

Essential Chemicals & Plastics

The Essential Chemicals & Plastics Sector has manufacturing bases in Japan, Singapore, and Saudi Arabia, and leverages the strengths of each base to manufacture polyethylene, polypropylene, methacrylate, and other products and supply them to a wide range of industries including automobiles, consumer electronics, and food.

Businesses

- Polyolefin Business**
 Polyethylene, Polypropylene
- Methyl Methacrylate (MMA) Business**
 MMA Monomer, MMA Polymer, MMA Sheet
- Licensing and Catalysts Business**



We continuously provide solutions that contribute to reducing environmental impact. In addition, we also keep supplying essential chemical products and technologies.



竹下 崇昭

Noriaki Takeshita
Representative Director & Senior Managing Executive Officer

In April 2022, the sector name was changed from Petrochemicals & Plastics Sector to Essential Chemicals & Plastics Sector. The new name of the business sector reflects the Company's strong determination to transform its business with the mission of continuing to provide essential chemical products and technologies that meet the demands of our time, which is undergoing a major transition, including the goal of achieving carbon neutrality by 2050.

Strengths of the Essential Chemicals & Plastics Sector

Our bases in Japan and Singapore develop high value-added products that anticipate customer needs and provide a stable supply of high-quality products. Our strength lies in the relationships of trust we have cultivated over the years with our blue-chip customers in the Asian market. At our Saudi Arabian base, we manufacture cost-competitive products by utilizing inexpensive raw materials and fuels.

Initiatives in FY2021

In addition to the decision to construct a new chemical recycling demonstration facility for acrylic resin, we launched the Meguri® brand of recycled plastics, and we have been working to develop technologies for material recycling and chemical recycling and to implement the results in society. In addition, Petro Rabigh in Saudi Arabia continued stable operations and achieved a record-high performance.

Future Initiatives

We will transform our business portfolio with an awareness of green transformation (GX) and develop carbon neutral technologies, including material recycling and chemical recycling, to accelerate their implementation in society. We will also work to expand our licensing and catalyst businesses and strengthen profitability. The Saudi Arabian business will continue to be a cash cow, so to speak, and we will strive to ensure stable operations.

SWOT Analysis of the Major Businesses

S

Strengths

- Global operation by leveraging the competitive advantages of the three bases in Japan, Singapore, and Saudi Arabia
- Strong relations with prominent customers in the Asian market
- Access to low-cost ethane feedstock
- Capabilities to develop high value-added products

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Weaknesses

- Relatively small business size compared to the global majors
- Dependence on naphtha, a more expensive feedstock than ethane / shale gas

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Opportunities

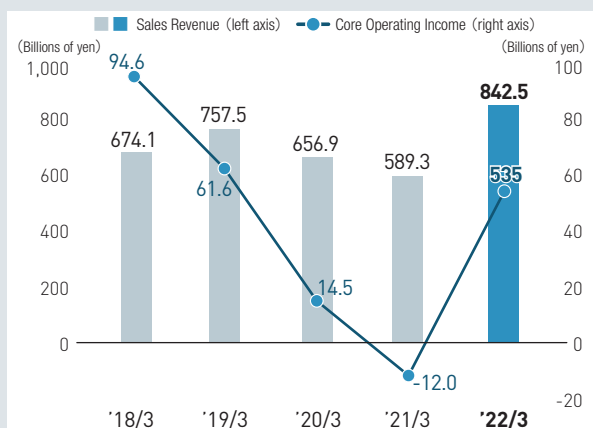
- Large and deep markets
- Steady growth in demand
- Increasing demand for chemical recycling, prompted by heightened awareness of sustainability

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Threats

- Establishment of more cost-competitive new plants
- Cyclical business environment
- Country risks

Sales Revenues and Core Operating Income



	FY2021	FY2024 Target	Change
Sales Revenues	842.5	840.0	-2.5
Core Operating Income	53.5	54.0	+0.5
Sales revenue of SSS* -designated products	116.8	126.3	+9.5

* Sumika Sustainable Solutions

Corporate Business Plan, Direction for the Business Sector

Activities aimed at becoming Carbon Neutrality

We will make various efforts to become carbon neutral including collaborations with other companies and academia.

Major Initiatives

- Expand material recycling business
- Pursue technology development in chemical recycling

→ P. 45 Contribute to resource recycling

Secure stable revenues via licensing and catalyst business

In accordance with the following three basic strategies, we aim to achieve both stable earnings and sustainable business expansion, while contributing to the realization of carbon neutrality in society.

Basic strategy

Establish stable revenue base	Expand portfolio	Brush up technology
<ul style="list-style-type: none"> ● Expand capacity to supply catalysts ● Expand opportunities to contact potential customers 	<ul style="list-style-type: none"> ● Quickly establish technologies that reduce environmental impact, expand lineup in license ● Diversify business models through operational support services 	<ul style="list-style-type: none"> ● Bolster competitiveness in processes ● Extend catalyst life and improve costs

Bolster competitiveness via unified operations with Singapore

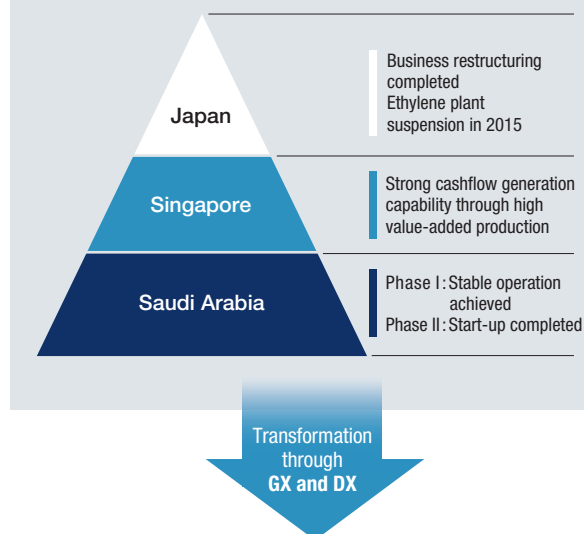
By combining the strengths of the two centers—Japan as the center of R&D and Singapore with its huge infrastructure and customer network—we will further enhance the competitiveness of each business and accelerate the social implementation of carbon neutral technology.

Major Initiatives

- Review and evolution of MMA, polyolefin business, etc.
- Implementation of Japanese carbon neutral technology using Singapore's infrastructure

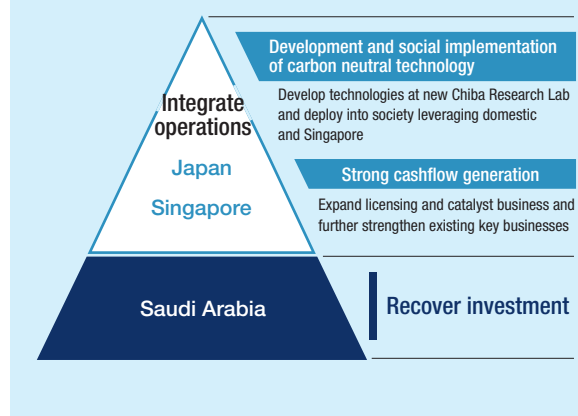
Petrochemicals & Plastics Sector

Establishment of 3 bases with distinctive features



Essential Chemicals & Plastics Sector

Advancing GX in business portfolio



Status of Global Expansion

Global Expansion Using the Strengths of Each Location

The Essential Chemicals & Plastics Sector has three major production locations: Japan, Singapore and Saudi Arabia.

Japan and Singapore

In addition to producing and selling products primarily aimed at customers in Japan, our facilities serve as centers for research and development, developing new technologies and high value-added products while also undertaking initiatives aimed at reducing environmental impact. In addition, as the core of our licensing business, our facilities in Japan also handle not only technology development, but also production, sales, and other duties relating to catalysts.

On the other hand, the Singapore base produces ethylene and propylene at PCS*1, polyethylene and polypropylene at TPC*2. Sumitomo Chemical Asia produces MMA. We have developed high value-added products and produced stable supplies of high-quality products in Singapore for many years, building extremely strong relationships of trust with customers, while creating high brand value in the Asian market.

By integrating the operation of these two bases, we will review and evolve the structure of our business including MMA, polyolefin and others. We will also utilize the Singapore base to put into practice the carbon neutral technology developed in Japan.

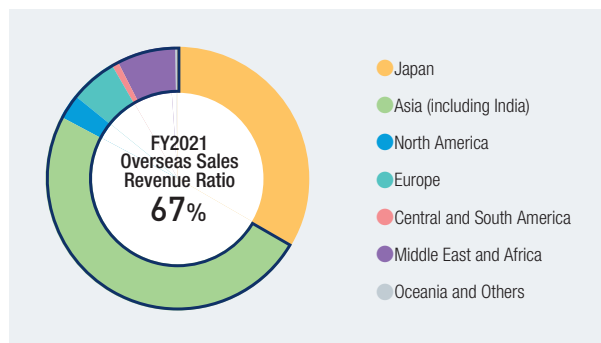
Saudi Arabia

Petro Rabigh, a joint venture with Saudi Aramco, produces all sorts of petrochemical products. The strength of the Rabigh project, as shown on the next page, is its cost advantage due to utilizing ethane. We are focusing on stable production in order to maximize this advantage.

*1 Petrochemical Corporation of Singapore (Pte.) Ltd. (affiliated company)

*2 The Polyolefin Company (Singapore) Pte. Ltd. (consolidated subsidiary)

Sales Revenue Ratio by Region



Q&A Environmental Strategy

Q : As the movement to reduce environmental impact expands, what is the strategy of the Essential Chemicals & Plastics Sector?

A : We will promote GX-conscious transformation of our business portfolio and contribute not only to our own reduction of greenhouse gas (GHG) emissions but also to society's reduction of GHG emissions through the development and commercialization of superior technologies for reducing environmental impact. In addition, we aim to generate continuous profits through licensing of these technologies and related catalyst business.

License / Catalyst

Propylene Oxide (PO)-only Process

The PO-only process, developed by Sumitomo Chemical, is the world's first successfully commercialized cumene-based PO-only production process, based on utilizing cumene recirculation. The process produces no byproducts, and when combined with a proprietary developed high-performance epoxidized catalyst, provides high yields, reduced energy costs, and high operational stability. This sort of technology license contributes to reducing environmental impact even outside of Sumitomo Chemical's factories.

Catalyst Business

Sumitomo Chemical conducts development and sales for high-performance catalysts that maximize the effects of licensed technologies and contribute to reducing environmental impact. Because these catalysts can be expected to secure stable returns in addition to reducing GHG emissions, we are focusing on expanding this business.

Technological Development

Material Recycling and Chemical Recycling

We are working to develop and commercialize material recycling technology, which turns waste plastics and other wastes back into resources that can then be used in new products, and chemical recycling technology, which chemically converts trash and waste plastics into the raw materials used for new plastics.

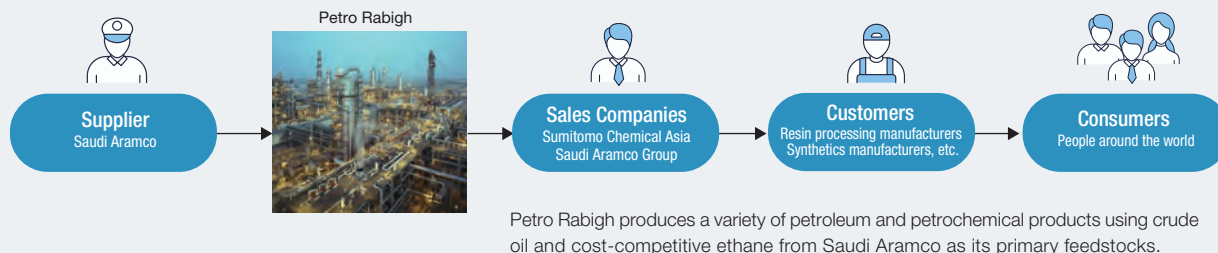
→ P. 45 Contribution to the recycling of resource

Effective Use of CO₂

Within our petrochemical complex in Singapore, we are considering combining propane dehydrogenation (PDH) technology, which produces propylene from propane, with a CO₂ fixation technology that synthesizes methanol very efficiently, using CO₂ as a raw material, alongside the hydrogen produced as a byproduct of the PDH process. If this initiative succeeds, this could be a new breakthrough that can both reduce environmental impact, by reducing the amount of CO₂ emitted from chemical plants and other facilities, and also improve economic performance by increasing the production of certain products.

Value Creation Model: Rabigh Project

Value Chain

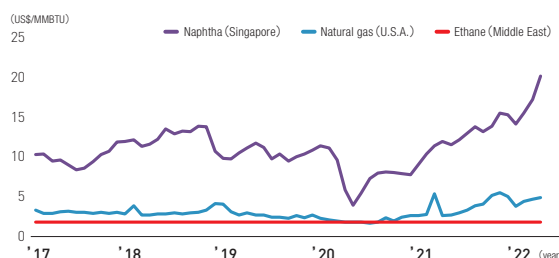


System for Providing Added Value

Competitive Advantages of Rabigh Project

Procuring ethane from Saudi Aramco as the main feedstock offers outstanding cost competitiveness, as raw material prices can be fixed at lower levels compared to competitors using naphtha as feedstock, and margins will expand as product prices increase, among other factors. In addition, it is the world's largest integrated complex, which leads to competitive advantages due to lower unit costs.

Cost Difference of Petrochemical Feedstocks



Major Processes Generating Competitive Advantages

Petro Rabigh produces a variety of petroleum and petrochemical products using crude oil supplied by Saudi Aramco and cost-competitive ethane as main raw materials. The company makes products such as PP, PE, and PO, using technology licenses from Sumitomo Chemical, which boasts world-class technology. Moreover, the local staffs' operational technique is improving by receiving training at overseas facilities, particularly in Singapore. Moreover, Sumitomo Chemical Asia, which handles sales, has facilities throughout Asia, shortening delivery times and reducing logistics costs.



Work in progress at Petro Rabigh

Providing Customer Value

Because there are risks of obstructions to procurement in the Middle East region of Asia, where logistics can be unstable, customers have a strong desire for accurate and stable product delivery. By having inventory in locations close to customers, we can meet these needs by offering sales with more reliable and shorter delivery times than competitors, securing a high level of trust. In addition, while it has the flexibility to change a certain volume of sales and customers according to market conditions in each region, by focusing more on continued sales to core customers, the company further increases the reliability of its stable supply. Through these efforts, Sumitomo Chemical Asia is working to build long-term relationships with customers.

Added Value Provided to Society



Contributing to Reducing Environmental Impact by Using Cutting-edge Technology in Plants

Petro Rabigh uses the breakthrough, environmentally friendly PO-only process to produce PO, which, compared with conventional production processes, reduces CO₂ emissions by 300 thousand tons of CO₂ for an annual production volume of 200 thousand tons of PO. We not only produce stable supplies of a product essential for society, we also use energy and resources efficiently throughout the plant with this sort of cutting-edge technology, thereby contributing to reducing environmental impact.

Energy & Functional Materials

The Energy & Functional Materials Sector sells high-performance materials, such as battery materials and super engineering plastics, and provides solutions to improve the performance of eco-friendly products, such as environmentally friendly vehicles.

Businesses

- Advanced Polymers Business**
Liquid crystal polymers (LCP), Polyether sulfone (PES)
- Specialty Chemical Business**
Resorcinol, Plastic additives, Emulsions
- Inorganic Materials Business**
High-purity alumina, Low soda alumina, Aluminum hydroxide, High-purity aluminum
- Battery Materials Business**
Battery Separators, Cathode materials



We will accelerate R&D that meets the needs of the times and contribute to solving environmental and energy issues through innovative technologies.



赤堀金吾

Kingo Akahori
Representative Director & Senior Managing Executive Officer

Strengths of the Energy & Functional Materials Sector

As seen in our products that maintain the world's top market share, such as high-purity alumina and resorcinol, and separators for lithium-ion secondary batteries with the world's highest level of heat resistance, we believe that our strengths are our product lineup that meets diversifying customer needs and our R&D, evaluation, manufacturing and process technologies that create these product lines.

Initiatives in FY 2021

With regard to LCP, we have decided to increase production capacity at our Ehime Works in order to promptly improve the current tight supply-demand situation worldwide. In addition, we have decided to withdraw from the EPDM (ethylene-propylene-non-conjugated diene rubber) business, as we have judged that it will be difficult to secure stable earnings over the medium- to long-term.

Future Initiatives

Concentrate our resources on growth businesses such as battery materials and super engineering plastics. In separators for lithium-ion secondary batteries, we will respond to diversifying customer needs by leveraging our strengths such as high-level safety and long life. In cathodes, we aim to develop a high-productivity calcination process and send them into the market. On the other hand, we will determine directions for low-profit businesses, including cutback and withdrawal. In the next-generation business, we will develop new technologies for solid-state batteries, direct recycling of cathodes, and separation membranes.

SWOT Analysis of the Major Businesses

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Strengths

- Superior product performance using differentiated technologies
- Reliability of products proved in use by customers

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Weaknesses

- Relatively small business
- Cost competitiveness

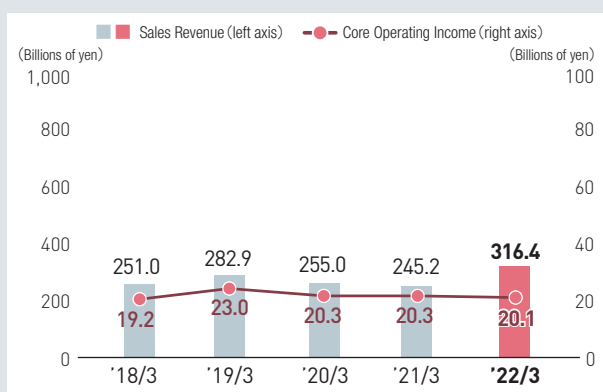
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Opportunities

- Sophistication of performance requirements against the backdrop of increasing battery capacity
- Expansion of the environment- and energy-related markets

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Threats

- Market decline due to change in EV promotion policies
- Paradigm shift in secondary batteries

Sales Revenues and Core Operating Income



	FY2021	FY2024 Target	Change
Sales Revenues	316.4	390.0	+73.6
Core Operating Income	20.1	31.0	+10.9
Sales revenue of SSS* -designated products	52.7	75.0	+22.3

* Sumika Sustainable Solutions

Corporate Business Plan, Direction for the Business Sector

Concentrate investments and expand business in growth areas

Battery materials

Separators: Development, increase in production capacity and sales expansion in accordance with advances in battery capacity

Demand for lithium-ion secondary batteries is expected to continue to grow, especially for automotive applications. We will respond to the rapidly expanding EV society with our accumulated technologies and promote further expansion of our separator business by increasing our production capacity to meet customer demand.

Our Initiatives

- Increase production capacity to meet the increasing demand for automotive, expand sales to new customers and pursue cost rationalization.
- Focus on expanding sales for consumer use like home appliances, electrically power assisted bicycles.

Cathodes: Expand sales of precursors, establish calcination technology and commercialize

By establishing our proprietary high-productivity calcination process, we aim to enter the market for high nickel-content cathodes, which is expected to grow in the future.

Our Initiatives

- Launch validation equipment on schedule and acquire customer certification
- Develop cobalt-free cathodes to help achieve a sustainable society

Super engineering plastics (LCP)

Expand business with increased production capacity. Expand sales into automotive and 5G high-speed telecommunications connector

With the shift to EVs, engine parts are decreasing while onboard connectors and EV motor peripheral parts are increasing. In addition, as 5G goes into full swing, demand for LCPs that match the required characteristics is expected to increase. We will develop a production regime to meet such robust demand and focus on expanding sales in growth fields.

Decision to increase capacity by January 2022:

Approx.
9,000 tons
at present

30%
expansion
in 2023

Our Initiatives

- Considering further increase in production capacity
- Respond to automotive demand and expand sales of 5G high-speed telecommunication connectors

Decide direction for low-profit business

While giving maximum consideration to the impact on stakeholders, we will downsize or withdraw from businesses that we judge to be unprofitable in the future due to changes in the business environment and other factors, in an effort to improve the business portfolio.

Projects for which decisions have already been made

- September 2021: Decided to withdraw from the EPDM business
- May 2022: Decided to withdraw from the dyestuffs business

Develop next generation business

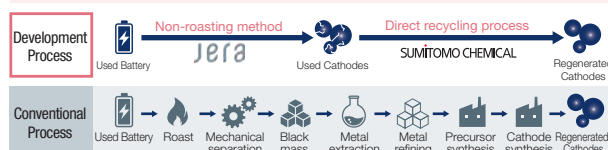
Develop new technologies such as solid-state batteries and cathodes direct recycling

Solid-state batteries

Compared to current lithium-ion secondary batteries, solid-state batteries are safer and are expected to become the next generation of batteries. We aim to develop solid-state battery materials by 2023 in collaboration with Kyoto University.

Cathodes direct recycling

Recycling technology that regenerates cathodes collected from used lithium-ion secondary batteries without returning it to metal. JERA Co. and we were selected for NEDO's "Green Innovation Fund Project: Development of Next-Generation Storage Batteries and Next-Generation Motors". Both companies will promote development of the recycling technology and social implementation.



Status of Global Expansion

Expanding our Business to Quickly Meet Customer Needs

In the Energy & Functional Materials Sector, Sumitomo Chemical has marketing functions in local group companies such as Sumika Electronic Materials (Shanghai) Co., Ltd. and Sumitomo Chemical Europe S.A./N.V., for efficient sales activities with a technical suggestion in order to promptly respond to the needs of overseas customers. For example, one of the sector's core businesses is super engineering plastics, for which over half of shipments are to China and other overseas customers. Using our molecular design technology and design support technology which leverages the characteristic of materials, we propose solutions that meet customer needs. In the future, we are considering further strengthening such overseas sales organization, including through alliances with other companies.



Super engineering plastics

Strategy and Areas of Focus for Global Expansion

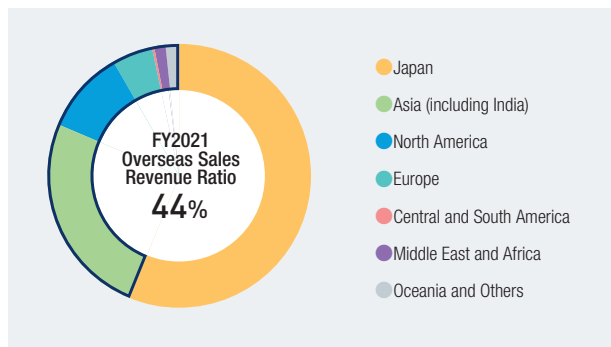
LCP

- Develop a value chain in Europe and the US
- Maintain and expand our share of the connector market, primarily in China

PES

- Expand share in artificial dialysis membrane applications, primarily in Asia and the US
- Expand use in high-performance membrane applications, such as for pharmaceutical companies

Sales Revenue Ratio by Region



Q&A Future Developments in Separators

Q : What kind of future developments are you thinking about for the separator business?

A : Because of the impact of stricter environmental regulations in countries, the scale of the market for environmentally friendly vehicles is projected to expand to sales of over 40 million vehicles in 2030, and demand for separators will expand accordingly.

There are two main issues to address for environmentally friendly vehicles to become widespread. The first is cruising distance, and lithium-ion secondary batteries are continuing to evolve, primarily with expanded capacity. Under such situations, the requested characteristics of separators are being further raised, and there is an increasingly broad scope for leveraging the superiority of aramid coatings. The other major issue is

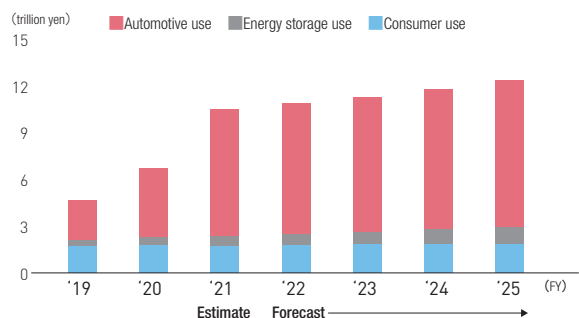
cost, and there is a need to significantly reduce the price of lithium-ion secondary batteries, which account for over half a vehicle's cost. There is also a strong demand to reduce the cost of separators, and competition is becoming more severe with the emergence of Chinese manufacturers. Accordingly, we are rethinking the materials used and the manufacturing process in order to significantly reduce costs.

In addition to these initiatives, in order to meet a dramatic expansion in future customer demand, we are quickly expanding our production capacity and promoting an expansion of our separator business.



Separators

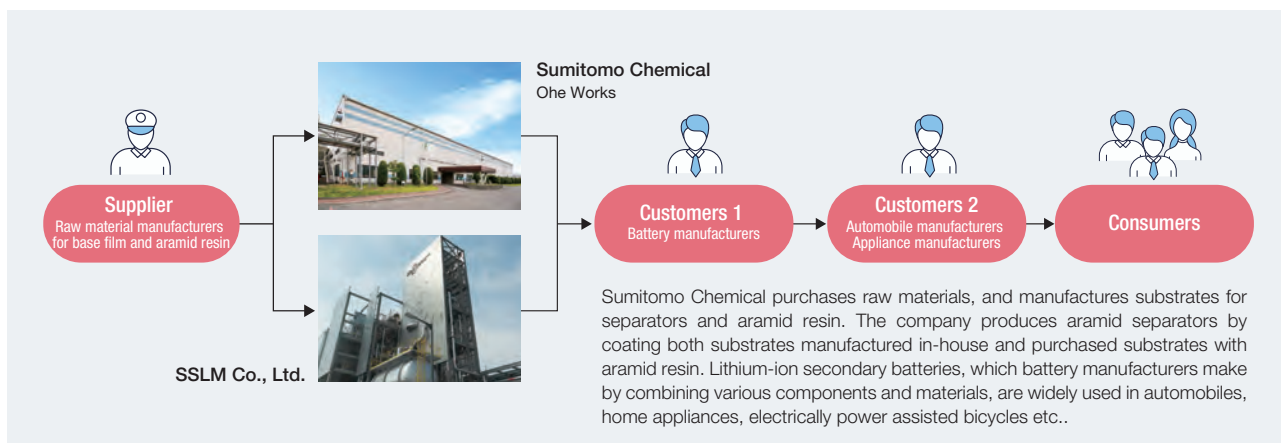
Market Forecast for Lithium-ion Secondary Batteries



(Note) Automotive use: EV/HEV/PHEV applications; Energy storage use: Uninterruptable power supplies and base transfer stations; Consumer use: Small-scale consumer applications
 (Source) Fuji Keizai Co., "General Survey of Battery-related Market Conditions – Battery Cells Market," 2022 edition

Value Creation Model: Separators

Value Chain



System for Providing Added Value

Sumitomo Chemical's Competitive Advantages

The use of coated separators has become mainstream for lithium-ion secondary batteries. Among separator coatings, there are mainly ceramic coatings and aramid coatings, and almost all producers of separators are making ceramic coating separators. Compared to other companies' products, our aramid coating separators were used earlier in automobiles, and they have a track record for many years as high-quality and high-performance separators. Besides, they have superior safety (heat resistance), and they have been made lighter, weighing just kilograms for each electric vehicle, delivering customers added value that is different from other companies. In order to further strengthen the superiority of our aramid separator, we are conducting research to enhance the strength of the separators and reduce their thickness.

Major Processes Generating Competitive Advantages

We are not only conducting research and development of separators but also working on improving productivity. We are capable of applying a uniform aramid coating with industry-leading speed, while maintaining high quality. Productivity at the plant of SSLM in South Korea has tripled since 2015 due to factors such as more advanced techniques, accumulated experience, and improvements in coating equipment. We expect further productivity improvement in the future.

Providing Customer Value

Customers and consumers need EVs and other environmentally friendly vehicles with a long cruising range, and for that type of environmentally friendly vehicle, it is essential to implement high-quality, high-performance batteries. Our direct customers, the battery manufacturers, seek to manufacture batteries that provide that performance at the lowest possible cost. For that reason, we provide high-safety (heat resistant) separators, and we are working to improve productivity to be able to provide products with superior cost competitiveness. We also periodically communicate with customers to hear what new needs they have, and then work to develop products that can meet those needs.



Added Value Provided to Society



Contributing to Realize a Sustainable Society through the Separator Business

With more rigorous environmental regulations being put in place all over the world, the shift to environmentally friendly vehicles like EV is accelerating. Environmentally friendly vehicles loaded with lithium-ion secondary batteries can reduce CO₂ emission while driving as compared with gasoline cars. Separators are essential components in creating highly safe lithium-ion secondary batteries, and are indispensable for environmentally friendly vehicles to gain ground. Sumitomo Chemical contributes to realize a sustainable society through its separator business.

IT-related Chemicals

The IT-related Chemicals Sector contributes to improving the performance and productivity of semiconductors and displays by providing highly functional display-related materials and high quality semiconductor materials.

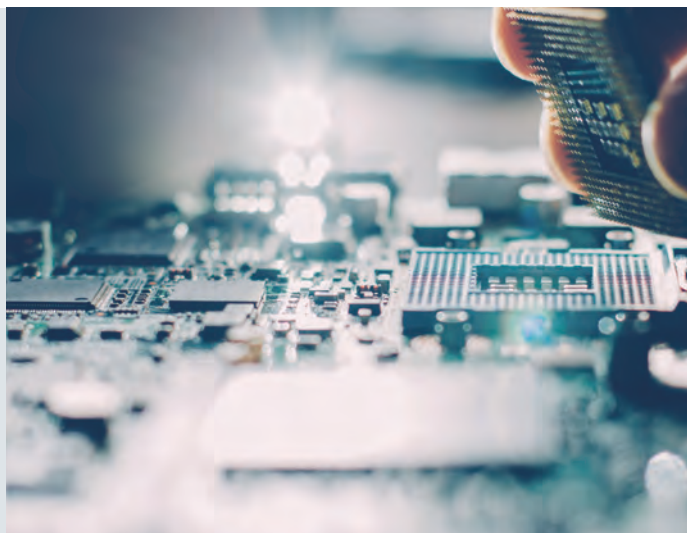
Businesses

Display-related Materials Business

Polarizing films, Color resists, Touch-sensor panels, Polymer light-emitting materials, etc.

Semiconductor Materials Business

Photoresists, Processing chemicals for semiconductors, Compound semiconductors, Aluminum targets, etc.



Deliver new value that responds to the growth in the ICT industry by combining our material development capabilities with our optimization technology.



松井 正樹

Masaki Matsui
Representative Director & Senior Managing Executive Officer

Strengths of the IT-related Chemicals Sector

We have been working to build a market oriented global supply chain, utilizing it to develop and supply products. In addition to this development and supply system, we are able to provide high value-added products by combining multiple materials and technologies that only an integrated chemical manufacturer can offer. Another of our strengths is our ability to develop products in borderline areas by making full use of the know-how we have accumulated through our technologies and quality response in both the display and semiconductor fields.

FY2021 Business Performance and Results of Initiatives

In FY2021, we achieved record-high profits, supported by the recent efforts to enhance the value-added display-related materials business and to strengthen the supply system in the semiconductor materials business, as well as by stay-at-home demand and the robust semiconductor market. In the display-related materials business, we promoted the enhancement of competitiveness, including supply chain optimization. In addition, we decided to strengthen our global supply system for photoresists and high-purity chemicals for semiconductors in order to allocate business resources to areas where future growth can be expected.

Future Initiatives

In the display-related materials business, we will work to develop and launch materials for next-generation displays while further increasing the ratio of high-value-added products, such as materials for OLED displays, which utilize our core technologies. In the semiconductor-related materials business, we will develop and expand sales of advanced materials for silicon semiconductors that respond to customers' process innovation, while steadily capturing growing demand. For compound semiconductors, we aim to commercialize next-generation power device materials that contribute to solving social issues such as energy saving. In terms of new business development, we will focus on the development of materials for next-generation high-speed communications and high-sensitivity image sensors, while actively collaborating with external parties.

SWOT Analysis of the Major Businesses

S

Strengths

- Offering a wide range of display-related materials
- Global supply chains ever established on market oriented
- Providing high value-added products by combining multiple materials and technologies
- Product development capabilities in the boundary area of displays and semiconductors

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Weaknesses

- Heavy reliance on some specific products

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Opportunities

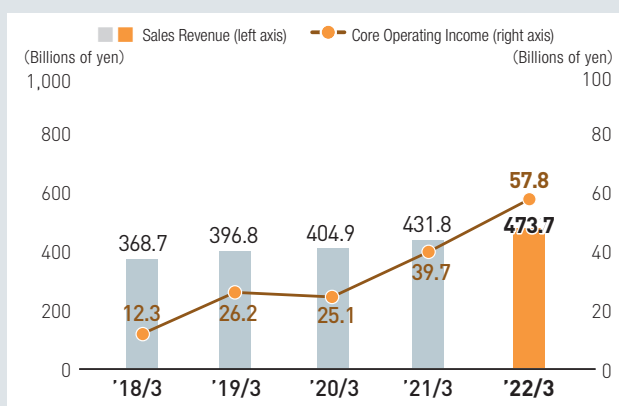
- Fast-growing OLED displays market
- Expanding semiconductor market due to full-scale spread of 5G, the shift to electric vehicles, growth of the metaverse market, and the advance of digital transformation

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Threats

- Intensifying competition in the matured LCD market

Sales Revenues and Core Operating Income



	FY2021	FY2024 Target	Change
Sales Revenues	473.7	560.0	+86.3
Core Operating Income	57.8	58.0	+0.2
Sales revenue of SSS* -designated products	262.3	276.1	+13.8

* Sumika Sustainable Solutions

Corporate Business Plan, Direction for the Business Sector

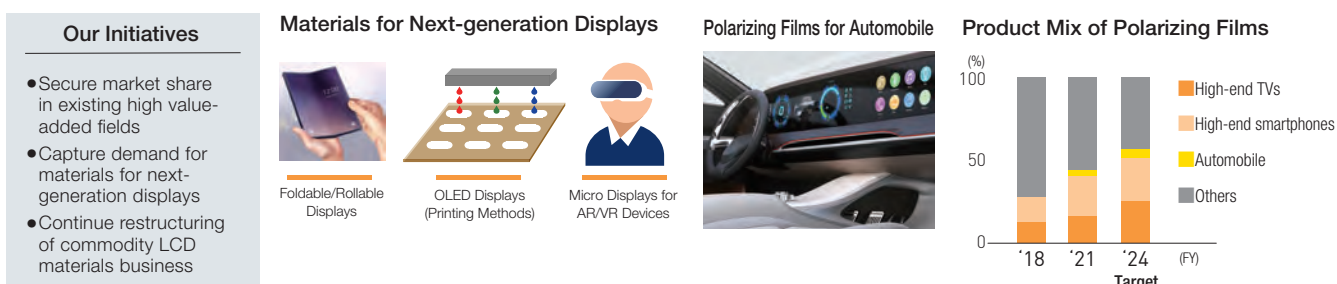
Basic Policy

We create new core technologies and products by adding our unique wisdom, technology, experience, and network to existing core technologies.

Policies by Business Area

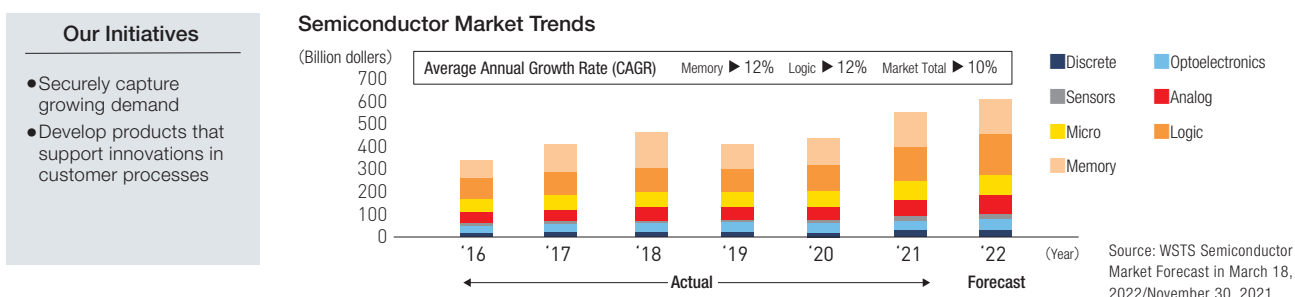
Display-related materials: Maintain competitive advantage by leveraging our own core technologies

Focus on materials for high-end TVs, OLED smartphones, automotive and next-generation displays by differentiating technologies and quality.



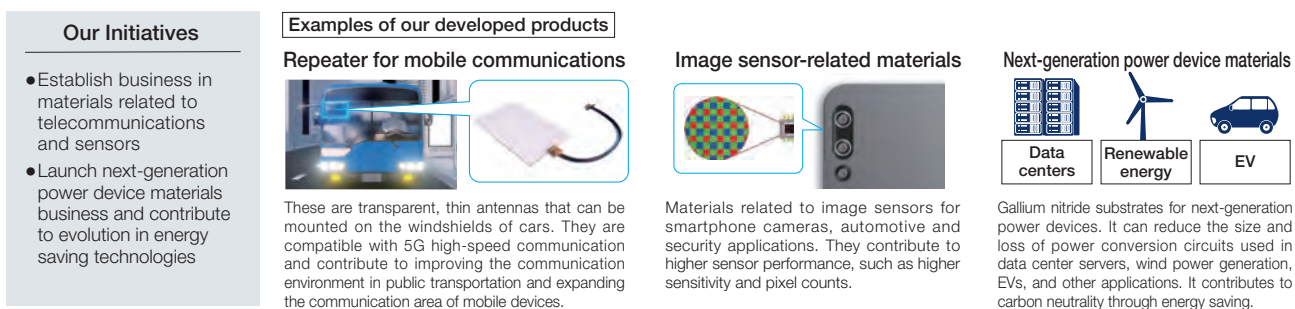
Silicon semiconductor materials: Capturing business opportunities in response to market expansion

We will ensure to capture the demand that is expected to steadily expand for the coming several years in the context of increasing CAPEX of data centers to accommodate DX, full-fledged deployment of 5G communications, and electrification/autonomous driving.



New businesses: Creation of new businesses for the next generation

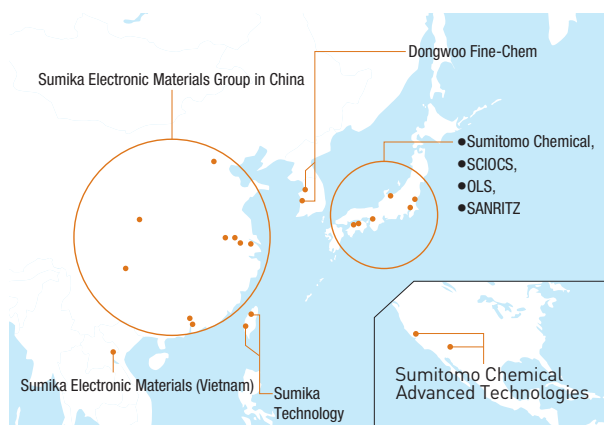
We aim to establish the third business by the late 2020s, following the display-related materials business and the silicon semiconductor materials business.



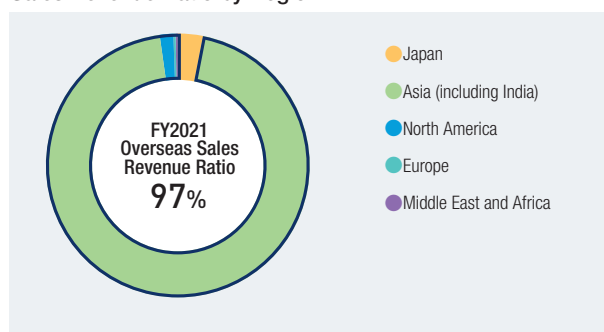
Status of Global Expansion

Building a Market Oriented Supply Chain

We have worked to build a market oriented global supply chain, building good relationships with customers by establishing our production facilities close to customer manufacturing facilities, comprehending their needs and developing/supplying products as quickly as possible. Specifically, the Sumika Electronic Materials Group in China has many facilities, which conduct their businesses in such a way as to respond to the needs of their respective customers. In recent years, we have strengthened local production capabilities, by taking measures such as converting XUYOU Electronic Materials (Wuxi) into a subsidiary in 2018, expanding production facilities for polarizing films, and expanding production capacity for processing chemicals for semiconductors in Xi'an and Changzhou. These achievements have become one of our company's strengths. As a result of building a business network centered in East Asia, the global center of display and semiconductor production, our sector has ever increased its sales income from outside Japan year by year. Within Japan, in addition to manufacturing display materials mainly at the Ohe Works and semiconductor materials mainly at the Osaka Works, we have also worked to strengthen our businesses in these fields, which are expected to grow going forward, for example, by establishing SCIOCS after acquisition of Hitachi Metals' compound semiconductor material business in 2015, or converting SANRITZ into a subsidiary in 2019, which has a competitive advantage in polarizing films for automobile use.



Sales Revenue Ratio by Region



Q&A Meeting the Demand for Semiconductors

Q: What specific actions are you taking to reliably capture demand for semiconductor materials?

A: In the semiconductor market, demand is expected to grow for cutting-edge semiconductors going forward, due to background factors such as the evolution of artificial intelligence (AI) technology and the full-scale commercialization of next-generation communication systems (5G). With the expectation that EUV lithographic exposure, a new type of light source, will become dominant in this field, there will be demand for photoresists suited for even greater miniaturization in pattern formation.

Our Strengths

We have established excellent product design and evaluation techniques based on the organic synthesis technologies cultivated in our various fine chemical businesses, and we have ever expanded our business by utilizing our ability to respond to our customers quickly, which was realized on the basis of the concentration of manufacturing, research, and sales functions, primarily in our Osaka Works. In particular, we have a high global market share in photoresists for immersion ArF lithographic exposure, which is mainly used in the formation processes of miniaturized circuits, due to our performance advantages and reliability in quality. In addition, we not

only expect to increase shipments of photoresists for EUV lithographic exposure, to align with the mass production schedule of major customers that have decided to adopt our products, we are also continuing development of new EUV photoresists to accommodate even greater miniaturization needs for securing future orders.

Specific Actions:

In FY2019, we completed a new plant for cutting-edge photoresists, which began operations in FY2020. In addition, in order to strengthen our semiconductor photoresist development and evaluation structures to handle cutting-edge processes, we decided to build a new facility at the Osaka Works, which is scheduled to start operation in FY2022. We will continue to strengthen our global production system for semiconductor photoresists for cutting-edge processes. Due to factors such as the ever increasing speed and volume of data transmission, the semiconductor market is expected to continue to grow going forward. Because we forecast that our production capacity will be strained by around 2025, we are considering further improving our business systems in view of long-term demand.

Aiming for Dramatic Business Expansion

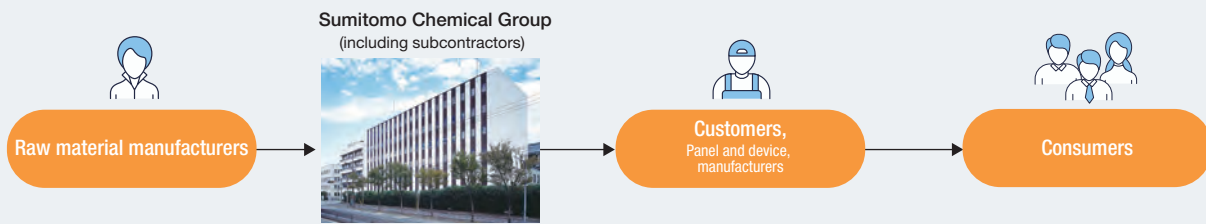
Semiconductor Business Sales Revenue: 1.5 times* by the Mid-2020s

(Including photoresists, processing chemicals for semiconductors, and compound semiconductors) *

*Compared to results for FY2021

Value Creation Model: Materials for OLED/Next-generation Displays

Value Chain



Materials for OLED Displays Currently on the Market

We manufacture liquid crystal coated-type retardation film based on proprietary technology, process it into the final product, circularly polarizing film, and ship it to customers. In addition, we supply circularly polarizing films and display cover materials that have outstanding folding durability for flexible OLED displays.

Materials for OLED/Next-generation Displays in Development

We are working to develop materials for OLED displays (printing methods) and micro displays for AR/VR devices to meet customer needs.

System for Providing Added Value

Sumitomo Chemical's Competitive Advantages

Our unique strength is in the liquid crystal material used in circularly polarizing film for OLED displays. Our circularly polarizing film which incorporates the optical film made from this liquid crystal material, developed in-house, offers outstanding functionality to display real blacks by limiting reflections of ambient lights such as sunlight or indoor lighting on displays and constant color no matter what angle they are viewed from. For this reason, they contribute to the creation of OLED displays with extremely high image quality.



Major Processes Generating Competitive Advantages

In order to develop retardation and polarizing functions using liquid crystal materials, the liquid crystal molecules must be systematically oriented in a specific direction. We are working to develop molecular designs that will achieve this sort of optical performance. Moreover, we are also manufacturing liquid crystal materials in-house, and optimizing optical designs for circularly polarizing film suitable for the various OLED displays of TVs and smartphones.



Providing Customer Value

Customers are highly interested in creating next-generation displays. The level of development demand is high. To reach the level of development requirements from our customers, we are proposing high-functionality materials, for flexible OLED displays, multi-functional flexible materials that realize foldable and even rollable displays, for large-sized OLED displays, polymer light emitting materials that will lead to improved display quality and lower production costs, and even for ultra-small, ultra-fine next-generation displays applicable for AR/VR/MR glasses, color conversion materials that will enhance the optical characteristics of them through quantum dots or color photoresists technologies.



Added Value Provided to Society



Creating More Abundant and Convenient Daily Lives for People

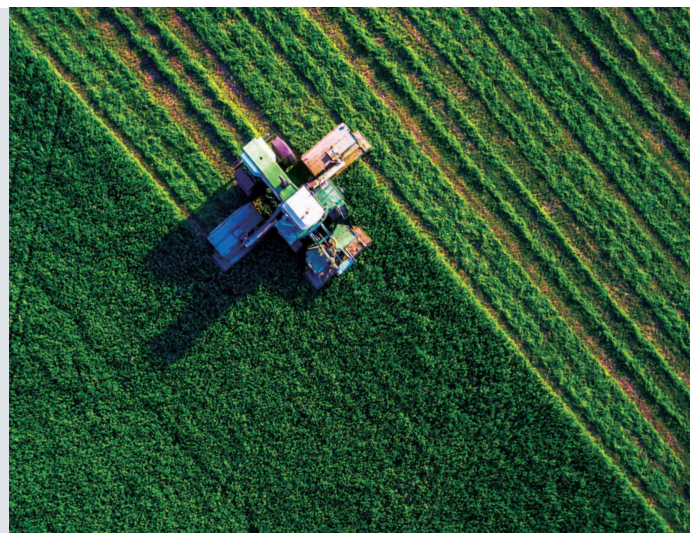
Displays are the interfaces between people and ICT, and will continue to evolve alongside changes in people's lifestyles and the progress in communications technology, part of the infrastructure of society. In addition to displays that provide even better portability or even more realistic viewing experiences, new displays, which are indispensable for technologies such as mixed reality, are being developed actively and these technologies even might change the nature of peoples' experiences. By developing and producing materials and components for OLED displays and next-generation displays, Sumitomo Chemical is contributing to the creation of new items that have never existed before, and thereby creating more abundant and more convenient daily lives for everyone.

Health & Crop Sciences

The Health & Crop Sciences Sector contributes to improving food productivity and promoting people's health by providing distinctive agrochemicals, agricultural materials, methionine, active pharmaceutical ingredients, and other products on a global scale.

Businesses

- Agrosolutions Business**
Crop protection chemicals, Biorationals, Fertilizers, Rice, etc.
- Environmental Health Business**
Household pesticides, Disease control insecticides, Products for controlling tropical diseases, Veterinary drugs, etc.
- Feed Additives Business**
Methionine
- Pharmaceutical Chemicals Business**
Active pharmaceutical ingredients for small molecule drugs, Nucleic acid medicine, etc.



Based on our own research and development capabilities, we contribute to solving the world's food, health, hygiene and environmental problems.



水戸 信彰

Nobuaki Mito
Representative Director & Senior Managing Executive Officer

Strengths of the Health & Crop Sciences Sector

We globally distribute not only excellent crop protection chemicals developed in-house, but also unique crop protection and enhancement products such as biorationals and post-harvest with high market shares. The strength of our crop protection business is in our lineup of unique products and the research and development capability that created it, as well as our global sales network. Moreover, in our methionine business, Sumitomo Chemical offers a stable supply, with integrated production from raw materials using advanced production technology.

Initiatives in FY2021

In South America and India, where we made major strategic investments, we focused on maximizing integration synergies. In addition, we established the world's first* technology for producing guide RNA (gRNA) on a large scale with extremely high purity of approximately 90% for genome editing therapy, and decided to build a new plant for manufacturing nucleic acid drug substances at our Oita Works.

*Referring to a technology to produce gRNA with a high purity of approximately 90% on a large scale. (Based on the results of an internal survey)

Future Initiatives

We will differentiate ourselves from our competitors by leveraging our strengths in environmentally friendly products such as biorational and botanicals. In chemical crop protections, we will focus on maximizing sales of new large-scale products such as Indiflin® (a fungicide for soybean rust), while developing and launching products with more emphasis on reducing environmental impact. In addition, we will strengthen our supply chain, which has expanded through business acquisitions in South America, and aim to improve capital efficiency by steadily recovering the results of our investments. In R&D, we will invest resources with emphasis on business areas where we have strengths and actively utilize open innovation.

SWOT Analysis of the Major Businesses

S
Strengths

- Excellent research and development capabilities and the robust development pipeline of crop protection chemicals and the biorationals
- Differentiated technologies and products in niche areas
- Products with high market share
- Alliances with multinational crop protection companies
- Offering total solutions

W
Weaknesses

- Relatively small business size compared to the competing majors

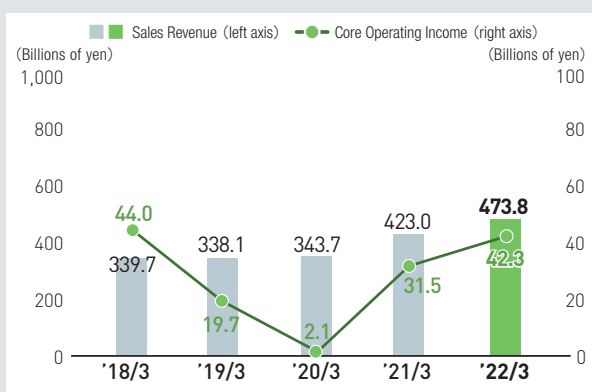
O
Opportunities

- Increasing food demand due to the growing global population
- Growing agriculture-related businesses
- Increased demand in fields related to or downstream of the environmental health business
- Accelerating growth of the biorationals market due to intensifying regulation of crop protection chemicals

T
Threats

- Intensifying regulation of crop protection chemicals
- Increased competition with off-patent crop protection chemicals
- Full-scale entry into the field of biorationals by multinational crop protection companies

Sales Revenues and Core Operating Income



	FY2021	FY2024 Target	Change
Sales Revenues	473.8	590.0	+116.2
Core Operating Income	42.3	84.0	+41.7
Sales revenue of SSS*-designated products	189.2	185.5	-3.8

* Sumika Sustainable Solutions

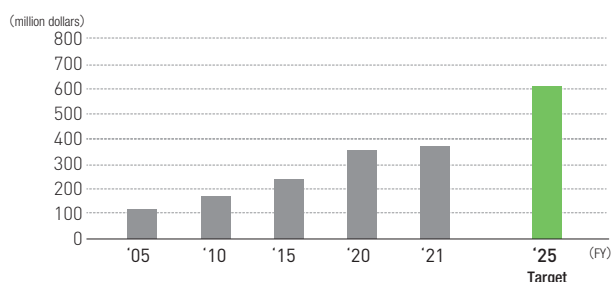
Corporate Business Plan, Direction for the Business Sector

Business portfolio reforms aimed at strengthening a group of sustainable products

We will differentiate ourselves from our competitors by leveraging our technologies and product lines in areas where we have strengths, such as biorational and botanicals, including microbial crop protection products, plant growth regulators, rhizosphere microbials. We will also promote the development and marketing of chemical crop protection with a stronger awareness of the need to contribute to the reduction of environmental impact.

Biorational Sales*

With a high market growth rate of 10-15% per year, sales are expanding year after year.



*Total for rhizosphere microbials, plant growth regulators, microbial crop protection products, and botanical pesticides

Supporting No-Till Farming With Chemical Crop Protection

What is no-till farming?

- A method of cultivating the next crop without tilling the soil before sowing, leaving the dead leaves and stubble of the crop on the farmland.
- In addition to soil conservation, this method is attracting attention as an agricultural method with low environmental impact because it suppresses GHG emissions from plowing and GHG emissions and emissions from decomposition of organic matter in the soil.

Our new herbicide, Rapidicil®, with performance suitable for no-till farming

Compared to existing herbicides, it is fast-acting and effective against a wide variety of weeds, making it ideal as a pre-planting herbicide for weed-infested no-till fields.

Advances and efficiencies in R&D

We will narrow down our focus areas and concentrate our resources in areas where we have strengths, while actively utilizing open innovation.

Partners in the Food Field

Ginkgo Bioworks (synthetic biology), Nuritas (development of bioactive peptide for improving animal health and performance), Danforth (development of carbon negative technology), Nufarm (joint development of mixture products), Bayer (development of next-generation weed control system), etc.

Partners in the Healthcare Field

IVCC (development of innovative products and technologies for mosquitoes that transmit malaria and other vector-borne diseases), etc.

Secure returns on investments already made

We will work to ensure the recovery of investments made, and aim to achieve ROIC that exceeds the cost of capital as soon as possible.

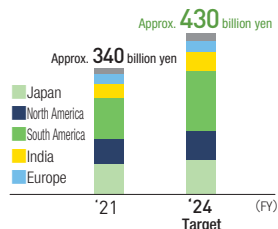
Agrosolutions Business in South America

August 2020: Start of integrated operation of four acquired Nufarm South American subsidiaries and our existing affiliates in South America

May 2022: Launch of Excalia Max®, a fungicide for soybeans containing the new active ingredient Indiflirin® in Brazil



Sales revenue target for crop protection business (excluding environmental health business)



Strengthen global supply chain

To maximize profits from our expanded global footprint, we will strengthen our supply chain to ensure consistent product quality and security of supply.

Roll out Integrated Business Planning (IBP) framework



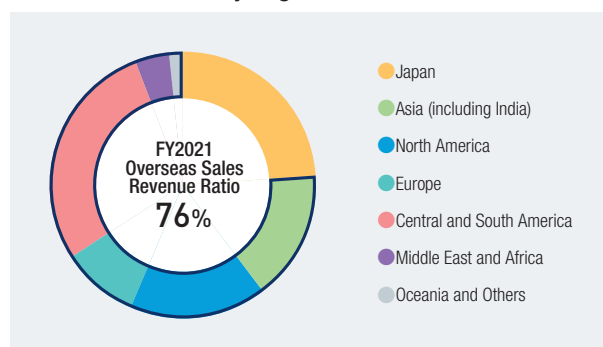
- Realize speedy decision-making based on financial information based on real-time information sharing and integrated management across the entire supply chain of production, sales, purchasing, and logistics.
- Expanding globally following South America

Status of Global Expansion

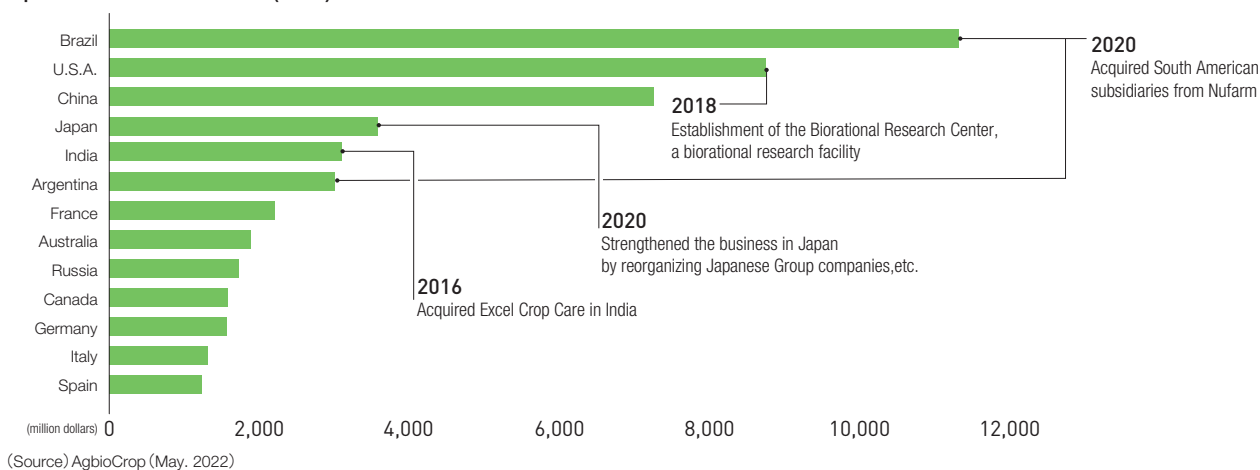
The global expansion of our crop protection business began in the early 1960s when we started exporting the pesticide Sumithion to North America. Since then, following on from the establishment of Valent U.S.A. in 1988, we have been building up research, production, and sales facilities around the globe. Because climate and crops vary widely depending on the region, we have built a system that enables us to develop products suited for a particular region, and to respond quickly to the needs of the region.

We have been expanding our facilities in the world's major crop protection markets, including the U.S.A. and Europe, Asia, and South America, and of the countries with the six largest crop protection markets around the world, we are currently securing or strengthening our sales capabilities in five of them.

Sales Revenue Ratio by Region



Crop Protection Market Size (2021)



Q&A Ranking among the Leading Global Players

Q : In recent years, the multinational crop protection companies have undergone a consolidation, and the gap between the scale of Sumitomo Chemical's crop protection business and that of the major companies is widening, so how do you plan to compete going forward?

A : With the mergers of Dow and DuPont in 2017 and Bayer and Monsanto in 2018, two major players were born. At the moment, however, we have no plans to emulate them and merge with another company. We will employ the following three strategies to secure a place among our global competitors.

Compete on Our Research and Development Capabilities

Living things will inevitably develop resistances to crop protection products over the course of time. For this reason, it is necessary to continuously develop new crop protection products, and research and development capabilities are extremely important to achieve this. The number of patents we hold compares favorably with those of multinational crop protection companies, and we intend to compete going forward as a crop protection company based on our research and development capabilities.

P. 53 → Investors' Handbook 2022

Compete on Our Extensive Global Footprint

Up until a few years ago, our global footprint did not measure up when compared with the major players, who have the ability to deliver products to all sorts of regions around the world. In recent years, however, in addition to our acquisition of Excel Crop Care in 2016, we also acquired the South American business of Nufarm in 2020, among other initiatives, making steady progress in our efforts to strengthen our global footprint. In addition, we are not only selling the crop protection products we have developed using our own global footprint, we are also selling them as part of pest control systems

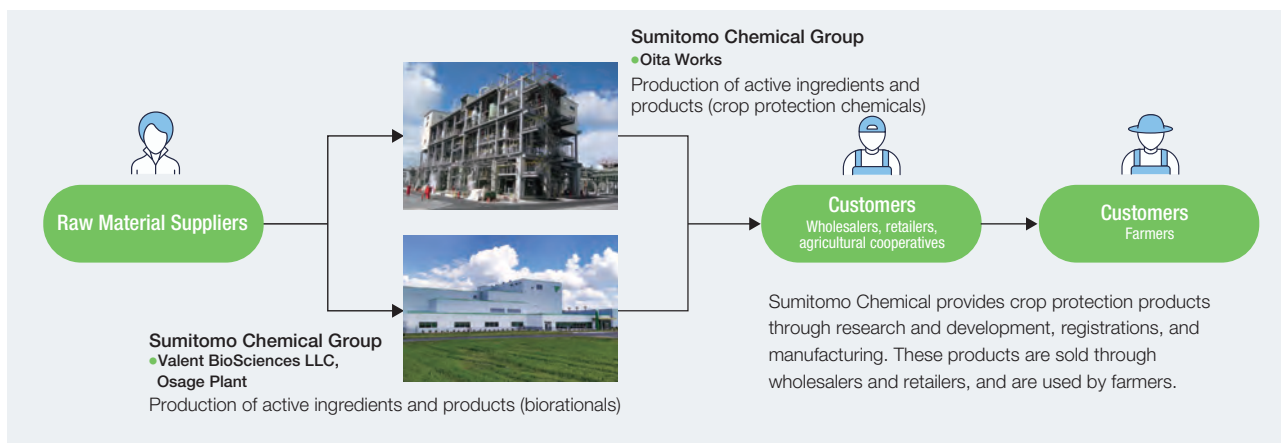
offered by multinational crop protection companies, enabling us to access an even broader range of regions.

Compete on the Twin Pillars of Biorationals and Crop Protection Chemicals

The mergers of the multinational players seems to have been primarily aimed at strengthening their lineups of crop protection chemicals and genetically modified crop seeds, but we have no intention of entering the field of genetically modified crop seeds because the field requires large-scale investment, and is the main battleground of multinational crop protection companies. We will utilize our unique research and development capabilities in the fields of crop protection chemicals and in the biorationals market, where we are the world leader, competing with a distinctive product lineup as our edge. The growth of the market for biorationals is expected to accelerate going forward, and we foresee that the multinational crop protection companies will also enter this market in full force, and competition will escalate. We are focusing on strengthening our business even further in this field, securing our position as the leading company.

Value Creation Model: Global Agrosolutions Business

Value Chain



System for Providing Added Value

Sumitomo Chemical's Competitive Advantages

There are many players in the global crop protection market, from multinational companies based mostly in the U.S.A. and Europe to comparatively small ones. Crop Protection products differ significantly in needs by region and crops. Sumitomo Chemical pursues unique positioning in various markets around the world, by using its product portfolio consisting of chemical and biorational products for crop protection and enhancement. We are undertaking new solution development from a long-term perspective, from the discovery of novel lead compounds to the product development for end-users, and the proprietary products and technologies derived from this process are the foundation of our competitive advantage.



Health & Crop Sciences Research Laboratory

Major Processes Generating Competitive Advantages

In the discovery stage, which is important in developing new solutions, we search for active ingredients for new crop protection products. In this process, we evaluate not only a compound's efficacy but also its safety for people and the environment. We utilize our global research and development network so as to develop new solutions as soon as possible. In addition, in the product development for end-users, we are also putting effort into product development for new formulations and applications to add more value on existing active ingredients.



The technical guidance of biorationals

Providing Customer Value

Farmers use crop protection products as they hope to improve the quality and yield of their agricultural crops. In addition, they also expect to make farming work more efficient, and improve profitability. At the same time, they also pursue safety and reliability of crops, hoping that the crop protection products will not harm either their health or that of the consumers of the agricultural products. For this reason, we provide unique, highly effective products that meet customer needs. By creating solutions that reflect the needs of each region or crop, we contribute to the creation of new sustainable agricultural techniques.

Added Value Provided to Society



Contributing to a Stable Food Supply by Improving Food Productivity

Plant growth regulators, one of the products of our overseas crop protection business, act to enhance the fruit-bearing ability of fruits and vegetables, increase their size, and improve their quality. As they can adjust the flowering and maturity periods, plant growth regulators can help crop cultivation even in cold and dry regions, and contribute to increasing food production in various regions around the world. In the face of an increasing world population and a growing world economy, there has been an increasing demand for safe and reliable food. We are increasing food productivity by globally supplying unique materials, and we aim to contribute to a stable food supply.

P. 48 → Contribute to the food supply advance sustainable agriculture

Pharmaceuticals

Within the Pharmaceutical Sector of the Sumitomo Chemical Group, Sumitomo Pharma Co., Ltd. develops and markets prescription drugs, and Nihon Medi-Physics Co., Ltd. develops diagnostic drugs, supporting people in leading healthy and active lives.

Businesses

- Prescription Drugs
- Diagnostic Drugs
- CDMO* (Contract Development and Manufacturing Organization) Business



Through the autonomous operations of each company, we pursue the maximum synergy between pharmaceuticals and chemistry.



重森隆志

Takashi Shigemori
Senior Managing Executive Officer

Strengths of the Pharmaceuticals Sector

In the prescription drug business, our strength is our R&D capability, particularly in the areas of psychiatry & neurology, oncology, and regenerative medicine/cell therapy. In the diagnostic drug business, our core competencies are our solid experience and technologies cultivated over 50 years. In addition, our ability to cooperate with the Group to make the best use of the company's foundational technologies, including genome analysis and cell differentiation, is one of our major strengths.

Synergy of Business and Technology

Sumitomo Pharma has strong ties with Sumitomo Chemical in terms of its technological genealogy. For instance, Sumitomo Pharma's regenerative medicine/cell therapy business has its roots in safety research for crop protection products at Sumitomo Chemical. Sumitomo Chemical's Bioscience Research Laboratory has incorporated Sumitomo Pharma's genome technology to increase synergy in research and to cultivate new businesses. Chemistry and pharmaceuticals are intertwined, and have the potential to generate a variety of businesses.

Future Initiatives

Our top priority is to establish a revenue base after the end of LATUDA® exclusivity period in the U.S. In the areas of ORGOVYX® (treatment for prostate cancer) and MYFEMBREE® (treatment for uterine fibroids), we will partner with Pfizer Inc. to reduce business risks and maximize the potential of the products. For GEMTESA® (treatment for overactive bladder), we will pursue cost synergies by leveraging the Group's internal sales platform in sales and distribution. With these new products, we aim to surpass LATUDA® in sales. In addition, with an eye on medium- to long-term growth, we will focus on creating new products in the psychiatry & neurology area, as well as next-generation medicine such as regenerative medicine/cell therapy and Theranostics, and further strengthen the CDMO business, which is expected to grow.

SWOT Analysis of the Major Businesses

S
Strengths

- Drug research platform in the areas of psychiatry & neurology and oncology
- Development capabilities and manufacturing know-how for cellular medicine derived from allogeneic iPS cells
- Network with academia and biotech companies
- Pipeline in development for psychiatry & neurology, oncology, and regenerative medicine/cell therapy
- Strong development and manufacturing capabilities for radioactive isotope labeling agents

W
Weaknesses

- Limited ability to bear the burden of R&D costs
- Emergence of generic drugs due to the loss of exclusivity for major products

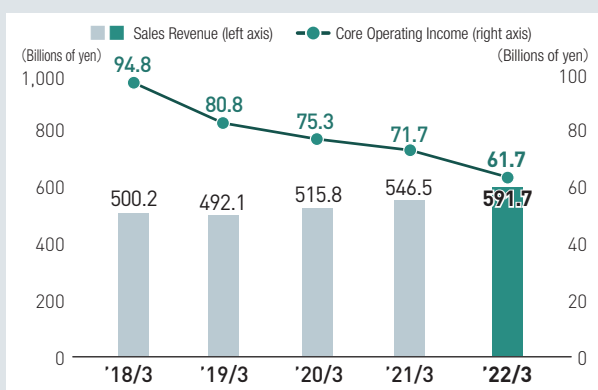
O
Opportunities

- Innovation in healthcare technology
- Increase in demand for healthcare due to increasing health consciousness and calls for preventative medicine
- Progress in next-generation healthcare such as regenerative medicine/cell therapy

T
Threats

- Accelerated implementation of medical expense control measures in Japan
- Changes in the health insurance systems overseas
- Consolidation in the pharmaceutical industry
- Increasing costs of drug discovery and acquisitions

Sales Revenues and Core Operating Income



	FY2021	FY2024 Target	Change
Sales Revenues	591.7	610.0	+18.3
Core Operating Income	61.7	73.0	+11.3

Corporate Business Plan, Direction for the Business Sector

Establishment of revenue base after the end of LATUDA® exclusivity in the U.S.

As a post-LATUDA agent, we will maximize revenues from ORGOVYX®, MYFEMBREE®, and GEMTESA®. In addition, the Company will also promote rationalization, including improvement of management efficiency and optimization of business costs, in order to become a business entity suitable for post-LATUDA

→ P. 81 Q&A: Post-LATUDA Response

Strategies for Medium- and Long-Term Growth

Looking ahead to what comes after ORGOVYX®, MYFEMBREE®, and GEMTESA®, we will continue to create new products in the psychiatry & neurology area. In addition, we will seek to maximize product value as quickly as possible by accelerating development and reducing risk, including the active use of external resources. Furthermore, we will achieve medium- to long-term growth by taking on the challenge of developing and commercializing new therapeutic methods, such as regenerative medicine/cell therapy, and Theranostics.

Joint development and commercialization alliance with Otsuka Pharmaceutical Co., Ltd.

Ulotaront is a next-generation antipsychotic that has received Breakthrough Therapy* designation from the U.S. Food and Drug Administration (FDA). Last year, we agreed to co-develop and co-market ulotaront and other neuropsychiatric compounds with Otsuka Pharmaceutical, which has strengths in this area. We will leverage this alliance to develop the drug into a new blockbuster for medium-to long-term growth.

Development item	Proposed indications	Scheduled to be launched
ulotaront	Schizophrenia	(U.S.) FY2024 (Japan) FY2026
	Adjunctive therapy for major depressive disorder	Under consideration
	Third Indication	Under consideration
SEP-4199	Bipolar I Depression	(U.S., Japan) Late 2020s

*The U.S. FDA's program to facilitate the development and review of drugs for serious or life-threatening diseases.

Strengthen CDMO business

In the fields of regenerative medicine/cell therapy and next-generation pharmaceuticals such as alpha-particle therapeutics, which are expected to show remarkable growth in the future, we will maximize the synergy between chemistry and pharmaceuticals to aggressively develop our CDMO business.

S-RACMO Co., Ltd.

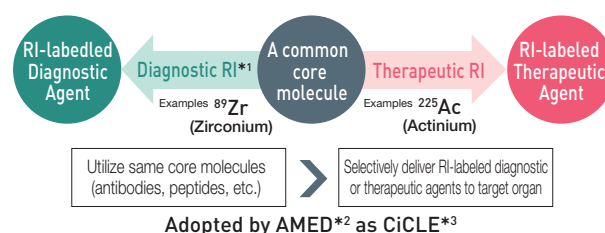
S-RACMO, a joint venture of both companies, conducts CDMO business in the field of regenerative medicine/cell therapy by combining Sumitomo Chemical's pharmaceutical expertise in basic technology for iPSC and ES cells and contract manufacturing of pharmaceutical products with Sumitomo Pharma's experience in advanced manufacturing method development and formulation development gained through multiple projects in the regenerative medicine/cell therapy business. Last year, the company was commissioned to produce corneal endothelial cells and develop manufacturing methods, and in February of this year, a new regenerative medicine/cell therapy manufacturing facility "FORCE" (Facility of Regenerative and Cellular Medicine Organization) started operation. We will continue to work to further expand our presence in this fast-growing field.



Facility of Regenerative and Cellular Medicine Organization (FORCE)

Theranostics

As a next-generation therapeutic approach, we aim to develop new radiopharmaceuticals that "integrate therapeutics and diagnostics (Theranostics)" by taking advantage of the characteristics of nuclear medicine. In the CRADLE building, our drug research facility, we are working diligently on research and development to deliver optimal medical care to patients as soon as possible.



*1 RI: Radioactive isotope

*2 AMED: Japan Agency for Medical Research and Development

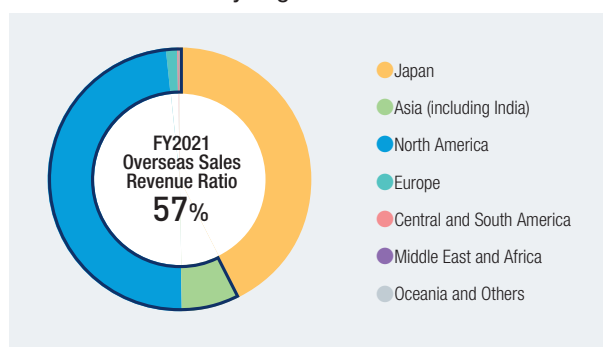
*3 CiCLE: Cyclic Innovation for Clinical Empowerment

Status of Global Expansion



About 60% of the revenue in our Pharmaceuticals segment comes from outside Japan, and one of the features of our Pharmaceuticals segment is its global reach, centered in Japan, North America, and China. Sumitomo Pharma had always aimed to expand to the U.S., beginning global development of LATUDA® internally in 2007 while also building a foundation in the U.S. with the acquisition of the former Sepracor (now Sunovion) in 2009, then successfully launching LATUDA® in the U.S. market in 2011. Since then, LATUDA® has grown to be a blockbuster, and revenues from outside Japan increased significantly. Currently, we are focused on establishing a path to growth in view of the post-LATUDA. In addition, growth in demand for pharmaceuticals throughout Asia has been significant, including China, which has the world's second-highest level of demand, so it is a region where we expect sustained growth going forward. Currently we are building our sales structure to increase our presence in the market, enhancing the capabilities of our subsidiaries and strengthening collaboration with local partners. For other regions, we plan to maximize revenue by collaborating with partners.

Sales Revenue Ratio by Region



Q&A Dealing with Post-Latuda

Q : What is your specific response to post-LATUDA ?

A : ORGOVYX®, MYFEMBREE®, and GEMTESA®, acquired through the strategic alliance with Roivant, are major drugs that are expected to become post-LATUDA, and all were launched in the U.S. in 2021. From this year onward, we will be in a phase to maximize revenues from these three drugs. We aim to maximize product value as early as possible while partnering with external parties, and aim to surpass LATUDA® in sales of these three drugs.

As part of our efforts to maximize product value, we will form alliances with external partners in areas such as joint development and co-promotion. Specifically, Myovant, which handles ORGOVYX® and MYFEMBREE®, entered into a development and commercialization alliance with Pfizer in North America. We aim to reduce business risks in the development process and leverage Pfizer's sales platform for rapid market penetration and sales expansion after the product launch. In addition, we will jointly promote GEMTESA® by utilizing the sales platform of our U.S. subsidiary, Sunovion Pharmaceuticals Inc. In addition, the company will support the distribution of the three drugs to wholesalers. By collaborating among group companies in this way, we will also seek to maximize cost synergies.

At the same time as expanding sales of the three drugs, we will also work to improve management efficiency and optimize business costs in order to build a new and strong revenue base after the end of LATUDA®'s exclusivity in the U.S.



Value Creation Model: Sumitomo Pharma

Value Chain



System for Providing Added Value

Sumitomo Pharma's Competitive Advantages

While Sumitomo Pharma is a smaller company than the major global pharmaceutical producers, its strength is its strong sales platform in the U.S., the region with the greatest demand for pharmaceuticals. In addition, Sumitomo Pharma is at the forefront of development of regenerative medicine/cell therapy which is expected to see market growth as cutting-edge healthcare, and is currently making progress in clinical development while also collaborating with academia and biotech companies.

Major Processes Generating Competitive Advantages

Many employees of Sumitomo Pharma are located in the U.S., and the company is establishing a post-Latuda path to growth through the development capabilities cultivated with LATUDA® and through its sales capabilities, which utilize collaboration between facilities in the U.S. In addition, in the field of regenerative medicine/cell therapy the company has both the Regenerative & Cellular Medicine Kobe Center, a research facility, and the SMaRT facility, the world's first commercial manufacturing facility dedicated to regenerative medicine/cell therapy products derived from allogenic iPS stem cells. Furthermore, in the U.S., we received approval in October 2021 for RETHYMIC®, a regenerative medicine product for the indication of pediatric congenital atresia, and this year we decided to construct a cell product manufacturing facility there. We will continue to further strengthen our business by utilizing both our bases in Japan and the U.S.

Providing Customer Value

Sumitomo Pharma aims to contribute to improved quality of life for patients by creating revolutionary treatments and healthcare solutions in fields with high unmet medical needs, utilizing its abundant pipeline, drug discovery capabilities, cutting-edge technology and know-how, and its broad scientific network.



LATUDA®



Sunovion Pharmaceuticals Inc.



The facility dedicated to regenerative medicine and cell therapy products (SMaRT)

Added Value Provided to Society



Contributing to the Advancement of Cutting-edge Healthcare and Better Quality of Life for Patients

Sumitomo Pharma contributes to the treatment of patients with various diseases by providing high-quality medicine and drug information. In addition, the company contributes to the development of advanced healthcare by utilizing the technologies and knowledge cultivated by Sumitomo Chemical over many years in the life science field. Through synergy between Sumitomo Pharma and Sumitomo Chemical, we work on contributing to solving healthcare issues, one of the material issues to be addressed as management priorities.