
News Release

March 3, 2023

Sumitomo Pharma Co., Ltd.

Announcement on Impairment Loss and Revision of Dividend Forecast

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 will post an impairment loss, as described below. Along with this loss, as of today (March 3), The Company has revised the dividend forecast for the year ending March 31, 2023, which it announced on May 13, 2022, as follows.

1. Posting of Impairment Loss

After discontinuing the Phase 1/2 study (a clinical study led by an external research organization) for acute myeloid leukemia (AML), the Company decided not to continue the development of TP-0903 (dubermatinib), for which it had been considering the development strategy. As a result, the entire cost of in-process research and development related to TP-0903 will be recorded as an impairment loss of 20.5 billion yen (US\$152 million) for the year ending March 31, 2023.

Currently, the Company is assessing the recoverability of goodwill for oncology in North America. Along with other variable factors affecting performance, once the Company finds it necessary to revise the consolidated financial forecasts for the year ending March 31, 2023, the Company will promptly disclose the revised forecasts.

2. Revisions to the Forecast of Dividend for the Year Ending March 31, 2023

(1) Revisions

	Annual dividend (yen)		
	End of second quarter	End of term	Total
Previous forecast		14.00 yen	28.00 yen
Revised forecast		7.00 yen	21.00 yen
Results for the current term	14.00 yen		
Results for the previous term (Year ended March 31, 2022)	14.00 yen	14.00 yen	28.00 yen

(2) Reason for Revisions

In the Company's dividend policy, it emphasizes the appropriate distribution of achievements that are supported by performance. In addition to stability, the Company increases dividends in conjunction with improved performance. To further

add to its corporate value, the Company is working to secure a solid management base and enhance its financial position while actively investing for future growth. In its Mid-term Business Plan from the year ending March 31, 2019, through the year ending March 31, 2023, the Company aims to achieve a five-year average of 20% or more in the dividend payout ratio.

However, in the year ending March 31, 2023, as a result of posting an impairment loss on multiple products due to slow sales and unsuccessful development, the Company anticipates posting a significant loss in operating income and net profit attributable to owners of parent. Accordingly, the Company regrets to announce that its dividend forecast for this quarter end will be revised to seven yen per share.

The Company would like to extend its deepest apologies to its shareholders. The Company will make every effort to promptly recover its performance, and the Company would appreciate your understanding and continued support.

Contact:

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