

# Investors' Meeting for the Business Strategy Agro & Life Solutions ICT & Mobility Solutions

December 4, 2024



Change and Innovation

~ with the **Power** of Chemistry ~

## Section.1 ..... Agro & Life Solutions

Nobuaki Mito, Senior Managing Executive Officer

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## Section.2 ..... ICT & Mobility Solutions

Masaki Matsui, Senior Managing Executive Officer

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Section

01

# Agro & Life Solutions

- 01**      **Profile and Vision**
- 02**      **Business Environment and Our Policy**
- 03**      **Business Strategy**
- 04**      **2030 Goal**



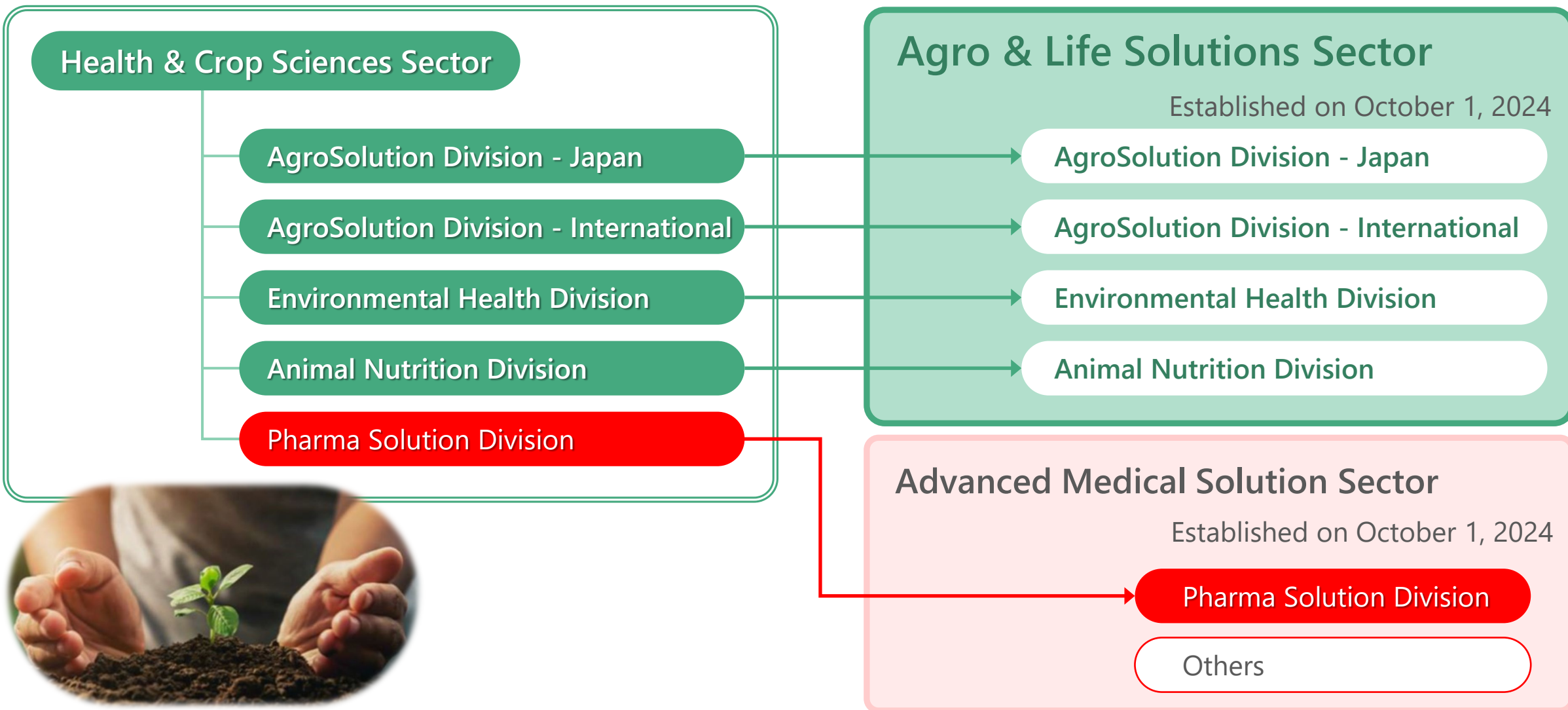
01

# Agro & Life Solutions Profile and Vision

# 1. Agro & Life Solutions Sector : Start from October 1st

Composed of 4 divisions of former Health & Crop Sciences Sector.

Pharma Solution Division be transferred to Advanced Medical Solution Sector.



# 1. Profile

## Sector Overview

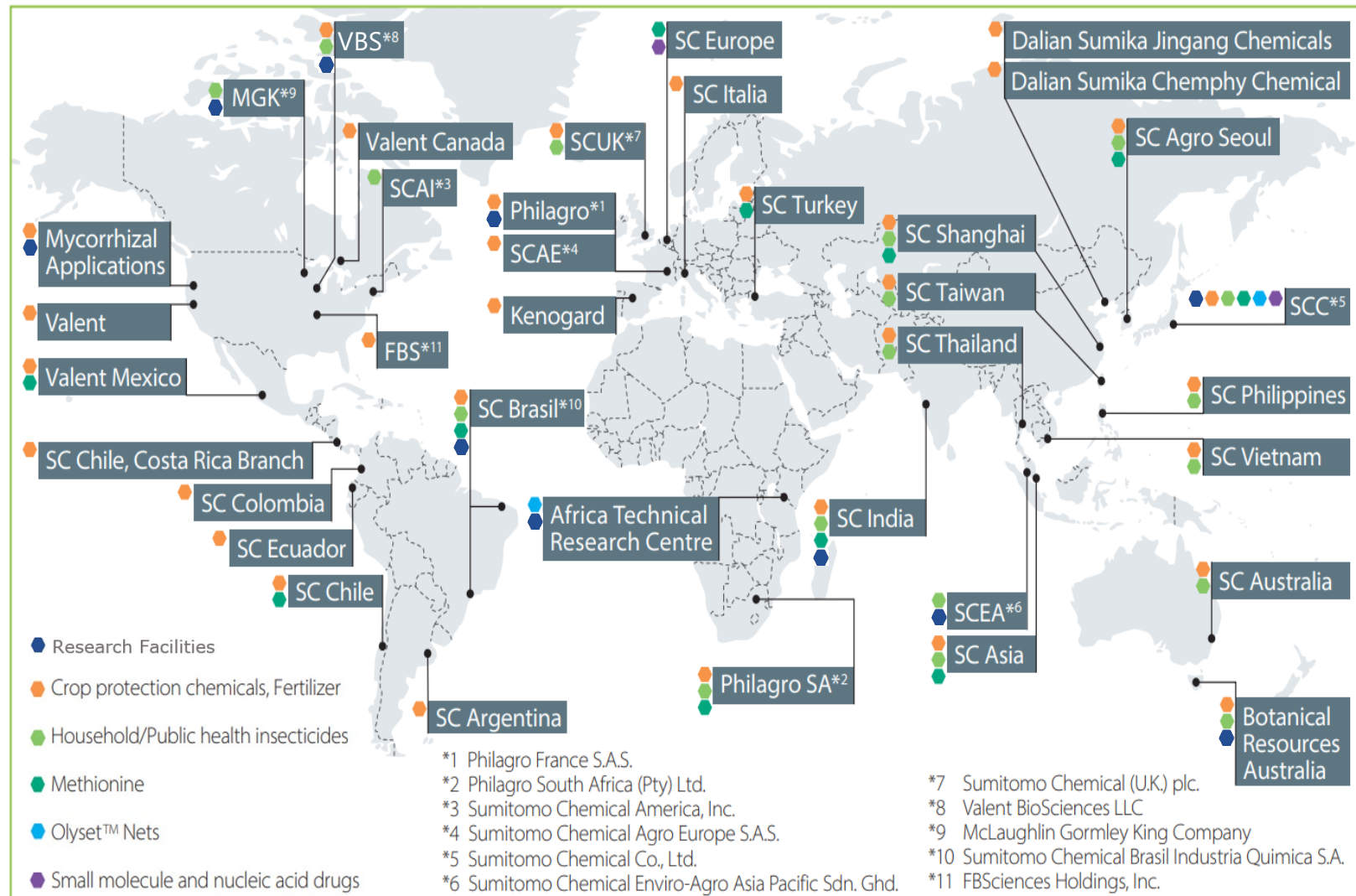
Performance (2024 Forecast)	Performance sales 600 Bil. JPY Performance profit 60 Bil. JPY
Number of subsidiaries and affiliates (as of March 2024)	11 Laboratories 11 Manufacturing site 36 Affiliate companies
Number of employees (as of March 2024)	Approx. 7,600



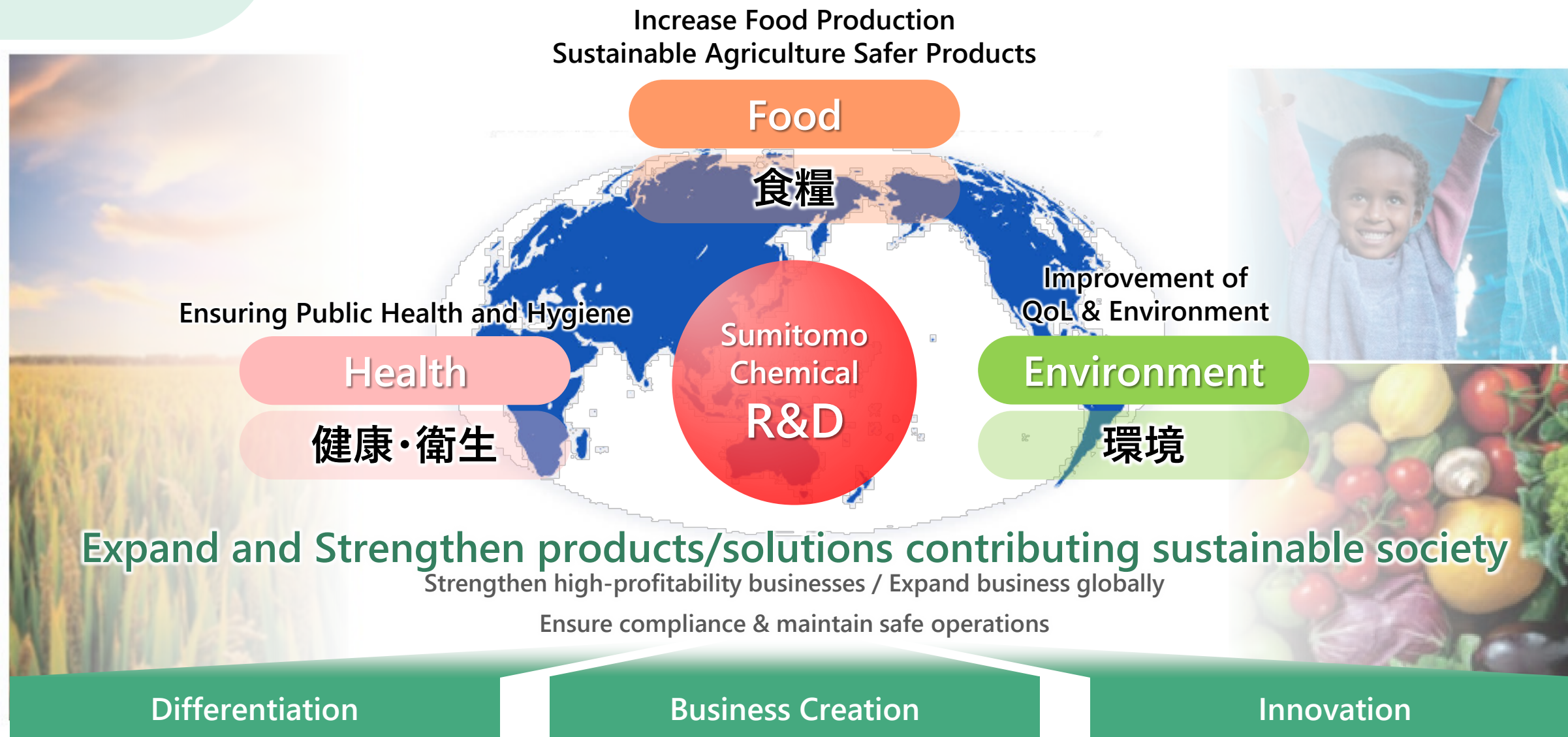
## Major Products



## Global Network



# 1. Our Long-Term Vision



We contribute to realization of Regenerative agriculture and Sustainable Society by delivering unique products and solutions to global market



Regenerative Agriculture



Sustainable Environmental Management

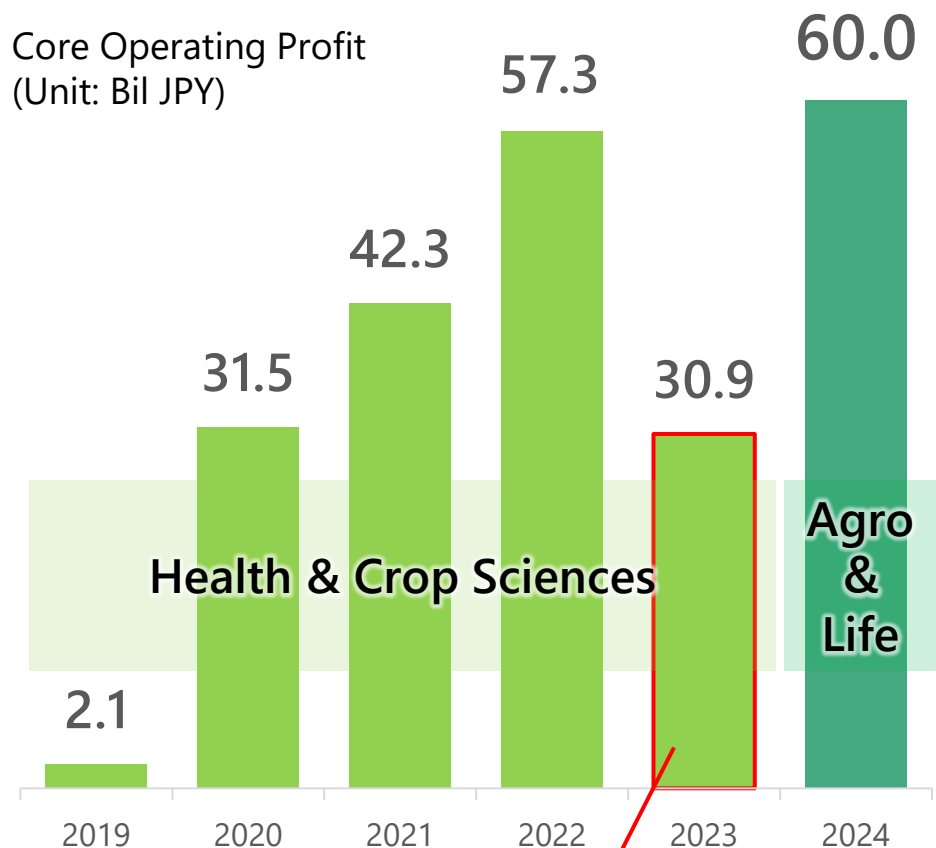


Sustainable Well-being



# 1. Current Mid-Range Plan Review

Promote the establishment of a foundation and business investments for future growth, while also achieving recovery and expansion of our business performance



Profit decrease mainly from high global channel inventory level

## Business Portfolio Transformation

- ✓ Acquisition of FBS / Barrix & Divestiture of post-harvest
- ✓ Strengthening the foundation of biorational/botanical business

## R&D Acceleration/New product launch

- ✓ Launched 6 new products of B2020&A2020 by July 2024
- ✓ INDIFLIN® sales reach to 30 Billion JPY of sales within several years after launch

## Strengthening Global Supply Chain

- ✓ China Desk Utilization(Procurement team for Latin America business)
- ✓ Brazil/Maracanau formulation facility utilization

## Digital Transformation

- ✓ Organizational arrangement(Sector CDO, full-time team)
- ✓ Full-scale Agro-Apps operation plan

02

## Agro & Life Solution Business Environment and Our Policy



Market is expected to grow but competition gets more intense

### Agro and Environmental Health Areas

(Ag) Market continues to grow (mainly in Brazil/India)  
(EHD) Market continues to growth (mainly in Household and professional areas)  
Increase the supply from Chinese manufactures -- Intense competition  
Strict product registration and regulation on a global basis  
⇒ Increase expectation and demand for sustainable products  
Transform from modern art into Regenerative Agriculture

### Animal Nutrition Areas

Methionine demand is expected to grow by 3-4%  
⇒ Chinese manufactures plans capacity expansion (two plans are announced)  
Increasing demand for high-quality and sustainable animal production technology  
less-resource technology to improve feed efficiency  
animal husbandry operation, considering animal welfare  
Less- Environmental Load technology from animal husbandry

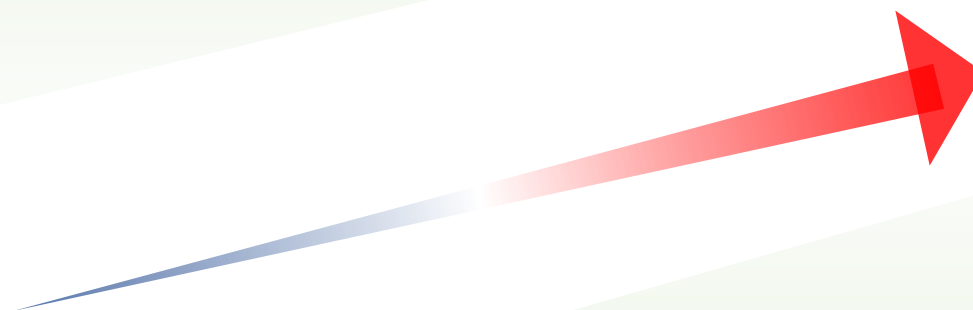
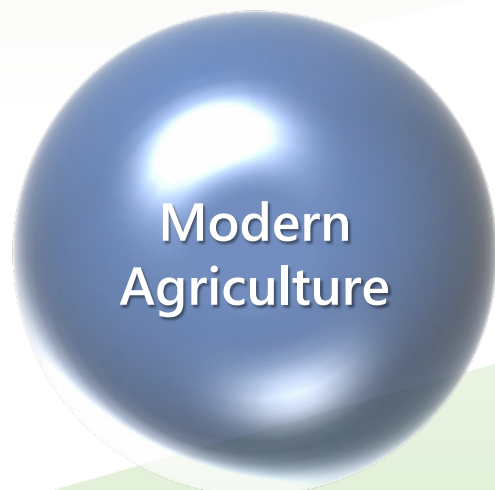
- 
- 
- Develop and Promote proprietary products based on our own-technology
  - Provide sustainable products, services and solutions
  - Strengthen cost competitiveness that enables us to expand the business even under tough business environment



## 2. Business Environment – Regenerative Agriculture

Modern agriculture has contributed to supply foods and grains to feed growing global populations through development of various technologies like nutrition inputs, cultivar, pesticides and so on.

However, modern agriculture has several negative aspects such as soil erosion, GHG emission, impact on biodiversity, and water system contamination.



It is time to change the system for regenerative agriculture.  
We need to further improve productivities, but also to have sustainable cropping systems, which contribute to carbon neutrality, biodiversity, soil health and cleaner water systems.

**Sumitomo Chemical is now working toward Regenerative Agriculture.**

### Now we need to shift to regenerative agriculture

- Mitigating climate change (reducing greenhouse gas emissions through agriculture)
- Adapting to climate change (agriculture that responds to changing climates)
- Preserving soil and water health and protecting biodiversity
- Promoting proper land use through efficient food production

## 2. Platform and strategies for growth

### Achievement and Platform for growth

### Strategies towards 2030

#### Chemical

- Long-term solid profit platform
- **AI discovery capability based on the latest technologies**
  - Blockbuster development (INDIFLIN®, Rapidicil®)

- INDIFLIN® : Soybean fungicides
- Rapidicil® : No-till herbicides  
Herbicides for cover crops
- Seed Treatment and other technologies with less environmental burden

#### Biorational Botanical

Business experience over 60 years  
Leading company in biorational market  
Plant Physiology (Biostimulant)  
Progress Synthetic Biology

- Growth in new-biostimulant area
- Expansion into Animal Nutrition field
- Natural Pyrethrin Sales Expansion for Ag and EHD field

#### Service DX Tech

Establishment of platform based on business experience and our unique technologies

- Precision Ag, such as drone utilization
- DX in Agro-Solution Division Japan business

03

## Agro & Life Solution Business Strategy

# 3. Agro & Life Solution: Core Technology

## Chemicals for Ag and EHD

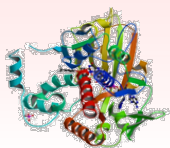
## Biorationals

## Botanicals

Latest  
strategies



Utilization of AI in  
discovery



Approaches to find  
binding mode to  
target protein

First launch in 1950's

**Over 70 Years**



Full scale entry to biostimulant  
Expansion of research and  
manufacturing platform



GA3 first launch in 1960's  
**Around 60 Years**



Improved Pyrethrin productions  
New botanical solutions



Established in 1902  
with Pyrethrin

**120 Years**



History  
&Experiences

Base

Global Research, Development, Manufacturing and Sales Organization

## Chemical Technology Platform

Synthetic chemistry • Analytical chemistry • Chemical Biology • Environmental Science





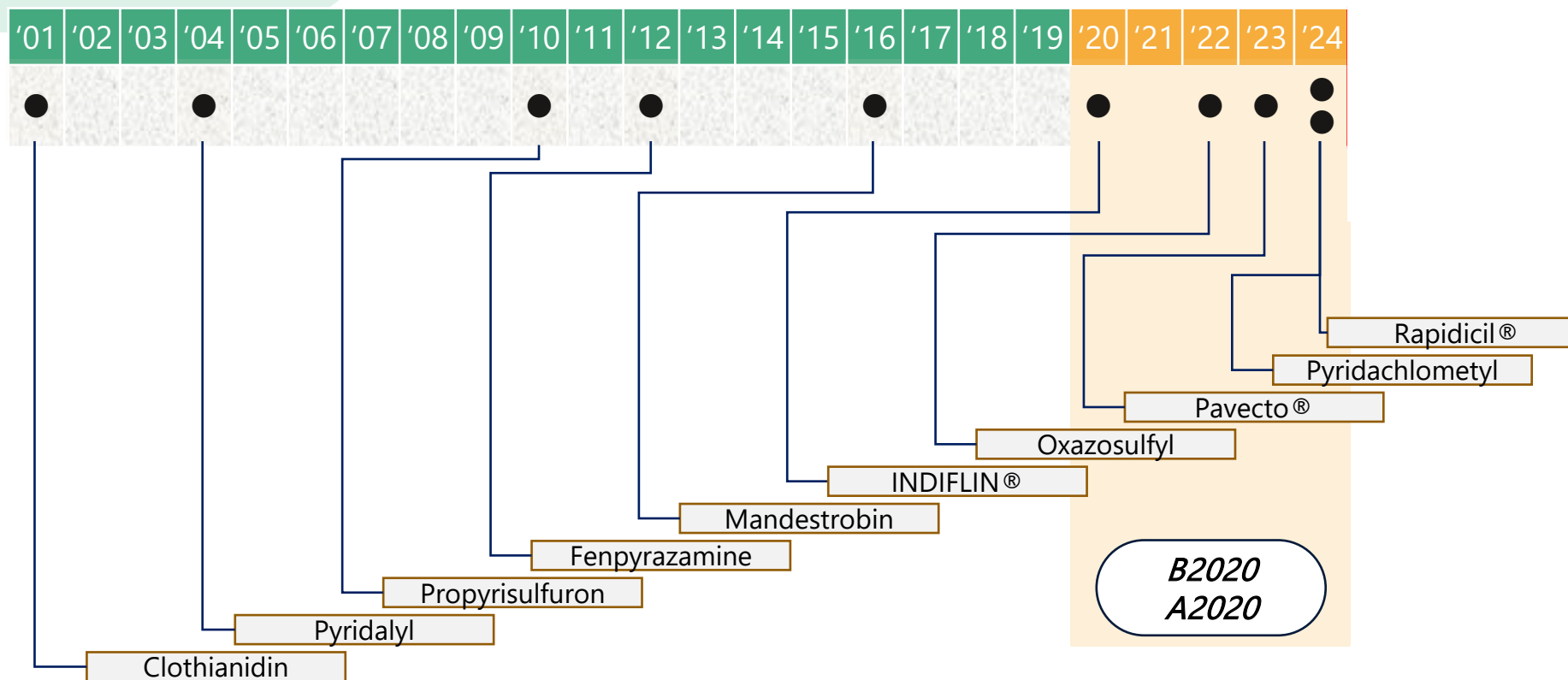
### 3. B2020 & A2020 : Launched 6 Products

All B2020s & A2020s are in the Market Now  
It's Time to Harvest

						
<p>Oxazosulfyl <b>Alles®</b> Insecticide</p>	<p>Inpyrfluxam <b>INDIFLIN®</b> Fungicide</p>	<p>Excalia Max™ UM GIGANTE EM PERFORMANCE</p>	<p>ACC <b>Accede®</b> PGR</p>	<p>Metyltetraprole <b>Pavecto®</b> Fungicide</p>	<p>Pyridachlometyl <b>Fuseki®</b> Fungicide</p>	<p>Epyrifenacil <b>Rapidicil®</b> Herbicide</p>

Six novel technologies launched between 2020 and 2024

### 3. Our Chemical Products' Launch History and Future Plan



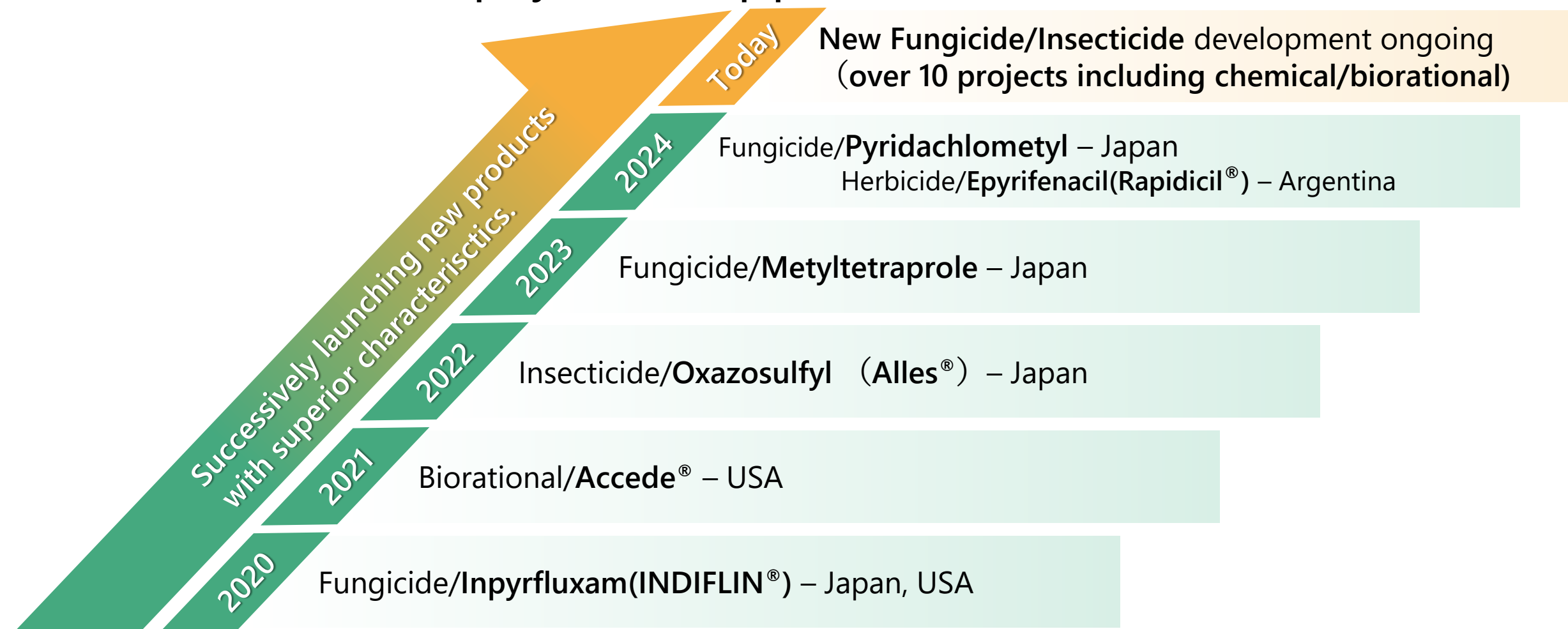
We accelerate  
new product  
development with  
our technology

- Sumitomo launched 10 products since 2000, and 5 is from B2020 & A2020 project
- We are top player that launched 5 chemical products during 2020-2024 term
- Recently new products are increasing which shows significant scale of sales
- We need to pursue not only profit maximization from B2020 & A2020, as well as development acceleration of new products

### 3. R&D Achievement and Acceleration of new products

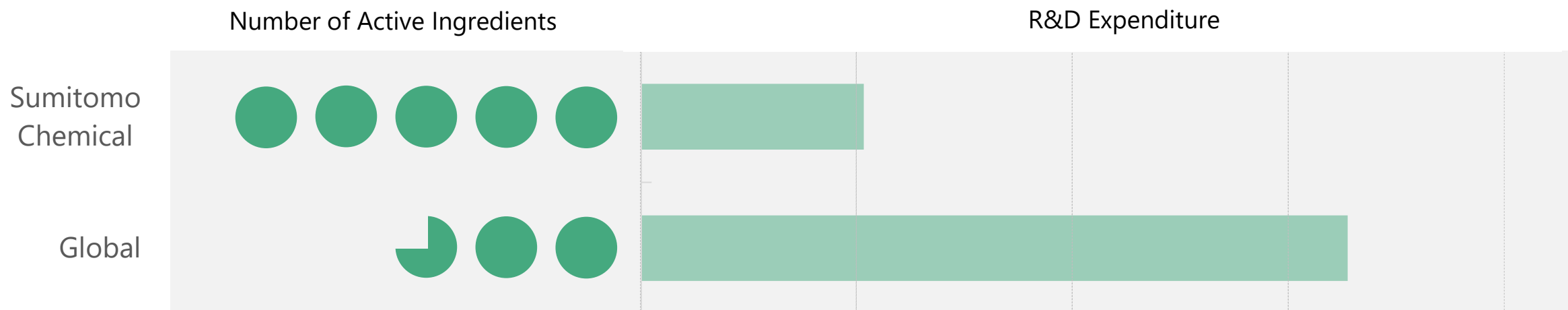
Sumitomo launched 6 products during 2020-2024.

There are more than 10 projects in the pipeline for commercialization in 2020s-2030s



### 3. Our R&D Achievement- Launch 5 AIs in 5 years

Number of Active Ingredients launched during 2020-2024 and R&D Expenditure



#### Landscape of New Pesticide Development

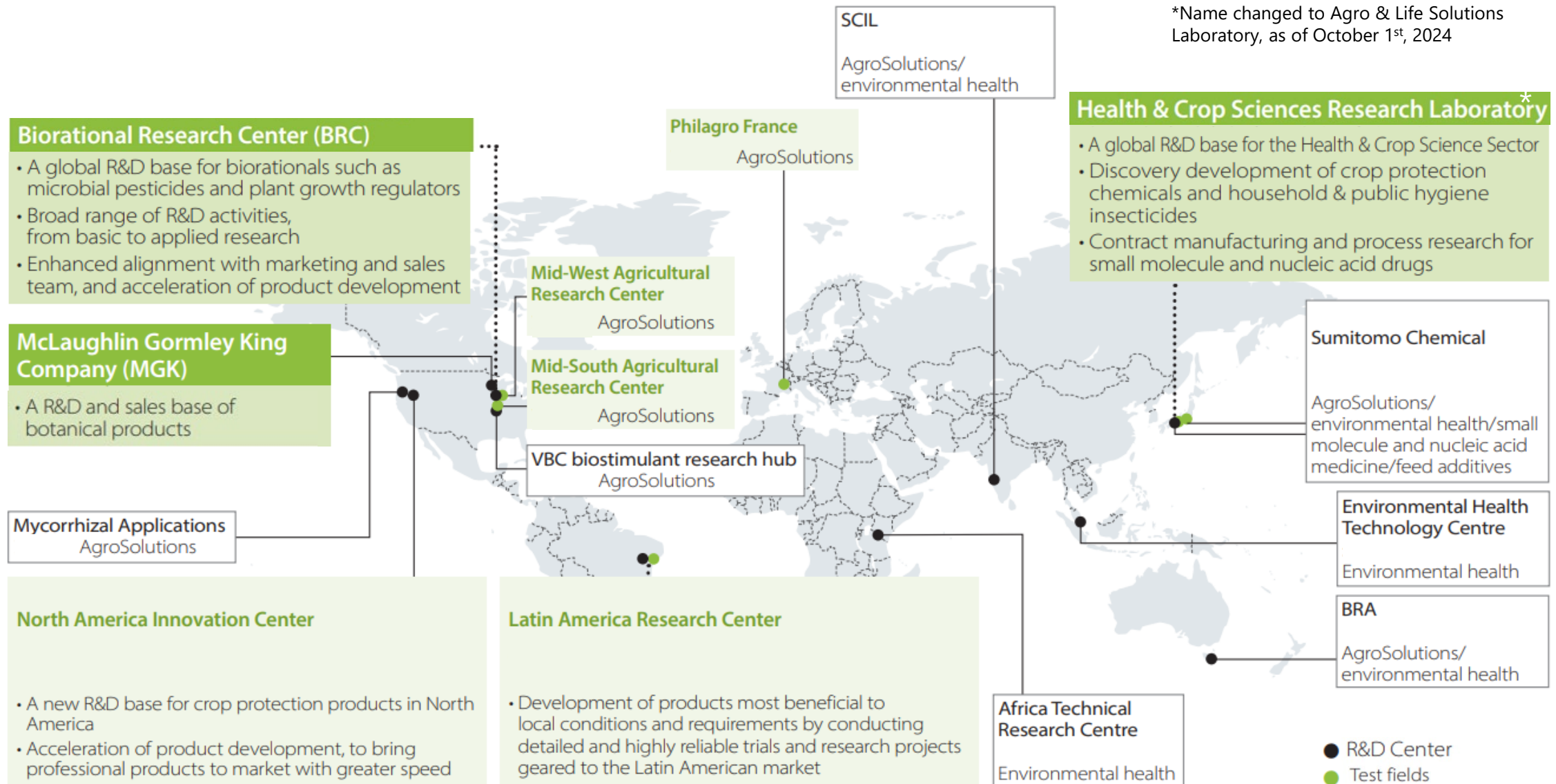
- The research of new compounds has become increasingly difficult, with only one out of 300,000 compounds making it to market.
- Development costs are also rising year by year.
- On the other hand, resistance issue and new pests, diseases, and weeds arising from climate change, new solution remain essential.

#### Technology of Sumitomo Chemical

- During 2020-2024 term, 33 active ingredients have been launched in the global market while we launched 5.
- Global multinational companies, which spend over 3 times of our R&D cost, launched 2.7 new active ingredient in average. Sumitomo Chemical showed better outcome through efficient research activity.



# 3. Global R&D Locations

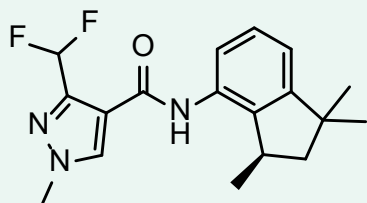
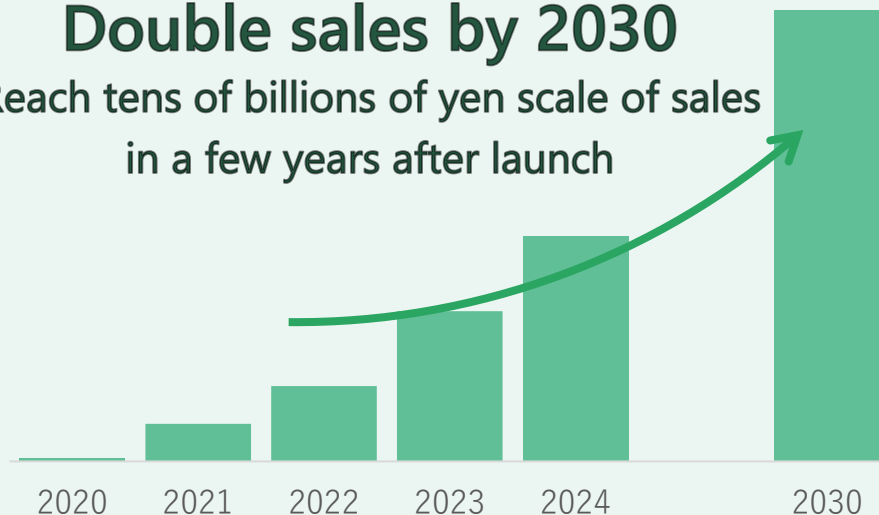


### 3. AgroSolution Blockbuster : INDIFLIN®

#### INDIFLIN®

##### Double sales by 2030

Reach tens of billions of yen scale of sales  
in a few years after launch



- ✓ Apply to various methods, such as spraying and seed treatment
- ✓ Accelerate globalization (Already registered in 11 countries)



Sales brand in Brazil (Excalia Max™)

#### Actions for sales expansion

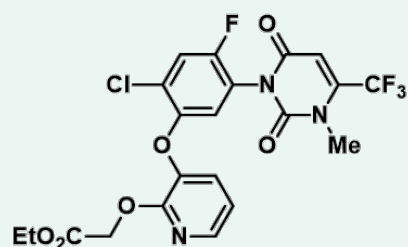
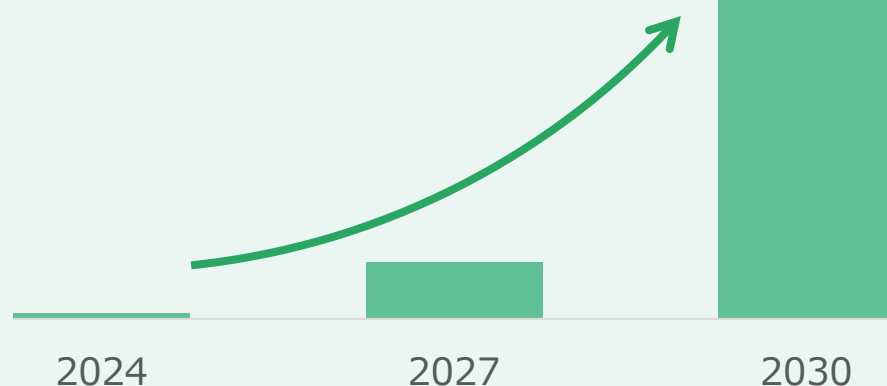
- ✓ Expand product portfolio (Mixtures, etc)
- ✓ Development of New Business Opportunities (Sales region, crops, methods expansion)



### 3. AgroSolution Blockbuster : Rapidil®

#### Rapidil®

Reach to tens of billions of yen scale of sales by 2030



- ✓ Fast-acting and Non-selective herbicide.
- ✓ Apply to no-till farming contributes to regenerative agriculture.
- ✓ Registered in Argentina in July 2024



**Fast-Acting** : Condition before and 7days after Rapidil® treatment



**Empera™** : Product brands in Argentina and other countries

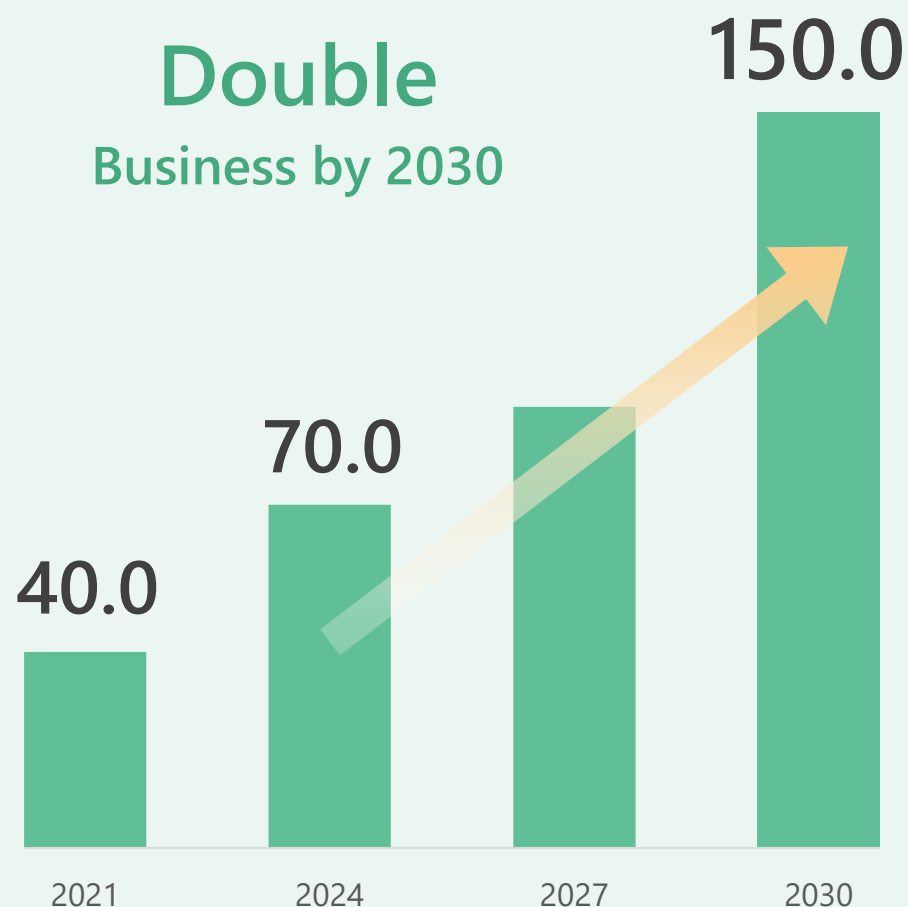
#### Actions for sales expansion

- ✓ Promote products registration in North and South American countries and expand products lineup through mixture development
- ✓ Develop next-generation weed control system using PPO-resistant crop and product.

### 3. Biorational/Botanical Business Expansion

#### Biorational/Botanical Business Sales Target

(Unit: Bil JPY)



#### 2021-2024 Investment in various areas

- Expansion of Biorational Research Center
- Establishment in direct sales organization in USA
- Capacity Increase in Osage (USA) and Botanical Production, Utilize Brazil production capability
- Acquire FBS (USA-Biostimulant) , Expand Botanical Portfolio

#### 2025~ Accelerate actions for further business expansion

- Accelerate sales promotion, leveraging Biorational Sales Unit in each region ⇒ Expand business in various regions, incl. Brazil, India, Europe and USA  
⇒ Botanical: Promote sales expansion in Ag, PCO and other areas.
- Launch new products in each countries and enhance PLCM activities , including label expansion, new formulation and mixture
- Global Expansion of Biostimulant and Pheromones  
⇒ Accelerate registration and launch in each countries and development of mixtures/
- Continue to seek for M&A opportunities to expand business further

### 3. Biorational Investment



#### FBS(USA) Barrix (India)

- FBS/Biostimulant (March 2023)
- Barrix/Pheromone (December 2023)



#### USA Illinois BRC (HQ/R&D)

- Expansion completed (April 2024)
- Synthetic Biology



#### USA Iowa Osage Site

- Increasing fermentation and other processes.



#### Brazil Maracanaú Site

























- Increasing product functions & capacities since 2023 summer

We will expand our biorational business significantly based on strengthened portfolio and R&D/Manufacturing/sales platform.



# 3. Biorational R&D Project List (2025-2027)

Over 40 R&D/PLCM projects are ongoing. More than 20 will be completed during 2025.

Launch in 2027	Launch in 2026	Launch in 2025
 Citrus (TR), Cherry (ZA)	 Citrus (ZA & BR), Grape (AU)	 Verdant/Regulex (C. America), BA1-S (C. America/Dole), Pincor (MX)
 Corn (BR & EU), Soybean (AR, BR, US)	 Bta formulation improvement (BR & AR); Soybean	 Retain (TR), OutReach (MX), Ba1-S (CL)
 Sugarcane (BR)	 Sugarcane (BR)	 Aveo EZ (Infurrow – BR/PY) OutReach (US), TopGrain(US), Symvado 2.0(US), Proliant Plus (
 Cotton (BR)	 Cotton (BR)	 SugarMax (BR), Proliant Plus (BR)
 Tomato (MA & ZA)	 Vegetable (AU, ID)	 Cytolin (TR), Outreach (US), Aveo EZ (BR), Cytolin XT (US)
 Rice (ID)	 Wheat/Rice (BR)	 Accel (US), Symvado 2.0 (US), Outreach (MX), Accel (US), Aveo EZ (CL), LiquidShade
 Chicken (Global)	 Swine (US), Chicken (US)	 InGrain (VN), TopGrain (IN), TopGrain (EU), EndoFuse (AR)
 Mosquito Adulticide (C./S. America)	 Mosquito Adulticide (C./S. America)	 Gnatrol (BR)

# 3. Activities for Botanical Business Growth

## Botanical Portfolio- Product Variety

Possess all active-ingredient to be registered in EPA

- Natural Pyrethrin, Sabadilla, Neem
- Promote development of new-botanical synergist



## Sales Expansion in Ag and EHD areas.

Proactive demand creation activities towards in customers in each region.

- NAFTA : Focus on professional usage
- Europe : HORECA(Hotel & Restaurant) Home & Garden leveraging uniqueness of Natural Pyrethrin
- Japan/Asia: Towards major customers

Proactive demand creation activities towards in customers in Ag use.

- NAFTA: Focus on organic usage
- Latin America: Plan to launch for banana
- Europe: Horticultural crops in southern region

## Productive Actions for Capacity Increase

Accelerate increase of production by expanding pyrethrum cultivation area

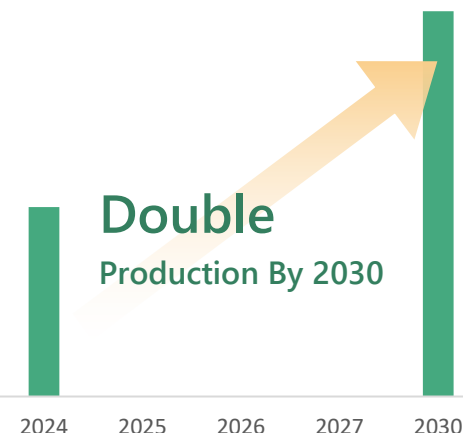
- Expand contracted partners and in-house cultivation
- Seek for new cultivation areas

Production Efficiency

- Shorten lead-time and increase volume of AI through seed hybridization
- Investment in facilities to reduce loss during process



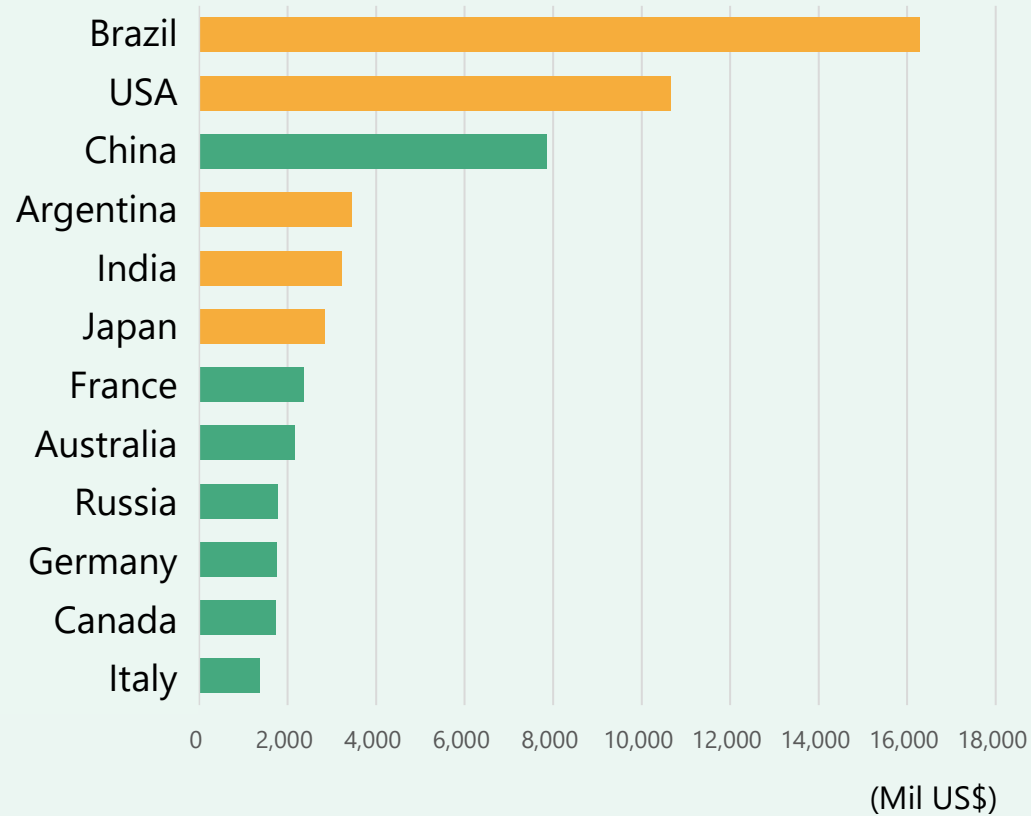
### Natural Pyrethrin Volume



### 3. Agro Solutions Strategies : Global FootPrint

We have own-footprints in 5 countries among top-6 – drive for business expansion

#### Crop Protection Market Size (2023)



(Source : AgbioInvestor)

#### Our Actions in each market



- Sales Expansion INDIFLIN® & Launch RAPIDICL
- Promote Seed Treatment & Biorational Business
- Utilize Maracanau site for LATAM and Global



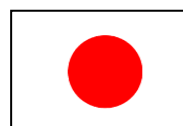
- Completed Restructuring USA Affiliates/Shared Service
- Sales Expansion INDIFLIN® & Launch RAPIDICL
- Promote Seed Treatment & Biorational Business



- Sales-Expansion, leveraging ex-Nufarm footprint
- Start Sales of RAPIDICILT™ – Registration Completed
- Promote INDIFLIN®, Seed Treatment & biorational Business



- Expand Biorational & Develop/Launch new mixtures
- Realize sales expansion through digital Marketing
- Utilize manufacturing capability for global sales

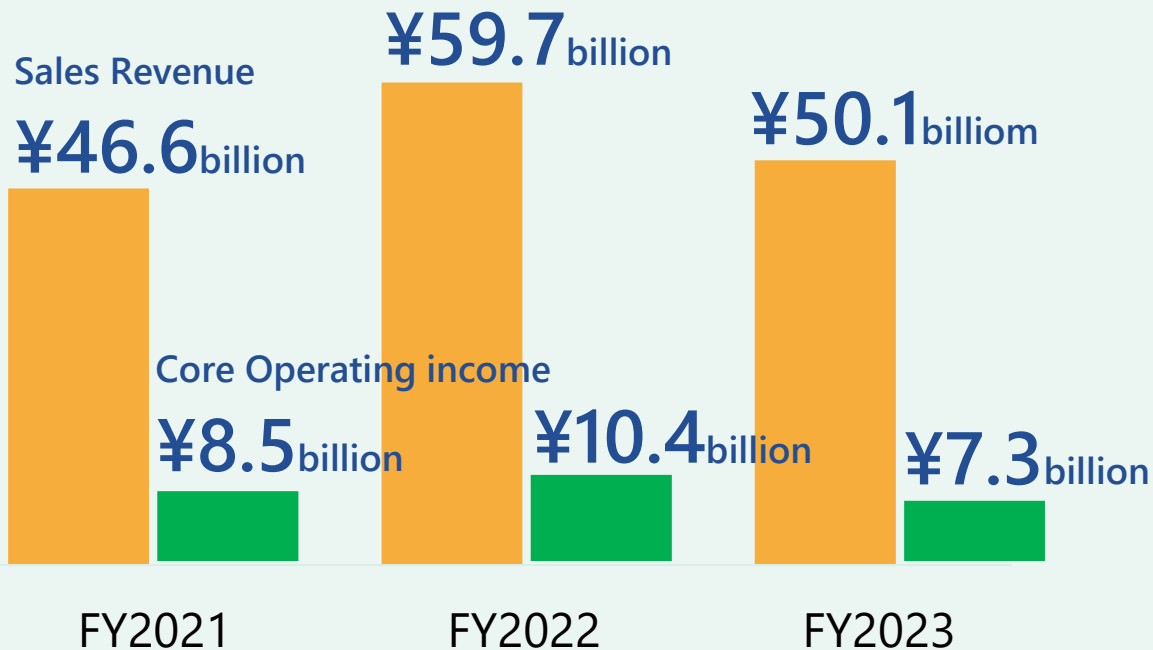


- Completed transformation of business portfolio
- Promote Agro-DX (Enlarge Agro-Apps .etc.)
- Promote B2020 Sales



### 3. Strengthening Business Presence in India

#### SCIL Business Performance



Market Cap

Approx. 280 Bil INR (490.0 Bil JPY)

Number of location

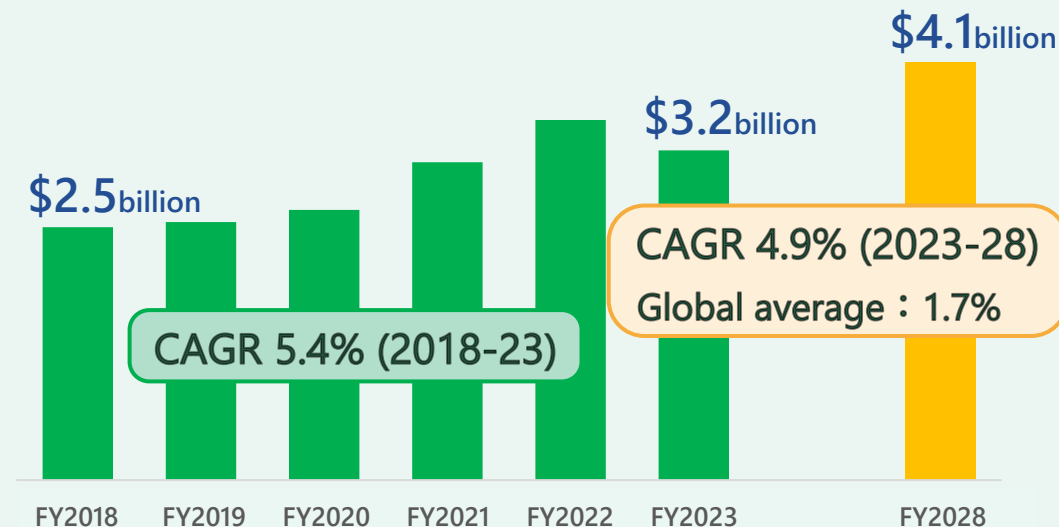
8 (Headquarters in Mumbai • Office in Delhi • Barrix • 5 manufacturing sites)

Number of Employees

1,986 \* As of September 30, 2024

#### India Market: Top growth in Global

Source : AgbiolInvestor



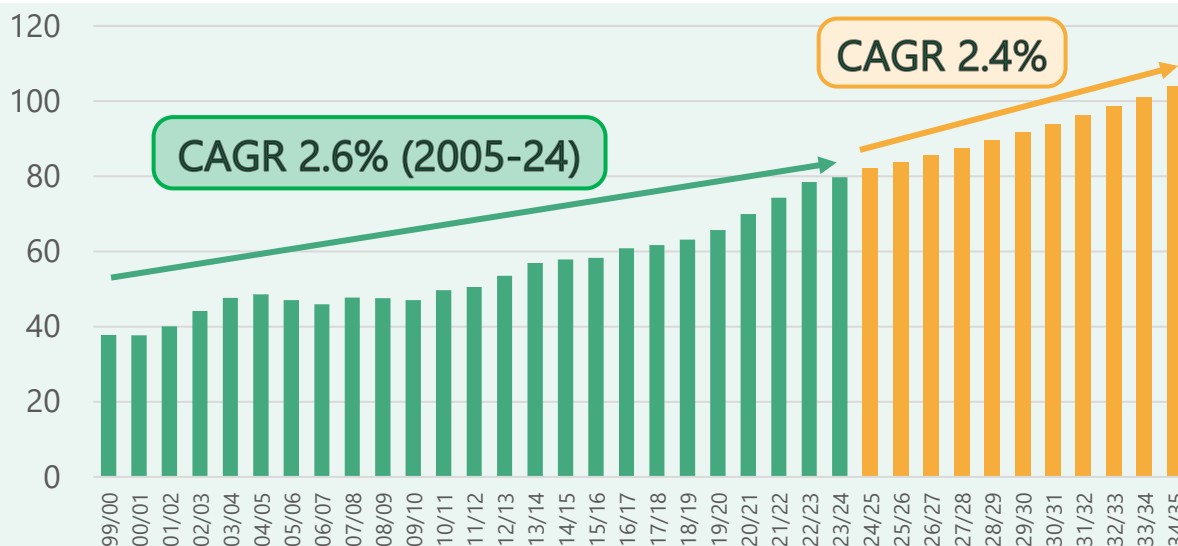
SCIL is positioned within the 2<sup>nd</sup> group for domestic sales in India

#### Actions to accelerate Business Expansion in India

- ◆ Expand Biorational & Develop/Launch new mixtures
- ◆ Realize sales expansion through digital marketing
- ◆ Utilize manufacturing capability for global sales

# 3. Strengthening Business Presence in Brazil

## Brazil Market: Continue to Grow



(Source : Cogo Inteligência em Agronegócio)

Forecast of grain cultivation area in Brazil (Million Hectares )

## Overview of Latin America Organization

Company	Brazil, Argentina, Chile, Colombia
Function	Sales Research/field/Manufacturing factories(Brazil)
Number of Employees	Approx. 950

## Achievements - 2020-2024

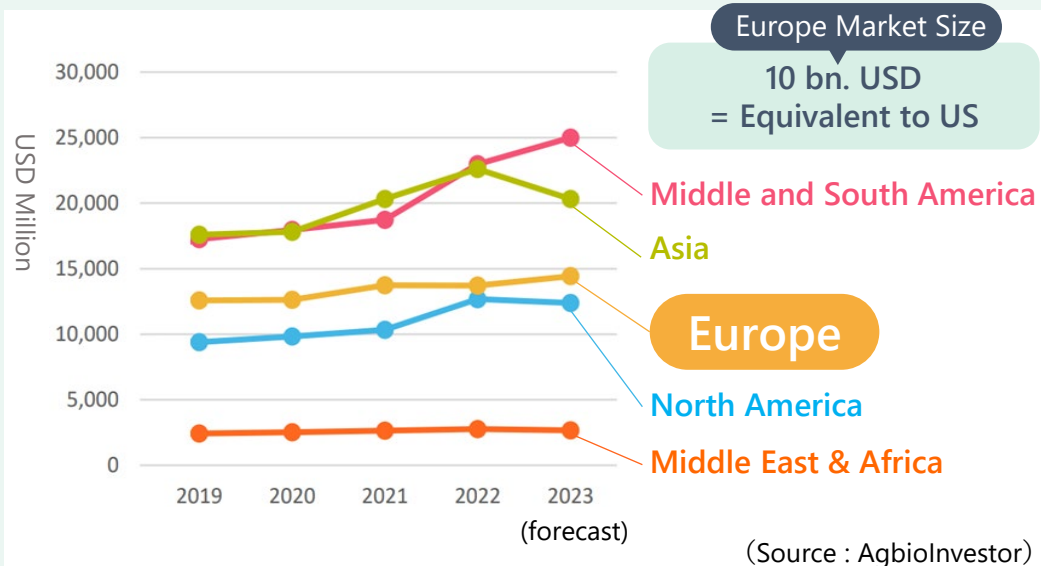
- Completed PMI
- Increase in Sales of Our Products  
(193% compared to FY 2020, with Biorational products at 217%)
- Launched of INDIFLIN®
- Expanded Maranacau Factory Functions

## Actions to accelerate Business Expansion in Brazil (FY2025~)

- Launch and Sales expansion of Rapidicil®
- Further expansion of INDIFLIN® sales  
(Expand applicable crops, develop and launch of next-generation mixtures)
- Expand Biorational products through a special organization
- Differentiation of Existing Products through the Execution of the PLCM

# 3. Strengthening Business Presence in European Market

## European market size



## Characteristics and trends

Longer registration evaluation periods due to strict regulations

Main crops are wheats and fruits

Products with high environmental impact drop out from the market

Greater opportunities for biorationals

## Our actions

Strengthen portfolio



Strengthen footprint

### Launch new products

INDIFLIN®

Biorational fruit thinner  
(Accede®)

### Further strengthen biorationals business

Early launch of FBSciences products

Strengthen footprint and portfolio through M&A

# 3. Two wheels of DX strategies for Agro-Solutions Division Japan

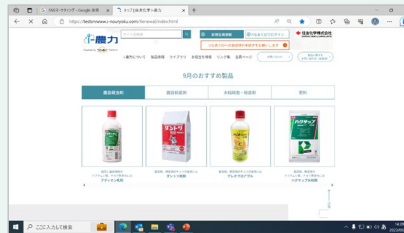
Provide Product information

ID Integration

Provide Service Information



## Monthly Product Introduction



## Tool for Simulation of Grape Coloring



## Agrochemicals Product Information for stink bug (LINE)

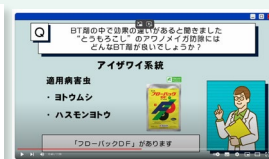
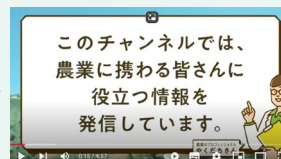


## Opening Drone Site (to be released 2025 Spring)



33 Movies

# of subscribers  
1,510



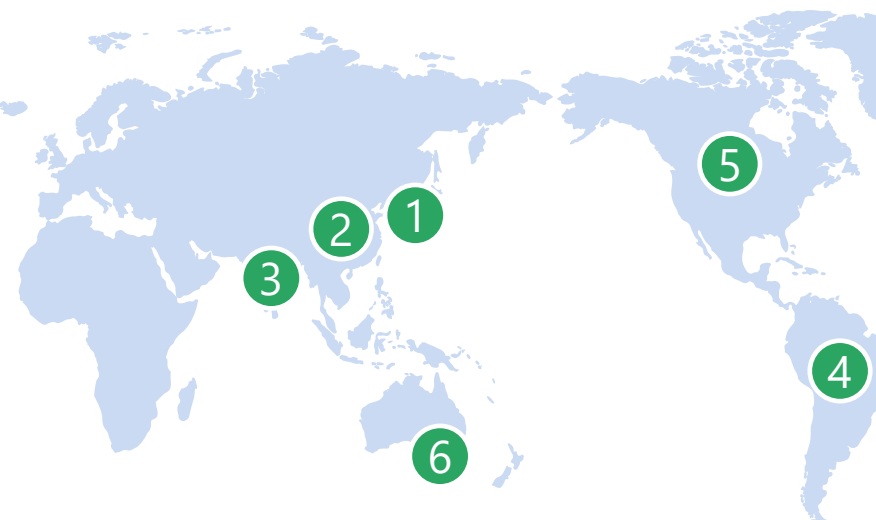
Various Services Available through unified ID

Comprehensive Information Services through both website and application  
Points add up through Agro-Apps.

- Plans to expand Agro-Apps
- Seek for collaboration 3rd party's services with whom we can share ideals
- Our Goal : Provide new value and realize new Agricultural communities

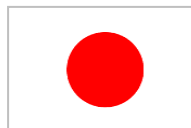
# 3. Actions to strengthen global supply chain system

## Accelerate to establish cost-competitive and resilient global supply chain system



Vapi Plant, Sumitomo Chemical India

1



Oita focuses on new agrochemicals and pharmaceutical-related products and Misawa produces EHD products mainly.  
Existing Molecules might switch into overseas production

2



Realize cost competitive procurement for LATAM off-patent products and others through consolidate procurement function for China

3



Accelerate to transfer production for existing molecules from Japan  
Utilize production functions in India for not only finished products but also intermediate for new products

4



For LATAM : Increase production capacity and enlarge functions for new products and biorationals.  
Other regions : Utilize Brazil site for other regions.

5



Biorational : Osage Site to strengthen cost competitiveness and Increase the capacity  
MGK : Enhance cost-competitiveness and Increase capacity for EHD and botanical product

6



BRA : Increase Botanical production capacity for sales expansion in Agrochemicals and EHD areas.

04

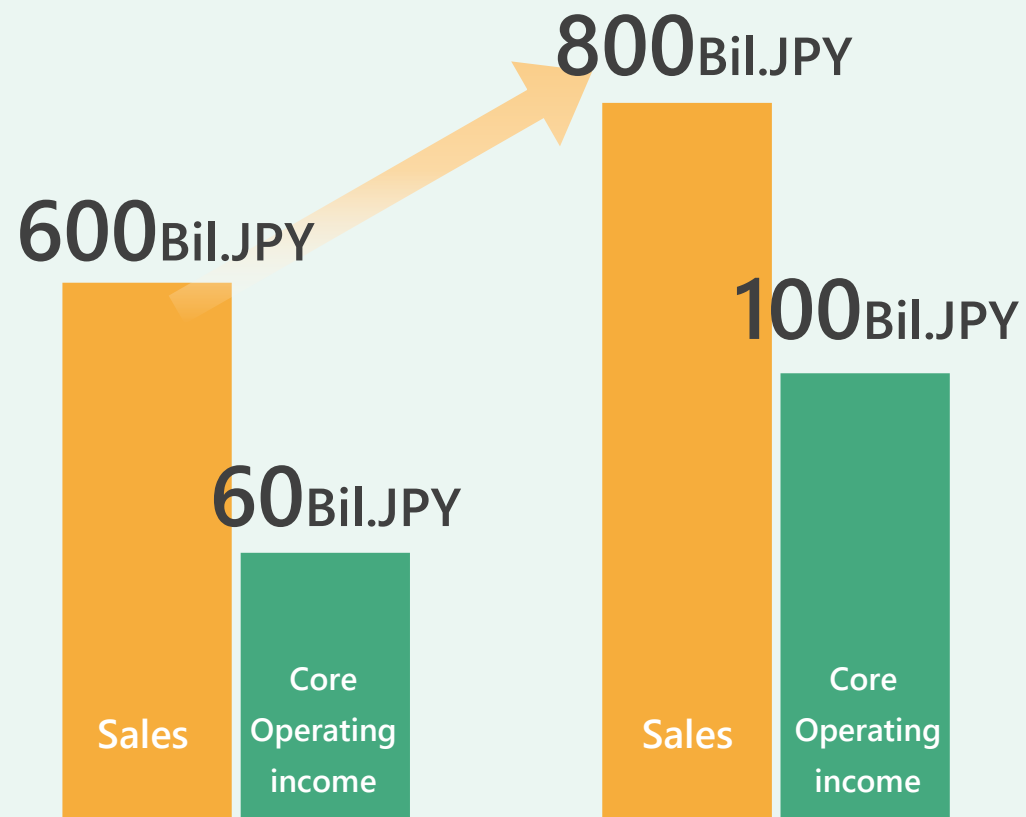
## Agro & Life Solution FY2030 Financial Target



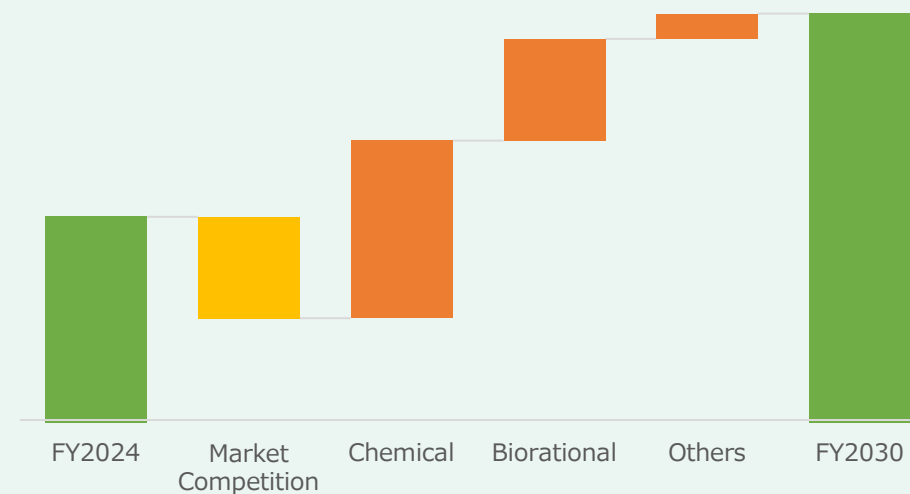
## 4. 2030 Financial Target

FY2024

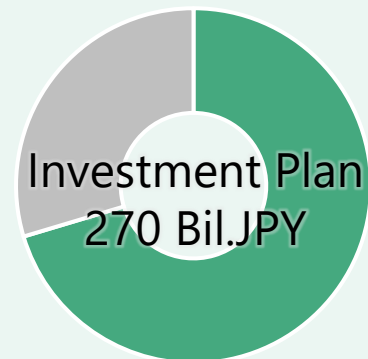
FY2030 (Target)



The Bridge to FY2030 Target



Investment Plan FY2025-2030



Strategic Investment  
Others

Strategic Investment includes

- Items for Business Expansion
- M&A

Section

02

# ICT & Mobility Solutions



- 01** Launching a new sector
- 02** Business Environment • Business Direction
- 03** Growth strategy
- 04** Towards sustainable growth

01

ICT & Mobility Solutions  
Launching a new sector

# 1. Launching a new sector : Vision

## ICT & Mobility Solutions Sector Vision

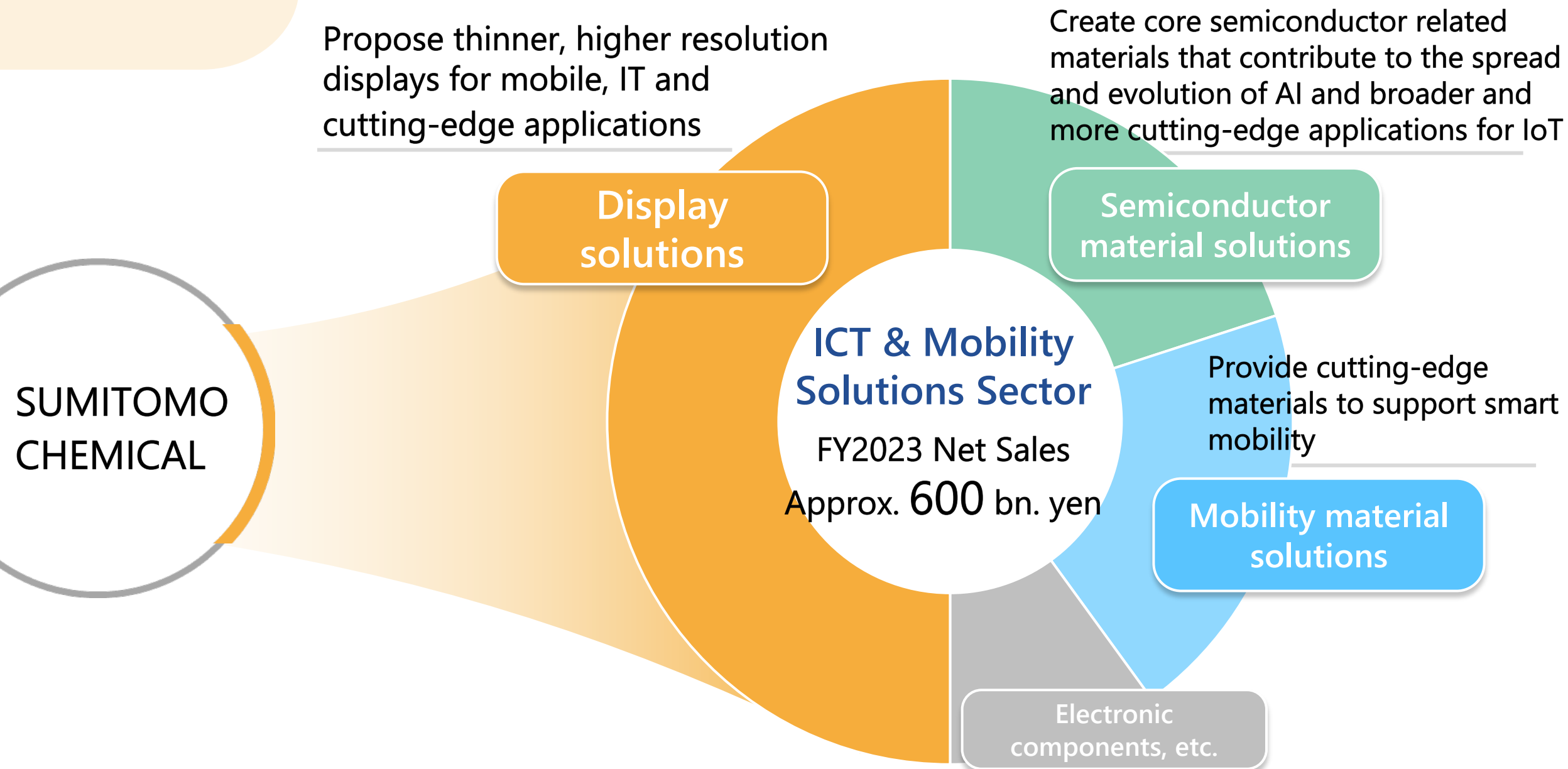
Integrate businesses related to ICT and mobility, fuse our core technologies and accumulated know-how, and provide total solutions to accelerate customer innovation, thereby contributing to Society 5.0.

Semiconductor  
materials

Display materials

Mobility-related  
materials

# 1. Launching a new sector



# 1. Launching a new sector : Product portfolio

## Market direction and technological needs

## Product portfolio

### Semiconductor technological innovations

Ultra die shrink/3D structure

Higher purities

Ultrafine particle sizes



Cutting-edge Photo resist



High-purity Chemical •  
Performance Chemical



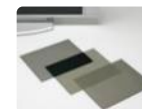
High-purity Alumina

### Evolution of displays

Thinner

Higher resolutions

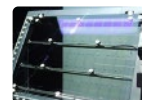
Multi-layer and fine  
patterning



Polarizing film, Anti-reflection film  
Retardation film for OLED



Color resist



Sensor • Telecommunication material

### Spread of smart mobility

High-speed response  
High energy efficiency

High heat-resistance  
Easy formability

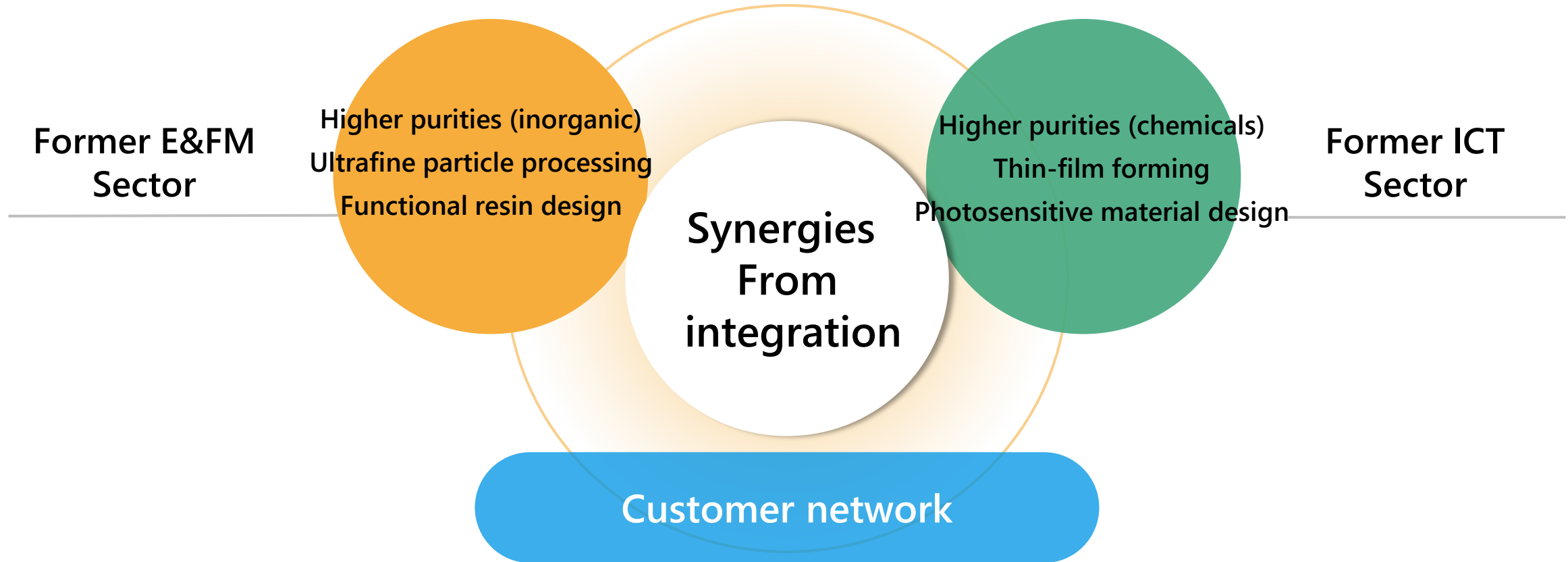


GaN substrate



Super Engineering plastics

# 1. Launching a new sector : Significance of departmental reorganization



## Consolidate core technologies and resources

Support shift of innovative technologies in semiconductor field  
Top runner in the field of next-generation high-performance displays



# 1. Launching a new sector : Building out a base to support tremendous growth

## Major achievements in FY 2022-2024

Investments  
In FY 2022-2024

### Semiconductor materials

- ▶ Enhanced supply chain and strengthened development infrastructure for photoresist and high-purity chemicals

### Display materials

- ▶ Transformed the product portfolio significantly.
- ▶ Built out a business structure focused on OLED and automotive

### Mobility materials

- ▶ Develop production system for strategic products to support future growth.

Investment  
in 3 areas  
**120**  
billion yen

## Business performance summary

- ▶ The former ICT Sector looks set to achieve med-term P/L targets (150 billion yen over 3years) and ROI (average of 10% over 3 years), for FY 2024 on a recovery in demand for semiconductor materials.
- ▶ The former E&FM Sector will miss mid-term P/L targets because of the market deterioration for battery materials.

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ICT & Mobility Solutions  
Business Environment •  
Business Direction

## 2. Business environment in 2030

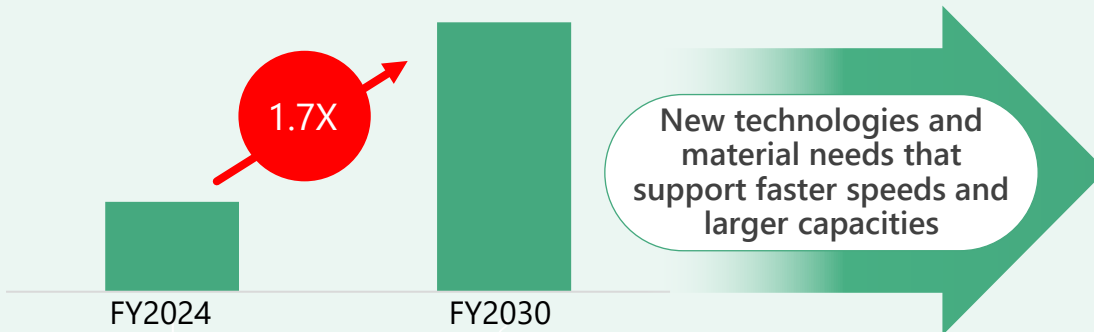
### Semiconductor materials

The silicon semiconductor market will continue to grow in a stable fashion, driven by expanded AI applications, further advances in IoT, and the spread of autonomous driving and smart mobility **Should become an even larger market in 2030**

Increased demand for new technologies such as 3D to drive greater sophistication and diversification in materials technologies and needs

Launching the Indian market as a next-generation semiconductor integration base

Semiconductor market size



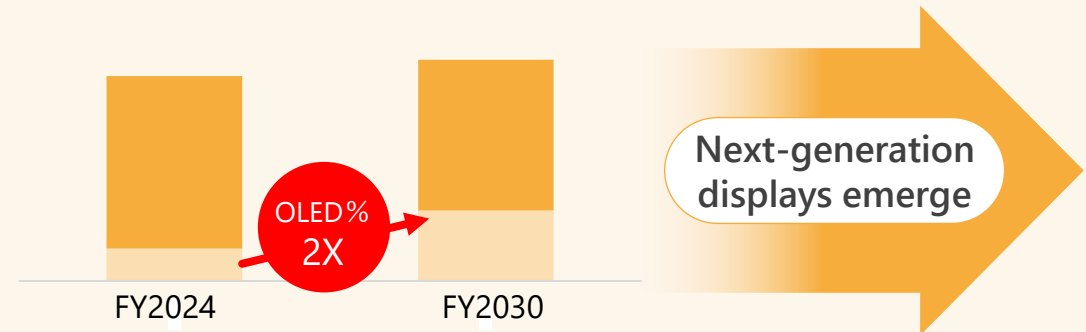
### Display materials

Smartphone market has matured. Meanwhile, **shift to OLED progresses in tablets and notePCs in the late 2020s**

Technological innovations drive spread of **next-generation displays** for XR fusing real and virtual worlds

Greater demand for larger screens and higher performance in automotive applications  
(2X increase in screen area in 2030 vs. today)

OLED ratio in mobile, IT, and automotive



### Mobility materials

EVs are advancing due to automated driving, etc.  
Needs for further weight reduction and higher efficiency of materials

**Mobility is becoming increasingly ICT-ization and smart.**

### Toward 2030 and Beyond 2030

- Expand business in cutting-edge semiconductor production processes (front- and back-ends) leveraging core technologies and key materials aimed at creating new semiconductor materials that support die shrink and 3D
- Deploy new high-performance products in the fields of next-generation displays, high-speed telecommunications, and power semiconductors leveraging our accumulated business know-how and network
- Expand our business territories with high-purity chemicals, etc.
- Relentless portfolio upgrading

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## ICT & Mobility Solutions Growth Strategy

### 3. Growth strategy : Semiconductor materials ( Growth Cycle )

#### Track Record

Expand business scale through “technological innovations → upfront investments (Located in close to customers / Development of Supply systems) → Achieve a high-return” cycle

#### Toward Business Expansion

- (1) Enhance both the quality and scale of development, reallocating resources towards back-end operations.
- (2) Commit to substantial up-front investment, focusing on the development of supply systems.
- (3) Expand production locations(area).

Sustainable business expansion through growth cycles

Up to 2000

2010

2020

2030

#### Photoresist

ArF immersion  
Built out business structure

production capacity expansion  
(ArF : 5x in 2010-2020)

Establish new evaluation building (Osaka)

+ Expand evaluation regime

Build new cutting-edge plant in South Korea

#### High-purity chemicals

Built out business structure in South Korea

production capacity expansion structure in South Korea  
(Hydrogen peroxide : 18x in 2011-2020)  
Began local production in China

Launch production site in US

Launch second site in South Korea

Launch cutting-edge chemicals plant in Ehime

#### New Area

Start full-scale of performance chemicals business

Strengthened organization for back-end process materials

Launch Pangyo (South Korea) new development center

Semiconductor materials Sales

Existing products  
New products

FY2014

FY2024

FY2030



### 3. Growth strategy : Semiconductor materials (product lineup)

#### Front-end

##### Photoresist

ArF immersion resist  
Top class globally

##### High-purity Chemical

One of global leaders

- IPA, Ammonia, Hydrogen peroxide, Sulfuric acid etc.

##### Performance chemicals

Late 2010s  
Start full-scale of business

- Thinners for Cutting-edge photoresist
- Selective etchant

##### High-purity Alumina

- Ultrafine particle for Grinding and manufacturing machine

##### High-purity Aluminum for semiconductor

One of global leaders

##### GaN substrate

One of global leaders

#### Back-end ,etc.

##### Thick Photoresist

##### High-purity Chemical for back-end processes

##### Performance chemicals

Early 2020s  
Start full-scale of business

- In-process Cleaner
- Wafer protective agent

##### High-purity Alumina

- Thermal conductive filler

Advancing development and strategic restructuring drive the expansion of solution materials.

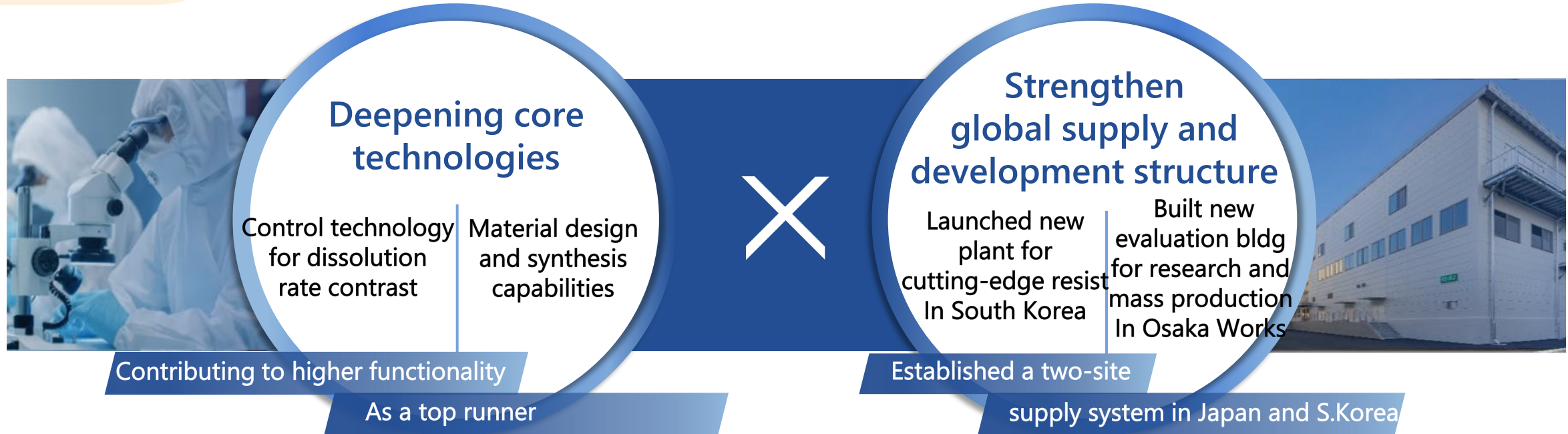
Support Cutting-edge device and  
expand sales areas

NEXT STEP

Expand lineup

### 3. Growth strategy : Semiconductor materials (cutting-edge photoresist)

#### ■ Business strategy of cutting-edge photoresist



- New platform for next-generation EUV  
Begin performance validation of organic molecular resist



**South Korea (Iksan)**  
Stable supply for South Korean customers with second plant


**Mother plant Osaka**  
Acquire know-how in manufacturing technology roll out globally

### 3. Growth strategy : Semiconductor materials (cutting-edge photoresist)

#### ■ Next-generation EUV resist (Customer Evaluation in progress)

Design and mass-produce resist materials at molecular size to support ultra die shrink of semiconductors  
Concentrate R&D resources and accelerate development of next-generation platform

#### ■ Strong Point

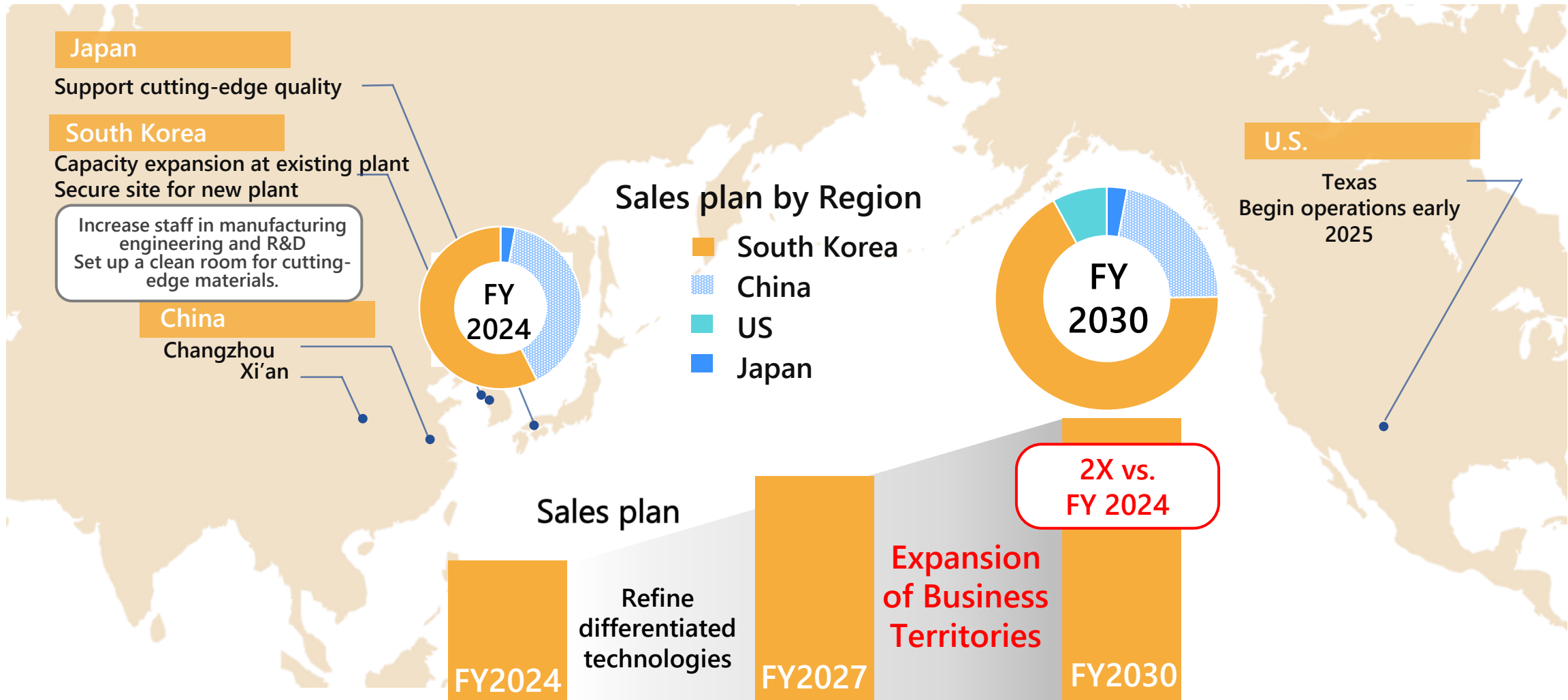
Strong Point	Next-generation (high NA)	Existing type			
Platform / Size	Made from organic molecules/ Molecule size: < 1 nm	Main ingredient is polymer / Polymer: < several nm			
					
1	Metal-free	2	Molecule size: <1nm	3	High development contrast design
Affinity with existing processes		Achieve die shrink			

#### ■ Target share for the time being

20% share by volume in cutting-edge resist

### 3. Growth strategy : Semiconductor materials (High-purity chemicals)

Establish world-class business scale with supply capabilities built from upfront investments.  
Strengthen process technology and evaluation and analysis infrastructure to ensure the stable supply of high-quality products tailored to cutting-edge technologies.



### 3. Growth strategy : Semiconductor materials (Performance chemicals)

Manufacturing processes become more complex as semiconductor become die shrink and 3D

⇒ Propose unique solutions combining Core Technology and key materials customized to each customers and products

1

#### High-purity refinement

〈 Support Ultra die shrink 〉

2

#### Design customized products

〈 Expand lineup to support needs 〉

3

#### Support global supply

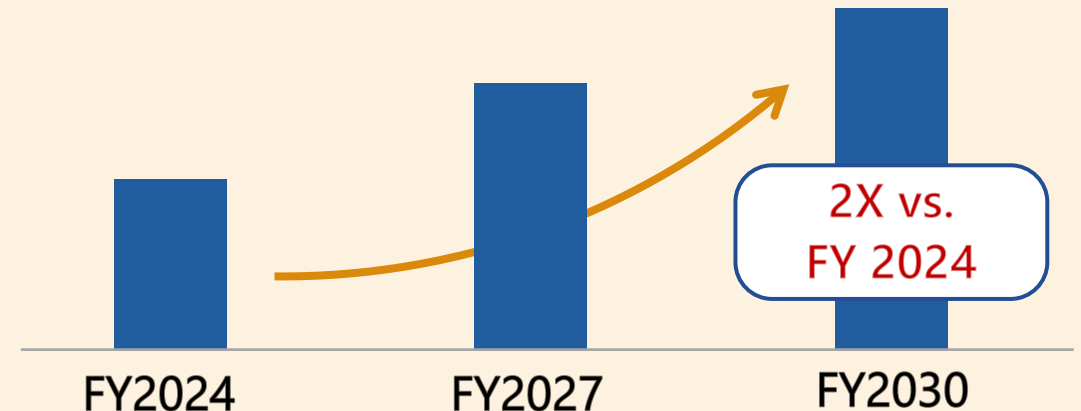
〈 Leverage high-purity chemicals site 〉

#### Key products

15% of semiconductor materials business sales  
⇒ 2X in these 5 years

- In-process cleaners (Back-end)
- Thinners for cutting-edge photoresist (Front-end)
- Selective etchant (Front-end)

#### Sales plan



### 3. Growth strategy : Semiconductor materials (Back-end materials)

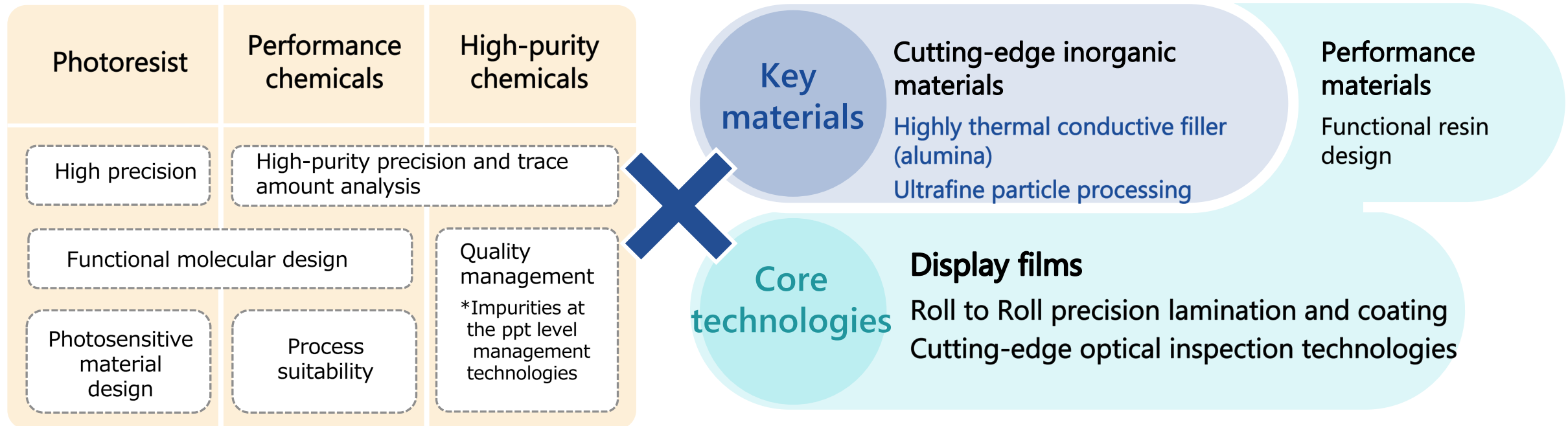
- ✓ Major technological innovations in semiconductor processes lead to the formation of cutting-edge back-end markets.

#### Market trends

Device die shrink and complexity progresses.  
Heat generation increases substantially.  
Greater need for energy efficiency.

- ▶ Major front-end device makers lead process development
- ▶ Increased importance of thermal management

Enter back-end process material market leveraging our know-how in front-end process materials and proprietary performance materials and processing technologies.



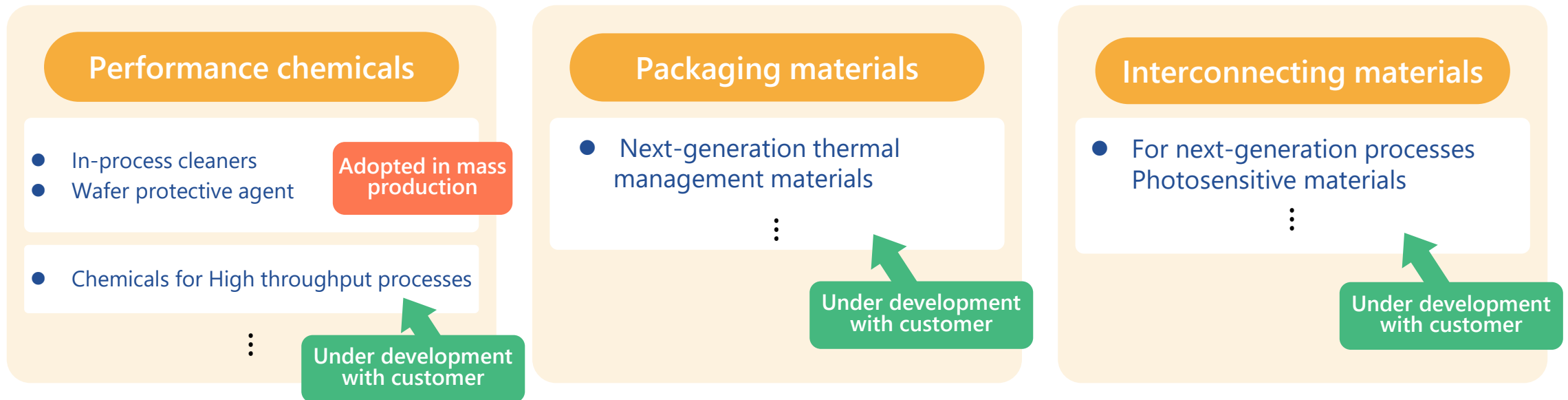


### 3. Growth strategy : Semiconductor materials (Back-end materials)

Major customer began adopting our performance chemicals (in-process cleaners).

Other development products are also progressing smoothly.

Aim for 10% of total semiconductor materials sales as first step



Leverage ties among development sites in Japan and South Korea  
and network of front-end device makers  
Accelerate materials development for cutting-edge back-end processes  
where technological innovations continue

### 3. Growth strategy : Displays

Continuing to challenge innovation in display materials as one sector.

#### Polarizing film for OLED

- Proprietary design integrated from the compound through to the polarizing film
- Laminate ultra thin polarizer film with superb optical performance

Keep No. 1 position with industry-leading proprietary technologies

#### Polarizing film for Automotive

- Proprietary highly durable design
- Rapid support of shift to OLED by our know-how

Solid share gains

#### Components for foldable panels (CoE)

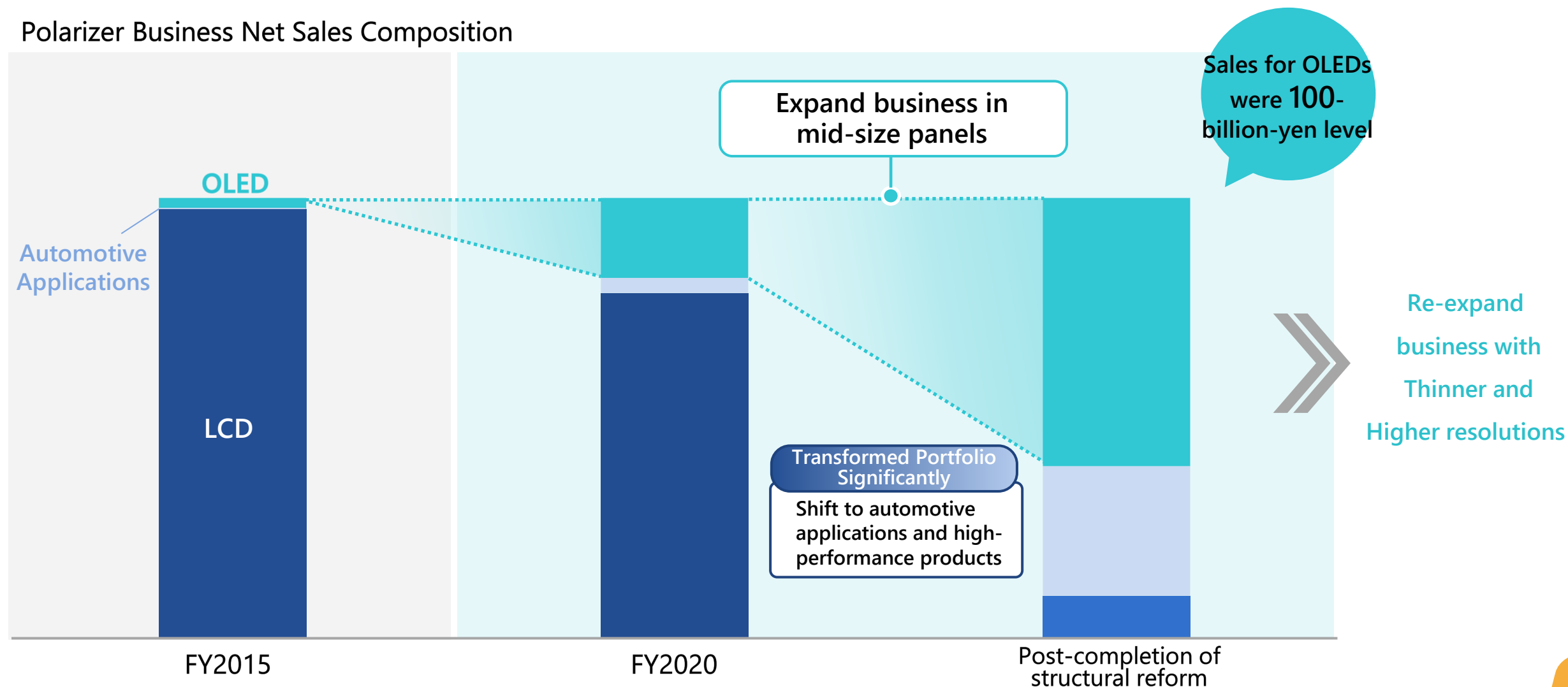
- High-durability protecting films
- High-resolution color resist
- Diffraction prevention (liquid crystal coating components) , etc..

Deploy our broad-ranging product portfolio

### 3. Growth strategy : Displays

Business transformation is underway through marketing, development, and structural reform.  
Top Runner in Polarizing film for OLEDs, and Global No.2 for Automotive.

Polarizer Business Net Sales Composition



### 3. Growth strategy : New businesses

#### High-performance antennas for high-speed telecommunications

Approaching new business areas based on multi-layer and die shrink technologies developed in color filters and touch sensors

##### Characteristics

- ▶ Can be deployed onto display
- ▶ Contribute to more compact mobile telecommunications relays



100 billion yen level

#### Transparent LED Display

##### Characteristics

- ▶ Can visualize screen display and background simultaneously
- ▶ Can be deployed without obstructing surrounding scenery or visibility



Several tens of billion yen

#### GaN-based products

Mass production of large-diameter products by taking advantage of the superiority of our proprietary technology

##### Characteristics

- ▶ Cost competitiveness through integrated substrate/epitaxial wafer production
- ▶ Quality advantage from proprietary manufacturing technologies

##### Cutting-edge market needs

- ▶ High-quality substrates for next-generation high-power laser applications
- ▶ Start full-scale of demand for power semiconductors from around 2030

Several tens of billion yen

04

## ICT & Mobility Solutions Towards sustainable growth

## 4. Towards sustainable growth : New Focus Fields

### Technologies to support the 2030s

#### Semiconductor

Silicon semiconductor  
(Ultra-high integration,  
multi-functionality)

#### Display

Penetration of next-  
generation displays  
(Ultra-thin film,  
high resolution)

#### Telecommunications

Photo-electric fusion, optical  
satellite telecommunications  
(Increased data traffic)

#### Mobility

Power semiconductors,  
high-performance batteries  
(High output density)

Higher performance and integration, particularly in the semiconductor field,  
to drive increased power consumption, exposing the limits of existing cooling technologies

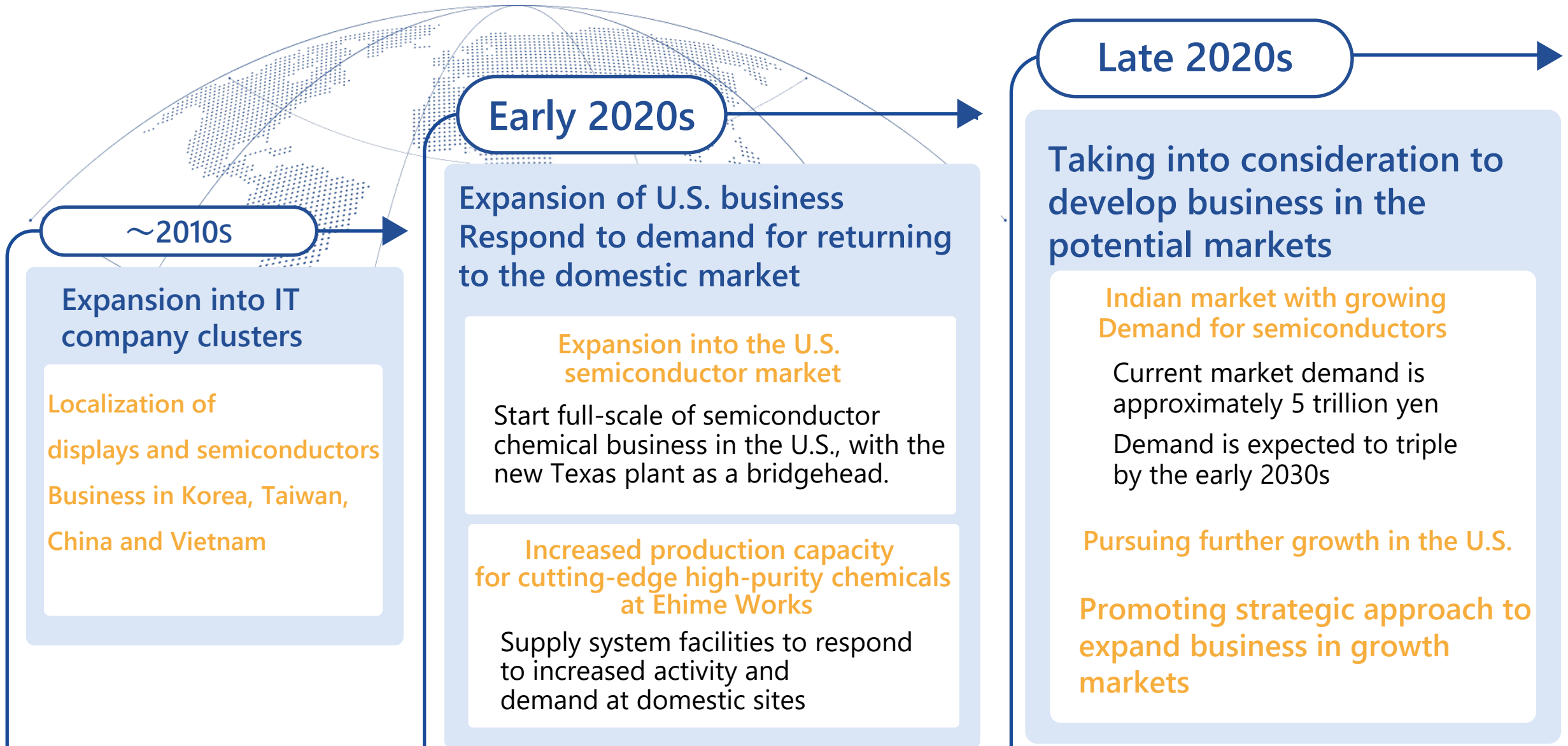
**Providing next-generation thermal management solutions that cover wide range of areas**

Examples of Fields	Cutting-edge devices		Data centers	Mobility
Process technology	Ultrafine particle processing, Film lamination		Thin-film formation	
Our products	High-purity Alumina New inorganic fillers		GaN EPIwafers Large-wafer GaN substrates (Toward high-efficiency devices)	
	Low-permittivity resins Low-CTE resins		Functional films for Automotive	
Heat release		Suppression of heat generation		Heat control

- Make the most of **1,000 R&D staff** in the sector
- Prioritize allocation of resources toward fields related to thermal management



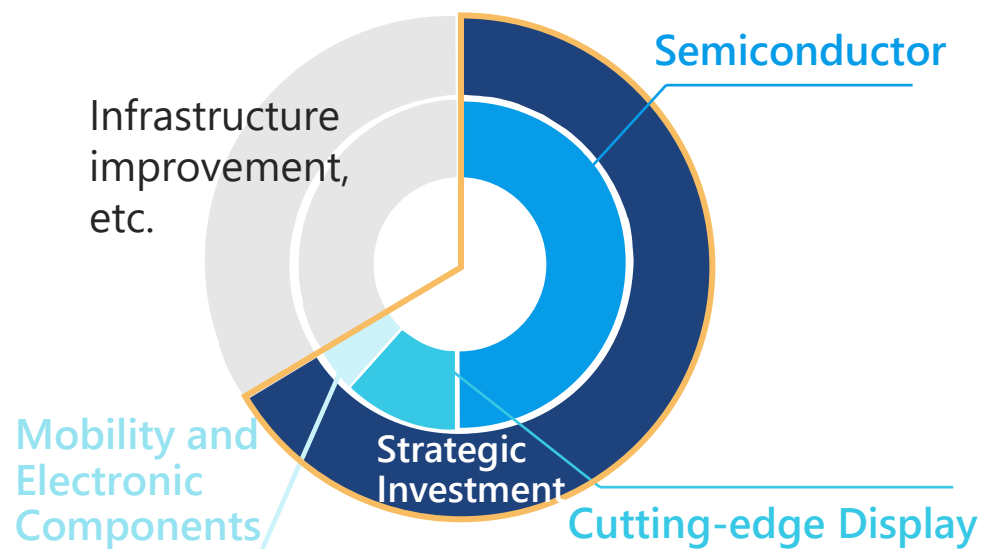
## 4. Toward Sustainable Growth : Expansion of Business Development Areas



## 4. Towards sustainable growth : Investment Plan

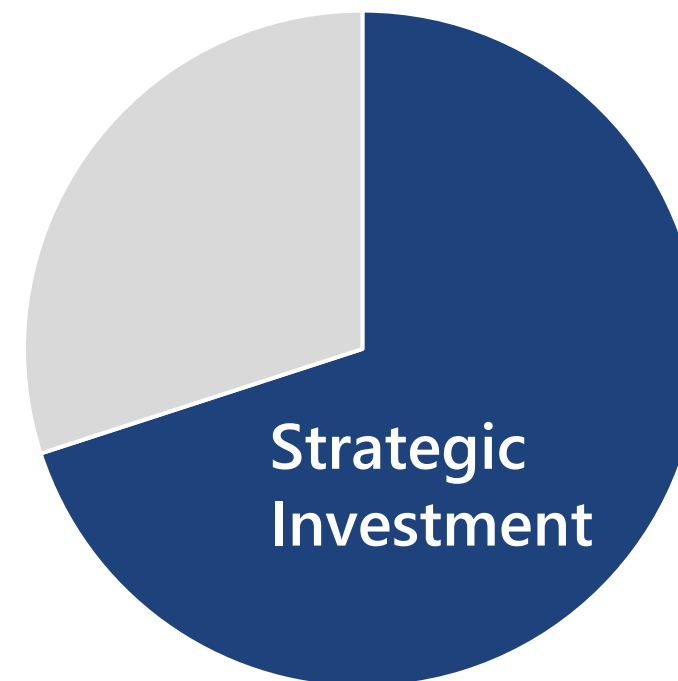
### ■ Investment results for FY2022-2024 (150 billion yen)

#### Shift to Semiconductor materials



- By region  
Domestic 50%, East Asia 30%,  
Others (U.S., Vietnam, etc.) 20%
- 20 billion yen for development system in cutting-edge fields

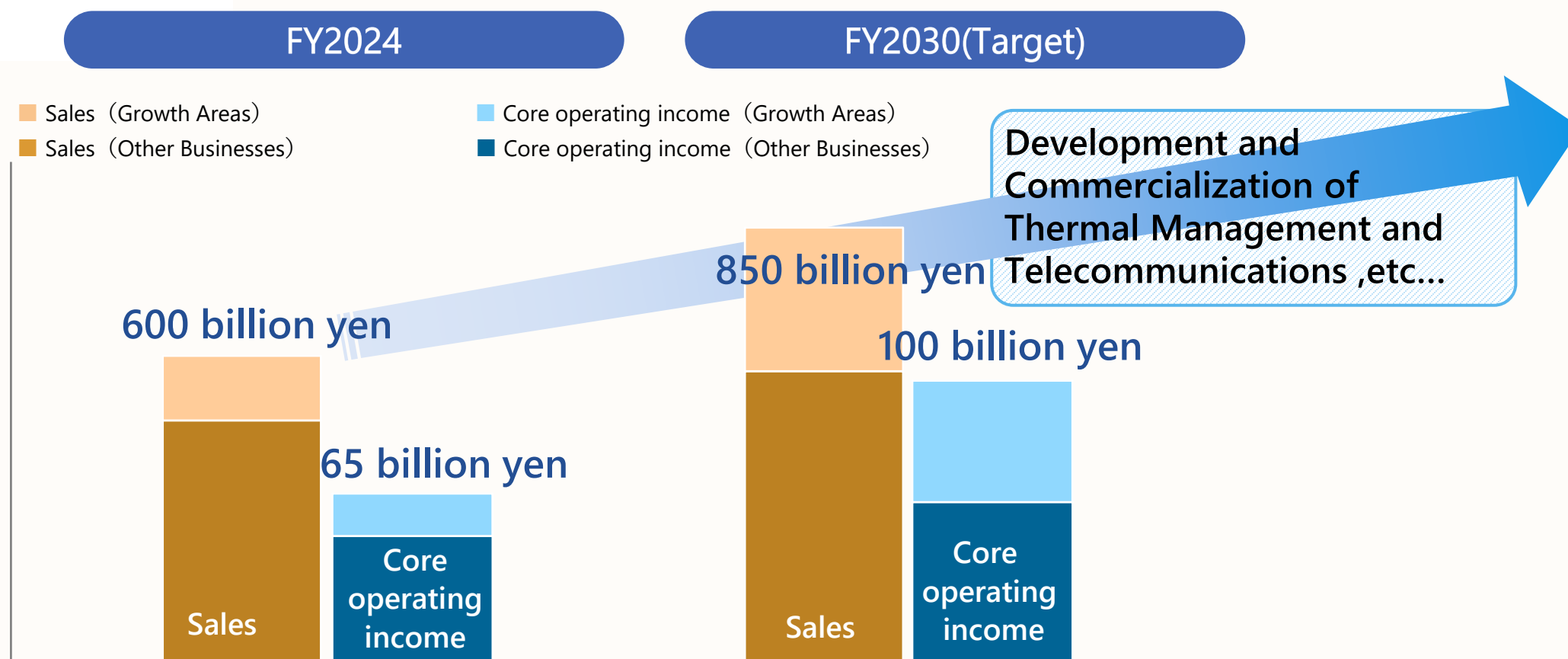
### ■ FY2025-2030 investment concept (300 billion yen)



#### Key investment fields (including external alliances and M&A)

- Expansion of capacity for semiconductor materials and cutting-edge display materials
- Launch of thermal management materials including semiconductor back-end processes
- Expansion of business development areas(e.g., new base development)
- Enhancement of the development structure

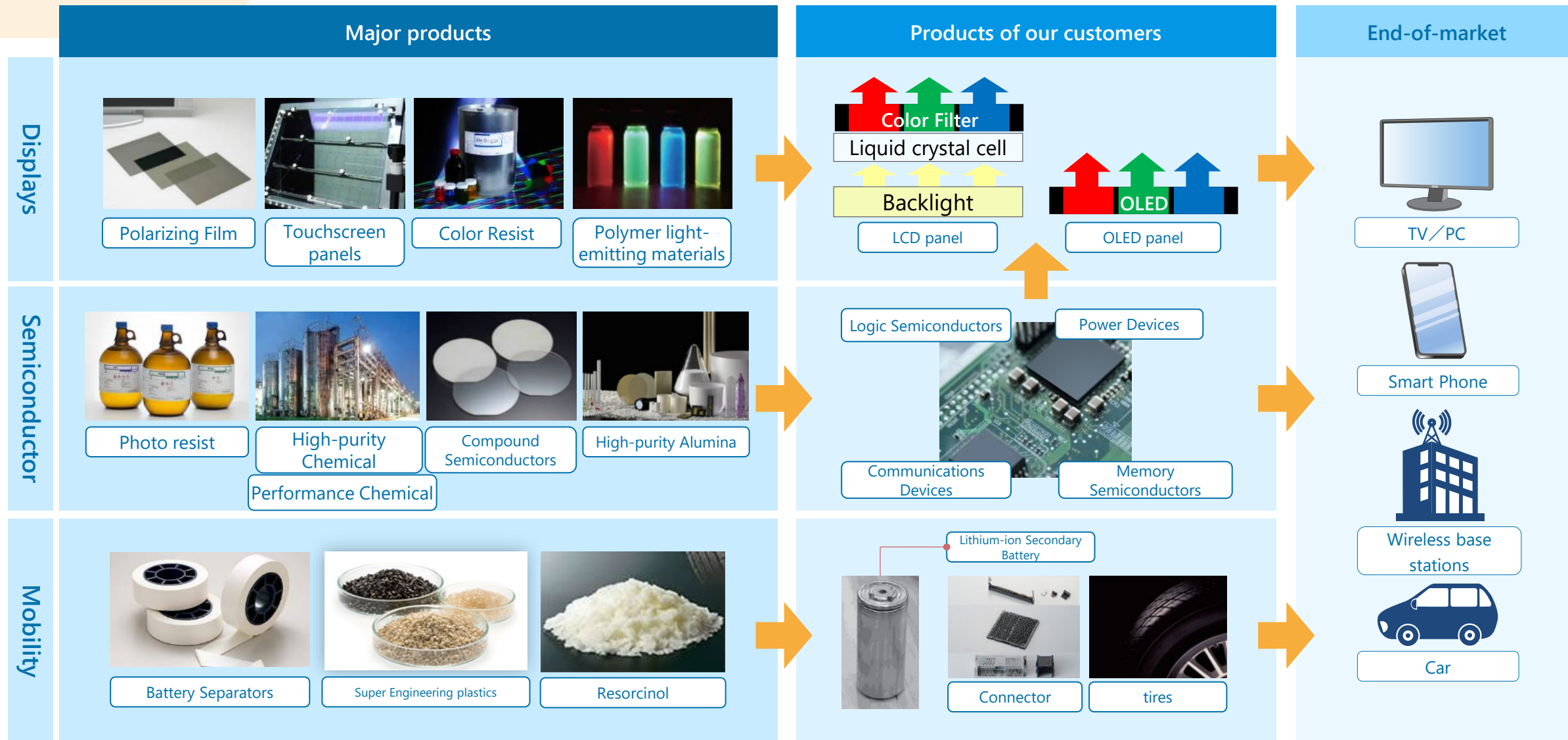
## 4. Towards sustainable growth : profit planning



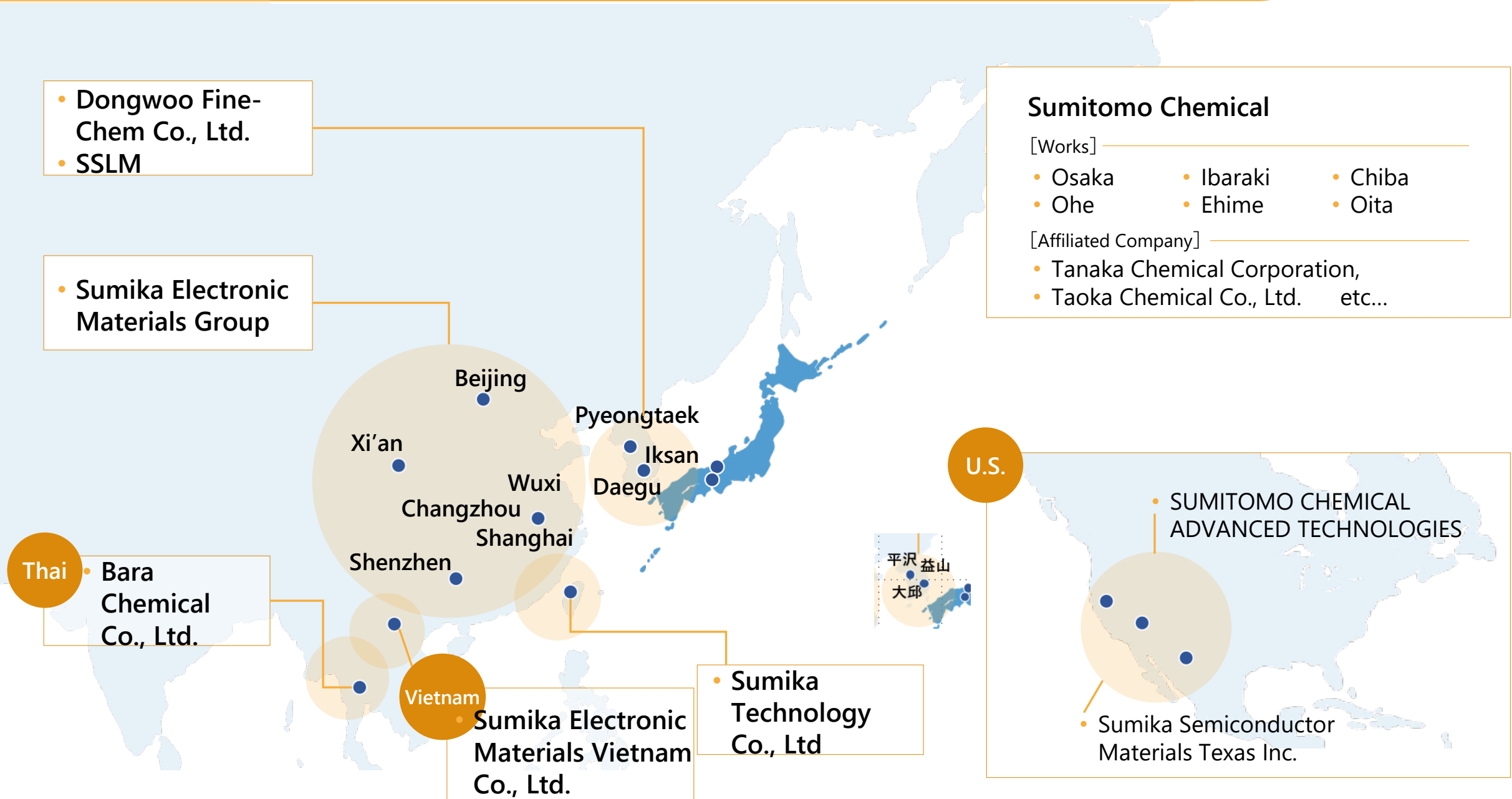
ROI

10%+

15%



# Reference) Important business locations (domestic and overseas)



### **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 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.