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For Immediate Release

Company:	Sumitomo Seika Chemicals Co., Ltd.
Representative:	OGAWA Ikuzo, President (Securities Code 4008, Prime Market, Tokyo Stock Exchange)
Contacts:	OKAMOTO Norio, General Manager Corporate Communications Dept. (TEL: +81-6-6220-8511)

Announcement Regarding Recognition of Extraordinary Losses and Revision to Full-Year Consolidated Financial Forecasts

Sumitomo Seika Chemicals Co., Ltd. (“the Company”) announced today that extraordinary losses will be posted in the fiscal year ended March 31, 2025 as stated below. Accordingly, the Company has revised its full-year consolidated financial forecasts for the fiscal year, previously announced on February 7, 2025, as follows.

1. Recognition of Extraordinary Losses

(1) Expense Related to Mischarging

As stated in a separate new release “Recognizing Provision for Repayment of Product Price Mischarged at a Subsidiary” announced today, the Company has found that one of its subsidiaries had charged its customer incorrectly for a certain product over a period of time. As a result, the Company will record the amount of 1,355 million yen, the sum equivalent to the amount the subsidiary has offered to repay to the customer, as an expense related to the mischarging.

(2) Impairment Losses Related to Certain Products in the Functional Materials Segment

With respect to some of the products for the Functional Materials segment such as pharmaceuticals-related products, functional materials and gas products, the Company reviewed thoroughly the recoverability of related assets based on the current operating conditions. As a result, the Company has decided to record the impairment losses of 1,297 million yen on the associated production facilities.

2. Revision of the Full-Year consolidated financial forecast for the fiscal year ended March 31, 2025 (Fiscal 2024)

(Millions of yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of the Parent	Basic Earnings Per Share (Yen)
Previous Forecast (A)	149,000	11,000	12,000	8,500	642.51
Revised Forecast (B)	147,500	10,700	11,100	6,000	453.54
Variance in Amount (B-A)	(1,500)	(300)	(900)	(2,500)	
Variance in Percentage (%)	(1.0%)	(2.7%)	(7.5%)	(29.4%)	
Results for Full-Year Ended March 31, 2024	142,986	9,529	10,247	6,166	459.01

(1) Reasons for the Revision

Net sales, operating profit, and ordinary profit are all expected to decrease as the yen has been going stronger as compared to the exchange rate assumed in the previous forecast.

In addition, due to the recording of the extraordinary losses as stated in 1. above, profit attributable to owners of the parent is expected to be lower than the previously announced forecast.

(2) Forecasts for dividends

With respect to a year-end dividend forecast, there is no change to the previous forecast of 100 yen per share.

***Cautionary Statement**

The forward-looking statements such as the forecasts included in this document are based on information available at the time and estimates based on reasonable assumptions, and do not represent a commitment from the Company that they will be achieved. If there occurs any material matter to be disclosed, the Company will make the disclosure immediately.