

November 1, 2023

## Summary of Consolidated Financial Results for Second Quarter Fiscal Year 2023 (Under IFRS)

Company name: Sumitomo Chemical Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4005  
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 Scheduled date to commence dividend payments: December 4, 2023  
 Scheduled date to file quarterly securities report: November 7, 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 Second Quarter Fiscal Year 2023 (April 1, 2023 to September 30, 2023)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Sales revenue		Core operating income		Operating income		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	%
Six Months ended September 30, 2023	1,186,875	(22.4)	(96,667)	—	(133,679)	—	(107,048)	—	(76,346)	—	73,826	(65.7)
Six Months ended September 30, 2022	1,528,563	15.3	115,620	(22.3)	60,567	(58.0)	73,062	(32.2)	81,063	(8.8)	215,360	161.6

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six Months ended September 30, 2023	(46.69)	—
Six Months ended September 30, 2022	49.58	49.57

Reference: Share of profit (loss) of investments accounted for using the equity method

For Six Months ended September 30, 2023: ¥ (26,908) million

For Six Months ended September 30, 2022: ¥ 29,880 million

Income before taxes

For Six Months ended September 30, 2023: ¥ (103,796) million

For Six Months ended September 30, 2022: ¥ 126,778 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.

\*For diluted earnings per share for the six months ended September 30, 2023, although there are potential shares, they are not listed because they have an anti-dilutive effect.

#### (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
	Millions of yen	Millions of yen	Millions of yen	%
As of September 30, 2023	4,384,121	1,549,177	1,223,990	27.9
March 31, 2023	4,165,503	1,489,189	1,171,192	28.1

## 2. Dividends

	Dividends per share				
	1st quarter end	2nd quarter end	3rd quarter end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	12.00	—	6.00	18.00
Fiscal year ending March 31, 2024	—	6.00			
Fiscal year ending March 31, 2024 (Forecast)			—	6.00	12.00

Note: Revision of dividend forecasts from the latest announcement: None

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

(Percentages indicate year-on-year changes.)

	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
Year ending March 31, 2024	2,700,000	(6.7)	(70,000)	—	(125,000)	—	(95,000)	—	(58.09)

Note: Revision of financial forecasts from the latest announcement: Yes

### Notes:

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

Newly consolidated: —

Excluded: 4 companies (Myovant Sciences Ltd.)  
(Sumitomo Pharma Oncology, Inc.)  
(Sumitovant Biopharma, Inc.)  
(Myovant Sciences, Inc.)

(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 shares)

As of September 30, 2023	1,656,449,145 shares
As of March 31, 2023	1,655,860,207 shares

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

As of September 30, 2023	20,493,164 shares
As of March 31, 2023	20,486,616 shares

(iii) Average number of shares outstanding during the period

Six Months ended September 30, 2023	1,635,292,441 shares
Six Months ended September 30, 2022	1,634,968,190 shares

\* 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.

\* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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## 1. Summary of Operating Results for the Six Months Ended September 30, 2023

### (1) Operating Results

For the six months ended September 30, 2023, the Group's sales revenue decreased by ¥341.7 billion compared to the the same period in the previous year, to ¥1,186.9 billion. In terms of profits and losses, core operating income\* was a loss of ¥96.7 billion, operating income was a loss of ¥133.7 billion, and net income attributable to owners of the parent was a loss of ¥76.3 billion. Results in every category of income were much lower than the previous year's levels.

Sumitomo Chemical decided to pay an interim dividend of ¥6 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:

#### Essential Chemicals & Plastics

The market prices for synthetic resins, methyl methacrylate and various industrial chemicals stayed on a low level due to a decrease in raw material prices. Shipments decreased owing to lower demand for petrochemical products resulting from the global economic slowdown and the Company's exit from caprolactam business. As a result, sales revenue decreased by ¥77.0 billion from the same period in the previous year, to ¥390.3 billion. Core operating income posted a loss of ¥44.4 billion, a decline in income of ¥67.7 billion from the same period in the previous year, due to a deterioration in the financial performance of Rabigh Refining and Petrochemical Company, an affiliated company accounted for by the equity-method, as well as the declined market prices and impact of lower shipment volumes.

#### Energy & Functional Materials

The market price of aluminum and the battery metals for cathode materials remained at a low level. In addition, shipments were sluggish, particularly for products for automotive-related applications. As a result, sales revenue decreased by ¥23.6 billion from the same period in the previous year, to ¥149.9 billion. Core operating income was ¥6.5 billion, lower by ¥7.0 billion from the same period in the previous year.

#### IT-related Chemicals

Shipments of display-related materials and processing materials for semiconductors, such as high-purity chemicals and photoresists, decreased as consumers' sentiment deteriorated in the face of inflation concerns. As a result, sales revenue decreased by ¥18.5 billion from the same period in the previous year, to ¥203.7 billion. Core operating income was ¥17.8 billion, lower by ¥8.6 billion from the same period in the previous year.

#### Health & Crop Sciences

Sales of crop protection products decreased since a price spike of generic products tapered off and shipments decreased due to an increase of inventories in the market in South America. Moreover, the market price of methionine (feed additives) decreased from the same period in the previous year. As a result, sales revenue decreased by ¥52.7 billion from the same period in the previous year to ¥241.2 billion. Core operating income posted a loss of ¥7.6 billion, lower by ¥43.9 billion from the same period in the previous year, because of deteriorated market conditions of methionine and the liquidation of crop protection products inventory in the midst of weaker demand in South America.

#### Pharmaceuticals

In the U.S., revenue showed a decrease owing to the impact of the loss of exclusivity for LATUDA® in the U.S., despite growing sales of ORGOVYX® (therapeutic agent for advanced prostate cancer), GEMTESA® (therapeutic agent for overactive bladder), and MYFEMBREE® (therapeutic agent for uterine fibroids and endometriosis). As a result, sales revenue decreased by ¥167.5 billion from the same period in the previous year, to ¥166.9 billion. Core operating income posted a loss of ¥65.5 billion, lower by ¥90.7 billion from the same period in the previous year, as the reduction in selling, general and administrative expenses, primarily owing to the loss of exclusivity for LATUDA® and the combination of group companies in North America, was outweighed by the decrease in gross profit on account of a revenue decline.

## 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 decreased by ¥2.4 billion from the same period in the previous year, to ¥34.9 billion, and core operating income increased by ¥1.8 billion from the same period in the previous year, to ¥4.3 billion.

## (2) Consolidated Financial Position

As of the end of the half-year, total assets increased by ¥218.6 billion compared to the end of the previous year, to ¥4,384.1 billion due to the effect of foreign exchange situation from the weak yen. Goodwill and intangible assets, and inventories increased.

Total liabilities increased by ¥158.6 billion compared to the end of the previous year, to ¥2,834.9 billion. Interest-bearing liabilities increased by ¥178.2 billion compared to the end of the previous year, to ¥1,639.6 billion.

Total equity (including non-controlling interests) increased by ¥60.0 billion compared to the end of the previous year, to ¥1,549.2 billion, despite the net loss of attributable to owners of the parent, the exchange differences on conversion of foreign operations increased resulting from the weak yen. The ratio of equity attributable to the owners of the parent company decreased by 0.2 percentage points compared to the end of the previous year, to 27.9%.

## (3) Consolidated Forecast and Other Forward-Looking Information

Based on recent performance trends, the Company has made revisions to its consolidated financial forecast for the full year ending March 31, 2024 previously announced on May 15, 2023, as detailed below.

### Revisions to Consolidated Financial Forecast for the Full Year Ending March 31, 2024

(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)	2,900,000	40,000	20,000	10,000	6.12
Revised forecast (B)	2,700,000	(70,000)	(125,000)	(95,000)	(58.09)
Variance in amount (B-A)	(200,000)	(110,000)	(145,000)	(105,000)	
Variance in percentage (%)	(6.9)%	-	-	-	
Results for the full year ended March 31, 2023	2,895,283	92,752	(30,984)	6,987	4.27

### Reasons for the Revision

Regarding the consolidated financial forecast for the full year ending March 31, 2024, sales revenue and core operating income are expected to be lower than the previous forecast. The revision is due to a decrease in demand and a deterioration in margins caused by the global economic downturn in Essential Chemicals & Plastics and Energy & Functional Materials. In addition, a liquidation of crop protection products inventory in the midst of weaker demand in South America and a deterioration of methionine business in Health & Crop Sciences also have affected the forecast. Operating income and net income attributable to owners of the parent are also expected to fall short of the previous forecast due to the decrease in core operating income as well as the impact of the impairment loss posted in the half-year ended September 30, 2023.

Financial Forecast by Segment for the Full Year Ending March 31, 2024

(Millions of yen)

		Fiscal 2023 Previous Forecast (A)	Fiscal 2023 Revised Forecast (B)	Variance in Amount (B-A)
Essential Chemicals & Plastics	Sales revenue	970,000	850,000	(120,000)
	Core operating income	(7,000)	(75,000)	(68,000)
Energy & Functional Materials	Sales revenue	370,000	320,000	(50,000)
	Core operating income	13,000	2,000	(11,000)
IT-related Chemicals	Sales revenue	430,000	410,000	(20,000)
	Core operating income	38,000	33,000	(5,000)
Health & Crop Sciences	Sales revenue	610,000	610,000	-
	Core operating income	62,000	40,000	(22,000)
Pharmaceuticals	Sales revenue	400,000	420,000	20,000
	Core operating income	(61,000)	(69,000)	(8,000)
Others & Adjustments	Sales revenue	120,000	90,000	(30,000)
	Core operating income	(5,000)	(1,000)	4,000
Total	Sales revenue	2,900,000	2,700,000	(200,000)
	Core operating income	40,000	(70,000)	(110,000)

## 2. Consolidated Financial Statements and Major Notes

### (1) Consolidated Statement of Financial Position

Millions of yen

As of September 30, 2023 As of March 31, 2023

#### Assets

##### Current assets:

Cash and cash equivalents	¥	277,663	¥	305,844
Trade and other receivables		602,402		603,161
Other financial assets		40,974		31,237
Inventories		784,426		744,474
Other current assets		72,262		70,670

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Subtotal		1,777,727		1,755,386
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Assets held for sale		—		7,498
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Total current assets		1,777,727		1,762,884
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##### Non-current assets:

Property, plant and equipment		859,779		829,355
Goodwill		297,947		266,868
Intangible assets		435,317		403,996
Investments accounted for using the equity method		404,434		402,980
Other financial assets		410,235		313,115
Retirement benefit assets		100,098		99,253
Deferred tax assets		48,170		39,492
Other non-current assets		50,414		47,560

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Total non-current assets		2,606,394		2,402,619
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Total assets	¥	4,384,121	¥	4,165,503
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**Liabilities and equity****Liabilities**

## Current liabilities:

Bonds and borrowings	¥ 578,547	¥ 396,903
Trade and other payables	528,029	515,865
Other financial liabilities	77,145	74,931
Income taxes payable	19,605	31,772
Provisions	100,314	129,030
Other current liabilities	109,359	128,060
Subtotal	1,412,999	1,276,561
Liabilities directly associated with assets held for sale	—	1,806
Total current liabilities	1,412,999	1,278,367
Non-current liabilities:		
Bonds and borrowings	1,061,053	1,064,463
Other financial liabilities	101,819	98,594
Retirement benefit liabilities	26,536	26,427
Provisions	39,776	38,443
Deferred tax liabilities	134,103	101,164
Other non-current liabilities	58,658	68,856
Total non-current liabilities	1,421,945	1,397,947
Total liabilities	2,834,944	2,676,314

**Equity**

Share capital	89,938	89,810
Capital surplus	128	—
Retained earnings	812,444	891,552
Treasury shares	(8,352)	(8,349)
Other components of equity	329,832	197,830
Other comprehensive income associated with assets held for sale	—	349
Equity attributable to owners of the parent	1,223,990	1,171,192
Non-controlling interests	325,187	317,997
Total equity	1,549,177	1,489,189
Total liabilities and equity	¥ 4,384,121	¥ 4,165,503



## (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

### Consolidated Statement of Income

Millions of yen	Six months ended September 30,	
	2023	2022
Sales revenue	¥ 1,186,875	¥ 1,528,563
Cost of sales	(930,586)	(1,051,430)
Gross profit	256,289	477,133
Selling, general and administrative expenses	(349,216)	(447,258)
Other operating income	12,411	12,881
Other operating expenses	(26,255)	(12,069)
Share of profit or loss of investments accounted for using the equity method	(26,908)	29,880
Operating income (loss)	(133,679)	60,567
Finance income	56,548	91,208
Finance expenses	(26,665)	(24,997)
Income (loss) before taxes	(103,796)	126,778
Income tax expenses	(3,252)	(53,716)
Net income (loss)	(107,048)	73,062
Net income (loss) attributable to:		
Owners of the parent	(76,346)	81,063
Non-controlling interests	(30,702)	(8,001)
Net income (loss)	¥ (107,048)	¥ 73,062

Yen	Six months ended September 30,	
	2023	2022
Earnings per share:		
Basic earnings (loss) per share	(46.69)	49.58
Diluted earnings per share	—	49.57

## Consolidated Statement of Comprehensive Income

Millions of yen	Six months ended September 30,	
	2023	2022
Net income (loss)	¥ (107,048)	¥ 73,062
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	59,084	(13,651)
Remeasurements of defined benefit plans	(84)	(83)
Share of other comprehensive income of investments accounted for using the equity method	1,043	(848)
Total items that will not be reclassified to profit or loss	60,043	(14,582)
Items that may be subsequently reclassified to profit or loss		
Cash flow hedge	601	9,807
Exchange differences on conversion of foreign operations	99,892	119,029
Share of other comprehensive income of investments accounted for using the equity method	20,338	28,044
Total items that may be subsequently reclassified to profit or loss	120,831	156,880
Other comprehensive income, net of taxes	180,874	142,298
Total comprehensive income	73,826	215,360
Total comprehensive income attributable to:		
Owners of the parent	62,357	183,577
Non-controlling interests	11,469	31,783
Total comprehensive income	¥ 73,826	¥ 215,360

### (3) Consolidated Statement of Changes in Equity

Six months ended September 30, 2023

Millions of yen	Equity attributable to owners of the parent							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity			Remeasurements of defined benefit plans
					Remeasurements of financial assets measured at fair value through other comprehensive income			
Balance as of April 1, 2023	¥ 89,810	¥ —	¥ 891,552	¥ (8,349)	¥ 81,869	¥ —	¥ —	¥ —
Net income (loss)	—	—	(76,346)	—	—	—	—	—
Other comprehensive income	—	—	—	—	36,210	(69)	—	—
Total comprehensive income	—	—	(76,346)	—	36,210	(69)	—	—
Issuance of new shares	128	128	—	—	—	—	—	—
Purchase of treasury shares	—	—	—	(3)	—	—	—	—
Disposal of treasury shares	—	0	—	0	—	—	—	—
Dividends	—	—	(9,812)	—	—	—	—	—
Changes resulting from loss of control of subsidiaries	—	—	349	—	—	—	—	—
Change in interest due to transactions with non-controlling interests	—	—	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	6,701	—	(6,770)	69	—	—
Others, net	—	—	—	—	—	—	—	—
Total transactions with owners	128	128	(2,762)	(3)	(6,770)	69	—	—
Balance as of September 30, 2023	¥ 89,938	¥ 128	¥ 812,444	¥ (8,352)	¥ 111,309	¥ —	¥ —	¥ —

	Equity attributable to owners of the parent							
	Other components of equity			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, 2023	¥ (539)	¥ 116,500	¥ 197,830	¥ 349	¥ 1,171,192	¥ 317,997	¥ 1,489,189	
Net income (loss)	—	—	—	—	(76,346)	(30,702)	(107,048)	
Other comprehensive income	680	101,882	138,703	—	138,703	42,171	180,874	
Total comprehensive income	680	101,882	138,703	—	62,357	11,469	73,826	
Issuance of new shares	—	—	—	—	256	—	256	
Purchase of treasury shares	—	—	—	—	(3)	—	(3)	
Disposal of treasury shares	—	—	—	—	0	—	0	
Dividends	—	—	—	—	(9,812)	(4,279)	(14,091)	
Changes resulting from loss of control of subsidiaries	—	—	—	(349)	—	—	—	
Change in interest due to transactions with non-controlling interests	—	—	—	—	—	—	—	
Transfer from other components of equity to retained earnings	—	—	(6,701)	—	—	—	—	
Others, net	—	—	—	—	—	—	—	
Total transactions with owners	—	—	(6,701)	(349)	(9,559)	(4,279)	(13,838)	
Balance as of September 30, 2023	¥ 141	¥ 218,382	¥ 329,832	¥ —	¥ 1,223,990	¥ 325,187	¥ 1,549,177	

Six months ended September 30, 2022

	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	
Millions of yen								
Balance as of April 1, 2022	¥ 89,699	¥ 27,089	¥ 974,382	¥ (8,343)	¥ 82,682	¥ —	¥ —	
Net income (loss)	—	—	81,063	—	—	—	—	
Other comprehensive income	—	—	—	—	(10,162)	18	—	
Total comprehensive income	—	—	81,063	—	(10,162)	18	—	
Issuance of new shares	111	111	—	—	—	—	—	
Purchase of treasury shares	—	—	—	(3)	—	—	—	
Disposal of treasury shares	—	0	—	0	—	—	—	
Dividends	—	—	(22,890)	—	—	—	—	
Changes resulting from loss of control of subsidiaries	—	—	—	—	—	—	—	
Change in interest due to transactions with non-controlling interests	—	523	—	—	—	—	—	
Transfer from other components of equity to retained earnings	—	—	5,694	—	(5,676)	(18)	—	
Others, net	—	—	(48)	—	—	—	—	
Total transactions with owners	111	634	(17,244)	(3)	(5,676)	(18)	—	
Balance as of September 30, 2022	¥ 89,810	¥ 27,723	¥ 1,038,201	¥ (8,346)	¥ 66,844	¥ —	¥ —	

	Equity attributable to owners of the parent						Non-controlling interests	Total equity
	Other components of equity			Other comprehensive income associated with assets held for sale	Equity attributable to owners of the parent			
	Cash flow hedges	Exchange differences on conversion of foreign operations	Total					
Balance as of April 1, 2022	¥ (8,735)	¥ 61,327	¥ 135,274	¥ —	¥ 1,218,101	¥ 483,876	¥ 1,701,977	
Net income (loss)	—	—	—	—	81,063	(8,001)	73,062	
Other comprehensive income	9,797	102,861	102,514	—	102,514	39,784	142,298	
Total comprehensive income	9,797	102,861	102,514	—	183,577	31,783	215,360	
Issuance of new shares	—	—	—	—	222	—	222	
Purchase of treasury shares	—	—	—	—	(3)	—	(3)	
Disposal of treasury shares	—	—	—	—	0	—	0	
Dividends	—	—	—	—	(22,890)	(10,084)	(32,974)	
Changes resulting from loss of control of subsidiaries	—	—	—	—	—	—	—	
Change in interest due to transactions with non-controlling interests	—	—	—	—	523	3,604	4,127	
Transfer from other components of equity to retained earnings	—	—	(5,694)	—	—	—	—	
Others, net	—	—	—	—	(48)	—	(48)	
Total transactions with owners	—	—	(5,694)	—	(22,196)	(6,480)	(28,676)	
Balance as of September 30, 2022	¥ 1,062	¥ 164,188	¥ 232,094	¥ —	¥ 1,379,482	¥ 509,179	¥ 1,888,661	

#### (4) Consolidated Statement of Cash Flows

Millions of yen	Six months ended September 30,	
	2023	2022
Cash flows from operating activities:		
Income (loss) before taxes	¥ (103,796)	¥ 126,778
Depreciation and amortization	78,653	85,824
Impairment losses	14,600	54,472
Share of (profit) loss of investments accounted for using the equity method	26,908	(29,880)
Interest and dividend income	(10,374)	(8,049)
Interest expenses	14,529	11,930
Restructuring costs	22,121	8,438
(Gain) loss on sale of property, plant and equipment, and intangible assets	(818)	(3,511)
(Increase) decrease in trade receivables	47,604	74,690
(Increase) decrease in inventories	1,589	(107,651)
Increase (decrease) in trade payables	(28,167)	7,427
Increase (decrease) in unearned revenue	(8,194)	(3,523)
Increase (decrease) in provisions	(40,987)	9,299
Others, net	(78,154)	(108,611)
Subtotal	(64,486)	117,633
Interest and dividends received	12,708	12,253
Interest paid	(13,940)	(11,623)
Income taxes paid	(23,703)	(33,084)
Restructuring costs paid	(25,891)	(1,663)
Net cash provided by (used in) operating activities	(115,312)	83,516
Cash flows from investing activities:		
Net (increase) decrease in securities	(6,669)	(13,504)
Purchase of property, plant and equipment, and intangible assets	(78,633)	(68,914)
Proceeds from sales of property, plant and equipment, and intangible assets	667	4,174
Proceeds from sales of subsidiaries	11,074	—
Purchase of other financial assets	(2,991)	(3,735)
Proceeds from sales and redemption of other financial assets	26,911	41,625
Proceeds from collection of loan receivables	297	64,331
Increase in loan receivables	(25,918)	(1,078)
Others, net	(4,523)	(7,343)
Net cash provided by (used in) investing activities	(79,785)	15,556
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	92,943	20,174
Net increase (decrease) in commercial paper	26,000	88,000
Proceeds from long-term borrowings	30,032	15,194
Repayments of long-term borrowings	(14,537)	(106,323)
Proceeds from issuance of bonds	39,836	—
Redemption of bonds	(10,000)	—
Repayments of finance lease liabilities	(8,991)	(8,784)
Cash dividends paid	(9,847)	(22,862)
Cash dividends paid to non-controlling interests	(4,283)	(10,085)
Others, net	(915)	28
Net cash provided by (used in) financing activities	140,238	(24,658)
Effect of exchange rate changes on cash and cash equivalents	25,543	46,153
Increase (decrease) in cash and cash equivalents	(29,316)	120,567
Cash and cash equivalents at the beginning of the year	305,844	365,429
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	¥ 277,663	¥ 485,996

## (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.

#### 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.

Six months ended September 30, 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	¥ 390,301	¥ 149,888	¥ 203,672	¥ 241,223	¥ 166,927	¥ 1,152,011	¥ 34,864	¥ —	¥ 1,186,875
Inter-segment sales revenues	2,773	9,892	220	1,833	1	14,719	41,318	(56,037)	—
<b>Total sales revenue</b>	<b>393,074</b>	<b>159,780</b>	<b>203,892</b>	<b>243,056</b>	<b>166,928</b>	<b>1,166,730</b>	<b>76,182</b>	<b>(56,037)</b>	<b>1,186,875</b>
Segment profit (loss) : core operating income (loss)	¥ (44,380)	¥ 6,467	¥ 17,846	¥ (7,558)	¥ (65,506)	¥ (93,131)	¥ 4,332	¥ (7,868)	¥ (96,667)

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: ¥(7,868) million for segment profit (loss) in "Adjustments" includes inter-segment elimination of ¥417 million and corporate expenses of ¥(8,285) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for company-wide research, which are not attributed to reportable segments.

Six months ended September 30, 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	¥ 467,299	¥ 173,505	¥ 222,194	¥ 293,902	¥ 334,445	¥ 1,491,345	¥ 37,218	¥ —	¥ 1,528,563
Inter-segment sales revenues	3,061	10,149	234	2,008	7	15,459	42,098	(57,557)	—
<b>Total sales revenue</b>	<b>470,360</b>	<b>183,654</b>	<b>222,428</b>	<b>295,910</b>	<b>334,452</b>	<b>1,506,804</b>	<b>79,316</b>	<b>(57,557)</b>	<b>1,528,563</b>
Segment profit : core operating income	¥ 23,270	¥ 13,448	¥ 26,432	¥ 36,310	¥ 25,191	¥ 124,651	¥ 2,567	¥ (11,598)	¥ 115,620

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: ¥(11,598) million for segment profit in "Adjustments" includes inter-segment elimination of ¥(792) million and corporate expenses of ¥(10,806) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for company-wide research, which are not attributed to reportable segments.

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

Millions of yen	Six months ended September 30,	
	2023	2022
Core operating income (loss)	¥ (96,667)	¥ 115,620
Restructuring costs	(22,121)	(8,438)
Impairment losses	(14,600)	(54,472)
Changes in fair value of contingent consideration	(78)	1,287
Gains on sale of property, plant and equipment, and intangible assets	818	3,511
Others, net	(1,031)	3,059
Operating income (loss)	(133,679)	60,567
Finance income	56,548	91,208
Finance expenses	(26,665)	(24,997)
Income (loss) before taxes	¥ (103,796)	¥ 126,778



## Key Figures of Consolidated Financial Results for 2nd Quarter FY2023

**November 1st, 2023**  
**Sumitomo Chemical Co., Ltd.**  
 (Billions of yen)

### 1. Financial Summary (IFRS)

	FY2023 2nd Quarter	FY2022 2nd Quarter	Variance	FY2023 (Revised Forecast)	FY2022
Sales revenue	1,186.9	1,528.6	(341.7)	2,700.0	2,895.3
Core operating income (loss)	(96.7)	115.6	(212.3)	(70.0)	92.8
Operating income (loss)	(133.7)	60.6	(194.2)	(125.0)	(31.0)
Net income (loss) attributable to owners of the parent	(76.3)	81.1	(157.4)	(95.0)	7.0
Basic earnings per share	¥ (46.69)	¥ 49.58	¥ (96.27)	¥ (58.09)	¥ 4.27
Return on equity	(6.4)%	6.2%	(12.6)%	(8.1)%	0.6%
Overseas sales revenue	68.1%	70.4%	(2.3)%	66.7%	67.9%
Exchange rate (yen/\$)	141.06	134.03	—	143.03 (2nd Half 145.00)	135.50
Naphtha price (yen/kl)	65,500	83,800	—	70,000 (2nd Half 74,000)	76,600

\*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)

		FY2023 2nd Quarter	FY2022 2nd Quarter	Variance	FY2023 (Revised Forecast)	FY2022
Essential Chemicals & Plastics	Sales revenue	390.3	467.3	(77.0)	850.0	852.9
	Core operating income	(44.4)	23.3	(67.7)	(75.0)	(34.2)
Energy & Functional Materials	Sales revenue	149.9	173.5	(23.6)	320.0	342.5
	Core operating income	6.5	13.4	(7.0)	2.0	15.2
IT-related Chemicals	Sales revenue	203.7	222.2	(18.5)	410.0	431.2
	Core operating income	17.8	26.4	(8.6)	33.0	47.6
Health & Crop Sciences	Sales revenue	241.2	293.9	(52.7)	610.0	598.4
	Core operating income	(7.6)	36.3	(43.9)	40.0	57.3
Pharmaceuticals	Sales revenue	166.9	334.4	(167.5)	420.0	584.9
	Core operating income	(65.5)	25.2	(90.7)	(69.0)	16.2
Others	Sales revenue	34.9	37.2	(2.4)	90.0	85.4
	Core operating income	4.3	2.6	1.8	14.0	10.4
Adjustments	Sales revenue	—	—	—	—	—
	Core operating income	(7.9)	(11.6)	3.7	(15.0)	(19.7)
Total	Sales revenue	1,186.9	1,528.6	(341.7)	2,700.0	2,895.3
	Core operating income	(96.7)	115.6	(212.3)	(70.0)	92.8

### 3. Summary of Consolidated Statement of Income (IFRS)

(Billions of yen)

	FY2023 2nd Quarter	FY2022 2nd Quarter	Variance
Sales revenue	1,186.9	1,528.6	(341.7)
<b>Core operating income (loss)</b>	<b>(96.7)</b>	<b>115.6</b>	<b>(212.3)</b>
Of which equity in earnings	(26.9)	29.9	(56.8)
Restructuring costs	(22.1)	(8.4)	(13.7)
Impairment losses	(14.6)	(54.5)	39.9
Others	(0.3)	7.9	(8.1)
Total non-recurring items	(37.0)	(55.1)	18.0
<b>Operating income (loss)</b>	<b>(133.7)</b>	<b>60.6</b>	<b>(194.2)</b>
Gain (loss) on foreign currency transactions	33.6	70.8	(37.2)
Other finance income/expenses	(3.7)	(4.6)	0.9
<b>Income (loss) before taxes</b>	<b>(103.8)</b>	<b>126.8</b>	<b>(230.6)</b>
Income tax expenses	(3.3)	(53.7)	50.5
<b>Net income (loss)</b>	<b>(107.0)</b>	<b>73.1</b>	<b>(180.1)</b>
Net (income) loss attributable to non-controlling interests	30.7	8.0	22.7
<b>Net income (loss) attributable to owners of the parent</b>	<b>(76.3)</b>	<b>81.1</b>	<b>(157.4)</b>

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

(Billions of yen)

	September 30, 2023	March 31, 2023	Variance		September 30, 2023	March 31, 2023	Variance
<b>Assets</b>				<b>Liabilities</b>			
Current assets	1,777.7	1,762.9	14.8	Trade and other payables	528.0	515.9	12.2
Cash and cash equivalents	277.7	305.8	(28.2)	Interest-bearing liabilities	1,639.6	1,461.4	178.2
Trade and other receivables	602.4	603.2	(0.8)	Others	667.3	699.1	(31.8)
Inventories	784.4	744.5	40.0	<b>Total liabilities</b>	<b>2,834.9</b>	<b>2,676.3</b>	<b>158.6</b>
Others	113.2	109.4	3.8	<b>Equity</b>			
Non-current assets	2,606.4	2,402.6	203.8	Shareholders' equity	894.2	973.0	(78.9)
Property, plant and equipment	859.8	829.4	30.4	Other components of equity	329.8	198.2	131.7
Goodwill and intangible assets	733.3	670.9	62.4	Non-controlling interests	325.2	318.0	7.2
Others	1,013.4	902.4	111.0	<b>Total equity</b>	<b>1,549.2</b>	<b>1,489.2</b>	<b>60.0</b>
<b>Total assets</b>	<b>4,384.1</b>	<b>4,165.5</b>	<b>218.6</b>	<b>Total liabilities and equity</b>	<b>4,384.1</b>	<b>4,165.5</b>	<b>218.6</b>

Ratio of equity attributable to owners of the parent to total assets	27.9%	28.1%	(0.2)%
D/E ratio (times)	1.1	1.0	0.1

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

(Billions of yen)

	FY2023 2nd Quarter	FY2022 2nd Quarter	Variance	FY2022
Cash flows from operating activities	(115.3)	83.5	(198.8)	111.6
Cash flows from investing activities	(79.8)	15.6	(95.3)	(19.4)
Free cash flows	(195.1)	99.1	(294.2)	92.2
Cash flows from financing activities	140.2	(24.7)	164.9	(178.5)
Others	25.5	46.2	(20.6)	27.8
Increase(decrease) in cash and cash equivalents	(29.3)	120.6	(149.9)	(58.5)