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May 15, 2023

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Under IFRS)

Company name: Sumitomo Chemical Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4005
 URL: <https://www.sumitomo-chem.co.jp/english/>
 Representative: Keiichi Iwata, President
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 Telephone: +81-3-5201-0200
 Scheduled date of annual general meeting of shareholders: June 21, 2023
 Scheduled date to commence dividend payments: June 1, 2023
 Scheduled date to file annual securities report: June 21, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(All amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Sales revenue		Core operating income		Operating income (loss)		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	2,895,283	4.7	92,752	(60.5)	(30,984)	—	(46,865)	—	6,987	(95.7)	65,627	(74.3)
Fiscal year ended March 31, 2022	2,765,321	20.9	234,779	59.0	215,003	56.8	186,437	173.9	162,130	252.1	254,867	87.5

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent	Ratio of income before taxes to total assets	Ratio of core operating income to sales revenue
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	4.27	4.27	0.6	0.0	3.2
Fiscal year ended March 31, 2022	99.16	—	14.5	6.1	8.5

Reference: Share of profit (loss) of investments accounted for using the equity method
 For the fiscal year ended March 31, 2023: ¥ (6,797) million
 For the fiscal year ended March 31, 2022: ¥ 42,180 million
 Income before taxes
 For the fiscal year ended March 31, 2023: ¥ 231 million
 For the fiscal year ended March 31, 2022: ¥251,136 million

*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.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2023	4,165,503	1,489,189	1,171,192	28.1	716.26
March 31, 2022	4,308,151	1,701,977	1,218,101	28.3	745.03

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	111,621	(19,411)	(178,502)	305,844
Fiscal year ended March 31, 2022	171,715	(115,421)	(81,394)	365,429

2. Dividends

	Dividends per share					Total dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the parent (Consolidated)
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	—	10.00	—	14.00	24.00	39,239	24.2	3.5
Fiscal year ended March 31, 2023	—	12.00	—	6.00	18.00	29,437	421.2	2.5
Fiscal year ending March 31, 2024 (Forecast)	—	6.00	—	6.00	12.00		196.2	

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

	Sales revenue		Core operating income		Operating income		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Half-year ending September 30	1,370,000	(10.4)	(30,000)	—	(45,000)	—	(30,000)	—	(18.35)
Year ending March 31	2,900,000	0.2	40,000	(56.9)	20,000	—	10,000	43.1	6.12

Notes:

(1) Changes in significant subsidiaries during the period: Yes

Newly consolidated: 1 company (Sumika Semiconductor Materials Texas Inc.)

Excluded: 4 companies (Sumitomo Chemical do Brasil Representações Ltda.
Urovant Sciences Ltd.
Enzyvant Therapeutics Ltd.
Altavant Sciences Ltd.)

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of shares issued (common shares)

(i) Total number of shares issued at the end of the period (including treasury stock)

As of March 31, 2023	1,655,860,207 shares
As of March 31, 2022	1,655,446,177 shares

(ii) Number of treasury stock at the end of the period

As of March 31, 2023	20,486,616 shares
As of March 31, 2022	20,474,797 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2023	1,634,980,255 shares
Fiscal year ended March 31, 2022	1,634,978,523 shares

[Reference] Non-Consolidated Financial Results for Fiscal 2022 (April 1, 2022 to March 31, 2023)

(1) Non-Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	894,389	12.2	7,853	(46.0)	69,529	1.5	50,444	(18.3)
Fiscal year ended March 31, 2022	797,358	23.4	14,532	—	68,488	79.8	61,736	48.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2023	30.85	—
Fiscal year ended March 31, 2022	37.76	—

(Note) Figures for diluted earnings per share are not listed, because there is no potential share.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	1,772,927	377,999	21.3	231.14
March 31, 2022	1,740,123	368,789	21.2	225.56

Reference: Shareholders' equity

As of March 31, 2023: ¥377,999 million

As of March 31, 2022: ¥368,789 million

(Note) Non-consolidated results are under Japanese GAAP.

* This summary of financial results is exempt from audit procedures.

* Notes to appropriate use of forecasts and other special items:

Descriptions regarding forward-looking statements about the future performance of the Company contained in this summary are based on information currently available to the Company and certain assumptions judged reasonable 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 the Company's markets; demand for, and competitive pricing pressure on, the Company's products in the marketplace; rise in prices of raw materials; and fluctuations in foreign exchange rates.

For details of the forecast, please refer to "1. Summary of Operating Results (4) Outlook for the Fiscal Year Ending March 31, 2024 (Fiscal 2023)" on page 4.

Attachments

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1. Summary of Operating Results for the Fiscal Year Ended March 31, 2023 (Fiscal 2022)

(1) Operating Results

In fiscal 2022, the growth rate of the global economy fell well below that of the previous year. Although the impact of the COVID-19 pandemic eased, economic growth was held back by such factors as global monetary tightening to control inflation and a delay in the recovery of China's economy. In Japan's economy, too, although there were signs of a rebound, such as a recovery in consumer spending, the overall business environment remained difficult in light of such factors as the slowdown in global economic growth and a rise in raw material prices.

Under these circumstances, the Group's sales revenue for the period increased by ¥130.0 billion compared to the prior year, to ¥2,895.3 billion. In terms of profits and losses, core operating income* was ¥92.8 billion, but because of large impairment losses posted in the period, there was an operating loss of ¥31.0 billion. Nevertheless, net income attributable to owners of the parent was ¥7.0 billion, because the value of the yen weakened during the fiscal year and there was a foreign exchange gain. Results in every category of income were lower than the previous year's levels.

*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 fiscal 2022 are as follows:

(Essential Chemicals & Plastics)

Selling prices for synthetic resins, methyl methacrylate and various industrial chemicals improved due to an increase in raw material prices. The weak yen also benefited sales revenues of subsidiaries outside of Japan when converted into yen. On the other hand, shipments declined, primarily because of weak demand for products in automotive applications. As a result, sales revenue increased by ¥10.4 billion from the previous year, to ¥852.9 billion. Core operating income suffered a loss of ¥34.2 billion, a decline in income of ¥87.7 billion from the previous year, due to a deterioration in the financial performance of Rabigh Refining and Petrochemical Company, our equity method investee, as well as a deterioration in margins caused by higher raw material prices and the impact of lower shipment volumes.

(Energy & Functional Materials)

Selling prices for aluminum and cathode materials increased with the improvement in market conditions. Shipments of separators for lithium-ion secondary batteries stayed firm. The weak yen also had a positive effect. As a result, sales revenue increased by ¥26.1 billion, to ¥342.5 billion, from the previous year. Core operating income was ¥15.2 billion, lower by ¥4.8 billion from the previous year, led by a decline in margins resulting from the rise in raw material prices, despite higher income from exports due to the weak yen.

(IT-related Chemicals)

Sales revenue benefited from the weak yen's effect on the sales of subsidiaries outside of Japan in yen terms. In addition, demand growth for processing materials for semiconductors, such as photoresists, brought about an increase of shipments. On the other hand, shipments of display-related materials declined because stay-at-home demand had run its course, and consumer sentiment deteriorated in the face of inflation concerns. As a result, sales revenue decreased by ¥42.5 billion from the previous year, to ¥431.2 billion, and core operating income decreased by ¥10.2 billion from the previous year, to ¥47.6 billion.

(Health & Crop Sciences)

Market prices of methionine (feed additives) declined from the previous year. On the other hand, sales of crop protection products in South America increased significantly, and shipments in such markets as India performed well. Moreover, the weak yen had a positive effect on sales from subsidiaries outside of Japan when converted into yen. As a result, sales revenue increased by ¥124.6 billion from the previous year, to ¥598.4 billion. Core operating income was ¥57.3 billion, an increase of ¥15.0 billion from in the previous year, driven by the increase in sales and higher income from exports as a result of the weak yen, despite higher prices for raw materials.

(Pharmaceuticals)

In the U.S., revenue grew for the fiscal year under review owing to increased sales of products such as Orgovyx® (therapeutic agent for advanced prostate cancer) and Gemtesa® (therapeutic agent for overactive bladder), on top of the effects of the foreign exchange situation, despite the expiration of the exclusive marketing period of LATUDA® (atypical antipsychotic agent) and the absence of a lump-sum upfront payment for a collaboration and license agreement for joint development and commercialization in the previous fiscal year. 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 decreased by ¥6.8 billion from the previous year, to ¥584.9 billion. Core operating income was ¥16.2 billion, a decrease of ¥45.5 billion from the previous year, as selling, general and administrative expenses and research and development expenses increased, primarily due to the effects of the foreign exchange situation, in addition to the decrease in gross profit.

(Others)

In addition to the above five segments, the 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 ¥18.2 billion from the previous year, to ¥85.4 billion, and core operating income decreased by ¥5.4 billion from the previous year, to ¥10.4 billion.

(2) Consolidated Financial Position

As of the end of the consolidated 2022 fiscal year, total assets decreased by ¥142.6 billion compared to the previous year, to ¥4,165.5 billion. Goodwill and intangible assets decreased due to impairment losses, and loan receivables were collected.

Total liabilities increased by ¥70.1 billion compared to the end of the previous year, to ¥2,676.3 billion. Interest-bearing liabilities increased by ¥110.9 billion compared to the prior year, to ¥1,461.4 billion.

Total equity (including non-controlling interests) decreased by ¥212.8 billion compared to the end of the previous fiscal year, to ¥1,489.2 billion, because Sumitomo Pharma Co., Ltd., a consolidated subsidiary, converted one of its consolidated subsidiaries, Myovant Sciences Ltd., into a wholly-owned subsidiary, resulting in a decline in capital surplus and non-controlling interests. The ratio of equity attributable to the owners of the parent company decreased by 0.2 percentage points compared to the end of the prior fiscal year, to 28.1%.

(3) Consolidated Cash Flows

Net cash from operating activities in fiscal 2022 was a net inflow of ¥111.6 billion, a decrease of ¥60.1 billion from the previous fiscal year. Although there was a decline in profit before taxes for the period, there were increases in impairment losses and other non-cash profit and loss items, as well as a decline in working capital.

Net cash from investing activities was a net outflow of ¥19.4 billion, compared to a net outflow of ¥115.4 billion in the prior fiscal year, a reduction of ¥96.0 billion, mainly because of proceeds from collection of loan receivables and proceeds from the sales and redemption of other financial assets.

This resulted in positive free cash flow of ¥92.2 billion for fiscal 2022, compared with positive free cash flow of ¥56.3 billion for fiscal 2021.

Net cash outflows from financing activities were ¥178.5 billion, mainly due to payments for acquisition of subsidiaries' interests from non-controlling interests. The balance of cash and cash equivalents at the end of fiscal 2022 decreased by ¥59.6 billion compared to the end of fiscal 2021, to ¥305.8 billion.

(4) Outlook for the Fiscal Year Ending March 31, 2024 (Fiscal 2023)

The global economy is expected to experience a widening economic slowdown. It is anticipated that, along with global economic growth slowing to below 3%, the pace of change will become faster than before, with rising uncertainty. Amid high inflation and monetary tightening, further downside risks to the global economic outlook are considered to be high.

On this assumption, for fiscal 2023, the Company forecasts that sales revenue will be ¥2,900.0 billion, core operating income and operating income are projected to be ¥40.0 billion and ¥20.0 billion, respectively, and net income attributable to owners of the parent to be ¥10.0 billion, assuming an exchange rate of ¥135.0/US\$ and a naphtha price of ¥70,000/kl.

(5) Profit and Dividend Distribution Policy and Dividends for the Fiscal Year Ended March 31, 2023 and Ending March 31, 2024

We consider shareholder return as one of our priority management issues and have made it a policy to maintain stable dividend payments, 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.

We will use our retained earnings for investment to increase the competitiveness of our core businesses and expand our overseas businesses, and thereby seek to enhance our profitability.

Dividends are paid twice a year in principle, after closing the first half of each fiscal year and each full fiscal year. Under our Articles of Incorporation, in order to implement the distribution of profits and retained earnings to shareholders in a timely manner, the Board of Directors is authorized to decide the level of dividends paid.

The Company has decided to pay a year-end dividend of ¥6 per share. As a result, the Company's annual dividend for fiscal 2022 is ¥18 per share, including an interim dividend of ¥12 per share.

The Company plans to pay an interim dividend of ¥6 per share and a year-end dividend of ¥6 per share, making the Company's annual dividend for fiscal 2023 ¥12 per share (dividend payout ratio of 196.2%).

2. Basic Rationale for Selection of Accounting Standards

The Group has been applying International Financial Reporting Standards (IFRS) since the fiscal year ended March 31, 2018, for the purpose of improving comparability of financial information in the global capital market and improving its business management within the Group by standardizing the accounting treatment used.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statement of Financial Position

Millions of yen	As of March 31, 2023	As of March 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	¥ 305,844	¥ 365,429
Trade and other receivables	603,161	720,422
Other financial assets	31,237	23,991
Inventories	744,474	651,358
Other current assets	70,670	51,442
Subtotal	1,755,386	1,812,642
Assets held for sale	7,498	—
Total current assets	1,762,884	1,812,642
Non-current assets:		
Property, plant and equipment	829,355	823,022
Goodwill	266,868	244,517
Intangible assets	403,996	471,109
Investments accounted for using the equity method	402,980	289,968
Other financial assets	313,115	474,899
Retirement benefit assets	99,253	89,538
Deferred tax assets	39,492	49,121
Other non-current assets	47,560	53,335
Total non-current assets	2,402,619	2,495,509
Total Assets	¥ 4,165,503	¥ 4,308,151

Liabilities and Equity

Liabilities

Current liabilities:

Bonds and borrowings	¥ 396,903	¥ 261,280
Trade and other payables	515,865	551,583
Other financial liabilities	74,931	84,137
Income taxes payable	31,772	24,515
Provisions	129,030	129,709
Other current liabilities	128,060	122,267

Subtotal	1,276,561	1,173,491
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Liabilities directly associated with assets held for sale	1,806	—
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Total current liabilities	1,278,367	1,173,491
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Non-current liabilities:

Bonds and borrowings	1,064,463	1,089,190
Other financial liabilities	98,594	101,718
Retirement benefit liabilities	26,427	33,091
Provisions	38,443	36,502
Deferred tax liabilities	101,164	101,299
Other non-current liabilities	68,856	70,883

Total non-current liabilities	1,397,947	1,432,683
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Total liabilities	2,676,314	2,606,174
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Equity

Share capital	89,810	89,699
Capital surplus	—	27,089
Retained earnings	891,552	974,382
Treasury shares	(8,349)	(8,343)
Other components of equity	197,830	135,274
Other comprehensive income associated with assets held for sale	349	—

Equity attributable to owners of the parent	1,171,192	1,218,101
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Non-controlling interests	317,997	483,876
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Total equity	1,489,189	1,701,977
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Total Liabilities and Equity	¥ 4,165,503	¥ 4,308,151
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(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

Millions of yen	Years ended March 31,	
	2023	2022
Sales revenue	¥ 2,895,283	¥ 2,765,321
Cost of sales	(2,074,357)	(1,891,458)
Gross profit	820,926	873,863
Selling, general and administrative expenses	(878,261)	(690,860)
Other operating income	69,227	10,533
Other operating expenses	(36,079)	(20,713)
Share of profit or loss of investments accounted for using the equity method	(6,797)	42,180
Operating income (loss)	(30,984)	215,003
Finance income	70,836	59,194
Finance expenses	(39,621)	(23,061)
Income before taxes	231	251,136
Income tax expenses	(47,096)	(64,699)
Net income (loss)	(46,865)	186,437
Net income (loss) attributable to:		
Owners of the parent	6,987	162,130
Non-controlling interests	(53,852)	24,307
Net income (loss)	¥ (46,865)	¥ 186,437

Yen	Years ended March 31,	
	2023	2022
Earnings per share:		
Basic earnings per share	4.27	99.16
Diluted earnings per share	4.27	—

Consolidated Statement of Comprehensive Income

Millions of yen	Years ended March 31,	
	2023	2022
Net income (loss)	¥ (46,865)	¥ 186,437
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
Remeasurements of financial assets measured at fair value through other comprehensive income	14,958	(51,797)
Remeasurements of defined benefit plans	8,670	7,549
Share of other comprehensive income of investments accounted for using the equity method	1,126	(881)
Total items that will not be reclassified to profit or loss	24,754	(45,129)
Items that may be subsequently reclassified to profit or loss		
Cash flow hedge	8,163	(5,904)
Exchange differences on translation of foreign operations	62,572	103,499
Share of other comprehensive income of investments accounted for using the equity method	17,003	15,964
Total items that may be subsequently reclassified to profit or loss	87,738	113,559
Other comprehensive income, net of taxes	112,492	68,430
Total comprehensive income	65,627	254,867
Total comprehensive income attributable to:		
Owners of the parent	84,077	229,765
Non-controlling interests	(18,450)	25,102
Total comprehensive income	¥ 65,627	¥ 254,867

(3) Consolidated Statement of Changes in Equity

Year ended March 31, 2023

Millions of yen	Equity attributable to owners of the parent				Other components of equity	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Remeasurements of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance as of April 1, 2022	¥ 89,699	¥ 27,089	¥ 974,382	¥ (8,343)	¥ 82,682	¥ —
Net income (loss)	—	—	6,987	—	—	—
Other comprehensive income	—	—	—	—	4,550	9,163
Total comprehensive income	—	—	6,987	—	4,550	9,163
Issuance of new shares	111	111	—	—	—	—
Purchase of treasury shares	—	—	—	(6)	—	—
Disposal of treasury shares	—	0	—	0	—	—
Dividends	—	—	(42,514)	—	—	—
Changes resulting from additions to consolidation	—	—	—	—	—	—
Changes resulting from loss of control of subsidiaries	—	—	513	—	(505)	—
Change in interest due to transactions with non-controlling interests	—	(88,037)	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	13,672	—	(4,509)	(9,163)
Others, net	—	(603)	(48)	—	—	—
Transfer to other comprehensive income associated with assets held for sale	—	—	—	—	(349)	—
Transfer of negative balance of other capital surplus	—	61,440	(61,440)	—	—	—
Total transactions with owners	111	(27,089)	(89,817)	(6)	(5,363)	(9,163)
Balance as of March 31, 2022	¥ 89,810	¥ —	¥ 891,552	¥ (8,349)	¥ 81,869	¥ —

	Equity attributable to owners of the parent				Other components of equity		
	Cash flow hedges	Exchange differences on conversion of foreign operations	Total	Other comprehensive income associated with assets held for sale	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Balance as of April 1, 2022	¥ (8,735)	¥ 61,327	¥ 135,274	¥ —	¥ 1,218,101	¥ 483,876	¥ 1,701,977
Net income (loss)	—	—	—	—	6,987	(53,852)	(46,865)
Other comprehensive income	8,204	55,173	77,090	—	77,090	35,402	112,492
Total comprehensive income	8,204	55,173	77,090	—	84,077	(18,450)	65,627
Issuance of new shares	—	—	—	—	222	—	222
Purchase of treasury shares	—	—	—	—	(6)	—	(6)
Disposal of treasury shares	—	—	—	—	0	—	0
Dividends	—	—	—	—	(42,514)	(13,962)	(56,476)
Changes resulting from additions to consolidation	—	—	—	—	—	—	—
Changes resulting from loss of control of subsidiaries	(8)	—	(513)	—	—	—	—
Change in interest due to transactions with non-controlling interests	—	—	—	—	(88,037)	(133,467)	(221,504)
Transfer from other components of equity to retained earnings	—	—	(13,672)	—	—	—	—
Others, net	—	—	—	—	(651)	—	(651)
Transfer to other comprehensive income associated with assets held for sale	—	—	(349)	349	—	—	—
Transfer of negative balance of other capital surplus	—	—	—	—	—	—	—
Total transactions with owners	(8)	—	(14,534)	349	(130,986)	(147,429)	(278,415)
Balance as of March 31, 2023	¥ (539)	¥ 116,500	¥ 197,830	¥ 349	¥ 1,171,192	¥ 317,997	¥ 1,489,189

Year ended March 31, 2022

Millions of yen	Equity attributable to owners of the parent				Other components of equity		
	Share capital	Capital surplus	Retained earnings	Treasury shares	Remeasurements of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	
Balance as of April 1, 2021	¥ 89,699	¥ 26,882	¥ 854,538	¥ (8,334)	¥ 90,590	¥ —	¥ —
Net income	—	—	162,130	—	—	—	—
Other comprehensive income	—	—	—	—	(26,231)	7,129	—
Total comprehensive income	—	—	162,130	—	(26,231)	7,129	—
Issuance of new shares	—	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	(9)	—	—	—
Disposal of treasury shares	—	0	—	0	—	—	—
Dividends	—	—	(31,065)	—	—	—	—
Changes resulting from additions to consolidation	—	—	(22)	—	(5)	—	—
Changes resulting from loss of control of subsidiaries	—	—	—	—	—	—	—
Change in interest due to transactions with non-controlling interests	—	207	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	(11,199)	—	18,328	(7,129)	—
Others, net	—	—	—	—	—	—	—
Transfer to other comprehensive income associated with assets held for sale	—	—	—	—	—	—	—
Transfer of negative balance of other capital surplus	—	—	—	—	—	—	—
Total transactions with owners	—	207	(42,286)	(9)	18,323	(7,129)	—
Balance as of March 31, 2022	¥ 89,699	¥ 27,089	¥ 974,382	¥ (8,334)	¥ 82,682	¥ —	¥ —

	Equity attributable to owners of the parent				Other comprehensive income associated with assets held for sale	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Cash flow hedges	Exchange differences on conversion of foreign operations	Total					
Balance as of April 1, 2021	¥ (2,866)	¥ (31,279)	¥ 56,445	¥ —	¥ 1,019,230	¥ 462,889	¥ 1,482,119	
Net income	—	—	—	—	162,130	24,307	186,437	
Other comprehensive income	(5,869)	92,606	67,635	—	67,635	795	68,430	
Total comprehensive income	(5,869)	92,606	67,635	—	229,765	25,102	254,867	
Issuance of new shares	—	—	—	—	—	—	—	
Purchase of treasury shares	—	—	—	—	(9)	—	(9)	
Disposal of treasury shares	—	—	—	—	0	—	0	
Dividends	—	—	—	—	(31,065)	(11,192)	(42,257)	
Changes resulting from additions to consolidation	—	—	(5)	—	(27)	(25)	(52)	
Changes resulting from loss of control of subsidiaries	—	—	—	—	—	—	—	
Change in interest due to transactions with non-controlling interests	—	—	—	—	207	7,102	7,309	
Transfer from other components of equity to retained earnings	—	—	11,199	—	—	—	—	
Others, net	—	—	—	—	—	—	—	
Transfer to other comprehensive income associated with assets held for sale	—	—	—	—	—	—	—	
Transfer of negative balance of other capital surplus	—	—	—	—	—	—	—	
Total transactions with owners	—	—	11,194	—	(30,894)	(4,115)	(35,009)	
Balance as of March 31, 2022	¥ (8,735)	¥ 61,327	¥ 135,274	¥ —	¥ 1,218,101	¥ 483,876	¥ 1,701,977	

(4) Consolidated Statement of Cash Flows

Millions of yen	Years ended March 31,	
	2023	2022
Cash Flows from Operating Activities:		
Income before taxes	¥ 231	¥ 251,136
Depreciation and amortization	167,957	156,667
Impairment loss	109,417	8,111
Share of (profit) loss of investments accounted for using the equity method	6,797	(42,180)
Interest and dividend income	(18,730)	(9,976)
Interest expenses	22,468	16,111
Restructuring costs	22,021	10,572
Changes in fair value of contingent consideration	(3,388)	(3,282)
(Gain) loss on sale of property, plant and equipment	(5,226)	(718)
(Increase) decrease in trade receivables	134,499	(19,465)
(Increase) decrease in inventories	(79,887)	(98,247)
Increase (decrease) in trade payables	(63,628)	(39,188)
Increase (decrease) in unearned revenue	(13,717)	565
Increase (decrease) in provisions	(13,373)	15,559
Others, net	(88,340)	(9,620)
Subtotal	177,101	236,045
Interest and dividends received	25,265	22,258
Interest paid	(21,768)	(15,404)
Income taxes paid	(65,529)	(68,323)
Restructuring costs paid	(3,448)	(2,861)
Net cash provided by operating activities	111,621	171,715
Cash Flows from Investing Activities:		
Net (increase) decrease in securities	6,546	(7,529)
Purchase of property, plant and equipment, and intangible assets	(143,581)	(107,467)
Proceeds from sale of property, plant and equipment, and intangible assets	18,231	2,537
Purchase of investments in subsidiaries	(17,174)	—
Purchase of other financial assets	(7,692)	(15,768)
Proceeds from sales and redemption of other financial assets	42,974	16,540
Proceeds from collection of loan receivables	63,199	1,296
Proceeds from sales of subsidiaries	30,092	153
Others, net	(12,006)	(5,183)
Net cash used in investing activities	(19,411)	(115,421)
Cash Flows from Financing Activities:		
Net increase (decrease) in short-term borrowings	100,959	(3,158)
Net increase (decrease) of commercial paper	35,000	10,000
Proceeds from long-term borrowings	66,141	46,154
Repayments of long-term borrowings	(109,130)	(77,132)
Proceeds from issuance of bonds	—	34,808
Redemption of bonds	—	(34,259)
Repayments of finance lease obligations	(16,668)	(15,984)
Cash dividends paid	(42,484)	(31,068)
Cash dividends paid to non-controlling interests	(13,982)	(11,195)
Payments for acquisition of subsidiaries' interests from non-controlling interests	(199,073)	(3,999)
Others, net	735	4,439
Net cash provided by (used in) financing activities	(178,502)	(81,394)
Effect of exchange rate changes on cash and cash equivalents	27,842	29,611
Net increase (decrease) in cash and cash equivalents	(58,450)	4,511
Cash and cash equivalents at the beginning of the year	365,429	360,918
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	(1,135)	—
Cash and cash equivalents at the end of the period	¥ 305,844	¥ 365,429

(5) Notes to Consolidated Financial Statements

(Going Concern Assumption)

Not applicable.

(Segment Information)

1. Reportable Segments

The reportable segments of the Group refer to business units for which separate financial information is available and that are reviewed regularly at the Board of Directors meeting in order to determine the allocation of management resources and evaluate the business performance of each business unit.

The Group divides its operations into business sectors identified by products and services, which manage manufacturing, sales, and research in an integrated manner. Each business sector is responsible for developing comprehensive domestic and overseas strategies with respect to its products and services, and operates its business activities.

Accordingly, the Group has five reportable segments based on its products and services in accordance with its business sectors, including "Essential Chemicals & Plastics," "Energy & Functional Materials," "IT-related Chemicals," "Health & Crop Sciences," and "Pharmaceuticals."

The major products and services of each reportable segment are as follows:

Reportable Segment	Major Products and Services
Essential Chemicals & Plastics	Synthetic resins, raw materials for synthetic fibers, various industrial chemicals, methyl methacrylate products, synthetic resin processed products, etc.
Energy & Functional Materials	Alumina, aluminum, specialty chemicals, additives, synthetic rubber, engineering plastics, battery materials, etc.
IT-related Chemicals	Optical products, semiconductor processing materials, compound semiconductor materials, touch screen sensor panels, etc.
Health & Crop Sciences	Crop protection chemicals, fertilizers, agricultural materials, household insecticides, products for control of infectious diseases, feed additives, active pharmaceutical ingredients and intermediates, etc.
Pharmaceuticals	Pharmaceuticals for medical treatment, radiopharmaceuticals, etc.

Note: The Group changed the name of its Petrochemicals & Plastics Sector to "Essential Chemicals & Plastics Sector" as of April 1, 2022. The new name of the sector is also used for the previous fiscal year.

2. Reportable Segment Information

The accounting methods for each reportable segment are, in principle, identical to those used in the consolidated financial statements. The segment profit is core operating income, which is calculated from operating income after excluding effects from non-recurring factors.

Inter-segment sales revenue is based on market prices.

Year ended March 31, 2023

Millions of yen	Essential Chemicals & Plastics	Energy & Functional Materials	IT-related Chemicals	Health & Crop Sciences	Pharma- ceuticals	Total	Others (Note 1)	Adjustments (Note 2)	Consoli- dated
Sales revenue									
Sales revenues from external customers	¥ 852,916	¥ 342,460	¥ 431,219	¥ 598,390	¥ 584,873	¥ 2,809,858	¥ 85,425	¥ —	¥ 2,895,283
Inter-segment sales revenues	5,694	17,473	465	5,654	15	29,301	87,323	(116,624)	—
Total sales revenue	858,610	359,933	431,684	604,044	584,888	2,839,159	172,748	(116,624)	2,895,283
Segment profit (loss) (core operating income)	¥ (34,197)	¥ 15,239	¥ 47,601	¥ 57,277	¥ 16,168	¥ 102,088	¥ 10,405	¥ (19,741)	¥ 92,752
Segment assets	872,612	380,186	464,615	874,037	1,189,289	3,780,739	371,749	13,015	4,165,503
Other items:									
Depreciation and amortization	30,075	19,324	26,578	28,724	43,989	148,690	8,219	11,048	167,957
Share of profit (loss) of investments accounted for using the equity method	(18,384)	151	4	213	39	(17,977)	10,890	290	(6,797)
Impairment loss	1,805	261	1,728	19,610	86,013	109,417	—	—	109,417
Reversal of impairment loss	—	—	—	—	—	—	—	—	—
Investments accounted for using the equity method	257,219	424	501	8,579	383	267,106	138,175	(2,301)	402,980
Capital expenditures	30,179	26,600	32,799	24,321	14,135	128,034	6,622	6,425	141,081

Note 1: "Others" represents businesses such as supplying electrical power and steam, providing services for the design, engineering, and construction management of chemical plants, providing transport and warehousing, and conducting materials and environmental analysis, which are not included in reportable segments.

Note 2: Amounts in "Adjustments" are as follows:

- (1) ¥(19,741) million for segment profit (loss) in "Adjustments" includes inter-segment elimination of ¥(231) million and corporate expenses of ¥(19,510) million unallocated to each reportable segment. Corporate expenses are mainly R&D expenses for company-wide research, which are not attributed to reportable segments.
- (2) Segment assets in "Adjustments" are ¥13,015 million, which includes ¥(149,681) million in eliminations of inter-segment receivables and other assets, and ¥162,696 million of corporate assets unallocated to each reportable segment. Corporate assets mainly consist of cash and cash equivalents, investment securities, and the assets related to research and development activities for company-wide research.
- (3) Depreciation and amortization in "Adjustments" is ¥11,048 million, mainly related to the assets arising from R&D activities for company-wide research unallocated to each reportable segment.
- (4) Investments accounted for using the equity method in "Adjustments" is ¥(2,301) million, which is eliminations of inter-segment transactions.
- (5) Capital expenditures in "Adjustments" amounting to ¥6,425 million is mainly contributed by company-wide research activities that are not allocated to each reportable segment.

Year ended March 31, 2022

Millions of yen	Essential Chemicals & Plastics	Energy & Functional Materials	IT-related Chemicals	Health & Crop Sciences	Pharma- ceuticals	Total	Others (Note 1)	Adjustments (Note 2)	Consoli- dated
Sales revenue									
Sales revenues from external customers	¥ 842,511	¥ 316,386	¥ 473,742	¥ 473,778	¥ 591,709	¥ 2,698,126	¥ 67,195	¥ —	¥ 2,765,321
Inter-segment sales revenues	5,421	12,359	447	7,060	15	25,302	62,409	(87,711)	—
Total sales revenue	847,932	328,745	474,189	480,838	591,724	2,723,428	129,604	(87,711)	2,765,321
Segment profit (core operating income)	¥ 53,515	¥ 20,258	¥ 57,827	¥ 42,253	¥ 61,712	¥ 235,365	¥ 15,784	¥ (16,370)	¥ 234,779
Segment assets	908,536	356,926	501,405	841,677	1,367,378	3,975,922	335,478	(3,249)	4,308,151
Other items:									
Depreciation and amortization	26,282	19,127	26,671	26,942	41,164	140,186	7,782	8,699	156,667
Share of profit of investments accounted for using the equity method	31,044	142	64	210	9	31,469	10,437	274	42,180
Impairment loss	1,386	2,604	3,088	14	910	8,002	—	109	8,111
Reversal of impairment loss	—	—	4	—	—	4	—	—	4
Investments accounted for using the equity method	153,473	273	498	8,327	1,085	163,656	128,904	(2,592)	289,968
Capital expenditures	25,300	26,764	16,608	16,818	19,638	105,128	6,503	7,892	119,523

Note 1: "Others" represents businesses such as supplying electrical power and steam, providing services for the design, engineering, and construction management of chemical plants, providing transport and warehousing, and conducting materials and environmental analysis, which are not included in reportable segments.

Note 2: Amounts in "Adjustments" are as follows:

- (1) ¥(16,370) million for segment profit in "Adjustments" includes inter-segment elimination of ¥ 207 million and corporate expenses of ¥(16,577) million unallocated to each reportable segment. Corporate expenses are mainly R&D expenses for company-wide research, which are not attributed to reportable segments.
- (2) Segment assets in "Adjustments" are ¥(3,249) million, which includes ¥(179,330) million in eliminations of inter-segment receivables and other assets, and ¥176,081 million of corporate assets unallocated to each reportable segment. Corporate assets mainly consist of cash and cash equivalents, investment securities, and the assets related to R&D activities for company-wide research.
- (3) Depreciation and amortization in "Adjustments" is ¥8,699 million, mainly related to the assets arising from research and development activities for company-wide research unallocated to each reportable segment.
- (4) Investments accounted for using the equity method in "Adjustments" is ¥(2,592) million, which is eliminations of inter-segment transactions.
- (5) Capital expenditures in "Adjustments" amounting to ¥7,892 million is mainly contributed by company-wide research activities that are not allocated to each reportable segment.

Adjustments to income before taxes from core operating income were as follows:

Millions of yen	Years ended March 31,	
	2023	2022
Core operating income	¥ 92,752	¥ 234,779
Impairment loss	(109,417)	(8,111)
Restructuring charges	(22,021)	(10,572)
Gain on sale of property, plant and equipment	5,226	718
Changes in fair value of contingent consideration	3,388	3,282
Others, net	(912)	(5,093)
Operating income (loss)	(30,984)	215,003
Finance income	70,836	59,194
Finance expenses	(39,621)	(23,061)
Income before taxes	¥ 231	¥ 251,136

(Earnings per Share)**1. The Basis for Calculating Basic Earnings per Share**

	FY2022	FY2021
Net income attributable to owners of the parent (millions of yen)	¥ 6,987	¥ 162,130
Amounts not attributable to ordinary shareholders of the parent (millions of yen)	—	—
Net income used to calculate basic earnings per share (millions of yen)	¥ 6,987	¥ 162,130
Average number of ordinary shares (thousands of shares)	1,634,980	1,634,978
Basic earnings per share (yen)	¥ 4.27	¥ 99.16

2. The Basis for Calculating Diluted Earnings per Share

	FY2022	FY2021
Net income used to calculate basic earnings per share (millions of yen)	¥ 6,987	¥ 162,130
Adjustments by diluted ordinary shares of parent (millions of yen)	—	—
Adjustments by diluted ordinary shares of consolidated subsidiaries (millions of yen)	—	—
Net income used to calculate diluted earnings per share (millions of yen)	¥ 6,987	¥ 162,130
Average number of ordinary shares (thousands of shares)	1,634,980	1,634,978
Restricted stock compensation plan (thousands of shares)	295	—
Average number of ordinary shares after dilution (thousands of shares)	1,635,275	1,634,978
Diluted earnings per share (yen)	¥ 4.27	¥ —
Stocks not included in the calculation of diluted earnings per share because they have anti-dilutive effect	—	Stock options issued by consolidated subsidiaries 6,130,680 shares

(Impairment of Non-Financial Assets)**Fiscal Year Ended March 31, 2023**

Impairment losses recognized for the fiscal year ended March 31, 2023, are ¥109,417 million. Impairment losses are recognized in “Cost of sales,” “Selling, general and administrative expenses” and “Other operating expenses” in the consolidated statement of income. Details of the impairment losses by reportable segments are presented in “Segment Information.”

The major cash-generating units (the “CGU”s) for which impairment losses are recognized are as follows:

Location	Usage	Class of assets	Reportable segment	Millions of yen
				Impairment losses
U.S.	Patent of pharmaceuticals (KYNMOBI®)	Patent, etc.	Pharmaceuticals	¥ 56,538
U.S.	Results of research and development with respect to compounds under development (dubermatinib)	In-process research and development	Pharmaceuticals	20,598
Ehime, Japan	Methionine production facilities	Machinery and vehicles, etc.	Health & Crop Sciences	15,763
U.S.	Patent of pharmaceuticals (LONHALA® MAGNAIR®)	Patent, etc.	Pharmaceuticals	4,781
U.S.	Goodwill of pharmaceuticals (oncology area)	Goodwill	Pharmaceuticals	3,523
U.S.	Property, plant and equipment and intangible assets of postharvest business	Other intangible assets, etc.	Health & Crop Sciences	3,218

Details of the impairment losses

- Patent of pharmaceuticals (KYNMOBI®) ¥56,538 million (Patent ¥55,369 million; Others ¥1,169 million)
- Results of research and development with respect to compounds under development (dubermatinib) ¥20,598 million (In-process research and development ¥20,598 million)
- Methionine production facilities ¥15,763 million (Buildings and structures ¥1,595 million; Machinery and vehicles ¥14,077 million; Others ¥92 million)
- Patent of pharmaceuticals (LONHALA® MAGNAIR®) ¥4,781 million (Patent ¥3,494 million; Others ¥1,287 million)
- Goodwill of pharmaceuticals (oncology area) ¥3,523 million (Goodwill ¥3,523 million)
- Property, plant and equipment and intangible assets of postharvest business (U.S.) ¥3,218 million (Other intangible assets ¥2,177 million; Others ¥1,041 million)

In the Pharmaceuticals segment, as the profitability of patent rights associated with KYNMOBI® and LONHALA® MAGNAIR® are no longer expected, and in-process research and development (dubermatinib) has been discontinued and its profitability is no longer expected as well, the carrying amount of these assets has been reduced to zero. In addition, an impairment loss was recorded on goodwill of the oncology area in North America of the pharmaceutical business because the recoverable amount of the CGU was less than the carrying amount of the CGU including goodwill. The discount rate used in the impairment test for goodwill is based on the weighted average cost of capital set by each CGU. The pre-tax discount rate used in the impairment test of goodwill was 20.5%.

Regarding the methionine business in the Health & Crop Sciences segment, the profitability declined due to higher costs stemming from sharply higher prices for raw materials and fuel, as well as due to a deterioration in the demand and supply environment, which led to lower selling prices. As a result of reviewing the forecast of its earnings, the carrying amount of methionine production facilities was written down to its value in use of ¥17,083 million. For the estimates of value in use, the Company made some assumptions, such as about the sales price of methionine, after mainly considering future supply and demand trends, and the purchase price of naphtha, which could have a significant effect on manufacturing costs. The value in use was calculated by discounting future cash flows at a discount rate of 11.2% (before taxes). In addition, regarding the postharvest business of a U.S. subsidiary whose profitability has declined because of a deterioration in the business environment, the subsidiary’s property, plant and equipment and intangible assets have been written down to a recoverable amount of ¥407 million.

Fiscal Year Ended March 31, 2022

Impairment losses recognized for the fiscal year ended March 31, 2022, are ¥8,111 million. Impairment losses are recognized in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of income. Details of the impairment losses by reportable segments are presented in “Segment Information.”

The major CGUs for which impairment losses are recognized are as follows:

Location	Usage	Class of assets	Reportable segment	Millions of yen Impairment losses
Korea	Film touch sensor production facilities	Machinery and vehicles, etc.	IT-related Chemicals	¥ 1,848
Chiba, Japan	Synthetic rubber production facilities	Machinery and vehicles, etc.	Energy & Functional Materials	1,713
Ehime, Japan	Raw materials for synthetic fibers production facilities	Machinery and vehicles, etc.	Essential Chemicals & Plastics	1,021

Details of the impairment losses

- Film touch sensor production facilities ¥1,848 million
(Machinery and vehicles ¥1,793 million; Tools, furniture and fixtures ¥37 million; Others ¥19 million)
- Synthetic rubber production facilities ¥1,713 million
(Buildings and structures ¥111 million; Machinery and vehicles ¥1,524 million; Others ¥78 million)
- Raw materials for synthetic fibers production facilities ¥1,021 million
(Buildings and structures ¥9 million; Machinery and vehicles ¥842 million; Tools, furniture and fixtures ¥4 million; Others ¥167 million)

The Group reduced the carrying amounts to recoverable amounts of ¥3,550 million related to film touch sensor production facilities of which the profit is no longer expected to improve due to sluggish demand. The recoverable amounts of these assets were measured at the fair value less disposal costs. The fair value less disposal costs was calculated by estimated selling price. Also, the Group wrote down all the carrying amount related to synthetic rubber production facilities and raw materials for synthetic fibers production facilities of which the profitability decreased due to serious deterioration in the business environment.

(Significant Subsequent Events)

Not applicable.

Key Figures of Consolidated Financial Results for FY2022

May 15th, 2023
Sumitomo Chemical Co., Ltd.

(Billions of yen)

1. Financial Summary (IFRS)

	FY2021	FY2022	Variance	FY2023 (Forecast)	FY2024 (Revised plan)
Sales revenue	2,765.3	2,895.3	130.0	2,900.0	3,000.0
Core operating income	234.8	92.8	(142.0)	40.0	200.0
Operating income (loss)	215.0	(31.0)	(246.0)	20.0	180.0
Net income attributable to owners of the parent	162.1	7.0	(155.1)	10.0	100.0
Basic earnings per share	¥ 99.16	¥ 4.27	¥(94.89)	¥ 6.12	¥ 61.16
Return on equity	14.5%	0.6%	(13.9)%	0.9%	8.5%
Cash dividends per share	¥ 24.00	¥ 18.00	¥(6.00)	¥ 12.00	
Dividend payout ratio	24.2%	421.2%	—	196.2%	
Exchange rate (yen/\$)	112.39	135.50	—	135.00	130.00
Naphtha price (yen/kl)	56,600	76,600	—	70,000	70,000

*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.

2. Sales Revenue / Core Operating Income by Business Segment (IFRS)

(Billions of yen)

		FY2021	FY2022	Variance	FY2023 (Forecast)	FY2024 (Revised Plan)
Essential Chemicals & Plastics	Sales revenue	842.5	852.9	10.4	970.0	880.0
	Core operating income	53.5	(34.2)	(87.7)	(7.0)	21.0
Energy & Functional Materials	Sales revenue	316.4	342.5	26.1	370.0	410.0
	Core operating income	20.1	15.2	(4.8)	13.0	22.0
IT-related Chemicals	Sales revenue	473.7	431.2	(42.5)	430.0	450.0
	Core operating income	57.8	47.6	(10.2)	38.0	44.0
Health & Crop Sciences	Sales revenue	473.8	598.4	124.6	610.0	720.0
	Core operating income	42.3	57.3	15.0	62.0	79.0
Pharmaceuticals	Sales revenue	591.7	584.9	(6.8)	400.0	490.0
	Core operating income	61.7	16.2	(45.5)	(61.0)	44.0
Others	Sales revenue	67.2	85.4	18.2	120.0	50.0
	Core operating income	15.8	10.4	(5.4)	15.0	7.0
Adjustments	Sales revenue	—	—	—	—	—
	Core operating income	(16.4)	(19.7)	(3.4)	(20.0)	(17.0)
Total	Sales revenue	2,765.3	2,895.3	130.0	2,900.0	3,000.0
	Core operating income	234.8	92.8	(142.0)	40.0	200.0

3. Summary of Consolidated Statement of Income (IFRS)

(Billions of yen)

	FY2021	FY2022	Variance
Sales revenue	2,765.3	2,895.3	130.0
Core operating income	234.8	92.8	(142.0)
Of which equity in earnings	42.2	(6.8)	(49.0)
Impairment loss	(8.1)	(109.4)	(101.3)
Restructuring charges	(10.6)	(22.0)	(11.4)
Gain on sale of property, plant and equipment	0.7	5.2	4.5
Changes in fair value of contingent consideration	3.3	3.4	0.1
Others	(5.1)	(0.9)	4.2
Total non-recurring items	(19.8)	(123.7)	(104.0)
Operating income (loss)	215.0	(31.0)	(246.0)
Gain/loss on foreign currency transactions	45.6	40.1	(5.5)
Other finance income/expenses	(9.5)	(8.9)	0.6
Income before taxes	251.1	0.2	(250.9)
Income tax expenses	(64.7)	(47.1)	17.6
Net income (loss)	186.4	(46.9)	(233.3)
Net income (loss) attributable to non-controlling interests	(24.3)	53.9	78.2
Net income attributable to owners of the parent	162.1	7.0	(155.1)

4. Summary of Consolidated Statement of Financial Position (IFRS)

(Billions of yen)

	March 31, 2022	March 31, 2023	Variance		March 31, 2022	March 31, 2023	Variance
Assets				Liabilities			
Current assets	1,812.6	1,762.9	(49.8)	Trade and other payables	551.6	515.9	(35.7)
Cash and cash equivalents	365.4	305.8	(59.6)	Interest-bearing liabilities	1,350.5	1,461.4	110.9
Trade and other receivables	720.4	603.2	(117.3)	Others	704.1	699.1	(5.0)
Inventories	651.4	744.5	93.1	Total liabilities	2,606.2	2,676.3	70.1
Others	75.4	109.4	34.0	Equity			
Non-current assets	2,495.5	2,402.6	(92.9)	Shareholders' equity	1,082.8	973.0	(109.8)
Property, plant and equipment	823.0	829.4	6.3	Other components of equity	135.3	198.2	62.9
Goodwill and Intangible assets	715.6	670.9	(44.8)	Non-controlling interests	483.9	318.0	(165.9)
Others	956.9	902.4	(54.5)	Total equity	1,702.0	1,489.2	(212.8)
Total assets	4,308.2	4,165.5	(142.6)	Total liabilities and equity	4,308.2	4,165.5	(142.6)

Ratio of equity attributable to owners of the parent to total assets	28.3%	28.1%	(0.2)%
D/E ratio (times)	0.8	1.0	0.2

5. Summary of Consolidated Statement of Cash Flows (IFRS)

(Billions of yen)

	FY2021	FY2022	Variance	FY2023 (Forecast)	Variance
Cash flows from operating activities	171.7	111.6	(60.1)	(20.0)	(131.6)
Cash flows from investing activities	(115.4)	(19.4)	96.0	(205.0)	(185.6)
Free cash flows	56.3	92.2	35.9	(225.0)	(317.2)
Cash flows from financing activities	(81.4)	(178.5)	(97.1)	(5.0)	173.5
Effect of exchange rate changes on cash and cash equivalents	29.6	27.8	(1.8)	0.0	(27.8)
Net change in cash and cash equivalents	4.5	(58.5)	(63.0)	(230.0)	(171.5)

6. Other Data (IFRS)

(Billions of yen)

	FY2021	FY2022	Variance	FY2023 (Forecast)	Variance
Overseas sales revenue	1,871.5	1,966.9	95.5	1,890.0	(76.9)
Overseas sales revenue ratio	67.7%	67.9%	0.3%	65.2%	(2.7)%
Capital expenditures	119.5	141.1	21.6	180.0	38.9
Depreciation and amortization expenses	156.7	168.0	11.3	164.0	(4.0)
Research and development expenses	174.9	195.6	20.7	192.0	(3.6)
Interest-bearing liabilities at the end of the fiscal year	1,350.5	1,461.4	110.9	1,490.0	28.6
Net interest expenses	(6.1)	(3.7)	2.4	(15.0)	(11.3)
Number of employees at the end of the fiscal year	34,703	33,572	(1,131)	34,000	428
Number of consolidated subsidiaries and equity method investees	242	232	(10)	215	(17)
Of which: subsidiaries	210	203	(7)	186	(17)