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## News Release

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October 31, 2022

Sumitomo Pharma Co., Ltd.

### **Sumitomo Pharma Announces Revisions to Its Financial Forecasts**

Sumitomo Pharma Co., Ltd. (Head Office: Osaka, Japan; Representative Director, President and CEO: Hiroshi Nomura; Securities Code: 4506, Prime Market of TSE) announced today that it has revised the consolidated financial forecasts that were announced on May 13, 2022 for the year ending March 31, 2023 (fiscal 2022), 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, 2023 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Revenue	Core operating profit	Operating profit	Net profit attributable to owners of the parent	Basic earnings per share
Previous Forecasts (A)	550,000	30,000	24,000	22,000	¥55.37
Revised Forecasts (B)	604,000	32,000	(30,000)	(15,000)	¥(37.76)
Variance in amount (B – A)	54,000	2,000	(54,000)	(37,000)	–
Variance in percent (%)	9.8	6.7	–	–	–
[Reference] Previous year (Year ended March 31, 2022)	560,035	58,509	60,234	56,413	¥141.99

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

Given the revision to our previous foreign currency exchange assumptions following the yen's depreciation as well as the lump-sum payment from an alliance partner in the North America segment, the Company has revised our previous forecasts for revenue to 604.0 billion yen (up by 54.0 billion yen).

The Company also expects selling, general and administrative expenses and R&D expenses to increase on account of the yen's depreciation. However, as a rise in gross profit resulting from revenue growth outweighed such increases, the Company has revised our previous forecasts for core operating profit to 32.0 billion yen (up by 2.0 billion yen).

The Company has made a downward revision to our previous forecasts for operating profit by 54.0 billion yen, with the result that the Company now expects an operating loss of 30.0 billion yen. This decrease is attributable to the posting of an impairment loss on the value of the patents, etc., for KYMMOBI®, a treatment for OFF episodes in patients with Parkinson's disease, in the second quarter of the fiscal year ending

March 31, 2023.

Likewise, the Company has made a downward revision to our previous forecasts for net profit attributable to owners of the parent by 37.0 billion yen, with the result that the Company now expects 15.0 billion yen in net loss attributable to owners of the parent. This decrease is attributable to the sheer magnitude of the reduction in operating profit on account of the impairment loss, although the Company expects forex gains under financial income resulting from the yen's depreciation.

For the revised forecasts above, the Company has changed its previous assumptions of foreign currency exchange rates (average exchange rates) from 125.0 JPY to 140.0 JPY against 1 USD and from 19.5 JPY to 20.0 JPY against 1 RMB.

#### 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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