

Systems Necessary to Ensure the Properness of Operations of the Company (Internal Control Systems)

Our Board of Directors determines and implements the systems (internal control systems) set forth in the Companies Act, Article 362, Paragraph 4, Item 6 to achieve effective internal control. In addition, we assess the implementation of the internal control systems annually and endeavors to establish systems in line with requests made from time to time based on ongoing reevaluations.

An overview of our internal control systems and their implementation status is provided below. Moreover, the Internal Control Committee assessed the implementation of the internal control systems, confirmed that these internal control systems were functioning effectively, and reported this fact at the Board of Directors' meeting.

Further details regarding the internal control systems are posted on our website (https://www.sumitomocorp.com/jp/-/media/Files/hq/about/governance/detail/internal_control_system_02.pdf?la=en).

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<p>1. Systems for ensuring that the execution of duties by Directors and employees complies with laws and regulations and the Articles of Incorporation</p>	
<ul style="list-style-type: none"> ● Ensuring full compliance with laws and regulations under the “Corporate Mission Statement of the Sumitomo Corporation Group” ● Drawing up the “Sumitomo Corporation Group Compliance Policy” ● Preparing the “Compliance Manual” and distributing it to all officers and employees ● Requiring all officers and employees to provide a written “Confirmation of Compliance” ● Appointing the “Chief Compliance Officer”, the “Compliance Committee”, and “Compliance Leaders”, and creating the “Speak-Up System” 	<ul style="list-style-type: none"> ➤ We included compliance with laws and regulations and maintenance of the highest ethical standards in the “Corporate Mission Statement of the Sumitomo Corporation Group”, and we are making officers and employees aware of the mission statement. ➤ By formulating the “Sumitomo Corporation Group Compliance Policy” and making the “Compliance Manual” available on the company intranet, we strive to ensure thorough awareness of the said policy and implementation of compliance among all officers and employees. ➤ We are raising awareness of compliance and providing relevant education through such means as training tailored to various trainee types, and seminars responding to the needs of different business units, subsidiaries, and other consolidated companies, and e-learning programs targeting all of our officers and employees. For example, we conducted webinars regarding the fair competition for all of our officers and employees. ➤ We require all officers and employees to provide a written “Confirmation of Compliance” when they join the Company and when companywide training is conducted, among other occasions. ➤ Based on the “Speak-Up System”, we have secured a route by which our officers and employees can directly communicate compliance information to the “Chief Compliance Officer (CCO)” via the Legal Compliance Department, Audit & Supervisory Board Members, outside professionals and outside attorneys serving as liaisons. We are also establishing a system to protect whistleblowers. We are conducting education for people dealing with whistleblowing and regular evaluations and inspections of system management.. ➤ In order to promote active use of the “Speak-Up System”, we have launched initiatives (including but

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	<p>not limited to putting up posters on the office floors of the head office building, distributed portable cards, notified officers and employees of the system through internal communications, formulated detailed regulations , posted materials to explain about the system on the company intranet, and released a video to increase awareness).</p> <ul style="list-style-type: none"> ➤ We also disclosed on our corporate website an overview of the “Speak-Up System,” and information regarding its operational status and how its use is being promoted. ➤ We also hold the Compliance Committee, where the details of compliance activities and measures are reported and deliberated. ➤ We are also implementing a compliance awareness survey for all officers and employees to utilize them for proposals and implementation of compliance measures.
<u>2. Systems for retaining and managing information pertaining to the Directors’ execution of their duties</u>	
<ul style="list-style-type: none"> ● Properly preserving and managing important documents including minutes of meetings of the Board of Directors and information pertaining to the execution of duties and decision-making ● Implementing measures to prevent divulgence of information to third parties or other misuse of information ● Making important documents pertaining to the Directors’ execution of their duties available for review to Audit & Supervisory Board Members in a timely manner 	<ul style="list-style-type: none"> ➤ We are pouring energies into the proper storage and management of information assets, including formulating “Information Security Policy,” and establishing relevant regulations in accordance with these policies. The “Basic Rules for Information Management”, which are our internal regulations, stipulate steps to prevent divulgence of information to third parties, which we implement. These include specifying the responsibilities of officers and employees regarding information security, developing an information security system and managing confidential information. In addition, we are creating respective manuals that explain the procedures for addressing information management and information security incidents when they occur. ➤ We implement measures aimed at information security education and awareness, including “information security course” and “training on targeted email attacks” for all officers and employees. In addition, we regularly disseminate information on information security incidents and accidents within our group. ➤ The “IT Strategy Committee” plans, formulates and implements company-wide measures on information security, and collects and responds to information concerning information security incidents (divulgence of information, etc.). ➤ We submit for review by Audit & Supervisory Board Members any documents they request.
<u>3. Rules and other systems pertaining to the management of risk of loss</u>	

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<ul style="list-style-type: none"> ● Setting the three objectives of risk management: to stabilize business performance, to strengthen the corporate structure, and to maintain credit; analyzing and managing risk factors specific to investment and commercial transactions and common risk factors ● Building a framework, conducting monitoring, and implementing necessary improvements regarding risk management through measures such as setting internal rules and formulating risk management policies, methods, and guidelines ● Establishing the “Internal Control Committee,” “Company-wide Loan and Investment Committee” and “Corporate Sustainability Committee” as advisory organs to the “Management Council” ● Established the “Internal Control Promotion Department,” which takes an overall control of the Group’s internal control-related operations, alongside the Internal Auditing Department under the supervision of the Head of Internal Control and Internal Audit ● Building a resilient system that includes the formulation of plans to quickly restore operations and continue business operations while securing the safety of all officers and employees in the event of a disaster ● Establishing the “Internal Auditing Department” as an independent body under the direct supervision of the President and Chief Executive Officer and ensuring the results of internal auditing are reported to the President and Chief Executive Officer as well as the Board of Directors 	<ul style="list-style-type: none"> ➤ With respect to our risk management, we, in accordance with our internal rules, divide our business activities into investment activities and commercial transactions, determine specific risk factors and common risk factors associated with both activities, and make every effort to achieve the purpose of risk management by analyzing and evaluating the probability of occurrence and the impact of such risk factors. In addition, among risks that can be quantified, country risks that could have a particularly large impact on the entire company and the status of major assets are reported regularly to the Board of Directors. ➤ We have built a framework, and are conducting monitoring and implementing necessary improvements regarding risk management at the company-wide level through measures such as setting internal rules and formulating risk management policies, methods, and guidelines. In addition, we are improving risk management through the preparation and distribution of manuals and conducting training activities as appropriate. ➤ We are setting quantitative and qualitative standards to secure consistency in the external disclosure of information and to correctly disseminate necessary information. We also deliberate ideal methods for external information transmission at the “Corporation Communication Committee,” an advisory organ to the Management Council. ➤ We have established a system to make decisions in light of social and environmental impact by strengthening the system for evaluating social and environmental risks in investment projects and ensuring participation in deliberations by specialized organizations. ➤ We strive to identify, prevent, and rectify human rights risks posed by the business activities of our group by progressively conducting human rights due diligence of the supply chains for all businesses, including those of our subsidiaries and other group entities. ➤ We have set medium- and long-term targets related to “Six Key Social Issues” for the entire company. In addition, each Business Unit has formulated short- and medium-term action plans, thus promoting specific initiatives, and disclosed their progress status. ➤ With respect to climate change issues, we have formulated the “Policies on Climate Change Issues” and are reviewing them as required, with ongoing efforts aimed at carbon-neutralizing our group’s business activities and realizing a sustainable energy cycle. We established the “Forest Management Policy

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	<p>and the Sourcing Policy for Forest Products” to promote the strengthening of a sustainable sourcing system for the major natural resources handled by our group.</p> <ul style="list-style-type: none"> ➤ For security trade control, we are conducting various measures, including the creation of various guidelines, the internal notifications of various sanctions information, and training activities. ➤ We hold meetings of the “Internal Control Committee”, where our internal control systems and progress with internal control activities were reviewed. In addition, we are installing an Internal Control Promotion Department with consolidated functions to review the implementation status of Internal Control System Board of Director resolutions, J-SOX compliance, and the improvement of internal controls at group companies. ➤ We are enhancing the quality of decision-making in the Management Council by means of the “Company-wide Loan and Investment Committee”. ➤ We are holding “Corporate Sustainability Committee” meetings and deliberating key policies, measures and initiatives related to the promotion of sustainability. In addition, to receive multifaceted opinions and advice on sustainability from specialists, we have set up an advisory board. ➤ We set up the “Intelligence Committee” to facilitate the consideration and establishment of policies related to business development in countries and regions where country and geopolitical risks are heightening. ➤ “Disaster Response & Safety Management Department”, which is mainly responsible for promoting disaster response measures, plays a central role in implementing various disaster response measures and safety management measures. We established and are regularly upgrading a multi-hazard BCP manual should Tokyo fail to function, mainly in the case of an epicentral earthquake striking Tokyo. ➤ We established an “Internal Auditing Department”, and the results of its internal auditing are reported to the President and Chief Executive Officer as well as to the Board of Directors.
4. Systems for ensuring the efficient execution of the Directors’ duties	
<ul style="list-style-type: none"> ● Making the number of Directors sufficient to enable full discussions and speedy and reasonable decision-making 	<ul style="list-style-type: none"> ➤ The number of Directors is 11, which is sufficient to enable a variety of proposals and full discussions to be

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<p>by the Board of Directors</p> <ul style="list-style-type: none"> ● Electing two or more Outside Directors so that their diverse perspectives can enhance decision-making and supervisory functions ● Introducing a system of Executive Officers in order to clarify responsibility and authority for the execution of operations and strengthen the supervisory functions of the Board of Directors ● Term of office for Directors: one year ● Terms of office for the Chairman and the President and Chief Executive Officer: not exceeding six years, in principle ● Establishing the “Nomination and Remuneration Advisory Committee” composed of a majority of Outside Directors as an advisory organ to the Board of Directors ● Establishing a dedicated organization to strengthen Board of Director support functions ● Establishing the “Management Council” as a decision-making body, various committees as advisory organs, and various other conferences for the exchange of information ● Formulating the medium-term management plan, preparing budgets and introducing performance management systems ● Specifying in writing the agenda items requiring discussion by the Board of Directors and the decision-making authority of officers and employees regarding important matters 	<p>made by the Board of Directors and we are ensuring speedy and appropriate decision-making and strengthening supervisory functions.</p> <ul style="list-style-type: none"> ➤ The term of office for Directors is set at one year and the terms of office for the Chairman and the President and Chief Executive Officer do not exceed six years. ➤ The “Nomination and Remuneration Advisory Committee”, which is an advisory organ to the Board of Directors, is chaired by an Outside Director. The committee reviews the policies and procedures regarding appointment and dismissal of the President and the Chairman, appointment and dismissal of the President, nomination criteria for Directors and Audit & Supervisory Board Members and nomination of candidates therefor, appointment of Management Council members, the structures/levels of remuneration and bonuses for Directors and Executive Officers, as well as the limit of remuneration for Audit & Supervisory Board Members and the advisory system, and submits the results thereof as recommendations to the Board of Directors. ➤ To improve the quality of discussions carried out by the Board of Directors, we established the Directors’ Administration Department as a dedicated organization mainly to support communication between directors and individuals executing duties (Executive Officers, etc.), select issues/topics to be discussed at Board of Directors meetings and organize discussion points. ➤ In addition to establishing the “Management Council” as a decision-making body, we have established various other conferences including the “Corporate Strategy Promotion Committee”, the “Global Innovation Promotion Committee”, and “Company-wide Loan and Investment Committee”, as advisory organs to the “Management Council”. ➤ In order to deepen strategic discussions in management and promote the appropriate allocation of management resources based on these discussions and the steady implementation of the PDCA cycle, each division/department under our Business Units has been reorganized into a unit called the Strategic Business Unit. We have introduced a system in which each Strategic Business Unit creates a strategic format for business management, discusses the format through internal strategy meetings, and follows up on the results of the discussions. ➤ The “Board of Directors Regulations” and other internal rules specify agenda items requiring discussion by the Board of Directors and reviewing from time to

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	<p>time discussion criteria from the perspective of proper agenda selection. Further, we specify the job responsibilities of each officer and employee, and the decision-making authority of officers and employees regarding important matters.</p>
<p>5. Systems for ensuring the properness of operations by the corporate group comprising the Company and its subsidiaries</p>	
<ul style="list-style-type: none"> ● Using the “Corporate Mission Statement of the Sumitomo Corporation Group”, which promotes compliance with laws and regulations, to share values to be respected throughout our group and to guide the development of compliance systems ● Sharing and implementing the principles of the Group management—“Jiritsu,” “Dialogue” and “Collaboration” in “Group Management Policy” — which aims to improve the corporate value of our group ● Obtaining sufficient information and conducting preliminary considerations/discussions on “important management issues” regarding target subsidiaries and other consolidated companies, and manage target subsidiaries and other consolidated companies through the dispatching of directors and auditors ● Supporting subsidiaries and other consolidated companies in implementing internal controls and in constructing a framework for risk management and making improvements thereto ● Setting an internal rule to require internal auditing for subsidiaries and other consolidated companies of which we are the managing entity ● Ascertaining and managing consolidated performance on a monthly basis 	<ul style="list-style-type: none"> ➤ We are raising awareness of compliance and providing relevant education by informing everybody in our group about the “Corporate Mission Statement” and providing training tailored to various trainee types, among other initiatives. ➤ We established a “Group Management Policy”, to respect the “Jiritsu”* management by each group company, and to be involved in important decision-making at the board of directors or organization equivalent to the board of directors of each group company based on the relationship of trust established through active “Dialogue” as a shareholder, and to create new value through strong “Collaboration” of each group company including the Company. <small>*"Jiritsu" is the Japanese term. In Group Management Policy, we define it to mean “following the rules necessary for the management of each group company, such as our group’s management principles, strategies, and policies, to discipline oneself, to think, make decisions, act for oneself in order to achieve goals, and to be accountable to stakeholders”.</small> ➤ With respect to the “important management issues” determined by each of our consolidated companies, we are instilling the “institutional decision-making method”, in which consolidated subsidiaries and the Company hold discussions in advance to ensure that they are on common ground regarding the important resolution issues, with the ultimate goal of making an institutional decision by consolidated subsidiaries. ➤ In cases where Audit & Supervisory Board Members are dispatched to a subsidiary from the Company, each Audit & Supervisory Board Member strives to implement an effective audit by specifying important audit items in accordance with the business risks of each subsidiary to ensure the mitigation of risk and autonomous management at each subsidiary. ➤ We support our subsidiaries and other consolidated companies in a variety of ways, including: educating and raising awareness regarding internal control at subsidiaries; requiring employees of subsidiaries to participate in risk management training; raising awareness of the “Sumitomo Corporation Group Compliance Policy” through training, briefings and e-learning materials; providing a selection of rules for

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	<p>subsidiaries to use as examples; and promoting the introduction of “Speak-Up Systems”.</p> <ul style="list-style-type: none"> ➤ With respect to information security, in addition to implementing assessments related to IT security at a portion of subsidiaries, we are also providing support to subsidiaries by providing seminars and training pertaining to information security. ➤ We are supporting various types of risk management related to insurance for subsidiaries. We select subsidiaries including important risks from the perspective of insurance risk management, identify the business risks faced by these companies, and carry out measures that support the analysis, evaluation, and correct recognition of insurance coverage. ➤ We are supporting evaluation of the internal control systems at subsidiaries, as well as the identification and rectification of issues by setting basic elements to be developed and operated in order to establish, operate, evaluate, and improve internal control at subsidiaries, and are conducting regular dialogue on such elements between us and our subsidiaries. Also, we conduct analysis of the issue identification capabilities and issue solution capabilities of these activities, and are planning to utilize these outcomes of this analysis. ➤ Through this initiative, we are continuing to support the strengthening of compliance systems at subsidiaries by using a “Compliance Roadmap,” which indicates the condition of each compliance system that our group should target. ➤ We are implementing activities that promote the improvement of corporate value by encouraging the autonomous growth of subsidiaries and other entities. We are issuing manuals related to subsidiary, etc. strategies, medium-term management plan, and group governance as the parent company, in addition to in-house training, we are selecting specific subsidiaries as a leading model, enhancing subsidiary governance, and undertaking the formulation of business strategies for specific businesses. We are then deploying this model at other subsidiaries, etc. ➤ The results of auditing subsidiaries and other consolidated companies subject to internal auditing are reported to the President and Chief Executive Officer as well as to the Board of Directors.
6. Matters regarding personnel assigned to support the operations of Audit & Supervisory Board Members	
<ul style="list-style-type: none"> ● Establishing the “Audit & Supervisory Board Members’ Administration Department” to support the Audit & Supervisory Board Members and assigning several full- 	<ul style="list-style-type: none"> ➤ We have assigned several full-time staffers to the “Audit & Supervisory Board Members’ Administration Department”.

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<p>time staffers to this department</p> <ul style="list-style-type: none"> ● Specifying in writing those persons authorized to issue instructions to the “Audit & Supervisory Board Members’ Administration Department” and the department’s responsibilities, and clearly defining its purpose as an organization for assisting the Audit & Supervisory Board Members ● Conducting personnel evaluations of members of the “Audit & Supervisory Board Members’ Administration Department” by an Audit & Supervisory Board Member; consulting in advance with an Audit & Supervisory Board Member regarding transfers of the department’s personnel 	<ul style="list-style-type: none"> ➤ Internal rules specify that the Audit & Supervisory Board Members are authorized to issue instructions to the general manager of the Audit & Supervisory Board Members’ Administration Department and that the area of operational responsibility of the Audit & Supervisory Board Members’ Administration Department is assisting the Audit & Supervisory Board Members in their duties. ➤ An Audit & Supervisory Board Member appointed by the Audit & Supervisory Board conducts the personnel evaluations of the general manager of the Audit & Supervisory Board Members’ Administration Department. An advance consultation is conducted with an Audit & Supervisory Board Member appointed by the Audit & Supervisory Board to obtain the Audit & Supervisory Board Member’s consent regarding transfers of the department’s personnel.
<u>7. Systems for reporting to Audit & Supervisory Board Members</u>	
<ul style="list-style-type: none"> ● Developing a system that enables Audit & Supervisory Board Members to attend all meetings, including those of the “Management Council” ● Delivering to the Audit & Supervisory Board Members important materials pertaining to the execution of operations involving the Company, its subsidiaries and other consolidated companies, and arranging for officers and employees to report and give briefings to the Audit & Supervisory Board Members ● Developing a system to ensure that persons submitting the aforementioned reports and persons making contact via the “Speak-Up System” will not be subjected to adverse treatment due to such reports/contact 	<ul style="list-style-type: none"> ➤ In addition to meetings of the Board of Directors, Audit & Supervisory Board Members attend other important meetings including those of the “Management Council”, the “Company-wide Loan and Investment Committee”, the “Internal Control Committee”, the “Corporate Sustainability Committee” and the “Compliance Committee” in accordance with internal rules. ➤ We deliver important materials pertaining to the execution of operations when requested to do so by Audit & Supervisory Board Members, and arrange for officers and employees to report and give briefings on the businesses of each organization and company as per the request of Audit & Supervisory Board Members. ➤ We ensure that persons submitting the aforementioned reports to Audit & Supervisory Board Members are not subjected to adverse treatment due to such reports/contact. In addition, we have specified in the internal rules that persons making contact via the “Speak-Up System” should not be subjected to adverse treatment and that in cases where persons submitting reports believe they have been subjected to such prohibited adverse treatment, they can report the matter to the Speak-Up contact desk.
<u>8. Other systems for ensuring that auditing will be carried out effectively by the Audit & Supervisory Board Members</u>	
<ul style="list-style-type: none"> ● Appointing experts on law, accounting, and the like, as external Audit & Supervisory Board Members ● Maintaining close contact between the “Internal Auditing Department” and the Audit & Supervisory Board Members to contribute to effective auditing, such as by 	<ul style="list-style-type: none"> ➤ The “Internal Auditing Department” interacts closely with the Audit & Supervisory Board Members, submitting an internal auditing plan to them prior to the start of the business year and sharing internal audit results with them in a timely manner. In addition, the

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<p>reporting internal auditing plans and results to the Audit & Supervisory Board Members</p> <ul style="list-style-type: none"> ● Exchanging information between the Audit & Supervisory Board Members and the Accounting Auditor to improve the efficiency and quality of audit activities ● Exchanging information between our Audit & Supervisory Board Members and subsidiaries' Audit & Supervisory Board Members ● Clearly stipulating the methods for handling the expenses and liabilities incurred by Audit & Supervisory Board Members in the execution of their duties 	<p>Internal Auditing Department shares audit results with the Accounting Auditor on a regular basis.</p> <ul style="list-style-type: none"> ➤ Audit & Supervisory Board Members conduct regular meetings with the Accounting Auditor. ➤ In addition to liaison meetings attended by Audit & Supervisory Board Members at subsidiaries, Audit & Supervisory Board Members conduct separate meetings with the Audit & Supervisory Board Members of each subsidiary several times a year, interacting and exchanging information with Audit & Supervisory Board Members at subsidiaries and associated companies. ➤ Expenses and liabilities incurred by Audit & Supervisory Board Members in the execution of their duties are handled in accordance with internal rules, including by drawing up budgets and managing their implementation.