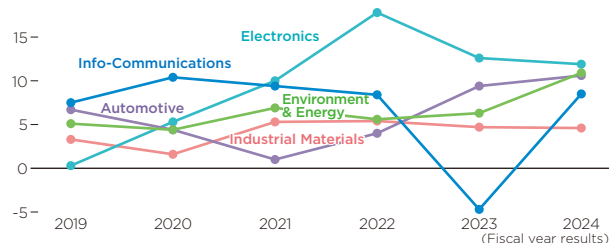
As a result of promoting initiatives to strengthen profitability and improve asset efficiency, SEG was able to achieve our before-tax ROIC of 9.3% and ROE of 8.6% for FY2024, both of which were improvements of more than 1.0 percentage point compared to the previous fiscal year. This enabled us to achieve the targets of “ROIC of 8% or more” and “ROE of 8% or more” set out in our Mid-term Management Plan 2025 one year ahead of schedule.

#### (Group wide)

	2019	2020	2021	2022	2023	2024	(Fiscal year results)
Before tax ROIC	5.6%	4.4%	5.8%	6.6%	7.6%	9.3%	[Mid-term Management Plan Target >8%]
ROE	4.7%	3.6%	5.7%	6.1%	7.3%	8.6%	[Mid-term Management Plan Target >8%]

#### (ROIC by Business Segments)

(%) 20 -



### Promoting Activities to Improve ROIC

In addition to setting ROIC targets, business units use the ROIC tree as a tool for ROIC improvement activities. Furthermore, in order to be more aware of capital costs, SEG calculates the WACC for each business unit and aims to consistently secure a return on capital that exceeds the WACC.

ROIC Tree Items	Focal Initiatives
Improving Earning Capacity	Improving operating margin ratio
	Reducing interest rate burden
Improving Asset Efficiency	BS overall
	CCC (working asset improvement)
	Tangible fixed assets

### Improving Earning Capacity

The Group is working to improve profitability by leveraging its advanced product development and technological capabilities to provide higher value-added products and services. In addition to creating new businesses, the Group is also actively working to improve profitability in existing businesses by renewing businesses through the creation of new high-value-added products. For specific initiatives in each business, please see [→ P17-19].

With regard to cost, the Group is working to rigorously reduce costs by pursuing innovative technologies and

manufacturing methods. In addition, the Group is working to improve profit margins by focusing on increasing sales prices and improving orders-received profitability, in light of recent price increases for various materials. As a result of these efforts, profit margins have improved year by year, and the Group has achieved a record high operating profit ratio of 6.9% in FY2024.

#### Operating profit ratio trends



### CCC (Cash Conversion Cycle)

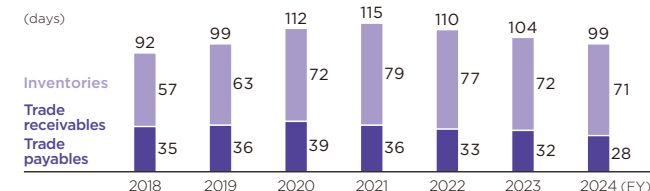
The Group is also focusing on improving CCC to improve asset efficiency.

Regarding inventories, the Group is working to improve manufacturing and transportation lead times, strengthen inventory management by product type and customer, review standard inventory levels, and build a production management system that responds flexibly to fluctuations in demand. In businesses operating in multiple locations globally, DX is being utilized to understand and manage appropriate inventories by region and product, and this practice has been yielding positive results.

The Group is also working diligently to improve the Group's trade receivables and payables, and has conducted ROIC analysis by business partner to utilize the results in our improvement activities.

As a result of these activities, the CCC for FY2024 was reduced by five days to 99 days from the previous fiscal year.

#### Trends of CCC results

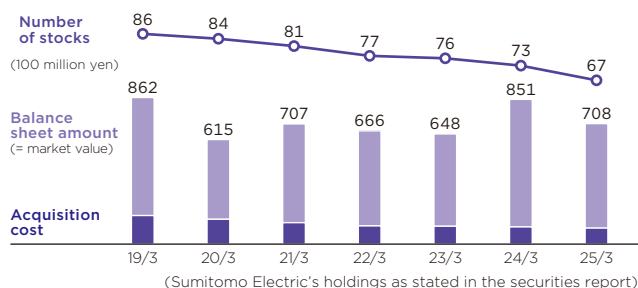


## Cross Shareholdings

The Group reviews the significance of strategic shareholdings every year, and sells stocks that no longer have any significance. In FY2024, the Group conducted a more rigorous review of the significance of holding each stock than ever before, and sold 12 stocks, including partial sales (of which six stocks were sold in their entirety).

As for our future policy, the Group will actively reduce our holdings, including those held by subsidiaries, with the aim of reducing them by at least half over the next few years.

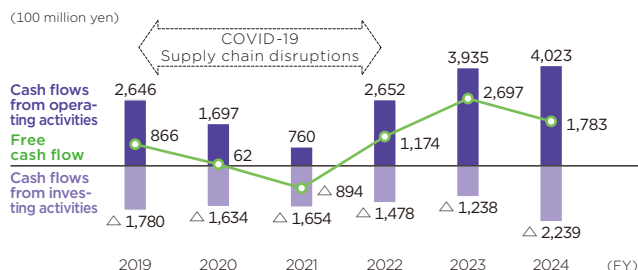
### Cross Shareholdings



## Free Cash Flow

As a result of our efforts to improve profitability and asset efficiency, the Group achieved operating cash flow exceeding 400 billion yen in FY2024. Free cash flow reached 178.3 billion yen, demonstrating our consistent ability to secure free cash flow of more than 100 billion yen.

### Free cash flow



## Cash Allocation

In the Mid-term Management Plan 2025, the Group has set a quantitative target for cash generation of EBITDD of 1.6 trillion yen or more. The cash generated will be invested for future growth, targeting 720 billion yen in capital investment and 360 billion yen invested in R&D. Additionally, profits will be returned to shareholders with a target dividend payout ratio of approximately 40%.

At the start of FY2025, EBITDD is projected to reach approximately 1.9 trillion yen — about 300 billion yen above the Mid-term Management Plan target — reflecting profit levels that are currently surpassing initial expectations.

## Capital investment

As part of our capital investment management for tangible fixed assets, the Group is focused on enhancing investment accuracy and strengthening investment budget controls. The Group employs a management cycle aligned with the PDCA framework: (1) Capital budget management, (2) discussion of projects and investment decisions, (3) Execution, and (4) Performance measurement. Hurdle rates are established based on the weighted average cost of capital (WACC) and ROIC targets to ensure effective oversight of investment project profitability.

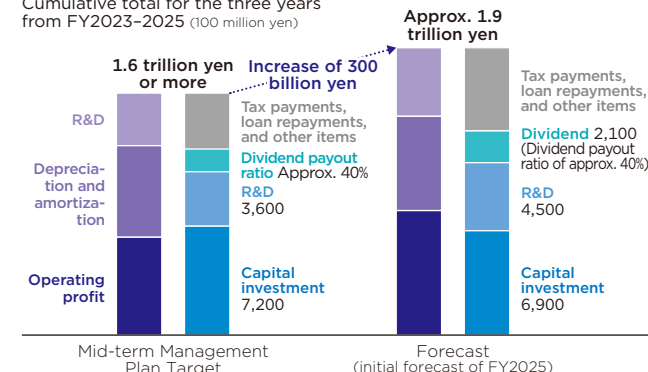
Regarding capital investments during the Mid-term Management Plan 2025, the Automotive Segment is primarily making capital investments to respond to orders, while the Environment & Energy Segment is actively investing in the establishment of a new European base for power cables.

## Shareholder Returns and Dividends

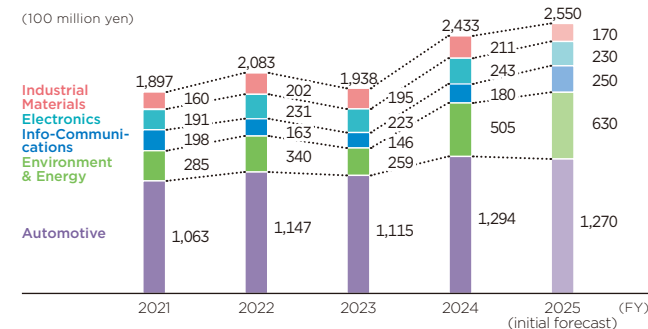
Our basic policy regarding the return of profits to shareholders is to maintain stable dividends, taking into consideration a comprehensive range of factors including consolidated business performance, dividend payout ratio, and the level of retained earnings. The Mid-term Management Plan 2025 sets a quantitative target of the dividend payout ratio at approximately 40%, and as a result of paying dividends in line with this target, the total dividend amount for FY2024 was a record high of 75.7 billion yen.

### EBITDD\* and use of capital

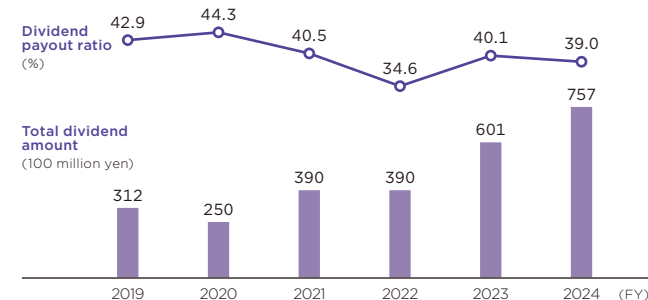
Cumulative total for the three years from FY2023–2025 (100 million yen)



### Capital investment trends by business segment



### Dividend payout ratio and total dividend amount





### 3 Key Sources of Capital | Intellectual Capital



#### Basic Views

Technologies and knowledge created through the Group's business and R&D activities are kept confidential as trade secrets to ensure market competitiveness, and those that can be used outside the Group are protected as patents and trademarks. In addition, the Group makes them available as technical standards in order to promote the development of society and markets. By integrating intellectual property activities into its business strategy, the Group is continuously developing its business and strengthening its competitiveness in the global market.

#### Initiatives under the Mid-term Management Plan 2025

##### Managing Intellectual Capital / Utilizing IP Rights

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

##### Contribute to and Comply with International Standards and Rule-Making

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

Intellectual capital generated through business [→ P17-19] and R&D [→ P29] activities

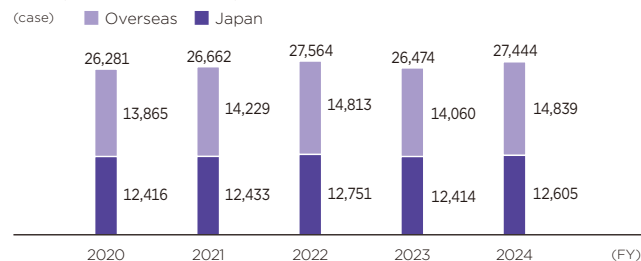
#### Intellectual Property Management, Rights Acquisition and Utilization

The Group also formulates and implements application rights acquisition strategies for each business based on surveys and analysis of changes in the business environment, technological trends, and rights acquisition trends of other companies. With regard to patents and trademarks, rather than pursuing the “quantity” of the number of rights held or applications filed, the Group places emphasis on “quality” that contributes to strengthening business competitiveness, and is working to expand and utilize an efficient rights network.

For each of our five business segments, the Group acquires rights to invented technologies in major markets and production areas, and is working to utilize them. For example, the Group is working to strengthen its patent portfolio in the high-voltage power cable business in Europe, where the Group made the decision to expand its factory operations, as well as in the optical connectivity products business for data centers, where the market is expanding globally.

The number of new patent applications filed by the Group in FY2024 was 1,853, and the number of rights held worldwide at the end of FY2024 was 27,444.

#### Changes in number of rights held (patent, utility model, and designs rights)

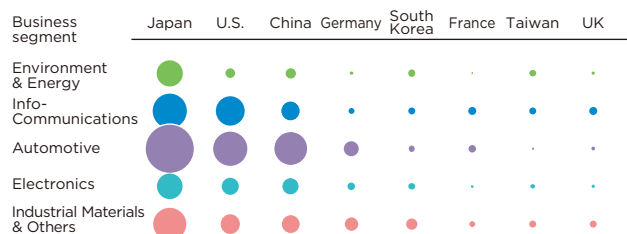


#### Contribute to and Comply with International Standards and Rule-Making

The Group collaborates with other companies and research institutes to contribute to standardization activities that will facilitate to the development of industry in Japan, and also works with our internal research, business, sales, and corporate planning divisions to create markets that utilize specific rules and engage in activities that will help strengthen competitiveness. For example, the Group anticipates proposed environmental regulations ahead of our European counterparts so as to prepare for adaptations of each product in various segments that will be required in the future. The Group also serves a hub connecting divisions for cross-disciplinary projects, sharing information and making strategic recommendations. In addition, as part of our awareness-raising activities, the Group demonstrates its business contributions through standardization activities to the entire Group through award programs and posters, and develops human capital through customized training programs for each business.

In addition, the Standardization Steering Committee chaired by the executive in charge of the Intellectual Property Department and consisting of the heads of company-wide planning departments from management, sales, and research, meets twice a year to decide on policies for company-wide standardization and rule

#### Patent portfolio by business segment (FY2024 results)



utilization. Based on the policy decided at the meeting, the Group holds the “Standardization Members’ Meeting” three times a year, bringing together working members from each business division and research department who participate in standard-setting organizations and other bodies to share the experiences of each practitioner. By sharing these rules, the Group aims to motivate and develop each of our working members so that they can concretely expand our business and strengthen our competitiveness.

#### Stimulating Intellectual Property and Standardization Activities

The Group holds the Intellectual Property and Standardization Convention every June with the aim of acquiring rights to and utilizing intellectual capital generated through business and R&D activities, as well as facilitating standardization, rule-making, and utilization. Each convention welcomes a total of over 400 attendees, ranging from the president and executives of each division to those actually responsible for the inventions and creation. The Group also invites external experts to give lectures on management and intellectual property-related topics, award prizes to outstanding intellectual property and standardization activities, and holds oral reports on examples of these activities.



Award ceremony at the Intellectual Property and Standardization Convention

#### Received the Industrial Standardization Activity Award

The Industrial Standardization Activity Awards are presented to individuals and organizations who have made outstanding contributions to standardization activities, such as the formulation of international standards for the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC), and formulation of Japanese Industrial Standards (JIS). At the FY2024 Industrial Standardization Activity Awards held by the Ministry of Economy, Trade and Industry, SEI employees were recognized for their efforts to apply Japanese standards in the formulation of international standards for recommended testing methods for High Voltage Direct Current cable systems, and received the Director-General's Award from the Industrial Technology and Environmental Bureau of METI.



The award ceremony

Please refer to the press release for details.



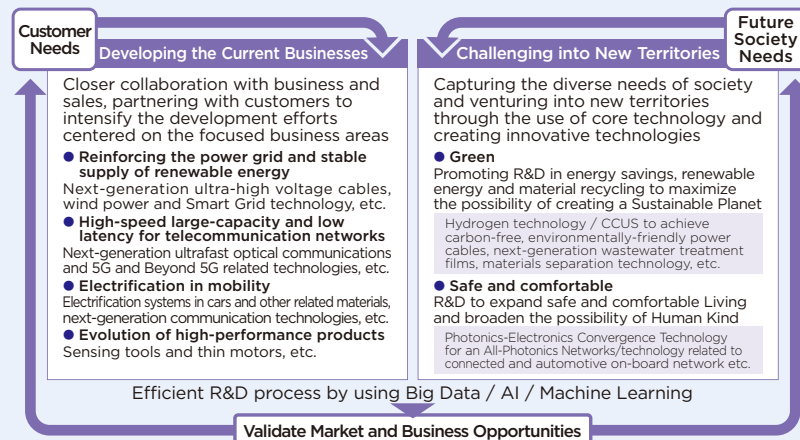
### 3 Key Driving Forces | R&D



#### Basic Views

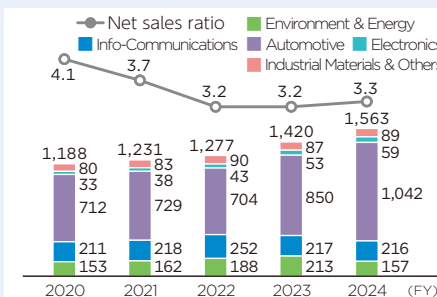
With the wires and cables business as its foundation, the Group has evolved its **technologies to connect and support society** by accurately grasping the needs of society, pursuing **Top Technology**. The Group will continue to develop its existing businesses, particularly in the areas of **Energy, Info-Communications, and Mobility**, while embracing new themes to create new businesses and improve profitability by providing value-added products and services.

#### Initiatives under the Mid-term Management Plan 2025



R&D: 360 billion yen / 3 years (FY2023-FY2025)

#### R&D Expenses (100 million yen) and Net sales Ratio



R&D results: 1,853 new applications in FY2024

For more details, please refer to Intellectual Capital [-> P28]

metals. Based on the cell stack technology cultivated through the Redox flow battery system, Sumitomo Electric will provide high-performance, highly reliable water electrolysis equipment and contribute to the realization of a sustainable, green society. Through these efforts, we aim to enhance our environmental considerations and help build a carbon-free society.



Conceptual drawing of a large-scale manufacturing plant (Provided by ENEOS Corporation)

For details about our R&D structure and related technologies, please refer to our website.



#### Enhancement of the R&D Foundation “R&D Process Efficiency”

In recent years, competition in materials development has intensified in the manufacturing industry. Pressure to enhance performance and comply with environmental regulations is growing, and the demands on material development are becoming increasingly sophisticated. With the aim of quickly generating profits from new businesses and products, SEG is working to revolutionize the conventional R&D process by strengthening and utilizing technologies such as MI (Materials Informatics), which uses information science such as AI and machine learning to accelerate material development, and PI (Process Informatics), which optimizes the manufacturing process of such materials. Through MI, PI, and collaboration between the Digital Transformation Laboratory, which promotes cutting-edge AI development, and each laboratory, SEG is promoting the application of DX appropriate to each material development. The use of DX will greatly streamline material search and shorten development times, as well as enabling highly comprehensive studies, making it possible to extract optimal materials that were not previously possible with conventional development methods. SEG is also working to establish data infrastructure for accumulating and utilizing experimental data, and will strive to improve our development capabilities and profits by providing practical training to personnel who will lead MI and PI roles.

#### R&D Expenses to Support Sustainable Growth (Investment Strategy)

R&D requires stable investment with a long-term perspective, but our investment policy is to favor high added value and new businesses. The actual R&D expenses are shown in the graph above.

\*Direct MCH® is a registered trademark of ENEOS Corporation

#### Evolution of Current Business, Our Group's Strength

In the energy area, SEG is promoting the development of power cables that meet environmental needs, such as dynamic cable systems for offshore wind farms that promote the introduction of renewable energy, and DC cables that support material recycling, in order to realize a decarbonized society. This will contribute to the stable supply of electricity while also taking environmental issues into consideration. In the Info-Communications area, the Group is developing technologies that realize large-capacity and low latency capabilities as well as compact size and low power consumption in optical fiber, optical/electronic devices, and equipment, to support the increasing data center demand due to growth in the use of Generative AI, and to meet demand for broadband mobile wireless communications for 5G and Beyond 5G. Furthermore, in the Mobility area, the Group will focus on electrification and the development of connected products and services, in addition to its core product, wiring harnesses, to create new value in the mobility society as electrification, autonomous driving, and linkage with external services represented by MaaS accelerate, and vehicles become more sophisticated.

#### Challenging into New Territories

The Group will backcast from the needs of society in the future and create new business domains toward achieving a “Safer Society,” a “More Comfortable Society,” and a “Green and Environmentally Friendly Society,” as stated in its 2030 VISION.

Specifically, the Group is taking on the challenge of R&D that contributes to the sustainability of “the Earth,” such as hydrogen and CCUS-related technologies for decarbonization, next-generation wastewater treatment films, and materials separation technology. In particular, SEG is focusing on research into applying the Redox flow battery technology to hydrogen carriers and hydrogen production. In the hydrogen carrier production technology, Sumitomo Electric will provide its electrochemical cell technology to the “Direct MCH Electrolysis Synthesis (Direct MCH®)\* technology” currently being developed by ENEOS Corporation, and cooperate in a large megawatt-class plant demonstration test. Also, Sumitomo Electric has applied this electrochemical cell technology to the electrolysis of water to develop an AEM Water Electrolysis Cell that can produce hydrogen at low cost without using rare



## 3 Key Driving Forces | Manufacturing



### Basic Views

As a manufacturing company, the Group considers the evolution and deepening of “S (Safety), E (Environment), Q (Quality), C (Cost), D (Delivery) and D (R&D)” to be the core of the Group’s business activities. The Group has positioned Manufacturing as a particularly important driving force, and all departments have worked to create resilient factories that continue to adapt to the changing business environment.

#### Initiatives under the Mid-term Management Plan 2025

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

##### Evolving the Production System

Globally implement and embed “Launch Capability SU” | Globally implement and embed “Mass Production Capability LV”

##### Resilient Manufacturing Platform

Zero major incidents for employees, products and equipment

##### Creating a Solid Shop Floor Operation

Accelerate PDCA cycle of continuous Kaizen  
Global roll-out of “Infrastructure Strength MFA”

For information on CO<sub>2</sub> emissions reduction, please refer to [→ P33 Environment].

### Resilient Manufacturing Platform

Mid-term Management Plan 2025 sets the goal of “Zero major incidents for employees, products and equipment,” and the Group is advancing initiatives for safety and product quality.

**Creating a culture in which “safety is our top priority”:** The Group regards ensuring the safety and health of its employees as the cornerstone of its business activities and promotes the creation of a corporate culture in which “safety is our top priority,” engaging in ongoing health and safety activities with the participation of all employees with the aim of becoming the world’s top safety company. Specifically, the Group has established a “Safety Philosophy”, “Principles of Safety Activities”, and “Occupational Safety and Health Guidelines”. To achieve these policies, the Group incorporates proposals from the perspective of employees at work sites into its company policies, and each fiscal year defines priority initiatives and items to be implemented.

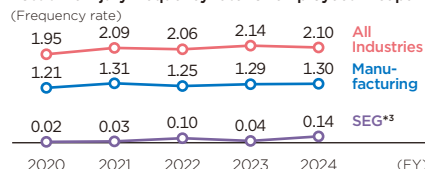
However, in July 2024, a workplace accident tragically resulted in the loss of an employee’s life. Motivated by a firm commitment to ensuring such incidents never happen again, the President personally instructed the entire company to “rigorously implement emergency safety measures.” After a comprehensive investigation into the root causes and a detailed assessment of comparable operations and risks, the Group developed both tangible and intangible measures to prevent recurrence. These initiatives are now being implemented across all its domestic and international sites.

In light of this accident, which occurred during troubleshooting procedures, the Group established the following as new priority initiatives: “eradicating facility issues at their source,” “guaranteeing the safety of troubleshooting tasks,” and “regarding every accident — including near misses — as a personal responsibility to

#### Number of industrial accidents (FY2024 actual)\*1

	Japan	Overseas	Total
Serious accidents*2	1	0	1
Accidents resulting in lost work time	10	4	14

#### Lost time injury frequency rate for employees in Japan



\*1 Sumitomo Electric consolidated subsidiaries (excluding listed subsidiaries) and subcontractors

\*2 A serious accident refers to an accident resulting in a death or disability that falls under grades 1 to 3 of the Disability Grade Table (Appended Table 1 of the Regulations for Enforcement of the Industrial Accident Compensation Insurance Act). In FY2024, a serious accident claimed the life of one person.

\*3 SEG refers to Sumitomo Electric and its affiliates in Japan (excluding listed subsidiaries).

prevent recurrence.” All employees, including officers and management, will once again embrace the Safety Philosophy that “safety is our top priority” and advance efforts to create a safe workplace. For more information on the Group’s occupational safety and health initiatives, please see [→ P38 of CSR Book 2025].

**Product quality initiatives:** The basic philosophy of the Group is to provide a stable supply of safe, reliable, and high-quality products based on the concepts of “customer-oriented” and “quality-oriented”. In order to continue to achieve this goal, the Group has structured its daily quality operations in accordance with the “Sumitomo Electric Group Quality Management Global Standards” while strengthening its manufacturing capabilities, which form the foundation of its business, and the Group continues to implement stable practices and further improve its quality management system. Quality-related matters are discussed and decided by the Corporate Quality Control Committee and are then communicated to business units and affiliates through the CQO (Chief Quality Officer), thereby promoting cooperation and strengthening the governance of the Quality Assurance Department of each division. For details of product quality and safety, please see [→ P41 of CSR Book 2025]. For details of quality compliance, please see [→ P39].

### Creating a Solid Shop Floor Operation

**Promoting continuous “Kaizen”:** The Group aims to build a “Solid Shop Floor Operation” that has both the ability to identify small defects and malfunctions that occur at production sites under the constantly changing business environment and to correct them on the spot to the desired state in order to maintain that state. It also aims to have the ability to find weak points and continue to make improvements at the shop floor level. The Group also aims to raise

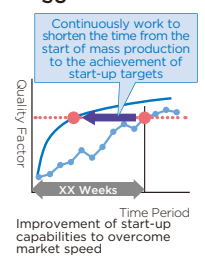
awareness and promote mutual learning by designating factories as “200 Kaizen Factories” that establish “Solid Shop Floor Operation” and achieve 200 or more improvements per month and by recognizing them both within the Group and globally. The Group will also focus on training key personnel to promote improvement through hands-on training programs such as GKP (GENBA-KAIZEN professional training Program).

**Rolling-out “Infrastructure Strength MFA” globally:** The Monozukuri Fundamentals Assessment (MFA) is a generalized version of the PK assessment, which the Sumitomo Wiring Systems Group developed ahead of others and introduced in 2019 to promote “Solid Shop Floor Operation” globally. This is a unique assessment tool defines the foundation and form that a manufacturing site should have, with 50 items in five areas, namely, safety and environmental management, quality management, facility management, factory management, and improvement capability. Each item is evaluated on a 100-point scale. Each factory uses this tool to quantitatively evaluate its manufacturing site each year, visualize strengths and weaknesses, and improve weaknesses to accelerate the PDCA cycle toward achieving a “Solid Shop Floor Operation”.

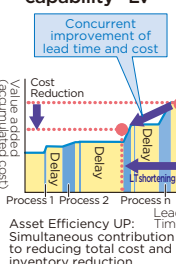
### Evolving the Production System

To enhance the competitiveness of the Group’s products, in addition to the support provided by “Promoting a Resilient Manufacturing Platform” and “Creating a Solid Shop Floor Operation,” initiatives to shorten lead time for production and reduce costs are essential. The Group refers to the capability to continuously shorten the time from the start of mass production of new products and new models to the stabilization of quality and the rapid securing of profits as “Start-Up Capability SU” and the capability to simultaneously minimize the lead time and cost of mass production and further improve delivery time and price competitiveness as “Mass Production Capability LV”.\* The Group is strengthening these capabilities, contributing to improved asset efficiency by minimizing startup losses, reducing product costs, and compressing inventory assets.

#### Launch Capability “SU”



#### Mass Production capability “LV”



\*SU= Start-up, LV= Leadtime Value



## 3 Key Driving Forces | Supply Chain



### Basic Views

In accordance with its Corporate Philosophy and Basic Procurement Policy,\* the Group is developing sustainable procurement activities that are fair and equitable, focused on compliance, and respect the global environment and human rights. In addition, the Group is promoting the optimization of procurement, manufacturing, sales, and logistics as a whole and strengthening its response to supply chain risks with a focus on BCP management to respond promptly to changes such as natural disasters and changes in international circumstances, with the aim of building a robust supply chain.

### Initiatives under the Mid-term Management Plan 2025

#### Building a Stable Supply Chain

CSR-based procurement assessments implementation rate 80% (Global transaction value equivalent)

#### Optimized Manufacturing Locations Advanced Inventory Management

#### Stabilization and Efficiency of Logistics Networks Improved Efficiency of Intragroup Transactions

EDI rate for transactions between group companies 100%

### Building a Stable Supply Chain

The Group is actively diversifying its procurement of raw materials and components by developing new potential suppliers, including local sources, to avoid dependence on specific countries. The goal is to establish a robust system that enables procurement from multiple suppliers and to further diversify by insourcing certain items. Additionally, the Group is collaborating closely with suppliers to share risk-related information and implement joint risk mitigation measures.

#### Sustainable procurement activities

To ensure that the Group's suppliers comply with the "CSR Procurement Guidelines"\* and the "Supplier Code of Conduct,"\* the Group includes a requirement for compliance with the guidelines in the basic transaction agreement and requests written consent from suppliers and is conducting a CSR-based procurement assessment using a CSR procurement self-assessment form.

The Group also holds training sessions for its suppliers on the fundamental principles of CSR procurement (including responsible minerals sourcing initiative, human rights, and labor safety considerations) [→ P36, P44 of CSR Book 2025] and CO<sub>2</sub> emissions reduction, thereby promoting sustainable procurement activities in partnership with the suppliers.

#### Strengthening risk management

The Group is working to formulate and implement a BCP for

	Results for FY2024	Targets for FY2025
CSR-based procurement assessments implementation rate	74%	80%

\* "Basic Procurement Policies" "CSR Procurement Guidelines" "Supplier Code of Conduct"



its procurement department to ensure that the interruption of purchased materials due to supply chain disruptions will not affect the production of its customers.

In the event of a disaster or other calamity, the Group quickly and accurately determines whether materials from suppliers have been affected, based on information about production sites registered in its Vendor Management Systems (VMS), and manages the situation to minimize the impact. In addition, the Group assesses the risk of critical materials on an item-by-item basis and prioritizes actions, such as diversifying sources, securing alternative items and securing inventory for high-risk items such as those sourced from overseas, thereby advancing risk visualization through VMS.

### Optimized Manufacturing Locations Advanced Inventory Management

The Group has a longstanding commitment to overseas expansion, guided by the unique market characteristics and needs of each business sector, while actively globalizing its supply chain. In response to increasing supply chain risks stemming from heightened geopolitical tensions and other factors, and to mitigate risks related to logistics instability and fluctuations in exchange rates and tariffs, it is optimizing the operational footprint based on both business requirements and geopolitical considerations. The Group's initiatives include diversifying manufacturing sites, promoting local production for local consumption, and consolidating and streamlining shared functions.

Furthermore, the Group shares and utilizes data from order receipt to shipment in order to strive for appropriate inventory management.

### Stabilization and Efficiency of Logistics Networks Improved Efficiency of Intragroup Transactions

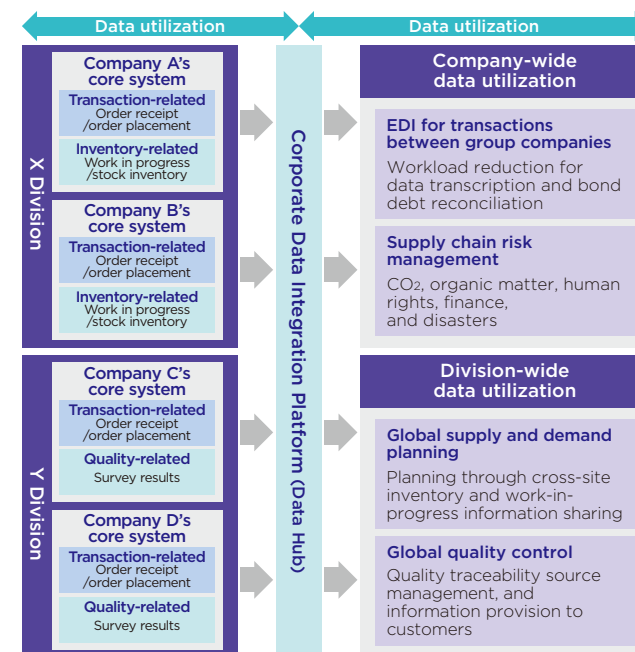
The Group is working to create a highly efficient transportation environment by visualizing and sharing the status of logistics and

optimizing the design of Hub Depots to build a resilient logistics system that takes risk into account.

The Group is also advancing the integration and utilization of operational data on a global scale. Specifically, it has implemented a Corporate Data Integration Platform (Data Hub) that consolidates operational data from Sumitomo Electric Industries, Ltd. and the Group companies into a "Corporate Data Integration Platform" (Data Hub), enabling its. This platform allows for flexible data utilization as needed across the Group or by division. The system will enable us to effectively and within individual divisions, supporting efforts to reduce global inventories and shorten lead times.

Furthermore, the Group is accelerating its efforts to achieve a 100% Electronic Data Interchange (EDI) rate for transactions between Group companies.

	Results for FY2024	Targets for FY2025
EDI rate for transactions between group companies	91%	100%



## Sustainability

## Promotion of Sustainability Management

## Fundamental Policy

Sumitomo boasts a history spanning over 400 years, anchored by its spiritual foundation known as “The Sumitomo Spirit.” This spirit is defined by the following guiding principles: “Do your sincere best in not only business, but also every aspect of your life” (*Banji-nissei*); “Place importance on integrity and sound management” (*Shinyo-kakujitsu*); and “Work proactively, pursue profit by quickly and appropriately responding to changes in society and do not be content with the status quo. However, do not act rashly or carelessly in pursuit of immoral business” (*Fusu-furi*). These principles —together with values such as “Attaching importance to technology,” “Respect for human resources,” “Long-range planning,” and “Mutual prosperity, respect for the public good,” — have been handed down through generations as shared assets of the entire Sumitomo Group.

The Sumitomo Spirit, upheld by generations of Sumitomo Electric Group leadership, aligns closely with today’s principles of Sustainability Management. The Group attributes its ongoing growth and continuous development since its founding in 1897 to steadfast adherence to this spirit.

Rooted in the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, and guided by the enduring management policy of “contributing to society through fair business activities,” the Sumitomo Electric Group is committed to enhancing corporate value over the medium to long term. The Group will steadily distribute and return the results as a going concern to its five main stakeholders — employees, customers, suppliers, communities, and shareholders/investors — in line with the Multistakeholder Capitalism concept of “*Goho Yoshi*” (Five-Way Win), thereby pursuing further sustainable development.

In alignment with this fundamental policy, the Group will advance its sustainability initiatives under its medium- to long-term management plan, and will communicate its value creation story both internally and externally through the “Integrated Report” and supplementary materials and data, including the “CSR Book,” to foster dialogue with stakeholders.

## Structure to Promote Sustainability Management

The Group has established a Sustainability Management Promotion Committee, chaired by the President, to promote sustainability management based on the Basic Policy shown on the left. The Committee receives reports on plans and progress from the CSR Promotion Committee, the GX Promotion Committee, and the Human Resources and D&I Promotion Committee regarding issues related to sustainability, namely consideration for climate change and other global environmental issues, respect for human rights, consideration for employee health and working environments, fair and appropriate treatment for employees, fair and appropriate transactions with suppliers, and crisis management in the event of natural disasters and other emergencies. The Committee also broadly discusses cross-sectional issues and initiatives, such as matters related to the disclosure of non-financial information, including the issuance of integrated reports, and policies for and approaches to sustainability management.

## Monitoring by the Board of Directors

The activities of the Sustainability Management Promotion Committee, which meets semi-annually, are reported to the Board of Directors after each meeting, and items on the Committee’s agenda that require submission to the Board of Directors are discussed and reported on separately [→ P37], providing a structure for the Board of Directors to oversee sustainability management.

## Themes addressed

## CSR Promotion Committee

The Committee is co-chaired by the Executive Officers responsible for administration and corporate planning, who oversee its activities. The themes addressed include respect for human rights in the Group’s supply chain, reinforcement of information disclosure and customer surveys related to sustainability, activities contributing to society, and corporate governance.

## GX Promotion Committee

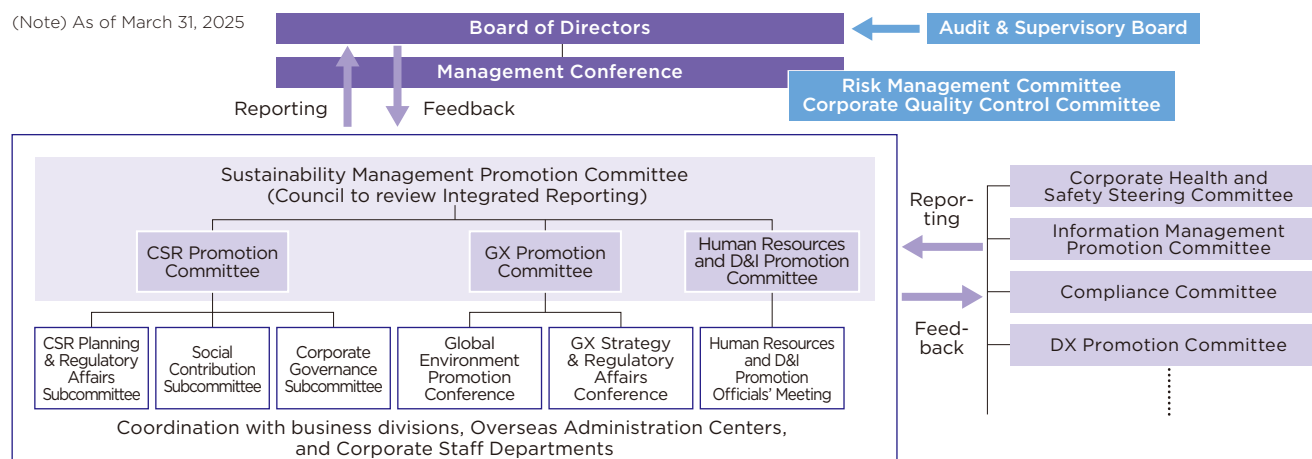
The Committee is chaired by the President, who oversees its activities. The themes addressed include decarbonization and other environmental protection activities, reinforcement of responses to various GX regulations, and the expansion of GX-related businesses. Please see the GX strategies [→ P20] for details.

## Human Resources and D&amp;I Promotion Committee

The Committee is chaired by the Executive Officer responsible for HR, who oversees its activities. The themes addressed include respect for human rights within the Group and the direction and basic policy of global human capital measures.

## Structure to Promote Sustainability Management

(Note) As of March 31, 2025



## Environment

### Basic Views

In 1997, the Group established the “Environmental Policy”\* as one of its key management challenges to address the global environment, including climate change. In accordance with the policy, the Group has continuously worked on environmental protection activities from a global perspective.

\*Environmental  
Policy



### Climate Change Risks and Impact on Corporate Value

#### Disclosure in Line with the Recommendations of the TCFD

In line with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), the Group discloses information on “Governance,” “Strategy,” “Risk management,” and “Metrics and Targets” related to climate change.

#### 1. Governance

The “Sustainability Management Promotion Committee” discusses specific targets and procedures related to our response to climate change and other global environmental problems ([->P32] for a diagram of the organization). To further explore specific measures from an expert point of view, the Group has also established a Global Environment Promotion Conference under the GX Promotion Committee, and initiates measures against climate change, such as reducing greenhouse gas (GHG) emissions.

#### 2. Strategy

The Group has analyzed the business impact expected to be caused by the risks and opportunities related to climate change, and considers future initiatives based on two scenarios: one in which the rise in the world's average temperature is limited to 1.5°C above pre-industrial levels, and the other in which the average temperature increases by 4°C. The results of the scenario analysis are shown in the table on the right.

#### 3. Risk Management

For top-priority issues such as global environment preservation, targets and approaches are set under the lead of the “Risk Management Committee,” in cooperation with the relevant Corporate Staff Group in consideration of the deliberations of the “Global Environment Promotion Conference,” which oversees the environmental protection activities of the Group. Based on these targets and approaches, each Production Group sets its own targets and proceeds with the necessary activities. To address risks related to climate change, the Compliance & Risk Management Office plays the main role in encouraging business continuity plans (BCPs) to be established. As indicated by this, while placing the first priority on ensuring safety, SEG also focuses on minimizing damage generated at the time of a disaster and ensuring business continuity.

#### 1.5°C (well-controlled) scenario

- ▶ The CO<sub>2</sub> reduction plans of major countries will be running almost as scheduled.
- ▶ The carbon border tax scheme, as well as each country's energy policy and industrial policy, will be evolving steadily.

Possible Circumstances		Assessment of the Impact on the Group	Major Efforts
Opportunities	Energy	<ul style="list-style-type: none"><li>■ Growing demand for the new installation or replacement of electricity transmission cables, such as interconnectors.</li><li>■ An increasing number of products will be needed to ensure a stable power supply (e.g., rechargeable batteries and energy management systems), leading to an increase in the Group's sales.</li></ul>	<ul style="list-style-type: none"><li>■ Proceed with the development of electricity transmission cables for renewable energy (interregional transmission grids), rechargeable batteries, etc., along with improvements in their performance, thereby contributing to expanding the infrastructure.</li><li>■ Expand the sale of solutions for regional micro grids.</li><li>■ Work on growth themes related to energy infrastructure in the "Mid-term Management Plan 2025."</li></ul>
	Info-Communications	<ul style="list-style-type: none"><li>■ Growing demand for energy-saving and high-performance products for effectively establishing information networks, leading to an increase in sales of the Group</li></ul>	<ul style="list-style-type: none"><li>■ Focus on the development of optical communications equipment, devices, etc. used for optical cables and data centers, along with improvements in their performance, thereby contributing to realizing an even more energy-saving and effective data-driven society.</li><li>■ Work on growth themes related to Info-Communications networks in the "Mid-term Management Plan 2025."</li></ul>
	Mobility	<ul style="list-style-type: none"><li>■ Many more related items, such as harnesses and system products centered on harnesses, will be adopted for electrified vehicles. The Group will add higher value to such items, leading to an increase in sales of the Group.</li><li>■ The markets for gasoline engine components will decline.</li><li>■ Products of the Group will be adopted by many more new customers, leading to expanded sales.</li></ul>	<ul style="list-style-type: none"><li>■ The Group will proceed with the development of EV-related products and components for lightweight vehicles and improve their performance, thereby contributing to the electrification of automobiles and energy savings.</li><li>■ Work on growth themes related to Mobility in the "Mid-term Management Plan 2025."</li></ul>
	Sales under the growth themes of the "Mid-term Management Plan 2025" FY2025 Target: 1,100 billion yen FY 2024 Results: 970 billion yen		
Risks	Tightening of Policies and Legal Regulations	<ul style="list-style-type: none"><li>■ Operating costs will rise due to the introduction of a carbon tax, the start of emissions trading, and the response to regulations on recycling.</li></ul>	<ul style="list-style-type: none"><li>■ Further reduce the use of energy in the manufacturing process. (Scopes 1+2)</li></ul>
	Rise in Demand from the Market	<ul style="list-style-type: none"><li>■ Operating costs will rise due to capital investment for the introduction of energy-saving equipment and the purchase of green electricity.</li><li>■ There will be calls for the Group to reduce GHG emissions throughout its supply chain, including raw material suppliers, requiring the Group to reinforce and review its supply chain.</li></ul>	<ul style="list-style-type: none"><li>■ Control the cost increases by reducing energy costs through energy creation efforts and by achieving "Net Zero Plant" in accordance with the Group's plans.</li><li>■ Proceed with the development and sale of products that will contribute to achieving a carbon-free society.</li><li>■ Proceed with lifecycle assessments in cooperation with component and material suppliers.</li></ul>
	Rise and Appreciation of Raw Material Prices	<ul style="list-style-type: none"><li>■ The appreciation of raw material prices will increase the Group's costs.</li></ul>	<ul style="list-style-type: none"><li>■ Make further energy-saving and recycling efforts.</li><li>■ Reinforce its resilience in terms of raw materials by, for example, proceeding with the development of aluminum electric wires/harnesses.</li></ul>
	Evaluation by Stakeholders	<ul style="list-style-type: none"><li>■ A delay in response or a failure to achieve targets will lead to a decline in the Group's credibility, a decrease in sales, a loss of customers, a decline in the stock price, and an increase in financial arrangement costs.</li></ul>	<ul style="list-style-type: none"><li>■ Make efforts to achieve the GHG emissions reduction targets set under the SBTi.</li><li>■ Disclose appropriate information to a wide variety of stakeholders, and engage in dialogue with them at appropriate timing.</li></ul>

#### 4.0°C (BAU) scenario

- ▶ There will be disarray among countries in proceeding with efforts to accomplish the target of realizing a carbon-free society, leading to a spate of extreme climate events and consequent damage.
- ▶ Appreciation in the cost of energy and resources, widening regional gaps

Possible Circumstances		Assessment of the Impact on the Group	Major Efforts
Opportunities	Growth in Demand for Products Adaptable to Climate Change	<ul style="list-style-type: none"><li>■ Social infrastructure will be improved and strengthened by, for example, reinforcing electricity transmission grids and enhancing the strength of structures, so that society is able to endure environmental changes caused by climate change.</li><li>■ Frequent flooding and submergence will require regional infrastructure to be reestablished.</li></ul>	<ul style="list-style-type: none"><li>■ There will be an increase in the Group's sales of infrastructure-related products necessary for reinforcing disaster contingency plans and BCPs, such as electricity wires/cables and copper wires.</li><li>■ The Group will contribute to society by supplying products for preparing for the frequent occurrence of disasters, or reinforcing electricity transmission grids, enhancing the strength of structures, and improving communication networks.</li></ul>
	Intensification of Climate Disasters due to Global Warming	<ul style="list-style-type: none"><li>■ Extreme climate change (typhoons, torrential rain, droughts, water shortages, and high/low temperatures) will increase the number of climate disasters, affecting manufacturing bases, suspending operations, and disrupting supply chains.</li><li>■ There will be an increase in global warming, causing water shortages.</li></ul>	<ul style="list-style-type: none"><li>■ Plant suspensions due to abnormal climate will generate restoration costs and increase non-life insurance premiums.</li><li>■ Appreciation of raw material prices will lead to extreme price rises for certain products, leading to sluggish demand for the products.</li><li>■ Water shortages will suspend or relocate many production lines or lead to increased investment in water-saving equipment.</li><li>■ Build disaster-resilient plants.</li><li>■ Proceed with BCPs by reinforcing its supply chain in consideration of climate change.</li><li>■ Invest in improvement of quality of raw materials.</li><li>■ Make further energy-saving and recycling efforts.</li></ul>

Reference scenarios: World Energy Outlook 2017, 2020 and 2021 by IEA; Energy Technology Perspective 2017 by IEA; and Sixth Assessment Report by IPCC.

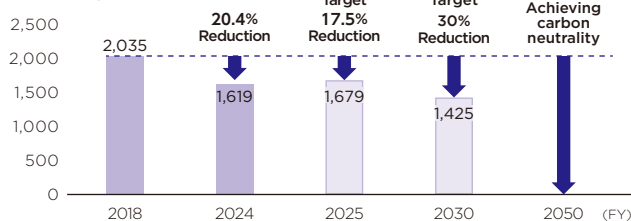


#### 4. Metrics and Targets

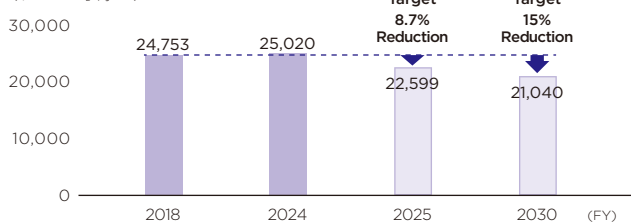
The Sumitomo Electric Group has set greenhouse gas emissions reduction targets of 30% under Scopes 1+2 and 15% under Scope 3 by 2030 compared to 2018 levels, and carbon neutrality under Scopes 1+2 by 2050, and is making efforts to decrease greenhouse gas emissions in its production activities and throughout its supply chain. The 2030 targets have been certified by the international initiative “Science Based Targets initiative (SBTi).”

In order to achieve the target, the Group is promoting GHG emission reductions based on a core approach of maximizing energy conservation through productivity improvements and the introduction of new technologies, as well as creating green energy through solar power generation and other means, and supplementing the remaining unachieved targets through purchased renewable energy. As a result of its activities, the Group was able to reduce GHG emissions (Scopes 1 + 2) by 20.4% in FY2024 compared to FY2018. The Group will continue to make steady efforts to achieve future targets.

**Greenhouse gas emissions (Scope 1+2)**  
(1,000t-CO<sub>2</sub>e/year)



**Greenhouse gas emissions (Scope 3)**  
(1,000t-CO<sub>2</sub>e/year)



#### Assessment of Nature-related Dependencies and Impacts (Risks and Opportunities)

##### Assessment and disclosure based on the TNFD framework

In June 2021, the Taskforce on Nature-related Financial Disclosures (TNFD), an international organization that develops a framework for assessing and disclosing risks and

opportunities related to natural capital and biodiversity, was established. In September 2023, the TNFD Final Recommendations, which outline the framework, were published.

SEG, which upholds the principle of “Goho Yoshi” (Five-Way Win), recognizes that assessing nature-related dependencies and impacts (risks and opportunities) and responding appropriately to issues are essential elements for enhancing corporate value and achieving mutual prosperity with multistakeholders. Based on this recognition, the Group is working to conduct assessments in line with the LEAP approach, which is recommended by the TNFD.

##### Value chain analysis

The Group operates globally in five business segments: Environment & Energy, Info-communications, Automotive, Electronics, and Industrial Materials. The Group has recently undertaken LEAP-approach scoping (determining the scope of assessment) and, together with in-house experts, has organized the value chains for the main products in each business segment. The Group then used ENCORE, an analysis tool recommended by TNFD, to analyze dependencies and impacts on nature. The results are shown in the heat map below.

The results are shown in the heat map below. The analysis revealed that the Group's business activities are dependent on, and have an impact on, nature — particularly in the upstream stage of the value chain, namely raw material purchases. In addition, the top right table shows that copper

accounts for the largest share of the Group's raw material purchases. The Group has therefore identified the Environment & Energy and Automotive segments — which have high net sales and use copper for products as their main raw material — as important business domains.

Business segment	[1] Raw material purchase amount / FY2024 (thousand tons)					[2] Net sales / FY2024 (100 million yen)
	Copper	Aluminum	Iron	Resin	Total	
Environment & Energy	327.2	21.0	0.4	21.0	369.5	10,813
Info-Communications	0.0	0.0	0.6	4.9	5.6	2,233
Automotive	32.4	0.0	0.0	93.0	125.4	27,347
Electronics	11.6	0.3	0.0	13.0	24.9	3,772
Industrial Materials	1.1	0.4	316.7	0.3	318.5	3,727
Total	372.3	21.8	317.7	132.1	843.9	46,798

Copper, steel (iron), aluminum, and resin (petroleum) are all included in the High Impact Commodity List of SBTi for Nature. The difference between the sum of the sales figures for each segment and the total amount is due to consolidation elimination.

##### Future plans

This fiscal year, the Group plans to conduct analyses in line with the LEAP approach, giving priority to the Environment & Energy and Automotive segments, which are of high importance. The Group will continue to enhance the content of its disclosure and reflect it in its business strategies and policies.

SEG, which upholds the principle of “Goho Yoshi” (Five-Way Win), will continue to promote initiatives aimed at coexisting with nature.

##### Heat map of dependence and impact on nature

Business activities				Dependence on nature						Impact on nature												
Segment	Value chain		Value chain description	Provisioning services	Regulating services			Cultural services	Impact drivers													
				Provisioning biological resources	Provisioning water	Regulating climate	Purification		Mitigation of natural disasters	Other regulating services	Area of ecosystem use	Extraction of non-biological resources	Water consumption	Greenhouse gas emissions	Air pollution	Water and soil pollution	Solid waste	Disturbances (noise, light, etc.)	Introduction of invasive alien species			
All segments	Upstream of the value chain	Raw material purchases	Copper																			
			Aluminum																			
			Iron																			
			Glass																			
		Resin																				
		Transport	Marine transport																			
Environment & Energy			Power transmission wires and cables, copper wire rods, magnet wires, and trolley wires																			
Info-Communications			Aluminum wires, rough drawing wires, and welding wires																			
Automotive	Direct operation	Product manufacturing	Optical fibers and cables, and communication cables																			
			Wiring harnesses																			
			Aluminum alloy wires and rods																			
			Anti-vibration rubber and hoses																			
Electronics			FPCs																			
			Electronic wire products																			
			Heat-shrinkable tubes, etc.																			
Industrial Materials			Prestressing steel wires, steel wires for springs, steel cords, and saw wires																			
			Sintered metal components																			
			Sale																			
All segments	Downstream of the value chain	Product use	Sale and shipment of products																			
			Manufacturing of various products																			
		Collection, recycling and disposal	Installation work																			
			Disposal of products																			
																		VeryHigh	High	Middle	Low, VeryLow	N/A, N/

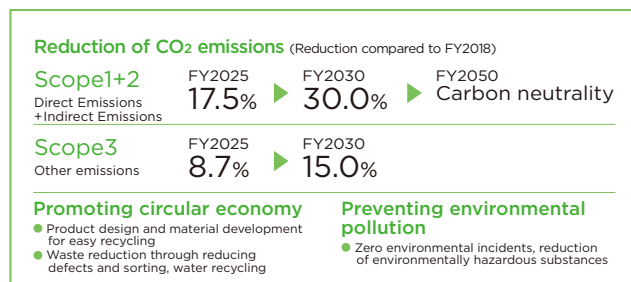
Very High High Middle Low, Very Low N/A, N/D

## Environmental Initiative “Go for Green 2025”

To achieve the Group vision of a “Green and Environmentally Friendly Society” set forth in its “2030 VISION,” the Group will engage in the following three activities toward 2025 as part of the “Go for Green<sup>\*1</sup> 2025 plan.”

<sup>\*1</sup> Go for Green is a registered trademark of Sumitomo Electric Industries, Ltd.

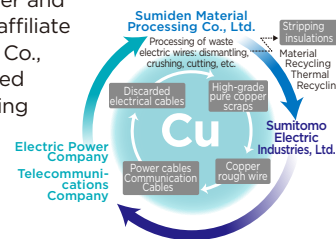
### 1. Operate for a Greener Global Environment



**Reduction of CO<sub>2</sub> emissions:** Toward FY2025, the Group has set the GHG emissions reduction targets shown above, and is making efforts to reduce GHG emissions in its production activities and throughout its supply chain. The Group's activities to reduce emissions include: eliminating standby power consumption in production facilities to save energy,

introducing renewable energy by installing solar panels on and off its premises to create energy, and utilizing non-fossil fuel certificates in accordance with customer requirements to purchase energy. As a result of these activities, the Group was able to reduce GHG emissions (Scopes 1 + 2) by 20.4% in FY2024 compared to FY2018. For Scope 3, the Group asked suppliers with significant emissions from purchased goods and services to report their emissions annually and to continue reducing emissions, and is also focusing on reducing emissions in logistics. The Group will continue to make steady efforts to achieve future targets.

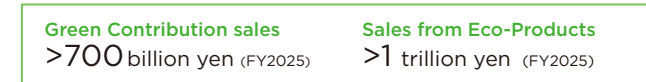
**Promoting circular economy:** SEG is working to reduce defects in production, reduce the amount of waste generated, reuse waste within the Group and turn it into valuable resources, recycle raw materials, and reduce water consumption and promote water resource recycling. As a prime example of a raw material recycling initiative, the Group dismantles used electric power and communication cables at its affiliate Sumiden Material Processing Co., Ltd. and recycles the recovered copper using a copper smelting furnace called a “Tilting Reverberatory Furnace” that the Group owns. The Group will continue to promote a



circular economy while incorporating new technologies.

**Preventing environmental pollution:** The Group is committed to managing chemical substances contained in its products, communicating information on chemical substances throughout the supply chain, managing chemical substances used in manufacturing at its factories, and reducing the amount of harmful chemical substances released into the environment, with the aim of complying with laws and regulations, protecting the health and safety of its employees, contributing to environmental protection, and earning the trust of its customers and consumers. As part of its efforts to reduce substances that have an impact on the environment in its business operations, the Group is promoting the reduction of emissions of substances covered by the PRTR system, striving to achieve a 1% reduction per year.

### 2. Contribute to the Global Environment Through Our Business



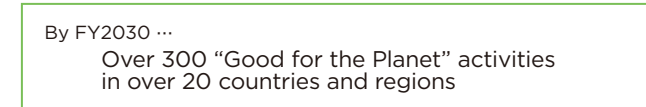
**Green Contribution:** The Group has designated products and services that promote a Green Society (renewable energy transmission products, electric vehicle products, etc.), and is promoting activities to increase Green Contribution sales. Actual results for FY2024 were 618.5 billion yen.

**Eco-products:** The Group evaluates environmentally friendly products according to its own criteria (14 points such as reducing the use of resources), and certifies those that pass the evaluation as “Eco-Products.” In 2024, sales of eco-products amounted to 1.9384 trillion yen.



Eco symbol mark<sup>\*2</sup>

### 3. Promoting “Eco-Activities 2030”



A Group-wide effort to carry out local environmental activities such as nature conservation, biodiversity preservation and community clean-ups. In FY2024, a total of 299 activities were carried out at 150 sites in 17 countries and regions.

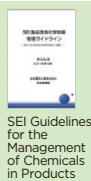
Please also see the CSR Book 2025 for details of Go for Green 2025 initiatives.



<sup>\*2</sup> “Eco symbol mark” is trademarks or registered trademarks of Sumitomo Electric Industries, Ltd

### Summary of initiatives in the supply chain (Traceability throughout the entire supply chain, etc.)

	Upstream	SEG	Downstream
<b>Reduction of CO<sub>2</sub> emissions</b>	<b>Scope3</b> <ul style="list-style-type: none"> <li>Require annual emissions reports and ongoing reductions from high emitting suppliers of purchased goods and services.</li> <li>Reduce emissions in logistics.</li> </ul>	<b>Scope1+2</b> <ul style="list-style-type: none"> <li>Set annual quantitative targets and promote emissions reductions as part of our activities to reduce emissions by maximizing energy conservation, creating green energy, and purchasing renewable energy.</li> </ul>	<b>Scope3</b> <ul style="list-style-type: none"> <li>Reduce customer emissions through the use of the Group's green contribution products.</li> <li>Reduce emissions in logistics.</li> </ul>
	<ul style="list-style-type: none"> <li>Using Life Cycle Assessment (LCA) to calculate environmental impact and promote lower-emission product design</li> </ul>		
<b>Promoting circular economy</b>	<ul style="list-style-type: none"> <li>Recycled use of raw materials</li> </ul>	<ul style="list-style-type: none"> <li>Product design for easy defect reduction and recycling</li> <li>Waste reduction, internal reuse, and conversion into valuable materials</li> <li>Water usage reduction and water resource circulation</li> </ul>	<ul style="list-style-type: none"> <li>Recovering used products</li> </ul>
<b>Preventing environmental pollution</b>	<ul style="list-style-type: none"> <li>Aim to ensure that procured products do not contain hazardous substances that have a major impact on the environment by establishing the “SEG Standards for Chemical Substance Management,” and applying the “SEG Guidelines for Green Quality Purchases.”</li> </ul>	<ul style="list-style-type: none"> <li>Implement the “SEI Guidelines for the Management of Chemicals in Products” in accordance with JIS Z7201 to properly manage chemical substances contained in products.</li> <li>Establish a chemical substance management system and manage toxic substances and PRTR-listed substances at manufacturing sites and affiliates in Japan.</li> <li>Strive to reduce emissions of PRTR-listed substances by 1% per year.</li> <li>Conduct product assessments during the design and development stages.</li> </ul>	<ul style="list-style-type: none"> <li>The Group provides products that comply with customer standards.</li> <li>Upon request, analyze the product and submit a certificate of non-use of target substances (those controlled by the RoHS Directive, REACH Regulation, etc.).</li> </ul>
	<ul style="list-style-type: none"> <li>Use chemSHERPA, IMDS, etc. as a means of communicating information about chemical substances in products.</li> </ul>		



SEI Guidelines for the Management of Chemicals in Products

## Human Rights

### Basic Views

Under the Sumitomo Electric Group Policy on Human Rights, the Group recognizes that all of its business activities must be based on respect for human rights, and it promotes Group-wide efforts to respect human rights and links these efforts to the enhancement of corporate value.

### Initiatives under the Mid-term Management Plan 2025

		Results for FY2024	Targets for FY2025
Within the Group	Human rights due diligence	Appropriate corrective actions were taken for the Group companies that recognized the issues as a result of the survey, measures for preventing recurrence were implemented, and a framework was established to check the status by utilizing annual internal self assessment.	Examination of key risks, prevention and mitigation measures for 280 Group companies
	Human rights training	Training and awareness-raising activities were conducted to address various human rights issues, such as discrimination and harassment. [Number of training participants: 36,284]	Training and awareness-raising about discrimination, harassment, and other human rights issues
Outside the Group	Supplier code of conduct	Agreements for the Supplier Code of Conduct were obtained, and CSR-based procurement assessments were conducted. (A survey on the responsible minerals sourcing initiative was conducted.)	Requests to engage in human rights and labor relations efforts based on the Supplier Code of Conduct Engaging in the responsible minerals sourcing initiative

## Efforts of the Group

### Human rights due diligence

Based on the United Nations Guiding Principles on Business and Human Rights and the Guidelines on Respecting Human Rights in Responsible Supply Chains issued by the Ministry of Economy, Trade and Industry, the Group conducted human rights due diligence at Sumitomo Electric Industries Ltd. and 284 Group companies in Japan and overseas in FY2022 to uphold its responsibility to respect human rights. This focuses on “child labor,” “forced labor,” and “inappropriate use of migrant workers,” taking into account the magnitude of the impact on business operations and other factors. (In fiscal 2023, the Group conducted additional surveys of some Group companies in Eastern Europe.)

Since the survey identified issues at some of domestic and overseas Group companies that employ migrant workers, the Group has implemented appropriate corrective actions and measures to prevent recurrence, and has established a framework for checking the status by utilizing annual internal self assessment on serious risks (child labor, forced labor, and inappropriate use of migrant workers). [→ P36 of CSR Book 2025]

### Efforts outside the Group

#### Responsible minerals sourcing initiative

The Group recognizes risks such as human rights abuses and labor issues in Conflict Areas and High-Risk Areas (CAHRAs), as described in the Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance, as among the most serious social issues in the supply chain. In order to uphold its social responsibility in sourcing activities, the Group is committed to “responsible minerals sourcing” that does not use raw materials linked to conflict minerals associated with illegal or dishonest acts. To this end, as part of its efforts related to the “CSR Procurement Guidelines” and “Supplier Code of Conduct” described on [→ P31], the Group will, where appropriate, investigate the supply chain for minerals associated with illegal or dishonest activities, and if there are concerns that the minerals may cause human rights issues and other types of social problems, or serve as a source of funding for armed groups, the Group will take steps to avoid their use.

Details of our human rights initiatives can be found in the CSR Book and on our website.



## Activities Contributing to Society (CSR Activities)

### Basic Views

Based on the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, and guided by “Goho Yoshi” (Five-Way Win) — the Philosophy, the Group is committed to activities contributing to society in line with the Sumitomo Electric Group Basic Policies on Contribution to Society, which have the themes of “respecting human resources,” “emphasizing technology,” and “creating a better society and environment.” Through these activities, the Group aims for steady returns to the regional communities, which are its stakeholders. In light of the importance of such activities contributing to society, the Group has designated “Contribution to Society” as a material initiative.

### Initiatives under the Mid-term Management Plan 2025

#### Contribution to Society toward 2025

- Developing next generation talents and promote academic pursuits through the Sumitomo Electric Group CSR Foundation, and contributing 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

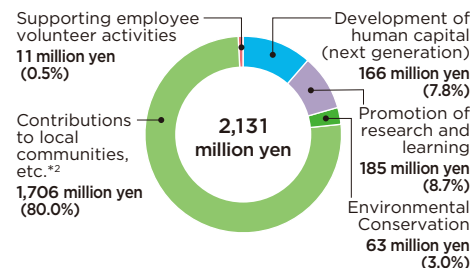
#### Contribution to CSR activities

FY2024	FY2025 (target)
0.96%	Approx. 1% of profit after-tax

## Structure to promote the initiative

In collaboration with the Sumitomo Electric Group CSR Foundation, individual business sites, and Group companies, the Group promotes activities that contribute to society. In the CSR Promotion Committee, the Group considers the current status of each activity, shares issues, and discusses future directions and specific initiatives for the Group’s activities that contribute to society.

### Contributions by Area (FY2024 Results)\*1



\*1 Sumitomo Electric Industries Ltd. and consolidated subsidiaries

\*2 Includes a portion of contributions for activities related to areas other than contributions to local communities, such as environmental conservation and human development of human capital (next generation)

### Noteworthy activities

<b>Development of human capital (next generation)</b>	<ul style="list-style-type: none"> <li>• Accepting work-experience programs, internships, and plant tours</li> <li>• Scholarship and grants</li> <li>• Sponsorship of student competitions, etc.</li> </ul>
<b>Promotion of research and learning</b>	<ul style="list-style-type: none"> <li>• Subsidies for academic and research programs</li> <li>• Endowed university courses provided</li> <li>• Donation of Research Equipment</li> </ul>
<b>Environmental Conservation</b>	<ul style="list-style-type: none"> <li>• Cleaning activities</li> <li>• Protection of biodiversity (forest conservation, protection of endangered species)</li> <li>• Environmental awareness activities</li> </ul>
<b>Contributions to local communities, etc.</b>	<ul style="list-style-type: none"> <li>• Donations and provision of goods (medical equipment, sanitary supplies, etc.) to medical-related organizations</li> <li>• Donations to cultural and artistic organizations (art museums, museums, symphony orchestras, temples, shrines, etc.)</li> <li>• Donations and provision of goods (food, hygiene supplies, school supplies, etc.) to people in need</li> <li>• Cooperation with regional events (event sponsorship, company facility rental, volunteer support)</li> <li>• Road safety and cooperation in local disaster preparedness</li> <li>• Support for extracurricular activities (sports, etc.)</li> <li>• Blood donation activities, awareness activities (ribbon campaign)</li> </ul>
<b>Supporting employee volunteer activities</b>	<ul style="list-style-type: none"> <li>• Volunteer leave program</li> <li>• Matching gift program</li> </ul>

Please see the CSR Book and our website to learn more about how SEG contributes to society.





## Governance

## Corporate Governance

## Basic Views

The unchanging basic policy of the Group is to contribute to society through fair business activities based on the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles.

Adhering to this basic policy, the Group aims to achieve sustainable growth and enhance the corporate value of the Group over the medium to long term, as well as to steadily return the results to all of its stakeholders as a going concern based on the concept of Multistakeholder Capitalism ( “Goho Yoshi” (Five-Way-Win)), which focuses on contributing to the public benefit and mutual prosperity with its stakeholders. The Group will thus work to ensure and enhance the transparency and fairness of management based on proper corporate governance.

## Board of Directors and Business Operating Structure

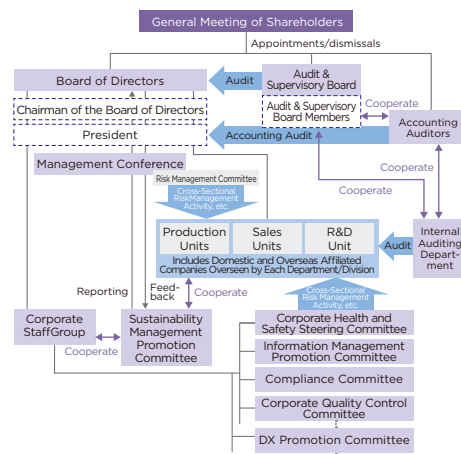
## Functions and Operations of the Board of Directors

The Company places importance on the function of the Board of Directors to make decisions on basic management policies, etc. and to supervise management, stipulates important matters to be resolved by the Board of Directors, and delegates decision-making on business execution other than these important matters to representative Directors and Directors responsible for business execution, to ensure mobility and flexibility in business execution.

In addition, six Outside Directors are appointed to adopt an external perspective with the aim of further strengthening the supervising functions of the Board of Directors and enhancing the transparency and objectivity of the business management. The specific matters for discussion at the Board of Directors' meetings include deliberations, decisions, reports, and monitoring regarding the items listed on the right.

The Nominating Advisory Committee and the Compensation Advisory Committee, both of which are chaired by an Outside Director and are composed, in the majority, of Outside Directors, have been established as advisory bodies to the Board of Directors, to ensure transparency and fairness in nominating candidates for Directors and Audit & Supervisory Board Members and in determining the compensation of Directors. The matters deliberated by each Committee are as listed in [→ P38] .

## Corporate Governance Structure

Board of Directors  
—agenda and items for discussion

- Long-term vision and progress on initiatives based on it
- Progress on ESG-related initiatives, including the Fundamental Policy for Sustainability Management and measures to address climate change
- Formulation of the mid-term management plan and the annual profit and loss plan based on it, as well as progress toward these plans and the status of capital efficiency
- Progress on efforts to further strengthen the Group's integrated capabilities and improve Group governance
- Material investments, financings, and other individual business projects
- Progress in R&D
- Analysis and evaluation of the effectiveness of the Board of Directors
- Status of development of the internal control system
- Verification of the appropriateness of cross-shareholdings
- Appointment of Directors and Audit & Supervisory Board Members, and compensation for Directors
- Other matters stipulated by laws and regulations, and matters stipulated in the Rules of the Board of Directors

## Business Operating Structure

The Company has adopted the Executive Officer System and the Business Unit System, to clarify authority and responsibility and to establish an agile business operating structure that can respond flexibly to changes in the business environment. Authority to execute business operations has been transferred to business units while their responsibility has been clarified, and to establish an internal check function, the corporate regulations specify the scope of authority of each of the units, including the Corporate Staff Group, the responsible personnel for the execution, and appropriate business procedures.

## Nomination Policy for Director and Audit &amp; Supervisory Board Member Candidates

Regarding Inside Directors, the Company appoints candidates who understand and practice the Sumitomo Spirit centered on “Banji-nissei,” “Shinyo-kakujitsu,” and “Fusu-furi,” who have abundant experience and an excellent track record in the Company's business, who have the ability to make objective judgments regarding management based on the current environment surrounding the Company and future changes, and who have excellent character and intelligence, such as foresight and insight. Regarding Outside Directors, from among persons with experience in corporate management, experts in various fields, and academics, the Company appoints candidates who are appropriate for supervising the Company's management from the perspective of ensuring the sustainable growth and enhancing corporate value over the medium to long term. If a Director is found to have committed a serious violation of

laws, regulations, or the Articles of Incorporation, or if a Director is deemed unable to properly fulfill their roles and responsibilities as a Director, the Company will deliberate on the submission of a proposal for dismissal at the General Meeting of Shareholders in accordance with the circumstances concerned. Regarding Audit & Supervisory Board Members, the Company appoints candidates with experience in corporate management and expertise in law, finance, and accounting. The Nominating Advisory Committee deliberates on the appointment of candidates for Directors and Audit & Supervisory Board Members and the submission of proposals for the dismissal of Directors to the General Meeting of Shareholders, and the Board of Directors makes decisions based on its reports. Please refer to the “Skill Matrix” as a disclosure regarding the combination of skills possessed by Directors [→ P48] .

## Analysis and Evaluation of Effectiveness of the Board of Directors

Every year, the Company analyzes and evaluates the effectiveness of the Board of Directors, and discloses a summary of the results. For specific information, please refer to the “Results of Analysis and Evaluation of the Effectiveness of the Board of Directors (conducted in 2024)” below or at the end of the Corporate Governance Report.

## Results of Analysis and Evaluation of the Effectiveness of the Board of Directors (conducted in 2024)

In addition to analyzing and evaluating the effectiveness of the Board of Directors on an annual basis, the Board of Directors of the Company periodically examines whether the Board of Directors is functioning properly and, based on the results, improves issues, enhances strengths, and takes other similar measures. In 2024, after a questionnaire was given to all Directors and Audit & Supervisory Board Members and individual interviews were conducted with six Outside Directors and three Outside Audit & Supervisory Board Members, the effectiveness of the Board of Directors was analyzed and evaluated, and an outline of the results is as below.

Analysis and Evaluation Results	Analysis and Evaluation Results	
	1 Overall: Continuous improvements are being made in all aspects of its roles, operation, and composition, and effectiveness is being ensured.	2 Role and operation of the Board of Directors: The Board of Directors confirmed that there have been largely appropriate deliberations and reports in the process of making decisions on important matters that have been made during this year in order to achieve the “Mid-term Management Plan 2025,” based on the concept of “Multistakeholder Capitalism” ( “Goho Yoshi” (Five-Way-Win)) and the process of making reports such as quarterly performance reports and reports on the status of development of the internal control system, and the Board of Directors was properly fulfilling its “function of deciding on basic management policies and other important issues” and its “supervisory function over the management,” which are seen by the Company as important. In addition, regarding operations, the Board of Directors confirmed that as a result of its efforts, such as continual review of its meeting agenda criteria and operational
Future Initiatives	Future Initiatives	
	1 The Board of Directors will continue to enhance opportunities for reviewing and information sharing regarding the progress of achievement of measures to realize the longterm vision “Sumitomo Electric Group 2030 VISION,” and the main indicators and goals listed in the “Mid-term Management Plan 2025,” by utilizing the Board of Directors meetings, other internal meetings, etc.	2 The Board of Directors will continue to work on improving the time available for deliberations and the materials used at Board of Directors meetings (optimization, enhancement, etc. in terms of quality and quantity).

## Nominating and Compensation Advisory Committees

In order to secure transparency and fairness in nominating candidates for Directors and Audit & Supervisory Board Members and in determining compensation for Directors, the Company has established the Advisory Committees to deliberate the nomination and compensation for senior management, Directors, etc., including Independent Outside Directors. For details, please refer to the Corporate Governance Report.

### The Content of Deliberations at the Nominating and Compensation Advisory Committees

#### [Nominating Advisory Committee]

- Proposed candidates for Directors and Audit & Supervisory Board Members
- Skills, etc. that the Board of Directors should possess in light of the management strategy (including succession plans)
- Proposed establishment, revision, or abolishment of important company rules and regulations related to each of the preceding items, and proposed inclusion in important public documents, etc.
- Matters on which the Board of Directors may ask for advice

#### [Compensation Advisory Committee]

- Proposed policy for determining the details of compensation, etc. for individual Directors and Executive Officers
- Proposed compensation system for Directors and Executive Officers
- Proposed amount of compensation for each Director and Executive Officer
- Proposed establishment, revision, or abolishment of important company rules and regulations related to each of the preceding items, and proposed inclusion in important public documents, etc.
- Matters on which the Board of Directors may ask for advice

## Policy for Determining Compensation

While adhering to the universal basic policy of contributing to society through fair business activities in accordance with the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, the compensation system is designed to provide an incentive for the Group to achieve sustainable growth and enhance its corporate value over the medium to long term. For details, please refer to the Corporate Governance Report.

## Audit and Supervisory System

Since Audit & Supervisory Board Members and the Audit & Supervisory Board have played a certain role in ensuring the soundness of management, the Company employs the system with the Audit & Supervisory Board. The majority of Audit & Supervisory Board Members are Independent Outside Audit & Supervisory Board Members with a wide variety of expertise and perspectives who, along with full-time Audit & Supervisory Board Members and dedicated staff, work with the Internal Audit Department and Accounting Auditors to monitor the Company.

The department in charge of internal audits is the Internal Auditing Department. The Internal Auditing Department, in accordance with the internal audit regulations and prescribed audit plan, executes comprehensive audits, including on-site investigations, across the Group companies and affiliates. Through these audits, the Department identifies any issues or challenges and presents proposals for improvement to guarantee optimal and efficient business operations. The Department also diligently verifies the implementation status of corrective measures for identified issues and reports the audit results to the full-time Audit & Supervisory Board Members during an audit result debriefing session among those involved in audit implementation, followed by a meeting with an audited department held for each audit project. Audit plans and performance results are shared and opinions are exchanged at the Audit & Supervisory Board meeting every six months, and audit results are reported once a year at the Board of Directors meeting.

Accounting audits and internal control audits are conducted by KPMG AZSA LLC.

For more information on corporate governance, please see our website.

Corporate Governance Guidelines and Corporate Governance Report (including policies and procedures for determining compensation of senior management, the Board of Directors and others)



Convocation Notice of General Meeting of Shareholders (including the reasons for the selection of the candidates for the Board of Directors and Audit & Supervisory Board Members)



Overall



# Risk Management

## Basic Views

Based on its basic policy on risk management, the Group identifies, analyzes, and evaluates risks as factors that may impede or have adverse effects on the execution of our business activities and the achievement of management goals and strategies, and works to mitigate and minimize risks with reasonable measures at reasonable costs.

### Basic Policy on Risk Management

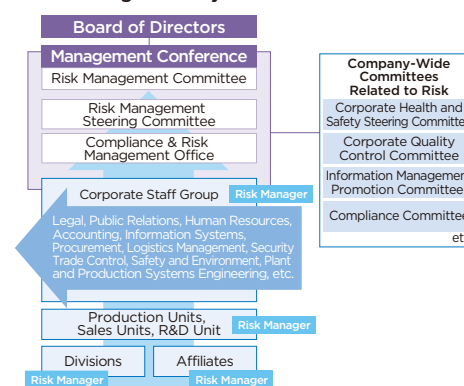
Risk management is performed based on the significance of the risks determined in consideration of the following issues:

- Impact on business performance, maintenance of quality and safety
- Social responsibility to ensure stable supply
- Maintenance of favorable relations with stakeholders such as employees, customers, suppliers, regional communities, and shareholders and investors
- Continuous compliance with laws and corporate ethics
- Statements in the Sumitomo Spirit, the Sumitomo Electric Group Corporate Principles, and the Sumitomo Electric Group Charter of Corporate Behavior

## Risk Management System

In the Group, the Risk Management Committee, consisting of Executive Directors and Executive Officers, oversees all risk management activities. The Risk Management Steering Committee collects and disseminates information, and plans and implements risk management training. If any risk becomes evident in a department/division or group company, the relevant department/division, etc. reports it to and receives instructions as necessary from the Risk Management Committee, while also reporting it to the Board of Directors in accordance with the Rules of the Board of Directors.

### Risk Management System



## Risk Management Activities

### Risk inventory

Each department/division and the group company assess the impact and frequency of occurrence of various risks, and identifies "critical risks"

### Information on risks that have become evident

Each department/division and group company reports information on risks that have become evident, if any, to the Risk Management Committee

### Operational audit results, etc.

Monitoring the business execution status of each department/division and group company through the operational audits conducted by the Internal Auditing Department and various diagnoses conducted by the Corporate Staff Group

### Creation of a Risk Heat Map

The risk inventory outcomes, information on evident risks, operational audit results, and other monitoring results are compiled into a database, with priority given to addressing items with high-risk levels

### Risk Classification of the Group

Major Category	Middle Category	Minor Category
Externally generated risk	Non-financial risks	• Disaster risks, crime risks • Political and country risks, etc.
	Financial risks	• Credit risks • Market risks; e.g. interest rates, exchange rates and material prices • Liquidity risks, etc.
Internally generated risk	Strategic risks	• Competitive strategy risks, etc.
	Operational risks	• Product quality and safety risks • Occupational hazards, facility accident and safety risks • Environmental risks • Compliance risks • Violation risks • Labor, human rights, and personal information risks • Financial information credibility and asset protection risks • Information and communication system risks • Intellectual property rights risks • Reputation risks, etc.

Details of the Group's key risks and initiatives can be found in Consolidated Financial Statements, our CSR Book and on our website.



## Compliance

### Basic Views

The Group believes that the backbone of its management and the absolute foundation for its continued existence and development is compliance, which encompasses both adherence to laws and regulations and business ethics. While keeping abreast of the latest trends in various compliance matters, the Group will make sincere efforts to conduct fair corporate activities that earn the trust of society, based on the Sumitomo Spirit principles of “*Banji-nissei*,” “*Fusu-furi*,” and “*Shinyo-kakujitsu*.”

### Structure That Supports Compliance

The Compliance Committee, chaired by the President, meets approximately four times a year, and does, among other things, the following: identifying and analyzing Group-wide compliance risks; confirming the dissemination and firm establishment of the Code of Conduct; planning and performing training; investigating the cause of violations and formulating proposed measures to prevent their reoccurrence; disseminating and having the above items thoroughly implemented within the Group; and conducting monitoring of the compliance promotion activities.

Meanwhile, each department and division identifies and analyzes compliance risks, including risks peculiar to the department or division, and takes appropriate measures to prevent them.

#### Compliance Committee Structure



### Compliance Activities

#### Dissemination and Permeation of the Code of Conduct

The Compliance Committee, with the approval of the Board of Directors, established and issued the Code of Conduct in 2018 as a guideline for conducting business with integrity. In addition to compliance with laws and regulations, it sets out the basic policies regarding issues such as fair competition, prevention of corruption such as bribery and conflicts of interest, protection of confidential information and intellectual property, respect for human rights and environmental protection. The Code of Conduct has been translated into approximately 30 languages, and distributed to the executives and employees of the Group, displayed on posters, and posted on the website and intranet. The Group also established the Supplier Code of Conduct in 2021 to ask all suppliers to act in alignment with the Group's Code of Conduct, and has been working to disseminate it throughout its global supply chain, as described [→ P31].

#### Compliance Training

Ongoing training is conducted in such areas as competition laws, prevention of corruption such as bribery and conflicts of interest, and privacy protection, with the aim of ensuring a clear understanding of compliance risks, thorough implementation of preventive measures, and raising and strengthening awareness of compliance. The target has been set to have 250,000 people from the entire Group take the course over the three-year period from FY2023 to FY2025, and a total of 227,000 people took the course during the two-year period from FY2023 to FY2024.

#### Employees trained in code of conduct, compliance with competition laws, etc.

Target for FY2023-FY2025	250,000 people /3 years
FY2023-FY2024 results	227,000 people /2 years

### Whistle-blowing System (Speak-Up System)

The Speak Up System has been established to identify early signs of compliance issues and to address them promptly and appropriately ourselves. Specifically, the Group has established reporting and consultation desks both inside and outside the Group (by appointing a specialized service provider and law firm), and all reports of issues received are promptly investigated and corrective actions are taken, with the results shared with the person who reported the issue. The reporting and consultation desks have been established for use by any employee of the Group companies and other parties concerned around the world. The number of reports and consultations continues to increase each year as a result of the active messaging about the reporting and consultation desks, resulting in improved behaviors and situations being reported.

#### Number of consultations and reports

FY	2020	2021	2022	2023	2024
Number	120	186	188	243	314

### Compliance with Competition Laws

SEG considers compliance with domestic and international competition laws to be its most important compliance issue, and established the “Rules for Compliance with Competition Laws” in 2010, which include rules such as limiting contact with other companies in the same industry to cases where there is a legitimate reason, and conducting training on the rules. In 2020, the “Global Antitrust and Competition Policy” was established to prevent cartel and bid-rigging activities and other violations of competition laws, including suspicious activities within the Group.

### Anti-bribery Compliance System

In order to strengthen its anti-bribery compliance structure, the Group has established the “Anti-Bribery Regulations” in 2013, and has implemented procedures within the Group for bribery prevention, pre- and post-application and reporting of business entertainment, gifts, and donations, and the review of transactions with newly appointed agents (bribery risk assessment, inclusion of anti-bribery clauses, obtaining written pledges, etc.)

### Privacy Protection

Personal information of private individuals, business partners, employees, and others is treated in an appropriate manner in compliance with national and international laws and regulations on the protection of personal information. In recent years, regulations regarding the protection of personal information have been tightened in countries around the world, including examples such as the EU General Data Protection Regulation (GDPR), and the Group is taking steps to comply with such regulations, including by establishing the Global Privacy Policy in 2023.

### Quality Compliance

Complying with laws/rules and promises with customers and providing products of the quality expected by the Group's customers is the absolute foundation for our sustainable development as a company. In order to ensure the quality compliance, the Group has taken measures such as clarifying rules for preventing quality irregularities, expanding training, and strengthening check functions. In 2022, the Group established the “Quality Data Falsification Prevention Regulations,” which consolidate and expand important points for preventing quality fraud from the existing “the Sumitomo Electric Group Quality Management Global Standards” and other standards. Furthermore, as part of efforts to enhance quality compliance, the Group has expanded quality compliance training among all Group employees in Japan since 2023, and at its overseas bases since 2024.

For more information on compliance, please see our website.

Code of Conduct

Supplier Code of Conduct

Global Antitrust and Competition Policy

Overall



## Message from the Outside Directors

## Message from the Outside Directors

## Outside Director

**Hiroshi Sato**

Nominating Advisory Committee  
Member, Compensation Advisory  
Committee Member

## Brief Personal History |

Sato joined Kobe Steel, Ltd. in 1970, serving as General Manager of the Technology Development Division. He was the President of Kobe Steel from 2009 and then Chairman from 2013 until 2016, and currently serves as an advisor. He has been an Outside Director of Sumitomo Electric since 2016.



I believe there are two types of innovation. One is to create new value that is not found in existing products, and the other is to further improve the value of products that customers want in existing markets. With regard to the latter in particular, the Group has achieved innovation in a variety of business domains, including extra high voltage power cables, high-speed optical devices, split wiring harnesses\*, high-frequency FPCs, and CBN inserts for high-efficiency cutting. This is a commendable point, but to make a further leap forward, it is necessary to develop strategies to create new value by accurately identifying the latent needs of customers and utilizing know-how that the Group does not have through collaboration with other companies. The Group's business is considerably diversified, so it is necessary to formulate strategies while paying particular attention to intellectual property aspects, including know-how.

In measuring corporate value, elements that do not appear in the three financial statements have been attracting attention in recent years. I have a hypothesis that the value and profit a company generates can be calculated using the following formula.

$$[\text{Value/profit}] = ([\text{product unit price}] - [\text{cost}]) \times [\text{sales volume}] \times [S]$$

This [S] includes key elements such as synergy, intellectual property, safety, environmental stewardship, engagement, and diversity & inclusion. Although these factors can be difficult to measure, neglecting them may significantly reduce value and profitability. I encourage all Group employees to identify which aspects of [S] pertain to their roles and to integrate them into their daily work. As an Outside Director, I am dedicated to collaborating closely with Group employees.

\*Please refer to [→ P18] for details

## Outside Director

**Michihiro Tsuchiya**

Nominating Advisory Committee Chair,  
Compensation Advisory Committee Chair

## Brief Personal History |

Tsuchiya began his career in 1976 at Tanabe Seiyaku Co., Ltd. (now Mitsubishi Tanabe Pharma Corporation), where he headed the R&D and Corporate Planning Divisions. He served as President of Mitsubishi Tanabe Pharma from 2009, and then Chairman from 2014 until 2017. He has been an Outside Director of Sumitomo Electric since 2018.



The Group operates globally across a diverse portfolio, spanning Environment & Energy, Info-communications, Automotive, Electronics, and Industrial Materials. By harnessing the distinct strengths of each business and integrating them to generate greater synergies, the Group has successfully expanded its global reach and secured a robust market position — an achievement of considerable significance. While the Group has achieved steady growth, including the ahead-of-schedule achievement of the Mid-term Management Plan 2025, the political, economic, and social environments are undergoing significant changes. I feel that, with an eye on the business structure over the next 10 to 20 years, in order to further strengthen the Group's competitiveness, it is crucial to promote the evolution of existing businesses and the development and growth of new businesses. To do this, it is necessary to accurately grasp future market trends and the development status of the Group's competitors, and to clarify the Group's technological advantages and the trends of potential customers. Exploring industry-government-academia collaboration in all fields, from research to sales, will be effective in expanding the scope of the Group's business.

At the Nomination and Compensation Advisory Committee, which I chair, and our Board of Directors meetings, information regarding the agenda is provided in advance. During the meetings, participants engage in robust discussions and deliberations, drawing on their expertise in their respective fields. This process fosters transparency and objectivity in our decision-making.

I believe that by proactively pursuing both existing and new business opportunities based on a free and energetic corporate culture and the "Goho Yoshi" (Five-Way Win) philosophy, the Group can steadily achieve sustainable growth.

## Outside Director

**Katsuaki Watanabe**

Nominating Advisory Committee  
Member, Compensation Advisory  
Committee Member

## Brief Personal History |

Watanabe joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation) in 1964, and was President of Toyota Motor Corporation from 2005, and then Vice Chairman from 2009 until 2011. He has been an Outside Audit & Supervisory Board Member of Sumitomo Electric since 2013 and an Outside Director since 2021.



Within the three key areas outlined in the 2030 VISION — Energy, Info-communications, and Mobility — each business unit in the Group has independently identified market needs based on its specialized expertise, developed relevant technologies, and consistently delivered results. This has enabled the Group to achieve the Mid-term Management Plan 2025 ahead of schedule, marking a significant milestone in our Vision. However, a challenge remains: business units have yet to transcend organizational boundaries. To fully realize the potential of the three key areas, it is essential to clarify the activities of each business unit, determine what can be achieved through collaboration, and identify the requirements for success. From there, we should develop targeted, cross-functional strategies and establish a dedicated project team. If these strategies are implemented effectively, the Group will achieve further growth. While I regularly visit business units to engage with members directly, I find that information about their activities and challenges is often siloed and not widely shared. I encourage all executives, including division heads, to articulate and pursue aspirations that extend beyond the boundaries of their own business units.

The Group has consistently met the indicators and targets established in the Mid-term Management Plan 2025, guided by the "Goho Yoshi" (Five-Way Win) principle. As "Goho Yoshi" serves as an action guideline, it is essential that all stakeholders — including employees and suppliers — fully understand its significance. I encourage all employees, as members of the Group, to incorporate the "Goho Yoshi" concept into their individual objectives and integrate it into their daily work.

## Message from the Outside Directors

Outside Director  
Atsushi Horiba

## Brief Personal History |

Horiba joined HORIBA, Ltd. in 1972, and became President in 1992. He is currently Chairman and Group CEO of HORIBA. He has been an Outside Director of Sumitomo Electric since 2021.



The Sumitomo Spirit, which has been preserved for more than 400 years, remains highly relevant to contemporary sustainability ideals. I believe this spirit is deeply ingrained in every executive and employee. This is truly remarkable, and I hope it will continue to be passed down to future generations.

To achieve further growth, the Group must foster a corporate culture that embraces continuous challenges. Every challenge inevitably involves failures. It is critical for management to accept with tolerance failures that can lead to growth, demonstrating support for employees who persevere in the face of adversity. This approach will cultivate the next generation of leaders. In R&D, the Group addresses a broad array of themes and manages a diverse portfolio of projects — some yielding results, others not; some demanding speed, others requiring depth. Even the most advanced technologies may not succeed if market timing is unfavorable. It is therefore essential to evaluate each research project according to multiple criteria and to establish a system that supports researchers.

This principle also applies to business operations across different countries and regions. Each market presents unique conditions — spanning customers, competitors, and employees. The business must be managed in a way that leverages the distinctive characteristics of each country and region, utilizing diverse values and metrics.

During Board of Directors' meetings, Directors share perspectives informed by their individual expertise, current industry trends — both within the Group's sector and across other industries — as well as broader social and economic developments. Decisions are reached within an exceptionally positive and constructive atmosphere.

Outside Director  
Kyoko Kawamata

## Brief Personal History |

Kawamata joined Mainichi Shimbun in 1988, and was appointed Deputy General Manager of the Project Headquarters in 2015, Deputy General Manager of the President's Office in 2020, General Manager of the Intellectual Property Business Headquarters in 2021, and served as a Director of the Company from 2022 to 2024. She has been the Head of the Management Planning Office at the Tokyo National Museum, National Institutes for Cultural Heritage since 2024. She has been an Outside Director of Sumitomo Electric since 2024.



Reflecting on my experience as a reporter, I am reminded of how unpredictable the global economy can be, as demonstrated by events such as the collapse of Lehman Brothers and the introduction of Trump-era tariffs. I believe the Group's resilience in these uncertain times depends on resisting a “selection and concentration” strategy across its five segments, including Environment & Energy, Info-communications, and Automotive. As a company rooted in manufacturing, it is essential that the Group continues to invest in R&D and pursue new business opportunities, regardless of the challenges. I look forward to ongoing efforts and progress in this area.

However, R&D activities often exhibit a strong tendency towards self-reliance. The key challenge lies in fostering group synergy—specifically, leveraging collaboration between different business units. By combining technologies and knowledge across segments, new products can be developed, and by sharing marketing resources, the Group can expand its market reach and customer base.

I am closely monitoring how the Group will advance Diversity & Inclusion (D&I) initiatives, as outlined in the 2030 VISION. I encourage the Group to further enhance its efforts to foster an environment that supports the active participation of women and multinational employees. Additionally, although Sumitomo Electric has already achieved a 100% male childcare leave rate in Japan, I expect the company to ensure that all employees are able to take childcare leave at a time that best suits their needs.

Creative art projects led by contemporary artists are now being introduced in small-town factories across Japan. Evidence suggests that exposure to art enhances employees' awareness and creativity. I recommend considering the integration of art into the Group's production facilities, with careful attention to safety. Such initiatives are likely to be well received by regional communities, who are key stakeholders in the “Goho Yoshi” (Five-Way Win) concept.

Outside Director  
Asli M. Colpan

## Brief Personal History |

In 2008, Colpan was appointed as a Program-specific Associate Professor at Columbia University, and has since held key positions at universities, etc. in the U.S. and other countries. Since 2018, she has been Professor at Kyoto University Graduate School. In 2025, she was concurrently appointed Deputy Executive Vice-President of Kyoto University. She was appointed as an Outside Director of Sumitomo Electric in 2025.



Since my appointment as an Outside Director in June 2025, I have consistently observed Sumitomo Electric's distinctive culture and atmosphere. This is evident in its decision-making process, which is grounded in open and candid discussions, as well as in the organization's unwavering commitment to sincerity and dedication in all its activities. I am particularly impressed by the company's robust support system for Outside Directors. Prior to each Board of Directors' meeting, relevant departments provide Outside Directors with comprehensive briefings on the agenda items. Although I am new to the role, this thorough preparation has enabled me to address any questions in advance and to fully engage in meaningful discussions. Furthermore, despite the lively exchange of views, decisions are made swiftly, reflecting the strong leadership of both the Chairman and the President.

To foster innovation within the Group, it is essential to further advance D&I. We should re-examine whether all globally based employees are assigned roles that reflect their capabilities, ensure that appropriate role models are available, and confirm that information about these role models is effectively communicated.

Japanese companies have long embraced the management philosophy of “Sanpo Yoshi” (Three-Way Win), fostering growth through a strong commitment to society-conscious management. Building on this tradition, the Group has articulated its own approach — “Goho Yoshi” (Five-Way Win) — which expands on the spirit of Sanpo Yoshi and underscores its dedication to sharing the benefits of growth with all stakeholders. Recognizing that stakeholders are interconnected rather than independent, it is highly commendable that the Group has established clear indicators and targets for each, and has affirmed its commitment to mutual prosperity. Guided by the “Goho Yoshi” philosophy, I am committed to supporting the Group's sustainable growth by leveraging my expertise in management strategy and corporate governance.

## Corporate Data

## Summary of Financial and Employee Data

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<b>Financial Situation and Business Results</b> (Unit: Million yen)											
Net sales	2,822,811	2,933,089	2,814,483	3,082,247	3,177,985	3,107,027	2,918,580	3,367,863	4,005,561	4,402,814	4,679,789
Overseas net sales ratio (%)	58.3	59.5	58.8	59.7	58.5	55.8	57.3	58.3	62.6	62.2	62.0
Operating profit	134,457	143,476	150,503	173,139	166,260	127,216	113,926	122,195	177,443	226,618	320,663
Profit before income taxes	167,067	154,859	167,792	193,337	181,388	133,198	110,340	159,921	196,472	238,545	304,064
Profit attributable to owners of parent	119,771	91,001	107,562	120,328	118,063	72,720	56,344	96,306	112,654	149,723	193,771
Total net assets	1,646,913	1,561,289	1,628,615	1,764,086	1,776,313	1,766,647	1,892,506	2,052,938	2,110,819	2,431,888	2,530,437
Total assets	2,925,785	2,742,848	2,907,292	2,999,903	3,053,263	3,100,260	3,381,914	3,807,390	4,013,008	4,365,397	4,441,629
Interest-bearing debt	550,839	457,145	510,989	492,567	540,745	636,262	685,087	859,794	960,368	801,499	775,870
Capital expenditure	148,200	167,300	183,700	171,100	190,300	208,800	172,200	189,700	208,300	193,800	243,300
Depreciation and amortization	126,700	134,400	134,500	146,100	148,900	163,600	168,000	180,500	196,000	206,300	206,200
R&D expenses	105,600	110,800	115,200	117,700	129,600	125,400	118,800	123,100	127,700	142,000	156,300
<b>Per Share Information</b> (Unit: yen)											
Earnings per share	151.00	114.73	137.61	154.29	151.38	93.24	72.25	123.49	144.45	191.98	248.47
Shareholders' equity per share	1,804.34	1,715.28	1,815.32	1,973.95	1,988.58	1,946.93	2,088.51	2,269.31	2,436.14	2,830.82	2,936.93
Dividends per share	30	35	40	46	48	40	32	50	50	77	97
Dividend payout ratio (%)	19.9	30.5	29.1	29.8	31.7	42.9	44.3	40.5	34.6	40.1	39.0
<b>Cash Flow</b> (Unit: Million yen)											
Cash flows from operating activities	153,509	240,779	209,233	239,573	177,656	264,608	169,656	76,002	265,191	393,465	402,253
Cash flows from investing activities	△ 86,888	△ 117,387	△ 194,829	△ 174,265	△ 184,601	△ 178,020	△ 163,430	△ 165,447	△ 147,821	△ 123,809	△ 223,904
Cash flows from financing activities	△ 64,037	△ 115,912	△ 4,763	△ 66,795	△ 4,324	△ 1,277	△ 13,099	82,816	△ 98,290	△ 292,313	△ 150,825
Free cash flow	66,621	123,392	14,404	65,308	△ 6,945	86,588	6,226	△ 89,445	117,370	269,656	178,349
Cash and cash equivalents	177,107	174,055	180,002	180,108	168,873	249,011	251,441	255,540	279,432	268,273	294,487
<b>Financial Indexes</b> (Unit: %)											
Operating income / Net sales	4.8	4.9	5.3	5.6	5.2	4.1	3.9	3.6	4.4	5.1	6.9
Shareholders' equity ratio	48.9	49.6	48.7	51.3	50.8	49.0	48.2	46.5	47.3	50.6	51.6
Return on equity (ROE)	9.1	6.5	7.7	8.1	7.6	4.7	3.6	5.7	6.1	7.3	8.6
Operating income / Invested assets (ROIC)	6.5	6.8	7.2	7.9	7.3	5.4	4.6	4.5	5.9	7.2	9.8
Return on invested capital before tax (Before-tax ROIC)	8.1	7.3	8.1	8.8	7.9	5.6	4.4	5.8	6.6	7.6	9.3
Debt / Equity ratio	38.5	33.6	36.1	32.0	34.9	41.9	42.1	48.6	50.5	36.3	33.9
<b>Employee Data</b> (Unit: headcount)											
Number of employees	240,798	240,865	248,330	255,133	272,796	283,910	286,784	281,075	289,191	293,266	288,145
Japan	38,892	38,537	39,236	39,637	40,231	42,418	42,629	43,623	43,960	44,020	44,594
Overseas	201,906	202,328	209,094	215,496	232,565	241,492	244,155	237,452	245,231	249,246	243,551



## Consolidated Financial Statements

### Consolidated Balance Sheet

(Unit: Million yen)

	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
<b>Assets</b>		
<b>Current assets</b>		
Cash and time deposits	269,744	295,903
Trade notes and accounts receivable	875,933	880,451
Securities	36,497	31,467
Inventories	885,017	922,998
Other	186,414	200,556
Allowance for doubtful receivables	△ 11,390	△ 11,284
<b>Total current assets</b>	<b>2,242,215</b>	<b>2,320,091</b>
<b>Non-current assets</b>		
Property, plant and equipment		
Buildings and structures, net	323,798	323,388
Machinery, equipment and vehicles, net	460,343	436,926
Land	101,934	102,945
Construction in progress	75,835	96,826
Other, net	136,241	161,745
<b>Total property, plant and equipment</b>	<b>1,098,151</b>	<b>1,121,830</b>
Intangible assets	39,831	61,378
Investments and other assets		
Investment securities	607,105	604,733
Net defined benefit assets	303,740	251,979
Deferred tax assets	31,953	39,022
Other	43,148	43,294
Allowance for doubtful receivables	△ 746	△ 698
<b>Total investments and other assets</b>	<b>985,200</b>	<b>938,330</b>
<b>Total non-current assets</b>	<b>2,123,182</b>	<b>2,121,538</b>
<b>Total assets</b>	<b>4,365,397</b>	<b>4,441,629</b>

(Unit: Million yen)

	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade notes and accounts payable	479,831	473,834
Short-term debt	385,575	314,294
Commercial papers	—	32,416
Current portion of bonds	10,000	—
Contract liabilities	74,263	97,456
Provision for loss on business	—	6,657
Other	357,701	362,186
<b>Total current liabilities</b>	<b>1,307,370</b>	<b>1,286,843</b>
<b>Non-current liabilities</b>		
Bonds	174,890	174,916
Long-term debt	164,579	166,365
Deferred tax liabilities	136,103	129,663
Provision for loss on business	12,762	—
Net defined benefit liabilities	52,935	51,820
Other	84,870	101,585
<b>Total non-current liabilities</b>	<b>626,139</b>	<b>624,349</b>
<b>Total liabilities</b>	<b>1,933,509</b>	<b>1,911,192</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	99,737	99,737
Capital surplus	165,424	165,319
Retained earnings	1,493,708	1,618,695
Treasury stock	△ 20,803	△ 20,818
<b>Total shareholders' equity</b>	<b>1,738,066</b>	<b>1,862,933</b>
<b>Accumulated other comprehensive income</b>		
Net unrealized holding gains or losses on available-for-sale securities	183,971	177,927
Deferred gains or losses on hedges	△ 2,679	△ 3,692
Foreign currency translation adjustments	155,338	162,741
Remeasurements of defined benefit plans	132,966	90,485
<b>Total accumulated other comprehensive income</b>	<b>469,596</b>	<b>427,461</b>
<b>Non-controlling interests</b>	<b>224,226</b>	<b>240,043</b>
<b>Total net assets</b>	<b>2,431,888</b>	<b>2,530,437</b>
<b>Total liabilities and net assets</b>	<b>4,365,397</b>	<b>4,441,629</b>

## Consolidated Statement of Income

(Unit: Million yen)

	Previous Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (April 1, 2024 to March 31, 2025)
<b>Net sales</b>	4,402,814	4,679,789
<b>Cost of sales</b>	3,635,226	3,799,663
<b>Selling, general and administrative expenses</b>	540,970	559,463
<b>Operating profit</b>	226,618	320,663
<b>Non-operating income</b>		
Interest income	2,794	3,744
Dividend income	6,541	8,223
Share of profit of investments accounted for using the equity method	20,177	14,776
Other income	14,536	13,953
<b>Total non-operating income</b>	44,048	40,696
<b>Non-operating expenses</b>		
Interest expenses	29,321	29,749
Other expenses	26,004	22,114
<b>Total non-operating expenses</b>	55,325	51,863
<b>Ordinary profit</b>	215,341	309,496
<b>Extraordinary income</b>		
Gain on sales of property, plant and equipment	—	2,135
Gain on sales of investment securities	66,834	11,085
Gain on return of assets from retirement benefit trust	—	12,919
<b>Total extraordinary income</b>	66,834	26,139
<b>Extraordinary losses</b>		
Loss on disposal of property, plant and equipment	5,834	4,296
Impairment loss on fixed assets	9,421	5,204
Restructuring expenses	15,613	22,071
Provision for loss on business	12,762	—
<b>Total extraordinary losses</b>	43,630	31,571
<b>Profit before income taxes</b>	238,545	304,064
<b>Income taxes-current</b>	77,726	73,842
<b>Income taxes-deferred</b>	△ 8,142	8,396
<b>Total income taxes</b>	69,584	82,238
<b>Profit for the year</b>	168,961	221,826
<b>Profit attributable to non-controlling interests</b>	19,238	28,055
<b>Profit attributable to owners of parent</b>	149,723	193,771

## Consolidated Statement of Cash Flows

(Unit: Million yen)

	Previous Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (April 1, 2024 to March 31, 2025)
<b>Cash flows from operating activities</b>		
Profit before income taxes	238,545	304,064
Depreciation and amortization	206,331	206,152
Share of loss (profit) of investments accounted for using the equity method	△ 20,177	△ 14,776
Decrease (increase) in trade notes and accounts receivables	4,886	△ 946
Decrease (increase) in inventories	21,281	△ 17,539
Increase (decrease) in trade notes and accounts payable	21,418	△ 7,100
Other, net	△ 12,290	12,875
<b>Subtotal</b>	459,994	482,730
Interest and dividends received	17,402	22,897
Interest paid	△ 30,330	△ 29,841
Income taxes paid	△ 53,601	△ 73,533
<b>Net cash provided by (used in) operating activities</b>	393,465	402,253
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△ 179,323	△ 199,824
Proceeds from sales of property, plant and equipment	5,217	4,998
Purchase of investment securities	△ 4,214	△ 4,786
Proceeds from sales of investment securities	70,141	13,018
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	△ 16,292
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	△ 1,291
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	762	—
Other, net	△ 16,392	△ 19,727
<b>Net cash provided by (used in) investing activities</b>	△ 123,809	△ 223,904
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term debt	△ 234,314	△ 76,233
Increase (decrease) in commercial papers	△ 7,000	32,776
Proceeds from long-term debt	9,055	46,696
Repayments of long-term debt	△ 71,014	△ 44,370
Proceeds from issuance of bonds	90,000	—
Redemption of bonds	—	△ 10,000
Payments for purchase of treasury stock	△ 4	△ 4
Cash dividends paid	△ 39,004	△ 68,646
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	△ 13,189	△ 956
Other, net	△ 26,843	△ 30,088
<b>Net cash provided by (used in) financing activities</b>	△ 292,313	△ 150,825
<b>Effect of exchange rate change on cash and cash equivalents</b>	11,287	△ 1,470
<b>Net increase (decrease) in cash and cash equivalents</b>	△ 11,370	26,054
<b>Cash and cash equivalents at beginning of period</b>	279,432	268,273
Increase in cash and cash equivalents from newly consolidated subsidiaries	211	18
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	—	142
<b>Cash and cash equivalents at end of period</b>	268,273	294,487

## Net Sales by Main Products

(Unit: Billion yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<b>Environment &amp; Energy segment</b>											
Copper wire rods	106.5	107.3	106.8	144.8	140.7	110.4	83.2	144.0	160.7	163.7	186.1
Electric power cables	140.9	171.2	155.8	175.8	207.0	190.9	163.9	213.7	262.0	284.1	308.7
Nissin Electric	107.1	113.6	126.9	127.0	126.2	117.5	124.7	132.1	142.6	145.2	154.8
Sumitomo Densetsu	144.6	148.1	135.9	146.8	157.0	172.9	154.0	167.6	175.1	185.5	203.6
Magnet wires and others	137.4	119.3	96.0	123.6	128.9	120.8	108.4	176.0	187.8	201.5	228.1
<b>Subtotal</b>	<b>636.5</b>	<b>659.5</b>	<b>621.4</b>	<b>718.0</b>	<b>759.8</b>	<b>712.5</b>	<b>634.2</b>	<b>833.4</b>	<b>928.2</b>	<b>980.0</b>	<b>1,081.3</b>
<b>Info-communications segment</b>											
Fiber,cable/Accessories	78.3	83.4	82.7	90.9	96.8	89.0	84.2	100.3	112.3	86.8	89.0
Optical and electronic devices	51.1	60.4	72.8	66.6	68.3	78.4	86.7	79.2	77.6	54.5	70.7
Access network equipment	19.9	23.2	25.0	26.9	25.1	31.9	34.5	39.8	39.9	43.3	40.0
Others	22.7	17.7	17.7	35.9	18.2	18.1	19.2	19.9	20.5	21.5	23.6
<b>Subtotal</b>	<b>172.0</b>	<b>184.7</b>	<b>198.2</b>	<b>220.3</b>	<b>208.4</b>	<b>217.4</b>	<b>224.6</b>	<b>239.2</b>	<b>250.3</b>	<b>206.1</b>	<b>223.3</b>
<b>Automotive segment</b>											
Wiring harnesses	1,089.6	1,116.9	1,091.0	1,176.3	1,231.7	1,232.0	1,197.6	1,304.3	1,642.3	1,976.6	2,097.3
Sumitomo Riko and others	398.6	425.1	422.2	455.7	477.7	451.6	404.4	449.9	544.5	619.8	637.4
<b>Subtotal</b>	<b>1,488.2</b>	<b>1,542.0</b>	<b>1,513.2</b>	<b>1,632.0</b>	<b>1,709.4</b>	<b>1,683.6</b>	<b>1,602.0</b>	<b>1,754.2</b>	<b>2,186.8</b>	<b>2,596.4</b>	<b>2,734.7</b>
<b>Electronics segment</b>											
Electronic wires	69.3	65.2	66.2	72.2	75.6	67.4	70.5	87.4	107.8	105.7	109.1
FPCs(Flexible printed circuits)	151.3	180.4	123.1	123.9	99.9	73.2	61.3	61.5	94.1	92.4	106.3
Fine polymer	23.7	24.0	22.6	24.0	24.4	21.9	19.1	22.8	26.0	23.9	25.1
Techno Associe	—	—	—	—	—	57.5	73.1	86.0	95.3	96.3	98.1
Others	47.7	42.4	39.2	26.2	29.0	32.2	28.6	34.8	42.8	38.2	38.6
<b>Subtotal</b>	<b>292.0</b>	<b>312.0</b>	<b>251.1</b>	<b>246.3</b>	<b>228.9</b>	<b>252.2</b>	<b>252.6</b>	<b>292.5</b>	<b>366.0</b>	<b>356.5</b>	<b>377.2</b>
<b>Industrial Materials and Others segment</b>											
Special steel wires	73.3	71.5	69.5	79.6	81.4	76.8	69.6	94.6	110.7	111.6	109.9
Hard metal	90.7	89.8	85.6	99.3	106.2	93.0	84.0	102.0	113.1	110.2	116.5
Sintered parts	58.1	58.1	64.5	76.2	77.9	74.8	60.8	67.5	75.1	82.9	81.9
A.L.M.T.	48.0	41.4	38.7	41.3	44.0	36.6	32.3	42.6	47.4	44.2	48.3
Others	47.3	51.4	45.6	46.7	48.3	50.2	55.8	21.2	17.0	15.3	16.1
<b>Subtotal</b>	<b>317.4</b>	<b>312.2</b>	<b>303.9</b>	<b>343.1</b>	<b>357.8</b>	<b>331.4</b>	<b>302.5</b>	<b>327.9</b>	<b>363.3</b>	<b>364.2</b>	<b>372.7</b>
Eliminations and Corporate	(83.3)	(77.3)	(73.3)	(77.4)	(86.4)	(90.1)	(97.4)	(79.3)	(89.2)	(100.3)	(109.5)
<b>Total</b>	<b>2,822.8</b>	<b>2,933.1</b>	<b>2,814.5</b>	<b>3,082.2</b>	<b>3,178.0</b>	<b>3,107.0</b>	<b>2,918.6</b>	<b>3,367.9</b>	<b>4,005.6</b>	<b>4,402.8</b>	<b>4,679.8</b>



## Segment Information by Geographical Area

(Unit: Million yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
<b>Net sales</b>											
Japan	1,659,051	1,695,511	1,677,369	1,893,983	1,983,224	1,975,232	1,899,576	2,237,809	2,420,216	2,687,103	2,863,329
Americas	488,870	523,329	496,229	522,055	550,472	543,237	467,423	556,929	779,298	921,805	1,010,714
Asia	1,093,348	1,154,000	1,062,114	1,209,785	1,238,626	1,168,470	1,187,275	1,409,703	1,647,158	1,782,519	1,880,781
Europe and Others	339,228	338,543	320,402	342,592	343,020	336,098	320,020	351,844	465,233	563,830	600,927
<b>Total</b>	3,580,497	3,711,383	3,556,114	3,968,415	4,115,342	4,023,037	3,874,294	4,556,285	5,311,905	5,955,257	6,355,751
Eliminations and Corporate	△ 757,686	△ 778,294	△ 741,631	△ 886,168	△ 937,357	△ 916,010	△ 955,714	△ 1,188,422	△ 1,306,344	△ 1,552,443	△ 1,675,962
<b>Consolidated</b>	2,822,811	2,933,089	2,814,483	3,082,247	3,177,985	3,107,027	2,918,580	3,367,863	4,005,561	4,402,814	4,679,789
<b>Operating profit</b>											
Japan	36,553	24,299	49,932	71,709	81,981	65,937	48,288	84,887	84,474	96,144	159,168
Americas	30,495	34,422	24,377	20,063	15,098	13,664	2,340	△ 10,423	17,105	19,152	38,423
Asia	63,470	77,365	71,376	80,353	79,179	60,801	70,128	62,046	71,164	102,537	115,511
Europe and Others	5,746	6,125	5,231	1,970	△ 9,729	△ 13,074	△ 8,340	△ 14,586	4,724	14,094	8,054
<b>Total</b>	136,264	142,211	150,916	174,095	166,529	127,328	112,416	121,924	177,467	231,927	321,156
Eliminations and Corporate	△ 1,807	1,265	△ 413	△ 956	△ 269	△ 112	1,510	271	△ 24	△ 5,309	△ 493
<b>Consolidated</b>	134,457	143,476	150,503	173,139	166,260	127,216	113,926	122,195	177,443	226,618	320,663
<b>Identifiable Assets</b>											
Japan	2,267,887	2,205,262	2,333,311	2,426,842	2,431,152	2,426,655	2,570,846	2,737,920	2,856,653	3,268,412	3,292,518
Americas	267,034	245,047	276,003	257,101	272,576	293,973	308,231	383,562	421,833	483,517	487,799
Asia	725,932	683,508	725,849	734,469	765,495	744,878	858,578	1,019,852	1,037,418	1,121,078	1,125,474
Europe and Others	240,131	264,663	258,105	292,114	288,463	294,175	332,259	338,483	397,201	452,996	533,940
<b>Total</b>	3,500,984	3,398,480	3,593,268	3,710,526	3,757,686	3,759,681	4,069,914	4,479,817	4,713,105	5,326,003	5,439,731
Eliminations and Corporate	△ 575,199	△ 655,632	△ 685,976	△ 710,623	△ 704,423	△ 659,421	△ 688,000	△ 672,427	△ 700,097	△ 960,606	△ 998,102
<b>Consolidated</b>	2,925,785	2,742,848	2,907,292	2,999,903	3,053,263	3,100,260	3,381,914	3,807,390	4,013,008	4,365,397	4,441,629

## Overseas Sales

(Unit: Million yen)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Americas	494,684	526,250	494,679	518,479	549,088	540,206	469,086	562,213	788,933	928,349	1,015,440
Ratio to consolidated net sales (%)	17.5	18.0	17.6	16.8	17.3	17.4	16.1	16.7	19.7	21.1	21.7
Asia	806,123	876,178	830,309	960,215	959,036	867,254	887,576	1,054,282	1,256,287	1,230,925	1,284,578
Ratio to consolidated net sales (%)	28.6	29.8	29.5	31.2	30.2	27.9	30.4	31.3	31.4	28.0	27.4
Europe and Others	346,008	343,710	328,743	360,129	350,140	327,692	315,752	348,043	463,050	578,704	604,574
Ratio to consolidated net sales (%)	12.2	11.7	11.7	11.7	11.0	10.5	10.8	10.3	11.6	13.1	12.9
<b>Total</b>	1,646,815	1,746,138	1,653,731	1,838,823	1,858,264	1,735,152	1,672,414	1,964,538	2,508,270	2,737,978	2,904,592
Ratio to consolidated net sales (%)	58.3	59.5	58.8	59.7	58.5	55.8	57.3	58.3	62.6	62.2	62.0
<b>Consolidated net sales</b>	2,822,811	2,933,089	2,814,483	3,082,247	3,177,985	3,107,027	2,918,580	3,367,863	4,005,561	4,402,814	4,679,789

## Executive Officers As of June 26, 2025

(Independent Officers are as defined by Tokyo Stock Exchange, Inc and other authorities)

### Directors



#### Representative Director

Chairman & CEO  
**Masayoshi Matsumoto**

1967 Joined Sumitomo Electric  
2017 Appointed as Chairman & CEO



#### Representative Director

President & COO & CSO  
**Osamu Inoue**

1975 Joined Sumitomo Electric  
2017 Appointed as President & COO & CSO



#### Independent Officer

Outside Director  
**Hiroshi Sato**

2016 Appointed as Outside Director



#### Independent Officer

Outside Director  
**Michihiro Tsuchiya**

2018 Appointed as Outside Director



#### Independent Officer

Outside Director  
**Katsuaki Watanabe**

2013 Appointed as Outside Audit & Supervisory Board Member  
2021 Appointed as Outside Director



#### Representative Director

Executive Vice President  
**Hideo Hato**

2016 Joined Sumitomo Electric  
2023 Appointed as Executive Vice President

General Manager, New Business Development Unit, Deputy General Manager, Automotive Business Unit (Systems & Electronics Division), Corporate Staff Group (Legal, Public Relations, Information Systems, Corporate Planning, Intellectual Property, Security Trade Control)



Managing Director  
**Masaki Shirayama**

1985 Joined Sumitomo Electric  
2017 Appointed as Managing Director

General Manager, Electric Wire & Cable, Energy Business Unit



#### Independent Officer

Outside Director  
**Atsushi Horiba**

2021 Appointed as Outside Director



#### Independent Officer

Outside Director  
**Kyoko Kawamata**

2024 Appointed as Outside Director



#### Independent Officer

Outside Director  
**Asli M. Colpan**

2025 Appointed as Outside Director

### Audit & Supervisory Board Members



Managing Director  
**Yasuhiro Miyata**

1984 Joined Sumitomo Electric  
2021 Appointed as Managing Director

General Manager, Electronics Sales Unit, Sales Group (Sales Compliance)



Managing Director  
**Toshiyuki Sahashi**

1986 Joined Sumitomo Electric  
2021 Appointed as Managing Director

General Manager, Advanced Materials Business Unit, Industrial Materials Group (Sintered Metal Components Division)



Audit & Supervisory Board Member (Standing Member)  
**Yoshitomo Kasui**

1983 Joined Sumitomo Electric  
2018 Appointed as Senior Managing Director  
2022 Appointed as Audit & Supervisory Board Members



Audit & Supervisory Board Member (Standing Member)  
**Akira Hayashi**

1981 Joined Sumitomo Electric  
2017 Appointed as Audit & Supervisory Board Members



Managing Director  
**Yoshiyuki Ogata**

1986 Joined Sumitomo Electric  
2024 Appointed as Managing Director

General Manager, Automotive Business Unit, General Manager, Chubu District Office



Managing Director  
**Hiroshi Hayami**

1984 Joined Sumitomo Electric  
2025 Appointed as Managing Director

General Manager, R&D Unit, Electronics Group (Flexible Printed Circuits Division)



Managing Director  
**Hisashi Togawa**

1987 Joined Sumitomo Electric  
2025 Appointed as Managing Director

General Manager, Manufacturing Management & Engineering Unit, Deputy General Manager, New Business Development Unit, Electronics Group (Fine Polymer Division)



#### Independent Officer

Outside Audit & Supervisory Board Member  
**Michiko Uehara**

2016 Appointed as Outside Audit & Supervisory Board Member



#### Independent Officer

Outside Audit & Supervisory Board Member  
**Ikuo Yoshikawa**

2018 Appointed as Outside Audit & Supervisory Board Member



#### Independent Officer

Outside Audit & Supervisory Board Member  
**Tatsuo Kijima**

2021 Appointed as Outside Audit & Supervisory Board Member

## Skills Matrix — Composition of the Board of Directors

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

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

Name and Attributes		Advisory Committees Membership	Human Resources and Organization	Finance and Account- ing	Corpo- rate Gover- nance	Research and Technical Development	Manufacturing and Production Technology <sup>*1</sup>	Supply Chain, Sales and Procurement	Internation- ality and Global Management	Fields in which one has particular expertise or areas of responsibility in the Group
Directors	<b>Masayoshi Matsumoto</b> Representative Director, Chairman & CEO	NOM COM								Corporate Manager
	<b>Osamu Inoue</b> Representative Director, President & COO	NOM COM								Corporate Manager
	<b>Hideo Hato</b> Representative Director, Executive Vice President									DX, Intellectual Property, Corporate Disclosure, Industrial Policy, Information Systems
	<b>Masaki Shirayama</b> Managing Director									Environment & Energy
	<b>Yasuhiro Miyata</b> Managing Director									Electronics
	<b>Toshiyuki Sahashi</b> Managing Director									Industrial Materials
	<b>Yoshiyuki Ogata</b> Managing Director									Automotive
	<b>Hiroshi Hayami</b> Managing Director									R&D, Energy & Electronics Materials
	<b>Hisashi Togawa</b> Managing Director									Production Technology, Environmental Conservation
	<b>Hiroshi Sato</b>	NOM COM								Experienced in corporate management
	<b>Michihiro Tsuchiya</b>	NOM COM								Experienced in corporate management
	<b>Katsuaki Watanabe</b>	NOM COM								Experienced in corporate management
	<b>Atsushi Horiba</b>									Experienced in corporate management
	<b>Kyoko Kawamata</b>									Experienced in mass media
	<b>Asli M. Colpan</b>									Academic expert
	<b>Yoshitomo Kasui</b>									—
Audit & Supervisory Board Members	<b>Akira Hayashi</b>									—
	<b>Michiko Uehara</b>									Attorney at law
	<b>Ikuo Yoshikawa</b>									Certified public accountant
	<b>Tatsuo Kijima</b>									Experienced in corporate management

Male Female

Outside Directors / Outside Auditors & Supervisory Board Members

Independent Officers are as defined by Tokyo Stock Exchange, Inc., etc.

Member of the Nominating Advisory Committee

Member of the Compensation Advisory Committee

<sup>\*1</sup> Includes expertise in environment conservation

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

## Company Overview as of March 31, 2025

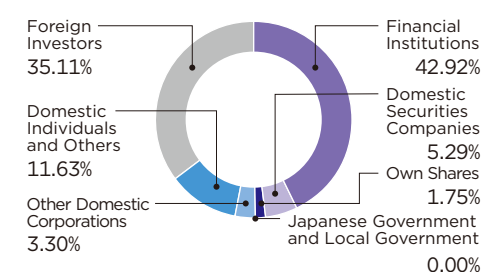
Trade Name	Sumitomo Electric Industries, Ltd.	Number of Employees	Consolidated: 288,145 Non-Consolidated: 7,124
Head Office	4-5-33 Kitahama, Chuo-ku, Osaka, Japan (Sumitomo Bldg.)	Settlement Period (fiscal year)	April 1 to March 31 each year
Established	April 1897	Securities Code	5802
Businesses	Environment & Energy Business, Information & Communications Business, Automotive Business, Electronics Business, Industrial Materials Business & Others	Stock Exchanges	Tokyo, Nagoya, Fukuoka
Capital Stock	99,737 million yen	Annual General Meeting of Shareholders	Every June
Net Sales (period ending March 2025)	Consolidated: 4,679,789 million yen Non-Consolidated: 1,772,203 million yen	Shareholder Register Manager	Sumitomo Mitsui Trust Bank, Limited. 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
		Stock Unit Accounting Auditors	100 shares KPMG AZSA LLC

## Stock Information as of March 31, 2025

### Current Status of Stock

Total issuable shares	3,000,000,000
Total shares issued	793,940,571 (No change from the end of the previous period)
Number of shareholders	82,989 (Increase of 14,988 from previous period)

### Breakdown of Shareholders



### Largest Shareholders (Top 10)

Name of the Shareholder	Number of Shares Held in thousands of shares	Shareholding Percentage <sup>*3</sup> (%)
The Master Trust Bank of Japan, Ltd. (trust account)	133,194	17.07
Custody Bank of Japan, Ltd. (trust account)	74,289	9.52
Nippon Life Insurance Company	24,703	3.17
STATE STREET BANK AND TRUST COMPANY 505001	19,666	2.52
SUMITOMO LIFE INSURANCE COMPANY <sup>*2</sup>	16,238	2.08
JPMorgan Securities Japan Co., Ltd.	14,673	1.88
STATE STREET BANK WEST CLIENT-TREATY 505234	14,273	1.83
Kochi Shinkin Bank	11,756	1.51
JP MORGAN CHASE BANK 385781	10,761	1.38
Sumitomo Electric Industries, Ltd. Employee Stock Ownership Association	10,208	1.31

<sup>\*2</sup> SUMITOMO LIFE INSURANCE COMPANY, in addition to what is set forth in the table above, has established a trust for retirement benefits holding 8,000 thousand shares (a 1.03% shareholding) in the Company, and has retained the authority to give instructions to exercise voting rights

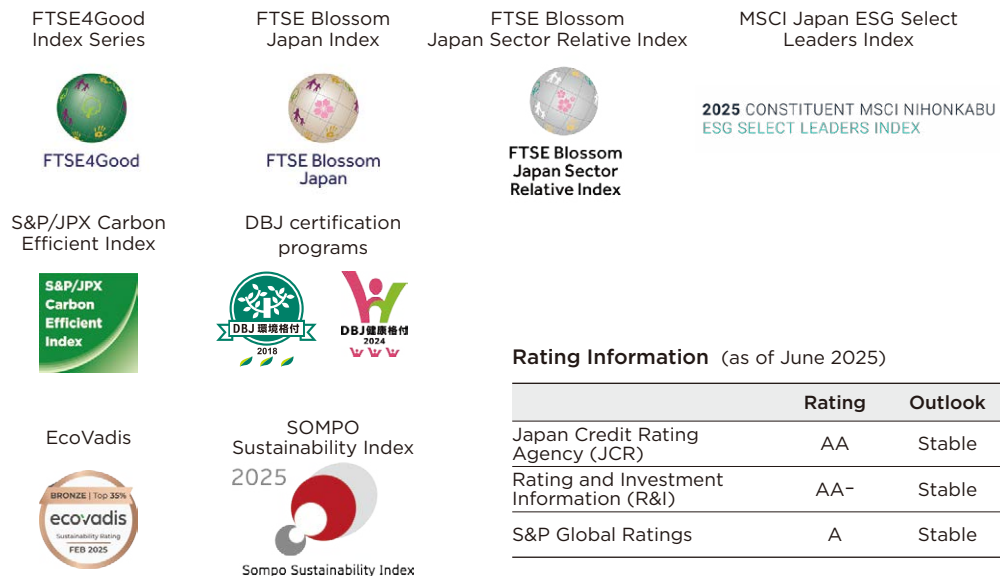
<sup>\*3</sup> Shareholding percentages have been calculated after deducting from the total number of issued shares the 13,869,154 of its own shares that the Company holds



## The Group's Initiatives and External Accreditations



## Evaluations from Third-Party Organizations



### Rating Information (as of June 2025)

	Rating	Outlook
Japan Credit Rating Agency (JCR)	AA	Stable
Rating and Investment Information (R&I)	AA-	Stable
S&P Global Ratings	A	Stable

## Related Links

### Company / Product Information

Sumitomo Electric Website



Company Profile / Company Profile Catalog



Products



R&D



Offices & Group Companies



### IR Information

Long-term Vision "Sumitomo Electric Group 2030 VISION"



Mid-term Management Plan 2025



IR Library Consolidated Financial Statements, Supplementary Sheet, Fact Book, Presentation Materials



Integrated Report



### News and others

News & Press Release



Sumitomo Electric Group e-magazine "id"



President's Blog



Chairman & CEO Matsumoto's Photo Diary



Technical Papers "Sumitomo Electric Technical Review"



### Careers

Job Opportunities



### GX

Sumitomo Electric Group's GX



### Sustainability

Environment Climate Change, Conserving Waste and Resource, Biodiversity, and Others



Information disclosure of climate change in line with the TCFD Recommendations (including scenario analysis)



### Society

Human Rights, Developing Human Capital, Contributing to Society, Supply Chain, and others

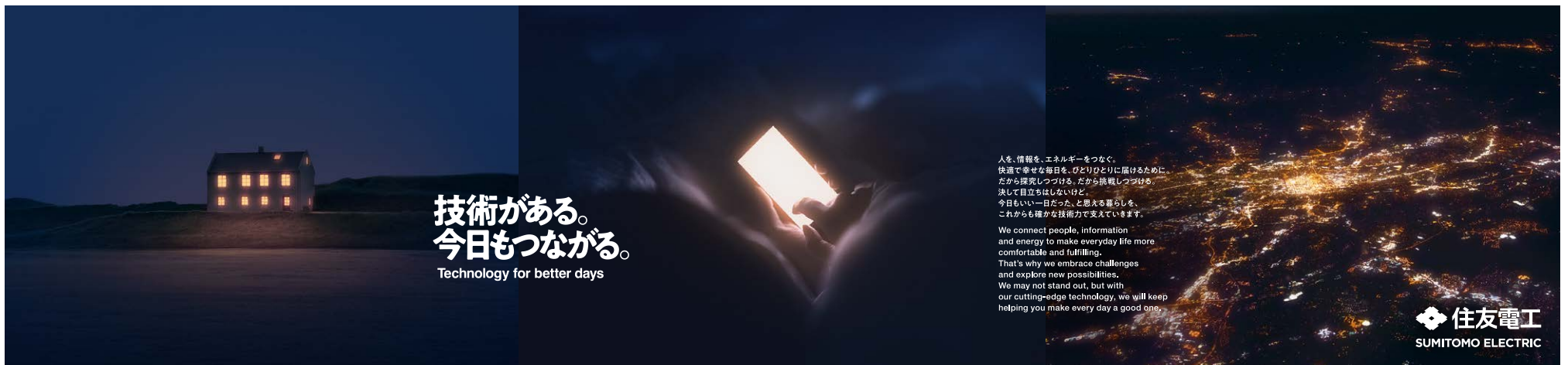


Governance Corporate Governance Guidelines, Corporate Governance Report



CSR Book





 Sumitomo Electric Industries, Ltd.

<https://sumitomoelectric.com/>