

April 28, 2020

Sumitomo Dainippon Pharma Co., Ltd.

Sumitomo Dainippon Pharma Revises Financial Forecasts

Sumitomo Dainippon Pharma Co., Ltd. (Head Office: Osaka, Japan; Representative Director, President and CEO: Hiroshi Nomura; Securities Code: 4506, First Section of TSE) announced today that it has revised the consolidated financial forecasts for the full-year period ended March 31, 2020, which were announced on January 30, 2020, 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, 2020 (April 1, 2019 to March 31, 2020)

(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)	475,000	64,000	75,000	26,000	31,000	¥78.03
Revised Forecasts (B)	482,700	72,000	83,200	35,900	40,800	¥102.69
Variance in amount (B – A)	7,700	8,000	8,200	9,900	9,800	-
Variance in percent (%)	1.6	12.5	10.9	38.1	31.6	-
[Reference] Previous year (Year ended March 31, 2019)	459,267	77,299	57,884	48,627	48,627	¥122.39

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 expected to be 482,700 million yen (increase of 7,700 million yen from the previous forecast), due to strong performance in the North America and Japan segments.

Core operating profit is now expected to be 72,000 million yen (increase of 8,000 million yen from the previous forecast), as both SG&A expenses and R&D expenses on the core basis look set to decline. Operating profit is now expected to be 83,200 million yen (increase of 8,200 million yen from the previous forecast), as impairment losses have been recorded due to a review of business plans for LONHALA® MAGNAIR® (therapeutic agent for COPD) in the U.S., but at the same time a reversal of the change in fair value of contingent consideration has been recorded as a result.

We have revised net profit to 35,900 million yen (an increase of 9,900 million yen from the previous forecast), as we expect income tax expenses to decline in the U.S. while foreign exchange losses are expected to increase. We have also revised net profit attributable to owners

of the parent to 40,800 million yen (an increase of 9,800 million yen from the previous forecast).

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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