

Financial Results for FY2022

(April 1, 2022 - March 31, 2023)

&

Outlook for FY2023

(April 1, 2023 - March 31, 2024)

May 15, 2023



(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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(Reference)

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1. Consolidated Financial Results for FY2022 Ended March 31, 2023

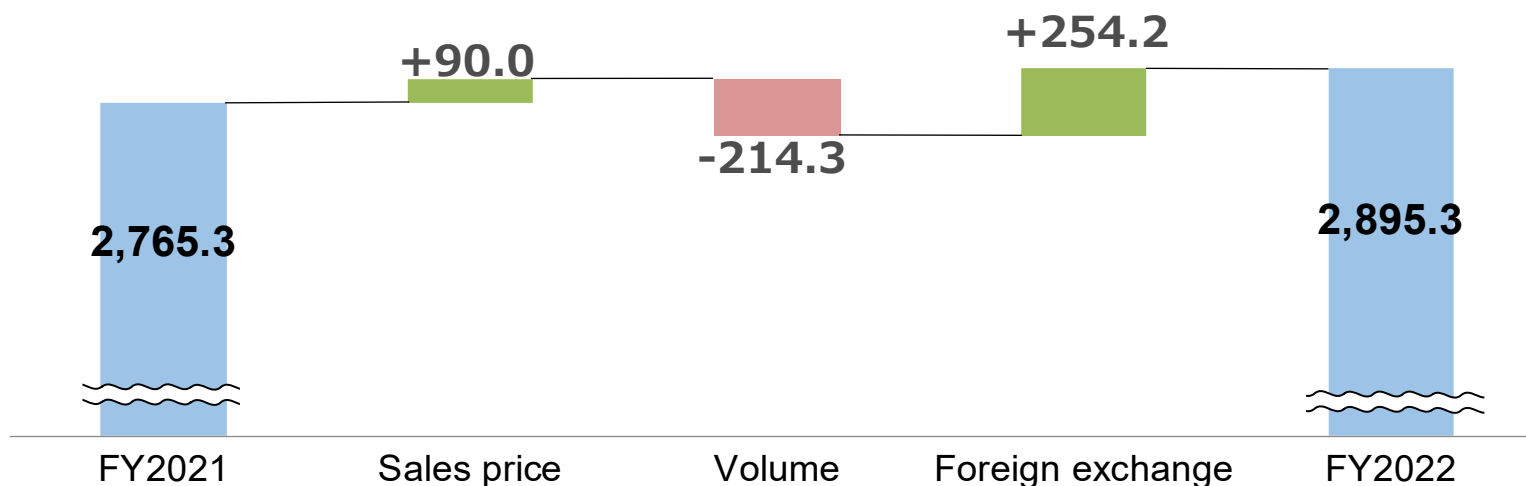
Unit: Billions of yen

	FY2021	FY2022	Variance	Ratio
Sales revenue	2,765.3	2,895.3	130.0	4.7%
Core operating income	234.8	92.8	-142.0	-60.5%
Of which equity in earnings	42.2	-6.8	-49.0	-
Non-recurring items	-19.8	-123.7	-104.0	-
Operating income/loss	215.0	-31.0	-246.0	-
Finance income/expenses	36.1	31.2	-4.9	-
Of which gain/loss on foreign currency transactions	45.6	40.1	-5.5	-
Income tax expenses	-64.7	-47.1	17.6	-
Net income attributable to non-controlling interests	-24.3	53.9	78.2	-
Net income attributable to owners of the parent	162.1	7.0	-155.1	-95.7%
ROE	14.5%	0.6%		
Exchange rate (yen/\$)	112.39	135.50		
Naphtha price (yen/KL)	56,600	76,600		
Overseas sales revenue ratio	67.7%	67.9%		

Unit: Billions of yen

	FY2021	FY2022	Variance	Ratio	Sales price variance	Shipping volume variance	Foreign currency conversion variance
Essential Chemicals & Plastics	842.5	852.9	10.4	1.2%	36.0	-98.5	72.9
Energy & Functional Materials	316.4	342.5	26.1	8.2%	39.5	-22.8	9.4
IT-related Chemicals	473.7	431.2	-42.5	-9.0%	-7.5	-75.7	40.6
Health & Crop Sciences	473.8	598.4	124.6	26.3%	33.0	20.8	70.8
Pharmaceuticals	591.7	584.9	-6.8	-1.2%	-11.0	-56.3	60.5
Others & Adjustments	67.2	85.4	18.2	27.1%	0.0	18.2	0.0
Total	2,765.3	2,895.3	130.0	4.7%	90.0	-214.3	254.2

Analysis of Variance



Unit: Billions of yen

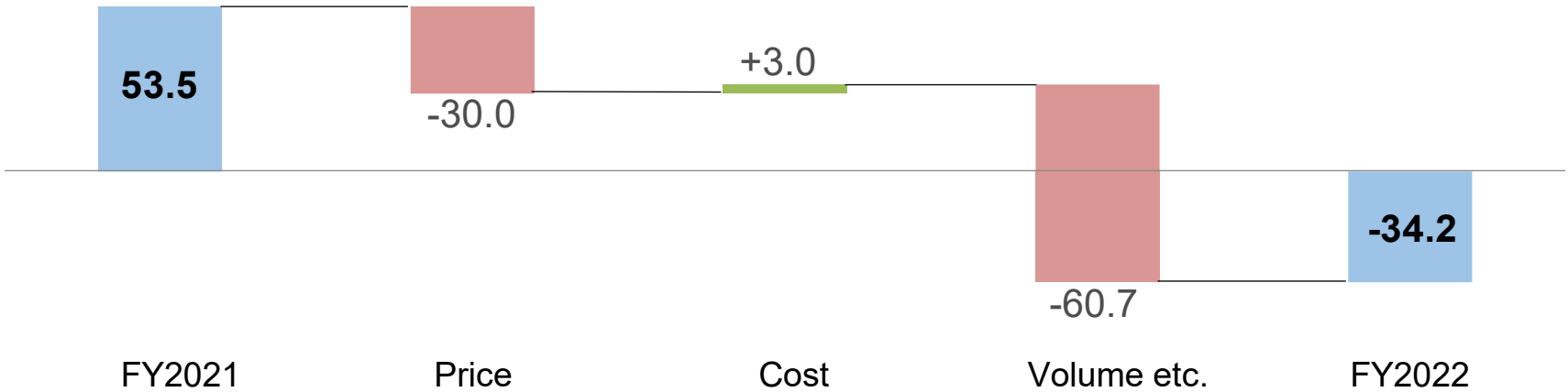
	FY2021	FY2022	Variance	Price variance	Cost variance	Shipping volume variance and other
Essential Chemicals & Plastics	53.5	-34.2	-87.7	-30.0	3.0	-60.7
Energy & Functional Materials	20.1	15.2	-4.8	-0.5	0.0	-4.3
IT-related Chemicals	57.8	47.6	-10.2	-10.5	8.0	-7.7
Health & Crop Sciences	42.3	57.3	15.0	-7.0	-6.0	28.0
Pharmaceuticals	61.7	16.2	-45.5	-11.0	-14.5	-20.0
Others & Adjustments	-0.6	-9.3	-8.8	0.0	0.0	-8.8
Total	234.8	92.8	-142.0	-59.0	-9.5	-73.5

Analysis of Variance



Essential Chemicals & Plastics

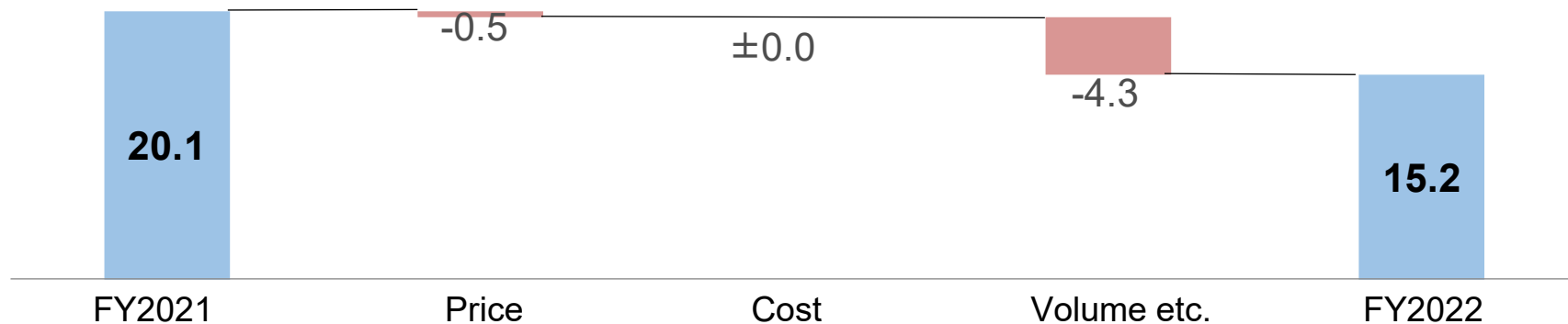
Total ¥ -34.2 billion (-87.7 from FY2021)



Price variance	Terms of trade have deteriorated because increases in sales prices have not kept up with increases in raw material and fuel prices for products such as synthetic resins, MMA, and various industrial chemicals.
Volume variance etc.	In addition to a deterioration in equity in earnings of affiliates, shipments declined due to a drop in demand, particularly for automotive applications.

Energy & Functional Materials

Total ¥ 15.2 billion (-4.8 from FY2021)



Price variance

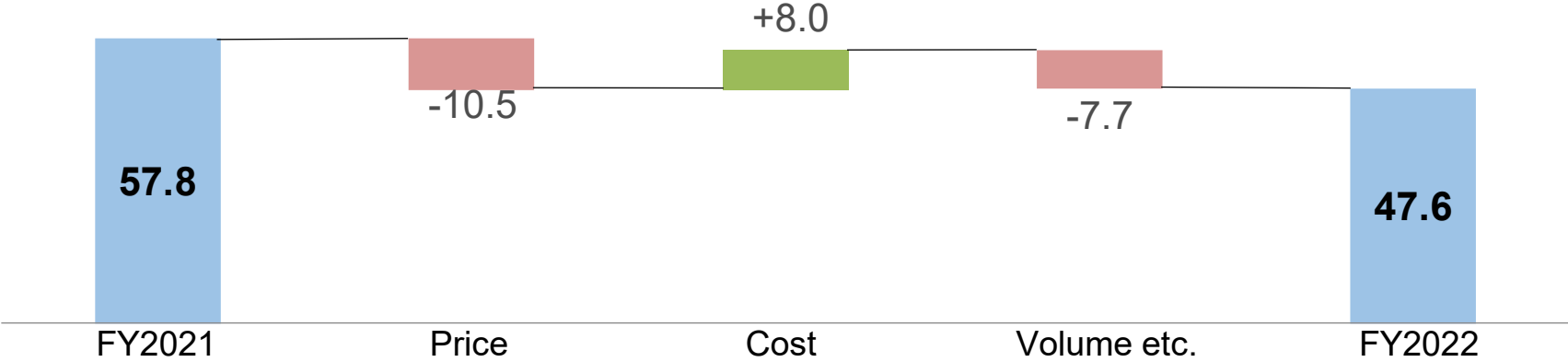
For resorcinol and synthetic rubber, terms of trade deteriorated due to increases in raw material and fuel prices.

Volume variance etc.

Shipments of resorcinol declined due to a drop in demand, particularly for automotive applications.

IT-related Chemicals

Total ¥ 47.6 billion (-10.2 from FY2021)



Price variance	Displays	Selling prices fell for polarizing film and touch sensor panels
	Volume variance etc.	
Volume variance etc.	Displays	Shipments decreased due to factors such as the waning of stay-at-home demand and deteriorated consumer sentiment due to inflation
	Semiconductors	Shipments of photoresists increased alongside increased overall demand
	Overall	Increased net income on exports and profit from foreign currency conversion due to the weak yen

Health & Crop Sciences

Total ¥ 57.3 billion (+15.0 from FY2021)



Price variance	Crop Protection	Improved terms of trade due to increased sales prices for generics in South America
	Methionine	Terms of trade deteriorated due to increased raw material and fuel prices.
Cost variance	Crop Protection	Expenses relating to business expansion increased, such as the immediate launch of INDIFLIN® and development expenses for new pipeline products
Volume variance etc.	Overall	Increased net income on exports and profit from foreign currency conversion due to the weak yen

Pharmaceuticals

Total ¥ 16.2billion (-45.5 from FY2021)



Price variance	Sales prices decreased due to the drug price revisions in Japan
Cost variance	Increases in selling, general and administrative expenses in the Sumitovant Group related to sales expansion of products such as ORGOVYX® and GEMTESA®
Volume variance etc.	<ul style="list-style-type: none"> • The expiration of the exclusive marketing period of Latuda® in the U.S. • Income resulting from the transfer of the shares of a subsidiary, the sale of a priority review voucher and the divestiture of the marketing rights. <p>FY2022</p> <ul style="list-style-type: none"> • There had been a lump-sum upfront revenue for the collaboration and license agreement for joint development and commercialization. <p>FY2021</p>

Unit: Billions of yen

	FY2021	FY2022	Variance
Impairment loss	-8.1	-109.4	-101.3
Restructuring charges	-10.6	-22.0	-11.4
Gain on sale of property, plant and equipment	0.7	5.2	4.5
Changes in fair value of contingent consideration	3.3	3.4	0.1
Others	-5.1	-0.9	4.2
Non-recurring items	-19.8	-123.7	-104.0

				Unit: Billions of yen			
	31-Mar-22	31-Mar-23	Variance		31-Mar-22	31-Mar-23	Variance
Current assets	1,812.6	1,762.9	-49.8	Liabilities	2,606.2	2,676.3	70.1
Cash and cash equivalents	365.4	305.8	-59.6	Trade and other payables	551.6	515.9	-35.7
Trade and other receivables	720.4	603.2	-117.3	Interest-bearing Liabilities	1,350.5	1,461.4	110.9
Inventories	651.4	744.5	93.1	Others	704.1	699.1	-5.0
Others	75.4	109.4	34.0	Equity	1,702.0	1,489.2	-212.8
Non-current assets	2,495.5	2,402.6	-92.9	Shareholders' equity	1,082.8	973.0	-109.8
Property, plant and equipment	823.0	829.4	6.3	Other components of equity	135.3	198.2	62.9
Goodwill and intangible assets	715.6	670.9	-44.8	Non-controlling interests	483.9	318.0	-165.9
Others	956.9	902.4	-54.5				
Total	4,308.2	4,165.5	-142.6	Total	4,308.2	4,165.5	-142.6
				Equity attributable to owners of parent to total assets	28.3%	28.1%	-0.2%
				D/E ratio (times)	0.8	1.0	0.2

Unit: Billions of yen

	FY2021	FY2022	Variance
Cash flows from operating activities	171.7	111.6	-60.1
Cash flows from investing activities	-115.4	-19.4	96.0
Free cash flows	56.3	92.2	35.9
Cash flows from financing activities	-81.4	-178.5	-97.1
Effect of exchange rate changes on cash and cash equivalents	29.6	27.8	-1.8
Net change in cash and cash equivalents	4.5	-58.5	-63.0
Cash and cash equivalents at end of period	365.4	305.8	-59.6

2. Outlook for FY2023 Ending March 31 , 2024

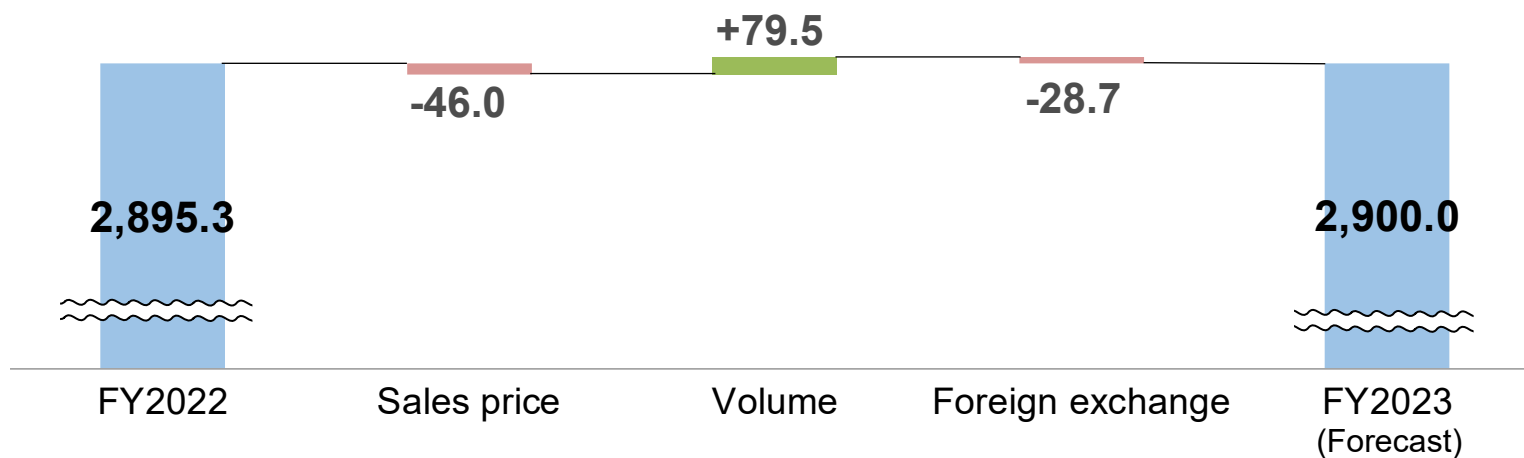
Unit: Billions of yen

	FY2022	FY2023 (Forecast)	Variance	Ratio
Sales revenue	2,895.3	2,900.0	4.7	0.2%
Core operating income	92.8	40.0	-52.8	-56.9%
Non-recurring items	-123.7	-20.0	103.7	-
Operating income/loss	-31.0	20.0	51.0	-
Net income attributable to owners of the parent	7.0	10.0	3.0	43.1%
ROE	0.6%	0.9%		
Exchange rate (yen/\$)	135.50	135.00		
Naphtha price (yen/KL)	76,600	70,000		
Cash dividends (yen)	Interim dividend	12.00	6.00	
	Year-end dividend	6.00	6.00	
	Annual dividend	18.00	12.00	

Unit: Billions of yen

	FY2022	FY2023 (Forecast)	Difference	Ratio	Sales price variance	Shipping volume variance	Foreign currency conversion variance
Essential Chemicals & Plastics	852.9	970.0	117.1	13.7%	-6.0	125.6	-2.5
Energy & Functional Materials	342.5	370.0	27.5	8.0%	1.0	27.4	-0.9
IT-related Chemicals	431.2	430.0	-1.2	-0.3%	-14.0	21.4	-8.6
Health & Crop Sciences	598.4	610.0	11.6	1.9%	-27.0	54.1	-15.5
Pharmaceuticals	584.9	400.0	-184.9	-31.6%	0.0	-183.6	-1.2
Others & Adjustments	85.4	120.0	34.6	40.5%	0.0	34.6	0.0
Total	2,895.3	2,900.0	4.7	0.2%	-46.0	79.5	-28.7

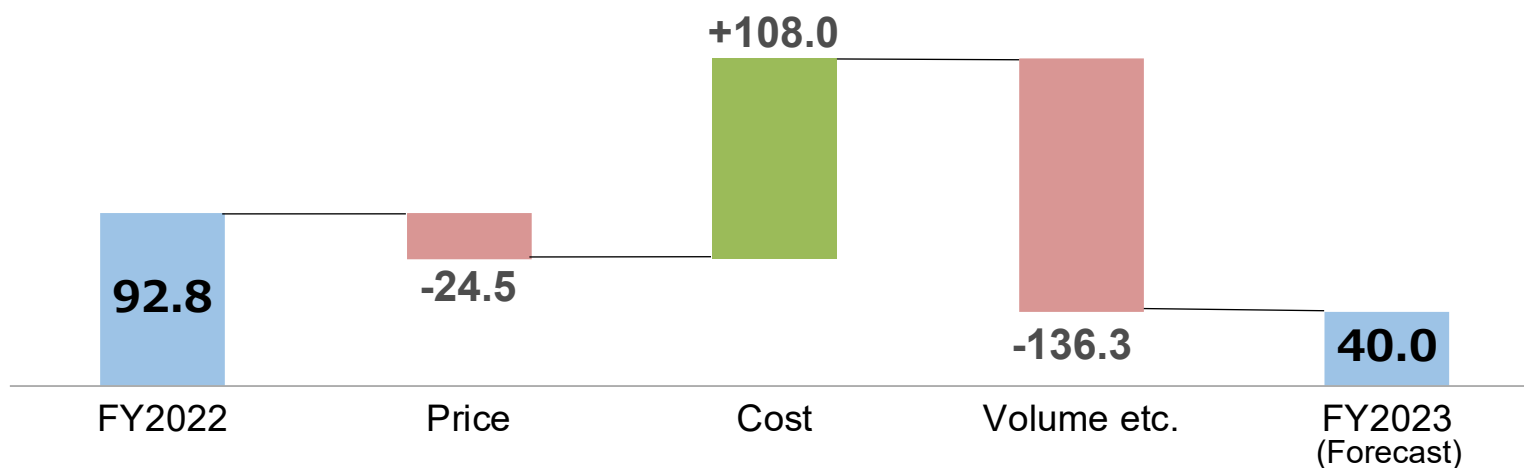
Analysis of Variance



Unit: Billions of yen

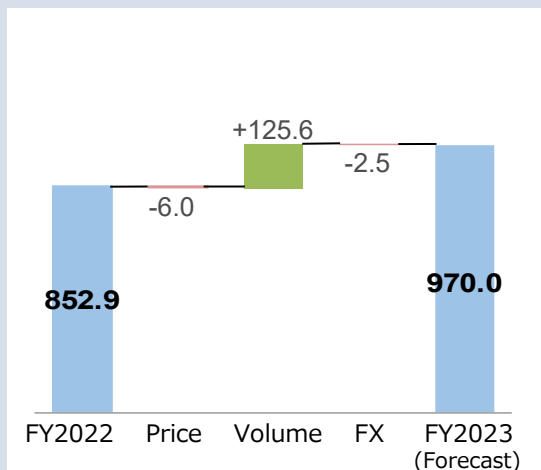
	FY2022	FY2023 (Forecast)	Difference	Price variance	Cost variance	Shipping volume variance and other
Essential Chemicals & Plastics	-34.2	-7.0	27.2	15.5	1.5	10.2
Energy & Functional Materials	15.2	13.0	-2.2	-2.5	-4.5	4.8
IT-related Chemicals	47.6	38.0	-9.6	-15.0	4.0	1.4
Health & Crop Sciences	57.3	62.0	4.7	-22.5	-2.0	29.2
Pharmaceuticals	16.2	-61.0	-77.2	0.0	108.5	-185.7
Others & Adjustments	-9.3	-5.0	4.3	0.0	0.5	3.8
Total	92.8	40.0	-52.8	-24.5	108.0	-136.3

Analysis of Variance



Sales Revenue

Total ¥970.0 billion (+117.1 from FY2022)



Sales price

-6.0

□ Lower market prices

Volume

+125.6

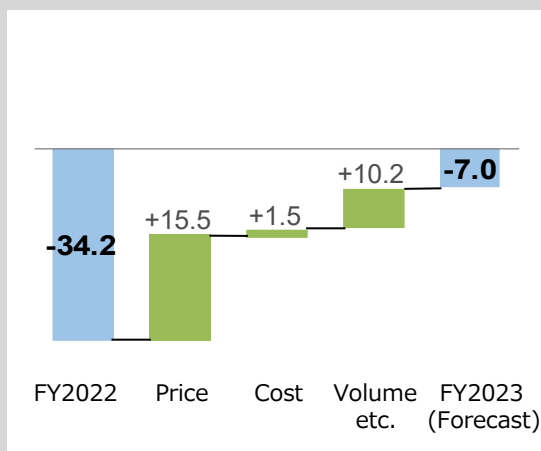
□ Recovery of demand

Foreign exchange

-2.5

Core Operating Income

Total ¥-7.0 billion (+27.2 from FY2022)



Price variance

+15.5

□ Improvement in terms of trade due to lower raw material prices

Cost variance

+1.5

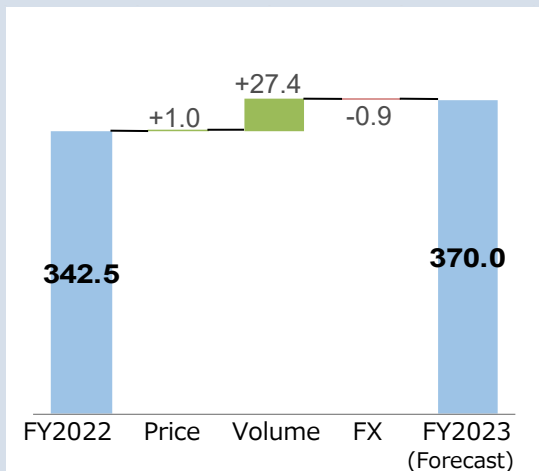
Volume variance etc.

+10.2

□ Improvement in equity in earnings
□ Recovery of demand

Sales Revenue

Total ¥370.0 billion (+27.5 from FY2022)



Sales price

+1.0

Volume

+27.4

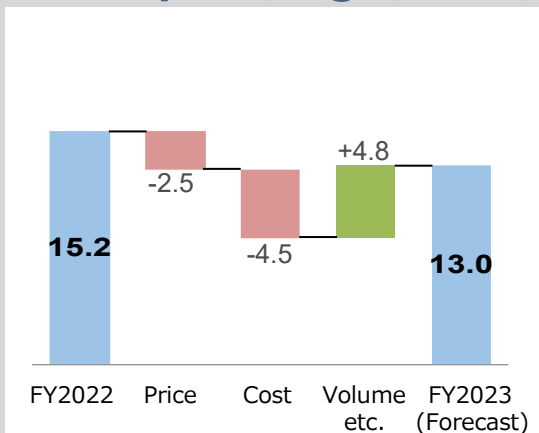
□ Recovery of demand

Foreign exchange

-0.9

Core Operating Income

Total ¥13.0 billion (-2.2 from FY2022)



Price variance

-2.5

□ Terms of trade deteriorated due to lower market prices and higher fuel prices

Cost variance

-4.5

- Increase in R&D expenses
- Increase in depreciation and amortization

Volume variance etc.

+4.8

□ Increase in shipment of cathode materials and super engineering plastics

Sales Revenue

Total ¥430.0 billion (-1.2 from FY2022)



Sales price

-14.0

- Decline in the selling price of materials for display applications

Volume

+21.4

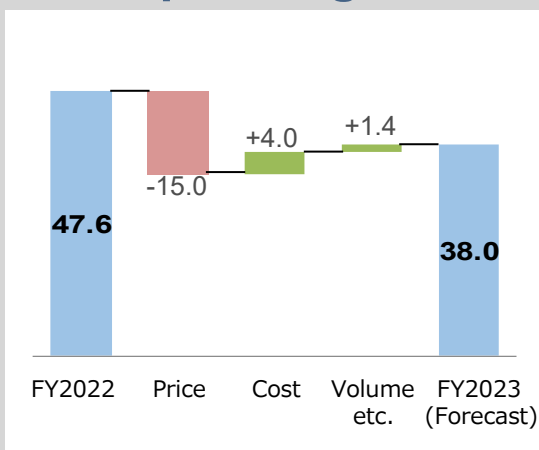
- Increase in shipments of processing materials for semiconductors

Foreign exchange

-8.6

Core Operating Income

Total ¥38.0 billion (-9.6 from FY2022)



Price variance

-15.0

- Decline in the selling price of display-related materials

Cost variance

+4.0

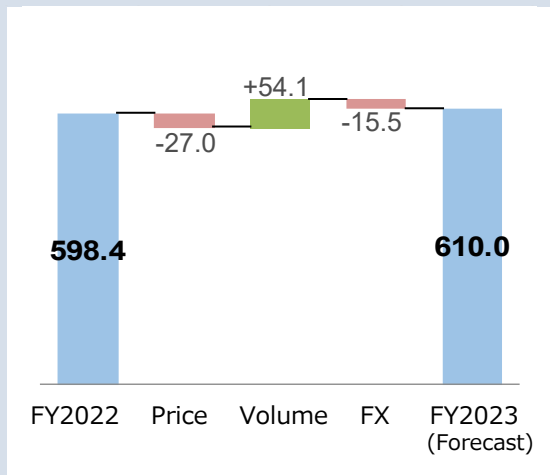
- Rationalization in raw materials and improvement of production yields

Volume variance etc.

+1.4

Sales Revenue

Total ¥610.0 billion (+11.6 from FY2022)



Sales price

-27.0

- Decline in the selling prices of generic products in South America
- Lower market price for methionine

Volume

+54.1

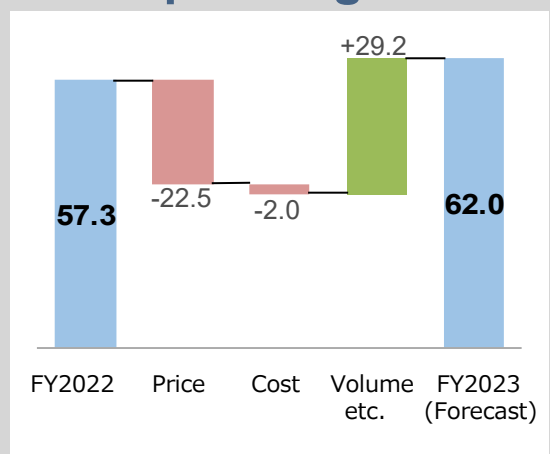
- Increase in shipments of crop protection products in North and South America
- Recovery of demand for methionine

Foreign exchange

-15.5

Core Operating Income

Total ¥62.0 billion (+4.7 from FY2022)



Price variance

-22.5

- Decline in the selling prices of generic products in South America
- Deterioration of terms of trade of methionine

Cost variance

-2.0

- Increase in expenses due to business expansion

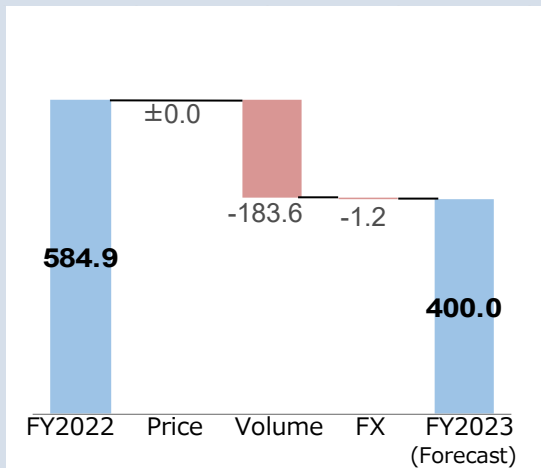
Volume variance etc.

+29.2

- Increase in shipments of crop protection products in North and South America
- Recovery of demand for methionine

Sales Revenue

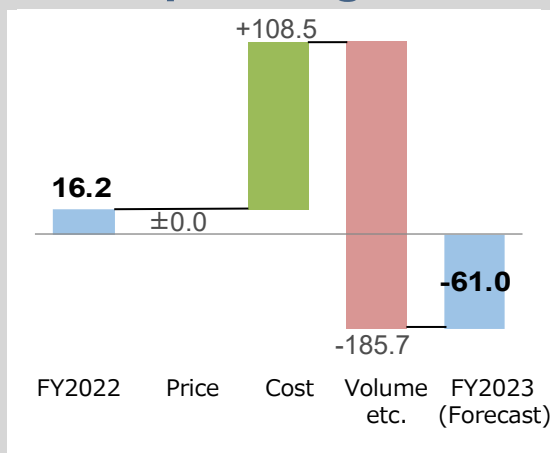
Total ¥400.0 billion (-184.9 from FY2022)

Sales price
±0.0Volume
-183.6Foreign exchange
-1.2

- The expiration of the exclusive marketing period for Latuda®
- Higher sales of post-Latuda® products

Core Operating Income

Total ¥-61.0 billion (-77.2 from FY2022)

Price variance
±0.0Cost variance
+108.5Volume variance etc.
-185.7

- Reduction of fixed cost through reorganization and rationalization

- The expiration of the exclusive market period of Latuda®
- Higher sales of Post-Latuda® products

Unit: Billions of yen

	FY2022	FY2023 (Forecast)	Difference
Cash flows from operating activities	111.6	-20.0	-131.6
Cash flows from investing activities	-19.4	-205.0	-185.6
Free cash flows	92.2	-225.0	-317.2
Cash flows from financing activities	-178.5	-5.0	173.5
Effect of exchange rate changes on cash and cash equivalents	27.8	0.0	-27.8
Net change in cash and cash equivalents	-58.5	-230.0	-171.5
Interest-bearing debt balance	1,461.4	1,490.0	28.6

Reference

Unit: Billions of yen

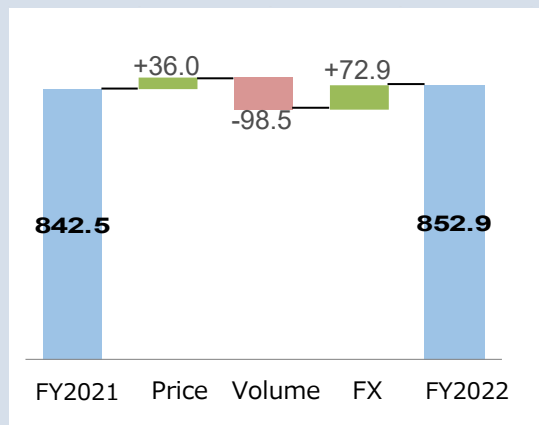
	FY2021				FY2022				FY2023 (Forecast)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1st Half	2nd Half
Essential Chemicals & Plastics	199.5	200.0	225.5	217.6	238.6	228.7	208.2	177.4	480.0	490.0
Energy & Functional Materials	74.4	74.1	78.2	89.7	86.4	87.1	83.6	85.3	180.0	190.0
IT-related Chemicals	109.3	118.4	124.4	121.7	114.7	107.5	116.4	92.6	200.0	230.0
Health & Crop Sciences	103.1	106.4	121.5	142.8	152.6	141.3	145.3	159.2	290.0	320.0
Pharmaceuticals	139.2	170.4	146.7	135.4	167.7	166.7	148.0	102.4	180.0	220.0
Others & Adjustments	13.6	17.0	16.4	20.3	14.2	23.0	26.9	21.3	40.0	80.0
Total	639.0	686.2	712.7	727.4	774.1	754.4	728.5	638.2	1,370.0	1,530.0

Unit: Billions of yen

	FY2021				FY2022				FY2023 (Forecast)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1st Half	2nd Half
Essential Chemicals & Plastics	23.8	18.2	10.0	1.5	10.0	13.3	-25.3	-32.2	-17.0	10.0
Energy & Functional Materials	6.7	5.9	6.1	1.4	6.6	6.8	3.4	-1.6	5.0	8.0
IT-related Chemicals	13.5	16.0	16.4	11.9	15.8	10.7	17.3	3.9	12.0	26.0
Health & Crop Sciences	10.3	8.2	9.4	14.4	21.9	14.4	10.9	10.1	24.0	38.0
Pharmaceuticals	9.6	40.3	12.5	-0.7	14.1	11.1	17.9	-26.9	-49.0	-12.0
Others & Adjustments	-2.3	-1.4	2.5	0.6	-4.3	-4.8	2.3	-2.6	-5.0	0.0
Total	61.7	87.2	56.8	29.1	64.1	51.5	26.5	-49.4	-30.0	70.0

Essential Chemicals & Plastics

Sales Revenue



Total ¥ 852.9 billion (+10.4 from FY2021)

Sales price

+36.0

- Higher market prices

Volume

-98.5

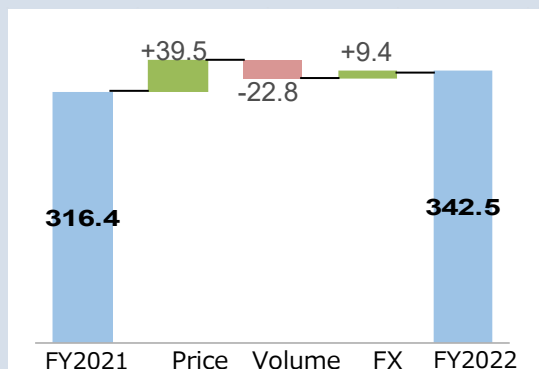
- Reduced shipments for automotive applications (synthetic resins, etc.)

Foreign exchange

+72.9

Energy & Functional Materials

Sales Revenue



Total ¥ 342.5 billion (+26.1 from FY2021)

Sales price

+39.5

- Increase in Aluminum price
- Increase in cathode materials price

Volume

-22.8

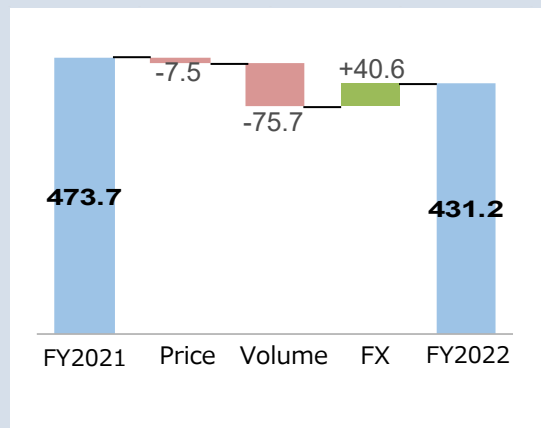
- Reduced shipments for automotive applications (aluminum, resorcinol, etc.)

Foreign exchange

+9.4

IT-related Chemicals

Sales Revenue



Total ¥ 431.2 billion (-42.5 from FY2021)

Sales price
-7.5

- Lower prices for polarizing film

Volume
-75.7

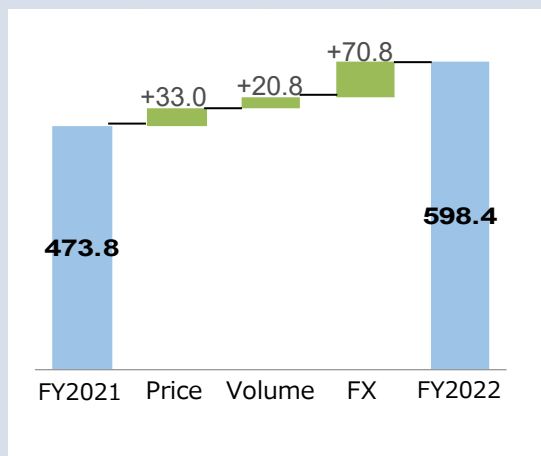
- Reduced shipments of materials for display applications

Foreign exchange
+40.6

- Reduced shipments of processing chemicals for semiconductor

Health & Crop Sciences

Sales Revenue



Total ¥ 598.4 billion (+124.6 from FY2021)

Sales price
+33.0

- Higher prices for generic products in South America

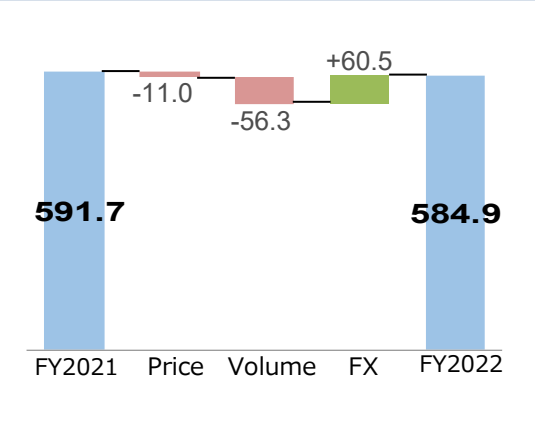
Volume
+20.8

- Increased shipments of crop protection products in South America and India

Foreign exchange
+70.8

Pharmaceuticals

Sales Revenue



Total ¥ 584.9 billion (-6.8 from FY2021)

Sales price
-11.0

- Drug price revisions in Japan

Volume
-56.3

- Increased shipments of Orgovyx®, Gemtesa® in North America
- Recorded one-time gain due to licensing contract for sales of Orgovyx® in Europe
- There had been a lump-sum revenue for the collaboration and license agreement for joint development and commercialization in the last fiscal year.

Foreign exchange
+60.5

Unit: Billions of yen

	FY2021	FY2022	FY2023 (Forecast)
Capital Expenditures	119.5	141.1	180.0
Depreciation and Amortization	156.7	168.0	164.0
Research & Development Expenses	174.9	195.6	192.0
Number of Employees (as of March 31)	34,703	33,572	34,000

Unit: Billions of yen

	FY2021	FY2022	Variance
Essential Chemicals & Plastics	25.3	30.2	4.9
Energy & Functional Materials	26.8	26.6	-0.2
IT-related Chemicals	16.6	32.8	16.2
Health & Crop Sciences	16.8	24.3	7.5
Pharmaceuticals	19.6	14.1	-5.5
Others & Adjustments	14.4	13.0	-1.3
Total	119.5	141.1	21.6

Unit: Billions of yen

	FY2022	FY2023 (Forecast)	Variance
Essential Chemicals & Plastics	30.2	36.5	6.3
Energy & Functional Materials	26.6	35.0	8.4
IT-related Chemicals	32.8	40.5	7.7
Health & Crop Sciences	24.3	35.0	10.7
Pharmaceuticals	14.1	20.5	6.4
Others & Adjustments	13.0	12.5	-0.5
Total	141.1	180.0	38.9

Unit: Billions of yen

	FY2021	FY2022	Variance
Essential Chemicals & Plastics	26.3	30.1	3.8
Energy & Functional Materials	19.1	19.3	0.2
IT-related Chemicals	26.7	26.6	-0.1
Health & Crop Sciences	26.9	28.7	1.8
Pharmaceuticals	41.2	44.0	2.8
Others & Adjustments	16.5	19.3	2.8
Total	156.7	168.0	11.3

Unit: Billions of yen

	FY2022	FY2023 (Forecast)	Variance
Essential Chemicals & Plastics	30.1	30.5	0.4
Energy & Functional Materials	19.3	21.0	1.7
IT-related Chemicals	26.6	26.5	-0.1
Health & Crop Sciences	28.7	26.5	-2.2
Pharmaceuticals	44.0	39.5	-4.5
Others & Adjustments	19.3	20.0	0.7
Total	168.0	164.0	-4.0

Unit: Billions of yen

	FY2021	FY2022	Variance
Essential Chemicals & Plastics	7.1	7.4	0.3
Energy & Functional Materials	8.3	8.8	0.5
IT-related Chemicals	19.9	19.9	0.0
Health & Crop Sciences	27.8	31.3	3.5
Pharmaceuticals	96.6	109.6	13.0
Others & Adjustments	15.3	18.7	3.4
Total	174.9	195.6	20.7

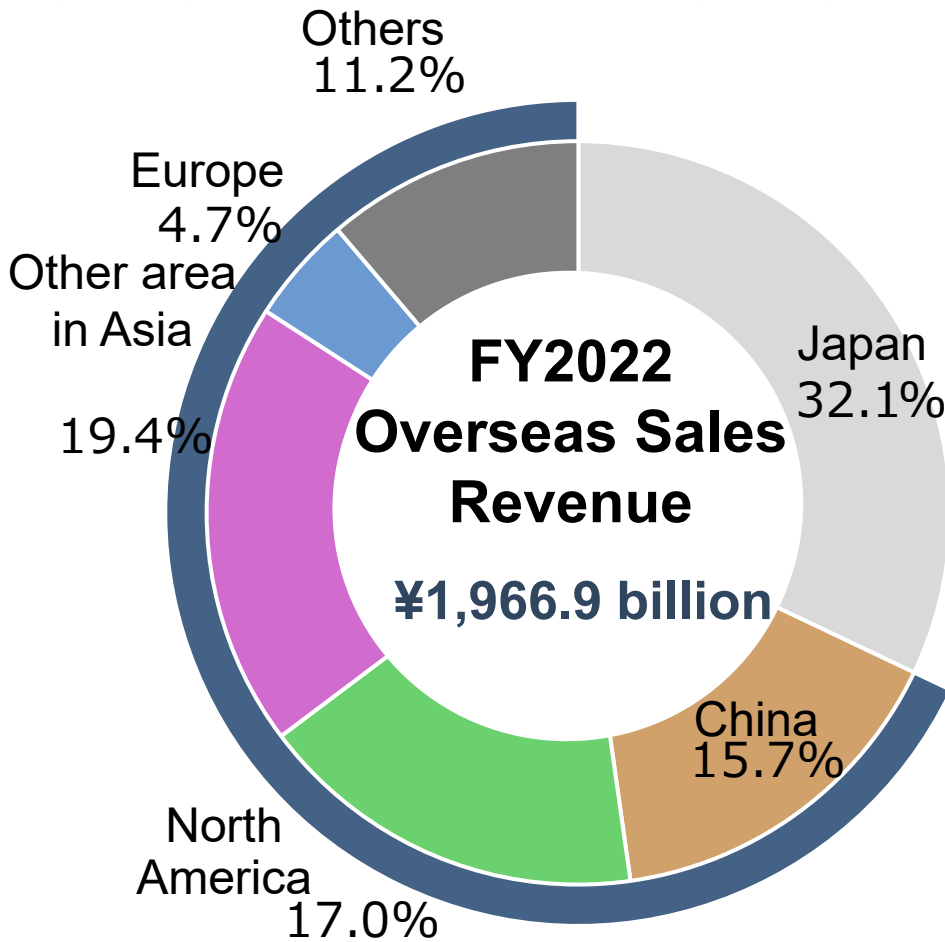
Unit: Billions of yen

	FY2022	FY2023 (Forecast)	Variance
Essential Chemicals & Plastics	7.4	8.5	1.1
Energy & Functional Materials	8.8	13.0	4.2
IT-related Chemicals	19.9	23.0	3.1
Health & Crop Sciences	31.3	37.5	6.2
Pharmaceuticals	109.6	90.0	-19.6
Others & Adjustments	18.7	20.0	1.3
Total	195.6	192.0	-3.6

Company	Sales Revenue		Profit Trends
	FY2021	FY2022	
The Polyolefin Company (Singapore) (Millions of USD)	1,283	1,082	↘ A deterioration in profit margins
Petrochemical Corporation of Singapore (Millions of USD)	2,847	2,550	↘ A deterioration in profit margins
Rabigh Refining and Petrochemical Company (Millions of SAR)	45,638	55,952	↘ Deterioration in margins for petroleum refining and margins on petrochemical products.
Dongwoo Fine-Chem (Billions of KRW)	2,599.6	2,077.4	↘ Decrease due to lower sales volume of display-related materials
Valent North America and Subsidiaries (Millions of USD)	854	875	↘ Decrease in profit due to higher planned expenses

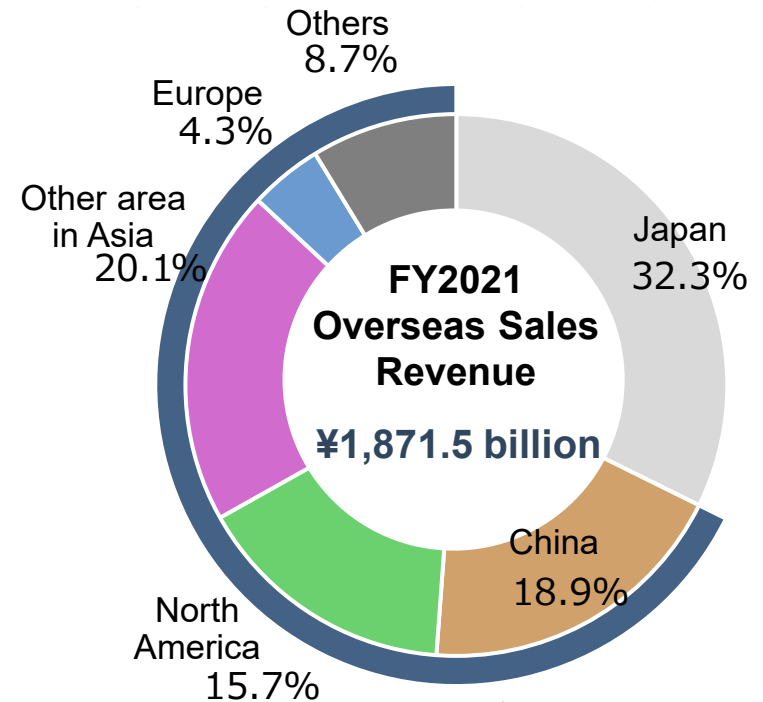
Unit: Billions of yen

	FY2021	FY2022	Difference	Reasons for Change
Japan	79.4	82.2	2.8	<ul style="list-style-type: none"> Increases in product selling prices due to higher feedstock prices of fertilizers
North America	66.1	80.7	14.6	<ul style="list-style-type: none"> Foreign currency conversion variance
Central & South America	112.9	185.7	72.8	<ul style="list-style-type: none"> Foreign currency conversion variance Increase in shipments Increases in product selling prices
Asia (including India)	51.2	64.7	13.5	<ul style="list-style-type: none"> Foreign currency conversion variance Increase in shipments in India
Europe & Others	26.3	31.3	5.0	<ul style="list-style-type: none"> Foreign currency conversion variance Increase in shipments in Europe
Total	335.9	444.6	108.7	



Overseas Sales Revenue Ratio

67.9%

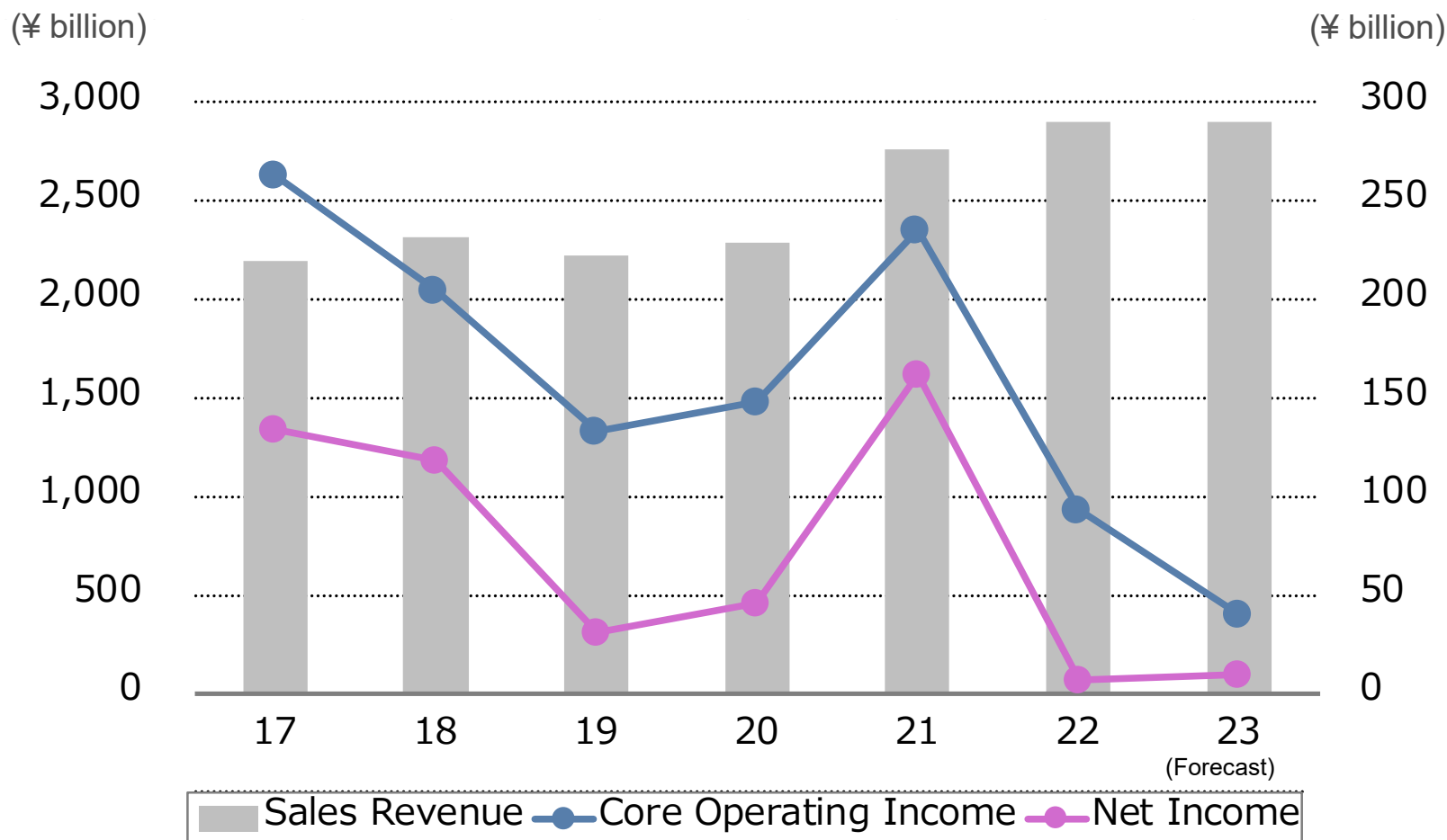


Overseas Sales Revenue Ratio

67.7%

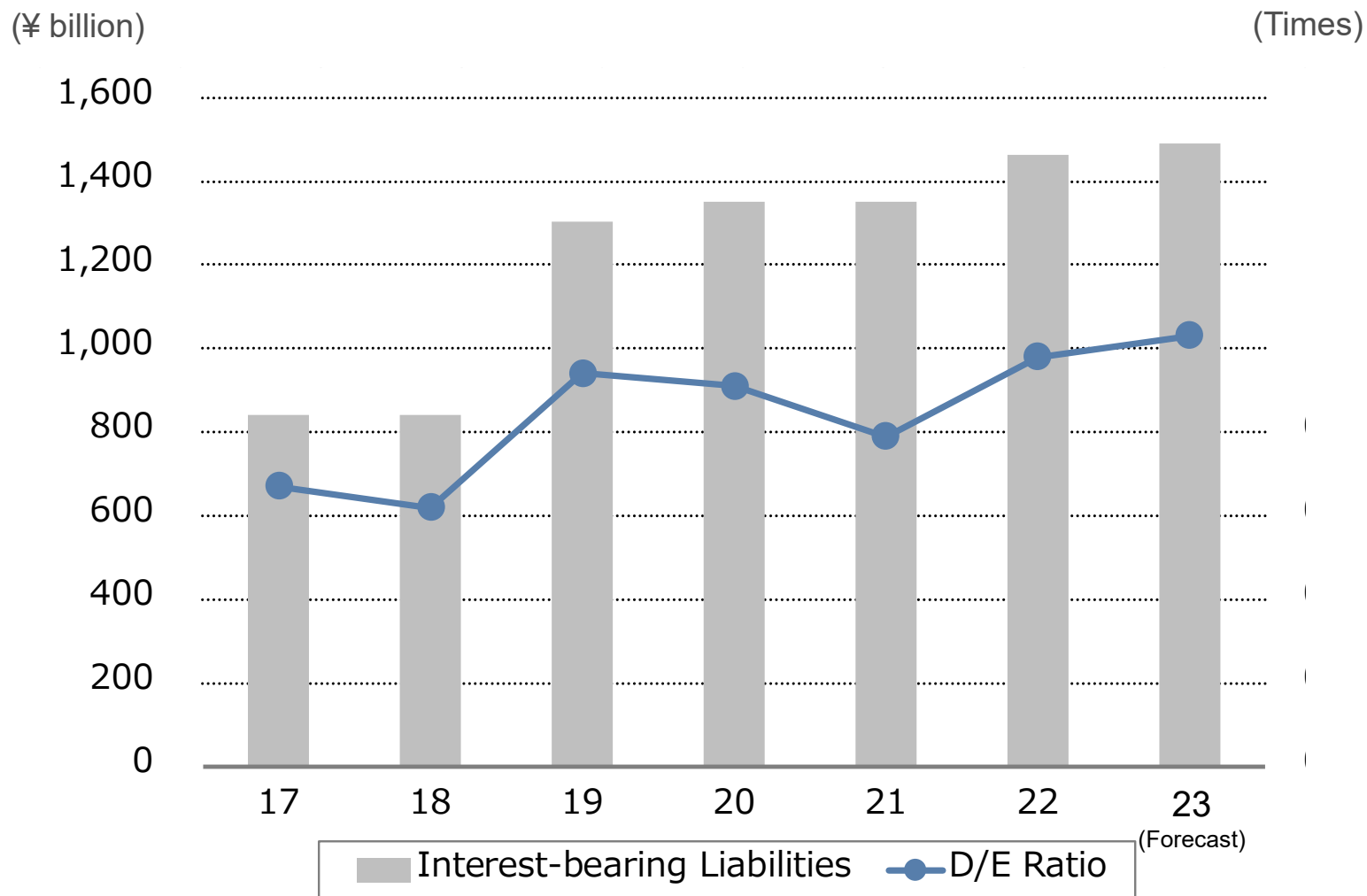
Sales Revenue

Profit



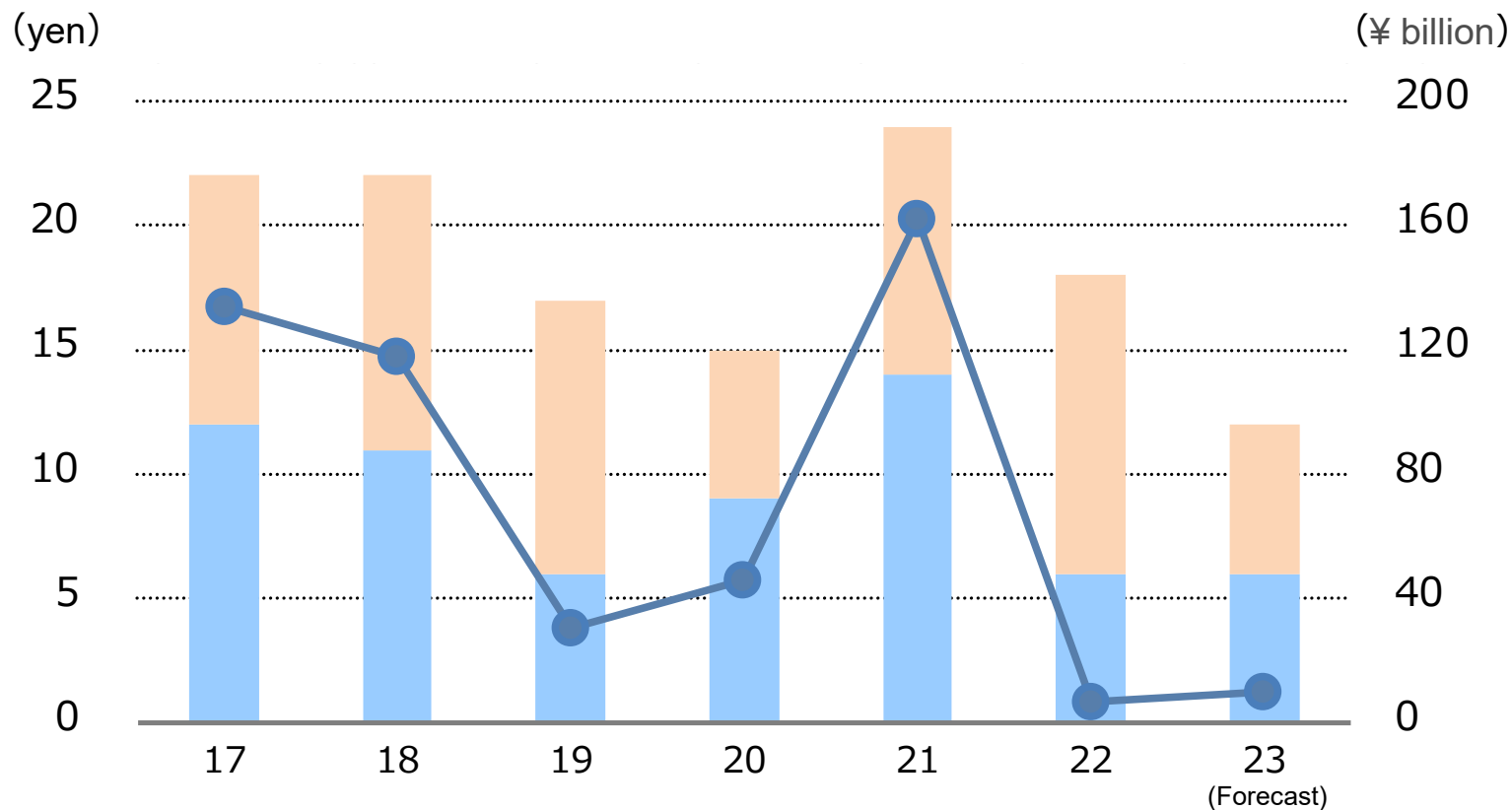
Interest-bearing Liabilities

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

196.2

