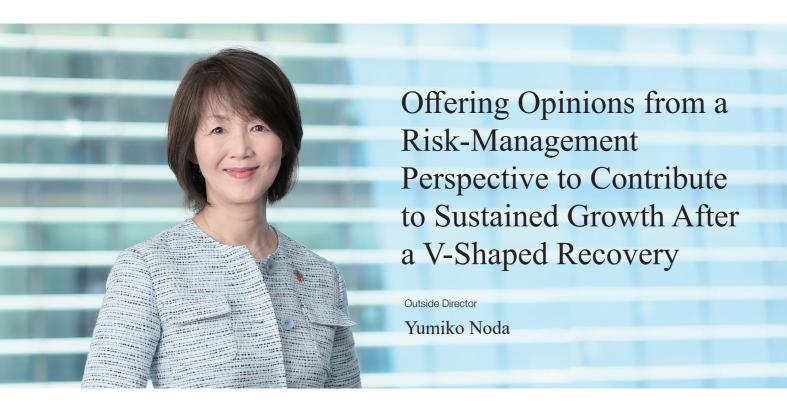
Message from Outside Director



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Recognizing the Signs of Change, Adjusting Our Course Responsively

A Tradition of Challenge for Business and the Common Good

I have built a career in a wide range of fields, including finance, consulting, government, and environmental sectors such as water treatment and waste management. When someone like me with such experience faced Sumitomo Chemical, my candid first impression was that, precisely because the chemical industry is a massive, equipment-intensive process industry, there would be significant challenges to achieving swift decision-making and agile management.

The product range is extremely broad, from general-purpose basic chemicals to specialty chemicals, and in petrochemical complexes there is a complicated web of interdependencies with other companies in raw materials, fuels, and products. In the midst of such a multilayered business structure, I recognized that pursuing rapid management reforms while responding to a market environment characterized by oversupply, which is primarily driven by China, would be a significant challenge.

At the same time, I was impressed that the Sumitomo Spirit of "Jiri-Rita Koushi-Ichinyo" has indeed been handed down to the present day. The stance of the company not limiting itself to the pursuit of profit, but positioning contribution to the nation and society as its mission and developing diverse businesses based on that philosophy is truly impressive. Although there are constraints inherent in the nature of B-to-B business, I believe it is desirable to make the value creation process more visible and communicate it effectively both inside and outside the company, showing how this noble mission is being realized through specific products and solutions.

Another major strength of Sumitomo Chemical is that a mindset of taking on new challenges has been fostered. Although not all challenges will be successful, the company's willingness to take on new challenges without hesitation for the sake of its own development and contribution to society is valuable. Maintaining and developing this forward-looking corporate culture will lead to greater innovation in the future.

That said, the critical aspect of sustained challenge-taking is rapidly adapting to external changes in the times and environment. As the investment in Petro Rabigh in Saudi Arabia shows, it is common for things not to go as originally planned. The important thing is to make flexible adjustments and revisions when the actual performance deviates from the original plan. As an Outside Director, I intend to actively advise to this front.

Achieving Sustained Growth beyond V-Shaped Recovery Remains Paramount

Steadily Delivering Results in the Two Growth-Drivers is Essential

I assumed my position immediately following Sumitomo Chemical's performance deterioration, joining the Board of Directors at a critical juncture requiring a turnaround. Achieving V-shaped recovery was the top priority, and I sensed unified company-wide determination to pursue this objective. As an Outside Director, I have objectively monitored the initiatives toward performance recovery. The management's steady execution of stated targets, culminating in remarkable V-shaped recovery, represents highly commendable achievement.

Nevertheless, I recognize substantial room for improvement with respect to the financial position. As Japan's economy shifts from a long-standing low-interest environment to a world where interest rates matter, debt reduction should be addressed with utmost priority. Realizing sustainable growth requires balancing steady debt reduction with growth investment, demanding more strategic and vigorous cash management.

The most important challenge for the Company is to achieve sustainable growth. In a difficult market environment where multiple chemical companies compete, we face two strategic imperatives. First, establishing

distinctive competitive advantage and achieving effective differentiation. Second, identifying which business areas should serve as growth drivers and constructing an optimal business portfolio. I actively raise these management issues at the Board meetings.

Chemical companies supported the development of manufacturing industries by providing a wide array of materials in the mass production and mass consumption society of the 20th century. However, in today's era, characterized by demands for sustainable economic models such as carbon neutrality and circular economy, the significance of the chemical industry is being redefined. Based on this recognition and following discussions at the Board of Directors, the Corporate Business Plan establishes resource focus on the Agro & Life Solutions Sector and ICT & Mobility Solutions Sector as growth drivers. Now that we have achieved V-shaped recovery, we believe strategic resource allocation, continuous challenges for next-generation growth, and steady achievement of results are essential.

Leveraging Risk Management Experience

Companies Serve Five Stakeholders

Companies have five important stakeholders: planet earth, customers, shareholders, employees, and local communities. While viewing the planet earth as a stakeholder may be uncommon, we believe it represents an essential stakeholder for companies that utilize the Earth's resources in their business activities. It is important to realize continuous value creation for all five of these stakeholders for a company's sustainable growth.

Appropriate risk management is fundamental to achieving sustainable growth and creating value for these five stakeholders. From this perspective, one important role I can fulfill as an Outside Director is contributing to enhanced risk management. In the financial sector, particularly in project finance, I have accumulated experience in managing various risks for large-scale overseas

infrastructure projects. In a constantly evolving business environments, it is extremely important to conduct thorough risk analysis when making investment decisions, especially regarding worst-case scenarios, countermeasure formulation when risks materialize, and flexible implementation of these measures.

The 2024 V-shaped recovery represents merely a milestone in our ongoing journey of challenges. As an Outside Director, I will leverage my experience to the fullest extent and dedicate myself to the company's further development as we strive toward the higher and more challenging goal of sustainable growth.

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