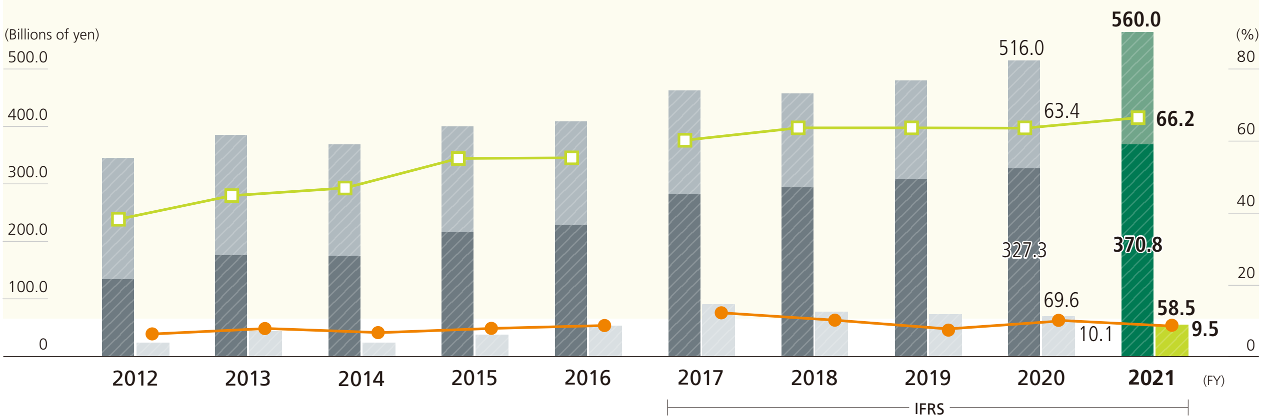
## Financial Highlights

The Sumitomo Pharma Group has adopted the International Financial Reporting Standards (IFRS) for preparing its consolidated financial statements from the fiscal year ended March 31, 2018.

### Revenue / Overseas revenue / Ratio of overseas revenue / Operating profit / ROE

Revenue **¥560.0 billion** Operating profit (Core Operating Profit under IFRS) **¥58.5 billion** ROE **9.5%**

Overseas revenue Ratio of overseas revenue

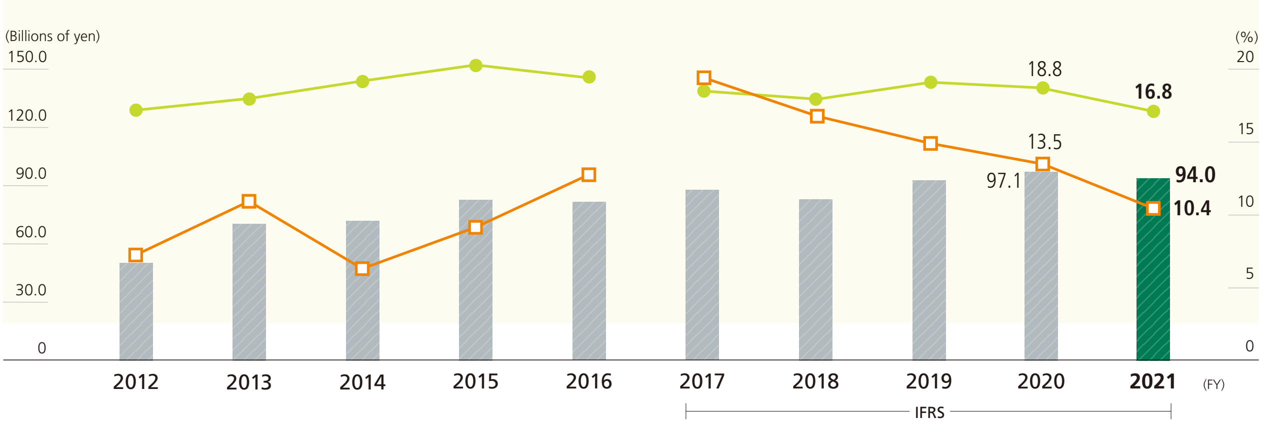



The Group's overseas revenue was ¥22.0 billion (ratio of overseas revenue: 8.4%) in fiscal 2006, which is the fiscal year after our merger. Our business foundation in North America was secured by the acquisition of U.S.-based Sepracor Inc. (currently, Sunovion Pharmaceuticals Inc.) in 2009, together with the launch of LATUDA® in the U.S. in February 2011, which grew into a blockbuster product exceeding $1 billion in sales in fiscal 2015, and overseas revenue has grown steadily to ¥370.8 billion (ratio of overseas revenue: 66.2%) in fiscal 2021. As a result, in fiscal 2017 the Group achieved an all-time high operating profit (from fiscal 2017 shown as IFRS core operating profit*1 in the graph), and in fiscal 2021 we achieved an all-time high revenue. Our ROE in fiscal 2021 was 9.5%. Although ROE declined to between 3.0 and 3.99% in fiscal 2022 due to a downturn in gross profit and a rise in selling, general and administrative expenses, we aim to achieve an ROE of 10% or higher in the latter half of the 2020s.

*1 Core operating profit is calculated by deducting from operating profit any gains and losses resulting from non-recurring factors that the Group designates.

### R&D expenses / Ratio of R&D expenses to revenue / Ratio of operating profit to revenue / Launched products

R&D expenses **¥94 billion** Ratio of R&D expenses **16.8%** Ratio of operating profit to revenue (IFRS values: Ratio of core operating profit to revenue)

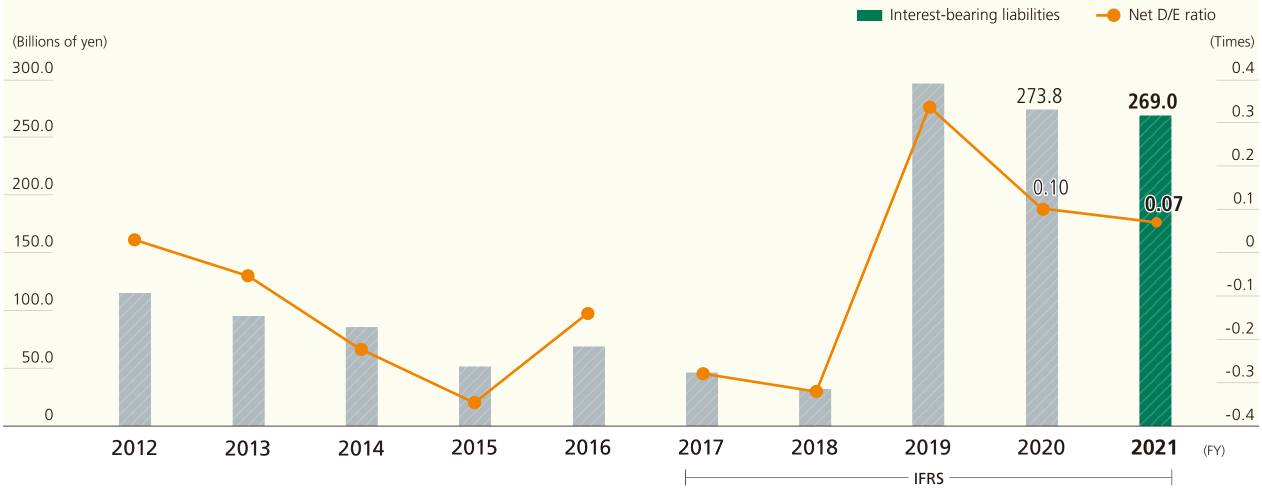



| Timing of launch of main products | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|---|---|---|---|---|---|---|---|---|---|
| | AIMIX® | APTIOM® | | | | LONHALA®<br>MAGNAIR® | | RETHIO® | KYNMOBI®<br>ORGOVYX® | GEMTESA®<br>MYFEMBREE®<br>RETHYMIC® |

Research and development investment is essential for the Group to deliver innovative new pharmaceuticals to patients. We proactively invest profit from our business activities with a target ratio of R&D expenses to revenue of up to 20%.
As a result, we have launched 18 new drugs since our merger in 2005.

(Note) Timing of launch of main products: The graph shows the timing new drugs were first launched, excluding additional indications.
New drugs launched before fiscal 2011 are LATUDA® (in the U.S.), SUREPOST®, METGLUCO®, TRERIEF®, MIRIPLA®, AmBisome®, AVAPRO®, and LONASEN®.

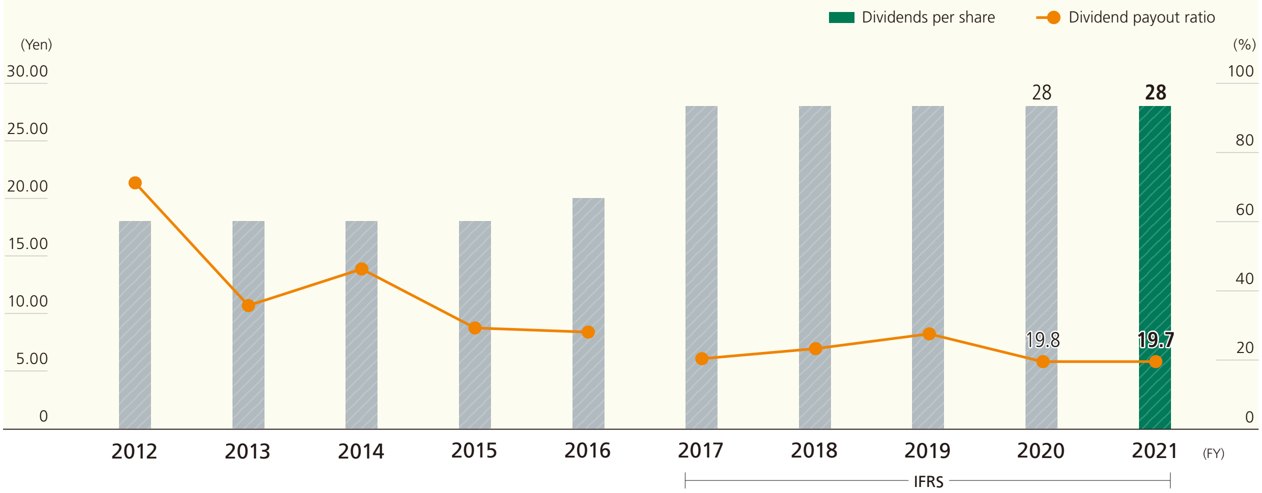
## Interest-bearing liabilities / Net D/E ratio




In fiscal 2019, interest-bearing liabilities increased significantly as a result of short-term borrowings of ¥270.0 billion to finance payment of consideration for the strategic alliance with Roivant Sciences Ltd. In fiscal 2020, to maintain financial soundness we issued ¥120.0 billion of hybrid bonds (subordinated bonds) and renewed long-term borrowings of ¥125.0 billion from financial institutions. We will continue to work to strengthen our financial position such as by improving net cash.

➡ **Please see page 25 for Financial Policy (Message from the President).**

## Dividends per share / Dividend payout ratio




Sumitomo Pharma's dividend policy is to maintain consistent dividend payments while also considering a performance-linked dividend hike. We were aiming for a five-year average dividend payout ratio of 20% or higher for the five-year period of the Mid-term Business Plan 2022 (FY2018-2022) and expect it to be 28%.