

October 28, 2020

Sumitomo Dainippon Pharma Co., Ltd.

## **Sumitomo Dainippon Pharma Announces Revisions to Its 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 that were announced on July 30, 2020 for the year ending March 31, 2021 (fiscal 2020), as summarized below, taking the Group's recent business performance trends into consideration.

### 1. Revisions to the Forecasts of Consolidated Financial Results for the Year ending March 31, 2021 (April 1, 2020 to March 31, 2021)

(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)	495,000	33,000	24,000	(12,000)	9,000	¥22.65
Revised Forecasts (B)	506,000	47,000	58,000	21,000	42,000	¥105.71
Variance in amount (B – A)	11,000	14,000	34,000	33,000	33,000	
Variance in percent (%)	2.2	42.4	141.7	—	366.7	
[Reference] Previous year (Year ended March 31, 2020)	482,732	71,982	83,239	35,918	40,753	¥102.58

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 506.0 billion yen, an increase of 11.0 billion yen from the previous forecast, as sales of LATUDA® (atypical antipsychotic) remained strong up to the end of the first six months of the fiscal year ending March 31, 2021, contrary to the expected decline in U.S. sales due to the disturbances caused by COVID-19.

Core operating profit is now expected to be 47.0 billion yen, an increase of 14.0 billion yen from the previous forecast, as we expect gross profit to increase due to revenue growth and selling, general and administrative expenses to decrease on the core basis. Operating profit is now expected to be 58.0 billion yen, an increase of 34.0 billion yen from the previous forecast, as expenses associated with a change in fair value of contingent consideration are expected to decrease from the previous forecast due to a review of the development schedule for napabucasin, which is currently under development as an anti-cancer drug.

Due to the increase in operating profit, the forecasts for net profit and net profit attributable to

owners of the parent have been revised to 21.0 billion yen and 42.0 billion yen, respectively, both representing an increase of 33.0 billion yen from their previous forecasts.

#### 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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