

Corporate Governance

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

Basic Policy

Sumitomo Chemical cherishes deeply the Sumitomo Spirit which has been passed down through generations over nearly 400 years, the basic teaching of which is not to seek its own corporate interests alone, but to contribute to society through its business activities. In accord with this business credo, the Company strives to constantly take on the challenges of creating new value by capitalizing on its proprietary technologies toward achieving the Company's sustained growth while at the same time cultivating a corporate culture full of vigor and growing as a Company that earns trust from the public at large. Recognizing that highly effective corporate governance is vital to attaining these ends, the Company keeps working to further enhance its corporate governance in accordance with the following policies and principles, centering particularly on closer cooperation with shareholders and various other stakeholders, faster decision making, proper oversight of business execution, enhanced systems of compliance and internal control, and active dialogue with stakeholders.

- Sumitomo Chemical not only shall respect the rights of shareholders, but shall endeavor to provide an environment where shareholders can exercise their rights smoothly and also to ensure the effectively equal treatment of shareholders.
- Recognizing that cooperation with various stakeholders (including shareholders, employees, customers, business partners, creditors, and local communities) is essential to sustained growth, Sumitomo Chemical shall proactively work to fulfill its corporate social responsibility and strive to cultivate the corporate culture of a company that can be trusted by society.

- As part of efforts to build a foundation for constructive dialogue with stakeholders, Sumitomo Chemical shall endeavor to provide information that is highly reliable and useful to recipients.
- Sumitomo Chemical's Board of Directors shall fulfill its role and mission properly, based on their fiduciary responsibilities and accountability to shareholders and recognizing the important role of Independent Outside Directors & Auditors, through such measures as presenting appropriate corporate management policies and business strategies that have taken into account changing socioeconomic conditions, and conducting highly effective oversight over the execution of business.

- Sumitomo Chemical shall endeavor to promote constructive dialogue with shareholders with the aim of seeking to attain the Company's sustained growth and to enhance corporate value in the medium to long term.

Sumitomo Chemical Corporate Governance Guidelines

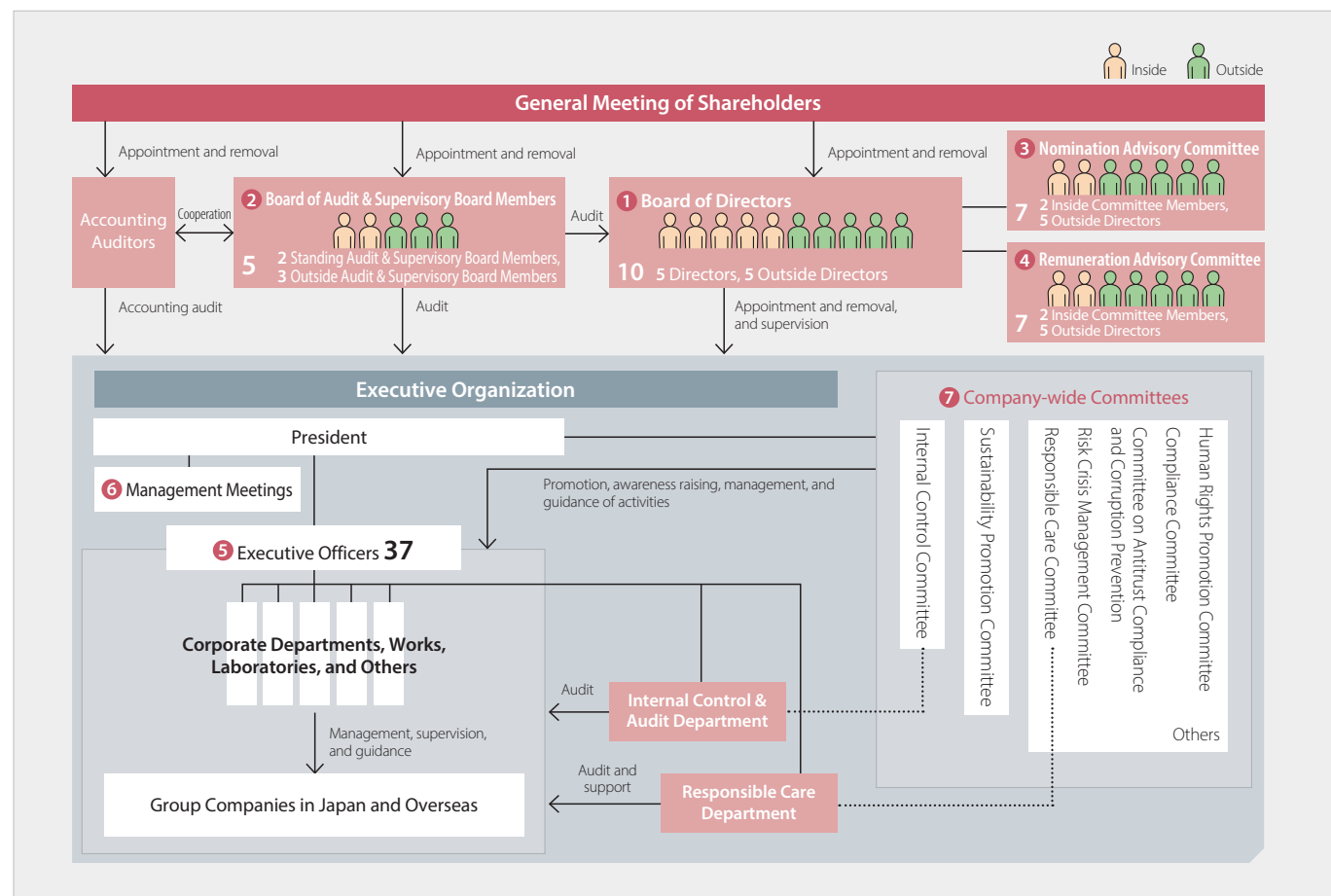
https://www.sumitomo-chem.co.jp/english/company/files/docs/governance_pdf_01.pdf

Measures to Date for Strengthening Corporate Governance

Date	Major Initiatives	Board Composition	Appointment of Board Members	Executive Remuneration	Other
2003	June	Introduced 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 place of Remuneration Advisory Group		●	
		Established Nomination Advisory Committee in place 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 stock compensation plan for Internal Directors and Executive Officers		●	
2024	June	Reviewed the composition of the Board of Directors and selected 5 Outside Directors (including 2 women)	●		

Corporate Governance Organization

■ Corporate Governance Organization (As of July 1, 2024)



1 Board of Directors

The Sumitomo Chemical Board of Directors decides important matters concerning the Company's management, including management policy and business strategies, 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.

It also analyzes and assesses the effectiveness of the Board of Directors, and follows up on the results to ensure and improve effectiveness. 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.

To strengthen the role of the Board of Directors in monitoring functions such as "management oversight" and "deliberation and evaluation of medium- to long-term management strategies and policies", we revised the membership composition of the Board of Directors in June 2024, ensuring that half of the members are Outside Directors.

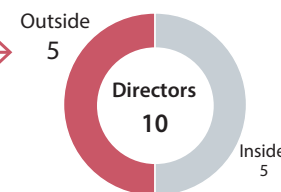
■ Overview of the Board of Directors (FY2023 13 times held)

Chairperson	Chairman of the Board	The Chairman of the Board does not concurrently serve as Executive Officer.
Number of Persons	10	Outside Directors make up half of the Board of Directors.
Frequency	Monthly in principle	Special meetings of the Board of Directors are convened as needed.
The Term of Office of Directors	One year	The term of office of Directors is one year, in order to establish clear administrative responsibility and roles for Directors.

■ Breakdown of 10 Directors

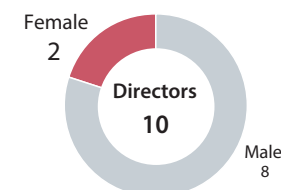
	Male	Female	Total
Inside	5	0	5
Outside*	3	2	5
Total	8	2	10

Ratio of outside directors: 50%



* Independent Outside Directors having no conflicts of interest with general shareholders

Percentage of female Directors: 20%



Major Agendas Discussed at Meetings of the Board of Directors in Fiscal 2023

- Financial results, dividends, financing
- Immediate-term, concentrated measures to improve business performance, fundamental structural reforms (including rebuild Sumitomo Pharma, review positioning of Petro Rabigh, reorganization of the petrochemical business)
- Assessment of the effectiveness of the Board of Directors
- R&D, digital innovation, IT promotion
- Internal controls, responsible care, risk management, compliance
- Sustainability-related
- Nomination, remuneration, important personnel changes
- Audit & Supervisory Board Members, accounting auditors
- Status of important investments

2 Board of Audit & Supervisory Board Members (FY2023 14 times held)

We have an Audit & Supervisory Board Members system, with the Board of Audit & Supervisory Board Members consisting of five Audit & Supervisory Board Members. The Audit & Supervisory Board Members and the Board of Audit & Supervisory Board 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 Board of Audit & Supervisory Board Members meets monthly as a rule and strives to obtain timely information, including important compliance-related information.

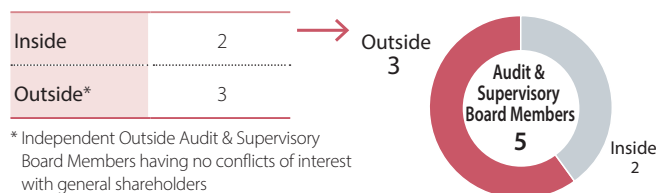
Standing Audit & Supervisory Board Members and Outside Audit & Supervisory Board Members attend meetings of the Board of Directors and the Board of Audit & Supervisory Board Members. In conducting their audits, they receive reports and explanations as needed from the Internal Control & Audit Department, operating divisions, and accounting auditors. In addition, Standing Audit & Supervisory Board Members attend meetings of the Internal Control Committee and other important Company meetings.

The results of audits and the objective views of Outside Audit & Supervisory Board Members are appropriately reflected in internal

audits, Audit & Supervisory Board Members' audits, and accounting audits, so as to raise the effectiveness and efficiency of auditing.

The Audit & Supervisory Board Members' Office has been established with staff dedicated to providing assistance in auditing functions under the direction of Audit & Supervisory Board Members.

Breakdown of 5 Audit & Supervisory Board Members



3 Nomination Advisory Committee

An advisory committee of the Board of Directors relating to the selection of senior management* and the nomination of Directors and Audit & Supervisory Board 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.

4 Remuneration Advisory Committee

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 in accordance with the policies for determining compensation of senior management and Directors.

Composition of the Nomination Advisory Committee and the Remuneration Advisory Committee and Attendance Status (Meetings Attended / Meetings Held) in Fiscal 2023

		Nomination Advisory Committee	Remuneration Advisory Committee
Chairman of the Board	Masakazu Tokura (Chairman)	3/3 times (100%)	4/4 times (100%)
Representative Director & President	Keiichi Iwata	3/3 times (100%)	4/4 times (100%)
Outside Director	Hiroshi Tomono	3/3 times (100%)	4/4 times (100%)
Outside Director	Motoshige Itoh	3/3 times (100%)	4/4 times (100%)
Outside Director	Atsuko Muraki	3/3 times (100%)	4/4 times (100%)
Outside Director	Akira Ichikawa	3/3 times (100%)	4/4 times (100%)

Activities of the Advisory Committees in Fiscal 2023

Nomination Advisory Committee	<ul style="list-style-type: none"> Discussions on the composition of the Directors in June 2024 Discussions on who shall be the officers in FY2024
Remuneration Advisory Committee	<ul style="list-style-type: none"> Discussions on the remuneration levels of officers Discussions on the bonuses of officers Discussions on and determination of the individual remuneration and bonuses of Directors and senior management

5 Executive Officers

We have appointed Executive Officers to expedite the implementation of business operations. Executive Officers are responsible for carrying out operations in accordance with the policies adopted by the Board of Directors. The term of office for Executive Officers is one year.

■ Breakdown of 37 Executive Officers (June 2024)

	Male	Female	Total
Japanese	32	3	35
Non-Japanese	2	0	2
Total	34	3	37

6 Management Meetings

Management Meetings support decision making by management as an institution for debating such important issues as corporate strategy and capital investment, including matters to be deliberated in the Board of Directors and reports to be made to the Board. Management Meetings consist of the Executive Officers who are in charge of or who supervise key management functions, the Standing Audit & Supervisory Board Members, and the Chairman of the Board. In principle, the meetings are held 24 times a year.

7 Company-wide Committees

We have established internal meetings (committees) to deliberate on important matters concerning the management of the Company and the Group from a broad and diverse range of viewpoints. The content of these meetings is reported to the Board of Directors as needed, and the committees receive instructions from the Board of Directors in an effort to enhance business execution and oversight functions. Several of these committees are attended by the Standing Audit & Supervisory Board Members, who serve as observers, including the Internal Control Committee, the Compliance Committee, and the Responsible Care Committee.

■ Overview of Committees and Number of Meetings

Name	Details	Number of Meetings Held in FY2023
Internal Control Committee	By debating various measures to build or expand internal control systems, and monitoring their implementation status, this committee is intended to continually improve the internal control systems of the Sumitomo Chemical Group.	3
Sustainability Promotion Committee	This committee suggests measures to accelerate the Sumitomo Chemical Group's contributions to sustainability, taking in a comprehensive perspective on risks and opportunities with regard to medium- to long-term issues in the environment and society.	2
Responsible Care Committee	This committee formulates annual policies, medium-term plans, and specific measures concerning responsible care (safety, health, environment, and quality), including climate change issues.	1
Risk Crisis Management Committee	This committee deliberates on policies for specific risks and crises, such as earthquakes, wind and flood damage caused by extreme weather, pandemics, and breakdowns in public security.	1
Compliance Committee	This committee deliberates on the Group's compliance policies and action plans, and the status of the operation of the compliance system, including responses to internal reports and the results of activities.	1
Human Rights Promotion Committee	This committee promotes increasing awareness of human rights issues, and drafts and executes policies to respect human rights in the entire value chain including Sumitomo Chemical Group.	1

Note: Each committee separately held subcommittee meetings on specific important topics and secretariat meetings.

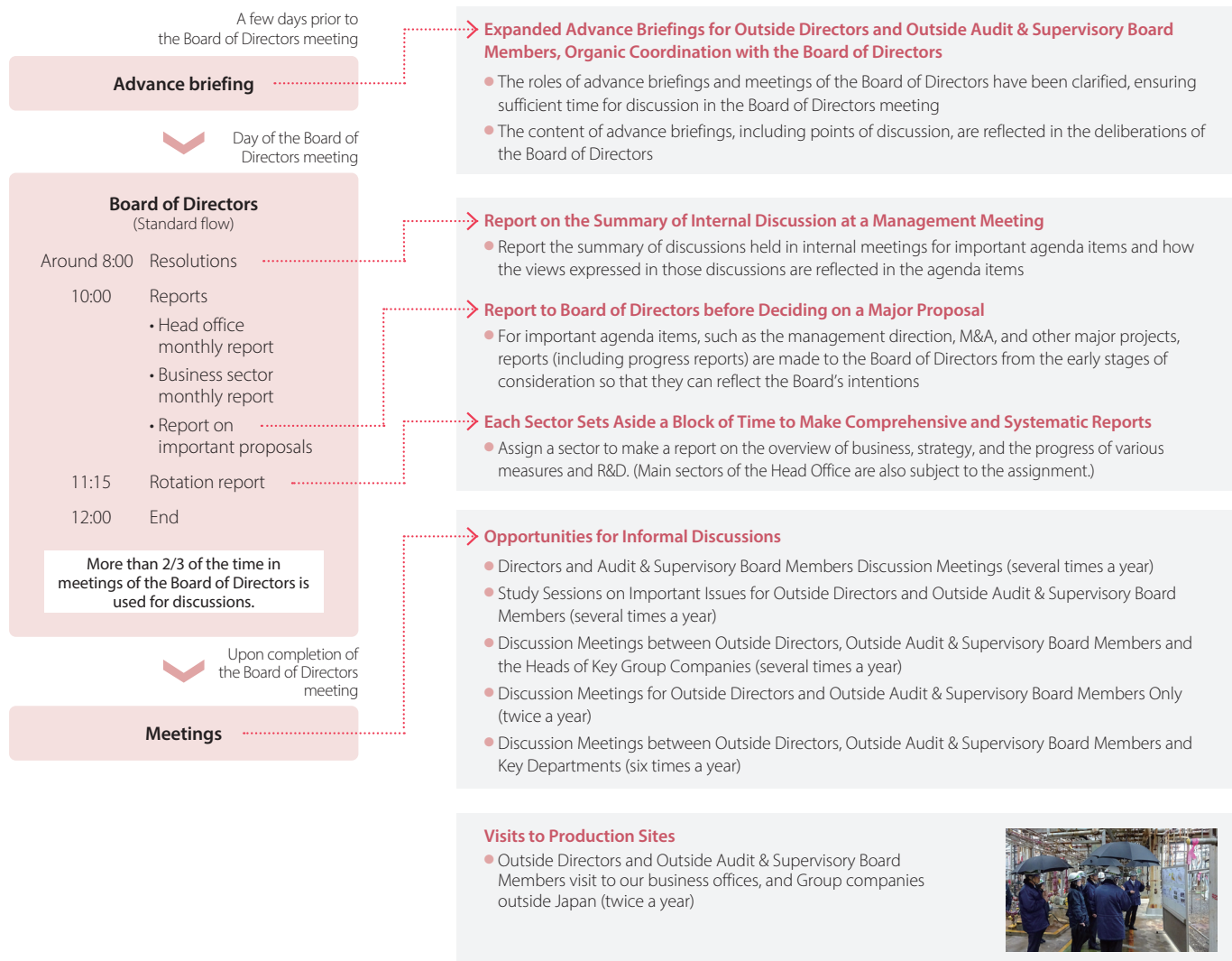
We regard the promotion of sustainability as a core issue for the entire Group. In 2018, we established the Sustainability Promotion Committee to further strengthen our sustainability initiatives. The Responsible Care Committee also examines specific measures to address climate change and other environmental issues. To further promote initiatives related to respect for human rights, the Human Rights Promotion Committee was established in fiscal 2019.

Efforts to Substantively Strengthen Corporate Governance

Changes in the Method of Operation of the Board of Directors

Sumitomo Chemical is 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 maximizing the effectiveness of Outside Directors and Outside Audit & Supervisory Board Members, and to this end, we have implemented various measures to reduce the information asymmetry between internal and outside directors. As a result of these improvements, the operation of the Board of Directors and its associated meetings is as shown in the diagram right.

Through this sort of effort for improvement, the Board of Directors has grown more active each year, and discussions have become more in depth.

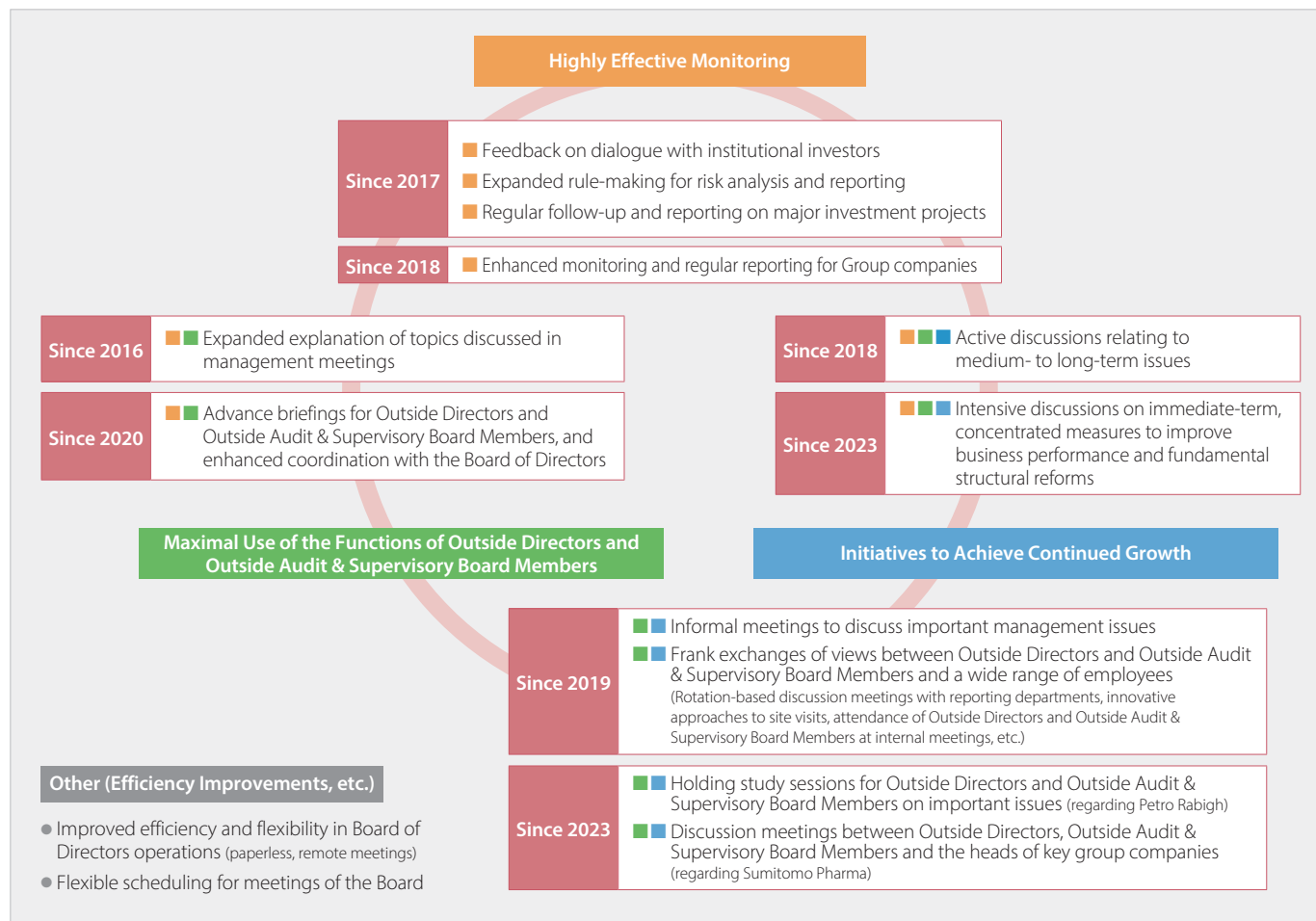


Utilizing the Oversight and Advisory Functions of Outside Directors and Outside Audit & Supervisory Board Members

As a result of efforts such as reviewing the way the Board of Directors operates, Outside Directors and Outside Audit & Supervisory Board Members have expressed the view that meetings of Sumitomo Chemical's Board of Directors feature free, frank, constructive, and lively debates. In addition, we have received numerous suggestions and advice from Outside Directors and Outside Audit & Supervisory Board Members on how to operate the Board of Directors, support systems for Outside Directors and Outside Audit & Supervisory Board Members, and various corporate governance improvement measures, during the meeting of Board of Directors as well as informal meetings of Outside Directors and Outside Audit & Supervisory Board Members relating to the assessing the effectiveness of the Board of Directors. Based on these suggestions and advice, we have implemented the following measures.

There are any number of other cases where the Company's efforts were advanced by explicit or implicit suggestions from Outside Directors and Outside Audit & Supervisory Board Members, and their monitoring and advisory functions have been a driving force for continually strengthening corporate governance at Sumitomo Chemical.

Example Initiatives Based on Recommendations from Outside Directors and Outside Audit & Supervisory Board Members



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, auditing status of its business execution, the operations of the non-mandatory Nomination Advisory Committee, Remuneration Advisory Committee, and dialogues with shareholders. The Company conducts surveys of each Director and Audit & Supervisory Board Member about their assessment of the effectiveness of the Board of Directors. Based on the results of these surveys, there is then a frank exchange of views in meetings of the Board of Audit & Supervisory Board Members, in informal meetings with Outside Directors and Outside Audit & Supervisory Board Members, and in management meetings. Afterward, 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.

Improvements over and Assessment of FY2023

With respect to the points that were indicated as “needs improvement” in the appraisal of the effectiveness of the Board of Directors in the previous fiscal year, the following matters were confirmed: (i) in regard to initiatives aimed at further enhancing corporate value, (x) the Board of Directors, through renewed discussions on “action to implement management that is conscious of cost of capital and stock price”, reaffirmed the Company’s basic stance of creating “economic value” and “social value” in an integrated manner as well as its commitment to continue its efforts to thoroughly implement ROI-oriented management aimed at creating economic value and to create social value such as by contributing to reduction of GHG emissions through products and technologies, and (y) externally, the page on “initiatives aimed at enhancing corporate value” was newly posted on the Company’s website, and (ii) in regard to the further reinforcement of group governance, the Company invited the heads of its important subsidiaries to an informal meeting with the members of the Company’s Board of Directors, which led to gaining

a deeper understanding of the subsidiaries’ mid-term strategies and current issues through frank Q&A sessions, etc. Furthermore, (iii) in regard to the roles to be fulfilled by the Board of Directors and the Company’s corporate structure based thereon, the Company has decided to review the members of the Board of Directors with the aim of strengthening monitoring functions such as “oversight of management” and “discussions on and evaluation of mid- to long-term management strategies and policies” more than before.

Initiatives for the Future

To further enhance the effectiveness of the Board of Directors going forward, the following initiatives will be continued.

(a) Fulfillment of the Board of Directors’ functions for sustainable growth

The Company has already been timely providing opportunities for information sharing and discussion on themes such as the future business operations of important group companies and direction of structural reforms. That being said, in light of the recent business environment and trends in the Company’s business performance, the Company will increase the frequency and time of discussions more than before by holding extraordinary Board of Directors meetings and informal meetings, etc. in a flexible manner so as to engage in more in-depth discussions on, among other things, the feasibility and risks of the business plan and speed up the decision making process.

In addition, the Company will make efforts to maximize shareholder value (i) by, given the renewed structure of the Board of Directors starting from June as a result of a review of its members, further enhancing discussions from the perspective of company-wide optimization and (ii) with the views of shareholders and institutional investors in mind, by engaging in fundamental structural reforms and formulation of a mid-term management plan starting in FY2025, as well as by disclosing such information in an easier-to-understand manner and having a dialogue with investors thereon.

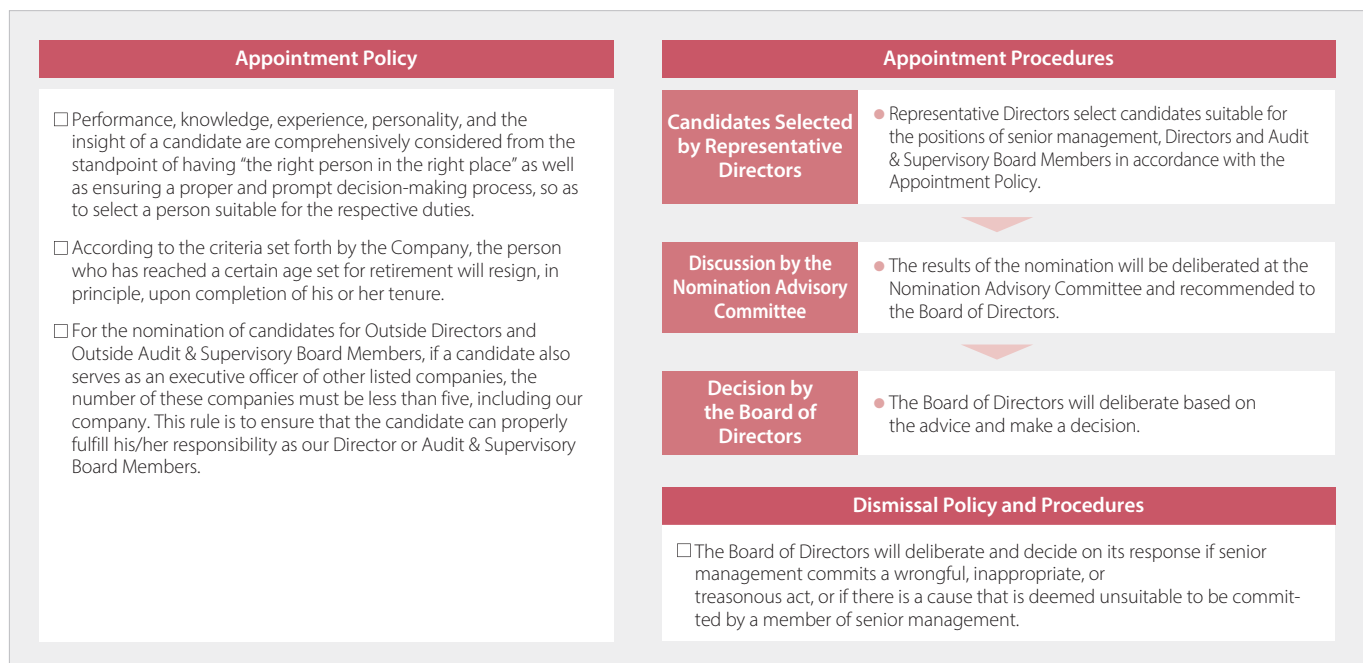
(b) Improvement of the effectiveness of group governance

From the perspective of further improving the effectiveness of group governance, the Company will further reinforce the existing functions of audit and oversight against group companies and strengthen engagement with group companies more than before to enhance corporate value of the group as a whole. At the same time, from the perspective of mid- to long-term management strategies including business portfolios, the Company will reexamine the functions and positioning of each group company, significance of holding these companies, etc., in order to optimize the group structure.

(c) Corporate structure

Considering the abovementioned review of the members of the Board of Directors, the Company will promote the reinforcement of the monitoring function of the Board of Directors by devising operational measures such as setting of meeting agenda and methods of taking up opinions from the members of the non-director Management and through other means. In addition, the Company will continue to regularly discuss and consider its corporate structure etc., taking into account the Company’s business structure and the direction of the management, among others, by utilizing opportunities of various meetings.

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



Remuneration (Applied to Directors and Executive Officers)

1. Basic Policy for Remuneration of Directors, etc.

- (1) The remuneration of senior management and Directors (excluding Outside Directors) shall consist of Basic Compensation as fixed compensation and Bonuses and Stock Compensation as variable compensation. In addition, the remuneration for Outside Directors shall consist of Basic Compensation and Bonuses.
- (2) Basic Compensation is designed according to roles and responsibilities as basic remuneration for the performance of duties, so that the actions of senior management and Directors are not aimed at short-term or sub-optimal effects.

- (3) The amount of Bonuses shall largely reflect the Company’s consolidated financial results for a fiscal year in order to heighten short-term incentives to achieve the annual targets of business plans.
- (4) Stock Compensation is designed to promote further value sharing with shareholders and serve as a medium- to long-term incentive for the continuous growth of the Company.
- (5) 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.

- (6) When the consolidated performance target (core operating income) for the original final fiscal year of the Corporate Business Plan (FY2022 – FY2024) is achieved, the remuneration of Directors (excluding Outside Directors) shall be designed so that the ratio of fixed compensation to variable compensation is approximately 1 to 1 and the ratio of short-term incentives (Bonuses) to medium- to long-term incentives (Stock Compensation) in variable compensation is approximately 7 to 3.

2. Mechanisms of each remuneration element

(1) Basic Compensation

The level of Basic Compensation shall be determined based on the policy described in 1. (5) to (6) on the previous page.

While Basic Compensation for each year shall be fixed, the Company will adopt a mechanism where the Basic Compensation level would be changed in the event where the Company’s position has changed in terms of “growth,” “earnings capacity,” and “outside evaluations” from a comprehensive and medium- to long-term perspective.

As main indicators for determining the change in the Company position, the Company will apply the following: 1) in terms of “growth,” sales revenue, total assets and market capitalization, 2) in terms of “earnings capacity,” net income (attributable to the parent company), ROE, ROI and D/E ratio, and 3) in terms of “outside evaluations,” credit ratings and ESG index selected by the GPIF (Government Pension Investment Fund).

The amounts to be paid to each person will be determined in accordance with the base amount set by each position.

(2) Bonuses (short-term incentive)

Bonuses shall be paid on the condition that performance for that fiscal year exceeds a particular level and shall be determined based on the bonus calculation formula.

In order to reflect the current earnings capacity of the relevant business year (including financial activities) to the amount of bonuses, the Company will apply the combined value of consolidated core operating income and financial profit and loss to the performance indicator concerning the bonus calculation formula. In addition, the Company will set the coefficient of the calculation formula so that it will get larger as the position of a person gets higher.

Bonus calculation formula

$$\boxed{\text{Consolidated performance indicator (Core operating income + financial profit and loss)}} \times \boxed{\text{Coefficient}}$$

(3) Stock Compensation (medium- to long-term incentive)

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 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.

Overview of restricted stock compensation plan

(1) Transfer restriction period

Until the retirement from the position of Director and Executive Officer not concurrently serving as a Director at the Company

(2) Removal of transfer restrictions

On the condition that the eligible person continuously served as a Director or Executive Officer not concurrently serving as a Director at the Company during his or her terms of office, the Company shall remove transfer restrictions on all allotted shares when the transfer restriction period ends.

However, a) if the eligible person resigns from his or her position as a Director and Executive Officer not concurrently serving as a Director at the Company before the end of his or her term of office owing to a justifiable reason, or b) if the eligible person resigns from his or her position as a Director and Executive Officer not concurrently serving as a Director at the Company after the end of his or her term of office, but before the end of the transfer restriction period for any reason other than justifiable cause, the Company shall reasonably adjust the number of allotted shares from which to remove transfer restrictions and the timing of the removal of transfer restrictions, as necessary.

(3) Conditions for forfeiture of shares

If the eligible person is found to be in material violation of any law, regulation or internal rule, all allotted shares, including those whose transfer restrictions have been removed, shall be forfeited (the Company shall acquire them without consideration).

3. Procedures for determining remuneration of Directors, etc.

The remuneration amount of Directors shall be set at a level not higher than the upper limit of a total remuneration prescribed by the resolution of the 125th General Meeting of Shareholders held on June 23, 2006 (i.e., 1.0 billion yen or less per year). Furthermore, the amount of remuneration to be paid to Directors (excluding Outside Directors) for granting restricted stock shall be determined within the upper limit of 400 million yen per year set by the resolution of the 141st Ordinary General Meeting of Shareholders held on June 23, 2022.

The Board of Directors shall deliberate on and decide the method of determining remunerations of Directors, etc., based on the advice from the Remuneration Advisory Committee. Furthermore, the individual remuneration of senior management and Directors shall be determined by the Remuneration Advisory Committee, which is authorized by the Board of Directors, in accordance with the policies for determining compensation of senior management and Directors.

■ Directors' and Audit & Supervisory Board Members' Compensation (FY2023)

(Millions of yen)

Title	Number of people	Total amount of compensation	Total amounts of compensation by type		
			Basic compensation (Fixed remuneration)	Bonuses (performance-linked remuneration)	Stock Compensation (non-monetary compensation)
Directors (Of which, Outside Directors)	14 (4)	634 (60)	505 (60)	—	129 (—)
Audit & Supervisory Board Members (Of which, Outside Audit & Supervisory Board Members)	6 (3)	122 (43)	122 (43)	—	—
Total	20	756	627	—	129

Notes:

- 1 The above number of persons and amount of compensation includes two Directors and one Audit & Supervisory Board Member who retired during the fiscal year under review.
- 2 Bonuses (performance-linked remuneration) will not be paid in light of business performance for the period.
- 3 Stock Compensation (non-monetary remuneration) shows the amount charged in the fiscal year under review as restricted stock compensation.
- 4 In light of poor business performance, the Representative Director, Chairman and Representative Director, President voluntarily returned 10% of their monthly basic compensation from November 2023 to April 2024. From May 2024 to September 2024, the monthly basic compensation of the Representative Director, Chairman and Representative Director, President will be reduced by 20%, and the monthly basic compensation of other Directors (including Outside Directors) and Executive Officers will be reduced by 5 to 10%.

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 on premise of preserving each subsidiary's autonomy and respecting the rights of minority shareholders.

Our company is currently promoting fundamental structural reforms in response to the severe performance trends we are facing, with the aim of finding a new path to 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.

■ The Significance of Being a Listed Company 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's core pharmaceuticals business is a pillar of Sumitomo Chemical's life sciences business, along with the agricultural chemicals business, and is a source of innovation. In the current Corporate Business Plan, it has positioned "healthcare" as one of the priority areas in making efforts for acceleration of the development of next-generation businesses, and further innovation is expected in next-generation pharmaceuticals such as regenerative medicine and cell therapies in the future.	<ul style="list-style-type: none"> ● Research at the 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) ● Theranostics (combines the company's antibody design technology with Sumitomo Chemical's biological mechanism analysis technology and the radioactive isotope technology of Nihon Medi-Physics) ● 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, and promoting thorough streamlining with full group support, including financial assistance through debt guarantees.
Koei Chemical Co., Ltd.	Sumitomo Chemical invested capital in 1951 for relationship-building because the company was Sumitomo Chemical's largest customer for methanol. Thereafter, when the company ran into a financial crisis, the collaboration was strengthened in order to rebuild the company, including dispatching executives from Sumitomo Chemical.	Through production outsourcing in both directions for such items as catalysts and electronic materials based on its unique organic synthesis technologies, the company has contributed to the expansion of the Sumitomo Chemical Group's business in the field of fine chemicals.	<ul style="list-style-type: none"> ● Optimization of the Sumitomo Chemical Group's production of active pharmaceutical ingredients and intermediates through a new multi-purpose manufacturing equipment (multi-plants) approach ● Joint research from the earliest stage into such areas as battery materials and additive agents ● Having locations on Sumitomo Chemical's Works enables close collaboration in such areas as quality and production management, reducing indirect expenses
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 its various organic synthesis technologies and numerous multi-plants, the company has contributed to the expansion of the Sumitomo Chemical Group's business in the field of fine chemicals.	<ul style="list-style-type: none"> ● Expanded contract manufacturing of pharmaceutical and agrochemical intermediates with numerous multi-plants of the company
Tanaka Chemical Corporation	Sumitomo Chemical invested capital in the company in 2013 and began joint development of high-capacity cathode materials for automobiles. Afterwards, in light of the smooth progress in joint development work, and in light of expectations that, in line with the future growth of the environmentally friendly vehicles market, there would be significant medium- to long-term growth in the market for lithium-ion secondary batteries, the company was converted to a majority-owned subsidiary in 2016.	Through integration of the technologies relating to precursors held by the company and the findings related to cathode materials held by Sumitomo Chemical, the company accelerates joint development of new products and contributes to the full-scale market entry and expansion of the Sumitomo Chemical Group's cathode materials business.	<ul style="list-style-type: none"> ● Contribute to a drastic rationalization of the manufacturing process and optimization of research and development through integration of the technologies of both companies ● Sumitomo Chemical's capital investment and guidance has improved the company's management level in such areas as labor accidents and internal control

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.

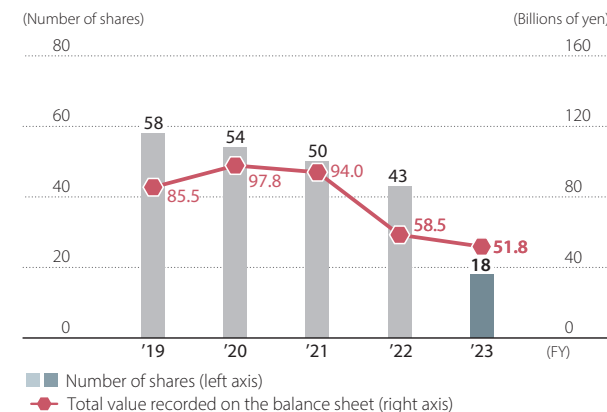
Design of the Organization, Composition of Outside Directors and Establishment of Non-mandatory Committees in Each Company

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 Board of Audit & Supervisory Board Members	50% (4/8) 	Nomination Remuneration	Supervising for Conflict of Interests Arising from Transactions Conducted among Group Companies
Koei Chemical Co., Ltd.	Company with Audit and Supervisory Committee	40% (4/10) 	Nomination Remuneration	Supervising for Conflict of Interests Arising from Transactions Conducted among Group Companies
Taoka Chemical Co., Ltd.	Company with Audit and Supervisory Committee	33% (4/12) 	Nomination Remuneration	Supervising for Conflict of Interests Arising from Transactions Conducted among Group Companies
Tanaka Chemical Corporation	Company with Audit and Supervisory Committee	57% (4/7) 	Nomination Remuneration	Supervising for Conflict of Interests Arising from Transactions Conducted among Group Companies

Cross-Shareholdings

Sumitomo Chemical strategically holds shares in other companies only when judged necessary for ensuring smooth business operation or maintaining and enhancing mutual business relations, after such factors as medium- to long-term economic rationality and prospects of future business developments have been considered as a whole. Also, at the Board of Directors meeting, each year, we shall assess our shareholding policy for all listed shares we own, in light of medium- to long-term economic rationality and significance to hold such shares for each individual issuer. According to such review, if it becomes less necessary to hold a share by reason of changes in the business environment, etc., we shall sell such shares, as appropriate, taking into consideration such factors as the share price and market trends. Continuing from the prior year, we sold a portion of these shareholdings (around ¥41.0 billion) in FY2023.

Cross-Shareholdings at the end of the fiscal year













Note: Excluding shares of unlisted companies

Directors & Senior Management (As of July 1, 2024)

Board of Directors

■ Number of shares held (as of March 31, 2024) ■ Attendance at Board of Directors meetings for fiscal 2023 (Attendance rate)

 <p>Masakazu Tokura Chairman of the Board</p> <p>Birth Date: July 10, 1950 ■ 393,417 ■ 13/13 times (100%)</p> <p>1974 Joined Sumitomo Chemical Co., Ltd. 2000 General Manager, Corporate Planning & Coordination Office 2003 Executive Officer 2006 Managing Executive Officer 2008 Representative Director & Managing Executive Officer 2009 Representative Director & Senior Managing Executive Officer 2011 Representative Director & President 2019 Chairman of the Board (current) 2021 Chairman, KEIDANREN (Japan Business Federation) (current)</p>	 <p>Keiichi Iwata Representative Director & President</p> <p>Birth Date: October 11, 1957 ■ 297,617 ■ 13/13 times (100%)</p> <p>1982 Joined Sumitomo Chemical Co., Ltd. 2004 General Manager, Planning & Coordination Office, IT-related Chemicals Sector 2010 Executive Officer 2013 Managing Executive Officer 2018 Senior Managing Executive Officer 2018 Representative Director & Senior Managing Executive Officer 2019 Representative Director & President (current)</p>	 <p>Hiroshi Ueda Representative Director</p> <p>Birth Date: August 5, 1956 ■ 201,604 ■ 13/13 times (100%)</p> <p>1982 Joined Sumitomo Chemical Co., Ltd. 2006 Director, Process Production Technology Center 2008 Associate Officer 2009 Executive Officer 2011 Managing Executive Officer 2016 Senior Managing Executive Officer 2016 Representative Director & Senior Managing Executive Officer 2018 Director & Senior Managing Executive Officer 2019 Director & Executive Vice President 2024 Representative Director & Executive Vice President (current)</p>	 <p>Hiroshi Niinuma Director</p> <p>Birth Date: March 5, 1958 ■ 164,704 ■ 13/13 times (100%)</p> <p>1981 Joined Sumitomo Chemical Co., Ltd. 2009 General Manager, General Affairs Dept. 2010 Executive Officer 2013 Managing Executive Officer 2018 Senior Managing Executive Officer 2018 Director & Senior Managing Executive Officer 2022 Director & Executive Vice President (current) 2024 Director, Sumitomo Pharma Co., Ltd. (current)</p>	 <p>Noriaki Takeshita Director</p> <p>Birth Date: July 23, 1958 ■ 146,733 ■ --/-- times (-- %)</p> <p>1982 Joined Sumitomo Chemical Co., Ltd. 2005 Seconded to Rabigh Refining and Petrochemical Company 2010 Executive Officer 2013 Managing Executive Officer 2016 Deputy Chairman, Rabigh Refining and Petrochemical Company (current) 2017 Representative Director & Managing Executive Officer 2018 Representative Director & Senior Managing Executive Officer 2023 Senior Managing Executive Officer 2024 Director & Senior Managing Executive Officer (current)</p>
 <p>Hiroshi Tomono Outside Director</p> <p>Birth Date: July 13, 1945 ■ 0 ■ 13/13 times (92%)</p> <p>1971 Joined Sumitomo Metal Industries, Ltd. 2005 Representative Director & President, Sumitomo Metal Industries, Ltd. 2012 Representative Director & President & COO, Nippon Steel & Sumitomo Metal Corporation 2014 Representative Director & Vice Chairman, Nippon Steel & Sumitomo Metal Corporation 2015 Director & Advisor, Nippon Steel & Sumitomo Metal Corporation 2015 Outside Director, Sumitomo Chemical Co., Ltd. (current) 2015 Advisor, Nippon Steel & Sumitomo Metal Corporation 2016 Outside Director, Japan Nuclear Fuel Limited (current) 2020 Senior Advisor, NIPPON STEEL CORPORATION (current) 2020 Outside Director, The Kansai Electric Power Co., Inc. (current)</p>	 <p>Motoshige Itoh Outside Director</p> <p>Birth Date: December 19, 1951 ■ 0 ■ 13/13 times (100%)</p> <p>1993 Professor, Faculty of Economics, The University of Tokyo 1996 Professor, Graduate School of Economics, The University of Tokyo 2007 Dean, Graduate School of Economics, Faculty of Economics, The University of Tokyo 2016 Professor, Faculty of International Social Sciences, Gakushuin University 2018 Outside Director, Sumitomo Chemical Co., Ltd. (current) 2022 Outside Director, JX Nippon Mining & Metals Corporation (current) 2022 Outside Director, Higoromo Foods Corporation (current) 2022 Outside Director, Shizuoka Financial Group, Inc. (current)</p>	 <p>Atsuko Muraki Outside Director</p> <p>Birth Date: December 28, 1955 ■ 0 ■ 13/13 times (100%)</p> <p>1978 Joined Ministry of Labour 2005 Counsellor for Policy Evaluation, Minister's Secretariat, Ministry of Health Labour and Welfare 2006 Deputy Director-General, Equal Employment, Children and Families Bureau, Ministry of Health Labour and Welfare 2008 Director-General, Equal Employment, Children and Families Bureau, Ministry of Health Labour and Welfare 2010 Director-General for Policies on Cohesive Society, Cabinet Office 2012 Director-General, Social Welfare and War Victims' Relief Bureau, Ministry of Health Labour and Welfare 2013 Vice Minister, Health Labour and Welfare, Ministry of Health Labour and Welfare 2015 Retired from Ministry of Health Labour and Welfare 2018 Outside Director, Sumitomo Chemical Co., Ltd. (current)</p>	 <p>Akira Ichikawa Outside Director</p> <p>Birth Date: November 12, 1954 ■ 0 ■ 13/13 times (100%)</p> <p>1978 Joined Sumitomo Forestry Co., Ltd. 2010 Representative Director & President, Sumitomo Forestry Co., Ltd. 2020 Representative Director, Chairman of the Board, Sumitomo Forestry Co., Ltd. (current) 2021 Outside Director, Konica Minolta, Inc. (current) 2022 Outside Director, Sumitomo Chemical Co., Ltd. (current)</p>	 <p>Yumiko Noda Outside Director</p> <p>Birth Date: January 26, 1960 ■ 0 ■ --/-- times (-- %)</p> <p>1982 Joined Bank of America Corporation Tokyo Branch 1996 Deputy General Manager (Head of Structured Finance Department), London Branch, The Long-Term Credit Bank of Japan, Limited 2000 Partner (Head of PPP (Public Private Partnership) and Privatization), PwC Financial Advisory Services Co., Ltd. (Currently PwC Advisory LLC) 2007 Deputy Mayor, Yokohama City 2011 Partner (Head of PPP and Infrastructure Asia-Pacific), PwC Advisory Co., Ltd. (Currently PwC Advisory LLC) 2017 President and Representative Director, Veolia Japan KK. (Currently Veolia Japan GK) 2020 Chairman and Representative Director, Veolia Japan GK (current) 2023 Outside Director, Mizuho Financial Group, Inc. (current) 2024 Outside Director, East Japan Railway Company (current) 2024 Outside Director, Sumitomo Chemical Co., Ltd. (current)</p>

Audit & Supervisory Board Members

■ Number of shares held (as of March 31, 2024) ■ Attendance at Board of Directors meetings for fiscal 2023 (Attendance rate) ○ Attendance at Board of Audit & Supervisory Board Members meetings for fiscal 2023 (Attendance rate)



Kunio Nozaki
Standing Audit &
Supervisory Board Member
Birth Date: October 29, 1956
■ 95,200
■ 13/13 times (100%)
○ 14/14 times (100%)

1979 Joined Sumitomo Chemical Co., Ltd.
2002 General Manager, Finance & Accounting Office
2007 Executive Officer
2009 Managing Executive Officer
2014 Senior Managing Executive Officer
2014 Representative Director & Senior Managing Executive Officer
2018 Director & Senior Managing Executive Officer
2019 Director
2019 Standing Audit & Supervisory Board Member (current)



Hironobu Nishi
Standing Audit &
Supervisory Board Member
Birth Date: August 3, 1965
■ 11,100
■ 10/10 times (100%)*
○ 10/10 times (100%)
* Appointed in June 2023

1988 Joined Sumitomo Chemical Co., Ltd.
2011 General Manager, CSR Office
2012 Seconded to Sumitomo Chemical (China) Co., Ltd.
2018 General Manager, Animal Nutrition Div.
2023 Standing Audit & Supervisory Board Member (current)



Mitsuhiro Aso
Outside Audit & Supervisory Board Member
Birth Date: June 26, 1949
■ 0
■ 13/13 times (100%)
○ 14/14 times (100%)

1975 Prosecutor
2010 Superintending Prosecutor, the Fukuoka High Public Prosecutors Office
2012 Retirement as Prosecutor
2012 Registered as Attorney (current)
2013 Outside Audit & Supervisory Board Member, Sumitomo Chemical Co., Ltd. (current)



Yoshitaka Kato
Outside Audit & Supervisory Board Member
Birth Date: September 17, 1951
■ 0
■ 13/13 times (100%)
○ 14/14 times (100%)

1978 Registered as a certified public accountant (current)
2008 CEO, ShinNihon LLC
2014 Retired from ShinNihon LLC
2015 Outside Audit & Supervisory Board Member, Sumitomo Chemical Co., Ltd. (current)
2024 Outside Audit & Supervisory Board Member, Japan Petroleum Exploration Co., Ltd. (current)



Michio Yoneda
Outside Audit & Supervisory Board Member
Birth Date: June 14, 1949
■ 2,000
■ 13/13 times (100%)
○ 14/14 times (100%)

1973 Joined Bank of Japan
1998 General Manager, Sapporo Branch of Bank of Japan
2000 Retired from Bank of Japan
2000 Executive Director, Osaka Securities Exchange (Currently Japan Exchange Group, Inc.)
2003 President & CEO, Osaka Securities Exchange Co., Ltd.
2013 Director & Representative Executive Officer, Group COO, Japan Exchange Group, Inc. Director, Tokyo Stock Exchange, Inc.
2015 Resigned as Director & Representative Executive Officer, Group COO, Japan Exchange Group, Inc. Resigned as Director, Tokyo Stock Exchange, Inc.
2018 Outside Audit & Supervisory Board Member, Sumitomo Chemical Co., Ltd. (current)
2020 Outside Director, Toyo Tire Corporation (current)

Executive Officer

Name/Position	Career
Keiichi Iwata President	
Hiroshi Ueda Executive Vice President	Research Planning and Coordination, Digital and Data Science Innovation, Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Engineering, Intellectual Property, Responsible Care, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory
Hiroshi Niinuma Executive Vice President	General Affairs, External Relations, Legal, Sustainability, Human Resources, Osaka Office Administration
Noriaki Takeshita Senior Managing Executive Officer	Corporate Planning, IT Innovation
Masaki Matsui Senior Managing Executive Officer	Energy & Functional Materials Sector, IT-related Chemicals Sector
Nobuaki Mito Senior Managing Executive Officer	Health & Crop Sciences Sector
Seiji Takeuchi Senior Managing Executive Officer	Essential Chemicals & Plastics Sector, Business Development for Circular Carbon Economy
Naoyuki Inoue Managing Executive Officer	Sumitomo Chemical Asia Pte Ltd
Keigo Sasaki Managing Executive Officer	Corporate Communications, Accounting, Finance
Kenji Ohno Managing Executive Officer	Internal Control and Audit, Procurement, Logistics, Legal Dept.

Name/Position	Career
Takanari Yamaguchi Managing Executive Officer	Research Planning and Coordination Dept., Digital and Data Science Innovation Dept., Intellectual Property Dept., Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory
Hirokazu Murata Managing Executive Officer	Ehime Works
Koichi Ogino Managing Executive Officer	Process & Production Technology & Safety Planning Dept., Production & Safety Fundamental Technology Center, Engineering Dept., Responsible Care Dept.
Juan Ferreira Managing Executive Officer	AgroSolutions Div. – International
Shinsuke Shojima Managing Executive Officer	AgroSolutions Div. – International, Environmental Health Div., Animal Nutrition Div.
Akira Nakanishi Managing Executive Officer	Planning & Coordination Office, IT-related Chemicals Sector, Quality Assurance Office, IT-related Chemicals Sector
Masao Shimizu Managing Executive Officer	Human Resources Dept., Osaka Office Administration Dept.
Hiroaki Fujimoto Managing Executive Officer	AgroSolutions Div. – Japan
Kanako Fukuda Managing Executive Officer	Sustainability Dept.
Hiroyoshi Mukai Managing Executive Officer	Planning & Coordination Office, Energy & Functional Materials Sector
Satoshi Honda Managing Executive Officer	Electronic Materials Div., SCIOCS Div., Ibaraki Works
Yoshihiro Ino Executive Officer	Planning & Coordination Office, Essential Chemicals & Plastics Sector
Tetsuo Takahashi Executive Officer	Planning & Coordination Office, Rabigh Business, Essential Materials Div.

Name/Position	Career
Tomoyuki Hirayama Executive Officer	General Affairs Dept., External Relations Dept.
Takeo Kitayama Executive Officer	Business Development Office for Circular Carbon Economy, Resin-related Business Development Dept., Polyolefins Div., Automotive Materials Div., MMA Div.
Noriaki Oku Executive Officer	Chiba Works
Junpei Tsuji Executive Officer	Research Planning and Coordination Dept.
Toshihiro Yamauchi Executive Officer	Accounting Dept.
Kyoko Odawara Executive Officer	Environmental Health Science Laboratory
Shinichi Takemura Executive Officer	Optical Materials Div., IT-related Chemicals Research Laboratory
Tadashi Katayama Executive Officer	AgroSolutions Div. – International
Sawa Matsubara Executive Officer	Finance Dept.
Masao Inoue Executive Officer	AgroSolutions Div. – Japan, Pharma Solutions Div.
Jongchan Lee Executive Officer	Dongwoo Fine-Chem Co., Ltd.
Kazunori Itabashi Executive Officer	Planning & Coordination Office, Health & Crop Sciences Sector
Yuji Kato Executive Officer	Corporate Planning Office, Business Development
Shigenori Saito Executive Officer	Corporate Planning Office, Strategic Planning

Expertise and Experience of Directors and Audit & Supervisory Board Members

As a diversified chemical company, 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.

Expertise and Experience of Directors and Audit & Supervisory Board Members

	Position	Expertise and 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
Board of Directors										
Masakazu Tokura	Chairman of the Board	●	●		●					
Keiichi Iwata	Representative Director & President	●	●		●					
Hiroshi Ueda	Representative Director & Executive Vice President		●	●						● (IT/DX)
Hiroshi Niinuma	Director & Executive Vice President					●		●	●	
Noriaki Takeshita	Director & Senior Managing Executive Officer		●		●		●			
Hiroshi Tomono	Outside Director	●		●		●				
Motoshige Itoh	Outside Director				●					● (International Economics) ● (IT/DX)
Atsuko Muraki	Outside Director					●		●	●	
Akira Ichikawa	Outside Director	●			●	●				
Yumiko Noda	Outside Director	●			●		●			
Audit & Supervisory Board Members										
Kunio Nozaki	Standing Audit & Supervisory Board Member				●		●			
Hironobu Nishi	Standing Audit & Supervisory Board Member		●		●	●				
Mitsuhiro Aso	Outside Audit & Supervisory Board Member				●	●			●	
Yoshitaka Kato	Outside Audit & Supervisory Board Member				●		●		●	
Michio Yoneda	Outside Audit & Supervisory Board Member	●				●				● (Financial Markets)

Note: In the table above, each person's main areas of expertise and experience, up to a maximum of three areas, are designated with a ●.