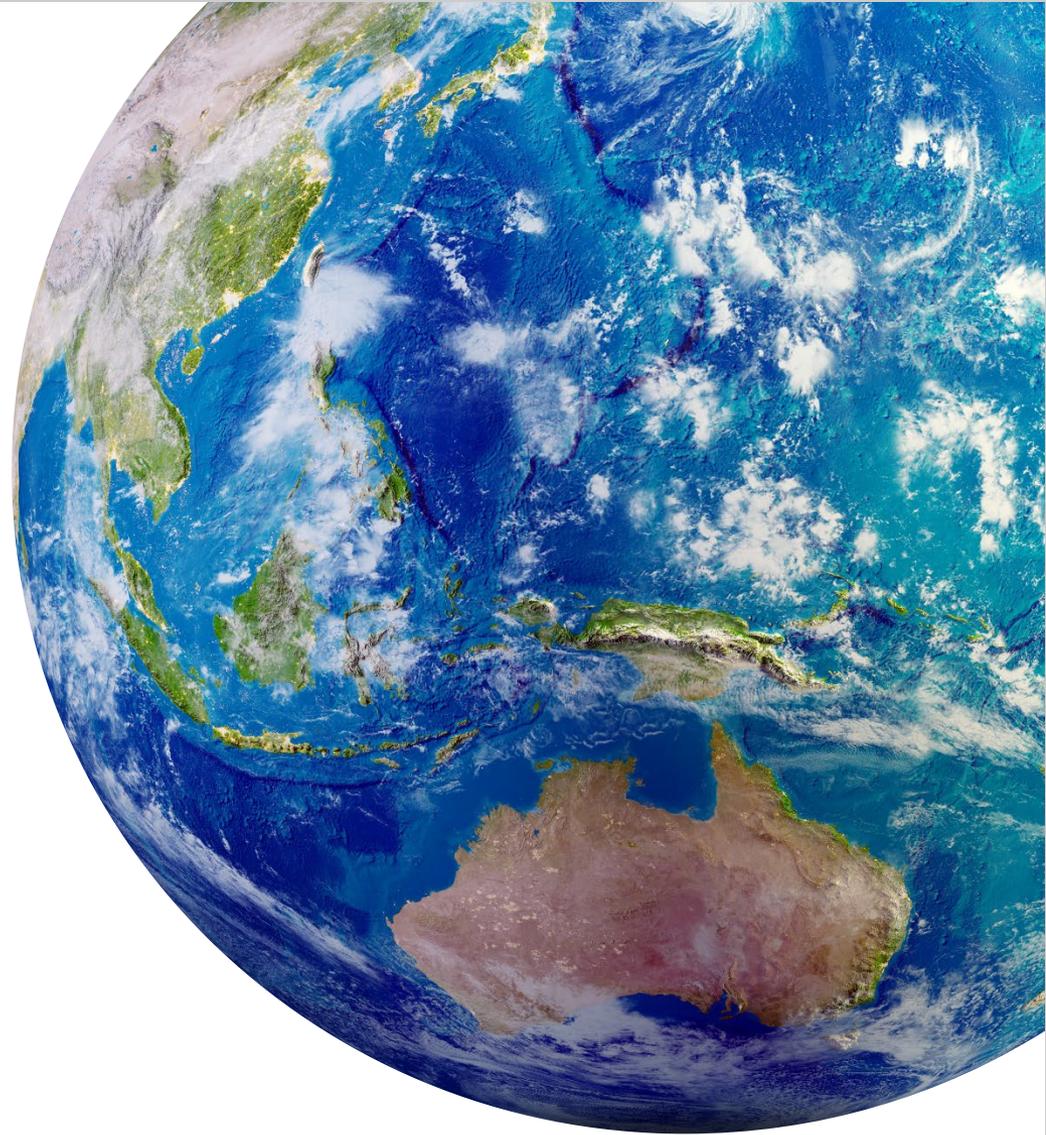




November 30, 2020

Sumitomo Chemical
IR Day



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Petrochemicals & Plastics



Energy & Functional Materials



IT-related Chemicals



Health & Crop Sciences



Pharmaceuticals



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Keiichi Iwata

Representative Director &
President

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Performance Forecast for FY2020 vs. FY2019

(Billions of yen)

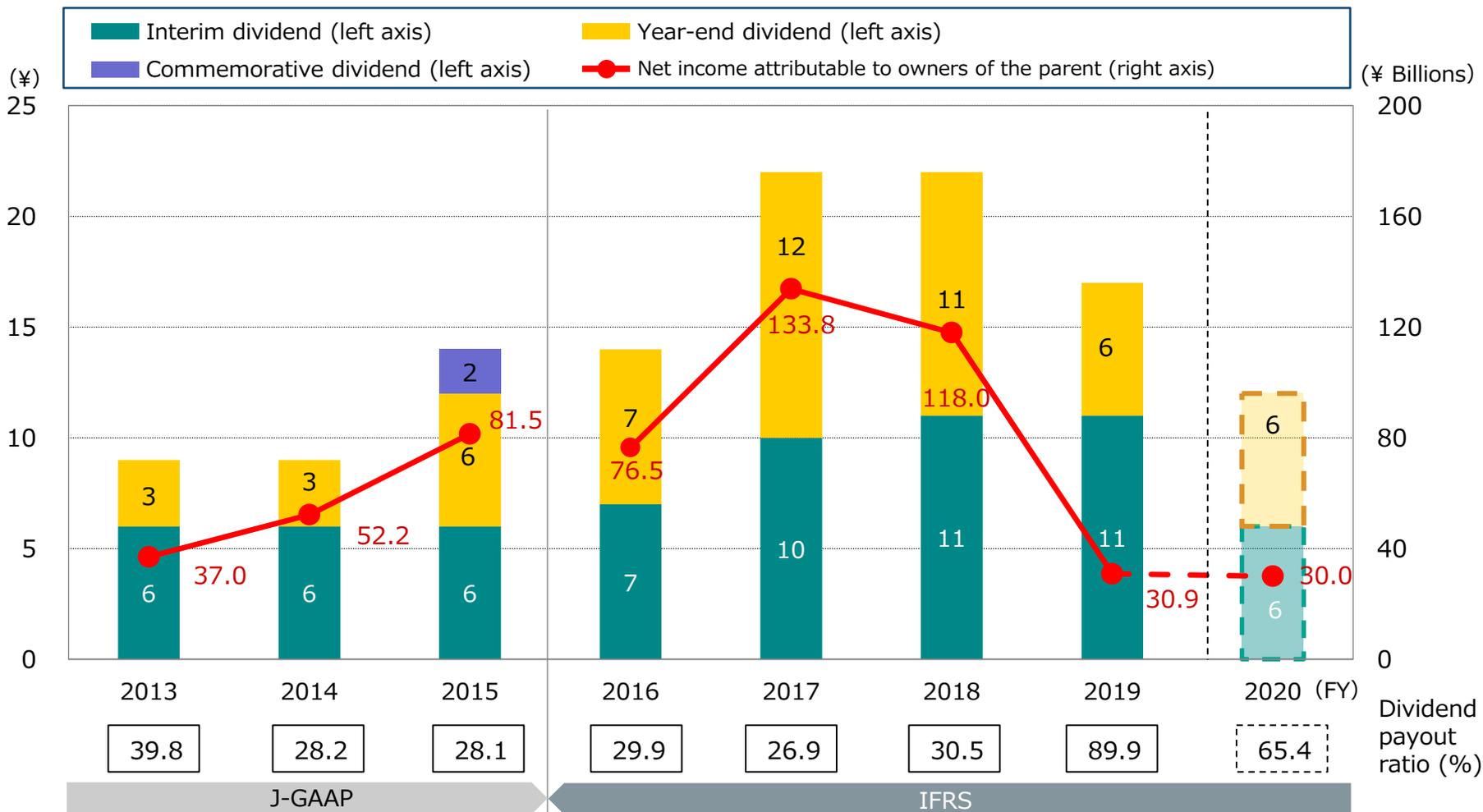
	FY2020 Forecast	FY2019	Change
Sales revenue	2,215.0	2,225.8	-10.8
Core operating income	100.0	132.7	-32.7
Non-recurring items	5.0	4.9	0.1
Operating income (IFRS)	105.0	137.5	-32.5
Finance income/expenses, income tax expenses, and net income attributable to non-controlling interests	-75.0	-106.6	+31.6
Net income attributable to owners of the parent	30.0	30.9	-0.9
Naphtha price	¥28,900/kl	¥42,900/kl	
Exchange rate	¥107.47/\$	¥108.70/\$	

Core Operating Income Forecast by Sector for FY2020 vs. FY2019

(Billions of yen)

	FY2020 Forecast	FY2019	Change	Change
Petrochemicals & Plastics	-33.0	14.5	-47.5	Weaker petrochemical markets, Petro Rabigh's periodic shutdown maintenance, and decreased shipment volumes due to Covid-19
Energy & Functional Materials	18.0	20.3	-2.3	Decreased shipment volumes due to Covid-19
IT-related Chemicals	36.0	25.1	10.9	Increased shipment volumes of semiconductor processing materials
Health & Crop Sciences	31.0	2.1	28.9	Higher market price for methionine and increased shipment volumes of crop protection products
Pharmaceuticals	51.0	75.3	-24.3	Increased up-front expenses for the strategic alliance with Roivant
Others	-3.0	-4.6	1.6	
Total	100.0	132.7	-32.7	

Total dividends for FY2020 to be 12 yen per share



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Priority issues for FY2020

- Carry through **post-merger integration (PMI)** for the **large-scale M&As**
- Focus on **the further improvement of our business portfolio**

Priority Efforts for FY2020: PMI for the large-scale M&As

Focusing on post-merger integration for the recently accomplished large-scale M&As

Strategic Alliance with Roivant Sciences

Making good progress in the development of the acquired pipeline drugs (due to be launched in and after FY2020)

Building sales forces by leveraging the existing North American functions (Sunovion Pharmaceuticals)

Acquisition of Four South American Subsidiaries of Nufarm

PMI being well under way amid the pandemic—system integration completed early through active communication via virtual meetings

Priority Efforts for FY2020: Further Improve Business Portfolio

Petrochemicals & Plastics

- Enhance licensing and catalyst businesses
- Shift to high value-added resin products

- Develop businesses and technologies that contribute to reducing environmental impact

Energy & Functional Materials

- Maintain and strengthen stable revenue sources including alumina and resorcinol businesses

- Take advantage of 5G and CASE and focus on expanding super engineering plastics and battery materials businesses

IT-related Chemicals

- Further improve business portfolio through advancement and fusion of underlying technologies in the areas of displays and semiconductors

- Drive optimization in response to changes in the LCD market to secure certain profit levels

Priority Efforts for FY2020: Further Improve Business Portfolio

Health & Crop Sciences

- Global expansion, with a primary focus on South America and India**
- Launch crop protection products in the pipeline, including B2020 and A2020, without fail**

- Build a foundation for strengthening biorational business**
 - **Sales:** Established dedicated sales units in North America and Europe and increased staff
 - **Development:** Launched a biorational team in Health & Crop Sciences Research Laboratory

Pharmaceuticals

- Accelerate development of post-Latuda blockbuster candidate drugs**
 - Relugolix: prostate cancer**
 - ▶ **expected to be approved in the U.S. in December 2020**
 - Vibegron: overactive bladder**
 - ▶ **expected to be approved in the U.S. in December 2020**
- Urovant becoming Sumitovant Biopharma's wholly-owned subsidiary**
- Sharing the data science technology platforms, including DrugOme, across the Sumitomo Dainippon Pharma group to accelerate digital innovation**

Good News

Termination of Completion Guarantee for Rabigh Phase 2 Project Financing

**Good progress
in the development of pipeline drugs**

Smooth progress in post-merger integration of the acquired South American crop protection business

Basic Policies of Corporate Business Plan

Continue to focus on **accelerating the development of next-generation businesses** and **improving productivity through digital innovation**

1

Accelerate the development of next-generation businesses

2

Improve productivity through digital innovation

3

Further improve business portfolio

4

Build a more robust financial structure

5

Employ, develop and leverage human resources for sustainable growth

6

Ensure full and strict compliance and maintain safe and stable operations

Change & Innovation 3.0

For a Sustainable Future

Accelerate the Development of Next-Generation Businesses

Four Priority Areas of the Corporate Business Plan



Health care



Food



Reduction of environmental impact



ICT



Innovation Ecosystem

Accelerate the Development of Next-Generation Businesses

Corporate unit-led research
×
Business unit-led research

**Advancing
major development
projects in each area**

Major progress by area

Health care

Contract development and manufacturing organization (CDMO) for regenerative medicine and cell therapy

Established a Sumitomo Chemical-Sumitomo Dainippon Pharma joint venture

Food

Biorational products

Established a SynBio hub in VBC of U.S.

Reduction of environmental impact

Solid-type batteries

Launched an industry-academia joint research program with Kyoto University

Chemical recycling

Aim to commercialize all the three projects during the 2020s

ICT

Image sensor materials

Development of new materials for CMOS image sensors

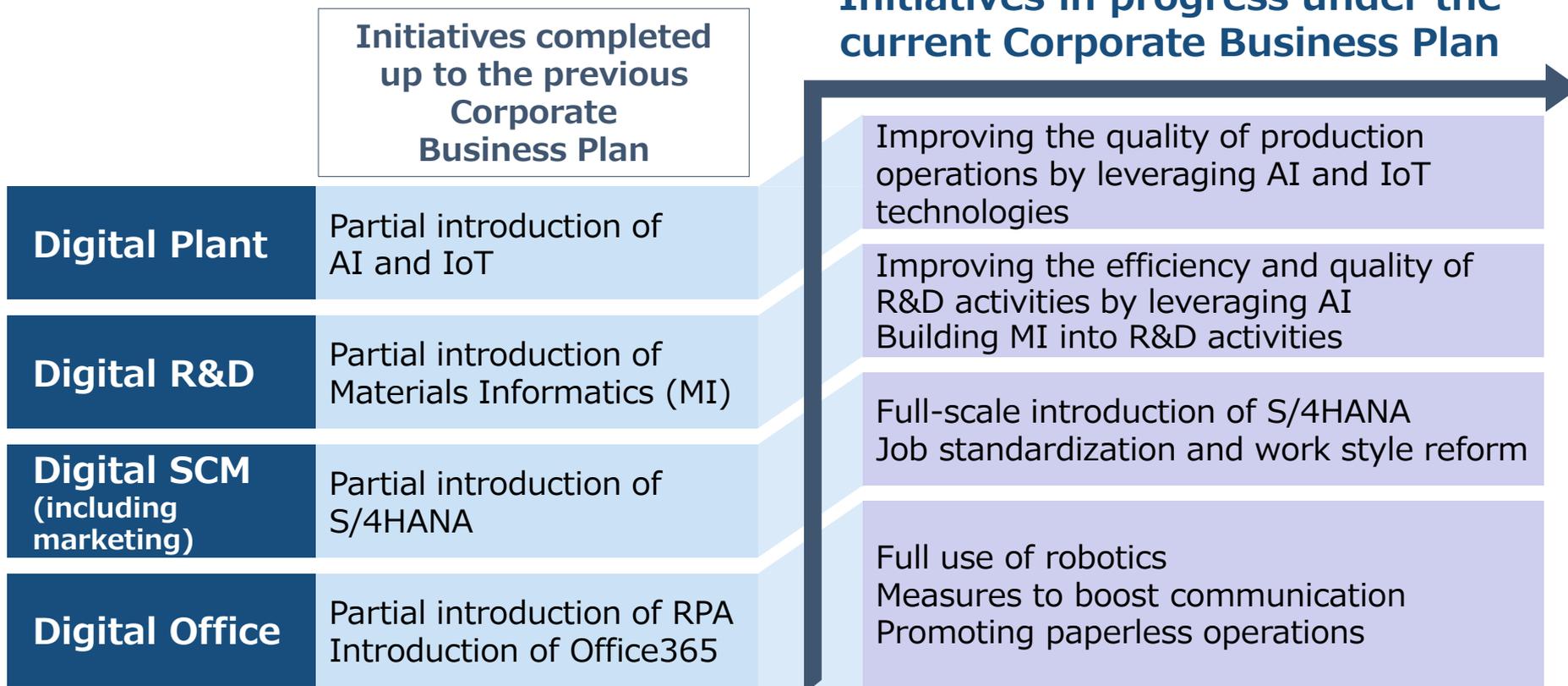
Improve Productivity through Digital Innovation: DX Strategy 1.0

Significant improvement in efficiency and quality

in the areas of production, R&D, supply chain management and administration

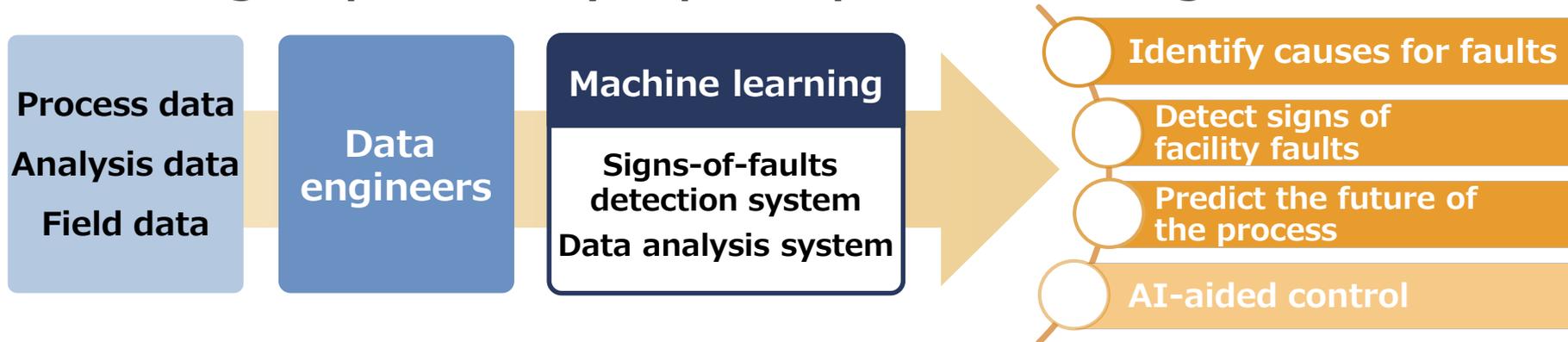
DX Strategy 1.0

Initiatives in progress under the current Corporate Business Plan



Improve Productivity through Digital Innovation: Examples of DX Strategy 1.0 Initiatives

Promoting advanced use of data collected from production facilities to achieve higher productivity in plant operations management



Examples of signs-of-facility faults detection systems



Use machine learning to detect signs of facility faults and put out an alert

Currently used in **8** plants in **4** production sites and to be brought in phases to all the other plants

Improve Productivity through Digital Innovation: Our DX Strategy Milestones

Corporate
unit-led
efforts

DX Strategy 1.0

**Improve productivity in
four focus areas for DX**

Generate extra capacity and
reduce operation cost by
streamlining processes

Improve quality and efficiency of
functions and operations and share
best practices across organization

Built in as
continuous
efforts

DX Strategy 3.0

Create new business models

Create new business models leveraging
services and data and our core technologies

Improve our corporate value as
leading DX-driven company

Business
unit-led
efforts

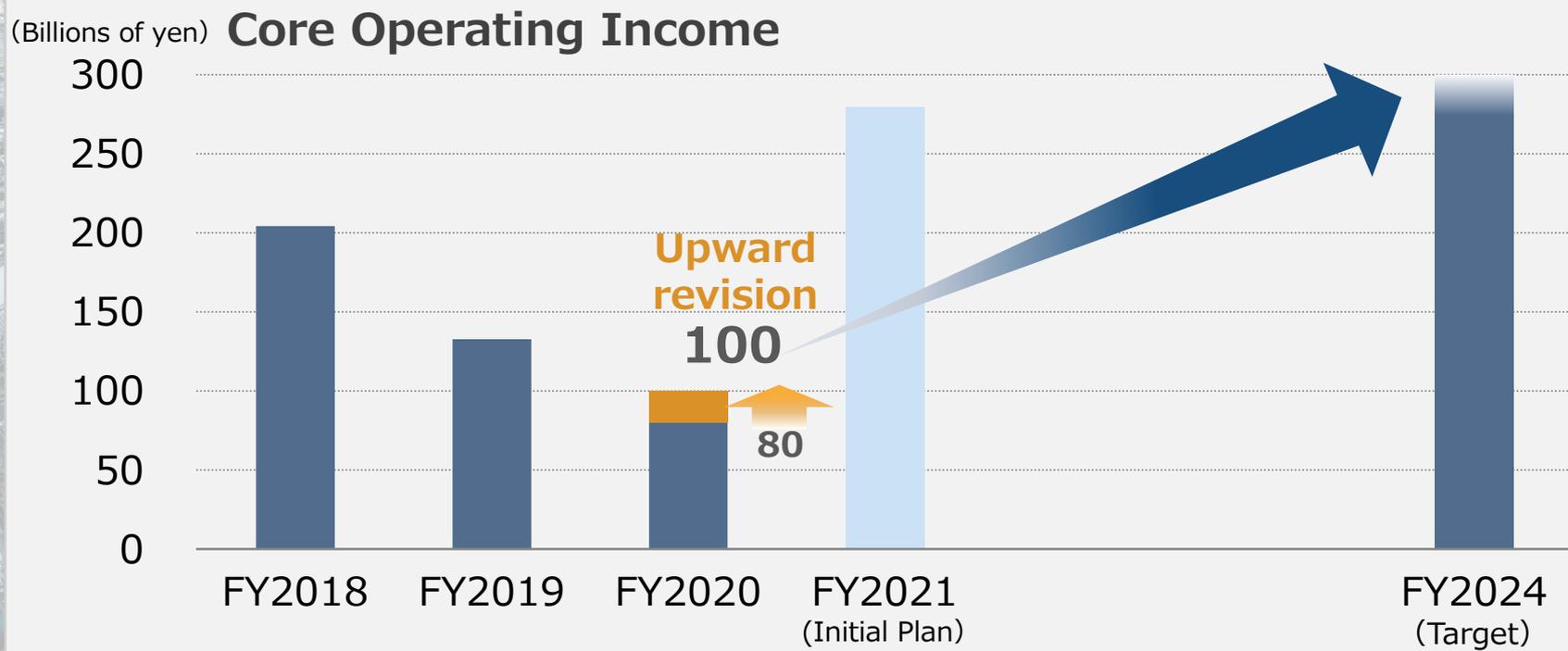
DX Strategy 2.0

**Consolidate competitiveness
of existing businesses**

Enhance customer interface and
improve customer satisfaction to
create added value and
expand market shares and sales

Cross-functional drive to optimize
the entire supply chain

We will strive to achieve a significant improvement in performance in the next Corporate Business Plan period by ensuring PRC's stable operation and expanding sales of new pharmaceutical and crop protection products.

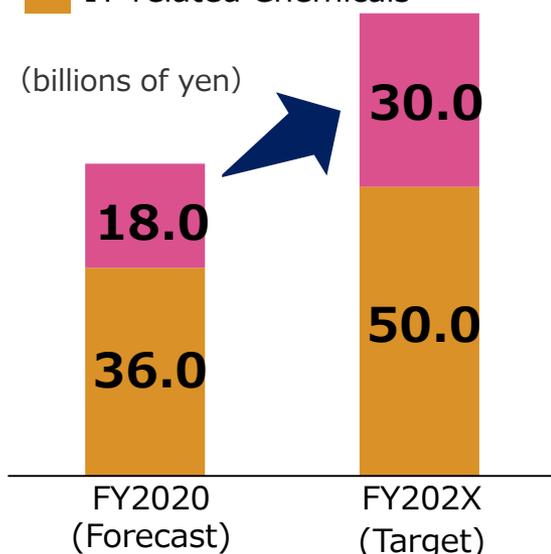


Outlook for performance improvement by sectors (core operating income)

- Actively invest resources in high-growth areas such as 5G and mobility
- Develop and promote high value-added products and new products such as products for next-generation displays

■ Energy & Functional Materials
■ IT-related Chemicals

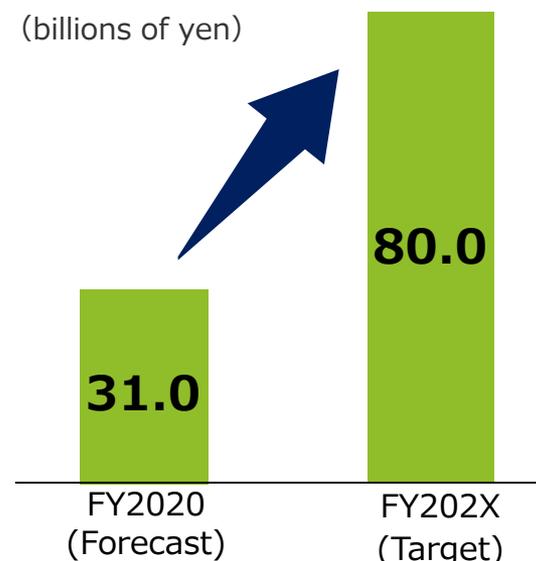
(billions of yen)



- Launch B2020 and A2020 products
- Enhance sales of our biorational products
- Expand business in South America and India

■ Health & Crop Sciences

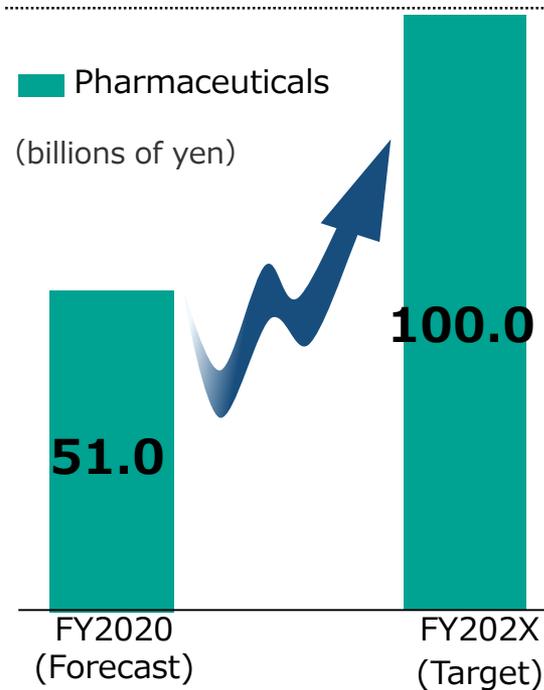
(billions of yen)



- Increase sales of the drugs acquired through the alliance with Roivant and our oncology drugs

■ Pharmaceuticals

(billions of yen)



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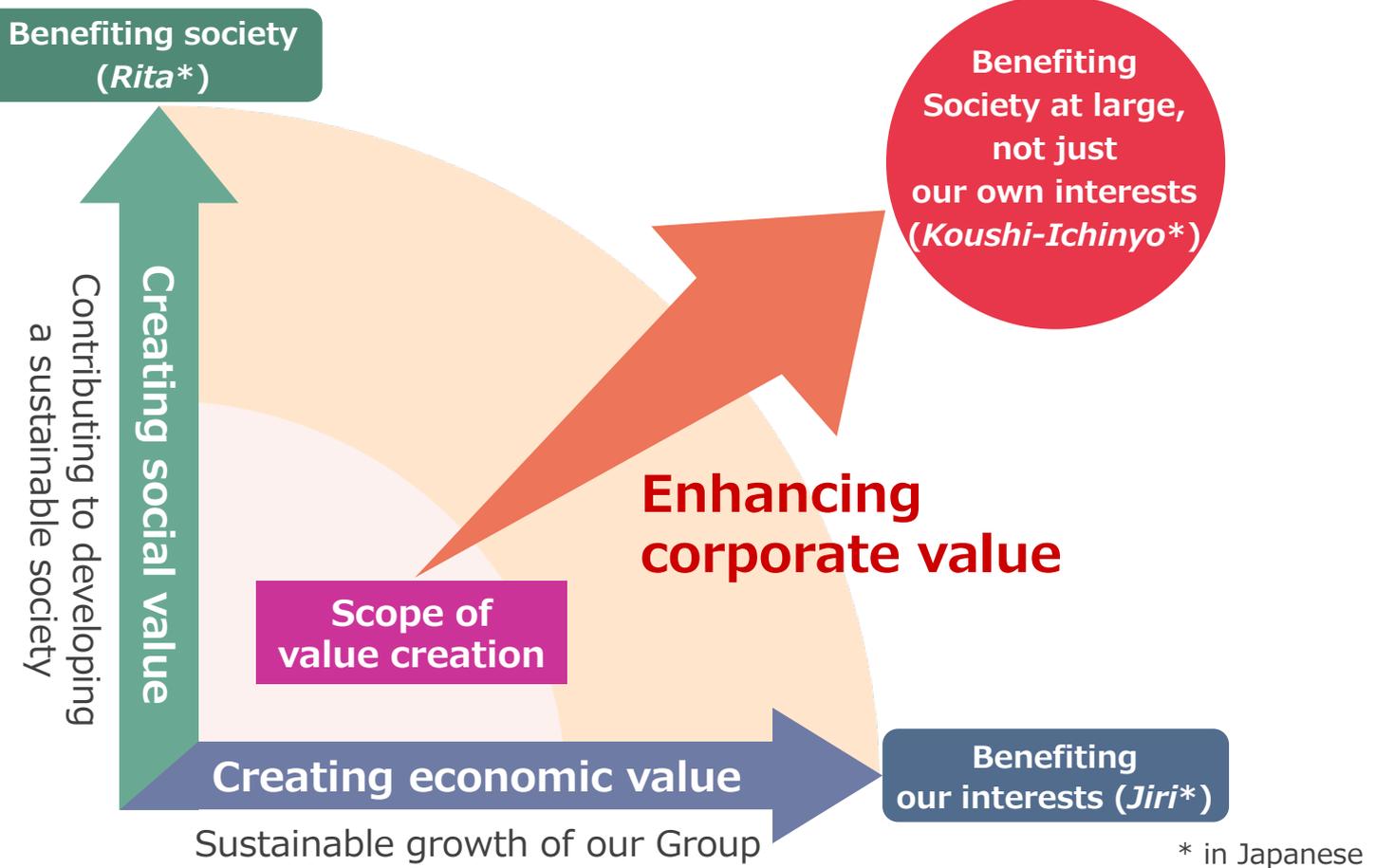
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Sustainability Efforts

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I-3 Sustainability Efforts: What We Strive to Be



What We
Strive to Be

Achieving sustained growth for the Sumitomo Chemical Group and helping build a sustainable society by creating economic value and social value in an integrated way

Sustainability Efforts: Contribution through Our Business

Contribution through our business (seizing opportunities)

Reducing environmental impact

- Carbon cycle
- Chemical recycling
- Energy saving
- ...

Food

- Agrochemicals
- Biorational
- Methionine
- ...

Health care

- Containment of infectious diseases via vector control
- Development of drugs for infectious diseases
- Regenerative medicine and cell therapy ...

ICT

- Meeting the needs of a super-smart society and smart mobility
- ...



Promotion of Sumika Sustainable Solution products

Provide solutions to build a sustainable society by promoting development and widespread use of Sumika Sustainable Solution products

KPI

Sales revenue of Sumika Sustainable Solution products (FY2021) **560 billion yen** (FY2019: 479.8 billion yen)

Examples of contributions to society

Contribution of Sumika Sustainable Solution products to GHG emissions reduction **62 million tons**

Contributing to building a sustainable society through our business

Sumitomo Chemical creates **economic value** and **social value** in an integrated way



Contribute to realizing a sustainable society through our business

- Sharing our aspirations with stakeholders -

Cautionary Statement

Statements made in this document with respect to Sumitomo Chemical's current plans, estimates, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of Sumitomo Chemical. These statements are based on management's assumptions and beliefs in light of the information currently available to it, and involve risks and uncertainties.

The important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, general economic conditions in Sumitomo Chemical's markets; demand for, and competitive pricing pressure on, Sumitomo Chemical's products in the marketplace; Sumitomo Chemical's ability to continue to win acceptance for its products in these highly competitive markets; and movements of currency exchange rates.