

**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 October 30, 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	100,000	105,000	30,000	18.35
Revised forecast (B)	2,260,000	135,000	110,000	20,000	12.23
Variance in amount (B-A)	45,000	35,000	5,000	-10,000	
Variance in percentage (%)	2.0	35.0	4.8	-33.3	
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)

Sales revenue and core operating income are expected to outperform the previously announced forecast, boosted by the market conditions for Petrochemicals & Plastics sector, and steady shipment in Pharmaceuticals and IT-related Chemicals sectors.

On the other hand, for non-recurring items which are not included in core operating income we expect to record impairment loss, after the Phase 3 study of napabucasin in patients with colorectal cancer failed to achieve primary endpoints in the analysis results, and owing to the reassessment of feasibility of alvocidib under development for acute myelogenous leukemia (AML) and TP-0903 under development for solid tumors. In addition, we revised the foreign exchange rate of the fourth quarter of fiscal 2020 to 105 yen/dollar from 108 yen/dollar, which we previously estimated. Net income attributable to owners of the parent is expected to fall below the previously announced forecast because of foreign exchange loss associated with the appreciation of yen affects.

## 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	525,000	570,000	45,000
	Core operating income	-33,000	-18,000	15,000
Energy & Functional Materials	Sales revenue	240,000	240,000	—
	Core operating income	18,000	18,000	—
IT-related Chemicals	Sales revenue	430,000	425,000	-5,000
	Core operating income	36,000	40,000	4,000
Health & Crop Sciences	Sales revenue	430,000	425,000	-5,000
	Core operating income	31,000	27,000	-4,000
Pharmaceuticals	Sales revenue	535,000	545,000	10,000
	Core operating income	51,000	65,000	14,000
Others Adjustments	Sales revenue	55,000	55,000	—
	Core operating income	-3,000	3,000	6,000
Total	Sales revenue	2,215,000	2,260,000	45,000
	Core operating income	100,000	135,000	35,000