

Financial Results for FY2023

(April 1, 2023 - March 31, 2024)

&

Outlook for FY2024

(April 1, 2024 - March 31, 2025)

May 15, 2024



(Cautionary Statement)

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

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1. Consolidated Financial Results for FY2023 Ended March 31, 2024

(Billions of yen)

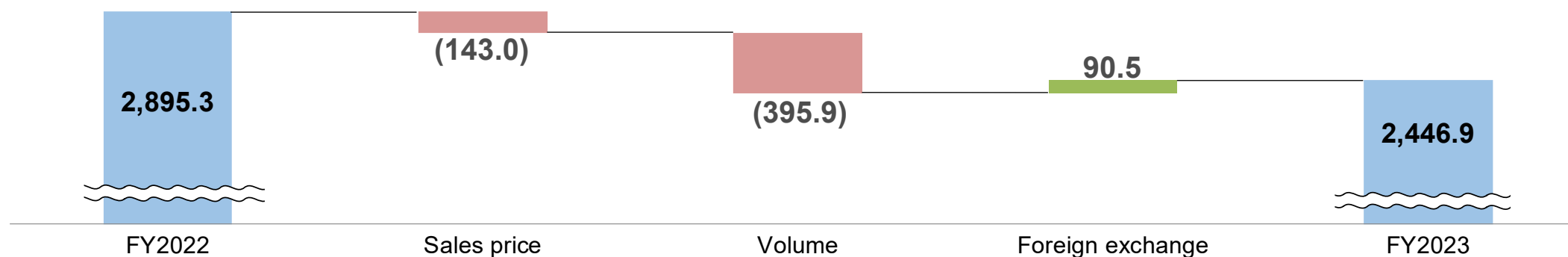
	FY2023	FY2022	Variance	Variance Ratio
Sales revenue	2,446.9	2,895.3	(448.4)	(15.5)%
Core operating income (loss)	(149.0)	92.8	(241.8)	–
Of which equity in earnings	(52.6)	(6.8)	(45.8)	–
Total non-recurring items	(339.8)	(123.7)	(216.0)	–
Of which impairment losses	(269.4)	(109.4)	(160.0)	–
Of which restructuring costs	(48.4)	(22.0)	(26.4)	–
Others	(22.0)	7.7	(29.7)	–
Operating income (loss)	(488.8)	(31.0)	(457.8)	–
Finance income/expenses	26.0	31.2	(5.2)	–
Of which gain (loss) on foreign currency transactions including gain (loss) on derivatives	32.5	35.8	(3.3)	–
Income (loss) before taxes	(462.8)	0.2	(463.0)	–
Income tax expenses	(2.7)	(47.1)	44.4	–
Net income (loss)	(465.4)	(46.9)	(418.6)	–
Net (income) loss attributable to non-controlling interests	153.6	53.9	99.8	–
Net income (loss) attributable to owners of the parent	(311.8)	7.0	(318.8)	–
ROE	(29.2)%	0.6%		
Exchange rate (yen/\$)	144.59	135.50		
Naphtha price (yen/kl)	69,100	76,600		
Overseas sales revenue ratio	68.0%	67.9%		

Sales Revenue by Business Segment

(Billions of yen)

	FY2023	FY2022	Variance	Ratio	Sales price variance	Shipping volume variance	Foreign currency conversion variance
Essential Chemicals & Plastics	774.0	852.9	(78.9)	(9.3)%	(66.5)	(41.1)	28.7
Energy & Functional Materials	300.3	342.5	(42.2)	(12.3)%	(9.5)	(37.3)	4.6
IT-related Chemicals	414.2	431.2	(17.1)	(4.0)%	(13.0)	(20.1)	16.0
Health & Crop Sciences	546.0	598.4	(52.4)	(8.8)%	(50.0)	(32.5)	30.1
Pharmaceuticals	342.7	584.9	(242.1)	(41.4)%	(4.0)	(249.2)	11.1
Others & Adjustments	69.8	85.4	(15.6)	(18.3)%	0.0	(15.6)	0.0
Total	2,446.9	2,895.3	(448.4)	(15.5)%	(143.0)	(395.9)	90.5

Analysis of Variance

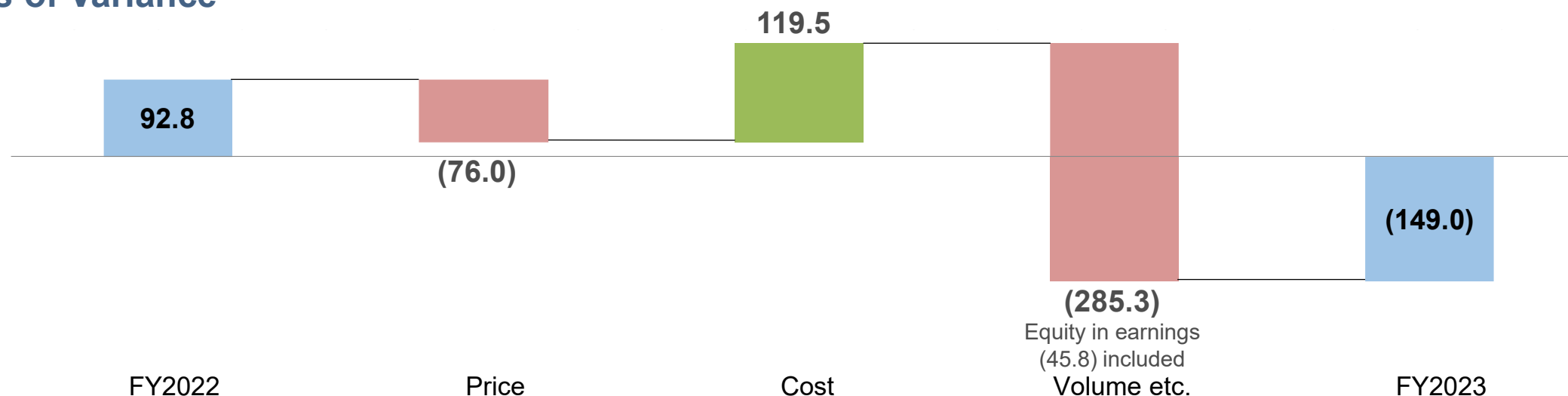


Core Operating Income by Business Segment

(Billions of yen)

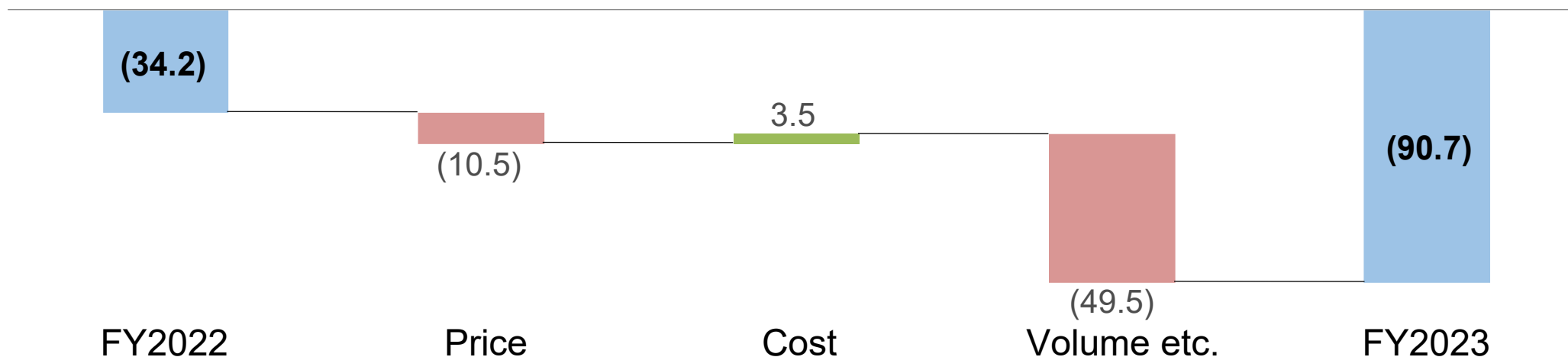
	FY2023	FY2022	Variance	Price variance	Cost variance	Shipping volume variance and other
Essential Chemicals & Plastics	(90.7)	(34.2)	(56.5)	(10.5)	3.5	(49.5)
Energy & Functional Materials	7.8	15.2	(7.4)	(0.5)	1.5	(8.4)
IT-related Chemicals	44.0	47.6	(3.6)	(13.0)	7.5	1.9
Health & Crop Sciences	30.9	57.3	(26.4)	(48.0)	7.0	14.6
Pharmaceuticals	(133.0)	16.2	(149.2)	(4.0)	100.0	(245.2)
Others & Adjustments	(8.0)	(9.3)	1.3	0.0	0.0	1.3
Total	(149.0)	92.8	(241.8)	(76.0)	119.5	(285.3)

Analysis of Variance



Essential Chemicals & Plastics

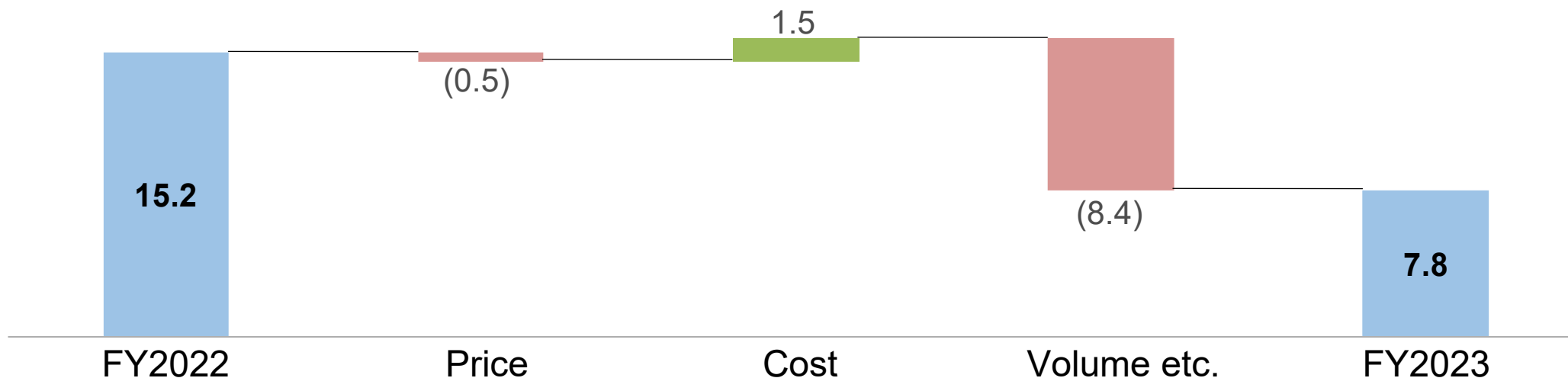
Total ¥ (90.7) billion ¥ (56.5) billion from FY2022



Price variance	Deterioration in profit margins, mainly due to a decline in overseas market prices of synthetic resins etc.
Volume variance etc.	Mainly due to deterioration in the financial performance of Petro Rabigh, an affiliated company accounted for by the equity-method

Energy & Functional Materials

Total ¥ 7.8 billion ¥ (7.4) billion from FY2022

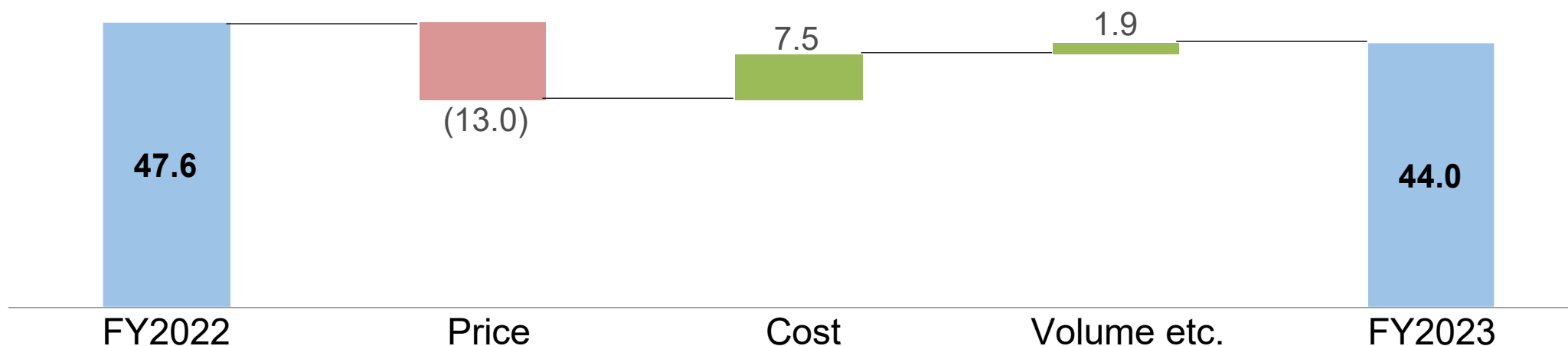


Volume variance etc.

Decline in shipments for resorcinol and separators for lithium-ion secondary battery in automotive use and for alumina products in display use

IT-related Chemicals

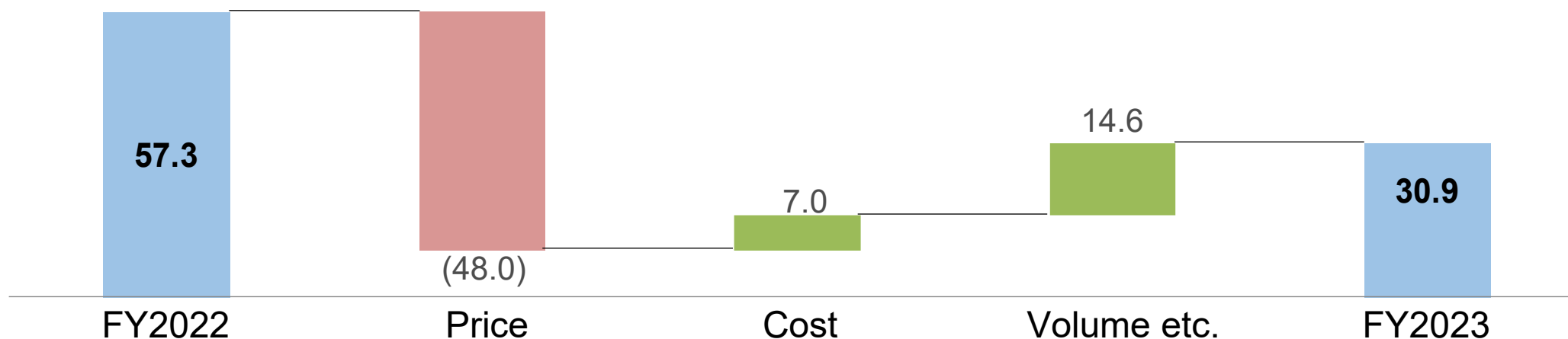
Total ¥ 44.0 billion ¥ (3.6) billion from FY2022



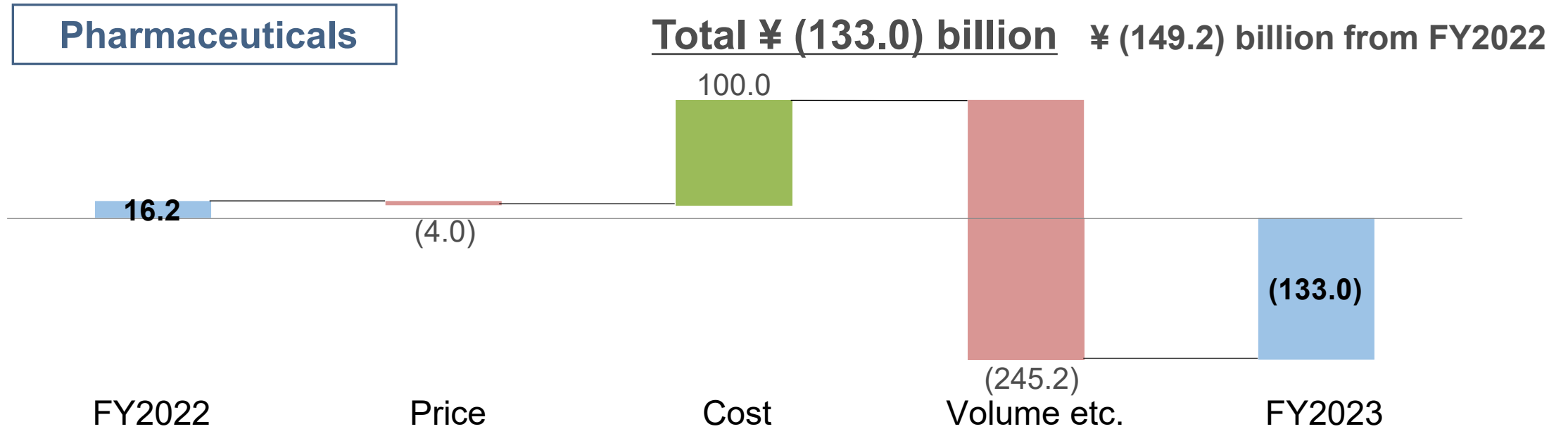
Price variance	Displays	Decline in the selling prices for polarizing films
Cost variance	Displays	Lower cost for raw materials, improvement in yield, and lower depreciation expenses, etc.
Volume variance etc.	Displays	Increase in shipments for polarizing films and touchscreen panels, etc.
	Semiconductors	Decline in shipments for photoresists and high-purity chemicals

Health & Crop Sciences

Total ¥ 30.9 billion ¥ (26.4) billion from FY2022



Price variance	Crop Protection	Decline in the selling prices for generic products in South America
	Methionine	Deterioration in profit margins due to decline in market prices
Cost variance	Methionine	Lower depreciation expenses
Volume variance etc.	Methionine	Increase in shipments



Price variance	Decline in sales prices due to the impact of National Health Insurance (NHI) drug price revisions in Japan
Cost variance	Reduction in fixed costs resulting from streamlining business operations through the combination of group companies in North America
Volume variance etc.	Decrease in shipments due to the expiration of the exclusive marketing period of LATUDA [®]

Consolidated Statement of Financial Position

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(Billions of yen)

	31-Mar-24	31-Mar-23	Variance		31-Mar-24	31-Mar-23	Variance
Current assets	1,675.9	1,762.9	(87.0)	Liabilities	2,770.5	2,676.3	94.1
Cash and cash equivalents	217.4	305.8	(88.4)	Trade and other payables	543.4	515.9	27.5
Trade and other receivables	620.0	603.2	16.9	Interest-bearing liabilities	1,563.5	1,461.4	102.1
Inventories	709.6	744.5	(34.8)	Others	663.6	699.1	(35.5)
Others	128.8	109.4	19.4	Equity	1,164.4	1,489.2	(324.8)
Non-current assets	2,258.9	2,402.6	(143.7)	Shareholders' equity	660.0	973.0	(313.0)
Property, plant and equipment	796.5	829.4	(32.8)	Other components of equity	305.8	198.2	107.6
Goodwill and intangible assets	536.7	670.9	(134.2)	Non-controlling interests	198.6	318.0	(119.4)
Others	925.7	902.4	23.3				
Total	3,934.8	4,165.5	(230.7)	Total	3,934.8	4,165.5	(230.7)
				Ratio of equity attributable to owners of the parent to total assets	24.5%	28.1%	(3.6)%
				D/E ratio (times)	1.3	1.0	0.4






















	(Billions of yen)		
	FY2023	FY2022	Variance
Cash flows from operating activities	(51.3)	111.6	(162.9)
Cash flows from investing activities	(112.2)	(19.4)	(92.8)
Free cash flows	(163.6)	92.2	(255.8)
Cash flows from financing activities	49.2	(178.5)	227.7
Others	28.7	27.8	0.9
Increase(decrease) in cash and cash equivalents	(85.6)	(58.5)	(27.1)
Cash and cash equivalents at the end of the period	217.4	305.8	(88.4)

2. Outlook for FY2024 Ending March 31, 2025

Economic Conditions

- The global economy, against the backdrop of factors such as declining inflation, is expected to stabilize, but low growth is expected.

Business Environment

	Prev. (Feb.)	FY23 Act.	FY24 Forecast	Forecast for FY2024
Petrochemicals/ Raw Materials				The petrochemical market will bottom out, but it will not sufficiently increase, and low margins will continue.
Automobiles				The automotive production volume will continue to show signs of recovery.
Displays				TV: final demand will remain flat, and the intensely competitive business environment will continue. Mobile devices: there will be steady growth in OLED-related components due to progress in the shift to OLED.
Semiconductors				Demand for semiconductors will show signs of a gradual recovery. We anticipate a full-scale recovery in the second half of the fiscal year.
Crop Protection				Inventories in the overseas distribution chain will be reduced.
Methionine				The methionine market will come out of its worst period and will be on an upward trend.
Pharmaceuticals				We will work to thoroughly rationalize costs and expand the three key products.

(Billions of yen)

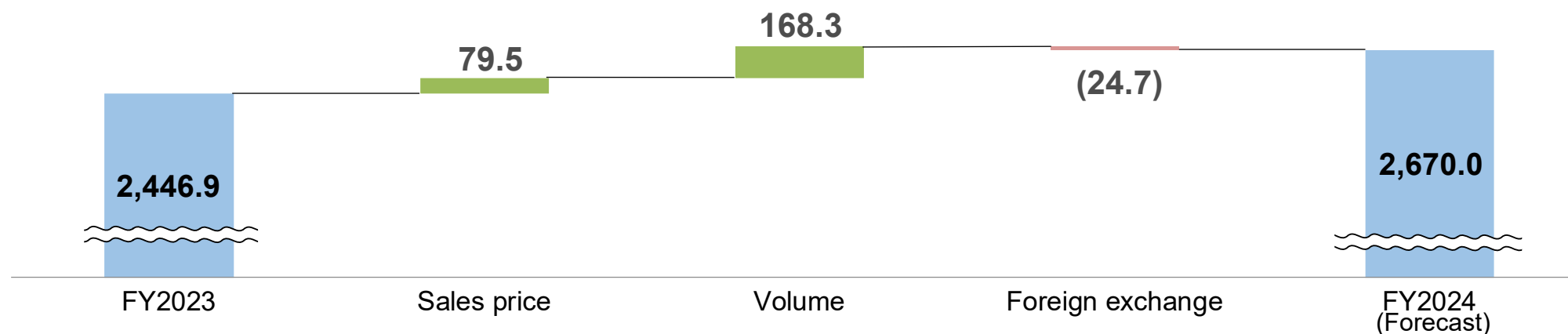
	FY2024 (Forecast)	FY2023	Variance	Variance ratio
Sales revenue	2,670.0	2,446.9	223.1	9.1%
Core operating income (loss)	100.0	(149.0)	249.0	-
Non-recurring items	(30.0)	(339.8)	309.8	-
Operating income (loss)	70.0	(488.8)	558.8	-
Net income (loss) attributable to owners of the parent	20.0	(311.8)	331.8	-
ROE	2.1%	(29.2)%		
Exchange rate (yen/\$)	145.00	144.59		
Naphtha price (yen/kl)	75,000	69,100		
Cash dividends (yen)	Interim dividend	3.00	6.00	
	Year-end dividend	6.00	3.00	
	Annual dividend	9.00	9.00	

Sales Revenue by Business Segment

(Billions of yen)

	FY2024 (Forecast)	FY2023	Difference	Ratio	Sales price variance	Shipping volume variance	Foreign currency conversion variance
Essential Chemicals & Plastics	900.0	774.0	126.0	16.3%	70.5	55.6	0.0
Energy & Functional Materials	290.0	300.3	(10.3)	(3.4)%	(4.5)	(5.0)	(0.7)
IT-related Chemicals	410.0	414.2	(4.2)	(1.0)%	(8.0)	7.9	(4.1)
Health & Crop Sciences	610.0	546.0	64.0	11.7%	21.5	62.4	(19.9)
Pharmaceuticals	370.0	342.7	27.3	8.0%	0.0	27.3	0.0
Others & Adjustments	90.0	69.8	20.2	28.9%	0.0	20.2	0.0
Total	2,670.0	2,446.9	223.1	9.1%	79.5	168.3	(24.7)

Analysis of Variance

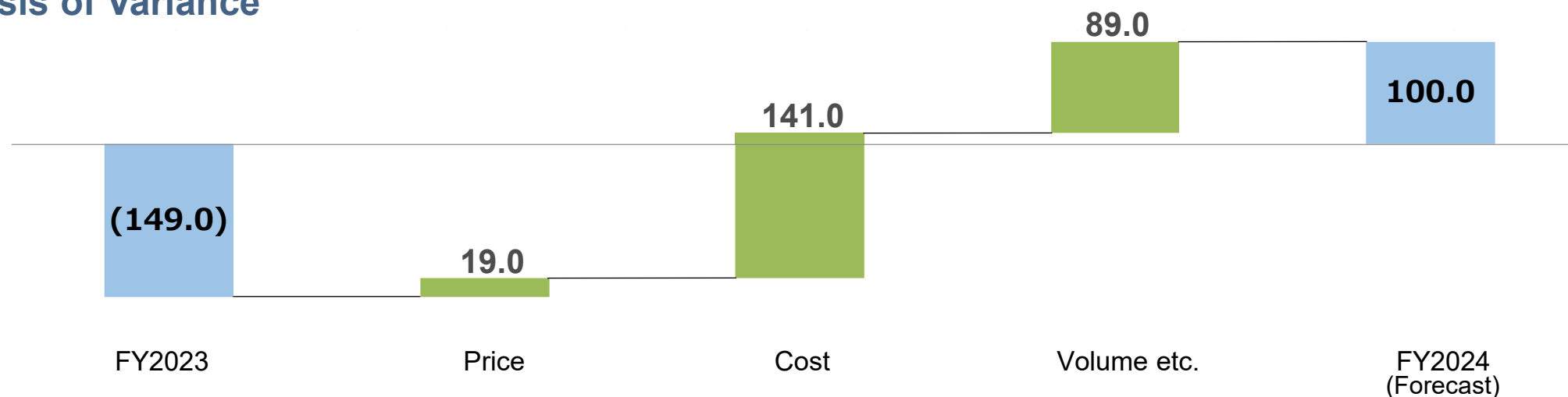


Core Operating Income by Business Segment

(Billions of yen)

	FY2024 (Forecast)	FY2023	Difference	Price variance	Cost variance	Shipping volume variance and other
Essential Chemicals & Plastics	(35.0)	(90.7)	55.7	14.0	19.0	22.7
Energy & Functional Materials	11.0	7.8	3.2	(4.0)	6.5	0.7
IT-related Chemicals	47.0	44.0	3.0	(9.0)	2.0	10.0
Health & Crop Sciences	62.0	30.9	31.1	18.0	3.5	9.6
Pharmaceuticals	3.0	(133.0)	136.0	0.0	109.0	27.0
Others & Adjustments	12.0	(8.0)	20.0	0.0	1.0	19.0
Total	100.0	(149.0)	249.0	19.0	141.0	89.0

Analysis of Variance



Consolidated Statement of Cash Flows

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(Billions of yen)

	FY2024 (Forecast)	FY2023	Difference
Cash flows from operating activities	160.0	(51.3)	211.3
Cash flows from investing activities	110.0	(112.2)	222.2
Free cash flows	270.0	(163.6)	433.6
Cash flows from financing activities	(270.0)	49.2	(319.2)
Effect of exchange rate changes on cash and cash equivalents	0.0	28.7	(28.7)
Net change in cash and cash equivalents	0.0	(85.6)	85.6
Interest-bearing debt balance	1,320.0	1,563.5	(243.5)

(Reference)

Sales Revenue by Business Segment (Quarterly)

(Billions of yen)

	FY2022				FY2023				FY2024 (Forecast)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	4Q	Full year
Essential Chemicals & Plastics	238.6	228.7	208.2	177.4	192.4	197.9	206.4	177.3	900.0
Energy & Functional Materials	86.4	87.1	83.6	85.3	73.4	76.5	75.4	74.9	290.0
IT-related Chemicals	114.7	107.5	116.4	92.6	94.5	109.2	107.4	103.1	410.0
Health & Crop Sciences	152.6	141.3	145.3	159.2	102.7	138.5	125.8	179.0	610.0
Pharmaceuticals	167.7	166.7	148.0	102.4	83.0	83.9	89.5	86.3	370.0
Others & Adjustments	14.2	23.0	26.9	21.3	17.3	17.6	15.6	19.4	90.0
Total	774.1	754.4	728.5	638.2	563.1	623.7	620.0	640.0	2,670.0

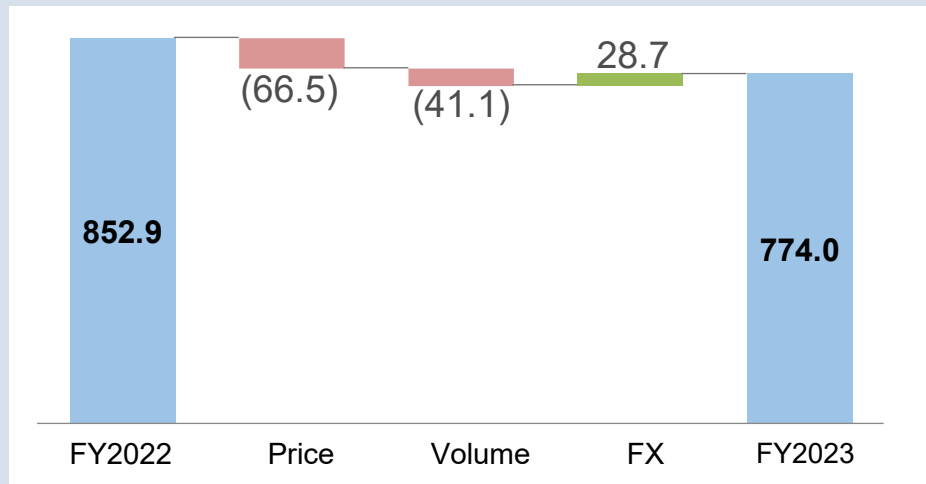
Core Operating Income by Business Segment (Quarterly)

22

(Billions of yen)

	FY2022				FY2023				FY2024 (Forecast)
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	4Q	Full year
Essential Chemicals & Plastics	10.0	13.3	(25.3)	(32.2)	(21.0)	(23.4)	(17.6)	(28.7)	(35.0)
Energy & Functional Materials	6.6	6.8	3.4	(1.6)	3.0	3.5	2.9	(1.5)	11.0
IT-related Chemicals	15.8	10.7	17.3	3.9	6.7	11.2	19.0	7.1	47.0
Health & Crop Sciences	21.9	14.4	10.9	10.1	(7.0)	(0.5)	6.2	32.3	62.0
Pharmaceuticals	14.1	11.1	17.9	(26.9)	(33.3)	(32.2)	(30.1)	(37.4)	3.0
Others & Adjustments	(4.3)	(4.8)	2.3	(2.6)	(1.9)	(1.6)	2.4	(6.9)	12.0
Total	64.1	51.5	26.5	(49.4)	(53.6)	(43.1)	(17.2)	(35.2)	100.0

Essential Chemicals & Plastics



Total ¥ 774.0 billion ¥ (78.9) billion from FY2022

Sales price
(66.5)

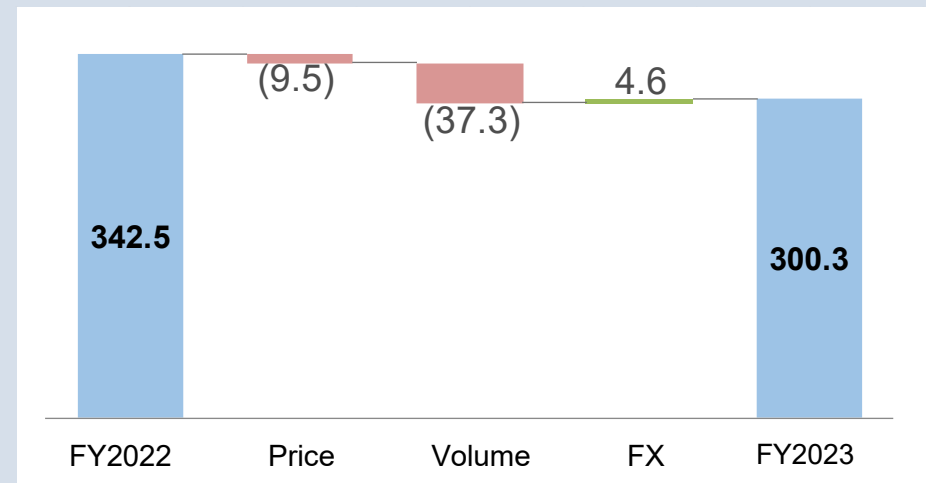
- Decline in market prices

Volume
(41.1)

- Decline in shipments due to lower demand (MMA, synthetic resins for overseas etc.)

Foreign exchange
28.7

Energy & Functional Materials



Total ¥ 300.3 billion ¥ (42.2) billion from FY2022

Sales price
(9.5)

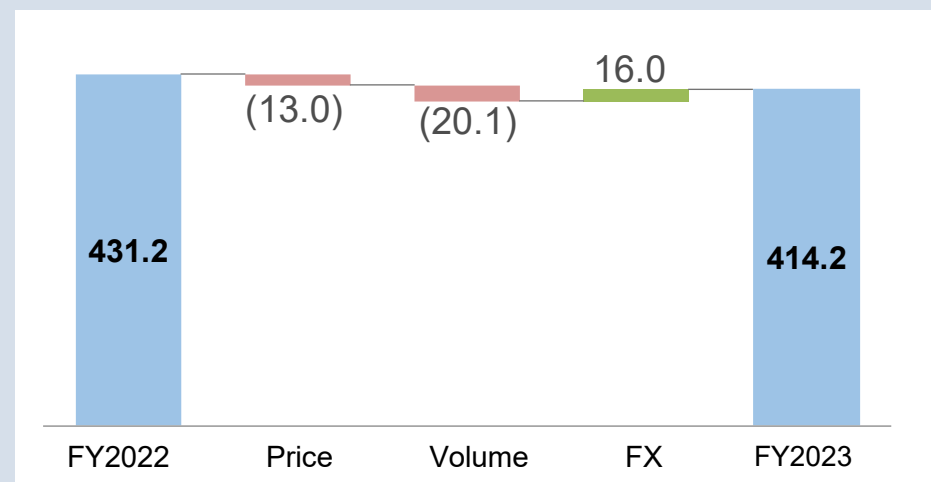
- Decline in market prices, etc.

Volume
(37.3)

- Decline in shipments for automotive applications (synthetic rubber, battery materials, resorcinol etc.)

Foreign exchange
4.6

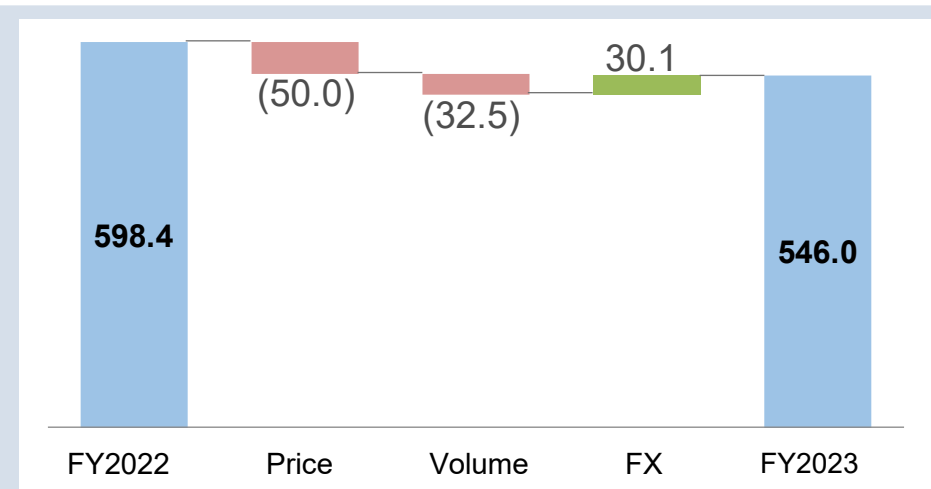
IT-related Chemicals



Total ¥ 414.2 billion ¥ (17.1) billion from FY2022

- Sales price** (13.0)
 - Decline in the selling prices for polarizing films
- Volume** (20.1)
 - Decline in shipments for processing materials for semiconductors
- Foreign exchange** 16.0

Health & Crop Sciences



Total ¥ 546.0 billion ¥ (52.4) billion from FY2022

- Sales price** (50.0)
 - Decline in the selling prices for crop protection products (generic products) in South America and methionine
- Volume** (32.5)
 - Decline in shipments for crop protection products in South America
- Foreign exchange** 30.1

Pharmaceuticals



Total ¥ 342.7 billion ¥ (242.1) billion from FY2022

Sales price
(4.0)

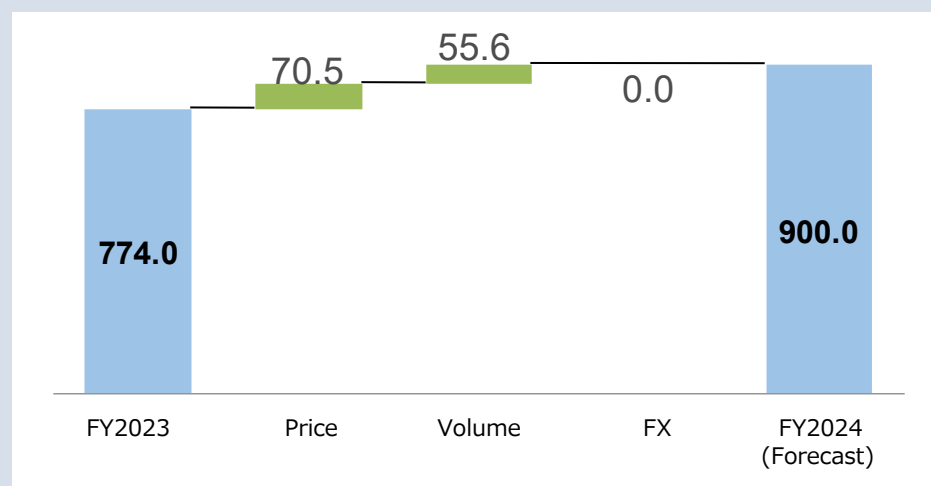
- NHI drug price revisions in Japan

Volume
(249.2)

- Expiration of the exclusive marketing period for LATUDA[®]

Foreign exchange
11.1

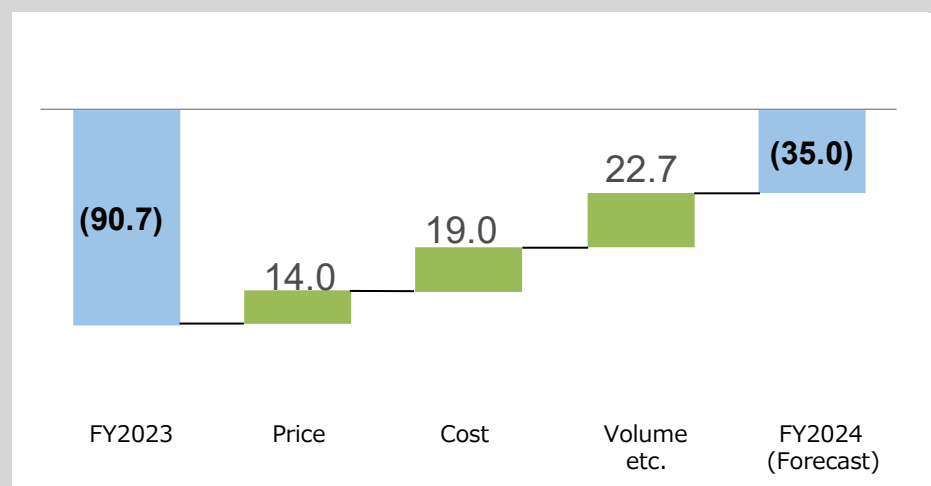
Sales Revenue



Total ¥900.0 billion ¥ 126.0 billion from FY2023

Sales price	70.5	□ Higher market prices
Volume	55.6	□ Recovery of demand
Foreign exchange	0.0	

Core Operating Income



Total ¥ (35.0) billion ¥ 55.7 billion from FY2023

Price variance	14.0	□ Improvement in terms of trade due to higher market prices and lower utility costs
Cost variance	19.0	□ Lower depreciation expenses, rationalization of fixed costs
Volume variance etc.	22.7	□ Recovery of demand and higher sales

Sales Revenue



Total ¥290.0 billion ¥(10.3) billion from FY2023

Sales price

(4.5)

- Decline in the selling prices

Volume

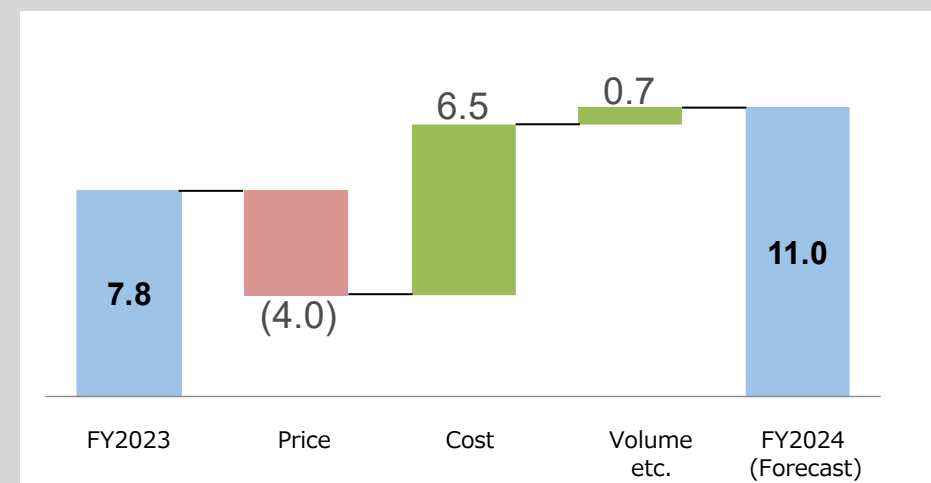
(5.0)

- Changes in commercial distribution and termination of sales of some products

Foreign exchange

(0.7)

Core Operating Income



Total ¥11.0 billion ¥ 3.2 billion from FY2023

Price variance

(4.0)

- Terms of trade deteriorated due to lower selling prices and higher utility costs

Cost variance

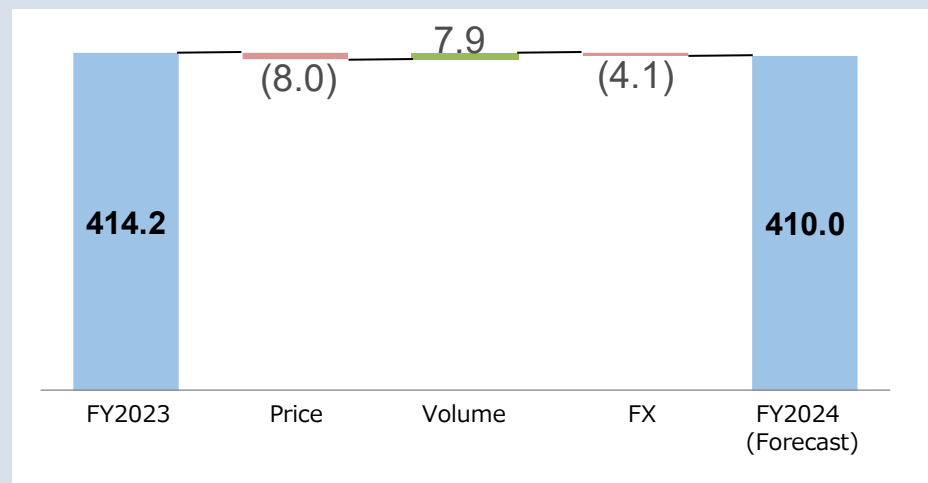
6.5

- Lower depreciation expenses, rationalization of fixed costs

Volume variance etc.

0.7

Sales Revenue



Total ¥410.0 billion ¥(4.2) billion from FY2023

Sales price

(8.0)

- Decline in the selling prices of display-related materials

Volume

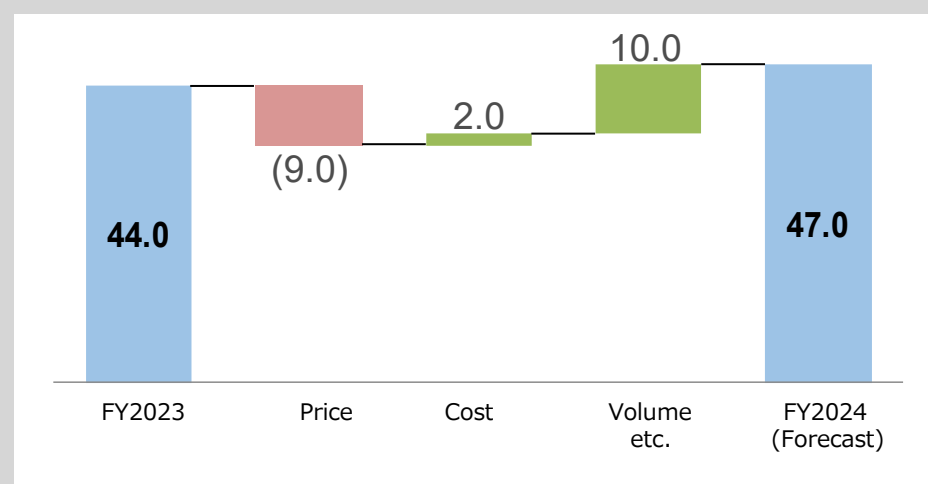
7.9

- Increase in shipments for display-related materials
- processing materials for semiconductors

Foreign exchange

(4.1)

Core Operating Income



Total ¥47.0 billion ¥3.0 billion from FY2023

Price variance

(9.0)

- Decline in the selling prices of display-related materials

Cost variance

2.0

Volume variance etc.

10.0

- Increase in shipments for processing materials for semiconductors
- display-related materials

Sales Revenue



Total ¥610.0 billion ¥64.0 billion from FY2023

Sales price

21.5

- Increase in the selling prices of generic products in South America
- Higher market prices for methionine

Volume

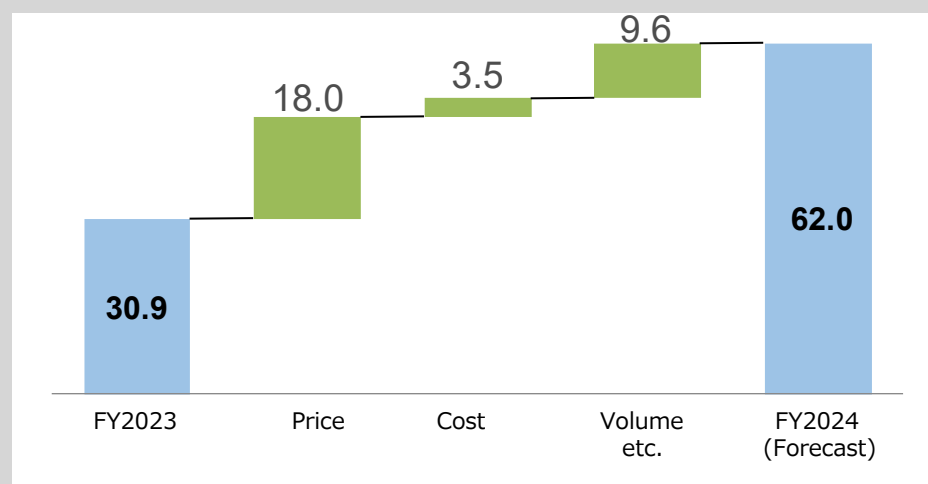
62.4

- Increase in shipments for crop protection products in North and South America

Foreign exchange

(19.9)

Core Operating Income



Total ¥62.0 billion ¥31.1 billion from FY2023

Price variance

18.0

- Improvement of terms of trade for
- generic products in South America
- methionine

Cost variance

3.5

Volume variance etc.

9.6

- Increase in shipments for crop protection products in North and South America etc.

Sales Revenue



Total ¥370.0 billion ¥27.3 billion from FY2023

Sales price

0.0

Volume

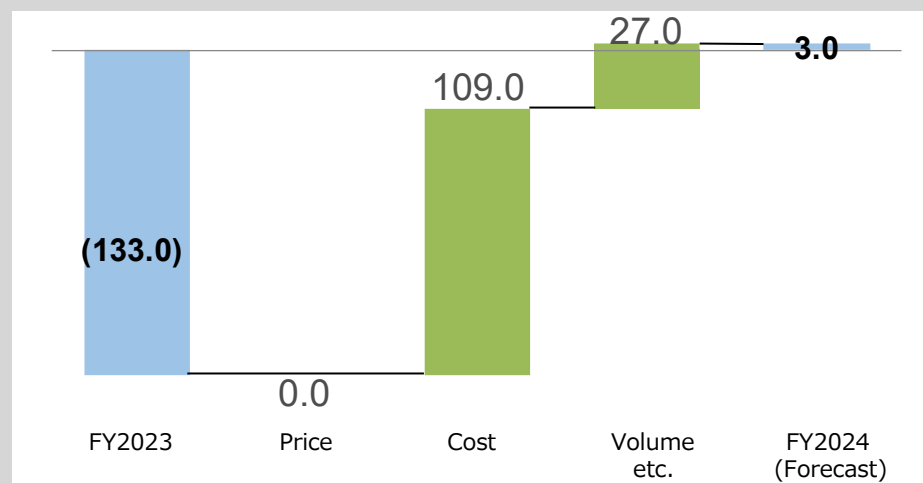
27.3

□ Higher sales of the three key products (ORGOVYX[®], MYFEMBREE[®] and GEMTESA[®])

Foreign exchange

0.0

Core Operating Income



Total ¥3.0 billion ¥136.0 billion from FY2023

Price variance

0.0

Cost variance

109.0

□ Reduction of fixed cost through reorganization and rationalization

Volume variance etc.

27.0

□ Higher sales of the three key products

	FY2023	FY2022	Variance	(Billions of yen) FY2024 (Forecast)
Capital Expenditures	158.4	141.1	17.3	158.0
Depreciation and Amortization	157.5	168.0	(10.4)	152.0
Research & Development Expenses	184.0	195.6	(11.6)	154.0
Number of Employees (as of March 31)	32,161	33,572	(1,411)	31,000

(Billions of yen)

	Capital Expenditure		Depreciation & Amortization		R&D Expenses	
	FY2023	FY2022	FY2023	FY2022	FY2023	FY2022
Essential Chemicals & Plastics	26.9	30.2	30.4	30.1	7.0	7.4
Energy & Functional Materials	23.8	26.6	19.6	19.3	9.0	8.8
IT-related Chemicals	42.9	32.8	22.8	26.6	23.6	19.9
Health & Crop Sciences	31.0	24.3	24.9	28.7	33.2	31.3
Pharmaceuticals	20.9	14.1	40.4	44.0	94.2	109.6
Others & Adjustments	12.9	13.0	19.4	19.3	17.0	18.7
Total	158.4	141.1	157.5	168.0	184.0	195.6

(Billions of yen)

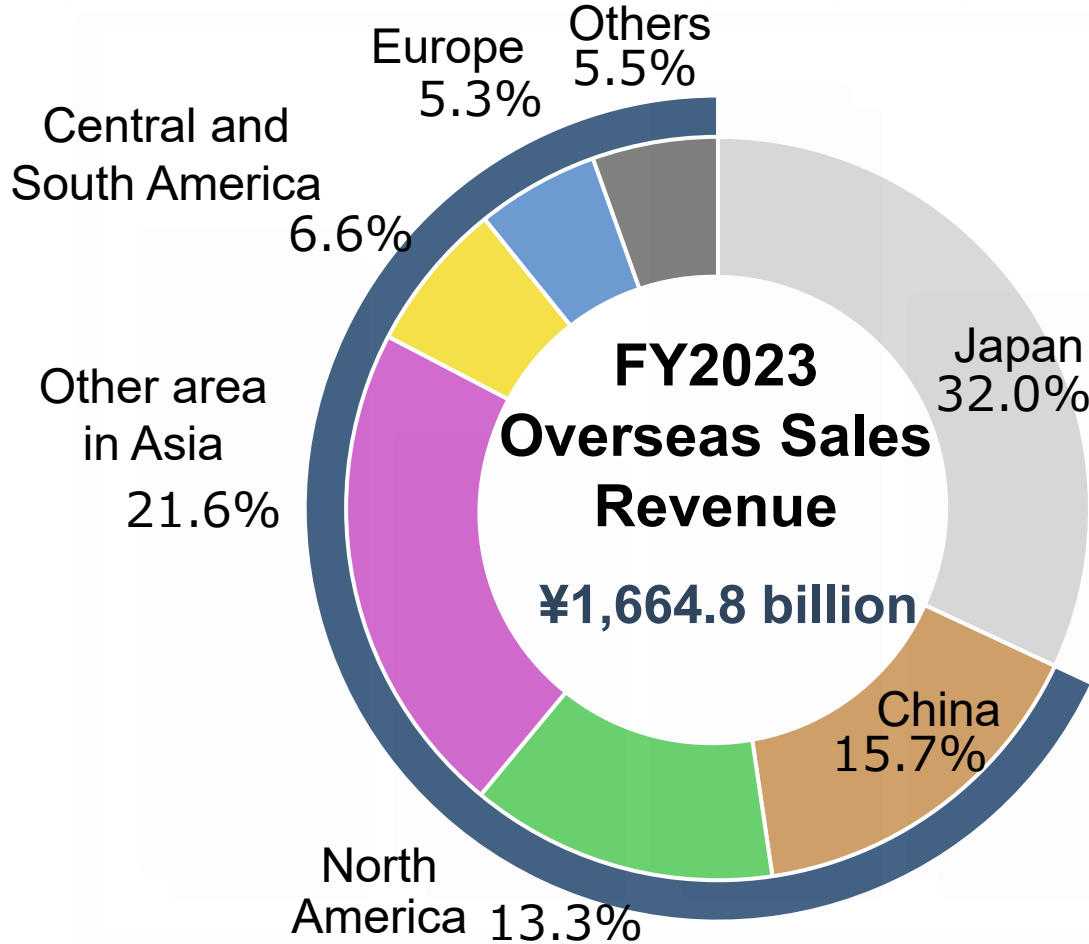
	Capital Expenditure		Depreciation & Amortization		R&D Expenses	
	FY2024 (Forecast)	FY2023	FY2024 (Forecast)	FY2023	FY2024 (Forecast)	FY2023
Essential Chemicals & Plastics	26.0	26.9	34.0	30.4	10.0	7.0
Energy & Functional Materials	20.5	23.8	19.0	19.6	9.5	9.0
IT-related Chemicals	52.5	42.9	26.0	22.8	25.5	23.6
Health & Crop Sciences	36.0	31.0	23.5	24.9	37.5	33.2
Pharmaceuticals	13.0	20.9	31.0	40.4	52.5	94.2
Others & Adjustments	10.0	12.9	18.5	19.4	19.0	17.0
Total	158.0	158.4	152.0	157.5	154.0	184.0

Company	Sales Revenue		Profit
	FY2023	FY2022	
The Polyolefin Company (Singapore) (Millions of USD)	823	1,082 ↘	Deterioration in profit margins
PCS* (Millions of USD)	2,151	2,550 ↗	Profit margins improved
Rabigh Refining and Petrochemical Company (Millions of SAR)	44,604	55,952 ↘	Lower margins on oil refining and petrochemical products
Dongwoo Fine-Chem (Billions of KRW)	1,958.5	2,077.4 ↗	Profit increased due to a change in product mix
Sumitomo Chemical Brasil Indústria Química S.A. (Millions of BRL)	3,922	6,263 ↘	Deterioration in profit margins
Valent North America, and subsidiaries (Millions of USD)	935	875 ↗	Profit increased due to higher shipment volume and other factors

* Former Petrochemical Corporation of Singapore (Private) Limited; the company changed its name to "PCS Pte. Ltd." as of October 1, 2023.

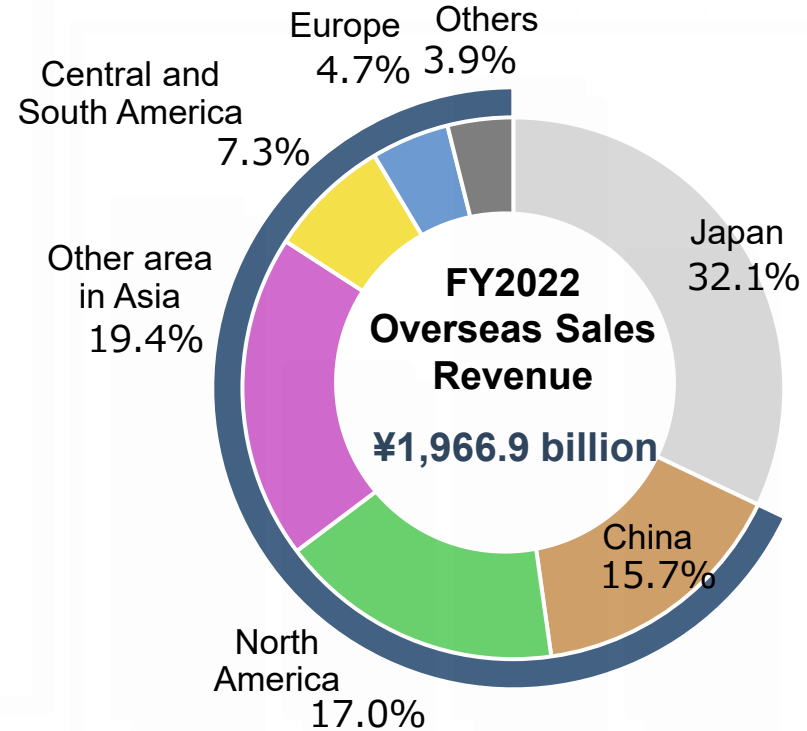
(Billions of yen)

	FY2023	FY2022	Variance	Reasons for Change
Japan	76.4	82.2	(5.8)	Decline in shipments due to excess distribution inventories of fertilizers
North America	93.8	80.7	13.1	Foreign currency conversion variance, increase in shipments
Central & South America	134.4	185.7	(51.3)	Decline in shipments due to high levels of inventory in the market and the impact of extreme weather in Brazil
Asia (including India)	59.6	64.7	(5.1)	Decline in shipments due to the rise of generic products and the impact of extreme weather in India
Europe & Others	31.7	31.3	0.4	
Total	395.9	444.6	(48.7)	



Overseas Sales Revenue Ratio

68.0%

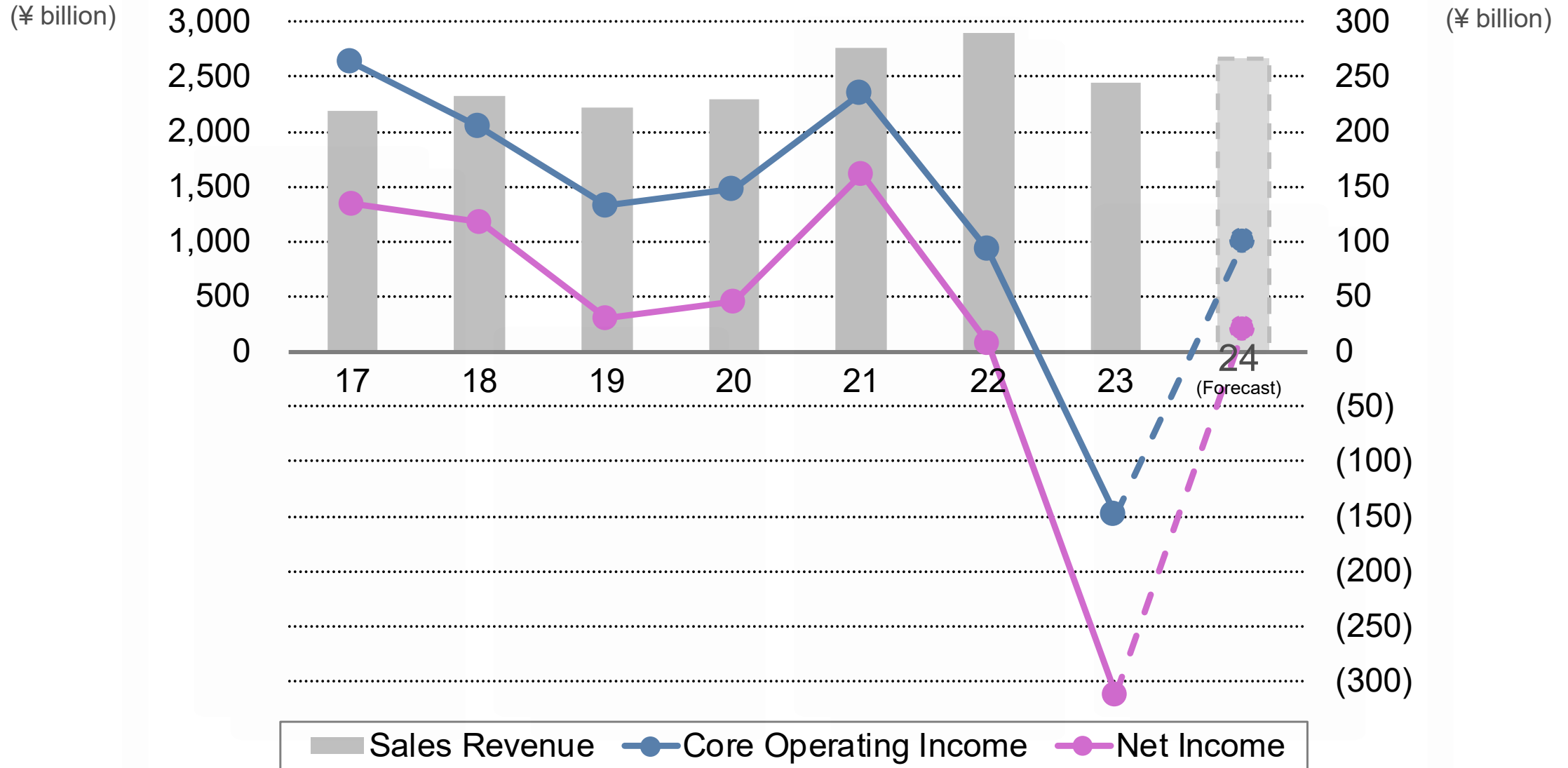


Overseas Sales Revenue Ratio

67.9%

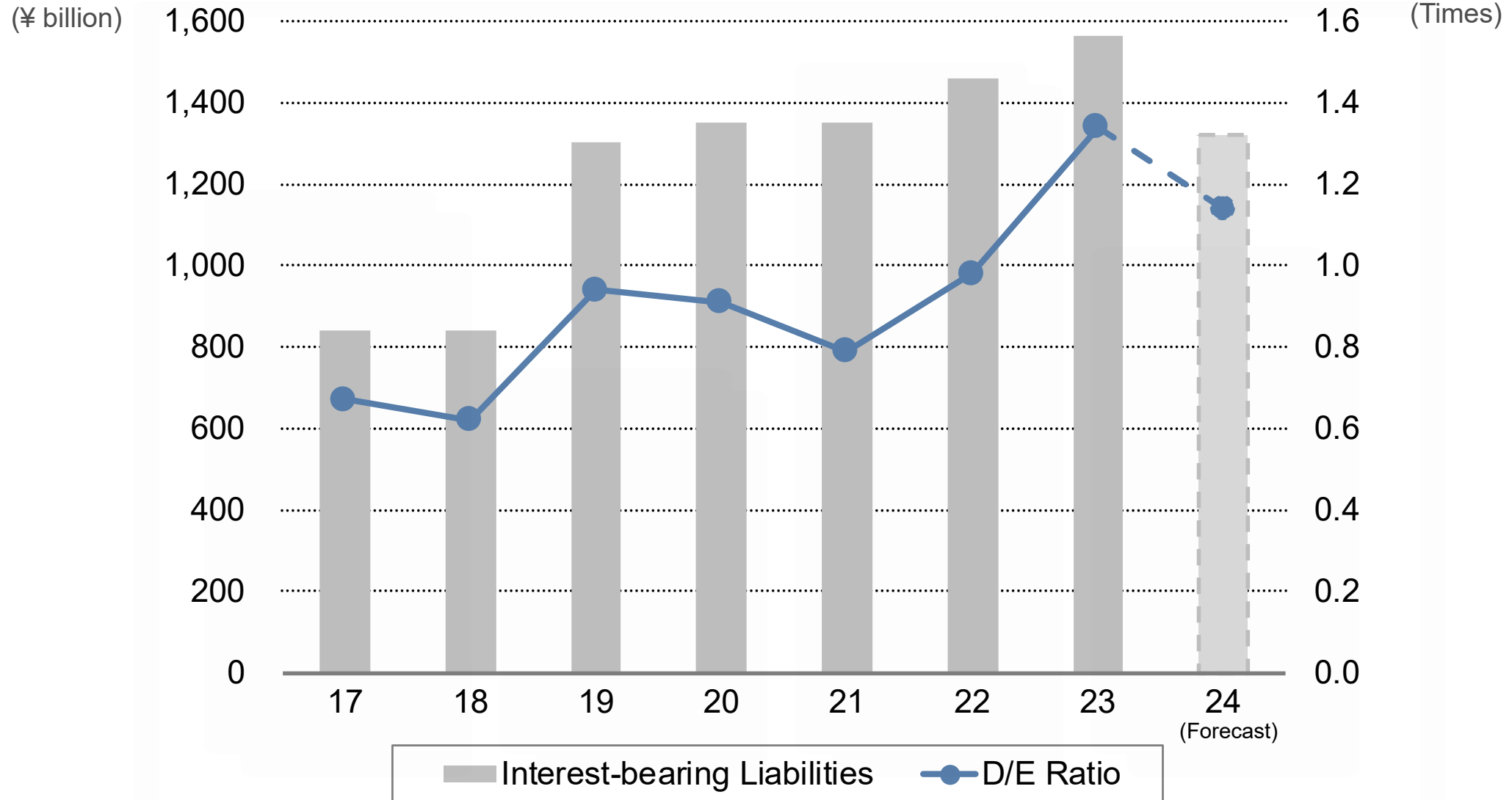
Sales Revenue

Profit



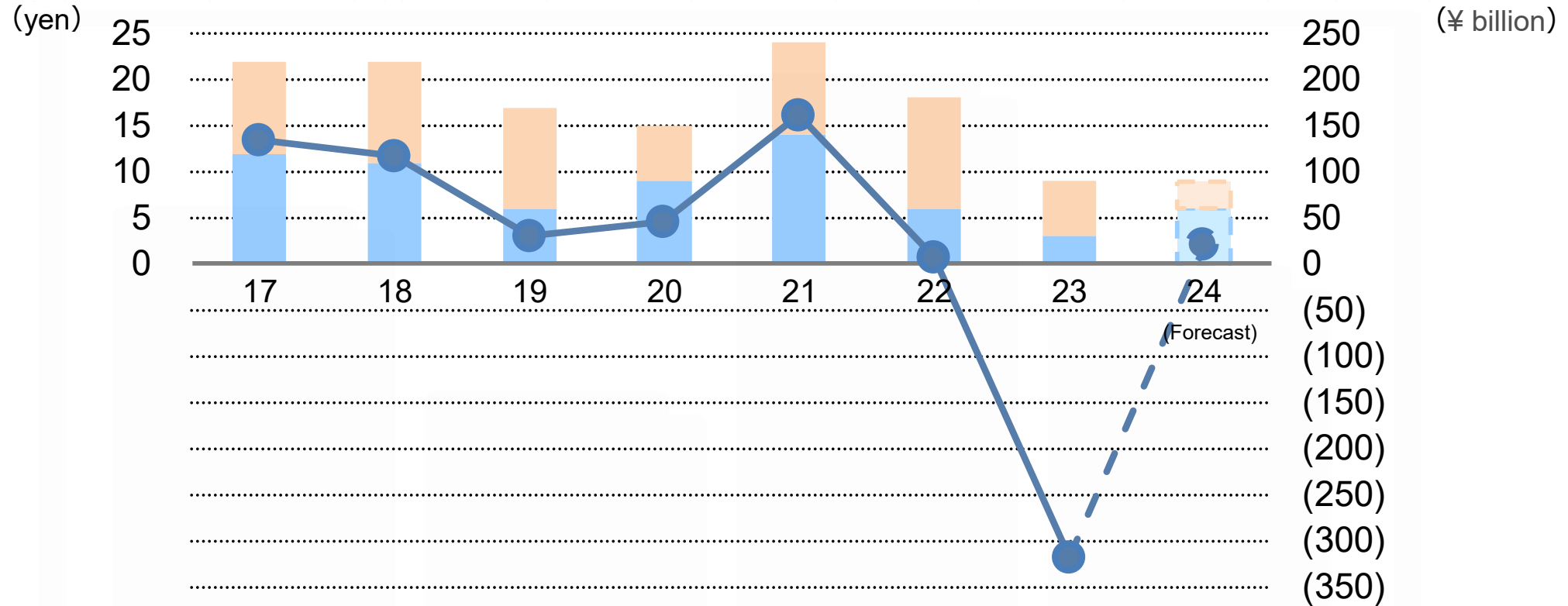
Interest-bearing Liabilities

D/E Ratio



Dividends per share

Net income attributable to owners of the parent



Payout Ratio(%)

26.9

30.5

89.9

53.3

24.2

421.2

-

73.6

Year-end dividends

Interim dividends

Net income attributable to owners of the parent