
Press Release

April 30, 2024

Sumitomo Pharma Co., Ltd.

Sumitomo Pharma Announces Its Financial Forecasts Revision for FY2023, Financial and Dividend Forecasts for FY2024

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 its consolidated financial forecasts that were announced on January 31, 2024 for the year ended March 31, 2024, as summarized below taking the Group's recent business performance trends into consideration, and set the consolidated financial forecasts and dividend forecasts for the year ending March 31, 2025.

1. Revisions to Forecasts of the Consolidated Financial Results for the Year ended 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)	317,000	(134,000)	(156,000)	(141,000)	¥ (354.90)
Revised Forecasts (B)	314,600	(133,000)	(354,900)	(315,000)	¥ (792.86)
Variance in amount (B – A)	(2,400)	1,000	(198,900)	(174,000)	—
Variance in percent (%)	(0.8)	—	—	—	—
[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

Although revenue was slightly below the previous forecasts in the Japan and North America segments, it generally progressed as expected and the Company has revised its previous forecasts for revenue to 314.6 billion yen (down by 2.4 billion yen).

The Company has revised its previous forecasts for core operating loss to 133.0 billion yen (up by 1.0 billion yen), since selling, general and administrative expenses and research and development expenses are expected to decrease from the previous forecasts.

The Company has also revised its previous forecasts for operating loss to 354.9 billion yen (down by 198.9 billion yen), due to the expectation of recording of an impairment loss on the patent rights of MYFEMBREE® (therapeutic agent for

uterine fibroids and endometriosis) (133.5 billion yen)*, an impairment loss on goodwill in the North America business (35.9 billion yen)*, impairment losses on in-process research and development related to compounds whose developments have been discontinued (10.6 billion yen)*, and additional business structure improvement expenses in an U.S. subsidiary (8.7 billion yen)*.

Finance income* is expected to increase due to the yen's depreciation at the end of the fiscal year compared to assumed exchange rates, and income tax expenses are expected to decrease due to the reversal of deferred tax liabilities associated with the recognition of impairment losses on patent rights. However, due to the significant impact of the deterioration in operating loss, the Company has revised its previous forecasts for net profit attributable to owners of the parent to a loss of 315.0 billion yen (down by 174.0 billion yen).

* For details on the impairment losses, business structure improvement expenses, and finance income, please refer to the "Notice Concerning Impairment Losses, Business Structure Improvement Expenses, and Finance Income" announced today.

3. Consolidated Financial Forecasts for the Year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

In the Mid-term Business Plan 2027 ("MTBP 2027") announced in April 2023, the consolidated financial forecasts for the year ending March 31, 2025 were set at 460.0 billion yen in revenue and 40.0 billion yen in core operating profit. While revenue for 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)) is growing and future performance is expected to recover, the Company has set revenue with 338.0 billion yen (down by 122.0 billion yen from the MTBP 2027) and core operating profit with 1.0 billion yen (down by 39.0 billion yen from the MTBP 2027) because the sales performance has been below the expectation in the MTBP 2027.

The forecasts for operating profit, net profit attributable to owners of the parent, and basic earnings per share will be disclosed in the announcement of the financial results for the year ended March 31, 2024 scheduled for May 14, 2024.

4. Dividend Forecast (No Dividend) for the Year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

In the MTBP 2027, the Company states, "the Company will suspend dividends as negative core operating profit is forecasted for the year ending March 31, 2024 but will resume dividends for the year ending March 31, 2025 as core operating profit is expected to return to positive. A consistent dividend payment will be the aim thereafter." Nevertheless, 1.0 billion yen of core operating profit is forecasted for the year ending March 31, 2025, which is significantly below the assumption stated in the MTBP 2027. Accordingly, the Company regrets to announce that

dividends will be suspended for the year ending March 31, 2025. The Company would like to extend its deepest apologies to all shareholders and will make every effort to promptly recover its performance. The Company would appreciate your understanding and continued support.

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 forecasts may differ materially from those contained in this release, due to a number of factors.

Contact:

Corporate Communications

Sumitomo Pharma Co., Ltd.

E-mail: prir@sumitomo-pharma.co.jp.