Integrated Report
2026

Quiet Steps, Giant Leaps.

SUMITOMO CHEMICAL

In Publication of Integrated Report 2026

Key Points of Integrated Report 2026

The Integrated Report is published with the aim of clearly communicating our value creation story to a wide range of stakeholders, including shareholders and investors. In the Integrated Report 2026, we set out our future growth strategy and the path to realizing it in more concrete terms, through the President's message on achieving a further leap in corporate value creation as well as special features on the winning businesses that drive the Company's growth and on the regenerative medicine/cell therapy business. We also enhanced our disclosure of initiatives to strengthen corporate governance, including the small meeting with Outside Directors and institutional investors. We hope that this report will convey to you Sumitomo Chemical's commitment to sustainably enhancing corporate value and its determination to take on challenges in creating new value.

Messages about Enhancing Corporate Value

- President's Message
- CFO's Message

Winning Businesses That Drive the Company's Growth

- Sumitomo Chemical's Winning Businesses
- Sumitomo Chemical's Regenerative Medicine/Cell Therapy Business

Initiatives to Strengthen Governance

- Small Meeting with Outside Directors and Institutional Investors

Information Disclosure System

Sumitomo Chemical publishes three reports: Integrated Report, Investors' Handbook, and Sustainability Report. We include cross-reference links in them to enhance the linkage across the three reports, and structure them so that readers can smoothly access the information they need and related content.

Three Reports



Integrated Report

This integrated report summarizes our business strengths, strategies, issues, and performance with the aim of conveying our company's value creation story to a wide range of stakeholders, including our shareholders and investors, in a way that is easy to understand.

Investors' Handbook

This handbook provides a detailed explanation of our wide range of businesses and products, including market trends.





Sustainability Report

This report contains a wide range of information about our sustainability from the perspectives of the environment, society, and corporate governance.

Website

- Investor Relations
- Sustainability

SNS

- LinkedIn Official Account
- Corporate YouTube Channel /@sumitomochemical_official

Explanation of the Cover

As its motif, the cover features a number of empty petri dishes, evoking the research that is the foundation of every solution, the history of taking on challenges and the possibilities and expansiveness of chemistry. The catchphrase "Quiet Steps. Giant Leaps." expresses the beliefs and corporate culture that the Company has carried forward since its founding.
We have released a concept video on YouTube, and invite you to view it.

Sumitomo Chemical Concept Video: *Quiet Steps. Giant Leaps.* (YouTube)



Forward-looking Statements

Statements made in this integrated report with respect to plans, strategies, and future performance that are not historical facts are forward-looking statements involving risks and uncertainties. Sumitomo Chemical cautions that a number of factors could cause actual results to differ materially from such statements including, but not limited to, general economic conditions in Sumitomo Chemical's markets; demand for, and competitive pricing pressure on, Sumitomo Chemical's products in these highly competitive markets; and movements of currency exchange rates.

Referenced Guidance

The IFRS Foundation's International <IR> Framework, the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation, the TCFD recommendations and the TNFD recommendations, among others

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01

About Sumitomo Chemical

Corporate Philosophy

Sumitomo Chemical has its origin in the business of the Sumitomo, a family with a history spanning about 400 years, and the company has upheld Sumitomo's fundamental principles for business management to this day. In its Business Philosophy, Sumitomo Chemical articulates the essence of its corporate vision, mission, and values, founded on the Sumitomo Spirit.

The Framework of Sumitomo Chemical's Corporate Philosophy

The Sumitomo Spirit

Jiri-Rita Koushi-Ichinyo*

"Our business must benefit society at large, not just our own interests."

* This means that Sumitomo's business must not only advance its own interests but also contribute to the nation and society

Business Philosophy

The Sumitomo Business Principles

1. Sumitomo's business should seek to thrive and prosper by putting trust first and building on reliability.
2. Sumitomo's business should closely watch the changing of the times and carefully weigh opportunities and risks and should never chase short-term gains in good times and bad.

1. We commit ourselves to creating new value by building on innovation.
2. We work to contribute to society through our business activities
3. We develop a vibrant corporate culture and continue to be a company that society can trust.

Basic Principles for Promoting Sustainability

Principle 1	Creating economic value which helps create social value (Promoting "Jiri-Rita Koushi-Ichinyo")
Principle 2	Contribution to solving globally vital issues
Principle 3	Active participation in global initiatives
Principle 4	Collaboration with stakeholders
Principle 5	Top management commitment and participation by all
Principle 6	Enhancing corporate governance

Charter for Business Conduct

1. We will respect Sumitomo's business philosophy and act as highly esteemed good citizens.
2. We will observe laws and regulations, both at home and abroad, and will carry out activities in accordance with our corporate rules.
3. We will develop and supply useful and safe products and technologies that will contribute significantly to the progress of society.
4. We will engage in voluntary and active initiatives to achieve zero-accident and zero-injury operations and preserve the global environment.
5. We will conduct business transactions based on fair and free competition.
6. We will endeavor to make our workplaces sound and energetic.
7. Every one of us will strive to become a professional and achieve advanced skills and expertise in our field of responsibility.
8. We will actively communicate with our various stakeholders, including shareholders, customers, and local communities.
9. As a corporate member of an international society, we will respect the culture and customs of every region of the world and contribute to the development of those regions.
10. We will strive for the continued development of our Company through business activities conducted in accordance with the guiding principles described herein.

Instilling Corporate Philosophy

All management executives and employees sharing the corporate philosophy and putting it into daily action will support sustainable growth of the Group. Sumitomo Chemical is continuously implementing a variety of initiatives toward establishing the corporate philosophy across the organization.

The Sumitomo Chemical Group: JIRI-RITA ACTION

We believe it is essential that all management executives and employees share the corporate philosophy, have a deep understanding of sustainability, and work together to carry out initiatives. As an effort to engage all management executives and employees and promote this "participation by all" principle, we have run the Global Project since 2014. In 2023, the 10th year since the start of this initiative, we changed its name to JIRI-RITA ACTION to better communicate the idea that each action a Group employee takes should be imbued with the spirit of "Jiri-Rita Koushi-Ichinyo," and we are advancing activities under this new name.



Practice of Corporate Philosophy

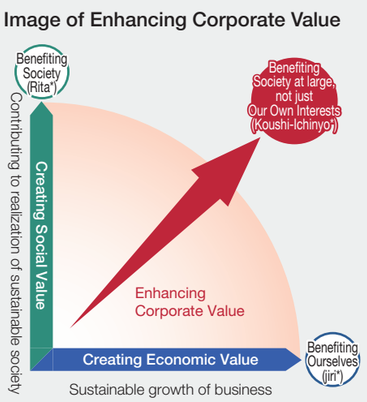
Sumitomo Chemical conducts business activities under the corporate philosophy and aims to achieve sustainable growth in corporate value through creating economic value and social value in an integrated manner. In the Company's long history spanning more than 100 years, we have created both economic value and social value through various business activities. On the next pages, we present four such examples.

❶ Approach to Enhancing Corporate Value Based on Corporate Philosophy

Jiri-Rita Koushi-Ichinyo

The Sumitomo Spirit of "Jiri-Rita Koushi-Ichinyo" means that "Sumitomo's business must contribute not only to its own development but also to society," a concept that the Sumitomo Chemical Group has valued since its foundation and is also consistent with Creating Shared Value. We will achieve sustainable growth of our group (Benefiting Ourselves) and create value for society (Benefiting Society) while constantly transforming our business. By doing so, we aim to create economic value and social value in an integrated manner (Benefiting society at large, not just our own interests), thereby enhancing corporate value.

Image of Enhancing Corporate Value



❷ Sumitomo Chemical's 100 years of history and footsteps in practicing "Jiri-Rita Koushi-Ichinyo"

1915-1940

Building the foundation as a chemical manufacturer

For about 30 years after its establishment, the company focused on "building the foundation as a chemical manufacturer." Sumitomo Fertilizer Manufacturing was originally founded to prevent smoke damage from copper smelting and initially produced sulfuric acid and superphosphate. The company then actively pursued the introduction and development of new technologies, expanding its business into industrial chemicals such as ammonia, nitric acid, methanol, and formalin, thereby solidifying its foundation as a chemical manufacturer.

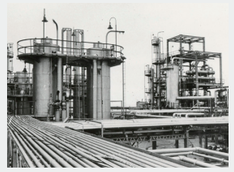


Calcium superphosphate warehouse

1941-1970

Growth into a diversified chemical manufacturer

For about the next 30 years, the company entered the era of "growth into a diversified chemical manufacturer." The merger with the Japan Dyestuff Manufacturing Company in 1944 brought the fine chemicals business to the company. The launch of the household insecticide "PYNAMIN" in 1953 marked the beginning of our agricultural chemicals business. By 1958, the completion of an ethylene plant in the Ohe area of Ehime. Furthermore, in 1965, we began construction of a large-scale ethylene plant in the Chiba area, expanding our business alongside Japan's rapid economic growth.



Ethylene plant

1971-2012

Active internationalization of all business operations

From the 1970s for about 40 years, the company experienced an era of "active internationalization of all business operations." Amid a rapidly changing external environment, in response to these shifts in the global economy and societal frameworks, the company actively pursued globalization across all its business areas, including expansion into the petrochemical business in Singapore and the international development of specialty chemicals, such as agricultural chemicals.In the 2000s, the company promoted globalization across the group through initiatives such as the Rabigh Project and expansion of the IT-related Chemicals Sector. As a result, the consolidated overseas sales ratio surpassed 50% by the end of March 2011.



Dongwoo Semiconductor Chemicals (Currently, Dongwoo Fine-Chem) (South Korea)

2013-

Enhancement of business portfolio

Since FY2016, we have implemented various measures based on fundamental policies such as "enhancing the business portfolio" and "accelerating the development of next-generation businesses." We have steadily advanced initiatives, including the establishment of agricultural chemicals business structures in India and South America and active investment in semiconductor- and display-related businesses. Since FY2022, we have been promoting business renewal and working to establish competitive advantages. In October 2024, to embark on a new growth trajectory, we reorganized our five existing business sectors into a new four-business-sector structure.



Latin America Research Center (Brazil)

Case 1 Sulfuric acid and fertilizer manufacturing business

Societal Issue The problem of air pollution associated with the copper smelting business

The copper smelting operations at the Besshi Copper Mine by the Sumitomo Group released sulfur dioxide gas, causing damage to the crops in nearby villages.

1915

Commencement of operations at the Sumitomo Fertilizer Manufacturing

Sulfuric acid was produced from the sulfur dioxide gas emitted during the roasting of sulfide ores used for copper, and superphosphate (fertilizer) was then produced from the sulfuric acid.



Sumitomo Fertilizer Manufacturing

Value Creation

Social Value
- By reducing the sulfur content in sulfide ores, the emission of sulfur dioxide gas during smelting was decreased, contributing to the mitigation of smoke pollution.
- By supplying manufactured fertilizers to farmers, we contributed to the development of both industry and agriculture.

Economic Value
- Although the first year of operations resulted in a loss, the company generated a profit of 38,000 yen in 1916 and 220,000 yen in 1917.

Case 2 Infectious Disease Control Materials Business

Societal Issue Malaria Infection Issue

In Africa, malaria was widespread, and due to poverty and financial difficulties, adequate measures could not be taken. This created a vicious cycle where contracting malaria led to the loss of employment and educational opportunities, making it impossible to escape poverty.

1995

Launch of Olyset™net sales

We developed and marketed the Olyset™net, a long-lasting insecticidal mosquito net that incorporates insecticide into synthetic resin, gradually releasing it to control malaria-transmitting mosquitoes. After receiving WHO certification, we provided the technology free of charge to a mosquito net manufacturer in Tanzania, assisting in the establishment of local production and the operation of a new factory



Olyset™net

Value Creation

Social Value
- Saving a cumulative total of approximately 2.7 billion person-years from infectious diseases
- Creating employment opportunities and improving working conditions for women through the establishment of local production systems
- Enhancing educational environments by using a portion of the profits to support educational initiatives

Economic Value
- Sold a cumulative total of approximately 300 million long-lasting insecticidal nets, including Olyset™net, primarily in Africa

Case 3 Biorational Business

Societal Issue Climate change, biodiversity and food security

While the world's population continues to increase, growth in cultivated acreage remains stagnant. We need to produce a large amount of food efficiently on a limited amount of land. We must also take into account the impact of agricultural activities on biodiversity.

2000

Acquisition of a microbial crop protection business

Starting with our entry into the microbial crop protection business, we have expanded biorational business utilizing ingredients derived from natural sources and established ourselves as a leading global player.



Sumitomo Biorational Company

Value Creation

Social Value
- Bio-based materials with a low environmental impact
- Improving crop yield and quality

Economic Value
FY2025 sales of the biorational business: more than 70 billion yen

Case 4 Carbon Resource Recycling Business

Societal Issue Climate Change and Plastic Waste Issues

The issues of climate change and plastic waste have made the reduction of greenhouse gas (GHG) emissions and the recycling of plastic products made from fossil resources —from production through disposal—an urgent global challenge.

Late 2020s

Social implementation of innovative chemical recycling technology

In collaboration with other companies and external organizations, including government agencies, we aim to implement chemical recycling technology that produces chemicals from waste plastics and carbon dioxide as alternatives to fossil resources.



Pilot facility*1 directly producing propylene from ethanol

*1 This facility is supported by Green Innovation Fund by National Research and Development Agency, New Energy and Industrial Technology Development Organization (NEDO).

Value Creation

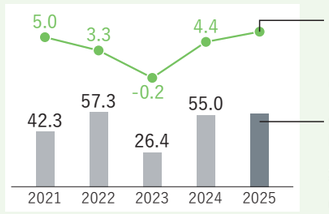
Social Value
- Reducing the use of fossil resources and the GHG emissions generated during the incineration of waste plastics
- Contributing to the efficient use of limited resources and the prevention of global environmental degradation, including climate change

Economic Value
(Example) Implementing the ethanol-to-propylene technology for 1% of the global production capacity of 200 million tons/year*2
→Contribution value exceeds 40 billion yen/year*3

*2 Based on data from Chemical Market Analytics, our estimate of the production capacity in 2030
*3 Contribution to CO_2 reduction: 4 million tons × carbon price of 10,000 yen

Current Business Areas

Agro & Life Solutions AGL



ROIC※1
5.7%
(+1.3 pts YoY)

Core Operating Income※2
¥56.3 billion
(+¥1.4 billion YoY)

※1 Data up to FY2023 represents Health & Crop Sciences Sector
※2 Data up to FY2022 represents Health & Crop Sciences Sector

KEY POINT

AgroSolution (Chemicals, Biorationals)
- **World-leading drug development capabilities**
- **Footprint covering world major markets**

AgroSolutions Business (Chemicals, Biorationals)
Environmental Health Business (Chemicals・Biorational insecticides)
Animal Nutrition Business (Methionine)



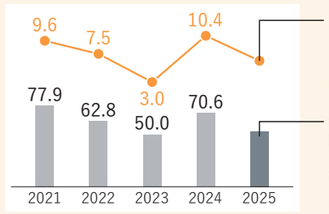
◀ Chemical crop protection sold worldwide (from left, INDIFLIN™ and Rapidicil™)



▶ Biorationals such as microorganism-based crop protection and plant growth regulators (ABSUP™)

NEWS & TOPICS
- Established Sumitomo Biorational Company, a new integrated company for biorationals (April 2026)
- Rapidicil™ received registration as a chemical crop protection product in the U.S. (July 2026)

ICT & Mobility Solutions ICTM



ROIC※3
6.4%
(-4.0 pts YoY)

Core Operating Income※4
¥53.0 billion
(-¥17.5 billion YoY)

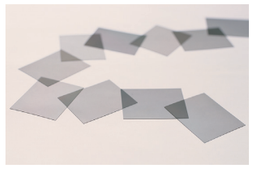
※3 Data up to FY2023 represents IT-related Chemicals Sector and Energy & Functional Materials Sector
※4 Data up to FY2022 represents IT-related Chemicals Sector and Energy & Functional Materials Secto

KEY POINT
- Photoresists **World-leading technological expertise**
- Semiconductor chemicals **World-leading high quality and business scale**
- Polarizers for OLED **No. 1 market share for mobile applications**

Semiconductor materials-related Business
(Photoresists, Semiconductor chemicals, Compound semiconductor materials, etc.)
Display Materials-related Business
(Polarizing films, Color Resists, etc.)
Mobility-related Business
(Super engineering plastics, Resorcinol, Battery separators, etc.)



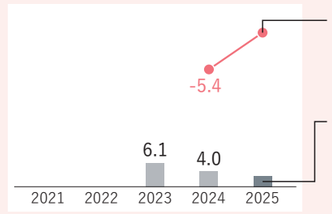
◀ Photoresists, which are photosensitive resins used in the process of creating circuit patterns for semiconductor devices (SUMIRESIST™)



▶ Polarizers that reduce reflections on displays and contribute to ensuring visibility (SUMIKARAN™)

NEWS & TOPICS
- Acquired Asia Union Electronic Chemical Corporation (AUECC), a Taiwanese semiconductor process chemicals company. (January 2026)
- Signed a joint venture agreement with Samsung Electro-Mechanics Co., Ltd. on the glass core substrate business for advanced semiconductor packages (July 2026)

Advanced Medical Solutions ADM



ROIC
-0.7%
(+4.6 pts YoY)

Core Operating Income
¥2.8 billion
(-¥1.1 billion YoY)

KEY POINT
- Advanced small molecule APIs CDMO **No. 1 position in Japan**
- Oligonucleotide CDMO **Industry-leading quality capabilities**
- **A global leader in regenerative medicine/cell therapy fields** using iPS cells

CDMO business
(Advanced small molecule APIs, Oligonucleotide, Regenerative medicine/cell therapy)
Regenerative Medicine/Cell Therapy Business (R&D)



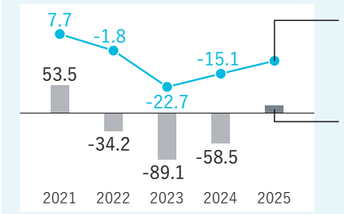
◀ Advanced small molecule APIs CDMO plant at Oita Works



▶ Regenerative medicine/cell therapy products (AMCHEPRY)

NEWS & TOPICS
- S-RACMO's regenerative medicine/cell therapy manufacturing facility, "CRAFT," was completed (July 2025)
- Obtained manufacturing and marketing approval for AMCHEPRY under the conditional and time-limited approval system (March 2026)

Essential & Green Materials EGM



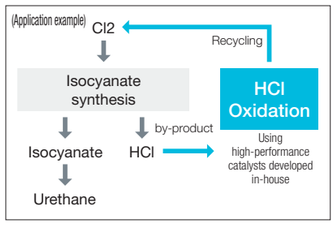
ROIC※5
-7.7%
(+7.4 pts YoY)

Core Operating Income※6
¥14.4 billion
(+¥72.9 billion YoY)

※5 Data up to FY2023 represents Essential Chemicals & Plastics Sector
※6 Data up to FY2022 represents Essential Chemicals & Plastics Sector

KEY POINT
- Catalyst and Process Technology Licenses Approx. **70**
- We possess technologies enabling **the production of low environmental impact chemicals**
(e.g., PO-only Process, Hydrogen Chloride Oxidation Process)

Polyolefin Business (Polyethylene (PE), Polypropylene (PP))
Methyl Methacrylate (MMA) Business
Licensing Business



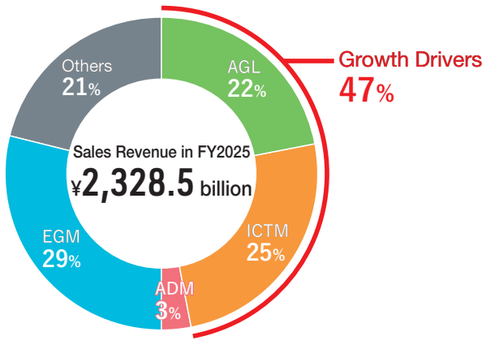
◀ Features of HCl Oxidation technology
Significantly reduces energy consumption and enables circular use of byproducts as raw materials. Reduces GHG emissions by 90% or more compared to the salt electrolysis technology.



▶ Demonstration facility for PMMA chemical recycling that efficiently pyrolyze acrylic resin using pyrolysis and regenerate it as MMA monomer, which is used as a raw material for acrylic resin (February 2026)

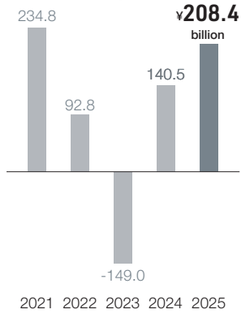
NEWS & TOPICS
- In collaboration with Lumas (U.S.), completed the development of commercial-scale technology for PMMA chemical recycling and began licensing it. (February 2026)
- In May 2026, our collaboration partner Technip (U.S.) entered into a global licensing agreement with BASF (Germany) for HCl Oxidation technology (May 2026)

Sales Revenue Composition Ratio

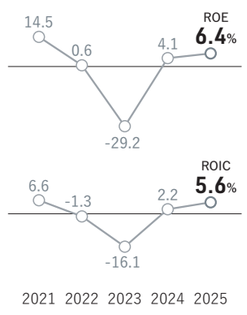


Key Performance Indicator

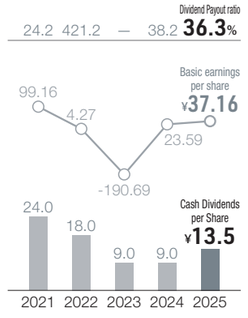
Core Operating Income



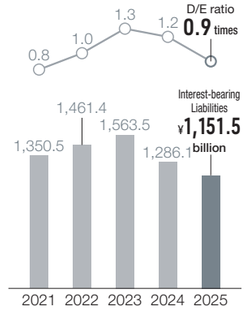
ROE・ROIC



Dividend Payout Ratio・Cash Dividends per Share

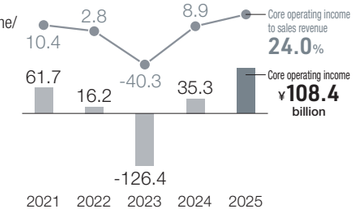


Interest-bearing Liabilities・D/E Ratio



Others

- **Sumitomo Pharma**
  - Small molecule drugs (R&D)
  - Regenerative medicine/cell therapy (R&D)



- **Others**
  - Utility supply of electric power and steam, transportation and warehousing services

President's Message



Becoming a Company That Leverages Innovative Technologies to Solve Social Issues and Enhance Corporate Value

Representative Director & President

水户信彰

Nobuaki Mito

A Year of Major Progress Toward the "Three Leaps Forward"

Looking Back on My First Year as President

It has been a little over a year since I was appointed President and Representative Director in June 2025. In my first year in office, I remained constantly mindful of sharing and instilling the "Three Leaps Forward" that I communicated as a message within the company. At the same time, I continued to convey to employees our policy of focusing on businesses where we can win rather than spreading our efforts thinly across the board.

The "Three Leaps Forward" set out the goals I must achieve during my tenure as President, and they also embody my thoughts on the corporate culture and values that we should cherish. The first *leap* is to maintain and expand the trend of our V-shaped recovery in earnings, aiming for a solid return to a growth trajectory and for even greater heights. The second *leap* is to become a newborn global company that inherits the outstanding aspects of our corporate culture while also possessing agility in decision-making and an entrepreneurial spirit. The third *leap*, and the one I strongly emphasize, is to create a dynamic organization where employees can actively and freely exchange opinions and ideas, transcending barriers of position, department and years of service.

As I will explain later, since assuming the presidency I have worked to strengthen employee engagement, including by continuously holding town hall meetings as opportunities for direct dialogue with employees. Through these opportunities, I have repeatedly conveyed the concept of the "Three Leaps Forward" while encouraging the autonomy and initiative of each individual employee. As a result of these efforts, the entire company has developed a greater sense of openness, and I also see employees discussing matters actively in the workplace and reflecting those discussions in their daily work, which gives me a real sense that my message is taking hold.

In today's rapidly changing business environment, we need to build an organization where each team and each employee takes action autonomously and proactively rather than waiting for instructions from the top. As top management, I have communicated my views on this approach to leadership and organizational development both within the company and in our communications with investors. I believe that the improvement in our business performance since I became President has helped investors view my approach favorably.

Advancing Structural Reforms, Generating Results that Exceed Expectations

Responding to a Changing Business Environment

As I have stated repeatedly, the business environment surrounding us is changing at an unprecedented pace, and uncertainty has risen further. In recent years, concerns have grown over the rise of protectionism, as seen in U.S. tariff policy, and over geopolitical risks such as Russia's invasion of Ukraine. At present, the situation in the Middle East is exerting a significant impact on markets*, and we are responding to the business environment with a strong awareness of our responsibility to maintain supply as a chemical manufacturer.

In these volatile and unpredictable times, I believe what we need is the agility to grasp changes and crises and respond to them immediately. As I mentioned earlier, this is why it is all the more important for each team and employee to act autonomously and proactively. In the recent Middle East crisis, immediately after conflict broke out in the region, the departments concerned moved at once to secure raw materials and intermediates and to respond to customers, achieving extremely smooth crisis control. I regard this as one example of employees embodying the organization I am aiming to build and actually demonstrating agility.

I believe building a company on a solid footing means holding superior technologies and products, an organization and systems that function fully and excellent human resources who can thrive. Such a company will be highly resilient in the face of crises even in the unpredictable business environment. Taking a medium- to long-term perspective, I once again recognize the importance of tirelessly continuing our efforts to strengthen our businesses, products, technologies, organization and people.

*Interview conducted in June 2026

Current Status and Outlook of Structural Reform Themes

As the basic policy of the Corporate Business Plan (FY2025–2027), we set forth the promotion of structural reforms centered on our petrochemical businesses in Japan and overseas and on Sumitomo Pharma.

While other companies in the industry are currently advancing structural reforms of their petrochemical businesses, we shut down the ethylene production facilities at the Chiba Works in 2015, ahead of our peers. Since then, we have also worked on business restructuring at Petro Rabigh, our joint venture with Saudi Aramco, as well as in Japan and Singapore. As a result, the constant efforts of the departments involved in the petrochemical businesses have borne fruit, and results are steadily emerging. I would like to take this opportunity to express my gratitude for their tremendous efforts.

With regard to Petro Rabigh, we completed a series of financial improvement plans, including the reduction of Sumitomo Chemical's equity stake from 37.5% to 15%. At present, under a structure led by Saudi Aramco, initiatives to strengthen earnings power, such as upgrading petroleum refinery equipment, are under way, and Sumitomo Chemical will support these efforts as a shareholder.

In our domestic petrochemical business, we are advancing the optimization of operations at Keiyo Ethylene, our joint venture with Maruzen Petrochemical, in the upstream operation of the Chiba-Keiyo area, and we expect to complete this during FY2026. In the downstream operation of the Chiba-Keiyo area, we integrated our linear low-density polyethylene (LLDPE) business and polypropylene (PP) business into Prime Polymer, a joint venture with Mitsui Chemicals and Idemitsu Kosan*.

In our petrochemical business in Singapore, we have sought to improve the earnings structure of each downstream operation by consolidating production lines in the methyl methacrylate (MMA) business and by focusing on high value-added polyolefin products. In the upstream operation, optimizing ethylene production at our joint venture PCS remains an issue. We are advancing discussions with stakeholders because it serves an infrastructure in Singapore.

As described above, the structural reform of our petrochemical businesses has reached a certain prospect of completion both in Japan and overseas, and through streamlining we are transforming into a lean structure capable of earning stable profits.

Meanwhile, in the pharmaceuticals business of Sumitomo Pharma, sales growth of successor products lagged after its former mainstay product Latuda (an atypical antipsychotic) faced a patent cliff. Sumitomo Pharma has therefore proceeded with workforce reductions, cuts in selling, general and administrative expenses and reductions in R&D expenses in Japan and the United States. As these measures took effect, sales of the three key products have recently expanded in the North American market. In FY2025 Sumitomo Pharma secured core operating income of more than 100 billion yen. We regard this as evidence that the structural reforms progressed smoothly and delivered results exceeding our expectations. In April 2026, Sumitomo Pharma raised 97.8 billion yen through a public offering, securing funds for growth and improving its financial position.

Sumitomo Chemical will continue to maintain a close and favorable relationship with Sumitomo Pharma through collaboration in regenerative medicine/cell therapy and other areas, while examining every option regarding Sumitomo Pharma's future positioning.

*Manufacturing functions are scheduled to be transferred in April 2027.

Focusing on Our Winning Businesses and Concentrating Resources in Growth Areas

Growth Strategy Based on the Corporate Business Plan

Under the Corporate Business Plan, we position organic synthesis technology as the core of our winning businesses and will concentrate resources to expand growth areas. We position Agro & Life Solutions (AGL) and ICT & Mobility Solutions (ICTM) as growth drivers and aim to expand earnings by prioritizing capital expenditures and R&D investments, while also fostering Advanced Medical Solutions (ADM) and Essential & Green Materials (EGM). Over the long term, AGL and ICTM will drive earnings through 2030. After that, we will accelerate growth with ADM as our third pillar.

AGL will strengthen its earnings base by driving forward both chemical crop protection and biorationals, our winning businesses built on organic synthesis technology. In chemical crop protection, we have three blockbuster candidates and will steadily expand them. Among them, our new herbicide Rapidicil has now obtained regulatory approval in the United States, and we expect it to contribute to earnings going forward. In biorationals, we integrated three companies into Sumitomo Biorational Company in April 2026. One focused on products derived from microorganisms, another on plant-derived products, and the third provided back-office services. We will leverage the synergies of this integration to streamline and strengthen our business development.

ICTM will leverage our winning businesses in organic synthesis technology in high-purity chemicals and photoresists for the advanced semiconductor field. In the front-end semiconductor manufacturing, where we excel, we acquired Asia Union Electronic Chemical Corporation (AUECC) of Taiwan through M&A in FY2025 to strengthen our production and supply system for semiconductor chemicals. For photoresists, we plan to construct a new technology center for advanced semiconductors at the Osaka Works. In addition, we intend to enter the semiconductor back-end process field, seizing the opportunity presented by the shifting platform of semiconductor manufacturing processes amid the explosive spread of AI semiconductors.

ADM will grow its business from a medium- to long-term perspective, centering on two core areas: regenerative medicine/cell therapy (R&D) and contract development and manufacturing organization (CDMO) operations. In regenerative medicine/cell therapy, AMCHEPRY™ for the treatment of Parkinson's disease obtained manufacturing and marketing approval in Japan (with conditions and a time limit) in March 2026, the world's first approval for an iPS cell-derived pharmaceutical or regenerative medicine product. This represents the achievement of a truly significant milestone for Sumitomo Chemical Group. In addition, in the advanced small molecule APIs CDMO business, orders for our contract services have expanded steadily and we maintain the top share in Japan. In the regenerative medicine/cell therapy CDMO business, S-RACMO, a joint venture between Sumitomo Chemical and Sumitomo Pharma, has remained profitable for 5 consecutive years and is currently expanding its production facilities ahead of schedule. Furthermore, our oligonucleotide CDMO business, which started operation of an advanced manufacturing plant at the Oita Works, is also receiving strong inquiries for new projects from many customers.

As already explained, EGM has brought the completion of the structural reform of its petrochemical business into sight, and in parallel we are transforming our business model away from the conventional petrochemical business. First, to establish solutions businesses that reduce environmental impact, we are pursuing research such as developing processes to produce ethylene and propylene from biomass ethanol and the chemical recycling of acrylic resin and waste plastics. In addition, going forward we intend to strengthen not only our own business development and manufacturing but also earnings models such as licensing technology to other companies and selling catalysts. In May 2026, we concluded a global license agreement with BASF for hydrochloric acid oxidation technology through a collaboration partner.

FY2025, a Year of Substantial Profit Growth

In FY2025, the first year of the Corporate Business Plan, sales revenue fell below the previous fiscal year as business structural reforms progressed, but core operating income increased substantially, exceeding our initial forecast, to 208.4 billion yen (+48.3% year on year). Although gains on business divestitures account for a certain portion, core operating income on an underlying basis excluding such gains grew significantly from approximately 80 billion yen in FY2024 to about 130 billion yen.

While the target for the final year (FY2027) of the current Corporate Business Plan is core operating income of 200 billion yen, we have set core operating income at 215 billion yen in our FY2026 forecasts, aiming to exceed the plan one year ahead of schedule, and we intend to achieve approximately 210 billion yen of that amount on an underlying basis excluding gains on business divestitures. To this end, we will pursue further profit expansion in AGL and ICTM, our growth drivers. Specifically, we expect expanded sales of crop protection products, mainly overseas, in AGL and increased sales of semiconductor materials such as advanced photoresists in ICTM.

Under the current Corporate Business Plan, we plan to execute 230 billion yen in strategic investments and 220 billion yen in maintenance and infrastructure investments over the three-year period. Our policy is to allocate roughly 180 billion yen, equivalent to 78% of strategic investments, to AGL and ICTM, our growth drivers, and the remaining 50 billion yen, equivalent to 22%, to ADM, EGM and other businesses. To date, we have allocated just under 80% of total strategic investments to AGL and ICTM, largely as planned.

Building an Innovation Structure for Value Creation

Aims of the R&D Organizational Restructuring

Effective April 1, 2026, Sumitomo Chemical restructured its R&D organization and newly established the Research Planning Department, which is responsible for planning and coordination functions for technology and R&D across the company, and the Corporate Research Planning and Coordination Department, which is responsible for the promotion and management of corporate research themes. With respect to our research laboratories, we newly established the Advanced Research Laboratory for Fundamental Technologies, which integrates the Environmental Health Science Laboratory, the Advanced Materials Development Laboratory and the Bioscience Research Laboratory.

The purpose of this restructuring is to align business strategy with R&D strategy, to apply the concept of focusing on winning businesses in R&D as well and to build a company-wide structure for developing strong products and technologies. Our corporate research has played the role of taking on challenges in areas beyond our current businesses and creating new value. At the same time, as we are still in the process of recovering from the deterioration in performance in FY2023, we are at a stage where we must prioritize a solid return to a growth trajectory. In light of this situation, we have set out a policy for corporate research as well. We will place even greater emphasis on alignment with business strategy. We will concentrate resources on the winning businesses that will lead to future competitive advantage.

Going forward, the Research Planning Department will work across both corporate and business sector research, prepare a technology roadmap common to both and select and manage corporate research themes in line with that roadmap. We will then create value that no other company can match by leveraging our technological strengths in the business areas where we excel.

Promoting Offensive Activities in Intellectual Property

From 2013, I had the opportunity to work as General Manager of the Intellectual Property Department for three years. At that time, I recognized that more strategic intellectual property activities were necessary for us. Until then, intellectual property activities had a strong aspect of protecting new technologies and products once they had been created, but I believed that proactive activities in intellectual property would be required going forward. In other words, these are activities that strengthen our intellectual property as a portfolio by actively filing patent applications and securing rights in strategically important technology areas, including technologies of other companies.

Through the promotion of proactive activities in intellectual property, we have significantly strengthened our current patent portfolio. We intend to further advance the strategic use of intellectual property, including strengthening collaboration with other companies through these efforts and monetizing patents through licensing. The licensing of our hydrochloric acid oxidation technology to BASF, which I described earlier, is one such example.

In addition to patent-related matters, we have accumulated a great deal of knowledge and know-how through our business activities. Examples include technologies that support the safe and stable operation of our plants and methods for improving the efficiency of operations at production sites, and we are also advancing initiatives for our businesses by providing such knowledge and know-how outside the company, which we view with great expectation.

Encouraging Employee Growth and Success to Drive Our Businesses

Toward Better Employee Engagement

At the outset, I mentioned that since assuming the position of President I have continuously held town hall meetings as opportunities for direct dialogue with employees. In FY2025, we held these meetings by visiting 17 locations in Japan, and at our overseas sites as well, we engaged in dialogue in the town hall meeting on each visit. In FY2026, we have continued these efforts.

How to enhance employee engagement is one of the most important issues for me. To that end, we must convey what management is thinking to the greatest extent possible. Another important point, I believe, is that every employee feels a sense of ownership in the management of Sumitomo Chemical. In communicating these ideas and fostering such awareness, holding town hall meetings, which deepen employees' understanding through questions & answers and dialogue, has proven highly meaningful and rewarding.



We are also advancing the transition to a new human resource system in order to strengthen the management base that supports our growth strategy. The system is designed with clear distinctions, giving higher evaluations to employees who take on challenges with motivation and deliver results. In addition, to support employees in building their careers autonomously, we are working to create mechanisms that promote a virtuous cycle of work and learning and to enhance our training programs.

Through these initiatives, we intend to enhance employee engagement while encouraging the growth and success of each individual, thereby driving the further development of our businesses.

Aiming to Enhance Corporate Value

Committing to Further Improvement in Capital Efficiency

Under the Corporate Business Plan, with regard to shareholder returns, we have set aside a total of 70 billion yen over three years as the source for returns and we aim for a dividend payout ratio of over 30%. For FY2025, we paid an annual dividend of 13.5 yen per share (6 yen interim; 7.5 yen year-end). For FY2026, we plan an annual dividend of 16 yen per share (8 yen interim; 8 yen year-end). Going forward, we will strive to achieve at an early date a dividend level exceeding the annual 24 yen per share recorded in FY2021.

Over the past two years, since FY2023 when we recorded a large loss, we have steadily recovered in terms of business performance. However, looking at our capital efficiency indicators, ROE for FY2025 stood at 6.4% and ROIC at 5.6%, levels that are by no means sufficient. As for our share price, although we have seen improvement since last year, it remains stagnant with a price-to-book (P/B) ratio still below 1.0 times. Management and all employees must commit thoroughly not only to achieving the ROE of 8% and ROIC of 6% targets set for the final year (FY2027) of the Corporate Business Plan, but also to further improving capital efficiency and enhancing corporate value.

Sumitomo Chemical will evolve into a company that leverages innovative technologies to solve social issues and enhance its corporate value, thereby meeting the expectations of all our stakeholders. We ask for your continued long-term support.

Long-term Vision

Based on the principle of "Jiri-Rita Koushi-Ichinyo," we have defined our long-term corporate vision as becoming an "Innovative Solution Provider." To achieve this, we have identified four societal issues we should address—Food, ICT, Healthcare, and Environment—chosen based on our technological strengths and business assets. We have reorganized our business sectors to address these four issues. We will continuously create innovative solutions and deliver them widely to society by drawing on six core technologies that we have cultivated over more than 100 years of history, and by using the three X's (GX, DX, and BX) born from them as key assets.

Long-term Vision

Innovative Solution Provider

Become a company that leverages innovative technologies to solve society's challenges

Food
Contribute to regenerative agriculture

ICT
Innovate IT

Healthcare
Spread leading edge medicine

Environment
Reduce environmental impact

Products and services as solutions

- Low environmental impact agrochemicals
- Biorationals
- cutting-edge resists・semiconductor chemicals
- Polarizers for OLED
- Regenerative medicine / cell therapy
- Pharmaceuticals CDMO
- Various GX technologies

Agro & Life Solutions



ICT & Mobility Solutions



Advanced Medical Solutions



Essential & Green Materials



Assets for solutions

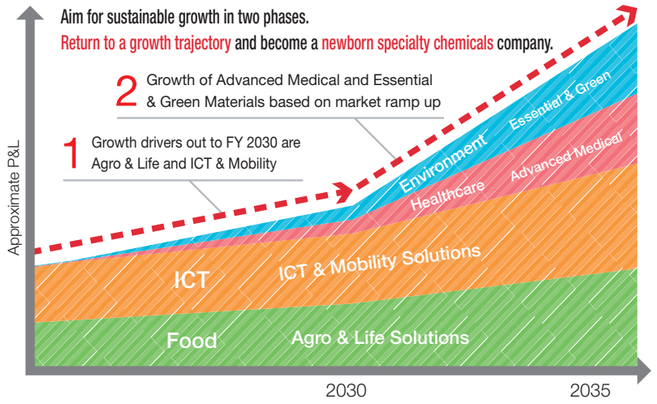
BX -Bio- | DX -Digital- | GX -Green-

6 core technologies

- Biological Mechanism Analysis
- Precision Processing
- Organic & Polymer Material Function Design
- Inorganic Material Function Design
- Device Design
- Catalyst Design

Long-term growth scenario

Until 2030, the Agro & Life Solutions Sector and ICT & Mobility Solutions Sector will drive growth in our portfolio. From 2030 onward, we will introduce solutions in the healthcare and environmental fields to help address the four critical societal issues. These initiatives will put us back on a growth trajectory and help us to remain a prominent global company. As a reborn specialty chemicals enterprise, our focus will be on enhancing sustainable corporate value.



Contributions to Four Key Areas through Our Businesses

We will contribute to address societal issues by offering solutions developed with innovative products and technologies in four key areas, building on our strengths. Our approach to addressing challenges within each of these areas is outlined below.

Contributions in the field of Food

Through the realization of regenerative agriculture, we aim to address challenges such as improving agricultural productivity and solving environmental issues.

Society's challenges

- Growing demand for food driven by population growth
- Stagnant growth in cultivated acreage
- Impact on biodiversity
- Soil erosion and GHG emissions from agricultural activities

We need new and sustainable agricultural systems

Direction for solutions

Realize and spread regenerative agriculture
that recovers natural capital while also maintaining and enhancing agricultural productivity

Contributions in the field of ICT

In order to address challenges such as improving energy efficiency, we will contribute to the advancement of next-generation technologies by offering innovative solutions based on our proprietary core technologies and accumulated expertise.

Society's challenges

- Technological development designed to enable the realization of societal reforms
- Increased energy consumption resulting from the spread of generative AI

Advanced technological innovations | **Further improvement in energy efficiency**

Direction for solutions

By integrating proprietary innovative technologies with accumulated expertise, contribute to the advancement of next-generation technology driven by total solutions that accelerate customer innovations.

Contributions in the field of Healthcare

In response to the growing demand for diverse medical needs and personalized medicine, we will provide regenerative medicine / cell therapy solutions centered on iPS cells.

Society's challenges

- Increase in lifestyle-related diseases
- Multiple comorbidities in aging society
- Individual differences in treatment effects
- Progression of resistance to medicines

Supporting diversification of medical needs | **Supporting individualized medicine**

Direction for solutions

- **Development of cutting-edge medical technologies** such as regenerative medicine / cell therapy
- Supporting **diverse treatment and pharmaceutical modalities**
- **Longer life spans** and **enhanced quality of life**

Contributions in the field of Environment

Our goal is to implement technologies that reduce environmental impact on a social level, such as recycling and biomass usage.

Society's challenges

- Greenhouse gas emissions (during manufacture and incineration)
- Depletion of petroleum resources
- Release of plastics into the ocean

We need technologies that can leverage diverse carbon sources in a circular manner including recycling and biomass

Direction for solutions

Establish and spread chemical products manufacturing technologies that achieve a reduced environmental impact, including mechanical recycling, high-efficiency chemical recycling, and the use of biomass

Flow of Value Creation

Sumitomo Chemical has grown its business over the past 100 years in line with the Sumitomo spirit and other corporate philosophies. As we evolved from a fertilizer company to a chemical company and then to a diversified chemical company, we strengthened and accumulated our management capitals and established our core strengths, which are embodied in three core competencies. Drawing on these core competencies, we will provide innovative technological solutions to four societal issues, creating both economic and social value. We aim to realize our long-term vision of becoming an Innovative Solution Provider by sustaining a virtuous cycle of value creation and resource accumulation.

Long-term vision
P.14

Innovative Solution Provider

A company that solves social issues with innovative technology

Outcome

Rita

Creation of Social Value
P.22

Output

- Agro & Life Solutions P.34
- ICT & Mobility Solutions P.36
- Advanced Medical Solutions P.38
- Essential & Green Materials P.40

Food Contribute to regenerative agriculture

Ensuring food security and harmony with the environment

ICT Innovate IT

Realization of an inclusive society using ICT

Healthcare Spread leading-edge medicine

Ensuring healthy lives for people around the world

Environment Reduce environmental impact

Recovery of the global environment and realization of a world where people and nature coexist in harmony

FY2025-2027 Corporate Business Plan

Leap Beyond
~Return to a growth trajectory~
P.28

The Material Issues to Be Addressed as Management Priorities
P.22

Business Model
P.20

Core Competence 1
Ability to develop innovative solutions by leveraging its technological expertise in diverse areas

P.2
The Sumitomo Spirit
Jiri-Rita Koushi-Ichinyo

Core Competence 2
Ability to reach global markets

Core Competence 3
Our highly engaged and diverse human resources

Input P.18

- Financial Capital
- Manufactured Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital

Accumulation of capitals

Jiri

Creation of Economic Value
P.6

KPI	FY2025 Actual	FY2026 Forecast※	Where we want to be
ROE	6.4%	6.8%	Over 10%
ROIC	5.6%	5.5%	Over 7%
D/E ratio	0.9 times	0.8 times	Approx. 0.7 times
Dividend Payout Ratio	36.3%	37.7%	Approx. 30%

※Figures announced on May 14, 2026

Management Capitals

Type of Capita	Financial Capital	Manufactured Capital	Intellectual Capital	Human Capital	Social and Relationship Capital	Natural Capital
Major Indicators	• Total equity ¥1,236.7 billion • Interest-bearing liabilities ¥1,151.5 billion • D/E ratio 0.93 times	• Number of research and manufacturing sites (As of April 1, 2026) Overseas: 56* Japan: 12 * Including sales facilities • Capital expenditures ¥121.6 billion	• Number of patents held 12,584 patents • Research and development expenses ¥144.7 billion	• Number of employees 27,491 people • Engagement score (Positive response rate for engagement-related indicators) 61%	• Number of consolidated subsidiaries and equity method investees 175 companies • Number of overseas sites (As of April 1, 2026) 56	• GHG emissions (Scope1+2) 5.29 million tons • SSS (Sumika Sustainable Solutions) ¥555.6 billion P.55
Analysis of Current Situation	**Steady improvement in financial soundness, though the medium- to long-term target remains unmet** Due to progress in the business structural reform and improvement in earnings capacity, interest-bearing liabilities at the end of FY2025 decreased by 134.7 billion yen from the previous fiscal year-end to 1,151.5 billion yen, and D/E ratio was 0.93 times, showing a steady improvement in financial soundness. However, more progress is needed to achieve D/E ratio of approx. 0.7 times, a medium- to long-term target, and we must continue to improve our financial position.	**Manufacturing system that places top priority on safety** We maintain a stable production framework with 68 manufacturing sites in Japan and overseas. Capital expenditures for FY2025 totaled 121.6 billion yen, a 8% decrease from the previous fiscal year. Guided by our principle of "Making safety our first priority," we aim for zero severe industrial accidents. To realize "smart equipment management," we are linking our equipment management and enterprise resource planning systems to eliminate accidents and operational troubles, thereby stabilizing plant operations, improving productivity, and ensuring stable quality.	**Broad technological expertise and R&D capabilities** Our R&D expenses for FY2025 reached 144.7 billion yen (6.2% of sales revenue), and our patent portfolio comprises 12,584 patents. Backed by our technological expertise in diverse areas, our R&D capabilities form one of our core competencies. Our R&D and intellectual property activities have earned high external recognition, including being selected as a Clarivate Top 100 Global Innovator for five consecutive years.	**Diversity and High engagement** Diverse human resources and their high engagement constitute one of our core competencies and serve as a source of our competitiveness. Against this backdrop, we revised the human resource system in this fiscal year. The new system clarified the profile of desired employees for the Company, designed a system that aligns with their characteristics, and allows for more differentiated compensation based on the magnitude of performance they achieved, thereby supporting self-directed career development of employees.	**Robust global network** As of the end of FY2025, the number of consolidated companies stood at 175, with 56 overseas locations. The global network we have built is one of our core competencies. Furthermore, by conducting numerous community contribution activities both domestically and internationally, we are strengthening our relationships of trust with local communities. By building such positive relationships with our stakeholders, we aim to enhance our corporate social value.	**Conservation and restoration of natural capital to ensure business sustainability** Companies, including ours, utilize diverse forms of natural capital through their business activities. To ensure the sustainability of our business operations, we are promoting the conservation and restoration of natural capital by integrating responding to climate change and promoting recycling resources.
Strengthening Efforts	**Continuing with cash generation measures, improving capital efficiency and establishing a stable financial foundation** With the aim of achieving D/E ratio in the 0.7times range, a medium- to long-term target, we will continue implementing cash generation measures, including business restructuring, to reduce interest-bearing liabilities and improve D/E ratio. Under an investment management process that emphasizes risk management in investment decision-making and enhanced monitoring of strategy execution, we will continue concentrating investments strategically in high-margin businesses, mainly in the two growth drivers, to establish a stable financial foundation while enhancing capital efficiency.	**Enhancing manufacturing by balancing safety and efficiency** Reduction of risks associated with aging equipment and other factors is our top priority. We will promote a series of initiatives using the PDCA cycle by transitioning to data-driven reliability maintenance across all sites. We will also accelerate our existing DX Strategy 1.0 and 2.0 initiatives to build a sustainable manufacturing system that is highly competitive, built on a foundation of robust safety and stability.	**Focused investments and enhancing business competitiveness** We will focus our R&D expenses on the growth driver fields of agrochemical and ICTM, and promote innovative technological development in these areas. In our intellectual property activities, we are building a leaner and more robust patent portfolio through analysis of business value and cost data. We are also working to improve operational efficiency through the use of generative AI technology. By further strengthening the coordination between the intellectual property strategy and the business strategy, we will enhance our business competitiveness.	**Securing, developing and utilizing human resources for sustainable growth** We will promote the securing, development and utilization of human resources over the medium to long term through diversified recruitment channels and human resources measures that respond to changes in the social environment. And we promote management practices that foster employees' sense of growth through support from supervisors and colleagues. We also expand an internal side job system and other various support measures so that employees can reflect on their careers and proactively improve their knowledge and skills, with a view to promoting self-directed career development and improving their engagement.	**Co-creating and strengthening trust relationships with stakeholders** Both domestically and internationally, we will expand our community contribution activities, including educational support and environmental protection initiatives, to deepen our ties with local communities. We will also prioritize dialogue with stakeholders and ensure highly transparent disclosure of information to strengthen relationships of trust. Through these efforts, we will enhance our social and relational capital, fulfill our corporate social responsibility, and create value together with diverse stakeholders.	**Transition to businesses that reduce environmental impact** We will explore the use of clean fuels and other measures to further reduce GHG emissions, aiming for the sustainable conservation and restoration of natural capital. We will also promote initiatives to restrain the use of virgin materials derived from fossil, such as promoting recycling resources in chemical products like plastics and using bio-based raw materials. In parallel with these efforts, we will accelerate the development and adoption of SSS, further advancing the transition to businesses that reduce environmental impact.
References	CFO's Message	Bolster Competitiveness Leveraging DX Occupational Health and Safety/ Process Safety and Loss Prevention (Sustainability Report)	Intellectual Property Strategy Innovation Strategy	Recruit, Develop, and Utilize Human Resources Human Resources Management (Sustainability Report)	Communication with Stakeholders Respect for Human Rights Contributions to Communities (Sustainability Report)	Climate Change Mitigation and Adaptation Contribute to Recycling Resources Sustainable Use of Natural Capital

Core Competence

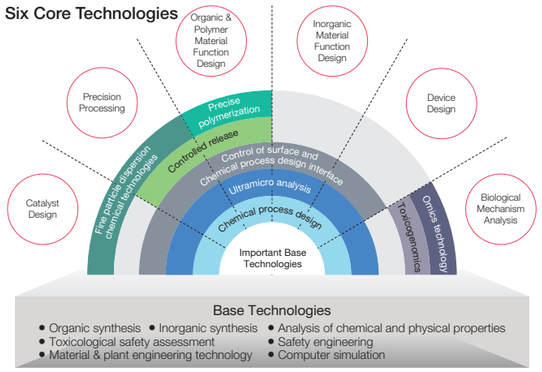
Sumitomo Chemical recognizes three of our core competencies, which we have developed over our 100 year history: "Ability to develop innovative solutions by leveraging its technological expertise in diverse areas," "Ability to reach global markets," and "Our highly engaged and diverse human resources". By capitalizing on these resources, we are striving to solve four social issues of food, ICT, healthcare, and the environment, thereby enhancing corporate value.



Ability to develop innovative solutions by leveraging its technological expertise in diverse areas

Sumitomo Chemical has continued to challenge new areas with its relentless spirit of inquiry and creative technologies. Through our extensive research activities over the years, we have established six core technologies. We are engaged in research and development to create new solutions to social issues and trends around the world by utilizing these core technologies. Based on our belief that "creative R&D is what will build a new era," we will continue to strengthen our solution development capabilities.

Six Core Technologies



Ability to reach global markets

The Sumitomo Chemical Group has expanded its business globally through the combination of best-suited technologies, locations, partners, and human resources, with the aim of strengthening the Sumitomo Chemical brand worldwide. Currently, the Group's overseas sales revenue ratio has reached approximately 70%. We intend to continue to aggressively expand the Group's competitive businesses to markets around the world to achieve sustainable growth.

Number of overseas bases
(As of April 2026)

56

Our highly engaged and diverse human resources

Among our major strengths are a high level of engagement, which reflects the connection between employee mindset and business activities, and the diverse backgrounds of our human resources. A company-wide employee awareness survey conducted in FY2025 showed that 72% of employees felt that the company's future direction, along with the policies and strategies to achieve it, was being shared, indicating progress in embedding the management vision and policies. The positive response rate for these engagement-related indicators was 61%, compared with the average among other companies at 59%. We will continue to enhance our human resource systems and initiatives to further strengthen employee engagement.

Employee awareness survey at Sumitomo Chemical
(FY2025, average for all employees (SC Only))
Engagement score※

61% Average among other companies **59%**

The company's future direction and the policies and strategies to achieve it are shared.	I am satisfied with working at this company.
72%	**71%**

※ Positive response rate for engagement-related indicators

Value creation process leveraging our core competence in crop protection product pipelines of B2020 and A2020

B2020 and A2020 are the crop protection product pipelines the Company applied for registration around 2020. We launched five chemical crop protection products during the period from 2020 to 2024, which account for 15% of the total number of new chemical crop protection products launched worldwide during the period. Here, we introduce how we have leveraged our three core competencies in the value creation process of "development and evaluation," "registration and launch" and "sales and promotion" for each pipeline.

B2020 and A2020 product lines



Oxazosulfyl
Alles™
Insecticide


Inpyrfluxam
INDIFIN™
Fungicide



Metyltetraprole
Pavecto™
Fungicide



Pyridachlometyl
Fuseki™
Fungicide



Epyrifenacil
Rapidicil™
Herbicide

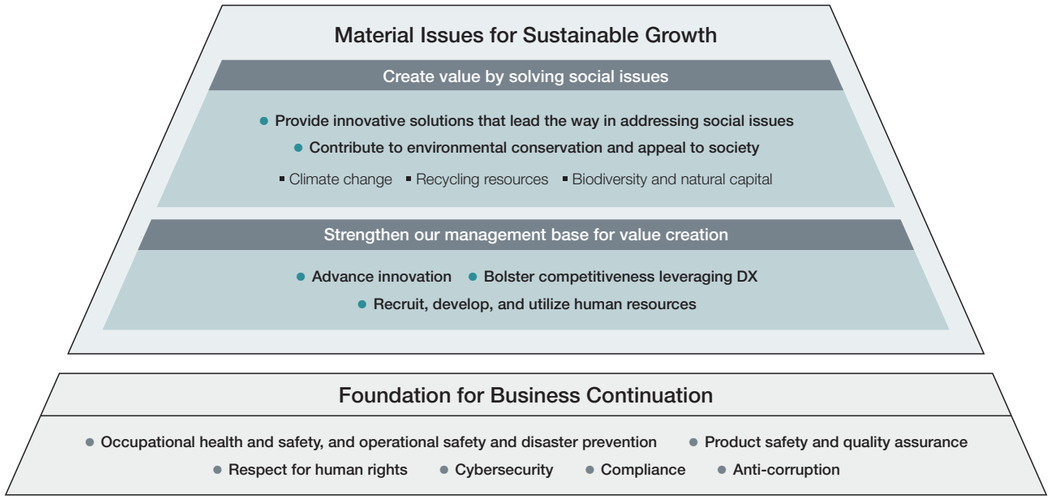
Development and Evaluation	Registration and Launch	Sales and Promotion
Establishing discovery strategies and evaluation platforms anticipating future challenges and developing new compounds Focusing on the emergence of QoI-resistant fungi, , we screened our proprietary library utilizing computational science and identified "seed" compounds. We designed the structure of compounds based on our experience and finally developed Pavecto™.	**Promoting regulatory science to satisfy stringent crop protection regulatory standards in each country** As crop protection registration regulations are becoming more rigorous, we are comprehensively planning and implementing various assessments based on regulatory science, in addition to safety and environmental assessment based on science.	**Maximizing value after market launch leveraging the broad technological foundation** Even after the market launch of products such as INDIFLIN™, Pavecto™ and Rapidicil™, we continue to increase their added value through development of mixture products and expansion of applications in each country, thereby maximizing the value of B2020 and A2020 product lines.
R&D with a view to global expansion We are promoting research and development in close collaboration with our bases including those in North America, South America, Europe and Asia, assuming global expansion from the early stages of development of candidate crop protection compounds.	**Design and building data packages for simultaneous global application for registration** We design and build data packages in accordance with regulatory requirements in major countries. For INDIFLIN™, we applied for registration simultaneously in Japan, the U.S., Canada, Brazil and Argentina in 2017.	**Robust global footprint** We have established our own robust sales network and stable global product supply systems in Brazil, the U.S., Argentina, India and Japan among the top six countries in the crop protection market.
Researchers from diverse backgrounds collaborate to develop crop protection products Researchers from diverse backgrounds - such as synthesis, biology, formulation, process, analysis, toxicity assessment and DX - collaborate to develop crop protection products.	**Rapid registration of crop protection products supported by highly skilled experts** Highly skilled experts maintained smooth communication with the authorities and, utilizing the priority review system, realized the rapid registration of INDIFLIN™ in Brazil, the largest market country for crop protection products.	**Value enhancement after product launch, supported by a diverse team** Even after the market launch of crop protection products, we continue quality improvement, development of mixture products and expansion of applications, in an integrated manner across manufacturing, sales, and research, thereby strengthening our ability to make proposals to customers and increasing product value.

The Material Issues to Be Addressed as Management Priorities and KPI

Sumitomo Chemical had identified the material issues to be addressed as management priorities, aiming to provide *integrated solutions* to economic, social, and environmental issues through its businesses across the Group. These issues were identified through deliberation and approval by management based on overall evaluation of issues toward promoting sustainability.

In FY2025, we reviewed some of the material issues. The purpose was to align them with the long-term management direction of becoming an Innovative Solution Provider, while keeping with our fundamental approach that emphasizes environmental considerations that has consistently been enshrined at the Sumitomo Chemical Group. The issues now consist of "material issues for sustainable growth" with an eye to providing innovative solutions that lead the way in solving social issues, and "foundation for business continuation," which is a prerequisite for remaining a corporate group trusted by society. Key performance indicators (KPI) have been set for "material issues for achieving sustainable growth" to visualize and manage progress.

Material Issues for Sustainable Value Creation and the Foundation for Business Continuation



Key performance indicators (KPIs) for material issues for sustainable growth

		KPI	Goals	Results	
				FY2024	FY2025
Create value by solving social issues	Provide innovative solutions that lead the way in addressing social issues Contribute to environmental conservation and appeal to society	Sales revenue of Sumika Sustainable Solutions designated products Metrics and Targets (Opportunities)	1,200 billion yen by FY2030	554.3 billion	555.6 billion
		Share of innovative products and technologies within Sumika Sustainable Solutions, by sales revenue	40% by FY2030	— ※2	31.9%
		Climate change: Amount of Group's GHG emissions (Scope 1+2)	Reduce by 50% by 2030 (vs. FY2013)	5.55 million tons	5.29 million tons

※1 Innovative products and businesses that contribute to the solutions of issues the Group focuses on tackling among the four themes of food, ICT, healthcare, and the environment
※2 Tabulation began in FY2025
※3 Scope 1: Direct greenhouse gas emissions from operators themselves (fuel burning and industrial processes); Scope 2: Indirect emissions from purchases of power and heat from outside the factory

		KPI	Goals	Results	
				FY2024	FY2025
Create value by solving social issues	Provide innovative solutions that lead the way in addressing social issues	Recycling resources: The amount of recycled plastics used in manufacturing processes	200k tons/year by 2030	Approx. 11,440 tons	Approx. 14,420 tons
	Contribute to environmental conservation and appeal to society	Biodiversity and natural capital: Status of nature-positive initiatives	Realize a society in which people and nature coexist	— ※1	— ※1
Strengthen our management base for value creation	Advance innovation	Patent asset size※2	Maintain a high level of patent assets	13,582pt	13,182pt
	Bolster competitiveness leveraging DX	Generative AI Usage Rate※3	100% use of generative AI in business operations by the end of the current medium-term plan	38%	55%
	Recruit, develop, and utilize human resources	Development of employee capabilities, knowledge, and skills	100% implementation rate of development of employee capabilities, knowledge, and skills	— ※4	81.5%
			80% or higher positive response of non-managerial employees to the status of support for self-growth from superiors and colleagues	— ※4	86.3%
		Percentage of female employees among those promoted to managerial positions (equivalent to section manager)	Over 15% on average over the 5 years between FY2023 and FY2027	14.3%※5	16.3%※6
		Childcare leave or other childcare-related leave taken by male employees upon the birth of a child	Take-up rate of 95% or higher and average leave of 50 days or more	97.5% — ※4	97.9% 41.2 days

※1 Because there are no internationally agreed upon metrics, we are currently considering various options.
※2 Evaluated using the Patent Asset Index™, generated using the patent analysis tool LexisNexis PatentSight™. The figures are aggregated for the calendar year.
※3 Percentage of users who use the in-house generative AI service ChatSCC at least once a week
※4 Tabulation began in FY2025
※5 Percentage of women among the cumulative total number of managerial staff appointed from FY2023 to FY2024
※6 Percentage of women among the cumulative total number of managerial staff appointed from FY2023 to FY2025
※7 Calculated based on the leave taken up to the child reaches one year old. For FY2024, it is the percentage of leave taken within the fiscal year.

For initiatives on *foundation for business continuation*, please refer to the items shown below.

- **Occupational Health and Safety / Process Safety and Loss Prevention**
  - Occupational Health and Safety / Process Safety and Loss Prevention (Sustainability Report)
- **Product Safety and Quality Assurance**
  - Product Safety / Quality Assurance / Quality Assurance (Sustainability Report)
- **Respect for Human Rights**
  - Respect for Human Rights (Sustainability Report)
- **Cybersecurity**
  - Cybersecurity (Sustainability Report)
- **Compliance**
  - Compliance (Sustainability Report)
- **Anti-Corruption**
  - Anti-Corruption (Sustainability Report)

CFO's Message



Taking Steps to Improve ROE and P/E Ratio Aimed at Achieving Sustainable Improvement in Corporate Value

Representative Director & Senior Managing Executive Officer

Keigo Sasaki

Building on Earnings Improvement to Further Enhance Corporate Value, Financial and Growth Strategies to Improve P/B Ratio

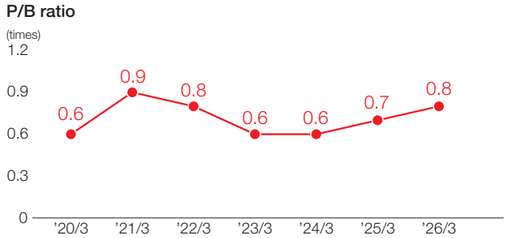
Share Price Recovering, Taking More Steps to Improve P/B Ratio

In addition to overseeing corporate communications and accounting and finance, I have also newly assumed the role of General Manager of the Corporate Planning Office since FY2025. Taking into account the perspectives of market participants, and under our policy of achieving both financial soundness and sustainable growth, I believe we have made steady progress toward enhancing corporate value.

While corporate value involves a variety of elements and perspectives, we place particular importance on the price-to-book (P/B) ratio and is committed to improving it. As long as we operate in the capital markets as a listed company, we consider the sustainable enhancement of corporate value to be a critical mission we must fulfill and an obligation on which we must never compromise.

Against the backdrop of the substantial improvement in business performance from FY2024 through FY2025, Sumitomo Chemical's share price has been recovering to the level seen before the deterioration in performance. We regard this as the result of reviewing our earnings structure and optimizing the allocation of management resources in line with the Corporate Business Plan, and as evidence that we are steadily strengthening the foundation for growth. However, the P/B ratio stood at 0.82 times as of the end of March 2026, still a low level. We believe that, to enhance corporate value over the medium to long term, we must continue to strengthen our earnings base, improve capital efficiency and foster expectations of growth in the market.

P/B ratio



Working from Perspectives of Both ROE and P/E Ratio to Improve P/B Ratio

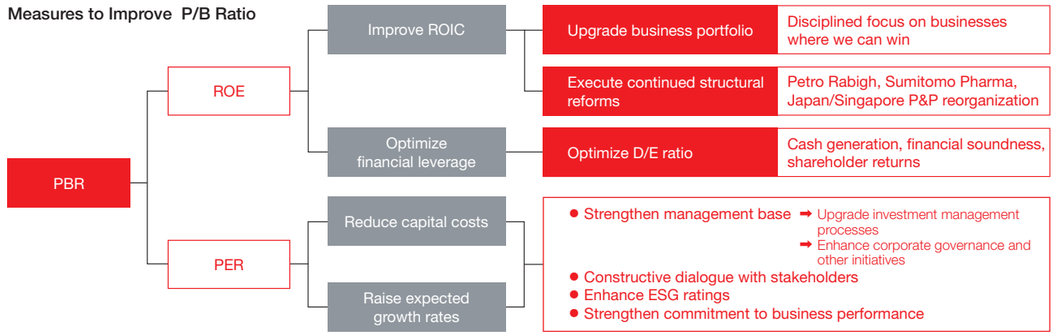
Sumitomo Chemical has to date worked to upgrade its business portfolio and strengthen its management base in order to enhance corporate value. By organizing these initiatives from the perspectives of return on equity (ROE) and the price-to-earnings (P/E) ratio, which are components of the P/B ratio, and by clarifying the aim of each management measure, we seek to realize management that is conscious of capital efficiency and the share price.

In particular, we position return on invested capital (ROIC), which is essential to improving ROE, as a key indicator, and we are once again thoroughly implementing ROIC-oriented management. We are focusing on improving capital efficiency through the twin engines of upgrading our business portfolio and carrying out continued structural reforms.

Improving the P/E ratio is also indispensable to improving the P/B ratio. The P/E ratio is an indicator that reflects market expectations for future growth and earnings expansion, and improving it requires not only reducing the cost of capital but also refining our long-term growth strategy and strengthening the management base that supports its execution. Furthermore, we believe it is essential to communicate these initiatives clearly to our shareholders and investors.

By raising both ROE and the P/E ratio, we aim to create a virtuous cycle of expectations, results and renewed expectations, and thereby improve the P/B ratio.

Measures to Improve P/B Ratio



Improving ROE Through ROIC-Oriented Management and Optimization of Financial Leverage

Thoroughly Implementing ROIC-oriented Management

To improve ROE, we promote management that emphasizes ROIC. The two main pillars of this thrust are the enhancement of our business portfolio and the continued execution of structural reforms.

● Upgrading Business Portfolio

We position Agro & Life Solutions (AGL) and ICT & Mobility Solutions (ICTM) as growth drivers and advance the enhancement of our business portfolio by allocating management resources intensively to these sectors.

On a core operating income basis, these two growth-driving businesses accounted for 29% in FY2017, and we plan to raise this share to 56% in FY2026. Over the three years of the current Corporate Business Plan, we plan 230 billion yen in strategic investments, of which we will invest 78% in AGL and ICTM, our growth drivers.

In FY2025, in the ICTM segment, we acquired AUECC, a semiconductor chemicals company, in order to expand our business area into Taiwan and the western United States. Including this acquisition, actual investments in FY2025 amounted to approximately 70 billion yen, equivalent to about one third of the strategic investment framework under the current Corporate Business Plan. We allocated 75% of this amount to AGL and ICTM, and strategic investments are progressing broadly in line with the plan.

Going forward, we will restructure our businesses through measures such as reorganizing our commodity businesses and divesting non-core businesses, while concentrating resources on world-class businesses such as biorationals and advanced electronic materials, thereby further upgrading our business portfolio.

● Executing Continued Structural Reforms

Regarding Petro Rabigh, Sumitomo Chemical reduced its equity stake to 15% in October 2025, completing the series of financial improvement measures that we had implemented since FY2024. Going forward, under a restructuring plan led by Saudi Aramco, we examine and implement fundamental measures to strengthen earnings power, centered on strengthening the profitability of oil refining. In domestic petrochemicals, we are advancing measures such as optimizing the operations of Keiyo Ethylene and integrating businesses into Prime Polymer, and we expect these measures to deliver benefits in stages. In Singapore as well, we are streamlining commodity products and concentrating on high value-added products, and we will pursue further structural reforms to strengthen the fundamentals of our essential businesses.

Sumitomo Pharma's operations divide broadly into two businesses, the small molecule drug discovery business and the regenerative medicine/cell therapy business. In the regenerative medicine/cell therapy business, we are advancing development and business expansion by combining the knowledge and technological know-how of Sumitomo Pharma and our company. On the other hand, we recognize the small molecule drug discovery business as a business that offers no synergies with our company. Accordingly, we will continue to examine its positioning with all options in view, including the search for a best partner that can contribute to Sumitomo Pharma's sustainable growth. In FY2025, Sumitomo Pharma's earnings improved, mainly in its U.S. business, following structural reforms, and in April 2026 Sumitomo Pharma carried out a capital increase to secure the funds needed for future growth and strengthen its financial base. For the reasons stated above, Sumitomo Chemical did not subscribe to the capital increase, and although our shareholding ratio declined, Sumitomo Pharma remains a consolidated subsidiary.

Optimization of Financial Leverage

● Reduction in Interest-Bearing Liabilities

While leveraging our financial position is important for improving ROE, securing a balance with financial soundness is also essential. As a result of reducing interest-bearing liabilities in FY2025, our D/E ratio improved from the 1.3 times level at the end of FY2023 to the 0.9 times level at the end of FY2025. Furthermore, with the contribution from Sumitomo Pharma's capital increase, we expect the D/E ratio to improve to approximately 0.8 times by the end of FY2026.

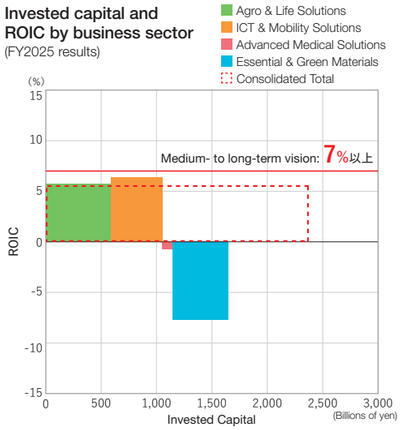
However, we are still only halfway toward achieving our medium- to long-term target level of approximately 0.7 times for the D/E ratio. By continuing to improve our financial position, we intend to curb the burden of interest expenses in a rising interest rate environment and establish a stable financial base for future growth investments.

● Shareholder Returns

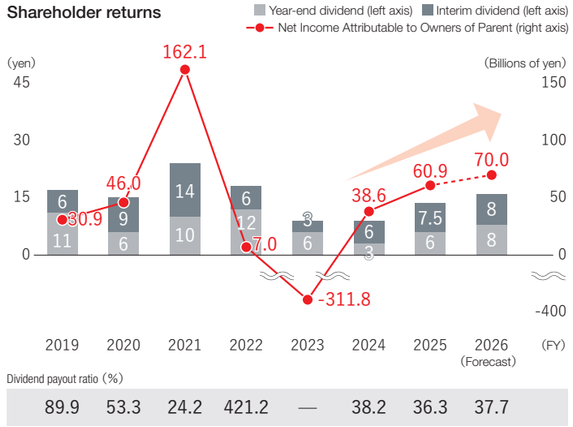
We position shareholder returns as one of our priority management issues and have made it a policy to maintain stable dividend payment. We also aim to maintain a dividend payout ratio of around 30% over the medium- to long-term.

In FY2025, we set the annual dividend at 13.5 yen per share, an increase of 4.5 yen per share from the previous fiscal year. As a result, the dividend payout ratio came to about 36%. For FY2026 as well, we plan to pay an annual dividend of 16 yen per share, an increase of 2.5 yen per share from the previous fiscal year. However, we do not consider this a sufficient level, and through further sustained profit growth we will work to achieve an annual dividend of 24 yen per share at an early stage in the future.

Invested capital and ROIC by business sector
(FY2025 results)



Shareholder returns



Dividend payout ratio (%)							
89.9	53.3	24.2	421.2	—	38.2	36.3	37.7

Improving the P/E Ratio by Strengthening Our Management Base and Deepening Dialogue

Aiming to Foster Growth Expectations and Reduce the Cost of Capital by Improving the Accuracy of Investment Decisions and Strengthening Governance

● Strengthening the Investment Management Process

To steadily execute disciplined growth investments, it is important to improve the accuracy of our investment decisions. We believe that raising the probability of success of growth investments will foster growth expectations and contribute to improving the P/E ratio.

Based on this thinking, we are analyzing past impairment cases and strengthening its investment management process in order to raise the probability of investment success.

In making investment decisions, we emphasize objectivity by strengthening company-wide checks, quantifying risks, making data-driven decisions and incorporating the insights of external experts. For example, in the recent acquisition of AUECC, we made our decision after an objective and thorough evaluation based on multifaceted simulation analyses and collaboration with experts inside and outside the Company.

Furthermore, to respond flexibly to changes in the business environment, we have introduced KPIs that capture early warning signs and conduct continuous monitoring, enabling us to respond swiftly. We also continuously monitor key strategic projects of approximately 75 billion yen currently in the execution phase, identifying changes in markets and risks at an early stage and revising business strategies as necessary in order to maximize investment returns.

● Strengthening Corporate Governance

As a foundation supporting our growth strategy, we are also focusing on strengthening corporate governance. In June 2025, our company transitioned to a company with an Audit & Supervisory Committee. We are strengthening the supervisory capabilities of the Directors who serve as Audit & Supervisory Committee Members and enhancing deliberation and discussion on management issues, thereby improving the quality of governance from both a defensive and an offensive perspective. In addition, with respect to executive remuneration, a topic on which investors have offered their opinions, we raised the ratio of variable compensation and newly introduced an ROIC achievement coefficient into the bonus calculation formula for variable compensation in order to increase ties between business performance and capital efficiency. Through these measures, we bring our management closer to the investor perspective and support the ROIC-oriented management that we emphasize. As a result, we believe that management transparency from the perspective of investors will increase and that this will also lead to a reduction in the cost of capital.

Enhancing Management Transparency Through Constructive Dialogue

We believe that constructive dialogue with stakeholders, including shareholders and investors, is extremely important in enhancing the transparency and reliability of our management. In addition to opportunities for dialogue held by top management, I myself engage directly with shareholders and investors at conferences, individual meetings and other occasions, and receive a great deal of feedback. We reflect in our management the feedback we receive as well as the market expectations and concerns obtained through such dialogue.

In January 2026, we also provided a forum for dialogue between investors and Outside Directors, where we held frank discussions on monitoring, namely why we were unable to detect signs of deteriorating business performance at an early stage, as well as on such issues as the business portfolio and the parent-subsidiary listed company structure. We believe that such dialogue further deepens our awareness of issues and contributes to further strengthening the supervisory capabilities of the Board of Directors.

Going forward, we will continue to place importance on dialogue with shareholders and investors, and by carefully communicating the progress of our growth initiatives and transformation, we will strive to foster market expectations.

Achieving Sustainable Enhancement of Corporate Value Even in a Rapidly Changing Environment

By steadily executing the initiatives described above, we aim to improve ROE through strengthening our earnings power and improving capital efficiency, while also working to improve the P/E ratio, thereby leading to a steady improvement in the P/B ratio. In recent years, uncertainty in the external environment, including geopolitical risks, has been high, and the outlook continues to be difficult to predict. However, precisely because of such circumstances, we recognize that it is more important than ever to calmly assess changes in the environment and to balance growth investment with improvement of our financial position, using the accelerator and the brake as appropriate.

Going forward, we will further enhance the quality of our management through investment decisions and financial strategy, and while meeting the expectations of our shareholders and investors, we will work to achieve sustainable enhancement of corporate value.



FY2025-2027 Corporate Business Plan

Our goal is to become an Innovative Solution Provider that delivers solutions developed with innovative products and technologies to address issues faced by society. As the first step in the Corporate Business Plan starting in FY2025, we adopted the slogan "Leap Beyond—Return to a growth trajectory—." Guided by this, we will advance initiatives aligned with five basic directions of the Plan, including upgrading business portfolio with new growth strategy, building greater resilience by executing continued structural reforms, and improving financial and capital efficiency. Through these efforts, we aim to return to a growth trajectory and achieve sustainable growth.

Overview

Slogan

Leap Beyond ~Return to a growth trajectory~

Vision for this plan

Return to a growth trajectory and show the way toward further growth

- Basic direction 01: Upgrade business portfolio with new growth strategy
- Basic direction 02: Build greater resilience by executing continued structural reforms
- Basic direction 03: Improve financial and capital efficiency
- Basic direction 04: R&D strategy based on 3 X's
- Basic direction 05: Strengthen management base supporting new growth strategy

FY2027 performance target

(Billions of yen)

	FY2025 Actual	FY2026 Forecast (announced in May 2026)	FY2027 target (announced in March 2025)
Sales Revenue	2,328.5	2,360.0	2,400.0
Core Operating Income (Of which capital gains on business dispositions)	208.4 (Approx. 80.0)	215.0 (Approx. 5.0)	200.0
Net Income Attributable to Owners of the Parent	60.9	70.0	100.0
ROE	6.4%	6.8%	8%
ROIC	5.6%	5.5%	6%

FY2027 core operating income target by sector

(Billions of yen)

	FY2025 Actual	FY2026 Forecast	FY2027 target
Agro & Life Solutions	56.3	65.0	80.0
ICT & Mobility Solutions	53.0	55.0	80.0
Advanced Medical Solutions	2.8	3.0	10.0
Essential & Green Materials	14.4	20.0	25.0
Sumitomo Pharma	108.4	94.0	5.0
Head office and others	-26.7	-22.0	
Total	208.4	215.0	200.0

Upgrade business portfolio with new growth strategy

In the current Corporate Business Plan, we reaffirmed the positioning of each business sector within the corporate portfolio. This is intended to further promote the business portfolio enhancement.

We positioned Agro & Life Solutions (AGL) and ICT & Mobility Solutions (ICTM) as near-term growth drivers and will allocate more management resources, including capital expenditures and R&D, to these businesses. At the same time, we will develop Advanced Medical Solutions (ADM) as a new growth area and nurture it into the third pillar of earnings in the future. Essential & Green Materials (EGM) will undertake a major shift from petrochemicals to businesses that reduce environmental impact, while expanding the licensing and catalyst business based on existing technology assets. These two sectors are positioned to be developed with a long-term perspective, in view of the time required for market establishment and technology development.

Upgrade business portfolio by clarifying the positioning of each sector and appropriately allocating resources

	Agro & Life Solutions	ICT & Mobility Solutions	Advanced Medical Solutions	Essential & Green Materials
Positioning	Growth drivers: Concentrate management resources to drive companywide business performance		New growth areas: Cultivate as the third pillar in the future	Fundamental areas: Cultivate businesses that reduce environmental impact
	Concentrate resources in capex and R&D investments		Cultivate from a long-term perspective	

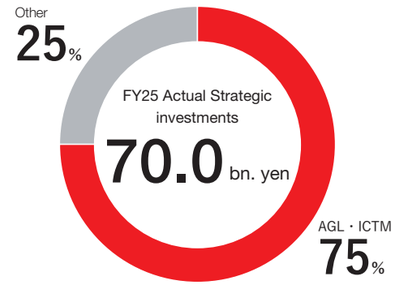
Concentrate resources in growth drivers

Business investments (capex, loans and investments)

With an emphasis on financial discipline, we plan to invest 450 billion yen over the three-year period, kept within the range of depreciation and amortization expenses.

Of the 450 billion yen, 230 billion yen has been earmarked for strategic investments, concentrated in the two growth drivers. We will actively allocate capital, with M&A also considered as an option.

In FY2025, strategic investments amounted to approx. 70 billion yen and maintenance investments came to approx. 73 billion yen, thereby completing roughly one-third of the three-year plan. About 75% of strategic investments were concentrated on AGL and ICTM as growth drivers.



Major strategic investments in FY2025

Acquisition of a semiconductor chemical company

Acquired customer network and product lineup in Taiwan and the U.S.

➡ Strengthened our position as a leading company



AUECC's semiconductor chemical plant (U.S.)

Augmented production capacity of crop protection products in India

Established a new plant in India and augmented production capacity of crop protection intermediates

➡ Secured a competitive production base



Existing plant of Sumitomo Chemical India Ltd.

Build greater resilience by executing continued structural reforms

Petro Rabigh

Petro Rabigh (PRC) has been promoting various measures intended to strengthen its financial base and improve earnings capacity. The Company and Saudi Aramco jointly implemented and completed a series of financial improvement plans, including debt waivers, which contributed to mitigating interest payment burdens and reducing accumulated losses.

Short-term measures to improve earnings have also yielded results steadily. We will now proceed with initiatives under the medium- to long-term measures to improve earnings centered on refinery products.



Petro Rabigh

Financial improvement plan

- Completed: **Wrote-off loans totaling $1,500m from both SCC and Aramco*1**
  *1 Aramco wrote-off the loans of $500m in FY2024 and $250m in FY2025.
- Completed: **SCC completes sale of approximately 22.5% of PRC to Aramco for $702m**
- Completed: **Including the proceeds from the sale, a total of $1,404m is expected to be contributed to PRC*2**
  *2 The first issuance of a different class of ordinary shares by a public company in Saudi Arabia

Mitigating PRC interest burden
Our ownership stake has been 15% since October 2025.

Plan to strengthen earnings power

- Currently in progress: **Short-term : Capacity increase through de-bottlenecking of ethane cracker and HOFCC (ethylene: 105%, propylene: 109%)**
  Strengthen feedstock competitiveness by changing crude oil types, and increase margins in refined products (producing low-sulfur diesel, upgrading light naphtha to gasoline), etc.
- Under consideration: **Mid- to long-term: Feasibility study in progress on upgrades to refinery assets**

Sumitomo Pharma

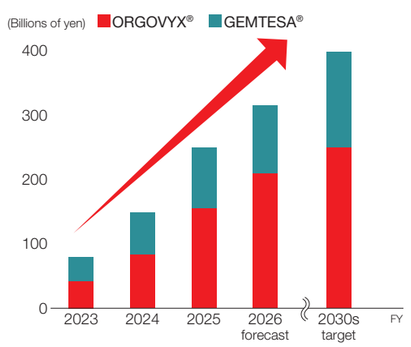
In FY2025, Sumitomo Pharma's earnings grew significantly from the previous fiscal year due to expanded sales and sales milestones of ORGOVYX® and GEMTESA® and the divestment of its operation in Asia. In April 2026, it strengthened the financial position through a public offering and secured funding to accelerate research and development.

To transition from structural reforms to the full-scale implementation of growth strategy, we will further expand sales of ORGOVYX® and GEMTESA®, while also promoting research and development of two oncology assets as next-generation profit drivers.

With regard to the positioning of Sumitomo Pharma within the Group, we will focus on building the best growth model for the company and consider all options, including the search for a best partner for the company, based on the recognition that synergies with small molecule drugs (drug discovery) are limited.

Expanding sales of ORGOVYX® and GEMTESA®

Aiming for the 400 billion yen range in sales of ORGOVYX® and GEMTESA® in the 2030s



Business Potential of the Two Oncology Compounds

Promoting development while exploring opportunities for partnerships with other companies

	Enzomenib	Nuvisertib
Target Indication	Acute leukemia (KMT2A-rearranged or NPM 1-mutated)	Myelofibrosis
Expected competitive advantages	Promising efficacy and a favorable safety profile (potentially lower risk of cardiac adverse events and differentiation syndrome)	Promising efficacy and a favorable safety profile (potential to improve bone marrow fibrosis)
Target launch date	FY2027	FY2028
Peak sales forecast	● Over 100 billion yen ● Expect over 200billion yen with indication expansions	● Over 100 billion yen ● Indication expansions under consideration

Note: As of March 2026

Improve capital efficiency

Under the current Corporate Business Plan, we are thoroughly re-implementing ROIC-oriented management to improve capital efficiency. While working to strengthen earnings power and to optimize invested capital, we also upgrade our investment management process and aim for improvement in ROIC by increasing the probability of investment success. In investment judgment and decision-making, we quantify risks and leverage the insights of external experts for thorough risk management.

We also focus on post-investment monitoring. For large-scale investment projects, we set KPIs as follow-up milestones after investments and monitor the progress on an ongoing basis. This has resulted in a system that enables us to identify changes in market conditions and signs of risk at an early stage.

Strengthen investment management processes to enhance probability of investment success

Investment and business decision-making rooted in thorough risk management

Data-driven
Quantify risk based on probability distributions across a diverse range of scenarios

Objective
Place import on third-party expert opinions about market trends and competitive advantages

Monitoring for flexible strategy operations

Agile
Adopt continuing milestone KPIs that capture early warning signs

Changes in ROIC from FY2024 to FY2027

Business Sector	FY2024 Actual	FY2025 Actual	FY2027 target
Agro & Life Solutions	4.4%	5.7%	8%
ICT & Mobility Solutions	10.4%	6.4%	11%
Advanced Medical Solutions	-5.4%	-0.7%	7%
Essential & Green Materials	-15.1%	-7.7%	4%
Total	2.2%	5.6%	6%

R&D strategy based on 3 X's

We will fully leverage the assets we have accumulated over the years to advance R&D, focusing on Green Transformation (GX), Bio Transformation (BX), and Digital Transformation (DX). We aim for long-term, sustainable growth by implementing the R&D strategy with these three X's as the core.

Also, to promote R&D structural reforms, we restructured our R&D organization and established a company-wide, strategic organizational structure. By strengthening the alignment between business strategy and R&D strategy, we will concentrate resources on winning business themes.

Strengthen management base supporting new growth strategy

Talent

Human resources are the most important management resources. We believe it is extremely important to secure human resources with diverse knowledge and skills and develop them so that they can demonstrate their abilities to the fullest.

Against this backdrop, under the current Corporate Business Plan, we will secure and develop human resources with a long-term perspective and strengthen our management foundation by pursuing structural reforms and sustainable growth across the Group through enhanced engagement.

DX

During the period of the previous Corporate Business Plan, we worked on improvement of operational efficiency and creation of new value under the DX Strategy 1.0 through 3.0. The current Corporate Business Plan sets forth "DX NEXT empowered by AI" in which we integrate the DX Strategies with AI as the new pillar and move on to the next stage.

Sumitomo Chemical's Winning Businesses

Building on the organic synthesis technology, the Company has developed various businesses in response to changing times and societal issues. Among those, we position businesses driving the Company's value creation with a well-established technological competitive advantage as winning businesses. By further concentrating resources on businesses where we can win and promoting enhancement of business portfolio, we will enhance corporate value over the medium to long term.

Winning business going forward: ～Regenerative Medicine/Cell Therapy Business～

The Group positions regenerative medicine/cell therapy (R&D and CDMO) as a new winning business and works to expand this business. One of the origins of the business lies in the ES cell research we have continued since 2003 as part of our chemicals safety evaluation, and today we are a global leader in the field of regenerative medicine/cell therapy using iPS cells.

Sumitomo Chemical's Regenerative Medicine/Cell Therapy Business



Leading edge OLED materials

Polarizing film for OLEDs

No. 1 market share
for mobile applications

- Proprietary liquid crystal compound synthesis technology
- Fully integrated in-house design from compound to film

ICT & Mobility Solutions



Semiconductor materials

Photoresist

World-leading technological expertise

Semiconductor chemicals

World-leading high quality and business scale

ICT & Mobility Solutions



Licensing out and Catalysts

Catalyst and Process Technology Licenses

Approx. 70

We possess technologies enabling the production of low environmental impact chemicals (e.g., PO-only Process, Hydrogen Chloride Oxidation Process)

Essential & Green Materials



Crop protection products



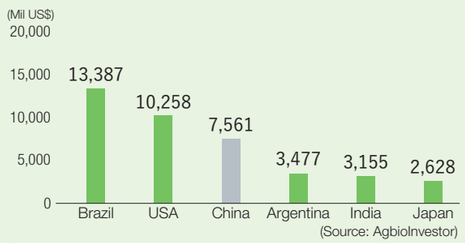
World-leading drug development capabilities

During 2020-2024 term, 33 active ingredients have been launched in the global market while we launched 5

Footprint covering world major markets

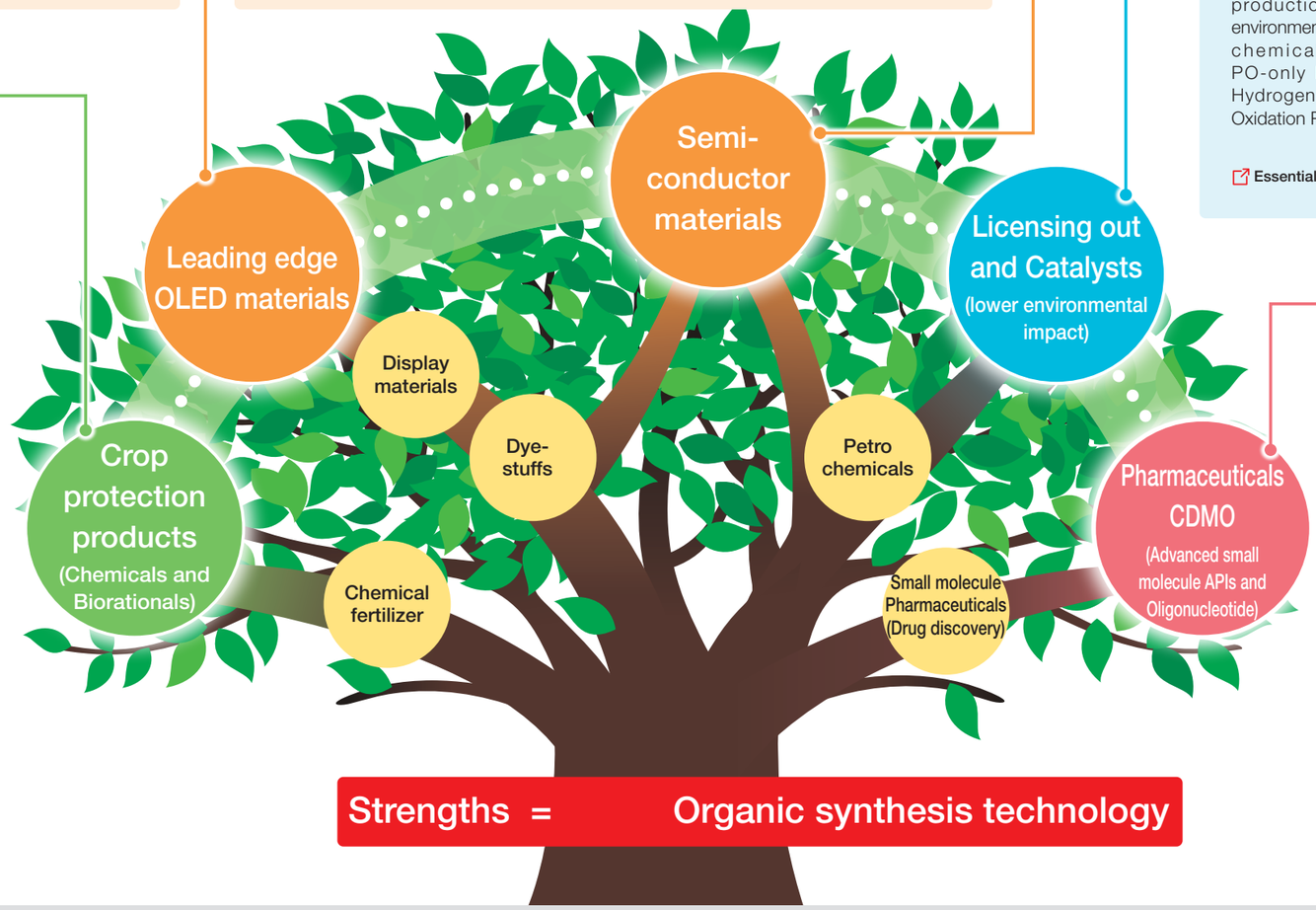
We have own-footprints in 5 countries among top-6 (Chemicals and Biorationals)

Crop Protection Market Size (FY2025)



(Source: AgbioInvestor)

Agro & Life Solutions



Pharmaceuticals CDMO

Advanced small molecule APIs CDMO

No. 1 position in Japan

Oligonucleotide CDMO

Industry-leading quality capabilities



Advanced Medical Solutions

The diagram depicts the Company's business development. Organic synthesis technology is the trunk and businesses built on this technology are shown as branches and leaves. Among these, Crop protection products; Leading edge OLED materials; Semiconductor materials; Licensing out and Catalysts; and Pharmaceuticals CDMO are positioned as winning businesses.

Strategy by Business Sector:

Agro & Life Solutions

Agro & Life Solutions(Investors' Handbook)

Vision

We contribute to realization of regenerative agriculture and sustainable society by delivering unique products and solutions to global market



Managing Executive Officer
Head of Agro & Life Solutions Sector Tadashi Katayama

Businesses

AgroSolutions Business

Chemicals

- Insecticides effective against a range of insects causing damage to crops
- Herbicides for a variety of crops
- Fungicides for controlling crop diseases

Biorationals

- Products such as micro-organism-based crop protection, plant growth regulators, rhizosphere microbial materials, and biostimulants, all derived from natural sources



Various crop protection chemicals, including insecticides and herbicides

Environmental Health Business

Chemicals,biorationals insecticides

- Household insecticides (household insecticides for indoor and outdoor use such as mosquito coils, mosquito repellents, and aerosols, pyrethroid agents used in insect-repellent resin, and other devices)
- Professional insecticides (for residential homes, office buildings, warehouses, etc., used by professionals)
- Public hygiene insecticides (for hygiene pest control)



Active ingredients for household pesticides

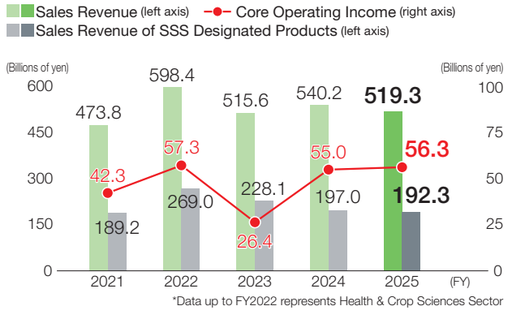
Animal Nutrition Business

Methionine

- Methionine mainly used in poultry feed (Methionine is one of the essential amino acids and acts to promote the growth of animals being raised.)

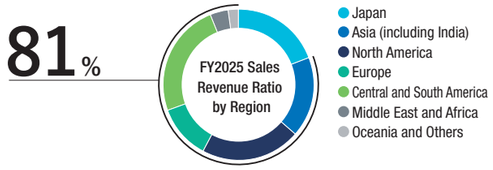
FY2025 Performance-Related Data

Sales Revenues and Core Operating Income/ Sales Revenue of SSS Designated Products

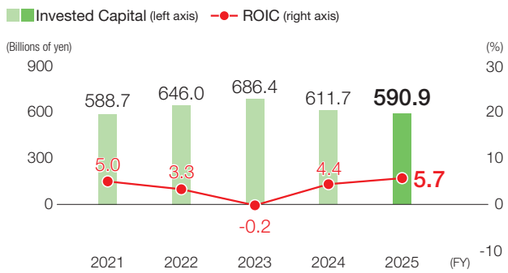


*Data up to FY2022 represents Health & Crop Sciences Sector

Overseas Sales Revenue Ratio



Invested Capital / ROIC



*Data up to FY2023 represents Health & Crop Sciences Sector

Transition to Date

We have continued to recoup the returns on our past proactive investments in the sector as a future growth driver of Sumitomo Chemical. We have also worked to optimize invested capital mainly through inventory reduction. In FY2025, it was negatively impacted by bad weather conditions in South America. However, due to solid growth in the crop protection chemicals market in Japan, the sector's ROIC was 5.7%.

Future Measures

In the chemical domain, we will promote the launch and sale of new products such as INDIFLIN™ and Rapidicil™. At the same time, we aim to further expand our biorational business to strengthen profitability. We will also reduce invested capital by decreasing inventories and compressing receivables and payables, thereby promoting business operations with a focus on capital efficiency.

FY2025 - 2027 Corporate Business Plan and Progress

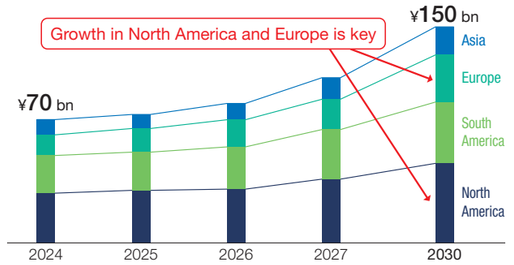
FY2027 Financial targets Core Operating Income : 80 bn. yen ROIC : 8%

Solid execution of growth strategy centered on biorationals

Policy

- Globally deploy biostimulants and other new business areas and pursue synergies with existing products
- accelerate sales expansion of biorationals

Biorationals product sales by geography



Progress

Established Sumitomo Biorational Company

Reorganized U.S. Group companies and established a global hub for the biorational business



Aim

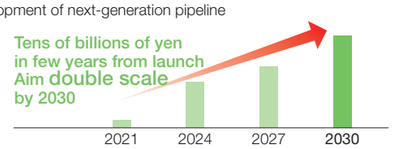
- Center of Excellence: Strengthening important business fields
  Consolidate knowledge and experience from former Valent BioSciences (biorationals) and former MGK (botanicals) into new company
- Prepare for changes in the external environment and minimize business operation costs
  Realize a lean and efficient business operation structure that eliminates redundancies

New product expansion & pipeline acceleration

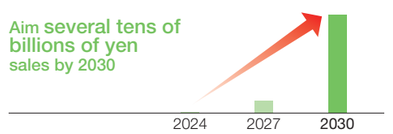
Policy

- Launch and expand sales of INDIFLIN™ and Rapidicil™ and expand synergies with existing businesses
- promote development of next-generation pipeline

INDIFLIN™



Rapidicil™



Progress

Strategies by product

INDIFLIN™

- Expanding sales leveraging added indication for corn in 2025 (enhancing convenience to create markets and acquire sales expansion opportunities)
- Expanding sales of Pladius™, a mixture that includes INDIFLIN™ and can also be used on cotton
- Accelerating sales expansion in Paraguay's agrichemicals market through the 2025 establishment of SC Paraguay and experience from Brazil)

Rapidicil™

- Advance registration in countries in North and South America. Expand product lineup by developing mixture products
- Build next-generation weed controls for use with PPO-tolerant crops
- Register in US in 2026 and Brazil in 2027

Strengthening supply systems & enhancing cost and capital efficiency

Policy

- Optimize supply regime inside and outside Japan
- secure supply capacity that is stable and competitive
- Compress working capital, optimize inventories, and strengthen manufacturing cost competitiveness

Action plan by area



Progress

1. **Japan(Oita, Misawa):** While taking product lifecycle into consideration, we are exploring reorganizing the manufacturing operations by, for example, outsourcing the production of some existing products from our plants.
2. **China:** We will seek low-cost procurement of products, including post-patent products for South America, by consolidating purchasing functions
3. **India:** We will expand and strengthen the production capabilities, including production of crop protection active ingredients and intermediates.
4. **Central and South America:** We will further increase production capacity and expand capability to support the sales expansion of new products and biorational products. We will also accelerate production and export to other regions
5. **North America:** We will strengthen the competitiveness and production capacity of the VBS Osage plant as a base for biorational business. We will also strengthen the competitiveness of the SBC Chaska plant as a base for the the Environmental Health Business in North America.
6. **Oceania:** We will strengthen the competitiveness and increase the product capacity of the plant as a production base for natural pyrethrin that supports the global biorational business (in the Environmental Health and AgroSolusions areas).

Strategy by Business Sector:

ICT & Mobility Solutions

ICT & Mobility Solutions (Investors' Handbook)

Vision

By integrating proprietary innovative technologies with accumulated expertise, we aim to contribute to the advancement of next-generation technology through total solutions that accelerate customer innovation



Businesses

Semiconductor materials-related Business

Photoresists
- Photosensitive resins creating ultra-fine circuit patterns in semiconductor manufacturing processes.

Semiconductor chemicals
- High-purity, functional chemicals mainly used for cleaning and etching processes in semiconductor manufacturing processes.

High-purity Inorganic materials
- Ultra-high purity alumina and aluminum

Compound semiconductor materials
- Substrates and their laminates, such as gallium nitride that offers high frequencies and good voltage endurance characteristics.

Display Materials-related Business

Polarizing films
- High-performance films that achieve high-definition images on smartphone displays, etc.

Color Resists
- The red, green and blue high-performance colorant materials that make up the color filter layer, the key component of a display.

Mobility-related Business

Super engineering plastics

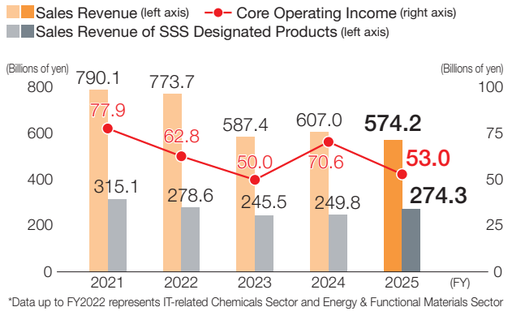
Liquid crystal polymer (LCP), Polyether sulfone (PES)
- A polymer, which features excellent heat resistance, fluidity, and dimensional stability used for automobiles, aircraft, electronic devices, etc.

Resorcinol
- Raw materials for various fine chemicals, including adhesives for rubber products, wood adhesives.

Battery separators
- Insulation films that prevent short circuits of positive and negative electrodes of lithium-ion secondary batteries. Safety components that retain the electrolytes and enable ion conductivity.

FY2025 Performance-Related Data

Sales Revenues and Core Operating Income/ Sales Revenue of SSS Designated Products

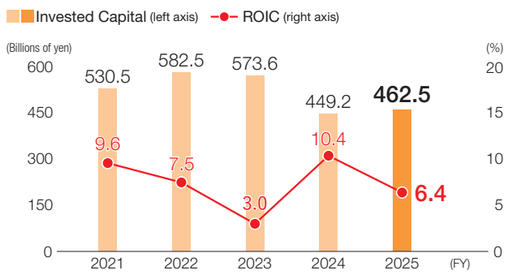


*Data up to FY2022 represents IT-related Chemicals Sector and Energy & Functional Materials Sector

Overseas Sales Revenue Ratio



Invested Capital / ROIC



*Data up to FY2023 represents IT-related Chemicals Sector and Energy & Functional Materials Sector

Transition to Date

We have continued to proactively invest in the sector as a future growth driver of Sumitomo Chemical, including in the establishment and expansion of facilities for semiconductor-related business. Although the semiconductor-related business recovered due to strong demand related to AI in fiscal 2025, profit levels declined due to factors including lower selling prices resulting from intensified price competition for display-related materials. Due to these factors, the sector's ROIC was 6.4%

Future Measures

For the semiconductor-related business, we will globally expand our business development area through such measures as starting operations at a new plant in the U.S. and utilizing the business sites of the recently acquired Asia Union Electronic Chemical Corporation. In the area of back-end process materials, we will focus on cutting-edge fields as we work closely with customers to further accelerate the development of materials and promote their steady commercialization. In addition, by restructuring the mobility-related business, we will upgrade our business portfolio and implement profitability improvement measures for the next stage of growth in the sector as a whole.

FY2025 - 2027 Corporate Business Plan and Progress

FY2027 Financial targets Core Operating Income : 80 bn. yen ROIC : 11%

Semiconductor materials-related business

Photoresists

Policy
- Make upfront investments in cutting-edge fields in line with the advancements in semiconductor technologies
- Deepen unique core technologies and develop and expand global supply and development systems
  - ➡ Establish a two-site supply system in Japan and Korea
  - ➡ Strengthen function of Osaka area, a key production site of photoresist

Alkaline development with negative resist (immersion ArF)
Advance global top-class ArF immersion resist technology to achieve improved resolution
Aim to expand the addressable application range by leveraging advanced ArF lithography tool

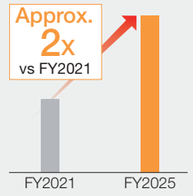
Organic molecule resist (High NA EUV)
To support ultimate miniaturization of semiconductors, design resist materials at molecular size
Concentrate R&D resources and accelerate development of next-generation platforms

Progress

Photoresist business-related investment projects

Operation time	Recent investments	Location
FY2024	Completion of the new research/mass production evaluation building	Osaka
	Commencement of the new cutting-edge photoresist plant operation •Mass production of EUV photoresist/immersion ArF photoresists	Korea
FY2026	Expand the cutting-edge photoresist evaluation equipment •Enhancement and introduction of cutting-edge ArF lithography systems	Osaka
FY2027 (plan)	Establish a next-generation EUV technology center •Consolidate manufacturing process technology and quality evaluation and analysis functions	Osaka

Strengthening of our cutting-edge photoresist production capacity



Semiconductor chemical/ Semiconductor back-end materials

Policy

Semiconductor chemical
- Expanding the supply systems and promoting productivity improvements at each location by acquiring bases in Taiwan and the western U.S. through the purchase of a semiconductor chemical company, while also enhancing the top global level business scale by strengthening process technology as well as the evaluation and analysis infrastructure

Semiconductor back-end materials
- Fully leveraging our core technologies (organic synthesis, formulation, precision film processing, etc.), steadily accelerating development, release, and sales expansion of advanced back-end products applied to AI semiconductor manufacturing

Progress

Acquired Taiwan AUECC and established JV for glass core substrates

In FY2025, we acquired Asia Union Electronic Chemical Corporation (AUECC), which has production bases in Taiwan and the U.S.

For back-end materials, we signed a joint venture agreement with Samsung Electro-Mechanics Co., Ltd. to establish a joint venture GlaSSEM (tentative name) that will manufacture glass core substrates used for advanced packaging.



AUECC's semiconductor chemical plant (U.S.)

Display materials and mobility-related business

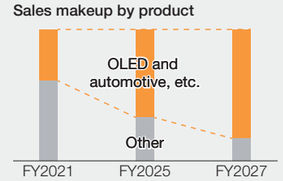
Polarizing films

Policy
- Steadily promoting a structural reform and accelerating development of elemental technologies to establish a sustainable business base. Based on our proprietary key materials (liquid crystal-coated retardation films, liquid crystal-coated polarizer), promoting business expansion into high performance areas such as materials for OLED mobile, automotive, and next-generation displays.

Progress

We steadily restructured our portfolio by, for example, selling the large-screen LCD polarizing film business in China, and sales ratio of high performance areas rose by approx. 30% in FY2025 compared to FY2021. By deepening our proprietary technologies, we will drive the shift to cutting-edge fields.

Sales makeup by product

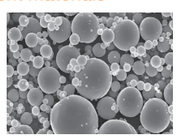


New businesses

We aim to establish the business by the late 2020s, following the semiconductor-related business and the display materials business, mobility-related business.

Next-generation thermal management materials

As electricity consumption increases with the advancement of AI and high-speed communications, demand is growing for advanced thermal management technologies. The Company develops materials for advanced semiconductor packaging and low alpha radiation, high-purity fine spherical alumina products. With their excellent heat dissipation properties, we contribute to improving device performance.



ELA series of high-purity fine spherical alumina products

Next-generation power device materials

We offer to the market a high-quality gallium nitride substrate as a material for next-generation power devices, which enables the miniaturization and loss reduction of power conversion circuits used in applications such as EVs. It contributes to carbon neutrality through energy saving.

Materials for communication devices

We develop and offer high performance antennas designed for high-speed communication that can be placed on a display, thereby contributing to downsizing of mobile communication repeaters, as well as glass transparent displays that enable signage on glass structures. They are the solutions we provide to contribute to the advancement of next-generation communication technologies.



Glass transparent displays

Strategy by Business Sector

Advanced Medical Solutions

Advanced Medical Solutions (Investors' Handbook)

Vision

Leverage "the power of chemistry and biology" to support the health and the future of people worldwide through solutions that draw from advanced manufacturing, management and analysis technologies



Representative Director & President
Head of Chemical Asset Management Office,
Advanced Medical Solutions Sector
Nobuaki Mito

Businesses

Advanced small molecule APIs*1 CDMO*2

- We are a CDMO of APIs and their intermediates for Japanese and foreign pharmaceutical companies.

Oligonucleotide*3 CDMO

- We provide a CDMO service for the production of long-chan RNA required in genome-editing therapies.

Regenerative medicine/cell therapy CDMO

- Combining Sumitomo Pharma's expertise in regenerative medicine/cell therapy with our contract manufacturing knowledge, we are conducting the CDMO business for regenerative medicine/cell therapy products at S-RACMO Co., Ltd.

Regenerative medicine/cell therapy (R&D)

- We operate drug discovery business for regenerative medicine/cell therapy products at RACTHERA Co., Ltd. by bringing together Sumitomo Pharma's expertise including development of formulations for regenerative medicine/cell therapy and our knowledge about foundational iPS/ES cell technologies.

*The expenses related to regenerative medicine/cell therapy (R&D) will continue to be recorded as corporate shared expenses for the time being

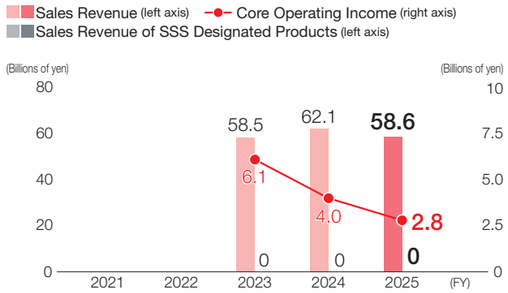
*1 APIs: Active Pharmaceutical Ingredients

*2 CDMO: Contract Development and Manufacturing Organization

*3 Nucleic acids required for cutting-edge genome-editing therapies. They are much longer than typical nucleic acid drugs. The necessity of high-purity products for medical applications has been highlighted.

FY2025 Performance-Related Data

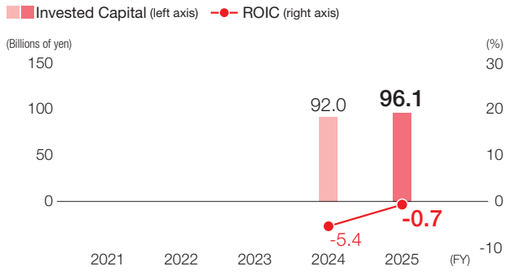
Sales Revenues and Core Operating Income/ Sales Revenue of SSS Designated Products



Overseas Sales Revenue Ratio



Invested Capital / ROIC



Transition to Date

As business where we can win, the CDMO business has expanded its track record of contract work in high value-added areas including oligonucleotides, while stably supplying high-quality APIs. The ROIC for the sector in FY2025 was -0.7% as impairment losses were recorded by a subsidiary mainly for its fine chemical manufacturing facility.

Future Measures

We will expand the acquisition of new contracts in the advanced small molecule APIs CDMO business. In the oligonucleotide CDMO business, we will further strengthen our service for U.S. customers, thereby achieving higher sales. In the regenerative medicine/cell therapy business, we will expand the business and strengthen profitability by enhancing CDMO manufacturing facilities and through promoting clinical studies further for obtaining full approval in Japan and approval in the U.S. for the cell therapy for the treatment of Parkinson's disease.

FY2025 - 2027 Corporate Business Plan

FY2027 Financial targets Core Operating Income : 10 bn. yen ROIC : 7%

Advanced small molecule APIs CDMO

Policy

- The main target customers are pharmaceutical companies in Japan, which need our comprehensive capabilities
- Advance highly prioritized promotions through multi-faceted analysis of customer pipelines and development and buyout directions
- Encourage growth into a high-profit business with a focus on new drug CDMO
- Stable supply of high-quality generic APIs that leverage manufacturing technologies, which are one of our strengths



New Plant for small molecule APIs (Oita)

Progress

- Steady sales efforts led to constant acquisition of new projects (3 projects in FY2025)
- Realized high operating rates and stable production at existing plants
- Started to examine GMP-compliant manufacturing at Koei Chemical multi-purpose plant for future business expansion

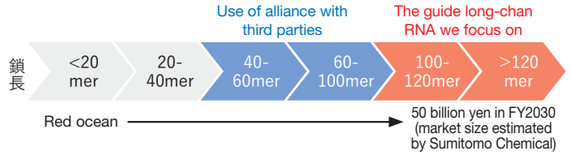


Koei Chemical (Chiba)

Oligonucleotide CDMO

Target

- Focus on high-purity long-chan RNA (over 100mer) that is extremely difficult to produce



Policy

- Enhance our engagement with U.S. customers by using SC-AMSA*, the CRO base in the U.S.
- Promote standardization of our proprietary high purity, quality, and analysis technology for long-chan RNA

*Sumitomo Chemical Advanced Medical Solutions America LLC



Oligonucleotide plant (Oita)

Progress

- Expanded orders through active provision of samples and sales activities
- Realized stable production at a new plant
- SC-AMSA, a new company serving as a development support base, was established in the U.S. and has started supplying samples



SC-AMSA (U.S.)

Regenerative medicine/cell therapy CDMO

Policy

- Accelerate project acquisition by using our strengths, which include high-level production technology, manufacturing method development know-how, and regulatory capabilities
- Further expand the business through manufacturing facility expansion
- Promote strengthening our organizations and building our business infrastructure in the U.S. for tremendous future growth



S-RACMO New CPC* "CRAFT"

*Cell Processing Center

Progress

- Reached 5 consecutive years of profitability by successful acquisition of projects and expansion of contract work
- Started operation of a manufacturing facility No. 3,"CRAFT," and a manufacturing facility No. 4 was awarded a grant by the Ministry of Economy, Trade and Industry

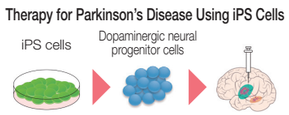
Regenerative medicine/cell therapy (R&D)

Target

- iPS cells set as the target are pluripotent stem cells with diverse differentiation potential like ES cells
- iPS cells can resolve ethical issues associated with ES cells whose derivation involves destruction of fertilized eggs

Policy

- Apply for approval and receive approval for the world's first iPS cell-derived cell therapy for the treatment of Parkinson's disease in FY2025
- Establish a leading position through the quick advancement of our first three products (a cell therapy for Parkinson's disease and cell therapies for retinal disease)



Progress

- In March 2026, AMCHEPRY (cell therapy for the treatment of Parkinson's disease) obtained approval in Japan (conditional and time-limited approval)
- Steadily implemented clinical studies on our first three products



Conditional and time-limited approval

Conditions
• Post-marketing clinical studies • Post-marketing surveillance
Dead line
7 years (end of FY 2032) from approval

Sumitomo Chemical's regenerative medicine/cell therapy business

Strategy by Business Sector

Essential & Green Materials

Essential & Green Materials (Investors' Handbook)

Vision

Establish position as a Solution Provider that maintains stable supply of materials essential to society and contributes to a reduced environmental impact



Senior Managing Executive Officer
Head of Essential & Green Materials Sector,
Business Development for
Circular Carbon Economy
Seiji Takeuchi

Businesses

Polyolefin Business

Polyethylene (PE)

- Synthetic resin that is exible, highly water- and chemical-resistant, and easy to process (Used in a wide range of products, including packaging materials, such as plastic wrap and food-safe tubes, wire coatings, and plastic lm used for greenhouses)



Various products made using polyethylene

Polypropylene (PP)

- Synthetic resin with a number of superior properties, including light weight, great workability, durability, heat resistance, and chemical resistance (Used in a wide range of applications, including automobile bumpers, instrument panels, food trays, and home appliances)

Methyl Methacrylate (MMA) Business

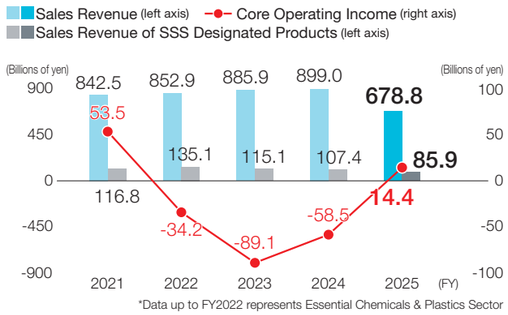
- Materials with outstanding transparency and weather resistance (Widely used in optical components such as light guide plates for LED TVs, automotive components,display cases, and outdoor advertisements)

Licensing and Catalysts Business

- Provision of licenses and sales of catalysts for production methods and technologies cultivated at our plants in Japan and at related companies outside Japan
- A lineup of technologies including not only the propylene oxide-only (PO-only) process for manufacturing PO, but also a hydrochloric acid oxidation process that signicantly reduces energy costs and whose byproducts can be recycled as raw materials.

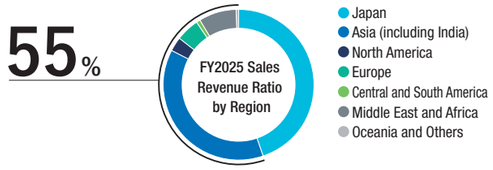
FY2025 Performance-Related Data

Sales Revenues and Core Operating Income/ Sales Revenue of SSS Designated Products

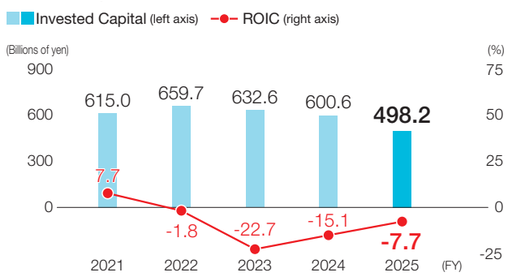


*Data up to FY2022 represents Essential Chemicals & Plastics Sector

Overseas Sales Revenue Ratio



Invested Capital / ROIC



*Data up to FY2023 represents Essential Chemicals & Plastics Sector

Transition to Date

Invested capital has been decreasing as we are carefully selecting growth investments based on their profitability and future potential and excluding investments that are aimed at maintaining business operations. In FY2025, business performance improved due to the sale of shares in Petro Rabigh as well as improved trade conditions at Petro Rabigh and in synthetic resins, which led to ROIC improvement.

Future Measures

In Japan and Singapore, we will advance the optimization of business structures, including through leveraging collaborations with other companies, and develop and expand sales of highly profitable products. As for Petro Rabigh, we will pursue a fundamental improvement in profitability led by Saudi Aramco. In addition, we will aim for a business structure that is not affected by market conditions, and will focus on the licensing and catalyst business.

FY2025 - 2027 Corporate Business Plan

FY2027 Financial targets Core Operating Income : 25 bn. yen ROIC : 4%

Complete rebuilding of the businesses

In Japan and Singapore, optimizing the business structure using collaboration with other companies and further rationalizing unprofitable and non-core businesses

Japan P&P reorganization

Policy

Maximize benefits of corporate ties upstream and downstream and secure stable earnings through business rationalization

Rationalization at existing ethylene plant

Realization of high operating rate through production system optimization leveraging the Chiba petrochemical complex's strategic location

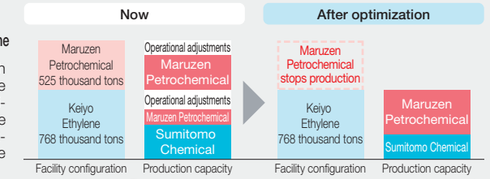
Polyolefin collaboration

Strengthen business competitiveness with integration into domestic leader Prime Polymer

Progress

Optimized operations at Keiyo Ethylene

- Reached an agreement with Maruzen Petrochemical on the operational optimization of Keiyo Ethylene. Product off-take ratio is 64% for Maruzen Petrochemical and 36% for the Company (after optimization)



- Transition to an optimal structure within FY2026. Profitability is expected to improve due to reduction in fixed costs and higher utilization rates

Business integration with Prime Polymer

- Agreement on integration of domestic PP and LLDPE businesses in Japan into Prime Polymer
- As Prime Polymer, we expect to achieve annual cost savings of more than 8 billion yen and accelerate the development of high-performance, environmentally friendly products.
- Integrated functions other than manufacturing in July 2026. Integration of the manufacturing function is scheduled in April 2027.

Singapore P&P reorganization

Policy

Upstream	PCS: Study and establish optimization of makeup of the complex
Downstream	TPC: Enhance earnings power of polyolefins through a shift to high value-added grades

Progress

Upstream	PCS: Optimize production and continue to review sales mix
Downstream	TPC: Expand sales of high value-added grades and shift sales geographies

Strengthening of the licensing and catalyst business

Policy

We will work on stable revenue generation and sustainable business expansion, aiming to contribute to revenue generation as the sector's key business by FY2027.

Establish stable revenue base

- Expand capacity to supply catalysts
- Expand opportunities to contact potential customers

Expand portfolio

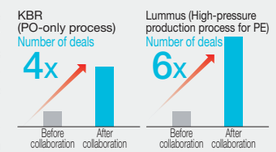
- Expand the lineup for licensing of technologies that reduce environmental impact

Brush up technology

- Bolster competitiveness in processes
- Extend catalyst life and improve costs

Progress

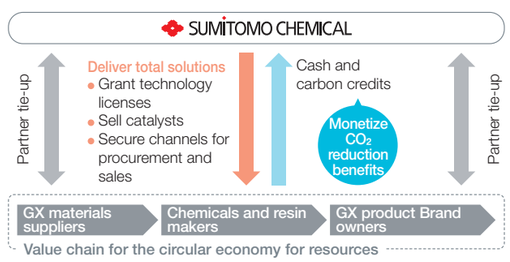
- Our proprietary high-performance catalysts support many of our process technologies, such as hydrochloric acid oxidation process and PO-only process. We will continue to add to our lineup.
- The presence of our technologies in global markets has grown through collaborations with KBR and Lummus
- Started commercial licensing of a high-efficiency chemical recycling technology for acrylic resin with Lummus Technology LLC in February 2026
- In May 2026, our collaboration partner Technip (U.S.) entered into a global licensing agreement with BASF (Germany) for HCl oxidation technology



Strengthening of the base for the environmental impact solutions business

Business overview

With our competitive GX licensing technologies as the cornerstone, we build a resource recycling value chain and offer a total solution covering not only technology licensing and catalyst sales but also securing of procurement and sales channels. Recycling technologies for carbon resources are becoming increasingly important not only for reducing environmental impact but also from the perspective of economic security. Through early social implementation and expansion in technology licensing, we aim to achieve core operating income of 40 billion yen in 2035.

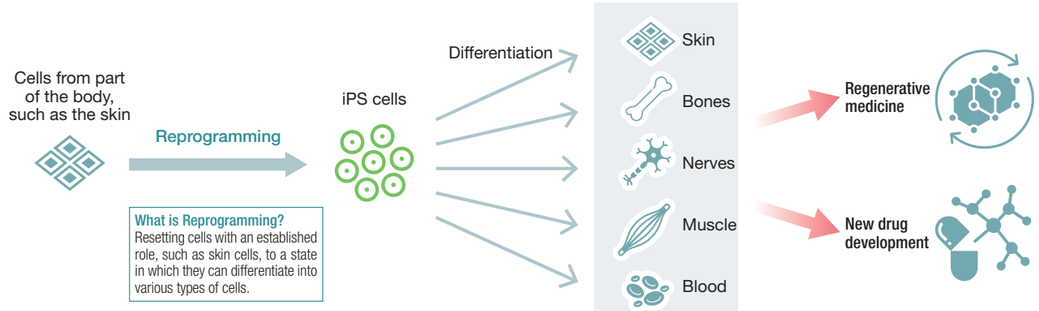


Sumitomo Chemical's regenerative medicine/cell therapy business

Sumitomo Chemical is working to address four material issues, which could help create social value. In the healthcare field in particular, we position the regenerative medicine/cell therapy business as one of the core new growth areas over the medium to long term, and the entire Group has focused for many years on stem cell research and on bringing regenerative medicine/cell therapy into practical use. To deliver innovative new therapies to patients, the Group will work as one to expand the regenerative medicine/cell therapy business and contribute to solving social issues.

What are iPS cells?

Induced pluripotent stem (iPS) cells are cells created by reprogramming cells of the body, such as skin or blood cells. Since they have properties close to those of a fertilized egg, they can change into a wide variety of cells and continue to proliferate over a long period. Through differentiation, diverse cell types, including nerve cells, cardiomyocytes, blood cells and hepatocytes can be produced from iPS cells. In addition to regenerative medicine through transplantation, the cells obtained in this way also serve drug discovery research that examines the efficacy and toxicity of new drugs.



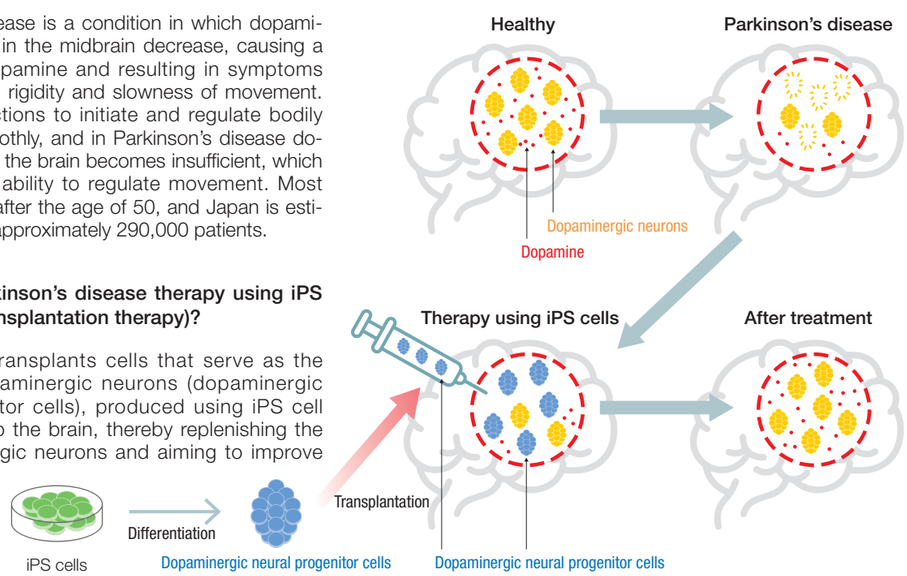
Parkinson's Disease Therapy Using iPS Cells

What is Parkinson's disease?

Parkinson's disease is a condition in which dopaminergic neurons in the midbrain decrease, causing a shortage of dopamine and resulting in symptoms such as tremor, rigidity and slowness of movement. Dopamine functions to initiate and regulate bodily movement smoothly, and in Parkinson's disease dopamine levels in the brain becomes insufficient, which diminishes the ability to regulate movement. Most cases develop after the age of 50, and Japan is estimated to have approximately 290,000 patients.

What is Parkinson's disease therapy using iPS cells (cell transplantation therapy)?

This therapy transplants cells that serve as the source of dopaminergic neurons (dopaminergic neural progenitor cells), produced using iPS cell technology, into the brain, thereby replenishing the lost dopaminergic neurons and aiming to improve motor function.



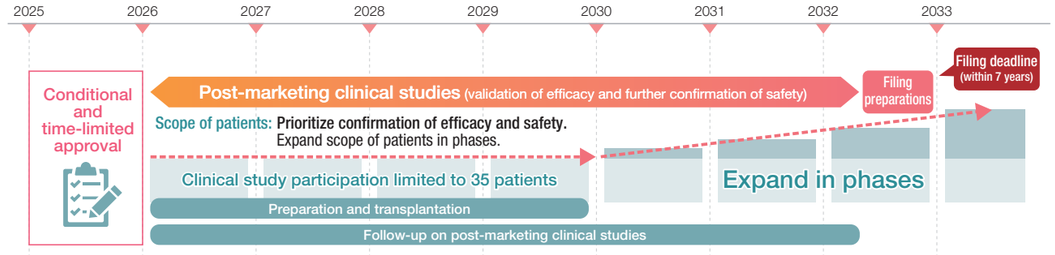
The world's first iPS cell-derived pharmaceutical product, originating in Japan (AMCHEPRY)



AMCHEPRY allogeneic iPS cell-derived dopaminergic neural progenitor cell product, consists of non-frozen dopaminergic neural progenitor cells produced from allogeneic iPS cells. Sumitomo Pharma obtained conditional and time-limited approval for AMCHEPRY in Japan on March 6, 2026, for the improvement of motor symptoms in patients with Parkinson's disease who do not achieve sufficient benefit from existing pharmacological therapies.

Expansion of the scope of facilities and patients from conditional and time-limited approval to full approval

Until around 2029, we will perform transplantation only for patients participating in post-marketing clinical studies. After completing transplantation for patients in the post-marketing clinical studies, we will expand the scope of facilities and patients.



About conditional and time-limited approval

Approval conditioned upon the collection over a set period of time of additional clinical data (efficacy and safety)

Conditions	● Post-marketing clinical studies ● Post-marketing surveillance
Deadline	● 7years (end of FY 2032) from approval

About post-marketing clinical studies

Clinical studies conducted after obtaining conditional approval that are designed to collect the efficacy and safety data needed to obtain formal approval

- Transfuse into 35 patients
- Follow up (Monitoring of 35 transfusion patients)

Promoting Expansion of the Regenerative Medicine/Cell Therapy Business as One Group

As one group, we will foster this business on the basis of cutting-edge technologies and our experience, and open up a new world. Each company leverages its own strengths and supports the advancement of the business in the areas where it contributes most.

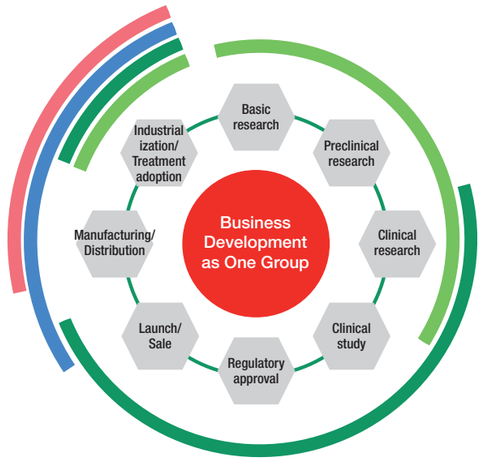
SUMITOMO CHEMICAL

Industrialization Technology	
Strength	● Advanced analytical technology and quality control ● Engineering
Role	● Mass production and stable supply ● Quality control leveraging advanced analytical technology

S-RACMO

Cell Manufacturing & CDMO Business	
Strength	● Cutting-edge manufacturing technologies for iPS cell–derived products ● Extensive track record in manufacturing of commercial/clinical products (JP/US) ● Regulatory affairs capabilities originating in Sumitomo Pharma
Role	● Stable supply of high-quality products ● Process development for commercialization ● Reduction of manufacturing costs through scale-up/automation

Joint venture with Sumitomo Pharma (**66.6**% owned by Sumitomo Chemical)



*The arcs on the outer perimeter indicate the areas to which each company contributes most

RACTHERA

Research Platform & Business Execution	
Strength	● iPS cell differentiation-inducing technologies ● Robust external network ● Deep expertise and talent in regenerative medicine/cell therapies
Role	● Strategic Planning & Business Development ● Collaboration with academia and industry partners ● Research on differentiation-inducing technologies ● Quality and efficacy evaluation

Joint venture with Sumitomo Pharma (**66.6**% owned by Sumitomo Chemical)

Sumitomo Pharma

Pharmaceutical Business platform	
Strength	● Clinical development platform ● Experience in regulatory affairs and commercialization in Japan and the U.S.
Role	● Conducting clinical studies in collaboration with medical institutions ● Regulatory affairs and consultations with authorities for regulatory approval ● Post-marketing activities including commercial and reliability assurance

We expect it to **grow into a global blockbuster (more than 100 bn. yen in sales)** in the 2030s

Innovation Strategy

As an Innovative Solution Provider aiming to solve societal issues with innovative technologies, we have designated "advance innovation" as one of the material issues to be addressed as management priorities. Leveraging our technological expertise in diverse areas, we strive to address societal issues by delivering solutions (value) across four areas: food, ICT, healthcare, and the environment.

Research and Development

Through extensive research activities over the years, we have cultivated research and development assets in the three areas of Green, Digital,and Bio. Through our businesses, we will contribute to solving societal issues by implementing an R&D strategy centered on the three areas of transformation—Green Transformation (GX), Bio Transformation (BX), and Digital Transformation (DX)—and providing innovative solutions.

DX

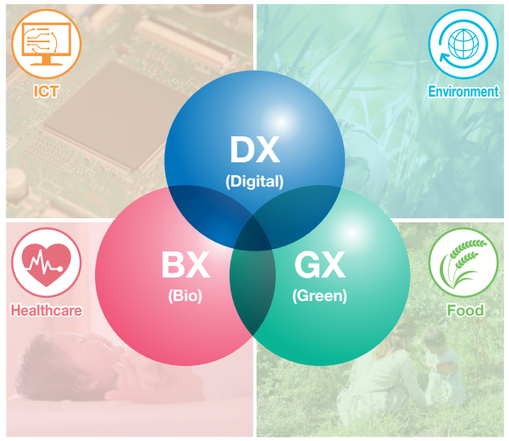
Accumulation: Over 50 years of research achievements. Laid the foundation for computer chemistry and contributed to the advancement of materials informatics (MI).
Technological Expertise: Selected as a Clarivate Top 100 Global Innovator for 5 consecutive years
Human Resource Strength: Approx. 1,700 people of DX core talent

BX

Accumulation: Over 50 years of research achievements in biotechnology.
Technological Expertise: Over 200 BX-related patent families
Open Innovation: Accelerating collaboration with leading startups to develop high-performance chemicals using synthetic biology.

GX

Promoting Carbon Neutrality: First comprehensive chemical manufacturer to receive SBT certification in 2018. Aiming for 50% GHG reductions compared to FY2013 by FY2030.
Technological Expertise: Approx. 70 licenses for catalyst and process technologies
Open Innovation: Using Green Innovation (GI) Fund, promoting chemical recycling business of approx. 50 billion yen in project scale.



Reorganization of R&D functions

To focus R&D resources on winning business themes, we transitioned to a companywide and strategic structure in April 2026.

Overview of new organization (Effective April 2026)



※ Integration of some research labs

Aims of the reorganization

Newly formed **companywide research strategic committee** as a decision-making body

- Unify planning and operation of companywide development strategy reporting directly to the management team
- Monitoring of companywide R&D, including Go/No Go decisions on important projects

Newly formed Research **Planning Division** tasked with **cross-organizational functions**

- Lead R&D restructuring and strategic investments from a companywide perspective

Formulate **technology roadmap** to support growth strategies

- Rigorously select development targets for corporate and business-unit research
- Strengthen ties between business strategy and R&D strategy

Prioritize investment of R&D resources into projects where we can win

Promising development Themes

Agro & Life Solutions

Theme **Research and development of new active ingredients**



Overview/Features: We are developing technologies that contribute to future food production through chemical crop protection and biorationals that we cultivated over many years and position as the core of the growth strategy. The core of R&D of this division is to identify and develop new active ingredients in the crop protection and environmental health areas. We are continuing our research on discovery of active ingredients for the next generation following the six products launched since 2020.
Next steps: Currently, we have more than 10 candidates in the early evaluation phase for chemical crop protection and biorationals. We also have a robust development pipeline. Developing new active ingredients is becoming increasingly challenging due to various factors such as the registration program becoming stricter year by year. We strive to maintain a high success rate in drug discovery by utilizing digital systems and other latest methods.

ICT & Mobility Solutions

Theme **High-purity chemicals for semiconductors**



Overview/Features: The Company's high-purity chemicals for semiconductors (isopropyl alcohol, sulfuric acid, ammonium-hydroxide, hydrogen peroxide solution, etc.) are important chemicals used to remove foreign matter in the cleaning and drying steps in semiconductor manufacturing. Leveraging our high quality and stable supply capability backed by technologies accumulated over many years, we have established a world-class business scale.
Next steps: With advances in semiconductor performance and miniaturization, ultra-high purity technology at a parts-per-trillion level is being required, in addition to further advancement of quality control. While working to improve purification process technologies and high-sensitivity analysis and evaluation methods further, we also strengthen the global supply system to meet demand for advanced semiconductors expected to grow in the future.

Advanced Medical Solutions

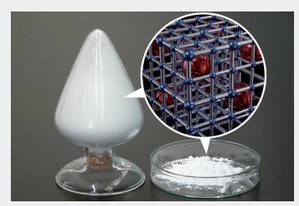
Theme **Development of processes for producing long-chain RNA for genome-editing therapies**



Overview/Features: We develop processes for manufacturing long-chain RNA indispensable for genome-editing therapies. A stable supply system at a practical level was established. With proprietary compound design and synthesis technology, we achieved world-class purity and yield. Demand is growing on the back of the stringent purity requirements of FDA* and our plant utilization rates have also improved significantly.
Next steps: We will strengthen customer touchpoints with a focus on SC-AMSA, the base in the U.S. We accelerate early commercialization and market expansion of customer-developed products through providing samples from the early stages of development, aiming to establish ourselves as a core partner in the implementation of genome-editing therapies.
※ FDA: the U.S. Food and Drug Administration. It is a government agency responsible for ensuring the safety and effectiveness of drugs.

Essential & Green Materials

Theme **Development of metal-organic framework (MOF)**



Overview/Features: Metal-organic framework (MOF) is an advanced material that exhibits selective adsorption and separation capabilities depending on the size and properties of target molecules. Through joint development with Susumu Kitagawa, a Distinguished Professor of Kyoto University who led the MOF research and was awarded the Nobel Prize, we are working toward practical application of MOF that can recover water with high efficiency using minimal energy.
Next steps: Leveraging our strength of organic synthesis technology, we work to quickly establish MOF mass production technology, thereby contributing to securing water resources and the early social implementation of energy-efficient humidity control technology. By expanding into diverse functionalities enabled by molecular-level design, including separation, catalysis, and structural response, we provide solutions to address challenges across a wide range of industries.

Standardization Initiatives

We have established a task force dedicated to standardization strategy. By addressing carbon-neutrality challenges and participating in ISO working groups on chemical recycling, we are promoting a standardization strategy aimed at the early societal implementation and widespread adoption of new technologies.

Intellectual Property Strategy

Intellectual property activities are a key element in supporting our company's sustainable growth. Based on this view, we promote our intellectual property strategy that forms the foundation of our business competitiveness and drives our growth strategy. We deploy our intellectual property activities around three pillars: "defensive" measures aimed at protecting our business and securing freedom to operate; "offensive" measures through the development and effective use of a strong patent portfolio with an awareness of entry barriers; and "co-creation and collaboration" with a diverse range of players, which is essential for addressing social issues such as reducing environmental impact.

Our Vision

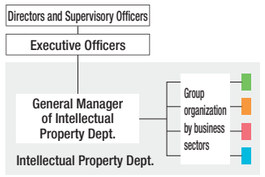
Building the foundation for business competitiveness, achieving business growth, and enhancing corporate value by proactively advancing intellectual property activities that encompass "offense" and "defense" strategies, as well as "co-creation and collaboration."

Basic Policy

1. Promote activities in line with our business strategies
2. Create global business value
3. Strive to utilize all technological development accomplishments
4. Respect rights and comply with the law

Implementation Structure Closer to the Business

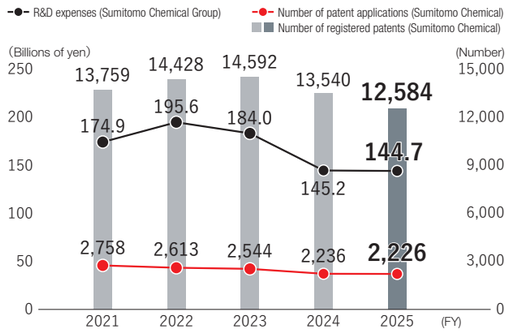
The Intellectual Property Department organizes teams tailored to each business sector. It works in coordination with intellectual property teams within business divisions and research institutes to formulate intellectual property strategies, manage patent portfolios, handle patent applications and rights acquisition, and conduct research and analysis

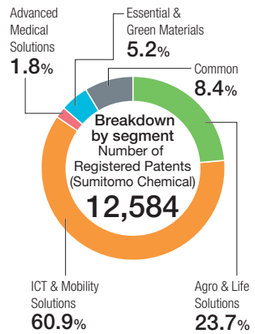


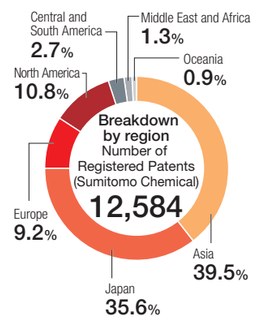
Patent Portfolio

We are strengthening our patent filings and patenting in key areas, particularly in AGL and ICTM, which we have identified as our growth drivers, while quickly and appropriately disposing of unnecessary intellectual property assets through analysis of business value and cost data to build a leaner and more robust patent portfolio.

Intellectual property-related achievements







DX Initiatives in the IP Field

We are proactively using rapidly advancing generative AI technology to enhance the efficiency of our intellectual property operations. As generative AI models and intellectual property-related tools are being released one after another, responsible persons from each department share the status of their review and coordinate with one another through the community to consider the implementation of various tools and further expand the use of generative AI. This has helped us streamline and enhance the efficiency of investigative operations and save cost through AI translation. We also quickly grasp technical and business overviews through AI analysis of patent and business information and utilize them in IP landscape.



Search
- Search set formation
- Prior art search
- Assessment of third-party patent risks through Freedom to Operate (FTO) searches
- Improvement of review and analyzability through AI summarization and extraction of issues and case studies
- Utilization in IP landscape

Application examination
- Cost savings through AI translation
- Considerations for preparing application specifications and response documents in an interactive format

Implementing an Intellectual Property Strategy Aligned with Business Strategy

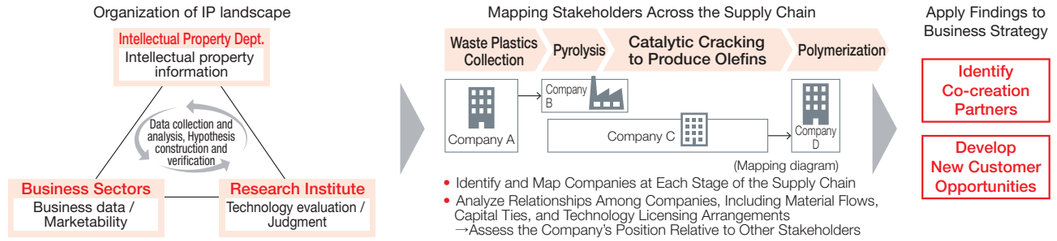
Case study

～Intellectual Property Activities in Chemical Recycling of Waste Plastics～

Aiming to become a company that leverages innovative technologies to solve society's challenges, we are engaged in business in four areas: food, ICT, healthcare, and the environment. Intellectual property activities are being promoted as an integral part of our business operations, as they form a key function supporting the business strategy.

In the environmental field, we are exploring a chemical recycling business model aimed at helping to reduce environmental impacts. In this model, oil recovered from waste plastics through thermal treatment is used as a starting material and converted into olefin through catalytic cracking, before being returned to polymerization processes. The Intellectual Property Department, business sectors and research institutes work closely together to identify core areas in which the Company has a competitive advantage, areas to be licensed to third parties, and areas for co-creation. Based on this assessment, we determine whether to disclose technologies publicly or pursue intellectual property protection, and advance patent filing and portfolio-building activities accordingly. This business involves a complex ecosystem of diverse stakeholders, making it difficult to collect information and gain an accurate understanding of the overall landscape. To address this challenge, we combine business information held by our business units with intellectual property information to analyze the supply chain as a whole, identify potential collaboration partners and competitors, and clarify the positions and relationships of relevant companies. This enables stakeholders within the Company to develop a shared view of the business landscape and supports the development and evaluation of business scenarios.

Supply Chain Analysis and Strategic Application in the Chemical Recycling Business for Waste Plastics



Special dialogue between Nobuaki Mito, the President, and Tomoki Sawai, Director, WIPO Japan Office

The Role and Importance of Intellectual Property in Companies

At "Intellectual Property and Management Symposium" organized by the World Intellectual Property Organization (WIPO), our President Nobuaki Mito had a discussion with Tomoki Sawai, Director, WIPO Japan Office, on February 17, 2026. Drawing on his experiences from his time as General Manager of Intellectual Property Department, the President himself conveyed a message regarding the importance of intellectual property for companies.



Message regarding intellectual property shared in the discussion

Understanding the importance of intellectual property and leveraging it in business management
- It is essential for a company's management to recognize the importance of intellectual property. It is also essential that everyone from research, development and business sectors, not just those from Intellectual Property Department, recognizes the importance of intellectual property and apply that understanding to their daily work.
- Management must develop strategies based on an understanding that intellectual property is becoming increasingly complex in response to changes in the business environment. It is necessary to focus limited resources on its own strengths to identify a winning formula. It is important to determine how to incorporate intellectual property strategies into business and R&D activities.
- As a rights holder, how we utilize and monetize intellectual property is a very important issue.

Intellectual property strategy for a global company
- Our overseas sales ratio exceeds 70%, and it is extremely important to know how to protect our rights overseas.
- Rather than adopting a one-size-fits-all portfolio, we must build a patent portfolio aligned with business sector-specific strategies according to conditions of market countries.

WIPO Japan Office held "Intellectual Property and Management Symposium - Special Dialogue Featuring President Mito of Sumitomo Chemical"

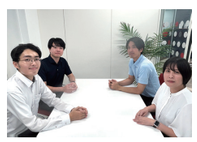
TOPICS

Informal Meeting Between the President and Young Employees from Intellectual Property Department (May 2026)

A discussion was held centered on the perspectives of young employees in the Intellectual Property Department on work and their careers.

Voice of young members

Through the roundtable discussion with the President Mito, I strongly sensed the high level of expectations for leveraging intellectual property in business. I also learned the importance of creating value through collaboration with other departments, not just within Intellectual Property Department. The President's message of "listen carefully to others" and "enjoy your work" left a strong impression on me. That kind of attitude helps broaden one's horizons. I was greatly inspired by the opportunity to speak with the President in person. The experience strengthened my motivation and gave me a fresh perspective on my work.



Young participants of Intellectual Property Department

Bolster Competitiveness Leveraging DX

Amid growing uncertainty in the business environment due to global instability and rising geopolitical risks, the Company positions digital transformation (DX) as a *core management function* for continuing to drive sustainable business transformation and growth, rather than a mere temporary effort.

New DX Vision and Strategy

DX NEXT empowered by AI ～eXceeding Today, eXploring Tomorrow～

In conjunction with the launch of the Corporate Business Plan (2025-2027), we formulated "DX NEXT empowered by AI —eXceeding Today, eXploring Tomorrow—," a DX vision that positions AI utilization as a new central pillar. Building on the foundation established through our previous DX strategies, this vision aims to achieve *fundamental transformation* that goes beyond operational improvements through the use of generative AI and other technologies.

In 2025, we established a company-wide foundation for AI utilization and steadily increased the speed of operational transformation and value creation on the front lines, while incorporating rapid advances in AI technologies including generative AI. Starting from the insights and implementation results gained to date, we will integrate AI into each of our DX strategies more deeply and achieve company-wide transformation that goes beyond individual optimization in 2026. By advancing on-site improvements and management and business transformation in an integrated manner, we will enhance the management foundation that supports the new growth strategy even in an uncertain environment. We will also strengthen our competitiveness and accelerate new value creation further.

Overview of the DX Strategy

DX NEXT empowered by AI –eXceeding Today, eXploring Tomorrow–

Acceleration	Acceleration	Acceleration
DX Strategy 1.0 plus Improve productivity in 4 digital domains	DX Strategy 2.0 plus Strengthen competitiveness of existing businesses	DX Strategy 3.0 plus Realization of new business models
Business process transformation based on AI use	Integrating AI into business operations	Accelerating innovation with generative AI

Strengthen management base

Secure digital talent and build out an organization to drive DX	Build a digital infrastructure	Cultivate a reform-oriented mindset
• AI-powered customized education	• Developing infrastructure suited for AI use	• Mindset for the generative AI era

Action plan

AI native company	Data monetization	Strengthen business competitiveness	Strengthen IT infrastructure
• AI is embedded within work processes, and all employees naturally leverage AI	• Achieve Biondo™'s business growth and the creation of the next data monetization	• Achieve 10x productivity in work processes leveraging AI, IT, and robotics	• Strengthen Zero Trust security measures • Build methodologies and IT infrastructure capable of rapid adaptation to business changes

To Become an AI-Native Company: AI-driven Transformation —From Individual Use to Organizational Use—

The rapid evolution of generative AI is set to fundamentally transform the way we work. Aiming to realize an "AI-native" work style where people and AI collaborate, the Company is encouraging the use of generative AI under the DX vision in order to promote the shift from individual use to organizational utilization. To accelerate this transformation, the Company is taking a two-pronged approach to "AI democratization" and "sophisticated use of AI."

In terms of "accelerating AI democratization," we monitor AI usage via dashboards and conduct awareness-raising activities such as generative AI literacy education, hands-on training and other AI application seminars. We are also creating an environment where anyone can create and use AI apps. After we released the feature, as many as 750 custom apps were created in about three months.

Meanwhile, for "sophisticated use of AI and value creation," we enabled unified search across internal information sources using Retrieval-Augmented Generation (RAG), thereby improving the speed and quality of decision-making, including at management meetings. By introducing AI agents, we will also accelerate the transition to autonomous and automated business processes, leading to tangible outcomes in terms of value creation, such as organizational efficiency, higher profits and business growth.

Accelerate democratization of AI



Monitor and promote greater utilization

- Monitoring via dashboards
- Training on the use of generative AI

Generative AI active users: Approx. 55% (up 1.5 x yoy)

Democratization of AI leveraging custom apps

- Built 750 apps within 3 months from release of the function with 300 of those apps shared within the company
- Permeate the feeling that anyone can make and use AI

Deploy AI across a diverse range of use cases and drive work efficiencies

- Capable of changing use of LLM* based on application
- Dramatic productivity gain in shared tasks through release of image generation and meeting-minutes functions

*Large Language Model

More advanced use of AI and value creation



Leveraging internal knowledge

- Companywide search queries of internal information using RAG*
- Enhance quality and speed of advanced decision-making including Executive Meetings

*Retrieval-Augmented Generation

Introduce next-generation AI

- Introduce AI agents
- Accelerate autonomous and automated work processes

Initiatives to Create New Business Models

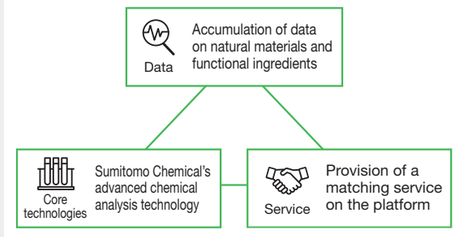
Toward creating new business models through DX, the Company is promoting data monetization with the use of core technologies and accumulated data.

For the first initiative of DX Strategy 3.0, Biondo™ (released in July 2024), we expanded the user base and improved services. In addition, "tsuna-ag," a comprehensive agricultural information service themed on "connecting through agriculture" launched in 2023, is expanding as a digital platform for supporting agricultural management. A new service for members, "tsuna-ag point," was also launched in July 2024. For "YAOYASAN," an information app on fruit and vegetable market conditions, we enhanced the functionality and launched a paid service in October 2025. We are also preparing the second initiative, considering the third and subsequent initiatives, exploring new business opportunities using AI, and accelerating initiatives towards the Corporate Business Plan target of launching five digital products.

Biondo

How to pronounce: Biondo

Analysis and matching that make the value of natural materials visible and connect sellers with buyers



つなあぐ tsuna-ag

Provision of various services that support agricultural management and distribution, such as a comprehensive agricultural information service themed on "connecting through agriculture" and an information app on fruit and vegetable market conditions "YAOYASAN."



青果市況情報 YAOYASAN

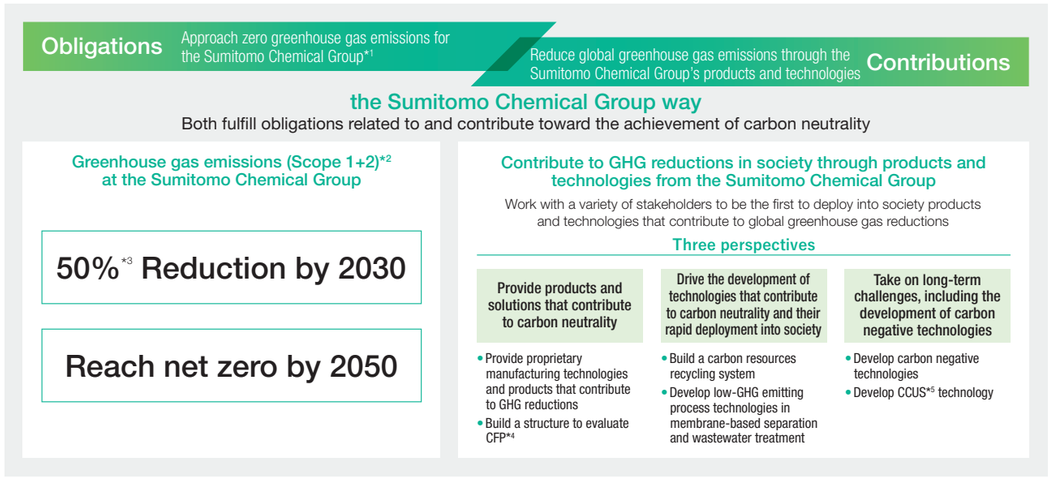
Market information service to assist with shipping and sales decisions of farmers

Strengthening the Foundation for Value Creation

04 Climate Change Mitigation and Adaptation

Sumitomo Chemical regards climate change as a social issue that chemical companies should take the lead in addressing, and has been making various efforts to solve it from early on. In recent years, as the movement toward carbon neutrality has gained momentum around the world, in december 2021, our company formulated and publicized its "grand design to achieve carbon neutrality," setting out a direction for its initiatives aimed at realizing carbon neutrality by 2050. In line with this, we will push ahead with initiatives that address both our obligation to bring our own greenhouse gas (GHG) emissions close to zero and the contribution we can make to promoting carbon neutrality for society as a whole through our technologies and products.

Grand Design toward Achieving Carbon Neutrality



*1 Referring to Sumitomo Chemical Co., Ltd. and its consolidated subsidiaries in and outside Japan *2 Scope1：Greenhouse gases directly emitted by plants, such as in the use of fuels and in manufacturing products Scope2：Greenhouse gases emitted indirectly, such as through the purchase of electric power or steam from outside the Company's plants *3 Compared to FY2013 *4 CFP：Carbon Footprint of Products *5 CCUS：Carbon dioxide Capture, Utilization and Storage

Disclosure in Line with TCFD Recommendations

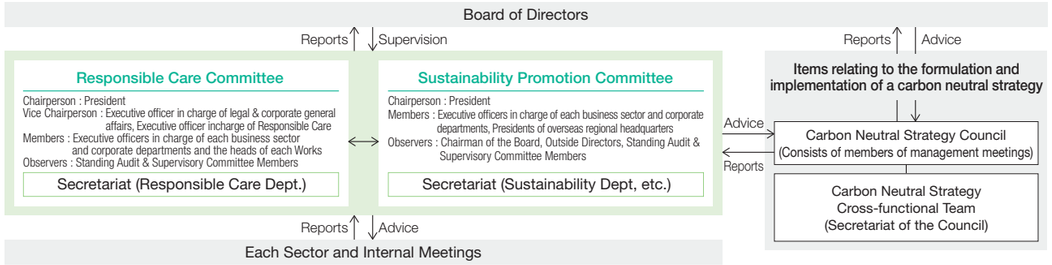
The TCFD four recommended In line with the four recommended disclosure items, "Governance," "Risk Management," "Strategy," and "Metrics and Targets," the Group's efforts to address climate change issues are introduced on pages 50-59. Please refer to the Sustainability Report for other information on climate-related information.

Climate Change Mitigation and Adaption (Sustainability Report)

Governance

Our company has established meetings and committees to deliberate important matters related to the management of the Group from a broad and diverse perspective in order to enhance its business execution and supervisory functions. Through these meetings and committees, the Company reports to the Board of Directors at least once a quarter on issues related to the promotion of sustainability, including climate change.

Structures for Responding to Climate Change



Risk Management

To achieve sustainable growth, Sumitomo Chemical makes an effort to detect, at an early stage, various risks that may hinder the achievement of its business objectives, and takes proper measures. We focus on building and expanding a system relating to risk management so that we can promptly and properly address risks when they emerge.

Climate change issues are positioned as one of the Group's major medium- to long-term risks through, for example, an assessment from the perspective of the likelihood of their occurrence and impact, and are integrated into the Group's overall risk management process.

Risk Management (Sustainability Report)

Strategy

In December 2021, Sumitomo Chemical formulated a grand design for achieving carbon neutrality by 2050. We will promote efforts to mitigate climate change from the perspectives of both **"Obligation"** (to bring the Group's GHG emissions close to zero) and **"Contribution"** (to reduce global GHG emissions through the Group's products and technologies).

In addition, as part of our efforts to adapt to climate change, we are striving to provide solutions adapted to global environmental changes in agriculture and infectious diseases, and to strengthen new product development.

Investments to achieve carbon neutrality

Starting in FY2019, in order to contribute to the realization of carbon neutrality for society as a whole, we calculate economic indicators reflecting internal carbon pricing (10,000 yen per ton) when GHG emissions are expected to increase or decrease for individual investment projects, and make investment decisions.

Investment scale

We expect to invest a total of approximately 200 billion yen between FY2013 and FY2030 in carbon neutral-related investments.

Scenario analysis

Scenario analysis, with regard to climate change, is a method in which we consider multiple scenarios, predict the impact of climate change and changes in the business environment due to long-term policy trends, and study the potential impact of these changes on our business and management. Currently, Sumitomo Chemical analyzes both risks and opportunities with respect to both a scenario in which a variety of measures are taken to limit average global temperature increase to 1.5°C above the pre-industrial revolution levels, and a scenario in which countermeasures are not taken and temperatures increase by 4°C, evaluating both the impacts on our businesses and future actions that need to be taken.

Scenario Analysis (excerpt)

Scenario	Risks and Opportunities	Impact on our Company	Risks	Opportunities	Our Response
Common	Increasing Demands for Disclosure of Information	• Improvement of reputation among stakeholders through enhanced information disclosure • Increased cost of compliance	●	●	• Formulate and release our Grand Design for achieving carbon neutrality • Promote wider use of the carbon footprint calculation tool (CFP-TOMO™) ➡ **P.53** • Disclosure of quantitative GHG reduction contributions through our products and technologies (Science Based Contributions) ➡ **P.55**
1.5°C (Reduced GHG Emissions)	Contributing to the Mitigation of Climate Change	• Increase in demand for Sumika Sustainable Solutions (SSS)-designated products due to expansion of the market for products and technologies that contribute to GHG emission reductions, as well as expansion of needs for technological development of future SSS-designated candidate products		●	• Development and diffusion of products that contribute to GHG emission reductions ➡ **P.55** • Develop plastic recycling technology ➡ **P.53** • Develop products that contribute to negative carbon emissions ➡ **P.53** • Promote licensing of technologies that contribute to reducing GHG emissions ➡ **P.41** • Promote the feedstock shift to green ammonia.
	Increased Regulation on GHG Emissions	• Increased operational costs due to higher energy taxes including carbon prices* • Phasing out subsidies for fossil fuels and requests from customers to promote the use of renewable energy	●		• Consider carbon-neutral petrochemical complexes and ports ➡ **P.53** • Switch to renewable energy ➡ **P.52** • Switch fuel to LNG ➡ **P.52** • Consider transition to clean fuels such as hydrogen and ammonia ➡ **P.52**
4°C (Business as Usual)	Increased Demand for Products and Technologies adaptable to Climate Change	• Increased demand for SSS-designated products and growing needs for technological development of future SSS-designated candidate products due to the expanding market for crops that are resistant to environmental changes such as rising temperatures and drought, etc.		●	• Provide solutions that respond to global changes in the environment for agriculture and infectious diseases
	Intensified Climate Disasters due to Temperature Rise	• Decrease in cost competitiveness of factories due to increased costs for disaster countermeasures such as sea level rise, storm surge damage, flood damage, heat wave generation, etc. • Decreased demand due to lower agricultural productivity	●		• Manage and respond to risks from a business continuity planning perspective • Expand and diversify the regions in which we do business

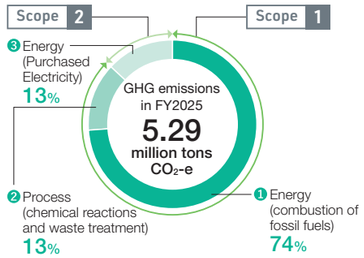
*Assuming that carbon prices in developed countries will rise to $180/ton in 2035 and $250/ton in 2050 (based on World Energy Outlook 2025), the total GHG emissions of the Group in FY2050 will be approximately 5.29 million tons/year (Scope 1+2), the same level as in FY2025, and the carbon price will be 27,000–38,000 yen/t-CO_2, an increase in burden of 140–210 billion yen per year.

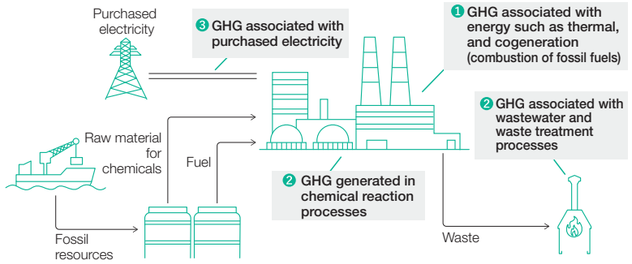
The full scenario analysis (Sustainability Report)

Specific Initiatives for "Obligation"

Major sources of GHG emissions from chemical plants

The chemical industry is an industry in which raw materials are converted into products through chemical reactions that are driven by electricity, heat from steam, and other forms of energy. In FY2025, 74% of our GHG emissions came from ❶ **Energy (combustion of fossil fuels)**, 13% from ❷ **Process (chemical reactions and waste treatment)**, and 13% from ❸ **Energy (purchased electricity)**. We aim to reduce GHG emissions by focusing on the conversion to clean energy for energy-derived GHG and on the development of necessary technologies for process-derived GHG.





❶ Reduction of GHG from energy (combustion of fossil fuels): Fuel conversion

Transition from Coal, Petroleum Coke, and Heavy Oil to LNG

- In FY2022, started operation of thermal power plant using LNG instead of existing fossil fuels in Ehime region



- In FY2023, we discontinued the existing petroleum coke power generation facilities and commenced operations of a high-efficiency gas turbine power generation facility using LNG in the Chiba region.



	Ehime region	Chiba region
Fuel	Coals and heavy oil ▶ LNG	Petroleum coke ▶ LNG
Amount of CO_2 reduction	650,000 tons/year	240,000 tons/year

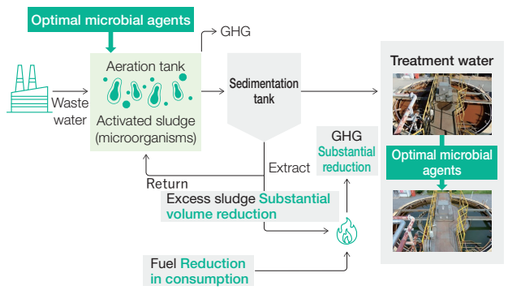
Transition to Clean Fuels

Hydrogen and ammonia are gaining attention as clean fuels that do not emit CO_2 during combustion, with ammonia also being recognized as a hydrogen carrier. We are continuing to secure a stable supply of ammonia, and focusing on clean ammonia by the most effective use of the existing large tanks in the Niihama area of Ehime Prefecture. We are also participating in regional collaboration initiatives to build a supply chain for ammonia and hydrogen for future fuel applications.

Initiatives through Regional Collaboration

❷ Reduction of GHG from process (chemical reaction and waste treatment): Creating synergies to address climate, water, and resource challenges through innovation in wastewater treatment processes

Our company is promoting biotechnological wastewater treatment. This technology contributes to water quality preservation and the circular use of water resources while improving wastewater treatment performance. At the same time, by utilizing optimal microbial agents, it significantly reduces the generation of excess sludge and simultaneously achieves reductions in GHG emissions and fuel consumption associated with incineration.



❸ Reduction of GHG from energy (purchased electricity): Use of renewable energy

At our Oita Works, we have achieved GHG reductions of approximately 20% by converting 100% of purchased electricity to renewable energy, and approximately 10% by switching from heavy oil to city gas, resulting in a total GHG reduction of approximately 30% of the Oita Works' emissions compared to FY2013.

Reduction of GHG from energy (Sustainability Report)

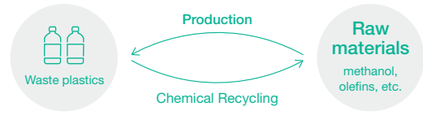
Specific Initiatives for "Contribution"

Establishment of carbon resource recycling system

We are developing chemical recycling technologies to convert garbage and waste plastics into basic raw materials for chemicals, such as methanol, ethanol, and olefins, and to use them as raw materials for new plastics.

Contribute to recycling resources

Recycling of carbon resources

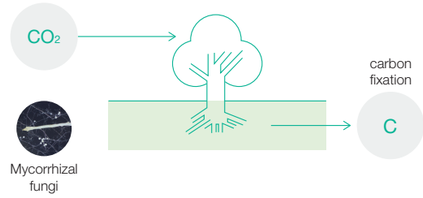


Challenges to Carbon Negative Emissions

We are developing a technology whereby attaching useful microorganisms existing in soil to the roots of plants and allowing them to coexist, we not only promote the absorption of CO_2 by plants through photosynthesis, we also fix CO_2 in the ground in the form of carbon compounds. This will enable ordinary fields, forests, and other natural spaces to absorb and fix even greater amounts of CO_2, contributing a net negative amount of carbon to the atmosphere.

Sustainable use of natural capital

Utilizes the power of nature to promote absorption of atmospheric CO_2 and its fixation in the ground



External Cooperation Initiatives

Dissemination efforts of Carbon Footprint of Products (CFP)* calculation tool

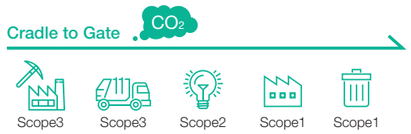
Although the evaluation of product CFP is essential to reduce GHG emissions in society, it is not easy to analyze the CFP of chemical products due to the complexity of their manufacturing processes. In response, we have developed our own calculation tool and calculated the CFP of approximately 20,000 products. We provide the tool free of charge to other companies. It is now used by many companies via collaboration with the Japan Chemical Industry Association. Additionally, we are considering expanding the use of CFP-TOMO™ for assessing environmental impacts other than GHG emissions, such as water.

*Greenhouse gas emissions from each stage of the product lifecycle, from procurement of raw materials to manufacturing, use, and disposal, expressed in terms of CO_2 emissions. In chemical companies, it is common practice to conduct assessments within the scope of "Cradle to Gate," covering everything from raw material procurement to manufacturing.

Our original calculation tool speeds up the calculation of CFP for our products

Created the original CFP calculation tool

- Built based on commercially available software (Microsoft Access/Excel)
- Prepared multiple calculation models accounting for the characteristics of chemical manufacturing processes (co-products, by-product fuels, steam generation, etc.) (Choose from the pull-down menu of models and execute calculation)
- Can easily calculate carbon footprint for each stage (intermediates or final product). E.g., raw material to Intermediate A to Intermediate B ... to final product.



Initiatives through Regional Collaboration

Since there are limits to what individual companies can do to achieve carbon neutrality, it is necessary to accelerate regional collaboration with external parties such as companies outside our group and government agencies. We participate in the Keiyo Coastal Industrial Complex Council on Carbon Neutrality, which was established in November 2022 mainly in Chiba Prefecture. We will also continue working in collaboration with local companies, nations, municipalities, etc. on the Keiyo Coastal Industrial Complex Council on GX , which launched in March 2026. In addition, we are studying ways to achieve carbon neutrality, such as securing biomass feedstock and recovering waste, in cooperation with Maruzen Petrochemical Co. Ltd. and Mitsui Chemicals, Inc. Furthermore, in the Shikoku and Setouchi regions, we are collaborating with government agencies and nearby companies on efforts to construct a clean ammonia supply chain.

External Cooperation Initiatives (Sustainability Report)

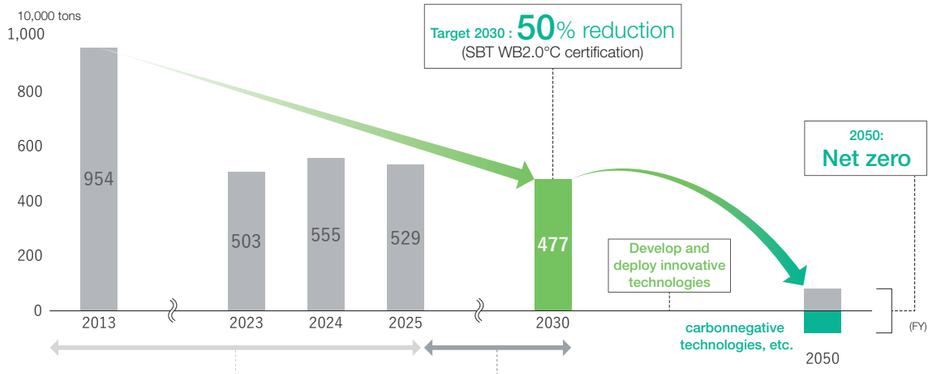
Metrics and Targets (Risk)

As a metric for climate-related risks, we are the first diversified chemical company in the world to utilize GHG emission reduction targets certified as Science Based Targets (SBT). Our group's*1 GHG emissions (Scope 1 + 2) reduction target for 2030 is 50%*2, and has been certified under SBT's Well Below 2.0°C standard. Until 2030, we aim to achieve this goal by utilizing the best available technology (BAT) in the manufacturing process at existing plants and by making thorough energy conservation and fuel switching in the manufacturing process.

On the other hand, to reach net-zero emissions by 2050, it will be difficult to respond only with existing technologies, and innovative technologies such as carbon-negative emissions and CCUS*3 will be necessary. We will continue to study the development of them and their early implementation.

*1 Sumitomo Chemical + domestic and overseas consolidated subsidiaries
*2 Compared to FY2013
*3 Capture, effective utilization, and storage of CO_2 emitted from plants, etc.

Scope 1+2 GHG Emissions Trends and Reduction Targets



Past Initiatives

- Energy conservation and rationalization in manufacturing processes
- Restructuring of Chiba Works and Ehime Works (Ethylene plant shutdown, liquid-phase caprolactam shutdown, etc.)
- Fuel conversion (introduction of LNG, etc. at Ehime and Chiba), introduction of renewable energy power

Initiatives for FY2030

- Thorough energy conservation and rationalization of manufacturing processes (use of BAT)
- Optimization of fuel and energy supply and demand (in regions such as Ehime and Chiba) through structural reforms and the promotion of external collaborations
- Promotion of introduction of renewable energy sources
- Avoided GHG emissions other than CO_2, etc.

Scope 3 Supplier Engagement Initiatives

GHG Emission Reduction Targets (Scope 3)

Reduce GHG emissions (Scope 3 (Categories 1 and 3)) of major Group companies by

14% from the FY2020 level by FY2030

(SBT WB2.0°C certification)

We are promoting climate actions through dialogue with our suppliers, and at the same time setting reduction targets for indirect GHG emissions (Scope 3) across the supply chain by 2030, together with reduction targets for GHG emissions from our business activities (Scope 1 and 2). Through these initiatives, we have renewed our certification under the Science Based Targets (SBT) initiative at the "well-below 2°C" level. As one example, we explain our group's efforts to achieve carbon neutrality to our key domestic suppliers annually while requesting their cooperation in reducing GHG emissions. These efforts have been recognized by CDP, an international NGO. In the CDP's Supplier Engagement Assessment 2025, the Company received an "A" score, earning the highest rating for seven consecutive years.

Supplier Engagement Leader CDP 2025

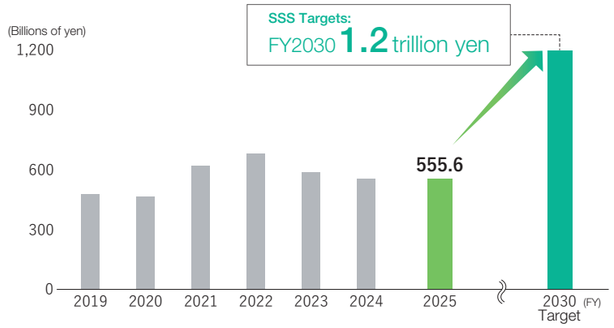
Metrics and Targets (Opportunities)

Sumika Sustainable Solutions™ (SSS) is used as a metric for climate-related opportunities. SSS is an initiative in which we designate those of our Group's products and technologies that contribute to the fields of climate change mitigation and adaptation, contribute to recycling resources, and sustainable use of natural capital in order to promote their development and spread. The sales revenue from designated products for FY2025 reached 555.6 billion yen. We will continue to advance our efforts towards achieving the FY2030 target of 1.2 trillion yen.

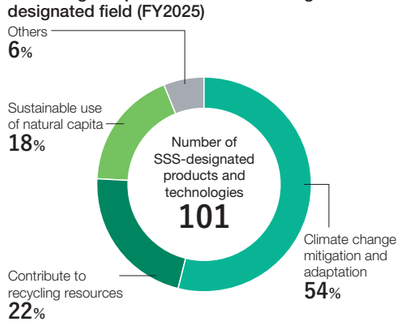
Contribution through Business Sumika Sustainable Solutions (Sustainability Report)

Sumika Sustainable Solutions™

Sales revenue targets



Percentage of products and technologies in each designated field (FY2025)



Science Based Contributions -Contribution to GHG Reduction Across Society Through the Utilization of SSS-Designated Products and Technologies-

We have established the "Science Based Contributions (SBC)" as a metric to more clearly demonstrate the contribution of our products and technologies towards achieving carbon neutrality. The SBC quantitatively and scientifically calculates the amount of GHG reductions achieved in society through the use of SSS-designated products and technologies that we have sold and provided. The figures are calculated based on the product CFP and sales volume of the subject products and the production capacity of the licensed plants, etc. The calculation method is validated by external experts.

We will strive to promote understanding of the contribution of our products and technologies to society through active disclosure of information to our stakeholders using the SBC, and promote efforts to realize CN around the world.

SBC results

Item	Beneficiaries	FY2024 (million tons)	FY2025 (million tons)
SSS Technology (Propylene oxide (PO)-only process, Hydrochloric acid oxidation process)	Licensees	**2.9**	**2.9**
SSS End Products (Methionine, Flumioxazin, etc.)	Users	**3.7**	**4.2**
SSS Materials & Components (Components for secondary batteries and aircraft, etc.)	Users	Not applicable (under consideration)	
Total		**6.6**	**7.1**

Calculation method

SSS are classified into the three categories of technology, end products, and materials/ components, and SBC is calculated from the difference by comparing the CFP of SSS with that of technologies and products in widespread use as of 2013. (Based on single-year sales volume)

SSS Technology

- PO-only process is compared to the average of other PO manufacturing processes, such as the chlorine process, and hydrochloric acid oxidation process is compared to the salt electrolysis process. Calculation of reduction contribution by licensees.

SSS Products

- Methionine is compared to feed without additives. The contribution to the reduction of N_2O in poultry waste was calculated.
- Regarding the Flumioxazin, contributions to emissions reduction achieved by no-till farming in the U.S. were calculated by comparing no-till farming for soybean cultivation with the conventional farming method.

Contribute to Recycling Resources

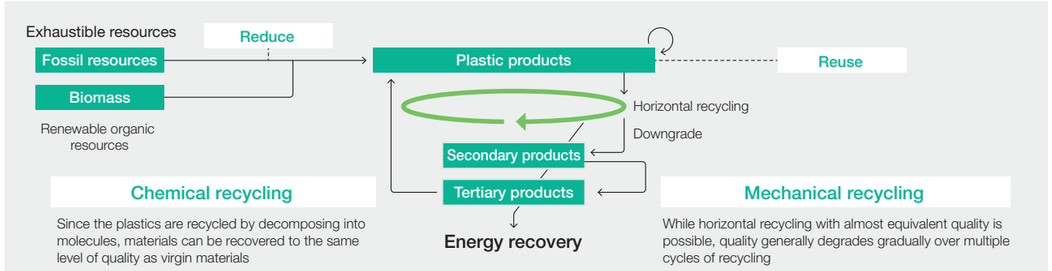
For sustainable use of resources, it is essential to reduce resource consumption and create a system to efficiently recycle currently available resources. In addition to waste management and effective use of resources at our offices and Works, Sumitomo Chemical is working on the development and social implementation of recycling technologies for carbon resources such as plastics.

Contribute to Recycling Resources (Sustainability Report)

Overview of Carbon Resource Circulation, including Plastics

To achieve carbon resource recycling such as for plastics, it is important to make 3R efforts (reduce, reuse, and recycle (mechanical and chemical recycling)) at each stage of the plastics value chain.

Overall picture of circular system for plastics



KPIs for Carbon Resource Recycling

KPI	The amount of recycled plastics utilized in manufacturing processes
Target	200k tons/year by FY2030
Results	FY2025 14,420 tons

Development of the Meguri™ Brand

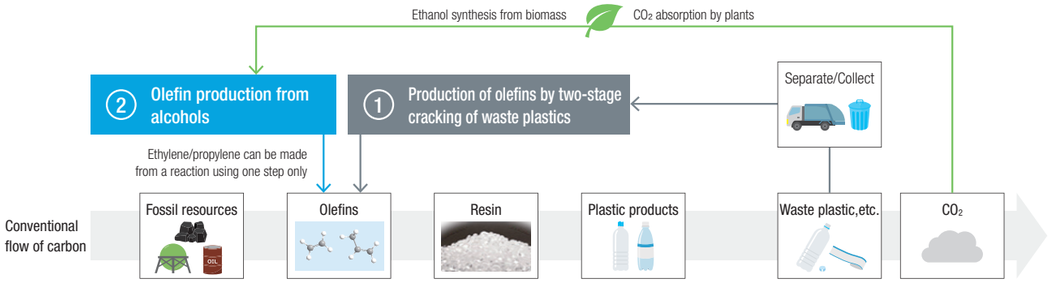
Meguri™ is a brand of plastic products and chemicals that can be obtained through recycling technology and contribute to reducing environmental impact. We will expand the Meguri™ product lineup and increase production and sales of these products, thereby playing a role in realizing a circular economy.

Meguri CIRCULARITY FOR ALL

Circular System for Plastics Website

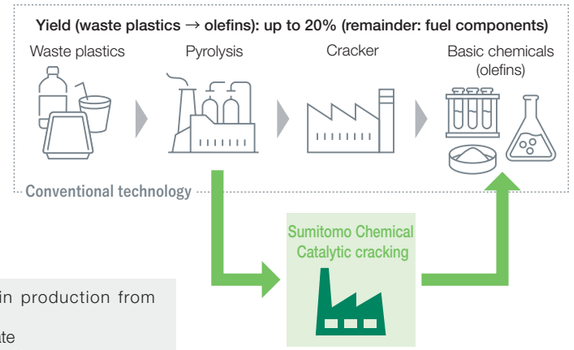
Initiatives to Promote Carbon Resource Circulation

Leveraging our expertise in catalyst and chemical process design, we are working with external organizations to develop technologies for multiple carbon circulation pathways. By focusing our development resources on the following two priority areas, we aim to accelerate technology development and achieve early commercial deployment.



① Production of olefins by two-stage cracking of waste plastic (Chemical Recycling)

We are developing a chemical recycling technology that uses our proprietary catalyst to efficiently convert pyrolysis oil obtained by heating waste plastics at 300 -400°C into olefins. By utilizing a broad range of waste plastics of varying quality as recycled feedstock, including materials that have traditionally been difficult to recycle, and by using nearly all of the resulting pyrolysis oil as feedstock, we aim to achieve an olefin yield of at least 60%.
Commercializing this technology will promote the resource circulation of waste plastics currently sent for incineration or energy recovery. Locating pyrolysis units near waste generation sites and intermediate treatment facilities will also improve transportation efficiency, promote local resource circulation and, ultimately, contribute to regional revitalization. Working with our partners, we aim to complete development of the technology by 2028 and commercialize it in the early 2030s.



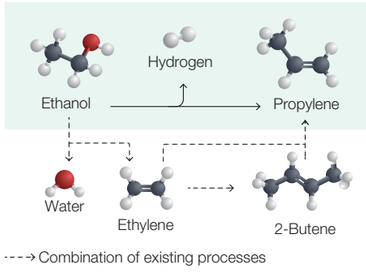
Features of this technology

- Technology for high-yield olefin production from waste-plastic pyrolysis oil
- High carbon resource circulation rate
- Catalyst with high tolerance to impurities

② Technology for Olefin Production from Alcohols (Olefin production from biomass-derived feedstocks)

We are developing technology to produce olefins directly from ethanol, which has been attracting attention as a sustainable chemical raw material. In bench trials, we achieved a target olefin yield of 80%.
Furthermore, we completed construction of a pilot facility at our Chiba Works in June 2025 and are now advancing data acquisition using the facility. Going forward, we will continue to accelerate development toward the establishment of the technology and aim for its early societal implementation.

Our direct production process



Features of this technology

- Producing olefins directly from ethanol
- A newly-developed compact and low-cost process
- Producing hydrogen as a by-product, in addition to olefins

Looking ahead, through the deployment of these technologies, we aim to reduce the use of fossil resources, waste plastic generation, and GHG emissions from waste plastic incineration. We also envision a business model in which we receive fees reflecting the value of the GHG emission reductions achieved through the adoption of our technologies.

Strengthening of the base for the environmental impact solutions business

STEP1

Technology development out to 2030

Quickly develop and validate innovative technologies that achieve GX

STEP2

Commercialization out to 2035

Exhibit concrete environmental value at commercial scale and accelerate commercialization

STEP3

Global deployment

Expand solutions business through licensing overseas

Sustainable Use of Natural Capital

Sumitomo Chemical has set biodiversity conservation and sustainable use of natural capital as material issues in the Nature Positive area. We have formulated Sumitomo Chemical's Commitment to the Conservation of Biodiversity. To realize Nature Positive, we are promoting a variety of initiatives from the perspectives of both obligation and contribution, in an integrated manner with carbon neutrality and a circular economy.

The Sumitomo Chemical Group's Commitment to the Conservation of Biodiversity (Sustainability Report)

Disclosure in Line with TNFD Recommendations

We have registered as a TNFD Adopter and endorsed the TNFD Recommendations, which were published in September 2023 by the Taskforce on Nature-related Financial Disclosures (TNFD). Please see the Sustainability Report for details of our disclosures in the TNFD recommended disclosure areas: Governance, Risk Management, Strategy, and Metrics and Targets.

Sustainable Use of Natural Capital (Sustainability Report)

Governance

The Sumitomo Chemical Group has set conservation and regeneration of biodiversity and natural capital as one of the material issues to be addressed as management priorities. The Board of Directors supervises this matter by receiving reports on nature-related dependencies, impacts, risks, and opportunities, and by providing recommendations and instructions through management meetings, the Carbon Neutral Strategy Council, and the Internal Control Committee. Please see the Sustainability Report for details.

Governance (Sustainability Report)

Strategy

The Sumitomo Chemical Group assesses nature-related dependencies and impacts, as well as risks and opportunities, based on the LEAP approach recommended by the TNFD, and incorporates the results into the formulation of the Group's strategy.

Summary of the LEAP approach

❶ Scoping	❷ Locate	❸ Evaluate	❹ Assess	❺ Prepare
• Development of a hypothesis on the potential interface with nature	• Narrowing down potential nature-related interfaces • Setting priorities	• Identification of interface-related impact drivers • Identification and assessment of the dependencies and impacts	• Identification of risks and opportunities	• Performance management • Strategy and target setting for the future
• We have set the Agro & Life Solutions business (AGL business) as the important nature-related interface.	• Water risks are a significant factor in the crop protection product manufacturing phase in the crop protection product sector under the AGL business. • India has relatively high water risks among crop protection product manufacturing sites.	• Water stress is relatively high in relation to water intake for crop protection product manufacturing in India. • Major impact drivers include increased demand for agricultural water in the surrounding area and decreased precipitation, among others.	• We will identify and set priorities of risks and opportunities based on the result of the Evaluate step.	• We will continue to monitor environmental parameters and evaluate our progress against annual goals. • We plan to develop a long-term transition plan and roadmap.

Strategy (Sustainability Report)

Risk & impact management

The Sumitomo Chemical Group has a system in place to manage risk assessment items evaluated in the above-mentioned LEAP approach together with their impacts.

Promotion of Group-wide Priority Risk Assessment and Countermeasures (Sustainability Report)

Cross-organizational Risks and Crisis Response (Sustainability Report)

Metrics & targets

With respect to metrics for nature-related dependencies and impacts on a global scale, targets are set and managed both on a standalone basis for Sumitomo Chemical and on a consolidated basis including Group companies. With respect to metrics at the local level, targets are set and managed by each manufacturing site and Group company.

Environmental Activity Goals and Results (Sustainability Report)

Examples of Initiatives for "Obligation" and "Contribution" (Sustainability Report)

Example of Initiatives

Specific initiatives for "Obligation

We aim to continuously reduce the environmental impact of our business activities and endeavor to conserve and restore biodiversity and natural capital by taking characteristics of local communities into consideration and cooperating with stakeholders in our supply chains

- Reduction of greenhouse gas (GHG) emissions from energy and processes
- Appropriate chemical substance management
- Reduction of waste emissions
- Effective use of water resources
- Promotion of sustainableprocurement initiatives

Effective use of water resources: Initiative in Bhavnagar Plant of Sumitomo Chemical India Ltd.

Sumitomo Chemical India Ltd.'s Bhavnagar Plant serves as a crop protection product manufacturing site in India. The plant used to purchase river water from the local municipality to secure water for production. However, in recent years, securing the water required for production has become difficult due to population growth in the surrounding area, rising demand for agricultural water, and a decline in annual precipitation.

The plant then began purchasing a portion of household wastewater to be treated by surrounding municipalities, treating it in-house with earthworm farming technology, and using it in its production processes. By doing so, the plant resolved the long-standing challenge of securing a stable supply of water necessary for production. It also reduced the amount of river water traditionally purchased from the municipality by more than 70%, thereby cutting water purchase costs by nearly half.

Wastewater treatment



Treatment using earthworm farming technology instead of the common activated sludge method to suit the characteristics of household wastewater, which contains relatively high levels of nutrients

Specific initiatives for "Contribution"

We contribute to conserving and restoring biodiversity and natural capital across our value chain through development and provision of technologies, products, and services

- Provision of products and technologies that promote regenerative agriculture
- Development and implementation in society of technologies that contribute to recycling plastics and other resources
- Provision of products, technologies, and services that contribute to GHG emissions reduction

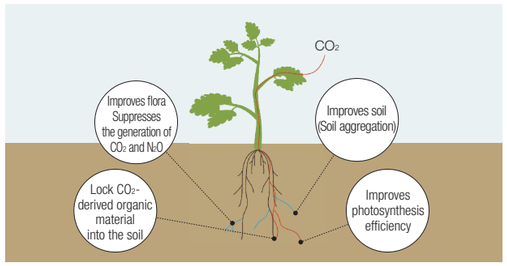
Provision of products and technologies that promote regenerative agriculture: ❶ Advancing no-till farming and cover crops

No-till farming is an agricultural method of growing crops without tilling. In addition to contributing to soil conservation and the retention of organic matter, it is expected to help reduce GHG emissions by contributing to the reduction of CO_2 emissions from the soil. In recent years, farming practices that combine no-till farming with cover crops, which are planted primarily to conserve soil and provide green manure benefits, have also attracted attention. We offer several herbicides that can be used before sowing. By improving the convenience of no-till farming and cover cropping through the promotion of these herbicides, we will contribute to the spread of this farming practice.

❷ Provision of products, technologies, and services that contribute to GHG emissions reduction: Soil fertility by mycorrhizal fungi

Mycorrhizal fungi, a type of soil-dwelling microorganism that lives in symbiosis with plant roots, stimulates plant growth. These fungi receive carbon compounds produced by plants through photosynthesis, which increases the amount of carbon compounds in the soil and promotes carbon fixation, thereby reducing atmospheric CO_2 and contributing to soil fertility. We are working on the development of technology utilizing mycorrhizal fungi to achieve carbon neutrality and solve food problems.

Benefits of mycorrhizal fungi (including some hypotheses undergoing validation)



Developing technologies for the effective use of water resources: Research and development of water utilization technologies using porous materials

The Company is conducting research and development on metal-organic frameworks (MOFs), leveraging their high surface area and excellent adsorption properties to efficiently capture water vapor from the air. Through this technology, we aim to address environmental challenges by reducing greenhouse gas emissions through improved energy efficiency and effectively utilizing water resources.

Development of metal-organic frameworks (MOFs)

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

↓

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



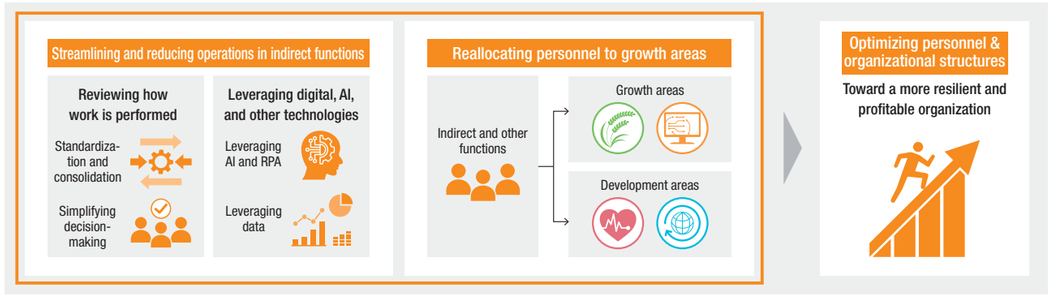
DX Acceleration Office

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
健康経営優良法人
KENKO Investment for Health
大規模法人部門
ホワイト500

Respect for Human Rights

Sumitomo Chemical regards respect for human rights as part of the foundation for business continuation. We are continuing to make a Group-wide effort to address this as a material issue to be addressed as management priorities, and provide disclosures on our measures and progress. In 2019, Sumitomo Chemical fomulated the Sumitomo Chemical Group Human Rights Policy, based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) At the same time, we established the Human Rights Promotion Committee, a committee tasked with promoting our human rights initiatives. Since then, under the initiative of the Committee, the entire Group has been working together to promote efforts to respect human rights throughout the value chain.

Respect for Human Rights (Sustainability Report)
Sumitomo Chemical Group Human Rights Policy (Sustainability Report)

Management System

Sumitomo Chemical has established the Human Rights Promotion Committee as its organization for promoting activities in compliance with the Human Rights Policy. In order to plan and implement measures to respect human rights across the entire value chain, this committee consists of members from a broad range of related departments and functions. The senior executive officer in charge of corporate departments serves as chair, while from the business sectors, executive officers in charge of the Planning & Coordination Offices of their respective departments participate as committee members.

The Human Rights Promotion Committee develops and implements initiatives to promote respect for human rights throughout the entire value chain, including the Group, and promotes awareness of human rights both within and outside the Group.

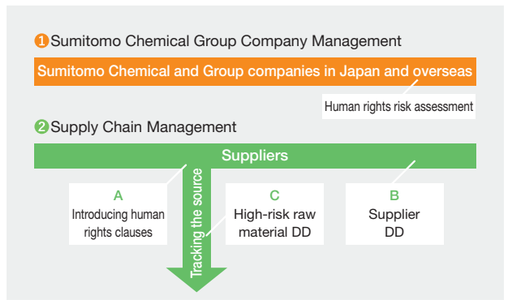
Human Rights Promotion Committee



Human Rights Due Diligence

With the aim of promoting respect for human rights in its business activities, the Sumitomo Chemical Group has established a system for human rights due diligence in accordance with (UNGPs) Human rights due diligence is an initiative to identify, mitigate, and prevent human rights risks for each of the Sumitomo Chemical Group and supply chain (Sumitomo Chemical Group Company management and supply chain management). Furthermore, in supply chain management, we track suppliers of raw materials that have a high risk of having adverse impact on human rights (high-risk raw materials) down to their sources.

Human Rights Due Diligence Overview of Initiatives



Grievance Mechanisms

We have grievance mechanisms in place in the form of the Speak-Up System (whistle-blowing channels) in order to address concerns about activities that may adversely impact human rights or any other concerns raised about our business activities. These channels are available for anyone involved in Sumitomo Chemical Group's business activities, including their business partners as well as Sumitomo Chemical Group Personnel and their families.

Major Initiatives

Sumitomo Chemical and Group companies in Japan and overseas

1 Sumitomo Chemical Group Company Management

Group Company Risk Evaluation

With risk-based approach, we have implemented a series of human rights due diligence steps.

Step1	• Human rights risk assessment (risk mapping) conducted by external experts
Step2	• Written surveys and detailed surveys of the Group companies that were identified as having comparatively high risk through human rights risk assessments (risk mapping)
Step3	• Formulation and implementation of countermeasures for the items for improvement identified by external experts in the written/detailed surveys

The Group has completed this three-year cycle of human rights due diligence twice. The Group companies where written and detailed surveys were conducted have conducted their initiatives in accordance with applicable laws and regulations. We identified no major risks of non-compliance with requirements of international standards, such as the International Labour Organization's (ILO) Core Labor Standards.
Going forward, we will continue to conduct human rights due diligence at each Group company. If it is identified that our Group's business activities are causing or contributing any adverse impacts on human rights, we will correct or remedy those impacts through the appropriate procedures, in collaboration with relevant stakeholders.

Suppliers

2 Supply Chain Management

A. Introducing Human Rights Clauses into Contracts

We have formulated contract clauses that request understanding and cooperation with our efforts to respect human rights, and included them in our contracts with our business partners, including raw material suppliers, materials and equipment suppliers, logistics roviders, and contract manufacturers. We will also respond in line with the procedures defined in these human rights provisions when adverse impacts on human rights occur in our supply chain, or under the apprehension that such an impact has occurred.

B. Supplier Due Diligence

To accurately recognize the status of risks in the supply chain, we distribute the Sumitomo Chemical Group Supplier Code of Conduct to our major business partners, collect the Sumitomo Chemical Group Sustainable Procurement Check Sheets filled out by each of those business partners, and assess their practices. Furthermore, from FY2021, we are conducting detailed assessments of our major business partners using questionnaires focusing on human rights (the human rights questionnaire). By assessing the responses and taking improvement measures as necessary, we have been broadly promoting sustainable procurement throughout our supply chain.

C. Hi-risk Raw Material Due Diligence

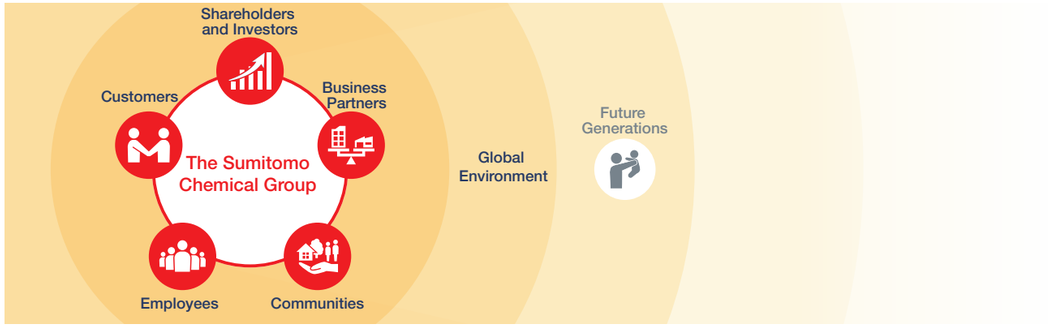
In line with the Sumitomo Chemical Group Policy for Responsible Procurement of Minerals/Raw Materials formulated in 2020, we conduct surveys on the usage, supply chain routes, audit status, etc. of raw materials having high risk of adverse impact on human rights (high-risk raw materials) for the business partners of such high-risk raw materials to prioritize our human rights due diligence on the business partners. For those business partners, we request reports based on the RMI* and steadily promote risk assessments.

※Responsible Minerals Initiative

Communication with Stakeholders

Sumitomo Chemical aims to achieve sustainable growth and enhance corporate value based on relationships of trust with diverse stakeholders, including shareholders, investors, customers, business partners, employees, and local communities. Through the timely and appropriate disclosure of necessary information and two-way dialogue, we sincerely listen to the opinions and expectations of our stakeholders and reflect them in improvements to our business activities and in new initiatives.

Stakeholder Engagement



Opportunities to Communicate with Stakeholders

Stakeholders	Sumitomo Chemical Group's Responsibility	アプローチ方法
Shareholders and Investors	We proactively communicate about management policies, business strategies, and earnings trends. We thus fulfill our duty of accountability to shareholders and thereby maintain and improve the market's trust in the Sumitomo Chemical Group. We also promote the market's accurate understanding of the Company with a view to ensuring a fair market valuation of the Company's shares and the improvement of our corporate value.	• General meetings of shareholders • Meetings, including corporate strategy briefing meetings and financial results conference calls • Briefing meetings for individual investors • Publications, including the Integrated Report • Disclosure via the Company's website and social media
Customers	We supply high-quality products and services that satisfy customers' needs and ensure safety in use to establish long-term relations with customers that are built on trust.	• Customer support including communication in sales activities and quality assurance • Providing information via the Company's website and other communication media • Customer support by the customer support center
Business Partners	We are committed to building mutually-beneficial sound relations with business partners based on our Basic Procurement Principles. We also conduct fair, equitable and transparent transactions, while also encouraging our business partners to engage in sustainability efforts, in order to promote sustainable procurement across our supply chain.	• Communication through purchasing activities • Information exchange meetings with business partners • Monitoring using our Sustainable Procurement check sheets • A dedicated team provides support, answering the inquiries of business partners
Employees	We are committed to ensuring employees' health and respecting employee diversity, while also devoting constant effort to human resource development and the improvement of a workplace environment so that individual employees can realize their full potential. The Company is also committed to maintaining its good relationship with the Sumitomo Chemical labor union built on mutual understanding and trust.	• Central labor-management meetings and operation-site labor-management meetings • Establishment of a labor-management committee to promote the Sumika "Let's Do This Declaration" • Various training programs • Information provided via the Company's internal newsletters and intranet
Communities	We work to help solve various global issues through cooperation on international initiatives as well as to achieve coexistence and collaboration with local communities by holding two-way dialogues and enhancing disclosure.	• Participating in international initiatives (Including UNGC) • Information provision through websites and other channels • Holding opinion exchanges with local communities, plant tours, and more • Community contribution activities

Dialogue with Shareholders and Investors to Enhance Corporate Value

To facilitate understanding by shareholders and investors in Japan and overseas of our management policy, business strategy, and performance trends toward sustainable growth and enhancement of corporate value over the medium to long term, our top management takes the initiative in proactive information disclosure and interactive communications to fulfill our accountability, maintain and raise market confidence in the Company, while striving to ensure proper stock price formation and enhance corporate value.

Main Themes of Dialogue in FY2025

Upgrade business portfolio with new growth strategy

- Growth scenarios for the growth drivers (AGL and ICTM)
- Positioning of the regenerative medicine/cell therapy business within the Sumitomo Chemical Group

Build greater resilience by executing continued structural reforms

- Revitalization of the petrochemical business including Petro Rabigh
- Our strategic direction for the small molecule drugs (drug discovery) business

Major Dialogue Events in FY2025

Briefing Sessions

	Speakers	Times Held	Attendees
Investors' Meeting for the Current Priority Management Issues and Business Strategy	President	1	150
Conference call on earnings report	Senior Managing Executive Officer in charge of IR, etc.	4	1,272

Interviews with Investors

	Persons who Deal with This	Times Held	Attendees
Interviews with Investors	President, Senior Managing Executive Officer in charge of IR, General Manager in charge of IR, etc.	—	662

Small Meetings

	Persons who Deal with This	Times Held	Attendees
Held by the President	President, Heads of business sectors	2	57
Held by the Outside Directors	Outside Directors	1	21

Individual Investors' Meetings

	Persons who Deal with This	Times Held	Attendees
Individual Investors' Meetings (Including streaming)	Senior Managing Executive Officer in charge of IR, General Manager in charge of IR	3	—

Internal Feedback and Examples of Improvements

Our company actively provides feedback to various internal levels based on the opinions and suggestions received from analysts and investors during our IR activities. By sharing external perspectives on our business strategies, business plans, and corporate value, we aim to enhance our competitiveness and improve management practices.

Feedback	Content
Board of Directors Report	Opinions and evaluations of our company gathered from earnings briefings, investor meetings and other such opportunities are shared with the Board of Directors.
IR and Public Relations Coordination Meetings	we share investor reactions and opinions regarding earnings announcements and briefings with department heads across various business sectors and headquarters sections. Additionally, we exchange views on the planning of events aimed at investors and the media.

Small meeting with Outside Directors in response to investor feedback

Special Feature: Dialogue with Institutional Investors and Analysts —Small Meeting with Outside Directors and Institutional Investors—



Investors

Investor feedback

We would like to see further enhanced dialogue between Outside Directors and participants in the capital markets. We would like to hear directly from the Outside Directors about the Board of Directors' discussions and Outside Directors' assessment of the current policies and the remaining challenges in recovering from the largest-ever deficit, Sumitomo Chemical's future direction, risk management, governance—including senior management appointments and remuneration of officers—and ESG policies.

Our response

We held a small meeting between our Outside Directors and investors. The discussions provided an opportunity for candid exchanges of views on a range of topics, including the monitoring of management—such as why signs of deteriorating business performance were not identified at an earlier stage—as well as our business portfolio, the parent-subsidiary listed company structure, and our governance institutional design, drawing also on discussions held by the Board of Directors. For our Outside Directors, the meeting also provided a valuable opportunity to gain direct insight into market perspectives and deepen their understanding of key issues and areas of focus. We view this initiative as contributing to the enhancement of the Board's supervisory capabilities and to more substantive discussions at Board meetings.

Examples of Communication Opportunities

Shareholders and investors **Organized a plant tour**

In December 2025, we organized a plant tour for investors and analysts. They visited our Oita Works, a core site of the Agro & Life Solutions Sector, one of our growth drivers. The tour included a crop protection active ingredient manufacturing plant, an oligonucleotide plant operated by our Advanced Medical Solutions Sector, and Sumika Chemical Analysis Service, our subsidiary equipped with analytical instruments and facilities. The tour provided the participants with an opportunity to gain a deeper understanding of our integrated capabilities in technology, manufacturing, and analysis across our priority businesses. Going forward, we will continue to deepen communication with investors through direct engagement at our operating sites and leverage these opportunities to enhance corporate value.



Plant tour (Oita)

Corporate Governance



Dialogue with Institutional Investors and Analysts

—Small Meeting with Outside Directors and Institutional Investors—

On January 9, 2026, as part of our investor relations activities, we hosted a small meeting, inviting institutional investors and analysts to engage in direct dialogue with three Outside Directors. On the day, 21 institutional investors and analysts attended, including online participants, and they had an active exchange of views for approximately one hour. Below, we present the highlights of the question-and-answer session.

To begin, please share your impressions of Sumitomo Chemical's Board of Directors. Also, how do you view your role in light of your own background?

Muraki I worked for many years at the Ministry of Health, Labour and Welfare, where I was engaged in labor and employment policy. In order to apply that experience, I view the Company's management with a particular interest in employees and organizational culture, including human resources and labor management, the promotion of women's advancement, hiring of persons with disabilities, work style reform and measures against harassment. Since I was appointed as an Outside Director in 2018, I feel that the Board of Directors has changed significantly over these seven years. When I first assumed the position, the Company was cautious about sharing undecided matters with Outside Directors and tended to consult us only after policies had taken shape, but this has gradually changed, and today consultation takes place at an early stage. I believe communication has improved considerably.

Ichikawa I took office as an Outside Director in 2022, and three years have passed since then. Sumitomo Forestry, where I served as President and where I currently also serve as Chairman of the Board, belongs to the same Sumitomo Group, but it has almost no direct business dealings with Sumitomo Chemical. I intend to apply my experience in corporate management to my role as an Outside Director. As Ms. Muraki noted, the Board of Directors has changed significantly in recent years, and I feel that the Company has the strength to unite as one and confront difficulties even in a challenging business environment.

Kato Having worked at a major audit corporation as a Certified Public Accountant, I served as an Outside Audit & Supervisory Board Member of the Company from 2015, the year after I retired, and since June 2025 I have served as an Outside Director, Audit & Supervisory Committee Member. I understand my role is to contribute to strengthening the Board's supervisory capabilities. In addition to my many years of experience in accounting audits, I intend to apply my experience at the audit corporation, including overseas assignments, oversight of the consulting division and corporate management. The Company's Board of Directors has addressed its challenges through continuous improvements based on annual effectiveness evaluations, and I consider that the Board's effectiveness has improved significantly over the past several years.

A little over six months have passed since the transition to a company with an Audit & Supervisory Committee in June 2025. What changes have occurred in the Board of Directors?

Kato Regarding the change in the institutional design, we held extensive discussions with the parties concerned and carefully reviewed what the governance structure would be best for the Company before reaching our conclusion. In light of the situation the Company currently faces, further strengthening the Board's monitoring function is a major imperative, and we devoted a great deal of time to discussing how to achieve this.

Since the transition to a company with an Audit & Supervisory Committee, we have reviewed the agenda items that the Board should address and are advancing efforts to discuss the themes we have set continuously throughout the year. For example, the evaluation of investment processes, the progress of investment performance and initiatives to enhance corporate value by leveraging market evaluations are key points in strengthening monitoring. In addition, the Audit & Supervisory Committee has expanded its support structure in order to strengthen the audit of business execution.

Ichikawa We have advanced efforts over the past two to three years to invigorate discussions at the Board of Directors, and among these, the process of transitioning to a company with an Audit & Supervisory Committee left a particularly strong impression on me. In 2022, when I assumed the position of Outside Director, the structure comprised a total of 17 members, with 12 directors and five Audit & Supervisory Board members. In 2024, the structure was reduced to 15 members to streamline the Board, and following further discussions on strengthening the monitoring function, we transitioned to a company with an Audit & Supervisory Committee, resulting in a structure of 14 members. Through this series of processes, we have continued to consider what the Board of Directors should be, and I have high expectations that we will pursue further strengthening of its functions going forward in response to circumstances.

Muraki The Company's Board of Directors has traditionally allowed the Audit & Supervisory Board Members to express their views openly, and since the transition to a company with an Audit & Supervisory Committee, I feel that the Audit & Supervisory Committee Members have had more opportunities to speak and that discussions have become even more active. Two of the Audit & Supervisory Committee Members are full-time internal members, and the remarks made by internal members at the Board of Directors are extremely important for Outside Directors. I believe this has been beneficial because internal Directors now speak more actively at the Board of Directors, and I feel that it is producing very positive effects.

The deterioration in business performance* that continued over the past several years appears to have been foreseeable to some extent even from an external perspective. Could you share your views on why the advice of Outside Directors was not fully reflected in management?

Muraki That is precisely the case, and I myself requested that the Board of Directors look into the deterioration in business performance since FY2022. I regard the fact that the issues at Petro Rabigh and Sumitomo Pharma overlapped during the same period as a major factor behind the slowness in management's response.

With regard to the issues at Petro Rabigh, given the special circumstances of a joint venture with Saudi Aramco, there was initially an atmosphere in which the matter could not



be communicated to the Outside Directors until a policy for addressing it had been determined. Therefore, from around 2020, we approached the Company and established a forum for discussion among the Outside Directors separate from the Board of Directors. I believe that by encouraging proactive information sharing, we helped accelerate decision-making. Nevertheless, as an Outside Director, I feel deep regret that matters ended in such a result.

Regarding the issues at Sumitomo Pharma, the Company provided opportunities from a relatively early stage for us Outside Directors to exchange views with the president of Sumitomo Pharma. With the patent cliff already in sight, the development of new drugs did not advance as expected, which brought on a crisis and a significant deterioration in business performance, but the involvement of consultants achieved substantial cost reductions. While it is gratifying that this had a significant effect, I believe we need to verify thoroughly whether any other measures could have been taken in the period leading up to the patent cliff.

Ichikawa As for Petro Rabigh, market conditions did not recover even after the COVID-19 pandemic, and the difficult situation continued. We received explanations of what discussions the Company was holding with Saudi Aramco, including the status of discussions on the ground, and we confirmed that the Company was also seeking an opportunity to reduce its equity stake. My greatest concern in the negotiations with Saudi Aramco was whether any gap existed between the two companies' perceptions of the business, but in addition to the market's assessment of Petro Rabigh, the Company applied considerable pressure, and the reduction in the equity stake was realized.

With regard to Sumitomo Pharma, the timing of earnings contribution from the three key products in North America was crucial, but partly due to the impact of the COVID-19 pandemic, the timing for obtaining clinical trial results was significantly delayed. Had the results come out earlier, the situation would have been different. However, I regard it as a step forward that, as the discussions progressed, we once again recognized major management issues such as how small molecule drugs should be approached.

Kato From my position as an Audit & Supervisory Board Member at the time, I was concerned about whether the management teams of the two companies shared sufficient information regarding the response to the patent cliff in the U.S. market. It was difficult for the outside officers to see what measures Sumitomo Pharma was taking with a sense of urgency in response to the patent cliff, and I felt there was a sense of frustration within the Company about not being able to get directly involved. The same applied to Petro Rabigh, and I recognize that, because of the difficulty of an overseas business and of negotiations with a joint venture partner, there were phases in which matters did not necessarily proceed smoothly in the direction the Company sought, including in terms of the time frame. Internally, we held considerable discussions at the Board of Directors and various other bodies and strove to respond with a sense of unity, but we cannot deny that, as a result, the response took time.

Going forward, as part of strengthening the monitoring function through the transition to a company with an Audit & Supervisory Committee, we hope to share such a sense of urgency at an earlier stage and take swift action.



*Since FY2022, Petro Rabigh's earnings deteriorated due to factors such as sluggish margins for petroleum refining and petrochemical products, and Sumitomo Pharma recorded a substantial decline in sales following the end of the exclusive sales period for its mainstay product Latuda, and as a result Sumitomo Chemical posted its largest-ever net loss in FY2023. As a result of promoting "immediate-term, concentrated measures to improve business performance" and "fundamental structural reforms" in FY2024, the Company achieved a V-shaped recovery.

What are your views on the fact that Sumitomo Chemical has several listed subsidiaries? Sumitomo Pharma in particular is frequently a subject of debate in the stock market, and I understand that the Company is currently considering this matter, so please respond to the extent possible.

Muraki This is an extremely complex issue, but I believe that a parent-subsidiary listed company structure is not something that should be resolved uniformly and formalistically across the board, and that the Company should consider on a case-by-case basis how much collaboration is possible, how the two companies view each other's businesses and how to balance information sharing and independence. With regard to Sumitomo Pharma, however, I believe we need to verify in depth whether the fact that Sumitomo Pharma is a listed subsidiary affected information sharing between parent and subsidiary as a background to the emergence of the deterioration in business performance.

Ichikawa With regard to a parent-subsidiary listed company structure, ensuring governance is the most important consideration, and the key questions are whether management independence is maintained and whether minority shareholders are appropriately protected. The Company is highly conscious of these points in how it deals with each listed subsidiary, and I believe there are no concerns in this respect. From a strategic perspective, on the other hand, it is important to consider how the subsidiary is positioned within the Group. A parent-subsidiary listed company structure is meaningful if it drives growth, but it serves no purpose if it instead erodes or slows that growth. We need to continuously assess whether the parent-subsidiary listed company structure is functioning well from the perspective of whether the subsidiary itself can grow independently.

With regard to Sumitomo Pharma, an important point of discussion is how we should engage as a shareholder in order for Sumitomo Pharma to achieve the next stage of growth.



The Corporate Business Plan sets out a policy of focusing on Agro & Life Solutions (AGL) and ICT & Mobility Solutions (ICTM) as growth drivers for the time being. Please share your views on the validity of this policy and the challenges it entails.

Ichikawa The policy is to position AGL and ICTM as growth drivers for the time being and to concentrate management resources on them. Both fields should serve as stable earnings sources supporting Sumitomo Chemical, and I believe that focusing on them now is extremely important in strengthening the Company's foundations. Challenges remain to be resolved for future growth, but as members of the Board of Directors, we intend to continue engaging in constructive discussion and to appropriately monitor progress and results.

Muraki In formulating the Corporate Business Plan, we spent ample time discussing the policy of focusing on AGL and ICTM, and therefore there were no particular objections to it. In addition, under the long-term growth scenario, solutions in the environment and healthcare fields are expected to emerge from 2030 onward. The Company has many outstanding human resources, and one of its strengths is that young employees on the front lines and researchers enjoy their work. I believe that if the Company did not have business fields that excite such outstanding human resources, it could rapidly lose its vitality. This reminds me of what Shohei Ohtani said about not wanting to lose the sense of "baseball being a hobby," in other words, wanting to cherish the feeling of enjoyment. I understand this to mean that, after strengthening AGL and ICTM, the Company wants to depict an even more exciting vision of the future, in potential growth areas such as environment and healthcare businesses.

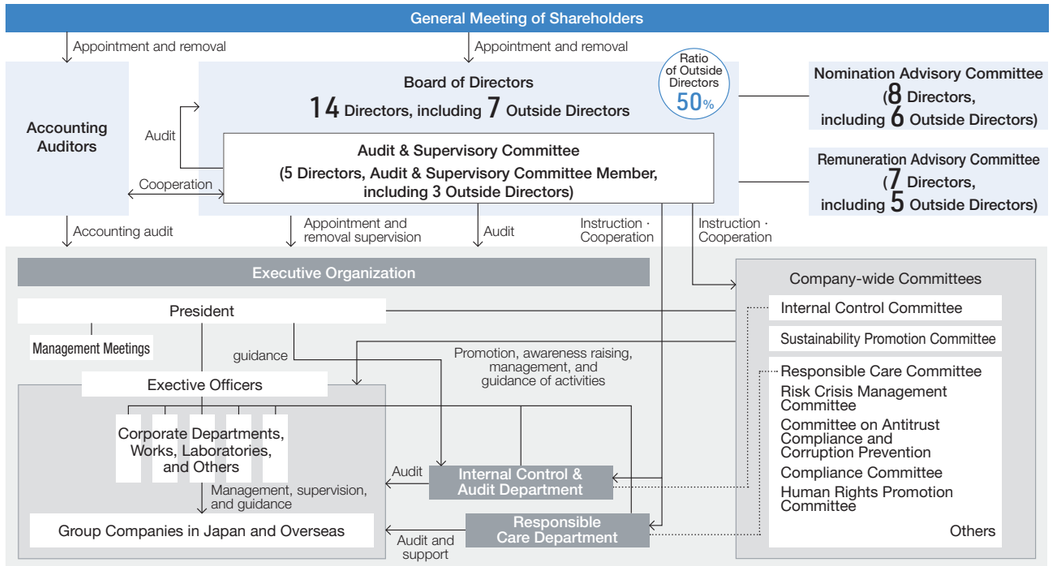


Corporate Governance

Sumitomo Chemical makes continual improvements to ensure that the company's governance structures serve their appropriate functions, including with respect to the design of the corporate structure, as well as executive nomination and remuneration, and that the Board of Directors is highly effective, with the aim of further improving corporate governance.

Following our transition to a company with an Audit & Supervisory Committee in June 2025, the Company designated the Audit & Supervisory Committee Members, who are responsible for, among others, auditing Directors' performance of duties, as members of the Board. This has further increased the Board's supervisory capabilities. In addition, we have enhanced the effectiveness of audits related to business execution by strengthening the system of instruction and cooperation between the Audit & Supervisory Committee and the Internal Control and Audit Department, etc. Furthermore, by enabling the Board to broadly delegate its decisions on business execution to Directors, the Board of Directors is now able to devote more time, based on its annual agenda, to in-depth discussions on medium- to long-term management strategies, including our business portfolio.

Corporate Governance Organization (As of July 1, 2026)



Corporate Governance Organization Corporate Governance (Sustainability Report)

Board of Directors	Chairperson: Chairman of the Board (The Chairman of the Board does not concurrently serve as Executive Officer.) The Sumitomo Chemical Board of Directors decides management policy, business strategies, and other important matters concerning the company's management, in accordance with the law, the Articles of Incorporation, and the Board of Directors' own rules. It also receives reports from Directors and others on the performance of duties, the financial situation, and operating results, and oversees the performance of duties by each Director. In accordance with the Nomination Advisory Committee's advice, candidates for Director are nominated by the Board of Directors and are elected once a year at the General Meeting of Shareholders.
Audit & Supervisory Committee	**Constituent members: Directors, Audit & Supervisory Committee Members** The Audit & Supervisory Committee Members play a vital role in our corporate governance by auditing the performance of duties by Directors in accordance with the law and the Articles of Incorporation. The results of audits and the objective views of Outside Directors who are Audit & Supervisory Committee Members are appropriately reflected in internal audits, Audit & Supervisory Committee's audits, and accounting audits, so as to raise the effectiveness and efficiency of auditing. The Audit & Supervisory Committee's Office has been established with staff dedicated to providing assistance in auditing functions under the direction of Audit & Supervisory Committee Members. In addition to these dedicated staff members, three employees from the Internal Control Department also serve concurrently in support of the Audit & Supervisory Committee, thereby strengthening coordination between the Audit & Supervisory Committee and the Internal Control Department.
Nomination Advisory Committee	Chairperson (FY2026): Chairman of the Board **Constituent members: Outside Directors and the Chairman of the Board, and the President** An advisory committee of the Board of Directors relating to the selection of senior management*1 and the nomination of Directors and Audit & Supervisory Committee Members. The committee, whose members are directors (the majority of whom are outside directors) makes recommendations to the Board of Directors when selecting executives, with the aim of ensuring even greater transparency and fairness in executive selection and also clarifying the process of executive selection. *Senior management means Executive Officers above Senior Managing Executive Officer, and Managing Executive Officers who are immediately under the President, supervising certain functions
Remuneration Advisory Committee	Chairperson (FY2026): Ms. Muraki, Outside Director **Constituent members: Outside Directors and the Chairman of the Board, and the President** An advisory committee of the Board of Directors relating to the remuneration system and remuneration levels for Directors and Executive Officers, as well as other related issues. The committee, whose members are directors (the majority of whom are outside directors) makes recommendations to the Board of Directors when determining systems for and levels of executive remuneration, among other issues, with the aim of further increasing transparency and fairness. In addition, upon authorization by the Board of Directors, the committee determines the amount of compensation for each individual senior management and Directors (excluding Directors, Audit & Supervisory Committee Members) in accordance with the policies for determining compensation of senior management and Directors.

Measures to Date for Strengthening Corporate Governance

Date	Major Initiatives	Board Composition	Appointment of Board Members	Executive Remuneration	Other
2003 June	Interoduced Executive Officer system (reduced number of Directors from 25 to 10)	●			●
July	Established Compliance Committee				●
2004 June	Eliminated system of retirement benefits for Directors and Audit & Supervisory Board Members			●	
2007 May	Established Internal Control Committee				●
September	Established Remuneration Advisory Group			●	
2010 September	Established Nomination Advisory Group		●		
2011 November	Drew up standards for appointment of Independent Outside Directors	●	●		
2012 June	Appointed 1 Outside Director	●			
2015 June	Selected 3 Outside Directors (increased by 2)	●			
October	Established Remuneration Advisory Committee in plase of Remuneration Advisory Group			●	
	Established Nomination Advisory Committee in plase of Nomination Advisory Group		●		
2016 December	Formulated Sumitomo Chemical Corporate Governance Guidelines				●
2018 June	Selected 4 Outside Directors (including 1 woman) (increased by 1)	●			
2021 June	Board of Directors consisting of more than 1/3 Outside Directors	●			
2022 June	Introduction of a restricted stok compensation plan for Internal Directors and Executive Officers			●	
2024 June	Reviewed the composition of Board of Directors and selected 5 Outside Directors (including 2 woman)	●			
2025 June	Transition to a Company with an Audit & Supervisory Committee				●

Policies and Procedures for Reshuffling Senior Management and Nominating Candidates for Directors and Directors, Audit & Supervisory Committee Members

Appointment Policy

- Performance, knowledge, experience, personality, and the insight of a candidate are comprehensively considered from the standpoint of having "the right person in the right place" as well as ensuring a proper and prompt decision-making process, so as to select a person suitable for the respective duties.
- According to the criteria set forth by the Company, the person who has reached a certain age set for retirement will resign, in principle, upon completion of his or her tenure.
- For the nomination of candidates for Outside Directors and Outside Directors, Audit & Supervisory Committee Members, if a candidate also serves as an executive officer of other listed companies, the number of these companies must be less than five, including our company. This rule is to ensure that the candidate can properly fulfill his/her responsibility as our Director or Audit & Supervisory Committee Members.

Appointment Procedures

Candidates Selected by Representative Directors	Representative Directors select candidates suitable for the positions of senior management, Directors and Audit & Supervisory Committee Members in accordance with the Appointment Policy.
Discussion by the Nomination Advisory Committee	The results of the nomination will be deliberated at the Nomination Advisory Committee and recommended to the Board of Directors.
Decision by the Board of Directors	The Board of Directors will deliberate based on the advice and make a decision.

Dismissal Policy and Procedures

- The Board of Directors will deliberate and decide on its response if senior management commits a wrongful, inappropriate, or treasonous act, or if there is a cause that is deemed unsuitable to be committed by a member of senior management

Efforts to Substantively Strengthen Corporate Governance

Changes in the Method of Operation of the Board of Directors

Sumitomo Chemical has been continuously improving the operation of the Board of Directors and various corporate governance measures with the primary objectives of further strengthening the Board's monitoring functions and enhancing the transparency and objectivity of management. In particular, we place great importance on making the most of the expertise of Outside Directors, and to this end, we have implemented various measures to reduce the information asymmetry between internal and outside directors by also making use of forums for discussion outside of the Board of Directors. As a result of these improvements, the operation of the Board of Directors and its associated meetings is as shown in the diagram below.

A few days prior to the Board of Directors meeting

Advance briefing

Day of the Board of Directors meeting

Board of Directors
*Standard flow

Around 8:00 Resolutions

9:30 Reports
- Head office monthly report
- Business sector monthly report
- Report on important proposals

11:00 End

Upon completion of the Board of Directors meeting

Meetings

More than 2/3 of the time in the Board meetings is used for discussions

Expanded Advance Briefings for Outside Directors Organic Coordination with the Board of Directors

- The roles of advance briefings and meetings of the Board of Directors have been clarified, ensuring sufficient time for discussion in the Board of Directors meeting
- The content of advance briefings, including points of discussion, are reflected in the deliberations of the Board of Directors

Report on the Summary of Internal Discussion at a Management Meeting

- Report the summary of discussions held in internal meetings for important agenda items and how the views expressed in those discussions are reflected in the agenda items

Report to Board of Directors before Deciding on a Major Proposal

- For important agenda items, such as the management direction, M&A, and other major projects, reports (including progress reports) are made to the Board of Directors from the early stages of consideration so that they can reflect the Board's intentions

Opportunities for Informal Discussions

- Directors Discussion Meetings to discuss matters including business portfolio strategy, management strategies reflecting assessments from the capital markets, and Group management, based on the annual agenda
- Study Sessions on Important issues for Outside Directors
- Discussion Meetings between Outside Directors and the Heads of Key Group Companies
- Discussion Meetings for Outside Directors Only

Visits to Production Sites

- Outside Directors visit to our business offices, and Group companies outside Japan



TOPICS

Deepening Management Reflecting Assessments from the Capital Markets

In FY2025, we positioned efforts to enhance corporate value, including improving our assessment by the capital markets, as one of the annual agenda items for the Board of Directors and discussed these matters at Directors Discussion Meetings. Outside Directors highlighted the need for regular monitoring of market assessments, more in-depth discussions on specific measures to upgrade our business portfolio and improve ROIC to enhance corporate value, and the vital importance of having the Agro & Life Solutions Sector and ICT & Mobility Solutions Sector, which we regard as near-term growth drivers, meet expectations from the capital markets. We also held a small meeting between Outside Directors and institutional investors. Taking into account candid feedback from institutional investors, we identified issues to be addressed in order to further enhance discussions by the Board of Directors.

Based on these discussions, in FY2026 we will pursue the goal of "Deepening Management Reflecting Market Assessments." We will enhance our dialogue with the capital markets, bring the insights gained from this dialogue to the Board of Directors for consideration, and deepen discussions on the progress and direction of initiatives aimed at enhancing corporate value. Specifically, we will allocate sufficient time on the Board's agenda for discussions on our medium- to long-term business portfolio strategy and measures to improve ROIC, engage in frank and open discussions, and ensure the steady implementation of the measures decided upon.

Assessing the Effectiveness of the Board of Directors

The effectiveness of the Board of Directors is assessed in terms of its composition, operational status, deliberation/reports at its meetings, the effective utilization of Independent Outside Directors, information sharing between the Audit & Supervisory Committee and the Board of Directors, auditing status on its business execution, the non-mandatory Nomination Advisory Committee and Remuneration Advisory Committee, opportunities for Outside Directors to enhance their knowledge and skills, and dialogue with shareholders. We conduct surveys of each Director to assess the effectiveness of the Board of Directors. Based on the results of these surveys, there is then a frank exchange of views in Outside Directors Discussion Meetings, after which the Board of Directors then conducts a review of its own effectiveness in one of its meetings based on the views expressed in the prior meetings. The results of this review were also reported to and shared with the Management Meeting.

Issues Identified in FY2024	**The review and verification of the monitoring process at the Board of Directors**	**Setting the agenda for strengthening monitoring functions**	**The enhancement of corporate value by leveraging market evaluations**
Initiatives for FY2025	• Verify the Board's monitoring of past management initiatives, etc., and further improve it through efforts in conjunction with the various initiatives associated with changes to the organizational structure.	• Taking the opportunity of the change in the corporate structure, reduce the number of items submitted to the Board, use the saved time for preliminary discussions on priority management topics at the Board or other meetings, and plan the agenda for the year, thereby strengthening the monitoring capabilities.	• Analyze market valuations in more detail than before, and deepen discussions on capital policy and shareholder return policy. • Aim to maximize shareholder value by further enhancing engagement with the market and through easy-to-understand disclosure of information.
Results and Evaluation of Initiatives for FY2025	• Discussions were held at the Board of Directors meetings and the Directors Discussion Meetings regarding, among other matters, the verification of past major investment projects, the revision of the investment decision-making process based on those verifications, and the follow-up on the results of startup projects.	• The Company limited individual matters which require deliberation and reporting to key matters, and established an annual agenda focused on portfolio strategy, etc. following discussions at the Directors Discussion Meetings, etc.	• The Company conducted a more detailed analysis of the capital market's evaluation of the Company and exchanged views on key points of the initiatives for future enhancement of corporate value based on those findings. • As a new opportunity for dialog, the Company held a small-group meeting between Outside Directors and securities analysts.
	Tasks for the next fiscal year • To achieve medium- to long-term growth in corporate value, the Board's monitoring functions should be further strengthened. Summary • Discussions on key management issues, including the business portfolio, are being enhanced through measures such as revising the criteria for submitting matters to the Board of Directors following the transition to a Company with an Audit & Supervisory Committee, and establishing an annual agenda based on last year's appraisal of the effectiveness of the Board of Directors.		

Initiatives for FY2026	**Further enhancement of the role of the Board of Directors in driving sustainable growth**	• Continue to further enhance opportunities for discussion regarding medium- to long-term management strategies in order to anticipate changes in the business environment, identify the Company's winning businesses, and review its business portfolio in a timely and flexible manner. • Monitor the progress of the Company's growth strategy, including market and competitor trends as well as the Company's competitive advantages, to support the reliable execution of action plans by management. • Enhance the sharing of issues identified during internal review processes with the Board of Directors to facilitate more in-depth deliberations.
	Deepening management based on market evaluations	• Enhance its dialog with the market and provide feedback on the content of such dialog to the Board of Directors to deepen discussions regarding gap analysis between the Company's direction and market evaluations, regarding the direction of improvement, etc.
	Further enhancement of the effectiveness of group governance	• Regularly review and discuss the positioning of and its ownership policies regarding each group company within the business strategy at the Board of Directors meetings, with the aim of realizing a more optimal group structure. • Strive to ensure the effectiveness of group governance while continuously verifying its efficacy.
	Other	• Review the appraisal methods, including the usefulness of objective assessments through third-party involvement and benchmark comparisons.

Remuneration

Remuneration for Directors (excluding Directors, Audit & Supervisory Committee Members and Outside Directors) and Executive Officers shall consist of Basic Compensation as fixed compensation and Bonuses and Stock Compensation as variable compensation. In addition, the remuneration for Directors, Audit & Supervisory Committee Members and Outside Directors shall consist of Basic Compensation. 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.

Executive Compensation Structure

Revision of the Remuneration System

To further strengthen incentives to promote the sustainable enhancement of corporate value, we have revised the remuneration system, focusing primarily on the following two points.

	Increased Share of Variable Remuneration	Introduced Coefficient for ROIC Achievement
Purpose	Strengthen incentives tied to business performance	Rigorous ROIC-oriented management
Revisions	Review mix of fixed and variable remuneration and increase the share of variable remuneration	Add ROIC achievement coefficient to formula for calculating variable remuneration bonus

Mechanisms of Each Remuneration Element

❶ Basic Compensation

Based on the factors for determination described below, the company will change the amount of remuneration when it is determinable that the company's position has changed from a comprehensive and medium- to longterm perspective.

Factors for Determination	Major Indicators
Growth	Sales revenue
	Total assets
	Market capitalization
Earnings capacity	Current income (belonging to the parent company)
	ROE
	ROIC
	D/E ratio
Outside evaluations	Credit ratings
	ESG index selected by GPIF

(Note) The amount to be paid to each person will be determined by each position

❷ Bonuses

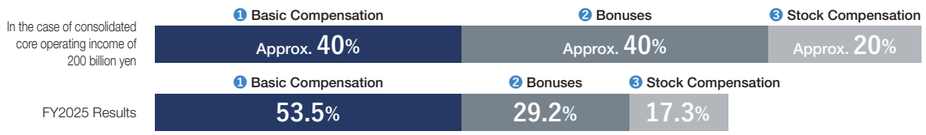
Consolidated performance indicator	Calculation formula
Core Operating Income + Financial P&L (dividend income, net interest, etc.)	Consolidated business performance KPI ×Coefficient*1 × ROIC achievement coefficient*2

(Note) If a consolidated performance indicator does not exceed a particular level, bonuses will not be paid.
*1 Higher for higher-ranked executives
*2 Flex bonus amount based on coefficient set within the range of 0.8 to 1.3 based on ROIC

❸ Stock Compensation

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 performance, 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.

Image Diagram of Composition of Remuneration of Directors (excluding Directors, Audit & Supervisory Committee Members and Outside Directors)



Directors' and Audit & Supervisory Committee Members' Compensation (FY2025)

(Millions of yen)

Title	Number of people	Total amount of compensation	Total amount of compensation by type		
			Basic Compensation (fixed remuneration)	Bonuses (performance-linked remuneration)	Stock Compensation (non-monetary compensation)
Directors (excluding Audit & Supervisory Committee Members)	13	661	389	171	101
(Of which, Outside Directors)	(5)	(76)	(76)	(—)	(—)
Directors who are Audit & Supervisory Committee Members	5	113	113	—	—
(Of which, Outside Directors)	(3)	(46)	(46)		
Corporate Auditors	5	30	30	—	—
(Of which, Outside Corporate Auditors)	(3)	(11)	(11)		
Total	23	805	533	171	101

NOTES: 1. Payments to Corporate Auditors relate to the period before the transition to a company with an Audit & Supervisory Committee, while payments to Directors who are Audit & Supervisory Committee Members relate to the period after the transition to a company with an Audit & Supervisory Committee.
2. The above number of persons and amount of compensation includes four Directors and five Corporate Auditors who retired during the fiscal year under review.

Expertise and Experience of Directors

Our management requires expertise and business experience in a variety of fields. In light of these business characteristics, the Company's Board of Directors, in principle, consists of a diverse range of members, including those with extensive knowledge and experience in corporate management, the Company's business, finance and accounting, legal, compliance, and internal controls, etc., as well as international experience.

	Corporate Management	Business Strategy/ Marketing	Technology/ Research	Global	ESG/ Sustainability	Finance/ Accounting	Human Resources and Labor	Legal/ Compliance/ Internal Control	Knowledge of Other Specialized Fields
Directors (excluding Directors who are Audit & Supervisory Committee Members)									
Keiichi Iwata	●	●		●					
Nobuaki Mito	●	●	●						
Keigo Sasaki		●		●		●			● (corporate communications)
Takanari Yamaguchi		●	●						● (IT·DX)
Shinoi Sakata			●		●				● (intellectual property)
Atsuko Muraki					●		●	●	
Akira Ichikawa	●			●	●				
Yumiko Noda	●			●		●			
Tetsuji Ohashi	●		●	●					● (IT·DX)
Directors who are Audit & Supervisory Committee Members									
Kenji Ohno					●			●	
Kunio Nozaki				●		●			
Yoshitaka Kato				●		●		●	
Michio Yoneda	●				●				● (financial markets)
Masamichi Kamimura					●			●	

※The above table shows up to three of the major areas (excluding "Knowledge of Other Specialized Fields") of each person's expertise and experience with ●.

Listed Company with Listed Subsidiaries

Our Thinking Regarding Listed Companies with Listed Subsidiaries

For a publicly listed subsidiary, the advantages of being publicly listed include better employee morale, enhanced ability to recruit employees, greater trust from customers, and greater influence within the industry. In addition, the parent company can expect to benefit from synergies in collaboration and cooperation with its subsidiaries. Because of these benefits, in seeking to maximize the overall corporate value of the Sumitomo Chemical Group, we think that holding listed subsidiaries is one of the effective options based on premise of preserving each subsidiary's autonomy and respecting the rights of minority shareholders.

Our company is currently promoting structural reforms aimed at returning to a path of growth. We believe that establishing the best growth model for each of our listed subsidiaries is of utmost importance. Accordingly, we will review the relationships between our company and each subsidiary, including our equity holdings, in alignment with the direction of our structural reforms.

Sale of Shares of Listed Associates and Full Ownership of Listed Subsidiaries

As part of the immediate-term, concentrated measures to improve business performance in FY2024, the Company sold a portion of shares held in our equity method associates Sumitomo Bakelite Co., Ltd., and Inabata & Co., Ltd., and all shares held in Shinto Paint Co., Ltd. In FY2025, we made Tanaka Chemical Corporation a wholly owned subsidiary to support its business turnaround, including by accelerating the technological development of EV battery materials. In FY2026, we made Koei Chemical Co., Ltd. a wholly owned subsidiary with the aim of expanding and strengthening our CDMO business by leveraging its state-of-the-art facilities.

The Significance of Being Listed Companies with Listed Subsidiaries

Company Name	History	Position in Group	Synergies
Sumitomo Pharma Co., Ltd.	Sumitomo Chemical's pharmaceutical business began with the acquisition of the Japan Dyestuff Manufacturing Company in 1944. After being spun off as the subsidiary Sumitomo Pharmaceuticals in 1984, it merged with Dainippon Pharmaceutical in 2005 to become Sumitomo Dainippon Pharma (currently Sumitomo Pharma).	The Company regards "healthcare" as one of the priority areas in making efforts for acceleration of the development of next-generation businesses. In the Group-wide regenerative medicine/cell therapy business, we are driving development and business expansion by combining the company's technology and expertise as a front-runner in regenerative cells with our industrialization, analytical, and quality control technologies and know-how.	• Research at the Advanced Research Laboratory for Fundamental Technologies (formerly Bioscience Research Laboratory), which consolidates and integrates parts of the research organizations of the company and Sumitomo Chemical • Contract Development and Manufacturing Organization in regenerative medicine and cell therapies (combines the company's expertise in regenerative medicine and cell therapy with Sumitomo Chemical's expertise in the CMO business) • Having locations on Sumitomo Chemical's premises enables close collaboration in such areas as quality and production management,reducing indirect expenses • Strengthening governance through the deployment of multiple management personnel, etc.
Taoka Chemical Co., Ltd.	In 1955 Sumitomo Chemical invested capital in the company, a leader in the dye business, to strengthen its own dye business.	Through production outsourcing in both directions for such items as electronic materials and pharmaceutical and agrochemical intermediates based on the various organic synthesis technologies and numerous multi-plants held by the company, the company has contributed to the expansion of the Sumitomo Chemical Group's business in the field of fine chemicals.	• Expanded contract manufacturing of electronic materials and pharmaceutical/agrochemical intermediates with the Company's multi-plants

Building an Effective Governance System

When Sumitomo Chemical and its listed subsidiaries jointly work on maximizing group synergy, Sumitomo Chemical respects independent decision making by listed subsidiaries and, at the same time, makes its best efforts to establish an effective governance system in order to avoid any conflicts of interests with minor shareholders.

With respect to the listed subsidiaries, we are taking the following measures to ensure appropriate supervision of such areas as transactions with the parent company and nomination of officers and remuneration of officers, from an independent and objective position.

- Electing a sufficient number of Outside Directors
- Establishing committees for nomination of officers and remuneration of officers, the majority of the members of which are Outside Directors.
- **Establishing and reliably operating committees, which aim to monitor and supervise transactions conducted between subsidiaries and the parent company and which is composed of Outside Directors only.**

Design of the Organization, Composition of Outside Directors and Establishment of Non-mandatory Committees in Each Company

Company Name	Design of Organization	Composition of the Board	Non-mandatory Committees Established	
		Ratio of Outside Directors	Nomination/Remuneration	Monitoring and Supervision of Such Areas as Transactions with the Parent Company
Sumitomo Pharma Co., Ltd.	Company with an Audit and Supervisory Committee	50% (5/10) 	Nomination Remuneration	Supervising for Conflict of Interests Arising from Transactions Conducted among Group Companies
Taoka Chemical Co., Ltd.	Company with an Audit and Supervisory Committee	33% (4/12) 	Nomination Remuneration	Supervising for Conflict of Interests Arising from Transactions Conducted among Group Companies

Internal Control

At Sumitomo Chemical, the Board of Directors has established the "Basic Policy for the Enhancement of the Internal Control System" as a framework to ensure the proper conduct of operations as stipulated by the Companies Act. The Internal Control Committee, chaired by the President, plays a central role in deliberating on various policies based on this basic policy. The company continuously reviews and strengthens the internal control system to ensure its effectiveness, adapting to changes in business and the environment. The matters discussed at each meeting of the Committee are reported to and deliberated by the Board of Directors. In FY2025, the matters shown on the right were reported to the Board of Directors.

In addition, information that may affect investors' investment decisions is managed by the Corporate Communications Department, which, in collaboration with relevant departments, ensures timely and continuous disclosure of such information.

I. Initiatives based on the Basic Policy for Enhancement of the Internal Control System
II. Initiatives related to risk management
III. Policy on internal audits and audit results
IV. Responses to the internal control reporting system for financial reporting, etc.

Internal Control (Sustainability Report)

Risk Management

To achieve sustainable growth, Sumitomo Chemical makes an effort to detect, at an early stage, various risks that may hinder the achievement of its business objectives, and takes proper measures. We focus on building and expanding a system relating to risk management so that we can promptly and properly address risks when they emerge.

Risk Management (Sustainability Report)

Directors & Senior Management As of July 1, 2026

■ Number of shares held (as of March 31, 2026) ◆ Number of attendances at Board of Directors meetings for FY2025
● Number of attendances at Board of Corporate Auditors meetings for FY2025 ● Number of attendances at Audit & Supervisory Committee meetings for FY2025

Board of Directors



Chairman of the Board **Keiichi Iwata**

Birth Date: October 11, 1957

■ 463,649 ◆ 14/14 times (100%)

1982 Joined Sumitomo Chemical Co., Ltd.
2025 Chairman of the Board (current)



Representative Director & President **Nobuaki Mito**

Birth Date: August 4, 1960

Chemical Asset Management Office, Advanced Medical Solutions Secto

■ 231,398 ◆ 11/11 times (100%)

1985 Joined Sumitomo Chemical Co., Ltd.
2025 Representative Director & President (current)



Representative Director & Senior Managing Executive Officer **Keigo Sasaki**

Birth Date: February 11, 1963

Corporate Communications, Corporate Planning, Accounting, Finance

■ 133,393 ◆ 11/11 times (100%)

1986 Joined Sumitomo Chemical Co., Ltd.
2025 Representative Director & Senior Managing Executive Officer (current)



Director & Senior Managing Executive Officer **Takanari Yamaguchi**

Birth Date: June 1, 1962

Research Planning, Corporate Research Planning and Coordination, DX Acceleration, Intellectual Property, Industrial Technology & Research Laboratory, Advanced Research Laboratory for Fundamental Technologies, Advanced Medical Solutions Sector

■ 135,493 ◆ 11/11 times (100%)

1991 Joined Sumitomo Chemical Co., Ltd.
2025 Director & Senior Managing Executive Officer (current)



Director **Shinoi Sakata**

Birth Date: March 31, 1957

■ 3,000 ◆ —/— times (—%)

1979 Joined Sumitomo Chemical Co., Ltd.
2026 Director (current)



Outside Director **Atsuko Muraki**

Birth Date: December 28, 1955

■ 0 ◆ 14/14 times (100%)

2018 Outside Director, Sumitomo Chemical Co., Ltd. (current)



Outside Director **Akira Ichikawa**

Birth Date: November 12, 1954

■ 0 ◆ 14/14 times (100%)

2022 Outside Director, Sumitomo Chemical Co., Ltd. (current)



Outside Director **Yumiko Noda**

Birth Date: January 26, 1960

■ 0 ◆ 14/14 times (100%)

2024 Outside Director, Sumitomo Chemical Co., Ltd. (current)



Outside Director **Tetsuji Ohashi**

Birth Date: March 23, 1954

■ 0 ◆ —/— times (—%)

2026 Outside Director, Sumitomo Chemical Co., Ltd. (current)



Director, Audit & Supervisory Committee Member **Kenji Ohno**

Birth Date: December 10, 1963

■ 97,523 ◆ 11/11 times (100%)
● —/— times (—%)
● 11/11 times (100%)

1987 Joined Sumitomo Chemical Co., Ltd.
2025 Director, Audit & Supervisory Committee Member (current)



Director, Audit & Supervisory Committee Member **Kunio Nozaki**

Birth Date: October 29, 1956

■ 101,300 ◆ 14/14 times (100%)
● 4/4 times (100%)
● 11/11 times (100%)

1979 Joined Sumitomo Chemical Co., Ltd.
2025 Director, Audit & Supervisory Committee Member (current)



Outside Director, Audit & Supervisory Committee Member **Yoshitaka Kato**

Birth Date: September 17, 1951

■ 0 ◆ 14/14 times (100%)
● 4/4 times (100%)
● 11/11 times (100%)

2025 Outside Director, Audit & Supervisory Committee Member, Sumitomo Chemical Co., Ltd. (current)



Outside Director, Audit & Supervisory Committee Member **Michio Yoneda**

Birth Date: June 14, 1949

■ 2,000 ◆ 14/14 times (100%)
● 4/4 times (100%)
● 11/11 times (100%)

2025 Outside Director, Audit & Supervisory Committee Member, Sumitomo Chemical Co., Ltd. (current)



Outside Director, Audit & Supervisory Committee Member **Masamichi Kamimura**

Birth Date: March 8, 1961

■ 500 ◆ 11/11 times (100%)
● —/— times (—%)
● 11/11 times (100%)

2025 Outside Director, Audit & Supervisory Committee Member, Sumitomo Chemical Co., Ltd. (current)

Executive Officers (excluding persons concurrently serving as directors)

Executive Vice President **Masaki Matsui**	ICT & Mobility Solutions Sector
Senior Managing Executive Officer **Seiji Takeuchi**	Essential & Green Materials Sector, Business Development for Circular Carbon Economy
Senior Managing Executive Officer **Koichi Ogino**	Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Engineering, Responsible Care, Procurement, Logistics
Managing Executive Officer **Juan Ferreira**	AgroSolutions Div. – International
Managing Executive Officer **Akira Nakanishi**	Sumitomo Chemical Advanced Technologies LLC, Sumika Semiconductor Materials Texas Inc.

Managing Executive Officer **Masao Shimizu**	General Affairs, Legal, Sustainability, Internal Control and Audit, Human Resources, Osaka Office Administration
Managing Executive Officer **Hiroyoshi Mukai**	Planning & Coordination Office, Advanced Medical Solutions Sector, Pharma Solutions Div.
Managing Executive Officer **Satoshi Honda**	Semiconductor Materials Div., Advanced Inorganic Products Div., Ibaraki Works
Managing Executive Officer **Yoshihiro Ino**	Planning & Coordination Office, Chemical Asset Management, Ehime Works, Planning & Coordination Office, Essential & Green Materials Sector
Managing Executive Officer **Tetsuo Takahashi**	Planning & Coordination Office, Rabigh Business, Essential Materials Div.

Managing Executive Officer **Takeo Kitayama**	Essential Polymers Div., MMA Div., License & Green Solutions Div.
Managing Executive Officer **Noriaki Oku**	Chiba Works
Managing Executive Officer **Junpei Tsuji**	Research Planning Dept., Corporate Research Planning and Coordination Dept., Business Development Office for Circular Carbon Economy
Managing Executive Officer **Tadashi Katayama**	Agro & Life Solutions Sector
Managing Executive Officer **Toshihiro Yamauchi**	Corporate Communications Dept., Accounting Dept.

Managing Executive Officer **Kyoko Odawara**	Japan Chemical Industry Association
Managing Executive Officer **Shinichi Takemura**	Display Materials Div.
Managing Executive Officer **Masao Inoue**	AgroSolutions Div. – Japan, Environmental Health Div.
Executive Officer **Sawa Matsubara**	Finance Dept.
Executive Officer **Jongchan Lee**	Dongwoo Fine-Chem Co., Ltd.

Executive Officer **Kazunori Itabashi**	Sumitomo Chemical Brasil Indústria Química S.A.
Executive Officer **Yuji Kato**	Corporate Planning Office, Business Development, Planning & Coordination Office, Advanced Medical Solutions Sector
Executive Officer **Shigenori Saito**	Corporate Planning Office, Strategic Planning
Executive Officer **Kunishige Edamatsu**	Planning & Coordination Office, ICT & Mobility Solutions Sector, ICT & Mobility Solutions Research Laboratory
Executive Officer **Koji Yano**	Ehime Works

Executive Officer **Toshiaki Taki**	Oita Works, Okayama Works, Gifu Works
Executive Officer **Atsushi Iwata**	Planning & Coordination Office, Agro & Life Solutions Sector, Agro & Life Solutions Research Laboratory
Executive Officer **Akihiko Hiraoka**	General Affairs Dept., Procurement Dept., Logistics Dept.
Executive Officer **Shigeto Minami**	Human Resources Dept.

Details of Biographies, etc. of Directors & Senior Management
Our Website: Directors & Senior Management

Data

Long-term Data Highlights

J-GAAP

(FY)	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sales revenue *1	1,790,026	1,896,539	1,788,223	1,620,915	1,982,435	1,947,884	1,952,492	2,243,794	2,376,697	2,101,764
Core operating income	—	—	—	—	—	—	—	—	—	—
Operating income Note 1	139,623	102,397	2,114	51,455	87,957	60,688	45,016	100,842	127,346	164,446
Ordinary income (loss)	157,981	92,790	△ 32,624	34,957	84,091	50,714	50,252	111,109	157,414	171,217
Net income (loss) attributable to owners of the parent	93,860	63,083	△ 59,164	14,723	24,434	5,587	△ 51,076	36,977	52,192	81,451
Total assets	2,324,906	2,358,929	2,022,553	2,383,906	2,367,314	2,336,953	2,472,091	2,788,507	2,880,396	2,662,150
Equity attributable to owners of the parent *2	792,538	768,110	544,366	575,368	522,473	486,235	496,500	643,297	791,319	766,874
Total equity *3	1,030,521	1,006,046	775,628	821,436	758,886	720,901	747,482	934,506	1,118,216	1,090,776
Cash flows from operating activities	142,917	156,578	78,428	132,872	176,228	124,491	171,595	194,362	260,854	261,172
Cash flows from investing activities	△ 164,239	△ 182,679	△ 206,237	△ 269,402	△ 155,987	△ 123,975	△ 165,772	△ 135,177	△ 56,628	△ 53,678
Free cash flow	△ 21,322	△ 26,101	△ 127,809	△ 136,530	20,241	516	5,823	59,185	204,226	207,494
Cash flows from financing activities	35,558	7,090	112,539	168,709	17,985	2,054	△ 36,009	△ 59,084	△ 151,465	△ 177,956
Capital expenditures (billions of yen)	159.8	142.5	134.1	103.2	98.7	155.1	116.1	143.4	84.2	103.8
Depreciation and amortization expenses (billions of yen)	113.9	125.0	140.7	116.1	147.0	114.9	115.5	115.7	119.2	116.6
Research and development expenses (billions of yen)	97.7	105.4	131.1	117.3	138.1	122.3	125.0	141.3	147.9	155.8
Core operating income to sales revenue (%) *4	7.8	5.4	0.1	3.2	4.4	3.1	2.3	4.5	5.4	7.8
Net income to sales revenue (%) *5	5.2	3.3	△ 3.3	0.9	1.2	0.3	△ 2.6	1.6	2.2	3.9
Research and development expenses to sales revenue (%) *6	5.5	5.6	7.3	7.2	7.0	6.3	6.4	6.3	6.2	7.4
Interest-bearing liabilities (billions of yen)	641.0	673.9	795.4	997.9	1,040.3	1,053.0	1,060.6	1,074.6	980.2	831.5
D/E ratio (times)	0.6	0.7	1.0	1.2	1.4	1.5	1.4	1.1	0.9	0.8
Equity attributable to owners of the parent to total assets (%) *7	34.1	32.6	26.9	24.1	22.1	20.8	20.1	23.1	27.5	28.8
Ratio of interest-bearing debt to cash flow (times)	4.5	4.3	10.1	7.5	5.9	8.5	6.2	5.5	3.8	3.2
Interest coverage ratio (times)	13.3	13.2	6.5	11.0	13.7	10.2	13.2	15.0	19.0	22.6
Net interest expenses (billions of yen)	△ 3.9	△ 2.8	△ 2.7	△ 5.0	△ 6.3	△ 4.7	△ 5.4	△ 4.9	0.7	△ 2.7
Return on equity (%)	12.4	8.1	△ 9.0	2.6	4.5	1.1	△ 10.4	6.5	7.3	10.5
Return on invested capital (%)	7.6	5.4	△ 2.6	2.1	2.6	1.2	△ 1.9	3.2	3.8	5.9
Return on assets (%)	4.2	2.7	△ 2.7	0.7	1.0	0.2	△ 2.1	1.4	1.8	2.9
Basic earnings per share (yen) *8	56.82	38.20	△ 35.84	8.92	14.86	3.42	△ 31.25	22.62	31.93	49.84
Equity attributable to owners of the parent per share (yen) *9	479.87	465.21	329.74	348.52	319.61	297.45	303.74	393.58	484.17	469.25
Cash dividends per share (yen)	12.00	12.00	9.00	6.00	9.00	9.00	6.00	9.00	9.00	14.00
Dividend payout ratio (%)	21.1	31.4	—	67.3	60.6	263.3	—	39.8	28.2	28.1
Price-to-earnings (P/E) ratio (times)	15.7	16.7	—	51.2	27.9	102.9	—	16.8	19.4	10.2
Price-to-book value (P/B) ratio (times)	1.9	1.4	1.0	1.3	1.3	1.2	1.0	1.0	1.3	1.1
Number of employees	24,691	25,588	26,902	27,828	29,382	29,839	30,396	30,745	31,039	31,094
Number of research and development employees	3,148	3,392	3,511	3,764	3,933	3,989	3,951	3,952	3,913	3,831
Number of consolidated subsidiaries	105	116	126	143	146	145	162	164	167	160
Exchange rate (yen/$)	116.97	114.44	100.71	92.89	85.74	79.08	82.91	100.17	109.76	120.15
Naphtha price (yen/kL)	50,000	61,500	58,900	41,200	47,500	54,900	57,500	67,300	63,500	42,800
Growth rate of the global economy (%) Note 2	5.3	5.3	2.9	△ 0.4	5.2	4.1	3.4	3.4	3.5	3.4
Overseas sales revenue by region (billions of yen) *10										
Asia	543.3	591.7	550.5	539.5	744.3	716.3	736.4	883.0	964.0	819.8
North America	46.1	46.1	46.1	75.0	165.4	159.9	176.3	233.0	257.3	306.2
Europe	72.0	67.6	80.4	71.8	90.5	82.9	78.8	106.7	96.6	82.3
Middle East and Africa	43.0	44.1	37.3	21.8	33.2	25.7	24.2	29.7	61.9	30.3
Central and South America	14.9	17.1	18.2	12.3	13.6	14.4	18.8	29.3	36.3	37.9
Oceania and others	28.5	22.2	17.3	8.5	9.7	9.7	9.4	11.2	12.2	12.7
Total	747.8	788.8	749.8	728.9	1,056.7	1,009.0	1,043.8	1,292.9	1,428.4	1,289.2
Overseas sales revenue ratio (%) *11	41.8	41.6	41.9	45.0	53.3	51.8	53.5	57.6	60.1	61.3

IFRS

Millions of yen

2016	2017	2018	2019	2020	2021	2022	2023	2024	**2025**
1,939,069	2,190,509	2,318,572	2,225,804	2,286,978	2,765,321	2,895,283	2,446,893	2,606,281	**2,328,515**
184,547	262,694	204,252	132,652	147,615	234,779	92,752	△ 149,049	140,519	**208,376**
126,467	250,923	182,972	137,517	137,115	215,003	△ 30,984	△ 488,826	193,033	**151,744**
—	—	—	—	—	—	—	—	—	—
76,540	133,768	117,992	30,926	46,043	162,130	6,987	△ 311,838	38,591	**60,947**
2,878,193	3,068,685	3,171,618	3,654,087	3,990,254	4,308,151	4,165,503	3,934,818	3,439,784	**3,405,041**
812,612	927,141	998,702	923,990	1,019,230	1,218,101	1,171,192	965,753	900,790	**1,008,644**
1,115,903	1,252,214	1,351,886	1,392,592	1,482,119	1,701,977	1,489,189	1,164,366	1,074,415	**1,236,673**
185,776	293,250	208,143	106,012	374,464	171,715	111,621	△ 51,317	233,027	**234,759**
△ 205,697	△ 154,520	△ 180,837	△ 499,670	△ 177,389	△ 115,421	△ 19,411	△ 112,240	85,229	**△ 74,821**
△ 19,921	138,730	27,306	△ 393,658	197,075	56,294	92,210	△ 163,557	318,256	**159,938**
△ 523	△ 94,264	△ 60,866	373,542	△ 39,974	△ 81,394	△ 178,502	49,246	△ 300,778	**△ 199,068**
136.3	158.8	163.7	116.3	112.7	119.5	141.1	158.4	131.7	**121.6**
110.3	107.1	112.5	131.7	136.0	156.7	168.0	157.5	131.6	**121.1**
158.0	165.3	163.5	174.3	178.7	174.9	195.6	184.0	145.2	**144.7**
9.5	12.0	8.8	6.0	6.5	8.5	3.2	△ 6.1	5.4	**8.9**
3.9	6.1	5.1	1.4	2.0	5.9	0.2	△ 12.7	1.5	**2.6**
8.1	7.5	7.1	7.8	7.8	6.3	6.8	7.5	5.6	**6.2**
884.1	842.2	839.5	1,304.7	1,351.1	1,350.5	1,461.4	1,563.5	1,286.1	**1,151.5**
0.8	0.7	0.6	0.9	0.9	0.8	1.0	1.3	1.2	**0.9**
28.2	30.2	31.5	25.3	25.5	28.3	28.1	24.5	26.2	**29.6**
4.8	2.9	4.0	12.3	3.6	7.9	13.1	△ 30.5	5.5	**4.9**
16.4	27.8	19.0	8.3	23.6	11.1	5.1	△ 1.8	8.5	**7.9**
△ 2.2	△ 0.5	0.2	△ 1.6	△ 7.7	△ 6.1	△ 3.7	△ 7.1	△ 12.9	**△ 21.7**
9.8	15.4	12.3	3.2	4.7	14.5	0.6	△ 29.2	4.1	**6.4**
5.9	8.9	7.3	2.4	2.8	6.6	△ 1.3	△ 16.1	2.2	**5.6**
2.8	4.5	3.8	0.9	1.2	3.9	0.2	△ 7.7	1.0	**1.8**
46.81	81.81	72.17	18.91	28.16	99.16	4.27	△ 190.69	23.59	**37.16**
496.96	567.04	610.82	565.13	623.39	745.03	716.26	590.44	550.37	**610.78**
14.00	22.00	22.00	17.00	15.00	24.00	18.00	9.00	9.00	**13.50**
29.9	26.9	30.5	89.9	53.3	24.2	421.2	—	38.2	**36.3**
13.3	7.6	7.1	17.0	20.3	5.7	104.2	—	15.3	**13.4**
1.3	1.1	0.8	0.6	0.9	0.8	0.6	0.6	0.7	**0.8**
32,536	31,837	32,542	33,586	34,743	34,703	33,572	32,161	29,279	**27,491**
4,010	4,034	3,937	4,221	4,372	4,223	4,213	3,546	3,224	**3,255**
170	178	184	218	224	210	203	184	168	**152**
108.34	110.85	110.92	108.70	106.10	112.39	135.50	144.59	152.62	**150.67**
34,700	41,900	49,400	42,900	31,300	56,600	76,600	69,100	75,600	**65,200**
3.3	3.8	3.7	2.9	△ 2.7	6.6	3.6	3.5	3.3	**3.4**
741.1	842.6	936.4	880.7	884.6	1,076.5	1,015.6	913.8	962.2	**810.8**
305.8	366.9	380.4	384.0	404.4	433.7	491.8	326.5	419.1	**490.4**
69.1	85.9	95.1	93.1	95.4	120.2	134.9	130.5	146.5	**130.0**
22.4	37.4	42.3	46.9	52.4	86.3	99.9	108.4	115.0	**79.1**
34.4	39.5	43.1	45.8	113.2	140.5	211.4	160.4	155.4	**130.7**
10.7	12.4	8.5	10.2	11.4	14.4	13.3	25.2	23.2	**11.6**
1,183.4	1,384.7	1,505.7	1,460.7	1,561.4	1,871.5	1,966.9	1,664.8	1,821.4	**1,652.6**
61.0	63.2	64.9	65.6	68.3	67.7	67.9	68.0	69.9	**71.0**

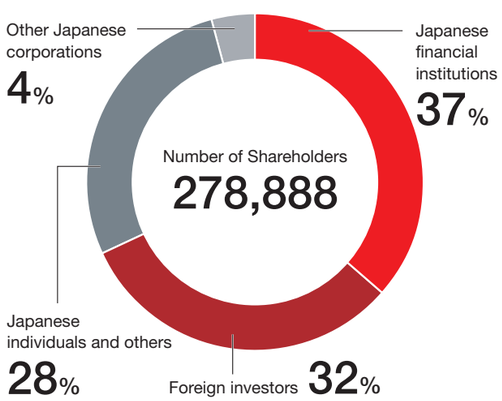
Account titles of J-GAAP are as follows:
*1 Net sales; *2 Shareholders' equity; *3 Net assets; *4 Operating margin (%); *5 Net income ratio to net sales (%); *6 Research and development expenses ratio to net sales (%);
*7 Shareholders' equity ratio (%); *8 Net income (loss) per share (yen); *9 Net assets per share (yen); *10 Overseas sales by region (billions of yen); *11 Overseas sales ratio (%)

(Notes) 1 : Operating income had been presented under J-GAAP up to FY2015, and under IFRS from FY2016 onward.
2 : Figures for the growth rate of the global economy were created by Sumitomo Chemical based on the IMF World Economic Outlook, April 2026.

Corporate and Investor Information (As of March 31, 2026)

Paid-in Capital	¥90.2 billion
Number of Employees	Non-consolidated 6,465 Consolidated 27,491
Common Stock	Authorized 5,000,000,000 shares Issued 1,657,914,399 shares
Settlement Date	March 31
Stock Transaction Units	100-share units
Ordinary General Meeting of Shareholders	Within three months from the next day of the settlement date
Number of Shareholders	278,888
Listings	Tokyo Stock Exchange Prime Market
Transfer Agent and Registrar	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Division, 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan
Independent Certified Public Accountants	KPMG AZSA LLC

Distribution of Shareholders



Major Shareholders

Name of Shareholders	Number of Shares Held (in thousands)	Shareholding Ratio (%)*
The Master Trust Bank of Japan, Ltd. (Trust Account)	236,121	14.29
Custody Bank of Japan, Ltd. (Trust Account)	91,814	5.55
Sumitomo Life Insurance Company	71,182	4.31
Nippon Life Insurance Company	41,031	2.48
STATE STREET BANK AND TRUST COMPANY 505103	34,089	2.06
Sumitomo Chemical Employee Stock Ownership Plan	31,233	1.89
JPMorgan Securities Japan Co., Ltd.	30,374	1.83
Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank, Ltd. Retrust Account / Sumitomo Life Insurance Company Employee Pension Trust Account)	29,000	1.75
STATE STREET BANK AND TRUST COMPANY 505001	25,999	1.57
JP MORGAN CHASE BANK 385781	21,893	1.32

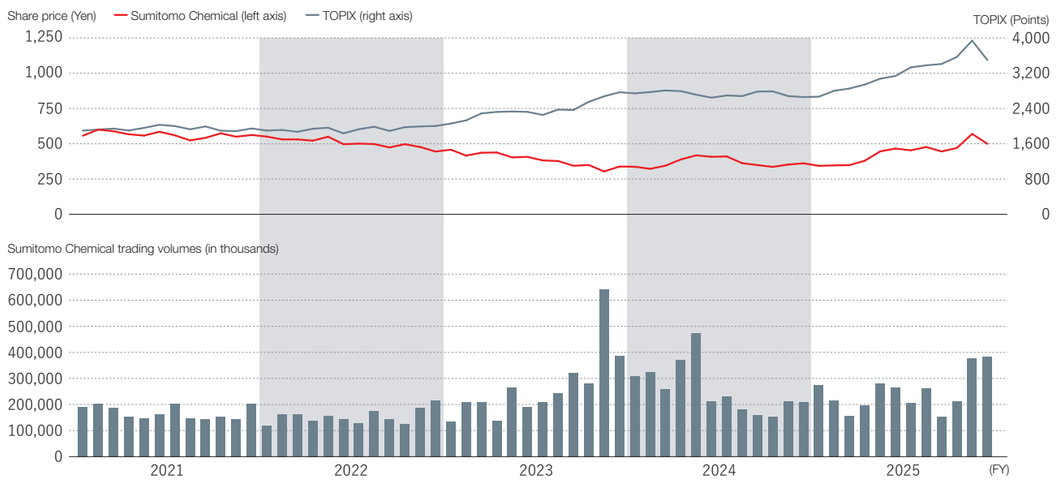
*% of Shares Held (excluding treasury shares)

Dividend Policy

We consider shareholder return as one of our priority management issues and have made it a policy to maintain stable dividend payment, giving due consideration to our business performance and a dividend payout ratio for each fiscal period, the level of retained earnings necessary for future growth, and other relevant factors. We aim to maintain a dividend payout ratio of around 30% over the medium- to long-term.

The full-year dividend for FY2025 was ¥13.5 per share, an increase of ¥4.5 per share from the previous fiscal year.

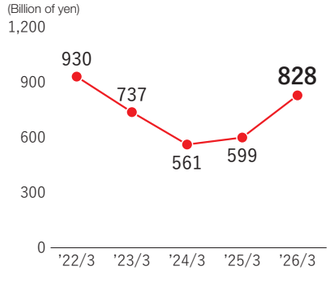
Stock Performance



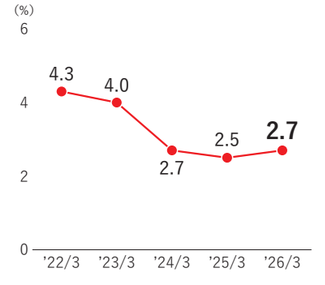
Fiscal Year	2021	2022	2023	2024	2025
Share price high (yen)	631	589	464.0	458.3	**620.6**
Share price low (yen)	488	426	293.6	308.2	**282.6**
Share price at year-end (yen)	562	445	338.6	361.4	**499.5**
Cumulative trading volume (in thousands)	2,038,226	1,855,984	3,231,586	3,087,748	**2,978,985**

Fiscal Year-End	2021	2022	2023	2024	2025
Shares issued (in thousands)	1,655,446	1,655,860	1,656,449	1,657,217	**1,657,218**
Market capitalization (billions of yen)	930	737	561	599	**828**
Basic earnings per share (yen)	99.16	4.27	△ 190.69	23.59	**37.16**
Equity attributable to owners of the parent per share (yen)	745.03	716.26	590.44	550.37	**610.78**
Price-to-earnings (P/E) ratio (times)	5.7	104.2	—	15.3	**13.4**
Price-to-book value (P/B) ratio (times)	0.8	0.6	0.6	0.7	**0.8**
Cash dividends per share (yen)	24	18	9	9	**13.5**
Dividend payout ratio (%)	24.2	421.2	—	38.2	**36.3**
Total shareholder return (TSR) (%)	120.0	100.8	81.9	136.0	**100.0**
Ratio of shares owned by foreign investors to shares outstanding (%)	29.9	26.5	19.5	23.9	**31.8**

Market Capitalization



Dividend Yield



Price-to-book value (P/B) ratio

