

Key Figures of Consolidated Financial Results for FY2024

May 14th, 2025
Sumitomo Chemical Co., Ltd.
(Billions of yen)

1. Financial Summary (IFRS)

	FY2024	FY2023	Variance	FY2025 (Forecast)	Variance
Sales revenue	2,606.3	2,446.9	159.4	2,340.0	(266.3)
Core operating income (loss)	140.5	(149.0)	289.6	150.0	9.5
Operating income (loss)	193.0	(488.8)	681.9	105.0	(88.0)
Net income (loss) attributable to owners of the parent	38.6	(311.8)	350.4	40.0	1.4
Basic earnings (loss) per share	¥ 23.59	¥ (190.69)	¥ 214.28	¥ 24.44	¥ 0.85
Return on equity	4.1%	(29.2)%	33.3%	4.2%	0.1%
Cash dividends per share	¥ 9.00	¥ 9.00	¥ 0.00	¥ 12.00	¥ 3.00
Dividend payout ratio	38.2%	—	—	49.1%	10.9%
Exchange rate (yen/\$)	152.62	144.59	—	145.00	—
Naphtha price (yen/kl)	75,800	69,100	—	68,000	—

*Core operating income is a gain and loss concept that reflects recurring earning capacity by deducting gains and losses incurred by non-recurring factors from operating income, which includes the share of profits or losses from investments accounted for using the equity method.

2. Sales Revenue / Core Operating Income by Business Segment (IFRS)

		FY2024	FY2023	Variance	FY2025 (Forecast)	Variance
Agro & Life Solutions	Sales revenue	540.2	515.6	24.6	530.0	(10.2)
	Core operating income	55.0	26.4	28.6	55.0	0.0
ICT & Mobility Solutions	Sales revenue	607.0	587.4	19.6	580.0	(27.0)
	Core operating income	70.6	50.0	20.5	56.0	(14.6)
Advanced Medical Solutions	Sales revenue	62.1	58.5	3.7	60.0	(2.1)
	Core operating income	4.0	6.1	(2.1)	4.0	0.0
Essential & Green Materials	Sales revenue	899.0	885.9	13.2	780.0	(119.0)
	Core operating income	(58.5)	(89.1)	30.6	(10.0)	48.5
Sumitomo Pharma	Sales revenue	398.0	313.8	84.2	350.0	(48.0)
	Core operating income	35.3	(126.4)	161.8	59.0	23.7
Others	Sales revenue	99.9	85.8	14.1	40.0	(59.9)
	Core operating income	66.9	11.6	55.3	16.0	(50.9)
Adjustments	Sales revenue	—	—	—	—	—
	Core operating income	(32.7)	(27.6)	(5.1)	(30.0)	2.7
Total	Sales revenue	2,606.3	2,446.9	159.4	2,340.0	(266.3)
	Core operating income	140.5	(149.0)	289.6	150.0	9.5

*The Group changed its reportable segments from Q3 FY2024. The segment information for FY2023 has been reclassified to reflect the change in the reportable segments.
Please refer to page 12 for details.

3. Summary of Consolidated Statement of Income (IFRS)

(Billions of yen)

	FY2024	FY2023	Variance	Variance Ratio
Sales revenue	2,606.3	2,446.9	159.4	6.5%
Core operating income (loss)	140.5	(149.0)	289.6	—
Of which equity in earnings	(62.9)	(52.6)	(10.4)	—
Total non-recurring items	52.5	(339.8)	392.3	—
Of which share of profit (loss) of investments accounted for using the equity method (non-recurring factors)	83.6	(4.8)	88.4	—
Of which gains on sales of property, plant and equipment, and intangible assets	14.3	1.2	13.1	—
Of which gains (losses) on fair value measurement of the residual interest	9.4	(2.5)	11.9	—
Of which impairment losses	(26.3)	(269.4)	243.1	—
Of which restructuring costs	(23.6)	(48.4)	24.8	—
Others	(4.9)	(15.9)	11.0	—
Operating income (loss)	193.0	(488.8)	681.9	—
Finance income/expenses	(134.9)	26.0	(161.0)	—
Of which gain (loss) on foreign currency transactions including gain (loss) on derivatives	(10.9)	32.5	(43.4)	—
Of which loss on debt waiver for a loan	(109.8)	-	(109.8)	—
Others	(14.2)	(6.4)	(7.8)	—
Income (loss) before taxes	58.1	(462.8)	520.9	—
Income tax expenses	(15.4)	(2.7)	(12.7)	—
Net income (loss)	42.7	(465.4)	508.1	—
Net (income) loss attributable to non-controlling interests	(4.1)	153.6	(157.7)	—
Net income (loss) attributable to owners of the parent	38.6	(311.8)	350.4	—
ROE	4.1%	(29.2)%		
Exchange rate (yen/\$)	152.62	144.59		
Naphtha price (yen/kl)	75,800	69,100		
Overseas sales revenue ratio	69.9%	68.0%		

4. Summary of Consolidated Statement of Financial Position (IFRS)

(Billions of yen)

	31-Mar-25	31-Mar-24	Variance		31-Mar-25	31-Mar-24	Variance
Current assets	1,583.1	1,675.9	(92.7)	Liabilities	2,365.4	2,770.5	(405.1)
Cash and cash equivalents	209.8	217.4	(7.6)	Trade and other payables	488.1	543.4	(55.3)
Trade and other receivables	593.8	620.0	(26.2)	Interest-bearing liabilities	1,286.1	1,563.5	(277.4)
Inventories	625.2	709.6	(84.4)	Others	591.1	663.6	(72.5)
Others	154.2	128.8	25.4	Equity	1,074.4	1,164.4	(90.0)
Non-current assets	1,856.7	2,258.9	(402.3)	Shareholders' equity	722.3	660.0	62.3
Property, plant and equipment	759.3	796.5	(37.3)	Other components of equity	178.5	305.8	(127.3)
Goodwill and intangible assets	497.1	536.7	(39.5)	Non-controlling interests	173.6	198.6	(25.0)
Others	600.3	925.7	(325.5)				
Total	3,439.8	3,934.8	(495.0)	Total	3,439.8	3,934.8	(495.0)
				Ratio of equity attributable to owners of the parent to total assets	26.2%	24.5%	1.6%
				D/E ratio (times)	1.20	1.34	(0.15)

5. Summary of Consolidated Statement of Cash Flows (IFRS)

(Billions of yen)					
	FY2024	FY2023	Variance	FY2025 (Forecast)	Variance
Cash flows from operating activities	233.0	(51.3)	284.3	160.0	(73.0)
Cash flows from investing activities	85.2	(112.2)	197.5	(40.0)	(125.2)
Free cash flows	318.3	(163.6)	481.8	120.0	(198.3)
Cash flows from financing activities	(300.8)	49.2	(350.0)	(120.0)	180.8
Others	(6.8)	28.7	(35.6)	0.0	6.8
Increase (decrease) in cash and cash equivalents	10.7	(85.6)	96.2	0.0	(10.7)
Cash and cash equivalents at the end of the period	209.8	217.4	(7.6)	209.8	-

6. Other Data (IFRS)

(Billions of yen)					
	FY2024	FY2023	Variance	FY2025 (Forecast)	Variance
Capital expenditures	131.7	158.4	(26.7)	158.0	26.3
Depreciation and amortization expenses	131.6	157.5	(25.9)	128.0	(3.6)
Research and development expenses	145.2	184.0	(38.8)	156.0	10.8
Interest-bearing liabilities at the end of the period	1,286.1	1,563.5	(277.4)	1,190.0	(96.1)
Net interest expenses	(12.9)	(7.1)	(5.8)	(21.0)	(8.1)
Number of employees at the end of the period	29,279	32,161	(2,882)	28,600	(679)
Number of consolidated subsidiaries and equity method investees	195	212	(17)	187	(8)
Of which: subsidiaries	168	184	(16)	160	(8)

Summary of Consolidated Financial Results for Fiscal Year 2024 (Under IFRS)

Company name: Sumitomo Chemical Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4005
 URL: <https://www.sumitomo-chem.co.jp/english/>
 Representative: Nobuaki Mito, President
 Inquiries: Shunji Kobayashi, General Manager, Corporate Communications Dept.
 Telephone: +81-3-5201-0200
 Scheduled date of annual general meeting of shareholders: June 20, 2025
 Scheduled date to commence dividend payments: June 2, 2025
 Scheduled date to file annual securities report: June 20, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(All amounts are rounded to the nearest million yen.)

1. Consolidated Financial Results for Fiscal Year 2024 (April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Sales revenue		Core operating income		Operating income		Net income		Net income attributable to owners of the parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024	2,606,281	6.5	140,519	—	193,033	—	42,688	—	38,591	—	(54,622)	—
FY2023	2,446,893	(15.5)	(149,049)	—	(488,826)	—	(465,449)	—	(311,838)	—	(302,003)	—

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of the parent	Ratio of income before taxes to total assets	Ratio of core operating income to sales revenue
	Yen	Yen	%	%	%
FY2024	23.59	23.58	4.1	1.6	5.4
FY2023	(190.69)	—	(29.2)	(11.4)	(6.1)

Reference: Share of profit or loss of investments accounted for using the equity method

FY2024: ¥ 20,639 million FY2023: ¥ (57,398) million

Income before taxes

FY2024: ¥ 58,093 million FY2023: ¥ (462,792) million

*Core operating income is a gain and loss concept that reflects recurring earning capacity by deducting gains and losses incurred by non-recurring factors from operating income, which includes the share of profits or losses from investments accounted for using the equity method.

*For diluted earnings per share for FY2023, although there are potential shares, they are not listed because they have an anti-dilutive effect.

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	yen
March 31, 2025	3,439,784	1,074,415	900,790	26.2	550.37
March 31, 2024	3,934,818	1,164,366	965,753	24.5	590.44

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2024	233,027	85,229	(300,778)	209,838
FY2023	(51,317)	(112,240)	49,246	217,449

2. Dividends

	Dividends per share					Total dividends	Dividend payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the parent (Consolidated)
	Q1 end	Q2 end	Q3 end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY2023	—	6.00	—	3.00	9.00	14,724	—	1.4
FY2024	—	3.00	—	6.00	9.00	14,730	38.2	1.6
FY2025 (Forecast)	—	6.00	—	6.00	12.00		49.1	

3. Consolidated Financial Forecasts for Fiscal Year 2025 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Sales revenue		Core operating income		Operating income		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First-half of FY2025	—	—	—	—	—	—	—	—	—
Full-year of FY2025	2,340,000	(10.2)	150,000	6.7	105,000	(45.6)	40,000	3.7	24.44

*The consolidated financial forecast for the first-half of FY2025 is not disclosed due to difficulties with predicting.

Notes:

(1) Changes in significant subsidiaries during the period: Yes

Newly consolidated: —

Excluded: 2 companies (Sumitomo Bakelite Co., Ltd.)
(Shinto Paint Co., Ltd.)

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of shares issued (common shares)

(i) Total number of shares issued at the end of the period (including treasury shares)

As of March 31, 2025	1,657,217,608 shares
As of March 31, 2024	1,656,449,145 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2025	20,517,033 shares
As of March 31, 2024	20,500,922 shares

(iii) Average number of shares outstanding during the period

FY2024	1,635,928,636 shares
FY2023	1,635,352,046 shares

[Reference]

Non- Consolidated Financial Results for Fiscal Year 2024 (April 1, 2024 to March 31, 2025)

(1) Non-Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2024	856,554	5.8	59,653	—	84,885	58.9	24,174	177.7
FY2023	809,559	(9.5)	2,439	(68.9)	53,425	(23.2)	8,704	(82.7)

	Earnings per share	Diluted earnings per share
	Yen	Yen
FY2024	14.77	—
FY2023	5.32	—

(Note) Figures for diluted earnings per share are not listed, because there are no potential shares.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Ratio of shareholders' equity to total assets	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	1,816,932	393,915	21.7	240.68
March 31, 2024	1,899,631	370,418	19.5	226.42

Reference: Shareholders' equity

As of March 31, 2025: ¥393,915 million

As of March 31, 2024: ¥370,418 million

(Note) Non-consolidated results are under Japanese GAAP.

* This summary of financial results is exempt from audit procedures.

* Notes to appropriate use of forecasts and other special items:

Descriptions regarding forward-looking statements about the future performance of the Company contained in this summary are based on information currently available to the Company and certain assumptions judged reasonable 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 the Company's markets; demand for, and competitive pricing pressure on, the Company's products in the marketplace; rise in prices of raw materials; and fluctuations in foreign exchange rates.

For details of the forecast, please refer to "1. Summary of Operating Results for Fiscal Year 2024 (4) Outlook for Fiscal Year 2025" on page 3.

* This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Attachments

1. Summary of Operating Results for Fiscal Year 2024	2
(1) Operating Results	2
(2) Consolidated Financial Position	3
(3) Consolidated Cash Flows	3
(4) Outlook for Fiscal Year 2025	3
(5) Profit and Dividend Distribution Policy and Dividends for Fiscal Year 2024 and 2025	4
2. Basic Rationale for Selection of Accounting Standards	4
3. Consolidated Financial Statements and Major Notes	5
(1) Consolidated Statement of Financial Position	5
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	7
(3) Consolidated Statement of Changes in Equity	9
(4) Consolidated Statement of Cash Flows	11
(5) Notes to Consolidated Financial Statements	12
(Going Concern Assumption)	12
(Changes in Accounting Policies)	12
(Segment Information)	12
(Earnings per Share)	16
(Impairment of Non-Financial Assets)	17
(Significant Subsequent Events)	19

1. Summary of Operating Results for Fiscal Year 2024

(1) Operating Results

The global economy maintained steady growth in FY2024 due to a recovery of production and trade, especially in U.S. as a result of increased demand for generative AI and strong economic activities in service-related industry. There was a moderate recovery also in Japanese economic conditions owing to such factors as an increased demand from inbound tourists and continued strong capital investment, though an increased frugality in households slowed down growth in consumer spending in the second half of FY2024.

In these circumstances, the Group has made strong progress on the immediate-term, concentrated measures to improve business performance and the fundamental structural reforms. As a result, the Group's sales revenue increased by ¥159.4 billion compared to FY2023, to ¥2,606.3 billion. In terms of profits and losses, core operating income* was ¥140.5 billion. Operating income was ¥193.0 billion owing to a share of profit of investments accounted for using the equity method in Rabigh Refining and Petrochemical Company (hereinafter, "Petro Rabigh") due to debt forgiveness. Net income attributable to owners of the parent was ¥38.6 billion as a result of a loss on the waiver of the shareholder loans to Petro Rabigh. Results in every category of income significantly improved compared to FY2023.

*Core operating income is a gain and loss concept that reflects recurring earning capacity by deducting gains and losses incurred by non-recurring factors from operating income, which includes the share of profits or losses from investments accounted for using the equity method.

The Group changed reportable segments in accordance with the reorganization implemented on October 1, 2024. Please refer to "3. (5) Notes to Consolidated Financial Statements, Segment Information" for details.

The financial results by reportable segment for FY2024 are as follows:

Agro & Life Solutions

While there was a deterioration in market conditions for crop protection products in the Americas, shipments remained strong in locations such as India. Moreover, market conditions for methionine (feed additives) improved compared to FY2023. As a result, sales revenue increased by ¥24.6 billion from FY2023, to ¥540.2 billion. Core operating income was ¥55.0 billion, increased by ¥28.6 billion from FY2023.

ICT & Mobility Solutions

Shipments of display-related materials and processing materials for semiconductors, such as high-purity chemicals and photoresists, increased because of higher demand. As a result, sales revenue increased by ¥19.6 billion from FY2023, to ¥607.0 billion. Core operating income was ¥70.6 billion, increased by ¥20.5 billion from FY2023.

Advanced Medical Solutions

Shipments of active pharmaceutical ingredients and intermediates remained strong. As a result, sales revenue was ¥62.1 billion, about the same level as FY2023. Core operating income was ¥4.0 billion, decreased by ¥2.1 billion from FY2023, due to an increase in fixed costs.

Essential & Green Materials

Selling prices for synthetic resins, methyl methacrylate and various industrial chemicals increased due to higher raw material prices. On the other hand, shipments of aluminum decreased due to the Group's exit from the business. As a result, sales revenue increased by ¥13.2 billion from FY2023 to ¥899.0 billion. Core operating income posted a loss of ¥58.5 billion, improved by ¥30.6 billion from FY2023, due to an improvement in market conditions, while there was a deterioration in the financial performance of Petro Rabigh, an affiliated company accounted for by the equity method.

Sumitomo Pharma

In North America, there was an increase in sales of ORGOVYX® (therapeutic agent for advanced prostate cancer), MYFEMBREE® (therapeutic agent for uterine fibroids and endometriosis) and GEMTESA® (therapeutic agent for overactive bladder). On the other hand, in Japan, sales revenue was affected by National Health Insurance (NHI) drug price revisions. As a result, sales revenue increased by ¥84.2 billion from FY2023, to ¥398.0 billion. Core operating income was ¥35.3 billion, improved by ¥161.8 billion from FY2023, because of increased sales revenue and significant reduction in selling, general and administrative expenses including research and development expenses, primarily resulting from the effects of business structure improvement through the restructuring of the Group companies in North America and the selection and concentration of research and development investments. Sales revenue and core operating income differ between this segment and Sumitomo Pharma, Co., Ltd., a subsidiary of Sumitomo Chemical Co., Ltd. (hereinafter, the "Company"), due to the Group's contract development and manufacturing organization business for regenerative medicine and cell therapy products not being included in this segment and the Group's consolidated account processing.

Others

In addition to the above five reportable segments, the Group supplies radiopharmaceuticals, electric power and steam, designs chemical plants and supervises the construction of those facilities, as well as provides transportation and warehousing. Sales revenue of these businesses increased by ¥14.1 billion from FY2023, to ¥99.9 billion. Core operating income increased by ¥55.3 billion from FY2023, to ¥66.9 billion due to transfers of shares in Nihon Medi-Physics Co., Ltd., which was a subsidiary of the Company, in Sumitomo Chemical Engineering Co., Ltd., which was a subsidiary of the Company and in Sumitomo Bakelite Co., Ltd., which was an affiliated company accounted for by the equity-method.

(2) Consolidated Financial Position

As of the end of FY2024, total assets decreased by ¥495.0 billion compared to the end of FY2023, to ¥3,439.8 billion.

Other financial assets decreased mainly due to transfers of shares.

Total liabilities decreased by ¥405.1 billion compared to the end of FY2023, to ¥2,365.4 billion. Interest-bearing liabilities decreased by ¥277.4 billion compared to the end of FY2023, to ¥1,286.1 billion.

Total equity (including non-controlling interests) decreased by ¥90.0 billion compared to the end of FY2023, to ¥1,074.4 billion, because of a decline in other components of equity such as valuation difference on available-for-sale securities. The ratio of equity attributable to the owners of the parent company increased by 1.6 percentage points compared to the end of FY2023, to 26.2%.

(3) Consolidated Cash Flows

Net cash from operating activities in FY2024 was a net inflow of ¥233.0 billion, an increase of ¥284.3 billion from FY2023 because of a large increase in income before taxes.

Net cash from investing activities was a net inflow of ¥85.2 billion, an increase of ¥197.5 billion from FY2023 due to higher cash inflows from proceeds from sales and redemption of other financial assets.

This resulted in positive free cash flow of ¥318.3 billion for FY2024, compared with negative free cash flow of ¥163.6 billion for FY2023.

Net cash outflows from financing activities were ¥300.8 billion, mainly due to the decrease in interest-bearing liabilities.

The balance of cash and cash equivalents at the end of FY2024 decreased by ¥7.6 billion compared to the end of FY2023, to ¥209.8 billion, considering the amount transferred to assets held for sale.

(4) Outlook for Fiscal Year 2025

For FY2025, the Company forecasts that sales revenue will be ¥2,340.0 billion, core operating income and operating income are projected to be ¥150.0 billion and ¥105.0 billion, respectively, and net income attributable to owners of the parent to be ¥40.0 billion, assuming an exchange rate of ¥145.00/US\$ and a naphtha price of ¥68,000/kl.

(5) Profit and Dividend Distribution Policy and Dividends for Fiscal Year 2024 and 2025

We consider shareholder returns as one of our priority management issues and have made it a policy to maintain stable dividend payments, giving due consideration to our business performance and a dividend payout ratio for each fiscal period, the level of retained earnings necessary for future growth, and other relevant factors. We aim to maintain a dividend payout ratio of around 30% over the medium to long term.

We will use our retained earnings for investment to increase the competitiveness of our core businesses and expand our overseas businesses, and thereby seek to enhance our profitability.

Dividends are paid twice a year in principle, after closing the first half of each fiscal year and each full fiscal year. Under our Articles of Incorporation, in order to implement the distribution of profits and retained earnings to shareholders in a timely manner, the Board of Directors is authorized to decide the level of dividends paid.

The Company has decided to pay a year-end dividend of ¥6 per share. As a result, the Company's annual dividend for FY2024 is ¥9 per share, including an interim dividend of ¥3 per share. The Company plans to pay an interim dividend of ¥6 per share and a year-end dividend of ¥6 per share, making the Company's annual dividend for FY2025 ¥12 per share (dividend payout ratio of 49.1%).

2. Basic Rationale for Selection of Accounting Standards

The Group has been applying International Financial Reporting Standards (IFRS) since FY2017 ended March 31, 2018, for the purpose of improving comparability of financial information in the global capital market and improving its business management within the Group by standardizing the accounting treatment used.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statement of Financial Position

Millions of yen	As of March 31, 2025	As of March 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	¥ 209,838	¥ 217,449
Trade and other receivables	593,836	620,022
Other financial assets	45,015	31,338
Inventories	625,243	709,637
Other current assets	49,993	79,077
Subtotal	1,523,925	1,657,523
Assets held for sale	59,209	18,359
Total current assets	1,583,134	1,675,882
Non-current assets:		
Property, plant and equipment	759,266	796,526
Goodwill	257,811	263,757
Intangible assets	239,319	272,921
Investments accounted for using the equity method	287,977	319,988
Other financial assets	177,405	412,747
Retirement benefit assets	72,618	110,390
Deferred tax assets	34,608	37,070
Other non-current assets	27,646	45,537
Total non-current assets	1,856,650	2,258,936
Total assets	¥ 3,439,784	¥ 3,934,818

Liabilities and equity**Liabilities**

Current liabilities:

Bonds and borrowings	¥	252,892	¥	585,905
Trade and other payables		488,132		543,384
Other financial liabilities		81,364		77,610
Income taxes payable		10,627		8,545
Provisions		89,711		90,919
Other current liabilities		109,360		129,087
Subtotal		1,032,086		1,435,450
Liabilities directly associated with assets held for sale		6,661		8,037
Total current liabilities		1,038,747		1,443,487
Non-current liabilities:				
Bonds and borrowings		1,033,236		977,581
Other financial liabilities		91,157		100,144
Retirement benefit liabilities		24,841		30,589
Provisions		25,974		46,059
Deferred tax liabilities		111,048		121,146
Other non-current liabilities		40,366		51,446
Total non-current liabilities		1,326,622		1,326,965
Total liabilities		2,365,369		2,770,452

Equity

Share capital		90,059		89,938
Capital surplus		—		237
Retained earnings		640,611		578,175
Treasury shares		(8,361)		(8,355)
Other components of equity		174,871		304,033
Other comprehensive income associated with assets held for sale		3,610		1,725
Equity attributable to owners of the parent		900,790		965,753
Non-controlling interests		173,625		198,613
Total equity		1,074,415		1,164,366
Total liabilities and equity	¥	3,439,784	¥	3,934,818

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

Fiscal years ended March 31, 2025 and 2024

Millions of yen		FY2024		FY2023
Sales revenue	¥	2,606,281	¥	2,446,893
Cost of sales		(1,880,805)		(1,947,198)
Gross profit		725,476		499,695
Selling, general and administrative expenses		(601,074)		(887,124)
Other operating income		97,341		27,935
Other operating expenses		(49,349)		(71,934)
Share of profit (loss) of investments accounted for using the equity method		20,639		(57,398)
Operating income (loss)		193,033		(488,826)
Finance income		17,650		72,997
Finance expenses		(152,590)		(46,963)
Income (loss) before taxes		58,093		(462,792)
Income tax expenses		(15,405)		(2,657)
Net income (loss)		42,688		(465,449)
Net income (loss) attributable to:				
Owners of the parent		38,591		(311,838)
Non-controlling interests		4,097		(153,611)
Net income (loss)	¥	42,688	¥	(465,449)

Yen	FY2024	FY2023
Earnings per share:		
Basic earnings (losses) per share	23.59	(190.69)
Diluted earnings per share	23.58	—

Consolidated Statement of Comprehensive Income

Fiscal years ended March 31, 2025 and 2024

Millions of yen		FY2024		FY2023
Net income (loss)	¥	42,688	¥	(465,449)
Other comprehensive income :				
Items that will not be reclassified to profit or loss				
Remeasurements of financial assets (equity instruments) measured at fair value through other comprehensive income		(32,471)		42,622
Remeasurements of defined benefit plans		(20,432)		(3,387)
Share of other comprehensive income of investments accounted for using the equity method		1,742		3,644
Total items that will not be reclassified to profit or loss		(51,161)		42,879
Items that may be subsequently reclassified to profit or loss				
Remeasurements of financial assets (debt instruments) measured at fair value through other comprehensive income		(58)		—
Cash flow hedge		(180)		925
Exchange differences on conversion of foreign operations		(49,682)		104,619
Share of other comprehensive income of investments accounted for using the equity method		3,771		15,023
Total items that may be subsequently reclassified to profit or loss		(46,149)		120,567
Other comprehensive income, net of taxes		(97,310)		163,446
Total comprehensive income		(54,622)		(302,003)
Total comprehensive income attributable to :				
Owners of the parent		(53,967)		(187,380)
Non-controlling interests		(655)		(114,623)
Total comprehensive income	¥	(54,622)	¥	(302,003)

(3) Consolidated Statement of Changes in Equity

Fiscal year 2024 ended March 31, 2025

	Equity attributable to owners of the parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Remeasurements of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	
Millions of yen							
Balance as of April 1, 2024	¥ 89,938	¥ 237	¥ 578,175	¥ (8,355)	¥ 83,448	¥ —	—
Net income	—	—	38,591	—	—	—	—
Other comprehensive income	—	—	—	—	(25,304)	(22,303)	(22,303)
Total comprehensive income	—	—	38,591	—	(25,304)	(22,303)	(22,303)
Issuance of new shares	120	120	—	—	—	—	—
Purchase of treasury shares	—	—	—	(6)	—	—	—
Disposal of treasury shares	—	(0)	—	0	—	—	—
Dividends	—	—	(9,818)	—	—	—	—
Changes resulting from additions to consolidation	—	—	—	—	—	—	—
Changes resulting from loss of control of subsidiaries	—	—	115	—	—	—	—
Change in interest due to transactions with non-controlling interests	—	(1,413)	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	34,604	—	(56,907)	22,303	22,303
Others, net	—	—	—	—	—	—	—
Transfer to other comprehensive income associated with assets held for sale	—	—	—	—	(51)	—	—
Transfer of negative balance of other capital surplus	—	1,056	(1,056)	—	—	—	—
Total transactions with owners	120	(237)	23,845	(6)	(56,958)	22,303	22,303
Balance as of March 31, 2025	¥ 90,059	¥ —	¥ 640,611	¥ (8,361)	¥ 1,186	¥ —	—

	Equity attributable to owners of the parent						
	Other components of equity			Other comprehensive income associated with assets held for sale	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Cash flow hedges	Exchange differences on conversion of foreign operations	Total				
Balance as of April 1, 2024	¥ 319	¥ 220,266	¥ 304,033	¥ 1,725	¥ 965,753	¥ 198,613	¥1,164,366
Net income	—	—	—	—	38,591	4,097	42,688
Other comprehensive income	(232)	(40,803)	(88,642)	(3,916)	(92,558)	(4,752)	(97,310)
Total comprehensive income	(232)	(40,803)	(88,642)	(3,916)	(53,967)	(655)	(54,622)
Issuance of new shares	—	—	—	—	240	—	240
Purchase of treasury shares	—	—	—	—	(6)	—	(6)
Disposal of treasury shares	—	—	—	—	0	—	0
Dividends	—	—	—	—	(9,818)	(11,695)	(21,513)
Changes resulting from additions to consolidation	—	—	—	—	—	(154)	(154)
Changes resulting from loss of control of subsidiaries	—	—	—	(115)	—	(7,869)	(7,869)
Change in interest due to transactions with non-controlling interests	—	—	—	—	(1,413)	(4,615)	(6,028)
Transfer from other components of equity to retained earnings	—	—	(34,604)	—	—	—	—
Others, net	—	—	—	—	—	—	—
Transfer to other comprehensive income associated with assets held for sale	—	(5,865)	(5,916)	5,916	—	—	—
Transfer of negative balance of other capital surplus	—	—	—	—	—	—	—
Total transactions with owners	—	(5,865)	(40,520)	5,801	(10,996)	(24,333)	(35,329)
Balance as of March 31, 2025	¥ 87	¥ 173,598	¥ 174,871	¥ 3,610	¥ 900,790	¥ 173,625	¥1,074,415

Fiscal year 2023 ended March 31, 2024

	Equity attributable to owners of the parent											
					Other components of equity							
					Remeasurements of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans						
	Share capital		Capital surplus		Retained earnings		Treasury shares					
Millions of yen												
Balance as of April 1, 2023	¥	89,810	¥	—	¥	891,552	¥	(8,349)	¥	81,869	¥	—
Net income (loss)		—		—		(311,838)		—		—		—
Other comprehensive income		—		—		—		—		24,972		(4,940)
Total comprehensive income		—		—		(311,838)		—		24,972		(4,940)
Issuance of new shares		128		128		—		—		—		—
Purchase of treasury shares		—		—		—		(5)		—		—
Disposal of treasury shares		—		0		—		0		—		—
Dividends		—		—		(19,628)		—		—		—
Changes resulting from additions to consolidation		—		—		—		—		—		—
Changes resulting from loss of control of subsidiaries		—		—		(290)		—		—		—
Change in interest due to transactions with non-controlling interests		—		109		—		—		—		—
Transfer from other components of equity to retained earnings		—		—		18,453		—		(23,393)		4,940
Others, net		—		—		(74)		—		—		—
Transfer to other comprehensive income associated with assets held for sale		—		—		—		—		—		—
Transfer of negative balance of other capital surplus		—		—		—		—		—		—
Total transactions with owners		128		237		(1,539)		(5)		(23,393)		4,940
Balance as of March 31, 2024	¥	89,938	¥	237	¥	578,175	¥	(8,355)	¥	83,448	¥	—

	Equity attributable to owners of the parent						
	Other components of equity			Other comprehensive income associated with assets held for sale	Equity attributable to owners of the parent	Non-controlling interests	Total equity
	Cash flow hedges	Exchange differences on conversion of foreign operations	Total				
Balance as of April 1, 2023	¥ (539)	¥ 116,500	¥ 197,830	¥ 349	¥1,171,192	¥ 317,997	¥1,489,189
Net income (loss)	—	—	—	—	(311,838)	(153,611)	(465,449)
Other comprehensive income	858	103,568	124,458	—	124,458	38,988	163,446
Total comprehensive income	858	103,568	124,458	—	(187,380)	(114,623)	(302,003)
Issuance of new shares	—	—	—	—	256	—	256
Purchase of treasury shares	—	—	—	—	(5)	—	(5)
Disposal of treasury shares	—	—	—	—	0	—	0
Dividends	—	—	—	—	(19,628)	(5,954)	(25,582)
Changes resulting from additions to consolidation	—	—	—	—	—	54	54
Changes resulting from loss of control of subsidiaries	—	1,923	1,923	(349)	1,284	—	1,284
Change in interest due to transactions with non-controlling interests	—	—	—	—	109	1,139	1,248
Transfer from other components of equity to retained earnings	—	—	(18,453)	—	—	—	—
Others, net	—	—	—	—	(74)	—	(74)
Transfer to other comprehensive income associated with assets held for sale	—	(1,725)	(1,725)	1,725	—	—	—
Transfer of negative balance of other capital surplus	—	—	—	—	—	—	—
Total transactions with owners	—	198	(18,255)	1,376	(18,058)	(4,761)	(22,819)
Balance as of March 31, 2024	¥ 319	¥ 220,266	¥ 304,033	¥ 1,725	¥ 965,753	¥ 198,613	¥1,164,366

(4) Consolidated Statement of Cash Flows

Fiscal years ended March 31, 2025 and 2024

Millions of yen	FY2024	FY2023
Cash flows from operating activities:		
Income (loss) before taxes	¥ 58,093	¥ (462,792)
Depreciation and amortization	131,597	157,522
Impairment losses	26,312	269,389
Share of (profit) loss of investments accounted for using the equity method	(20,639)	57,398
Interest and dividend income	(15,831)	(22,139)
Interest expenses	28,704	29,234
Restructuring costs	23,583	48,397
Changes in fair value of contingent consideration	(2,427)	1,562
(Gain) loss on sale of property, plant and equipment, and intangible assets	(14,339)	(1,215)
(Increase) decrease in trade receivables	(21,964)	34,798
(Increase) decrease in inventories	56,532	78,554
Increase (decrease) in trade payables	(6,113)	(32,251)
Increase (decrease) in unearned revenue	(23,064)	(11,543)
Increase (decrease) in provisions	(326)	(50,143)
Others, net	53,416	(67,240)
Subtotal	273,534	29,531
Interest and dividends received	20,659	26,812
Interest paid	(27,478)	(28,060)
Income taxes paid	(10,090)	(48,333)
Restructuring costs paid	(23,598)	(31,267)
Net cash provided by (used in) operating activities	233,027	(51,317)
Cash flows from investing activities:		
Net (increase) decrease in time deposits	(6,968)	3,336
Net (increase) decrease in securities	2,910	(3,953)
Purchase of property, plant and equipment, and intangible assets	(130,465)	(152,873)
Proceeds from sales of property, plant and equipment, and intangible assets	16,816	1,959
Purchase of investments in subsidiaries	(196)	(1,019)
Purchase of other financial assets	(4,117)	(5,273)
Proceeds from sales and redemption of other financial assets	179,970	97,963
Increase in loan receivables	(86)	(67,825)
Proceeds from sale of subsidiaries	39,671	20,701
Payments for sale of subsidiaries	(11,614)	(2,469)
Others, net	(692)	(2,787)
Net cash provided by (used in) investing activities	85,229	(112,240)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(226,165)	26,405
Net increase (decrease) in commercial paper	(37,000)	29,000
Proceeds from long-term borrowings	153,978	67,113
Repayments of long-term borrowings	(132,253)	(39,083)
Proceeds from issuance of bonds	99,161	39,836
Redemption of bonds	(120,000)	(30,000)
Repayments of finance lease liabilities	(19,201)	(18,619)
Proceeds from sale and leaseback transactions	6,700	—
Cash dividends paid	(9,866)	(19,639)
Cash dividends paid to non-controlling interests	(11,698)	(5,965)
Payments for acquisition of subsidiaries' interests from non-controlling interests	(5,330)	—
Others, net	896	198
Net cash provided by (used in) financing activities	(300,778)	49,246
Effect of exchange rate changes on cash and cash equivalents	(6,823)	28,736
Increase (decrease) in cash and cash equivalents	10,655	(85,575)
Cash and cash equivalents at the beginning of the year	217,449	305,844
Net increase (decrease) in cash and cash equivalents resulting from transfer to assets held for sale	(18,266)	(2,820)
Cash and cash equivalents at the end of the period	¥ 209,838	¥ 217,449

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Changes in Accounting Policies

1. Supplier Finance Arrangements - amendments to IAS 7 and IFRS 7

The Group has adopted the standard IAS 7 "Statement of Cash Flows" (amended in May 2023) and IFRS 7 "Financial Instruments: Disclosures" (amended in May 2023), (expanded disclosure of Supplier Finance Arrangements) effective for FY2024. These adoptions have no material impact on the consolidated financial statements.

2. Classification of liabilities as current or non-current and non-current liabilities with covenants - amendments to IAS 1

The Group has adopted the amendments to "Classification of liabilities as current or non-current and non-current liabilities with covenants" issued on January 2020 and October 2022, respectively, from FY2024. These adoptions have no material impact on the consolidated financial statements.

Segment Information

1. Reportable Segments

The reportable segments of the Group refer to business units for which separate financial information is available and that are reviewed regularly at the Board of Directors meeting in order to determine the allocation of management resources and evaluate the business performance of each business unit.

The Group divides its operations into business sectors identified by products and services, which manage manufacturing, sales, and research in an integrated manner. Each business sector is responsible for developing comprehensive domestic and overseas strategies with respect to its products and services, and operates its business activities.

The Group is advancing fundamental structural reforms and committed to its high growth strategy, in which it aims to contribute to solving social issues by leveraging innovative technologies and to continue to be a company with global presence. As part of the structural reforms, the Group implemented reorganization on October 1, 2024, establishing four new business sectors. Accordingly, effective Q3 FY2024, the Group changed its reportable segments from the five segments of "Essential Chemicals & Plastics," "Energy & Functional Materials," "IT-related Chemicals," "Health & Crop Sciences," and "Pharmaceuticals" into the five segments of "Agro & Life Solutions," "ICT & Mobility Solutions," "Advanced Medical Solutions," "Essential & Green Materials," and "Sumitomo Pharma."

The segment information for FY2023 has been reclassified to reflect the change of the reportable segments.

The major products and services of each reportable segment are as follows:

Reportable Segment	Major Products and Services
Agro & Life Solutions	Crop protection chemicals, fertilizers, agricultural materials, household insecticides, products for control of infectious diseases, feed additives, etc.
ICT & Mobility Solutions	Optical products, semiconductor processing materials, compound semiconductor materials, touch screen sensor panels, high-purity aluminum and alumina, specialty chemicals, additives, engineering plastics, battery materials, etc.
Advanced Medical Solutions	Contract development and manufacturing organization business for small-molecule active ingredients and intermediates, oligonucleic acid drug substances, and regenerative medicine and cell therapy products, etc.
Essential & Green Materials	Synthetic resins, raw materials for synthetic fibers, various industrial chemicals, methyl methacrylate products, synthetic resin processed products, industrial aluminum and alumina, synthetic rubber, etc.
Sumitomo Pharma	Small molecule pharmaceuticals

2. Reportable Segment Information

The accounting methods for each reportable segment are, in principle, identical to those used in the consolidated financial statements. The segment profit or loss is core operating income, which is calculated from operating income after excluding effects from non-recurring factors.

Inter-segment sales revenue is based on market prices.

Fiscal year 2024

Millions of yen	Agro & Life Solutions	ICT & Mobility Solutions	Advanced Medical Solutions	Essential & Green Materials	Sumitomo Pharma	Total	Others (Note 2)	Adjustments (Note 3)	Consolidated
Sales revenue:									
Sales revenues from external customers	¥ 540,221	¥ 606,995	¥ 62,145	¥ 899,029	¥ 398,001	¥2,506,391	¥ 99,890	¥ —	¥2,606,281
Inter-segment sales revenues	1,114	3,258	10,388	4,874	529	20,163	65,195	(85,358)	—
Total sales revenue	541,335	610,253	72,533	903,903	398,530	2,526,554	165,085	(85,358)	2,606,281
Segment profit (loss) : core operating income (loss) (Note 1)	¥ 54,978	¥ 70,555	¥ 3,966	¥ (58,471)	¥ 35,337	¥ 106,365	¥ 66,855	¥ (32,701)	¥ 140,519
Segment assets	771,293	635,736	125,339	791,922	728,688	3,052,978	284,587	102,219	3,439,784
Other items:									
Depreciation and amortization	21,046	34,154	7,701	22,764	24,862	110,527	9,763	11,307	131,597
Share of profit (loss) of investments accounted for using the equity method	322	3	—	13,191	(355)	13,161	6,383	1,095	20,639
Impairment losses	6,066	2,724	7,895	2,802	5,463	24,950	1,340	22	26,312
Investment accounted for using the equity method	8,765	507	—	233,959	—	243,231	45,699	(953)	287,977
Capital expenditures	20,102	49,230	12,998	26,300	11,453	120,083	4,398	7,244	131,725

Note 1: ¥66,855 million for segment profit (core operating income) in "Others" includes ¥48,879 million for gain on business transfer.

Note 2: "Others" represents businesses such as radiopharmaceuticals, supplying electrical power and steam, providing services for the design, engineering, and construction management of chemical plants, and providing transport and warehousing, which are not included in reportable segments.

Note 3: Amounts in "Adjustments" are as follows:

- (1) ¥(32,701) million for segment profit (loss) in "Adjustments" includes inter-segment elimination of ¥2,324 million and corporate expenses of ¥(35,025) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for company-wide research, which are not treated as attributable to specific reportable segments.
- (2) Segment assets in "Adjustments" are ¥102,219 million, which includes ¥(96,460) million in eliminations of inter-segment receivables and other assets, and ¥198,679 million of corporate assets unallocated to each reportable segment. Corporate assets mainly consist of cash and cash equivalents, investment securities, and the assets related to research and development activities for company-wide research.
- (3) Depreciation and amortization in "Adjustments" is ¥11,307 million, mainly related to the assets arising from research and development activities for company-wide research unallocated to each reportable segment.
- (4) Investments accounted for using the equity method in "Adjustments" is ¥(953) million, which is eliminations of inter-segment transactions.
- (5) Capital expenditures in "Adjustments" amounting to ¥7,244 million is mainly contributed by company-wide research activities that are not allocated to each reportable segment.

Fiscal year 2023

Millions of yen	Agro & Life Solutions	ICT & Mobility Solutions	Advanced Medical Solutions	Essential & Green Materials	Sumitomo Pharma	Total	Others (Note 2)	Adjustments (Note 3)	Consolidated
Sales revenue:									
Sales revenues from external customers	¥ 515,617	¥ 587,356	¥ 58,457	¥ 885,873	¥ 313,832	¥ 2,361,135	¥ 85,758	¥ —	¥ 2,446,893
Inter-segment sales revenues	1,979	3,730	14,922	5,122	95	25,848	76,895	(102,743)	—
Total sales revenue	517,596	591,086	73,379	890,995	313,927	2,386,983	162,653	(102,743)	2,446,893
Segment profit (loss) : core operating income (loss) (Note 1)	¥ 26,428	¥ 50,021	¥ 6,062	¥ (89,113)	¥ (126,449)	¥ (133,051)	¥ 11,599	¥ (27,597)	¥ (149,049)
Segment assets	842,801	649,554	118,356	953,367	899,601	3,463,679	425,991	45,148	3,934,818
Other items:									
Depreciation and amortization	22,892	35,507	6,490	34,259	37,125	136,273	9,644	11,605	157,522
Share of profit (loss) of investments accounted for using the equity method	360	4	—	(69,369)	(23)	(69,028)	11,314	316	(57,398)
Impairment losses	19,847	21,153	—	47,503	180,857	269,360	21	8	269,389
Investment accounted for using the equity method	8,662	504	—	205,143	360	214,669	106,328	(1,009)	319,988
Capital expenditures	27,828	61,874	7,870	29,190	16,338	143,100	5,896	9,409	158,405

Note 1: ¥26,428 million for segment profit (core operating income) in "Agro & Life Solutions" includes ¥8,623 million for gain on business transfer.

Note 2: "Others" represents businesses such as radiopharmaceuticals, supplying electrical power and steam, providing services for the design, engineering, and construction management of chemical plants, and providing transport and warehousing, which are not included in reportable segments.

Note 3: Amounts in "Adjustments" are as follows:

- (1) ¥(27,597) million for segment profit (loss) in "Adjustments" includes inter-segment elimination of ¥886 million and corporate expenses of ¥(28,483) million unallocated to each reportable segment. Corporate expenses are mainly research and development expenses for company-wide research, which are not treated as attributable to specific reportable segments.
- (2) Segment assets in "Adjustments" are ¥45,148 million, which includes ¥(116,300) million in eliminations of inter-segment receivables and other assets, and ¥161,448 million of corporate assets unallocated to each reportable segment. Corporate assets mainly consist of cash and cash equivalents, investment securities, and the assets related to research and development activities for company-wide research.
- (3) Depreciation and amortization in "Adjustments" is ¥11,605 million, mainly related to the assets arising from research and development activities for company-wide research unallocated to each reportable segment.
- (4) Investments accounted for using the equity method in "Adjustments" is ¥(1,009) million, which is eliminations of inter-segment transactions.
- (5) Capital expenditures in "Adjustments" amounting to ¥9,409 million is mainly contributed by company-wide research activities that are not allocated to each reportable segment.

Adjustments to income (loss) before taxes from core operating income (loss) were as follows:

Millions of yen	FY2024		FY2023	
Core operating income (loss)	¥	140,519	¥	(149,049)
Share of profit (loss) of investments accounted for using the equity method (non-recurring factors)		83,569		(4,830)
Gains on sales of property, plant and equipment, and intangible assets		14,339		1,215
Gains (losses) on fair value measurement of the residual interest		9,449		(2,477)
Changes in fair value of contingent consideration		2,427		(1,562)
Impairment losses		(26,312)		(269,389)
Restructuring costs		(23,583)		(48,397)
Others, net		(7,375)		(14,337)
Operating income (loss)		193,033		(488,826)
Finance income		17,650		72,997
Finance expenses		(152,590)		(46,963)
Income (loss) before taxes	¥	58,093	¥	(462,792)

Note: Breakdown of share of profit (loss) of investments accounted for using the equity method included in operating income (loss) was as follows:

Millions of yen	FY2024		FY2023	
Share of profit (loss) of investments accounted for using the equity method	¥	20,639	¥	(57,398)
Of which resulting from recurring factors		(62,930)		(52,568)
Of which resulting from non-recurring factors		83,569		(4,830)

Earnings per Share

1. The Basis for Calculating Basic Earnings per Share

	FY2024	FY2023
Net income (loss) attributable to owners of the parent (millions of yen)	38,591	¥(311,838)
Amounts not attributable to ordinary shareholders of the parent (millions of yen)	—	—
Net income (loss) used to calculate basic earnings per share (millions of yen)	38,591	¥(311,838)
Average number of ordinary shares (thousands of shares)	1,635,928	1,635,352
Basic earnings (losses) per share (yen)	23.59	¥(190.69)

2. The Basis for Calculating Diluted Earnings per Share

	FY2024	FY2023
Net income (loss) used to calculate basic earnings per share (millions of yen)	38,591	¥(311,838)
Adjustments by dilutive potential ordinary shares of parent (millions of yen)	—	—
Net income (loss) used to calculate diluted earnings per share (millions of yen)	38,591	¥(311,838)
Average number of ordinary shares (thousands of shares)	1,635,928	1,635,352
Restricted stock compensation plan (thousands of shares)	587	—
Average number of ordinary shares after dilution (thousands of shares)	1,636,515	1,635,352
Diluted earnings per share (yen)	23.58	—
Stocks not included in the calculation of diluted earnings per share because they have anti-dilutive effect	—	Restricted stock 456,230 shares

*For diluted earnings per share for FY2023, although there are potential shares, they are not listed because they have an anti-dilutive effect.

Impairment of Non-Financial Asset

Fiscal Year 2024

Impairment losses recognized for FY2024, are ¥26,312 million. Impairment losses are recognized in "Cost of sales," "Selling, general and administrative expenses" and "Other operating expenses" in the consolidated statement of income. Details of the impairment losses by reportable segments are presented in "Segment Information."

The major cash-generating units (hereinafter, the "CGU"s) for which impairment losses are recognized are as follows:

Location	Usage	Class of assets	Reportable segment	Millions of yen Impairment losses
China	Crop protection chemicals intermediate production facilities	Machinery and vehicles, etc.	Agro & Life Solutions	¥ 5,137
Chiba, Japan	Multi-plant structure for producing fine chemicals	Buildings and structures, machinery and vehicles, etc.	Advanced Medical Solutions	4,529
Osaka, Japan	Patent of pharmaceuticals (TWYMEEG®)	Patent	Sumitomo Pharma	4,175
Ehime, Japan	Essential & Green Materials production facilities, etc.	Machinery and vehicles, etc.	Essential & Green Materials, etc.	3,248

Details of the impairment losses

- Crop protection chemicals intermediate production facilities ¥5,137 million
(Buildings and structures ¥1,869 million; Machinery and vehicles ¥2,042 million; Others ¥1,225 million)
- Multi-plant structure for producing fine chemicals ¥4,529 million
(Buildings and structures ¥2,415 million; Machinery and vehicles ¥2,085 million; Others ¥29 million)
- Patent of pharmaceuticals (TWYMEEG®) ¥4,175 million
(Patent ¥4,175 million)
- Essential & Green Materials production facilities, etc. ¥3,248 million
(Buildings and structures ¥810 million; Machinery and vehicles ¥2,359 million; Others ¥78 million)

In the Agro & Life Solutions segment, in accordance with the sale of shares in Chinese subsidiaries, the entire carrying amount of the property, plant, and equipment was impaired because the sales price was expected to be lower than the carrying amount. In the impairment test, the recoverable amount was measured based on the fair value less costs of disposal, and the fair value less costs of disposal was based on the sales price. Because the valuation technique uses inputs that are not observable market data, the fair value less costs of disposal is classified as Level 3 in the fair value hierarchy.

In the Advanced Medical Solutions segment, regarding the multi-plant structure for producing fine chemicals, because of an anticipated deterioration in the business environment and decline in profitability, an impairment test was performed. As a result, because the recoverable amount was less than the carrying amount, the carrying amount was impaired to the recoverable amount of ¥6,909 million. The recoverable amount of the assets was measured by their value in use, and the value in use was calculated by discounting future cash flows at a discount rate of 10.3% (before taxes).

In the Sumitomo Pharma segment, the profitability of patent right associated with TWYMEEG® (therapeutic agent for type 2 diabetes) was no longer expected. As a result, the entire carrying amount was impaired.

In the Essential & Green Materials segment, etc., regarding the production facilities of Ehime Works, because the profitability of the business declined due to weak demand and lower market prices, the entire carrying amount was impaired. The recoverable amount in the impairment test uses value in use, and the discount rate is omitted because the future cash flows are negative.

The major items of individually immaterial impairment losses are related to tangible assets such as machinery, equipment, and vehicles, and intangible assets, such as patent, in the Company's business. Impairment losses are recorded because the recoverable amount was less than the carrying amount due to a decline in forecasted revenue.

Fiscal Year 2023

Impairment losses recognized for FY2023, are ¥269,389 million. Impairment losses are recognized in "Cost of sales," "Selling, general and administrative expenses" and "Other operating expenses" in the consolidated statement of income. Details of the impairment losses by reportable segments are presented in "Segment Information."

The major CGUs for which impairment losses are recognized are as follows:

Location	Usage	Class of assets	Reportable segment	Millions of yen Impairment losses
U.S.	Patent of pharmaceuticals (MYFEMBREE®)	Patent	Sumitomo Pharma	¥ 133,457
U.S.	Goodwill of pharmaceuticals	Goodwill	Sumitomo Pharma	35,858
Chiba, Japan	Essential & Green Materials production facilities and common facilities at Chiba Works	Machinery and vehicles, etc.	Essential & Green Materials, etc.	25,381
Ehime, Japan	Methionine production facilities	Machinery and vehicles, etc.	Agro & Life Solutions	16,776
Singapore	Methacrylate production facilities	Machinery and vehicles, etc.	Essential & Green Materials, etc.	14,891
Ehime, Japan	Calcination demonstration facilities for cathode material	Construction in progress, etc.	ICT & Mobility Solutions	11,566

Details of the impairment losses

- Patent of pharmaceuticals (MYFEMBREE®) ¥133,457 million
(Patent ¥133,457 million)
- Goodwill of pharmaceuticals ¥35,858 million
(Goodwill ¥35,858 million)
- Essential & Green Materials production facilities and common facilities at Chiba Works ¥25,381 million
(Buildings and structures ¥7,509 million; Machinery and vehicles ¥17,872 million)
- Methionine production facilities ¥16,776 million
(Buildings and structures ¥1,875 million; Machinery and vehicles ¥14,603 million; Others ¥299 million)
- Methacrylate production facilities ¥14,891 million
(Buildings and structures ¥2,913 million; Machinery and vehicles ¥8,666 million; Right-of-use assets ¥3,313 million)
- Calcination demonstration facilities for cathode material ¥11,566 million
(Construction in progress ¥11,518 million; Others ¥48 million)

In the Sumitomo Pharma segment, due to the revision of the business forecast in North America, the profitability of patent rights associated with MYFEMBREE® (therapeutic agent for uterine fibroids and endometriosis) was no longer expected. As a result, the carrying amount was reduced to the recoverable amount. In addition, regarding goodwill for the business in North America, since the recoverable amount was less than the carrying amount of the CGUs including goodwill, the carrying amount of the goodwill was impaired to the recoverable amount. The recoverable amount is calculated based on the fair value less costs of disposal measured on the basis of the approved business plan. The discount rate used in the impairment test is based on the weighted average cost of capital set by each CGU. The discount rate used in the impairment test of patent rights and goodwill were 15.8% and 14.5% (before taxes), respectively.

In the Essential & Green Materials segment, etc., the carrying amounts of Essential & Green Materials production facilities and the common facilities in Chiba Works, and the methacrylate production facilities in Singapore were impaired to the recoverable amounts of ¥9,036 million, ¥5,152 million, and ¥15,822 million, respectively. It was because the profitability of the business declined due to weak demand caused by the deteriorating business environment and lower selling prices. The recoverable amount of each asset was measured by its value in use, which was calculated by discounting future cashflows at a discount rate of 9.4% to 15.6% (before taxes).

Regarding the methionine production facilities in the Agro & Life Solutions segment, due to higher costs stemming from sharply higher prices for raw materials and fuel, as well as a deterioration in the demand and supply environment, which led to lower selling prices, the carrying amount was written down to the recoverable amount in FY2023. Initially, the decline in demand was expected to be temporary, but due to the economic downturn caused by global inflation, demand has remained weak for a longer period, and selling prices have not increased as much as originally

anticipated. Therefore, the Company reviewed the forecast of the earnings of its methionine business, and the entire carrying amount was impaired. The recoverable amount in the impairment test uses value in use, and the discount rate is omitted because the future cash flows are negative.

Regarding the calcination demonstration facilities for cathode material in the ICT & Mobility Solutions segment, the Company carried out an impairment test since the profitability was expected to decline as a result of the revision of its business plan. As a result of the revision of forecasted revenue, the entire carrying amount was impaired.

The major items of individually immaterial impairment losses are related to tangible assets such as machinery, equipment, and vehicles, and intangible assets, such as in-process research and development, in the Company's business. Impairment losses are recorded because the recoverable amount was less than the carrying amount due to a decline in forecasted revenue.

Significant Subsequent Events

(A Company Split (Simplified Absorption-Type Company Split) of the Asian Business and the Execution of a Share Transfer Agreement by the Company Subsidiary)

On April 1, 2025, the board of directors of Sumitomo Pharma Co., Ltd. (hereinafter, "Sumitomo Pharma"), which is a subsidiary of the Company resolved to execute agreements with Marubeni Global Pharma Corporation, a wholly-owned subsidiary of Marubeni Corporation. The agreements include a share transfer agreement, which stipulates that the Asian business of Sumitomo Pharma's wholly-owned subsidiaries, Sumitomo Pharma (China) Co., Ltd. and Sumitomo Pharma Asia Pacific Pte. Ltd., along with their subsidiaries, will be transferred to a wholly-owned subsidiary to be newly established by Sumitomo Pharma (hereinafter, "the New Company") through an absorption-type company split, and that 60% of the shares of the New Company will be transferred to Marubeni Global Pharma Corporation.

The Company expects to record a gain of approximately ¥45.0 billion in other operating income for FY2025. However, this amount is an estimate, and it has not been fixed currently.