



May 13, 2026

For Immediate Release

Company Name: Sumitomo Chemical Co., Ltd.  
Representative: Nobuaki Mito,  
Representative Director & President  
Securities Code: 4005  
Stock Exchange Listing: Prime Market of the Tokyo Stock Exchange  
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## **Reduction in the Amount of Capital Reserves That Will Increase upon the Share Exchange and Transfer of the Reduced Amount to Other Capital Surplus**

In its Board of Directors meeting held today, Sumitomo Chemical Co., Ltd. (the “Company”) has resolved to reduce the amount of capital reserves and to transfer the reduced amount to other capital surplus. Please note that the changes do not impact the business results of the Company. Details are as follows.

### **1. Purpose of the reduction in the amount of capital reserves**

As announced today in “Notice Regarding Execution of Share Exchange Agreement (Simplified Share Exchange) to Make Koei Chemical Company, Limited a Wholly Owned Subsidiary of Sumitomo Chemical Co., Ltd.,” the Company is scheduled to conduct a share exchange with the Company as the wholly owning parent company, and Koei Chemical Company, Limited, the Company’s consolidated subsidiary, as the wholly owned subsidiary (the “Share Exchange”). The effective date of the Share Exchange is scheduled to be on August 1, 2026. The Company has decided to reduce the entire amount of capital reserves that will increase upon the Share Exchange and transfer it to other capital surplus at the same time the Share Exchange takes effect, to enable the implementation of more flexible capital policies after the Share Exchange. Please refer to “Notice Regarding Execution of Share Exchange Agreement (Simplified Share Exchange) to Make Koei Chemical Company, Limited a Wholly Owned Subsidiary of Sumitomo Chemical Co., Ltd.” announced today for further details of the Share Exchange.

### **2. Outline of the reduction in the amount of capital reserves**

The amount of capital reserves will be reduced as follows on the condition that the amount of capital reserves of the Company will increase on the effective date of the Share Exchange.

#### **(1) Amount of capital reserves to be reduced**

Amount of increase in capital reserves upon the Share Exchange

(Note 1) The share exchange agreement regarding the Share Exchange stipulates that the amount of increase in capital reserves will be appropriately determined by the

Company pursuant to Article 39 of the Regulation on Corporate Accounting. The Company plans to increase the amount of capital reserves through the Share Exchange and the specific amount of increase in capital reserves will be calculated based on the market value of the shares of the Company to be delivered as consideration for the Share Exchange (number of shares: 10,603,734 (scheduled)). Please note that the Company's stated capital will not increase due to the Share Exchange.

(Note 2) The reduction in the amount of capital reserves is to reduce, at the same time the Share Exchange takes effect, capital reserves by an amount equal to the amount increased as a result of the Share Exchange. Therefore, the amount of capital reserves of the Company after the Share Exchange takes effect will be the same as the amount of capital reserves immediately before the Share Exchange takes effect.

(2) Handling of the amount of capital reserves to be reduced

The amount of capital reserves to be reduced will not be incorporated into stated capital and will instead be transferred in whole to other capital surplus.

(3) Method of reducing the amount of capital reserves

In accordance with Article 448, paragraph 3 of the Companies Act, the Company will reduce the amount of capital reserves based on the resolution of the Board of Directors.

**3. Schedule**

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| (1) Date of resolution of the Board of Directors:              | May 13, 2026  |
| (2) Period in which creditors may make objections (scheduled): | June 16, 2026 to July 15, 2026  |
| (3) Effective date (scheduled):                                | August 1, 2026 (Same day as the effective date of the Share Exchange) |

**4. Future outlook**

This reduction in the amount of capital reserves is to transfer a certain amount of capital reserves to other capital surplus, and does not change the amount of the Company's net assets. The changes do not impact the business results of the Company.

The specific amount of the capital reserves to be reduced will be separately announced as soon as it is determined.