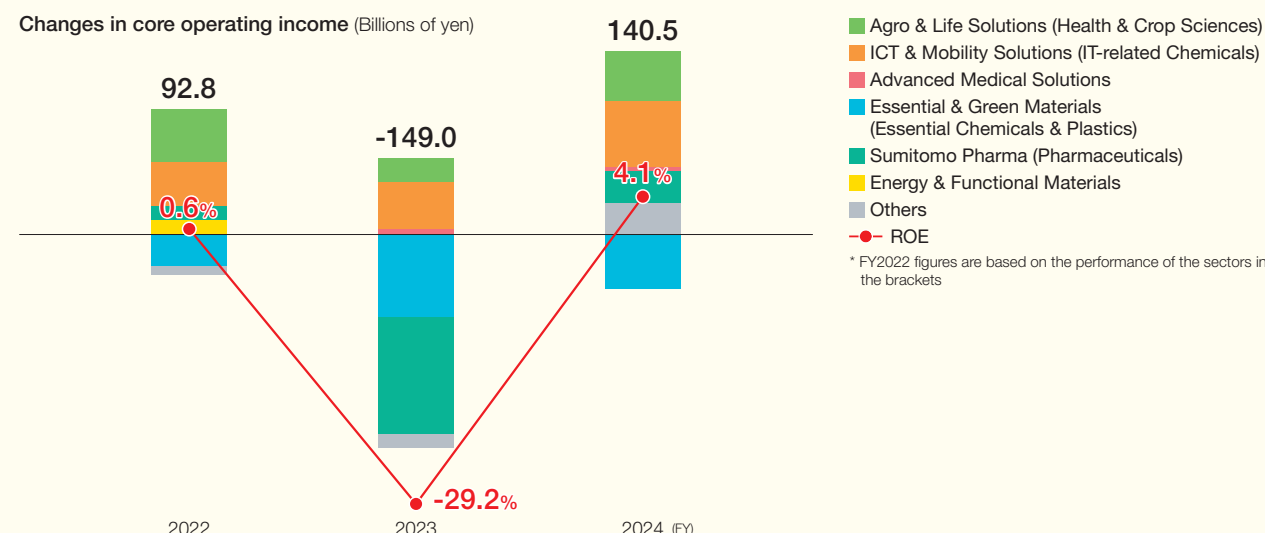


FY2025-2027 Corporate Business Plan

—Review of the previous Corporate Business Plan (FY2022-2024)—

The performance of Petro Rabigh, an equity-method affiliate, has deteriorated significantly since FY2022, due to sluggish petroleum refining margins and petrochemical product trading conditions. In addition, at our subsidiary Sumitomo Pharma, sales of Latuda (an atypical antipsychotic and a blockbuster product) declined significantly following the expiration of its exclusive sales period, resulting in the Company recording its largest-ever loss in FY2023. In FY2024, we carried out business restructuring following the immediate-term, concentrated measures to improve business performance and implemented fundamental structural reforms to rebuild Petro Rabigh and Sumitomo Pharma. This has led to an increase of core operating income of approximately 290 billion yen from FY2023, achieving a V-shaped recovery.



Factors Behind the Performance Deterioration and Our Response

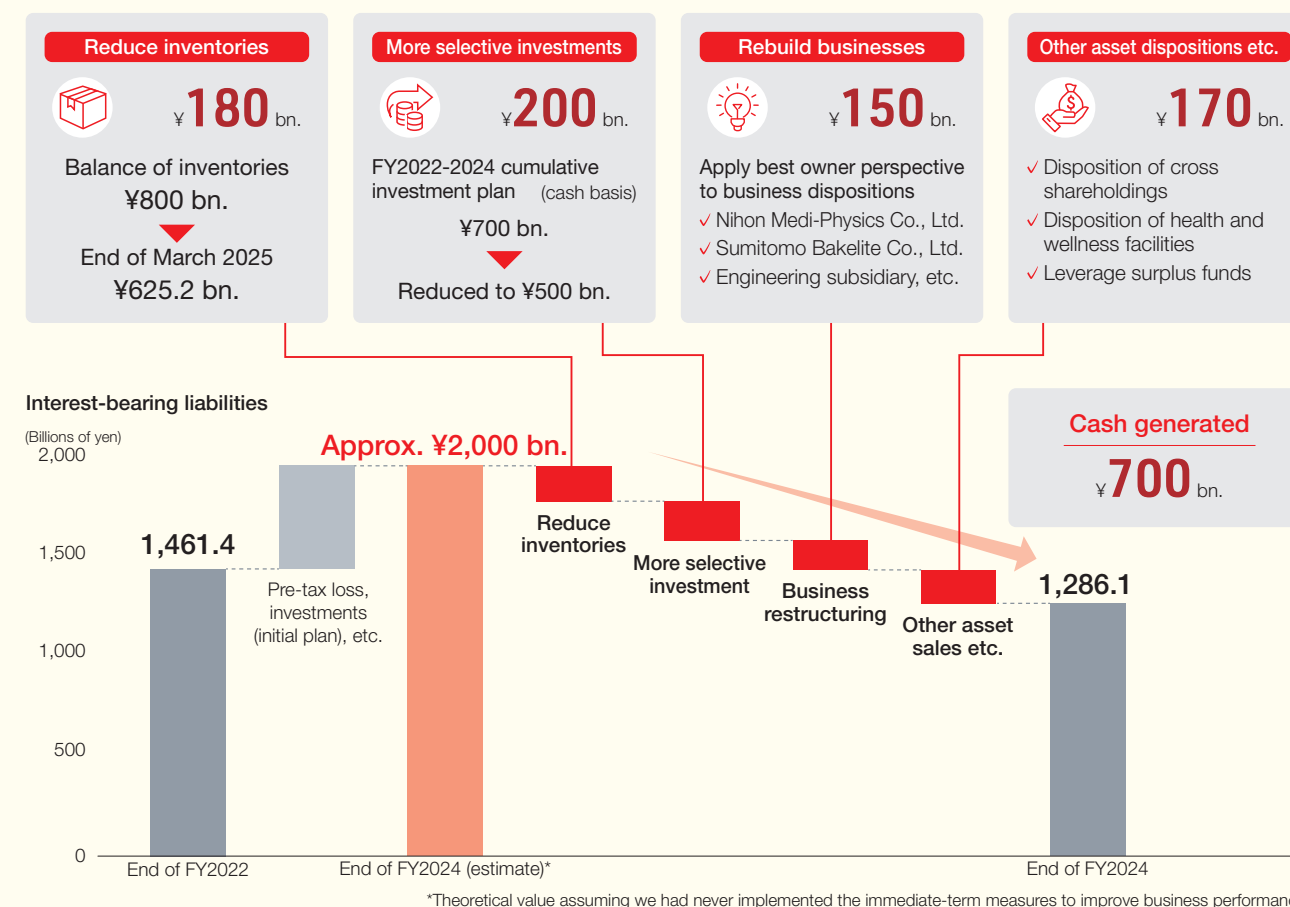
Both external and internal factors contributed to the deterioration in performance. External factors included the accelerated commodification of technologies beyond expectations and the construction of new and expanded large-scale plants in China and other countries. Internal factors included the dispersion of management resources as all five business sectors sought growth, and a lack of discernment and development capabilities in pharmaceuticals. In light of these factors, we have promptly implemented a series of measures. First, we implemented the immediate-term, concentrated measures to improve business performance scheduled for completion in March 2025, and the fundamental structural reforms. Through these initiatives, we focused on strengthening our financial standing through cash generation, while also formulating a long-term strategy for sustainable growth, including setting out the Company's long-term vision. In the Corporate Business Plan launched in FY2025, we also identified concentration of resources in growth drivers, strengthening of investment governance, and thorough re-implementation of ROIC-oriented management as our basic directions.



Immediate-term, Concentrated Measures to Improve Business Performance

To achieve a V-shaped recovery in FY2024 and to strengthen our financial standing for fundamental structural reforms, we launched in the fall of 2023 the immediate-term, concentrated measures to improve business performance, which comprised business restructuring, reduction of inventories, more selective investments, and the sale of other assets. In the area of business restructuring, we applied the best owner perspective to noncore business dispositions, and in the area of achievement of more selective investments, we narrowed down the list of investment projects from the initial plan. We also worked on cash generation by reducing inventory through DX, selling cross-shareholdings and health and wellness facilities, and using group finance. These efforts resulted in progress exceeding expectations. We generated 700 billion yen in cash while the initial target was 500 billion yen. This enabled us to reduce interest-bearing liabilities far more than the initial forecast.

Results over 2 years (FY2023~2024)

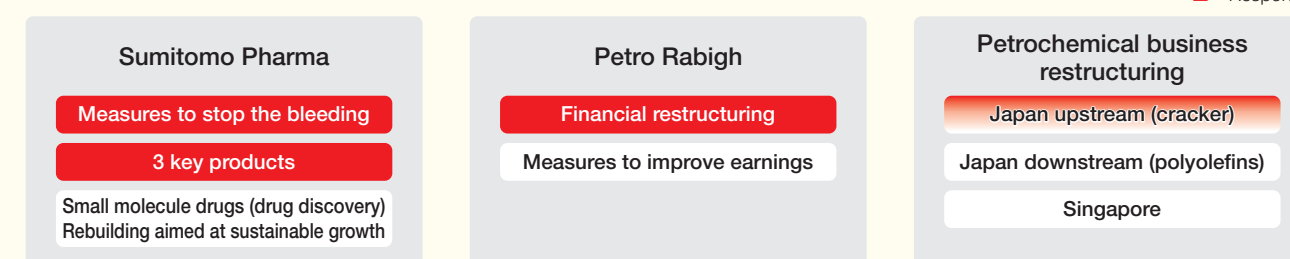


Fundamental structural reforms (Revival Strategy)

Under the Revival Strategy, we worked on rebuilding of Sumitomo Pharma and Petro Rabigh and restructuring of the petrochemical business.

Sumitomo Pharma is focusing on sales expansion of the three key products while working on cost reduction. Regarding Petro Rabigh, we have reached an agreement with Saudi Aramco on a financial restructuring plan. In petrochemical business restructuring, we have reached an agreement with Maruzen Petrochemical on the optimization of the upstream ethylene plant in Japan.

...Response



FY2025-2027 Corporate Business Plan

—Company-Wide Management Strategies—

Our goal is to become an Innovative Solution Provider that delivers solutions developed with innovative products and technologies to address issues faced by society. As the first step in the Corporate Business Plan starting in FY2025, we adopted the slogan “Leap Beyond—Return to a growth trajectory—.” Guided by this, we will advance initiatives aligned with five basic directions of the Plan, including upgrading business portfolio with new growth strategy, building greater resilience by executing continued structural reforms, and improving financial and capital efficiency. Through these efforts, we aim to return to a growth trajectory and achieve sustainable growth.

Slogan

Leap Beyond

(Leap higher, beyond today)

~Return to a growth trajectory~

What the slogan means to us

This slogan embodies our aspiration to leap higher with new ideas, which take us beyond conventional businesses, technologies, and ways of thinking, return to a growth trajectory, and then achieve sustainable growth. It describes our determination to achieve sustainable growth and value creation by continuing to pursue innovation as a reborn Sumitomo Chemical.

Overview

Slogan

Leap Beyond

~Return to a growth trajectory~

Vision for this plan

Return to a growth trajectory and show the way toward further growth

	Core operating income	ROE	ROIC	D/E ratio
FY2027 Financial targets	¥200 bn.	8%	6%	0.8 times

- Basic direction 01

Upgrade business portfolio with new growth strategy
- Basic direction 02

Build greater resilience by executing continued structural reforms
- Basic direction 03

Improve financial and capital efficiency
- Basic direction 04

R&D strategy based on 3 X's
- Basic direction 05

Strengthen management base supporting new growth strategy
- Talent
- DX
- Governance

FY2027 performance target

Our financial targets for FY2027 are core operating income of 200 billion yen, net income attributable to owners of the parent of 100 billion yen, an ROE of 8%, and an ROIC of 6%. By advancing initiatives in line with the five basic directions set out in the Corporate Business Plan, we will ensure that we achieve these targets and strive for further growth.

(Billions of yen)

	FY2024 result	FY2027 target	Change
Sales Revenue	2,606.3	2,400.0	-206.3
Core Operating Income	140.5	200.0	59.5
Net Income Attributable to Owners of the Parent	38.6	100.0	61.4
ROE	4%	8%	4pt
ROIC	2%	6%	3pt

FY2027 core operating income target by sector

The core operating income target by sector is 80 billion yen for Agro & Life Solutions and ICT & Mobility Solutions. These sectors will be the growth drivers to drive corporate business performance.

(Billions of yen)

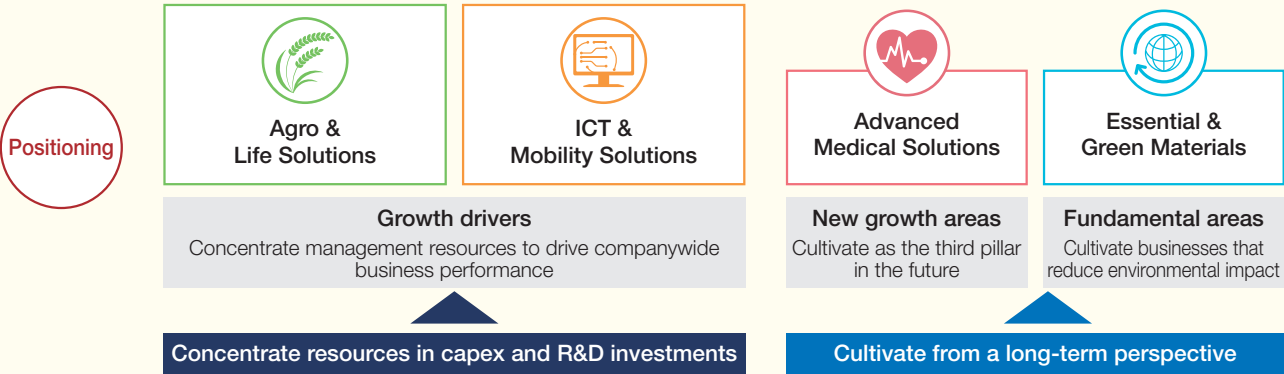
	FY2024 result	FY2027 target	Change
Agro & Life Solutions	55.0	80.0	25.0
ICT & Mobility Solutions	70.6	80.0	9.4
Advanced Medical Solutions	4.0	10.0	6.0
Essential & Green Materials	-58.5	25.0	83.5
Sumitomo Pharma	35.3	5.0	-64.5
Head office and others	34.2		
Total	140.5	200.0	59.5

Basic direction 01 Upgrade business portfolio with new growth strategy

We reaffirmed the positioning of each business sector within the corporate portfolio. We positioned Agro & Life Solutions and ICT & Mobility Solutions as near-term growth drivers and will allocate management resources, including capital expenditures and R&D, to these businesses.

At the same time, we will develop Advanced Medical Solutions as a new growth area and nurture it into the third pillar of earnings in the future. Essential & Green Materials will undertake a major shift from petrochemicals to businesses that reduce environmental impact. These two sectors are positioned to be developed with a long-term perspective, in view of the time required for market establishment and technology development.

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



Concentrate resources in growth drivers

Business investments (capex, loans and investments)

With an emphasis on financial discipline, we plan to invest 450 billion yen over the three-year period, kept within the range of depreciation and amortization expenses.

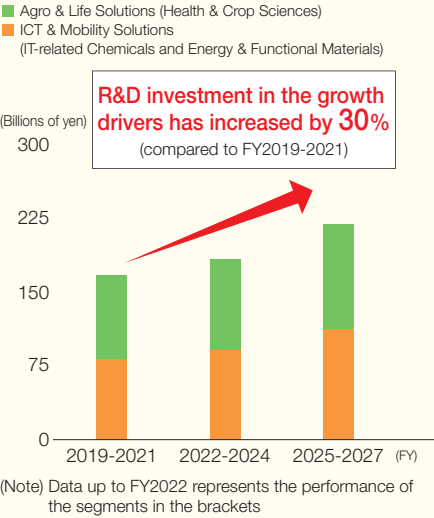
Of the 450 billion yen, 230 billion yen has been earmarked for strategic investments, concentrated in the two growth drivers. We will actively allocate capital, with M&A also considered as an option.



R&D investments

Technological development capability plays a more important role in the agrochemical and ICT sectors than traditional commodity sectors. In the current Corporate Business Plan, we are concentrating R&D expenses on the two growth drivers: advancing the development of new agents in the agrochemical sector and next-generation products in the ICT sector.

R&D investment in the two growth drivers



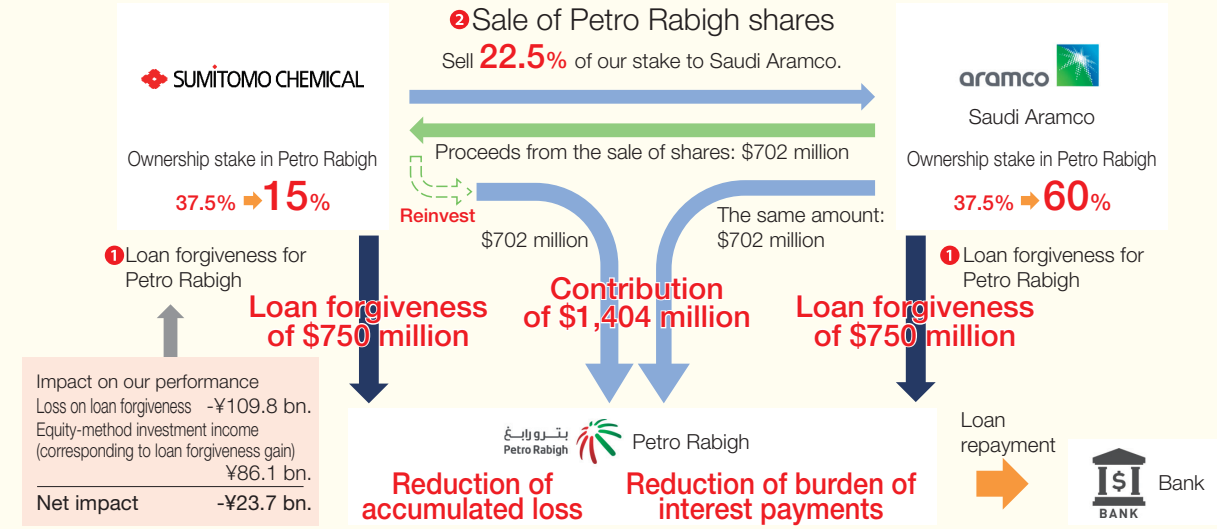
Main R&D themes

- Agro & Life Solutions**
- Contribute to regenerative agriculture (no-till farming, carbon storage)
 - Accelerate the drug development of next-generation pipeline
 - Expand countries where B2020 & A2020 are registered
 - Differentiate biorationals and expand botanicals
- ICT & Mobility Solutions**
- Develop cutting-edge photoresists such as organic molecular resist
 - Upgrade quality and productivity of high-purity chemicals
 - Develop semiconductor back-end process materials
 - Create long-term earnings stream from OLED and automotive polarizers



tion of the Petro Rabigh shares we own and contribute the proceeds to Petro Rabigh. As a result, Petro Rabigh's interest-bearing liabilities are expected to decrease, significantly reducing its interest payment burden. At the same time, the sale of shares will lower our equity stake from 37.5% to 15%, making Saudi Aramco the largest shareholder with a 60% stake. Through these actions, we will strengthen Petro Rabigh's business foundation and implement various initiatives to strengthen earnings power under the leadership of Saudi Aramco.

Overview of the Petro Rabigh financial improvement plan



Tasks	Key action plans of the current Corporate Business Plan
Strengthening earnings power (near term)	Execute the following near-term measures focused mainly on strengthening earnings power of petroleum refinery ✓ Increase olefin production through de-bottlenecking of ethane cracker and HOFCC ✓ Strengthen feedstock competitiveness by changing crude oil types, etc. ✓ Measures to reduce sulfur content and increase margins in petroleum refinery products ✓ Continue to implement measures aimed at strengthening plant reliability, enhancing utilization rates and otherwise improving earnings
Strengthening earnings power (medium-to-long term)	Accelerate studies of mid- to long-term measures, including upgrades to petroleum refinery equipment

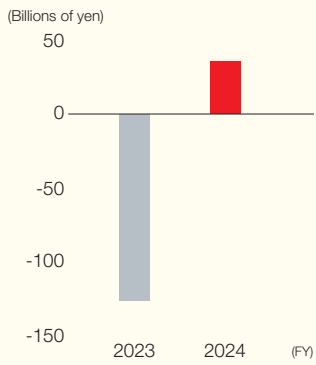
Sumitomo Pharma

In FY2024, Sumitomo Pharma achieved a significant recovery from the substantial loss of FY2023 and returned to profitability. This recovery was attributable to the sales expansion of the three key products, as well as steady progress in cost reduction initiatives, including organizational restructuring and curbing of investments.

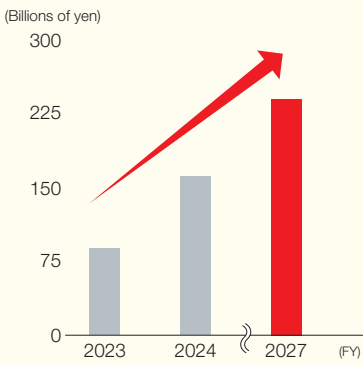
Sales of the three key products are expected to continue expanding and reach the mid-200 billion yen range in FY2027. Leveraging these cash inflows to repay interest-bearing liabilities, we will further strengthen the company's financial standing.

With regard to Sumitomo Pharma's small molecule drug discovery business, we will consider all options that contribute to the company's sustainable growth, based on the recognition that synergies with chemical business are limited.

Changes in Sumitomo Pharma's core operating income



Sales of the three key products



Restructuring of the petrochemical business in Japan and Singapore

As part of restructuring efforts for the upstream petrochemical business in Japan, we reached an agreement with Maruzen Petrochemical on the optimization of operations, including changes to the product off-take ratio, to improve the utilization rates and competitiveness of Keiyo Ethylene. In the downstream petrochemical business, we will steadily pursue collaboration in the polyolefin business and reorganize and rationalize unprofitable and non-core businesses. In Singapore, we will proceed with an examination of optimizing the configuration of the PCS complex and implement measures to enhance earnings power of the polyolefin business.

Alongside structural reforms, we will pursue the materialization of the future vision for the Keiyo Coastal Industrial Complex and new business model concepts, all premised on carbon neutrality.

	2022-2024	2025-2027	2030 onward
	Restructuring phase Phase for building out structure for carbon neutrality Convert to a complex with a reduced environmental impact		
	Rationalization at existing ethylene plant Polyolefin collaboration Rebuild businesses (exit or sale)		
	Study and establish optimization of makeup of PCS complex Enhance earnings power of polyolefins Reduce MMA capacity		
Technological development	GX technology development (adopted in GI Fund) 		

GX Solutions business

GX technologies

Value chain

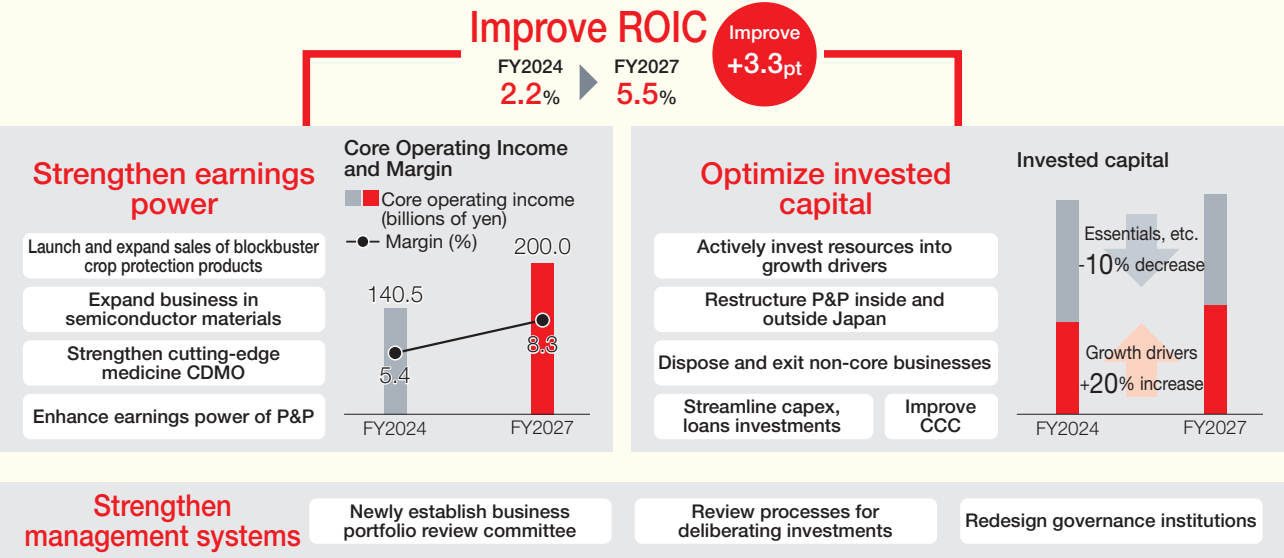


Basic direction 03 Improve financial and capital efficiency

Thoroughly re-implement ROIC-oriented management

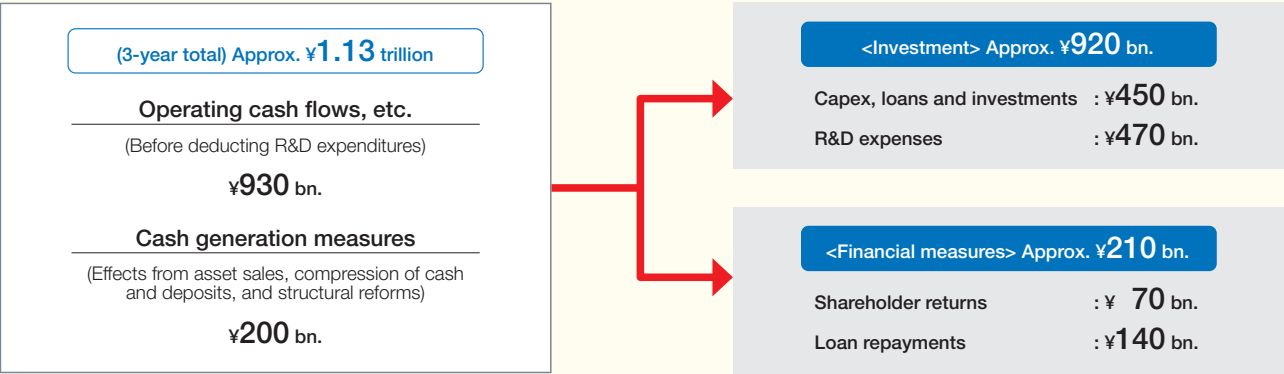
We aim to achieve an ROIC of 6% in FY2027 through measures to strengthen earnings power and optimize invested capital. To strengthen earnings power, we will launch and promote blockbuster crop protection products such as INDIFLIN and Rapidicil, and expand semiconductor-related businesses, including photoresists and processing chemicals for semiconductors. To optimize invested capital, we will concentrate resources on growth drivers and pursue structural reforms in the petrochemical business.

In addition, we will establish a new business portfolio review committee to continuously review and upgrade the business portfolio, and we will review the processes for deliberating investments to strengthen risk assessment and monitoring. Through these efforts, we will further reinforce ROIC-oriented management from a management systems perspective.

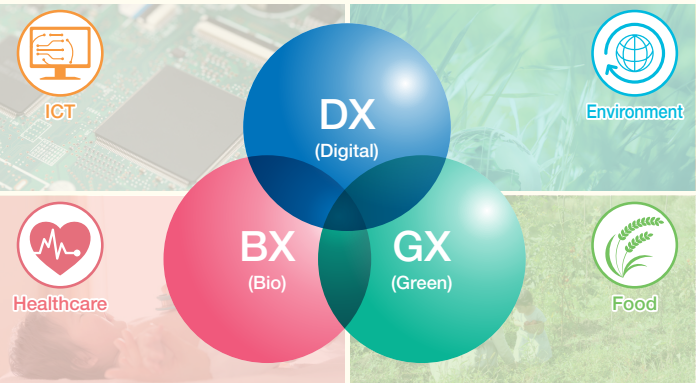


Cash allocation

We will secure 1.13 trillion yen from operating cash flows and additional cash generation measures, and allocate 920 billion yen to capital expenditures, loans and investments, and R&D. At the same time, as financial measures, we will use 70 billion yen for shareholder returns and 140 billion yen for loan repayments.



Basic direction 04 R&D strategy based on 3 X's



We will fully leverage the assets we have accumulated over the years to advance R&D, focusing on Green Transformation (GX), Bio Transformation (BX), and Digital Transformation (DX). We aim for long-term, sustainable growth by implementing the R&D strategy with these three X's as the core.

Basic direction 05 Strengthen management base supporting new growth strategy

Employ and develop human resources for sustainable growth

Human resources are the most important management resources. We believe it is extremely important to secure human resources with diverse knowledge and skills and develop them so that they can demonstrate their abilities to the fullest.

Against this backdrop, under the current Corporate Business Plan, we will secure and develop human resources with a long-term perspective and strengthen our management foundation by pursuing structural reforms and sustainable growth across the Group through enhanced engagement.

Leverage DX to strengthen competitiveness and create new value

During the period of the previous Corporate Business Plan, we worked on improvement of operational efficiency and creation of new value under the DX Strategy 1.0 through 3.0. The current Corporate Business Plan sets forth "DX NEXT empowered by AI" in which we integrate the DX Strategies with AI as the new pillar and move on to the next stage.

- Human resources systems and measures aimed at strengthening competitiveness
- Optimize personnel structures that align with our new growth strategy
- Strengthen and elevate our ability to attract talent
- Encourage development and support autonomous career formation
- Transform into an AI-native company
- Strengthening business competitiveness through AI and IT
- Create and promote data monetization business
- IT infrastructure to enhance responsiveness to change