

CSR Book 2026



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Period Covered by This CSR Book

April 1, 2025 through March 31, 2026 (Some of the information provided is not applicable to this period.)

Coverage of This CSR Book

Sumitomo Electric Industries, Ltd. and its consolidated subsidiaries (374 companies)

- Quantitative information disclosure applies to Sumitomo Electric Industries and its consolidated subsidiaries as of March 31, 2026. In some cases, however, Sumitomo Electric Industries, Ltd. (unconsolidated), or only certain consolidated subsidiaries, some of its equity method affiliates, or SUMITOMO DENSETSU CO., LTD. (which was a subsidiary of Sumitomo Electric until March 23, 2026, and is presently SEMLINKS CO., LTD.) and its consolidated subsidiaries, are included in the disclosure. In these cases, the scope of disclosure is indicated in the text or in the footnotes to the tables and charts.
- Environmental indicators cover the Sumitomo Electric Group's manufacturing sites that have a data collection system in place. However, indicators related to the promotion of a circular economy cover non-manufacturing sites for which data can be collected. The Group's calculations do not include Sumitomo Riko Company Limited and its consolidated subsidiaries because the Group's environmental action targets and promotion structure have not yet been shared with them.

As a representative example, when assessing the coverage rate of fiscal 2025 greenhouse gas (GHG) emissions (Scope 1+2), it was found that approximately 82% of the actual figures for the manufacturing sites were covered, meaning that the majority of emissions were reported.

Sumitomo Electric Group's manufacturing sites: 1,454 thousand t-CO₂e (288 companies)

Sumitomo Electric Group's manufacturing sites (excluding Sumitomo Riko Company Limited and its consolidated subsidiaries): 1,190 thousand t-CO₂e (185 companies)

Designations in the CSR Book

The designations of companies in the CSR Book are as follows.

Sumitomo Electric Industries, Ltd. Sumitomo Electric, SEI or the "Company"

Consolidated subsidiaries of Sumitomo Electric..... Group companies, or affiliates

Sumitomo Electric and Group companies Sumitomo Electric Group, SEG or the "Group"

Referenced Guidelines

This CSR Book was prepared using the GRI Standards and the Ministry of the Environment's Environmental Reporting Guidelines 2018 as references.

The GRI Content Index is available on our website below.

<https://sumitomelectric.com/csr-reports>

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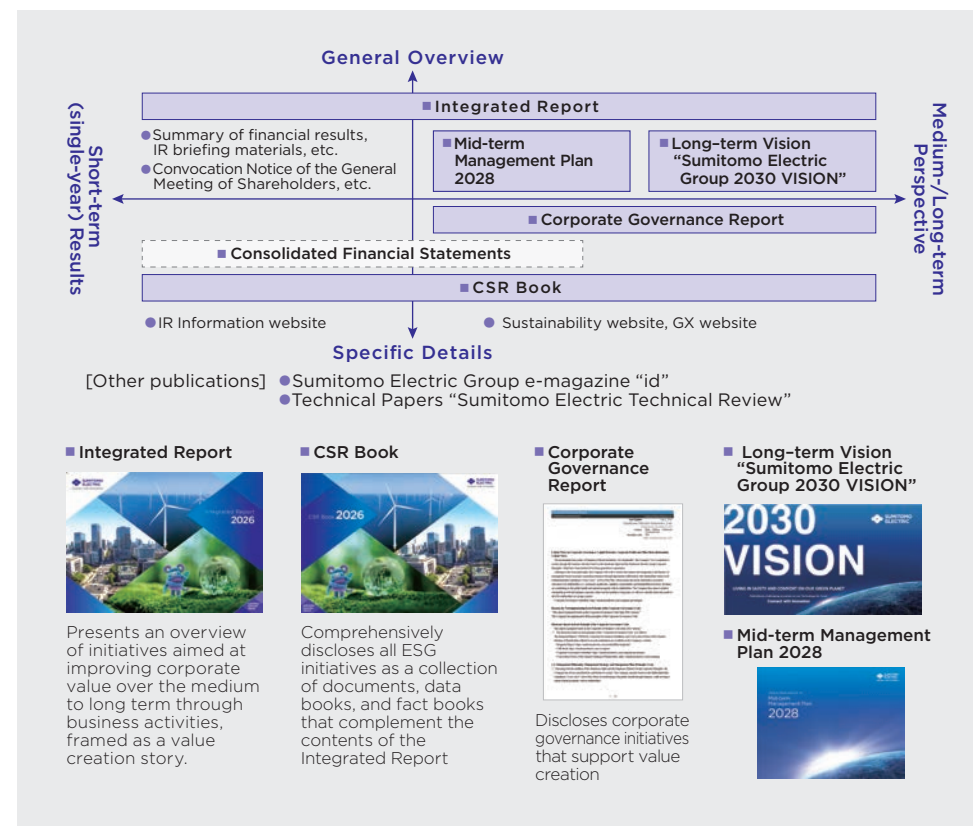
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Date of Publication

October 2026

Framework for Disclosure of Information

The Group's disclosure media are organized along two axes: "General Overview and Specific Details" 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 2028. For more in-depth understanding, we invite you to explore our website.



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Corporate Philosophy

Honoring both the Sumitomo Spirit and the Group Principle that have been passed down through generations, the Group has always prioritized its contribution to society. Operating under the management philosophy of "contributing to the public benefit through business," the Group strives 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, passed down through the generations in the form of important remarks and thoughts behind critical business decisions.

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*."

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 the 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 the 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

On the occasion of Sumitomo Electric's centennial celebration in 1997, the Sumitomo Electric Group defined the Sumitomo Electric Group Corporate Principles as a new management philosophy arising from the Sumitomo Spirit. The Corporate Principles underscore our basic policy of commitment to our important stakeholders (employees, customers, suppliers, regional communities, and shareholders/investors) and rededicate the Group to the importance of compliance and trust.

The Sumitomo Electric Group Corporate Principles (established in June 1997)

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 has formulated the Sumitomo Electric Group Charter of Corporate Behavior as a set of guiding principles on behavior applicable to all Group companies to more specifically and more clearly show how each and every officer and employee of the Company should behave to live up to the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles.

The Sumitomo Electric Group Charter of Corporate Behavior (established in September 2005 revised in August 2023)

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.

About Monjuin Shiigaki

Masatomo Sumitomo (Monjuin), born in 1585 at the end of the Warring States period, was the second son of a warrior family in Maruoka, Echizen (present-day Maruoka-cho, Sakai City, Fukui Prefecture). He is said to have gone to Kyoto at the age of 12 to become a monk. He later returned to secular life and opened a book and medicine shop in Kyoto. This marked the beginning of the Sumitomo family. Even after leaving the priesthood, Masatomo was sought out by many people for his teachings. Rooted in deep faith, these teachings earned him the respect of the people. A notable characteristic of the Sumitomo family is that its founder was a respected noble monk. The *Monjuin Shiigaki* was created by Monjuin (Masatomo) to explain the fundamentals of business to his family in an easily understandable way.

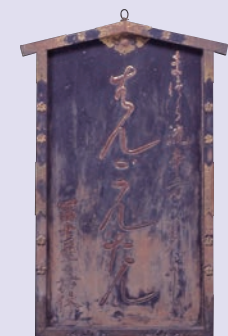
Consisting of five articles, *Monjuin Shiigaki* contains ideas reflecting the unstable social conditions of Kyoto in the 17th century, when it was written. The preamble admonishes us to pay attention to all matters, including business, and to work wholeheartedly on everything.



Figure of Masatomo Sumitomo (Monjuin)*



*Monjuin Shiigaki**



Signboard of the medicine shop operated by Masatomo*

The following precepts should be adopted not only in matters of business, but in all situations:

1. When goods are offered to you below the normal market price, under no circumstances should you ever purchase such goods, for their origins are unknown and they are probably stolen property.
2. Never give shelter to a stranger, no matter who it might be; also never take a stranger's goods into your custody, no matter how innocent they might appear.
3. Never act as a guarantor for anyone.
4. Never buy or sell goods on credit.
5. No matter what someone might say to you, never lose your temper or speak with harsh words; politely explain your position until an understanding can be reached.

Paraphrase of "*Monjuin Shiigaki*"

"Goho Yoshi"

"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: customers, employees, suppliers, regional communities, and shareholders & investors.



Relationships with Stakeholders and Disclosure of Company Information

■ Overview of Key Methods and Activities for Engaging with Our Stakeholders

The Group recognizes that its 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 based on the "Goho Yoshi" (Five-Way Win) philosophy, taking their interests into consideration in order to achieve sustainable growth and enhance the corporate value of the Group over the medium to long term.

	Our focus (2030 VISION)	Key methods and activities	Reflecting in corporate activities
Customers	- Providing product value that accommodates customer needs - Establishing firm relationships based on trust - Providing high-quality, safe products	- Daily sales activities, sales force surveys - Exhibitions - Meetings with important business partners - Sumitomo Electric Group e-magazine "id," President's blog, product catalogs, advertisements, websites	- Improving products, technologies, and services - Providing information that customers need - Improving customer satisfaction
Employees	- Respect for human rights, and a workplace environment that is healthy, safe, secure and comfortable - Diversity & inclusion, and sustainable growth and development - Sharing of purpose and sense of fulfillment	- Town hall meetings (discussions between senior management and employees), labor-management negotiations, career dialogues, and engagement surveys - Training and education by SEI University, and seminars - Internal and external consultation services - Corporate newsletters and intranet	- Developing a workplace environment where employees can thrive - Evaluating and planning organizational management and personnel systems - Strengthening labor-management relations
Suppliers	- Expanding fair and impartial trade - Building and enriching business partnerships - Thoughtful approach to the environment and human rights in procurement	- Daily procurement activities (supplier evaluation, etc.) - Partners Meetings - Surveys and training sessions in line with the CSR-based procurement self-assessment questionnaire (SAQ) - Compliance consulting and reporting desk	Building close relationships for coexistence and mutual prosperity based on mutual trust
Regional communities	- Contribution to cultural and social development in the respective communities - Active commitment to environmental preservation - Appropriate tax payment in the respective countries and regions	- Contribution to society through donations and volunteer activities, and collaboration with NPOs - Contribution to regional communities through business and others, exchanges with regional communities, and PR magazines - Support for education and training, and contribution to sports and cultural promotion - Dialogue via economic and industry organizations	Promotion of initiatives to solve social and environmental challenges
Shareholders/Investors	- Prompt and appropriate information disclosure - Enhancement of medium- and long-term corporate value and sharing our returns - Constructive, open dialogue	- General Meeting of Shareholders, IR briefings, and one-on-one dialogues - IR website and various reports (Integrated Report, Consolidated Financial Statements, Corporate Governance Report, etc.)	Promotion of initiatives and disclosures for further enhancement of corporate value

Reflect in Mid-term Management Plan 2025

Key indicators and targets established for FY2025	FY2025 results
- Providing products that meet their needs - Providing high-quality and safe products - Sales from growth themes supporting GX/DX/CASE: 1.1 trillion yen	Sales from growth themes supporting GX/DX/CASE: 1.1 trillion yen
- Compensation growth: Aiming for inflation rate +α - Improving the workplace environment: Zero serious accidents - Percentage of male employees taking childcare leave^(Note 1): 100% (SEI in Japan) - Percentage of females among new graduate hires^(Note 1): Business: 40% (SEI in Japan) Engineering: 15% (SEI in Japan)	- Compensation growth: 6.85% (3.28+3.57) - Improving the workplace environment: Zero serious accidents - Percentage of male employees taking childcare leave^(Note 1): 100% (SEI in Japan) - Percentage of females among new graduate hires^(Note 1): Business: 40.5% (SEI in Japan) Engineering: 12.2% (SEI in Japan)
- Promoting dialogue during price negotiations - Appropriate transaction prices - CSR-based procurement assessments: Implementation rate 80% (based on transaction value)	CSR-based procurement assessments: Implementation rate: 84%
- Contribution to CSR activities: Approx. 1% of profit after-tax - Reduction of CO₂ emissions (reduction compared to FY2018): Scope 1+2 17.5% : Scope 3 8.7%	- Contribution to CSR activities: 0.76% of profit after-tax^(Note 2) - Reduction of CO₂ emissions (reduction compared to FY2018): Scope 1+2 28.5% : Scope 3 0.6%
- Timely and appropriate disclosure of information - Promoting constructive, open dialogue - ROE: >8% - Dividend payout ratio: Approx. 40%	- ROE: >11.9%^(Note 2) - Dividend payout ratio: 40.1%^(Note 2)

(Note 1) The indicators and targets related to diversity and inclusion are set by and apply to Sumitomo Electric Industries, Ltd. in Japan. Other Sumitomo entities with employees in other countries may adopt different metrics based on their needs and to be consistent with applicable law.

(Note 2) The ROE, dividend payout ratio, and contribution to CSR activities for fiscal 2025 are calculated excluding the gain on the sale of SUMITOMO DENSETSU CO., LTD.

■ Dialogue with Stakeholders

Customers

Development of globally contributing products and establishment of a supply structure

Based on customer needs identified through daily sales activities, the Sumitomo Electric Group develops products by leveraging its technological expertise, and delivers them to customers under its global supply structure.

Recognized for its significant contributions to the Toyota Motor Group, Sumitomo Electric received three awards at the global supplier conference hosted by Toyota Motor Corporation: the Global Contribution Award (considered the highest honor given to suppliers), the Technology & Development Award, and the "Superior" Value Improvement Award.



Trophies received from Toyota Motor Corporation

Employees

Town hall meetings and constructive dialogue between labor and management based on good labor-management relations

To foster an environment in which diverse employees can thrive, the labor union and senior management periodically exchange views on a wide variety of themes, such as health and safety and working conditions. In addition, annual town hall meetings are held in each region as an opportunity for employees and senior management to engage in direct dialogue. The Company ensures that the views presented on these occasions lead to solutions for organizational challenges and improvements in working conditions, such as wages and employee treatment. For details on each measure, please refer to [▶p.34].



A town hall meeting

Suppliers

Partners Meetings

As part of our efforts to strengthen our relationships with our suppliers, we hold Partners Meetings every year. In addition to explaining our business status and procurement policy, we recognize suppliers who have contributed to the Group's business activities through excellent proposals and cooperation. Our goal is to build friendly and cooperative relations with our suppliers. We reiterate our procurement policy, including the promotion of CSR procurement, and ask for the suppliers' cooperation in and active promotion of such procurement.



A Partners Meeting

Regional Communities

Cooperation in the transition of junior high school track and field clubs to regional communities

With the aim of coexisting with regional communities, we engage in activities contributing to society that meet the needs of the countries and regions where our business sites are located. In Itami City, Hyogo Prefecture, extracurricular activities in junior high schools are to be abolished starting in academic year 2026. To address this, in December 2025, the Sumitomo Electric Itami Works and Itami City concluded a partnership agreement regarding the transition of junior high school club activities to the local community. With the aim of developing and promoting a better environment for children's sports activities, this agreement is intended to promote track and field and foster local club members through financial support to NPOs and the dispatch of instructors.



Ms. Ohta, Superintendent, Board of Education, Itami City (left) and Mr. Harada, then General Manager, Itami Works, Sumitomo Electric (right) at the signing ceremony for the partnership agreement

Shareholders/Investors

One-on-one dialogues with investors

We seek to enhance communication with institutional investors through financial results briefings and one-on-one interviews. The opinions and issues identified during these dialogues are reported to the Board of Directors on a regular basis. We also upload financial information, press releases, and materials for financial results briefings on our website to share information widely with general shareholders and investors. Moreover, we have been holding plant tours for institutional investors since fiscal 2024.

Communication with Shareholders and Investors

		FY 2023	FY 2024	FY 2025
Financial results briefings	No. of companies	131	135	162
	No. of interviews	239	392	531
One-on-one interviews	No. of companies	343	734	1,354
	No. of interviews			

(*) The number of companies in the table is the cumulative total number.

■ Basic Views and Policy on Company Information Disclosure

The Sumitomo Electric Group Charter of Corporate Behavior emphasizes the "disclosure of relevant information and promotion of communication with society," as it advocates providing stakeholders with appropriate corporate information and striving to promote good communication with society through public information and hearings.

To this end, we have established a Disclosure Policy as our basic stance and policy.

Sumitomo Electric Group Disclosure Policy

1. Timely and appropriate disclosure of material corporate information

The Sumitomo Electric Group will work to disclose material corporate information* to customers, shareholders, investors, and other stakeholders in a timely and appropriate manner, observing the Financial Instruments and Exchange Act and other relevant laws and ordinances, as well as the Rules on Timely Disclosure of Corporate Information by Issuer of Listed Securities and the Like (hereinafter referred to as the "Timely Disclosure Rules"), stipulated by the stock exchanges on which the Company's stock is listed.

* Material corporate information is defined here as corporate information that must be disclosed under the Financial Instruments and Exchange Act and other relevant laws and ordinances and as corporate information whose timely disclosure is required by the Timely Disclosure Rules.

2. Voluntary information disclosure

The Sumitomo Electric Group will also promote voluntary disclosure of information that does not correspond to "material corporate information" so that our customers, shareholders, investors, and other stakeholders may deepen their understanding of the Sumitomo Electric Group.

3. Fair information disclosure

The Sumitomo Electric Group will work to disclose our corporate information in a fair manner through press releases to the media, our Company's website, publications, and other means while observing the relevant laws and ordinances as well as the Timely Disclosure Rules.

4. Development of our in-house systems for disclosure

The Sumitomo Electric Group will work to develop and improve our in-house systems to disclose information in line with our Disclosure Policy.

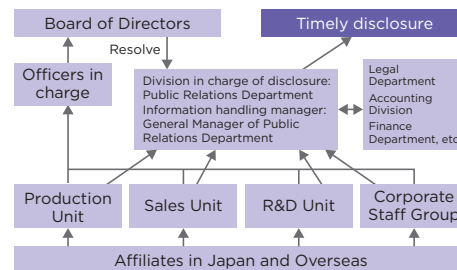
We recognize that the Group's business activities are supported by our relationships with our stakeholders, and that it is essential to communicate with them through various opportunities. We strive to disseminate accurate information in a timely and fair manner.

■ Company Information Disclosure Framework

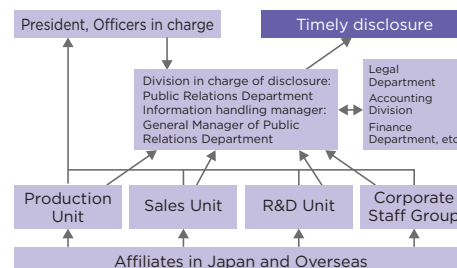
In accordance with the provisions of our Disclosure Policy, we strive to disclose important information in a timely and appropriate manner in accordance with laws and regulations, and endeavor to disclose information voluntarily and fairly, and to develop in-house systems for disclosure to that end. We also work to strengthen the Group's disclosure structure by establishing the Public Relations Committee, which is chaired by the officer in charge of public relations.

Outline of the Timely Disclosure System

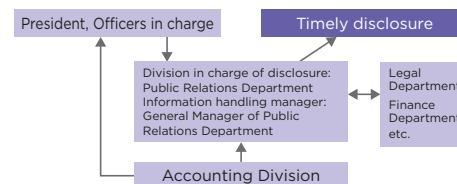
■ Decisions



■ Facts that Occurred



■ Financial Results Information



■ Initiatives for Information Dissemination

In fiscal 2025, we actively disseminated various Company information through news releases, interviews, and our website to help all our stakeholders further deepen their understanding.

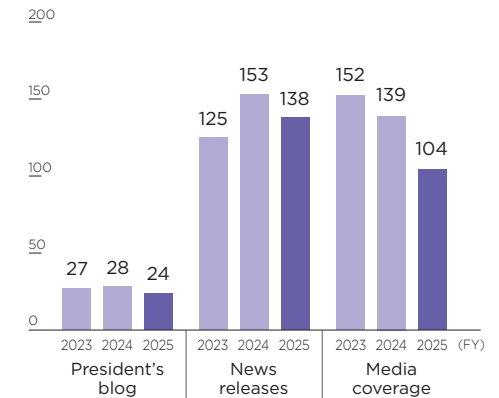
The Company has been using the tagline "Connect with Innovation" and its visual identity (VI) in various publications and advertisements to promote a unified corporate image. In fiscal 2025, PR activities for our businesses and products included news releases about exhibitions and new products and media coverage in Japan and overseas. We also focused on increasing opportunities and media outlets for disseminating our management strategies and business activities through TV, magazines, newspapers, and other media in order to enhance our brand image.

In particular, we are promoting the concept of "Goho Yoshi" (Five-Way Win) (multistakeholder capitalism) both within and outside the Company through outdoor advertising, newspaper advertisements, and publications such as corporate newsletters. In addition, we are working to share casual content targeting younger generations and others through our official Instagram account and the Sumitomo Electric Group's official mascot, Sumeedy.

Furthermore, through proactive information dissemination regarding the activities of SEI track and field club and our sponsorship of sport events, we are working to further promote sports and contribute to regional communities, while also strengthening a sense of unity within the Group.

Results of SEI's Information Dissemination

(Number)



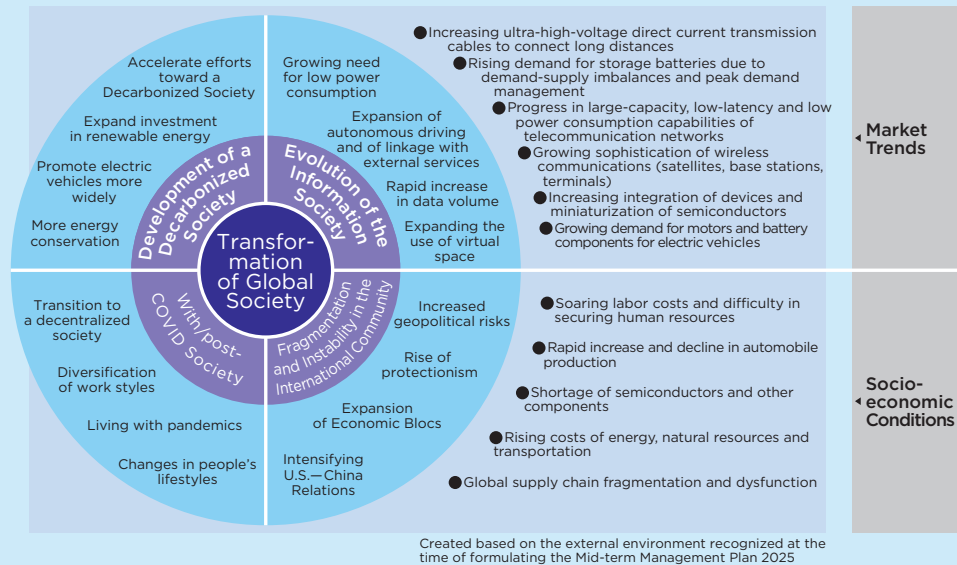
The Nihon Keizai Shimbun Advertorial "Redox Flow Battery System" (published June 25, 2025)



Sumeedy, Sumitomo Electric Group's official mascot

Long-term Vision "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 300,000 employees across over 400 companies in various countries and regions (as of the end of March 2026). 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**.

Mid-term Management Plan 2025 (FY2023-2025)

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

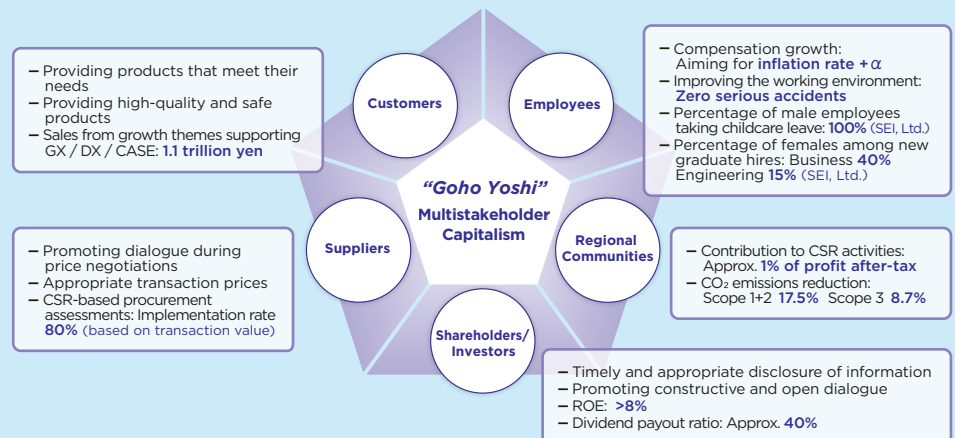


Key indicators and Targets

SEG worked 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



Materiality-related Indicators, Targets, and Progress

Details of materiality (key initiatives) —Our Group's mission towards 2030—			Indicators and targets ^(Note 1)	Progress (FY2025 results)	Relevant SDGs
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	- Net sales: 4.4 trillion yen - Portion of sales from growth themes supporting GX/DX/CASE: 1.1 trillion yen - Operating profit: 250 billion yen - Capital investment: 720 billion yen / 3 years ^(Note 2)	- Net sales: 5.1102 trillion yen - Portion of sales from growth themes supporting GX/DX/CASE: 1.1 trillion yen - Operating profit: 418.2 billion yen - Capital investment: 680.3 billion yen / 3 years ^(Note 2)	
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			
Management Foundation					
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	R&D: 360 billion yen / 3 years ^(Note 2)	R&D: 461.2 billion yen / 3 years ^(Note 2)		
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	- Consideration for human rights and the environment in supply chain - CSR-based procurement assessment implementation rate (based on transaction value): 80% - EDI rate for transactions between group companies: 100%	- Consideration for human rights and the environment in supply chain - CSR-based procurement assessment implementation rate (based on transaction value): 84% - EDI rate for transactions between group companies: 100%		
Manufacturing	Create resilient factories that can adapt to change - Contributing to the global environment: Promoting a 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	- Major incidents for employees, products and equipment: 0 - Reduction of CO₂ emissions (Reduction compared to FY2018) [Scope 1+2] 17.5% [Scope 3] 8.7% ([Scope 1+2] 50% [Scope 3] 30% (FY2030 target) ^(Note 3)) ([Scope 1+2] Carbon neutrality (FY2050 target))	- Major incidents for employees, products and equipment: 0 - Reduction of CO₂ emissions (Reduction compared to FY2018) [Scope 1+2] 28.5% [Scope 3] 0.6%		

(Note 1) The targets with no target years specified are those for FY2025 set in Mid-term Management Plan 2025. (Note 2) Cumulative total for FY2023-2025. (Note 3) Target revised in Mid-term Management Plan 2028

Details of materiality (key initiatives) —Our Group's mission towards 2030—		Indicators and targets ^(Note 1)	Progress (FY2025 results)	Relevant SDGs
Management Foundation				
3 Key Sources of Capital				
Human Capital	Evolve to become 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	•Compensation growth •Aiming for inflation rate + α •Human capital development •Completion of Executive Training Program: 100 employees / 3 years ^(Note 2) •Completion of MPSS: 2,300 employees / 3 years ^(Note 2) •Total hours of training programs: 20.0 hours / annually per headcount •Developing core DX talent: 300 employees / 3 years ^(Note 2) •Developing data analysis talent: 1,500 employees / 3 years ^(Note 2) •Diversity & Inclusion ^(Note 3) •Percentage of male employees taking childcare leave: 100% •Percentage of females among new graduate hires: Business 40%, Engineering 15% •Human Rights •Human rights due diligence: Examination of key risks, prevention and mitigation measures for approx. 280 Group companies •Human rights training: Training and awareness-raising for discrimination, harassment, and other human rights issues	•Compensation growth [Results of the Spring 2026 union wage negotiations] 6.85% •Human capital development •Completion of Executive Training Program: 101 employees / 3 years ^(Note 2) •Completion of MPSS: 2,986 employees / 3 years ^(Note 2) •Total hours of training programs: 21.0 hours / annually per headcount •Developing core DX talent: 323 employees / 3 years ^(Note 2) •Developing data analysis talent: 1,658 employees / 3 years ^(Note 2) •Diversity & Inclusion ^(Note 3) •Percentage of male employees taking childcare leave: 100% •Percentage of females among new graduate hires: Business 40.5%, Engineering 12.2% •Human Rights •Human rights due diligence: A total of 288 companies, including Sumitomo Electric and Group companies in Japan and overseas, conducted regular checks on critical risks (child labor, forced labor, and inappropriate use of migrant workers), followed by corrective measures adopted against identified minor challenges. •Human rights training: 30,780 participants	
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	•Maintaining approx. 25,000 rights, Japan and international •More than 2,000 new applications filed every year across the Group	•Number of rights held: 27,517 •Number of new applications: 1,874	
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	•Before-tax ROIC: >8% •ROE: >8% •Dividend payout ratio: Approx. 40% •EBITDD*: 1.6 trillion yen / 3 years ^(Note 2) *EBITDD: Earnings Before Interest, Taxes, Depreciation and Development	•Before-tax ROIC: 12.5% ^(Note 4) •ROE: 11.9% ^(Note 4) •Dividend payout ratio: 40.1% ^(Note 4) •EBITDD: 2.0 trillion yen / 3 years ^(Note 2)	
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	•Contribution to CSR activities: 0.76% of profit after-tax ^(Note 4)	

(Note 1) The targets with no target years specified are those for FY2025 set in Mid-term Management Plan 2025. (Note 2) Cumulative total for FY2023-2025. (Note 3) The indicators and targets related to diversity and inclusion are set by and apply to Sumitomo Electric Industries, Ltd. in Japan. Other Sumitomo entities with employees in other countries may adopt different metrics based on their needs and to be consistent with applicable law. (Note 4) Before-tax ROIC, ROE, dividend payout ratio, and contribution to CSR activities for FY2025 are calculated excluding the gain on the sale of SUMITOMO DENSETSU CO., LTD.

"Mid-term Management Plan 2028"

As the first step toward realizing its 2030 VISION, SEG has implemented and carried out the Mid-term Management Plan 2025 (fiscal 2023–2025). As its second step, the Group formulated the Mid-term Management Plan 2028 (fiscal 2026–2028) and published it in May 2026.



[Web](#) See details

External Environment

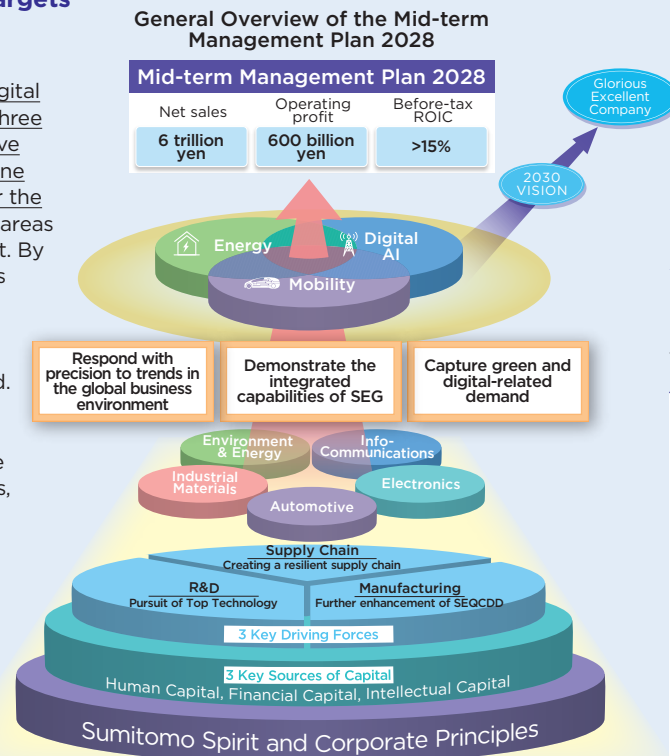
The global economy is expected to remain unpredictable due to disruptions to logistics and supply chains, as well as rising raw material and energy prices driven by soaring crude oil prices caused by the escalating situation in the Middle East. Concerns about a revision of U.S. trade policy and a slowdown in the Chinese economy are also contributing to the continued uncertainty of the business environment for SEG.

On the other hand, SEG anticipates expanding business opportunities for itself, including the growth of GX toward the realization of a decarbonized society and the advancement of DX driven by the expansion of the data center market, primarily due to generative AI demand.

Overall Plan and Numerical Targets

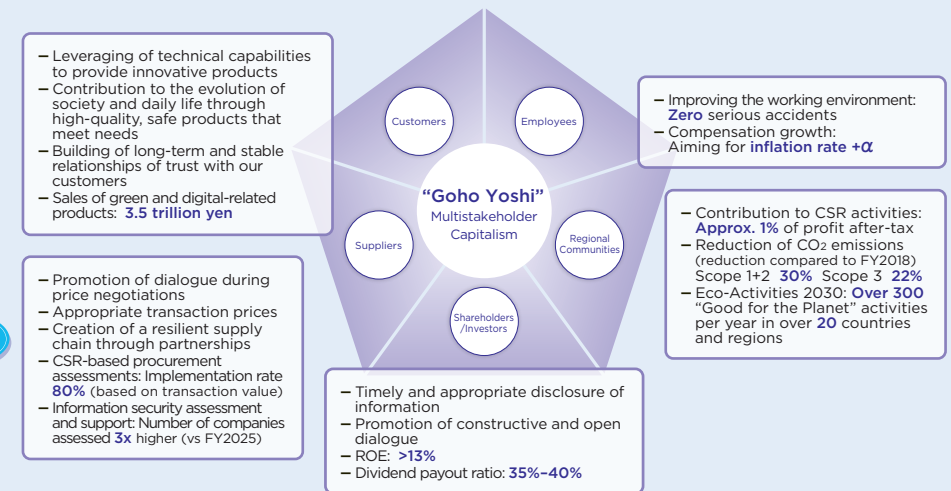
Under the business environment described above, our Mid-term Management Plan 2028 positions Digital and AI, Energy, and Mobility as our three key areas. SEG will invest a cumulative total of 540 billion yen in R&D and one trillion yen in capital investment over the three-year period in these three key areas and in areas where they interconnect. By leveraging the integrated capabilities of SEG rooted in technological expertise, the Group will respond accurately to global changes and capture and address GX/DX demand.

For the target year of fiscal 2028, SEG aims for net sales of six trillion yen, an increase of approximately one trillion yen from the fiscal 2025 results, and operating profit of 600 billion yen, an increase of approximately 50% from the fiscal 2025 results. Furthermore, as SEG continues to grow, the Group aims to improve asset efficiency further, targeting a before-tax ROIC of 15% or more.



Targets of "Goho Yoshi" (Five-Way Win)

SEG's fundamental management principle is to achieve mutual prosperity with its customers, employees, suppliers, regional communities, and shareholders/investors and to share the values of its growth appropriately to each stakeholder. In order to achieve this mutual prosperity, the Mid-term Management Plan 2028 sets out the following specific and quantitative targets, and we will strive to achieve them.



3 Pillars

To achieve the goals of the Mid-term Management Plan 2028, SEG will embed the following policies, which are presented as three Pillars, in its business strategies and business foundations, and continue its efforts accordingly.



Promotion of Sustainability Management

Fundamental Policy on Sustainable Management

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. [▶p.03]

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—customers, employees, suppliers, regional 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 DE&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 [▶p.62], providing a structure for the Board of Directors to oversee sustainability management. Officer compensation is determined based on the Compensation Advisory Committee's deliberations and a comprehensive consideration of each officer's role and responsibilities, contribution to company performance, and non-financial indicators such as ESG.

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 conservation activities, reinforcement of responses to various GX regulations, and the expansion of GX-related businesses. Please see the GX strategies in the Integrated Report for details.

Human Resources and DE&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.

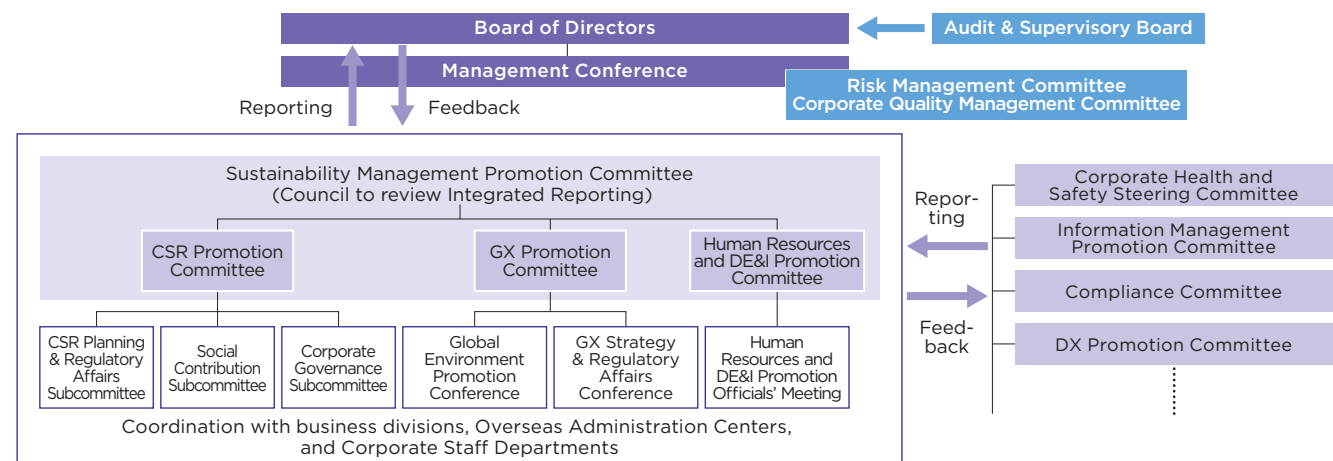
CSR Initiatives in Promotion of Sustainability Management

E: Environmental Conservation

S: Human capital, Human Rights, Quality, Supply Chain, Contribution to Society, Information Disclosure

G: Governance, Risk Management, Compliance

Structure to Promote Sustainability Management (As of September 1, 2026)



Environmental Management

Basic Views and Policy

The Group recognizes that addressing global environmental issues, including climate change, is one of its key management issues, and it continues to engage in environmental conservation activities from a global perspective, in accordance with the Environmental Policy established in 1997.

Environmental Policy (extract)

Established in July 1997 Revised in June 2024

Basic Philosophy

The Sumitomo Electric Group thinks it is primarily important to establish a society that is sustainable and has less environmental impact, and contributes to society by providing products and services.

Action Guidelines

1. Considering environmental preservation activity is one of the most important issues for corporate management, the Sumitomo Electric Group promotes the activity based on its action plan.
 - Reduce environmental impacts in manufacturing activities
Prevention of global warming, circular economy, prevention of environmental pollution and conservation of biodiversity
 - Increase environmentally-conscious products and services
Introduction of products that help prevent global warming, phase-out of harmful substances and implementation of product assessment
2. The Group will fulfill and enforce environmental management system.
 - Provision of educational programs on environmental preservation and implementation of environmental audits
3. The Sumitomo Electric Group will maintain and improve compliance action.
4. The Sumitomo Electric Group's Environmental Policy will be opened to the public upon request.

 The entire text of Environmental Policy

Structure

Structure to Promote Environmental Management

In its long-term vision, the “Sumitomo Electric Group 2030 VISION,” the Group has adopted the slogan “LIVING IN SAFETY AND

COMFORT ON OUR GREEN PLANET—Relentlessly challenging ourselves to use Technology for Good—” emphasizing its contribution to the realization of a “Green and Environmentally Friendly Society.” The Group has been steadily engaged in environmental conservation activities, including decarbonization, circular economy, and preventing environmental pollution. In order to further create and expand environmental value, respond quickly and appropriately to developments in the institutional environment in the global market, and strengthen the Group's planning capabilities, the GX Promotion Committee chaired by the President was established in October 2024, under the Sustainability Management Promotion Committee [➡p.12].

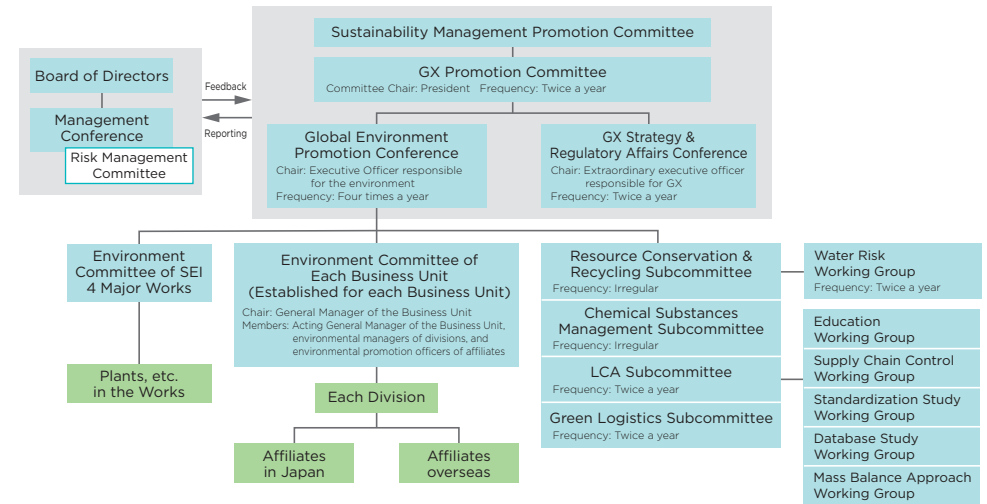
The GX Promotion Committee consists of the Global Environment Promotion Conference and the GX Strategy & Regulatory Affairs Conference. The Global Environment Promotion Conference oversees environmental conservation activities on a global level and discusses and deliberates on specific targets and implementation strategies to address global environmental issues. The GX Strategy & Regulatory Affairs Conference oversees all GX-related planning activities throughout the Group.

Environmental Management System

The Group manages environmental conservation activities systematically and is working on continuous improvement. To ensure steady implementation of environmental management, the Group is promoting the acquisition of external ISO 14001 certification of its environmental management system. As of March 2026, of 374 consolidated subsidiaries, 159 had obtained ISO 14001 certification, bringing the acquisition rate, including Sumitomo Electric, to 43%.

 List of ISO 14001-certified companies

Structure to Promote Environmental Management



Major Environmental Risks and Measures

For top-priority issues such as environmental conservation, the Safety & Environment Division, under the leadership of the Risk Management Committee[➡p.66], which meets in conjunction with the Management Conference, plays a central role in formulating targets and action policies in cooperation with the relevant Corporate Staff Group, taking into consideration the deliberations of the Global Environment Promotion Conference. Based on these targets and approaches, each business division sets its own targets and proceeds with the necessary activities.

To address climate and nature-related risks, the Compliance & Risk Management Office takes the lead in promoting the formulation of business continuity plans (BCPs). While placing top priority on ensuring safety, the Group strives to minimize damage in the event of a natural disaster and ensure business continuity.

Please refer to [➡p.17] for details on climate-related risks and opportunities, and [➡p.21] for details on nature-related risks and opportunities.

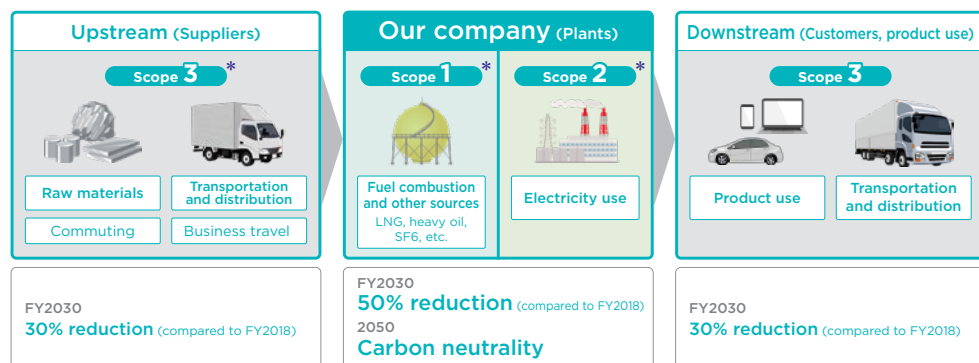
Major Environmental Risks and Measures

Risk factors	Impact	Measures & Activities
Climate change	Physical risks	Temperature rise Sea level rise Increase in the size and frequency of typhoons
	Regulatory risks	Regulations on atmospheric emissions and wastewater discharges Carbon pricing Reduction of GHG emissions (Diagnosis, investment, and activities) Environmental labeling Renewable energy
	Physical risks	Water supply shortage, seasonal and yearly fluctuations Flood and drought Deteriorating water quality
	Regulatory risks	Restriction on water withdrawal/wastewater discharge Rise in water prices
Water	Reputation risks	Opposition from regional communities Negative media coverage
	Waste	Difficulty in waste disposal due to cancellation of operators' licenses Notification from the operator(s) about difficulty in disposal
Chemical substances		Certification of non-inclusion of restricted substances Evaluation at the development stage and management at the purchase and manufacturing stages
Environmental incidents/accidents		(Temporary) suspension of operations Prevention through environmental audits
Violation of laws/regulations		(Temporary) suspension of operations Implementation of detailed environmental audits Payment of fine

<Direct risks> Capital investment for compliance with laws and regulations, increased energy costs, restrictions on energy consumption, (temporary) suspension of operations due to storm and flood damage
<Indirect risks> Increased costs of raw materials, energy, water, waste disposal, etc., and (temporary) suspension of operations due to accidents or violations of laws and regulations

Targets

Targets for 2050 and 2030



Targets in "Mid-term Management Plan 2025" and "Go for Green 2025"

"Mid-term Management Plan 2025"		"Go for Green 2025" (Note 1)**		FY2025 targets	FY2025 results	Evaluation	Page
Operation for a Greener Global Environment	Reduction of CO ₂ emissions - Decarbonizing power sources through "Saving Energy," "Creating Energy*" and "Purchasing Energy**" - Minimizing the effect on the global environment, especially through "Saving Energy" and self-help efforts - Promoting LCA initiatives - Promoting green procurement and logistics initiatives	1 Reduction of GHG emissions (Scope 1+2) (Note 2) (compared to FY2018)	(Note 3)	17.5% reduction	27.2% reduction	◎	[▶pp.17-20]
		2 Reduction of GHG emissions (Scope 3) (compared to FY2018)	(Note 2)	8.7% reduction (Note 3)	13.0% increase	△	
		3 Reduction of energy consumption per basic unit (Note 2) (compared to FY2021-FY2022 average)	(Note 2)	10% reduction	28.5% reduction	◎	
		4 Introduction of renewable energy (Note 2) (Note 4)	(Note 3)	Increase by 40 MW	Increase by 91.6 MW	◎	
		5 Reduction of logistics CO ₂ emissions per basic unit (in Japan) (Note 2) (compared to FY2018)	(Note 2)	7% reduction	14.7% reduction	◎	
	Promotion of circular economy - Product design and material development for easy recycling - Waste reduction through reducing defects and sorting, water recycling	1 Waste recycling rate		94%	92.5%	△	[▶pp.23-25]
	Prevention of environmental pollution Zero environmental incidents, reduction of environmentally hazardous substances	2 Reduction of waste discharged per unit of sales (compared to FY2022)		3% reduction	15.8% reduction	◎	
		3 Reduction of water use per unit of sales (compared to FY2022)		3% reduction	21.4% reduction	◎	[▶pp.26-27]
Contribution to the Global Environment through Our Business	Contribution to a greener environmental society - Products and services that promote a Green Society - Eco products - Sales of environmentally friendly products and services	1 Environmental incidents (Note 5)		Zero	3 cases	△	
		2 Reduction of emissions of PRTR-designated chemical substances (in Japan) (compared to FY2022)		3% reduction	32.8% reduction	◎	[▶p.28]
Promotion of Eco-Activities 2030	Eco-Activities 2030 By FY2030, over 300 Good for the Planet activities in over 20 countries and regions	1 Green contribution sales (Note 6)		700 billion yen	671.3 billion yen	△	
		2 Eco products sales		1 trillion yen	2,106.9 billion yen	◎	[▶p.28]
Promotion of Eco-Activities 2030	Eco-Activities 2030 By FY2030, over 300 Good for the Planet activities in over 20 countries and regions	1 Promotion of biodiversity preservation and environmental conservation activities		250 cases (Note 3)	356 cases	◎	[▶p.28]

(Note 1) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries (excluding Sumitomo Riko Group) (Note 2) The data boundary is manufacturing sites. (Note 3) Interim target for FY2030 (Note 4) Solar power generation panels (Note 5) The data boundary is environmental facilities, such as wastewater treatment facilities, exhaust gas cleaning facilities, chemical tanks, and waste storage sites, and production equipment. (Note 6) The data boundary is Sumitomo Electric and its consolidated subsidiaries.

[Evaluation legends for each target] ◎: Performance far exceeding the target ○: Target achieved △: Target not achieved (performance improved from the previous fiscal year) ▼: Target not achieved (performance at the same level as the previous fiscal year) ▼: Target not achieved (performance declined from the previous fiscal year)

To achieve a "Greener Global Environment," the Group sets the following targets for decarbonization: carbon neutrality in Scope 1+2 emissions by fiscal 2050, and a 50% reduction in Scope 1+2 emissions and a 30% reduction in Scope 3 emissions by fiscal 2030 compared to fiscal 2018 levels. The fiscal 2030 targets are the target values that were revised upward in May 2026, and the Group is working on the renewal of SBTi (1.5°C target*) certification for these targets.

The "Mid-term Management Plan 2025" (fiscal 2023-2025), which serves as the first milestone on the way to 2030, set specific targets for various items, including decarbonization, circular economy and prevention of environmental pollution, as shown in the table below, and activities were

implemented to achieve the set targets.

Starting in fiscal 2026, the Group is working on the Mid-term Management Plan 2028 (fiscal 2026-2028), which sets new targets based on the results and degree of achievement of each initiative up to fiscal 2025. The Group will vigorously implement activities to achieve those targets. See [▶p.16] for details on the indicators and targets set forth in the Mid-term Management Plan 2028.

Go for Green 2025

The Group worked on "Go for Green 2025" for three years from 2023 to 2025 to contribute to realizing a green and environmentally friendly society through active implementation and expansion of its unique activities. "Go for Green 2025" comprised activities that were broken down from the indicators and targets of the "Mid-term Management Plan 2025" and consisted of three pillars.

The first pillar, "Operation for a Greener Global Environment," involves decarbonization of the Group and supply chain, strengthening of LCA (Life Cycle Assessment) efforts, promotion of a circular economy, and prevention of environmental pollution.

The second pillar, "Contribution to the Global Environment through Our Business," involves efforts to further promote the Group's "Green Contribution" by setting a goal of expanding sales of products and services that promote a green society, in addition to "Eco products," which are designed to reduce environmental impact through their own performance.

The third pillar, "Promotion of Eco-Activities 2030," is an initiative aimed at contributing to biodiversity preservation and environmental protection through daily Eco-Activities, such as tree planting, at each business site.

For more details of each activity, please see [▶pp.17-28].

Green Go for 2025

Go for Green and its logo are trademarks or registered trademarks of Sumitomo Electric.

Glossary

*Scope 1: Direct emissions by the company *Scope 2: Indirect emissions resulting from the use of electricity, heat, steam, etc. supplied by other companies *Scope 3: Indirect emissions other than Scope 2 (emissions by other companies related to the company's business activities) *1.5°C target: An international climate change target set in the 2015 Paris Agreement, where countries agreed to pursue efforts to limit the global average temperature increase to 1.5°C or less compared to pre-industrial levels. *Creating Energy (Energy generation): Electricity generation through solar power generation, etc. *Purchasing Energy (Energy purchasing): Procurement of electricity from renewable energy sources

Initiatives and Results

■ Holding Corporate Environmental Conference

The Group holds a Corporate Environmental Conference twice a year to share the environmental targets and progress of the Sumitomo Electric Group and the results of each business unit's activities. This fiscal year as well, the President, Executive Officers responsible for the environment, and General Managers of the business units participated in the conference and engaged in a lively exchange of opinions.

The Group has established an internal commendation system to recognize outstanding environmental conservation activities. In fiscal 2025, commendations were presented to six divisions and Group companies, including A.L.M.T. Corp. Toyama Works, which promoted energy saving in the production process through improvements at the manufacturing site, thereby invigorating the Group's environmental conservation activities.



A representative of A.L.M.T. Toyama Works' team commended at the Corporate Environmental Conference, with Sumitomo Electric President

■ Environmental Education

To realize environmental management, the Group works to raise individual employees' environmental awareness and knowledge. As part of such efforts, the Group provides all employees with education on the Group's Environmental Policy and Group-wide environmental conservation activities, including reduction of CO₂ emissions, circular economy, and prevention of environmental pollution, as well as initiatives to address

global environmental issues. New employees receive environmental education when they join the company. The attendance rate in fiscal 2025 was 100%. (For those who could not attend the course, other opportunities are provided to allow them to receive environmental education, for example, when they are assigned to their respective departments.) In addition, position-based training is conducted to provide recurrent learning opportunities. The position-based training aims to equip employees with knowledge about the Group's initiatives and environmental laws and regulations, as well as to deepen their understanding of the important points in management of environmental facilities to prevent the leakage of hazardous substances.

	Training program	No. of participants	Cumulative total (Note)
	Position-based environmental training	1,995	7,719
Description	- Sumitomo Electric Group's Environmental Policy - Group-wide environmental conservation activities (Go for Green 2025) - Initiatives to address global environmental issues - Knowledge of environmental laws and regulations - Key points for managing environmental facilities		

(Note) Cumulative total for five years from FY2021

Specialized training on chemical substance management and other topics are also provided on a regular basis. The table below shows major environmental training programs and numbers of participants.

Results of environmental training in FY2025

	Training program	No. of participants	Cumulative total (Note)
	Training on the notification of facilities subject to environmental laws	147	1,027
	Training on environmental laws and regulations	1,391	5,659
	Training on energy-saving design	6	72
	LCA (Life Cycle Assessment) seminar	102	2,545

(Note) Cumulative total for five years from FY2021

■ Environmental Audits

In addition to audits based on ISO 14001, the Group conducts environmental audits by the Environment Department to ensure thorough compliance with relevant laws and regulations and to reduce environmental impact. The environmental audits check (1) compliance with environmental laws and regulations and (2) maintenance and management of environmental facilities and production equipment. The Group has set a policy of conducting, from fiscal 2022 onwards, either an "environmental audit," which checks both (1) and (2), or an "environmental law compliance inspection," which checks only (1), every three years, depending on the magnitude of the potential environmental risks at each business site, such as whether or not hazardous substances are used.

1| Checking of compliance with environmental laws and regulations

Information on laws and regulations in the countries and regions where overseas sites are located is collected by using external services as needed, and compliance checks are carried out based on the collected information. The check items are not limited to compliance with laws and regulations but include the efforts to prevent omissions in reporting to government authorities and the management status of wastewater quality based on voluntary standards that are stricter than regulatory values.

2| Inspection of environmental facilities and production equipment

From the perspective of preventing the leakage and spillage of hazardous substances, inspections are conducted to check the management status of environmental facilities and equipment, including water quality facilities (chemical tanks, wastewater treatment facilities, etc.), ancillary facilities (pipes, etc.), and waste storage sites.

Based on this policy, in fiscal 2025, environmental audits were conducted at 24 sites in Japan and overseas, and environmental law compliance inspections were conducted at 10 sites. Regarding issues

identified during audits and inspections, the Group is implementing improvements in the areas of operation and facility. Improvement measures for management include trend management of effluent water quality, including domestic wastewater, revision of voluntary standards, and determination of response procedures when control limit are exceeded, and improvement measures for equipment include replacement of corroded sections and addressing liquid leaks at pipe joints.

■ Collaboration with External Parties

The Group is a member company of the GX Future Consortium's "GX Future League," established as the successor to the "GX League*" under the GX Promotion Act. 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, based on the Growth-Oriented, Resource-Autonomous Circular Economy Strategy.



Glossary

***GX League:** A forum for companies that are taking on the challenge of GX and aiming to achieve sustainable growth in the present and future societies, with an eye to achieving carbon neutrality and social transformation by 2050. It facilitates collaboration among a group of companies working on similar initiatives, the government and academia. An initiative established by the Japanese Ministry of Economy, Trade and Industry.

Strengthening Internal and External Communication

In May 2025, the Group launched a special website introducing the Group's GX initiatives, including environmental conservation 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.



GX Special Website

Web Sumitomo Electric Group's GX special website

Internally, the Group distributes its Integrated Reports in booklet form to ensure that its GX strategies are thoroughly understood across the entire Group. The Group has also established a dedicated environmental intranet to disseminate information on laws and regulations and response measures. Regarding decarbonization initiatives, the Group has launched the "Decarbonization Portal Site" to visualize the progress made by each division in reducing greenhouse gas emissions and to promote these efforts.

Toward Achieving the Mid-term Management Plan 2028

Indicators, Targets, and Direction of Initiatives

The indicators and targets for the "Mid-term Management Plan 2028" and "Go for Green 2028" are as shown in the table below. The Group will strengthen its initiatives by adding the perspective of strengthening measures to address various GX regulations, including climate change, which the GX Promotion Committee has been working on, to the three

pillars the Group was working on under the Mid-term Management Plan 2025 (from fiscal 2023 to fiscal 2025) and Go for Green 2025.

In the field of decarbonization, the Group has long aimed for carbon neutrality (Scope 1+2) by 2050. In response to the growing demand for reducing CO₂ emissions across the entire supply chain, including the Group, in the "Mid-term Management Plan 2028," the 2030 reduction target, which serves as a milestone toward 2050, has been revised to align with the 1.5°C target—a higher target than that set in the previous Mid-term

Management Plan.

In the field of circular economy, in response to a growing customer demand for increased proportion of recycled materials in products, the Group will implement various measures, including developing new technologies.

In the fields of natural capital and biodiversity, based on the final recommendations of TNFD,* the Group is proceeding with the analysis and assessment of nature-related dependencies and impacts and of risks and opportunities, and it will disclose the results.

Targets in the "Mid-term Management Plan 2028" and "Go for Green 2028"

	"Mid-term Management Plan 2028"	"Go for Green 2028"	FY2026 targets	FY2028 targets
Operations for a greener global environment	Reduction of CO ₂ emissions (reduction compared to FY2018) Scope 1+2 30% reduction by FY2028, 50% reduction by FY2030 ● With a view to achieving carbon neutrality by 2050, thorough implementation of energy-saving measures and strengthening of environmental investments to increase energy productivity by 1.5 times ● Expansion of introduction of renewable energy, including off-site energy generation	Reduction of CO ₂ emissions (Scope 1+2) (compared to FY2018)	28% reduction (Note 3)	30% reduction (Note 3)
		Reduction of CO ₂ emissions (Scope 3) (compared to FY2018)	13% reduction (Note 3)	22% reduction (Note 3)
		Reduction of energy consumption intensity (compared to FY2025) (Note 1)	3.3% reduction	10% reduction
		Introduction of renewable energy (Note 2)	90 million kWh/year (Note 3)	150 million kWh/year (Note 3)
	Scope 3 22% reduction by FY2028, 30% reduction by FY2030 ● Promotion of green procurement and logistics initiatives ● Promoting LCA initiatives	NZF certification	1 NZF-certified site, 20 NZF Ready sites	3 NZF-certified sites, 30 NZF Ready sites
		Promotion of the use of recycled materials	Data collection and setting of quantitative targets	Promotion of the use of recycled materials to achieve the set quantitative targets
		Reduction of waste discharged intensity (compared to FY2025)	1% reduction	3% reduction
	Promotion of circular economy ● Promotion of the use of recycled materials (copper, aluminum, rare metals, resins, etc.) ● Product design and material development for easy recycling ● Waste reduction by reducing defects and sorting, water recycling	Reduction of water use intensity (compared to FY2025)	1% reduction	3% reduction
		Environmental incidents/accidents	Zero	Zero
		Reduction of PRTR*-designated chemical substance emissions intensity (compared to FY2025)	1% reduction	3% reduction
Contribution to the global environment through our business	Prevention of environmental pollution ● Zero environmental incidents, reduction of environmentally hazardous substances	Reduction of VOC* emissions intensity (compared to FY2025)	1% reduction	3% reduction
		Assessment and disclosure based on the TNFD* framework	Information disclosure for one or more product groups	Information disclosure for two or more product groups
		Disclosure of nature-related information ● Assessment and disclosure based on the TNFD framework	Assessment and disclosure based on the TNFD* framework	Assessment and disclosure based on the TNFD* framework
Promotion of "Eco-Activities 2030"	Green and digital-related products Net sales of 3.5 trillion yen (FY2028)	Net sales of green and digital-related products	2 trillion yen or more	3.5 trillion yen or more
		Eco products sales	2 trillion yen or more	2.1 trillion yen or more
Expansion of local eco-activities such as biodiversity preservation and community cleanup (strengthening of initiatives in collaboration with regional communities) ● Over 300 "Good for the Planet" activities per year in over 20 countries and regions ahead of FY2030		Promotion of biodiversity preservation and environmental conservation activities	Over 300 cases per year (Note 3)	Over 300 cases per year (Note 3)

(Note 1) The data boundary is manufacturing sites.

(Note 2) Energy generation (self-generation, PPA), excluding energy purchasing (certificates, renewable energy menus from power companies)

(Note 3) Interim target for the 2030 target

Glossary

*TNFD: Abbreviation for Task Force on Nature-related Financial Disclosures. It is an international framework for companies to assess their dependencies and impacts on natural capital and biodiversity and to disclose related risks and opportunities as financial information.

*PRTR: Abbreviation for Pollutant Release and Transfer Register

*VOC: Abbreviation for Volatile Organic Compounds

Responding to Climate Change (Mitigation and Adaptation)

Initiatives and Results

Assessment and Analysis of Climate-related Risks and Opportunities

Based on the recommendations of the TCFD*/TNFD, the Group discloses information on "Governance," "Strategy," "Risk and Impact Management," and "Metrics and Targets."

In conducting scenario analysis for disclosure regarding climate change-related "strategy," the Group considers two scenarios: one in which the global average temperature increase is limited to 1.5°C above pre-industrial levels and one in which the average temperature increases by 4°C. Based on these scenarios, the Group analyzes the financial impact of climate change-related risks and opportunities and considers future initiatives.

The risks and opportunities identified as material to the Group through the scenario analysis and the planned major efforts are shown in the table on the right.

 Disclosures based on TCFD/TNFD recommendations (full text)

1.5°C (well-controlled) scenario : The CO₂ reduction plans of major countries will be running mostly as scheduled. The carbon border tax scheme, as well as each country's energy policy and industrial policy, will be evolving steadily.

	Possible Circumstances	Financial Impact on the Group	Major Efforts
Opportunities	Energy ■ The market for renewable energy, such as offshore wind power and solar power, will expand toward the realization of a decarbonized society. ■ Electricity providers will change the way they operate toward the realization of a new form of energy mix for each country.	■ Growing demand for the new installation or replacement of electricity transmission cables, such as interconnectors. ■ 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 net sales.	■ 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. ■ Expand the sale of solutions for regional micro grids. ■ Focus on developing and increasing net sales of green and digital-related products as outlined in the Mid-term Management Plan 2028.
	Digital and AI ■ Explosive increase in the use volume, in line with the progress of a data-driven society ■ Increase in the number of data centers of various sizes. ■ Growing demand for low-power consumption and high-speed communications.	■ Growing demand for energy-saving and high-performance products for effectively establishing information networks, leading to an increase in the Group's net sales.	■ 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. ■ Focus on developing and increasing net sales of green and digital-related products as outlined in the Mid-term Management Plan 2028.
	Mobility ■ Electrified vehicle market, including EVs, will expand. ■ The number of gasoline-powered vehicles will decline. ■ New EV manufacturers will be established.	■ Many more related items, such as harnesses and system products centered on harnesses, will be adopted for electric vehicles. The Group will add higher value to such items, leading to an increase in the Group's net sales. ■ The markets for gasoline engine components will decline. ■ Products of the Group will be adopted by many more new customers, leading to expanded net sales.	■ 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. ■ Focus on developing and increasing net sales of green and digital-related products as outlined in the Mid-term Management Plan 2028.
	Net sales of green and digital-related products in the Mid-term Management Plan 2028: FY2028 target: 3.5 trillion yen; FY2025 results: 2 trillion yen		
Risks	Tightening of Policies and Legal Regulations ■ The call for reductions in GHG emissions will be more pronounced. ■ There will be a rise in GHG emissions trading prices. ■ Each country's material recycling regulations and certain countries' laws and regulations will be tightened.	■ Operating costs will rise due to the introduction of a carbon tax, the start of emissions trading, and the response to regulations on recycling.	■ Further reduce the use of energy in the manufacturing process. (Scope 1+2)
	Rise in Demand from the Market ■ There will be a rise in customer demand in response to climate change, making products and technology less competitive if they are not sufficiently tuned in to the decarbonization trend.	■ Operating costs will rise due to capital investment for the introduction of energy-saving equipment and the purchase of green electricity. ■ 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.	■ 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. ■ Proceed with the development and sale of products that will contribute to achieving a decarbonized society. ■ Proceed with lifecycle assessments in cooperation with component and material suppliers.
	Rise and Appreciation of Raw Material Prices ■ Growing demand for raw materials (e.g., copper) necessary for supplying EVs and other products that will contribute to mitigating climate change. Expectation that this will lead to a rise and appreciation of raw material prices.	■ The appreciation of raw material prices will increase the Group's costs.	■ Make further energy-saving and recycling efforts. ■ Reinforce its resilience in terms of raw materials by, for example, proceeding with the development of aluminum electric wires/harnesses.
	Evaluation by Stakeholders ■ Attitude toward addressing climate change will be evaluated by each stakeholder.	■ A delay in response or a failure to achieve targets will lead to a decline in the Group's credibility, a decrease in net sales, a loss of customers, a decline in the stock price, and an increase in financial arrangement costs.	■ Make efforts to achieve the GHG emissions reduction targets set under the SBTi. ■ Disclose appropriate information to a wide variety of stakeholders, and engage in dialogue with them at appropriate timing.

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	Financial Impact on the Group	Major Efforts
Opportunities	Growth in Demand for Products Adaptable to Climate Change	■ 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. ■ Frequent flooding and inundation will require regional infrastructure to be reestablished.	■ 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.	■ The Group will contribute to society by supplying products to reinforce electricity transmission grids, strengthen structures, and expand and strengthen communication networks in order to prepare for increasingly frequent disasters.
	Risks	Intensification of Climate Disasters Due to Global Warming	■ 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. ■ There will be an increase in global warming, causing water shortages.	■ Plant suspensions due to abnormal climate will generate restoration costs and increase non-life insurance premiums. ■ Appreciation of raw material prices will lead to extreme price rises for certain products, leading to sluggish demand for the products. ■ Water shortages will suspend or relocate many production lines or lead to increased investment in water-saving equipment.

Glossary *TCFD: Abbreviation for Task Force on Climate-related Financial Disclosures. It is an international framework for analyzing and disclosing the impacts of climate change on corporate management and finances.

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

■ Decarbonization (GHG Emissions Reduction)

The Group aims to achieve carbon neutrality for GHG emissions (Scope 1+2) from its manufacturing operations by 2050.

As a milestone toward this goal, the Group set a 2030 target to reduce GHG emissions by 50% compared to fiscal 2018 and is working to reduce emissions by 4.2% per year.

For upstream and downstream GHG emissions in the supply chain (Scope 3), the Group aims to achieve a 30% reduction by 2030 compared to fiscal 2018.

These 2030 targets are the target values that were revised upward in May 2026, and the Group is working on the renewal of SBTi (1.5°C target) certification for these targets.

In order to achieve the targets, the Group is working to reduce greenhouse gas emissions (Scope 1+2) based on the basic policy, under which while focusing on its maximum efforts on “energy saving” through productivity improvements and the introduction of new technologies, the Group is working on “energy generation” by producing green energy through solar power generation and other means and is supplementing the remaining unachieved targets through “energy purchasing” by procuring renewable electricity. In an effort to reduce greenhouse gas emissions (Scope 3), the Group asks suppliers with significant emissions from purchased goods and services to report their emissions annually and to continue working to reduce emissions, and it is also focusing on reducing emissions in logistics.

GHG emissions in FY2025 (emissions by scope) ^(Note 1)

(thousand t-CO₂e/year)

Scope 1			197
Scope 2			993
Scope 1+2			1,190
Scope 3 ^(Note 2)			21,493
Category	Description		
1	Purchased goods and services	9,665	
2	Capital goods	554	
3	Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	211	
4	Upstream transportation and distribution ^(Note 3)	39	
5	Waste generated in operations	35	
6	Business travel	36	
7	Employee commuting	75	
8	Upstream leased assets	-	
9	Downstream transportation and distribution	-	
10	Processing of sold products	-	
11	Use of sold products	10,876	
12	End-of-life treatment of sold products	3	
13	Downstream leased assets	-	
14	Franchises	-	
15	Investments	-	

(Note 1) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries with manufacturing sites (excluding Sumitomo Riko Group)

(Note 2) The breakdown figures for Category in Scope 3 may not match their total amounts due to rounding. The mark “-” indicates that the calculation method is under consideration or the category is not applicable.

(Note 3) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries in Japan with manufacturing sites (excluding the Sumitomo Riko Group); however, Nissin Electric Group includes overseas locations.

Of the above Category 4 of Scope 3, the figure for Sumitomo Electric and its consolidated subsidiaries in Japan with manufacturing sites (excluding Sumitomo Riko Group and the consolidated subsidiaries of Nissin Electric Co., Ltd.) is 36 thousand t-CO₂.

■ Reduction of Scope 1+2 Emissions

The Group is striving to achieve its GHG emissions reduction targets by, in addition to promoting self-help efforts such as thorough energy saving, energy productivity improvement, and expansion of introduction of renewable energy, including solar power, working to minimize risks while closely monitoring society's GHG-related trends, such as changes in GHG emission factors of power companies and the supply-demand balance of green electricity.*

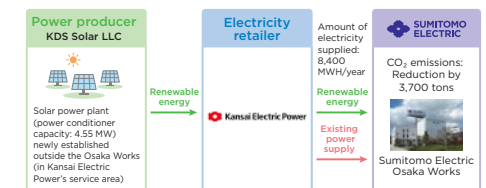
Energy saving and energy productivity improvement are extremely important issues for companies in terms of global warming prevention as well as cost competitiveness improvement. The Group has set reduction targets not only for the absolute amount of GHG emissions but also for reduction of energy consumption per basic unit, and it is vigorously promoting energy saving as the foundation for GHG emissions reduction activities and production activities. Our energy saving activities focus on reducing fixed energy consumption that occurs regardless of production levels and on examining and introducing new energy-saving technologies.

Specifically, the Environment Department and business divisions hold quarterly meeting on energy productivity improvement, where they share progress and issues regarding the reduction of energy consumption per basic unit, as well as useful information on examples of new energy-saving technologies introduced, thereby promoting resolution of issues. Good practices shared in the meetings are disseminated across the Group via the Global Environment Promotion Conference, the Decarbonization Portal Site, and other

channels. Furthermore, to promote productivity improvement, the Group is promoting investments in GHG emissions reduction projects by setting budget allocations for investments in CO₂-reduction equipment and new technologies, while also implementing daily operational improvements under “Energy Saving 200 Kaizen.” Specific activities being undertaken include reducing standby power consumption by visualizing energy consumption per piece of equipment by utilizing IoT devices. The Environment Department is working on information collection and evaluation of new technologies that can lead to energy consumption reductions and is supporting the introduction of new technologies in accordance with the needs of each business division.

Regarding the introduction of renewable energy, the Group is systematically promoting energy generation through various means, including on-site (within company premises) and off-site (outside company premises) PPA,* based on the “Medium- to Long-Term Renewable Energy Procurement Guidelines” formulated in fiscal 2023.

In February 2025, Sumitomo Electric signed its first off-site PPA contract. The Osaka Works is supplied with renewable energy equivalent to approximately 13% of its annual electricity consumption from a solar power plant newly constructed by the Kansai Electric Power Co., Inc.



Glossary

***Green electricity:** Electricity generated using energy sources that do not emit greenhouse gases, such as solar, wind, hydro, and geothermal power

***PPA:** Abbreviation for Power Purchase Agreement. A system in which electricity generated by power generation facilities installed and maintained by a power producer at its own expense is supplied to the user for a fee. In the case of on-site PPA, electricity is supplied from power generation facilities installed within the user's premises, while in off-site PPA, electricity is supplied from power generation facilities installed outside the user's premises.

<Transforming all plants into Net Zero Factories by 2050>

As part of efforts to achieve its goal of carbon neutrality by 2050, the Group defines a "Net Zero Factory*" as a plant whose annual net greenhouse gas emissions are zero or below and which is promoting energy saving and energy generation at a level that serves as a standard for other plants, and it is working to develop and promote a Net Zero Factory model. Thorough rigorous energy saving in production processes and the introduction of renewable energy, including solar power, the Group plans to transform all of its approximately 270 plants into Net Zero Factories by 2050. In August 2025, SWS West Japan's Matsusaka Factory was certified as the Group's first Net Zero Factory. In addition to installing solar power generation equipment on the roof, the Matsusaka Factory has jointly introduced an off-site PPA with Sumitomo Wiring Systems, Ltd. Furthermore, the Factory uses Sumitomo

Electric products—redox flow battery systems and a sEMSA™ (Sumitomo Energy Management System Architecture) energy management system—to control the generation and storage of electricity in an optimal balance, and it transmits surplus power to other business sites within the Group, thereby achieving net zero emissions.

<Setting an internal carbon price>

In fiscal 2026, to further promote measures such as energy saving and the installation of solar power generation equipment, the Group has begun the practice of incorporating GHG emission reduction effects—calculated based on its internal carbon pricing (ICP)—as part of investment effects when evaluating the profitability of capital investments. Currently, the ICP is set at 12,000 yen/t-CO₂.

The Group will continue to make steady efforts to achieve the set targets.

Example of Sumitomo Electric Group's Net Zero Factory

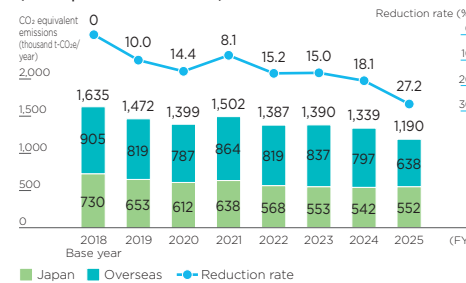


*Surplus electricity generated by the solar power generation equipment at SWS West Japan, Ltd.'s Matsusaka Factory

■ Scope 1+2 Emissions Reduction Results

In fiscal 2025, against the target of a 17.5% reduction compared to fiscal 2018, the Group achieved a 27.2% reduction (28.5% reduction when Sumitomo Riko Company Limited and its group company included). This is due, in addition to the reduction of GHG emission factors of the power companies, to our own efforts, such as improving equipment efficiency, promoting "Energy Saving 200 Kaizen" activities, introducing solar power generation equipment, and reducing non-energy-related GHG emissions such as sulfur hexafluoride (SF6).

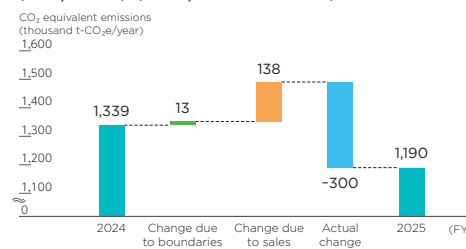
GHG emissions (Scope 1+2) and reduction rate (in Japan + overseas)



	2018	2019	2020	2021	2022	2023	2024	2025
Energy-derived	1,526	1,374	1,289	1,397	1,312	1,326	1,288	1,133
Non-energy-related	109	98	110	105	75	64	51	57

(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries with manufacturing sites (excluding Sumitomo Riko Group)

Factor analysis of fluctuations in GHG emissions (Scope 1+2) (in Japan + overseas)



(Note) Change due to boundary change: Emissions in FY2024 from the boundaries of collection newly added or excluded in FY2025
Change due to sales change: [Emissions in FY2024 from the boundaries of collection for FY2025] x (FY2025 sales/FY2024 sales -1)
Actual change: Calculated by subtraction

GHG emissions by region* (Scope 1+2)

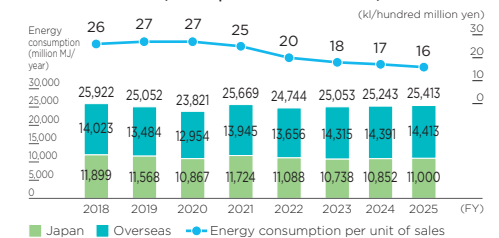
	2018	2019	2020	2021	2022	2023	2024	2025
Asia	714	636	630	706	666	668	637	474
Americas	136	126	112	109	103	118	105	94
Europe and others	55	57	45	49	50	51	55	70
Japan	730	653	612	638	568	553	542	552
Total	1,635	1,472	1,399	1,502	1,387	1,390	1,339	1,190

(*) Japan: 45 companies; Asia: 94 companies; Americas: 23 companies; Europe and others: 23 companies

■ Energy Productivity Improvement Results

Although energy consumption in fiscal 2025 was roughly the same as in the previous fiscal year due to active energy-saving activities in each division, the energy consumption reduction rate per unit of sales stood at 28.5%* compared to the fiscal 2021-2022 average, exceeding the target of 10%, due to the significant increase in sales. By business division, the Automotive Business Unit made a significant contribution.

Energy consumption and reduction rate per unit of sales (in Japan + overseas)



(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries with manufacturing sites (excluding Sumitomo Riko Group)

(*) Energy consumption per unit of sales in FY2025 was 15.9 kJ/hundred million yen, compared to the baseline of 22.2 kJ/hundred million yen (FY2021-2022 average), resulting in a reduction rate per unit of sales of 28.5%.

■ Results of Introduction of Renewable Energy

In fiscal 2025, solar power generation equipment with a total capacity of 41 MW was installed in nine locations in Japan and 15 overseas locations in Asia, Europe, etc., bringing the total installed capacity to 91.6 MW, exceeding the target of 40 MW.



Solar power generation equipment of A.L.M.T. Corp. (Yamagata)

Glossary

***Net Zero Factory:** A plant whose annual net GHG emissions are below zero and which is promoting energy saving and energy generation at a level that serves as a standard for other plants, toward the goal of achieving carbon neutrality by 2050

■ Reduction of Scope 3 Emissions

The Group has more than 10,000 suppliers of raw materials and parts. To reduce Category 1 emissions, which account for approximately half of Scope 3 emissions, the Group has identified the top 100 emitters, focusing on manufacturers of materials such as copper, steel, aluminum, and synthetic resin, which account for a large proportion of CO₂ emissions, as priority targets for its supplier engagement activities. Specific activities include explaining the Group's policy to these suppliers and asking them to report their CO₂ emissions and cooperate in emissions reduction.

Regarding CO₂ emissions in Category 4 transportation, while responding flexibly to fluctuations in customer demand, the Group will continue to make steady efforts in expanding the use of rail containers and coastal shipping, improving truck loading rates, and reducing the number of trips, thereby aiming to achieve the reduction targets. Furthermore, through the Green Logistics Subcommittee, which meets twice a year ([▶p.13](#)) Structure to Promote Environmental Management), the Group holds education sessions for Group companies to share information on the Group's CO₂ reduction performance in transportation and promote CO₂ reduction activities across the Group.

■ LCA (Life Cycle Assessment)

The importance of product LCA is increasing due to a need for the improvement of competitiveness through reduction of product environmental impact and increasing requests from customers for disclosure of the carbon footprint of products (CFP). To respond to such a situation, the LCA Subcommittee was established directly under the Global Environment Promotion Conference in fiscal 2023, and approximately 60 members are assigned to business divisions and departments to promote LCA. In fiscal 2025, three Subcommittee meetings were held to share the latest information on LCA, including standardization in each

industry, trends in the upstream and downstream supply chains, and examples of in-house LCA calculations. Through these activities, the Subcommittee contributes to promoting LCA and raising the level of LCA practice of the entire Group, including improved calculation efficiency.

From fiscal 2024, the Group is working to apply LCA in the development of products that achieve both reduced environmental impact and resource conservation, with examples including using LCA methods to evaluate the CFP reduction effects of using recycled copper in products that use copper.

■ Scope 3 Emissions Reduction Results

In fiscal 2025, Scope 3 emissions increased by 13.0% (0.6% reduction when Sumitomo Riko Company Limited and its group company included), against the set emission reduction target of 8.7% compared to fiscal 2018. This is due to an increase in production volume resulting from rising demand for the Group's products.

<Strengthening of supplier engagement>

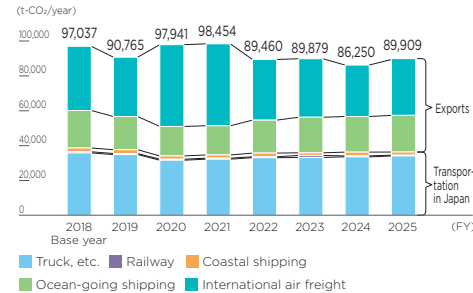
Of the top 100 emitters, 85 suppliers submitted an annual report on emissions data of products delivered to the Group. Starting in fiscal 2023, the Group has been conducting meetings with business partners that generate high emissions to obtain their agreement to formulate and implement reduction plans, and it completed these meetings with 30 companies by the end of fiscal 2025. Supplier engagement is essential to reduce GHG emissions throughout the supply chain; the Group will continue working on supplier engagement on a top-priority basis.

<Changes in CO₂ emissions from transportation>

In fiscal 2025, total CO₂ emissions from transportation in Japan and exports increased by 4.2% from the previous fiscal year. CO₂ emissions from transportation (by truck etc., rail, and coastal shipping) in Japan increased by 0.4%, while CO₂ emissions from exports (ocean-going shipping and international air

freight) increased by 7.0%. The increase in CO₂ emissions from exports is due, in part, to factors such as the increased use of international air freight resulting from a sharp rise in demand in some businesses.

Changes in CO₂ emissions from transportation



(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries in Japan with manufacturing sites (excluding Sumitomo Riko Group and the consolidated subsidiaries of Nissin Electric Co., Ltd.)

<Reduction of CO₂ emissions per basic unit from transportation in Japan>

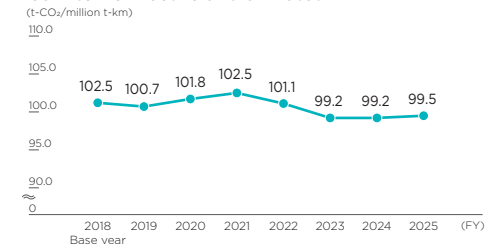
In fiscal 2025, compared to the base year of fiscal 2018, CO₂ emissions per basic unit from transportation in Japan decreased by 14.7%, significantly exceeding the target of a 7% reduction. (For the totaling method, refer to "Calculation Criteria" [▶p.81](#).) For changes in CO₂ emissions per basic unit (CO₂ emissions per reference value) from transportation in Japan by Sumitomo Electric and affiliates, and by the Sumitomo Wiring Systems Group, please see the graphs on the right.

Compared to the previous fiscal year, CO₂ emissions per basic unit by Sumitomo Electric and affiliates (see the graph on the right ^(Note 1)) remain almost unchanged.

The Sumitomo Wiring Systems Group saw a 4.0% reduction. This reduction in CO₂ emissions per basic unit is attributed to measures such as using larger transport vehicles and optimizing warehouses and logistics bases in response to increased customer demand.

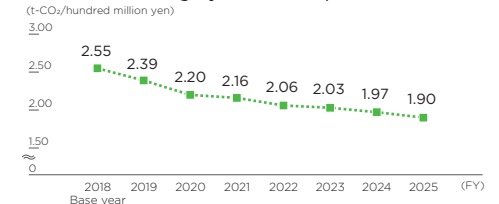
Changes in CO₂ emissions per basic unit from transportation in Japan

Sumitomo Electric and affiliates ^(Note 1)



(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries in Japan with manufacturing sites (excluding Sumitomo Wiring Systems Group, Sumitomo Riko Group, and the consolidated subsidiaries of Nissin Electric Co., Ltd.)

Sumitomo Wiring Systems Group



Going forward, the entire Sumitomo Electric Group will continue steady efforts from a medium- to long-term perspective to reduce CO₂ emissions from transportation.



Eco Rail Mark*

The Group has received "Eco Rail Mark Company" certification from the Railway Freight Association.

Toward Achieving the Mid-term Management Plan 2028

■ Indicators and Targets

The Group will promote initiatives to achieve the targets for "Reduction of CO₂ emissions," listed in the table on [▶p.16](#).

Glossary

***Eco Rail Mark:** A system established by the Japanese Ministry of Land, Infrastructure, Transport and Tourism that allows products and companies that use environmentally friendly railway transport with low CO₂ emissions to a certain extent or more to display the "Eco Rail Mark" on packaging and advertisements, providing a criterion for consumers' purchase decisions.

Natural Capital

Initiatives

■ Nature-related Risks and Opportunities

1| Determining the scope of analysis

The Group operates globally in five business segments: Environment & Energy, Info-Communications, Automotive, Electronics, and Industrial Materials. For these business segments, the Group conducted “scoping (determining the scope of analysis)” in accordance with the LEAP approach recommended by TNFD.

During scoping, the Group first organized the value chains from upstream to downstream for the main products in each business segment and then analyzed dependencies and impacts on nature in each

process in the value chain by using ENCORE, an analysis tool recommended by TNFD, and produced a heatmap.

The heat map revealed that the Group's business activities have a significant dependence on and impact on nature, particularly in the procurement of raw materials at the upstream end of the value chain. In addition, as shown in the table below, copper accounts for the largest share of the Group's raw material purchases. The Group has therefore identified the Environment & Energy segment, which purchases a large amount of copper, as an important business domain, and it has selected the “power cable business”— the core business of the said segment—as the subject of analysis and disclosure.

Heat Map of Dependence and Impact on Nature

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

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

Actual Raw Material Purchase Amounts

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 SBIs for Nature. The difference between the sum of the sales figures for each segment and the total amount is due to consolidation elimination.

2| Identifying sensitive locations

The locations of activities subject to analysis were 18 locations in direct operations (manufacturing, development and office bases, etc.), including subsidiaries in the power cable business, 25 locations in the upstream value chain (copper mines, smelters, etc.), and 14 locations in the downstream value chain (transmission cable installation sites). Regarding upstream copper mines, the Group widely evaluated mines that may be producing raw materials for its products, based on publicly available information from suppliers. The “WWF Biodiversity Risk Filter (WWF BRF)” and “Landmark” were used to evaluate whether each site^(*) meets the criteria for sensitive locations as defined by TNFD.^(*)

As a result, all of the 25 copper mines and smelters (in South America, etc.) in the upstream value chain and the 14 transmission cable installation sites (in Europe, etc.) in the

downstream value chain were identified as sensitive locations, while none of the direct operation sites met the criteria for sensitive locations.

3| Important dependencies and impacts for the Group

Based on the results of initial analysis of dependencies and impacts during scoping, we identified the dependencies and impacts on nature that are considered important to the Group, as shown in the table below.

(*)1 Sensitive locations: Sensitive locations are the following five: “Areas important for biodiversity,” “Areas of high ecosystem integrity,” “Areas of rapid decline in ecosystem integrity,” “Areas of high physical water risks,” and “Areas of importance for ecosystem service provision, including benefits to Indigenous Peoples, Local Communities and stakeholders.”

(*)2 In accordance with the TNFD Guidance, the Group identifies its business locations that meet at least one of the five TNFD “sensitive locations” and that have been rated “Very High Risk” by WWF BRF, or “Proximate to areas managed by IPLCs” by Landmark as “sensitive locations.” Furthermore, since changes in natural conditions may result from the synergistic effects of multiple factors, the Group additionally designates locations that meet two or more and that have been rated “High Risk” by WWF BRF locations as “sensitive locations.”

Sensitive Locations

	Locations identified as sensitive locations		Reasons for being identified as sensitive locations
(Upstream) Copper mines and smelters, etc.	25 locations	Chile, Canada, Peru, Australia, United States, Japan, China, Indonesia	Areas important for biodiversity Areas of rapid decline in ecosystem integrity Areas of high physical water risks
(Downstream) Transmission cable installation sites	14 locations	UAE, United Kingdom, Ireland, Belgium, India, Denmark, Germany, Japan, Sri Lanka, Cambodia	Areas important for biodiversity Areas of rapid decline in ecosystem integrity

Important Dependencies and Impacts for the Group

VC activities	Dependencies	Description	VC activities	Impacts	Description
Upstream (mines and smelters) Direct operations (plants) Logistics	Prevention and mitigation of natural disasters, global climate regulation	Mines, smelters, plants, and logistics infrastructure rely on ecosystem services that help prevent natural disasters (such as flood control and the retention of soil and sediment).	Upstream (mines) Downstream (cable installation sites)	Use of ecosystems	Deforestation due to mining development and cable installation work can destroy habitats (both on land and in the ocean) that are critical to biodiversity, potentially leading to ecosystem deterioration.
Upstream (mines and smelters) Direct operations (plants)	Water resource supply and purification	Mines, smelters, and plants use large amounts of water for dust suppression, cleaning, cooling, processing, and the prevention of contamination by hazardous substances, and they are heavily dependent on water resources.	Upstream (mines) Direct operations (plants)	Emissions of pollutants	If effluent and exhaust gases containing hazardous substances from mines, smelters, and plants are not properly treated, they may pollute the surrounding environment and adversely affect ecosystems and species.

4| Important nature-related risks and opportunities and major efforts

Based on the identified dependencies and impacts on nature, the Group created two scenarios for anticipated nature-related risks and opportunities in accordance with the TNFD's Guidance, and it assessed the future risks and opportunities indicated by each scenario. The risks and opportunities identified as material to the Group through the scenario analysis are shown in the tables on the right. These scenarios are based on scenarios that reflect the uncertainties associated with transition and physical risks as outlined by the TNFD, and have been adjusted to align with the scenarios used in the TCFD scenario analysis [[▶p.17](#)].

Toward Achieving the Mid-term Management Plan 2028

■ Indicators and Targets

The Group will promote initiatives to achieve the targets listed in the “Mid-term Management Plan 2028” and “Go for Green 2028” on [[▶p.16](#)].

■ Future Initiatives

Starting in fiscal 2026, the Group plans to conduct similar analyses for products related to the “Automotive” segment, which accounts for a significant portion of the Group's revenue. In addition, the Group plans to further enhance our disclosures regarding climate, nature, and biodiversity and to incorporate responses to the identified challenges into its business strategies and sustainability policies.

 Disclosures based on TCFD/TNFD recommendations (full text)

Scenario I (transition risks and opportunities) : Understanding of nature positivity increases, and the deterioration of the natural environment is minimal. In major countries, efforts to combat climate change are progressing as planned, limiting the rise in average temperature to 1.5°C.

	Classification	Activity Location	Description	Possible Circumstances	Financial Impact on the Group	Time Horizon	Major Efforts
Opportunities	Reputation Market Products and Services Sustainable Use of Natural Resources	Plants/factories Offices	Increased net sales of SEG products that help reduce the environmental impact for customers	■ With increasing attention on concepts such as carbon neutrality, circular economy, and nature positivity, interest will grow in products that are advantageous in solving environmental issues such as the need for energy saving, measures against natural resource depletion, and mitigation of natural disasters. Net sales will increase through the development of new products utilizing the Group's existing products and proprietary technologies.	■ There will be an increase in net sales of SEG products, which have a high ability to solve environmental problems. ■ Net sales will increase through the development of new products utilizing the Group's proprietary technologies, which have a high capabilities for solving environmental issues.	Long term	■ Focus on developing and increasing net sales of green and digital-related products as outlined in the Group's Mid-term Management Plan 2028. (E.g., extra-high-voltage DC cables, wires for renewable energy)
	Products and Services	Transmission cable installation sites	Increased environmental demand in cable installation sites, leading to increased net sales of SEG products	■ With the shift towards environmentally conscious preferences, more will invest in SEG's cables with a low environmental impact.	■ Demand will increase for SEG transmission cables, which have a low environmental impact.	Medium term	■ Focus on developing and increasing net sales of green and digital-related products as outlined in the Group's Mid-term Management Plan 2028. (E.g., ultra-low loss electric wires for overhead lines)
Risks	Policy Market	Mines	Restrictions and interruptions to mining activities due to stricter regulations on water resource usage	■ The impact on water usage and area for freshwater use will become a serious problem, leading to stricter laws and regulations on water usage and making it impossible to secure a sufficient quantity and quality of water necessary for mining activities (dust control, securing washing facilities, etc.) and factory operations (reactor cooling, material processing, surface cleaning, etc.). Lower productivity and increased water usage costs drive up raw material prices, which makes it difficult to procure raw materials.	■ Procurement costs will increase due to soaring copper prices caused by supply shortages. ■ Costs associated with selecting alternative suppliers will increase. ■ Copper prices will rise due to the introduction of water-saving equipment, etc. ■ There will be loss of sales opportunities due to instability/decrease in the volume of copper procured.	Long term	■ Promote the manufacture of products using recycled copper in order to reduce the Group's reliance on newly mined copper. ■ Formulate and implement business continuity plans (BCPs) for raw materials. (Risk assessment of raw materials, diversified procurement, and diversification of supply chains)
	Market Reputation	Mines Plants/factories Offices Transmission cable installation sites	Increased demands for environmental considerations leading to reputational damage and lost sales opportunities due to inadequate environmental consideration	■ Demands for environmental considerations will increase, and if the Group fails to consider the environment, its reputation will suffer due to negative customer feedback and complaints and protests from local residents and NPOs, resulting in lost sales opportunities.	■ There will be an increase in burden of additional costs due to delivery delays, etc. (transmission cables) ■ There will be loss of reputation and credibility with clients (stakeholders) due to delays. ■ Net sales will decrease due to a worsening reputation.	Medium term	■ Promote CSR procurement. ■ Promote environmental management at the Group's sites of direct operations. ■ Implement environmental measures in areas where transmission cables are installed.

Scenario II (physical risks and opportunities) : Efforts to protect nature and promote resource recycling are not progressing, and the natural environment is deteriorating. Due to a lack of coordination among countries, climate change countermeasures are not progressing as planned, and the average temperature has risen by 4°C.

	Classification	Activity Location	Description	Possible Circumstances	Financial Impact on the Group	Time Horizon	Major Efforts
Risks	Acute	Mines Plants/factories Offices Logistics	Interruption of mining activities due to extreme weather and natural disasters, damage to company assets, and disruption of logistics infrastructure	■ When ecosystem services such as flood mitigation, rainfall pattern regulation, and soil and sediment retention are impaired, natural disasters (tsunamis, storm surges, floods, inundation, droughts, landslides, land subsidence, etc.) become more severe and frequent. ■ Mining activities at mines will no longer proceed as planned, resulting in delays or reductions in the supply of minerals to the Group. In factories and offices, damage to company assets can necessitate equipment repairs or a period of operational shutdown. Furthermore, damage to logistics infrastructure can lead to delays in the transportation of products and raw materials.	Mines: ■ Procurement costs will increase due to soaring copper prices caused by supply instability. ■ Costs associated with selecting alternative suppliers will increase. ■ Loss of sales opportunities due to decreased procurement volume of copper. Plants/factories and offices: ■ There will be an increase in repair costs due to equipment damage. ■ Loss of sales opportunities during the suspension of operations. Logistics: ■ Loss of sales opportunities due to decreased procurement volume of raw materials. ■ Costs associated with securing alternative logistics routes will increase. ■ Decrease in net sales due to delays in product delivery (loss of customer trust). ■ There will be an increase in costs due to passing disaster response expenses on to transportation prices.	Medium term	Mines: ■ Promote the manufacture of products using recycled copper in order to reduce the Group's reliance on newly mined copper. Plants/factories and offices: ■ Build disaster-resilient factories. ■ Promote the formulation and implementation of business continuity plans (BCPs) that take weather changes into account. Logistics: ■ Promote the formulation and implementation of business continuity plans (BCPs), such as securing and strengthening logistics means in light of weather changes.
	Acute/Chronic	Mines	Mining activities suspended due to contamination by hazardous substances	■ If water purification and supply services are disrupted, hazardous substances (chemicals, heavy metals from ore, toxic gases) may be discharged into rivers and soil around the mine. The contamination prevents employees from entering the mine, resulting in a temporary shutdown of operations.	■ Procurement costs will increase due to soaring copper prices caused by supply shortages. ■ Copper procurement costs will increase due to passing disaster response expenses on to prices. ■ Costs associated with selecting alternative suppliers will increase. ■ Loss of sales opportunities due to unstable/decreased procurement volume of copper.	Medium term	■ Promote the manufacture of products using recycled copper in order to reduce the Group's reliance on newly mined copper.
	Chronic	Mines	Difficulty procuring raw materials due to depletion of water resources	■ If water supply services are disrupted, it will become impossible to secure a sufficient quantity and quality of water necessary for mining activities (such as dust control and securing washing facilities). Lower productivity and increased water usage costs drive up raw material prices, which makes it difficult to procure raw materials.	■ Procurement costs will increase due to soaring copper prices caused by supply shortages. ■ Costs associated with selecting alternative suppliers will increase. ■ There will be an increase in water use costs and rising mineral prices due to the cost of installing water-saving equipment. ■ Loss of sales opportunities due to unstable/decreased procurement volume of copper.	Long term	■ Promote the manufacture of products using recycled copper in order to reduce the Group's reliance on newly mined copper.

These scenarios are based on scenarios that reflect the uncertainties associated with transition and physical risks as outlined by the TNFD, and have been adjusted to align with the scenarios used in the TCFD scenario analysis.

Promoting Circular Economy

Initiatives and Results

Waste Reduction and Recycling Promotion

In recent years, the problems of resource depletion and ocean plastic debris due to an increasing world population and economic development have attracted attention, making the transition to a recycling-oriented society a challenge that must be tackled. The Group has always considered the issues of resource depletion and the saturation of landfill sites to be important challenges and has therefore been working to reduce the amounts of waste discharged and promote recycling.

Activities to reduce and recycle waste generated in the course of the Group's business activities are being implemented at each of the Works and affiliates. A system is in place in which the status of activities is compiled by each division and reported to and deliberated at the Global Environment Promotion Conference. In addition, we have a framework in place by establishing the Resource Conservation & Recycling Subcommittee under the Global Environment Promotion Conference to discuss how to address Group-wide challenges and specific ways to implement measures.

Furthermore, with regard to a circular economy, efforts are being made to promote the use of recycled materials in products and packaging across the entire Group through collaboration among the business divisions and the R&D, Intellectual Property, and Corporate Planning Departments. In addition, product development is carried out with recycling and reuse in mind, from the R&D stage. The Group operates with the aim of minimizing the consumption of new resources and creating the maximum added value through efficient use of resources.

<Waste reduction>

The Group uses such resources as copper, aluminum, and iron primarily in its electric wire and cable business, as well as a lot of plastic as an insulating material. The majority of waste generated is metal scrap as well as waste acid, waste alkali, waste oil, sludge, etc. from metal surface treatment and processing. Our efforts

for waste reduction include improving yields, reducing the volume of waste acid, alkali, oil, and other waste, detailed sorting of plastics, etc., and selling waste that can be sold as valuable materials. The Group's amounts of waste discharged exclude valuable materials.

Waste discharged and valuable materials

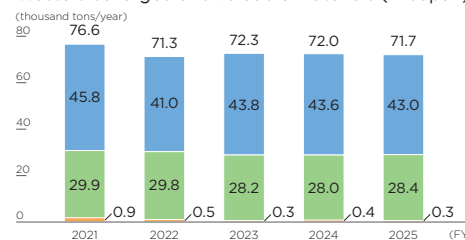
The amounts of waste discharged and valuable materials in fiscal 2025 are shown in the table below.

Waste discharged and valuable materials in FY2025

		(Unit: thousand tons/year)		
		Japan	Overseas	Total
Amount of waste discharged	Waste landfilled or incinerated without thermal recovery	0.3	15.5	15.7
	Recycling	28.4	39.7	68.1
	Total	28.7	55.1	83.9
Valuable materials		43.0	83.6	126.6
Total		71.7	138.8	210.4

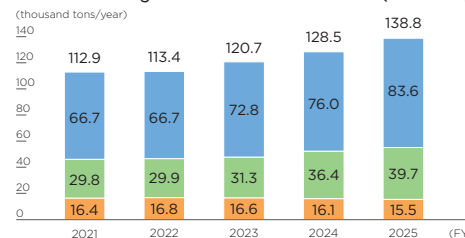
(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries (excluding Sumitomo Riko Group)

Waste discharged and valuable materials (in Japan)



(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries (excluding Sumitomo Riko Group)

Waste discharged and valuable materials (overseas)



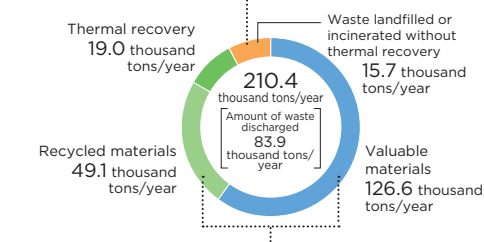
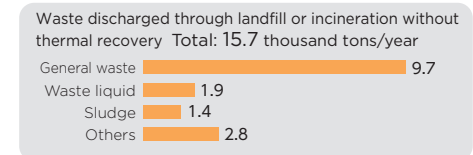
(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries (excluding Sumitomo Riko Group)

Breakdown of waste discharged and valuable materials

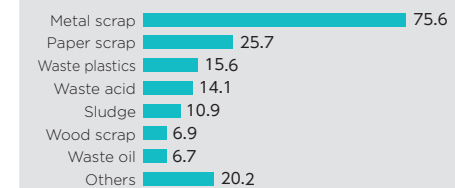
Of the 210.4 thousand tons of waste discharged and valuable materials, 15.7 thousand tons was waste landfilled or incinerated without thermal recovery and 68.1 thousand tons was recycled, which included 19.0 thousand tons subject to thermal recovery and 49.1 thousand tons to recycled materials.

The breakdown of materials reused as recycled materials and valuable materials is shown in the graph below, with metal scrap accounting for the majority.

Breakdown of waste discharged and valuable materials in FY2025 (in Japan + overseas)



Reused materials Total: 175.7 thousand tons/year



(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries (excluding Sumitomo Riko Group)

Waste discharged = waste landfilled or incinerated without thermal recovery + recycling

Recycling = thermal recovery + recycled materials

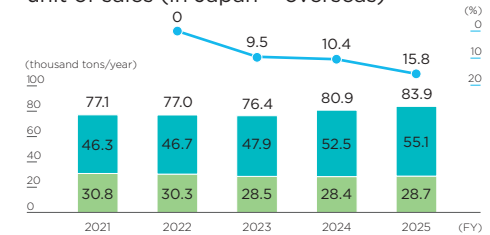
Waste recycling rate = [recycling + valuable materials] / [amount of waste discharged + valuable materials] x 100

(*) On this page, the breakdown figures for waste discharged and valuable materials may not match their total amounts due to rounding.

Waste discharged reduction rate per unit of sales (in Japan + overseas)

The amount of waste discharged in fiscal 2025 increased to 83.9 thousand tons from 77.0 thousand tons in the base year (fiscal 2022) due to increased sales. However, waste discharged per unit of sales decreased by 15.8% from fiscal 2022. While waste is increasing in divisions with strong performance, the increase in net sales is even greater, resulting in a significant reduction in waste discharged per unit of sales. The divisions that generate large amounts of waste oil and waste liquid are promoting the introduction of volume-reduction equipment and other measures.

Waste discharged and reduction rate per unit of sales (in Japan + overseas)



(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries (excluding Sumitomo Riko Group)

<Recycling promotion>

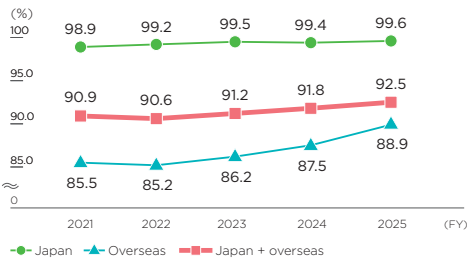
The waste recycling rate is the percentage of the amount of waste discharged and valuable materials that were not landfilled or incinerated without thermal recovery. The Group is working to improve this rate.

Improvement of waste recycling rate

In fiscal 2025, the waste recycling rate for Japan and overseas combined was 92.5%, falling short of the target of 94%.

Environmental Management / Responding to Climate Change (Mitigation and Adaptation) / Natural Capital / [Promoting Circular Economy](#) / Preventing Environmental Pollution / Biodiversity Preservation / Contributing to Global Environment through Our Business

Trends in waste recycling rates



(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries (excluding Sumitomo Riko Group)

The waste recycling rate is over 99% in Japan, but remains 88.9% overseas because some countries and regions do not have appropriate waste recycling methods in place. A key challenge is to explore recycling methods tailored to the specific circumstances of each country.

In fiscal 2025, the rate improved slightly due to the progress in the development of recycling facilities in Vietnam and China and the outsourcing of waste disposal to recycling companies at each operation site.

We will improve recycling rates by sharing with the Group companies information regarding the sites with advanced recycling so as to promote better recycling rates, ensuring, while also strengthening waste separation in each region, and strengthening the search for recycling companies in each region.

Promoting Raw Material Recycling

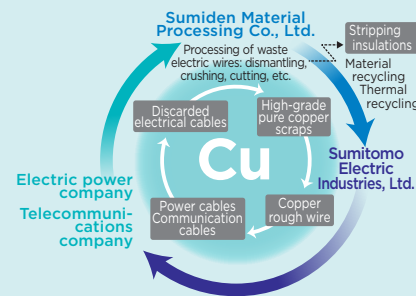
The Group is committed to building a circular economy by recovering resources from the products that were delivered to and used by customers and reusing recovered resources as raw materials for new products.

The Group promotes the recycling of copper, the main raw material of our products, and rare metals, which are limited resources. In addition, we collect used electric wires and cables, optical fiber cables, and cemented carbide chips for cutting processes and recycle them as raw materials for our products.

Activity example

Recycling copper

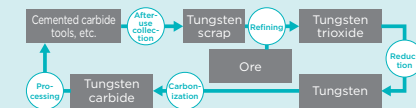
The Group dismantles used electric power and communication cables at its affiliate Sumiden Materials Processing Co., Ltd. and recycles the recovered copper using a copper smelting furnace called a "Tilting Reverberatory Furnace" that the Group owns.



Recycling tungsten

The tungsten used in hard metals (super-hard alloys) for cutting tools manufactured by the Group is collected from customers and recycled at affiliates.

Recycling flow of tungsten



In recent years, in Europe, which is at the forefront of the circular economy, there have been new developments in laws and regulations, and these trends are having a broad impact on international business activities. Furthermore, from the perspective of economic security, due to export restrictions on rare metals by a certain country and other factors, the importance of recycling raw materials is increasing as a means of securing resources.

Going forward, while closely monitoring developments in various countries, in order to comply with laws and regulations and secure resources, the Group will implement various measures strategically, without delay, including promoting the use of recycled materials such as copper, aluminum, tungsten, and resin.

Water Resource Management

In recent years, the problem of water resources has emerged as a risk that could have a major impact on business operations, and investors and customers are calling on the Group to address this problem. Water-related issues include not only a shortage of water supply but also deteriorating water quality, flood damage, stricter government regulations, and relations with surrounding regional communities.

The Group is working to identify and address these challenges. In fiscal 2017, we established guidelines for activities to address water risks as follows: "We will form an organization across the Group to have its manufacturing sites around the world understand the current situation regarding water risks, identify issues, and develop action plans to address them."

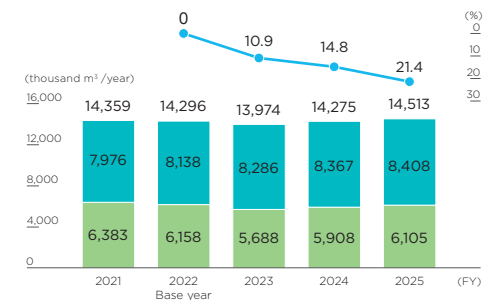
In January 2018, we established a Water Risk Working Group, recruiting members from respective divisions and affiliates, and have put in place a system to promote initiatives. The Working Group meets twice a year as a sub-organization of the Resource Conservation & Recycling Subcommittee, one of the expert committees that provides technical support to the Global Environment Promotion Conference. As in fiscal 2024, the priority activities for fiscal 2025 were holding meeting with operation sites with high water risk, identifying water risk factors and taking measures, as well as developing a long-term vision for water risks.

<Reducing water use (water withdrawal)>

To address water supply shortages, one of the water-related challenges that the Group faces, the Group has been working since fiscal 2008 to achieve the target of reducing water use per unit of sales by 1% annually. We are working to reduce the amount of water withdrawal through reduction activities such as quickly detecting and addressing even the smallest leaks at our sites and using wastewater that has previously been discharged.

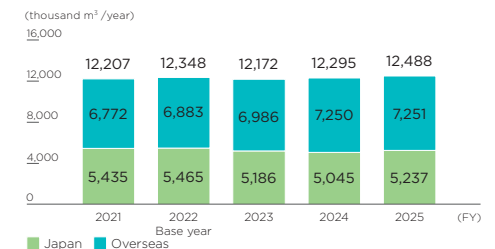
Although water use (water withdrawal) in fiscal 2025 was roughly the same as in the base year (fiscal 2022), the reduction rate per unit of sales stood at 21.4% due to increased sales, exceeding the target.

Water withdrawal and reduction rate per unit of sales (in Japan + overseas)



(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries (excluding Sumitomo Riko Group)

Effluent (in Japan + overseas)



(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries (excluding Sumitomo Riko Group)

<Water withdrawal by water source and effluent by destination>

In terms of water withdrawal by water source, 12,040 thousand m³ (83%) came from city water and 2,473 thousand m³ (17%) came from groundwater.

Regarding the destinations of effluent, 8,896 thousand m³ (71%) went to sewers, 2,418 thousand m³ (19%) to rivers, 958 thousand m³ (8%) to the sea, and 216 thousand m³ (2%) to other destinations.

The amount of water withdrawal by water source and the amount of effluent by destination, as well as their respective percentages for fiscal 2025, remained almost unchanged from fiscal 2024.

		FY2025	
		Amount [thousand m ³]	(Percentage)
Amount of water withdrawal	City water	12,040	83
	Ground water	2,473	17
Effluent Amount	Sewers	8,896	71
	Rivers	2,418	19
	Sea	958	8
	Others	216	2

<Evaluating water risks on a global scale>

Using the water risk assessment tool Aqueduct,* the Group has evaluated its manufacturing sites in Japan and overseas on 13 risk items, including water volume, water quality, regulations under local laws, and relationships with the surrounding community, on a five-point scale.

In fiscal 2025, we focused on floods and droughts and identified priority sites with high risks and significant challenges, as we did in fiscal 2024. The method involves calculating the flood and drought risk points of each site using Aqueduct's five-point risk assessment of four categories: riverine flooding, coastal flooding, water depletion, and drought. Each site is then evaluated on both the "probability of water risk occurrence" (flood and drought risk points) and the "magnitude of impact if risk occurs" (net sales or water use), and sites in the red zone of the matrix are designated as those with significant challenges. As a result, the number of sites with significant flooding challenges increased from five to six, while the number of sites with significant drought challenges remained at one.

The number of our sites located in "areas with extremely high water stress" defined by Aqueduct in fiscal 2025 remained the same as in fiscal 2024, at 34 sites, with the amount of water withdrawal at these locations being 1,041 thousand m³ (7% of the total water withdrawal). While some of the above-mentioned sites have already been implementing water conservation and water recycling measures, we will accelerate these efforts going forward.

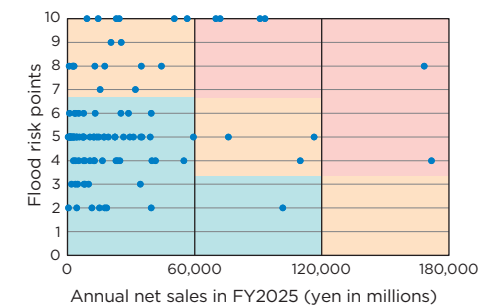
<Group-wide activities to address water risks>

In Japan, we investigated the maximum inundation depth of our operation sites in Japan, using the database My Town Hazard Map by the Japanese Ministry of Land, Infrastructure, Transport and Tourism and the hazard map of Flood Risk Finder published by MS&AD Inter Risk Research & Consulting, Inc.

As a result, the number of sites with significant flooding challenges with a maximum inundation depth of 0.5 m or more in fiscal 2025 was 17, the same as in fiscal 2024. We have conducted detailed surveys on these sites regarding items such as (1) disseminating hazard maps information, (2) disaster prevention systems and flood prevention measures, (3) measures to prevent the outflow of hazardous substances, (4) business continuity plans (BCPs), and (5) historical disaster impacts, and we have confirmed that these sites are free of issues requiring urgent improvement.

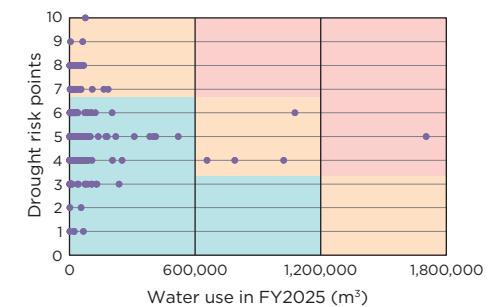
We also investigated the maximum inundation depth of our overseas sites, using the Flood Risk Finder hazard map. As a result, the number of sites with significant flooding challenges with a maximum inundation depth of 0.5 m or more in fiscal 2025 remained the same as in fiscal 2024, at 25 sites. We have confirmed that these sites, like those in Japan, do not require any urgent improvements.

Matrix for sites with flood risks



● Flood risk points (up to 10 points)
= riverine flood (up to 5 points) +
coastal flood (up to 5 points)

Matrix for sites with drought risks



● Drought risk points (up to 10 points)
= water depletion (up to 5 points) +
drought (up to 5 points)

Toward Achieving the Mid-term Management Plan 2028

■ Indicators and Targets

The Group will promote initiatives to achieve the targets for "Promotion of circular economy," listed in the table on [\[p.16\]](#).

Preventing Environmental Pollution

Initiatives and Results

Chemical Substance Management

The Group is committed to properly managing chemical substances contained in its products, communicating information on chemical substances throughout the supply chain, properly managing chemical substances used in manufacturing at its factories, and reducing the amount of hazardous chemical substances emitted into the environment, with the aim of compliance with laws and regulations, earning the trust of its customers and consumers, protecting the health and safety of its employees, and contributing to environmental conservation.

<Management of chemicals in products>

The Committee on the Management of Chemicals in Products has been established as a committee within the Chemical Substances Management Subcommittee ([→p.13] Structure to Promote Environmental Management) to provide respective business division with information on laws and regulations as well as support to ensure compliance.

The Group is committed to properly managing chemicals in products by formulating and implementing the "SEI Guidelines for the Management of Chemicals in Products," which has been established based on JIS Z7201, Management of Chemicals in Products Principles and Guidelines. Also, we ensure that our products do not contain hazardous chemical substances that have a large environmental impact, through measures such as establishing the "Sumitomo Electric Group Standards for Chemical Substances Management," applying the "Sumitomo Electric Group Guidelines for Green Quality Purchases," which has been formulated for suppliers based on the above Standards, and conducting product assessments at the design and development stages.

Regarding sharing information on chemical substances throughout the supply chain, we proactively use the standards schemes across industries, chemSHERPA* and IMDS*, to alleviate the burden of information sharing among companies.

In addition, we audit our business divisions and affiliates regarding the management of chemicals in products to improve and refine our management system.

Standards, etc. that the SEI Guidelines for the Management of Chemicals in Products conform or refer to

Management of chemicals in products

- JIS Z 7201: 2017 Management of Chemicals in Products Principles and Guidelines
- CMP Consortium Guidelines for the Management of Chemicals in Products (Edition 4.0)

Related to management systems

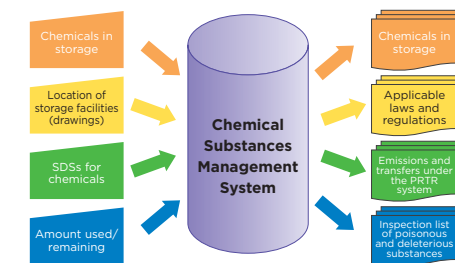
- JIS Q 9000: 2015 Quality Management Systems—Fundamentals and Vocabulary
- JIS Q 9001: 2015 Quality Management Systems—Requirements
- JIS Q 14001: 2015 Environmental Management Systems—Requirements with Guidance for Use
- ISO/IEC Directives, Part 1, Consolidated ISO Supplement Procedures Specific to ISO Annex SL

Related to self-declaration of conformity

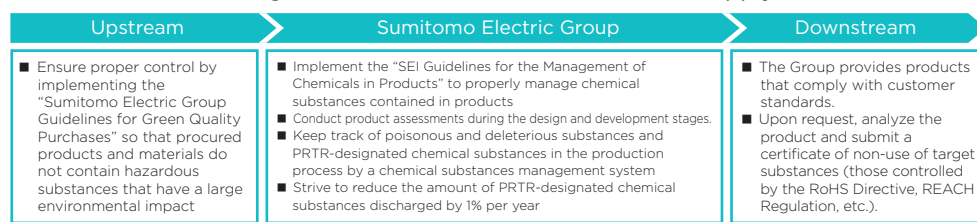
- JIS Q 17050-1: 2005 Conformity Assessment—Supplier's Declaration of Conformity—Part 1: General Requirements

<Management of chemical substances used in factories>

The Group has established a chemical substances management system that can be used across the Group, and in 2011 it began managing poisonous and deleterious substances and PRTR-designated chemical substances at its four Works in Osaka, Itami, Yokohama, and Ibaraki, as well as at its affiliates in Japan. Regarding all poisonous and deleterious substances, this system allows searching for companies that use these substances as well as their SDSs (Safety Data Sheets). The system is also used to compile data for reporting under the PRTR system*.



Initiatives for the management of chemical substances in the supply chain



Use chemSHERPA, IMDS, etc. as a means of communicating information about chemical substances in products.

Various Guidelines

As the types of products and customer requirements greatly differ among Divisions and affiliates, respective Divisions and departments implement applicable guidelines and standards for chemical substances management based on their own circumstances.

Sumitomo Electric Group Guidelines for Green Quality Purchases



SEI Guidelines for the Management of Chemicals in Products



Sumitomo Electric Group Standards for Chemical Substances Management



Sumitomo Electric Group Guidelines for Green Quality Purchases (for suppliers)

Measures for compliance with RoHS Directive and REACH Regulation

The Group promotes the use of alternatives to the substances restricted by the European RoHS Directive* and has replaced such substances to meet customer requirements for products that do not contain such restricted substances. Meanwhile, we work to ensure compliance with the REACH Regulation*, including the provision of information on SVHC* contained in products. Furthermore, to promptly deal with the regulations of other countries that are becoming stricter every year, we collect regulatory information from Europe, the US, China, Southeast Asia, and other countries and share it across the Group.

Measures against PRTR-designated chemical substances

Starting in fiscal 2015, we have been working to reduce emissions of PRTR-designated chemical substances, targeting factories with an annual discharge amount of 1 ton or more, with the aim of an annual reduction in the emissions of such substances by 1%.

Under "Go for Green 2025," we worked to reduce the amount of PRTR-designated chemical substances discharged and achieved a total of 66.7 tons in fiscal 2025, a 32.8% reduction from the base year fiscal 2022, significantly exceeding our target of 3%. Regarding chemical-specific discharge amounts, the atmospheric emissions of toluene stood at 13.6 tons, accounting for 20% of the total discharge amount, and we will continuously strive to reduce the substance.

Glossary

*chemSHERPA: A trademark or registered trademark of JAPAN ENVIRONMENTAL MANAGEMENT ASSOCIATION FOR INDUSTRY
 *IMDS (International Material Data System): A web-based database used by the automotive industry to communicate information about chemical substances in materials used in products.

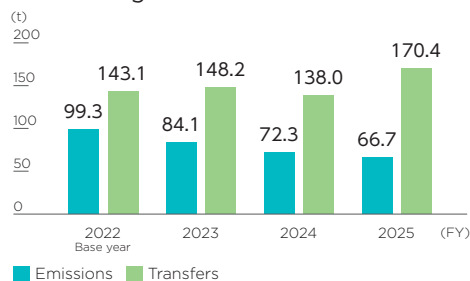
*RoHS Directive: Abbreviation for Restriction of the use of certain Hazardous Substances, and an EU Directive on the restriction of the use of Certain Hazardous Substances in electronic and electrical equipment

*REACH Regulation: Abbreviation for Registration, Evaluation, Authorization and Restriction of Chemicals, and an EU regulation on chemicals aimed at protecting human health and the environment

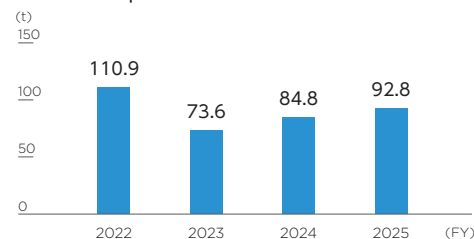
*SVHC: Abbreviation for Substances of Very High Concern, and chemical substances designated by the EU as being of high concern for their hazardous properties

*PRTR system: A Japanese law concerning the promotion of improved understanding and management of amounts of Specific Chemical Substances released into the environment

Trends in emissions and transfers of PRTR-designated chemical substances



Trends in VOC emissions into the atmosphere



Emissions and transfers of PRTR-designated chemical substances in FY2025

Substance	Emissions					Transfers			Total (t)
	Atmosphere	Bodies of water	Soil	Landfill	Total emissions	Sewers	Disposal	Total transfers	
N-Methyl-2-pyrrolidone	13.5	0.0	0.0	0.0	13.5	0.0	26.3	26.3	39.9
Water-soluble salts of peroxodisulfuric acid	0.0	0.0	0.0	0.0	0.0	0.0	20.0	20.0	20.0
Lead and its compounds	0.0	0.0	0.0	0.0	0.0	0.0	19.7	19.7	19.7
Water-soluble copper salts (except for complex salts)	0.0	0.1	0.0	0.0	0.1	0.0	18.0	18.0	18.1
Antimony and its compounds	0.0	0.0	0.0	0.0	0.0	0.0	17.3	17.3	17.3
2-Aminoethanol	0.0	0.0	0.0	0.0	0.0	0.4	12.0	12.4	12.4
N,N-dimethylacetamide	3.3	0.0	0.0	0.0	3.3	0.0	6.6	6.6	9.9
Toluene	13.6	0.0	0.0	0.0	13.6	0.0	5.5	5.5	19.1
Bis (2-ethylhexyl) phthalate	0.0	0.0	0.0	0.0	0.0	0.0	4.4	4.4	4.4
Molybdenum and its compounds	0.0	0.2	0.0	0.0	0.2	0.0	3.8	3.8	4.0
35 other substances	35.7	0.3	0.0	0.0	36.0	0.8	35.6	36.4	72.4
Total	66.2	0.5	0.0	0.0	66.7	1.2	169.3	170.4	237.1

(Note) Scope of coverage: Sumitomo Electric and affiliates in Japan that are subject to reporting under the PRTR system (excluding Sumitomo Riko Group). The breakdown figures for emissions and transfers may not match their total amounts due to rounding.

■ Preventing Air Pollution

Based on the Air Pollution Control Act, which regulates the emission of air pollutants associated with business activities (soot and smoke, particulates and volatile organic compounds (VOCs), etc.), and the ordinances established by prefectures and municipalities, the Group has established voluntary standards that are stricter than statutory emissions standards and properly manages air pollutant emissions. Furthermore, when installing or modifying a facility subject to regulations, we submit notifications in advance in accordance with local government

regulations and monitor (measure and record) emissions to comply with the standards.

<Measures against dioxins and asbestos>

In the Group, the aluminum alloy manufacturing facility and the exhaust gas purification facility of Sumitomo Electric Toyama Co., Ltd. are subject to the Japanese Law Concerning Special Measures against Dioxins. The Group has confirmed that the amounts of such substances emitted from these facilities remain within the regulated standards. Currently, no products using asbestos are manufactured across the Group.

■ Soil and Groundwater Conservation

The Group complies with laws and regulations and strives to prevent the leakage of chemical substances. In addition, the Group conducts surveys related to soil and groundwater contamination when changing the form or nature of land, such as by constructing, expanding, remodeling, or demolishing a plant, in accordance with the Soil Contamination Countermeasures Act and ordinances established by prefectures and municipalities.

At our three Works (Osaka, Itami, and Yokohama), where contamination was publicly announced in August 2001, and other sites in Japan where contamination has been confirmed through investigations to date, we implement cleanup measures on a continuous basis, including replacing soil, pumping and purifying groundwater, and suctioning soil gas. We also regularly monitor groundwater to ensure that contamination is not spreading outside our premises.

<Addressing organic fluorine compounds>

On February 13 and March 21, 2025, Osaka Prefecture announced that groundwater contamination by organic fluorine compounds (PFOS and PFOA) had occurred in the Okubo Higashi district of Kumatori Town, Sennan District, and reported that levels exceeding the provisional guideline values had been detected on the premises of the Company's subsidiary, Sumitomo Electric Fine Polymer, Inc. (SFP).

Following this announcement and report by Osaka Prefecture, SFP cooperated with the investigation by the prefecture and examined the wells on the SFP premises that were subject of the investigation. SFP will continue to monitor the wastewater and take necessary measures in cooperation with local government officials to ensure that local residents and all other stakeholders can feel at ease.

■ Environmental Incidents/Accidents

If an incident/accident occurs at the Group that could lead to environmental pollution, such as exceeding wastewater standards or spilling of chemicals, it will be reported by the relevant site or its responsible department to the Environment Department, which will then disseminate information about the case

throughout the Group to alert employees. The relevant department then will take the lead in investigating the cause and considering countermeasures, and after verification of the results by the Environment Department, information on the cause of the environmental incident/accident, countermeasures, and points for attention will be distributed across the Group.

In fiscal 2025, one case of turbid wastewater leakage outside the premises and two cases of exceeding wastewater standards were reported from overseas affiliates. Both cases have been reported to the administrative authorities.

In the former case, since nobody noticed the alarm when it was triggered, the following countermeasures have been taken: adding areas where staff are permanently stationed at the alarm locations and sending email notifications to mobile phones. Regarding the latter case, although the internal analysis prior to emission showed values below the standard, the subsequent external analysis confirmed that the values exceeded the standard.

Therefore, the procedures have been revised to emit wastewater only after both internal and external analyses confirm that levels are below the standard.

We will continuously strive to ensure the prevention of environmental pollution by keeping track of and understanding relevant laws and regulations in each region and ensuring compliance with laws and regulations.

■ Environmental Impact Data for Major Sites

Please see the attached table for environmental impact data for major sites in Japan in fiscal 2025.

 [Environmental impact data for major sites in Japan](#)

Toward Achieving the Mid-term Management Plan 2028

■ Indicators and Targets

The Group will promote initiatives to achieve the targets for "Prevention of environmental pollution," listed in the table on [p.16](#).

Biodiversity Preservation

Initiatives and Results

■ Biodiversity Preservation and Environmental Protection

The Group believes that it receives the blessings of nature (ecosystem services) in the form of procurement of raw materials and product manufacturing and that contributing to the preservation of ecosystems and local environmental protection is necessary to sustain its business activities.

To reduce environmental impact of its business activities, the Group is promoting community-based environmental protection activities at each business site in Japan and overseas. Through the "Global Environment Promotion Conference," the Group shares its activity policy and initiatives with each business site, with the goal of increasing the number of initiatives that contribute to regional communities in line with the principle of "Goho Yoshi" (Five-Way Win). Good examples of environmental protection activities involving close collaboration with regional communities, including local organizations, schools, government agencies, and nearby companies, are regularly published in the Group newsletter to widely publicize successful activities, thereby aiming to expand the scale of activities and encourage similar activities in other regions. Particularly outstanding activities are recognized at the Corporate Environmental Conference (see [▶p.15]) to promote continuous and active implementation of environmental activities. In addition, Sumitomo Electric Group's GX special website [▶p.16] provides detailed information on the Group's activities.

Activity example

Cultivation of Acorn Seedlings Project

The Itami Works, a Group manufacturing site, is implementing the Cultivation of Acorn Seedlings Project in cooperation with Itami City. This project is one of the activities launched by Itami City and Inan Town, Shimane Prefecture (one of Itami City's sister cities), to achieve carbon neutrality. Since 2024, the Itami Works has been engaged in activities aimed at cultivating future CO₂ sinks (i.e., creating carbon credits) and strengthening collaboration with the local community.

Itami Works employees cultivated acorn

<Eco-Activities 2030>

The Group is promoting "Eco-Activities 2030" with the aim of implementing over 300 "Good for the Planet" activities per year in over 20 countries and regions ahead of 2030. Specifically, as shown in the table below, each business site is engaged in biodiversity preservation activities, community cleanups, and activities aimed at resource conservation and recycling. The numbers of activities and regions where they are carried out are increasing year by year, with a total of 356 diverse activities taking place in 19 countries and regions in fiscal 2025.

Activity category	No. of activities	Description
Biodiversity Preservation	104	Tree planting and greening, endangered species protection, nature-related donations, environmental education programs, water treatment equipment that returns water to nature, etc.
Community cleanup	139	Cleanups around factories, coasts, rivers, and forests (jointly implemented with local organizations), etc.
Resource conservation and recycling	113	Strengthening in-house recycling/waste sorting, eco-cap campaigns, donation of goods, etc.
Total	356	

(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries (excluding Sumitomo Riko Group)

Toward Achieving the Mid-term Management Plan 2028

■ Indicators and Targets

With the aim of achieving the targets for "Promotion of Eco-Activities 2030," listed in the table on [▶p.16], the Group will promote initiatives around the world that contribute to regional communities.

seedlings within the premises as "foster parents" and planted grown saplings in Inan Town, Shimane Prefecture, in September 2025. The planted saplings will grow larger over the next 40-50 years.



Tree planting activities in Inan Town, Shimane Prefecture

Web Environmental Conservation Activities Promoted by Itami Works in Collaboration with the Local Community

Contributing to Global Environment through Our Business

Initiatives and Results

■ Expanding the Provision of Eco Products

With the Environmental Policy to provide more environmentally friendly products in place, the Group works on improvements such as energy saving and reducing the use of resources by conducting environmental assessments of products when developing new products or significantly changing the design of existing products, with the aim of raising awareness about environmental considerations.

After conducting an environmental assessment of a product, we review the product under the Eco Symbol Program, which complies with ISO 14021. Products that have passed this review are certified as "Eco products," which are considered to have particularly outstanding environmental features, and the Eco Symbol Mark (trademark) is given to such products. Through this program, we work to promote the development of environmentally friendly products and their widespread use in the market.



Eco Symbol Mark
The Eco Symbol Mark is a trademark or registered trademark of Sumitomo Electric.

Web Eco Symbol Program assessment criteria (environmental claims)

In fiscal 2025, six products were newly certified as Eco products, including a vacuum sensing hose made of biohydriin rubber from Sumitomo Riko Company Limited (environmental claim item: renewable material) and the multi-core optical fiber fusion splicer TYPE-72M+ from Sumitomo Electric OptiFrontier Co., Ltd. (environmental claim item: reusable).

As of fiscal 2025, a total of 390 products were certified as Eco products, and Eco products sales reached 2,106.9 billion yen, far exceeding the target of 1 trillion yen set out in the "Mid-term Management Plan 2025."



Vacuum sensing hose made of biohydriin rubber

■ Expanding Green Contribution

We define the products and services in our businesses that contribute to the realization of a Green and Environmentally Friendly Society as "Green Contributions" and work to increase sales of such products and services. Specifically, these are products and services used in such fields as renewable energy, hydrogen, and electric vehicles.

Green contribution sales for fiscal 2025 were 671.3 billion yen, mainly from Environment & Energy and parts and materials for electric vehicles. Although this fell short of the target of 700 billion yen, it represented an increase of 52.8 billion yen compared to the previous fiscal year, making a successful expansion.



Hydrogen hoses for fuel cell vehicles

Ultra-low loss electric wires

Web Product Groups (Integrated Report 2026 p.24)

Green Contribution: Products and services that promote a Green Society
Eco-Products: Environmentally friendly products and services

Toward Achieving the Mid-term Management Plan 2028

■ Indicators and Targets

The Group will promote initiatives to achieve the targets for "Contribution to the Global Environment through Our Business," listed in the table on [▶p.16]. Redefining Green Contribution products as "Green and Digital-related Products" that help realize the GX and DX of customers and the market, the Group will strive for the sales target for these products of 3.5 trillion yen (fiscal 2028).

Promotion of Human Capital Initiatives

Basic Views and Policy

The Group employs approximately 300,000 people in over 40 countries and regions around the world. For the Group to survive global competition and continue to grow, it is essential to make full use of all its resources, including its technologies, products, and business models.

These resources are supported by human capital, and the Group believes that securing and utilizing excellent human capital is of utmost importance.

In accordance with the Sumitomo Spirit, the Group has always placed importance on human capital in its management. In 2011, in order to further clarify the basic policy regarding human capital, the Group formulated the Global HRM Policy. In addition, the Group has designated human capital as one of the management foundations for realizing the 2030 VISION.

Based on the policy, the Group is committed to “investing in people” by developing global human capital that will drive sustainable growth, enhancing employee engagement, supporting diversity, equity, and inclusion (DE&I), and improving the workplace environment. Moreover, the Group is building a structure to demonstrate its integrated power on a global scale.

Through these initiatives, the Group is engaged in solidifying the foundation for becoming a group where all human capital can excel, achieve self-realization, and contribute to society, as indicated in the 2030 VISION, thereby continuously enhancing its corporate value.

Human Capital Development Policy

In accordance with the Global HRM Policy, the Group has declared that, in order to accelerate the securing and promotion of global human capital, the Group will work to establish an environment in which employees

can experience growth and self-improvement through their work, provide career opportunities regardless of race, ethnicity, nationality, religion, age, gender, gender identity, sexual orientation, or disability, and develop global leaders, as the basic policy for human capital development.

Workplace Environment Improvement Policy

Amid major changes in the social environment, the Group formulated the Sumitomo Electric Group Policy on Human Rights (in 2019) and issued the Sumitomo Electric Group Health and Productivity Management Declaration (in 2015) in addition to the Global HRM Policy, in order to ensure that diverse human capital can work with motivation and demonstrate their abilities to the fullest extent possible. Through these efforts, the Group strives to create a dynamic workplace environment that respects human rights and allows diverse human capital to thrive.

Prohibition of Child Labor, Forced Labor, and Human Trafficking

The Group is committed to complying with the Universal Declaration of Human Rights, the International Labour Organization (ILO) Core Labor Standards, the United Nations Guiding Principles on Business and Human Rights, and the OECD Guidelines. The Group will never engage in or condone human rights abuses such as human trafficking, forced labor, child labor, or modern slavery.

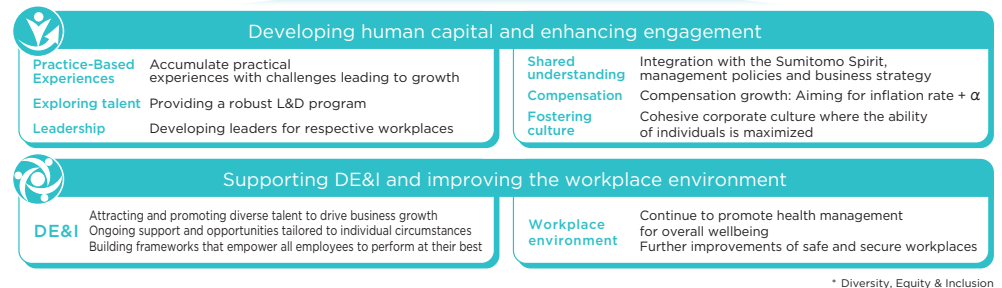
Structure

Based on the Fundamental Policy on Sustainability Management, formulated by the Sustainability Management Promotion Committee, the Human Resources and DE&I Promotion Committee discusses initiatives regarding human capital of the Group.

Policy for 2030

- Evolve to be a Group where everyone can excel, grow, and contribute to society
- Supporting DE&I* ● Nurturing of a corporate culture that values growth and challenges
- SEG's integrated power on a global scale

Develop human capital capable of creating new value and promoting the development and appointment of global talent to achieve the vision of a “Glorious Excellent Company”



Global Human Resource Management (HRM) Policy

- We provide workplaces where all the employees can work actively, grow both personally and professionally through work, achieve self-actualization, and contribute to the society.
- We offer various career opportunities and globally pursue “the right person in the right position” regardless of race, ethnicity, national origin, religion, age, gender, gender identity, sexual orientation, or disability.
- We value and promote diversity in the workplace in order to enhance the creativity of the organization and to sustain the growth of the business.
- We develop global leaders who lead and give energy to our global business. Global leaders are those who understand and share the Sumitomo Spirit and the Corporate Principles and can lead highly diversified teams.

The Sumitomo Electric Group Policy on Human Rights (extract)

Date of establishment:
March 19, 2019

The Sumitomo Electric Group, in accordance with the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, shall strive to be a group of companies worthy of society's trust by conducting business activities in an honest manner.

As we continue to develop together with the global community, the Sumitomo Electric Group recognizes that all of its business activities must be based on respect for human rights. The Sumitomo Electric Group will work ethically and responsibly for the respect of human rights ensuring that our entire group will uphold this standard.

[Web](#) The entire text of the Sumitomo Electric Group Policy on Human Rights

Sumitomo Electric Group Health and Productivity Management Declaration

Sumitomo Electric Group takes employee's healthcare seriously and promotes activities to realize “健康経営” (“kenkokei” or “Health and Productivity Management”).

Since its establishment, Sumitomo Electric Industries has inherited the Sumitomo's traditional management that is built on human dignity as described in “people make the enterprise.” Furthermore, in our mid-term management plan “human resources base” is regarded as one of the most important management resources for the company's sustainable development and growth.

By providing positive support to employees working on health improvement activities as well as promoting organizational measures that are based on the Health and Productivity Management Declaration, we will raise employee's awareness toward health (health literacy) and aim to become a corporate group well regarded in society winning their trust and where all employees can work healthy and lively.

December 1st, 2015
Sumitomo Electric Industries, Ltd.

Human Capital Development

2025 Targets

The Group set targets for developing globally competitive human capital who adhere to the Sumitomo Spirit, understand the corporate management policies, observe the basics, and possess advanced skills and knowledge.

Targets set to achieve the Mid-term Management Plan 2025

- Completion of Executive Training Program: 100 employees/3 years
- Completion of MPSS: 2,300 employees/3 years
- Total hours of training programs: 20 hours/annually per employee
- Developing core DX talent ^(Note) : 300 employees/3 years
- Developing data analysis talent ^(Note) : 1,500 employees/3 years

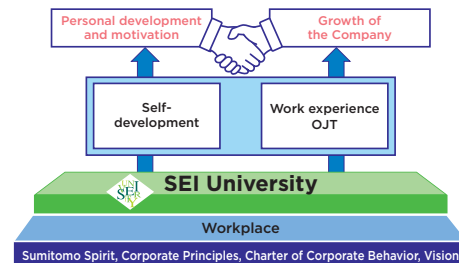
(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries in Japan (excluding Sumitomo Riko Group)

Initiatives and Results

SEI University

As part of its human capital development initiatives, the Group provides training to help employees understand and share its corporate philosophy, values, and culture, as well as training aimed at improving their abilities, techniques, skills, and knowledge required to execute business strategies. The human capital development system composed of these training programs is collectively referred to as "SEI University."

To realize both the growth of each employee and the achievement of Company targets, SEI University underpins "strong motivation for self-development" and "on-the-job training through guidance and dialogue with supervisors" as the basis for human capital development.



<Global Common Knowledge and Skills>

The Group has organized and integrated the training content and know-how it has cultivated since the establishment of SEI University in 2005 and has established Global Common Knowledge and Skills (GCK), consisting of knowledge and skills that employees should acquire according to their respective positions. While fundamental knowledge refers to what employees are expected to understand, practical knowledge encompasses the knowledge and skills that

employees should ideally acquire as basic capabilities for their job execution. The Group is working to establish an environment where employees can take training at any time according to their own circumstances.

Structure of the Global Common Knowledge and Skills (GCK)

Fundamental knowledge		
A Corporate Principles/ Principles of Activities	B Compliance/ Group common policy	
Practical knowledge		
C Managerial skills	D Human skills	E Corporate strategy
F Conceptual skills	G Manufacturing ("Monozukuri")	H Business skills

<Training programs>

SEI University offers over 400 training programs (shared globally), focusing on content for acquiring GCK. The programs include position-based compulsory courses for all Group employees, from executives to new employees. Moreover, the Group provides company-specific training (specialized knowledge) to help employees acquire the specific knowledge and skills required by each business division or Group company. Furthermore, the Group has introduced many practical training programs, including Executive Training (action learning) in which cross-departmental teams are formed to propose solutions to actual management issues, and training for tackling manufacturing challenges. Each curriculum is updated annually based on management issues and other situations.

<Improvement of the training environment>

To make it easier for employees active in over 40 countries and regions around the world to undergo training, the Group is spreading the use of the global learning management system "SEG e-CAMPUS," in addition to the existing system that has been used mainly in Japan. SEG e-CAMPUS supports the languages of major bases, allowing for smooth streaming of e-learning programs and providing a wide range of content.

Starting with the launch in the Americas and Southeast Asia in October 2024, the system was expanded to 20 countries and regions by fiscal 2025.



Training framework primarily for employees in Japan

Business & administration

	OJT	Compulsory training	Nomination-based training		Skills training programs		
					Manufacturing		
					Fostering key persons	Transferring techniques and skills	Strengthening basic manufacturing capabilities
Executives	Work experience Guidance from and dialogue with supervisors	The Sumitomo Spirit, the Corporate Philosophy, safety and the environment, and diversity Compliance, prevention of quality misconduct, information security, and the prevention of email misdelivery For line managers (working hours management, HRM, performance evaluation & MBO, and career dialogue)	Executive Training (*) Global Leadership Development Program (GLP) SEG Management Program Based on the Sumitomo Spirit (MPSS) (*) Overseas trainees and study abroad	Managerial skills Corporate strategies: business administration, innovation, etc. Conceptual skills Business skills: accounting, finance, contracts, intellectual property, DX, risk management, etc. Language skill enhancement	Division head training		
General Managers					Plant manager development		
Managers					Quality assurance personnel development	Equipment engineering DX technology Various specialized technologies	Safety management Environmental management Quality management Production system
Staff members					Monozukuri Kakushin Professional (MKP)		
New employees		- Sumitomo Spirit - Management vision - Compliance - Safety, the environment, and quality - Diversity - Plant training				Basics of Equipment Basics of DX	Basics of Safety and quality

(*) For details on Executive Training, GLP, and MPSS, please refer to [▶p.32](#).

Manufacturing

	OJT	Compulsory training	Nomination-based training	Skills training programs		
				Manufacturing		
				Fostering key persons	Transferring techniques and skills	Strengthening basic manufacturing capabilities
Superintendents	Work experience Guidance from and dialogue with supervisors	The Sumitomo Spirit, the Corporate Philosophy, safety and the environment, and diversity Compliance, prevention of quality misconduct, information security, and the prevention of email misdelivery	Training for newly appointed Foremen Supervisor training course Instructor training course	Gembu Kaizen Professional (GKP) Training for newly appointed Leaders	Equipment maintenance Small Group Activity (SGA) for Kaizen	Safety management Quality management Mechanism of production activities Autonomous equipment maintenance
Supervisors						
Instructors						
Operators						
New employees		- Sumitomo Spirit - Management vision - Compliance - Safety, the environment, and quality - Diversity - Plant training			Basics of equipment maintenance	Basics of Safety and quality Basics of Equipment

1| Basic training programs

● Spreading the Sumitomo Spirit

In the training provided by SEI University, the Sumitomo Spirit is positioned as the foundation upon which employees are to carry out their work. The Group provides opportunities to learn about the Sumitomo Spirit at training for new employees and various position-based training programs. In addition, the Group regularly communicates how legal compliance training, human rights training, etc. relate to the Sumitomo Spirit. Moreover, the President himself sends a message by video every six months, urging all employees to perform their duties in accordance with the Sumitomo Spirit. The video is translated into multiple languages and distributed to domestic and overseas Group companies. Furthermore, the Group provides advance training to employees who are to be assigned overseas to allow them to communicate the Sumitomo Spirit in their own words in their new places of work. Additionally, the Group is training in-house instructors at domestic and overseas Group companies so that employees can regularly learn about the Sumitomo Spirit.

In 2023, the Group opened the Minami Hakone Gallery, a history exhibition room, in the Minami-Hakone Seminar House, one of its training facilities, to allow visitors to experience the Group's spirit, principles, values, and culture. The training facility users can receive training from a full-time instructor regarding the Sumitomo Spirit and the history of Sumitomo. (In fiscal 2025, a cumulative total of 1,147 Group employees took the training.) To achieve the 2030 VISION and the Mid-term Management Plan 2025, both formulated based on the Sumitomo Spirit, the Group utilizes training, videos, and other communication means to ensure that each employee regards the vision as their own issue and create job satisfaction.

2| Skills training programs

In addition to specialized skills related to DX and manufacturing, the Company provides training on a wide range of skills and knowledge, including decision-making, problem-solving, communication, leadership, and management. We have a position-based training system to support the continuous skill development and career advancement of our employees.

● DX

To promote the Company-wide DX Plan, we formulated a plan to cultivate 300 “core DX talent” professionals, who drive the resolution of departmental challenges through initiatives utilizing digital technology, and 1,500 “data analysis talent” professionals, who know data visualization and analysis methods and are able to apply them under guidance, between fiscal 2023 and fiscal 2025. We have achieved both of these targets.

	FY2023-FY2025 results	FY2023-FY2025 targets
Core DX talent	323 people / 3 years	300 people / 3 years
Data analysis talent	1,658 people / 3 years	1,500 people / 3 years

(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries in Japan (excluding Sumitomo Riko Group)

● Manufacturing

Aiming to pass on the excellent technology and skills that the Group has cultivated and to strengthen its manufacturing capabilities, the Group provides three types of training programs: basic manufacturing training, technical and skills training, and key-person training.

Basic manufacturing training:

The Group provides training to acquire the knowledge required at manufacturing sites, such as on safety and quality, as well as to learn about management techniques related to manufacturing. The Group provides not only curriculums for less experienced employees, but also regular training for employees in all positions, encouraging employees to reconfirm their basic knowledge and sharing information on the latest trends within the Group and on laws and regulations.

Technical and skills training:

Based on the principle of hands-on learning using actual machines and objects, the Group offers a variety of curriculums that incorporate everything from the acquisition of the Group's unique techniques and skills, including its equipment and maintenance techniques, to cutting-edge technologies such as IoT and AI. For basic knowledge of improvement activities and equipment maintenance, the Group provides training primarily in China and Southeast Asia.

Key-person training:

The Group provides division head training in which division heads from Sumitomo Electric and presidents from affiliates confirm the concepts essential for reinforcing the manufacturing capabilities from the perspective of safety, the environment, quality, manufacturing, and HR development, and show their own commitment to proceeding with necessary activities. The Group also offers a plant manager development program to foster “strong” plant managers (equivalent to the manager of a manufacturing section) who will play a pivotal role in manufacturing. In addition, to develop the next generation of key persons for manufacturing, the Group offers practical training programs called the Monozukuri (manufacturing) Kakushin (innovation) Professional (MKP) and the Gemba (on-site) Kaizen (improvement) Professional (GKP) programs. In these programs, participants are assigned to departments other than their own, where they work for several months to tackle the departments' important challenges and problems.



Key person training
(Gemba Kaizen Professional [GKP])

3| Management programs

● SEG Management Program based on the Sumitomo Spirit (MPSS)

The Group annually provides training on the Sumitomo Spirit and management skills (SEG Management Program based on the Sumitomo Spirit, or MPSS) for managers of Sumitomo Electric and Group companies at its bases in Germany, the U.S., Singapore, China (Shanghai and Shenzhen), Mexico, and Japan.

	FY2023-FY2025 results	FY2023-FY2025 targets
No. of participants	2,986 people / 3 years	2,300 people / 3 years

● Global Leadership Development Program (GLP)

The Global Leadership Development Program (GLP), designed for General Managers of Sumitomo Electric and Group companies, consists of online seminars and face-to-face seminars in Japan to help participants understand Sumitomo's history and the Sumitomo Spirit, develop leadership skills, and build global networks.



GLP face-to-face training at
Sumitomo Electric Ikoma Seminar House

4| Executive programs

● Executive Training

For executives of Sumitomo Electric and Group companies, the Group organizes workshops and other events so that they can try action learning, understand the Sumitomo Spirit, acquire management knowledge, and learn about leadership.

	FY2023-FY2025 results	FY2023-FY2025 targets
No. of participants	101 people / 3 years	100 people / 3 years



Participants climbing Mt. Besshi,
the foundation of Sumitomo's development

5| Degree and certification support for employees

The Company provides support for employees to pursue overseas graduate study programs. This initiative is aimed at supporting their career aspirations to acquire advanced knowledge and skills and conduct research, while developing human capital who will contribute to enhancing our corporate value in the future through the acquisition of higher-level expertise.

In addition, to encourage continuous employee development, we support certification acquisition in areas such as manufacturing, maintenance, and languages by subsidizing examination fees and providing various training programs.

■ Total Hours of Training Programs

As a result of the initiatives in each region and by each company, the accurate compilation of employee training records by each company, and the development of a global learning platform, the Group once again achieved the global target of 20.0 hours of training annually per employee in fiscal 2025, as it had in fiscal 2024. The target was set in the Mid-term Management Plan 2025.

To continue to provide training opportunities centered on the Global Common Knowledge and Skills (GCK), covering the Sumitomo Spirit, the Group will further improve the learning environment and offer content in multiple languages.

	FY2025 results	2025 Targets
Total hours of training programs	21.0 hours per year per person	20 hours per year per person

■ Career Development

For each employee to grow, they need to develop their own career vision based on their career aspirations underpinned by their values and motivation, and actively pursue self-development to realize that vision. At the same time, they need to utilize the skills they have developed through on-the-job training to take on more challenging work. The Group provides support for them to achieve these goals. Specifically, the Group provides training for managers on how to conduct career dialogues, as well as career training tailored to each employee's position and age for those who have reached milestones such as their fifth year with the company, or the age of 45 or 55.

The Group also ensures that career counseling is provided by in-house career consultants to those who wish to receive it.

■ Reinforcement of Group Collaboration and Global Response

1| Expansion to Group companies in Japan

To realize group-wide promotion of human capital development, the Group provides Group companies in Japan with information about training programs hosted by Sumitomo Electric and invites them to participate, and also rolls out the common learning management system to cover the companies, thereby increasing face-to-face training and e-learning opportunities. The number of employees of Group companies in Japan participating in training for new employees, training for newly promoted personnel, position-based training, and training for mid-career employees is increasing every year. Moreover, if it is difficult for a Group company to run training on its own, Sumitomo Electric sends in-house instructors to provide the necessary training at the relevant company.

2| Global expansion

The Group operates the aforementioned training programs for executives and managers as opportunities shared both in Japan and overseas. In addition, to promote human capital development that meets local needs, the Group regularly calls human resource manager meetings in each country and region to plan and operate various training programs (mainly for non-managers). The Group also discusses human capital development challenges within the Group with members involved in human capital management and development in Japan and overseas, and organizes global common training.

Furthermore, the Group began to spread the global learning management system SEG e-CAMPUS from the second half of fiscal 2024 to improve the e-learning environment. (See [➡p.30].)

Going forward, the Group will continue to raise the bar for human capital development and strengthen governance, by organizing face-to-face training sessions that enable direct communication and developing and providing global common online learning content that can be studied from anywhere.

■ Commendation Systems

To promote SEQCDD* and achieve management targets, we have established Group-wide uniform standards in various fields and systems to commend outstanding employee activities. The commendation systems help to increase employee motivation and engagement, to ensure the permeation of our vision and business policies throughout the Group, and to foster a sense of unity among our employees.

[Major commendation systems]

- Sumitomo Electric Group Global Awards*
- Affiliate Award*
- Five-Year Zero-Accident Awards
- Environmental Activity Awards (for energy-saving activities, eco-friendly activities, etc.)
- Quality Activity Awards (for complaint-reduction activities, defect-reduction activities, etc.)
- Awards for excellent SGAs, Kaizen Suggestions, and "200 Kaizen" Factories
- Intellectual Property and Standardization Awards
- DX Award



Award ceremony for the Sumitomo Electric Group Global Awards

Toward Achieving the Mid-term Management Plan 2028

■ Indicators, Targets, and Direction of Initiatives

Under the Mid-term Management Plan 2025, we achieved various targets by expanding specialized technical training, such as for DX and manufacturing, and establishing a learning platform. Under the newly established Mid-term Management Plan 2028, we aim to expand autonomous learning opportunities by further rolling out our learning platform. Moreover, we seek to drive systematic and continuous capability development across the Group by strengthening governance training content, with the goal of increasing the total hours of training programs. Furthermore, we plan to systematically cultivate next-generation "core DX talent," as well as to train 600 "digital skill talent" annually by expanding the requirements for existing "data analysis talent" to include generative AI utilization skills.

Targets to achieve the Mid-term Management Plan 2028

- Executive training program participants: 30 people per year
- MPSS Completion: 300 people per year
- Total hours of training programs: 25 hours per year per person
- Digital skills development: 600 people per year

Glossary

*SEQCDD: (S) Safety/(E) Environment/(Q) Quality/(C) Cost/(D) Delivery/(D) Development

*Sumitomo Electric Group Global Awards: Awards granted for business activities that made a significant contribution to Group-wide performance and for outstanding activities concerning a wide range of themes, including the environment, safety, intellectual property, and research, based on the three keywords of "Glorious," "Excellent," and "Connect with Innovation"

*Affiliate Award: Awards granted, according to the specified criterion of the mission that affiliates should fulfill in order to ensure that the Group will become a "Glorious Excellent Company," to affiliates that made the most significant contributions (about top 20 companies), while operating with a sense of unity and unifying power

Improvement of Employee Treatment and Enhancement of Employee Benefits

2025 Targets

Targets set to achieve the Mid-term Management Plan 2025

Appropriate return of profits and employee treatment that leads to increased motivation

- Compensation growth: Aiming for inflation rate + α

Development of welfare facilities for younger employees that will lead to the securing and development of human capital

Creating a work environment that leads to increased employee satisfaction

Initiatives and Results

■ Appropriate Return of Profits and Employee Treatment That Leads to Increased Motivation

The Sumitomo Electric Group aims to realize compensation growth that outpaces the inflation rate, not only to ensure compliance with statutory standards in the countries and regions where it operates, but also to alleviate its employees' anxieties regarding their immediate livelihoods and future prospects in light of the ongoing high inflation environment, enhance their motivation and job satisfaction, and secure and retain human capital. The Company's compensation system is designed to provide greater rewards to employees who play significant roles in its development and growth and make outstanding contributions to the Company.

1| Wage increase and bonuses

The Group aims to realize compensation growth at the rate of "inflation + α " as part of efforts to provide appropriate return of

profits in line with business performance and employee treatment that leads to increased motivation.

Also, the Group provides bonuses on the basis of annual performance to allow employees to meet their fundamental requirement of maintaining a financially stable lifestyle while feeling the short-term fluctuations in business performance.

The 2026 spring bargaining has resulted mainly in not only a uniform wage increase but also allocation according to roles and performance, and treatment improvements for senior employees making a valuable contribution by utilizing their extensive knowledge and experience.

With the aim of achieving sustainable growth and development, the Group will continue striving to stabilize employees' lives, increase their motivation and job satisfaction, and attract and retain talented employees through improvements in wages and treatment, while taking into account social conditions and the company's performance.

Compensation growth

FY2025 results [2026 spring bargaining]	FY2025 target
Average 6.85% (Achieved the aim of inflation rate + α)	(Aiming for inflation rate + α)

(Note) Average for SUMITOMO ELECTRIC WORKERS' UNION members (including regular pay raise) Includes those seconded from the Company to affiliates, etc.

2| Characteristics of the Company's HR and compensation system

The Company has a hybrid compensation system that retains elements emphasizing "competency" (individual abilities and experience), while also incorporating the concept of the scale of a "role" (position and responsibilities). Compensation will be revised based on performance and personnel evaluations. We conduct personnel evaluations once a year and promote employee growth by providing opportunities for guidance and coaching through dialogue

with supervisors under a management-by-objectives system. In addition, the evaluation system operation manual is posted on the intranet to allow all employees to refer to it at any time. Furthermore, we explain our overall compensation system to employees when they join us, when the system is revised, and when they are promoted.

Basic working conditions

Working hours	8:30 AM-5:15 PM (prescribed working hours: 7 hours 45 minutes; break: 60 minutes) (*) Flextime system available depending on the workplace
Pay raise	Once a year (April)
Bonus	Twice a year (June & December)
Allowances	Commuting allowance, overtime allowance, family allowance, etc.
Holidays and leave	120 days or more of holidays per year, 2 full days off per week, and year-end and New Year holidays 20 days of annual paid leave (Up to 20 days can be carried over to the following year.) Accumulated leave (Up to 50 days of paid leave can be accumulated.) 5 consecutive days' paid leave, special leave (congratulatory and bereavement leave, refreshment leave, volunteer leave, etc.) Planned paid leave system (5 days of individual planned paid leave, 2 days of departmental planned paid leave) Half-day paid leave, hourly paid leave, etc. (*) The first-year entitlements vary depending on the month of joining.

■ Internal Challenge Application System

The "Human Capital" in 2030 VISION encompasses our resolution to become an entity where everyone can excel, grow, and achieve self-realization, as well as to foster a culture that values realizing growth and taking on challenges.

The foundation of our human capital development is on-the-job training (OJT) based on each individual's strong desire for self-development and guidance from and dialogue with their superiors. We believe that superiors should engage in dialogue with their subordinates to foster their growth, while the subordinates themselves need to take on various challenges and gain experience within their respective departments, thereby enhancing their expertise and growing as they are forged through their work.

To complement these, we have introduced the Internal Challenge Application System, which allows employees to apply for over 100 positions through dialogue with their superiors.

This system allows employees to proactively build their careers by taking on challenges according to their strengths and interests, and creates an environment that supports the growth of both employees and the organization.

■ Asset Formation Support

1| Employee Stock Ownership Association

The Company operates the Employee Stock Ownership Association with the aim of supporting employees' asset formation and fostering their sense of involvement in management. In addition to providing a 10% incentive for savings from salaries and bonuses, the Company encourages employees to acquire Company stock by granting "promotion stock" upon promotion.

The Sumitomo Electric Group Employee Stock Ownership Association is also operated to support the asset formation of employees of Group companies.

The Group will work to further expand the employee stock ownership program.

2| Financial Support for Student Loan Repayment and Children's education

In April 2025, we launched the Financial

Support for Student Loan Repayment to reduce the financial and psychological burden on employees who are under obligation to repay their student loans after joining the Company, as well as to increase our competitiveness in recruitment and enhance the engagement of young employees.

Employees who reach their 4th, 7th, and 10th anniversary of employment during the fiscal year can receive a subsidy of up to 144,000 yen per year.

Additionally, the Education Loan Repayment Subsidy Program was introduced in April 2025 to help reduce employees' financial burden associated with their child's educational expenses.

■ Enhancement of Employee Benefits

1| Development and enhancement of employee benefit systems

The Company is committed to creating an environment where each employee can work authentically and for the long term. We are working to develop and enhance various employee benefits systems.

Main employee benefits systems

Insurance	Health insurance (membership in Sumitomo Electric Industries Health Insurance Association), employee pension insurance, employment insurance, workers' compensation insurance, various group insurance plans
System	Rent subsidies, a housing savings plan, the Employee Stock Ownership Association, the Mutual Aid Association, a corporate pension fund, a defined contribution pension plan, a cafeteria plan (selective benefit system), sports activity incentives (support for clubs and circles, financial assistance for individuals' fitness club memberships, etc.), among others
Facility	Company dormitories for single employees, Company housing (for relocated employees), on-site childcare centers, training centers, among others Discounted rates for various facilities under the cafeteria plan

For other information regarding our HR support systems related to work-life balance and flexible working styles, please refer to [➡pp.39-40].

2| Expansion of the rent allowance

Since introducing the rent allowance system in 1987, the Company has supported the stability of employees' lives and created a secure working environment.

In light of the recent rise in housing costs, we expanded this system in April 2025, raising the maximum subsidy amount to 80,000 yen per month.

3| Development and improvement of dormitories for new employees

To accommodate the increase in the number of recruits associated with business expansion, an extension building (with 96 rooms) was added to the Hibarigaoka Dormitory, a dormitory for new graduates working in staff position. The new dormitory was opened in March 2024. Positioned as a hub for interaction among young staff employees to promote their talent development, this dormitory is equipped with various features to encourage communication between residents, such as a shared lounge (with kitchen) and meeting rooms.



Lounge on the first floor

■ Improvement of a Gymnasium

The gymnasium at the Sumitomo Electric Osaka Works is not only used for club activities and employee recreation, but is also available to local residents. In recent years, the facility has been utilized more than ever as a hub for sports support and community contribution. For instance, it has hosted national nine-person volleyball tournaments, served as a venue for junior high and elementary school club activities, and become the primary venue for local elementary school teams.

The gymnasium is over 60 years old, and the entire facility has significantly deteriorated. Therefore, in consideration of user safety, we began large-scale renovation work in fiscal 2025. Based on our theme of ensuring that everyone can enjoy sports safely and comfortably, we are carrying out renovation to install air conditioning to reduce heatstroke risks and reinforce the floor to address the facility aging. Completion is scheduled within fiscal 2026.



National tournament



Local elementary school team at a practice session

Toward Achieving the Mid-term Management Plan 2028

Targets to achieve the Mid-term Management Plan 2028

Appropriate return of profits and employee treatment that leads to increased motivation

- Compensation growth: Aiming for inflation rate + α
- Review of wage and compensation systems based on roles and contributions

Creating a work environment that leads to increased employee satisfaction

- Company dormitory coverage for new graduate hires^(Note): 100%

(Note) Scope of coverage: Sumitomo Electric

Diversity, Equity & Inclusion (DE&I)

2025 Targets

Targets set to achieve Mid-term Management Plan 2025

Support of Females' Active Engagement (*) by Sumitomo Electric in Japan

- Percentage of females among new graduate hires (Note 1): Business 40.5%, Engineering 12.2%
- Percentage of females in managerial positions (section manager level and above) (Note 2): 4.0%

Global human capital initiatives

- Promote initiatives to appoint and develop Global Executives
- Appoint non-Japanese employees as officers and senior management staff at overseas Group companies

(Note 1) Scope of coverage: Sumitomo Electric in Japan
(Note 2) Scope of coverage: Sumitomo Electric in Japan includes those seconded from Sumitomo Electric to affiliates, etc.
(*) These targets are also declared in the General Employer Action Plan, which we have formulated in line with Japan's Act on the Promotion of Women's Active Engagement in Professional Life.

Initiatives and Results

The initiatives described below, marked with an asterisk (*), are those we have implemented in Japan. Our subsidiaries across the globe may implement other programs that are consistent with the concept of equal employment opportunity, with Company needs and applicable law.

Development of DE&I Awareness by Sumitomo Electric in Japan (*)

To permeate DE&I, we have been raising awareness by streaming videos of dialogue between prominent outside individuals and Sumitomo Electric officers on the themes of team building and leadership that enable diverse human capital to demonstrate their capabilities. The Group works to improve management skills in the workplace with the aim of ensuring that diverse human capital can demonstrate their capabilities to the fullest extent possible and produce the desired results.

Support of Females' Active Engagement by Sumitomo Electric in Japan (*)

The Company supports females' active engagement as an important initiative for fostering a corporate culture in which all employees can play an active role and for the growth and development of the organization.

Overview of measures to support females' active engagement

Measure	Description
Action plan based on the Act on the Promotion of Women's Active Engagement in Professional Life	Since 2016, the Company has formulated and implemented targets and action plans for the recruitment and promotion of females in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life. We are currently proceeding with the Fifth Action Plan (April 2026–March 2029).
Female manager development plan	Each department annually takes inventory of the experience necessary for female managerial candidates to be promoted to manager and formulates and reviews its development plans. An organization dedicated to promoting females' active engagement monitors the progress of such plans. In addition, candidates recommended from their departments can participate in in-house mentoring programs and external manager development training programs and receive other forms of support.
Mentoring program for group leaders	In this program, a group of four people, two of whom are manager-level employees (mentors) and two of whom are female group leaders (mentees) and group leader candidates, all selected at the general manager's recommendation, engage in group dialogue on mid- to long-term growth, careers, human capital development, workplace management, etc. The program includes not only such dialogue but also meetings for participants to exchange opinions with each other and interact with the Company officers and external experts.
Group company collaboration "SWING"	In 2016, the Sumitomo Electric Group Women's Innovation Networking Group (SWING) was formed in Japan, centered around Sumitomo Wiring Systems, Ltd., Nissin Electric Co., Ltd. and Sumitomo Riko Company Limited, with the aim of fostering and developing the capabilities of female employees through mutual training and networking among female employees. SWING holds forums for female employees on the main career track and on the general career track, where prominent outside figures deliver lectures and participants exchange opinions.

Sumitomo Electric Group's gender composition of employees and managers (Note 1)

As of the end of FY2025

	Male	Female	Total
Full-time employees	150,453 (49.7%)	152,519 (50.3%)	302,972
Managers (Note 2)	12,770 (83.5%)	2,526 (16.5%)	15,296

(Note 1) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries, excluding employees seconded from the Sumitomo Electric Group to outside the Group but including employees seconded from outside the Group to the Group
(Note 2) Managers: Section manager level and above

Sumitomo Electric's gender composition of employees and managers (Note 1)

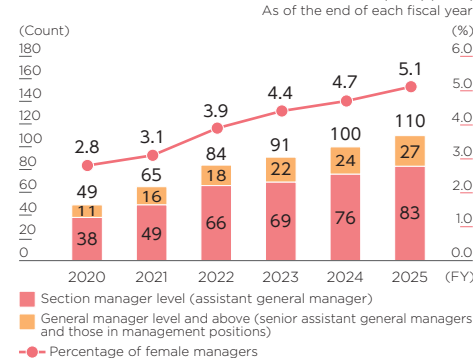
As of the end of FY2025

	Male	Female	Total
Full-time employees	5,743 (79.7%)	1,466 (20.3%)	7,209
Managers (Note 2) (Note 3)	2,037 (94.9%)	110 (5.1%)	2,147

(Note 1) Scope of coverage: Sumitomo Electric, excluding those seconded from the Company to affiliates, etc. but including those seconded from affiliates, etc. to the Company
(Note 2) The scope of disclosure based on the Act on the Promotion of Women's Active Engagement in Professional Life includes those seconded from Sumitomo Electric to affiliates, etc. (Reference: Percentage of females in managerial positions (section manager level and above) in FY2025: 4.4%)
(Note 3) Managers: assistant general manager, senior assistant general managers and those in management positions

Percentage and number of females in managerial positions (section manager level and above)

(Note 1) (Note 2)
As of the end of each fiscal year



(Note 1) Scope of coverage: Sumitomo Electric, excluding those seconded from the Company to affiliates, etc. but including those seconded from affiliates, etc. to the Company
(Note 2) The scope of disclosure based on the Act on the Promotion of Women's Active Engagement in Professional Life includes those seconded from Sumitomo Electric to affiliates, etc. (Reference: Percentage of females in managerial positions (section manager level and above) in FY2025: 4.4%)

FY2025 percentage of females among new graduate hires

Business	40.5%
Engineering	12.2%

(Note) Scope of coverage: Sumitomo Electric

External Assessment

"Eruboshi" certification

In August 2016, Sumitomo Electric in Japan was certified with the highest 3 star ranking of "Eruboshi," a certification granted by the Minister of Health, Labour and Welfare to companies that are outstanding in terms of efforts to promote females' active engagement based on the Act on the Promotion of Women's Active Engagement in Professional Life.



Selection as a Nadeshiko Brand

In March 2024, Sumitomo Electric in Japan was selected as a fiscal 2023 Nadeshiko Brand by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange in recognition of being a listed company that excels in promoting females' active engagement and an attractive brand that emphasizes the improvement of corporate value over the medium to long term. It was the fifth such selection, following the fiscal years 2016, 2018, 2020, 2021, and 2023.



Selection as "Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting"

The Ministry of Economy, Trade and Industry selects listed companies that are committed to the promotion of females' active engagement toward enhancing their corporate value and that are outstanding in terms of efforts to help all their relevant employees, regardless of gender, engage in "dual careers and co-parenting" as "Next Nadeshiko: Companies Supporting Dual Careers and Co-parenting." Sumitomo Electric in Japan was selected in fiscal 2024.



Gender Compensation Gap by Sumitomo Electric in Japan ^(*)

Although Sumitomo Electric in Japan does not set gender-based treatment differences in its personnel system, a gender compensation gap exists because the average age of male employees and the percentage of male managers are higher than those of females. Behind this may be that while many male employees have been with the company for a long time, many female employees in the past left the company after marriage or childbirth. In recent years, the Company has been working to promote and retain female employees by improving measures to support their career development and work-life balance while also actively recruiting females.

Compensation gap between male and female workers

	All workers	Regular employees	Non-regular employees
FY2024	74.3%	74.7%	44.3%
FY2025	75.1%	75.5%	50.1%

(Note 1) Scope of coverage: Sumitomo Electric, including those seconded from the Company to affiliates, etc.

(Note 2) Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life in Japan

Promotion of Senior Human Capital's Active Engagement ^(*)

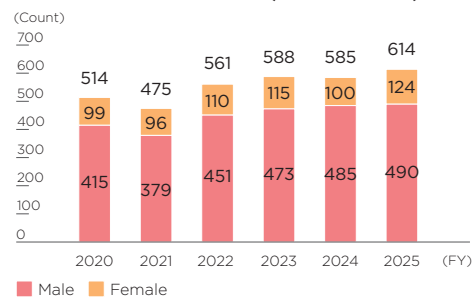
In step with the shrinking of the working age population due to the declining birthrate and aging population, the age composition of the employees of Sumitomo Electric in Japan is changing. Amid the progress of changes in the business environment, in order to maintain and develop its business, it is essential to have older employees with extensive experience and high skills continue to play an active role. Therefore, the Company raised the retirement age from 60 to 65 in 2021. The Company will continue to consider measures to further promote senior human capital's active engagement.

Promotion of Diversity Recruitment by Sumitomo Electric in Japan ^(*)

To push forward with new businesses and global expansion, Sumitomo Electric in Japan actively recruits diverse talent, including females, international students, non-Japanese workers, and people with experience working for other companies.

In fiscal 2025, the Company hired 614 people, including 124 females and 203 people with experience working for other companies. The Company actively hires non-Japanese workers and graduates from overseas universities, with the total number of non-Japanese employees currently being 114.

Male and female hires (all functions)



(Note) Scope of coverage: Sumitomo Electric.

Promotion of Employment of People with Disabilities ^(*)

We promote initiatives to realize a society where everyone can work in a lively manner regardless of disability.

In addition to the initiatives that Sumitomo Electric in Japan had long implemented, the Company established Sumiden Friend, Ltd. (Sumiden Friend) as a special subsidiary* in its Itami Works in 2008 with the aim of further promoting the employment of people with disabilities. Currently, Sumiden Friend has six offices at Sumitomo Electric's main sites, where 114 people with disabilities work while demonstrating their capabilities. In

response to orders placed by the Group companies, Sumiden Friend provides a wide variety of services, including document organization, data entry, manufacturing-related auxiliary material production, and foliage plant maintenance. Moreover, since 2023, Sumiden Friend has set up farms near the relevant works and provides vegetables to the employee cafeterias, thereby expanding the range of work available to employees with disabilities.

Furthermore, in the Group, Sumitomo Wiring Systems, Ltd., Nissin Electric Co., Ltd., and Sumitomo Riko Company Limited have established special subsidiaries and are striving to foster collaboration through networking and other events.

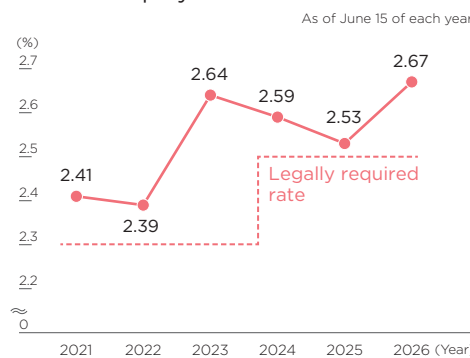
We will continue our efforts to create workplaces where people with disabilities can work while feeling satisfied with their work.

Employees with disabilities at Sumiden Friend, Ltd.

As of June 15 of each year

Year	2021	2022	2023	2024	2025	2026
Employees with a disability (count)	78	86	101	104	107	114

Rate of employees with disabilities



(Note) The scope of coverage includes Sumitomo Electric and some Group companies that are subject to calculation based on the Act to Facilitate the Employment of Persons with Disabilities.

Creation of a Comfortable Working Environment for LGBTQ+ Employees by Sumitomo Electric in Japan ^(*)

In accordance with the Global HRM Policy, Sumitomo Electric in Japan is working to prevent discriminatory treatment based on gender identity or sexual orientation. Since 2023, while appointing external experts and providing dedicated LGBTQ+ consultation (both in-house and outsourced services), the Company has been making efforts such as promoting understanding of LGBTQ+ issues through various internal human rights training programs, creating a comfortable working environment, and ensuring opportunities for consultation.

Creation of a Comfortable Working Environment for Non-Japanese Employees ^(*)

To create a comfortable working environment for non-Japanese employees, since 2017, Sumitomo Electric in Japan has operated a support desk capable of handling inquiries in Japanese, English, and Chinese, while implementing other measures, such as ensuring that the systems for attendance management and travel expense reimbursement are used in Japanese and English, issuing pay slips and internal regulations in English, and setting up prayer rooms at major bases.

Global Grade System and Global Executives

The Group has introduced the Global Grade System as a personnel system that allows capable and qualified personnel to work across the boundaries of individual companies and aim to advance their careers so that they can take on management responsibilities at domestic and overseas Group companies and even higher responsibilities. Under this system, officers of overseas subsidiaries and those in equivalent positions are positioned as those in the grade "GL" and are recognized as "Global Executives." As of April 1, 2026, 43 executives from overseas Group companies were recognized as such. As global leaders, they transcend the boundaries of individual companies to tackle more advanced management challenges and contribute to the development of the Group.

■ Area Committee

In 2015, the Group introduced the Area Committee system with the following aims: 1I to increase the presence of each Group company based on the characteristics of their country or region, 2I to utilize the knowledge and experience of Global Executives, and 3I to build networks among Global Executives. Currently, the Group has four committees: the Americas, Europe & Africa, Southeast Asia & Australia (APAC), and Greater China. With more than 500 Group employees, primarily Global Executives, constituting the membership, the committees are working on a wide variety of themes in each area, including developing human capital and strengthening manufacturing capabilities.

The activities and recommendations of the Area Committees are reported by Global Executives to the senior management of the Company, at the SEG Global Executive Conference in Japan, an annual event where Global Executives gather at the headquarters of the Company, and at the Regional Executive Conferences, annual events where the management from the Company and overseas affiliates gather in each of the four regions: the Americas, Europe & Africa, Southeast Asia & Australia (APAC), and Greater China.

Moreover, in fiscal 2024, the Group began to organize conferences to promote cooperation between the areas, transcending the framework of the Area Committees. The Group will leverage these conferences to further promote communication between the areas and accelerate management based on the Global HRM Policy within the Group and cooperation between affiliates.

Toward Achieving the Mid-term Management Plan 2028

Targets to achieve the Mid-term Management Plan 2028

Support of Females' Active Engagement* by Sumitomo Electric in Japan

- Percentage of females among new graduate hires ^(Note 1): Business 40.5%, Engineering 12.2%
- Percentage of females in managerial positions (section manager level and above) ^(Note 2): 5.0%

Global human capital initiatives

- Promote initiatives to appoint and develop Global Executives
- Appoint non-Japanese employees as officers and senior management staff at overseas Group companies

(Note 1) Scope of coverage: Sumitomo Electric in Japan

(Note 2) Scope of coverage: Sumitomo Electric in Japan includes those seconded from Sumitomo Electric to affiliates, etc.

(*) These targets are also declared in the General Employer Action Plan, which we have formulated in line with Japan's Act on the Promotion of Women's Active Engagement in Professional Life.

Improvement of the Workplace Environment

Creation of a comfortable workplace environment

2025 targets

Targets set to achieve Mid-term Management Plan 2025

Support for balancing work and life

- Percentage of male employees taking childcare leave ^(Note 1): 100%
- Support for employees in balancing work and childcare by encouraging system use
- Company-wide activities to review work styles
Total working hours ^(Note 2): Less than 1,950 hours/year
- Promotion of work styles suitable for increasing productivity and producing desired results
- Review of work styles in response to changes in the working environment

Continuous promotion of health and productivity management* for overall wellbeing

- Reduction of presenteeism
- Reduction of the loss of work opportunities due to sick leave (absenteeism)
Employees maintaining appropriate body weight: 66%; smoking male and female employees: 22% and 4%, respectively; employees with exercise habits: 40%; and employees with high stress: 10%.

Enhancing Engagement

(Note 1) Scope of coverage: Sumitomo Electric, including those seconded from the Company to affiliates, etc. included but excluding those seconded from affiliates, etc. to the Company "100%" means that all male employees with new-born babies take childcare leave, including those who take childcare leave in years different from the years their babies were born.

(Note 2) The scope of coverage: Union members of Sumitomo Electric (including those seconded from the Company to affiliates, etc.)

* "健康経営" ("kenkokeiei," a Japanese term for "health and productivity management") is a registered trademark of Nonprofit Organization Kenkokeiei.

Initiatives and Results

■ Labor Standards and Practices

1| Appropriate working hour management

The Group's working regulations include rules on appropriate management of working

hours, breaks, overtime work, holidays, leave, etc. in line with labor-related laws and regulations in each country and labor-management agreements.

In addition, with the aim of ensuring fair wage payments to employees and preventing excessive overtime work, the Company has introduced a work management system to enable employees to accurately report their work status and managers to manage their subordinates' working hours. With this system, all employees are required to report their working hours every day. Information on when each employee enters and leaves their workplace is reflected in this work management system, which will prevent managers from giving their subordinates approval for working if there is a significant gap between the recorded hours spent at the workplace and their reported working hours.

2| Company-wide activities to promote work-life balance and review work styles

Since 2008, the Company has been promoting a Company-wide initiative to realize an even better-balanced work style while improving its personnel systems, reducing total annual working hours, encouraging employees to take paid leave, and increasing productivity through improved work efficiency. Currently, the Company is working on initiatives from various perspectives, particularly influencing the corporate culture and employee's awareness, utilizing infrastructure and IT tools to increase productivity, and reviewing operation rules and processes. The Company is also improving its systems to meet the diverse needs of its employees to help them balance work with childcare and long-term care.

List of personnel support systems for an appropriate work-life balance and flexible working styles

As of June 30, 2026

Review of work styles	Promotion of the use of paid leave	Planned paid leave and five-consecutive-day paid leave systems
	Increase in the maximum number of times for half-day paid leave to be taken	Increasing to 30 times
	Reduction of total working hours	Review of work styles
	Flexible working styles	Work-from-home system, hourly paid leave system, flextime system
	Volunteer leave	Special five-day leave (paid and can be taken on a half-day or full-day basis). The use of accumulated leave* is allowed.
	Introduction of a reemployment system	Reemployment system (within three years from resignation or within five years for those who moved overseas)
	Continuation of work	Leave system to accommodate spouse overseas assignment (Leave of up to five years is allowed.)
	Work interval system	An 11-hour interval is ensured between the end of working hours and the start of the next working hours.
Pregnancy, childbirth, and childcare	Period of childcare leave	Until the child reaches the age of 3
	Number of times for childcare leave to be taken	Can be taken in up to three divided times regardless of the reason
	Pay, bonus, etc. during childcare leave	Paid for the first five days (if childcare leave at birth is not taken) Partial payment of bonus Lump-sum childbirth and childcare allowance (500,000 yen per child, granted by the Health Insurance Association) Childcare leave benefits (daily wage as of the start of leave × the number of days on leave (up to 180 days) × 67%; granted from employment insurance)
	Period of childcare leave at birth	Up to four weeks within the eight weeks after the birth of the child
	Number of times for childcare leave at birth to be taken	Up to twice
	Pay and bonuses during childcare leave at birth	Paid for the first five days (if childcare leave is not taken)
	Reduction of working hours	Until the end of March in the sixth grade of elementary school
	Exemption from overtime work	Until the end of March in the sixth grade of elementary school
	Restriction on overtime work	Until the end of March in the sixth grade of elementary school
	Restriction on late-night work	Until the end of March in the sixth grade of elementary school. Not applicable if a person of the age of 20 or older lives together with the employee.
	Childcare time	Female employees raising children of the age of up to 1 can apply for 30 minutes per time twice a day in addition to their breaks.
	Leave for nursing care of sick children	The use of five days of accumulated leave* per person (no limit on the number of children) is permitted until the end of March of the year when the relevant child is in the sixth grade of elementary school.
	Childcare leave for male employees	Five days of leave to be taken when spouse gives birth (paid leave) Mandatory to take either childcare leave at birth or childcare leave

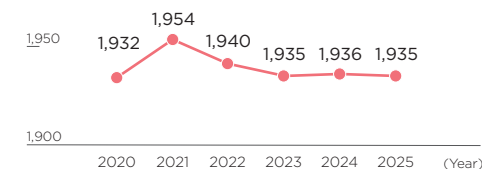
Pregnancy, childbirth, and childcare	Financial support	Preferential treatment in the use of the childcare menu in the Cafeteria Plan (selective benefit system) Employees of dual-income or single-parent households can receive additional special points in the Cafeteria Plan until the end of March of the year when the relevant child is in the third grade of elementary school. Babysitter discount coupons are issued to those who need them.
	Support for pregnant and nursing mothers	Eight weeks of leave before birth (two weeks unpaid) and eight weeks of leave after birth The use of accumulated leave* for infertility treatment, hospital visits, etc. is allowed.
	Establishment of childcare centers, etc.	Establishment of childcare centers and quota for early returnees
	Support for early return from childcare leave	Introduction of Hokatsu Concierge (support for finding childcare centers)
	Individual notification and intention confirmation	Childbirth and childcare support programs and spouse childcare support interviews
	Improvement of the employment environment	Seminars to support balancing work and childcare Consultation services regarding the working environment Introduction of examples of employees taking childcare leave in in-house newsletters, work & life handbooks, etc.; dissemination of systems and policies (posted on the corporate intranet)
	Period and number of times for long-term care to be taken	Two years per person. However, the leave can be taken on a daily basis.
	Bonuses during long-term care leave	Partial payment of bonus Long-term care leave (unpaid, but with 67% of pre-leave pay granted as a long-term care leave benefit from employment insurance)
Long-term care	Reduction of working hours	While the need for long-term care continues
	Exemption from overtime work	While the need for long-term care continues
	Restriction on overtime work	One month or more but one year or less per application. No limit to the number of times an employee can apply.
	Restriction on late-night work	Can apply on a daily basis while the need for long-term care continues
	Leave for long-term care	The use of five days per person of accumulated leave* is allowed to take care of family members (no limit to the number) on the condition that prescribed requirements are met, such as the level of the need for long-term care.
	Financial support	Preferential treatment in the use of the family-care menu in the Cafeteria Plan (selective benefit system) Employees working while giving long-term care can receive additional special points in the Cafeteria Plan.
	Individual notification and intention confirmation	Long-term care support interviews
	Improvement of the employment environment	Seminars to support balancing work and long-term care Consultation services regarding the working environment Introduction of examples of employees taking long-term care leave in in-house newsletters, work & life handbooks, etc.; dissemination of systems and policies (posted on the corporate intranet)

Average overtime hours worked and average paid leave days taken

Year	2020	2021	2022	2023	2024	2025
Average overtime hours worked month	13.6 hours	16.3 hours	16.0 hours	16.1 hours	15.7 hours	15.7 hours
Average paid leave days taken /year	15.8 days	17.1 days	18.5 days	19.2 days	18.4 days	18.6 days

(Note) Averages of union members of Sumitomo Electric (including those seconded from the Company to affiliates, etc.) from January to December of each year. Until 2022, those belonging to the four works of Sumitomo Electric, Sumitomo (SEI) Electronic Wire, Inc., Osaka and Tokyo Head Offices, Chubu Branch, and Toyota Works were covered (including those seconded to subsidiaries within these business premises).

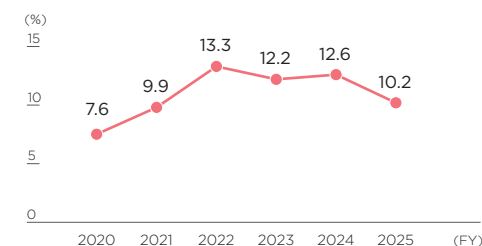
Average total working hours

(Hours)
2,000

(Note) Averages of union members of Sumitomo Electric (including those seconded from the Company to affiliates, etc.) from January to December of each year. Until 2022, those belonging to the four works of Sumitomo Electric, Sumitomo (SEI) Electronic Wire, Inc., Osaka and Tokyo Head Offices, Chubu Branch, and Toyota Works were covered (including those seconded to subsidiaries within these business premises).

Turnover rate

(percentage of the new-graduate employees who were hired three years before the relevant year and left the company within three years)



(Note) Scope of coverage: Sumitomo Electric

Glossary

***Accumulated leave:** This system allows employees to accumulate paid leave that will expire if not used, up to 10 days per year (maximum accumulation 50 days in total). The leave can be taken for the reasons specified in the working regulations, such as medical care for the relevant employee, as well as childcare and nursing care of sick family members.



Attached table: Table of comparison between personnel support systems and laws

<Income compensation during childcare or long-term care leave>

The Company has systems to help compensate for a lack of income during childcare or long-term care leave. For employees on leave before and after childbirth, the Sumitomo Electric Industries Health Insurance Association provides not only legally required benefits but also voluntary additional benefits. Moreover, the first five days of childcare leave are paid, and a portion of the applicable bonus is also awarded during the leave. Employees on long-term care leave are also entitled to receive a portion of the applicable bonus.

<Childbirth and childcare support program>

During the period of childbirth and childcare, it is especially important for the relevant employees and their superiors to have detailed "dialogue." Since fiscal 2015, the Company has institutionalized dialogue between employees and their superiors at the following times: when the relevant employees find out they are pregnant; one month before taking maternity leave; before returning to work from childcare leave; and two months after returning to work from childcare leave. Since fiscal 2019, a dialogue six months after returning from childcare leave has been added in order to promote dialogue with an eye toward career development. The Company, thus, supports employees in making a smooth return to work and playing an active role after returning from childcare leave.

<Promotion of males' engagement in childcare>

To promote males' engagement in childcare, the Company has set a Company-wide target of 100% of male employees taking childcare leave and requires all the relevant employees to take at least five consecutive days of childcare leave at birth or childcare leave within eight weeks of the birth of their children. In addition, the Company takes various initiatives to create a work environment that makes it easier for employees to take childcare leave, such as spouse childcare support interviews conducted for employees reporting that their spouses have become pregnant or given birth and a childcare support guidebook released for male employees and supervisors.

Percentage of male employees taking childcare leave ^(note 1)

FY	2022	2023	2024	2025
Number of male childcare leave users ^{(Note 2) (Note 3)}	267	282	317	320
Number of employees taking leave when their spouses gave birth ^(Note 2)	179	179	203	182
Percentage of male employees taking childcare leave ^(*)	76%	100%	100%	100%

(Note 1) Scope of coverage: Sumitomo Electric, including those seconded from the Company to affiliates, etc. but excluding those seconded from affiliates, etc. to the Company

(Note 2) Covers employees who took the relevant leave in the relevant fiscal year regardless of the fiscal year when their children were born

(Note 3) Includes those who took the leave for a second or subsequent time for their children covered by the support system

(*) In and after fiscal 2023, in order to indicate progress towards the target of "Percentage of male employees taking childcare leave: 100%," set out in the Mid-term Management Plan 2025, the percentages of the relevant male employees have been calculated based on internal standards. The past figures have also been calculated based on the internal standards. According to the internal standards, male employees taking childcare leave in the following years after the births of their babies are included.

<Childcare centers>

As part of efforts to establish an environment that helps employees continue to work while raising children, the Company opened childcare centers at the Yokohama and Osaka Works in 2008, at the Itami Works in 2009, and near the Tokyo Head Office in 2018, with 46 children of employees currently enrolled (as of the end of March 2026).

For employees who are unable to use these childcare centers, the Company takes other supportive measures, such as subsidizing the use of other childcare centers.

<Kidsit subsidy>

Depending on the age of the child, the Company provides Babysitter Discount Coupons, issued as support by the Agency for Children and Families, free of charge for those who use babysitting services to balance work and childcare, as well as the Company's own kidsitting fee subsidy.

<Hokatsu Concierge>

The activity of hunting for day care ("hokatsu" in Japanese) requires a variety of know-how, as the methods and schedules vary depending on the day care environment in the place of residence and on the month the relevant child was born.

Launched in November 2014 to help

employees on childcare leave return smoothly to work at the time of their choice, this system is intended to provide hokatsu know-how tailored to the relevant employee's circumstances and information on daycare centers.

<Support for balancing work and long-term care>

To date, the Company has been working to help employees balance work and long-term care by improving its leave system and increasing the profile of the system at seminars. Since April 2025, the Company has provided further support with consideration given to each employee's circumstances by, for example, introducing long-term care support interviews between the relevant employees, their supervisors, and human resources staff and by improving the Cafeteria Plan (selective benefit system).

<Work from home>

In fiscal 2016, the Company introduced a work-from-home system to allow employees who have certain restrictions on working on the Company's premises due to their need to provide childcare, long-term care, etc. to work from home. In fiscal 2018, in order to realize more flexible and efficient working styles and increase productivity by reviewing working styles, the Company expanded the scope of the system's eligibility to include employees who meet certain requirements, such as being able to carry out their work autonomously and produce the desired results. In and after fiscal 2022, the Company relaxed the requirements. With its eye on an increase in productivity and generation of desired results, since fiscal 2022, the Company has allowed employees to work from home at the discretion of their superiors, based on the assumption that they work from home about five days per month on average, as long as it does not exceed half of the monthly working days. Even if it exceeds half of the monthly working days, employees can work from home with approval from division heads.

<Reemployment system>

Since 2008, the Company has had a reemployment system in place to reemploy

former employees who unavoidably resigned due to reasons such as childbirth, childcare, or long-term care. In the system, the Company organizes interviews and reemploys eligible persons when they are able to return to work (within three years from resignation or within five years for those who moved overseas), and in principle, it assigns them to their former workplaces.

<Leave system to accommodate spouse overseas assignment>

Since 2017, the Company has had a leave system to accommodate spouse overseas assignment, allowing employees to take leave of up to five years to accompany their spouses assigned overseas. The system is intended to prevent such employees from quitting the Company.

<Volunteer leave program>

Employees can take up to five days of paid leave per year (up to a maximum of 15 days if accumulated leave is included) to engage in volunteer activities approved by the Company. The program is used for various activities that contribute to regional communities, such as supporting disaster recovery efforts.

For data on the actual use of each system, please refer to [\[▶p.78\]](#).

■ External Assessment

Certification in the Platinum Kurumin system

In the Platinum Kurumin system, the Minister of Health, Labour and Welfare of Japan certifies companies that are actively committed to supporting the child-rearing of their employees through an especially high level of initiatives in order to assist the healthy growth of children, who will be responsible for the next generation of society. The Company was certified in June 2019.



Special certification mark "Platinum Kurumin"

■ Promotion of Health and Productivity Management

Based on the Sumitomo Electric Group Health and Productivity Management Declaration, formulated in 2015, the Group actively supports employees who engage in health improvement activities and takes organizational health improvement measures, thereby striving to raise employees' health awareness (literacy) and to ensure that employees can work in a healthy and lively manner.

To promote the necessary measures, the Company convenes the Occupational Health

and Safety Management Committee four times per year under the lead of the officer in charge of human resources to decide on Company-wide policies and to deliberate on relevant measures.

Currently, the Company implements measures to enhance labor productivity and engagement through analysis of various types of related data, with its focus set on Kenkatsul, a health maintenance and improvement program based on the three main themes of prevention of lifestyle-related diseases, establishment of exercise habits, and mental health care.

<Prevention of lifestyle-related diseases>

The Company encourages employees to review their lifestyle habits by holding seminars and other events on topics such as dietary habits, exercise, sleep, and cancer prevention. The Company also works to prevent passive smoking and help employees quit smoking by banning smoking during working hours and providing financial support to participate in a smoking cessation program. If employees are found to be at high risk as a result of health checkups, the Company encourages them to receive health guidance from medical workers or seek medical consultation, thereby helping their conditions from worsening. By implementing these measures, the Company will continue to encourage employees to change their awareness and behavior and improve the KPIs that it has set, which include the rate of those maintaining appropriate body weight and the smoking rate.

KPIs

	Rate of those maintaining appropriate body weight	Smoking rate	
		Male	Female
FY2023	65.4%	23.2%	5.1%
FY2024	65.0%	23.4%	5.1%
FY2025	64.8%	23.3%	4.9%

Main measure	Description (FY2025)
Healthy practice campaign	In this campaign, participants set targets on daily exercise, dietary habits, etc., and receive incentives according to the degree of their achievements. (Participant count: 749 in the first half of the year; 762 in the second half)
Lifestyle review training	Seminars taught by experts on sleep (Attendee count: 709)
Measures to prevent passive smoking	Banning smoking during working hours. Providing financial support to participate in a smoking cessation program.

<Establishment of exercise habits>

Having set a rate of those with exercise habits as a KPI, the Company actively provides exercise opportunities and supports sports activities. The Company holds the sports event SEI Challenge Cup and a walking event to help employees and their families establish exercise habits and stimulate communication in the workplace. In addition, the Company provides support not only for association and sports club activities but also for a wide variety of individuals' sports activities by applying the Cafeteria Plan (selective benefit system), through which fitness club fees and sports equipment purchase costs are subsidized.

KPIs

	Rate of those with exercise habits
FY2023	34.2%
FY2024	33.4%
FY2025	33.5%

Main measure	Description (FY2025)
SEI Challenge Cup: in-person events	Three competition events: sport tamaire (AJTA), relay marathon, and Mölkky (Participant count: 257)
SEI Challenge Cup: online	Event designed for employees to make walking or running a habit, in which a dedicated app is used by the members of workplace-based teams. (Participant count: 4,981)
Walking event	Biannual event encouraging employees to walk 8,000 steps every day for two months so that walking will become a habit. (Participant count: 3,347 in the first half of fiscal 2025 and 3,541 in the second half)
Support for associations	Financial support, such as grants and travel expense coverage, for activities of associations that represent their local communities (15 teams, approximately 350 members).
Support for sports clubs	Support for company-approved sports activities, including coverage of sports equipment purchase expenses and tournament entry fees (36 teams, approximately 440 members)
Support for individuals	Subsidy through the Cafeteria Plan to cover fitness club fees and purchase expenses of sports and training-related items

Targets set to achieve the Mid-term Management Plan and the results

Health investment	[KPIs] Indicators of changes in the awareness and behavior of employees, etc.			Health-related final target indicators
(1) Further promotion of the measures based on the three main themes of Kenkatsul!	Indicator (KPI)	Result	Target	Reduction of presenteeism
		FY2025	FY2025	
(2) Permeation of Kenkatsul, development of health culture, and improvement of health awareness	Rate of those maintaining appropriate body weight*	64.8%	66.0%	Reduction of the loss of work opportunities due to sick leave (absenteeism*)
	Smoking rate	Male	23.3%	
		Female	4.9%	
(3) Implementation of measures to address health-related challenges that can cause presenteeism*	Rate of those with exercise habits*	33.5%	40.0%	Enhancing Engagement
	Rate of those with high stress*	11.7%	10.0%	



Opening ceremony of the sports event SEI Challenge Cup

Glossary

- ***Presenteeism**: A state in which an employee is at work but is unable to perform to their full potential due to some health disorder.
- ***Rate of those maintaining appropriate body weight**: Rate of employees with a BMI of 18.5 or more to less than 25
- ***Rate of those with exercise habits**: Rate of employees doing 30-minute exercise at least twice a week

- ***Rate of those with high stress**: Calculated based on the Ministry of Health, Labour and Welfare's standards, with an individuals' stress responses (fatigue, anxiety, depression, appetite/sleep) and stress factors/support from others (the same four scales as for the Overall Health Risk) set in a biaxial graph following stress checks.
- ***Absenteeism**: Loss of work opportunities due to sick leave

<Mental health care>

As part of its efforts to improve the workplace environment, the Company provides line care training for managers and supervisors to help prevent mental health problems among their subordinates. In addition, based on the results of stress checks, the Company implements a six-month improvement program for workplaces with high health risks. The Company also provides self-care training to help employees effectively cope with stress and has a counselor stationed at each business location. In addition, the Company has a system in place to allow employees and their families to consult about everyday worries via email or phone. Through these efforts, the Company will continue to strive to reduce the rate of those with high stress, which is one of the KPIs, and establish a lively workplace environment.

KPIs

	Rate of those with high stress	Overall health risk*
FY2023	11.5%	85
FY2024	11.0%	84
FY2025	11.7%	85

Main measure	Description (FY2025)
Self-care training	Webinar titled "Let's Learn about Mindfulness from a Specialist!" held to allow employees to gain correct knowledge of how to cope effectively with stress at work and in personal life, as well as useful self-care skills (Attendee count: 877)
Training for managers and supervisors	Webinar on "Early Detection of and Response to Mental Health Problems and Psychological Safety" (Attendee count: 302)
Continued implementation of the workplace environment improvement initiative "Workplace Checkup"	Six-month improvement program for six workplaces identified as those with high risk based on the results of stress checks

<Presenteeism>

The Company works not only on the three main themes of Kenkatsu! but also on initiatives aimed at improving labor productivity. Placing particular emphasis on supporting female health, the Company is proceeding with measures, such as organizing an awareness-raising program on health-related challenges specific to females and setting up an in-house consultation desk. The Company is also strengthening its health support for employees through seminars to alleviate musculoskeletal disorders such as stiff shoulders and back pain, as well as eye strain caused by working with information devices.

Ken-katsu!	Main measure	Description (FY2025)
Support for female health	Seminar	Short videos on premenstrual syndrome (PMS), menopause, self-care, etc.
	Female cancer screenings	In fiscal 2025, cervical and breast cancer screenings were held at the head office and works, and 473 employees underwent the former screening and 359 the latter.
	Column by a public health nurse	Column by a public health nurse on female health-related challenges posted on the Kenkatsu! website (once a quarter)
Support for alleviating disorder caused by working with information devices	Measure to prevent eye strain, stiff shoulders, etc. caused by working with information devices	Encouraging the use of a laptop stand in consideration of the importance of maintaining good posture while working on a laptop in order to help mitigate physical disorders and increase operational performance

<Health checkups>

The Company provides regular health checkups for all employees, and the regular health checkup attendance rate (including comprehensive medical examinations) is currently 100%.

For information on special medical examinations, please refer to [\[p.49\]](#).

	Regular health checkup attendance rate
FY2023	100%
FY2024	100%
FY2025	100%

<Other Initiatives>

Main measure	Description (FY2025)
Health Festa	Fitness test and athletic experience event for employees, their families, and local residents, with members from the Company's track and field club serving as instructors
Training at the time of promotion Manager training	Level-specific training on health and productivity management, Kenkatsu!, improvement of health literacy, etc.
Posting short videos for health training online	Providing a wide range of health information by posting short (three-to five-minute) movies online to be viewed during work breaks and to be screened at cafeterias
Interview for all new graduate employees on the main career track	Interview with a medical worker to promote understanding of industrial health and check health condition

<Other indicators>

By proceeding with Kenkatsu!, underpinned by the three main themes, the Company will continue to practice health and productivity management while regularly monitoring various indicators.

Productivity evaluation indicator	FY2024	FY2025
Absenteeism	1.33%	1.61%
Employees on long-term absence due to mental disorder* per 1,000 employees	7.8 (Note)	9.2

Indicator of changes in the awareness and behavior	FY2024	FY2025
Blood pressure treatment rate	76.5%	80.0%

Indicator on health investment measure	FY2024	FY2025
Complete medical examination attendance rate	71.1%	75.1%
Stress check participation rate	94.6% (Note)	95.3%

(Note) The result for fiscal 2024 has been revised from that published previously in CSR Book 2025 as they were proved to be incorrect due to an error in the scope of calculation.

Aggregation method for each indicator

Absenteeism: Calculated as the percentage of employees who are absent for 30 days or more due to non-occupational illness or injury.

Blood pressure treatment rate: Calculated the rate of employees under high-blood pressure treatment to keep watch on high-risk employees.



Health Festa:
Standing broad jump



Health Festa:
In-body measurement

■ External Assessment

Certified as a Health and Productivity Management Organization 2026 (in the "large organization" category)

Sumitomo Electric has been certified by Nippon Kenko Kaigi as a Health and Productivity Management Organization 2026 (in the "large organization" category).



Rated at the highest rank in the DBJ Health Management Program 2024

Sumitomo Electric has been rated at the highest of the three ranks in the Development Bank of Japan (DBJ) Employees' Health Management Rated Loan Program 2024.



Certified as a Sports Yell Company 2026

Sumitomo Electric has been certified as a Sports Yell Company 2026 by the Japan Sports Agency. This is the eighth time for the Company to be certified as such.



■ Enhancing Engagement

<Engagement survey>

To determine the current level of ownership of the Sumitomo Spirit, Vision, and Management Plan, as well as the current level of establishment of a cohesive organizational climate, the Group conducts an engagement survey. In fiscal 2025, the survey was conducted of approximately 62,000 employees at 192 companies of the Group both in Japan and overseas (the figures for the previous year: approximately 65,000 and 165, respectively). The results will be used to examine measures to increase the value of

human capital, and feedback will be provided to managers at each workplace to serve as a reference for workplace operations. Our analysis of the survey results confirms that ownership of the Sumitomo Spirit is becoming more widespread. Also, our analysis of changes over time in the approximately 2,200 workplaces that have participated in the survey on an ongoing basis shows that approximately 65% of workplaces have improved as a result of workplace improvement activities such as ensuring many more opportunities for interaction and strengthening the communication of departmental policies.

Data on participation in the engagement survey

Indicator	Result		
	FY2023	FY2024	FY2025
Participating companies (Sumitomo Electric and Group companies in Japan and overseas)	120	165	192
Participating countries	20	24	29
Participants in Japan	Approx. 40,000	Approx. 43,000	Approx. 42,000
Participants overseas	Approx. 14,000	Approx. 22,000	Approx. 20,000

Engagement score for pride as a member of the Group

	FY2023	FY2024	FY2025
The Group (Worldwide)	73%	77%	83%
The Group (Japan)	67%	70%	78%
Sumitomo Electric	78%	80%	86%

* The relevant question was "Do you agree with the statement 'I have pride in being a member of the Sumitomo Electric Group?,' with a choice of five answers: (1) "Agree," (2) "Tend To Agree," (3) "?, (4) "Tend To Disagree," and (5) "Disagree." The score indicates the percentage of respondents who selected (1) or (2).

<Career development support guidebook>

With the values of working people becoming more diverse, in order for a company to continue to grow and contribute to society, it is necessary to establish an environment in which each employee can fully demonstrate their abilities and produce the desired results and also to ensure that both the company and its employees make strenuous efforts. In fiscal 2024, the Company published the career development support guidebook Career Discovery Book to help employees consider their career development at the Company. The book describes the Company's diverse personnel systems and measures designed to support success, growth, and self-improvement at each stage of life, and it communicates various possibilities for success within the Group.



Career development support guidebook

Toward Achieving the Mid-term Management Plan 2028

Targets to achieve the Mid-term Management Plan 2028

Support for balancing work and life

- Percentage of male employees taking childcare leave (Note) : 100%

Continued promotion of health management with the aim of “becoming a corporate group where all employees can work healthily and lively”

Enhancing Engagement

- Engagement score for pride as a member of the Group 80% or higher

(Note) Scope of coverage: Sumitomo Electric

Human Rights

2025 Targets

Under the basic philosophy that all of its business activities must be based on respect for human rights, the Group set targets for its initiatives to promote respect for human rights.

Targets set to achieve Mid-term Management Plan 2025

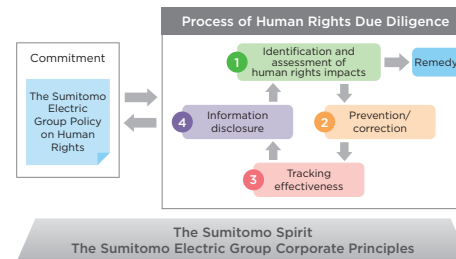
- Human rights due diligence: Examination of key risks and implementation of prevention and mitigation measures for approximately 280 Group companies
- Human rights training: Promotion of training and awareness-raising for discrimination, harassment and other human rights issues
- Supplier Code of Conduct: Requests to engage in human rights and labor relations efforts based on the Supplier Code of Conduct

Initiatives and Results

Human Rights Due Diligence in the Sumitomo Electric Group

Based on the "Guiding Principles on Business and Human Rights" of the United Nations and "Guidelines on Respecting Human Rights in Responsible Supply Chains" of the Ministry of Economy, Trade and Industry, our Group has conducted human rights due diligence to ensure that we fulfill our responsibility for respecting human rights in fiscal 2022. From fiscal 2023 to 2025, we worked to resolve the issues identified through the survey.

<Process of human rights due diligence>



<Human rights risks (critical risks and potential risks)>

Based on Japanese and international standards for respect for human rights, including the International Bill of Human Rights of the United Nations and the International Labour Organization (ILO) Constitution, we consider the following as risks that our business may adversely impact human rights.



Overview of the fiscal 2022 Human Rights Due Diligence Survey

Target companies

Sumitomo Electric and Sumitomo Electric Group companies in Japan and overseas (excluding Japan-listed subsidiaries, etc.): 284

Survey items and contents

For this fiscal year, we focused on child labor, forced labor, and migrant workers under the following contents.

- No case of employing children (workers under 15 years old)
- No case of forced labor (such as restriction on workers' behavior, debt bondage, or forced internal deposits)
- Compliance with internal rules regarding employment of migrant workers (internal rules such as no recruitment fees, etc. to be borne by the worker, no passports, etc. to be kept by the company, employment contracts to be signed in a language which the worker understands, etc.)

Survey results

According to the survey results, no risks related to child labor or forced labor were identified. Meanwhile, with regard to migrant workers, we identified issues at four Group companies in and outside Japan that employ migrant workers.

- At two Group companies in Japan, corrective actions were taken due to deficiencies found in its procedures, which are stipulated in the internal rules on temporary staffing companies. (Prescribed items were not included in the contract, audits of temporary staffing companies were not conducted, and interviews were not conducted in accordance with prescribed items.)
- At two Group companies in Asia, cases of workers themselves paying for recruitment fees and other costs were identified. Although allowed under local law, we have revised our rules to align with international standards on respect for human rights, and we are working together with local companies and external experts to provide support to workers.

Initiatives for fiscal 2023–2025

Implementing corrective measures in fiscal 2023 for problems as a result of the fiscal 2022 human rights due diligence survey

FY2023

- At two group companies in Japan, issues in the contract between the Company and temporary staffing companies were identified; the contract has been amended.
- At two group companies in Asia, issues with recruitment fees related to migrant workers were identified; appropriate corrective measures have been implemented based on interviews with the applicable persons.

FY2024

- Appropriate corrective actions have been implemented to address the issue of migrant workers in Eastern Europe. Measures to prevent recurrence have been under discussion.
- A framework has been established to check the status of domestic and overseas group companies by utilizing annual internal self assessment with regard to the three critical human rights risks of child labor, forced labor, and inappropriate usage of migrant workers.

FY2025

- A total of 288 companies, including Sumitomo Electric and Group companies in Japan and overseas, conducted regular checks on critical risks (child labor, forced labor, and inappropriate use of migrant workers), for which a framework had been established in fiscal 2024, followed by corrective measures adopted against identified minor challenges.
- Education and awareness-raising activities were promoted to prevent harassment, one of the human rights risks. Also, efforts were devoted to strengthening the human rights governance system.

Investigation of Group company in Eastern Europe (A company was not surveyed in fiscal 2022.)

- Since issues with recruitment fees related to migrant workers were identified, interviews with the applicable persons were conducted in fiscal 2023. Corrective actions and measures to prevent recurrence are being considered.

■ Human Rights Risk Prevention and Mitigation Initiatives

1| Human rights education and training

We are also making continuous efforts in human rights training and awareness-raising activities to solve a wide range of human rights issues, including discrimination and harassment. In addition to harassment prevention training for managers, human rights training for officers, new employees, and employees newly promoted to each position level, in fiscal 2025, we launched recruitment-related sexual harassment prevention training for all recruiters of new graduates. In the same year, a cumulative total of 30,780 persons participated in human rights training, including the above and education programs provided mainly by Human Rights Task Committee members at each workplace.

Training records for fiscal 2025

Cumulative total number of trainees	30,780 people
Cumulative total number of training hours	17,780 hours

Examples of topics covered in human rights training

- **A global perspective on human rights:** Trends in human rights regulations and systems and case studies of human rights violations committed by companies
- **The Company's basic views on human rights:** Code of Conduct, Global HRM Policy, Sumitomo Electric Group Human Rights Policy, Sumitomo Electric Group CSR Procurement Guidelines, and Supplier Code of Conduct
- **Descent-based discrimination issues in Japan:** To eliminate discrimination
- **Harassment prevention:** Public and Group-wide trends in harassment, harassment prevention initiatives, LGBTQ people, and unconscious biases
- **Human rights of persons with disabilities:** Initiatives to employ persons with disabilities, initiatives at special subsidiaries, and reasonable accommodations

2| Cooperation with human rights organizations and government agencies

As part of its initiatives to address human rights issues in its global business activities, Sumitomo Electric is a member of the Responsible Business Alliance. The Company has also joined human rights organizations in Japan, including the Corporate Federation for Dowa and Human Rights Issues, Osaka, the Center for Promotion of Fair Recruitment and Human Rights Awareness, and the Career Support & Talent Enhancement Plaza (C-STEP). We therefore cooperate with relevant governmental agencies and organizations from the standpoint of a corporation with a view to realizing a society in which human rights are guaranteed for all. In addition, as a member of the Japan Business Federation (Keidanren), we support its Charter of Corporate Behavior.

3| Initiatives for fair recruitment (prevention of discrimination and harassment in the recruitment process)

To prevent discrimination in the recruitment process, we have included instructions on prevention of discrimination and harassment in our handbook for recruiters who interview prospective new-graduate hires before selection. The same instructions are also given in recruiter training. As a result of an examination conducted by a third-party committee run by the Center for Promotion of Fair Recruitment and Human Rights Awareness, Sumitomo Electric has been certified as a company that is actively committed to fair recruitment and human rights awareness-raising initiatives.



4| Establishment of consultation services

In addition to the internal and external contacts for consultation and reporting managed by the Compliance Committee, we have set up internal contacts for consultation concerning issues related to working conditions, such as sexual harassment, abuse of authority, and discrimination against pregnant employees and employees on parental leave. With these services, we have in place a system to quickly gather information on any case of violation against human rights and take appropriate measures to address it.

For details on reporting and consultation desks, please refer to [\[▶p.70\]](#).

■ Initiatives for fair employment of migrant workers

The Group has established Detailed Regulations on the Employment of Migrant Workers, which stipulate the Group's basic views and operational rules on the employment and treatment of migrant workers, who are prone to damage from forced labor. These regulations, based on the Code of Conduct and the Sumitomo Electric Group Human Rights Policy, define specific human rights protection measures that Group companies in Japan and abroad must adopt when they employ migrant workers. Those measures include requiring certain external agents from which the task of recruiting and hiring migrant workers is outsourced to affirm that they are legally licensed and operate ethically and legally, having migrant workers keep their own identification documents, and granting them freedom to resign and move.

■ Freedom of Association and Collective Bargaining

The Sumitomo Electric Group Policy on Human Rights is based on the United Nations' International Bill of Human Rights and Guiding Principles on Business and Human Rights, as well as the ILO Declaration on Fundamental Principles and Rights at Work, which stipulates freedom of association and the right to collective bargaining.

Guided by the basic principles of labor-management equality, coexistence and co-prosperity based on mutual trust, and resolution through thorough discussion, Sumitomo Electric and the SEI Labor Union are working together to create an environment in which employees can work in a lively manner.

The labor agreement provides for various working conditions for union members, such as working hours, leave, and wages, as well as matters concerning safety and health, collective bargaining, union activities, a labor-management council, etc. Based on this labor agreement, the Central Management Council meets four times a year, where representatives of labor and management exchange opinions on the Company's management condition and other issues.

There are also other opportunities for labor and management to meet for collective bargaining, deliberation, and opinion exchange regarding labor condition-related matters, such as employee safety and health, benefits, and education. In addition, the improvement of the workplace environment, including preventing discrimination and harassment, is a focus of not only Group-wide efforts but also dialogue and information sharing between labor and management.

Moreover, Sumitomo Electric has concluded a union shop agreement, and 100% of regular employees are members of the SEI Labor Union, who account for 69% of all employees of the Company.

Additionally, the Sumitomo Electric Group Labor Union, to which the labor unions of Sumitomo Electric and some Group companies in Japan belong, holds round-table meetings twice a year as opportunities for information sharing and opinion exchange between labor and management of member companies.

Overseas Group companies also strive to improve working conditions and gain a comprehensive understanding of business conditions through dialogue between labor and management in accordance with the laws and regulations of each country and region.

■ Initiatives to Ensure Respect for Human Rights in the Supply Chains

In accordance with the Sumitomo Spirit, the Sumitomo Electric Group Corporate Principles, the Sumitomo Electric Group Charter of Corporate Behavior and the Basic Procurement Policies and based on mutual trust and cooperation with its suppliers, the Group is conducting sustainable procurement activities that are fair, equitable, compliance-focused, and friendly to the global environment and human rights. We inform our suppliers, including the Group companies, of these policies and ask for their understanding and cooperation with the Group's procurement activities. Furthermore, the Group's human rights due diligence initiatives are incorporated into its CSR-based procurement assessments to help the Group identify human rights risks in the supply chains of its key suppliers.

Occupational Safety and Health Toward becoming a world class company for safety

Basic Views and Policy

The Group positions safety as one of the most important management issues. Aiming to be a world's safest company, the entire Group is making a concerted effort in performing safety and health activities. Recognizing that ensuring the safety and health of employees is essential for our continued existence as a corporate group and is also part of our corporate social responsibility, we have established the Sumitomo Electric Group's Safety Philosophy, Principles of Safety Activities, and Occupational Safety and Health Guidelines. Guided by these, we are making efforts to eliminate occupational accidents, including promoting activities by our safety and health organization, such as safety measures in facilities, and establishing a safety and health education system.

In addition, to maintain and improve the safety and working environment of all employees, the Group has established its own Safety Management Global Standard (GS) based on the Ministry of Health, Labour and Welfare's Guidelines on Occupational Safety and Health Management Systems (OSHMS). The GS serves as the set of standards the Group must comply with to promote a unified form of safety and health management.

Safety Philosophy

- Safety is our top priority.
- All accidents can be prevented.

Principles of Safety Activities

1. Top managements of business sites and organizations shall act to lead by example of themselves in improvement of the safety culture.
2. Mutually enlighten safety consciousness through bidirectional communication.
3. All members shall act to aim a global top safe enterprise.

Occupational Safety and Health Guidelines

We, Sumitomo Electric Group, raise "Safety is our top priority" in group wide, and, aim comfortable workplaces able to work in safe and ease, by belief of top management and efforts of individuals in the group, under the basic spirit of "Respect for Humanity." We establish and enforce following guidelines, and actively endeavor to improve the occupational safety and health.

1. By eliminating every hazardous and harmful elements from the workplace, aim to be a top enterprise of "Zero Accidents, Zero Dangers."
2. Comply company rules, as well as, legal regulations and other safety requirements.
3. By conducting safety and health education and training, enhance the sensitivity and knowledge.
4. Achieve work environment able to work comfortably in health in both mental and physical aspects.

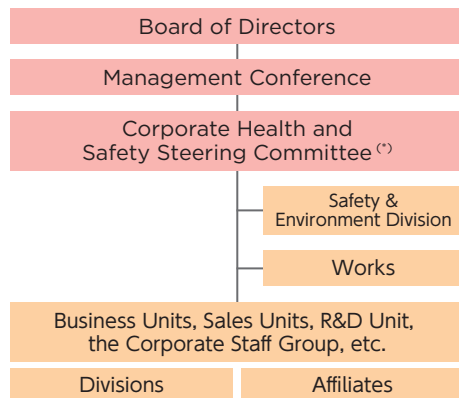
Safety Management Global Standard (extract)

No.	Item	Contents
A	Safety and health management in general	Important safety and health management standards to be observed, relevant laws and regulations, and relevant Sumitomo Electric Group regulations
B	Occupational safety and health activities	The purpose of safety and health activities and key points to note during the activities
C	Points to note for safe common work	Key points to note for safety in common work
D	Best safety practices	Best safety practices aimed at preventing serious accidents
E	Basic glossary and index	Explanation of basic terms related to safety and health

Structure

■ Safety and Health Management Structure

The Corporate Health and Safety Steering Committee, which comprises representatives from all the business units of the Company, sets policies and targets for improving occupational safety and health activities throughout the Group and reducing occupational accidents and injuries. After deliberation, the committee develops proposals on safety and health measures and activities. These proposals are finally approved by the Management Conference of the Company, chaired by the President & COO, and also reported to the Board of Directors, presided over by the Chairman. In addition, at their monthly meetings, the Management Conference and the Board of Directors receive reports on any accidents involving people and/or facilities and the progress of major initiatives related to safety and health activities.



(*) Chair: General Manager of Manufacturing Management & Engineering Unit (Managing Director)

Vice Chair: Deputy General Manager of Manufacturing Management & Engineering Unit

Members: Representatives from divisions and affiliates, General Managers of Plant & Production Systems Engineering Division, R&D Planning Division, Sales Planning & Marketing Division, and Human Resources Division, General Managers of Works, etc.

Organizer: Safety & Environment Division

■ Promoting Occupational Safety and Health Management Systems

We believe that we can achieve perfect occupational safety by identifying risk factors in advance and reducing them.

To attain this, we will implement the following measures:

- promoting reliable operation of occupational safety and health management systems
- continuously conducting systematic risk assessments to identify potential hazards and to evaluate risks.

An occupational safety and health management system is a management program for identifying and evaluating potential hazards at work sites and in equipment, procedures, etc. and ensuring that preventive measures are adopted before accidents occur. The Ministry of Health, Labour and Welfare also recommends that companies introduce this kind of system as part of their initiatives to eliminate occupational accidents, while similar activities are being conducted internationally.

In Japan, the Group operates its occupational safety and health management systems based on its Safety Management Global Standard (GS). Overseas, we implement safety and health management while comparing the laws and regulations of each country with our GS and complying with whichever are stricter. Specifically, we work to make constant improvements through a PDCA cycle as follows:

- 1| Plan: Assessing risks underlying at a work site, in equipment and processes; setting targets for countermeasures; and formulating a plan for implementation
- 2| Do: Devising and implementing measures
- 3| Check: Monitoring and evaluating the situation through periodic checks, safety patrols, etc.

- 4| Act: Assessing the monitoring results; adopting corrective and preventive measures

We will continue to effectively operate our occupational safety and health management systems and work to achieve continuous improvement in order to prevent occupational accidents and reduce risks.

<Acquisition of external certification>

The Group acquires ISO 45001 certification for its respective works as necessary, according to their business situation.

(Example of factories with ISO 45001 certification)

- Osaka Cable Factory, Cable Manufacturing Department, Electricity Division

<Emergency safety and health measures>

We have established response measures and information dissemination systems tailored to the specific conditions of each of our facilities in preparation for emergencies (such as workplace accidents and injuries, fires, chemical spills, and natural disasters including earthquakes, windstorms, and floods). We also conduct Group-wide joint emergency drills twice a year.

2025 Targets

Targets set to achieve Mid-term Management Plan 2025

The group set the target of zero serious* accident in the Sumitomo Electric Group's Mid-term Management Plan 2025. For fiscal 2025, we set the target of zero serious accidents and zero lost-time injuries and strove to achieve it.

Initiatives and Results

To achieve our Mid-term Management Plan 2025, we have continued to conduct our safety activities with three pillars: 1. Fostering a safety culture, 2. Safety measures in facilities, and 3. Developing safety-minded employees.

1. Fostering a safety culture

Based on the Safety Philosophy and the Principles of Safety Activities, Sumitomo Electric and Group companies both in Japan and overseas are mainly conducting the following activities to foster a safety culture:

1| The President himself issues a Message from the President & COO to all employees, temporary workers, etc., via internal broadcasts, global newsletters, and other media to advocate clear safety policies once every six months. In addition, we hold a Corporate Safety Conference twice a year to share information about safety achievements, activities of each division, and priority initiatives and spread good practices to all employees, temporary workers, etc., in order to ensure thorough awareness that safety is our top priority, an item of our Safety Philosophy throughout the Group. To promote our efforts to foster a safety culture, we created safety awareness cards (available in 12 languages, including Japanese, English, and Chinese) and distributed them to all Group employees to ensure the permeation of the

Glossary

***Serious accident**: 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 of Japan)

S-T-O-P Accident Campaign,* our Safety Philosophy and Principles of Safety Activities, and other initiatives throughout our daily operations.



Carry-in-the-pocket safety awareness cards (face side)

2] Under the leadership of the Sumitomo Electric President & COO, senior management such as division heads and the presidents of affiliates declare action targets as “safety actions of top management” and demonstrate how to perform those actions to drive the safety mindset of employees. At the end of each fiscal year, this initiative is reviewed with feedback sought from employees, and the review results are incorporated in the next fiscal year's activities.

3] We have increased opportunities for dialogue between managers and workers during regular safety patrols. The managers directly express their gratitude to the workers for complying with safety rules and share their findings and insights regarding risks at the workplaces, thereby ensuring full awareness of safety on both sides. This kind of dialogue sometimes reminds workers of recent problems, no matter how minor they are, and allows them to share with the managers information about risks that cannot be confirmed immediately, leading to improvement measures being adopted. Additionally, to raise the quality of dialogue, we train safety evangelists in each division, who play a key role in our efforts to improve the dialogue skills of managers and supervisors at each workplace.



Safety evangelist training in fiscal 2025

4] We conduct a periodical safety awareness survey to quantify each division's tendency. We have shared good practices within the Group to promote improvement activities conducted under the initiative of each division.

5] Furthermore, we have established an EHS Committee* in the Americas and Safety Working Groups in Greater China and Southeast Asia as an overseas initiative to promote safety activities in line with regional laws, regulations, and labor practices. These organizations hold regular meetings as opportunities for active exchange of information about laws and regulations, the status of each company's initiatives, etc. between the Group companies.

2. Safety measures in facilities

- Protecting people from dangers through machinery safety measures

Switch-off and zero residual energy activities

We have identified operations that involve direct contact with or approach to rotating or moving parts of equipment in operation. To prevent accidents where workers are pinched by or caught in such parts, we continue to adopt safety measures in facilities.

We also promote the installation of lamps, meters, or other instruments that visualize residual energy in switched-off equipment, such as residual pressure and inertia, so that workers can perceive it easily.

Meanwhile, there have still been accidents involving workers who are performing troubleshooting tasks, such as dealing with product defects during processing or

recovering facilities from trouble, due to their reaching out without noticing danger or unconsciously placing their hands in dangerous areas.

To eradicate such accidents, in addition to adopting safety measures in facilities, we are working on eliminating anomalies and ensuring safe response to anomalies with the aim of making high-risk non-routine operations unnecessary.

Preventing serious accidents involving forklifts

To prevent serious accidents involving forklifts, we promote the separation of workers and forklifts and implement the specific measures of physical separation with fixed fences or time-based separation.

Currently, whenever we recognize a situation in which, despite the implementation of those measures, workers cannot be completely separated from forklifts, we analyze the causes and continue to make both tangible and intangible improvements in order to ensure stricter separation between workers and forklifts.

3. Developing safety-minded employees

- “Protect your life by yourself”

Analyses of accidents at our sites show that accidents caused by facility-related factors are decreasing, but accidents due to human error or management systems remain unchanged. To eliminate accidents, it is necessary to improve employees' attitude toward safety, thereby suppressing unsafe actions. In fiscal 2017, we added a course titled “Developing Safety-Minded Employees” to our company-wide training program and continue to provide safety education with the following focus. We also implement a wide variety of safety awareness-raising measures, including conducting position-based safety training for employees at various levels, starting with new hires.

Focus: Education that appeals to employees' sensibility and enhances their motivation and awareness

- Providing trainees with the opportunity to listen to those affected by accidents (to learn directly about their remorse, hard feelings, and physical and emotional pain)
- Accident simulation CG videos + discussions and presentations (aimed at allowing trainees to consider the causes of the accidents and how they could have been prevented)
- Repetitive safety training to be provided periodically

Training records for fiscal 2025

Training program	Number of trainees
Repetitive safety training for technical staff position	948
Safety training for staff position and managerial position	1,343

(Note) Scope of coverage: Sumitomo Electric

Main topics covered in safety training

- Safety performance (recognition of facts about accidents at the Company)
- Kiken-yochi (KY, or “hazard prediction”)
- Risk assessment (RA)
- Improving employees' sensitivity to hazards with a hazard simulator
- CG-based case studies on accidents (and discussions)



Repetitive safety training

■ Results for Fiscal 2025

In fiscal 2025, Sumitomo Electric and its affiliates (excluding Sumitomo Riko Company Limited and its group company) strove for the targets of zero serious accidents and zero lost-time injuries and achieved the target of zero serious accidents both inside and outside Japan. However, the target of zero lost-time injuries was not met, with five people suffering lost-time injuries (a decrease of nine people from the previous year).

In fiscal 2025, seriously taking the fact that an accident had occurred in July 2024 at one of the Company's works and claimed the life of an employee performing troubleshooting tasks, the entire Group devoted efforts to the following initiatives, which it positioned as Group-wide priorities, with a decisive determination to never let serious accidents occur:

- Eliminating anomalies and ensuring safe response to anomalies
- Identifying and improving unsafe situations and actions by taking action based on a feeling of ownership and one's own thought about them
- Three Principles for Fall Prevention

In fiscal 2026, we are committed to achieving "zero incidents among employees, products, and equipment" by eliminating similar disasters based on a shared feeling of ownership under the motto of "Make it your own." Specifically, we promote Group-wide efforts to achieve zero serious accidents and zero lost-time injuries, focusing on accident prevention through safe anomaly response and developing safety-minded employees.

Accidents in the Sumitomo Electric Group

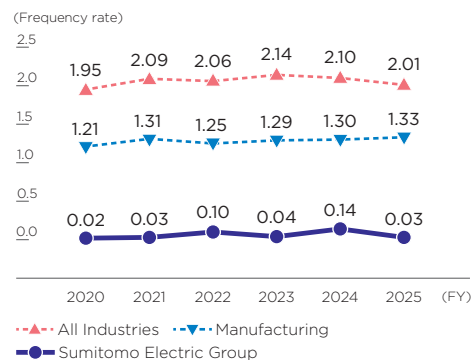
		Employees			Temporary workers, subcontractors	Grand total
		Japan	Overseas	Total		
FY 2025	Serious accidents*	0	0	0	0	0
	Lost-time injuries	2	2	4	1	5
	Total	2	2	4	1	5
FY 2024	Serious accidents	1	0	1	0	1
	Lost-time injuries	9	3	12	2	14
	Total	10	3	13	2	15

*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 of Japan). In fiscal 2024, a serious accident claimed the life of one person.

(Note 1) "Employees" include those of Sumitomo Electric and its affiliates (excluding the Sumitomo Riko Group), as well as companies that are not affiliates of Sumitomo Electric but subject to occupational safety and health guidance and supervision provided by Sumitomo Electric.

(Note 2) The figure for "employees overseas" may include temporary workers and subcontractors.

Lost time injury frequency rate for employees in Japan



(Note) The lost time injury frequency rate for Sumitomo Electric Group employees in Japan covers Sumitomo Electric and its affiliates in Japan (excluding the Sumitomo Riko Group).

■ Safety Measures for Employees Involved in Hazardous Work

1| Special medical examinations

We provide employees involved in particular kinds of hazardous work with special medical examinations in accordance with laws and regulations to detect the impacts of their tasks on their health as early as possible and help them receive appropriate medical treatment.

2| Management of hazardous work and preventing measures against exposure to harmful substances

We adhere to our Safety Management Global Standard (GS), which defines measures that must be adopted to address risks entailed by hazardous work (such as handling legally specified chemical substances). In addition, we educate employees about measures to be adopted to prevent exposure to harmful substances by posting training videos and materials for handlers of such substances on our intranet.



Excerpt from the Safety Management Global Standard (GS)
 Sections for noise control and hazardous work (handling of legally specified chemical substances)

■ Safety and Health Measures for Workers Other Than Employees (Such as Subcontractors and Contract Employees)

The Group promotes occupational safety and health initiatives not only for all Group employees but also for contract employees, temporary workers, subcontractors, and other workers.

■ Establishment of Consultation Services (Speak Up System)

The Group has in place a system whereby Group employees and other workers, including commissioned staff, "masters," part-timers, temporary workers, and other temporary hires, can report their concerns, including those related to occupational safety and health, through reporting and consultation desks established inside and outside the Group. For details on reporting and consultation desks, please refer to [p.70].

Toward Achieving the Mid-term Management Plan 2028

■ Indicators, Targets, and Direction of Initiatives

Targets to achieve the Mid-term Management Plan 2028

Zero major incidents for employees, products and equipment

Focus of our activities

- Become a world class company for safety by targeting zero incidents among employees, products and equipment

[Employees/equipment]

Encouragement of employees to "make it your own" and achievement of "Promoting Equipment Safety," "Eradicating the 3 Major Accidents," and "Zero falls while walking"

Product Quality and Safety

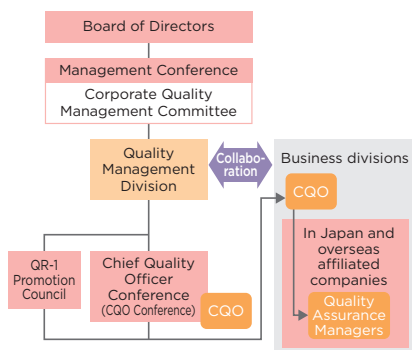
Basic Views and Policy

The basic philosophy of the Group is to ensure a stable supply of safe, reliable, and high-quality products, based on the concepts of “customer-oriented” and “quality-oriented.” To continue achieving this goal, the Group enhances its manufacturing capabilities, which form the foundation of its business, systematizes its daily quality management operations, and continuously improves its quality management process.

Structure

■ Structure of Quality Management

Quality-related matters of the Group are discussed and decided by the Corporate Quality Management Committee, which is held in conjunction with the Management Conference. The resolutions are discussed at the Chief Quality Officer Conference, organized by the Quality Management Division, and the QR-1 Promotion Council, which promotes the QR-1 Campaign, a Group-wide quality improvement activity, before being communicated to business divisions and in Japan and overseas affiliated companies through the Chief Quality Officer (CQO*).



The CQO of each business division and the Quality Management Division work together to promote the strengthening of the Group's quality governance, management systems, and assurance functions.

■ Quality Management System

As part of efforts to systematize quality-related operations, we have established the Sumitomo Electric Group Quality Management Global Standards (hereinafter, “Quality Management Global Standards”), which are the basic rules on quality that apply to all divisions in the Group. The respective divisions strive to develop a quality management structure and strengthen quality assurance functions in line with those rules.

Items in the Sumitomo Electric Group Quality Management Global Standards

No.	Item	No.	Item
1	Quality policy and organization	8	Equipment and measuring instruments
2	Quality system	9	Inspection
3	Education and training	10	Process control
4	Complaints	11	Management of suppliers and subcontractors
5	Product planning	12	Design and/or process change control
6	Product design	13	Functions as a hub
7	Production preparation		

We have also established the Quality Management Guidelines for Vendors and Subcontractors, which comprehensively define the quality control requirements we expect our suppliers to meet, thereby aiming to improve the quality of purchased and outsourced products.

Furthermore, each of our facilities has obtained certification of compliance with ISO 9001, an international standard for quality management systems, and IATF16949, an international standard for quality management systems specializing in the automotive industry, as necessary, taking into consideration the specific customer requirements it must meet.

2025 Targets

Targets set to achieve the Mid-term Management Plan 2025

The Group's Mid-term Management Plan 2025 set the targets of providing high-quality and safe products and providing products that meet customer needs.

Initiatives and Results

Once every six months, the President himself issues a Message from the President & COO to all employees, temporary workers, etc., via internal broadcasts, global newsletters, and other media to advocate clear quality policies. We also hold a Corporate Quality Conference twice a year to raise quality awareness among employees and ensure the permeation of our quality policies, as well as sharing information about the quality commitments and quality improvement activities among business divisions. In fiscal 2025, we shared initiatives for preventing complaints and good practices for reducing failure losses through enhanced standards compliance control.

■ Providing High-quality and Safe Products —Development of the QR-1 Campaign, a Group-wide quality improvement activity

As customer demands for quality become increasingly stringent, the Group is running the QR-1 Campaign under the slogan, “Aim to be the number one company for our customers by reviewing our overall operations from the customer's perspective and improving our Q (quality) and R (reliability).” In this campaign, the QR-1 Promotion Council discusses, sets, and works on priority challenges for the Group that correspond to the situation at the time.

Three activities supporting the QR-1 Campaign

1. Promotion of Own Process Quality Assurance Activities
2. Quality Management Education
3. Global Quality Management System Audits



1. “Own Process Quality Assurance Activities,” aiming for zero complaints

Each division of the Group is committed to its Own Process Quality Assurance Activities for its products. The Own Process Quality Assurance Activities are comprehensive initiatives to prevent defects from being produced (prevention of occurrence) in each process or passed down to the following process (prevention of defect outflow). As part of these activities, conditions for defect-free processes are defined at the design stage, and compliance with these conditions is maintained through process control at the mass production stage. If any defect still occurs, we clarify the root cause and redefine conditions for defect-free processes.

Additionally, to eliminate defects in processes, we use the Degree of Quality Assurance as a KPI, which visualizes quality risks underlying in processes. With this indicator, the credibility of the prevention of occurrence and outflow of each type of defect, respectively, are determined on a scale of “1st” (sufficiently prevented) to “4th” (not prevented), and combined into a rating on a six-point scale of S to E as shown on the next page. To prevent any defect whose occurrence is a concern, we improve quality in pursuit of defect-free process conditions so that the Degree of Quality Assurance for the type of the defect is B or higher. By doing so, we aim to prevent defects from flowing out to customers and also

to prevent the recurrence of complaints. The Degree of Quality Assurance enables us to assess quality risks objectively and make more effective risk reduction efforts.

Degree of Quality Assurance		Rank of prevention of defect outflow			
		1st	2nd	3rd	4th
Rank of prevention of defect occurrence	1st	S	S	A	A
	2nd	S	A	B	C
	3rd	A	B	C	D
	4th	A	C	D	E

2. Enhancing Quality Management Education

Sumitomo Electric and affiliates provide employees with quality education to improve the quality of their products and services to a higher level and maintain it at the improved level.

Results of main Quality Management Education programs

	No. of trainees		
	FY2023	FY2024	FY2025
1 Position-based training	2,427	2,907	2,197
2 Nomination-based training (by function or by job)	272	192	2,529
3 Optional training	4,725	3,264	3,908
4 Training on the prevention of intentional quality-related misconduct	14,307	17,019	18,919

(Note) Scope of coverage: Sumitomo Electric for position-based training; Sumitomo Electric and its consolidated subsidiaries (excluding Sumitomo Riko Group) for other trainings

1| Position-based training (mandatory training)

Each year, when an employee joins the company or is promoted, the Group provides training on the basic quality knowledge required for manufacturing. Additionally, the Group provides training programs based on specific themes required for manufacturing. Employees in staff positions receive the training during their first to fourth years with the Company, and employees in technical staff positions receive the training according to their role, such as instructor or supervisor.

2| Nomination-based training

All employees working at manufacturing sites are subject to mandatory nomination-based training to acquire the specialized knowledge and skills necessary for their respective jobs during their tenure, in areas such as development and design, production technology, manufacturing, and quality assurance and management.

In particular, the Group provides practical programs, such as QR-J*, MKP*, and GKP* for plant managers and manufacturing managers, who require practical knowledge and skills. Those preparing for an overseas assignment receive pre-assignment seminars to equip them with the necessary knowledge. The Group also conducts quality management training for local managers in each country across Greater China, the U.S., and Southeast Asia.

In fiscal 2025, the Group planned and conducted a new Quality Compliance Training for Design and Engineering, Manufacturing, and Sales Managers. A total of 2,094 managers participated in the program. The training will continue to be held in fiscal 2026, including for those who were unable to participate due to work commitments.

3| Optional training

The Group provides training on quality management methods and knowledge to interested employees in Japan and overseas in an effort to improve their skills.

4| Training on the prevention of intentional quality-related misconduct (mandatory training)

The Group provides compliance training for managers every year. In addition, since fiscal 2023, all employees, including officers, of Group companies in Japan have been required to attend an e-learning program on the prevention of intentional quality-related misconduct. Overseas, we provide mandatory Overseas Compliance Training (to prevent intentional quality-related misconduct) for the staff of the Quality Assurance Department and inspection personnel.

5| Others

Overseas, we conduct regional Monozukuri Committee activities in the four regions of the Americas, Europe & Africa, Southeast Asia, and Greater China, as well as holding education and exchange meetings on Own Process Quality Assurance Activities in Asia.

We will continue to develop the culture of customer-oriented and quality-oriented attitudes through various Quality Management Education programs. Please note that supplier training is provided by each business division.

3. Global Quality Management System Audits

We systematically conduct Global Quality Management System Audits both in Japan and overseas to evaluate the quality management system of each division in light of the Quality Management Global Standards from the perspective of customers. The Global Quality Management System Audits are conducted from the perspectives of management, design, manufacturing, and functions as a hub in line with the 13 items set out in the Quality Management Global Standards. These audits not only help each division identify its own weaknesses and launch initiatives to improve its quality management structure, but also allow us to support each division's follow-up activities aimed at operational reinforcement.

Results of Global Quality Management System Audits

	Cumulative total (Note)	FY2025 results	FY2026 (projected)
Japan	166	5	5
Overseas	69	3	7

(Note 1) Cumulative total since FY2010

(Note 2) Scope of coverage: Sumitomo Electric and its manufacturing affiliates (excluding Sumitomo Wiring Group, Nissin Electric Group and Sumitomo Riko Group)

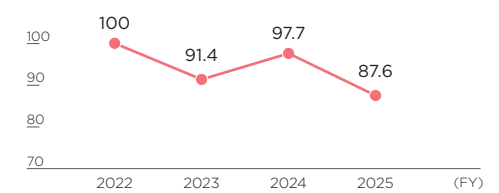
Sumitomo Wiring Systems Group, Nissin Electric Group, and Sumitomo Riko Group, which are our Group companies, perform quality audits at their respective companies.

Since the audits were started in fiscal 2010, the quality structure has been improved as the audits are repeated. We will further repeat the audits to promote continuous improvement of the quality management system. Furthermore, each business division conducts this kind of audit for its suppliers in approval process to make sure they comply with its Quality Management Systems requirements.

4. Trends in the number of complaints received

Compared to the base year (fiscal 2022) level defined as 100, the number of complaints for fiscal 2025 was 87.6, a decrease of only 12.4%, due to an increase in the number of complaints resulting from an increase in the number of new projects. In fiscal 2026, while working to strengthen our ability to launch new projects, we will continue our steady efforts to eliminate complaints through the three main pillars of Own Process Quality Assurance Activities, Quality Management Education, and Global Quality Management System Audits.

Trends in the number of complaints received (benchmark against the fiscal 2022 level defined as 100)



(Note) Scope of calculation coverage: Sumitomo Electric and its manufacturing affiliates (excluding Sumitomo Riko Company Limited and its group companies)

■ Ensuring Quality Compliance

Complying with laws and rules and providing products that meet customers' quality requirements is the absolute foundation for our sustainable development as a company. The Group operates globally and complies with local (national) laws and regulations. We also implement the following measures to ensure quality compliance.

<Rules on the prevention of intentional quality-related misconduct>

The Group has established the rules to be followed to prevent intentional misconduct related to quality data and improper inspection, and incorporated these rules into the Quality Management Global Standards. In addition, we have added countermeasures against deficiencies in rules that may lead to intentional quality-related misconduct to the items of the annual "Business process self-assessment." We have also incorporated those measures into our training for preventing quality-related misconduct, in order to raise employee awareness of them. In

Glossary

***QR-J:** Abbreviation for "QR-J: Own Process Quality Assurance Practitioner Training Course," which trains key personnel of the Promotion of Own Process Quality Assurance Activities in each department.

***MKP:** Abbreviation for "Monozukuri (manufacturing) Kakushin (innovation) Professional Training Program," a hands-on training program aimed at developing future plant manager candidates and key human resources for manufacturing.

***GKP:** Abbreviation for "Gemba (on-site) Kaizen (improvement) Professional Training Program," a hands-on training program aimed at developing key persons for plant management, supervision, and improvement.

fiscal 2022, we organized and consolidated the rules on preventing intentional quality-related misconduct, as well as the key points in inspections and system development, to establish and bring into effect new Regulations on Preventing Intentional Quality-related Misconduct. All business divisions of the Group have established and are operating systems in accordance with these regulations.

For **<Improved education on the prevention of intentional quality-related misconduct>**, please refer to (4) Training on the prevention of intentional quality-related misconduct (mandatory training) [[▶p.51](#)].

<Enhancing the function of checking intentional quality-related misconduct>

At Sumitomo Electric and affiliates, the Quality Management Division strengthens inspections related to the prevention of intentional quality-related misconduct as part of Global Quality Management System Audits of each division. The Group also mandates for all divisions to conduct an annual business process self-assessment of key operations, through which we confirm every year that there is no intentional quality-related misconduct and that each division has in place rules for preventing intentional quality-related misconduct and provides quality compliance training with a reliable level of attendance. The fiscal 2025 business process self-assessment detected minor deficiencies in our internal quality management rules, most of which have been corrected. We will monitor the sites undergoing improvements until they are completed.

■ Product Safety

The Group is working to enhance the safety of its products based on its Corporate Principles of offering the very best goods and services to satisfy customer needs and contributing to creating a better society and environment, with a firm awareness of our social responsibility. We believe that the basis of product safety assurance is thorough examination of the safety of the products especially at the development and design stages.

Quality information flow in the event of a product defect



If the sales division receives customer feedback about product or service quality defects, the relevant business division investigates the issue and determines the extent of the impact, working under the initiative of its Quality Assurance Department. The findings are then reported to executives in accordance with internal rules before the initial situation is reported to the customer. An emergency response is initiated, which may include suspending shipments until quality is assured. Next, they identify the root cause and develop and implement measures to prevent recurrence. From the perspective of preventing similar quality issues from recurring, the Quality Management Division issued "TAZAN-NO-ISHI" (quality information sharing) in Japanese, English, and Chinese, to share information on root causes and measures to prevent recurrence within the Group.

The procedures for preparing for and responding to emergencies, including the recall of defective products, are established in the Quality Management Global Standards. As a channel for collecting customer feedback other than through the sales departments on product or service defects that have occurred before, during, or after use, we have set up a contact point regarding our products on our website, where customers can direct their inquiries to the relevant department based on the product name or other information.

<Product safety training>

For product safety, we hold an annual technical seminar on the Product Liability Act and the revised Consumer Product Safety Act for all business divisions of the Group. Based on the idea that the safety standards that companies must meet should even anticipate predictable misuse, the training includes case studies to deepen trainees' understanding of laws and regulations, and also covers practical matters, such as how to review product safety at the development and design stages and how warning signs should be displayed, as well as how to ensure product safety, collect product safety information, and respond to any accidents. In addition, each business division creates a database of information on problems in the past and their solutions, and uses it to educate engineers during divisional training.

For customers, we post product safety pamphlets and Safety Data Sheets on our website to raise awareness on safety.

<Self-assessment on product safety>

As part of the product safety initiatives, each division and company conducts a self-assessment once every two years against a set of checklists consistent across the Group. Based on these assessments, each division and company identifies product safety risks and independently devises and implements necessary countermeasures, thereby improving its structure to promote product safety measures.

For information about the management of chemicals in products, please see [[▶p.26](#)].

■ Providing Products that Meet Customer Needs: Sales Unit's Initiatives to Improve Customer Satisfaction

The business activities of the Group consist mainly of business-to-business transactions. Therefore, in our daily sales activities, our sales representatives act as the main point of contact and listen to the opinions and requests of our corporate customers. We believe that accurately understanding the opinions and requests of corporate customers

and resolving their problems will lead directly to greater customer satisfaction, which will in turn enhance our corporate purpose.

The key to promoting these activities is to improve the skills of our sales representatives. Therefore, we have appointed training staff within the Sales Unit in order to continuously enhance the ability of sales staff to understand the challenges faced by customers and propose appropriate solutions to them. We also work with external consultants to provide sales representatives with training in practical methodology, and management staff with training on how to manage and instruct their subordinates. In addition, the action guidelines we have established for management staff to stimulate the organization include the improvement of customer satisfaction as a key item.

In cooperation with our customers, we also conduct a sales capability assessment in the form of a questionnaire survey. The results are shared with the relevant sales representative and their supervisor. Based on the trends and changes in the results of the sales capability assessment, we re-examine the specifics of our training program to strengthen their sales capabilities.

Through these initiatives, we will continue to strive to improve our sales activities so that our customers will recognize us as their true business partner.

Toward Achieving the Mid-term Management Plan 2028

■ Indicators, Targets, and Direction of Initiatives

Targets to achieve the Mid-term Management Plan 2028

The Group's Mid-term Management Plan 2028 sets the targets of "contribution to the evolution of society and daily life through high-quality, safe products that meet needs" and "building of long-term and stable relationships of trust with our customers."

Supply Chain

Basic Views and Policy

In accordance with the Sumitomo Spirit, the Sumitomo Electric Group Corporate Principles, the Sumitomo Electric Group Charter of Corporate Behavior, and the Basic Procurement Policy, and based on mutual trust and cooperation with its suppliers, the Group is developing sustainable procurement activities that are fair and equitable, are 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 natural disasters and changes in international circumstances, with the aim of building a robust supply chain.

Basic Procurement Policy

Positioning procurement activities as operations that support the foundation of our business activities, we established our Basic Procurement Policy in 2006. In 2010, we formulated the Sumitomo Electric Group CSR Procurement Guidelines to promote CSR initiatives in our procurement activities. We also established the Sumitomo Electric Group Policy on Human Rights in 2019 and the Supplier Code of Conduct in 2021, clarifying specific policies on our initiatives regarding human rights, climate change, and other issues. We inform our suppliers, including our Group companies, of these policies, and ask for their understanding and cooperation with the Group's procurement activities.

Basic Procurement Policies (extract)

1. Promoting procurement activities that contribute to creative and global corporate activities
2. Promoting fair and impartial procurement activities
3. Promoting compliance-based procurement activities
4. Promoting procurement activities based on mutual trust and cooperation with suppliers
5. Promoting procurement activities friendly to the global environment

 The entire text of Basic Procurement Policies

Sumitomo Electric Group CSR Procurement Guidelines (extract)

1. Provision of Useful and Safe Products and Services
2. Enhancement of Technological Capabilities
3. Promotion of Sound Business Management
4. Contribution to Preservation of the Global Environment
5. Compliance with Laws and Social Norms and Fair and Proper Business Activities
6. Social Contribution and Elimination of Antisocial Forces
7. Respect to Human Rights and Considerations of Occupational Health and Safety (Including Responsible Procurement of Minerals)
8. Disclosure of Relevant Information and Promotion of Communication with Society
9. Maintenance of Confidentiality and Information Security

 The entire text of the Sumitomo Electric Group CSR Procurement Guidelines

Sumitomo Electric Group Supplier Code of Conduct (extract)

Commitment to Compliance with the Law	• We Expect Compliance with Anti-Corruption Laws • We Expect Compliance with Competition Laws • We Expect Protection of SEG's Intellectual Property • We Expect Compliance with International Trade Laws
Commitment to Responsible Sourcing	• Engagement with Supply Chain • Conflict Minerals • Responsible and Sustainable Sourcing Practices
Commitment to People	• We Expect Compliance with Employment Laws • We Oppose the Use of Forced Labor • We Oppose the Use of Child Labor • We Oppose any Form of Human Trafficking • We Oppose Harassment • We Oppose Discrimination and Encourage Diversity • We Respect Workers' Rights of Association • We are Committed to Safe Work Environments • We Expect that Personal Data will be Protected
Commitment to Society	• We are Committed to Protecting the Environment • We are Committed to Advancing the Communities Where We Operate
Commitment to Compliance and Business Ethics	• We Expect Suppliers to Provide Employees with a Means to Report Concerns • We Expect Suppliers to Maintain Accurate Business Information • We Expect Suppliers to Adopt Appropriate Compliance and Ethics Initiatives
Issues Related to This Code	(SEG Hotline) (Audit/review/request of information) (Contacts)

 The entire text of the Supplier Code of Conduct

For details on the Sumitomo Electric Group Policy on Human Rights, please see [\[▶p.29\]](#).

Structure

The Planning and Systems Subcommittee, established under the CSR Promotion Committee, collects information on regulations and systems, sets targets, and promotes various initiatives to build a sustainable supply chain.

2025 Targets

Targets set to achieve the Mid-term Management Plan 2025

Building a stable supply chain

- Procurement from multiple suppliers and local sources, consideration of alternatives, and partial in-house production
- CSR-based procurement assessment* implementation rate of 80% (global transaction value equivalent), and close cooperation in improvement activities between the Group and suppliers

Optimized manufacturing locations and advanced inventory management

Stabilization and efficiency of logistics networks, and improved efficiency of intragroup transactions

- Process standardization through EDI, and a 100% EDI rate for transactions between group companies^(Note)

Promoting compliance initiatives with suppliers based on the Supplier Code of Conduct

(Note) Scope of coverage: Excluding Sumitomo Wiring Systems, Ltd., Nissin Electric Co., Ltd., TECHNO ASSOCIE Co., Ltd., and Sumitomo Riko Company Limited and their group companies

Glossary

***CSR-based procurement assessment:** We ask each supplier to complete a self-assessment of its implementation level using Sumitomo Electric's original self-assessment questionnaire (CSR-based procurement self-assessment questionnaire (SAQ)). We analyze the results of the self-assessment, and if the results do not meet the target, we ask the supplier to work on improvements. If the supplier does not make sufficient improvements despite our requests for improvements, we will require the supplier to undergo on-site CSR audits and take corrective measures.

Initiatives and Results

Initiatives to Ensure Compliance with Laws Related to Procurement

The Group is committed to the following three priority matters in its efforts to ensure compliance with laws related to procurement.

Priority matters

- Compliance with the Proper Transactions Act* (formerly Subcontract Act*) regarding proper contract transactions
- Compliance with the Customs Act regarding custom reports and payments
- Compliance with internal control rules regarding procurement in the Group

Just as in previous years, in fiscal 2025, we conducted on-site inspections of Sumitomo Electric and Group companies both in Japan and overseas to confirm our compliance with the laws specified in the priority matters.

In an on-site inspection, Procurement Division staff visit the sites to be inspected and check whether laws related to procurement are complied with. For inspections regarding the Proper Transactions Act and internal controls, we selected the target sites based on a policy of periodically visiting all affiliates in Japan, and confirmed their compliance with relevant laws and rules. To ensure compliance with the Customs Act, we inspected all business divisions and the Group companies importing directly from overseas to check the correctness of the reported amounts on the customs declarations and other matters.

Number of divisions and affiliates subject to the FY2025 inspection

Proper Transactions Act	8	
Internal control	Japan	8
	Overseas	6
Customs Act	26 (total of Sumitomo Electric divisions and affiliates)	

Implementation of Training for Procurement Staff

We provide training across the Group to improve procurement skills and compliance.

1| Compliance training for the Business Divisions and the Corporate Staff Group

In fiscal 2025, we provided training focusing on explaining the Proper Transactions Act in addition to compliance training for sections in charge of making contracts and training on import operations for sections in charge of purchase requests. This type of compliance training is provided every year to further deepen participants' understanding and to establish and improve their compliance awareness.

Training records for FY2025

Business divisions and Corporate Staff Group	•Program format: Online training
	•No. of participants
	Introduction to the Proper Transactions Act: 2,363
	Training for sections in charge of purchase requests: 3,008
	Training in import operations: 767
	Training for sections in charge of making contracts: 760
•Themes: Proper Transactions Act, Customs Act, and internal control	

(Note) Scope of coverage: Sumitomo Electric

2| Procurement training for the Procurement Divisions in Japan

We implement OFF-JT* education programs for staff in the field with the aim of developing reliable procurement staff and handing down procurement ethics, knowledge, and expertise. By combining this program with conventional OJT,* we aim to improve procurement skills through the synergistic effects of both.

We also have to make the Proper Transactions Act known widely not only in Procurement Divisions but also in the manufacturing and development divisions. To establish an autonomous structure for compliance with this act in each division and Group company, we implement a training program aimed at systematically developing human capital who will play a key role in ensuring compliance with the Proper Transactions Act.

Results of education programs in the first half (H1) and second half (H2) of FY2025

	No. of courses	No. of sessions	No. of those who passed	No. of companies
OFF-JT (H1)	11	39	154	20
OFF-JT (H2)	9	34	144	21
Proper Transactions Act Key Persons (H2)	1	3	17	13

3| Procurement training for the Procurement Divisions globally

Since fiscal 2017, we have been providing training for overseas purchasing managers to improve our global procurement capabilities. The training covers not only purchasing skills, such as skills in cost reduction and risk management, but also a review of the Basic Procurement Policy from the perspectives of the Sumitomo Spirit and CSR. This training aims to raise the participants' individual skills and to encourage them to share what they have learned with the procurement staff of their companies.

4| Training for new employees of the Procurement Divisions

We provide training on sustainable procurement to all new employees of the Procurement Divisions.

Green Procurement Friendly to the Global Environment

In response to environmental issues in the supply chain, the Group has positioned green procurement* as part of its essential quality standards, and continues to strive for it.

Since we formulated the Green Procurement Guidelines in fiscal 2003, we have been committed to eliminating the use of banned substances in our products and strengthening the management of other chemical substances contained in our products. Since 2009, Sumitomo Electric has been working with Sumitomo Mitsui Banking Corporation to operate the ECO Factoring System.* This system supports our suppliers committed to environmental conservation activities at a certain level or higher by applying preferential interest rates and other means. In fiscal 2025, 49 suppliers applied to use the system, with 42 of them using it.

We also promote the circular economy through measures such as recycling procurement, that is, the use of recycled resources and materials as raw materials. For more details, please see [\[p.23\]](#).

* ECO Factoring: A trademark or registered trademark of Sumitomo Mitsui Banking Corporation

*OJT and OFF-JT: On-the-job training (OJT) refers to education and training provided to trainees while they are performing their daily duties, while off-the-job training (OFF-JT) refers to education and training provided to trainees while they are temporarily away from regular work, such as during group training.

*Green procurement: A procurement initiative to place higher priority on raw materials and parts that have lower environmental impact

Glossary *Proper Transactions Act: Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment

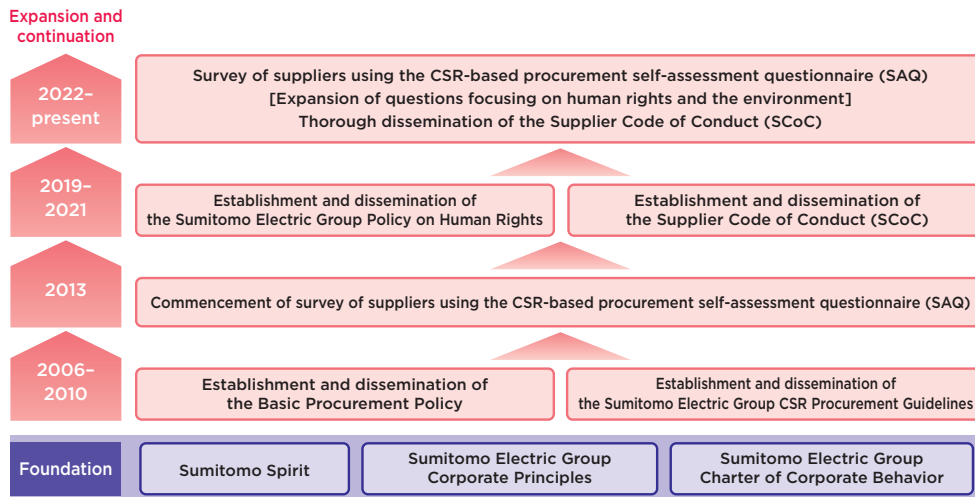
*Formerly Subcontract Act: The Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors

■ CSR-based Procurement Assessments

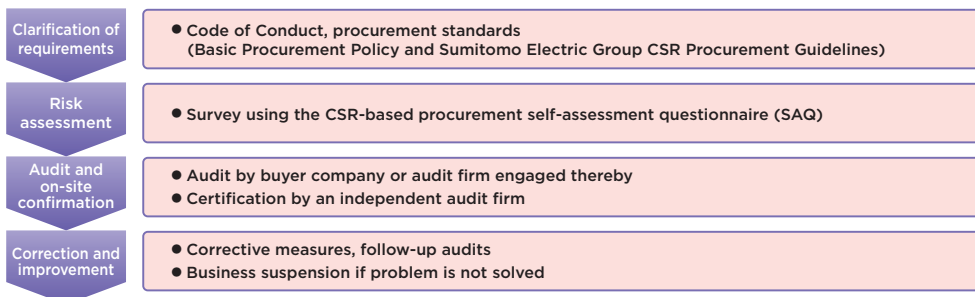
The Group promotes CSR procurement, including green procurement, and since fiscal 2013, it has been conducting regular CSR-based procurement assessments to confirm that its suppliers understand the Sumitomo Electric Group CSR Procurement Guidelines, the Sumitomo Electric Group Policy on Human Rights, and the Supplier Code of Conduct.

We place value on understanding the status of initiatives taken by our suppliers in response to human rights issues in the supply chain. Therefore, in fiscal 2022, we expanded the questions in our assessment based on the content of human rights due diligence conducted within the Group. To address the challenges identified through the assessment, we are cooperating closely with our suppliers in improvement activities.

Progress of CSR-based procurement assessments



Implementation process of CSR-based procurement assessments



CSR-based procurement assessment completion records

Indicator	Result		
	FY 2023	FY 2024	FY 2025
CSR-based procurement assessment implementation rate (global transaction value equivalent)	73%	74%	84%

Questions

- I. Corporate social responsibility (CSR) initiatives
- II. Spread of CSR initiatives to suppliers
- III. Progress of the promotion of the Sumitomo Electric Group CSR Procurement Guidelines
 - III-1. Provision of useful and safe products and services
 - III-2. Improving technical capabilities, promoting VA/VE* and making proposals
 - III-3. Promoting sound business management
 - III-4. Contribution to preservation of the global environment
 - III-5. Compliance with laws, regulations, and social norms, and fair and appropriate corporate activities
 - III-6. Contribution to society and exclusion of anti-social forces
 - III-7. Consideration of human rights and occupational health and safety
 - III-8. Disclosure and promotion of communication with society
 - III-9. Confidentiality and information security

■ Responsible Minerals Sourcing Initiative

The Group recognizes not only the conflict minerals issue* and cobalt mining in the Democratic Republic of the Congo and its neighboring countries, where concerns have been raised about child labor in harsh working environments, but also risks such as human rights abuses and labor issues in Conflict-Affected and High-Risk Areas (CAHRAs), as described in the Organisation for Economic Co-operation and Development (OECD)'s Due Diligence Guidance Annex II, as among the most serious social issues in the supply chain. In order to uphold its social responsibility in procurement activities, the Group is committed to "responsible minerals sourcing" that does not use raw materials linked to minerals associated with illegal or dishonest acts. To this end, the Group has clearly stated its initiative policy in its CSR Procurement Guidelines, and will investigate the supply chain for minerals associated with illegal or dishonest activities. 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.

Specifically, we ask our suppliers to cooperate with the survey every year, and if there are any concerns, we ask them to take the same steps as our Group in implementing procurement activities to avoid the use of such substances.

■ Whistle-blowing System (Speak Up System)

The Group has established the Speak Up System to identify early signs of compliance issues and to address them promptly and appropriately ourselves. For more details, please see [➡p.70].

Glossary

*VA/VE: VA stands for Value Analysis, and VE stands for Value Engineering.

*Conflict minerals issue: The trade of tantalum, tungsten, tin, gold, and their derivatives produced in the Democratic Republic of the Congo and neighboring countries is a source of funding for armed groups that commit serious human rights violations.

■ Preventing Discrimination and Harassment in the Supply Chain

To prevent discrimination and harassment in the supply chain, the Procurement Division conducts an annual supplier assessment to examine whether suppliers have measures in place to prevent inhumane discrimination and harassment, such as the prohibition of child labor, the documentation of procedures for responding to harassment incidents, and whether suppliers have hiring requirements based on attributes such as race, ethnicity, age, gender, disability, or religion. The CSR-based procurement assessments communicate in various ways our policy explicitly prohibiting bribery, excessive gift-giving and entertainment, corruption, extortion, and embezzlement, as well as the availability of our external reporting channel.

■ Conducting Information Security Due Diligence on Business Partners

The Group conducts information security due diligence on its business partners, including suppliers and service providers, based on common criteria, in an effort to understand any changes in risk. For more details, please see [[p.68](#)].

■ Process Standardization through EDI

To strengthen our supply chain, we are working to integrate and utilize business data globally. As part of this effort, we aim to achieve a 100% Electronic Data Interchange (EDI) rate for transactions between Group companies. Furthermore, we are working to digitalize and enhance supply chain risk management.

FY2025 results

EDI rate	100%
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(Note) Scope of coverage: Excluding Sumitomo Wiring Systems, Ltd., Nissin Electric Co., Ltd., TECHNO ASSOCIE Co., Ltd., and Sumitomo Riko Company Limited and their group companies

■ Formulation and Implementation of Business Continuity Plans (BCPs)

The Group is working to formulate and implement a BCP to ensure that the production of its customers is not affected in the event of a large-scale disaster.

The BCP for procurement activities assumes that our suppliers will be affected by a disaster. In order to minimize the impact on production due to the interruption of supply of the relevant materials and enable a prompt recovery, we are taking measures to ensure stable procurement, such as considering alternative suppliers and products, switching to general-purpose products, and securing inventory of materials that are difficult to substitute. In addition, in the event of a disaster, we strive to minimize the impact by sending and receiving emails with emergency contacts of suppliers who have been registered in advance in the system and by quickly and accurately grasping the extent of the damage.

In recent years, risks to the stable procurement of raw materials have been increasing due to natural disasters and plant accidents, as well as geopolitical risks such as international conflicts, export restrictions, and trade friction. To strengthen our supply chain, we assign risk rankings to raw materials used in the Group's strategic products and promote appropriate measures based on each ranking. In particular, we have established a stable procurement structure for materials imported from overseas, taking into consideration concerns about longer transport lead times.

Toward Achieving the Mid-term Management Plan 2028

Targets to achieve the Mid-term Management Plan 2028

Building a stable supply chain

- Procurement from multiple suppliers and local sources, consideration of alternatives and partial in-house production, and expansion of items covered
- Fair and impartial trade
- CSR-based procurement assessment implementation rate of 80% (global transaction value equivalent), on-site surveys of suppliers for which issues have been identified, and helping suppliers to raise their standards
- Implementation of information security assessment and support; number of companies assessed 3x higher (vs FY2025)

Optimized manufacturing locations

Stabilization and efficiency of logistics networks

Compliance with laws, regulations, and corporate ethics throughout Sumitomo Electric Group, including its supply chain, on a global basis

Activities Contributing to Society (CSR Activities)

Basic Views and Policy

In 2007, on the occasion of the 110th anniversary of the founding of Sumitomo Electric, the Group established its basic philosophy on contribution to society based on the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles.

The Sumitomo Electric Group Basic Policies on Contribution to Society

Established in April 2007

The Sumitomo Electric Group will proactively engage in voluntary activities contributing to society as a responsible member of society, focusing on "respect for human resources," "attaching importance to technology," and "creating a better society and environment" in accordance with the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, as well as widely contributing to society through its business activities, including the provision of products, technologies, and services that benefit society.

- Globally promote efforts toward human capital development, the promotion of research and learning, and environmental conservation.
- Promote community-oriented activities contributing to society in the Group's business sites in Japan and overseas.
- Provide continuous support to employees' activities contributing to society.

Based on this policy, we are engaged in activities contributing to society that are appropriate for our Group, which aims to be a "Glorious Excellent Company."

Structure

In January 2025, we launched the Social Contribution Subcommittee, headed by the officer in charge of the Administration Division, as a sub-organization of the CSR Promotion Committee. (See Structure to Promote Sustainability Management [→p.12].)

This subcommittee checks whether activities contributing to society are being promoted with appropriate content and scale based on the Sumitomo Electric Group Basic Policies on Contribution to Society and the Mid-term Management Plan. The subcommittee also shares issues, considers ways to improve the content of activities, and considers how to publicly disclose these activities.

Specific initiatives are being promoted in collaboration across the entire Group, including the Sumitomo Electric Group CSR Foundation (hereinafter referred to as the "CSR Foundation"), each business unit, and business bases in Japan and overseas. Activities of particularly high importance are implemented after they are deliberated and approved by the Board of Directors and other key internal deliberating bodies.

2025 Targets

Targets set to achieve the Mid-term Management Plan 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

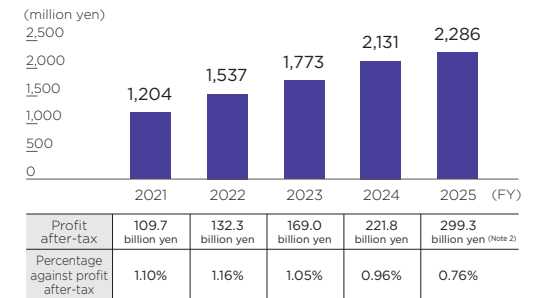
Contribution to CSR activities

Contributing approx. 1% of profit after-tax to CSR activities

Initiatives and Results

Amount of contribution to CSR activities in fiscal 2025 amounted to 2,286 million yen, equivalent to 0.76% of profit after-tax (299.3 billion yen; excluding the impact of the transfer of SUMITOMO DENSETSU CO., LTD.). These contributions include activities whose main purpose is contributing to society. Therefore, activities that lead to the company's own profit (e.g., development costs for environmentally friendly products, or recycling-related initiatives in the company's business activities) or voluntary activities supported by the company are not included in the contributions.

Trends in amount of contribution to CSR activities^(Note 1)



(Note 1) Scope of coverage: Including SUMITOMO DENSETSU CO., LTD. and its consolidated subsidiaries.

(Note 2) Profit for the year is used up to FY2024; profit attributable to owners of parent is used from FY2025. The figure for FY2025 excludes the impact of the transfer of SUMITOMO DENSETSU CO., LTD.

Amounts of contribution to CSR activities by area and examples of activities

Area	FY2025		Examples of activities
	Amount (million yen)	Ratio (%)	
Development of human capital (next generation)	348	15.2	• Accepting work-experience programs, internships, and factory tours • Visiting lecturers (manufacturing classes, career education, specialized lectures, etc.) • Scholarships and grants • Sponsorship of student competitions
Promotion of research and learning	228	10.0	• Subsidies for academic and research programs • Endowed university courses provided • Donation of research equipment
Environmental conservation	66	2.9	• Cleanup activities • Biodiversity preservation (forest conservation, protection of endangered species, etc.) • Environmental awareness activities
Contributions to local communities, etc. ^(Note)	1,626	71.1	• Donations and provision of goods (medical equipment, sanitary supplies, etc.) to medical-related organizations • Donations to cultural and artistic organizations (art museums, museums, symphony orchestras, temples, shrines, etc.) • Donations and provision of goods (food, hygiene supplies, school supplies, etc.) to people in need • Cooperation with regional events (event sponsorship, company facility rental, volunteer support) • Road safety and cooperation in local disaster preparedness • Support for extracurricular activities (sports classes, etc.) • Blood donation activities, awareness-raising activities (ribbon campaign)
Support for employee volunteer activities	18	0.8	• Volunteer leave program • Matching gift program
Total	2,286	100	

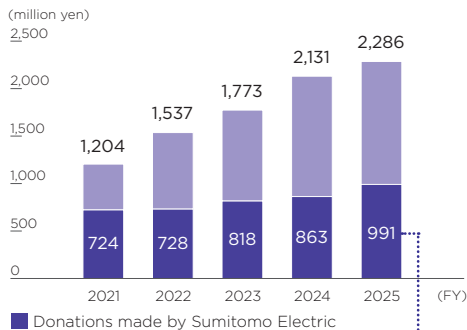
(Note) This includes a portion of contributions for activities related to areas other than contributions to local communities, such as environmental conservation and development of human capital (next generation).

■ Contributing to a Wide Variety of Activities, Including the CSR Foundation

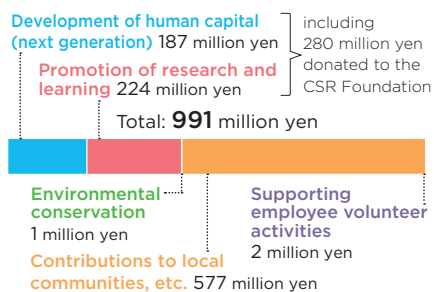
The Group makes donations to a wide range of organizations and groups that promote activities contributing to society. Sumitomo Electric donated 991 million yen in fiscal 2025. Donations were made to the CSR Foundation, the World Wildlife Fund, and areas affected by natural disasters (2025 Myanmar earthquake). As part of our efforts to contribute to regional communities, we provided support to the tourism industry after the 2025 World Exposition in Japan "Expo 2025 Osaka, Kansai, Japan." We also donated to the maintenance and restoration of cultural properties.

We also make donations through the Cafeteria Plan and the Matching Gift Program (see [▶p.61]).

Donations out of amount of contribution to CSR activities



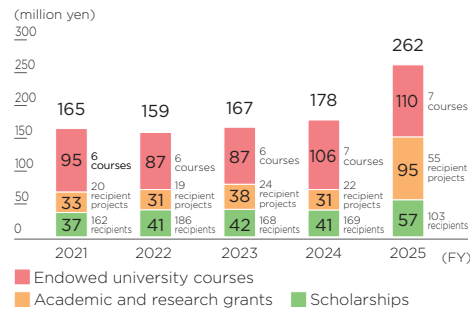
Composition of donations made by Sumitomo Electric



<Initiatives through the CSR Foundation>

The CSR Foundation, established in 2009, supports initiatives for developing human capital and promoting academic pursuits in a variety of areas in Japan and overseas. Specifically, the Foundation actively endows university courses, offers academic and research grants, and provides scholarships and grants. Its programs were expanded starting in fiscal 2025.

Results of programs funded by the CSR Foundation



Program	FY2025	Cumulative total (Note)
1 Endowed university courses	7 courses (110 million yen)	28 courses (1.64 billion yen)
2 Academic and research grants	55 recipient projects (95 million yen)	383 recipient projects (520 million yen)
3 Scholarships	103 recipients (57 million yen)	2,247 recipients (550 million yen)
Students based in Japan enrolled at Japanese universities	45 recipients	388 recipients
International students enrolled at Japanese universities	18 recipients	269 recipients
Students based overseas enrolled at local universities	40 recipients	1,590 recipients

(Note) Cumulative total from April 2009, when the Sumitomo Electric Group CSR Foundation was established, to the end of March 2026

1| Endowed university courses

To establish and operate a course (laboratory), we make ongoing donations for three to five years per course. In fiscal 2025, we increased the number of approved courses, and donations were made to seven courses, including two new courses.

2| Academic and research grants

To support the research activities of researchers (professors, etc.), we provide grants for one year for each research topic. In fiscal 2025, 55 projects were selected from a total of 259 applications.

3| Scholarships

The Scholarship is available to master's students majoring in science and engineering at Japanese universities who excel academically and have excellent character, but who are in need of financial assistance. We also provide scholarships to international students studying in Japan and students at universities overseas. A total of 103 people received scholarships in fiscal 2025.

4| Other initiatives

We invite new recipients of endowed university courses and recipients of academic and research grants, both new and expiring, to our company for a presentation ceremony where they report on their research and receive letters of appreciation. We also invite scholarship students to our manufacturing plants for plant tours, as well as exchange meetings for scholarship students and presentation sessions where they can interact with other scholarship students or report on their research.



Presentation ceremony



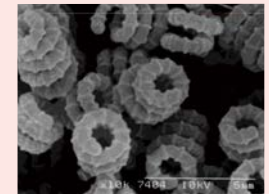
Exchange meeting for scholarship students

Activity example

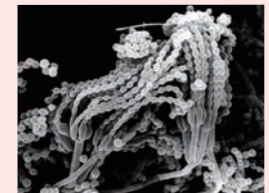
A university course endowed by the Sumitomo Electric Group CSR Foundation [Kyoto University] Neo-Dimensional Molecular Sociology: Evolution and Utilization of Microbial Latent Genes

Since ancient times, mankind has used natural organic compounds, such as microbial metabolites, as medicines. In particular, secondary metabolites* produced by actinomycetes and filamentous fungi are used as pharmaceutical agents with antiparasitic and immunosuppressive effects. However, around 80% of the genes of actinomycetes exist as latent genes* and are not utilized. Filamentous fungi also contain many secondary metabolites whose significance is unclear, and their evolution has also not been unraveled.

In this course, we will identify and analyze the activation factors of latent actinomycete genes, analyze the evolution of filamentous fungi, and identify activation enzymes through genome sequencing. Through this course, we will contribute to advances in health, welfare, and scientific technology by establishing the foundation for a new academic field of molecular sociology, developing young next-generation scientist in this field, and applying research results to a wide range of areas, including healthcare, agriculture, and pharmaceuticals.



Actinomycetes



Filamentous fungi

The topics of endowed university courses and academic and research grants are listed on the website.



Sumitomo Electric Group CSR Foundation website

Glossary

*Secondary metabolite: An organic compound that, while not essential for the direct life processes of organisms (e.g., growth or development), plays important roles in adaptation to the environment and survival (e.g., defense or reproduction)

*Latent genes: Genes that are normally expressed at low levels but become activated under specific conditions or environments, such as in response to stimuli (e.g., stress or co-culture).

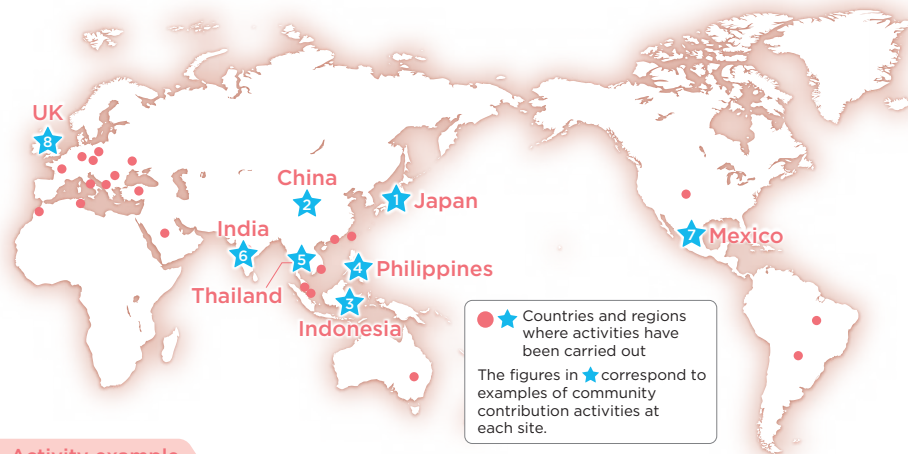
Promoting Community Contribution Activities at Each Site

The Group operates in more than 40 countries and regions. We respect the culture and customs of each country and region and contribute to economic and social development through our business activities. We also aim to coexist with regional communities by promoting a variety of activities contributing to society. The number of companies that participated in activities contributing to society in fiscal 2025 was 227, and the number of people^(*) was 2,567 for Sumitomo Electric and 11,671 for the Group.

(*)The total number of employees who actually participated in activities contributing to society such as cleanup activities, blood donations, and tree planting, not including employees who contributed monetary or in-kind donations

Region	No. of (Note) companies
Japan	70
Greater China	36
Asia-Pacific (APAC)	64
Americas	24
Europe, the Middle East, and Africa (EMEA)	33
Total	227

(Note) The number of companies from among Sumitomo Electric and its consolidated subsidiaries that have reported on their activities contributing to society



Activity example

Japan

Work-experience program tour for middle and high school girls (Japan) 1

The percentage of females among STEM* graduates in Japan is the lowest among OECD countries. Expanding the pool of students in these fields, starting at the educational stage, is seen as a key challenge. In order to provide opportunities for middle and high school girls to interact with people working in STEM fields and gain hands-on experience, Sumitomo Electric participated in the Girls Meet STEM* program for the first time in fiscal 2025. In December 2025, we held a company presentation at Yokohama Works, a tour of the plant and showroom, an optical fiber splicing session, and a panel discussion with female engineers. We will continue to support women aspiring to become engineers by offering experiences that broaden their options for future paths and careers.



Employee explaining our Info-Communications business



Showroom tour



Optical fiber splicing experience



Panel discussion with female engineers

Biodiversity preservation activity: Preservation of Satoyama (village-vicinity mountains) 1

Sumitomo Electric Printed Circuits, Inc. carries out biodiversity preservation activities in the "Insect Plaza" at the Minakuchi Nature Museum, a Nationally Certified Sustainably Managed Natural Site certified by Japan's Ministry of the Environment. In November 2025, under the guidance of an expert, it performed weeding, thinning, and ditch digging to allow more sunlight to reach the forest and to redirect the flow of rainwater. These actions helped create an environment that facilitates biodiversity. We will continue these activities in collaboration with the government, as well as related companies and organizations.



Satoyama management (Left: Before; Right: After)



As a business operator actively engaged in biodiversity preservation and initiatives to use natural resources wisely, Sumitomo Electric Printed Circuits, Inc. received the highest three-star certification under the Shiga Biodiversity Initiative Certification System in March 2026.



Biodiversity preservation activities in collaboration with the City of Koka, Shiga

Greater China

Donation of beverages and instant food to a Fire and Rescue Department 2

In January 2026, SumiRiko Automotive (Tianjin) Co., Ltd. visited the Tianjin City Fire and Rescue Department in China to donate beverages (water and juice) and instant food (instant noodles and canned goods), which are ideal for everyday use and for stockpiling in case of an emergency. The donation aims to support the department's daily firefighting operations and rescue efforts during large-scale disasters. By supporting organizations active in the community, we will contribute to ensuring safe and secure urban development.



Emergency rescue team members and employees

APAC

Visiting lecturers: Lecture on electrical engineering and PLC (Indonesia) 3

In May and September 2025, PT. Sumitomo Electric Wintec Indonesia gave lectures on electrical engineering and PLC* to vocational trainees in West Java, Indonesia. In addition to classroom lectures, it implemented a program in which participants assembled circuits and tested controls using actual PLCs and I/O devices. We will develop engineers with advanced techniques by leveraging our techniques and know-how.



Employee explaining how to use a PLC training device

Construction of drainage channels (Indonesia) 3

Indonesia is a country prone to natural disasters, particularly floods. The roads around PT. Sumiden Serasi Wire Products (SSWP) flood for about six months during the rainy season, resulting in numerous motorcycle accidents involving citizens. After holding multiple discussions with neighboring companies and residents since fiscal 2023, SSWP began its own CSR initiative in August 2025. It involved constructing a drainage channel to direct floodwater to the river. Construction was completed in March 2026.



A flooded road

The constructed drainage channel

Glossary

*STEM: Refers to the fields of science, technology, engineering, and mathematics. In this context, it refers to undergraduate departments in the natural sciences and engineering that offer majors in these fields.

*Girls Meet STEM: A hands-on, tour-based program in STEM fields for middle and high school girls offered by the Yamada Shintaro D&I Foundation in collaboration with technical colleges, universities, companies, and research institutions.

*PLC: An abbreviation for programmable logic controller, which is an industrial computer that automatically controls machines such as plant equipment, elevators, and automatic doors via programming.

APAC

Donation of used office furniture to schools (Philippines) ★4

The Philippines faces the huge challenge of maintaining learning environments in schools due in part to insufficient government education funding. In September 2025, First Sumiden Circuits, Inc. donated used office furniture (desks, chairs, and cabinets) to a school in Laguna, the Philippines, providing an environment where children who will lead the next generation can learn safely and in comfort. In March 2026, it also donated office furniture to educational institutions and municipal offices for people with physical disabilities. We are working to reduce environmental impact and encourage a recycling-oriented society by supporting regional communities and making effective use of resources.



Donated office furniture (chair) and employee

Biodiversity preservation activity: Coral reef restoration (Thailand) ★5

In Thailand, coral bleaching is becoming more widespread due to rising sea temperatures and marine pollution caused by domestic wastewater, among other factors. After learning about the ecology of coral reefs and restoration initiatives in Chonburi province, Thailand, SumiRiko Chemical and Plastic Products (Thailand) Ltd. observed coral reefs in the sea and planted corals. These efforts will help create an environment conducive to bringing back marine life and encouraging the restoration of coral reefs.



Lecture scene Creating coral fry

Donation to a charity hospital (India) ★6

In India, congenital heart disease is a serious health problem and social issue, accounting for approximately 28% of pediatric diseases. SumiRiko Imperial Rubber India Pvt. Ltd. aims to improve treatment environments and community healthcare by donating to the Sri Sathya Sai Medical Center, a charity hospital that offers advanced, world-class healthcare free of charge to children with congenital heart disease, regardless of their religion or financial status.

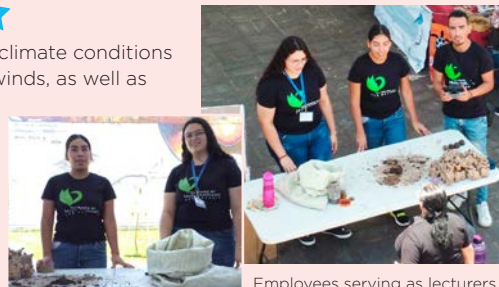


Employees visiting inpatients

Americas

Environmental workshop (Mexico) ★7

Mexico experiences numerous wildfires due to climate conditions such as high temperatures, dryness, and strong winds, as well as human-caused open burning and careless use of fire. To help restore forests in the areas affected by wildfires, Autosistemas de Torreon S.A. de C.V., held a workshop in April 2025 for local students to learn how to make seed balls out of dirt, clay, and seeds.



Employees serving as lecturers in the workshop

EMEA

Hosting of charity event (UK) ★8

In September 2025, Sumitomo Electric Wiring Systems (Europe) Ltd. hosted a bake-off where contestants brought their homemade pastries and competed against each other. The event was part of the Macmillan Coffee Morning, a fundraiser organized by the UK's leading cancer charity. The company also held a raffle draw* and raised 542 pounds in total to support the charity's operations. The funds will be used to provide specialist care, financial support, mental healthcare, and the training of healthcare professionals for patients.



Pastries handmade by employees



Bake-off winner and judges

Common to all regions

Cleanup activities

The Group actively carries out cleanup activities, focusing on areas where our offices are located. In fiscal 2025, Group companies jointly organized the first event contributing to society in the Vietnam area. In October, 52 employees from nine companies gathered in Hanoi for cleanup activities. In addition, 5,427 employees from 86 Group companies participated in cleanup activities in a wide range of areas, including forests, rivers, lakes, and coastlines.



Employees who participated in the cleanup activities

Blood donation activities

There has been an increase in the number of patients worldwide who require blood transfusions, while the number of blood donors is on the decline. The Group has actively supported blood donation activities by setting up blood donation sites within workplaces, encouraging employees to donate blood and making arrangements so that they can donate blood during working hours. In fiscal 2025, 2,674 employees participated in blood donations at 67 Group companies.



Employees participating in blood donation

Food Drive

In fiscal 2025, 11 Group companies held a Food Drive,* which can simultaneously address two significant social issues: reducing food waste and supporting those in need. Nissin Electric Co., Ltd. endorsed the Child Support Project by Second Harvest Kyoto, a certified non-profit organization (NPO), and collected and donated unopened food items. The company also volunteered to ship food to those in need.



Employee collecting unopened food items within the company

Glossary

***Raffle draw:** A draw held primarily for charitable or fundraising purposes. Participants purchase raffle tickets for a fee, the proceeds are used for donations to charity organizations and other purposes, and prizes are awarded through the drawing.

***Food Drive:** An initiative to collect unopened surplus food items (e.g., dried noodles, canned goods, and seasoning) from households and companies, and deliver them to families struggling to afford meals for economic reasons, in cooperation with local welfare organizations.

■ Continued Support for Employee Volunteer Activities

The Group has created an environment that makes it easy for employees to participate in volunteer activities, thereby actively supporting their voluntary activities contributing to society.

<Volunteer leave program>

Since 2007, we have encouraged employees to participate in volunteer activities by allowing them to use accumulated leave for the purpose of volunteering. In April 2025, we introduced a new volunteer leave program, allowing employees to take up to five days of leave per year in half-day increments for volunteer activities or participation in local events. Additionally, some of its Group companies have introduced their own vacation and leave systems to encourage volunteering. For more information about our volunteer leave program, please see [→p.40].

Activity example

Dispatching volunteers to Sumitomo Pavilion

The Group recruited volunteers within the Group to support the tree-planting experience at the Sumitomo Pavilion during Expo 2025 Osaka, Kansai, Japan (the 2025 World Exposition in Japan). Sumitomo Electric and Nissin Electric Co., Ltd. dispatched 30 volunteers.



Employees who participated as volunteers

<TABLE FOR TWO program>

Sumitomo Electric and some Group companies have introduced the TABLE FOR TWO (TFT) program*. Under this program, low-calorie, nutritionally balanced TFT menus are served in employee cafeterias, and a portion of the proceeds is donated to school lunch programs in developing countries. We have also installed donation vending machines that will be used to donate to the nonprofit TABLE FOR TWO International. This initiative has been highly evaluated, and Sumitomo Electric has been awarded every year since 2019.



©TABLE FOR TWO



We were recognized as a "Gold Partner" by TABLE FOR TWO, and received a letter of appreciation for our support in 2025.

<Donations via the Cafeteria Plan>

Sumitomo Electric and some Group companies offer employees the opportunity to make donations through the Cafeteria Plan (a selective benefit system). Employees make donations to organizations addressing social issues based on their own decisions. In fiscal 2025, donations were made to the following organizations: UNICEF Japan, which works to protect the lives and rights of children, including by eradicating child labor; the Japanese Red Cross Society; the World Wildlife Fund (WWF) Japan; and the CSR Foundation.

<Matching gift program>

Sumitomo Electric and some Group companies have introduced a matching gift program,* in which the employer matches employee donations. The program aims to encourage employees to provide financial support to activities contributing to society.

■ Actively Supporting Sports Activities and Events

The Group contributes to the promotion of sports and the development of local communities by actively supporting sports activities and events.

Means	Examples of activities
Donation Sponsorship Donation of goods	● Donating to sports support programs and sports organizations active in local communities ● Donating to local sports facilities ● Sponsoring sports tournaments ● Donating sporting goods to local preschoolers, elementary, middle, and high school, and college students ● Supporting the activities of individual athletes [freediving, track and field, and Paralympic track and field]
Company facility rental	● Renting company facilities to sports organizations active in local communities and for sports events (fields, gymnasium, tennis courts, and parking lots) ● Renting company facilities to students' club activities
Employee cooperation	● Offering sports lessons hosted by the Group [soccer, track and field, kendo] ● Holding boys' and girls' sports tournaments hosted by the Group [baseball, soccer, ground golf, etc.] ● Cooperating in the organization of sports tournaments by employees

Activity example

Sumitomo Riko & FC Gifu soccer lessons

In collaboration with the local soccer club FC Gifu, Sumitomo Riko Company Limited provided soccer lessons for elementary, middle, and high school students of Ichinomiya-Higashi Special Needs Education School. With former Japanese national team player Junya Tanaka serving as the lecturer, the students enjoyed practicing juggling, dribbling, passing, and shooting, as well as interacting in a match format.



Students from the special needs education school practicing shooting and juggling based on the advice received

Toward Achieving the Mid-term Management Plan 2028

■ Indicators, Targets, and Direction of Initiatives

The Group is committed to activities contributing to society in line with the Sumitomo Electric Group Basic Policies on Contribution to Society. Through these activities, the Group aims for steady returns to the regional communities, which are one of its stakeholders.

Targets to achieve the Mid-term Management Plan 2028

- 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

Contribution to CSR activities

Contributing approx. 1% of profit after-tax to CSR activities

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.

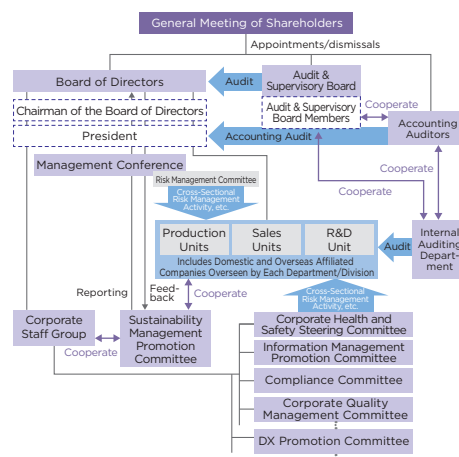
Structure

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 Board of Directors, the business execution system, Audit & Supervisory Board Members, and the Audit & Supervisory Board are committed to fulfilling their respective duties in order to achieve sustainable growth and medium- and long-term increases in the corporate value based on the basic philosophy.

In addition, five 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 Company also selects three Outside Audit & Supervisory Board Members with various specialized knowledge and multifaceted views so that Outside Audit & Supervisory Board Members account for the majority of the Audit & Supervisory Board Members, with the aim of reinforcing the monitoring system for the purpose of ensuring lawful and proper management.

Corporate Governance Structure



■ Board of Directors and Business Operating Structure

<Functions of the Board of Directors>

In order to ensure the sustainable growth of the Company, to enhance the corporate value over the medium- to long term, and to steadily return the results as a going concern

to its stakeholders, the Company places importance on the function of the Board of Directors to make decisions on basic management policies and to supervise management. The Company focuses on the development of a system to ensure the effectiveness of these functions and the operation of the Board of Directors, and is working to further enhance the effectiveness of these functions.

<Business execution structure>

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

<Specific agenda items and matters for discussion at Board of Directors>

The specific matters for discussion at the Board of Directors' meetings include deliberations, decisions, reports, and monitoring regarding the following items.

■ Policy for Nomination of Officers

<Policies and Procedures for Nominating
Candidates for Directors and Audit &
Supervisory Board Members>

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

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

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



General information
Corporate Governance Guidelines /
Corporate Governance Report



Convocation
Notice of the
General Meeting
of Shareholders

Consolidated
Financial
Statements

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.

<Disclosure on the composition and diversity of the Board of Directors: Skills Matrix>

Please refer to the Skills Matrix for Directors and Audit & Supervisory Board Members below and the Skills Matrix included in the Integrated Report as a disclosure regarding the combination of skills possessed by Directors.

Skills Matrix for Directors and Audit & Supervisory Board Members

As of June 26, 2026

	Name and Attributes	Advisory Committees Membership	Human Resources and Organization	Finance and Accounting	Corporate Governance	Research and Technical Development	Manufacturing and Production Technology	Supply Chain, Sales and Procurement	Internationality and Global Management	Fields in which one has particular expertise or areas of responsibility in the Group
Directors	Masayoshi Matsumoto (Male) Representative Director Chairman & CEO	[NOM] [COM]	○		○			○	○	Corporate Manager
	Osamu Inoue (Male) Representative Director President & COO	[NOM] [COM]	○	○	○				○	Corporate Manager
	Hideo Hato (Male) Representative Director Executive Vice President		○	○	○		○		○	DX, Intellectual Property, Corporate Disclosure, Industrial Policy, Information Systems
	Masaki Shirayama (Male) Managing Director						○	○	○	Environment & Energy
	Yasuhiro Miyata (Male) Managing Director							○	○	Electronics
	Toshiyuki Sahashi (Male) Managing Director						○	○	○	Industrial Materials
	Yoshiyuki Ogata (Male) Managing Director						○	○	○	Automotive
	Hiroshi Hayami (Male) Managing Director					○	○			R&D, Energy & Electronics Materials
	Hisashi Togawa (Male) Managing Director						○		○	Production Technology, Environmental Conservation
	Hiroshi Sato (Male) [OUT] [IND]	[NOM] [COM]	○		○	○	○		○	Experienced in corporate management
	Michihiro Tsuchiya (Male) [OUT] [IND]	[NOM] [COM]	○		○	○			○	Experienced in corporate management
	Atsushi Horiba (Male) [OUT] [IND]		○		○	○			○	Experienced in corporate management
	Kyoko Kawamata (Female) [OUT] [IND]	[NOM] [COM]	○		○					Experienced in mass media
Audit & Supervisory Board Members	Asli M. Colpan (Female) [OUT] [IND]	[NOM] [COM]	○		○				○	Academic expert
	Yoshitomo Kasui (Male)		○		○					—
	Akira Hayashi (Male)			○	○					—
	Michiko Uehara (Female) [OUT] [IND]		○		○					Attorney at law
	Tatsuo Kijima (Male) [OUT] [IND]		○							Experienced in corporate management
	Yuji Morita (Male) [OUT] [IND]			○	○					Certified public accountant

[OUT] Outside Directors / Outside Audit & Supervisory Board Members
[IND] Independent Officers as defined by Tokyo Stock Exchange, Inc., etc.

[NOM] Member of the Nominating Advisory Committee
[COM] Member of the Compensation Advisory Committee

(*) 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.

<Reasons for individual appointment and concurrent positions of Directors and Audit & Supervisory Board Members>

Regarding the reasons for the appointment and the concurrent positions of candidates for Directors and Audit & Supervisory Board Members, please refer to the reference documents in the Convocation Notice of the General Meeting of Shareholders.

<Independence standards and qualification for Independent Outside Directors>

In appointing candidates for Outside Directors and Outside Audit & Supervisory Board Members, the Company complies with the independence standards stipulated by financial instruments exchanges and carefully investigates and confirms their conflicts of interest with the Company before making a decision on their independence.

<Analysis and evaluation of the effectiveness of the Board of Directors>

Every year, the Board of Directors of the Company analyzes and evaluates its effectiveness, and discloses a summary of the

results. A summary of last year's analysis and evaluation results is provided below. For further details, please refer to the end of the Corporate Governance Report.

Results of Analysis and Evaluation of the Effectiveness of the Board of Directors (conducted in 2025)

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, enhances its strengths, improves issues, and takes other similar measures. In 2025, 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.

- Overall:** The Board of Directors confirmed that in all aspects of its role, operation, and composition, effectiveness is being ensured.
- Role and Operation of the Board of Directors:** The Board of Directors confirmed that, through its efforts to date, it 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, to further strengthen the Board of Directors' supervisory function in response to changes in the business environment, it reaffirmed its commitment to continuing efforts to share information in a timely manner, including reports on "Goho Yoshi" (Five-Way Win), as well as management issues. Regarding operations, the Board of Directors confirmed that it has continuously been able to conduct appropriate deliberations through, among others, the free and open exchange of opinions.
- Support for Outside Officers:** The Board of Directors confirmed all Outside Officers expressed the opinion that appropriate support has been provided to ensure that Outside Officers exercise their functions.
- The Nominating Advisory Committee and the Compensation Advisory Committee:** The Board of Directors confirmed that the Nominating Advisory Committee and Compensation Advisory Committee meetings are each held five times a year and that actions such as reporting on the details of their deliberations to the Board of Directors are properly conducted.
- Composition of the Board of Directors:** The Board of Directors confirmed that its composition was generally appropriate with regard to balance, in terms of the Company's business execution system, as it operates a wide range of businesses, knowledge, experience, diversity, etc.

- Based on the view that "Multistakeholder Capitalism" ("Goho Yoshi" (Five-Way Win)) contributes to enhancing the Company's corporate value, the Board of Directors will continue to work toward enhancing opportunities to review and share information regarding "Goho Yoshi" by utilizing the Board of Directors and other internal meetings, etc.
- The Board of Directors will continue its efforts to timely confirm, among others, its responses to management issues, as the business environment surrounding the Group is becoming increasingly volatile due to rising political and geopolitical risks.
- The Board of Directors will continue to focus on providing information in advance so that, in particular, Outside Officers can engage more smoothly in deliberations on the day of Board of Directors meetings, and will also continue to work on, among others, optimizing the allocation of time for questions, as well as the quantity and quality of materials.
- The Board of Directors will continue to pay attention to diversity in the composition of the Board of Directors.

<Nominating and Compensation Advisory Committees>

The Nominating Advisory Committee and the Compensation Advisory Committee have been established as advisory bodies to the Board of Directors, including Outside Directors as members, to ensure transparency and fairness in nominating candidates for Directors and Audit & Supervisory Board Members and in determining the compensation of Directors.

<Composition of committee members and attributes of the committee chair (chairperson)>

The composition of the committee members and the attributes of the committee chair (chairperson) are as follows.

- 1| The committee is chaired by an Outside Director.
- 2| The number of committee members is at least three, and the majority of them are Outside Directors.
- 3| The committee deliberates and reports to the Board of Directors on each of the following matters that the Board of Directors consults with the committee.

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.

For information on the members of the Nominating and Compensation Advisory Committees in fiscal 2026 and their attendance at the committee meetings in fiscal 2025, as well as other details on these committees, please refer to "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-Making, Execution of Business, and Oversight in Management, 1. Organizational Composition and Management" in the Corporate Governance Report.

■ Policy for Determining Compensation

The Company has established a policy for determining the compensation for individual Directors. These amounts are determined based on the Compensation Advisory Committee's deliberations and a comprehensive consideration of each officer's role and responsibilities, contribution to company earnings, and non-financial indexes such as ESG. The details of compensation are

deliberated on by the Compensation Advisory Committee, which is chaired by an Independent Outside Director and is composed, in the majority, of Independent Outside Directors, and are submitted to the Board of Directors based on its report.

For details, please refer to "Specific Details of the Policy for Determining Officer Compensation," the reference documents in the Convocation Notice of the General Meeting of Shareholders, and "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-Making, Execution of Business, and Oversight in Management, 1. Organizational Composition and Management" in the Corporate Governance Report.

<Actual amounts of officer compensation>

Total amount of compensation, etc. for Directors and Audit & Supervisory Board Members

For the total amount of compensation, etc.

for Directors and Audit & Supervisory Board Members, please refer to the reference documents in the Convocation Notice of the General Meeting of Shareholders and "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-Making, Execution of Business, and Oversight in Management, 1. Organizational Composition and Management" in the Corporate Governance Report.

Total amount of compensation, etc. for individual Directors

For the total amount of compensation, etc. for Directors whose total compensation exceeds 100 million yen, please refer to "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-Making, Execution of Business, and Oversight in Management, 1. Organizational Composition and Management" in the Corporate Governance Report.

Specific details of the policy for determining officer compensation

In determining Directors' compensation, etc., 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.

1 Composition of Compensation for Directors	The compensation for Directors consists of monthly compensation and bonuses.
2 Policy for Determination of Monthly Compensation	- The Company sets monthly compensation tables for each position based on the role and responsibility of each position and their contribution to the Company's business performance, while ensuring the objectivity of compensation levels by utilizing third-party surveys of compensation for executives at companies with similar businesses and sizes. - The amount of the table to be applied to each Director is determined from a medium- to long-term perspective, taking into consideration the role and responsibility of them, the size and complexity of the area of responsibility, the degree of difficulty, and the degree of contribution to the Company's business performance. - The total amount to be paid is determined within the framework of the amount of compensation approved and resolved at the General Meeting of Shareholders.
3 Policy for Determination of Bonuses	- The total amount of bonuses is determined based on the Company's business performance in each fiscal year, particularly sales, operating income, ROIC, and profit attributable to owners of the parent, which the Company places importance on in its management strategy, as well as the overall dividend level and other factors, while ensuring the objectivity of the compensation level by utilizing third-party surveys of compensation for executives at companies of similar business content and sizes. The Company determines the level of compensation by resolution of the General Shareholders Meeting, taking into consideration its business performance in each fiscal year, especially sales, operating income, ROIC, net income and other factors that are important to its management strategy, as well as dividend levels. - The allocation of bonuses to each Director is set at a level that provides an incentive for each Director from a medium- to long-term perspective, taking into consideration qualitative factors such as position, level of responsibility, achievement of major targets (sales, profit indicators, ROIC, etc.) in the division under management, contribution to the Company's business performance each fiscal year, and qualities required to achieve these targets. - In order to ensure the independence of Outside Director, bonuses are not paid to them.
4 Policy for Determination of the Ratio of Monthly Compensation to Bonus	- The ratio of monthly compensation to bonus is not set, but is subject to change based on performance indicators and individual evaluations as described in the previous section (3 Policy for Determination of Bonuses). - The ratio of monthly compensation to bonuses has been generally 1:0.54 to 0.92 based on the average of all directors over the past three fiscal years. In fiscal year 2025, the ratio ranged from 1:0.63 to 1.22 on an individual basis.

■ Strengthening the Practical Aspects of Corporate Governance

<Secretariat of the Board of Directors>

The Secretariat of the Board of Directors establishes a system to distribute the materials of the Board of Directors' proposals to each Director and Audit & Supervisory Board Member, including Outside Directors, prior to the date of the Board of Directors' meeting, in order to facilitate fruitful discussions at each meeting of the Board of Directors.

The Secretariat of the Board of Directors sets the schedule of the regular meeting of the Board of Directors for the following year by the end of the year and inform the Directors and Audit & Supervisory Board Members of the schedule.

<Support system for Outside Directors and/or Outside Audit & Supervisory Board Members>

The secretariat (Administration Division) and the secretary of the Board of Directors play a central role in supporting Outside Directors, offering information on management in cooperation with each department, and providing explanations in advance on the content of matters to be submitted for deliberation by the Board of Directors.

Full-time Audit & Supervisory Board Members provide necessary information to Outside Audit & Supervisory Board Members, including prior explanations related to the Board of Directors. The Company has also established the Office of Audit & Supervisory Board Members, and its staff members support the activities of Outside Audit & Supervisory Board Members. In addition, a secretary has been assigned to manage their schedules.

<Training for Directors and Audit & Supervisory Board Members>

In order for Directors and Audit & Supervisory Board Members to properly fulfill their expected duties and roles as part of an important governance body, the Company systematically provides and mediates training

opportunities and provides financial support for such training. This includes training for newly appointed Directors and Audit & Supervisory Board Members to deepen their understanding of the roles and responsibilities, and training for Outside Directors and Audit & Supervisory Board Members to deepen their understanding of the Group, as well as other training to deepen their understanding of laws and regulations, risk management, and the Group's management environment.

■ Audit and Supervisory System

<Audit system by Audit & Supervisory Board Members>

The majority of Audit & Supervisory Board Members are Independent Outside Audit & Supervisory Board Members with various expertise and multiple perspectives, and these Audit & Supervisory Board Members, together with full-time Audit & Supervisory Board Members and staff dedicated to auditing, work together with the Internal Audit Division and Accounting Auditors to monitor legal and appropriate management.

In accordance with auditing standards, policies, and assignments determined by the Audit & Supervisory Board, each Audit & Supervisory Board Member attends meetings of the Board of Directors and other important meetings, interviews Directors, the Internal Audit Division, and other employees, inspects important approval documents, and visits major business offices, etc., and receives reports from other Audit & Supervisory Board Members regarding their auditing activities, as well as exchanges information with the Accounting Auditor as appropriate.

<Internal audit>

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 proceeds to report the full-time Audit & Supervisory Board Members at 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. In addition, the Internal Audit Department hold regular quarterly meetings, exchanging opinions with the Accounting Auditor, and also hold meetings and discuss as necessary.

<Accounting audits and internal control audits by the Accounting Auditor>

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

For details of the audit and supervisory system, please refer to "II. Business Management Organization and Other Corporate Governance Systems regarding Decision-Making, Execution of Business, and Oversight in Management, 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System)" in the Corporate Governance Report.

■ Internal Control: Systems for Ensuring the Propriety of Financial Reporting

The Company has established the Internal Control Committee for Financial Reporting, chaired by the President, and also built a promotion organization in the Corporate Staff Group. Pursuant to their policies, guidance, and assistance, each department, division, and subsidiary proceeds with the development and appropriate operation of the internal control system in accordance with the Financial Instruments and Exchange Act,

as well as with the assessment and audit standards and implementation standards set forth by the Financial Services Agency, in order to further enhance the Company's system for ensuring the propriety of financial reporting. The Internal Auditing Department assesses the effectiveness of the internal control system of the whole Group for each fiscal year, and compiles an internal control report to be submitted to the Financial Services Agency based on the results of such assessment and obtains the approval of the Internal Control Committee for Financial Reporting and the Board of Directors.

For details on the internal control system, please refer to "IV. Matters Concerning the Internal Control System" in the Corporate Governance Report.

■ Policy and Status of Strategic Shareholding

The Company engages in strategic shareholdings primarily for the purpose of building and strengthening long-term, stable relationships with business partners and facilitating business and technology alliances, taking into consideration their impact on and contribution to ROE and ROIC, and from the perspective of contributing to medium- to long-term improvements in corporate value.

Shares that are not suitable for the purpose of holding or that are not expected to contribute to medium- to long-term enhancement of corporate value are to be considered for disposal. Individual cross-shareholdings undergo meticulous evaluation each year based on the objectives and perspectives described above as well as the transactional status. The Board of Directors verifies the appropriateness of such holdings and this verification process was also conducted in fiscal 2025.

For details of the shareholding status, please refer to "4. [Status of Corporate Governance], (5) [Status of Shareholdings], (ii) Investment Shares Held for Purposes Other than Pure Investment" in the Japanese version of the Consolidated Financial Statement.

Risk Management

Basic Views and Policy

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 targets and strategies, and works to mitigate and minimize risks.

Basic Policy on Risk Management

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

- 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 & 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

Structure

In the Group, the Risk Management Committee, consisting of Executive Directors and Executive Officers oversees all risk management activities, including the formulation of the risk management system and policies, as well as the establishment of an emergency response headquarters in the event of an emergency.

The Risk Management Steering Committee collects and disseminates information, and plans and implements risk management training.

Additionally, to promote risk management related to specific themes such as safety, health, and quality management, various committees have been established, each chaired by the President or the officer responsible for the relevant theme, with the approval of the Risk Management Committee.

If any risk becomes evident in a department, division, or Group company, the relevant entity 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.

Initiatives

Risk Management Activities

1| Risk inventory

Each department, division, and Group company conducts an annual risk inventory. They assign scores to and comprehensively assess the potential impact and likelihood of occurrence of various risks, identify “critical risks” that should be prioritized, and develop and implement necessary countermeasures.

The Risk Management Committee oversees the risk inventory process in accordance with the risk management regulations. Critical risks common within the Group are reported to the Risk Management Committee through the Compliance & Risk Management Office, which facilitates the sharing of awareness and the development of countermeasures. Risks are also monitored in collaboration with Audit & Supervisory Board Members, the Internal Audit Division, and the Corporate Staff Group responsible for each risk.

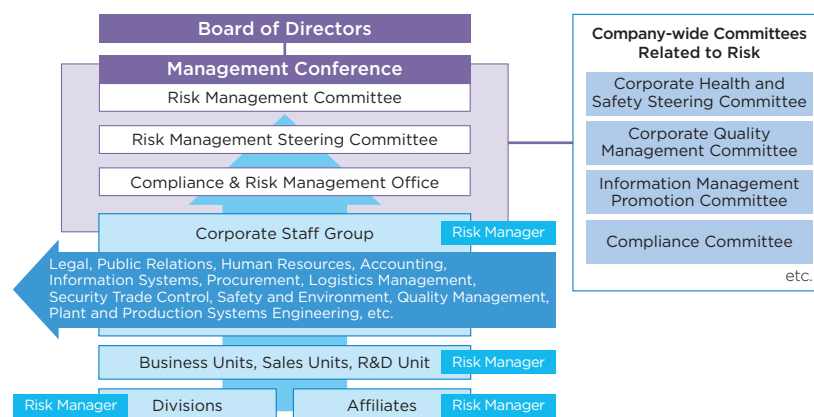
In addition, for major risks that affect the entire Group, the committees responsible for the risk, as shown under “Company-wide Committees Related to Risk” in the Risk Management System diagram, reassesses the risk based on the relevant countermeasures and past incident cases.

For other risks specific to particular departments or divisions, mitigation measures are taken with assistance from the Corporate Staff Group and external experts, as needed.

Risk Classification of the Group

Major Category	Middle Category	Minor Category
Externally generated risks	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 risks	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.

Risk Management System



2| Creation and management of a risk heat map

To respond to the expansion of business domains and changes in the external environment, the risk inventory outcomes, information on risks that have become evident, results of operational audits, and other monitoring results are compiled into a database. This database is then used to create and manage a risk heat map for each business division and Group company. Priority is given to addressing items with high-risk levels, with the aim of improving the efficiency and effectiveness of risk management activities.

Risk inventory

Each department/division and Group company assesses 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 has become evident, if any, to the Risk Management Committee.

Operational audit results, etc.

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

Creation and management 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. Implementation of measures for items with high-risk levels is prioritized.

■ Business Continuity Initiative

1| Business continuity in the event of a large-scale natural disaster

To continue critical operations and ensure prompt recovery in the event of large-scale natural disasters such as earthquakes, business continuity management (BCM) is promoted both in Japan and overseas, with the goal of continuously improving business continuity plans (BCPs). Every year, a periodic review of the BCP is conducted, along with verification of the effectiveness of emergency response plans and the inventory of supply chain risks.

In addition, to further enhance the effectiveness of the BCP, annual BCP training for risk managers is held to strengthen business continuity capabilities.

2| Business continuity in the event of an infectious disease outbreak

In 2008, the guidelines for action plans to address new influenza were formulated. In Japan, BCPs for infectious disease control were developed for each department, division, and Group company to advance the establishment of a crisis management structure.

In response to the global spread of COVID-19 from 2020 onward, the scope of the BCPs for infectious disease control was expanded to include all Group companies both in Japan and overseas. While prioritizing the health and safety of employees, we continued business operations by implementing thorough measures to prevent the spread of the virus.

3| Continuous implementation of group-wide joint emergency drills

Group companies continuously conduct joint emergency drills simultaneously twice a year (daytime and nighttime) to raise disaster prevention awareness. At manufacturing sites, evacuation drills, inspections of areas where hazardous materials are used, and initial response drills for emergencies are carried out. Drills for information transmission and

sharing are also conducted by establishing an emergency response headquarters, aimed at promptly gathering damage information in the event of a disaster, reporting it quickly and accurately to senior management, and sharing information within the Group.



Evacuation drill during the Group-wide joint emergency drill

■ Information Management

Through its business activities, the Group holds confidential information, including trade secrets, know-how, and data, belonging to the Group, its customers, and suppliers. We also hold personal information of over 300,000 Group employees both in Japan and overseas. Therefore, we are working to establish information management structures across all departments, divisions, and Group companies, focusing on developing measures and rules to prevent information leakage.

Specifically, to protect confidential and personal information and ensure the appropriate use of information devices and cloud services, we have established a management structure that includes developing internal regulations, entering into confidentiality agreements with parties to whom information is disclosed, establishing and publishing a policy for the protection of personal information, ensuring thorough communication through training on these matters, and reporting in the event of an incident. In addition, we have developed a social media policy setting out the basic stance on social media use, along with social media guidelines specifying key points to

note. Through these, we raise awareness among employees regarding the use of social media.

1| Information security

We have established the SEI-CSIRT structure as the core of the Group's information security management structure, aiming to strengthen information security management and advance security measures within the Group.

To promote information security management, we have established the Information Security Policy and are deploying it across Group companies in Japan and overseas. This policy is reviewed annually to ensure compliance with international standards, such as ISO 27001, and to incorporate trends in cyberattacks and IT technology.

These initiatives are implemented in three areas: business systems, production equipment, and products, with Chief Security Managers and Security Administrators appointed in all departments, divisions, and Group companies. With regard to business systems, we thoroughly implement basic measures such as anti-virus protection and vulnerability management, and also focus on raising employee awareness through security training and phishing email simulations. For production equipment, we separate the business network from the equipment network, and implement strict security measures for computers used for production equipment globally. Regarding products, we are committed to enhancing the security of our products and services in accordance with the Secure Development and Operation Measures Standards established as a Company-wide standard.

We also conduct regular internal audits to ensure that these security activities are correctly implemented in each department, division, and Group company.

Through these activities based on a globally unified policy, we strive to maintain a consistent level of security across the Group.

2| Supply chain security

The Group recognizes that ensuring information security throughout the supply chain is crucial for the stable continuation of business activities and maintaining the trust of customers and society. Amid the increased risk of cyberattacks and information leakage via business partners in recent years on a global basis, the Group has identified strengthening security within our Group as well as throughout our supply chains as an important management issue. We conduct information security due diligence on our business partners, including suppliers and service providers who underpin the Group's business activities, based on common criteria, to identify changes in their information security risk exposure. Where areas for improvement are identified, we work collaboratively with the business partner through dialogue to address them, rather than simply communicating the findings. Instead, we work with the business partner to improve them through dialogue. By continuously implementing these initiatives while referencing internationally recognized security frameworks, we strive to raise security levels and strengthen the resilience of the entire supply chain.

3| AI governance

The Group has been advancing business improvements through the use of AI from an early stage, starting with the automation of inspections. We believe that generative AI, such as OpenAI's ChatGPT,* which has recently been gaining attention, can be actively utilized not only to strengthen our manufacturing capabilities but also to accelerate improvements across a wide range of areas, including work style reforms and R&D.

However, the use of generative AI requires

the utmost care to protect personal information, copyrights, and confidential information, as well as to ensure compliance with contracts with third parties. In addition, governments and other organizations may impose restrictions on its use. We are therefore developing an AI governance framework to manage risks and ensure compliance with applicable requirements and restrictions.

In July 2023, SEI began implementing generative AI tools designed to enable the secure handling of confidential corporate information. At the same time, we have established the Generative AI Usage Guidelines to prevent violations of laws, regulations, and contracts, as well as unethical use. Furthermore, starting in fiscal 2024, we have introduced Retrieval-Augmented Generation (RAG) technology, promoting the use of generative AI that references internal information.

The Group will continue to evolve its AI governance, including by updating guidelines, to maximize the benefits of AI while minimizing its potential risks.

* ChatGPT is a trademark or registered trademark of OpenAI, Inc. or its subsidiaries that is valid in the U.S. and other countries.

■ Security Export Control

To ensure compliance with export regulations aimed at international security, we have established internal export control regulations and have created an export control system with a Representative Director as the ultimate authority.

When engaging in exports, we conduct proper screening of each individual business transaction and proceed with export activities only after obtaining the necessary export licenses, including bulk export licenses.

Relevant parties within Sumitomo Electric and Group companies receive

position-specific regular training and training for newly appointed personnel, based on the latest case studies, in order to foster awareness and knowledge of security export control among all involved personnel.

Furthermore, we conduct regular internal audits to constantly monitor the appropriateness of our activities and share information across business divisions and Group companies through various committees, aiming to reduce security trade risks across the entire Group.

Training records for FY2025

Training program [Main content]	Target participants	No. of participants
Training for staff responsible for export classification [Classification of goods and technologies for export control purposes]	172 people	172 people
Training for the export department [Practical export control operations]	1,967 people	1,967 people
Training for general employees [Overview of export control and internal rules]	(Optional participation)	3,465 people
Training for affiliates in Japan [Overview of export control]	29 companies	29 companies
Training for overseas affiliates [Overview of export control and precautions to take overseas]	6 companies	6 companies
Training on the U.S. Export Administration Regulations (EAR) [Overview of the U.S. Export Administration Regulations]	(Optional participation)	164 people

■ Respect for and Utilization of Intellectual Property Rights

The Group considers the technologies developed through its own R&D activities to be the most important intellectual property (IP) for strengthening its business competitiveness and ensuring continuous growth. While striving to appropriately manage the confidentiality of our proprietary technical know-how and internal data, we are committed to acquiring and utilizing IP rights such as patent and design rights. At the same time, we respect the IP rights and trade secrets of others and ensure they are handled with the utmost care.

As part of the structure to achieve this, we have established regulations regarding the handling of IP and trade secrets. We have also set up an organization within the Intellectual Property Division to provide necessary support to the Group's business and research divisions, such as invention management, prior art and third-party rights search, standardization activities, and business strategy planning and response, from an IP legal perspective. Additionally, IP Strategy Meetings comprising Strategic Intellectual Property Committee members from the business and development divisions, along with members from the Intellectual Property Division, are held monthly or quarterly depending on the division to plan and execute activities, verify progress and results, and make revisions and updates. Furthermore, during the internal self-assessment of business operations, which is updated each year, each department or division conducts risk assessments for "infringement of the Company's rights by other companies" and "infringement of other companies' rights by the Company's products." Through these activities, we strive to reduce the Group's intellectual property risks while also enhancing the value of its intellectual property and creating business opportunities.

Compliance

Basic Views and Policy

The Group believes that the backbone of its management and the absolute foundation for its continued existence and development is compliance, which encompasses both legal compliance and corporate 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,” “Shinyo-kakujitsu,” and “Fusu-furi.”

Code of Conduct

With the approval of the Board of Directors, the Group established in April 2018 the Code of Conduct, which serves as guidelines setting out the standards of conduct expected of each of its officers and employees to help us conduct business with integrity, based on the Sumitomo Spirit. The Code of Conduct is a set of basic rules on compliance commonly applied to Sumitomo Electric and all Group companies across the world. In addition to legal compliance, it sets out the basic policies regarding issues such as fair competition, anti-corruption measures such as measures against bribery and conflicts of interest, protection of confidential information and intellectual property, respect for human rights, and environmental conservation.

The Group also established the Supplier Code of Conduct in July 2021 to ask all suppliers to act in alignment with the Group's Code of Conduct.

 Full text of the Code of Conduct

Structure

The Compliance Committee, chaired by the President, meets approximately four times a year, and, among other things, conducts 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 unique to the department or division, and takes measures to prevent them, while the Compliance Committee, Audit & Supervisory Board Members, the internal audit division, and other parties conduct monitoring.

Further, the Compliance Committee appropriately assesses the circumstances pertaining to information provided to the reporting and consultation desks established within and outside the company, and takes necessary measures.

Compliance Committee structure

Committee Chair: President
Vice Chair: Executive Vice President
Committee Members: Senior Managing Executive Officer (in charge of Human Resources, Administration, Compliance & Risk Management, etc.), Senior Managing Executive Officer (in charge of Accounting, Finance, etc.), General Manager of Compliance and Risk Management Office, General Manager of Legal Department, General Manager of Internal Auditing Department
Attendees: Audit & Supervisory Board Member and General Manager of Office of Audit & Supervisory Board Members
Secretariat: Compliance & Risk Management Office and Legal Department

2025 Targets

We set a target of ensuring thorough compliance with laws, regulations, and corporate ethics on a global basis, including throughout our supply chain.

Targets set to achieve the Mid-term Management Plan 2025

Maintain and reinforce the compliance platform

- Employees trained in the Code of Conduct, compliance with competition laws, etc.^(Note): 250,000 people/3 years
- Establish and confirm structure implementation at Group companies and departments
- Promote the use of reporting and consultation desks

(Note) Scope of coverage: Excluding Sumitomo Riko Company Limited and its group companies

Initiatives and Results

Disseminating and Instilling the Code of Conduct

Booklets of the Code of Conduct are prepared in approximately 30 languages, including Japanese, English, and Chinese, and are distributed to the officers and employees of Sumitomo Electric and Group companies, while multilingual versions are also posted in all of the languages on our website and intranet. In addition, training on the Code of Conduct is conducted. Furthermore, to raise employee awareness, we have created summary posters in approximately 30 languages, including Japanese, English, and Chinese, which are posted in the offices of related sites and the plants of our Group companies around the world.

We have also published the Supplier Code of Conduct in 28 languages on our website and are working to disseminate it throughout our global supply chain.



Compliance Training

Position-based training hosted by the Compliance Committee is conducted on a regular basis every year with the aim of ensuring a clear understanding of compliance risks, thorough implementation of preventive measures, and raising and strengthening awareness of compliance. Training topics include competition law, anti-corruption measures such as measures against bribery and conflicts of interest, and protection of personal information.

Main training programs

Training program (Language)	Frequency
Position-based compliance training [Officers, managers, newly promoted personnel, new employees, mid-career employees, and employees on loan from other companies] (Japanese)	Once a year for each program
E-learning compliance training “Respectful Communication,” “Code of Conduct,” and “Preventing Harassment and Discrimination”: Across the world (26 languages)	3 courses /year
Global Leader compliance training (English)	Once a year
Compliance Liaison training (Japanese)	Once a year

Participation targets and results

Target for FY2023-FY2025	250,000 people/3 years
FY2023 results ^(Note 2)	112,000 people
FY2024 results ^(Note 2)	125,000 people
FY2025 results	138,000 people

(Note 1) Scope of coverage: Excluding Sumitomo Riko Company Limited and its group companies

(Note 2) The results for fiscal 2023 and 2024 have been revised from those published previously in CSR Book 2024 or CSR Book 2025 as they were proved to be incorrect due to an error in the scope of calculation.

Understanding, Analyzing, Preventing, and Monitoring Compliance Risks

The Group conducts compliance inspections at respective departments and Group companies approximately once a year

to verify the effectiveness of measures to eliminate or mitigate serious risks. If any matters requiring improvement are identified, appropriate corrective and preventive measures are implemented. Furthermore, the Compliance Committee, Audit & Supervisory Board Members, internal audit division, etc. monitor the status of compliance, including whether such measures function properly.

■ Whistle-blowing System (Speak Up System)

In the Group, the Speak Up System has been established to identify early signs of compliance issues, including issues related to employment, labor affairs, competition law, corruption such as bribery or conflicts of interest, and taxation, and to address them promptly and appropriately ourselves. Specifically, the Group has established reporting and consultation desks within the Group (General Manager of Office of Audit & Supervisory Board Members and General Manager of Compliance & Risk Management Office) and outside the Group (by appointing a specialized service provider and law firm), and all anonymous and non-anonymous reports of issues received are promptly investigated, and corrective actions and measures to prevent recurrence are taken as necessary, with the results shared with the person who reported the issue. The reporting and consultation desks have been established for use by any employee and by business partners of the Group around the world. Retaliation against persons who reported issues is strictly prohibited. We disseminate information on this system through various in-house training programs, corporate newsletters, the Code of Conduct, our website and intranet, workplace posters, notices to suppliers, and by other means. In 2014, we established the Group's common reporting and consultation desks outside the Group (available in about 30 languages around the clock throughout the year), and have been proactively working to raise awareness about this system. As a result, the number of consultations and reports received by the Group around the world, including

Japan, China, Southeast Asia, the Americas, Europe, Africa, and the Middle East, has been increasing year by year, leading to an overall improvement in behavior and awareness. In this way, the proper operation of this system has contributed to maintaining and improving compliance across the entire Group and fulfilling the system's intended functions.

Whistle-blowing desks (outside the Group)

Desk	Covered regions	Languages
Irokawa Legal Professional Corporation	Japan	Japanese
Leezhao Law Office	Mainland China and Taiwan	Chinese, English, and Japanese
Navex Global	Worldwide (*)	Over 150 languages

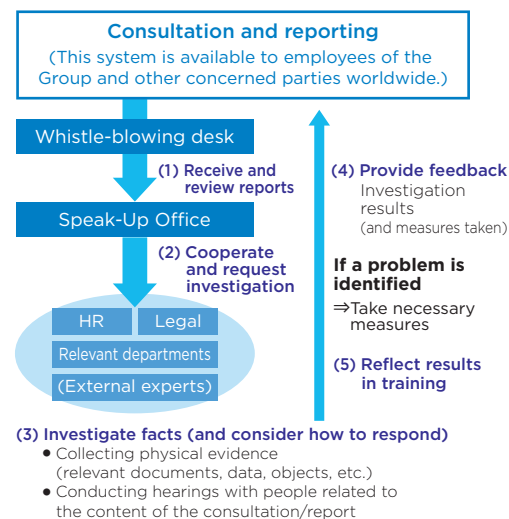
(*) In Japan, mainland China, Taiwan, Morocco, Saudi Arabia, and Myanmar, reports can be received only via the website.

Number of whistle-blowing reports received

FY	2020	2021	2022	2023	2024	2025
No. of Reports	120	186	188	243	314	326

(Note) Scope of coverage: Excluding Sumitomo Riko Company Limited and its group companies

System and procedure for whistle-blowing reporting



■ Compliance with Competition Laws

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

■ Anti-bribery Compliance System

The Group introduced an anti-bribery compliance program in 2013 with the aim of globally strengthening its anti-bribery compliance structure. In light of stricter regulations in Europe, the United States, and emerging countries against bribery of national and foreign public officials, this program stipulates rules regarding anti-bribery (such as prohibition of bribes and prior approval and post-facto reporting of entertainment, gifts, and donations) in the Anti-bribery Regulations. In addition, Compliance Liaisons have been designated in the respective departments and companies to implement these rules in cooperation with the Bribery Prevention Office and the legal departments in the global regions.

Policy on Anti-Bribery Compliance Initiative

The Group shall acquire business through fair competition, and all Directors and employees shall comply with the Anti-bribery Regulations. We will conduct business in accordance with the letter and spirit of the laws and regulations applicable in each country in which we engage in business, following the Anti-bribery Regulations. Any act of bribery is prohibited in all transactions, which also applies to all business partners who carry out work for the Group.

Overview of the initiative structure

Organization	Bribery Prevention Office (Compliance & Risk Management Office) and Compliance Liaisons/Deputy Compliance Liaisons in each company and department ^(Note 1)
Rules	Anti-bribery Regulations (Established in 2013 and revised in 2017)
Procedure	- Prior application and post-facto reporting on entertainment, gifts, and donations (Since 2018, monetary standards have been in place with a risk-based approach being introduced to strictly review interactions with public officials and other personnel). - Pre-transaction assessment of new agents to be hired (A preliminary review^(Note 2) will be conducted, followed, in principle, by adding a clause prohibiting bribery to the contract, obtaining a pledge or sending a notification letter, and completing an approval process.)
Training, etc.	Training, operation manuals, internal self-assessment, monitoring, and audits

(Note 1) The Compliance Liaison serves as the point of contact and coordinator for overall compliance matters at each company and department of the Group, and also makes decisions on application approval in cooperation with the Compliance & Risk Management Office. Each company appoints a senior manager other than the President, taking into account the possibility of conflicts of interest between business management and compliance. If necessary, it is also possible to select Deputy Compliance Liaisons and have them act on behalf of the Liaison or perform supporting tasks.

(Note 2) In the preliminary review, risk databases of external specialist companies are used to investigate whether the new agent has had any bribery issues in the past and to assess bribery risks.

■ Protection of Personal Information

The Group treats personal information of private individuals, business partners, employees, and others 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 globally to comply with such regulations, including by establishing the Global Privacy Policy in 2023.

■ Quality Compliance

Complying with laws and rules and providing products that meet the quality expected by customers is the absolute foundation for our sustainable development as a company. The Group is undertaking a variety of initiatives to ensure quality compliance. For more details, please see [\[▶p.51\]](#).

■ Tax Policy (Tax Transparency)

Based on the Sumitomo Spirit, the Sumitomo Electric Group Corporate Principles, and the Sumitomo Electric Group Code of Conduct, we have established the Sumitomo Electric Group Tax Policy.

Sumitomo Electric Group is committed to conduct its business affairs in a fair and responsible manner, and we shall contribute to the development of the society through proper tax payment.

Sumitomo Electric Group Tax Policy

Based on the Sumitomo Spirit, the Sumitomo Electric Group Corporate Principle and Code of Conduct, Sumitomo Electric Group is committed to conduct its business affairs in a fair and responsible manner: this includes complying with the tax related laws of each country and supranational guidance (e.g. OECD).

Sumitomo Electric Group considers that paying taxes is an important obligation, and we shall contribute to the development of the society through proper tax payment.

In order to improve corporate value, we will strengthen our compliance/risk management system.

Tax Governance/Tax Strategy

Our globally organized tax department is responsible for tax management. It falls under the supervision of our Accounting Director, who is ultimately responsible for the tax strategy.

In addition, through the regular training of our employees, we aim to improve their awareness towards the internal tax compliance.

Sumitomo Electric Group shall apply for tax incentives where it is appropriate and within the scope of normal business activities. No intentional tax avoidance activities are pursued.

Risk Management

Sumitomo Electric Group considers that tax risk management is indispensable, and we shall mitigate tax risk by consulting with outside experts and tax authorities in advance as necessary.

Sumitomo Electric Group strictly adheres to the arm's length standard regarding transactions with foreign-related parties, and ensures appropriate allocation of profits based on functions and business risks of foreign-related parties.

Sumitomo Electric Group shall not expand into low tax rate countries/regions that do not match the actual business situation, in order to reduce or avoid tax. If a company inadvertently becomes subject to Anti-Tax Haven (CFC) Rules, we shall appropriately pay the share of taxes.

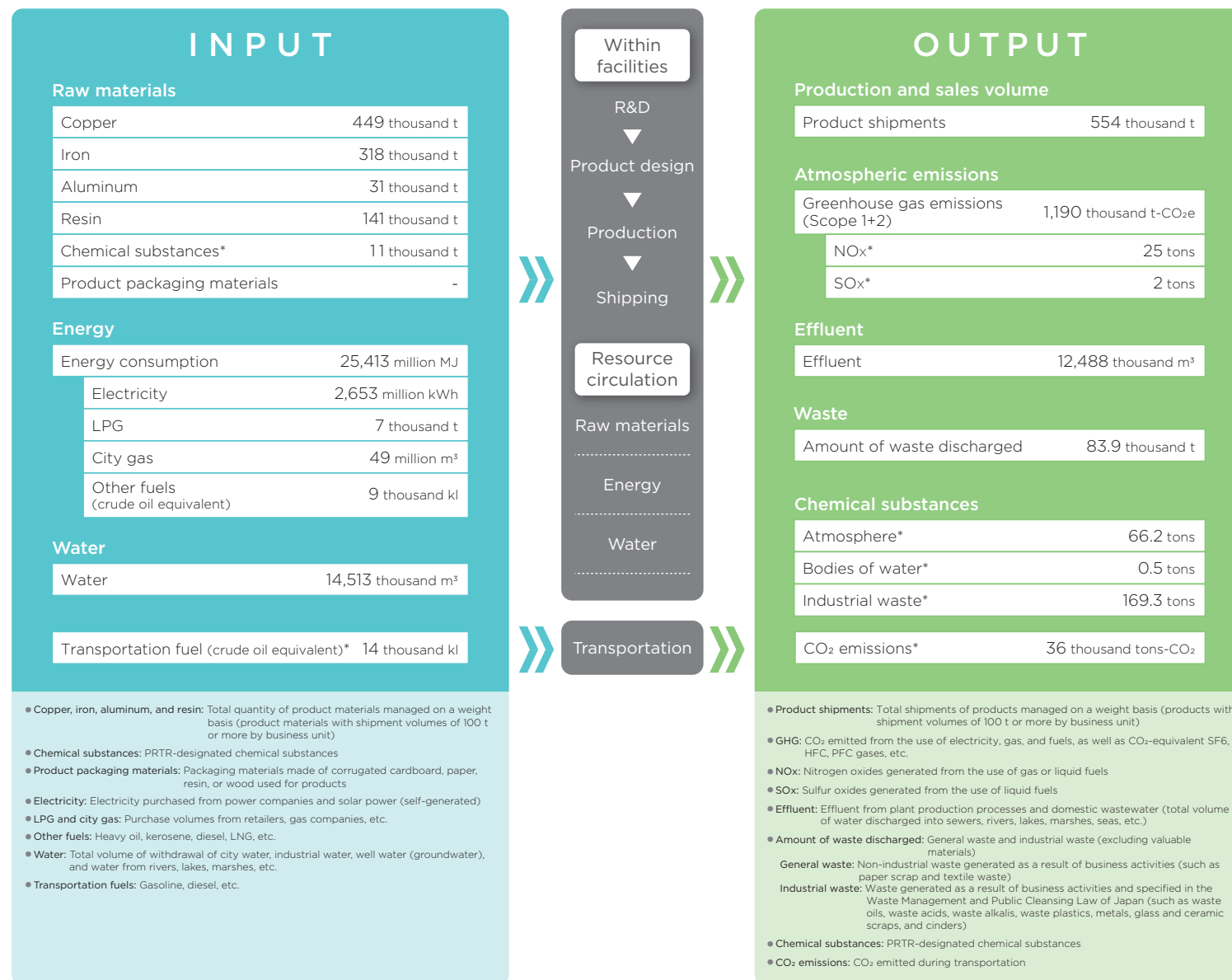
Sumitomo Electric Group maintains respectful, trustful and honest relationships with tax authorities.

In addition, we are committed to openness and transparency in its approach to dealing with tax authorities, wherever it operates.

ESG Data

■ Environmental Impact Material Balance (FY2025)

The Group quantitatively assesses the environmental impact of its overall business activities and strives to reduce and properly manage such impact. We have compiled the results of our business activities in fiscal 2025 in terms of the amount of energy and resources used in business activities (INPUT) and the products and environmentally hazardous substances resulting from those activities (OUTPUT).



Those with an asterisk (*): Sumitomo Electric and its consolidated subsidiaries in Japan with manufacturing sites (excluding Sumitomo Riko Company Limited and its group companies)

Those without an asterisk (*): Sumitomo Electric and its consolidated subsidiaries with manufacturing sites (excluding Sumitomo Riko Company Limited and its group companies)

(Note) Transportation fuels (crude oil equivalent) and CO₂ emissions do not include those from the consolidated subsidiaries of Nissin Electric Co., Ltd.

Copper, iron, aluminum, and resin (raw materials) and product shipments (production and sales volume) do not include those from the Nissin Electric Co., Ltd. and its group companies.

■ Environmental Accounting

The Group quantifies and analyzes the costs and economic effects of its environmental conservation initiatives, such as measures to combat global warming.

	Financial items									Non-financial items	
	Investment (million yen)			Expense (million yen)			Economic effect (million yen)			Change factors in FY2025 (Japan)	Strategy/opportunities and risks
	2023	2024	2025	2023	2024	2025	2023	2024	2025		
Reduction of GHG emissions	Investment in GHG reduction						Energy cost savings			GHG emissions ^(Note) (thousand t-CO ₂ e/year) 	One of the KPIs set for fiscal 2025 was to reduce GHG emissions by 17.5% from fiscal 2018, and we achieved a 27.2% reduction in fiscal 2025 (at manufacturing sites in Japan and overseas). We implemented various energy-saving activities, which turned out to be an important initiative also from the perspective of reducing energy costs. We will continue to share with our overseas sites the knowledge gained through these activities.
	4,217	5,737	3,503				668	391	1,437		
Waste reduction	Investment in resource conservation and recycling			Waste disposal costs			Sale of valuable materials			Waste discharged (excluding valuable materials) ^(Note) (thousand tons/year) 	We planned to reduce waste discharged per unit of sales for fiscal 2025 by 3% from fiscal 2022, and achieved a 15.8% reduction (at manufacturing sites in Japan and overseas) through various resource conservation efforts. Our efforts for waste reduction include improving yields, reducing the volume of waste acid, alkali, oil, and other waste, detailed sorting of plastics, etc., and converting waste to valuable resources.
	4	42	11	1,575	1,479	1,450	43	44	45		
Cost of management activities				895	1,558	1,066				Costs of environmental organizations, ISO 14001 registration and maintenance, etc.	ISO 14001 certification is the core of our environmental management activities and is also one of the requirements from our customers.
Cost of social activities				33	47	31				Cleaning of areas outside company sites, external environmental education, etc.	We consider community cleanups to be one of our fundamental activities, and will continuously communicate with regional communities through this activity.
Cost of environmental remediation				119	137	50				Restoration of contaminated soil and groundwater and other measures, etc.	We restore contaminated soil and groundwater identified at our sites on a continuous basis.

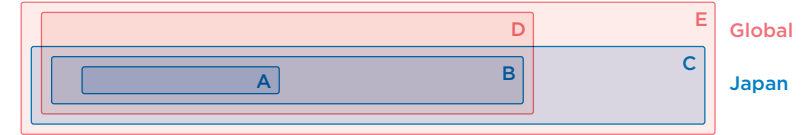
(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries in Japan with manufacturing sites (excluding Sumitomo Riko Company Limited and its group companies)

Change due to boundary changes: Emissions or waste discharged in FY2024 from the boundaries of collection newly added or excluded in FY2025

Change due to sales changes: [Emissions or waste discharged in FY2024 from the boundaries of collection for FY2025] x (FY2025 net sales/FY2024 net sales - 1)

Actual change: Calculated by subtraction

Symbols in the boundary column



Sumitomo Electric Industries, Ltd.

Consolidated subsidiaries
 [Fiscal 2025: Excluding Sumitomo Riko Company Limited and its group companies, Fiscal 2023 and 2024: Excluding listed subsidiaries as of the end of each fiscal year]

Consolidated subsidiaries
 [As of the end of each fiscal year]

■ Environment

	Indicator		Detailed category	Boundary	Unit	FY2023	FY2024	FY2025
External ISO 14001 certification of its environmental management system	No. of certified companies			E	(count)	214	223	159
	Certification rate				%	56	57	43
Environmental audits	Environmental audits				(count)	16	18	24
	Environmental laws and regulations compliance inspection				(count)	17	14	10
GHG	Emissions reduction rate (compared to FY2018)	(Scope 1+2)			%	17.4	20.4	28.5
		(Scope 3)			%	up 21.4	up 1.1	0.6
	Emissions	(Scope 1+2) Total		E (Note 1) (manufacturing sites)	thousand t-CO ₂ e	1,681	1,619	1,454
		(Scope 1)			thousand t-CO ₂ e	288	266	276
		(Scope 2)			thousand t-CO ₂ e	1,393	1,353	1,178
		Total			thousand t-CO ₂ e	30,042	25,020	24,610
		Category 1			thousand t-CO ₂ e	16,241	11,764	11,418
		Category 2			thousand t-CO ₂ e	641	603	671
		Category 3			thousand t-CO ₂ e	344	289	289
		Category 4			thousand t-CO ₂ e	60	68	71
		Category 5			thousand t-CO ₂ e	39	39	42
		Category 6			thousand t-CO ₂ e	41	37	39
		Category 7			thousand t-CO ₂ e	95	82	86
		Category 8			thousand t-CO ₂ e	-	0	0
		Category 9			thousand t-CO ₂ e	1	1	1
		Category 10			thousand t-CO ₂ e	103	81	71
		Category 11			thousand t-CO ₂ e	12,465	12,046	11,910
		Category 12			thousand t-CO ₂ e	12	10	11
	Emissions reduction rate (compared to FY2018)	(Scope 1+2)		D* (manufacturing sites)	%	15.0	18.1	27.2
		(Scope 3)			%	up 39.8	up 15.7	up 13.0
	Emissions	(Scope 1+2) Total			thousand t-CO ₂ e	1,390	1,339	1,190
		(Scope 1)			thousand t-CO ₂ e	214	191	197
		(Scope 2)			thousand t-CO ₂ e	1,176	1,148	993
		(Scope 1+2) by source	Energy-related Non-energy-related		thousand t-CO ₂ e	1,326 64	1,288 51	1,133 57

ESG Data / Calculation Criteria / Company Overview

Indicator			Detailed category	Boundary	Unit	FY2023	FY2024	FY2025			
GHG	Emissions	(Scope 1+2) by region	Japan	D ^{(Note 3)*} (manufacturing sites)	thousand t-CO ₂ e	553	542	552			
			Overseas Total		thousand t-CO ₂ e	837	797	638			
			Asia		thousand t-CO ₂ e	668	637	474			
			Americas		thousand ts-CO ₂ e	118	105	94			
			Europe and Others		thousand t-CO ₂ e	51	55	70			
		(Scope 3) ^(Note 2)	Total	thousand t-CO ₂ e	26,597	22,020	21,493				
			Category 1	thousand t-CO ₂ e	14,446	10,127	9,665				
			Category 2	thousand t-CO ₂ e	542	489	554				
			Category 3	thousand t-CO ₂ e	260	212	211				
			Category 4	thousand t-CO ₂ e	37	38	39				
			Category 5	thousand t-CO ₂ e	30	32	35				
			Category 6	thousand t-CO ₂ e	38	34	36				
			Category 7	thousand t-CO ₂ e	84	71	75				
			Category 11	thousand t-CO ₂ e	11,158	11,014	10,876				
			Category 12	thousand t-CO ₂ e	2	3	3				
			(Scope 3)	Category 4	B ^{(Notes)***} (manufacturing sites)	thousand t-CO ₂	36	36	36		
			Energy consumption			Total	D* (manufacturing sites)	million MJ	25,053	25,243	25,413
						Japan		million MJ	10,738	10,852	11,000
Overseas	million MJ	14,315				14,391		14,413			
Reduction of energy consumption per unit of sales (compared to FY2021-FY2022 average)					%	16.9	21.6	28.5			
Energy consumption per unit of sales					kl/hundred million yen	18	17	16			
Total installed capacity of renewable energy (solar power generation equipment)				D (manufacturing sites)	MW	32.0	50.6	91.6			
CO ₂ emissions from transportation				B ^{(Notes)**} (manufacturing sites)	t-CO ₂	89,879	86,250	89,909			
CO ₂ emissions from transportation in Japan	Total reduction rate per unit (compared to FY2018)			B ^{(Notes)***} (manufacturing sites)	%	11.1	12.7	14.7			
		Sumitomo Electric and affiliates		B ^{(Notes)**} (manufacturing sites)	%	3.3	3.3	2.9			
	Per-unit emissions	Sumitomo Wiring Systems Group		B ^{(Notes)**} (manufacturing sites)	%	20.2	22.5	25.5			
		Sumitomo Electric and affiliates	B ^{(Notes)**} (manufacturing sites)	t-CO ₂ /million t-km	99.2	99.2	99.5				
		Sumitomo Wiring Systems Group	B ^{(Notes)***} (manufacturing sites)	t-CO ₂ /hundred million yen	2.03	1.97	1.90				
PRTR-designated chemical substances	Emissions	Reduction rate (compared to FY2022)		B**	%	15.4	27.2	32.8			
		Total			kg	84,102	72,291	66,669			
		N-Methyl-2-pyrrolidone			kg	13,220	9,800	13,543			
		Toluene			kg	22,814	19,500	13,600			
		1-Bromopropane			kg	15,100	20,800	22,100			
		Water-soluble salts of peroxodisulfuric acid			kg	0	14	14			
		Antimony and its compounds			kg	0	0	0			
		N,N-dimethylacetamide			kg	5,200	4,900	3,300			
		Bis (2-ethylhexyl) phthalate			kg	0	0	0			
		Xylene			kg	5,618	2,937	3,162			

Indicator			Detailed category	Boundary	Unit	FY2023	FY2024	FY2025
PRTR-designated chemical substances	Emissions	N,N-Dimethylacetamide		B**	kg	5,708	5,209	2,013
		Cresol			kg	1,853	1,790	1,753
		Vanadium compounds			kg	0	130	130
		Phenol			kg	2,392	1,438	1,405
		Ethylene glycol monomethyl ether			kg	2,104	2,300	1,420
		Trimethylbenzene			kg	2,758	1,009	99
		Ethylbenzene			kg	3,567	1,460	1,353
		Heptane			kg	130	90	91
		Tetramethylammonium hydroxide			kg	-	13	23
		Boron compounds			kg	16	16	16
		2-Aminoethanol			kg	3	7	9
		Diethanolamine			kg	0	0	0
		Lead and its compounds			kg	0	0	0
		Formaldehyde			kg	46	6	7
		Selenium and its compounds			kg	0	0	0
		Molybdenum and its compounds			kg	304	202	157
		Styrene			kg	340	350	290
		Hydrogen fluoride and its water-soluble salts			kg	389	177	1,080
		Nickel compounds			kg	330	74	130
		Water-soluble compounds of zinc			kg	0	0	0
		2-Ethylhexyl acrylate			kg	-	1	1
		Arsenic and its inorganic compounds			kg	0	0	0
		Water-soluble copper salts (except for complex salts)			kg	67	42	52
		Cobalt and its compounds			kg	3	16	0
		Chromium and chromium (III) compounds			kg	11	9	11
		Nickel			kg	0	0	0
		Manganese and its compounds			kg	0	0	0
		Phthalic anhydride			kg	-	0	0
		Indium and its compounds			kg	0	0	0
		Methylnaphthalene			kg	18	1	8
		Silver and its water-soluble compounds			kg	-	0	0
		4,4'-Isopropylidenediphenol (synonym: Bisphenol A)			kg	0	0	0
		Ethylenediamine			kg	0	0	0
		Dichlorobenzene			kg	2,100	-	-
		Glutaraldehyde			kg	0	-	0
		2- (2-Methoxyethoxy) ethanol			kg	11	-	7
		Silicon carbide			kg	-	-	0
		Alkan-1-amines, etc. ^(Note 7)			kg	-	-	0

ESG Data / Calculation Criteria / Company Overview

Indicator		Detailed category	Boundary	Unit	FY2023	FY2024	FY2025
PRTR-designated chemical substances	Transfers	Total	B**	kg	148,161	138,017	170,449
		N-Methyl-2-pyrrolidone		kg	39,220	54,000	26,326
		Toluene		kg	4,319	4,811	5,525
		1-Bromopropane		kg	430	1,210	2,290
		Water-soluble salts of peroxodisulfuric acid		kg	1,900	19,000	20,015
		Antimony and its compounds		kg	11,490	12,320	17,250
		N,N-dimethylacetamide		kg	4,160	5,610	6,630
		Bis (2-ethylhexyl) phthalate		kg	6,503	7,203	4,409
		Xylene		kg	3,157	3,855	3,247
		N,N-Dimethylformamide		kg	934	990	2,557
		Cresol		kg	3,650	3,900	3,510
		Vanadium compounds		kg	1,600	4,700	1,400
		Phenol		kg	5,660	2,890	2,630
		Ethylene glycol monomethyl ether		kg	1,146	1,382	2,012
		Trimethylbenzene		kg	3,064	2,010	1,730
		Ethylbenzene		kg	1,420	1,270	1,021
		Heptane		kg	2,800	1,900	1,900
		Tetramethylammonium hydroxide		kg	-	1,800	1,019
		Boron compounds		kg	1,634	1,660	2,647
		2-Aminoethanol		kg	13,062	1,540	12,360
		Diethanolamine		kg	1,427	1,400	1,300
		Lead and its compounds		kg	22,946	1,279	19,670
		Formaldehyde		kg	2,301	1,100	2,700
		Selenium and its compounds		kg	2,300	1,000	1,900
		Molybdenum and its compounds		kg	3,572	481	3,827
		Styrene		kg	13	13	11
		Hydrogen fluoride and its water-soluble salts		kg	211	79	627
		Nickel compounds		kg	210	138	1,270
		Water-soluble compounds of zinc		kg	784	201	188
		2-Ethylhexyl acrylate		kg	-	160	190
		Arsenic and its inorganic compounds		kg	49	71	62
		Water-soluble copper salts (except for complex salts)		kg	13	15	18,028
		Cobalt and its compounds		kg	2	2	3
		Chromium and chromium (III) compounds		kg	1	3	4
		Nickel		kg	31	8	44
		Manganese and its compounds		kg	5	8	11
		Phthalic anhydride		kg	-	6	6
		Indium and its compounds		kg	1	1	3

Indicator			Detailed category	Boundary	Unit	FY2023	FY2024	FY2025	
PRTR-designated chemical substances	Transfers	Methylnaphthalene		B**	kg	0	0	0	
		Silver and its water-soluble compounds			kg	-	0	0	
		4,4'-Isopropylidenediphenol (synonym: Bisphenol A)			kg	0	0	0	
		Ethylenediamine			kg	0	0	0	
		Dichlorobenzene			kg	6,800	-	-	
		Glutaraldehyde			kg	1,300	-	1,000	
		2- (2-Methoxyethoxy) ethanol			kg	46	-	27	
		Silicon carbide			kg	-	-	1,100	
		Alkan-1-amines, etc. ^(Note 7)			kg	-	-	0	
	Emissions	Dioxins		B**	mg-TEQ	3.3	4.0	8.9	
	Transfers	Dioxins			mg-TEQ	2.2	0.0	0.0	
VOC Emissions into the atmosphere				B**	t	73.61	84.8	92.8	
Environmental incidents and accidents				D	(count)	1	4	3	
Total amounts of waste and valuable materials discharged ^(Note 8)					thousand t	193.0	200.5	210.4	
Waste ^(Note 8)	Reduction rate of discharge per unit of sales (compared to FY2022)				%	9.5	10.4	15.8	
	Amount of discharge		Total	thousand t	76.4	80.9	83.9		
			Japan	thousand t	28.5	28.4	28.7		
			Overseas	thousand t	47.9	52.5	55.1		
	Waste landfilled or incinerated without thermal recovery		Total	thousand t	16.9	16.5	15.7		
		Japan	thousand t	0.3	0.4	0.3			
		Overseas	thousand t	16.6	16.1	15.5			
	Amount of discharge (breakdown)	Waste landfilled or incinerated without thermal recovery (breakdown)	General waste	thousand t	9.9	10.0	9.7		
			Waste liquid	thousand t	2.6	2.1	1.9		
			Sludge	thousand t	1.8	1.6	1.4		
		Others	thousand t	2.6	2.8	2.8			
		Recycling	Total	thousand t	59.5	64.4	68.1		
			Japan	thousand t	28.2	28.0	28.4		
			Overseas	thousand t	31.3	36.4	39.7		
		Recycling (breakdown)	Recycled materials	thousand t	43.3	46.3	49.1		
			Thermal recovery	thousand t	116.6	18.1	19.0		
		Valuable materials ^(Note 8)			Total	D*	thousand t	116.6	119.6
	Japan				thousand t		43.8	43.6	43.0
	Overseas				thousand t		72.8	76.0	83.6

ESG Data / Calculation Criteria / Company Overview

Indicator		Detailed category	Boundary	Unit	FY2023	FY2024	FY2025
Breakdown of reused materials (recycled materials and valuable materials)	Total		D*	thousand t	159.9	165.9	175.7
	Metal scrap			thousand t	75.5	75.7	75.6
	Paper scrap			thousand t	23.1	23.9	25.7
	Waste plastics			thousand t	13.4	14.7	15.6
	Waste acid			thousand t	13.3	13.2	14.1
	Sludge			thousand t	9.4	9.9	10.9
	Wood scrap			thousand t	6.0	6.5	6.9
	Waste oil			thousand t	5.3	5.5	6.7
	Others			thousand t	13.9	16.5	20.2
Waste recycling rates	Total		D*	%	91.2	91.8	92.5
	Japan			%	99.5	99.4	99.6
	Overseas			%	86.2	87.5	88.9
Water resources	Reduction rate of water withdrawal per unit of sales (compared to FY2022)	Total	D	%	10.9	14.8	21.4
		Total		thousand m ³	13,974	14,275	14,513
		Japan		thousand m ³	5,688	5,908	6,105
		Overseas		thousand m ³	8,286	8,367	8,408
	Volume of water withdrawal	Total	D	thousand m ³	13,974	14,275	14,513
		Japan		thousand m ³	5,688	5,908	6,105
		Overseas		thousand m ³	8,286	8,367	8,408
		Total		thousand m ³	13,974	14,275	14,513
	By water source (breakdown)	City water (percentage)	D	%	85	84	83
		(amount)		thousand m ³	-	-	12,040
		Ground water (percentage)		%	15	16	17
		(amount)		thousand m ³	-	-	2,473
	Volume of effluent	Total	D	thousand m ³	12,172	12,295	12,488
		Japan		thousand m ³	5,186	5,045	5,237
		Overseas		thousand m ³	6,986	7,250	7,251
		Total		thousand m ³	12,172	12,295	12,488
	By discharge destination (breakdown)	Sewers (percentage)	D	%	72	72	71
		(amount)		thousand m ³	-	-	8,896
		Rivers (percentage)		%	19	19	19
		(amount)		thousand m ³	-	-	2,418
		Sea (percentage)		%	8	8	8
		(amount)		thousand m ³	-	-	958
		Others (percentage)		%	1	1	2
		(amount)		thousand m ³	-	-	216
	Evaluating water risks on a global scale	Sites with significant flooding challenges	D	(count)	5	5	6
		Sites with significant drought challenges		(count)	2	1	1
		Number of sites in areas with "Extremely High" water risks		(count)	24	34	34
		Water withdrawal in areas with "Extremely High" water risks		thousand m ³	1,204	1,202	1,041
		% of water withdrawal in areas with "Extremely High" water risks		%	9	8	7

Indicator		Detailed category	Boundary	Unit	FY2023	FY2024	FY2025
Eco-Activities 2030	Total		D	(count)	248	299	356
	Biodiversity preservation			(count)	-	87	104
	Community cleanup			(count)	-	117	139
	Resource conservation and recycling			(count)	-	95	113
	Total number of certified "Eco Products"			(count)	379	384	390
Eco products sales			D	million yen	17,452	19,384	21,069
Green contribution sales			E	million yen	5,532	6,185	6,713

(Note 1) Category 4 of Scope 3 is only for Japan.

However, Nissin Electric Co., Ltd. and its group companies and Sumitomo Riko Company Limited and its group companies include overseas companies.

(Note 2) The breakdown figures for Category in Scope3 may not match their total amounts due to rounding.

(Note 3) Category 4 of Scope 3 is only for Japan.

However, Nissin Electric Co., Ltd. and its group companies include overseas companies.

(Note 4) Excluding the consolidated subsidiaries of Nissin Electric Co., Ltd.

(Note 5) Excluding Sumitomo Wiring Systems, Ltd. and its group companies and the consolidated subsidiaries of Nissin Electric Co., Ltd.

(Note 6) Sumitomo Wiring Systems, Ltd. and its group companies

(Note 7) Alkan-1-amine (only alkanes with a linear structure and a carbon number of 8, 10, 12, 14, 16, or 18, and mixtures thereof), (Z)-octadeca-9-en-1-amine, and (9Z, 12Z)-octadeca-9,12-diene-1-amine, and mixtures thereof

(Note 8) The breakdown figures for waste discharged and valuable materials may not match their total amounts due to rounding.

Items with an asterisk (*): The results of Nissin Electric Co., Ltd. and its consolidated subsidiaries (manufacturing sites) for FY2023 are additionally included.

Items with a double asterisk (**): The results of Nissin Electric Co., Ltd. for FY2023 are additionally included.

Social

Indicator		Detailed category	Boundary	Unit	FY2023	FY2024	FY2025
Human Capital							
Human capital	Sumitomo Electric Group employees	Total	E + employees seconded from other companies	(count)	293,266	288,145	302,972
		Male (percentage)		%	48.1	48.5	49.7
		(number)		(count)	141,010	139,854	150,453
		Female (percentage)		%	51.9	51.5	50.3
		(number)		(count)	152,256	148,291	152,519
		Percentage		%	15.0	15.5	14.2
	Employees by region	Total		(count)	44,020	44,594	43,082
		Male		(count)	34,728	35,008	33,501
		Female		(count)	9,292	9,586	9,581
		Percentage		%	85.0	84.5	85.8
		Total		(count)	249,246	243,551	259,890
		Male		(count)	106,282	104,846	116,952
		Female		(count)	142,964	138,705	142,938
		Percentage		%	17.2	16.3	17.5
		Total		(count)	50,360	46,926	52,995
		Male		(count)	24,303	21,082	24,045
		Female		(count)	26,057	25,844	28,950
		Percentage		%	41.3	41.9	40.5
		Total		(count)	121,287	120,777	122,602
		Male		(count)	52,679	53,080	53,654
		Female		(count)	68,608	67,697	68,948
		Percentage		%	26.5	26.3	27.8
		Total		(count)	77,599	75,848	84,293
		Male		(count)	29,300	30,684	39,253
		Female		(count)	48,299	45,164	45,040
	Sumitomo Electric Group managers	Total	E + employees seconded from other companies	(count)	15,599	15,897	15,296
		Male (percentage)		%	85.7	85.3	83.5
		(number)		(count)	13,367	13,553	12,770
		Female (percentage)		%	14.3	14.7	16.5
		(number)		(count)	2,232	2,344	2,526
		Total		(count)	6,995	7,124	7,209
	Sumitomo Electric employees	Male (percentage)	A + employees seconded from other companies	%	80.6	80.2	79.7
		(number)		(count)	5,638	5,716	5,743
		Female (percentage)		%	19.4	19.8	20.3
		(number)		(count)	1,357	1,408	1,466

Indicator		Detailed category	Boundary	Unit	FY2023	FY2024	FY2025
Human capital	Sumitomo Electric managers	Total	A + employees seconded from other companies	(count)	2,067	2,120	2,147
		Male (percentage)		%	95.6	95.3	94.9
		(number)		(count)	1,976	2,020	2,037
		Female (percentage)		%	4.4	4.7	5.1
		(number)		(count)	91	100	110
Human Capital Development	Core DX talents		B	(count)	134	89	100
	Data analysis talent			(count)	535	744	379
Improvement of Employee Treatment	Compensation growth (reflected in the next fiscal year's revision)		A + secondees (average for union members)	%	5.75	6.07	6.85
Diversity, Equity & Inclusion	SEG Global Executives (as of April 1 of the following year)		D	(count)	42	42	43
	Support of females' active engagement						
	Percentage of females in managerial positions		C + employees seconded from other companies	%	4.5	4.7	5.1
	Females in managerial positions (total)			(count)	400	422	448
	General manager level and above (senior assistant general managers and those in management positions)			(count)	57	61	74
	Section manager level (assistant general manager)		A + employees seconded from other companies	(count)	343	361	374
	Percentage of females in managerial positions			%	4.4	4.7	5.1
	Females in managerial positions (total)			(count)	91	100	110
	General manager level and above (senior assistant general managers and those in management positions)		A	(count)	22	24	27
	Section manager level (assistant general manager)			(count)	69	76	83
	Percentage of females among new graduate hires (Business)			%	41.2	42.0	40.5
	Percentage of females among new graduate hires (Engineering)		A + secondees	%	10.6	14.9	12.2
	Compensation gap between male and female workers (all workers)			%	72.9	74.3	75.1
	Regular employees			%	73.4	74.7	75.5
	Non-regular employees			%	51.4	44.3	50.1
	Male and female hires (all functions)	Total	A	(count)	588	585	614
		Male		(count)	473	485	490
		Female		(count)	115	100	124
	Hires (proportion of women in all job types)			%	19.6	17.1	20.2
	Hires (mid-career)			(count)	216	197	203
Improvement of the Workplace Environment : Creation of a comfortable workplace environment	Employment rate of people with disabilities (As of June 15 of each year)		(Note 1)	%	2.59	2.53	2.67
	Employees with disabilities at Sumiden Friend, Ltd.		—	(count)	104	107	114
	Average total working hours		A + secondees (average for union members)	hours	1,935	1,936	1,935
	Average overtime hours worked			hours / month	16.1	15.7	15.7
	Average paid leave days taken			days / year	19.2	18.4	18.6

ESG Data / Calculation Criteria / Company Overview

Indicator	Detailed category	Boundary	Unit	FY2023	FY2024	FY2025
Turnover rate (percentage of the new-graduate employees who were hired three years before the relevant year and left the company within three years)		A	%	12.2	12.6	10.2
Users of employee support systems		A + secondees				
Childcare leave users	Total		(count)	407	423	
	Male		(count)	282	317	
	Female		(count)	125	106	121
Users of leave when their spouses gave birth			(count)	179	203	182
Percentage of male employees taking childcare leave			%	100	100	100
Users of the short-working-hour system	Total		(count)	270	253	275
	Male		(count)	37	41	45
	Female		(count)	233	212	230
Registrants with the reemployment system	Total		(count)	10	10	13
	Male		(count)	2	4	6
	Female		(count)	8	6	7
Children admitted to childcare centers			(count)	49	43	46
Volunteer leave users			(count)	7	12	15
Users of the work-from-home system			(count)	6,578	6,530	6,413
Health and productivity management		A				
Rate of those maintaining appropriate body weight			%	65.4	65.0	64.8
Smoking rate	Male		%	23.2	23.4	23.3
	Female		%	5.1	5.1	4.9
Rate of those with exercise habits			%	34.2	33.4	33.5
Rate of those with high stress			%	11.5	11.0	11.7
Overall health risk				85	84	85
Prevention of lifestyle-related diseases Healthy practice campaign			(count)	1,842	1,460	1,511
Establishment of exercise habits SEI Challenge Cup participants (cumulative)	In-person events		(count)	221	225	257
	Online events		(count)	-	4,038	4,981
Total attendance at walking event (cumulative)			(count)	6,696	6,674	6,888
Support for associations			teams	-	14	15
Support for sports clubs			teams	-	36	36
Support for female health (Gynecological cancer screening) (cumulative)			(count)	-	155	832
Absenteeism			%	1.66	1.33	1.61
Employees on long-term absence due to mental disorder per 1,000 employees (Note 2)			(count)	9.3	7.8	9.2
Blood pressure treatment rate			%	84.4	76.5	80.0
Regular health checkup attendance rate			%	100	100	100
Complete medical examination attendance rate			%	54.6	71.1	75.1
Stress check participation rate (Note 2)			%	95.8	94.6	95.3

Improvement of the Workplace Environment :
Creation of a comfortable workplace environment

Indicator		Detailed category	Boundary	Unit	FY2023	FY2024	FY2025		
Improvement of the Workplace Environment : Creation of a comfortable workplace environment	Engagement survey		E						
	No. of participating companies			(count)	120	165	192		
	No. of participating countries			(count)	20	24	29		
	No. of participants	Total		(count)	5.4	6.5	6.2		
		Japan		(count)	4.0	4.3	4.2		
		Overseas		(count)	1.4	2.2	2.0		
	Engagement score for pride as a member of the Group ^(Note 3)	Japan and Overseas		%	73	77	83		
		Japan		%	67	70	78		
		Sumitomo Electric		%	78	80	86		
Human Rights	No. of companies subject to the human rights due diligence survey		D ^(Note 4)	(count)	-	-	288		
	Labor union membership rate among regular employees		A + secondees	%	100	100	100		
	Percentage of union members among Sumitomo Electric employees		A + secondees	%	70	69	69		
Occupational Safety and Health	No. of people involved in serious accidents or lost-time injuries		E	headcount	16	21	16		
	No. of people involved in industrial accidents	Total	D + contractors	headcount	14	15	5		
		Employees		Total	headcount	8	13	4	
				Japan	headcount	3	10	2	
				Overseas	headcount	5	3	2	
	Temporary workers, subcontractors			headcount	6	2	1		
		Serious accidents ^(Note 5)		Total	headcount	0	1	0	
				Employees	Total	headcount	0	0	0
	Japan				headcount	0	1	0	
	Overseas	headcount			0	0	0		
	Temporary workers, subcontractors			headcount	0	0	0		
		Lost-time injuries		Total	headcount	14	14	5	
				Employees	Total	headcount	8	12	4
	Japan				headcount	3	9	2	
	Overseas	headcount			5	3	2		
	Temporary workers, subcontractors			headcount	6	2	1		
	Lost time injury frequency rate for employees in Japan			B	-	0.04	0.14	0.03	
	Risk assessment implementation rate ^(Note 6)			B	%	100	100	100	
	Product Quality and Safety								
		Global quality management system audits		Total	D ^(Note 7) (manufacturing sites)	sites	18	15	12
Japan				sites		12	10	5	
Overseas			sites	6		5	7		
No. of complaints (results in FY2022 = 100)			D ^(manufacturing sites)	%	91.4	97.7	87.6		

ESG Data / Calculation Criteria / Company Overview

Indicator	Detailed category	Boundary	Unit	FY2023	FY2024	FY2025
Activities Contributing to Society (CSR Activities)						
Total expenditure on Contribution to CSR activities			million yen	1,773	2,131	2,286
Human capital (next generation) development			million yen	202	166	348
Promotion of research and learning		E (Note 8)	million yen	166	185	228
Environmental conservation			million yen	46	63	66
Contributions to local communities, etc.			million yen	1,347	1,706	1,626
Supporting employee volunteer activities			million yen	12	11	18
Percentage of expenditure on Contribution to CSR activities out of profit after-tax		E (Note 8)	%	1.05	0.96	0.76
Donations made by Sumitomo Electric		A	million yen	818	863	991
No. of companies that reported on their CSR activities			(count)	-	212	227
Japan		E (Note 8)	(count)	-	68	70
Greater China			(count)	-	32	36
Southeast Asia and Australia (APAC)			(count)	-	63	64
Americas			(count)	-	19	24
Europe, the Middle East, and Africa (EMEA)			(count)	-	30	33
Results of programs funded by the Sumitomo Electric Group CSR Foundation						
Endowed university courses (Number of courses)			courses	6	7	7
(Program expenditure)			million yen	87	106	110
Academic and research grants (Number of recipient projects)		-	recipient projects	24	22	55
(Program expenditure)			million yen	38	31	95
Scholarships (Number of recipients)			recipients	168	169	103
(Program expenditure)			million yen	42	41	57
Supply Chain						
Compliance with laws related to procurement	No. of divisions and affiliates subject to the inspection					
	Proper Transactions Act (formerly Subcontract Act)	B	(count)	4	6	8
	Internal control	D	(count)	11	12	14
	Customs Act	A	(count)	28	28	26
CSR procurement	CSR-based procurement assessment implementation rate [cumulative total]	E	%	73	74	84
	No. of companies in Japan surveyed with the CSR-based procurement self-assessment questionnaire (SAQ)	C	(count)	353	792	242
Intragroup transactions	EDI rate for transactions between group companies	D (Note 9)	%	81.9	91.0	100.0

(Note 1) Sumitomo Electric and some Group companies that are subject to calculation based on the Act to Facilitate the Employment of Persons with Disabilities

(Note 2) The result for fiscal 2024 has been revised from that published previously in CSR Book 2025 as it was proved to be incorrect due to an error in the scope of calculation.

(Note 3) The relevant question was "Do you agree with the statement 'I have pride in being a member of the Sumitomo Electric Group?'." with a choice of five answers: (1) "Agree," (2) "Tend To Agree," (3) "?," (4) "Tend To Disagree," and (5) "Disagree." The score indicates the percentage of respondents who selected (1) or (2).

(Note 4) Scope of coverage: Excluding Nissin Electric Co., Ltd., TECHNO ASSOCIE Co., Ltd., and their group companies.

(Note 5) 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 of Japan). In fiscal 2024, a serious accident claimed the life of one person.

(Note 6) This refers to the implementation rate of risk assessment described on p.47.

(Note 7) Excluding Sumitomo Wiring Systems, Ltd., Nissin Electric Co., Ltd., and their group companies.

(Note 8) Including SUMITOMO DENSETSU CO., LTD. and its consolidated subsidiaries.

(Note 9) Excluding Sumitomo Wiring Systems, Ltd., Nissin Electric Co., Ltd., TECHNO ASSOCIE Co., Ltd., and their group companies.

Governance and Others

Indicator	Detailed category	Boundary	Unit	FY2023	FY2024	FY2025
Board of Directors (Note 1)	No. of Directors	Total	(count)	15	15	14
		Total	(count)	9	9	9
	Inside	Male	(count)	9	9	9
		Female	(count)	0	0	0
	Outside (No. of Independent officers)	Total	(count)	6 [6]	6 [6]	5 [5]
		Male	(count)	4 [4]	4 [4]	3 [3]
		Female	(count)	2 [2]	2 [2]	2 [2]
	Director's term of office		year	1	1	1
Audit & Supervisory Board (Note 1)	No. of Audit & Supervisory Board Members	Total	(count)	5	5	5
		Total	(count)	2	2	2
	Inside	Male	(count)	2	2	2
		Female	(count)	0	0	0
	Outside (No. of Independent officers)	Total	(count)	3 [3]	3 [3]	3 [3]
		Male	(count)	2 [2]	2 [2]	2 [2]
		Female	(count)	1 [1]	1 [1]	1 [1]
	Audit & Supervisory Board Member's term of office		year	4	4	4
Compliance	No. of whistle-blowing reports received	D	(count)	243	314	326
Communication with Shareholders and Investors	Financial results briefings (cumulative) (Note 2)		companies	131	135	162
	One-on-one interviews (Note 2)	No. of interviews	(count)	239	392	531
		No. of companies	companies	343	734	1,354
Information disclosure	Results of Information Dissemination	President's blog	(count)	27	28	24
		News releases	(count)	125	153	138
		Media coverage	(count)	152	139	104
Consolidated companies	Consolidated subsidiaries	E	(count)	382	389	374
	Equity method affiliates	Equity method affiliates	(count)	33	32	26
	Total		(count)	415	421	400
	No. of consolidated companies by region		(count)	104	103	95
		Japan	(count)	311	318	305
		Overseas total	(count)	48	51	50
		Americas	(count)	192	192	182
		Asia	(count)	71	75	73
		Europe and others	(count)			

(Note 1) As of the end of the following year's Annual General Meeting of Shareholders

(Note 2) The number of companies is the cumulative total number.

Education and Training

Indicator		Detailed category	Boundary	Unit	FY2023	FY2024	FY2025	
Environment								
	New employees environmental education attendance rate		A	%	-	97	100	
	Attendance at position-based environmental training			(count)	1,139	1,801	1,995	
	Attendance at training on the notification of facilities subject to environmental laws		B	(count)	343	122	147	
	Attendance at training on environmental laws/regulations			(count)	1,108	1,454	1,391	
	Attendance at training on energy-saving design			(count)	26	11	6	
	Attendance at LCA (Life Cycle Assessment) seminar			(count)	344	237	102	
Social								
Human capital - Human Capital Development	Executive training program participants			(count)	36	35	30	
	Management program based on the Sumitomo Spirit participants			(count)	876	1,048	1,062	
	Total hours of training programs			hours / annually per headcount	12.8	23.0	21.0	
	Cumulative total attendance at training programs common to all Sumitomo Electric Group companies	Total	E	(count)	321,294	382,499	423,781	
		Sumitomo Electric		(count)	161,874	209,592	225,667	
		Japan		(count)	83,212	97,128	95,803	
		Overseas		(count)	76,208	75,779	102,311	
	Cumulative total hours of training programs common to all Sumitomo Electric Group companies	Total		hours	744,469	1,015,292	907,282	
		Sumitomo Electric		hours	476,245	606,619	493,320	
		Japan		hours	154,235	292,377	281,151	
		Overseas		hours	113,989	116,296	132,811	
	Cumulative total attendance at company-specific training	Total		(count)	820,372	1,413,693	1,769,300	
		Japan		(count)	67,810	79,838	78,714	
		Overseas		(count)	752,562	1,333,855	1,690,586	
	Cumulative total hours of company-specific training	Total		hours	2,999,186	5,605,249	5,448,227	
		Japan		hours	265,893	363,711	234,096	
		Overseas		hours	2,733,293	5,241,538	5,214,131	
	Human capital - Improvement of the Workplace Environment: Creation of a comfortable workplace environment	Attendance at lifestyle review training (exercise)			A	(count)	-	235
		(diet)		(count)		258	111	-
		(sleep)		(count)		-	-	709
		Mental health care						
		Attendance at self-care training		(count)		555	1,131	877
		Attendance at training for managers and supervisors		(count)		635	1,063	302
		Attendance at female health support seminars		(count)		788	139	-
		Attendance at seminars on prevention of health problems caused by work with information devices		(count)		-	275	-
		Attendance at eye strain seminar (for employees in general)		(count)		257	896	-

Indicator		Detailed category	Boundary	Unit	FY2023	FY2024	FY2025
Human capital - Human Rights	Human rights training		D	(count)	22,199	36,284	30,780
	Cumulative total number of trainees			hours	15,078	18,215	17,780
	Cumulative total number of training hours						
Human capital - Occupational Safety and Health	Attendance at repetitive safety training for technical staff position		A	(count)	891	837	948
	Attendance at safety training for staff position and managerial position			(count)	870	959	1,343
Product Quality and Product Safety	Attendance at position-based training (for all employees)		A	(count)	2,427	2,907	2,197
	Attendance at nomination-based training (by function or by job)		D	(count)	272	192	2,529
	Attendance at optional training			(count)	4,725	3,264	3,908
	Attendance at training on the prevention of intentional quality-related misconduct			(count)	14,307	17,019	18,919
Supply Chain	Cumulative total attendance at procurement compliance training		A	(count)	5,293	2,590	6,898
	Cumulative total attendance at OFF-JT program		E ^(Note 1)	(count)	344	375	298
	Cumulative total attendance at key person training on Proper Transactions Act (formerly Subcontract Act)		C	(count)	10	8	17
Governance							
Security Export Control	Attendance at training for staff responsible for export classification		B	(count)	187	183	172
	Attendance at training for the export department		B	(count)	1,836	1,816	1,967
	Attendance at training for general employees		B	(count)	2,183	2,819	3,465
	Affiliates in Japan participating in training		B	(count)	33	27	29
	Overseas Affiliates participating in training		D	(count)	18	26	6
	Attendance at training on the U.S. export administration regulations (EAR)		B	(count)	342	271	164
Compliance	Attendance at compliance training on the Code of Conduct, compliance with competition laws, etc. ^(Note 2)		D	(count)	112,000	125,000	138,000

(Note 1) Including some equity method affiliates

(Note 2) The results for fiscal 2023 and 2024 have been revised from those published previously in CSR Book 2024 or CSR Book 2025 as they were proved to be incorrect due to an error in the scope of calculation.

Calculation Criteria

Data index	Calculation criteria
Environment	Scope 1: Direct emissions from the use of fossil fuels, etc. in our facilities (including SF6 and other greenhouse gases) Scope 2: Indirect emissions from the use of electricity and steam supplied from outside our facilities Calculations are based on the "Greenhouse Gas Emissions Accounting and Reporting Manual, Ver. 6.1 (2026)" by the Japanese Ministry of the Environment and the Ministry of Economy, Trade and Industry. Emission factors: For CO₂ emission factors for purchased electricity, the latest emission factors available at the time of calculation are used. GHG emission factors for purchased electricity: (Japan) Basic emission factors of respective electric power suppliers published in the "Emission Factor by Electric Utility Operator (for Calculating Greenhouse Gas Emissions from Specified Emitters) —FY2024 Results" by the Japanese Ministry of the Environment. (Overseas) When the emission factors of suppliers are known, such factors are used. For sites located in China, the factors for each province for 2023 disclosed by the Ministry of Ecology and Environment and the National Bureau of Statistics of China are used. For other cases, the emission factors of each country for 2023 mentioned in "Emission Factors 2025" by the IEA are used. GHG emission factors for other than purchased electricity: (Both in Japan and overseas) "Greenhouse Gas Emissions Accounting and Reporting Manual, Ver. 6.1" (2026) by the Japanese Ministry of the Environment and the Ministry of Economy, Trade and Industry. For the emission factor of city gas, we use the substitute value published in "Emission Factor by Gas Utility Operator (for Calculating Greenhouse Gas Emissions from Specified Emitters) —FY2024 Supply Results" by the Japanese Ministry of the Environment.
	Scope 3: Total emissions not only from the reporting organization but also from all sources related to its business activities (excluding Scope 1+2) Category 1: Emissions are calculated based on the amount of materials and parts purchased (physical quantity and purchased value). Regarding emission intensity, the database IDEA (Ver. 4.0) is mainly used; however, priority is given to primary data (actual measurements by suppliers) if such data are available for purchased materials and parts. Indirect emissions are calculated based on the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Reference: The "Basic Guidelines on Accounting for Greenhouse Gas Emissions of Organizations Throughout the Supply Chain, Ver. 2.8" (2026) by the Japanese Ministry of the Environment and the Ministry of Economy, Trade and Industry
	CO₂ emissions from transportation in Japan CO₂ emissions from exports Japan: Calculated on an improved tonne-kilometer basis or by the conventional tonne-kilometer method Exports: Calculated by the conventional tonne-kilometer method Supply chain emissions calculation: The "Emissions Intensity Database (Ver. 3.5)" by the Japanese Ministry of the Environment is used.
	CO₂ emissions per basic unit from transportation in Japan Sumitomo Electric and affiliates^(Note): CO₂ emissions/transport volume (tonne-kilometer) Sumitomo Wiring Systems Group: CO₂ emissions/net sales
	Total reduction rate of emissions per basic unit with different denominators = $\frac{\begin{aligned} &(\text{Basic unit for FY2018 [Sumitomo Electric and affiliates]} \times \text{transport volume in FY2025 [tonne-kilometer]} \\ &+ \text{basic unit for FY2018 [Sumitomo Wiring Systems Group]} \times \text{net sales in FY2025 [hundred million yen]}) \\ &- (\text{Basic unit for FY2025 [Sumitomo Electric and affiliates]} \times \text{transport volume in FY2025 [tonne-kilometer]} \\ &+ \text{basic unit for FY2025 [Sumitomo Wiring Systems Group]} \times \text{net sales in FY2025 [hundred million yen]}) \end{aligned}}{\begin{aligned} &\text{Basic unit for FY2018 [Sumitomo Electric and affiliates]} \times \text{transport volume in FY2025 [tonne-kilometer]} \\ &+ \text{basic unit for FY2018 [Sumitomo Wiring Systems Group]} \times \text{net sales in FY2025 [hundred million yen]} \end{aligned}}$ Total CO₂ emissions in FY2025 calculated based on the FY2018 basic unit – Total CO₂ emissions in FY2025 Total CO₂ emissions in FY2025 calculated based on the FY2018 basic unit

Data index	Calculation criteria
Environment	Emissions and transfers of PRTR-designated chemical substances
	Volume of water withdrawal
	Volume of effluent
	Amount of waste discharged
	Waste recycling rate (%)
	Investments in GHG emissions reduction projects Energy cost savings Investment in resource conservation and recycling Waste disposal costs/sales of valuable materials
Social	Contribution to CSR activities
	Average overtime hours worked
	Average total working hours
	Turnover rate
	Lost-time injury frequency rate
	Reemployment system

(Note) Scope of coverage: Sumitomo Electric and its consolidated subsidiaries in Japan with manufacturing sites (excluding Sumitomo Wiring Systems Group, Sumitomo Riko Group, and the consolidated subsidiaries of Nissin Electric Co., Ltd.)

GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Company Overview

As of March 31, 2026

Trade Name	Sumitomo Electric Industries, Ltd.
Head Office	4-5-33, Kitahama, Chuo-ku, Osaka, JAPAN
Established	April 1897
President & COO	Osamu Inoue
Capital Stock	99,737 million yen
Settlement Period (fiscal year)	April 1 to March 31 each year

Business Details, Main Products, etc.

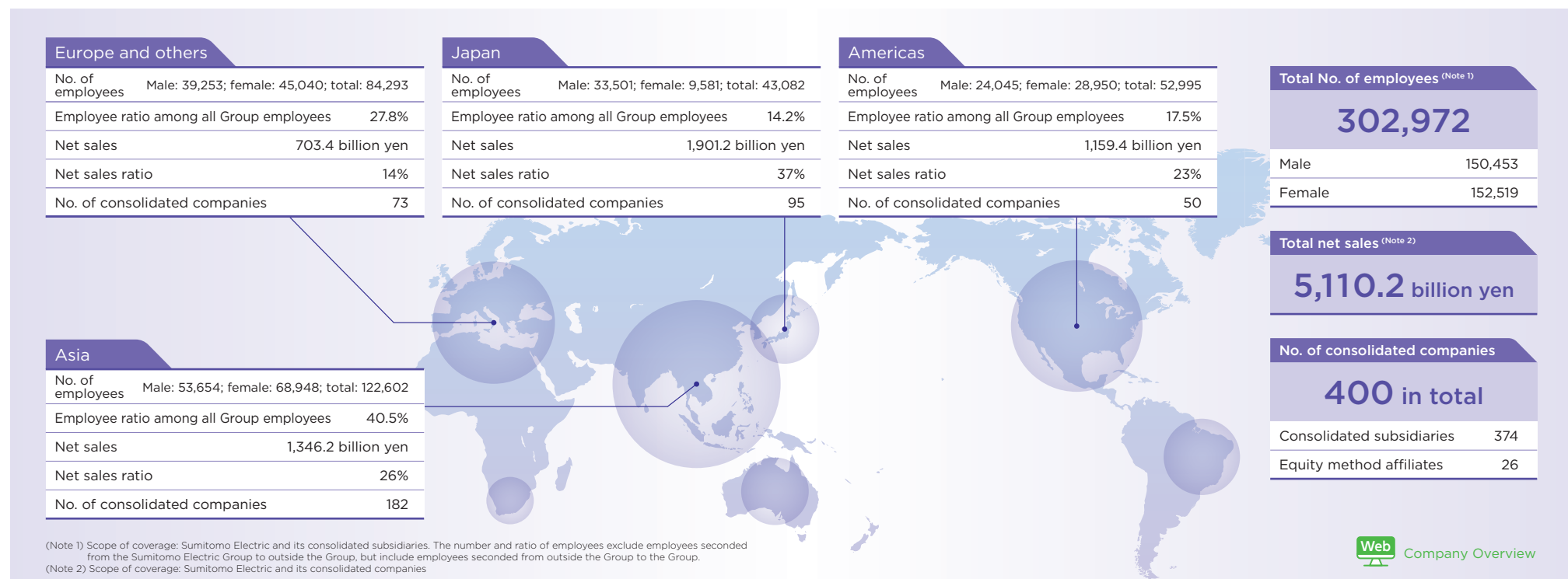
The Group conducts manufacturing and sales of the following products, as well as construction design and execution.

As of March 31, 2026

Segment	Main products and others
Environment and Energy	Electric conductors, power transmission wires/cables/equipment, magnet wires, air cushions for railroad vehicles, power system equipment such as substation equipment/control system, charged beam equipment and processing, electrical/power supply work and engineering, porous metals, metal materials for electronic parts
Info-communications	Optical fibers and optical cables, telecommunication cables and equipment, fusion splicers, optical/wireless devices such as optical transceiver modules/wireless communication devices, compound semiconductors, access network equipment (GE-PON/set-top box/CATV-related products, etc.)
Automotive	Wiring harnesses, anti-vibration rubbers/automotive hoses, electronic components of cars and network system products such as traffic control
Electronics	Electronic wires, electron beam irradiated products, flexible printed circuits, fluororesin products, fasteners, metal parts, chemical products
Industrial Materials and Others	Tensioning materials for prestressed concrete, precision spring steel wires, steel tire cords, cemented carbide tools, diamond/CBN tools, laser optics, sintered powder metal parts, semiconductors heat-spreader materials

Region-specific Data

As of March 31, 2026



 Sumitomo Electric Industries, Ltd.

<https://sumitomoelectric.com/>



Sumitomo Electric Group's
official mascot
Sumeedy