



December 24, 2025

For Immediate Release

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Representative:	Nobuaki Mito Representative Director & President
Securities Code:	4005
Stock Exchange	Prime Section of the Tokyo Stock Exchange
Listings:	
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**Notice Concerning Conclusion of Business Integration Agreement and Joint Venture Agreement Between Sumitomo Chemical and Prime Polymer, Mitsui Chemicals, and Idemitsu Kosan to Integrate the Polyolefin (PP and LLDPE) Business in Japan Through a Company Split (Simple Absorption-Type Split) by Sumitomo Chemical**

On December 24, 2025, Sumitomo Chemical Co., Ltd. (“Sumitomo Chemical”) agreed to conduct a company split (simple absorption-type split) in two phases, with Sumitomo Chemical being the splitting company and Prime Polymer Co., Ltd. (“Prime Polymer”), a joint venture between Mitsui Chemicals, Inc. (“Mitsui Chemicals”) and Idemitsu Kosan Co., Ltd. (“Idemitsu Kosan”), being the transferee company, whereby, of the polyolefin business Sumitomo Chemical conducts in Japan, its polypropylene (“PP”) business and linear low-density polyethylene (“LLDPE”) business (hereinafter collectively referred to as “the Target Businesses”) will be transferred to Prime Polymer, and Sumitomo Chemical will acquire equity shares equivalent to a 20% stake in Prime Polymer (“the Business Integration”). Sumitomo Chemical hereby announces that Sumitomo Chemical, Prime Polymer, Mitsui Chemicals, and Idemitsu Kosan (“the Four Parties”) have decided to conclude a business integration agreement (“Business Integration Agreement”) and a joint venture agreement (“Joint Venture Agreement”) regarding the Business Integration, and that the Business Integration Agreement and Joint Venture Agreement have been concluded by the Four Parties.

Sumitomo Chemical plans to conclude an absorption-type split agreement between itself and Prime Polymer for each of the two phases of the company split (simple absorption-type split) (the first phase of the absorption-type split will hereinafter be referred to as “Absorption-Type Split Phase One,” and the second phase as “Absorption-Type Split Phase Two,” with Absorption-Type Split Phase One and Absorption-Type Split Phase Two being collectively referred to as “the Absorption-Type Split”) in which the Target Businesses will be transferred to Prime Polymer.

The Absorption-Type Split is subject to the completion of necessary clearances, regulatory permissions and approvals under competition laws and other relevant laws and regulations.

In addition, the Absorption-Type Split is a simple absorption-type split that is expected to result in a decrease in the Company’s total assets of less than 10% of the carrying amount of the Company’s net assets as of the end of the immediately preceding fiscal year, as well as a decrease in the

Company's net sales of less than 3% of the net sales for the immediately preceding fiscal year. Therefore, a part of disclosure items and content has been omitted from the Company's disclosure.

## **I. The Business Integration**

### **1. The purpose of the Business Integration**

Polyolefin, which accounts for approximately 50% of the demand for plastics in Japan, is a material used in a wide range of applications including automobiles, electronic materials, and medical devices, making itself essential to Japanese industries. Although domestic polyolefin manufacturers have undergone mergers and consolidations since the 1990s, the issue of oversupply has yet to be resolved. Due to the shrinking market caused by population decline and changes in lifestyle, the demand for domestically produced polyolefin is expected to decrease even further in the future.

Since its establishment in 2005 as a joint venture between Mitsui Chemicals and Idemitsu Kosan, Prime Polymer has been a leader in the Japanese polyolefin industry, with PP and polyethylene (LLDPE and high-density polyethylene (HDPE)) as its main products. Prime Polymer and Sumitomo Chemical have a shared understanding that integrating Sumitomo Chemical's PP and LLDPE businesses in Japan into Prime Polymer will not only strengthen the domestic polyolefin business but also enhance its competitiveness against imported products. The Business Integration is expected to generate significant synergies both in the production of Prime Polymer and Sumitomo Chemical, both having operating bases in the Keiyo region of Japan, and in the development of technologies to reduce environmental impact.

Through the Business Integration, Mitsui Chemicals, Idemitsu Kosan, and Sumitomo Chemical will work together to optimize the polyolefin production system, with the goal of achieving cost savings of more than 8 billion yen per year, thereby further strengthening their competitiveness as resilient and essential companies. Furthermore, by enhancing their capabilities to develop high-performance and environmentally conscious products, Mitsui Chemicals, Idemitsu Kosan, and Sumitomo Chemical will accelerate efforts to achieve a sustainable green chemical business.

### **2. Overview of the Business Integration**

#### **(1) Scope of the Business Integration and the Implementation Method**

In the Business Integration Agreement, Sumitomo Chemical and Prime Polymer have agreed that, of the two companies' polyolefin businesses, Sumitomo Chemical's PP business and LLDPE business in Japan will be subject to the Business Integration.

Furthermore, in order to achieve the Business Integration as swiftly as possible, regarding the method of implementing the Business Integration, they have agreed that Sumitomo Chemical will transfer its businesses subject to the Business Integration to Prime Polymer through a two-phase absorption-type split (the first phase of the absorption-type split will hereinafter be referred to as "Absorption-Type Split Phase One," and the second phase as "Absorption-Type Split Phase Two"). In consideration for Absorption-Type Split Phase One, Sumitomo Chemical will acquire equity shares equivalent to a 20% stake in Prime Polymer. As a result, Prime Polymer will become a joint

venture company in which Mitsui Chemicals holds a 52% stake, Idemitsu Kosan holds a 28% stake, and Sumitomo Chemical holds a 20% stake. The consideration for Absorption-Type Split Phase Two will be a split value to be separately agreed upon by Sumitomo Chemical and Prime Polymer.

Regarding the two-phase absorption-type split, the parties have agreed that the first phase will be the implementation of Absorption-Type Split Phase One, in which all of the businesses subjected to the Business Integration, excluding manufacturing functions, will be transferred, and the scheduled system integration preparations at Prime Polymer will be completed. Following this, the second phase will be the Absorption-Type Split Phase Two, in which the assets and liabilities, contractual status, and contractual rights and obligations associated with the manufacturing functions of the businesses will be transferred. For more information on the Absorption-Type Split Phase One, please see “II” below, and for more information on the Absorption-Type Split Phase Two, please see “III” below.

(2) Schedule for the Business Integration (Note 1) (Note 2)

Approval of the Conclusion of the Business Integration Agreement and the Joint Venture Agreement	December 24, 2025
Conclusion of the Business Integration Agreement and the Joint Venture Agreement	December 24, 2025
Approval of the Conclusion of the Agreement on the Absorption-Type Split Phase One (Note 3)	April 1, 2026 (planned)
Conclusion of the Agreement on the Absorption-Type Split Phase One	April 1, 2026 (planned)
Prime Polymer’s Shareholder Meeting Related to the Approval of the Conclusion of the Agreement on the Absorption-Type Split Phase One	April 1, 2026 (planned)
Effective Date of the Business Integration Agreement, the Joint Venture Agreement, and the Absorption-Type Split Phase One	July 1, 2026 (planned)
Approval of the Conclusion of the Agreement on the Absorption-Type Split Phase Two (Note 4)	January 2027 (planned)
Conclusion of the Agreement on the Absorption-Type Split Phase Two	January 2027 (planned)
Prime Polymer’s Shareholder Meeting Related to the Approval of the Conclusion of the Agreement on the Absorption-Type Split Phase Two	January 2027 (planned)
Effective Date of the Absorption-Type Split Phase Two	April 1, 2027 (planned)

(Note 1) For Sumitomo Chemical, both phases of the Absorption-Type Split fall under the simple absorption-type split stipulated in Article 784, Paragraph 2 of the Companies Act. Therefore, Sumitomo Chemical plans to conduct the Absorption-Type Split without obtaining approval through a shareholders’ meeting resolution.

(Note 2) The Absorption-Type Split is subject to the completion of necessary clearances, regulatory permissions and approvals under competition laws and other relevant laws and regulations. Therefore, this schedule may change for reasons pertaining to regulatory permissions and approval by relevant authorities or for any other related

reasons.

(Note 3) Hereinafter referred to as “Absorption-Type Split Phase One Agreement”

(Note 4) Hereinafter referred to as “Absorption-Type Split Phase Two Agreement”

## **II. Absorption -Type Split Phase One**

### **1. Purpose of the Absorption-Type Split Phase One**

Please see “1. The Purpose of the Business Integration” in “I. The Business Integration” above.

### **2. Overview of the Absorption-Type Split Phase One**

#### **(1) Schedule for the Absorption-Type Split Phase One**

Please see “(2) Schedule for the Business Integration” in “2. Overview of the Business Integration” above.

#### **(2) Method for Implementing the Company Split**

As stated in “(1) Scope of the Business Integration and the Implementation Method” in “2. Overview of the Business Integration” of “I. Business Integration,” an absorption-type split (simple absorption-type split) will be conducted, with Sumitomo Chemical being the splitting company and Prime Polymer being the transferee company.

#### **(3) Details of the Share Allocation Related to the Company Split**

Sumitomo Chemical will receive 50,000 shares of the common stock of Prime Polymer as consideration for the Absorption-Type Split Phase One.

#### **(4) Share Acquisition Rights or Bonds with Share Acquisition Rights Related to the Company Split**

Not applicable.

#### **(5) Increases or Decreases in Capital Due to the Company Split**

There will not be any increases or decreases in capital due to the Absorption-Type Split Phase One.

#### **(6) Rights and Obligations to be Transferred to the Transferee Company**

Through the Absorption-Type Split Phase One, the rights and obligations related to the Target Businesses specified in the Absorption-Type Split Phase One Agreement will be transferred to Prime Polymer.

#### **(7) Ability to Fulfill Debt Obligations**

Prime Polymer expects that the amount of its assets will exceed the amount of liabilities even after the Absorption-Type Split Phase One. In addition, it does not currently foresee any circumstances that would hinder its ability to fulfill the debt obligations it must carry out. Accordingly, it has been determined that there is no issue with the transferee company’s ability to fulfill the debt obligations that it is to incur as a result of the Absorption-Type Split Phase One.

### **3. Method for Calculating the Details of the Share Allocation Related to the Absorption-Type Split Phase One**

The status of revenue, future outlook, and other information for the Target Businesses and Prime Polymer have all been taken into consideration and earnest discussions have been held between

the two parties. As a result, the two parties have reached an agreement to carry out the share allocation related to the Absorption-Type Split Phase One described above.

#### 4. Overview of the Splitting Company (As of September 30, 2025)

(1) Name	Sumitomo Chemical Co., Ltd.	
(2) Address	Tokyo Nihombashi Tower, 2-7-1, Nihonbashi, Chuo-ku, Tokyo 103-6020, Japan	
(3) Representative	Nobuaki Mito, Representative Director and President	
(4) Business details	Agro & Life Solutions, ICT & Mobility Solutions, Advanced Medical Solutions, Essential & Green Materials, Sumitomo Pharma, and others	
(5) Capital	90,059 million yen	
(6) Date established	June 1, 1925	
(7) Number of shares issued	1,657,914,399	
(8) Fiscal year-end date	March 31	
(9) Major shareholders and ratio of shares held	The Master Trust Bank of Japan, Ltd. (Trust Account)	15.02%
	Custody Bank of Japan, Ltd. (Trust Account)	6.52%
	Sumitomo Life Insurance Company	4.33%
	JPMorgan Securities Japan Co., Ltd.	2.62%
	Nippon Life Insurance Company	2.50%
	Sumitomo Chemical Employee Stock Ownership Plan	1.96%
	Custody Bank of Japan, Ltd. (Sumitomo Mitsui Trust Bank, Ltd. ReTrust Account / Sumitomo Life Insurance Company Employee Pension Trust Account)	1.77%
	BNYMSANV AS AGENT/CLIENTS LUX UCITS NON TREATY 1 (Standing proxy: Mitsubishi UFJ Bank, Ltd.)	1.72%
	STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Settlement Business Department, Mizuho Bank, Ltd.)	1.51%
	The Norinchukin Bank	1.33%
(10) Financial position and operating results for the latest fiscal year		
Fiscal year ended	March 31, 2025	
Capital		1,074,415
Assets		3,439,784
Equity attributable to owners of the parent per share (yen)		550.37
Sales revenue		2,606,281
Operating income		193,033
Net income attributable to owners of parent		38,591
Net income per share (yen)		23.59

(Unit: millions of yen, except where specified.)

## 5. Overview of the Transferee Company (As of September 30, 2025)

(1) Name	Prime Polymer, Co., Ltd.	
(2) Address	2-2-1 Yaesu, Chuo-ku, Tokyo 104-0028, Japan	
(3) Representative	Fumio Yoshizumi, Representative Director and President	
(4) Business details	Manufacture, processing, sale, and import and export of polyethylene and polypropylene	
(5) Capital	20,000 million yen	
(6) Date established	April 1, 2005	
(7) Number of shares issued	200,000	
(8) Fiscal year-end date	March 31	
(9) Major shareholders and ratio of shares held	Mitsui Chemicals, Inc.	65.00%
	Idemitsu Kosan Co.,Ltd.	35.00%
(10) Financial position and operating results for the latest fiscal year		
Fiscal year ended	March 31, 2025	
Total capital		81,709
Total assets		206,958
Net assets per share (yen)		408,545
Net sales		286,301
Operating income		7,856
Net income for the period		5,064
Net income per share (yen)		25,320

(Unit: millions of yen, except where specified.)

## 6. Overview of the Business Divisions to be Split

### (1) Details about the Businesses to be Split

Sale, development, and all the other operations excluding manufacturing functions of Sumitomo Chemical's polyolefin business, including PP business and LLDPE business, in Japan. Sumitomo Chemical's polyolefin business outside of Japan and its low-density polyethylene (LDPE) business are excluded.

### (2) Financial Results of the Divisions to be Split

For the fiscal year ended March 31, 2025:

Sales revenue 100,346 million yen

Operating income 809 million yen

(Note) The above amounts include manufacturing functions.

### (3) Assets and Liabilities to be Split and Their Carrying Amounts (as of March 31, 2025)

The carrying amounts of the assets and liabilities of the Target Businesses based on the financial results for the fiscal year ended March 31, 2025 are expected to be as follows:

Current assets 20,488 million yen

Non-current assets 802million yen

Current liabilities 712 million yen

Non-current liabilities 0 million yen

The actual amounts of the assets and liabilities transferred will be adjusted to reflect any increases or decreases in the above amounts arising until the effective date of the Absorption-Type Split Phase One.

#### 7. Status after the Absorption-Type Split Phase One

There will not be any changes to the company name, business details, head office location, representative, capital, or fiscal year-end date of Sumitomo Chemical or the transferee company.

### **III. Absorption-Type Split Phase Two**

#### 1. Purpose of the Absorption-Type Split Phase Two

Please see “1. The Purpose of the Business Integration” in “I. The Business Integration” above.

#### 2. Overview of the Absorption-Type Split Phase Two

##### (1) Schedule for the Absorption-Type Split Phase Two

Please see “(2) Schedule for the Business Integration” in “2. Overview of the Business Integration” above.

##### (2) Method for Implementing the Company Split

An absorption split (simple absorption-type split) will be conducted, with Sumitomo Chemical being the splitting company and Prime Polymer being the transferee company.

##### (3) Details of the Share Allocation Related to the Company Split

The consideration for the split is to be separately agreed upon between Sumitomo Chemical and Prime Polymer.

##### (4) Share Acquisition Rights or Bonds with Share Acquisition Rights Related to the Company Split

Not applicable.

##### (5) Increases or Decreases in Capital Due to the Company Split

There will not be any increases or decreases in capital due to the Absorption-Type Split Phase Two.

##### (6) Rights and Obligations to be Transferred to the Transferee Company

Through the Absorption-Type Split Phase Two, the rights and obligations related to the manufacturing functions of the Target Businesses specified in the Absorption-Type Split Phase Two Agreement will be transferred to Prime Polymer.

##### (7) Ability to Fulfil Debt Obligations

Prime Polymer expects that the amount of its assets will exceed the amount of liabilities even after the Absorption-Type Split Phase Two. In addition, it does not currently foresee any circumstances that would hinder its ability to fulfill the debt obligations it must carry out. Accordingly, it has been determined that there is no issue with the transferee company’s ability to fulfill the debt obligations that it is to incur as a result of the Absorption-Type Split Phase Two.

### 3. Method for Calculating the Details of the Share Allocation Related to the Absorption-Type Split Phase Two

The consideration for the split is to be separately agreed upon between Sumitomo Chemical and Prime Polymer

### 4. Overview of the Companies involved in the Absorption-Type Split Phase Two

For the overview of the splitting company and the transferee company in the Absorption-Type Split Phase Two, please see “4. Overview of the Splitting Company” and “5. Overview of the Transferee Company” in “II. Absorption-Type Split Phase One” above.

### 5. Overview of Business Divisions to be Split

#### (1) Details about the Business to be Split

The assets and liabilities, contractual status, and contractual rights and obligations associated with the manufacturing functions of the Target Businesses.

#### (2) Financial Results of the Divisions to be Split

For the fiscal year ended March 31, 2025:

Sales revenue	100,346 million yen
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Operating income	809 million yen
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(Note) The above amounts include the businesses to be transferred in the Absorption-Type Split Phase One.

#### (3) Assets and Liabilities to be Split and Their Carrying Amounts (as of March 31, 2025)

The carrying amounts of the assets and liabilities for the manufacturing functions of the Target Businesses based on the financial results for the fiscal year ended March 31, 2025 are expected to be as follows:

Current assets	4,655 million yen
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Non-current assets	864 million yen
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Current liabilities	1,335 million yen
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Non-current liabilities	0 million yen
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The actual amounts of the assets and liabilities transferred will be adjusted to reflect any increases or decreases in the above amounts arising until the effective date of the Absorption-Type Split Phase Two.

### 6. Status After the Absorption-Type Split Phase Two

There will not be any changes to the company name, business details, head office location, representative, capital, or fiscal year-end date of Sumitomo Chemical or the transferee company after the Absorption-Type Split Phase Two.

## IV. Future Outlook

At this point in time, Sumitomo Chemical does not expect the Absorption-Type Split to impact its consolidated financial results for the fiscal year ending March 31, 2026. The impact on the Company’s consolidated financial results for the fiscal year ending March 31, 2027 is currently being reviewed, but has not been determined at this point in time. If any matter that needs to be disclosed arises or is determined in the future, the Company will promptly make an announcement.



(Reference) Sumitomo Chemical's consolidated financial forecasts for the fiscal year ending March 31, 2026 (announced on November 4, 2025) and the actual consolidated financial results for the previous fiscal year

	Sales Revenue	Core Operating Income	Operating Income	Net Income Attributable to Owners of the Parent	Net income per share
Forecast for the current fiscal year (the fiscal year ending March 31, 2026)	2,290,000	185,000	160,000	45,000	27.50 yen
Actual results for the previous fiscal year (the fiscal year ended March 31, 2025)	2,606,281	140,519	193,033	38,591	23.59 yen

(Unit: millions of yen, except where specified.)