

Sumitomo Chemical Announces Revisions to Its Financial Forecast for the Half-Year Ending September 30, 2022

Based on recent performance trends, Sumitomo Chemical Co., Ltd. has made revisions to its consolidated financial forecast for the half-year ending September 30, 2022, previously announced on May 13, 2022, as detailed below.

Revisions to Consolidated Financial Forecast for the Half-Year Ending September 30, 2022

(Millions of yen)

	Sales Revenue	Core Operating Income *	Operating Income	Net Income Attributable to Owners of the Parent	Earnings per Share (yen)
Previous forecast (A)	1,550,000	90,000	85,000	60,000	36.70
Revised forecast (B)	1,570,000	105,000	100,000	85,000	51.99
Variance in amount (B-A)	20,000	15,000	15,000	25,000	
Variance in percentage (%)	1.3	16.7	17.6	41.7	
Results for Half-Year ended September 30, 2021	1,325,210	148,897	144,272	88,884	54.36

* 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.

(Reasons for the Revision)

With regard to the consolidated financial forecast for the half-year ending September 30, 2022, sales revenue for crop protection products in the Health & Crop Sciences Sector will continue to perform well, and good margins for refined petroleum products in the Essential Chemicals & Plastics Sector are expected. In addition, since the exchange rate is supposed to move toward a weaker yen than was previously forecasted, higher income from exports and higher profit from foreign currency conversion are expected. On the other hand, shipments of display-related materials are on a declining trend. As a result, core operating income and operating income are expected to exceed the previous forecast.

Net income attributable to owners of the parent is also expected to exceed the previous forecast because a significant gain on foreign exchange is expected in addition to the improvement in core operating income and operating income.

With regard to the consolidated financial forecast for the fiscal year ending March 31, 2023, it is being kept the same as previously announced, because exchange rates, trends in raw material prices, and the global economic outlook are uncertain. An updated forecast will be announced if necessary in light of the future situation.

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.

Information:

Financial Forecast by Segment for the Half-Year Ending September 30, 2022

(Millions of yen)

		Fiscal 2022 Previous Forecast (A)	Fiscal 2022 Revised Forecast (B)	Variance in Amount (B-A)	Results for Half-Year ended September 30, 2021
Essential Chemicals & Plastics	Sales revenue	570,000	510,000	-60,000	399,485
	Core operating income	19,000	28,000	9,000	42,043
Energy & Functional Materials	Sales revenue	170,000	190,000	20,000	148,477
	Core operating income	9,000	10,000	1,000	12,573
IT-related Chemicals	Sales revenue	230,000	210,000	-20,000	227,656
	Core operating income	30,000	23,000	-7,000	29,524
Health & Crop Sciences	Sales revenue	260,000	315,000	55,000	209,427
	Core operating income	19,000	37,000	18,000	18,456
Pharmaceuticals	Sales revenue	290,000	315,000	25,000	309,580
	Core operating income	14,000	10,000	-4,000	49,963
Others Adjustments	Sales revenue	30,000	30,000	—	30,585
	Core operating income	-1,000	-3,000	-2,000	-3,662
Total	Sales revenue	1,550,000	1,570,000	20,000	1,325,210
	Core operating income	90,000	105,000	15,000	148,897