FY2025-2027 Corporate Business Plan

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.

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

- 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

FY2027 performance target

(Billions of yen)

	FY2025 Actual	FY2026 Forecast (announced in May 2026)	FY2027 target (announced in March 2025)
Sales Revenue	2,328.5	2,360.0	2,400.0
Core Operating Income (Of which capital gains on business dispositions)	208.4 (Approx. 80.0)	215.0 (Approx. 5.0)	200.0
Net Income Attributable to Owners of the Parent	60.9	70.0	100.0
ROE	6.4%	6.8%	8%
ROIC	5.6%	5.5%	6%

FY2027 core operating income target by sector

(Billions of yen)

	FY2025 Actual	FY2026 Forecast	FY2027 target
Agro & Life Solutions	56.3	65.0	80.0
ICT & Mobility Solutions	53.0	55.0	80.0
Advanced Medical Solutions	2.8	3.0	10.0
Essential & Green Materials	14.4	20.0	25.0
Sumitomo Pharma	108.4	94.0	5.0
Head office and others	-26.7	-22.0	
Total	208.4	215.0	200.0

Upgrade business portfolio with new growth strategy

In the current Corporate Business Plan, we reaffirmed the positioning of each business sector within the corporate portfolio. This is intended to further promote the business portfolio enhancement.

We positioned Agro & Life Solutions (AGL) and ICT & Mobility Solutions (ICTM) as near-term growth drivers and will allocate more management resources, including capital expenditures and R&D, to these businesses. At the same time, we will develop Advanced Medical Solutions (ADM) as a new growth area and nurture it into the third pillar of earnings in the future. Essential & Green Materials (EGM) will undertake a major shift from petrochemicals to businesses that reduce environmental impact, while expanding the licensing and catalyst business based on existing technology assets. 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

	Agro & Life Solutions	ICT & Mobility Solutions	Advanced Medical Solutions	Essential & Green Materials
Positioning	Growth drivers: Concentrate management resources to drive companywide business performance		New growth areas: Cultivate as the third pillar in the future	Fundamental areas: Cultivate businesses that reduce environmental impact
	Concentrate resources in capex and R&D investments		Cultivate from a long-term perspective	

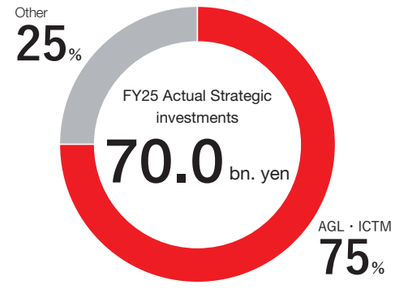
Concentrate resources in growth drivers

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.

In FY2025, strategic investments amounted to approx. 70 billion yen and maintenance investments came to approx. 73 billion yen, thereby completing roughly one-third of the three-year plan. About 75% of strategic investments were concentrated on AGL and ICTM as growth drivers.



Major strategic investments in FY2025

Acquisition of a semiconductor chemical company

Acquired customer network and product lineup in Taiwan and the U.S.

➡ Strengthened our position as a leading company



AUECC's semiconductor chemical plant (U.S.)

Augmented production capacity of crop protection products in India

Established a new plant in India and augmented production capacity of crop protection intermediates

➡ Secured a competitive production base



Existing plant of Sumitomo Chemical India Ltd.

Build greater resilience by executing continued structural reforms

Petro Rabigh

Petro Rabigh (PRC) has been promoting various measures intended to strengthen its financial base and improve earnings capacity. The Company and Saudi Aramco jointly implemented and completed a series of financial improvement plans, including debt waivers, which contributed to mitigating interest payment burdens and reducing accumulated losses.

Short-term measures to improve earnings have also yielded results steadily. We will now proceed with initiatives under the medium- to long-term measures to improve earnings centered on refinery products.



Petro Rabigh

Financial improvement plan

- Completed: **Wrote-off loans totaling $1,500m from both SCC and Aramco*1**
  *1 Aramco wrote-off the loans of $500m in FY2024 and $250m in FY2025.
- Completed: **SCC completes sale of approximately 22.5% of PRC to Aramco for $702m**
- Completed: **Including the proceeds from the sale, a total of $1,404m is expected to be contributed to PRC*2**
  *2 The first issuance of a different class of ordinary shares by a public company in Saudi Arabia

Mitigating PRC interest burden
Our ownership stake has been 15% since October 2025.

Plan to strengthen earnings power

- Currently in progress: **Short-term : Capacity increase through de-bottlenecking of ethane cracker and HOFCC (ethylene: 105%, propylene: 109%)**
  Strengthen feedstock competitiveness by changing crude oil types, and increase margins in refined products (producing low-sulfur diesel, upgrading light naphtha to gasoline), etc.
- Under consideration: **Mid- to long-term: Feasibility study in progress on upgrades to refinery assets**

Sumitomo Pharma

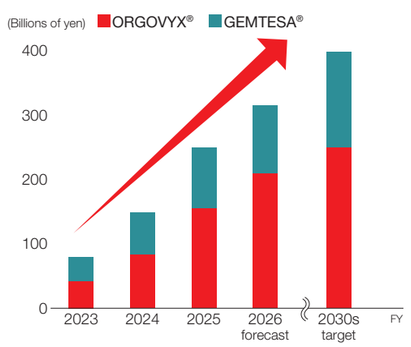
In FY2025, Sumitomo Pharma's earnings grew significantly from the previous fiscal year due to expanded sales and sales milestones of ORGOVYX® and GEMTESA® and the divestment of its operation in Asia. In April 2026, it strengthened the financial position through a public offering and secured funding to accelerate research and development.

To transition from structural reforms to the full-scale implementation of growth strategy, we will further expand sales of ORGOVYX® and GEMTESA®, while also promoting research and development of two oncology assets as next-generation profit drivers.

With regard to the positioning of Sumitomo Pharma within the Group, we will focus on building the best growth model for the company and consider all options, including the search for a best partner for the company, based on the recognition that synergies with small molecule drugs (drug discovery) are limited.

Expanding sales of ORGOVYX® and GEMTESA®

Aiming for the 400 billion yen range in sales of ORGOVYX® and GEMTESA® in the 2030s



Business Potential of the Two Oncology Compounds

Promoting development while exploring opportunities for partnerships with other companies

	Enzomenib	Nuvisertib
Target Indication	Acute leukemia (KMT2A-rearranged or NPM 1-mutated)	Myelofibrosis
Expected competitive advantages	Promising efficacy and a favorable safety profile (potentially lower risk of cardiac adverse events and differentiation syndrome)	Promising efficacy and a favorable safety profile (potential to improve bone marrow fibrosis)
Target launch date	FY2027	FY2028
Peak sales forecast	● Over 100 billion yen ● Expect over 200billion yen with indication expansions	● Over 100 billion yen ● Indication expansions under consideration

Note: As of March 2026

Improve capital efficiency

Under the current Corporate Business Plan, we are thoroughly re-implementing ROIC-oriented management to improve capital efficiency. While working to strengthen earnings power and to optimize invested capital, we also upgrade our investment management process and aim for improvement in ROIC by increasing the probability of investment success. In investment judgment and decision-making, we quantify risks and leverage the insights of external experts for thorough risk management.

We also focus on post-investment monitoring. For large-scale investment projects, we set KPIs as follow-up milestones after investments and monitor the progress on an ongoing basis. This has resulted in a system that enables us to identify changes in market conditions and signs of risk at an early stage.

Strengthen investment management processes to enhance probability of investment success

Investment and business decision-making rooted in thorough risk management

Data-driven
Quantify risk based on probability distributions across a diverse range of scenarios

Objective
Place import on third-party expert opinions about market trends and competitive advantages

Monitoring for flexible strategy operations

Agile
Adopt continuing milestone KPIs that capture early warning signs

Changes in ROIC from FY2024 to FY2027

Business Sector	FY2024 Actual	FY2025 Actual	FY2027 target
Agro & Life Solutions	4.4%	5.7%	8%
ICT & Mobility Solutions	10.4%	6.4%	11%
Advanced Medical Solutions	-5.4%	-0.7%	7%
Essential & Green Materials	-15.1%	-7.7%	4%
Total	2.2%	5.6%	6%

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.

Also, to promote R&D structural reforms, we restructured our R&D organization and established a company-wide, strategic organizational structure. By strengthening the alignment between business strategy and R&D strategy, we will concentrate resources on winning business themes.

Strengthen management base supporting new growth strategy

Talent

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.

DX

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.