

Conference on Financial Forecasts Revision for FY2023 and Financial Forecasts for FY2024

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Sumitomo Pharma Co., Ltd.

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■ Disclaimer Regarding Forward-looking Statements

This material contains forecasts, projections, goals, plans, and other forward-looking statements regarding the Group's financial results and other data. Such forward-looking statements are based on the Company's assumptions, estimates, outlook, and other judgments made in light of information available at the time of disclosure of such statements and involve both known and unknown risks and uncertainties.

Accordingly, forecasts, plans, goals, and other statements may not be realized as described, and actual financial results, success/failure or progress of development, and other projections may differ materially from those presented herein.

Information concerning pharmaceuticals and medical devices (including those under development) contained herein is not intended as advertising or as medical advice.

Revisions to Forecasts of the Consolidated Financial Results for the Year ended March 31, 2024

(Millions of yen)

	Revenue	Core operating profit	Operating profit	Net profit attributable to owners of the parent	Basic earnings per share
Jan. 31, 2024 Forecasts (A)	317,000	(134,000)	(156,000)	(141,000)	¥ (354.90)
Revised Forecasts (B)	314,600	(133,000)	(354,900)	(315,000)	¥ (792.86)
Variance in amount (B – A)	(2,400)	1,000	(198,900)	(174,000)	—
Variance in percent (%)	(0.8)	—	—	—	—
[Reference] Previous year (Year ended March 31, 2023)	555,544	16,364	(76,979)	(74,512)	¥ (187.55)

Post the impairment loss totaling 180.9 billion yen in outside the core

- ✓ Patent rights impairment loss of MYFEMBREE[®], amounting to \$923M (133.5 billion yen, 93% decrease on a dollar basis)
- ✓ Good will impairment loss of North American business, amounting to \$248M (35.9 billion yen, 10% decrease on a dollar basis)
- ✓ In-process research and development impairment loss of the discontinuation of development of compounds such as rodatristat ethyl and EPI-589, amounting to 10.6 billion yen

Post additional business structure improvement expenses of 8.7 billion yen in outside the core (totaling 30.1 billion yen)

Financial Forecasts and Dividend Forecasts for FY2024

Consolidated Financial Forecasts for FY2024:

Revenue and core operating profit are expected to improve from the previous fiscal year to 338 billion yen (up 23.4 billion yen from the previous fiscal year) and 1 billion yen (up 134 billion yen from the previous fiscal year), respectively

- ✓ Expansion of the revenue of the three key products (ORGOVYX[®] (therapeutic agent for advanced prostate cancer), MYFEMBREE[®] (therapeutic agent for uterine fibroids and endometriosis), and GEMTESA[®] (therapeutic agent for overactive bladder)) in North America
- ✓ Rationalization of SG&A expenses and R&D expenses

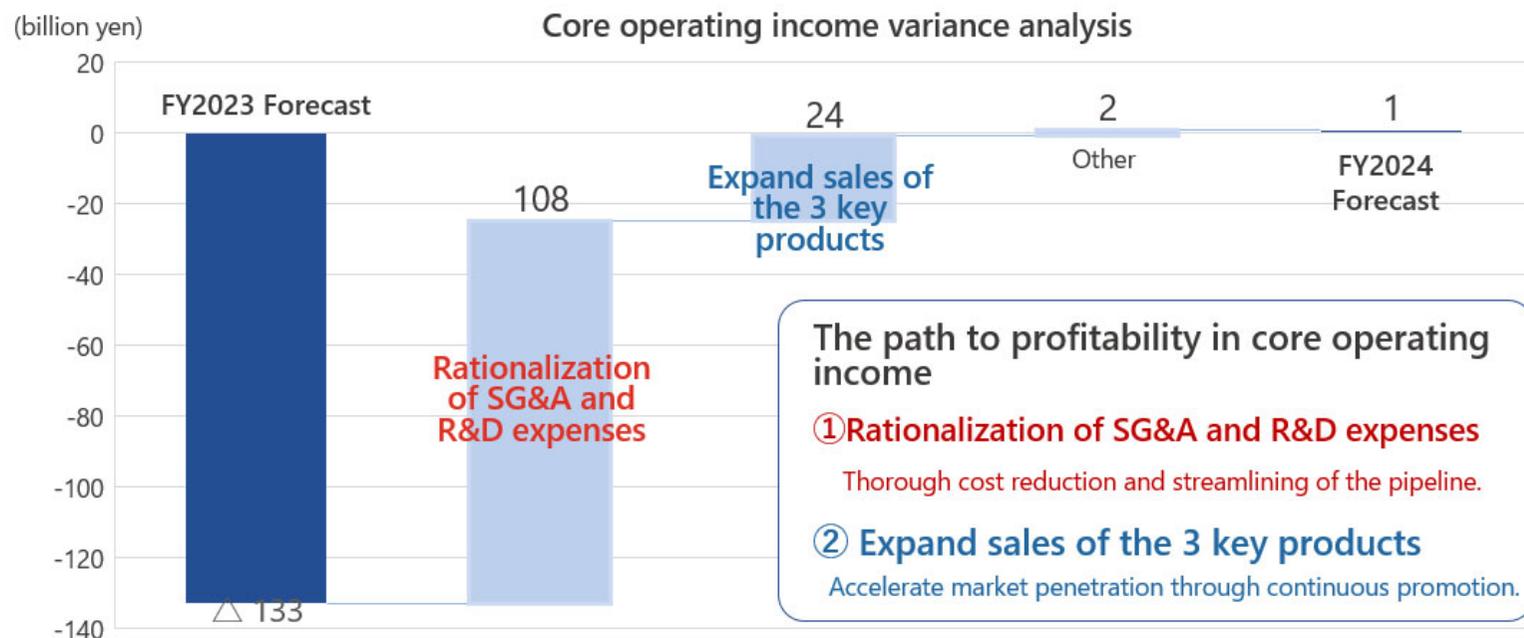
Dividend Forecasts for FY2024:

Dividends will be suspended for FY2024 because 1.0 billion yen of core operating profit is forecasted, which is significantly below the assumption stated in the Mid-term Business Plan 2027

Financial Forecasts for FY2024 (Core operating profit)

Sumitomo Pharma(2) : The path to profitability in core operating income SUMITOMO CHEMICAL

Through rigorous streamlining and expanding sales of the three key products, we aim to achieve profitability in core operating income in FY2024.



Source: Sumitomo Chemical Co., Ltd.

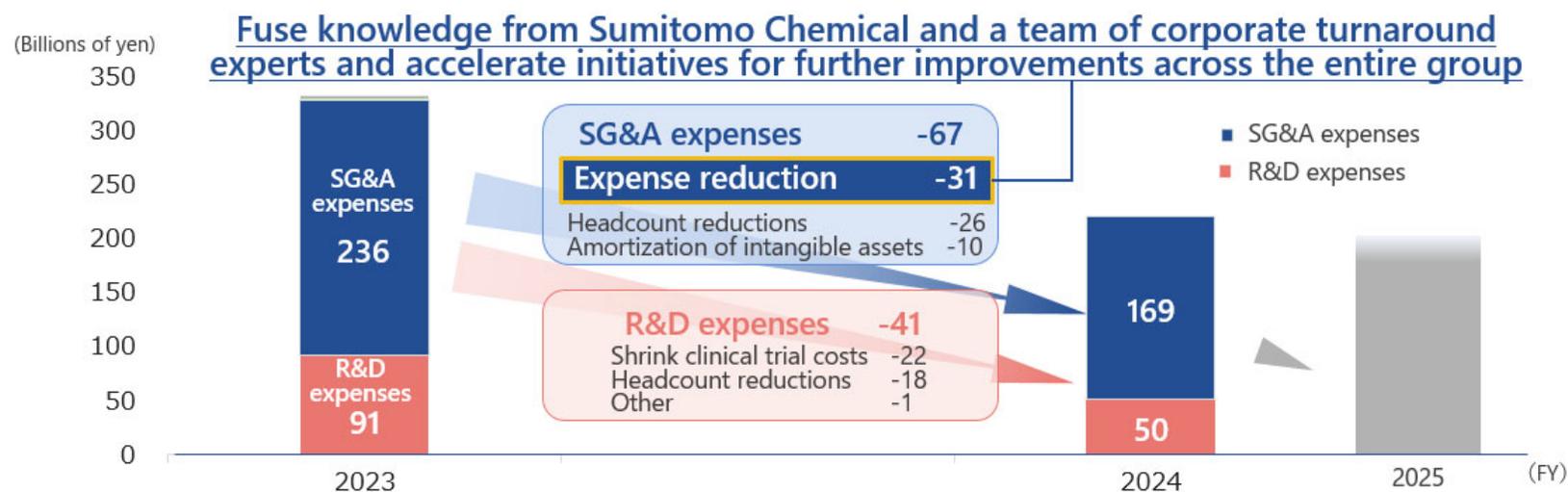
Investors' Meeting for the Current Priority Management Issues and Business Strategy on April 30, 2024

Financial Forecasts for FY2024 (SG&A expenses and R&D expenses)

Sumitomo Pharma (3): Breakdown of thorough rationalization of SG&A and R&D expenses



Reduce more than 100 bn. yen in costs in North America. Accelerate additional rationalization measures in Japan, too.



Source: Sumitomo Chemical Co., Ltd.

Investors' Meeting for the Current Priority Management Issues and Business Strategy on April 30, 2024

Appendix (Sumitomo Chemical: Investors' Meeting for the Current Priority Management Issues and Business Strategy on April 30, 2024)

Sumitomo Pharma (1) SUMITOMO CHEMICAL

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Quickly stop the bleeding while we consider all options to return to growth

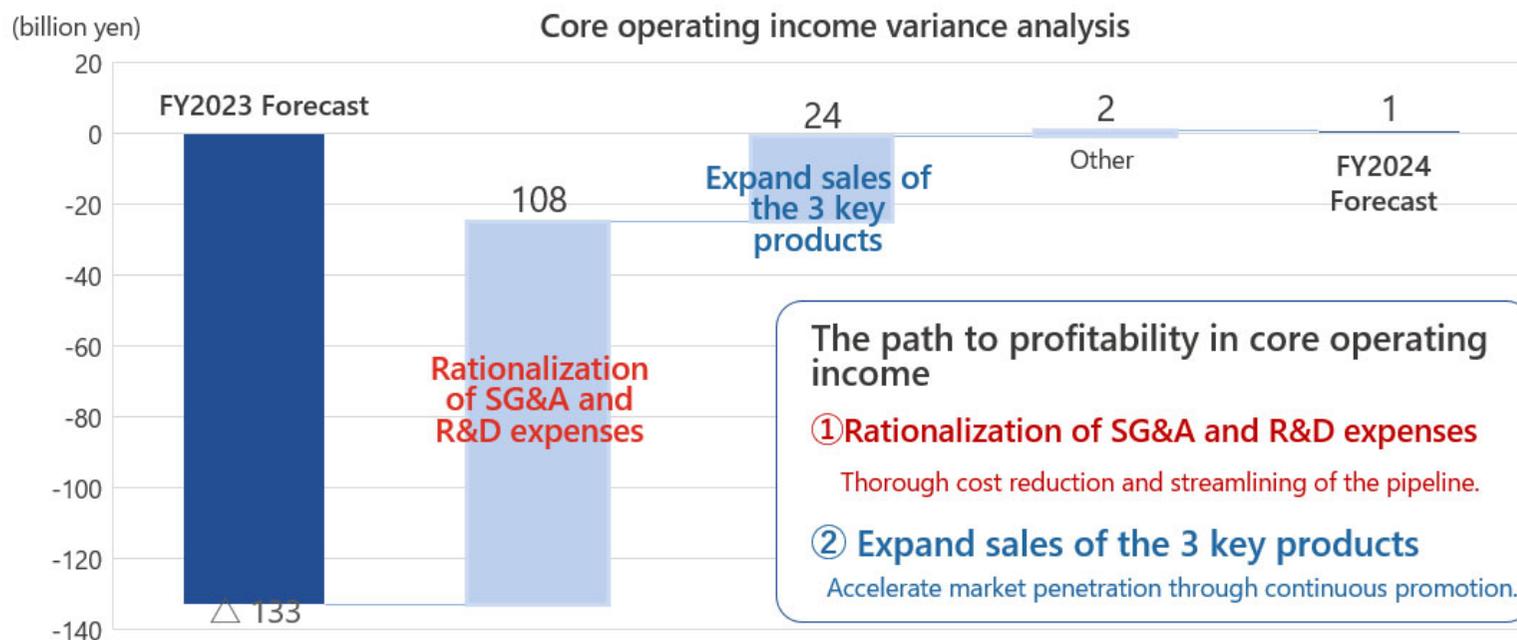
Stop the bleeding	Integrated group	Return to growth
<p>Shrink into a suitable cost structure and turn profitable at the core operating income level in FY2024</p> <p>✓ Thorough rationalization of SG&A and R&D expenses</p>	In parallel	<p>✓ Expand sales of 3 key products</p> <p>✓ Develop two cancer drugs</p> <p>✓ Integrated operations in regenerative medicine & cell therapies</p>
<p>Sumitomo Chemical's role</p> <ul style="list-style-type: none">• Leverage knowledge from third-party corporate turnaround experts and support rationalization• Strengthen governance by dispatching multiple management personnel• Financial support through debt guarantees		<p>↓</p> <p>Pursue best growth model</p>

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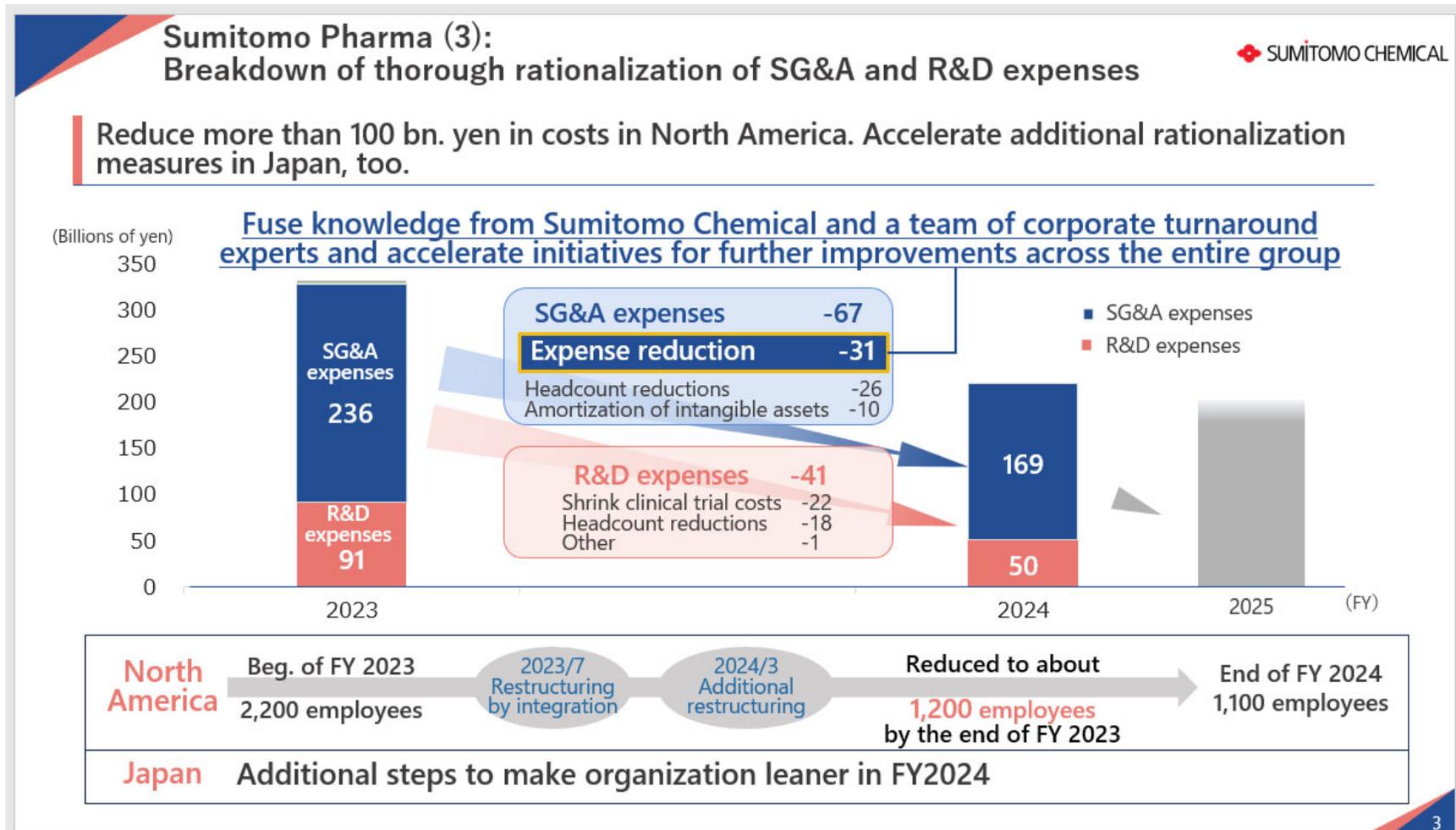
Appendix (Sumitomo Chemical: Investors' Meeting for the Current Priority Management Issues and Business Strategy on April 30, 2024)

Sumitomo Pharma(2) : The path to profitability in core operating income SUMITOMO CHEMICAL

Through rigorous streamlining and expanding sales of the three key products, we aim to achieve profitability in core operating income in FY2024.



Appendix (Sumitomo Chemical: Investors' Meeting for the Current Priority Management Issues and Business Strategy on April 30, 2024)

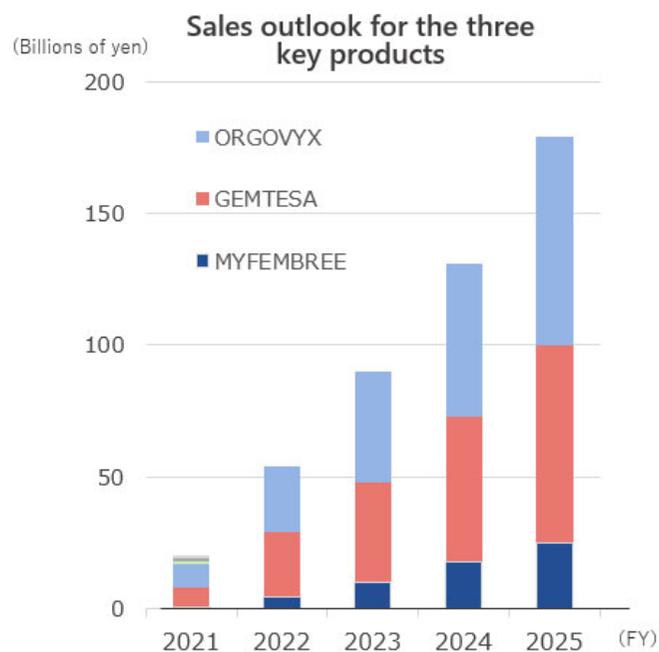


Appendix (Sumitomo Chemical: Investors' Meeting for the Current Priority Management Issues and Business Strategy on April 30, 2024)

Sumitomo Pharma (4): Expand sales of three key products



Solid growth of the three key products. Accelerate market penetration with additional promotions



Continue to educate market on efficacy, safety and other product strengths

Product name	Indications	Initiatives in FY2024
ORGOVYX 	Advanced prostate cancer	<ul style="list-style-type: none"> Establish position as first line drug leveraging revision to standard treatment guidelines for oncology
GEMTESA 	Overactive bladder	<ul style="list-style-type: none"> Drive penetration of differentiation of GEMTESA leveraging its high safety Appropriate promotions preparing for expanded indication for overactive bladder in men with benign prostatic hyperplasia
MYFEMBREE 	Uterine fibroids Endometriosis	<ul style="list-style-type: none"> Increase awareness and expand GnRH market by strengthening media advertising

Appendix (Sumitomo Chemical: Investors' Meeting for the Current Priority Management Issues and Business Strategy on April 30, 2024)

Sumitomo Pharma (5): R&D



Concentrate R&D resources on two cancer drugs with high potential

TP-3654

Efficacy

Myelofibrosis

Strengths

- (1) Suppresses reproduction of cancer cells
- (2) Fewer side effects than standard treatments
- (3) Potential for substantial growth as concomitant with standard treatments

Development plans

Currently Phase I/II trials (Japan, US)
Planned launch: FY 2027 (Japan, US)

Potential for peak sales of 100 bn. yen

DSP-5336

Efficacy

Acute myeloid leukemia

Strengths

- (1) Suppresses increase of leukemia cells
- (2) High safety compared to competitor drugs

Development plans

Currently Phase I/II trials (Japan, US)
Planned launch: FY 2026 (Japan, US)

Potential for peak sales of 50 bn. yen

Potential to become growth drivers supporting the earnings base over the medium- to long-term

Appendix (Sumitomo Chemical: Investors' Meeting for the Current Priority Management Issues and Business Strategy on April 30, 2024)

Sumitomo Pharma (6): Regenerative medicine & cell therapies



Establish new company for regenerative medicine & cell therapies and accelerate commercialization through integrated operations

Strengths of our corporate group

- 1 Frontrunner inside and outside Japan in commercialization of iPS cells
⇒ Moving toward launch of world's first iPS cell-derived product
- 2 Completed the build out of an integrated manufacturing, sales and R&D regime in both Japan and the US

- Deliver globally new value that can only be achieved through regenerative medicine
- Already began developing therapies in the US. Also preparing foray in US CDMO market

Planned indications	Geography	Development status and target for launch
Pediatric congenital athymia RETHYMIC	US	Launched in March 2022
Parkinson's disease (Qualified for accelerated (<i>sakigake</i>) screening)	Japan	Obtain approval before the end of FY2024
	US	Begin Phase 1/2 studies
Retinal pigment epithelium tear	Japan	In Phase 1/2 studies ⇒ Target market launch in FY2028

Establish new company for regenerative medicine & cell therapies

Establish in FY2024 and accelerate deployment in Japan and US



Fully ramp up Japan business by FY2027 to reach business scale of more than 100 bn. yen globally in the 2030s

