

This document is an unofficial translation of the Japanese original version of Notice of Convocation of the 112th Ordinary General Meeting of Shareholders, and is provided for reference purposes only. In the event of any discrepancy between this document and the Japanese original version, the original version shall prevail.

Securities code: 4008

June 2, 2025

(Commencement date of measures for
electronic provision: May 29, 2025)

To our shareholders:

346-1 Miyanishi, Harima-cho, Kako-
gun, Hyogo Prefecture, Japan

Sumitomo Seika Chemicals
Company, Limited.

OGAWA Ikuzo,
President

Notice of Convocation of the 112th Ordinary General Meeting of Shareholders

We are pleased to advise you that the 112th ordinary general meeting of shareholders of Sumitomo Seika Chemicals Company, Limited ("the Company") is going to be held as follows. When convening this general meeting of shareholders, the Company implements measures for electronic provision and posts the matters subject to measures for electronic provision on the following Internet website as the Notice of Convocation of the 112th Ordinary General Meeting of Shareholders.

Website of Sumitomo Seika Chemicals(*)

<https://www.sumitomoseika.co.jp/ir/kabunusisokai/>

In addition to the above website, the matters subject to measures for electronic provision are also posted on the Internet website of the Tokyo Stock Exchange.

Website of the Tokyo Stock Exchange(*)

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above website, perform a search by entering the Company's name or the security code (Sumitomo Seika or 4008), select "Basic information" and then "Documents for public inspection/PR information," and view the information.

*Please be noted that the matters subject to measures for electronic provision are only available in Japanese original version.

When you do not attend the meeting in person, we recommend that you exercise your voting rights by mail or via the Internet by following the guidance set out on the following page. Thank you very much for your cooperation.

1. Date and Time: 10:00 a.m., Monday, June 23, 2025 (to be opened at 9:30 a.m.)
2. Place: Main conference room, 11th floor of the Sumitomo Building, 4-5-33 Kitahama, Chuo-ku, Osaka City, Japan
3. Purposes of the Meeting

- Matters to be reported:
- (1) Report on the contents of the business report, consolidated financial statements, and unconsolidated financial statements for the 112th fiscal term (April 1, 2024, to March 31, 2025)
 - (2) Report on the results of the audit of the consolidated financial statements for the 112th fiscal term by the Accounting Auditors and the Audit and Supervisory Committee

Matters to be resolved:

1st Proposal: Election of Six Directors (Excluding Directors (Audit and Supervisory Committee Members))

2nd Proposal: Election of Four Directors (Audit and Supervisory Committee Members)

*To conserve resources, the Company no longer will send out Notices of Resolutions of Ordinary General Meetings of Shareholders. For the results of resolutions at this General Meeting, please check the Company website (at the above URL), where the results will be posted after the end of the meeting.

Guidance About How to Exercise Voting Rights



When exercising voting rights through the Internet:

Please refer to the "Exercise of Voting Rights through the Internet" below and enter your approval or disapproval of the proposal.

Deadline for Exercise

By 5:00 p.m., Friday, June 20, 2025



When exercising voting rights in writing:

Please indicate your vote for or against the proposal on the enclosed voting rights exercise form and send it back by mail.

Deadline for Exercise

By 5:00 p.m., Friday, June 20, 2025 arrival



When attending the general meeting of shareholders:

Please submit the enclosed voting rights exercise form to the reception desk.

Date and Time of the Meeting

10:00 a.m., Monday, June 23, 2025

● Exercising Voting Rights through the Internet

How to Read the QR code

You can log in to the voting website without entering your voting code and password.

1. Please read the QR code displayed in the lower right corner of the voting rights exercise form.
2. Thereafter, please follow the instructions on the screen to enter your approval or disapproval.



(QR Code is a registered trademark of DENSO WAVE INCORPORATED.)

You can log in using the QR Code only once.

If you wish to re-exercise your voting rights or exercise your voting rights without using the QR Code, please refer to the right "How to Enter the Voting Code and the Password."

How to Enter the Voting Code and the Password

1. Please access the site for exercising voting rights (<https://www.web54.net>).
2. Please enter the voting code shown on the lower left-hand side of the back of the voting rights exercise form.
3. Please register a new password.



Enter the voting code. Click "Login"



Enter the password. Please register a new password. Click to register.

4. Thereafter, please follow the instructions on the screen to enter your approval or disapproval.

If you have any questions about how to exercise your voting rights through the Internet using a personal computer or smartphone, please contact us at the right.

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited
(Dedicated Web Support Dial)

0120-652-031

Reception hours: 9:00 a.m. to 9:00 p.m. (Toll free)

In exercising voting rights, please note the following matters in advance:

1. If no indication of approval or disapproval is made on the voting rights exercise form, it will be treated as an indication of approval.
2. When the exercise of voting rights by mail and the exercise of voting rights through the Internet overlap each other, the exercise through the Internet shall be treated as the effective exercise of voting rights.
3. When a voting right has been exercised through the Internet multiple times, the last exercise shall be treated as the effective exercise of the voting right.
4. When the need arises to amend the matters subject to electronic provision, such amendments will be announced on each website.
5. For shareholders who have requested the delivery of documents in a paper-based format, we have sent documents excluding part of the matters subject to measures for electronic provision pursuant to laws and regulations and the provisions of Article 14 of the Articles of Incorporation of the Company.

● About the Platform for Electronic Exercise of Voting Rights

As for institutional investors, when having applied in advance for the use of electronic voting platforms operated by a joint venture company (ICJ, Inc.), in addition to the above-mentioned exercise of voting rights through the Internet, the said platforms may be used.

Reference Documents for the General Meeting of Shareholders

1st Proposal:

Election of Six Directors (Excluding Directors (Audit and Supervisory Committee Members))

As the terms of office of all six directors (excluding any director who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) shall expire at the conclusion of this general meeting of shareholders, we would like to hereby propose the election of six directors. Candidates for director are as follows:

Candidate Number	Name		Current Post and Duties in the Company	Board of Directors Attendance (%)
1	ODA Yoshiaki	Newly appointed	—	—
2	MACHIDA Kenichiro	Reappointed	Representative Director, Managing Executive Officer, Chief of Corporate Communications, Corporate Planning and Accounting, Information Systems and Business Reform Promotion, General Manager of Corporate Planning and Accounting Office	13 times out of 13 times (100%)
3	TOYA Takehiro	Reappointed	Director, Senior Managing Executive Officer, Chief of Business Sector (Super Absorbent Polymers and Functional Materials)	13 times out of 13 times (100%)
4	NAKAMURA Kenji	Newly appointed	Executive Officer, Chief of Production Sector, In charge of AK Project, General Manager of Himeji Works and Planning & Coordination Office (Production)	—
5	TAKESHITA Noriaki	Newly appointed	—	—
6	YOSHIMOTO Akiko	Reappointed External Independent	External Director	9 times out of 10 times (90%)

Candidate
Number

1

ODA
Yoshiaki

Date of birth: March 30, 1961

Newly appointed



Number of shares of the
Company owned:
0 share

Career summary, post, duties and significant concurrent post status

April 1986	Joined Sumitomo Chemical Company, Limited.	April 2018	Managing Executive Officer of the said company, In Charge of Research Planning & Coordination Dept., Industrial Technology & Research Laboratory, Advanced Materials Search Laboratory
April 2010	General Manager of Technology/Management Planning Office (Technology/Research & Development) of the said company	April 2021	Advisor of the said company Advisor of Sumika Chemical Analysis Service, Ltd. (SCAS)
June 2012	General Manager of Petrochemical & Plastics Laboratory and Resin Development Center of the said company	June 2021	Representative Director, President of SCAS
April 2013	Associate Director of the said company, General Manager of Petrochemical & Plastics Laboratory and Resin Development Center	June 2023	Representative Director, CEO of SCAS
April 2015	Executive Officer of the said company, In Charge of Technology/Management Planning Office (Technology/Research & Development), Tsukuba Development Laboratory, Advanced Materials Search Laboratory, General Manager of Tsukuba Development Laboratory and Advanced Materials Search Laboratory	April 2025	Representative Director, CEO of SCAS, In Charge of Legal Dept., Responsible Care Dept., Quality Assurance Dept. (scheduled to retire from these positions in June 2025.)

Reason for election:

Based on his involvement in technology/research and development at Sumitomo Chemical Company, Limited, he has experience as an officer supervising the technology/research planning and management planning sectors at that company. In 2021, he was appointed President of Sumika Chemical Analysis Service, Ltd., an affiliate of Sumitomo Chemical's, where he led that company in growing its corporate value. We have decided to nominate him as a candidate for director in view of such experience and achievements.

Candidate
Number

2

MACHIDA
Kenichiro

Date of birth: January 29, 1963

Reappointed



Number of shares of the
Company owned:
8,400 shares

Career summary, post, duties and significant concurrent post status

April 1985	Joined Sumitomo Chemical Company, Limited.	June 2018	Director, Executive Officer of the Company, Chief of Information Systems, General Manager of Corporate Planning and Accounting Office
June 2009	General Manager of Internal Control Promotion Dept. of the said company	June 2020	Director, Executive Officer of the Company, Chief of Corporate Planning and Accounting, Information Systems, General Manager of Corporate Planning and Accounting Office
April 2010	General Manager of Internal Control/Audit Dept. of the said company	January 2021	Director, Executive Officer of the Company, Chief of Corporate Planning and Accounting, Information Systems and Business Reform Promotion, General Manager of Corporate Planning and Accounting Office
March 2012	General Manager of Technology/Management Planning Office (Related business) & General Manager of Technology/Management Planning Office (China strategy) of the said company	June 2021	Director, Managing Executive Officer of the Company, Chief of Corporate Planning and Accounting, Information Systems and Business Reform Promotion, General Manager of Corporate Planning and Accounting Office
October 2012	General Manager of Technology/Management Planning Office (Related business) & General Manager of the China Business Office of the said company	January 2024	Director, Managing Executive Officer of the Company, Chief of Corporate Communications, Corporate Planning and Accounting, Information Systems and Business Reform Promotion, General Manager of Corporate Planning and Accounting Office
June 2014	General Manager of Secretarial Dept. of the said company	May 2025	Representative Director, Managing Executive Officer of the Company, Chief of Corporate Communications, Corporate Planning and Accounting, Information Systems and Business Reform Promotion, General Manager of Corporate Planning and Accounting Office (up to the present)
April 2015	General Manager of General Affairs/Legal Affairs Office (Secretarial Work) & General Manager of General Affairs/Legal Affairs Office (Public Relations) of the said company		
April 2016	Deputy General Manager of Ehime Works & General Manager of General Affairs Dept. of Ohe Works of the said company		
April 2017	General Manager of Corporate Planning and Accounting Office of the Company		
June 2017	Associate Director of the Company, General Manager of Corporate Planning and Accounting Office		

Reason for election:

He has a career of having engaged in a broad range of operations, such as internal control, management planning, general affairs, and accounting, at Sumitomo Chemical Company, Limited. In 2018, he became a director of the Company. Since then, he has served as the chief of corporate communications, corporate planning & accounting, information systems and business reform promotion sectors, and has been striving to enhance corporate value primarily through the improvement of productivity by internal IT infrastructure building, strengthening of information security, appropriate accounting, and the formulation of management plans. In view of such experiences and achievements, we decided to continuously elect him as a candidate for director.

Candidate
Number

3

TOYA Takehiro

Date of birth: April 25, 1961

Reappointed



Number of shares of the
Company owned:
5,950 shares

Career summary, post, duties and significant concurrent post status

May 1993	Joined the Company.	June 2015	Associate Director, General Manager of Super Absorbent Polymers Division and Sales Dept.
April 2008	General Manager of Super Absorbent Polymers Division	June 2016	Executive Officer, General Manager of Super Absorbent Polymers Division
February 2010	Managing Director of Sumitomo Seika Asia Pacific Pte. Ltd.	June 2020	Director, Managing Executive Officer, Chief of Super Absorbent Polymers Sector, General Manager of Super Absorbent Polymers Division
June 2010	Managing Director of Sumitomo Seika Singapore Pte. Ltd. & Managing Director of Sumitomo Seika Asia Pacific Pte. Ltd.	March 2021	Director, Managing Executive Officer, Chief of Super Absorbent Polymers Sector
May 2015	General Manager of Sales Dept., Super Absorbent Polymers Division	June 2024	Director, Senior Managing Executive Officer, Chief of Business Sector (Super Absorbent Polymers and Functional Materials) (up to the present)

Reason for election:

After engaging in the manufacture and sales of super absorbent polymers at overseas subsidiaries of the Company, he took charge of product development and sales at the Super Absorbent Polymers Division of the Company. In 2020, he became a director of the Company to oversee Super Absorbent Polymers Sector, and from 2024 to oversee the Functional Materials businesses in addition to the Super Absorbent Polymers businesses as the chief of Business Sector, where he has worked to enhance corporate value primarily through the production of high-quality products and sales activities appropriately focusing on customer needs. In view of such experiences and achievements, we decided to continuously elect him as a candidate for director.

Candidate
Number

4

NAKAMURA Kenji

Date of birth: October 30, 1969

Newly appointed



Number of shares of the
Company owned:
1,500 shares

Career summary, post, duties and significant concurrent post status

April 1994	Joined the Company.	June 2022	Associate Director, General Manager of Himeji Works
June 2014	General Manager of Super Absorbent Polymers Manufacturing Dept., Himeji Works and Manager of Super Absorbent Polymers Sec.	June 2024	Executive Officer, In Charge of Production Sector, General Manager of Himeji Works and Planning & Coordination Office (Production)
October 2015	General Manager of Super Absorbent Polymers Manufacturing Dept., Himeji Works	May 2025	Executive Officer, Chief of Production Sector, In Charge of AK Project, General Manager of Himeji Works and Planning & Coordination Office (Production) (up to the Present)
October 2016	General Manager of Technical Office (Himeji) and Himeji Technical Office, Himeji Works		
June 2020	General Manager of Himeji Technical Office, Himeji Works, and Production, and Process Engineering Office		

Reason for election:

After working in the manufacture of super absorbent polymers at the Company's Himeji Works, he gained experience in the launch of a new plant through his participation in the planning of the phase one construction project for the new super absorbent polymers plant in Singapore. After returning to Japan, he was assigned responsibility for production technology and manufacturing controls at the Himeji Works before being appointed the general manager of the Himeji Works, a major super absorbent polymers and functional chemicals factory. Since his appointment as executive officer responsible for the manufacturing sector in 2024, he has played active roles in improving the Company's production technologies and increasing productivity. Based on these experiences and achievements, we decided to elect him as a candidate for director.

Candidate
Number

5

TAKESHITA Noriaki

Date of birth: July 23, 1958

Newly appointed



Number of shares of the
Company owned:
0 share

Career summary, post, duties and significant concurrent post status

April 1982	Joined Sumitomo Chemical Company, Limited.	April 2018	Representative Director, Senior Managing Executive Officer of the said company, Chief of Rabigh Project and Petrochemical & Plastics Sector
December 2005	Temporarily transferred to Rabigh Refining & Petrochemical Company	April 2023	Director, Senior Managing Executive Officer of the said company, Chief of Corporate Planning and IT Innovation
April 2010	Executive Officer of the said company working Rabigh Refining & Petrochemical Company	June 2023	Senior Managing Executive Officer of the said company, Chief of Corporate Planning and IT Innovation
April 2013	Managing Executive Officer of the said company, In charge of Rabigh Planning Operation Office and Petrochemical Planning and Coordination Office	June 2024	Director, Senior Managing Executive Officer of the said company, Chief of Corporate Planning and IT Innovation, General Manager of Corporate Planning Office
June 2017	Representative Director, Managing Executive Officer of the said company, Chief of Rabigh Project and Petrochemicals & Plastics Sector	April 2025	Director of the said company (scheduled to retire from the positions in June 2025.)
		June 2025	Director of the Inabata & Co., Ltd. (scheduled to be appointed)

Reason for election:

He has experience in business planning and business development promotion at Sumitomo Chemical Company, Limited. After his appointment as an executive officer of Sumitomo Chemical in 2010, he oversaw Rabigh project, the petrochemicals & plastics sector, promoting development of the plastics recycling business, and other activities as a member of the management team. In recent years, he has coordinated management planning and IT promotion. We have decided to nominate him as a candidate for director in the expectation that his wealth of knowledge and experience will strengthen oversight of Company management.

Candidate
Number

6

YOSHIMOTO Akiko

Date of birth: February 4, 1963

Reappointed External Independent



Number of shares of the
Company owned:
0 share
Term of service
1 year

Career summary, post, duties and significant concurrent post status

April 1985	Joined Ministry of Labour (currently Ministry of Health, Labour and Welfare)	July 2018	Director-General for Human Resources Development, the said ministry
July 2013	Deputy Governor of Aichi Prefecture	July 2019	Director-General of Secretariat, Central Labour Relations Commission, the said ministry
July 2015	Deputy Director-General of Minister's Secretariat (In charge of Workers' Compensation), Ministry of Health, Labour and Welfare	October 2021	Retired from the said ministry
October 2015	Deputy Director-General of Minister's Secretariat (In charge of Equal Employment, Children and Families, and Measures for Declining Birthrate), the said ministry	February 2022	Senior Advisor of Boston Consulting Group (up to the present)
July 2017	Deputy Director-General of Secretariat (In charge of Adjustment, and Planning and Public Relations), Central Labour Relations Commission, the said ministry	June 2022	External Director of TOENEC CORPORATION (up to the present)
		June 2023	External Auditor of TAKARA HOLDINGS INC. (up to the present)
		June 2024	External Director of the Company (up to the present)

Reason for election:

In addition to her professional knowledge and broad insight as an administrative officer of the Ministry of Health, Labour and Welfare for many years, she has served as an external director and external auditor at other companies. Since her appointment as an external director of the Company in 2024, she has provided candid, active, and constructive comments and suggestions at meetings of the Board of Directors. Since she is expected to strengthen supervision of the Company's management from a fair and neutral standpoint, we decided to continuously elect her as a candidate for external director. Although she has not been involved in company management in a way other than the function of an external officer, for the reasons stated above, we consider her able to appropriately fulfill her duties as an external director of the Company.

(Notes)

1. Sumitomo Seika Singapore Pte. Ltd. merged with Sumitomo Seika Asia Pacific Pte. Ltd., which was also a subsidiary of the Company, through an absorption-type merger on April 1, 2023.
2. No material conflict of interest exists between the above candidates and the Company.
3. The Company has appointed YOSHIMOTO Akiko as an independent officer provided for by the Tokyo Stock Exchange and submitted notification to the said stock exchange.
4. The Company has concluded a contract with YOSHIMOTO Akiko that limits his liability for damages set out in Paragraph 1 of Article 423 of the Companies Act up to the total of the amounts set out in each item of Paragraph 1 of Article 425 of the said Act. When she is elected as the director, the Company intends to continue the said contract for the limitation of liability with her.
5. When TAKESHITA Noriaki is elected as the director, a contract for the limitation of liability that stipulates that the maximum amount of liability for damages set out in Paragraph 1 of Article 423 of the Companies Act shall be limited to the total of the amounts set out in each item of Paragraph 1 of Article 425 of the said Act is going to be concluded between him and the Company.
6. The Company has concluded an officer liability contract insurance in which each director is the insured and shall assume such liability for the execution of duties that is to be borne by the insured or shall compensate for the damage and litigation expenses that may be incurred by receiving the claim relating to the pursuit of the relevant liability. In addition, when this proposal has been resolved to approve as drafted, all the candidates for director shall be the insureds of said insurance contract, and the relevant insurance contract is going to be renewed during their terms of service.
7. The term of service shall be the one as of the point of time of conclusion of the ordinary general meeting of shareholders at this time.
8. During YOSHIMOTO Akiko's time as an external director of the company, cases were uncovered at our group company of changing raw materials suppliers without prior notice to customers and overbilling them for product proceeds. While she had been unaware of such circumstances until these cases were uncovered, on the Board of Directors and other venues, she has diligently pointed out the need to develop internal controls and enhance compliance systems. Since these cases were uncovered, she has fulfilled her responsibilities through means that included investigating the facts of the cases, identifying their causes, and proposing and issuing instructions on preventive measures.

2nd Proposal:

Election of Four Directors (Audit and Supervisory Committee Members)

As the terms of office of all four directors (Audit and Supervisory Committee Members) shall expire at the conclusion of this general meeting of shareholders, we would like to hereby propose the election of four directors (Audit and Supervisory Committee Members).

The Audit and Supervisory Committee has given its consent to this proposal.

Candidates for director (Audit and Supervisory Committee Member) are as follows:

Candidate number	Name		Current post and duties in the Company	Board of Directors attendance (%)	Audit and Supervisory Committee attendance (%)
1	YAMAGUCHI Kiyoshi	Newly appointed	Executive Officer, In charge of Sustainability Promotion, General Manager of Sustainability Promotion Office	—	—
2	KISHIGAMI Keiko	Reappointed External Independent	External Director (Audit and Supervisory Committee Member)	13 times out of 13 times (100%)	15 times out of 15 times (100%)
3	YOSHIIKE Fujio	Reappointed External Independent	External Director (Audit and Supervisory Committee Member)	13 times out of 13 times (100%)	15 times out of 15 times (100%)
4	MIYAMOTO Keiko	Newly appointed External Independent	—	—	—

Candidate
number

1

YAMAGUCHI Kiyoshi

Date of birth: December 24, 1960

Newly appointed



Number of shares of the
Company owned:
5,700 shares

Career summary, post, duties and significant concurrent post status

April 1984	Joined DAIHATSU MOTOR CO., LTD.	June 2017	Executive Officer, Deputy General Manager of Functional Chemicals Division and General Manager of Product Innovation Office
March 1993	Joined Procter & Gamble Far East Inc. (currently Procter & Gamble Japan G.K.)	January 2018	Executive Officer, Deputy General Manager of Functional Chemicals Division
August 2001	Joined Nihon Ryutsu Sangyo Co., Ltd.	June 2019	Executive Officer, General Manager of Functional Chemicals Division
December 2002	Joined the Company.	June 2020	Executive Officer, In charge of RC, General Manager of RC Office
June 2011	General Manager of Super Absorbent Polymers Laboratory	December 2021	Executive Officer, In charge of Sustainability Promotion, RC, General Manager of Sustainability Promotion Office and RC Office
June 2013	General Manager of Functional Chemicals Laboratory	June 2022	Executive Officer, In charge of Sustainability Promotion, General Manager of Sustainability Promotion Office (up to the present)
June 2016	Associate Director, General Manager of Functional Chemicals Laboratory and Product Innovation Office, Functional Chemicals Division		

Reason for election:

After gaining experience in foreign and other companies, he joined the Company in 2002 and was engaged in research and development of new products before taking charge of the business unit as Executive Officer in 2017. Subsequently, he was in charge of RC and Sustainability Promotion and has been committed to the Company's environmental protection and sustainability management. He is adept in the entire operations of the Company group and expected to conduct appropriate audits and supervision of the Company's management. We, therefore, decided to nominate him as a candidate for director (Audit and Supervisory Committee Member).

Candidate
number

2

KISHIGAMI Keiko

Date of birth: January 28, 1957

Reappointed External Independent



Number of shares of the
Company owned:
300 shares

Term of service as External
Director (Audit and
Supervisory Committee
Member): 4 years

Term of service as External
Auditor: 1 year

Career summary, post, duties and significant concurrent post status

October 1985	Joined Peat Marwick Minato (currently Ernst & Young ShinNihon LLC).	June 2019	Resigned from Ernst & Young ShinNihon LLC. External Auditor of Okamura Corporation (up to the present)
August 1989	Registered as a certified public accountant.	June 2020	External Director (Audit Committee Member) of Sony Corporation (currently Sony Group Corporation) (up to the present)
December 1997	Partner of Century Audit Corporation (currently Ernst & Young ShinNihon LLC)	June 2021	External Auditor of the Company
May 2004	Representative Partner (Senior Partner) of Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC)	June 2021	External Director (Audit and Supervisory Committee Member) of the Company (up to the present)
September 2018	Board Member of the Public Interest Incorporated Foundation for World Wide Fund for Nature (WWF) Japan (up to the present)	March 2023	External Auditor of DIC Corporation (up to the present)

Reason for election:

She has many years of professional knowledge and broad insight as a certified public accountant and has served as an external director and external auditor at other companies. Since her appointment as an external auditor of the Company in 2020, she has provided the Board of Directors with frank, active, and constructive opinions and proposals and is expected to strengthen the audit and supervision of the Company's management from a fair and neutral standpoint. We, therefore, decided to continuously elect her as a candidate for external director (Audit and Supervisory Committee Member). Although she has not been involved in company management in a way other than the function of external officer, for the reasons stated above, we consider that she will be able to appropriately fulfill her duties as an external director of the Company.

Candidate number | 3 |

YOSHIKE Fujio

Date of birth: January 15, 1953

Reappointed External Independent



Number of shares of the
Company owned:
0 share

Term of service
2 years

Career summary, post, duties and significant concurrent post status

April 1976	Joined Toyo Sash Industry Co., Ltd. (currently LIXIL Corporation).	July 2016	Executive Officer of Iida Group Holdings Co., Ltd.
October 2009	Representative Director, President of JS Supply Corporation (currently LIXIL Logistics Corporation)	June 2020	Representative Director of Yoshiike Office Corporation (up to the present)
April 2011	Managing Executive Officer, General Manager of Purchasing & Logistics of LIXIL Corporation	June 2021	Director of Shibaura Institute of Technology (up to the present)
October 2013	Senior Managing Executive Officer of LIXIL Corporation	June 2023	External Director (Audit and Supervisory Committee Member) of the Company (up to the present)
April 2014	Senior Managing Executive Officer, Chief Global Procurement Officer (CGPO) of LIXIL Corporation		

Reason for election:

After serving as a plant manager in Japan and overseas at Tostem Corporation (currently LIXIL Corporation), he became the representative director and president of JS Supply Corporation, the company established by integrating the purchasing and logistics functions of LIXIL Corporation and INAX Corporation, and later returned to LIXIL Corporation. Since then, he had been supervising global purchasing as senior managing executive officer at the Corporation. Since his appointment as an external director (Audit and Supervisory Committee Member) of the Company in 2023, he has provided the Board of Directors with frank, active, and constructive opinions and proposals and is expected to conduct the audit and supervision of the Company's management from a fair and neutral standpoint. We, therefore, decided to continuously elect him as a candidate for external director (Audit and Supervisory Committee Member).

Candidate number | 4 |

MIYAMOTO Keiko

Date of birth: March 23, 1964

Newly appointed External Independent



Number of shares of the
Company owned:
0 share

Term of service
—

Career summary, post, duties and significant concurrent post status

April 1992	Registered as an attorney. Worked at Daiichi Law Office. (currently Daiichi Legal Professional Corporation)
December 2007	Associate of Daiichi Legal Professional Corporation (up to the present)
June 2017	External Director (Audit and Supervisory Committee Member) of SRS HOLDINGS CO., LTD. (up to the present)

Reason for election:

She has not only highly technical legal knowledge and wide-ranging discernment based on many years of experience as an attorney but also served as an external director and external auditor at other companies. On the basis of such experience, she is expected to strengthen the audit and supervision of the Company's management from a fair and neutral standpoint. We, therefore, decided to nominate her as a candidate for external director (Audit and Supervisory Committee Member). Although she has not been involved in company management in a way other than the function of an external officer, for the reasons stated above, we consider her able to appropriately fulfill her duties as an external director of the Company.

- Notes: 1. No material conflict of interest exists between the above candidates and the Company.
2. The Company appointed KISHIGAMI Keiko and YOSHIKE Fujio as independent officers provided for by the Tokyo Stock Exchange and submitted the notification to the said stock exchange.
3. Miyamoto Keiko is a candidate for an independent officer provided for by the Tokyo Stock Exchange.
4. There are contracts between each of KISHIGAMI Keiko and YOSHIKE Fujio and the Company that stipulate that the maximum amount of liability for damages set out in Paragraph 1 of Article 423 of the Companies Act shall be limited to the total of the amounts set out in each item of Paragraph 1 of Article 425 of the said Act. When each of KISHIGAMI Keiko and YOSHIKE Fujio has been elected as director (Audit and Supervisory Committee Member), the Company intends to continue the above-mentioned contracts for the limitation of liability with between each of KISHIGAMI Keiko and YOSHIKE Fujio and the Company.
5. When Miyamoto Keiko has been elected as director (Audit and Supervisory Committee Member), a contract for the limitation of liability that stipulates that the maximum amount of liability for damages set out in Paragraph 1 of Article 423 of the Companies Act shall be limited to the total of the amounts set out in each item of Paragraph 1 of Article 425 of the said Act is going to be concluded between Miyamoto Keiko and the Company.
6. The Company shall conclude an officer liability contract insurance in which each of the directors is the insured and shall assume such liability for the execution of duties that is to be borne by the insured or shall compensate for the damage and litigation expenses that may be incurred by receiving the claim related to the pursuit of the relevant liability. In addition, when this proposal has been approved as drafted, all the candidates for director (Audit and Supervisory Committee Member) shall be the insureds of the insurance contract, and the relevant insurance contract is going to be renewed during their terms of service.
7. The term of service shall be the one as of the point of time of conclusion of the ordinary general meeting of shareholders at this time.
8. During both time of KISHIGAMI Keiko and YOSHIKE Fujio as an external director of the company, cases were uncovered at our group company of changing raw materials suppliers without prior notice to customers and overbilling them for product proceeds. While they had been unaware of such circumstances until these cases were uncovered, on the Board of Directors and other venues, they have diligently pointed out the need to develop internal controls and enhance compliance systems. Since these cases were uncovered, they have fulfilled their responsibilities through means that included investigating the facts of the cases, identifying their causes, and proposing and issuing instructions on preventive measures.

<Reference 1 - Skill Set of the Board of Directors>

Skills (knowledge, experience, ability)	Reasons for Selecting Skills
Corporate Management	The roles of the Board of Directors are to make important managerial decisions and oversee management. To undertake these roles, the Company needs directors who have experience and achievements concerning corporate management.
Technology Strategy/Research & Development	To enable the Company, a chemical manufacturer, to enhance its corporate value on a sustainable basis, the formulation of technical strategies, product improvements, and the development of new products and technologies that satisfy demands from users and markets are absolutely necessary. Therefore, the Company needs directors who have knowledge and experience in the fields of technology strategy and research & development.
Production Technology/Production Management	To enable safe and stable plant operation and efficient manufacture of high-quality products, the Company needs directors who have knowledge and experience of production controls and production technologies.
Quality Assurance	To enable stable manufacture and shipment of high-quality products, the Company needs for directors who have knowledge and experience of quality assurance.
Legal Affairs/Risk Management	Ensuring appropriateness in corporate activities is the foundation of management, and appropriate risk management is necessary to enhance corporate value under sound risk taking. Therefore, the Company needs directors who have knowledge and experience in the fields of legal affairs and risk management.
Finance/Accounting	To promote corporate activities in a stable manner not only by disclosing appropriate information to shareholders with accurate financial reports but also by securing the financial foundation, the Company needs directors who have knowledge and experience in the fields of finance and accounting.
Human Resources Management /Human Resources Strategy	In order for a company to achieve its management goals and increase its corporate value, it is important to plan and execute an appropriate human resources strategy. Therefore, the Company needs directors with knowledge and experience in the fields of human resources management and human resources strategy.
Sales & Marketing/Business	To expand the business scale and enhance profitability by promoting the sales strategy and marketing strategy, the Company needs directors who have knowledge and experience in the fields of the sales & marketing and business of chemical goods.
Sustainability/ESG	To ensure that the Company acts as a member of society, responds to the expectations of stakeholders, and makes efforts toward the realization of sustainable society, including dealing with climate issues, such as the realization of a carbon cycling society, the Company needs directors who have knowledge and experience in the fields of sustainability and the ESG.

When proposals 1 and 2 are approved as drafted, the composition of the Board of Directors shall be as follows:

Name	Attribute	Corporate Management	Technology Strategy /R&D	Production Technology /Production Management	Quality Assurance	Legal Affairs /Risk Management	Finance /Accounting	HR Management /HR Strategy	Sales & Marketing /Business	Sustainability /ESG
ODA Yoshiaki	Executive	●	●		●	●		●		●
MACHIDA Kenichiro	Executive	●				●	●			
TOYA Takehiro	Executive	●							●	
NAKAMURA Kenji	Executive		●	●						
TAKESHITA Noriaki	Non-Executive						●		●	
YOSHIMOTO Akiko	Independent External							●		●
YAMAGUCHI Kiyoshi (Audit and Supervisory Committee Member)	Full-time Audit		●		●				●	●
KISHIGAMI Keiko (Audit and Supervisory Committee Member)	Independent External					●	●			●
YOSHIIKE Fujio (Audit and Supervisory Committee Member)	Independent External	●		●					●	
MIYAMOTO Keiko (Audit and Supervisory Committee Member)	Independent External					●				

< Reference 2 Criteria for Independence of External Directors >

If a person does not fall under any of (1) to (9), the Company may designate such person as an independent officer.

- (1) An executor of the business of the Company or a company of the Company's Group (a director other than an external director, an executive officer, or an employee [by whatever name, any person having an employment relationship with the Company or a company of the Company's Group])
- (2) An executor of the business of a major customer or business partner. A major customer or business partner means a person who falls under any of the following items.
 - (a) A business partner providing products or services to the Company or a customer to whom the Company is providing products or services of which the total amount of such transactions in the most recent business year relevant to intended designation as an independent officer exceeds 2% of the Company's unconsolidated sales or exceeds 2% of their sales to the Company
 - (b) A financial institution providing loans to the Company of which the total amount at the end of the most recent business year relevant to intended designation as an independent officer exceeds 2% of the Company's unconsolidated loans; provided, however, that even if the amount does not exceed 2%, a financial institution stated as a lender to the Company on annual securities reports, business reports, or other public documents shall be included in major business partners
- (3) A consultant, certified public accountant, attorney, or other expert receiving remuneration from the Company other than remuneration for officers of which the total amount of the remuneration paid, other than the remuneration for officers from the Company, in the most recent business year relevant to intended designation exceeds 10 million yen
- (4) A person who belongs to an organization that is a consulting firm, tax accounting firm, law office, other corporate body, or partnership, which has transactions with the Company, and whose sales to the Company in the most recent business year relevant to intended designation as an independent officer exceeds 2% of the organization's total sales or 10 million yen, whichever is larger
- (5) A shareholder of the Company whose share of voting rights at the end of the most recent business year relevant to intended designation as an independent officer is 10% or more (a total of direct and indirect holdings) of the total voting rights or an executor of the business at the shareholder entity
- (6) Of the companies in which the Company holds shares, a company in which the Company's share of the voting rights at the end of the most recent business year relevant to intended designation as an independent officer is 10% or more (a total of direct and indirect holdings) of the total voting rights or an executor of the business at the shareholder entity
- (7) A person who belongs to an auditing firm that conducts statutory audits of the Company
- (8) A person to whom (1) above was applicable in the past or to whom any of (2) to (7) above was applicable in the past five years
- (9) A spouse or a relative (within a second degree of kinship) of a person to whom any of (1) to (8) above applies

Business Report

(From April 1, 2024 to March 31, 2025)

Group Overview of Operation

(1) Introduction

Under its arrangements with business partners, one of the Company's subsidiaries ("the Subsidiary") manufactures and sells distinctive products for which selling prices vary by raw materials supplier. It has been uncovered that as a result of changing suppliers of raw materials without notifying business partners in advance, and then shipping the products at their previous prices, the Subsidiary excessively received a difference in prices equivalent to 1,355 million yen (including transactions in past fiscal years).

We offer our sincere apologies to business partners and other related parties for the serious concern that this has caused.

(2) Business Progress and Results

During the current fiscal term, the United States and Europe have implemented interest rate cuts in response to declining inflation rates, while the Japanese economy has reached a turning point towards moving out of deflation, as seen, for instance, from the Bank of Japan having raised interest rates. Additionally, mounting geopolitical tensions and changing trade policies of various countries have served to further increase uncertainty about the future.

Under these circumstances, the consolidated financial results of the Company for the current fiscal term were as follows:

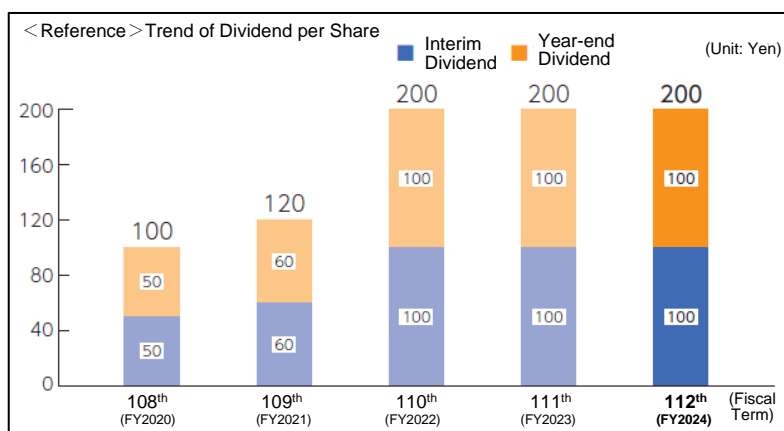
Net sales posted 147,571 million yen, a 3.2% increase compared with the previous fiscal year;

Operating profit was 10,712 million yen, a 12.4% increase from the previous fiscal year;

Ordinary profit recorded 11,106 million yen, 8.4% higher than the previous fiscal year;

Profit attributable to owners of the parent came to 5,961 million yen, a 3.3% fall from the previous fiscal year, which was due to the recording as an extraordinary loss of an expense related to the product price mischarging to a customer and an impairment loss related to certain products in the Functional Materials segment. Basic earnings per share were 450.62 yen and return on equity (ROE) was 6.3%.

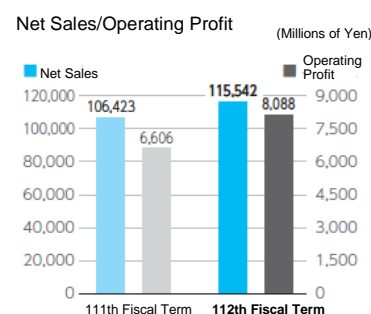
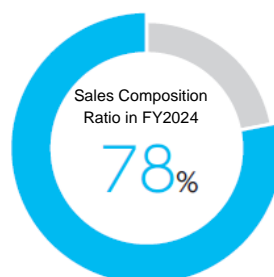
As stated in the "Policy on Determination of Dividends from Surplus" below, the Company considers returning profits to shareholders as one of its priority management issues and makes it a basic policy to determine dividends based on the dividend payout ratio of 30% or more taking into consideration to stable dividend payment and securing of internal reserves to prepare for future business development. Based on this policy, the Company has decided to pay a year-end dividend of 100 yen per share for the current fiscal term. As a result, including the interim dividend (100 yen per share), the annual dividend for the current fiscal term is 200 yen per share (annual dividend for the previous fiscal term was 200 yen per share).



The financial results of each business were as stated below:



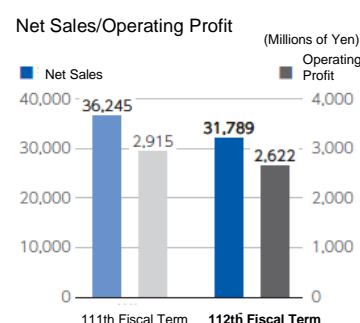
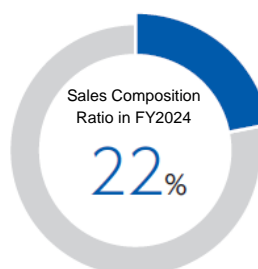
Super Absorbent Polymers (Hygiene Products, such as Disposable Diapers or Sanitary Products, Pet Sheets, and Industrial Materials, such as Water Blocking Materials for Power and Optical Cables)



In this business, net sales increased by 8.6% over the previous fiscal year to 115,542 million yen, and operating profit grew by 22.4% to 8,088 million yen, chiefly because of favorable impacts of changes in foreign exchange rates and increased sales volume in the Chinese market.



Water-soluble Polymers, Emulsion, Particle Polymers, Pharmaceuticals-related Products, Functional Products, Electronics Gases, Standard Gases, Industrial Chemicals, Medical Gases, Chemical Gases, Oxygen, Nitrogen, Hydrogen, and Other Gas Generators (PSA System)



In this business, net sales decreased by 12.3% from the previous fiscal year to 31,789 million yen, and operating profit fell by 10.0% to 2,622 million yen. The decline in both net sales and operating profit was due mainly to the termination of the Company's IR Latex business, though higher sales volume of electronics gases contributed favorably.

In addition to the above businesses, the Sumitomo Seika Group (“the Group”) is engaged in contract manufacturing service and other businesses. In this segment, net sales decreased by 24.6% from the previous fiscal year to 239 million yen, and operating profit decreased to 2 million yen.

(3) Capital Expenditure

The total amount of the capital expenditure for the current fiscal term was 20,291 million yen, mainly for the enhancement and improvement of production facilities.

(4) Financing

During the current fiscal term, the Company raised 5,000 million yen in equipment financing by arranging a syndicated loan with Sumitomo Mitsui Banking Corporation as the lead manager.

(5) Issues to Be Addressed

It was uncovered recently that the Subsidiary had manufactured products after changing the suppliers of raw materials from those agreed to with business partners without notifying them and then billed them for product proceeds that did not reflect the change in raw materials. The Company takes this situation very seriously. We recognize the need to prevent a reoccurrence of such practices and to ensure the quality of products delivered to business partners to be matters of utmost importance, and we will strive sincerely to meet that need.

Specifically, we will strive to implement thorough quality and transaction compliance, effectively perform supervision and auditing by the management and auditing sections, and strengthen group governance. To implement thorough quality and transaction compliance, we will enhance thorough compliance training, double-check quality and transactions, and swiftly address any identified issues—including efforts at the Group. For effective supervision and auditing by the management and auditing sections, we will rebuild inter-organizational checks and balances and checking functions and build structures capable of ensuring the propriety of business operations. To strengthen group governance, in addition to ensuring the propriety of business execution by the Group, we will implement controls focused on whether company operations reflect customer and quality perspectives. Through these companywide efforts, we will strive to prevent a reoccurrence of such an incident and regain the trust of our valued stakeholders.

The Group formulated a medium-term business plan for FY2023 to FY2025, and has focused on the following four priority initiatives under the plan: “Build Resilient Business Structure”, “Reap Fruits of Research & Development”, “Promote Thorough Streamlining”, and “Boost Sustainability Initiatives”.

Build Resilient Business Structure

As demand in India and other Asian markets is projected to continue to grow in the Super Absorbent Polymers business, the Company's subsidiary in Singapore is constructing new manufacturing facility to realize further increases in sales. This facility is planned for completion during FY 2025. At the same time, this business will strive to maintain and expand its market share through the continual efforts of streamlining work to improve plant productivity.

Results in the Functional Materials business are expected to be far below the targets of the Medium-Term Business Plan because of the discontinuation of sales of IR latex earlier than planned and sluggish sales of electronics gases as a result of the slowdown in the semiconductors markets. We will strive to revise the business portfolio including withdrawal from unprofitable businesses and improve profitability through rectification of selling prices.

Reap Fruits of Research & Development

The Super Absorbent Polymers business will steadily develop and introduce new products to help reduce waste and consumption of materials, further enhancing consideration for the environment and safety. It will also strive to develop technologies for horizontal chemical recycling of super absorbent polymers recovered from used paper diapers. It also has built a pilot facility for super absorbent polymers in the Himeji area, to achieve even more efficient industrialization research.

The Functional Materials business will work to develop products such as next-generation semiconductor materials, electrolyte additives for new lithium-ion batteries and insulation coating materials.

Construction is underway on a new research building in the Befu Works to accelerate development of these new technologies and new products. Construction is planned for completion in FY 2026.

Promote Thorough Streamlining

The Super Absorbent Polymers business will promote further streamlining through means including improvements to manufacturing processes to contribute to reducing CO₂ emissions intensity, in addition to the emissions intensity improvements planned under the streamlining project and steadily demonstrating the benefits of increased production. The new facility currently under construction in Singapore is designed to incorporate these rationalization measures.

In the Functional Materials business, we are working to improve productivity and reduce costs thoroughly.

Furthermore, as part of our company-wide efforts to improve productivity, we are promoting the improvement of business processes through the utilization of the ERP system and the automation and acceleration of operations through the use of digital technology at plants and laboratories.

Boost Sustainability Initiatives

The Group has identified the following six material issues: Ensure Access to Sanitation, Healthy Lives & Better Quality of Life; Ensure Access to Affordable, Reliable & Sustainable Energy; Build Resilient Infrastructure & Foster Technology Innovation; Ensure Sustainable Consumption & Production Patterns; Promote Gender Equality; and Achieve Carbon Neutrality. It has also established KPIs to ascertain quantitatively the state of its efforts on each item and will carry out practical measures to achieve KPI targets. As initiatives toward achievement of carbon neutrality, the Group will strive to reduce Group GHG emissions and promote development of technologies to contribute to society-wide GHG emissions reductions, such as separation and recovery technologies for low concentration CO₂ and recycling of used super absorbent polymers.

The table below shows our forecast for FY2025.

(Unit: Billions of yen unless otherwise stated)

Division	FY2025 Forecast	FY2025 Medium-Term Business Plan
Super Absorbent Polymers	113.9	120.0
Functional Materials	30.8	40.0
Other	0.3	—
Net Sales	145.0	160.0
Super Absorbent Polymers	7.6	7.5
Functional Materials	1.4	4.5
Other	0	—
Operating Profit	9.0	12.0
Profit	6.7	8.5
ROE	6.9%	8.5%
JPY/CNY	19.5	19.5
JPY/USD	145.0	135.0
Japanese Naphtha Price (JPY/kℓ)	65,000	70,000
Cumulative R&D Investment for Three Years	8.3	9.0
Cumulative Capital Investment for Three Years	47.1	50.0
Average Net Sales Growth Rate for Three Years	0.5%	3.4%
Cumulative Operating Cash Flow for Three Years	40.6	47.0
ROIC (FY2025)	5.7%	8.0%
D/E Ratio (FY2025)	0.2	0.2 or lower
Dividend Payout Ratio (FY2025)	39.1%	30% or more

In light of the situation described above, we would like to accelerate the development of new products and fundamentally review the business strategy of our Functional Materials Business, and then reestablish the Group's new medium-term performance targets.

We appreciate the further support and assistance of our shareholders going forward.

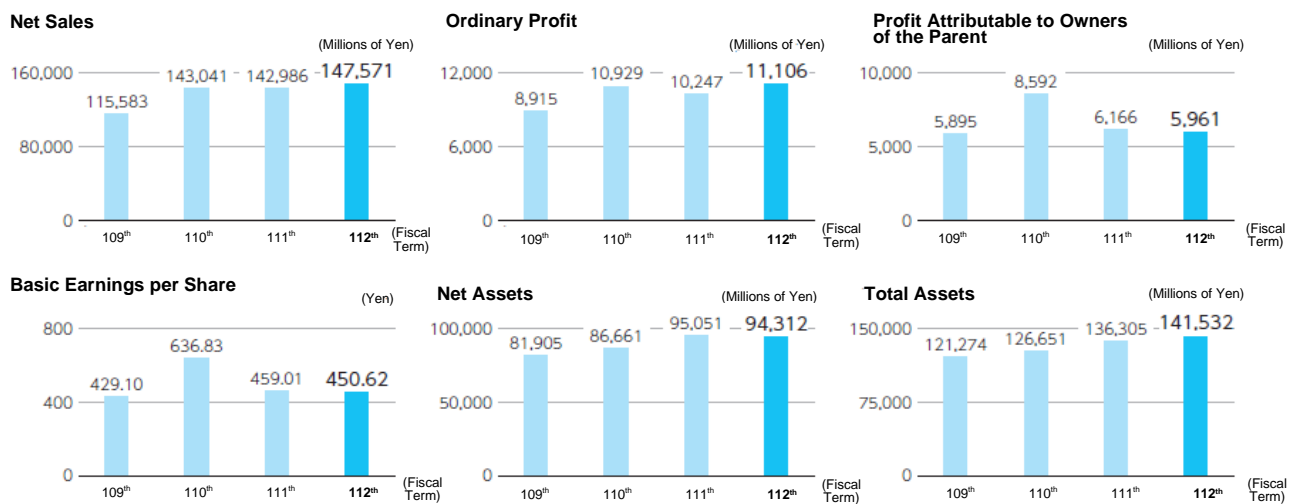
(6) Transitions of Assets and Profits and Losses

1) Transitions of Assets and Profits/Losses of the Corporate Group

Category	109th Fiscal Term (FY2021)	110th Fiscal Term (FY2022)	111th Fiscal Term (FY2023)	112th Fiscal Term (FY2024) (Current Fiscal Term)
Net Sales (Millions of Yen)	115,583	143,041	142,986	147,571
Ordinary Profit (Millions of Yen)	8,915	10,929	10,247	11,106
Profit Attributable to Owners of the Parent (Millions of Yen)	5,895	8,592	6,166	5,961
Basic Earnings per Share	429.10 yen	636.83 yen	459.01 yen	450.62 yen
Net Assets (Millions of Yen)	81,905	86,661	95,051	94,312
Total Assets (Millions of Yen)	121,274	126,651	136,305	141,532

(Notes) 1. In 111th fiscal term, an impairment loss on non-current assets of 791 million yen was recorded as an extraordinary loss.

2. In 112th fiscal term, an expense related to mischarging of 1,355 million yen was recorded as an extraordinary loss. In addition, an impairment loss of 1,297 million yen on fixed assets was recorded as an extraordinary loss.



2) Transitions of Assets and Profits/Losses of the Company

Category	109th Fiscal Term (FY2021)	110th Fiscal Term (FY2022)	111th Fiscal Term (FY2023)	112th Fiscal Term (FY2024) (Current Fiscal Term)
Net Sales (Millions of Yen)	65,183	78,643	79,075	78,038
Ordinary Profit (Millions of Yen)	5,752	6,760	7,277	7,932
Profit (Millions of Yen)	3,256	5,544	4,825	4,808
Basic Earnings per Share	237.03 yen	410.91 yen	359.20 yen	363.44 yen
Net Assets (Millions of Yen)	57,493	60,614	62,158	62,925
Total Assets (Millions of Yen)	80,402	85,984	91,848	97,128

(Notes) 1. In the 110th fiscal term, a capital increase of 30,000 thousand euro (4,145 million yen) was carried out for a subsidiary, Sumitomo Seika Europe S.A./N.V., and a reversal of provision for loss on guarantees for the subsidiary of 2,367 million yen was recorded as extraordinary gain. In addition, a loss of 2,061 million yen on valuation of shares of affiliated companies for the said company's stock was recorded as an extraordinary loss.
2. In the 111th fiscal term, an impairment loss on non-current assets of 784 million yen was recorded as an extraordinary loss.
3. In the 112th fiscal term, an impairment loss on non-current assets of 766 million yen was recorded as an extraordinary loss.

(7) Principal Businesses (As of March 31, 2025)

Business Category	Main Products
Super Absorbent Polymers	Super Absorbent Polymers (Hygiene Products, such as Disposable Diapers or Sanitary Products, Pet Sheets, and Industrial Materials, such as Water Blocking Materials for Power and Optical Cables)
Functional Materials	Water-soluble Polymers, Emulsion, Particle Polymers, Pharmaceuticals-related Products, Functional Products, Electronics Gases, Standard Gases, Industrial Chemicals, Medical Gases, Chemical Gases, Oxygen, Nitrogen, Hydrogen, and Other Gas Generators (PSA System)

(8) Principal Offices and Works, etc. (As of March 31, 2025)

1) Locations of the Company

Head Offices	Osaka, Tokyo
Sales Offices	Osaka, Tokyo
Works	Befu Works (Hyogo Pref.) , Himeji Works, Chiba Works
Laboratories	Material Development Laboratory (Hyogo Pref.) Production and Process Engineering Laboratory (Hyogo Pref.)

2) Locations and Company Name of Significant Subsidiaries

Japan	Seika Techno Services Co., Ltd. (Hyogo Pref.)	
	Seika Research Co., Ltd. (Hyogo Pref.)	
Overseas	Belgium	Sumitomo Seika Europe S.A./N.V.
	Korea	Sumitomo Seika Polymers Korea Co., Ltd.
	Singapore	Sumitomo Seika Singapore Pte. Ltd.
	Korea	Sumisei Chemical Co., Ltd.
	China	Sumisei Technology (Yangzhou) Co., Ltd.
	China	Sumitomo Seika (China) Co., Ltd.
	Taiwan	Sumisei Taiwan Technology Co., Ltd.

(Note) Sumitomo Seika America Inc. was excluded from the consolidated subsidiaries as its liquidation was completed in the current fiscal term.

(9) Employees (As of March 31, 2025)

1) Employees of the Corporate Group

Number of Employees	Year-on-year Variance
1,413	An increase of 11

(Note) The number of employees above excludes employees seconded to companies outside the corporate group.

2) Employees of the Company

Number of Employees	Year-on-year Variance	Average Age	Average Length of Service
1,040	A decrease of 2	37.8 years old	15.2 years

(Note) The number of employees above exclude seconded employees.

(10) Principal Lenders (As of March 31, 2025)

Name of Lender	Borrowed Amount (Balance)
	(Millions of Yen)
Sumitomo Mitsui Banking Corporation	5,106
Sumitomo Mitsui Trust Bank, Limited	2,224
The Norinchukin Bank	2,224

(Note) In addition to the above, there is a syndicated loan of 5,000 million yen led by Sumitomo Mitsui Banking Corporation.

(11) Significant Subsidiaries (As of March 31, 2025)

Company Name	Capital	Ratio of voting rights of the Company	Principal Businesses
		%	
Sumitomo Seika Europe S.A./N.V.	94,885 thousand euros	100.00	Manufacturing and sales of Super Absorbent Polymers and Functional Materials Products
Sumitomo Seika Polymers Korea Co., Ltd.	97,500 million won	100.00	Manufacturing and sales of Super Absorbent Polymers
Sumitomo Seika Singapore Pte. Ltd.	34,410 thousand Singapore dollars 35,000 thousand US dollars	100.00	Manufacturing and sales of Super Absorbent Polymers
Sumisei Chemical Co., Ltd.	32,534 million won	100.00	Manufacturing and sales of Electronics Gases
Sumisei Technology (Yangzhou) Co., Ltd.	1,800 million yen	100.00	Contract manufacturing service of chemical products
Sumitomo Seika (China) Co., Ltd.	1,000 million yen	100.00	Providing regional management services such as administration and finance to its subsidiaries in China Sales of Super Absorbent Polymers and Functional Materials Products
Sumisei Taiwan Technology Co., Ltd.	220 million Taiwan dollars	100.00	Manufacturing and sales of Electronics Gases
Seika Techno Services Co., Ltd.	50 million yen	100.00	Various services
Seika Research Co., Ltd.	10 million yen	100.00	Conducting research on technical trend

(Notes) 1.Sumitomo Seika Singapore Pte. Ltd. increased its capital by 35,000 thousand US dollars on October 30, 2024.

2.Sumitomo Seika America Inc. was excluded from the consolidated subsidiaries as its liquidation was completed in the current fiscal term.

Matters Related to the Company's Officers (As of March 31, 2025)

(1) Details of Directors

Position	Name	Duties and Significant Concurrent Post Status
Representative Director President (Concurrently serving as Chief Executive Officer)	OGAWA Ikuzo	Chief of Sustainability Promotion
Representative Director (Concurrently serving as Senior Managing Executive Officer)	HAMATANI Kazuhiro	Chief of General Affairs and Personnel, Legal, Internal Audit, Logistics and Procurement, General Manager of General Affairs and Personnel Office
Director (Concurrently serving as Senior Managing Executive Officer)	TOYA Takehiro	Chief of Business Sector (Super Absorbent Polymers and Functional Materials)
Director (Concurrently serving as Managing Executive Officer)	MACHIDA Kenichiro	Chief of Corporate Communications, Corporate Planning and Accounting, Information Systems and Business Reform Promotion, General Manager of Corporate Planning and Accounting Office
Director (Non-Executive Director)	SHIGEMORI Takashi	Advisor of Sumitomo Chemical Company, Limited Director of the Inabata & Co., Ltd.
Director	YOSHIMOTO Akiko	Senior Advisor of Boston Consulting Group External Director of Toenec Corporation External Auditor of Takara Holdings Inc.
Director (Full-time Audit and Supervisory Committee Member)	MICHIBATA Mamoru	
Director (Audit and Supervisory Committee Member)	KAWASAKI Masashi	Lawyer of Kawasaki Law Office
Director (Audit and Supervisory Committee Member)	KISHIGAMI Keiko	Certified Public Accountant External Auditor of Okamura Corporation Board Member of the Public Interest Incorporated Foundation for World Wide Fund for Nature (WWF) Japan External Director (Audit Committee Member) of Sony Group Corporation External Auditor of DIC Corporation
Director (Audit and Supervisory Committee Member)	YOSHIIKE Fujio	Representative Director of Yoshiike Office Corporation Director of Shibaura Institute of Technology

- (Notes) 1. Director YOSHIMOTO Akiko was newly elected and appointed as Director at the 111th Ordinary General Meeting of Shareholders held on June 27, 2024.
2. Director YOSHIMOTO Akiko, KAWASAKI Masashi, KISHIGAMI Keiko, and YOSHIIKE Fujio are External Directors as prescribed in Article 2, item (xv) of the Companies Act.
3. Director (Audit and Supervisory Committee Member) KISHIGAMI Keiko has considerable knowledge of finance and accounting, as she is qualified as Certified Public Accountant.
4. The Company has selected a full-time Audit Committee member in order to strengthen the audit and supervisory functions of the Audit and Supervisory Committee Member and enable them to gather information from important internal meetings and to cooperate fully with the Internal Audit Department.
5. Director YOSHIMOTO Akiko, KAWASAKI Masashi, KISHIGAMI Keiko, and YOSHIIKE Fujio are independent officers pursuant to the rules and regulations of the Tokyo Stock Exchange.
6. Directors who retired during the current fiscal term are as follows:

Position at the time of Retirement	Name	Duties and Significant Concurrent Post Status at the Time of Retirement
Director (Concurrently serving as Managing Executive Officer)	MURAKOSHI Masaru	Chief of Functional Materials Sector, General Manager of Functional Materials Division
External Director	MIURA Kunio	Lawyer of Kawamoto/Miura Law Office External Auditor of Asahi Intelligence Service Co., Ltd. External Director(Audit and Supervisory Committee Member) of Kobe Steel, Ltd.

* They retired at the end of their terms on June 27, 2024.

(Reference) Executive Officers (excluding those concurrently serving as Directors) are as follows:

(As of March 31, 2025)

Position	Name	Duties
Managing Executive Officer	SHIGETA Hiromoto	Chief of the Creation of a Circular Carbon Economy
Managing Executive Officer	MASUMOTO Hironobu	President and Representative Director of Seika Techno Services Co., Ltd.
Managing Executive Officer	UEMURA Kazuhisa	Chief of Engineering, Responsible Care, and Production Sector, In charge of AK Project, General Manager of Engineering Office
Managing Executive Officer	KURIMOTO Isao	Chief of Technical Affairs, Intellectual Property, and Research, General Manager of Technical Office
Executive Officer	YAMAGUCHI Kiyoshi	In charge of Sustainability Promotion, General Manager of Sustainability Promotion Office
Executive Officer	MAEDA Nobuhiro	In charge of Technical Affairs President and Representative Director of Seika Research Co., Ltd.
Executive Officer	AOYAMA Satoshi	In charge of Business Sector, General Manager of Super Absorbent Polymers Division and Functional Materials Division Chairman of Sumitomo Seika (China) Co., Ltd. Chairman of Sumisei Polymers Technology (Shanghai) Co., Ltd. Chairman of Sumisei International Trading (Shanghai) Co., Ltd.
Executive Officer	NAKAMURA Kenji	In charge of Production Sector, General Manager of Himeji Works and Planning & Coordination Office (Production)

(2) Outline of the Contents of the Liability Limitation Contract

The Company has concluded liability limitation contracts with Non-Executive Director, SHIGEMORI Takashi and each External Director that limit their liability for damages set out in Paragraph 1 of Article 423 of the Companies Act up to the total of the amounts set out in each item of Paragraph 1 of Article 425 of the said Act, provided that they perform their duties in good faith and without gross negligence.

(3) Outline of the Contents of Directors and Officers Liability Insurance Contract

1) The Scope of the Insured

The insureds of the Directors and Officers Liability Insurance Contract are the directors and executive officers of the Company and officers of its subsidiaries.

2) Summary of Insured Accidents Subject to Coverage

The insurance shall cover the damage and litigation expenses that may be incurred by assuming such liability for the execution of duties or receiving the claim related to the pursuit of the relevant liability that is to be borne by the insured.

3) Share of Substantial Premium Burden for the Insured

The insurance premiums are borne by the Company and there is no substantial premium burden for the insured.

4) Measures to Ensure That the Insured Continue to Execute Their Duties Appropriately

By excluding from coverage damages, etc., to Directors and Officers who themselves have committed criminal or intentionally illegal acts, measures are taken to ensure that the appropriateness of the duties of Directors and Officers, etc., is not compromised.

(4) Number and Aggregate Amount of Compensation of Company's Officers

(Millions of Yen)

Category of Officers		Number of Eligible Persons	Total Amount	Breakdown		
				Base Compensation (Fixed Compensation)	Performance-linked Compensation (Bonuses)	Performance-linked Compensation (Stock-based Compensation)
Directors (Excluding Directors (Audit and Supervisory Committee Members))	In-house Director & Non-Executive Director	6 persons	191	129	41	19
	External Director	2 persons	8	8	—	—
	Subtotal	8 persons	199	138	41	19
Directors (Audit and Supervisory Committee Members)	In-house Director	1 person	21	21	—	—
	External Director	3 persons	25	25	—	—
	Subtotal	4 persons	46	46	—	—
Total		12 persons	246	184	41	19

- (Notes) 1. "Number of Eligible Persons" and "Total Amount" above include one in-house Director (Excluding Directors who are the members of Audit and Supervisory Committee Member) and one External Director who was not Audit and Supervisory Committee Members, who retired at the conclusion of the 111th Ordinary General Meeting of Shareholders held on June 27, 2024.
2. The amount of the performance-linked compensation (bonuses) includes 41 million yen (41 million yen for Directors), excluding 38 million yen for executive officers (excluding those concurrently serving as Directors), out of 80 million yen in provision for directors' bonuses for the current fiscal term.
3. The performance-linked compensation (stock-based compensation) states the amount expensed in the current fiscal term as the restricted stock compensation.

(5) Compensation for Directors and Executives

1) Compensation Determination Policy

a) Basic Policy for Determining Compensation Amounts

- (i) The compensation system for directors and executives (executive officers with control over business operations) uses the achievement of performance targets as an incentive and aims for long-term increases in corporate value, not just quick profits.
- (ii) Compensation shall be set at a level that is competitive in terms of attracting and retaining human resources, while taking into consideration the size and nature of the Company's business and other factors.
- (iii) Whether the level of compensation is reasonable or not is something that is reviewed using objective materials.
- (iv) The amount of individual compensation shall be determined based on whether the director concurrently serves as an executive officer, the executive officer's position (chief executive officer, senior managing executive officer, managing executive officer, without role, etc.), and whether he/she is independent.
- (v) The transparency and fairness of decisions about compensation are ensured with contributions from the Nomination & Compensation Committee, more than half of whose members are independent external directors.
- (vi) Compensation for directors who are members of the Audit and Supervisory Committee shall be limited to base remuneration only, and shall be determined through consultation among the Audit and Supervisory Committee members within the scope of the total amount of remuneration determined by a resolution of the General Meeting of Shareholders.

b) Compensation Breakdown

- (i) Compensation for directors and executives comprises two elements: fixed compensation ("base compensation") and compensation linked to the Company's business performance ("performance-linked compensation") that takes the form of bonuses or stock-based compensation in the Company.
- (ii) Directors who are not involved in business execution are responsible for monitoring and overseeing management; as such, they only receive base compensation.

- (iii)The ratio of base compensation and performance-linked compensation ("bonuses" and "stock-based compensation") for each fiscal year for directors who execute operations shall be designed to be within the following ranges depending on whether directors and executive officers hold concurrent posts and on the position of executive officers (hereinafter referred to as "Positions") assuming the achievement of target performance index of 12,000 million yen for the final year of the Medium-Term Business Plan (FY2023-FY2025) for the relevant fiscal year.

Base Compensation (Fixed Compensation)	Performance-linked Compensation (Bonuses)	Performance-linked Compensation (Stock-based Compensation)
64～69%	20～27%	9～13%

※The share price per share was calculated at 5,000 yen, which was the closing price on the Tokyo Stock Exchange as of March 31, 2025.

c) Base Compensation

- (i)Base compensation is according to roles and responsibilities, in order to function as the foundational remuneration for professional duties.
(ii)Base compensation is paid monthly as a pecuniary amount.

d) Performance-linked Compensation

- (i) Bonuses: As short-term incentives tied into achievement of targets set in the medium-term business plan, these fluctuate depending on the consolidated performance for each fiscal year, and are paid as a pecuniary amount at a fixed time each year (scheduled for the end of June).
(ii)Stock-based compensation is positioned as a medium- and long-term incentive to promote a greater sharing of value with shareholders and sustainable growth for the Company. This is paid at a time decided by the Board of Directors.

2) Mechanisms of Each Compensation Element

a) Base Compensation

- (i)The base compensation amount shall not be changed during the term of office (one year).
(ii)Should the “size of the Company” (net sales, market capitalization, number of employees) and "profitability" (operating profit, ROE, D/E ratio) change, this will be reflected in the amount for the following year (term of office).

b) Performance-linked Compensation and Bonuses (short-term incentives)

- (i)These are paid on the proviso that consolidated operating profit for the relevant fiscal year reaches or exceeds 5,000 million yen, and are determined according to the formula below.

Bonus calculation formula: performance indicator × coefficient

- (ii)The performance indicator is the sum of consolidated operating profit and financial balance, in order to reflect the consolidated performance for each fiscal year. The actual value of the performance indicator for the current fiscal year was 11,076 million yen.
(iii) The coefficient is used to calculate the amount of bonus (set by Positions, etc., and according to whether the recipient is also a director and according to their position, with the higher the position, the higher the coefficient) based on the aforementioned ratio, and the relevant bonus amount is set as a division of the target of 12,000 million yen.
(iv) It is possible to reflect individual performance for each person's bonus within a range of +/- 10% based on the calculation formula. However, the total bonus amount does not change.

c) Performance-linked Compensation and Stock-based Compensation (medium- and long-term incentives)

- (i)Transfer-restricted stock in the form of common shares of the Company is granted in a number dependent on the recipient's Positions and other factors (however, the grant takes the form of payment as monetary claims equivalent to the price of the relevant shares; for directors and executives it will be paid in as property contributed in kind, to be received as shares of the Company's common stock to be issued or disposed of).
(ii)The number of shares is determined based on the ratio given in 1)b) (iii) above, according to whether the recipient is concurrently a director and with the higher the position, the higher the number.
(iii)Recipients must hold the shares until they resign or retire from their position assigned by the Company.

3) Organization and Procedures for Determining Directors' Compensation

a) General Meeting of Shareholders

It was resolved and approved at the 108th Ordinary General Meeting of Shareholders, which was held on June 25, 2021, that the total annual amount of compensation for all directors who are not members of the Audit and Supervisory Committee shall be not more than 360 million yen (including 20 million yen for external directors). The number of executives to which this resolution relates is eight (including one external director).

It was also resolved and approved at the 108th Ordinary General Meeting of Shareholders, which was held on June 25, 2021, that the total annual amount of compensation for all directors who are members of the Audit and Supervisory Committee shall be not more than 60 million yen. The number of directors to which this resolution relates is four.

At the 110th Ordinary General Meeting of Shareholders, which was held on June 23, 2023, it was determined that the total amount set aside for transfer-restricted shares to directors shall be set to not more than 90 million yen per annum. The number of executives affected by this resolution is five directors (excluding those who are members of the Audit and Supervisory Committee, the external director and the non-executive director).

b) Board of Directors and Consultative Body

The Company has established the Nomination & Compensation Committee as a consultative body to the Board of Directors on compensation for directors who are not members of the Audit and Supervisory Committee and executives. The Nomination & Compensation Committee, consisting of the president, the director in charge of human resources, and four independent external directors, is intended to ensure transparency and fairness in the determination of compensation for directors who are not members of the Audit and Supervisory Committee and executives by advising the Board of Directors regarding the determination of compensation systems, levels, and specific amounts to be paid.

The Board of Directors deliberates and determines the policy and method of determining compensation for directors who are not members of the Audit and Supervisory and executives based on advice from the Nomination & Compensation Committee.

As they perform corporate management under the leadership of top management, the amounts of individual compensation for directors who are not members of the Audit and Supervisory Committee and executives for the relevant fiscal year have been delegated by Board of Directors decision to OGAWA Ikuzo, the president and representative director, to determine. Conditions for delegation to the president include determining the individual compensation amounts for directors who are not members of the Audit and Supervisory Committee and executives in accordance with the relevant policies. Additionally, the president shall consult the Nomination & Compensation Committee to ensure these amounts are appropriate based on the compensation determination policy, and shall accept the committee's confirmation of their suitability. Through the above, the Company has ensured that the president exercises his authority appropriately, and judged that the individual compensation amounts for directors who are not Audit and Supervisory Committee members and executives are in line with relevant policies.

Matters Related to the External Officers (As of March 31, 2025)

(1) Significant Concurrent Positions and the Relationship with Other Companies

Significant concurrent positions held by External Directors are stated in “Duties and Significant Concurrent Post Status” in “(1) Details of Directors” in “Matters Related to the Company’s Officers” above.

There is no special relationship between the Company and the other companies where External Director, YOSHIMOTO Akiko, and External Directors (Audit and Supervisory Committee Members), KAWASAKI Masashi, KISHIGAMI Keiko and YOSHIKE Fujio, hold concurrent positions.

(2) Activities of External Officers

Category of Officer	Name	Major Activities of External Directors and Summary of the Duties Performed with Respect to the Role Expected of External Directors
Director	YOSHIMOTO Akiko	<p>Attending meetings of the Board of Directors held after assuming office as Director (attending 9 times of 10 board meetings) and contributing to their discussions as necessary in deliberations on proposed resolutions and other matters from a position of expertise and broad insight on labor policy and equal employment opportunity. This director fully performed the management oversight functions expected of a director by offering opinions on management through attending the following meetings:</p> <ul style="list-style-type: none"> • Regular meetings among the Representative Director and President, Audit and Supervisory Committee Members, and External Director • Regular meetings among Audit and Supervisory Committee Members and External Director • Regular meetings among Independent External Directors
Director (Audit and Supervisory Committee Member)	KAWASAKI Masashi	<p>In addition to attending meetings of the Board of Directors and the Audit and Supervisory Committee meeting during the term of office (attending 13 times of 13 board meetings, 15 times of 15 Audit and Supervisory Committee meetings) and contributing to their discussions as necessary in deliberations on proposed resolutions and other matters from the specialized perspective as an attorney-at-law, this director fully performed the management oversight functions expected of a director by offering opinions on management through attending the following meetings:</p> <ul style="list-style-type: none"> • Regular meetings among the Representative Director and President, Audit and Supervisory Committee Members, and External Director • Regular meetings among Audit and Supervisory Committee Members and External Director • Regular meetings among Independent External Directors

Category of Officer	Name	Major Activities of External Directors and Summary of the Duties Performed with Respect to the Role Expected of External Directors
Director (Audit and Supervisory Committee Member)	KISHIGAMI Keiko	<p>In addition to attending meetings of the Board of Directors and the Audit and Supervisory Committee meeting during the term of office (attending 13 times of 13 board meetings, 15 times of 15 Audit and Supervisory Committee meetings) and contributing to their discussions as necessary in deliberations on proposed resolutions and other matters from the specialized perspective as a certified public accountant, this director fully performed the management oversight functions expected of a director by offering opinions on management through attending the following meetings:</p> <ul style="list-style-type: none"> • Regular meetings among the Representative Director and President, Audit and Supervisory Committee Members, and External Director • Regular meetings among Audit and Supervisory Committee Members and External Director • Regular meetings among Independent External Directors
Director (Audit and Supervisory Committee Member)	YOSHIIKE Fujio	<p>In addition to attending meetings of the Board of Directors and the Audit and Supervisory Committee meeting during the term of office (attending 13 times of 13 board meetings, 15 times of 15 Audit and Supervisory Committee meetings) and contributing to their discussions as necessary in deliberations on proposed resolutions and other matters from the perspective of a person with experience and achievements in corporate management, this director fully performed the management oversight functions expected of a director by offering opinions on management through attending the following meetings:</p> <ul style="list-style-type: none"> • Regular meetings among the Representative Director and President, Audit and Supervisory Committee Members, and External Director • Regular meetings among Audit and Supervisory Committee Members and External Director • Regular meetings among Independent External Directors

(Note) During this fiscal term, cases were uncovered at the Subsidiary of changing raw materials suppliers without prior notice to customers and overbilling them for product proceeds. While each of the external directors had been unaware of such circumstances until these cases were uncovered, on the Board of Directors and other venues, they have diligently pointed out the need to develop internal controls and enhance compliance systems. Since these cases were uncovered, they have fulfilled their responsibilities through means that included investigating the facts of the cases, identifying their causes, and proposing and issuing instructions on preventive measures.

Matters Related to Corporate Shares (As of March 31, 2025)

- (1) Total Number of Authorized Shares: 40,000,000 shares
 (2) Total Number of Outstanding Shares: 13,987,220 shares
 (3) Number of Shareholders: 40,685 persons
 (4) Largest Shareholders (Top 10)

Name of Shareholder	Number of Shares Owned	Ratio of Voting Rights
	(Thousand shares)	%
Sumitomo Chemical Company, Limited	4,195	32.01
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,264	9.64
Japan Custody Bank, Ltd. (Trust Account)	473	3.61
J.P. MORGAN CHASE BANK, N.A. 385632	415	3.17
Sumitomo Life Insurance Company	310	2.37
Sumitomo Mitsui Banking Corporation	215	1.64
Taki Chemical Co., Ltd.	206	1.57
Sumitomo Mitsui Trust Bank, Limited	194	1.48
Sumitomo Seika Chemicals Employee Stockholding Association	180	1.38
DFA INTERNATIONAL SMALL CAP VALUE PORTFOLIO	124	0.95

(Note) In addition to the above, the Company owns treasury stock (880,645 shares). The shareholder ratio is calculated excluding the treasury stock.

(5) Shares Granted to Company Officers and Executive Officers During the Current Fiscal Term as Consideration for Performance of Duties

Classification of Officers	Number of Shares	Number of Officers Granted with Shares
Directors (Excluding Directors who are Audit and Supervisory Committee Members), External Director, and Non-Executive Director)	3,750 shares	4 persons
Executive Officers who do not Concurrently Serve as Directors	3,000 shares	8 persons

Matters Related to Accounting Auditor

(1) Name

KPMG AZSA LLC

(2) Amount of Remuneration, etc.

Contents	Amount Paid
Amount of audit remuneration, etc.	51 million yen
Amount of Non-audit remuneration, etc.	— million yen
Total amount of remuneration and other financial benefits to be paid by Company and its Subsidiaries	51 million yen

(Notes) 1. The Audit and Supervisory Committee of the Company agreed to the remuneration, etc. of the accounting auditor after reviewing the details of the audit plan of the accounting auditor, the performance of duties in the previous fiscal years, and the basis for calculating the remuneration estimate, through obtaining necessary materials and hearing reports from the directors, relevant internal departments, and the accounting auditor.

2. As the amount of remuneration under the Companies Act and the amount of remuneration under the Financial Instruments and Exchange Act are not distinguished in the audit agreement between the Company and the accounting auditor, the total of these amounts is reported in "Amount of audit remuneration, etc." above.

3. Among the Company's significant subsidiaries, overseas subsidiaries are audited by auditing firms other than the Company's accounting auditor.

(3) Content of Non-auditing Affairs

The Company does not entrust the accounting auditor with any services other than those stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit services).

(4) Policy on Decision to Dismiss or Not Reappoint Accounting Auditor

If the Accounting Auditor is deemed to fall under any of the items prescribed in Article 340 of the Companies Act, the Audit and Supervisory Committee will dismiss the Accounting Auditor. In addition, if the Accounting Auditor is deemed to be incapable of performing the audit service in a proper manner in consideration of the independence of the Accounting Auditor and the performance of its duties, the Audit and Supervisory Committee shall determine the content of proposals to be submitted to the General Meeting of Shareholders regarding the dismissal or non-reappointment of the Accounting Auditor.

Overview of systems to ensure appropriate business operations and the state of their operations

To ensure that business is conducted appropriately under the Group Corporate Mission, the Board of Directors has resolved to establish the following systems (Internal Controls Systems) pursuant to the Companies Act and the Regulations for Enforcement of the Companies Act.

Under these systems, the president and individual directors in charge, who are responsible for business execution, are also responsible for practical maintenance and operation of Internal Controls Systems according to their duties and the Internal Control Committee regularly monitors the status thereof. In addition, the Board of Directors strives to ensure and improve the efficacy of the Internal Controls Systems by overseeing the status of its operation and revising the system itself as needed in response to changing conditions.

(1) Systems for Ensuring That the Performance of Duties of Company and Group Directors and Employees Conforms to Laws, Regulations, and the Articles of Incorporation

■ Systems

- 1) The Company shall establish a code of conduct for the Company and the Group, and ensure that all officers and employees act in accordance with the code. In addition to reporting the matter to the Audit and Supervisory Committee and the Board of Directors of any serious violations discovered of laws, regulations, or the articles of association, violations other than those will also be reported in a designated manner.
- 2) Practical procedures are established for appropriate and efficient business execution, and duties are performed based on these procedures.
- 3) To ensure compliance, education and training will be conducted at the Company and Group companies and efforts will be made to promote thorough compliance throughout the Group.
- 4) The Company shall establish a compliance committee and oversee compliance between the Company and the Group.
- 5) An internal whistleblowing system has been established to maintain systems and environments under which Company and Group officers and employees can directly report compliance violations or suspicions thereof to the reporting desk established both internally and externally.
- 6) A dedicated section has been established to oversee internal auditing. Business execution in the Company and the Group is audited and improvements are made for any issues discovered.
- 7) Any and all relations, including transaction relations, with antisocial forces are eliminated.
- 8) The Company will manage and oversee the execution of the duties of Group company directors and employees to ensure that such execution conforms to laws, regulations, and the articles of association.

■ Operation Status

- 1) The Company established rules and regulations that include Sumitomo Seika Group Charter for Business Conduct and various business rules. It strives to do business appropriately, including compliance with laws, regulations, and articles of incorporation, and efficiently through business execution based on these rules and regulations. These rules and regulations are also reviewed as appropriate. These rules also establish procedures and other matters related to the reporting of any violations discovered of laws, regulations, or the articles of association.
- 2) An Internal Controls Committee and a Risk and Compliance Committee have been established to ensure compliance at the management and field levels by identifying compliance issues of the Company, considering responses, and overseeing the state of their implementation. The Board of Directors oversees the operation of the Company's compliance system through receiving reports from and issuing instructions to the Internal Controls Committee and other bodies.
- 3) To ensure compliance, the Company provides annual compliance training for all officers and employees.
- 4) The Company operates an internal whistleblowing system as a contact point for reporting improprieties and compliance violations. This helps to ensure appropriate business execution by Company and Group officers and employees, under rules that protect whistleblowers and maintain their confidentiality while also prohibiting treating them at a disadvantage. The states of receiving and responding to individual whistleblower reports are reported to outside attorneys for ensuring unbiased and valid evaluation, to check for any issues in practical responses. In addition, the Board of Directors oversees the operation of the Company's internal whistleblowing system by receiving reports from and issuing instructions to the directors responsible.
- 5) The business auditing system entrusts appropriate sections of auditing in fields that require specialized knowledge, such as RC, quality control, and information systems, in addition to auditing by the Internal Audit Department. In addition, if the results of Audit and Supervisory Committee audits and internal audits show that any improvements are needed, the subject sections are asked to make improvements and regular follow-up auditing is conducted regarding the implementation of such improvements to ensure more appropriate business operations. During the current fiscal year, operational audits were conducted with a primary focus on on-site audits.

(2) System Related to Retention and Management of Information on Business Execution by Company Directors

■ Systems

The Company shall establish rules on management of information concerning business execution. It retains and manages such information pursuant to these rules and laws and regulations in accordance with its nature and importance.

■ Operation Status

Information on business execution by directors is retained and managed appropriately pursuant to the Document Handling Rules, the Accounting Rules, and other rules and regulations. During the current fiscal term, in addition to appropriately implementing the rules containing necessary provisions for appropriate retention of electromagnetic records related to transaction information for electronic transactions, the Company made progress on efforts including digitalization of retained documents and e-signing of contracts (i.e., e-contracts), to improve business efficiency.

(3) Rules and Other Systems on Management of Risks of Losses to the Company and the Group

■ Systems

- 1) The Company shall establish rules and regulations regarding risk management during normal business operations and procedures in the event of disasters, accidents, or other emergencies.
- 2) The Company shall designate a department to promote risk management for the Company and its group companies, and shall implement measures to prevent the occurrence of emergencies, etc. and to minimize damage, loss, and disadvantage in the event of other emergencies.
- 3) The Company shall establish a risk committee to oversee risk management in the Company and the Group.
- 4) A reporting system is maintained to ensure that information on management risks to the Company can be reported appropriately to the Board of Directors and other bodies.
- 5) The Company periodically inspects the state of operation of the above management systems and strives to rectify any issues identified in their operation or efficacy.

■ Operation Status

- 1) We revised the Risk and Emergency Management Rules to enhance the content of risk-management activities in normal times and strengthen responses to emergencies, such as disasters and accidents.
- 2) These rules also specify sections in charge to promote risk management at the Company and Group companies, as well as identifying the necessary matters related to responding to emergencies, such as disasters and accidents, and efforts to minimize damage, losses, and disadvantages associated with such emergencies.
- 3) The Internal Controls Committee has been established to oversee the maintenance and operation of internal controls systems under the Companies Act, the maintenance and operation of internal controls systems related to financial reporting under the Financial Instruments and Exchange Act, and the state of evaluation of these systems. The Risk and Compliance Committee has been established as a subsidiary organization to manage and oversee the development and operation of practical risk management systems by reporting to the Internal Controls Committee.
- 4) The Board of Directors oversees the operation of the Company's risk-management systems through receiving reports from and issuing instructions to the Internal Controls Committee and other bodies.
- 5) The Internal Controls Committee and the Board of Directors regularly inspect the state of operation of management systems and issue instructions to the Risk and Compliance Committee concerning any identified issues. The Risk and Compliance Committee takes steps to rectify such issues.

(4) Systems for Ensuring That Company and Group Directors Perform Their Duties Efficiently

■ Systems

- 1) To ensure that Company and Group directors perform their duties efficiently, rules are established to make clear the authority and responsibilities of each organization under directors' oversight and operations are carried out based on these rules.
- 2) To improve management efficiency, IT systems are maintained to enable swift and simple ascertaining of management information Groupwide.

■ Operation Status

- 1) Administration Rules, Decision Rules (Decision Standards Table), and other rules are established to clarify delegation of authority and division of responsibilities and execute business more efficiently. The two rules above are also revised once a year from the perspective of business efficiency. This review was conducted during the current fiscal term as well.
- 2) A backbone system has been adopted to enable efficient corporate management, and information on the state of management is ascertained appropriately. During the current fiscal term, the IT environment was enhanced further to enable effective remote work and remote meetings.

(5) Systems Concerning Reporting to the Company of Matters Related to the Performance of the Duties of Group Directors and Others, Other systems to ensure the appropriateness of the Group's operations

■ Systems

- 1) Upon execution of duties in our group companies, standards and procedures shall be established regarding Company approval and reporting to the Company in business execution by Group companies, and the Company shall approve or provide guidance in response to such reporting. Standards are established regarding submittal for deliberation of important management matters regarding Group companies, and the Board of Directors and other bodies deliberate on such matters based on these standards.
- 2) The Company shall establish sections in charge of Group company management and related systems to ensure the propriety of Group company business operations.

■ Operation Status

The Group Management Rules are established to provide for standards and procedures related to reporting from Group companies to the Company. Under these rules, important management matters regarding Group companies are deliberated and decided on by the Board of Directors of the Company. In addition, sections in charge and systems are established on the Company side to manage Group companies.

(6) Matters Concerning Employees Assisting the Audit and Supervisory Committee, the Independence of Such Employees from Directors (Excluding Directors (Audit and Supervisory Committee Members)), and Ensuring the Efficacy of the Audit and Supervisory Committee's Instructions to Such Employees

■ Systems

Rules shall be established regarding the assignment of employees assisting the Audit and Supervisory Committee and ensuring their independence, as well as rules on ensuring the efficacy of the Audit and Supervisory Committee's instructions to such

employees.

- Operation Status

The Rules on Ensuring the Efficacy of Auditing by the Audit and Supervisory Committee establish systems on assignment of employees to assist the Audit and Supervisory Committee, ensuring the independence of such employees, and ensuring the efficacy of the Audit and Supervisory Committee's instructions to them.

(7) Systems Related to Reporting to the Audit and Supervisory Committee

- Systems

- 1) Directors and employees of the Company and the Group promptly report on matters necessary for auditing as requested by the Audit and Supervisory Committee or matters as required by law.
- 2) The process of planning and implementation of internal audits by the department in charge of internal auditing and the results thereof are reported to the Audit and Supervisory Committee.
- 3) Rules are in place prohibiting the treatment of people who have made reports to the Audit and Supervisory Committee at a disadvantage because of having made such reports.

- Operation Status

Directors and employees submit reports as requested by the Audit and Supervisory Committee. It also receives reports on matters such as the results of business auditing by the Internal Audit Department. Furthermore, the Rules on Ensuring the Efficacy of Auditing by the Audit and Supervisory Committee state clearly that persons who have made reports to the Audit and Supervisory Committee shall not be treated at a disadvantage because of having made such reports.

(8) Matters Concerning Policies Related to Processing of Expenses and Other Costs Arising from the Performance of the Duties of the Audit and Supervisory Committee

- Systems

Funds are budgeted for expenses related to the performance of the duties of the Audit and Supervisory Committee, and such expenses are borne within the appropriate range.

- Operation Status

Funds are budgeted for costs such as research and training expenses related to the performance of the duties of the Audit and Supervisory Committee, and such expenses are borne within the appropriate range.

(9) Other Systems for Ensuring Effective Implementation of Auditing by the Audit and Supervisory Committee

- Systems

- 1) Audit and Supervisory Committee members may attend important internal meetings and view such information as the minutes of important meetings, decisions, contracts, and other information necessary for auditing by the Audit and Supervisory Committee.
- 2) The President and Audit and Supervisory Committee members meet regularly to exchange opinions.

- Operation Status

Rules and regulations are in place on attendance in meetings of and public display of major decisions by the Board of Directors, the Executive Committee, the Management Meeting, and other important meetings, and systems are in place regarding reporting to the Audit and Supervisory Committee. In addition, Audit and Supervisory Committee members meet with outside officers and the president via Web conferencing for an exchange of opinions on the status of the Company and the Group.

Policy on Determination of Dividends from Surplus

With respect to dividends from retained earnings, the Company considers returning profits to shareholders as one of its priority management issues and makes it a basic policy to determine them, after giving due consideration to stable dividend payment and securing of internal reserves to prepare for future business development, based on the dividend payout ratio of 30% or more. The Company will appropriate the internal reserves for investment in enhancing production capability that will lead to the Company's improved financial performance and reinforced business foundation, strengthening of cost competitiveness, and advancement of research & development for products that meet market needs.

(Note) Figures in the business report are rounded down to the indicated unit for amounts and numbers of shares, and rounded to the nearest whole number for all other figures.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of March 31, 2025)

(Millions of Yen)

Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current Assets	80,122	Current Liabilities	40,520
Cash and Deposits	16,863	Accounts Payable-Trade	17,504
Notes Receivable -Trade	2,437	Contract Liabilities	118
Accounts Receivable-Trade	28,588	Short-Term Borrowings	13,228
Contract Assets	258	Lease Liabilities	171
Merchandise and Finished Goods	21,168	Account Payable - Other	3,299
Work in Process	533	Income Taxes Payable	1,432
Raw Materials and Supplies	4,117	Provision for Mischarging Expenses	1,297
Other	6,172	Provision for Bonuses	942
Allowance for Doubtful Accounts	(17)	Provision for Bonuses for Directors (and other officers)	80
Non-Current Assets	61,409	Other	2,342
Property, Plant and Equipment	51,682	Non-Current Liabilities	6,699
Buildings and Structures	14,857	Long-Term Borrowings	5,000
Machinery, Equipment and Vehicles	9,103	Lease Liabilities	364
Land	4,467	Deferred Tax Liabilities	673
Leased Assets	1,472	Retirement Benefit Liability	661
Construction in Progress	20,060	Total Liabilities	47,219
Other	1,719	(Net Assets)	
Intangible Assets	4,124	Shareholders' Equity	83,800
Software	2,797	Share Capital	9,732
Software in Progress	1,316	Capital Surplus	7,587
Other	10	Retained Earnings	69,685
Investments & Other Assets	5,602	Treasury Shares	(3,203)
Investment Securities	1,198	Accumulated Other Comprehensive Income	10,511
Retirement Benefit Assets	2,551	Valuation Difference on Available- for-Sale Securities	664
Deferred Tax Assets	377	Deferred Gains or Losses on Hedges	(215)
Other	1,475	Foreign Currency Translation Adjustment	8,613
Allowance for Doubtful Accounts	(0)	Remeasurements of Net Defined Benefit Plans	1,450
Total Assets	141,532	Total Net Assets	94,312
		Total Liabilities and Net Assets	141,532

Consolidated Statement of Income

(From April 1, 2024 to March 31, 2025)

(Millions of Yen)

Accounts	Amount	
Net Sales		147,571
Cost of Sales		<u>116,890</u>
Gross Profit		30,681
Selling, General and Administrative Expenses		<u>19,968</u>
Operating Profit		10,712
Non-Operating Income		
Interest Income and Dividends Income	650	
Foreign Exchange Gains	88	
Subsidy Income	76	
Other	<u>72</u>	887
Non-Operating Expenses		
Interest Expenses	286	
Other	<u>207</u>	<u>493</u>
Ordinary Profit		11,106
Extraordinary Income		
Gain on Sale of Investment Securities	62	
Gain on Reversal of Foreign Currency Translation		
Adjustments Resulting from Liquidation of Foreign	60	
Subsidiary		
Insurance Claim Income	51	
Other	<u>0</u>	174
Extraordinary Losses		
Expense Related to Mischarging	1,355	
Impairment Losses	1,297	
Loss on Retirement of Non-Current Assets	205	
Loss on Disaster	<u>98</u>	<u>2,957</u>
Profit before Income Taxes		8,322
Income Taxes - Current	2,641	
Income Taxes – Deferred	<u>(279)</u>	<u>2,361</u>
Profit		5,961
Profit Attributable to Owners of the Parent		5,961

Consolidated Statement of Changes in Equity (From April 1, 2024 to March 31, 2025) (Millions of Yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at Beginning of Period	9,714	7,569	66,384	(2,208)	81,459
Changes during the Period					
Issuance of New Shares Restricted Stock	17	17	—	—	35
Dividend of Surplus	—	—	(2,660)	—	(2,660)
Profit Attributable to Owners of Parent	—	—	5,961	—	5,961
Purchase of Treasury Shares	—	—	—	(995)	(995)
Net Changes in Items Other Than Shareholders' Equity	—	—	—	—	—
Total Changes During the Period	17	17	3,300	(995)	2,341
Balance at End of Period	9,732	7,587	69,685	(3,203)	83,800

	Accumulated Other Comprehensive Income					Total Net Assets
	Valuation Difference on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Foreign Currency Translation Adjustment	Remeasurements of Net Defined Benefit Plans	Total Accumulated Other Comprehensive Income	
Balance at Beginning of Period	869	—	11,209	1,513	13,592	95,051
Changes during the Period						
Issuance of New Shares Restricted Stock	—	—	—	—	—	35
Dividend of Surplus	—	—	—	—	—	(2,660)
Profit Attributable to Owners of Parent	—	—	—	—	—	5,961
Purchase of Treasury Shares	—	—	—	—	—	(995)
Net Changes in Items Other Than Shareholders' Equity	(205)	(215)	(2,595)	(63)	(3,080)	(3,080)
Total Changes During the Period	(205)	(215)	(2,595)	(63)	(3,080)	(739)
Balance at End of Period	664	(215)	8,613	1,450	10,511	94,312

Non-Consolidated Financial Statements

Balance Sheet

(As of March 31, 2025)

(Millions of Yen)

Accounts	Amount
(Assets)	
Current Assets	41,541
Cash and Deposits	765
Accounts Receivable-Trade	20,939
Contract Assets	258
Merchandise and Finished Goods	11,230
Work in Process	179
Raw Materials and Supplies	2,880
Prepaid Expenses	410
Accounts Receivable - Other	1,604
Other	3,279
Allowance for Doubtful Accounts	(5)
Non-Current Assets	55,586
Property, Plant and Equipment	22,328
Buildings	8,101
Structures	2,108
Machinery and Equipment	5,126
Vehicles	14
Tools, Furniture and Fixtures	1,218
Land	3,147
Lease Assets	66
Construction in Progress	2,546
Intangible Fixed Assets	4,110
Software	2,786
Software in Progress	1,316
Other	8
Investments and Other Assets	29,147
Investment Securities	1,193
Shares of Subsidiaries and Affiliates	23,595
Investments in Capital of Subsidiaries and Affiliates	145
Long-Term Loans Receivable	953
Long-Term Prepaid Expenses	147
Prepaid Pension Costs	1,464
Deferred Tax Assets	1,499
Other	149
Allowance for Doubtful Accounts	(0)
Total Assets	97,128

Accounts	Amount
(Liabilities)	
Current Liabilities	28,013
Accounts Payable-Trade	11,851
Contract Liabilities	118
Short-Term Borrowings	10,250
Lease Liabilities	17
Account Payable - Other	2,138
Accrued Expenses	701
Income Taxes Payable	804
Deposits Received	792
Provision for Bonuses	873
Provision for Bonuses for Directors (and other officers)	80
Other	384
Non-Current Liabilities	6,190
Long-Term Borrowings	5,000
Provision for Retirement Benefits	1,133
Lease Liabilities	56
Total Liabilities	34,203
(Net Assets)	
Shareholders' Equity	62,476
Share Capital	9,732
Capital Surplus	7,573
Legal Capital Surplus	7,573
Retained Earnings	48,374
Legal Retained Earnings	773
Other Retained Earnings	47,601
Reserve for Tax Purpose Reduction Entry of Non-Current Assets	25
General Reserve	23,000
Retained Earnings Brought Forward	24,576
Treasury Stock	(3,203)
Valuation and Translation Adjustments	448
Valuation Difference on Available-for-Sale Securities	664
Deferred Gains or Losses on Hedges	(215)
Total Net Assets	62,925
Total Liabilities and Net Assets	97,128

Statement of Income

(From April 1, 2024 to March 31, 2025)

(Millions of Yen)

Accounts	Amount	
Net Sales		78,038
Cost of Sales		56,809
Gross Profit		<u>21,228</u>
Selling, General and Administrative Expenses		<u>14,907</u>
Operating Profit		6,320
Non-Operating Income		
Interest Income	74	
Dividends Income	2,089	
Other	<u>137</u>	2,301
Non-Operating Expenses		
Interest Expenses	148	
Foreign Exchange Losses	346	
Waste Disposal Costs	22	
Other	<u>173</u>	<u>690</u>
Ordinary Profit		7,932
Extraordinary Income		
Gain on Sale of Investment Securities	62	
Insurance Claim Income	<u>48</u>	110
Extraordinary Losses		
Impairment Losses	766	
Loss on Valuation of Shares of Subsidiaries and Affiliates	646	
Loss on Retirement of Non-Current Assets	187	
Loss on Disaster	<u>96</u>	<u>1,696</u>
Profit before Income Taxes		6,346
Income Taxes - Current	1,663	
Income Taxes - Deferred	<u>(125)</u>	<u>1,538</u>
Profit		4,808

Statement of Changes in Equity (From April 1, 2024 to March 31, 2025)

(Millions of Yen)

	Shareholders' Equity						
	Share Capital	Capital Surplus	Retained Earning				
		Legal Capital Surplus	Legal Retained Earnings	Other Retained Earnings			Total Retained Earning
				Reserve for Tax Purpose Reduction Entry of Non-Current Assets	General Reserve	Retained Earnings Brought Forward	
Balance at Beginning of Period	9,714	7,555	773	28	23,000	22,425	46,227
Changes during the Period							
Issuance of New Shares Restricted Stock	17	17	—	—	—	—	—
Dividend of Surplus	—	—	—	—	—	(2,660)	(2,660)
Reversal of Reserve for Tax Purpose Reduction Entry of Non-Current Assets	—	—	—	(2)	—	2	—
Profit	—	—	—	—	—	4,808	4,808
Purchase of Treasury Shares	—	—	—	—	—	—	—
Net Changes of Items Other Than Shareholders' Equity	—	—	—	—	—	—	—
Total Changes During the Period	17	17	—	(2)	—	2,150	2,147
Balance at End of Period	9,732	7,573	773	25	23,000	24,576	48,374

	Shareholders' Equity		Valuation and Translation Adjustments			Total Net Assets
	Treasury Stock	Total Shareholders' Equity	Valuation Difference on Available-for-Sale Securities	Deferred Gains or Losses on Hedges	Total Valuation and Translation Adjustments	
Balance at Beginning of Period	(2,208)	61,288	869	—	869	62,158
Changes during the Period						
Issuance of New Shares (Restricted Stock Compensation)	—	35	—	—	—	35
Dividend of Surplus	—	(2,660)	—	—	—	(2,660)
Reversal of Reserve for Tax Purpose Reduction Entry of Non-Current Assets	—	—	—	—	—	—
Profit	—	4,808	—	—	—	4,808
Purchase of Treasury Shares	(995)	(995)	—	—	—	(995)
Net Changes of Items Other Than Shareholders' Equity	—	—	(205)	(215)	(421)	(421)
Total Changes During the Period	(995)	1,187	(205)	(215)	(421)	766
Balance at End of Period	(3,203)	62,476	664	(215)	448	62,925

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