December 13, 2024

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Notice of Revisions of the Full-Year Financial Forecast, Unchanged Year-End Dividend Forecast

We have revised our full-year consolidated financial forecast for the fiscal year ending December 31st, 2024, which was previously announced on July 31st, 2024, as follows. The year-end dividend forecast for the fiscal year ending December 31st, 2024 remains unchanged as 27.0 yen per share (total 53.0 yen per share for 2024).

Details

1. Revisions to the full-year financial forecast

Revisions to the financial forecast for the fiscal year ending December 31st, 2024.

	Revenue	Operating Profit	Profit before income taxes	Profit attributable to owners of parent	Basic earnings per share
	million yen	million yen	million yen	million yen	yen/share
Previous Forecast (A) (Announced July 31st, 2024)	148,700	6,000	2,600	2,100	63.86
Revised Forecast (B)	143,000	4,000	600	500	15.20
Change (B-A)	-5,700	-2,000	-2,000	-1,600	–
Change (%)	-3.8	-33.3	-76.9	-76.2	–
(Reference) Result for FY2023 (Fiscal year ending December 31st, 2023)	147,672	8,564	5,856	5,064	167.46

*The exchange rate and copper price assumptions used for the financial forecast are as follows.
Exchange Rate: USD / JPY 152.48 yen
EUR / JPY 160.36 yen
CNY / JPY 21.02 yen
LME Copper Price: 9,539 USD / ton

2. Reasons of revision

During this consolidated full-year period, the tightening of government subsidy requirements in the EV market such as subsidy cuts in Germany, the slowdown in real estate investment due to high interest rates, and the prolonged downturn in the Chinese economy have led to a decline in demand for xEV-related, solar power-related, and industrial equipment-related products in our group. Although we announced a revision of the full-year earnings forecast on July 31, the recovery of the automotive-related and industrial-related markets, particularly in Europe, has continued to take time. Given that the

current severe situation is expected to continue for the time being, we have determined that it is necessary to promptly implement bold structural reforms. The content of the structural reforms includes the rationalization of the number of personnel at our sites in Europe, aiming to optimize headcounts in response to the decline in demand. In the fiscal year ending December 2024, we will record a provision of approximately 950 million yen for retirement allowances and other related expenses. Upon completion of the structural reform, we expect cost savings of approximately 1,100 million yen annually from the fiscal year ending December 2025 onwards.

Furthermore, we maintain the view that the global trend towards decarbonization is irreversible in the medium to long term, and decarbonization-related projects have been steadily accumulating. At present, due to the increasing uncertainty surrounding the global economy, there is a growing trend of holding back on decarbonization-related investments, leading to delays in the initially anticipated revenue growth. To address this situation, we are working on improving the break-even point and diversifying revenue sources.

Additionally, we are continuing our efforts to secure projects aimed at achieving growth.
We will continue to strive to achieve the goals set forth in the mid-term business plan through the execution of these initiatives.

3. Year-end dividend forecast

Our dividend policy is set to deliver dividends in consideration of a consolidated dividend payout ratio (30% or more), as well as of Dividend on Equity (DOE) and other measures. While we have revised our full-year financial forecast downward, we have made firm progress to strengthen our profitability and to achieve sustainable growth. Accordingly, the year-end dividend forecast for the current fiscal year will remain unchanged from the initial forecast, at 27.0 JPY per share (total 53.0 JPY per share for the fiscal year ending December 31st, 2024). The amount of the year-end dividend will be determined at the Board of Directors meeting to be held on February 21st, 2025.

Disclaimer

The statements concerning SUMIDA CORPORATION’s future business performances in this release such as earnings forecast is based on information currently available and certain assumptions deemed to be reasonable by SUMIDA CORPORATION, and do not mean that SUMIDA CORPORATION promises to achieve these figures. Actual results may differ materially from the statements due to a variety of factors.

[Note on translation]

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