

# Financial Results for FY2024 Third Quarter

(April 1, 2024 - December 31, 2024)

February 3, 2025



**(Cautionary Statement)**

Statements made in this material with respect to Sumitomo Chemical's current plans, estimates, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of Sumitomo Chemical. These statements are based on management's assumptions and beliefs in light of the information currently available to it, and involve risks and uncertainties. The important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, general economic conditions in Sumitomo Chemical's markets; demand for, and competitive pricing pressure on, Sumitomo Chemical's products in the marketplace; Sumitomo Chemical's ability to continue to win acceptance for its products in these highly competitive markets; and movements of currency exchange rates.

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# 1. Consolidated Financial Results for FY2024 Third Quarter

## Core Operating Income

(Billions of yen)

FY2023	FY2024			
Q1-Q3 Total	Q1	Q2	Q3	Q1-Q3 Total
(113.9)	5.7	23.8	30.6	60.1

## Net income attributable to owners of the parent

(Billions of yen)

FY2023	FY2024
Q1-Q3 Total	Q1-Q3 Total
(109.8)	28.6

- Core operating income has been improving quarter by quarter, driven by the favorable performance of Sumitomo Pharma and ICT & Mobility, achieving a V-shaped recovery from the significant loss Q3 FY2023.
- Gain on the sales of business is approximately a quarter of core operating income for Q3 FY2024.
- Net income attributable to owners of the parent remained positive, even with the temporary loss related to Rabigh: ¥(23.8)bn

(Billions of yen)

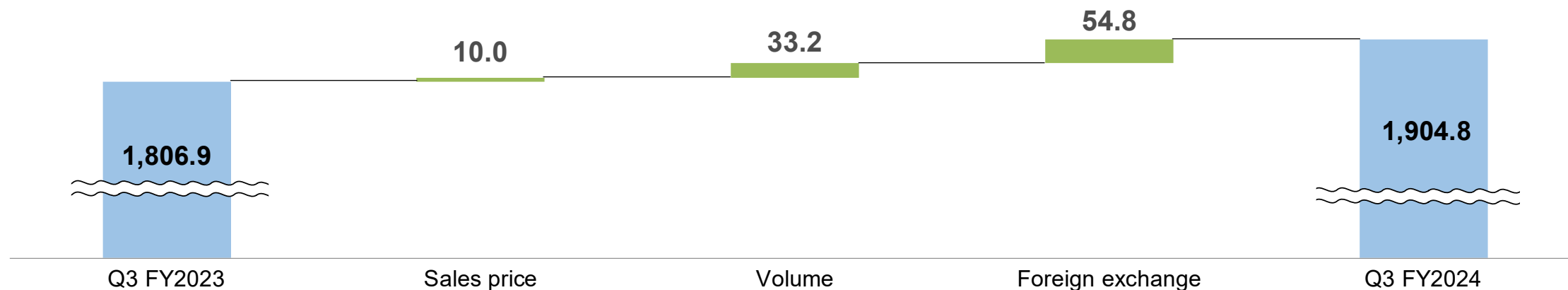
	Q3 FY2024	Q3 FY2023	Variance	Variance Ratio
Sales revenue	1,904.8	1,806.9	98.0	5.4%
Core operating income (loss)	60.1	(113.9)	173.9	—
Of which equity in earnings	(53.3)	(35.2)	(18.1)	—
Total non-recurring items	85.4	(46.8)	132.1	—
Of which share of profit (loss) of investments accounted for using the equity method (non-recurring factors)	86.0	(5.1)	91.0	—
Of which gains on sales of property, plant and equipment, and intangible assets	11.5	1.1	10.3	—
Of which gains on fair value measurement of the residual interest	9.4	—	9.4	—
Of which restructuring costs	(14.8)	(25.6)	10.8	—
Of which impairment losses	(5.5)	(15.4)	9.9	—
Others	(1.2)	(1.8)	0.6	—
Operating income (loss)	145.4	(160.6)	306.1	—
Finance income/expenses	(105.4)	0.7	(106.0)	—
Of which gain (loss) on foreign currency transactions including gain (loss) on derivatives	15.0	6.1	9.0	—
Of which loss on debt waiver for a loan	(109.8)	—	(109.8)	—
Income (loss) before taxes	40.1	(160.0)	200.0	—
Income tax expenses	0.6	(5.0)	5.6	—
Net income (loss)	40.7	(164.9)	205.6	—
Net (income) loss attributable to non-controlling interests	(12.1)	55.2	(67.3)	—
Net income (loss) attributable to owners of the parent	28.6	(109.8)	138.4	—
ROE	3.0%	(9.4)%		
Exchange rate (yen/\$)	152.64	143.33		
Naphtha price (yen/kl)	76,500	68,000		
Overseas sales revenue ratio	69.8%	68.2%		

# Sales Revenue by Business Segment

(Billions of yen)

	Q3 FY2024	Q3 FY2023	Variance	Ratio	Sales price variance	Shipping volume variance	Foreign currency conversion variance
Agro & Life Solutions	363.1	347.2	15.9	4.6%	(12.0)	19.9	8.0
ICT & Mobility Solutions	461.2	441.3	19.9	4.5%	(4.5)	11.5	12.9
Advanced Medical Solutions	40.7	38.2	2.5	6.6%	0.0	2.3	0.2
Essential & Green Materials	672.9	681.7	(8.8)	(1.3)%	30.5	(60.1)	20.8
Sumitomo Pharma	292.8	234.7	58.1	24.7%	(4.0)	49.2	12.9
Others & Adjustments	74.1	63.8	10.3	16.2%	0.0	10.3	0.0
<b>Total</b>	<b>1,904.8</b>	<b>1,806.9</b>	<b>98.0</b>	<b>5.4%</b>	<b>10.0</b>	<b>33.2</b>	<b>54.8</b>

## Analysis of Variance

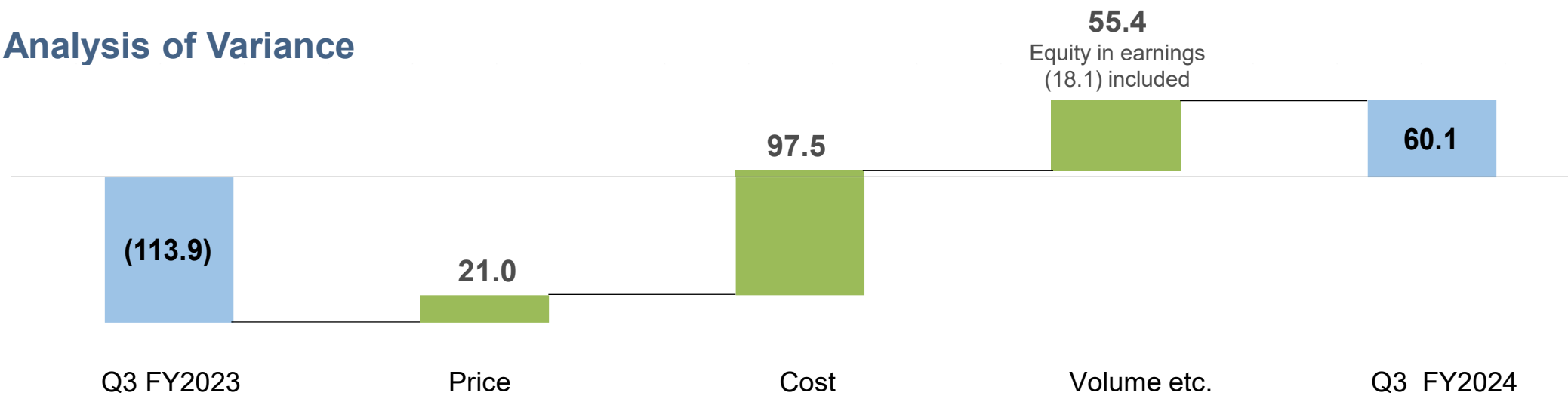


# Core Operating Income by Business Segment

(Billions of yen)

	Q3 FY2024	Q3 FY2023	Variance	Price variance	Cost variance	Shipping volume variance and other
Agro & Life Solutions	19.5	(2.9)	22.4	8.5	2.0	11.9
ICT & Mobility Solutions	59.7	44.0	15.8	(3.0)	2.5	16.3
Advanced Medical Solutions	1.2	3.0	(1.8)	0.0	(2.5)	0.7
Essential & Green Materials	(44.3)	(60.5)	16.2	19.5	4.0	(7.3)
Sumitomo Pharma	19.9	(96.4)	116.2	(4.0)	91.5	28.7
Others & Adjustments	4.1	(1.0)	5.1	0.0	0.0	5.1
<b>Total</b>	<b>60.1</b>	<b>(113.9)</b>	<b>173.9</b>	<b>21.0</b>	<b>97.5</b>	<b>55.4</b>

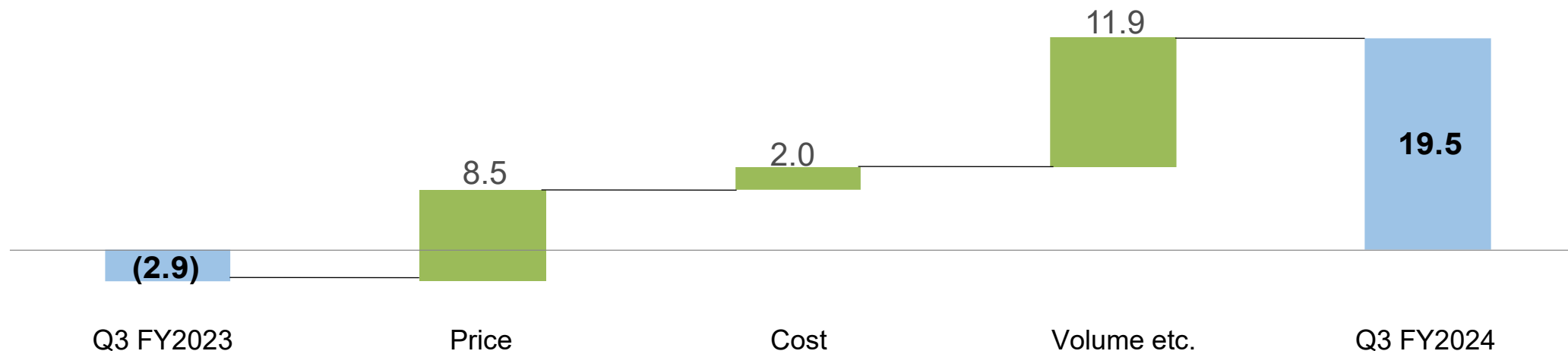
## Analysis of Variance





## Agro & Life Solutions

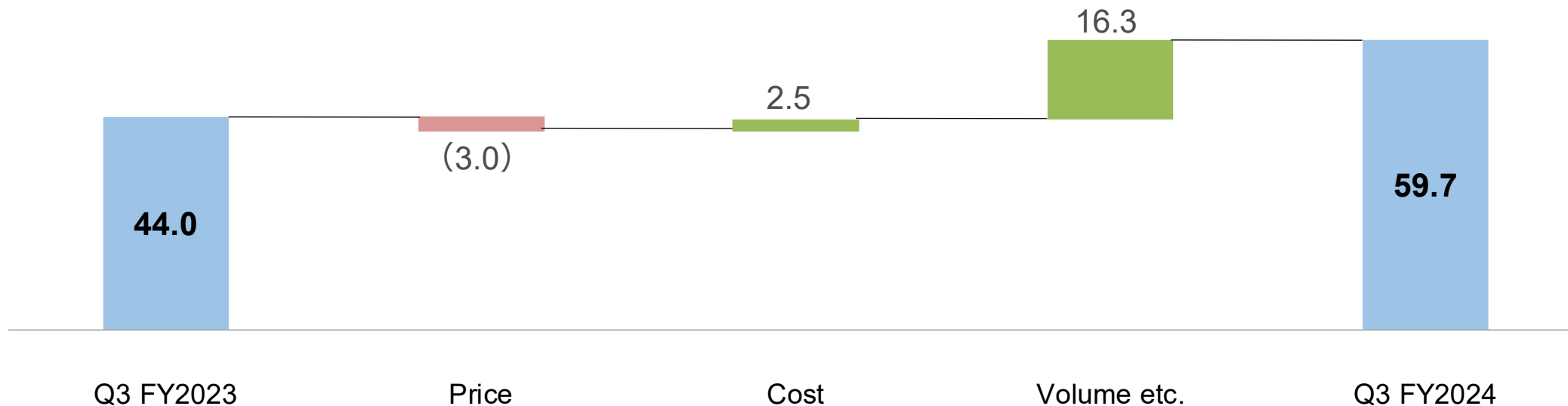
**Total ¥ 19.5 billion** ¥ 22.4 billion from Q3 FY2023



<b>Price variance</b>	<b>Methionine</b>	Profit margins improved due to increase in market prices
	<b>Crop Protection</b>	Decline in the selling prices in the Americas
<b>Cost variance</b>	<b>Methionine</b>	Lower depreciation expenses
<b>Volume variance etc.</b>	<b>Crop Protection</b>	Increase in shipments of INDIFLIN® (fungicide)
		Increase in shipments in India

## ICT & Mobility Solutions

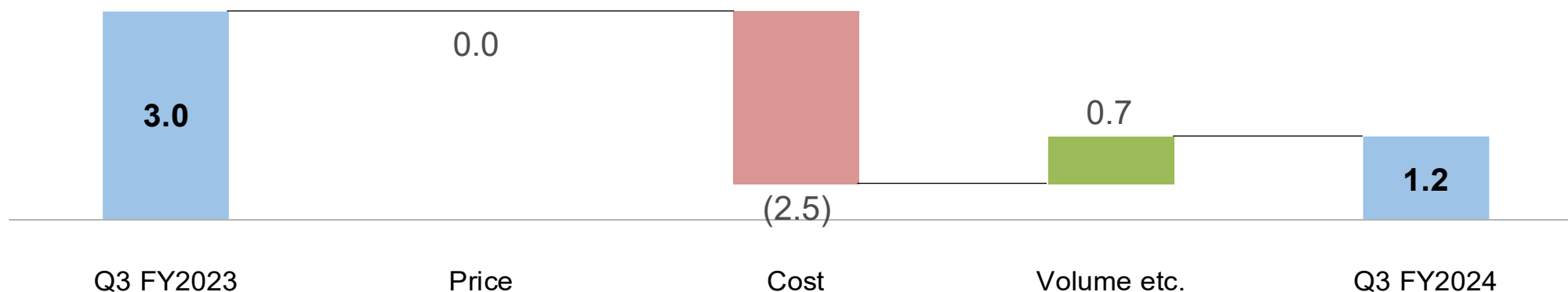
**Total ¥ 59.7 billion** ¥ 15.8 billion from Q3 FY2023



<b>Price variance</b>	<b>Displays</b>	Decline in the selling prices of polarizing films
<b>Volume variance etc.</b>	<b>Displays</b>	Increase in shipments for polarizing films and touchscreen panels, etc.
	<b>Semiconductors</b>	Recovery of demand for high-purity chemicals and photoresists

## Advanced Medical Solutions

Total ¥ 1.2 billion ¥ (1.8) billion from Q3 FY2023

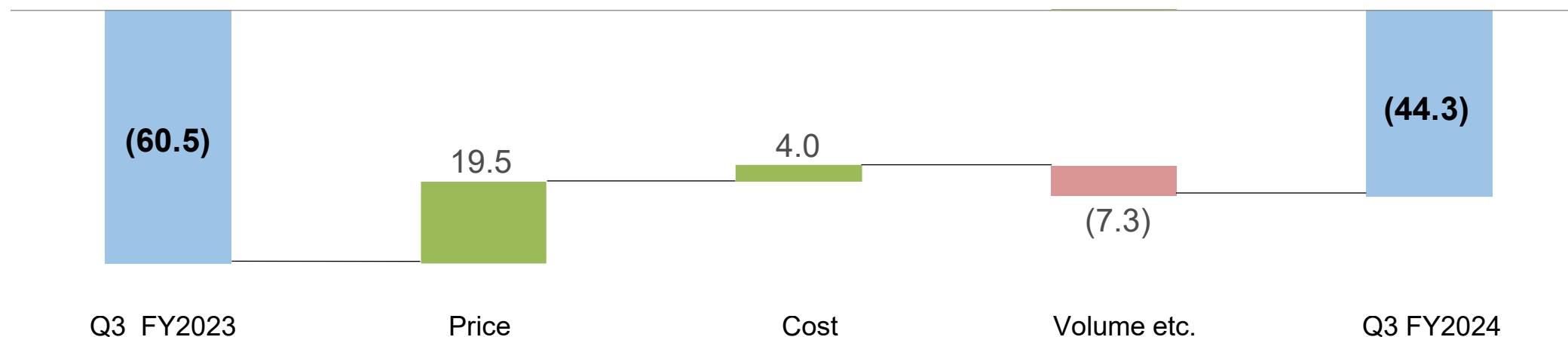


### Cost variance

Increase in depreciation and amortization

## Essential & Green Materials

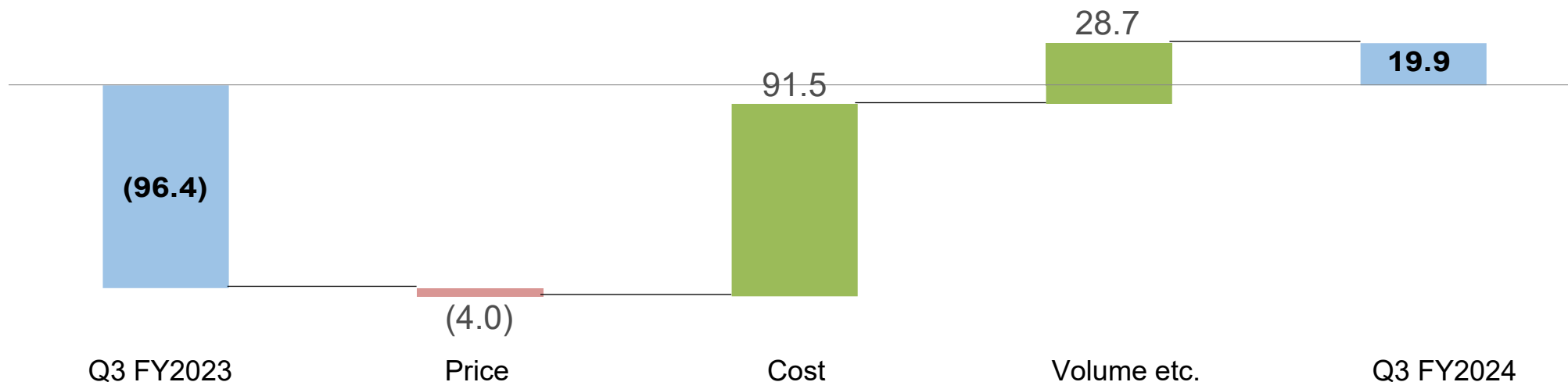
**Total ¥ (44.3) billion** ¥ 16.2 billion from Q3 FY2023



<b>Price variance</b>	Profit margins improved due to higher market prices of MMA and petrochemical products
<b>Volume variance etc.</b>	Mainly due to deterioration in the financial performance of Petro Rabigh, an affiliated company accounted for by the equity-method: ¥ (17.3) bn from (39.6) in Q3 FY2023 to (56.9) in Q3 FY2024

## Sumitomo Pharma

**Total ¥ 19.9 billion**    ¥ 116.2 billion from Q3 FY2023



<b>Price variance</b>	Decline in sales prices due to the impact of National Health Insurance (NHI) drug price revisions in Japan
<b>Cost variance</b>	Reduction in fixed costs resulting from streamlining business operations through the combination of group companies in North America
<b>Volume variance etc.</b>	Higher sales for the three key products

# Consolidated Statement of Financial Position

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				(Billions of yen)			
	31-Dec-24	31-Mar-23	Variance		31-Dec-24	31-Mar-23	Variance
Current assets	<b>1,725.7</b>	1,675.9	49.8	Liabilities	<b>2,586.7</b>	2,770.5	(183.7)
Cash and cash equivalents	<b>258.3</b>	217.4	40.9	Trade and other payables	<b>525.7</b>	543.4	(17.7)
Trade and other receivables	<b>568.9</b>	620.0	(51.1)	Interest-bearing liabilities	<b>1,443.7</b>	1,563.5	(119.8)
Inventories	<b>708.5</b>	709.6	(1.1)	Others	<b>617.4</b>	663.6	(46.2)
Others	<b>190.0</b>	128.8	61.2	Equity	<b>1,152.8</b>	1,164.4	(11.6)
Non-current assets	<b>2,013.8</b>	2,258.9	(245.2)	Shareholders' equity	<b>717.0</b>	660.0	57.0
Property, plant and equipment	<b>796.7</b>	796.5	0.1	Other components of equity	<b>230.9</b>	305.8	(74.9)
Goodwill and intangible assets	<b>534.3</b>	536.7	(2.4)	Non-controlling interests	<b>204.9</b>	198.6	6.3
Others	<b>682.9</b>	925.7	(242.9)		<b>0.0</b>	0.0	0.0
Total	<b>3,739.5</b>	3,934.8	(195.3)	Total	<b>3,739.5</b>	3,934.8	(195.3)
				Equity attributable to owners of parent to total assets	<b>25.3%</b>	24.5%	0.8%
				D/E ratio (times)	<b>1.3</b>	1.3	(0.1)

# Consolidated Statement of Cash Flows

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(Billions of yen)

	Q3 FY2024	Q3 FY2023	Variance	FY2023
Cash flows from operating activities	140.7	(135.0)	275.7	(51.3)
Cash flows from investing activities	56.7	(77.8)	134.5	(112.2)
Free cash flows	197.5	(212.8)	410.2	(163.6)
Cash flows from financing activities	(141.7)	161.1	(302.8)	49.2
Others	(2.5)	20.8	(23.4)	28.7
Increase (decrease) in cash and cash equivalents	53.2	(30.8)	84.1	(85.6)
Cash and cash equivalents at the end of the period	258.3	276.2	(17.9)	217.4

## 2. Outlook for FY2024


















## Economic Conditions

- The global economy, the midst of continued uncertainty throughout the financial markets and policy management, is expected to be supported by steady consumption, but growth momentum is still anticipated to remain weak. It is expected that growth will vary by region and geopolitical risks will continue.

## Business Environment

Prev. Revised

Crop Protection	  	Although inventory in the overseas distribution chain will be reduced, there will be a decline in market prices due to intensified competition.
Methionine	  	Higher market prices that continued from the previous year will hit a lull. It is anticipated that they will decline in the second half of the fiscal year.
Displays	  	There will be a strong demand for mobile-related devices.
Semiconductors	  	Demand for semiconductors will show signs of a gradual recovery.
Petrochemicals/ Raw Materials	  	Low margins in the petrochemical market will continue.

# Performance Forecast for FY2024

(Billions of yen)

	FY2024 forecast	FY2024 forecast (announced in Oct.)	Variance	Variance ratio	FY2023
Sales revenue	2,600.0	2,600.0	-	-	2,446.9
Core operating income	100.0	100.0	-	-	(149.0)
Non-recurring items	80.0	80.0	-	-	(339.8)
Operating income	180.0	180.0	-	-	(488.8)
Net income attributable to owners of the parent	25.0	25.0	-	-	(311.8)
ROE	2.6%	2.6%			(29.2)%
Exchange rate (yen/\$)	151.98 (Jan-Mar 150.00)	148.89 (2nd Half 145.00)			144.59
Naphtha price (yen/kl)	75,000 (Jan-Mar 70,000)	76,000 (2nd Half 75,000)			69,100
Cash dividends (yen)	Interim dividend	3.00	3.00		6.00
	Year-end dividend	6.00	6.00		3.00
	Annual dividend	9.00	9.00		9.00

# Core Operating Income by Business Segment

(Billions of yen)

	FY2024 forecast	FY2024 (estimated in Oct.)	Variance	Variance reason
Agro & Life Solutions	<b>53.00</b>	60.00	(7.00)	Decrease in crop protection chemical shipments in South America and decline in market conditions for methionine
ICT & Mobility Solutions	<b>65.00</b>	65.00	-	
Advanced Medical Solutions	<b>3.00</b>	5.00	(2.00)	Nihon Medi-Physics has been transferred from this segment
Essential & Green Materials	<b>(64.00)</b>	(50.00)	(14.00)	Deterioration in profit margins and decrease in shipments
Sumitomo Pharma	<b>24.00</b>	1.00	23.00	Higher sales for the three key products, Progress in rationalization, Change in segment of RACTHERA (regenerative medicine and cell therapy products )
Others	<b>19.00</b>	19.00	-	
Total	<b>100.00</b>	100.00	-	

**(Reference)**

# Sales Revenue by Business Segment (Quarterly)

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(Billions of yen)

	FY2023				FY2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Agro & Life Solutions	96.8	131.7	118.7	168.4	106.4	118.6	138.1
ICT & Mobility Solutions	137.8	152.7	150.7	146.1	152.7	154.8	153.8
Advanced Medical Solutions	11.4	13.0	13.8	20.3	13.2	13.6	14.0
Essential & Green Materials	219.7	227.6	234.4	204.2	225.0	226.0	222.0
Sumitomo Pharma	75.6	76.9	82.3	79.1	90.6	89.8	112.4
Others & Adjustments	21.9	21.8	20.1	22.0	24.3	26.5	23.2
<b>Total</b>	<b>563.1</b>	<b>623.7</b>	<b>620.0</b>	<b>640.0</b>	<b>612.1</b>	<b>629.3</b>	<b>663.4</b>

# Core Operating Income by Business Segment (Quarterly)

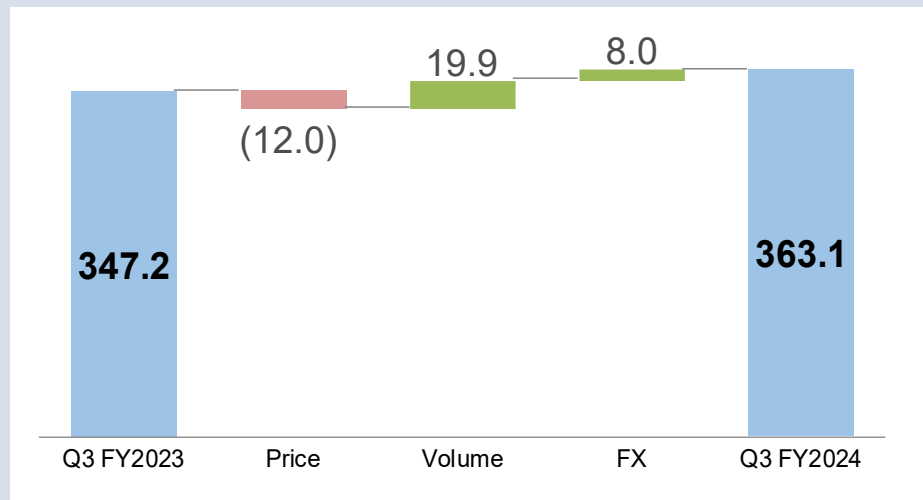
21

(Billions of yen)

	FY2023				FY2024		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Agro & Life Solutions	(7.7)	(1.0)	5.7	29.3	4.9	9.2	5.4
ICT & Mobility Solutions	8.3	13.6	22.1	6.1	21.2	22.4	16.1
Advanced Medical Solutions	1.6	0.7	0.8	3.1	0.5	(0.1)	0.8
Essential & Green Materials	(20.3)	(22.5)	(17.8)	(28.6)	(19.6)	(15.2)	(9.6)
Sumitomo Pharma	(33.5)	(32.3)	(30.6)	(36.7)	(0.9)	0.8	19.9
Others & Adjustments	(1.9)	(1.6)	2.5	(8.3)	(0.4)	6.6	(2.1)
Total	(53.6)	(43.1)	(17.2)	(35.2)	5.7	23.8	30.6

※ Change of a consolidated subsidiary's segment planned in Q4 is not reflected in the reclassification.

## Agro & Life Solutions



**Total ¥ 363.1 billion**

¥ 15.9 billion from Q3 FY2023

**Sales price**  
(12.0)

- Decline in the selling prices for crop protection products in the Americas

**Volume**  
19.9

- Increased shipments of agrochemicals mainly in South America

**Foreign exchange**  
8.0

## ICT & Mobility Solutions



**Total ¥ 461.2 billion**

¥ 19.9 billion from Q3 FY2023

**Sales price**  
(4.5)

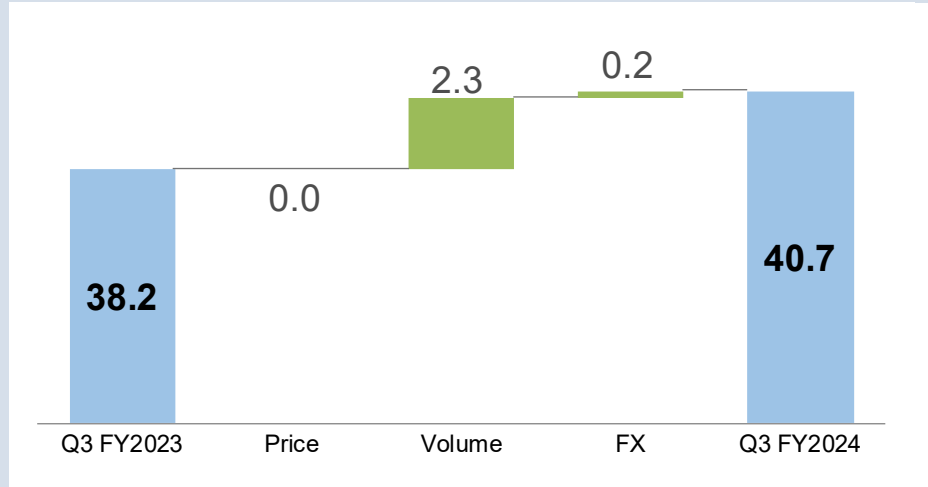
- Decline in the selling prices of display-related materials

**Volume**  
11.5

- Increase in shipments of display-related materials
- processing materials for semiconductors

**Foreign exchange**  
12.9

## Advanced Medical Solutions



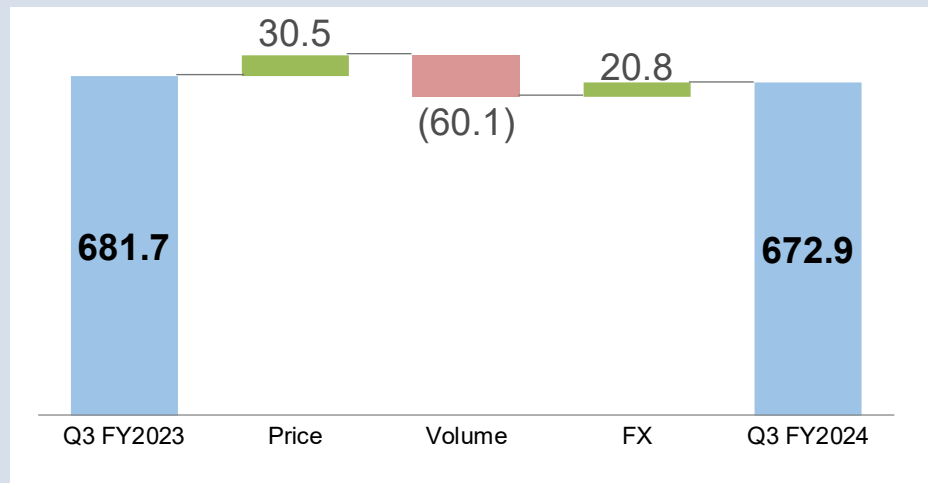
**Total ¥ 40.7 billion**    ¥ 2.5 billion from Q3 FY2023

Sales price  
0.0

Volume  
2.3    □ Increased shipments in subsidiaries

Foreign exchange  
0.2

## Essential & Green Materials



**Total ¥ 672.9 billion**    ¥ (8.8) billion from Q3 FY2023

Sales price  
30.5    □ Increase in the price of naphtha  
□ Market conditions for MMA and overseas market prices for synthetic resins improved

Volume  
(60.1)    □ Exit from the aluminum business etc.

Foreign exchange  
20.8



## Sumitomo Pharma



**Total ¥ 292.8 billion**    ¥ 58.1 billion from Q3 FY2023

**Sales price**

**(4.0)**

□ NHI drug price revisions in Japan

**Volume**

**49.2**

□ Higher sales for the three key products

**Foreign exchange**

**12.9**

Company	Sales Revenue		Profit
	Q3 FY2024	Q3 FY2023	
The Polyolefin Company (Singapore)  (Millions of USD)	<b>645</b>	<b>604</b> →	Performance result is flat due to a deterioration in profit margin despite higher sales volume
PCS  (Millions of USD)	<b>1,820</b>	<b>1,579</b> ↗	Higher shipments than Q3 FY2023, when shut-down maintenance was implemented Profit margins improved
Rabigh Refining and Petrochemical Company  (Millions of SAR)	<b>27,952</b>	<b>34,310</b> ↘	Impact of unplanned shut-down of the High Olefins Fluid Catalytic Cracker units Lower margins on oil refining
Dongwoo Fine-Chem  (Billions of KRW)	<b>1,569.0</b>	<b>1,485.4</b> ↗	Increase in sales volume of display-related materials
Sumitomo Chemical Brasil Indústria Química S.A.  (Millions of BRL)	<b>2,983</b>	<b>3,062</b> ↘	Deterioration in profit margins
Valent North America, and subsidiaries  (Millions of USD)	<b>599</b>	<b>587</b> ↘	Deterioration in profit margins

(Billions of yen)

	Q3 FY2024	Q3 FY2023	Variance	Reasons for Change
Japan	44.9	42.9	2.0	
North America	55.0	52.6	2.4	Advanced the sales of some products from 4Q to 3Q
Central & South America	94.7	103.1	(8.4)	Decline in product selling prices due to intensified competition
Asia (including India)	51.3	45.4	5.9	Increase in shipments due to the resolution of high levels of inventory in the market
Europe & Others	19.4	17.6	1.8	
Total	265.3	261.6	3.7	