



For Immediate Release

February 2, 2024

Sumitomo Chemical Announces Revisions to Its Financial Forecast and Projected Dividend for the Full Year Ending March 31, 2024

Based on recent performance trends, Sumitomo Chemical Co., Ltd. has made revisions to its consolidated financial forecast for the full year ending March 31, 2024, previously announced on November 1, 2023, and the projected dividend, previously announced on May 15, 2023, as detailed below.

1. 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)	2,700,000	-70,000	-125,000	-95,000	-58.09
Revised forecast (B)	2,480,000	-145,000	-285,000	-245,000	-149.82
Variance in amount (B-A)	-220,000	-75,000	-160,000	-150,000	
Variance in percentage (%)	-8.1%	-	-	-	
Results for full year ended March 31, 2023	2,895,283	92,752	-30,984	6,987	4.27

* Core operating income is a gain and loss concept that reflects recurring earning capacity by deducting gains and losses incurred by non-recurring factors from operating income, which includes the share of profits or losses from investments accounted for using the equity method.

Reasons for the Revision

Regarding the consolidated financial forecast for the full year ending March 31, 2024, in Pharmaceuticals, sales revenue and core operating income are expected to be lower than the previous forecast. The revision is due to sales of ORGOVYX[®] (therapeutic agent for advanced prostate cancer), MYFEMBREE[®] (therapeutic agent for uterine fibroids and endometriosis), GEMTESA[®] (therapeutic agent for overactive bladder) and LATUDA[®] (atypical antipsychotic agent) in North America are expected to be lower than planned. In addition, in Essential Chemicals & Plastics, the financial performance of Rabigh Refining and Petrochemical Company, an affiliated company accounted for by the equity-method, is expected to deteriorate because of a decrease in demand and a deterioration in margins caused by the global economic downturn.

Operating income and net income attributable to owners of the parent are also expected to fall short of the previous forecast because other adjustments to income before taxes from core

operating income, such as restructuring costs, would be recorded based on changes in the business environment.

Regarding the progress of ongoing “Immediate-term, Concentrated Measures to Improve Business Performance,” please refer to the presentation materials for “FY2023 3rd Quarter Financial Results Conference Call,” which is scheduled to be held today.

2. Revisions to the Projected Dividend

	Dividend per share		
	Interim	Fiscal year-end	Annual
Previous forecast		¥6.00	¥12.00
Revised forecast		¥3.00	¥9.00
Actual result	¥6.00		
Results for full year ended March 31, 2023	¥12.00	¥6.00	¥18.00

Reasons for the Revision

Sumitomo Chemical places a high priority on shareholder return, and makes it a policy to maintain stable dividend payments, while giving due consideration to its business performance, the dividend payout ratio for each fiscal year, and the amount of retained earnings necessary for future growth. The year-end dividend forecast will regrettably be 3 yen per share due to the downward revisions stated above. As a result, annual dividend will be 9 yen per share.

Cautionary Statement

Statements made in this document with respect to Sumitomo Chemical’s current plans, estimates, strategies and beliefs that are not historical facts are forward looking statements about the future performance of Sumitomo Chemical. These statements are based on management’s assumptions and beliefs in light of the information currently available to it, and involve risks and uncertainties. The important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, general economic conditions in Sumitomo Chemical’s markets; demand for, and competitive pricing pressure on, Sumitomo Chemical’s products in the marketplace; Sumitomo Chemical’s ability to continue to win acceptance for its products in these highly competitive markets; and movements of currency exchange rates.

Information:

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

(Millions of yen)

		Fiscal 2023 Previous Forecast (A)	Fiscal 2023 Revised Forecast (B)	Variance in Amount (B-A)	Results for the Full Year ended March 31, 2023
Essential Chemicals & Plastics	Sales revenue	850,000	790,000	-60,000	852,916
	Core operating income	-75,000	-87,000	-12,000	-34,197
Energy & Functional Materials	Sales revenue	320,000	300,000	-20,000	342,460
	Core operating income	2,000	5,000	3,000	15,239
IT-related Chemicals	Sales revenue	410,000	400,000	-10,000	431,219
	Core operating income	33,000	38,000	5,000	47,601
Health & Crop Sciences	Sales revenue	610,000	570,000	-40,000	598,390
	Core operating income	40,000	40,000	-	57,277
Pharmaceuticals	Sales revenue	420,000	350,000	-70,000	584,873
	Core operating income	-69,000	-131,000	-62,000	16,168
Others / Adjustments	Sales revenue	90,000	70,000	-20,000	85,425
	Core operating income	-1,000	-10,000	-9,000	-9,336
Total	Sales revenue	2,700,000	2,480,000	-220,000	2,895,283
	Core operating income	-70,000	-145,000	-75,000	92,752