

SUMITOMO CHEMICAL COMPANY, LIMITED

Notice of the 142nd Ordinary General Meeting of Shareholders

THIS DOCUMENT IS A SUMMARY OF A NOTICE AND THE ATTACHMENTS THERETO, THE ORIGINALS OF WHICH ARE IN THE JAPANESE LANGUAGE. THIS DOCUMENT IS MADE ONLY FOR THE REFERENCE PURPOSES OF SHAREHOLDERS WHO LIVE IN COUNTRIES OUTSIDE OF JAPAN AND DOES NOT CONSTITUTE A FORMAL TRANSLATION OF THE ORIGINAL NOTICE AND THE ATTACHMENTS. IN THIS SUMMARY, CERTAIN INFORMATION IS INTENTIONALLY OMITTED. THE ORIGINALS CONTAIN MORE INFORMATION, SUCH AS THE REPORTS OF THE ACCOUNTING AUDITORS AND THE BOARD OF CORPORATE AUDITORS, ETC., WHILE SOME SUPPLEMENTAL INFORMATION NOT CONTAINED IN THE ORIGINALS IS ADDITIONALLY GIVEN IN THIS SUMMARY AS FOOTNOTES WITH ASTERISKS.

To Our Shareholders:

Please take notice that Sumitomo Chemical Company, Limited (the “Company”) has called an Ordinary General Meeting of Shareholders to be held in Tokyo, Japan on June 21, 2023 (the “Meeting”) for the following purposes.

In convening this year’s Ordinary General Meeting of Shareholders, the Company has taken electronic provision measures for the information contained in the reference materials for the Ordinary General Meeting of Shareholders, etc. (“matters subject to electronic provision measures”) and posted the information on the Company’s website.

■ Company website:

<https://www.sumitomo-chem.co.jp/english/ir/stocks/meeting/>

In addition, the matters subject to electronic provision measures have been posted on the Tokyo Stock Exchange’s website. Please access the below website, enter the Company’s name or securities code (4005) to run a search, and select “Basic information” and then “Documents for public inspection/PR information” to view the information.

■ Tokyo Stock Exchange website (“Listed Company Search”):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

MATTERS TO BE REPORTED:

- No. 1. Reports on the Company's business report, consolidated financial statements, and the results of both the Accounting Auditor's and the Board of Corporate Auditors' audits of the Company's consolidated financial statements for the 142nd fiscal period (from April 1, 2022, to March 31, 2023) (the "142nd fiscal period").
- No. 2. Reports on the Company's non-consolidated financial statements for the 142nd fiscal period.

MATTERS TO BE RESOLVED:

- No. 1. To elect twelve Directors.
- No. 2. To elect three Corporate Auditors.

EXPLANATION OF THE SUBJECT MATTERS OF THE MEETING

- No. 1. Reports on the Company's business report, consolidated financial statements, and the results of both the Accounting Auditor's and the Board of Corporate Auditors' audits of the Company's consolidated financial statements for the 142nd fiscal period.
- No. 2. Reports on the Company's non-consolidated financial statements for the 142nd fiscal period.

* The financial statements for the 142nd fiscal period have been audited by the Accounting Auditors (certified public accountants under Japanese law) and the Corporate Auditors of the Company pursuant to the Companies Act (*kaishahou*) (Law No. 86 of 2005).


No. 1. To elect twelve Directors.



The term of office of all twelve Directors will expire at the close of this Meeting. Accordingly, the election of twelve Directors (including four Outside Directors) is proposed.


The candidates for Directors are as follows:


Candidate No.	Name	Current Principal Occupation and Responsibility at the Company	Attendance at the Board of Directors meetings
1	Masakazu Tokura (Male) (Reappointment)	Representative Director, Chairman	16 out of 16 meetings (100%)
2	Keiichi Iwata (Male) (Reappointment)	Representative Director, President & Executive President	16 out of 16 meetings (100%)
3	Masaki Matsui (Male) (Reappointment)	Representative Director & Senior Managing Executive Officer Supervision of IT-related Chemicals Sector	16 out of 16 meetings (100%)
4	Nobuaki Mito (Male) (Reappointment)	Representative Director & Senior Managing Executive Officer Supervision of Health & Crop Sciences Sector	16 out of 16 meetings (100%)
5	Hiroshi Ueda (Male) (Reappointment)	Director & Executive Vice President Supervision of Research Planning and Coordination, Digital and Data Science Innovation, Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Engineering, Intellectual Property, Responsible Care, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory	16 out of 16 meetings (100%)
6	Hiroshi Niinuma (Male) (Reappointment)	Director & Executive Vice President Supervision of General Affairs, External Relations, Legal, Human Resources, Osaka Office Administration	16 out of 16 meetings (100%)
7	Motoyuki Sakai (Male) (New appointment)	Senior Managing Executive Officer Supervision of Energy & Functional Materials Sector	–
8	Seiji Takeuchi (Male) (New appointment)	Senior Managing Executive Officer Supervision of Essential Chemicals & Plastics Sector, Business Development for a Circular System for Plastics	–


Candidate No.	Name		Current Principal Occupation and Responsibility at the Company	Attendance at the Board of Directors meetings	
9	Hiroshi Tomono	(Male)	(Reappointment, Outside Director, Independent Officer)	Director	16 out of 16 meetings (100%)
10	Motoshige Itoh	(Male)	(Reappointment, Outside Director, Independent Officer)	Director	16 out of 16 meetings (100%)
11	Atsuko Muraki	(Female)	(Reappointment, Outside Director, Independent Officer)	Director	16 out of 16 meetings (100%)
12	Akira Ichikawa	(Male)	(Reappointment, Outside Director, Independent Officer)	Director	13 out of 13 meetings (100%)


Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p style="text-align: center;">1</p>  <p>Masakazu Tokura (Reappointment)</p>	<p>April 1974 Joined the Company June 2003 Executive Officer June 2006 Managing Executive Officer June 2008 Representative Director & Managing Executive Officer April 2009 Representative Director & Senior Managing Executive Officer April 2011 Representative Director, President & Executive President April 2019 Representative Director, Chairman up to the present date</p> <p>Important Concurrent Post Chairman of KEIDANREN (Japan Business Federation)</p> <p>[Reason for selection as a Director nominee, etc.] Masakazu Tokura served as a Director & Executive President for eight years from April 2011 to March 2019, contributing to the improvement of corporate value of the Company. He has been focusing on the operations of the Board of Directors of the Company as a Director, Chairman since April 2019. He was continuously selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall management of the Company, as described above.</p>	<p>July 10, 1950</p> <p>330,865 Shares</p>
<p style="text-align: center;">2</p>  <p>Keiichi Iwata (Reappointment)</p>	<p>April 1982 Joined the Company April 2010 Executive Officer April 2013 Managing Executive Officer April 2018 Senior Managing Executive Officer June 2018 Representative Director & Senior Managing Executive Officer April 2019 Representative Director, President & Executive President up to the present date</p> <p>[Reason for selection as a Director nominee, etc.] Since joining the Company, Keiichi Iwata has mainly engaged in business planning in the Fine Chemicals Sector and the IT-related Chemicals Sector and has worked abroad in Belgium. After his appointment as an Executive Officer, he experienced planning and administration as well as sales management and was in charge of the Energy & Functional Materials Sector as a Director & Senior Managing Executive Officer in 2018. He was appointed as a Director & Executive President in April 2019, and has formulated and been implementing the current Corporate Business Plan. He was continuously selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>October 11, 1957</p> <p>235,065 Shares</p>


Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p style="text-align: center;">3</p>  <p style="text-align: center;">Masaki Matsui (Reappointment)</p>	<p>April 1985 Joined the Company April 2013 Executive Officer April 2017 Managing Executive Officer June 2019 Representative Director & Managing Executive Officer April 2021 Representative Director & Senior Managing Executive Officer up to the present date</p> <p>Current Responsibility at the Company Supervision of IT-related Chemicals Sector</p> <p>[Reason for selection as a Director nominee, etc.] Since joining the Company, Masaki Matsui has mainly engaged in business planning and sales/marketing in the Fine Chemicals Sector and the IT-related Chemicals Sector. When he was responsible for business planning for optical products, he contributed to significantly expanding the business not only in Japan but also in South Korea, Taiwan, and China. He is currently in charge of the IT-related Chemicals Sector as a Director & Senior Managing Executive Officer. He was continuously selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>August 3, 1960</p> <p>108,898 Shares</p>
<p style="text-align: center;">4</p>  <p style="text-align: center;">Nobuaki Mito (Reappointment)</p>	<p>April 1985 Joined the Company April 2014 Associate Officer April 2015 Executive Officer April 2018 Managing Executive Officer June 2020 Representative Director & Managing Executive Officer April 2021 Representative Director & Senior Managing Executive Officer up to the present date</p> <p>Current Responsibility at the Company Supervision of Health & Crop Sciences Sector</p> <p>Important Concurrent Post Chairman of Valent U.S.A. LLC Chairman of Valent BioSciences LLC</p> <p>[Reason for selection as a Director nominee, etc.] Since joining the Company, Nobuaki Mito has mainly engaged in research and development in the Health & Crop Sciences Sector and experienced being dispatched to University of California, Davis in the United States. After his appointment as an Executive Officer, he was responsible for the pharmaceutical business and other areas in the Corporate Business Development Dept., working on the development of next-generation businesses. He is currently in charge of the Health & Crop Sciences Sector as a Director & Senior Managing Executive Officer. He was continuously selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>August 4, 1960</p> <p>89,177 Shares</p>


Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p style="text-align: center;">5</p>  <p style="text-align: center;">Hiroshi Ueda (Reappointment)</p>	<p>April 1982 Joined the Company June 2008 Associate Officer April 2009 Executive Officer April 2011 Managing Executive Officer April 2016 Senior Managing Executive Officer June 2016 Representative Director & Senior Managing Executive Officer June 2018 Director & Senior Managing Executive Officer April 2019 Director & Executive Vice President up to the present date</p> <p>Current Responsibility at the Company Supervision of Research Planning and Coordination, Digital and Data Science Innovation, Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Engineering, Intellectual Property, Responsible Care, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory</p> <p>[Reason for selection as a Director nominee, etc.] Since joining the Company, Hiroshi Ueda has mainly engaged in manufacturing and industrial research. In addition to them, he was responsible for business development, business planning, and safety/environment/hygiene-related operations at each plant after his appointment as an Executive Officer. He was in charge of the Energy & Functional Materials Sector as a Director & Senior Managing Executive Officer since 2016 and is currently in charge of Research Planning and Coordination, Digital and Data Science Innovation, Process & Production Technology & Safety Planning, Engineering, Responsible Care, and corporate research facilities as a Director & Executive Vice President. He was continuously selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>August 5, 1956</p> <p>169,144 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p style="text-align: center;">6</p>  <p>Hiroshi Niinuma (Reappointment)</p>	<p>April 1981 Joined the Company April 2010 Executive Officer April 2013 Managing Executive Officer April 2018 Senior Managing Executive Officer June 2018 Director & Senior Managing Executive Officer April 2022 Director & Executive Vice President up to the present date</p> <p>Current Responsibility at the Company Supervision of General Affairs, External Relations, Legal, Human Resources, Osaka Office Administration</p> <p>[Reason for selection as a Director nominee, etc.] Since joining the Company, Hiroshi Niinuma has mainly engaged in the operations such as general affairs and human resources. In addition to them, he was responsible for a wide range of administrative departments such as Legal, CSR, Internal Control and Audit, Corporate Communications, Procurement and Logistics, and worked on ensuring compliance, developing and improving a corporate governance structure after his appointment as an Executive Officer. He is currently in charge of General Affairs, External Relations, Legal, Human Resources, and Osaka Office Administration as a Director & Executive Vice President. He was continuously selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>March 5, 1958</p> <p>132,244 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p style="text-align: center;">7</p>  <p>Motoyuki Sakai (New appointment)</p>	<p>April 1985 Joined the Company April 2014 Executive Officer April 2018 Managing Executive Officer April 2023 Senior Managing Executive Officer up to the present date</p> <p>Current Responsibility at the Company Supervision of Energy & Functional Materials Sector</p> <p>Important Concurrent Post Director of Koei Chemical Co., Ltd.</p> <p>[Reason for selection as a Director nominee, etc.] Since joining the Company, Motoyuki Sakai has engaged in accounting operations, and during that time he also experienced being dispatched to NC State University in the United States. After successively serving as General Manager of accounting and General Manager of corporate planning, he was appointed as an Executive Officer. He subsequently compiled the Corporate Business Plan as the officer in charge of corporate planning, devised and implemented a comprehensive strategy in the Planning & Coordination Office, Energy & Functional Materials Sector as the officer in charge of the Sector, and experienced company management as President of Sumitomo Chemical Asia Pte Ltd from 2018. He also has sales experience as the officer in charge of divisions in the Energy & Functional Materials Sector. He was selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>August 14, 1961</p> <p>51,456 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p style="text-align: center;">8</p>  <p style="text-align: center;">Seiji Takeuchi (New appointment)</p>	<p>April 1986 Joined the Company April 2015 Associate Officer April 2016 Executive Officer April 2020 Managing Executive Officer April 2023 Senior Managing Executive Officer up to the present date</p> <p>Current Responsibility at the Company Supervision of Essential Chemicals & Plastics Sector, Business Development for a Circular System for Plastics</p> <p>Important Concurrent Post Director of Rabigh Refining and Petrochemical Company Representative Director and President of Japan-Singapore Petrochemicals Co., Ltd.</p> <p>[Reason for selection as a Director nominee, etc.] Since joining the Company, Seiji Takeuchi has mainly engaged in the operations of manufacturing and production technology and has also worked in the United States and Saudi Arabia. After his appointment as an Executive Officer in 2016, he was sent to Saudi Arabia again to operate Rabigh Refining and Petrochemical Company, where he focused on carrying out safe and stable operations as the local plant manager. Since returning to Japan, he has worked as the officer in charge of the Planning & Coordination Office and divisions in the Petrochemicals & Plastics Sector (currently the Essential Chemicals & Plastics Sector), gaining experience in planning, administration, and sales. He was selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>March 29, 1962</p> <p>42,556 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p style="text-align: center;">9</p>  <p>Hiroshi Tomono (Reappointment, Outside Director, Independent Officer)</p>	<p>April 1971 Joined Sumitomo Metal Industries, Ltd. (Currently NIPPON STEEL CORPORATION)</p> <p>June 1998 Director of Sumitomo Metal Industries, Ltd.</p> <p>June 1999 Managing Executive Officer of Sumitomo Metal Industries, Ltd.</p> <p>April 2003 Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd.</p> <p>June 2003 Director & Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd.</p> <p>April 2005 Representative Director & Vice President of Sumitomo Metal Industries, Ltd.</p> <p>June 2005 Representative Director & President of Sumitomo Metal Industries, Ltd.</p> <p>October 2012 Representative Director & President & COO of Nippon Steel & Sumitomo Metal Corporation (Currently NIPPON STEEL CORPORATION)</p> <p>April 2014 Representative Director & Vice Chairman of Nippon Steel & Sumitomo Metal Corporation</p> <p>April 2015 Director & Adviser of Nippon Steel & Sumitomo Metal Corporation</p> <p>June 2015 Adviser of Nippon Steel & Sumitomo Metal Corporation</p> <p>June 2015 Outside Director of the Company up to the present date</p> <p>June 2020 Senior Adviser of NIPPON STEEL CORPORATION up to the present date</p> <p>Important Concurrent Post Outside Director of Japan Nuclear Fuel Limited Outside Director of The Kansai Electric Power Company, Incorporated</p> <p>[Reason for selection as an Outside Director nominee and outline of expected roles] Hiroshi Tomono can be expected to make decisions on important management matters at the Board of Directors of the Company, appropriately oversee business execution, provide well-balanced advice based on an extensive view on overall management, make recommendations based on his expertise in research, technology, manufacturing and other areas, and support appropriate risk-taking, by making use of his abundant experience and extensive knowledge as a management executive of a business corporation. Accordingly, he was continuously selected as an Outside Director nominee.</p>	<p>July 13, 1945</p> <p>0 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p style="text-align: center;">10</p>  <p style="text-align: center;">Motoshige Itoh</p> <p>(Reappointment, Outside Director, Independent Officer)</p>	<p>December 1993 Professor, Faculty of Economics, The University of Tokyo</p> <p>April 1996 Professor, Graduate School of Economics, The University of Tokyo</p> <p>October 2007 Dean, Graduate School of Economics, Faculty of Economics, The University of Tokyo</p> <p>April 2016 Professor, Faculty of International Social Sciences, Gakushuin University</p> <p>June 2018 Outside Director of the Company up to the present date</p> <p>Important Concurrent Post</p> <ul style="list-style-type: none"> Outside Director of East Japan Railway Company Outside Director of Shizuoka Financial Group, Inc. Outside Director of JX Nippon Mining & Metals Corporation Outside Director of Hagoromo Foods Corporation <p>[Reason for selection as an Outside Director nominee and outline of expected roles]</p> <p>Motoshige Itoh can be expected to make decisions on important management matters at the Board of Directors of the Company, appropriately oversee business execution, and provide advice and recommendations based on his advanced expertise, by making use of his expert knowledge of economics, etc. through his long experience as a university professor and his wealth of experience and extensive knowledge of economic, social and other issues from his track record as a member of various government deliberative committees. Accordingly, he was continuously selected as an Outside Director nominee. Although Motoshige Itoh only has experience with enterprise management as an outside director or auditor, the Company has determined that he is capable of appropriately performing the duties of an Outside Director of the Company, due to the reasons mentioned above.</p>	<p>December 19, 1951</p> <p>0 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p style="text-align: center;">11</p>  <p style="text-align: center;">Atsuko Muraki (Reappointment, Outside Director, Independent Officer)</p>	<p>April 1978 Joined Ministry of Labour (Currently Ministry of Health Labour and Welfare)</p> <p>October 2005 Counsellor for Policy Evaluation, Minister's Secretariat of Ministry of Health Labour and Welfare</p> <p>September 2006 Deputy Director-General, Equal Employment, Children and Families Bureau of Ministry of Health Labour and Welfare</p> <p>July 2008 Director-General, Equal Employment, Children and Families Bureau of Ministry of Health Labour and Welfare</p> <p>September 2010 Director-General for Policies on Cohesive Society of Cabinet Office</p> <p>September 2012 Director-General, Social Welfare and War Victims' Relief Bureau of Ministry of Health Labour and Welfare</p> <p>July 2013 Vice Minister of Health Labour and Welfare of Ministry of Health Labour and Welfare</p> <p>October 2015 Retired from Ministry of Health Labour and Welfare</p> <p>June 2018 Outside Director of the Company up to the present date</p> <p>Important Concurrent Post Outside Member of the Board of ITOCHU Corporation</p> <p>[Reason for selection as an Outside Director nominee and outline of expected roles] Atsuko Muraki can be expected to make decisions on important management matters at the Board of Directors of the Company, appropriately oversee business execution, and provide advice and recommendations based on her advanced expertise, by making use of her wealth of experience and extensive knowledge in legal, social and other issues deriving from her employment over many years at administrative bodies as a civil servant as well as her expertise especially in human resources. Accordingly, she was continuously selected as an Outside Director nominee. Although Atsuko Muraki only has experience with enterprise management as an outside director or auditor, the Company has determined that she is capable of appropriately performing the duties of an Outside Director of the Company, due to the reasons mentioned above.</p>	<p>December 28, 1955</p> <p>0 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p style="text-align: center;">12</p>  <p style="text-align: center;">Akira Ichikawa (Reappointment, Outside Director, Independent Officer)</p>	<p>April 1978 Joined Sumitomo Forestry Co., Ltd. June 2007 Executive Officer & General Manager of Corporate Planning Department of Sumitomo Forestry Co., Ltd.</p> <p>June 2008 Director, Managing Executive Officer of Sumitomo Forestry Co., Ltd.</p> <p>April 2010 Representative Director, President of Sumitomo Forestry Co., Ltd.</p> <p>April 2020 Representative Director, Chairman of the Board of Sumitomo Forestry Co., Ltd.</p> <p>up to the present date June 2022 Outside Director of the Company up to the present date</p> <p>Important Concurrent Post Representative Director, Chairman of the Board of Sumitomo Forestry Co., Ltd. Outside Director of Konica Minolta, Inc.</p> <p>[Reason for selection as an Outside Director nominee and outline of expected roles] Akira Ichikawa can be expected to make decisions on important management matters at the Board of Directors of the Company, appropriately oversee business execution, provide well-balanced advice based on an extensive view on overall management, make recommendations based on his expertise in global operations, sustainability and other areas, and support appropriate risk-taking, by making use of his abundant experience and extensive knowledge as a management executive of a business corporation. Accordingly, he was continuously selected as an Outside Director nominee.</p>	<p>November 12, 1954</p> <p>0 Shares</p>

- NOTES: 1 None of the above candidates has any conflicts of interest with the Company.
- 2 Mr. Hiroshi Tomono, Mr. Motoshige Itoh, Ms. Atsuko Muraki, and Mr. Akira Ichikawa are the candidates for Outside Directors.
- 3 Mr. Hiroshi Tomono, Mr. Motoshige Itoh, Ms. Atsuko Muraki, and Mr. Akira Ichikawa are currently Outside Directors of the Company. Mr. Hiroshi Tomono's term of office will be eight years, Mr. Motoshige Itoh's term of office will be five years, Ms. Atsuko Muraki's term of office will be five years, and Mr. Akira Ichikawa's term of office will be one year at the close of this Meeting.
- 4 Pursuant to the regulations of the Tokyo Stock Exchange, Inc., the Company has designated Mr. Hiroshi Tomono, Mr. Motoshige Itoh, Ms. Atsuko Muraki, and Mr. Akira Ichikawa as Independent Directors who have no risk of having conflicts of interest with ordinary shareholders.
- 5 The following facts were discovered by The Kansai Electric Power Company, Incorporated ("KEPCO") where Mr. Hiroshi Tomono has been serving as an Outside Director since June 2020: employees, etc. of KEPCO improperly browsed and used customer information of power producers and suppliers other than

KEPCO that was managed by Kansai Transmission and Distribution, Inc. (“Kansai Transmission and Distribution”), a subsidiary of KEPCO; some employees of KEPCO used ID, etc. held by Kansai Transmission and Distribution to access and inappropriately browse a website managed and operated by the Ministry of Economy, Trade and Industry; and KEPCO had performed acts that violated Article 3 of the Anti-Monopoly Act, which prohibits unreasonable restraint of trade. Although Mr. Hiroshi Tomono was unaware of these facts until these incidents came to light, he’s been fulfilling his duties by regularly making suggestions at the Board of Directors and committees, etc. in which he serves to strengthen governance and compliance and making recommendations for the verification, etc. of the implementation status of the business improvement plan aimed at preventing recurrence and the status of steps taken by the emergency response committee.

6 Mr. Akira Ichikawa’s role as Chairman of the Board at Sumitomo Forestry Co., Ltd. is mainly to oversee management. He has no area of responsibility, and his involvement in day-to-day business execution decisions is limited. The business relationship between Sumitomo Forestry Co., Ltd. and the Company represents less than 0.1% of consolidated sales for both companies, and Sumitomo Forestry Co., Ltd. is neither a major business partner nor a major shareholder.

7 The Company executed limitation of liability contracts with Mr. Hiroshi Tomono, Mr. Motoshige Itoh, Ms. Atsuko Muraki, and Mr. Akira Ichikawa that limit their liabilities for damages to the Company pursuant to Article 423(1) of the Companies Act, up to the total of the amounts listed in the items of Article 425(1) of the Companies Act (the “Limitation of Liability Contracts”). When they are reappointed to Outside Directors of the Company, the Company will continue the Limitation of Liability Contracts.


8 The Company entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3(1) of the Companies Act., to cover damages and dispute costs such as litigation costs, lawyer fees, and arbitration/settlement costs (including those arising in connection with lost shareholder derivative suits and claims for damages from the Company) that should be legally borne by the insured. If each candidate is elected as a Director, he or she will be covered by the insurance contract, and the Company plans to renew the insurance contract with the same content during his or her term of office.


No. 2. To elect three Corporate Auditors.

The terms of office of Corporate Auditors Kunio Nozaki, Hiroaki Yoshida, and Yoshitaka Kato will expire at the close of this Meeting. Accordingly, the election of three Corporate Auditors is proposed.

The Board of Corporate Auditors has given its consent to this proposal.

The candidates for Corporate Auditor are as follows:

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p style="text-align: center;">1</p>  <p style="text-align: center;">Kunio Nozaki (Reappointment)</p>	<p>April 1979 Joined the Company June 2007 Executive Officer April 2009 Managing Executive Officer April 2014 Senior Managing Executive Officer June 2014 Representative Director & Senior Managing Executive Officer June 2018 Director & Senior Managing Executive Officer April 2019 Director June 2019 Standing Corporate Auditor up to the present date</p> <p>[Reason for selection as a Corporate Auditor nominee, etc.] Since joining the Company, Kunio Nozaki has worked mainly in accounting and finance operations, and has deep knowledge and experience related to these areas. He also worked in the management of the Company as Director & Senior Managing Executive Officer from 2014 to 2019. He was continuously selected as a Corporate Auditor nominee to make use of this abundant knowledge and experience related to accounting and finance, and his experience and extensive knowledge as a management executive in auditing the Company.</p>	<p>October 29, 1956</p> <p>92,100 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p style="text-align: center;">2</p>  <p style="text-align: center;">Hironobu Nishi (New appointment)</p>	<p>April 1988 Joined the Company June 2011 General Manager of CSR Office August 2012 Seconded to Sumitomo Chemical (China) Co., Ltd. April 2018 General Manager of Animal Nutrition Div. up to the present date</p> <p>[Reason for selection as a Corporate Auditor nominee, etc.] Since joining the Company, Hironobu Nishi has experienced production planning, sales, and other operations, and during that time he also experienced working in Singapore. Subsequently, when serving as General Manager of the CSR Office, he focused on implementing CSR activities of the Company. In addition, as President of Sumitomo Chemical (China) Co., Ltd., which is a regional headquarters of the Company, he worked as a point of contact with local authorities, improved the Company's presence in China, and supported local group companies. He is currently involved in sales, development, and other operations of feed additives, etc. as General Manager of Animal Nutrition Division. He was selected as a Corporate Auditor nominee to make use of this wealth of knowledge and experience in the Company's operations for auditing the Company.</p>	<p style="text-align: center;">August 3, 1965</p> <p style="text-align: center;">6,800 Shares</p>
<p style="text-align: center;">3</p>  <p style="text-align: center;">Yoshitaka Kato (Reappointment, Outside Corporate Auditor, Independent Officer)</p>	<p>November 1974 Joined Tetsuzo Ota & Co. (Currently Ernst & Young ShinNihon LLC) September 1978 Registered as a certified public accountant May 1998 Representative Partner of Showa Ota & Co. (Currently Ernst & Young ShinNihon LLC) June 2006 Managing Executive Partner of Ernst & Young ShinNihon (Currently Ernst & Young ShinNihon LLC) August 2008 CEO of Ernst & Young ShinNihon LLC (Currently Ernst & Young ShinNihon LLC) June 2014 Left Ernst & Young ShinNihon LLC June 2015 Outside Corporate Auditor of the Company up to the present date</p> <p>Important Concurrent Post Outside Corporate Auditor of Mitsui Fudosan Co., Ltd. Outside Corporate Auditor of Sumitomo Corporation</p> <p>[Reason for selection as an Outside Corporate Auditor nominee, etc.] Yoshitaka Kato was continuously selected as an Outside Corporate Auditor to make use of his expert knowledge and abundant experience as a certified public accountant over many years in auditing the Company. Although Yoshitaka Kato only has experience with enterprise management as an outside officer, the Company has determined that he is capable of appropriately performing the duties of an Outside Corporate Auditor of the Company, due to the reasons mentioned above.</p>	<p style="text-align: center;">September 17, 1951</p> <p style="text-align: center;">0 Shares</p>

- NOTES: 1 None of the above candidates has any conflicts of interest with the Company.
- 2 Mr. Yoshitaka Kato is a candidate for Outside Corporate Auditor.
- 3 Mr. Yoshitaka Kato is currently an Outside Corporate Auditor of the Company, and his term of office will be eight years at the close of this Meeting.
- 4 Pursuant to the regulations of the Tokyo Stock Exchange, Inc., the Company has designated Mr. Yoshitaka Kato as an Independent Corporate Auditor who has no risk of having conflicts of interest with ordinary shareholders.
- 5 The Company executed a limitation of liability contract with Mr. Yoshitaka Kato that limits his liabilities for damages to the Company pursuant to Article 423(1) of the Companies Act, up to the total of the amounts listed in the items of Article 425(1) of the Companies Act (the "Limitation of Liability Contract"). When he is reappointed to Outside Corporate Auditor of the Company, the Company will continue the Limitation of Liability Contract.
- 6 The Company entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3(1) of the Companies Act., to cover damages and dispute costs such as litigation costs, lawyer fees, and arbitration/settlement costs (including those arising in connection with lost shareholder derivative suits and claims for damages from the Company) that should be legally borne by the insured. If each candidates is elected as a Corporate Auditor, he or she will be covered by the insurance contract, and the Company plans to renew the insurance contract with the same content during his or her term of office.

(Reference)

Expertise and experience of Directors and Corporate Auditors (to be complete after the close of the 142nd Ordinary General Meeting of Shareholders)

	Corporate Management	Business strategy/ Marketing	Technology/ Research	Global	ESG/ Sustainability	Finance/ Accounting	Human resources and labor	Legal/ Compliance/ Internal control	Knowledge of other specialized fields
Directors:									
Masakazu Tokura	○	○		○					
Keiichi Iwata	○	○		○					
Masaki Matsui		○				○			
Nobuaki Mito		○	○						○ (intellectual property)
Hiroshi Ueda		○	○						○ (IT/DX)
Hiroshi Niinuma					○		○	○	
Motoyuki Sakai		○		○		○			
Seiji Takeuchi		○	○	○					
Hiroshi Tomono	○		○		○				
Motoshige Itoh				○					○ (international economics) ○ (IT/DX)
Atsuko Muraki					○		○	○	
Akira Ichikawa	○			○	○				
Corporate Auditors:									
Kunio Nozaki				○		○			
Hironobu Nishi		○		○	○				
Mitsuhiro Aso				○	○			○	
Yoshitaka Kato				○		○		○	
Michio Yoneda	○				○				○ (financial markets)

* The above table shows up to three of the major areas of each person's expertise and experience with ○.

(Reference)

Criteria for Designation of Independent Directors & Auditors (Revised June 23, 2015)

1. These criteria set conditions for designation of the Company's Outside Directors & Auditors (meaning Outside Directors and Outside Corporate Auditors) as "Independent Directors & Auditors" defined in the listing rules of stock exchanges in Japan.
2. If none of the conditions given in (1) to (9) below applies, a person, in principle, shall be considered to have no material interest in the Company and may be designated as Independent Directors & Auditors.

The person

- (1) Is an executor of business, i.e. someone who executes business of the Company or a company of the Company's Group (a Director (other than Outside Director), an executive officer, or an employee (by whatever name, someone having an employment relationship with the Company or with the company of the Group)).
- (2) Is an executor of business who executes business of a major client or business partner of the Company. The "a major client or business partner" means any of the following.
 - (a) A vendor providing products or services to the Company, or a customer to which the Company is providing products or services, of which the total amount of such transactions in the fiscal year nearest to the time of intended designation as an Independent Directors & Auditors exceeds 2% of their total sales or exceeds 2% of the Company's nonconsolidated sales, respectively.
 - (b) A financial institution providing loans to the Company, of which the total amount of the loans at the end of the fiscal year nearest to the time of intended designation as Independent Directors & Auditors exceeds 2% of the Company's total nonconsolidated borrowings; provided that, even if the amount does not exceed 2%, a financial institution indicated as a lender to the Company on annual securities reports, business reports or other public documents shall be considered "a major business partner."
- (3) A consultant, certified public accountant, attorney or other expert receiving remuneration from the Company in addition to the remuneration payable to the Company's Directors, Officers, Etc., of which the total amount of the remuneration paid, other than the remuneration payable to the Company's Directors, Officers, Etc., in the fiscal year nearest to the time of intended designation as Independent Directors & Auditors exceeds 10 million yen; provided that, even if the amount does not exceed 10 million yen, the person shall be considered a recipient of a substantial amount of remuneration if it exceeds 50% of that person's annual income.
- (4) A person who works for an organization that is a consulting firm, tax accounting firm, law office, other corporate body, partnership, etc., whose sales to the Company in the fiscal year nearest to the time of intended designation as Independent Directors & Auditors exceeds 2% of the organization's total sales or 10 million yen, whichever is larger.
- (5) A shareholder of the Company whose share of voting rights at the end of the fiscal year nearest to the time of intended designation as Independent Directors & Auditors is 10% or more (a total of direct and indirect holdings) or an executor of business at the shareholder entity.

- (6) Of the companies in which the Company holds shares, an entity in which the Company's share of voting rights at the end of the fiscal year nearest to the time of intended designation as Independent Directors & Auditors is 10% or more (a total of direct and indirect holdings) or an executor of business at the entity.
 - (7) A person who works for an auditing firm that conducts statutory audits of the Company.
 - (8) A person to whom (1) above was applicable in the past or to whom any of (2) to (7) above was applicable in the past one year or equivalent period.
 - (9) A spouse or a close relative (second-degree relative or closer) of a person to whom any of the following applies.
 - (a) A person listed in (1) to (7) above.
 - (b) A person who, in the past year or equivalent period, was an executor of business of the Company or a company of the Company's Group. If an outside Corporate Auditor is to be designated as Independent Directors & Auditors, a Director not executing business or an accounting advisor (including its employees who are to perform relevant specific duties if the accounting advisor is a body corporate).
 - (c) In (a) and (b) above, "an executor of business" shall mean a person executing an important business at a company or a business partner, i.e. a Director having business execution functions, an Executive Officer or an employee having a position of department manager, its equivalent or above, and shall not include persons below the position of department manager or its equivalent.
 - (d) The above (a) notwithstanding, a person who "works for an organization" in (4) above shall not include a person who is neither an executor of important business in the organization nor, if the organization is an auditing firm, law office or other organization specializing in accounting or law, etc., a person who has specialized qualifications, such as a certified public accountant and attorney.
 - (e) The above (a) notwithstanding, a person who "works for an auditing firm" in (7) above shall include neither a person who is not an executor of important business in the firm nor a person who does not have specialized qualifications, such as a certified public accountant.
3. Even where the conditions set forth in 2. above do not apply, if there are circumstances that, in the judgment of the Company, sufficiently indicates any of Outside Directors & Auditors being incapable of performing his or her duties as Independent Directors & Auditors, that particular Outside Directors & Auditors shall not be designated as Independent Directors & Auditors.
 4. With respect to an Outside Directors & Auditors whom the Company intends to designate as Independent Directors & Auditors in accordance with the foregoing, the Company shall, upon his or her written consent, designate that Outside Directors & Auditors as Independent Directors & Auditors, and shall make notification thereof to the stock exchanges on which the Company is listed. Prior to making the notification, the matter shall be reported to the Board of Directors and the Board of Corporate Auditors.

Business Report

(April 1, 2022 - March 31, 2023)

1. Overview of the Company Group

(1) Business Progress and Results

In fiscal 2022, the growth rate of the global economy fell well below that of the previous year. Although the impact of the COVID-19 pandemic eased, economic growth was held back by such factors as global monetary tightening to control inflation and a delay in the recovery of China's economy. In Japan's economy, too, although there were signs of a rebound, such as a recovery in consumer spending, the overall business environment remained difficult in light of such factors as the slowdown in global economic growth and a rise in raw material prices.

As a result, the Sumitomo Chemical Group's sales revenue for the period increased by ¥130.0 billion compared to the prior year, to ¥2,895.3 billion. In terms of profits and losses, core operating income (Note) was ¥92.8 billion, but because of large impairment losses posted in the period, there was an operating loss of ¥31.0 billion. Nevertheless, net income attributable to owners of the parent was ¥7.0 billion, because the value of the yen weakened during the fiscal year and there was a foreign exchange gain. Results in every category of income were lower than the previous year's levels. The Company's non-consolidated sales amounted to ¥894.4 billion, and net income was ¥50.4 billion.

Note: "Core operating income" is a gain and loss concept, reflecting recurring earning capacity, and deducts gains and losses incurred by non-recurring factors from operating income. It includes the share of profit of investments accounted for using the equity method.

The Company has regrettably decided to pay a year-end dividend of ¥6 per share in light of the operating results of fiscal 2022 as well as business performance trends for the next fiscal year and beyond and other factors. As a result, the Company's annual dividend for fiscal 2022 is ¥18 per share, including an interim dividend of ¥12 per share.

Financial Results by Business Segment

Essential Chemicals & Plastics

Selling prices for synthetic resins, methyl methacrylate and various industrial chemicals improved due to an increase in raw material prices. The weak yen also benefited sales revenues of subsidiaries outside of Japan when converted into yen. On the other hand, shipments declined, primarily because of weak demand for products in automotive applications. As a result, sales revenue increased by ¥10.4 billion from the previous year, to ¥852.9 billion. Core operating income suffered a loss of ¥34.2 billion, a decline in income of ¥87.7 billion from the previous year, due to a deterioration in the financial performance of Rabigh Refining and Petrochemical Company, our equity method investee, as well as a deterioration in margins caused by higher raw material prices and the impact of lower shipment volumes.

Energy & Functional Materials

Selling prices for aluminum and cathode materials increased with the improvement in market conditions. Shipments of separators for lithium-ion secondary batteries stayed firm. The weak yen also had a positive effect. As a result, sales revenue increased by ¥26.1 billion, to ¥342.5 billion, from the previous year. Core operating income was ¥15.2 billion,

lower by ¥4.8 billion from the previous year, led by a decline in margins resulting from the rise in raw material prices, despite higher income from exports due to the weak yen.

IT-related Chemicals

Sales revenue benefited from the weak yen's effect on the sales of subsidiaries outside of Japan in yen terms. In addition, demand growth for processing materials for semiconductors, such as photoresists, brought about an increase of shipments. On the other hand, shipments of display-related materials declined because stay-at-home demand had run its course, and consumer sentiment deteriorated in the face of inflation concerns. As a result, sales revenue decreased by ¥42.5 billion from the previous year, to ¥431.2 billion, and core operating income decreased by ¥10.2 billion from the previous year, to ¥47.6 billion.

Health & Crop Sciences

Market prices of methionine (feed additives) declined from the previous year. On the other hand, sales of crop protection products in South America increased significantly, and shipments in such markets as India performed well. Moreover, the weak yen had a positive effect on sales from subsidiaries outside of Japan when converted into yen. As a result, sales revenue increased by ¥124.6 billion from the previous year, to ¥598.4 billion. Core operating income was ¥57.3 billion, an increase of ¥15.0 billion from in the previous year, driven by the increase in sales and higher income from exports as a result of the weak yen, despite higher prices for raw materials.

Pharmaceuticals

In the U.S., revenue grew for the fiscal year under review owing to increased sales of products such as Orgovyx® (therapeutic agent for advanced prostate cancer) and Gemtesa® (therapeutic agent for overactive bladder), on top of the effects of the forex situation, despite the expiration of the exclusive marketing period of LATUDA® (atypical antipsychotic agent) and the absence of a lump-sum upfront payment for a collaboration and license agreement for joint development and commercialization in the previous fiscal year. On the other hand, in Japan, sales revenues were adversely affected by the National Health Insurance (NHI) drug price revisions. As a result, sales revenue decreased by ¥6.8 billion from the previous year, to ¥584.9 billion. Core operating income was ¥16.2 billion, a decrease of ¥45.5 billion from the previous year, as selling, general and administrative expenses and research and development expenses increased, primarily due to the effects of the forex situation, in addition to the decrease in gross profit.

Others

In addition to the above five segments, the Sumitomo Chemical Group supplies electric power and steam, designs chemical plants and supervises the construction of those facilities, provides transportation and warehousing, and conducts physical property analysis and environmental analysis. Sales revenue of these businesses increased by ¥18.2 billion from the previous year, to ¥85.4 billion, and core operating income decreased by ¥5.4 billion from the previous year, to ¥10.4 billion.

Capital Expenditures

In the fiscal year under review, the Companies' capital expenditures totaled ¥141.1 billion, which includes investments for new installations and the expansion of manufacturing facilities as well as renovations and rationalization of existing facilities.

Major facilities completed in the fiscal year under review include the new installation and expansion of a domestic subsidiary's new multiplant in the Energy & Functional Materials Sector and the new construction and expansion of a domestic subsidiary's power plant in the Others Sector.

Major facilities under construction in the fiscal year under review include the following: the introduction of the Company's high-efficiency gas turbine as part of rationalization in

the Essential Chemicals & Plastics Sector; the new installation of the Company's calcination demonstration facilities for cathode materials in the Energy & Functional Materials Sector; the new installation of an overseas subsidiary's semiconductor process chemical plant and photoresist manufacturing facilities in the IT-related Chemicals Sector; the new construction of the Company's manufacturing plant for nucleic acid drug and manufacturing plant for small molecule drugs in the Health & Crop Sciences Sector; and the new construction of the Company's research sites as part of their reorganization in the Others Sector.

Financing

To respond to financing needs during the fiscal year under review, the Company raised funds, primarily via borrowings from banks. As a result, the balance of borrowings (including corporate bonds) increased by ¥110.9 billion from the previous fiscal year, to ¥1,461.4 billion.

(2) Issues to be Addressed

Sumitomo Chemical's Vision

With our origins in overcoming the environmental issue of smoke pollution at the Besshi copper mine and increasing crop yields, we have unceasingly pioneered new technology and transformed our businesses while supporting abundant lifestyles for people through our businesses for over 100 years since our founding.

Sumitomo has a traditional concept: "Harmony between the individual, the nation and society" (Sumitomo manifests this concept by seeking to benefit not only its own business, but also both the nation and society). The Company has embodied this business spirit and created both economic value and social value in an integrated manner.

In recent years, the awareness of not only climate change but also other sustainability issues such as ecosystem conservation and health promotion has been growing all over the world. We define this as Green Transformation (GX) in a broad sense and consider it as an opportunity for our own transformation and contribution to society. We aim to contribute to solving social issues through our business by transforming our business portfolio from the perspective of GX over the long term.

Based on this approach, we are currently executing the Corporate Business Plan "Change and Innovation with the Power of Chemistry," which has commenced in FY2022 and set out the following seven basic policies.

- (i) Further improving the Company's business portfolio (by strengthening and transforming its businesses)
- (ii) Improving the Company's financial strength
- (iii) Accelerating the development of next-generation businesses
- (iv) Fulfilling obligations and providing contributions toward achieving carbon neutrality
- (v) Improving productivity and strengthening our businesses through digital innovation
- (vi) Employing, developing and leveraging human resources to achieve sustainable growth
- (vii) Ensuring full and strict compliance and maintaining safe and stable operations

Green Transformation (GX) and Digital Transformation (DX)

We hope to maximize the "power" of chemistry by combining our greatest strength in the diversity of businesses, technologies, geographies and people with growth opportunities presented by changes in the environment, such as GX and DX.

One of the big trends in GX is the acceleration towards carbon neutrality. We are taking steps in terms of both "obligations" to bring the Group's GHG emissions closer to zero, and "contributions" to global GHG reduction through carbon recycling technologies and products. Our plan is first to reduce the Group's GHG emissions by 50% compared to FY2013 by 2030 through fuel conversion to LNG and thorough energy conservation and rationalization in manufacturing processes, while also developing new technologies. Beyond 2030, we hope to realize carbon neutrality in 2050 by enabling the deployment of these new technologies into society one after another.

Furthermore, DX trends are gaining momentum year by year due to new technologies such as IoT, 5G, and AI. Keeping efforts to implement DX Strategy 1.0 for high-productivity in four focus areas of research and development, plants, supply chain management, and offices, we will address DX issues according to the characteristics of each business and focus on DX Strategy 2.0 aimed at improving competitiveness in each business and DX Strategy 3.0 aimed at creating new business models.

Activities of Each Sector in FY2022

Essential Chemicals & Plastics

As part of our efforts to realize a recycling-oriented society, we decided to introduce a pilot facility for the commercialization of material recycling using waste plastic obtained

from end-of-life vehicles, and started operating a chemical recycling pilot facility for acrylic resin at Ehime Works. In addition, the MMA Division was launched to centrally manage Japan and Singapore, establishing a flexible manufacturing and sales structure. Meanwhile, efforts are also underway to improve the business structure, such as withdrawing from the caprolactam business.

Energy & Functional Materials

Our Ehime Works started construction of a new facility for new high-performance grade products of high-purity alumina. Furthermore, we are enhancing the production capacity at Ehime Works for liquid crystal polymer whose demand is expanding with the spread of 5G and EVs. Both are scheduled to start operating in FY2023.

Meanwhile, we closed down our manufacturing facilities for dyestuff at Osaka Works and exited the dyestuff business due to the challenge in securing stable earnings in the future. Furthermore, we decided to exit the S-SBR business in Singapore and ended production for the EPDM business at Chiba Works, with a plan to withdraw from the business in FY2023. We will allocate management resources to fields where our competitive advantage lies and upgrade our business portfolio.

IT-related Chemicals

We decided to build a new plant for semiconductor process chemicals in the U.S. The new plant will serve as a strategic base for the business in the U.S market, with an aim to successfully capture strong demand and expand the business. The new plant is scheduled to start operating in FY2024. We will contribute to the realization of a smart society and smart mobility by globally expanding our production system for semiconductor process chemicals and stably supplying high-quality products.

Health & Crop Sciences

In Brazil, the world's largest soybean producer, we received registration approval for our soybean fungicide EXCALIA MAX®, which contains the novel active ingredient INDIFLIN®, and started full-scale sales of the product. We will further expand sales of this agent in South America, which is the world's largest market for crop protection chemicals.

We also acquired FBSciences Holdings, Inc., a U.S. company engaged in the business of biostimulants, a group of naturally-derived agricultural materials and a class of biorationals. We will further expand our biorational business while also seeking to create new synergies between biorationals and crop protection chemicals.

Pharmaceuticals

Myfembree®, a therapeutic agent for uterine fibroids that Myovant Sciences Ltd., a consolidated subsidiary of Sumitomo Pharma Co., Ltd., has been working on in partnership with Pfizer Inc., received U.S. approval for an additional indication for endometriosis.

Furthermore, by making Myovant Sciences Ltd. a wholly owned subsidiary, we sought to strengthen our earnings base and accelerate the speed of management. We will further expand sales in the U.S., with Myovant Sciences Ltd.'s Orgovyx® and Myfembree® as one of the engines for future growth.

FY2022 Operating Results

In FY2022, the first year of the Corporate Business Plan, our business environment faced headwinds more than anticipated, including economic slowdown due to COVID-19 and the Russian invasion of Ukraine, global decline in demand caused by them, and a rise in raw material and fuel prices. As a result, core operating income was ¥92.8 billion, and net income attributable to owners of the parent was ¥7.0 billion, showing challenging results.

Outlook for FY2023 and Beyond

Business results for FY2023 are expected to be largely affected by the expiration of the

exclusive marketing period of Latuda® in the Pharmaceuticals Sector, despite profit-increasing factors such as petrochemicals emerging from the worst of market conditions in the Essential Chemicals & Plastics Sector and sales expansion of crop protection products in the Health & Crop Sciences Sector. As a result, core operating income is projected to be ¥40.0 billion, and net income attributable to owners of the parent is projected to be ¥10.0 billion, remaining at low levels. However, we aim to achieve core operating income of ¥200.0 billion and net income attributable to owners of the parent of ¥100.0 billion for FY2024, by increasing sales of several growth drivers including three core pharmaceutical products (Orgovyx®, Myfembree® and Gemtesa®) and further improving our business portfolio through measures such as restructuring of and withdrawal from low-profit businesses.

Moreover, our medium- to long-term goal is to stably achieve financial indicators including ROE of 10% or more, ROI of 7% or more, and D/E ratio of 0.7 times range.

(3) Assets and Income

1) Trends in assets and income of the Group

Item	The 139th term (April 1, 2019 to March 31, 2020)	The 140th term (April 1, 2020 to March 31, 2021)	The 141st term (April 1, 2021 to March 31, 2022)	The 142nd term (April 1, 2022 to March 31, 2023)
IFRS				
Sales revenue (Billions of yen)	2,225.8	2,287.0	2,765.3	2,895.3
Core operating income (Billions of yen)	132.7	147.6	234.8	92.8
Net income attributable to owners of the parent (Billions of yen)	30.9	46.0	162.1	7.0
Basic earnings per share	18.91 yen	28.16 yen	99.16 yen	4.27 yen
ROE	3.2%	4.7%	14.5%	0.6%
Equity attributable to owners of the parent (Billions of yen)	924.0	1,019.2	1,218.1	1,171.2
Total equity (Billions of yen)	1,392.6	1,482.1	1,702.0	1,489.2
Total assets (Billions of yen)	3,654.1	3,990.3	4,308.2	4,165.5

NOTE: In connection with the confirmation in the 140th period of provisional accounting procedures relating to the business combination that took place in the 139th Fiscal Period, retrospective adjustments have been made to figures for the 139th period.

2) Trends in assets and income of the Company

Item	The 139th term (April 1, 2019 to March 31, 2020)	The 140th term (April 1, 2020 to March 31, 2021)	The 141st term (April 1, 2021 to March 31, 2022)	The 142nd term (April 1, 2022 to March 31, 2023)
Japanese GAAP				
Net sales (Billions of yen)	678.4	646.0	797.4	894.4
Ordinary income (Billions of yen)	28.9	38.1	68.5	69.5
Net income (Billions of yen)	22.8	41.7	61.7	50.4
Net income per share	13.94 yen	25.52 yen	37.76 yen	30.85 yen
Net assets (Billions of yen)	315.5	346.2	368.8	378.0
Total assets (Billions of yen)	1,577.2	1,729.7	1,740.1	1,772.9

(4) Principal Businesses (as of March 31, 2023)

Business sector	Major products and businesses
Essential Chemicals & Plastics	Synthetic resins, raw materials for synthetic fibers, various industrial chemicals, methyl methacrylate products, synthetic resin processed products, etc.
Energy & Functional Materials	Alumina, aluminum, specialty chemicals, additives, synthetic rubber, engineering plastics, battery materials, etc.
IT-related Chemicals	Optical products, semiconductor processing materials, compound semiconductor materials, touch screen sensor panels, etc.
Health & Crop Sciences	Crop protection chemicals, fertilizers, agricultural materials, household insecticides, products for control of infectious diseases, feed additives, active pharmaceutical ingredients and intermediates, etc.
Pharmaceuticals	Pharmaceuticals for medical treatment, radiopharmaceuticals, etc.

NOTE: Aside from the above, as “Others”, the Group supplies electric power and steam, designs chemical plants/supervises the construction of those facilities, provides transportation and warehousing, and conducts physical property analysis/environmental analysis, etc.

(5) Principal Business Locations (as of March 31, 2023)

1) The Company

Head offices	Tokyo, Osaka
Branch offices	Tokyo, Osaka, Nagoya Branch Office, Fukuoka Branch Office
Plants	Ehime Works, Chiba Works, Osaka Works, Ohe Works (Ehime), Ibaraki Works, Oita Works, Misawa Works (Aomori)
Research laboratories	Industrial Technology & Research Laboratory (Osaka), Environmental Health Science Laboratory (Osaka), Advanced Materials Development Laboratory (Ibaraki), Bioscience Research Laboratory (Osaka)

NOTES: 1 Ibaraki Works was newly established as a result of the absorption-type merger of a wholly-owned subsidiary SCIOCS COMPANY LIMITED on October 1, 2022.

2 Oita Works includes Okayama Plant and Gifu Plant.

3 Research laboratories are shown as corporate research facilities. There also exist business sector research laboratories, such as the Health & Crop Sciences Research Laboratory (Hyogo).

2) Material subsidiaries

Domestic	Sumitomo Pharma Co., Ltd. (Osaka, Tokyo, Mie, Oita) Tanaka Chemical Corporation (Fukui, Osaka) Koei Chemical Co., Ltd. (Chiba, Tokyo) Taoka Chemical Co., Ltd. (Osaka, Hyogo, Ehime)
Overseas	United States Sumitomo Chemical America, Inc. Valent North America LLC Valent BioSciences LLC Sumika Semiconductor Materials Texas Inc. Sunovion Pharmaceuticals Inc. Sumitomo Pharma Oncology Inc. Sumitovant Biopharma Inc. Myovant Sciences Inc. Spirovant Sciences Inc.
	Brazil Sumitomo Chemical Brasil Indústria Química S.A.
	Chile Sumitomo Chemical Chile S.A.
	United Kingdom Cambridge Display Technology Limited
	Switzerland Urovant Sciences GmbH Myovant Sciences GmbH Enzyvant Therapeutics GmbH Altavant Sciences GmbH
	India Sumitomo Chemical India Limited
	Singapore Sumitomo Chemical Asia Pte Ltd The Polyolefin Company (Singapore) Pte. Ltd.
	South Korea Dongwoo Fine-Chem Co., Ltd. SSLM Co., Ltd.
	Taiwan Sumika Technology Co., Ltd.
	China XUYOU Electronic Materials (Wuxi) Co., Ltd. Sumika Electronic Materials (Wuxi) Co., Ltd.

(6) Status of material subsidiaries (as of March 31, 2023)

Company name	Capital	Ratio of voting rights (%)	Principal business
Sumitomo Chemical Brasil Indústria Química S.A.	BRL 3,125,762 thousand	100.00	Development, promotion and sales of crop protection chemicals, feed additives and household insecticides and manufacture of crop protection chemicals
Sumitomo Chemical America, Inc.	USD 663,092 thousand	100.00	Investment in related companies in the United States and sale of chemical products
Valent North America LLC	USD 382,574 thousand	100.00 (100.00)	Provision of back-office services to related companies in North America
Valent BioSciences LLC	USD 268,972 thousand	100.00 (100.00)	Research, development, manufacture and sale of biorational
Sumika Polymers America Corp.	USD 222,544 thousand	100.00 (100.00)	—
CDT Holdings Limited	GBP 187,511 thousand	100.00	Investment in Cambridge Display Technology Limited
Cambridge Display Technology Limited	GBP 183,716 thousand	100.00 (100.00)	R&D and licenses in polymer organic light emitting diodes and devices
Dongwoo Fine-Chem Co., Ltd.	KRW 289,652 million	100.00	Manufacture and sale of process chemicals for semiconductors and displays, photoresists, optical functional films, touch screen sensor panels, etc.
Sumika Semiconductor Materials Texas Inc.	USD 80,000 thousand	100.00 (80.00)	Manufacture and sale of process chemicals for semiconductors
SSLM Co., Ltd.	KRW 280,000 million	100.00	Manufacture and sale of heat-resistant separators
Japan-Singapore Petrochemicals Co., Ltd.	JPY 23,877 million	79.67	Investment in Petrochemical Corporation of Singapore (Pte.) Ltd.
Sumitomo Pharma Co., Ltd.	JPY 22,400 million	51.78	Manufacture and sale of pharmaceuticals
Sumitomo Pharma America Holdings, Inc.	USD 2,170,480 thousand	100.00 (100.00)	Investment in related companies in the United States
Sunovion Pharmaceuticals Inc.	USD 1,710,032 thousand	100.00 (100.00)	Manufacture and sale of pharmaceuticals
Sumitomo Pharma Oncology, Inc.	USD 380,484 thousand	100.00 (100.00)	Research and development of pharmaceuticals
Sumitovant Biopharma Ltd.	USD 2,665,950 thousand	100.00 (100.00)	Investment in affiliated companies conducting research and development and managing outsourced production of pharmaceuticals

Company name	Capital	Ratio of voting rights (%)	Principal business
Sumitovant Biopharma Inc.	USD 127,384 thousand	100.00 (100.00)	Management of affiliated companies conducting research and development and managing outsourced production of pharmaceuticals
Myovant Sciences Ltd.	USD 584,597 thousand	100.00 (100.00)	Investment in affiliated companies conducting research and development and managing outsourced production of pharmaceuticals
Myovant Holdings Limited	USD 90,606 thousand	100.00 (100.00)	Investment in affiliated companies conducting research and development and managing outsourced production of pharmaceuticals
Myovant Sciences, Inc.	USD 253,844 thousand	100.00 (100.00)	Research and development of pharmaceuticals
Myovant Sciences GmbH	USD 673,964 thousand	100.00 (100.00)	Research and development of pharmaceuticals
Myovant Sciences LLC	USD 67,935 thousand	100.00 (100.00)	Management of outsourced production of pharmaceuticals
Urovant Sciences GmbH	USD 1,043,883 thousand	100.00 (100.00)	Research and development of pharmaceuticals
Urovant Sciences LLC	USD 174,266 thousand	100.00 (100.00)	Management of outsourced production of pharmaceuticals
Enzyvant Therapeutics GmbH	USD 194,912 thousand	100.00 (100.00)	Research and development of pharmaceuticals
Altavant Sciences GmbH	USD 119,529 thousand	100.00 (100.00)	Research and development of pharmaceuticals
Spirovant Sciences Inc.	USD 125,842 thousand	100.00 (100.00)	Research and development of pharmaceuticals
XUYOU Electronic Materials (Wuxi) Co., Ltd.	RMB 1,115,757 thousand	100.00 (55.00)	Manufacture and sale of optical functional films
Sumika Electronic Materials (Wuxi) Co., Ltd.	RMB 1,276,517 thousand	100.00 (10.00)	Processing and sale of optical functional films
Sumika Technology Co., Ltd.	TWD 4,417 million	84.96	Manufacture and sale of original fabrics and processed products of optical functional films
Sumitomo Chemical Asia Pte Ltd	USD 150,565 thousand	100.00	Manufacture and sale of petrochemical products, etc. and supervision of the Sumitomo Chemical Group in the Southeast Asia, India, and Oceania area
The Polyolefin Company (Singapore) Pte. Ltd.	USD 51,690 thousand	70.00 (70.00)	Manufacture and sale of low-density polyethylene and polypropylene
Sumitomo Chemical Chile S.A.	USD 86,362 thousand	100.00	Sale, etc. of crop protection chemicals and feed additives

Company name	Capital	Ratio of voting rights (%)	Principal business
Tanaka Chemical Corporation	JPY 9,155 million	50.46	Manufacturing and sale of positive electrode materials for rechargeable batteries
Sumitomo Chemical India Limited	INR 2,745,881 thousand	75.00	Development and sales of crop protection products, household insecticides and feed additives, and manufacturing of crop protection chemicals
Koei Chemical Co., Ltd.	JPY 2,343 million	56.14 (0.25)	Manufacture and sale of pharmaceutical and crop protection related chemicals and functional chemicals, etc.
Taoka Chemical Co., Ltd.	JPY 1,572 million	51.39 (0.78)	Manufacture and sale of fine chemicals, functional materials, resin additives, etc.

From the fiscal year under review, Valent North America LLC, Sumika Semiconductor Materials Texas Inc., Myovant Holdings Limited., Myovant Sciences LLC, and Urovant Sciences LLC are listed as material subsidiaries.

Sumika Polymers America Corp. made investment in Phillips Sumika Polypropylene Company, which has been dissolved.

Sumitomo Chemical do Brasil Representações Ltda, which was listed in the previous fiscal year, has ceased to exist as it merged with Sumitomo Chemical Brasil Indústria Química S.A. In addition, Urovant Sciences Ltd., Enzyvant Therapeutics Ltd., and Altavant Sciences Ltd. have ceased to exist as they merged with Sumitovant Biopharma Ltd.

Valent U.S.A. LLC, Urovant Holdings Limited, Enzyvant Therapeutics Holdings Limited, and Altavant Sciences Holdings Limited have been removed from material subsidiaries as their materiality was decreased.

- NOTES: 1 Figures contained in parentheses () for ratio of voting rights are the ratio of voting rights held by subsidiaries of the Company.
- 2 Capital for Sumitomo Chemical America, Inc., Valent North America LLC, Valent BioSciences LLC, CDT Holdings Limited, Cambridge Display Technology Limited, Sumika Semiconductor Materials Texas Inc., Sumitomo Pharma America Holdings, Inc., Sunovion Pharmaceuticals Inc., Sumitomo Pharma Oncology, Inc., Sumitovant Biopharma Ltd., Sumitovant Biopharma, Inc., Myovant Sciences Ltd., Myovant Holdings Limited, Myovant Sciences, Inc., Myovant Sciences GmbH, Myovant Sciences LLC, Urovant Sciences GmbH, Urovant Sciences LLC, Enzyvant Therapeutics GmbH, Altavant Sciences GmbH, and Spirovant Sciences, Inc. are shown as paid-in capital.

(7) Employees (as of March 31, 2023)

1) Employees of the Group

Business category	Number of employees (Persons)	Notes
Essential Chemicals & Plastics	4,198	
Energy & Functional Materials	3,094	
IT-related Chemicals	7,592	
Health & Crop Sciences	7,681	
Pharmaceuticals	7,037	
Others	2,651	
Companywide shared	1,319	
Total	33,572	The number of employees decreased by 1,131 persons year-on-year.

NOTE: The number of employees does not include employees who are temporary, part-time, contracted, or seconded outside of consolidated subsidiaries.

2) Employees of the Company

Number of employees	Average age	Average years of employment	Notes
persons		years	
6,637	41.5	15.5	The number of employees increased by 149 persons year-on-year.

NOTE: The number of employees does not include employees who are temporary, part-time, contracted, or seconded to other companies.

(8) Primary sources of borrowings and amounts (as of March 31, 2023)

Source of borrowing	Amount of borrowing (Balance) (Billions of yen)
Sumitomo Mitsui Banking Corporation	165.2
The Norinchukin Bank	76.7
Sumitomo Mitsui Trust Bank, Limited	56.5
Development Bank of Japan Inc.	51.1
MUFG Bank, Ltd.	50.5

NOTES: 1 The amount of borrowing listed above includes loans from overseas subsidiaries of the sources.
2 Aside from the above, there are 246.3 billion yen in borrowings as syndicated loans, managed by financial institutions such as the Sumitomo Mitsui Banking Corporation.

2. Status of Shares (as of March 31, 2023)

- (1) **Total number of shares authorized to be issued** 5,000,000,000 shares
- Total number of shares outstanding** 1,655,860,207 shares
(including 20,486,616 shares of the Company's treasury shares)
- (2) **Number of shareholders** 227,562 persons
- (3) **Major shareholders**

Shareholder name	Number of shares	Shareholding ratio
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust account)	244,390	14.94
Custody Bank of Japan, Ltd. (Trust account)	104,771	6.40
Sumitomo Life Insurance Company	71,000	4.34
Nippon Life Insurance Company	41,031	2.50
STATE STREET BANK WEST CLIENT - TREATY 505234	29,403	1.79
Custody Bank of Japan, Ltd. (Master trust for the Sumitomo Mitsui Trust Bank and trust account for retirement benefits for Sumitomo Life Insurance Company)	29,000	1.77
Custody Bank of Japan, Ltd. (Trust account 4)	27,760	1.69
Sumitomo Chemical Employee Stock Ownership Plan	25,827	1.57
JPMorgan Securities Japan Co., Ltd.	24,793	1.51
Sumitomo Mitsui Banking Corporation	23,073	1.41

NOTE: The Company's treasury shares (20,486,616 shares) were excluded in the calculation of the percentage of shares held.

(4) **Shares granted to Company officers and Executive Officers during the fiscal year under review as consideration for performance of duties**

	Number of shares	Number of officers granted with shares
Directors (excluding Outside Directors)	233,326 shares	8
Executive Officers (excluding non-residents of Japan)	180,704 shares	26

3. Company Officers

(1) Directors and Corporate Auditors (as of March 31, 2023)

Position	Name	Areas of responsibility and significant concurrent positions
Representative Director, Chairman	Masakazu Tokura	Chairman of KEIDANREN (Japan Business Federation)
Representative Director, President (Concurrently serving as Executive President)	Keiichi Iwata	
Representative Director (Concurrently serving as Senior Managing Executive Officer)	Noriaki Takeshita	Supervision of Essential Chemicals & Plastics Sector, Business Development for a Circular System for Plastics Deputy Chairman of Rabigh Refining and Petrochemical Company
Representative Director (Concurrently serving as Senior Managing Executive Officer)	Masaki Matsui	Supervision of IT-related Chemicals Sector
Representative Director (Concurrently serving as Senior Managing Executive Officer)	Kingo Akahori	Supervision of Energy & Functional Materials Sector
Representative Director (Concurrently serving as Senior Managing Executive Officer)	Nobuaki Mito	Supervision of Health & Crop Sciences Sector Chairman of Valent U.S.A. LLC Chairman of Valent BioSciences LLC
Director (Concurrently serving as Executive Vice President)	Hiroshi Ueda	Supervision of Research Planning and Coordination, Digital and Data Science Innovation, Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Engineering, Intellectual Property, Responsible Care, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory
Director (Concurrently serving as Executive Vice President)	Hiroshi Niinuma	Supervision of General Affairs, External Relations, Legal, Human Resources
Director (Outside Director, Independent Officer)	Hiroshi Tomono	Senior Adviser of NIPPON STEEL CORPORATION Outside Director of Japan Nuclear Fuel Limited Outside Director of The Kansai Electric Power Company, Incorporated

Position	Name	Areas of responsibility and significant concurrent positions
Director (Outside Director, Independent Officer)	Motoshige Itoh	Outside Director of East Japan Railway Company Outside Director of Shizuoka Financial Group, Inc. Outside Director of JX Nippon Mining & Metals Corporation Outside Director of Hagoromo Foods Corporation
Director (Outside Director, Independent Officer)	Atsuko Muraki	Outside Member of the Board of ITOCHU Corporation
Director (Outside Director, Independent Officer)	Akira Ichikawa	Representative Director, Chairman of the Board of Sumitomo Forestry Co., Ltd. Outside Director of Konica Minolta, Inc.
Standing Corporate Auditor	Kunio Nozaki	
Standing Corporate Auditor	Hiroaki Yoshida	
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Mitsuhiro Aso	Attorney External Director of Sumitomo Mitsui Trust Holdings, Inc.
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Yoshitaka Kato	Certified Public Accountant Outside Corporate Auditor of Mitsui Fudosan Co., Ltd. Outside Corporate Auditor of Sumitomo Corporation
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Michio Yoneda	Outside Director of Asahi Broadcasting Group Holdings Corporation Outside Director of Toyo Tire Corporation

- NOTES: 1 Of the Directors, Mr. Hiroshi Tomono, Mr. Motoshige Itoh, Ms. Atsuko Muraki, and Mr. Akira Ichikawa are Outside Directors.
- 2 Of the Corporate Auditors, Mr. Mitsuhiro Aso, Mr. Yoshitaka Kato, and Mr. Michio Yoneda are Outside Corporate Auditors.
- 3 The Company has designated Mr. Hiroshi Tomono, Mr. Motoshige Itoh, Ms. Atsuko Muraki, Mr. Akira Ichikawa, Mr. Mitsuhiro Aso, Mr. Yoshitaka Kato, and Mr. Michio Yoneda as Independent Directors / Auditors pursuant to the regulations of the Tokyo Stock Exchange, Inc. and has made notification to said Exchange.
- 4 Corporate Auditor Mr. Yoshitaka Kato is qualified as a certified public accountant, and has a significant amount of knowledge regarding finance and accounting.
- 5 Of the significant concurrent positions served by Outside Directors and Outside Corporate Auditors, although The Kansai Electric Power Company, Incorporated, JX Nippon Mining & Metals Corporation, ITOCHU Corporation, Sumitomo Forestry Co., Ltd., Konica Minolta, Inc., Sumitomo Mitsui Trust Holdings, Inc., Sumitomo Corporation, and Toyo Tire Corporation have transactions with the Company, there are no special interests with the Company, and there are no transactional relationships with any other parties served as significant concurrent positions.

6 Directors who retired in the fiscal year under review are as follows.

Position at time of retirement	Name	Areas of responsibility and significant concurrent positions at time of retirement
Director (Outside Director, Independent Officer)	Koichi Ikeda	Senior Alumni of Asahi Group Holdings, Ltd.

(Retired on June 23, 2022 because of the expiration of the term of office.)

7 Positions, areas of responsibility and significant concurrent positions for Directors and Corporate Auditors as of April 1, 2023 are as follows.

Position	Name	Areas of responsibility and significant concurrent positions
Representative Director, Chairman	Masakazu Tokura	Chairman of KEIDANREN (Japan Business Federation)
Representative Director, President (Concurrently serving as Executive President)	Keiichi Iwata	
Representative Director (Concurrently serving as Senior Managing Executive Officer)	Masaki Matsui	Supervision of IT-related Chemicals Sector
Representative Director (Concurrently serving as Senior Managing Executive Officer)	Nobuaki Mito	Supervision of Health & Crop Sciences Sector Chairman of Valent U.S.A. LLC Chairman of Valent BioSciences LLC
Director (Concurrently serving as Executive Vice President)	Hiroshi Ueda	Supervision of Research Planning and Coordination, Digital and Data Science Innovation, Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Engineering, Intellectual Property, Responsible Care, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory
Director (Concurrently serving as Senior Managing Executive Officer)	Noriaki Takeshita	Supervision of Corporate Planning, IT Innovation
Director (Concurrently serving as Executive Vice President)	Hiroshi Niinuma	Supervision of General Affairs, External Relations, Legal, Human Resources, Osaka Office Administration
Director	Kingo Akahori	

Position	Name	Areas of responsibility and significant concurrent positions
Director (Outside Director, Independent Officer)	Hiroshi Tomono	Senior Adviser of NIPPON STEEL CORPORATION Outside Director of Japan Nuclear Fuel Limited Outside Director of The Kansai Electric Power Company, Incorporated
Director (Outside Director, Independent Officer)	Motoshige Itoh	Outside Director of East Japan Railway Company Outside Director of Shizuoka Financial Group, Inc. Outside Director of JX Nippon Mining & Metals Corporation Outside Director of Hagoromo Foods Corporation
Director (Outside Director, Independent Officer)	Atsuko Muraki	Outside Member of the Board of ITOCHU Corporation
Standing Corporate Auditor	Kunio Nozaki	
Standing Corporate Auditor	Hiroaki Yoshida	
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Mitsuhiro Aso	Attorney External Director of Sumitomo Mitsui Trust Holdings, Inc.
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Yoshitaka Kato	Certified Public Accountant Outside Corporate Auditor of Mitsui Fudosan Co., Ltd. Outside Corporate Auditor of Sumitomo Corporation
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Michio Yoneda	Outside Director of Asahi Broadcasting Group Holdings Corporation Outside Director of Toyo Tire Corporation

(2) Compensation to Directors and Corporate Auditors

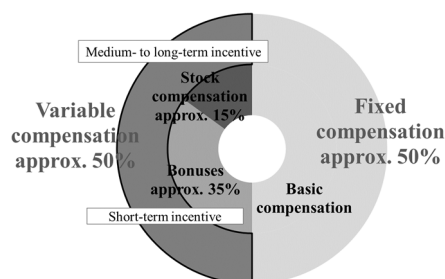
1) Policies and procedures for determining compensation of senior management and Directors

(A) Basic policy for remunerations of Directors, etc.

- i. The remuneration of senior management and Directors (excluding Outside Directors) shall consist of Basic Compensation as fixed compensation and Bonuses and Stock Compensation as variable compensation. In addition, the remuneration of Outside Directors shall consist of Basic Compensation and Bonuses.
- ii. Basic Compensation is designed according to roles and responsibilities as basic remuneration for the performance of duties so that the actions of senior management and Directors are not aimed at short-term or sub-optimal effects.
- iii. The amount of Bonuses shall largely reflect the Company's consolidated financial results for a fiscal year in order to heighten short-term incentive to achieve the annual target of the business plans.
- iv. Stock Compensation is designed to promote further value sharing with shareholders and serve as a medium- to long-term incentive for the continuous growth of the Company.
- v. The remuneration shall be set at levels which are designed to be objectively competitive to attract and retain outstanding talent while comprehensively taking into consideration such factors as the scale and content of the Company's business and external evaluations of ESG and other non-financial factors. Based on surveys by a third-party organization and other materials, such levels shall be checked annually whether or not to be objectively appropriate.
- vi. When the consolidated performance target (core operating income) for the final fiscal year of the Corporate Business Plan (FY2022-2024) is achieved, the remuneration of Directors (excluding Outside Directors) shall be designed so that the ratio of fixed compensation to variable compensation is approximately 1 to 1 and the ratio of short-term incentives (Bonuses) to medium- to long-term incentives (Stock Compensation) in variable compensation is approximately 7 to 3.

<Illustration of composition of remuneration of Directors (excluding Outside Directors)>

* When the consolidated performance target (core operating income) for the final fiscal year of the Corporate Business Plan (FY2022-2024) is achieved



(B) Mechanisms of each remuneration element

i. Basic Compensation

The level of Basic Compensation shall be determined based on the policy described in section (A) v. to vi. above.

While Basic Compensation for each year shall be fixed, the Company will adopt a mechanism where the Basic Compensation level would be changed in the event where the Company's position has changed in terms of "growth," "earnings capacity," and "outside evaluations" from a comprehensive and medium- to long-term perspective.

As main indicators for determining the change in the Company position, the Company will apply the following: in terms of "growth," sales revenue, total assets and market capitalization; in terms of "earnings capacity," net income (attributable to the parent company), ROE, ROI and D/E ratio; and in terms of "outside evaluations," credit ratings

and ESG index selected by GPIF (Government Pension Investment Fund).

The amounts to be paid to each person will be determined in accordance with the base amount set by each position.

ii. Bonuses (short-term incentive)

Bonuses shall be paid on the condition that performance for that fiscal year exceeds a particular level and shall be determined based on the bonus calculation formula.

In order to reflect the current earnings capacity of the relevant business year (including financial activities) to the amount of bonuses, the Company will apply the combined value of consolidated core operating income and financial profit and loss to the performance indicator concerning the bonus calculation formula. In addition, the Company will set the coefficient of the calculation formula so that it will get larger as the position of a person gets higher.

<Bonus calculation formula>

$$\boxed{\begin{array}{c} \text{Consolidated performance indicator} \\ \text{(core operating income + financial profit and loss)} \end{array}} \times \boxed{\text{Coefficient}}$$

iii. Stock Compensation (medium- to long-term incentive)

Stock Compensation shall be restricted stock compensation. Restricted stocks shall be allocated at a certain time after the ordinary general meeting of shareholders each year according to the amount determined for each position, and it shall be obligatory to hold the stocks during the term of office. In addition, the Company shall set the ratio of Stock Compensation to total remuneration so that it will get larger as the position of a person gets higher.

<Overview of restricted stock compensation plan>

• Transfer restriction period

Until the retirement from the position of Director and Executive Officer not concurrently serving as a Director at the Company

• Removal of transfer restrictions

On the condition that the eligible person continuously served as a Director or Executive Officer not concurrently serving as a Director at the Company during his or her terms of office, the Company shall remove transfer restrictions on all Allotted Shares when the transfer restriction period ends.

However, a) if the eligible person resigns from his or her position as a Director and Executive Officer not concurrently serving as a Director at the Company before the end of his or her term of office owing to a justifiable reason, or b) if the eligible person resigns from his or her position as a Director and Executive Officer not concurrently serving as a Director at the Company after the end of his or her term of office, but before the end of the transfer restriction period for any reason other than justifiable cause, the Company shall reasonably adjust the number of Allotted Shares from which to remove transfer restrictions and the timing of the removal of transfer restrictions, as necessary.

• Conditions of forfeiture of shares

If the eligible person is found to be in material violation of any law, regulation or internal rule, all allotted shares, including those whose transfer restrictions have been removed, shall be forfeited (the Company shall acquire them without consideration).

(C) Procedures for determining remunerations of Directors, etc.

The Company shall establish a Remuneration Advisory Committee as an advisory body to the Board of Directors on a remuneration system for senior management and Directors, levels of remuneration, and other matters incidental thereto. Composed of Directors (a majority are Outside Directors), the Committee shall advise the Board of Directors, when determining officer remuneration system, levels of remuneration, etc., so that greater transparency and fairness can be ensured regarding the remuneration.

The remuneration amount of Directors shall be set at a level not higher than the upper limit of a total remuneration prescribed by the resolution of the 125th Ordinary General Meeting of Shareholders held on June 23, 2006 (i.e., 1.0 billion yen or less per year). Furthermore, the amount of remuneration to be paid to Directors (excluding Outside Directors) for granting restricted stock shall be determined within the upper limit of 400 million yen per year set by the resolution of the 141st Ordinary General Meeting of Shareholders held on June 23, 2022.

The Board of Directors shall deliberate on and decide the method of determining remunerations of Directors, etc., based on the advice from the Remuneration Advisory Committee. Furthermore, the individual remuneration of senior management and Directors shall be determined by the Remuneration Advisory Committee, which is authorized by the Board of Directors, in accordance with the policies for determining compensation of senior management and Directors. The Board of Directors, therefore, has concluded that the content of individual remuneration is in line with the determination policies. The Remuneration Advisory Committee consists of Representative Directors and Outside Directors, and the majority of the members are Outside Directors. The structure of the Remuneration Advisory Committee as of the end of the fiscal year under review is as follows:

Masakazu Tokura (Representative Director, Chairman)
 Keiichi Iwata (Representative Director, President)
 Hiroshi Tomono (Outside Director)
 Motoshige Itoh (Outside Director)
 Atsuko Muraki (Outside Director)
 Akira Ichikawa (Outside Director)

2) Total amount of compensation to Directors and Corporate Auditors for the fiscal year under review

Category of Directors	Number of persons	Total amount of compensation	Total amount of compensation by type		
			Basic Compensation (fixed remuneration)	Bonuses (performance-linked remuneration)	Stock Compensation (non-monetary remuneration)
Directors (Of which, Outside Directors)	13 persons (5 persons)	692 million yen (66 million yen)	532 million yen (60 million yen)	66 million yen (6 million yen)	94 million yen (-)
Corporate Auditors (Of which, Outside Corporate Auditors)	5 persons (3 persons)	122 million yen (43 million yen)	122 million yen (43 million yen)	-	-
Total	18 persons	813 million yen	654 million yen	66 million yen	94 million yen

- NOTES: 1. The above number of persons and amount of compensation includes one Director who retired during the fiscal year under review.
2. Due to a resolution by an Ordinary General Meeting of Shareholders, the total amount of monetary compensation for Directors is 1.0 billion yen or less per annum, and the total amount of monetary compensation for Corporate Auditors is 150.00 million yen or less per annum (resolved at the 125th Ordinary General Meeting of Shareholders held on June 23, 2006). The numbers of Directors and Corporate Auditors as of the close of the 125th Ordinary General Meeting of Shareholders are ten and five, respectively. In addition, the total amount of compensation paid to grant restricted stock separately from the above monetary compensation is 400 million yen or less per annum (resolved at the 141st Ordinary General Meeting of Shareholders held on June 23, 2022). The number of Directors (excluding Outside Directors) as of the close of the 141st Ordinary General Meeting of Shareholders is eight.

3. The performance indicator for the fiscal year under review which determined the actual value of bonuses (performance-linked remuneration) is ¥124 billion.
4. Stock Compensation (non-monetary remuneration) shows the amount charged in the fiscal year under review as restricted stock compensation.

(3) Outline of the directors and officers liability insurance

The Company entered into a directors and officers liability insurance contract with an insurance company, as stipulated in Article 430-3(1) of the Companies Act., to cover damages and dispute costs such as litigation costs, lawyer fees, and arbitration/settlement costs (including those arising in connection with lost shareholder derivative suits and claims for damages from the Company) that should be legally borne by the insured. The insured covered by the insurance contract includes Directors, Corporate Auditors, and Executive Officers. In addition, as a measure to prevent the insured's proper execution of duties from being hindered, the insurance contract includes a provision regarding deductibles and provides that damages that do not reach a certain amount shall not be covered. There are also certain exclusions, such as no coverage for any damage caused by criminal acts and acts performed by the insured with the knowledge that they are in violation of laws and regulations.

(Reference)

Executive Officers (excluding persons concurrently serving as Directors) are as follows.

(As of April 1, 2023)

Position	Name	Areas of responsibility
Senior Managing Executive Officer	Motoyuki Sakai	Supervision of Energy & Functional Materials Sector
Senior Managing Executive Officer	Seiji Takeuchi	Supervision of Essential Chemicals & Plastics Sector, Business Development for a Circular System for Plastics
Managing Executive Officer	Naoyuki Inoue	Supervision of Procurement, Logistics
Managing Executive Officer	Keigo Sasaki	Supervision of Corporate Communications, Accounting, Finance
Managing Executive Officer	Kenji Ohno	Supervision of Sustainability, Internal Control and Audit, In charge of Legal Dept.
Managing Executive Officer	Yoshizumi Sasaki	In charge of Business Development Office for a Circular System for Plastics, Resin-related Business Development Dept., Polyolefins Div., Automotive Materials Div., MMA Div.
Managing Executive Officer	Ichiro Kosaka	In charge of Specialty Chemicals Div., Advanced Polymers Div., Battery Materials Div.

Position	Name	Areas of responsibility
Managing Executive Officer	Takanari Yamaguchi	In charge of Research Planning & Coordination Dept., Digital and Data Science Innovation Dept., Intellectual Property Dept., Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory
Managing Executive Officer	Hirokazu Murata	In charge of Ehime Works, General Manager of Ehime Works
Managing Executive Officer	Koichi Ogino	In charge of Chiba Works, General Manager of Chiba Works
Managing Executive Officer	Juan Ferreira	Work related to South American businesses of the Health & Crop Sciences Sector and Valent U.S.A.
Managing Executive Officer	Shinsuke Shojima	In charge of AgroSolutions Div. – International, Environmental Health Div., Animal Nutrition Div.
Managing Executive Officer	Inho Rha	Engaged in Dongwoo Fine-Chem
Managing Executive Officer	Akira Nakanishi	In charge of Planning & Coordination Office, IT-related Chemicals Sector, Electronic Materials Div.
Managing Executive Officer	Masao Shimizu	In charge of Human Resources Dept., Osaka Office Administration Dept.
Managing Executive Officer	Hiroaki Fujimoto	In charge of AgroSolutions Div.- Japan
Executive Officer	Kanako Fukuda	Engaged in Sumitomo Chemical Europe
Executive Officer	Hiroyoshi Mukai	In charge of Planning & Coordination Office, Energy & Functional Materials Sector, Quality Assurance Office, Energy & Functional Materials Sector
Executive Officer	Takanori Ito	In charge of Process & Production Technology & Safety Planning Dept., Production & Safety Fundamental Technology Center, Responsible Care Dept.
Executive Officer	Yoshihiro Ino	In charge of IT Innovation Dept., General Manager of IT Innovation Dept.

Position	Name	Areas of responsibility
Executive Officer	Tetsuo Takahashi	In charge of Planning & Coordination Office, Essential Chemicals & Plastics Sector, Basic Materials Div., Industrial Chemicals Div., General Manager of Planning & Coordination Office, Essential Chemicals & Plastics Sector
Executive Officer	Tomoyuki Hiramaya	In charge of General Affairs Dept., External Relations Dept., General Manager of External Relations Dept.
Executive Officer	Satoshi Honda	In charge of Planning & Coordination Office, IT-related Chemicals Sector, Quality Assurance Office, IT-related Chemicals Sector
Executive Officer	Takeo Kitayama	In charge of Corporate Planning Office, General Manager of Corporate Planning Office
Executive Officer	Noriaki Oku	Engaged in Rabigh Refining and Petrochemical Company
Executive Officer	Junpei Tsuji	In charge of Research Planning & Coordination Office
Executive Officer	Toshihiro Yamauchi	In charge of Accounting Dept., General Manager of Accounting Dept.
Executive Officer	Kyoko Odawara	In charge of Environmental Health Science Laboratory, Research Director of Environmental Health Science Laboratory
Executive Officer	Shinichi Takemura	In charge of Optical Materials Div.
Executive Officer	Tadashi Katayama	In charge of Planning & Coordination Office, Health & Crop Sciences Sector, AgroSolutions Div. – International, General Manager of AgroSolutions Div. – International
Executive Officer	Sawa Matsubara	In charge of Sustainability Dept., Finance Dept., General Manager of Sustainability Dept.

4. Outside Officers

(1) Main activities during the fiscal year under review

Title	Name	Main activities
Outside Director	Hiroshi Tomono	Mr. Hiroshi Tomono is expected to mainly oversee management and provide advice from an experienced management perspective. He attended all 16 Board of Directors meetings held during the fiscal year under review and actively made statements from such perspective. Specifically, he provided advice by making use of his technical expertise and provided oversight based on an extensive view on overall management, regarding agenda items such as important investments, business strategies for core businesses, and risk management. He also served as a member of the non-mandatory Nomination Advisory Committee and the Remuneration Advisory Committee, and made appropriate statements in deliberations at the committees, contributing to the improvement of transparency and fairness regarding the nomination and compensation of executives.
	Motoshige Itoh	Mr. Motoshige Itoh is expected to oversee management and provide advice by making use of his expert knowledge of economics, etc. and his wealth of experience from his track record as a member of various government deliberative committees. He attended all 16 Board of Directors meetings held during the fiscal year under review and actively made statements based on such knowledge and experience. Specifically, he provided management oversight and advice based on an extensive view on overall management by making use of his expertise, regarding agenda items such as global management, digital transformation, and sustainability. He also served as a member of the non-mandatory Nomination Advisory Committee and the Remuneration Advisory Committee, and made appropriate statements in deliberations at the committees, contributing to the improvement of transparency and fairness regarding the nomination and compensation of executives.
	Atsuko Muraki	Ms. Atsuko Muraki is expected to oversee management and provide advice by making use of her wealth of experience and extensive knowledge mainly in legal, social and other issues, especially her expertise in human resources, deriving from her employment at administrative bodies as a civil servant. She attended all 16 Board of Directors meetings held during the fiscal year under review and actively made statements based on such experience, knowledge, and expertise. Specifically, she provided management oversight and advice based on an extensive view on overall management by making use of her expertise, regarding agenda items such as utilization of human resources and organizational revitalization, corporate governance, and sustainability. She also served as a member of the non-mandatory Nomination Advisory Committee and the Remuneration Advisory Committee, and made appropriate statements in deliberations at the committees, contributing to the improvement of transparency and fairness regarding the nomination and compensation of executives.

Title	Name	Main activities
	Akira Ichikawa	Mr. Akira Ichikawa is expected to mainly oversee management and provide advice from an experienced management perspective. He attended all 13 Board of Directors meetings held since his appointment and actively made statements from such perspective. Specifically, he provided management oversight and advice based on an extensive view on overall management, regarding agenda items such global management, important investments, sustainability, and risk management. He also served as a member of the non-mandatory Nomination Advisory Committee and the Remuneration Advisory Committee, and made appropriate statements in deliberations at the committees, contributing to the improvement of transparency and fairness regarding the nomination and compensation of executives.
Outside Corporate Auditor	Mitsuhiro Aso	Mr. Mitsuhiro Aso is expected to conduct audits by making use of his expertise and experience as a lawyer and his wealth of insight and advanced knowledge regarding corporate risk management and crisis management, and to express opinions regarding corporate management and corporate governance considerations. He attended 14 out of 16 Board of Directors meetings and 13 out of 15 Board of Corporate Auditors meetings held during the fiscal year under review, and actively expressed opinions from such perspective. Furthermore, in coordination with other Corporate Auditors, he conducted audits mainly over the development and operation of the Group's internal control system, risk management operations, measures taken to ensure thorough compliance, steps taken for appropriate operations regarding financial reporting, and actions for management plans.
	Yoshitaka Kato	Mr. Yoshitaka Kato is expected to conduct audits by making use of his advanced expertise, wealth of experience and advanced knowledge in corporate accounting, finance, and corporate auditing operations as a certified public accountant, and to express opinions regarding corporate management and corporate governance considerations. He attended all 16 Board of Directors meetings and all 15 Board of Corporate Auditors meetings held during the fiscal year under review, and actively expressed opinions from such perspective. Furthermore, in coordination with other Corporate Auditors, he conducted audits mainly over the development and operation of the Group's internal control system, risk management operations, measures taken to ensure thorough compliance, steps taken for appropriate operations regarding financial reporting, and actions for management plans.

Title	Name	Main activities
	Michio Yoneda	Mr. Michio Yoneda is expected to conduct audits by making use of his abundant experience and advanced knowledge in capital markets and business management that he has accumulated in financial and securities market management and stock exchange management, and to express opinions regarding corporate management and corporate governance considerations. He attended all 16 Board of Directors meetings and all 15 Board of Corporate Auditors meetings held during the fiscal year under review, and actively expressed opinions from such perspective. Furthermore, in coordination with other Corporate Auditors, he conducted audits mainly over the development and operation of the Group's internal control system, risk management operations, measures taken to ensure thorough compliance, steps taken for appropriate operations regarding financial reporting, and actions for management plans.

(2) Summary of the limitation of liability contracts

The Company has concluded limitation of liability contracts with each Outside Officer that limit their liabilities for damages to the Company pursuant to Article 423(1) of the Companies Act, up to the total of the amounts listed in the items of Article 425(1) of the Companies Act, provided that the execution of duties by Outside Officers were in good faith and without gross negligence.

5. Policy for Decisions on the Distribution of Surplus

In decision on the distribution of surplus, the Company views shareholder return as one of the most important management issues, and in comprehensive consideration of factors such as business results for each term, the dividend payout ratio, and standards for internal reserves required for future business expansion, the Company's basic policy is to continue providing stable dividends. Furthermore, over the mid- to long-term, the Company aims to achieve a stable dividend payout ratio of approximately 30%.

The Company plans to utilize internal reserves for capital investment and other loans and investments with the intent of improving competitiveness in significant businesses and enriching overseas business, utilizing these in an effort to improve profitability.

Dividends are generally provided twice per year at the interim and year-end, and to flexibly implement dividends such as profit distribution to shareholders, the Company's Articles of Incorporation state that the body to determine dividends, etc., shall be the Board of Directors.

(Reference)

The Company's "Corporate Governance Guidelines" set forth the following policy regarding strategic holdings.

- The Company holds strategic shares in other companies only when judged necessary for ensuring smooth business operation or maintaining and enhancing mutual business relations, after such factors as medium- to long-term economic rationality and prospects of future business developments have been considered as a whole. The Company shall assess, as appropriate, the necessity of holding such shares, taking into consideration benefits (including dividends etc.) and risks etc. of such holdings from a comprehensive viewpoint.
- At the Board of Directors meeting, each year, the Company shall assess its shareholding policy for all listed shares it owns, in light of mid- to long-term economic rationality and significance to hold such shares for each individual issuer. According to such review, if it becomes less necessary to hold a share by reason of changes in the business climate etc., the Company shall sell such shares, as appropriate, taking into consideration the share price, market trend etc.
- Whether or not and how voting rights related to such strategically held shares are to be exercised on a given proposal shall be decided by the relevant department having close business relationship with such company for each specific proposal, from viewpoints of whether or not the proposal would help raise the mid- to long-term corporate value of the company in which the Company holds shares and promote the company's sustainable growth or whether or not it would potentially harm the benefit of the Company.

Based on this policy, the Company annually checks the rationality of continuing to hold its individual strategic holdings at meetings of the Board of Directors. As a result of such process, the number of listed stocks held by the Company was 103 as of March 31, 2015, but since then the Company subsequently sold stocks, and the number of listed stocks held at the end of the fiscal year under review became 43 (50 at the end of the previous fiscal year).

The strategic holdings (including unlisted stocks and deemed holdings) held at the end of the fiscal year under review account for 18.7% of total equity in the Group's consolidated statement of financial position.

Consolidated Financial Statements

Consolidated Statement of Financial Position

			(Millions of Yen)		
Assets	142nd term (As of March 31, 2023)	(Reference) 141st term (As of March 31, 2022)	Liabilities	142nd term (As of March 31, 2023)	(Reference) 141st term (As of March 31, 2022)
Current assets:	1,762,884	1,812,642	Current liabilities:	1,278,367	1,173,491
Cash and cash equivalents	305,844	365,429	Bonds and borrowings	396,903	261,280
Trade and other receivables	603,161	720,422	Trade and other payables	515,865	551,583
Other financial assets	31,237	23,991	Other financial liabilities	74,931	84,137
Inventories	744,474	651,358	Income taxes payable	31,772	24,515
Other current assets	70,670	51,442	Provisions	129,030	129,709
Subtotal	1,755,386	1,812,642	Other current liabilities	128,060	122,267
Assets held for sale	7,498	–	Subtotal	1,276,561	1,173,491
			Liabilities directly associated with assets held for sale	1,806	–
Non-current assets:	2,402,619	2,495,509	Non-current Liabilities:	1,397,947	1,432,683
Property, plant and equipment	829,355	823,022	Bonds and borrowings	1,064,463	1,089,190
Goodwill	266,868	244,517	Other financial liabilities	98,594	101,718
Intangible assets	403,996	471,109	Retirement benefit liabilities	26,427	33,091
Investments accounted for using equity method	402,980	289,968	Provisions	38,443	36,502
Other financial assets	313,115	474,899	Deferred tax liabilities	101,164	101,299
Retirement benefit asset	99,253	89,538	Other non-current liabilities	68,856	70,883
Deferred tax assets	39,492	49,121			
Other non-current assets	47,560	53,335	Total liabilities	2,676,314	2,606,174
			Equity		
			Equity attributable to owners of the parent:	1,171,192	1,218,101
			Share capital	89,810	89,699
			Capital surplus	–	27,089
			Retained earnings	891,552	974,382
			Treasury shares	(8,349)	(8,343)
			Other components of equity	197,830	135,274
			Other comprehensive income associated with assets held for sale	349	–
			Non-controlling interests	317,997	483,876
			Total equity	1,489,189	1,701,977
Total assets	4,165,503	4,308,151	Total liabilities and equity	4,165,503	4,308,151

Consolidated Statement of Profit or Loss

		(Millions of Yen)
	142nd term (April 1, 2022 to March 31, 2023)	(Reference) 141st term (April 1, 2021 to March 31, 2022)
Sales revenue	2,895,283	2,765,321
Cost of sales	(2,074,357)	(1,891,458)
Gross profit	820,926	873,863
Selling, general and administrative expenses	(878,261)	(690,860)
Other operating income	69,227	10,533
Other operating expenses	(36,079)	(20,713)
Share of profit (loss) of investments accounted for using the equity method	(6,797)	42,180
Operating income (loss)	(30,984)	215,003
Finance income	70,836	59,194
Finance expenses	(39,621)	(23,061)
Income before taxes	231	251,136
Income tax expenses	(47,096)	(64,699)
Net income (loss)	(46,865)	186,437
Net income (loss) attributable to:		
Owners of the parent	6,987	162,130
Non-controlling interests	(53,852)	24,307
Net income (loss)	(46,865)	186,437

Consolidated Statement of Changes in Equity

(From April 1, 2022 to March 31, 2023)

(Millions of Yen)

	Equity attributable to owners of the parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance at April 1, 2022	89,699	27,089	974,382	(8,343)
Net income (loss)			6,987	
Other comprehensive income				
Total comprehensive income	—	—	6,987	—
Issuance of new shares	111	111		
Purchase of treasury shares				(6)
Disposal of treasury shares		0		0
Dividends			(42,514)	
Loss of control of subsidiaries			513	
Transactions with non-controlling interests		(88,037)		
Transfer from other components of equity to retained earnings			13,672	
Other changes		(603)	(48)	
Transfer to other comprehensive income associated with assets held for sale				
Transfer of negative balance of other capital surplus		61,440	(61,440)	
Total transactions with owners	111	(27,089)	(89,817)	(6)
Balance at March 31, 2023	89,810	—	891,552	(8,349)

	Equity attributable to owners of the parent							
	Other components of equity					Total	Other comprehensive income associated with assets held for sale	Equity attributable to owners of the parent
	Remeasurements of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Cash flow hedges	Exchange differences on translation of foreign operations				
Balance at April 1, 2022	82,682	—	(8,735)	61,327	135,274		1,218,101	
Net income (loss)					—		6,987	
Other comprehensive income	4,550	9,163	8,204	55,173	77,090		77,090	
Total comprehensive income	4,550	9,163	8,204	55,173	77,090	—	84,077	
Issuance of new shares					—		222	
Purchase of treasury shares					—		(6)	
Disposal of treasury shares					—		0	
Dividends					—		(42,514)	
Loss of control of subsidiaries	(505)		(8)		(513)		—	
Transactions with non-controlling interests					—		(88,037)	
Transfer from other components of equity to retained earnings	(4,509)	(9,163)			(13,672)		—	
Other changes					—		(651)	
Transfer to other comprehensive income associated with assets held for sale	(349)				(349)	349	—	
Transfer of negative balance of other capital surplus					—		—	
Total transactions with owners	(5,363)	(9,163)	(8)	—	(14,534)	349	(130,986)	
Balance at March 31, 2023	81,869	—	(539)	116,500	197,830	349	1,171,192	

	Non-controlling interests	Total equity
Balance at April 1, 2022	483,876	1,701,977
Net income (loss)	(53,852)	(46,865)
Other comprehensive income	35,402	112,492
Total comprehensive income	(18,450)	65,627
Issuance of new shares		222
Purchase of treasury shares		(6)
Disposal of treasury shares		0
Dividends	(13,962)	(56,476)
Loss of control of subsidiaries		—
Transactions with non-controlling interests	(133,467)	(221,504)
Transfer from other components of equity to retained earnings		—
Other changes		(651)
Transfer to other comprehensive income associated with assets held for sale		—
Transfer of negative balance of other capital surplus		—
Total transactions with owners	(147,429)	(278,415)
Balance at March 31, 2023	317,997	1,489,189

Non-consolidated Financial Statements

<u>Non-consolidated Balance Sheet</u>			(Millions of Yen)		
Assets	142nd term (As of March 31, 2023)	(Reference) 141st term (As of March 31, 2022)	Liabilities	142nd term (As of March 31, 2023)	(Reference) 141st term (As of March 31, 2022)
Current assets:	611,973	541,984	Current liabilities:	554,651	509,982
Cash on hand and in banks	5,821	9,077	Trade notes payable	3,017	1,714
Trade notes receivable	1,772	1,893	Trade accounts payable	152,961	128,706
Trade accounts receivable	232,010	228,279	Short-term borrowing	159,361	189,314
Merchandise and finished goods	210,671	159,041	Bonds due within one year	30,000	–
Work in process	2,059	1,734	Commercial paper	45,000	10,000
Raw materials and supplies	66,884	57,996	Non-trade accounts payable	78,979	87,090
Non-trade accounts receivable	83,590	69,004	Accrued expenses	13,378	12,516
Other	14,939	21,248	Deposits received	47,143	49,262
Allowance for doubtful receivables	(5,773)	(6,289)	Reserve for bonuses	10,100	13,000
			Reserve for repairs	7,315	11,312
			Reserve for removal cost of property, plant and equipment	1,386	1,519
			Other	6,012	5,549
Non-current assets:	1,160,955	1,198,140	Non-current Liabilities:	840,278	861,352
Property, plant and equipment:	258,217	259,877	Bonds	460,000	490,000
Buildings	47,734	47,839	Long-term borrowing due after one year	333,080	320,215
Structures	28,035	28,975	Deferred tax liabilities	19,233	19,147
Machinery and equipment	88,609	106,878	Long-term deposits received	7,250	7,284
Vehicles	268	301	Long-term advances received	7,466	9,291
Tools and furniture	10,747	9,966	Reserve for removal cost of property, plant and equipment	8,692	6,788
Land	47,738	47,679	Reserve for environmental measures	1,304	1,296
Leased assets	24	27	Reserve for repairs	1,225	1,183
Construction in progress	35,064	18,212	Reserve for loss on business of subsidiaries and affiliates	11	–
			Other	2,017	6,148
Intangible assets:	23,660	24,078	Total liabilities	1,394,929	1,371,334
Patent	174	272	Net assets		
Software	17,301	16,900	Shareholders' equity:	349,668	341,522
Goodwill	1,422	1,520	Common stock	89,810	89,699
Other	4,762	5,386	Capital surplus:	23,809	23,698
			Additional paid-in capital	23,806	23,695
Investments and other non-current assets:	879,078	914,185	Other capital surplus	2	2
Investment securities	74,387	112,109	Retained earnings:	244,398	236,468
Investments in subsidiaries and affiliates	622,637	416,747	Legal reserve	21,361	21,361
Investments in capital	590	566	Other retained earnings	223,038	215,107
Investments in subsidiaries and affiliates' capital	50,156	108,581	General reserve	130,000	130,000
Long-term loans receivable	38,775	166,507	Retained earnings brought forward	93,038	85,107
			Treasury stock	(8,349)	(8,343)
Long-term prepaid expenses	14,043	14,566	Valuation and translation adjustments:	28,330	27,267
Prepaid pension expense	72,609	64,859	Valuation difference on available-for-sale securities	28,811	35,640
Other	6,495	30,940	Deferred gains on hedges	(480)	(8,374)
Allowance for doubtful receivables	(615)	(690)	Total net assets	377,999	368,789
			Total liabilities and net assets	1,772,927	1,740,123
Total assets	1,772,927	1,740,123			

Non-consolidated Statement of Income

(Millions of Yen)

	142nd term (April 1, 2022 to March 31, 2023)	(Reference) 141st term (April 1, 2021 to March 31, 2022)
Net sales	894,389	797,358
Cost of sales	729,734	632,668
Gross profit	164,655	164,690
Selling, general and administrative expenses	156,802	150,158
Operating income	7,853	14,532
Non-operating income	83,447	73,940
Interest and dividend income	55,028	49,549
Foreign exchange gain	21,870	19,458
Other income	6,549	4,933
Non-operating expenses	21,771	19,984
Interest expense	7,793	7,146
Derivative losses	8,928	6,349
Cost of inactive facilities	1,381	1,322
Other expenses	3,669	5,167
Ordinary income	69,529	68,488
Special gains	12,974	6,124
Gain on sale of investment securities	7,226	6,124
Gain on sale of non-current assets	4,353	–
Gain on extinguishment of tie-in shares	1,395	–
Special losses	30,045	17,159
Impairment loss	16,309	3,617
Loss on disposal of property, plant and equipment	6,345	7,257
Loss on valuation of investment securities	4,390	2,498
Loss on related business	1,829	2,452
Loss on sale of shares of subsidiaries and associates	1,173	–
Loss on valuation of inventories	–	1,336
Income before income taxes	52,458	57,453
Income taxes – current	709	2,302
Income taxes – deferred	1,305	(6,585)
Net income	50,444	61,736

NOTES:

- Business report is listed as follows:
 - Fractions less than 0.1 billion yen or 1 million yen have been rounded to the nearest 0.1 billion yen or million yen.
 - Stock prices listed in units of 1,000 are shown rounded down to the nearest 1,000 shares.
- Fractions less than 1 million yen have been rounded to the nearest million yen with respect to the Consolidated Financial Statements, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Changes in Equity, the Non-consolidated Financial Statements, and the Non-consolidated Statement of Income.