

April 19, 2019

Sumitomo Dainippon Pharma Co., Ltd.

## **Sumitomo Dainippon Pharma Revises Financial Forecasts**

Sumitomo Dainippon Pharma Co., Ltd. (Head Office: Osaka, Japan; President and CEO: Hiroshi Nomura; Securities Code: 4506, First Section of TSE) announced today that it has revised its consolidated financial forecasts for the full-year period ended March 31, 2019, which were announced on May 11, 2018, after taking the Company's recent business performance trends into consideration.

### 1. Revisions to the Forecasts of Consolidated Financial Results for the Year ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Revenue	Core operating profit	Operating profit	Net profit	Net profit attributable to owners of the parent	Basic earnings per share
Previous Forecasts (A)	467,000	77,000	53,000	35,000	35,000	¥88.10
Revised Forecasts (B)	459,300	77,300	57,900	48,600	48,600	¥122.33
Variance in amount (B) – (A)	(7,700)	300	4,900	13,600	13,600	
Variance in percent (%)	(1.6)	0.4	9.2	38.9	38.9	
[Reference] Previous year (Year ended March 31, 2018)	466,838	90,604	88,173	53,448	53,448	¥134.53

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

Revenue is now forecasted to be 459,300 million yen (decrease of 7,700 million yen) compared to the previous forecast, as its performance weakened in the North America segment, while core operating profit is expected to remain almost unchanged at 77,300 million yen, as both SG&A expenses and R&D expenses on the core basis are expected to come under the previous forecasts.

Operating profit is now expected to be 57,900 million yen (increase of 4,900 million yen) compared to the previous forecast as reversal of expenses resulting from a review of business plans and development plans is recorded under the change in fair value of contingent consideration while at the same time impairment losses have been recorded on some intangible assets and so forth.

We have revised net profit and net profit attributable to owners of the parent to 48,600 million yen (increase of 13,600 million yen) compared to the previous forecasts as foreign exchange

gains due to depreciation of the yen are recorded under finance income and income tax expenses are expected to be lower than previously assumed.

#### 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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