

This document is an unofficial translation of the Japanese original version of Notice of Convocation of the 113th 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 8, 2026

(Commencement date of measures for
electronic provision: June 4, 2026)

To our shareholders:

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

Sumitomo Seika Chemicals
Company, Limited.

ODA Yoshiaki,
President

Notice of Convocation of the 113th Ordinary General Meeting of Shareholders

We are pleased to advise you that the 113th 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 113th 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 29, 2026 (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 113th fiscal term (April 1, 2025, to March 31, 2026)

(2) Report on the results of the audit of the consolidated financial statements for the 113th fiscal term by the Accounting Auditors and the Audit and Supervisory Committee


Matters to be resolved:

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

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

*Results of resolutions at this general meeting will be posted to the Company website (at the above URL) instead of sending out notices of resolutions.

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 26, 2026




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 26, 2026 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

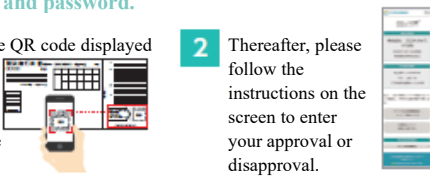
10:00 a.m., Monday, June 29, 2026

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.

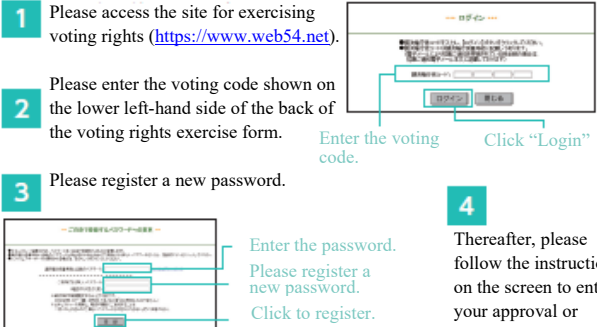
- 1 Please read the QR code displayed in the lower right corner of the voting rights exercise form.
- 2 Thereafter, please follow the instructions on the screen to enter your approval or disapproval.



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

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



Enter the voting code. Click "Login"

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

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.
 Tool-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 Who Are Audit and Supervisory Committee Members)

As the terms of office of all six directors (excluding directors 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.

The Board of Directors has chosen the candidates for directors based on deliberation and reporting by the Nomination & Compensation Committee, a majority of whose members are independent external directors.

Candidates for director are as follows:

Candidate Number	Name		Current Post and Duties in the Company	Board of Directors Attendance (%)
1	ODA Yoshiaki	Reappointed	Representative Director, President & CEO	10 out of 10 times (100%)
2	MACHIDA Kenichiro	Reappointed	Representative Director, Managing Executive Officer, Chief of Administration Sector, General Manager of Corporate Planning and Accounting Office	14 out of 14 times (100%)
3	TOYA Takehiro	Reappointed	Director, Managing Executive Officer, Chief of Business Sector	14 out of 14 times (100%)
4	NAKAMURA Kenji	Reappointed	Director, Executive Officer, Chief of Production Sector, In charge of AK project, General Manager of Planning and Coordination Office (Production)	10 out of 10 times (100%)
5	TAKESHITA Noriaki	Reappointed	Director (Non-Executive Director)	9 out of 10 times (90%)
6	TANAKA Yoshiyuki	Newly appointed	External Independent	—



Number of shares of the
Company owned:

10,100 shares

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		
June 2012	General Manager of Petrochemical & Plastics Laboratory and Resin Development Center of the said company	April 2021	Advisor of the said company Advisor of Sumika Chemical Analysis Service Ltd. (SCAS)
April 2013	Associate Director of the said company, General Manager of Petrochemical & Plastics Laboratory and Resin Development Center	June 2021	Representative Director, President 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	June 2023	Representative Director, CEO of SCAS
		April 2025	Representative Director, CEO of SCAS, In Charge of Legal Dept., Responsible Care Dept., Quality Assurance Dept.
		June 2025	Representative Director, President & CEO of the Company (up to the present)

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, where he oversaw that company's overall management. In 2025, he was appointed the Company's president, and since then he has served on the frontlines of solutions for sustained growth and increasing corporate value. In view of such experiences and achievements, we decided to continuously elect him as a candidate for director.



Number of shares of the
Company owned:

45,850 shares

Career summary, post, duties and significant concurrent post status

April 1985	Joined Sumitomo Chemical Company, Limited.	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
June 2009	General Manager of Internal Control Promotion Dept. of the said company		
April 2010	General Manager of Internal Control/Audit Dept. of the said company		
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		
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	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
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 2025	Representative Director, Managing Executive Officer, Chief of Administration Sector, General Manager of Corporate Planning and Accounting Office and Sustainability Promotion Office
June 2017	Associate Director of the Company, General Manager of Corporate Planning and Accounting Office		
June 2018	Director, Executive Officer of the Company, Chief of Information Systems, General Manager of Corporate Planning and Accounting Office	December 2025	Representative Director, Managing Executive Officer, Chief of Administration Sector, General Manager of Corporate Planning and Accounting Office (up to the present)
June 2020	Director, Executive Officer of the Company, Chief of Corporate Planning and Accounting, Information Systems, General Manager of Corporate Planning and Accounting Office		

Reason for election:

He has extensive experience 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. Furthermore, he has been striving to enhance corporate value through supervising the entire Administration Sector including general affairs/personnel affairs, legal affairs, internal audits, logistics, procurement and sustainability promotion since 2025. In view of such experiences and achievements, we decided to continuously elect him as a candidate for director.



Number of shares of the
Company owned:

35,000 shares

Career summary, post, duties and significant concurrent post status

May 1993	Joined the Company.	June 2016	Executive Officer, General Manager of Super Absorbent Polymers Division
April 2008	General Manager of Super Absorbent Polymers Division	June 2020	Director, Managing Executive Officer, Chief of Super Absorbent Polymers Sector, General Manager of Super Absorbent Polymers Division
February 2010	Managing Director of Sumitomo Seika Asia Pacific Pte. Ltd.	March 2021	Director, Managing Executive Officer, Chief of Super Absorbent Polymers Sector
June 2010	Managing Director of Sumitomo Seika Singapore Pte. Ltd. & Managing Director of Sumitomo Seika Asia Pacific Pte. Ltd.	June 2024	Director, Senior Managing Executive Officer, Chief of Business Sector
May 2015	General Manager of Sales Dept., Super Absorbent Polymers Division	June 2025	Director, Managing Executive Officer, Chief of Business Sector, General Manager of Functional Materials Division
June 2015	Associate Director, General Manager of Super Absorbent Polymers Division and Sales Dept.	April 2026	Director, Managing Executive Officer, Chief of Business Sector (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.



Number of shares of the
Company owned:

11,850 shares

Career summary, post, duties and significant concurrent post status

April 1994	Joined the Company.	May 2025	Executive Officer, Chief of Production Sector, In Charge of AK Project, General Manager of Himeji Works and Planning and Coordination Office (Production)
June 2014	General Manager of Super Absorbent Polymers Manufacturing Dept., Himeji Works and Manager of Super Absorbent Polymers Sec.	June 2025	Director, Executive Officer, Chief of Production Sector, In Charge of AK Project, General Manager of Himeji Works and Planning and Coordination Office (Production)
October 2015	General Manager of Super Absorbent Polymers Manufacturing Dept., Himeji Works	April 2026	Director, Executive Officer, Chief of Production Sector, In charge of AK project, General Manager of Planning and 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		
June 2022	Associate Director, General Manager of Himeji Works		
June 2024	Executive Officer, In Charge of Production Sector, General Manager of Himeji Works and Planning and Coordination Office (Production)		

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 in charge of production technology and manufacturing controls at the Himeji Works, and had served as general manager of the Works since 2022. In 2025, he became a director of the Company. Since then, he has played active roles in refining the Company's production technologies and increasing productivity as the chief of Production Sector. Based on these experiences and achievements, we decided to continuously elect him as a candidate for director.

Candidate
Number

5

TAKESHITA Noriaki (Date of birth: July 23, 1958)

Reappointed

Number of shares of the
Company owned:

0 share

Term of service

—

Career summary, post, duties and significant concurrent post status

April 1982	Joined Sumitomo Chemical Company, Limited.	April 2023	Director, Senior Managing Executive Officer of the said company, Chief of Corporate Planning and IT Innovation
December 2005	Temporarily transferred to Rabigh Refining & Petrochemical Company	June 2023	Senior Managing Executive Officer of the said company, Chief of Corporate Planning and IT Innovation
April 2010	Executive Officer of the said company working for Rabigh Refining & Petrochemical Company	June 2024	Director, 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	April 2025	Director of the said company
June 2017	Representative Director, Managing Executive Officer of the said company, Chief of Rabigh Project and Petrochemicals & Plastics Sector	June 2025	Advisor of the said company
April 2018	Representative Director, Senior Managing Executive Officer of the said company, Chief of Rabigh Project and Petrochemical & Plastics Sector		Director of the Inabata & Co., Ltd. (up to the Present) Director (Non-Executive Director) of the Company (up to the present)

Reason for election:

He has experience in business planning and business development promotion at Sumitomo Chemical Company, Limited. Until 2025, as a member of the company's executive team, he oversaw Rabigh Project, the petrochemicals & plastics sector, the promotion of development of the plastics recycling business, management planning, and IT promotion. Since he became a director of the Company in 2025, he has provided candid, active and constructive opinions and proposals at meetings of the Board of Directors and is expected to strengthen the supervision of the management of the Company. We, therefore, decided to continuously elect him as a candidate for director.

Candidate
Number

6

TANAKA Yoshiyuki (Date of birth: February 26, 1958)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 1982	Joined DuPont Far East Japan Branch (currently DuPont Japan Kabushiki Kaisha(K.K.))	August 2021	Senior Corporate Advisor and Consultant of DSS Sustainable Solutions Japan (up to the present)
March 2001	Director of the said company		
January 2013	Representative Director, President of the said company		
October 2020	Director, Chairman of the Board of the said company		

Reason for election:

In a career of serving in diverse posts over many years with DuPont K.K., he demonstrated outstanding abilities in such areas as organizational reforms, drafting and promoting business strategies from a global perspective, and enhancement of environmental and safety initiatives as that company's president. He also has experience as an external director with Wakunaga Pharmaceutical Co., Ltd. We decided to nominate him as a candidate for external director based on this extensive experience and because he can be expected to contribute to increasing the Company's corporate value over the medium to long term.

(Notes)

1. No material conflict of interest exists between the above candidates and the Company.
2. TANAKA Yoshiyuki is a candidate for an independent officer provided for by the Tokyo Stock Exchange.
3. The Company has concluded a contract with TAKESHITA Noriaki 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 he is elected as the director, the Company intends to continue the said contract for the limitation of liability with him.
4. When TANAKA Yoshiyuki 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.
5. 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.
6. The Company implemented a five-for-one stock split of common stock effective April 1, 2026. Shares of Company stock owned as shown above are after this stock split.

2nd Proposal:

Election of Two Directors (Audit and Supervisory Committee Members)

YAMAGUCHI Kiyoshi, Director (Audit and Supervisory Committee Member), will resign as of the end of this general meeting of shareholders. In addition, YOSHIKE Fujio, Director (Audit and Supervisory Committee Member), resigned in January 2026 for health reasons. Accordingly, we would like to hereby request the appointment of two new Directors (Audit and Supervisory Committee Members).

The Board of Directors has chosen the candidates for Directors (Audit and Supervisory Committee Members) based on deliberation and reporting by the Nomination & Compensation Committee, a majority of whose members are independent external directors. 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	YAMATO Kazushi Newly appointed	Secretary-General of the Audit and Supervisory Committee	—	—
2	YOSHIMOTO Akiko Newly appointed External Independent	External Director	14 out of 14 times (100%)	—

Candidate Number	1	YAMATO Kazushi	(Date of birth: November 5, 1965)	Newly appointed
		Career summary, post, duties and significant concurrent post status		
		<p>April 1989 Joined Sumitomo Chemical Co., Ltd.</p> <p>April 2013 General Manager of Business Planning Department, Pharmaceuticals Chemicals Division of the said company</p> <p>April 2021 Chairman of the Board and CEO of Sumitomo Chemical Shanghai Co., Ltd.</p> <p>June 2025 Secretary-General of the Audit and Supervisory Committee of the Company (up to the present)</p>		
	Number of shares of the Company owned	Reason for election:		
	0 share	<p>After serving in a wide range of fields including business planning, sales, and personnel management with Sumitomo Chemical Company, Limited, he worked in management and administration of an overseas group company following his appointment in 2021 as chairman of the board and CEO of Sumitomo Chemical Shanghai Co., Ltd. Since 2025, he has been involved in the operations of the Company's Audit and Supervisory Committee as the Secretary-General of the Audit and Supervisory Committee. Through this experience, he has an understanding of domestic and international group business operations. In view of such experiences and achievements, he is 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).</p>		



Number of shares of the
Company owned

0 shaer

Term of service

2 years as External Director

Career summary, post, duties and significant concurrent post status

April 1985	Joined Ministry of Labour (currently Ministry of Health, Labour and Welfare)	July 2019	Director-General of Secretariat, Central Labour Relations Commission, the said ministry
July 2013	Deputy Governor of Aichi Prefecture		
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
		February 2022	Senior Advisor of Boston Consulting Group (up to the present)
		June 2022	External Director of TOENEC CORPORATION (up to the present)
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	June 2023	External Auditor of TAKARA HOLDINGS INC. (up to the present)
		June 2024	External Director of the Company (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		
July 2018	Director-General for Human Resources Development, the said ministry		

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 opinions and proposals at meetings of the Board of Directors. Since she is expected to strengthen the supervision of the Company's management from a fair and neutral standpoint, we decided to 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 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 YOSHIMOTO Akiko as an independent officer provided for by the Tokyo Stock Exchange and submitted the notification to the said stock exchange.
3. The Company has concluded a contract with YOSHIMOTO Akiko that limits her 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 (Audit and Supervisory Committee Member), the Company intends to continue the said contract for the limitation of liability with her.
4. 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.
5. 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.

<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 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	●					●		●	
TANAKA Yoshiyuki	Independent External	●	●		●	●			●	●
YAMATO Kazushi (Audit and Supervisory Committee Member)	Full-time Audit	●				●		●		
KISHIGAMI Keiko (Audit and Supervisory Committee Member)	Independent External					●	●			●
MIYAMOTO Keiko (Audit and Supervisory Committee Member)	Independent External					●				
YOSHIMOTO Akiko (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, 2025 to March 31, 2026)

Group Overview of Operation

(1) Business Progress and Results

During the current fiscal term, the global economy was affected by disruptions in worldwide trade and supply chains stemming from significant tariff increases imposed by the United States. Furthermore, since March 2026, geopolitical tensions have rapidly been mounting due to armed conflicts in Middle Eastern countries, most notably Iran, and the blockade of the Strait of Hormuz, which had been triggered by military actions initiated by the United States and Israel. These developments have caused instability in resource supplies, driving up the prices of petroleum-related products.

The consolidated financial results of Sumitomo Seika Chemicals Company, Limited (“the Company”) for the current fiscal term were as follows:

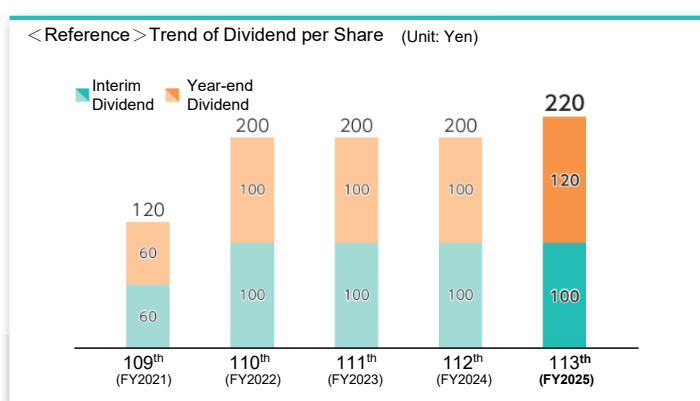
Net sales posted 148,354 million yen, a 0.5% increase compared with the previous fiscal term;

Operating profit was 14,464 million yen, a 35.0% increase from the previous fiscal term;

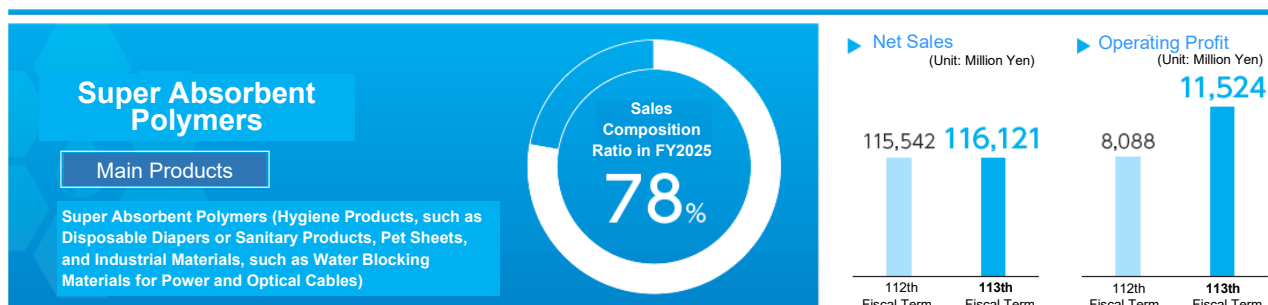
Ordinary profit recorded 15,249 million yen, 37.3% higher than the previous fiscal term;

Profit attributable to owners of the parent was 7,677 million yen, which was 28.8% higher than the previous term, with extraordinary losses recorded for an expenditure related to product mischarging and impairment losses on certain products of Functional Materials business. Basic earnings per share were 117.48 yen and return on equity (ROE) was 7.8%.

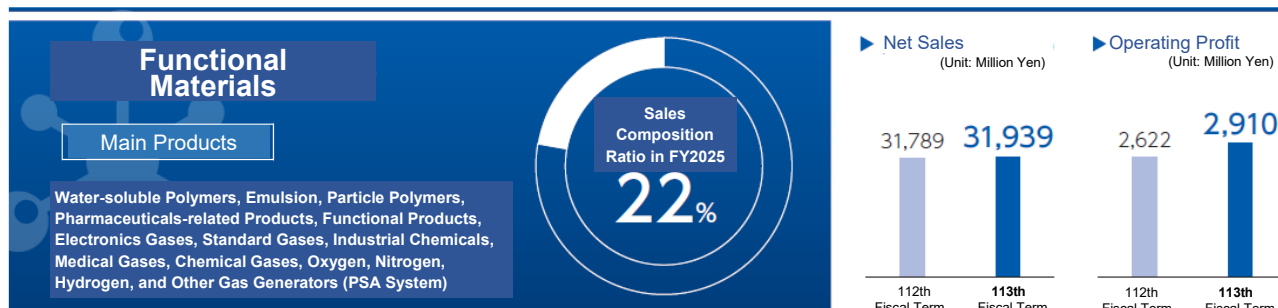
As stated in the “Policy on Determination of Dividends from Surplus” below, the Company considers returning profits to shareholders as one of its priority management issues and makes it a basic policy to determine dividends based on the dividend payout ratio of 30% or more taking into consideration to 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 120 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 220 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:



In this business, net sales increased by 0.5% from the previous fiscal term to 116,121 million yen, and operating profit grew by 42.5% to 11,524 million yen. While sales volume increased in the Chinese market, net sales remained on a par with the previous fiscal term owing mainly to the decrease in market prices of raw materials and fuels reflected in the sale prices. Operating profit increased due mainly to lower prices of raw materials and fuels used despite increased fixed costs.



In this business, net sales increased by 0.5% from the previous fiscal term to 31,939 million yen, and operating profit rose by 11.0% to 2,910 million yen. Although the termination of the Company’s IR Latex business in the previous fiscal term affected unfavorably, net sales remained on a par with the previous fiscal term and operating profit increased due mainly to a rise in sales volumes of Water-Soluble Polymers and PSA oxygen generators.

In addition to the above businesses, the Sumitomo Seika Group (“the Group”) is engaged in contract manufacturing service and other businesses. In these businesses, net sales increased by 22.8% from the previous fiscal term to 293 million yen with operating profit of 29 million yen.

(2) Capital Expenditure

The total amount of the capital expenditure for the current fiscal term was 12,210 million yen, mainly for the enhancement and improvement of production facilities.

(3) Financing

During the current fiscal term, the Company raised 9.5 billion yen in long-term debt from financial institutions to fund the Group’s capital expenditures.

(4) Issues to Be Addressed

Since March 2026, military conflicts in the Middle East and heightened navigation risks in major maritime routes, including the Strait of Hormuz, have destabilized the supply of energy resources and raw materials, resulting in significant price increases. The Group will implement all feasible countermeasures, including diversifying procurement sources and passing on the increase in raw material costs.

Meanwhile, as part of our medium-term business plan for FY2023 to FY2025, the Group has been implementing 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 constructed new manufacturing facility to realize further increases in sales. 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.

In the Functional Materials business, we are working to revise our business portfolio including withdrawal from unprofitable businesses and expand sales of water-soluble polymers. At the same time, we will strive to improve profitability across our product lines through measures such as adjusting 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. To advance the industrialization of this technology, we are constructing a pilot plant in Himeji Works.

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 area to accelerate development of these new technologies and new products. Construction is planned for completion in June 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.

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.

Based on the above initiatives, formulation of the next Medium-Term Business Plan is now underway. We plan to announce the new plan in autumn 2026.

Last year, a case was uncovered in which product proceeds were overbilled after suppliers of raw materials for products sold to customers were changed without authorization. Recognizing quality assurance for products delivered to customers to be a subject of utmost importance, we have responded to this situation by instituting more thorough compliance through the enhancement of education and double-checking of quality and transactions, implementing effective oversight and auditing through restructuring checking functions and checks and balances between organizations, and focusing on the realization of the management of group companies based on the perspectives of customers and quality. As we strive for improvements through this series of responses to the above issue, we will ensure their firm establishment by incorporating them into everyday operations in quality control and quality assurance, so that they will be more than just temporary corrective measures. Aiming to carry out more appropriate business operations, we also will consider revisions to compliance matters related to compensation and salary to further raise awareness of compliance among officers and employees.

(5) Transitions of Assets and Profits and Losses

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

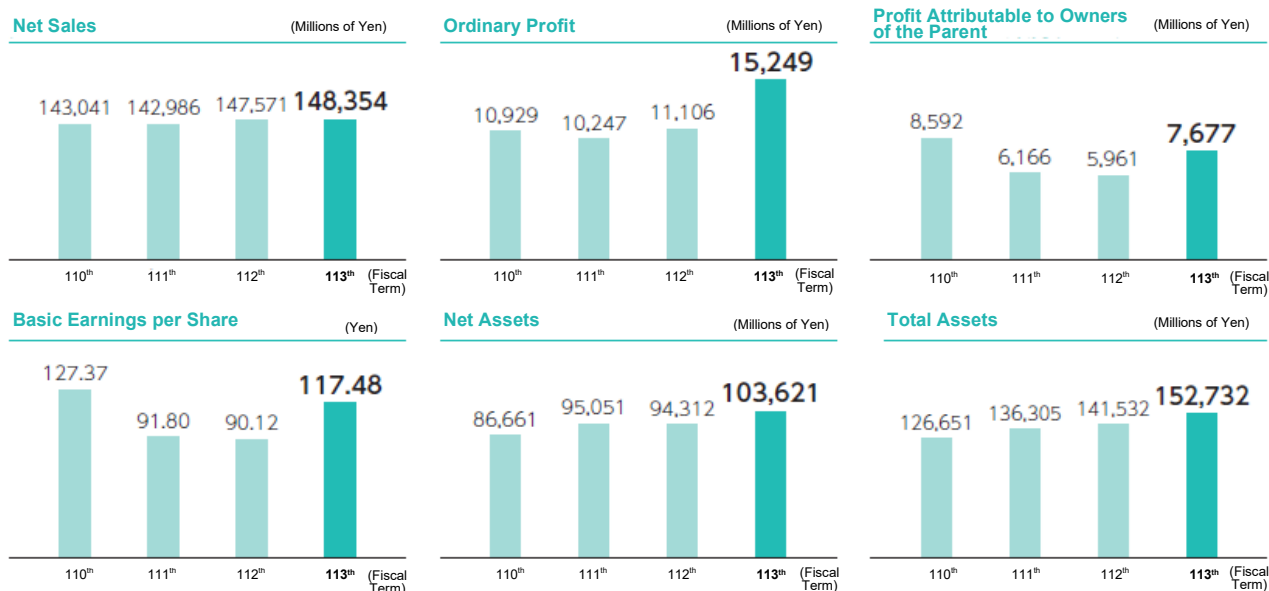
Category	Current Fiscal Term			
	110th Fiscal Term (FY2022)	111th Fiscal Term (FY2023)	112th Fiscal Term (FY2024)	113th Fiscal Term (FY2025)
Net Sales (Millions of Yen)	143,041	142,986	147,571	148,354
Ordinary Profit (Millions of Yen)	10,929	10,247	11,106	15,249
Profit Attributable to Owners of the Parent (Millions of Yen)	8,592	6,166	5,961	7,677
Basic Earnings per Share	127.37 yen	91.80 yen	90.12 yen	117.48 yen
Net Assets (Millions of Yen)	86,661	95,051	94,312	103,621
Total Assets (Millions of Yen)	126,651	136,305	141,532	152,732

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

2. In the 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.

3. In the 113th fiscal term, an expense related to mischarging of 3,208 million yen was recorded as an extraordinary loss. In addition, an impairment loss of 1,241 million yen on fixed assets was recorded as an extraordinary loss.

4. The Company implemented a five-for-one stock split of common stock effective April 1, 2026. Accordingly, basic earnings per share is calculated assuming that this stock split had taken place at the start of the 110th fiscal term.



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

Category	Current Fiscal Term			
	110th Fiscal Term (FY2022)	111th Fiscal Term (FY2023)	112th Fiscal Term (FY2024)	113th Fiscal Term (FY2025)
Net Sales (Millions of Yen)	78,643	79,075	78,038	79,969
Ordinary Profit (Millions of Yen)	6,760	7,277	7,932	15,086
Profit (Millions of Yen)	5,544	4,825	4,808	8,916
Basic Earnings per Share	82.18 yen	71.84 yen	72.69 yen	136.45 yen
Net Assets (Millions of Yen)	60,614	62,158	62,925	68,180
Total Assets (Millions of Yen)	85,984	91,848	97,128	108,624

(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.
4. In the 113th fiscal term, an expense related to mischarging of 3,208 million yen was recorded as an extraordinary loss. In addition, an impairment loss of 1,241 million yen on fixed assets was recorded as an extraordinary loss.
5. The Company implemented a five-for-one stock split of common stock effective April 1, 2026. Accordingly, basic earnings per share is calculated assuming that this stock split had taken place at the start of the 110th fiscal term.

(6) Principal Businesses (As of March 31, 2026)

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)

(7) Principal Offices and Works, etc. (As of March 31, 2026)

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	Singapore Sumitomo Seika Singapore Pte. Ltd
	Belgium Sumitomo Seika Europe S.A./N.V.
	Korea Sumitomo Seika Polymers Korea Co., Ltd.
	Korea Sumisei Chemical Co., Ltd.
	China Sumisei Technology (Yangzhou) Co., Ltd.
	China Sumitomo Seika (China) Co., Ltd.
	Taiwan Sumisei Taiwan Technology Co., Ltd.

(8) Employees (As of March 31, 2026)

1) Employees of the Corporate Group

Number of Employees	Year-on-year Variance
1,438	An increase of 25

(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	Number of Employees
1,038	A decrease of 2	38.5 years old	15.6 years

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

(9) Principal Lenders (As of March 31, 2026)

Name of Lender	Borrowed Amount (Balance)
	(Millions of Yen)
Sumitomo Mitsui Banking Corporation	1,210
The Norinchukin Bank	1,150
Sumitomo Mitsui Trust Bank, Limited	650

(Note) In addition to the above, there is a syndicated loan of 12,400 million yen led by Sumitomo Mitsui Banking Corporation.

(10) Significant Subsidiaries (As of March 31, 2026)

Company Name	Capital	Ratio of voting rights of the Company	Principal Businesses
		%	
Sumitomo Seika Singapore Pte. Ltd	34,410 thousand Singapore dollars 100,000 thousand US dollars	100.00	Manufacturing and sales of Super Absorbent Polymers
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
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

(Note) Sumitomo Seika Singapore Pte. Ltd. increased its capital by 65,000 thousand US dollars in the current fiscal term.

Matters Related to the Company's Officers (As of March 31, 2026)

(1) Names and Details of Directors

Position	Name	Duties and Significant Concurrent Post Status
Representative Director, President (Concurrently serving as Chief Executive Officer)	ODA Yoshiaki	
Representative Director (Concurrently serving as Managing Executive Officer)	MACHIDA Kenichiro	Chief of Administration Sector, General Manager of Corporate Planning and Accounting Office
Director (Concurrently serving as Managing Executive Officer)	TOYA Takehiro	Chief of Business Sector, General Manager of Functional Materials Division
Director (Concurrently serving as Executive Officer)	NAKAMURA Kenji	Chief of Production Sector, In Charge of AK Project, General Manager of Himeji Works and Planning and Coordination Office (Production)
Director (Non-Executive Director)	TAKESHITA Noriaki	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)	YAMAGUCHI Kiyoshi	
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)	MIYAMOTO Keiko	Executive Partner Attorney of Daiichi Legal Professional Corporation External Director (Audit and Supervisory Committee Member) of SRS HOLDINGS CO., LTD.

- (Notes) 1. Director ODA Yoshiaki, NAKAMURA Kenji and TAKESHITA Noriaki were newly elected and appointed as Director at the 112th Ordinary General Meeting of Shareholders held on June 23, 2025.
2. YAMAGUCHI Kiyoshi and MIYAMOTO Keiko were newly elected and appointed as Director (Audit and Supervisory Committee Member) at the 112th Ordinary General Meeting of Shareholders held on June 23, 2025.
3. Director YOSHIMOTO Akiko, KISHIGAMI Keiko, and MIYAMOTO Keiko are External Directors as prescribed in Article 2, item (xv) of the Companies Act.
4. Director (Audit and Supervisory Committee Member) KISHIGAMI Keiko has considerable knowledge of finance and accounting, as she is qualified as Certified Public Accountant.
5. 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.
6. Director YOSHIMOTO Akiko, KISHIGAMI Keiko, and MIYAMOTO Keiko are independent officers pursuant to the rules and regulations of the Tokyo Stock Exchange.
7. The Change in Directors' responsibility at the Company during the current fiscal term was as follows:

Position	Name	Responsibility at the Company	Date of Change
Representative Director (Concurrently serving as Managing Executive Officer)	MACHIDA Kenichiro	Relieved of his concurrent appointment as General Manager of the Sustainability Promotion Office, while continuing to serve as Chief of Administration Sector and General Manager of the Corporate Planning and Accounting Office	December 1, 2025

8. Effective April 1, 2026, the responsibilities of directors have been changed as follows:

Position	Name	Responsibility at the Company
Director (Concurrently serving as Managing Executive Officer)	TOYA Takehiro	Chief of Business Sector
Director (Concurrently serving as Executive Officer)	NAKAMURA Kenji	Chief of Production Sector, In Charge of AK Project, General Manager of Planning and Coordination Office (Production)

9. 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
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 (Non-Executive Director)	SHIGEMORI Takashi	Advisor of Sumitomo Chemical Company, Limited
Director (Full-time Audit and Supervisory Committee Member)	MICHIBATA Mamoru	
Director (Audit and Supervisory Committee Member)	KAWASAKI Masashi	Lawyer of Kawasaki Law Office

* All those mentioned above retired at the end of their terms on June 23, 2025.

Position at the time of Retirement	Name	Duties and Significant Concurrent Post Status at the Time of Retirement
Director (Audit and Supervisory Committee Member)	YOSHIKE Fujio	Representative Director of Yoshiike Office Corporation Director of Shibaura Institute of Technology

* Director YOSHIKE Fujio resigned on January 30, 2026.

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

(As of March 31, 2026)

Position	Name	Duties
Managing Executive Officer	KURIMOTO Isao	Chief of Technology Sector (Technical Affairs, Intellectual Property) and Research & Development Sector, General Manager of Technical Office
Executive Officer	UEMURA Kazuhisa	Chief of Technology Sector (Engineering and RC) and the Creation of a Circular Carbon Economy, General Manager of Engineering Office
Executive Officer	MAEDA Nobuhiro	In charge of Technology Sector (Technical Affairs) Representative Director, President of Seika Techno Services Co., Ltd. Representative Director, President of Seika Research Co., Ltd.
Executive Officer	KIN Bunchin	Chairman of the Board and CEO of Sumitomo Seika (China) Co., Ltd. Chairman of the Board and CEO of Sumisei Polymers Technology (Shanghai) Co., Ltd. Chairman of the Board and CEO of Sumisei International Trading (Shanghai) Co., Ltd.
Executive Officer	YAMAMOTO Takashi	In charge of Administration Sector (General Affairs and Personnel), General Manager of General Affairs and Personnel Office

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

The Company has concluded liability limitation contracts with Non-Executive Director, TAKESHITA Noriaki 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.

The Company had also concluded a similar contract with YOSHIIKE Fujio, who resigned as an External Director (Audit and Supervisory Committee Member) on January 30, 2026.

(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 Who Are Audit and Supervisory Committee Members)	In-house Director & Non-Executive Director	8 persons	157	107	33	16
	External Director	1 person	8	8	–	–
	Subtotal	9 persons	165	115	33	16
Directors (Audit and Supervisory Committee Members)	In-house Director	2 persons	21	21	–	–
	External Director	4 persons	23	23	–	–
	Subtotal	6 persons	45	45	–	–
Total		15 persons	211	161	33	16

- (Notes) 1. "Number of Eligible Persons" and "Total Amount" above include the following breakdown:
- 2 In-house Directors (excluding Directors who are Audit and Supervisory Committee Members)
 - 1 Non-Executive Director (excluding Director who is Audit and Supervisory Committee Member)
 - 1 In-house Director (Audit and Supervisory Committee Member)
 - 2 External Directors (Audit and Supervisory Committee Members)
- (Retired at the conclusion of the 112th Annual General Meeting on June 23, 2025, except one External Director (Audit and Supervisory Committee Member) who resigned on January 30, 2026)
2. The amount of performance-linked compensation (bonuses) includes 33 million yen (33 million yen for Directors), excluding 21 million yen for executive officers (excluding those concurrently serving as Directors), out of 55 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.
4. To clarify the management responsibility for the case of overbilling of customers for product proceeds at a group company in the fiscal term ended March 2025, compensation of four directors was reduced by 30% to 50% in the two months of May and June 2025.

(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).

Base Compensation (Fixed Compensation)	Performance-linked Compensation (Bonuses)	Performance-linked Compensation (Stock-based Compensation)
63~67%	19~27%	10~14%

※The share price per share was calculated at 1,182 yen, which was the closing price on the Tokyo Stock Exchange as of March 31, 2026.

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, these fluctuate depending on the consolidated performance for the relevant fiscal year, and are paid as a pecuniary amount at a fixed time (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.

In the fiscal year under review, the Company recorded 3,208 million yen of compensation for damage as an extraordinary loss associated with the case of overbilling of customers for product proceeds at a group company in the term ended March 2025. The corresponding amount has been deducted from the performance indicator. As a result, the effective value of the performance indicator for the current fiscal year under review was 11,460 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 ratio given in 1)b) (iii) above, 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.

- (iv) Monetary compensation linked to such considerations as the price of a share of Company common stock (phantom stock), under similar applicable conditions, is awarded to nonresidents of Japan to whom it is difficult to award transfer-restricted stock.

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, including the phantom stock grants, shall be not more than 360 million yen (including 20 million yen for external directors). The number of directors 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 (excluding those who are members of the Audit and Supervisory Committee, the external directors and the non-executive directors) shall be set to not more than 90 million yen per annum. The number of directors to which this resolution relates is five.

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.

*As one external director resigned on January 30, 2026, the total number of members is now three.

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 ODA Yoshiaki, 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 the Board of Directors has 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, 2026)

(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) Names and 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), KISHIGAMI Keiko, YOSHIKE Fujio and MIYAMOTO Keiko, 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 during the current fiscal term (attending 14 of 14 board meetings) and contributing to 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)	KISHIGAMI Keiko	<p>In addition to attending meetings of the Board of Directors and the Audit and Supervisory Committee meeting held during the current fiscal term (attending 14 of 14 board meetings, 14 of 14 Audit and Supervisory Committee meetings) and contributing to 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

Category of Officer	Name	Major Activities of External Directors and Summary of the Duties Performed with Respect to the Role Expected of External Directors
<p>Director (Audit and Supervisory Committee Member)</p>	<p>YOSHIIKE Fujo</p>	<p>In addition to attending meetings of the Board of Directors and the Audit and Supervisory Committee meeting held before his resignation on January 30, 2026 (attending nine of 11 board meetings, nine of 11 Audit and Supervisory Committee meetings) and contributing to 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
<p>Director (Audit and Supervisory Committee Member)</p>	<p>MIYAMOTO Keiko</p>	<p>In addition to attending meetings of the Board of Directors and the Audit and Supervisory Committee meeting held after assuming office as Director (attending 10 of 10 board meetings, 10 of 10 Audit and Supervisory Committee meetings) and contributing to 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

Matters Related to Corporate Shares (As of March 31, 2026)

(1) Total Number of Authorized Shares:	40,000,000 shares
(2) Total Number of Outstanding Shares:	13,991,796 shares
(3) Number of Shareholders:	51,612 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	32.43
The Master Trust Bank of Japan, Ltd. (Trust Account)	970	7.50
THE CHASE MANHATTAN BANK, N.A. LONDONSECS LENDING OMNIBUS ACCOUNT	326	2.52
Japan Custody Bank, Ltd. (Trust Account)	317	2.46
Sumitomo Life Insurance Company	310	2.40
Sumitomo Mitsui Banking Corporation	215	1.67
Taki Chemical Co., Ltd.	206	1.60
RE FUND 107-CLIENT AC	198	1.53
Sumitomo Seika Chemicals Employee Stockholding Association	187	1.45
JP MORGAN CHASE BANK 385642	149	1.15

(Note) In addition to the above, the Company owns treasury stock (1,055,039 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)	3,450 shares	4 persons
Executive Officers who do not Concurrently Serve as Directors(Excluding non-residents)	1,126 shares	4 persons

(6) Other Important Matters Related to Corporate Shares

The Company implemented a five-for-one stock split of common stock effective April 1, 2026, pursuant to a resolution adopted at a meeting of the Board of Directors held on February 9, 2026. The total number of authorized shares, total number of outstanding shares, number of shares owned by major shareholders, and number of shares granted to officers as consideration for performance of duties above show numbers of shares prior to this stock split.

Matters Related to Accounting Auditor

(1) Name

KPMG AZSA LLC

(2) Amount of Remuneration, etc.

Contents	Amount Paid
Amount of audit remuneration, etc.	58 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	58 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 term, 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.

(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) A Basic Risk Management Policy was formulated to ascertain potential crises before they arise and to raise awareness of preparedness for responding appropriately to any crises that do occur.
- 2) The Company established the Risk and Emergency Management Rules under this policy. 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 Company, mainly through its overseas group companies, further strengthened IT infrastructure, security measures, and backup systems.

(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 who are 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 external directors and the president 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, 2026)

		(Millions of Yen)	
Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current Assets	82,362	Current Liabilities	32,807
Cash and Deposits	18,217	Accounts Payable-Trade	16,308
Notes Receivable -Trade	2,756	Contract Liabilities	150
Accounts Receivable-Trade	29,607	Short-Term Borrowings	2,978
Contract Assets	634	Lease Liabilities	209
Merchandise and Finished Goods	20,702	Account Payable	6,538
Work in Process	588	Income Taxes Payable	2,860
Raw Materials and Supplies	3,900	Provision for Bonuses	1,069
Other	5,974	Provision for Bonuses for Directors (and Other Officers)	55
Allowance for Doubtful Accounts	(19)	Other	2,635
Non-Current Assets	70,370	Non-Current Liabilities	16,304
Property, Plant and Equipment	58,655	Long-Term Borrowings	14,500
Buildings and Structures	14,513	Lease Liabilities	246
Machinery, Equipment and Vehicles	7,943	Deferred Tax Liabilities	828
Land	4,507	Retirement Benefit Liability	728
Leased Assets	1,795	Total Liabilities	49,111
Construction in Progress	28,357	(Net Assets)	
Other	1,536	Shareholders' Equity	87,876
Intangible Assets	4,200	Share Capital	9,742
Software	2,135	Capital Surplus	7,596
Software in Progress	2,055	Retained Earnings	74,740
Other	10	Treasury Shares	(4,203)
Investments and Other Assets	7,513	Total Accumulated Other Comprehensive Income	15,744
Investment Securities	626	Valuation Difference on Available-for-Sale Securities	388
Retirement Benefit Assets	5,080	Foreign Currency Translation Adjustment	12,303
Deferred Tax Assets	399	Remeasurements of Defined Benefit Plans	3,052
Other	1,406	Total Net Assets	103,621
Allowance for Doubtful Accounts	(0)	Total Liabilities and Net Assets	152,732
Total Assets	152,732		

Consolidated Statement of Income (From April 1, 2025 to March 31, 2026)

(Millions of Yen)

Accounts	Amount	
Net Sales		148,354
Cost of Sales		<u>112,919</u>
Gross Profit		35,435
Selling, General and Administrative Expenses		<u>20,970</u>
Operating Profit		14,464
Non-Operating Income		
Interest Income and Dividends Income	485	
Foreign Exchange Gains	529	
Subsidy Income	142	
Other	<u>55</u>	1,213
Non-Operating Expenses		
Interest Expenses	280	
Commission for Syndicated Loans	44	
Other	<u>103</u>	<u>428</u>
Ordinary Profit		15,249
Extraordinary Income		
Gain on Sale of Investment Securities	831	
National Subsidies	185	
Insurance Claim Income	96	
Other	<u>1</u>	1,115
Extraordinary Losses		
Expense Related to Mischarging	3,208	
Impairment Losses	1,241	
Loss on Tax Purpose Reduction Entry of Non-Current Assets	171	
Loss on Retirement of Non-Current Assets	<u>64</u>	<u>4,686</u>
Profit before Income Taxes		11,677
Income Taxes - Current	4,651	
Income Taxes – Deferred	<u>(650)</u>	<u>4,000</u>
Profit		7,677
Profit Attributable to Owners of the Parent		7,677

Consolidated Statement of Changes in Equity (From April 1, 2025 to March 31, 2026)

(Millions of Yen)

	Shareholders' Equity				
	Share Capital	Capital Surplus	Retained Earnings	Treasury Shares	Total Shareholders' Equity
Balance at Beginning of Period	9,732	7,587	69,685	(3,203)	83,800
Changes During Period					
Issuance of New Shares (Restricted Stock Compensation)	9	9	—	—	19
Dividend of Surplus	—	—	(2,621)	—	(2,621)
Profit Attributable to Owners of Parent	—	—	7,677	—	7,677
Purchase of Treasury Shares	—	—	—	(999)	(999)
Net Changes in Items Other Than Shareholders' Equity	—	—	—	—	—
Total Changes During Period	9	9	5,055	(999)	4,075
Balance at End of Period	9,742	7,596	74,740	(4,203)	87,876

	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 Defined Benefit Plans	Total Accumulated Other Comprehensive Income	
Balance at Beginning of Period	664	(215)	8,613	1,450	10,511	94,312
Changes During Period						
Issuance of New Shares (Restricted Stock Compensation)	—	—	—	—	—	19
Dividend of Surplus	—	—	—	—	—	(2,621)
Profit Attributable to Owners of Parent	—	—	—	—	—	7,677
Purchase of Treasury Shares	—	—	—	—	—	(999)
Net Changes in Items Other Than Shareholders' Equity	(275)	215	3,690	1,601	5,233	5,233
Total Changes During Period	(275)	215	3,690	1,601	5,233	9,308
Balance at End of Period	388	—	12,303	3,052	15,744	103,621

Non-Consolidated Financial Statements

Balance Sheet (As of March 31, 2026)

		(Millions of Yen)	
Accounts	Amount	Accounts	Amount
(Assets)		(Liabilities)	
Current Assets	42,846	Current Liabilities	28,830
Cash and Deposits	2,449	Accounts Payable-Trade	10,241
Accounts Receivable-Trade	22,125	Contract Liabilities	150
Contract Assets	634	Short-Term Borrowings	5,097
Merchandise and Finished Goods	10,675	Lease Liabilities	20
Work in Process	195	Account Payable	4,787
Raw Materials and Supplies	2,459	Accrued Expenses	656
Prepaid Expenses	463	Income Taxes Payable	1,856
Accounts Receivable - Other	1,205	Deposits Received	843
Other	2,644	Provision for Bonuses	989
Allowance for Doubtful Accounts	(5)	Provision for Bonuses for Directors (and Other Officers)	55
		Other	131
Non-Current Assets	65,778	Non-Current Liabilities	15,614
Property, Plant and Equipment	22,606	Long-Term Borrowings	14,500
Buildings	7,914	Provision for Retirement Benefits	1,066
Structures	2,005	Lease Liabilities	47
Machinery and Equipment	4,884	Total Liabilities	40,444
Vehicles	14	(Net Assets)	
Tools, Furniture and Fixtures	1,133	Shareholders' Equity	67,791
Land	3,147	Share Capital	9,742
Lease Assets	61	Capital Surplus	7,582
Construction in Progress	3,444	Legal Capital Surplus	7,582
Intangible Fixed Assets	4,169	Retained Earnings	54,669
Software	2,105	Legal Retained Earnings	773
Software in Progress	2,055	Other Retained Earnings	53,896
Other	8	Reserve for Tax Purpose Reduction Entry of Non-Current Assets	23
Investments and Other Assets	39,001	General Reserve	23,000
Investment Securities	621	Retained Earnings Brought Forward	30,873
Shares of Subsidiaries and Affiliates	33,579	Treasury Stock	(4,203)
Investments in Capital of Subsidiaries and Affiliates	145	Valuation and Translation Adjustments	388
Long-Term Loans Receivable	934	Valuation Difference on Available-for-Sale Securities	388
Long-Term Prepaid Expenses	117		
Prepaid Pension Costs	1,563	Total Net Assets	68,180
Deferred Tax Assets	1,890	Total Liabilities and Net Assets	108,624
Other	149		
Allowance for Doubtful Accounts	(0)		
Total Assets	108,624		

Statement of Income (From April 1, 2025 to March 31, 2026)

(Millions of Yen)

Accounts	Amount	
Net Sales		79,969
Cost of Sales		56,414
Gross Profit		<u>23,555</u>
Selling, General and Administrative Expenses		<u>15,829</u>
Operating Profit		7,725
Non-Operating Income		
Interest Income	10	
Dividends Income	7,430	
Foreign Exchange Gains	234	
Other	<u>51</u>	7,727
Non-Operating Expenses		
Interest Expenses	237	
Commission for Syndicated Loans	44	
Other	<u>84</u>	<u>366</u>
Ordinary Profit		15,086
Extraordinary Income		
Gain on Sale of Investment Securities	831	
National Subsidies	185	
Insurance Claim Income	<u>96</u>	1,113
Extraordinary Losses		
Expense Related to Mischarging	3,208	
Impairment Losses	1,241	
Loss on Tax Purpose Reduction Entry of Non-Current Assets	171	
Loss on Retirement of Non-Current Assets	<u>62</u>	<u>4,685</u>
Profit before Income Taxes		11,514
Income Taxes - Current	3,005	
Income Taxes - Deferred	<u>(407)</u>	<u>2,598</u>
Profit		8,916

Statement of Changes in Equity (From April 1, 2025 to March 31, 2026)

(Millions of Yen)

	Shareholders' Equity						
	Share Capital	Capital Surplus		Retained Earning			Total Retained Earning
		Legal Capital Surplus	Legal Retained Earnings	Other Retained Earnings			
				Reserve for Tax Purpose Reduction Entry of Non-Current Assets	General Reserve	Retained Earnings Brought Forward	
Balance at Beginning of Period	9,732	7,573	773	25	23,000	24,576	48,374
Changes During Period							
Issuance of New Shares (Restricted Stock Compensation)	9	9	—	—	—	—	—
Dividend of Surplus	—	—	—	—	—	(2,621)	(2,621)
Reversal of Reserve for Tax Purpose Reduction Entry of Non-Current Assets	—	—	—	(2)	—	2	—
Profit	—	—	—	—	—	8,916	8,916
Purchase of Treasury Shares	—	—	—	—	—	—	—
Net Changes of Items Other Than Shareholders' Equity	—	—	—	—	—	—	—
Total Changes During Period	9	9	—	(2)	—	6,297	6,295
Balance at End of Period	9,742	7,582	773	23	23,000	30,873	54,669

	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	(3,203)	62,476	664	(215)	448	62,925
Changes During Period						
Issuance of New Shares (Restricted Stock Compensation)	—	19	—	—	—	19
Dividend of Surplus	—	(2,621)	—	—	—	(2,621)
Reversal of Reserve for Tax Purpose Reduction Entry of Non-Current Assets	—	—	—	—	—	—
Profit	—	8,916	—	—	—	8,916
Purchase of Treasury Shares	(999)	(999)	—	—	—	(999)
Net Changes of Items Other Than Shareholders' Equity	—	—	(275)	215	(59)	(59)
Total Changes During Period	(999)	5,315	(275)	215	(59)	5,255
Balance at End of Period	(4,203)	67,791	388	—	388	68,180

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