

Sumitomo Chemical Announces Revisions to Its Financial Forecast for the Full Year Ending March 31, 2021

Based on recent performance trends, Sumitomo Chemical has made revisions to its consolidated financial forecast for the full year ending March 31, 2021, previously announced on August 4, 2020, as detailed below.

Revisions to Consolidated Financial Forecast for the Full Year Ending March 31, 2021

(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) | 2,215,000 | 80,000 | 70,000 | 20,000 | 12.23 |
| Revised forecast (B) | 2,215,000 | 100,000 | 105,000 | 30,000 | 18.35 |
| Variance in amount (B-A) | — | 20,000 | 35,000 | 10,000 | |
| Variance in percentage (%) | — | 25.0 | 50.0 | 50.0 | |
| Previous year results (Fiscal 2019) | 2,225,804 | 132,652 | 137,517 | 30,926 | 18.91 |

* “Core operating income” excludes gains and losses from non-recurring factors from operating income.

(Reasons for the Revision)

The core operating income is expected to exceed the previously announced forecast. This upward revision is attributed to resilient performance of the shipment in the Pharmaceuticals and IT-related Chemicals sectors in the year-to-date period despite the delay expected in the recovery of sales of synthetic resins in the Petrochemicals & Plastics sector.

For non-recurring item, the expenses associated with a change in fair value of contingent consideration in the Pharmaceuticals sector are expected to decrease from the previous forecast due to a review of the development schedule for napabucasin, which is currently under development as an anti-cancer drug.

As a result of these factors, operating income, and net income attributable to owners of the parent are also expected to increase from their previous forecasts.

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, 2021

(Millions of yen)

| | | Fiscal 2020 Previous Forecast (A) | Fiscal 2020 Revised Forecast (B) | Variance in Amount (B-A) |
|----------------------------------|-----------------------|---|--|-----------------------------|
| Petrochemicals & Plastics | Sales revenue | 545,000 | 525,000 | -20,000 |
| | Core operating income | -28,000 | -33,000 | -5,000 |
| Energy & Functional Materials | Sales revenue | 240,000 | 240,000 | — |
| | Core operating income | 17,000 | 18,000 | 1,000 |
| IT-related Chemicals | Sales revenue | 420,000 | 430,000 | 10,000 |
| | Core operating income | 23,000 | 36,000 | 13,000 |
| Health & Crop Sciences | Sales revenue | 430,000 | 430,000 | — |
| | Core operating income | 31,000 | 31,000 | — |
| Pharmaceuticals | Sales revenue | 525,000 | 535,000 | 10,000 |
| | Core operating income | 37,000 | 51,000 | 14,000 |
| Others Adjustments | Sales revenue | 55,000 | 55,000 | — |
| | Core operating income | 0 | -3,000 | -3,000 |
| Total | Sales revenue | 2,215,000 | 2,215,000 | — |
| | Core operating income | 80,000 | 100,000 | 20,000 |