

Corporate Business Plan

March 4, 2025

Keiichi Iwata – President

SUMİTOMO CHEMICAL

Agenda



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- In FY2024 we advanced immediate-term business performance improvements and fundamental structural reforms and expect a v-shaped recovery.
 Core Operating Income will recover approx. 250 bn. yen year-on-year and the balance sheet and business portfolio have vastly improved.
- Our new Corporate Business Plan slogan is: Leap Beyond ~Return to a growth trajectory~
 Leap higher, beyond today and return to a growth trajectory. FY 2025 will become a new start for a reborn Sumitomo Chemical.
- Management resources will be allocated with priority to our two growth-driver sectors at the same time we continue to implement structural reforms.
- In the final year of the new plan (FY2027), as a mid-point in the return toward a growth trajectory, we aim for 200 bn. yen in Core Operating Income, 8% ROE, and 6% ROIC.
- Achieve sustainable growth beyond FY2030.
 As a long-term goal, we strive for 350 bn. yen in Core Operating Income, over 12% ROE, and over 10% ROIC by FY2035.

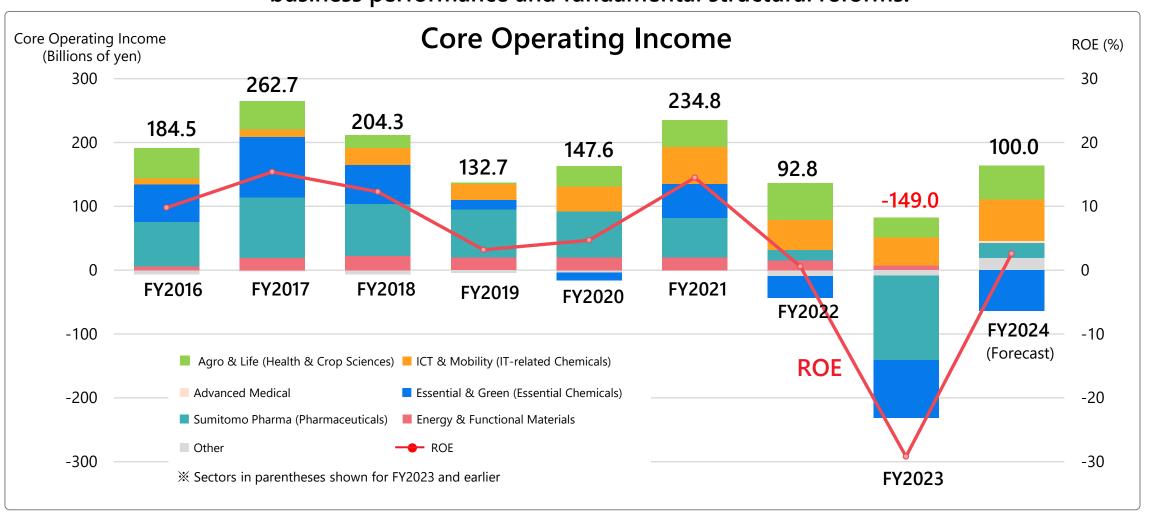


Business performance



Since FY2022, business performance at Sumitomo Pharma and PetroRabigh deteriorated substantially, and in FY2023 we booked the largest losses in our history.

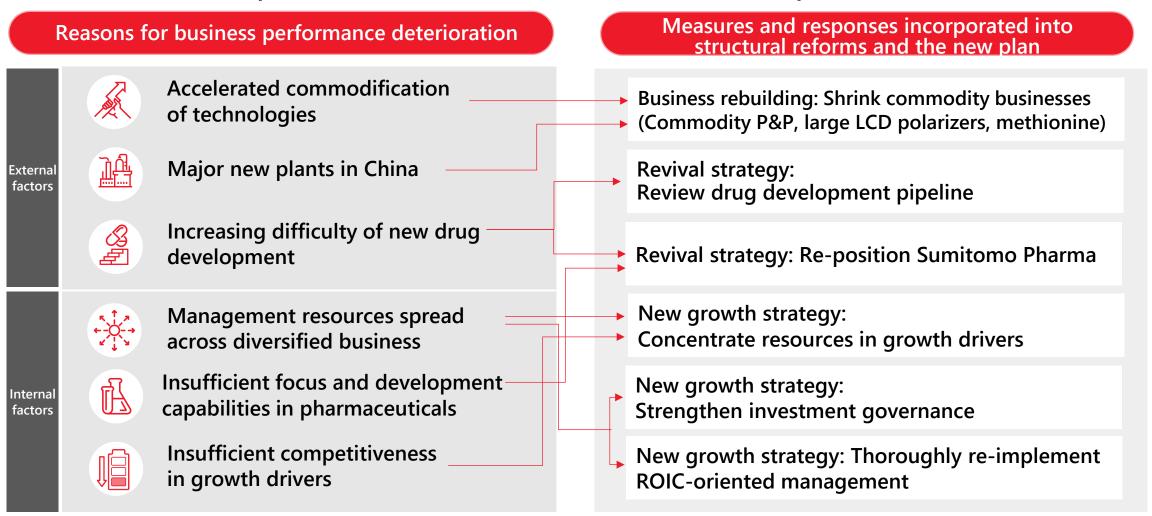
In FY2024, we expect a v-shaped recovery on immediate-term, concentrated measures to improve business performance and fundamental structural reforms.



Reasons for and responses to business performance deterioration



Reasons for business performance deterioration were reflected in measures incorporated into structural reforms and the new plan



Immediate-term, Concentrated Measures to Improve Business Performance



Immediate-term, Concentrated Measures to Improve Business Performance

Expected results over 2 years (FY2023~2024)

Cash generation: 700 bn. yen



Rebuild businesses

185 bn. yen

Apply best owner perspective to business dispositions

- ✓ Chinese polarizers
- ✓ Chinese LCD chemicals
- ✓ Nihon Medi-Physics
- ✓ Sumitomo Bakelite etc.



Reduce inventories

150 bn. yen

800 bn. yen



650 bn. yen as of the end of March 2025



More selective investments

200 bn. yen

FY2022-2024 cumulative investment plan (cash basis)

700 bn. yen



Streamline to 500 bn. yen



Other asset dispositions etc.

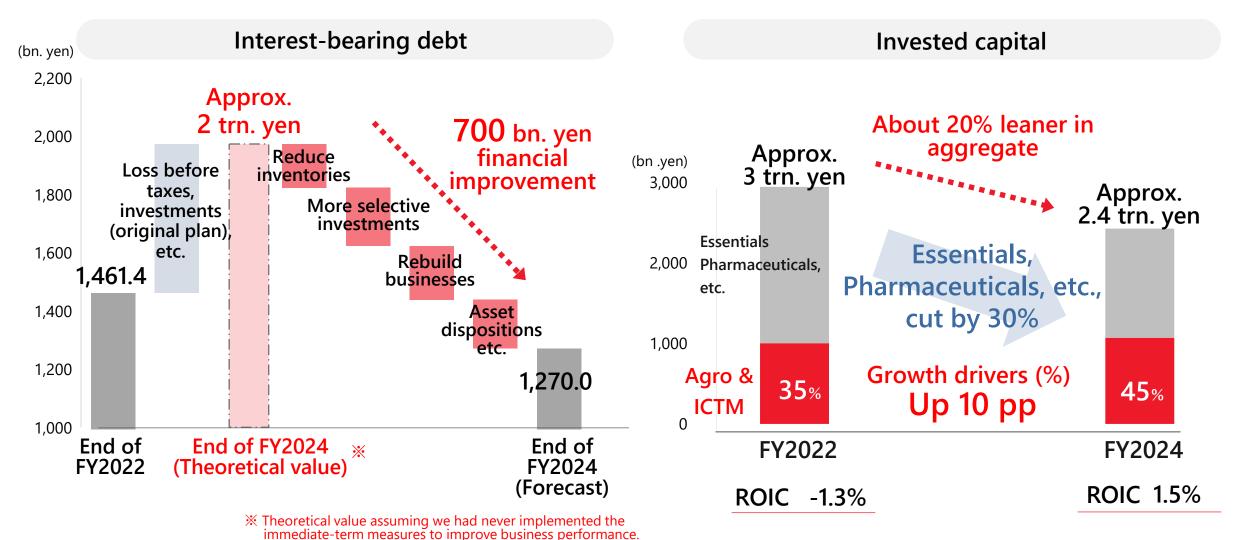
170 bn. yen

- ✓ Disposition of crossshareholdings
- ✓ Disposition of health and wellness facilities
- ✓ Leverage surplus funds

Immediate-term, Concentrated Measures to Improve Business Performance



Entire company worked together to complete immediate-term measures. Balance sheet and business portfolio improved significantly.



Fundamental structural reforms



By now, we have set the direction for multiple difficult challenges. Under the new plan, we will continue to work on remaining challenges.

Sumitomo Pharma

Measures to stop the bleeding

3 key products

Small molecule drugs (drug discovery) Rebuilding aimed at sustainable growth

PetroRabigh

Financial restructuring

Measures to improve earnings

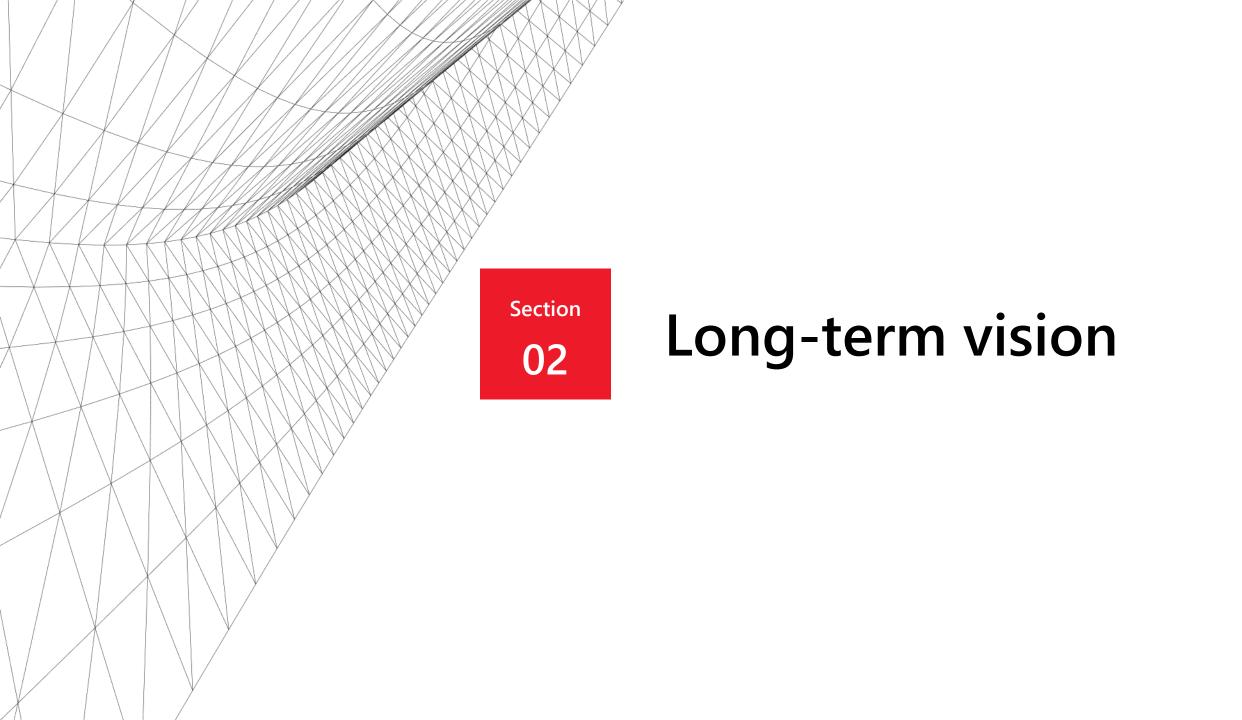
P&P reorganization

Japan upstream (cracker)

Japan downstream (polyolefins)

Singapore





Long-term vision



Innovative Solution Provider

Become a company that leverages innovative technologies to solve society's challenges



Food



ICT



Healthcare



Environment

Contribute to regenerative agriculture

Products and services as solutions

Low environmental impact agrochemicals

Biorationals and botanical products

Innovate IT

Cutting-edge photoresist and Semiconductor performance chemicals. Polarizers for OLED Spread leading-edge medicine

Regenerative medicine & cell therapies

Small molecule drugs CDMO

Reduce environmental impact

Various GX technologies

Essential & Green Materials

Agro & Life Solutions

Bio-mechanism analysis

Advanced Medical Solutions

DX -Digital-

Assets for solutions

6 core technologies

Precision machining •

Inorganic material functional design

Device design •

GX -Green-

Catalyst design

BX -Bio-

Organic and polymer material functional design

Contributions in the field of food



Food



Growing demand for food driven by population growth





Impact on biodiversity



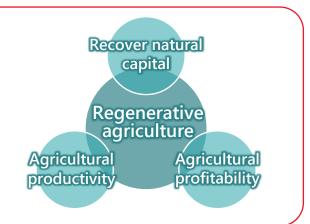
Soil erosion and GHG emissions from agricultural activities



We need **new and sustainable agricultural systems**

Direction for solutions

Realize and spread regenerative agriculture that recovers natural capital while also maintaining and enhancing agricultural productivity



Contributions in the field of food



Agro & Life Solutions Sector



Strengths

Technological assets

- A technological base in organic chemistry such as chemical synthesis, chemical analysis, biochemistry, and environmental science
- Strong drug discovery capabilities leveraging the latest science and technology and Al



Business assets

- Global footprint covering major agricultural markets in the Americas, India and other parts of the world
- 60+ year track record in the biorationals and botanicals business
- Services and DX platforms that fuse our business experience with our unique technologies







Solutions we provide

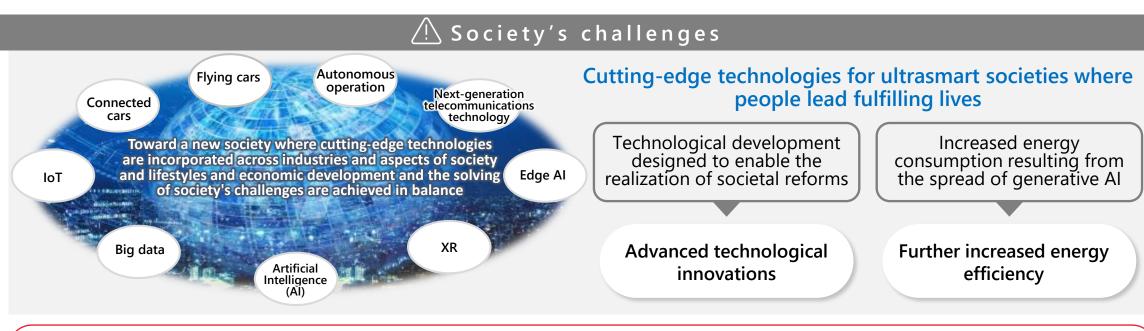
- Herbicides that align with carbon storage and soil health recovery, including no-till farming and cover crop systems^{**}
- Rhizosphere materials that contribute to suppressing climate change through carbon storage



Contributions in the field of ICT

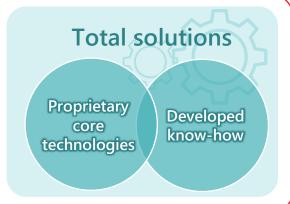


ICT



Direction for solutions

Fuse our proprietary core technologies and developed know-how to contribute to "new" industrial revolutions driven by total solutions that accelerate customer innovations



Contributions in the field of ICT



ICT & Mobility Solutions Sector



Strengths

Technological assets

- Miniaturization and higher purities
- Thin-film forming and ultrafine particle processing
- Photosensitive material design and performance resin design
- 1,000 R&D staff globally



Business assets

- Global supply and development infrastructure in Japan, South Korea, China, and the US built on upfront investments
- High value-added portfolio achieved through structural reforms
- Capturing growth opportunities through market-in strategy





Solutions we provide

Semiconductor -related materials

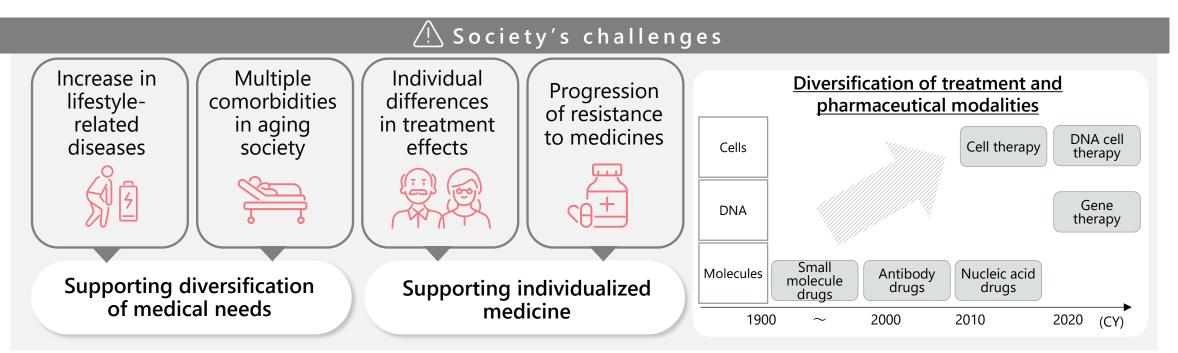
- Cutting-edge photoresist and cleaning agents that support cutting-edge applications
- Semiconductor chemicals and back-end process materials that support diverse needs of semiconductors
- Display materials
- Display materials that support our proprietary ultra thin film and higher resolutions (OLED and automotive, etc.)



Contributions in the field of Healthcare



Healthcare



Direction for solutions

- Development of cutting-edge medical technologies such as regenerative medicine & cell therapies
- Supporting diverse treatment and pharmaceutical modalities
- Longer life spans and enhanced quality of life



Contributions in the field of Healthcare

Advanced Medical Solutions Sector



Strengths

Technological assets

- Strong synthesis capabilities in advanced small molecule drugs
- Synthesis technology in high-purity long-chain nucleic acids
- Leveraging bio-technology in cutting-edge technology inducing stem cell differentiation



Business assets

- Comprehensive capabilities developed in the Life Science business (development, production technology, regulatory affairs, quality management, analysis)
- Flexible support of demand
- Advanced small molecule and oligonucleic acid CDMO with 3 plants in Japan (Okayama, Gifu, Oita)
- Front-runner in commercialization of iPS cells
 - Drug discovery: RACTHERA
- CDMO: S-RACMO



Solutions we provide

- Regenerative medicine & cell therapies including world's first iPS cell-derived product
- CDMO business leveraging strong synthesis capabilities (advanced small molecule, oligonucleic acid, and regenerative medicine & cell therapies)





New nucleic acid plant (Oita)

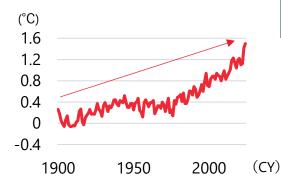
Contributions in the field of Environment



Environment

🖊 Society's challenges

Global average temperatures (1900-2024)



Impacts from rising temperatures

- Intensification of weather-related damages
- Abnormal weather patterns
- Loss of biodiversity, etc.

Various challenges posed by petrochemical products

Greenhouse gas emissions (during manufacture and incineration)



Depletion of petroleum resources



Release of plastics into the ocean



We need technologies that can leverage diverse carbon sources in a circular manner including recycling and biomass

Direction for solutions

Establish and spread chemical products manufacturing technologies that achieve a reduced environmental impact, including mechanical recycling, high-efficiency chemical recycling, and the use of biomass



Long-term vision

Contributions in the field of Environment



Essential & Green Materials Sector



Strengths

Technological assets

- Catalyst design technology
- Process development technology
- Organic and polymer material functional design technology
- Participation in Green Innovation
 Fund projects
 (Largest scale in chemical industry)



Business assets

- Capabilities bringing together supply chains for a circular economy for resources
- Track record and alliances with third parties in the licensing business
- Capabilities running large-scale projects
- Meguri® branding of environmentally friendly products







Solutions we provide

- Innovative technologies that reduce environmental impact
- Ethanol to propylene
- > CO₂ to methanol
- PMMA chemical recycling





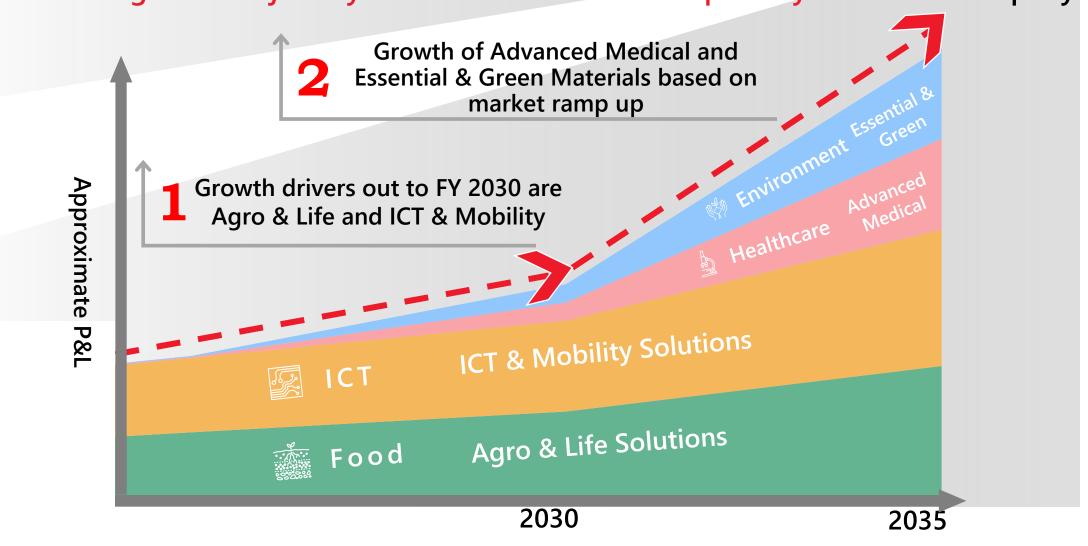
Pilot facilities manufacturing methanol from CO₂

Long-term growth scenario



Aim for sustainable growth in two phases.

Return to a growth trajectory and become a newborn specialty chemicals company.





Leap Beyond

(Leap higher, beyond today)

~Return to a growth trajectory~

What the slogan means to us

We are strongly motivated to leap to higher ground on new ideas, which take us beyond conventional businesses, technologies and ways of thinking, and return to a growth trajectory. It expresses our commitment to continue to pursue innovation as a reborn Sumitomo Chemical and realize value creation for sustainable growth.

Overview of the new Corporate Business Plan

SUMİTOMO CHEMICAL

Leap Beyond ~Return to a growth trajectory~ Slogan Return to a growth trajectory and Vision for this plan show the way toward further growth **Core Operating** ROE ROIC D/E ratio Income FY2027 8% Approx. 0.8x 6% **Financial targets** 200 bn. yen Build greater resilience by Basic Basic Upgrade business portfolio direction executing continued direction with new growth strategy 01 02 structural reforms Basic Basic Improve financial and direction direction R&D strategy based on 3 X's capital efficiency 03 04 Basic Strengthen management base direction DX Governance **Talent** supporting new growth strategy 05

Management numerical targets of FY2027

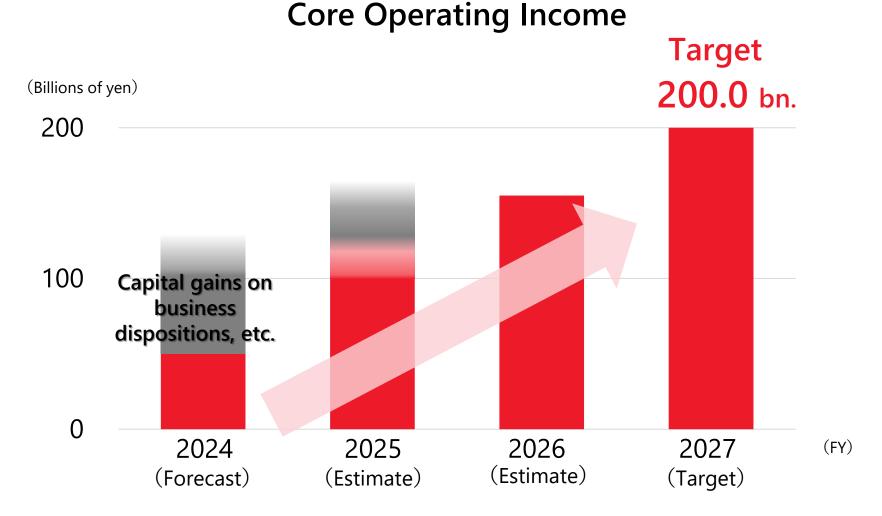


(Billions of yen)

	FY2024 Forecast	FY2027 Target	Change
Sales Revenue	2,600.0	2,400.0	-200.0
Core Operating Income	100.0	200.0	100.0
Net Income Attributable to Owners of the Parent	25.0	100.0	75.0
ROE	3%	8%	6рр
ROIC	2%	6%	4 pp



Underlying performance improves year by year towards FY2027



FY2027 Core Operating Income Targets by Sector

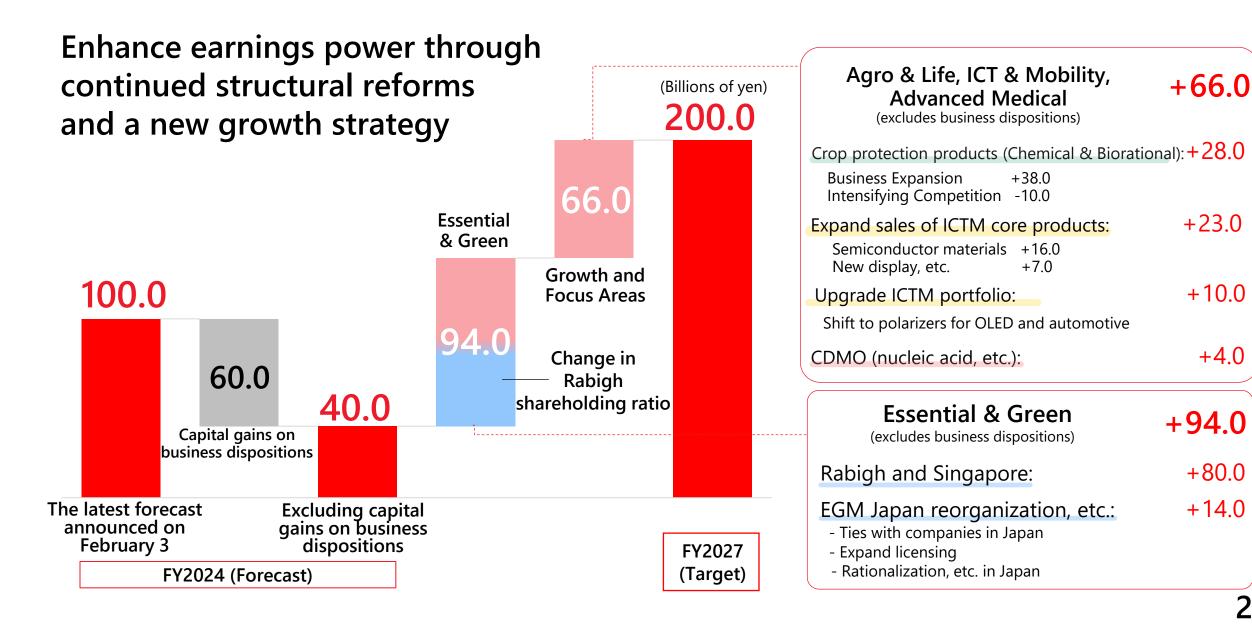


(Billions of yen)

	FY2024 Forecast	FY2027 Target	Change
Agro & Life Solutions	53.0	80.0	27.0
ICT & Mobility Solutions	65.0	80.0	15.0
Advanced Medical Solutions	3.0	10.0	7.0
Essential & Green Materials	-64.0	25.0	89.0
Sumitomo Pharma	24.0		20.0
Others	19.0	5.0	-38.0
Total	100.0	200.0	100.0
(Excluding capital gains on business dispositions)	40.0	200.0	160.0

Bridge to FY2027 Core Operating Income (vs. FY2024)





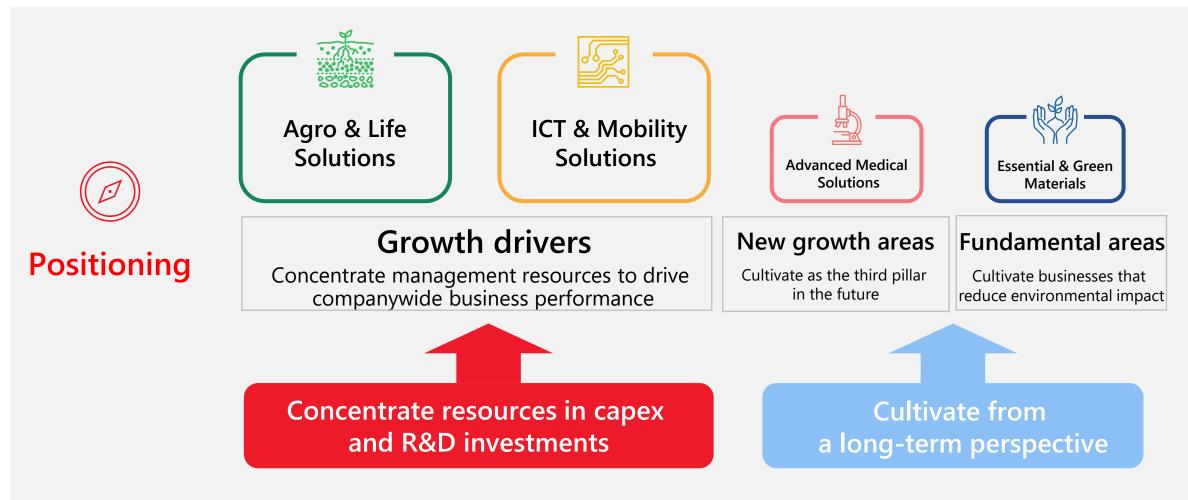
Basic direction of the new Corporate Business Plan





Upgrade business portfolio with new growth strategy sumitomochemical

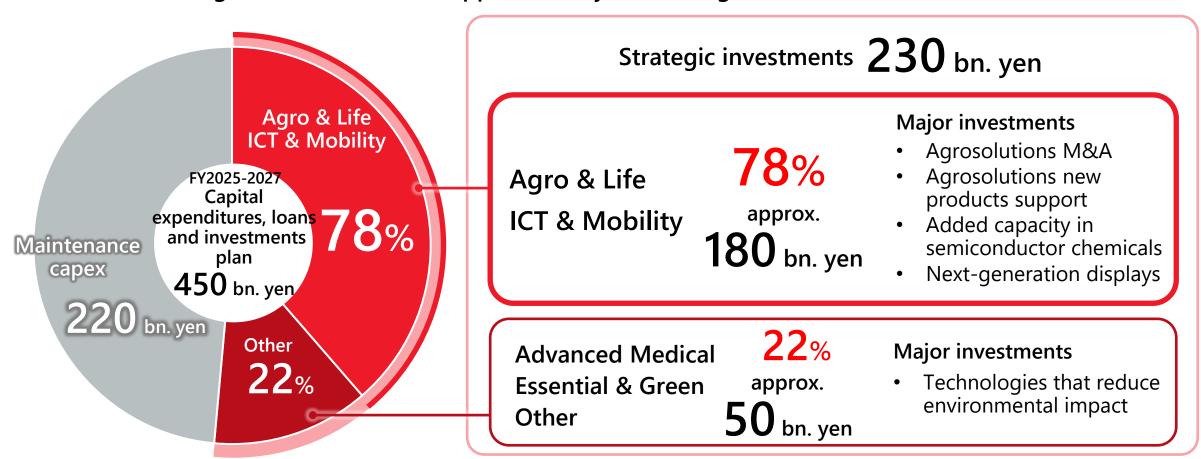
Upgrade business portfolio by clarifying the positioning of each sector and appropriately allocating resources



Concentrate resources in growth drivers

Business investments (capex, loans and investments)

Under new plan, prioritize financial discipline of 450 bn. yen (within scope of D&A) and appropriately allocate strategic investments, with approximately 80% into growth drivers.

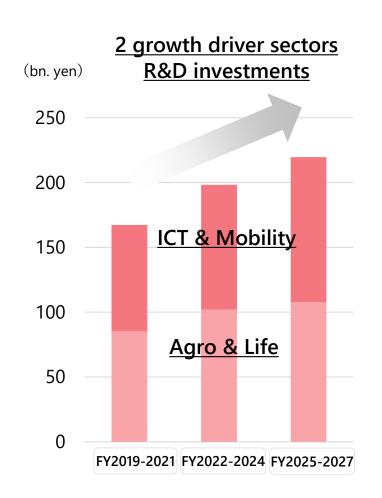


Concentrate resources in growth drivers



R&D investments

 $^{\prime}$ R&D investments in growth drivers increased by 30% (compared to 2019-2021).



Main R&D themes

Agro & Life solutions

- Contribute to regenerative agriculture (no-till farming, carbon storage)
- Accelerate the drug development of next-generation pipeline
- Expand countries where B2020 & A2020 are registered
- Differentiate biorationals and expand botanicals

Agro & Life Solutions Research Center

ICT & Mobility Solutions

- Develop cutting-edge photoresists such as organic molecular resist
- Upgrade quality and productivity of high-purity chemicals
- Develop semiconductor back-end process materials
- Create long-term earnings stream from OLED and automotive polarizers



Pangyo Next Generation Center (South Korea) Opened October 2024

PetroRabigh

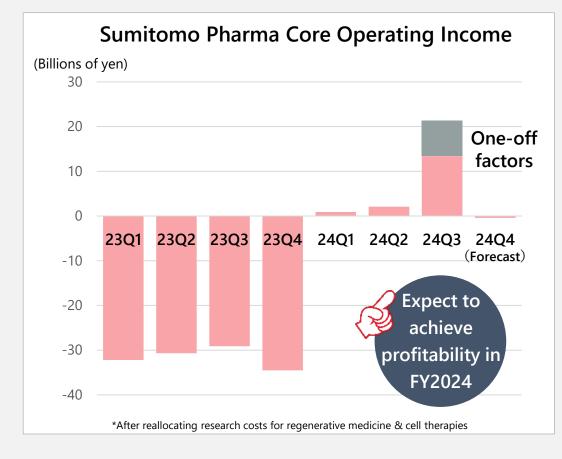
In addition to the agreed upon financial improvement plan, execute Aramco-led rebuilding plan and strengthen fundamental earnings power.

Challenges		Major action plans under new plan
Financial improvement (Near-term)	Agreed	 ◆ Reduce cumulative losses and interest-bearing debt ✓ Contribute (alongside an equal contribution from Saudi Aramco) to Rabigh \$702 million proceeds from sale of equity Rabigh to use those funds to pay down debt and reduce interest costs ✓ Reduce our equity stake from 37.5% to 15% through the sale of shares to Saudi Aramco
Strengthen earnings power (Near-term)	Under way Under study	 ◆ Execute the following near-term measures focused mainly on strengthening earnings power of petroleum refinery ✓ Increase olefin production through de-bottlenecking of ethane cracker and HOFCC ✓ Strengthen feedstock competitiveness by changing crude oil types, etc. ✓ Measures to reduce sulfur content and increase margins in petroleum refinery products ✓ Continue to implement measures aimed at strengthening plant reliability, enhancing utilization rates and otherwise improving earnings
Strengthen earnings power (Mid- to long-term)	Under study	◆ <u>Accelerate studies of mid- to long-term measures, including upgrades to petroleum refinery equipment</u>

Sumitomo Pharma



Recent business performance



3 key products

• ORGOVYX®: Sales grew substantially on reduced

patient burden and promotional successes

MYFEMBREE®: Pursued product profitability

improvements through exclusive sales

• **GEMTESA**®: Steady growth amid launch of rival generics

Cost reductions

- Effects from business structure improvements and narrower focus of R&D investments
- Cut more than 100 bn. yen in costs year on year

Build greater resilience by implementing continued structural reforms

Sumitomo Pharma





Future growth and Improve financial standing



3 key products

DRGOVYX® (Advanced Prostate Cancer)

 Expanding share within ADT* market as the only oral agent *ADT: Androgen Deprivation Therapy

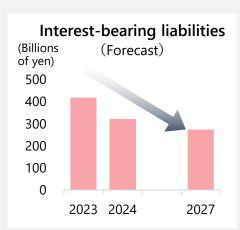
GEMTESA ®

- ·Overactive Bladder
- with Benign Prostatic Hyperplasia
- Aim to expand sales by increasing the range of indications

MYFEMBREE ®

(Uterine Fibroids/Endometriosis)

Gaining share in endometriosis



Interest-bearing liabilities reductions

- Substantially reduced borrowings on sales of Roivant shares
- Improve financial standing leveraging operating cash flows from growth in 3 key products



Small molecule drugs (drug discovery) business positioning

- Limited synergies in field of small molecule drugs.
- Strongly support the company's reconstruction through the dispatch of executives, etc.
- ✓ At the same time, consider the best partners who can contribute to the company's sustainable growth.

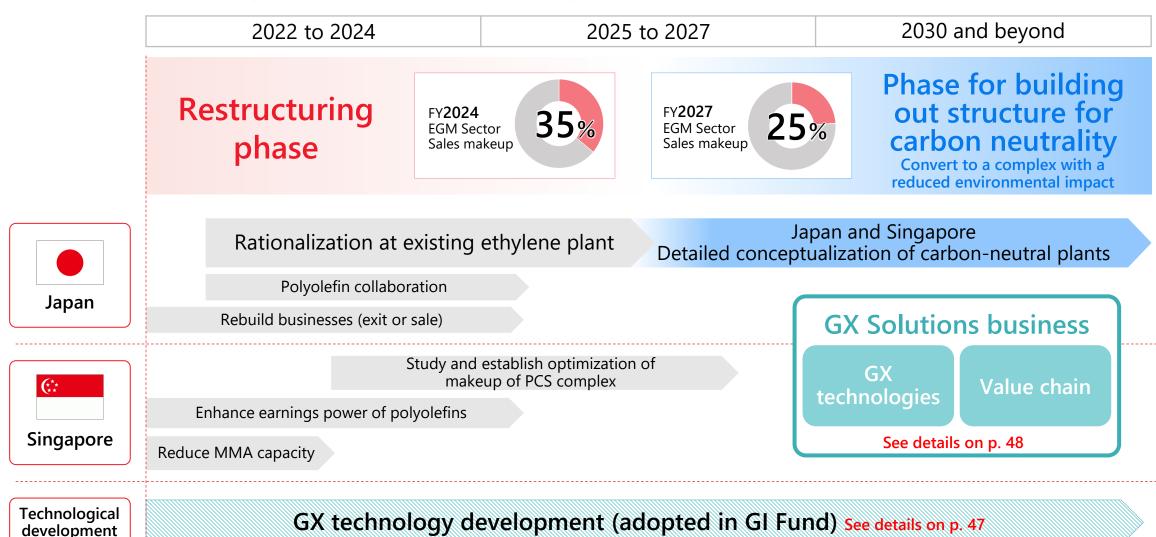


- SUMÍTOMO CHEMICAL
- Sumitomo Pharma
- Sumitomo Pharma's technology and advanced knowledge as a front-runner in regenerative medicine and cell therapy
- Our expertise in industrial engineering, analysis and evaluation, and quality management
- The entire Sumitomo
 Chemical Group is
 promoting development
 and business expansion.

Japan and Singapore P&P reorganization



Complete structural reforms under the new plan.
Solidify standing aimed at commercializing businesses that reduce environmental impact



Thoroughly re-implement ROIC-oriented management *SUMITOMO CHEMICAL



Thoroughly re-implement ROIC-oriented management. Enhance capital efficiency toward medium- to long-term goals.

	Positioning	FY2027 (Target)	FY2035 (Goal)
Agro & Life Solutions	Growth drivers Concentrate	8%	11 %
ICT & Mobility Solutions	management resources to drive companywide business performance	11 %	15%
Advanced Medical Solutions	New growth areas Cultivate as the third pillar in the future	7 %	over 10%
Essential & Green Materials	Fundamental areas Cultivate businesses that reduce environmental impact	4 %	

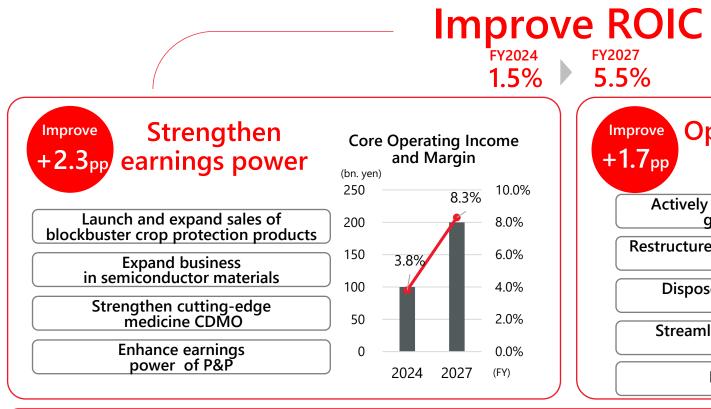
Improve financial and capital efficiency

Thoroughly re-implement ROIC-oriented management

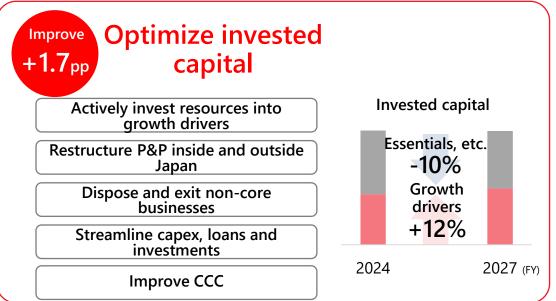


Simultaneously advance both strengthening of earnings power and optimization of invested capital while we also strengthen management systems. Enhancement of enterprise value.

5.5%



+4.0pp



Strengthen management systems

Newly establish business portfolio review committee

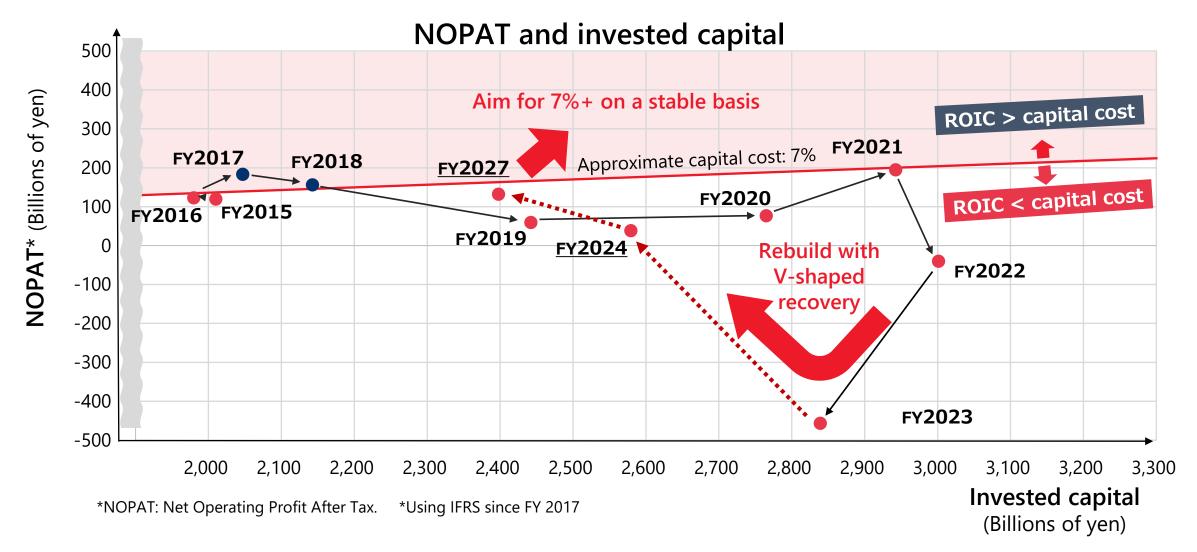
Review processes for deliberating investments

Redesign governance institutions

Thoroughly re-implement ROIC-oriented management

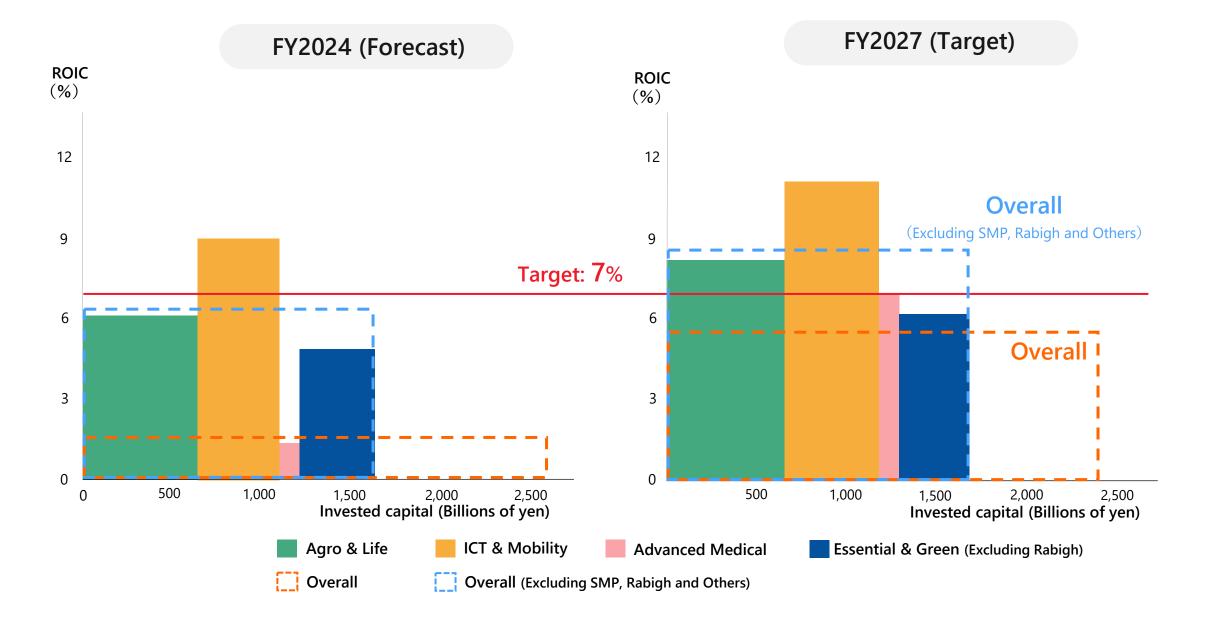
SUMİTOMO CHEMICAL

V-shaped recovery at the same time we substantially rein in invested capital. Aim for a stable ROIC of 7%+ after the period under the new plan.



Thoroughly re-implement ROIC-oriented management





Cash allocation

Total: Approx. 1.13 trillion yen

Operating cash flows, etc.

(Before deducting R&D expenditures)
3-year cumulative

930 bn. yen

Cash generation measures

(Effects from asset sales, compression of cash and deposits, and structural reforms)

200 bn. yen

Business investment:
Approx. 920 bn. yen

Capex, loans and investments: 450 bn. yen

R&D expenses: 470 bn. yen

Financial measures:

Approx. 210 bn. yen

Shareholder returns: 70 bn. yen

Loan repayments: 140 bn. yen

Improve financial and capital efficiency

Cash generation measures



Continue to generate cash under the new plan. New target of 200 bn. yen along with resilience benefits from continued execution of structural reforms.



Rebuild businesses

Generate 70 bn. yen

Advance sale of noncore businesses from the perspective of best owner

- ✓ Projects that were not completed in FY 2024
- ✓ New rebuilding projects



Improve working capital

Cut 50 bn. yen

Inventory reduction: 40 bn. yen (including effects of business rebuilding)

Strengthen asset & liability management: 10 bn. yen



Asset dispositions and leverage surplus funds

Generate **40** bn. yen

Disposition of crossshareholdings: 20 bn. yen Disposition of other assets: 10 bn. yen Surplus funds: 10 bn. yen

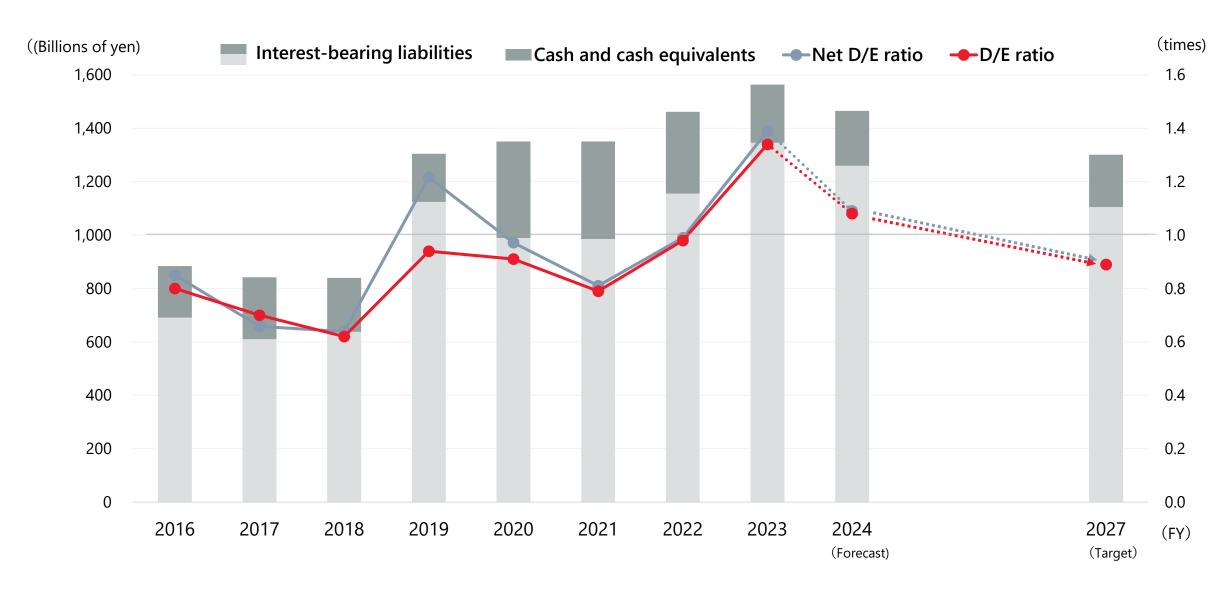


Improvement effects from executing continued structural reforms

Generate **40** bn. yen

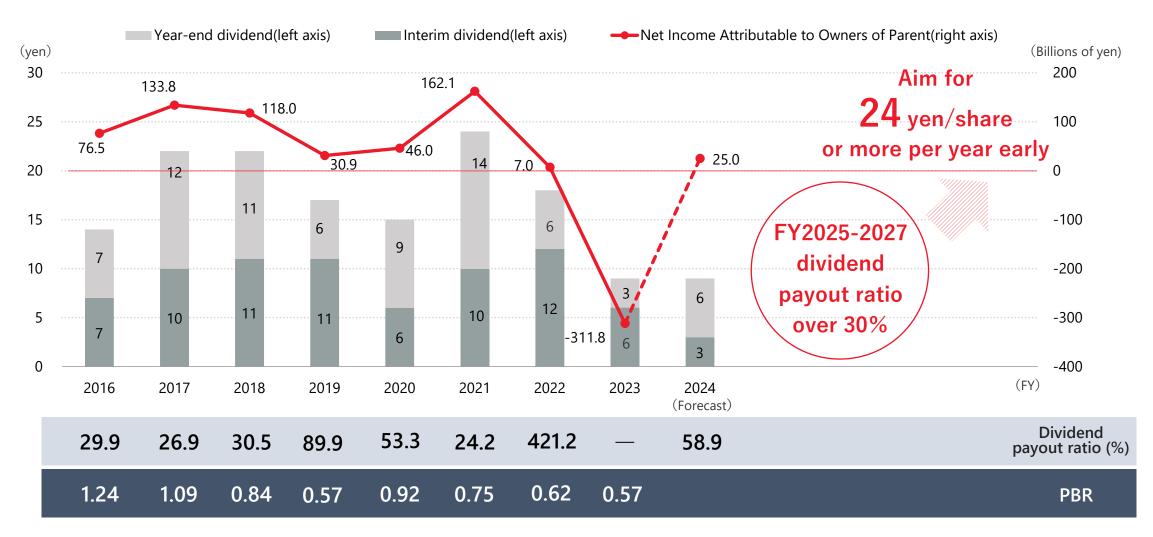
Effects from structural reforms outside of growth drivers

Interest-bearing liabilities

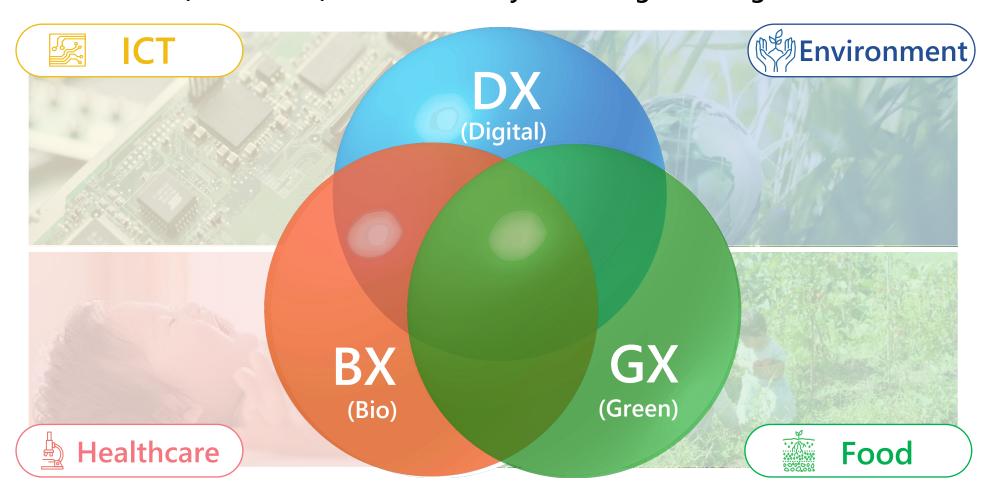


Shareholder returns

Dividend payout ratio during the period under the new plan is expected to be over 30%.



Take a long-term view and deliver solutions in the 3 X's (GX·BX·DX) to solve society's challenges through our business







Leverage biotechnology to create value for both society and the economy

White bio Grow to a 50 bn. yen business in 203X

- Cut GHG emissions with bio-based manufacturing that does not use petrochemical resources
- ✓ Target: Convert our products to bio-based input materials Bio-manufacturing of rare bio-derived products

Bacteria design Process design

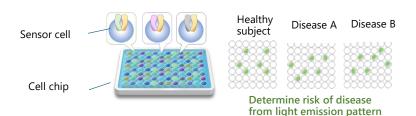
Scale up

Production

Broad coverage at multiple of our research centers, including our Bio-Science Research Center

Disease risk testing kits Grow to a 50 bn. yen business in 203X

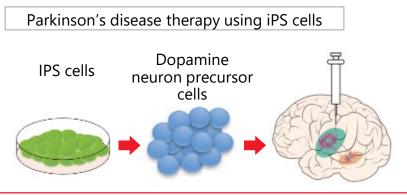
- Realize determination of disease risk using our proprietary cell chips embedded with a diverse range of high-sensitivity receptors
- In 2027, enter testing business for consumers

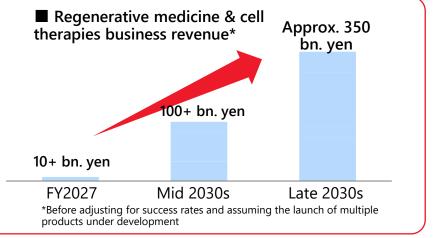


* Testing develooped based on clinical needs at medical facilities, health and wellness testing sites,

Regenerative medicine & cell therapies Grow to a 350 bn. yen business in 203X

- Expand treatment and CDMO businesses in US and Japan mainly in our first 3 products treating Parkinson's disease and retina
- Preparing filing in FY 2025 to be approved as world's first IPS cell derived product





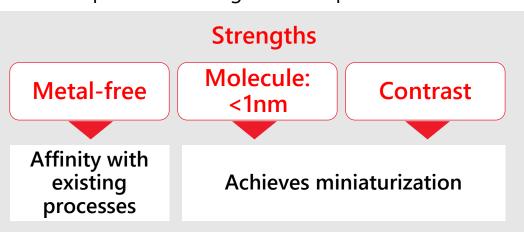




Innovate sought-after semiconductor technologies as we further promote DX

Organic molecular resist

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



Target 20% share by volume in cutting-edge resist

Compound semiconductors

Next-generation power devices (GaN)

Support increases in data volumes and energy consumption resulting from advances in AI







Grow to a business of several tens of billions of yen in 203X, when power semiconductor demand fully ramps up

Semiconductor back-end process materials

Performance chemicals	Packaging materials	Wiring materials		
 In-process cleaners Wafer protectant product 	materials	 For next-generation processes Photosensitive materials 		
 High throughput solutions 	Under development with customer	Under development with customer		
In 2030 and beyond, aim for ${f 10}\%$ of total sales to be semiconductor materials				

Technologies that reduce environmental impact (Green Innovation Fund)

Leverage the GI Fund to promote the development of technologies that reduce environmental impact

	Development themes	Progress to date	Targets under the new plan (out to 2027)	Commercial ation targe	
Chemical recycling	① Production of olefins by direct cracking of waste plastics	 Achieved 60% yield of targeted olefin yield in bench trials Began design of pilot facilities 	Build and launch pilot facilities		
	② Highly efficient alcohol production from CO ₂	 Achieved 80% methanol yield in pilot (compared to about 20% under conventional methods) Began design of demonstration facilities 	Build and launch demonstration facilities	Early 2030s	
cycling	③ Olefin production from alcohols	 Achieved 80% yield of targeted olefin yield in bench trials Pilot facilities under construction. To be completed first half of 2025. 	Establish technological feasibility of pilot facilities and design commercial-scale equipment		
Mer	nbrane-based CO ₂ separation	 Reclaimed CO₂ of 90%+ purity from multiple types of CO₂ emission sources 	Demonstrate on pilot facilities	Around 2030	
Cathode direct recycling • Achieved 98% battery capacity recovery in recycled products on bench equipment		 Achieved 98% battery capacity recovery in direct- recycled products on bench equipment 	Study scale up for continuous operations	Early 2030s	
recy Con	mical ccling Ethylene/propy from a reaction	Alcohols 2 Highly efficient alcohol production from CO ₂ 3 Olefin production from alcohols I Production of olefins by direct cracking of waste plastics Polyolefin-based waste plastic	quipment scale-up order: bench → pilot Separate /Collect Waste plastic,etc. CO2	→ demonstration	

Create GX Solutions Business based on the licensing of GX technologies





Partner tie-up

Deliver total solutions

- Grant technology licenses
- Sell catalysts
- Secure channels for procurement and sales

Cash and carbon credits

Monetize CO₂ reduction benefits

Partner tie-up

GX materials suppliers

Chemicals and resin makers

GX product Brand owners

Value chain for the circular economy for resources

Summary of the GX Solutions Business

- Deliver solutions that form a value chain for the circular economy for resources, based on granting licenses for the manufacture of GX products
- Leverage competitive technologies to forge strong relationships with Brand owners, etc.
- In the future, receive carbon credits for CO₂ reduction benefits at customers



- Lineup of GX products and technologies.
 Track record of adoption in the GI Fund.
- Catalyst sales where we project stable earnings over the long-term

2035: Anticipated business earnings

Goals for the GX Solutions Business

Core Operating Income Approx. 40 bn. yen

CO₂ reduction contribution

Approx. equivalent of

2.5 million tons/year

(Equivalent to 0.8 million tons of EtEP etc.)

EtEP: Production of ethylene and propylene from ethanol

Employ and develop human resources for sustainable growth



Direction under the new plan

From a long-term perspective, advance the employment and development of talent, our most important management resource. At the same time, strengthen engagement to achieve structural reforms and sustainable growth within our corporate group.

Human resources systems and measures aimed at strengthening competitiveness



 Strengthen engagement through systems and measures that address difficulties securing talent, working couples, changes in how younger generations perceive work, and other factors

Positive responses in employee surveys

70%

(Average of other companies 56%)

Strengthen and elevate our ability to attract talent



 Diversify employment sources and channels, improve communications, etc.

Employment of experienced hires

Targets

40% (Currently 10%)

Optimize personnel structures that align with our new growth strategy



 Build organizations with strong earnings power and prioritize deployment into growth and development areas

Strengthening DX and AI utilization

Reducing administrative and indirect tasks

20%

Encourage development and support autonomous career formation



Encourage development and assist autonomous career formation by clarifying cycles of work and learning

Employees involved in development of capabilities, knowledge or skills

Dual internal roles in 3 years:

100% 150

(Double vs. today)

Strengthen management base supporting new growth strategy/

Leverage DX to strengthen competitiveness and create new value



Direction under the new plan

DX NEXT empowered by AI

DX 1.0 strategy

Improve productivity in 4 digital domains

DX 2.0 strategy

Strengthen business competitiveness

DX 3.0 strategy

Create value with new business models







Next steps **DX NEXT**

Al native company



Al is embedded within work processes and all employees organically leverage

Active users of generative Al

Data monetization



Achieve Biondo's business growth and the creation of the next data monetization business.

Digital product launches

Strengthen business competitiveness



Achieve 10X productivity improvement in work processes leveraging AI, IT and robotics

Rationalization effect from DX

bn. yen

Strengthen IT base



- Strengthen zero trust security countermeasures
- Build method and IT infrastructure that can rapidly respond to changes in the business environment

Governance

structures

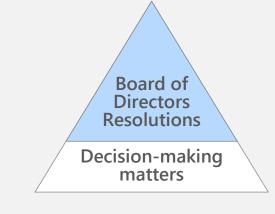
Transition to a company with an Audit and Supervisory Committee

SUMİTOMO CHEMICAL

Strengthen governance structures and deepen discussions of management strategies and the like by redesigning institutions

Before After Point ① 1 Audit Board of **Board of Directors** Board of Audit Auditing by Audit Corporate Directors **Audit and Supervisory** and Supervisory Committee Members **Auditors** Strengthen Committee Audit governance who are Directors 2 Direct and Audit Direct Internal supervisory President Direct Control & Internal Control Point 2 President Audit functions & Audit Departmen Department, Executive **Enhance** , etc. etc. organizations Executive effectiveness of organizations Audit Audit auditing

Discussions and decision-making



Deepen discussions of management strategies, etc.

Board of Directors
Resolutions

4 Delegated to
Directors
Decision-making
matters

Point 3

 Board of Directors can concentrate more on deliberation of priority matters

Point 4

 Speeds up decision-making



Agro & Life Solutions Sector



Sector Direction

Contribute to the realization of a regenerative society leveraging chemicals, biorationals and botanicals

Business Environment



Crop protection and lifestyle environment areas

Increasingly stringent regulatory requirements and growing demand for sustainable products.
Reformative shift from modern to regenerative agriculture



Animal nutrition Business domain

Increased demand for livestock businesses that conserve resources and leverage antibiotic-free and other advanced and sustainable technologies

Priority Initiatives



Solidly execute growth strategy

Globally deploy biostimulants and other new business areas, pursue synergies with existing products, and accelerate sales expansion of biorationals and botanicals



Strengthen product supply regime

Optimize supply regime inside and outside Japan and secure supply capacity that is stable and competitive



Launch and expand sales of new products and promote pipeline development

Launch and expand sales of INDIFLIN and Rapidicil, expand synergies with existing businesses, and promote development of next-generation pipeline



Pursue cost competitiveness and capital efficiency

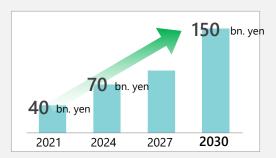
Compress working capital, optimize inventories, and strengthen manufacturing cost competitiveness

Agro & Life Solutions Sector



Expand biorationals and botanicals and focus on expanding sales of blockbusters INDIFLIN and Rapidicil

Biorationals and botanicals business



2x

business scale by 2030

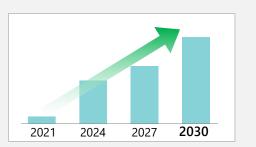
- Accelerate sales expansion leveraging dedicated organizations for biorationals in each country
 - ⇒ Expand business size mainly in Brazil, India, Europe, and US
 - ⇒ Expand sales of botanicals in crop protection, PCO (pest control operators) and other areas
- Launch new products, deploy to other countries and pursue PLCM*(new applications, formulations and mixture products)
- Global deployment of biostimulants and pheromones business
 - ⇒ Accelerate registration and launch in each country.
 Pursue synergies with existing products, including mixtures
- Continue to pursue M&A opportunities to further expand business

 $\ensuremath{\,\%}\xspace{\text{PLCM}}\xspace: \ensuremath{\,\text{Product Life Cycle Management}}\xspace$

INDIFLIN®

Tens of billions of yen just a few years from launch

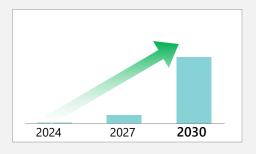
2x by 2030



- Expand product portfolio (mixtures, etc.)
- Develop new business opportunities (countries, crops indicated, applications)

Rapidicil®

Sales of several tens of billions of yen by 2030



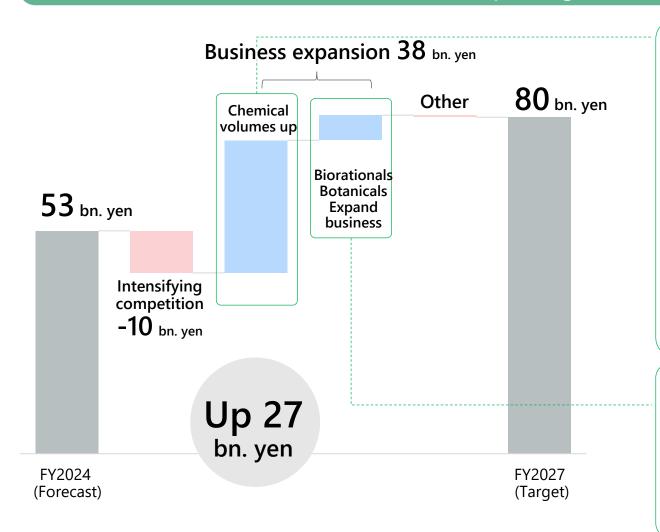
- Advance registration in countries in North and South America. Expand product lineup by developing mixture products.
- Build structures for PPO-tolerant crops and next-generation herbicideresistant weeds

With the strategic product group including the above two drugs, aim for a sales level of 150 billion yen by 2030.

Agro & Life Solutions Sector



Core Operating Income Targets





Chemicals: Expand sales of blockbusters

INDIFLIN

- Expand sales further in Brazil and broaden product portfolio (mixture products, etc.)
- Develop new business opportunities (countries, crops indicated, applications)

Rapidicil

- Advance registration in countries in North and South America. Expand product lineup by developing mixture products.
- Build structures for PPO-tolerant crops and nextgeneration herbicide-resistant weeds



Expand biorationals and botanicals business

- Accelerate global deployment of biostimulants and pheromone products acquired under the current plan
- Expand sales of botanicals in crop protection, PCO and a variety of other areas
- Launch multiple pipeline products in animal nutrition

ICT & Mobility Solutions Sector



Sector Direction

- Maximize efficient use of management resources toward expansion of semiconductor-related businesses
- Maximize earnings in existing businesses by converting business structures and expanding business areas
- Accelerate commercialization of items in advanced development phases

Business Environment

Semiconductor materials

- Stable growth on expanded use of Al and further advances in IoT, etc.
- Increased demand for new technologies such as 3D to drive greater sophistication and diversification in materials technologies and needs

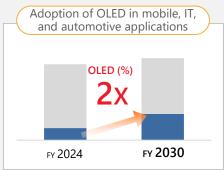
Display materials

 Smartphone market matures. Meanwhile, adoption of OLED advances mainly in tablets and notebooks

Mobility

 Advances the spread of autonomous driving and smart mobility





Business Strategy

Semiconductor materials-related business

Cutting-edge photoresist : Deepen proprietary core

technologies and expand the global supply and development regime

Semiconductor chemicals: Build supply capabilities and

establish world-class business scale

Semiconductor back-end : process materials

Enter back-end leveraging our knowledge in front-end processes, proprietary performance materials and processing technologies

Display materials and mobility-related business

Polarizers for OLED

: Keep No 1 position with industryleading proprietary technologies

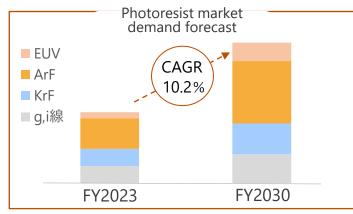
Automotive polarizers

: Design proprietary high durability and rapidly support shift to OLED



Cutting-edge photoresist

Thoroughly implement upfront investments into cutting-edge areas as semiconductors advance



Osaka: Completed construction of new building for research and mass production

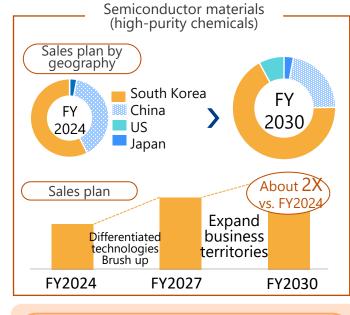
South Korea: Launched new plant for photoresist

NEW FY2026 Osaka Added capacity for ArF immersion lithography tools

Expand leading share by further improving development precision and speed

Semiconductor chemicals

Further expand business areas Strengthen support of cutting-edge



FY2024 South Korea: Substantially expand plant site

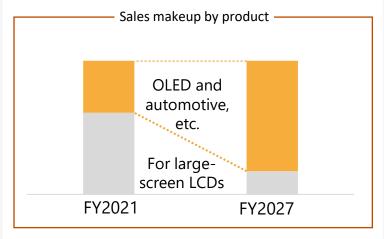
Ehime: Support cutting-edge for high-purity sulfuric acid

NEW H2 of FY US: Begin prototype production at new Texas plant

Enter budding India market

Display materials

Complete structural reforms to polarizers Shift toward high performance areas



From FY2023 Halt in succession lines for large-screen LCDs

China: Sell polarizer business for large-screen LCDs

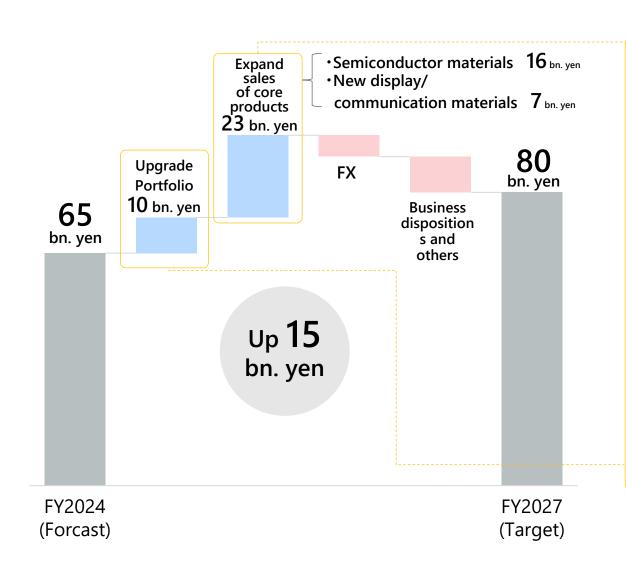
NEW South Korea: Convert line to OLED and automotive

Expand again with technologies that support ultra thin film and high resolution

ICT & Mobility Solutions Sector



Core Operating Income Targets





Photoresist

- Increase share with our proprietary new high-performance materials
- Ramp up operations at new cutting-edge photoresist plant in South Korea



Semiconductor chemicals

- High-purity chemicals: Grow earnings by expanding business areas
- Performance chemicals: Deploy into global niches



Semiconductor back-end process materials

Enter market leveraging knowledge, key materials, and core technologies from front-end processes



Display materials

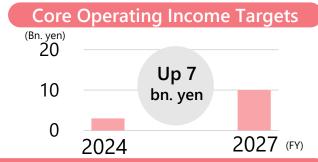
Shift toward high performance types

Advanced Medical Solutions Sector



Sector Direction

Advance organic business growth while we make concrete steps toward an explosive growth strategy in the field of cutting-edge medicine.



Business Environment



CDMO

Advanced small molecule drugs, longchain nucleic acids, and regenerative medicine & cell therapies are all areas of high difficulty where tremendous growth is expected



Regenerative medicine & cell therapies

The global market has surpassed \$2 billion and is expected to grow 10% to 15% annually

Business Strategy

Advanced small molecule drugs CDMO

- Our main target customers will be Japanese semi-major and mid-sized pharmaceutical companies that require our comprehensive capabilities
- Advance highly prioritized promotions through multi-faceted analysis of customer pipelines and development and buyout directions
- Encourage growth into a high-profit business with a focus on new drug CDMO

Long-chain nucleic acids CDMO

 Promote our quality standardization in the field of gRNA for genome-editing therapies leveraging our strengths in high-purity long-chain gRNA, advanced analytical technology, and internal sourcing of key materials

Regenerative medicine & cell therapies CDMO

- Expand business by enhancing production equipment
- Strengthen organizations and build out a base in the US in preparation for explosive future growth

Essential & Green Materials Sector



Sector Direction

Rebuild existing businesses and establish earnings foundations insulated from market fluctuations at the same time we establish technological feasibility and prepare structures to support the delivery of solutions that reduce environmental impact in 2030 and beyond

Business Environment



Supply & demand trends for petrochemical products

Demand within Japan remains stagnant while softness is to continue overseas despite a pause in new capacity



Market outlook for overseas product

Not expecting a substantial recovery given prolonged softness in the balance between supply and demand

Business Strategy

Complete rebuilding of the businesses

 Optimize business makeup leveraging corporate ties between Japan and Singapore and further clean up unprofitable or non-core businesses

Higher profitability on improve product mix

 Develop and expand sales of high-earning products, such as PP for batteries at TPC

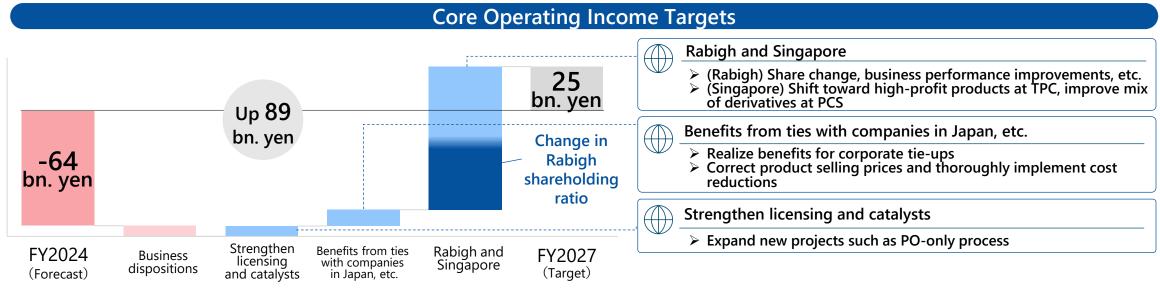
Build a base for delivering solutions that reduce environmental impact

 Concentrate research resources in establishing technological feasibility, promote activities aimed at expanding markets, and strengthen initiatives to secure input materials not derived from petrochemicals

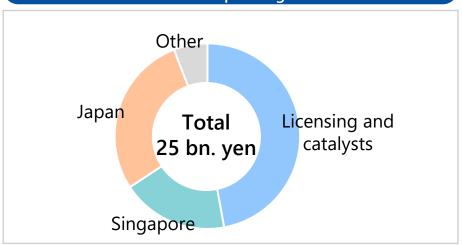
Essential & Green Materials Sector



Turn profitable on Rabigh capital restructuring and structural reforms in Japan and Singapore Aim to improve core operating income approx. 90 bn. yen



Approximation of contributions by business to FY2027 core operating income



Medium-term positioning of each business

Licensing and catalysts

 Strengthen business base through collaboration with Lummus and KBR, cultivate main businesses, and become a licensor with a presence in global markets

Singapore

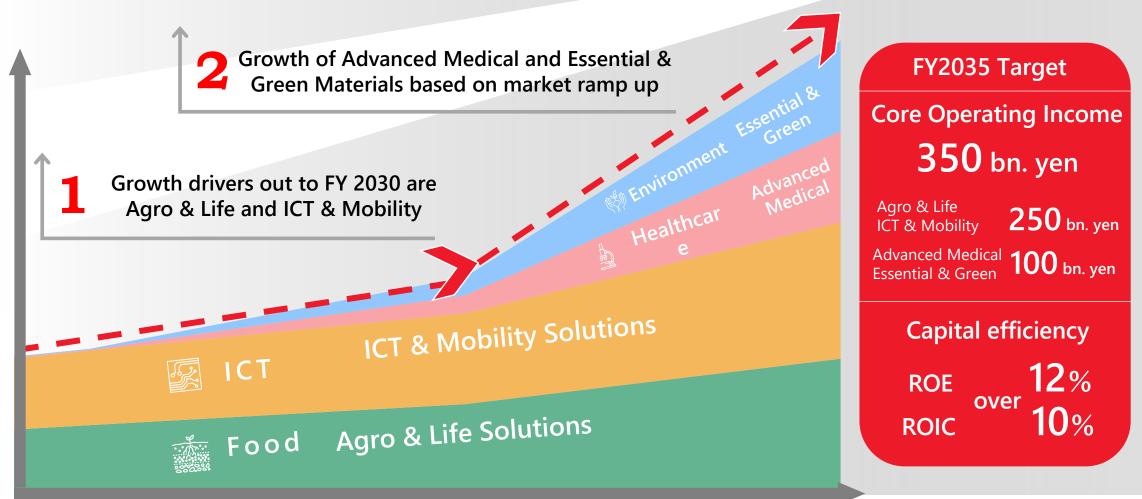
 Strengthen earnings power by optimizing PCS derivative mix and shifting toward higher-profit grades at TPC

Japan

 Maximize benefits of corporate ties upstream and downstream and secure stable earnings through business rationalization **Approximate P&L**

Aim for sustainable growth in two phases.

Return to a growth trajectory and become a newborn specialty chemicals company



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.