

Strategy by Business Sector:

Agro & Life Solutions

Agro & Life Solutions (Investors' Handbook)

Vision

We contribute to realization of regenerative agriculture and sustainable society by delivering unique products and solutions to global market



Businesses

► **AgroSolutions Business**

Chemicals

- Insecticides effective against a range of insects causing damage to crops
- Herbicides for a variety of crops
- Fungicides for controlling crop diseases

Biorationals

- Products such as microorganism-based crop protection, plant growth regulators, rhizosphere microbial materials, and biostimulants, all derived from natural sources



Various crop protection chemicals, including insecticides and herbicides

► **Environmental Health Business**

Household pesticides

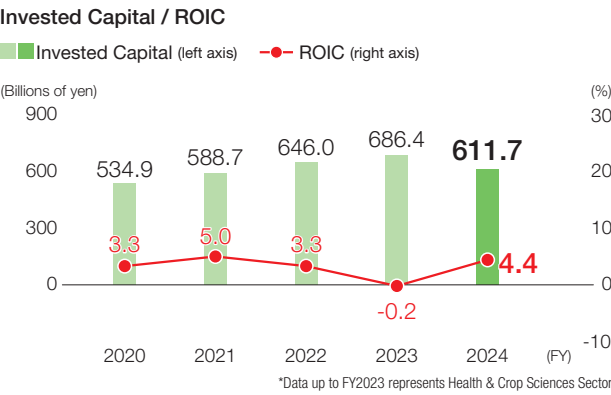
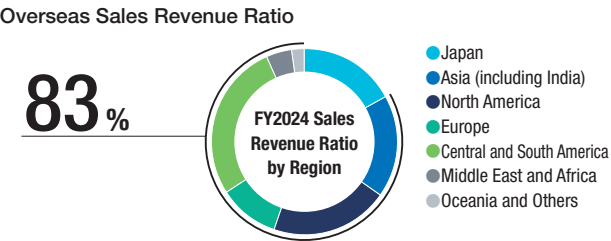
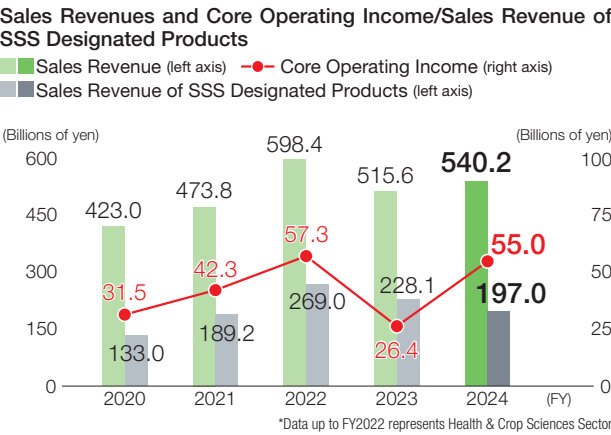
- Household insecticides for indoor and outdoor use (such as mosquito coils, mosquito repellents, and aerosols)
- Pyrethroid agents used in insect-repellent resin, and other devices

► **Animal Nutrition Business**

Methionine

- Methionine mainly used in poultry feed (Methionine is one of the essential amino acids and acts to promote the growth of animals being raised.)

FY2024 Performance-Related Data



Transition to Date

We have continued to proactively invest in the sector as a future growth driver of Sumitomo Chemical. In FY2023, it was negatively impacted by the sales price decrease of post patent products and bad weather conditions. However, due to sales increase of new products, such as INDIFLIN™, and a recovery in the market conditions for the methionine business, the sector's ROIC for FY2024 was 4.4%.

Future Measures

In the chemical domain, we will promote the launch and sale of new products such as INDIFLIN™ and Rapidicil™. At the same time, we aim to further expand our biorational and botanical businesses to strengthen profitability. We will also reduce invested capital by decreasing inventories and compressing receivables and payables, thereby promoting business operations with a focus on capital efficiency.

Our recognition of the current business environment

AgroSolution and Environmental Health Areas

- Market growth is expected to continue, particularly in Brazil and India; however, competition in the market is intensifying due to increased supply from Chinese companies.
- Globally, registration and regulatory requirements are becoming more rigorous, resulting in higher expectations and demand for sustainable products.

Animal Nutrition Areas

- The need for a stable and sustainable supply of meat remains strong, and demand for methionine is projected to grow at an average rate of 3-4%.
- There is also increasing demand for advanced and sustainable livestock technologies, such as resource-efficient animal husbandry through improved feed efficiency and antibiotic-free production.

With market growth and intensifying competition, we are accelerating sustainable business development.

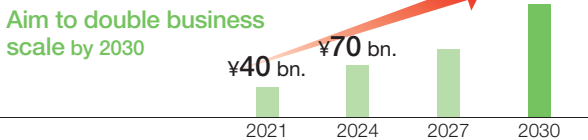
FY2025 - 2027 Corporate Business Plan

FY2027 Financial targets Core Operating Income : 80 bn. yen ROIC : 8%

► Solid execution of growth strategy

We will drive global expansion in new business areas such as biostimulants, pursue synergies with existing products, and accelerate the growth of our biorational and botanical businesses, where we have particular strengths.

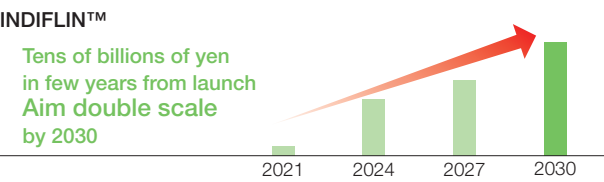
Biorationals and Botanicals Business



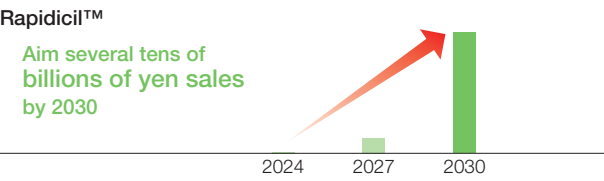
We will leverage our dedicated biorational teams in each country to accelerate sales expansion particularly in Brazil, India, Europe, and the U.S. By 2030, we aim to achieve sales revenue of 150 billion yen from our biorational and botanical business.

► New product expansion & pipeline acceleration

We will promote the launch and sales expansion of the new fungicide INDIFLIN and the new herbicide Rapidicil, both of which are potential blockbuster crop protection products. We will at the same time accelerate development of next generation pipelines to follow these two products.



For INDIFLIN, the fungicide currently sold in North and South America and other countries, we aim to double the sales by 2030 through expanding our product portfolio including mixture products and exploring new business opportunities.



We are pursuing registration of Rapidicil, our herbicide first launched globally in Argentina in 2024, in various North and South American countries. Furthermore, by expanding product lineup through developing mixture products, we aim to achieve sales in the tens of billions of yen by 2030.

We aim to achieve a sales level of 150 billion yen in 2030 with our strategic product portfolio launched since 2020, including the two products mentioned above.

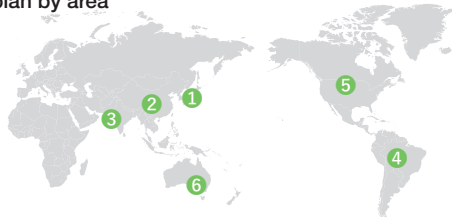
Progress of Main Pipelines

Compound	Application	Current situation
INDIFLIN™ (Inpyrfulkam)	Agricultural fungicide for soybean rust, etc.	Launched in 6 countries (Brazil in 2022)
PAVECTO™ (Metyltetraprole)	Agricultural fungicide for septoria, etc.	Launched in 2022 (Japan)
Alles™ (Oxazosulfiyl)	Agricultural insecticide for major pests of paddy rice	Launched in 2022 (Japan)
Fuseki™ (Pyridachlomethyl)	Agricultural fungicide for field crop and vegetable	Launched in 2024 (Japan)
Accede™ (ACC)	Agricultural plant growth regulator	Launched in 2022 (the United States)
Rapidicil™ (Epyrifenacil)	Herbicides for next-generation weed control systems	Launched in 2024 (Argentina)
Pipeline A	Botanical insecticide for agricultural and household pest control	In Development
Pipeline B	Agricultural fungicide	In Development

► Strengthening supply systems & enhancing cost and capital efficiency

We will optimize our supply systems both domestically and internationally to ensure stable and competitive supply capabilities. In addition, we will work to reduce working capital, optimize inventory, and enhance manufacturing cost competitiveness.

Action plan by area



- 1 We will establish a manufacturing framework at Oita Works mainly for new crop protection products, and at Misawa Works mainly for environmental health products. While taking product lifecycle into consideration, we are exploring reorganizing the manufacturing operations by, for example, outsourcing the production of some existing products from our plants.
- 2 We will seek low-cost procurement of products, including post-patent products for South America, by consolidating purchasing functions in China.
- 3 We will expand and strengthen the production capabilities in India, including production of crop protection active ingredients and intermediates, and fully utilize them on a global scale.
- 4 We will further increase production capacity and expand capability to support the sales expansion of new products and biorational products in Central and South America. We will also accelerate production and export to other regions, utilizing the plants as formulating bases to support global sales.
- 5 We will strengthen the competitiveness of the VBS Osage plant as a base supporting global biorational business, and will increase production capacity in line with sales expansion. We will also strengthen the competitiveness of the MGK Chaska plant as a base for the global botanical business (in the Environmental Health and AgroSolution areas) and Environmental Health Business in North America.
- 6 We will strengthen the competitiveness and increase the product capacity of the plant as a production base for natural pyrethrin that supports the global botanical business (in the Environmental Health and AgroSolutions areas).

Strategy by Business Sector:

ICT & Mobility Solutions

ICT & Mobility Solutions (Investors' Handbook)

Vision

By integrating proprietary innovative technologies with accumulated expertise, we aim to contribute to the advancement of next-generation technology through total solutions that accelerate customer innovation



Executive Vice President
Head of ICT & Mobility Solutions Sector
Masaki Matsui

Businesses

Semiconductor materials-related Business

Photoresists

Photoresists are photosensitive resins used in the process of creating highly dense/highly integrated circuit patterns on semiconductors and print substrates.

Processing chemicals for semiconductors

High-purity, functional chemicals used for cleaning and other processes in semiconductor circuit pattern formation and chip assembly.

Compound semiconductor materials

Semiconductor made from a compound of multiple elements, which offer high frequencies and good voltage endurance characteristics.

Display Materials-related Business

Polarizing films

Reduces reflections from sunlight on displays, enabling vibrant color reproduction.

Touch-sensor panels

These are locational input components installed in devices such as smartphones.

Mobility-related Business

Super engineering plastic

Liquid crystal polymer (LCP), Polyether sulfone (PES)

A polymer, which features excellent heat resistance, fluidity, and dimensional stability.

Resorcinol

Raw materials for various ne chemicals, including adhesives for rubber products, wood adhesives.

High-purity Inorganic materials

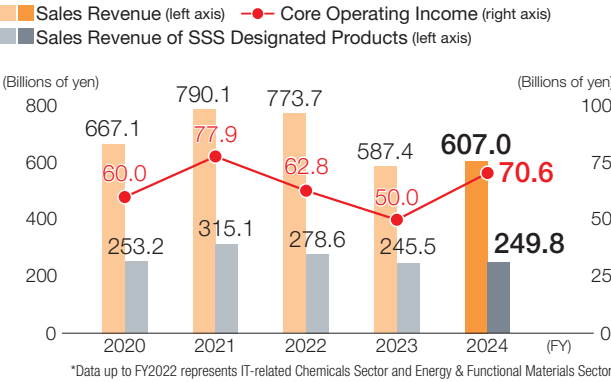
Ultra-high purity alumina and aluminum

Battery separators

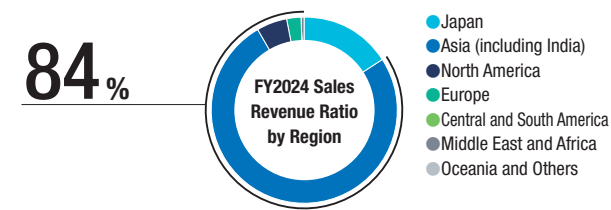
Safety components that separate positive and negative electrodes of lithium-ion secondary batteries, retain the electrolytes, and enable ion conductivity.

FY2024 Performance-Related Data

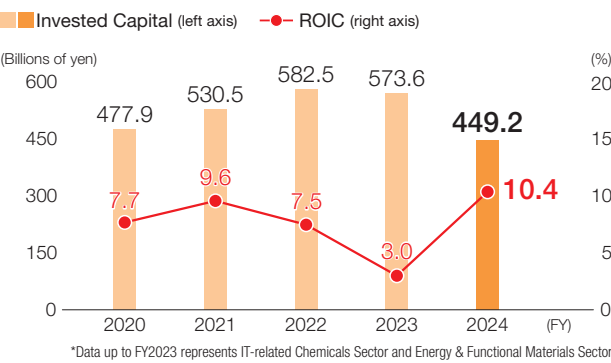
Sales Revenues and Core Operating Income/Sales Revenue of SSS Designated Products



Overseas Sales Revenue Ratio



Invested Capital / ROIC



Transition to Date

We have been actively investing in ICT & Mobility Solutions as Sumitomo Chemical's future growth driver, including installation of new equipment and upgrading for the semiconductor-related business. After FY2022, the business sector's performance was affected by the decline of the post-COVID-19 demand rebound resulting in inventory adjustment. Performance improved, however, in FY2024 and reached 10.4% ROIC due to the demand increase in the display material-related business and recovery of the semiconductor market.

Future Measures

In the semiconductor-related business, we plan to expand the area of business on a global scale by, for example, strengthening the supply system in South Korea and starting operation of a new plant in the U.S. In the display material-related business, we will upgrade our portfolio by focusing on the OLED and automotive areas. The whole division will work together to implement earnings improvement measures for future growth.

Our recognition of the current business environment

Semiconductor Materials-related Areas

The silicon semiconductor market will continue to grow in a stable fashion, driven by expanded AI applications, further advances in IoT, and the spread of autonomous driving and smart mobility. Should become an even larger market. Increased demand for new technologies such as 3D to drive greater sophistication and diversification in materials technologies and needs.

Display Materials-related Areas

Smartphone market has matured. Meanwhile, shift to OLED progresses in tablets and notePCs in the late 2020s. Technological innovations drive spread of next-generation displays for XR fusing real and virtual worlds. Greater demand for larger screens and higher performance in automotive applications.

FY2025 - 2027 Corporate Business Plan

FY2027 Financial targets Core Operating Income : **80 bn. yen** ROIC : **11%**

Semiconductor materials-related business

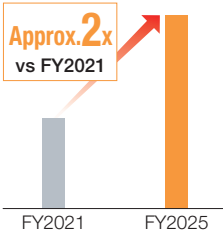
Photoresists

By proactively committing to upfront investments in cutting-edge fields in line with the advancement of semiconductors, we will deepen our unique core technologies and enhance the global supply and development systems.

Established a two-site supply system in Japan and S.Korea

Operation time	Recent investments	Location
FY2024	Completion of the new research/mass production evaluation building	Osaka
	Commencement of the new cutting-edge photoresist plant operation	South Korea
FY2026	Mass production of EUV photoresist /immersion ArF photoresists	Osaka
	Expand the cutting-edge photoresist evaluation equipment	
	Enhancement and introduction of cutting-edge lithography systems	

Strengthening of our cutting-edge photoresist production capacity



New platform for next-generation EUV Begin performance validation of "organic molecular resist"

- Design and mass-produce resist materials at molecular size to support ultra die shrink of semiconductors
- Concentrate R&D resources and accelerate development of next-generation platform

Aim for a 20% share by volume in the cutting-edge resist

Sumitomo Chemical's Semiconductor-Related Business

Semiconductor chemical

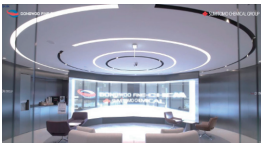


Semiconductor process chemical works in South Korea

We will strengthen our capabilities in cutting-edge fields for further expansion of our business coverage. We will also achieve the top global level business scale by using the supply system we have strengthened through upfront investments, including the land for the new plant we acquired in South Korea, and strengthening of process technology as well as the evaluation and analysis infrastructure.

Semiconductor back-end materials

- By leveraging the front-end process knowledge and key materials as well as the core technologies that we have developed over time, our group as a whole will accelerate the development and commercialization process to enter the cutting-edge back-end material market.
- We are promoting development while advancing industry-academia collaboration on a global scale centered on the Pangyo Next Generation Development Center in South Korea.



The Next Generation Development Center in the Pangyo Techno Valley (South Korea), a global R&D hub for tech companies

Display materials and mobility-related business

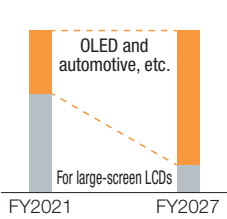
Shift toward high performance areas

We will promote development and strengthening of elemental technologies to make the business sustainable. By doing so we will increase development man-hours in the high performance areas including polarizers for mobile and automotive use to secure earnings power. We will also continuously deliver solutions that match the technological trends of our key customers.

Completion of the polarizer business structural reform

We will downsize or withdraw from low profitability businesses by for example selling the large-screen LCD polarizer business in China. At the same time, we will develop a business centered on high performance areas such as materials for OLED mobile, automotive, and next-generation displays.

Sales makeup by product



Polarizers for OLED

- Keep No. 1 position with proprietary technologies
- Strengthen cost competitiveness to realize sustainable growth

Automotive polarizers

- Differentiate products by applying proprietary high-endurance design
- Increase market share by quickly shifting to OLEDs

Automotive polarizer target share

FY2024	FY2027
21%	30%

New businesses

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

High performance antennas

The high performance antennas are designed for high-speed communication and can be placed on a display. They contribute to downsizing of mobile communication repeaters.

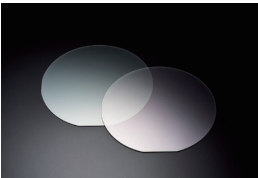


Glass transparent displays

This is a high-resolution display compared to existing film types, it offers superior transparency and reliability. It contributes to the realization of signage on glass structures.

Next-generation power device materials

This is a gallium nitride substrate for next-generation power devices, which enables the miniaturization and loss reduction of power conversion circuits used in applications such as EVs. It contributes to carbon neutrality through energy saving.



Strategy by Business Sector

Advanced Medical Solutions

Advanced Medical Solutions (Investors' Handbook)

Vision

Leverage “the power of chemistry and biology” to support the health and the future of people worldwide through solutions that draw from advanced manufacturing, management and analysis technologies



Representative Director & President
Head of Advanced Medical Solutions Sector
Nobuaki Mito

Businesses

▶ Advanced small molecule APIs*1 CDMO*2

We are a CDMO of APIs and their intermediates for Japanese and foreign pharmaceutical companies.

▶ Oligonucleotide*3 CDMO

We provide a CDMO service for the production of long-chain nucleic acids required in genome-editing therapies.

▶ Regenerative medicine/cell therapy CDMO

Combining Sumitomo Pharma's expertise in regenerative medicine/cell therapy with our contract manufacturing knowledge, we are conducting the CDMO business for regenerative medicine/cell therapy products at S-RACMO Co., Ltd.

▶ Regenerative medicine/cell therapy (R&D)

We operate drug discovery business for regenerative medicine/cell therapy products at RACTHERA Co., Ltd. by bringing together Sumitomo Pharma's expertise including development of formulations for regenerative medicine/cell therapy and our knowledge about foundational iPS/ES cell technologies.

*The expenses related to regenerative medicine/cell therapy (R&D) will continue to be recorded as corporate shared expenses for the time being

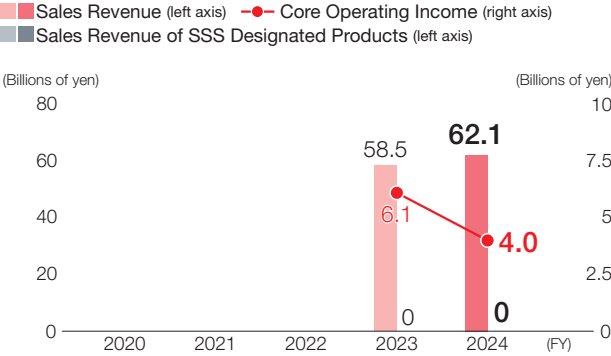
*1 APIs: Active Pharmaceutical Ingredients

*2 CDMO: Contract Development and Manufacturing Organization

*3 Nucleic acids required for cutting-edge genome-editing therapies. A typical example is gRNA exceeding 100mer, which is much longer than typical nucleic acid drugs. The necessity of high-purity products for medical applications has been highlighted.

FY2024 Performance-Related Data

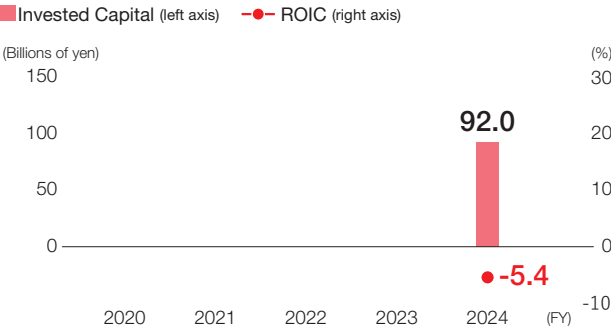
Sales Revenues and Core Operating Income/Sales Revenue of SSS Designated Products



Overseas Sales Revenue Ratio



Invested Capital / ROIC



Transition to Date

Advanced Medical Solutions is a new business division established as a result of organizational restructuring in October 2024. The ROIC for the division was -5.4% since, despite strong API and intermediate shipments, impairment losses were recorded by a subsidiary for its fine chemical manufacturing facility.

Future Measures

We will expand our business and strengthen profitability by transforming the advanced small molecule APIs CDMO business into a high-margin operation, broadening the customer base in the oligonucleotide CDMO business, and enhancing manufacturing facilities in the regenerative medicine/cell therapy CDMO business.

Our recognition of the current business environment

Advanced small molecule APIs CDMO

- It is a solid market occupying the mainstream of drug discovery modalities.
- There is increased importance of comprehensive capabilities to respond to stricter GMP requirements.
- There is a tendency in which high-level synthetic techniques are required due to higher complexity of chemical structures and higher molecular weights.

Oligonucleotide CDMO

- The business is gaining momentum for expansion due to full-scale implementation of gene therapy and increased market entry by American biotech venture firms.
- There is higher global demand for high-purity gRNA. (Purity of at least 80% is recommended by the U.S. FDA.)

Regenerative medicine/cell therapy CDMO

- Rapid expansion of CDMO business is expected, spanning from investigational drug manufacturing to commercial production, against the backdrop of active development by companies toward full-scale industrialization (annual growth rate of the CDMO market: 15%).
- Development and strengthening of domestic CDMO business is gaining momentum.

Regenerative medicine/cell therapy (R&D)

- The global market value has already passed about 2 billion US dollars and is expected to grow by at least 10% annually.
- Development of various iPS cell products has led to stronger momentum for practical application.

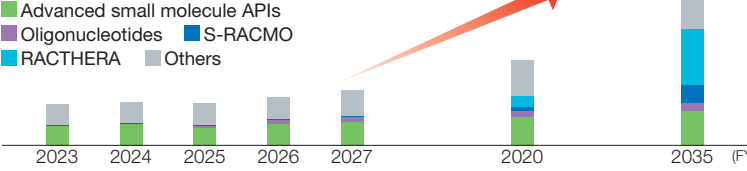
FY2025 - 2027 Corporate Business Plan

FY2027 Financial targets Core Operating Income : **10** bn. yen ROIC : **7** %

Medium-to-long-term policy

We aim to achieve the medium-to-long term sales revenue target of 300 billion yen by 2035 by promoting organic business growth and concretizing and executing the break-through growth strategy in the advanced medical area such as regenerative medicine/cell therapy.

Medium-to-long-term sales target



▶ Advanced small molecule APIs CDMO

Strategy

- The main target customers are pharmaceutical companies in Japan, which need our comprehensive capabilities
- Advance highly prioritized promotions through multifaceted analysis of customer pipelines and development and buyout directions
- Encourage growth into a high-profit business with a focus on new drug CDMO
- Stable supply of high-quality generic APIs that leverage manufacturing technologies, which are one of our strengths

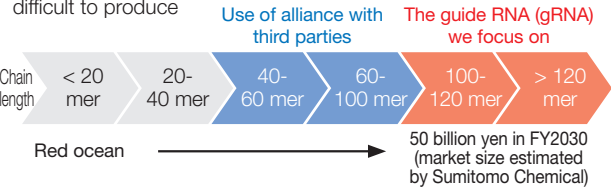


New Plant for small molecule APIs (Oita)

▶ Oligonucleotide CDMO

Target

- Focus on high-purity long gRNA (over 100 mer) that is extremely difficult to produce



Strategy

- Enhance our engagement with U.S. customers by using SC-AMSA*, the CRO base in the U.S.
- Promote standardization of our proprietary high purity, quality, and analysis technology for gRNA



Oligonucleotide plant (Oita)

▶ Regenerative medicine/cell therapy CDMO

Strategy

- Accelerate project acquisition by using our strengths, which include high-level production technology, manufacturing method development know-how, and regulatory capabilities
- Further expand the business through manufacturing facility expansion
- Promote strengthening our organizations and building our business infrastructure in the U.S. for tremendous future growth



S-RACMO New CPC* "CRAFT"

*Cell Processing Center

▶ Regenerative medicine/cell therapy (R&D)

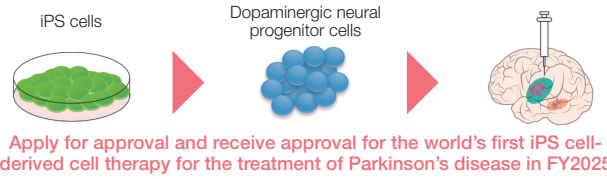
Target

- iPS cells set as the target are pluripotent stem cells with diverse differentiation potential like ES cells
- iPS cells can resolve ethical issues associated with ES cells whose derivation involves destruction of fertilized eggs

Strategy

- Apply for approval and receive approval for the world's first iPS cell-derived cell therapy for the treatment of Parkinson's disease in FY2025
- Establish a leading position through the quick advancement of our first three products (a cell therapy for Parkinson's disease and cell therapies for retinal disease)

Therapy for Parkinson's Disease Using iPS Cells



Strategy by Business Sector

Essential & Green Materials

Essential & Green Materials (Investors' Handbook)

Vision Establish position as a Solution Provider that maintains stable supply of materials essential to society and contributes to a reduced environmental impact



Businesses

► **Polyolefin Business**

Polyethylene (PE)

- Synthetic resin that is exible, highly water- and chemical-resistant, and easy to process (Used in a wide range of products, including packaging materials, such as plastic wrap and food-safe tubes, wire coatings, and plastic lm used for greenhouses)



Various products made using polyethylene

Polypropylene (PP)

- Synthetic resin with a number of superior properties, including light weight, great workability, durability, heat resistance, and chemical resistance (Used in a wide range of applications, including automobile bumpers, instrument panels, food trays, and home appliances)

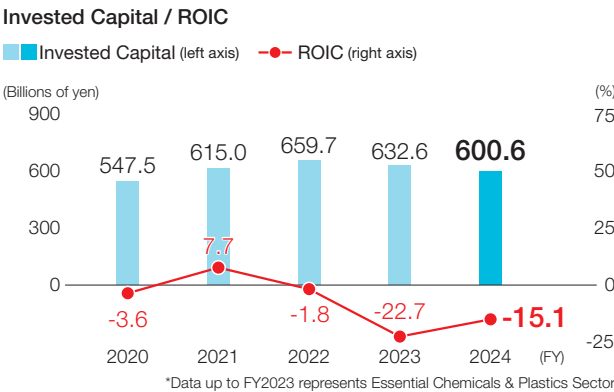
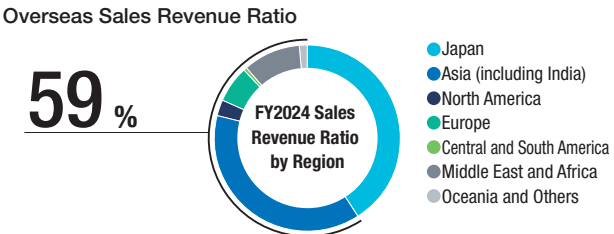
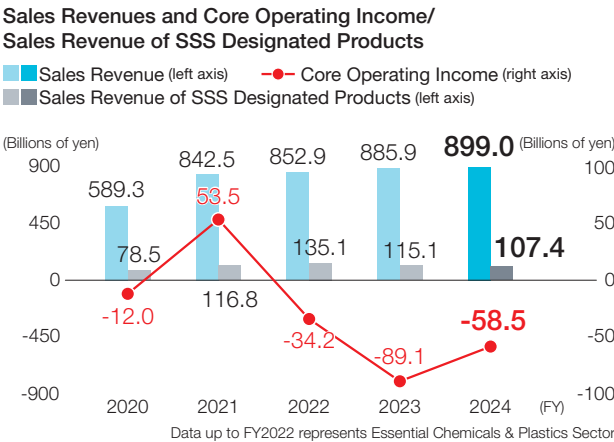
► **Methyl Methacrylate (MMA) Business**

- Materials with outstanding transparency and weather resistance (Widely used in optical components such as light guide plates for LED TVs, automotive components, display cases, and outdoor advertisements)

► **Licensing Business**

- Provision of licenses and sales of catalysts for production methods and technologies cultivated at our plants in Japan and at related companies outside Japan
- A lineup of technologies including not only the propylene oxide-only (PO-only) process for manufacturing PO, but also a hydrochloric acid oxidation process that significantly reduces energy costs and whose byproducts can be recycled as raw materials.

FY2024 Performance-Related Data



Transition to Date

The invested capital has been declining since investments outside business maintenance have been limited, and business restructuring is underway. NOPAT has been sluggish due to the weak petrochemical product market, equity-method income/losses from Petro Rabigh, and so on. It however showed improvement in FY2024 from the previous fiscal year since the trading conditions improved for products including MMA, leading to cost reduction and consequently ROIC improvement.

Future Measures

In Japan and Singapore, we will optimize the business structure using collaboration with other companies and develop and expand sales of high-margin products. As for Petro Rabigh, we aim to fundamentally improve its profitability by implementing the restructuring plan under the leadership of Aramco. We will also focus on licensing and catalyst business to achieve a business structure unaffected by the market condition.

Our recognition of the current business environment

► Outlook of the petrochemical product market

Given the continued weak supply-demand balance across all products, we do not anticipate a significant market recovery and therefore expect conditions to remain subdued.

Demand side

- Domestic demand is predicted to remain low.
- Overseas demand is expected to increase slowly with economic growth.

Supply side

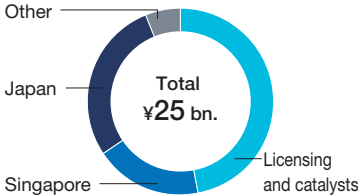
- The operating rate of the ethylene plant in Japan has been low.
- Construction and expansion of ethylene plants continue outside Japan, mainly in China.

We will complete the business restructuring, strengthen the licensing and catalyst business, and accelerate strengthening of the business base for delivering solutions that reduce environmental impact.

FY2025 - 2027 Corporate Business Plan

Financial targets Core Operating Income: **25 bn. yen** ROIC: **4%**

► Approximation of contributions by business to FY2027 core operating income

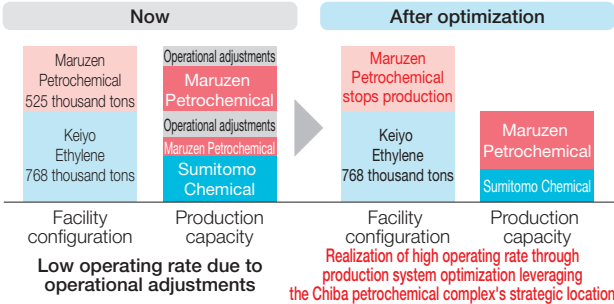


► Complete rebuilding of the businesses

Rationalization at existing ethylene plant

Rapid improvement of the supply-demand balance is not expected for the future due to the increased production capacity in China and other countries and sluggish domestic demand. Optimization of the domestic supply system has been an issue shared by petrochemical manufacturers. Under these circumstances, in April 2025, we reached an agreement with Maruzen Petrochemical on operational optimization of Keiyo Ethylene including changes in the product off-take ratio. The product off-take ratio will be 64% for Maruzen Petrochemical and 36% for Sumitomo Chemical (aiming for FY2026).

Image of Ethylene Production Optimization in the Chiba Area



► Strengthening of the licensing and catalyst business

We will work on stable revenue generation and sustainable business expansion, aiming to contribute to revenue generation as the sector's key business by FY2027.

Basic strategy

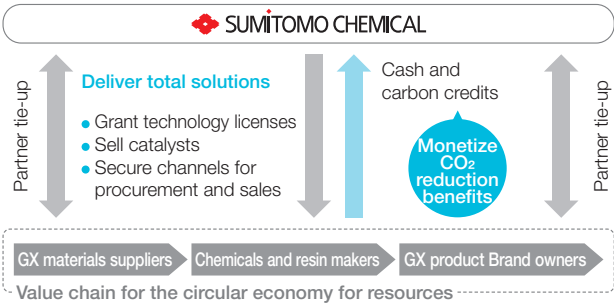
- | Establish stable revenue base | Expand portfolio | Brush up technology |
|---|--|--|
| Expand capacity to supply catalysts | Expand the lineup for licensing of technologies that reduce environmental impact | Bolster competitiveness in processes |
| Expand opportunities to contact potential customers | | Extend catalyst life and improve costs |

► Strengthening of the base for the environmental impact solutions business

We will strengthen the business base by promoting concentration of research resources to establish technologies and activities to expand the market as well as broadening our efforts to secure non-fossil feedstock. We will build a resource recycling value chain based on licensing of GX product manufacturing to deliver solutions that reduce environmental impact.

Business overview

With our competitive GX licensing technologies as a foundation, we build a resource recycling value chain. We offer a total solution covering not only technology licensing and catalyst sales but also securing of procurement and sales channels.



We plan to generate revenue by in-house manufacturing of green essential chemical products and widely licensing established GX technologies. In addition, we are considering a business model for the future in which we receive a fee equal to the value of GHG reduction helped by our technologies. By 2035, we aim to add to GHG reduction by 2.5 million tons and generate business profit of 40 billion yen as core operating income.

Goals for the GX Solutions Business

Core Operating Income : approx. **25 bn. yen**

CO₂ reduction contribution : Equivalent to approx. **2.5 million tons/year** (Equivalent to 0.8 million tons of EtEP etc.)



MEGURU

Innovation Center MEGURU (Chiba)

EtEP: Production of ethylene and propylene from ethanol