

# Flow of Value Creation

Sumitomo Chemical began its business journey with the production of fertilizers to prevent smoke pollution from copper smelting. From there, the company has grown its business over the past 100 years in line with the Sumitomo spirit and other corporate philosophy. As we evolved from a fertilizer company to a chemical company and then to a diversified chemical company we established our core strengths, or core competencies. By making maximum use of this business format of diversified chemical company and core competence as management resources, and by working on the material issues to be addressed as management priorities and Corporate Business Plan, we will solve various social issues and enhance our corporate value. We will also accumulate the new economic and social value created through these efforts as our management resources, aiming for sustainable growth.

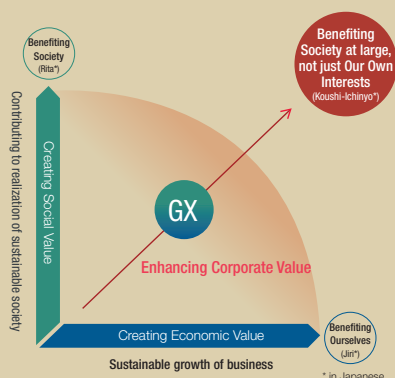
## What are the management resources we have cultivated over the years?

The management resources we have cultivated over our long history are the business category of diversified chemistry, which was created by one technology calling for new technologies and products, and our core competence, which supports this category and is the core of our strength.

### Our roots

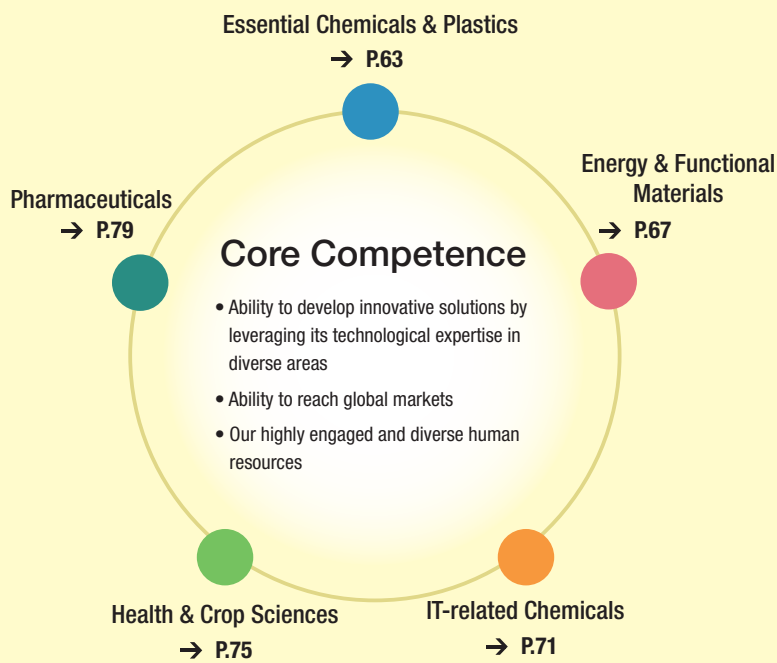
We have grown our business for more than 100 years in line with the Sumitomo Spirit and other corporate philosophy. We have been and will continue to value this Sumitomo Spirit of creating both social and economic value.

- The Sumitomo Spirit → P.15
- Sumitomo Chemical's Business Philosophy → P.15
- Basic Principles for Promoting Sustainability → P.16
- Charter for Business Conduct → P.16



Constantly transforming our business in line with the changing times, adding the perspective of GX (carbon neutrality, ecosystem conservation, and healthy lives) in a broader sense

#### Diversified Chemical Business







# And what does it bring?

## What are we working on?




Using these management resources, we are working on the material issues to be addressed as management priorities and the current FY2022-2024 Corporate Business Plan, which incorporates these material issues.

### The Material Issues to Be Addressed as Management Priorities

Material Issues for Social Value Creation → P.37

-  **Contribute to the Environment**
-  **Contribute to the Food Supply**
-  **Contribute to Healthcare**
-  **Contribute to ICT**

Material Issues for Future Value Creation → P.49

-  **Advance Innovation**
-  **Bolster Competitiveness Leveraging DX**
-  **Human Resources**  
DE&I, Development & Growth, Health

Foundation for Business Continuation → P.57

Current Plan: FY2022-2024 Corporate Business Plan → P.31

- Further improve business portfolio (strengthen and reform businesses)
- Improve financial standing
- Accelerate the development of next-generation businesses
- Obligations and contributions toward becoming carbon neutrality
- Improve productivity and strengthen businesses through digital innovation
- Employ, develop and leverage human resources for sustainable growth
- Ensure full and strict compliance and maintain safe and stable operations

By utilizing management resources and tackling the material issues to be addressed as management priorities and corporate business plan, we bring value by contributing to solving various issues in society. At the same time, we generate stable earnings and achieve our own economic growth. This is our flow of value creation.

### Creation of Social Value

#### Environmental Field

Recovery of the global environment and realization of a world where people and nature coexist in harmony

#### Food Field

Ensuring food security and harmony with the environment

#### Healthcare Field

Ensuring healthy lives for people around the world

#### ICT related Field

Realization of an inclusive society using ICT

### Creation of Economic Value

#### Achieving stable profitability and a sound financial position

KPI	FY2022 Actual	FY2024 Revised plan	Where we want to be
ROE	0.6%	8.5%	Over 10%
ROI	-1.3%	4.7%	Over 7%
D/E ratio	1.0 times	0.7 times level	Approx. 0.7 times
Dividend Payout Ratio	421.2%	-	Approx. 30%

### Accumulation of Management Resources