

**Sumitomo Chemical Reports  
Consolidated Financial Results  
For the Half-Year Ended September 30, 2021**

For the half-year ended on September 30, 2021, the Sumitomo Chemical Group reported consolidated sales revenue of ¥1,325.2 billion, an increase of ¥278.4 billion year on year, core operating income\* of ¥148.9 billion, operating income of ¥144.3 billion, and net income attributable to owners of the parent of ¥88.9 billion, all higher than the results from the same period of the previous year.

Sumitomo Chemical decided to pay an interim dividend of ¥10 per share.

\*Core operating income is a gain and loss concept, reflecting recurring earning capacity, and deducts gains and losses incurred by non-recurring factors from operating income. It includes the share of profit from investments accounted for using the equity method.

The financial results by business segment for the half-year are as follows:

**Petrochemicals & Plastics**

Market prices of petrochemical products, synthetic resins and synthetic fibers increased due to recovery of demand and an increase in raw material prices. Margins also improved. Therefore, sales revenue increased by ¥155.9 billion, to ¥399.5 billion, and core operating income recovered by ¥73.3 billion, to ¥42.0 billion, compared with the same period of the previous year, when the shipment volumes decreased due to the periodic shutdown maintenance for Rabigh Refining and Petrochemical Company, our equity method investee, and due to the impact of the COVID-19 pandemic, mainly on demand for automotive use.

### **Energy & Functional Materials**

Shipments of separators for lithium-ion secondary batteries performed well. Market prices for aluminum and for the metal raw materials for cathode materials increased, resulting in higher selling prices. For the same period of the previous year, shipments were lower, mainly for automotive use, due to the COVID-19 pandemic. As a result, sales revenue increased by ¥43.2 billion from the same period of the previous year, to ¥148.5 billion. Core operating income increased by ¥7.8 billion from the same period of the previous year, to ¥12.6 billion.

### **IT-related Chemicals**

Shipments of processing materials for semiconductors (including high purity chemicals and photoresists) increased, driven by growing demand for these items. Shipments of materials for display applications increased in the face of stay-at-home demand, and telework demand continued from the previous year. As a result, sales revenue increased by ¥14.4 billion from the same period of the previous year, to ¥227.7 billion, and core operating income increased by ¥7.4 billion from the same period of the previous year, to ¥29.5 billion.

### **Health & Crop Sciences**

Shipments of crop protection products in North America, South America and India stayed firm. Market prices of methionine (feed additives) increased from the same period of the previous year. As a result, sales revenue increased by ¥23.4 billion from the same period of the previous year, to ¥209.4 billion. Core operating income increased by ¥9.1 billion from the same period of the previous year, to ¥18.5 billion.

### Pharmaceuticals

In North America, Orgovyx™ (therapeutic agent for advanced prostate cancer), which was launched in the previous fiscal year, and Gemtesa® (therapeutic agent for overactive bladder) and Myfembree® (therapeutic agent for uterine fibroids), both of which commenced sales in the last quarter, as well as the recording of a lump-sum upfront payment for a development and commercial collaboration and license agreement, contributed to sales revenue. These more than offset negative impacts, such as declines in sales of Latuda® (atypical antipsychotic agent) and Brovana® (therapeutic agent for chronic obstructive pulmonary disease), the latter of which saw its exclusive marketing period expire. On the other hand, in Japan, sales revenues were adversely affected by the National Health Insurance (NHI) drug price revisions. As a result, sales revenue increased by ¥33.4 billion from the same period of the previous year, to ¥309.6 billion. Core operating income increased by ¥0.9 billion from the previous year, to ¥50.0 billion, because of the increase of sales revenue, though selling, general and administrative expenses increased due to the start of full-scale marketing activities by subsidiaries of Sumitovant Biopharma Limited.

### Others

In addition to the above five segments, the Sumitomo Chemical Group supplies electric power and steam, designs chemical plants and supervises the construction of those facilities, provides transportation and warehousing, and conducts physical property analysis and environmental analysis. Sales revenue of these businesses increased by ¥8.1 billion from the same period of the previous year, to ¥30.6 billion, and core operating income increased by ¥1.1 billion from the same period of the previous year, to ¥6.8 billion.

## Summary of Consolidated Results

### (1) Results of Operations:

	6 Months ended September 30, 2021		6 Months ended September 30, 2020*2
	Yen (Millions)	USD (Thousands)*1	Yen (Millions)
Sales revenue	1,325,210	11,840,690	1,046,771
Core operating income	148,897	1,330,388	53,477
(Share of profit of investments accounted for using the equity method)	( 27,239 )	( 243,379 )	( (22,973) )
Operating income	144,272	1,289,064	50,188
Income before taxes	146,781	1,311,481	38,252
Net income	107,810	963,277	14,270
Net income attributable to non-controlling interests	18,926	169,103	16,514
Net income attributable to owners of the parent	88,884	794,174	(2,244)
Net income per 1,000 shares	Yen 54,364	USD*1 486	Yen (1,372)
Comprehensive income	Yen (Millions) 82,317	USD (Thousands)*1 735,499	Yen (Millions) (10,502)

### (2) Financial Position:

	As of September 30, 2021		As of March 31, 2021
	Yen (Millions)	USD (Thousands)*1	Yen (Millions)
Total assets	4,082,799	36,479,619	3,990,254
Total equity	1,547,759	13,829,155	1,482,119

### (3) Cash Flows:

	6 Months ended September 30, 2021		6 Months ended September 30, 2020*2
	Yen (Millions)	USD (Thousands)*1	Yen (Millions)
Cash flows from operating activities	77,198	689,761	156,585
Cash flows from investing activities	(65,150)	(582,112)	(62,963)
Cash flows from financing activities	(27,148)	(242,566)	97,937
Cash and cash equivalents at end of period	346,805	3,098,687	381,802

### (4) Results of Operations by Business Segment:

	6 Months ended September 30, 2021		6 Months ended September 30, 2020*2
	Yen (Millions)	USD (Thousands)*1	Yen (Millions)
Sales revenue			
Petrochemicals & Plastics	399,485	3,569,380	243,630
Energy & Functional Materials	148,477	1,326,635	105,229
IT-related Chemicals	227,656	2,034,096	213,259
Health & Crop Sciences	209,427	1,871,221	186,050
Pharmaceuticals	309,580	2,766,083	276,141
Others	30,585	273,275	22,462
	1,325,210	11,840,690	1,046,771
Core operating income			
Petrochemicals & Plastics	42,043	375,652	(31,283)
Energy & Functional Materials	12,573	112,339	4,769
IT-related Chemicals	29,524	263,796	22,139
Health & Crop Sciences	18,456	164,904	9,325
Pharmaceuticals	49,963	446,417	49,054
Others	6,781	60,588	5,668
Adjustments	(10,443)	(93,308)	(6,195)
	148,897	1,330,388	53,477

(Note)

\*1 U.S. dollar amounts are translated from yen, for convenience only, at the rate of ¥111.92 = \$1 prevailing on September 30, 2021.

\*2 Previous half-year results were adjusted retrospectively because the temporary accounting treatment related to business combinations was finalized.