



Sumitomo Group Public Affairs Committee

<https://www.sumitomo.gr.jp/>

Sumitomo Chemical Co., Ltd.
 Sumitomo Heavy Industries, Ltd.
 Sumitomo Mitsui Banking Corporation
 Sumitomo Metal Mining Co., Ltd.
 Sumitomo Corporation
 Sumitomo Mitsui Trust Bank, Limited
 Sumitomo Life Insurance Company
 The Sumitomo Warehouse Co., Ltd.
 Sumitomo Electric Industries, Ltd.
 Mitsui Sumitomo Insurance Co., Ltd.
 Nippon Sheet Glass Co., Ltd.
 NEC Corporation
 Sumitomo Realty & Development Co., Ltd.
 Sumitomo Osaka Cement Co., Ltd.
 Sumitomo Bakelite Co., Ltd.
 Sumitomo Forestry Co., Ltd.
 Sumitomo Rubber Industries, Ltd.
 Sumitomo Pharma Co., Ltd.
 Sumitomo Mitsui Card Company, Limited
 Sumitomo Construction Machinery Co., Ltd.
 Sumitomo Seika Chemicals Co., Ltd.
 Sumitomo Precision Products Co., Ltd.
 Sumitomo Wiring Systems, Ltd.
 The Japan Research Institute, Limited
 Sumitomo Mitsui Finance and Leasing Co., Ltd.
 SMBC Nikko Securities Inc.
 SCSK Corporation
 Sumitomo Riko Company Limited
 Nissin Electric Co., Ltd.
 Meidensha Corporation
 Sumitomo Mitsui Auto Service Co., Ltd.

Publisher
 Sumitomo Group Public Affairs Committee

Planning & Editing
 Nikkei BP Consulting, Inc.

Printing
 Dai Nippon Printing Co., Ltd.

Design
 LEX

© 2026 Sumitomo Group Public Affairs Committee
 All rights reserved



Sustainable Innovation
 with a **Human Touch**

Contents

- 2 ■ Our Aspirations
Akitoshi Nakagawa
Meidensha
- 4 ■ Sustainable Innovation
with a Human Touch
- 12 ■ Let's talk!
- 14 ■ Illustrator Miki Tanaka
Visits Sumitomo Group
Shirakawa Factory
DUNLOP (Sumitomo Rubber Industries)
- 17 ■ Crossing Borders
Masatoshi Saito
Sumitomo Mitsui Finance & Leasing
- 18 ■ Sumitomo's
Modern Development
- 20 ■ News & Topics

Our Aspirations



Akitoshi Nakagawa

Applied Ceramic Products
Development Division,
Research & Development Group
Meidensha



Passion opens the door to a new field—
a game app born from an employee's idea

Meidensha's game app *Gesui Okoku* (Sewage Kingdom), launched in April 2026, was born from the passion of a diverse group of coworkers from across the company who wanted to turn what they love into their work. Presented in a story-driven format, the game offers an engaging way to learn about the mechanisms and challenges of sewage treatment. *Bakuchimon* characters modeled on microorganisms battle swarms of polluted life forms, purifying the wastewater in the process. Every detail has been carefully crafted, from scenarios based on real-world expertise to system designs aimed at the efficient operation of sewage treatment facilities.

In 2023, Akitoshi Nakagawa of the Research & Development

Group decided to enter the company's internal business idea contest, the MEIAN Challenge, with a proposal for a project unrelated to his regular work. A gaming enthusiast himself, Nakagawa came up with the unconventional idea of turning sewage treatment into a video game. But he quickly realized that he could not develop the idea alone. In search of collaborators, he began reaching out across departmental lines. Expanding his network beyond colleagues he knew directly, he asked employees throughout the company: "Does anyone here like games or anime?" Eventually, eight people joined the team. They were based at sites including Nagoya, the Tokyo headquarters, Numazu, and Ota, and came from a wide range

of departments, including human resources, intellectual property, design, and factory operations.

The eight team members held numerous online meetings and creative sessions. Each contributed their own strengths with genuine enthusiasm. Members skilled in illustration and music production, for example, created promotional visuals and music for the presentation. "For a few seconds after our presentation ended, the entire venue fell silent," Nakagawa recalls. "I think the audience was simply astonished by the idea. In the internal vote, we received more than twice as many votes as the runner-up, which ultimately led to the release of the game."

At the heart of new business creation lies a spirit of chal-

lenge driven by personal passion. The synergy created through collaboration across departmental boundaries opened up new possibilities and value. The project was launched immediately after the contest, and the app was developed through collaboration between enthusiastic Meidensha employees and external creators, including app and game developer Clover Lab. "Through this challenge, I realized that if you seriously think about how to connect what you want to do with your work and pursue it with passion, the company is willing to embrace your new ideas," says Nakagawa. "The experience gave me confidence." Regardless of age or position, the courage to take on new challenges can bring fresh energy and perspectives. ❸

Striking the
Gesui pose
with the team.



Sustainable Innovation with a *Human Touch*

In recent years, interest has grown not only in the pursuit of efficiency and convenience, but also in business models that offer greater transparency regarding who creates products and services, how they are produced, and how they contribute to society. Nowadays, business activities are expected to reflect consideration for people and the planet, coexistence with local communities, clear accountability, and a commitment to a sustainable future. Through the initiatives of two Sumitomo Group companies, we explore the current state and future direction of sustainable innovation with a human touch.

Sumitomo Forestry owns and manages forests across Japan and overseas. As Japan's leading timber trading company by domestic transaction volume, it sources high-quality timber from around the world.

PART 1

Knowing wood deeply and using it to the fullest

Sumitomo Forestry

Through its interior building materials brand "PRIME WOOD," Sumitomo Forestry delivers wood-rich living environments to consumers. Meanwhile, global challenges such as climate change and biodiversity loss are becoming more acute. Building on its "Wood Cycle" integrated value chain—centered on wood and spanning forest cultivation and management, timber procurement, processing and manufacturing, wooden construction, and wood biomass power generation—Sumitomo Forestry is working to contribute to decarbonization and a nature-positive future.

Teak grown in Indonesia. The clear distinction between wet and dry seasons in its native climate gives the wood exceptional weather resistance.

The value of wood lies not only in its origin, but also in how it is used over time. When and where it is harvested, how it is dried, what materials it is fashioned into, and how long it remains in use—all of these factors matter. In an era shaped by decarbonization and biodiversity, it is this continuity that gives wood its value as a responsible material.

Sumitomo Forestry formulated its long-term vision for 2030, Mission TREEING 2030, and positioned the "further integration of business operations and ESG" as one of the core policies in its medium-term management plan. For Sumitomo Forestry, whose business is based on wood as natural capital, sustainability lies at the heart of the company.

Sumitomo Forestry describes its value chain centered on wood—from forest cultivation and management to timber procurement, processing and manufacturing, wooden construction, and wood biomass power generation—as the "WOOD CYCLE." By sustaining this cycle, the company aims to increase the amount of CO₂ absorbed by forests, promote long-term carbon storage through the wider use of wooden construction, and contribute to the decarbonization of society as a whole.

The "PRIME WOOD" interior building materials brand brings the concept of the WOOD CYCLE closer to consum-

ers through products used in everyday living. Crafted using advanced processing technologies, PRIME WOOD high-quality original wood materials are made from carefully selected premium woods sourced from around the world, ranging from imported species such as ash, oak, cherry, teak, and walnut to Japanese woods including cedar, oak, and ash. Used in residential flooring, ceilings, doors, and other interior applications, these materials create spaces that combine warmth with refined design while bringing out the natural beauty of wood to the fullest.

Kunihiko Nakano, Manager of the Marketing and Promotion Department in Sumitomo Forestry's Housing Division, explains: "Sumitomo Forestry's business begins with the cultivation of forests and continues through procurement, manufacturing, and production, culminating in the interior materials delivered to our customers."

A business approach that fosters lasting attachment

Many consumers are drawn to Sumitomo Forestry's wood-based homes. "We often hear customers say they chose Sumitomo Forestry because of its use of wood in homebuilding. PRIME WOOD is designed to clearly



1. Wood—no two pieces are ever alike—is processed with precision and consistency into materials with optimal characteristics. 2. Specialists with deep knowledge of each wood species refine every detail of residential products. 3. Oil finishing protects the wood and contributes to homes designed to last for generations.

communicate both the breadth of our product lineup and the high quality of our materials,” Nakano says.

What distinguishes Sumitomo Forestry is that, although it is a homebuilder, it oversees the entire process from the selection of wood species, colors, and grain patterns through to final product development. “Most homebuilders typically procure building materials such as flooring from external manufacturers,” Nakano explains. “In contrast, Sumitomo Forestry operates an integrated production and sales system that encompasses everything from materials planning and manufacturing to sales.” The company also operates a factory in Indonesia through a group company and strives to achieve the same level of quality overseas as it does in Japan.

PRIME WOOD offers 50 standard flooring products alone, with a total lineup of around 60 products. Even within the same wood species, a wide variety of options are available, including solid pieces and sawn veneer materials, different coating finishes, textured treatments such as the traditional ukizukuri finish that accentuates the wood’s growth rings and grain, and variations in board width. Creating high-quality wood materials requires processing techniques tailored to the unique characteristics of each type of timber. For PRIME WOOD, we carefully select processing and finishing methods for each material and product in order to bring out the natural beauty of the wood to the fullest. A home continues to evolve even after it is purchased, changing over

time through daily use and care. “Our mission is to make wood into something our customers will grow attached to and continue using for many years,” Nakano says.

Central to the PRIME WOOD philosophy is the concept of using every part of the wood without waste. As a natural material, each piece of wood possesses its own distinct character. Even sections with knot holes or variations in color are joined and incorporated into products whenever possible. Wood that was once discarded is now repurposed into small items such as wood tiles. Even timber that might otherwise be considered unsuitable for standard use—such as pieces bearing sticker marks left during air drying—is given new value as flooring material.

At the same time, working with wood as a natural material presents its own challenges. Even within the same species, wood can differ significantly depending on where it is grown. “For example, oak, a popular type of hardwood used for interior materials such as flooring, exists in hundreds of varieties around the world,” Nakano explains. “Even within the same species, characteristics such as color, grain, and hardness can vary considerably. Oak from Japan, North America, and Europe each has its own distinct appearance and properties. Part of our role as a brand is to clearly communicate these differences so that customers can appreciate the unique qualities associated with each region and make informed choices.”

To ensure consistent product quality, variations in

color—even within wood from the same region of origin—are carefully balanced at the factory through sorting and distribution, as well as through coloring techniques that enhance the natural grain of the wood. To support this process, Sumitomo Forestry establishes detailed standards for the color and quality of each wood species, and company personnel travel to sawmills around the world to source timber directly. By inspecting the wood firsthand during sourcing, the company minimizes quality variations and maintains a stable supply of materials that meet its standards.

Traceability is a prerequisite for maintaining quality and ensuring sustainable business practices while working with wood as natural capital. Sumitomo Forestry does not use timber whose origin or supply route cannot be clearly identified. Without transparency at the point of sourcing, there is always a risk that illegally harvested timber could enter the supply chain. It is therefore essential to be able to explain the provenance of the wood: which forest it came from, who harvested it and how, how it was transported, and the processes through which it became a building material.

Forest certification, through which third-party organizations assess and certify sustainable forest management, is more than a label. It functions as a form of governance that ensures accountability throughout every stage of procurement, processing, and supply. Maintaining traceability in this way helps make responsible and trustworthy manufacturing practices visible.

Long-lasting homes deliver environmental value

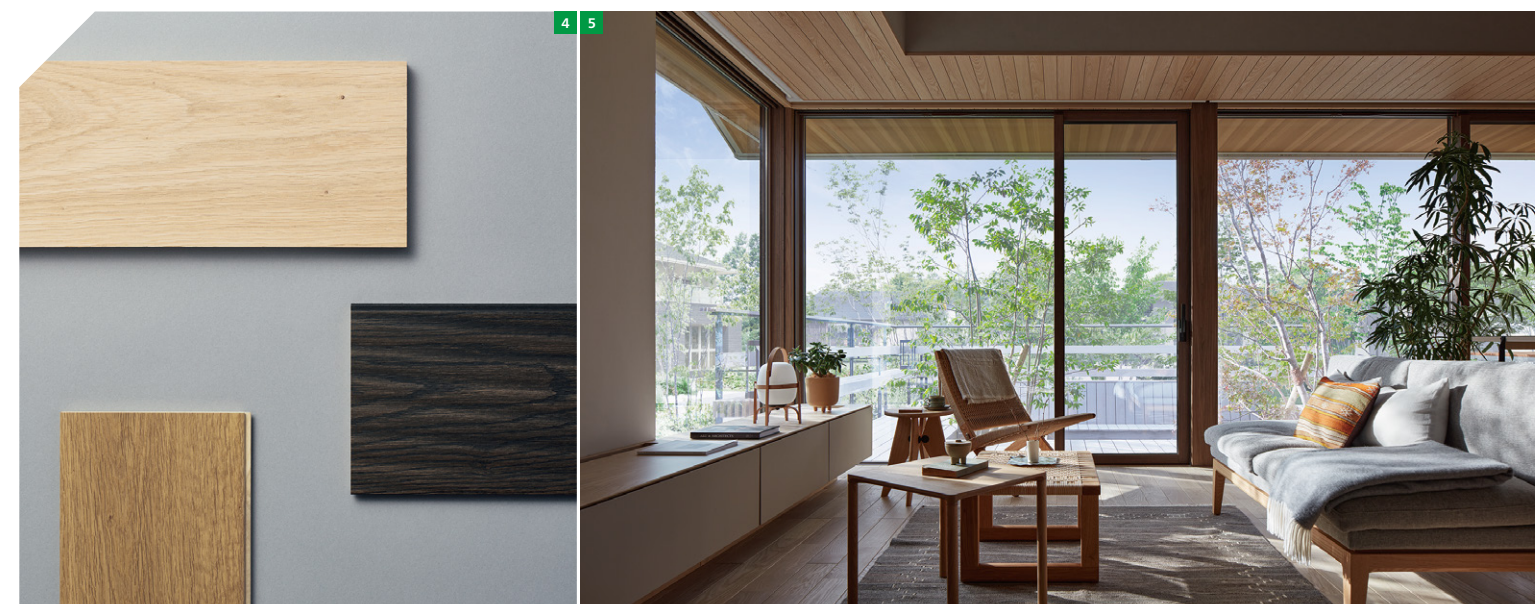
In Japan, Sumitomo Forestry company-owned forests amount to approximately 48,000 hectares—equivalent to

about 1/800th of the country’s land area. Overseas, it owns and manages approximately 325,000 hectares of forest (including forestry fund) in Indonesia, Papua New Guinea, and New Zealand.

As a company whose business is built on the use of natural capital, Sumitomo Forestry is actively engaged in environmental management. In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the company conducts scenario analyses of climate-related risks and incorporates the findings into its business planning. With regard to nature-related issues, Sumitomo Forestry adopted the LEAP approach (Locate, Evaluate, Assess and Prepare) developed by the Task Force on Nature-related Financial Disclosures (TNFD) to systematically assess the company’s dependence on nature, its impacts on the natural environment, and the risks and opportunities arising from those relationships. Based on this analysis, the company reviewed its entire supply chain and identified the sites requiring priority action.

Although growth periods vary depending on the tree species, trees are typically harvested only after several decades of growth. It then takes approximately two years for the timber to be dried and processed into building materials. Once incorporated into a home, however, it can remain in use for 50 years—or even as long as 100 years. By storing carbon over extended periods, wood is an exceptional natural material that contributes to efforts to address climate change. “Above all, we simply love wood,” Nakano says. “We want people around the world to bring the potential of wood into their daily lives, and we hope PRIME WOOD will continue to serve as one of the choices that makes that possible.” ⁵⁰

4. Oak, known as the “king of the forest,” is prized for its strength, durability, and water resistance, and is widely used in high-end furniture. Different finishes reveal a rich variety of expressions in the wood. 5. A signature feature of Sumitomo Forestry homes is the use of wood-grain-matched interior ceilings and exterior eave soffit to blur the boundary between indoors and outdoors, creating a greater sense of openness.



PART 2

Redox flow batteries Made possible by engineers' persistence

Sumitomo Electric

Although the project was once confronted by the harsh decision to withdraw from the business, development of the redox flow battery never truly came to an end. "This energy storage technology will one day become essential." Guided by that belief, engineers continued their persistent efforts, which ultimately led to the technology's present-day role in supporting the expansion of renewable energy and strengthening disaster resilience. Built on decades of challenges and perseverance, redox flow batteries are now attracting attention as a technology capable of meeting the needs of future society.

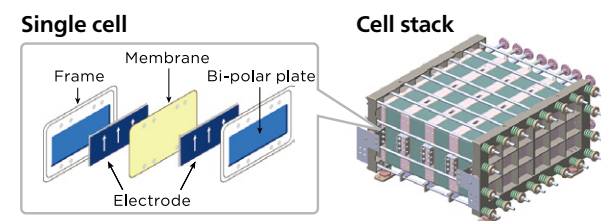


In front of an RF battery container, from right: Takashi Kanno; Katsuya Yamanishi; Soichiro Fukui, General Manager of the Business Planning Department, RF Battery Business Development Division; and Shinji Tamura of the Domestic Planning Group, Business Planning Department.

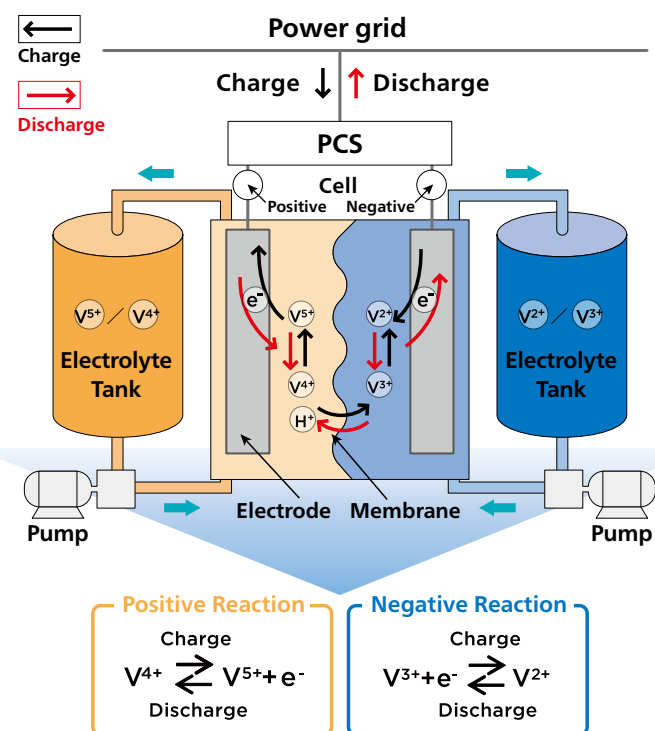
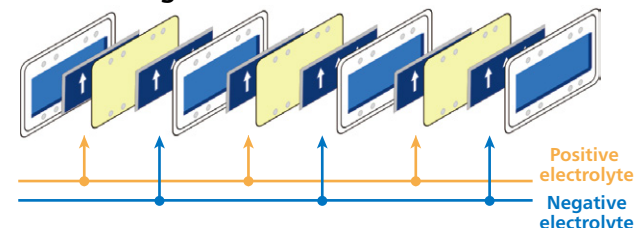
How a redox flow battery works. Electrolytes for the positive and negative electrodes circulate from the tanks to the cell, while electrons move between electrodes separated by a membrane to charge and discharge the battery.

Single cells and cell stacks in a redox flow battery. A single cell consists of electrodes, a membrane, and bipolar plates. Stacking these components together forms a cell stack.

Single cell & Cell stack



Cell stacking



A redox flow (RF) battery is a large-scale energy storage system that charges and discharges electricity through the reduction-oxidation reactions of ions while circulating liquid electrolytes through the system using pumps. Its origins can be traced back to electrochemical research conducted by the National Aeronautics and Space Administration (NASA) during the 1960s and 1970s. Against the backdrop of technological advances driven by the space program, research into large-scale energy storage accelerated, leading to the conception of the prototype RF battery.

The basic structure of the system is relatively simple, consisting of a cell stack composed of liquid-flow cells, electrolyte storage tanks, and pumps and piping that circulate the electrolyte. The electrolyte is a vanadium sulfate aqueous solution.

Large-scale energy storage systems include lithium-ion

batteries and sodium-sulfur (NAS) batteries. Compared with these technologies, RF batteries offer several notable advantages, including a high level of safety, long operational life, and the flexibility to tailor output and storage capacity to specific applications.

Takashi Kanno, General Manager of the Development Department in the RF Battery Business Development Division, explains the characteristics of RF batteries: "Vanadium sulfate aqueous solution is nonflammable, and even in the unlikely event that the positive and negative electrolytes were to mix, the risk of ignition would be extremely low. Moreover, because vanadium is capable of existing in multiple oxidation states, charging and discharging occur solely through the exchange of electrons between ions in the electrolyte. As a result, the electrolyte itself undergoes minimal degradation and can theoretically be used almost indefinitely."



Assembly of a cell stack.



Completed cell stacks are rigorously inspected by several technicians.



New RF battery system used for demonstration testing at Sumitomo Electric's Osaka Works.

Another strength of RF batteries lies in the ability to design the battery container and electrolyte tanks independently, enabling output and discharge duration to be flexibly tailored to specific applications. Designed for long-term operation, RF batteries also offer the advantages of lower environmental impact and reduced lifecycle costs through a system configuration that supports reuse and recycling.

Refusing to abandon the technology's potential—even as “holdouts”

Sumitomo Electric launched a research planning initiative around 1981 to explore the potential of energy storage technology. At the time, Japan's government-led Moonlight Project was advancing research into power storage technologies using next-generation batteries, and the company joined the effort as part of its search for new business opportunities. After evaluating several approaches, Sumitomo Electric focused its attention on RF batteries and, in 1985, began joint research and development with Kansai Electric Power Company. The project eventually moved into the commercialization phase, and the business division expanded to an organization of approximately 100 people. Development accelerated following the transition from iron-chromium-based electrolytes to vanadium-based electrolytes, which significantly improved performance. In 2001, product deliveries to universities and factories began.

However, significant obstacles stood in the way of the practical application of RF batteries. A series of problems, including electrolyte leaks, occurred at customer sites, requiring repeated repairs. Despite ongoing efforts to improve the systems, no definitive solution emerged, and the difficult decision was ultimately made to replace them with systems from another company. “There were challenges that only became visible once the systems were actually operated on a large scale,” recalls Katsuya Yamanishi, Assistant General Manager of the RF Battery Business

Development Division. “We visited customers, prepared to face severe criticism as we apologized. But instead, many people encouraged us, saying, ‘Setbacks are inevitable in the development of new technologies. Only by overcoming them can progress be made.’ Those words reminded us that giving up wasn’t an option for us.”

In 2005, Sumitomo Electric decided to withdraw from the RF battery business after it had incurred substantial losses. “I felt frustrated and defeated,” recalls Yamanishi. “But I never believed the technology lacked potential. I was convinced that its value would one day be recognized.” The business division was disbanded, leaving fewer than 10 members to handle maintenance and repair work. Yet behind the scenes, a budget was quietly secured for continued development. “We will halt sales operations, but develop an RF battery that never fails.” Given a two-year window by management, the remaining team began work on improving the resin frame that had been causing electrolyte leaks. Through trial and error with an injection molding manufacturer, they resolved major issues one by one, including achieving a structure with thickness precision within $\pm 0.1\text{mm}$.

“I believe Sumitomo Electric felt a sense of pride and responsibility not to abandon a technology it had worked so hard to develop,” says Kanno. “The remaining members were sometimes mocked as ‘holdouts,’ but they continued doing everything they could while looking ahead to the day when the technology’s value would finally be recognized.”

New RF battery designed for up to 30 years of operation

Approximately four years later, the RF battery business was revived through the efforts of development team members who never stopped believing in the technology’s potential. At the time, next-generation power networks known as “smart grids” were beginning to attract attention, and inquiries from customers about the future of RF batteries were steadily increasing. “We kept telling management that

improvements were already being made, and eventually we received approval to restart the business,” Yamanishi says.

Alongside the complete elimination of electrolyte leakage, continued advances in materials development and other improvements led to strong market recognition for the demonstration system completed in 2012. The project later expanded into large-scale demonstration testing with Hokkaido Electric Power Company and into a microgrid demonstration in California with the New Energy and Industrial Technology Development Organization (NEDO)—the first such initiative between Japan and the United States.

One event that left a lasting impression on the development team was the Hokkaido Eastern Iburi Earthquake of September 6, 2018. Following Hokkaido’s first recorded seismic intensity 7 earthquake—which triggered a blackout across the entire region—the company’s large RF battery installed at the Minami-Hayakita substation played a role in

supporting power restoration efforts.

“After on-site inspection, the system was brought online, and grid restoration progressed in coordination with power generation facilities and wind power systems,” Yamanishi recalls. “As engineers, we tend to focus primarily on technological development. But this experience allowed us to share the same sense of mission as the power utility—to restore power and deliver electricity as quickly as possible.”

Today, the social role of RF batteries is steadily expanding. The introduction of renewable energy storage systems into local communities contributes not only to local production and consumption of energy, but also to regional economic revitalization. Sumitomo Electric has already established a track record of installations in locations such as the Oki Islands in Shimane Prefecture and Kashiwazaki City in Niigata Prefecture. RF battery systems have also gained wider adoption overseas, including for a planned installation at a mine in Australia. The project reflects the high regard for the system’s safety, particularly its extremely low risk of ignition.

Orders for the new RF battery began in January 2026. Compared with previous models, the system offers approximately 15% higher energy density, while newly developed long-life materials make operational lifespans of up to 30 years possible. Looking ahead, Sumitomo Electric sees potential applications not only as emergency backup power during disasters, but also in the data center sector, where demand is expected to expand with the growing adoption of generative AI. As a company supporting both environmental sustainability and increasingly sophisticated social infrastructure, Sumitomo Electric is attracting ever greater attention. ❸

Redox flow battery and solar panels installed in Kashiwazaki City, Niigata Prefecture, as a grid-scale storage system for a new regional power utility. With an output of 1,000kW and a capacity of 8,000kWh, this large-scale facility can provide approximately 8 hours of discharge, making it one of the longest-duration systems in Japan.





Long breaks like summer vacation can be great opportunities for growth—for both parents and children!



Illustration: Naoyuki Hayashi

For dual-income households with elementary school-aged children, long school breaks such as summer and winter vacations can be a challenge. While the children are off school, parents still work every day. How do families manage? Employees from three Sumitomo Group companies got together to talk about experiences during past school breaks, as well as concerns and plans for summer.



(From left)
Takashi Funato, Application Group, Digital Strategy Department, Nippon Sheet Glass
Mihoko Hirai, DE&I Promotion Department, Personnel Division, Sumitomo Bakelite Co., Ltd.
Saki Okada, Merchant Management Department, Sumitomo Mitsui Card

The big question is where and how children spend their time while their parents are at work.

Hirai: We have two boys—our older son is in seventh grade and our younger son is in fourth grade. My husband has been stationed in Indonesia on his own for the past four years, so I've basically been handling childcare myself.

Okada: My husband has also been living on his own for work for the past two years, in Tokyo. We have two children—a daughter in fifth grade and a son in third grade.

Funato: We have two boys—our older son is in third grade and our younger son is three years old and attends nursery school. Until last year, our older son went to an after-school program, but since entering third grade, he's been spending most of his time at home. How about your children? Do they go to after-school programs as well?

Hirai: When my children were younger, they used an after-school program. After Yokohama launched its "After-School Kids Club" program, which provides after-school

programs at elementary schools, we started using it instead. My older son is already in junior high school, so he no longer goes there, but it's been a tremendous help. The children are already familiar with the school, and during long breaks the program even provides lunches.

Okada: I'm jealous that you don't have to prepare lunches yourself. I actually call it "lunchbox hell" because making boxed lunches during long school breaks is such a struggle... Both of my children attend the after-school program at their school, which is run by the City of Osaka. In addition to study time and playground activities, they also have movie screenings in the afternoon, so the children seem to enjoy it.

Funato: Not just during long school breaks, but throughout the year, my wife and I adjust our schedules so that one of us is working from home. Until last year, our older son attended an after-school program, but he said he preferred staying at home, so we switched to a routine where he goes to the program about half the week and spends the rest of the time at home.

Hirai: Our older son also stopped going to Kids Club when he started attending cram school in fourth grade to prepare for entrance exams.

Okada: Since after-school programs tend to have a lot of younger children, older kids often stop wanting to go. Fortunately, my daughter likes looking after younger children, and the younger kids are really attached to her, so she's always enjoyed going. But now that she's in fifth grade, I'm not sure how she'll feel about going during this summer break. There may be days when she stays home by herself.

Family outings are one of the highlights of long school breaks

Hirai: Even if the kids enjoy it, I thought they'd get tired of going to after-school care all summer, so once I sent both of them to a nature camp for a couple of nights. It was a good experience for them. During the Obon holiday, the children and I also go visit my husband in Indonesia, which has become one of our regular long-break traditions. How about you, Okada-san?

Okada: Every year, we visit both my husband's family and my own, and enjoy it like a vacation. Also, every summer our company holds a "Kids' Office Tour," where employees' children are invited to visit the workplace, and my children look forward to it every year. It's not just a fun event—it also gives children a chance to learn about our work.

Funato: Our older son loves science, so during the summer vacation we often go to events organized by research institutes and universities. But those events are popular and fill up quickly, so this year I plan to start gathering information earlier. Also, our sons asked if we could do fireworks together, so for the first time we enjoyed fireworks as a family. We

searched for places where fireworks were allowed, found a spot by a nearby river, and had a great time.

Okada: There are also unique challenges when it comes to caring for children during long school breaks. I'm always curious about how my children are spending their time at after-school care, so when I get home from work, I try to talk with them about their day. But I once read that when parents ask, "Did you have fun?", children may feel pressured to answer, "Yes," because they don't want to make their parents worry. So instead, I try to ask more open-ended questions like, "How was your day?"

Hirai: My younger son said he didn't want to spend the whole day at Kids Club, so we decided to let him come home at a set time. He seems to enjoy having time to play with his friends after he gets home. My older son was preparing for his junior high school entrance exams last year, so I was especially careful about managing his health and daily routine.

Funato: Since our son spends more time at home than at the after-school program, the thing we pay most attention to is making sure he keeps a regular routine. Before work starts everyday, we sit down together and decide what he's going to do from his "Let's Give It a Try" list, including homework and chores, so he spends his day according to the plan.

Okada: My daughter helps me a lot, and lately I've realized that she actually does a better job of keeping herself organized when I'm not around.

Hirai: Exactly. When I'm around, they won't do anything unless I'm constantly nagging them, but when it's just the two of them, they somehow manage to stay on schedule. Maybe it's better not to say too much after all.

Funato: One day, my wife and I were busy, so our son heated up instant curry for lunch. Moments like that make you realize how much children are growing during long school breaks. ☺

Looking to the future

Funato: Going forward, I'd like to maintain a good balance between working from home and going into the office while continuing to focus on my work. My older son loves books on math and physics, but since I come from a social sciences background and those subjects are outside my area of expertise, I'd like to understand them at least a little better so that I can share his enthusiasm.

Hirai: Now that my younger son is also able to stay home on his own, I'd like to focus even more on my work, including going on business trips. I'd also like to create more opportunities to speak directly with colleagues at other sites about DE&I.

Okada: There were times when I worried that my children might feel lonely, but now, my goal is to be the kind of mother who makes them think, "Our mom is so cool because she works."

Illustrator **Miki Tanaka**

Visits Sumitomo Group

Theme

Shirakawa Factory DUNLOP (Sumitomo Rubber Industries)

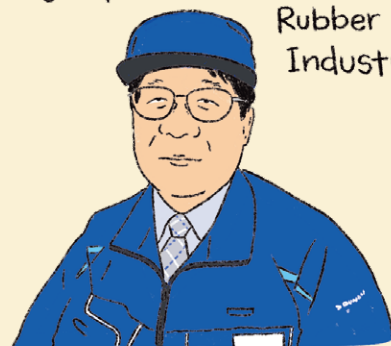
Centering on its tire business, Sumitomo Rubber Industries also manufactures sporting goods and industrial rubber products. At its Shirakawa Factory in Shirakawa City, Fukushima Prefecture—one of the largest tire production sites in Japan—a demonstration project is currently underway to achieve carbon-neutral tire manufacturing through the use of hydrogen energy and solar power. We visited a site where efforts are being made to realize local production and local consumption of hydrogen energy.



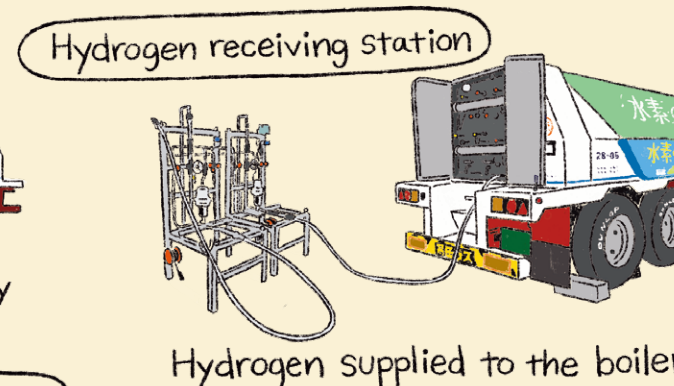
1. The Shirakawa Factory obtained ISO 14001 certification in 1997. The 2MW solar power generation system installed on the employee carport in 2023 is one of the largest of its kind in Japan.
2. The company has four tire manufacturing plants in Japan, including the Shirakawa Factory, and seven overseas.



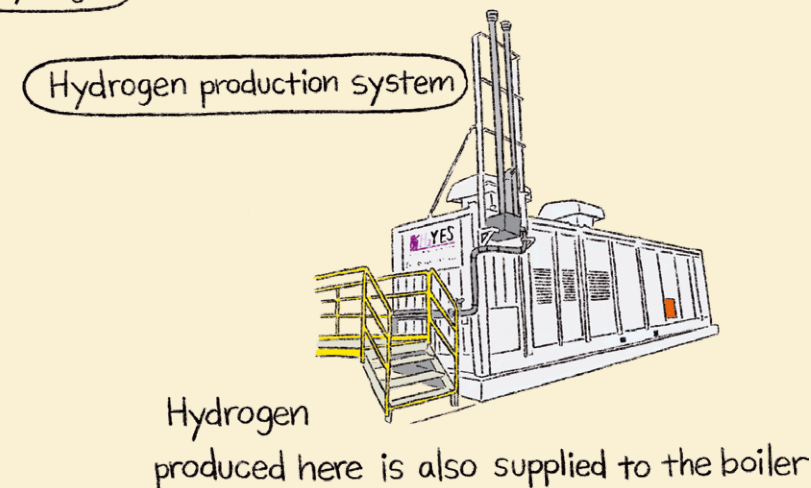
Mr. Nakata, who oversees the
hydrogen project at Sumitomo
Rubber
Industries



His favorite saying is
ichi-go ichi-e
("every encounter is
once in a lifetime").



The first tire manufactured using hydrogen



Walking through the gate, my eyes are immediately drawn to the landscaping at the entrance, shaped to spell out the word "DUNLOP." This is Sumitomo Rubber Industries' Shirakawa Factory. Opened in 1974, it is Japan's largest tire manufacturing facility, producing more than 10,000 tons of tires per month (rubber volume basis) for vehicles ranging from compact cars to heavy-duty trucks. "As part of our efforts toward carbon neutrality, we are manufacturing tires using hydrogen energy," says Mr. Nobuaki Nakata, who oversees the hydrogen project in the Environmental Strategy Promotion Department.

Tire manufacturing is generally divided into six main processes: "mixing," in which raw rubber, carbon, and chemicals are blended together; "component preparation," in which tire components are produced; "tire building," in which the components are assembled to form the basic structure of the tire; "vulcanization," in which heat and pressure trigger a chemical reaction that gives the tire its strong elasticity; followed by "inspection" and "shipment." Of these processes, mixing, component preparation, and tire building consume electricity, but decarbonization can be achieved through energy conservation and use of renewable energy. On the other hand, vulcanization requires high-pressure steam at temperatures reach-

ing 200°C. Because generating such steam using electricity has been technically difficult, natural gas has traditionally been used as the fuel source. "CO₂ emissions were unavoidable, making this the greatest challenge in achieving carbon neutrality in tire manufacturing," explains Mr. Nakata.

Since around 2010, Sumitomo Rubber Industries has explored various energy-conversion methods, including electric and microwave heating, with the aim of decarbonizing its factories. Around 2020, hydrogen emerged as a promising option. Hydrogen can be extracted from water using electricity and can also be produced from a variety of resources. Moreover, when used as a heat source through combustion, it emits no CO₂.

Another major advantage of hydrogen, Mr. Nakata explains, is that "if steam is generated by combusting hydrogen, existing facilities and manufacturing expertise cultivated over many years can continue to be utilized, with the exception of the boiler used as the heat source." The fact that the Shirakawa Factory is located in Fukushima Prefecture has also helped advance hydrogen utilization at the site. Under its Fukushima Plan for a New Energy Society, Fukushima Prefecture has become a leader in renewable energy, with renewable sources currently accounting for more than 40% of the

prefecture's total energy mix. The prefecture is home to FH2R, one of the world's largest facilities for producing green hydrogen derived from renewable energy, as well as hydrogen supply bases in three neighboring municipalities.

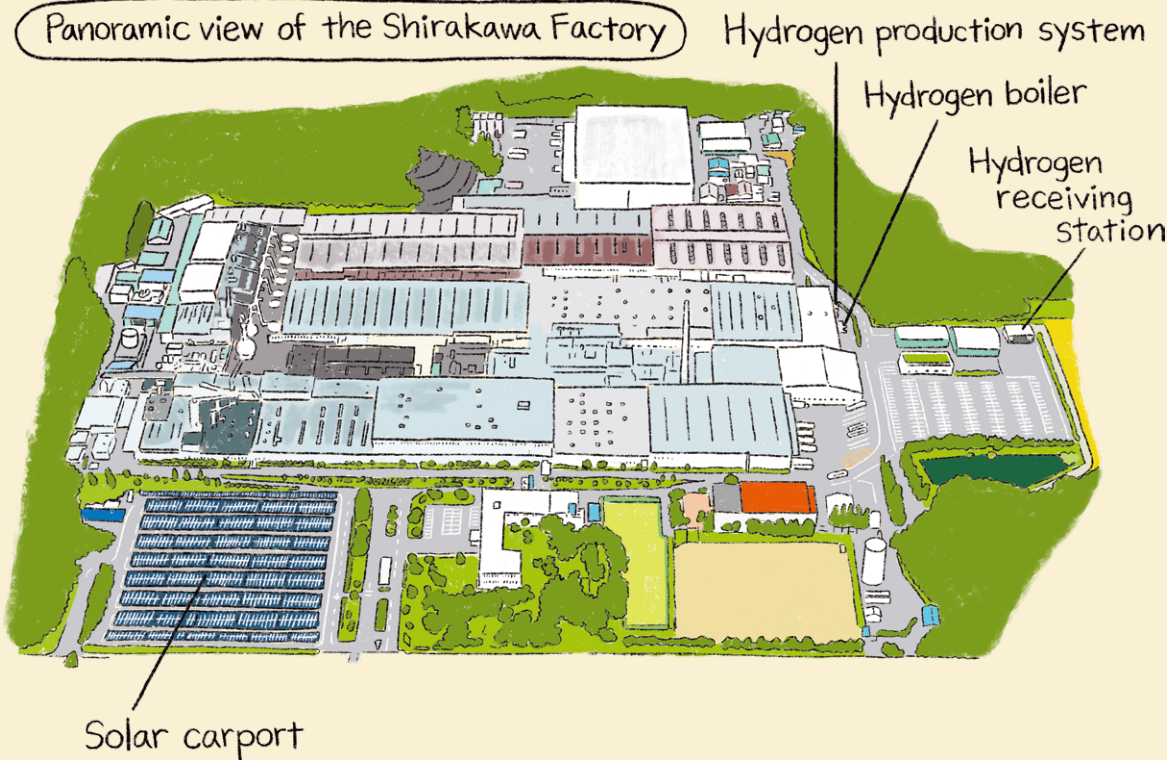
"While research on the supply side of hydrogen has been advancing, there have been very few demonstration projects on the demand side that actually utilize hydrogen. So we sought cooperation from local government authorities and hydrogen suppliers," says Mr. Nakata. In August 2021, the project was selected for a grant program by the New Energy and Industrial Technology Development Organization (NEDO), and demonstration testing using hydrogen boilers was conducted through March 2024. Sumitomo Rubber Industries established a system for procuring hydrogen from production facilities in Fukushima Prefecture, transporting it in hydrogen trailers whose tanks are decorated with images of Nan Lake and Komine Castle—symbols of Shirakawa City—and receiving it at the Shirakawa Factory. Following the development of a high-pressure hydrogen boiler, to replace conventional liquefied natural gas systems, the company generated high-temperature, high-pressure steam using hydrogen and applied the resulting energy to tire manufacturing. In addition, 2MW solar panels were installed in the employee parking area. In January 2023, the company became the first in Japan to begin producing tires using hydrogen energy and solar power to achieve carbon neutrality during manufacturing.

Based on the results of these demonstration tests, as well as challenges related to the stable supply and cost of hydro-

gen, the company decided in May 2024 to introduce the "Yamanashi Model P2G System," a next-generation energy system whose development has been led by Yamanashi Prefecture. The system uses renewable energy sources such as solar power to electrolyze water and produce environmentally friendly green hydrogen. In April 2025, as part of a NEDO demonstration project, the company began operating hydrogen production equipment employing the P2G system.

"We have been working to address issues such as ensuring a steady supply of hydrogen for the 24-hour continuous operation of hydrogen boilers with fluctuating output, as well as verifying their durability. Although no major issues were found with the main system during the demonstration tests, we did encounter an issue in which a small auxiliary sensor installed to monitor exhaust gases froze," says Mr. Nakata.

In light of these issues, and in consultation with NEDO, the company plans to conduct another winter season of testing for the water electrolysis demonstration project. During nine months of operation, the system produced 40 tons of hydrogen, making it a large-scale demonstration project. Even so, the amount of energy currently supplied by the hydrogen boilers accounts for only a few percent of the total energy used at the Shirakawa Factory, meaning that it still represents only a small step forward. Nevertheless, overcoming such challenges one by one will ultimately lead to decarbonization. The company aims to establish a local production-and-consumption model for hydrogen, contributing to the realization of carbon neutrality by producing and utilizing hydrogen locally. 50



Crossing Borders

Creating Value in a Connected World



Masatoshi Saito

**Vice President
Asia Strategic Planning Dept.
and Singapore Branch
Sumitomo Mitsui Finance & Leasing**

Joined Sumitomo Mitsui Finance & Leasing in 2018. Spent the first three years in sales, providing customers with financial services centered on leasing. Subsequently transferred to the Strategic Planning Dept., responsible for M&A and investments. He was engaged in the establishment of the Asia Strategic Planning Dept. and has been based in Singapore since 2022.

Involved in the Singapore office from its inception, gaining expertise in global business development

Sumitomo Mitsui Finance & Leasing established a base in Singapore to strengthen its investment and financing business in the Asia-Pacific (APAC) region. Masatoshi Saito, who had been involved from the establishment of the Asia Strategic Planning Dept., also played a key role in launching the Singapore office. His responsibilities ranged from securing office space and opening bank accounts to hiring local staff. "When I was posted to Singapore in 2022, the pandemic had not yet abated, and setting up the office under various restrictions was challenging," he recalls.

Currently, the Singapore office is engaged in a wide range of activities, including business development initiatives for investment and financing activities in APAC, the promotion of inorganic growth strategies such as M&A and business alliances, and the development of a platform for expanding operations in Singapore. Saito explains: "Aravest, which we acquired in December 2024, has launched a fund, and when acquiring high-quality real estate, it is not uncommon for the company to secure exclusive negotiating rights with the sellers, prevailing over major global players. In situations like these, I truly feel the strong credibility of the Sumitomo name, built up

over many years, as well as the strengths of the Sumitomo Group."

There is much to learn from the differences between working styles in Japan and Singapore. "In Singapore, the job-based employment system places a strong emphasis on specialization, which offers a different kind of appeal from the Japanese style of working, where employees are expected to gain experience across a wide range of fields. I have also been struck by differences such as the large number of women in managerial positions and the culture of leaving work early and prioritizing family time."

In addition to the expertise in finance and M&A he has developed since joining the company, Saito has also gained valuable international experience. Looking ahead, he says, "I want to continue expanding the scope of my career." 50

The Singapore Branch works on the same floor as Aravest, acquired by Sumitomo Mitsui Finance & Leasing. The group is unified in its effort to expand the business.



My go-to book



"Analysis for Financial Management, 3rd Edition: Theory and Practice of Corporate Finance"

Robert C. Higgins Translated by the Graduate School of Management, GLOBIS University

A textbook Saito used for a GLOBIS business course after joining the M&A department. "I became involved in M&A with almost no prior knowledge, so this book taught me the fundamentals of finance from the ground up. Even after coming to Singapore, it has continued to help me in all aspects of my work here, from valuing acquired real estate to formulating the annual business plan for the entire Singapore office. For me, it has become something of a bible."

*Affiliation as of April 2026

Sumitomo's Modern Development

Part 48 | Heritage Sites

Osaka, the city that nurtured
Sumitomo's prosperity
A "treasury of knowledge"
bequeathed by Tomoito



1. The Nakanoshima Library is said to have been modeled after a temple treasury. 2. The plaque, "Record of Donation for the Construction of the Library," bears Tomoito's words regarding the donation. 3. The "Darwin" plaque displayed in the hall. 4. The Memorial Room, which was used as a special reading room for prominent figures of the era. 5. The Main Hall, with its domed ceiling, captivates visitors.

Osaka Prefectural Nakanoshima Library

Nakanoshima, long the economic, cultural, and administrative center of Osaka, is home to many historic buildings dating from before World War II. One of them is the Osaka Prefectural Nakanoshima Library, donated by Tomoito Sumitomo, the 15th head of the Sumitomo family. It is the oldest public library building in Japan still in active use.

A 5-minute walk from Yodoyabashi Station on the Osaka Metro Midosuji Line, the Osaka Prefectural Nakanoshima Library stands beside Osaka City Hall. Supported by Corinthian columns, the building incorporates elements of Greco-Roman temple architecture, and above the main entrance appears the inscription "Osaka Library." Before the Nakanoshima Library opened in 1904, Osaka lacked a single full-fledged library. Concerned by this situation, Tomoito Sumitomo sought to give something back to Osaka, where the Sumitomo business had operated since the Edo period. He funded construction of the Nakanoshima Library at a cost of 150,000 yen and donated it to Osaka Prefecture together with a 50,000-yen fund for books. The name "Osaka Library" seems to convey a quiet confidence in Osaka's cultural aspirations.

Upon entering the Main Hall, visitors are struck by the vast space beneath the domed ceiling. The circular stained-glass windows lend the interior an exotic atmosphere, while the contrast between the neoclassical exterior and the

Baroque-inspired interior creates a distinctive harmony. Directly in front of the grand staircase stands a massive copper plaque titled "Record of Donation for the Construction of the Library," inscribed with Tomoito's words. Looking around the hall, one notices the plaques bearing the names of sages such as Sugawara no Michizane, Confucius, Socrates, Aristotle, and Kant, underscoring the library's role as a center of learning. At the top of the staircase, the centrally located Memorial Room preserves traces of an earlier era through its lunette window (fanlight) above the main entrance and furniture that remains from the time of the library's founding.

**More than 120 years after its opening,
the library remains beloved by many**

Tomoito was inspired to build the Nakanoshima Library after traveling to Europe and the United States in 1897, where he was deeply impressed by wealthy individuals devoting their fortunes to cultural and social initiatives in a

spirit of public service. Shortly after returning to Japan, in 1900 he proposed to the Osaka Prefectural Assembly the donation of both a library building and a fund for the purchase of books. Tomoito's contribution went beyond financial support alone. Acting as the project's patron, he was personally involved in decisions regarding the building's design. This aspect of the project reflects the refined artistic sensibility for which Tomoito was known.

The library was designed by Magoichi Noguchi, chief engineer of the Temporary Architecture Department of Sumitomo Head Office (now Nikken Sekkei), together with Yutaka Hidaka. At the time, construction had also begun across Midosuji Avenue on the Bank of Japan's Osaka Branch, designed by architect Kingo Tatsuno, who served as architectural advisor to Sumitomo Head Office. Tatsuno visited Osaka each month and remained close to his former student Noguchi. A surviving inscription on the building records that he also served as an advisor during construction of the Nakanoshima Library.

Expectations for the library were high, and just one month after its opening, the operating hours were extended into the evening. Because access to the reading rooms was limited to visitors aged 12 and older, a "Tempo-

rary Children's Traveling Library" program was launched during the summer vacation of 1909 in response to requests from elementary school educators.

The number of users continued to grow, prompting plans to expand the main building. When the two wings were added on either side in 1922, they too were donated by Tomoito. In 1974, the main building together with the two wings was designated an Important Cultural Property of Japan.

Today, the library houses materials related to Osaka, classical works, and business-related publications, while also providing research and reference services. In fiscal 2024, it welcomed more than 320,000 visitors, many of whom came specifically to see the building. A café opened inside the building in April 2026. More than 120 years after its opening, the Nakanoshima Library continues to maintain a distinguished presence in Osaka. 50

Information

- Address 1-2-10 Nakanoshima, Kita-ku, Osaka City
- Opening Hours 9:00 a.m. to 8:00 p.m. (Saturdays until 5:00 p.m.)
- Closed Sundays and national holidays, the second Thursday of March, June, and October, and the year-end/New Year holiday period
- URL <https://www.library.pref.osaka.jp/nakanoshima>

*Photography is permitted only in the Main Hall. (Tripods are not permitted.)

For more information about the Osaka Prefectural Nakanoshima Library, please refer to the "Related Facilities" section of the Sumitomo Group Public Affairs Committee website at <https://www.sumitomo.gr.jp/english/history/related/nakanoshima-lib/>

*Editorial supervision by Sumitomo Historical Archives

New Presidents Assume Office

▶ Mr. Takeya Sasaki becomes President of Sumitomo Mitsui Card



On June 30, 2026, Mr. Takeya Sasaki assumed office as President of Sumitomo Mitsui Card. Mr. Sasaki joined Sumitomo Credit Service (currently Sumitomo Mitsui Card) in 1991. Having served as General Manager of Internet Business Dept.; Executive Officer and General Manager of Marketing Administration Dept.; Managing Executive Officer, Head of Marketing Division and

General Manager of Marketing Administration Dept.; Senior Managing Executive Officer, Head of Marketing Division and for Sumitomo Mitsui Financial Group and Sumitomo Mitsui Banking Corporation, he was Representative Director Deputy President Executive Officer COO from April 2025. ^{SD}

Sumitomo Chemical, Sumitomo Pharma

▶ Obtained approval for manufacturing and marketing authorization for AMCHEPRY, an iPS cell-derived product for patients with Parkinson's disease

Sumitomo Chemical announced that its subsidiary Sumitomo Pharma and RACTHERA, a joint venture between Sumitomo Chemical and Sumitomo Pharma, obtained conditional and time-limited approval for manufacturing and marketing authorization in Japan for AMCHEPRY, an allogeneic iPS cell-derived dopaminergic neural progenitor cell product.

AMCHEPRY is indicated for the

improvement of motor symptoms in patients with Parkinson's disease who have an inadequate response to existing pharmacological therapies and is the world's first iPS cell-derived regenerative medicine. Manufacturing will be carried out by S-RACMO, a joint venture between Sumitomo Chemical and Sumitomo Pharma that operates as a Contract Development and Manufacturing Organization (CDMO). ^{SD}



Sumitomo Mitsui Financial Group

▶ Signed top partner agreement for the New Prince Chichibu Memorial Rugby Stadium, announced "Olive" as its secondary name



Sumitomo Mitsui Financial Group has signed a top partner agreement for the New Prince Chichibu Memorial Rugby Stadium to be constructed in the Jingu Gaien district of Tokyo. SMBC Olive SQUARE will be used as the stadium's secondary name, along with the official name. The project has three key themes: enabling visitors to experience the challenges undertaken by the group;

enabling startups and other companies with cutting-edge technologies to use the stadium for demonstration experiments and other purposes; and supporting children who will lead the next generation in taking on new challenges. ^{SD}

**"New Prince Chichibu Memorial Rugby Stadium" is a tentative name at this time. *The name "SMBC Olive SQUARE" will take effect when the stadium opens in May 2030, as scheduled. *The logo and visuals shown here are subject to change.

Sumitomo Metal Mining, Sumitomo Mitsui Finance and Leasing

▶ On-site solar power generation service for self-consumption launched at Sumitomo Metal Mining's Niihama CAM Plant



Sumitomo Metal Mining and SMFL MIRAI Partners, a strategic subsidiary of Sumitomo Mitsui Finance and Leasing, have launched an on-site solar power generation service for self-consumption at Sumitomo Metal Mining's Niihama CAM Plant.

By supplying electricity generated by solar panels (total capacity: approximately 1.8 MW) installed at the plant by SMFL MIRAI Partners,

solar power is expected to account for approximately 7% of the plant's electricity consumption in fiscal 2026. Sumitomo Metal Mining is promoting the use of renewable energy at its plants, and SMFL MIRAI Partners is supporting the company's efforts toward decarbonization and stabilization of electricity costs. ^{SD}

NEC

▶ Elevating the BluStellar value creation model by placing AI at its core

In light of societal shifts driven by AI, NEC is enhancing its value creation model, "BluStellar," by placing AI at its core.

Leveraging NEC's advanced expertise and cutting-edge technologies, the newly revamped BluStellar transforms business models, addresses social issues, resolves management challenges, and supports customers in their pursuit of AI transformation

(AX). As a first step, the NEC Group will implement AX by comprehensively applying and utilizing AI to accelerate the AI-native transformation of society and customers. ^{SD}

BluStellar

Sumitomo Group Public Affairs Committee

▶ 33rd "A Brief Message from the Heart" Letter Contest Award Ceremony

The award ceremony for the 33rd "A Brief Message from the Heart" Letter Contest was held at Takamuku Community Center in Sakai City, Fukui Prefecture, on May 17, 2026. Winners and their families from around Japan attended, filling the venue along with the organizers and other attendees.

The theme of the 33rd contest was "Failure and Success." At the ceremony, recognition was given to the 157 award-winning entries announced in

January, comprising 5 Grand Prize winners, 10 Excellence Award winners, 20 Sumitomo Award winners, 5 Sakai Junior Chamber of Commerce Award winners, and 117 honorable mentions. The award-winning letters, expressing diverse thoughts and emotions, were read aloud by four students from Maruoka Minami Junior High School in Sakai City. Certificates made of local Echizenori textile were presented to the winners. ^{SD}

