Supplementary Materials

The Long-Term Vision 2045 and the Outline of the New Medium-Term Business Plan

(FY2026–FY2030)

Details of the new Medium-Term Business Plan will be announced in November 2026.

August 6, 2026

Sumitomo Seika Chemicals Co., Ltd.

(Securities code: 4008, Prime Market, Tokyo Stock Exchange)

Results of the Previous Medium-Term Business Plan (FY2023–FY2025)

- Achieved a record-high operating profit in FY2025, the final year of the plan, exceeding the target (+20.8%)
- Fell short of the FY2025 net sales and ROE targets
- Implemented forward-looking strategic investments, including in new Super Absorbent Polymers (SAP) facilities and a new research building

(Billions of JPY)

Business Division	FY2022 Results	FY2025 Results	FY2025 Targets	
Super Absorbent Polymers	105.6	116.1	120.0	Sales volume target unmet
Functional Materials and Others	37.5	32.2	40.0	Target unmet by a large margin
Net Sales	143.0	148.4	160.0	
Super Absorbent Polymers	5.3	11.5	7.5	A record high due to the favorable effect of exchange rates, etc.
Functional Materials and Others	5.1	2.9	4.5	Target unmet by a large margin
Operating Profit	10.5	14.5	12.0	Favorable effects of exchange rates and raw material prices
Net Income Attributable to Owners of the Parent	8.6	7.7	8.5	Target unmet due to extraordinary losses
ROE	10.4%	7.8%	8.5%	Target unmet due to extraordinary losses
ROIC	8.4%	8.1%	8.0%	Target achieved
Exchange rate (JPY/USD)	135.5	150.8	135.0	
Exchange rate (JPY/CNY)	19.8	21.3	19.5	
Japanese naphtha price (JPY/kℓ)	76,600	65,200	70,000	

The Long-Term Vision 2045 and the New Medium-Term Business Plan

- We have set a long-term vision toward 2045, the Group's 101st anniversary and the year we will embark on our next new 100-year journey.
- We have determined initiatives to achieve the long-term vision as part of our new Medium-Term Business Plan for FY2026 to FY2030.
- We have implemented scenario planning, exploring multiple potential scenarios of the future based on uncertainties. The developed scenarios of the future will be utilized for assessing the validity of our initiatives from a medium- to long-term perspective.

Sumitomo Business Spirit

"Business Principles," "Jiri-Rita Koushi-Ichinyo"

Corporate Mission

Following the Sumitomo Business Spirit, the Sumitomo Seika Group will contribute to the advancement of society by developing world class creative technologies in the field of chemistry and, based thereon, supplying unique, high-quality products to people around the world.

Purpose Statement

We will solve issues facing the earth and people's lives through Sumitomo Sika's "Chemistry"

Scenario planning

- Preparing for an uncertain future
- Backcasting

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Long-Term Vision 2045

A chemical company creating a future by building on excellence in technology and quality

▸ p. 5

New Medium-Term Business Plan (FY2026–FY2030)

Material issues ▸ p. 6

Five priority initiatives ▸ p. 7

"Initiatives to improve capital efficiency," one of the five priority initiatives

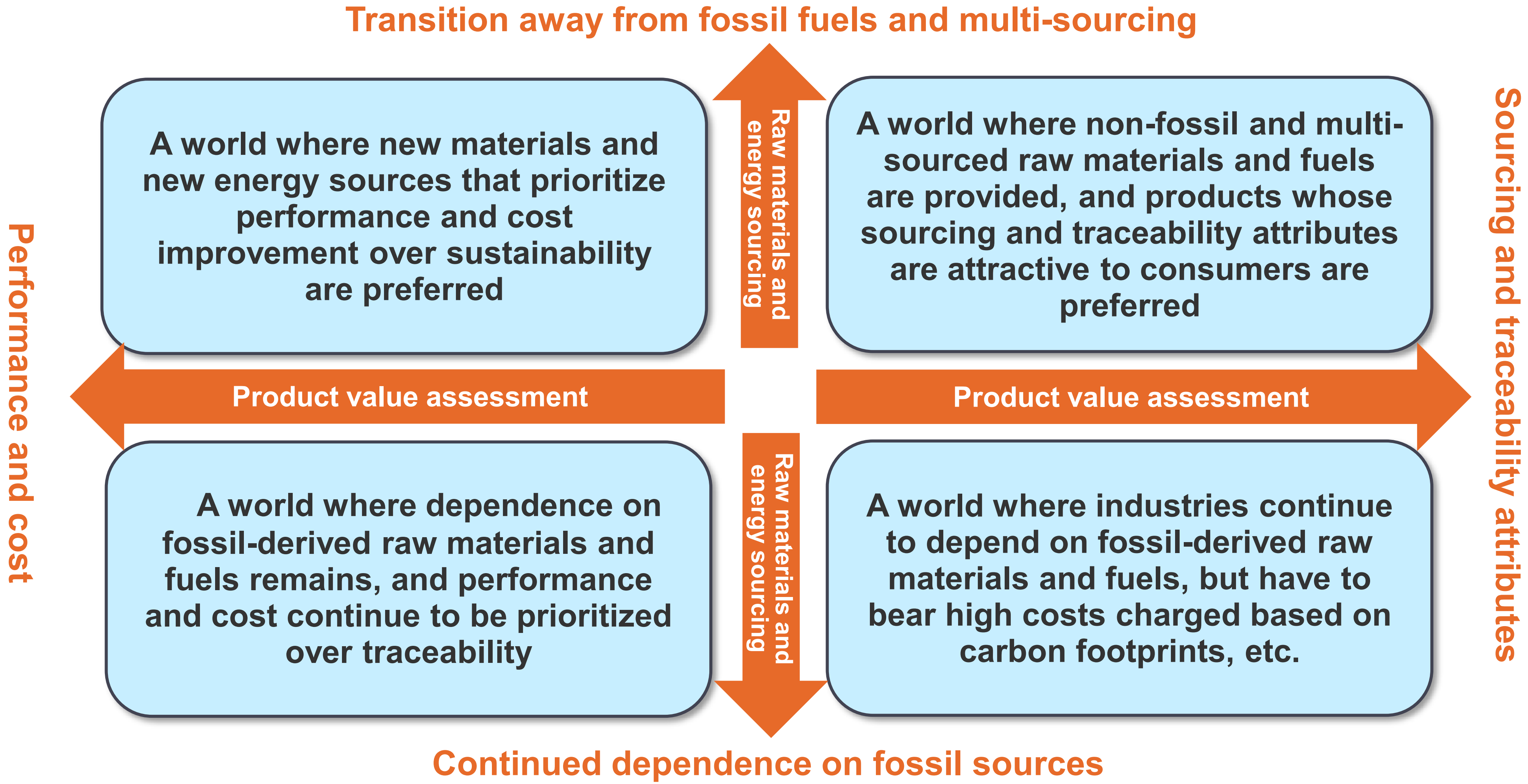
▸ p. 9

Enhancing corporate value
Achieving sustainable growth

Putting these commitments into action by connecting them with specific issues addressed under the Medium-Term Business Plan

Scenario Planning Toward 2045

- The Group has formulated four scenarios of the future, with “Input: raw materials and energy sourcing structure” and “Output: product value assessment” as two axes of uncertainty that have a material impact on the Group (trigger points).
- The Group will closely watch for signs of change in the business environment and proactively adapt its strategy and initiatives to achieve higher resilience to each scenario.



The Sumitomo Seika Group Long-Term Vision 2045

A chemical company creating a future by building on excellence in technology and quality

We at the Sumitomo Seika Group believe that the Group must advance by building on the excellence in technology and quality that it has cultivated since its founding, evolve its business to meet the needs of the times, and continue to be a chemical company that is needed by customers and trusted by society.

Based on this belief, in 2022 we formulated our purpose statement: “We will solve issues facing the earth and people’s lives through Sumitomo Seika’s ‘Chemistry.’”

In order for us to advance with this purpose statement—no matter which of the scenarios of the future we have developed through scenario planning may take place in the real world that has become increasingly uncertain—we have set our long-term vision toward 2045.

We will drive our business by developing technologies that are needed in the advanced fields of each market we serve and taking advantage of our excellence in quality, which is supported by high reliability, and strive to achieve this long-term vision.

Material Issues

- Based on the multiple scenarios of the future developed through scenario planning, we have determined the Group's material issues, the most important challenges for us to tackle to achieve our long-term vision.

Sources of value creation	1	Reducing greenhouse gas (GHG) emissions and advancing resource circulation
	2	Contributing to sanitation, health, and better quality of life (QOL)
	3	Providing highly reliable materials supporting advanced industries
	4	Creating next-generation businesses through research and development and technological innovation
Foundations of business continuity	5	Quality* and compliance * Quality is a foundation of trust in the Group, including product specifications, service standards, chemicals safety, data reliability and transparency, and accountability.
	6	Safety, disaster preparedness, and stable operations
	7	Enhancing human capital

* In the new Medium-Term Business Plan, the Group will analyze the risks and opportunities associated with these material issues and determine specific initiatives and key performance indicators (KPIs) to monitor their progress. These initiatives and KPIs will be announced in November 2026.

New Medium-Term Business Plan

Five Priority Initiatives

■ Priority initiatives to implement during the period of the Plan for the material issues that we will address over the medium to long term and for the improvement of capital efficiency, an issue that needs urgent action

Material Issues

1. Reducing greenhouse gas (GHG) emissions and advancing resource circulation
2. Contributing to sanitation, health, and better quality of life (QOL)
3. Providing highly reliable materials supporting advanced industries
4. Creating next-generation businesses through research and development and technological innovation
5. Quality and compliance
6. Safety, disaster preparedness, and stable operations
7. Enhancing human capital

Five Priority Initiatives

1. Optimizing the business portfolio and increasing overall management productivity
2. Creating next-generation businesses
3. Implementing sustainability management
4. Establishing a more robust management foundation to earn stakeholders' trust
5. Improving capital efficiency and strengthening engagement with the stock market

Enhancing corporate value

Sustainable growth

* Details of each initiative will be announced in November 2026.

Financial Targets for FY2030

The financial targets for FY2030 assume organic growth.

	FY2030 Targets	(Ref.) FY2025 Results
Net sales	200.0 billion JPY	148.4 billion JPY
Operating profit	17.5 billion JPY	14.5 billion JPY
Profit attributable to owners of the parent	12.4 billion JPY	7.7 billion JPY
EBITDA (earnings before interest, taxes, depreciation and amortization)	31.0 billion JPY	20.0 billion JPY
ROE (return on equity)	10%	7.8%
ROIC (return on invested capital)	8.5%	8.1%
Key Assumptions		
Exchange rate (JPY/USD)	155	150.78
Exchange rate (JPY/CNY)	22.8	21.25
Japanese naphtha price (JPY/kℓ)	70,000	65,200

Initiatives to Improve Capital Efficiency

- **We will implement the following two initiatives to improve capital efficiency while working to achieve the target ROE of 10% and ROIC of 8.5% set out in the FY2030 financial targets.**

Changes in our capital efficiency (FY2016–FY2025)

Both invested capital and operating profit grew by 40%	➡ The ROIC remained at the same level (8.1% in FY2025).
Shareholders' equity increased by 80%, and borrowings decreased by 30%	➡ The equity ratio increased from 55% to 68%, with the financial position shifting from net debt of 7.7 billion JPY to cash net of borrowings of 0.8 billion JPY.

As shareholders' equity increased more than invested capital increased, <u>the efficiency of using shareholders' equity declined</u>

It is imperative to determine the appropriate level of shareholders' equity and take action to ensure capital discipline

Initiatives for improvement	
	• **We have set a medium-term target range of 50% to 60% for the consolidated equity ratio and will advance disciplined growth investments and further enhance shareholder returns through more efficient use of cash and deposits and through agile financing.** • **In light of the level of shareholders' equity and the balance between our cash and deposits and our borrowings, we have added a target dividend on equity (DOE) ratio to our shareholder return policy**

Dividend on equity (DOE): Total dividends / Shareholders' equity at the end of the previous fiscal year

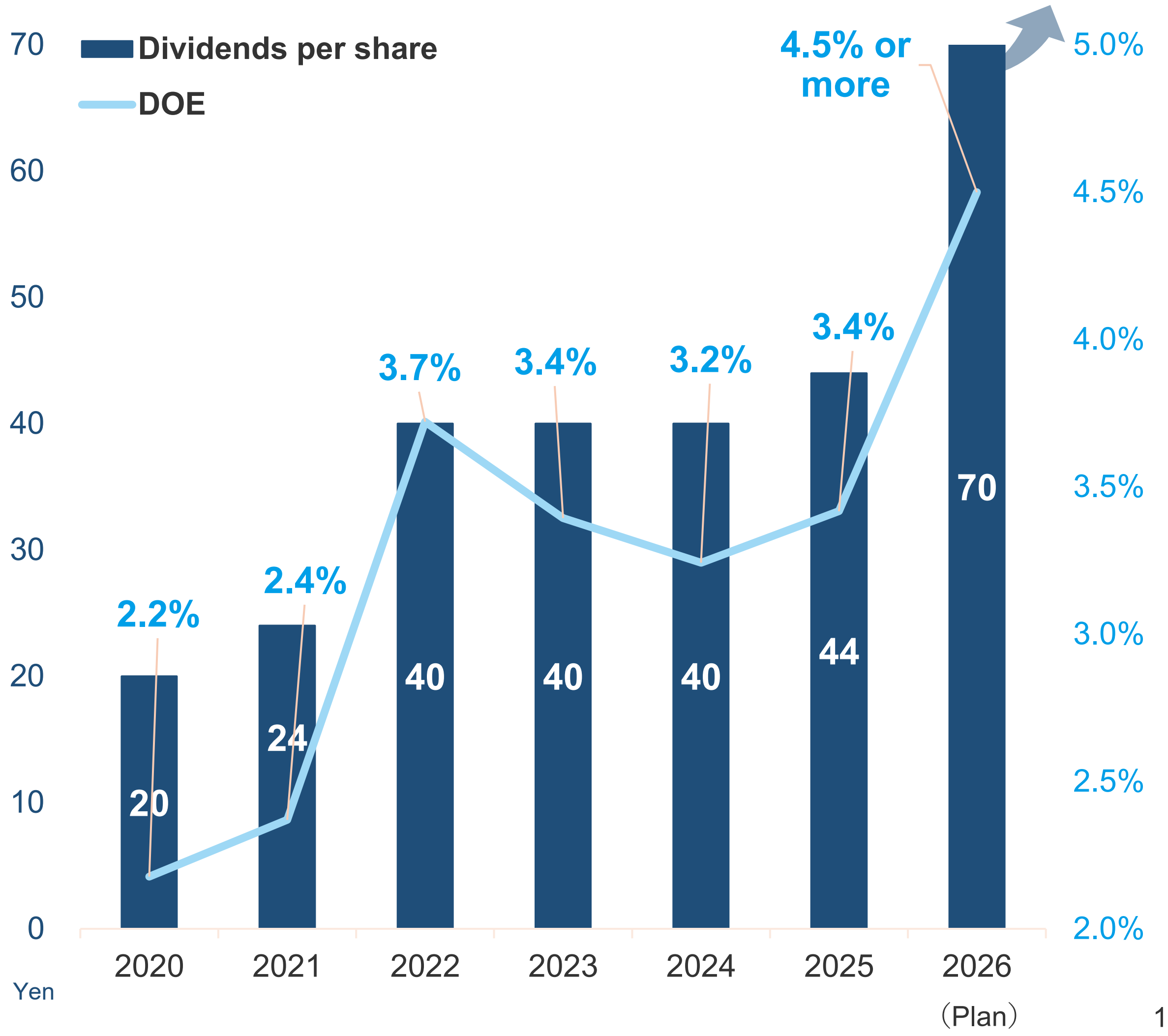
The New Medium-Term Business Plan

Initiatives to Improve Capital Efficiency

Change in Dividend Policy

Before change	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 dividends, 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 internal reserves for investment in enhancing production capability that will lead to the Company's improved financial performance and reinforced business foundation, strengthening cost competitiveness, and advancing research and development for products that meet market needs.
After change	**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 dividends, after giving due consideration to stable dividend payment and securing of internal reserves to prepare for future business development, based in principle on the dividend payout ratio of 30% or more and the dividend on equity (DOE)* ratio of 4.5% or more. The Company will allocate internal reserves to growth investments and strengthening its business foundation.**

Dividend Forecasts



Dividend on equity (DOE): Total dividends / Shareholders' equity at the end of the previous fiscal year

SUMITOMO SEIKA CHEMICALS CO., LTD.

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