

## Sumitomo Chemical Announces Revisions to Its Financial Forecast and Projected Dividend for the Full Year Ended March 31, 2021

Based on recent performance trends, Sumitomo Chemical has made revisions to its consolidated financial forecast for the full year ended March 31, 2021, previously announced on February 12, 2021, and the projected dividend, previously announced on August 4, 2020, as detailed below.

### 1. Revisions to Consolidated Financial Forecast for the Full Year Ended 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)               | 2,260,000     | 135,000                 | 110,000          | 20,000  | 12.23                    |
| Revised forecast (B)                | 2,285,000     | 147,000                 | 137,000          | 46,000  | 28.13                    |
| Variance in amount (B-A)            | 25,000        | 12,000                  | 27,000           | 26,000  |                          |
| Variance in percentage (%)          | 1.1           | 8.9                     | 24.5             | 130.0   |                          |
| 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)

Sales revenue and core operating income are expected to outperform the previously announced forecast because better market conditions led to an improvement in the profit margin for the Petrochemicals & Plastics sector, and because of lower sales expenses, general and administrative expense (SG&A) and research and development expense in the Health & Crop Sciences and Pharmaceuticals sectors.

For non-recurring items which are not included in core operating income, in the Pharmaceuticals sector, in which an impairment loss was included in the previous forecast, we no longer expect an impairment loss on the in-progress research and development of TP-0903, an investigational anti-cancer agent, following the revision of its development plan. In addition, for finance income and finance expenses, because of the depreciation of the Japanese yen toward the end of the fiscal year, there is expected to be an improvement in the foreign currency translation adjustment.

Therefore, operating income and net income attributable to owners of the parent are both expected to be higher than the amounts in the previously announced forecast.

## 2. Revision to the Projected Dividend

|  | Dividend per share |                 |        |
|--|--------------------|-----------------|--------|
|  | Second quarter-end | Fiscal year-end | Total  |
| Previous forecast<br>(Announced on August 4, 2020) |                    | ¥6.00           | ¥12.00 |
| Revised forecast                                   |                    | ¥9.00           | ¥15.00 |
| Actual   | ¥6.00              |                 |        |
| Previous year results<br>(Fiscal 2019)             | ¥11.00             | ¥6.00           | ¥17.00 |

### (Reasons for the Revision)

The Company 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 and a dividend payout ratio for each fiscal year and the amount of retained earnings necessary for future growth.

As stated above, Sumitomo Chemical has made upward revisions to its full-year consolidated finance forecast, and is therefore projecting a year-end dividend for fiscal 2020 of 9 yen per share. This will result in a total annual dividend of 15 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 Ended March 31, 2021

(Millions of yen)

|                                  |                       | Fiscal 2020<br>Previous<br>Forecast (A) | Fiscal 2020<br>Revised<br>Forecast (B) | Variance in<br>Amount (B-A) |
|----------------------------------|-----------------------|---|--|-----------------------------|
| Petrochemicals &<br>Plastics     | Sales revenue         | 570,000                                 | 590,000                                | 20,000                      |
|                                  | Core operating income | -18,000                                 | -12,000                                | 6,000                       |
| Energy & Functional<br>Materials | Sales revenue         | 240,000                                 | 245,000                                | 5,000                       |
|                                  | Core operating income | 18,000                                  | 20,000                                 | 2,000                       |
| IT-related Chemicals             | Sales revenue         | 425,000                                 | 430,000                                | 5,000                       |
|                                  | Core operating income | 40,000                                  | 40,000                                 | —                           |
| Health & Crop<br>Sciences        | Sales revenue         | 425,000                                 | 425,000                                | —                           |
|                                  | Core operating income | 27,000                                  | 31,500                                 | 4,500                       |
| Pharmaceuticals                  | Sales revenue         | 545,000                                 | 545,000                                | —                           |
|                                  | Core operating income | 65,000                                  | 71,500                                 | 6,500                       |
| Others<br>Adjustments            | Sales revenue         | 55,000                                  | 50,000                                 | -5,000                      |
|                                  | Core operating income | 3,000                                   | -4,000                                 | -7,000                      |
| Total                            | Sales revenue         | 2,260,000                               | 2,285,000                              | 25,000                      |
|                                  | Core operating income | 135,000                                 | 147,000                                | 12,000                      |