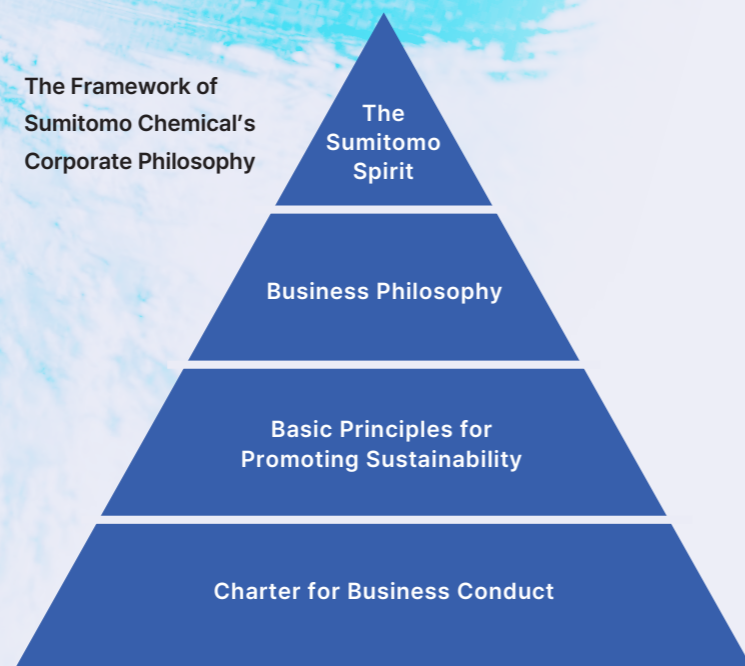


Sumitomo Chemical's Corporate Philosophy

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.

The Sumitomo Business Principles

- Sumitomo's business should seek to thrive and prosper by putting trust first and building on reliability.
- 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.

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

Business Philosophy

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

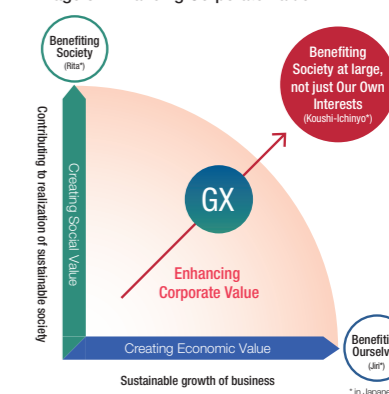
Sumitomo Chemical Charter for Business Conduct

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

Sumitomo Chemical's Approach to Enhancing Corporate Value Based on Corporate Philosophy

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 adding a green transformation perspective. 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



Implementing Jiri-Rita Koushi-Ichinyo

Origin

Case 1

The problem of air pollution issue associated with the copper smelting business
▶ Sulfuric acid and fertilizer manufacturing business

1915 Commencement of operations at the Sumitomo Fertilizer Manufacturing



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.

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.

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 selling affordable fertilizers both domestically and internationally, we contributed to the development of 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.

Growth

Case 2

Malaria Infection Issue
▶ Infectious Disease Control Materials Business

1995 Launch of Olyset®net sales



Olyset®net

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.

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.

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

Outlook

Case 3

Climate Change and Plastic Waste Issues
▶ Carbon Resource Recycling Business

Late 2020s Social implementation of innovative chemical recycling technology



Pilot facility for producing methanol from CO2

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.

→ Contribute to Recycling Resources

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.

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*1 → Contribution value exceeds 40 billion yen/year*2
 - *1 Based on data from Chemical Market Analytics, our estimate of the production capacity in 2030
 - *2 Contribution to CO2 reduction: 4 million tons x carbon price of 10,000 yen