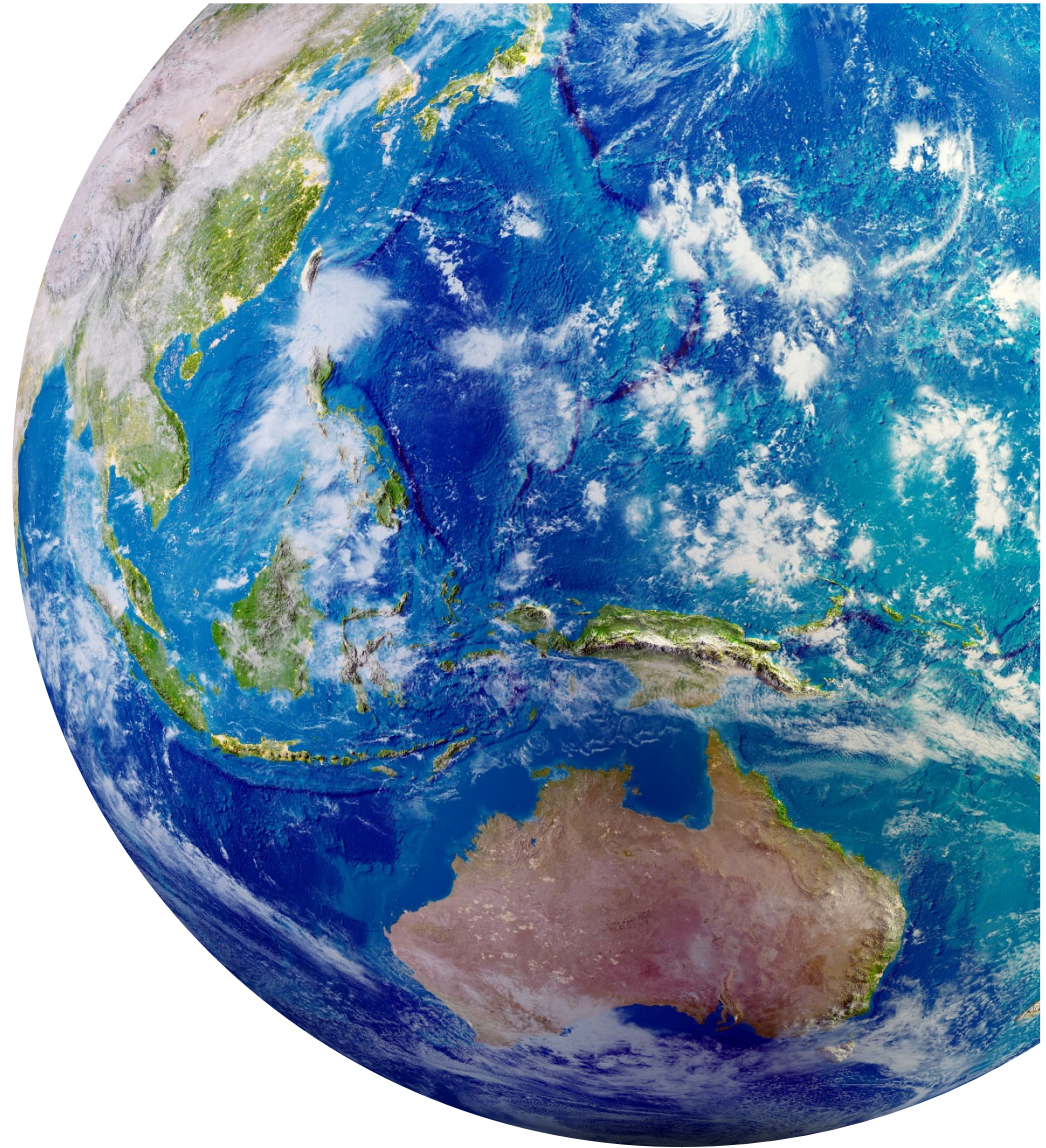


May 28, 2020

Current Priority Management Issues and Business Strategy

 **SUMITOMO CHEMICAL**

Keiichi Iwata
President



Contents

Change & Innovation 3.0: For a Sustainable Future

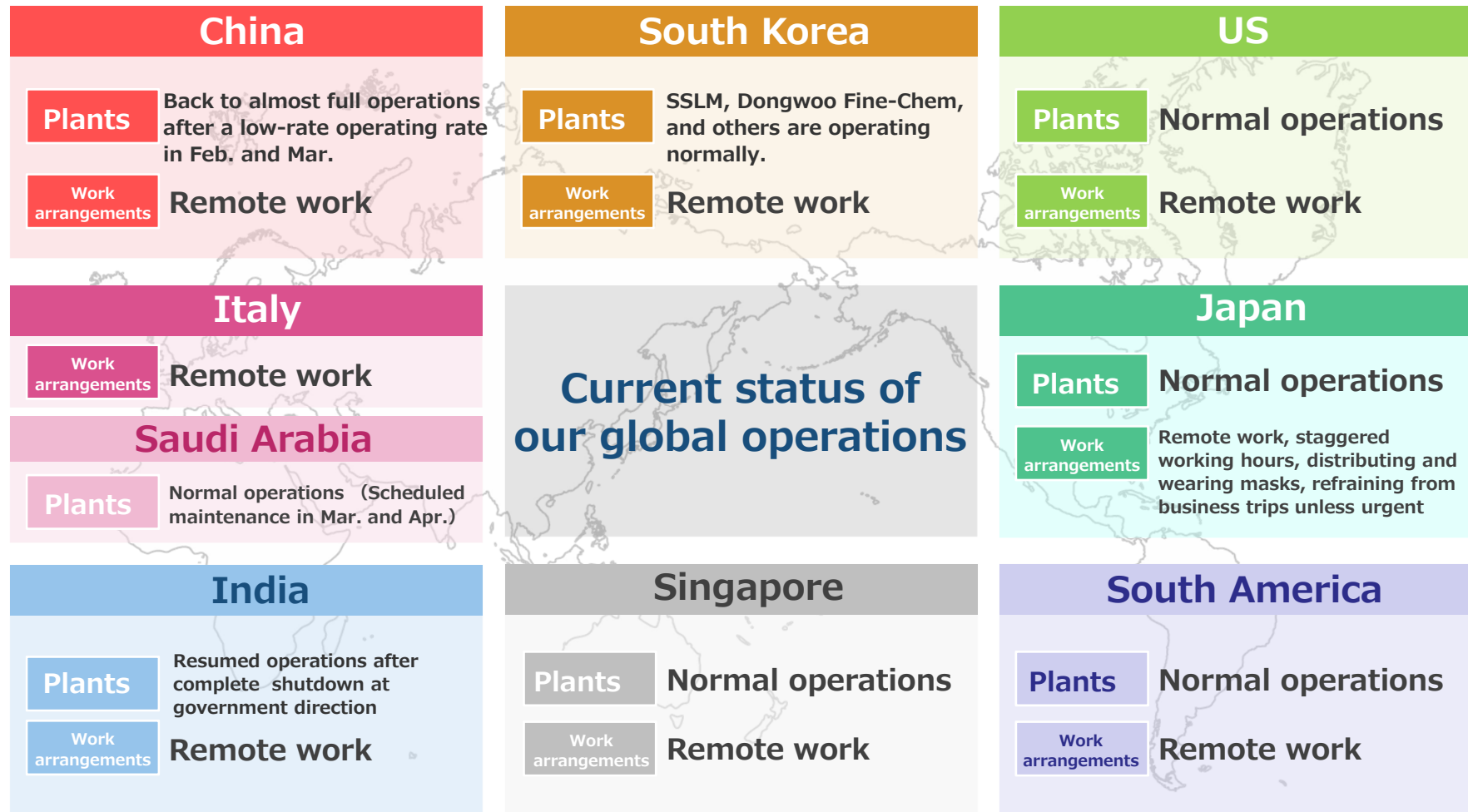
I	Performance Trends	3
II	Progress on the Corporate Business Plan	12
III	For Sustainable Growth	41

I Performance Trends



The Coronavirus Pandemic (Impact on Our Operations and Employees)

No significant impact on operations to date



(Billions of yen)

	FY2019	FY2018	Change
Sales Revenue	2,225.8	2,318.6	-92.8
Core Operating Income	132.7	204.3	-71.6
Operating Income (IFRS)	137.5	183.0	-45.5
Net Income Attributable to Owners of the Parent	30.9	118.0	-87.1
Naphtha Price	¥43,000/kl	¥49,400/kl	
Exchange Rate	¥108.70/\$	¥110.92/\$	

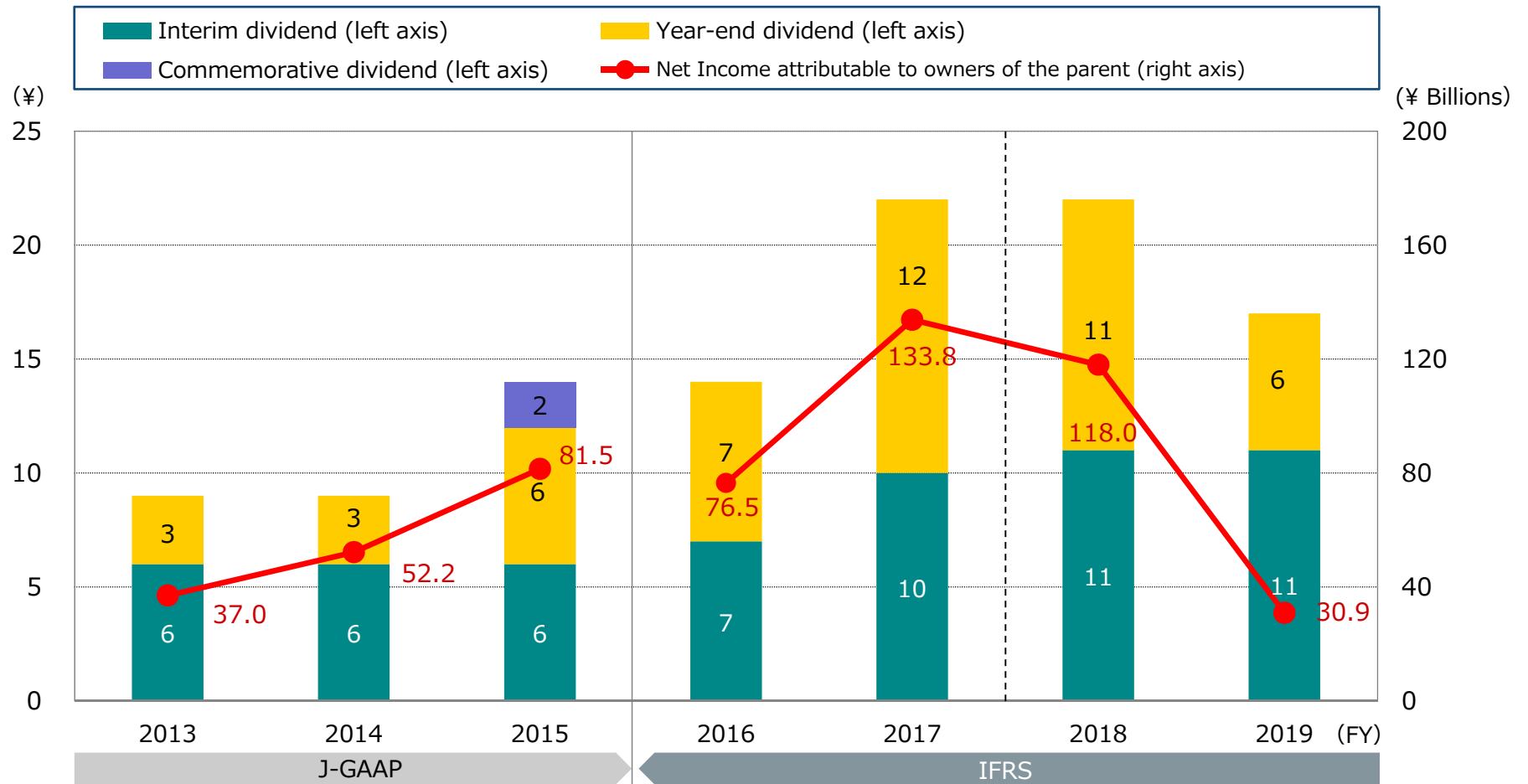
(Billions of yen)

	FY2019	FY2018	Change	Reasons for Change
Petrochemicals & Plastics	14.5	61.6	-47.1	Weak petrochemical markets
Energy & Functional Materials	20.3	23.0	-2.6	
IT-related Chemicals	25.1	26.2	-1.1	
Health & Crop Sciences	2.1	19.7	-17.6	Lower selling prices for methionine Lower sales volume for crop protection products
Pharmaceuticals	75.3	80.8	-5.5	Increased up-front expenses due to strategic alliance.
Others	-4.6	-7.0	2.4	
Total	132.7	204.3	-71.6	



Shareholder Returns

We consider shareholder return as one of our priority management issues and have made it a policy to maintain stable dividend payment, giving due consideration to our business performance and a dividend payout ratio for each fiscal period, the level of retained earnings necessary for future growth, and other relevant factors. We aim to maintain a dividend payout ratio of around 30% over the medium to long term.



Assumptions

	FY2020 Forecast	FY2019
Naphtha Price	¥40,000/kl	¥43,000/kl
Exchange Rate	¥108.00/\$	¥108.70/\$

Forecast

(Billions of yen)

	FY2020 Forecast	FY2019	Change
Sales Revenue (baseline)*	2,490.0	2,225.8	264.2
Core Operating Income (baseline)*	130.0	132.7	-2.7

*Before factoring in downside risks including the COVID-19 pandemic

**+Estimated effects of downside risks on FY2020 core operating income:
a decline of 20.0 to 50.0 bn. yen**

**FY2020 core operating income after factoring in downside risks:
80.0 to 110.0 bn. yen**

I

FY2020 Core Operating Income by Sector vs. FY2019

Change & Innovation 3.0: For a Sustainable Future

(Billions of yen)

	FY2020 Forecast	FY2019	Change	Reasons for Change
Petrochemicals & Plastics	5.0	14.5	-9.5	Weaker petrochemical markets
Energy & Functional Materials	26.0	20.3	5.7	
IT-related Chemicals	32.0	25.1	6.9	
Health & Crop Sciences	33.0	2.1	30.9	Recovery in the shipment volume of crop protection products
Pharmaceuticals	37.0	75.3	-38.3	Increase in up-front expenses due to strategic alliance
Others	-3.0	-4.6	1.6	
Total	130.0	132.7	-2.7	

+

**Estimated effects of downside risks on FY2020 core operating income:
a decline of 20.0 to 50.0 bn. yen**

① Effect of the COVID-19 pandemic: A decline of 15.0 to 35.0 bn. yen

Weaker automotive demand



- Decreased shipments and lower market prices for petrochemical resins
- Decreased shipments of materials and components for automotive batteries and tires

Weaker display demand



- Decreased shipment of materials and components for smartphones and TVs

No major impact is expected in the life science field including pharmaceuticals and crop protection products.

② Others : A decline of 5.0 to 15.0 bn. yen

Effects on FY2020 core operating income (rough estimate):

a decline of 20.0 to 50.0 bn. yen

When crude oil prices decline

Positive

Petrochemicals

Energy & Functional
Materials

Crop Protection
Chemicals

(+) Improved profitability
due to lower raw materials
& utilities costs

Negative

Rabigh

(-) Shrinking benefit
of ethane

No material impact on core operating income on a consolidated basis as positive and negative effects offset each other.*

* depending on currency exchange rates and the scale of related businesses

II FY2019-FY2021
Progress on the Corporate Business Plan



FY2019-FY2021

Progress on the Corporate Business Plan

Change & Innovation 3.0: For a Sustainable Future

II

FY2019-FY2021

Progress on the Corporate Business Plan

12

1

**Changes in
the Business Environment**

13

2

Business Strategy by Sector

17

3

Progress and Prospect for
Large-Scale Investment Projects

29

4

Accelerating the Development of
Next-Generation Businesses

34

5

Improving Productivity through
Digital Innovation

39



Changes in the Business Environment (Medium-term perspective)

Change & Innovation 3.0: For a Sustainable Future

General

The coronavirus pandemic

Unsettled weather in various places around the world

Appreciation of yen

A global economic recession

Lower crude oil prices

Increasing environmental awareness

Geopolitical

Lingering trade friction between US and China

Evident geopolitical risks in the Middle East

Brexit

Tensions in Japan-South Korea relations

Our business assumptions

Slow recovery in methionine prices

Prolongation of time needed for Post-Latuda pipeline



Change in the Business Environment (Past six months)

Changes in business environment in the past six months

Good News

New South-American
crop protection businesses
coming into operation

Launch of INDIFLIN in Japan

Development of acquired
post-LATUDA blockbuster
candidates making good progress

Rebounding methionine prices

Reorganizing R&D teams for
the development of
chemical recycling technology

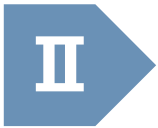
Bad News

The coronavirus pandemic

Serious global economic
downturns

Underperforming PRC

Weaker petrochemical markets



Promising Products and Technologies

The items marked in red to be highlighted later in today's presentation

Corporate Research	Synthetic biology	Waste water processing technology with low environmental impact	
Petrochemicals & Plastics	Chemical recycling		
Energy & Functional Materials	Next-generation LCP	Solid-type batteries	
IT-related Chemicals	Compound semiconductors	Flexible display components	Polymer light-emitting materials
Health & Crop Sciences	INDIFLIN™ fungicide	A2020 herbicide	Biorationals
Pharmaceuticals	Alliance with Roivant	SEP-363856 antipsychotic	Regenerative medicine & cell therapy



FY2019-FY2021

Progress on the Corporate Business Plan

Change & Innovation 3.0: For a Sustainable Future

II

FY2019-FY2021

Progress on the Corporate Business Plan

12

1

Changes in
the Business Environment

13

2

Business Strategy by Sector

17

3

Progress and Prospect for
Large-Scale Investment Projects

29

4

Accelerating the Development of
Next-Generation Businesses

34

5

Improving Productivity through
Digital Innovation

39



Business Strategy: Petrochemicals & Plastics Sector

Change & Innovation 3.0: For a Sustainable Future

FY2019-FY2021 Corporate Business Plan

Action plan & major issues

Progress

- | | | |
|---|---|--|
| • Strengthen domestic business | ➔ | • Making progress in construction of new LNG-base and thermal power plant |
| • Expand capacity and enhance profitability of Singapore business | ➔ | • Restarted MMA plant No.2 |
| • Maintain stable operations at PRC phase I and make PRC phase II a consistent contributor to the sector's profit | ➔ | • Maintaining stable operations at PRC phase I; began commercial operations at PRC phase II |
| • Strengthen technology licensing business | ➔ | • Signed technology license agreement for propylene oxide (PO) with an Indian company
• Completed construction of new catalyst manufacturing lines, and began operations |
| • Restructuring of underperforming businesses | ➔ | • Revising the sales terms for underperforming products |
| • R&D in carbon cycle chemistry to create a sustainable society | ➔ | • Reorganizing R&D teams for the development of chemical recycling technology
• Began cooperation with Sekisui Chemical and joint research with Muroran Institute of Technology |



Petrochemicals & Plastics Topics: Expanding Catalyst Sales and Technology Licensing Business

Change & Innovation 3.0: For a Sustainable Future

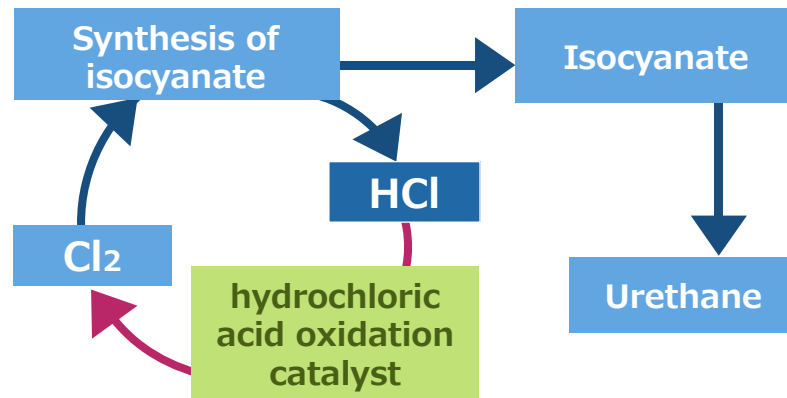
Enhancing the licensing business

**Propylene oxide production technology:
PO-only process (PO Cumene Process)**

**Granted license to one of India's leading
government-owned oil companies in 2019**

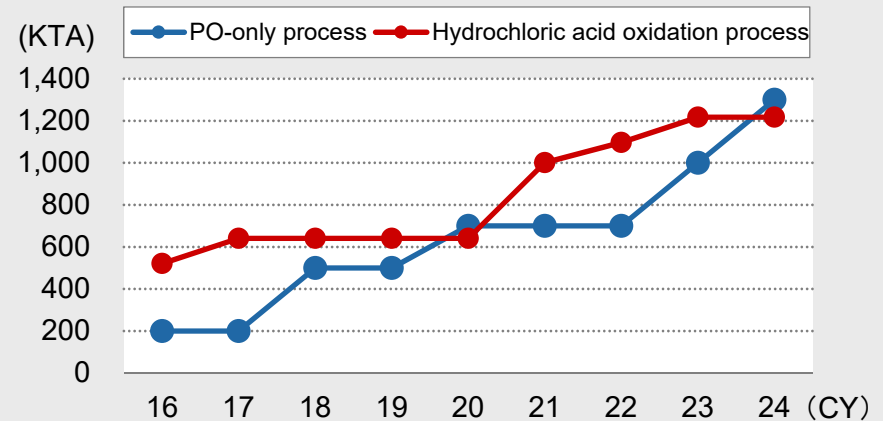
- No by-products
- Higher yields, lower environmental impact

Hydrochloric acid oxidation process



- Recycling by-products into raw materials
- Significantly saves energy

Licensee facilities



Completed construction of new catalyst manufacturing lines at Chiba Works



Start of operations

PE·PP catalysts	2Q FY2019
PO catalysts	3Q FY2019

Expand technology licensing and catalyst sales business and achieve stable revenue



Business Strategy: Energy & Functional Materials Sector

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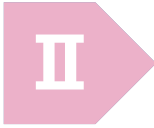
FY2019-FY2021 Corporate Business Plan

Action plan & major issues

- Expand sales of core products (including battery materials and super engineering plastics), accelerate R&D
- Shift to high value-added products
- Improve profitability of underperforming businesses and products
- Create new businesses in the fields of environment and energy and high-performance materials

Progress

- Concluded sales and manufacturing technical support agreements with a European battery manufacturer (Precursors for cathode material)
- Expanding sales in **new applications: (i) high-speed data transmission connectors for data centers, and (ii) high-speed electric chargers (Super engineering plastics)**
- Established a joint venture for processing and R&D for compound (Super Engineering Plastics)
- Shifting to high-value-added products in EPDM and other areas
- Accelerating the development of next-generation battery materials (**Opened an industry-academia joint research course at Kyoto University**)



Energy & Functional Materials Sector Topics: 5G and CASE (Super Engineering Plastics)

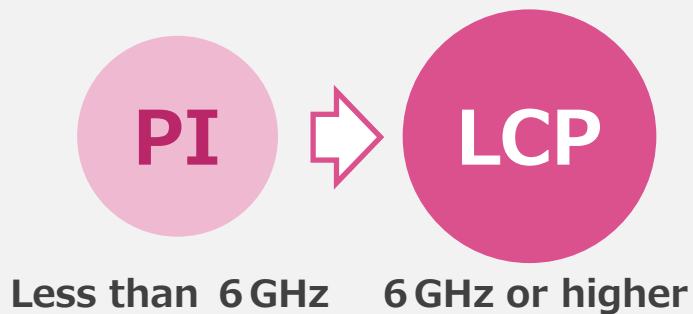
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5G × CASE

Increased demand for high-frequency applications

5G communication using high-frequency bands require substrates with lower permittivity and a lower dielectric loss tangent.

»» The characteristics of LCP well match these requirements



Substituting metal components for automobiles

- Proposing designs that leverage the shapeability and functionality of super engineering plastics



- No. of cases where LCP has been newly adopted for use in automobiles

2015	1.5 times	2019
19 cases	→	28 cases

»» Right on track for wide commercialization

FY2019-FY2021 Corporate Business Plan

Action plan & major issues

Progress

- Structural reform of polarizing film business



- Expand the sales of liquid crystal-coated retardation film made in-house
- Expand the high-end field with liquid crystal-coated polarizer made in-house
- Full-scale entry into the automotive field

- Capture demand by aggressively investing in future market growth in the semiconductor materials business



- Started operations at new and expanded plants for semiconductor process chemicals in Changzhou and Xi'an
- **A new plant for photoresists has been constructed, scheduled to start operations in FY2020**
- **Decided to enhance photoresist development and QA capabilities**

- Expand touchscreen panel product portfolio



- Focus on developing next-generation products including 5G antennas

- Develop next generation businesses



- Started full-scale mass production of flexible materials (window films) and making progress in development of multi-functional materials and components
- Expand the sales of GaN epiwafers to meet increasing demand in 5G communication infrastructure applications
- Started mass production of polymer OLED materials

IT-related Chemicals Sector Topics : Actions to definitely capture the growing demand for semiconductor materials

Semiconductor Market

AI 5G

Demand for advanced semiconductors anticipated to grow over the medium- to long-term

6 % annual growth rate

Trends for advanced electronic devices:
Micro-miniaturized / multi-layered wiring

Our efforts

- **Increasing production capacity**

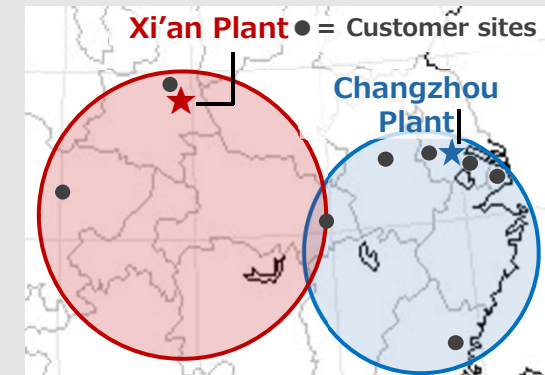
Semiconductor cleaning agent (China)

In operation from 2019

Photoresists (Japan)

To be in operation from 2020

Serving customers in China from our eastern and western regional bases



- **Start mass-production of EUV photoresists soon**

- **Expand high-function chemical business**

- ▶ Develop and expand sales of high-function products with special features
- ▶ Develop and expand sales of high-function chemicals for use in circuits other than logic and memory circuits

- **Expand GaN epiwafer business**

Aiming to increase sales revenue for the semiconductor materials business 1.5 times* by FY2021 over FY2018

- **Build photoresist development and QA system**

Constructing a new building and introducing new evaluation equipment for a full-scale supply of advanced semiconductor materials

To be in operation from 2022

FY2019-FY2021 Corporate Business Plan

Action plan & major issues

Progress

- Steadily develop and launch new crop protection chemicals



- Completed the application for the registration of agricultural insecticide pyridachlometyl in Japan. **INDIFLIN™ registered in Japan.**
- Completed modification of existing facilities for production of INDIFLIN™

- Establish a global footprint in the crop protection business



- Completed acquisition of **four South American subsidiaries of Nufarm**
- Merged two crop protection subsidiaries in India

- Strengthen and expand biorationals business



- Developed a dedicated unit for biorationals to expand sales in the US

- Expand methionine sales and strengthen earnings power



- Achieving higher sales and reducing costs by integrating facilities

- Accelerate the global expansion of the environmental health business



- Pursuing a global sales strategy for botanical products

- Develop the nucleic acid medicine business and expand the application of the technology



- Working to establish a production technology for long-chain nucleic acids and stepping up efforts for commercialization.

II

Health & Crop Sciences Sector Topics: Pipelines

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B2020

Compound	Use	Evaluation	Full-scale development	Registration	Market launch
INDIFLIN™ (inpyrfluxam)	Agricultural fungicide e.g. Soybean rust		☑ Completed	☑ Registered in Japan	
PAVECTO™ (methylnetrarprole)	Agricultural fungicide e.g. Septoria		☑ Completed	☑ Submitted	☑ Launched in Japan in 2020
ALLES™ (oxazosulfyl)	Agricultural insecticide e.g. Major rice pests etc.		☑ Completed	☑ Submitted	☑ Scheduled to be launched in South America in 2021
Product Name Undecided (pyridaclomethyl)	Agricultural fungicide e.g. Field crop and vegetable diseases		☑ Completed	☑ Submitted	

A2020

Pipeline A	Agricultural plant growth regulator			☑ Submitted	
Pipeline B	Next generation herbicide effective against herbicide-resistant weeds		Full-scale development in progress		
Pipeline C	Botanical insecticide for agriculture and household hygiene		Full-scale development in progress		
Pipeline D	Agricultural insecticide to control insecticide-resistant pests	Evaluation in progress			

Potential sales revenue: approx. ¥150-200 billion in total

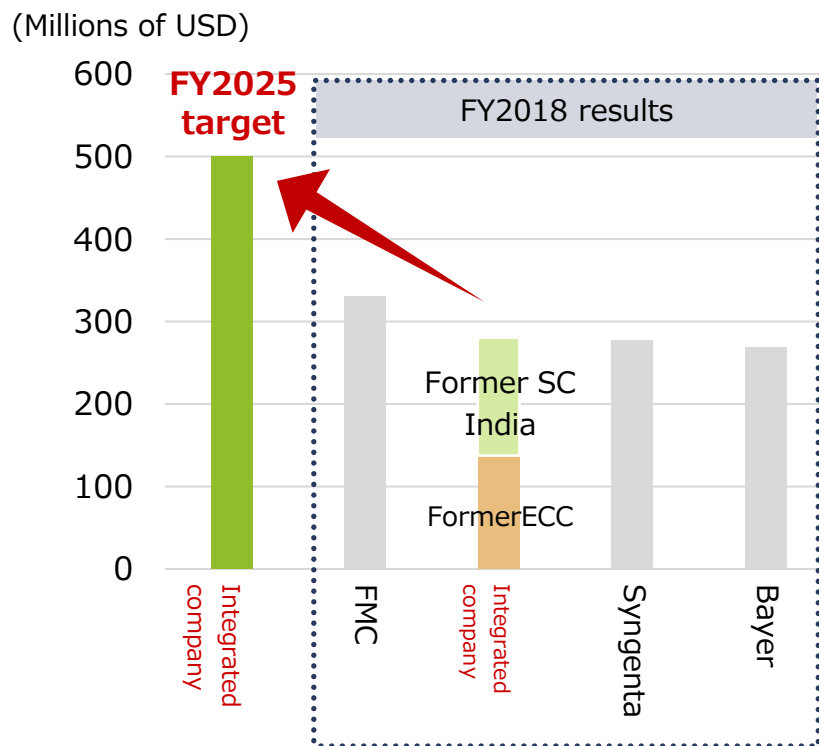


Health & Crop Sciences Sector Topics: Outlook for Agricultural Chemicals in India

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Crop Protection Market in India

Growing at **7 to 8%** per year



Initiatives to realize synergies from integration

- **Planning to file several applications for the registration of new mixture products in 2020**
Developing mixture products that combine Sumitomo Chemical's crop protection products and ECC's generics.
- **Promote digital marketing**
Expand sales to end-user customers in India where there are many small-sized farmers by using social media and smartphone apps.
- **Strengthen the biorational business**
Promote introduction of new products by working closely with Valent BioSciences

Aiming to be a leading crop protection products company in India's rapidly growing market



Business Strategy: Pharmaceuticals Sector

Change & Innovation 3.0: For a Sustainable Future

FY2019-FY2021 Corporate Business Plan

Action plan & major issues

Progress

- Enhance drug development capabilities and improve the success rate in R&D
- Maintain earnings power after Latuda's loss of exclusivity
- Strengthen innovation through new drug discovery approaches



- Strategic Alliance with Roivant Sciences
 - ◆ Acquired late-stage assets
 - Relugolix: New drug application filed for uterine fibroids in Europe and for prostate cancer in the US
 - Vibegron: New drug application filed for overactive bladder in the US
 - ◆ Acquired data science technology platforms, such as "DrugOme", to accelerate digital innovation
- Sublingual film for the treatment of Parkinson's disease off episodes approved

- Launch new products in oncology



- Continuing trials of napabucasin for colorectal cancer

- Explore frontier fields



- Promoting R&D of new healthcare solutions using cognitive activation therapy and biological sensing technology

- Develop theranostics business and strengthen the competitiveness of existing radioactive diagnostics business



- R&D site for radiopharmaceuticals will be operational in spring 2020.



Pharmaceuticals Sector Topics : Development Pipeline

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Product Launch Target

FY2020	FY2021	FY2022	FY2023	FY2024
	<div style="border: 2px solid red; padding: 5px;"> napabucasin (Colorectal cancer) </div>			
	<div style="border: 2px solid red; padding: 5px;"> relugolix (Prostate cancer) </div>			
<div style="border: 2px solid red; padding: 5px;"> apomorphine (OFF episodes associated with Parkinson's disease) </div>	<div style="border: 2px solid red; padding: 5px;"> RVT-802 (Pediatric congenital athymia) </div>	<div style="border: 2px solid red; padding: 5px;"> Allo iPS cell-derived products (Parkinson's disease) *2 </div>	<div style="border: 2px solid red; padding: 5px;"> SEP-363856 (Schizophrenia) </div>	
<div style="border: 2px solid red; padding: 5px;"> LATUDA (Schizophrenia/Bipolar depression) Approved in March 2020 </div>	<div style="border: 2px solid red; padding: 5px;"> relugolix (Uterine fibroids) </div>	<div style="border: 2px solid red; padding: 5px;"> Allo iPS cell-derived products (Age-related macular degeneration) *2 Launch target under consideration </div>	<div style="border: 2px solid red; padding: 5px;"> alvocidib (Myelodysplastic syndromes) *1 </div>	<div style="border: 2px solid red; padding: 5px;"> dubermininib (TP-0903) (Solid tumors) *1 </div>
<div style="border: 2px solid red; padding: 5px;"> vibegron (Overactive bladder) </div>	<div style="border: 2px solid red; padding: 5px;"> imeglimin (Type 2 diabetes) </div>	<div style="border: 2px solid red; padding: 5px;"> napabucasin (Colorectal cancer) </div>	<div style="border: 2px solid red; padding: 5px;"> TP-0184 (Solid tumors) *1 </div>	<div style="border: 2px solid red; padding: 5px;"> TP-3654 (Hematologic malignancies) *1 </div>

Psychiatry & Neurology
 Regenerative medicine/cell therapy

Oncology
 Others

Expect peak annual sales to be 50 billion yen or more (described in first launch)

*1 Premised on utilizing the accelerated approval program (consultation with FDA planned)

*2 Launch schedule is based on our targets, pending agreement with partners



FY2019-FY2021

Progress on the Corporate Business Plan

Change & Innovation 3.0: For a Sustainable Future

II

FY2019-FY2021

Progress on the Corporate Business Plan

12

1

Changes in
the Business Environment

13

2

Business Strategy by Sector

17

3

**Progress and Prospect for
Large-Scale Investment Projects**

29

4

Accelerating the Development of
Next-Generation Businesses

34

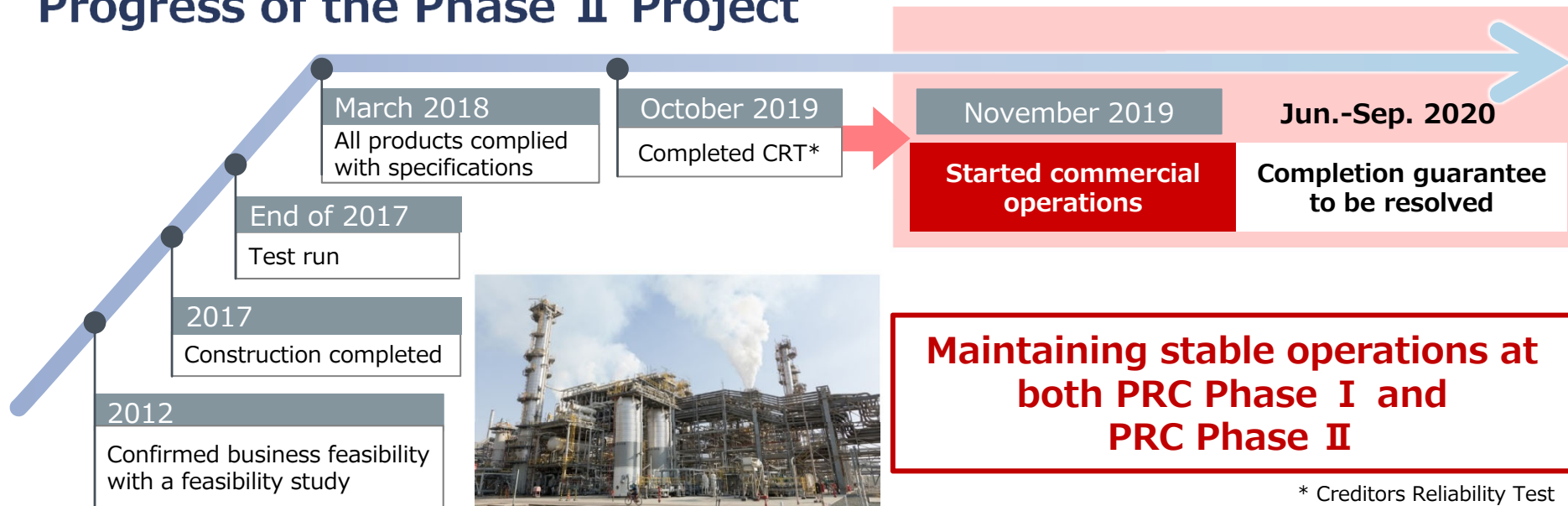
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Improving Productivity through
Digital Innovation

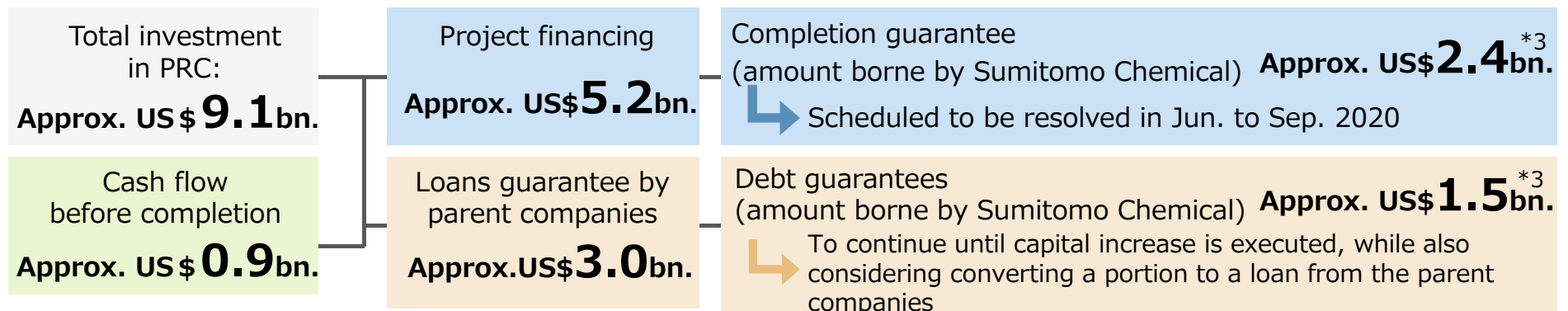
39

II Rabigh Phase II Project

Progress of the Phase II Project



Investment and Completion Guarantee



* 3 As of the end of FY2019

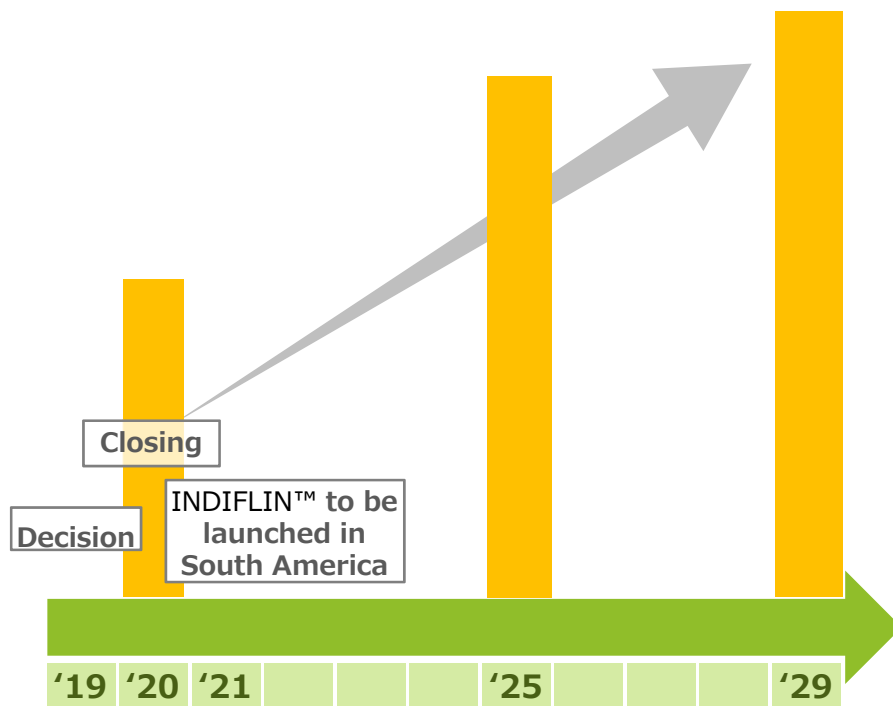


Acquisition of Four South American Subsidiaries of Nufarm

Acquired four South American subsidiaries of Nufarm (Brazil, Chile, Argentina and Columbia)

Invested approx.
90bn. yen

South American sales to grow to 200 bn. yen



Progress

- The deal closed on April 1, 2020
- With new management in place, integrated operations to begin in August 2020



Plant in Fortaleza, Brazil

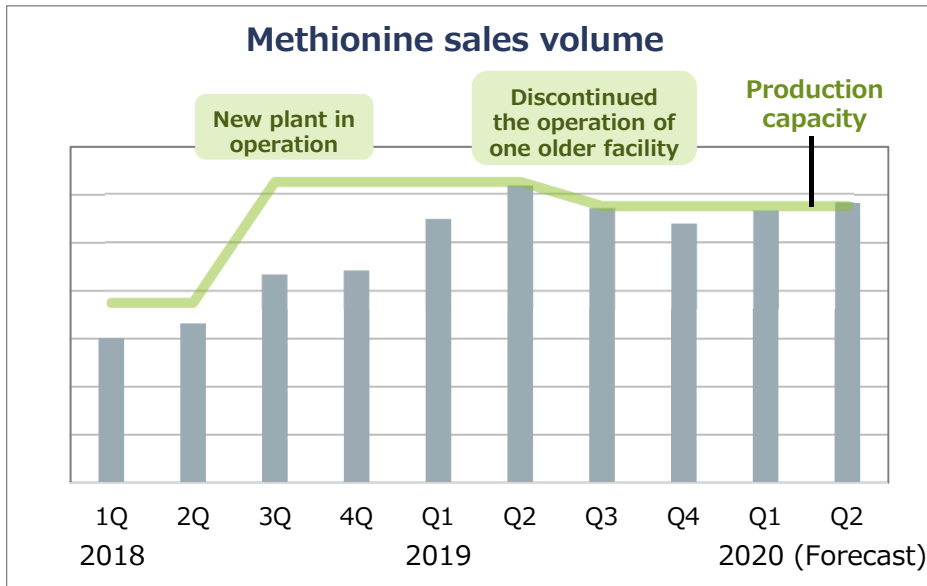
Accelerate new product development

- An application for the registration of a new INDIFLIN™ mixture product developed by Nufarm has been submitted, following the application for an INDIFLIN™ mixture product developed by Sumitomo Chemical filed in 2017.

▶ **Integrated operations lead to further acceleration of new product development.**

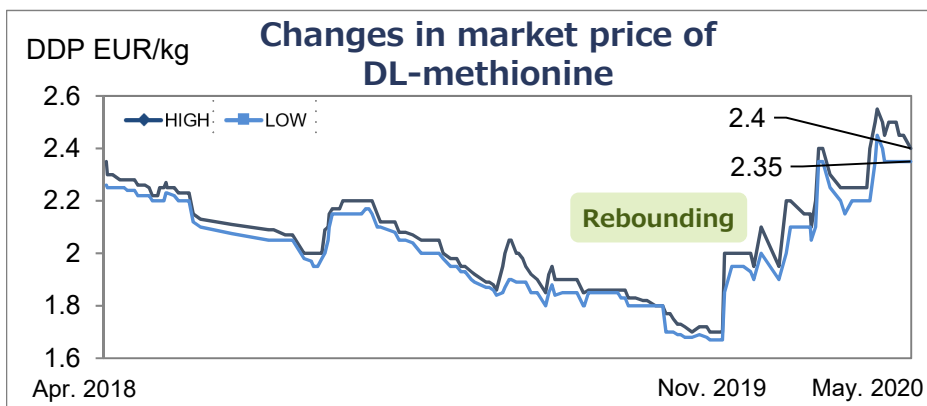


Increased Competitiveness in the Methionine Business



Total manufactured volume sold out even after capacity expansion

- **Increasing global sales capability**
 - Increasing sales in existing regions (More market share with existing customers, more new customers)
 - Strengthening approaches to large-sized feed suppliers with global presence
- **Fully leveraging the collaboration with ITOCHU**
 - Strengthening promotion to large-sized feed suppliers to expand sales
 - Extending sales to new markets (Africa, CIS, Middle East)



(Source) feedinfo.com/pages/DL_Methionine_99

Initiatives for improving profitability

- Reduced maintenance costs by discontinuing production at obsolete plants
- Rationalizing production costs
- Rationalizing sales costs
- Considering further review of production capacity

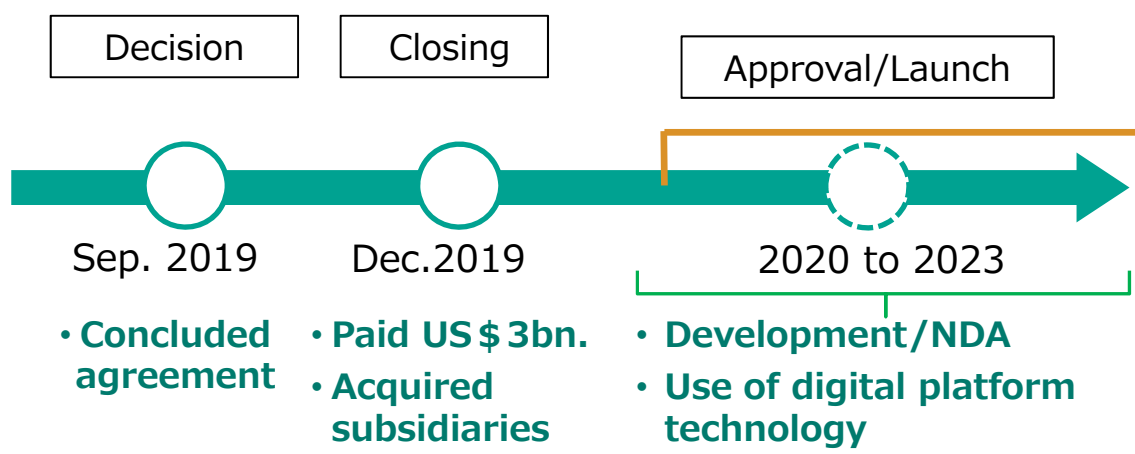
Reduce the cost by several billions of yen per year

Improve profitability by building the foundations for sales expansion and increasing cost competitiveness

II

Strategic Alliance with Roivant Sciences

Change & Innovation 3.0: For a Sustainable Future



Investment: approx. US\$ 3.0bn.

Relugolix:
New drug application (NDA) filed for uterine fibroids in Europe and for prostate cancer in the US

Vibegron:
NDA filed for overactive bladder in the US

Turning newly acquired drugs into blockbusters and our primary sources of revenue from 2023 onward

Purpose of this alliance

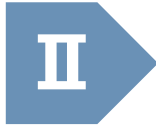
- 1 Acquire promising new drugs and compounds under development, including those that can turn into Post-Latuda blockbusters**

 - Promising compounds from five Roivant subsidiaries
 - Options to acquire Roivant's shares in six additional subsidiaries*
- 2 Strengthen our ability to develop revolutionary new drugs**

 - Roivant's innovative digital platform technology
 - Digital technology talent

* Options subject to certain conditions





FY2019-FY2021

Progress on the Corporate Business Plan

Change & Innovation 3.0: For a Sustainable Future

II

FY2019-FY2021

Progress on the Corporate Business Plan

12

1

Changes in
the Business Environment

13

2

Business Strategy by Sector

17

3

Progress and Prospect for
Large-Scale Investment Projects

29

4

**Accelerating the Development of
Next-Generation Businesses**

34

5

Improving Productivity through
Digital Innovation

39

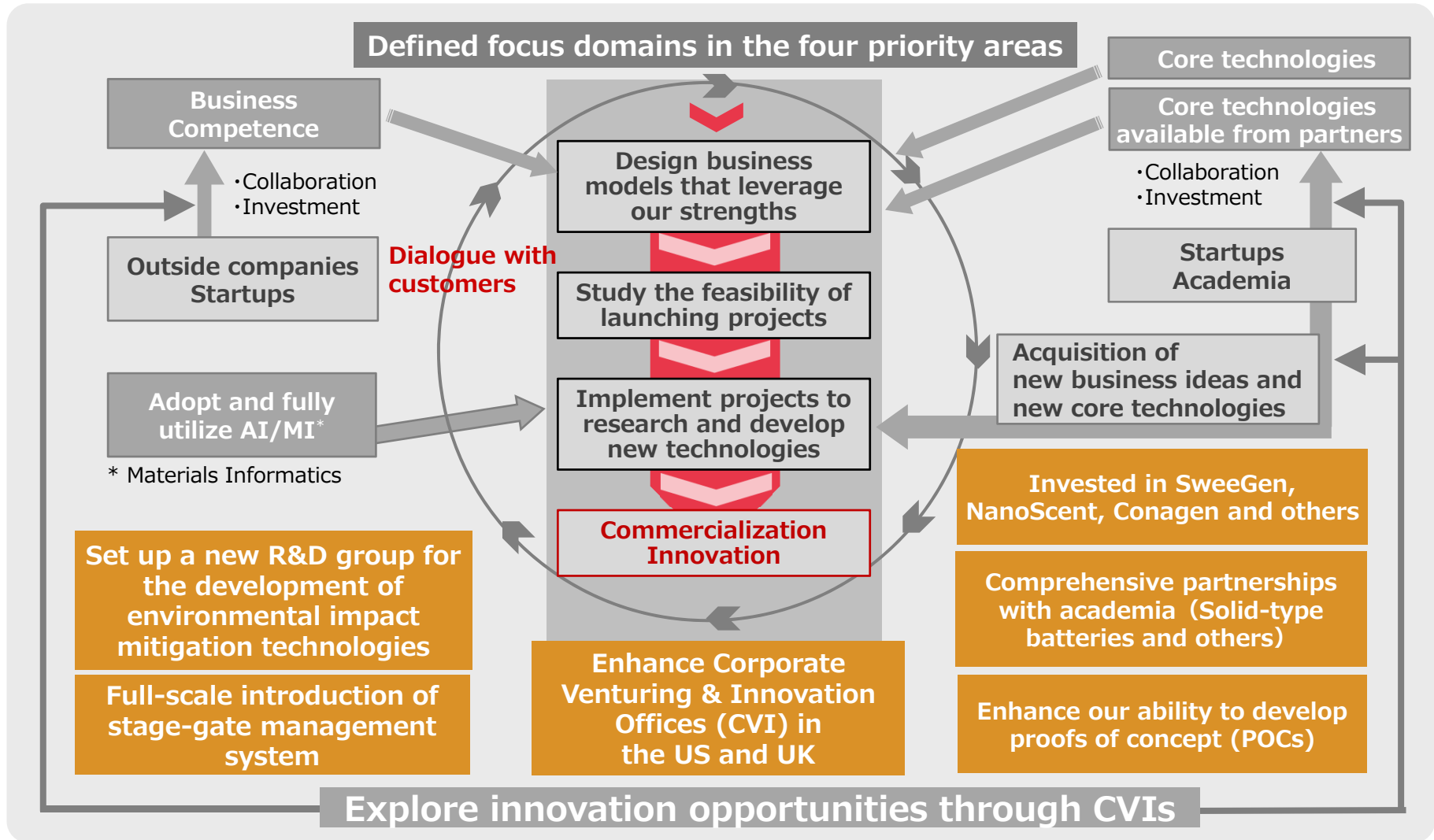


Building Our Innovation Ecosystem

Change & Innovation 3.0: For a Sustainable Future

Major progress in FY2019

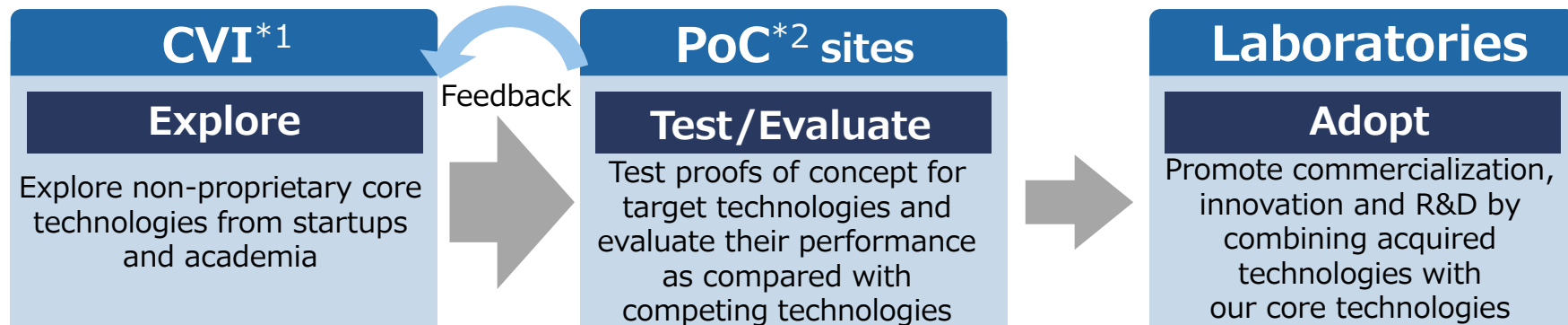
Our Innovation Ecosystem



II

Proliferation of Open Innovation

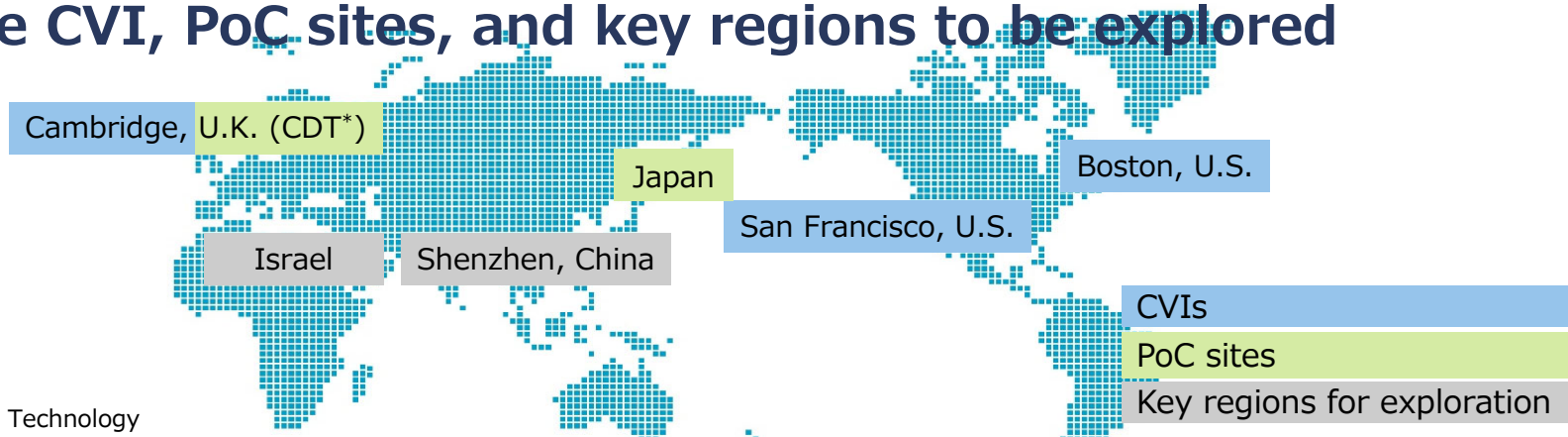
Open innovation –Investing and validating non-proprietary core technologies–



*1 Corporate Venturing & Innovation

*2 Proof of Concept

Enhance CVI, PoC sites, and key regions to be explored



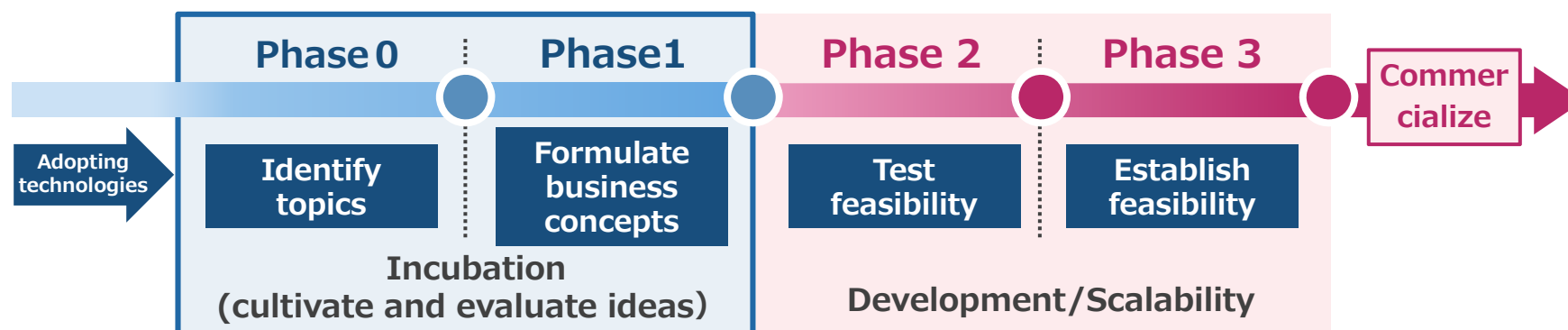
* Cambridge Display Technology

Expand CVI and PoC sites to explore, test and acquire promising technologies and accelerate collaboration with startups and academia

Strategy

- Enhance open innovation by increasing access to startups and academia via the CVI offices, and by strengthening PoC capability
- Fully implement a stage-gate system for managing research projects (starting FY2019)

Stage-gate management of research projects



- ☑ **Significantly increased the number of projects in incubation** at phases 0 and 1

Over 50 projects, about twice as many as the previous year

- ☑ Also increased the number of **Promising projects**, likely to proceed to Phase 2

Solid-type batteries, chemically recyclable polymers, liquid crystal-coated polarizer, etc.

Invested in U.S. biotechnology startups and conducting joint research

Use of synthetic biology in the development of materials

Engineer microbes to have specific functions

Develop environmentally friendly production processes

Develop innovative and new high-functionality materials

Accelerate the development of new businesses



- Formed a strategic partnership with CONAGEN, a US synthetic biology startup that boasts a broad range of technology and know-how, from microbial design to mass production
- Driving development of innovative technologies and processes by promoting interaction among engineers and jointly exploring research areas

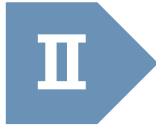


- Establish commercial production and marketing operations for SweeGen's next-generation stevia sweetener based on technology licensed from CONAGEN.
- Develop new technologies for refining and liquid waste treatment and new highly functional materials.



- Jointly develop breakthrough high-functionality chemicals with the use of Zymergen's digital technology

Drive innovation by integrating synthetic biology with chemical technology



FY2019-FY2021

Progress on the Corporate Business Plan

Change & Innovation 3.0: For a Sustainable Future

II

FY2019-FY2021

Progress on the Corporate Business Plan

12

1

Changes in
the Business Environment

13

2

Business Strategy by Sector

17

3

Progress and Prospect for
Large-Scale Investment Projects

29

4

Accelerating the Development of
Next-Generation Businesses

34

5

**Improving Productivity
through Digital Innovation**

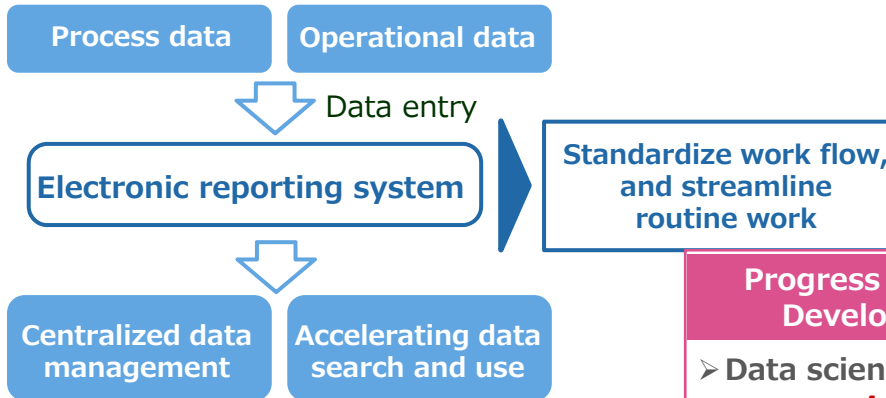
39

II

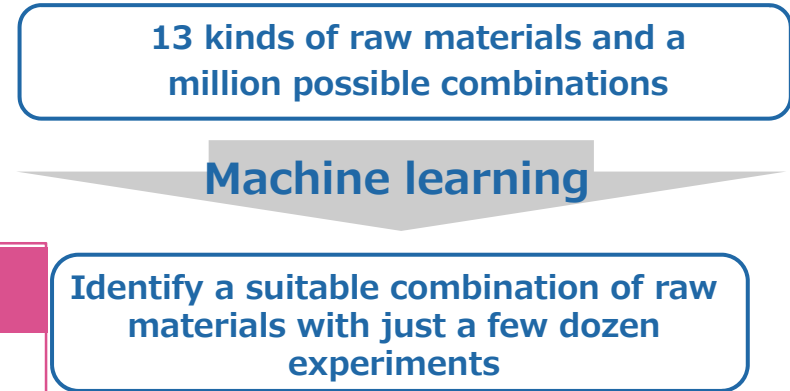
Digital Innovation in Four Areas

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Production Introduced electronic reporting system for all sections in Ehime and Ohita Works.



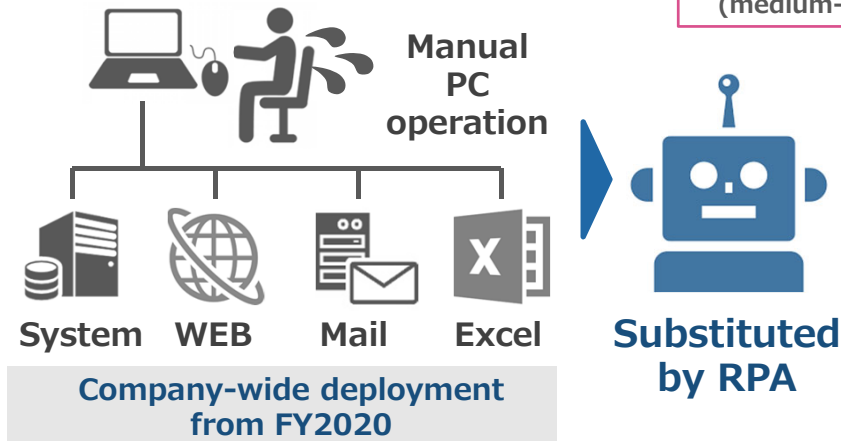
R&D Design materials with Materials Informatics (MI)



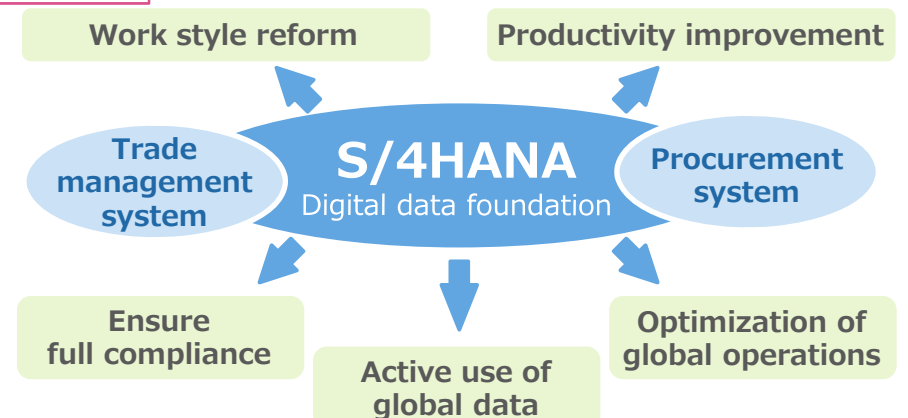
Progress in Talent Development

- Data scientists: Planned **14 scientists** (medium-term target: **20**)
- Data engineers: **65 engineers** (medium-term target: **150**)

Office Automate work processes by introducing robotic process automation (RPA)



SCM Full-scale introduction of S/4HANA and development of peripheral systems for supply chain management (SCM)



III For Sustainable Growth



For Sustainable Growth

III	For Sustainable Growth	41
1	Long-term Performance Forecast and Improvement of Financial Strength	42
2	ESG Topics	50
3	Epilogue	54



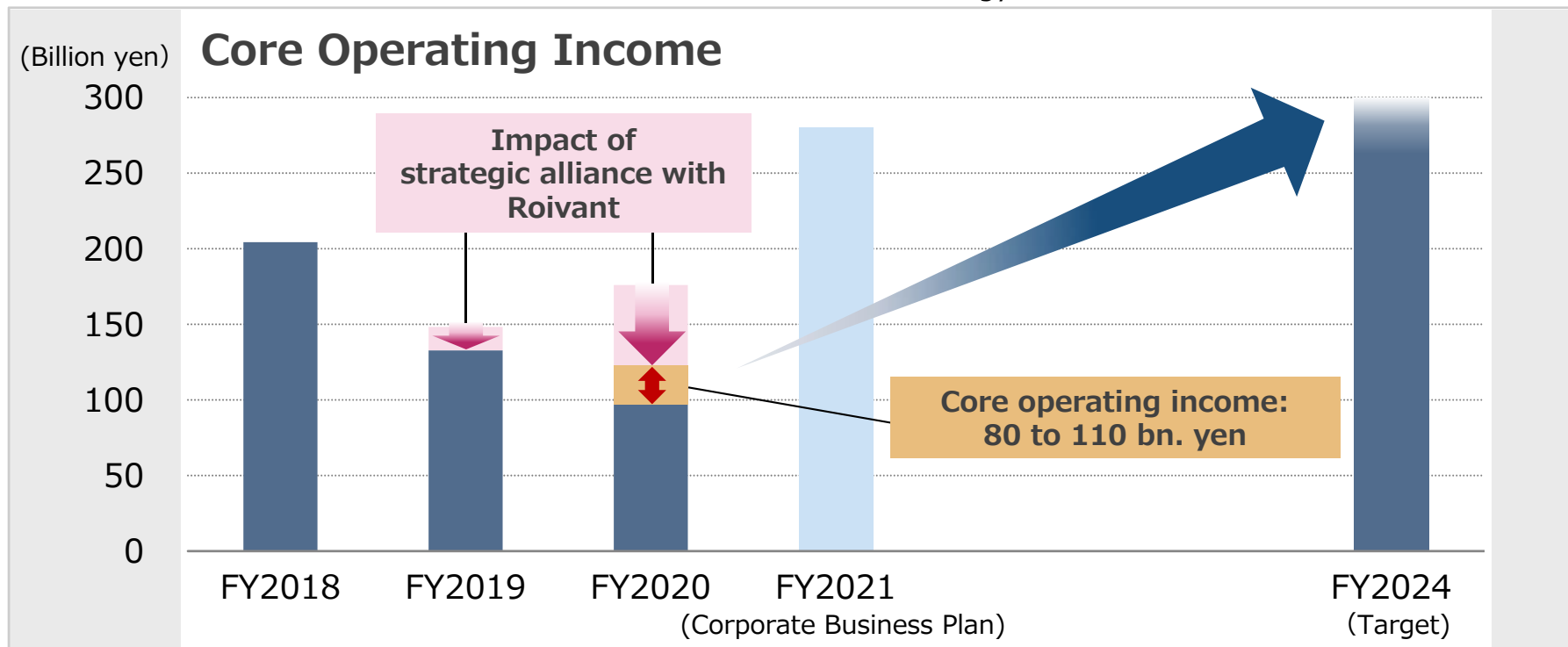
Performance Forecast

Difficult to achieve the Corporate Business Plan targets by FY2021

- ☑ Weak petrochemicals market
- ☑ Sluggish methionine market
- ☑ Delay in post-Latuda product development
- ☑ Increased sales and development expenses due to the alliance with Roivant, with newly acquired drugs yet to be launched

Future profit growth drivers

- ☑ Expansion of the crop protection business, primarily in South America and India
- ☑ Launch of new products in the pharmaceuticals business
- ☑ Launch of new high-functionality materials in the IT-related Chemicals and Energy and Functional Materials businesses



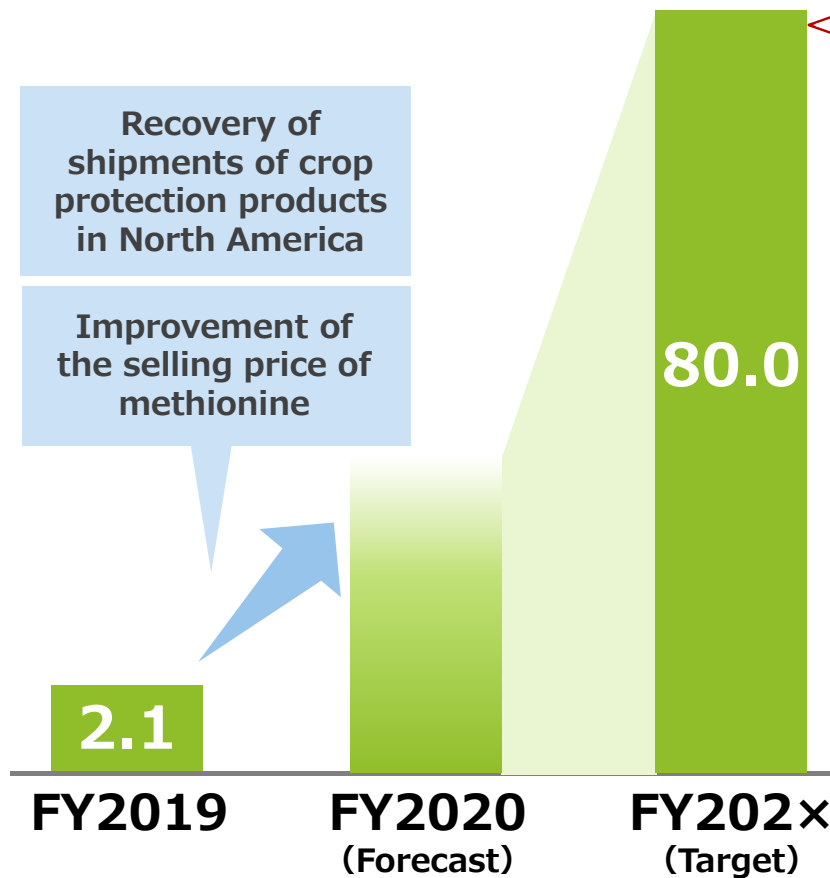


Outlook for the Health & Crop Sciences Sector

Change & Innovation 3.0: For a Sustainable Future

Core Operating Income

(Billions of yen)



Expecting some recovery for fiscal 2020 and aiming to achieve 80 billion yen in several years

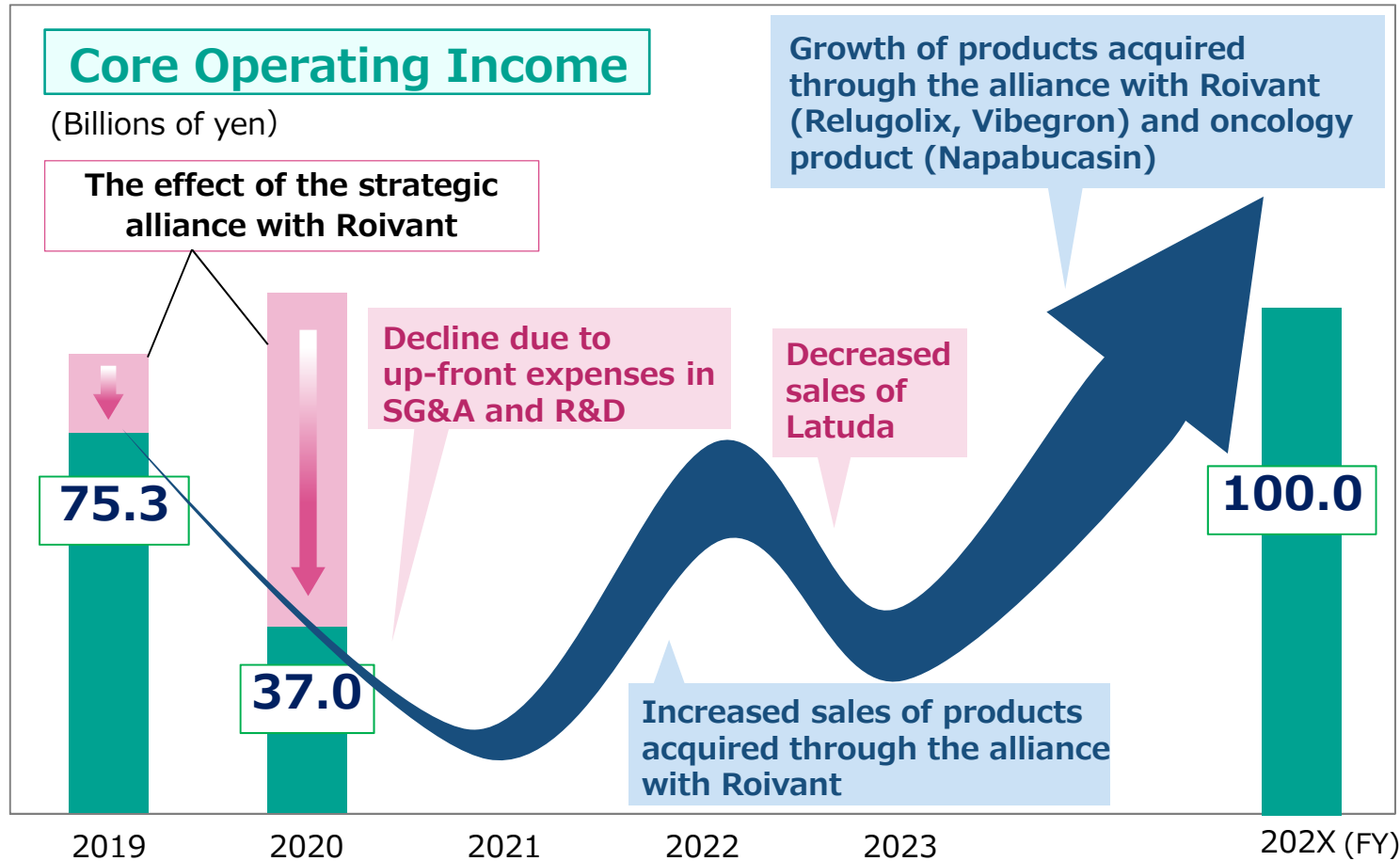
Policies

Agrosolutions business	<ul style="list-style-type: none"> ● Launch and expand sales of B2020 products including INDIFLIN™ on schedule ● Strengthen direct sales across global footprint ● Expand sales in seed treatment applications (for Corteva Agriscience™ and in various regions.) ● Expand sales of biorational products
Methionine	<ul style="list-style-type: none"> ● Strengthen cost competitiveness through further cost reductions
Environmental health business	<ul style="list-style-type: none"> ● Strengthen product portfolio in pest control operator (POC) fields ● Global expansion of household botanical products business



Outlook for the Pharmaceuticals Sector

Change & Innovation 3.0: For a Sustainable Future



Expecting to overcome the LATUDA cliff and achieve long-term growth, after initial years of increased expenses and lower operating income, due to the investment in the alliance with Roivant

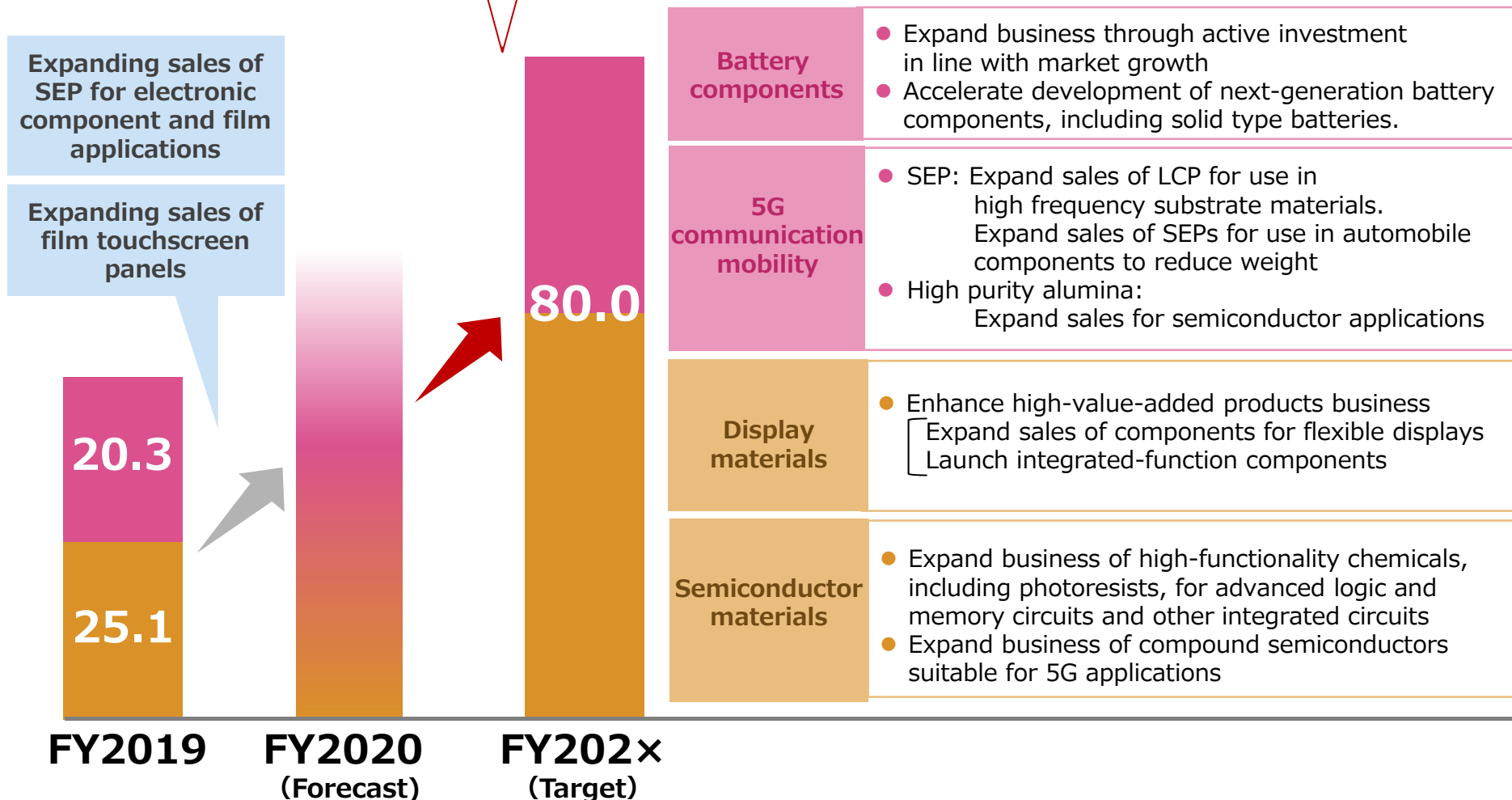


Outlook for the Energy & Functional Materials and the IT-related Chemicals Sector

Change & Innovation 3.0: For a Sustainable Future

Core Operating Income
(Billions of yen)

Aiming to achieve a combined core operation income of 80 billion yen after several years, across both sectors



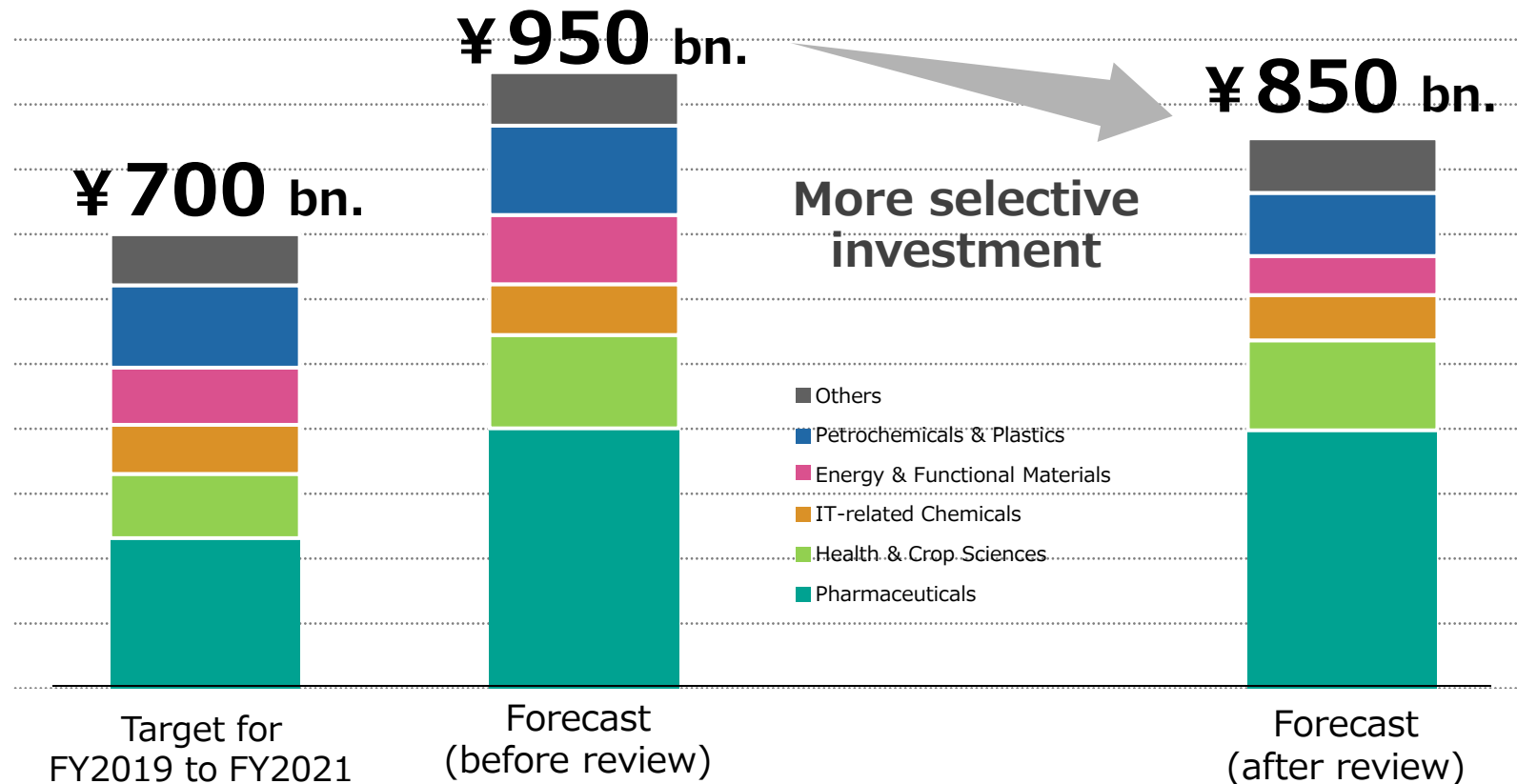


Initiatives for Improving Financial Strength (More Selective Investment)

Change & Innovation 3.0: For a Sustainable Future

Capital Expenditure and Investment (decision-making basis)

Due to two large-scale acquisitions, capital expenditures and investments have exceeded our initial projections.



Asset Sales

- ☑ Decided to sell a portion of our cross-shareholdings, based on an evaluation by the Board of Directors

Equivalent to 20% of the approximately 85 billion yen* in listed shares held by the company

- ☑ Other asset sales

*: On a fair value basis at the end of fiscal 2019

On the order of **50** billion yen

Improve the CCC

- ☑ Phased reduction of the number of days in the cash conversion cycle, primarily by cutting back on inventory

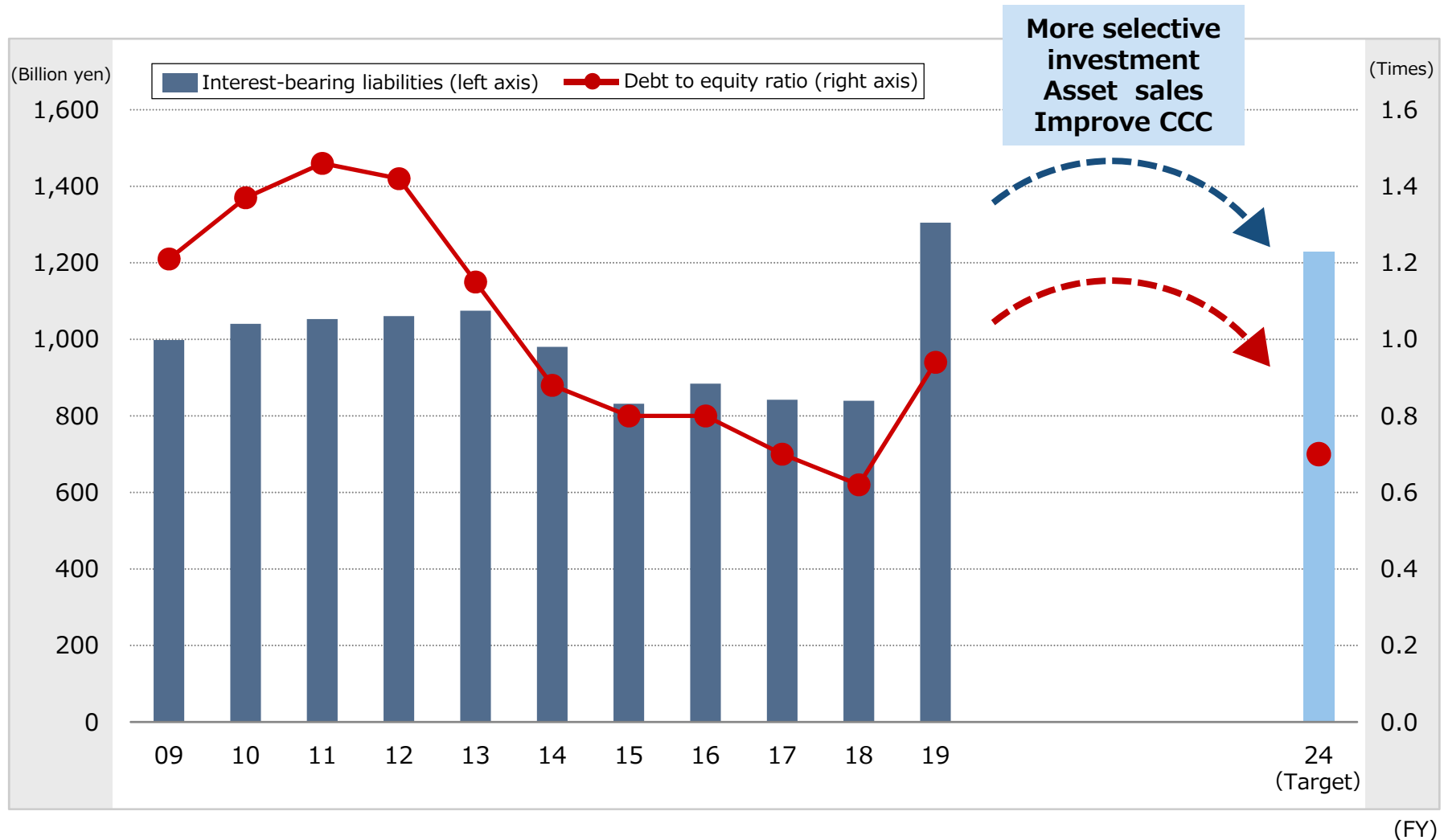
On the order of **50** billion yen



Initiatives for Improving Financial Strength

Change & Innovation 3.0: For a Sustainable Future

Interest-bearing liabilities and debt to equity ratio





For Sustainable Growth



For Sustainable Growth

41

1

Long-term Performance Forecast and
Improvement of Financial Strength

42

2

ESG Topics

50

3

Epilogue

54



ESG-related external evaluation

	2017	2018	2019	Remarks
CDP	B	A	A	A is the top rating
FTSE (comprehensive)	2.8	4.0	4.2	5 is the perfect score
MSCI (comprehensive)	AAA	AAA	AAA	AAA is the top rating
MSCI (Women)	5.8	6.2	6.0	10 is the perfect score
EcoVadis	Bronze	Silver	Gold	Gold is the top 5% level.

*1 FTSE Blossom Japan Index

*2 MSCI Japan ESG Select Leaders Index

*3 MSCI Japan Empowering Women Index (WIN)

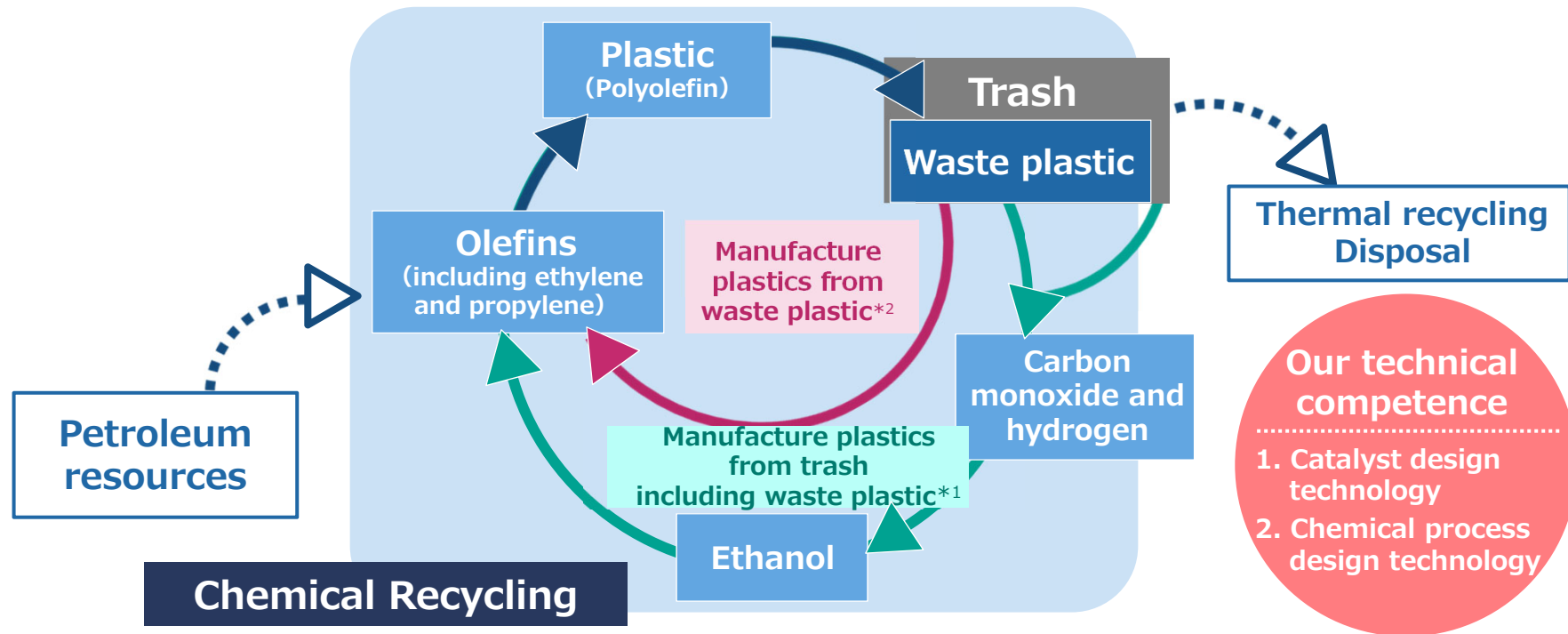
*4 Carbon Disclosure Project

*5 EcoVadis Sustainability Ratings



Environment: Chemical Recycling Initiatives

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Use waste plastic and trash, instead of fossil fuel feedstock, to manufacture plastic

Solving social issues through the use of plastic products

Reduce food loss
 Improve energy efficiency and mitigate environmental impact by contributing to vehicle weight reduction

Solution to social issues through the use of trash and waste plastic

Cut back on the use of fossil fuel feedstock
 Reduce trash and waste plastic
 Reduce green-house gas emissions

1: Sekisui Chemical undertakes manufacturing of ethanol using trash including waste plastic, while Sumitomo Chemical manufacturing of plastic using ethanol. *2: Joint research with Muroran Institute of Technology



Society: Contribution to Containment of the Coronavirus Pandemic

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Supplying active ingredients for Avigan (favipiravir) and remdesivir



Supplying household antiviral disinfectants



Supplying polyethylene film for medical gowns



Supplying antiviral agents for industrial use



Joined COVID-19 research database



Joint research for a universal influenza vaccine



Provided funds for NanoScent, a startup developing diagnostic sensors for COVID-19



Developing antiviral agents derived from natural plant extracts



Donated medical protective gear (incl. N95 masks and gowns)



Donated to the Kitasato Institute's Project for COVID-19

**Contributing to containment of the coronavirus pandemic
by leveraging the extensive power of chemistry**



For Sustainable Growth



For Sustainable Growth

41

1

Long-term Performance Forecast and
Improvement of Financial Strength

42

2

ESG Topics

50

3

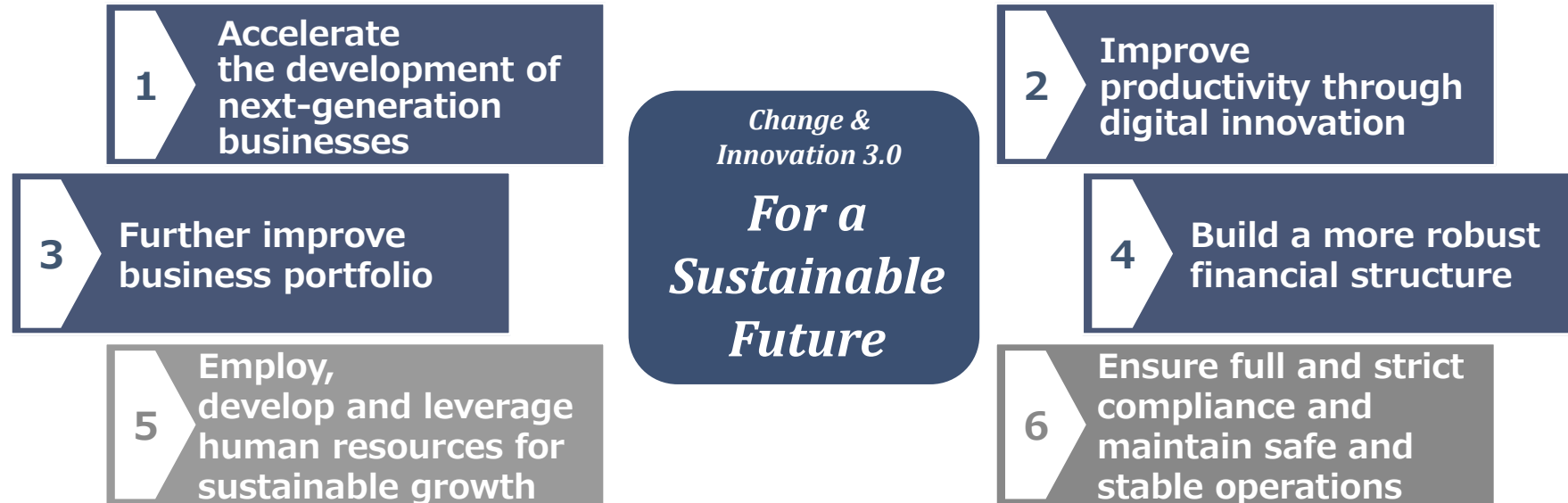
Epilogue

55



Key efforts in FY2020

Corporate Business Plan: Basic Policies



Focus areas for FY2020

☑ Focus on the further improvement of business portfolios



Maintain profitability amid the pandemic-induced recession
Enhance resilience generated by diverse business portfolio

☑ Carry through post-merger integration (PMI) for the large-scale acquisitions

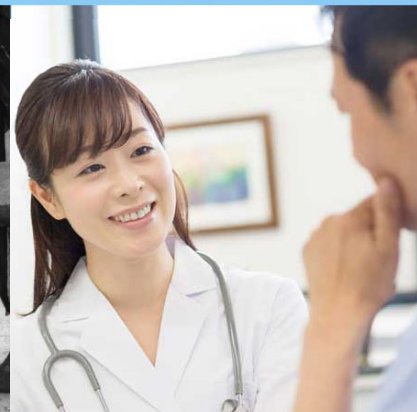
Sumitomo Chemical creates economic value and social value integrally



Reducing environmental impact



Food issues



Healthcare



ICT innovation



Contribute to realizing a sustainable society through our business activities
- Sharing our aspirations with stakeholders -

Cautionary Statement

Statements made in this document with respect to Sumitomo Chemical's current plans, estimates, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of Sumitomo Chemical. These statements are based on management's assumptions and beliefs in light of the information currently available to it, and involve risks and uncertainties.

The important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, general economic conditions in Sumitomo Chemical's markets; demand for, and competitive pricing pressure on, Sumitomo Chemical's products in the marketplace; Sumitomo Chemical's ability to continue to win acceptance for its products in these highly competitive markets; and movements of currency exchange rates.