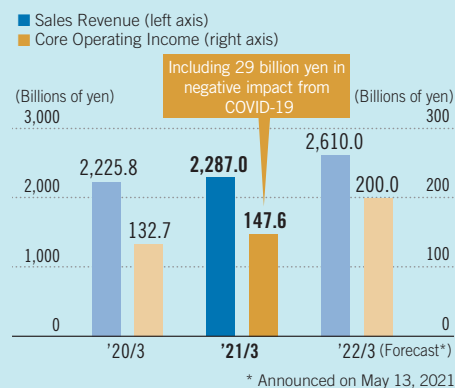


Sumitomo Chemical vs the COVID-19 Pandemic

We would like to express our sincere condolences for those who have passed away due to complications of COVID-19, and our heartfelt sympathies for those currently suffering from the disease. In addition, we would like to express our deep respect for all those who are working hard to stop the spread of the pandemic, particularly those in the medical field.

Impact on Our Business

In fiscal 2020, while our businesses in the Petrochemicals & Plastics sector and Energy & Functional Materials sector were affected by the spread of the COVID-19 pandemic, particularly in products for automotive-related applications, the semiconductor and display-related businesses of the IT-related Chemicals sector grew on demand from stay-at-home and work-from-home needs. In addition, the performance of the Health & Crop Sciences sector and the Pharmaceuticals sector was largely unaffected by the pandemic. Thus, in these circumstances of extreme change due to COVID-19, we were able to employ the defensive strength of a diversified chemical company, conducting a diverse range of businesses. Despite the massive changes in the business environment, the five business sectors of our company support one another, with the core strength to continue to grow.



Our Contribution to Society During the Pandemic

With our five business sectors, we were able to contribute to preventing the spread of the disease in multiple areas. In addition to supplying polyethylene film as a raw material for medical gowns, supplying acrylic sheets to prevent the spread of droplets, and supplying the precursors for remdesivir, a pharmaceutical, we have also taken action on a variety of other fronts, including participating in the COVID-19 Research Database consortium, which made a database of medical information available to researchers for free. Going forward, we will continue to utilize the chemical industry's wide range of strengths to meet the various need of society, contributing to bringing this emergency situation to a close.

Now is the Time to Deploy Our Strength as a Diversified Chemical Company

Supplying Polyethylene Film for Agricultural Use as a Raw Material for Medical Gowns

In light of a shortage of disposable medical gowns worn by healthcare staff, from among the types of polyethylene film we provide for other applications, we provided priority emergency supplies of film suited for this application to companies that manufacture medical gowns from April through July of 2020. The amount supplied is equivalent to 2.3 million medical gowns. The plastic raw material for this film is produced at the Chiba Works, and the film itself is processed and produced by SanTerra, a Group company, using this plastic. It was very encouraging for employees to know that they were contributing to resolving a shortage of protective equipment on the medical front lines.



PMI* Under COVID-19

Acquisition of South American Crop Protection Businesses

Integration Process for South American Facilities

- Sep. 2019 Agreement on the acquisition
- Apr. 2020 Acquisition completed
- Aug. 2020 Start of unified operations

In 2020, Sumitomo Chemical acquired four South American subsidiaries (Brazil, Chile, Argentina, Colombia) from Nufarm. Due to the global spread of COVID-19, which was not foreseen when plans were initially made, the integration process with our existing South American businesses proceeded under a variety of restrictions.

* Post Merger Integration

Ask the Locals

Q&A

We asked Juan Ferreira, who has been President of Sumitomo Chemical Brazil since June 2019, and who led the PMI for the South American crop protection businesses, about the situation on site.



Juan Ferreira

Sumitomo Chemical do Brasil Representações Ltda

What difficulties did you face due to the spread of COVID-19 in the area?

Just keeping the PMI proceeding steadily was already difficult, but an integration while facing problems with physical distancing under these sorts of circumstances was even more difficult. There were any number of issues, but our biggest issue was building relationships of trust with our new stakeholders. It is essential to be close with people, particularly in South America, but the relevant people were scattered across a variety of locations in South America, Japan, and the US, and our movements were also restricted, so we had to build relationships of trust while not being able to actually meet and speak to one another, so even more effort was required.

How did you build relationships of trust despite the restrictions on movement?

We put a high value on speaking directly with one another, creating opportunities for team members to gather together, even if only through online video. In addition, we also put effort into training for the leadership team, conveying the importance of Sumitomo Chemical's culture of listening with respect to the views of our colleagues.

What do you think was the reason for your smooth progress with the PMI, despite COVID-19?

The high professionalism of our team and our commitment. It is because of COVID-19 that we worked so hard and did our best. For example, because there is a significant time difference between Japan and South America, we held any number of conversations at times that equate to early morning in Japan. For this reason, despite being separated by huge distances, everyone understood the situation at that time, and was able to fulfill their role, which meant we were able to keep over 650 PMI actions on track. In addition, I think the fact that both the former Nufarm and Sumitomo Chemical share an approach that puts the customer first is a major reason we were able to secure important customers even during this integration period between the companies.

What are your plans going forward?

The current PMI is already largely completed, and our crop protection business in South America is producing results in line with expectations. Going forward, we are working to launch INDIFLIN™, the new fungicide, locally, and to expand sales of biorationals. We have set a high sales growth target in our crop protection business in South America going forward. To achieve this, I would like our team to come together and work hard with a positive attitude, not giving in to COVID-19.



Farms in Brazil



The herbicide line at the Maracanaú production plant