

Sumitomo Chemical Announces Variances between its Financial Forecast and Actual Results for the Second Quarter (Interim Period) of the Full Year Ending March 31, 2026, and Revisions to its Financial Forecast for the Full Year Ending March 31, 2026

Sumitomo Chemical Co., Ltd. (hereinafter, the "Company") announces variances between its consolidated financial forecast, announced by the Company on August 1, 2025, for the second quarter (Interim Period) of the full year ending March 31, 2026, and the actual results for the period announced today. In addition, the Company also announces that, based on recent performance trends, the Company has made revisions to its consolidated financial forecast for the full year ending March 31, 2026, previously announced on May 14, 2025. Details of both the variances and the revisions are provided below.

1. Variances between Consolidated Financial Forecast and Actual Results for the Second Quarter (Interim Period) of the Full Year Ending March 31, 2026

(Millions of yen)

	Sales Revenue	Core Operating Income*	Operating Income	Interim Net Income Attributable to Owners of the Parent	Earnings per Share (yen)
Previous forecast (A)	1,100,000	90,000	85,000	25,000	15.28
Actual results (B)	1,095,394	108,716	103,685	39,699	24.26
Variance in amount (B-A)	(4,606)	18,716	18,685	14,699	
Variance in percentage (%)	(0.4)%	20.8%	22.0%	58.8%	
Results for the second quarter (interim period) of the fiscal year ended March 31, 2025	1,241,395	29,476	121,249	(6,527)	(3.99)

* 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.

Reasons for the Variance

For Sumitomo Pharma, in addition to strong sales of ORGOVYX® (therapeutic agent for advanced prostate cancer) in North America, there was a reduction in selling, general and administrative expenses including research and development expenses. Due to these factors, core operating income and operating income exceeded the previous forecast. Not only operating income improved, but there were also gains in foreign exchanges due to a weaker yen and further gains from the reversal of deferred tax liability. As a result, interim net income attributable to owners of the parent also exceeded the previous forecast.

2. Revisions to Consolidated Financial Forecast for the Full Year Ending March 31, 2026 (April 1 2025-March 31, 2026)

(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)	2,340,000	150,000	105,000	40,000	24.44
Revised forecast (B)	2,290,000	185,000	160,000	45,000	27.50
Variance in amount (B-A)	(50,000)	35,000	55,000	5,000	
Variance in percentage (%)	(2.1)%	23.3%	52.4%	12.5%	
Results for the full year ended March 31, 2025	2,606,281	140,519	193,033	38,591	23.59

* 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.

Reasons for the Revision

Regarding the forecast for the full fiscal year ending March 31, 2026, in Essential & Green Materials, the Company anticipates a decline in sales revenue from the previous forecast due to decreased shipments of synthetic resins. On the other hand, in Sumitomo Pharma, the Company anticipates that sales in North America will continue to be strong. Due to these factors, core operating income, operating income, and net income attributable to owners of the parent are expected to exceed the previous forecast. Regarding the partial sale of shares in Petro Rabigh, the Company has incorporated the impact on the profits and losses at each phase. For more information, please see the Company's press release "(Progress of Disclosure Matters) Notice Regarding the Recording of Gain on Sale of a Portion of the Class A Ordinary Shares Sumitomo Chemical Holds in Petro Rabigh, and Associate Accounted for Using the Equity Method and Loss on Valuation of Newly Acquired Petro Rabigh Class B Ordinary Shares in Consolidated Financial Statements, and Extraordinary Losses in Non-Consolidated Financial Statements Pertaining to the Class B Ordinary Shares," which was published on October 22, 2025.

Cautionary Statement

Statements made in this document with respect to the Company's current plans, estimates, strategies and beliefs that are not historical facts are forward looking statements about the future performance of the Company. 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 the Company's markets; demand for, and competitive pricing pressure on, the Company's products in the marketplace; the Company's ability to continue to win acceptance for its products in these highly competitive markets; and movements of currency exchange rates.

(Supplemental information)

1. Variances between Consolidated Financial Forecast and Actual Results by Segment for Second Quarter (Interim Period) of the Full Year Ending March 31, 2026

(Millions of yen)

		Previous Forecast (A)	Actual Results (B)	Variance in Amount (B-A)	Results for the Second Quarter (Interim Period) of the Full Year Ending March 31, 2025
Agro & Life Solutions	Sales revenue	210,000	212,971	2,971	225,004
	Core operating income	16,000	11,227	(4,773)	14,161
ICT & Mobility Solutions	Sales revenue	280,000	283,482	3,482	307,460
	Core operating income	32,000	33,109	1,109	43,581
Advanced Medical Solutions	Sales revenue	25,000	21,142	(3,858)	26,750
	Core operating income	(1,000)	(1,380)	(380)	355
Essential & Green Materials	Sales revenue	360,000	329,144	(30,856)	450,932
	Core operating income	(19,000)	(18,610)	390	(34,759)
Sumitomo Pharma	Sales revenue	205,000	226,071	21,071	180,400
	Core operating income	72,000	97,320	25,320	3,040
Others & Adjustments	Sales revenue	20,000	22,584	2,584	50,849
	Core operating income	(10,000)	(12,950)	(2,950)	3,098
Total	Sales revenue	1,100,000	1,095,394	(4,606)	1,241,395
	Core operating income	90,000	108,716	18,716	29,476

2. Consolidated Financial Forecast by Segment for Full Year Ending March 31, 2026

(Millions of yen)

		Fiscal 2025 Previous Forecast (A)	Fiscal 2025 Revised Forecast (B)	Variance in Amount (B-A)	Results for the Full Year Ended March 31, 2025
Agro & Life Solutions	Sales revenue	530,000	530,000	-	540,221
	Core operating income	55,000	55,000	-	54,978
ICT & Mobility Solutions	Sales revenue	580,000	550,000	(30,000)	606,995
	Core operating income	56,000	53,000	(3,000)	70,555
Advanced Medical Solutions	Sales revenue	60,000	60,000	-	62,145
	Core operating income	4,000	4,000	-	3,966
Essential & Green Materials	Sales revenue	780,000	680,000	(100,000)	899,029
	Core operating income	(10,000)	13,000	23,000	(58,471)
Sumitomo Pharma	Sales revenue	350,000	420,000	70,000	398,001
	Core operating income	59,000	100,000	41,000	35,337
Others & Adjustments	Sales revenue	40,000	50,000	10,000	99,890
	Core operating income	(14,000)	(40,000)	(26,000)	34,154
Total	Sales revenue	2,340,000	2,290,000	(50,000)	2,606,281
	Core operating income	150,000	185,000	35,000	140,519