

Message from Outside Director

To further strengthen governance and execution capabilities to enhance corporate value

We interviewed Mr. Ichikawa, newly appointed outside director in June 2022, about the state of Sumitomo Chemical from the perspective of an outside director and his expectations for the future.

Akira Ichikawa

Outside Director

In 1978, he joined Sumitomo Forestry Co., Ltd. He was stationed in Amsterdam as Deputy General Manager of the Overseas Department, and later became Manager of the Seattle Sub-branch. After serving as General Manager of the International Business Department in 2002, Executive Officer and General Manager of the Corporate Planning Department in 2007, and Director and Managing Executive Officer in 2008, he was appointed Representative Director & President in April 2010, and Representative Director, Chairman of the Board from April 2020. In June 2021, he was appointed Outside Director of Konica Minolta, Inc. and in June 2022, Outside Director of Sumitomo Chemical Co., Ltd.



They have a corporate culture and structure to face each issue one by one.

As an outside director, I will be overseeing the management of the chemical industry, which is different from my own career to date, and I am surprised to recognize once again the broad scope of the chemical industry as a key industry that supports the manufacturing industry in Japan.

Sumitomo Chemical manufactures high value-added products such as functional materials based on its advanced technological capabilities. In addition, Sumitomo Chemical has long focused on the life science field, including health & crop sciences and pharmaceuticals businesses, and has developed its business based on its specialized areas of expertise in each business field. I feel that they have a distinctive business portfolio within the chemical industry.

However, in a world where global warming is progressing, how to connect the earth's resources to the future - this is an important issue for all industries, but it is a particularly big issue for the petrochemical business. In addition, the chemical industry is unique in that its products are highly segmented and it has large-scale manufacturing facilities, which makes it difficult for the industry to change products into new ones and respond to changes. Under these circumstances, I believe that the challenge is to maximize profitability by increasing efficiency and added-value, and to achieve sustainable growth.

Sumitomo Chemical faces each of these issues head-on, discusses them, and works to resolve them. They have a corporate culture of facing everything with sincerity and care. For example, based on the concept of Responsible Care, Sumitomo Chemical aims to ensure safety, health, and the environment throughout the lifecycle of its chemical products and to improve their quality. The Responsible Care Department has been established as a cross-functional, cross-departmental organization to serve as a command post for the realization of this concept. I feel it is wonderful that they have not only a concept but also a management system to implement it.

The same is true for governance discussions, which are detailed and carefully addressed not only in terms of compliance, but also on a wide range of issues, including human rights, diversity and inclusion, and environmental issues. They already have a solid governance structure in place, and I believe it will be important to upgrade this structure as they expand it widely to group companies, business partners, and others.

Promotion of Green Transformation in a broader sense Expectations for Sumitomo Chemical's character

Sumitomo Chemical aims to enhance its corporate value by creating both social value and economic value in accordance with its Corporate Philosophy of Jiri-Rita Koushi-Ichinyo. One of their efforts to achieve this goal is to upgrade their portfolio from the perspective of Green Transformation. In particular, Sumitomo Chemical views Green Transformation not only as ecosystem conservation but also as a social system that includes human health, and they are trying to create new innovations by considering what each business and sector should do from this perspective. I think this is a very typical way of thinking and approach of Sumitomo Chemical.

In order to sustain society while maintaining the health of the earth, we need to think about how to avoid wasting limited resources. For example, if chemical products are more sustainable, use chemical products; if wood is more sustainable, use wood. It is important to work on resource recycling on a global scale, considering the right materials and products for the right places, without being bound by industry boundaries.

In order to advance the business portfolio, which is currently Sumitomo Chemical's priority, the company must prioritize its efforts by selection and concentration, looking at resources such as human resources and technology, as well as timeframes. In doing so, they must not forget that the objective is not to change the portfolio itself, but to enhance corporate value beyond that point. In addition, it is essential to constantly inspect the business portfolio to ensure that it matches the resources available at that point in time.

And while the petrochemical business is under increasing scrutiny due to growing interest in decarbonization, petrochemicals are a vital industry for society and for Japanese manufacturing. Sumitomo Chemical has clearly stated exactly that, and is leading the discussion and taking action in the petrochemical business as the Essential Chemicals & Plastics Sector. I hope that more stakeholders will support this concept! We must deepen the understanding of the petrochemical business, including the media and consumers. I would also like to create a flow of thinking about what we should do as a society to ensure that the petrochemical industry will continue to be an essential industry for many years to come.

I expect Sumitomo Chemical to continue to grow and develop, shining with a brilliance that sets it apart from other companies in the chemical industry. For this to happen, management execution is still crucial. As an outside director, I would like to contribute to the development of Sumitomo Chemical by addressing issues from diverse perspectives that are not bound by industry boundaries.