

## Sumitomo Chemical Announces Revisions to Its Financial Forecast and Projected Dividend for the Full Year Ending March 31, 2023

Based on recent performance trends, Sumitomo Chemical Co., Ltd. has made revisions to its consolidated financial forecast for the full year ending March 31, 2023, previously announced on November 1, 2022, as detailed below.

### 1. Revisions to Consolidated Financial Forecast for the Full Year Ending March 31, 2023

(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)	3,180,000	190,000	115,000	105,000	64.22
Revised forecast (B)	2,990,000	120,000	0	0	0.00
Variance in amount (B-A)	-190,000	-70,000	-115,000	-105,000	
Variance in percentage (%)	-6.0	-36.8	-100.0	-100.0	
Results for full year ended March 31, 2022	2,765,321	234,779	215,003	162,130	99.16

\* 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.

### Reasons for the Revision

Regarding the consolidated financial forecast for the full year ending March 31, 2023, due to the concern about the potential for a global recession on the back of Russia's prolonged invasion of Ukraine and the economic slowdown in China caused by the lockdown, the margins in Essential Chemicals & Plastics and Health & Crop Sciences are forecast to deteriorate. Moreover, in IT-related Chemicals, shipments of display-related materials are expected to decline more than previously anticipated because stay-at-home demand has run its course, and because consumer sentiment has deteriorated in the face of inflation concerns. As a result, sales revenue and core operating income are forecast to be lower than the previous forecast.

Operating income and net income attributable to owners of the parent are also forecast to fall significantly from the previous forecast. The reason is because, based on changes in the business environment described above, other adjustments to income before taxes from core operating income, such as restructuring costs, are expected to be recorded, and foreign exchange gains are expected to decline due to exchange rate fluctuations.

## 2. Revision to the Projected Dividend

	Dividend per share		
	Interim	Fiscal year-end	Annual
Previous forecast		¥12.00	¥24.00
Revised forecast		To be determined	To be determined
Actual result	¥12.00		
Results for full year ended March 31, 2022	¥10.00	¥14.00	¥24.00

### 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. Because of the downward revisions stated above, Sumitomo Chemical decided to change its projected year-end dividend from the ¥12 per share previously announced to a currently undetermined amount. Given the continuing uncertain business environment, the dividend forecast will be announced after considering performance trends in the fourth quarter and projected trends for the next fiscal year ending March 31, 2024.

### 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, 2022

(Millions of yen)

		Fiscal 2022 Previous Forecast (A)	Fiscal 2022 Revised Forecast (B)	Variance in Amount (B-A)	Results for Full Year Ended March 31, 2022
Essential Chemicals & Plastics	Sales revenue	960,000	880,000	-80,000	842,511
	Core operating income	0	-33,000	-33,000	53,515
Energy & Functional Materials	Sales revenue	390,000	360,000	-30,000	316,386
	Core operating income	20,000	18,000	-2,000	20,058
IT-related Chemicals	Sales revenue	465,000	425,000	-40,000	473,742
	Core operating income	51,000	41,000	-10,000	57,827
Health & Crop Sciences	Sales revenue	645,000	645,000	0	473,778
	Core operating income	77,000	67,000	-10,000	42,253
Pharmaceuticals	Sales revenue	630,000	590,000	-40,000	591,709
	Core operating income	36,000	37,000	1,000	61,712
Others & Adjustments	Sales revenue	90,000	90,000	0	67,195
	Core operating income	6,000	-10,000	-16,000	-586
Total	Sales revenue	3,180,000	2,990,000	-190,000	2,765,321
	Core operating income	190,000	120,000	-70,000	234,779