Recruit, Develop, and Utilize Human Resources

"People" are a major source of corporate competitiveness, and securing and developing human resources is a critical issue for our future value creation.

We will promote the securing and development of human resources, which we consider to be our most important management resource, from a long-term perspective and achieve structural reform and sustainable growth of our Group through enhanced engagement, thereby enhancing our corporate value.

Basic philosophy

With a history spanning more than 100 years, we have consistently held the view that people are the most important management resource, and we continue to adhere to the three elements of securing human resources, fair treatment, and development and growth as our unchanging human resource philosophy.Guided by this human resource philosophy, the Group has been developing our human resource strategy based on the concept, to "employ, develop and leverage human resources for sustainable growth," aiming to strengthen the management foundation to support our new growth strategy.

Securing human resources | Fair treatment | Development and growth

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Securing and developing human resources for sustainable growth

Corporate Business Plan

Aligning management and human resource strategies

To drive the FY2025-2027 Corporate Business Plan and achieve sustainable growth, the Company is pursuing the following four human resource strategies and related initiatives, with two key objectives: ❶ **promoting the long-term recruitment and development of human resources** and ❷ **strengthening employee engagement**.

The overall picture of a human resource strategy aligned with management strategy

Management strategy	Policies on people and organization	Human resource strategy
Corporate Business Plan (Leap Beyond)	To achieve the Company's sustainable growth through the new growth strategy and structural reforms:	
Upgrade business portfolio with new growth strategy	❶ Promoting the long-term recruitment and development of human resources	❶ Human resources systems and measures aimed at strengthening competitiveness
Build greater resilience by executing continued structural reforms	❷ Strengthening employee engagement	❷ Strengthen and elevate our ability to attract talent
Improve financial and capital efficiency		❸ Optimize personnel structures that align with our new growth strategy
R&D strategy based on 3 X's		❹ Encourage development and support autonomous career formation
Strengthen management base supporting new growth strategy		

❶ Human resources systems and measures aimed at strengthening competitiveness

The Company believes that encouraging each employee to take on challenges and grow, thereby enhancing the organization's ability to execute and drive transformation, directly contributes to strengthening our competitiveness. Accordingly, we are promoting a range of initiatives through both our human resource systems and measures aimed at strengthening employee engagement. As one such initiative, we are revising our human resource systems in response to significant changes in the social environment. Through these revisions, we aim to create an environment in which employees can better leverage their individual strengths, thereby enabling more effective development and growth and enhancing motivation.

TOPICS

Town Hall Meetings



The Company holds town hall meetings to foster a sense of connection through direct communication from our top management, cultivate a sense of unity across organizational boundaries, and enhance employees' sense of participation and belonging as members of the Company through two-way communication. During FY2025, top management visited our sites in Japan and overseas throughout the year and engaged in dialogue with employees on a variety of topics at 17 sites in Japan and four overseas sites. Post-meeting surveys showed high levels of satisfaction across all sites. In particular, satisfaction tended to be higher at business offices where employees had previously had relatively limited opportunities to interact with President Mito, including the Chiba, Ibaraki, Ohe, and Kasugade sites. Going forward, we will continue to improve the opportunities and content of these dialogues based on employee feedback. By further deepening mutual understanding and a sense of unity, we will work to further enhance employee engagement.

Examples of questions raised at the meetings

- What should we value most in creating a more united organization?
- What do you expect from younger employees?
- Where do you think innovation comes from?
- What are your views on the role of the petrochemical business and its future direction?

❷ Strengthen and elevate our ability to attract talent

For new graduate recruitment, we enhance our recruitment website and deliver videos via social media to proactively share information of high interest to students, such as career opportunities and job satisfaction. We also focus on promoting mutual understanding by offering opportunities for direct dialogue with our employees, such as company briefings, internships, and workshops for PhD students. In addition, to sustainably strengthen our recruiting capabilities, we are working to diversify our recruitment sources and increase the ratio of experienced hires. Furthermore, by supporting new hires in their early adaptation to the work environment and creating an environment where diverse talent can fully demonstrate their experience and abilities, the Sumitomo Chemical Group as a whole will advance innovation by leveraging its diversity.

Specific initiatives

Revamping the new graduate recruitment website



Sumitomo Chemical's Recruitment Website

We revamped our new graduate recruitment website to help students gain a more concrete understanding of what it is like to work at Sumitomo Chemical and the opportunities available for personal and professional growth. We have expanded the range of content, including employee interviews, special interviews, and project stories from various departments, to clearly communicate the rewards of work and the breadth of career opportunities from the perspective of our people. Through these efforts, we aim to deepen mutual understanding and strengthen our ability to attract talent.

Voice of an experienced hire



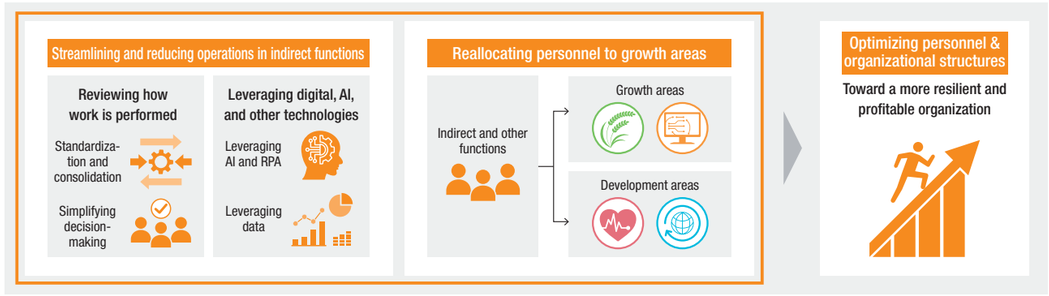
DX Acceleration Office

As the person responsible for driving digital and AI tool implementation at the R&D department, I oversee everything from developing strategic roadmaps to planning and implementing individual projects. In my previous job, I was engaged in research as a postdoctoral researcher specializing in physics. Moving from a different field into a chemical manufacturer was a challenge, but Sumitomo Chemical has a culture that enables people with diverse areas of expertise to fully demonstrate their capabilities. I am able to leverage my expertise while contributing to the creation of new value. The interaction of diverse knowledge and perspectives is one of our strengths in driving innovation.

In addition to my regular responsibilities, I am currently involved in preparations for establishing a data-sharing consortium involving several major Japanese chemical companies. I believe that advancing the use of data across organizational boundaries will contribute to strengthening the competitiveness of the industry as a whole, and I see this as a major challenge that I can take on precisely because I am part of Sumitomo Chemical, a leader in the industry.

❸ Optimize personnel structures that align with our new growth strategy

As we continue to promote structural reforms, we are optimizing our workforce and organizational structures necessary to implement our new growth strategy. With the aim of transforming the Company into a more profitable organization, we are reducing the workload of indirect functions at the head office while actively reallocating personnel in indirect functions to areas focused on growth and development. We are also reviewing the way work is carried out across the Company as a whole. By standardizing and consolidating operations, delegating authority, and simplifying decision-making processes, we are working to improve productivity across the organization. Furthermore, by leveraging digital, AI, and other technologies, we are improving the efficiency of and reducing administrative and indirect operations. By reallocating the resources generated through these efforts to higher-value-added areas, we aim to transform the Company into an organization that is resilient to changes in the business environment and has stronger profitability.



❹ Encourage development and support autonomous career formation

Based on our human resource system, which places emphasis on development and growth, we are creating an environment in which each employee can learn and continue to take on challenges autonomously, with an eye not only to their current responsibilities but also to their future careers. We have established the SUMIKA Learning Square, an education system by purpose and employee category. In addition to basic programs for all employees, we offer a wide range of programs, including job responsibility education and career education for each level, management skills enhancement, and language skills improvement tailored to the needs of global business.

In particular, we encourage employees to proactively develop their capabilities through Self-Selected Training, which enables them to develop their knowledge and skills when needed. In FY2025, the rate of employees involved in development of capabilities, knowledge or skills reached 81.5%. We also promote management practices that foster employees' sense of growth through support from supervisors and colleagues. As a result, 86.3% of non-managerial employees responded positively regarding the support they receive from their supervisors and colleagues for their own development, exceeding the target of 80%. In addition, we aim to foster a virtuous cycle of work and learning, in which employees apply what they learn to their work and connect that experience to their next challenge, by making use of opportunities such as dual internal roles (41 cases in FY2025) and internal job postings.

Educational System "SUMIKA Learning Square" — Self-Selected Training

	Non-managerial employees	Managerial employees
SUMIKA Management		Next generation Leader training (by selection) Strengthening of Management Skills • In-house open-enrollment courses • External open-enrollment courses • Management-related knowledge
SUMIKA Knowledge	Self-Selected Training Acquisition of job-related knowledge • Chemicals • Plant operation and management • Machinery/Electrical engineering/Equipment • Quality/Safety • Intellectual property • DX (Digital Transformation) • Legal/Accounting/Finance/Logistics • Sales/Marketing • Global business • DE&I • Communication skills • PC skills • Corporate Philosophy, etc. Supporting personal growth • Sumitomo Chemical Academy/Self-improvement courses/TOEIC	
SUMIKA Basic		Management skills • New line managers • New department managers • Deputy manufacturing department managers • Department managers, etc.
	Production technology and knowledge • Common Training for Production Departments • Company-wide Safety Training	
	Awareness of job duties/Knowledge and skills • New employees • Upon promotion • For experienced hires upon joining • The Company's roots in Niihama, etc.	
	Career • Career development training by age group	
	Language study and understanding other cultures • English training for selected employees/Training prior to working abroad	
	Essentials • Safety knowledge transfer archive/Compliance/Human rights/Information systems, etc.	

Utilization of Diverse Human Resources

The Sumitomo Chemical Group has established the Group Basic Principles for DE&I (Diversity, Equity & Inclusion) Promotion and works to utilize diverse human resources. Under the Basic Principles, we respect the differences in personalities and attributes of diverse employees, and accept and utilize each other's diverse knowledge and experience, thereby enabling each employee to fully demonstrate their aptitudes and abilities and to grow together as a whole Group. Moreover, we have been working to deepen understanding of DE&I through a variety of measures and educational opportunities to achieve these goals. Approximately 100 major Group companies in Japan and overseas set specific KPIs tailored to the circumstances of each country and company, thereby promoting DE&I initiatives across the entire Group.

Specific initiatives

Corporate Philosophy Workshop

We promote the inclusion of diverse talent by welcoming approximately 100 non-Japanese employees from overseas Group companies to Japan on assignment at any given time. Since FY2024, we have held the Corporate Philosophy Workshop for these employees to foster a shared understanding of the Group's values.

In FY2025, 32 employees participated in the workshop held at Yuhoen Villa and SEN-OKU HAKUKOKAN MUSEUM in Kyoto, both of which have historical ties to the Sumitomo family. Through tours and lectures exploring the history and culture of the Sumitomo Group, participants deepened their understanding of the origins and evolution of the Group. They also took part in a group exercise on putting the corporate philosophy into practice. Reflecting on their experiences working in Japan, participants reconsidered the connection between their day-to-day work and the corporate philosophy from their own perspectives. The workshop also provided an opportunity for participants from diverse backgrounds to exchange views and deepen mutual understanding, contributing to changes in their behavior after returning to their home organizations and to the development of networks across the Group.



Promotion of Employee Health

We promote various support measures to solve and improve employees' health issues so that they can lead healthy lives both mentally and physically and realize prosperous lives. Focusing on the five areas of diet, exercise, sleep, quitting smoking, and mental health, we are working on specific action items such as holding walking events for the purpose of establishing an exercise routine, expanding affiliated gyms, and supporting employees who are trying to quit smoking. In cooperation with the Sumitomo Chemical Health Insurance Association, we also promote specified health guidance aimed at the prevention of lifestyle-related diseases, and implement the prevention of severe diseases project, which recommends consultations at medical institutions and provides advice on how to improve lifestyle and self-care for those at high risk of developing severe hypertension, diabetes, and dyslipidemia.

Specific initiatives

Internal Walking Events

As part of our efforts to promote employee health, we hold annual walking events at each of our business offices. Approximately half of our employees participate in these events, which not only help address insufficient daily physical activity but also contribute to mental and physical refreshment and the development of healthy walking habits.

In addition, sharing step counts and progress toward goals at the team level encourages interaction and a sense of unity among members. The events themselves have also become a common topic of conversation across the Company, providing opportunities for communication across departments and contributing to more active internal communication.



Specific initiatives

Health & Productivity Management Outstanding Organization (White 500)

We regard employee health as an important foundation of management and continuously promote initiatives such as health promotion and disease prevention, mental health support, and the creation of a comfortable workplace. As an objective benchmark for assessing and further enhancing these initiatives, we aim to obtain certification as a Health & Productivity Management Outstanding Organization (White 500), and have received this certification for nine consecutive years. Going forward, we will continue to support and enhance employee health, thereby improving productivity and organizational vitality and contributing to the sustainable enhancement of corporate value.

2026
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