

News Release

January 31, 2024

Sumitomo Pharma Co., Ltd.

Sumitomo Pharma Announces Revisions to Its Financial Forecasts

Sumitomo Pharma Co., Ltd. (Head Office: Osaka, Japan; Representative Director, President and CEO: Hiroshi Nomura; Securities Code: 4506, Prime Market of TSE) announced today that it has revised the consolidated financial forecasts that were announced on May 15, 2023 for the year ending March 31, 2024 (fiscal 2023), as summarized below, taking the Group's recent business performance trends into consideration.

1. Revisions to the Forecasts of Consolidated Financial Results for the Year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Revenue	Core operating profit	Operating profit	Net profit attributable to owners of the parent	Basic earnings per share
Previous Forecasts (A)	362,000	(62,000)	(78,000)	(80,000)	¥(201.36)
Revised Forecasts (B)	317,000	(134,000)	(156,000)	(141,000)	¥(354.90)
Variance in amount (B – A)	(45,000)	(72,000)	(78,000)	(61,000)	–
Variance in percent (%)	(12.4)	–	–	–	–
[Reference] Previous year (Year ended March 31, 2023)	555,544	16,364	(76,979)	(74,512)	¥(187.55)

Note: Core operating profit is calculated by deducting from operating profit any gains and losses resulting from nonrecurring factors, including changes in fair value of contingent consideration, impairment losses, and business structure improvement expenses.

2. Reasons for the revisions

For the revised forecasts announced today, the Company has changed assumed exchange rates (average exchange rates) for the full-year period from its previous forecasts of 130.0 JPY to 145.0 JPY against 1 USD and 19.5 JPY to 20.0 JPY against 1 RMB.

Despite the positive impact of an increase in revenue as a result of the revision of assumed exchange rates, the Company has revised its previous forecasts for revenue to 317.0 billion yen (down by 45.0 billion yen), given the expected downward revision in sales of the Three Key Products (ORGOVYX[®] (therapeutic agent for advanced prostate cancer), MYFEMBREE[®] (therapeutic agent for uterine fibroids and endometriosis), and GEMTESA[®] (therapeutic agent for overactive bladder)), LATUDA[®] (atypical antipsychotic), and other products in the North America segment.

Meanwhile, selling, general and administrative expenses and R&D expenses are now expected to increase by 20.0 billion yen and 8.0 billion yen, respectively, due

to an impact of the revision of assumed exchange rates.

As a result, the Company has revised its previous forecasts for core operating loss to 134.0 billion yen (down by 72.0 billion yen). The Company has also revised its previous forecasts for operating loss to 156.0 billion yen (down by 78.0 billion yen), as business structure improvement expenses associated with the restructuring of group companies in North America in July 2023 are expected to surpass the previous forecasts.

In addition, now that foreign exchange gains under finance income are expected to increase due to the revision of assumed exchange rates, the Company has revised its previous forecasts for net profit attributable to owners of the parent to a loss of 141.0 billion yen (down by 61.0 billion yen). Also, the Company will conduct impairment tests in the fourth quarter of the year ending March 31, 2024, and impairment losses are not included in the financial forecasts.

Disclaimer Regarding Forward-looking Statements

The statements made in this press release contain forward-looking statements based on management's assumptions and beliefs in light of information available as of the day of this release, which involve both known and unknown risks and uncertainties. Actual results of those matters covered in the forward-looking statements including financial forecast may differ materially from those contained in this release, due to a number of factors.

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