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



Managing Executive Officer
Head of Agro & Life Solutions Sector Tadashi Katayama

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 micro-organism-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

Chemicals,biorationals insecticides

- Household insecticides (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)
- Professional insecticides (for residential homes, office buildings, warehouses, etc., used by professionals)
- Public hygiene insecticides (for hygiene pest control)



Active ingredients for household pesticides

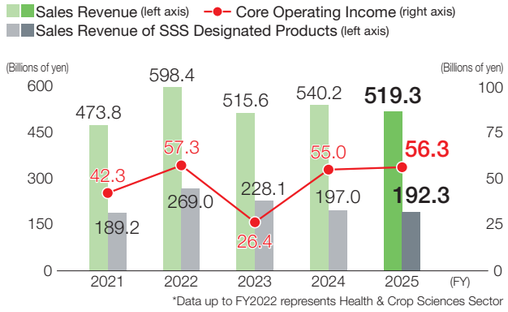
Animal Nutrition Business

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.)

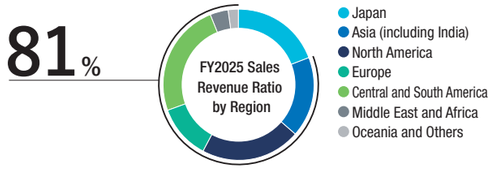
FY2025 Performance-Related Data

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

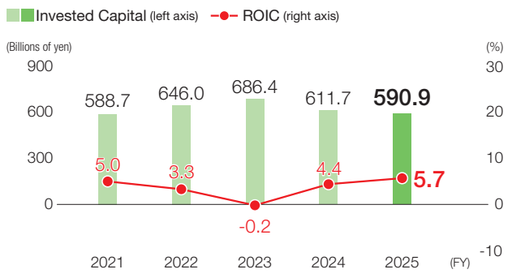


*Data up to FY2022 represents Health & Crop Sciences Sector

Overseas Sales Revenue Ratio



Invested Capital / ROIC



*Data up to FY2023 represents Health & Crop Sciences Sector

Transition to Date

We have continued to recoup the returns on our past proactive investments in the sector as a future growth driver of Sumitomo Chemical. We have also worked to optimize invested capital mainly through inventory reduction. In FY2025, it was negatively impacted by bad weather conditions in South America. However, due to solid growth in the crop protection chemicals market in Japan, the sector's ROIC was 5.7%.

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 business 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.

FY2025 - 2027 Corporate Business Plan and Progress

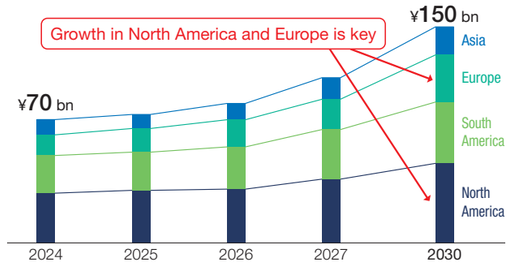
FY2027 Financial targets Core Operating Income : 80 bn. yen ROIC : 8%

Solid execution of growth strategy centered on biorationals

Policy

- Globally deploy biostimulants and other new business areas and pursue synergies with existing products
- accelerate sales expansion of biorationals

Biorationals product sales by geography



Progress

Established Sumitomo Biorational Company

Reorganized U.S. Group companies and established a global hub for the biorational business



Aim

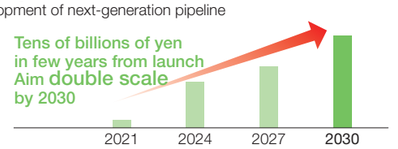
- Center of Excellence: Strengthening important business fields
  Consolidate knowledge and experience from former Valent BioSciences (biorationals) and former MGK (botanicals) into new company
- Prepare for changes in the external environment and minimize business operation costs
  Realize a lean and efficient business operation structure that eliminates redundancies

New product expansion & pipeline acceleration

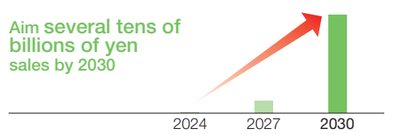
Policy

- Launch and expand sales of INDIFLIN™ and Rapidicil™ and expand synergies with existing businesses
- promote development of next-generation pipeline

INDIFLIN™



Rapidicil™



Progress

Strategies by product

INDIFLIN™

- Expanding sales leveraging added indication for corn in 2025 (enhancing convenience to create markets and acquire sales expansion opportunities)
- Expanding sales of Pladius™, a mixture that includes INDIFLIN™ and can also be used on cotton
- Accelerating sales expansion in Paraguay's agrichemicals market through the 2025 establishment of SC Paraguay and experience from Brazil)

Rapidicil™

- Advance registration in countries in North and South America. Expand product lineup by developing mixture products
- Build next-generation weed controls for use with PPO-tolerant crops
- Register in US in 2026 and Brazil in 2027

Strengthening supply systems & enhancing cost and capital efficiency

Policy

- Optimize supply regime inside and outside Japan
- secure supply capacity that is stable and competitive
- Compress working capital, optimize inventories, and strengthen manufacturing cost competitiveness

Action plan by area



Progress

1. **Japan(Oita, Misawa):** 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. **China:** We will seek low-cost procurement of products, including post-patent products for South America, by consolidating purchasing functions
3. **India:** We will expand and strengthen the production capabilities, including production of crop protection active ingredients and intermediates.
4. **Central and South America:** We will further increase production capacity and expand capability to support the sales expansion of new products and biorational products. We will also accelerate production and export to other regions
5. **North America:** We will strengthen the competitiveness and production capacity of the VBS Osage plant as a base for biorational business. We will also strengthen the competitiveness of the SBC Chaska plant as a base for the the Environmental Health Business in North America.
6. **Oceania:** We will strengthen the competitiveness and increase the product capacity of the plant as a production base for natural pyrethrin that supports the global biorational business (in the Environmental Health and AgroSolusions 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



Businesses

Semiconductor materials-related Business

Photoresists
- Photosensitive resins creating ultra-fine circuit patterns in semiconductor manufacturing processes.

Semiconductor chemicals
- High-purity, functional chemicals mainly used for cleaning and etching processes in semiconductor manufacturing processes.

High-purity Inorganic materials
- Ultra-high purity alumina and aluminum

Compound semiconductor materials
- Substrates and their laminates, such as gallium nitride that offers high frequencies and good voltage endurance characteristics.

Display Materials-related Business

Polarizing films
- High-performance films that achieve high-definition images on smartphone displays, etc.

Color Resists
- The red, green and blue high-performance colorant materials that make up the color filter layer, the key component of a display.

Mobility-related Business

Super engineering plastics

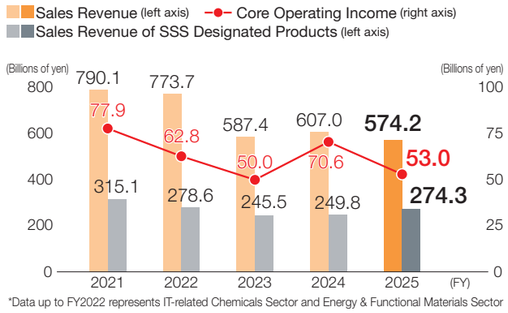
Liquid crystal polymer (LCP), Polyether sulfone (PES)
- A polymer, which features excellent heat resistance, fluidity, and dimensional stability used for automobiles, aircraft, electronic devices, etc.

Resorcinol
- Raw materials for various fine chemicals, including adhesives for rubber products, wood adhesives.

Battery separators
- Insulation films that prevent short circuits of positive and negative electrodes of lithium-ion secondary batteries. Safety components that retain the electrolytes and enable ion conductivity.

FY2025 Performance-Related Data

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

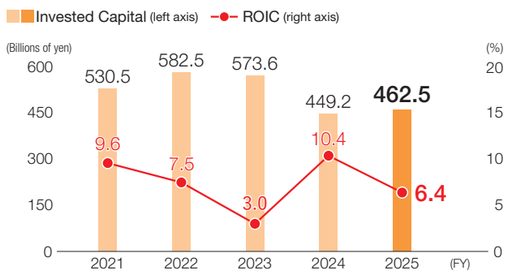


*Data up to FY2022 represents IT-related Chemicals Sector and Energy & Functional Materials Sector

Overseas Sales Revenue Ratio



Invested Capital / ROIC



*Data up to FY2023 represents IT-related Chemicals Sector and Energy & Functional Materials Sector

Transition to Date

We have continued to proactively invest in the sector as a future growth driver of Sumitomo Chemical, including in the establishment and expansion of facilities for semiconductor-related business. Although the semiconductor-related business recovered due to strong demand related to AI in fiscal 2025, profit levels declined due to factors including lower selling prices resulting from intensified price competition for display-related materials. Due to these factors, the sector's ROIC was 6.4%

Future Measures

For the semiconductor-related business, we will globally expand our business development area through such measures as starting operations at a new plant in the U.S. and utilizing the business sites of the recently acquired Asia Union Electronic Chemical Corporation. In the area of back-end process materials, we will focus on cutting-edge fields as we work closely with customers to further accelerate the development of materials and promote their steady commercialization. In addition, by restructuring the mobility-related business, we will upgrade our business portfolio and implement profitability improvement measures for the next stage of growth in the sector as a whole.

FY2025 - 2027 Corporate Business Plan and Progress

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

Semiconductor materials-related business

Photoresists

Policy
- Make upfront investments in cutting-edge fields in line with the advancements in semiconductor technologies
- Deepen unique core technologies and develop and expand global supply and development systems
  - ➡ Establish a two-site supply system in Japan and Korea
  - ➡ Strengthen function of Osaka area, a key production site of photoresist

Alkaline development with negative resist (immersion ArF)
Advance global top-class ArF immersion resist technology to achieve improved resolution
Aim to expand the addressable application range by leveraging advanced ArF lithography tool

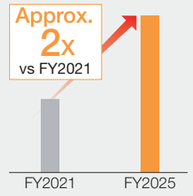
Organic molecule resist (High NA EUV)
To support ultimate miniaturization of semiconductors, design resist materials at molecular size
Concentrate R&D resources and accelerate development of next-generation platforms

Progress

Photoresist business-related investment projects

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 •Mass production of EUV photoresist/immersion ArF photoresists	Korea
FY2026	Expand the cutting-edge photoresist evaluation equipment •Enhancement and introduction of cutting-edge ArF lithography systems	Osaka
FY2027 (plan)	Establish a next-generation EUV technology center •Consolidate manufacturing process technology and quality evaluation and analysis functions	Osaka

Strengthening of our cutting-edge photoresist production capacity



Semiconductor chemical/ Semiconductor back-end materials

Policy

Semiconductor chemical
- Expanding the supply systems and promoting productivity improvements at each location by acquiring bases in Taiwan and the western U.S. through the purchase of a semiconductor chemical company, while also enhancing the top global level business scale by strengthening process technology as well as the evaluation and analysis infrastructure

Semiconductor back-end materials
- Fully leveraging our core technologies (organic synthesis, formulation, precision film processing, etc.), steadily accelerating development, release, and sales expansion of advanced back-end products applied to AI semiconductor manufacturing

Progress

Acquired Taiwan AUECC and established JV for glass core substrates

In FY2025, we acquired Asia Union Electronic Chemical Corporation (AUECC), which has production bases in Taiwan and the U.S.

For back-end materials, we signed a joint venture agreement with Samsung Electro-Mechanics Co., Ltd. to establish a joint venture GlaSSEM (tentative name) that will manufacture glass core substrates used for advanced packaging.



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

Display materials and mobility-related business

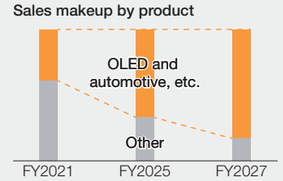
Polarizing films

Policy
- Steadily promoting a structural reform and accelerating development of elemental technologies to establish a sustainable business base. Based on our proprietary key materials (liquid crystal-coated retardation films, liquid crystal-coated polarizer), promoting business expansion into high performance areas such as materials for OLED mobile, automotive, and next-generation displays.

Progress

We steadily restructured our portfolio by, for example, selling the large-screen LCD polarizing film business in China, and sales ratio of high performance areas rose by approx. 30% in FY2025 compared to FY2021. By deepening our proprietary technologies, we will drive the shift to cutting-edge fields.

Sales makeup by product

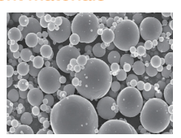


New businesses

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

Next-generation thermal management materials

As electricity consumption increases with the advancement of AI and high-speed communications, demand is growing for advanced thermal management technologies. The Company develops materials for advanced semiconductor packaging and low alpha radiation, high-purity fine spherical alumina products. With their excellent heat dissipation properties, we contribute to improving device performance.



ELA series of high-purity fine spherical alumina products

Next-generation power device materials

We offer to the market a high-quality gallium nitride substrate as a material 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.

Materials for communication devices

We develop and offer high performance antennas designed for high-speed communication that can be placed on a display, thereby contributing to downsizing of mobile communication repeaters, as well as glass transparent displays that enable signage on glass structures. They are the solutions we provide to contribute to the advancement of next-generation communication technologies.



Glass transparent displays

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 Chemical Asset Management Office,
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-chan RNA 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

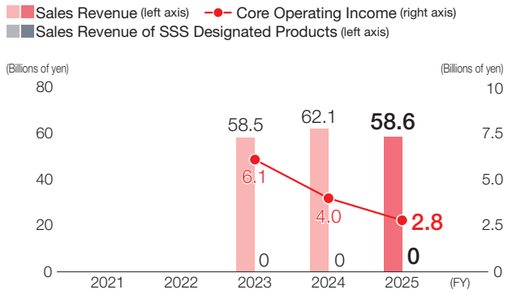
*1 APIs: Active Pharmaceutical Ingredients

*2 CDMO: Contract Development and Manufacturing Organization

*3 Nucleic acids required for cutting-edge genome-editing therapies. They are much longer than typical nucleic acid drugs. The necessity of high-purity products for medical applications has been highlighted.

FY2025 Performance-Related Data

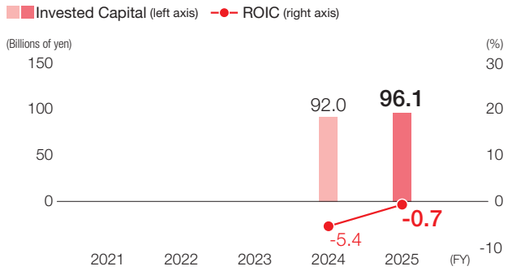
Sales Revenues and Core Operating Income/ Sales Revenue of SSS Designated Products



Overseas Sales Revenue Ratio



Invested Capital / ROIC



Transition to Date

As business where we can win, the CDMO business has expanded its track record of contract work in high value-added areas including oligonucleotides, while stably supplying high-quality APIs. The ROIC for the sector in FY2025 was -0.7% as impairment losses were recorded by a subsidiary mainly for its fine chemical manufacturing facility.

Future Measures

We will expand the acquisition of new contracts in the advanced small molecule APIs CDMO business. In the oligonucleotide CDMO business, we will further strengthen our service for U.S. customers, thereby achieving higher sales. In the regenerative medicine/cell therapy business, we will expand the business and strengthen profitability by enhancing CDMO manufacturing facilities and through promoting clinical studies further for obtaining full approval in Japan and approval in the U.S. for the cell therapy for the treatment of Parkinson's disease.

FY2025 - 2027 Corporate Business Plan

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

Advanced small molecule APIs CDMO

Policy

- The main target customers are pharmaceutical companies in Japan, which need our comprehensive capabilities
- Advance highly prioritized promotions through multi-faceted 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)

Progress

- Steady sales efforts led to constant acquisition of new projects (3 projects in FY2025)
- Realized high operating rates and stable production at existing plants
- Started to examine GMP-compliant manufacturing at Koei Chemical multi-purpose plant for future business expansion

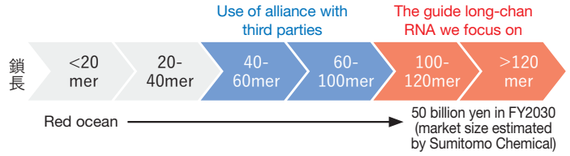


Koei Chemical (Chiba)

Oligonucleotide CDMO

Target

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



Policy

- 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 long-chan RNA

*Sumitomo Chemical Advanced Medical Solutions America LLC



Oligonucleotide plant (Oita)

Progress

- Expanded orders through active provision of samples and sales activities
- Realized stable production at a new plant
- SC-AMSA, a new company serving as a development support base, was established in the U.S. and has started supplying samples



SC-AMSA (U.S.)

Regenerative medicine/cell therapy CDMO

Policy

- 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

Progress

- Reached 5 consecutive years of profitability by successful acquisition of projects and expansion of contract work
- Started operation of a manufacturing facility No. 3,"CRAFT," and a manufacturing facility No. 4 was awarded a grant by the Ministry of Economy, Trade and Industry

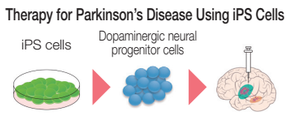
Regenerative medicine/cell therapy (R&D)

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

Policy

- 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)



Progress

- In March 2026, AMCHEPRY (cell therapy for the treatment of Parkinson's disease) obtained approval in Japan (conditional and time-limited approval)
- Steadily implemented clinical studies on our first three products



Conditional and time-limited approval

Conditions
• Post-marketing clinical studies • Post-marketing surveillance
Dead line
7 years (end of FY 2032) from approval

Sumitomo Chemical's regenerative medicine/cell therapy business

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



Senior Managing Executive Officer
Head of Essential & Green Materials Sector,
Business Development for
Circular Carbon Economy
Seiji Takeuchi

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

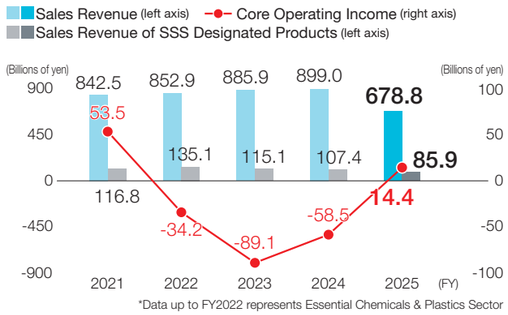
- Materials with outstanding transparency and weather resistance (Widely used in optical components such as light guide plates for LED TVs, automotive components,display cases, and outdoor advertisements)

Licensing and Catalysts 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 signicantly reduces energy costs and whose byproducts can be recycled as raw materials.

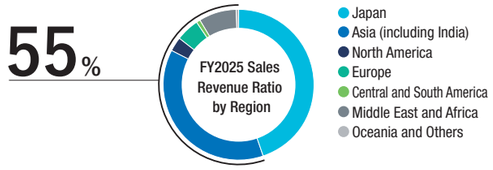
FY2025 Performance-Related Data

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

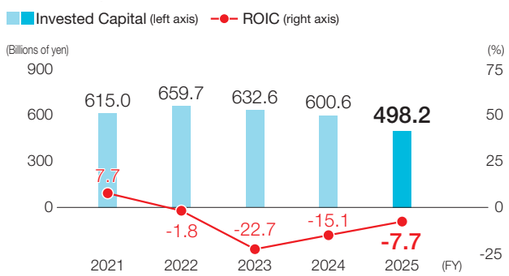


*Data up to FY2022 represents Essential Chemicals & Plastics Sector

Overseas Sales Revenue Ratio



Invested Capital / ROIC



*Data up to FY2023 represents Essential Chemicals & Plastics Sector

Transition to Date

Invested capital has been decreasing as we are carefully selecting growth investments based on their profitability and future potential and excluding investments that are aimed at maintaining business operations. In FY2025, business performance improved due to the sale of shares in Petro Rabigh as well as improved trade conditions at Petro Rabigh and in synthetic resins, which led to ROIC improvement.

Future Measures

In Japan and Singapore, we will advance the optimization of business structures, including through leveraging collaborations with other companies, and develop and expand sales of highly profitable products. As for Petro Rabigh, we will pursue a fundamental improvement in profitability led by Saudi Aramco. In addition, we will aim for a business structure that is not affected by market conditions, and will focus on the licensing and catalyst business.

FY2025 - 2027 Corporate Business Plan

FY2027 Financial targets Core Operating Income : 25 bn. yen ROIC : 4%

Complete rebuilding of the businesses

In Japan and Singapore, optimizing the business structure using collaboration with other companies and further rationalizing unprofitable and non-core businesses

Japan P&P reorganization

Policy

Maximize benefits of corporate ties upstream and downstream and secure stable earnings through business rationalization

Rationalization at existing ethylene plant

Realization of high operating rate through production system optimization leveraging the Chiba petrochemical complex's strategic location

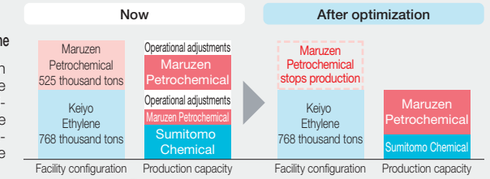
Polyolefin collaboration

Strengthen business competitiveness with integration into domestic leader Prime Polymer

Progress

Optimized operations at Keiyo Ethylene

- Reached an agreement with Maruzen Petrochemical on the operational optimization of Keiyo Ethylene. Product off-take ratio is 64% for Maruzen Petrochemical and 36% for the Company (after optimization)



- Transition to an optimal structure within FY2026. Profitability is expected to improve due to reduction in fixed costs and higher utilization rates

Business integration with Prime Polymer

- Agreement on integration of domestic PP and LLDPE businesses in Japan into Prime Polymer
- As Prime Polymer, we expect to achieve annual cost savings of more than 8 billion yen and accelerate the development of high-performance, environmentally friendly products.
- Integrated functions other than manufacturing in July 2026. Integration of the manufacturing function is scheduled in April 2027.

Singapore P&P reorganization

Policy

Upstream	PCS: Study and establish optimization of makeup of the complex
Downstream	TPC: Enhance earnings power of polyolefins through a shift to high value-added grades

Progress

Upstream	PCS: Optimize production and continue to review sales mix
Downstream	TPC: Expand sales of high value-added grades and shift sales geographies

Strengthening of the licensing and catalyst business

Policy

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.

Establish stable revenue base

- Expand capacity to supply catalysts
- Expand opportunities to contact potential customers

Expand portfolio

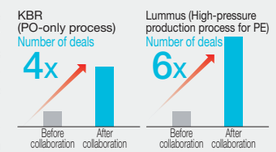
- Expand the lineup for licensing of technologies that reduce environmental impact

Brush up technology

- Bolster competitiveness in processes
- Extend catalyst life and improve costs

Progress

- Our proprietary high-performance catalysts support many of our process technologies, such as hydrochloric acid oxidation process and PO-only process. We will continue to add to our lineup.
- The presence of our technologies in global markets has grown through collaborations with KBR and Lummus
- Started commercial licensing of a high-efficiency chemical recycling technology for acrylic resin with Lummus Technology LLC in February 2026
- In May 2026, our collaboration partner Technip (U.S.) entered into a global licensing agreement with BASF (Germany) for HCl oxidation technology



Strengthening of the base for the environmental impact solutions business

Business overview

With our competitive GX licensing technologies as the cornerstone, we build a resource recycling value chain and offer a total solution covering not only technology licensing and catalyst sales but also securing of procurement and sales channels. Recycling technologies for carbon resources are becoming increasingly important not only for reducing environmental impact but also from the perspective of economic security. Through early social implementation and expansion in technology licensing, we aim to achieve core operating income of 40 billion yen in 2035.

