CONVOCATION NOTICE OF

THE 156TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

June 4, 2026
Sumitomo Electric Industries, Ltd.

On May 28, 2026, Sumitomo Electric Industries, Ltd. (the “Company”) posted the information contained in the Reference Documents and other documents regarding the Ordinary General Meeting of Shareholders (the “Electronic Provision Measures Matters”) on the Internet websites in convening the 156th Ordinary General Meeting of Shareholders. This document only provides translations of information contained in the Japanese original text of the Electronic Provision Measures Matters (except non-consolidated financial statements, independent auditor's reports, the report of Audit & Supervisory Board, instructions on exercise of voting rights, Internet live streaming information, and the map of the venue of the Ordinary General Meeting of Shareholders) disclosed on the Internet in convening the 156th Ordinary General Meeting of Shareholders, solely for the purpose of identifying the items of information contained in the Electronic Provision Measures Matters for reference. The Company does not represent or warrant that the information provided in this document (the “Information”) constitutes a summary of the Electronic Provision Measures Matters or provides a complete and accurate record of the material information of the Electronic Provision Measures Matters. No warranty is given to any user of the Information as to its accuracy or completeness or timeliness. In the event of any dispute regarding or difference between the meaning or intent of the Information and that of the Japanese original text of the Electronic Provision Measures Matters, the Japanese original text of the Electronic Provision Measures Matters shall prevail. In order to accurately and completely understand the information contained in the Electronic Provision Measures Matters, it is necessary to read their complete Japanese original text. The shareholders of the Company are therefore requested to refer to the complete text of the Electronic Provision Measures Matters. The original Japanese text of the Electronic Provision Measures Matters should be available on the Company’s Japanese Web site (https://sumitomoelectric.com/jp/ir/meeting).

Neither the provision of the Information nor any part of the Information shall be deemed to be an offer to purchase or sell, or a solicitation of an offer to purchase or sell, any securities, nor shall it be deemed a recommendation for or an endorsement of investment by the Company. Neither the Company nor any of its Directors, officers, employees, agents, affiliates and assigns shall be liable to any person for any losses, damages, costs or expenses of whatever nature arising out of, or in any way related to, any errors to, delays in, ambiguities of, omissions from or alterations to, the Information or for any reliance by such person on any part of the Information.

(Translation)

Securities Code: 5802

June 4, 2026
(Electronic provision measures commencement date: May 28, 2026)

To: Shareholders

Sumitomo Electric Industries, Ltd.
5-33, Kitahama 4-chome
Chuo-ku, Osaka City
Represented by: Osamu Inoue
President

CONVOCATION NOTICE OF THE 156TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to hereby inform you that the 156th Ordinary General Meeting of Shareholders (the "Meeting") will be held as set forth below.

In convening the Ordinary General Meeting of Shareholders, we take electronic provision measures for the information contained in the Reference Documents and other documents regarding the Ordinary General Meeting of Shareholders (the "Electronic Provision Measures Matters"). The Electronic Provision Measures Matters is posted on the following Internet websites. Please access one of the following websites to review the information.

The Company's website:	https://sumitomoelectric.com/jp/ir/meeting
TSE website TSE Listed Company Information Service	https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show

On the TSE website, please search by issue name (Sumitomo Electric Industries) or securities code (5802), and select "Basic Information" and "Documents for Public Inspection/PR Information" to review the information.

In addition to attending the Meeting, you have an option to exercise your voting rights by electromagnetic means (the Internet, etc.) or in writing. We cordially request that you exercise your voting rights (in doing so, please follow the "Instructions Regarding Voting" set forth on page 5 [of the Japanese original text]) by 5:15 p.m. of June 25, 2026 (Thursday), after examining the Reference Documents regarding the Ordinary General Meeting of Shareholders set out below.

1. Date: June 26, 2026 (Friday) at 10:00 a.m.

2. Place: "The Grand Ballroom" 2nd floor
The Ritz-Carlton, Osaka
5-25, Umeda 2-chome, Kita-ku, Osaka City

3. Purposes of the Meeting:

Matters to be reported

1. Reporting on the Business Report, the Consolidated Financial Statements and the results of the examination of the Consolidated Financial Statements by the

Accounting Auditor and the Audit & Supervisory Board for the 156th fiscal year (from April 1, 2025 to March 31, 2026)

2. Reporting on the Non-Consolidated Financial Statements for the 156th fiscal year (from April 1, 2025 to March 31, 2026)

Matters to be resolved

First item: Disposition of surplus

Second item: Appointment of fourteen (14) Directors

Third item: Appointment of one (1) Audit & Supervisory Board Member

Fourth item: Payment of bonuses to the Directors

---

* Substitutions are allowed only when the proxy is the Company's shareholder with voting rights, and one person for each shareholder. (The proxy must bring not only the "Voting Instruction Form" of the shareholder but also a certification for his or her authority.)

* Of the Electronic Provision Measures Matters, the following matters are not included in the documents to be delivered to shareholders who requested the delivery of written documents, as they are posted on the aforementioned Internet websites in accordance with laws and regulations and the Articles of Incorporation; in addition, the Audit & Supervisory Board Members and the Accounting Auditors audited the documents subject to the audit, including the following matters:

  (i) "Content of Resolutions Regarding Development of Systems Necessary to Ensure the Propriety of Operations and Outline of the Operational Status of the Systems" in the business report;
  (ii) "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the consolidated financial statements; and
  (iii) "Non-Consolidated Statement of Changes in Net Assets" and "Notes to Non-Consolidated Financial Statements" in the non-consolidated financial statements.

* When the Electronic Provision Measures Matters need modification by the day before the Meeting, we will notify the shareholders by notice on the aforementioned Internet websites.

(Translation)

REFERENCE DOCUMENTS
REGARDING THE ORDINARY GENERAL MEETING OF SHAREHOLDERS

Agendas and Reference Information

First item: Disposition of surplus

Based on maintenance of stable dividends, the Company has the basic policy of making distribution of profits to shareholders after taking into consideration the consolidated business results, the dividend payout ratio, the accumulation level of the retained earnings and other matters.

As for the year-end dividend for the 156th fiscal year, in consideration of the business results for this fiscal year and other matters, the Company proposes to distribute in the amount of one hundred four yen (¥104) per share, which is forty-three yen (¥43) more than that of the preceding fiscal year. As a result, the dividend for this fiscal year, including the interim dividend (fifty yen (¥50)), is one hundred fifty-four yen (¥154) per share, which is fifty-seven yen (¥57) more than that of the preceding fiscal year.

1. Matters concerning the year-end dividend

   (1) Type of properties to be distributed:

   Cash

   (2) Matter concerning the allocation of properties to be distributed and the total amount thereof:

   One hundred four yen (¥104) per ordinary share of the Company
   Total amount of dividends: 81,127,256,704 yen

   (3) Effective date of distribution of surplus:

   June 29, 2026

2. Other matters concerning the disposition of surplus

   Not applicable.

Second item: Appointment of fourteen (14) Directors

The terms of office of all fifteen (15) current Directors will expire upon the closing of this Meeting. Approval is hereby requested for the appointment of fourteen (14) Directors.

The nominees for the offices of Directors are as stated on pages 11 to 25.

[*Reference Information*] List of Nominees for Directors

Nominee Number	**Name**		**Position and Areas of Responsibility in the Company (as of May 28, 2026)**	**Number of Times Attending Board of Directors Meetings (FY2025)**
1	Masayoshi Matsumoto	Reappt.	Chairman & CEO	15/15
2	Osamu Inoue	Reappt.	President & COO	15/15
3	Hideo Hato	Reappt.	Executive Vice President General Manager, New Business Development Unit Deputy General Manager, Automotive Business Unit (Systems & Electronics Division) Corporate Staff Group (Legal, Public Relations, Information Systems, Corporate Planning, Intellectual Property, Security Trade Control)	15/15
4	Masaki Shirayama	Reappt.	Managing Director General Manager, Electric Wire & Cable, Energy Business Unit	15/15
5	Yasuhiro Miyata	Reappt.	Managing Director General Manager, Electronics Sales Unit Sales Group (Sales Compliance)	15/15
6	Toshiyuki Sahashi	Reappt.	Managing Director General Manager, Advanced Materials Business Unit Industrial Materials Group (Sintered Metal Components Division)	15/15
7	Yoshiyuki Ogata	Reappt.	Managing Director General Manager, Automotive Business Unit General Manager, Chubu District Office	15/15
8	Hiroshi Hayami	Reappt.	Managing Director General Manager, R&D Unit Electronics Group (Flexible Printed Circuits Division)	12/12

Nominee Number	Name		Position and Areas of Responsibility in the Company (as of May 28, 2026)	Number of Times Attending Board of Directors Meetings (FY2025)
9	Hisashi Togawa	Reappt.	Managing Director General Manager, Manufacturing Management & Engineering Unit Deputy General Manager, New Business Development Unit Electronics Group (Fine Polymer Division)	12/12
10	Hiroshi Sato	Reappt.	Outside Director O/S Ind. Officer	15/15
11	Michihiro Tsuchiya	Reappt.	Outside Director O/S Ind. Officer	15/15
12	Atsushi Horiba	Reappt.	Outside Director O/S Ind. Officer	14/15
13	Kyoko Kawamata	Reappt.	Outside Director O/S Ind. Officer	14/15
14	Asli M. Colpan	Reappt.	Outside Director O/S Ind. Officer	11/12

"Reappt." means a reappointed nominee; "O/S" means a nominee for Outside Director; and "Ind. Officer" means a nominee for Independent Officer as defined by Tokyo Stock Exchange, Inc., etc.

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
1	Masayoshi Matsumoto (September 18, 1944)	73,600 shares
	Career Summary, Position, Areas of Responsibility and Important Concurrent Posts	
	Apr. 1967 Joined the Company Jun. 1997 Director Jun. 1999 Managing Director Jun. 2003 Senior Managing Director Jun. 2004 President & COO Jun. 2017 Chairman & CEO (currently maintained) Important Concurrent Posts Chairman, Kansai Economic Federation	
	Reasons Why the Company Nominates the Nominee as a Director	
	The Company has selected him as a nominee for the office of Director because he has been, as a President & COO since June 2004, and as a Chairman & CEO since June 2017, one of the core members of the Company's management and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc."	

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
2	Osamu Inoue (August 25, 1952)	51,210 shares

Career Summary, Position, Areas of Responsibility and Important Concurrent Posts

Apr. 1975	Joined the Company
Jun. 2004	Executive Officer Deputy General Manager, Automotive Business Unit
Jan. 2006	Executive Officer, Sumitomo Wiring Systems, Ltd.
Jun. 2006	Director, Managing Executive Officer, Sumitomo Wiring Systems, Ltd.
Jun. 2007	Director, Senior Managing Executive Officer, Sumitomo Wiring Systems, Ltd.
Jun. 2008	Managing Director, General Manager, Automotive Business Unit of the Company
Apr. 2009	Director of the Company President, Sumitomo Electric Bordnetze GmbH (now known as Sumitomo Electric Bordnetze SE)
Jun. 2012	Deputy General Manager, Automotive Business Unit of the Company Director, President, Sumitomo Wiring Systems, Ltd.
Apr. 2017	Managing Executive Officer of the Company Director, Sumitomo Wiring Systems, Ltd.
Jun. 2017	President & COO

(currently maintained)

Reasons Why the Company Nominates the Nominee as a Director

The Company has selected him as a nominee for the office of Director because he has been, as a President & COO, one of the core members of the Company's management since June 2017 and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc."

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
3	Hideo Hato (September 3, 1957)	19,600 shares

Career Summary, Position, Areas of Responsibility and Important Concurrent Posts

Apr. 1981	Joined the Ministry of International Trade and Industry
Jun. 2013	Commissioner, Patent Office
Jul. 2014	Retired from office
Jun. 2016	Joined the Company Managing Executive Officer
Jun. 2017	Managing Director
Apr. 2018	Ditto Deputy General Manager, Automotive Business Unit
Jun. 2018	Ditto General Manager, New Business Development Unit
Jun. 2019	Senior Managing Director General Manager, New Business Development Unit Deputy General Manager, Automotive Business Unit
Jun. 2023	Executive Vice President General Manager, New Business Development Unit Deputy General Manager, Automotive Business Unit

(currently maintained)

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

Reasons Why the Company Nominates the Nominee as a Director

The Company has selected him as a nominee for the office of Director because he has been, as an Executive Vice President, one of the core members of the Company's management since June 2023 and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc."

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
4	Masaki Shirayama (November 29, 1961)	29,800 shares

Career Summary, Position, Areas of Responsibility and Important Concurrent Posts

Apr. 1985	Joined the Company
Jun. 2012	General Manager, New Business Development Division
Jun. 2013	Executive Officer Deputy General Manager, Network Products Sales & Marketing Unit General Manager, New Business Marketing and Promotion Division General Manager, Marketing & Promotion Department, New Business Development Unit
Jun. 2014	Managing Executive Officer General Manager, Social Infrastructure Sales & Marketing Unit
Jun. 2017	Managing Director General Manager, Social Infrastructure Sales & Marketing Unit
Jun. 2018	Managing Director General Manager, Electric Wire & Cable, Energy Business Unit

(currently maintained)

Areas of Responsibility:
General Manager, Electric Wire & Cable, Energy Business Unit

Important Concurrent Posts
Director, Finolex J-Power Systems Ltd.

Reasons Why the Company Nominates the Nominee as a Director

He has abundant business experience in the sales departments of infrastructure businesses. The Company has selected him as a nominee for the office of Director because he assumed the office of Managing Director in June 2017 and has served as General Manager of the Environment and Energy Group since June 2018, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc."

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
5	Yasuhiro Miyata (April 12, 1961)	12,700 shares

Career Summary, Position, Areas of Responsibility and Important Concurrent Posts

Apr. 1984	Joined the Company
Jun. 2006	General Manager, Flexible Printed Circuits & Components Sales Division
Dec. 2011	President, Sumitomo Electric Interconnect Products (Hong Kong), Ltd.
Jun. 2013	Executive Officer Deputy General Manager, Electronics Sales Unit Ditto
Jun. 2014	Managing Executive Officer General Manager, Electronics Sales Unit
Jun. 2021	Managing Director General Manager, Electronics Sales Unit

(currently maintained)

Areas of Responsibility:
General Manager, Electronics Sales Unit
Sales Group (Sales Compliance)

Important Concurrent Posts:
Director, TECHNO ASSOCIE Co., Ltd.

Reasons Why the Company Nominates the Nominee as a Director

He has abundant business experience in the Sales Division for electronics products, and has insight into the global business activities of enterprises. The Company has selected him as a nominee for the office of Director because he assumed the offices of Managing Executive Officer and General Manager of the Sales Group in June 2014 and has continuously served as General Manager of the Group since assuming the office of Managing Director in June 2021, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc."

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
6	Toshiyuki Sahashi (December 31, 1960)	11,600 shares

Career Summary, Position, Areas of Responsibility and Important Concurrent Posts

Apr. 1986 Joined the Company

Jun. 2016 President, Sumitomo Electric Hardmetal Corp.

Jun. 2017 Executive Officer
Ditto

Jun. 2019 Managing Executive Officer
Deputy General Manager, Advanced Materials Business Unit
President, Sumitomo Electric Hardmetal Corp.

Jun. 2021 Managing Director
General Manager, Advanced Materials Business Unit

(currently maintained)

Areas of Responsibility:
General Manager, Advanced Materials Business Unit
Industrial Materials Group (Sintered Metal Components Division)

Important Concurrent Posts:
Director, Sumitomo Electric Hardmetal Corp.
Director, Sumitomo Electric Sintered Alloy, Ltd.

Reasons Why the Company Nominates the Nominee as a Director

He has abundant business experience in the Industrial Materials Group, and has insight into the global business activities of enterprises. The Company has selected him as a nominee for the office of Director because he has served as Managing Director and General Manager of the Industrial Materials Group since June 2021, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc."

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
7	Yoshiyuki Ogata (November 25, 1963)	13,700 shares

Career Summary, Position, Areas of Responsibility and Important Concurrent Posts

Apr. 1986	Joined the Company
Jan. 2012	General Manager, Sales Division (Eastern Japan)
Jun. 2016	Executive Officer Deputy General Manager, Automotive Business Unit Ditto
Apr. 2020	Managing Executive Officer Deputy General Manager, Automotive Business Unit General Manager, Sales Division (Eastern Japan)
Oct. 2020	Managing Executive Officer Deputy General Manager, Automotive Business Unit
Jun. 2022	Ditto General Manager, Chubu District Office
Jun. 2023	Senior Managing Executive Officer Deputy General Manager, Automotive Business Unit General Manager, Chubu District Office
Jun. 2024	Managing Director General Manager, Automotive Business Unit General Manager, Chubu District Office

(currently maintained)

Areas of Responsibility:
General Manager, Automotive Business Unit
General Manager, Chubu District Office

Important Concurrent Posts:
Chairman, Sumitomo Electric Wiring Systems, Inc.
Director, Sumitomo Electric Wiring Systems (Europe) Ltd.
Director, Sumitomo Electric Bordnetze SE
Chairman of the Board of Directors, SEWS-CABIND S.p.A.
Joint Representative Director, Kyungshin Corporation

Reasons Why the Company Nominates the Nominee as a Director

He has abundant business experience in the sales departments of automotive businesses and has insight into the global business activities of enterprises. The Company has selected him as a nominee for the office of Director because he has served as Managing Director and General Manager of the Automotive Business Unit since June 2024, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc."

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
8	Hiroshi Hayami (March 26, 1960)	2,700 shares

Career Summary, Position, Areas of Responsibility, and Important Concurrent Posts

Apr. 1984	Joined the Company
Jul. 2014	General Manager, Energy & Electronics Materials Laboratory
Jun. 2017	Executive Officer Deputy General Manager, R&D Unit Ditto
Apr. 2020	Managing Executive Officer Deputy General Manager, R&D Unit General Manager, Energy & Electronics Materials Laboratory General Manager, Flexible Printed Circuits Division
Apr. 2022	Managing Executive Officer Deputy General Manager, R&D Unit General Manager, Flexible Printed Circuits Division
Jun. 2023	Senior Managing Executive Officer Deputy General Manager, R&D Unit
Jun. 2025	Managing Director General Manager, R&D Unit

(currently maintained)

Areas of Responsibility:
General Manager, R&D Unit
Electronics Group (Flexible Printed Circuits Division)

Important Concurrent Posts:
Director, Nissin Electric Co., Ltd.
Director, SEI Electronic Components (Vietnam), Ltd.

Reasons Why the Company Nominates the Nominee as a Director

He has abundant business experience in the R&D Group and the Flexible Printed Circuits Division. The Company has selected him as a nominee for the office of Director because he assumed the offices of Managing Director and General Manager of the R&D Group in June 2025, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc."

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
9	Hisashi Togawa (March 5, 1963)	7,000 shares

Career Summary, Position, Areas of Responsibility, and Important Concurrent Posts

Apr. 1987	Joined the Company
Apr. 2013	President, PT. Sumi Indo Kabel Tbk.
Apr. 2017	Executive Officer Deputy General Manager, Manufacturing Management & Engineering Unit General Manager, Plant & Production Systems Engineering Division
Apr. 2019	Ditto Deputy General Manager, New Business Development Unit
Oct. 2019	Executive Officer Deputy General Manager, Manufacturing Management & Engineering Unit Deputy General Manager, New Business Development Unit
Jun. 2020	Managing Executive Officer General Manager, Manufacturing Management & Engineering Unit Deputy General Manager, New Business Development Unit
Aug. 2021	Ditto Manager, Technical Training Center
Feb. 2022	Managing Executive Officer General Manager, Manufacturing Management & Engineering Unit Deputy General Manager, New Business Development Unit
Jun. 2024	Senior Managing Executive Officer General Manager, Manufacturing Management & Engineering Unit Deputy General Manager, New Business Development Unit
Jun. 2025	Managing Director General Manager, Manufacturing Management & Engineering Unit Deputy General Manager, New Business Development Unit

(currently maintained)

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

Reasons Why the Company Nominates the Nominee as a Director

He has abundant business experience in production technology, including environmental conservation, and has insight into the global business activities of enterprises. The Company has selected him as a nominee for the office of Director because he assumed the offices of Managing Executive Officer and General Manager of the Manufacturing Management & Engineering Group in June 2020 and has continuously served as General Manager of the Group since assuming the office of Managing Director in June 2025, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc."

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
10	Hiroshi Sato (September 25, 1945) Nominee for Outside Director Nominee for Independent Officer	21,900 shares

Career Summary, Position, Areas of Responsibility and Important Concurrent Posts

Apr. 1970	Joined Kobe Steel, Ltd.
Jun. 1996	Director, Kobe Steel, Ltd.
Apr. 1999	Ditto, Executive Officer, Kobe Steel, Ltd.
Jun. 1999	Managing Executive Officer, Kobe Steel, Ltd.
Jun. 2000	Director, Kobe Steel, Ltd., Ditto
Jun. 2002	Director, Senior Managing Executive Officer, Kobe Steel, Ltd.
Jun. 2003	Senior Managing Director, Kobe Steel, Ltd.
Apr. 2004	Executive Vice President and Director, Kobe Steel, Ltd.
Apr. 2009	President and Director, Kobe Steel, Ltd.
Apr. 2013	Chairman of the Board and Director, Kobe Steel, Ltd.
Apr. 2016	Senior Advisor and Director, Kobe Steel, Ltd.
Jun. 2016	Senior Advisor, Kobe Steel, Ltd. Director of the Company (Outside Director)
Apr. 2018	Advisor, Kobe Steel Ltd. Director of the Company (Outside Director)

(currently maintained)

Important Concurrent Posts:
Advisor, Kobe Steel, Ltd.
Director, Iwatani Corporation (Outside Director)

Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.

He has abundant experience and great insight into overall corporate management, through being involved in the management of a company globally conducting a wide range of business, such as materials, machinery, and energy, with a central focus on iron and steel, as well as abundant business experience in fields of research on materials and technical development, in particular. In addition, he serves as a member of both the Nominating Advisory Committee and the Compensation Advisory Committee of the Company. Based on the foregoing, the Company has selected him as a nominee for the office of Outside Director because the Company expects that he will contribute to supervising management from an objective perspective that is independent from the execution of business and ensuring transparency and fairness in the consideration of Officers' personnel affairs and remuneration, and the Company considers him to be qualified for the office of Outside Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." While the Company has a business relationship with Kobe Steel, Ltd., where he previously served as an executive, involving matters such as the purchase and sale of the products, the value of each transaction is negligible—less than 1% of the net sales of the Company and the net sales of Kobe Steel, Ltd. Therefore, the fact above does not influence his independence.

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
11	Michihiro Tsuchiya (July 12, 1947) Nominee for Outside Director Nominee for Independent Officer	13,200 shares

Career Summary, Position, Areas of Responsibility and Important Concurrent Posts

Apr. 1976	Joined Tanabe Seiyaku Co., Ltd. (now known as Tanabe Pharma Corporation; hereinafter the same)
Jun. 2001	Board Director, Tanabe Seiyaku Co., Ltd.
Jun. 2003	Managing Board Director, Tanabe Seiyaku Co., Ltd.
Jun. 2005	Board Director, Managing Executive Officer, Tanabe Seiyaku Co., Ltd.
Jun. 2006	Representative Director, Senior Managing Executive Officer, Tanabe Seiyaku Co., Ltd.
Oct. 2007	Board Director, Vice President, Mitsubishi Tanabe Pharma Corporation (now known as Tanabe Pharma Corporation; hereinafter the same)
Jun. 2008	Ditto Director, Mitsubishi Chemical Holdings Corporation (now known as Mitsubishi Chemical Group Corporation; hereinafter the same)
Jun. 2009	President & Representative Director, Chief Executive Officer, Mitsubishi Tanabe Pharma Corporation Director, Mitsubishi Chemical Holdings Corporation
Jun. 2014	Chairman of the Board & Representative Director, Mitsubishi Tanabe Pharma Corporation
Jun. 2016	Chairman of the Board, Mitsubishi Tanabe Pharma Corporation
Jun. 2017	Senior Advisor, Mitsubishi Tanabe Pharma Corporation
Jun. 2018	Ditto Director of the Company (Outside Director)
Jun. 2019	Director of the Company (Outside Director)

(currently maintained)

Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.

He has abundant experience and great insight into overall corporate management, through being involved in the management of the companies developing global manufacture and sales business of pharmaceuticals, as well as abundant business experience in fields of research and development and management strategies, in particular. In addition, he serves as Chairman of both the Nominating Advisory Committee and the Compensation Advisory Committee of the Company. Based on the foregoing, the Company has selected him as a nominee for the office of Outside Director because the Company expects that he will contribute to supervising management from an objective perspective that is independent from the execution of business and ensuring transparency and fairness in the consideration of Officers' personnel affairs and remuneration, and the Company considers him to be qualified for the office of Outside Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." The Company has no transactions with Mitsubishi Tanabe Pharma Corporation (now known as Tanabe Pharma Corporation), where he previously served as an executive.

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
12	Atsushi Horiba (February 5, 1948) Nominee for Outside Director Nominee for Independent Officer	6,300 shares

Career Summary, Position, Areas of Responsibility, and Important Concurrent Posts

Sept. 1972 Joined HORIBA, Ltd.

Jun. 1982 Director of HORIBA, Ltd.

Jun. 1988 Senior Managing Director of HORIBA, Ltd.

Jan.1992 President of HORIBA, Ltd.

Jun. 2005 Chairman, President & CEO of HORIBA, Ltd.

Jan. 2018 Chairman & Group CEO of HORIBA, Ltd.

Jun. 2021 Ditto
Director of the Company (Outside Director)

(currently maintained)

Important Concurrent Posts:
Chairman & Group CEO, HORIBA, Ltd.
Director, SoftBank Corp. (Outside Director)
Chairman, Kyoto Chamber of Commerce and Industry

Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.

He was involved in the management of a company that conducted its business globally with a central focus on analysis and measuring equipment, and he has extensive experience and great insight in relation to overall corporate management, as well as abundant business experience in fields of management strategies (global management, M&A, etc.), in particular. Based on the foregoing, the Company has selected him as a nominee for the office of Outside Director because the Company expects that he will contribute to further improvements in supervisory functions of management from an objective perspective that is independent from the execution of business, and the Company considers him to be qualified for the office of Outside Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." While the Company has a business relationship with HORIBA, Ltd., where he currently holds office as Chairman & Group CEO, involving matters such as the purchase of equipment, the value of each transaction is negligible—less than 1% of the net sales of the Company and the net sales of HORIBA, Ltd. Therefore, the fact above does not influence his independence. In addition, the Company has no transactions with the Kyoto Chamber of Commerce and Industry, where he currently holds office as Chairman.

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
13	Kyoko Kawamata (December 3, 1964) Nominee for Outside Director Nominee for Independent Officer	1,200 shares

Career Summary, Position, Areas of Responsibility, and Important Concurrent Posts

Apr. 1988	Joined The Mainichi Newspapers Co., Ltd.
Jul. 2015	Deputy General Manager, Project Headquarters of The Mainichi Newspapers Co., Ltd.
Apr. 2020	Deputy Manager, President's Office of The Mainichi Newspapers Co., Ltd.
Apr. 2021	General Manager, Intellectual Property Business Headquarters of The Mainichi Newspapers Co., Ltd.
Apr. 2022	Ditto Director of The Mainichi Newspapers Co., Ltd.
Oct. 2022	Director of The Mainichi Newspapers Co., Ltd. Member of the Group Corporate Strategy Office of The Mainichi Newspapers Group Holdings Co., Ltd.
Jun. 2024	Director of the Company (Outside Director)
Jul. 2024	Ditto Head of Management Planning Office, Tokyo National Museum, Independent Administrative Institution, National Institutes for Cultural Heritage

(currently maintained)

Important Concurrent Posts:
Head of Management Planning Office, Tokyo National Museum, Independent Administrative Institution, National Institutes for Cultural Heritage

Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.

She held important posts in a major newspaper company for many years and has abundant business experience and a wide range of insight. Based on the foregoing, the Company has selected her as a nominee for the office of Outside Director because the Company expects that she will contribute to further improvements in supervisory functions of management from an objective perspective that is independent from the execution of business, and the Company considers her to be qualified for the office of Outside Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." The Company has no transactions with Tokyo National Museum, Independent Administrative Institution, National Institutes for Cultural Heritage, where she serves as Head of Management Planning Office.

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
14	Asli M. Colpan (October 25, 1977) Nominee for Outside Director Nominee for Independent Officer	0 shares

Career Summary, Position, Areas of Responsibility, and Important Concurrent Posts

Apr. 2008	Program-specific Associate Professor, Kyoto Center for Japanese Studies, Columbia University
Oct. 2012	Visiting Scholar, Reischauer Institute of Japanese Studies, Harvard University Visiting Associate Professor, Department of Political Science and Sloan School of Management, Massachusetts Institute of Technology
Apr. 2016	Associate Professor, Graduate School of Economics, Kyoto University
May 2016	Associate Professor, Graduate School of Management, Kyoto University
Sep. 2016	Visiting Professor, Harvard Business School
Apr. 2018	Professor, Graduate School of Economics, Kyoto University Professor, Graduate School of Management, Kyoto University
Jan. 2025	Ditto Deputy Executive Vice-President, Kyoto University
Jun. 2025	Ditto Director of the Company (Outside Director)

(currently maintained)

Important Concurrent Posts:
Professor, Graduate School of Economics, Kyoto University
Professor, Graduate School of Management, Kyoto University
Deputy Executive Vice-President, Kyoto University
Audit & Supervisory Board Member, Sumitomo Rubber Industries, Ltd. (Outside Audit & Supervisory Board Member)
Director, Kansai Paint Co., Ltd. (Outside Director)

Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, Reasons Why the Company Has Determined that the Nominee is Capable of Conducting the Duties Appropriately as an Outside Director, etc.

She has deep insight and a global perspective as a university professor whose main fields of research are management strategy and corporate governance. Based on the foregoing, the Company has selected her as a nominee for the office of Outside Director because the Company expects that she will contribute to further improvements in supervisory functions of management from an objective perspective that is independent from the execution of business, and the Company considers her to be qualified for the office of Outside Director in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." She has no experience concerning company management other than acting as an Outside Director; however, the Company has determined that she is capable of conducting the duties appropriately as an Outside Director because of the reasons above.
While the Company has a business relationship with Kyoto University, where she serves as a professor and Deputy Executive Vice-President, involving matters such as joint research, the value of each transaction is negligible—less than 1% of the net sales of the Company and the ordinary revenue of the university. In addition, the Company makes donations to the university amounting to less than 500,000 yen annually, which is also negligible. Therefore, none of the facts above influences her independence.

Notes:

1. None of the nominees for the offices of Directors have business connections with the Company.

2. Mr. Hiroshi Sato, Mr. Michihiro Tsuchiya, Mr. Atsushi Horiba, Ms. Kyoko Kawamata, and Ms. Asli M. Colpan are nominees for Outside Directors and for Independent Officers as defined by Tokyo Stock Exchange, Inc., etc.

3. Matters to be described specifically regarding the Outside Director nominees (Mr. Hiroshi Sato, Mr. Michihiro Tsuchiya, Mr. Atsushi Horiba, Ms. Kyoko Kawamata, and Ms. Asli M. Colpan) are as follows:

   (1) Number of years since the Outside Director nominees started to hold office as an Outside Director of the Company

   Mr. Hiroshi Sato will have held office as an Outside Director for ten (10) years upon the closing of this Meeting.

   Mr. Michihiro Tsuchiya will have held office as an Outside Director for eight (8) years upon the closing of this Meeting.

   Mr. Atsushi Horiba will have held office as an Outside Director for five (5) years upon the closing of this Meeting.

   Ms. Kyoko Kawamata will have held office as an Outside Director for two (2) years upon the closing of this Meeting.

   Ms. Asli M. Colpan will have held office as an Outside Director for one (1) year upon the closing of this Meeting.

   (2) Outline of the substance of the limited liability contract

   The Company has entered into a limited liability contract with Mr. Hiroshi Sato, Mr. Michihiro Tsuchiya, Mr. Atsushi Horiba, Ms. Kyoko Kawamata, and Ms. Asli M. Colpan. The contract provides, with respect to the liability under Article 423, paragraph 1 of the Companies Act, that each of them owes liability for damages limited to the higher amount of either 10 million yen or the minimum liability amount provided under Article 425, paragraph 1 of the Act, if they act without knowledge and are not grossly negligent in conducting their duties.

   (3) Others

   Ms. Asli M. Colpan is an Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of Sumitomo Rubber Industries, Ltd., a specified associated service provider (affiliated company) of the Company.

4. The Company has entered into a directors and officers liability insurance contract under which all Directors are insureds, and the contract provides that it will compensate for damage (through the payment of monetary damages and litigation costs, etc.) borne by the insureds if such compensation for damage is claimed as a result of an act (or an omission) conducted by the insureds in relation to the execution of their duties.
   If each nominee starts to hold office as a Director, they will become insureds under the insurance contract and the insurance contract will be renewed during their terms of office.

Third item: Appointment of one (1) Audit & Supervisory Board Member

The term of office of Audit & Supervisory Board Member Mr. Ikuo Yoshikawa will expire upon the closing of this Meeting. Approval is hereby requested for the appointment of one (1) Audit & Supervisory Board Member.

The nominee for the office of Audit & Supervisory Board Member is as follows, and this agenda has already been approved by the Audit & Supervisory Board.

	Name (Birth Date)	Number of Company Shares Owned
	Yuji Morita (September 2, 1958) Newly appointed Nominee for Outside Audit & Supervisory Board Member Nominee for Independent Officer	0 shares

Career Summary, Position, and Important Concurrent Posts	
Feb. 1982	Joined Tohmatsu Awoki & Co. (now known as Deloitte Touche Tohmatsu LLC)
Jul. 1998	Partner, Tohmatsu & Co. (now known as Deloitte Touche Tohmatsu LLC; hereinafter the same)
Jul. 2005	Representative Partner, Tohmatsu & Co.
Feb. 2011	Resigned from Deloitte Touche Tohmatsu LLC
Feb. 2011	Commissioner, Board of Audit of Japan
Sep. 2019	President, Board of Audit of Japan
Sep. 2023	Executive Advisor, Board of Audit of Japan
(currently maintained)	
Important Concurrent Posts: Certified public accountant	

Reasons Why the Company Nominates the Nominee as an Outside Audit & Supervisory Board Member and Reasons Why the Company Has Determined that the Nominee is Capable of Conducting the Duties Appropriately as an Outside Audit & Supervisory Board Member

He has many years of extensive auditing experience as a certified public accountant and great insight. The Company has selected him as a nominee for Outside Audit & Supervisory Board Member because the Company considers him to be qualified for the office of Outside Audit & Supervisory Board Member in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." He has no experience directly concerning company management; however, the Company has determined that he is capable of appropriately conducting the duties of an Outside Audit & Supervisory Board Member, for the reasons mentioned above.
The Company has no transactions with Deloitte Touche Tohmatsu LLC, where he previously served as Representative Partner.

Notes:

1. The nominee for the office of Audit & Supervisory Board Member has no business connections with the Company.

2. Mr. Yuji Morita is a nominee for an Outside Audit & Supervisory Board Member and for an Independent Officer as defined by Tokyo Stock Exchange, Inc., etc.

3. Matters to be described specifically regarding the Outside Audit & Supervisory Board Member nominee are as follows:

   - Outline of the substance of the limited liability contract

     If the appointment of Mr. Yuji Morita is approved, the Company will enter into a limited liability contract with him. The contract provides, with respect to the liability provided under Article 423, paragraph 1 of the Companies Act, that Mr. Yuji Morita owes liability for damages limited to the higher amount of either 10 million yen or the minimum liability amount provided under Article 425, paragraph 1 of the Act, if he acts without knowledge and is not grossly negligent in conducting his duties.

4. The Company has entered into a directors and officers liability insurance contract under which all Audit & Supervisory Board Members are insureds, and the contract provides that it will compensate for damage (through the payment of monetary damages and litigation costs, etc.) borne by the insureds if such compensation for damage is claimed as a result of an act (or an omission) conducted by the insureds in relation to the execution of their duties.
   If Mr. Yuji Morita starts to hold office as an Audit & Supervisory Board Member, he will become insured under the insurance contract and the insurance contract will be renewed during his term of office.

[*Reference Information*]
The “Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc.” of the Company is as follows:

1. Candidates to be nominated as Inside Directors will be individuals who have and have carried out the Sumitomo Spirit – which values doing your sincere best, not only in business but also in every aspect of your life, placing importance on integrity and not acting rashly or carelessly in pursuit of immoral business. These will be individuals who have extensive experience and excellent performance records in connection with our business; who have sound objective judgement concerning management in light of the changing environment surrounding us and future changes; and who have superior character, foresight and insight.

2. Candidates to be nominated as Outside Directors will be individuals with experience in company management, experts of respective fields or academic experts who would be suitable for supervising our management from the viewpoint of encouraging sustainable growth and striving to increase corporate value over the mid-to-long term.

3. If a Director is found to be in material breach of compliance with the laws and regulations or the Articles of Incorporation, or it is otherwise determined that they are not able to appropriately fulfill their role or responsibility as a Director, the submission of an agenda for dismissal to the meeting of shareholders may be deliberated, depending on the circumstances.

4. Candidates to be nominated as Audit & Supervisory Board Members will be individuals with experience in company management and persons with expertise in law, finance or accounting.

5. The Nominating Advisory Committee will deliberate the candidates for Directors and Audit & Supervisory Board Members and the submission of an agenda regarding the dismissal of a Director to the meeting of shareholders, and the Board of Directors will decide them by a resolution based on the report of the committee.

Fourth item: Payment of bonuses to Directors

The Company proposes to declare bonuses totaling 610 million yen (¥610,000,000) for nine (9) Directors, other than the six (6) Outside Directors, from among the fifteen (15) total Directors, as of the end of this fiscal year. With respect to this item, the Company took the existing amount of payments and other factors into consideration, as well as the business results for this fiscal year based on the policy for determining bonuses. Further, the Compensation Advisory Committee, of which more than half of the members consist of outside officers, deliberated and reported to the Board of Directors that this item is appropriate. Based on these facts, the Company has determined that the details of this item are proper.

[Reference] Executive Structure and Skills Matrix in the Case Where the Second and Third Items Are Approved

The Company is a technology-development-type manufacturer that conducts its business globally by taking advantage of advanced technologies for customers in the various areas of environment and energy, infocommunications, automotive, electronics, and industrial materials, based on the production technology of electric wires, and in order to fulfill the functions of the Board of Directors as a whole and to achieve the 2030 VISION and Mid-term Management Plan 2028, the Company posts personnel who are familiar with important fields in the decision-making process of corporate strategies, personnel with abundant knowledge and experience in specialized fields which are taken seriously by the Company as a manufacturer, personnel with abundant experience in corporate management and abundant international sensibility, personnel with knowledge of law and industrial economic policies, etc., and personnel with independence contributing to enhancement of corporate value in a bird's-eye-view position, in a well balanced manner.

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

	Name and Attributes	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 Company
Directors	Masayoshi Matsumoto Representative Director Chairman & CEO Male	○		○			○	○	Corporate manager
	Osamu Inoue Representative Director President & COO Male	○	○	○				○	Corporate manager
	Hideo Hato Representative Director Executive Vice President Male	○	○	○		○		○	DX, Intellectual Property, Corporate Disclosure, Industrial Policy, Information Systems
	Masaki Shirayama Managing Director Male					○	○	○	Environment and Energy
	Yasuhiro Miyata Managing Director Male						○	○	Electronics
	Toshiyuki Sahashi Managing Director Male					○	○	○	Industrial Materials
	Yoshiyuki Ogata Managing Director Male					○	○	○	Automotive
	Hiroshi Hayami Managing Director Male				○	○			R&D, Energy & Electronics Materials
	Hisashi Togawa Managing Director Male					○		○	Production Technology, Environmental Conservation
	Hiroshi Sato Male O/S Ind. Officer	○		○	○	○		○	Experienced in corporate management
	Michihiro Tsuchiya Male O/S Ind. Officer	○		○	○			○	Experienced in corporate management
	Atsushi Horiba Male O/S Ind. Officer	○		○	○			○	Experienced in corporate management
	Kyoko Kawamata Female O/S Ind. Officer	○		○					Experienced in mass media
	Asli M. Colpan Female O/S Ind. Officer	○		○				○	Academic expert
Audit & Supervisory Board Members	Yoshitomo Kasui Male	○		○					–
	Akira Hayashi Male		○	○					–
	Michiko Uehara Female O/S Ind. Officer	○		○					Attorney at law
	Tatsuo Kijima Male O/S Ind. Officer	○		○					Experienced in corporate management
	Yuji Morita Male O/S Ind. Officer		○	○					Certified public accountant

Ind. Officer Independent Officer as defined by Tokyo Stock Exchange, Inc., etc.

O/S Outside Director / Outside Audit & Supervisory Board Member

*……Includes expertise in environmental conservation

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

(Translation)

BUSINESS REPORT
(from April 1, 2025 to March 31, 2026)

1. Matters Concerning Current Status of Corporate Group

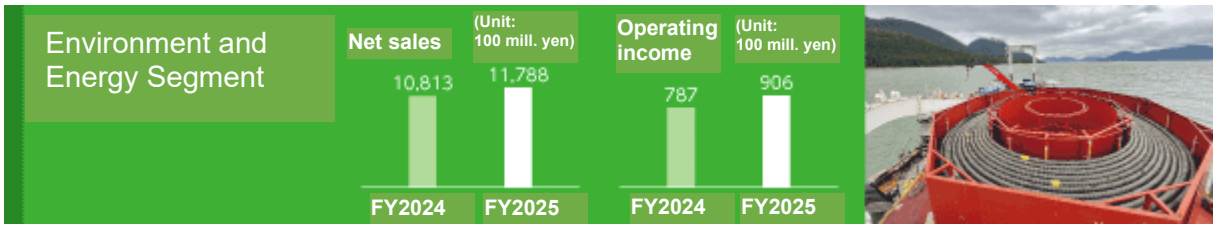
(1) Progression of Business and its Results

Net Sales	5,110,171 million yen (an increase of 9.2% compared with the preceding fiscal year)
Operating Income	418,173 million yen (an increase of 30.4% compared with the preceding fiscal year)
Ordinary Income	431,274 million yen (an increase of 39.3% compared with the preceding fiscal year)
Profit Attributable to Owners of the Parent	369,508 million yen (an increase of 90.7% compared with the preceding fiscal year)

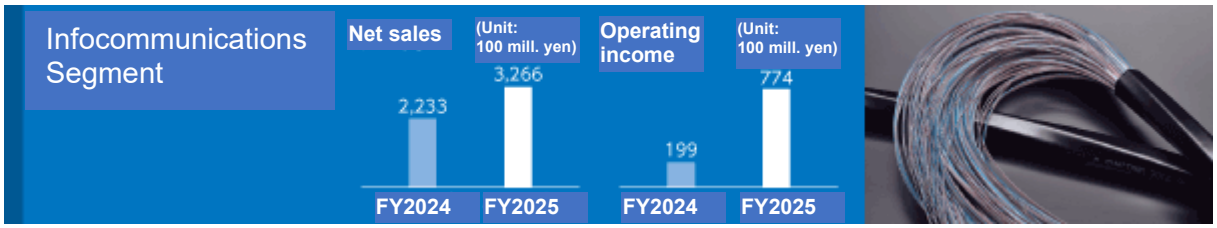
With respect to the world economy during this fiscal year, there remained uncertainties ahead, partly due to the impact of the U.S. tariff policy review on supply chains and rising geopolitical risks, including the U.S.–China conflict and the escalating tension in the Middle East; nevertheless, partly due to economic support underpinned by fiscal and monetary policies across countries and increased investment in technology-related fields such as generative AI, the economy generally remained resilient. Regarding the Japanese economy, despite price increases, partly because corporate capital expenditure increased, and employment and income conditions improved, the economy recovered moderately.

With respect to the business circumstances of the Group, in the Infocommunications sector, demand for products for data center-related markets significantly increased, while demand for wiring harnesses in the Automotive sector and for products such as power cables and substation equipment in the Environment and Energy sector remained steady. In this environment, in the consolidated financial settlement for this fiscal year, net sales increased from the preceding fiscal year to 5,110,171 million yen (preceding fiscal year: 4,679,789 million yen, +9.2%). With respect to income, in addition to increased sales, we worked to improve product mix, thoroughly improve productivity, reduce costs, and improve selling prices; as a result, operating income was 418,173 million yen (preceding fiscal year: 320,663 million yen, +30.4%) and ordinary income was 431,274 million yen (preceding fiscal year: 309,496 million yen, +39.3%), both of which exceeded the preceding fiscal year’s results and achieved new record highs. The profit attributable to owners of the parent was 369,508 million yen (preceding fiscal year: 193,771 million yen, +90.7%), which greatly exceeded the preceding fiscal year’s result, partly due to an extraordinary gain from the sale of shares of Sumitomo Densetsu Co., Ltd. We also made efforts to improve asset efficiency, such as reducing inventories and cross-shareholdings. As a result, ROIC (return on invested capital) before tax increased from the preceding fiscal year to 14.7% (preceding fiscal year: 9.3%).

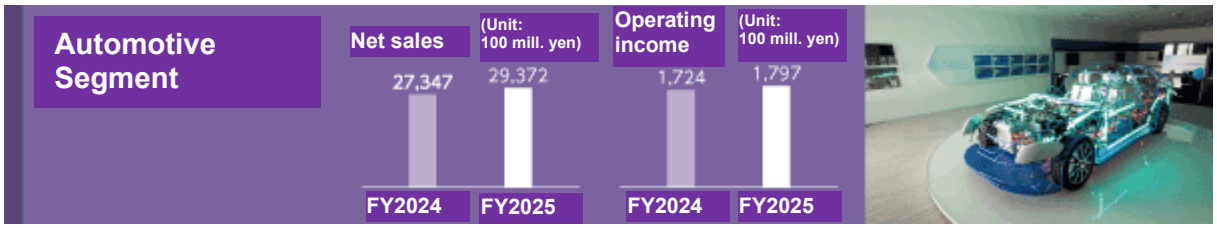
The following section is a report outlining each segment.



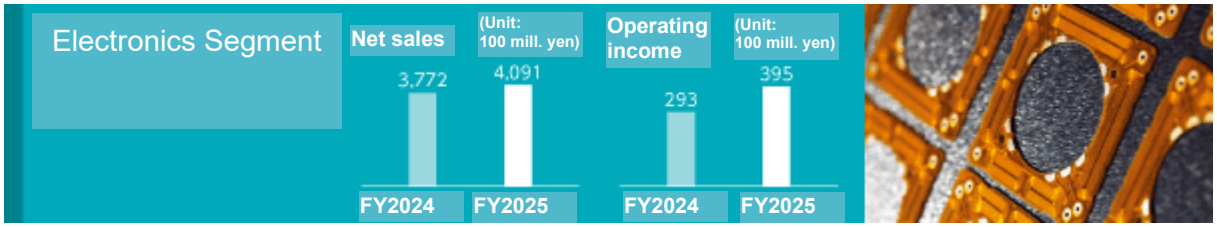
Net sales increased by 97,436 million yen (compared with the preceding fiscal year: 9.0%) to 1,178,780 million yen, and operating income increased by 11,897 million yen to 90,615 million yen, due to the expansion of sales of products and services such as power cables, rectangular magnet wires for motors used in electric vehicles, substation equipment manufactured by Nissin Electric Co., Ltd., and electrical work performed by Sumitomo Densetsu Co., Ltd.



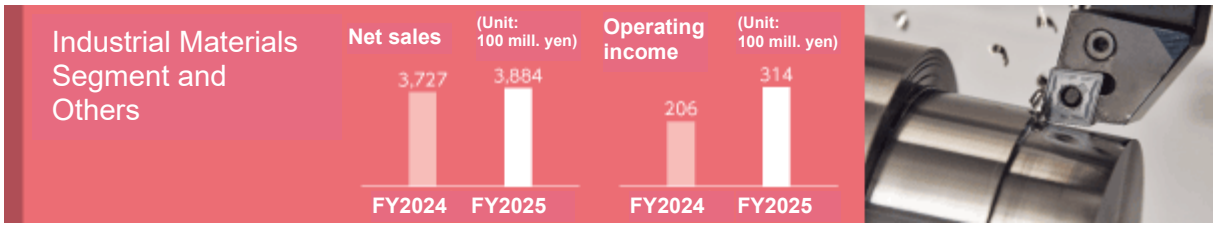
Net sales increased by 103,356 million yen (46.3%) to 326,632 million yen due to, against the backdrop of the expanding generative AI market, increased demand for optical wiring products, optical cables, and optical devices for data centers. Operating income increased by 57,509 million yen to 77,435 million yen partly due not only to increased sales but also to improved product mix and productivity.



Net sales increased by 202,438 million yen (7.4%) to 2,937,168 million yen, and operating income increased by 7,309 million yen to 179,700 million yen, due to steady demand for products such as wiring harnesses and anti-vibration rubbers.



Net sales increased by 31,848 million yen (8.4%) to 409,096 million yen due to increased demand from major customers for FPCs (flexible printed circuits). Operating income increased by 10,217 million yen to 39,528 million yen partly due not only to increased sales but also to improved productivity.



Net sales increased by 15,746 million yen (4.2%) to 388,413 million yen due to increased demand for cemented carbide products and diamond/CBN products. Operating income increased by 10,807 million yen to 31,399 million yen partly due not only to increased sales but also to cost reduction of sintered products.

(2) Conditions of Capital Expenditure

The total amount of capital expenditure for this fiscal year was 243.2 billion yen. The following list shows the breakdown of capital expenditure by segment.

Segment	Amount of Capital Expenditure (billions of yen)	Main Content of Capital Expenditure
Environment and Energy	51.6	Increased production of and rationalization investment in power system equipment such as power transmission wires/cables/equipment and substation equipment/control system
Infocommunications	23.7	Increased production of and rationalization investment in optical/wireless devices and optical fiber cables
Automotive	120.6	Increased production of and rationalization investment in wiring harnesses and anti-vibration rubbers
Electronics	28.2	Increased production of and rationalization investment in FPCs and electronic wires
Industrial Materials and Others	19.0	Increased production of and rationalization investment in cemented carbide tools and sintered powder metal parts

(Note)
The amounts of net sales and operating income of each segment indicate those amounts before the elimination of intersegment transactions, etc.

(3) Fundraising

The Group raised funds through means such as a long-term borrowing of 25.5 billion yen to be allocated to, among other things, capital expenditure and repayment of long-term borrowings and short-term borrowings.

(4) Key Issues Requiring Attention

Economic Situation Hereafter

Looking ahead, the global economy is expected to face disruptions in logistics and supply chains due to escalating tensions in the Middle East, as well as rising prices of raw materials and energy driven by soaring crude oil prices. Additionally, concerns persist regarding the U.S.'s review of its trade policies, the Chinese economic slowdown, etc., and it is anticipated that the business circumstances of the Group will continue to be unpredictable.

The Group's Efforts Hereafter

In these circumstances, aiming to realize the Group's ideal vision of becoming a "Glorious Excellent Company", the Group will work to improve our corporate values in a unified effort toward the realization of "living in safety and comfort on our green planet" set forth in the "Sumitomo Electric Group 2030 VISION," our long-term vision, and conduct management based on the Multistakeholder Capitalism ("Goho Yoshi" (Five-Way-Win)*), which means the steady return and distribution of positive outcomes to our stakeholders, i.e., "customers," "employees," "suppliers," "regional communities," and "shareholders/investors."

Specifically, as the second step toward realizing our long-term vision, we have formulated "Mid-term Management Plan 2028," which starts this fiscal year. In the three focus areas, "Digital and AI," "Energy," and "Mobility," as well as their integrated fields, we will demonstrate the Group's collective strength, accurately respond to global business environment trends, and capture demand related to green and digital fields, thereby aiming to achieve net sales of 6 trillion yen, operating profit of 600 billion yen, and ROIC before tax of 15% or higher in fiscal year 2028. Each business segment will advance the following initiatives accordingly.

Environment and Energy Segment

With regard to power cables, we will make efforts to capture domestic demand for replacement of facilities, among other things, and in addition to that, expand orders for projects related to renewable energy, as well as cross-national and cross-regional interconnection lines, which contribute to the decarbonization, and focus on launching new bases in Europe, cost reductions, quality improvement, development of new products, and strengthening project management. With regard to rectangular magnet wires for motors used in electric vehicles, we will make improvements in profitability through the reduction of costs and proceed with developing next-generation products that respond to electric vehicles becoming high-voltage. In addition, we will strive to create further synergies with Nissin Electric Co., Ltd., and with regard to substation equipment, we will work to ensure that domestic demand for replacement of facilities is captured, strengthen production capacity, and increase the development of and proposals for environmentally friendly products. With regard to ion implanter and electron beam processing system, we will work to expand sales in Japan and overseas.

Infocommunications Segment

While further expansion of data center-related markets due to rapid dissemination of generative AI is expected, we will focus on strengthening our production capacity for optical cables, optical wiring products such as optical connectors, optical devices, indium phosphide (InP) substrates, etc., as well as developing new products that achieve further higher-speed data transmission, lower latency, and lower power consumption, in order to ensure that these demands are captured, and make efforts to expand our business. In addition, we will continue and accelerate development and marketing of high-performance products that have environmentally-resistant performance including low power consumption, such as extra low-loss optical fibers for submarine optical cables, multi-core fibers of which the Company is the first in the world to achieve mass production, highly efficient wireless communication devices, and access network equipment that is increasingly adopting new methods, and we will make efforts to improve profitability by thorough reduction of costs.

Automotive Segment

In order for the Company, as a "connecting" partner for mobility systems, to expand the "connected" business, we will work to further reduce costs and thoroughly improve asset efficiency and further expand sales of aluminum harnesses corresponding to the needs of

---

*"Goho Yoshi" (Five-Way Win): a basic idea about "return and distribution" in the Company's management.

weight reduction, as well as push evolution of conventional harnesses such as automation of production and expansion of new designs and new methods of production that will lead to cost reduction. In addition, the Group will also make efforts to create and expand sales of new products that capture the market of CASE*, which is expected to expand in the future, such as high-voltage wiring harnesses for electric vehicles, and connectors for high-speed communication, by deepening collaboration within the Group and cooperation and partner relationships with customers. Moreover, we will work to create further synergies with Sumitomo Riko Company Limited, which was made a wholly owned subsidiary in February this year, and try to improve the profitability of the existing businesses in the field of automotive anti-vibration rubbers and hoses. In addition, we will work toward future business growth by focusing on developing new products for next-generation mobility systems.

Electronics Segment

We will accelerate marketing for FPC products that utilize fine circuit fabrication technology and CASE-compatible products and development of new products with high frequency characteristics, and thoroughly reduce costs. With regard to heat-resistant, high-performance electric wires, which utilize irradiation cross-linking technology, heat shrink tubes, and porous separation membrane systems, we will strive to expand business by capturing various customer needs. In addition, we will strive to strengthen our collaboration with TECHNO ASSOCIE Co., Ltd.

Industrial Materials Segment

With regard to cemented carbide products, we will surely capture the demand not only in the main automotive area but also in the areas of construction machines, agriculture machines, electronics, etc. by strengthening our global sales power and will proceed with new business development related to electric vehicles, aircrafts, semiconductors, renewable energy, etc. and will make efforts to expand our market share. In addition, we will work to strengthen our recycling capabilities aimed at stable procurement of tungsten raw materials. With regard to sintered products, we will aim to develop new products and further strengthen marketing for electric vehicles or non-automotive purposes and the cost competitiveness. With regard to prestressed concrete and precision spring steel wires, we will strive to improve profitability by strengthening global production and sales organization and developing new products.

Research and Development Activities

Aiming to revitalize and accelerate research and development as one of the key driving forces to create an extensive range of technologies, we will work on advancing and improving efficiency of materials development and process development utilizing DX*, as well as open innovation and collaboration with outside entities. Specifically, in order to develop the technologies of the current businesses, we will leverage partnership relationships with customers, by strengthening close collaboration with the Business Division and the Sales & Marketing Division, to address the three focus areas set forth in the Mid-term Management Plan. In the “Digital and AI” area, we will strive to make information transmission high-speed, large-capacity, compact, and energy-efficient; in the “Energy” area, we will strive to realize highly efficient long-distance power grids and large-capacity, low-loss power transmission systems; and in the “Mobility” area, we will strive to make the functionality of wire harnesses more advanced. Furthermore, as our challenge for new business areas, we will work on themes such as decarbonization-related technologies, circular economy-related technologies, and technologies related to quantum, semiconductors, and robotics.

---

*CASE: a term that represents an automotive industry trend and combines the initials of “Connected,” “Autonomous,” “Shared,” and “Electric.”

*DX: an abbreviation for “digital transformation,” referring to initiatives that utilize digital technologies to transform organizational culture and other aspects.

Management Basis, etc.

Ultimately, we believe that compliance with laws and regulations and maintaining corporate ethics constitute the foundation of the Company's management, and that they are the absolute basis to continue and develop as a corporation. From now on, under the principles of the Sumitomo Spirit, which values doing your sincere best, not only in business but also in every aspect of your life, placing importance on integrity, and not acting rashly or carelessly in pursuit of immoral business, we will make all efforts to ensure that all corporate activities are conducted fairly and honestly and can be trusted by society. In addition, based on the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, we will strive to realize a sustainable society by considering global environmental issues such as climate change, respecting human rights, ensuring the well-being of, a healthy work environment for, and fair and appropriate treatment of employees, as well as fair and impartial trade with clients, and managing natural disasters, etc., which are issues related to sustainability.

We would like to ask our shareholders for your further understanding and support in the future.

(5) Trend of Assets and Profits or Losses

(i) Trend of Assets and Profit or Losses of Corporate Group (Consolidated)

Year / Entry	FY2021	FY2022	FY2023	FY2024	FY2025 (this fiscal year)
Net Sales (millions of yen)	3,367,863	4,005,561	4,402,814	4,679,789	5,110,171
Operating Income (millions of yen)	122,195	177,443	226,618	320,663	418,173
Ordinary Income (millions of yen)	138,160	173,348	215,341	309,496	431,274
Profit Attributable to Owners of the Parent (millions of yen)	96,306	112,654	149,723	193,771	369,508
Earnings per Share (yen)	123.49	144.45	191.98	248.47	473.78
Net Assets (millions of yen)	2,052,938	2,110,819	2,431,888	2,530,437	2,834,999
Total Assets (millions of yen)	3,807,390	4,013,008	4,365,397	4,441,629	4,824,532

(Note)
Earnings per share is computed based on the weighted average number of shares of common stock outstanding during each period.

(ii) Trend of Assets and Profits or Losses of the Company

Year / Entry	FY2021	FY2022	FY2023	FY2024	FY2025 (this fiscal year)
Net Sales (millions of yen)	1,305,756	1,431,971	1,628,376	1,772,203	1,919,882
Operating Income (millions of yen)	15,704	15,584	17,287	58,282	88,740
Ordinary Income (millions of yen)	64,063	65,929	81,615	137,657	163,804
Profit for the year (millions of yen)	52,354	55,181	43,229	121,881	268,902
Earnings per Share (yen)	67.11	70.74	55.42	156.24	344.72
Net Assets (millions of yen)	781,185	795,440	813,927	856,552	1,060,505
Total Assets (millions of yen)	1,413,289	1,522,314	1,748,660	1,764,307	2,130,700

(Note)
Earnings per share is computed based on the weighted average number of shares of common stock outstanding during each period.

(6) Content of Main Businesses (as of March 31, 2026)

The Group conducts manufacturing and sales of the following products, as well as construction design and execution.

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
Infocommunications	Optical fiber 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, fluorine resin 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

(7) Main Offices and Factories (as of March 31, 2026)

(i) The Company

Head Office	Osaka City
Offices	Osaka, Tokyo, Chubu District Office (Nagoya City), Okinawa Branch Office (Naha City), Kyushu Branch Office (Fukuoka City), Shikoku Sales Office (Takamatsu City), Chugoku Branch Office (Hiroshima City), Hokuriku Sales Office (Toyama City), Tohoku Branch Office (Sendai City), Hokkaido Branch Office (Sapporo City)
Factories	Osaka Works (Osaka City), Itami Works (Itami City, Hyogo Prefecture), Yokohama Works (Yokohama City), Ibaraki Works (Hitachi City, Ibaraki Prefecture)

(ii) Subsidiaries and Affiliates

Please see “(9) Status of Important Subsidiaries and Affiliates.”

(8) Employee Situation (as of March 31, 2026)

(i) Employee Situation of Corporate Group

Segment	Number of Employees	Increase from March 31, 2025
Environment and Energy	12,336	(3,133)
Infocommunications	9,240	1,360
Automotive	244,192	15,829
Electronics	21,169	723
Industrial Materials and Others	16,035	48
Total	302,972	14,827

(Note)
"Number of Employees" means the number of actual employees on duty (i.e., the number of employees dispatched to non-consolidated companies is not included, but the number of those dispatched from non-consolidated companies is included).

(ii) Employee Situation of the Company

Number of Employees	Increase from March 31, 2025	Average age	Average Length of Service (Years)
7,209	85	43.2	18.0

(Note)
"Number of Employees" does not include the 6,102 employees of the Company who are dispatched to companies other than the Company.

(9) Status of Important Subsidiaries and Affiliates (as of March 31, 2026)

Company Name	Location	Capital	Share-holding	Main Business
Sumitomo Wiring Systems, Ltd.	Yokkaichi City, Mie Prefecture	JPY 20,042 Million	% 100.00	Manufacture, processing and sale of automotive wiring harnesses, connectors
Sumitomo Electric Device Innovations, Inc.	Yokohama City	JPY 15,000 Million	100.00	Development, manufacture and sale of optical transceiver, optical/wireless devices composed of compound semiconductors, and their application
Sumitomo Riko Company Limited	Nagoya City	JPY 12,145 Million	100.00	Manufacture and sale of anti-vibration rubbers, hoses and resin products
Sumitomo Electric Hardmetal Corp.	Itami City, Hyogo Prefecture	JPY 11,900 Million	100.00	Manufacture and sale of cemented carbide tools, diamond/CBN tools, etc.

Company Name	Location	Capital	Share-holding	Main Business
Nissin Electric Co., Ltd.	Kyoto City	JPY 10,253 Million	% 100.00	Manufacture and sale of substation equipment, plant control system, photovoltaic system, etc.
Sumitomo Electric Tochigi Co., Ltd.	Utsunomiya City	JPY 5,250 Million	55.56	Manufacture and sale of steel tire cords and precision spring steel wires
TECHNO ASSOCIE Co., Ltd.	Osaka City	JPY 5,001 Million	100.00	Sale of screws, non-ferrous metal products, etc.
Hokkaido Sumiden Precision Co., Ltd.	Naie Town, Sorachi Sub-prefecture, Hokkaido	JPY 4,350 Million	100.00	Manufacture and sale of cemented carbide and raw metal powder
※ Sumidenso Platech, Ltd.	Gotenba City, Shizuoka Prefecture	JPY 3,130 Million	100.00	Assembly, processing, and sale of automotive resin products and metal products
Sumitomo Electric Sintered Alloy, Ltd.	Takahashi City, Okayama Prefecture	JPY 3,004 Million	100.00	Manufacture and sale of sintered powder metal parts
Sumitomo Electric Wintec, Inc.	Koka City, Shiga Prefecture	JPY 3,000 Million	100.00	Manufacture and sale of magnet wires
※ Sumitomo Riko Hosetex, Ltd.	Ayabe City, Kyoto Prefecture	JPY 3,000 Million	100.00	Manufacture and sale of high-pressure hoses and transfer hoses
Sumiden HST Cable, Ltd.	Osaka City	JPY 400 Million	56.00	Sale of wire cables
Sumitomo Electric Wiring Systems, Inc.	U.S.A.	USD 243,920 Thousand	100.00	Manufacture and sale of automotive wiring harnesses and connectors
Sumitomo Electric Lightwave Corp.	U.S.A.	USD 54,780 Thousand	100.00	Manufacture and sale of optical cables, etc., and sale of fusion splicers, etc.
Judd Wire, Inc.	U.S.A.	USD 40,000 Thousand	100.00	Manufacture and sale of electronic wires
※ S-Riko de Querétaro, S.A.P.I. de C.V.	Mexico	USD 54,928 Thousand	100.00	Manufacture and sale of automotive anti-vibration rubbers and interior components

Company Name	Location	Capital	Share-holding	Main Business
※ S Riko Automotive Hose Tecalon Brasil S.A.	Brazil	BRL 411,211 Thousand	% 100.00	Manufacture and sale of automotive hoses
Sumidenso do Brasil Industrias Eletricas Ltda.	Brazil	BRL 232,921 Thousand	100.00	Manufacture and sale of automotive wiring harnesses
Sumitomo Electric U.K. Power Cables Ltd.,	U.K.	GBP 127,000 Thousand	100.00	Manufacture and sale of power cables
Sumitomo Electric Wiring Systems (Europe) Ltd.	U.K.	EUR 93,951 Thousand	100.00	Manufacture and sale of automotive wiring harnesses and connectors
Sumitomo Electric Bordnetze SE	Germany	EUR 2,046 Thousand	100.00	Manufacture and sale of automotive wiring harnesses
SEWS-CABIND S.p.A.	Italy	EUR 30,000 Thousand	100.00	Manufacture and sale of automotive wiring harnesses
※ Finolex J-Power Systems Ltd.	India	INR 6,520,000 Thousand	51.00	Manufacture, sale, and construction of power cables
PT. Sumiden Serasi Wire Products	Indonesia	USD 51,000 Thousand	100.00	Manufacture and sale of tensioning materials for prestressed concrete, precision spring steel wires, and steel wires for reinforcement of tires
PT. Karya Sumiden Indonesia	Indonesia	USD 44,109 Thousand	100.00	Manufacture and sale of wire rods
PT. Sumitomo Electric Wintec Indonesia	Indonesia	USD 35,000 Thousand	100.00	Manufacture and sale of magnet wires
PT. Sumi Indo Kabel Tbk.	Indonesia	USD 52,431 Thousand	91.46	Manufacture and sale of wire cables
SEI Thai Electric Conductor Co., Ltd.	Thailand	THB 2,010 Million	100.00	Manufacture and sale of wire rods, aluminum wire rods and bars, automotive aluminum wires

Company Name	Location	Capital	Share-holding	Main Business
SEI Electronic Components (Vietnam), Ltd.	Vietnam	USD 100,000 Thousand	% 100.00	Manufacture and sale of flexible printed circuits
Sumidenso Vietnam Co., Ltd.	Vietnam	USD 35,000 Thousand	100.00	Manufacture and sale of automotive wiring harnesses
Sumi Philippines Wiring Systems Corporation	Philippines	USD 60,000 Thousand	100.00	Manufacture and sale of automotive wiring harnesses and electric wires
Sumi North Philippines Wiring Systems Corporation	Philippines	USD 39,821 Thousand	100.00	Manufacture and sale of automotive wiring harnesses and electric wires
Sumitomo Electric Wintec (Malaysia) Sdn, Bhd.	Malaysia	USD 36,141 Thousand	100.00	Manufacture and sale of magnet wires
Sumitomo Electric Wintec Magnet Wire (Changzhou) Co., Ltd.	China	RMB 454,466 Thousand	100.00	Manufacture and sale of wire rods and magnet wires
Sumidenso Mediatech Suzhou Co., Ltd.	China	RMB 347,585 Thousand	100.00	Manufacture and sale of automotive wiring harnesses
Sumitomo Electric Interconnect Products (Suzhou), Ltd.	China	RMB 338,299 Thousand	100.00	Manufacture and sale of electronic wires
Sumitomo Electric Interconnect Components (Shenzhen), Ltd.	China	RMB 326,943 Thousand	100.00	Manufacture and sale of electronic wires

Company Name	Location	Capital	Share-holding	Main Business
Fuzhou Zhu Wiring Systems Co., Ltd.	China	RMB 275,236 Thousand	100.00 %	Manufacture and sale of automotive wiring harnesses and electric wires
※ SumiRiko Automotive (Jiaxing) Co., Ltd.	China	RMB 243,461 Thousand	100.00	Manufacture and sale of automotive anti-vibration rubbers
※ SumiRiko Hydraulic Hose (Hefei) Co., Ltd.	China	RMB 256,786 Thousand	89.18	Manufacture and sale of industrial hoses
Huizhou Zhurun Wiring Systems Co., Ltd.	China	RMB 288,020 Thousand	87.86	Manufacture and sale of automotive wiring harnesses
Sumitomo Electric Interconnect Products (Hong Kong), Ltd.	Hong Kong, China	HKD 648,000 Thousand	100.00	Sale of electronic wires, flexible printed circuits
Sumitomo Rubber Industries, Ltd.	Kobe City	JPY 42,658 Million	28.90	Manufacture and sale of automotive tires, etc.

(Notes)
1. The figures under “Shareholding” above are the percentages, including the shareholding by the subsidiaries, etc.
2. Companies marked with an asterisk “※” in the company name column are those newly added in this fiscal year.
3. With respect to Sumitomo Electric U.K. Power Cables Ltd., the amount of capital includes the amount of capital surplus.

(10) Important Corporate Restructuring, etc.

(i) Through the tender offer for common stock of Sumitomo Riko Company Limited implemented from October 31, 2025 to December 15, 2025, we made the company a wholly owned subsidiary as of February 1, 2026.

(ii) As of March 24, 2026, we transferred all of the shares held by the Company in Sumitomo Densetsu Co., Ltd. through Sumitomo Densetsu Co., Ltd.'s acquisition of its own shares, and Sumitomo Densetsu Co., Ltd., a subsidiary of the Company, became a wholly owned subsidiary of Daiwa House Industry Co., Ltd. as of the same date.

(11) Major Lenders (as of March 31, 2026)

Lenders	Balance of Borrowings
	millions of yen
Sumitomo Mitsui Banking Corporation	64,531
MUFG Bank, Ltd.	47,774
Development Bank of Japan Inc.	41,000
The Norinchukin Bank	29,732
Halkin Finance PLC	22,383
Sumitomo Mitsui Trust Bank, Limited	20,617

(Notes)
1. The balance of borrowings above includes the borrowings from the overseas subsidiaries of each financial institution.
2. In addition to what is set forth in the table above, there is a syndicated loan which amounts to 74,993 million yen.

(12) Other Important Matters Concerning Current Status of Corporate Group

The Company is in negotiations with some automakers for compensation regarding violation of antitrust law in the Automotive segment.

2. Information Concerning Shares (as of March 31, 2026)

(1) Total Number of Authorized Shares

3,000,000,000 shares

(2) Total Number of Issued Shares

793,940,571 shares (compared with the end of preceding fiscal year: no increase or decrease)

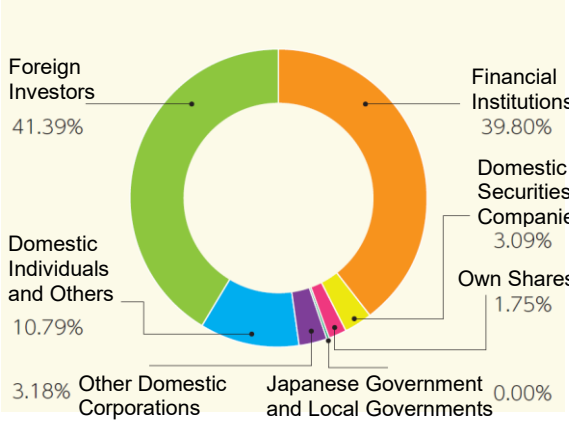
(3) Number of Shares for One Unit of Shares

100 shares

(4) Number of Shareholders

109,833 shareholders (compared with the end of preceding fiscal year: increase of 26,844 shareholders)

【Reference】Distribution of Ownership of Shares by Holder



(5) Largest Shareholders (top 10 shareholders)

Name of the Shareholder	Number of Shares Held	Shareholding Percentage
	in thousands of shares	%
The Master Trust Bank of Japan, Ltd. (trust account)	125,482	16.09
Custody Bank of Japan, Ltd. (trust account)	71,336	9.14
Nippon Life Insurance Company	21,041	2.70
SUMITOMO LIFE INSURANCE COMPANY	15,906	2.04
STATE STREET BANK AND TRUST COMPANY 505001	15,682	2.01
GOVERNMENT OF NORWAY	12,504	1.60
JP MORGAN CHASE BANK 385781	11,167	1.43
Kochi Shinkin Bank	11,061	1.42
National Mutual Insurance Federation of Agricultural Cooperatives	10,133	1.30
Sumitomo Electric Industries, Ltd. Employee Stock Ownership Association	9,711	1.24
	in thousands of shares	%
Total	304,026	38.97

(Notes)
1. SUMITOMO LIFE INSURANCE COMPANY, in addition to what is set forth in the table above, has established a trust for retirement benefits holding 8,000 thousand shares (a 1.03% shareholding) in the Company, and has retained the authority to give instructions to exercise voting rights.
2. Shareholding percentages have been calculated after deducting from the total number of issued shares the 13,870,795 of its own shares that the Company holds.

3. Matters Related to Officers of the Company

(1) Name, etc. of Directors and Audit & Supervisory Board Members (as of March 31, 2026)

Name	Position and Areas of Responsibility	Important Concurrent Post
※Masayoshi Matsumoto	Chairman & CEO	Chairman, Kansai Economic Federation
※Osamu Inoue	President & COO	
※Hideo Hato	Executive Vice President General Manager, New Business Development Unit Deputy General Manager, Automotive Business Unit (Systems & Electronics Division) Corporate Staff Group (Legal, Public Relations, Information Systems, Corporate Planning, Intellectual Property, Security Trade Control)	
Masaki Shirayama	Managing Director General Manager, Electric Wire & Cable, Energy Business Unit	Director, Finolex J-Power Systems Ltd.
Yasuhiro Miyata	Managing Director General Manager, Electronics Sales Unit Sales Group (Sales Compliance)	Director, TECHNO ASSOCIE Co., Ltd. Director, Sumitomo Electric Interconnect Products (Hong Kong), Ltd.
Toshiyuki Sahashi	Managing Director General Manager, Advanced Materials Business Unit Industrial Material Group (Sintered Metal Components Division)	Director, Sumitomo Electric Hardmetal Corp. Director, Sumitomo Electric Sintered Alloy, Ltd.
Yoshiyuki Ogata	Managing Director General Manager, Automotive Business Unit General Manager, Chubu District Office	Chairman, Sumitomo Electric Wiring Systems, Inc. Director, Sumitomo Electric Wiring Systems (Europe) Ltd. Director, Sumitomo Electric Bordnetze SE Chairman of the Board of Directors, SEWS-CABIND S.p.A Joint Representative Director, Kyungshin Corporation
○Hiroshi Hayami	Managing Director General Manager, R&D Unit Electronics Group (Flexible Printed Circuits Division)	Director, Nissin Electric Co., Ltd. Director, SEI Electronic Components (Vietnam), Ltd.

Name	Position and Areas of Responsibility	Important Concurrent Post
○Hisashi Togawa	Managing Director General Manager, Manufacturing Management & Engineering Unit Deputy General Manager, New Business Development Unit Electronics Group (Fine Polymer Division)	
Hiroshi Sato	Director	Advisor, Kobe Steel, Ltd. Director, Iwatani Corporation
Michihiro Tsuchiya	Director	
Katsuaki Watanabe	Director	
Atsushi Horiba	Director	Chairman & Group CEO, HORIBA, Ltd. Director, SoftBank Corp. Chairman, Kyoto Chamber of Commerce and Industry
Kyoko Kawamata	Director	Head of Management Planning Office, Tokyo National Museum, Independent Administrative Institution, National Institutes for Cultural Heritage
○Asli M. Colpan	Director	Professor, Graduate School of Economics, Kyoto University Professor, Graduate School of Management, Kyoto University Deputy Executive Vice-President, Kyoto University Audit & Supervisory Board Member, Sumitomo Rubber Industries, Ltd. Director, Kansai Paint Co., Ltd.
Yoshitomo Kasui	Audit & Supervisory Board Member (full-time)	
Akira Hayashi	Audit & Supervisory Board Member (full-time)	
Michiko Uehara	Audit & Supervisory Board Member	Attorney at law Director, The Japan Wool Textile Co., Ltd.
Ikuo Yoshikawa	Audit & Supervisory Board Member	Certified public accountant
Tatsuo Kijima	Audit & Supervisory Board Member	Advisor, West Japan Railway Company Director, Osaka Gas Co., Ltd.

(Notes)
1. Directors marked with "※" are Representative Directors.
2. The persons marked with "○" were newly appointed as a Director at the 155th General Meeting of Shareholders held on June 26, 2025.
3. Among the Directors above, Mr. Hiroshi Sato, Mr. Michihiro Tsuchiya, Mr. Katsuaki Watanabe, Mr. Atsushi Horiba, Ms. Kyoko Kawamata, and Ms. Asli M. Colpan are not

only Outside Directors under Article 2, Item 15 of the Companies Act, but also Independent Officers under the rules of Tokyo Stock Exchange, Inc., etc.

4. Among the Audit & Supervisory Board Members above, Ms. Michiko Uehara, Mr. Ikuo Yoshikawa, and Mr. Tatsuo Kijima are not only Outside Audit & Supervisory Board Members under Article 2, Item 16 of the Companies Act, but also Independent Officers under the rules of Tokyo Stock Exchange, Inc., etc.
5. Mr. Akira Hayashi, an Audit & Supervisory Board Member, having years of experience in the Accounting and Finance Division of the Company, has a distinguished level of knowledge of finance and accounting.
   Mr. Ikuo Yoshikawa, an Audit & Supervisory Board Member, qualified as a certified public accountant, has a distinguished level of knowledge of finance and accounting.
6. As of June 26, 2025, Mr. Akira Nishimura (Senior Managing Director), Mr. Shigeru Nakajima (Managing Director), and Ms. Christina Ahmadjian (Director) retired from their director positions due to expiration of their terms of office.

   The positions in parentheses are as of their retirement.
7. The changes regarding the important concurrent post of a director after the last day of this fiscal year are as follows:

Name	Position after the change	Position before the change	Date of change
Yasuhiro Miyata	Director, TECHNO ASSOCIE Co., Ltd.	Director, TECHNO ASSOCIE Co., Ltd. Director, Sumitomo Electric Interconnect Products (Hong Kong), Ltd.	As of April 20, 2026

(2) Remuneration, etc. of Directors and Audit & Supervisory Board Members

(i) Total Amounts of Remuneration, etc. of Directors and Audit & Supervisory Board Members

Position of Officers	Total Amount of Remuneration, etc.	Total Amount by Type of Remuneration, etc.		Number of Target Officers
		Fixed Remuneration	Performance-based Bonuses	
Directors	1,409,800,000 yen	799,800,000 yen	610,000,000 yen	18
Audit & Supervisory Board Members	159,750,000 yen	159,750,000 yen	-	5

(Notes)

1. The number of officers above includes three Directors who retired as of June 26, 2025.
2. The amount of remuneration for Directors shown above includes the amount of a bonus payment of 610 million yen if a resolution regarding the payment of a bonus to the Directors is adopted as proposed at the 156th General Meeting of Shareholders.

(ii) Policy for Determining Remuneration, etc. and Similar Matters

The Company has established a policy for determining individual remuneration, etc. for Directors and when determining these issues, they are discussed at the Compensation Advisory Committee, which is chaired by an Outside Director and a majority of the members of which are Outside Directors, and based on the content reported to the Board of Directors,

they are adopted by resolutions of the Board of Directors. The specific content of the policy is as follows.

For determining Directors' remuneration, etc., based on the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles, we will maintain a firm stance on our universal basic policy of contributing to society through fair business activities and have designed a remuneration structure whereby we provide incentives for Directors making the Company Group grow sustainably and improving our corporate value in the mid- and long-term.

a. Composition of Remuneration for Directors
Remuneration for Directors is composed of monthly remuneration and bonus.

b. Policy for Determining Monthly Remuneration
Regarding monthly remuneration, a monthly remuneration table for each post is set based on each post's role and degree of responsibility as well as on the extent of their contribution to the Company's performance, after ensuring the objectivity of the standards of remuneration by utilizing third party analysis of officers' remuneration covering corporations similar to the Company in areas such as the business contents and scale. The amount in the table adopted for each person is determined upon consideration of the Director's role, degree of responsibility, scale, complexity and difficulty of the area of which the Director is in charge as well as on the extent of their contribution to the Company's performance also with a mid- and long-term perspective. The total amount of monthly remuneration for Directors is determined within the framework of the remuneration amount resolved at the shareholders' meeting.

c. Policy for Determining Bonuses and Content of Performance Indicators
The Directors' bonuses shall be performance-based bonuses, and their total amount is subject to the annual shareholders' meeting resolution and determined comprehensively considering the Company's performance in each fiscal year, particularly items such as dividend levels, in addition to net sales, operating income, ROIC before tax, and the profit attributable to owners of the parent, which are taken seriously by the Company in its management strategy, after ensuring the objectivity of the standards of remuneration by utilizing third party analysis of officers' remuneration covering corporations similar to the Company in areas such as the business contents and scale. The allocation for each Director is set at a standard that provides incentives for each Director and in consideration of a mid- and long-term perspective and taking into account the Director's post, degree of responsibility, achievement of the main goals in the department or division for which they are responsible (items such as net sales, each profit index, and ROIC before tax), their contribution to the Company's performance each fiscal year, and qualitative factors such as qualifications necessary to achieve them. The Company does not pay bonuses to Outside Directors from the viewpoint of ensuring independence.

[Indices, Goals, Results, etc. Related to Performance-based Bonuses]

The goals and results of indices related to performance-based bonuses during this fiscal year are as shown in the following table.

Indicators / Entry	Net Sales (millions of yen)	Operating Income (millions of yen)	Operating Income Margin	Ordinary Income (millions of yen)	Profit Attributable to Owners of the Parent (millions of yen)	ROIC Before Tax	ROE
(Results of the preceding fiscal year)	4,679,789	320,663	6.9%	309,496	193,771	9.3%	8.6%
Goals (at the beginning of the year)	4,500,000	275,000	6.1%	280,000	190,000	9.0%	8.2%
Goals (in interim)	4,750,000	340,000	7.2%	346,000	230,000	10.4%	9.8%
Goals (third quarter)	4,900,000	375,000	7.7%	381,000	320,000	(Non-public)	
Results	5,110,171	418,173	8.2%	431,274	369,508	14.7%	14.7%

(Note)
Regarding the values stated as goals, those (at the beginning of the year) are in the consolidated performance forecast value at the time of announcing the settlement in the full fiscal year ended in March 2025, those (in interim) are in the consolidated performance forecast value revised at the time of announcing the settlement in the second quarter for the fiscal year ended in March 2026, and those (third quarter) are in the consolidated performance forecast value revised at the time of announcing the settlement in the third quarter for the fiscal year ended in March 2026.

d. Policy for Determining Ratio of Monthly Remuneration and Bonuses

The ratio of monthly remuneration and bonuses is not established, and changes due to performance indicators, individual evaluation, etc. as set forth in paragraph c. above. Furthermore, the payment ratio of monthly remuneration and bonuses is approximately 1:0.24-0.72 in the results for past few years.

e. Procedure for Determining Remuneration

Regarding the procedure for determining monthly remuneration and bonuses, important matters such as the policy for their determination, the establishment and revision or abolition of related internal rules, etc., and the specific amounts of individual monthly remuneration and bonuses based on performance evaluations are discussed at the Compensation Advisory Committee from an objective perspective. The Board of Directors will discuss and determine the policy for their determination thereof, and establishment and revision or abolition of related internal rules based on the report from the Compensation Advisory Committee, and will determine agenda items for the total amounts of bonuses and monthly remuneration for each fiscal year to be proposed in the shareholders' meeting if it reconsiders the cap on their total amounts. The specific amounts of individual monthly remuneration and bonuses and the timing and method of payment thereof are determined by the President, as delegated by the Board of Directors, based on the content reported by the Compensation Advisory Committee. Remuneration for Audit & Supervisory Board Members is determined through discussion among Audit & Supervisory Board Members within the framework of the remuneration amount resolved at the shareholders' meeting.

■Matters Concerning Delegation Related to Determining Directors' Individual Remuneration, etc.

As for the approach and method of calculation of Directors' monthly remuneration and bonuses, and individual amounts based thereon, the President (Osamu Inoue), who receives an overview of the performance of the Company as a whole and evaluates each Executive Director, made a proposal, and the Compensation Advisory Committee discussed and made decisions on these matters. The Board of Directors approved the approach and method of calculation of monthly remuneration and bonuses, delegated the specific amounts and timing and method of payment to the President (Osamu Inoue), decided the amounts of individual monthly remuneration and bonuses in line with the report from the Compensation Advisory Committee and the content discussed by the Board of Directors.

■Reasons Why the Board of Directors Meeting Determined that the Content of Remuneration, etc. for Individual Directors in This Fiscal Year Is in Line with the Policy for the Determination

The individual monthly remuneration and bonus amounts are determined based on the policy for the determination of Directors' remuneration after discussions by the Compensation Advisory Committee based on an objective perspective, and the Board of Directors determined that such amounts are in line with the policy for the determination.

■Shareholders' Meeting Resolution Regarding Remuneration, etc. for Officers

Monthly remuneration for Directors is not more than 90,000,000 yen per month (and for Outside Directors is not more than 20,000,000 yen per month) as resolved at the shareholders' meeting held on June 26, 2024. The number of Directors at the time was 15 (of whom, the number of Outside Directors was six). In addition, with respect to Directors' bonuses, 460,000,000 yen will be paid in total for nine Directors (excluding six Outside Directors) as resolved at the shareholders' meeting held on June 26, 2025. With respect to the total amount of monthly remuneration for Audit & Supervisory Board Members, the amount of remuneration for five Audit & Supervisory Board Members is not more than 14,000,000 yen per month as resolved at the shareholders' meeting held on June 26, 2024.

f. Holding of Company's Shares

In order to further raise motivation and morale to improve the Company's performance and promote management that takes shareholder value seriously, the Company has set a certain target level and encourages Inside Directors to hold Company's shares through the officer shareholding association, and Inside Directors continue to hold the Company's shares during their terms of office.

(3) Outline of Contents of Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract prescribed in Article 430-3, Paragraph 1 of the Companies Act with the insurance company, under which all Directors, Audit & Supervisory Board Members, and Executive Officers are the insureds, and the contract provides that it will compensate for damage (through the payment of monetary damages and litigation costs, etc.) borne by the insureds if such compensation for damage is claimed as a result of an act (or an omission) conducted by the insureds in relation to the execution of their duties. However, by providing that damage etc. resulting from an act, etc. conducted with knowledge of the fact that such act, etc. constitutes a violation of law is not subject to compensation, we are taking a measure to ensure that the propriety of the execution of Officers' duties will be upheld. All of the insurance premiums are borne by the Company.

(4) Matters Concerning Outside Officers

(i) Relationships Between the Company and Important Companies, etc. at Which Positions are Concurrently Held by Officers of the Company (Concurrent Positions as Executives or Outside Officers, etc. at Other Companies, etc.)

Position	Name	Company, etc. at which Positions are Concurrently Held by Officers of the Company and Content	Relationship
Director	Hiroshi Sato	Outside Director, Iwatani Corporation	This company has business relations with the Company, such as the sale and purchase of products.
	Atsushi Horiba	Chairman & Group CEO, HORIBA, Ltd.	This company has business relations with the Company, such as the purchase of equipment.
		Outside Director, SoftBank Corp.	This company has business relations with the Company, such as the sale and purchase of products.
		Chairman, Kyoto Chamber of Commerce and Industry	No particular relationship.
	Kyoko Kawamata	Head of Management Planning Office, Tokyo National Museum, Independent Administrative Institution, National Institutes for Cultural Heritage	No particular relationship.
	Asli M. Colpan	Professor, Graduate School of Economics, Kyoto University Professor, Graduate School of Management, Kyoto University Deputy Executive Vice-President, Kyoto University	This institution has business relationship with the Company, such as joint research and donations.
		Outside Audit & Supervisory Board Member, Sumitomo Rubber Industries, Ltd.	This company has business relations with the Company, such as the sale of products.
		Outside Director, Kansai Paint Co., Ltd.	No particular relationship.
Audit & Supervisory Board Members	Michiko Uehara	Outside Director, The Japan Wool Textile Co., Ltd.	No particular relationship.

Position	Name	Company, etc. at which Positions are Concurrently Held by Officers of the Company and Content	Relationship
Audit & Supervisory Board Members	Tatsuo Kijima	Outside Director, Osaka Gas Co., Ltd.	This company has business relations with the Company, such as the supply of gas to production bases, etc. of the Company.

(Note)
The information under the heading “Company, etc. at which Positions are Concurrently Held by Officers of the Company and Content” is as of March 31, 2026.

(ii) Main Activity Status

a. Directors

Name	Main Activity Status
Hiroshi Sato	He attended all 15 Board of Directors meetings held this fiscal year. In addition, including important internal meetings other than Board of Directors meetings and opportunities for dialogues with Executive Directors, etc., he makes statements, as necessary, on corporate management in general, based on his rich experience and his extensive knowledge as a manager of a corporation with a wide range of business areas, such as materials like iron and steel, machines and energy, and in particular, based on his rich business experience in fields of research on materials and in technical development. Other than the above, he serves as a member of both the Nominating Advisory Committee and the Compensation Advisory Committee and attended all five respective meetings of the committees held this fiscal year and made statements regarding the approach, etc. to personnel appointments and training plans of Officers and Officers' remuneration from an independent and objective position. In addition, he reviews and expresses opinions on internal control systems and specific measures regarding various compliance issues, such as the eradication and recurrence prevention of violations of antitrust laws, including overseas competition laws, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis.
Michihiro Tsuchiya	He attended all 15 Board of Directors meetings held this fiscal year. In addition, including important internal meetings other than Board of Directors meetings and opportunities for dialogues with Executive Directors, etc., he makes statements, as necessary, on corporate management in general, based on his rich experience and his extensive knowledge as a manager of a corporation developing global business activities, and in particular, based on his rich business experience in fields of research & development and in management strategies. Other than the above, he has served as a Chairman of both the Nominating Advisory Committee and the Compensation Advisory Committee, and attended all five respective meetings of the committees held this fiscal year and led the operation and made statements regarding the approach, etc. to personnel appointments and training plans of Officers and Officers' remuneration from an independent and objective position. In addition, he reviews and expresses opinions on internal control systems and specific measures regarding various compliance issues, such as the eradication and recurrence prevention of violations of antitrust laws, including overseas competition laws, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis.

Name	Main Activity Status
Katsuaki Watanabe	He attended all 15 Board of Directors meetings held this fiscal year. In addition, including important internal meetings other than Board of Directors meetings and opportunities for dialogues with Executive Directors, etc., he makes statements, as necessary, on corporate management in general, based on his rich experience in and extensive knowledge of corporate management in general, acquired by engaging in management of corporations developing global operations and in particular, based on his rich business experience in a wide range of fields including supply chains, corporate planning, and manufacture. Other than the above, he serves as a member of both the Nominating Advisory Committee and the Compensation Advisory Committee and attended all five respective meetings of the committees which were held this fiscal year and made statements regarding the approach, etc. to personnel appointments and training plans of Officers and Officers' remuneration from an independent and objective position. In addition, he reviews and expresses opinions on internal control systems and specific measures regarding various compliance issues, such as the eradication and recurrence prevention of violations of antitrust laws, including overseas competition laws, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis.
Atsushi Horiba	He attended 14 out of 15 Board of Directors meetings held this fiscal year. In addition, including important internal meetings other than Board of Directors meetings and opportunities for dialogues with Executive Directors, etc., he makes statements, as necessary, on corporate management in general, based on his rich experience and his extensive knowledge as a manager of a corporation developing global business activities, and in particular, based on his rich business experience in fields of management strategies (global management, M&A, etc.). In addition, he reviews and expresses opinions on internal control systems and specific measures regarding various compliance issues, such as the eradication and recurrence prevention of violations of antitrust laws, including overseas competition laws, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis.

Name	Main Activity Status
Kyoko Kawamata	She attended 14 out of 15 Board of Directors meetings held this fiscal year. In addition, including important internal meetings other than Board of Directors meetings and opportunities for dialogues with Executive Directors, etc., she makes statements, as necessary, on corporate management in general, based on her rich experience and her broad knowledge gained over many years at a major newspaper company. In addition, she reviews and expresses opinions on internal control systems and specific measures regarding various compliance issues, such as the eradication and recurrence prevention of violations of antitrust laws, including overseas competition laws, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis.
Asli M. Colpan	After joining the Board of Directors on June 26, 2025, she attended 11 out of 12 Board of Directors meetings held up to the end of this fiscal year. In addition, including important internal meetings other than Board of Directors meetings and opportunities for dialogues with Executive Directors, etc., she makes statements, as necessary, on corporate management in general, based on her extensive expertise and global perspective as a university professor specializing in management strategy and corporate governance. In addition, she reviews and expresses opinions on internal control systems and specific measures regarding various compliance issues, such as the eradication and recurrence prevention of violations of antitrust laws, including overseas competition laws, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis.

b. Audit & Supervisory Board Members

Name	Main Activity Status
Michiko Uehara	She attended all 15 Board of Directors meetings and all 16 Audit & Supervisory Board meetings held this fiscal year. She makes statements, as necessary, mainly on business management, including risk management, measures responding to changes in global regulations and misconduct by other companies, and points for attention, etc. concerning corporate governance, based on her expertise and experience as an attorney at law and great insight into risk and crisis management, etc. including compliance by corporations. In addition, she reviews and expresses opinions on internal control systems and specific measures regarding various compliance issues, such as the eradication and recurrence prevention of violations of antitrust laws, including overseas competition laws, in cooperation with other Audit & Supervisory Board Members, on a routine basis.
Ikuo Yoshikawa	He attended all 15 Board of Directors meetings and all 16 Audit & Supervisory Board meetings held this fiscal year. He makes statements, as necessary, mainly on business management, including risk management, measures responding to changes in global regulations, etc., and misconduct by other companies, and points for attention, etc. concerning corporate governance, based on his expertise and experience as a certified public accountant and his extensive knowledge as a professor of a university whose main research field is accountancy. In addition, he reviews and expresses opinions on internal control systems and specific measures regarding various compliance issues, such as the eradication and recurrence prevention of violations of antitrust laws, including overseas competition laws, in cooperation with other Audit & Supervisory Board Members, on a routine basis.

Name	Main Activity Status
Tatsuo Kijima	He attended 14 out of 15 Board of Directors meetings and 15 out of 16 Audit & Supervisory Board meetings held this fiscal year. He makes statements, as necessary, mainly on methods for viable business management for the whole group, and statements on measures responding to changes in global regulations, etc., misconduct by other companies, and points for attention, etc. concerning corporate governance, based on his rich experience in and extensive knowledge of corporate management in general, acquired by engaging in management of corporations supporting social infrastructures involving transportation. In addition, he reviews and expresses opinions on internal control systems and specific measures regarding various compliance issues, such as the eradication and recurrence prevention of violations of antitrust laws, including overseas competition laws, in cooperation with other Audit & Supervisory Board Members, on a routine basis.

(iii) Outline of Contents of Limited Liability Contract

The Company has entered into limited liability contracts with all of the Outside Directors and the Outside Audit & Supervisory Board Members in accordance with the provisions of the Articles of Incorporation. With respect to the liability under Article 423, Paragraph 1 of the Companies Act, the Outside Director or the Outside Audit & Supervisory Board Member shall assume liability for damages limited to the higher amount of either 10 million yen or the minimum liability amount under Article 425, Paragraph 1 of the Act, if he was without knowledge and not grossly negligent in conducting his duties.

(iv) Total Amount of Remuneration, etc.

Seven Directors and three Audit & Supervisory Board Members: 198,000,000 yen

(Note)
The number of Directors and Audit & Supervisory Board Members above includes one Director who retired as of June 26, 2025.

4. Matters Regarding Accounting Auditor

(1) Name of Accounting Auditor

KPMG AZSA LLC

(2) Amount of Remuneration, etc. to Accounting Auditor

(i)	Amount of remuneration, etc. to be paid by the Company	243 million yen
(ii)	Total amount of money and other financial benefits to be paid by the Company and its subsidiaries	953 million yen

(Notes)
1. As a result of examining items such as the details of the audit plans for this fiscal year, the audit results of the preceding fiscal year, and the basis for calculating estimates on which remuneration is based, the Audit & Supervisory Board determined

that the remuneration amount of the Accounting Auditor was appropriate. Therefore, the Audit & Supervisory Board gave consent regarding Article 399, Paragraph 1 of the Companies Act.

2. Under the audit contract concluded between the Company and the Accounting Auditor, the amount of remuneration, etc. for audits as per the Companies Act and the amount of remuneration, etc. for audits as per the Financial Instruments and Exchange Act are not and cannot practically be separated. Therefore, the total of these amounts is shown in (i) above.
3. The Company pays to the Accounting Auditor compensation for services (i.e., advice on sustainability disclosures, integrated reports, etc., guidance and advice relating to financial investigation of subsidiaries, etc.), other than the services set forth in Article 2, Paragraph 1 of the Certified Public Accountants Act.
4. Among the important subsidiaries of the Company specified in “1.(9) Status of Important Subsidiaries and Affiliates”, overseas subsidiaries are subject to audits (limited to the types of audit set forth in the Companies Act or the Financial Instruments and Exchange Act and their foreign equivalents) by certified public accountants or audit firms (including persons with qualifications in foreign countries that are equivalent to these qualifications) other than the Accounting Auditor of the Company.

(3) Policy for Determination of Dismissal or Non-Reappointment of Accounting Auditor

It is the Company’s policy that if any of the Items of Article 340, Paragraph 1 of the Companies Act applies to the Accounting Auditor, the Company will dismiss the Accounting Auditor. In addition, in any other circumstances where it is reasonably suspected that the Accounting Auditor cannot ensure fairness in implementing its duties and, therefore, it is deemed inappropriate for the Accounting Auditor to continue auditing, the Company will either dismiss or refuse to reappoint the Accounting Auditor, depending on the circumstances.

5. Content of Resolutions Regarding Development of Systems Necessary to Ensure the Propriety of Operations and Outline of the Operational Status of the Systems

In accordance with Article 362, Paragraph 4, Item 6 of the Companies Act and Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, the Company, at its Board of Directors meeting, adopted a resolution concerning development of systems necessary to ensure the propriety of operations of a stock company (basic policies regarding establishment of an internal control system), with the following content. In addition, the operational status of the systems is outlined as follows.

I. Content of Resolutions Regarding the Basic Policies to Establish the Internal Control Systems

(1) Systems for Preservation and Management of Information Related to the Execution of Duties by Directors

The Company shall produce and keep the minutes of Board of Directors meetings, and shall record and appropriately manage information regarding the execution of duties and making of decisions by Directors, such as an internal document for drafting proposals and making internal approvals, as set forth in the internal rules of information management, the internal rules of document handling and the internal rules of papers preservation.

(2) Internal Rules and Other Systems for Managing Risk of Loss

Regarding major cross-Group risks such as those related to disaster, quality, safety, environment, credit extension and export and import trade controls, risk management shall be conducted by each department or division. Each department or division shall assess the risks pertaining to implementation of the business it controls pursuant to the responsive measures and accident examples and preventative measures which are shared within the Group either by the Corporate Staff Group which is responsible for each risk or by the committees hosted by Directors, etc. (meaning the “Executive Directors or Executive Officers”; hereinafter the same) who are in charge of the Corporate Staff Group.

Regarding pressing issues arising from changes in social conditions, business environments, etc., the Company intends to develop systems and reinforce its commitments through cooperation among relevant departments and divisions under the initiative of the Risk Management Committee.

Further, regarding risks peculiar to a specific department or division, the relevant department or division shall decrease risks by, as deemed necessary, obtaining the assistance of the Corporate Staff Group having expertise and external experts.

The Risk Management Committee shall exercise control over these activities pursuant to the internal rules of risk management, and shall monitor them in cooperation with the Audit & Supervisory Board Members, the Internal Auditing Department and the Corporate Staff Group which is responsible for each risk.

Further, if any material risk becomes evident and countermeasures urgently need to be taken, the Risk Management Steering Committee shall, among other things, assess the severity of the crisis and establish a task force.

(3) Systems for Ensuring the Efficiency of the Execution of Duties by Directors

In order to ensure efficient and appropriate execution of duties by Directors, etc. and administrative members the Company shall set forth, in the job classification system and the internal rules of operations, the department or division in charge, the authority vested in each role, and the operations governed by each organization.

Further, the Company shall adopt the Executive Officer System and the Business Unit System, and develop a system in which each Business Unit, the Sales & Marketing Unit and the R&D Unit will do business flexibly under the supervision of each General Manager of the Unit depending on environmental changes and customer demands.

Further, regarding the operational results, etc. of each Business Unit, the Company will develop a medium-term plan and an annual plan designed to achieve the medium-term plan, and adopt a system under which the Accounting and Finance Department and the Director in charge of accounting and finance shall track and analyze the progress toward achievement on a monthly basis, and shall report the results to the Management Conference and the Board of Directors in order to examine what measures might need to be taken.

The Company shall promote the use of video conference and computer and communication network systems, aiming to efficiently gather, analyze, utilize and share management information.

(4) Systems for Ensuring that the Execution of Duties by Directors and Employees Is Compliant with Laws and the Articles of Incorporation

The Company shall endeavor to spread the Charter of Corporate Behavior, which elaborates the Sumitomo Spirit and the Corporate Principles, and the Code of Conduct, which provides the Group's common rules on compliance. Further, the Company shall thoroughly implement the principle that compliance with laws and maintenance of corporate ethics constitute the foundation of management, through the statements and behavior of the top management.

The Compliance Committee chaired by the President shall, among other things, do the following: identify and analyze cross-Group compliance risks; confirm the dissemination and firm establishment of the Code of Conduct; plan and perform training; investigate the cause of violations and formulate proposed measures to prevent their reoccurrence; disseminate and have the above items thoroughly implemented within the Group; and conduct monitoring of the compliance promotion activities.

Meanwhile, each department and division shall identify and analyze compliance risks, including risks peculiar to the department or division, and take measures to prevent them; whereas the Compliance Committee, the Legal Department, the Audit & Supervisory Board Members and the Internal Auditing Department shall conduct their monitoring, in cooperation with one another.

Regarding compliance with domestic and foreign competition laws, the Company shall continuously provide education regarding competition laws in order to eradicate any cartel or bid-rigging activities, including suspicious activities, within the Group. Further, under the Compliance Committee, the Compliance & Risk Management Office shall monitor the status of operation of, and compliance with, a set of rules and regulations to ensure compliance with competition laws and, further, plan and implement any other competition law compliance measures, in cooperation with the respective dedicated organization of each Unit or Compliance Liaison.

Further, the Compliance Committee shall appropriately identify the circumstances pertaining to information provided to the notification and consultation desk established within and without the Company, and shall take necessary measures.

(5) Systems for Ensuring the Propriety of Financial Reporting

The Company shall establish an Internal Control Committee for Financial Reporting, chaired by the President, and shall also build a promotion organization in the Corporate Staff Group. Pursuant to their policies, guidance and assistance, each department, division and subsidiary shall proceed 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 shall assess the effectiveness of the internal control system of the whole Group for each fiscal year, and compile an internal control report to be submitted to the Financial Services Agency based on the results of such assessment and shall obtain the approval of the Internal Control Committee for Financial Reporting and the Board of Directors.

(6) Systems for Ensuring the Propriety of the Operations Performed by the Corporate Group Comprised of the Company and the Subsidiaries

The Company shall also endeavor to spread the Charter of Corporate Behavior, which elaborates the Sumitomo Spirit and the Corporate Principles, to the Group companies, aiming to share with them the principles that should be respected and complied with in the course of business operations.

Pursuant to the internal rules of affiliated companies management, the Company shall receive reports from subsidiaries or have subsidiaries consult with the Company as deemed necessary, regarding matters to be decided and accrued facts to be reported or referred to the Management Conference and the Board of Directors meeting of the Company, and certain matters related to risk management and compliance, etc.

In addition, the related persons of the governing Unit and the administrative members of the Accounting and Finance Department, among others, shall assume the offices of Directors and Audit & Supervisory Board Members of the subsidiaries in order to track their management status. Furthermore, information regarding risk management and compliance systems, etc. shall be exchanged at the conference of Audit & Supervisory Board Members of the Group, or through communication and exchanges between the Corporate Staff Group of the Company, such as the Human Resources Division, the Administration Division and the Accounting and Finance Department, on the one hand, and the relevant departments or divisions of the subsidiaries, on the other hand. In this regard, the major activities relating to risk management and compliance do not only cover the Company itself, but also its domestic and foreign subsidiaries, excluding listed companies and their subsidiaries.

Regarding major cross-Group risks, each subsidiary shall practice risk management by assessing the risks pertaining to the implementation of its business, pursuant to the responsive measures and accident examples and preventative measures shared within the Group by each department or division of the Company in charge, among others. Further, each subsidiary shall minimize risks peculiar to itself, by obtaining the assistance of the Company.

Regarding compliance risks, too, the Company has adopted a system under which each subsidiary takes measures, including those to cope with its peculiar risks, pursuant to the major compliance risks and measures to prevent their occurrence shared within the

Group by the Compliance Committee and the Legal Department of the Company, among others. With respect to the notification and consultation desk for whistle-blowing, the Company guides each subsidiary to establish its own internal consultation desk, whereas the Company also maintains the Group's common external consultation desks, both in Japan and abroad.

Under the current system, the business of each subsidiary is operated flexibly under the Business Unit System. Under this system, the business plan of each subsidiary is formulated as part of the medium-term plan and annual plan of each Unit, and the operational results of each Unit are reported to the Management Conference and the Board of Directors on a monthly basis, in order to examine measures required to be taken. Further, utilization of the Group's common infrastructure has also been promoted in regard to the utilization of computer and telecommunication systems, etc. at subsidiaries.

(7) Matters Related to the Employees to Provide Support to the Audit & Supervisory Board Members and Matters for Ensuring their Independence from Directors and the Effectiveness of Instructions to Such Employees

The Company shall establish the Office of Audit & Supervisory Board Members as a dedicated office to provide support to the Audit & Supervisory Board Members and shall allocate employees to such tasks (the "staff of Office of Audit & Supervisory Board Members"), some of whom shall be dedicated staff members. Personnel transfer and personnel evaluation of the staff of Office of Audit & Supervisory Board Members shall be subject to prior consultation with the Audit & Supervisory Board or full-time Audit & Supervisory Board Members for their opinions, and the staff of Office of Audit & Supervisory Board Members shall follow the directions and commands of the Audit & Supervisory Board Members.

(8) Systems for Reporting by Directors and Employees of the Company, Directors and Employees of the Subsidiaries, or Persons Who Have Received Reports therefrom to the Audit & Supervisory Board Members of the Company and Other Systems for Reporting to the Audit & Supervisory Board Members of the Company

Audit & Supervisory Board Members shall attend various important meetings which govern the operation of the Company's whole Group, such as the Management Conference, the Risk Management Committee and the Compliance Committee. Further, the Company shall adopt a system under which the Directors, the senior managers of the departments or divisions, the presidents of the subsidiaries and others shall report to the Audit & Supervisory Board Members, as deemed necessary, regarding matters which occur within the Group such as sudden and unexpected acts violating laws or the Articles of Incorporation, or material execution of business or change to internal control system (excluding minor ones).

(9) Systems for Ensuring That a Person Who Has Made a Report to the Audit & Supervisory Board Members Shall Not Be Unfavorably Treated on Account of Having Made Such a Report

The Company and each subsidiary shall refrain from unfavorably treating any person who has made a report to the Audit & Supervisory Board Members as set forth in paragraph (8) above on account of having made such a report, by taking such measures as setting forth in their internal rules for whistle-blowing desk system that they shall not dismiss or otherwise unfavorably treat a person on account of such person having provided information to the staff of Office of Audit & Supervisory Board Members.

(10) Matters Related to Policies Regarding Accounting for the Costs or Debts Incurred in Relation to Execution of Duties of the Audit & Supervisory Board Members

For each fiscal year, a necessary budget shall be set with the approval of the Audit & Supervisory Board in order to account for costs or debts incurred in relation to execution of duties of the Audit & Supervisory Board Members, and a prompt response shall be made if an Audit & Supervisory Board Member requests reimbursement for costs having been prepaid or disbursed, or repayment of debts having been borne, by such Audit & Supervisory Board Member.

Further, costs incurred in the case where the Audit & Supervisory Board Members consult with external experts, such as lawyers and certified public accountants, in relation to execution of their duties shall be borne by the Company.

(11) Other Systems for Ensuring that the Audit & Supervisory Board Members Can Conduct Audits Effectively

The Company shall, as deemed necessary, secure opportunities for the Audit & Supervisory Board Members to interview Directors and the senior managers of the departments or divisions, and shall also periodically hold meetings for the Audit & Supervisory Board Members and Outside Directors to exchange opinions with, among others, the Chairman of the Board of Directors, the President and the Officers in charge of the Corporate Staff Group concerning important audit matters. Furthermore, the Internal Auditing Department shall act in cooperation with the Audit & Supervisory Board Members.

II Outline of Operational Status

(1) Systems for Preservation and Management of Information Related to the Execution of Duties by Directors

The minutes of Board of Directors meetings are produced each time a meeting is held, and the originals, to which the officers who attend the meeting affix their names and seals, are kept at the Administration Division. Each department or division manages the documents and electronic data regarding the execution of duties and making of decisions by Directors, such as an internal document for drafting proposals and making internal approvals, as set forth in the internal rules of information management, the internal rules of document handling and the internal rules of papers preservation.

(2) Internal Rules and Other Systems for Managing Risk of Loss

Meetings of the Risk Management Committee are held at the same time as meetings of the Management Conference. Directors, etc. report matters such as the appearance of material risks in the department or division for which they are responsible, and discuss topics such as measures against those risks as necessary.

Major cross-Group risks are handled in accordance with the basic policies. Each department or division manages risks by reassessing the risks pertaining to implementation of the business it controls, according to the responsive measures and accident examples and preventative measures which are shared within the Group either by the Corporate Staff Group which is responsible for each risk or by the committees hosted by Directors, etc. who are in charge of the Corporate Staff Group. Further, regarding risks unique to a specific department or division, the relevant department or division decreases risks by, as deemed necessary, obtaining the assistance of the Corporate Staff Group and external experts.

As for pressing issues, the Company strives to reinforce the development of cyber security through cooperation among relevant departments and divisions, under the initiative of the Risk Management Committee, to deal with the increase and sophistication of cyber-attacks. In addition, the Company is working closely with the relevant Corporate Staff Group to address geopolitical risks associated with global business operations. This collaborative effort involves the development of action plans that prioritize employee safety and the implementation of measures to minimize business risks at each location.

The Risk Management Committee and its secretariat, the Compliance & Risk Management Office, monitor these activities in cooperation with the Audit & Supervisory Board Members, the Internal Auditing Department, and the Corporate Staff Group which is responsible for each risk.

In addition, the Company has established a Sustainability Management Promotion Committee, whose chairperson is the President, and this Committee has adopted a system under which it discusses policies and provides advice in order to consistently promote measures for considering global environmental issues such as climate change, respecting human rights, ensuring the well-being of, a healthy work environment for, and fair and appropriate treatment of employees, as well as fair and impartial trade with clients, and managing natural disasters, etc.

(3) Systems for Ensuring the Efficiency of the Execution of Duties by Directors

In order to ensure efficient and appropriate execution of duties by Directors, etc. and administrative members, the Company defines, in the job classification system and the internal rules of operations, (i) the department or division in charge, (ii) the authority vested in each role, and (iii) the operations governed by each organization. The Company appropriately revises the contents of the system and rules as necessary.

Further, regarding the operational results, etc. of each Business Unit, the Company develops a medium-term plan and an annual plan designed to achieve the medium-term plan, and the Accounting and Finance Department and the Director in charge of accounting and finance track and analyze the progress toward achievement on a monthly basis, and report the results to the Management Conference and the Board of Directors in order to examine what measures might need to be taken.

In order to gather and analyze management information, the Company has established and utilizes an accounting system that enables prompt and efficient gathering.

(4) Systems for Ensuring that the Execution of Duties by Directors and Employees Is Compliant with Laws and the Articles of Incorporation

The Company endeavors to spread the Sumitomo Spirit and the Charter of Corporate Behavior through measures such as distributing booklets explaining those ideas, and awareness about compliance by distributing the Code of Conduct and conducting training. Further, the President comments on the importance of the Sumitomo Spirit and that compliance with laws and maintenance of corporate ethics constitute the foundation of management, at opportunities to deliver messages within the Group, such as New Year’s speeches and in-house newsletters, striving to spread awareness of these ideas.

In fiscal 2025, the Compliance Committee held four meetings and, among other things, undertook the following: identified and analyzed cross-Group compliance risks; planned and performed compliance training; and conducted monitoring of the compliance promotion activities of each department or division. Regarding compliance training, it was

offered to officers, managers, those who were promoted, and new employees of the Company, and employees of the subsidiaries.

Regarding compliance with domestic and foreign competition laws, under the Global Antitrust and Competition Policy, the Company provides education regarding competition laws, within the Group, including domestic and foreign subsidiaries. Further, the Compliance & Risk Management Office monitors the status of operation of, and compliance with, a set of rules and regulations to ensure compliance with competition laws in cooperation with the respective dedicated organization of each Unit or the Compliance Liaison.

Regarding prevention of bribery, the Company provides education within the Group, including domestic and foreign subsidiaries, and the Compliance Liaison in each department or division operates systems such as a pre-approval system to providing business entertainment, among others, pursuant to the internal rules on bribery prevention.

The Compliance Committee appropriately identifies the circumstances pertaining to information provided to the notification and consultation desk established by the Company and domestic and foreign subsidiaries within and without the Company (law firms and experts), and takes necessary measures.

(5) Systems for Ensuring the Propriety of Financial Reporting

Pursuant to the guidance and assistance of the Internal Control Committee for Financial Reporting and the relevant Corporate Staff Group, each department, division, and subsidiary develops and operates the internal control system. The Internal Auditing Department assesses the effectiveness of the internal control system of the whole Group, 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.

(6) Systems for Ensuring the Propriety of the Operations Performed by the Corporate Group Comprised of the Company and the Subsidiaries

The Company also endeavors to spread the Sumitomo Spirit, the Charter of Corporate Behavior, “Multistakeholder Capitalism” (“Goho Yoshi” (Five-Way-Win)), and long-term visions, etc. to each subsidiary, aiming to share with them the principles that should be respected and complied with in the course of business operations.

Regarding specific matters pursuant to the internal rules of affiliated companies management, the responsible Unit and the relevant Corporate Staff Group of each subsidiary receive reports and consultation from the subsidiary, and as necessary, refer them to the Management Conference and the Board of Directors meeting of the Company.

The related persons of the governing Unit and the administrative members of the Accounting and Finance Department, among others, are placed as Directors or Audit & Supervisory Board Members of the subsidiaries in order to track their management status.

The business plan of each subsidiary is formulated as part of the medium-term plan and annual plan of each Unit, and the operational results of each Unit are reported to the Management Conference and the Board of Directors on a monthly basis, in order to examine measures required to be taken.

Regarding commitments to risk management and compliance systems, such information is exchanged at the conference of Audit & Supervisory Board Members of the Group, or through meetings held by the Corporate Staff Group of the Company, such as the

Human Resources Division, the Administration Division, and the Accounting and Finance Department, with the relevant departments or divisions of the subsidiaries, and guidance and support are conducted by the relevant Corporate Staff Group for each subsidiary. Also, the major activities relating to risk management and compliance do not only cover the Company itself, but also its domestic and foreign subsidiaries, excluding listed companies and their subsidiaries.

(7) Systems for Ensuring that the Audit & Supervisory Board Members Can Conduct Audits Effectively

The Company has established the Office of Audit & Supervisory Board Members as a dedicated office to provide support to the Audit & Supervisory Board Members and allocated employees consisting of one dedicated staff member and four members who hold posts concurrently elsewhere to such tasks (the “staff of Office of Audit & Supervisory Board Members”). The Office of Audit & Supervisory Board Members does not fall under the responsibility of any Directors, etc. in terms of the organization, and the staff of Office of Audit & Supervisory Board Members must follow the instructions of the Audit & Supervisory Board Members. Regarding personnel transfer and personnel evaluation of the staff of Office of Audit & Supervisory Board Members, the Company hears the opinions of the Audit & Supervisory Board or full-time Audit & Supervisory Board Members.

Audit & Supervisory Board Members attend various important meetings, such as the Management Conference, the Risk Management Committee and the Compliance Committee. The Directors, etc., the senior managers of the departments or divisions, the presidents of the subsidiaries and others report to the Audit & Supervisory Board Members, as deemed necessary, regarding material matters of the contents of the various important meetings that need supplementation.

A necessary budget is set with the approval of the Audit & Supervisory Board in order to account for costs or debts incurred in relation to execution of duties of the Audit & Supervisory Board Members, and a prompt response is made if an Audit & Supervisory Board Member makes requests such as reimbursement for costs having been prepaid or disbursed by such Audit & Supervisory Board Member.

The Directors and the senior managers of the departments or divisions hold meetings upon request from the Audit & Supervisory Board Members and are interviewed about matters necessary for audits. In fiscal 2025, the Chairman of the Board of Directors, the President and the Officers in charge of the Human Resources, the Administration, and the Accounting and Finance held a meeting twice with the Audit & Supervisory Board Members and Outside Directors to report and exchange opinions concerning management policies and tasks, etc. Furthermore, the Internal Auditing Department requests that the Audit & Supervisory Board Members attend report meetings regarding the results of audit in each division, department, etc. and hears the opinions of the Audit & Supervisory Board Members. It also acts in cooperation with the Audit & Supervisory Board Members through activities such as reporting and exchanging opinions concerning annual audit plans and its results.

End

(Note)
In this Business Report, all figures have been rounded to the nearest number as stated, except for the number of shares indicated in units of one thousand shares which have been rounded down to the nearest number as stated.

[Reference Information]
In addition to what is set forth in the above, as for the reference information described in the convocation notice in Japanese, please see the following URL.

Corporate Principles of the Company
As for the "Sumitomo Spirit" and the "Sumitomo Electric Group Corporate Principles," please see the website of the Company.
https://sumitomoelectric.com/company/vision

Corporate Governance of the Company
As for the Sumitomo Electric Group's corporate governance structure, please see the website of the Company.
https://sumitomoelectric.com/company/governance

Analysis and Evaluation of the Effectiveness of the Board of Directors

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.

<Analysis and Evaluation Results>
(1) Overall
The Board of Directors confirmed that in all aspects of its role, operation, and composition, effectiveness is being ensured.

(2) 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.

(3) 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.

(4) 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.

(5) 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.

<Future Initiatives>

(1) 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.

(2) 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.

(3) 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 or 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.

(4) The Board of Directors will continue to pay attention to diversity in the composition of the Board of Directors.

Mid-term Management Plan 2028

As for Mid-term Management Plan 2028, please see the following URL.
https://sumitomoelectric.com/company/segmid-term2028

(Translation)

Consolidated Balance Sheet

(As of March 31, 2026)

(Millions of yen)

Accounts	Amount	Accounts	Amount
(ASSETS)		**(LIABILITIES)**	
Current assets	**2,424,611**	**Current liabilities**	**1,347,756**
Cash and time deposits	236,982	Trade notes and accounts payable	487,654
Trade notes and accounts receivable	932,945	Short-term debt	210,726
		Commercial papers	63,276
Contract assets	15,267	Current portion of bonds	44,997
		Contract liabilities	113,584
Inventories	1,018,148	Other current liabilities	427,519
Other current assets	225,322		
Allowance for doubtful receivables	(4,053)	**Non-current liabilities**	**641,777**
		Bonds	129,945
		Long-term debt	171,598
		Deferred tax liabilities	192,012
Non-current assets	**2,399,921**	Net defined benefit liabilities	53,887
Property, plant and equipment	**1,189,434**	Other non-current liabilities	94,335
Buildings and structures	327,022	**Total liabilities**	**1,989,533**
		(NET ASSETS)	
Machinery, equipment and vehicles	473,442	**Shareholders' equity**	**2,124,515**
		Common stock	99,737
Land	100,359	Capital surplus	141,937
Construction in progress	122,029	Retained earnings	1,903,632
Other	166,582	Treasury stock	(20,791)
Intangible assets	**62,086**	**Accumulated other comprehensive income**	**618,919**
		Net unrealized holding gains on available-for-sale securities	241,274
Investments and other assets	**1,148,401**	Deferred gains or losses on hedges	(1,726)
Investment securities	713,033	Foreign currency translation adjustments	240,547
Net defined benefit asset	344,890	Remeasurements of defined benefit plans	138,824
Deferred tax assets	41,677		
Other	59,825	**Non-controlling interests**	**91,565**
Allowance for doubtful receivables	(11,024)	**Total net assets**	**2,834,999**
Total assets	**4,824,532**	**Total liabilities and net assets**	**4,824,532**

(Note) Amounts shown in this financial statement have been rounded to the nearest million yen.

Consolidated Statement of Income

(From April 1, 2025 to March 31, 2026)

(Millions of yen)

Accounts	Amount	
Net sales		5,110,171
Cost of sales		4,076,140
Gross profit		**1,034,031**
Selling, general and administrative expenses		615,858
Operating profit		**418,173**
Non-operating income		
Interest income	3,909	
Dividend income	7,343	
Share of profit of investments accounted for using the equity method	31,390	
Other income	15,974	58,616
Non-operating expenses		
Interest expenses	23,717	
Other expenses	21,798	45,515
Ordinary profit		**431,274**
Extraordinary income		
Gain on sales of property, plant and equipment	10,360	
Gain on sales of investment securities	8,635	
Gain on sales of shares of subsidiaries and associates	79,154	98,149
Extraordinary losses		
Loss on disposal of property, plant and equipment	5,381	
Impairment loss on fixed assets	7,134	
Restructuring expenses	11,749	24,264
Profit before income taxes		**505,159**
Income taxes – current	98,219	
Income taxes – deferred	5,794	104,013
Profit for the year		**401,146**
Profit attributable to non-controlling interests		31,638
Profit attributable to owners of parent		**369,508**

(Note) Amounts shown in this financial statement have been rounded to the nearest million yen.

Consolidated Statement of Changes in Net Assets

(From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total share-holders' equity
Balance at beginning of period	99,737	165,319	1,618,695	(20,818)	1,862,933
Changes of items during the period					
Cash dividends			(86,588)		(86,588)
Profit attributable to owners of parent			369,508		369,508
Purchases of treasury stock				(122)	(122)
Disposal of treasury stock		224		149	373
Change in scope of consolidation			(1,058)		(1,058)
Change in scope of equity method			3,075		3,075
Change in ownership interests arising from transactions with non-controlling shareholders		(23,606)			(23,606)
Other					
Total changes of items during the period	—	(23,382)	284,937	27	261,582
Balance at end of period	99,737	141,937	1,903,632	(20,791)	2,124,515

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Net unrealized holding gains on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total accumu-lated other compre-hensive income		
Balance at beginning of period	177,927	(3,692)	162,741	90,485	427,461	240,043	2,530,437
Changes of items during the period							
Cash dividends							(86,588)
Profit attributable to owners of parent							369,508
Purchases of treasury stock							(122)
Disposal of treasury stock							373
Change in scope of consolidation							(1,058)
Change in scope of equity method							3,075
Change in ownership interests arising from transactions with non-controlling shareholders							(23,606)
Other	63,347	1,966	77,806	48,339	191,458	(148,478)	42,980
Total changes of items during the period	63,347	1,966	77,806	48,339	191,458	(148,478)	304,562
Balance at end of period	241,274	(1,726)	240,547	138,824	618,919	91,565	2,834,999

(Note) Amounts shown in this financial statement have been rounded to the nearest million yen.

Notes to Consolidated Financial Statements

1. Basis of Consolidated Financial Statements

1-1. Scope of consolidation

(1) Consolidated subsidiaries

Consolidated subsidiaries: 374 companies

Major consolidated subsidiaries

Sumitomo Wiring Systems, Ltd., Sumitomo Electric Device Innovations, Inc., Sumitomo Riko Co., Ltd., Sumitomo Electric Hardmetal Corp. and Sumitomo Electric Wiring Systems, Inc.

2 companies were newly included in the scope of consolidation as a result of acquisition of shares or establishment from the fiscal year ended March 31, 2026.

And 17 companies including Sumitomo Densetsu Co., Ltd. were excluded from the scope of consolidation as a result of merger, sales of shares or completion of liquidation.

(2) Unconsolidated subsidiaries

Major unconsolidated subsidiaries

SEI HR SERVICES, INC.

Reason for being excluded from consolidation

The unconsolidated subsidiaries are immaterial in terms of their assets, sales, profit or loss and retained earnings, and would not have significant effect on the consolidated financial statements either individually or collectively.

1-2. Adoption of the equity method

(1) Unconsolidated subsidiaries and affiliates accounted for by the equity method

Unconsolidated subsidiaries accounted for by the equity method: none

Affiliates accounted for by the equity method: 26 companies

Major companies accounted for by the equity method

Sumitomo Rubber Industries, Ltd.

6 affiliates were excluded from the scope of the equity method as a result of sales of shares, etc.

(2) Unconsolidated subsidiaries and affiliates not accounted for by the equity method

Major companies not accounted for by the equity method

KINKIDENKI Co.

Reason for not applying the equity method

The unconsolidated subsidiaries and affiliates not accounted for by the equity method are immaterial in terms of their profit or loss and retained earnings, and would not have significant effect on the consolidated financial statements either individually or collectively.

1-3. Significant accounting policies

(1) Valuation methods for assets

(a) Securities

Held-to-maturity debt securities are stated at amortized cost.

Available-for-sale securities other than those without market values are stated at the fair value at the fiscal year end. Unrealized gains and losses, net of related taxes and non-controlling interests, are recognized as a separate component of net assets. Acquisition costs on sales are computed using average cost.

Available-for-sale securities without market values are stated at average cost.

(b) Derivatives

Derivative financial instruments are stated at fair value.

(c) Inventories

Inventories are mainly stated at the lower of average cost or net realizable value.

(2) Depreciation method of fixed assets

(a) Property, plant and equipment (excluding leased assets)

The straight-line method is applied.

(b) Leased assets

Leased assets related to finance leases which do not transfer ownership of the lease assets and right-of-use assets in consolidated subsidiaries that apply IFRS 16 “Leases” are depreciated by the straight-line method, assuming the lease period as the useful life and no residual value.

(3) Basis for allowance

Allowance for doubtful receivables

The allowance for doubtful receivables is provided based upon estimated uncollectible amounts for individually identified doubtful receivables and historical loss experience for other receivables.

(4) Basis for revenue and expense

The Company and its consolidated subsidiaries recognize the amount expected to be received in exchange for promised goods or services as revenue at the time when the control of the goods or services is transferred to the customer.

The main businesses of the Company and its consolidated subsidiaries are manufacture and sales of products in the following business segments: Environment and Energy, Infocommunications, Automotive, Electronics and Industrial Materials and Others. Revenue is recognized at the time when the control of the goods or services is transferred to the customer. The timing of domestic sales transactions is mainly at the time of the acceptance inspection by the customer or arrival at the customer. The timing of export sales transactions is mainly at the time when risks are transferred to the customer on the basis of trade terms such as incoterms. In the Environment and Energy segment, the Company and its consolidated subsidiaries operate the business of design and construction, such as the installation of products, as well as the manufacture and sales of the products. For construction contracts in which the performance obligation is satisfied over time, revenue is recognized based on the estimated progress towards the satisfaction of the performance obligation. The method used to estimate the progress towards the satisfaction of the performance obligation is the input method based on the ratio of the incurred costs to the total estimated costs, because incurred costs are considered to represent the progress of construction appropriately. For other contracts, revenue is recognized when the control of the goods or services is considered to be transferred, mainly on the completion of installation as the performance obligation is satisfied at that point in time. Consideration for the transaction is received mainly within one year from the satisfaction of the performance obligation and does not include a significant financing component.

(5) Other significant accounting policies

(a) Basis for retirement benefits

(i) Method of attributing expected benefits to periods of service

When calculating retirement benefit obligations, the benefit formula basis is used for attributing expected retirement benefits to periods of service.

(ii) Method of expenses for actuarial gains and losses and past service costs

Past service cost is amortized on a straight-line basis over certain periods within the average remaining service years of employees from the year in which it arises, or accounted for as an expense when it arises at some consolidated subsidiaries.

Actuarial gains and losses are amortized on a straight-line basis over certain periods within the average remaining service years of employees (mainly 14 years) from the year following the year in which they arise. At some consolidated subsidiaries, they are accounted for as an expense when they arise.

(b) Accounting for corporation tax and local corporation tax and tax effect accounting

The Company and its wholly owned domestic consolidated subsidiaries apply the group tax sharing system. In addition, corporation tax and local corporation tax, as well as their tax effects, are accounted for and disclosed under “Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System” (PITF No.42, August 12, 2021).

2. Revenue recognition

(1) Disaggregation of revenue

The Company and its consolidated subsidiaries derive revenue primarily from contracts with customers. The following table shows the disaggregation of revenue attributable to each reportable segment and its main products. Revenues from other sources are not material.

(Millions of yen)

	FY 2025 (From April 1, 2025 to March 31, 2026)
Environment and Energy segment	
Electric conductors	177,833
Power transmission wires, cables, equipment, work and engineering	338,549
Magnet wires	194,196
Sumitomo Densetsu	228,408
Nissin Electric	174,134
Others	65,660
Subtotal	1,178,780
Infocommunications segment	
Optical fiber cables, telecommunication cables and equipment, fusion splicers	162,518
Optical and electronic devices	95,225
Access network equipment	40,612
Others	28,277
Subtotal	326,632
Automotive segment	
Wiring harnesses, car electronic components	2,281,700
Sumitomo Riko	653,248
Others	2,220
Subtotal	2,937,168
Electronics segment	
Electronic wires	106,103
Flexible printed circuits	121,608
Electron beam irradiation products, fluorine resin products	27,214
Techno Associe	101,017
Others	53,154
Subtotal	409,096
Industrial Materials and Others segment	
Tensioning materials for prestressed concrete, precision spring steel wires, steel tire cord	106,295
Cemented carbide tools, diamond and CBN tools, laser optics	129,921
Sintered powder metal parts	75,293
A.L.M.T.	56,536
Others	20,368
Subtotal	388,413
Adjustments	(129,918)
Total	5,110,171

(Note) “Others” include elimination of intersegment, etc.

(2) Basic information for understanding revenues

Please refer to “1-3. Significant accounting policies (4) Basis for revenue and expense”.

(3) Information for understanding the amount of revenue from the current fiscal year onward

(a) Contract balances

The following table shows the balances of receivables from contracts with customers, contract assets and contract liabilities.

(Millions of yen)

	FY 2024 (As of March 31, 2025)	FY 2025 (As of March 31, 2026)
Receivables from contracts with customers	880,451	932,945
Contract assets	31,467	15,267
Contract liabilities	97,456	113,584

The increase in contract assets was caused mainly by revenue recognition, and the decrease in contract assets was caused mainly by their transfer to trade receivables and exclusion of Sumitomo Densetsu Co., Ltd. from the scope of consolidation.

The increase in contract liabilities was caused mainly by the receipt of advances from customers and the decrease in contract liabilities was caused mainly by revenue recognition. Of the revenue recognized during the fiscal year ended March 31, 2026, ¥75,759 million was included in contract liabilities at the beginning of the fiscal year. And revenue recognized in relation to performance obligations satisfied or partially satisfied in past periods was not material.

(b) Transaction price allocated to remaining performance obligations

The following table shows the total amounts of transaction price allocated to the remaining performance obligations and the period when the revenues were expected to be recognized in the Environment and Energy segment. There were no significant amounts of consideration arising from contracts with customers that were not included in the transaction price.

In some consolidated subsidiaries, transactions with initial expected contract terms of less than one year were not included in the amounts below.

The segments except Environment and Energy, which have contracts in which initial expected terms are mainly one year or less are not included in this disclosure.

(Millions of yen)

Environment and Energy segment	FY 2025 (As of March 31, 2026)
Within 1 year	138,960
Later than 1 year	234,319
Total	373,279

3. Accounting estimate

(Large construction projects)

(1) Amount recorded in the consolidated financial statements for the current fiscal year

The amount of sales was ¥1,178,780 million and the amount of provisions for loss on orders received was ¥1,003 million in the Environment and Energy segment.

(2) Other information that contributes to the understanding of accounting estimates

In the Environment and Energy segment, the Company and its consolidated subsidiaries operate the business of design and construction such as electrical/power supply work, engineering and installation of products as well as the manufacture and sales of the products.

In the recognition of revenue for construction contracts when the performance obligation is satisfied over time, revenue is recognized over time based on the estimated progress towards the satisfaction of that performance obligation. If it is possible to measure the outcome of the performance obligation reasonably, the method used to estimate the progress towards the satisfaction of the performance obligation is the input method based on the ratio of the actual costs to the total estimated costs. If it is not possible to measure the outcome of the performance obligation reasonably, revenue is recognized only to the extent of actual costs incurred.

Regarding orders received for constructions where the total construction costs are more likely to exceed the total construction revenue at the end of the consolidated fiscal year and the amount can be reasonably estimated, the provision is recognized for losses expected to be incurred in the next consolidated fiscal year onward.

When estimating the total construction cost, the Company and its consolidated subsidiaries calculate the appropriate cost after considering the entire content of the work to be performed according to the customer's specifications, and review the estimate in a timely manner in response to any change in the situation after receiving the order. However, regarding long-term construction projects, such as projects for the installation of high-voltage direct current cables for interconnections among national and regional power electric utilities or offshore wind power business, if additional costs are incurred and exceed the estimate as of the end of the consolidated fiscal year because of unexpected circumstances such as an extension of the construction period or an increase in man-hours due to other unforeseen changes in the content of the work, etc., progress of cost reduction activities, or additional costs due to soaring outsourcing costs and personnel expenses and soaring material prices or transportation costs resulting from the international situation, the profit and loss of the next consolidated fiscal year may be affected.

4. Notes to Consolidated Balance Sheet

4-1. Assets pledged as collateral and liabilities secured by collateral

(1) Assets pledged as collateral

Property, plant and equipment	¥851 million

(2) Liabilities secured by the above collateral

Short-term debt	¥254 million

4-2. Accumulated depreciation of property, plant and equipment ¥2,694,299 million

4-3. Guarantees

Debt guarantees and similar agreements

Grupo American Industries, S.A. de C.V.	¥ 855 million
Daeheung SumiRiko Rubber Material (Yancheng) Co., Ltd.	¥ 578 million
SD Vietnam Industries Ltd.	¥ 270 million
Employees	¥ 47 million
Others	¥ 84 million
Total	¥1,834 million

4-4. Notes receivable discounted ¥3,081 million

Notes receivable endorsed ¥ 3 million

4-5. Inventories

Merchandise and finished goods	¥356,631 million
Work in process	¥317,878 million
Raw materials and supplies	¥343,639 million

4-6. Other

The Company is in negotiations with some automakers for damages regarding violation of competition law in the Automotive segment.

5. Notes to Consolidated Statement of Income

Restructuring expenses in extraordinary losses were related to the reorganization of the business locations and the right-sizing of the number of employees, to strengthen profitability and make the production structure of the electronic wires business and the wiring harness business, etc., more efficient.

6. Notes to Consolidated Statement of Changes in Net Assets

6-1. Type and number of shares issued and outstanding at the end of current fiscal year

Common stock 793,940,571 shares

6-2. Dividend Information

(1) Dividends paid

Resolution	Type of shares	Total amount (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Resources of dividends
Shareholders' meeting on June 26, 2025	Common stock	47,584	61.00	March 31, 2025	June 27, 2025	Retained earnings
Board of Directors on October 31, 2025	Common stock	39,004	50.00	September 30, 2025	December 1, 2025	Retained earnings

(2) Dividends of which record date was in the current fiscal year and effective date will be in the next fiscal year

Resolution	Type of shares	Total amount (Millions of yen)	Dividends per share (Yen)	Record date	Effective date	Resources of dividends
Shareholders' meeting on June 26, 2026	Common stock	81,127	104.00	March 31, 2026	June 29, 2026	Retained earnings

7. Financial Instruments

7-1. Qualitative Information on Financial Instruments

The Company and its consolidated subsidiaries finance investment in equipment and operating capital for business mainly through borrowings from banks and the issuance of bonds and commercial papers in accordance with their cash flow planning.

Trade notes and accounts receivable are exposed to the credit risks of customers. The Company and its consolidated subsidiaries try to reduce and manage the risk according to their rules for credit control.

Operating receivables denominated in foreign currency are exposed to foreign exchange risks. The Company and its consolidated subsidiaries hedge the risks using forward exchange contracts, etc., for the net position of foreign currency operating receivables and payables.

Securities and investment securities are mainly held to build and strengthen long-term and stable customer relationships and to facilitate business and technical customer partnerships and are exposed to market value fluctuation risks.

The main purpose of holding debt and issuing bonds and commercial papers is to secure financing for capital expenditure and working capital.

7-2. Fair Value of Financial Instruments

The carrying amounts and fair values of the financial instruments on the consolidated balance sheet as of March 31, 2026 are set forth in the table below.

Securities without market values (the carrying amount on the consolidated balance sheet is ¥141,050 million) are not included in “(1) Investment securities”. Cash is omitted. In addition, time deposits, trade notes and account receivable, securities, trade notes and account payable, short-term debt and commercial papers are also omitted because their carrying amounts approximate the fair value because of the short maturity.

(Millions of yen)

	Carrying amount*	Fair value*	Difference
(1) Investment securities	571,983	627,649	55,666
(2) Bonds	(174,942)	(166,822)	(8,120)
(3) Long-term debt	(171,598)	(164,211)	(7,387)

*Any item accounted for as a liability on the consolidated balance sheet is indicated in parentheses.

7-3. Breakdown of fair value of financial instruments by level

The fair values of financial instruments are categorized into three levels on the basis of the observability and the materiality of the valuation inputs used in fair value measurements.

Fair values of Level 1: Fair values measured by quoted prices for the assets or liabilities are given in active markets among observable valuation inputs

Fair values of Level 2: Fair values measured by inputs other than inputs included within Level 1 among observable valuation inputs

Fair values of Level 3: Fair values measured by unobservable valuation inputs

When several inputs that have significant impact on the fair value measurement are used and those inputs are categorized into different levels, the fair value is categorized into the lowest priority level for fair value measurement among the levels in which each of the inputs belongs.

(1) Financial instruments recorded at fair value in the consolidated balance sheet

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Other securities				
Stocks	367,252	—	701	367,953
Bonds (other)	—	—	—	—
Other	—	—	—	—

(2) Financial instruments other than those recorded at fair value in the consolidated balance sheet

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Held-to-maturity debt securities				
Government bonds, Local government bonds	—	—	—	—
Bonds (other)	—	—	—	—
Investments in subsidiaries and affiliates				
Investments in affiliates	259,696	—	—	259,696
Bonds	—	166,822	—	166,822
Long-term debt	—	164,211	—	164,211

(Note) Explanation of valuation techniques and valuation inputs used in fair value measurements

Investment securities

The fair value of listed shares is stated at the fair market value in active markets and is categorized as Level 1.

The fair value of unlisted shares is determined using valuation techniques based on market prices of comparable companies and others and is categorized as Level 3. In measuring the fair value of unlisted shares, unobservable inputs, such as valuation multiples, are used.

Bonds

The fair value of bonds is stated at the fair market value and is categorized as Level 2.

Long-term debt

The fair value of long-term debt is estimated based on the present value of future cash flows using appropriate current discount rates and is categorized as Level 2.

8. Per Share Information

Net assets per share	¥3,517.58
Earnings per share	¥ 473.78

9. Business combinations

Transactions under common control

Acquisition of shares of Sumitomo Riko Co., Ltd. through a tender offer

At the Board of Directors meeting held on October 30, 2025, the Company resolved to acquire the common stock of Sumitomo Riko Co., Ltd. (hereinafter “Sumitomo Riko”), a consolidated subsidiary of the Company, through a tender offer to make Sumitomo Riko its wholly owned subsidiary. The tender offer was completed on December 15, 2025.

Thereafter, the Company made a demand for the sale of shares pursuant to Article 179, Paragraph 1 of the Companies Act and made Sumitomo Riko its wholly owned subsidiary on February 1, 2026.

(1) Overview of the transaction

(a) Name of combined entity and its business outline

Name of combined entity: Sumitomo Riko Co., Ltd.

Business outline: Manufacture and sales of automotive products (anti-vibration rubber, hoses, sound proofing products and interior equipment, etc.) and general industrial products (precision resin blades and rolls, anti-vibration rubber, high pressure hoses, etc.)

(b) Date of the business combination

Acquisition through a tender offer on December 22, 2025 (deemed acquisition date of December 31, 2025)

Acquisition through a demand for the sale of shares on February 1, 2026 (deemed acquisition date of January 1, 2026)

(c) Legal form of the business combination

Cash acquisition of shares

(d) Name of company after the business combination

No change

(e) Ownership ratio of shares of the subsidiary after additional acquisition

Ownership ratio of shares before business combination: 49.64%

Ownership ratio of shares after tender offer: 91.36%

Ownership ratio of shares after demand for the sale of shares: 100.00%

(f) Outline of the transactions including the purpose

The Company anticipates that, by establishing Sumitomo Riko as its wholly owned subsidiary, further synergies will be realized through the mutual utilization of management resources such as customer bases, business platforms, and financial bases, and the enhancement of flexibility and speed of decision-making in the management strategy of the Company Group, which includes Sumitomo Riko. Further, optimal resource allocation, investment, research and development, etc. will be promoted on a group-wide basis, which will enable competitive customer proposals. Accordingly, The Company determined that the implementation of the transaction will significantly improve the corporate value of the Company Group as a whole, including Sumitomo Riko, and that it is necessary to convert Sumitomo Riko into its wholly owned subsidiary.

(2) Overview of accounting treatment

The transaction was accounted for as a transaction with non-controlling shareholders of transactions under common control pursuant to the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019).

(3) Additional acquisition of shares of subsidiary

Acquisition cost and the breakdown by type of consideration (including shares acquired through a demand for the sale of shares).

Consideration for acquisition	Cash	¥133,347 million
Acquisition cost		¥133,347 million

(4) Change in equity related to transaction with non-controlling shareholders

(a) Main factor for change in capital surplus

Additional acquisition of shares of subsidiary

(b) Amount of decrease in capital surplus due to the transaction with non-controlling shareholders

¥22,770 million

Transfer of subsidiary shares

(1) Overview of the share transfer

(a) Name of the successor company

Daiwa House Industry Co., Ltd. (hereinafter “Tender Offeror”)

(b) Name and business outline of the transferred subsidiary

Name of the subsidiary: Sumitomo Densetsu Co., Ltd. (hereinafter “SEM”)

Business outline: Engineering services and sales of equipment related to facility construction

(c) Primary reasons for the share transfer

The Company has determined that transferring all SEM shares held by the Company through a share buyback conducted by SEM will enable optimal allocation of management resources within the Company Group. At the same time, SEM is expected to benefit from receiving orders for development projects from the Tender Offeror Group, acquiring construction experience and know-how, and winning overseas projects, particularly in Southeast Asia. The Company believes that this will contribute to further enhancing the corporate value of both the Company Group and the SEM Group.

(d) Date of the share transfer

March 24, 2026

(e) Other matters regarding the outline of the transaction, including the legal form

Transfer of subsidiary shares by cash

(2) Overview of the transaction

(a) Amount of gain or loss on transfer

Gain on sales of shares of subsidiaries and associates ¥76,044 million

(b) Amounts recognized as fair book values of assets and liabilities related to the transferred business

Current assets	¥159,170 million
Non-current assets	¥ 59,645 million
Total assets	¥218,815 million
Current liabilities	¥ 68,197 million
Non-current liabilities	¥ 10,299 million
Total liabilities	¥ 78,496 million

(c) Accounting treatment

The difference between the sale price of transferred shares and the consolidated book value, etc. are recorded as “Gain on sales of shares of subsidiaries and associates” in extraordinary income.

(3) Reportable segment that included the transferred business

Environment and Energy

(4) Estimated amount on consolidated statement of income related to the transferred business for the fiscal year ended March 31, 2026

Net sales	¥228,408 million
Operating profit	¥ 25,582 million