

Sumitomo Chemical Announces Variances between its Financial Forecast and Actual Results for the Full Year Ended March 31, 2023

Sumitomo Chemical Co., Ltd. announces variances between its consolidated financial forecast for the full year ended March 31, 2023, previously announced on February 1, 2023, and the actual results for the same period announced today as detailed below.

Variances between Consolidated Financial Forecast and Actual Results

(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)	2,999,000	120,000	0	0	0.00
Results for full year ended March 31, 2023 (B)	2,895,283	92,752	-30,984	6,987	4.27
Variance in amount (B-A)	-94,717	-27,248	-30,984	6,987	
Variance in percentage (%)	-3.2	-22.7	-	-	
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 Variances

Sales revenue and core operating income were lower than the previous forecast. In Pharmaceuticals Sector, gross profit declined due to lower sales, and selling, general and administrative expenses and research and development expenses increased due to the expenses associated with the study of the combination of group companies. Moreover, in the Health & Crop Sciences Sector, shipments of crop protection products were lower than expected and the market price of methionine (feed additives) remained at a low level.

Although operating income was lower than the previous forecast due to the decline of core operating income, net income attributable to owners of the parent was higher than the previous forecast because financial income increased due to the weaker yen on March 31, 2023, than was assumed.

Information:

Financial Results by Segment for the Full Year Ended March 31, 2023

(Millions of yen)

		Previous Forecast (A)	Results for Full Year Ended March 31, 2023 (B)	Variance in Amount (B-A)	Results for Full Year Ended March 31, 2022
Essential Chemicals & Plastics	Sales revenue	880,000	852,916	-27,084	842,511
	Core operating income	-33,000	-34,197	-1,197	53,515
Energy & Functional Materials	Sales revenue	360,000	342,460	-17,540	316,386
	Core operating income	18,000	15,239	-2,761	20,058
IT-related Chemicals	Sales revenue	425,000	431,219	6,219	473,742
	Core operating income	41,000	47,601	6,601	57,827
Health & Crop Sciences	Sales revenue	645,000	598,390	-46,610	473,778
	Core operating income	67,000	57,277	-9,723	42,253
Pharmaceuticals	Sales revenue	590,000	584,873	-5,127	591,709
	Core operating income	37,000	16,168	-20,832	61,712
Others & Adjustments	Sales revenue	90,000	85,425	-4,575	67,195
	Core operating income	-10,000	-9,336	664	-586
Total	Sales revenue	2,990,000	2,895,283	-94,717	2,765,321
	Core operating income	120,000	92,752	-27,248	234,779