

# SUMITOMO CHEMICAL COMPANY, LIMITED

## **Notice of the 144<sup>th</sup> 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 20, 2025 (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 144<sup>th</sup> fiscal period (from April 1, 2024, to March 31, 2025) (the "144<sup>th</sup> fiscal period").
- No. 2. Reports on the Company's non-consolidated financial statements for the 144<sup>th</sup> fiscal period.

MATTERS TO BE RESOLVED:

- No. 1. To make partial amendments to the Articles of Incorporation.
- No. 2. To elect nine Directors (excluding Directors who are Audit & Supervisory Committee Members).
- No. 3. To elect five Directors who are Audit & Supervisory Committee Members.
- No. 4. To elect one substitute Director who is an Audit & Supervisory Committee Member.
- No. 5. To set the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members)
- No. 6. To set the amount of remuneration for Directors who are Audit & Supervisory Committee Members.
- No. 7. To set the amount of remuneration for granting restricted stock to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors).

## 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 144<sup>th</sup> fiscal period.
- No. 2. Reports on the Company's non-consolidated financial statements for the 144<sup>th</sup> fiscal period.

---

\* The financial statements for the 144th 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 make partial amendments to the Articles of Incorporation.**

### **1. Reasons for amendments**

- (1) The Company will transition to a company with an Audit & Supervisory Committee for the following purposes: (i) to further increase the supervisory capabilities of the Board of Directors by designating Audit & Supervisory Committee Members, who are responsible for, among other things, auditing Directors' performance of duties, as members of the Board; (ii) to enhance the effectiveness of audits related to Directors' performance of duties by strengthening the system of instruction and cooperation between the Audit & Supervisory Committee and the Internal Control and Audit Department and related departments; and (iii) to further deepen Board meeting discussions about management policies and medium- to long-term management strategies and increase the speed and agility of management decision-making by enabling the Board of Directors to broadly delegate decisions on business execution to Directors. In conjunction with such transition, the Company intends to newly establish provisions regarding Directors who are Audit & Supervisory Committee Members and the Audit & Supervisory Committee and delete provisions regarding the Audit & Supervisory Board Members and the Audit & Supervisory Board, as well as newly establish a provision regarding delegation of decisions on execution of important operations to Directors.
- (2) While resolutions of the Board of Directors of the Company will generally be made at actual Board of Directors' meetings, in order to achieve more flexible decision-making by the Board of Directors, the Company intends to newly establish a provision pursuant to which the Company may deem a resolution of the Board of Directors to be passed with the consent of the Directors, either in writing or by electromagnetic record, pursuant to Article 370 of the Companies Act.
- (3) In addition to the above, necessary amendments, including editorial changes, in conjunction with the above amendments, will be made.

### **2. Details of amendments**

The details of the amendments are as follows.

The amendments in this proposal will take effect at the close of this Meeting.

(the underlined portions indicate amendments)

Present Articles of Incorporation	Proposed Amendments
<p>CHAPTER I - GENERAL PROVISIONS</p> <p>Article 4 (Governing Bodies of the Company) In addition to the General Meeting of Shareholders and Directors, the Company shall have the following:</p> <ol style="list-style-type: none"><li>1. Board of Directors,</li><li>2. <u>Audit &amp; Supervisory Board Members.</u></li><li>3. <u>Audit &amp; Supervisory Board, and</u></li><li>4. Accounting Auditors.</li></ol>	<p>CHAPTER I - GENERAL PROVISIONS</p> <p>Article 4 (Governing Bodies of the Company) In addition to the General Meeting of Shareholders and Directors, the Company shall have the following:</p> <ol style="list-style-type: none"><li>1. Board of Directors,</li><li>2. <u>Audit &amp; Supervisory Committee, and</u> (Deleted)</li><li>3. Accounting Auditors.</li></ol>

Present Articles of Incorporation	Proposed Amendments
<p>CHAPTER IV - DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 17 (Number of Directors) The Company shall have not more than <u>fifteen (15)</u> Directors.</p> <p>(Newly established)</p> <p>Article 18 (Election of Directors) (Newly established)</p> <p>(i) A resolution for the election of Directors shall be made by a majority of the votes of the shareholders present at a General Meeting of Shareholders at which the shareholders having not less than one-third (1/3) of the voting rights held by the shareholders having the right to vote shall be present.</p> <p>(ii) A resolution for the election of Directors shall not be made by cumulative voting.</p> <p>Article 19 (Term of Office of Directors) The term of office of a Director shall expire at the time of termination of an Ordinary General Meeting of Shareholders with respect to the last fiscal year ending within one (1) year from his or her election.</p>	<p>CHAPTER IV - DIRECTORS AND BOARD OF DIRECTORS</p> <p>Article 17 (Number of Directors)</p> <p>(i) The Company shall have not more than <u>ten (10) Directors (excluding Directors who are Audit &amp; Supervisory Committee Members)</u>.</p> <p>(ii) The Company shall have not more than <u>five (5) Directors who are Audit &amp; Supervisory Committee Members</u>.</p> <p>Article 18 (Election of Directors)</p> <p>(i) <u>Directors shall be elected by a resolution of a General Meeting of Shareholders, and such election shall be implemented by distinguishing between Director who are Audit &amp; Supervisory Committee Members and other Directors.</u></p> <p>(ii) (Unchanged)</p> <p>(iii) (Unchanged)</p> <p>Article 19 (Term of Office of Directors)</p> <p>(i) The term of office of a Director <u>(excluding Directors who are Audit &amp; Supervisory Committee Members)</u> shall expire at the time of termination of an Ordinary General</p>

Present Articles of Incorporation	Proposed Amendments
(Newly established)	<p>Meeting of Shareholders with respect to the last fiscal year ending within one (1) year from his or her election.</p> <p>(ii) <u>The term of office of a Director who is an Audit &amp; Supervisory Committee Member shall expire at the time of termination of an Ordinary General Meeting of Shareholders with respect to the last fiscal year ending within two (2) years from his or her election.</u></p> <p>(iii) <u>The term of office of a Director who is an Audit &amp; Supervisory Committee Member elected to fill a vacancy caused by retirement of a Director who was an Audit &amp; Supervisory Committee Member prior to the expiration of his or her term of office shall expire at the expiry of the term of office of such retiring Director who was an Audit &amp; Supervisory Committee Member.</u></p> <p>(iv) <u>A resolution for the election of a substitute Director who is an Audit &amp; Supervisory Committee Member pursuant to Article 329, Paragraph 3 of the Companies Act shall remain in effect until the time of commencement of an Ordinary General Meeting of Shareholders with respect to the last fiscal year ending within two (2) years from his or her election.</u></p>
<p>Article 20 (Notice to Convene Board of Directors' Meeting)</p> <p>A convocation notice for each Board of Directors' Meeting shall be dispatched to each Director <u>and each Audit &amp; Supervisory Board Member</u> at least three (3) days before the scheduled date of such meeting; provided, however, that such period may</p>	<p>Article 20 (Notice to Convene Board of Directors' Meeting)</p> <p>A convocation notice for each Board of Directors' Meeting shall be dispatched to each Director at least three (3) days before the scheduled date of such meeting; provided, however, that such period may be shortened in case of urgency.</p>

Present Articles of Incorporation	Proposed Amendments
<p>be shortened in case of urgency. (Newly established)</p> <p>Article <u>21</u> (Representative Directors, etc.)</p> <p>(i) The Board of Directors shall designate one (1) or more Representative Director(s) by its resolution.</p> <p>(ii) The Board of Directors shall designate one (1) President from among the Directors or Executive Officers by its resolution.</p> <p>(iii) The Board of Directors may appoint a Chairman and a Vice Chairman from among the Directors by its resolution.</p> <p>(Newly established)</p>	<p><u>Article 21 (Omission of Resolution of a Board of Directors)</u></p> <p><u>In the event a Director submits a proposal with respect to a matter which is the purpose of a resolution of a Board of Directors' Meeting, if all of the Directors (limited to those who are entitled to participate in votes with respect to such matter) indicate their consent to such proposal, either in writing or by electromagnetic record, it shall be deemed by the Company that the resolution of the Board of Directors to approve such proposal has been passed.</u></p> <p>Article <u>22</u> (Representative Directors, etc.)</p> <p>(i) The Board of Directors shall designate one (1) or more Representative Director(s) <u>from among the Directors (excluding Directors who are Audit &amp; Supervisory Committee Members)</u> by its resolution.</p> <p>(ii) The Board of Directors shall designate one (1) President from among the Directors <u>(excluding Directors who are Audit &amp; Supervisory Committee Members)</u> or Executive Officers by its resolution.</p> <p>(iii) The Board of Directors may appoint a Chairman and a Vice Chairman from among the Directors <u>(excluding Directors who are Audit &amp; Supervisory Committee Members)</u> by its resolution.</p> <p><u>Article 23 (Delegation of Decisions on Execution of Important Operations)</u></p> <p><u>Pursuant to Article 399-13, Paragraph 6 of the Companies Act, the Company may delegate all or part of the decisions on execution of important</u></p>

Present Articles of Incorporation	Proposed Amendments
<p>Article <u>22</u> (Remuneration, etc. of Directors) The remuneration, etc. of the Directors shall be determined by the resolution of a General Meeting of Shareholders.</p> <p>Article <u>23</u> (Omitted)</p> <p style="text-align: center;"><u>CHAPTER V – AUDIT &amp; SUPERVISORY BOARD MEMBERS AND AUDIT &amp; SUPERVISORY BOARD</u></p> <p><u>Article 25 (Number of Audit &amp; Supervisory Board Members)</u> <u>The Company shall have not more than six (6) Audit &amp; Supervisory Board Members.</u></p> <p><u>Article 26 (Election of Audit &amp; Supervisory Board Members)</u> <u>A resolution for the election of Audit &amp; Supervisory Board Members shall be made by a majority of the votes of the shareholders present at a General Meeting of Shareholders at which the shareholders having not less than one-third (1/3) of the voting rights held by the shareholders having the right to vote shall be present.</u></p> <p><u>Article 27 (Term of Office of Audit &amp; Supervisory Board Members)</u></p>	<p><u>operations (excluding matters set out in items of Article 399-13, Paragraph 5 of the Companies Act) to Directors by a resolution of the Board of Directors.</u></p> <p>Article <u>24</u> (Remuneration, etc. of Directors) The remuneration, etc. of the Directors shall be determined by the resolution of a General Meeting of Shareholders, <u>and such determination shall be made by distinguishing between Directors who are Audit &amp; Supervisory Committee Members and other Directors.</u></p> <p>Article <u>25</u> (Unchanged)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>



Present Articles of Incorporation	Proposed Amendments
<p>(i) <u>The term of office of an Audit &amp; Supervisory Board Member shall expire at the time of termination of the Ordinary General Meeting of Shareholders with respect to the last fiscal year ending within four (4) years from his or her election.</u></p> <p>(ii) <u>The term of office of the Audit &amp; Supervisory Board Member who was elected and has assumed office as a substitute shall expire at the expiration of the term of office of his/her predecessor.</u></p>	
<p><u>Article 28 (Notice to Convene Audit &amp; Supervisory Board Meeting)</u></p> <p><u>A convocation notice for each Audit &amp; Supervisory Board Meeting shall be dispatched to each Audit &amp; Supervisory Board Member at least three (3) days before the scheduled date of such meeting; provided, however, that such period may be shortened in case of urgency.</u></p>	(Deleted)
<p><u>Article 29 (Standing Audit &amp; Supervisory Board Members)</u></p> <p><u>The Audit &amp; Supervisory Board shall appoint by its resolution one or more Standing Audit &amp; Supervisory Board Member(s).</u></p>	(Deleted)
<p><u>Article 30 (Remuneration, etc. of Audit &amp; Supervisory Board Members)</u></p> <p><u>The remuneration, etc. of the Audit &amp; Supervisory Board Members shall be determined by the resolution of a General Meeting of Shareholders.</u></p>	(Deleted)
<p><u>Article 31 (Outside Audit &amp; Supervisory Board Members' Liability for Damages)</u></p> <p><u>The Company may, pursuant to paragraph 1, Article</u></p>	(Deleted)

Present Articles of Incorporation	Proposed Amendments
<p><u>427 of the Corporate Law, enter into an agreement with an Outside Audit &amp; Supervisory Board Member to limit such Outside Audit &amp; Supervisory Board Member's liability for damages to the Company. However, the limit on the amount of liability under such agreement shall be the amount stipulated in applicable laws.</u></p> <p>(Newly established)</p> <p>(Newly established)</p> <p>(Newly established)</p> <p>CHAPTER VI - CALCULATION</p> <p>Article <u>32</u>            § (Omitted)</p> <p>Article <u>35</u></p> <p>(Newly established)</p>	<p><u>CHAPTER V – AUDIT &amp; SUPERVISORY COMMITTEE</u></p> <p><u>Article 27 (Notice to Convene Audit &amp; Supervisory Committee Meeting)</u>  <u>A convocation notice for each Audit &amp; Supervisory Committee Meeting shall be dispatched to each Audit &amp; Supervisory Committee Member at least three (3) days before the scheduled date of such meeting; provided, however, that such period may be shortened in case of urgency.</u></p> <p><u>Article 28 (Standing Audit &amp; Supervisory Committee Members)</u>  <u>The Audit &amp; Supervisory Committee may appoint by its resolution one or more Standing Audit &amp; Supervisory Committee Member(s).</u></p> <p>CHAPTER VI - CALCULATION</p> <p>Article <u>29</u>            § (Unchanged)</p> <p>Article <u>32</u></p> <p><u>(Supplementary Provision)</u>  <u>With respect to the agreements to limit the liability for damages to the Company regarding the acts of Outside Audit &amp; Supervisory Board Members</u></p>

Present Articles of Incorporation	Proposed Amendments
	<p><u>(including those who were Outside Audit &amp; Supervisory Board Members) prior to the termination of the 144th Ordinary General Meeting of Shareholders, Article 31 of the Articles of Incorporation before the amendment thereof by the resolution of the said ordinary general meeting of shareholders shall apply.</u></p>

**No. 2. To elect nine Directors (excluding Directors who are Audit & Supervisory Committee Members).**

The terms of office of all ten Directors will expire at the close of this Meeting. Moreover, if Proposal No. 1. “To make partial amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee.

Accordingly, the election of nine Directors (excluding Directors who are Audit & Supervisory Committee Members; the same applies hereinafter in this proposal) is proposed, to serve after the transition to a company with an Audit & Supervisory Committee.


The effect of the elections under this proposal will be subject to the amendments to the Articles of Incorporation in Proposal No. 1. “To make partial amendments to the Articles of Incorporation” taking effect.


The candidates for Director are as follows:

Candidate No.	Name	Attendance at the Board of Directors meetings	Current Principal Occupation and Responsibility at the Company
1	Keiichi Iwata (Male) (Reappointment)	17 out of 17 meetings (100%)	Representative Director, Chairman
2	Nobuaki Mito (Male) (New appointment)	–	Executive President Supervision of Advanced Medical Solutions Sector
3	Hiroshi Niinuma (Male) (Reappointment)	17 out of 17 meetings (100%)	Director & Executive Vice President Supervision of General Affairs, External Relations, Legal, Sustainability, Human Resources, Osaka Office Administration
4	Keigo Sasaki (Male) (New appointment)	–	Senior Managing Executive Officer Supervision of Corporate Communications, Corporate Planning, Accounting, Finance, General Manager of Corporate Planning Office
5	Takanari Yamaguchi (Male) (New appointment)	–	Senior Managing Executive Officer Supervision of Research Planning and Coordination, DX Acceleration, Intellectual Property, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory
6	Motoshige Itoh (Male) (Reappointment, Outside Director, Independent Officer)	16 out of 17 meetings (94%)	Director


Candidate No.	Name	Attendance at the Board of Directors meetings	Current Principal Occupation and Responsibility at the Company
7	Atsuko Muraki (Female) (Reappointment, Outside Director, Independent Officer)	17 out of 17 meetings (100%)	Director
8	Akira Ichikawa (Male) (Reappointment, Outside Director, Independent Officer)	17 out of 17 meetings (100%)	Director
9	Yumiko Noda (Female) (Reappointment, Outside Director, Independent Officer)	13 out of 13 meetings (100%)	Director


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>1</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 &amp; Senior Managing Executive Officer  April 2019 Representative Director, President &amp; Executive President  April 2025 Representative Director, Chairman up to the present date</p> <p>[Reason for selection as a Director nominee, etc.]  Keiichi Iwata served as a Director &amp; Executive President for six years from April 2019 to March 2025, contributing to the improvement of corporate value of the Company and engaging in fundamental structural reforms. He has been focusing on the operations of the Board of Directors of the Company as a Director, Chairman since April 2025. 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>384,550 Shares</p>
<p>2</p>  <p>Nobuaki Mito (New appointment)</p>	<p>April 1985 Joined the Company  April 2015 Executive Officer  April 2018 Managing Executive Officer  June 2020 Representative Director &amp; Managing Executive Officer  April 2021 Representative Director &amp; Senior Managing Executive Officer  June 2024 Senior Managing Executive Officer  April 2025 Executive President up to the present date</p> <p>Current Responsibility at the Company  Supervision of Advanced Medical Solutions Sector</p> <p>[Reason for selection as a Director nominee, etc.]  Since joining the Company, Nobuaki Mito has mainly engaged in research and development in Health &amp; Crop Sciences, as well as formulating and promoting the Company's intellectual property strategy as General Manager of the Intellectual Property Dept. Since being appointed as an Executive Officer, he has engaged in commercializing new businesses in the bioscience and other fields as officer responsible for planning. He supervised the Health &amp; Crop Sciences Sector (currently the Agro &amp; Life Solutions Sector) from 2020 onward. He was appointed Executive President in April 2025 and promoted the current Corporate Business Plan. He was newly 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>132,523 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>3</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 &amp; Senior Managing Executive Officer  April 2022    Director &amp; Executive Vice President  up to the present date</p> <p>Current Responsibility at the Company  Supervision of General Affairs, External Relations, Legal, Sustainability, Human Resources, Osaka Office Administration</p> <p>Important Concurrent Post  Director of Sumitomo Pharma Co., Ltd.</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, Sustainability, Human Resources, and more as a Director &amp; 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>209,816 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>4</p>  <p>Keigo Sasaki (New appointment)</p>	<p>April 1986    Joined the Company  April 2016    Executive Officer  April 2020    Managing Executive Officer  April 2025    Senior Managing Executive Officer  up to the present date</p> <p>Current Responsibility at the Company  Supervision of Corporate Communications, Corporate Planning, Accounting, Finance, General Manager of Corporate Planning Office</p> <p>Important Concurrent Post  President of Sumika Finance Co., Ltd.</p> <p>[Reason for selection as a Director nominee, etc.]  Since joining the Company, Keigo Sasaki has consistently engaged in accounting duties, as well as gaining work experience at an accounting office in the United States. Since being appointed as an Executive Officer, he has served as the officer responsible for departments including Finance and Corporate Communications, in addition to Accounting, engaging in the formulation and promotion of finance and capital strategies and strengthening two-way communication with stakeholders. He currently supervises Corporate Communications, Corporate Planning, Accounting, and Finance as a Senior Managing Executive Officer. He was newly 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>February 11, 1963</p> <p>95,523 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>5</p>  <p>Takanari Yamaguchi (New appointment)</p>	<p>April 1991    Joined the Company  April 2018    Executive Officer  April 2021    Managing Executive Officer  April 2025    Senior Managing Executive Officer  up to the present date</p> <p>Current Responsibility at the Company  Supervision of Research Planning and Coordination, DX Acceleration, Intellectual Property, Industrial Technology &amp; Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory</p> <p>Important Concurrent Post  Director of Tanaka Chemical Corporation</p> <p>[Reason for selection as a Director nominee, etc.]  Since joining the Company, Takanari Yamaguchi has mainly engaged in research and development, process &amp; production technology &amp; safety planning, and new business promotion. Since being appointed as an Executive Officer in 2018, he has served as the officer responsible for the IT-related Chemicals Sector Planning &amp; Coordination Office and Quality Assurance Office, as well as the Optical Materials Division, contributing to their growth and expansion. He currently supervises Research Planning and Coordination, DX Acceleration, Intellectual Property, and corporate research facilities as a Senior Managing Executive Officer. He was newly 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>June 1, 1962</p> <p>93,323 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>6</p>  <p>Motoshige Ito</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> <p>Outside Director of Shizuoka Financial Group, Inc.</p> <p>Outside Director of JX Nippon Mining &amp; Metals Corporation</p> <p>Outside Director of Haboromo Foods Corporation</p> <p>[Reason for selection as an Outside Director nominee and outline of expected roles]</p> <p>Motoshige Ito 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 Ito 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>7</p>  <p>Atsuko Muraki</p> <p>(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>[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>8</p>  <p>Akira Ichikawa (Reappointment, Outside Director, Independent Officer)</p>	<p>April 1978      Joined Sumitomo Forestry Co., Ltd. June 2007      Executive Officer &amp; 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.</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>

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>9</p>  <p>Yumiko Noda (Reappointment, Outside Director, Independent Officer)</p>	<p>April 1982</p> <p>March 1996</p> <p>January 2000</p> <p>June 2007</p> <p>January 2011</p> <p>October 2017</p> <p>June 2020</p> <p>up to the present date</p> <p>June 2024</p> <p>up to the present date</p> <p>June 2025</p> <p>Important Concurrent Post</p> <p>[Reason for selection as an Outside Director nominee and outline of expected roles]</p>	<p>Joined Bank of America Corporation Tokyo Branch</p> <p>Deputy General Manager (Head of Structured Finance Department), London Branch, The Long-Term Credit Bank of Japan, Limited</p> <p>Partner (Head of PPP (Public Private Partnership) and Privatization), PwC Financial Advisory Services Co., Ltd. (Currently PwC Advisory LLC)</p> <p>Deputy Mayor of Yokohama City</p> <p>Partner (Head of PPP and Infrastructure Asia-Pacific), PwC Advisory Co., Ltd. (Currently PwC Advisory LLC)</p> <p>President and Representative Director of Veolia Japan K.K. (Currently Veolia Japan GK)</p> <p>Chairman and Representative Director of Veolia Japan GK</p> <p>Outside Director of the Company</p> <p>Chairman and Director of Veolia Japan GK (scheduled)</p> <p>Chairman and Director of Veolia Japan GK (scheduled)</p> <p>Outside Director of Mizuho Financial Group, Inc.</p> <p>Outside Director of East Japan Railway Company</p> <p>Yumiko Noda 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 her expertise in global management, finance, the circular economy and other areas, and support appropriate risk-taking, by making use of her abundant experience and extensive knowledge as a management executive of a globally expanding business corporation, as well as her deep expertise in finance at financial institutions and consulting companies. Accordingly, she was continuously selected as an Outside Director nominee.</p>	<p>January 26, 1960</p> <p>0 Shares</p>

- NOTES: 1 None of the above candidates has any conflicts of interest with the Company.
- 2 Mr. Motoshige Itoh, Ms. Atsuko Muraki, Mr. Akira Ichikawa, and Ms. Yumiko Noda are the candidates for Outside Director.
- 3 Mr. Motoshige Itoh, Ms. Atsuko Muraki, Mr. Akira Ichikawa, and Ms. Yumiko Noda are currently Outside Directors of the Company. Mr. Motoshige Itoh's term of office will be seven years, Ms. Atsuko Muraki's term of office will be seven

- years, Mr. Akira Ichikawa's term of office will be three years, and Ms. Yumiko Noda'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. Motoshige Itoh, Ms. Atsuko Muraki, Mr. Akira Ichikawa, and Ms. Yumiko Noda as Independent Directors who have no risk of having conflicts of interest with ordinary shareholders.
- 5 At Sampo Japan Insurance Inc. ("Sampo Japan Insurance"), a subsidiary of Sampo Holdings, Inc. ("Sampo Holdings"), where Ms. Atsuko Muraki served as Outside Audit & Supervisory Board Member and Outside Director from June 2017 to June 2021, cases occurred involving acts that are considered to violate the Anti-Monopoly Act and acts that are inappropriate in light of the purpose of the Act, inappropriate handling by Sampo Japan Insurance regarding fraudulent automobile insurance claims by a used car sales company, acts that may be in violation of the Act on the Protection of Personal Information and acts that are inappropriate in light of the purpose of the Act, as well as acts that may be in violation of the Unfair Competition Prevention Act and acts that are inappropriate in light of the purpose of the Act. In January 2024, Sampo Holdings received a business improvement order from the Financial Services Agency regarding its management of Sampo Japan Insurance based on the Insurance Business Act. Although Ms. Atsuko Muraki was unaware of the inappropriate fact at Sampo Japan Insurance until the incident came to light, during her tenure at Sampo Holdings, she fulfilled her duties as Outside Audit & Supervisory Board Member and Outside Director by speaking up about the importance of Group governance and legal compliance at Audit & Supervisory Board meetings and Board of Directors meetings.
- 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 is not a major business partner. Moreover, the Company sold all of its shares of Sumitomo Forestry Co., Ltd. in February 2025 and is no longer a shareholder.
- 7 The Company executed limitation of liability contracts with Mr. Motoshige Itoh, Ms. Atsuko Muraki, Mr. Akira Ichikawa, and Ms. Yumiko Noda 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, 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. 3. To elect five Directors who are Audit & Supervisory Committee Members.**

If Proposal No. 1. “To make partial amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee.



Accordingly, the election of five Directors who are Audit & Supervisory Committee Members is proposed.

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


The effect of the elections under this proposal will be subject to the amendments to the Articles of Incorporation in Proposal No. 1. “To make partial amendments to the Articles of Incorporation” taking effect.


The candidates for the position of Director who is an Audit & Supervisory Committee Members are as follows:


Candidate No.	Name			Attendance at the Board of Directors meetings	Current Principal Occupation and Responsibility at the Company	
1	Kunio Nozaki	(Male)	(New appointment)	17 out of 17 meetings (100%)	Corporate Auditor	–
2	Kenji Ohno	(Male)	(New appointment)	–	Managing Executive Officer	Supervision of Internal Control and Audit, Procurement, Logistics, In charge of Legal Dept.
3	Yoshitaka Kato	(Male)	(New appointment, Outside Director, Independent Officer)	17 out of 17 meetings (100%)	Corporate Auditor	–
4	Michio Yoneda	(Male)	(New appointment, Outside Director, Independent Officer)	17 out of 17 meetings (100%)	Corporate Auditor	–
5	Masamichi Kamimura	(Male)	(New appointment, Outside Director, Independent Officer)	–	–	–

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>1</p>  <p>Kunio Nozaki (New appointment)</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 &amp; Senior Managing Executive Officer June 2018 Director &amp; Senior Managing Executive Officer April 2019 Director June 2019 Standing Corporate Auditor up to the present date</p> <p>[Reason for selection as a nominee for Director who is an Audit &amp; Supervisory Committee Member] 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 &amp; Senior Managing Executive Officer from 2014 to 2019. From 2019, he worked to ensure the soundness of the corporate management of the Company as Standing Corporate Auditor. He was newly selected as a nominee for Director who is an Audit &amp; Supervisory Committee Member to make use of this abundant knowledge and experience related to accounting and finance, and his business experience at the Company and extensive knowledge to make decisions on important management matters at the Board of Directors of the Company and appropriately supervise and audit business execution.</p>	<p>October 29, 1956 98,400 Shares</p>
<p>2</p>  <p>Kenji Ohno (New appointment)</p>	<p>April 1987 Joined the Company April 2016 Executive Officer April 2020 Managing Executive Officer up to the present date</p> <p>Current Responsibility at the Company Supervision of Internal Control and Audit, Procurement, Logistics, In charge of Legal Dept.</p> <p>[Reason for selection as a nominee for Director who is an Audit &amp; Supervisory Committee Member] Since joining the Company, Kenji Ohno has mainly engaged in legal affairs. In addition to possessing deep knowledge and experience in this field, he has also been responsible for a wide range of administrative departments such as General Affairs, Sustainability, Internal Control and Audit, Procurement and Logistics, in addition to Legal, and worked on strengthening internal control systems and the corporate governance structure since his appointment as an Executive Officer. He was newly selected as a nominee for Director who is an Audit &amp; Supervisory Committee Member to make use of this abundant knowledge and experience in the Company's business to make decisions on important management matters at the Board of Directors of the Company and appropriately supervise and audit business execution.</p>	<p>December 10, 1963 97,023 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>3</p>  <p>Yoshitaka Kato (New appointment, Outside Director, Independent Officer)</p>	<p>November 1974    Joined Tetsuzo Ota &amp; Co. (Currently Ernst &amp; Young ShinNihon LLC)</p> <p>September 1978    Registered as a certified public accountant</p> <p>May 1998    Representative Partner of Showa Ota &amp; Co. (Currently Ernst &amp; Young ShinNihon LLC)</p> <p>June 2006    Managing Executive Partner of Ernst &amp; Young ShinNihon (Currently Ernst &amp; Young ShinNihon LLC)</p> <p>August 2008    CEO of Ernst &amp; Young ShinNihon LLC (Currently Ernst &amp; Young ShinNihon LLC)</p> <p>June 2014    Left Ernst &amp; Young ShinNihon LLC</p> <p>June 2015    Outside Corporate Auditor of the Company up to the present date</p> <p>Important Concurrent Post Outside Audit &amp; Supervisory Board Member of Japan Petroleum Exploration Co., Ltd.</p> <p>[Reason for selection as a nominee for Outside Director who is an Audit &amp; Supervisory Committee Member and outline of expected roles] Yoshitaka Kato was newly selected a nominee for Outside Director who is an Audit &amp; Supervisory Committee Member as he can be expected to make use of his expert knowledge and abundant experience relating to finance, accounting and auditing as a certified public accountant over many years to make decisions on important management matters at the Board of Directors of the Company, appropriately supervise and audit business execution, and undertake appropriate auditing, etc. from an independent standpoint and an objective perspective. 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 Director who is an Audit &amp; Supervisory Committee Member of the Company, due to the reasons mentioned above.</p>	<p>September 17, 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>4</p>  <p>Michio Yoneda</p> <p>(New appointment, Outside Director, Independent Officer)</p>	<p>April 1973      Joined Bank of Japan</p> <p>May 1998      General Manager of Sapporo Branch of Bank of Japan</p> <p>April 2000      Resigned as General Manager of Sapporo Branch of Bank of Japan</p> <p>April 2000      Executive Director of Osaka Securities Exchange (Currently Japan Exchange Group, Inc.)</p> <p>April 2001      Executive Director of Osaka Securities Exchange Co., Ltd.</p> <p>October 2002    Senior Executive Director of Osaka Securities Exchange Co., Ltd.</p> <p>December 2003   President &amp; CEO of Osaka Securities Exchange Co., Ltd.</p> <p>January 2013    Director &amp; Representative Executive Officer &amp; Group COO of Japan Exchange Group, Inc. Director of Tokyo Stock Exchange, Inc.</p> <p>June 2015      Resigned as Director &amp; Representative Executive Officer &amp; Group COO of Japan Exchange Group, Inc.</p> <p>                     Resigned as Director of Tokyo Stock Exchange, Inc.</p> <p>June 2018      Outside Corporate Auditor of the Company up to the present date</p> <p>Important Concurrent Post</p> <p>                     Outside Director of Toyo Tire Corporation</p> <p>[Reason for selection as a nominee for Outside Director who is an Audit &amp; Supervisory Committee Member and outline of expected roles]</p> <p>Michio Yoneda was newly selected a nominee for Outside Director who is an Audit &amp; Supervisory Committee Member as he can be expected to make use of his wealth of experience and extensive knowledge of industry and social and other issues through his long career in financial and securities market management in Japan to make decisions on important management matters at the Board of Directors of the Company, appropriately supervise and audit business execution, and undertake appropriate auditing, etc. from an independent standpoint and an objective perspective.</p>	<p>June 14, 1949</p> <p>2,000 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>5</p>  <p>Masamichi Kamimura</p> <p>(New appointment, Outside Director, Independent Officer)</p>	<p>April 1989 Prosecutor January 2023 Superintending Prosecutor of the Sapporo High Public Prosecutors Office February 2024 Retired as Prosecutor June 2024 Registered as attorney up to the present date</p> <p>[Reason for selection as a nominee for Outside Director who is an Audit &amp; Supervisory Committee Member and outline of expected roles] Masamichi Kamimura was newly selected a nominee for Outside Director who is an Audit &amp; Supervisory Committee Member as he can be expected to make use of his expert knowledge and abundant experience relating to law and society as a prosecutor over many years to make decisions on important management matters at the Board of Directors of the Company, appropriately supervise and audit business execution, and undertake appropriate auditing, etc. from an independent standpoint and an objective perspective. Although Masamichi Kamimura has not been involved in enterprise management, the Company has determined that he is capable of appropriately performing the duties of an Outside Director who is an Audit &amp; Supervisory Committee Member of the Company, due to the reasons mentioned above.</p>	<p>March 8, 1961</p> <p>500 Shares</p>

- NOTES: 1 None of the above candidates has any conflicts of interest with the Company.
- 2 Mr. Yoshitaka Kato, Mr. Michio Yoneda, and Mr. Masamichi Kamimura are the candidates for the position of Outside Director who is an Audit & Supervisory Committee Member.
- 3 Mr. Yoshitaka Kato and Mr. Michio Yoneda are currently Outside Corporate Auditors of the Company. Mr. Yoshitaka Kato's term of office will be ten years and Mr. Michio Yoneda's term of office will be seven 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 and Mr. Michio Yoneda as Independent Directors and Mr. Masamichi Kamimura as a candidate for Independent Director, who have no risk of having conflicts of interest with ordinary shareholders.
- 5 The Company executed limitation of liability contracts with Mr. Yoshitaka Kato and Mr. Michio Yoneda 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"). If they are appointed to Outside Directors of the Company, the Company will continue the Limitation of Liability Contracts. In addition, if Mr. Masamichi Kamimura is appointed as Outside Director of the Company, the Company will execute a contract with him with the same content as the Limitation of Liability Contracts.
- 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 candidate is elected, he 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. 4. To elect one substitute Director who is an Audit & Supervisory Committee Member.**


If Proposal No. 1. “To make partial amendments to the Articles of Incorporation” is approved and passed as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee.

Accordingly, the election of one substitute Director who is an Audit & Supervisory Committee Member is proposed, to prepare for a situation where the number of Directors who are Audit & Supervisory Committee Members falls short of the number required by laws and regulations.

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

The effect of the election under this proposal will be subject to the amendments to the Articles of Incorporation in Proposal No. 1. “To make partial amendments to the Articles of Incorporation” taking effect.

The candidate for substitute Director who is an Audit & Supervisory Committee Member is 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
 Motoshige Itoh  (Outside Director, Independent Officer)	<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 Posts</p> <p>Outside Director of Shizuoka Financial Group, Inc.</p> <p>Outside Director of JX Nippon Mining &amp; Metals Corporation</p> <p>Outside Director of Hagoromo Foods Corporation</p> <p>[Reason for selection as a nominee for substitute Outside Director who is an Audit &amp; Supervisory Committee Member 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 undertake appropriate auditing, etc. from an independent standpoint and an objective perspective 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 who is an Audit &amp; Supervisory Committee Member of the Company, due to the reasons mentioned above.</p>	<p>December 19, 1951</p> <p>0 Shares</p>

- NOTES: 1 The above candidate has no conflicts of interest with the Company.
- 2 Mr. Motoshige Itoh is the candidate for the position of substitute Outside Director who is an Audit & Supervisory Committee Member.
- 3 Mr. Motoshige Itoh is currently an Outside Director of the Company. His term of office will be seven years at the close of this Meeting.
- 4 If Proposal No. 2. "To elect nine Directors (excluding Directors who are Audit & Supervisory Committee Members)" is approved and passed as originally proposed, Mr. Motoshige Itoh will be appointed as a Director who is not an Audit & Supervisory Committee Member. However, if the number of Directors who are Audit & Supervisory Committee Members falls short of the number required by laws and regulations, he will resign as a Director who is not an Audit &

Supervisory Committee Member and take up the position of Director who is an Audit & Supervisory Committee Member.

5 Pursuant to the regulations of the Tokyo Stock Exchange, Inc., the Company has designated Mr. Motoshige Itoh as an Independent Director, who has no risk of having conflicts of interest with ordinary shareholders. If Mr. Motoshige Itoh assumes office as Director who is an Audit & Supervisory Committee Member, the Company will continue to designate him as an Independent Director.

6 The Company executed a limitation of liability contract with Mr. Motoshige Itoh that limits his liabilities for damages 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”). If Mr. Motoshige Itoh assumes office as Outside Director who is an Audit & Supervisory Committee Member, the Company will renew the Limitation of Liability Contract.

7 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 Mr. Motoshige Itoh assumes office as Outside Director who is an Audit & Supervisory Committee Member, he will continue to be covered by the insurance contract, and the Company plans to renew the insurance contract with the same content during his term of office.

**No. 5. To set the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members).**

The Company received approval for remuneration for Directors of the Company not exceeding 1,000 million yen per annum at the 125th Ordinary General Meeting of Shareholders held on June 23, 2006. However, if Proposal No. 1. “To make partial amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee. Therefore, the Company proposes to abolish the aforementioned remuneration limit and establish a new remuneration limit for Directors (excluding Directors who are Audit & Supervisory Committee Members; the same applies hereinafter in this proposal) not exceeding 1,000 million yen per annum (including up to 150 million yen for Outside Directors). This amount does not include any remuneration received in the capacity of an employee, for Directors concurrently serving as employees.

The Company’s policies and procedures for determining compensation of senior management and Directors, presented under “3. Company Officers (2) Compensation to Directors and Corporate Auditors” in the business report. The Company has decided, at the meeting of the Board of Directors held on May 14, 2025, to make the necessary adjustments to the wording of these policies and procedures, in line with the content of the “[Reference]” section, below, upon the Company’s transition to a company with an Audit & Supervisory Committee, subject to the approval of Proposal No. 1. “To make partial amendments to the Articles of Incorporation” as originally proposed. This proposal takes account of recent economic conditions and other factors and is also in accordance with the aforementioned policy after adjustment. Moreover, it was decided by the Board of Directors after deliberation and recommendations by the Remuneration Advisory Committee, which is composed of a majority of independent Outside Directors. Its content is therefore considered reasonable.

At present, there are ten Directors (including five Outside Directors). If Proposals No. 1. “To make partial amendments to the Articles of Incorporation” and No. 2. “To elect nine Directors (excluding Directors who are Audit & Supervisory Committee Members)” are approved as originally proposed, there will be nine Directors (including four Outside Directors).

The effect of this proposal will be subject to the amendments to the Articles of Incorporation in Proposal No. 1. “To make partial amendments to the Articles of Incorporation” taking effect.



**No. 6. To set the amount of remuneration for Directors who are Audit & Supervisory Committee Members.**

If Proposal No. 1. “To make partial amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee. Therefore, the Company proposes to establish a remuneration limit for Directors who are Audit & Supervisory Committee Members after the transition not exceeding 200 million yen per annum. This proposal takes account of the responsibilities of Directors who are Audit & Supervisory Committee Members, the level of remuneration at other companies, recent economic conditions, and other factors, and its content is therefore considered reasonable.

If Proposals No. 1. “To make partial amendments to the Articles of Incorporation” and No. 3. “To elect five Directors who are Audit & Supervisory Committee Members” are approved as originally proposed, there will be five Directors who are Audit & Supervisory Committee Members.

The effect of this proposal will be subject to the amendments to the Articles of Incorporation in Proposal No. 1. “To make partial amendments to the Articles of Incorporation” taking effect.

**No. 7. To set the amount of remuneration for granting restricted stock to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors).**

The Company received approval for the payment monetary claims not exceeding 400 million yen per annum for the grant of restricted stock to Directors (excluding Outside Directors) at the 141st Ordinary General Meeting of Shareholders held on June 23, 2022.

If Proposal No. 1. “To make partial amendments to the Articles of Incorporation” is approved as originally proposed, the Company will transition to a company with an Audit & Supervisory Committee. Therefore, the Company proposes to abolish this remuneration limit for the payment monetary claims and establish a new remuneration limit to pay remuneration for the grant of restricted stock to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors; hereinafter “Eligible Directors”) after the transition to a company with an Audit & Supervisory Committee, in order to provide Eligible Directors with incentives to continually enhance the corporate value of the Company and promote further shared value with shareholders. This amount will be separate from the remuneration amount in Proposal No. 5. “To set the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members),” if Proposal No. 5. is approved as originally proposed.

Under this proposal, the remuneration paid in order to grant restricted stock to Eligible Directors shall be monetary claims, and the total amount thereof shall be an amount not exceeding 400 million yen per annum, which is an amount considered appropriate in view of the aforementioned objective. In addition, the specific timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors.

If Proposals No. 1. “To make partial amendments to the Articles of Incorporation” and No. 2. “To elect nine Directors (excluding Directors who are Audit & Supervisory Committee Members)” are approved as originally proposed, there will be five Eligible Directors.

In addition, Eligible Directors shall pay all monetary claims paid to them under this proposal as property contributed in kind, and shall receive shares of common stock of the Company through issuance or disposal, pursuant to a resolution of the Board of Directors of the Company, and the total number of shares of common stock of the Company to be issued or disposed of in this way shall not exceed 1,000,000 shares per annum (however, if, on or after the date this proposal is approved, a stock split (including a gratis allotment of common stock of the Company) or a reverse stock split is conducted in regard to the Company’s common stock, or if other circumstances arise that necessitate an adjustment to the total number of shares of common stock of the Company to be issued or disposed of as restricted stock, the Company shall adjust the total number of shares within a reasonable range).

Furthermore, the amount of monetary claims to be paid per share shall be an amount determined by the Board of Directors within a range that will not be a particularly advantageous amount for the Eligible Director who will receive the common stock, based on the closing price of the Company’s common stock on the Tokyo Stock Exchange on the business day before the date of each resolution by the Board of Directors (if there are no trades on that day, the closing price on the most recent preceding trading day). In addition, the issuance or disposal of common shares of the Company in this

way and the payment of monetary claims as property contributed in kind in exchange for them are subject to the conclusion of a restricted stock allotment agreement (hereinafter the “Allotment Agreement”) between the Company and Eligible Directors containing the content presented in “[Overview of the Allotment Agreement],” below.

This proposal takes account of the aforementioned objective, the Company’s business condition, the Company’s policies and procedures for determining compensation of senior management and Directors, and other factors. (As stated in Proposal No. 5. “To set the amount of remuneration for Directors (excluding Directors who are Audit & Supervisory Committee Members),” the Company has decided, at the meeting of the Board of Directors held on May 14, 2025, to adjust the wording of its policies and procedures for determining compensation of senior management and Directors in line with the content of the “[Reference]” section, below, subject to the approval of Proposal No. 1. “To make partial amendments to the Articles of Incorporation” as originally proposed.) Moreover, it was decided by the Board of Directors after deliberation and recommendations by the Remuneration Advisory Committee, which is composed of a majority of independent Outside Directors. Its content is therefore considered reasonable.

The effect of this proposal will be subject to the amendments to the Articles of Incorporation in Proposal No. 1. “To make partial amendments to the Articles of Incorporation” taking effect.

#### [Overview of the Allotment Agreement]

##### (1) Transfer restriction period

Eligible Directors shall not be able to transfer, create security interests on, or otherwise dispose of (hereinafter “transfer restrictions”) common stock of the Company received by allotment under the Allotment Agreement (hereinafter the “Allotted Shares”), for a period from the date of payment to the time immediately after retiring from the positions of Directors and Executive Officers not concurrently serving as Directors at the Company (hereafter the “transfer restriction period”).

##### (2) Treatment upon resignation

If an Eligible Director resigns from the position of Director and Executive Officer not concurrently serving as a Director at the Company prior to the end of a period predetermined by the Board of Directors of the Company (hereinafter the “service provision period”), the Company shall automatically acquire the Allotted Shares for the service provision period without consideration, excluding cases when the resignation is due to the end of his or her term, death, or other justifiable reason.

##### (3) Removal of transfer restrictions and acquisition without consideration

On the condition that the Eligible Director continuously served as a Director or Executive Officer not concurrently serving as a Director at the Company during the service provision period, the Company shall remove transfer restrictions on all Allotted Shares when the transfer restriction period ends. However, if the Eligible Director 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 the

service provision period owing to a justifiable reason, the Company may reasonably adjust the number of Allotted Shares from which to remove transfer restrictions and the timing of the removal of transfer restrictions, as necessary.

In addition, the Company shall automatically acquire without consideration any Allotted Shares whose transfer restrictions have not been removed immediately after the removal of transfer restrictions in accordance with the above provisions. Moreover, if the Board of Directors finds that the Eligible Director has fulfilled certain conditions defined in the Allotment Agreement, such as materially violating laws and regulations, internal rules, or the Allotment Agreement, the Company may acquire, without consideration, all or part of Allotted Shares including those whose transfer restrictions have been removed; or, if such acquisition is not possible, the Company may enforce reasonable alternative measures, such as requiring the Eligible Director to return an amount of cash equivalent to the proceeds of selling the Allotted Shares.

(4) Treatment in case of organizational restructuring, etc.

The provisions of the above item (1) notwithstanding, if, during the transfer restriction period, a merger agreement where the Company will be the merged company, share exchange agreement or share transfer plan where the Company will become a wholly owned subsidiary, or other item related to organizational restructuring, etc. is approved at a general meeting of shareholders of the Company (however, this shall be the Board of Directors of the Company if the organizational restructuring, etc. does not require approval by the general meeting of shareholders of the Company), the Company shall, by a resolution of the Board of Directors of the Company, remove transfer restrictions ahead of the effective date of the organizational restructuring, etc. on a reasonably determined number of Allotted Shares, taking into consideration the period from the start date of the transfer restriction period to the approval date of the organizational restructuring, etc. In addition, in cases provided for above, the Company shall automatically acquire without consideration any Allotted Shares whose transfer restrictions have not been removed immediately after the removal of transfer restrictions.

(5) Other matters

Other matters related to the Allotment Agreement shall be determined by the Board of Directors of the Company.

[Reference] Policies and procedures for determining compensation of senior management and Directors

1. Basic policy for remunerations of Directors, etc.

- (1) The remuneration of senior management\* and Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) shall consist of Basic Compensation as fixed compensation and Bonuses and Stock Compensation as variable compensation. The remuneration of Executive Officers who are not senior management shall be similarly composed. In addition, the remuneration of Directors who are Audit & Supervisory Committee Members and Outside Directors shall consist of Basic Compensation only.
- (2) 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.
- (3) The amount of Bonuses shall largely reflect the Company's consolidated financial results for a fiscal year in order to heighten short-term incentives to achieve the annual target of the business plans.
- (4) 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.
- (5) 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.
- (6) The remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) shall be designed so that, if the Company achieves annual consolidated core operating income of 300 billion yen, 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.

\* Senior management refers to Executive Officers at the level of Senior Managing Executive Officer and above, together with Executive Officers with specific titles who supervise certain functions directly under the Executive President.

2. Mechanisms of each remuneration element

(1) Basic Compensation

The level of Basic Compensation shall be determined based on the policy described in sections 1 (5) to (6) 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: (i) in terms of “growth,” sales revenue, total assets and market capitalization; (ii) in terms of “earnings capacity,” net income (attributable to the parent company), ROE, ROI and D/E ratio; and (iii) 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.

(2) 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>

Consolidated performance indicator (core operating income + financial profit and loss)	×	Coefficient
---	---	-------------

(3) 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>

(i) Transfer restriction period

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

(ii) 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, 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, 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.

(iii) 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).

3. Procedures for determining remuneration

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 the remuneration system, levels of remuneration, etc., so that greater transparency and fairness can be ensured regarding the remuneration.

The remuneration amount of Directors (excluding Directors who are Audit & Supervisory Committee Members) shall be set at a level not higher than 1,000 million yen per annum (including up to 150 million yen per annum for Outside Directors), which is the upper limit of a total remuneration prescribed by the resolution of the 144th Ordinary General Meeting of Shareholders held on June 20, 2025. Furthermore, the amount of remuneration to be paid to Directors (excluding Directors who are Audit & Supervisory Committee Members and Outside Directors) for granting restricted stock shall be determined within the upper limit of 400 million yen or less per annum set by resolution of the 144th Ordinary General Meeting of Shareholders held on June 20, 2025.

The Board of Directors shall deliberate on and decide the method of determining the remuneration of Directors (excluding Directors who are Audit & Supervisory Committee Members) based on the advice from the Remuneration Advisory Committee. Furthermore, the individual remuneration of senior management and Directors (excluding Directors who are Audit & Supervisory Committee Members) 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 individual remuneration of Directors who are Audit & Supervisory Committee Members shall be determined within the total remuneration limit set by resolution of the 144th Ordinary General Meeting of Shareholders held on June 20, 2025 (up to 200 million yen per annum) through discussion between the Directors who are Audit & Supervisory Committee Members.

**(Reference)**

Expertise and experience of Directors (to be complete after the close of the 144th 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
<b>Directors (excluding Directors who are Audit &amp; Supervisory Committee Members):</b>									
Keiichi Iwata	○	○		○					
Nobuaki Mito	○		○	○					
Hiroshi Niinuma					○		○	○	
Keigo Sasaki				○		○			○ (corporate communications)
Takanari Yamaguchi		○	○						○ (IT/DX)
Motoshige Itoh				○					○ (international economics) ○ (IT/DX)
Atsuko Muraki					○		○	○	
Akira Ichikawa	○			○	○				
Yumiko Noda	○			○		○			
<b>Directors who are Audit &amp; Supervisory Committee Members:</b>									
Kunio Nozaki				○		○			
Kenji Ohno					○			○	
Yoshitaka Kato				○		○		○	
Michio Yoneda	○				○				○ (financial markets)
Masamichi Kamimura					○			○	

\* 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, 2024 - March 31, 2025)

### **1. Overview of the Company Group**

#### **(1) Business Progress and Results**

The global economy maintained steady growth in FY2024 due to a recovery of production and trade especially in U.S. as a result of increased demand for generative AI and strong economic activities in service-related industry. There was a moderate recovery also in Japanese economic conditions owing to such factors as an increased demand from inbound tourists and continued strong capital investment, though an increased frugality in households slowed down growth in consumer spending in the second half of FY2024.

In these circumstances, the Group has made strong progress on the immediate-term, concentrated measures to improve business performance and fundamental structural reforms. As a result, the Group's sales revenue increased by ¥159.4 billion compared to FY2023, to ¥2,606.3 billion. In terms of profits and losses, core operating income\* was ¥140.5 billion. Operating income was ¥193.0 billion owing to a share of profit of investments accounted for using the equity method in Rabigh Refining and Petrochemical Company ("Petro Rabigh") due to debt forgiveness. Net income attributable to owners of the parent was ¥38.6 billion as a result of a loss on the waiver of the shareholder loans to Petro Rabigh. Results in every category of income significantly improved compared to FY2023. The Company's non-consolidated sales amounted to ¥856.6 billion, and net income was ¥24.2 billion.

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

The Company has decided to pay a year-end dividend of ¥6 per share. As a result, the Company's annual dividend for FY2024 is ¥9 per share, including an interim dividend of ¥3 per share, which is the same amount as the previous fiscal year.

#### **Financial Results by Business Segment**

##### **NOTES:**

1. On October 1, 2024, the Company reorganized and restructured its five business sectors of "Essential Chemicals & Plastics," "Energy & Functional Materials," "IT-related Chemicals," "Health & Crop Sciences," and "Pharmaceuticals" into four new business sectors: "Agro & Life Solutions," "ICT & Mobility Solutions," "Advanced Medical Solutions," and "Essential & Green Materials."
2. In previous fiscal years, the Group presented its results using the classifications "Essential Chemicals & Plastics," "Energy & Functional Materials," "IT-related Chemicals," "Health & Crop Sciences," "Pharmaceuticals," and "Others." From FY2024, the Group presents its results using the classifications "Agro & Life Solutions," "ICT & Mobility Solutions," "Advanced Medical Solutions," "Essential & Green Materials," "Sumitomo Pharma," and "Others." "Sumitomo Pharma" is shown as a separate reportable segment based on the IFRS disclosure standard.
3. The results for the previous fiscal year have been reclassified using the new classifications for the purpose of comparison.

#### Agro & Life Solutions

While there was a deterioration in market conditions for crop protection chemicals in the Americas, shipments remained strong in locations such as India. Moreover, market conditions for methionine (feed additives) improved compared to FY2023. As a result, sales revenue increased by ¥24.6 billion from FY2023, to ¥540.2 billion. Core operating income was ¥55.0 billion, increased by ¥28.6 billion from FY2023.

#### ICT & Mobility Solutions

Shipments of display-related materials and processing materials for semiconductors, such as high-purity chemicals and photoresists, increased because of higher demand. As a result, sales revenue increased by ¥19.6 billion from FY2023, to ¥607.0 billion. Core operating income was ¥70.6 billion, increased by ¥20.5 billion from FY2023.

#### Advanced Medical Solutions

Shipments of active pharmaceutical ingredients and intermediates remained strong. As a result, sales revenue was ¥62.1 billion, about the same level as FY2023. Core operating income was ¥4.0 billion, decreased by ¥2.1 billion from FY2023, due to an increase in fixed costs.

#### Essential & Green Materials

Selling prices for synthetic resins, methyl methacrylate and various industrial chemicals increased due to higher raw material prices. On the other hand, shipments of aluminum decreased due to the Group's exit from the business. As a result, sales revenue increased by ¥13.2 billion from FY2023 to ¥899.0 billion. Core operating income posted a loss of ¥58.5 billion, improved by ¥30.6 billion from FY2023, due to an improvement in market conditions, while there was a deterioration in the financial performance of Petro Rabigh, an affiliated company accounted for by the equity method.

#### Sumitomo Pharma

In North America, there was an increase in sales of ORGOVYX® (therapeutic agent for advanced prostate cancer), MYFEMBREE® (therapeutic agent for uterine fibroids and endometriosis) and GEMTESA® (therapeutic agent for overactive bladder). On the other hand, in Japan, sales revenue was affected by National Health Insurance (NHI) drug price revisions. As a result, sales revenue increased by ¥84.2 billion from FY2023, to ¥398.0 billion. Core operating income was ¥35.3 billion, improved by ¥161.8 billion from FY2023, because of increased sales revenue and significant reduction in selling, general and administrative expenses including research and development expenses, primarily resulting from the effects of business structure improvement through the restructuring of the Group companies in North America and the selection and concentration of research and development investments. Sales revenue and core operating income differ between this segment and Sumitomo Pharma, Co., Ltd., a subsidiary of the Company, due to the Group's contract development and manufacturing organization business for regenerative medicine and cell therapy products not being included in this segment and the Group's consolidated account processing.

#### Others

In addition to the above five segments, the Group supplies radiopharmaceuticals, electric power and steam, designs chemical plants and supervises the construction of those facilities, as well as provides transportation and warehousing. Sales revenue of these businesses increased by ¥14.1 billion from FY2023, to ¥99.9 billion. Core operating income increased by ¥55.3 billion from FY2023, to ¥66.9 billion due to transfers of shares in Nihon Medi-Physics Co., Ltd., which was a subsidiary of the Company, in Sumitomo Chemical Engineering Co., Ltd., which was a subsidiary of the Company and in Sumitomo Bakelite Co., Ltd., which was an affiliated company accounted for by the equity-method.

**Capital Expenditures**

In the fiscal year under review, the Companies' capital expenditures totaled ¥131.7 billion, which includes investments for new installations and the expansion of manufacturing facilities as well as maintenance and rationalization of existing facilities.

Major facilities completed in the fiscal year under review include the new construction of the Company's manufacturing plant for small molecule drugs in the Advanced Medical Solutions Sector and the new construction of the Company's research facility in Chiba site in the Others Sector.

Major facilities under construction in the fiscal year under review include the following: the new construction of an overseas subsidiary's semiconductor process chemical plant, the introduction of the Company's lithography device for immersion ArF photoresists, and the internalization of the Company's liquid crystal coating processes for OLED displays and polarizing film for automotive applications in the ICT & Mobility Solutions Sector.

**Financing**

To respond to financing needs during the fiscal year under review, the Company raised funds, primarily via borrowings from banks and the issue of corporate bonds.

In September 2024, the Company issued the third publicly offered hybrid bonds (subordinated bonds) with interest payment deferrable clause and optional early redemption conditions of ¥100.0 billion, as refunding securities for the redemption of the second publicly offered hybrid bonds (subordinated bonds) with interest payment deferrable clause and optional early redemption conditions of ¥100.0 billion, for which the first optional redemption date arrived in December 2024.

The balance of borrowings (including corporate bonds) decreased by ¥277.4 billion from the previous fiscal year, to ¥1,286.1 billion.

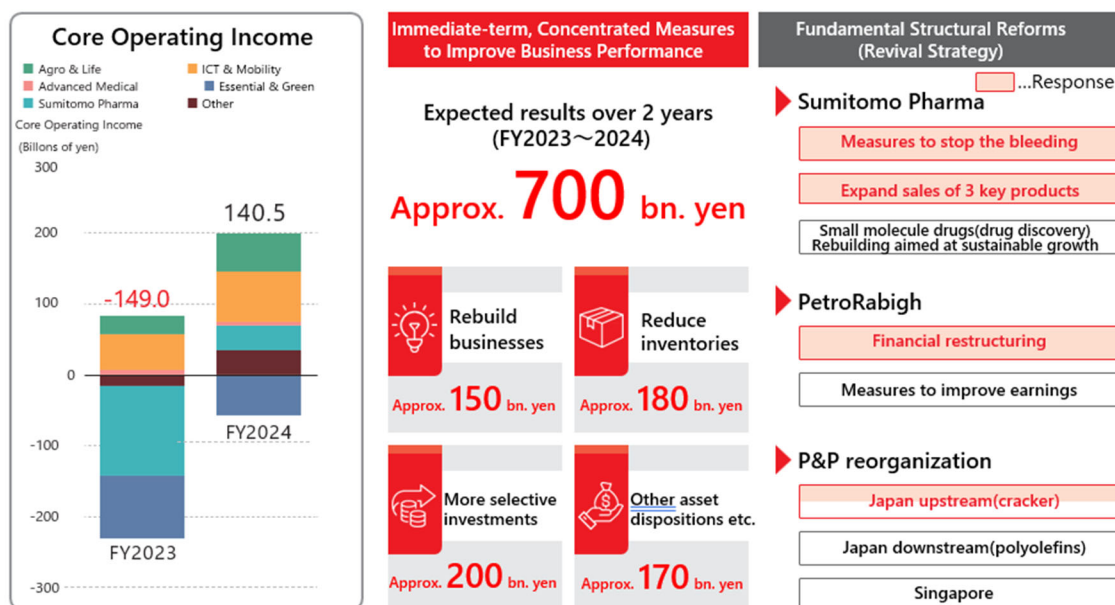
## (2) Issues to be Addressed

### FY2022–24 Corporate Business Plan: summary

In FY2023, we recorded a core operating loss of around ¥150 billion, mainly due to a market deterioration in margins in the petrochemical business, including Petro Rabigh in particular, which was compounded by Sumitomo Pharma's loss of exclusivity (patent cliff) for the atypical antipsychotic LATUDA®. By contrast, we achieved a V-shaped recovery in FY2024, with core operating income of ¥140.5 billion, thanks to the companywide implementation of our Immediate-term, concentrated measures to improve business performance and our Fundamental structural reforms.

In terms of Immediate-term, concentrated measures to improve business performance, we proceeded with consecutive sales of non-core businesses from the perspective of finding the best owner, as well as pursuing measures such as inventory reductions, selective investments, and asset dispositions. These generated approximately ¥700 billion in cash.

In terms of our Fundamental structural reforms (Revival strategy), we developed two problem-solving measures for Sumitomo Pharma and Petro Rabigh. For Sumitomo Pharma, we engaged in thorough cost reduction and expanding sales of our 3 key products, returning to profit in FY2024. For Petro Rabigh, we implemented a financial restructuring, including debt waiver. We will work on addressing the remaining challenges with the aim of resolving them during the term of FY2025-27 Corporate Business Plan.

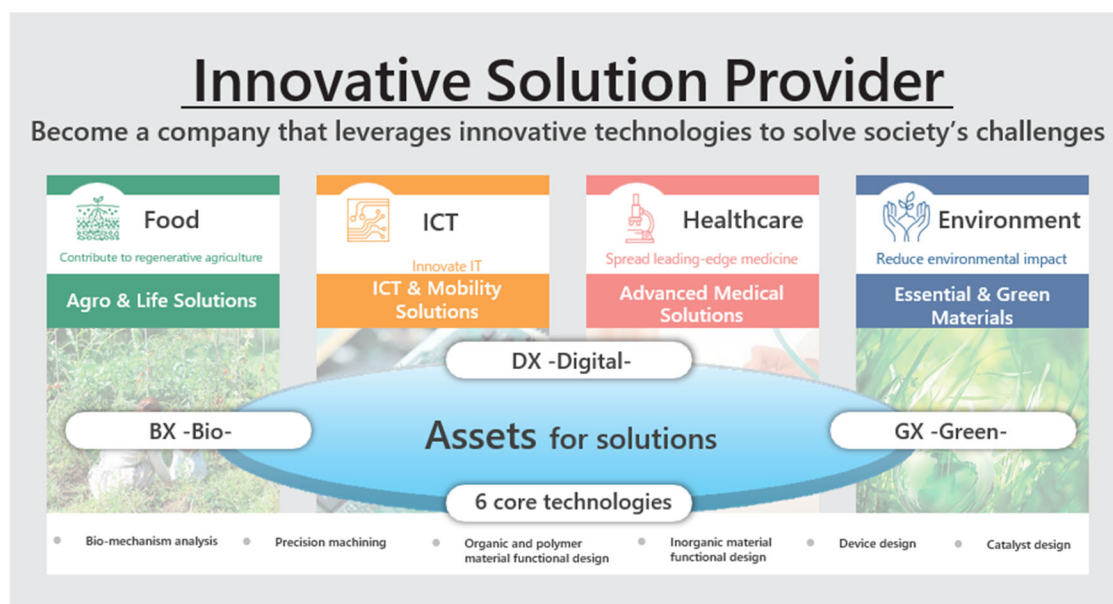


### Long-term vision

Throughout its history, the Company has upheld Sumitomo's business spirit of "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). Through this spirit, we have achieved growth while contributing to society. Based on this approach, we have established our long-term vision for the Company as an "Innovative Solution Provider" – a company that leverages innovative technologies to solve society's challenges.

To achieve this vision, we have identified food, ICT, healthcare, and the environment as societal issues we should tackle, on the basis of the technology and business assets that give the Company its distinct competitive advantages. In October 2024, we reorganized the Company's business sectors to address these four issues. By leveraging the six unique core technologies that we have developed so far, together with important assets focused on the three X's – GX, DX, and BX – driven by these technologies, we will generate solutions

from innovative products and technologies in each of these areas and provide them broadly throughout society. We will strive to continue to be a company with a global presence and aim for the sustainable improvement of corporate value.



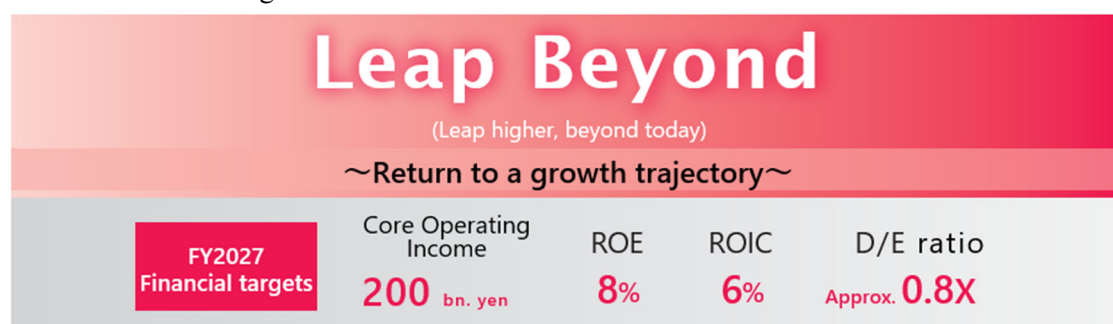
### **FY2025–27 Corporate Business Plan: companywide policies**

The slogan of our new Three-Year Corporate Business Plan is “Leap Beyond” to express our resolve to leap higher, beyond today.

With the outlook for the business environment expected to become increasingly unclear, this slogan embodies our aspiration to continue to innovate with new ideas, thereby returning to a growth trajectory and achieving sustainable growth into the future.

Under this slogan, we launched a new management structure in April this year. We will accelerate the upgrading of the Company’s business portfolio by focusing its resources on our current growth drivers, the Agro & Life Solutions Sector and the ICT & Mobility Solutions Sector. In addition, by renewing our commitment to ROIC-oriented management, we will strive to significantly improve profitability and capital efficiency.

We have established the following financial performance targets for FY2027: core operating income of ¥200 billion, net income attributable to owners of the parent of ¥100 billion, ROE of 8%, and ROIC of 6%. By pursuing initiatives in line with the five parts of our basic policy under the Corporate Business Plan, we will ensure we achieve these targets and aim even higher.



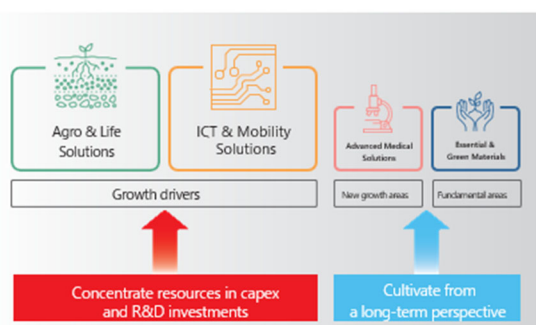
### **FY2025 - FY2027 Corporate Business Plan : Financial performance**

Account	FY2024Actual	FY2027Target	Index	FY2024Actual	FY2027Target
Sales revenue	2,606.3 bn. yen	2,400.0 bn. yen	ROE	4.1%	8%
Core operating income	140.5 bn. yen	200.0 bn. yen	ROIC	2.2%	6%
Net income attributable to owners of the parent	38.6 bn. yen	100.0 bn. yen	D/E ratio	1.2 times	0.8 to less than 0.9 times

## Basic Policy

### (1) Upgrading the Company's business portfolio through a new growth strategy

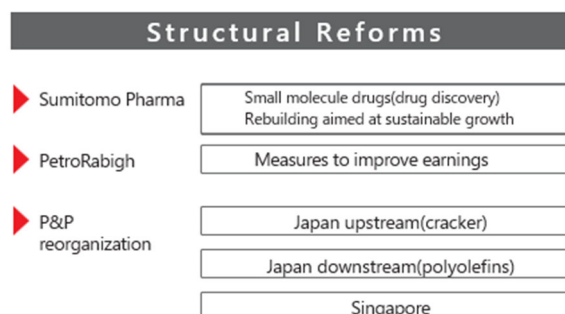
We will clarify the positioning of each business area and implement more clearly focused resource allocation accordingly. The Agro & Life Solutions Sector and the ICT & Mobility Solutions Sector will be our growth drivers for the foreseeable future. We will concentrate our capital expenditures and other strategic investments in these areas, and spend an even greater amount on related R&D. The Advanced Medical Solutions Sector will be developed as a new growth area to become the Company's third growth driver, while the Essential & Green Materials Sector will see a major shift in our focus to value creation through environmental impact reduction and related businesses.



## Basic Policy

### (2) Increasing resilience through the continuous implementation of structural reforms

We will strive to further increase the resilience of its business structure by pressing ahead with our ongoing structural reform efforts. They include improving the earning of Petro Rabigh, seeking the best partner that can contribute to the sustainable growth of Sumitomo Pharma, which has emerged from a significant loss and taken a solid step towards growth, and carrying out structural reforms of the Company's petrochemical business in Japan and Singapore.

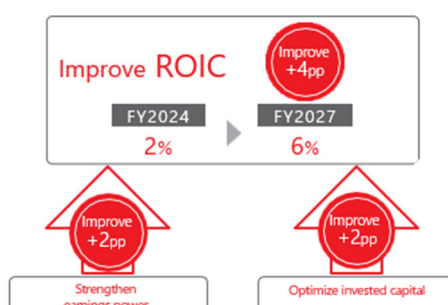


## Basic Policy

### (3) Improving financial and capital efficiency

We will renew our commitment to ROIC-oriented management, aiming for ROIC of 6% in FY2027 through stronger profitability and the optimal investment of capital.

The cash generation efforts that we have advanced as part of our short-term intensive performance improvement measures will continue under the Corporate Business Plan, as we strive to improve the Company's financial position with a target of generating cash of ¥200 billion.





In addition to the three issues above, we will also implement an R&D strategy centered on the three X's and work on enhancing the management foundation to support new growth strategy.

#### **FY2025–27 Corporate Business Plan: initiatives in each sector**

Our action plans in each sector under the Corporate Business Plan are presented below.

##### **Agro & Life Solutions Sector**

To contribute to the realization of regenerative agriculture and a sustainable society, we will accelerate the expansion of the chemical, biorational, and botanical products in which we excel. In particular, we will promote the launch, regional expansion, and sales expansion in key markets of our main fungicide, INDIFLIN<sup>®</sup>, which contributes to reducing environmental impact, and Rapidicil<sup>®</sup>, a herbicide suitable for no-till cultivation. We will also strengthen development targeted at the creation of our next blockbuster product. We aim to optimize and enhance the resilience of our domestic and international manufacturing and supply system, while also improving capital efficiency by reducing working capital and optimizing inventory.

##### **ICT & Mobility Solutions Sector**

In the semiconductor materials-related business, we will promote the development and expansion of advanced materials in line with innovations in semiconductor technology, ensuring that we capture expanding demand. In the field of compound semiconductor materials, we aim for the commercialization of next-generation power device materials to contribute to solving social issues through features such as energy conservation and higher efficiency. In the display-related materials business, we will shift to high-performance fields, expanding our business scale while also improving profit margins, with ultra-thin films and high-definition technologies. We will actively collaborate with external parties to develop new businesses, focusing on the development of advanced fields such as next-generation high-speed communication materials.

##### **Advanced Medical Solutions Sector**

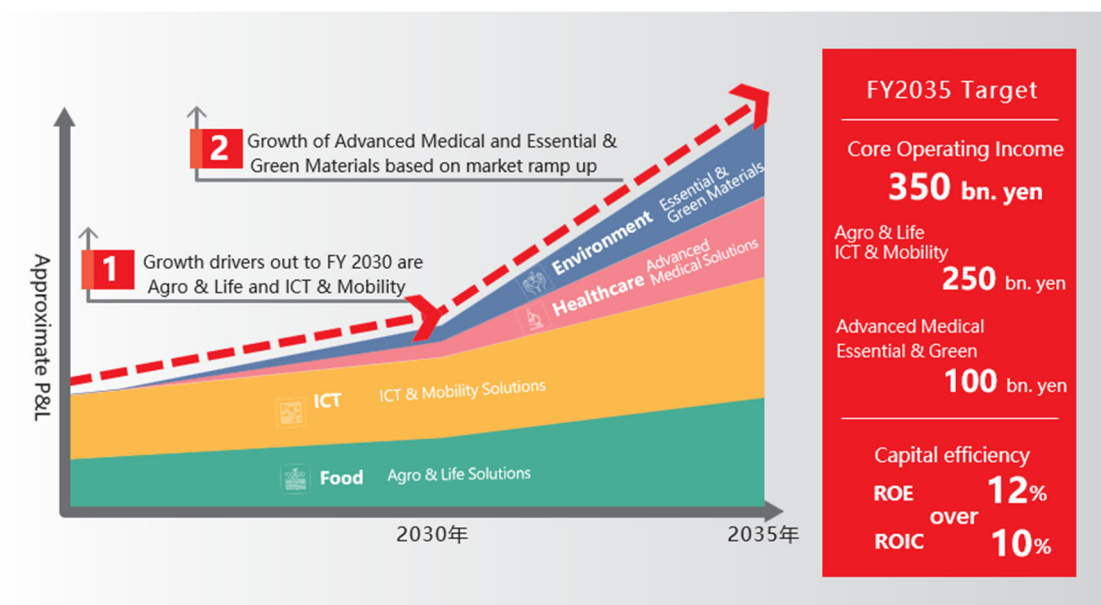
Based on our vision to provide solutions that support people's health and future through the "power of chemistry and biosciences," we will promote organic business growth by leveraging our strength in comprehensive capabilities (development, production technology, regulatory affairs, quality control and analysis) to expand sales in the advanced small molecule drugs CDMO business and to expand business opportunities in the medical oligonucleic acid CDMO business, focusing on long-chain nucleic acids. Additionally, in the regenerative medicine & cell therapies businesses, we will expand our CDMO operations through the enhancement of manufacturing facilities, while striving for the early development and commercialization of drug discovery projects to firmly establish our growth strategy in the advanced pharmaceutical field.

##### **Essential & Green Materials Sector**

In the petrochemical business in Japan and Singapore, we will work on optimizing the business structure, including corporate partnerships, and further organizing unprofitable and non-core businesses. Our goal is to complete the business restructuring during the term of the Corporate Business Plan. We also aim to strengthen profitability through the development and expansion of high-margin products. We will work to strengthen our business based in the licensing and catalyst business through collaboration with other companies, developing it into a key business. In terms of providing solutions for reducing environmental impact, we will focus on research and development, promote activities aimed at market expansion, and reinforce efforts to secure raw materials that are not sourced from fossil fuels, thereby building on our business base.

### Toward sustainable growth

Until 2030, the Agro & Life Solutions Sector and ICT & Mobility Solutions Sector will drive growth in our portfolio, but after 2030, our solutions in the healthcare and environmental fields will also play a major role, as we aim to be a newborn specialty chemicals company with a strong global presence. By sustainably improving corporate value, we will fulfill the expectations of all our stakeholders.



### (3) Assets and Income

#### 1) Trends in assets and income of the Group

Item	The 141st term (April 1, 2021 to March 31, 2022)	The 142nd term (April 1, 2022 to March 31, 2023)	The 143rd term (April 1, 2023 to March 31, 2024)	The 144th term (April 1, 2024 to March 31, 2025)
IFRS				
Sales revenue (Billions of yen)	2,765.3	2,895.3	2,446.9	2,606.3
Core operating income (Billions of yen)	234.8	92.8	(149.0)	140.5
Net income attributable to owners of the parent (Billions of yen)	162.1	7.0	(311.8)	38.6
Basic earnings per share	99.16 yen	4.27 yen	(190.69) yen	23.59 yen
ROE	14.5%	0.6%	(29.2)%	4.1%
Equity attributable to owners of the parent (Billions of yen)	1,218.1	1,171.2	965.8	900.8
Total equity (Billions of yen)	1,702.0	1,489.2	1,164.4	1,074.4
Total assets (Billions of yen)	4,308.2	4,165.5	3,934.8	3,439.8

#### 2) Trends in assets and income of the Company

Item	The 141st term (April 1, 2021 to March 31, 2022)	The 142nd term (April 1, 2022 to March 31, 2023)	The 143rd term (April 1, 2023 to March 31, 2024)	The 144th term (April 1, 2024 to March 31, 2025)
Japanese GAAP				
Net sales (Billions of yen)	797.4	894.4	809.6	856.6
Ordinary income (Billions of yen)	68.5	69.5	53.4	84.9
Net income (Billions of yen)	61.7	50.4	8.7	24.2
Net income per share	37.76 yen	30.85 yen	5.32 yen	14.77 yen
Net assets (Billions of yen)	368.8	378.0	370.4	393.9
Total assets (Billions of yen)	1,740.1	1,772.9	1,899.6	1,816.9

**(4) Principal Businesses** (as of March 31, 2025)

Business sector	Major products and businesses
Agro & Life Solutions	Crop protection chemicals, fertilizers, agricultural materials, household insecticides, products for control of infectious diseases, feed additives, etc.
ICT & Mobility Solutions	Optical products, semiconductor processing materials, compound semiconductor materials, touch screen sensor panels, high-purity aluminum and alumina, specialty chemicals, additives, engineering plastics, battery materials, etc.
Advanced Medical Solutions	Contract development and manufacturing organization business for small-molecule active ingredients and intermediates, oligonucleic acid drug substances, and regenerative medicine and cell therapy products, etc.
Essential & Green Materials	Synthetic resins, raw materials for synthetic fibers, various industrial chemicals, methyl methacrylate products, synthetic resin processed products, industrial aluminum and alumina, synthetic rubber, etc.
Sumitomo Pharma	Small molecule pharmaceuticals

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

**(5) Principal Business Locations** (as of March 31, 2025)

1) The Company

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

- NOTES: 1 Oita Works includes Okayama Plant and Gifu Plant. On April 1, 2025, Okayama Plant and Gifu Plant were reorganized into Okayama Works and Gifu Works, respectively.
- 2 Research laboratories are shown as corporate research facilities. There also exist business sector research laboratories, such as the Agro & Life Solutions Research Laboratory (Hyogo).
- 3 On October 1, 2024, the Health & Crop Sciences Research Laboratory was renamed the Agro & Life Solutions Research Laboratory, the IT-related chemicals Research Laboratory was renamed the ICT & Mobility Solutions Research Laboratory, and the Essential Chemicals & Plastics Research Laboratory was renamed the Essential & Green Materials Research Laboratory. The Energy & Functional Materials Research Laboratory was abolished and the Advanced Medical Solutions Research Laboratory was newly established.

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 Valent U.S.A. LLC Sumika Semiconductor Materials Texas Inc. Sumitomo Pharma America, 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 Sumitomo Pharma Switzerland 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, 2025)**

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 and household insecticides and manufacture of crop protection chemicals
Sumitomo Chemical America, Inc.	USD 690,092 thousand	100.00	Investment in related companies in the United States and sale of chemical products
Valent North America LLC	USD 409,574 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
Valent U.S.A. LLC	USD 81,691 thousand	100.00 (100.00)	Development and sale of crop protection chemicals, etc.
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 291,716 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 130,000 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 PCS (Pte.) Ltd.
Sumitomo Pharma Co., Ltd.	JPY 22,400 million	51.78	Manufacture and sale of pharmaceuticals
Sumitomo Pharma America, Inc.	USD 2,808,809 thousand	100.00 (100.00)	Manufacture and sale of pharmaceuticals
Sumitomo Pharma UK Holdings, Ltd.	USD 371,102 thousand	100.00 (100.00)	Investment in affiliated companies conducting research and development and managing outsourced production of pharmaceuticals
Sumitomo Pharma Switzerland GmbH	USD 1,015,312 thousand	100.00 (100.00)	Manufacture and sale of pharmaceuticals
Urovant Sciences GmbH	USD 1,198,609 thousand	100.00 (100.00)	Research and development of pharmaceuticals

Company name	Capital	Ratio of voting rights (%)	Principal business
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 optical functional films and sputtering targets, research and development, and sale of color resists, and sale of photoresists and other products
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 80,388 thousand	100.00	Sale, etc. of crop protection chemicals
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, promotion and sales of crop protection products, feed additives and household insecticides and manufacture of crop protection chemicals
Koei Chemical Co., Ltd.	JPY 2,343 million	56.03 (0.12)	Manufacture and sale of pharmaceutical and crop protection related chemicals and functional chemicals, etc.
Taoka Chemical Co., Ltd.	JPY 1,572 million	50.90 (0.29)	Manufacture and sale of fine chemicals, functional materials, resin additives, etc.

Valent U.S.A. LLC is presented as a material subsidiary beginning from the fiscal year ended March 31, 2025.

- 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, Valent U.S.A. LLC, CDT Holdings Limited, Cambridge Display Technology Limited, Sumika Semiconductor Materials Texas Inc., Sumitomo Pharma America, Inc., Sumitomo Pharma UK Holdings, Ltd., Sumitomo Pharma Switzerland GmbH, and Urovant Sciences GmbH are shown as paid-in capital.

**(7) Employees (as of March 31, 2025)**

**1) Employees of the Group**

Business category	Number of employees (Persons)	Notes
Agro & Life Solutions	7,366	
ICT & Mobility Solutions	9,620	
Advanced Medical Solutions	2,115	
Essential & Green Materials	3,609	
Sumitomo Pharma	3,828	
Others	1,344	
Companywide shared	1,397	
Total	29,279	The number of employees decreased by 2,882 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	
6,669	42.1	16.3	The number of employees decreased by 37 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, 2025)**

Source of borrowing	Amount of borrowing (Balance) (Billions of yen)
Sumitomo Mitsui Banking Corporation	1,010
Sumitomo Mitsui Trust Bank, Limited	726
The Norinchukin Bank	691
Development Bank of Japan Inc.	640
Mizuho Bank, Ltd.	243

NOTES: 1 The amount of borrowing listed above includes loans from overseas subsidiaries of the sources.  
2 Aside from the above, there are 153.0 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, 2025)

- (1) **Total number of shares authorized to be issued** 5,000,000,000 shares
- Total number of shares outstanding** 1,657,217,608 shares  
(including 20,517,033 shares of the Company's treasury shares)
- (2) **Number of shareholders** 274,748 persons
- (3) **Major shareholders**

Shareholder name	Number of shares	Shareholding ratio
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust account)	251,986	15.39
Custody Bank of Japan, Ltd. (Trust account)	102,373	6.25
Sumitomo Life Insurance Company	71,000	4.33
Nippon Life Insurance Company	41,031	2.50
Sumitomo Chemical Employee Stock Ownership Plan	31,212	1.90
BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1	30,995	1.89
JPMorgan Securities Japan Co., Ltd.	29,422	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
STATE STREET BANK AND TRUST COMPANY 505001	24,344	1.48
The Norinchukin Bank	21,825	1.33

NOTE: The Company's treasury shares (20,517,033 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)	304,282 shares	5
Executive Officers (excluding non-residents of Japan)	464,181 shares	30

### 3. Company Officers

#### (1) Directors and Corporate Auditors (as of March 31, 2025)

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 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, Sustainability, Human Resources, Osaka Office Administration Director of Sumitomo Pharma Co., Ltd.
Director (Concurrently serving as Senior Managing Executive Officer)	Noriaki Takeshita	Supervision of Corporate Planning, IT Innovation General Manager of Corporate Planning Office Deputy Chairman of Rabigh Refining and Petrochemical Company
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 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	
Director (Outside Director, Independent Officer)	Akira Ichikawa	Representative Director, Chairman of the Board of Sumitomo Forestry Co., Ltd. Outside Director of Konica Minolta, Inc.

Position	Name	Areas of responsibility and significant concurrent positions
Director (Outside Director, Independent Officer)	Yumiko Noda	Chairman and Representative Director of Veolia Japan GK Outside Director of Mizuho Financial Group, Inc. Outside Director of East Japan Railway Company
Standing Corporate Auditor	Kunio Nozaki	
Standing Corporate Auditor	Hironobu Nishi	
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Mitsuhiro Aso	Attorney
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Yoshitaka Kato	Certified Public Accountant Outside Audit & Supervisory Board Member of Japan Petroleum Exploration Co., Ltd.
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Michio Yoneda	Outside Director of Toyo Tire Corporation

- NOTES:
- 1 Of the Directors, Mr. Hiroshi Tomono, Mr. Motoshige Itoh, Ms. Atsuko Muraki, Mr. Akira Ichikawa, and Ms. Yumiko Noda 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, Ms. Yumiko Noda, 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 There are no special interests between the Company and the companies where Outside Directors and Outside Corporate Auditors hold 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
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
Representative Director (Concurrently serving as Senior Managing Executive Officer)	Motoyuki Sakai	Supervision of Energy & Functional Materials Sector
Representative Director (Concurrently serving as Senior Managing Executive Officer)	Seiji Takeuchi	Supervision of Essential Chemicals & Plastics Sector, Business Development for a Circular System for Plastics Director of Rabigh Refining and Petrochemical Company

(Retired on June 21, 2024 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, 2025 are as follows.

Position	Name	Areas of responsibility and significant concurrent positions
Representative Director, Chairman	Keiichi Iwata	
Representative Director	Hiroshi Ueda	
Director & Counselor	Masakazu Tokura	Chairman of KEIDANREN (Japan Business Federation)
Director (Concurrently serving as Executive Vice President)	Hiroshi Niinuma	Supervision of General Affairs, External Relations, Legal, Sustainability, Human Resources, Osaka Office Administration Director of Sumitomo Pharma Co., Ltd.
Director	Noriaki Takeshita	Deputy Chairman of Rabigh Refining and Petrochemical Company
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 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	
Director (Outside Director, Independent Officer)	Akira Ichikawa	Representative Director, Chairman of the Board of Sumitomo Forestry Co., Ltd. Outside Director of Konica Minolta, Inc.
Director (Outside Director, Independent Officer)	Yumiko Noda	Chairman and Representative Director of Veolia Japan GK Outside Director of Mizuho Financial Group, Inc. Outside Director of East Japan Railway Company
Standing Corporate Auditor	Kunio Nozaki	
Standing Corporate Auditor	Hironobu Nishi	
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Mitsuhiro Aso	Attorney
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Yoshitaka Kato	Certified Public Accountant Outside Audit & Supervisory Board Member of Japan Petroleum Exploration Co., Ltd.
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Michio Yoneda	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 original 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.

#### **(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)  
 Mayumi Noda (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)	14 persons (5 persons)	500 million yen (70 million yen)	397 million yen (70 million yen)	-	103 million yen (-)
Corporate Auditors (Of which, Outside Corporate Auditors)	5 persons (3 persons)	119 million yen (42 million yen)	119 million yen (42 million yen)	-	-
Total	19 persons	619 million yen	516 million yen	-	103 million yen

- NOTES:
1. The above number of persons and amount of compensation includes four Directors 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. Bonuses (performance-linked remuneration) based on performance for the fiscal year under review have not been paid.
  4. Stock Compensation (non-monetary remuneration) shows the amount charged in the fiscal year under review as restricted stock compensation.
  5. The Representative Director, Chairman and Representative Director, President voluntarily returned 10% of their monthly basic compensation from November 2023 to April 2024. From May 2024 to October 2024, the monthly basic compensation of the Representative Director, Chairman and Representative Director, President will be reduced by 20%, and the monthly basic compensation of other Directors (including Outside Directors) and Executive Officers will be reduced by 5 to 10%.



**(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, 2025)

Position	Name	Areas of responsibility
Executive President	Nobuaki Mito	Supervision of Advanced Medical Solutions Sector
Executive Vice President	Masaki Matsui	Supervision of ICT & Mobility Solutions Sector
Senior Managing Executive Officer	Seiji Takeuchi	Supervision of Essential & Green Materials Sector, Business Development for a Circular System for Plastics
Senior Managing Executive Officer	Keigo Sasaki	Supervision of Corporate Communications, Corporate Planning, Accounting, Finance, General Manager of Corporate Planning Office
Senior Managing Executive Officer	Takanari Yamaguchi	Supervision of Research Planning and Coordination, DX Acceleration, Intellectual Property, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory
Managing Executive Officer	Kenji Ohno	Supervision of Internal Control and Audit, Procurement, Logistics, In charge of Legal Dept.
Managing Executive Officer	Hirokazu Murata	In charge of Ehime Works, General Manager of Ehime Works
Managing Executive Officer	Koichi Ogino	Supervision of Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Engineering, Responsible Care

Position	Name	Areas of responsibility
Managing Executive Officer	Juan Ferreira	In charge of AgroSolutions Div. – International
Managing Executive Officer	Akira Nakanishi	Engaged in Sumitomo Chemical Advanced Technologies LLC, Sumika Semiconductor Materials Texas Inc.
Managing Executive Officer	Masao Shimizu	In charge of Human Resources Dept., Osaka Office Administration Dept.
Managing Executive Officer	Kanako Fukuda	In charge of Sustainability Dept., General Manager of Sustainability Dept.
Managing Executive Officer	Hiroyoshi Mukai	In charge of Planning & Coordination Office, Advanced Medical Solutions Sector, Pharma Solutions Div.
Managing Executive Officer	Satoshi Honda	In charge of Electronic Materials Div., Advanced Inorganic Products Div., Ibaraki Works
Managing Executive Officer	Yoshihiro Ino	In charge of Planning & Coordination Office, Essential & Green Materials Sector
Managing Executive Officer	Tetsuo Takahashi	In charge of Planning & Coordination Office, Rabigh Business, Essential Materials Div.
Managing Executive Officer	Takeo Kitayama	In charge of Resin- related Business Development Dept., Polyolefins Div., Automotive Materials Div., MMA Div.
Managing Executive Officer	Noriaki Oku	In charge of Chiba Works, General Manager of Chiba Works
Managing Executive Officer	Junpei Tsuji	In charge of Research Planning & Coordination Office, Business Development Office for Circular Carbon Economy
Managing Executive Officer	Tadashi Katayama	Supervision of Agro & Life Solutions Sector
Executive Officer	Tomoyuki Hirayama	In charge of General Affairs Dept., External Relations Dept., General Manager of External Relations Dept.
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

Position	Name	Areas of responsibility
Executive Officer	Shinichi Takemura	In charge of Optical Materials Div., ICT & Mobility Solutions Research Laboratory
Executive Officer	Sawa Matsubara	In charge of Finance Dept.
Executive Officer	Masao Inoue	In charge of AgroSolutions Div. - Japan, Environmental Health Div.
Executive Officer	Jongchan Lee	Engaged in Dongwoo Fine-Chem
Executive Officer	Kazunori Itabashi	In charge of Planning & Coordination Office, Agro & Life Solutions Sector, General Manager of Planning & Coordination Office, Agro & Life Solutions Sector
Executive Officer	Yuji Kato	In charge of Corporate Planning Office (Business Development), Planning & Coordination Office, Advanced Medical Solutions Sector, General Manager of Corporate Planning Office (Business Development)
Executive Officer	Shigenori Saito	In charge of Corporate Planning Office (Strategic Planning), General Manager of Corporate Planning Office (Strategic Planning)
Executive Officer	Kunishige Edamatsu	In charge of Planning & Coordination Office, ICT & Mobility Solutions Sector, General Manager of Planning & Coordination Office, ICT & Mobility Solutions Sector
Executive Officer	Koji Yano	In charge of Osaka Works, General Manager of Osaka Works
Executive Officer	Toshiaki Taki	In charge of Oita Works, Okayama Works, Gifu Works, General Manager of Oita Works
Executive Officer	Atsushi Iwata	In charge of Planning & Coordination Office, Agro & Life Solutions Sector, Agro & Life Solutions Research Laboratory, Research Director of Agro & Life Solutions Research Laboratory

#### 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 17 Board of Directors meeting 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 business structure reforms, 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 16 out of 17 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, business structure reforms, 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 17 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, sustainability, and business structure reforms. 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 17 Board of Directors meetings held during the fiscal year under review 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, business structure reforms, 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.
	Yumiko Noda	Ms. Yumiko Noda is expected to mainly oversee management and provide advice from an experienced management perspective. She attended all 13 Board of Directors meetings held since her appointment and actively made statements from such perspective. Specifically, she provided oversight and advice based on an extensive view on overall management, regarding agenda items such as global management, business structure reforms, important investments, finance, sustainability, and risk management. 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.
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 all 17 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
	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 17 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.
	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 17 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.

## Consolidated Financial Statements

### Consolidated Statement of Financial Position

			(Millions of Yen)		
<b>Assets</b>	144th term (As of March 31, 2025)	(Reference) 143rd term (As of March 31, 2024)	<b>Liabilities</b>	144th term (As of March 31, 2025)	(Reference) 143rd term (As of March 31, 2024)
<b>Current assets:</b>	<b>1,583,134</b>	<b>1,675,882</b>	<b>Current liabilities:</b>	<b>1,038,747</b>	<b>1,443,487</b>
Cash and cash equivalents	209,838	217,449	Bonds and borrowings	252,892	585,905
Trade and other receivables	593,836	620,022	Trade and other payables	488,132	543,384
Other financial assets	45,015	31,338	Other financial liabilities	81,364	77,610
Inventories	625,243	709,637	Income taxes payable	10,627	8,545
Other current assets	49,993	79,077	Provisions	89,711	90,919
Subtotal	1,523,925	1,657,523	Other current liabilities	109,360	129,087
Assets held for sale	59,209	18,359	Subtotal	1,032,086	1,435,450
<b>Non-current assets:</b>	<b>1,856,650</b>	<b>2,258,936</b>	Liabilities directly associated with assets held for sale	6,661	8,037
Property, plant and equipment	759,266	796,526	<b>Non-current Liabilities:</b>	<b>1,326,622</b>	<b>1,326,965</b>
Goodwill	257,811	263,757	Bonds and borrowings	1,033,236	977,581
Intangible assets	239,319	272,921	Other financial liabilities	91,157	100,144
Investments accounted for using equity method	287,977	319,988	Retirement benefit liabilities	24,841	30,589
Other financial assets	177,405	412,747	Provisions	25,974	46,059
Retirement benefit asset	72,618	110,390	Deferred tax liabilities	111,048	121,146
Deferred tax assets	34,608	37,070	Other non-current liabilities	40,366	51,446
Other non-current assets	27,646	45,537	<b>Total liabilities</b>	<b>2,365,369</b>	<b>2,770,452</b>
			<b>Equity</b>		
			<b>Equity attributable to owners of the parent:</b>	<b>900,790</b>	<b>965,753</b>
			Share capital	90,059	89,938
			Capital surplus	—	237
			Retained earnings	640,611	578,175
			Treasury shares	(8,361)	(8,355)
			Other components of equity	174,871	304,033
			Other comprehensive income associated with assets held for sale	3,610	1,725
			<b>Non-controlling interests</b>	<b>173,625</b>	<b>198,613</b>
<b>Total assets</b>	<b>3,439,784</b>	<b>3,934,818</b>	<b>Total equity</b>	<b>1,074,415</b>	<b>1,164,366</b>
			<b>Total liabilities and equity</b>	<b>3,439,784</b>	<b>3,934,818</b>



**Consolidated Statement of Profit or Loss**

		(Millions of Yen)
	144th term (April 1, 2024 to March 31, 2025)	(Reference) 143rd term (April 1, 2023 to March 31, 2024)
<b>Sales revenue</b>	<b>2,606,281</b>	<b>2,446,893</b>
Cost of sales	(1,880,805)	(1,947,198)
<b>Gross profit</b>	<b>725,476</b>	<b>499,695</b>
Selling, general and administrative expenses	(601,074)	(887,124)
Other operating income	97,341	27,935
Other operating expenses	(49,349)	(71,934)
Share of profit (loss) of investments accounted for using the equity method	20,639	(57,398)
<b>Operating income (loss)</b>	<b>193,033</b>	<b>(488,826)</b>
Finance income	17,650	72,997
Finance expenses	(152,590)	(46,963)
<b>Income (loss) before taxes</b>	<b>58,093</b>	<b>(462,792)</b>
Income tax expenses	(15,405)	(2,657)
<b>Net income (loss)</b>	<b>42,688</b>	<b>(465,449)</b>
<b>Net income (loss) attributable to:</b>		
Owners of the parent	38,591	(311,838)
Non-controlling interests	4,097	(153,611)
<b>Net income (loss)</b>	<b>42,688</b>	<b>(465,449)</b>

## **Consolidated Statement of Changes in Equity**

(From April 1, 2024 to March 31, 2025)

(Millions of Yen)

	Equity attributable to owners of the parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance at April 1, 2024	89,938	237	578,175	(8,355)
Net income	—	—	38,591	—
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	38,591	—
Issuance of new shares	120	120	—	—
Purchase of treasury shares	—	—	—	(6)
Disposal of treasury shares	—	(0)	—	0
Dividends	—	—	(9,818)	—
Changes resulting from additions to consolidation	—	—	—	—
Changes resulting from loss of control of subsidiaries	—	—	115	—
Change in interest due to transactions with non-controlling interests	—	(1,413)	—	—
Transfer from other components of equity to retained earnings	—	—	34,604	—
Transfer to other comprehensive income associated with assets held for sale	—	—	—	—
Transfer of negative balance of other capital surplus	—	1,056	(1,056)	—
Total transactions with owners	120	(237)	23,845	(6)
Balance at March 31, 2025	90,059	—	640,611	(8,361)

	Equity attributable to owners of the parent						
	Other components of equity					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	Total		
Balance at April 1, 2024	83,448	—	319	220,266	304,033	1,725	965,753
Net income	—	—	—	—	—	—	38,591
Other comprehensive income	(25,304)	(22,303)	(232)	(40,803)	(88,642)	(3,916)	(92,558)
Total comprehensive income	(25,304)	(22,303)	(232)	(40,803)	(88,642)	(3,916)	(53,967)
Issuance of new shares	—	—	—	—	—	—	240
Purchase of treasury shares	—	—	—	—	—	—	(6)
Disposal of treasury shares	—	—	—	—	—	—	0
Dividends	—	—	—	—	—	—	(9,818)
Changes due to new consolidation	—	—	—	—	—	—	—
Loss of control of subsidiaries	—	—	—	—	—	(115)	—
Transactions with non-controlling interests	—	—	—	—	—	—	(1,413)
Transfer from other components of equity to retained earnings	(56,907)	22,303	—	—	(34,604)	—	—
Transfer to other comprehensive income associated with assets held for sale	(51)	—	—	(5,865)	(5,916)	5,916	—
Transfer of negative balance of other capital surplus	—	—	—	—	—	—	—
Total transactions with owners	(56,958)	22,303	—	(5,865)	(40,520)	5,801	(10,996)
Balance at March 31, 2025	1,186	—	87	173,598	174,871	3,610	900,790

	Non-controlling interests	Total equity
Balance at April 1, 2024	198,613	1,164,366
Net income	4,097	42,688
Other comprehensive income	(4,752)	(97,310)
Total comprehensive income	(655)	(54,622)
Issuance of new shares	—	240
Purchase of treasury shares	—	(6)
Disposal of treasury shares	—	0
Dividends	(11,695)	(21,513)
Changes due to new consolidation	(154)	(154)
Loss of control of subsidiaries	(7,869)	(7,869)
Transactions with non-controlling interests	(4,615)	(6,028)
Transfer from other components of equity to retained earnings	—	—
Transfer to other comprehensive income associated with assets held for sale	—	—
Transfer of negative balance of other capital surplus	—	—
Total transactions with owners	(24,333)	(35,329)
Balance at March 31, 2025	173,625	1,074,415

## Non-consolidated Financial Statements

<u>Non-consolidated Balance Sheet</u>			(Millions of Yen)		
<b>Assets</b>	144th term (As of March 31, 2025)	(Reference) 143rd term (As of March 31, 2024)	<b>Liabilities</b>	144th term (As of March 31, 2025)	(Reference) 143rd term (As of March 31, 2024)
<b>Current assets:</b>	<b>723,191</b>	<b>709,482</b>	<b>Current liabilities:</b>	<b>585,601</b>	<b>646,486</b>
Cash on hand and in banks	85,714	68,957	Trade notes payable	1,419	2,050
Trade notes receivable	349	738	Trade accounts payable	140,273	158,206
Trade accounts receivable	233,583	232,274	Short-term borrowing	174,341	198,316
Merchandise and finished goods	188,939	205,579	Bonds due within one year	—	20,000
Work in process	1,133	1,221	Commercial paper	37,000	74,000
Raw materials and supplies	63,039	64,721	Non-trade accounts payable	86,244	92,528
Non-trade accounts receivable	91,640	90,981	Accrued expenses	12,296	13,578
Other	64,042	59,845	Deposits received	73,559	67,242
Allowance for doubtful receivables	(5,248)	(14,833)	Advances received	8,820	3,382
			Reserve for loss on sale of shares of subsidiaries and associates	22,815	—
<b>Non-current assets:</b>	<b>1,093,741</b>	<b>1,190,149</b>	Reserve for repairs	11,975	7,328
<b>Property, plant and equipment:</b>	<b>239,846</b>	<b>223,085</b>	Reserve for bonuses	10,950	7,850
Buildings	60,189	45,259	Reserve for removal cost of property, plant and equipment	2,511	760
Structures	23,331	23,030	Reserve for loss on business of subsidiaries and affiliates	1,794	—
Machinery and equipment	74,444	69,846	Other	1,605	1,246
Vehicles	319	258	<b>Non-current Liabilities:</b>	<b>837,417</b>	<b>882,728</b>
Tools and furniture	13,593	11,101	Bonds	480,000	480,000
Land	45,428	47,615	Long-term borrowing due after one year	281,580	344,580
Leased assets	132	92	Deferred tax liabilities	42,423	19,962
Construction in progress	22,410	25,883	Long-term deposits received	6,945	7,150
			Long-term advances received	6,424	5,152
<b>Intangible assets:</b>	<b>21,779</b>	<b>22,964</b>	Reserve for removal cost of property, plant and equipment	11,890	15,387
Patent	1,017	105	Reserve for business restructuring	4,360	—
Software	15,834	17,403	Reserve for environmental measures	1,004	1,300
Goodwill	1,226	1,324	Reserve for repairs	697	2,397
Other	3,703	4,132	Reserve for loss on business of subsidiaries and affiliates	32	4,882
<b>Investments and other non-current assets:</b>	<b>832,116</b>	<b>944,100</b>	Other	2,063	1,918
Investment securities	76,403	63,266	<b>Total liabilities</b>	<b>1,423,017</b>	<b>1,529,214</b>
Investments in subsidiaries and affiliates	601,213	614,423	<b>Net assets</b>		
Investments in capital	587	588	<b>Shareholders' equity:</b>	<b>353,586</b>	<b>338,995</b>
Investments in subsidiaries and affiliates' capital	38,596	47,780	<b>Common stock</b>	<b>90,059</b>	<b>89,938</b>
Long-term loans receivable	34	113,603	<b>Capital surplus:</b>	<b>24,057</b>	<b>23,937</b>
			Additional paid-in capital	24,055	23,935
Long-term prepaid expenses	6,120	13,187	Other capital surplus	2	2
Prepaid pension expense	104,137	85,282	<b>Retained earnings:</b>	<b>247,831</b>	<b>233,475</b>
Other	5,606	6,571	Legal reserve	21,361	21,361
Allowance for doubtful receivables	(579)	(598)	Other retained earnings	226,470	212,114
			General reserve	130,000	130,000
			Retained earnings brought forward	96,470	82,114
			<b>Treasury stock</b>	<b>(8,361)</b>	<b>(8,355)</b>
			<b>Valuation and translation adjustments:</b>	<b>40,328</b>	<b>31,422</b>
			Valuation difference on available-for-sale securities	40,328	31,252
			Deferred gains on hedges	—	171
<b>Total assets</b>	<b>1,816,932</b>	<b>1,899,631</b>	<b>Total net assets</b>	<b>393,915</b>	<b>370,418</b>
			<b>Total liabilities and net assets</b>	<b>1,816,932</b>	<b>1,899,631</b>

## Non-consolidated Statement of Income

		(Millions of Yen)
	144th term (April 1, 2024 to March 31, 2025)	(Reference) 143rd term (April 1, 2023 to March 31, 2024)
Net sales	856,554	809,559
Cost of sales	655,552	664,331
<b>Gross profit</b>	<b>201,002</b>	<b>145,228</b>
Selling, general and administrative expenses	141,349	142,789
<b>Operating income</b>	<b>59,653</b>	<b>2,439</b>
Non-operating income	64,117	82,053
Interest and dividend income	57,095	63,530
Foreign exchange gain	—	14,090
Other income	7,022	4,433
Non-operating expenses	38,885	31,067
Interest expense	13,786	10,507
Cost of inactive facilities	6,867	3,861
Derivative losses	3,296	12,093
Foreign exchange losses	623	—
Amortization of long-term prepaid expenses	6,954	915
Other expenses	7,359	3,691
<b>Ordinary income</b>	<b>84,885</b>	<b>53,425</b>
Special gains	118,708	53,536
Gain on sale of shares and investments in capital of subsidiaries and associates	66,728	23,685
Gain on sale of investment securities	40,203	29,851
Gain on sale of non-current assets	11,777	—
Special losses	160,694	96,807
Loss on waiver for a loan to subsidiaries and associates	111,853	—
Loss on related business	25,700	23,182
Impairment loss	8,015	57,004
Loss on sale of shares and investments in capital of subsidiaries and associates	5,598	—
Loss on disposal of non-current assets	5,168	11,221
Provision for business restructuring	4,360	—
Loss on valuation of investment securities	—	5,400
<b>Income before income taxes</b>	<b>42,899</b>	<b>10,154</b>
Income taxes – current	981	2,547
Income taxes – deferred	17,743	(1,097)
<b>Net income</b>	<b>24,174</b>	<b>8,704</b>

### 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.