Financial Results for FY2025 Second Quarter

(April 1, 2025 – September 30, 2025)

November 4, 2025

SUMITOMO CHEMICAL

Contents

1. Consolidated Financial Results for FY2025 Second Quarter

2. Outlook for FY2025

(Reference)

1. Consolidated Financial Results for FY2025 Second Quarter

Summary for First Half FY2025

Core Operating Income

(Billions of yen)

Q2 FY2024	Q2 FY2025	FY2025 Forecast (ann. in Aug.)
29.5	108.7	90.0
Of which gains on sale of businesses approx. 10.0	approx. 60.0	approx. 45.0

Net Income Attributable to Owners of the Parent

(Billions of yen)

Q2 FY2024	Q2 FY2025	FY2025 Forecast (ann. in Aug.)
(6.5)	39.7	25.0

- **Core operating income and net income attributable to owners of the parent significantly improved compared to the same period in the prior fiscal year**
- Core operating income improved significantly due to better trade terms in **Essential & Green Materials**, but also following **Sumitomo Pharma** strong sales results, recording of a sales milestone, and partial divesture of the Asian business,
- **Compared to the previous forecast**, in addition to stronger sales at Sumitomo Pharma, there was greater **improvement in foreign exchange** gain or loss from a weaker than anticipated yen, as well as a greater reduction in the deferred tax liability. This resulted in a **reduction in the corporate income tax expense**

Financial Summary

(Billions of yen)

	Q2 FY2025	Q2 FY2024	Variance	Variance Ratio
Sales revenue	**1,095.4**	1,241.4	(146.0)	(11.8)%
Core operating income	**108.7**	29.5	79.2	268.8%
Of which equity in earnings	**(27.3)**	(33.6)	6.2	-
Total non-recurring items	**(5.0)**	91.8	(96.8)	-
Of which restructuring costs	**(3.5)**	(11.7)	8.2	-
Of which impairment losses	**(3.3)**	(0.3)	(3.0)	-
Of which gains on sales of property, plant and equipment, and intangible assets	**0.2**	10.7	(10.5)	-
Of which share of profit of investments accounted for using the equity method (non-recurring factors)	**-**	86.5	(86.5)	-
Of which gains on fair value measurement of the residual interest	**-**	9.4	(9.4)	-
Others	**1.6**	(2.9)	4.5	-
Operating income	**103.7**	121.2	(17.6)	(14.5)%
Finance income/expenses	**(15.8)**	(151.8)	136.0	-
Of which (loss) on foreign currency transactions including gain (loss) on derivatives	**(6.4)**	(34.8)	28.4	-
Of which loss on debt waiver for a loan	**-**	(109.8)	109.8	-
Others	**(9.4)**	(7.2)	(2.2)	-
Income (loss) before taxes	**87.9**	(30.5)	118.4	-
Income tax expenses	**3.0**	10.3	(7.2)	-
Net income (loss)	**90.9**	(20.3)	111.2	-
Net (income) loss attributable to non-controlling interests	**(51.2)**	13.8	(65.0)	-
Net income (loss) attributable to owners of the parent	**39.7**	(6.5)	46.2	-

	Q2 FY2025	Q2 FY2024
ROE	**4.3%**	(0.7)%
Exchange rate (yen/$)	**146.02**	152.78
Naphtha price (yen/kl)	**64,900**	78,000
Overseas sales revenue ratio	**70.0%**	69.0%

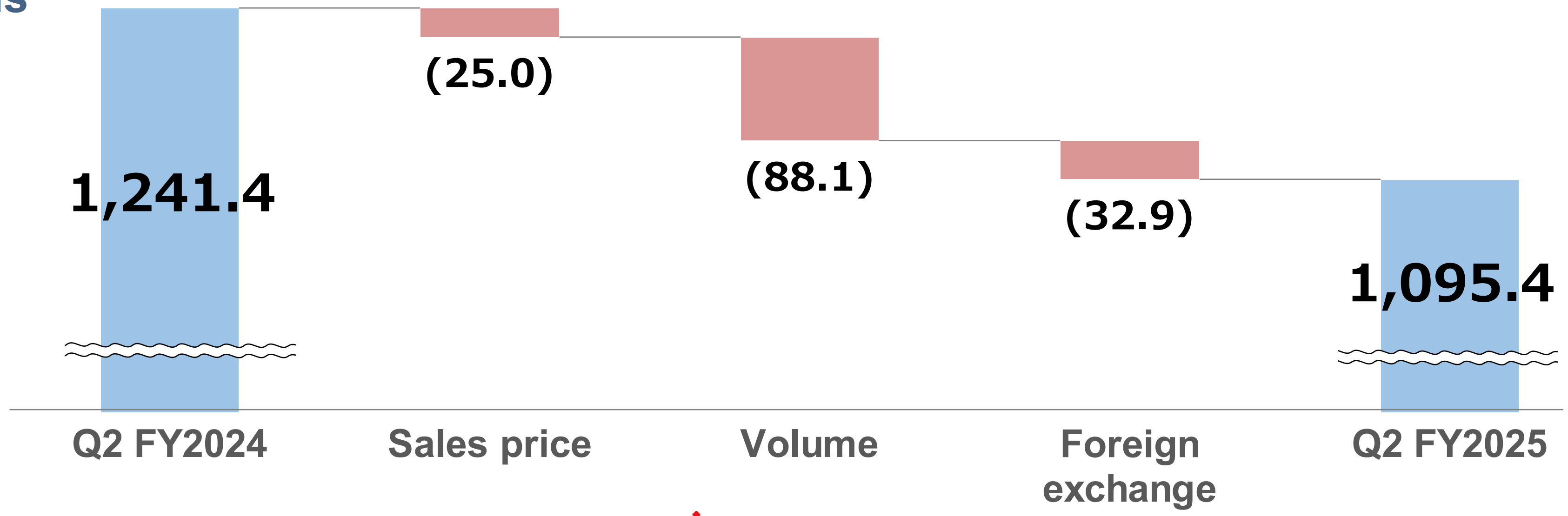
Sales Revenue by Reporting Segment

(Billions of yen)

	Q2 FY2025	Q2 FY2024	Variance	Ratio	Sales price variance	Shipping volume variance	Foreign currency conversion variance
Agro & Life Solutions	**213.0**	225.0	(12.0)	(5.3)%	0.5	(4.0)	(8.5)
ICT & Mobility Solutions	**283.5**	307.5	(24.0)	(7.8)%	(7.0)	(6.1)	(10.9)
Advanced Medical Solutions	**21.1**	26.8	(5.6)	(21.0)%	(0.5)	(5.1)	0.0
Essential & Green Materials	**329.1**	450.9	(121.8)	(27.0)%	(17.5)	(99.1)	(5.2)
Sumitomo Pharma *	**226.1**	180.4	45.7	25.3%	(0.5)	54.5	(8.3)
Others	**22.6**	50.8	(28.3)	(55.6)%	0.0	(28.3)	(0.0)
Total	**1,095.4**	1,241.4	(146.0)	(11.8)%	(25.0)	(88.1)	(32.9)

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

Variance analysis



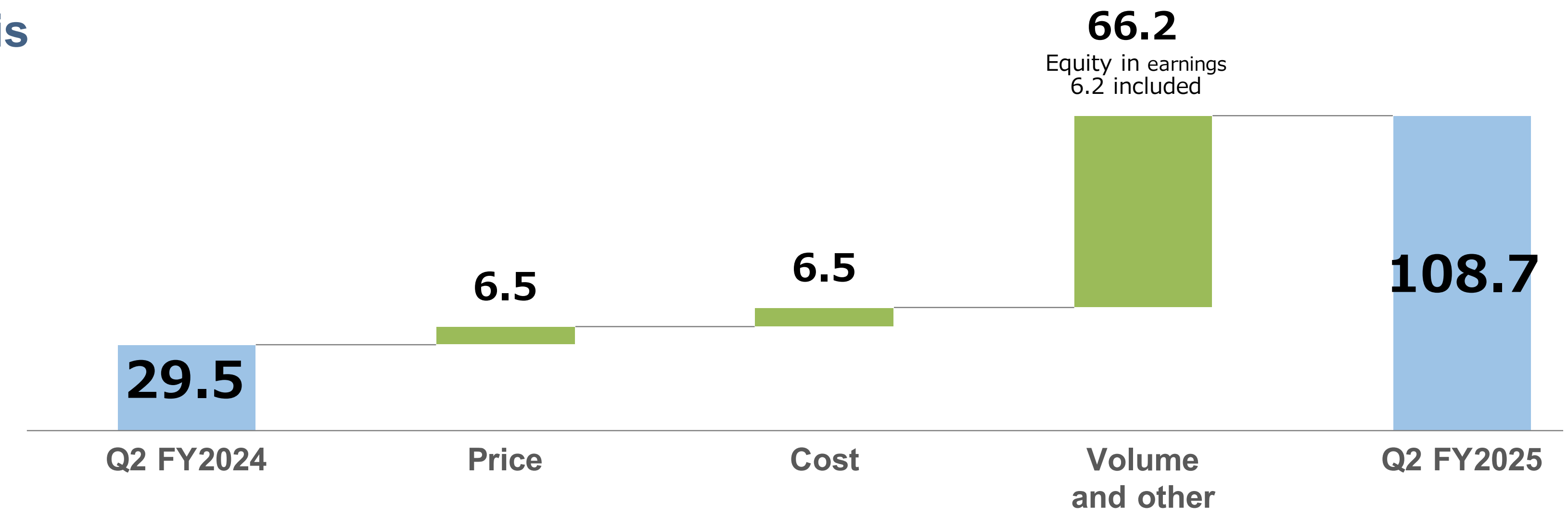
Core Operating Income by Reporting Segment

(Billions of yen)

	Q2 FY2025	Q2 FY2024	Variance	Price variance	Cost variance	Shipping volume variance and other
Agro & Life Solutions	**11.2**	14.2	(2.9)	2.5	(1.5)	(3.9)
ICT & Mobility Solutions	**33.1**	43.6	(10.5)	(5.5)	0.0	(5.0)
Advanced Medical Solutions	**(1.4)**	0.4	(1.7)	(0.5)	(0.5)	(0.7)
Essential & Green Materials	**(18.6)**	(34.8)	16.1	10.5	(2.5)	8.1
Sumitomo Pharma *	**97.3**	3.0	94.3	(0.5)	11.0	83.8
Others & Adjustments	**(13.0)**	3.1	(16.0)	0.0	0.0	(16.0)
Total	**108.7**	29.5	79.2	6.5	6.5	66.2

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

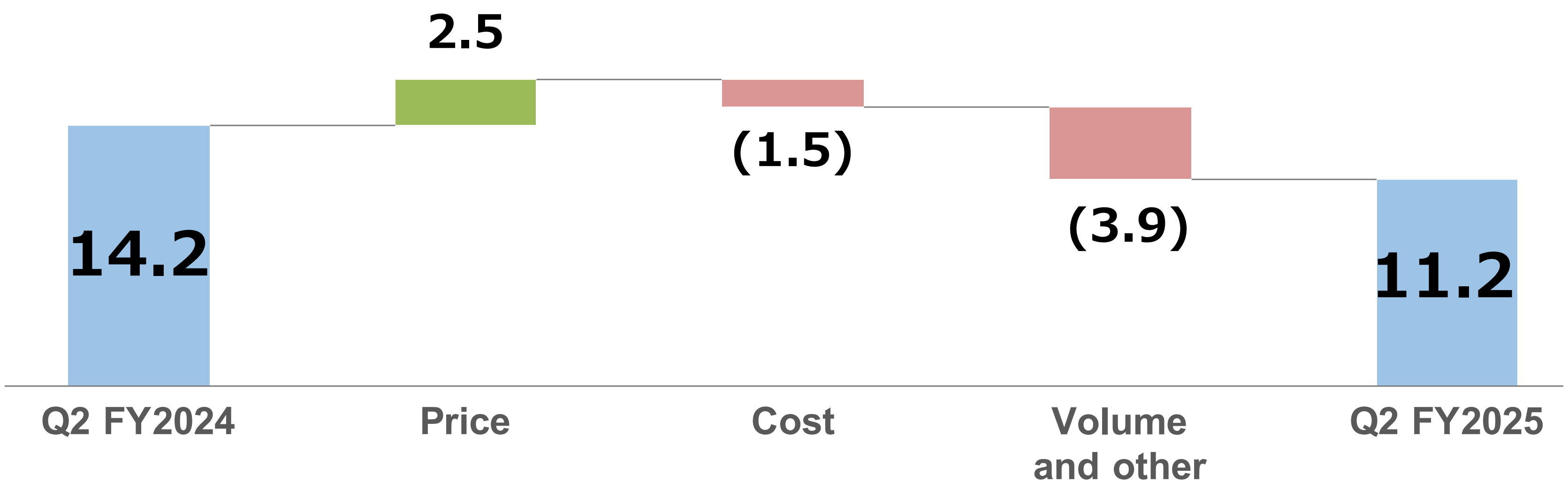
Variance analysis



Core Operating Income Analysis by Reporting Segment

Agro & Life Solutions

Total ¥ 11.2 billion ¥ (2.9) billion from Q2 FY2024

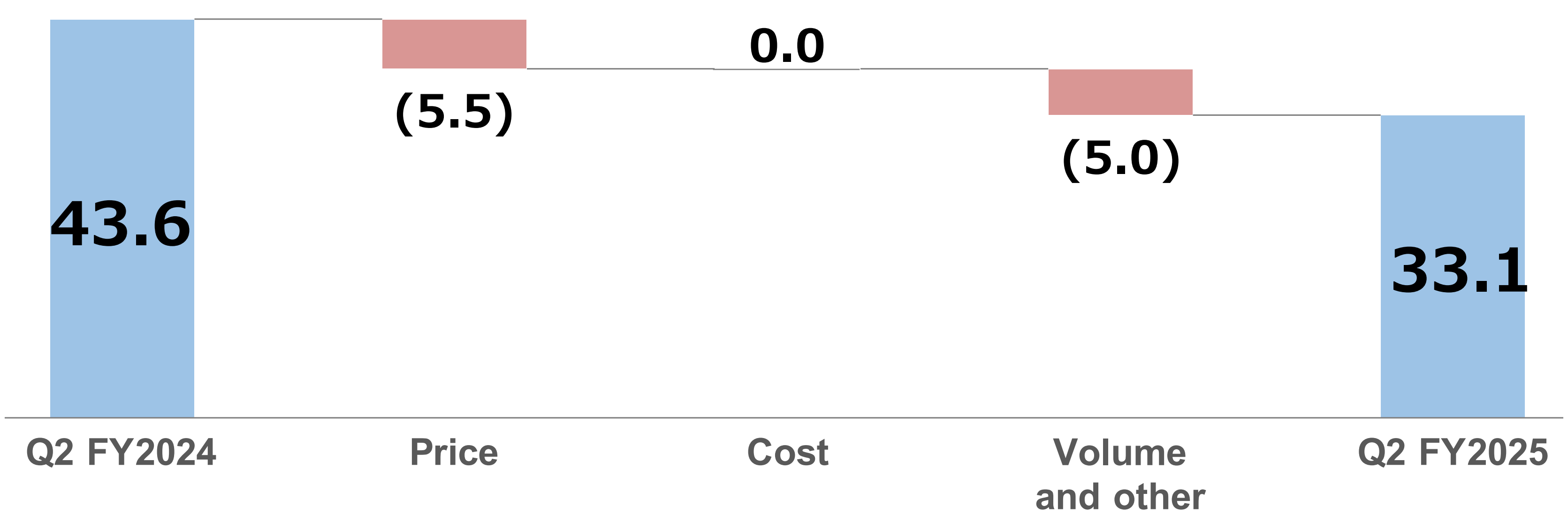


Price variance	Crop Protection	Improved trade terms for overseas crop protection products
Volume and other variances	Crop Protection	Decrease in shipments of overseas crop protection products Lower income from exports due to stronger yen Stronger yen's effect on the sales of subsidiaries outside Japan when converted into yen

Core Operating Income Analysis by Reporting Segment

ICT & Mobility Solutions

Total ¥ 33.1 billion ¥ (10.5) billion from Q2 FY2024

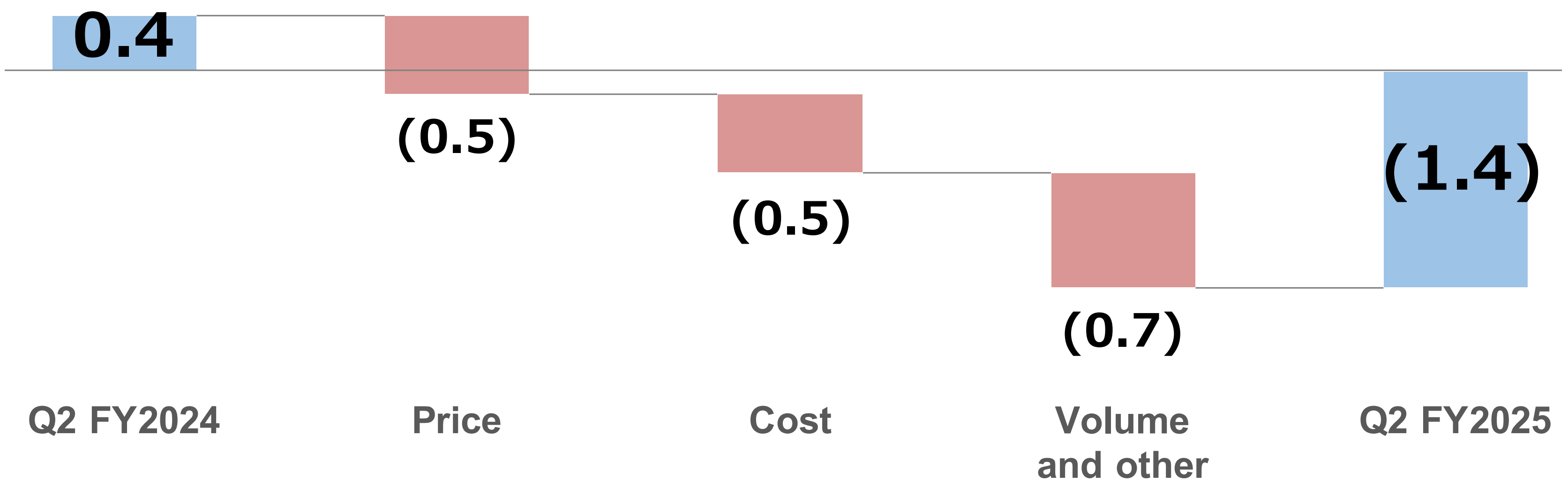


Price variance	**Displays**	Decline in the selling prices of display-related materials
Volume and other variances	**Displays**	Lower income from exports due to stronger yen Stronger yen's effect on the sales of subsidiaries outside Japan when converted into yen Decrease in shipments of display-related materials Gain on the sale of the large LCD polarizing film business

Core Operating Income Analysis by Reporting Segment

Advanced Medical Solutions

Total ¥ (1.4) billion ¥ (1.7) billion from Q2 FY2024

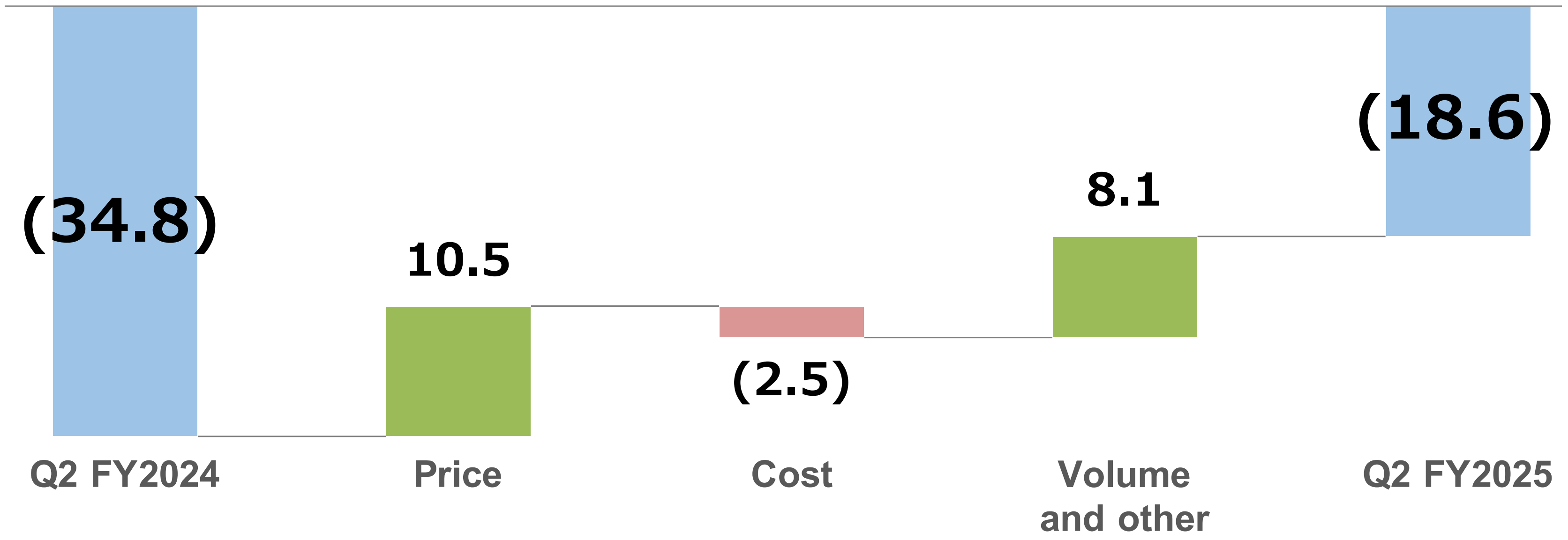


Volume and other variances	Difference in the timing of shipments for some products

Core Operating Income Analysis by Reporting Segment

Essential & Green Materials

Total ¥ (18.6) billion ¥ 16.1 billion from Q2 FY2024

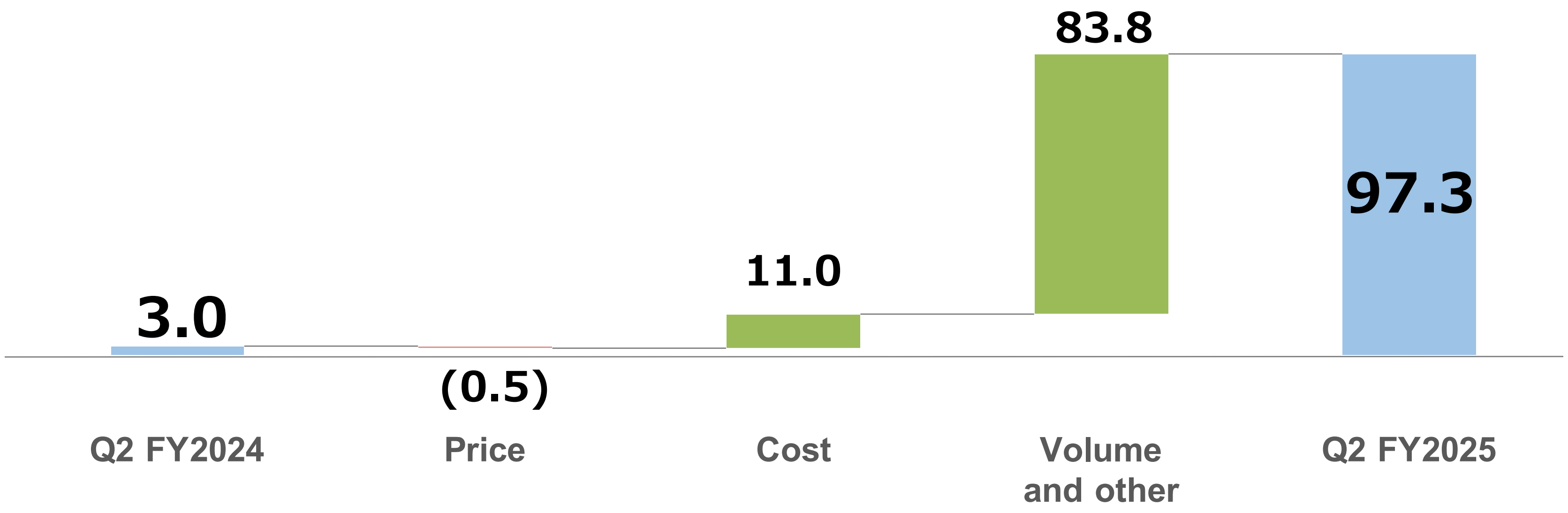


Price variance	Profit margins improved in synthetic resins and alumina
Volume and other variances	Improvement in profitability in investments accounted for using the equity method at Petro Rabigh due to factors such as improved refining margins

Core Operating Income Analysis by Reporting Segment

Sumitomo Pharma

Total ¥ 97.3 billion ¥ 94.3 billion from Q2 FY2024



Price variance	NHI drug price revisions in Japan
Cost variance	Reduction of fixed
Volume and other variances	Gain posted on the partial divestiture of the Asian business Expanded sales of ORGOVYX® (therapeutic agent for advanced prostate cancer) and GEMTESA® (treatment for overactive bladder) ORGOVYX® sales milestone

Consolidated Statement of Financial Position

(Billions of yen)

	30-Sep-25	31-Mar-25	Variance
Current assets	**1,577.5**	1,583.1	(5.6)
Cash and cash equivalents	**161.2**	209.8	(48.6)
Trade and other receivables	**581.5**	593.8	(12.4)
Inventories	**643.7**	625.2	18.5
Others	**191.1**	154.2	36.9
Non-current assets	**1,787.0**	1,856.7	(69.7)
Property, plant and equipment	**764.4**	759.3	5.1
Goodwill and intangible assets	**489.0**	497.1	(8.2)
Others	**533.6**	600.3	(66.6)
Total	**3,364.5**	3,439.8	(75.3)

	30-Sep-25	31-Mar-25	Variance
Liabilities	**2,184.9**	2,365.4	(180.5)
Trade and other payables	**478.3**	488.1	(9.8)
Interest-bearing liabilities	**1,191.7**	1,286.1	(94.5)
Others	**514.9**	591.1	(76.2)
Equity	**1,179.6**	1,074.4	105.2
Shareholders' equity	**738.5**	722.3	16.2
Other components of equity	**220.2**	178.5	41.7
Non-controlling interests	**220.9**	173.6	47.3
Total	**3,364.5**	3,439.8	(75.3)
Ratio of equity attributable to owners of the parent to total assets	**28.5%**	26.2%	2.3%
D/E ratio (times)	**1.01**	1.20	(0.19)

Consolidated Statement of Cash Flows

(Billions of yen)

	Q2 FY2025	Q2 FY2024	Variance
Cash flows from operating activities	**57.7**	63.5	(5.9)
Cash flows from investing activities	**(16.7)**	74.4	(91.1)
Free cash flows	**41.0**	138.0	(97.0)
Cash flows from financing activities	**(114.8)**	(75.4)	(39.4)
Others	**2.9**	(7.9)	10.8
Increase (decrease) in cash and cash equivalents	**(70.9)**	54.7	(125.6)
Cash and cash equivalents at the end of the period	**161.2**	273.4	(112.1)

2. Outlook for FY2025

FY2025 Outlook for the Business Environment

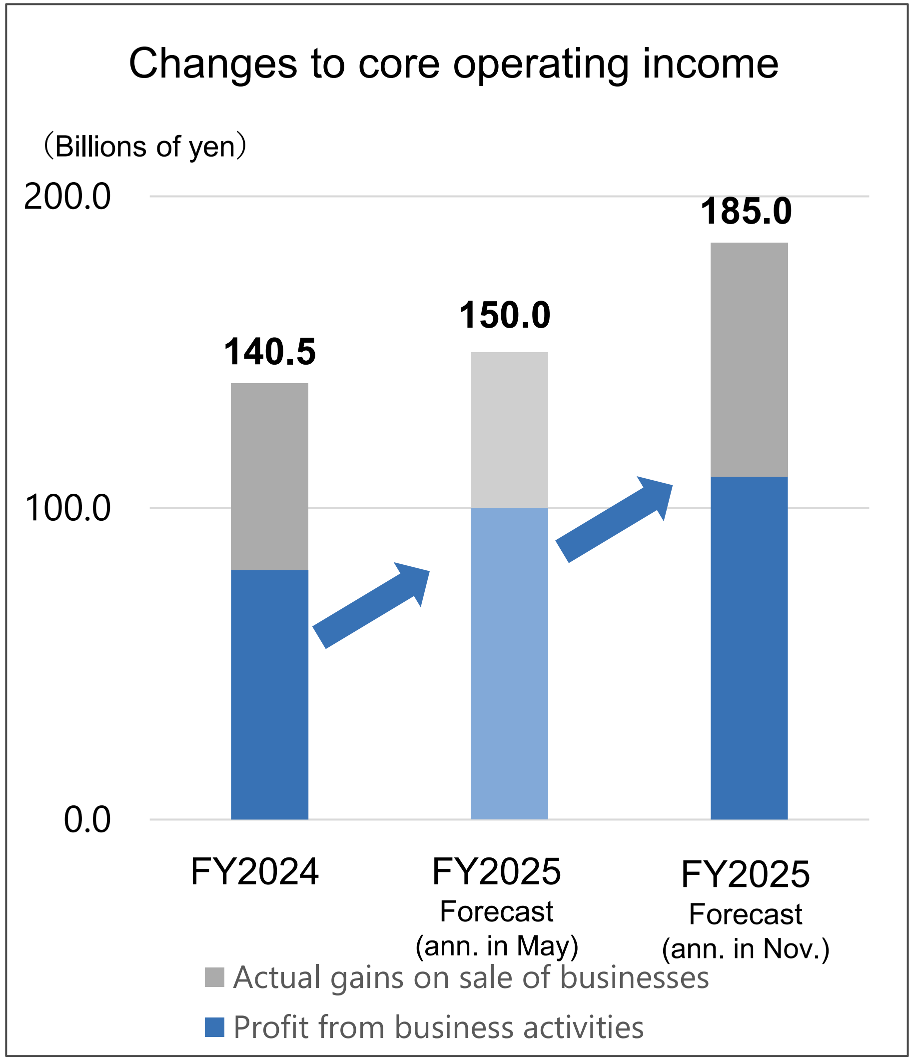
Economic Conditions

- The global economy continues to show signs of slowing growth. In the midst of heightened risks of an economic downturn due to increased uncertainty and protectionism, the future continues to remain uncertain.

		Revised	
Crop Protection			The price competition continued, with inventory congestion in the distribution chain varying by region.
Methionine			The methionine market bottomed out at the end of FY2024. Although it recovered during the first half of FY2025, it is anticipated to decline in the second half of this fiscal year.
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.

Summary of Financial Forecast for FY2025

Forecast for FY2025



Core operating income is projected to be 185.0 billion yen (32% increase compared to the previous year)
Net income attributable to owners of the parent is projected to be 45.0 billion yen (17% increase compared to the previous year)

- The **actual gains on the sale of businesses** increase from approximately 50 billion **yen to approximately 80 billion yen** after considering such factors such as the partial sale of shares in Petro Rabigh
- **Core operating income from business activities** increased significantly compared to the previous year due to an increase in sales at Sumitomo Pharma and a reduction in equity in Petro Rabigh. The May forecast has been revised upward, and **we will now aim for over 100 billion yen**
- **Achieved 100 billion yen in core operating income from business activities in the Agro & Life Solutions Sector and the ICT & Mobility Solutions Sector,** our growth drivers
- **The profit and loss from the partial sale of shares in Petro Rabigh will be minimal** because of the combination of the valuation loss on the subscription to a new class of shares and loss increase accounted for by the equity method

Performance Forecast for FY2025

(Billions of yen)

		Revised forecast	Previous forecast	Variance	Variance ratio	FY2024
Sales revenue		**2,290.0**	2,340.0	(50.0)	(2.1)%	2,606.3
Core operating income		**185.0**	150.0	35.0	23.3%	140.5
Net income attributable to owners of the parent		**45.0**	40.0	5.0	12.5%	38.6
ROE		**4.9%**	4.2%			4.1%
Exchange rate (yen/$)		**145.51 (2nd Half 145.00)**	145.00 (2nd Half 145.00)			152.62
Naphtha price (yen/kl)		**64,200 (2nd Half 63,500)**	68,000 (2nd Half 68,000)			75,600
Cash dividends (yen)	Interim dividend	**6.00**	6.00			3.00
	Year-end dividend	**6.00**	6.00			6.00
	Annual dividend	**12.00**	12.00			9.00

Sales Revenue and Core Operating Income by Reporting Segment

(Billions of yen)

		Revised forecast	Previous forecast	Variance	FY2024
Agro & Life Solutions	Sales Revenue	**530.0**	530.0	-	540.2
	Core Operating Income	**55.0**	55.0	-	55.0
ICT & Mobility Solutions	Sales Revenue	**550.0**	580.0	(30.0)	607.0
	Core Operating Income	**53.0**	56.0	(3.0)	70.6
Advanced Medical Solutions	Sales Revenue	**60.0**	60.0	-	62.1
	Core Operating Income	**4.0**	4.0	-	4.0
Essential & Green Materials	Sales Revenue	**680.0**	780.0	(100.0)	899.0
	Core Operating Income	**13.0**	(10.0)	23.0	(58.5)
Sumitomo Pharma	Sales Revenue	**420.0**	350.0	70.0	398.0
	Core Operating Income	**100.0**	59.0	41.0	35.3
Others	Sales Revenue	**50.0**	40.0	10.0	99.9
	Core Operating Income	**(40.0)**	(14.0)	(26.0)	34.2
Total	Sales Revenue	**2,290.0**	2,340.0	(50.0)	2,606.3
	Core Operating Income	**185.0**	150.0	35.0	140.5
	Of which gains on sale of businesses	**approx. 80.0**	approx. 50.0		

(Reference)

Sales Revenue by Reporting Segment (Quarterly)

(Billions of yen)

	FY2024				FY2025			
	Q1	Q2	Q3	Q4	Q1	Q2	1st Half	2nd Half (Forecast)
Agro & Life Solutions	106.4	118.6	138.1	177.1	96.9	116.1	213.0	317.0
ICT & Mobility Solutions	152.7	154.8	153.8	145.8	137.4	146.1	283.5	266.5
Advanced Medical Solutions	13.2	13.6	14.0	21.4	9.1	12.1	21.1	38.9
Essential & Green Materials	225.0	226.0	222.0	226.1	165.4	163.8	329.1	350.9
Sumitomo Pharma	90.6	89.8	112.4	105.2	107.4	118.7	226.1	193.9
Others	24.3	26.5	23.2	25.8	10.0	12.6	22.6	27.4
Total	612.1	629.3	663.4	701.4	526.1	569.3	1,095.4	1,194.6

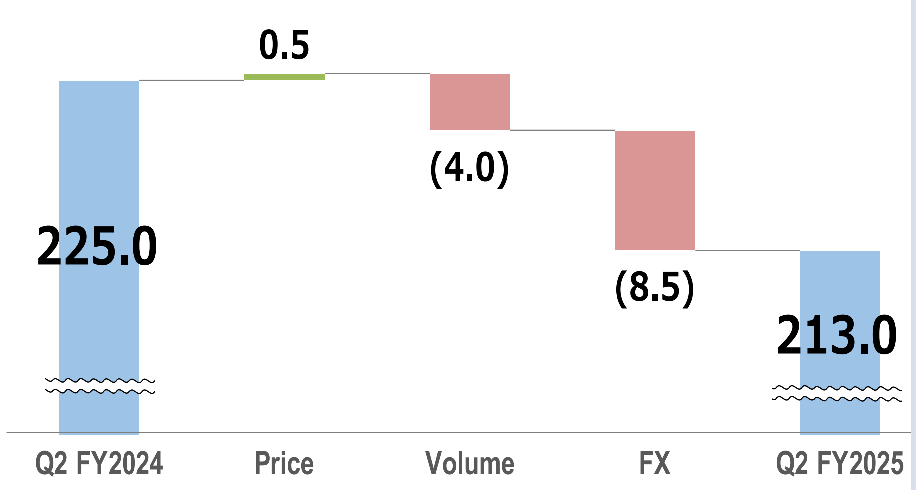
Core Operating Income by Reporting Segment (Quarterly)

(Billions of yen)

	FY2024				FY2025			
	Q1	Q2	Q3	Q4	Q1	Q2	1st Half	2nd Half (Forecast)
Agro & Life Solutions	4.9	9.2	5.4	35.5	2.2	9.0	11.2	43.8
ICT & Mobility Solutions	21.2	22.4	16.1	10.8	18.4	14.7	33.1	19.9
Advanced Medical Solutions	0.5	(0.1)	0.8	2.8	(1.0)	(0.4)	(1.4)	5.4
Essential & Green Materials	(19.6)	(15.2)	(9.6)	(14.1)	(5.5)	(13.1)	(18.6)	31.6
Sumitomo Pharma	0.9	2.1	21.4	10.9	21.0	76.3	97.3	2.7
Others & Adjustments	(2.2)	5.3	(3.6)	34.6	(7.4)	(5.5)	(13.0)	(27.0)
Total	5.7	23.8	30.6	80.5	27.7	81.0	108.7	76.3

Sales Revenue Analysis by Reporting Segment

Agro & Life Solutions



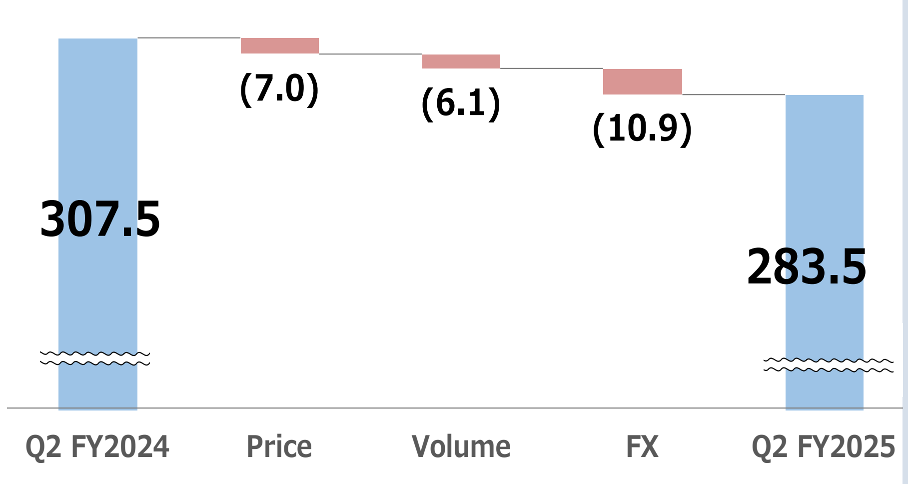
Total ¥ 213.0 billion ¥ (12.0) billion from Q2 FY2024

Sales price 0.5

Volume (4.0)
- Decrease in shipments of methionine

Foreign exchange (8.5)

ICT & Mobility Solutions



Total ¥ 283.5 billion ¥ (24.0) billion from Q2 FY2024

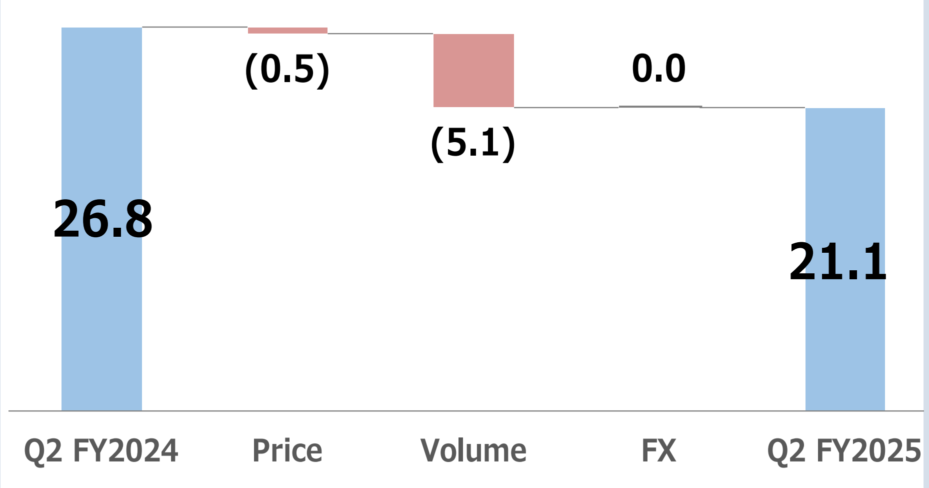
Sales price (7.0)
- Decline in the selling prices of display-related materials

Volume (6.1)
- Decrease in shipments of display-related materials

Foreign exchange (10.9)
- Recovery in demand for processing materials for semiconductors

Sales Revenue Analysis by Reporting Segment

Advanced Medical Solutions



Total ¥ 21.1 billion ¥ (5.6) billion from Q2 FY2024

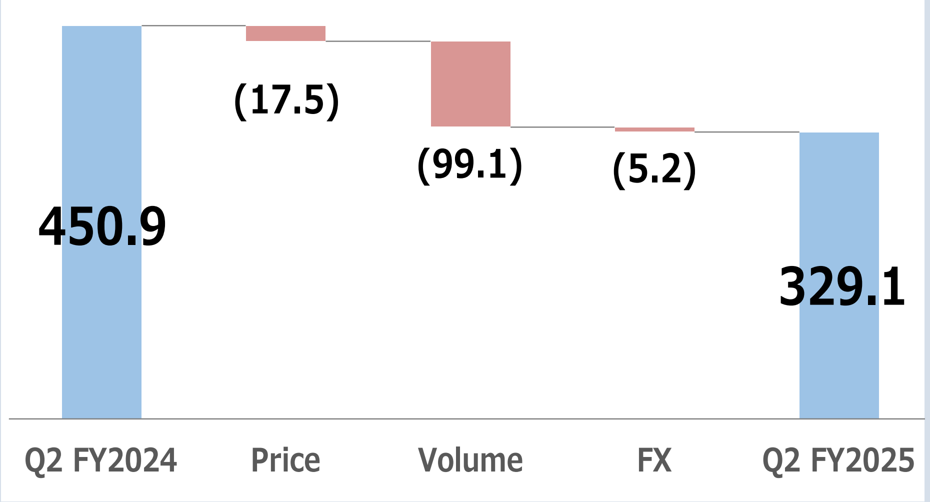
Sales price (0.5)

Volume (5.1)

- Difference in the timing of shipments for some products

Foreign exchange 0.0

Essential & Green Materials



Total ¥ 329.1 billion ¥ (121.8) billion from Q2 FY2024

Sales price (17.5)

- Decline in market prices for naphtha and products

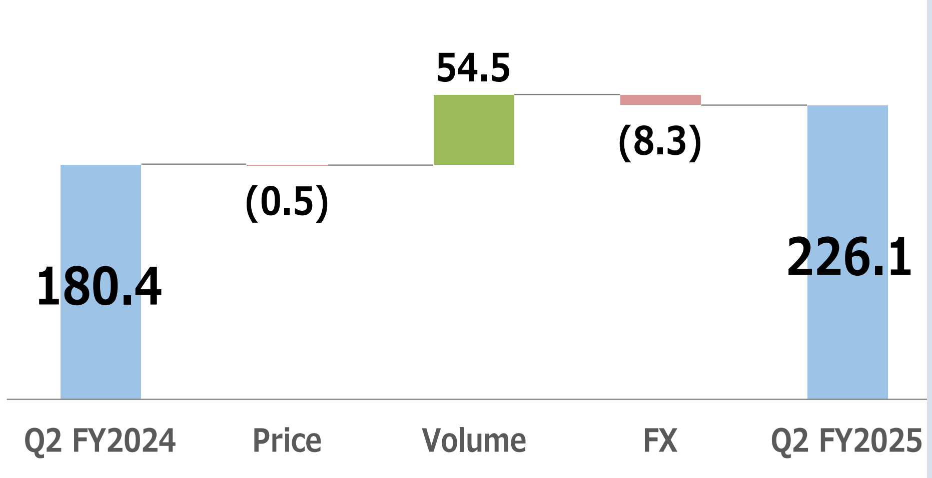
Volume (99.1)

- Decrease in shipments from sales subsidiaries due to periodic shutdown maintenance at Petro Rabigh
- Exit from the aluminum business etc.

Foreign exchange (5.2)

Sales Revenue Analysis by Reporting Segment

Sumitomo Pharma



Total ¥ 226.1 billion ¥ 45.7 billion from Q2 FY2024

Sales price (0.5)
- NHI drug price revisions in Japan

Volume 54.5
- Expanded sales of ORGOVYX® and GEMTESA®
- ORGOVYX® sales milestone

Foreign exchange (8.3)

Cost and other Elements

(Billions of yen)

	Q2 FY2025	Q2 FY2024	Variance
Capital Expenditures	**58.0**	81.3	(23.3)
Depreciation and Amortization	**60.0**	66.8	(6.8)
Research & Development Expenses	**67.0**	70.8	(3.8)
Number of Employees (as of September 30)	**27,699**	31,601	(3,902)

Cost and other Elements by Reporting Segment

(Billions of yen)

	Capital Expenditures		Depreciation& Amortization		R&D Expenses	
	Q2 FY2025	Q2 FY2024	Q2 FY2025	Q2 FY2024	Q2 FY2025	Q2 FY2024
Agro & Life Solutions	**7.1**	9.2	**10.1**	10.4	**14.9**	14.6
ICT & Mobility Solutions	**26.3**	27.6	**16.3**	17.6	**16.3**	15.7
Advanced Medical Solutions	**5.7**	8.9	**3.9**	3.6	**2.0**	1.7
Essential & Green Materials	**6.7**	20.0	**10.1**	11.3	**4.0**	4.3
Sumitomo Pharma	**4.4**	7.7	**10.5**	13.4	**17.5**	22.1
Others	**7.8**	7.9	**9.1**	10.6	**12.3**	12.4
Total	**58.0**	81.3	**60.0**	66.8	**67.0**	70.8

Major Group Companies

Company	Sales Revenue Q2 FY2025	Sales Revenue Q2 FY2024	Profit
The Polyolefin Company (Singapore) (Millions of USD)	**390**	**443**	↗ Improvement in profit margin
PCS (Millions of USD)	**1,115**	**1,217**	↘ Deterioration in profit margins
Rabigh Refining and Petrochemical Company (Millions of SAR)	**15,544**	**17,995**	↗ Improvement in petroleum refining margins
Dongwoo Fine-Chem (Billions of KRW)	**1,028.3**	**1,059.1**	↘ Decrease in sales volume of display-related materials and deterioration in profit margins
Sumitomo Chemical Brasil Indústria Química S.A. (Millions of BRL)	**1,416**	**1,630**	↗ Market conditions improved
Valent North America and subsidiaries (Millions of USD)	**371**	**358**	↗ Market conditions improved

Crop Protection Product Sales by Region

(Billions of yen)

	Q2 FY2025	Q2 FY2024	Variance	Reasons for Change
Japan	**34.0**	29.7	4.3	• Increase in shipments due to advanced sales
North America	**29.1**	29.8	(0.7)	
Central & South America	**44.1**	52.9	(8.8)	• Foreign currency conversion variance • Decline in sales volume due to intensified competition and delayed sales timing
Asia (including India)	**35.9**	35.6	0.3	
Europe & Others	**14.8**	11.4	3.4	
Total	**157.9**	159.4	(1.5)	