

Financial Results for FY2025 First Quarter

(April 1, 2025 – June 30, 2025)

August 1, 2025



(Cautionary Statement)

Statements made in this material 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.

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1. Consolidated Financial Results for FY2025 First Quarter

Core Operating Income

(Billions of yen)

Q1 FY2023	Q1 FY2024	Q1 FY2025
(53.6)	5.7	27.7

Net Income Attributable to Owners of the Parent

*Of which gain (loss) on foreign currency transactions including gain (loss) on derivatives

(Billions of yen)

Q1 FY2023	Q1 FY2024	Q1 FY2025
(33.2)	24.4	(4.5)
*23.8	*29.0	*(16.4)
except*	(57.0)	11.9

- Steady improvement in core operating income
- Large improvement in Sumitomo Pharma and Petro Rabigh
- Shipments were strong in Agro & Life Solutions and ICT & Mobility Solutions
- Although there was a steady improvement in net income attributable to owners of the parent in the quarter, there was also a negative impact from the loss on foreign currency transactions

Economic Conditions

- Although the global economy is continuing to show signs of gradual recovery, uncertainty remains high due to such factors as policy management, financial market fluctuations, and geopolitical risks. Due to this, the future continues to remain uncertain.

Business Environment

Prev.

Revised

Crop Protection



Although 1Q is an off-season for demand, there was solid growth in India.

Methionine



The methionine market bottomed out at the end of FY2024, and currently shows signs of recovery.

Displays



There was solid growth in mobile device-related components.

Semiconductors



Demand for semiconductors varied by field, but there were signs of gradual recovery.

Petrochemicals/ Raw Materials



The petrochemical market continued to have low margins.



	(Billions of yen)			
	Q1 FY2025	Q1 FY2024	Variance	Variance Ratio
Sales revenue	526.1	612.1	(86.0)	(14.0)%
Core operating income	27.7	5.7	22.0	388.2%
Of which equity in earnings	(9.8)	(17.4)	7.5	-
Total non-recurring items	(2.2)	5.8	(8.1)	-
Of which restructuring costs	(2.7)	(3.5)	0.8	-
Of which gains on sales of property, plant and equipment, and intangible assets	0.1	10.1	(10.0)	-
Others	0.4	(0.8)	1.1	-
Operating income	25.5	11.5	14.0	121.3%
Finance income/expenses	(19.6)	26.0	(45.6)	-
Of which gain (loss) on foreign currency transactions including gain (loss) on derivatives	(16.4)	29.0	(45.4)	-
Others	(3.3)	(3.0)	(0.2)	-
Income before taxes	5.8	37.5	(31.7)	(84.5)%
Income tax expenses	(1.9)	(3.6)	1.7	-
Net income	3.9	33.9	(30.0)	(88.6)%
Net (income) loss attributable to non-controlling interests	(8.4)	(9.5)	1.1	-
Net income (loss) attributable to owners of the parent	(4.5)	24.4	(28.9)	-
ROE	(0.5)%	2.5%		
Exchange rate (yen/\$)	144.59	155.85		
Naphtha price (yen/kl)	65,500	79,000		
Overseas sales revenue ratio	68.5%	69.2%		

Sales Revenue by Business Segment

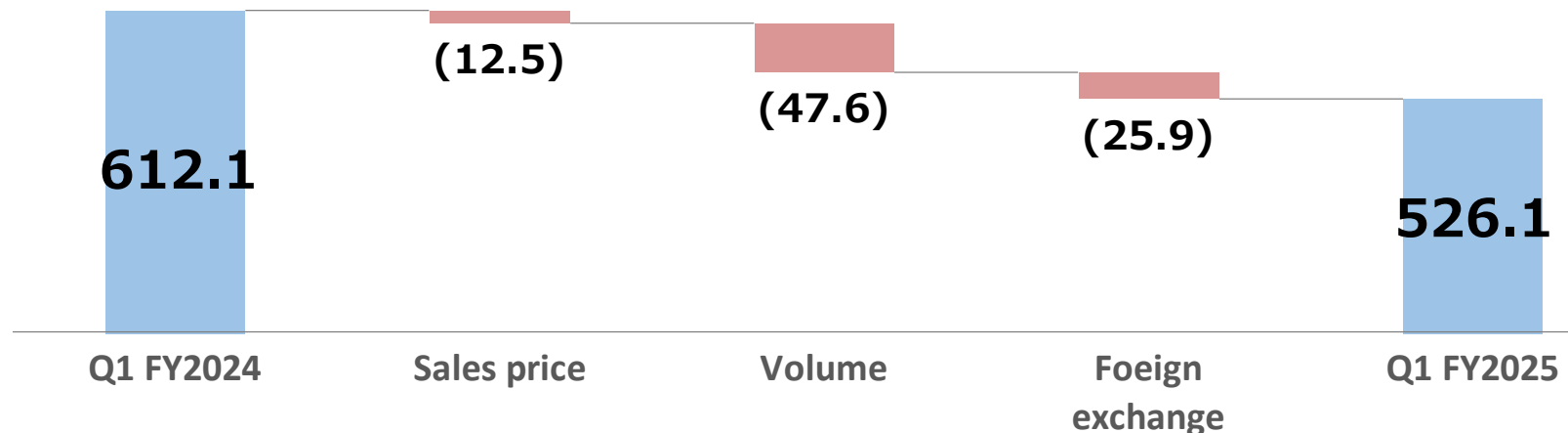
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	Q1 FY2025	Q1 FY2024	Variance	Ratio	Sales price variance	Shipping volume variance	Foreign currency conversion variance
Agro & Life Solutions	96.9	106.4	(9.5)	(8.9)%	(1.5)	(2.0)	(6.0)
ICT & Mobility Solutions	137.4	152.7	(15.3)	(10.0)%	(3.5)	(3.2)	(8.6)
Advanced Medical Solutions	9.1	13.2	(4.1)	(31.0)%	0.0	(4.1)	(0.0)
Essential & Green Materials	165.4	225.0	(59.6)	(26.5)%	(7.0)	(47.8)	(4.8)
Sumitomo Pharma *	107.4	90.6	16.8	18.5%	(0.5)	23.8	(6.6)
Others	10.0	24.3	(14.3)	(58.9)%	0.0	(14.3)	(0.0)
Total	526.1	612.1	(86.0)	(14.0)%	(12.5)	(47.6)	(25.9)

(Billions of yen)

*The regenerative medicine and cellular therapy CDMO business does not fall under this segment. Due to this, sales revenue differ between this segment and Sumitomo Pharma, Co., Ltd.

Analysis of Variance



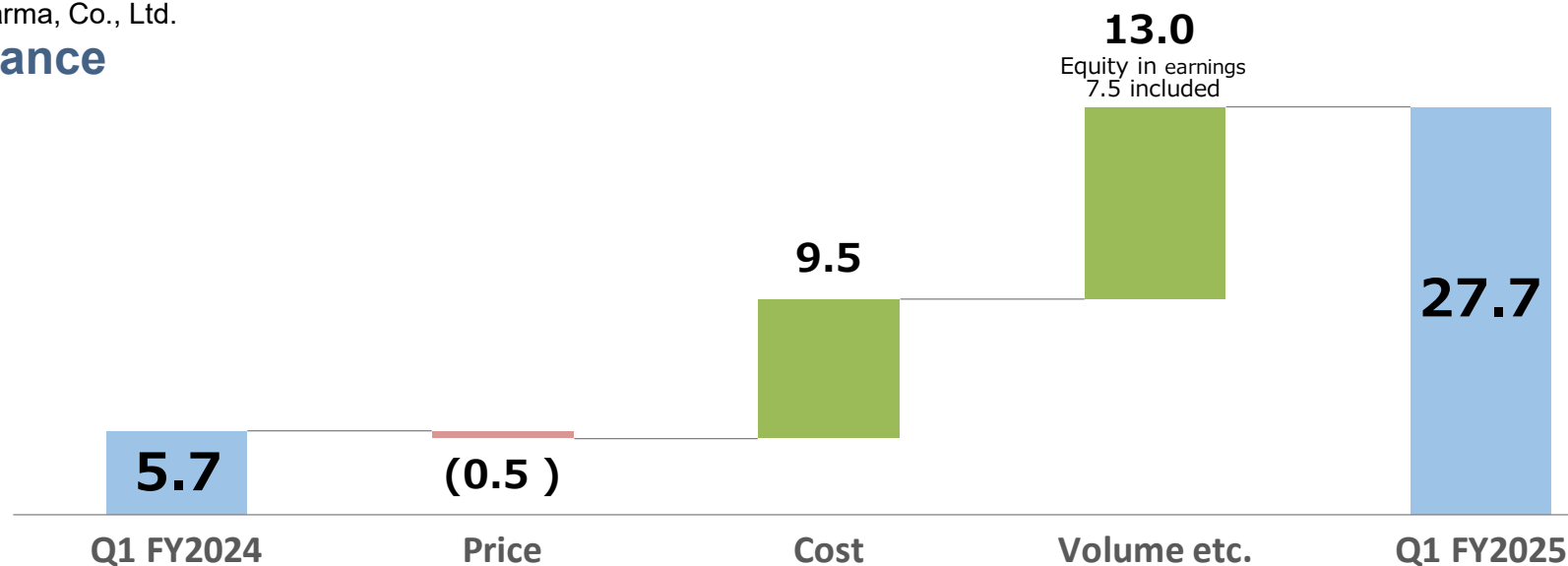
Core Operating Income by Business Segment

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	Q1 FY2025	Q1 FY2024	Variance	Price variance	Cost variance	Shipping volume variance and other
Agro & Life Solutions	2.2	4.9	(2.7)	(1.0)	0.0	(1.7)
ICT & Mobility Solutions	18.4	21.2	(2.8)	(3.0)	0.5	(0.3)
Advanced Medical Solutions	(1.0)	0.5	(1.5)	0.0	0.5	(2.0)
Essential & Green Materials	(5.5)	(19.6)	14.1	4.0	(0.5)	10.6
Sumitomo Pharma *	21.0	0.9	20.1	(0.5)	9.0	11.6
Others & Adjustments	(7.4)	(2.2)	(5.2)	0.0	0.0	(5.2)
Total	27.7	5.7	22.0	(0.5)	9.5	13.0

*The regenerative medicine and cellular therapy CDMO business does not fall under this segment. Due to this, core operating income differ between this segment and Sumitomo Pharma, Co., Ltd.

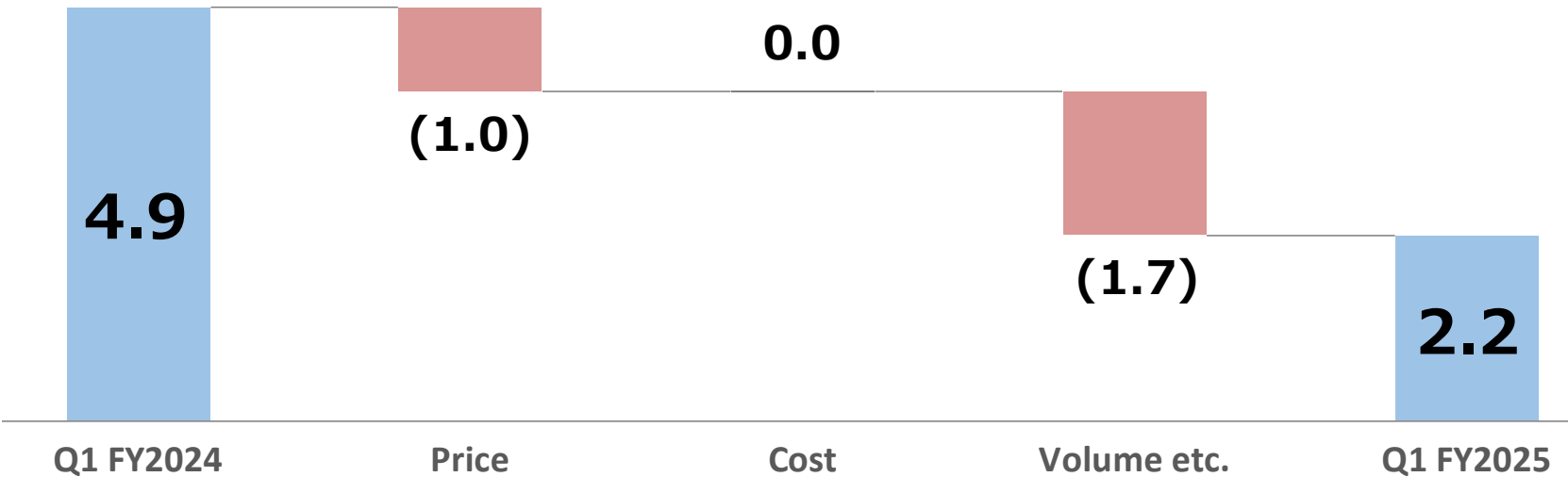
Analysis of Variance



Core Operating Income Analysis by Business Segment

Agro & Life Solutions

Total ¥ 2.2 billion ¥ (2.7) billion from Q1 FY2024



Price variance	Methionine	Deterioration in profit margins
Volume variance etc.	Crop Protection	Lower income from exports due to stronger yen Stronger yen's effect on the sales of subsidiaries outside Japan when converted into yen

ICT & Mobility Solutions

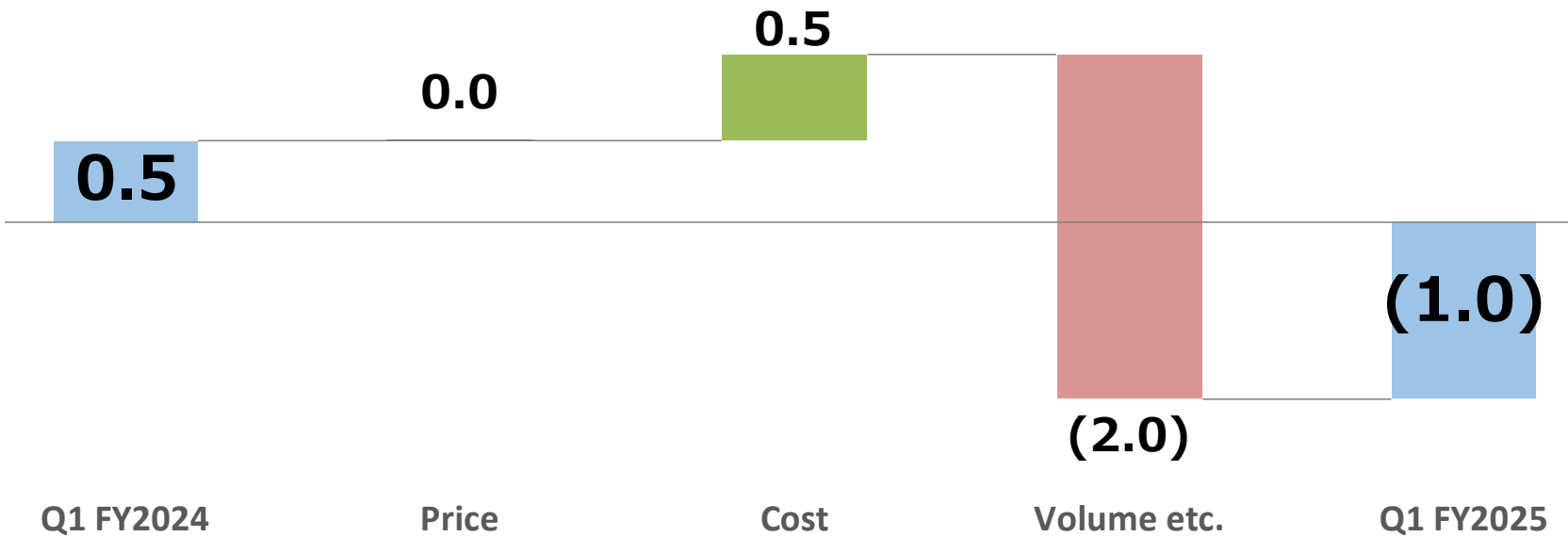
Total ¥ 18.4 billion ¥ (2.8) billion from Q1 FY2024



Price variance	Displays	Decline in the selling prices of polarizing films
Volume variance etc.	Displays	Gain on the sale of the large LCD polarizing film business
	Displays	Lower income from exports due to stronger yen
	Semiconductors	Stronger yen's effect on the sales of subsidiaries outside Japan when converted into yen

Advanced Medical Solutions

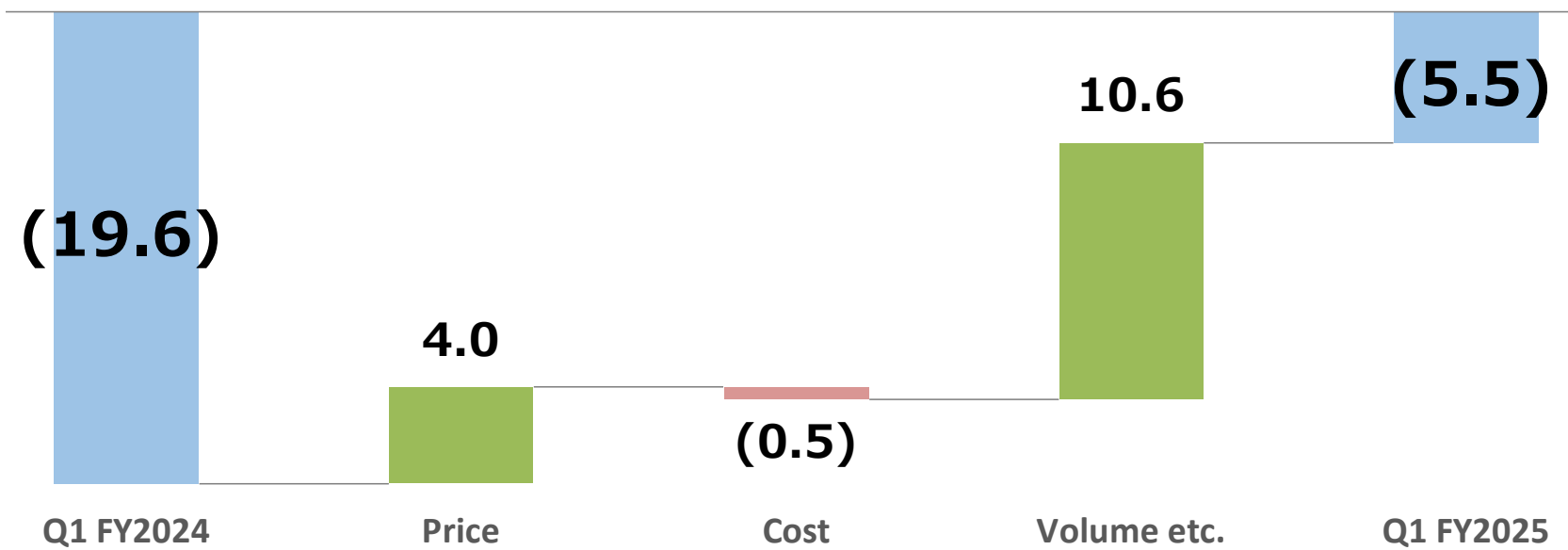
Total ¥ (1.0) billion ¥ (1.5) billion from Q1 FY2024



Volume variance etc.	Difference in the timing of shipments for some products
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Essential & Green Materials

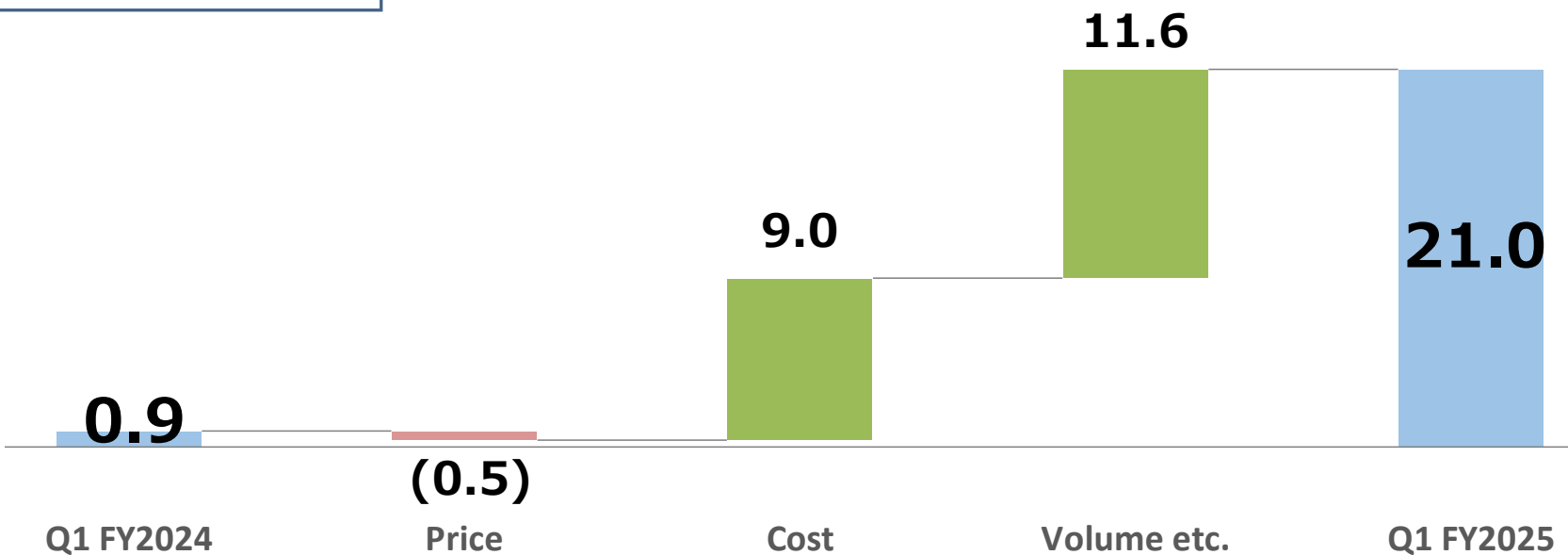
Total ¥ (5.5) billion ¥ 14.1 billion from Q1 FY2024



Price variance	Profit margins improved in synthetic resins
Volume variance etc.	Improvement in profitability in investments accounted for using the equity method at Petro Rabigh due to factors such as improved refining margins

Sumitomo Pharma

Total ¥ 21.0 billion ¥ 20.1 billion from Q1 FY2024



Price variance	NHI drug price revisions in Japan
Cost variance	Reduction of fixed costs through operational streamlining
Volume variance etc.	Expanded sales of ORGOVYX® (therapeutic agent for advanced prostate cancer) and GEMTESA® (treatment for overactive bladder)

Consolidated Statement of Financial Position

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(Billions of yen)

	30-Jun-25	31-Mar-25	Variance		30-Jun-25	31-Mar-25	Variance
Current assets	1,500.5	1,583.1	(82.6)	Liabilities	2,268.2	2,365.4	(97.2)
Cash and cash equivalents	142.6	209.8	(67.3)	Trade and other payables	479.2	488.1	(9.0)
Trade and other receivables	538.9	593.8	(54.9)	Interest-bearing liabilities	1,248.1	1,286.1	(38.0)
Inventories	646.5	625.2	21.3	Others	540.9	591.1	(50.2)
Others	172.4	154.2	18.2	Equity	1,061.4	1,074.4	(13.0)
Non-current assets	1,829.1	1,856.7	(27.6)	Shareholders' equity	709.8	722.3	(12.5)
Property, plant and equipment	755.9	759.3	(3.4)	Other components of equity	176.1	178.5	(2.4)
Goodwill and intangible assets	480.1	497.1	(17.0)	Non-controlling interests	175.5	173.6	1.9
Others	593.1	600.3	(7.1)				
Total	3,329.5	3,439.8	(110.2)	Total	3,329.5	3,439.8	(110.2)
				Equity attributable to owners of parent to total	26.6%	26.2%	0.4%
				D/E ratio (times)	1.18	1.20	(0.02)

(Billions of yen)

	Q1 FY2025	Q1 FY2024	Variance
Cash flows from operating activities	24.0	(12.3)	36.3
Cash flows from investing activities	(45.9)	82.5	(128.4)
Free cash flows	(21.9)	70.2	(92.2)
Cash flows from financing activities	(49.2)	(63.0)	13.8
Others	(0.9)	6.9	(7.7)
Increase (decrease) in cash and cash equivalents	(72.1)	14.1	(86.1)
Cash and cash equivalents at the end of the period	142.6	234.3	(91.7)

2. Outlook for FY2025 First Half

Summary of Financial Forecast for 1st Half FY2025

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(Billions of yen)

	FY2025 1st Half Forecast (ann. in Aug.)	FY2024 1st Half	Variance	FY2025 Forecast (ann. in May.)
Sales revenue	1,100.0	1,241.4	(141.4)	2,340.0
Core operating income	90.0	29.5	60.5	150.0
Non-recurring items	(5.0)	91.8	(96.8)	(45.0)
Operating income	85.0	121.2	(36.2)	105.0
Net income attributable to owners of the parent	25.0	(6.5)	31.5	40.0
ROE	2.8%	(0.7)%		4.2%
Exchange rate (yen/\$)	145.00	152.78		145.00
Naphtha price (yen/kl)	63,800	78,000		68,000

Sales Revenue and Core Operating Income by Business Segment

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(Billions of yen)

		FY2025 1st Half Forecast (ann. in Aug.)	FY2024 1st Half	Variance	FY2025 Forecast (ann. in May.)
Agro & Life Solutions	Sales Revenue	210.0	225.0	(15.0)	530.0
	Core Operating Income	16.0	14.2	1.8	55.0
ICT & Mobility Solutions	Sales Revenue	280.0	307.5	(27.5)	580.0
	Core Operating Income	32.0	43.6	(11.6)	56.0
Advanced Medical Solutions	Sales Revenue	25.0	26.8	(1.8)	60.0
	Core Operating Income	(1.0)	0.4	(1.4)	4.0
Essential & Green Materials	Sales Revenue	360.0	450.9	(90.9)	780.0
	Core Operating Income	(19.0)	(34.8)	15.8	(10.0)
Sumitomo Pharma	Sales Revenue	205.0	180.4	24.6	350.0
	Core Operating Income	72.0	3.0	69.0	59.0
Others	Sales Revenue	20.0	50.8	(30.8)	40.0
	Core Operating Income	(10.0)	3.1	(13.1)	(14.0)
Total	Sales Revenue	1,100.0	1,241.4	(141.4)	2,340.0
	Core Operating Income	90.0	29.5	60.5	150.0

Strong Outlook for the 1st Half FY2025

	FY2025 Q1	FY2025 1st Half Forecast (ann. in Aug.)	FY2025 Forecast (ann. in May.)	Progress (%) (1st H/FY2025)	(Billions of yen) FY2024 Full year
Sales revenue	526.1	1,100.0	2,340.0	47.0%	(2,606.3)
Core operating income	27.7	90.0	150.0	60.0%	(140.5)
"Core operating income*excluding gains on sale of businesses"		approx. 40.0	approx. 100.0		approx. 80.0
Operating income	25.5	85.0	105.0	81.0%	(193.0)
Net income attributable to owners of the parent	(4.5)	25.0	40.0	62.5%	(38.6)

Core operating income

- In Agro & Life Solutions and ICT & Mobility Solutions, shipments are expected to continue to be strong in Q2. Gain on sale of businesses in Sumitomo Pharma is also expected to contribute.
- Expected to be making progress toward improvement compared with FY2024, even excluding the gain on sale of businesses.

Net income attributable to owners of the parent

Despite the negative impact from the loss on foreign currency transactions, we expect to be able to secure a positive net income and are on track to achieve the full-year forecast.

(Reference)

(Billions of yen)

	FY2024				FY2025		
	Q1	Q2	Q3	Q4	Q1	FY2025 1st Half Forecast (ann. in Aug.)	FY2025 Forecast (ann. in May.)
Agro & Life Solutions	106.4	118.6	138.1	177.1	96.9	210.0	530.0
ICT & Mobility Solutions	152.7	154.8	153.8	145.8	137.4	280.0	580.0
Advanced Medical Solutions	13.2	13.6	14.0	21.4	9.1	25.0	60.0
Essential & Green Materials	225.0	226.0	222.0	226.1	165.4	360.0	780.0
Sumitomo Pharma	90.6	89.8	112.4	105.2	107.4	205.0	350.0
Others	24.3	26.5	23.2	25.8	10.0	20.0	40.0
Total	612.1	629.3	663.4	701.4	526.1	1,100.0	2,340.0

Core Operating Income by Business Segment (Quarterly)

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(Billions of yen)

	FY2024				FY2025		
	Q1	Q2	Q3	Q4	Q1	FY2025 1st Half Forecast (ann. in Aug.)	FY2025 Forecast (ann. in May.)
Agro & Life Solutions	4.9	9.2	5.4	35.5	2.2	16.0	55.0
ICT & Mobility Solutions	21.2	22.4	16.1	10.8	18.4	32.0	56.0
Advanced Medical Solutions	0.5	(0.1)	0.8	2.8	(1.0)	(1.0)	4.0
Essential & Green Materials	(19.6)	(15.2)	(9.6)	(14.1)	(5.5)	(19.0)	(10.0)
Sumitomo Pharma	0.9	2.1	21.4	10.9	21.0	72.0	59.0
Others & Adjustments	(2.2)	5.3	(3.6)	34.6	(7.4)	(10.0)	(14.0)
Total	5.7	23.8	30.6	80.5	27.7	90.0	150.0

Agro & Life Solutions



Total ¥ 96.9 billion

¥ (9.5) billion from Q1 FY2024

Sales price

(1.5)

□ Lower market prices for methionine

Volume

(2.0)

□ Decrease in shipments of methionine

Foreign exchange

(6.0)

ICT & Mobility Solutions



Total ¥ 137.4 billion

¥ (15.3) billion from Q1 FY2024

Sales price

(3.5)

□ Decline in the selling prices of polarizing films

Volume

(3.2)

□ Decrease in shipments of display-related materials
□ Recovery in demand for processing materials for semiconductors

Foreign exchange

(8.6)

Advanced Medical Solutions



Total ¥ 9.1 billion

¥ (4.1) billion from Q1 FY2024

Sales price

0.0

Volume

(4.1)

- Decline in market prices for naphtha and products

Foreign exchange

(0.0)

Essential & Green Materials



Total ¥ 165.4 billion

¥ (59.6) billion from Q1 FY2024

Sales price

(7.0)

- Decline in naphtha and product market prices

Volume

(47.8)

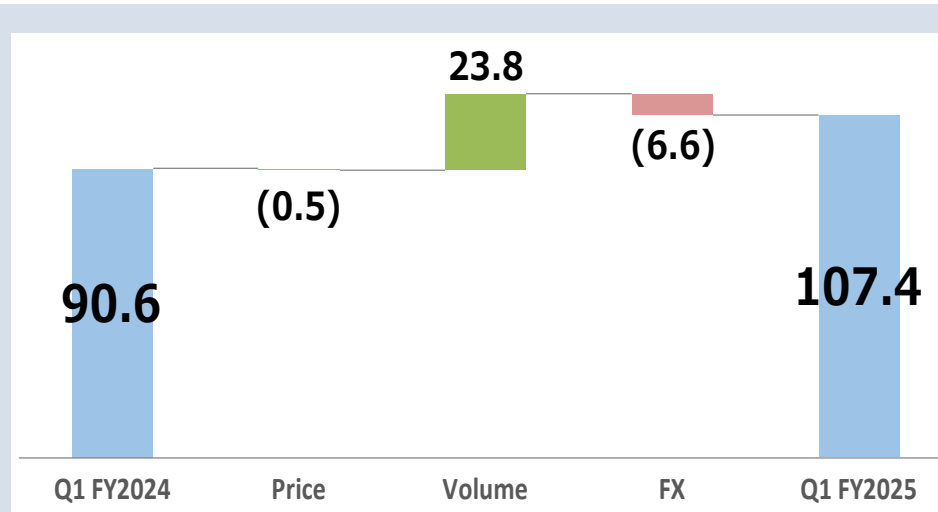
- Decrease in shipments from sales subsidiaries due to periodic shutdown maintenance at Petro Rabigh

Foreign exchange

(4.8)

- Exit from the aluminum business

Sumitomo Pharma



Total ¥ 107.4 billion

¥ 16.8 billion from Q1 FY2024

Sales price

(0.5)

□ NHI drug price revisions in Japan

Volume

23.8

□ Expanded sales of ORGOVYX® and GEMTESA®

Foreign exchange

(6.6)

Company	Sales Revenue		Profit
	Q1 FY2025	Q1 FY2024	
The Polyolefin Company (Singapore) (Millions of USD)	197	215	↗ Improvement in profit margin
PCS (Millions of USD)	578	604	↘ Deterioration in profit margins
Rabigh Refining and Petrochemical Company (Millions of SAR)	11,493	7,984	↗ Stable operations and improvement in petroleum refining margins
Dongwoo Fine-Chem (Billions of KRW)	5,138	5,300	↘ Decrease in sales volume of display-related materials
Sumitomo Chemical Brasil Indústria Química S.A. (Millions of BRL)	361	442	↗ Market conditions improved
Valent North America, and subsidiaries (Millions of USD)	191	190	↗ Shipments brought forward due to demand

(Billions of yen)

	Q1 FY2025	Q1 FY2024	Variance	Reasons for Change
Japan	16.0	14.6	1.4	
North America	13.3	16.7	(3.4)	<ul style="list-style-type: none"> Foreign currency conversion variance Decrease in shipments due to delayed sales
Central & South America	12.0	16.4	(4.4)	<ul style="list-style-type: none"> Foreign currency conversion variance Decline in product selling prices due to intensified competition
Asia (including India)	18.2	17.0	1.2	
Europe & Others	7.4	6.4	1.0	
Total	66.9	71.1	(4.2)	