



August 7, 2024

For Immediate Release

Company Name:	Sumitomo Chemical Co., Ltd.
Representative:	Keiichi Iwata President and Representative Director
Securities Code:	4005
Stock Exchange Listings:	Prime Section of the Tokyo Stock Exchange
Inquiries:	Shunji Kobayashi General Manager Corporate Communications Dept. (Tel: +81-3-5201-0200)

**Notice Regarding Sale of a Portion of the Shares Sumitomo Chemical Holds  
in Petro Rabigh, an Associate Accounted for Using the Equity Method,  
and Recording of Loss on Debt Waiver for a Loan to Petro Rabigh**

Sumitomo Chemical Co., Ltd. (“Sumitomo Chemical”) and Saudi Arabian Oil Company (“Saudi Aramco”) concluded a share sale and purchase agreement on August 7, 2024 and agreed to implement the following measures:

- (1) The equity structure of Rabigh Refining and Petrochemical Company (“Petro Rabigh”) will be changed, with Sumitomo Chemical selling 22.5% of the shares of Petro Rabigh, a portion of its ownership interest in the Company, to Saudi Aramco at SAR 7 per share or for a total of approximately US\$702 million. As a result, the approximate percentages of the shareholders’ ownership interests in Petro Rabigh will change as follows:

<u>Shareholder</u>	<u>Before the sale of shares</u>	<u>After the sale of shares</u>
Saudi Aramco	37.5%	60.0%
Sumitomo Chemical	37.5%	15.0%
General shareholders	25.0%	25.0%

- (2) Subject to the closing of the transaction, Sumitomo Chemical will contribute the consideration from the sale of shares of US\$702 million, and Saudi Aramco will also contribute US\$702 million, to Petro Rabigh, this through a mechanism that will be agreed with and announced by Petro Rabigh in due course.
- (3) As a measure to improve Petro Rabigh’s financial position, Sumitomo Chemical and Saudi Aramco have agreed to each waive existing revolving shareholder loans, which Sumitomo and Saudi Aramco made equally to Petro Rabigh in the aggregate amount of US\$ 1,500 million, with US\$1,000 million to be waived in August 2024 and US\$500

million to be waived in January 2025.

Completion of the transaction is subject to certain conditions including regulatory and third-party approvals. The implementation of Petro Rabigh's support measures is subject to approval by relevant regulatory authorities and banks from which Petro Rabigh has borrowings, as well as other necessary procedures.

Sumitomo Chemical hereby announces an impact that the share sale agreement will have on its financial results as follows:

1. Sale of Petro Rabigh Shares by Sumitomo Chemical and Reduction in the Percentage of Its Ownership Interest in Petro Rabigh

Subject to the conditions referenced above, Sumitomo Chemical will sell approximately 22.5% of the shares of Petro Rabigh, a portion of its ownership interest in Petro Rabigh, to Saudi Aramco in the fiscal year ending March 31, 2026. The percentage of Sumitomo Chemical's ownership interest in Petro Rabigh will decrease from 37.5% before the sale of shares to 15.0% after the sale of shares.

As Sumitomo Chemical will maintain significant influence over Petro Rabigh after the sale of shares, Petro Rabigh is expected to continue to be an associate of Sumitomo Chemical, accounted for using the equity method. Sumitomo Chemical will support Petro Rabigh's turnaround efforts.

The impact that the gain or loss on the sale of shares will have on Sumitomo Chemical's consolidated and non-consolidated financial results is expected to be immaterial. The amount of the impact, however, may vary due to trends of Petro Rabigh's financial results and other factors. Accordingly, if it turns out to be necessary to make disclosures about the impact, Sumitomo Chemical will do so promptly.

2. Recording of Loss on Debt Waiver and Share of Profit of Investments Accounted for Using the Equity Method (Non-Recurring Factor) in Sumitomo Chemical's Consolidated Financial Results

Sumitomo Chemical expects to record a loss before taxes of approximately 27.0 billion yen in its consolidated financial results for the second quarter of the fiscal year ending March 31, 2025.

Sumitomo Chemical and Saudi Aramco have agreed to each waive existing revolving shareholder loans, which Sumitomo and Saudi Aramco made equally to Petro Rabigh in the aggregate amount of US\$ 1,500 million. As a result, Sumitomo Chemical expects to record a loss on debt waiver of approximately JPY 109.0 billion (financial expense) and a share of profit of investments accounted for using the equity method (non-recurring factor) of approximately JPY 82.0 billion related to Petro Rabigh due to debt forgiveness. The net amount will be a loss of approximately JPY 27.0 billion.

### 3. Recording of Extraordinary Loss Due to Debt Waiver in Sumitomo Chemical's Non-Consolidated Financial Results

In its non-consolidated financial results for the second quarter of the fiscal year ending March 31, 2025, Sumitomo Chemical expects to record an extraordinary loss of approximately JPY 109.0 billion yen due to the debt waiver.

### 4. Future Outlook

Given the loss on debt waiver and share of profit of investments accounted for using the equity method (non-recurring factor) stated above, no change has been made to Sumitomo Chemical's consolidated financial results forecast for the fiscal year ending March 31, 2025 announced on April 30, 2024.

If events deem it necessary to revise the consolidated financial results forecast due to the impact of the share sale and purchase agreement and other factors affecting its financial results, Sumitomo Chemical will make disclosures about revision promptly.

\* The amounts of profit and loss stated above are estimates based on an exchange rate of JPY 145 to the USD, which is not the exchange rate applied to the closing of accounts for the fiscal year ending March 31, 2025.

#### Company Profile of Petro Rabigh

Company Name:	Rabigh Refining & Petrochemical Company
Location:	Rabigh, the Kingdom of Saudi Arabia
Establishment:	September, 2005
President & CEO:	Othman A. Al-Ghamdi
Share Capital:	SAR 16,710 million (as of June 30, 2024)
Shareholding Ratio:	Sumitomo Chemical 37.5%, Saudi Aramco 37.5%,

Public investors 25%

Major Business:

Manufacture and sale of refined petroleum products and petrochemicals