

**CONVOCAATION NOTICE OF
THE 152ND ORDINARY GENERAL MEETING OF SHAREHOLDERS**

June 2, 2022
Sumitomo Electric Industries, Ltd.

On June 2, 2022, Sumitomo Electric Industries, Ltd. (the “Company”) has sent a notice convening the 152nd Ordinary General Meeting of Shareholders (the “Notice”) to its shareholders on record as of March 31, 2022. This document only provides translations of information contained in the Japanese original text of the Notice (except non-consolidated financial statements, independent auditor's reports, the report of Audit & Supervisory Board, instructions on exercise of voting rights, live streaming information and map), of the “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, of “Consolidated Statement of Changes in Net Assets”, and of the “Notes to Consolidated Financial Statements” (the “Notes”) disclosed on the internet in relation to the Convocation notice of the 152nd Ordinary General Meeting of Shareholders, solely for the purpose of identifying the items of information contained in the Notice and the Notes for reference. The Company does not represent or warrant that the information provided on this document (the “Information”) constitutes a summary of the Notice and the Notes or provides a complete and accurate record of the material information in the Notice and the Notes. No warranty is given to any user of the Information as to its accuracy or completeness or timeliness. In the event of a dispute or difference as to meaning or intent of the Information and the Japanese original text of the Notice and the Notes, the Japanese original text of the Notice and the Notes shall prevail. In order to accurately and completely understand the information contained in the Notice and the Notes, it is necessary to read the complete Japanese original text thereof. The shareholders of the Company are therefore requested to refer to the complete text of the Notice. The original Japanese text of the Notice and the Notes should be available on our 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 2, 2022

To the Shareholders

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

CONVOCAION NOTICE OF THE 152ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to hereby inform you that the 152nd Ordinary General Meeting of Shareholders (the “Meeting”) will be held as set forth below.

In addition to attending the Meeting, you have an option to exercise your voting rights in writing or by electromagnetic means (the Internet, etc.). 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 23, 2022 (Thursday), after examining the Reference Documents regarding the Ordinary General Meeting of Shareholders set out below.

1. **Date:** June 24, 2022 (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 152nd fiscal year (from April 1, 2021 to March 31, 2022)
2. Reporting on the Non-Consolidated Financial Statements for the 152nd fiscal year (from April 1, 2021 to March 31, 2022)

Matters to be resolved

- First item: Disposition of surplus
- Second item: Partial amendments to the Articles of Incorporation
- Third item: Appointment of fifteen (15) Directors due to the expiration of the term of office of all of the current Directors

Fourth item: Appointment of two (2) Audit & Supervisory Board Members

Fifth 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.)
- * The "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, "Consolidated Statement of Changes in Net Assets" and "Notes to Consolidated Financial Statements" in the consolidated financial statements, and "Non-Consolidated Statement of Changes in Net Assets" and "Notes to Non-Consolidated Financial Statements" in the non-consolidated financial statements, which are a part of the documents that should be provided together with this Notice, are disclosed through postings on our website (<https://sumitomoelectric.com/jp/ir/meeting>) pursuant to laws and regulations and the provision of Article 15 of the Articles of Incorporation, and are therefore not described in the attachment to this Notice. Accordingly, the business report attached to this Notice is only part of the business report that was subject to audit by the Audit & Supervisory Board Members for the purpose of an auditors' report, and the consolidated financial statements and the non-consolidated financial statements attached to this Notice are only part of the consolidated financial statements and the non-consolidated financial statements that were subject to audit by the Audit & Supervisory Board Members for the purpose of an auditors' report, as well as audit by the Accounting Auditor for the purpose of an accounting auditor's report.
- * When the reference documents regarding the ordinary general meeting of shareholders, the business report, the consolidated financial statements or the non-consolidated financial statements need modification by the day before the Meeting, we will notify the shareholders in writing by mail or by notice on our website (<https://sumitomoelectric.com/jp/ir/meeting>).

(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 152nd fiscal year, in consideration of the business results for this fiscal year and other matters, the Company proposes to distribute in the amount of twenty five yen (¥25) per share, which is the same as the interim dividend for this fiscal year. As a result, the dividend for this fiscal year, including the interim dividend (twenty five yen (¥25)), is fifty yen (¥50) per share, which is eighteen yen (¥18) per share 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:

Twenty five yen (¥25) per ordinary share of the Company
Total amount of dividends: 19,501,924,375 yen
 - (3) Effective date of distribution of surplus:

June 27, 2022
2. Other matters concerning the disposition of surplus

Not applicable.

Second item: Partial amendments to the Articles of Incorporation

1. Reasons for amendments

Since the amended provisions set forth in the proviso of Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will come into effect on September 1, 2022, in order to prepare for the introduction of the system of providing materials for an Ordinary General Meeting of Shareholders in electronic format, we will amend the Articles of Incorporation of the Company as follows:

- (1) For the amendment proposal in Article 15, the Company intends to provide that we will take measures to provide the information in Reference Documents regarding an Ordinary General Meeting of Shareholders, etc. in electric format. In addition, the Company also intends to establish a provision to limit the scope of the matters stated in documents to be delivered to a shareholder who requests a delivery of hard copy documents.
- (2) Since the provision for disclosure on the Internet and deemed provision of Reference Documents regarding an Ordinary General Meeting of Shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary, the Company intends to delete it.
- (3) Due to the establishment and deletion above, the Company intends to establish Supplementary Provisions regarding the effective date, etc.

2. Substance of the amendments

The substance of the amendments is as follows.

(Underlined are the portions amended.)

Current Articles of Incorporation	Amendment proposal
<p><u>Article 15(Internet Disclosure of Reference Documents regarding the General Meeting of Shareholders, etc. and Deemed Provision)</u></p> <p><u>The Company may deem to have provided the information regarding matters to be entered or presented in the reference documents regarding the General Meeting of Shareholders, business report, financial statements and consolidated financial statements, upon the calling of the General Meeting of Shareholders by disclosing such via the Internet in accordance with the Ordinance of the Ministry of Justice.</u></p>	<p>[Deleted]</p>

[Established]	<u>Article 15(Measures for Provision in Electric Format, etc.)</u>
[Established]	<p><u>For the convocation of a General Meeting of Shareholders, the Company shall take measures to provide the information in Reference Documents regarding an Ordinary General Meeting of Shareholders, etc. in electric format.</u></p> <p><u>The Company may omit all or part of the matters to be provided in electric format that are set forth in the Ministry of Justice Order in documents to be delivered to a shareholder who requests a delivery of hard copy documents by the reference date for voting rights.</u></p>
[Established]	<u>Supplementary Provisions</u>
[Established]	<p><u>Article 1 The deletion of Article 15 of the Articles of Incorporation before the amendments (Internet Disclosure of Reference Documents regarding the General Meeting of Shareholders, etc. and Deemed Provision) and establishment of Article 15 after the amendments (Measures for Provision in Electric Format, etc.) shall come into effect on September 1, 2022, the enforcement date of the amended provisions set forth in the proviso of Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Enforcement Date”).</u></p>
[Established]	<p><u>Article 2 Notwithstanding the provisions in the preceding Article, for a General Meeting of Shareholders whose date is within six months from the Enforcement Date, Article 15 of the Articles of Incorporation before the amendments (Internet Disclosure of Reference Documents regarding the General Meeting of Shareholders, etc. and Deemed Provision) shall continue to be effective.</u></p>
[Established]	<p><u>Article 3 The preceding two Articles and this Article shall be deleted on the later of six months from the Enforcement Date or three months from the date of the General Meeting of Shareholders in the preceding Article.</u></p>

Third item: Appointment of fifteen (15) Directors due to the expiration of the term of office of all of the current Directors

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

The nominees for the offices of Directors are as stated on pages 9 to 24.

[Reference Information] List of Nominees for Directors

Nominee Number	Name		Position and Areas of Responsibility in the Company (as of June 2, 2022)	Number of Times Attending Board of Directors Meetings (FY2021)
1	Masayoshi Matsumoto	Reappt.	Chairman of the Board of Directors	13/13
2	Osamu Inoue	Reappt.	President	13/13
3	Mitsuo Nishida	Reappt.	Executive Vice President General Manager, Automotive Business Unit	13/13
4	Akira Nishimura	Reappt.	Senior Managing Director General Manager, R&D Unit Electronics Group (Flexible Printed Circuits Division)	13/13
5	Hideo Hato	Reappt.	Senior Managing Director General Manager, New Business Development Unit Deputy General Manager, Automotive Business Unit (Systems & Electronics Division) Corporate Staff Group (Legal, Public Relations, Corporate Planning, Intellectual Property, Security Trade Control) Environment and Energy Group (Energy System Division)	13/13
6	Masaki Shirayama	Reappt.	Managing Director General Manager, Electric Wire & Cable, Energy Business Unit	13/13
7	Nobuyuki Kobayashi	Reappt.	Managing Director Corporate Staff Group (Accounting, Finance, Information Systems, Procurement, Logistics Management)	13/13
8	Yasuhiro Miyata	Reappt.	Managing Director General Manager, Electronics Sales Unit	10/10
9	Toshiyuki Sahashi	Reappt.	Managing Director General Manager, Advanced Materials Business Unit	10/10
10	Hiroshi Sato	Reappt.	Outside Director O/S Ind. Officer	13/13

Nominee Number	Name		Position and Areas of Responsibility in the Company (as of June 2, 2022)	Number of Times Attending Board of Directors Meetings (FY2021)
11	Michihiro Tsuchiya	Reappt.	Outside Director O/S Ind. Officer	13/13
12	Christina Ahmadjian	Reappt.	Outside Director O/S Ind. Officer	13/13
13	Katsuaki Watanabe	Reappt.	Outside Director O/S Ind. Officer	13/13
14	Atsushi Horiba	Reappt.	Outside Director O/S Ind. Officer	8/10
15	Shigeru Nakajima	New appt.	Managing Executive Officer General Manager, Semiconductor Innovation Business Unit	-

“Reappt.” means a reappointed nominee; “New appt.” means a newly appointed 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)	67,100 shares
	Career Summary, Position, Areas of Responsibility and Important Concurrent Posts	
	<p>Apr. 1967 Joined the Company</p> <p>Jun. 1997 Director</p> <p>Jun. 1999 Managing Director</p> <p>Jun. 2003 Senior Managing Director</p> <p>Jun. 2004 President</p> <p>Jun. 2017 Chairman of the Board of Directors</p> <p>(currently maintained)</p> <p>Important Concurrent Posts</p> <p>Chairman, Kansai Economic Federation</p>	
	Reasons Why the Company Nominates the Nominee as a Director	
	<p>The Company has selected him as a nominee for the office of Director because he has been, as a President since June 2004, and as a Chairman of the Board of Directors 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."</p>	

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
2	Osamu Inoue (August 25, 1952)	42,210 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 of the Company	
(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, 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
	Mitsuo Nishida (February 11, 1948)	22,890 shares
3	Career Summary, Position, Areas of Responsibility and Important Concurrent Posts	
	Apr. 1972	Joined the Company
	Jun. 2005	Director, Senior Managing Executive Officer, Sumitomo Wiring Systems, Ltd.
	Jun. 2007	Managing Executive Officer, Deputy General Manager, Automotive Business Unit of the Company
	Apr. 2009	Managing Executive Officer General Manager, Automotive Business Unit
	Jun. 2009	Managing Director General Manager, Automotive Business Unit
	Jun. 2010	Senior Managing Director General Manager, Automotive Business Unit
	Jun. 2014	Executive Vice President General Manager, Automotive Business Unit
	Apr. 2017	Ditto General Manager, Manufacturing Management & Engineering Unit
	Jun. 2020	Executive Vice President General Manager, Automotive Business Unit
(currently maintained)		
Areas of Responsibility:		
General Manager, Automotive Business Unit		
Important Concurrent Posts:		
Chairman of Board of Directors, Sumitomo Wiring Systems, Ltd.		
Chairman of the Board, Sumitomo Electric Wiring Systems, Inc.		
Joint Representative Director, Kyungshin Co., Ltd.		
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 2014 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	Akira Nishimura (April 7, 1958)	20,300 shares
	Career Summary, Position, Areas of Responsibility and Important Concurrent Posts	
	Apr. 1984	Joined the Company
	Jun. 2013	Executive Officer Deputy General Manager, Infocommunications Business Unit
	Jun. 2015	Managing Executive Officer Deputy General Manager, Infocommunications Business Unit
Jun. 2016	Managing Director General Manager, Infocommunications Business Unit	
Jun. 2019	Senior Managing Director General Manager, Infocommunications Business Unit	
Jun. 2020	Senior Managing Director General Manager, R&D Unit	
(currently maintained)		
Areas of Responsibility: General Manager, R&D Unit Electronics Group (Flexible Printed Circuits Division)		
Reasons Why the Company Nominates the Nominee as a Director		
He has abundant business experience at the Infocommunications Group and great insight into technical development. The Company has selected him as a nominee for the office of Director because he has served as Senior Managing Director since June 2019 and has served as General Manager of the R&D Group since June 2020, 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	Hideo Hato (September 3, 1957)	14,200 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	
(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, Corporate Planning, Intellectual Property, Security Trade Control)		
Environment and Energy Group (Energy System Division)		
Reasons Why the Company Nominates the Nominee as a Director		
<p>He held important posts including as the Commissioner of the Patent Office and has abundant experience. The Company has selected him as a nominee for the office of Director because he has served as Senior Managing Director and General Manager of the New Business Development Unit of the Company since June 2019, 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."</p>		

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
6	Masaki Shirayama (November 29, 1961)	20,900 shares
	Career Summary, Position, Areas of Responsibility and Important Concurrent Posts	
	Apr. 1985	Joined the Company
	Jun. 2012	General Manager, 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		
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
7	Nobuyuki Kobayashi (May 31, 1961)	12,500 shares
	Career Summary, Position, Areas of Responsibility and Important Concurrent Posts	
	<p>Apr. 1985 Joined the Company</p> <p>Jan. 2016 General Manager, Accounting Division</p> <p>Jun. 2016 Executive Officer Ditto</p> <p>Jun. 2019 Managing Director</p> <p>(currently maintained)</p> <p>Areas of Responsibility: Corporate Staff Group (Accounting, Finance, Information Systems, Procurement, Logistics Management)</p> <p>Important Concurrent Posts: Director, Sumitomo Rubber Industries, Ltd.</p>	
	Reasons Why the Company Nominates the Nominee as a Director	
	<p>He has abundant business experience in the Accounting and Finance Divisions, 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 supervised the Corporate Staff Group including the Accounting and Finance Divisions since June 2019, 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."</p>	

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
	Yasuhiro Miyata (April 12, 1961)	4,600 shares
8	Career Summary, Position, Areas of Responsibility and Important Concurrent Posts	
	<p>Apr. 1984 Joined the Company</p> <p>Jun. 2006 General Manager, Flexible Printed Circuits & Components Sales Division</p> <p>Dec. 2011 President, Sumitomo Electric Interconnect Products (Hong Kong), Ltd.</p> <p>Jun. 2013 Executive Officer Deputy General Manager, Electronics Sales Unit Ditto</p> <p>Jun. 2014 Managing Executive Officer General Manager, Electronics Sales Unit</p> <p>Jun. 2021 Managing Director General Manager, Electronics Sales Unit</p> <p>(currently maintained)</p> <p>Areas of Responsibility: General Manager, Electronics Sales Unit</p> <p>Important Concurrent Posts: Director, Sumitomo Electric Interconnect Products (Hong Kong), Ltd.</p>	
	Reasons Why the Company Nominates the Nominee as a Director	
	<p>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."</p>	

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
9	Toshiyuki Sahashi (December 31, 1960)	300 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		
Important Concurrent Posts: Director, Sumitomo Electric Hardmetal Corp.		
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																										
10	<p style="text-align: center;">Hiroshi Sato (September 25, 1945)</p> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Outside Director</div> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Independent Officer</div>	11,800 shares																										
	Career Summary, Position, Areas of Responsibility and Important Concurrent Posts																											
	<table border="0" style="width: 100%;"> <tr> <td style="width: 15%;">Apr. 1970</td> <td>Joined Kobe Steel, Ltd.</td> </tr> <tr> <td>Jun. 1996</td> <td>Director, Kobe Steel, Ltd.</td> </tr> <tr> <td>Apr. 1999</td> <td>Ditto, Executive Officer, Kobe Steel, Ltd.</td> </tr> <tr> <td>Jun. 1999</td> <td>Managing Executive Officer, Kobe Steel, Ltd.</td> </tr> <tr> <td>Jun. 2000</td> <td>Director, Kobe Steel, Ltd., Ditto</td> </tr> <tr> <td>Jun. 2002</td> <td>Director, Senior Managing Executive Officer, Kobe Steel, Ltd.</td> </tr> <tr> <td>Jun. 2003</td> <td>Senior Managing Director, Kobe Steel, Ltd.</td> </tr> <tr> <td>Apr. 2004</td> <td>Executive Vice President and Director, Kobe Steel, Ltd.</td> </tr> <tr> <td>Apr. 2009</td> <td>President and Director, Kobe Steel, Ltd.</td> </tr> <tr> <td>Apr. 2013</td> <td>Chairman of the Board and Director, Kobe Steel, Ltd.</td> </tr> <tr> <td>Apr. 2016</td> <td>Senior Advisor and Director, Kobe Steel, Ltd.</td> </tr> <tr> <td>Jun. 2016</td> <td>Senior Advisor, Kobe Steel, Ltd. Director of the Company (Outside Director)</td> </tr> <tr> <td>Apr 2018</td> <td>Advisor, Kobe Steel Ltd. Director of the Company (Outside Director)</td> </tr> </table> <p>(currently maintained)</p> <p>Important Concurrent Posts:</p> <p style="margin-left: 20px;">Advisor, Kobe Steel, Ltd. President & Representative Director, The Kobe International House Inc. Director, Iwatani Corporation (Outside Director)</p>		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)
	Apr. 1970	Joined Kobe Steel, Ltd.																										
Jun. 1996	Director, Kobe Steel, Ltd.																											
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Jun. 2000	Director, Kobe Steel, Ltd., Ditto																											
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Apr 2018	Advisor, Kobe Steel Ltd. Director of the Company (Outside Director)																											
Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.																												
<p>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. 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 less than 1% of the total sales of the Company and Kobe Steel, Ltd. respectively. Therefore, that fact above does not influence his independence. The Company has no transactions with The Kobe International House Inc., where he currently holds office as a President & Representative Director.</p>																												

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
11	<p style="text-align: center;">Michihiro Tsuchiya (July 12, 1947)</p> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Outside Director</div> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Independent Officer</div>	7,600 shares
	Career Summary, Position, Areas of Responsibility and Important Concurrent Posts	
	<p>Apr. 1976 Joined Tanabe Seiyaku Co., Ltd. (now known as Mitsubishi Tanabe Pharma Corporation)</p> <p>Jun. 2001 Board Director, Tanabe Seiyaku Co., Ltd.</p> <p>Jun. 2003 Managing Board Director, Tanabe Seiyaku Co., Ltd.</p> <p>Jun. 2005 Board Director, Managing Executive Officer, Tanabe Seiyaku Co., Ltd.</p> <p>Jun. 2006 Representative Director, Senior Managing Executive Officer, Tanabe Seiyaku Co., Ltd.</p> <p>Oct. 2007 Board Director, Vice President, Mitsubishi Tanabe Pharma Corporation</p> <p>Jun. 2008 Ditto Director, Mitsubishi Chemical Holdings Corporation</p> <p>Jun. 2009 President & Representative Director, Chief Executive Officer, Mitsubishi Tanabe Pharma Corporation Director, Mitsubishi Chemical Holdings Corporation</p> <p>Jun. 2014 Chairman of the Board & Representative Director, Mitsubishi Tanabe Pharma Corporation</p> <p>Jun. 2016 Chairman of the Board, Mitsubishi Tanabe Pharma Corporation</p> <p>Jun. 2017 Senior Advisor, Mitsubishi Tanabe Pharma Corporation</p> <p>Jun. 2018 Ditto Director of the Company (Outside Director)</p> <p>Jun. 2019 Director of the Company (Outside Director)</p> <p>(currently maintained)</p> <p>Important Concurrent Posts: Director, RaQualia Pharma Inc. (Outside Director)</p>	
Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.		
<p>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. 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, where he previously served as an executive.</p>		

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
	<p style="text-align: center;">Christina Ahmadjian (March 5, 1959)</p> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Outside Director</div> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Independent Officer</div>	4,900 shares
	Career Summary, Position, Areas of Responsibility and Important Concurrent Posts	
12	<p>Jan. 1995 Assistant Professor, Graduate School of Business, Columbia University,</p> <p>Oct. 2001 Associate Professor, Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>Jan. 2004 Professor, Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>Apr. 2010 Dean of Graduate School, Graduate School of International Corporate Strategy, Hitotsubashi University</p> <p>Apr. 2012 Professor, Graduate School of Commerce and Management, Hitotsubashi University</p> <p>Apr. 2018 Professor, Graduate School of Business Administration, Hitotsubashi University</p> <p>Jun. 2018 Ditto Director of the Company (Outside Director)</p> <p>Apr. 2022 Specially Appointed Professor, Department of Global Business, College of Business, Rikkyo University; Director of the Company (Outside Director) (currently maintained)</p> <p>Important Concurrent Posts:</p> <p style="padding-left: 20px;">Specially Appointed Professor, Department of Global Business, College of Business, Rikkyo University</p> <p style="padding-left: 20px;">Director, Japan Exchange Group, Inc. (Outside Director)</p> <p style="padding-left: 20px;">Director, Asahi Group Holdings, Ltd. (Outside Director)</p> <p style="padding-left: 20px;">Director, NEC Corporation (Outside Director)</p>	
	Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, and Reasons Why the Company Has Determined that the Nominee is Capable of Conducting the Duties Appropriately as an Outside Director	
	<p>She has great insight and a global perspective as a university professor mainly studying in fields of corporate management 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 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 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. The Company has no transactions with and has made no donations to either Hitotsubashi University, where she had served as a professor until March 2022, or Rikkyo University, where she has served as a Specially Appointed Professor since April of the same year.</p>	

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
13	<p style="text-align: center;">Katsuaki Watanabe (February 13, 1942)</p> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Outside Director</div> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Independent Officer</div>	15,400 shares
	Career Summary, Position, Areas of Responsibility and Important Concurrent Posts	
	<p>Apr. 1964</p> <p>Sept. 1992</p> <p>Jun. 1997</p> <p>Jun. 1999</p> <p>Jun. 2001</p> <p>Jun. 2005</p> <p>Jun. 2009</p> <p>Jun. 2011</p> <p>Jun. 2013</p> <p>Jun. 2015</p> <p>Jul. 2018</p> <p>Jun. 2021</p> <p>Important Concurrent Posts:</p>	<p>Joined Toyota Motor Co., Ltd. (now known as Toyota Motor Corporation)</p> <p>Director, Toyota Motor Corporation</p> <p>Managing Director, Toyota Motor Corporation</p> <p>Senior Managing Director, Toyota Motor Corporation</p> <p>Executive Vice President, Toyota Motor Corporation</p> <p>President, Toyota Motor Corporation</p> <p>Vice Chairman, Toyota Motor Corporation</p> <p>Senior Advisor, Toyota Motor Corporation</p> <p>Ditto Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of the Company</p> <p>Advisor, Toyota Motor Corporation Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of the Company</p> <p>Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of the Company</p> <p>Director of the Company (Outside Director) (currently maintained)</p> <p>Director (Outside Director), Kyushu Financial Group, Inc.</p>
Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.		
<p>He was involved in the management of a company that conducted its business globally with a central focus on transportation equipment, and he has extensive experience and great insight in relation to overall corporate management, as well as abundant business experience in fields of supply chains, corporate planning, and manufacturing, 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 supervising management from an objective perspective that is independent from the execution of business and ensuring transparency and fairness in 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 Toyota Motor Corporation, where he previously served as an executive, involving matters such as the purchase and sale of products, ten years or more have passed since he retired from the position of executive of Toyota Motor Corporation, and he retired from all positions at Toyota Motor Corporation in June 2018. In addition, considering the scale of the relevant transactions, that fact above does not influence his independence.</p>		

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
14	<p style="text-align: center;">Atsushi Horiba (February 5, 1948)</p> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Outside Director</div> <div style="border: 1px solid black; width: fit-content; margin: 5px auto; padding: 2px;">Nominee for Independent Officer</div>	3,500 shares
	Career Summary, Position, Areas of Responsibility, and Important Concurrent Posts	
	<p>Sept. 1972 Joined HORIBA, Ltd.</p> <p>Jun. 1982 Director of HORIBA, Ltd.</p> <p>Jun. 1988 Senior Managing Director of HORIBA, Ltd.</p> <p>Jan.1992 President of HORIBA, Ltd.</p> <p>Jun. 1995 Ditto President of STEC Co., Ltd. (now known as HORIBA STEC, Co., Ltd.)</p> <p>Jun. 2005 Chairman, President & CEO of HORIBA, Ltd., President of HORIBA STEC, Co., Ltd.</p> <p>Apr. 2016 Chairman, President & CEO of HORIBA, Ltd., Chairman of HORIBA STEC, Co., Ltd.</p> <p>Jan. 2018 Chairman & Group CEO of HORIBA, Ltd., Chairman of HORIBA STEC, Co., Ltd.</p> <p>Jun. 2021 Ditto Director of the Company (Outside Director) (currently maintained)</p> <p>Important Concurrent Posts: Chairman & Group CEO of HORIBA, Ltd. Chairman of HORIBA STEC, Co., Ltd. Director of SoftBank Corp. (Outside Director)</p>	
	Reasons Why the Company Nominates the Nominee as an Outside Director, Expected Roles, etc.	
	<p>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 a Chairman & Group CEO, involving matters such as the purchase of equipment, the value of each transaction is less than 1% of the total sales of the Company and HORIBA, Ltd. respectively. Therefore, that fact above does not influence his independence. In addition, while the Company has a business relationship with HORIBA STEC, Co., Ltd., where he currently holds office as a Chairman, involving matters such as the purchase of equipment, the value of each transaction is less than 1% of the total sales of the Company and HORIBA STEC, Co., Ltd. respectively. Therefore, that fact above does not influence his independence.</p>	

Nominee Number	Name (Birth Date)	Number of Company Shares Owned														
15	Shigeru Nakajima (July 23, 1959) <input type="text" value="Newly appointed"/>	3,400 shares														
	Career Summary, Position, Areas of Responsibility, and Important Concurrent Posts															
	<table border="0"> <tr> <td style="padding-right: 20px;">Apr. 1984</td> <td>Joined the Company</td> </tr> <tr> <td>Aug. 2009</td> <td>General Manager, Transmission Devices Laboratory</td> </tr> <tr> <td>Mar. 2012</td> <td>General Manager, Optical/Electronic Devices Business Unit President, Sumitomo Electric Device Innovations, Inc.</td> </tr> <tr> <td>Jun. 2012</td> <td>General Manager, Transmission Devices Division President, Sumitomo Electric Device Innovations, Inc.</td> </tr> <tr> <td>Jun. 2015</td> <td>Executive Officer Deputy General Manager, Infocommunications Business Unit Ditto</td> </tr> <tr> <td>Jun. 2016</td> <td>Managing Executive Officer General Manager, Transmission Devices Division President, Sumitomo Electric Device Innovations, Inc.</td> </tr> <tr> <td>Jan. 2017</td> <td>Managing Executive Officer General Manager, Semiconductor Innovation Business Unit</td> </tr> </table> <p>(currently maintained)</p>		Apr. 1984	Joined the Company	Aug. 2009	General Manager, Transmission Devices Laboratory	Mar. 2012	General Manager, Optical/Electronic Devices Business Unit President, Sumitomo Electric Device Innovations, Inc.	Jun. 2012	General Manager, Transmission Devices Division President, Sumitomo Electric Device Innovations, Inc.	Jun. 2015	Executive Officer Deputy General Manager, Infocommunications Business Unit Ditto	Jun. 2016	Managing Executive Officer General Manager, Transmission Devices Division President, Sumitomo Electric Device Innovations, Inc.	Jan. 2017	Managing Executive Officer General Manager, Semiconductor Innovation Business Unit
	Apr. 1984	Joined the Company														
	Aug. 2009	General Manager, Transmission Devices Laboratory														
Mar. 2012	General Manager, Optical/Electronic Devices Business Unit President, Sumitomo Electric Device Innovations, Inc.															
Jun. 2012	General Manager, Transmission Devices Division President, Sumitomo Electric Device Innovations, Inc.															
Jun. 2015	Executive Officer Deputy General Manager, Infocommunications Business Unit Ditto															
Jun. 2016	Managing Executive Officer General Manager, Transmission Devices Division President, Sumitomo Electric Device Innovations, Inc.															
Jan. 2017	Managing Executive Officer General Manager, Semiconductor Innovation Business Unit															
Reasons Why the Company Nominates the Nominee as a Director																
<p>He has abundant business experience in the R&D Group and the transmission devices business. The Company has selected him as a nominee for the office of Director because he has served as Managing Executive Officer and General Manager of the Group which supervises the transmission devices business, etc. since January 2017, and the Company considers him to be qualified for the office of Director in light of the Company's "Policy to Nominate Director and Audit & Supervisory Board Member Candidates, etc."</p>																

Notes:

1. The Director nominee Mr. Mitsuo Nishida is the Joint Representative Director of Kyungshin Co., Ltd., which is a Korean company manufacturing and selling automotive wiring harnesses and their related components, and in which the Company and Sumitomo Wiring Systems, Ltd. invest money equivalent to 30% and 20%, respectively, of the shareholding ratio. The Company and that company do not have direct transaction relationship. Sumitomo Wiring Systems, Ltd. and that company are in a transaction relationship, for example, conducting sales and purchase of automotive wiring harness components and technical assistance to that company.
The other nominees for the offices of Directors do not have business connections with the Company.
2. Mr. Hiroshi Sato, Mr. Michihiro Tsuchiya, Ms. Christina Ahmadjian, Mr. Katsuaki Watanabe, and Mr. Atsushi Horiba 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, Ms. Christina Ahmadjian, Mr. Katsuaki Watanabe, and Mr. Atsushi Horiba) are as follows:

(1) Number of years since the Outside Director nominees started to hold office as an Outside Director or an Audit & Supervisory Board Member of the Company

Mr. Hiroshi Sato will have held office as an Outside Director for six (6) years upon the closing of this Meeting.

Mr. Michihiro Tsuchiya and Ms. Christina Ahmadjian will have held office as Outside Directors for four (4) years upon the closing of this Meeting.

Mr. Katsuaki Watanabe will have held office as an Outside Director for one (1) year upon the closing of this Meeting. He had held office as an Outside Audit & Supervisory Board Member for eight (8) years until the time when he retired in June 2021.

Mr. Atsushi Horiba 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, Ms. Christina Ahmadjian, Mr. Katsuaki Watanabe, and Mr. Atsushi Horiba. 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.

4. The Company has entered into a directors and officers liability insurance contract under which all Directors 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.

If each nominee starts to hold office as a Director, they will become the insureds under the insurance contract and the insurance contract will be renewed during their term of office.

Fourth item: Appointment of two (2) Audit & Supervisory Board Members

Audit & Supervisory Board Member Mr. Satoru Ogura will resign and 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 two (2) Audit & Supervisory Board Members.

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

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
1	<p style="text-align: center;">Yoshitomo Kasui (May 15, 1959)</p> <div style="border: 1px solid black; width: fit-content; margin: 0 auto; padding: 2px;">Newly appointed</div>	30,700 shares
	Career Summary, Position and Important Concurrent Posts	
	Apr. 1983	Joined the Company
	Jun. 2012	Executive Officer Deputy General Manager, Manufacturing Management & Engineering Unit General Manager, HR & Administration Department HR & Administration Department, General Manager of Risk Management Office
	Jul. 2012	Executive Officer Deputy General Manager, Manufacturing Management & Engineering Unit General Manager, HR & Administration Department
	Jun. 2013	Managing Executive Officer Deputy General Manager, Manufacturing Management & Engineering Unit General Manager, HR & Administration Department
	Jun. 2014	Managing Director Deputy General Manager, Manufacturing Management & Engineering Unit General Manager, HR & Administration Department
	Oct. 2015	Managing Director Deputy General Manager, Manufacturing Management & Engineering Unit
	Jun. 2018	Senior Managing Director Deputy General Manager, Manufacturing Management & Engineering Unit
Jun. 2020	Senior Managing Director (currently maintained)	
Reasons Why the Company Nominates the Nominee as an Audit & Supervisory Board Member		
<p>He has abundant business experience in fields related to the HR & Administration Department, Compliance & Risk Management, and other departments in the Company. Further, he has a high level of expertise and knowledge in a wide range of fields. For example, since assuming the office of Managing Executive Officer in June 2013, he has supervised the Corporate Staff Group, including Legal, Corporate Planning, Auditing, and Security Trade Control. The Company has selected him as a nominee for the office of Audit & Supervisory Board Member because the Company considers him to be qualified for the office of Audit & Supervisory Board Member of the Company in light of the Company's "Policy to Nominate Director and Audit & Supervisory Board Member Candidates, etc."</p>		

Nominee Number	Name (Birth Date)	Number of Company Shares Owned
2	<p style="text-align: center;">Ikuo Yoshikawa (December 13, 1944)</p> <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: fit-content;">Nominee for Outside Audit & Supervisory Board Member</div> <div style="border: 1px solid black; padding: 5px; margin: 5px auto; width: fit-content;">Nominee for Independent Officer</div>	6,100 shares
	Career Summary, Position and Important Concurrent Posts	
	Jan. 1969	Joined Tohmatsu Awoki & Co. (now known as Deloitte Touche Tohmatsu LLC)
	May 1986	Representative Member , Tohmatsu & Awoki & Co. (now known as above)
	Jun. 2008	Retired from Tohmatsu & Co. (now known as above)
	Apr. 2009	Professor, Institute of Business and Accounting, Professional Graduate School, Kwansei Gakuin University
Apr. 2013	Visiting Professor, Institute of Business and Accounting, Professional Graduate School, Kwansei Gakuin University	
Jun. 2018	Ditto Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member) of the Company	
(currently maintained)		
Important Concurrent Post: 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		
<p>He has abundant experience as a certified public accountant over many years and great insight into the field of accounting, through mainly being involved in the study of accounting as a university professor. The Company has selected him as a nominee for the office of Outside Audit & Supervisory Board Member because the Company considers him to be qualified for the office of Outside Audit & Supervisory Board Member of the Company in light of the Company's "Policy to Nominate Candidates for Director and Audit & Supervisory Board Member, etc." He has no experience concerning company management other than acting as an Outside Audit & Supervisory Board Member; however, the Company has determined that he is capable of conducting the duties appropriately as an Outside Audit & Supervisory Board Member because of the reasons above. While, since before the merger, the Company has donated 1.5 million yen annually as part of its social contribution to a junior high school and a high school which merged in April 2010 with Kwansei Gakuin, an incorporated educational institution, running Kwansei Gakuin University, where Mr. Yoshikawa has served as a visiting professor, and additionally, the Company has paid approximately 20,000 yen annually as a membership fee to the Research Consortium of the university, neither of these facts influence his independence. In addition, the Company has no advisory contract or transaction with Deloitte Touche Tohmatsu LLC, where he served as a representative member, and ten years has passed since he retired from the LLC.</p>		

Notes:

1. The nominees for the office of Audit & Supervisory Board Member have no business connections with the Company.
2. Mr. Yoshitomo Kasui is nominated as a candidate for the office of Audit & Supervisory Board Member to fill the vacancy left by Audit & Supervisory Board Member Mr. Satoru Ogura.
3. Mr. Ikuo Yoshikawa is a nominee for the office of Outside Audit & Supervisory Board Member as well as a nominee for the office of Independent Officer as defined by Tokyo Stock Exchange, Inc. etc..
4. Matters to be described specifically regarding the Outside Audit & Supervisory Board Member nominee (Mr. Ikuo Yoshikawa) are as follows:
 - (1) Number of years since the Outside Audit & Supervisory Board Member nominee started to hold office as an Audit & Supervisory Board Member of the Company

Mr. Ikuo Yoshikawa will have held office as an Audit & Supervisory Board Member of the Company for four (4) years 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. Ikuo Yoshikawa. The contract provides, with respect to the liability under Article 423, paragraph 1 of the Companies Act, that Mr. Ikuo Yoshikawa 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.
5. The Company has entered into a directors and officers liability insurance contract under which all Audit & Supervisory Board Members 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. If each nominee starts to hold office as an Audit & Supervisory Board Member, they will become the insureds under the insurance contract and the insurance contract will be renewed during their 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.

Fifth item: Payment of bonuses to Directors

The Company proposes to declare bonuses totaling 190 million yen (¥190,000,000) for ten (10) Directors, other than the five (5) 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 Third and Fourth 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 automotive, environment and energy, electronics, infocommunications, 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, 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	Committees of Which They will be Members, if the Third and Fourth Items are Approved	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
Masayoshi Matsumoto Male	Nominating Advisory Committee/ Compensation Advisory Committee	○	○				○	-
Osamu Inoue Male	Nominating Advisory Committee/ Compensation Advisory Committee	○	○				○	-
Mitsuo Nishida Male				○	○	○		Automotive
Akira Nishimura Male				○	○			R&D, Infocommunications
Hideo Hato Male		○	○		○		○	DX, Intellectual Property, Industrial Policy
Masaki Shirayama Male					○	○		Environment and Energy
Nobuyuki Kobayashi Male		○	○				○	Accounting & Finance, Information Systems
Yasuhiro Miyata Male						○	○	Electronics
Toshiyuki Sahashi Male					○	○	○	Industrial Materials
Shigeru Nakajima Male				○	○	○		Transmission Devices
Hiroshi Sato Male Ind. Officer 0/5	Nominating Advisory Committee/ Compensation Advisory Committee	○	○					Experienced in corporate management
Michihiro Tsuchiya Male Ind. Officer 0/5	Nominating Advisory Committee/ Compensation Advisory Committee	○	○					Experienced in corporate management
Christina Ahmadjian Female Ind. Officer 0/5	Nominating Advisory Committee/ Compensation Advisory Committee		○				○	Academic expert
Katsuaki Watanabe Male Ind. Officer 0/5	Nominating Advisory Committee/ Compensation Advisory Committee	○	○					Experienced in corporate management
Atsushi Horiba Male Ind. Officer 0/5		○	○					Experienced in corporate management
Yoshitomo Kasui Male		○	○					-
Akira Hayashi Male		○	○					-
Michiko Uehara Female Ind. Officer 0/5		○	○					Attorney at law
Ikuo Yoshikawa Male Ind. Officer 0/5		○	○					Certified public accountant
Tatsuo Kijima Male Ind. Officer 0/5		○	○					Experienced in corporate management

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

0/5 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)

(Attachment)

BUSINESS REPORT
(from April 1, 2021 to March 31, 2022)

1. Matters Concerning Current Status of Corporate Group

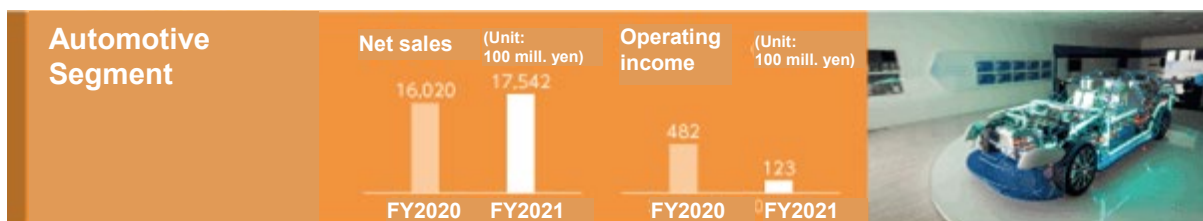
(1) Progression of Business and its Results

Net Sales	3,367,863 million yen (an increase of 15.4 % compared with the preceding fiscal year)
Operating Income	122,195 million yen (an increase of 7.3 % compared with the preceding fiscal year)
Ordinary Income	138,160 million yen (an increase of 21.1 % compared with the preceding fiscal year)
Profit Attributable to Owners of the Parent	96,306 million yen (an increase of 70.9 % compared with the preceding fiscal year)

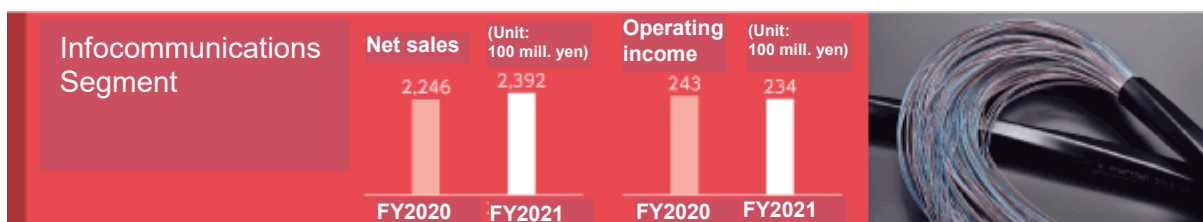
With respect to the world economy, the economy in various regions, including Japan, Europe, America, and other Asian countries, recovered moderately with the widespread use of vaccines against COVID-19 during this fiscal year. However, due to the expansion of people infected with variant strains of the virus, measures to restrict economic activity were taken intermittently in various countries. In addition, the global semiconductor supply shortage, soaring material prices, and logistics stagnation have become more serious. Moreover, since February this year, the situation in Ukraine has been tense. Due to such factors mentioned above, the outlook has continued to be uncertain.

The business circumstances of the Group were challenging due to soaring material prices, logistics cost increases mainly caused by container shortages and harbor congestion, in addition to a decrease in the production of automobiles caused by a shortage of semiconductors and other components. In this environment, we worked to thoroughly reduce costs and maintain our supply chain. As a result, regarding the consolidated financial settlement for this fiscal year, net sales were 3,367,863 million yen (preceding fiscal year: 2,918,580 million yen, +15.4 %), operating income was 122,195 million yen (preceding fiscal year: 113,926 million yen, +7.3 %), ordinary income was 138,160 million yen (preceding fiscal year: 114,072 million yen, +21.1 %), and the profit attributable to owners of the parent was 96,306 million yen (preceding fiscal year: 56,344 million yen, +70.9 %). In this way, income and profits increased from the preceding fiscal year, on which the impact of COVID-19 was enormous.

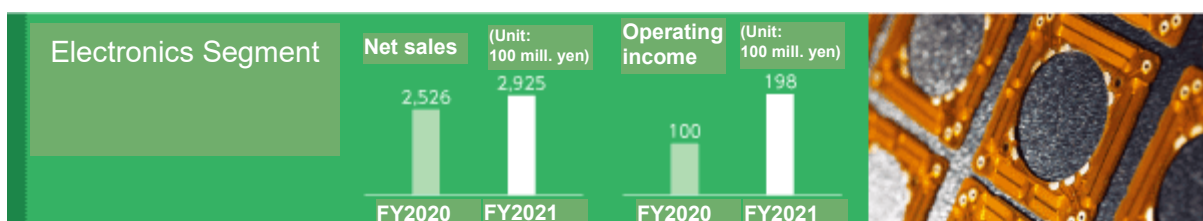
The following section is a report outlining each segment.



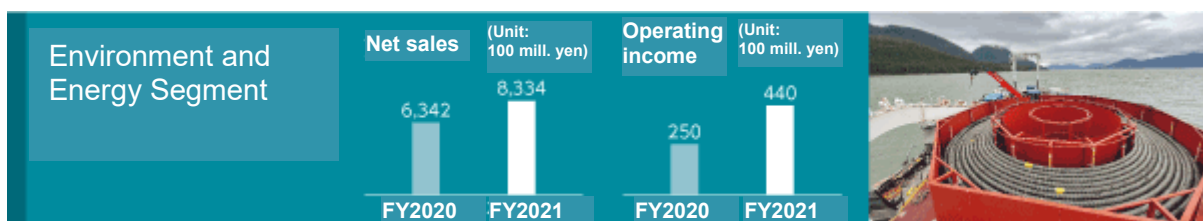
Due to an increase in the price of copper and the effect of depreciation of the yen, net sales increased by 152,153 million yen (9.5% compared with the preceding fiscal year) to 1,754,195 million yen. Operating income decreased by 35,934 million yen to 12,264 million yen due to soaring material prices and a significant increase in logistics cost caused by global logistics confusion, and also due to a decline in production efficiency caused by a succession of decreases in the production of automobiles resulting from a short supply of semiconductors and other factors.



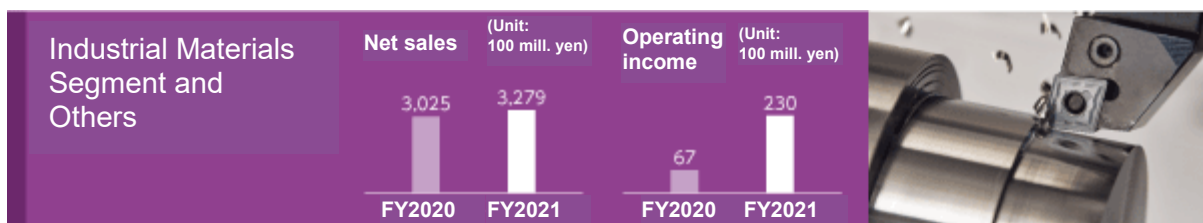
Net sales increased by 14,574 million yen (6.5%) to 239,150 million yen as a result of expanding sales of products such as optical wiring equipment for data centers, optical fibers for submarine cables, and access network equipment. Operating income decreased by 945 million yen to 23,398 million yen due to a decline in profitability associated with changes in the composition of product classes of optical/electronic devices.



Net sales increased by 39,891 million yen (15.8%) to 292,509 million yen as a result of an increase in sales by TECHNO ASSOCIE Co., Ltd., in addition to capturing demands for electronic wire products and irradiation tubes. Operating income increased by 9,778 million yen to 19,825 million yen, mainly due to the improvement of profitability associated with an increase in sales of high-performance products of FPCs (flexible printed circuits) for mobile devices.



Net sales increased by 199,234 million yen (31.4%) to 833,425 million yen, and operating income increased by 19,000 million yen to 44,024 million yen due to the effect of an increase in the price of copper, in addition to the expansion of sales of power cables, flat magnet wires for electric vehicles, etc.; an increase in Sumitomo Densetsu Co., Ltd.'s electric work; and an increase in demand for substation equipment, etc. from Nissin Electric Co., Ltd.



Due to an increase in demand for cemented carbide tools, diamond and CBN tools, sintered powder metal parts, prestressed concrete, steel tire cords, etc., net sales increased by 25,359 million yen (8.4%) to 327,883 million yen. Operating income increased by 16,364 million yen to 23,024 million yen, mainly due to the improvement of profitability associated with an increase in the operation rate of factories.

(Note)

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

(2) Conditions of Capital Expenditure

The total amount of capital expenditure for this fiscal year was 189.7 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
Automotive	106.3	Increased production of and rationalization investment in wiring harnesses and anti-vibration rubbers
Infocommunications	19.8	Increased production of and rationalization investment in optical/wireless devices and optical fiber cables
Electronics	19.1	Increased production of and rationalization investment in FPCs and electronic wires
Environment and Energy	28.5	Increased production of and rationalization investment in magnet wires and power transmission wires/cables/equipment
Industrial Materials and Others	16.0	Increased production of and rationalization investment in sintered powder metal parts and cemented carbide tools

(3) Fund-raising

The Group raised funds through short-term loans in addition to long-term loans of 77.5 billion yen. The purpose of such fund-raising was allocation to working funds associated with an increase in inventory and other similar factors, repayment of long-term borrowings, equipment funds, funds for debenture redemption, etc.

(4) Key Issues Requiring Attention

Economic Situation Hereafter

It is anticipated that there will continue to be uncertain developments because the risk of the expansion of people infected with new variant strains of COVID-19 will remain, and there are grounds for concern, including rapidly increasing political and geopolitical risks, such as the situation in Ukraine, a decrease in the production of automobiles due to semiconductor supply shortage, and the prolonged soaring of material prices and logistics confusion.

■ The Group's Efforts Hereafter

In these circumstances, the Group will strive to improve the basics of the manufacturing industry, “S” (Safety), “E” (Environment), “Q” (Quality), “C” (Cost), “D” (Delivery), and “D” (Development), while continuing to give top priority to employee health and safety, as well as maintenance and security of the supply chain, aiming to become a “Glorious Excellent Company.” In our efforts to improve capital efficiency, for the improvement of ROIC,* which we regard as an important index, we will make efforts to optimize the inventory balance and the balance of operating receivables and payables, and to implement careful selection of capital expenditure projects, and we will further improve our efforts, such as by shifting to highly-profitable items and passing on material prices and logistics costs to selling prices. By doing so, we are pursuing the following strategies in each of our business segments in order to make FY2022, which is the final fiscal year under the medium-term management plan called “VISION 2022,” the year in which our medium-term goals will be achieved.

Automotive Segment

We will work to further reduce costs and improve production efficiency under this situation where the automobile production trends are unpredictable due to the effects of the global semiconductor supply shortage etc. and will proceed further with building a lean corporate structure, which can endure demand fluctuations. In addition, for the realization of a mega supplier, having wiring harnesses as its core, the Group will create and expand sales of new products related to so-called CASE* such as high-voltage wiring harnesses for electric vehicles, and connectors for high-speed communication, by improving proposal-type marketing to customers; and will expedite the use of more aluminum for harnesses corresponding to the needs of weight reduction; additionally, it will strive to further expand its market share for overseas customers. Sumitomo Riko Company Limited will strive to recover profitability by deepening global support, integrating and concentrating business sites inside and outside of Japan, and reducing costs, in the field of automotive anti-vibration rubbers and hoses, and it is also focusing on developing new products for the next-generation vehicles.

Infocommunications Segment

With regard to the expansion of the market for cloud services* and the full-scale launch of the fifth-generation mobile communications system (5G), we will strive to strengthen production capacity and to surely capture the demands of products related to data centers, such as various optical cables including ultra-high-fiber-count optical fiber cables, optical wiring equipment, and optical devices, and strive continuously to develop and market high-performance products that respond to social trends and market needs, such as extra low-loss and large capacity optical fibers for submarine cables, electronic devices for 5G base stations, and network access equipment that enables high-speed and large capacity communications. In addition, we will strive to thoroughly reduce costs and make efforts to improve profitability.

* ROIC: an abbreviation for Return on Invested Capital.

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

* Cloud services: providing data and software that previously were used by users on local computers, as a service to users via a network.

Electronics Segment

With regard to FPCs, we will continuously strive to market high-performance products that utilize fine circuit fabrication technology and to make improvements in profitability through improvements in productivity, and we will accelerate marketing for automobiles and development of new products with high frequency characteristics. With regard to leads (tab leads) for battery terminals of electric vehicles, wires for electric parking brakes, and heat shrink tubes, which utilize irradiation cross-linking technology, and water-treatment systems that utilize fluorine resin processing technology, we will strive to expand business by capturing various customer needs. In addition, we will continuously strive to expand business synergies with TECHNO ASSOCIE Co., Ltd.

Environment and Energy Segment

With regard to power cables, we will continuously strive to capture domestic demand for replacement of facilities, and make efforts to expand orders for projects related to renewable energy, such as cross-national and cross-regional interconnection lines and wind power generation, whose markets are globally expanding in the direction of realizing a decarbonized society, and focus on cost reductions, quality improvement, development of new products, and strengthening project management. In addition, with regard to flat magnet wires for motors used in electric vehicles, we will proceed with strengthening global production capacity and make improvements in profitability through the reduction of costs in order to steadily meet the increasing demand. Furthermore, we will make efforts to expand orders further, while taking advantage of the Group's integrated capabilities, including those of Nissin Electric Co., Ltd. and Sumitomo Densetsu Co., Ltd.

Industrial Materials Segment

With regard to cemented carbide tools, we will surely capture the firm demand by strengthening our global sales power and will proceed with new business development of electric vehicle components and tools for aircraft components and will make efforts to expand our market share. With regard to sintered powder metal parts, for future business development, we will work to further strengthen marketing for electric vehicles and the cost competitiveness of each production base that is developing globally. With regard to prestressed concrete and precision spring steel wires, we will aim to improve profitability by strengthening global production and sales organization and developing new products.

Research and Development Activities

We will make efforts to create new businesses and products that are original and excel in profitability. We will focus on new businesses, such as superconducting products, SiC (silicon carbide) power semiconductor devices, and redox flow batteries. As next-generation products that support the current five business segments, we will focus on developing new products in response to society's needs, including a post-5G and next generation mobile communications system; transmission equipment, devices, optical fibers, and electronic products, which are used for data centers, optical submarine communications, etc.; and materials for power cables, as well as materials for automobiles and industries that contribute to a reduction in the environmental burden, and we will do so by proactively utilizing outside knowledge through collaboration with academia, industry, and government. In addition, we will work toward production innovation by utilizing AI and IoT at manufacturing sites, and further strengthen collaboration with the Business Division and the Sales & Marketing Division, and will revitalize and accelerate research and development activities further.

Management Basis, Long-term Vision, etc.

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, we consider that the Sumitomo Spirit and the Sumitomo Electric Group Corporate Principles share common core values with the SDGs (Sustainable Development Goals). In particular, in our environmental efforts, we aim to reduce greenhouse gas emissions by 2030 to the request level in the Paris Agreement, and will strengthen our responses to achieve carbon neutrality by 2050.

Ultimately, in order to show what the Group aims to become while various revolutionary social changes are taking place, we have established "Sumitomo Electric Group 2030 VISION," our long-term vision whose milestone is 2030, and published it in May 2022. This long-term vision explains our course of action toward the "realization of a greener earth and secure and comfortable life" in order for the Group to provide various types of value through our concerted efforts. In addition, as a specific business plan under this long-term vision, we will establish a medium-term plan which will continue for a term of three years from FY2023, and will take over the helm of management in order to respond to a business environment which is changing with every moment in an appropriate manner and to improve our corporate values in the mid-to long-term.

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)

Entry \ Year	FY2017	FY2018	FY2019	FY2020	FY2021 (this fiscal year)
Net Sales (millions of yen)	3,082,247	3,177,985	3,107,027	2,918,580	3,367,863
Operating Income (millions of yen)	173,139	166,260	127,216	113,926	122,195
Ordinary Income (millions of yen)	195,010	188,649	130,498	114,072	138,160
Profit Attributable to Owners of the Parent (millions of yen)	120,328	118,063	72,720	56,344	96,306
Earnings per Share (yen)	154.29	151.38	93.24	72.25	123.49
Net Assets (millions of yen)	1,764,086	1,776,313	1,766,647	1,892,506	2,052,938
Total Assets (millions of yen)	2,999,903	3,053,263	3,100,260	3,381,914	3,807,390

(Notes)

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

2. With respect to FY2018, the decrease in production of automobiles in China and Europe has become prominent since the second half of FY2018, and despite the worldwide underperformance of smartphone sales and a fade in demand in some parts of the cemented carbide tools markets, the first half generally showed steady growth. Therefore, net sales increased from the preceding fiscal year. However, due to price reductions in the automobile industry and factors that increase costs such as additional duties between the U.S. and China, in addition to an increase in research and development costs for the future, operating income, ordinary income, and the profit attributable to owners of the parent decreased from the preceding fiscal year.
3. With respect to FY2019, due to, e.g., a decrease in production of automobiles and sales of smartphones, a decline in the price of optical fiber cables, a stronger yen, and a fall in the price of copper, as well as a sudden slowdown of economic activities due to COVID-19 in the fourth quarter, sales decreased from the preceding fiscal year. Further, due to, e.g., a decrease in sales, an increase in future depreciation and amortization expenses, and price reductions and an increase in costs for the launch of production of some products in the Automotive segment, as well as deterioration in profitability associated with a sudden decrease in production due to the expansion of COVID-19, operating income, ordinary income, and the profit attributable to owners of the parent decreased from the preceding fiscal year.
4. With respect to FY2020, due to, e.g., a decrease in production of automobiles caused by COVID-19, delays in communication and power supply work, and a decline in the price of optical fibers, sales decreased from the preceding fiscal year. With respect to income, despite our all-out efforts toward cost reduction measures, such as cutting down non-urgent costs and refraining from capital expenditures, not all of the effect of the decrease in sales could be absorbed, and operating income, ordinary income, and the profit attributable to owners of the parent decreased from the preceding fiscal year.

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

Entry \ Year	FY2017	FY2018	FY2019	FY2020	FY2021 (this fiscal year)
Net Sales (millions of yen)	1,084,165	1,142,621	1,149,030	1,064,781	1,305,756
Operating Income (millions of yen)	12,714	16,921	3,882	(7,007)	15,704
Ordinary Income (millions of yen)	65,523	65,847	48,625	26,874	64,063
Profit for the year (millions of yen)	61,357	71,147	42,442	9,558	52,354
Earnings per Share (yen)	78.65	91.20	54.41	12.25	67.11
Net Assets (millions of yen)	739,165	783,028	772,037	762,483	781,185
Total Assets (millions of yen)	1,288,934	1,351,028	1,331,126	1,376,632	1,413,289

(Notes)

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, 2022)

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

Segment	Main products and others
Automotive	Wiring harnesses, anti-vibration rubbers/automotive hoses, car electronic components and network system products such as traffic control
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.)
Electronics	Electronic wires, electric beam irradiation products, flexible printed circuits, fluorine resin products, fasteners, metal parts, chemical products
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
Industrial Materials and Others	Tensioning materials for prestressed concrete, precision spring steel wires, steel tire cords, cemented carbide tools, diamond and CBN tools, laser optics, sintered powder metal parts, semiconductors heat-spreader materials

(7) Main Offices and Factories (as of March 31, 2022)

(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), Hitachi Branch Office (Hitachi City, Ibaraki Prefecture), 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, 2022)

(i) Employee Situation of Corporate Group

Segment	Number of Employees	Increase from March 31, 2021
Automotive	223,454	(5,645)
Infocommunications	7,503	533
Electronics	19,217	(1,263)
Environment and Energy	15,185	488
Industrial Materials and Others	15,716	178
Total	281,075	(5,709)

(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, 2021	Average age	Average Length of Service (Years)
6,651	515	43.2	16.4

(Note)

“Number of Employees” does not include the 6,092 employees of the Company who are dispatched to companies other than the Company.

(9) Status of Important Subsidiaries and Affiliates (as of March 31, 2022)

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 sales of automotive wiring harnesses, connectors
Sumitomo Electric Device Innovations, Inc.	Yokohama City	JPY 15,000 Million	100.00	Development, manufacture and sales of optical transceiver, optical/wireless devices composed of compound semiconductors, and their application
Sumitomo Riko Company Limited	Nagoya City	JPY 12,145 Million	50.67	Manufacture and sales of anti-vibration rubbers, hoses and resin products
Sumitomo Electric Hardmetal Corp.	Itami City, Hyogo Prefecture	JPY 11,900 Million	100.00	Manufacture and sales of cemented carbide tools, diamond and CBN tools, etc.
Nissin Electric Co., Ltd.	Kyoto City	JPY 10,253 Million	51.00	Manufacture and sales of substation equipment, plant control system, photovoltaic system, etc.
J-Power Systems Corporation	Hitachi City, Ibaraki Prefecture	JPY 8,000 Million	100.00	Manufacture and sales of power transmission wires/cables
Sumitomo Densetsu Co., Ltd.	Osaka City	JPY 6,440 Million	50.17	Design, installation and supervision of power transmission lines, indoor wiring cables and communications system works
※ Sumitomo Electric Tochigi Co., Ltd.	Utsunomiya City	JPY 5,250 Million	55.56	Manufacture and sales of steel tire cords and precision spring steel wires
TECHNO ASSOCIE Co., Ltd.	Osaka City	JPY 5,001 Million	47.39	Sales of screws, non-ferrous metal products, etc.

Company Name	Location	Capital	Share-holding	Main Business
Hokkaido Sumiden Precision Co, Ltd.	Naie Town, Sorachi Sub-prefecture, Hokkaido	JPY 4,350 Million	% 100.00	Manufacture and sales of cemented carbide and raw metal powder
Sumitomo Electric Sintered Alloy, Ltd.	Takahashi City, Okayama Prefecture	JPY 3,004 Million	100.00	Manufacture and sales of sintered powder metal parts
Sumitomo Electric Wintec, Inc.	Koka City, Shiga Prefecture	JPY 3,000 Million	100.00	Manufacture and sales of magnet wires
※ Sumiden HST Cable Ltd.	Osaka City	JPY 400 Million	56.00	Sales of wire cables
Sumitomo Electric Wiring Systems, Inc.	U.S.A.	USD 243,920 Thousand	100.00	Manufacture and sales of automotive wiring harnesses and connectors
Sumitomo Electric Lightwave Corp.	U.S.A.	USD 54,780 Thousand	100.00	Manufacture and sales of optical cables, etc., and sales of fusion splicers, etc.
Sumidense do Brasil Industrias Eletricas Ltda.	Brazil	BRL 232,921 Thousand	100.00	Manufacture and sales of automotive wiring harnesses
Sumitomo Electric Wiring Systems (Europe) Limited	U.K.	EUR 93,950 Thousand	100.00	Manufacture and sales of automotive wiring harnesses and connectors
Sumitomo Electric Bordnetze SE	Germany	EUR 2,046 Thousand	100.00	Manufacture and sales of automotive wiring harnesses
SEWS-CABIND S.p.A.	Italy	EUR 30,000 Thousand	100.00	Manufacture and sales of automotive wiring harnesses
※ PT. Sumiden Serasi Wire Products	Indonesia	USD 51,000 Thousand	100.00	Manufacture and sales 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 sales of wire rods
※ PT. Sumitomo Electric Wintec Indonesia	Indonesia	USD 35,000 Thousand	100.00	Manufacture and sales of magnet wires
PT. Sumi Indo Kabel Tbk.	Indonesia	USD 52,431 Thousand	92.40	Manufacture and sales of wire cables

Company Name	Location	Capital	Shareholding	Main Business
SEI Thai Electric Conductor Co., Ltd.	Thailand	THB 2,010 Million	% 100.00	Manufacture and sales of wire rods, aluminum wire rods and bars, automotive aluminum wires
Sumidense Mediatech Suzhou Co., Ltd.	China	RMB 347,585 Thousand	100.00	Manufacture and sales of automotive wiring harnesses
Sumitomo Electric Interconnect Products (Suzhou), Ltd.	China	RMB 338,299 Thousand	100.00	Manufacture and sales of electronic wires
Fuzhou Zhu Wiring Systems Co., Ltd.	China	RMB 275,236 Thousand	100.00	Manufacture and sales of automotive wiring harnesses and electric wires
Huizhou Zhurun Wiring Systems Co., Ltd.	China	RMB 288,020 Thousand	87.86	Manufacture and sales of automotive wiring harnesses
※ Sumitomo Electric Interconnect Components (Shenzhen), Ltd.	China	RMB 276,838 Thousand	100.00	Manufacture and sales of electronic wires
Sumitomo Electric Interconnect Products (Hong Kong), Ltd.	Hong Kong, China	HKD 648,000 Thousand	100.00	Sales of electronic wires, flexible printed circuits
SEI Electronic Components (Vietnam), Ltd.	Vietnam	USD 100,000 Thousand	100.00	Manufacture and sales of flexible printed circuits
Sumidense Vietnam Co., Ltd.	Vietnam	USD 35,000 Thousand	100.00	Manufacture and sales of automotive wiring harnesses
Sumi Philippines Wiring Systems Corporation	Philippines	USD 60,000 Thousand	100.00	Manufacture and sales of automotive wiring harnesses and electric wires
Sumitomo Rubber Industries, Ltd.	Kobe City	JPY 42,658 Million	28.91	Manufacture and sales of automotive tires, etc.

(Notes)

1. The figures under “Shareholding” above are the percentages, including the shareholding by the subsidiaries, etc.
2. A company marked with “※” under “Company Name” is a company added to the list starting this fiscal year.

(10) Important Corporate Restructuring, etc.

- (i) On November 23, 2021, we assigned all interests of the Company's subsidiary, Sumitomo Electric Interconnect Products (Shenzhen), Ltd., to a company located in China.
- (ii) At the Company's Board of Directors meeting which was held on March 29, 2022, we resolved to transfer the businesses related to the manufacture of wires and cables of J-Power Systems Corporation to the Company through a company split system (absorption-type company split) on July 1, 2022.

(11) Major Lenders (as of March 31, 2022)

Lenders	Balance of Borrowings
	millions of yen
Sumitomo Mitsui Banking Corporation	164,588
Mizuho Bank, Ltd.	108,894
The Norinchukin Bank	96,384
MUFG Bank, Ltd.	69,918
Development Bank of Japan Inc.	51,000
Sumitomo Mitsui Trust Bank, Limited	34,243

(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 109,689 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, 2022)

(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)

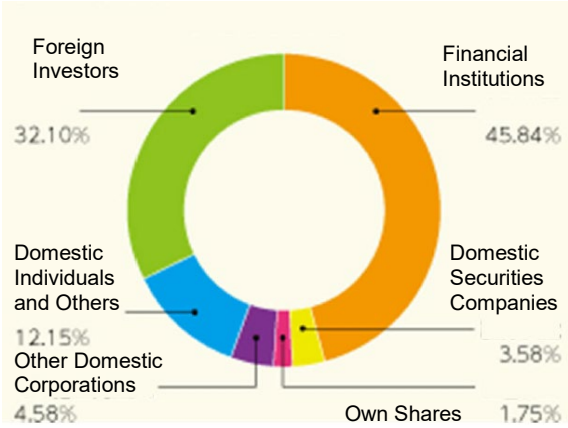
(3) Number of Shares for One Unit of Shares

100 shares

(4) Number of Shareholders

73,221 shareholders (compared with the end of preceding fiscal year: increase of 7,752 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)	136,573	17.51
Custody Bank of Japan, Ltd. (trust account)	62,192	7.97
Nippon Life Insurance Company	24,703	3.17
SUMITOMO LIFE INSURANCE COMPANY	15,556	1.99
STATE STREET BANK WEST CLIENT-TREATY 505234	12,655	1.62
The Master Trust Bank of Japan, Ltd. (trust account J)	12,590	1.61
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	11,979	1.54
Kochi Shinkin Bank	11,103	1.42
JP MORGAN CHASE BANK 385781	9,785	1.25
Custody Bank of Japan, Ltd. (trust account 4)	9,653	1.24
	in thousands of shares	%
Total	306,792	39.33

(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. NEC Corporation holds 6,914 thousand shares in the Company. Also, NEC Corporation has established a trust for retirement benefits holding 6,900 thousand shares (a 1.77% shareholding as combined with the above NEC Corporation's holding) in the Company, and has retained the authority to give instructions to exercise voting rights.
3. Shareholding percentages have been calculated after deducting from the total number of issued shares the 13,863,596 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, 2022)

Name	Position and Areas of Responsibility	Important Concurrent Post
※Masayoshi Matsumoto	Chairman of the Board of Directors	Chairman, Kansai Economic Federation
※Osamu Inoue	President	
※Mitsuo Nishida	Executive Vice President General Manager, Automotive Business Unit	Chairman of Board of Directors, Sumitomo Wiring Systems, Ltd. Chairman of the Board, Sumitomo Electric Wiring Systems, Inc. Joint Representative Director, Kyungshin Co., Ltd.
※Yoshitomo Kasui	Senior Managing Director Corporate Staff Group (Compliance & Risk Management, Administration, Tokyo Administration, Secretary, Human Resources, Human Resources Development, Internal Auditing)	
※Akira Nishimura	Senior Managing Director General Manager, R&D Unit Electronics Group (Flexible Printed Circuits Division)	
※Hideo Hato	Senior Managing Director General Manager, New Business Development Unit Deputy General Manager, Automotive Business Unit (Systems & Electronics Division) Corporate Staff Group (Legal, Public Relations, Corporate Planning, Intellectual Property, Security Trade Control) Environment and Energy Group (Energy System Division)	
Masaki Shirayama	Managing Director General Manager, Electric Wire & Cable, Energy Business Unit	
Nobuyuki Kobayashi	Managing Director Corporate Staff Group (Accounting, Finance, Information Systems, Procurement, Logistics Management)	Director, Sumitomo Rubber Industries, Ltd.

Name	Position and Areas of Responsibility	Important Concurrent Post
○Yasuhiro Miyata	Managing Director General Manager, Electronics Sales Unit	Director, Sumitomo Electric Interconnect Products (Hong Kong), Ltd.
○Toshiyuki Sahashi	Managing Director General Manager, Advanced Materials Business Unit	Director, Sumitomo Electric Hardmetal Corp.
Hiroshi Sato	Director	Advisor, Kobe Steel, Ltd. President & Representative Director, The Kobe International House Inc. Director, Iwatani Corporation
Michihiro Tsuchiya	Director	Director, RaQualia Pharma Inc.
Christina Ahmadjian	Director	Professor, Graduate School of Business Administration, Hitotsubashi University Director, Japan Exchange Group, Inc. Director, Asahi Group Holdings, Ltd. Director, NEC Corporation
○Katsuaki Watanabe	Director	Director, Kyushu Financial Group, Inc.
○Atsushi Horiba	Director	Chairman & Group CEO, HORIBA, Ltd. Chairman, HORIBA STEC, Co., Ltd. Director, Softbank Corp.
Satoru Ogura	Audit & Supervisory Board Member (full-time)	
Akira Hayashi	Audit & Supervisory Board Member (full-time)	
Michiko Uehara	Audit & Supervisory Board Member	Attorney at law Audit & Supervisory Board Member, 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 or an Audit & Supervisory Board Member at the 151st General Meeting of the Shareholders held on June 25, 2021.
3. Among the Directors above, Mr. Hiroshi Sato, Mr. Michihiro Tsuchiya, Ms. Christina Ahmadjian, Mr. Katsuaki Watanabe, and Mr. Atsushi Horiba 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 25, 2021, Mr. Nozomi Ushijima (Executive Vice President) retired from his director position, and Mr. Katsuaki Watanabe (Audit & Supervisory Board Member) retired from his Audit & Supervisory Board Member position, each 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
Christina Ahmadjian	Specially Appointed Professor, Department of Global Business, College of Business, Rikkyo University Director, Japan Exchange Group, Inc. Director, Asahi Group Holdings, Ltd. Director, NEC Corporation	Professor, Graduate School of Business Administration, Hitotsubashi University Director, Japan Exchange Group, Inc. Director, Asahi Group Holdings, Ltd. Director, NEC Corporation	As of April 1, 2022

(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	857,800,000 yen	667,800,000 yen	190,000,000 yen	16
Audit & Supervisory Board Members	114,000,000 yen	114,000,000 yen	-	6

(Notes)

1. The number of officers above includes one Director and one Audit & Supervisory Board Member who retired as of June 25, 2021.
2. The amount of remuneration for Directors shown above includes the amount of a bonus payment of 190 million yen if a resolution regarding the payment of a bonus to the Directors is adopted as proposed at the 152nd General Meeting of the 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, and the profit for the year, 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), 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	ROE
Goals (at the beginning of the year)	3,350,000	175,000	5.2%	188,000	110,000	6.8%	6.7%
Goals (in interim)	3,300,000	145,000	4.4%	160,000	95,000	5.6%	5.8%
Results	3,367,863	122,195	3.6%	138,160	96,306	4.5%	5.7%

(Notes)

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 fiscal year ended in March 2021 and 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 2022.

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 goals, individual evaluation, etc. as set forth in paragraph c. above. Furthermore, the payment ratio of monthly remuneration and bonuses is approximately 1:0.24-0.5 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.

The approach and method of calculation of Directors' monthly remuneration and bonuses, and proposed individual amounts based thereon, are discussed by the Compensation Advisory Committee. Based on this report, the Board of Directors approved the approach and method of calculation of monthly remuneration and bonuses, and adopted resolutions that the specific amounts and timing and method of payment would be delegated to the President (Osamu Inoue), who receives an overview of the performance of the Company as a whole and evaluates each Executive Director. The President decides the amounts of individual monthly remuneration and bonuses in line with the proposal reported by the Compensation Advisory Committee and based on 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 70,000,000 yen per month (and for Outside Directors is not more than 10,000,000 yen per month) as resolved at the shareholders' meeting held on June 25, 2021. The number of Directors at the time was 15 (of whom, the number of Outside Directors was five). In addition, with respect to Directors' bonuses, 130,000,000 yen will be paid in total for nine Directors (excluding three Outside Directors) as resolved at the shareholders' meeting held on June 25, 2021. 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 12,000,000 yen per month as resolved at the shareholders' meeting held on June 25, 2021.

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 term 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 and Audit & Supervisory Board Members 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	President & Representative Director, The Kobe International House Inc.	No particular relationship.
		Outside Director, Iwatani Corporation	This company has business relations with the Company, such as the sale and purchase of products.
	Michihiro Tsuchiya	Outside Director, RaQualia Pharma Inc.	No particular relationship.
	Christina Ahmadjian	Professor, Graduate School of Business Administration, Hitotsubashi University	No particular relationship.
		Outside Director, Japan Exchange Group, Inc.	No particular relationship.
		Outside Director, Asahi Group Holdings, Ltd.	No particular relationship.
		Outside Director, NEC Corporation	This company has business relations with the Company, such as the sale and purchase of products and joint development of submarine cables. In addition, this company has capital relations with the Company, but it does not have a significant impact on business.
	Katsuaki Watanabe	Outside Director, Kyushu Financial Group, Inc.	No particular relationship.
	Atsushi Horiba	Chairman & Group CEO, HORIBA, Ltd.	This company has business relations with the Company, such as the purchase of equipment.
		Chairman, HORIBA STEC, Co., 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.

Position	Name	Company, etc. at which Positions are Concurrently Held by Officers of the Company and Content	Relationship
Audit & Supervisory Board Members	Michiko Uehara	Outside Audit & Supervisory Board Member, The Japan Wool Textile Co., Ltd	No particular relationship.
	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, 2022.

(ii) Main Activity Status

a. Directors

Name	Main Activity Status
Hiroshi Sato	<p>He attended all 13 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 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. Furthermore, regarding compliance, he reviews and expresses opinions on internal control systems and specific measures, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis. He is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and how to ensure its effectiveness, with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.</p>
Michihiro Tsuchiya	<p>He attended all 13 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 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. Furthermore, regarding compliance, he reviews and expresses opinions on internal control systems and specific measures, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis. He is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and how to ensure its effectiveness, with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.</p>

Name	Main Activity Status
Christina Ahmadjian	<p>She attended all 13 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, mainly on methods relating to the governance system of the whole group and points for attention of global management strategies, etc., based on her extensive knowledge as a professor of a university whose main research fields are corporate management and corporate governance and global perspective. Other than the above, she 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. Furthermore, regarding compliance, she reviews and expresses opinions on internal control systems and specific measures, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis. She is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and how to ensure its effectiveness, with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.</p>
Katsuaki Watanabe	<p>He attended all 13 Board of Directors meetings held this fiscal year and all four Audit & Supervisory Board meetings held until June 25, 2021, when the term of his office as an Audit & Supervisory Board Member expired. 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. Furthermore, regarding compliance, he reviews and expresses opinions on internal control systems and specific measures, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis. He is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and how to ensure its effectiveness, with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.</p>

Name	Main Activity Status
Atsushi Horiba	<p>After he was appointed as the Director as of June 25, 2021, he attended eight out of ten Board of Directors meetings held by 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., 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.). Furthermore, regarding compliance, he reviews and expresses opinions on internal control systems and specific measures, responding to changes in global regulations, etc. and misconduct by other companies, on a routine basis. He is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and how to ensure its effectiveness, with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.</p>

b. Audit & Supervisory Board Members

Name	Main Activity Status
Michiko Uehara	<p>She attended all 13 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. Furthermore, regarding compliance, she reviews and expresses opinions on internal control systems and specific measures in cooperation with other Audit & Supervisory Board Members, on a routine basis. She is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and its thoroughness and organization with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.</p>

Name	Main Activity Status
Ikuo Yoshikawa	He attended all 13 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. Furthermore, regarding compliance, he reviews and expresses opinions on internal control systems and specific measures in cooperation with other Audit & Supervisory Board Members, on a routine basis. He is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and its thoroughness and organization with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.
Tatsuo Kijima	After he was appointed as the Audit & Supervisory Board Member as of June 25, 2021, he attended nine out of ten Board of Directors meetings and all 12 Audit & Supervisory Board meetings held by the end of this fiscal year. In addition, 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. Furthermore, regarding compliance, he reviews and expresses opinions on internal control systems and specific measures in cooperation with other Audit & Supervisory Board Members, on a routine basis. He is also making statements on the improvement and enhancement of the competition law compliance system for the entire group and its thoroughness and organization with respect to the eradication and prevention of the reoccurrence of violations of antitrust law, including foreign competition law.

(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.

Five Directors and four Audit & Supervisory Board Members: 136,200,000 yen

(Notes)

The number of officers above includes one Audit & Supervisory Board Member who retired as of June 25, 2021.

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	168 million yen
(ii)	Total amount of money and other financial benefits to be paid by the Company and its subsidiaries	729 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 previous 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., 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 such as bribery prevention which is increasingly important in conjunction with global business development, as well as cyber security, measures relating to infectious diseases, management of confidential information and personal information, and legal, labor and tax issues, 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, (i) the department or division in charge, (ii) the authority vested in each role, and (iii) 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, following 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, regarding personal information management, the Company is arranging a system corresponding to the legal system of protection of personal information including the EU General Data Protection Regulation in each country including Japan, and 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 on the implementation of measures to prevent the spread of infections in response to the spread of COVID-19, as well as accurate identification of information including supply chains, and the promotion of measures that ensure business continuity, among other things.

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.

(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 2021, 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 has developed and operated 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 and the Charter of Corporate Behavior 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 2021, 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 basic approach to corporate governance of the Company and the analysis and evaluation of the effectiveness of the Board of Directors, please see pp. 63-64 of Integrated Report 2021.

https://sumitomoelectric.com/sites/default/files/2021-08/download_documents/SUMITOMOELECTRIC%20InegratedReport2021.pdf

As for the Sumitomo Electric Group’s corporate governance structure, please see the website of the Company.

<https://sumitomoelectric.com/company/governance>

Long-Term Vision “Sumitomo Electric Group 2030 VISION”

As for the long-term vision “Sumitomo Electric Group 2030 VISION,” please see the following URL.

<https://sumitomoelectric.com/company/segvision2030>

(Translation)

Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Accounts	Amount	Accounts	Amount
(ASSETS)		(LIABILITIES)	
Current assets	2,056,928	Current liabilities	1,260,094
Cash and time deposits	259,581	Trade notes and accounts payable	444,985
Trade notes and accounts receivable	784,647	Short-term debt	482,212
Contract assets	30,030	Commercial papers	8,000
Inventories	844,837	Current portion of bonds	9,996
Other current assets	140,152	Contract liabilities	46,355
Allowance for doubtful receivables	(2,319)	Other current liabilities	268,546
Non-current assets	1,750,462	Non-current liabilities	494,358
Property, plant and equipment	1,026,784	Bonds	84,900
Buildings and structures	305,414	Long-term debt	222,188
Machinery and equipment	444,397	Deferred tax liabilities	65,068
Land	98,637	Net defined benefit liabilities	46,037
Construction in progress	64,054	Other non-current liabilities	76,165
Other	114,282	Total liabilities	1,754,452
Intangible assets	36,062	(NET ASSETS)	
Investments and other assets	687,616	Shareholders' equity	1,595,705
Investment securities	443,896	Common stock	99,737
Net defined benefit assets	173,434	Capital surplus	170,539
Deferred tax assets	32,329	Retained earnings	1,346,210
Other	38,810	Treasury stock	(20,781)
Allowance for doubtful receivables	(853)	Accumulated other comprehensive income	174,083
Total assets	3,807,390	Net unrealized holding gains on available-for-sale securities	76,687
		Deferred gains or losses on hedges	(1,366)
		Foreign currency translation adjustments	38,821
		Remeasurements of defined benefit plans	59,941
		Non-controlling interests	283,150
		Total net assets	2,052,938
		Total liabilities and net assets	3,807,390

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

Consolidated Statement of Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

Accounts	Amount	
Net sales		3,367,863
Cost of sales		2,793,919
Gross profit		573,944
Selling, general and administrative expenses		451,749
Operating income		122,195
Non-operating income		
Interest income	1,022	
Dividend income	4,058	
Share of profit of investments accounted for using the equity method	20,577	
Other income	12,819	38,476
Non-operating expenses		
Interest expenses	5,559	
Other expenses	16,952	22,511
Ordinary income		138,160
Extraordinary income		
Gain on sales of property, plant and equipment	4,683	
Gain on sales of investment securities	11,194	
Gain on sale of shares of subsidiaries	3,409	
Gain on change in equity	11,516	
Gain on return of assets from retirement benefit trust	6,894	
Fire insurance recovery gain	2,668	40,364
Extraordinary losses		
Loss on disposal of property, plant and equipment	3,790	
Impairment loss on fixed assets	6,456	
Restructuring expenses	5,405	
Loss due to fire	2,952	18,603
Profit before income taxes		159,921
Income taxes – current	41,294	
Income taxes – deferred	8,925	50,219
Profit for the year		109,702
Profit attributable to non-controlling interests		13,396
Profit attributable to owners of the parent		96,306

(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, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	99,737	170,875	1,281,762	(20,769)	1,531,605
Changes of items during the period					
Cash dividends			(31,983)		(31,983)
Profit attributable to owners of the parent for the year			96,306		96,306
Purchases of treasury stock				(12)	(12)
Increase by merger			125		125
Change in ownership interests arising from transactions with non-controlling shareholders		(336)			(336)
Net changes of items other than those in shareholders' equity					
Total changes of items during the period	—	(336)	64,448	(12)	64,100
Balance at end of current period	99,737	170,539	1,346,210	(20,781)	1,595,705

	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	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	74,866	(1,419)	(23,659)	47,413	97,201	263,700	1,892,506
Changes of items during the period							
Cash dividends							(31,983)
Profit attributable to owners of the parent for the year							96,306
Purchases of treasury stock							(12)
Increase by merger							125
Change in ownership interests arising from transactions with non-controlling shareholders							(336)
Net changes of items other than those in shareholders' equity	1,821	53	62,480	12,528	76,882	19,450	96,332
Total changes of items during the period	1,821	53	62,480	12,528	76,882	19,450	160,432
Balance at end of current period	76,687	(1,366)	38,821	59,941	174,083	283,150	2,052,938

(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: 382 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.

4 companies were newly included in the scope of consolidation as a result of establishment or increase in materiality in the fiscal year ended March 31, 2022.

And 2 companies including Sumitomo Electric Interconnect Products (Shenzhen), Ltd. were excluded from the scope of consolidation as a result of sales of shares. 3 companies were excluded from the scope of consolidation as a result of merger 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: 32 companies

Major companies accounted for by the equity method

Sumitomo Rubber Industries, Ltd.

1 company was newly included in the scope of the equity method as a result of demerger of an affiliate. And 1 affiliate was excluded from the scope of the equity method as a result of sale of shares.

(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: stated at amortized cost

Available-for-sale securities

other than those without market values: 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.)

without market values: 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 main businesses of the Company and its consolidated subsidiaries are manufacture and sales of products in the following business segments: Automotive, Infocommunications, Electronics, Environment and Energy and Industrial Materials and Others. Revenue for domestic sales transactions is recognized mainly at the time of the acceptance inspection by the customer or arrival at the customer, and revenue for export sales transactions is recognized 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. For other contracts, revenue is recognized mainly on the completion of installation as the performance obligation satisfied at a point in time. Consideration of the transaction is received mainly within one year from 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 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 (mainly 3 years) from the year in which it arises, or accounted for as an expense when it arises.

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) Adoption of consolidated taxation system

The Company and its wholly owned domestic consolidated subsidiaries have adopted the consolidated taxation system.

(c) Application of tax effect accounting for the transition from the consolidated taxation system to the group tax sharing system

The Company and its wholly owned domestic consolidated subsidiaries will have transition from the consolidated taxation system to the group tax sharing system in the next consolidated fiscal year. However, regarding the transition to the group tax sharing system established by the “Act for Partial Revision of the Income Tax Act etc.” (Act No. 8 of 2020) and its related revision of the taxation system for a stand-alone entity, in accordance with the paragraph 3 of the “Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System” (PITF No. 39, March 31, 2020), the amounts of the deferred tax assets and deferred tax liabilities of the Company and its wholly owned domestic consolidated subsidiaries are based on the tax regulation before the revision without applying the paragraph 44 of the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018).

From the beginning of the next consolidated fiscal year, the Company and its wholly owned domestic consolidated subsidiaries plan to apply the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42, August 12, 2021), which provides for treatment of accounting and disclosure of corporate tax, local corporate tax, and tax effect accounting under the group tax sharing system.

2. Changes in Accounting Policy

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company and its consolidated subsidiaries have applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and the revised other related standards since the beginning of the fiscal year ended March 31, 2022, and have applied the new accounting policy set forth by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional treatment as provided in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). There is no effect of the application of these standards on the consolidated financial statements.

Notes to breakdown of fair value of financial instruments by level are provided in “9. Financial Instruments”.

3. Revenue recognition

(1) Disaggregation of revenue

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

(Millions of yen)

	FY 2021 (From April 1, 2021 to March 31, 2022)
Automotive segment	
Wiring harnesses, car electronic components	1,304,349
Sumitomo Riko and others	449,846
Subtotal	1,754,195
Infocommunications segment	
Optical fiber cables, telecommunication cables and equipment, fusion splicers	100,334
Optical and electronic devices	79,194
Access network equipment	39,752
Others	19,870
Subtotal	239,150
Electronics segment	
Electronic wires	87,395
Flexible printed circuits	61,549
Electric beam irradiation products, fluorine resin products	22,802
Techno Associe	86,019
Others	34,744
Subtotal	292,509
Environment and Energy segment	
Electric conductors	143,989
Power transmission wires, cables, equipment, work and engineering	213,721
Sumitomo Densetsu	167,590
Nissin Electric	132,128
Magnet wires and others	175,997
Subtotal	833,425
Industrial Materials and Others segment	
Tensioning materials for prestressed concrete, precision spring steel wires, steel tire cord	94,557
Cemented carbide tools, diamond and CBN tools, laser optics	102,040
Sintered powder metal parts	67,475
A.L.M.T.	42,617
Others	21,194
Subtotal	327,883
Adjustments	(79,299)
Total	3,367,863

(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 2020 (As of March 31, 2021)	FY 2021 (As of March 31, 2022)
Receivables from contracts with customers	719,321	784,647
Contract assets	35,937	30,030
Contract liabilities	33,920	46,355

The increase in contract assets was mainly caused by revenue recognition and the decrease in contract assets was mainly caused by transfer to trade receivables.

The increase in contract liabilities was mainly caused by receipt of advances from customers and the decrease in contract liabilities was mainly caused by revenue recognition.

Of the revenue recognized during the fiscal year ended March 31, 2022, ¥25,619 million was included in the contract liabilities at the beginning of the fiscal year. And the revenue recognized in relation to performance obligations satisfied or partially satisfied in the past periods is not material.

(b) Transaction price allocated to remaining performance obligations

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

Except some consolidated subsidiaries, transactions with initial expected contract term of less than one year are not included in the amounts below.

In some consolidated subsidiaries, transaction price of contract in which schedule of installation has not been decided as of the end of the fiscal year ended March 31, 2022, is classified by the timing of completion of installation.

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 2021 (As of March 31, 2022)
Within 1 year	186,656
Later than 1 year	124,124
Total	310,780

4. Changes in Presentation

(Application of Accounting Standards for Revenue Recognition)

The disclosure provisions of the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and the “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 26, 2021) have been applied since the beginning of the fiscal year ended March 31, 2022. In accordance with the application, in the consolidated balance sheet, “Trade notes and accounts receivable” which was previously presented in “Current assets” is included in “Trade notes and accounts receivable” and “Contract assets”, and “Other current liabilities” which was previously presented in “Current liabilities” is included in “Contract liabilities” and “Other current liabilities”.

5. Accounting estimate

(Large construction projects)

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

The amount of sales in the Environment and Energy segment is ¥833,425 million.

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

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 revenue recognition of contract constructions, for the performance obligation 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 of estimating 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 performance obligation reasonably, revenue is recognized only to the extent of actual costs incurred.

When estimating the total construction cost, the Company and its consolidated subsidiaries calculate the appropriate cost after specifying and covering the whole contents of work for executing the contract constructions according to the specifications based on the customers’ instructions, and review the estimate in a timely manner in response to the change of the situation after receiving the order.

However, regarding long-term constructions such as installation projects of high-voltage direct current cables for interconnections among national and regional power electric utilities or remote island power transmission business, and submarine power cables for large commercial offshore wind power generation business, if additional costs that exceed the estimate as of the end of the current consolidated fiscal year are incurred because of unexpected circumstances such as extension of construction period or additional costs due to influence of weather or unforeseen change of the work contents, they may affect the profit and loss of the next consolidated fiscal year.

6. Notes to Consolidated Balance Sheet

6-1. Assets pledged as collateral and liabilities secured by collateral

(1) Assets pledged as collateral

Property, plant and equipment

¥1,986 million

(2) Liabilities secured by the above collateral	
Short-term debt	¥ 468 million
Long-term debt	¥ 92 million
Total	¥ 560 million

6-2. Accumulated depreciation of property, plant and equipment ¥2,036,482 million

6-3. Guarantees

Debt guarantees and similar agreements	
Jiaxing SEI-Futong Optical Fiber Co., Ltd.	¥1,000 million
Daeheung SumiRiko Rubber Material (Yancheng) Co., Ltd.	¥ 859 million
Sumiden International Trading (Shanghai) Co.,Ltd.	¥ 567 million
Employees	¥ 112 million
Others	¥ 432 million
Total	¥2,970 million

6-4. Notes receivable endorsed ¥47 million

6-5. Inventories

Merchandise and finished goods	¥321,461 million
Work in process	¥231,359 million
Raw materials and supplies	¥292,017 million

6-6. Other

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

7. Notes to Consolidated Statement of Income

(1) Gain on change in equity in extraordinary income is due to the change in the Company's equity in an overseas affiliate accounted for by the equity method resulting from the business combination in which the overseas affiliate is the combined company.

(2) Gain on return of assets from retirement benefit trust in extraordinary income are gains resulting from amortization of unrecognized actuarial gains and losses related to the return of a portion of retirement benefit trust of the Company.

(3) Fire insurance recovery gain in extraordinary income is the insurance income for damages caused by the fire which occurred at a distribution center to which a consolidated subsidiary outsources product storage and other operations.

(4) Restructuring expenses in extraordinary losses are related to the partial review of R&D themes and the reorganization of the business locations, etc., to strengthen profitability and to make efficient production structure. The major details are impairment loss of ¥2,376 million and loss on disposal of fixed assets of ¥1,498 million.

(5) Loss due to fire in extraordinary losses is due to the loss of products, etc. caused by the fire which occurred at a distribution center to which a consolidated subsidiary outsources product storage and other operations.

8. Notes to Consolidated Statement of Changes in Net Assets

8-1. Type and number of shares issued and outstanding at the end of current fiscal year

Common stock 793,940,571 shares

8-2. 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 25, 2021	Common stock	12,481	16.00	March 31, 2021	June 28, 2021	Retained earnings
Board of Directors on November 2, 2021	Common stock	19,502	25.00	September 30, 2021	December 1, 2021	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 24, 2022	Common stock	19,502	25.00	March 31, 2022	June 27, 2022	Retained earnings

9. Financial Instruments

9-1. Qualitative Information on Financial Instruments

The Company and its consolidated subsidiaries finance investment in equipment and operating capital for business, mainly using 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.

9-2. Fair Value of Financial Instruments

The carrying amounts and fair values of the financial instruments on the consolidated balance sheet as of March 31, 2022 are set forth in the table below.

Securities without market values (the carrying amount on the consolidated balance sheet is ¥111,854 million) are not included in "(1) Investment securities". A note of cash is omitted. In addition, notes of time deposits, trade notes, account receivable, securities, trade notes, 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	332,042	489,076	157,034
(2) Bonds	(94,896)	(94,603)	△293
(3) Long-term debt	(222,188)	(222,743)	555

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

9-3. Breakdown of fair value of financial instruments by level

Fair values of financial instruments are categorized into three levels as below 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 of the assets or liabilities which 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 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	132,413	—	5,255	137,668
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	351,408	—	—	351,408
Bonds	—	94,603	—	94,603
Long-term debt	—	222,743	—	222,743

(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 by using valuation techniques based on the 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.

10. Per Share Information

Net assets per share	¥2,269.31
Earnings per share	¥ 123.49