



SUSTAINABILITY REPORT 2025

SUMITOMO BAKELITE Co., Ltd. SUSTAINABILITY REPORT 2025**Contents**

1. Editorial Policy	3
2. Message from the President	
Message from the President	5
3. The Future Connected Through Dialogue	
Research and Development Roundtable	10
Interview with Outside Directors	15
4. Sustainability Initiatives	
Message from the Executive Vice President	19
The Value Creation	21
Sustainability Management	22
Material Issues	26
Relations with Stakeholders	29
Message from the Officer in Charge of Sustainability	30
Initiatives for SDGs	32
Co-creation with Customers	
A Future Achieved through Co-creation	36
Digital Transformation	
Data-Driven Management Enabled by Digital Transformation	40
Digital Transformation Initiatives	42
5. Environment	
Environmental Management	44
Reducing Greenhouse Gas (GHG) Emissions	47
Disclosure Based on TCFD Recommendations (Response to Climate Change)	52
Resource Circulation, Waste Reduction, Pollution Prevention	55
Water Resources Conservation	59
Biodiversity Conservation	61
Chemical Substance Management	64
6. Society	
Human Capital	
Message from the Officer in Charge of Human Resource Management	67
Employment and Human Resource Development	68
DE&I Promotion	74

Work-Life Balance	80
Initiatives for Employee Health	84
Labor-Management Relations	88
Respect for Human Rights	89
Sustainable Procurement	94
Occupational Health and Safety/Accident Prevention	100
Product Liability/Quality Assurance	105
Customer Satisfaction (CS) Enhancement	109
Initiatives Relating to Fostering the Next Generation	112
Initiatives in Society	113
Environmental Initiatives	116
7. Governance	
Corporate Governance	118
Risk Management	129
Compliance	134
Anti-Corruption	137
The Group's Compliance Reporting System	139
Information Security	141
8. Data	
Detailed Data Related to Sustainability	
Detailed Data Related to Sustainability (Environment)	143
Detailed Data Related to Sustainability (Society)	149
Detailed Data Related to Sustainability (Governance)	156
List of Policies	158
Corporate and Site Data	
Corporate Data	159
Group Companies	160
List of Group Companies	162
Site Report	164
Inclusion in Indexes/External Recognition	179
Management System Certification Status	182
Main Organizations of Which We Are a Member and Our Roles	185
Progress in Sustainability	186
Third-party Assurance Report	187

Editorial Policy

The Group of Sumitomo Bakelite Co., Ltd. publishes its Integrated Report as a tool to provide information on its business strategies and ESG management in a single report. Within the report, details are comprehensively set forth regarding value creation, medium-term management goals, the business performance and strategies of each business segment, sustainability policies, initiatives, and other such data.

Meanwhile, the “Sustainability Report 2025 (English version)” is an archived version of our sustainability site as of December 2025 available as a PDF.

In editing the Integrated Report and Sustainability Report 2025, we discussed the creation policy and content of the 2025 version within the department in charge of creating the Integrated Report and the Editorial Policy was approved at the Sustainability Promotion Committee meeting held on March 2025. We created the report considering ease of reading for the diverse stakeholders.

Please note that the sustainability website may be updated after January 2026.

Guidelines referenced

- The Sustainability Report 2025 refers to the Global Sustainability Reporting Standards (GRI Standards) of the Global Sustainability Standard Board (GSSB).

Scope of third-party assurance

The information marked with  for fiscal 2024 contained in the “Sustainability Report 2025” is assured by the third party assurer KPMG AZSA Sustainability Co., Ltd.

Disclaimer

This report includes not only past or present facts, but also our forecasts, estimates, and plans for the future. These assumptions and judgments are based on currently available information and may be affected by various factors such as future changes in the business environment.

Period

In principle, the report covers FY2024 (April 2024 through to March 2025). Cases in which the coverage is different from this period are listed separately.

Published

February 2026 (Next report is planned to be published in February 2027)

Boundary

In principle, this report covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries. Data on the environment and occupational health and safety are aggregated mainly from manufacturing sites with the following scope.

[Japan]

Head office of Sumitomo Bakelite Co., Ltd. and its sales offices, etc.*, Amagasaki Plant, Kanuma Plant, Utsunomiya Plant, Shizuoka Plant, Kobe Facility Office, Akita Sumitomo Bakelite Co., Ltd.; S.B. Techno Plastics Co., Ltd., Hokkai Taiyo Plastic Co., Ltd., Yamaroku Kasei Industry Co., Ltd., Kyushu Sumitomo Bakelite Co., Ltd., S.B. Sheet Waterproof Systems Co., Ltd., Tsutsunaka Kosan Co., Ltd., S.B. Research Co., Ltd. (Osaka Center), Seibu Jushi Co., Ltd., Softec Co., Ltd.*, SB-Kawasumi Laboratories, Inc. , SB PAX Co., Ltd.

[Overseas]

Sumitomo Bakelite Singapore Pte. Ltd., SumiDurez Singapore Pte. Ltd., SNC Industrial Laminates Sdn. Bhd., P.T. Indopherin Jaya, P.T. SBP Indonesia, Kawasumi Laboratories (Thailand) Co., Ltd., Sumitomo Bakelite (Suzhou) Co., Ltd., Sumitomo Bakelite (Dongguan) Co., Ltd., Sumitomo Bakelite (Shanghai) Co., Ltd., Sumitomo Bakelite Macau Co., Ltd., Sumitomo Bakelite (Nantong) Co., Ltd., Sumitomo Bakelite (Taiwan) Co., Ltd., Vaupell China (Dongguan) Co., Ltd., Durez Corporation, Durez Canada Co., Ltd., Sumitomo Bakelite North America, Inc., Promerus, LLC, Sumitomo Bakelite Europe NV, Sumitomo Bakelite Europe (Barcelona), S.L.U., Sumitomo Bakelite Europe (Ghent) NV, Vaupell Industrial Plastics, Inc., Vaupell Molding & Tooling, Inc., Russell Plastics Technology Company, Inc., Vaupell Europe GmbH, Sumibe Korea Co., Ltd.

* The amount of energy consumption and CO₂ emissions are aggregated for the environmental data.

Note: In this report, the names of Sumitomo Bakelite Co., Ltd. and its Group companies may be stated in simplified forms by omitting “Co., Ltd.” and “Inc.,” etc. Quantitative data presented in this report are rounded, in principle. Therefore, in certain cases, the sum of breakdowns may not equal the total.

Message from the President

TOP MESSAGE

Building a corporate culture where courageous risk-taking will be rewarded and leveraging human resources and technology to achieve Vision 2030

Shinichi Kajiya

President and Representative Director



Opening the future through dialogue: Thoughts on becoming President

I would like to express heartfelt gratitude to everyone involved for this opportunity to embrace new challenges as President of Sumitomo Bakelite Co., Ltd. Facing the task of leading such a historic enterprise, I also feel a profound sense of responsibility and determination. I am fully committed to guiding this wonderful organization, built by so many predecessors, to even greater growth. Our Group is at the midway point of its Medium-term Business Plan 2024–2026. Our Vision 2030 business profit target is ¥55 billion. To achieve this, our vision of becoming “a company providing dreams for the future” through value creation with our customers must be translated into concrete initiatives by rapidly cycling through hypothesis and validation across the entire organization, and converting those results into actionable initiatives. This effort will require close communication with customers and meticulous communication with employees. By listening attentively to every voice and collaborating to lay out solutions to challenges, we will lay a foundation for sustained growth, with eyes not only on 2030, but the horizon beyond.

Our Group’s operating environment can be characterized as generally favorable. In FY2024 we achieved ¥300 billion in sales revenue and ¥30 billion in business profit. Underpinned by strong bonds of trust with customers, each business segment is growing steadily. We are pursuing top share in niche markets and earning strong global recognition across three priority areas: ICT, including semiconductors and electronic components; mobility, represented by high-performance plastics; and healthcare, where we contribute to improving quality of life. At the same time, our external environment is transforming rapidly under significant turbulence. We have entered an era where conventional wisdom no longer applies, one shaped by the COVID-19 pandemic, conflict in Ukraine, and the US tariff policies, to name a few. Amid such conditions, there are limits to what we can achieve by going it alone. It is therefore essential to further strengthen partnerships with external stakeholders, including customers, suppliers, and research institutions, as well as to anticipate change and respond flexibly. Through collaboration with external partners, we will aim to enhance our corporate value, becoming a company where every employee can take pride in being part of our Group, and an organization where individuals and the Company as a whole can grow.



The importance of pursuing challenges without fear of failure

I joined Sumitomo Bakelite Co., Ltd., in 1989 and received my first international posting as Sales Director of IPJ, a high-performance plastics affiliate in Indonesia, at age 36. My responsibilities spanned regions from Southeast Asia to India, and my daily interactions with many different individuals in unfamiliar settings were incredibly stimulating. I was deeply inspired by the local drive for growth and self-improvement, and as I had been tasked with tripling IPJ's sales, I had the opportunity to grow alongside customers and employees. This experience taught me the value of addressing challenges through dialogue, and became my professional policy thereafter. After my return to Japan, I joined the semiconductor materials business segment and entered a completely different area. As Sales Director during the chaos that followed the Great East Japan Earthquake in 2011, I was faced with the need to take swift action. Though my knowledge of semiconductors was limited, I made trust-building my first priority, and with support from my team members, engaged in extensive dialogue with customers. As a result, we succeeded in establishing a collaborative framework that helped expand the business. I witnessed first-hand how strong leadership from my own boss, along with the unity of the entire team, enabled us to overcome a difficult challenge.

Based on these experiences, I've come to believe that leaders must prepare for worst-case outcomes while pursuing challenges willingly and not being influenced by fear of change. I hope all employees will practice this mindset in their approach to work. There are also three behaviors I strongly urge employees to practice.

First, take the initiative, and take responsibility for your work. As you engage in work on a daily basis, your goal should be to find fulfillment with a positive attitude. To succeed, it is critical that you not wait for direction, but think and act independently while owning your decisions.

Second, to achieve results as a team, practice extensive communication. By leveraging each other's strengths and working in close collaboration with others, you will generate significant results.

Third, commit to producing results and seeing things through. Results build confidence, and failures can teach valuable lessons. The sense of accomplishment and experience you gain from doing your best will undoubtedly play a role in your future success.

Our initial push for reform produced record-high sales revenue and business profit

～ Looking back on FY2024 ～

FY2024, the first year of our current Medium-term Business Plan, marked a milestone, as our Group achieved its long-standing targets of ¥300 billion in sales revenue and ¥30 billion in business profit, both record highs. Under Chairman Kazuhiko Fujiwara's leadership, our employees pursued challenges earnestly, embraced new efforts, and delivered results, for which I am deeply grateful. At the same time, our North American high-performance plastics business was impacted by an impairment loss, producing a year-on-year profit decline. Nevertheless, we are setting goals that will return us to a growth trajectory during this fiscal year. In addition to our business profit target, our financial goals include an ROE of 9.0% in FY2026, and 10.0% by FY2030, while optimizing our balance sheet.

FY2024 was also a year in which we focused on reforming our product portfolio. The status of the three business segments in FY2024 is as follows.

01. Semiconductor Materials

Capital investments in response to Chinese market growth are proving effective. We are working to stabilize the supply chain, and are launching a new plant. Taiwanese demand, mainly for PCs and smartphones, has stagnated, while in Southeast Asia, automotive semiconductors were affected by inventory adjustments. As for our three strategic products for mobility, the slowdown in electric vehicle demand in Europe and the US was offset by hybrid vehicle demand, enabling us to maintain our sales plan substantially on track.

02. High-performance Plastics

By leveraging our global supply network, we achieved record sales revenue and business profit in the Asian region. In China, a new plant equipped with state-of-the-art automation systems began operation and is contributing to enhanced productivity. Meanwhile, North America and Europe faced challenging conditions, and North American phenolic resin operations incurred an impairment loss. Although aircraft components were affected by customer strikes, a recovery trend is expected in FY2025. We are also making progress in commercializing high-value-added products, such as COPLUSTM for semiconductor applications, ultra-low-monomer water-soluble phenolic resins, and heat-dissipation sheets developed for power modules, which are expected to contribute to profits going forward.

03. Quality of Life Products

In the films and sheets business, sales of cover tapes for transporting electronic components, and of dicing tapes used in semiconductor manufacturing, performed strongly. Demand also increased for steering microcatheters in the healthcare sector, as well as optical products for automotive applications, resulting in performance that exceeded projections significantly.



Twelve new material issues and steady progress in addressing them

In addition, in FY2024, we formulated 12 new material issues from a sustainability perspective, and set non-financial as well as financial KPIs. In particular, with respect to creation of environmental and social values, an area we regard as important, we aim to increase the sales revenue ratio of SDG-contributing products to 70% by 2030 and reduce GHG emissions by 48% compared to FY2021, and both initiatives are progressing ahead of schedule. To further accelerate creation of environmental and social values, we defined four value creation accelerators: co-creation with customers, innovation, human capital, and digital transformation, and steady progress is being achieved with all four. We will continue our focus on themes that form the foundations for business continuity, such as health and safety, cybersecurity, product liability, respect for human rights, compliance, sustainable procurement, and corporate governance. One thing I must touch on regarding health and safety is the occurrence of three accidents. In response, I issued a message in line with my operational responsibility to promote awareness reform at each site. We are reaffirming our fundamental stance that “Safety Is the First Priority of All,” and will continue to prioritize safety in all our operations.

In the area of co-creation with customers, we focus on promoting One Sumibe Activities, not just to satisfy customers, but to delight them. Having personally served a stint as initiative leader, I’ve seen how One Sumibe Activities can generate major results, including energized cross-departmental collaboration and significantly enhanced total-solution proposal quality for our customers. There has been a recent rise in voluntary proposals to senior management from participating initiative members. In FY2024, a working group focused on power modules, and in FY2025, another focused on battery modules, with both groups acting as Priority Field Sales Expansion Teams. Along with these efforts, a wide range of other activities, such as hosting in-house exhibitions at customer facilities, and launching an Influencer Team to strengthen cross-group collaboration, are contributing to business growth as well as organizational vitality. Chairman Fujiwara has long seen as ideal a structure where bottom-up proposals are supported by top management, and with the growing momentum of One Sumibe Activities, we will aim to further consolidate a corporate culture that encourages open communication.

Launching portfolio transformation and accelerating growth strategies

During the fiscal year, our Group will continue to promote its Medium-term Policy of aiming for “niches & top market share,” while taking on the challenge of our portfolio transformation leading to value creation. One key pillar of this effort is strengthening existing business profitability. We are striving to enhance productivity through automation and digitalization, as well as efficiency by relocating production sites. At the same time, we are boosting cost and quality competitiveness by launching cutting-edge plants in China and Taiwan. Furthermore, we have designated a shift to profitability-oriented management as a critical policy, and established KPIs for our proprietary management indicator SB-ROIC, which we adopted in FY2020. By calculating return on invested capital for each business division, we are undertaking to boost capital efficiency.

Of course, we have not forgotten the expansion of business in growth areas. In our three priority areas of ICT, mobility, and healthcare, we will continue to refine our technological and product capabilities. In ICT, the AI semiconductor and power electronics markets are our main targets, and we are enhancing our capacity to meet customer requirements by expanding our proprietary lineup to offer comprehensive solutions, with such products as granular and liquid encapsulation materials, TIM, L α Z TM substrate materials, and materials for redistribution. In mobility, we hold a major market share in high-value-added molding materials and industrial resins, and are developing advanced materials for EVs. We also supply products such as epoxy resin-based encapsulating materials for fixing motor magnets, as well as integrated ECU/TCU direct molding materials for OEM and Tier 1 manufacturers, and are expanding the market through trusted partnerships. Furthermore, we are broadening our contributions in the area of mobility by developing stator encapsulating materials for robotic applications, optical products for head-up displays, and aircraft components. In healthcare, since the launch of SB Kawasumi we have focused on developing minimally invasive medical devices and expanding our product lineup, for example with gastrointestinal stents. Furthermore, in the pharmaceutical packaging field, where we hold a strong domestic market share, we are pursuing development of mono-material PTP for international markets, with expectations for continued growth.

Our Company is transforming its product portfolio, and in the next phase, we will transform our business portfolio. In addition to our three priority areas, we are also considering approaches to strengthen life innovation, which includes food packaging and construction-related business, and will conduct a Company-wide review of our products and technologies. Through this process, we will identify solutions that maximize customer value, and consider measures such as M&A and technology adoption strategically, to address missing elements.

SBinno, an internal program launched in 2016 as one of our initiatives to create new products and solutions, has begun to return results. A theme pursued by employees selected to participate in SBinno's first year is moving toward commercialization as the Brain-Machine Interface (BMI) Project Team, and we expect similar initiatives to develop going forward. Furthermore, in this era of diversity, creating new value can no longer be achieved by our Company alone. Therefore, collaboration with external partners, including enterprises and universities, is more important than ever. In 2025, we partnered with Tohoku University to establish the Co-Creation Research Center for Materials and Processes for Next-Generation Semiconductors. Through such co-creation platforms, we aim to incorporate diverse expertise, broaden our technological capabilities, and build relationships that closely address real customer needs and challenges. We believe this approach will lead to genuine value creation.

Further, to maximize individual autonomy and Company-wide capabilities, we added a challenge-orientation evaluation metric as one of the personnel system reforms we instituted in FY2021, making it possible for employees who achieve results by pursuing challenges to be promoted more rapidly, regardless of seniority or age. Furthermore, along with skill development support through such programs as SB School, our overseas trainee system, and SBinno, we will promote DE&I and maintain our commitment to building an organization where diverse talent can thrive.



Harnessing our dreams so as to become “a company providing dreams for the future”

During my many years with Sumitomo Bakelite Co., Ltd., I have managed three business segments. What I have always felt is that our Company is blessed with sincere and outstanding employees. Chairman Fujiwara has long emphasized the importance of enhancing human abilities, and I feel truly that the results of those efforts are steadily bearing fruit. We have set our sights on becoming “a company providing dreams for the future” through creating value with our customers by 2030, and we have established numerical targets to support that vision. Looking ahead, I believe we must strive even further to embrace a mindset of pursuing challenges without fear of failure. Failure inevitably brings anxiety, and is thus something we all tend to avoid. However, that is why it is crucial to ensure psychological safety and foster a corporate culture where courageous risk-taking is rewarded. It is essential for management to take the lead in promoting this mindset and supporting it actively, so we can formulate multiple hypotheses to identify true needs, and concentrate our resources to continue delivering problem-solving technologies and products quickly. I am convinced that through this accumulation of efforts, we will identify dreams that lead to the future. I hope each division, each team, and every employee will reflect, each from their own perspective, on what it means to “provide dreams for the future,” and proceed from there to concrete action. First and foremost, let each of us pursue our personal dreams and proceed step by step to realize our vision for 2030.

Finally, along with undertaking actively to enhance our corporate value, we will prioritize returns for our shareholders. In February 2025, we acquired treasury stock to boost shareholder return. Regarding profit distribution, we will continue to pay stable, sustainable dividends, taking into account the need to secure funds for such purposes as future business expansion, strategic investments for sustainable growth, M&A, and other activities. We look forward sincerely to the continuing support of all of our stakeholders.



Research and Development Roundtable

SPECIAL INTERVIEW

**Cultivating talent and technology to take on challenges:
Our research and development capabilities
Our strengths lie in our technical expertise and ability to deploy it**



Osamu Ohnishi

Executive Officer, General Manager of Research & Development Division



Makoto Takamoto

General Manager of Advanced Materials Research Laboratory



Hironari Mori

General Manager of Information & Telecommunication Materials Research Laboratory





Osamu Ohnishi

Executive Officer,
General Manager of Research & Development Division
General Manager of the R&D Planning and Promotion
Department

Osamu Ohnishi joined the Company in 1997. He has worked in departments including the HPP Technology Development Laboratory and was previously General Manager of the Advanced Materials Research Laboratory. Since 2025, he has been General Manager of the Research & Development Division and General Manager of the R&D Planning and Promotion Department, responsible for feasibility studies on new topics, resolving technical issues at each application research laboratory, and intellectual property.

Our strengths lie in our technical expertise and ability to deploy it

Mori:

Our Company's technical strengths include our outstanding expertise in compounding of organic polymers and organic-inorganic composite technology. This allows us to create products with added value that would be impossible with a single material, which is connected to profits.

Ohnishi:

I agree. One of our strengths is that we can carry out the whole process in-house, from material design (synthesis and formulation) to processing. Resins, catalysts, and so on form the core of product design. The ability to synthesize and process these in-house is what sets us apart from other companies. Another strength is that we make products for so many sectors: semiconductors and electronic materials, automotive and aircraft, medical and pharmaceutical, food, construction, and energy.

Takamoto:

Take for example heat dissipation sheet materials used in power modules. We can leverage the strengths of each research laboratory: the base material is designed by the Advanced Materials Research Laboratory, products using that material are developed by our application research laboratories, and so on, resulting in unique capabilities that other companies simply cannot match. Having such a broad scope of business also means we have wide-ranging expertise in research and development. We have recently started using materials informatics (MI) to leverage all this expertise and effectively utilize the data, which enables us to develop high-quality products faster.

A variety of programs to develop autonomous human resources

Ohnishi:

When it comes to human resource development, my focus is on cultivating people capable of innovation. It is important to keep past technologies going, but new value is created by adding your own unique essence or venturing into completely new areas. I want developers with this kind of ambition to gain the ability to come up with their own research topics. It is also vital to cultivate autonomy: professional developers should be able to identify problems, set research topics based on their own experience, and tackle challenges with determination. Our Research & Development Division has been running the SBInno program for around ten years to accelerate new product development. This program gives young developers the chance to work on their own research topics for one year, taking on challenges with participants from each research laboratory.



Mori:

Many of our developers are young and enthusiastic about innovative development. That's why we are moving away from the traditional trial-and-error style of research toward using AI and digital transformation to comprehensively validate designs from the molecular design stage. At the Information & Telecommunication Materials Research Laboratory, we are

focusing on developing talent with digital skills through active participation in internal training courses to train data scientists.

Takamoto:

When I talk to young developers one to one, they often say "I want to be involved in developing products that contribute to society." We have our own Innovation Management System (IMS) which supports the planning process when launching a research topic, by looking at marketability, competitive advantage, and sales and profit forecasts. Being able to see the impact that your own work has in the real world is a source of motivation and a driving force for growth. If people have enthusiasm but do not know how to develop their ideas, I hope this can show them a way forward.

Ohnishi:

It's as if we take ideas that have sprouted in the SBInno program, and nurture them into trees through the IMS. We have the tools in place, so now it's up to us as managers to show how we put them into practice to enhance awareness and produce actual results.

Mori:

Interaction between research laboratories is also essential for personnel development and revitalizing the organization. Working in the same laboratory for a long time tends to narrow your perspective, so finding out about other divisions' research can be a source of inspiration. I hope developers will widen their knowledge and come up with new ideas through networking events such as technical discussion meetings and personnel exchanges.

Makoto Takamoto

General Manager of Advanced Materials Research Laboratory

Makoto Takamoto joined the Company in 2003. Previously General Manager of the Information & Telecommunication Materials Research Laboratory, in 2025 he was appointed General Manager of the Advanced Materials Research Laboratory, working on the development of cutting-edge materials.



Hironari Mori

General Manager of Information & Telecommunication Materials Research Laboratory

Hironari Mori joined the Company in 2002, initially working at the research laboratory for materials for electronic devices. In 2023, he was appointed General Manager of the R&D Planning and Promotion Department of the Research & Development Division. Currently, as General Manager of the Information & Telecommunication Materials Research Laboratory, he is involved in research and development of materials including semiconductor encapsulation materials and

Creating new value with the One Sumibe system of collaboration between departments and organizations

Ohnishi:

Speaking of interaction, the General Managers of each research laboratory meet quarterly to discuss various issues. Additionally, each application research laboratory holds monthly meetings to discuss creating new business and expanding existing business. Actually, the three of us have moved between each of our current positions throughout our careers.

Takamoto:

I think experiencing each stage of the product development process—research planning, fundamental research, and applied research—is very meaningful in terms of gaining an overview of the whole process.

Ohnishi:

We have always had collaboration between departments, but this has been further invigorated in recent years by the One Sumibe Policy introduced when Chairman Fujiwara was President. This has created an open organization allowing free communication at ground level.

Mori:

This is also extending to external collaboration. We have jointly established the Co-Creation Research Center for Materials and Processes for Next-Generation Semiconductors with Tohoku University this year. Leveraging the university's expertise, we have started work on exploring customer requirements and advancing technological development.

coating materials, substrate materials and materials for mobility solutions.

Takamoto:

The idea is to actively harness external expertise for anything we cannot handle within the Company. This could involve cutting-edge analytical equipment or collaboration in areas where we do not have sufficient knowledge. We believe that working with expert partner companies and universities will help us reach our goals more quickly.

Ohnishi:

The role of the R&D Planning and Promotion Department is to match up research laboratories with internal and external partners. If Mr. Mori's research laboratory is having trouble with something, we find out which department within the Company can deal with it; or if Mr. Takamoto's research laboratory needs a certain technology, we can suggest an external company or university. The relationship of trust we have on a daily basis certainly helps this kind of collaboration go smoothly, which makes it easier to create new value.

R&D focus areas and initiatives to create innovation

Ohnishi:

As a Company, we have set out a policy of transforming our product/business portfolio with a focus on the three areas of ICT, mobility, and healthcare. My role is to drive innovation in these areas and create new products and businesses, not forgetting to explore new technologies with a view to new business creation in five- or ten-years' time. At the R&D Planning and Promotion Department, as well as matching up research partners and strengthening external collaboration, we are also investing in venture capital. The aim is to incorporate promising new materials from around the world into our technical base, leading to unique product development.

Takamoto:

At the Advanced Materials Research Laboratory we take a dual approach: developing materials based on topics from the business divisions and application research laboratories, and independent research of our own. Looking ahead to our Group's medium-term targets and beyond to 2030, it is vital for fundamental research laboratories to create new products and core technologies with a greater impact. Vice President Inagaki has talked about producing "technology that can hit a home-run." To make this a reality, we need to continually plant promising seeds, so we will transform our fundamental development portfolio and focus on topics that align with the Company's policy. As for responding to environmental issues, we are developing "dismantlable" polymers which break down easily after disposal, for use in the mobility field. With a joint venture, we are also working on joint development of plastics made from plant-based materials.

Mori:

We have always had four key products at the Information & Telecommunication Materials Research Laboratory: semiconductor encapsulation materials, adhesives, wafer protection materials, and substrate materials. However, materials are diversifying in today's semiconductor industry, and new technologies are emerging every day. We need to translate this into new business. We are currently strengthening our approach through new product development programs and internal and external collaboration, with a particular focus on liquid encapsulation materials. Solid encapsulation materials have mainly been used in the past, but liquid encapsulation materials have high added value as they make it possible to fill smaller spaces. In terms of environmental initiatives, we are aiming to reduce CO₂ emissions and energy consumption by finding ways for materials previously stored at -20 degrees to be stored at room temperature. Team members from our laboratories and plants are keen to obtain Life Cycle Assessment (LCA) certification, and this commitment supports our research and development efforts.

Ohnishi:

As a Group operating in multiple business areas, I believe it is crucial to expand LCA-certified personnel and SDGs certified products. At the Research & Development Division, we are working to turn promising research themes into Company-wide projects. In April this year, we launched a Project Team to Prepare for Mass Production of Functional Membranes for Hydrogen Production. As well as providing support to quickly commercialize new technologies, we want to continue improving our environmental response.

What leaders can do to create a culture of challenge

Mori:

Coming up with the seeds of ideas for new products and new business is vital for the sustainable growth of the organization. Without sufficient seeds, product development and innovation will eventually disappear. To develop people who can come up with seeds, I strive to clearly communicate the direction of the Company and department to my team members. I think this helps them understand how their own work connects to the Company's goals, making it easier to take on new challenges in addition to their daily work. Ideally, I would like to provide a forum where everyone can spend about half a day freely discussing ideas, once every week or two. This would increase opportunities to come up with seeds for new products, leading to growth of the Company as a whole.

Takamoto:

When I moved to the Advanced Materials Research Laboratory this April, the first thing I said to the researchers was "I value psychological safety, so please do not hesitate to voice your opinions." This is because, as a leader, I place importance on listening to all opinions, not dismissing those that seem outlandish at first. Going forward, after building this solid foundation, I want to work with academia and partner companies to discover needs that have not yet come to light. When it comes to product development, being involved from the planning and design stage before the specifications are finalized gives us a competitive advantage. I want to continue contributing to these mechanisms and systems.

Ohnishi:

Looking back at my own career, the most rewarding times have been when I was involved in launching new projects or products. Now, I want to nurture as many young employees as possible who will take on such challenges with a positive attitude. Measures may not always have an immediate effect, but it is important to create an environment where people will not be criticized. In recent years, the level of challenge is now taken into account in our personnel evaluation system, and we are starting to establish a culture of challenge. For this culture to take root, managers like us must nurture new ideas together and help motivated people to succeed. When these people take on positions of responsibility and build on their successful experiences, it should create a chain of challenges in our Company. I believe this cycle will eventually lead to exciting results.



Interview with Outside Directors

SPECIAL INTERVIEW

Tackling the changes that lie ahead alongside the new President: Our Outside Directors talk about their expectations and suggestions

FY2025: the year that Sumitomo Bakelite Co., Ltd.'s new President was appointed.
The Company's three Outside Directors talk about their views on progress toward the Medium-term Business Plan,
addressing the material issues, and efforts to enhance the effectiveness of the Board of Directors.
What advice about improving corporate value can they give from an outside perspective?



Kazuo Matsuda

Outside Director



Etsuko Nagashima

Outside Director



Hiroyuki Wakabayashi

Outside Director





We asked Director Matsuda...

President Kajiya was appointed in June this year. Please tell us about what you expect and want from the new management system.

In the current Medium-term Business Plan, in order to optimize product composition and strengthen the profitability of existing businesses, we must set the cash allocation to each business area with a focus on capital efficiency and push forward with transforming the product portfolio based on this. I think this is a way to bring the Business Philosophy, which has been passed on for 70 years since the Company was first founded, to the next generation. I would like the new President and the rest of the Company management to address this theme quickly and earnestly. Changes in the external environment can happen, but responding to these changes in a flexible way and taking on bold challenges is another management issue. As Outside Directors, I hope we can each bring our own knowledge and give good advice about responding to the changing environment, helping to show the Company the right path to take.

Please tell us what changes you have noticed in the effectiveness of the Board of Directors through management and discussions in FY2024.

It is 10 years since the Corporate Governance Code was established in 2015. The Company's Board of Directors has undergone great changes during this time. In particular, the Outside Officers' Meeting has been established since then, and has now become an important forum for communication between the business execution side and the internal Directors and Corporate Auditors. Companies often struggle with how to bridge the information gap between Corporate Auditors and Outside Directors, but I believe the Outside Officers' Meeting has resolved this issue here at the Company. Details about what has been discussed between internal Directors at the Management Committee are now explained at the Outside Officers' Meeting. It is commendable that progress is being made in making management more transparent. I hope we can move forward together toward achieving the Medium-term Business Plan through continued communication with the business execution side.

To "optimize product composition and strengthen the profitability of existing businesses" is the first strategy in our current Medium-term Business Plan. We are implementing measures after setting a new cash allocation. Please tell us what you think of these efforts, and your advice about future challenges.

The Medium-term Business Plan from FY2025 sets clear targets, both financial and non-financial. The level to which these targets have been achieved is linked to the evaluation of Directors' bonuses. Cash allocation was done as planned with stakeholders in mind, and a large share buyback has been implemented during the first fiscal year. One of the important strategies in this Medium-term Business Plan is to "optimize product composition and strengthen the profitability of existing businesses." The product portfolio is being reformed with an emphasis on capital efficiency. SB-ROIC, the Company's own indicator to measure capital efficiency, has been set as a new management indicator for each business division from FY2025. This is a step toward reforming the product portfolio. In the process of applying this Company-wide indicator to individual business divisions, it will become more important for each business division to see how this indicator relates to them. From my perspective as an Outside Director, I want to closely monitor the process of how SB-ROIC functions autonomously in each business division.

Kazuo Matsuda

Outside Director

- Apr. 1971 Entered The Fuji Bank Limited (currently Mizuho Bank, Ltd.)
- Apr. 2000 Senior Managing Executive Officer of Fuji Securities Co., Ltd. (currently Mizuho Securities Co., Ltd.)
- Oct. 2000 Managing Executive Officer of Mizuho Securities Co., Ltd.
- Jun. 2009 Director, Representative Executive Vice President of NSK Ltd.
- Jun. 2011 Special Advisor of NSK Ltd.
Standing Corporate Auditor of NSK-Warner K.K.
Outside Audit & Supervisory Board Member of Daido Metal Co., Ltd. (to the present)
- Jun. 2015 Outside Corporate Auditor of the Company
- Jun. 2016 Outside Director of the Company (to the present)

We asked Director Nagashima...

President Kajiya was appointed in June this year. Please tell us about what you expect and want from the new management system.

I know President Kajiya is highly respected within the Company. He was appointed at a difficult time, with issues including the appreciation of the yen and tariffs imposed by the US, but I believe that changes in the external environment are a good opportunity for a company to review its business efficiency, and I have faith in President Kajiya's ability. The new President and the rest of the Company management will be addressing the 12 material issues to achieve the targets set in the Medium-term Business Plan. These targets and guidelines have been set through careful discussion, so I hope they will make decisions and follow them through. Along with the other Outside Directors, I would like to make Sumitomo Bakelite Co., Ltd. "a company providing dreams for the future" with Vision 2030 as our aim.

Please tell us what changes you have noticed in the effectiveness of the Board of Directors through management and discussions in FY2024.

I think the PDCA cycle is being applied properly in the evaluation of effectiveness of the Board of Directors: the evaluation method is considered, results are analyzed and evaluated, issues are identified through discussion at each level, and actions are taken to make improvements. To improve the effectiveness of the Board of Directors, I believe honest discussion is required. All Directors, including newly appointed Officers, ask questions and actively express their opinions. These discussions have covered many themes that will help to improve corporate value over the medium- to long-term. There have been steady improvements in the issues raised in the effectiveness evaluation, including providing more information about internal discussions to the Outside Officers and the content of documents that we receive. Going forward, we intend to continue our in-depth discussions on the use of third-party organizations and resolving new issues, aiming to further improve the effectiveness of the Board of Directors.

What do you think of our efforts to embrace diversity, including promoting the advancement of women? Also, what do you think are the challenges for further progress in the material issue of human capital?

I think the appointment of Ms. Hiromi Oki and Ms. Akiko Okubo as Sumitomo Bakelite Co., Ltd.'s first female Executive Officers is a very significant step for the further development of the Company. Promoting diversity, including empowering women, makes the Company a more attractive place to work, helping to secure and retain human resources. I also believe that innovation comes from environments where ambitious and motivated people interact with each other. Human capital has been identified as one of the Company's value creation accelerators. The personnel system has been revised in the past few years, aiming to foster a culture of challenge and performance-based reward. I believe the Company is also taking a meticulous approach to creating a better working environment, by promoting health support measures and enhancing systems to enable diverse human resources to thrive. As for challenges, perhaps one challenge is boosting the next generation of female talent to follow in the footsteps of the two female Executive Officers.



Etsuko Nagashima

Outside Director

- Oct. 1978 Entered Deloitte Touche Tohmatsu LLC
- Jul. 1980 Entered Tsukeshiba CPA Accounting Office
- Oct. 1982 ertified Public Accountant registration
- Jun. 1988 Established Nagashima CPA Accounting Office (to the present)
- Apr. 2008 Representative Partner of Veritas Audit Firm
- Jun. 2016 Outside Director (Audit & Supervisory Board Member) of BULL-DOG SAUCE CO., LTD. (to the present)
- Jun. 2019 Outside Corporate Auditor of the Company
- Jun. 2021 Outside Director of the Company (to the present)

We asked Director Wakabayashi...

President Kajiya was appointed in June this year. Please tell us about what you expect and want from the new management system.

In FY2024, the first year of the Medium-term Business Plan, we achieved our targets thanks to employees and management working together to overcome adverse conditions, both in Japan and internationally. The Company is making steady progress toward the key matters set out in the Medium-term Business Plan, and with the background of the SB-ROIC indicator, I believe the One Sumibe mindset has become established among employees. President Kajiya was appointed in the midst of this situation. I expect President Kajiya to start by establishing the One Sumibe mindset among all employees, as I have just mentioned. I hope he will lead the Company with the same patience that he showed through the difficult business conditions he endured in North America when he was responsible for the high-performance plastics business in FY2024.

Please tell us what changes you have noticed in the effectiveness of the Board of Directors through management and discussions in FY2024.

When I first joined the Board of Directors, I often found reports and documents difficult to understand due to the terminology used. However, thanks to separate lectures for each business area and glossaries to explain terminology, my understanding has deepened. I believe careful efforts like this are leading to improved effectiveness of the Board of Directors. The Outside Officers' Meeting, held before the Board of Directors, is a good way for us to understand what will be discussed at Board of Directors meetings. Carefully considering matters discussed at the Outside Officers' Meeting and then discussing them again at the Board of Directors meeting is effective as a process, too. Aside from this, when I have requested improvements, I feel the Company has responded promptly and reliably.

Digital transformation is one of our material issues, and we are moving forward with this, including transforming our manufacturing systems into smart factories. What do you think of these efforts? Please also tell us your advice and opinions about how to successfully develop digital-skill leaders.

I sense that digital transformation is gaining momentum, as numerous case studies of digital technology being utilized in different ways have been brought up at technical discussions, R&D implementation declarations, and so on. In particular, the annual front line improvement presentations have been upgraded in FY2025 to a presentation covering the whole company's operations, from the perspective of strengthening digital transformation. This is a measure that I wanted to see. Accelerating the pace of digital transformation will require further training of practitioners, as well as opportunities for management to gain understanding. For research and development, I suggest holding research presentation sessions specializing in how to apply informatics technology. To promote the move to smart factories, I suggest establishing a department to promote data systems and utilization across departments, then holding presentations for all plants, including people at management level. I am sure these activities will lead to more opportunities for digital-skill leaders, helping to boost motivation and attract external talent.



Hiroyuki Wakabayashi

Outside Director

Jun. 1979	Entered DENSO CORPORATION
Jun. 2006	Entered DENSO CORPORATION
Jun. 2013	Senior Executive Director, Member of the Board of DENSO CORPORATION
Jun. 2014	Director, Member of the Board, Senior Executive Director of DENSO CORPORATION
Jun. 2015	Senior Executive Director of DENSO CORPORATION
Jun. 2016	Director, Member of the Board, Senior Executive Director of DENSO CORPORATION
Apr. 2017	Executive Vice President, Member of the Board of DENSO CORPORATION
Jun. 2024	Outside Director of the Company (to the present)



Message from the Executive Vice President

MATERIAL ISSUES

Flying our banner of 12 material issues, we pursue challenges as one to achieve Vision 2030

Masayuki Inagaki

Representative Director, Executive Vice President

Redefining our material issues in light of Vision 2030

In 2015, our Group formulated its material issues for the first time, and continued to review them into 2023. But over nearly the last decade, the business environment has undergone dramatic change, including heightened pandemic- and geopolitical-related risk. As such, we determined it necessary to redefine our Group's material issues from scratch, to allow us to strengthen our initiatives in support of sustainable growth.

In formulating our Medium-term Business Plan 2024–2026, we backcasted from Vision 2030 with a focus on building a management framework to balance financial and non-financial targets. As part of this process, we formulated material issues by forecasting future social and economic conditions. The Sustainability Promotion Department played a core role in characterizing these issues, which were then deliberated comprehensively in Management Committees and by the Board of Directors. By re-evaluating our Group's social role from diverse perspectives, including those of our Outside Directors, we formulated material issues that were better suited to implementation as well as more convincing. Employees tend to regard non-financial issues in particular as beyond the scope of their core responsibilities, so to heighten awareness of the fact that, in today's corporate environment, such issues can significantly impact enterprise value and are linked to future financial performance, we engaged in meticulous dialogue and sustained efforts to propagate these priorities throughout the organization, from the Directors to the level of the front line.



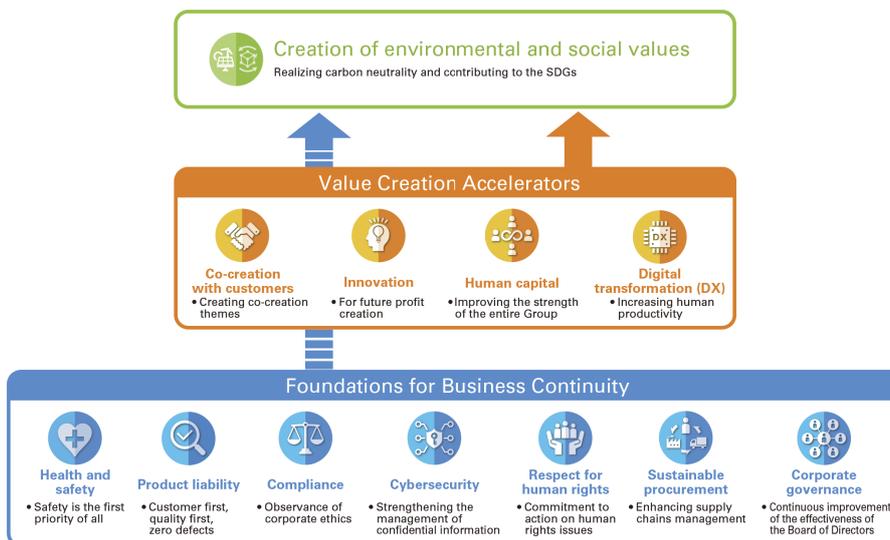
The issue of value creation and its link to the Medium-term Business Plan

In formulating our 12 material issues, we paid special attention to the creation of environmental and social values. This priority reflects the principles of the SDGs and the Paris Agreement’s carbon-neutral pathway. It also directly supports our Group Vision rooted in our purpose, which is to be “a company providing dreams for the future” through creating value with our customers. To drive creation of environmental and social values, we have identified four value creation accelerators (co-creation with customers, innovation, human capital, and digital transformation) and seven foundations for business continuity to underpin these efforts.

Our Group set forth clearly defined profitability-oriented financial targets in the Medium-term Business Plan launched in 2024. These targets focus not on the volume of sales, but on a fundamental value creation metric, which is to deliver significant value with minimal resources. Technological innovation is essential to address environmental challenges such as carbon neutrality, and obtaining the resources for such development also becomes feasible with profitability-oriented evaluation. In addition, achieving technological innovation demands both autonomy and organizational strength. To transform our corporate culture, we are steadily implementing such initiatives as a dedicated department to promote Diversity, Equity, and Inclusion (DE&I), measures to elevate employee engagement, and psychological safety training for leadership. As a result, a culture that motivates people to pursue challenges and can accept failures is gradually establishing itself, from management to the front line.

Behind every effort to deal with material issues, we find people. I am convinced that once a culture of employees uniting globally to embrace challenges has taken root, our Group will be poised for even greater achievement.

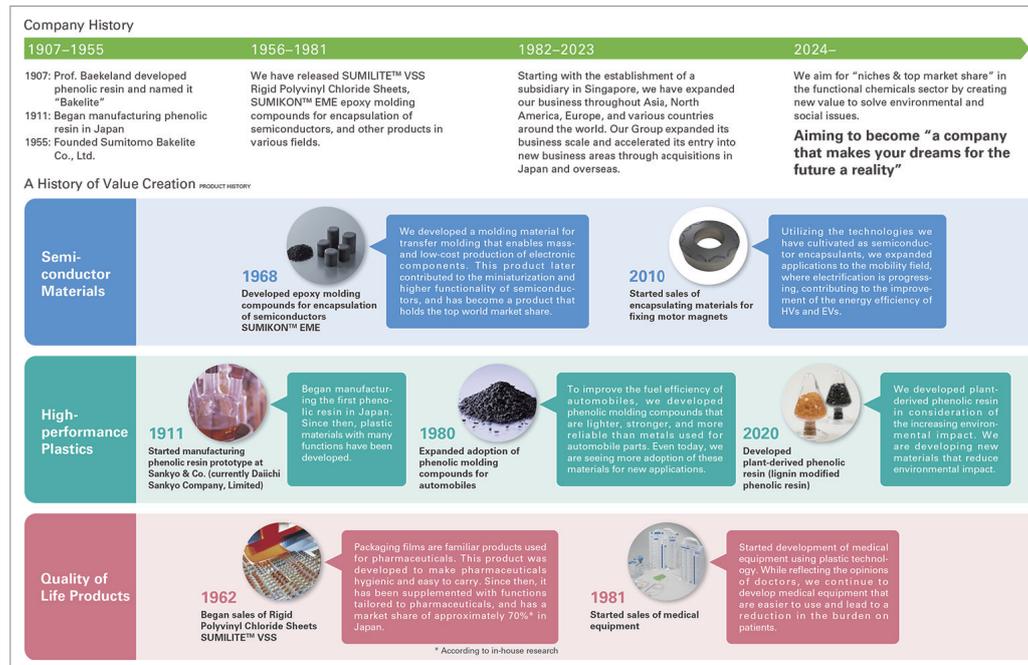
12 Material Issues



The Value Creation

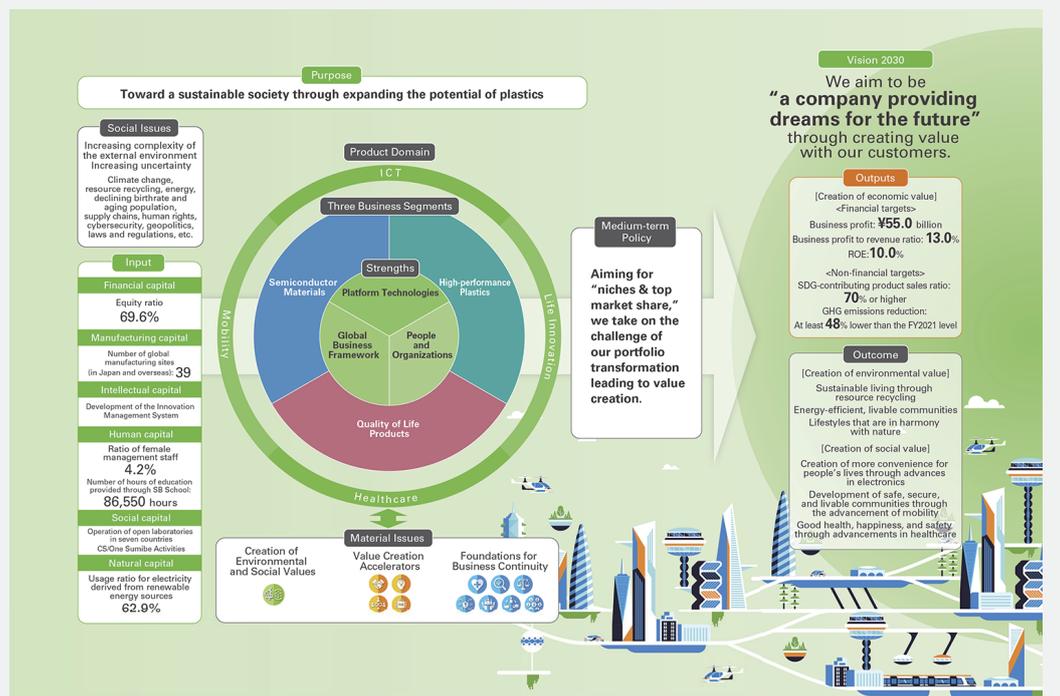
History of Value Creation

Since we started our operations as a pioneer in plastics manufacturing, we have continued to create new value and worked to solve the evolving issues confronting society in every age. We will evolve upon our history to further expand the potential of plastics and the fields in which they are used.



The Value Creation Process

By putting our business models into practice in three business segments, we seek to achieve the targets of our material issues and realize sustainable growth by society and the Company. Looking ahead, we aim to achieve "our Vision 2030", a statement of the ideal image of our Group.



Sustainability Management

Sustainability Promotion Policy

We, the Group of Sumitomo Bakelite Co., Ltd., aim to improve corporate value sustainably by conducting business activities for our Purpose, “Toward a sustainable society through expanding the potential of plastics,” based on our Business Philosophy, “Our Company places prime importance on trust and sureness, and shall commit itself to contributing to the progress of society and enhancement of people’s welfare and livelihood through its business activities.”

Basic approach

Amid continuing unpredictability and uncertainty of environmental and social conditions, it becomes more difficult to predict the future outlook.

Our Group has advanced initiatives to enhance sustainability based on our basic policy (Business Philosophy) and Purpose thus far and will strengthen these initiatives further. By pursuing the diverse functions of plastics and expanding their potential, we will contribute to realizing a sustainable society by continuously implementing new products and services that contribute to achieving the SDGs.

Our Group has identified material issues and KPIs based on risks that should be minimized looking to the future and opportunities to enhance sustainable corporate value for our Vision, “become a ‘company providing dreams for the future’ through creating value with our customers.” We strive to continually work toward achieving our Vision 2030.

Sustainability Promotion System



We have established our Sustainability Promotion Committee, which is chaired by the President under the supervision of our Board of Directors.

*1: The committee meets once every two months, approving policies related to sustainability, confirming progress and approving plans for key performance indicators (KPIs) for material issues, and approving policies, plans, and results of the sub-committees (e.g., approval of SDG-contributing products discussed at the SDG Promotion Committee).

*2: The secretariat promotes and provides support for sustainability initiatives.

*3: SDG Promotion Committee, Carbon Neutrality Promotion Committee, Risk Management Committee, Compliance Committee, etc.

Responsible Care Activities

(1) What is Responsible Care?

Responsible Care refers to voluntary activities by many chemical companies handling chemical substances aimed at preserving “the environment” against and ensuring “the safety and health” from chemical substances throughout the product’s life cycle, from “development” through “disposal or recycle”, while publishing results of activities and maintaining dialogue and communication with society.

These activities can be broadly categorized into six areas: (1) environmental protection, (2) process safety and disaster prevention, (3) occupational health and safety, (4) distribution safety, (5) chemicals and product stewardship, and (6) communication (publishing results, dialogue).

🔗 [Japan Chemical Industry Association Home Page “ABOUT RESPONSIBLE CARE”](#)

(2) Responsible Care Activities

As a member of the Japan Chemical Industry Association (JCIA) RC Committee, we are working on the six themes to preserve the environment and ensure safety and health. Based on our Policy on Responsible Care Activities, we are determined to ensure that our business operations fulfill the responsibilities as a company to stakeholders, including society.



Policy on Responsible Care Activities

Philosophy

In all its operations, Sumitomo Bakelite Co., Ltd. will contribute to the sustainable development of society while promoting business activities by meeting the highest standards of the Responsible Care concept and giving due consideration to environmental preservation, human health and safety and product quality.

Policy

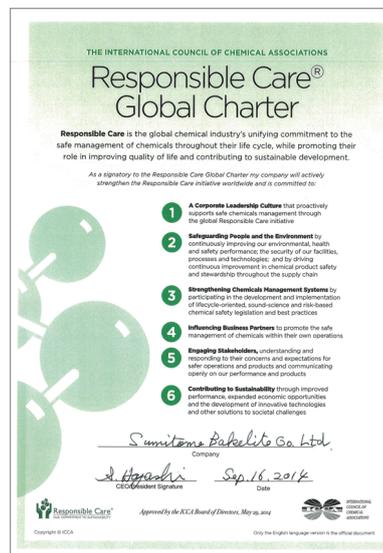
1. Evaluate the safety, health, and environmental aspects throughout the entire life cycle of a product, from product design to the procurement of raw materials through disposal, and strive to minimize the environmental impact of our corporate;
2. Make sustained, Group-wide efforts to promote resource and energy conservation, waste reduction and biodiversity conservation;
3. Perform Environmental, Safety & Health Audit and Quality Assurance Audit as well as work to maintain and improve systems for managing environmental protection, safety promotion and disaster prevention, worker health and safety, and quality management;
4. Comply with all relevant laws, regulations, and agreements associated with safety, health, the environment, and chemicals while autonomously establishing administrative rules with the aim of strengthening management capacity, so as to improve environmental, health and safety conditions for society, customers, and employees;
5. Work to ensure and improve the safety of raw materials, products, transportation operations and process safety, and provide product safety information to employees, customers, and others;
6. Promote continuous improvement in security over facilities, processes, and technologies, and implement operational safety management programs to ensure the safety and health of employees and residents of local communities;
7. Publicly disclose information on the environment, safety, and products to and promote dialogue with interested parties such as customers, employees, and residents of local communities, so as to identify their needs and deepen mutual understanding and trusting relationships;
8. In order to ensure environmental conservation, human health and safety as well as product quality, provide employees with training to develop necessary human resources for that end.



(3) Signing the declaration of support for the Responsible Care (RC) Global Charter

The Responsible Care (RC) Global Charter is a voluntary activity policy adopted by the International Council of Chemical Associations (ICCA) in 2006 and shared by the chemical industry to enhance and reinforce RC activities around the world. We subscribe to this activity policy and signed a declaration supporting the RC Global Charter in October 2008. Responding revision in May 2014, we also signed the revised RC Global Charter in September 2014. By signing the declaration, we have committed ourselves to making even greater contributions to the RC activities around the world.

- [Responsible Care Global Charter](#)



Signing the United Nations Global Compact

Sumitomo Bakelite Co., Ltd. has signed the United Nations Global Compact (UNGC) advocated by the United Nations and was approved by UNGC on September 20, 2024.

- [United Nations Global Compact \(UNGC\)](#)
- [Global Compact Network Japan \(GCNJ\)](#)

We, the Group of Sumitomo Bakelite Co., Ltd., conducts business activities for our Purpose, “Toward a sustainable society through expanding the potential of plastics,” based on our Business Philosophy, “Our Company places prime importance on trust and sureness, and shall commit itself to contributing to the progress of society and enhancement of people’s welfare and livelihood through its business activities.” We will contribute to the realization of a more sustainable society by supporting the four fields of human rights, labor, environment, and anti-corruption of the Ten Principles set by the UNGC.



Related pages

- [Respect for Human Rights](#)
- [Environment](#)
- [Anti-Corruption](#)

Agreement with Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

We have expressed our agreement with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB).

- [Task Force on Climate-related Financial Disclosures \(TCFD\)](#)



As a Group, we are committed to switching to renewable energy and increasing the sales ratio of SDG-contributing products, and we are promoting information disclosure based on the TCFD recommendations.

Related pages

- [Disclosure Based on TCFD Recommendations \(Response to Climate Change\)](#)

Science Based Targets (SBT) Certification

Our Company's 2030 greenhouse gas emission reduction targets (1.5°C scenario targets) have been certified by the Science Based Targets initiative (SBTi).

- [Science Based Targets \(SBT\)](#)



As a Group, we are working toward our Environmental Vision for 2050. In May 2024, we set new targets for reducing greenhouse gas emissions (Scope 1+2) in line with the 1.5°C scenario target, which have been certified by the Science Based Targets initiative (SBTi). This will contribute to our efforts to create a sustainable society.

Related pages

- [Environmental Vision for 2050](#)

Joined the GX League

After announcing our support for the GX League Basic Concept published by Japan's Ministry of Economy, Trade and Industry and our intention to join, we are now a member of the GX League.

- [GX League Basic Concept](#)
- [GX League](#)

We are working toward our Environmental Vision for 2050 (net zero). Our Group's efforts to become carbon neutral are aligned with the ideas of the GX League, so joining the GX League will help us to further accelerate our actions.



Related pages

- [Environmental Vision for 2050](#)

Joined the 30by30 Alliance for Biodiversity

We have joined the 30by30 Alliance for Biodiversity led by Japan's Ministry of the Environment.

- [30by30 Alliance for Biodiversity](#)

After applying for "Nationally Certified Sustainability Managed Natural Sites" scheme in FY2023, the "Ikoi no Mori" biotope at the Shizuoka Plant was certified as an OECM site.



Related pages

- [Biodiversity Conservation](#)

Agreement with the My Declaration of Human Rights Project

We support the aims of the My Declaration of Human Rights project by the Ministry of Justice and the National Federation of Consultative Assemblies of Civil Liberties Commissioners, and have announced our own My Declaration of Human Rights.

- [My Declaration of Human Rights](#)

Related pages

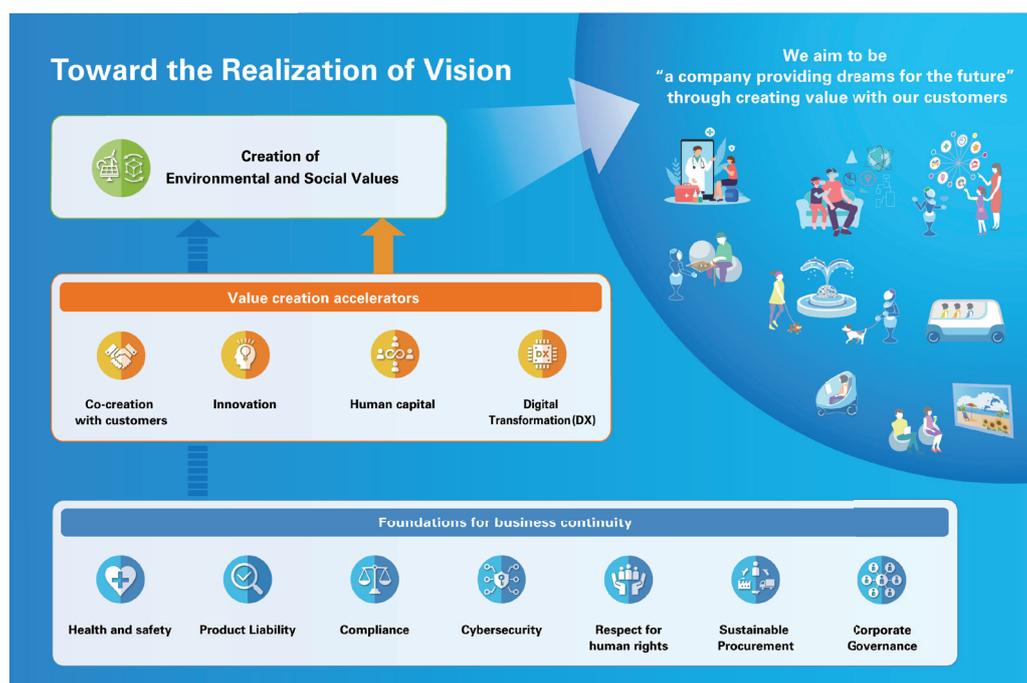
- [Respect for Human Rights](#)

Material Issues

Redefining material issues with backcasting, pursuing the creation of environmental and social values

Aiming to realize our vision for 2030 of being a “company providing dreams for the future” through creating value with our customers, we identified 12 material issues in FY2024.

Creation of environmental and social values is about creating value that will directly contribute to achieving our vision for 2030. Co-creation with customers, innovation, human capital, and digital transformation will propel our efforts to create environmental and social values, so we have positioned these issues as value creation accelerators in view of their anticipated effects. Finally, the seven foundations for business continuity are vital issues that form the basis of these efforts.



KPIs for Material Issues

We have set KPIs to clarify our specific efforts to address each of the 12 material issues. The Sustainability Promotion Committee regularly checks progress as we work on these KPIs.

Material Issues		KPIs		FY2030 Targets	FY2024 Results
Creation of environmental and social values		① SDG-contributing product revenue ratio		70% or higher	66.4%
		② GHG emissions reduction* ¹ compared to FY2021		48% or higher	45%
Value creation accelerators	Co-creation with customers	① Number of themes co-created with customers as a result of One Sumibe Activities (per year)		10 co-creation themes	11 co-creation themes
		② Number of cross-department based in-house exhibitions held (per year)		8	11
	Innovation	① Number of projects implemented		5 or more	6
		② Contribution to business profit		¥10.0 billion	—
Human capital	① Promotion of diversity	(1) Promote the advancement of women	• Ratio of female management staff (non-consolidated)	10%	4.25%
			• Ratio of new fathers taking childcare leave (non-consolidated)	90%	84%

		(2) Ratio of mid-career hires (non-consolidated)* ²	50%	43%	
		② Enhancement of autonomy Number of employees participating in 360° assessment-based education programs	70	52	
		③ Enhancement of organizational strength Number of employees participating in management education programs	70	58	
	Digital transformation	① Core system integration	Core system data integration (global)	Conceptualization completed	
		② Human productivity* ³	(1) Production departments* ⁴	2.0	1.1
			(2) Management departments* ⁵	2.0	1.1
		③ Number of trained data scientists:	(1) Number of employees with data science-related certifications	150	54
			(2) Number of employees that possess data science-related skills	450	145
Foundations for business continuity	Health and safety	① Serious occupational accidents (per year)	0	2	
		② Accidents caused by fire and/or explosion, resulting in operational stoppage (per year)	0	0	
		③ Number of data leaks (per year)	0	1	
	Product liability	① Critical quality complaints (per year)	0	0	
	Compliance	① Compliance training participation rate	100%	100%	
		② Number of serious compliance violations (per year)	0	0	
	Cybersecurity	① Major cybersecurity incidents (per year)	0	0	
		② Cybersecurity training participation rate	100%	100%	
		③ Cybersecurity incident response training (times held per year) (non-consolidated)	twice	twice	
	Respect for human rights	① Human rights due diligence	Conduct human rights due diligence	Priority issue identification completed	
	Sustainable procurement	① Sustainable procurement rate* ⁶	100%	≥85%	
		② Usage rate of smelters conforming to RMAP related to 3TG* ⁷	100%	100%	
	Corporate governance	① Continuous improvement of the effectiveness of the Board of Directors from the viewpoint of board composition and operation	Evaluate the effectiveness of the Board of Directors and address priority issues	Effectiveness evaluation of the Board of Directors and implementation of measures to address priority issues completed	

*1 Scope1 and Scope 2 emissions

*2 Career track recruits

*3 2023 is set as 1.

*4 Calculated based on marginal profit/direct man-hour for major products.

*5 Calculated for management departments and the Information Systems & Data Processing Department using the formula target time/ (target time - reduction time).

*6 The percentage of major suppliers that meet the specified criteria through which the Company makes 90% of purchases by segment based on self-assessment sheets from the JEITA Responsible Business Conduct Guidelines.

*7 3TG: Tin, Tantalum, Tungsten and Gold, Responsible Minerals Assurance Process (RMAP).

Material issues determination process

Material issues were selected with the following process, which involved first broadly identifying issues and then narrowing down the list of key issues. Based on the results of this process, material issues were arranged and key issues identified with the approval of management.

STEP 1 Identification of issues

We refer to the following to help identify a broad range of issues

- Information regarding social issues
- UN guidelines and external environmental, social, and governance assessment agency items
- Group policies, department initiative details
- Discussions during the Medium-term Business Plan formulation process
- Dialogue with stakeholders

STEP 2 Selection and arrangement of material issues

Highly important issues are selected according to the following two factors

- “Importance to Society”
- “Importance to the Group”

They are arranged in terms of the following in light of expected benefits

- “Value creation”
- “Value creation accelerators”
- “Foundations for business continuity”

STEP 3 Management deliberation and approval

Determine material issues on approval of the Board of Directors

The Sustainability Promotion Committee confirms the comprehensiveness and appropriateness of the material issues identified, then obtains the approval of the Board of Directors.

Relationship between Material Issues and ESG

	Topics	E	S	G
Creation of Environmental and Social Values	●	●	●	
Co-creation with Customers	●			
Innovation	●			
Human Capital (Human Resource Participation) Management			●	
Digital Transformation	●			
Sustainable procurement			●	
Occupational health and safety			●	
Respect for human rights			●	
Cybersecurity				●
Product Liability			●	
Compliance				●
Corporate Governance				●

Relations with Stakeholders

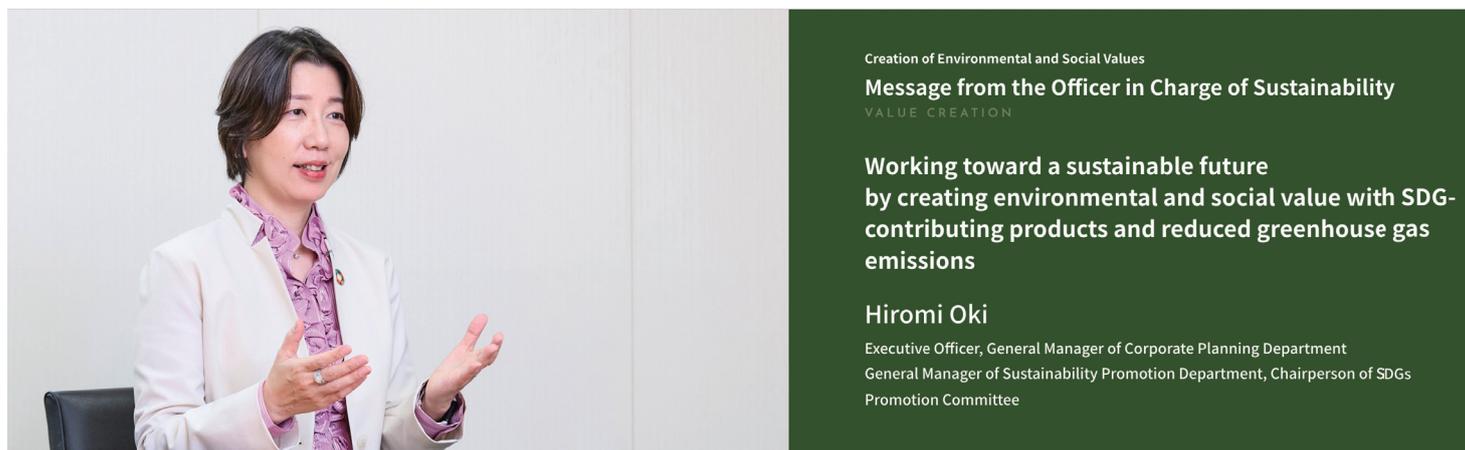
The stakeholders of our Group are the same as those defined in the “Corporate Governance Code”, and check that our Board of Directors implements each principle of the “Corporate Governance Code” of the Tokyo Stock Exchange.

There have not been any major concerns up to this point; we value our relationship with all our stakeholders, and we promote our business while engaging with them. The stakeholders with whom we engage are those linked to the material issues of our Group*.

* See the [“Material Issues”](#)

Stakeholders	Main Responsibilities	Main Methods of Communication
Customers	We work in good faith to live up to our responsibilities related to such issues as product quality, delivery dates, and prices as well as to quickly respond to customer needs. To achieve this, we have established the CS Promotion Committee, which continuously endeavors to improve customer satisfaction.	<ul style="list-style-type: none"> ● Communication through daily routine business activities ● Quality assurance support ● Information exchange at exhibitions and similar event ● Providing information and customer support through the website
Shareholders & investors	We are committed to distributing stable dividends in accordance with consolidated performance and are taking steps to disclose all relevant information. To attain these goals, we are increasing the rigor of corporate governance, and ensuring the timely disclosure of relevant information. 385 people attended our FY2024 business results presentation.	<ul style="list-style-type: none"> ● Shareholders' meeting ● Business results presentation ● Response to press reporting ● Issuance of reports for shareholders ● Website-based information disclosure
Local residents	Operating as a member of local communities, we seek to contribute to the regions in which the Group operates while giving careful consideration to environmental protection issues. We disclose information to local residents by organizing factory tours and proactively participating in local events.	<ul style="list-style-type: none"> ● Interaction and mutual dialogue with local residents ● Participation in local events ● Welcoming next-generation internships and factory visits ● Environmental conservation and beautification activities in local areas ● Various activities with economic and industry organizations
Government entities	Besides maintaining rigorous compliance with relevant laws and regulations, we endeavor to make information publicly available and engage in two-way communication with local government entities. For this purpose, we are establishing internal mechanisms for monitoring the revision and enactment of laws.	<ul style="list-style-type: none"> ● Dialogue with local and regional governments ● Various activities and dialogues with economic and industry organizations ● Survey/questionnaire responses ● Various notifications
Business partners	We engage in impartial and fair business transactions and cooperate with our business partners to realize sustainable procurement objectives. Accordingly, we ensure both companies fulfill their social responsibilities through survey forms, questionnaires, contract conditions, and day-to-day dialogue with business partners.	<ul style="list-style-type: none"> ● Dialogue through purchasing & procurement activities ● Dialogue through survey forms, questionnaires, laws and regulations, and conclusion of contracts containing provisions concerning corporate social responsibility ● Website-based public disclosure of information

Note: See [the Glossary](#).



Creation of Environmental and Social Values

Message from the Officer in Charge of Sustainability

VALUE CREATION

**Working toward a sustainable future
by creating environmental and social value with SDG-
contributing products and reduced greenhouse gas
emissions**

Hiromi Oki

Executive Officer, General Manager of Corporate Planning Department
General Manager of Sustainability Promotion Department, Chairperson of SDGs
Promotion Committee

Defining KPIs to contribute to creation of environmental and social values

By creating new value contributing to the environment and society, we aim to build a structure ensuring our existing and new businesses will continue to generate profits into the future. As part of this, two of the KPIs we have set for our Group are the sales revenue ratio of SDG-contributing products and reduction in emissions of greenhouse gases (GHG). We set targets for each fiscal year with a view to achieving our targets for 2030. In FY2024, we achieved our targets for both of these KPIs.

Efforts to create SDG-contributing products

The SDGs Promotion Committee, which leads our Group's environmental and social value creation activities, accredits SDG-contributing products, SDG-contributing technologies, and SDG-contributing activities. The Committee met 12 times in FY2024. Most of our Group's products are BtoB products, which means they go through multiple customers before the final product is supplied to the market. Therefore, when accrediting SDG-contributing products, the Committee discusses which targets a product contributes to, how, and to what extent, using objective criteria based on actual measurements or publicly available data. When considering Goal 7 (Affordable and Clean Energy) and Goal 13 (Climate Action) in particular, an important criterion is the carbon footprint of the product over its whole life cycle, from raw materials to final disposal. We endeavor to conduct a stringent review process to avoid "greenwashing" (falsely claiming that a product contributes to the SDGs). Each month, we hold lively discussions about products under development with the directors of each research laboratory. As a manufacturer, we are fostering a culture of awareness of how we can contribute to the SDGs from the development stage.

Efforts to reduce GHG emissions

Based on our Environmental Vision for 2050 formulated in March 2020, the Carbon Neutrality Promotion Committee, which oversees the Carbon Neutrality Technology Review Subcommittee and the Life Cycle (LC) Subcommittee, is working on reducing GHG emissions. In FY2024, the Committee, which meets twice a year, shared the Group's annual targets and individual targets for each business site based on these, as well as implementing ongoing educational activities including e-learning, which I feel have increased understanding within the whole company. Specifically, the Committee promoted the installation of solar panels and provided guidance on the introduction and continuous use of renewable energy. As a result, in May 2025, we received SBTi certification for our GHG reduction targets (Scope 1 + 2) in line with our Group's 1.5°C scenario target. For Scope 3, we aim to reduce Category 1, 4, 5, and 12 emissions. Category 1, which makes up over 70% of CO₂ emissions, is a challenge we cannot tackle alone, so we intend to further deepen collaboration with our suppliers.

Maintaining objectivity and transparency of sustainability

As a Group, we will continue to work hard on sustainability issues including the creation of environmental and social values. We consider objective evaluations by external organizations to be an important part of this. Specifically, we are

taking part in international initiatives including Science Based Targets (SBT), which promotes the setting of targets for reducing GHG emissions based on scientific evidence, and the United Nations Global Compact (UNGC), which promotes corporate social responsibility. These activities clearly demonstrate our commitment to sustainability, both within and outside the Company.

We have also been evaluated by CDP, an international non-profit organization for disclosure of sustainability-related information, and FTSE Russell, a global provider of stock market indices. Taking these evaluation results into account, we will objectively review our efforts toward sustainability, striving for continuous improvement.

Furthermore, we will actively exchange opinions and share information with a diverse range of stakeholders, including customers, employees, investors, and local communities, striving to maintain and improve transparency and reliability.

Initiatives for SDGs

Approach to Contributing to SDGs

Our Group conducts efforts on SDGs under an understanding that SDG efforts, societal needs, and our Company's business objectives/Business Philosophy are roughly equally interconnected. We believe that the SDGs together serve as one of the points of reference that will show us the direction in which our Group should move as a plastics manufacturer. The SDGs consists of 17 goals and 169 specific targets for achieving those goals. We have designated "6+1" as our priority area targets in which we can make the most of our business fields and strengths. We have identified the creation of environmental and social values as a material issue for the promotion of sustainability, and are working to contribute to the SDGs as part of this effort. Our Group has been accrediting products, technologies, and activities that contribute to the SDGs as SDG-contributing products, SDG-contributing technologies, and SDG-contributing activities. Certification is granted by the SDGs promotion Committee, subject to approval by the Sustainability Promotion Committee, upon meeting the assessment criteria: the target must be appropriately selected, and a concrete explanation of contributions must be provided, including objective figures based on actual data or publicly disclosed information. As a result, the ratio of SDG-contributing products in sales revenue is increasing every year.



SDGs Promotion System (Governance)

Our Group identified the creation of environmental and social values as a key material issue, and we are working to contribute to the SDGs through our products, technologies, and activities. To promote these initiatives, we established the SDGs promotion Committee under the Sustainability Promotion Committee, and we are investigating contributions to the SDGs from the initial research stages. We also conduct ongoing discussions concerning our existing products and seek to create new value from research and other perspectives.

The SDGs promotion Committee regularly reports details of its activities to the Sustainability Promotion Committee and obtains approval. In addition, the Sustainability Promotion Committee reports its important decisions to the Board of Directors.



Certification Process, Results, and Targets for SDG-contributing Products, Technologies, and Activities

Since FY2018, our Company Group has been accrediting products, technologies, and activities that contribute to the SDGs as SDG-contributing products, SDG-contributing technologies, and SDG-contributing activities.

Products Eligible for Certification

Certification is intended for products that meet one or more of the following certification requirements ((1) - (8)).

Our Group's priority SDGs

- (1) Goal 3: The product promotes health and welfare
- (2) Goal 7: The product contributes to improving energy efficiency and implementing new forms of energy (including energy storage)
- (3) Goal 8: The product contributes to achieving job satisfaction and economic growth
- (4) Goal 9: The product contributes to expanding environmentally friendly technologies, and to the foundation of industry and technological innovation
- (5) Goal 12: The product contributes to reducing waste (including food waste) and harmful substances, contributes to reducing environmental impact, and contributes to the realization of recycling and resource saving
- (6) Goal 13: Measures against climate change, and things that help strengthen adaptive capacity to climatic and natural disasters
- (7) Goal 14: The product contributes to the conservation and utilization of marine resources and to the prevention and reduction of marine pollution

(8) The product contributes to the achievement of one or more of the 17 SDGs other than Goals 3, 7, 8, 9, 12, 13, and 14 listed above.

FY2024 Results

Target

Sales revenue **¥202.4 billion** Sales ratio **66.4%**

Sales revenue ratio of at least **70%** in FY2030

Certification Process

Items reviewed and assessment criteria

- Concrete explanation of contributions: Presented through objective figures based on actual data or publicly disclosed information
- SDGs that the products/technologies/activities contribute to: Selected appropriately



Sales revenue from products and technologies contributing to SDGs (consolidated)



Key Newly-certified SDG-contributing Products and Activities

Liblia™ Zonisamide: Reagent for measuring Zonisamide concentration in blood

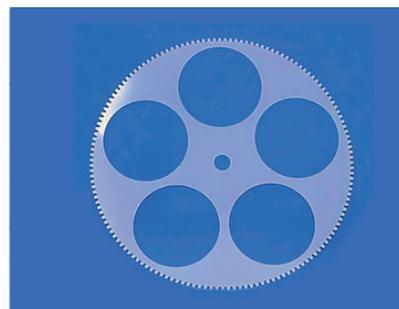
This in-vitro diagnostic reagent is for measuring the blood concentration of Zonisamide, an antiepileptic agent. Until now, methods for measuring Zonisamide required long periods for analysis, specialized equipment, and use of specialized testing centers as in-hospital testing was difficult to conduct. This product, however, allows for simple and rapid 20-minute in-hospital measurement, making use of latex turbidimetric immuno assay and biochemical automatic analyzers commonly installed in many hospitals. Same-day diagnostic results eliminate the need for patients to return to the hospital, allowing medication decisions to be made more quickly for improved seizure prevention.



3.d Early warning, risk reduction, and mitigation of health risks

Wafer polishing carrier

This product is a glass-epoxy carrier material for wafer polishing. A lightweight, inexpensive, and easy-to-process insulating material, it generates no minute metal particles during polishing and does not require a buffer material to protect the edges of the wafer within the holding holes. Three times more wear resistance than standard products reduces waste.



12.5 Substantially reduces waste generation

Providing environmental education at local elementary schools with visiting guest lessons

We visit elementary schools near our Shizuoka Plant through our visiting guest lessons initiative to introduce our activities related to the environment. These lessons help students understand what the environment and SDGs mean for them, providing an opportunity to think

about responding to climate change and preserving biodiversity. We are also working in cooperation with Fujieda City and Shizuoka Sangyo University to create on-demand teaching materials so that municipal elementary schools can conduct these lessons anytime.

- 4.1 Providing children's education
- 13.3 Education on climate change countermeasures



Typical SDG-contributing Products

EBL devices

Endoscopic band ligation (EBL) devices are attached to the tip of an endoscope and are used for ligating internal hemorrhoids and bleeding points from colonic diverticula that occur in the lower gastrointestinal tract. By using the EBL technique during hospitalization, the time until discharge and resumption of normal activities can be greatly shortened compared to the earlier clipping method.

- 8.1 Sustain per capita economic growth



Insulating coating powder for coil ends

This product is used as an insulating coating for rectangular copper wires used in drive motors. Curing at temperatures lower than commercially-available materials is possible. High Tg and lower curing temperature are achieved through the curing agent design. By lowering the curing temperature, the amount of CO₂ generated during curing can be greatly reduced.

- 9.4 Environmentally sound technologies
- 12.4 Reduce chemical emissions
- 13.2 Climate change countermeasures



Usage example



Before application



After application

Making lighter aircraft with Cove Light Panel

Cove Light Panel, an indirect interior lighting unit, helps reduce the weight of aircraft. This improves their fuel efficiency, contributing to lower CO₂ emissions.

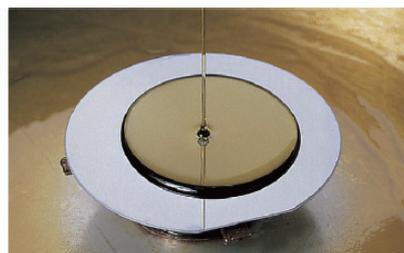
- 7.3 Improve energy efficiency
- 9.4 Environmentally sound technologies
- 13.2 Climate change countermeasures



Buffer coat material for power semiconductors

Until now, negative-type buffer coats have been used as insulating protective films for power semiconductors, and an organic solvent developer has been used for this. As such, by improving adhesion with the substrate, which was a problem with positive buffer coats, and solving outgassing generation, it has become possible to use positive buffer coats for power semiconductors. By using this product, it is possible to replace the organic solvent developer with an alkaline aqueous solution, contributing to a reduction in the release of chemical substances.

12.4 Reduce chemical emissions



Polycarbonate sheets with heat ray cutoff capabilities

The heat ray reflection grade of Polica Ace™ has a special heat ray reflective filler embedded into the polycarbonate layer to achieve an even higher heat ray cutoff effect than the conventional heat-absorbing grade. (heat ray cutoff rate of 79%).

The heat ray cutoff effect reduces heat at the bottom of the plate, contributing to energy saving and comfort. The panels also come in glossy silver tone, making them a wide range of applications.

9.4 Environmentally sound technologies

13.1 Strengthen adaptive capacity to climatic and natural disasters

13.2 Climate change countermeasures



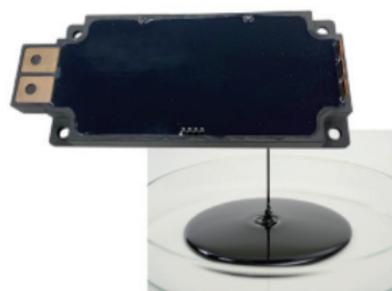
Liquid epoxy resin for power modules

By replacing conventional silicone gels with this product for sealing power modules (case type), the high heat resistance and low linear expansion coefficient of the material reduces stress on joining materials at room temperature to high temperatures, contributing to improving the long-term reliability of power modules.

7.3 Improve energy efficiency

9.4 Environmentally sound technologies

13.2 Climate change countermeasures



Ileus tube series

This product is used to decompress and create suction in the intestinal tract via a tube inserted through the nose or anus for ileus (narrowing or obstruction of the intestinal tract). Improvement resulting from its use is seen especially in the initial treatment of early stage ileus. By significantly reducing the rate of transition from conservative treatment to surgical surgery compared to when not in use, it contributes to the rehabilitation of patients and the improvement of their quality of life.

8.1 Sustain per capita economic growth



Anchor for solar panel with integrated waterproof sheet

These waterproof anchors can be installed after waterproofing work has been performed, simplifying installation. Integration of anchors with sheets ensures high reliability of waterproofing, with the same guarantee period and long-term fixation strength as the sheet waterproofing, and more than twice the strength of the solar panel power generation guarantee. This contributes to improved reliability of solar panel installation and consequent power generation.

13.1 Strengthen adaptive capacity to climatic and natural disasters





Discussion

One Sumibe
Activities Promotion
Leader



General Manager of
Global Marketing
Division

DIALOGUE

Building strong internal and external co-creation partnerships to create new value

Managing Executive Officer Atsushi Tanaka and General Manager Toyoaki Kishi of the Global Marketing Division have been promoting co-creation with customers from both a practical and strategic point of view, through One Sumibe Activities.

In this conversation, the two discuss their perspectives on co-creation, aiming to achieve “customer delight”: where we are now, and what lies ahead.



Atsushi Tanaka

Managing Executive Officer
One Sumibe Activities Promotion Leader



Toyoaki Kishi

General Manager of
Global Marketing Division



Creating new value through co-creation with customers

Tanaka:

Tanaka: The idea of Customer Satisfaction (CS) has always been very important to our Group, but since FY2024 we have taken it a step further, aiming to go beyond customer satisfaction and achieve “customer delight.” This means working with customers to uncover latent needs that they are not even aware of themselves, and leveraging our Group’s technical capabilities to provide solutions that surprise and delight them beyond their expectations. Based on this spirit of customer satisfaction, we started our One Sumibe Activities in 2017 to encourage horizontal collaboration between multiple divisions to respond to customers. Mr. Kishi, we regularly discuss the direction of future co-creation projects at bi-monthly meetings of the One Sumibe Promotion Committee. How do you feel about this initiative?

Kishi:

In these rapidly changing times, it is difficult for us to create new value on our own, so it is becoming more important than ever to work on co-creation: combining our Group’s expertise with that of customers to create new value together. As part of this, our One Sumibe Activities have been very well received by customers. We have built a smooth internal collaboration system thanks to the One Sumibe Promotion Committee, where the general managers of each department meet and can freely exchange opinions. The system means decisions made by the Committee can be communicated to the people concerned and implemented right away. I think this is key to creating products with new value.

Setting KPIs to make co-creation results visible

Kishi:

It is essential for co-creation with customers to produce output in the form of new projects. That’s why we have set KPIs to quantitatively evaluate our actions. Two key indicators are the number of co-creation projects with customers, and the number of cross-department based in-house exhibitions held per year. The first of these KPIs indicates the results of co-creation. The second is seen as an important activity to support this process.

We hold in-house exhibitions at customer facilities to showcase our Group’s technologies and products, providing a valuable opportunity for engineers from both sides to meet and exchange opinions directly. By showcasing appropriate products and technologies after investigating and understanding the customer’s business and challenges in advance, this allows us to build deeper relationships of trust. These exhibitions have sometimes contributed to customers’ development and to the creation of their business roadmaps.

Tanaka:

In-house exhibitions are one part of our One Sumibe Activities, where the entire Company works together to tackle customers' challenges. We have always given presentations to customers, but setting in-house exhibitions as a clear KPI has raised awareness within the Company and enabled everyone to see specific actions toward our targets, which I believe is a major step forward. What targets have you set at the Global Marketing Division?

Kishi:

Our targets for FY2024 were to conduct 10 co-creation projects and hold eight exhibitions. We achieved both of these targets. In the mobility field, one of our Group's strategic areas, we have started working with customers on projects including development of an axial gap motor to help make motors smaller. We have also seen results in other areas, such as ICT and sensing in healthcare. A secondary benefit of these exhibitions is that our developers can talk directly with customers, which speeds up research and development and broadens the horizons of developers. This makes it very meaningful from the perspective of cultivating our human resources, too.

Market development using open laboratories

Kishi:

The Global Marketing Division is made up of members with in-depth understanding of our Group's technical expertise and business domains. We are responsible for opening up and developing markets with a global perspective. Our activities focus on "new": creating new markets and entering new domains. Open laboratories play an important role in this. These facilities provide customers with an opportunity to prototype and test products, which enables customers without development facilities of their own to proceed with joint development, checking the evaluation results of prototypes at our Group's facilities. As well as Japan, we have laboratories in the United States, Belgium, Singapore, Taiwan, China, and now India (from spring 2025). In the US, we are currently exploring joint testing and mass production of next-generation motors with a major OEM. At the Global Marketing Division, we want to continue strategically strengthening partnerships with customers, centered around our open laboratories.



Promoting and establishing One Sumibe Activities within the Company

Tanaka:

In FY2025, we will continue with our One Sumibe Activities to propose solutions to customer issues through cross-organizational initiatives. The Priority Customer Practical Team, which aims to strengthen relationships with key customers, has formed teams targeting specific companies and deepened collaboration. These activities have strengthened networks within our Company. Increasingly, members are making use of cross-departmental connections in their subsequent work. In FY2024, the Power Module Working Group met with customers around the world to identify their technical challenges. The members from each business division then investigated solutions by combining their technologies, with the Power Electronics Solution Development Department officially being made part of the organization in April 2025. We have also formed an Influencer Team within the Company to take our One Sumibe Activities to the next level. Made up of core members from each business division and corporate department, they use in-house information-sharing platforms and the intranet to showcase creative ideas and case studies, helping us to promote One Sumibe Activities. Going forward, we will continue to strengthen connections within the Group by planning and implementing initiatives that encourage autonomy of each employee.

Accelerating co-creation relationships and raising our ability to create value

Kishi:

The Global Marketing Division plays a unique role within the Group in terms of opening up new markets with a view to the future. To create new business domains, it is important to launch co-creation themes with many customers. That's why we are strengthening our efforts in the global market, not just in the Japanese market. From 2025 onwards, focusing on the Indian market in particular as the new key region following on from China, we plan to take our co-creation activities to full scale.

Tanaka:

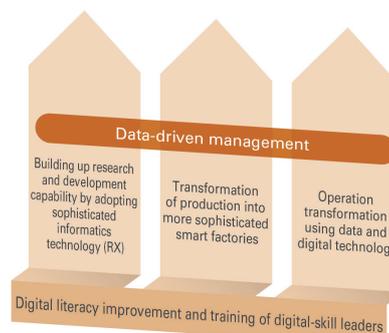
One Sumibe Activities have spread to many departments and employees over the past year or two. A wave of change is coming. Going forward, I will continue to cooperate with Mr. Kishi to further accelerate this trend and work to ensure our activities take root in Japan and abroad, across departments, and locations. Ultimately, I want to create a system in which internal collaboration naturally leads to co-creation with customers, raising the level of the entire Company's ability to create value.

● [Customer Satisfaction \(CS\) Enhancement](#)

Data-Driven Management Enabled by Digital Transformation

An Overview of Digital Transformation

We view digital transformation as an engine for growth for our Group. We are aiming for sustainable growth toward Vision 2030 by tackling four themes. “Revamp of the corporate-wide digital core system to realize data-driven management” means we are putting systems into place to integrate and analyze all kinds of data, aiming to achieve visibility of management and agile decision-making. “Building up research and development capability by adopting sophisticated informatics technologies” means we are promoting Research Transformation (RX)* to revolutionize the research and development process. This will enable us to create new products and shorten development timescales. “Improvement of human work efficiency by turning the entire production system into smart factories” refers to building a flexible production system by automating and optimizing production lines utilizing IoT and AI. The final theme is “business operation transformation through utilization of digital tools.” With digital tools as a foundation, we will promote operational efficiency and improved productivity, leading to new ways of working that will bring out the maximum creativity in our employees.



* Research Transformation (RX) refers to efforts to improve the efficiency and effectiveness of research and development activities by utilizing digital technology and data analysis to revolutionize the entire research process.

Message from the Departments Responsible for Digital Transformation



Building the foundations for data-driven management to accelerate future-looking, strategic business development

Shiro Hayashi

General Manager of IT Promotion Division

To make data-driven management a reality, it is vital to build a flexible and robust system infrastructure. As well as standardizing and optimizing business processes across the Company, we will establish systems to quickly integrate and visualize information from all our locations around the globe, enabling decisions to be made swiftly and accurately based on up-to-the-minute data. At the same time, by improving data literacy of our employees with a focus on training people to use business intelligence tools, we are building the foundations for strategic planning and execution based on data analysis. Core system conceptualization was completed in FY2024 as planned. In FY2025, we will move on from defining requirements to constructing the new system. As well as automating routine tasks, we also want to harness generative AI to improve productivity and realize flexible ways of working. These initiatives will help us to accelerate strategic business development, giving us a sustainable competitive advantage.



Digital transformation is gaining momentum, with our Group being recognized as a DX certified business by Japan's Ministry of Economy, Trade and Industry in FY2025. We believe that training digital-skill leaders is the key to putting in place digital transformation, which is one of our Group's material issues, and the four themes relating to it. We have set the following KPIs: double human productivity (compared to 2023), and reach 150 employees with data science-related certifications and 450 employees with data science-related skills by FY2030. As the first step toward this, we set the target of increasing human productivity by a factor of 1.1 and reaching 50 employees with data science-related certifications and 150 employees with data science-related skills in FY2024. Thanks to the introduction of robotics, we reached our human productivity target. We aim to further improve productivity by leveraging new technologies such as AI visual inspection, as well as sharing initiatives and challenges throughout the whole Company. Although we attained our target for the number of employees with data science-related certifications, we only achieved 97% of the target for employees with data science-related skills due to changes in the work environment of trainees. From FY2025, we will introduce a mentoring scheme with certified employees as mentors to strengthen the training and support system.

📍 [Digital Transformation Initiatives](#)

Digital Transformation Initiatives

Evolution of manufacturing systems that are not reliant on humans

We are evolving our production facilities into smart factories, aiming to develop manufacturing systems that do not rely on human intervention. We are currently digitalizing production technology at five domestic and five overseas sites, making our production systems more efficient and more sophisticated by leveraging digital technologies including automated condition setup at the start of production, autopilot control, and robotics.

The manufacturing sector is affected by labor shortages due to Japan's low birthrate and the loss of skills as experienced workers retire, which makes harnessing digital technology all the more urgent. We will expand the use of robotics technologies to automate non-value-adding tasks such as horizontal traverse movements on production lines. We also plan to further develop autopilot control utilizing digital data from production equipment and extend its scope of application.

Going forward, we will take these developments further at our sites in Japan as well as gradually rolling out smart factory systems to US and European production sites acquired through M&As. To achieve this, we will build a manufacturing system on a global scale, keeping in mind the differences in cultures and values of different countries.



Introduction of autopilot control

Development of digital human resources

The key to driving digital transformation is the human resources that will deliver it. To improve the digital literacy of all our employees, we conduct skills assessments and provide training programs tailored to each person's level.

As well as practical training on how to use digital technologies, in-person networking sessions offer opportunities to share success stories and actively exchange opinions. Case studies are also shared with all employees to improve the digital literacy of the entire organization. We are supporting employees to become more self-sufficient in utilizing digital technology in various ways, including individual consultations and community activities.

These initiatives will boost the development of digitally literate human resources, enabling us to build a digital transformation system that will provide a competitive advantage.

Building up R&D capability by promoting research transformation (RX)

We are working on RX, the digital transformation of research and development, with the aim of improving our capability to create materials to solve social issues, by humans and data working in harmony. This is an important pillar in realizing our vision to be "a company providing dreams for the future" through creating value with our customers.

As one aspect of RX, we have developed technology to design and propose highly functional materials that satisfy the properties required without relying on the intuition and experience of researchers. This technology uses open databases to search for new molecular structures using molecular generation AI, making it possible to create innovative materials that humans alone would not have come up with. Taking this further, molecules with high synthetic potential can be identified by combining this technology with retrosynthetic analysis. This has enabled us to design realistic and practical high-performance materials that could be used to create new products and solutions. Several new materials discovered thanks to this technology are currently being verified.



Discussion about ways of leveraging data

One notable accomplishment is a project to develop next-generation power semiconductor encapsulation materials intended to have a lower environmental impact. Previously, there was a trade-off between thermal conductivity and liquidity when using biobased raw materials, but this was resolved by combining researchers' knowledge with informatics technology. The paper "Development of High Thermal Conductivity and Insulating Composite Materials Using Bio-Based Raw Materials" was presented at the 73rd Symposium on Network Polymer (sponsored by the Japan Thermosetting Plastics Industry Association) to great acclaim, winning the award for the best presentation.



Award winner Tomomasa Kashino of the Advanced Materials Research Laboratory

➤ [Data-Driven Management Enabled by Digital Transformation](#)

Environmental Management

Policy and Basic Approach

Environmental Policy (Revised on April 2025)

We are committed to contributing to a society that strives for the Sustainable Development Goals (SDGs) by actively engaging in Responsible Care that prioritizes environmental protection, health, and safety. Through continuous improvement and evolution of our initiatives, we aim to enhance both social and corporate value.

- 1) We are committed to building a sustainable society by adapting to and mitigating the impacts of climate change. We strive to reduce greenhouse gas emissions, promote energy saving, and utilize renewable energy, all in line with Science Based Targets (SBT).
- 2) Recognizing the importance of our limited and precious water resources, we are committed to reducing water consumption and promoting reuse.
By preventing water pollution and rigorously managing wastewater, we aim to mitigate water risks, contributing to the conservation and sustainable use of regional water environments.
- 3) We are committed to building a circular economy by striving to circulate plastic resources, solve waste problems, and reduce waste through minimizing and optimizing resource usage. We also proactively pursue new initiatives based on 3R (Reduce, Reuse, Recycle) and sustainable resources (Renewable) to build a more environmentally friendly society.
- 4) We strive to reduce environmental impact and properly manage chemicals associated with our business activities to prevent air, water, and soil pollution, as well as noise and vibration. We also address emerging environmental challenges with sincerity, such as the micro- and nano-plastic problem, and continuously improve our efforts.
- 5) We consider biodiversity conservation a material issue and promote initiatives centered on local biotope activities. To broadly disseminate the importance of biodiversity conservation, we continuously engage in visiting guest lessons and dialogue with local communities utilizing biotopes.
- 6) We comply with the laws and regulations of each country through a real-time chemical management system that reflects chemical regulations. We also continuously strive to reduce and eliminate hazardous substances and substances of concern by reviewing the adoption of new raw materials.
- 7) We comply with environmental laws, regulations, and other applicable regulations, and each employee is committed to a high level of compliance awareness.

Scope of Application: This policy is applied to the Group of Sumitomo Bakelite Co., Ltd., including all business sites as well as subsidiaries and affiliates both in Japan and overseas.

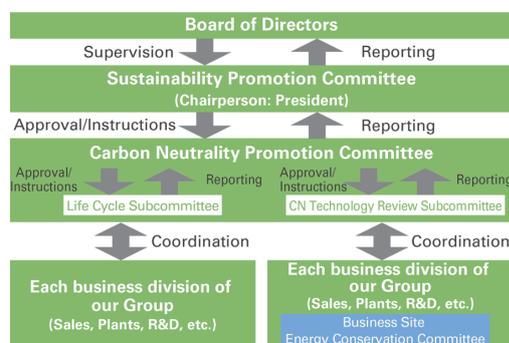
Systems (Governance)

We solve social issues and aim to achieve sustainable growth and value creation under a structure comprising our Sustainability Promotion Committee (which is chaired by the President) and its subcommittees based on our Business Philosophy, which upholds the “Sumitomo Business Philosophy (basic policy)” and sets forth our management principles.

Environmental management involves running responsible care activities for voluntarily implementing and improving environmental and safety measures, in line with our Group’s policies, including the Policy on “Responsible Care Activities” and “Environmental Policy”.

Ensuring that measures are in place toward achieving carbon neutrality is deemed essential these days. To this end, the Carbon Neutrality (CN) Promotion Committee, which also encompasses the “Life Cycle Subcommittee” and the “CN Technology Review Subcommittee”, was established to strengthen and promote CN initiatives in the relevant sectors throughout the Group of Sumitomo Bakelite Co., Ltd.

● Environmental Management Organization Chart



Obtaining Environmental Management System Certification

Our Group has established environmental management system (EMS) based on ISO 14001 and continues to obtain certifications. For details, see the following link.

➤ [Management System Certification Status](#)

Proportion of Manufacturing Sites with ISO 14001 Certification

91%: Based on net sales

72%: Based on number of sites

(As of March 31, 2025, proportion of sites that have acquired the certification among all manufacturing sites)

Risk Management

The identification, assessment, and management of risks and opportunities related to environmental issues pertaining to our Group (including reduction of greenhouse gas (GHG), resource circulation, waste reduction, pollution prevention, conservation of water resources, biodiversity conservation, chemical substance management, etc.) are carried out in accordance with the risk management structure and risk management processes described on the following page.

➤ [Risk Management](#)

Metrics and Targets

The metrics and targets for the environmental issues pertaining to our Group (reduction of GHG, resource circulation, waste reduction, pollution prevention, conservation of water resources, and chemical substance management) are described on the following pages.

- [Reducing Greenhouse Gas \(GHG\) Emissions](#)
- [Resource Circulation, Waste Reduction, Pollution Prevention](#)
- [Water Resources Conservation](#)
- [Chemical Substance Management](#)
- [Detailed Data related to Sustainability \(Environment\)](#)

Key Initiatives

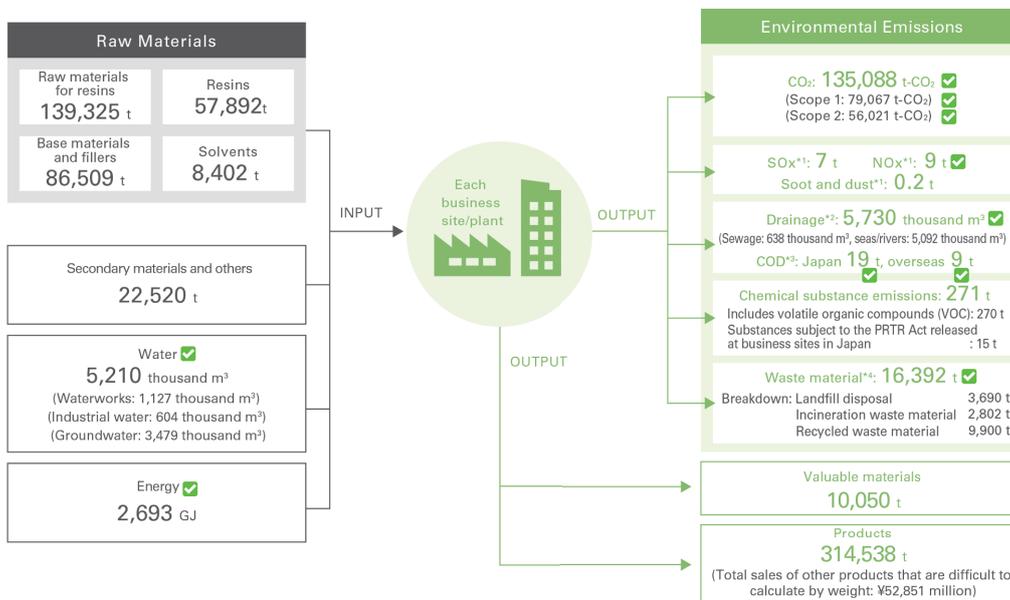
Material flows

The figure below shows inputs, including raw materials and energy, and outputs that are products and emissions released into the environment.

Our Group is working to minimize its impact on the environment by reducing waste disposed to the environment and reducing the use of raw materials, energy, and water from the perspective of resource-saving.

We are also promoting CO₂ emissions reduction to achieve carbon neutrality.

We are contributing to measures against climate change and particularly global warming through ongoing initiatives to reduce outputs that affect the environment to a minimum.



*1 See the [Glossary](#). SO_x, NO_x, and soot and dust are calculated using the Company's own formula based on exhaust gas analysis results, fuel usage amounts, and other variables. Includes only domestic data.

*2 The volume of drainage discharged into sewages is calculated based on the breakdown of total usage, and the volume of drainage discharged into seas/river is calculated from waste water flow meters and water intake volumes.

*3 COD is calculated based on the measured concentration and drainage volume. Data for overseas sites applies to sites where there is a legal obligation to perform measurements, and the types of oxidants (potassium dichromate is mainly used overseas) used for measurement differ from those used in Japan.

*4 The volume of hazardous waste found in our waste came to 5,203 t, and non-hazardous waste was 11,189 t.

Investments in environmental protection

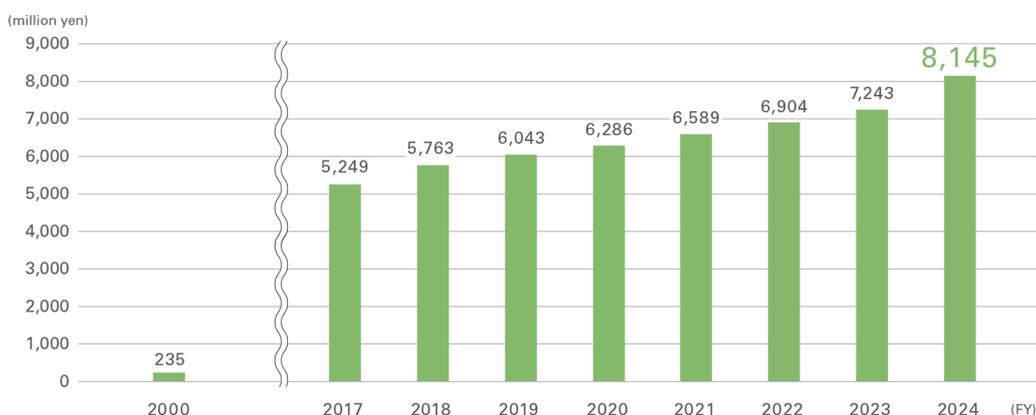
Our Group has compiled data annually on the amounts of investments in environmental protection of all Group companies in Japan since FY2000. In FY2024, a total of ¥900 million was invested. Since FY2020, we have been engaged in a full-fledged effort to adopt solar power generation based on our commitment to carbon neutrality, and we continued to phase it in at each of our business sites in FY2024.

We will continue to promote proactive investments in the reduction of CO₂ emissions moving forward.

Amounts of Investments in Environmental Protection in FY2024

Category	Investment amounts (million yen)
Emissions control	549
Energy conservation	342
Waste reduction, recycling, and treatment	11
Total	901

Accumulated Investments for Environmental Protection



Reducing Greenhouse Gas (GHG) Emissions

Policy and Basic Approach

Environmental Policy

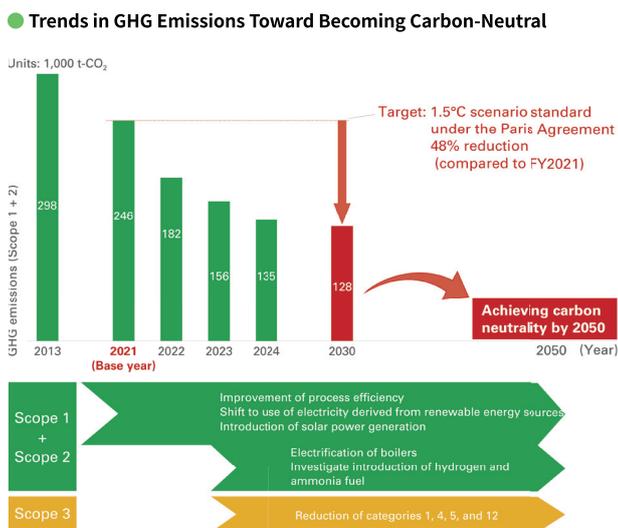
Our Group has established the Environmental Policy as a policy related to environmental issues pertaining to our Group (including reduction of greenhouse gas (GHG)). Our Group's Environmental Policy is described on the following page.

➤ [Environmental Management](#)

Group Environmental Vision for 2050

Our Group relies upon using the earth's natural resources, water, and energy in order to continue to do business. Furthermore, we also emit chemicals such as CO₂, NO_x, and SO_x into the atmosphere and produce waste water and waste materials as a result of our business activities. For this reason, we conduct our business activities while working to minimize the impact they place on the environment and pursue initiatives that provide environmental and social values through the products and services that we create.

Our Group has created the Environmental Vision for 2050 which focuses on the particularly important problem of reducing GHG emissions. In FY2025, we set a target for 2030 consistent with the 1.5°C scenario standard, and adopted initiatives (Scope 3) throughout our entire supply chain. Moving forward, we will further expand these initiatives with the aim of achieving carbon neutrality by 2050.



2050 Target	Achieving carbon neutrality	
2030 Target	GHG emissions (compared to FY2021)	
	Scope 1+2	48% or more reduction
	Scope 3 (Categories 1, 4, 5, 12)	25% or more reduction

Note that the 2030 GHG emissions reduction target adopted by our Group was certified as a scientifically grounded target by the Science Based Targets initiative (SBTi).



➤ [Acquisition of "Science Based Targets" \(SBT\) Certification](#)

➤ [SBT](#)

Environmental Vision for 2050

01. Achieving carbon neutrality by 2050 in relation to GHG emissions (Scope 1 and 2).

- Reduce GHG emissions via energy conservation activities, MFCA^{*1} activities, and improving process efficiency
- Electrification of boilers, investigation of introduction of hydrogen and ammonia fuel
- External procurement of electricity derived from renewable energy sources
- Investigate introduction of negative emission technologies such as CO₂ absorption

02. Contribute to reducing GHG emissions, including along supply chains.

- Develop products that factor in reducing GHG emissions throughout their life cycle
- Work in cooperation with supply chain

^{*1} An abbreviation of Material Flow Cost Accounting, which is a method of environmental management accounting that aims to pursue both reduction of environmental impact and cost reduction at the same time. Our Group uses it as an analysis method.

Systems (Governance)

The systems for supervision and management of environmental issues pertaining to our Group (including reduction of GHG) are described on the following page.

🔗 [Environmental Management](#)

Risk Management

The identification, assessment, and management of risks and opportunities related to environmental issues pertaining to our Group (including reduction of GHG) are carried out in accordance with the risk management structure and risk management processes described on the following page.

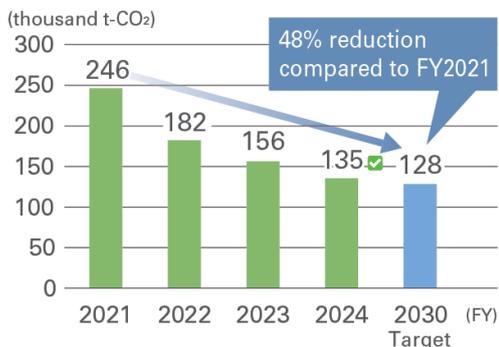
🔗 [Risk Management](#)

Metrics and Targets

Reduction of GHG emissions

Our Company is promoting activities to reduce GHG based on the “near-term 1.5°C target” as certified by the SBTi. We have announced “48% or more reduction compared to FY2021” as our reduction target for GHG emissions (Scope 1 + Scope 2) by 2030. We are making progress on our reductions towards the 2030 target, with emissions in FY2024 of 135 thousand t-CO₂, which is a 45% reduction compared to FY2021.

● CO₂ Emissions (Scope 1 + Scope 2): Group of Sumitomo Bakelite Co., Ltd.



^{*1} The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

^{*2} The methods for defining and calculating GHG emissions are described in [Detailed Data Related to Sustainability \(Environment\)](#).

Our Group has selected creation of environmental and social value as one of “our Group’s material issues”, and set the GHG emissions reduction as a KPI.

🔗 [Material Issues](#)

🔗 [Detailed Data Related to Sustainability \(Environment\)](#)

Key Initiatives

Activities of the Carbon Neutrality Promotion Committee

The Carbon Neutrality Promotion Committee recaps each year's progress toward medium- to long-term environmental targets at the end of the fiscal year and determines the targets for the following fiscal year. It carries out its activities with the approval of the Sustainability Promotion Committee, which serves as its parent body. Two subcommittees were established within the committee in order to achieve its objectives, and these subcommittees work to reduce our environmental impact.

The Life Cycle Subcommittee aims to establish production systems with minimal environmental impacts through scientific, quantitative, and objective assessments of environmental impacts, from the R&D phase onward.

With the global trend toward achieving carbon neutrality, the approach to LCA (Life Cycle Assessment)—which assesses products over an extended period of time from their raw materials through to use and disposal—has become indispensable, and “LCA” has become a common term when engaging in dialogue with customers and suppliers.

In light of these circumstances, to provide an opportunity to learn about the fundamentals of the social background of LCA, the basics of LCA methods, and our initiatives, the LCA Basics e-learning course was arranged starting from FY2023 for employees under the jurisdiction of the head office, with 1,277 employees taking the course in FY2024.

Each R&D department decides a theme and works on it with an awareness of LCA, from raw material extraction to final disposal (Cradle to Grave). In FY2024, we worked toward the target of “retaining at least at 25% of all researchers” as qualified R&D personnel capable of understanding LCA and calculating the carbon footprint (CFP) of products. To this end, we organized LCA introductory courses, LCA training courses and LCA practice courses (comprehensive education and tutorials related to LCA) online, and maintained a target of 34% in FY2024. Starting from FY2023, guidance officers were also selected from qualified personnel for each location, to boost the level of LCA initiatives at each location. In FY2025, we will continue to offer a full set of education opportunities and strive to retain 25% of qualified researchers.

In addition, we also formed a plan to establish a system that would enable us to speedily provide LCA information (able to provide within seven business days when a request to submit CFP data is received), from raw material extraction to factory gate (Cradle to Gate), on all of our Group's products by the end of FY2024, in response to the rapid increase in inquiries from customers regarding LCA since the Japanese government's October 2020 net zero greenhouse gas emissions declaration. This system was fully implemented at all of our domestic and overseas plants by the end of FY2024.

The CN Technology Review Subcommittee has established a system for continuously soliciting and implementing energy conservation ideas, and is promoting voluntary energy conservation activities at domestic sites.

In FY2024, the subcommittee successfully reduced energy consumption by as much as 2,461 kL (95,399 GJ) in crude oil equivalent, or 4,542 t-CO₂, compared with FY2023, primarily by reducing city gas and electricity consumption. Outside of Japan, the subcommittee worked to ensure a similar level of activities as in Japan and continued to promote the roll out of activity methods and best practices. Furthermore, as part of our work toward CN, which is one of our 2050 targets as described earlier, we began from January 2022 switching the electricity we purchase at all our main business sites in Japan to electricity derived from renewable energy sources, and we will continue those contracts into the future. Our overseas Group companies are also pursuing changing to electricity derived from renewable energy sources.

In FY2025, in line with the objectives of the CN Promotion Committee, the CN Technology Review Subcommittee will formulate a plan and work toward the most recent 2030 target. In terms of energy conservation, we will build upon past efforts to set energy conservation targets and also to complete our reduction plans for each business site. In particular, the subcommittee will focus on creating a system across business sites in Japan for sharing energy conservation practices and technical information related to energy conservation in order to improve the level of energy-saving technology throughout our Company; and having the mother plants in Japan provide technical support to their affiliated sites through a tie-up with the Company-wide Energy Conservation Secretariat.

Climate change program efforts, TCFD initiatives, and participation in GX League

CDP^{*1} (headquartered in London) is an international NGO established in 2000 in partnership with institutional investors from around the world. It carries out projects in which it sends out questionnaires to major companies and municipal governments around the world on issues such as climate change, water security, and forests, and that seek climate change strategies and specific declarations related to emissions of GHG. From 2024, these three questionnaires on climate change, water security, and forests were integrated into a single CDP 2024 questionnaire, creating a structure for identifying the mutual relationships between environmental issues and comprehensively understanding the state of initiatives by companies.

With the CDP's 2024 survey, survey activities were conducted on behalf of over 700 institutional investors with net invested assets totaling 142 trillion USD. More than 24,800 companies disclose environmental data on their initiatives for climate change programs via the CDP. In 2024, a total of 3,300 Japanese companies including all Tokyo Stock Exchange Prime Market listed companies were chosen as target companies for disclosure requests.

Upon responding to the CDP questionnaire for FY2024, we received an A- rating for climate change and a B rating for water security. We also received requests for responses in FY2025 regarding climate change and water security as well, to which we have responded.

The TCFD initiative, for which we expressed our agreement in February 2021, is introduced in [\[Information Disclosure Based on the TCFD Recommendations \(Response to Climate Change\)\]](#).

Following the announcement of our support for the GX League^{*2} Basic Concept published by the Ministry of Economy, Trade and Industry in FY2022, we have set targets for our domestic Group and are reporting GHG emissions performance values for FY2023 as a participating company in the GX League which we joined in May 2023.

[\(https://dashboard.gx-league.go.jp/company/9010701005073/\)](https://dashboard.gx-league.go.jp/company/9010701005073/)

Going forward, our Group will continue to proactively disclose information on the risks and opportunities associated with climate change and fulfill its responsibility to account to all stakeholders.

We will move forward with environmental information disclosure as we contribute to the response to climate change through reduction of environmental impact, resource and energy conservation, management of chemical substances, and development of products that contribute to the environment.

*1 CDP: Formerly "The Carbon Disclosure Project." "CDP" is now the official name.

*2 GX League: Established as a forum for cooperation between a group of companies and the government, universities, and academic institutions in order to meet greenhouse gas reduction targets and increase industrial competitiveness by using Japan's goal of carbon neutrality by 2050 as an opportunity for economic growth.

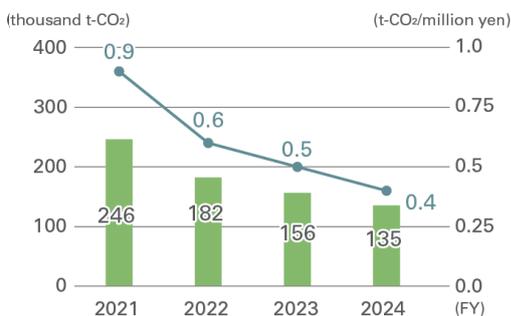
Reducing energy use and GHG emissions

Our Group is promoting the introduction of renewable energy. All of our domestic business sites have already switched their purchased electricity to electricity derived from renewable energy sources at all manufacturing and research sites, and our overseas business sites are also pursuing the planned introduction of renewable energy. We are also actively promoting installation of solar power generation, with both energy consumption per production amount value and GHG emissions per production amount value showing reduction trends during FY2024.

● Energy Consumption per Production Amount Value*1



● GHG Emissions per Production Amount Value*2



*1, *2 Energy consumption and GHG emissions per production amount value are determined using the following equation for sales per production amount value. The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

- Energy consumption per production amount value = Energy consumption [thousand GJ] / Net sales [million yen]
- GHG emissions per unit production value = GHG emissions (Scope 1 + Scope 2) / Net sales [million yen]

Initiatives for reducing emissions during the production and sales stages

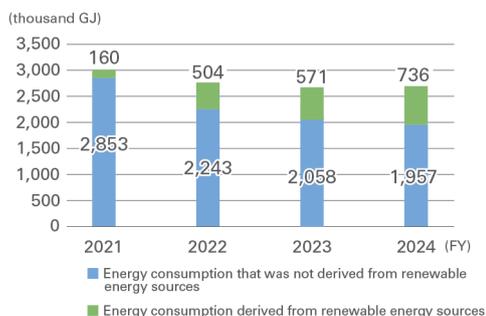
Our Group was early to pursue switching from petroleum-based fuels to natural gas at domestic and overseas business sites. Natural gas emits less SOx and NOx and around 30% less GHGs compared to petroleum-based fuels. Although heavy oil is still used at some business sites in Japan, progress is being made with plans to switch these to city gas.

Currently, natural gas and city gas account for around 88% of the fuel used by our entire Group, but we are aiming to achieve 90% or more by 2027 by moving ahead with conversion at our domestic subsidiaries.

At the same time, we are also pursuing GHG reduction through the introduction of renewable energy, and have continued to promote switching to electricity from renewable energy sources and expansion of solar power generation.

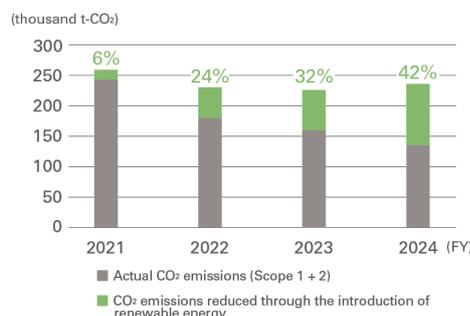
As a result, the reduction in our global GHG emissions from the use of renewable energy sources accounts for 42% of the total in FY2024.

● Trend of Renewable Energy Consumption among Total Energy



Note: The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

● Trend of CO₂ Reduction through Renewable Energy



Note: The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

Initiatives for reducing Scope 3 emissions

Our Group recognizes that not only reducing the GHG emissions from our own activities, but also reducing emissions through the entire value chain is an important problem.

Because of this, we have announced a Scope 3 reduction target of “25% reduction compared to FY2021 by 2030,” and are promoting initiatives to achieve this target.

Emissions at the raw material procurement stage (Category 1) accounted for a large portion of Scope 3 emissions, and reducing these is a major issue going forward.

We continue to strengthen coordination with suppliers and are accelerating our efforts towards Scope 3 reduction.

● CO₂ Emissions (by Scope 3 category): Group of Sumitomo Bakelite Co., Ltd.

Category	Emissions (thousand t-CO ₂ year)			
	FY2021	FY2022	FY2023	FY2024
1. Purchased goods and services	939	856	718	761 
2. Capital goods	39	50	65	49
3. Fuel- and energy-related activities not included in Scope 1 & 2	45	40	39	40
4. Upstream transportation and distribution	93	81	70	72
5. Waste generated in operations	13	10	6	6
6. Business travel	2	2	2	2
7. Employee commuting	5	5	5	5
8. Upstream leased assets*1	—	—	—	—
9. Downstream transportation and distribution*2	—	—	—	—
10. Processing of sold products*3	—	—	—	—
11. Use of sold products*4	—	—	—	—
12. Disposal of sold products	49	43	40	43
13. Downstream leased assets*1	—	—	—	—
14. Franchises*1	—	—	—	—
15. Investments	9	10	11	9
Scope 3 (indirect emissions other than Scope 1 and Scope 2)	1,194	1,097	956	987
Scope 1 (direct emissions such as due to fuel consumption)	97	86	81	79
Scope 2 (indirect emissions due to energy use such as electricity and heat)	149	96	75	56

*1 Not applicable due to business characteristics.

*2 Transportation and delivery beyond the point where the Group acts as the shipper is excluded from the scope, as detailed information cannot be obtained and calculation is difficult.

*3 The Group's main products are materials with diverse applications and processing methods, making detailed determination difficult, and therefore, these products are excluded in accordance with the guidelines for the chemical sector established by the WBCSD.

*4 The products sold by the Group generate no GHG emissions at the time of use, and therefore are excluded.

Calculation method: We calculated the amount of emissions based on the Emissions Intensity Database for Calculating Greenhouse Gas Emissions of Organizations through the Supply Chain Ver. 3.5 and emission coefficients from the Sustainable Management Promotion Organization IDEA Ver. 3.3.

Response to the “Fluorocarbon Emissions Control Act”

Based on the “Fluorocarbon Emissions Control Act” that was enacted in April 2015 and further enhanced in April 2020, our Company ensures comprehensive awareness of laws and regulations at each business site, and conducts regular quick inspections of commercial air conditioners and freezer systems in our possession.

Furthermore, statutory regular inspections are carried out without fail on equipment with a rated power of 7.5 kW or more, and an appropriate management system is maintained. Given that there are a large number of air conditioners, particularly for office use, we are also working on strengthening the management system through annual internal audits to prevent omissions and missing inspections during upgrades.

We are also actively promoting the switch to refrigerants with zero ozone depletion potential and low global warming potential with the aims of preserving the ozone layer and curbing global warming. Existing facilities are regularly inspected on a yearly basis for the amount of leakage in accordance with the “Fluorocarbon Emissions Control Act”, to check that there are no leaks in amounts that are required to be reported.

These initiatives by our Company were assessed and were awarded the highest rank of “A”, the same as the previous year, in the [“Fourth JRECO CFC Control Measure Rating by the Japan Refrigerants and Environment Conservation Organization”](#), which aims to enlighten and promote compliance with the “Fluorocarbon Emissions Control Act”, together with the Ministry of Economy, Trade and Industry and the Ministry of the Environment.

Moving forward, our Company is continuing with initiatives to contribute to preservation of the environment.

Disclosure Based on TCFD Recommendations (Response to Climate Change)

Support initiative for TCFD recommendations

In 2021, the Group announced its agreement with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. In addition to switching to renewable energy and increasing the sales revenue ratio of SDG-contributing products, in the same year, we also formed a Company-wide cross-organizational TCFD Task Team under the Risk Management Committee and began promoting activities to disclose information based on the TCFD recommendations.

Strategy (impact on the organization’s business, strategy, and finances)

With regards to TCFD, in FY2021 the “TCFD Task Team” led a “climate-related scenario analysis” project for the year 2040 (long-term), identifying potential risks and opportunities associated with climate change. We have identified the following risks and opportunities that we expect will have a relatively large financial impact.

In FY2024, we updated information about “plausible scenario components” of the “climate-related scenario analysis,” and verified that there were no changes to “our Group impact assessment.”

The 1.5/2°C scenario

[Risks]

The significant risks we have identified include increased operating and transportation costs due to higher carbon prices, higher electricity prices due to advances in low-carbon technologies, and higher prices for biomass feedstocks, and higher prices for various plastic feedstocks due to higher naphtha prices resulting from lower gasoline demand.

[Opportunities]

In the current social environment, the movement of people and goods is being replaced by digital means due to incentives to avoid physical contact and the increased burden of travel costs. We think this presents opportunities to expand sales of semiconductor-related products. In addition, we will pursue new business opportunities by developing new technologies, products, and services with an eye toward a low-carbon society and a recycling-oriented economy. These include 3R + Renewable products (sustainable resources), electric vehicle (EV)-related products such as battery materials and lightweight automotive materials, as well as packaging films for food with room-temperature storage and freshness preservation functionality.

1.5/2°C Scenario Analysis

	Drivers	Possible elements of scenario (social trends)	Group impact assessment	Risk opportunity
Policies and regulations	Increase in carbon prices	<ul style="list-style-type: none"> Rising carbon prices* [Carbon prices in line with the 1.5°C scenario (developed countries)] 2030: 140 USD/t-CO₂ 2040: 205 USD/t-CO₂ 2050: 250 USD/t-CO₂ (2024 IEA World Energy Outlook) 	<ul style="list-style-type: none"> Increase in operating costs due to higher energy prices for manufacturing 	Risk
			<ul style="list-style-type: none"> Higher transportation costs 	Risk
Markets	Advances in low-carbon technologies	<ul style="list-style-type: none"> Higher electricity prices due to increased demand for electricity derived from renewable energy sources 	<ul style="list-style-type: none"> Higher operating costs 	Risk
		<ul style="list-style-type: none"> Higher raw materials prices due to increased demand for biomass-derived raw materials 	<ul style="list-style-type: none"> Rise in biomass raw material prices 	Risk
	Decline in gasoline demand in line with advances in low-carbon technologies	<ul style="list-style-type: none"> Naphtha becomes a primary product, rather than a by-product Along with gasoline and diesel, naphtha supplies remain stable, but prices rise 	<ul style="list-style-type: none"> Increase in procurement and acquisition costs due to higher naphtha prices 	Risk
	Digital alternatives to the physical movement of people and goods	<ul style="list-style-type: none"> Due to factors including the impact of carbon taxes and GHG emissions regulations, the financial burden of physically moving people and goods increases Demand increases for semiconductors in digital devices 	<ul style="list-style-type: none"> Increase in sales through the expansion of semiconductor-related product sales 	Opportunity
	Advances in low-carbon technologies	<ul style="list-style-type: none"> Customers demand recycling of resources Switch to 3R + Renewable products (sustainable resources) accelerates 	<ul style="list-style-type: none"> Increase in sales through the early launch of 3R + Renewable products 	Opportunity
	Increased demand for low-carbon technology products	<ul style="list-style-type: none"> Shift to a low-carbon society Carbon taxes and GHG emission regulations tighten Development of economically viable CO₂ transport technologies and the establishment of their infrastructure progresses 	<ul style="list-style-type: none"> Increase in sales through the expansion of low-carbon product and service sales 	Opportunity

	Expanding EV-related demand (materials for batteries, lightweight automotive materials)	<ul style="list-style-type: none"> Steady increase in EVs as a percentage of total vehicles sold 	<ul style="list-style-type: none"> Increase in sales due to the expansion of EV-related product and service sales Increase in sales of lightweight automotive materials 	Opportunity
--	---	---	---	-------------

* Increased operating costs due to rising carbon prices:

Assuming our Group's total CO₂ emissions for FY2040 remain at the same level as FY2024, approximately 135,000 (forecasted) tons per year (Scope 1 + 2), with a carbon price of ¥31,259 per t-CO₂ (at ¥152.5/USD), the estimated increase in burden would be approximately ¥4.2 billion per year (provisional). (Last year: approx. ¥4.6 billion/year)

The 4°C scenario

[Risks]

Assuming that the introduction of electricity derived from renewable energy sources will be systematically promoted toward the 2050 goal of taking on the carbon neutrality challenge, we can foresee that the impact of transition risks, such as fluctuations in fossil fuel prices (especially crude oil and natural gas) and higher operating costs due to soaring electricity prices caused by stricter GHG emission regulations, would be greater than under the 1.5/2°C scenario. We have also identified significant physical risks associated with rising atmospheric temperatures. These include reduced sales due to supply disruptions of key raw materials and the shutdown of operations at our own manufacturing sites that could be caused by the occurrence or increased frequency of extreme weather events, such as cyclones and floods.

[Opportunities]

Sales of various sheeting products for building materials and waterproof sheeting products and services are expected to increase amid the promotion of efforts to build resilient cities that can withstand extreme weather conditions and major disasters. These include building materials and waterproof roofing sheet products that are lightweight, highly durable, impact resistant, highly insulating/heat shielding, fire-resistant, and have other functions. Due to severe environmental changes, including rising atmospheric temperatures, demand for packaging materials for long-term preservation of foods and processed products is expected to increase as the numbers of livestock used for meat decreases, and as demand for packaging materials for fruits and vegetables is expected to increase with declines in crop yields, leading to higher sales of various packaging film products.

The 4°C Scenario Analysis

	Drivers	Possible elements of scenario (social trends)	Group impact assessment	Risk opportunity
Markets	Fossil fuel price fluctuations	<ul style="list-style-type: none"> Higher crude oil and natural gas prices 2019 crude oil: 63 USD/barrel → 2030: 79 USD/barrel → 2050: 75 USD/barrel 2019 natural gas (Japan): 10.1 USD/MBtu* → 2030: 8.3 USD/MBtu* → 2050: 8.7 USD/MBtu* Decline in Japan rise in other regions (IEA 2020 and 2024 World Energy Outlook) * MBtu: million British thermal units 	<ul style="list-style-type: none"> Higher raw material costs due to fluctuations in procurement and acquisition prices Increase in operating costs due to higher energy prices for manufacturing 	Risk
Physical risk: Acute	Increased severity and frequency of extreme weather events like cyclones and floods	<ul style="list-style-type: none"> Increased severity and frequency of cyclones, heavy rains, floods, droughts, etc. Suspended operations at major raw material suppliers Suspended operations at our manufacturing bases (Japan and abroad) 	<ul style="list-style-type: none"> Lower sales due to temporary suspension of operations 	Risk
		<ul style="list-style-type: none"> Promotion of resilient city development → Greater demand for disaster-resistant building and industrial materials (Examples of functionality required: lightweight, highly durable, impact resistant, highly insulating and heat-shielding, fireproof, etc.) 	<ul style="list-style-type: none"> Increase in sales of various sheet products for building materials, waterproof sheet products/services 	Opportunity
	<ul style="list-style-type: none"> Decrease in livestock for meat → Higher demand for packaging materials for long-term storage of food/processed products Falling agricultural yields → Increased demand for packaging materials for fresh produce 	<ul style="list-style-type: none"> Increase in sales of various packaging film products 	Opportunity	
	Infectious and other diseases and movement restrictions associated with rising temperatures	<ul style="list-style-type: none"> Growing need for local hospital, home, and remote diagnosis Increase in healthcare-related opportunities (diagnosis and treatment) regarding young children and the elderly who are sensitive to environmental changes → POCT: Point of Care Testing / Increased demand for medical equipment 	<ul style="list-style-type: none"> Increase in sales from the expansion of healthcare-related product sales Greater demand for pharmaceutical packaging 	Opportunity

In FY2025 which is the second year of the Medium-term Business Plan 2024–2026, the Sustainability Promotion Committee and Risk Management Committee will continue to play a central role (by backcasting from the results of this scenario analysis) to materialize short-term measures, which will be deployed to relevant internal departments and implemented and promoted. In the medium- to long- term, we will update our scenarios and financial impact estimates as appropriate in light of changes in the macro environment, and work to enhance corporate value through the development of new technologies and products that contribute to a low-carbon society and a recycling-oriented economy. We will also work to enhance the sophistication of our management strategy by reforming our foundational organizational culture and strengthening our human resources.

Governance

The Group has positioned the Sustainability Promotion Committee (chaired by the President) as a high-level committee that formulates, deliberates, and decides on measures that contribute to the realization of a sustainable society, including the SDGs. The committee is responsible for achieving GHG reduction targets on climate change issues, risk management, and achieving sales ratio targets for SDG-contributing products and technologies (including contributions to climate change issues). The committee is responsible for the execution of measures related to climate change response, and its supervision is the responsibility of the Board of Directors. Regular reports on climate change issues and important decisions made by the Sustainability Promotion Committee are reported to the Board of Directors by the President.

A TCFD Task Team was established under the Risk Management Committee, which is the subcommittee of the Sustainability Promotion Committee for ongoing TCFD (information disclosure) and more comprehensive disclosure details.

● TCFD Organization Chart



Risk Management

Identification, assessment, and management of TCFD-related risks and opportunities are conducted in accordance with our Group risk management processes. For details, see the [“Risk Management”](#) page.

Metrics and Targets

In response to the risks identified in the 1.5/2°C or 4°C scenarios, such as carbon price increases, stricter GHG emission regulations, and fluctuations in fossil fuel prices, we adopted a new 2030 GHG emissions reduction target (Scope 1 + Scope 2) in May 2024 commensurate with the 1.5°C scenario standard based on the Environmental Vision 2050 that we formulated in March 2020, and we continue working to reduce emissions. For details, see the [“Reduction of GHG”](#) page.

With regard to the development of new technologies and products that contribute to a low-carbon society and a recycling-oriented economy included in these opportunities, the Group decided in FY2018 to incorporate the SDGs as one of its corporate policies and started a certification system for SDG-contributing products, technologies, and activities in FY2019. Contributing to the response to climate change (measures to counter global warming, reduce environmental impact, etc.) is part of the opportunity to achieve the SDGs, and we hope to contribute to a sustainable society through our business.

We have investigated research and development, sales strategies, etc. such as through our Corporate Planning and R&D departments with the aim of providing SDG-contributing products and technologies, and are performing progress management based on specific targets and plans. The Sustainability Promotion Committee has decided on a target ratio of sales revenue from SDG-contributing products to sales of 70% or more for FY2030 and 63% or more for FY2024 and is implementing the required activities. The actual results were 66.4% for FY2024, achieving the target for FY2024.

For details, see the [“Initiatives for SDGs”](#) page.

Moving forward, we will undertake a series of initiatives that will contribute to the sustainable enhancement of corporate value. We will periodically confirm and update the risks and opportunities identified in our climate-related scenario analysis with an eye to changes in the external environment and market conditions, and will fulfill our responsibility for accountability by disclosing information to stakeholders as appropriate upon quantifying the financial and other impacts, and specifying and enhancing metrics and targets.

Resource Circulation, Waste Reduction, Pollution Prevention

Policy and Basic Approach

Environmental Policy

Our Group has established the Environmental Policy as a policy related to environmental issues pertaining to our Group (including resource circulation, waste reduction and pollution prevention). Our Group's Environmental Policy is described on the following page.

➤ [Environmental Management](#)

Systems (Governance)

The systems for supervision and management of environmental issues pertaining to our Group (including resource circulation, waste reduction, and pollution prevention) are described on the following page.

➤ [Environmental Management](#)

Risk Management

The identification, assessment, and management of risks and opportunities related to environmental issues pertaining to our Group (including resource circulation, waste reduction, and pollution prevention) are carried out in accordance with the risk management structure and risk management processes described on the following page.

➤ [Risk Management](#)

Metrics and Targets

Promoting Reduction of Material Loss

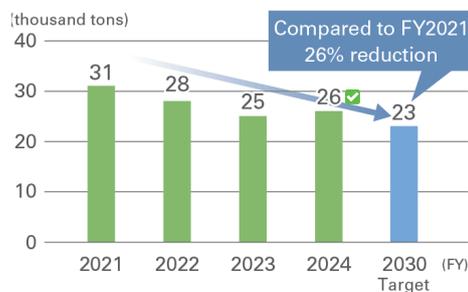
Our Group is actively working to reduce all material losses including not only waste materials but also valuable materials in order for efficient utilization of limited resources.

Currently, we are continually promoting reducing our environmental impact and efficiently utilizing resources through our own analysis of manufacturing processes and activities to reduce material losses using the Material Flow Cost Accounting (MFCA)^{*1} method.

Moving forward, we are aiming to increase productivity through business expansion while reducing material losses by comprehensively identifying losses and promoting reduction measures.

*1: See [the Glossary](#).

● Amount of Material Losses: Group of Sumitomo Bakelite Co., Ltd.



* The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

* The methods for defining and calculating material losses are described in [Detailed Data Related to Sustainability \(Environment\)](#).

Reduction of chemical substance emissions

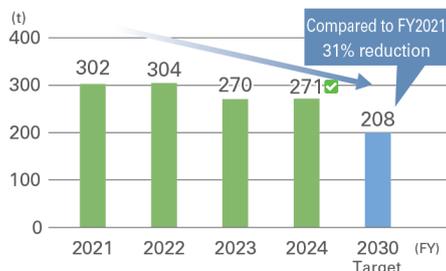
Our Group has set targets for reduction not only of the chemical substances designated by the Act on the Pollutant Release and Transfer Registers (PRTR Act) but also chemical substances designated separately by the Japan Chemical Industry Association.

In some of our business sites in Japan, we are contributing to reducing emissions of chemical substances as a result of efforts to switch to manufacturing methods that do not use organic solvents.

At our overseas business sites, although it is unavoidable to use chemical substances in certain processes for reasons such as maintaining quality, we are continuing to investigate and implement measures for reducing emissions from a medium- to long-term perspective.

*1: See [the Glossary](#).

● Chemical Substances Emissions: Group of Sumitomo Bakelite Co., Ltd.



* The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.
 * The methods for defining and calculating chemical substance emissions are described in [Detailed Data Related to Sustainability \(Environment\)](#).

Key Initiatives

Waste management

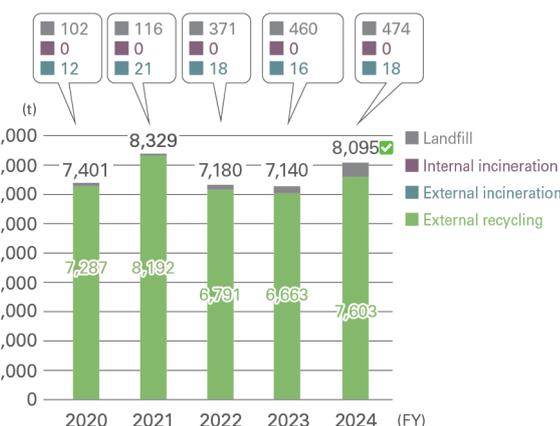
Our Group adheres to environmental laws and regulations, and conducts business activities aiming to reduce our impact on the global environment. For waste materials at Japanese business sites, we have established rules for on-site verification of waste disposal contractors in accordance with the Waste Management and Public Cleansing Law, and we continue to quantify and manage the amount of waste generated based on manifests. Based on the above, we promote minimization of waste generation and recycling, and activities to reduce material loss, including valuable materials.

Furthermore, for polychlorinated biphenyl (PCB) waste, we are continuing to act in accordance with the PCB Special Measures Law, and are making progress with our plan to complete the disposal by the legally mandated deadlines for both high-concentration PCBs and low-concentration PCBs.

Our Group is placing importance on reducing environmental impact throughout all of society through our products and services, and are actively working on “developing products that give consideration to reducing GHG emissions throughout their entire life cycle.” We are also contributing not only to reducing GHG but also to reducing waste materials throughout the entire supply chain through the development of products that offer lighter weight (smaller volume), longer service life, recyclable design, and mono-material design (switching to a single material).

In FY2024, our emissions of waste materials increased compared to the previous fiscal year due to unexpected factors in the production process. To address this issue, we are continuing to promote measures to reduce waste materials and employ initiatives for achieving our long-term goal.

● Trends in Waste Generation (By Disposal Type): Business Sites in Japan



* Figures include the total of externally recycled waste, landfill waste, internally incinerated waste, and externally incinerated waste.
 Since FY2012, internal incineration has not been carried out at any business site in Japan.

Initiatives for resource circulation

Recycling

Our Group promotes recycling as a means to make efficient use of resources. This recycling includes the recovery and recycling of phenol from waste liquid produced by phenolic resin reactions during the product production process, fine grinding of offcuts from phenolic laminated sheets and decorative melamine resin laminates for use as a filler in phenolic molding compounds, reuse of molded parts by-products (sprues and runners) as raw material for molding materials, as well as reuse of excess sludge from activated sludge effluent treatment equipment as compost (organic fertilizer).

Renewable raw materials

Our Group has been actively using inedible plant-derived raw materials (cashew nutshell oil, rosin (pine resin), wood flour, etc.) as renewable raw materials, primarily for phenolic resins and molding compounds. We have added to our product lineup packaging films for food and pharmaceutical products made from renewable biomass materials, and have also added eco-friendly phenolic molding compounds using plant-derived lignin. The ratio of renewable raw materials to total raw materials used by our Group is about 2.8% at the current point in time. Moving forward, we are aiming to further improve the proportion of renewable materials used while making the most out of the properties of those materials.

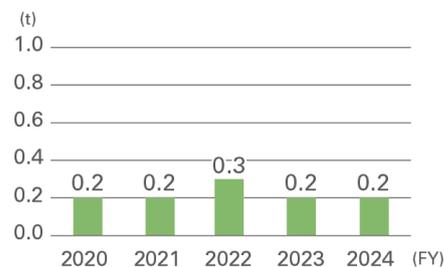
Marine plastics

When it comes to the problem of marine plastics, we are moving ahead with activities to contribute to reducing plastic marine waste via a number of initiatives based on the Japanese government's Plastic Resource Recycling Strategy. These initiatives include managing the raw materials used and the plastic products we manufacture, promoting the recycling of said products, and developing new products. We are currently taking part in the Japan Clean Ocean Material Alliance (CLOMA), which was established by a broad range of business operators related to supply chains for plastic products, including those in the chemical industry and distribution/retail industries, with the goal of forming cross-industry partnerships. Through this, we are working to address a variety of challenges by aiming to curb plastic waste across our supply chain as a whole and promoting resource circulation via 3R + Renewable products activities for plastic products.

Emissions into the atmosphere

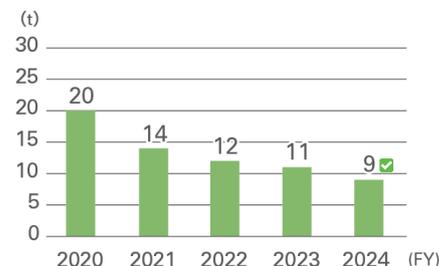
We have been promoting the conversion of boiler fuel from heavy oil to city gas over the long term, and have greatly reduced SOx emissions. Furthermore, we are continuing to implement measures to optimize and stabilize the operating conditions of our boilers, and are working steadily to reduce emissions of NOx, soot, and dust. We are aiming to further reduce our environmental impact by maintaining the current low level of emissions and making progress with our plan to convert our remaining heavy oil to town gas.

● **Soot and Dust Emissions (Business Sites in Japan)**



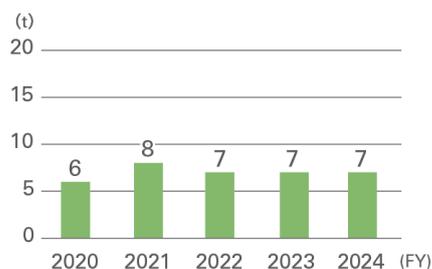
* The scope of aggregation covers business sites of Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries where measurement is required by laws and regulations.

● **NOx Emissions (Business Sites in Japan)**



* The scope of aggregation covers business sites of Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries where measurement is required by laws and regulations.

● SOx Emissions (Business Sites in Japan)



* The scope of aggregation covers business sites of Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries where measurement is required by laws and regulations.

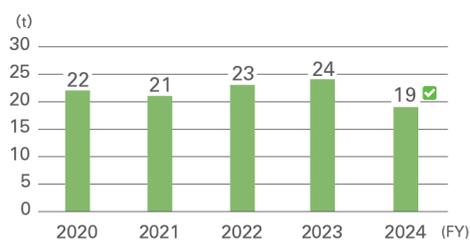
Emissions into the hydrosphere

Effluent discharged from plants includes pollutants, which are categorized into industrial and household sewage. Treatment facilities, such as high-concentration phenol recovery equipment and activated sludge treatment equipment, and surveillance systems for constant monitoring are in place to ensure strict compliance with environmental standards and laws and regulations at the national and local government levels.

Additionally, risk assessments are conducted on leakages into rainwater that also includes cooling water to prevent sudden and unexpected increases in environmental impacts.

COD load, a typical indicator of water quality, has remained at a low level when viewed over the long term, and going forward we are continuing with initiatives to maintain and improve on this state.

● COD Load



* The scope of aggregation covers business sites of Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries where measurement is required by laws and regulations.

Response to soil/underground water pollution

Our Group carries out risk assessments relating to leakage of chemical substances at all of our business sites, and we promote both the development and implementation of preventive frameworks. At the same time, when contamination caused by past leakage accidents is confirmed, we actively undertake voluntary surveys and institute countermeasures in order to prevent the environmental impact and health damage from spreading.

We did not suffer any severe leakage accidents in FY2024.

Water Resources Conservation

Policy and Basic Approach

Environmental Policy

Our Group has established the Environmental Policy as a policy related to environmental issues pertaining to our Group (including conservation of water resources). Our Group's Environmental Policy is described on the following page.

[Environmental Management](#)

Systems (Governance)

The systems for supervision and management of environmental issues pertaining to our Group (including conservation of water resources) are described on the following page.

[Environmental Management](#)

Risk Management

The identification, assessment, and management of risks and opportunities related to environmental issues pertaining to our Group (including conservation of water resources) are carried out in accordance with the risk management structure and risk management processes described on the following page.

[Risk Management](#)

Assessment of water-related risk in FY2024

We continuously assess water risks in the regional watersheds where our domestic and overseas group sites are located, and are disclosing the assessment results for 18 domestic and 27 overseas sites.

For the assessment of water risks, we perform a comprehensive analysis that takes the water usage conditions at each site into account by using WRI Aqueduct* combined with a survey unique to our Company.

This analysis reflects the water consumption factor based on the scale of operations at each business site to more accurately clarify the water risks by region.

In terms of our overseas business sites, although there are few sites overall with high water consumption rates, we have seen regional increases in water risk in the Southeast Asia and China areas, and these require continued attention.

Moving forward, our Company continues to assess these risks and promote initiatives for conservation of water resources.

* A tool for visualizing and assessing water risks published by the World Resources Institute (WRI).

Assessment of Water-Related Risks

Region		Overall water risk level					Total
		Extremely high	High	Medium to High	Low to Medium	Low	
Japan	Number of bases			1	4	13	18
	Water consumption (thousand m ³)			368	3,181	433	3,983
China (including Taiwan)	Number of bases		2	2	2	1	7
	Water consumption (thousand m ³)		94	123	56	33	307
Southeast Asia	Number of bases		4		1	2	7
	Water consumption (thousand m ³)		374		47	20	441
North America	Number of bases					10	10
	Water consumption (thousand m ³)					381	381
Europe	Number of bases				3		3
	Water consumption (thousand m ³)				99		99

Metrics and Targets

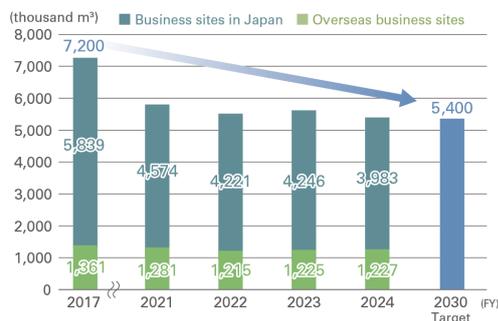
Conservation of water resources

Our Group has set a target of reducing water usage in manufacturing activities by 25% by 2030 compared to FY2017, and continues to work on reduction activities.

In particular, at the Shizuoka Plant which accounted for around 60% of the water usage of the entire Group in FY2017, we have revised the water management methods and are actively pursuing initiatives to thoroughly reduce waste.

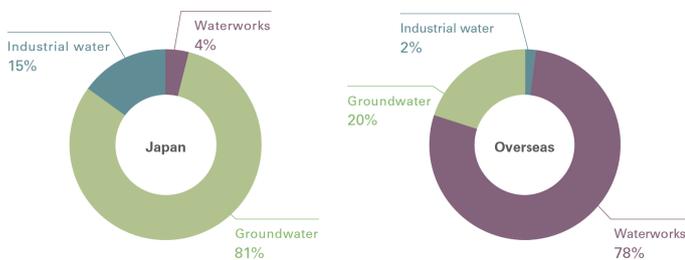
As a result, reductions are proceeding at a much better pace than originally planned.

Water Usage Volume



* The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

Water Usage by Source in FY2024



Key Initiatives

At our European and Chinese business sites in recent years, we have been working on initiatives for reusing water as industrial water by purification and treatment using a system that combines biological treatment (purification by microorganisms) and separation technology (separation such as by microfiltration membrane) of chemical wastewater emitted from plants. As a result, the amount of utility water used has been reduced by at least 50% at these business sites.

Moving forward, we are promoting activities aiming for both manufacturing activities and reduction of water usage for sustainable use of water resources.

Biodiversity Conservation

Policy and Basic Approach

Environmental Policy

Our Group has established the Environmental Policy as a policy related to environmental issues pertaining to our Group (including biodiversity conservation). Our Group's Environmental Policy is described on the following page.

➤ [Environmental Management](#)

Systems (Governance)

The system for supervision and management of environmental issues pertaining to our Group (including biodiversity conservation) are described on the following page.

➤ [Environmental Management](#)

Risk Management

The identification, assessment, and management of risks and opportunities related to environmental issues pertaining to our Group (including biodiversity conservation) are carried out in accordance with the risk management structure and risk management processes described on the following page.

➤ [Risk Management](#)

Key Initiatives

The business activities of our Group rely on the abundance of nature. Based on the philosophy of our Policy on Responsible Care Activity, we understand the importance of conserving biodiversity, and have become a promotion partner of The Declaration of Biodiversity by Keidanren. By understanding the importance of biodiversity outlined in these guidelines, applying it to our basic management stance, and following these declarations, we are working to reduce our environmental impact, complying with our procurement policy, and engaging in dialogue with communities through conservation activities such as setting up biotopes some of our business locations. Outside of Japan, we take part in local initiatives, including planting rare tree species.

Furthermore, we are also working on Taskforce on Nature-related Financial Disclosures (TNFD) initiatives. In order to determine the degree of reliance and impact of our Company businesses on biodiversity and natural resources, as well as the accompanying risks and opportunities, we have adopted the LEAP approach recommended by TNFD and started the "Locate" phase by conducting a survey of the ecosystems surrounding the manufacturing sites of our Group. We have started checking the positional relationship with key biodiversity areas by using the WWF Biodiversity Risk Filter for the state of the ecosystem and by using IBAT for biodiversity.

Biotopes and their utilization initiatives

The results of an investigation into the relationship between the business sites of our Group worldwide and protected areas where biodiversity is considered important indicated that none of our business sites were located in these areas. Although not a protected area, the results of an ecosystem survey conducted in FY2011 at the site of our Shizuoka Plant located in Fujieda City, Shizuoka Prefecture, confirmed the presence of Japanese killifish, a vulnerable species (VU). After determining the strong need for preserving the biodiversity of this site, we decided to create a Company biotope. The creation and maintenance of the biotope were completed in March 2017. The biotope, which occupies about 5% of the Shizuoka Plant's 287,000 m² site, serves as a habitat for a wide variety of fauna and flora, including ancient Oga lotus and jewel beetles, among others, in addition to Japanese killifish.

We continue to engage in communication with local communities, such as by spreading the word on the significance of our biotope for biodiversity to the community and supplying some of the Japanese killifish that have taken root and multiplied within our biotope to neighboring locations.

In FY2024, there were 83 visitors despite a slight reduction in general visitor applications compared to the previous fiscal year when general public visits resumed after the COVID-19 pandemic. We continue to engage in dialogue with neighboring elementary schools regarding biodiversity conservation efforts centered on the biotope, and as in the previous year, we have responded to requests for visiting guest lessons at schools, field trips using the biotope, and other activities. We provided a total of approximately 40 killifish to one elementary

school in the neighborhood, and gave visiting guest lessons at two schools (164 students in total) on how to conserve Japanese killifish while introducing our SDGs initiatives. We have been working in collaboration with the municipal board of education regarding our visiting guest lessons to investigate adding an on-demand system under which lessons can be taken at any time. In addition, two field trip visits to the biotope were held (total of 212 students), one in the spring and the other in the fall. We are continuing to deepen exchanges with the local community focusing on neighboring elementary schools.



Biotope “Ikoi no Mori”



Japanese killifish (a vulnerable species (VU))



Elementary school student excursions and lessons



Elementary school visiting guest lesson

Biotope “Ikoi no Mori”

In the Shizuoka Plant of Sumitomo Bakelite Co., Ltd., 2100 Takayanagi, Fujieda, Shizuoka 426-0041

For reserving tours, see the website.

➡ [“Ikoi no Mori”](#)

Participation in the “30 by30 Alliance for Biodiversity” and recognition of the “Nationally Certified Sustainably Managed Natural Sites”

At the G7 Summit held in the UK in June 2021, G7 leaders agreed the G7 2030 Nature Compact and all G7 countries pledged to conserve or protect at least 30% of their national land and sea areas by 2030 (‘30by30’) toward the goal of halting and reversing biodiversity loss (nature positive).

Toward domestically achieving the 30by30 target, Japan has launched the 30by30 Alliance for Biodiversity at the initiative of the Ministry of the Environment. In addition to expanding Japan’s current protected areas such as national parks and improving its management quality, a scheme is implemented to register areas that have been conserved by the private sector and others as OECM*.

In June 2022, our Company joined the 30by30 Alliance for Biodiversity, aiming to obtain OECM certification for the “Ikoi no Mori” biotope at the Shizuoka Plant and to contribute to the conservation of 30% of land and sea by 2030.

The Ministry of the Environment began a system in 2023 to certify areas where biodiversity is being preserved through private initiatives as OECM. The certified sites, excluding areas overlapping with protected areas, will be registered in the international OECM database. In applying for “Nationally Certified Sustainably Managed Natural Sites” registration in the first half of FY2023, the “Ikoi no Mori” biotope at the Shizuoka Plant was certified as “Nationally Certified Sustainably Managed Natural Sites”.



Biotope “Ikoi no Mori”



* Areas other than protected areas that contribute to biodiversity conservation. Abbreviation for Nationally Certified Sustainably Managed Natural Sites.

What is an “Nationally Certified Sustainably Managed Natural Sites”?

As part of its efforts to achieve nature positive, the Ministry of the Environment started a system in 2023 to certify areas that contribute to the conservation of biodiversity as a result of initiatives by the private sector and others (i.e. corporate forests, satochi-satoyama landscapes, and urban green spaces) as Nationally Certified Sustainably Managed Natural Sites. Applications were accepted from April 2023 and experts reviewed them. The Minister of the Environment designated 122 locations (across 35 prefectures) as Nationally Certified Sustainably Managed Natural Sites for the first time. The total area of these 122 locations is approximately 77,000 hectares, which is approximately 0.2% of the total land of Japan, exceeding Tokyo’s 23 wards.

- [Ministry of the Environment: Result of the certification of Nationally Certified Sustainably Managed Natural Sites in the first half of FY2023](#)
- [Japan’s 30by30 Roadmap](#)

Receiving the Director-General’s Award of the Kanto Bureau of Economy, Trade and Industry in the FY2023 National Award for Greenery Factory

Our management of greenery and initiatives using our biotope was praised and received the Director-General’s Award of the Kanto Bureau of Economy, Trade and Industry of the FY2023 Factory Greening Award Program, a program to award plants and other facilities that achieved significant improvement of the environment in and around the plant based on the Factory Location Act’s philosophy of pursuing harmony with the local environment around plants (collectively called the National Award for Greenery Factory).



Initiative to Protect Forest Ecosystems

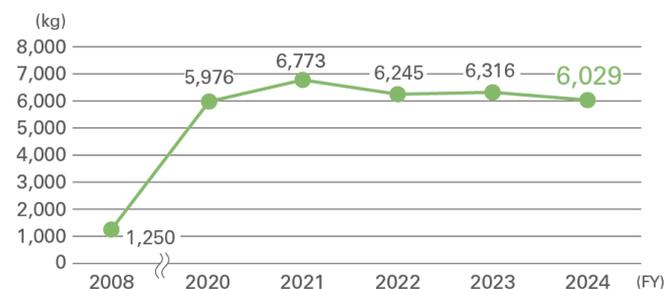
Our Company contributes to conservation of biodiversity by protecting forest environments through our support for activities including forest thinning projects and afforestation activities of the environmental NPO Office Chonai-kai (Office Community Network) .

We have supported forest thinning mainly in Iwate Prefecture since FY2008 by expanding the use of Paper Products that Contribute to Forest Thinning Efforts promoted by the Morino Chonai-Kai (Forest Neighborhood Association).

The cumulative amount of paper used since FY2008 is approximately 101,600 kg, which corresponds to the thinning of 6.89 hectares.

At our business sites in Indonesia , we are conducting forestation activities to cultivate mangrove forests for protecting a variety of marine life, and activities for mitigating climate change such as cultivating mango seedlings. Moving forward, we will continue to conserve biodiversity tailored to the environment surrounding each of our business sites.

● Amount of Paper Products That Contribute to Wood Thinning Efforts Used by Sumitomo Bakelite Co., Ltd.



Indonesia: Cultivation of mango seedlings



- [“Forest Neighborhood Association” website](#)

Chemical Substance Management

Policy and Basic Approach

Environmental Policy

Our Group has established the Environmental Policy as a policy related to environmental issues pertaining to our Group (including chemical substance management). Our Group's Environmental Policy is described on the following page.

[➤ Environmental Management](#)

Systems (Governance)

The systems for supervision and management of environmental issues pertaining to our Group (including chemical substance management) are described on the following page.

[➤ Environmental Management](#)

Risk Management

The identification, assessment, and management of risks and opportunities related to environmental issues pertaining to our Group (including chemical substance management) are carried out in accordance with the risk management structure and risk management processes described on the following page.

[➤ Risk Management](#)

Key Initiatives

Management of chemical substances throughout product life cycles

The targets for 2020 agreed on at the WSSD call for the worldwide and comprehensive management of chemical substances throughout the product life cycle, from development to manufacturing, use, and disposal in order to minimize the significant adverse effects on human health and the environment caused by the manufacture and use of chemical substances. Since then, the laws and regulations in each country have become stricter, and our Group is taking action to comply with laws and regulations.

Aiming to achieve the SDGs in 2030, the government of each country is taking action proactively. Our Group (each of our plants and research laboratories worldwide) is working on the SDGs through the management of chemical substances carried out as part of our Responsible Care activities.

In terms of its management of chemical substances, our Group has a system in place for studying and reviewing chemical substance-related laws and regulations in Japan and throughout the world from the product development phase onward. We manage the chemical substances contained in products in order to comply with the laws of the countries where we operate and to minimize environmental impacts throughout product life cycles.

In order to minimize the impact on the environment and obtain a high level of trust in the industry, we are promoting stronger risk assessment and management systems through the following measures.

1. Adherence to international standards related to chemical substance management

[Compliance with Japanese laws and regulations]

We report on new chemical substances under the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture and Industrial Safety and Health Act, and nominate people in charge of handling and perform record management according to the Poisonous and Deleterious Substances Control Act. In 2024, new substances were added under the revised Industrial Safety and Health Act, and we are taking necessary actions to ensure compliance, including updating the SDS.

[Keeping overseas regulatory and inventory information up to date]

We are managing chemical substances based on the latest information on both our inventory and chemical substance regulations in each country, keeping in mind the global deployment of our products. Dedicated legal teams conduct monitoring and rapid handling of the latest trends such as in the REACH regulations (EU), TSCA (the US), and K-REACH (South Korea). We utilize a Chemical Substance Management System to minimize the risks during product development and sales from a global perspective.

2. Risk management initiatives for chemical substances

[(1) Inspection planning stage (gate 1/approval by manager of adoption department)]

When assessing new raw materials, the research manager obtains the latest SDS from the raw material manufacturer and confirms they do not contain concerning or prohibited substances. After approval, a sample is obtained for assessment.

[(2) Design & development stage (gate 2/consensus with New Materials Adoption Screening Committee)]

A survey of the supply stability including logistics, price, and BCP is conducted by the Global Procurement Division, and we collect documents such as new chemical substance deployment status (Japan and countries where export is expected) and certificates of non-use of prohibited substances. A risk assessment is conducted by the “New Material Adoption Screening Committee”, and the usability is judged comprehensively.

[(3) Production preparation stage (gate 3/request for new raw material adoption and decision by the plant manager)]

Prepare the final documents such as procurement specifications and certificate of non-use of prohibited substances, and circulate request for new raw material adoption for final confirmation of health and environmental safety during manufacturing by stakeholders.

[(4) Steady production stage]

Each business division continually gathers updated information about legal changes and materials of concern lists through cooperation between the Quality Assurance Promotion Department and Environment and Safety Promotion Department. Confirm and update the contents of the product SDS and issue to customers.

	Manufacturer	Research Dept.	Business Div.	Procurement Dept.	Environment and Safety Promotion Dept.	Review
(1) Inspection planning	●	●				Obtain SDS. Confirm substances of concern and prohibited substances.
(2) Design & development	●	●	●	●	●	Confirm chemical regulations. Confirm supply stability and risk.
(3) Production preparation	●	●	●	●	●	Finalize procurement specifications. Register raw material. Confirm manufacturing safety.
(4) Steady production	●	●	●	●	●	Continuously confirm legal information. Register new export countries and handle issuance of SDS.

3. Issuance and provision of SDS by introduction of cutting-edge chemical substance management system

A Chemical Substance Management System has been introduced to perform efficient issuance and provision of product safety data sheets (SDS) for domestic and international legal information disclosure and for voluntary information disclosure.

We have established a system to enable the creation of SDS in compliance with international standards (GHS), detailing the hazards and legal information of chemical substances, and to provide them in multiple languages to customers and business partners in 46 countries via an online platform.

*1 SDS: Acronym for Safety Data Sheet. This sheet contains the safety information regarding chemical substances, and is attached to product shipments to other businesses.

*2 GHS: Acronym for the Globally Harmonized System of Classification and Labelling of Chemicals.

*3. ExESS: A system for producing and issuing SDS multilingually. Introduced in 2020.

● **Countries and territories for which we provide SDSs**

(number of SDSs of which the latest version can be provided as of April 1, 2025)

USA		Austria		Thailand		Brazil		Morocco	
Ireland		Netherlands		Czech Republic		France		Russia	
UAE		Canada		Denmark		Vietnam		Korea	
United Kingdom		Costa Rica		Germany		Belgium		Taiwan	
Israel		Singapore		Turkey		Poland		China	
Italy		Switzerland		New Zealand		Portugal		Japan	
India		Sweden		Norway		Malta			
Indonesia		Spain		Hungary		Malaysia			
Uruguay		Slovakia		Philippines		Myanmar			
Australia		Slovenia		Finland		Mexico			

* Countries and territories for which we provide SDSs: 46 (Asia: 12, Europe: 23, North America: 3, Latin America: 3, Oceania: 2, Middle East: 2, Africa: 1)

4. Promotion of integrated chemical substance management activities through entire product life cycle

In order to perform cross-organization integrated chemical substance management, departments such as research, sales, quality assurance, and procurement participate in regular meetings for problem sharing and continuous improvement.

5. Educational program related to chemical substance management and laws and regulations

We hold educational programs for all employees with the aims of increasing awareness and improving skills among employees and business partners.

We conduct educational activities using e-learning and internal documents, hold internal web seminars, and hold seminars that invite external speakers.



Human Capital

Message from the Officer in Charge of Human Resource Management

HUMAN CAPITAL MANAGEMENT

A raft of measures to promote diversity and enhance autonomy and organizational strength, creating an organization where everyone can thrive

Yasuhisa Ikeyama

Executive Officer, General Manager of the Personnel Division

One of our Group's visions is "to be a company whose members can actively apply themselves." To make this a reality, we have set out three main themes within the material issues of human capital: (1) promotion of diversity; (2) enhancement of autonomy; and (3) enhancement of organizational strength. We are working on these themes, keeping in mind the ability to respond flexibly and quickly to changes in the external environment, and sustainable growth of our human resources, one of our Group's strengths, as well as our organizational strength. We achieved all of the targets that we set as KPIs for FY2024, and I feel we are making steady progress toward Vision 2030.

Health Declaration for the Group of Sumitomo Bakelite Co., Ltd. was published in March 2024. In addition to the regular health checks that were already in place, we have brought in initiatives to encourage employees to improve their exercise and lifestyle habits. Since FY2024, we have been recognized as a Certified KENKO Investment for Health Outstanding Organization (Large Enterprise Category) by the Nippon Kenko Kaigi.

In FY2025, we will hold a new Global DE&I Conference to further promote DE&I. As a Group, we have around 50 sites around the world, each located in regions with different labor laws and challenges relating to DE&I. In the past, each Group company has worked on its own individual solutions and responses, but we now want to create a Group-wide culture of sharing challenges and advice.

Furthermore, we have started work on a succession plan to help improve our organizational strength. To attain sustainable growth, it is vital to nurture successors capable of taking over the management of each department. As a global Group with a huge variety of products and business fields, all kinds of issues can arise. Coming up with appropriate solutions requires varied experiences and networks, not just specialist expertise. This is why we take rotation and work experience into account when reassigning human resources and implementing training programs.

■ Promotion of Diversity

We are tackling the issue of diversity with a focus on promoting the advancement of female employees and increasing the percentage of mid-career hires. To create a company where diverse employees can thrive, we need to change the awareness of every employee and the atmosphere in the workplace. The DE&I Promotion Office is working to raise awareness and educate employees. The Human Resources Development Department holds networking events for mid-career hires, enabling them to make the most of internal networks.

■ Enhancement of Autonomy

We implement a 360° assessment scheme so that employees can inspire each other and achieve greater autonomy. In FY2024, the assessment was conducted for 52 department managers from our Group in Japan. Going forward, we want to roll this out to all levels.

To encourage a spirit of challenge, our personnel evaluation system evaluates challenge through both behavioral and performance evaluations. We are working to foster a corporate culture where courageous risk-taking will be rewarded.

■ Enhancement of Organizational Strength

Our management training empowers managers to share common goals with their teams, build an organization where people work together with a sense of unity, and foster collaboration within the Group. In FY2024, 58 managers in Japan completed the training.

We also conduct employee engagement surveys as part of our efforts to enhance organizational strength. In response to feedback from employees, new welfare facilities have been constructed at the Amagasaki Plant and Shizuoka Plant. Each department will work on its own action plan, leading to individual success and a revitalized organization.

Employment and Human Resource Development

Policy and Basic Approach

Recruiting and Employment

The Group's business activities would not be possible without its employees. In the belief that "recruitment and employment" are vital for our business to continue in a stable manner, we aim to secure the right personnel through new graduate and mid-career recruitment. A target of ensuring that 20% or more of newly graduated recruits are women has been defined, to promote the advancement of women. Current social circumstances will also be taken into consideration to raise starting salaries, with further improvements to be applied in a flexible manner.

In addition, we recognize that more active mid-career recruitment is required to improve the performance of the individuals and the organization by maximizing the personal attributes and capabilities of all members of our diverse workforce. Therefore, we have set the percentage of mid-career hires as a new KPI for material issues (non-consolidated, targeting career-track recruits). We will aim for 40% in FY2026 and 50% in Fiscal 2030.

These initiatives are being reported to the Sustainability Promotion Committee, which monitors, reviews, and makes changes to recruitment practices.

Details of the percentage of female management staff and percentage of mid-career hires can be found on the following page.

[DE&I Promotion](#)

Human Resource Development

Our Group believes that the growth of each and every employee is a driving force behind the sustainable growth of our businesses. This is why we recognize human resource development as an important aspect of management.

We have clarified the type of people we are looking for, based on understanding our Group's basic policies and mission, and actively provide training to help them grow into employees who can think and act independently.

The education and training we provide for human resource development and the underlying framework is dubbed "SB School," and creates opportunities to learn and experience the skills required to achieve sustainable growth for our Group's businesses. It plans the educational program required by all grades of employees in all departments for business activities, and implements it in a systematic and scheduled manner to nurture talented personnel for businesses, with the aim of helping our Group achieve sustainable growth of business operations while maximizing corporate value.

As the development of each and every employee is considered the source of sustainable business growth, all registered employees are eligible to enroll in "SB School" courses, and can attend the school from the moment they join the Company until when they retire.

Ideal Human Resources

The human resources we wish to cultivate are people who understand our Business Philosophy ("Our Company places prime importance on trust and sureness, and shall commit itself to contributing to the progress of society and enhancement of people's welfare and livelihood through its business activities"), Purpose ("Toward a sustainable society through expanding the potential of plastics"), and Vision ("We aim to be a 'company providing dreams for the future' through creating value with our customers"), and who can autonomously contribute to the sustainable growth of the Company.

Specifically, we seek personnel with the four characteristics listed below.

Key characteristics of the autonomously motivated personnel Sumitomo Bakelite Co., Ltd. seeks

1. People who are growth-oriented and have the drive to acquire new skills and knowledge necessary for their jobs;
2. People with a pro-reform stance who are not satisfied with the status quo, but are always looking for ways to do a better job;
3. People with a team-oriented approach who can combine their individual strengths with the strengths of those around them to deliver better results; and
4. People with professionalism who possess outstanding skills and know-how and can produce results through their work anywhere in the world

Systems (Governance)

The Human Resources Development Department was established as a specialized department within the Personnel Division. Working with the personnel departments of each business site and subsidiary as well as corporate divisions, the Human Resources Development

Department promotes recruitment, employment, human resource development, and training.
 Important items are reported at the Sustainability Promotion Committee under the supervision of the Board of Directors.

Risk Management

The identification, assessment, and management of risks and opportunities related to human capital pertaining to our Group (including recruitment/employment, human resource development and training) are carried out in accordance with the risk management structure and risk management process described on the following page.

[Risk Management](#)

Metrics and Targets

Enhancement of Autonomy: 360° assessment-based training

We are expanding education using 360° assessment scheme in order to cultivate human resources who have a high level of autonomy to proactively solve problems and who can use that autonomy to create new value.

Enhancement of organizational strength: Management training

We will continue to strive to train managers who can boost the sense of unity within the whole organization as well as being flexible enough to adapt to any situation, in the current unpredictable business climate.

Material issues		KPIs	FY2024 results	FY2030 targets
Value creation accelerators	Human capital (Employee Activities)	Enhancement of autonomy: Number of employees participating in 360° assessment-based educational programs	52	70
		Enhancement of organizational strength: Number of employees participating in management education programs	58	70

Other quantitative information relating to recruitment/employment, human resources development and training

Please see the page below for details of quantitative information relating to recruitment/employment, human resource development and training.

[Detailed Data Related to Sustainability \(Society\)](#)

Key Initiatives

The Group's in-house training institute, "SB School"

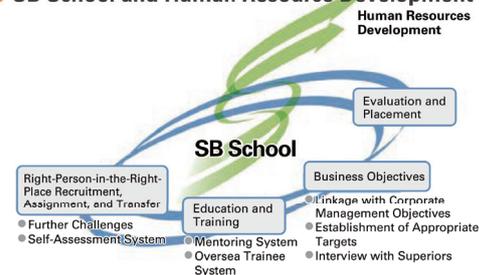
In September 2007, our Group opened "SB School" as an in-house training institute.

The aim of SB School is to provide lifelong education and training courses that help our Group achieve sustainable growth of business operations while maximizing corporate value. The school offers courses for all grades of employees from all departments. These include "all-employee education" courses that confirm and reinforce employees' awareness of the basic policy as well as fundamental knowledge about such issues as enhancement of CS, compliance, human rights, occupational safety, quality, and environmental protection. The school also systematically plans and implements various other kinds of educational and training courses needed by employees.

The chart below shows the number of participants in SB School and the total number of training hours each fiscal year.

Going forward, we will continue to plan and implement a variety of educational programs, working to develop the skills of our most valuable resource: our employees.

SB School and Human Resource Development



	April 2023 to March 2024	April 2024 to March 2025
Number of participants	Approx. 67,000 employees	Approx. 76,000 employees
Training hours	Approx. 77,000 hours	Approx. 84,000 hours

● Education and Training Structure of SB School

Grade	All-employee education	Training by corporate divisions	Special purpose training	Education for each employee grade	Self-development support	
Executive Officers	Basic policies/compliance Safety Quality Environment SDGs Business and Human Rights/Management/Prevention/Training	<Research and Development> Data science, new product development (SBrno), material optics, etc.				
MG4/5 SPR		<SBPS> Foreman training, thought process development, etc.				
MG3 PR		<Environment and Safety> Health and safety, LCA, chemical regulations, etc.	Customer facing skills	Education for managers (management)	Education for managers (leadership)	Life plan education Self-development (English conversation) Correspondence courses
MG2		<Quality> Quality Control Manager training, OC basics, etc.	Strategic scenarios	Education for line managers	Leadership development education	
MG1		<Intellectual Property> Patent information search, technical contracts, Japan Intellectual Property Association, etc.	Negotiating skills enhancement	Management enhancement education		
Site Leader, Team Leader		<Legals> Personal information management, confidential information management, security export control, etc.	Facilitation	Newly appointed MG1 education		
Mid-career employees		<Finance & Accounting> Credit and accounts receivable management, introduction to monthly account closing, basic accounting knowledge	Business writing in English	Education for site leaders (performance/materials)	Statutory education for superintendents	
Second year employees		<Human Resources, Employee Relations, and DE&I> Personnel evaluation, business goals, mental health, etc.	Presentations (performance/materials)	Education for mid-career employees	Mentor education	
New recruits		<Information Systems> Digital transformation, information security, Excel utilization, etc.	Logical thinking	Education for employees in their third year in the Company	Follow-up education for new recruits	
			Marketing		Education for new recruits	
		Global mincset				
		Team-building				

SB School course participation (FY2024)

Type of course	Number of participants	Educational aims
Education for managers (management)	10	An educational course helping managers to discover opportunities within the workplace and bring out the maximum energy of the workplace to achieve goals, however the environment changes
Education for managers (leadership)	20	An educational course encouraging participants to reflect on their current position through a 360° survey and further developing their leadership skills as senior executives
Education for line managers	20	An educational course nurturing managers capable of autonomously guiding the direction of the organization and aligning the vectors of the whole organization to produce results
Leadership development and education	10	An educational course encouraging participants to reflect on their current position through a 360° survey and further developing their leadership skills as managers
Management enhancement education	22	An educational course teaching effective workplace management by comparing management principles with their own actions
Newly appointed MG1 education	34	An educational course for employees promoted to MG1, to encourage them to think about the role expected of management employees and to change their awareness and behavior
Education for site leaders	17	An educational course for superintendents and team leaders of each office to think about acting as a leader and incorporating that on-site
Education for mid-career employees	28	An educational course enabling younger personnel to reflect on themselves and gain new insights through a 360-degree survey as they enter the stage in which they drive the Company forward as young to mid-career employees
Mentor education	38	An educational course clarifying the role of a mentor, promoting self-confidence and awareness as a leader
Education for employees in their third year in the Company	26	An educational course for looking back on the previous two years, sharing experiences to date, and gaining insights for making the third and subsequent years with the Company more fulfilling
Follow-up education for new recruits	31	An educational course enabling new employees to reconsider their own strengths and weaknesses through a review of their first year, and to encourage further growth in their second year and beyond
Education for new recruits	31	An educational course to create a foundation for new employees to become active members of the workplace after they are assigned jobs
Life plan education	82	An educational course enabling employees approaching retirement to examine what they need to be aware of in order to further enhance their careers and learn to plan for life after retirement

Manufacturing-oriented SBPS education

SBPS activities originally began as an offshoot of on-site kaizen (improvement) activities but are now implemented throughout the Company in order to “generate the values demanded by customers and society”. The activities are aimed at securing the revenue and safety (personnel, facilities, environmental, and quality) that our Company requires to achieve sustainable development. The activities involve setting specific targets (financial, quantitative, and delivery), planning who needs to achieve each of these targets by when, and implementing these plans without delay, meaning the activities are just the same as the daily work tasks carried out by employees.

We believe that, through the ages, technical capabilities, knowledge, experience, and tireless will that each individual has who promotes these activities will always bring about our required results. Based on this idea, we have organized educational programs targeting each employee grade and level as part of the SB School system. The planning and operation of the education is in principle carried out by employees themselves.

Attendees are required to submit reports, and the emphasis is placed on putting what they have learned into practice in their own departments. Regular follow-ups are carried out to track their progress. One of the grade-specific programs is the senior foreman training course to develop the “next generation of plant managers and overseas site managers” who will be responsible for plant operations with a view to our Vision 2030. The program includes lectures about the perspectives, ways of thinking, and methods that plant managers should know, as well as practical training covering plant inspections and proposing solutions to problems, implemented over a period of six months. Between 2010 and 2016, this training course was held seven times and 75 participants took part. In 2024, the course was held for the first time in eight years, with 10 participants.



Participants performing a plant inspection

Quality control skill enhancement

We offer nine quality-training programs at our SB School to increase our employees’ awareness of quality, to prevent quality problems, and to improve quality techniques. November every year is designated as “quality month,” and quality education via e-learning is provided for all employees.

In-house quality education is provided early in the careers of employees assigned to the research and production engineering departments, mainly aimed at second-year employees in the engineering track. This involves lectures and practical training in areas such as the Company’s quality policy and approach to quality assurance, regulations, quality management systems, problem-solving methods (FTA, FMEA, Why-Why Analysis, and Further Investigation), and statistical methods. Administrative employees were also included in the eligible group for receiving education in areas such as quality in general, regulations, and management systems.

In the current era of VUCA, which is highly volatile, uncertain, complex, and ambiguous, we have enhanced the curriculum of the “Quality Control Manager Training Course” with the aim of developing human resources capable of making appropriate judgments in each emergent situation that cannot be handled by experience alone. We put effort into securing personnel who will be immediately effective as quality control managers.

In addition, we are promoting activities toward visualization, analysis, and utilization of big data to respond to an age in which process information is provided with big data due to the progress of IoT.

Environmental education

Our laboratories and plants handle a wide range of chemical substances. We conduct periodic group education programs for employees, including new employees, with the objective of protecting the environment in the vicinity of our business sites and ensuring that employees work in safety. These programs are designed to enhance employees’ understanding of the properties of chemical substances and the content of relevant laws and regulations, thus enabling them to handle chemical substances appropriately.

Separately to these group education programs, we conduct environmental e-learning for all employees every year in June, a month dedicated to enhancement of environmental protection. Employees learn about our environmental activities, initiatives by our Group, and what is happening in Japan and other countries with regard to biodiversity.

These days, more and more companies with global operations are disseminating information centered on sustainability. After learning about and outlining the relationships between sustainability and SDGs, CSR, Responsible Care, ESG, etc., participants learn about and deepen their understanding of the various environmental and safety-related activities that we are involved in.

R&D and Tech Day held

In November 2024 we held “R&D and Tech Day 2024,” a technical discussion to share information about technology across the boundaries of the various departments and businesses that we operate with the aim of enhancing our overall Group-wide technological capabilities. This was a hybrid event combining online and in-person attendance. Over 300 employees from Japan and overseas took part over four days, mainly from the research, production, marketing, and sales departments. More than 1,400 employees watched the event. We plan to hold another R&D and Tech Day in FY2025 with a similar format.



Advanced Materials Research Laboratory selected for the Award for Excellence

“Gemba Kaizen” Activity Presentation meeting held

“‘Gemba Kaizen’ Activity Presentation 2024” was held in May to present successful outcomes of daily improvements at each business location in a hybrid format with on-site participation and online streaming. Nearly 400 people attended, mostly from domestic and international production departments.



Sumitomo Bakelite (Shanghai) Co., Ltd. selected for the Award for Excellence

Welcoming the next-generation to internships and factory visits

In order to support the growth of the next generation of students, we proactively accept student interns and also welcome students to company briefings and site visit events (factory tours) to aid their understanding of our business and the work carried out at our production plants.



Head Office
Welcoming students from Tsukuba University of Technology for internships



Vaupell Molding & Tooling, Inc.
Factory tours for high school students studying engineering



Shizuoka Plant
Work experience for people with disabilities



Durez Corporation
Welcoming local chemistry students for internships



SB-Kawasumi Laboratories, Inc.
Head Office and Tonomachi Medical Research Laboratory
Welcoming high schools in Oita Prefecture to company tours as a school trip



P.T. Indopherin Jaya
Welcoming internships

Engagement Survey

We are implementing measures to achieve the “top share in niche markets” in the functional chemical sector and expand the scale of business, with the aim of becoming a company providing dreams for the future through creating value for our customers by expanding the potential of plastics. We believe that identifying the current situation pertaining to individuals and organizations, and then taking action to resolve any issues, is essential for making these measures more effective.

We will continue to conduct engagement surveys as a tool for ongoing improvement for individuals and organizations. The fourth survey will be conducted in September 2026.

DE&I Promotion

Policy and Basic Approach

In September 2022, the Group of Sumitomo Bakelite Co., Ltd. declared that it would be promoting Diversity, Equity, and Inclusion (DE&I). In line with the DE&I Policies, we are working toward the realization of a company where diverse human resources can demonstrate their individuality and abilities, where fair opportunities are provided to each individual in accordance with his/her circumstances, and where they can actively work with mutual understanding and respect.

With the first step of promoting the active participation of women, we will make our Company a place where diverse human resources, such as employees with limited employment due to nursing care or disabilities, foreign nationals with different cultural backgrounds, and LGBTQ people, can play an active role.

As we embrace DE&I, employees with diverse perspectives can work as a team by combining their different views and maximizing their unique strengths to encourage innovation.



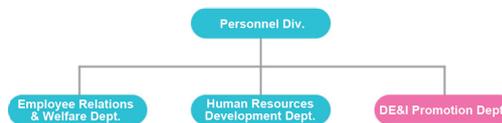
DE&I Policies

1. Promotion of Diversity, Equity, and Inclusion (DE&I) is defined and enforced as one of our Group's priority management actions.
2. With a starting point to focus on empowering women to play more active roles, promote various initiatives to empower diverse employees to play greater roles in the company.
3. Provide work-and-life balancing support schemes and allow the employees to select from diverse ways of work to help them accommodate various life stage events.

Systems (Governance)

The DE&I Promotion Office was established as a specialized department within the Personnel Division. Representatives from each business site in Japan and from Group companies also belong to the department to promote DE&I throughout the Group of Sumitomo Bakelite Co., Ltd.

Important items are reported at the Sustainability Promotion Committee under the supervision of the Board of Directors.



Risk Management

The identification, assessment, and management of risks and opportunities related to human capital pertaining to our Group (including DE&I promotion) are carried out in accordance with the risk management structure and risk management processes described on the following page.

[Risk Management](#)

Metrics and Targets

Initiatives to promote the advancement of women

We are committed to promoting the advancement of women as the first step toward embracing diversity. We have set the percentage of female management staff and the percentage of new fathers taking childcare leave as KPIs(Key Performance Indicators).

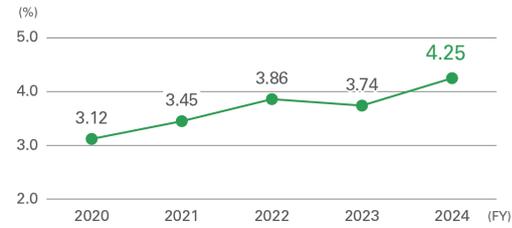
Increasing the percentage of female management staff means we are enabling employees to maximize and make effective use of their skills, regardless of gender. In order to create an environment where women can have successful careers while raising children, it is vital for men to take an active part in childcare and homemaking. The percentage of new fathers taking childcare leave is an indicator of our efforts to create a flexible working environment where employees can take time off work as required.

Percentage of female management staff

As well as expanding our systems, we are working to foster a workplace culture that makes it easy for employees to use these systems, and putting in place a workplace environment enabling them to continue working through all stages of life. Managers are given training in development of female employees, addressing the tendency for childcare responsibilities to affect career progression. In this way, we aim to give female employees opportunities to think independently about their careers and decide their own career paths.

At the end of FY2024, the percentage of female management staff was 4.25%. We will continue to work on improving this ratio, with a target of 5% by FY2026 and 10% by FY2030.

Trends in the Proportion of Female Management Staff



Notes:

1. Applies to management staff excluding Executive Officers.
2. Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).
3. Includes those seconded to other companies with qualifications as managerial staff.
4. The data shown is as of March 31 of each year.

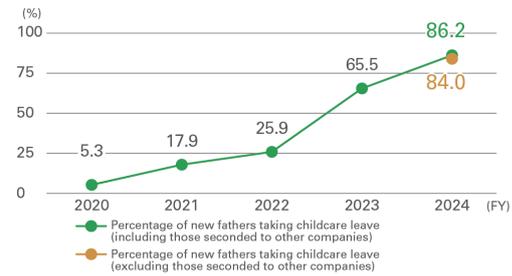
Percentage of new fathers taking childcare leave

We are working on various initiatives, aiming to provide a workplace where everyone, regardless of gender, can find a balance between “working” and “bringing up children”. As part of this, parents can take the first five days of parental leave—a period of leave designated separate from childcare leave— as paid leave (100% payment).

We are also focusing on awareness-raising activities to change attitudes, such as implementing training programs to help employees balance work and childcare, and sharing the experiences of male employees who have taken childcare leave.

There was a huge increase in FY2024, with 84.0% of new fathers taking childcare leave. We will continue to work on improving this ratio, with a target of 90% by FY2030.

Trends in the Ratio of New Fathers Taking Childcare Leave



Notes:

1. Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).
 2. Figures up to FY2023 include employees seconded to other companies (previously published values).
 3. Figures for FY2024 do not include employees seconded to other companies (changed based on advice from the Tokyo Labor Bureau).
- If calculated on the same basis as the figures up to FY2023, the figure for FY2024 would be 86.2%.

Promotion of mid-career recruitment

Respect for diversity is one of our key management issues, and we are promoting mid-career recruitment as one of the specific initiatives within this area. The percentage of mid-career hires has been set as a KPI and we are actively working to increase it. We believe that people with experience and expertise from other companies bring fresh perspectives and ideas that can stimulate and inspire colleagues in the workplace, leading to innovation and revitalization of the organization as a whole. This is why we are working to create an organization that welcomes employees with diverse backgrounds and career histories.

In FY2024, the percentage of mid-career hires reached 43%. We have set a target of 50% by 2030. We will continue to strengthen our efforts to recruit diverse human resources and help them succeed.

Trends in the Percentage of Mid-Career Hires in Career-Track Positions



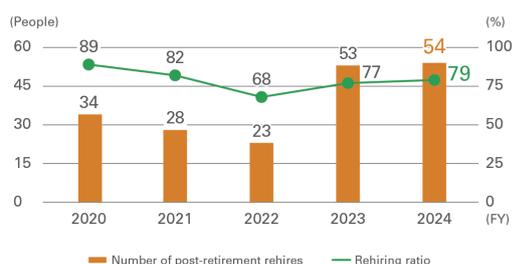
Notes:

1. Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).
2. Percentage of mid-career hires is based on the total number of people hired to career-track positions in the relevant fiscal year.
3. Does not include persons seconded from other companies or employees reassigned from subsidiaries or affiliates in Japan.

Continued employment of retirees

We aim to create an environment where employees can make the most of the knowledge and experience they have gained in the course of their careers and play active roles for longer. As part of this, we have introduced a system allowing employees who have reached the mandatory retirement age of 60 to continue working as contract employees. As well as ensuring that specialized knowledge, technical skills, and expertise cultivated over many years at the Company are passed on to the next generation, this system will strengthen the organization as a whole.

Trends in Continued Employment of Retirees



Notes:

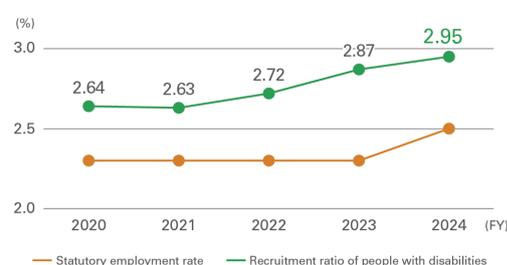
- For the rehiring ratio, the first decimal place was rounded to the nearest whole number.
- Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).

Employment rate of people with disabilities

Our Company considers the employment of people with disabilities, as stipulated by law, to be an integral part of corporate social responsibility. While giving the necessary consideration to enabling those with disabilities to carry out their work, we endeavor to offer workplaces that are as safe and secure for those with disabilities as they are for others, and that allow employees to continuously hone and cultivate their skills.

We are also making continuous efforts to employ new graduates with disabilities by, for example, accepting students with disabilities for internships so as to provide them with opportunities that suit their conditions and work-style needs.

Trends in the Ratio of Employees with Disabilities



Notes:

- The employment rate of people with disabilities for each fiscal year is calculated by dividing the total number of persons with disabilities as of the first day of each month by the total number of regular employees as of the same day.
- From April 2024, the statutory employment rate has increased to 2.5%.
- Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).
- Includes employees seconded to other companies.

Other quantitative information relating to DE&I promotion

See the page below for details of quantitative information relating to DE&I.

[Detailed Data Related to Sustainability \(Society\)](#)

Key Initiatives

1. Women's empowerment working group

In FY2024, we held round-table discussion sessions between female and male employees to deepen mutual understanding and shared issues related to the advancement of women. These sessions are open to employees from business sites and Group companies in Japan, and a total of 293 people (144 female and 149 male) have taken part.

The measures below have been implemented in response to the views of participants. Going forward, we will continue to foster a culture where employees can be fulfilled in both their work and personal lives.

- Introduce new employee benefit services
- Establish guidelines for sending emails outside of working hours
- Showcase examples of using in-house systems
- Provide opportunities to find out about the experiences and perspectives of successful women within and outside the Company
- Showcase case studies of business reform



2. Opportunities to find out about the experiences and perspectives of successful women within and outside the Company

We provide opportunities to find out about the experiences of successful women outside the Company, in order to reduce anxiety about work and raise awareness of career development. We invited the winner of the “Woman of the Year: New Role Model in Science Award” to give a lecture to female career track employees. The speaker talked about her ideas at each stage and how she developed her career, which was very inspirational to the participants, giving them a valuable opportunity to reevaluate their own careers.



We also held a discussion meeting with female executives from our Company. The participants had a lively discussion, exchanging questions and honest opinions. It was a very meaningful meeting, sharing ideas about balancing work with family life, career difficulties, long-term career planning, and more.

Through these initiatives, we are working to create an environment where female employees can feel confident in their careers and take on challenges with a positive mindset.



3. Promoting understanding of LGBTQ people and establishing systems

We are promoting various initiatives to deepen understanding of LGBTQ people and create a workplace environment with respect for diversity.

As part of this, we provide annual e-learning for all employees to learn about basic knowledge, behavior, and workplace considerations. This allows each and every employee to deepen their understanding of LGBTQ people, helping to foster a corporate culture of mutual respect.

In FY2024, we established “new regulations to recognize same-sex partners” as family members and ensure that non-statutory employee benefit systems can be used equally as far as possible.

We aim to create a workplace where everyone can work happily and achieve their full potential.

4. Support for people with disabilities

Internship program for schools for the deaf and special needs schools

We offer internships for students with disabilities. In FY2024, students studying programming had the opportunity to experience management system development at our Head Office. Students with hearing impairments joined a sign language group run by volunteers within the Company, helping to deepen communication between employees across departments. At production sites, the program allows students to experience our Company operations, including hands-on experience of manufacturing.

As well as helping students with disabilities to broaden their career horizons, these internships are a valuable reminder of the potential of diverse human resources for the Company. We will continue to actively provide such opportunities to ensure that employment options are not limited by disabilities, working toward a society where everyone can work in a way that suits them.



Information sharing across business sites

We share information across our business sites and Group companies in Japan, in order to create better working environments for employees with disabilities. Through this initiative, by sharing examples of adaptations and employee growth at each business sites, these can be rolled out to other business sites. This will help us to further harness the potential of employees with disabilities, laying the foundation for expanding job opportunities and diversifying work. We will continue to strengthen cooperation between business sites and strive to improve the working environment.

5. Completion of new welfare facilities

A new welfare facility was opened in September 2024 at our Shizuoka Plant .

The building has a calm exterior based on shades of brown, large windows to make effective use of natural light, and an environmentally-friendly design including LED lighting and solar panels on the roof. It is designed to be accessible for all, with facilities like elevators and multi-purpose toilets.

The facility has several communication spaces with creative features such as varied types of desks and seating in each room. A gallery of environmental products is being installed on the first floor.

We will strive to make this a pleasant space for customers and employees to encourage conversation, creativity, and communication.



Appearance



Cafeteria filled with natural light



Communication space

6. Awareness and awareness activities

In order to create an environment in which each employee can demonstrate their abilities by embracing diverse values, we conduct various awareness activities, such as awareness of the importance of DE&I promotion and support systems.

Education to promote understanding of DE&I (1)	Directors and managers learned about the importance of promoting DE&I from a management perspective. (Nov. 2022, 67 participants)
Education to promote understanding of DE&I (2)	All employees learned the necessity of promoting DE&I and the significance of realizing an organization where diverse human resources can flourish. (Aug. 2024, 3,369 participants)
Diversity management education	With line section chiefs as the main target, employees learned about the necessity of promoting diversity and opportunities for women as well as specific methods of individual management. (Dec. 2022 to Dec. 2023, 63 participants)
Unconscious bias education	With line section chiefs as the main target, employees learned about reducing negative impacts of unconscious bias and creating a workplace environment where diverse subordinates can actively work. (Dec. 2023 to Nov. 2024, 31 participants)
Support for balancing work and childcare	In order to create a workplace where employees can balance work with childcare responsibilities and be supported by those around them, participants learned about the necessity of new fathers taking childcare leave and the positive impact of this on their work. (Nov. 2023 to Nov. 2024, 180 participants)
Female leaders' education	Female managers learned the roles required for leaders and the specific skills that leaders should acquire. (Oct. 2023, 18 participants)
Smart working education	In this training for female employees in non-management positions, participants were encouraged to think about future work styles and careers from multiple perspectives and how to achieve a good work-life balance. (Dec. 2023, 17 participants)
Female health support education	The participants deepened understanding within the Company about female health issues that are difficult to understand due to the differences among individuals. (Feb. 2024, 3,287 participants)
Education to support balancing work and fertility treatment	The participants learned about points to consider for building a workplace for employees who wish to undergo fertility treatment and continue working. (Jan. 2025, 3,454 participants)
Education for balancing work and nursing care	Participants learned about the basics of nursing care and how to balance caring responsibilities with work. ((1) Mental preparation: May 2024, 102 participants; (2) System utilization: Aug. 2024, 104 participants; (3) Long-distance caregiving: Nov. 2024, 100 participants; (4) Financial preparation for nursing care: May 2025, 123 participants)
LGBTQ education	All employees were invited to participate in an e-learning program to deepen their understanding of LGBTQ people and the awareness necessary to create a work environment that is comfortable for everyone. (Sept. 2024, 3,429 participants)
Becoming a company where people with disabilities can play an active role	The participants deepened their understanding of creating a workplace environment where people with disabilities can work comfortably and exert their potential to realize an inclusive society. (Mar. 2025, 3,413 participants)

Work-Life Balance

Our Position on Work-Life Balance

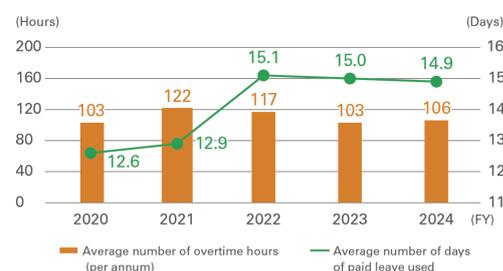
- ❶ To promote flexible approaches to work, while also reducing overtime hours and promoting the full use of annual leave entitlements, and encourage employees to devote the additional time available to worthwhile non-work activities, such as educational pursuits and activities related to family and communities.
- ❷ To offer a greater diversity of working styles that benefit employees who must deal with major life events, such as marriage, childbirth, and child rearing, and thus contribute to nurturing the next generation.

We are implementing effective measures with the aims above.

Focusing on expanding leave systems, in 2023, we increased the number of days of annual paid leave. The number of days granted increased from 8 days to 14 days for employees hired from April, and from 15 days to 20 days for second-year employees (by calendar year), then 20 days each subsequent year.

In 2023, we established a new system of fertility treatment leave, supporting flexible ways of working by allowing employees to take leave in 10-minute increments. For employees with childcare or nursing care responsibilities, the maximum number of days they may work from home has been increased from 8 days to 12 days a month.

Number of Overtime Hours Worked and Days of Paid Leave Taken by Regular Employees



Note:
"Regular employees" means our company (non-consolidated basis) personnel working during daytime hours, excluding managerial personnel.

Employee Support for Various Life Events

We are focusing on creating an environment in which our employees can achieve their goals for both work and life events (such as childbirth and childcare). As well as implementing systems that go beyond legal requirements, we are enhancing employee support by providing information and introducing external services.

<Publication of handbook>

- We have published a handbook that outlines the key points about balancing work and private life.
- Support for balancing career and childcare (for female employees, male employees, and supervisors)
 - Support for balancing work and nursing care

<Introduction of employee benefit services>

We have introduced the following services to help create an environment where employees are able to work with peace of mind while raising children or caring for family members.

- Consultation hotline (childcare, nursing care, health, mental health, etc.)
- Childcare support website
- Various discounts

<Dissemination of health information>

We are disseminating information about major lifestyle-related diseases, things to be aware of as people age, and information on creating a workplace environment where diverse human resources can thrive.

- VVa Health! Regular service as much as possible (Reducing the Risk of Serious Illnesses, Maintaining and Improving Productivity, Fostering a Workplace Culture)

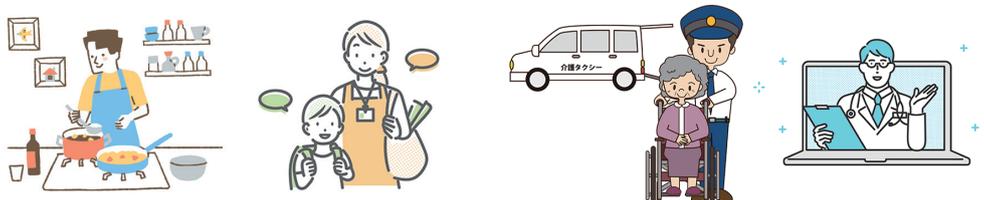


ViVa Health! Regular service as much as possible

<Sharing tips from employees>

We called on employees to share some “Tips on Achieving Work-Life Balance” that they use for achieving and maintaining their own work-life balance, and showcasing them on our portal site. Readers can find out specific ideas about how to balance work with childcare, nursing care, and illnesses.

- Balancing work with childcare: Sharing housework, external childcare services, etc.
- Balancing work with nursing care: “Care Taxi” services, home visit medical care, etc.
- Balancing work with medical treatment: Online medical appointments, etc.



Feedback from a person who took leave system to support life events

Taking childcare leave strengthened my family bonds and gave me a sense of my own growth

My long-awaited first child was born in January 2025. After discussing it with my wife, I planned to start working from home and taking paid leave from the start of the new year, taking childcare leave until the end of March.

When I told my manager about this plan and explained that I might consider extending my childcare leave depending on the situation, he congratulated me and readily accepted. When our baby was born I received many messages of congratulations. I started my childcare leave, feeling grateful for the kind response of those around me. During my childcare leave, my partner and I shared both happiness and difficulties, getting through the hard times with the support of people around us.

I experienced the joy and wonder of watching my child grow up day by day. It has made my family bonds so much stronger that my partner has said how glad she is that I took childcare leave.

After returning to work, I have made use of the flexi-time system to spend precious time with my family, and I feel I can now concentrate more on my work.



Kazuki Inoue, Information & Telecommunication Materials Research Laboratory

“Kurumin Plus” Certification

We received “Kurumin Plus” certification in FY2024 in recognition of our initiatives on balancing work with childcare, as well as our efforts to support fertility treatment.

Continuing from FY2023, in order to foster a culture where male employees can take childcare leave, we provided education to support balancing child-rearing and work, and showcased stories from people who have used the system. In addition, in order to create an environment where employees can continue to work with peace of mind while undergoing fertility treatment, we established a fertility treatment leave system in FY2023, and provided e-learning to promote understanding among superiors and colleagues.



Next-generation Certification Mark: “Kurumin Plus”

“Kurumin Plus” Certification

“Kurumin” is a governmental scheme sponsored by the Minister of Health, Labour and Welfare where, based on the Act on Advancement of Measures to Support Raising Next-Generation Children, a company whose childcare support measures have satisfied certain criteria can be recognized by the Minister as a “Childcare Supporting Business”. “Kurumin Plus”, introduced in 2022, recognizes companies that help employees to balance work with fertility treatment.

Employee Support Systems (Systems Going Beyond Legal Requirements)

Programs relating to childbirth and childcare

Systems beyond those legally required	Details
Parental leave after birth system	To encourage male employees to take childcare leave, the first five days of leave are provided with pay (100%) (within eight weeks after birth of their child) Can be taken separately from childcare leave
Childcare leave system	Childcare leave can be taken until children reach the age of two
Altering work start times for workers caring for children	Employees are able to shift their work start time in 30-minute increments up to either one hour forward or one hour back (employees with children up to the sixth grade of elementary school)
Shorter working hours	Employees may shorten their prescribed daily working hours by up to two hours (employees with children up to the sixth grade of elementary school) (can be used with flex-time)
Leave for child sickness, etc.	Leave is up to five days per year for one child, and up to 10 days per year for two or more children Taken in addition to annual paid leave and nursing absence (employees with children up to the sixth grade of elementary school) 1. A child is injured or is infected with a contagious disease 2. A child requires a vaccination, checkup 3. School closure due to infectious diseases 4. School and kindergarten entrance ceremonies and graduation ceremonies It can be taken with accumulated annual paid leave
Outpatient leave	Pregnant employees can take leave during pregnancy and after giving birth for receiving health guidance from a health professional or receiving postnatal checkups It can be taken with accumulated annual paid leave

Childbirth leave, exemption from overtime work, limitations on overtime work, and limitations on late-night work, shall remain as legally required.

Programs relating to nursing

Systems beyond those legally required	Details
Nursing leave programs	The total leave period is one year, and may be taken in up to three installments
Change of work start time	Employees are able to shift their work start time in 30-minute increments up to either one hour forward or one hour back
Shorter working hours for nursing	Employees may shorten their prescribed daily working hours by up to two hours (can be used with flex-time)
Nursing leave	Nursing leave can be taken in 10-minute increments up to five days per year when there is one family member requiring care or up to 10 days when there are two or more family members requiring care It can be taken with accumulated annual paid leave

Exemption from overtime work, limitations on overtime work, and limitations on late-night work, shall remain as legally required.

Programs relating to fertility treatment and contributing to ease of working

Systems beyond those legally required	Details
Fertility treatment leave	Employees can take five days a year in 10-minute increments It can be taken with accumulated annual paid leave
Telecommuting system	Employees may work at home up to eight days per month The following employees may work up to 12 days per month <ul style="list-style-type: none"> • Those who have children up to the sixth grade of elementary school • Those who take care of family members in need of nursing
Accumulated annual paid leave	It can be used in the following cases <ul style="list-style-type: none"> • When absent from work due to personal injury or illness for three or more consecutive days • It can be taken on a daily basis for hospital visits for cancer treatment, etc.
	<ul style="list-style-type: none"> • Leave for child nursing, outpatient leave, nursing leave, fertility treatment leave, and nursing absence • When absent from work for various medical checkups Physical examinations, uterine cancer examinations, breast cancer examinations, re-examinations, precision examinations, etc.
F leave	Female employees who have difficulty working due to menstruation days and premenstrual syndrome (PMS) are eligible, with two days of vacation allowance per month

Hourly annual leave system and flex-time system are also available

Initiatives for Employee Health

We consider the physical and mental health of each and every employee essential, and to this end we implement various initiatives to support our employees' health.

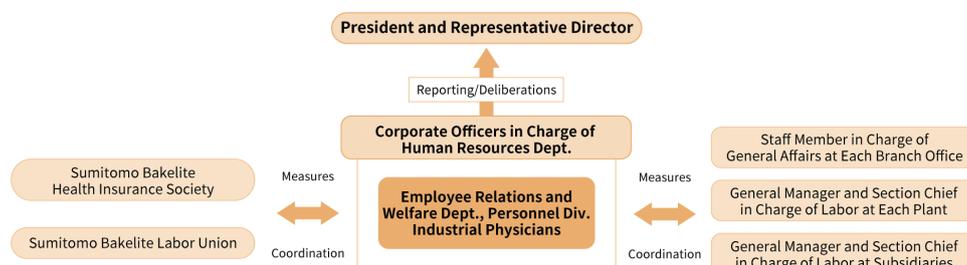
Health Declaration for the Group of Sumitomo Bakelite Co., Ltd.

Based on the Group of Sumitomo Bakelite Co., Ltd. Declaration of Health stating that our Group believes that creating workplaces where each and every employee can work safely and cheerfully in a rewarding environment, both physically and mentally, helps us on our way to making our corporate vision a reality, leading to ongoing growth of the Company. To achieve this, we actively support our employees maintain and improve their health.

Shinichi Kajiya
President and Representative Director

Promotion System for Measures That Support Health

The Officer in charge of Human Resource Management is responsible for promoting Health Management™, while the Employee Relations and Welfare Dept., Personnel Division and industrial physicians and health staff at each business site are in charge of running Company-wide measures. The activities and results of each fiscal year are reported to the President and Representative Director and other Officers. They discuss the details of measures and issues with the General Manager and Section Chiefs in Charge of Labor of each site, and coordinate efforts to promote measures for maintaining and improving the health of employees. Various types of information are also shared with health insurance society, and the personnel in charge discusses effective ways to implement measures. We also exchange opinions and hold discussions with labor unions regarding planning and management of employees' health, and promote implementation and management of measures.



Note: Health Management® is a registered trademark of NPO Kenkokeiei.

Strategy map

We are creating a health management strategy map to visualize the links between material issues that we want to resolve through health management and each health support measure/indicator. The results of activities each fiscal year are reported to the President and Representative Director and other relevant Officers, with those results applied to activities the following year.

[Health Management Strategy Map of Sumitomo Bakelite Co., Ltd. \(PDF 24KB\)](#)

Recognized as a Certified KENKO Investment for Health Outstanding Organization (Large Enterprise Category)

We have been recognized as a Certified KENKO Investment for Health Outstanding Organization (Large Enterprise Category) under the certification system for excellent health and productivity management corporations that praised our overall efforts related to health. We will be continuing our efforts toward creating a workplace where each and every employee is able to work with peace of mind, in sound mental and physical health, and with a sense of fulfillment in their work.



What is the Certified KENKO Investment for Health Outstanding Organizations Recognition Program?

As part of efforts to create a society where people live long and healthy lives, the Ministry of Economy, Trade and Industry (METI) is promoting health and productivity management, encouraging companies to consider employee health management from a corporate management standpoint and strategically implement activities to maintain and promote health. The KENKO Investment for Health Outstanding Organizations Recognition Program was established by METI in FY2016 with the aim of creating an environment to recognize enterprises putting health and productivity management into practice. Certification is awarded by the Nippon Kenko Kaigi, based on set evaluation criteria.

Initiatives for Managing, Maintaining, and Improving Health of Employees

Employees' health management activities are primarily based on the results of regularly scheduled health checks. In particular, employees over 30 years old are entitled to receive cancer screening (stomach and colon) and those over 40 years old can receive abdominal ultrasonography as well.

To maintain and promote the health of our employees, we are implementing the following initiatives by coordinating and collaborating efforts with Sumitomo Bakelite Health Insurance Society and other related organizations, based on information on health-related data in the possession of the Sumitomo Bakelite Health Insurance Society.

Implementation of plans preventing the worsening of illnesses

We are focusing on reducing the number of employees who are left without being cared for despite knowing of their illnesses from the results of their health checkups, thereby preventing serious illnesses. More specifically, employees eligible for support are categorized into three levels based on criteria such as electrocardiograms, blood tests, and chest x-rays: "Employees with pending employment decisions," "Employees eligible for priority guidance" and "Employees eligible for guidance," and health staff provide guidance according to their levels. Our goal is to achieve a 100% rate for providing guidance to employees who are eligible to receive support.

We have also established criteria for guidance completion based on the opinions of the industrial physicians at each site, with the goal of achieving a guidance completion rate of more than 70% for employees eligible to receive support.

Indicators	Target	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Rate of employees receiving regular general scheduled health checks	100%	100%	100%	100%	100%	100%	100%
Implementation rate of guidance to prevent worsening of illnesses	100%	100%	100%	100%	100%	100%	100%
Guidance completion rate for preventing worsening of illnesses	90% (FY2030)	74%	74%	63%	68%	84%	84%
Reduction in percentage of people eligible for guidance to prevent the worsening of illnesses	Less than 20% (FY2030)	27.1%	24.8%	21.6%	22.4%	21.4%	20.8%

Note: Rate for Sumitomo Bakelite Co., Ltd. on a non-consolidated basis (including subsidiaries with the same health and labor management)

Support for mental health

In order to promote health, we are strengthening employee education based on the understanding that it is vital for individual employees to be aware of prevention. With regard to mental health, for which detection at an early stage is deemed as important, we provide education to help employees gain and enhance knowledge. Self-care training was provided as e-learning in FY2024 and 92.4% of employees took part. 94.7% of employees underwent annual stress checks in FY2024, and 13.9% had high levels of stress. Consultations with physicians are arranged for employees who wish to discuss further required actions based on the results of their check.*

For employees suffering from mental health issues, measures are being implemented as a support program designed to help them return to work and to prevent relapses, with the mental health hotline run by health staff at each site. We are working to achieve the target of a 100% implementation rate of follow-up interviews by health staff for employees with mental health issues.

To assist employees' return to work, employees coordinate efforts with their superiors, people in charge of labor affairs, and health staff like industrial physicians, to ensure a smooth return to work and preventing relapses.

* Rate for Sumitomo Bakelite Co., Ltd. on a non-consolidated basis (including subsidiaries with the same health and labor management)

Initiatives to prevent passive smoking and assist people to quit smoking

In principle, smoking is prohibited indoors to prevent unwanted passive smoking, and outdoor smoking areas are limited to lower the risk of health problems.

We also subsidize the cost of outpatient quit smoking treatment as part of measures to support smokers who want to quit smoking. This helps smokers to quit and protects non-smokers from passive smoking, thereby improving the health of employees.

Indicators	Target	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Reduction of smoking rate*	24.5% (20% reduction compared to FY2019)	30.6%	29.0%	28.0%	26.2%	26.8%	26.1%

* Rate of persons insured with Sumitomo Bakelite Health Insurance Society

Supporting employees' motivation to improve lifestyle habits (exercise and sleep)

We have introduced a health portal site to support behavioral changes and motivate employees to improve their lifestyle habits based on Data Health Plans. We are also organizing health events providing information and incentives catered to individuals.

Indicators	Target	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Increase in exercise habit rates*	27.4% (15% increase compared to FY2019)	23.8%	24.3%	25.1%	26.2%	26.2%	26.9%
Improvement in sleep habit rates*	68.0% or higher (10% increase compared to FY2019)	61.8%	65.2%	65.3%	64.8%	62.0%	63.2%

* Rate of persons insured with Sumitomo Bakelite Health Insurance Society

(Exercise habit rate refers to the percentage of employees who engage in exercise causing them to break a sweat for 30 minutes or more, at least twice a week, for at least two years)

(Sleep habit rate refers to the percentage of employees who get sufficient rest through sleep)

Initiatives to improve employee health literacy

As part of our efforts to improve employees' health literacy (the ability to find, understand, and make use of health-related information), we encourage employees to register on a health portal site using Personal Health Records (PHR) provided by Sumitomo Bakelite Health Insurance Society.

Indicators	FY2024	FY2025
Percentage of employees registered on the health portal site	47.6%	76.8%

* Rate of persons insured with Sumitomo Bakelite Health Insurance Society. Latest figures for FY2025.

Improvement in rate of employees with abnormal findings, reduction in number of days off or leave, and improvement in presenteeism

With the above and other health support measures and various activities, we are improving the rate of employees with abnormal findings, which is one of the indicators of health checkup results, and to reduce the number of days off and leave.

Indicators	Target	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Improvement in rate of employees with abnormal findings*	Less than 62.6% (10% reduction compared to FY2019)	69.5%	72.8%	71.4%	69.7%	71.6%	74.5%

* Rate for Sumitomo Bakelite Co., Ltd. on a non-consolidated basis (including subsidiaries with the same health and labor management) Indicators

Indicators	Target	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Reduction in number of days off or leave*	Less than 1.0 days (10% reduction compared to average for FY2019 to FY2021)	1.3 days	0.9 days	0.8 days	1.0 days	1.7 days	1.6 days

* Average per capita for Sumitomo Bakelite Co., Ltd. full-time employees (including seconded employees, excluding contract employees) (total number of days off, days of leave and days of official sick leave, divided by the number of employees)

Indicators	Target	FY2024
Improvement in presenteeism*	85% or higher	84.0%

* Average of directly hired employees (including seconded employees) of Sumitomo Bakelite Co., Ltd.

Measured using Single-Item Presenteeism Question (SPQ) developed by the University of Tokyo. Employees are required to reply to the question: "Please rate the level of your own work performance over the past four weeks, with 100% as the level of work performance you would have achieved without any illness or injury." Measurements began from FY2024. Figures above are the latest figures for FY2024.

[TOPIC] Health Instruction Held Online to Raise Health Awareness

In FY2024, health classes were conducted in collaboration between Sumitomo Bakelite Co., Ltd. and Sumitomo Bakelite Health Insurance Society as part of the Data Health Plan put forward under the guidance of the Ministry of Health, Labour and Welfare (MHLW), with the aim of improving lifestyle habits and health awareness among employees.

An online video streaming service has been used to develop a program allowing employees to take Pilates, dance fitness, and other programs for promoting health and wellness at their convenience and to suit their physical condition and level of fitness over a two-month period. Going forward, we plan to continue to implement programs to promote employee health.



Online health instruction
 Note: The photo shows a conceptual image.

Labor-Management Relations

We recognize that “pleasant and satisfying working environments contribute to the development of the company, and therefore, good labor-management relations and the collaboration they engender are essential ingredients of such working environments”. As of March 31, 2025, 100% of general employees from Sumitomo Bakelite Co., Ltd. and its domestic group companies are members of the Sumitomo Bakelite Co., Ltd. Union (hereafter, “the Union”). 59.5% of all employees are covered by the company’s collective bargaining agreement.

“Corporate-level meetings” of the company’s senior executives and representatives of the Union are held twice a year at the head office. These meetings are valuable opportunities to cultivate favorable labor-management relationships by sharing frank views on the business environment and the Company’s operations. Major business sites also hold monthly “labor-management meetings” at which information about conditions in each department is shared.

As for health and safety, we aim for creating safe and comfortable workplaces through labor-management collaboration based on the provisions of the labor agreement. The annual “labor-management meetings on occupational health and safety”, where safety representatives from the Sumitomo Bakelite Co., Ltd. Union across Japan gather, was held as a face-to-face meeting at the Kanuma Plant in FY2024, resulting in a lively exchange of ideas. We also recognize that occupational health and safety is an important theme to monitor between labor and management. At Sumitomo Bakelite Co., Ltd. along with its subsidiaries and affiliates with a labor union, provisions on health and safety are included in the labor agreements that establish a formal agreement between the company and its labor union.

We are also putting effort into developing good labor-management relations at our overseas business sites. As of March 31, 2025, 16 out of 29 overseas business sites have labor unions, of which 15 have concluded labor agreements, while 8 have established arrangements on health and safety.

Respect for Human Rights

Policy and Basic Approach

Our Company established the “Human Rights Policy for the Group of Sumitomo Bakelite Co., Ltd.” on February 1, 2024 to serve as a guideline for our Group’s efforts to respect human rights in our Group’s business activities. This policy has been established in accordance with international standards on human rights such as the United Nations’ “Guiding Principles on Business and Human Rights” and the Japanese Government’s “Guidelines on Respecting Human Rights in Responsible Supply Chains”, and was approved by our Company’s Board of Directors after passing through our Company’s Sustainability Promotion Committee.

Human Rights Policy for the Group of Sumitomo Bakelite Co., Ltd. (Established on February 1, 2024)

1. Purpose

Sumitomo Bakelite Co., Ltd. has established this “Human Rights Policy for the Group of Sumitomo Bakelite Co., Ltd.” (hereinafter “Policy”), to guide Sumitomo Bakelite Co., Ltd. and its subsidiaries (hereinafter “Our Group”) efforts to respect human rights in Our Group’s business activities, together with the “Business Philosophy,” “Our Code of Conduct,” “Code of Ethics for Group of Sumitomo Bakelite Co., Ltd.” etc.

2. Basic Principles on Human Rights/Supporting and Respecting International Standards on Human Rights

Our Group will support and respect the internationally recognized human rights which are defined in the “International Bill of Human Rights (‘Universal Declaration of Human Rights,’ ‘International Covenant on Civil and Political Rights,’ and ‘International Covenant on Economic, Social and Cultural Rights’),” ILO’s “Declaration on Fundamental Principles and Rights at Work,” etc. Our Group will support and respect the UN “Guiding Principles on Business and Human Rights,” the “OECD Guidelines for Multinational Enterprises” and other international standards on human rights, and will conduct our Group’s business activities in accordance with these international standards on human rights.

Our Group will comply with the laws and regulations of each country/region where Our Group conducts its business activities. If there are any conflicts between the laws and regulations of each country/region and these international standards on human rights, we will seek ways to respect these international standards on human rights as much as possible.

3. Basic Principles on Human Rights / Respect for Human Rights through Business Activities

Our Group will fulfill its responsibility to respect human rights, by not violating the human rights of those who are affected by Our Group’s business activities, and by taking appropriate measures for corrective action if it becomes clear that Our Group’s business activities have caused or contributed to adverse impacts on the human rights.

Our Group recognizes that its commitment to human rights issues related to the Group’s business activities, including the following, is an important element in fulfilling its responsibility to respect human rights.

(1) Prohibition of child labor

Our Group will not tolerate any child labor (especially “the worst forms of child labor,” such as forced or compulsory recruitment into armed conflict and work by its nature that is likely to harm the health, safety, or morals of children).

(2) Prohibition of forced labor

Our Group will not tolerate modern slavery in the forms of forced labor, debt bondage (work in situations where a person is forced to work for an employer to repay a debt) and human trafficking.

(3) Prohibition of discrimination

Our Group will not tolerate discrimination in any way based on sex, age, nationality, ethnicity, race, religion, ideology or creed, sexual orientation or gender identity, or disability, etc. in employment and work situations.

(4) Prohibition of harassment and violence

Our Group will not tolerate harassment or behavior that harms others, whether mentally or physically.

(5) Respect for fundamental labor rights

In addition to complying with laws and regulations related to fundamental labor rights (freedom of association, workers’ right to collective bargaining, etc.), Our Group will support and respect these rights.

(6) Reduction of excessive working hours

In addition to complying with laws and regulations and managing working hours, overtime, holidays, and vacations appropriately, Our Group will endeavor to reduce excessive working hours.

(7) Payment of appropriate wages and allowances

Our Group will pay wages and appropriate allowances that exceed the legally mandated minimum wage and meet the living wage (the wage necessary for basic, but decent life style).

(8) Ensuring a safe and healthy working environment

Our Group will actively endeavor to ensure a safe and healthy working environment based on Our Group's Safety Philosophy, "Safety is the first priority of all."

4. Scope of Application

This Policy applies to all directors, officers, and employees of Our Group. In addition, Our Group expects all business partners who are involved in Our Group's business activities, products, and services, to understand and support this Policy.

5. Human Rights Due Diligence

Our Group will establish an appropriate human rights due diligence system and mechanism in accordance with the United Nations "Guiding Principles on Business and Human Rights," and Our Group will identify the adverse impacts on human rights of those who are affected by Our Group's business activities, and will endeavor to prevent and reduce such adverse impacts.

6. Training

In order to ensure that this Policy is incorporated into all Our Group's business activities and implemented effectively, Our Group will provide appropriate training to our directors, officers, and employees, and will endeavor to ensure that all business partners and other persons who are affected by Our Group's business activities understand this Policy.

7. Dialogue and Consultation with Stakeholders

In Our Group's efforts to respect human rights, Our Group will engage in dialogue and consultation with stakeholders, including human rights experts, labor unions, business partners etc., and will promote comprehensive measures based on specialized knowledge and a wide range of ideas.

8. Grievance Mechanism

Our Group will maintain the existing whistleblowing and consultation contacts to ensure access to remedies from within and outside Our Group, and will work to develop and operate a more effective grievance mechanism.

9. Information Disclosure

Our Group will regularly disclose information on the progress and results of our efforts to respect human rights based on this Policy through Our Group's website and other means.

This Policy was resolved by the board of directors meeting of Sumitomo Bakelite Co., Ltd. held on January 31, 2024.

End

 [Human Rights Policy for Group of Sumitomo Bakelite Co., Ltd. \(PDF 119KB\)](#)

 [Our Code of Conduct, Code of Ethics for the Group of Sumitomo Bakelite Co., Ltd.](#)

Systems (Governance)

Human Rights Due Diligence (DD) Promotion System

From FY2024, we embarked on human rights DD in accordance with international standards on human rights such as the United Nations “Guiding Principles on Business and Human Rights” and the Japanese Government’s “Guidelines on Respecting Human Rights in Responsible Supply Chains”.

We have established a cross-organizational “Human Rights DD Working Group” (leader: Officer in charge of Human Resource Management) within the Risk Management Committee (chairperson: President, members: Senior Executive Officers in charge of business and corporate divisions, and the heads of departments that oversee risk), to develop and promote a human rights DD implementation plan under the supervision of the Risk Management Committee.



Grievance Mechanism

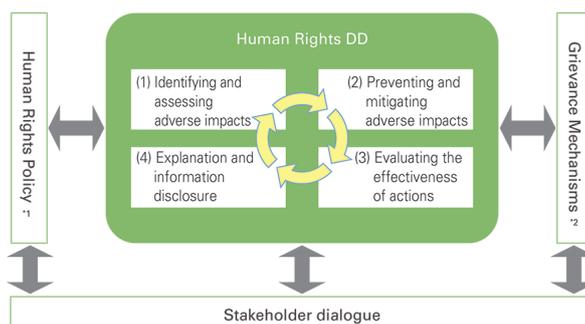
As a means of relief in cases where our Group is causing or contributing to negative impacts on human rights, our Group have established a reporting and consultation contacts (Compliance Reporting System) that can be used by all stakeholders of our Group, which includes our Group’s Director, Officer, and employees, as well as retired employees, job applicants, and business partners. The Compliance Reporting System allows for anonymous reporting. Any information that could lead to the identification of the whistleblower must be kept confidential, and searching for the identity of the whistleblower or any detrimental treatment of whistleblowers are prohibited. Additionally, dedicated “Harassment Contact Points” have been set up at Sumitomo Bakelite Co., Ltd. and subsidiaries in Japan as part of a system that allows employees to discuss their concerns related to various forms of harassment, including power harassment, sexual harassment, and maternity harassment. Some subsidiaries overseas have also developed their own internal whistleblower systems and grievance mechanisms. Our Group will continue to develop grievance mechanisms that are increasingly more effective.

🔗 [The Group’s Compliance Reporting System](#)

Risk Management

Implementation of Human Rights Due Diligence (DD)

We plan to implement steps (1) to (4) of our Group’s human rights DD process shown in this diagram as a three-yearly cycle. Progress and details will be shown on this page of our website (Sustainability > Society > Respect for Human Rights) as and when appropriate.



*1 Established in February 2024

*2 Whistleblowing system, harassment consultation system, etc.

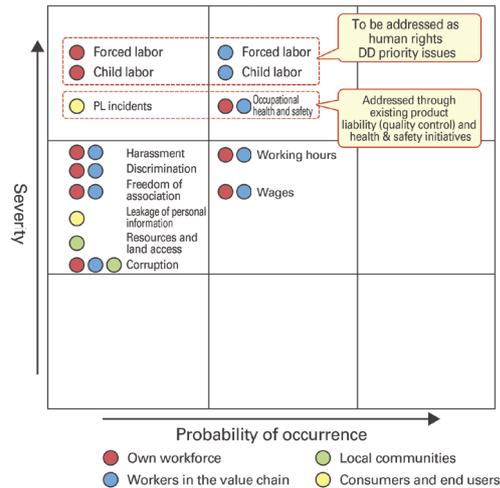
Results of human rights DD initiatives in FY2024

In FY2024, we implemented step (1) above: “Identifying and assessing adverse impacts on human rights (human rights violation risks).”

- Desktop research to identify human rights issues to be addressed as a priority
- Investigate expert information^{*1} from international organizations and civil society organizations, as well as actual cases where risks have materialized, to identify adverse impacts on human rights that could occur in our Group’s business and our value chain, taking into consideration risks by industry, risks by product/service, and geographical risks
- Risk mapping by estimating the severity (scale, scope, difficulty of recovery) and probability of occurrence of each risk identified
- Child labor and forced labor selected as human rights issues to be addressed as a priority^{*2}
- Identify high-risk suppliers from among our raw materials suppliers, based on the “List of Goods Produced by Child Labor or Forced Labor” published by the U.S. Department of Labor

^{*1} Caux Round Table Japan “Human Rights Issues by Sector”; U.S. Department of Labor “List of Goods Produced by Child Labor or Forced Labor,” etc.
^{*2} Starting from issues with higher level of risk (severity × probability of occurrence). For issues with the same level of risk, action to be taken in order of “severity” > “probability of occurrence”

Human Rights Risk Map (Outline)



Planned human rights DD initiatives in FY 2025 onwards

As step (2) in the human rights DD process described above, in FY 2025–2026 we plan to conduct written surveys (for our Group’s sites and suppliers) regarding child labor and forced labor, and then respond to the survey results (by taking corrective actions, etc.)

Targets of child labor and forced labor surveys to be conducted in FY2025 and FY2026

FY2025	FY2026
<ul style="list-style-type: none"> • Our Group’s production sites (including on-site contractors) • High-risk suppliers selected based on the List of Goods Produced by Child Labor or Forced Labor published by the U.S. Department of Labor 	<ul style="list-style-type: none"> • Staffing agencies, logistics (transportation and warehousing) companies, etc.

Metrics and Targets

We have selected respect for human rights as one of our Group’s “material issues”, and set progress on human rights DD as a KPI. Other KPIs which we set and manage relating to our “material issues” regarding respect for human rights are the sustainable procurement rate and usage rate of smelters conforming to RMAP concerning 3TG.

- [Material Issues](#)
- [Sustainable Procurement](#)
- [Detailed Data Related to Sustainability \(Society\) > Sustainable Procurement](#)

Key Initiatives

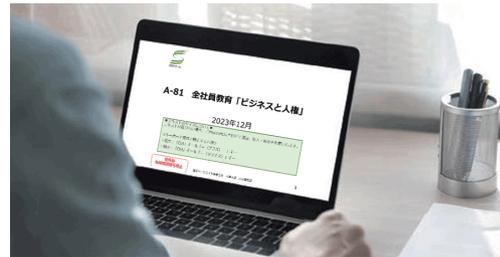
Internal training on human rights

We provide e-learning training on human rights for all employees of our Company and affiliated companies in Japan, as well as some employees of overseas affiliated companies, to coincide with “Human Rights” Week in every December.

There were two main themes of training in FY2024: “Business and Human Rights” and “Harassment Prevention Training.”

“Business and Human Rights” is training focusing on global trends surrounding business and human rights, the need for companies to address human rights, and the status of our Company’s efforts.

“Harassment Prevention Training” encourages our employees to correctly understand various types of harassment, including “power harassment”, “sexual harassment”, and “harassment related to pregnancy, childbirth, and childcare leave”, and to take steps to prevent such harassment. We also mentioned what actions should be taken in the event of harassment, and disseminated the process for resolution and relief.



Employees receive computer-based internal training

[Detailed Data Related to Sustainability \(Society\) > Human Rights](#)

Measures to ensure respect for human rights throughout the supply chain

We have established our Sustainable Procurement Policy and take human rights into consideration in our procurement activities.

We conduct sustainable procurement questionnaire survey of major suppliers, which includes requirements for human rights, labor, health and safety, etc., to confirm the status of human rights initiatives in the supply chain.

As part of our ongoing efforts regarding responsible mineral sourcing, we established the “Responsible Mineral Sourcing Policy for the Group of Sumitomo Bakelite Co., Ltd.” and conduct surveys of the suppliers that handle raw materials and parts in which tin, tantalum, tungsten, gold, cobalt, and/or mica is used or added, by using the Conflict Minerals Reporting Template (CMRT)/Extended Minerals Reporting Template (EMRT) published by RMI.

Please see the link below for the details on our Procurement Policy, sustainable procurement questionnaire survey, and responsible mineral sourcing.

[Sustainable Procurement](#)

[Detailed Data Related to Sustainability \(Society\) > Sustainable Procurement](#)

Initiatives related to occupational health and safety

Please see the link below for our Group’s initiatives related to occupational health and safety.

[Occupational Health and Safety/Accident Prevention](#)

Initiatives related to product liability and quality assurance

Please see the link below for our Group’s initiatives related to product liability and quality assurance.

[Product Liability/Quality Assurance](#)

Endorsed the “My Declaration of Human Rights”

The Group has announced its endorsement of the aims of the “My Declaration of Human Rights” project by the “Ministry of Justice” and the National Federation of Consultative Assemblies of Civil Liberties Commissioners. The “My Declaration of Human Rights” is an initiative to realize a society in which everyone respects human rights and companies, organizations, and individuals declare that they will take actions to respect human rights.



[My Declaration of Human Rights \(Ministry of Justice\)](#)

Sustainable Procurement

- [✔ Policy and Basic Approach](#)
- [✔ Systems and Governance](#)
- [✔ Risk Management](#)
- [✔ Metrics and Targets](#)
- [✔ Key Initiatives](#)
- [✔ Sustainable Procurement Questionnaire Survey](#)
- [✔ Response to Responsible Mineral Sourcing](#)

Policy and Basic Approach

Taking the environment and society into consideration, we have established and released our Sustainable Procurement Policy, which applies to procurement activities by our Group companies. We ask not only Group companies but also our suppliers to act in accordance with the policy in order to build a sustainable supply chain. Responding to changes in what society expects of companies, the Sustainability Promotion Committee will continue to periodically review the content of the policy and revise it as necessary.

Sustainable Procurement Policy (revised November 1, 2024)

In order to fulfill our social responsibilities in business, the procurement departments of our Group engage in socially conscious procurement activities based on the following policies with the cooperation of our suppliers in the supply chain when procuring raw materials and equipment.

Sustainable Procurement

- We will conduct our procurement activities with respect for international standards as well as complying with local laws and regulations regarding items such as human rights, labor, health and safety, ethics, and the environment. At the same time, we will request our business partners to take similar measures.

Major Sustainable Procurement Items

(1) Human Rights, Labor, Safety and Health

- Prohibition of inhumane treatment such as child labor, forced labor, discrimination, and harassment
- Payment of appropriate wages (above minimum wage and meeting living wage) and allowances
- Appropriate working hours management and securing holidays
- Respect for freedom of association and the right to collective bargaining, etc.
- Implementing responsible mineral sourcing (understanding the country of origin and distribution process, promoting sourcing from certified smelters and processors)
- Ensuring occupational health and safety

(2) Ethics, Information Security

- Promotion of fair and free competition (compliance with antitrust laws, etc.)
- Anti-corruption (anti-bribery, compliance with money laundering and terrorist financing regulations, elimination of relationships with anti-social forces, etc.)
- Personal information protection, prevention of leakage of confidential information

(3) Environment

- Preservation of the global environment
- Initiatives to reduce environmental impact and address climate change
- Reduction of energy consumption and greenhouse gas emissions
- Pollution prevention (air, water, soil)
- Use of sustainable water resources
- Waste reduction and efficient use of resources (reduce, reuse, recycle)
- Biodiversity conservation initiatives
- We have established the Green Procurement Guideline and carry out green procurement as part of our efforts to reduce our environmental impact.

- [Green Procurement Guideline \(PDF 34KB\)](#)

Fair Transaction

- We select new suppliers on a fair and equitable basis.
- We work to build and maintain equal and trusting relationships with our suppliers and to conduct transactions of mutual benefit.

Stable Procurement

- We consider it important that our suppliers endeavor:
 - (1) to maintain proper quality and enhance the level of technology;
 - (2) to meet delivery date;
 - (3) to price competitively;
 - (4) to ensure stable supply;
- Regarding Business Continuity Plan, we will separately establish contingency plans which include rules for reducing risks involved in procurement of raw materials and for actions to be taken if such risks occur.

Information Management and Control

- We proactively disclose information that is deemed necessary for transactions to the extent possible.
- We strictly manage and maintain confidentiality of information on purchases obtained from our suppliers.

Protection of Intellectual Property Rights

- We consider intellectual property rights to be one of the most important management assets and protect our own rights accordingly. Likewise, we respect the rights of others.

RBA Code of Conduct

- RBA (Responsible Business Alliance) Code of Conduct serves as a de facto standard to ensure that working conditions in the electronics industry supply chain are safe, that workers are treated with respect and dignity, and that business operations are environmentally responsible and conducted ethically. We are not a member of the RBA, but a large number of our customers are. Therefore, in addition to our own policies set forth above, we strive to conduct procurement activities in accordance with the RBA Code of Conduct.
- We request our suppliers to carry out their business activities in accordance with the RBA Code of Conduct.

Systems (Governance)

Sustainable procurement framework

- With regard to the promotion of sustainable procurement, the Global Procurement Division, under the management of the Sustainability Promotion Committee, promotes initiatives in cooperation with related corporate divisions and other organizations.

Our Group's Sustainable Procurement Structure



Risk Management

The identification, assessment, and management of risks and opportunities related to sustainable procurement pertaining to our Group are carried out in accordance with the risk management structure and risk management process described on the following link.

- [Risk Management](#)

Metrics and Targets

We have selected sustainable procurement as one of our Group's material issues, and set the sustainable procurement rate and usage rate of smelters conforming to RMAP related to 3TG as KPIs, which we track and manage.

- [Sustainable Procurement Questionnaire Survey \(including sustainable procurement rate\)](#)
- [Response to Responsible Mineral Sourcing \(including usage rate of smelters conforming to RMAP related to 3TG\)](#)
- [Material Issues](#)
- [Detailed Data Related to Sustainability \(Society\) > Sustainable Procurement](#)

Key Initiatives

Relationships with our suppliers

- The Global Procurement Division is in overall charge of the purchasing of raw materials, fuel, and equipment for use at our Company's plants and our Group companies worldwide.
- In selecting suppliers to purchase raw materials, equipment, etc., we have established selection criteria in our internal rules, and based on fair and impartial judgment of all criteria, we make decisions on the commencement of transactions based on established procedures. Our criteria for selecting business partners include their CSR and reduction of environmental impact initiatives. We are convinced that it is important to establish a relationship of equality and mutual trust with every business partner and that transactions should be beneficial to both parties.

Response to compliance

- When conducting business, we strive to comply with laws, regulations, and social norms in Japan and overseas, and also ask our business partners to do the same.
- In principle, we ask each of our business partners from which we purchase items such as equipment or raw materials to conclude a basic contract, requiring the contracting parties to comply with laws and regulations related to human rights, labor, health and safety, ethics, etc., protect the environment, and fulfill their corporate social responsibilities (CSR).
- We have established company rules requiring that we check whether new raw materials comply with chemical substance controls both domestically and internationally, and new raw materials are not adopted unless they conform to these controls. Relevant departments internally work closely together to investigate and make sure that we do not violate chemical substance controls.
- When commencing transactions, we check whether the Act Against Delay in Payment of Fees, etc. to Small and Medium-sized Entrusted Business Operators in Manufacturing and Other Specified Fields applies and if it does, we commence the transaction in accordance with this law and the relevant company rules. If we find that this law applies to existing transactions, we immediately take measures to ensure the legality of these transactions under this law.

Carbon neutrality initiatives

We have set a target of reducing Scope 3 emissions (Category 1, 4, 5, and 12) of greenhouse gases (GHG) by 25% by 2030 (compared to FY2021). We will conduct surveys of our major suppliers of raw materials regarding GHG emissions and reductions.

As an initiative toward achieving carbon neutrality, we have already secured and contracted green power for our business sites in Japan for 2025 and are working to secure contracts for 2026. Working with the relevant departments, we have completed installation of solar power generation equipment at our main business sites in Japan, and further expansion is now underway. Solar power generation equipment is also being introduced at our business sites overseas.

We have started investigating raw materials affected by carbon neutrality and evaluating alternatives. In terms of green chemical procurement, we are securing sources of bio-PE and lignin, ensuring a supply volume of furfuryl alcohol, and conducting market research on bio-based phenols, bio-based methanol, mass-balanced polycarbonates, and polypropylene.

Initiatives for stable procurement

- The Global Procurement Division conducts audits of our raw material manufacturers. In many cases, quality audits are carried out at the same time as those conducted by production and quality departments. However, audit items and assessment criteria are unique to the Global Procurement Division and are used for auditing supply stability. We investigate the status of the entire Company, the relevant business, raw material procurement, facilities, locations, manufacturing sites, workers, and relationships with our Company to make comprehensive assessments during audits. If it is determined that improvement is necessary, we indicate to the supplier in writing what needs to be improved and ask them to respond by a given deadline.
- Furthermore, the Global Procurement Division conducts BCP verification of raw materials manufacturers and prepares a list of locations of materials manufacturers and keeps it up to date. In the event of a disaster, the division checks the statuses of manufacturers' factories in the affected areas and formulates countermeasures.

Sustainable procurement training for procurement division employees

- In October 2024, we provided training to 17 members of our Global Procurement Division covering the significance and benefits of sustainable procurement, examples of social and environmental issues in the supply chain (child labor, forced labor, poor working conditions, bribery, environmental destruction, etc.), and procedures and methods for sustainable procurement.

Sustainable Procurement Questionnaire Survey

- In FY2024, we conducted a questionnaire survey of 116 major suppliers, which account for the top 90% of raw material purchases by segment, and received responses from 114 companies.
- This survey was conducted using the Responsible Business Conduct Guidelines/Self-Assessment Questionnaire Detailed Version developed by Japan Electronics and Information Technology Industries Association (JEITA). And the self-evaluation therein was conducted in 9 areas with each item rated on a 100-point scale: 1. Compliance with Laws and Regulations and Respect to International Norms, 2. Human Rights and Labor, 3. Health and Safety, 4. Environment, 5. Fair Trade and Ethics, 6. Quality and Safety, 7. Information Security, 8. Business Continuity Plan, and 9. Establishment of Management System.
- As a result of this survey, we requested the 7 target suppliers whose responses include items that fall below the prescribed criteria to make improvements, and we will establish a system that allows for more appropriate procurement.

Survey results

	Coverage	Result		Target
		FY2023	FY2024	FY2030
Sustainable procurement rate (%) ^{*1}	Group ^{*2}	82%	92%	100%

^{*1} Among the major suppliers accounting for the top 90% of raw material purchases by segment, the percentage of suppliers whose responses to the sustainable procurement questionnaire meet the specified criteria

^{*2} Sumitomo Bakelite Co., Ltd. and the companies in which Sumitomo Bakelite Co., Ltd. directly or indirectly holds more than 50% of the voting rights

Item	FY2024 Average Score	Item	FY2024 Average Score
1. Compliance with Laws and Regulations and Respect to International Norms	94	6. Quality and Safety	97
2. Human Rights and Labor	88	7. Information Security	81
3. Health and Safety	88	8. Business Continuity Plan	86
4. Environment	95	9. Establishment of Management System	85
5. Fair Trade and Ethics	93	Average of all Items	90

- Please see the following link for the details on our sustainable procurement questionnaire survey.

[Data > Detailed Data Related to Sustainability \(Society\)](#)

Response to Responsible Mineral Sourcing

Promoting responsible mineral sourcing

- There is a concern that the use of minerals such as tin, tantalum, tungsten, gold, cobalt, and mica that are mined in “Conflict-Affected and High-Risk Areas (CAHRAs),” including the Democratic Republic of the Congo (DRC) and its adjoining countries may lead to financing armed groups, human rights violations including forced labor and child labor, environmental destruction, money laundering, corruption, tax evasion, and other fraudulent activities (OECD Annex II Risks).
- Our Group will conduct appropriate assessments (due diligence) based on the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD DD Guidance)” to ensure that the use of minerals that could lead to fraudulent activities are not used in our Group’s products.

Responsible Mineral Sourcing Policy for the Group of Sumitomo Bakelite Co., Ltd. (Established on October 1, 2023)

- We, Group of Sumitomo Bakelite Co., Ltd. is committed to promoting responsible mineral sourcing in taking the following actions, in order to prevent “financing armed groups, human rights violations including forced labor and child labor, environmental destruction, money laundering, corruption, tax evasion, etc. (OECD Annex II Risks)” in the “Conflict-Affected and High-Risk Areas (CAHRAs),” including the Democratic Republic of the Congo (DRC) and its adjoining countries, when using raw materials and parts containing tin, tantalum, tungsten, gold, cobalt, or mica.
 - We will manage our supply chain appropriately in accordance with the “OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD DD Guidance).”
 - We will request our suppliers to source the covered minerals from smelters/refineries that comply with the Responsible Minerals Assurance Process (RMAP) promoted by the Responsible Minerals Initiative (RMI).
 - We will use the covered minerals that are not associated with the OECD Annex II Risks, even if they are produced or refined from CAHRAs. This does not mean that we will not use any covered minerals produced or refined from CAHRAs uniformly.

- We will request corrective action through our suppliers, if we discover the possibility of OECD Annex II Risks in our supply chain. We will consider the possibility of suspending transactions depending on the status of corrective action.
- We will share our Group's "Procurement Policy" and "Responsible Mineral Sourcing Policy" with our suppliers, will request our suppliers to provide information regarding smelters/refineries through the supply chain, and will strive to engage in dialogue and collaboration with our suppliers to contribute to eliminating and reducing the OECD Annex II Risks under CAHRAs.

Framework of initiatives

- Our Group implements initiatives in line with the Five-Step Framework for Risk-Based Due Diligence in the Mineral Supply Chain in the OECD DD Guidance.

[STEP 1: Establish strong company management systems]

- Our Group established the Responsible Minerals Sourcing Policy for the Group of Sumitomo Bakelite Co., Ltd. and has established a system to manage whether or not there are any OECD Annex II Risks in CAHRAs for the covered minerals contained in our Group's products, by using the industry standard methods (Conflict Minerals Reporting Template (CMRT), Extended Minerals Reporting Template (EMRT), and RMAP issued by RMI).

[STEP 2: Identify and assess risks in the supply chain]

- Our Group regularly identifies the raw materials and parts that require investigation from the raw materials and parts we purchase, and conducts investigations to identify smelters and refineries using the CMRT/EMRT issued by RMI. In such investigations, we confirm whether or not tin, tantalum, tungsten, gold, cobalt, and/or mica is intentionally added or used, confirm the country of origin, and identify the smelter/refinery (including confirming whether it is listed on the RMAP conformant smelter/refinery list).
- Both CMRT and EMRT are designed so that the answer unit can be selected from (1) Company, (2) Product (or List of Products), or (3) User defined. However, in order to confirm the smelter/refinery of the minerals contained in the parts and materials used in our Group's products reliably, we request our suppliers to respond by specifying the products.
- In addition, our Group conducts similar surveys when adopting new raw materials.

[STEP 3: Design and implement a strategy to respond to identified risks]

- In order to continuously reduce risks, our Group regularly develops a responsible mineral sourcing survey plan, and re-surveys and updates the latest information.
- If there is a concern that a supplier uses a smelter/refinery with the high OECD Annex II Risks, our Group will communicate the details of such risk and proceed with appropriate measures for improvement while consulting with the supplier. Additionally, if the relationship between the supplier and the OECD Annex II Risk becomes clear, we will consider suspending transactions with that supplier.

[STEP 4: Carry out independent third-party audit of smelter/refiner's due diligence practices]

- Our Group requests its suppliers to procure target minerals from the smelters/refineries listed on the RMAP compliant smelters/refineries list. The audit to become an RMAP conformant smelters/refineries must be conducted by an independent third party.

[STEP 5: Report annually on supply chain due diligence]

- Our Group will publish a report on our responsible mineral sourcing activities on our website.

Survey results

- FY2024 responsible mineral sourcing survey results

[Tin, Tantalum, Tungsten, Gold (3TG)]

- We conducted a survey using the CMRT of 26 suppliers that handle 44 raw materials and parts using or containing tin, tantalum, tungsten, or gold (3TG). The CMRT response rate was 100% and the RMAP conformant smelter usage rate was 100%.

[Cobalt, Mica]

- We conducted a survey using the EMRT of 11 suppliers that handle 12 raw materials and parts using or containing cobalt or mica. There are issues that are difficult for our Group to address alone, including suppliers being unwilling to disclose smelter/refinery information because it is not required by laws and regulations, and the small number of RMAP conformant smelters/refineries for cobalt and mica (especially mica).

	Coverage	Mineral		Result		Target		
				FY2023* ³	FY2024	FY2030		
Responsible Mineral Sourcing Survey Results 3TG (tin, tantalum, tungsten, and gold)	Group* ¹	3TG Total	Number of raw materials/parts	34	44	-		
			CMRT response rate	100% (16/16 companies)	100% (26/26 companies)	100%		
			RMAP conformant smelters usage rate* ²	100% (27/27 locations)	100% (53/53 locations)	100%		
		Tin	Number of raw materials/parts	31	33	-		
			CMRT response rate	100% (13/13 companies)	100% (17/17 companies)	-		
			RMAP conformant smelters usage rate* ²	100% (24/24 locations)	100% (26/26 locations)	-		
		Tantalum	Number of raw materials/parts	0	0	-		
			CMRT response rate	-	-	-		
			RMAP conformant smelters usage rate* ²	-	-	-		
		Tungsten	Number of raw materials/parts	2	5	-		
			CMRT response rate	100% (2/2 companies)	100% (4/4 companies)	-		
			RMAP conformant smelters usage rate* ²	100% (2/2 locations)	100% (6/6 locations)	-		
		Gold	Number of raw materials/parts	1	6	-		
			CMRT response rate	100% (1/1 company)	100% (5/5 companies)	-		
			RMAP conformant smelters usage rate* ²	100% (1/1 location)	100% (21/21 locations)	-		
		Responsible Mineral Sourcing Survey Results Cobalt, mica	Group* ¹	Cobalt	Number of raw materials/parts	4	7	-
					EMRT response rate	100% (4/4 companies)	83% (5/6 companies)	-
				Mica	Number of raw materials/parts	4	5	-
EMRT response rate	100% (4/4 companies)				100% (5/5 companies)	-		

*1 Sumitomo Bakelite Co., Ltd. and the companies of which Sumitomo Bakelite Co., Ltd. directly or indirectly holds more than 50% of the voting rights (Vaupell Holdings Inc. and its subsidiaries, Hokkai Taiyo Plastic Co., Ltd., and S.B. Techno Plastics Co., Ltd. were excluded in the FY2023 survey)

*2 RMAP: Responsible Minerals Assurance Process. RMAP conformant smelter usage rate = Number of RMAP conformant smelters/Total smelters × 100

*3 In the survey results for FY2023 published previously, the number of smelters was counted as a total when calculating the RMAP conformant smelter usage rate, but the values above have been recalculated excluding duplicates.

Multiple smelters/refiners may be used for the same supplier and raw material.

• Please see the following link for the details on our responsible mineral sourcing survey.

➤ [Data > Detailed Data Related to Sustainability \(Society\)](#)

Occupational Health and Safety/Accident Prevention

Policy and Basic Approach

Our Group believes that ensuring the occupational health and safety of employees is the cornerstone of our business activities. We established the SB Machine Safety Guidelines and SB Safety Action Guidelines based on the Safety Philosophy of “Safety is the first priority of all,” and ensuring that everyone, including our employees and on-site partner companies, focuses on achieving a workplace free from injuries, accidents and disasters by eliminating various hazards and harmful factors from the workplace.

Occupational Health and Safety Policy

- Based on our Safety Philosophy, “Safety is the first priority of all”, we are committed to achieving zero accidents and injuries at our workplaces and maintaining safe and stable operations.
- We ensure the safety of our stakeholders including employees and local communities by continuously improving occupational health and safety, accident prevention, and other safety-related issues based on risks.

Application: All Group business sites and subsidiaries in Japan and overseas

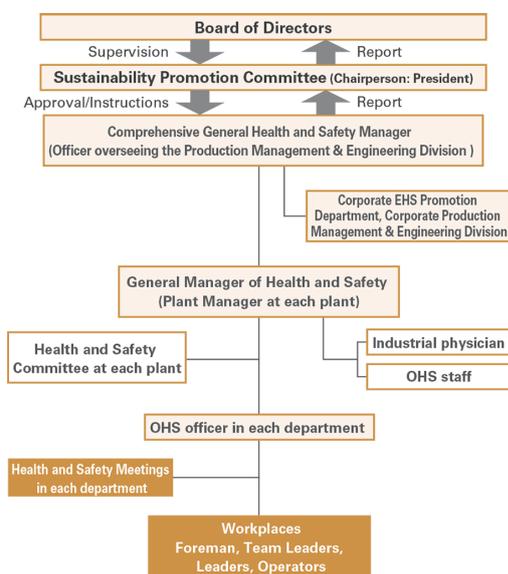
Systems (Governance)

Occupational Health and Safety Management System

Our Group has established the Sustainability Promotion Committee chaired by the President. This committee determines health and safety policies along with important measures for preventing accidents and disasters, and based on these, rolls out health and safety activities across the entire Group.

In addition, we enacted our uniform company-wide Safety Philosophy: Safety Is the First Priority of All and our three SB Safety Action Guidelines in October 2019 and SB Machine Safety Guidelines in December 2023 to promote the complete elimination of fatal accidents and serious disasters.

The Officer overseeing the Production Management & Engineering Division serves as Comprehensive General Health and Safety Manager for the whole company. Each business site implements initiatives tailored to the needs of individual workplaces within a company-wide framework, under the responsibility of the Plant Manager at each plant. At its monthly meetings, the Health and Safety Committee reviews health and safety management activities, ensures thorough compliance with relevant laws and ordinances, and considers capital investments to realize risk reduction, among other actions.



Certification of Occupational Health and Safety Management Systems

We are in the process of obtaining ISO 45001 certification for our Group’s occupational health and safety management systems. Please see the following link for details.

🔗 [Management System Certification Status](#)

Proportion of ISO 45001 certified sites

87%: Based on net sales

64%: Based on number of sites

(As of March 31, 2025, proportion of certified manufacturing sites)

Risk Management

The identification, assessment, and management of risks and opportunities related to occupational health and safety/accident prevention pertaining to our Group are carried out in accordance with the risk management structure and risk management process described on the following link.

[Risk Management](#)

Metrics and Targets

We have selected health and safety as one of our Group's material issues, and set the number of serious occupational accidents, the number of accidents caused by fire and/or explosion resulting in operational stoppage, and the number of off-site spill incidents as KPIs, which we track and manage.

[Material Issues](#)

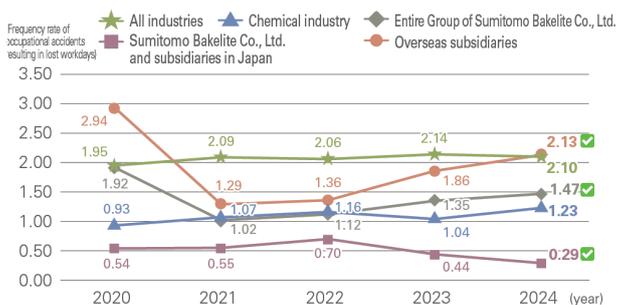
Other main indicators relating to occupational accidents are shown below.

Trends in the Frequency Rate and Severity Rate of Occupational Accidents

The graphs below show the changes in frequency and severity rates of occupational accidents involving employees of our Group (including subsidiaries in Japan and overseas).

In 2024, the frequency and severity rates were both worse than the previous year, due to an increase in the number of occupational accidents resulting in lost workdays at overseas subsidiaries.

● Frequency Rate of Occupational Accidents at Our Group (Including Subsidiaries in Japan and Overseas)*1



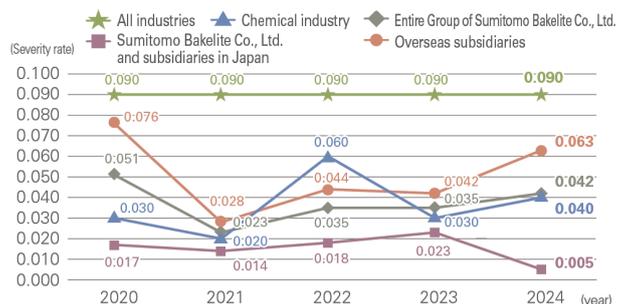
*1 Frequency Rate of Occupational Accidents = (Number of deaths and injuries resulting in lost workdays/total working hours) x 1,000,000

Notes:

1. Assurance applies to frequency rates for the entire Group of Sumitomo Bakelite Co., Ltd., Sumitomo Bakelite Co., Ltd. plus subsidiaries in Japan, and overseas subsidiaries.
2. The period covered is from January to December of each year.
3. The graph on the left does not include figures for on-site partner companies. See the following link for details of the number of workers, total working hours, and number of injuries due to occupational accidents at on-site partner companies.

[Detailed Data Related to Sustainability \(Society\) > Occupational Health and Safety](#)

● Severity Rate of Occupational Accidents at Our Group (Including Subsidiaries in Japan and Overseas)*2



*2 Severity Rate of Occupational Accidents = (Total lost workdays/total working hours) x 1,000

Notes:

1. The period covered is from January to December of each year.
2. The graph on the left does not include figures for on-site partner companies. See the following link for details of the number of workers, total working hours, and number of injuries due to occupational accidents at on-site partner companies.

[Detailed Data Related to Sustainability \(Society\) > Occupational Health and Safety](#)

The Number of Employees Injured Due to Occupational Accidents

The graph below shows the number of employees injured due to occupational accidents at our Group (including subsidiaries in Japan and overseas).

In 2024, there were two serious accidents corresponding to a level leading to subsequent disability at overseas subsidiaries.

● **The Number of Employees Injured Due to Occupational Accidents at Our Group (Including Subsidiaries in Japan and Overseas)**



Notes:

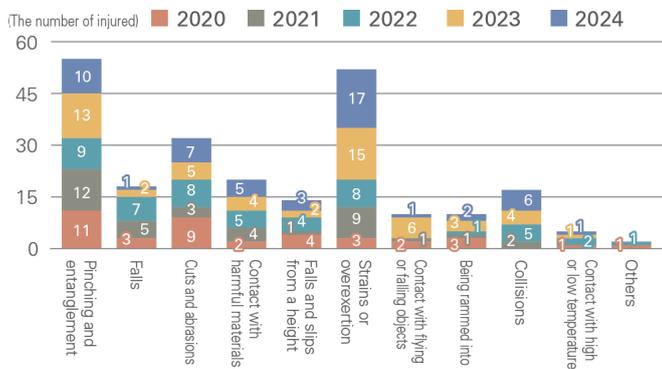
1. The period covered is from January to December of each year.
2. The graph on the left does not include figures for on-site partner companies. See the following link for details of the number of workers, total working hours, and the number of injuries due to occupational accidents at on-site partner companies. [Detailed Data Related to Sustainability \(Society\) > Occupational Health and Safety](#)
3. In 2024, there were no occupational accidents at on-site partner companies.

Occupational Accidents by Type

The graph below shows occupational accidents by type at our Group (including subsidiaries in Japan and overseas).

“Pinching and entanglement” and “overexertion” made up over half of the occupational accidents in 2024. Regarding “pinching and entanglement” accidents, which are directly linked to serious injuries, we are continuing to promote SB Machine Safety Guidelines and SB Safety Action Guidelines. In the event of an occupational accident, as well as risk assessment and corrective action to prevent recurrence based on the results of investigations into the cause, efforts are made to prevent similar occupational accidents from happening.

● **Occupational Accidents by Type at Our Group (Including Subsidiaries in Japan and Overseas)**



Notes:

1. The period covered is from January to December of each year.
2. Data for SB-Kawasumi Laboratories, Inc. and its subsidiaries are added from 2021. Data for SB PAX Co., Ltd. are added from 2024.

See the following link for detailed information about occupational accidents, including frequency rate, severity rate, the number of employees injured due to occupational accidents, occupational accidents by type, etc.

➤ [Detailed Data Related to Sustainability \(Society\) > Occupational Health and Safety](#)

Key Initiatives

Machinery and Equipment Risk Reduction Activities

All new machineries and equipments installed at domestic production plants and subsidiaries from 2008 and at overseas subsidiaries from 2009, have been designed in compliance with ISO 12100. We carry out risk assessments of existing machineries and equipments when changes occur, such as when modification is made to them or the work procedure is updated. To promote further safety, we established SB Machine Safety Guidelines to ensure the fundamental safety of machineries and equipments.

Risk Reduction Activities Relating to Chemical Substances

In 2012, we introduced chemical substance risk assessments at plants in Japan and subsidiaries worldwide. We reassess the risk assessment results when changes occur, such as information on the risks and hazards posed by chemical substances and work procedure revision. This is done with the aim of preventing adverse health effects to employees through exposure to chemical substances and to prevent explosion or fire incidents caused by chemical substances.

Health and Safety Education

To ensure safety at sites that handle machinery and chemical substances, we ensure safety through risk reduction activities to reduce the associated risks. In parallel with this, we are promoting Kiken Yochi (hazard prediction) training, point-and-call technique, and Hiyari-Hatto (near-miss) activities. Each business site has an Anzen Dojo (safety training center) where employees learn the fundamentals of safe conduct to improve safety awareness and risk identification skills.

Based on health and safety activities where the plant manager leads by example, education is provided for employees at each level, including specialized safety education for managers, education on laws and regulations for mid-level employees, and hands-on education for new employees regarding safety. In addition, we conduct on-site education (SB School “Safety” course) which is available to all employees at our Company and subsidiaries in Japan.

We also endeavor to share information in a timely manner by utilizing our online Safety Portal Site which is accessible to all Group employees. Safety education is implemented at all business sites, using resources such as VR devices and videos outlining our Safety Philosophy and SB Safety Action Guidelines.

See the following link for details of the number of people receiving safety education, etc.

[▶ Detailed Data Related to Sustainability \(Society\) > Occupational Health and Safety](#)



Educating new employees on safety



Educating new employees on safety

[TOPIC] Award for Zero Accidents

The President awarded certificates to the following business sites in recognition of the length of time they have gone without an accident as a result of their safety efforts.

Nava Nakorn Plant, Kawasumi Laboratories (Thailand)	⇒ Achieved 3 million consecutive hours without an accident
Korat Plant, Kawasumi Laboratories (Thailand)	⇒ Achieved 3 million consecutive hours without an accident
Amagasaki Business Site, Sumitomo Bakelite Co., Ltd.	⇒ Achieved 1 million consecutive hours without an accident
S.B. Sheet Waterproof Systems Co., Ltd. (Nara Plant)	⇒ Achieved 5 years without an accident
Notsu Factory, Oita Plant, SB-Kawasumi Laboratories, Inc.	⇒ Achieved 1 million consecutive hours without an accident

We will continue to implement initiatives in line with our Group’s Safety Philosophy and SB Safety Action Guidelines to achieve even more accident-free operations by promoting improvements through the concerted efforts of all employees.



The Award presented to S.B. Sheet Waterproof Systems Co., Ltd. (Nara Plant)



The Award presented online to Korat Plant, Kawasumi Laboratories (Thailand) Co., Ltd.

Plant Security and Disaster Prevention

Accident prevention is the top priority of all our business sites. Our objective is to make business safer and more secure, and thus earn the confidence of the local community, ensure employee safety, and maintain stable supplies of products to customers. The Disaster Prevention Committee is convened and implements activities systematically with the aim of helping all business sites achieve zero accidents record. It also conducts emergency drills and puts in place accident prevention measures to minimize damage in the event that an accident does occur.



Sumitomo Bakelite Macau Co., Ltd.:
Disaster prevention training



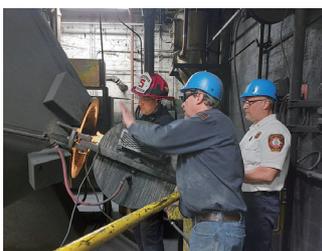
Sumitomo Bakelite Singapore Pte. Ltd.:
Lifesaving training (AED training)



Shizuoka Plant:
Disaster prevention training (fire
evacuation practice)



Amagasaki Plant:
Fire defense training for mid- to high-rise
buildings



Sumitomo Bakelite North America, Inc.:
Safety assessment of confined spaces



Sumitomo Bakelite Europe (Barcelona),
S.L.U.:
Emergency training (in case of chemical
substance leaks)

[TOPIC] First ASEAN Regional Safety Meeting

Four of our Group companies in the ASEAN region, SumiDurez Singapore Pte. Ltd., Sumitomo Bakelite Singapore Pte. Ltd., P.T. Indopherin Jaya, and SNC Industrial Laminates Sdn. Bhd. held the First ASEAN Regional Safety Meeting. They conducted accident reviews for each site and site inspections. As different products are handled at each site, it was stimulating to hear opinions from different perspectives. Going forward, we will deepen cooperation by visiting other sites, improving safety levels, and creating opportunities for interaction between local employees.



Product Liability/Quality Assurance

Policy and Basic Approach

FY2025 Quality Management Policy

Basic policy

By making essential improvements from creating a good flow of quality formation with customer first and quality first in mind and contribute to increasing profits, while at the same time promoting SDGs and contributing to society.

Measures: SDGs 12: Ensure sustainable consumption and production patterns

1. Working toward Ensuring Quality that Provides Safety and Security of Mind (QA Department's Role and Responsibility)
2. Quality Improvement Activities of Existing Businesses (Complaints Handling Towards Improving Customer Satisfaction, Reduction of F Costs)
3. Risk Reduction of New Products and New Businesses
4. Improvement of the Entire Total Manufacturing (Monozukuri) Process through Daily Inspection and 'Monozukuri' Audit
5. Training Quality Management Representative who takes on the Next Generation

Systems (Governance)

Our Group has established quality management systems (QMS) based on ISO 9001 and is continuing to acquire the certification (a total of 44 sites have been certified as of March 31, 2025).

Recognizing that the provision of products and services that customers can always feel satisfaction and peace of mind in using is an important social mission for our Group, all relevant departments collaborate on all processes—from product planning, research, design & development, preparation for production, production, and sales & service to quality assurance—with an awareness of the importance of ensuring the safety of products, and by creating and appropriately implementing frameworks to enhance and maintain product safety and quality. In order to ensure that all employees of our Group systematically implement product safety and quality assurance initiatives in accordance with QMS, we have formulated a Quality Management Policy and provide education to quality control manager candidates as part of our Quality Management Representative Training Course.

We also conduct fraud prevention training at every level as part of our efforts to foster a culture of quality within the Company.

Management System Certification Status



* See the Glossary.

QMS Certification Received

Certification standard	Business/products
ISO 9001	Quality of life products (packaging films for food and pharmaceutical products, construction materials, waterproofing-related products, etc.)
	High-performance Plastics (included molded parts)
	Semiconductor Materials
IATF 16949	High-performance Plastics (included molded parts)
	Semiconductor Materials
	Thermoplastic sheets
ISO 13485	Medical equipments, in-vitro diagnostics
ISO 15378	Packaging Materials for Pharmaceuticals
FSSC 22000	Packaging films for food
AS 9100 or JIS Q9100	Products for Aircraft
ISO 17025	Analysis Business (Electrical Testing)

Quality Improvement Activities for Existing Business

We are working to enhance the quality of our existing products through such efforts as ensuring rapid response to complaints, taking measures to prevent recurrences of problems, and rigorous 4M change control. Cross-functional responses are made to rapidly solve not only serious but also minor complaints. In order to prevent new occurrences and recurrence of issues leading to complaints and process abnormality, we use methods like “Why-Why Analysis” and “Further Investigation” to identify what happened, causes, and countermeasures, among other factors, concerning these issues. Furthermore, to keep track of the situation in a timely manner, we will promote data-driven quality management to enhance the ability to observe, identify causes, and predictive management to actively advance active management of quality. In addition, we will promote visualization of information by dashboarding complaints and F cost (failure cost) information using business intelligence (BI) tools.

Reducing Risk Relating to New Business

There is a need to improve (optimize) the output quality (degree of perfection) of product designs and process designs when developing new products and to shorten (minimize) the time required for the development process by minimizing rework. As a Group, we are constantly working to improve our quality control systems from the perspective of functional assurance to fulfil these needs.

① Shortening New-Product Development Periods and Improving Work Quality

In new product development, initial plans are often delayed because of the tendency for a variety of problems requiring reworking to arise. To prevent this, we implement the Plan-Do- Check-Action (PDCA) cycle to increase the degree of perfection of design quality and shorten the development period through collaboration of all the divisions concerned from the initial phases. Furthermore, we implement the following to ensure that the problems do not recur in subsequent development work.

- (1) Feedback Review Analysis to identify problems through reviews of development processes over time.
- (2) Why-Why Analysis and Further Investigation to identify root causes of the occurrence and outflowing of problems in terms of technology and management. Why-Why Analysis and Further Investigation are also used to determine why problems were not prevented in terms of organizations, allocation of functions, systems, frameworks, and culture and to identify measures for preventing recurrence and new occurrences.

② Proactive Use of Various Quality Control Techniques

In addition to design review (DR) during each stage of product design and process design, we conduct Failure Modes and Effects Analysis (FMEA) to predict potential failures or abnormalities by analyzing health and safety risks on people including customers related to our products, along with Design Review Based on Failure Mode (DRBFM) that focuses on changes to the design and changes to conditions and the environment. In turn, we implement risk reduction measures in all processes of DR, FMEA and DRBFM as well as during technical verification at the time of using new raw materials. In addition, we use Fault Tree Analysis (FTA) that rationally analyzes accidents and defects in a hierarchical manner to discover root causes and fundamental solutions for preventing recurrence. In order to reduce the leakage of failure modes (unexpected), we have introduced the concept of functional assurance (a block diagram with detailed functions) and are promoting it through various quality education programs.

● Future State Vision of Appropriate New-Product Development and Commercialization Processes of the Group

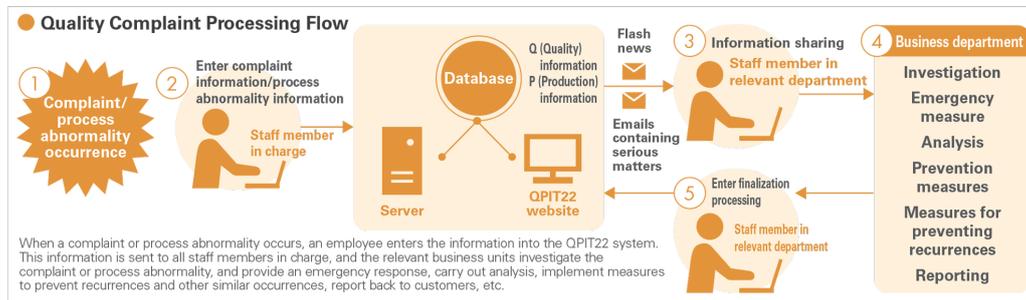


“QPIT” Management System for Quality Information

We manage complaints relating to quality using the Quality & Production Information Tools (QPIT) system. QPIT is a system that allows the central management of quality and production-related information, and it has been built into the Group-wide intranet. The system was introduced and utilized in order to accelerate the communication of quality- and production-related information within the Group, facilitate the sharing of information quickly with management, and encourage the integration and effective utilization of information levels. We can provide feedback of complaint statistics based on QPIT information to business divisions in order to confirm the effectiveness of claim recurrence prevention and to shorten the time required to respond to claims, ensuring quick and accurate handling of complaints in an efficient manner.

We are utilizing various kinds of information stored in the QPIT, like details of complaints and customer requests, to enhance CS. Similar complaints and customer requests, and cases from other department businesses can be used as reference, and by analyzing the content and trends of such information and implementing measures to address the issues while building a framework to improve these and sharing these internally, a wide range of divisions can work to achieve the aim of improving customer satisfaction.

We promoted visualization by dashboarding data using BI tools to utilize the complaint database, which has been used for the purpose of recording data, for statistical analysis. We will promote initiatives to analyze these data and utilize them to prevent complaints and F costs.



Internal Quality Auditing and Daily Inspection/Review

For the quality audit for FY2024, we continued to carry out the ‘Monozukuri’ Audits (see below), a multifaceted auditing system launched in 2017 by the Production Management & Engineering Division with the view to building a safe and reliable (personnel, facilities, environmental, and quality) approach to monozukuri.

The Corporate Quality Assurance Promotion Department inspects and examines operations daily from customer’s perspectives through the support of R&D activities at research departments (participation in DR, cooperation with FMEA, etc.) and the support of production activities at each business division (change control, FEMA, FTA, Why-Why Analysis, and Further Investigation, participation in quality meetings and DR, maintaining/managing quality information and quality data, checking the appropriateness of complaint countermeasures, etc.). It also carries out activities to raise awareness about quality improvement.

‘Monozukuri’ Audit

Purpose and method of the ‘Monozukuri’ Audit

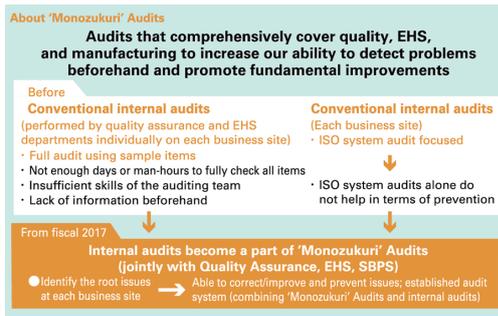
Conventional audits that have been conducted for quality, environment, and safety for each business site made it difficult for us to identify the root issues each business site is faced with, due to factors such as insufficient man-hours spent on the audits, inadequate skills of the auditors, and a lack of information provided beforehand. Furthermore, the internal audits conducted by each business site focused on the management system, and it was not possible to successfully link the activities from the extraction of essential issues to the prevention of recurrence and prevention. We built an audit system (combining ‘Monozukuri’ Audits and internal audits) that is able to identify the root issues at each business site, correct and improve the situation, and prevent occurrence and recurrence of issues.

- (1) Audits will be conducted in greater detail by updating check sheets to inspect and cover audit points that could pose or predict problems in terms of quality, EHS, or production that occurred the previous year.
- (2) Internal audits conducted by each business site provide education and instruction in advance to Internal Auditors for investigating the real cause and developing countermeasures, in order to make corrections/improvements with a PDCA cycle for issues carefully identified with audits.
- (3) ‘Monozukuri’ Audits are conducted by the Corporate Production Management & Engineering Division to inspect internal audit results, the status of corrective actions or improvements, and important matters, and involve follow-ups from a multifaceted approach, with a view to building a safe and reliable (personnel, facilities, environmental, and quality) approach to monozukuri.
- (4) Material issues identified in ‘Monozukuri’ Audits are rolled out laterally to other departments and business operators (inspections and corrective actions), with the resulting follow-up activities providing guidance for proper operation of monozukuri processes based on daily activities at each business site.

In FY2024, we established and implemented an educational plan in order to strengthen education for Internal Auditors by dividing into finely differentiated steps the process starting before internal auditing and proceeding beyond ‘Monozukuri’ Audits.

Results of ‘Monozukuri’ Audits

In FY2024, we conducted on-site audits at 2 directly managed business sites (Shizuoka Plant and Kanuma Plant), two business sites of subsidiaries (Kyushu Sumitomo Bakelite Co., Ltd., and Oita Business Site of SB-Kawasumi Laboratories, Inc.) in Japan and 7 sites overseas: Sumitomo Bakelite (Nantong) Co., Ltd., Sumitomo Bakelite (Shanghai) Co., Ltd. and Sumitomo Bakelite (Suzhou) Co., Ltd. in China, Sumitomo Bakelite (Taiwan) Co., Ltd. in Taiwan, and SNC Industrial Laminates Sdn. Bhd., Sumidurez Singapore Pte. Ltd., and Sumitomo Bakelite Singapore Pte. Ltd. in Southeast Asia. We will continue to conduct audits, with a focus on on-site audits, in Japan and overseas in FY2025.



Customer Satisfaction (CS) Enhancement

CS Promotion Activity

Our Group has been engaged in CS promotion activities since 1998. The CS Promotion Committee, which is chaired by the President, discusses policies and measures and supports the promotion of CS-oriented activities Company-wide. We are rolling out more CS-oriented activities at sites in Japan and overseas as well as at Group companies.

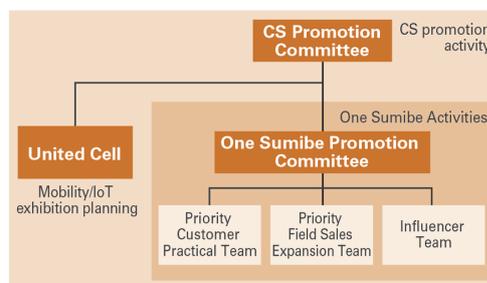
Internally, we hold the CS Awards annually to share information about outstanding CS-oriented activities and enhance employee awareness of CS. Every year, each business site and business division create its own CS Declaration on the five CS principles, and implements various initiatives taking CS improvement into account.

At this year's annual business briefing for trading companies, we talked about progress toward the Medium-term Business Plan, and General Managers and Officers provided an overview of each business segment with a focus on new initiatives. The cross-departmental United Cell showcases the whole Company's technologies at trade shows and exhibitions in fields such as the automotive industry and highly integrated devices. Working across departmental boundaries, we propose optimal solutions to our customers' challenges.

Instead of being content with our existing state of activities, our entire Group will continue to focus on business activities aiming to realize "customer excitement," which is a step beyond "customer satisfaction."



CS/One Sumibe Team Structure for FY2025



FY2024 Business briefing for trading companies



CEATEC 2024

Co-creation with Customers Using Our Open Laboratories

We have 4 open laboratories in Japan (Nogata, Fujieda, Utsunomiya, and Amagasaki) and 6 at our overseas sites (North America, Europe, China, Taiwan, Singapore, and India). At these fully equipped open laboratories, we work together with customers on product evaluation. Developers from the customer company and our Group pool their expertise on a certain issue and bounce ideas off each other, leading to optimal solutions from the perspectives of both materials and product design. All our open laboratories share a common purpose: Customer Satisfaction (CS). We listen directly to what customers are saying and work together to provide solutions that customers really want.

● **Co-creation case study: Co-creation with customers at our open laboratory in the US**

Located in Commerce, Michigan, close to the automotive hub of Detroit, Sumitomo Bakelite North America Holding, Inc. (SBNA) mainly develops, manufactures, and sells automotive-related materials. Since launching their open laboratory in 2021, SBNA has been working with customers to conduct molding evaluations of automotive parts. Both Tier 1 suppliers and OEM manufacturers are developing components for next-generation EV motors at the open laboratory. Recently, the facilities are also being utilized by customers in other fields, such as medical equipment, distributed power generation*, and robotics, as well as automotive applications.

* Distributed power generation: Small-scale power generation facilities located near the point of use

• **Comment from Phil Beesley, Sumitomo Bakelite North America Holding, Inc.(SBNA)**

Working closely with the customer to exchange information, we have developed an encapsulating material for fixing rotor magnets in next-generation motors. First, we worked jointly on product design, then we produced prototypes at the open laboratory. Thanks to faster and better evaluations, the customer has been able to harness the maximum benefits of thermosetting resins (encapsulation materials). Plus, cutting-edge CAD design and predictive modeling enable us to design prototypes efficiently. Motor stator encapsulation is already a proven technology that has been used in mass production of electric motorcycles since 2023. We are currently developing next-generation stators for electric vehicles using our materials, pushing the performance limits of electric motors, which should go into mass production in the near future.



SBNA development team

● **“CS Awards” to share case studies of co-creation with customers**

Every year since FY2005, we have held annual CS Discussion Sessions to share case studies showing how our approach to CS improvement is rooted in our Group, further raising employee awareness. The discussion sessions previously focused on case studies of sales activities in Japan, but from FY2023 we have rebranded this as the CS Awards: an opportunity for teams including manufacturing, R&D, and overseas Group companies to showcase their success, further inspiring and motivating employees. Nine success stories were presented in FY2024, including three from Group companies outside Japan. Around 500 people attended, including online viewers. The top prize was awarded to “Newly developed cover tape: Customer delight and results” presented by Ms. Murakami of the Films & Sheets Research Laboratory. Other stories featured online marketing activities and new initiatives using digital transformation to make indirect sales operations more efficient and improve CS, showcasing how teams are going beyond customer satisfaction to achieve customer delight.



Presenters at the CS Awards

Cross-organizational Promotion of One Sumibe Activities

As part of our Group’s CS promotion efforts, we are working on One Sumibe Activities: collaborating across departments to create value with our customers.

Our Priority Customer Practical Teams and Priority Field Sales Expansion Teams provide solutions to solve customers’ challenges based on products and technologies from the entire company, not just their own departments.

These activities have previously been driven mainly by our sales department, but during the current Medium-term Business Plan period, we aim for One Sumibe Activities to become rooted in our culture throughout the organization: in every division, every country, and every workplace.



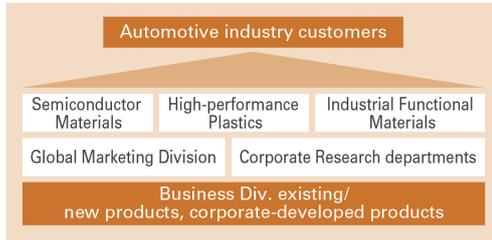
Launched in FY2024, the Influencer Team, made up of members from the sales department and corporate divisions (manufacturing, R&D, digital, etc.) is laying the foundations to promote autonomous collaboration.

● Details of activities

• Priority Customer Practical Team

Made up of members from different departments, each team provides solutions to an individual customer’s challenges from a whole company perspective.

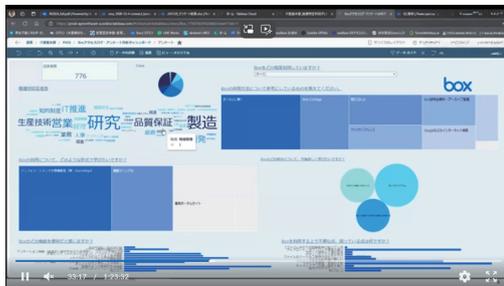
(For customers in the automotive industry)



• Influencer Team

The Influencer Team plans ways to improve the quality of connections between employees, which forms the foundation for raising the standard of employee performance and creating new value for customers. They plan and run activities such as “Get to know us” internal webinars showcasing initiatives by each department and the “Good Job!” feature using the Company intranet to showcase departments’ efforts to address challenges.

“Get to know us” webinar series



Departments such as those responsible for R&D and IT promotion showcase their own efforts. Employees can find out about specific initiatives and the people involved, which promotes collaboration across departments.

• Priority Field Sales Expansion Team

These teams take a creative approach to expanding sales with a longer-term perspective.

By looking at domains, rather than individual customers, they gain an understanding of the next-generation challenges in our priority fields, working on co-creation with customers from the development stage.

In FY2024, the Power Electronics Solution Development Department was formed from the team that had been working in the domain of power modules.

Work is now underway in new domains, following on from power modules, widening the scope of our activities.

“Good Job!”



Project results and initiatives are showcased on the Company intranet from the point of view of the employees involved. As well as sharing examples of good practice, this also helps to foster a culture of challenge.

Participation in Trade Shows and Events to Accelerate Networking with New Potential Customers

To create a new value, it is essential to seek new customers and new use cases. Our Group identifies suitable exhibition events and trade shows that we should showcase our priority field technologies and products. For each such identified event, a cross-departmental team plans and orchestrates the actual participation detail. Our business divisions also individually plan and organize their own trade show participations and private seminars to accelerate their networking with potential customers. In FY2024, we exhibited at trade shows including CWIEME Shanghai 2024 in China (June) and MPS World Summit 2024 in Seattle, the US (June), as well as SEMICON India 2024, Auto EV India 2024, and Bharat Mobility Global Expo 2025 in India, where we are working on marketing activities. Showcasing our Group’s technologies in other countries helps us to attract new customers. We are also actively holding in-house exhibitions at customer sites, which is set as a KPI within our material issues. In FY2024, we presented in-house exhibitions for eight customers, showcasing the whole Company’s technology.



CWIEME Shanghai 2024



Bharat Mobility Global Expo 2025

Initiatives Relating to Fostering the Next Generation

Supporting the Science Education of Children Who Will Play Active Roles in the Future

Fujieda Science Education Support Project

In recent years, international comparative studies addressing academic ability and awareness of scientific subjects have identified a drift away from science in developed countries. Japan is no exception to this trend. This raises the concern that Japan's strengths in manufacturing and innovation will be endangered.

In response to this situation, we have launched the Fujieda Science Education Support Project as a support activity for science teachers, who are professionals in the field of education, in the hope that they will learn directly about the significance and role of science in the real world and pass it on to the children who will lead Japan in the future. The project is being implemented in Fujieda City, where the Shizuoka Plant is located, as a model district. Since FY2009, we have been taking the lead in providing support for the education of the next-generation as part of an industry-government-academia partnership for junior high school science teachers in cooperation with other companies operating production plants in and around Fujieda City, Shizuoka Prefecture, and have received high praise from local government and school officials.

Here we introduce recent main activities.

Science Education Workshop 2025

In FY2024, we held an on-site factory tour with the cooperation of Chugai Pharma Manufacturing Co., Ltd. As well as a lecture about how medicines are made and a tour of production lines and quality control systems, the tour included a hands-on session allowing participants to experience making medicines (active pharmaceutical ingredients, formulation, and packaging.)

One teacher who took part commented: "I learned all about the process of how a single medicine is made, and how much meticulous care goes into making it. I want to create lessons that children will be interested in, knowing that studying science can lead to this kind of job in the future, which will benefit society."



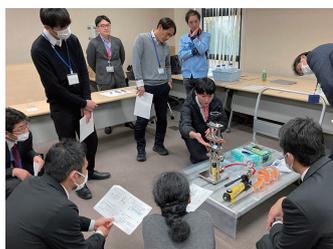
Lecture in the conference room



Tour of the production line



Tour of quality control facilities



Medicine-making experience



Medicine-making experience



Medicine-making experience

Past activities of the
"Science Education Workshop"

Initiatives in Society

Donations

Under the Business Philosophy, the Group cooperates on cultural and artistic activities such as symphony orchestras, and environmental conservation activities such as the “Keidanren Nature Conservation Council (KNCC)” that works to actively protect nature and conserve biodiversity. In FY2024, we donated to Utsunomiya City as part of the “Corporate Hometown Tax System”, following on from donations to Akita Prefecture, Kanuma City in Tochigi Prefecture, Shizuoka Prefecture (Minami-Alps Biosphere Reserve), Fujieda City in Shizuoka Prefecture, and Nogata City in Fukuoka Prefecture (contributing to promotion of carbon neutrality).

We also make donations both directly and through specific organizations to various groups across a wide range of fields, including schools and education, academic promotion, R&D, and regional development, as well as to the Japan Association for the 2025 World Exposition. Through these donations, we are helping to create a better environment.

Looking ahead, we will continue this support to create a brighter future for all people.

Support for People with Disabilities

We concluded a partnership agreement with the Japan Inclusive Football Federation (JIFF)*1, as an initiative for respecting diversity and contributing to the development of a society where everyone supports one another. Based on this agreement, we provide support for the development of inclusive soccer sports. In FY2024, our employees volunteered at two of JIFF’s events: JIFF Mazekeze Football 2024 and JIFF Inclusive Football Festa 2024. Since 2022, we have also endorsed the philosophy and activities of Paralympic Art™*2 and support the social participation and economic independence of artists with disabilities by adopting their works of art in our corporate calendar and exhibiting panels in our reception rooms.

Going forward, we will continue to support these activities that seek to build a society in which people are able to coexist regardless of their disabilities.



©Image source: Japan Blind Football Association (JBFA)

*1 JIFF brings together 7 inclusive soccer sports associations, working with the ideal: “Through football, we contribute to creation of a vibrant, inclusive society where everyone, with and without disabilities, can enjoy the value of sport and individuality of each person is fully respected.”

*2 A social contribution project that provides ongoing support for people with disabilities through the cooperation of private companies and individuals, to achieve the vision of “Creating a world where people with disabilities can fulfill their dreams through art.” The project serves as a link enabling companies and organizations to use artworks created by artists with disabilities, and facilitates their economic independence and participation in society through compensation to employed artists and facilities for those with disabilities.



JIFF logo



Paralympic Art™ logo symbol



Calendar using artwork created by artists with disabilities

Official Partnership Agreement with Fujieda MYFC

Since FY2018, we have been in an official partnership agreement with Fujieda MYFC, a professional soccer club in J League J2. The team’s hometown is the Haibara district of Fujieda City, Shizuoka Prefecture, where our Shizuoka Plant is located. Therefore, we provide our support to the team as a partner with the goal of lending our cooperation to Fujieda City which promotes revitalization of the town through soccer, and also to contribute to the community and boost the motivation of our employees, and the Sumitomo Bakelite Co., Ltd. Special Match was held in November in FY2024.



Presenting the Special Award at the FY2024 Special Match Day ©2024 FUJIEDA MYFC



Player escorts ©2024 FUJIEDA MYFC



Kick-off ceremony ©2024 FUJIEDA MYFC

Relations with Local Residents and Participation in Local Events

We are working to enhance the welfare of local communities by proactively interacting with local residents and participating in local events to deepen our ties with them, as well as engaging in volunteer activities and making donations.

We also welcome them to company briefings and site visit events (factory tours) to aid their understanding of the work carried out at our production plants.



Shizuoka Plant
We cooperated in a project for elementary school students in Fujieda City to learn about biodiversity using the biotope at our Shizuoka Plant.



Promerus, LLC
We donated enough food to the Akron-Canton Regional Foodbank to provide around 3,700 meals.



P.T. SBP Indonesia
During Ramadan, the Islamic holy month of fasting, we invited orphans from neighboring facilities, giving them gifts and sharing meals.



SB-Kawasumi Laboratories, Inc. (Head Office and Tonomachi Medical Laboratory)
We held lectures and workshops for elementary school children at the King Skyfront Summer Science Event.



Vaupell Molding & Tooling, Inc.
We judged a local robotics competition.



Durez Canada Co., Ltd.
Employees took part in a charity run supporting cancer research.



SNC Industrial Laminates Sdn. Bhd.
Employees took part in a fun run event organized by the Pasir Gudang City Council.



Russell Plastics Technology Company, Inc.
The company donated to John's Crazy Socks to support autism and Down syndrome awareness, and employees wore their own unique socks.



P.T. Indopherin Jaya
The company planted 20,000 mango seedlings in Probolinggo.

[TOPIC] Fujieda Para Football Festival with Fujieda MYFC

In the city of Fujieda, where our Shizuoka Plant is located, we partnered with J2 League soccer team Fujieda MYFC and Shizuoka Football Federation for Persons with Intellectual Disability to host the first Fujieda Para Football Festival with Fujieda MYFC.

Together with children with disabilities, participants on the day had the opportunity to try out amputee soccer and walking football. Many employees from our Shizuoka Plant volunteered at the event, featuring players from Fujieda MYFC and Ganesa Shizuoka AFC.



[TOPIC] Corporate Blood Donation Drive

Around 60 people gave blood during a corporate blood donation drive at our Head Office, SB-Kawasumi Laboratories, Inc., and Akita Sumitomo Bakelite Co., Ltd., using blood container bags and whole blood collection systems made by SB-Kawasumi.

With current medical technology, blood cannot be made artificially or stored for long periods of time. This is why we will continue to support blood donation.



Blood donation drive (Head Office)

Blood donation drive (Akita Sumitomo Bakelite Co., Ltd.)

SB-Kawasumi blood container bags used for blood donation

Cooperation with the Sumitomo Foundation and Sumitomo Group Public Affairs Committee

We support advances in research, activities promoting culture and the arts, and other ways of contributing to local communities and society through the Sumitomo Foundation.

We are also involved in the Sumitomo Group Public Affairs Committee, which carries out the following activities:

- Publishing the SUMITOMO QUARTERLY magazine
- Supporting and sponsoring events
- Presenting the Sumitomo Pavilion at Expo 2025 in Osaka, Kansai (Sumitomo EXPO 2025 Promotion Committee)

We also support the SEN-OKU HAKUKOKAN MUSEUM, an art museum established to store, research and exhibit works of art collected by the Sumitomo family.

- [Sumitomo Group Public Affairs Committee](#)
- [SEN-OKU HAKUKOKAN MUSEUM \(Shishigatani in Kyoto's Higashiyama area\)](#)
- [SEN-OKU HAKUKOKAN MUSEUM TOKYO \(Roppongi\)](#)
- [Sumitomo Foundation](#)

Environmental Initiatives

Environmental and Social Contribution Activities

We participated as a corporate partner in an environmental survey program organized by NPO Earthwatch Japan, as part of educational and social contribution activities and with the aim of expanding environmental and social contribution activities.

In FY2024, employees joined the research teams for two programs: “Satoyama in Fuji no Kuni—The connection between plants and insects,” a survey conducted in the mountains of Shizuoka City (Shizuoka Prefecture) in May, and “Revitalization of Kiso Horse Culture and Grassland,” a program held in Kaida Highlands in Kiso Town (Nagano Prefecture) in July.

[Earthwatch Japan website](#)

[Comments from employees who participated]

Mr. Kinumura , Systems Promotion Dept. , IT Promotion Division

I took part in a survey of insect habitats in the mountains behind a former high school site. We caught flying insects using nets, captured insects living in trees by tapping branches with sticks to dislodge them from branches and leaves, and then classified the insects by species from their characteristics.

Although the site was not that deep in the mountains, I was amazed by how many species of insects we found. I learned how insect habitats are changing, as if in response to recent changes in the environment. This was a wonderful opportunity to learn about the ecology and environment of insects that I would be unaware of in everyday life.



Captured insects

Ms. Kobayashi, Pharmaceutical Packaging Sales Dept. , Films & Sheets Division

The Kiso Kaida Highlands is known as the birthplace of the Kiso horse, one of Japan’s native horse breeds. I took part in a survey of butterflies and their host plants in the grasslands that provide grass to feed these Kiso horses.

Through this survey, as well as learning about Japan’s few remaining semi-natural grasslands and the vital significance of preserving the nature of the region, I realized that to protect Kiso horse culture and the grasslands, it is important to find a balance between environmental protection and human needs.



Subjects of the survey: *Mellicta ambigua nippona* butterfly and *Veronicastrum japonicum* plant

Environmental Conservation and Beautification Activities in the Surroundings of Plants

We are working to conserve and beautify the areas surrounding each of our production plants by cooperating with local environmental conservation activities and campaigns against illegal dumping of waste as well as cleaning and beautification events organized by local communities.



Yamaroku Kasei Industry Co., Ltd.
Participated in Yamato and Ishikawa rivers cleanup campaign.



SB PAX Co., Ltd.
Picked up trash and removed weeds from the sidewalks around the plant.



SB-Kawasumi Laboratories, Inc. (Mie Plant)
Mowed grass and cleaned up the area around the Tamada River which flows past the Mie Plant.



SB-Kawasumi Laboratories, Inc. (Head Office and Tonomachi Medical Laboratory)
Cleaned the area around the nearby King Skyfront.



SB-Kawasumi Laboratories, Inc. (three plants in Oita Prefecture)
Mowed grass and cleaned up city roads with local people as a community support team at the request of the Oita Prefecture Hohi Promotion Bureau



Durez Canada Co., Ltd.
Cleaned up the area around the plant in conjunction with Earth Day.

Corporate Governance

Basic Approach to Corporate Governance

We have set “Toward a sustainable society through expanding the potential of plastics” as the Purpose of our Group with the goal of contributing to value creation for customers and various other stakeholders. For this reason it is important to earn the trust of society and be needed by society, and therefore, we are establishing efficient and effective structures for achieving management that are highly compatible with society and the environment and for addressing risks facing management, including rigorous compliance.

We newly established “Corporate Governance Guidelines of Sumitomo Bakelite Co., Ltd.” as of October 1, 2025. The purpose of these guidelines is to systematically organize and present to our stakeholders the framework and initiatives concerning our corporate governance. For more details, please refer to the guidelines available at the following link.

📄 [Corporate Governance Guidelines of Sumitomo Bakelite Co., Ltd. \(PDF 224KB\)](#)

History of Strengthening of Corporate Governance

2002	Appointed the first 1 Outside Director
2004	For accelerating managerial decision-making and clarifying management responsibility, introduced Executive Officer structure and reduced the number of Directors (from 17 to 8)
2005	Shortened term of office of Directors (from 2 years to 1 year)
2015	Increased the number of Outside Directors (from 1 to 2)
2016	For structuring an opinion hearing of Independent Outside Directors about nomination and remuneration of Directors, established the Appointment and Remuneration Advisory Committee
	Increased the number of Outside Directors (from 2 to 3)
	Appointed the first 1 female Outside Corporate Auditor
	Started analysis and evaluation of effectiveness of the Board of Directors
2018	For exchanging information and sharing company view with Outside Officers, established Outside Officers' Meeting
2021	Appointed the first 1 female Outside Director
	Appointed three Independent Outside Directors (1/3 of Directors)
	The authority of the Appointment and Remuneration Advisory Committee is strengthened and reorganized into a Nomination and Remuneration Committee with a majority of Independent Outside Directors
2023	Introduced system of restricted stock to Officers
2025	Set performance-linked element for Directors' bonuses based on KPIs in our Medium-term Business Plan
	Established Corporate Governance Guidelines of Sumitomo Bakelite Co., Ltd.

Management System

Board of Directors

We have adopted a company with Corporate Auditors model and have appointed 9 Directors (of which 3 are Outside Directors) and 4 Corporate Auditors (of which 2 are Outside Corporate Auditors) as of June 24, 2025. The Board of Directors is chaired by the Chairman, Representative Director.

At the monthly Board of Directors meetings, Directors make decisions on important matters of business, receive reports on monthly business performance and progress updates from each Director, and listen to the opinions and reports from Corporate Auditors, with the chair of the meeting taking care to ensure sufficient discussion takes place. In the case of conflicts of interest involving any Director, potential conflicts of interest are required to be reported in advance to the Board of Directors to obtain its approval, with reports to be given on the propriety of this after the fact.

Meetings in FY2024

- the Number of meetings held: 13 in total
- Main topics of discussion:

[Resolutions]

- Resolutions on matters relating to important business execution, based on laws and regulations, articles of incorporation, and rules and regulations of the Board of Directors
- Formulation of Medium-term Business Plan (2024–2026)
- Revision of policy for determining Directors' remuneration
- Resolutions on matters relating to capital policy (reduction of strategic shareholdings, share buyback, etc.)

[Reports]

- Reports on business results and overview of each business segment
- Reports on discussions by internal committees (Sustainability Promotion Committee, etc.)
- Matters relating to ESG and sustainability promotion
- Matters relating to risk management
- Matters relating to utilizing human capital

Board of Corporate Auditors

The Board of Corporate Auditors consists of 2 Standing Corporate Auditors and 2 part-time Independent Outside Corporate Auditors. Our policy is to maintain the current diverse composition of individuals with experience and capabilities necessary to perform as auditors, including knowledge of finance, accounting, and legal matters, to provide fair and impartial auditing activities. In addition, under the direction and orders of the Corporate Auditors, 2 members of staff with expertise in internal auditing assist the Board of Corporate Auditors and each Corporate Auditor in their activities. These members of staff serve concurrently in the Internal Audit Department, which deals with internal audits and evaluation of internal controls related to financial reporting based on the Financial Instruments and Exchange Act.

Activities of the Board of Corporate Auditors

- Resolves, discusses, reports, and determines important items related to auditing based on the laws and regulations, articles of incorporation, and rules and regulations of the Board of Corporate Auditors. Meets monthly, prior to the Board of Directors meeting, and also on an ad hoc basis when necessary (In FY2024, the Board of Corporate Auditors met 19 times for an average of 1 hour 19 minutes)
- Reviews audit activities each year and evaluate and verify their effectiveness based on the basic policy of “respond flexibly to changes in the environment and conduct audits in a fair, unbiased, and transparent manner in order to achieve sound and sustainable growth, create medium- to long-term corporate value, and contribute to the establishment of a high-quality corporate governance system that can meet the trust of society”
- Formulated an audit plan for FY2024 including the issues identified as key matters (“confirmation of the status of the Group’s governance and risk management,” “confirmation of the maintenance and operation of the Group’s internal control system,” and “confirmation of the status of the Group’s compliance with laws, articles of incorporation, regulations, etc.”). An overview of this plan was reported at the Board of Directors meeting on June 25, 2024, to promote audit activities
- Standing Corporate Auditors:
 - Establish the auditing environment and collect information within the Company
 - Receive important drafts, approvals, and management meeting documents
 - Participate in the Sustainability Promotion Committee, Risk Management Committee, Compliance Committee, etc.
 - Confirm the progress of measures overseen by the committees above and make proactive recommendations to promote measures
 - Audit business sites and subsidiaries selected through the risk approach
 - Attend accounting audits by the Accounting Auditor and internal audits by the Internal Audit Department
- Outside Corporate Auditors:
 - In addition to activities of the Board of Corporate Auditors, participate in Executive Officers’ Meetings, business liaison meetings, budget meetings, etc.
 - Participate in audits of business sites and subsidiaries

Major Activities in FY2024

- Exchange opinions with the President and Representative Director (on a quarterly basis, in principle)
- Share information and exchange opinions with the Accounting Auditor (KPMG AZSA LLC) throughout the year
 - Annual audit plan, risk assessment, important audit areas, key points of audits, progress of auditing work, etc.
 - Reports on interim reviews and the Accounting Auditor’s audit reports
 - Standing Corporate Auditors attended audit reviews in Japan by the Accounting Auditor and accompanied on-site audits at 7 sites of 6 important subsidiaries in North America and Asia
 - Discussed key audit matters with the Accounting Auditor and found no differences of opinion
- Collaboration with Outside Directors
 - All Corporate Auditors attend Outside Officers’ Meetings before the meeting of the Board of Directors to exchange opinions and share information on agenda items and reports to be discussed at the Board of Directors meetings, evaluation of the effectiveness of the Board of Directors, etc.
 - As far as possible, conduct on-site inspections of business sites and subsidiaries in Japan with Outside Directors (visited 1 site together in FY2024)

- **Collaboration with internal auditing departments**

- Receive reports on internal audit results from General Manager of the Internal Audit Department
- Attend internal audit reviews and audits by the Internal Audit Department
- Exchange opinions at regular meetings with the Internal Audit Department
- Report to the Board of Corporate Auditors by Standing Corporate Auditors
- At least once a year, Outside Corporate Auditors also participate in regular meetings with the Internal Audit Department

Executive Officer Structure/ Executive Officers' Meeting

We have introduced an Executive Officer structure in which Executive Officers appointed by the Board of Directors as the persons responsible for business execution execute business under the direction of the Company President based on the policies determined by the Board of Directors, and have appointed 18 Executive Officers (including 5 who serve concurrently as Directors) as of June 24, 2025. Executive Officers' Meetings are held once a month and attended by Directors, Executive Officers, and Corporate Auditors to convey information on policies and important matters decided by the Board of Directors, to receive reports on business performance and the status of business execution from each Executive Officer, and to review important matters and share information.

With the Executive Officer structure, the resolution of important operations and execution of operations were separated to increase the effectiveness of the Board of Directors in supervising operational execution, increasing the speed of operational execution, and clarifying responsibility. Corporate Auditors oversee the Directors' execution of their roles and audit the Board of Directors to fulfill its role appropriately. As described above, Directors, Corporate Auditors, and Executive Officers fulfill their respective responsibility and roles to govern the Company in a way shareholders and stakeholders can trust.

As of June 24, 2025, all 26 of our Officers, who are Directors, Corporate Auditors, and Executive Officers, included 22 male and 4 female, with a female board member ratio of around 15%. All of our Officers with the exception of 1 Corporate Auditor are 50 years old or older.

Outside Directors/Outside Corporate Auditors

Outside Director Kazuo Matsuda has considerable experience and wide range of insight that he cultivated at a financial institution as well as business companies as a management executive, and we anticipate that he will bring these abilities to bear in providing germane opinions and valuable advice from an objective standpoint. He also serves as a member of the Nomination and Remuneration Committee.

Outside Director Etsuko Nagashima has an expert viewpoint as a certified public accountant and wide-ranging views related to financial matters and accounting, and we anticipate that she will bring these abilities to bear in providing germane opinions and valuable advice from an objective standpoint. She also serves as a member of the Nomination and Remuneration Committee.

Outside Director Hiroyuki Wakabayashi has considerable experience and a broad insight that he cultivated as a person in charge of manufacturing at a major manufacturer as well as a management executive in charge of technology in general and IT digital, and we anticipate that he will bring these abilities to bear in providing germane opinions and valuable advice from an objective standpoint. He also serves as a member of the Nomination and Remuneration Committee.

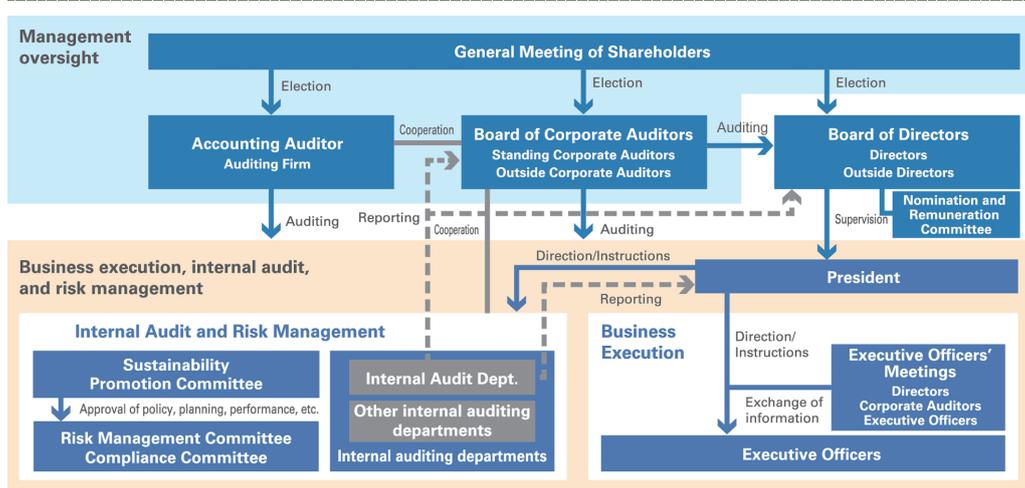
Outside Corporate Auditor Kazuhiko Yamagishi utilizes his professional perspective as a lawyer and wide-ranging insight into management for auditing our Company.

Outside Corporate Auditor Noriko Kawate utilizes her professional perspective as a Certified Public Accountant and tax accountant and wide-ranging insight into finance, accounting, and management for auditing our Company.

We have established the Criteria for Independence of Directors and Corporate Auditors through a resolution of the Board of Directors, and has determined that the aforementioned Outside Directors and Outside Corporate Auditors are independent pursuant to said criteria. In addition, we have submitted notification of them as Independent Officers as stipulated by the Tokyo Stock Exchange.

We also hold monthly Outside Officers' Meetings consisting of Outside Directors, Outside Corporate Auditors, the Director Overseeing the Corporate General Affairs Division and the Corporate Finance & Planning Division, the Executive Officer in charge of the Corporate General Affairs Division, Standing Corporate Auditors, and members of the Corporate General Affairs Division and the Corporate Finance & Planning Division. At the Outside Officers' Meeting, account settlement overview reports on our Group are shared, introductions to businesses are provided from the Corporate Officers in charge of each segment, and advance explanations of agenda items for meetings of the Board of Directors are provided. This is done in an effort to share information and awareness concerning the Group between Outside Directors and Outside Corporate Auditors.

Structure of corporate governance



As of June 24, 2025

Nomination and Remuneration Committee

In order to strengthen the independence, objectivity, and accountability of the Board of Directors' functions concerning the nomination and remuneration, etc. of Directors, the Company has voluntarily established the Nomination and Remuneration Committee consisting of a majority of Independent Outside Directors (Directors submitted as an Independent Officer to the Tokyo Stock Exchange). The Appointment and Remuneration Advisory Committee, which had previously reported to the Board of Directors on matters concerning the nomination of Directors and the determination of remuneration amounts, was granted greater authority and reorganized on June 24, 2021, as the Nomination and Remuneration Committee. As of June 24, 2025, the committee is chaired by Chairman and Representative Director Kazuhiko Fujiwara, with the membership of President and Representative Director Shinichi Kajiya and the Independent Outside Directors (Kazuo Matsuda, Etsuko Nagashima, and Hiroyuki Wakabayashi).

This committee holds deliberations regarding Directorship appointments, including assignments to and dismissals from Directorships, elections and dismissals of Representative Directors, as well as plans for successors of the President and Representative Director. It then reports its findings to the Board of Directors based on the results of these deliberations. The committee is delegated based on findings of the Board of Directors to perform decision-making regarding items (including systems and policy) concerning remuneration for Directors. In FY2024, in accordance with the above, with regard to the nomination of Directors, the committee appointed candidates for the positions of Chairman and Representative Director and President and Representative Director, selected Director candidates, and held discussions including clarifying the reasons for selection of items in the skills matrix. With regard to the remuneration of Directors, the committee revised the Directors' bonus system and revised the policy for determining individual Directors' remuneration accordingly, determined the amounts of Directors' monthly remuneration, bonuses, and stock compensation by position, and decided the amounts and allocation of individual monthly salary, bonuses, and stock compensation for each Director.

The Committee met a total of five times during FY2024, and all members attended all committee meetings.

Executive Remuneration

To provide an incentive to contribute to the sustained improvement of corporate value of our Group for the medium- to long-term, the remuneration of Directors shall be based on a remuneration system that is linked to management targets and shareholder value. Specifically, remunerations shall comprise "monthly remuneration," which is a fixed remuneration according to position, "bonuses," which are performance-linked and based on management indicators set with a view to achieving the long-term visions, and "stock compensation," which is a form of non-monetary remuneration, as medium- to long-term incentives to encourage the sharing of value with shareholders. However, the remuneration of Outside Directors shall comprise exclusively their monthly remuneration in light of the fact that they supervise management from a position independent of business execution.

By resolution of the Board of Directors, the authority described below to decide on Director remuneration for FY2024 has been delegated to the Nomination and Remuneration Committee.

- Determine amounts for monthly remuneration, bonus standard amount, and stock compensation by position
- Determine individual amounts of monthly remuneration and bonuses to be paid and the number of stocks to be allocated to each Director

The remuneration of Corporate Auditors consists of basic remuneration (monthly remuneration). The total amount and the amount to be paid to each individual Corporate Auditor are determined in consultation with the Corporate Auditors within the maximum remuneration limit resolved by the General Meeting of Shareholders.

Executive Remuneration in FY2024

Category of executives	Total remuneration (million yen)	Total amount by type of remuneration (million yen)			Number of executives receiving remuneration
		Monthly remuneration	Bonuses	Stock compensation	
Directors (excluding Outside Directors)	423	225	160	38	7
Corporate Auditors (excluding Outside Corporate Auditors)	55	55	—	—	2
Outside Officers	58	58	—	—	6

The policy for determining the individual remuneration for Directors is established as follows, by resolution of the Board of Directors meeting on February 28, 2025.

Composition of executive remuneration	Details
Monthly remuneration 50%	Monthly remuneration is paid in cash as a fixed monthly amount during the term of office. The individual amount is determined by position, taking into consideration the business environment, economic conditions, etc.
Bonuses 40%	Bonuses are based on the achievement of target indicators set out in our Medium-term Business Plan and material issues with a view to achieving our long-term vision. Specifically, financial and non-financial indicators are set in advance for each fiscal year during the period of the Medium-term Business Plan. The standard amount determined for each position is multiplied by a coefficient indicating to what extent each indicator has been attained. This amount is paid in cash at a certain time after the end of each fiscal year.
Stock compensation 10%	Stock compensation is allocated at a certain time after the Ordinary General Meeting of Shareholders as the number of restricted stocks corresponding to the payment amount determined by position.

Calculation of Bonuses during the Period of the Medium-term Business Plan 2024–2026

• Indicators Used

Category	Indicators used	Reason for selection of indicators
Financial indicators	Business profit	This is one of our management indicators for sustainable growth, which is set as a financial target in the Medium-term Business Plan 2024–2026.
	ROE	This is one of our indicators measuring management efficiency toward sustainable growth, which is set as a financial target in the Medium-term Business Plan 2024–2026.
Non-financial indicators	GHG emissions reduction (compared to FY2021, applies to Scope 1 and 2 emissions).	This is one of our indicators measuring our efforts to achieve carbon neutrality, working toward the creation of environmental and social values, which is one of our material issues.
	Latest CDP (climate change) evaluation results	CDP is an international non-governmental organization for disclosure of environmental impact including climate change risks and greenhouse gas emissions. We see this as an objective and impartial assessment of our efforts toward carbon neutrality.
	Ratio of female managers (non-consolidated)	This is one of our indicators for promoting diversity in order to put into practice human capital management (utilization of human resources), which is one of our material issues.

• Degree of Achievement of Target Values and Corresponding Coefficients

Financial indicators

Degree of achievement (%)	125% or above	Less than 125% but 105% or above	Less than 105% but 95% or above	Less than 95% but 75% or above	Less than 75%
Coefficient	1.3	1.1	1.0	0.9	0.7

Non-financial indicators

Degree of achievement (%)	Other than CDP evaluation result	105% or above	Less than 105% but 95% or above	Less than 75%
	CDP evaluation result	A	A-	B or lower
Coefficient		1.05	1.0	0.95

• Formula for Calculation of Bonuses

Bonus by position

- = standard amount by position × business profit weighting 60% × coefficient corresponding to attainment of this indicator
- + standard amount by position × ROE weighting 10% × coefficient corresponding to achievement of this indicator
- + standard amount by position × GHG emissions reduction weighting 10% × coefficient corresponding to attainment of this indicator
- + standard amount by position × CDP evaluation result weighting 10% × coefficient corresponding to attainment of this indicator
- + standard amount by position × ratio of female managers weighting 10% × coefficient corresponding to attainment of this indicator

• Target Indicators, Weights, Target Values, and Results

Category	Indicators used	Weight	FY2024 target value	FY2024 result	Coefficient corresponding to achievement
Financial indicators	Business profit	60%	¥30.0 billion	¥30.8 billion	1.0
	ROE	10%	8%	6.5%	0.9
Non-financial indicators	GHG emissions reduction	10%	38%	45%	1.3
	CDP evaluation result	10%	A-	A-	1.0
	Ratio of female managers	10%	4%	4.25%	1.05

Analysis and Evaluation of the Effectiveness of the Board of Directors

We evaluate the effectiveness of the Board of Directors each year. We enhance the effectiveness of the Board of Directors by executing the PDCA cycle of conducting self-evaluations and aggregation of opinions based on a questionnaire survey of all members of the Board of Directors (Directors and Corporate Auditors), holding discussions and exchanges of opinions at meetings based on the analysis results of the survey, summarizing the evaluation results based on these discussions and setting the issues to be addressed, and implementing initiatives to resolve these issues at the Board of Directors.

The results of the analysis and evaluation of the effectiveness of the Board of Directors for FY2024 are summarized below.

1. Evaluation process & evaluation method

Date	Details
Dec. 2024	Outside Officers' Meeting - Progress check of improvements based on the previous fiscal year's effectiveness evaluation results - Discussion of implementation policy and method for FY2024 effectiveness evaluation - Decision to conduct self-evaluations based on questionnaire survey
Jan. 2025	Board of Directors - Confirmation of implementation policy and method for FY2024 effectiveness evaluation
Feb. 2025	Questionnaire survey conducted - Survey subjects: All Directors and Corporate Auditors - Survey contents: Composition of the Board of Directors, operation of the Board of Directors, agenda items, information provision (evaluated on a scale of 1 to 4) To ensure objectivity and transparency, opinions of external lawyers were taken into account when the survey was formulated
Apr. 2025	Management Committee (Full-time Directors) - Exchange of opinions based on the survey results Outside Officers' Meeting - Exchange of opinions based on the survey results
May 2025	Board of Directors - Summary of evaluation results - Identify new issues - Set policy for improvement initiatives

2. Outline of evaluation results and status of initiatives set out last fiscal year

As a result of the survey, we concluded that the operation of the Board of Directors maintains a certain level in both form and substance, and that its overall effectiveness was assured. In addition, regarding the initiative of “clarifying the process for setting the agenda” that was raised in the previous fiscal year, the following initiatives were implemented, and it was evaluated that overall improvements have been made.

Details of initiatives about “clarifying the process for setting the agenda”

- Revised some of the criteria for submitting proposals to the Board of Directors in order to enable more agile and flexible resolutions.
- Explained the progress of internal discussions at the Management Committee and the decision-making process for capital investment policies to Outside Officers at the Outside Officers' Meeting as well as shared the opinions of Outside Officers voiced at the Outside Officers' Meeting with all Internal Directors to ensure bidirectional information-sharing.

3. Newly identified issues and policy for initiatives to address these issues

As described above, we concluded the overall effectiveness of the Board of Directors was ensured, but in order to consolidate the initiatives made thus far, deepen discussions, enhance explanations, as well as further deepen the deliberations of the Board of Directors, we have decided to take the following actions: enhance the content of Board of Directors' materials, actively present themes that contribute to the medium- to long-term enhancement of corporate value, and further promote bidirectional information-sharing between Internal Directors and Corporate Auditors/Outside Officers.

Internal Control

We have systems in place for ensuring appropriate operations in accordance with our Business Philosophy. In accordance with our Basic Policy on Internal Control System (partially amended by resolution of the Board of Directors meeting held on February 28, 2023 to further promote the system based on the sustainability management and initiatives to strengthen governance) drawn up by the Board of Directors, we periodically review the systems and promote various activities to enhance internal control.

With respect to internal control over financial reporting, based on our Basic Rules and Regulations for Internal Control over Financial Reporting, we endeavor to enhance systems for ensuring the reliability of our financial reporting, appropriately operate internal control systems in terms of implementation, assessment, reporting, and correction, and ensure appropriate and timely disclosure of corporate information. The Comprehensive Guidelines for Internal Control in Consolidated Subsidiaries covers the items that subsidiaries are required to address in establishing their internal control systems and in their subsequent ongoing implementation of control activities.

The internal control over our financial reporting as of March 31, 2025 was assessed and deemed to be effective by internal auditing departments. In addition, as a result of the Accounting Auditor's audit, it was confirmed that the internal control report presents fairly the result of assessments of internal control over financial reporting.

[Basic Policy on Internal Control System](#)

Directors (as of June 24, 2025)

Directors and Corporate Auditors



Kazuhiko Fujiwara
Chairman of the Board of Directors and Representative Director

Apr 1980 Entered the Company
Jun 2009 General Manager of S-BIO Business Div.
Executive Officer

▼ more



Shinichi Kajiya
President and Representative Director

Apr 1989 Entered the Company
Apr 2017 General Manager, Information & Telecommunication Materials Div.
Apr 2019 Executive Officer
Apr 2022 Managing Executive Officer
Jun 2024 Senior Managing Executive Officer (to the present)

▼ more



Masayuki Inagaki
Representative Director, Executive Vice President

Overseeing Corporate Research & Development Div., Advanced Materials Research Laboratory, Bio & Science Research Laboratory, Corporate Production Management & Engineering Div., Corporate Engineering Center and Optical Circuit Business Development Dept.

▼ more



Takashi Kobayashi
Director, Senior Managing Executive Officer

Overseeing High-performance Plastics Segment
Apr 1987 Entered the Company
Sep 2007 President of Sumitomo Bakelite (Nantong) Co., Ltd.
Apr 2013 Executive Officer
Apr 2017 Managing Executive Officer
Jun 2018 Director (to the present)

▼ more



Keisuke Kurachi
Director, Senior Managing
Executive Officer

Overseeing Semiconductor Materials
Segment

- Apr 1985 Entered the Company
- Apr 2016 Executive Officer
Representative Director,
Kyushu Sumitomo Bakelite
Co., Ltd. (to the present)

▼ more



Toshiya Hirai
Director, Managing Executive
Officer

Overseeing Corporate General Affairs Div.,
Personnel Div., Corporate Planning Dept.,
Sustainability Promotion Dept., IT
Promotion Div., Osaka Office and Nagoya
Office.

In charge of Corporate Finance & Planning
Div., and Global Procurement Div.

▼ more



Kazuo Matsuda
Outside Director

- Apr 1971 Entered The Fuji Bank,
Limited (currently Mizuho
Bank, Ltd.)
- Apr 2000 Senior Managing Executive
Officer of Fuji Securities
Co., Ltd. (currently Mizuho
Securities Co., Ltd.)
- Oct 2000 Managing Executive Officer
of Mizuho Securities Co.,
Ltd.

▼ more



Etsuko Nagashima
Outside Director

- Oct 1978 Entered Deloitte Touche
Tohmatsu LLC
- Jul 1980 Entered Tsukeshiba CPA
Accounting Office
- Oct 1982 Certified Public Accountant
registration
- Jun 1988 Established Nagashima
CPA Accounting Office,
Representative (to the
present)

▼ more



Hiroyuki Wakabayashi
Outside Director

- Apr 1979 Entered DENSO
CORPORATION
- Jun 2006 Executive Director of
DENSO CORPORATION
- Jun 2013 Senior Executive Director,
Member of the Board of
DENSO CORPORATION
- Jun 2014 Director, Member of the
Board, Senior Executive
Director of DENSO
CORPORATION

▼ more



Yoshikazu Takezaki
Standing Corporate Auditor

- Apr 1985 Entered the Company
- Jun 2008 Manager of Human
Resources Development
Dept.
- Apr 2015 Executive Officer
- Apr 2021 Managing Executive Officer
- Jun 2023 Standing Corporate Auditor
(to the present)



Katsushige Aoki
Standing Corporate Auditor

- Apr 1986 Entered Sumitomo
Chemical Co., Ltd.
- Mar 2012 General Manager, Internal
Control and Audit Dept. of
Sumitomo Chemical Co.,
Ltd.
- Jun 2019 Standing Corporate Auditor
of the Company (to the
present)



Kazuhiko Yamagishi

Outside Corporate Auditor

- Apr 1984 Lawyer registration
- Sep 1995 New York State attorney registration
- Mar 1998 Partner of Asahi Law Offices (to the present)
- Jun 2015 Outside Corporate Auditor of New Cosmos Electric Co., Ltd. (to the present)
- Jun 2019 Outside Corporate Auditor of the Company (to the present)



Noriko Kawate

Outside Corporate Auditor

- Apr 1999 Entered Tohmatsu & Co. (Now Deloitte Touche Tohmatsu LLC)
- Jul 2001 Certified Public Accountant registration
- Apr 2003 Established Kawate CPA Office, Principal (to the present)
- Nov 2004 Certified Tax Accountant registration

▼ more

Executive Officer

Managing Executive Officer

Nobuyuki Sashida Makoto Suzuki Atsushi Tanaka Hisao Nakanishi Takeshi Saino

Executive Officer

Toshihide Kanazawa Yasuhisa Ikeyama Hiromi Oki Hiroshi Nomura Akiko Okubo Takeshi Mori Osamu Ohnishi
T suyoshi Marumo

Directors and Corporate Auditors Skills Matrix

Our Board of Directors is structured to include Inside Directors who have the knowledge, experience, and ability to fulfill their responsibilities to ensure the sustainable growth of the Company and increase its corporate value over the medium-to-long-term, and to supervise management's execution of operations. The Board also includes Outside Directors, who can be expected to express their opinions on Company policies and business execution based on their objective viewpoints. The following table sets forth the critical knowledge, experience, and abilities required by the Board of Directors and their relationship to each Director.

As of June 24, 2025

Name Position at the Company	Knowledge, experience, ability, etc.							
	Corporate management	Global	Sales and marketing	Manufacturing and production engineering	Research and Development	Sustainability and ESG	DX and information system	Finance and accounting
Kazuhiko Fujiwara Chairman of the Board of Directors and Representative Director	●				●	●		
Shinichi Kajiya President and Representative Director		●	●			●		
Masayuki Inagaki Representative Director, Executive Vice President				●		●	●	
Takashi Kobayashi Director, Senior Managing Executive Officer		●	●	●				
Keisuke Kurachi Director, Senior Managing Executive Officer		●		●	●			
Toshiya Hirai Director, Managing Executive Officer						●	●	●
Kazuo Matsuda Outside Director	●	●						●
Etsuko Nagashima Outside Director	●					●		●

Hiroyuki Wakabayashi Outside Director	●			●			●	
--	---	--	--	---	--	--	---	--

Note:

This table does not cover all of the knowledge, experience, abilities, etc. required of the Company's Board of Directors.

Key knowledge, experience, abilities, etc. of Directors are marked with ●.

Reasons for selection of key knowledge, experience, and abilities required by our Board of Directors

Corporate management	In order to realize our vision of being “a company providing dreams for the future” through creating value with our customers, the ability to view corporate management as a whole and formulate strategies to enable value creation is necessary. The Company, therefore, determined that the Board requires members with deep insight and experience in corporate management overall.	Research and Development	The source of value creation in manufacturing is innovative technology, and to continue to create such technology, the establishment of a strategic research and development framework that can tap into growth areas is necessary. The Company, therefore, determined that the Board requires members with deep insight into research and development.
Global	For the Company, which deploys its business globally, the ability to formulate appropriate strategies based on an understanding of the cultures and market attributes of each country and region is necessary. The Company, therefore, determined that the Board requires members with a global perspective and experience.	Sustainability and ESG	To contribute to the achievement of a sustainable society, the creation of environmental and social value by addressing various problems, such as climate change, is necessary. The Company, therefore, determined that the Board requires members with a working knowledge of sustainability, the environment, society, and governance.
Sales and marketing	To address customer needs and ensure our advantage in a competitive environment, the ability to understand customer and market trends on a deeper level and formulate appropriate sales strategies is necessary. The Company, therefore, determined that the Board requires members with extensive experience in sales and marketing.	DX and information system	In order to promote data-driven management, which forms the basis of prompt decision-making, while utilizing digital technology to drive more efficient research and development and manufacturing, and to advance business process reforms, the Company determined that the Board requires members with knowledge and experience in DX and information systems.
Manufacturing and production engineering	As a manufacturer, the efficient and stable provision of high-quality products is the foundation for value creation, and to maintain and reinforce this foundation, the optimization of the manufacturing process and the promotion of technological innovation are necessary. The Company, therefore, determined that the Board requires members with knowledge and experience in manufacturing and production engineering.	Finance and accounting	To maximize corporate value, an accurate understanding of the Company's financial situation, as well as the establishment of a sound financial foundation and the pursuit of capital efficiency are necessary. The Company, therefore, determined that the Board requires members with a deep understanding of financial strategies, including fund procurement and allocation, and accounting.

The Board of Corporate Auditors intends to maintain the diverse composition of members with appropriate experience and abilities, including a knowledge of finance, accounting, and legal affairs, and to conduct fair, impartial, and efficient auditing activities going forward. The correspondence between key knowledge, experiences, and abilities, etc. which the Board of Corporate Auditors requires and the respective Corporate Auditors are described below.

As of June 24, 2025

Name Position at the Company	Knowledge, experience, abilities				
	Corporate and organizational management	Finance and accounting	Legal affairs and compliance	Internal control and risk management	Global
Yoshikazu Takezaki Standing Corporate Auditor	●		●	●	
Katsushige Aoki Standing Corporate Auditor		●		●	●
Kazuhiko Yamagishi Outside Corporate Auditor			●	●	●
Noriko Kawate Outside Corporate Auditor		●	●	●	

Note: This table does not cover all of the knowledge, experience, abilities, etc. required of the Company's Board of Corporate Auditors.
 Key knowledge, experience, abilities, etc. of the Corporate Auditors are marked with ●.

Reasons for selection of key knowledge, experience, and abilities required by our Corporate Auditors

Corporate and organizational management	To conduct effective audits of business activities intended to sustainably enhance the Company's corporate value and the Directors and Board of Directors who oversee those business activities, it is extremely useful to have knowledge or experience of corporate management, organizational management, or operations that supports such management.
Finance and accounting	Sound financial foundations, effective business operations, and appropriate information disclosures are essential for enhancing corporate value, and high-level knowledge and experience in finance and accounting are extremely useful for auditing the appropriateness of these undertakings and auditing the activities of audit firms.
Legal affairs and compliance	We conduct diverse business activities globally, and the compliance risks are highly varied, and therefore, knowledge and experience of legal affairs and compliance are extremely useful for effectively auditing management of those risks.
Internal control and risk management	Appropriate governance systems, internal control systems, and risk management that also encompasses subsidiaries are essential for sustainable enhancement of corporate value, and knowledge and experience concerning internal control and risk management are extremely useful for effective audits of such systems and management.
Global	We conduct business activities globally in highly varied regions, and therefore, a global perspective and experience based on an understanding of the diverse cultures and environments acquired through overseas work and other means are extremely useful for undertaking audit activities.

Corporate Governance Report

📄 [Corporate Governance Report \(PDF 1,317KB\)](#) [Last Update: July 3, 2025]

Risk Management

Risk Management Structure

Our Group's risk management structure is described below.

● Sustainability Promotion Committee

We have established the Sustainability Promotion Committee as the parent body for conducting our Group's sustainability activities on a continuous, Group-wide basis. It approves the policies, plans, results, items, and figures to be published externally by the Risk Management Committee, which is a subordinate committee, and reports that information to the Board of Directors.

● Risk Management Committee

The Risk Management Committee identifies major risks that could have a serious impact on our business performance, confirms the validity of response measures to major risks, and gives instructions on what additional measures should be considered to our departments that oversee risk and each business division. The members of the Risk Management Committee consist of the President, Senior Executive Officers in charge of business and corporate divisions, and the heads of departments that oversee risk. For information about activities of the Risk Management Committee, see [“Detailed Data Related to Sustainability \(Governance\) > Risk Management.”](#)

● Divisions That Oversee Risk

When it comes to risk oversight, the departments that oversee risk draft and promote response measures for our Group as a whole by coordinating with each business division. These departments that oversee risk include the Corporate General Affairs Division, Personnel Division, Corporate Finance & Planning Division, Production Management & Engineering Division, Research & Development Division, IT Promotion Division, and Global Procurement Division.

● Each Business Division

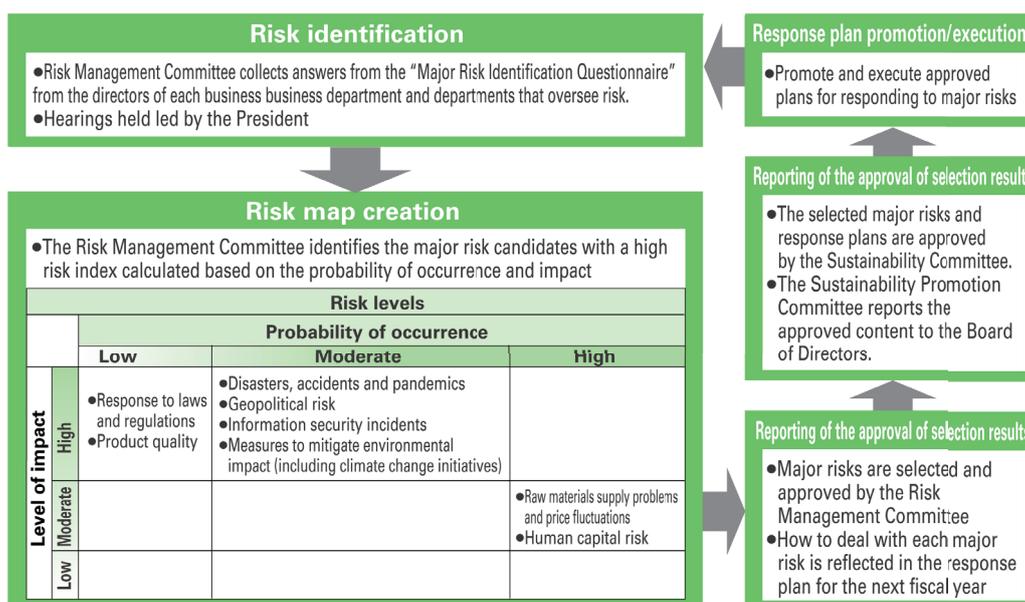
As part of their original business operations, the Group's sales departments, plants, R&D departments, and other business divisions take various measures to properly manage the risks associated with the execution of their own business operations.

In addition to the above, the Group has established a corporate governance system and has developed and operated an internal control system, including risk management as described [“Corporate Governance.”](#)



Major Risk Selection and Approval Process

The selection and approval of major risks in the Group is conducted once a year. The process is as follows.



● Guidelines for Selecting the Degree of Probability of Occurrence

Levels	Guidelines for selecting the level of probability of occurrence
Probability of occurrence Low	Approximately once every 100 years to once every 10 years
Probability of occurrence Moderate	Approximately once every few years to once every year
Probability of occurrence High	Twice or more each year

● Guidelines for selecting level of impact

Levels	Guidelines for selecting the level of impact (If more than one of the following applies, select the item with the highest level of impact)			
	Monetary impact	Human life	Reputation	Impact on operations
Level of impact Low	to ¥50 million	Injuries or illnesses requiring medical attention occur	Resolved through routine daily management	Affects operations for a few days at one location only
Level of impact Moderate	¥50 million to ¥1.0 billion	Injuries or illnesses requiring hospitalization occur	Minor coverage (in a negative way) in conventional and online mass media Trust is partially diminished among business partners and consumers	Affects operations for several weeks at one location only Affects operations for multiple days at multiple locations
Level of impact High	¥1.0 billion -	One or more deaths occur Numerous cases of injury and/or sickness occur	Major coverage (in a negative way) in conventional and online mass media Trust is considerably diminished among business partners and consumers	Affects operations for several months at one location only Affects operations for multiple weeks at multiple locations

Major Risk Content, Potential Impacts, and Responses

Based on the above-mentioned major risk selection process, the Group has identified the following major risks that could have a significant impact on the Group's business, and by viewing these as opportunities and promoting responses, the Group will create value in the future.

The 8 major risks selected in FY2024 that must be addressed in FY2025 are: (1) disasters, accidents, and pandemics, (2) geopolitical risk, (3) information security incidents, (4) measures to mitigate environmental impact (includes climate change), (5) compliance with laws and regulations, (6) product quality, (7) raw materials supply problems and price fluctuations, and (8) human capital risk.

Of these, the risks associated with climate change are (1) disasters, accidents and pandemics, (4) measures to mitigate environmental impact (including responses to climate change), (5) compliance with laws and regulations, and (7) raw material supply problems and price fluctuations.

Risks	Details and potential impacts of risks	Responses and opportunities						
<p>Disasters, accidents, and pandemics</p> <table border="1"> <tr> <td>Time frame</td> <td>Undetermined</td> </tr> <tr> <td>Probability of occurrence</td> <td>Moderate</td> </tr> <tr> <td>Level of impact</td> <td>High</td> </tr> </table> <p>🔗 Business Continuity Plan (BCP)</p>	Time frame	Undetermined	Probability of occurrence	Moderate	Level of impact	High	<p>Details</p> <ul style="list-style-type: none"> ● Earthquakes, explosions, fires, storm and flood damage, and pandemics <p>Impacts</p> <ul style="list-style-type: none"> ● Impediments to product supply due to personal injury to neighbors and employees, damage to plant/equipment, or disruptions of electricity, gas, water, or telecommunications services, and impediments to continued business activities due to supply chain disruptions ● Claims for substantial damage, etc. 	<p>Responses</p> <ul style="list-style-type: none"> ● Formulation of a BCP, annual validation of countermeasures, revision of BCP and ongoing training ● Implementation of measures for reduced production and continuity assurance by securing adequate inventories, establishing redundancy with our production systems, and augmenting spare parts supplies ● Elucidate causes, formulate countermeasures, and deploy countermeasures throughout the Group to prevent explosions and fires, and continue operating the predictive management system for abnormalities <p>Opportunities</p> <ul style="list-style-type: none"> ● Expansion and continuation of transactions with customers through improved BCP response
Time frame	Undetermined							
Probability of occurrence	Moderate							
Level of impact	High							
<p>Geopolitical risk</p> <table border="1"> <tr> <td>Time frame</td> <td>Undetermined</td> </tr> <tr> <td>Probability of occurrence</td> <td>Moderate</td> </tr> <tr> <td>Level of impact</td> <td>High</td> </tr> </table>	Time frame	Undetermined	Probability of occurrence	Moderate	Level of impact	High	<p>Details</p> <ul style="list-style-type: none"> ● Suspension of import/export transactions or settlement of funds due to strengthened economic security policies in each country; outbreak of wars and conflicts <p>Impacts</p> <ul style="list-style-type: none"> ● Criminal penalties, administrative penalties, civil lawsuits, and loss of trust due to inability to respond to unforeseeable changes ● Impediments to business continuity due to threats to employee lives and assets, or disruption of logistics, procurement, or infrastructure 	<p>Responses</p> <ul style="list-style-type: none"> ● Collection of information from experts and government agencies to prepare or enhance the effectiveness of risk management manuals at overseas sites ● Collection of information about import/export control and economic sanctions, and utilizing multi-fabrication and multi-sourcing to reduce or minimize impacts
Time frame	Undetermined							
Probability of occurrence	Moderate							
Level of impact	High							
<p>Information security incidents</p> <table border="1"> <tr> <td>Time frame</td> <td>Undetermined</td> </tr> <tr> <td>Probability of occurrence</td> <td>Moderate</td> </tr> <tr> <td>Level of impact</td> <td>High</td> </tr> </table> <p>🔗 Information Security</p>	Time frame	Undetermined	Probability of occurrence	Moderate	Level of impact	High	<p>Details</p> <ul style="list-style-type: none"> ● Principal systems failure or stoppage, or leakage of confidential information held by our Company due to cyber attack <p>Impacts</p> <ul style="list-style-type: none"> ● Loss of trust, disorder or disruption of business activities, and costs incurred for compensating business partners, etc. 	<p>Responses</p> <ul style="list-style-type: none"> ● Establishment of cross-organizational body "SUMIBE-CSIRT," and of a framework for coordination of response between management and external organizations in times of emergency ● Implementation of measures such as improving vulnerability response, detecting risks through the introduction of remedial products, security evaluations conducted by external organizations, and constantly monitoring against cyber-attacks ● Strengthening prevention and promoting awareness through regular information security education for all Directors, Officers, and employees in Japan and abroad ● Promotion of acquisition of Registered Information Security Specialist certification to improve the skill sets of our information security staff, and deploy and train information security personnel for work at overseas sites <p>Opportunities</p> <ul style="list-style-type: none"> ● Expansion and continuation of transactions with customers by maintaining and improving the information security management system
Time frame	Undetermined							
Probability of occurrence	Moderate							
Level of impact	High							
<p>Measures to mitigate environmental impacts</p> <table border="1"> <tr> <td>Time frame</td> <td>Medium- to long-term</td> </tr> <tr> <td>Probability of occurrence</td> <td>Moderate</td> </tr> <tr> <td>Level of impact</td> <td>High</td> </tr> </table> <p>🔗 Environmental Management</p>	Time frame	Medium- to long-term	Probability of occurrence	Moderate	Level of impact	High	<p>Details</p> <ul style="list-style-type: none"> ● Climate change issues (strengthening greenhouse gas emissions regulations, carbon pricing, etc.) <p>Impacts</p> <ul style="list-style-type: none"> ● Exclusion from markets due to delay of countermeasures 	<p>Responses</p> <ul style="list-style-type: none"> ● Acceleration of efforts to reduce greenhouse gas emissions (Targets for 2030: reduce Scope 1+2 emissions by 48% and Scope 3 emissions by 25% compared to FY2021) by expanding the switch to electricity from renewable energy sources, expanding the introduction of solar power systems, promoting actions to improve process efficiency, and working with our supply chain to reduce emissions ● Proactive participation in industry projects, and programs linking industry, academia, and government, as well as development of the innovative technologies needed to reduce environmental impact ● Efforts to achieve SDG-contributing product sales revenue ratio targets ● Scenario analysis of our key business areas by TCFD Task Team <p>Opportunities</p> <ul style="list-style-type: none"> ● Increased demand for SDG-contributing products
Time frame	Medium- to long-term							
Probability of occurrence	Moderate							
Level of impact	High							

<p>Compliance with laws and regulations</p> <table border="1"> <tr> <td>Time frame</td> <td>Undetermined</td> </tr> <tr> <td>Probability of occurrence</td> <td>Low</td> </tr> <tr> <td>Level of impact</td> <td>High</td> </tr> </table> <p>➤ Compliance</p>	Time frame	Undetermined	Probability of occurrence	Low	Level of impact	High	<p>Details</p> <ul style="list-style-type: none"> ● Significant changes to laws and regulations that are closely connected to the business activities of our Group as a manufacturer of functional chemical products <p>Impacts</p> <ul style="list-style-type: none"> ● New costs for measures to deal with changes in laws and regulations ● Loss of trust, or major losses due to criminal penalties, surcharges, and civil litigation when laws or regulations are violated 	<p>Responses</p> <ul style="list-style-type: none"> ● Minimization of the risks of compliance violation, promotion of development of a compliance system, and promotion of awareness of compliance by the Compliance Committee ● Development of systems by individual departments that oversee risk, implementation of education, guidance and support to business divisions, and monitoring by internal auditing departments ● Risk reduction through the operation and maintenance of management systems that can stay up to date with the latest chemical substance regulations in each country ● Operation of a Compliance Reporting System that allows not only directors, officers, and employees but also stakeholders to report issues <p>Opportunities</p> <ul style="list-style-type: none"> ● Expansion and continuation of transactions with customers by complying with laws and regulations, establishing compliance systems, and maintaining and improving operations
Time frame	Undetermined							
Probability of occurrence	Low							
Level of impact	High							
<p>Product quality</p> <table border="1"> <tr> <td>Time frame</td> <td>Undetermined</td> </tr> <tr> <td>Probability of occurrence</td> <td>Low</td> </tr> <tr> <td>Level of impact</td> <td>High</td> </tr> </table> <p>➤ Product Liability/Quality Assurance</p>	Time frame	Undetermined	Probability of occurrence	Low	Level of impact	High	<p>Details</p> <ul style="list-style-type: none"> ● Large-scale product incidents ● Advancement of quality control standards required by customers after launch due to advances in science and technology and changes in customer markets and usage methods <p>Impacts</p> <ul style="list-style-type: none"> ● Negative effects on business performance due to loss of trust, ma or costs due to recalls, compensation for damage, etc. ● Occurrence of unforeseeable quality problems due to advancement of quality management standards 	<p>Responses</p> <ul style="list-style-type: none"> ● Creation of a product quality management framework that is consistent from design management to manufacturing and sales, and adheres to manuals compliant with international quality management standards ● Annual verification of quality management status by qualified experts, and identification of potential quality risks and mitigation response using FMEA and FTA ● Elimination of human variables and enhancement of traceability using AI/IoT technology at major domestic plants, and expansion to main overseas plants ● Establishment of a system that can centrally manage quality issues that occur at all domestic and overseas business sites, and verification of effectiveness of response/measures to address quality issues <p>Opportunities</p> <ul style="list-style-type: none"> ● Expansion and continuation of transactions with customers by maintaining and improvinq quality control systems
Time frame	Undetermined							
Probability of occurrence	Low							
Level of impact	High							
<p>Raw materials supply problems and price fluctuations</p> <table border="1"> <tr> <td>Time frame</td> <td>Short-term</td> </tr> <tr> <td>Probability of occurrence</td> <td>High</td> </tr> <tr> <td>Level of impact</td> <td>Moderate</td> </tr> </table> <p>➤ Sustainable Procurement</p>	Time frame	Short-term	Probability of occurrence	High	Level of impact	Moderate	<p>Details</p> <ul style="list-style-type: none"> ● Withdrawal from business by raw material manufacturers due to reconsideration of business portfolio ● Geopolitical factors such as conflicts in various regions and supply problems caused by natural disasters ● Supply concerns stemming from the 2024 logistics problem, revisions to laws and regulations, and tighter environmental regulations ● Increase in raw material prices due to the weak yen and interlocking of prices in the crude oil and nonferrous metals markets <p>Impacts</p> <ul style="list-style-type: none"> ● Declining sales, deteriorating profitability, and hindrance to business continuity 	<p>Responses</p> <ul style="list-style-type: none"> ● Risk reduction through procuring important raw materials from multiple sources, ensuring adequate inventories, etc. ● Implementation of BCP measures and planning for suppliers of important raw materials in Japan; Working to ensure the availability of substitute products and safety inventory for suppliers of important raw materials in the Europe and North America and China ● Confirmation of BCP measures when new raw materials are adopted, and risk reduction by setting a standard of adoption that ensures materials do not contain prohibited substances ● Application of the formula system for principal raw materials (automatically reflecting raw material price fluctuations in product prices) <p>Opportunities</p> <ul style="list-style-type: none"> ● Expansion and continuation of transactions with customers through improved BCP response
Time frame	Short-term							
Probability of occurrence	High							
Level of impact	Moderate							
<p>Human capital risk</p> <table border="1"> <tr> <td>Time frame</td> <td>Medium- to long-term</td> </tr> <tr> <td>Probability of occurrence</td> <td>High</td> </tr> <tr> <td>Level of impact</td> <td>Moderate</td> </tr> </table> <p>➤ DE&I</p> <p>➤ Employment and Human Resource Development</p>	Time frame	Medium- to long-term	Probability of occurrence	High	Level of impact	Moderate	<p>Details</p> <ul style="list-style-type: none"> ● Inability to secure and maintain the necessary human resources due to the decline in the labor force caused by the declining birthrate and aging population ● Inability to flexibly manage organizations in an era where making future predictions is difficult ● Inability to secure the human resources necessary to promote digital transformation ● Suspension, stagnation, and delay of important operations due to the turnover of key personnel/talented employees and recruitment delays <p>Impacts</p> <ul style="list-style-type: none"> ● Obstruction of business continuity 	<p>Responses</p> <ul style="list-style-type: none"> ● Creation of innovation through the active participation of diverse human resources through the promotion of DE&I ● Enhancement of management education and expansion of education using 360° assessment to strengthen management-level leadership and improve individual and organizational performance ● Promotion of hybrid recruitment (new graduate and mid-career hires) ● Expansion of education courses related to data science utilization and digital transformation promotion, introduction of an in-house certification system for data scientists, and development of human resources capable of using data through various types of education ● Implementation of necessary measures based on the analysis results of the engagement survey to improve employee engagement and performance
Time frame	Medium- to long-term							
Probability of occurrence	High							
Level of impact	Moderate							

The major risks listed above are not an exhaustive list of all risks faced by our Group, as other are other risks that are difficult to foresee. Please also refer to the Securities Report for information on individual risks and how we handle them, as well as opportunities.

➤ [Securities Report \(Japanese language\)](#)

Business Continuity Plan (BCP)

Of the foreseeable disasters and accidents that could occur, we regard earthquakes; explosions, fires, and leaks; storm and flood damage; and pandemics as major emergencies. We prepare BCP designed to ensure the continuity of business when such emergencies occur, and share these with our clients as needed. Thus far, we have implemented measures such as ensuring adequate inventories of products and raw materials, ensuring redundancy with our production systems, augmenting our supplies of spare parts, and systematizing our restoration structures. With the cooperation of our suppliers, we are also confirming BCP upstream in the supply chain and examining additional countermeasures, while expanding the introduction of a predictive management system for abnormalities based on AI and IoT technologies as a preventive measure against fires and explosions that could occur in our Group.

Our response to COVID-19 has included the establishment of a COVID-19 Emergency Taskforce and a countermeasures secretariat at our head office, which operated flexibly as we deliberated measures to be taken in response to the state of the contagion, such as issuing notices as appropriate. We also consider the operation of these two bodies in revising our Companywide COVID-19 Infection Countermeasures Manual as needed. We also referred to this manual in our work of formulating a response framework and action plan for each of our subsidiaries in consideration of the differences in laws, regulations, and industry rules for the country in which each was located.

We recognize that the frequency with which disasters and incidents that we regard as major emergencies occur, as well as the magnitude and extent of their impacts, is changing every year as a result of advances in science and technology and the effects of climate change. As such, every year we verify the adequacy of our BCPs based on the latest information. Moving forward, we will continue to reassess our BCPs and provide training.

Compliance

- [✔ Policy and Basic Approach](#)
- [✔ Systems \(Governance\)](#)
- [✔ Risk Management](#)
- [✔ Metrics and Targets](#)
- [✔ Compliance Training](#)
- [✔ Compliance Slogans](#)
- [✔ Compliance Awareness Using Comics](#)
- [✔ Anti-Corruption](#)
- [✔ Compliance with Competition Laws](#)
- [✔ Audit/Monitoring](#)
- [✔ Whistleblowing System](#)

Policy and Basic Approach

Our Group recognizes that it is extremely important to comply with laws, regulations, and corporate ethics when conducting business activities, and therefore our Group pursues management that emphasizes compliance.

We have established Our Code of Conduct, a standard of conduct to ensure that our Group conducts its business activities without error, and the Code of Ethics for Group of Sumitomo Bakelite Co., Ltd., a specific code of ethics and code of for compliance with laws and regulations and corporate ethics to be followed by Directors and employees of our Group companies as they carry out their business activities.

For the contents of major compliance policies such as Our Code of Conduct and Code of Ethics for Group of Sumitomo Bakelite Co., Ltd., see the following link.

- [➤ Our Code of Conduct, Code of Ethics for Group of Sumitomo Bakelite Co., Ltd.](#)

Systems (Governance)

We established the Compliance Committee to minimize the risks of compliance violations at our Group, to promote the creation of structures for compliance, and to promote activities to raise awareness of compliance. The Compliance Committee checks for compliance violations that could have a serious impact on business.

For the information on the status of Compliance Committee activities and whether there have been any cases of compliance violations that could have a serious impact on business, see the following link.

- [➤ Detailed Data Related to Sustainability \(Governance\) > Compliance](#)



Risk Management

The identification, assessment, and management of risks and opportunities related to compliance pertaining to our Group are carried out in accordance with the risk management system and risk management process described on the following link.

- [➤ Risk Management](#)

Metrics and Targets

We have selected compliance as one of our Group's material issues, and set the compliance training participation rate and the number of serious compliance violations as KPIs.

- [✔ Material Issues](#)
- [✔ Detailed Data Related to Sustainability \(Governance\) > Compliance](#)

Key Initiatives

Compliance Training

As part of Compliance Enhancement Month held yearly in October, all Officers and employees of the Group (including contract, temporary, commissioned, dispatched, seconded, part-time, and short-term employees) are invited to participate in e-learning or workplace-based training that focuses on the content of Our Code of Conduct and the Group Code of Ethics (including the prohibition of corruption, cartels, discrimination, and harassment), and provide an overview of the whistleblowing system.

In addition, we provide compliance training for new employees and compliance training in individual fields (personal information management, security export control, subcontract law, etc.) as appropriate.

For more information on the results of our compliance training, see the following link.

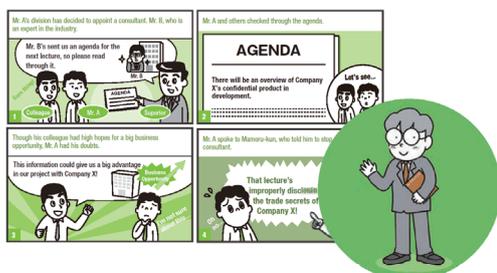
[Detailed Data Related to Sustainability \(Governance\) > Compliance](#)

Compliance Slogans

At each department's workplace, we have established Compliance Slogans, which are important compliance-related items that are appropriate for each department's daily work. These items may differ for each department, but we strive to make employees aware of them by posting them in the workplace and having them recite them regularly. Our Group companies, in Japan and overseas, also undertake similar activities.

Compliance Awareness Using Comics

Our monthly in-house newsletter contains an article titled "The Way to Become a Compliance Master!" This is an easy-to-understand explanation of compliance based on a four-panel comic, and we have also published two booklets summarizing the serialized articles so far. These booklets are distributed to employees and used for compliance awareness.



Comic character "Mamoru-kun"

He's a very active mid-level employee, and everyone relies on him. Mamoru-kun is able to offer appropriate advice throughout the Company as a compliance master, which is especially appreciated given the spate of corporate scandals hitting Japan recently.

Anti-Corruption

We have established the Anti-Bribery Policy of Group of Sumitomo Bakelite Co., Ltd. and the Basic Rules and Regulations for Bribery Prevention for Group of Sumitomo Bakelite Co., Ltd., thereby establishing standards of conduct and compliance for Officers and employees, as well as a zero-tolerance approach to bribery and extortion of benefits. We advance anti-bribery initiatives based on the anti-bribery laws and regulations in the countries where our Group companies are located, and the level of bribery risk in each country and business field. Furthermore, the Code of Ethics for Group of Sumitomo Bakelite Co., Ltd. prohibits corrupt acts such as embezzlement, breach of trust, money laundering, and insider trading, which constitute abuse of authority or position in one's duties for personal or organizational gain. These corrupt acts are also prohibited by the employment rules and other internal rules of individual Group companies.

For Anti-Bribery Policy of Group of Sumitomo Bakelite Co., Ltd., Basic Rules and Regulations for Bribery Prevention for Group of Sumitomo Bakelite Co., Ltd., and various data related to anti-corruption, see the following links.

[Anti-Corruption](#)

[Detailed Data Related to Sustainability \(Governance\) > Compliance](#)

Compliance with Competition Laws

In the Code of Ethics for Group of Sumitomo Bakelite Co., Ltd., the Group stipulates compliance with trade regulations under Competition Law (Antimonopoly Law). The Group also prohibits cartels or bid-rigging with competitors, demands on dealers, etc. to maintain resale prices (unless otherwise permitted by law), and unreasonable demands on business partners abused of a dominant position.

Furthermore, as part of our program to comply with competition laws, we operate the Price Deliberation Committee, the approval procedures for price determination and revision, and the approval procedures for interviews with competitors.

Audit/monitoring

In accordance with the Basic Policy on Internal Control System, the Internal Auditing Regulations, the Basic Rules and Regulations for Internal Control over Financial Reporting, the 'Monozukuri' Auditing Regulations, the Security Trade Control Regulations, and other company regulations, the Internal Audit Department, Production Management & Engineering Division, and other departments involved in internal auditing audit and assess the compliance of the Company and our Group companies, both in Japan and overseas. This is done mainly by means of site audits, at the actual sites, and written audits, via inspections of the results of self-audits, by the departments being audited.

Audits and assessments are conducted with monitoring from the standpoint of whether the operations of departments are in compliance with relevant laws and conform to various standards. Departments where issues are identified are required to submit written reports detailing actions taken to resolve the issues.

For more information on the results of our internal audits, see the following links.

[Detailed Data Related to Sustainability \(Governance\) > Compliance](#)

['Monozukuri' Audit \(Product Safety and Quality Assurance\)](#)

Whistleblowing System

We have established an internal whistleblowing system (which has been designated as the "Compliance Reporting System" at our Group). Under this system, employees can report to an internal contact point (GM of the Internal Audit Department) or an external contact point (Legal Counsel) when they have discovered a compliance violation or suspect there may have been such a violation, in an effort to promptly detect and preemptively prevent compliance violations. In addition to our Group's Directors, Officers and employees, our Group's stakeholders including those who have left the Company, those going through the recruitment process, and business partners can also report incidents. The privacy of whistleblowers is rigorously protected to ensure that they are not placed at a disadvantage as a consequence of reporting violations.

Moreover, some of our Group companies have established their own unique internal whistleblowing systems, which are distinct from our Group-wide Compliance Reporting System, by taking into consideration factors such as the legal requirements of the country in which they are located, their company size, and so forth.

For details related to the Group-wide Compliance Reporting System and reports to the internal whistleblowing system, see the following links.

[The Group's Compliance Reporting System](#)

[Detailed Data Related to Sustainability \(Governance\) > Compliance](#)

Anti-Corruption

Anti-Bribery Policies and Initiatives

We have established the Anti-Bribery Policy of Group of Sumitomo Bakelite Co., Ltd. and the Basic Rules and Regulations for Bribery Prevention for Group of Sumitomo Bakelite Co., Ltd., thereby establishing standards of conduct and compliance for Officers and employees, as well as a zero-tolerance approach to bribery and extortion of benefits. We advance antibribery initiatives based on the anti-bribery laws and regulations in the countries where our Group companies are located, and the level of bribery risk in each country and business field.

Anti-Bribery Policy of Group of Sumitomo Bakelite Co., Ltd.

- (1) Each Officer or employee of the Group must comply with the Anti-Bribery Laws and Regulations.
- (2) Each Officer or employee of the Group must not, either directly or through third parties, such as Agents, provide any bribe or conduct any Provision of Goods, Money, or Other Benefits to any Public Officer for the purpose of obtaining any "Wrongful Gain in Business."
- (3) Each Officer or employee of the Group must not make any demand to any of our business partners for the Provision of Goods, Money, or Other Benefits.
- (4) If any business partner makes an offer to provide a gift or entertainment to any Officer or employee of the Group, and if that gift or entertainment is excessive considering ordinary social norms in business practices, then that Officer or employee of the Group must decline that offer.
- (5) Each company of the Group must make ongoing efforts to develop and operate an appropriate anti-bribery and compliance system in accordance with the Anti-Bribery Laws and Regulations of the country where the relevant company is located and the degree of bribery risk in the country where the relevant company is located and the business fields of the relevant company.

This "Anti-Bribery Policy of Group of Sumitomo Bakelite Co., Ltd." was established after approval by the Company's Compliance Committee and reporting to the Company's Board of Directors.

Basic Rules and Regulations for Bribery Prevention for Group of Sumitomo Bakelite Co., Ltd.

As the framework common across each company of our group in relation to (a) codes of conduct and matters to be observed by the Officers and employees of the Group when they encounter bribery or any act that may constitute bribery and (b) measures to be taken and efforts to be made by each company of our Group, our Group has established the "Basic Rules and Regulations for Bribery Prevention for the Group of Sumitomo Bakelite Co., Ltd."

➤ [Basic Rules and Regulations for Bribery Prevention for Group of Sumitomo Bakelite Co., Ltd.](#)

Other Anti-Corruption Policies and Initiatives

The Code of Ethics for Group of Sumitomo Bakelite Co., Ltd. prohibits corrupt acts such as embezzlement, breach of trust, money laundering, and insider trading, which constitute abuse of authority or position in one's duties for personal or organizational gain. In addition, these corrupt acts are also prohibited as necessary in the employment rules and other internal rules of each Group company.

Code of Ethics for Group of Sumitomo Bakelite Co., Ltd. (excerpt)

III-4 Compliance with Money Laundering and Terrorist Financing Regulations

- We will comply with the applicable laws and regulations that regulate money laundering and terrorist financing. We will exercise due caution in order to prevent our group from being used for money laundering or terrorist financing in the course of doing business.
- We will never accept unreasonable demands by organized crime groups or other anti-social forces. We will never utilize anti-social forces. We will exercise due caution in order to prevent our group from being used by anti-social forces in the course of doing business.

III-7 Prevention of Insider Trading

- We will not conduct insider trading of our company's or other companies' stocks, etc. either by ourselves or through others (such as our relatives, friends, etc.) from the time we become aware of undisclosed information that may have a material impact on the stock prices, etc. of our company or other companies (insider information), until the official announcement of such insider information. In addition, we will not share insider information regarding our company or other companies with any persons other than those who need to know such information to conduct our business.

IV-1 Restrictions on Competitive Activities and Conflict-of-Interest Transactions

- We strive to act and make decisions in the best interests of our group in the conduct of our business. We do not engage in competitive activities or conflict-of-interest transactions that place the interests of ourselves, our relatives and friends above those of our group in the conduct of our business.

- We will not engage in any competitive activities or conflict-of-interest transactions (typical examples include, but are not limited to, the following) without the prescribed prior approval procedures.

Example of competitive activities:

- Becoming Executive Director, Officer, employee, or consultant to one of our group's competitors or business partners Example of conflict-of-interest transactions:

Example of conflict-of-interest transactions:

- Giving work to any entity that is owned or managed, directly or indirectly, by ourselves or friends and relatives
- We will not receive kickbacks by giving preferential terms to our business partners or unfairly raising prices.

IV-2 Prohibition of Misappropriation of Company Assets

- We will not use company assets (cash, deposits, securities, cash vouchers, products and raw materials, automobiles, office equipment, IT equipment, facilities equipment, etc.), whether tangible or intangible, for personal use or for any other improper use.

➤ [Code of Ethics for Group of Sumitomo Bakelite Co., Ltd.](#)

Whistleblowing System against Corruption

Our Group's Compliance Reporting System as an whistleblowing system covers corrupt practices such as bribery, embezzlement, breach of trust, money laundering, and insider trading. For more information on Our Group's Compliance Reporting System, see the following link.

➤ [The Group's Compliance Reporting System](#)

Disciplinary Actions and Fines Related to Corruption

For the number of convictions, amount of fines, penalties, and settlement money, and number of cases that resulted in dismissal or disciplinary action that our Group's Officers and employees who participated in bribery or corruption, see the following link.

➤ [Data > Detailed Data Related to Sustainability \(Governance\)](#)

The Group's Compliance Reporting System

Compliance Reporting System of Group of Sumitomo Bakelite Co., Ltd.

Introduction

To detect and prevent non-compliance at an early stage, the Group of Sumitomo Bakelite Co., Ltd. (Our Group) has introduced a whistleblowing system (known as the Compliance Reporting System in our Group) that allows you to report non-compliance or the threat of non-compliance to an internal whistleblower contact or external whistleblower contact.

Summary of Compliance Reporting System

What can be reported to this "Compliance Reporting System"?

Act or omission that violates compliance (laws, company rules, or "Code of Ethics for the Group of Sumitomo Bakelite Co., Ltd.") or act or omission that may lead to such violation

Who can use this "Compliance Reporting System"?

- All Directors, Officers, employees (including contract, temporary, commissioned, dispatched, seconded, part-time, and short-term employees) in Group companies of Sumitomo Bakelite Co., Ltd.
- Stakeholders of group companies of Sumitomo Bakelite Co., Ltd. (including retired employee, applicants for employment, and business partners)

Who are the "Reporting Contacts"?

You can choose to report to either of the following Reporting Contacts.

• Internal Reporting Contact

General Manager, Internal Audit Dept. of Sumitomo Bakelite Co., Ltd.

E-mail : compliance@ml.sumibe.co.jp

(This E-mail will be automatically forwarded only to General Manager, Internal Audit Dept.)

Address : 5-8, Higashi-Shinagawa 2-chome, Shinagawa-ku, Tokyo 140-0002, Japan

• External Reporting Contact

Nakajima Transactional Law Office

Attn: Attorney-at-law in charge of "Compliance Reporting System" of Sumitomo Bakelite Co., Ltd.

E-mail : sumibe-compliance@galaxy.ocn.ne.jp

Address : Kasumigaseki Building 24F 2-5, Kasumigaseki 3-chome Chiyoda-ku, Tokyo, 100-6024, Japan

How can you contact Reporting Contact for "Compliance Reporting System"?

- If you need to make a Whistleblowing report, you can fill out "Compliance Reporting Form" (please download from the following link) and send it to Reporting Contact by e-mail or mail.
- You can also make a Whistleblowing report anonymously.
- However, we recommend that you make a report under your own name. This is because anonymity limits the ability to investigate and take corrective action.

📄 [Compliance Reporting Form](#)

Receipt, reporting, investigation, etc.

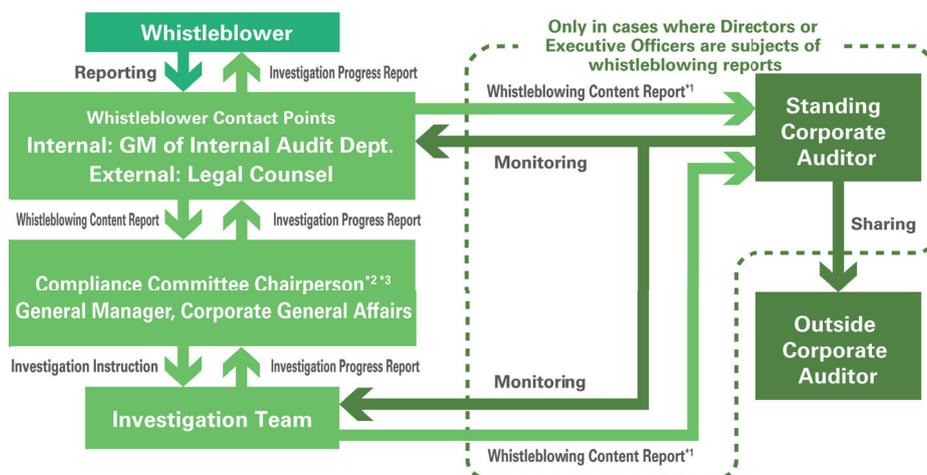
- Upon receiving a whistleblower's report, the Reporting Contact will report it to the Chairperson of Compliance Committee* and the General Manager of Corporate General Affairs of Sumitomo Bakelite Co., Ltd. Following this, the Chairperson of Compliance Committee* directs an Investigation Team consisting of members of the relevant departments to investigate the incident and consider countermeasures.
- If any of the Reporting Contact, Chairperson of Compliance Committee*, General Manager of the Corporate General Affairs Division, or member(s) of the Investigation Team has an interest in the incident that is the subject of the above investigation, he/she will be excluded from the above reporting or investigation.
- If and to the extent that Director(s) or Executive Officer(s) of Sumitomo Bakelite Co., Ltd. has an interest in the facts that are the subject of an investigation, in order to ensure independence from Director(s) or Executive Officer(s), the contents of Whistleblowing reports, investigations, etc. will be monitored by the Standing Corporate Auditors of Sumitomo Bakelite Co., Ltd. At that time, information that

could lead to the identification of the whistleblower will be removed by means of anonymization, etc., and then the contents of the Whistleblowing report and the contents of the investigation will be shared with the Standing Corporate Auditors.

- Except in cases where whistleblower cannot be contacted due to anonymous reporting or other due reasons, whistleblower will be informed of the receipt of reporting, the results of the investigation and the measures to be taken.

* If the Chairperson (President) is the subject of the report, the Vice Chairperson will act for the Chairperson.

Compliance Reporting System Response Flow



*1 Information that can identify the whistleblower is removed from the report.

*2 President

*3 If the chairperson is the subject of the report, the vice chairperson will act for the chairperson.

* If any member of the reporting contact point, Compliance Committee Chairperson, General Manager of Corporate General Affairs, or a member of the investigation team has an interest in the facts under investigation, they are excluded from the reporting and information sharing.

* The Investigation Team may report the progress of the investigation directly to the whistleblower after obtaining the approval of the whistleblower.

Confidentiality

- Reporting Contact, Chairperson of Compliance Committee, General Manager of the Corporate General Affairs Division, or member(s) of the Investigation Team will not share or disclose any information that may lead to the identification of whistleblower(s), except for the minimum number of people deemed necessary for the investigation and taking corrective measures. In addition, they will not use such information for any purpose other than that necessary for the investigation and taking corrective measures.

Prohibition of searching and detrimental treatment

- Searching for the identity of the whistleblower is strictly prohibited.
- Detrimental treatment (for example, dismissal, disciplinary action, demotion, pay reduction, detrimental reassignment/secondment/transfer, recommendation to resign, refusal to renew a labor contract, and de facto harassment) of the whistleblower and/or anyone who cooperates with the investigation is strictly prohibited for they making a report or cooperating with an investigation.
- Any Officer or employee of our Group who violates the above prohibition matters will be disciplined in accordance with each company's labor regulations and/or other internal rules governing disciplinary action.

Prohibition of reporting for fraudulent purposes

- Reporting for the purpose of fraud (e.g., false reporting or reporting for the purpose of defaming others) is strictly prohibited. On the other hand, our Group will not take advantage of the above to prevent reporting for non-fraudulent purposes.
- Any Officer or employee of our Group who violates the above prohibition matters will be disciplined in accordance with each company's labor regulations and/or other internal rules governing disciplinary action.

“Consultation” with the Reporting Contact

- You can make “consultation” with the Reporting Contact to receive necessary advice prior to or in connection with the whistleblowing report. When you want to make “consultation,” please clarify that it is a “consultation” and not a “whistleblowing report.”
- Please note that any action, including investigation and corrective action, will NOT be taken in the case of a “consultation.”
- In the case of a “consultation,” any information that could lead to the identification of the person consulting is protected, and any detrimental treatment due to “consultation” is strictly prohibited.

Number of Reports, etc.

For the number of reports, etc. to the Group-wide Compliance Reporting System and internal reporting systems of our subsidiaries, see the following link.

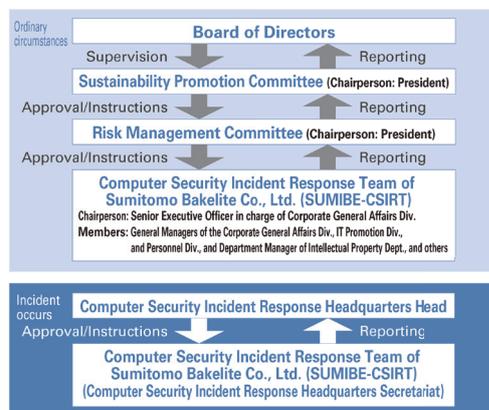
[Data > Detailed Data Related to Sustainability \(Governance\)](#)

Information Security

Systems (Governance)

Our Group has established SUMIBE-CSIRT, a cross-organizational body to prepare for the occurrence of information security incidents, to share topics through regular meetings, formulate preventive measures to prevent information security-related incidents, and develop response procedures in the event of an incident. When an incident occurs, it is designed to respond to the situation, including management, and to cooperate with external security-related organizations.

Information Security Management Structure



Risk Management

The identification, assessment, and management of risks and opportunities related to information security pertaining to our Group are carried out in accordance with the risk management system and risk management process described on the following link.

➤ [Risk Management](#)

Metrics and Targets

We have selected cybersecurity as one of our Group's material issues, and set the number of major cybersecurity incidents, cybersecurity training participation rate, and the number of cybersecurity incident response training sessions as KPIs.

➤ [Material Issues](#)

➤ [Detailed Data Related to Sustainability \(Governance\) > Risk Management](#)

Key Initiatives

Specific measures to prevent information security incidents include thorough responses to vulnerabilities that may become targets of unauthorized attacks, detection of risks through the introduction of security products, constant monitoring of cyber-attacks with the assistance of external security companies, and the performance of security assessments by external organizations. In addition, we participate in external organizations that share information and strengthen our response to cyber-attacks, including the Nippon Computer Security Incident Response Team (CSIRT) Association and Initiative for Cyber Security Information Sharing Partnership of Japan (J-CSIP) and proactively obtain related information. We will continue to establish a globally coordinated incident response system with the support of external security companies.

Furthermore, we are working to strengthen prevention of information security incidents and raise awareness of information security, such as by issuing alerts within the Group as appropriate to imminent cyber risks and conducting regular information security training for all Officers and employees in Japan and overseas based on cyber risk trends.

In order to minimize damage in the event of a security incident and recover quickly, in addition to in-house internal incident response drill, we are also working to strengthen our system by participating in joint drills with external organizations.

We will promote acquisition of the national certification “Registered Information Security Specialist” as measure to improve the skill sets of our in-house information security staff. We will also promote the assignment and development of security personnel at bases outside Japan.



Internal incident response drill

Detailed Data Related to Sustainability (Environment)

Trends in Environmental Performance

Responses to climate change

(1) CO₂ emissions

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	FY2030 (Targets)
Scope 1+2 (market-based)	t-CO ₂	205,229	246,271	181,658	156,452	135,088	128,000
Scope 1	t-CO ₂	76,194	97,007	85,892	81,257	79,067	—
Scope 2 (market-based)	t-CO ₂	129,035	149,264	95,767	75,195	56,021	—
Scope 3	t-CO ₂	997,543	1,194,306	1,096,662	956,803	987,746	895,729
01. Purchased goods and services	t-CO ₂	796,416	939,317	856,363	718,156	761,352	—
02. Capital goods	t-CO ₂	30,184	39,047	49,627	65,400	49,044	—
03. Fuel and related activities not included in Scope 1 & 2	t-CO ₂	36,035	44,845	40,021	38,780	39,600	—
04. Upstream transportation and distribution	t-CO ₂	69,441	92,541	81,313	69,945	72,042	—
05. Waste generated in operations	t-CO ₂	8,585	12,692	9,634	6,101	5,890	—
06. Business travel	t-CO ₂	1,480	1,962	2,302	2,331	2,331	—
07. Employee commuting	t-CO ₂	3,430	5,462	4,694	5,433	5,304	—
08. Upstream leased assets* 1	—	—	—	—	—	—	—
09. Downstream transportation and distribution* 2	—	—	—	—	—	—	—
10. Processing of sold products* 3	—	—	—	—	—	—	—
11. Use of sold products* 4	—	—	—	—	—	—	—
12. Disposal of sold products	t-CO ₂	42,652	49,162	43,001	39,977	42,998	—
13. Downstream leased assets* 1	—	—	—	—	—	—	—
14. Franchises* 1	—	—	—	—	—	—	—
15. Investments	t-CO ₂	9,320	9,278	9,705	10,681	9,186	—

* The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

*1 Not applicable due to business characteristics

*2 Transportation and distribution beyond the point where the Group acts as the shipper is excluded from the scope, as detailed information cannot be obtained and calculation is difficult.

*3 The Group's main products are materials with diverse applications and processing methods, making detailed determination difficult, and therefore, these products are excluded in accordance with the guidelines for the chemical sector established by the WBCSD.

*4 The products sold by the Group generate no CO₂ emissions at the time of use, and therefore are excluded.

(2) Energy

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Energy consumption	thousand GJ	2,433	3,013	2,747	2,629	2,693

* The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

* SB PAX Co., Ltd. is not included in energy consumption for FY2020 to FY2023.

Waste material

(1) Breakdown of material losses

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	FY2030 (Targets)
Material loss		25,311	30,577	27,738	25,106	26,443 ✓	22,610
Valuable materials	t	9,034	11,044	11,050	9,667	10,050	8,905
Waste generated		16,277	19,533	16,687	15,439	16,392	13,704

* The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

(2) Breakdown of waste material

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	FY2030 (Targets)
Waste generated		16,277	19,533	16,687	15,439	16,392 ✓	13,704
Landfill		3,324	3,609	3,843	3,525	3,690	—
External intermediate processing	t	3,027	4,913	3,603	2,768	2,772	—
Internal intermediate processing		85	117	88	55	30	—
External recycling		9,841	10,894	9,154	9,091	9,900	—

* The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

Raw materials and products

(1) Raw materials

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Raw materials for resins		151,594	177,428	155,033	137,102	139,325
Resins	t	56,599	62,427	44,986	55,864	57,892
Base materials and fillers		75,826	88,681	87,739	71,306	86,509
Solvents		8,101	9,325	8,199	6,927	8,402

* The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

(2) Products

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Products	t	343,630	389,488	342,008	319,703	314,538

* The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries (excluding Medical Products Business products and Waterproof Business products that cannot be counted by mass).

Water risks

(1) Intake water

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total water intake volume		5,089	5,855	5,436	5,471	5,210 ✓
Utility water	thousand m ³	745	1,172	1,137	1,116	1,127
Industrial water		595	659	613	608	604
Groundwater		3,749	4,024	3,686	3,748	3,479

* The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

(2) Discharges

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Total discharge volume	thousand m ³	5,531	6,025	5,859	6,523	5,730
As sewage		617	641	609	649	638
Seas/rivers		4,914	5,383	5,250	5,875	5,092
COD	t	22	21	23	24	19

* The scope of aggregation for discharge volume covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries and for COD covers business in Japan only. The volume of drainage discharged into sewages is calculated based on the breakdown of total usage, and the volume of drainage discharged into seas/rivers is calculated from waste water flow meters and water intake volumes.

Management of chemical substances**(1) Chemical substance emissions**

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024	FY2030 (Targets)
Chemical substance emissions	t	243	302	304	270	271	208
Volatile Organic Compounds (VOCs)	t	—	—	294	270	270	—

* The scope of aggregation covers Sumitomo Bakelite Co., Ltd. and its consolidated subsidiaries.

(2) Others

Item	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
SOx	t	6	8	7	7	7
NOx		20	14	12	11	9
Soot and dust		0.2	0.2	0.3	0.2	0.2

* SOx, NOx, and soot and dust are calculated using the Company's own formula based on exhaust gas analysis results, fuel usage amounts, and other variables and includes only domestic data.

Definitions/Calculation Method**CO₂ emissions and energy consumption (GJ)**

CO₂ emissions* are calculated based on the Manual for Calculating and Reporting Greenhouse Gas Emissions, Ver. 6.0 (Ministry of the Environment and Ministry of Economy, Trade and Industry; March 2025).

- For city gas, the coefficient for each business released by each company is used.
- Emission coefficients for each electric utility published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry were used. Adjusted emission coefficients were used until FY2023, but in accordance with changes in the greenhouse gas emissions accounting, reporting, and disclosure system, base emission factors (adjusted for non-fossil fuel sources) have been used since FY2024.

* GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

All energy consumptions were calculated as joules (J).

- Amount of energy consumption (J) for fuel and heat (steam, hot water, and cold water other than for industrial use) used were calculated based on the unit calorific value per fuel and heat stipulated in the Act on Rationalization of Energy Use and Shift to Non-fossil Energy and its ordinance.
- Electricity consumption is calculated including all electricity purchased from electricity providers through the electricity grid and electricity from renewable energy sources generated in-house.

Overseas business locations use the applicable domestic laws of each country.

- In the calculation of CO₂ emissions for electricity, the latest CO₂ coefficient at the start of the fiscal year of each provider supplying each business site is used.
- In case the emissions coefficient of the electricity provider is unknown, the coefficient as of the start of each fiscal year for which data is released by the International Energy Agency is used.
- For natural gas, the crude oil conversion coefficient and CO₂ emission factor are determined based on data published by the gas supplier, but if the necessary data are not publicly available, the IEA KEY WORLD ENERGY STATISTICS and CO₂ Emissions from Fuel Combustion standard values are used:

- Unit calorific value: 39.263 [GJ/10³m³ N]
- Carbon emission factor per unit calorific value: 0.0138 [t-C/GJ]

In addition, our Company does not emit any greenhouse gases (CH₄, N₂O, HFC, SF₆, NF₃ other than CO₂ that meet the reporting requirements of Act on Promotion of Global Warming Countermeasures.

Material loss

Total of the volume of waste generated and the volume of valuable materials. Waste generated owing to the retirement of facilities, repairs, building demolition (in-house demolition work), etc., is not included in the scope of waste, nor is dismantling scrap material of value sold, facilities resold, or construction material waste (for which a manifest is issued by the Company).

<Waste generated>

Industrial and general waste generated by business sites and amounts of internal intermediate processing. Definitions of each type of waste are as follows.

- (1) Landfill: waste disposed of in landfills by the Company or outsourced contractors
- (2) External intermediate processing: waste incinerated or treated by other means by outsourced contractors (without energy recovery)
- (3) Internal intermediate processing: waste incinerated or treated by other means in-house (without energy recovery)
- (4) External recycling (expenses paid): waste recycled with payment made to cover processing costs (including energy recovery)

<Valuable materials>

Materials other than products and raw materials that are generated from business sites and are sold for value and recycled (including energy recovery).

Chemical substance emissions

Total emissions of PRTR survey substances targeted by the Japan Chemical Industry Association (JCIA) into the air, bodies of water, and the soil (aggregate volume).

* Includes substances subject to the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement (PRTR System)

The calculation method is based on the latest Manual for Calculating PRTR Emissions (Ministry of the Environment and Ministry of Economy, Trade and Industry).

Response to Act on the Rational Use of Energy/Promotion of Global Warming Countermeasures

Group Companies	Item	Unit	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Results*	FY2024 Results
Sumitomo Bakelite Co., Ltd.							
	CO ₂ emissions	t-CO ₂	62,162	57,064	31,172	27,482	26,336
	Energy consumption	Crude oil equivalent (kL)	32,754	34,453	31,795	(30,823) 29,326	28,460
	Year-on-year intensity of energy usage	%	96.6	97.3	103.3	96.6	91.4
	Average change in intensity over 5 fiscal years	%	97.4	89.4	93.1	94.1	92.6
Kyushu Sumitomo Bakelite Co., Ltd.							
	CO ₂ emissions	t-CO ₂	5,144	6,031	1,200	1,175	1,040
	Energy consumption	Crude oil equivalent (kL)	2,962	3,278	3,055	(3,064) 2,821	2,796
	Year-on-year intensity of energy usage	%	104.6	92.5	97.5	104.8	95.5
	Average change in intensity over 5 fiscal years	%	97.9	98.3	98.7	99.7	97.5
Akita Sumitomo Bakelite Co., Ltd.							
	CO ₂ emissions	t-CO ₂	5,126	5,161	3,412	3,333	3,311
	Energy consumption	Crude oil equivalent (kL)	2,118	2,507	2,134	(2,067) 2,006	1,998
	Year-on-year intensity of energy usage	%	100.0	94.3	93.4	103.7	93.3
	Average change in intensity over 5 fiscal years	%	97.1	97.3	97.2	97.8	95.9

S.B. Sheet Waterproof Systems Co., Ltd.							
CO ₂ emissions	t-CO ₂	2,743	2,221	Not reported, as it is not applicable			
Energy consumption	Crude oil equivalent (kL)	1,397	1,428				
Year-on-year intensity of energy usage	%	100.1	102.2				
Average change in intensity over 5 fiscal years	%	96.0	98.1				
SB-Kawasumi Laboratories, Inc.							
CO ₂ emissions	t-CO ₂	11,688	10,940	4,480	4,095	3,752	
Energy consumption	Crude oil equivalent (kL)	6,450	6,135	5,397	(4,926) 4,602	4,264	
Year-on-year intensity of energy usage	%	99.5	94.4	92.2	92.4	94.2	
Average change in intensity over 5 fiscal years	%	99.2	98.2	95.0	95.0	93.3	
SB PAX Co., Ltd.							
CO ₂ emissions	t-CO ₂	Data added from FY2024				1,651	
Energy consumption	Crude oil equivalent (kL)					1,689	
Year-on-year intensity of energy usage	%					106.9	
Average change in intensity over 5 fiscal years	%					102.0	

* Figures in () are based on the standards before the revisions to the Act on the Rational Use of Energy in April 2023.

Energy Conservation in Distribution

Item	Unit	FY2020	FY2021	FY2022	FY2023 *	FY2024
Transportation ton-kilometer	thousand t-km	34,486	38,302	33,945	31,618	35,728
CO ₂ emissions	t-CO ₂	4,926	5,412	4,739	4,064	4,709
Energy consumption	Crude oil equivalent (kL)	1,862	2,045	1,792	(1,519) 1,530	1,770
Year-on-year intensity of energy usage	%	99.1	98.9	98.9	91.0	102.4
Average change in intensity over 5 fiscal years	%	100.2	99.4	99.2	96.9	97.7

* Figures in () are based on the standards before the revisions to the Act on the Rational Use of Energy in April 2023.

Fiscal Year and Accumulated Investments for Environmental Protection

Item	Unit	FY2000	FY2020	FY2021	FY2022	FY2023	FY2024
Fiscal year	million yen	235	243	303	315	340	901
Cumulative total	million yen	235	6,286	6,589	6,904	7,243	8,145

Transfer and Release of Substances Subject to the PRTR Act (FY2024 Performance)

The amounts of the 36 substances subject to the PRTR Act (PRTR system) released and transferred by the Group's business sites in Japan are presented in the table below.

Government order number	Substance	Amount used () Manufactured	Release			Transfer	
			Into air	Into water bodies	Into soil	As waste material	As sewage
1	Zinc compounds (water-soluble)	16.8					
20	Aniline	186.9				0.2	
42	Alkylphenol (Limited to Alkyl group with a carbon number of nine.)	3.9					
48	Antimony and its compounds	42.7				0.9	
55	4,4'-Isopropylidenediphenol	161.3					
73	Ethylbenzene	20.7	0.1			3.7	
75	Ethylene oxide	6.1	1.3				
76	Ethylene glycol monoethyl ether	5.9					
101	2,4-xylene	13.8					
102	2,6-xylene	13.8					
103	Xylene	27.4	0.1			7.7	
105	Silver and its water-soluble compounds	8.2					
110	Cresol	1998.8				1.2	
232	2,6-Di-tert-butyl-4-cresol	2.0					
245	Dimethylamine	1.4					
264	N, N- dimethyl formamide	180.6	1.0			6.3	
274	Organotin compound (Excluding Bis (tributyltin) oxide.)	17.1					
296	1,3,5,7-Tetraazatricyclo [3.3.1.1 (3.7)] decane	820.3				10.2	
302	Tetrahydrofuran	22.8	9.7			3.8	
303	Tetrahydromethylphthalic anhydride	192.0					
319	Melamine	1027.1					
321	Triethylamine	1.1					
347	Toluene	67.2	0.9			1.8	
352	Naphthalene	1.7					
355	Nickel compounds	0.9		0.2			
364	Paraformaldehyde	430.3				4.2	
391	Phenol	19488.1	0.2	0.1		28.2	
396	Bis (2-ethylhexyl) phthalate	197.9				3.8	
418	Furfural	23.6					
453	1,2,4-benzene tricarboxylic acid 1,2-anhydride	5.2				0.4	
458	Boron compounds	130.9		0.2		0.8	
464	Formaldehyde	9114.9	0.4	0.2		3.8	
		(7457.6)	0.2				
472	Methyl isobutyl ketone	19.3					
486	Methylnaphthalene	19.7	0.1				
489	N-methyl-2-pyrrolidone	244.5				71.9	
498	Methylene bis (4, 1-phenylene) = diisocyanate	3.2					

■ : Specific Class 1 designated chemical substances

Detailed Data Related to Sustainability (Society)

- ✔ Recruiting and Employment
- ✔ DE&I
- ✔ Work-Life Balance
- ✔ Occupational Health and Safety
- ✔ Human Rights
- ✔ Sustainable Procurement

Recruiting and Employment

The Number of employees in Japan and overseas (as of March 31, 2025)

(Unit: persons)

	Directors	Executive Officers	Employees	Temporary employees*	Total
Sumitomo Bakelite Co., Ltd.	9	14	1,659	205	1,887
Subsidiaries in Japan	32	—	1,478	316	1,826
Overseas subsidiaries	36	—	4,776	336	5,148
Total	77	14	7,913	857	8,861

Percentage of temporary employees among all employees: 9.8% (as of March 31, 2025; scope: Sumitomo Bakelite Co., Ltd. and domestic and overseas subsidiaries)

Percentage of female among all employees: 37.1% (as of March 31, 2025; scope: Sumitomo Bakelite Co., Ltd. and domestic and overseas subsidiaries)

* The number of Corporate Officers is shown as the number of Directors, including Part-time Directors. Also, the number of Executive Officers is the number of Executive Officers excluding Directors.

* The number of Directors of subsidiaries in Japan and overseas include Directors sent from Sumitomo Bakelite Co., Ltd. This figure represents the number of Standing Corporate Officers not serving concurrently in other positions.

* Temporary employees: part-time and casual workers

Breakdown of employees by gender, age, and region (as of March 31, 2025)

(Unit: persons)

Region	Male			Female			Total			Total
	Age 29 or younger	30 to 49	Age 50 or older	Age 29 or younger	30 to 49	Age 50 or older	Age 29 or younger	30 to 49	Age 50 or older	
Japan	256	1,075	1,240	111	250	205	367	1,325	1,445	3,137
East Asia	97	668	119	63	447	55	160	1,115	174	1,449
Southeast Asia	135	515	152	320	840	268	455	1,355	420	2,230
North America	60	206	222	24	96	113	84	302	335	721
Europe	34	160	129	4	26	23	38	186	152	376
Total	582	2,624	1,862	522	1,659	664	1,104	4,283	2,526	7,913

* The number for Japan is the total for Sumitomo Bakelite Co., Ltd. and its domestic subsidiaries.

Breakdown of the number of temporary employees by gender and by region (as of March 31, 2025)

(Unit: persons)

	Male	Female	Total
Number of temporary employees	450	407	857

	Japan	East Asia	Southeast Asia	North America	Europe	Total
Number of temporary employees	521	189	90	25	32	857

* The number for Japan is the total for Sumitomo Bakelite Co., Ltd. and its domestic subsidiaries.

Breakdown of employees hired in FY2024 by gender, age, and region

(Unit: persons)

	Male	Female	Total
Number of persons	429	344	773
Ratio of employees as of March 31, 2025	8%	12%	10%

	Age 29 or younger	30 to 49	Age 50 or older	Total
Number of persons	364	359	50	773
Ratio of employees as of March 31, 2025	33%	8%	2%	10%

	Japan	East Asia	Southeast Asia	North America	Europe	Total
Number of persons	124	322	137	151	39	773
Ratio of employees as of March 31, 2025	4%	22%	6%	21%	10%	10%

* The number for Japan is the total for Sumitomo Bakelite Co., Ltd. and its domestic subsidiaries.

Breakdown of employee turnover number in FY2024 by gender, age, and region

(Unit: persons)

	Male	Female	Total
Number of persons	500	384	884
Ratio of employees as of March 31, 2024	10%	13%	11%

	Age 29 or younger	30 to 49	Age 50 or older	Total
Number of persons	239	368	277	884
Ratio of employees as of March 31, 2024	22%	9%	11%	11%

	Japan	East Asia	Southeast Asia	North America	Europe	Total
Number of persons	156	284	183	229	32	884
Ratio of employees as of March 31, 2024	5%	20%	8%	32%	9%	11%

* The number for Japan is the total for Sumitomo Bakelite Co., Ltd. and its domestic subsidiaries.

Company employee recruitment

(Unit: persons)

		FY2020	FY2021	FY2022	FY2023	FY2024	FY2025 (Planned)
Number of Company employees hired (overall)		45	57	66	62	81	85
Recruitment upon new graduates	Number of Company employees hired (new graduates)	38	43	55	45	48	50
	Male	34	33	45	34	31	—
	Female	4	10	10	11	17	—
Ratio of newly graduated recruits*1		84.4%	75.4%	83.3%	72.6%	59.3%	—
Career recruitment	Number of Company employees hired (mid-career hires)	7	14	11	17	33	35
	Male	7	12	10	16	29	—
	Female	0	2	1	1	4	—
	Ratio of mid-career hires*2	15.6%	24.6%	16.7%	27.4%	40.7%	—

* Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).

*1, 2 The ratios of newly graduated recruits and mid-career hires are given as percentages of the total recruit count for the relevant fiscal year (the sum of newly graduated recruits and mid-career hires).

*2 The ratio of mid-career hires pertains to disclosure of mid-career recruitment under the Act on Comprehensive Promotion of Labor Measures.

* Exclude persons forwarded from other companies or employees reassigned from subsidiaries or affiliates in Japan.

* Includes temporary employees who are not post-retirement hires.

* Since employee recruitment is gender-neutral, the gender composition of the planned recruitment of new employees for FY2025 is unknown.

Breakdown of the number of newly recruited employees in FY2024 (by gender and age)

(Unit: persons)

	Age 29 or younger	30 to 49	Age 50 or older
Number of newly recruited employees in FY2024	53	26	2
Male	36	22	2
Female	17	4	0

* Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).

* Counted based on the person's age when they were hired.

Retention of newly graduated recruits (within three years of being hired)

(Unit: persons)

	FY2020	FY2021	FY2022
Number of male hired	26	25	24
Number of female hired	4	6	6
Number of male retained	24	25	23
Number of female retained	2	6	5
Retention rate 3 years after joining the Company (male)	92.3%	100.0%	95.8%
Retention rate 3 years after joining the Company (female)	50.0%	100.0%	83.3%
Retention rate 3 years after joining the Company (total)	86.7%	100.0%	93.3%

* The number in the table represents the rate among newly graduated recruits with at least a bachelor's degree.

* Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).

* For FY2022, this indicates the percentage of employees hired on April 1, 2022, who were still employed with the Company on April 1, 2025.

Employee turnover and turnover rate in FY2024 (by gender and age)

(Unit: persons)

	Male	Female	Total
Number of persons	66	9	75
Number of employees as of March 31, 2025	1,425	234	1,659
Ratio of employees as of March 31, 2025	4.6%	3.8%	4.5%

	Age 29 or younger	30 to 49	Age 50 or older	Total
Number of persons	10	16	49	75
Number of employees as of March 31, 2025	234	640	785	1,659
Ratio of employees as of March 31, 2025	4.3%	2.5%	6.2%	4.5%

* Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).

* Counted based on the person's age when they left the Company.

Retirement benefit obligations

(Unit: billion yen)

Item	FY2022	FY2023	FY2024
Consolidated retirement benefit obligations	37.1	36.9	35.9
Pension funds	39.9	45.9	38.5

* Regarding retirement benefit systems, the Company employs a defined-benefit system in Japan. Overseas, some consolidated subsidiaries concurrently use defined-contribution and defined-benefit systems.

🔗 [Securities Report \(Japanese\)](#)

DE&I

Trends in the proportion of female management staff

(Unit: %)

	FY2020	FY2021	FY2022	FY2023	FY2024
Trends in the proportion of female management staff	3.12	3.45	3.86	3.74	4.25

* Applies to management staff excluding Executive Officers.

* Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).

* Includes those seconded to other companies with qualifications as managerial staff.

* The data shown is as of March 31 of each year.

Ratio of new fathers taking childcare leave

(Unit: %)

	FY2020	FY2021	FY2022	FY2023	FY2024
Percentage of new fathers taking childcare leave (excluding those seconded to other companies)	—	—	—	—	84.0
Percentage of new fathers taking childcare leave (including those seconded to other companies)	5.3	17.9	25.9	65.5	86.2

* Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).

* In accordance with a recommendation received from the Tokyo Labor Bureau, starting in FY2024, aggregation and disclosure of figures was changed to exclude employees seconded to other companies.

Trends in the percentage of mid-career hires in career-track positions

(Unit: persons)

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of Company employees (career track) recruited	34	34	35	34	54
Number of mid-career hires in career-track positions	4	3	5	7	23
Ratio of mid-career hires in career-track positions	12%	9%	14%	21%	43%

* Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).

* Ratios of mid-career hires are indicated as percentages of the total recruit count in the career track for the relevant fiscal year.

* Exclude persons forwarded from other companies or employees reassigned from subsidiaries or affiliates in Japan.

Trends in percentage of continued employment of retirees

(Unit: persons)

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of retirement-age employees	38	34	34	69	68
Number of post-retirement rehires	34	28	23	53	54
Rehiring ratio	89%	82%	68%	77%	79%

* For the rehiring ratio, the first decimal place was rounded to the nearest whole number.

* Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).

Trends in ratio of employees with disabilities

(Unit: %)

	FY2020	FY2021	FY2022	FY2023	FY2024
Employment ratio of persons with disabilities	2.64	2.63	2.72	2.87	2.95
Statutory employment rate	2.3	2.3	2.3	2.3	2.5

* The employment rate of persons with disabilities for each fiscal year is calculated by dividing the total number of persons with disabilities as of the first day of each month by the total number of regular employees as of the same day.

* From April 2024, the statutory employment rate has increased to 2.5%.

* Figure for Sumitomo Bakelite Co., Ltd. (non-consolidated basis).

* Includes employees seconded to other companies.

Trends in average continuous years of service (average years of employment) of male and female at the Company

(Unit: years)

	FY2021	FY2022	FY2023	FY2024
Male	22.3	23.1	23.4	22.8
Female	21.5	21.3	22.1	20.9

* Average continuous years of service of full-time employees (including contract employees) of Sumitomo Bakelite Co., Ltd. as of the end of the fiscal year.

Work-life Balance

Overtime hours worked and days of paid leave taken by regular employees

	FY2020	FY2021	FY2022	FY2023	FY2024
Average overtime hours (per annum)	103	122	117	103	106
Average days of paid leave used	12.6	12.9	15.1	15.0	14.9

* "Regular employees" means our Company (non-consolidated basis) personnel working during daytime, excluding managerial personnel.

* Average continued years of service of full-time employees (including contract employees) of Sumitomo Bakelite Co., Ltd. as of the end of the fiscal year.

Occupational Health and Safety

Trends in occupational accident data (Group of Sumitomo Bakelite Co., Ltd., excluding on-site contractors)

	Coverage	2020	2021	2022	2023	2024
Number of employees involved in accidents not resulting in lost workdays	Group* ³ (not including figures for on-site contractors)	14	18	28	29	25
Number of employees involved in occupational accidents resulting in lost workdays		25	20	22	26	28
Number of days of absence from work		802	550	825	828	976
Total number of lost workdays		659.18	452.05	678.08	680.55	802.19
Total working hours		13,043,399	19,524,931	19,593,444	19,255,379	19,057,427
Frequency rate* ¹		1.92	1.02	1.12	1.35	1.47
Severity rate* ²		0.051	0.023	0.035	0.035	0.042

*¹ Frequency rate of occupational accidents = (The number of deaths and injuries resulting in lost workdays/total working hours) x 1,000,000

*² Severity Rate of Occupational Accidents = (Total lost workdays/total working hours) x 1,000

* Sumitomo Bakelite Co., Ltd. and the companies in which Sumitomo Bakelite Co., Ltd. directly or indirectly holds more than 50% of the voting rights. However, figures for on-site contractors are excluded.

* The period covered is from January to December of each year.

Trends in occupational accident data (on-site contractors only)

	Coverage	2022	2023	2024
Number of employees involved in occupational accidents resulting in lost workdays	on-site contractors at Group business sites	0	2	0
Total working hours		1,361,353	1,279,468	1,249,195

* The period covered is from January to December of each year.

Safety Training

	Coverage	2022	2023	2024
Number of employees undergoing Safety Training ^{*1}	Domestic Group companies ^{*2}	2,785	2,870	2,843

*1 Conducted at plants and research laboratories using specified materials (quiz and discussion format) for each workplace.

*2 Sumitomo Bakelite Co., Ltd. and the companies of which Sumitomo Bakelite Co., Ltd. directly or indirectly holds more than 50% of the voting rights that are located in Japan.

Human Rights

	Coverage	Result		
		FY2022	FY2023	FY2024
Training on human rights Number of participants in business and human rights training	Domestic Group companies ^{*1}	—	3,543	3,746
Training on human rights Number of participants in harassment prevention training	Domestic Group companies ^{*1}	3,559	3,500	3,701

*1 Sumitomo Bakelite Co., Ltd. and companies located in Japan of which Sumitomo Bakelite Co., Ltd. directly or indirectly holds more than 50% of the voting rights. Officers and employees of the domestic Group companies and employees temporarily assigned from Sumitomo Bakelite Co., Ltd. to Group companies overseas are also included.

Sustainable Procurement

	Coverage	Result		Target
		FY2023	FY2024	FY2030
Sustainable procurement rate (%) ^{*1}	Group ^{*2}	82%	92%	100%

*1 The percentage of suppliers whose responses to the sustainable procurement questionnaire that meet the specified criteria among the major suppliers accounting for the top 90% of raw material purchases by segment.

*2 The sustainable procurement questionnaire is conducted using the "Responsible Business Conduct Guidelines/Self-Assessment Questionnaire Detailed Version" developed by Japan Electronics and Information Technology Industries Association (JEITA). The self-evaluation therein was conducted in 9 areas with each item rated on a 100-point scale: "1. Compliance with Laws and Regulations and Respect to International Norms, 2. Human Rights and Labor, 3. Health and Safety, 4. Environment, 5. Fair Trade and Ethics, 6. Quality and Safety, 7. Information Security, 8. Business Continuity Plan, and 9. Establishment of Management System." Based on the result of this survey, we requested 7 target suppliers whose responses include items that fall below the prescribed criteria to make improvements.

*3 Sumitomo Bakelite Co., Ltd. and the companies of which Sumitomo Bakelite Co., Ltd. directly or indirectly hold more than 50% of the voting rights.

	Coverage	Mineral	Result		Target	
			FY2023 ^{*3}	FY2024	FY2030	
		3TG Total	Number of raw materials/parts	34	44	—
			CMRT response rate	100% (16/16 companies)	100% (26/26 companies)	100%
			RMAP conformant smelters usage rate ^{*2}	100% (27/27 locations)	100% (53/53 locations)	100%

Responsible Mineral Sourcing Survey Results 3TG(tin, tantalum, tungsten, and gold)	Group *1	Tin	Number of raw materials/parts	31	33	—
			CMRT response rate	100% (13/13 companies)	100% (17/17 companies)	—
			RMAP conformant smelters usage rate *2	100% (24/24 locations)	100% (26/26 locations)	—
		Tantalum	Number of raw materials/parts	0	0	—
			CMRT response rate	—	—	—
			RMAP conformant smelters usage rate *2	—	—	—
		Tungsten	Number of raw materials/parts	2	5	—
			CMRT response rate	100% (2/2 companies)	100% (4/4 companies)	—
			RMAP conformant smelters usage rate *2	100% (2/2 locations)	100% (6/6 locations)	—
	Gold	Number of raw materials/parts	1	6	—	
		CMRT response rate	100% (1/1 company)	100% (5/5 companies)	—	
		RMAP conformant smelters usage rate *2	100% (1/1 location)	100% (21/21 locations)	—	
Responsible Mineral Sourcing Survey Results Cobalt, mica	Group *1	Cobalt	Number of raw materials/parts	4	7	—
			EMRT response rate	100% (4/4 companies)	83% (5/6 companies)	—
	Mica	Number of raw materials/parts	4	5	—	
		EMRT response rate	100% (4/4 companies)	100% (5/5 companies)	—	

*1 Sumitomo Bakelite Co., Ltd. and the companies of which Sumitomo Bakelite Co., Ltd. directly or indirectly holds more than 50% of the voting rights (Vaupell Holdings Inc. and its subsidiaries, Hokkai Taiyo Plastic Co., Ltd., and S.B. Techno Plastics Co., Ltd. were excluded in the FY2023 survey)

*2 RMAP: Responsible Minerals Assurance Process. RMAP conformant smelter usage rate = The number of RMAP conformant smelters / Total number of smelters processed by raw materials/parts * 100.

*3 Data for FY2023 is based on the results of questionnaire surveys and related information collected up to the end of the fiscal year.

Note: Multiple smelters/refiners may be used for the same supplier and raw materials.

Detailed Data Related to Sustainability (Governance)

Corporate Governance

Please refer to the following Corporate Governance pages and Corporate Governance Report.

- [Corporate Governance](#)
- [Corporate Governance Report](#)

Risk Management and Information Security

	Coverage	Result			Target	
		FY2022	FY2023	FY2024	FY2030	
Number of Risk Management Committee meetings held (times)	Sumitomo Bakelite Co., Ltd.	4	3	3	—	
Information security training participation rate (%) ^{*1*2}	Group ^{*4}	Total	100% (4,482)	100% (4,994)	100% (4,965)	100%
		Domestic Group companies	100% (3,362)	100% (3,334)	100% (3,269)	—
		Overseas Group companies	100% (1,120)	100% (1,660)	100% (1,696)	—
Number of security incident response drills conducted	Sumitomo Bakelite Co., Ltd.	2	2	2	2	
Number of serious security incidents (numbers per year) ^{*3}	Group ^{*4}	1	0	0	0	

^{*1} We implemented information security e-learning for the Officers and employees of our Group companies (including Sumitomo Bakelite Co., Ltd.) who use company-issued PCs (those with company-issued email addresses). In such e-learning, we provided explanations and alerts regarding targeted attacks, ransomware, business email compromise (BEC), internal fraud, and information leakage caused by carelessness, etc., referring to cases of damage occurring within our Group as well as cases of damage outside our Group.

^{*2} Information security training participation rate results are calculated on a calendar year basis.

^{*3} We determine whether a security incident is serious or not based on standards established by our Company, taking into account monetary impact, reputation, impact on operations, etc.

^{*4} Sumitomo Bakelite Co., Ltd. and the companies of which Sumitomo Bakelite Co., Ltd. directly or indirectly holds more than 50% of the voting rights. Domestic Group companies include Sumitomo Bakelite Co., Ltd.

Compliance

	Coverage	Result			Target	
		FY2022	FY2023	FY2024	FY2030	
Number of Compliance Committee meetings held (times)	Sumitomo Bakelite Co., Ltd.	2	1	2	—	
Number of serious compliance violations ^{*1}	Group ^{*3}	0	0	0	0	
Compliance training participation rate (%) ^{*2}	Group ^{*3}	Total	74.5% (6,756)	100% (8,741)	100% (8,715)	100%
		Domestic Group companies	98.7% (3,694)	100% (3,617)	100% (3,625)	—
		Overseas Group companies	57.4% (3,062)	100% (5,124)	100% (5,090)	—

Number of whistle-blowing cases (numbers per year)	Group*3	Total	12	17	9	—
		Compliance Reporting System (Group-wide internal whistleblowing system)	4	8	5	—
		Internal whistleblowing systems established independently by subsidiaries	8	9	4	—
Number of convictions related to bribery and corruption (cases/year)	Group*3		—	0	0	0
Amount of fines, penalties, settlements, etc. for violations of laws and regulations related to bribery and corruption (yen)	Group*3		—	0	0	0
Number of verified dismissals or disciplinary actions for Officers and employees related to bribery and corruption (cases/year)	Group*3		—	0	0	0

*1 The number of compliance violations that had a serious impact on Group business.

*2 As part of activities during Compliance Enhancement Month, we implemented e-learning or workplace-based training for the Officers and employees (including contract, temporary, commissioned, dispatched, seconded, part-time, and short-term employees) of Group companies (including Sumitomo Bakelite Co., Ltd.), where they learned about the contents of Our Code of Conduct and Group Code of Ethics (which includes prohibition of corruption, cartels, discrimination, and harassment), an overview of the internal whistleblowing system, and the Compliance Slogans.

*3 Sumitomo Bakelite Co., Ltd. and the companies of which Sumitomo Bakelite Co., Ltd. directly or indirectly holds more than 50% of the voting rights Domestic Group companies include Sumitomo Bakelite Co., Ltd.

Coverage		As of March 31, 2024	As of March 31, 2025	
Internal audit (operational audit) coverage (%) ^{*1}	Group ^{*2}	Total	81% (57 sites/70 sites)	85% (60 sites/71 sites)
		Domestic Group companies	97% (32 sites/33 sites)	97% (34 sites/35 sites)
		Overseas Group companies	68% (25 sites/37 sites)	72% (26 sites/36 sites)

*1 With regard to operational audits conducted by the Internal Audit Department (audit items include items related to anti-corruption, competition law compliance and information management), sites that have had at least half of their organization audited within the past 6 years are included in the coverage rate numerator.

*2 Sumitomo Bakelite Co., Ltd. and the companies of which Sumitomo Bakelite Co., Ltd. directly or indirectly holds more than 50% of the voting rights Domestic Group companies include Sumitomo Bakelite Co., Ltd.

List of Policies

- [Business Philosophy](#)
- [Our Code of Conduct](#)
- [Environmental Policy](#)
- [Occupational Health and Safety Policy](#)
- [Employment and Human Resource Development Policy](#)
- [Quality Management Policy](#)
- [Responsible Mineral Sourcing Policy for Group of Sumitomo Bakelite Co., Ltd.](#)
- [Corporate Governance Report](#)
- [Code of Ethics for Group of Sumitomo Bakelite Co., Ltd.](#)
- [Sustainability Promotion Policy](#)
- [Policy on Responsible Care Activities](#)
- [Environmental Vision for 2050](#)
- [Human Rights Policy for the Group of Sumitomo Bakelite Co., Ltd.](#)
- [DE&I Policies](#)
- [Sustainable Procurement Policy](#)
- [Basic Policy on Internal Control System](#)
- [Basic Approach and Policy Related to Compliance](#)
- [Anti-Bribery Policy and Basic Rules and Regulations for Bribery Prevention for Group of Sumitomo Bakelite Co., Ltd.](#)

Corporate and Site Data

[Corporate Data](#)
[Group Companies](#)
[List of Group Companies](#)
[Site Report](#)

Business name	Sumitomo Bakelite Co., Ltd.
Head office address	5-8 Higashi-Shinagawa 2-chome, Shinagawa-ku, Tokyo 140-0002, Japan
President and Representative Director	Shinichi Kajiya
Established	January 25, 1932
Share capital (as of March 31, 2025)	¥37.1 billion
Number of shareholders (as of March 31, 2025)	11,829
Stock listing (as of March 31, 2025)	Tokyo Stock Exchange, Prime Market
Number of employees (as of March 31, 2025)	1,659 (non-consolidated) / 7,981* ¹ (consolidated)
Net sales / Sales revenue (FY2024)	¥106.8 billion (non-consolidated) / ¥304.8 billion (consolidated)

*1 Of the 7,981 consolidated employees, 1,659 were non-consolidated employees, 1,478 were employees of subsidiary companies in Japan, 4,776 were employees of overseas subsidiaries, and 68 officers of subsidiary companies in and outside Japan (32 officers of subsidiary companies in Japan and 36 officers of overseas subsidiaries).

Principal shareholders (as of March 31, 2025)

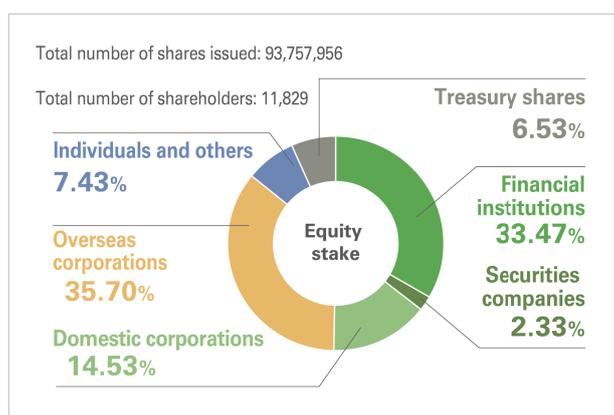
Name	Number of stocks held (unit: 1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	11,966	13.65
Sumitomo Chemical Co., Ltd.	9,251	10.56
Custody Bank of Japan, Ltd. (Trust Account)	8,107	9.25
GIC PRIVATE LIMITED - C	6,893	7.87
STATE STREET BANK AND TRUST COMPANY 505001	5,979	6.82
Custody Bank of Japan, Ltd. (Trust Account 4)	2,328	2.66
MSIP CLIENT SECURITIES	1,761	2.01
Custody Bank of Japan, Ltd. (Retirement Payment Account of Sumitomo Mitsui Trust Bank)	1,309	1.49
Sumitomo Mitsui Banking Corporation	1,308	1.49
SUMITOMO LIFE INSURANCE COMPANY	1,046	1.19

Notes:

* We hold 6,122,000 treasury shares, not included in the list of principal shareholders above.

* Percentage of total number of issued stocks is calculated based on the total number of issued stocks less treasury stocks.

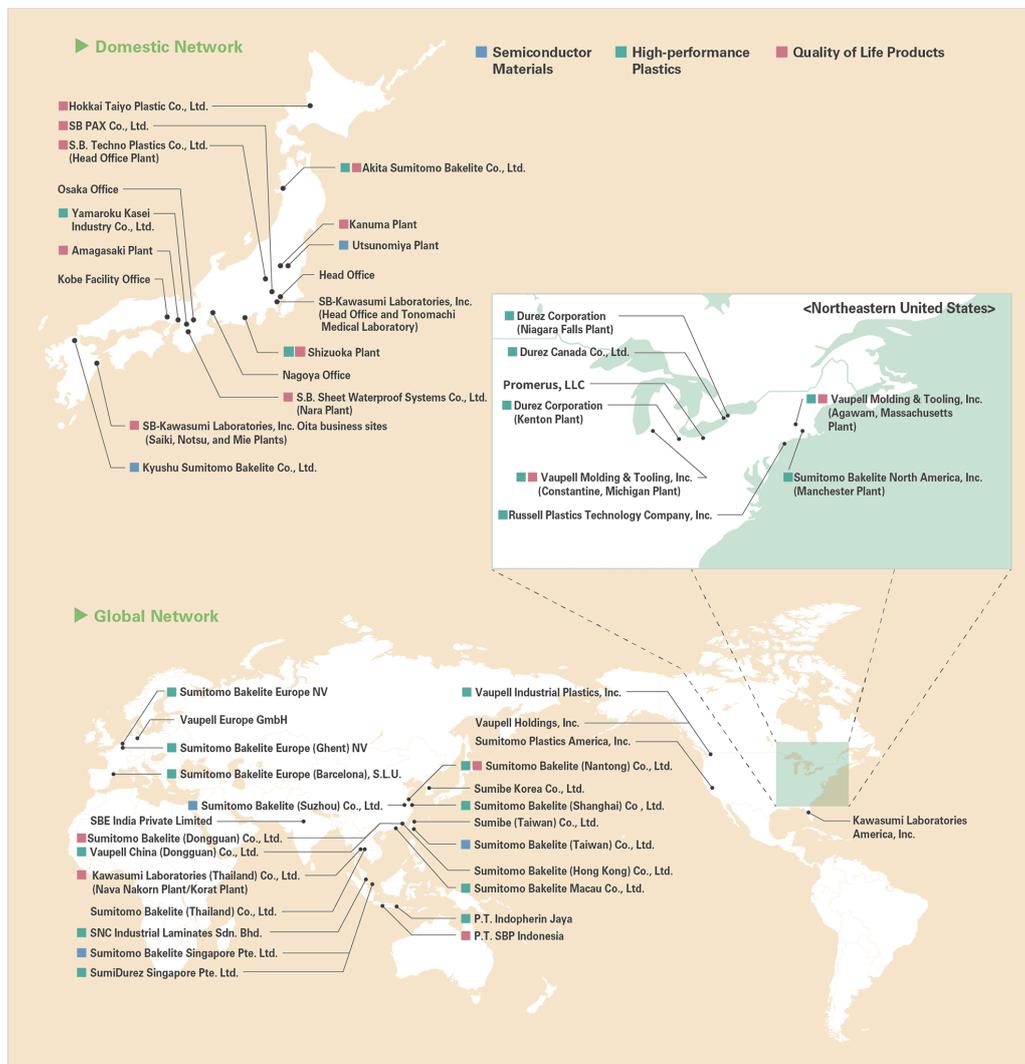
Shareholder information and equity stake (as of March 31, 2025)



Group Companies

- [Corporate Data](#)
- [Group Companies](#)
- [List of Group Companies](#)
- [Site Report](#)

We operate in 16 countries and regions, including Japan. Manufacturing sites are as shown in the figure below.



Group Companies (As of June 1, 2025)

Country/Region	Field*	Each Office
Japan	HPP, QOL	Shizuoka Plant
	QOL	Kanuma Plant (including Kanuma Plant of S.B. Sheet Waterproof Systems Co., Ltd.)
	Semiconductor	Utsunomiya Plant (including Head Office (Utsunomiya) of S.B. Research Co., Ltd.)
	QOL	Amagasaki Plant
	QOL	S.B. Sheet Waterproof Systems Co., Ltd. (Nara Plant)
	Semiconductor	Kyushu Sumitomo Bakelite Co., Ltd.
	HPP	Yamaroku Kasei Industry Co., Ltd.
	HPP, QOL	Akita Sumitomo Bakelite Co., Ltd.
	QOL	Hokkai Taiyo Plastic Co., Ltd.
	QOL	S.B. Techno Plastics Co., Ltd. (Head Office Plant and Kitsuregawa Plant)

	QOL	SB-Kawasumi Laboratories, Inc. (Head Office and Oita business sites (Saiki, Notsu, and Mie Plants))
	QOL	SB PAX Co., Ltd.
	–	Head Office
	–	Nagoya Office
	–	Osaka Office
	–	Kobe Facility Office
China	Semiconductor	Sumitomo Bakelite (Suzhou) Co., Ltd.
	HPP	Sumitomo Bakelite (Shanghai) Co., Ltd.
	HPP, QOL	Sumitomo Bakelite (Nantong) Co., Ltd.
	QOL	Sumitomo Bakelite (Dongguan) Co., Ltd.
	HPP	Vaupell China (Dongguan) Co., Ltd.
Macau	HPP	Sumitomo Bakelite Macau Co., Ltd.
Hong Kong	–	Sumitomo Bakelite (Hong Kong) Co., Ltd.
Taiwan	Semiconductor	Sumitomo Bakelite (Taiwan) Co., Ltd.
	–	Sumibe (Taiwan) Co., Ltd.
South Korea	–	Sumibe Korea Co., Ltd.
India	–	SBE India Private Limited
Malaysia	HPP	SNC Industrial Laminates Sdn. Bhd.
Singapore	Semiconductor	Sumitomo Bakelite Singapore Pte. Ltd.
	HPP	SumiDurez Singapore Pte. Ltd.
Indonesia	HPP	P.T. Indopherin Jaya
	QOL	P.T. SBP Indonesia
Thailand	QOL	Kawasumi Laboratories (Thailand) Co., Ltd. (Nava Nakorn Plant/Korat Plant)
	–	Sumitomo Bakelite (Thailand) Co., Ltd.
Canada	HPP	Durez Canada Co., Ltd. (Fort Erie)
United States	HPP	Sumitomo Bakelite North America, Inc. (Manchester Plant)
	HPP	Durez Corporation (Kenton Plant)
	HPP	Durez Corporation (Niagara Falls Plant)
	HPP	Vaupell Industrial Plastics, Inc.
	HPP, QOL	Vaupell Molding & Tooling, Inc. (Agawam, Massachusetts Plant)
	HPP, QOL	Vaupell Molding & Tooling, Inc. (Constantine, Michigan Plant)
	HPP	Russell Plastics Technology Company, Inc.
	–	Vaupell Holdings, Inc.
	–	Promerus, LLC
	–	Kawasumi Laboratories America, Inc.
–	Sumitomo Plastics America, Inc.	
Germany	–	Vaupell Europe GmbH
Belgium	HPP	Sumitomo Bakelite Europe NV
	HPP	Sumitomo Bakelite Europe (Ghent) NV
Spain	HPP	Sumitomo Bakelite Europe (Barcelona), S.L.U.

* Semiconductor: Semiconductor Materials, HPP: High-Performance Plastics, QOL: Quality of Life Products

List of Group Companies

[✔ Corporate Data](#)
[✔ Group Companies](#)
[✔ List of Group Companies](#)
[✔ Site Report](#)

Group of Sumitomo Bakelite Co., Ltd. (as of April 1, 2025)

Consolidated subsidiaries (47)

Akita Sumitomo Bakelite Co., Ltd.
 Kyushu Sumitomo Bakelite Co., Ltd.
 S.B. Techno Plastics Co., Ltd.
 Hokkai Taiyo Plastic Co., Ltd.
 Yamaroku Kasei Industry Co., Ltd.
 S.B. Research Co., Ltd.
 S.B. Sheet Waterproof Systems Co., Ltd.
 Softec Co., Ltd.
 Sunbake Co., Ltd.
 Tsutsunaka Kosan Co., Ltd.
 SB PAX Co., Ltd.
 SB-Kawasumi Laboratories, Inc.
 - Kawasumi Laboratories (Thailand) Co., Ltd.
 - Kawasumi Laboratories America, Inc.
 Sumitomo Bakelite Singapore Pte. Ltd.
 - Sumitomo Bakelite (Suzhou) Co., Ltd.
 - Sumitomo Bakelite (Thailand) Co., Ltd.
 SumiDurez Singapore Pte. Ltd.
 SNC Industrial Laminates Sdn. Bhd.
 P.T. Indopherin Jaya
 P.T. SBP Indonesia
 Sumibe Korea Co., Ltd.
 Sumitomo Bakelite (Taiwan) Co., Ltd.
 Sumibe (Taiwan) Co., Ltd.
 Sumitomo Bakelite (Shanghai) Co., Ltd.
 Sumitomo Bakelite (Nantong) Co., Ltd.
 Sumitomo Bakelite (Hong Kong) Co., Ltd.
 Sumitomo Bakelite (Dongguan) Co., Ltd.
 Vaupell China (Dongguan) Co., Ltd.
 Sumitomo Bakelite Macau Co., Ltd.
 Sumitomo Bakelite North America Holding, Inc.
 - Sumitomo Plastics America, Inc.
 - Durez Corporation
 - Hardin Land Company LLC
 - Durez Canada Co., Ltd.
 - Promerus, LLC
 - Sumitomo Bakelite North America, Inc.
 - Vaupell Holdings, Inc.
 - Vaupell Molding & Tooling, Inc.
 - W. Brookfield Holding, Inc.
 - Russell Plastics Technology Company, Inc.
 - Vaupell Europe GmbH
 - Vaupell Industrial Plastics, Inc.
 - Rong Feng (H.K.) Industries Ltd.
 Sumitomo Bakelite Europe NV
 - Sumitomo Bakelite Europe (Ghent) NV
 - Sumitomo Bakelite Europe (Barcelona), S.L.U.

Non-consolidated subsidiaries (3)

Sumibe Service Co., Ltd.
 S.B. Recycle Co., Ltd.
 SBE India Private Limited

 Affiliated companies accounted for using equity method
 (0)

 None

 Affiliated companies not accounted for using equity
 method (5)

 Otomo Chemical Co., Ltd.
 Green Chemicals Co., Ltd.
 Changchun SB (Changshu) Co., Ltd.
 Tsu-Kong Co., Ltd.
 Fresenius Medical Care Japan K.K.

	Consolidated	Equity method	Non-consolidated	Others	Total
Domestic	12	0	2	3	17
Overseas	35	0	1	2	38
Total	47	0	3	5	55

Site Report

- [✔ Corporate Data](#)
- [✔ Group Companies](#)
- [✔ List of Group Companies](#)
- [✔ Site Report](#)

Below you will find summary information about each business site and subsidiary company. (As of March 31, 2025)

- [✔ Japan](#)
- [✔ Subsidiary Companies in Japan](#)
- [✔ Overseas: China, Macau, and Taiwan](#)
- [✔ Overseas: Southeast Asia](#)
- [✔ Overseas: North America](#)
- [✔ Overseas: Europe](#)

Japan

Kobe Facility Office



Address	1-1-5 Murotani, Nishi-ku, Kobe-shi, Hyogo
Number of employees	52
Commencement of operations	1991
Total site area	16,530 m ²
Principal R&D themes	Development of products related to biotechnology and quality of life, research and development of related new functions, composite materials and process technologies, as well as biotechnology-related product manufacturing.

Shizuoka Plant



Address	2100 Takayanagi, Fujieda-shi, Shizuoka
Number of employees	563
Commencement of operations	1962
Total site area	276,472 m ²
Principal R&D themes	Epoxy resin copper-clad laminates, epoxy resin coating powder, phenolic resins, thermoset molding compounds, melamine resin decorative laminates, formalin, molded products, metallic molds, etc.

Kanuma Plant



Address	7-1 Satsuki-cho, Kanuma-shi, Tochigi
Number of employees	289
Commencement of operations	1970
Total site area	75,878 m ²
Principal R&D themes	Polycarbonate, polyvinyl chloride and other thermoplastic resin sheets, waterproofing components with waterproof steel plate

Utsunomiya Plant



Address	20-7, Kiyohara Kogyo Danchi, Utsunomiya-shi, Tochigi
Number of employees	207
Commencement of operations	1984
Total site area	99,000 m ²
Principal R&D themes	Paste for die bonding Liquid resins for encapsulation of semiconductors Positive photosensitive coating resins for semiconductor wafers Base material for semiconductor packages

Amagasaki Plant



Address	2-3-47, Higashi-Tsukaguchi-cho, Amagasaki-shi, Hyogo
Number of employees	390
Commencement of operations	1938
Total site area	46,000 m ²
Principal R&D themes	Multilayered films for food packaging, PTP materials for pharmaceuticals, tapes for mounting electronic components

Subsidiary Companies in Japan

S.B. Sheet Waterproof Systems Co., Ltd. (Nara Plant)



Address	1-2 Techno Park, Nara Kogyo Danchi, Sugawa-cho, Gojo-shi, Nara
Number of employees	40
Commencement of operations	1991
Total site area	20,357 m ²
Principal R&D themes	Waterproof sheets

Kyushu Sumitomo Bakelite Co., Ltd.



Address	40-1 Oaza-Kamizakai, Nogata-shi, Fukuoka
Number of employees	224
Commencement of operations	1972
Total site area	50,000 m ²
Principal R&D themes	Epoxy molding compounds for encapsulation of semiconductor devices, photosensitive coating resins for semiconductor wafers

Yamaroku Kasei Industry Co., Ltd



Address	19-10 Katayama-cho, Kashiwara-shi, Osaka
Number of employees	47
Commencement of operations	1948
Total site area	7,385 m ²
Principal R&D themes	Phenolic molding compounds melamine phenolic molding compounds

S.B. Techno Plastics Co., Ltd.

Head Office Plant



Address	300-2, Motohara Kamikawa-cho, Kodama-gun, Saitama
Number of employees	31
Commencement of operations	1964
Total site area	13,000 m ²
Principal R&D themes	Plastic sheets, plastic chopping boards, molds made in polyethylene

Kitsuregawa Plant



Address	560-1, Saotome, Sakura-shi, Tochigi
Number of employees	10
Commencement of operations	2002
Total site area	3,638 m ²
Principal R&D themes	Industrial helmets, injection molding products

Akita Sumitomo Bakelite Co., Ltd.



Address	27-4, Aza Nakashima-shita, Souzen-machi, Tsuchizakiminato, Akita-shi, Akita
Number of employees	204
Commencement of operations	1970
Total site area	255,568 m ²
Principal R&D themes	Medical products and bio-equipment, phenolic resins, formalin and adhesives

Hokkai Taiyo Plastic Co., Ltd.



Address	2-763-7, Shinko-Chuo, Ishikari-shi, Hokkaido
Number of employees	29
Commencement of operations	1964
Total site area	13,650 m ²
Principal R&D themes	Polyethylene pipes, polyethylene films

SB-KAWASUMI LABORATORIES, INC. (Head Office and Tonomachi Medical Laboratory)



Address	3-25-4 Tonomachi, Kawasaki-ku, Kawasaki-shi, Kanagawa, Japan
Number of employees	104
Commencement of operations	2021
Total site area	3,971 m ²
Principal R&D themes	Medical Devices <ul style="list-style-type: none"> • Endovascular treatment-related products • Gastrointestinal endoscopy-related products

SB-KAWASUMI LABORATORIES, INC. (Saiki Plant, Oita Business Site)



Address	1077, Oaza Oda, Yayoi, Saiki-shi, Oita
Number of employees	195
Commencement of operations	1967
Total site area	33,000 m ²
Principal R&D themes	Pharmaceuticals and medical devices <ul style="list-style-type: none"> • Blood container bags • Gastrointestinal stents

SB-KAWASUMI LABORATORIES, INC. (Notsu Plant, Oita Business Site)



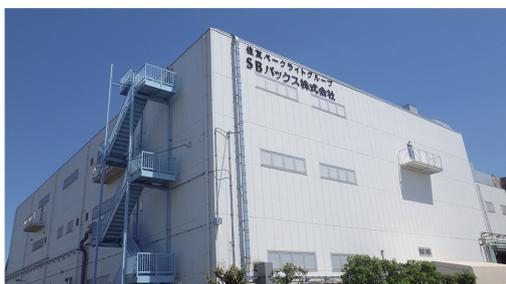
Address	2115-2, Oaza Maegawachi, Notsumachi, Usuki-shi, Oita
Number of employees	165
Commencement of operations	2011
Total site area	20,100 m ²
Principal R&D themes	Medical devices and injection-molded products <ul style="list-style-type: none"> • Stent grafts • Component blood collection kits

SB-KAWASUMI LABORATORIES, INC. (Mie Plant, Oita Business Site)



Address	7-1 Tamada, Miemachi, Bungo-Ono-shi, Oita
Number of employees	110
Commencement of operations	1983
Total site area	53,000 m ²
Principal R&D themes	Pharmaceuticals and medical devices <ul style="list-style-type: none"> • Physiological saline solution

SB PAX Co., Ltd.



Address	2102 Hiratsuka, Ageo-shi, Saitama
Number of employees	106
Number of employees	1964
Total site area	23,700 m ²
Principal products	Laminated films and sheets <ul style="list-style-type: none"> • PTP packaging sheets • General-purpose films and sheets

Overseas: China, Macau, and Taiwan

Sumitomo Bakelite (Suzhou) Co., Ltd.



Address	140 Zhongxin Avenue West, Suzhou Industrial Park, Suzhou, Jiangsu, 215021, P.R. China
Number of employees	333
Commencement of operations	1997
Total site area	30,000 m ²
Principal R&D themes	Epoxy molding compounds for encapsulation of semiconductor devices, die attach pastes

Sumitomo Bakelite (Shanghai) Co., Ltd.



Address	No. 88, Aidu Road, China (Shanghai) Pilot Free Trade Zone, Shanghai P.R. China
Number of employees	137
Commencement of operations	2000
Total site area	8,698 m ²
Principal R&D themes	Molded products for automotive applications (plastic mechanical and structural parts)

Sumitomo Bakelite (Nantong) Co., Ltd.



Address	No. 81, Tongda Road, Port Industrial Park 3, Economic Technological Development Area, Nantong, Jiangsu, P.R. China
Number of employees	256
Commencement of operations	2009
Total site area	100,000 m ²
Principal R&D themes	Phenolic resins, phenolic molding compounds, liquid epoxy resins, coextruded multilayered films and sheets for food packaging, tapes for electronic components

Sumitomo Bakelite (Dongguan) Co., Ltd.



Address	No. 2 Qiao Lin Road, Ling Tou Industrial District, Qiao Tou Town, Dongguan, Guangdong, P.R. China
Number of employees	359
Commencement of operations	1994
Total site area	32,930 m ²
Principal R&D themes	Medical products

Sumitomo Bakelite Macau Co., Ltd.



Address	Zona Ind. do Aterro Sanitario de Seac Pai Van Lote A, junto a Estrada de Seac, Pai Van, Coloane, Macau
Number of employees	153
Commencement of operations	2003
Total site area	27,513 m ²
Address	Zona Ind. do Aterro Sanitario de Seac Pai Van Lote A, junto a Estrada de Seac, Pai Van, Coloane, Macau
Principal R&D themes	Epoxy resin copper-clad laminates

Sumitomo Bakelite (Taiwan) Co., Ltd.



Address	No. 1, Hwa Syi Road, Ta Fa Industries District, Ta Liao 831, Kaohsiung, Taiwan, R.O.C
Number of employees	138
Commencement of operations	1998
Total site area	22,334 m ²
Principal R&D themes	Epoxy molding compounds for encapsulation of semiconductor devices

Vaupell China (Dongguan) Co., Ltd.



Address	No. 2 Qiao Lin Road, Ling Tou Industrial District, Qiao Tou Town, Dongguan, Guangdong, P.R. China
Number of employees	140
Commencement of operations	2007
Total site area	Located at Sumitomo Bakelite (Dongguan) Co., Ltd.
Principal R&D themes	Aircraft components

Overseas: Southeast Asia

SNC Industrial Laminates Sdn. Bhd.



Address	PLO 38, Jalan Keluli Satu, Pasir Gudang, Industrial Estate, 81700 Pasir Gudang, Johor, Malaysia
Number of employees	84
Commencement of operations	1992
Total site area	60,000 m ²
Principal R&D themes	Phenolic resin copper-clad laminates, phenolic resin laminates, aluminum-based copper-clad laminates

Sumitomo Bakelite Singapore Pte. Ltd.



Address	1 Senoko South Road, Singapore 758069, Singapore
Number of employees	214
Commencement of operations	1989
Total site area	22,276 m ²
Principal R&D themes	Epoxy molding compounds for encapsulation of semiconductors, paste for die bonding, liquid resins for encapsulation of semiconductors

SumiDurez Singapore Pte. Ltd.



Address	9 Tanjong Penjuru Crescent Singapore 608972, Singapore
Number of employees	51
Commencement of operations	1989
Total site area	18,000 m ²
Principal R&D themes	Phenolic molding compounds

P.T. Indopherin Jaya



Address	JL. Brantas No.1, Probolinggo, East Java, Indonesia
Number of employees	125
Commencement of operations	1996
Total site area	18,000 m ²
Principal R&D themes	Phenolic resins

P.T. SBP Indonesia



Address	Kawasan Industri MM2100, JL. Irian Blok NN-1-1, Kec, Cikarang Barat, Bekasi, 17520, Indonesia
Number of employees	74
Commencement of operations	1996
Total site area	30,000 m ²
Principal R&D themes	Polycarbonate extruded resin sheets (for signage and construction applications)

Nava Nakorn Plant, Kawasumi Laboratories (Thailand) Co., Ltd.



Address	Nava Nakorn Industrial Promotion Zone 55/26 MU 13, Phahon Yothin Road, KM-46, Tambon Khlong Nueng, Amphoe Khlong Luang, Changwat Pathum Thani 12120, Thailand
Number of employees	558
Commencement of operations	1978
Total site area	31,804 m ²
Principal R&D themes	Blood Circuit for Dialysis Apheresis Kit Infusion Set

Korat Plant, Kawasumi Laboratories (Thailand) Co., Ltd.



Address	48 MU 8, Ratchasima-Chok Chai Road, Tambon Tha Ang, Amphoe Chok Chai, Changwat Nakhon Ratchasima 30190, Thailand
Number of employees	1,141
Commencement of operations	1999
Total site area	290,770 m ²
Principal R&D themes	Blood container bags, AVF needles, blood collection kits with wings, and CTA membrane dialyzer, secondary membrane filter

Overseas: North America

Sumitomo Bakelite North America, Inc. (Manchester Plant)



Address	24 Mill Street, Manchester, Connecticut 06042, USA
Number of employees	66
Commencement of operations	1920
Total site area	14,000 m ²
Principal R&D themes	Thermoset composites

Durez Corporation (Kenton Plant)



Address	13717 U.S. Route 68 South Kenton, Ohio 43326, USA
Number of employees	55
Commencement of operations	1955
Total site area	263,100 m ²
Principal R&D themes	Phenolic resins

Durez Corporation (Niagara Falls Plant)



Address	5000 Packard Road, Niagara Falls, NY 14304, USA
Number of employees	57
Commencement of operations	1930
Total site area	18,960 m ²
Principal R&D themes	Phenolic resins

Durez Canada Co., Ltd.



Address	100 Dunlop Street, Fort Erie, Ontario L2A 4H9, Canada
Number of employees	66
Commencement of operations	1970
Total site area	93,000 m ²
Principal R&D themes	Phenolic resin molding compounds and phenolic resins

Promerus LLC



Address	225 W. Bartges St., Akron, OH 44307, USA
Number of employees	30
Commencement of operations	2001
Total site area	3,548 m ²
Principal R&D Products	Functional polynorbornenes

Vaupell Industrial Plastics, Inc.



Address	11323 Commando Rd West, Everett, Washington, 98204, USA
Number of employees	112
Commencement of operations	1947
Total site area	10,219 m ²
Principal R&D themes	Aircraft components

Vaupell Molding & Tooling, Inc. (Agawan, Massachusetts Plant)



Address	101 HP Almgren Dr. Agawan, Massachusetts 01001, USA
Number of employees	78
Commencement of operations	2005
Total site area	9,290 m ²
Principal R&D themes	Medical device parts Aerospace and defense components

Vaupell Molding & Tooling, Inc. (Constantine, Michigan Plant)



Address	485 Florence Road Constantine, Michigan 49042, USA
Number of employees	132
Commencement of operations	1969
Total site area	7,525 m ²
Principal R&D themes	Medical device parts

Russell Plastics Technology Company, Inc.



Address	521 W. Hoffman Ave Lindenhurst, New York 11757, USA
Number of employees	76
Commencement of operations	1951
Total site area	5,575 m ²
Principal R&D themes	Aircraft components

Overseas: Europe

Sumitomo Bakelite Europe NV



Address	Henry Fordlaan 80, B-3600 Genk, Belgium
Number of employees	123
Commencement of operations	1967
Total site area	110,000 m ²
Principal R&D themes	Phenolic resins, polyester resins

Sumitomo Bakelite Europe (Barcelona), S.L.U.



Address	Gran Vial, 4 Montornès del Valles (Barcelona) 08170, Spain
Number of employees	84
Commencement of operations	1949
Total site area	19,856 m ²
Principal R&D themes	Phenolic resins, friction particles, adhesives

Sumitomo Bakelite Europe (Ghent) NV



Address	Wiedauwkaai 6, B-9000 Gent, Belgium
Number of employees	171
Commencement of operations	1992
Total site area	22,683 m ²
Principal R&D themes	Thermoset molding compounds

Vaupell Europe GmbH



Address	Appenstedter Weg 63-65, 21217 Seevetal, Germany
Number of employees	10
Commencement of operations	2019
Total site area	1,003 m ²
Principal R&D themes	Logistics site, final assembly and customization for customers in Europe

Inclusion in Indexes/External Recognition

Our Group has been selected for inclusion in the following investment indexes and has received evaluation and certification from third-party organizations (as of July 2025).

Inclusion in Indexes

FTSE4Good

An index established by FTSE Russell, a worldwide provider of market indexes, and is composed of companies selected from major companies around the world for demonstrating outstanding ESG practices.



FTSE Blossom Japan Index

This index was established by FTSE Russell, and is composed of Japanese companies selected for demonstrating outstanding ESG practices. Selected from among the shares on the FTSE Japan Index, it is designed to contain a distribution of industries equal to that of the Japanese stock market.



FTSE Blossom Japan Sector Relative Index

This index selects companies with a focus on FTSE Russell's ESG ratings, and includes only companies that are valued for their climate governance and climate change initiatives, particularly among those with high greenhouse gas emissions.



MSCI ESG Ratings

MSCI is a global index provider that selects companies with high ESG ratings. MSCI indexes, which are used by investors and organizations when building and managing their portfolios, provide information organized by region, topic, and sector that is useful for making investment decisions.

MSCI Nihonkabu ESG Select Leaders Index

MSCI Nihonkabu ESG Select Leaders Index is composed of companies included in the parent index (MSCI Japan IMI Index) with an outstanding ESG rating, with a target coverage of 50% of each GICS® industry classification of the parent index.

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

MSCI Japan Empowering Women Index (WIN)

MSCI Japan Empowering Women Index (WIN) is composed of selected companies with outstanding gender diversity among the GICS® industry classification within the parent index.

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

THE INCLUSION OF [Sumitomo Bakelite Co., Ltd.] IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF [Sumitomo Bakelite Co., Ltd.] BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

S&P/JPX Carbon Efficient Index

A joint-brand index for the S&P Dow Jones Indices LLC and Tokyo Stock Exchange of the Japan Exchange Group (JPX). Selected from among TOPIX shares, it is weighted toward companies with outstanding carbon efficiency and environmental information disclosure.



SOMPO Sustainability Index

SOMPO Asset Management Co., Ltd. selects stocks with outstanding ESG performance for its proprietary SOMPO Sustainability Index for use in its SOMPO Sustainable Operation program.



JPX-Nikkei Index 400

The JPX-Nikkei Index 400 is composed of companies with high appeal for investors, which meet requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives, and promotes the appeal of Japanese corporations domestically and abroad, while encouraging continued improvement of corporate value, thereby aiming to revitalize the Japanese stock market.



Evaluation by Third-party Organizations

CDP

CDP is an organization that encourages companies and others to disclose information concerning their climate change initiatives including greenhouse gas emissions. CDP evaluates climate change countermeasures, water security initiatives, measures to address climate change issues in corporate supply chains, and more. In FY2025, we received an A rating for climate change and a B rating for water security. In FY2024, we received an A rating for supplier engagement.



EcoVadis Sustainability Rating

Gold medal

EcoVadis is a performance rating agency focused on corporate ESG practices, working to help companies improve their environmental and social practices through their global supply chains. To date, EcoVadis has assessed corporate policies, measures, and performance of more than 150,000 companies located in 185 countries and regions worldwide and 250 business sectors regarding for areas: the environment, labor and human rights, ethics, and sustainable procurement. Gold medals are awarded to those companies recognized to be in the top 5% of companies in all business sectors assessed by EcoVadis.



Certified KENKO Investment for Health Outstanding Organization 2025 (Large Enterprise Category)

This program was established by the Ministry of Economy, Trade and Industry in FY2016 for the purpose of creating an environment in which enterprises practicing KENKO Investment for Health are recognized by society. Certification is conducted by the Nippon Kenko Kaigi based on set evaluation criteria.



Kurumin Plus Certification

“Kurumin” is a governmental scheme sponsored by the Minister of Health, Labor and Welfare where, based on the Act on Advancement of Measures to Support Raising Next-Generation Children, a company whose childcare support measures have satisfied certain criteria can be recognized by the Minister as a “Childcare Supporting Business.” “Kurumin Plus” is a new scheme established in 2022 that recognizes companies making efforts to help employees balance fertility treatment with work.



DX Certification

The DX Certification program is a system of the national government that certifies companies that comply with the fundamental requirements of the Digital Governance Code and are recognized as ready to promote digital transformation (DX) in accordance with the Act on Facilitation of Information Processing .



Management System Certification Status

Management System Certification Status at Major Plants (as of March 31, 2025)

1. Quality

No.	Business site	Certification status		
		Quality		
01	Kobe Facility Office	ISO 13485		
02	Shizuoka Plant	ISO 9001		
		IATF 16949		
		ACM	JIS Q 9100	
03	Kanuma Plant	ISO 9001		
		IATF 16949		
04	Utsunomiya Plant	ISO 9001		
		IATF 16949		
05	Amagasaki Plant	ISO 9001		
		Food safety	FSSC22000	
		Primary packaging materials for medicinal products	ISO 15378	
		In-vitro diagnostics	ISO 13485	
06	S.B. Sheet Waterproof Systems Co., Ltd.	ISO 9001		
Kanuma Plant				
07	Nara Plant			
08	Kyushu Sumitomo Bakelite Co., Ltd.	ISO 9001		
		IATF 16949		
09	Yamaroku Kasei Industry Co., Ltd.	ISO 9001		
10	Akita Sumitomo Bakelite Co., Ltd.	Medical equipment	ISO 13485	
		Resins	ISO 9001	
11	Hokkai Taiyo Plastic Co., Ltd.	-		
12	S.B. Techno Plastics Co., Ltd.	-		
13	Sunbake Co., Ltd.	ISO 9001		
14	S.B. Research Co., Ltd.	ISO 9001		
15		Analysis and Evaluation Department (Osaka)	ISO 17025	
16	SB-Kawasumi Laboratories, Inc.	ISO 13485		
				Oita business sites
				Saiki Plant
				Notsu Plant
17				
18		Mie Plant		
19	SB PAX Co., Ltd.	ISO 9001		
20	Sumitomo Bakelite (Suzhou) Co., Ltd.	ISO 9001		
		IATF 16949		
21	Sumitomo Bakelite (Shanghai) Co., Ltd.	ISO 9001		
		IATF 16949		
22	Sumitomo Bakelite (Nantong) Co., Ltd.	ISO 9001		
		IATF 16949		
23	Sumitomo Bakelite (Dongguan) Co., Ltd.	ISO 13485		
24	Sumitomo Bakelite Macau Co., Ltd.	ISO 9001		

25	Sumitomo Bakelite (Taiwan) Co., Ltd.		ISO 9001
			IATF 16949
26	SNC Industrial Laminates Sdn. Bhd.		ISO 9001
			AS 9100
27	Sumitomo Bakelite Singapore Pte. Ltd.		ISO 9001
			IATF 16949
28	SumiDurez Singapore Pte. Ltd.		ISO 9001
			IATF 16949
29	PT. Indopherin Jaya		ISO 9001
30	P.T. SBP Indonesia		ISO 9001
31	Kawasumi Laboratories (Thailand) Co., Ltd.	Nava Nakorn Plant	ISO 13485
32		Korat Plant	
33	Sumitomo Bakelite North America, Inc. (Manchester Plant)		ISO 9001
			AS 9100
			IATF 16949
34	Durez Corporation (Kenton Plant)		ISO 9001
35	Durez Corporation (Niagara Falls Plant)		ISO 9001
			AS 9100
36	Durez Canada Co., Ltd.		ISO 9001
37	Promerus, LLC		ISO 9001
38	Sumitomo Bakelite Europe NV		ISO 9001
39	Sumitomo Bakelite Europe (Barcelona), S.L.U.		ISO 9001
40	Sumitomo Bakelite Europe (Ghent) NV		ISO 9001
			IATF 16949
41	Vaupell Industrial Plastics, Inc.		ISO 9001
			AS 9100
42	Vaupell Molding & Tooling, Inc. (Agawam, Massachusetts Plant)		ISO 9001
			AS 9100
43	Vaupell Molding & Tooling, Inc. (Constantine, Michigan Plant)		ISO 13485
44	Russell Plastics Technology Company, Inc.		ISO 9001
			AS 9100
45	Vaupell China (Dongguan) Co., Ltd.		ISO 9001
			EN 9100
46	Vaupell Europe GmbH		ISO 9001
			EN 9100

2. Environment and occupational health and safety

Business site		Certification status	
		Environment	Occupational Health and Safety ^{*1,*2}
		ISO14001	ISO45001
01	Kobe Facility Office	○	○
02	Shizuoka Plant	○	○
03	Kanuma Plant (including Kanuma Plant of S.B. Sheet Waterproof Systems Co., Ltd.)	○	○
04	Utsunomiya Plant (including Head Office (Utsunomiya) of S.B. Research Co., Ltd.)	○	○
05	Amagasaki Plant	○	○
06	Nara Plant of S.B. Sheet Waterproof Systems Co., Ltd.	○	○
07	Kyushu Sumitomo Bakelite Co., Ltd.	○	○

08	Yamaroku Kasei Industry Co., Ltd.	○	
09	Akita Sumitomo Bakelite Co., Ltd.	○	○
10	Hokkai Taiyo Plastic Co., Ltd.	○	
11	S.B. Techno Plastics Co., Ltd. (Head Office Plant and Kitsuregawa Plant)		
12	Kashiwara Business Site (Tsutsunaka Kosan Co., Ltd., and Osaka Center of S.B. Research Co., Ltd.)		
13	SB-Kawasumi Laboratories, Inc. (Head Office and Oita Business Site (Saiki, Notsu and Mie Plants))	○	○
14	SB PAX Co., Ltd.	○	
15	Sumitomo Bakelite (Suzhou) Co., Ltd.	○	○
16	Sumitomo Bakelite (Shanghai) Co., Ltd.	○	
17	Sumitomo Bakelite (Nantong) Co., Ltd.	○	
18	Sumitomo Bakelite (Dongguan) Co., Ltd.	○	○
19	Sumitomo Bakelite Macau Co., Ltd.	○	
20	Sumitomo Bakelite (Taiwan) Co., Ltd.	○	○
21	SNC Industrial Laminates Sdn. Bhd.	○	○
22	Sumitomo Bakelite Singapore Pte. Ltd.	○	○
23	SumiDurez Singapore Pte. Ltd.	○	○
24	P.T. Indopherin Jaya	○	○
25	P.T. SBP Indonesia	○	○
26	Kawasumi Laboratories (Thailand) Co., Ltd. (Nava Nakorn and Korat Plants)	○	○
27	Sumitomo Bakelite North America, Inc. (Manchester Plant)	○	○
28	Durez Corporation (Kenton Plant)		○
29	Durez Corporation (Niagara Falls Plant)		○
30	Durez Canada Co., Ltd. (Fort Erie)		○
31	Sumitomo Bakelite Europe NV	○	○
32	Sumitomo Bakelite Europe (Barcelona), S.L.U.	○	○
33	Sumitomo Bakelite Europe (Ghent) NV	○	○
34	Vaupell Industrial Plastics, Inc.		
35	Vaupell Molding & Tooling, Inc. (Agawam, Massachusetts Plant)		
36	Vaupell Molding & Tooling, Inc. (Constantine, Michigan Plant)		
37	Russell Plastics Technology Company, Inc.		
38	Vaupell China (Dongguan) Co., Ltd.		
39	Vaupell Europe GmbH		
Certified sites		28	25
Ratio certified		72%	64%

*1 The Occupational Health and Safety Management System has been acquired as a voluntary initiative. It also covers all employees and subcontractors.

*2 Occupational health and safety management activities include mechanisms for workers to report hazards identified through hazard prediction, protection of workers from retaliatory actions, and worker self-avoidance in work situations thought likely to result in injury or illness.

Environmental and health & safety management system introduction rate

- ISO 14001 certification acquired by 28 manufacturing sites out of 39 sites (72%)
- ISO 45001 certification acquired by 25 manufacturing sites out of 39 sites (64%)

Main Organizations of Which We Are a Member and Our Roles

Organization	Details of main activities and our roles
Japan Thermosetting Plastics Industry Association https://www.jtpia.jp/	An industry organization made up of domestic thermosetting resin manufacturers. The association takes action concerning the environment, product safety, resource recycling, standardization, and so on relating to thermosetting resin and related products. We lead the association's operations as deputy chair and promote activities.
Japan Association for Chemical Innovation (JACI) https://www.jaci.or.jp/english/	JACI contributes to the development of innovative technologies and the formation of intellectual technology platforms by formulating and proposing chemical technology strategies, encouraging exchanges and collaboration on chemical technology, disseminating information in Japan and overseas, promoting green and sustainable chemistry outreach activities, providing research support to young researchers, proposing human resource development, promoting projects, and other measures. We lead the association's operations by participating as a director and promote activities.
Japan Plastic Sheet Association https://www.p-bankyo.com/	The association conducts activities relating to public relations and advertising, establishment, revision, and revocation of standards, environmental measures and safety, and implementation of surveys, research, and guidance regarding rigid polyvinyl chloride sheets and polycarbonate sheets. We promote activities as one of the six member companies.
Japan Section of Society of Plastics Engineering Inc. (SPE) https://spejapan.org/english/	As a body of specialists who possess advanced plastic technologies, the SPE conducts lectures, site visits, the Asia Conference, and other events and encourages exchanges among members. We participate as a director and promote activities.
Medical Technology Association of Japan (MTJAPAN) https://www.mtjapan.or.jp/jp/mtj/en/	MTJAPAN provides safe and more innovative medical device technologies (medical devices, medical materials, regenerative medicine, ICT, software for medical applications, healthcare systems, etc.). We participate as a vice chair and promote activities.
Keidanren (Japan Business Federation) https://www.keidanren.or.jp/en/	Keidanren gathers opinions from the business community on a wide range of important domestic and international issues that the business community is facing and works to ensure steady and timely resolution. It also engages in dialogue with a wide range of stakeholders including political leaders, administrative organizations, labor unions, and citizens.
Japan Chemical Industry Association https://www2.nikkakyo.org/english/	The association conducts surveys and research on production, logistics, consumption, and so on relating to the chemical industry. It also conducts surveys and research on various issues, such as technologies, labor, the environment, and safety relating to the chemical industry and plans and promotes implementation of countermeasures.
The Japan Plastics Industry Federation (JPIF) https://www.jpif.gr.jp/english/	JPIF responds to a wide range of issues related to the plastics industry including raw material resins, molding/fabrication processes, and management of used products. It also engages in activities not only within the industry, but also in response to issues outside the industry.
Japan Electronics Packaging and Circuits Association (JPCA) https://jpca.jp/eng/	Japan's only electronic circuit manufacturing industry organization. JPCA holds exhibitions, engages in standardization activities, participates in international research projects, and conducts public relations, publishing, and more.
Japan Chemical Exporters and Importers Association (JCEIA) https://www.jcta.or.jp/jceia_web/english/	JCEIA conducts surveys and research related to the import and export of chemical products as well as survey and research on various issues regarding chemicals including safety, the environment, logistics, and security trade controls and the planning, formulation, and implementation of countermeasures.
Japan Industrial Safety & Health Association (JISHA) https://www.jisha.or.jp/	JISHA works to improve occupational health and safety and prevent occupational accidents by promoting voluntary occupational accident prevention measures undertaken by businesses.
Japan Clean Ocean Material Alliance (CLOMA) https://cloma.net/english/	CLOMA engages in public-private collaboration to solve the problem of marine plastic waste by promoting more sustainable use of plastic products and the development and widespread introduction of innovative alternatives that lead to reductions in plastic waste.

Progress in Sustainability

Fiscal year	Details
1995	Responsible Care Committee established Joined the Japan Responsible Care Council as a founding member
2000	Issued the first Environmental Activities Report
2001	Renamed the Environmental Activities Report the Environmental Report
2005	Renamed the Environmental Report the Environmental & Social Report
2007	Launched the SB School, an in-house training institute
2008	Signed the Responsible Care Global Charter
2010	Began participating as a partner in the Declaration of Biodiversity by Keidanren (Japan Business Federation)
2014	Signed the revised Responsible Care Global Charter
2015	Established the Policy on Responsible Care Activities Identified material issues
2016	Renamed the Environmental & Social Report the CSR Report
2017	Established the Ikoi no Mori biotope at Shizuoka Plant and opened it to the public
2018	Launched a certification system for SDG-contributing products, technologies, and activities
2019	Issued the first Integrated Report Established the Sustainability Promotion Committee
2020	Formulated the Environmental Vision for 2050
2021	Expressed agreement with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) Announced our own My Declaration of Human Rights
2022	Expressed agreement with the GX League Basic Concept Joined the 30by30 Alliance for Biodiversity Announced the Declaration of Partnership Building Established the DE&I Promotion Office
2023	Formulated the Sustainability Promotion Policy Formulated the Human Rights Policy Joined the GX League Acquired certification as Nationally Certified Sustainably Managed Natural Site (OECD certification) in the first half of FY2023 from Ministry of the Environment Established the Sustainability Promotion Department
2024	Signed the United Nations Global Compact Issued the first Sustainability Report (archived version) Revised the material issues
2025	Acquired certification from the Science Based Targets (SBT) initiative

Independent Practitioner’s Limited Assurance Report

To the President and Representative Director of Sumitomo Bakelite Co., Ltd.

Conclusion

We have performed a limited assurance engagement on whether selected environmental and social performance indicators (the “subject matter information” or the “SMI”) presented in Sumitomo Bakelite Co., Ltd.’s (the “Company”) Sustainability Report 2025 (the “Report”) for the year ended March 31, 2025 have been prepared in accordance with the criteria (the “Criteria”), which are established by the Company and are explained on the Report. The SMI subject to the assurance engagement is indicated in the Report with the symbol “”.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company’s SMI for the year ended March 31, 2025 is not prepared, in all material respects, in accordance with the Criteria.

Basis for Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*, and International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the “Our responsibilities” section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as “other information”). We have read the other information but have not performed any procedures with respect to the other information.

Responsibilities for the SMI

Management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

Inherent limitations in preparing the SMI

As described in Note to the Report, GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Company's management.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- performing a site visit at the Korat Plant of Kawasumi Laboratories (Thailand) Co., Ltd. which was determined through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

/s/ Kazuhiko Saito

Kazuhiko Saito, Engagement Partner

KPMG AZSA Sustainability Co., Ltd.

Tokyo Office, Japan

February 10, 2026

Notes to the Reader of Independent Assurance Report:

This is a copy of the Independent Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.