
Press Release

April 28, 2023

Sumitomo Pharma Co., Ltd.

Notification of Valuation Loss on Shares of Subsidiaries and Affiliates in Company's Non-consolidated Financial Statements (Japanese GAAP)

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 the Company will record a valuation loss on shares of subsidiaries and affiliates and a provision of allowance for doubtful accounts of subsidiaries and affiliates in its non-consolidated financial statements (Japanese GAAP) for the fiscal year ended March 31, 2023 as described below, treating it as an impairment loss. In addition, there will be no impact on consolidated profit or loss.

1. Details of Valuation Loss on Shares of Subsidiaries and Affiliates

The Company has determined that there has been a significant decline in the real value of shares of Sumitomo Pharma America Holdings, Inc. (hereinafter, "SMPA"), a consolidated subsidiary of the Company, and will record an extraordinary loss of 275,519 million yen for the entire book value of the shares of SMPA held by the Company, as a valuation loss on shares of subsidiaries and affiliates.

2. Details of Provision of Allowance for Doubtful Accounts of Subsidiaries and Affiliates

As a result of the review of the collectability of the receivables from SMPA based on the relevant real value, a provision of allowance for doubtful accounts of subsidiaries and affiliates of 8,785 million yen will be recorded as an extraordinary loss for the amount in excess of liabilities.

3. Impact on the Company's Consolidated Profit or Loss

The above loss and provision will be no impact on consolidated profit or loss because it will be written off in the consolidated financial statements.

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