
News Release

January 31, 2023

Sumitomo Pharma Co., Ltd.

Sumitomo Pharma Announces Revisions to Its Financial Forecasts

Sumitomo Pharma Co., Ltd. (Head Office: Osaka, Japan; Representative Director, President and CEO: Hiroshi Nomura; Securities Code: 4506, Prime Market of TSE) announced today that it has revised the consolidated financial forecasts that were announced on October 31, 2022 for the year ending March 31, 2023 (fiscal 2022), as summarized below, taking the Group's recent business performance trends into consideration.

1. Revisions to the Forecasts of Consolidated Financial Results for the Year ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Revenue	Core operating profit	Operating profit	Net profit attributable to owners of the parent	Basic earnings per share
Previous Forecasts (A)	604,000	32,000	(30,000)	(15,000)	¥(37.76)
Revised Forecasts (B)	563,000	34,000	(27,000)	(35,000)	¥(88.10)
Variance in amount (B – A)	(41,000)	2,000	3,000	(20,000)	–
Variance in percent (%)	(6.8)	6.3	–	–	–
[Reference] Previous year (Year ended March 31, 2022)	560,035	58,509	60,234	56,413	¥141.99

Note: Core operating profit is calculated by deducting from operating profit any gains and losses resulting from nonrecurring factors, including changes in fair value of contingent consideration, impairment losses, and business structure improvement expenses.

2. Reasons for the revisions

For the revised forecasts above, the Company has changed its previous assumptions of foreign currency exchange rates (average exchange rates) from 140.0 JPY to 135.0 JPY against 1 USD and from 20.0 JPY to 19.5 JPY against 1 RMB.

Given the decrease in revenue as a result of the revision of the assumptions of foreign currency exchange rates and the expected downward revision in sales of LATUDA® and other products in the North America segment, it has revised its previous forecasts for revenue to 563.0 billion yen (down by 41.0 billion yen).

It also expects selling, general and administrative expenses to decrease by 4.0 billion yen due to the significant impact of the exchange rates revision, although the expenses associated with making Myovant Sciences Ltd. become a wholly owned subsidiary have been included on the assumption of the completeness of the process by the end of the current fiscal year, and it expects R&D expenses to decrease by 2.0 billion yen due to the significant impact of the exchange rates

revision. In addition, in other income (within core operating profit), it has factored in a gain of 25 billion yen from the transfer of shares in consolidated subsidiary Sumitomo Pharma Food & Chemical Co., Ltd.

As a result, it has revised its previous forecasts for core operating profit to 34.0 billion yen (up by 2.0 billion yen) and operating loss to 27.0 billion yen (up by 3.0 billion yen), respectively.

Now that forex gains are expected to decrease substantially due to the foreign currency exchange rates revision, it expects 35.0 billion yen in net loss attributable to owners of the parent, down by 20.0 billion yen from its previous forecasts.

Disclaimer Regarding Forward-looking Statements

The statements made in this press release contain forward-looking statements based on management's assumptions and beliefs in light of information available as of the day of this release, which involve both known and unknown risks and uncertainties. Actual results of those matters covered in the forward-looking statements including financial forecast may differ materially from those contained in this release, due to a number of factors.

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