

SUMITOMO CHEMICAL COMPANY, LIMITED

Notice of the 138th Ordinary General Meeting of Shareholders

THIS DOCUMENT IS A SUMMARY OF A NOTICE AND THE ATTACHMENTS THERETO, THE ORIGINALS OF WHICH ARE IN THE JAPANESE LANGUAGE. THIS DOCUMENT IS MADE ONLY FOR THE REFERENCE PURPOSES OF SHAREHOLDERS WHO LIVE IN COUNTRIES OUTSIDE OF JAPAN AND DOES NOT CONSTITUTE A FORMAL TRANSLATION OF THE ORIGINAL NOTICE AND THE ATTACHMENTS. IN THIS SUMMARY, CERTAIN INFORMATION IS INTENTIONALLY OMITTED. THE ORIGINALS CONTAIN MORE INFORMATION, SUCH AS THE REPORTS OF THE ACCOUNTING AUDITORS AND THE BOARD OF CORPORATE AUDITORS, ETC., WHILE SOME SUPPLEMENTAL INFORMATION NOT CONTAINED IN THE ORIGINALS IS ADDITIONALLY GIVEN IN THIS SUMMARY AS FOOTNOTES WITH ASTERISKS.

To Our Shareholders:

Please take notice that Sumitomo Chemical Company, Limited (the “Company”) has called an Ordinary General Meeting of Shareholders to be held in Tokyo, Japan on June 21, 2019 (the “Meeting”) for the following purposes:

MATTERS TO BE REPORTED:

- No. 1. Reports on the Company’s business report, consolidated financial statements, and the results of both the Accounting Auditor’s and the Board of Corporate Auditors’ audits of the Company’s consolidated financial statements for the 138th fiscal period (from April 1, 2018, to March 31, 2019) (the “138th fiscal period”).
- No. 2. Reports on the Company’s non-consolidated financial statements for the 138th fiscal period.

MATTERS TO BE RESOLVED:

- No. 1. To elect thirteen Directors.
- No. 2. To elect three Corporate Auditors.

EXPLANATION OF THE SUBJECT MATTERS OF THE MEETING

- No. 1. Reports on the Company's business report, consolidated financial statements, and the results of both the Accounting Auditor's and the Board of Corporate Auditors' audits of the Company's consolidated financial statements for the 138th fiscal period.
- No. 2. Reports on the Company's non-consolidated financial statements for the 138th fiscal period.

* The financial statements for the 138th fiscal period have been audited by the Accounting Auditors (certified public accountants under Japanese law) and the Corporate Auditors of the Company pursuant to the Companies Act (*kaishahou*) (Law No. 86 of 2005).



No. 1. To elect thirteen Directors.


The term of office of all thirteen Directors will expire at the close of this Meeting. Accordingly, the election of thirteen Directors including four Outside Directors is proposed.


The candidates for Directors are as follows:


Candidate No.	Name	Current Principal Occupation and Responsibility at the Company		Attendance at the Board of Directors meetings
1	Masakazu Tokura (Reappointment)	Representative Director, Chairman		13 out of 13 meetings (100%)
2	Keiichi Iwata (Reappointment)	Representative Director, President & Executive President		10 out of 10 meetings (100%)
3	Ray Nishimoto (Reappointment)	Representative Director & Executive Vice President	Supervision of Health & Crop Sciences Sector	13 out of 13 meetings (100%)
4	Noriaki Takeshita (Reappointment)	Representative Director & Senior Managing Executive Officer	Supervision of Rabigh Project, Petrochemicals & Plastics Sector	13 out of 13 meetings (100%)
5	Hiroshi Ueda (Reappointment)	Director & Executive Vice President	Supervision of Research Planning and Coordination, Digital and Data Science Innovation, Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Intellectual Property, Responsible Care, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory	13 out of 13 meetings (100%)
6	Hiroshi Niinuma (Reappointment)	Director & Senior Managing Executive Officer	Supervision of General Affairs, Legal, CSR, Internal Control and Audit, Human Resources, Osaka Office Administration, Corporate Communications, Procurement, Logistics	10 out of 10 meetings (100%)
7	Takashi Shigemori (New appointment)	Senior Managing Executive Officer	Supervision of Corporate Business Development, Corporate Planning, IT Innovation, Accounting, Finance	—


8	Masaki Matsui	(New appointment)	Managing Executive Officer	Supervision of IT-related Chemicals Sector, PLED Business Planning, Electronic Devices Development Center	—
9	Kingo Akahori	(New appointment)	Managing Executive Officer	Supervision of Energy & Functional Materials Sector	—
10	Koichi Ikeda	(Reappointment, Outside Director, Independent Officer)	Director		13 out of 13 meetings (100%)
11	Hiroshi Tomono	(Reappointment, Outside Director, Independent Officer)	Director		12 out of 13 meetings (92%)
12	Motoshige Itoh	(Reappointment, Outside Director, Independent Officer)	Director		10 out of 10 meetings (100%)
13	Atsuko Muraki	(Reappointment, Outside Director, Independent Officer)	Director		10 out of 10 meetings (100%)

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p>1</p>  <p>Masakazu Tokura (Reappointment)</p>	<p>April 1974 Joined the Company June 2003 Executive Officer June 2006 Managing Executive Officer June 2008 Representative Director & Managing Executive Officer April 2009 Representative Director & Senior Managing Executive Officer April 2011 Representative Director, President & Executive President April 2014 Representative Director, President & Executive President, COO April 2015 Representative Director, President & Executive President April 2019 Representative Director, Chairman up to the present date</p> <p>[Reason for selection as a Director nominee, etc.] Masakazu Tokura assumed office as an Executive Officer of the Company in 2003. He previously served as a Director & Senior Managing Executive Officer, and has been serving as a Director & Executive President since 2011. He has formulated and promoted the previous Corporate Business Plan (from April 2016 to March 2019) and has formulated the current Corporate Business Plan (from April 2019 to March 2022). He has been focusing on the operations of the Board of Directors of the Company as a Director, Chairman since April 2019. He was continuously selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>July 10, 1950</p> <p>228,700 Shares</p>
<p>2</p>  <p>Keiichi Iwata (Reappointment)</p>	<p>April 1982 Joined the Company April 2010 Executive Officer April 2013 Managing Executive Officer April 2018 Senior Managing Executive Officer June 2018 Representative Director & Senior Managing Executive Officer April 2019 Representative Director, President & Executive President up to the present date</p> <p>[Reason for selection as a Director nominee, etc.] Keiichi Iwata assumed office as an Executive Officer of the Company in 2010. He previously served as a Managing Executive Officer, and has been serving as a Director & Senior Managing Executive Officer since 2018. He has been mainly in charge of the Energy & Functional Materials Sector, and has utilized his knowledge and experience for the benefit of the overall business of the Company as a Director. He has been serving as a Director & Executive President since April 2019, and has worked to promote the current Corporate Business Plan (from April 2019 to March 2022). He was continuously selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>October 11, 1957</p> <p>89,000 Shares</p>



Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p>3</p>  <p>Ray Nishimoto (Reappointment)</p>	<p>April 1980 Joined the Company April 2009 Executive Officer April 2011 Managing Executive Officer June 2013 Representative Director & Managing Executive Officer April 2015 Representative Director & Senior Managing Executive Officer April 2019 Representative Director & Executive Vice President up to the present date</p> <p>Current Responsibility at the Company Supervision of Health & Crop Sciences Sector</p> <p>Important Concurrent Post Chairman of Valent U.S.A. LLC Chairman of Valent BioSciences LLC Chairman of Vector Health International Ltd.</p> <p>[Reason for selection as a Director nominee, etc.] Ray Nishimoto assumed office as an Executive Officer of the Company in 2009. He previously served as a Director & Managing Executive Officer and Director & Senior Managing Executive Officer, and has been serving as a Director & Executive Vice President since 2019. He has been in charge of the Health & Crop Sciences Sector, and has utilized his knowledge and experience for the benefit of the overall business of the Company as a Director. He was continuously selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>April 23, 1957</p> <p>71,400 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p>4</p>  <p>Noriaki Takeshita (Reappointment)</p>	<p>April 1982 Joined the Company</p> <p>April 2010 Executive Officer</p> <p>April 2013 Managing Executive Officer</p> <p>June 2017 Representative Director & Managing Executive Officer</p> <p>April 2018 Representative Director & Senior Managing Executive Officer</p> <p>up to the present date</p> <p>Current Responsibility at the Company Supervision of Rabigh Project, Petrochemicals & Plastics Sector</p> <p>Important Concurrent Post Deputy Chairman of Rabigh Refining and Petrochemical Company</p> <p>[Reason for selection as a Director nominee, etc.] Noriaki Takeshita assumed office as an Executive Officer of the Company in 2010. He previously served as a Managing Executive Officer and Director & Managing Executive Officer, and has been serving as a Director & Senior Managing Executive Officer since 2018. He has been in charge of the Rabigh Project and the Petrochemicals & Plastics Sector, and has utilized his knowledge and experience for the benefit of the overall business of the Company as a Director. He was continuously selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>July 23, 1958</p> <p>54,300 Shares</p>


Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p>5</p>  <p>Hiroshi Ueda (Reappointment)</p>	<p>April 1982 Joined the Company</p> <p>April 2009 Executive Officer</p> <p>April 2011 Managing Executive Officer</p> <p>April 2016 Senior Managing Executive Officer</p> <p>June 2016 Representative Director & Senior Managing Executive Officer</p> <p>June 2018 Director & Senior Managing Executive Officer</p> <p>April 2019 Director & Executive Vice President</p> <p>up to the present date</p> <p>Current Responsibility at the Company</p> <p>Supervision of Research Planning and Coordination, Digital and Data Science Innovation, Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Intellectual Property, Responsible Care, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory</p> <p>Important Concurrent Post</p> <p>Outside Director of Sumitomo Bakelite Co., Ltd.</p> <p>[Reason for selection as a Director nominee, etc.]</p> <p>Hiroshi Ueda assumed office as an Executive Officer of the Company in 2009. He previously served as a Senior Managing Executive Officer and Director & Senior Managing Executive Officer, and has been serving as a Director & Executive Vice President since 2019. He has been in charge of the Research Planning and Coordination, Digital and Data Science Innovation, Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Intellectual Property, Responsible Care, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, and Bioscience Research Laboratory, and has utilized his knowledge and experience for the benefit of the overall business of the Company as a Director. He was continuously selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>August 5, 1956</p> <p>83,800 Shares</p>


Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p>6</p>  <p>Hiroshi Niinuma (Reappointment)</p>	<p>April 1981 Joined the Company April 2010 Executive Officer April 2013 Managing Executive Officer April 2018 Senior Managing Executive Officer June 2018 Director & Senior Managing Executive Officer up to the present date</p> <p>Current Responsibility at the Company Supervision of General Affairs, Legal, CSR, Internal Control and Audit, Human Resources, Osaka Office Administration, Corporate Communications, Procurement, Logistics</p> <p>Important Concurrent Post Outside Director of Sumitomo Seika Chemicals Co., Ltd.</p> <p>[Reason for selection as a Director nominee, etc.] Hiroshi Niinuma assumed office as an Executive Officer of the Company in 2010. He previously served as a Managing Executive Officer, and has been serving as a Director & Senior Managing Executive Officer since 2018. He has been in charge of General Affairs, Legal, CSR, Internal Control and Audit, Human Resources, Osaka Office Administration, Corporate Communications, Procurement and Logistics, and has utilized his knowledge and experience for the benefit of the overall business of the Company as a Director. He was continuously selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>March 5, 1958</p> <p>65,700 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p>7</p>  <p>Takashi Shigemori (New appointment)</p>	<p>April 1983 Joined the Company April 2012 Executive Officer April 2016 Managing Executive Officer April 2019 Senior Managing Executive Officer up to the present date</p> <p>Current Responsibility at the Company Supervision of Corporate Business Development, Corporate Planning, IT Innovation, Accounting, Finance</p> <p>Important Concurrent Post Director of Rabigh Refining and Petrochemical Company President of Japan-Singapore Petrochemicals Co., Ltd.</p> <p>[Reason for selection as a Director nominee, etc.] Since joining the Company, Takashi Shigemori has mainly worked in administrative departments such as Corporate Business Development, and has experienced overseas postings for a total of approximately 20 years. After being appointed as an Executive Officer in 2012, he has been in charge of the Rabigh Project and the Planning & Coordination Office, Petrochemicals & Plastics Sector, and has worked in the Corporate Business Development Dept., Corporate Planning Dept., and IT Innovation Dept. He was also engaged in improvement of the business portfolio and the active utilization of IT and digital technology, etc. He was selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>October 3, 1958</p> <p>11,830 Shares</p>
<p>8</p>  <p>Masaki Matsui (New appointment)</p>	<p>April 1985 Joined the Company April 2013 Executive Officer April 2017 Managing Executive Officer up to the present date</p> <p>Current Responsibility at the Company Supervision of IT-related Chemicals Sector, PLED Business Planning, Electronic Devices Development Center</p> <p>Important Concurrent Post Chairman of Sumika Technology Co., Ltd.</p> <p>[Reason for selection as a Director nominee, etc.] Since joining the Company, Masaki Matsui has mainly worked in administration and planning for business sectors and sales operations. While working in planning and administration for the optical materials business, he played a central role in significantly expanding the business in South Korea, Taiwan, and China, in addition to within Japan. After being appointed as an Executive Officer in 2013, he has also been in charge of offices and divisions in the IT-related Chemicals Sector, and helped the sector as a whole grow. He was selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>August 3, 1960</p> <p>25,821 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p>9</p>  <p>Kingo Akahori (New appointment)</p>	<p>April 1983 Joined the Company April 2015 Associate Officer April 2016 Executive Officer April 2018 Managing Executive Officer up to the present date</p> <p>Current Responsibility at the Company Supervision of Energy & Functional Materials Sector</p> <p>Important Concurrent Post Director of Koei Chemical Co., Ltd.</p> <p>[Reason for selection as a Director nominee, etc.] Since joining the Company, Kingo Akahori has engaged in a broad range of operations, including research and development, production technology, planning, and sales, and has experienced overseas postings in Switzerland and the United States. After being appointed as an Executive Officer in 2016, he has been in charge of the newly established Quality Assurance Office and divisions in the Energy & Functional Materials Sector, and helped the sector grow and expand. He was selected as a Director nominee since he has extensive business experience and advanced knowledge of the overall business of the Company, as described above.</p>	<p>August 2, 1957</p> <p>24,600 Shares</p>
<p>10</p>  <p>Koichi Ikeda (Reappointment, Outside Director, Independent Officer)</p>	<p>April 1963 Joined Asahi Breweries, Ltd. (Currently Asahi Group Holdings, Ltd.) March 1992 Commissioner of Asahi Breweries, Ltd. March 1996 Director of Asahi Breweries, Ltd. March 1997 Managing Director of Asahi Breweries, Ltd. March 1999 Senior Managing Director of Asahi Breweries, Ltd. March 2000 Senior Managing Executive Officer of Asahi Breweries, Ltd. March 2001 Senior Managing Director & Senior Managing Executive Officer of Asahi Breweries, Ltd. January 2002 Representative Director & President & COO of Asahi Breweries, Ltd. March 2006 Representative Director & Chairman & CEO of Asahi Breweries, Ltd. March 2010 Adviser of Asahi Breweries, Ltd. June 2011 Outside Corporate Auditor of the Company July 2011 Adviser of Asahi Group Holdings, Ltd. up to the present date June 2015 Outside Director of the Company up to the present date</p> <p>Important Concurrent Post Outside Director of Toshiba Corporation</p> <p>[Reason for selection as an Outside Director nominee, etc.] Koichi Ikeda was continuously selected as an Outside Director nominee to supervise the management of the Company by making use of his abundant experience and extensive knowledge as a management executive of a business corporation.</p>	<p>April 21, 1940</p> <p>0 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
11  Hiroshi Tomono (Reappointment, Outside Director, Independent Officer)	<p>April 1971 Joined Sumitomo Metal Industries, Ltd. (Currently NIPPON STEEL CORPORATION)</p> <p>June 1998 Director of Sumitomo Metal Industries, Ltd.</p> <p>June 1999 Managing Executive Officer of Sumitomo Metal Industries, Ltd.</p> <p>April 2003 Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd.</p> <p>June 2003 Director & Senior Managing Executive Officer of Sumitomo Metal Industries, Ltd.</p> <p>April 2005 Representative Director & Vice President of Sumitomo Metal Industries, Ltd.</p> <p>June 2005 Representative Director & President of Sumitomo Metal Industries, Ltd.</p> <p>October 2012 Representative Director & President & COO of Nippon Steel & Sumitomo Metal Corporation (Currently NIPPON STEEL CORPORATION)</p> <p>April 2014 Representative Director & Vice Chairman of Nippon Steel & Sumitomo Metal Corporation</p> <p>April 2015 Director & Adviser of Nippon Steel & Sumitomo Metal Corporation</p> <p>June 2015 Adviser of Nippon Steel & Sumitomo Metal Corporation</p> <p>up to the present date</p> <p>June 2015 Outside Director of the Company</p> <p>up to the present date</p> <p>Important Concurrent Post</p> <p>Outside Director of Konica Minolta, Inc.</p> <p>Outside Director of Japan Nuclear Fuel Limited</p> <p>[Reason for selection as an Outside Director nominee, etc.]</p> <p>Hiroshi Tomono was continuously selected as an Outside Director nominee to supervise the management of the Company by making use of his abundant experience and extensive knowledge as a management executive of a business corporation.</p>	July 13, 1945 0 Shares

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p>12</p>  <p>Motoshige Ito (Reappointment, Outside Director, Independent Officer)</p>	<p>December 1993 Professor, Faculty of Economics, The University of Tokyo</p> <p>April 1996 Professor, Graduate School of Economics, The University of Tokyo</p> <p>October 2007 Dean, Graduate School of Economics, Faculty of Economics, The University of Tokyo</p> <p>April 2016 Professor, Faculty of International Social Sciences, Gakushuin University</p> <p>up to the present date</p> <p>June 2018 Outside Director of the Company</p> <p>up to the present date</p> <p>Important Concurrent Post</p> <p>Outside Director of East Japan Railway Company</p> <p>Outside Director of THE SHIZUOKA BANK, LTD.</p> <p>Outside Corporate Auditor of Haboromo Foods Corporation</p> <p>[Reason for selection as an Outside Director nominee, etc.]</p> <p>Motoshige Ito was continuously selected as an Outside Director nominee to supervise the management of the Company by making use of his expert knowledge of economics, etc. through his long experience as a university professor; and of his wealth of experience and extensive knowledge of economic, social and other issues from his track record as a member of various government deliberative committees. Although Motoshige Ito only has experience with enterprise management as an outside director or auditor, the Company has determined that he is capable of appropriately performing the duties of an Outside Director of the Company, due to the reasons mentioned above.</p>	<p>December 19, 1951</p> <p>0 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation and Responsibility at the Company, and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
13  Atsuko Muraki (Reappointment, Outside Director, Independent Officer)	<p>April 1978 Joined Ministry of Labour (Currently Ministry of Health Labour and Welfare)</p> <p>October 2005 Counsellor for Policy Evaluation, Minister's Secretariat of Ministry of Health Labour and Welfare</p> <p>September 2006 Deputy Director-General, Equal Employment, Children and Families Bureau of Ministry of Health Labour and Welfare</p> <p>July 2008 Director-General, Equal Employment, Children and Families Bureau of Ministry of Health Labour and Welfare</p> <p>September 2010 Director-General for Policies on Cohesive Society of Cabinet Office</p> <p>September 2012 Director-General, Social Welfare and War Victims' Relief Bureau of Ministry of Health Labour and Welfare</p> <p>July 2013 Vice Minister of Health Labour and Welfare of Ministry of Health Labour and Welfare</p> <p>October 2015 Retired from Ministry of Health Labour and Welfare</p> <p>June 2018 Outside Director of the Company up to the present date</p> <p>Important Concurrent Post</p> <p>Outside Member of the Board of ITOCHU Corporation</p> <p>Outside Audit & Supervisory Board Member of Sompo Holdings, Inc.</p> <p>[Reason for selection as an Outside Director nominee, etc.]</p> <p>Atsuko Muraki was continuously selected as an Outside Director nominee to supervise the management of the Company by making use of her wealth of experience and extensive knowledge in legal, social and other issues deriving from her employment over many years at administrative bodies as a civil servant. Although Atsuko Muraki only has experience with enterprise management as an outside director or auditor, the Company has determined that she is capable of appropriately performing the duties of an Outside Director of the Company, due to the reasons mentioned above.</p>	December 28, 1955 0 Shares

- NOTES: 1 None of the above candidates has any conflicts of interest with the Company.
- 2 Mr. Koichi Ikeda, Mr. Hiroshi Tomono, Mr. Motoshige Itoh, and Ms. Atsuko Muraki are the candidates for Outside Directors.
- 3 Mr. Koichi Ikeda, Mr. Hiroshi Tomono, Mr. Motoshige Itoh, and Ms. Atsuko Muraki are currently Outside Directors of the Company. Mr. Koichi Ikeda's term of office will be four years, Mr. Hiroshi Tomono's term of office will be four years, Mr. Motoshige Itoh's term of office will be one year, and Ms. Atsuko Muraki's term of office will be one year at the close of this Meeting. Mr. Koichi Ikeda assumed office as an Outside Corporate Auditor of the Company on June 23, 2011, and retired on June 23, 2015.



- 4 Pursuant to the regulations of the Tokyo Stock Exchange, Inc., the Company has designated Mr. Koichi Ikeda, Mr. Hiroshi Tomono, Mr. Motoshige Itoh, and Ms. Atsuko Muraki as Independent Directors who have no risk of having conflicts of interest with ordinary shareholders.
- 5 In December 2016, Japan Nuclear Fuel Limited, where Mr. Hiroshi Tomono has served as an Outside Director since June 2016, received an order to submit a report (“Collection of Reports”) from the Nuclear Regulation Authority regarding safety violations. He was not aware of each matter related to the receipt of such an order in advance, but had always expressed his opinions from the perspective of compliance at Board of Directors Meetings, etc., and even after receiving the order, fulfilled his responsibility as an Outside Director, such as instructing through inspections and measures to prevent reoccurrence.
- 6 On January 12, 2018 and July 12, 2018, ITOCHU Corporation, where Ms. Atsuko Muraki has been an Outside Member of the Board since June 2016, was sanctioned by the Japan Fair Trade Commission with a cease and desist order relating to violations of the Antimonopoly Act. In addition, on October 18, 2018, ITOCHU Corporation was sanctioned with a cease and desist order and a surcharge payment order relating to violations of the Antimonopoly Act. Ms. Atsuko Muraki was unaware of circumstances relating to the cease and desist order and the surcharge payment order before the event, but has regularly made comments at the Board of Directors meetings regarding the importance of compliance with laws and regulations. After said facts were discovered, she has actively provided advice on further compliance with laws and regulations and the formulation of plans to prevent recurrence, and has accordingly fulfilled her duties in such capacity.
- 7 The Company executed limitation of liability contracts with Mr. Koichi Ikeda, Mr. Hiroshi Tomono, Mr. Motoshige Itoh, and Ms. Atsuko Muraki that limit their liabilities for damages to the Company pursuant to Article 423(1) of the Companies Act, up to the total of the amounts listed in the items of Article 425(1) of the Companies Act (the “Limitation of Liability Contracts”). When they are reappointed to Outside Directors of the Company, the Company will continue the Limitation of Liability Contracts.

No. 2. To elect three Corporate Auditors.

The terms of office of Corporate Auditors Kenya Nagamatsu, Hiroaki Yoshida, and Yoshitaka Kato will expire at the close of this Meeting. Accordingly, the election of three Corporate Auditors is proposed.

The Board of Corporate Auditors has given its consent to this proposal.

The candidates for Corporate Auditor are as follows:

Candidate No. Name	Career Summary, Principal Occupation at the Company and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
<p>1</p>  <p>Kunio Nozaki (New appointment)</p>	<p>April 1979 Joined the Company June 2007 Executive Officer April 2009 Managing Executive Officer April 2014 Senior Managing Executive Officer June 2014 Representative Director & Senior Managing Executive Officer June 2018 Director & Senior Managing Executive Officer April 2019 Director up to the present date</p> <p>[Reason for selection as a Corporate Auditor nominee, etc.] Since joining the Company, Kunio Nozaki has worked mainly in accounting and finance operations, and has deep knowledge and experience related to these areas. He was also appointed as Director & Senior Managing Executive Officer in 2014, and has worked in the management of the Company. He was selected as a Corporate Auditor nominee to make use of this abundant knowledge and experience related to accounting and finance, and his experience and extensive knowledge as a management executive in auditing the Company in future.</p>	<p>October 29, 1956</p> <p>78,600 Shares</p>
<p>2</p>  <p>Hiroaki Yoshida (Reappointment)</p>	<p>April 1980 Joined the Company June 2009 General Manager, Internal Audit Dept. February 2010 General Manager, Petrochemicals & Plastics Sector - Planning & Coordination Office April 2012 General Manager, Rabigh Project - Planning & Coordination Office & General Manager, Petrochemicals & Plastics Sector -Planning & Coordination Office June 2015 Standing Corporate Auditor up to the present date</p> <p>[Reason for selection as a Corporate Auditor nominee, etc.] Since joining the Company, Hiroaki Yoshida has experience of operations in planning, legal, and other administrative sectors, and has also worked in an overseas posting in Saudi Arabia, in addition to serving as General Manager of the Internal Audit Dept. and General Manager of the Planning & Coordination Office, Petrochemicals & Plastics Sector. He was continuously selected as a</p>	<p>March 2, 1956</p> <p>11,800 Shares</p>

Candidate No. Name	Career Summary, Principal Occupation at the Company and Important Concurrent Post	Birth Date The Number of Shares Owned in the Company
	Corporate Auditor, in order to make use of his abundant knowledge and experience regarding the Company's business in auditing the Company.	
3  Yoshitaka Kato (Reappointment, Outside Corporate Auditor, Independent Officer)	November 1974 Joined Tetsuzo Ota & Co. (Currently Ernst & Young ShinNihon LLC) September 1978 Registered as a certified public accountant May 1998 Representative Partner of Showa Ota & Co. (Currently Ernst & Young ShinNihon LLC) June 2006 Managing Executive Partner of Ernst & Young ShinNihon (Currently Ernst & Young ShinNihon LLC) August 2008 CEO of Ernst & Young ShinNihon LLC (Currently Ernst & Young ShinNihon LLC) June 2014 Left Ernst & Young ShinNihon LLC June 2015 Outside Corporate Auditor of the Company up to the present date Important Concurrent Post Outside Corporate Auditor of Mitsui Fudosan Co., Ltd. Outside Corporate Auditor of Sumitomo Corporation [Reason for selection as an Outside Corporate Auditor nominee, etc.] Yoshitaka Kato was continuously selected as an Outside Corporate Auditor, in order to make use of his expert knowledge and abundant experience as a certified public accountant over many years in auditing the Company. Although Yoshitaka Kato only has experience with enterprise management as an outside officer, the Company has determined that he is capable of appropriately performing the duties of an Outside Corporate Auditor of the Company, due to the reasons mentioned above.	September 17, 1951 0 Shares

- NOTES: 1 The above candidates do not have any conflicts of interest with the Company.
- 2 Mr. Yoshitaka Kato is a candidate for Outside Corporate Auditor.
- 3 Mr. Yoshitaka Kato is currently an Outside Corporate Auditor of the Company, and his term of office will be four years at the close of this Meeting.
4. The Company has designated Mr. Yoshitaka Kato as an Independent Corporate Auditor who has no risk of having conflicts of interest with ordinary shareholders, pursuant to the regulations of the Tokyo Stock Exchange, Inc., and has notified the Tokyo Stock Exchange, Inc. of this.
- 5 The Company executed a limitation of liability contract with Mr. Yoshitaka Kato that limit his liabilities for damages to the Company pursuant to Article 423(1) of the Companies Act, up to the total of the amounts listed in the items of Article 425(1) of the Companies Act (the "Limitation of Liability Contract"). When he is reappointed to Outside Corporate Auditor of the Company, the Company will continue the Limitation of Liability Contract.

(Reference)

Criteria for Designation of Independent Directors & Auditors (Revised June 23, 2015)

1. These criteria set conditions for designation of the Company's Outside Directors & Auditors (meaning Outside Directors and Outside Corporate Auditors) as "Independent Directors & Auditors" defined in the listing rules of stock exchanges in Japan.
2. If none of the conditions given in (1) to (9) below applies, a person, in principle, shall be considered to have no material interest in the Company and may be designated as Independent Directors & Auditors.

The person

- (1) Is an executor of business, i.e. someone who executes business of the Company or a company of the Company's Group (a Director (other than Outside Director), an executive officer, or an employee (by whatever name, someone having an employment relationship with the Company or with the company of the Group)).
- (2) Is an executor of business who executes business of a major client or business partner of the Company. The "a major client or business partner" means any of the following.
 - (a) A vendor providing products or services to the Company, or a customer to which the Company is providing products or services, of which the total amount of such transactions in the fiscal year nearest to the time of intended designation as an Independent Directors & Auditors exceeds 2% of their total sales or exceeds 2% of the Company's nonconsolidated sales, respectively.
 - (b) A financial institution providing loans to the Company, of which the total amount of the loans at the end of the fiscal year nearest to the time of intended designation as Independent Directors & Auditors exceeds 2% of the Company's total nonconsolidated borrowings; provided that, even if the amount does not exceed 2%, a financial institution indicated as a lender to the Company on annual securities reports, business reports or other public documents shall be considered "a major business partner."
- (3) A consultant, certified public accountant, attorney or other expert receiving remuneration from the Company in addition to the remuneration payable to the Company's Directors, Officers, Etc., of which the total amount of the remuneration paid, other than the remuneration payable to the Company's Directors, Officers, Etc., in the fiscal year nearest to the time of intended designation as Independent Directors & Auditors exceeds 10 million yen; provided that, even if the amount does not exceed 10 million yen, the person shall be considered a recipient of a substantial amount of remuneration if it exceeds 50% of that person's annual income.
- (4) A person who works for an organization that is a consulting firm, tax accounting firm, law office, other corporate body, partnership, etc., whose sales to the Company in the fiscal year nearest to the time of intended designation as Independent Directors & Auditors exceeds 2% of the organization's total sales or 10 million yen, whichever is larger.
- (5) A shareholder of the Company whose share of voting rights at the end of the fiscal year nearest to the time of intended designation as Independent Directors & Auditors is 10% or more (a total of direct and indirect holdings) or an executor of business at the shareholder entity.
- (6) Of the companies in which the Company holds shares, an entity in which the Company's

share of voting rights at the end of the fiscal year nearest to the time of intended designation as Independent Directors & Auditors is 10% or more (a total of direct and indirect holdings) or an executor of business at the entity.

- (7) A person who works for an auditing firm that conducts statutory audits of the Company.
- (8) A person to whom (1) above was applicable in the past or to whom any of (2) to (7) above was applicable in the past one year or equivalent period.
- (9) A spouse or a close relative (second-degree relative or closer) of a person to whom any of the following applies.
 - (a) A person listed in (1) to (7) above.
 - (b) A person who, in the past year or equivalent period, was an executor of business of the Company or a company of the Company's Group. If an outside Corporate Auditor is to be designated as Independent Directors & Auditors, a Director not executing business or an accounting advisor (including its employees who are to perform relevant specific duties if the accounting advisor is a body corporate).
 - (c) In (a) and (b) above, "an executor of business" shall mean a person executing an important business at a company or a business partner, i.e. a Director having business execution functions, an Executive Officer or an employee having a position of department manager, its equivalent or above, and shall not include persons below the position of department manager or its equivalent.
 - (d) The above (a) notwithstanding, a person who "works for an organization" in (4) above shall not include a person who is neither an executor of important business in the organization nor, if the organization is an auditing firm, law office or other organization specializing in accounting or law, etc., a person who has specialized qualifications, such as a certified public accountant and attorney.
 - (e) The above (a) notwithstanding, a person who "works for an auditing firm" in (7) above shall include neither a person who is not an executor of important business in the firm nor a person who does not have specialized qualifications, such as a certified public accountant.

- 3. Even where the conditions set forth in 2. above do not apply, if there are circumstances that, in the judgment of the Company, sufficiently indicates any of Outside Directors & Auditors being incapable of performing his or her duties as Independent Directors & Auditors, that particular Outside Directors & Auditors shall not be designated as Independent Directors & Auditors.
- 4. With respect to an Outside Directors & Auditors whom the Company intends to designate as Independent Directors & Auditors in accordance with the foregoing, the Company shall, upon his or her written consent, designate that Outside Directors & Auditors as Independent Directors & Auditors, and shall make notification thereof to the stock exchanges on which the Company is listed. Prior to making the notification, the matter shall be reported to the Board of Directors and the Board of Corporate Auditors.

Business Report

(April 1, 2018 - March 31, 2019)

1. Overview of the Company Group

(1) Business Progress and Results

The state of the world economy for this fiscal year, continued to be strong, due to factors such as rising employment numbers and strong consumer demand in the US. At the same time, clouds can be seen in the growth of the Chinese economy, due to the impact of factors such as the trade conflict with the US and deleveraging by the government, while in Europe, the economy has been rapidly slowing down since the autumn of last year, due to a variety of factors, particularly the economic slowdown in China.

The Japanese economy continues to see improvements in wages and the job market, and conditions have remained generally favorable, but there have been negative influences from factors including the slowdowns in the economies of China and Europe, among others, deteriorations in the domestic market due to a weakness in Asian market conditions for petrochemical products, and the sudden slump in IT-related demand, particularly in smartphones.

Under these circumstances, the Sumitomo Chemical Group undertook group-wide efforts to improve business performance. At the same time, the Group worked to further accelerate its transformation into a more resilient Sumitomo Chemical that continues to grow, based on the current three-year Corporate Business Plan for fiscal 2016 to 2018 that has a basic policy of further improving its business portfolio, generating more cash flow, and accelerating the launch of next-generation businesses.

As a result, the Sumitomo Chemical Group's sales revenue for this fiscal year totaled ¥2,318.6 billion, an increase of ¥128.1 billion compared with the previous fiscal year. The Group posted core operating income of ¥204.3 billion, operating income of ¥183.0 billion, and net income attributable to owners of the parent of ¥118.0 billion, all of which fell short of the results for the previous fiscal year.

The Company's non-consolidated sales amounted ¥723.6 billion, and net income was ¥67.0 billion.

Note: "Core operating income" is a gain and loss concept that reflects recurring earning capacity. It excludes gains and losses from non-recurring factors from operating income, including the share of profit from investments accounted for using the equity method.

The Company has decided to pay a year-end dividend of ¥11 per share. As a result, the Company's annual dividend for fiscal 2018 is ¥22 per share, including an interim dividend of ¥11 per share.

Financial Results by Business Segment

Petrochemicals & Plastics

Market conditions for petrochemical products rose because of higher feedstock prices. Market conditions for raw materials for synthetic fibers and methyl methacrylate (MMA) also improved. In addition, shipments of products increased from the Rabigh Phase II

project in this fiscal year. As a result, the segment's sales revenue grew by ¥83.4 billion compared with the previous fiscal year, to ¥757.5 billion. Core operating income declined by ¥33.0 billion compared with the previous fiscal year, to ¥61.6 billion, due to factors such as the impact of periodic plant maintenance at the Chiba Works in Japan and in Singapore, as well as margin erosion for petrochemical products.

Energy & Functional Materials

Shipments of separators for lithium-ion secondary batteries rose on higher demand. Shipments of high purity alumina also increased, primarily for use in battery materials. As a result, the segment's sales revenue increased by ¥31.9 billion compared with the previous fiscal year, to ¥282.9 billion, and core operating income grew by ¥3.8 billion, to ¥23.0 billion.

IT-related Chemicals

Although selling price of polarizing film declined, shipments increased due to growth in demand for TV and mobile applications. Shipments of touch sensor panels also increased due to growth in demand. As a result, the segment's sales revenue increased by ¥28.1 billion compared with the previous fiscal year, to ¥396.8 billion, and core operating income rose by ¥13.9 billion, to ¥26.2 billion.

Health & Crop Sciences

Shipments of crop protection chemicals decreased due to factors such as frequent extreme weather in North America toward the end of this fiscal year, and revenue from feed additive methionine fell due to declining market conditions. Moreover, while there was an increase in sales due to the recent consolidation of agriculture-related retail businesses in Japan, depreciation of emerging market currencies had a negative effect on sales from subsidiaries outside Japan in yen terms. As a result, the segment's sales revenue fell by ¥1.6 billion compared with the previous fiscal year, to ¥338.1 billion. Core operating income declined by ¥24.2 billion, to ¥19.7 billion, compared with the previous fiscal year, due to factors including margin erosion in methionine and reduced shipments of crop protection chemicals.

Pharmaceuticals

In North America, sales of Latuda® (atypical antipsychotic), Aptiom® (antiepileptic drug), and other treatments increased. On the other hand, results in Japan were adversely impacted by drug price revisions instituted by Japan's National Health Insurance. As a result, the segment's sales revenue declined by ¥8.1 billion compared with the previous fiscal year, to ¥492.1 billion. Because of the impact of the drug price revisions, and because a one-time gain was recorded in the previous fiscal year on the transfer of a business, core operating income declined by ¥14.0 billion, to ¥80.8 billion.

Others

In addition to the above five segments, the Sumitomo Chemical Group engages in supplying electrical power and steam, providing services for the design, engineering, and construction management of chemical plants, providing transport and warehousing, and conducting materials and environmental analysis. The segment's sales revenue declined by ¥5.6 billion from the previous fiscal year, to ¥51.1 billion, and core operating income declined by ¥1.6 billion, to ¥9.4 billion.

Capital Expenditures

In the fiscal year under review, the Companies' capital expenditures totaled ¥163.7 billion, which includes investments for new installations and the expansion of manufacturing facilities as well as renovations and rationalization of existing facilities.

Major facilities completed in the fiscal year under review includes the new installation

of the manufacturing facility for processing chemicals for semiconductors in China in the IT-related Chemicals Segment, the expansion of the Company's production facility for methionine and the new Synthesis Research Laboratory in the Health & Crop Sciences Segment.

Major facilities under construction in the fiscal year under review includes the expansion of the manufacturing facility for processing chemicals for semiconductors in China in the IT-related Chemicals Segment.

Financing

To respond to financing needs during the fiscal year under review, the Company raised funds, primarily via borrowings from banks and the issue of corporate bonds. The balance of borrowings (including corporate bonds) decreased by ¥2.6 billion from the previous fiscal year, to ¥839.5 billion.

(2) Issues to be Addressed

Sumitomo Chemical's Vision

With our origins in overcoming the environmental issue of smoke pollution at the Besshi copper mine and increasing crop yields, we have unceasingly pioneered new technology and transformed our businesses while supporting abundant lifestyles for people through our businesses for over a century since our founding. While doing so, we built up our core competence, which is capabilities to develop innovative solutions by leveraging extensive technological expertise, Global market reach, and Highly loyal employees.

Going forward, by making full use of these strengths and operating our business, we will strive to solve problems that society faces in the areas of the environment, food, resources, and energy, and contribute to promoting health, building comfortable life, and improving the quality of life for people around the world.

We will aim to achieve sustained growth and realize sustainable society by consistently achieving our business targets of ROE of 10% or higher, a dividend payout ratio of approximately 30%, etc.

Summary of Corporate Business Plan from FY2016 to FY2018

In our Corporate Business Plan, the final year of which was fiscal 2018, the Company implemented initiatives in line with five basic policies, including improving the business portfolio, as we looked to transform into a more resilient Sumitomo Chemical Group that continues to grow.

The Company decided on capital expenditures and investments cumulatively totaling 650 billion yen during the three years of the Corporate Business Plan, and took steps to improve the business portfolio by allocating three quarters of this amount to the specialty chemical business, centered on life sciences.

With regard to business performance in fiscal 2018, the final year of the Corporate Business Plan, the business environment included an exchange rate of 110.92 yen/\$ and a naphtha price of 49,500 yen/kiloliter. In these circumstances, sales revenue was 2,318.6 billion yen, core operating income was 204.3 billion yen, and net income attributable to owners of the parent was 118.0 billion yen.

Corporate Business Plan from FY2019 to FY2021

The global economy is expected to continue growing at a rate of approximately 3% per year, but it is feared that volatility and uncertainty will increase as there are various risk factors, including trade frictions between the US and China.

Under such circumstances, the Group recently formulated a new Corporate Business Plan with FY2019 as the first fiscal year. Under the slogan "Change and Innovation 3.0 for a Sustainable Future," we will achieve sustained growth for us and build a sustainable society by promoting digital innovation to significantly improve productivity and accelerate innovation.

The medium-term management plan is based on the following basic policies:

1) Accelerating the development of next-generation businesses

We have identified Health Care, Reducing Environmental Impact, Food, and Information and Communication Technology (ICT) as the four priority areas. We will collaborate with academia and startups to develop next-generation technologies and create new businesses for building a sustainable society.

2) Improve productivity through digital innovation

By the expanded use of digital technologies (AI and IoT), we will realize drastic improvement in productivity in R&D, manufacturing, supply chain, sales, and indirect departments.

3) Further improve business portfolio

We will further improve our business portfolio by concentrating management resources on those businesses where we can expect sustainable market growth and technology can play a key role as a source of competitiveness.

4) Build a more robust financial structure

We will build a more robust financial structure by controlling costs and assets through more effectively managed operations.

In addition to the four points above, the Company will also work to: 5) Employ, develop and leverage human resources for sustainable growth; and 6) Ensure full and strict compliance and maintain safe and stable operations.

Strategies and measures at each business segment

Major initiatives in the previous and current medium-term management plans at each business segment are as follows:

Petrochemicals & Plastics

In the previous medium-term management plan, the Company completed construction of the Rabigh Phase II Project and started shipping. We also proceeded with initiatives aimed at generating high added value in our products in Singapore and other countries.

In the current medium-term management plan, the Company will focus on strengthening the domestic business as the foundation for global development, and further enhance profitability in the Singapore business. In addition, we will work to continue the stable operation of the Rabigh Phase I Project and work toward generating a revenue contribution from Phase II as soon as possible.

Energy & Functional Materials

In the previous medium-term management plan, the Company enhanced production capacity for separators for lithium-ion secondary batteries, etc., which continue to see increasing demand for components for electric vehicles, and operated its businesses in a well-balanced manner, including withdrawing from the diesel-engine particulate filter (DPF) business.

In the current medium-term management plan, the Company will focus on expanding sales of separators and other battery materials, high-performance polymers and other materials, while strengthening profitability by shifting other products to high value-added products.

IT-related Chemicals

In the previous medium-term management plan, the Company implemented initiatives such as shifting to high value-added polarizers utilizing inhouse materials, and enhancing production systems in the semiconductor materials business.

In the current medium-term management plan, the Company will focus mainly on securing a return on upfront investment conducted in the previous medium-term management plan, continuously strengthening competitiveness in existing businesses, and developing a range of highly profitable products that will serve as future core businesses.

Health & Crop Sciences

In the previous medium-term management plan, the Company made progress in strengthening our network of sales offices overseas, including acquiring an Indian agrochemicals company. In addition, the Company also expanded its network of research and development locations, including establishing the Chemistry Research Center in Takarazuka as a site for drug development and innovation, and commenced registration application procedures for next-generation large-scale agricultural chemicals.

In the current medium-term management plan, the Company will expand the

agrochemicals business by steadily strengthening the biorational business, including microbial pesticides, and promoting development aimed at bringing new agrochemicals to market. The Company will also focus on expanding global sales of the feed additive methionine, having increased production capacity, and household and public hygiene insecticide products.

Pharmaceuticals

In the previous medium-term management plan, the Company continued endeavoring to expand sales of Latuda® (atypical antipsychotic), achieving significant growth in sales revenue. In addition, the Company also focused on enhancing the development pipeline, including acquiring Canada based Cynapsus Therapeutics Inc. and U.S. based Tolero Pharmaceuticals, Inc.

In the current medium-term management plan, the Company will focus on research areas of Psychiatry & Neurology, Oncology, and Regenerative Medicine & Cell Therapy, as we implement research and development initiatives by all means including inhouse research, the introduction of technology from outside, and joint research with academia and start-up companies.

Performance targets in FY2021

In the current medium-term management plan, assuming an exchange rate of 110 yen/\$ and a naphtha price of 51,000 yen/kiloliter, we are aiming for sales revenue of 2,950 billion yen, core operating income of 280 billion yen, and net income attributable to owners of the parent of 150 billion yen, with an ROE of 13%, ROI of 7%, and a D/E ratio of 0.7 times by FY2021, the final year of the plan. The Company intends to achieve these performance targets by steadily implementing the initiatives of the current medium-term management plan.

(3) Assets and Income

1) Trends in assets and income of the Group

Item	The 135th term (April 1, 2015 to March 31, 2016)	The 136th term (April 1, 2016 to March 31, 2017)	The 137th term (April 1, 2017 to March 31, 2018)	The 138th term (April 1, 2018 to March 31, 2019)
Japanese GAAP				
Net sales (Billions of yen)	2,101.8	1,954.3		
Ordinary income (Billions of yen)	171.2	166.6		
Net income attributable to owners of the parent (Billions of yen)	81.5	85.5		
Net income per share	49.84 yen	52.30 yen		
ROE	10.5%	10.8%		
Net assets (Billions of yen)	1,090.8	1,162.5		
Total assets (Billions of yen)	2,662.2	2,851.7		
IFRS				
Sales revenue (Billions of yen)		1,939.1	2,190.5	2,318.6
Core operating income (Billions of yen)		184.5	262.7	204.3
Net income attributable to owners of the parent (Billions of yen)		76.5	133.8	118.0
Basic earnings per share		46.81 yen	81.81 yen	72.17 yen
ROE		9.8%	15.4%	12.3%
Equity attributable to owners of the parent (Billions of yen)		812.6	927.1	998.7
Total equity (Billions of yen)		1,115.9	1,252.2	1,351.9
Total assets (Billions of yen)		2,878.2	3,068.7	3,171.6

NOTE: In connection with the confirmation in the 137th Fiscal Period of provisional accounting procedures relating to the business combination that took place in the 136th Fiscal Period, retrospective adjustments have been made to figures for the 136th period due to purchase price allocation changes.

2) Trends in assets and income of the Company

Item	The 135th term (April 1, 2015 to March 31, 2016)	The 136th term (April 1, 2016 to March 31, 2017)	The 137th term (April 1, 2017 to March 31, 2018)	The 138th term (April 1, 2018 to March 31, 2019)
Japanese GAAP				
Net sales (Billions of yen)	735.3	650.9	708.4	723.6
Ordinary income (Billions of yen)	88.5	58.0	75.9	73.7
Net income (Billions of yen)	37.5	36.9	55.8	67.0
Net income per share	22.92 yen	22.54 yen	34.15 yen	40.96 yen
Net assets (Billions of yen)	287.6	295.2	327.2	350.3
Total assets (Billions of yen)	1,357.4	1,373.9	1,456.0	1,496.4

NOTE: “Partial Amendments to Accounting Standard for Tax Effect Accounting, etc.” (Accounting Standards Board of Japan (ASBJ) Statement No. 28; February 16, 2018) have been applied from the fiscal year under review, and have been retrospectively applied to the figures for the 137th Fiscal Period.

(4) Principal Businesses (as of March 31, 2019)

Business segment	Key products and businesses
Petrochemicals & Plastics	Petrochemical products, inorganic chemicals, raw materials for synthetic fibers, organic chemicals, synthetic resins, methyl methacrylate products, synthetic resin processed products, etc.
Energy & Functional Materials	Alumina products, aluminum, specialty chemicals, additives, dyestuffs, synthetic rubber, engineering plastics, battery materials, etc.
IT-related Chemicals	Optical products, color filters, semiconductor processing materials, compound semiconductor materials, touchscreen panels, etc.
Health & Crop Sciences	Crop protection chemicals, fertilizers, agricultural materials, household and public hygiene insecticides, materials for protection against tropical diseases, feed additives, pharmaceutical chemicals, etc.
Pharmaceuticals	Pharmaceuticals for medical treatment, radiopharmaceuticals, etc.

Aside from the above, as “Others”, the Sumitomo Chemical Group engages in supplying electrical power and steam, providing services for the design, engineering, and construction management of chemical plants, providing transport and warehousing, conducting materials and environmental analysis, etc.

(5) Principal Business Locations (as of March 31, 2019)

1) The Company

Head offices	Tokyo, Osaka
Branch offices	Tokyo, Osaka, Nagoya Branch Office, Fukuoka Branch Office
Plants	Ehime Works, Chiba Works, Osaka Works, Ohe Works (Ehime), Oita Works, Misawa Works (Aomori)
Research laboratories	Industrial Technology & Research Laboratory (Osaka), Environmental Health Science Laboratory (Osaka), Advanced Materials Development Laboratory (Ibaraki), Bioscience Research Laboratory (Osaka)

- NOTES: 1 Oita Works includes Okayama Plant and Gifu Plant.
2 Research laboratories are shown as corporate research facilities. There also exist business sector research laboratories, such as the Health & Crop Sciences Research Laboratory (Hyogo), etc.

2) Material subsidiaries

Domestic	Sumitomo Dainippon Pharma Co., Ltd. (Osaka, Tokyo, Mie, Ehime, Oita) Tanaka Chemical Corporation (Fukui, Osaka) Koei Chemical Co., Ltd. (Chiba, Tokyo) Taoka Chemical Co., Ltd. (Osaka, Hyogo, Ehime)
Overseas	United States Sumitomo Chemical America, Inc. Valent U.S.A. LLC Valent BioSciences LLC Sunovion Pharmaceuticals Inc. Boston Biomedical, Inc.
	United Kingdom Cambridge Display Technology Limited
	India Excel Crop Care Limited
	Singapore Sumitomo Chemical Asia Pte Ltd The Polyolefin Company (Singapore) Pte. Ltd.
	South Korea Dongwoo Fine-Chem Co., Ltd. SSLM Co., Ltd.
	Taiwan Sumika Technology Co., Ltd.
	China XUYOU Electronic Materials (Wuxi) Co., Ltd. Sumika Electronic Materials (Wuxi) Co., Ltd. Dalian Sumika Jingang Chemicals Co., Ltd.

(6) Status of material subsidiaries (as of March 31, 2019)

Company name	Capital	Ratio of voting rights (%)	Principal business
Sumitomo Chemical America, Inc.	USD 502,673 thousand	100.00	Investment in related companies in the United States and sale of chemical products
Valent U.S.A. LLC	USD 242,574 thousand	100.00 (100.00)	Development and sale of plant protection, etc.
Valent BioSciences LLC	USD 129,344 thousand	100.00 (100.00)	Research, development, manufacture and sale of biorational
Sumika Polymers America Corp.	USD 222,544 thousand	100.00 (100.00)	—
CDT Holdings Limited	GBP 187,511 thousand	100.00	Investment in Cambridge Display Technology Limited
Cambridge Display Technology Limited	GBP 183,716 thousand	100.00 (100.00)	R&D and licenses in polymer organic light emitting diodes and devices
Dongwoo Fine-Chem Co., Ltd.	KRW 282,920 million	100.00	Manufacture and sale of process chemicals for semiconductors and LCDs, optical films, touchscreen panels, LCD panel-related color filters, etc.
SSLM Co., Ltd.	KRW 280,000 million	100.00	Manufacture and sale of heat-resistant separators
Japan-Singapore Petrochemicals Co., Ltd.	JPY 23,877 million	79.67	Investment in Petrochemical Corporation of Singapore (Pte.) Ltd.
Sumitomo Dainippon Pharma Co., Ltd.	JPY 22,400 million	51.78	Manufacture and sale of pharmaceuticals
Sumitomo Dainippon Pharma America, Inc.	USD 2,064,424 thousand	100.00 (100.00)	Investment in related companies in the United States
Sunovion Pharmaceuticals Inc.	USD 1,710,032 thousand	100.00 (100.00)	Manufacture and sale of pharmaceuticals
Boston Biomedical, Inc.	USD 380,484 thousand	100.00 (100.00)	Research and development of pharmaceuticals
XUYOU Electronic Materials (Wuxi) Co., Ltd.	RMB 1,115,757 thousand	98.00 (55.00)	Manufacture and sale of polarizing films used in LCD panels
Sumika Electronic Materials (Wuxi) Co., Ltd.	RMB 1,276,517 thousand	100.00 (10.00)	Manufacture and sale of polarizing films and other components used in LCD panels
Sumika Technology Co., Ltd.	TWD 4,417 million	84.96	Manufacture and sale of original fabrics and processed products of polarizing films, and color filters for LCD panels
Sumitomo Chemical Asia Pte Ltd	USD 150,565 thousand	100.00	Manufacture and sale of petrochemical products, etc. and supervision of the Sumitomo Chemical Group in the Southeast Asia, India, and Oceania area
The Polyolefin Company (Singapore) Pte. Ltd.	USD 51,690 thousand	70.00 (70.00)	Manufacture and sale of low-density polyethylene and polypropylene

Dalian Sumika Jingang Chemicals Co., Ltd.	RMB 749,000 thousand	85.69	Manufacture of crop protection intermediates
Tanaka Chemical Corporation	JPY 9,155 million	50.45	Manufacturing and sale of positive electrode materials for rechargeable batteries, catalyst materials, and inorganic chemical products
Koei Chemical Co., Ltd.	JPY 2,343 million	56.33 (0.45)	Manufacture and sale of chemical products, pharmaceutical and crop protection intermediates, etc.
Taoka Chemical Co., Ltd.	JPY 1,572 million	51.55 (0.78)	Manufacture and sale of intermediates for dyestuffs and pharmaceutical and crop protection, functional materials, etc.
Excel Crop Care Limited	INR 55,028 thousand	64.97 (19.98)	Development, manufacture and sale of crop protection products

From the fiscal year under review, XUYOU Electronic Materials (Wuxi) Co., Ltd. and Dalian Sumika Jingang Chemicals Co., Ltd. are listed as material subsidiaries.

Sumika Polymers America Corp. made investment in Phillips Sumika Polypropylene Company, which has been dissolved.

Sumika Ceramics Poland Sp. z o.o., which was listed in the previous fiscal year, has been removed from material subsidiaries as liquidation procedures were completed.

- NOTES: 1 Figures contained in parentheses () for ratio of voting rights are the ratio of voting rights held by subsidiaries of the Company.
- 2 Capital for Sumitomo Chemical America, Inc., CDT Holdings Limited, Cambridge Display Technology Limited, Sumitomo Dainippon Pharma America, Inc., Sunovion Pharmaceuticals Inc., and Boston Biomedical, Inc. are shown as paid-in capital.

(7) Employees (as of March 31, 2019)

1) Employees of the Group

Business category	Number of employees (Persons)	Notes
Petrochemicals & Plastics	4,410	
Energy & Functional Materials	2,898	
IT-related Chemicals	7,672	
Health & Crop Sciences	6,722	
Pharmaceuticals	6,954	
Others	2,779	
Companywide shared	1,107	
Total	32,542	The number of employees increased by 705 persons year-on-year.

NOTE: The number of employees does not include employees who are temporary, part-time, contracted, or seconded outside of consolidated subsidiaries.

2) Employees of the Company

Number of employees persons	Average age	Average years of employment years	Notes
6,096	40.7	14.9	The number of employees increased by 91 persons year-on-year.

NOTE: The number of employees does not include employees who are temporary, part-time, contracted, or seconded outside of consolidated subsidiaries.

(8) Primary sources of borrowings and amounts (as of March 31, 2019)

Source of borrowing	Amount of borrowing (Balance) (Billions of yen)
Sumitomo Mitsui Banking Corporation	76.4
Development Bank of Japan Inc.	49.4
MUFG Bank, Ltd.	27.8
The Norinchukin Bank	27.3
Sumitomo Mitsui Trust Bank, Limited	24.1

NOTES: 1 The amount of borrowing listed above includes loans from overseas subsidiaries of the sources.

2 Aside from the above, there are 231.7 billion yen in borrowings as syndicated loans, managed by financial institutions such as the Sumitomo Mitsui Banking Corporation.

2. Status of Shares (as of March 31, 2019)

- (1) **Total number of shares authorized to be issued** 5,000,000 thousand shares
- Total number of shares outstanding** 1,655,446 thousand shares
(including 20,432 thousand shares of the Company's treasury shares)
- (2) **Number of shareholders** 111,305 persons
- (3) **Major shareholders**

Shareholder name	Number of shares	Shareholding ratio
	thousand shares	%
The Master Trust Bank of Japan, Ltd. (Trust account)	119,779	7.32
Japan Trustee Services Bank, Ltd. (Trust account)	99,913	6.11
Sumitomo Life Insurance Company	71,000	4.34
Nippon Life Insurance Company	41,031	2.50
Japan Trustee Services Bank, Ltd. (Trust account 4)	32,849	2.00
Japan Trustee Services Bank, Ltd. (Trust account 5)	30,238	1.84
Japan Trustee Services Bank, Ltd. (Trust account 7)	29,601	1.81
JPMorgan Securities Japan Co., Ltd.	29,310	1.79
Sumitomo Mitsui Banking Corporation	29,225	1.78
Japan Trustee Services Bank, Ltd. (Master trust for the Sumitomo Mitsui Trust Bank and trust account for retirement benefits for Sumitomo Life Insurance Company)	29,000	1.77

NOTE: The Company's treasury shares (20,432,567 shares) were excluded in the calculation of the percentage of shares held.

(Reference) Change in minimum trading unit

The Company changed its minimum trading unit from 1,000 to 100 shares, effective October 1, 2018, with the aim of increasing the liquidity of stock of the Company and reaching new investor categories, as well as in consideration of the purport of the "Action Plan for Consolidating Trading Units" announced by All Domestic Exchanges.

3. Company Officers

(1) Directors and Corporate Auditors (as of March 31, 2019)

Position	Name	Areas of responsibility and significant concurrent positions
Representative Director, Chairman	Osamu Ishitobi	
Representative Director, President (Concurrently serving as Executive President)	Masakazu Tokura	
Representative Director (Concurrently serving as Executive Vice President)	Toshihisa Deguchi	Supervision of IT-related Chemicals Sector, PLED Business Planning, Electronic Devices Development Center, Special Aide to Executive President (pertaining to activities related to new technology and product development as designated by Executive President)
Representative Director (Concurrently serving as Senior Managing Executive Officer)	Ray Nishimoto	Supervision of Health & Crop Sciences Sector Chairman of Valent U.S.A. LLC Chairman of Valent BioSciences LLC Chairman of Vector Health International Ltd.
Representative Director (Concurrently serving as Senior Managing Executive Officer)	Noriaki Takeshita	Supervision of Rabigh Project, Petrochemicals & Plastics Sector Deputy Chairman of Rabigh Refining and Petrochemical Company
*Representative Director (Concurrently serving as Senior Managing Executive Officer)	Keiichi Iwata	Supervision of Energy & Functional Materials Sector, Deputy Officer of PLED Business Planning, Electronic Devices Development Center
Director (Concurrently serving as Senior Managing Executive Officer)	Kunio Nozaki	Supervision of Corporate Communications, Corporate Business Development, Corporate Planning, IT Innovation, Accounting, Finance President of Sumika Finance Co., Ltd.
Director (Concurrently serving as Senior Managing Executive Officer)	Hiroshi Ueda	Supervision of Research Planning and Coordination, Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Intellectual Property, Responsible Care, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory Outside Director of Sumitomo Bakelite Co., Ltd.

Position	Name	Areas of responsibility and significant concurrent positions
*Director (Concurrently serving as Senior Managing Executive Officer)	Hiroshi Niinuma	Supervision of General Affairs, Legal, CSR, Internal Control and Audit, Human Resources, Osaka Office Administration, Procurement, Logistics Outside Director of Sumitomo Seika Chemicals Co., Ltd.
Director (Outside Director, Independent Officer)	Koichi Ikeda	Adviser of Asahi Group Holdings, Ltd. Outside Director of Toshiba Corporation
Director (Outside Director, Independent Officer)	Hiroshi Tomono	Adviser of Nippon Steel & Sumitomo Metal Corporation Outside Director of Konica Minolta, Inc. Outside Director of Japan Nuclear Fuel Limited
*Director (Outside Director, Independent Officer)	Motoshige Itoh	Professor, Faculty of International Social Sciences, Gakushuin University Outside Director of East Japan Railway Company Outside Director of THE SHIZUOKA BANK, LTD. Outside Corporate Auditor of Hagoromo Foods Corporation
*Director (Outside Director, Independent Officer)	Atsuko Muraki	Outside Member of the Board of ITOCHU Corporation Outside Audit & Supervisory Board Member of Sampo Holdings, Inc.
Standing Corporate Auditor	Kenya Nagamatsu	Outside Corporate Auditor of Sumitomo Seika Chemicals Co., Ltd.
Standing Corporate Auditor	Hiroaki Yoshida	
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Mitsuhiro Aso	Attorney Outside Corporate Auditor of Sumitomo Mitsui Trust Bank, Limited
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Yoshitaka Kato	Certified Public Accountant Outside Corporate Auditor of Mitsui Fudosan Co., Ltd. Outside Corporate Auditor of Sumitomo Corporation
*Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Michio Yoneda	Outside Director of Kawasaki Heavy Industries, Ltd. Outside Director of Asahi Broadcasting Group Holdings Corporation

NOTES: 1 Of the Directors, Mr. Koichi Ikeda, Mr. Hiroshi Tomono, Mr. Motoshige Itoh, and Ms. Atsuko Muraki are Outside Directors.
2 Of the Corporate Auditors, Mr. Mitsuhiro Aso, Mr. Yoshitaka Kato, and Mr. Michio Yoneda are Outside Corporate Auditors.
3 Directors and Corporate Auditors marked with an asterisk (*) were newly elected at

the 137th Ordinary General Meeting of Shareholders held on June 21, 2018, and assumed office.

- 4 The Company has designated Mr. Koichi Ikeda, Mr. Hiroshi Tomono, Mr. Motoshige Itoh, Ms. Atsuko Muraki, Mr. Mitsuhiro Aso, Mr. Yoshitaka Kato, and Mr. Michio Yoneda as Independent Directors / Auditors pursuant to the regulations of the Tokyo Stock Exchange, Inc. and has made notification to said Exchange.
- 5 Corporate Auditor Yoshitaka Kato is qualified as a certified public accountant, and has a significant amount of knowledge regarding finance and accounting.
- 6 Of the significant concurrent positions served by Outside Directors and Outside Corporate Auditors, although Toshiba Corporation, Konica Minolta, Inc., ITOCHU Corporation, Sumitomo Mitsui Trust Bank, Limited, and Sumitomo Corporation have transactions with the Company, there are no special interests with the Company, and there are no transactional relationships with any other parties served as significant concurrent positions.
- 7 Directors and Corporate Auditors who retired in the fiscal year under review are as follows.

Position at time of retirement	Name	Areas of responsibility and significant concurrent positions at time of retirement
Director	Yoshihiko Okamoto	
Director (Outside Director, Independent Officer)	Kunio Ito	Research Professor of Graduate School of Commerce and Management, Hitotsubashi University Outside Director of Akebono Brake Industry Co., Ltd. Outside Director of Kobayashi Pharmaceutical Co., Ltd. Outside Director of Seven & i Holdings Co., Ltd. Outside Director of Toray Industries, Inc.
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Shinichi Yokoyama	Honorary Advisor of Sumitomo Life Insurance Company Outside Corporate Auditor of Shionogi & Co., Ltd. Outside Director of Rengo Co., Ltd.

(Retired on June 21, 2018 because of the expiration of the terms of office.)

- 8 Positions, areas of responsibility and significant concurrent positions for Directors and Corporate Auditors as of April 1, 2019 are as follows.

Position	Name	Areas of responsibility and significant concurrent positions
Representative Director, Chairman	Masakazu Tokura	
Representative Director, President (Concurrently serving as Executive President)	Keiichi Iwata	

Representative Director (Concurrently serving as Executive Vice President)	Ray Nishimoto	Supervision of Health & Crop Sciences Sector Chairman of Valent U.S.A. LLC Chairman of Valent BioSciences LLC Chairman of Vector Health International Ltd.
Representative Director (Concurrently serving as Senior Managing Executive Officer)	Noriaki Takeshita	Supervision of Rabigh Project, Petrochemicals & Plastics Sector Deputy Chairman of Rabigh Refining and Petrochemical Company
Director & Adviser	Osamu Ishitobi	
Director	Toshihisa Deguchi	
Director	Kunio Nozaki	
Director (Concurrently serving as Executive Vice President)	Hiroshi Ueda	Supervision of Research Planning and Coordination, Digital and Data Science Innovation, Process & Production Technology & Safety Planning, Production & Safety Fundamental Technology Center, Intellectual Property, Responsible Care, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory, Advanced Materials Development Laboratory, Bioscience Research Laboratory Outside Director of Sumitomo Bakelite Co., Ltd.
Director (Concurrently serving as Senior Managing Executive Officer)	Hiroshi Niinuma	Supervision of General Affairs, Legal, CSR, Internal Control and Audit, Human Resources, Osaka Office Administration, Corporate Communications, Procurement, Logistics Outside Director of Sumitomo Seika Chemicals Co., Ltd.
Director (Outside Director, Independent Officer)	Koichi Ikeda	Adviser of Asahi Group Holdings, Ltd. Outside Director of Toshiba Corporation
Director (Outside Director, Independent Officer)	Hiroshi Tomono	Adviser of NIPPON STEEL CORPORATION Outside Director of Konica Minolta, Inc. Outside Director of Japan Nuclear Fuel Limited

Director (Outside Director, Independent Officer)	Motoshige Itoh	Professor, Faculty of International Social Sciences, Gakushuin University Outside Director of East Japan Railway Company Outside Director of THE SHIZUOKA BANK, LTD. Outside Corporate Auditor of Hagoromo Foods Corporation
Director (Outside Director, Independent Officer)	Atsuko Muraki	Outside Member of the Board of ITOCHU Corporation Outside Audit & Supervisory Board Member of Sompo Holdings, Inc.
Standing Corporate Auditor	Kenya Nagamatsu	Outside Corporate Auditor of Sumitomo Seika Chemicals Co., Ltd.
Standing Corporate Auditor	Hiroaki Yoshida	
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Mitsuhiro Aso	Attorney Outside Corporate Auditor of Sumitomo Mitsui Trust Bank, Limited
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Yoshitaka Kato	Certified Public Accountant Outside Corporate Auditor of Mitsui Fudosan Co., Ltd. Outside Corporate Auditor of Sumitomo Corporation
Corporate Auditor (Outside Corporate Auditor, Independent Officer)	Michio Yoneda	Outside Director of Kawasaki Heavy Industries, Ltd. Outside Director of Asahi Broadcasting Group Holdings Corporation

(2) Total amount of compensation to Directors and Corporate Auditors for the fiscal year under review

Category	Number of persons	Amount of compensation
Directors (Of which, Outside Directors)	15 persons (5 persons)	799 million yen (71 million yen)
Corporate Auditors (Of which, Outside Corporate Auditors)	6 persons (4 persons)	116 million yen (37 million yen)
Total	21 persons	914 million yen

NOTES: 1. The above number of persons and amount of compensation includes two Directors and one Corporate Auditor who retired during the fiscal year under review.
2. Due to a resolution by a General Meeting of Shareholders, the total amount of compensation for Directors is 1.0 billion yen or less per annum, and the total amount of compensation for Corporate Auditors is 150.00 million yen or less per annum (resolved at the 125th Ordinary General Meeting of Shareholders held on June 23, 2006).

(Reference)

Executive Officers (excluding persons concurrently serving as Directors) are as follows.

(As of April 1, 2019)

Position	Name	Areas of responsibility
Senior Managing Executive Officer	Takashi Shigemori	Supervision of Corporate Business Development, Corporate Planning, IT Innovation, Accounting, Finance
Managing Executive Officer	Marc Vermeire	Engaged in Sumitomo Chemical Europe, Special mission related to the Corporate Business Development Dept. and the Corporate Planning Dept.
Managing Executive Officer	Kazuyuki Nuki	In charge of AgroSolutions Div.- Japan, Environmental Health Div.
Managing Executive Officer	Masaki Matsui	Supervision of IT-related Chemicals Sector, PLED Business Planning, Electronic Devices Development Center
Managing Executive Officer	Keiichi Sakata	In charge of Corporate Planning Dept., IT Innovation Dept., General Manager of Corporate Planning Dept.
Managing Executive Officer	Motoyuki Sakai	Engaged in Sumitomo Chemical Asia
Managing Executive Officer	Yoshiaki Oda	In charge of Corporate Business Development Dept., Intellectual Property Dept.
Managing Executive Officer	Nobuaki Mito	In charge of Health & Crop Sciences Sector - Planning & Coordination Office, Pharmaceutical Chemicals Division, Health & Crop Sciences Research Laboratory

Position	Name	Areas of responsibility
Managing Executive Officer	Kingo Akahori	Supervision of Energy & Functional Materials Sector
Managing Executive Officer	Soji Sakamoto	In charge of Basic Materials Div., Industrial Chemicals Div., Resin-related Business Development Dept., Polyolefins Div., Automotive Materials Div.
Managing Executive Officer	Yoshihiro Miyoshi	In charge of Digital and Data Science Innovation Dept., Process & Production Technology & Safety Planning Dept., Production & Safety Fundamental Technology Center, Responsible Care Dept.
Executive Officer	Atsuko Hirooka	In charge of Environmental Health Div., Animal Nutrition Div.
Executive Officer	Seiji Takeuchi	Engaged in Rabigh Refining and Petrochemical Company
Executive Officer	Andrew Lee	Engaged in Valent U.S.A., Valent BioSciences
Executive Officer	Naoyuki Inoue	Engaged in Rabigh Refining and Petrochemical Company
Executive Officer	Yasuaki Sasaki	In charge of Inorganic Materials Div., Advanced Polymers Div.
Executive Officer	Keigo Sasaki	In charge of Corporate Communications Dept., Accounting Dept., Finance Dept.
Executive Officer	Kenji Ohno	In charge of General Affairs Dept., Legal Dept., CSR Dept., Internal Control & Audit Dept.
Executive Officer	Shinichiro Nagata	In charge of EhimeWorks, General Manager of Ehime Works
Executive Officer	Yoshizumi Sasaki	Engaged in Rabigh Refining and Petrochemical Company
Executive Officer	Ichiro Kosaka	In charge of Energy & Functional Materials Sector - Planning & Coordination Office, Specialty Chemicals Div.
Executive Officer	Masaya Naito	In charge of Procurement Dept., Logistics Dept., General Manager of Procurement Dept.

Position	Name	Areas of responsibility
Executive Officer	Takanari Yamaguchi	In charge of Optical Materials Div., General Manager of Optical Materials Div.
Executive Officer	Akira Iwasaki	In charge of Energy & Functional Materials Sector - Planning & Coordination Office, General Manager of Energy & Functional Materials Sector - Planning & Coordination Office
Executive Officer	Hirokazu Murata	In charge of Oita Works, Misawa Works, General Manager of Oita Works
Executive Officer	Isao Kurimoto	In charge of Research Planning and Coordination Dept., Digital and Data Science Innovation Dept., Industrial Technology & Research Laboratory, Advanced Materials Development Laboratory, PLED Business Planning Office
Executive Officer	Koichi Ogino	In charge of Chiba Works, General Manager of Chiba Works
Executive Officer	Kimitoshi Umeda	In charge of Health & Crop Sciences Sector - Quality Assurance Office, AgroSolutions Div.- International
Executive Officer	Inho Rha	Engaged in Dongwoo Fine-Chem
Executive Officer	Akira Nakanishi	In charge of IT-related Chemicals Sector - Planning & Coordination Office, General Manager of IT-related Chemicals Sector - Planning & Coordination Office
Executive Officer	Masao Shimizu	In charge of Human Resources Dept., Osaka Office Administration Dept., General Manager of Human Resources Dept.

4. Outside Officers

(1) Main activities during the fiscal year under review

Title	Name	Main activities
Outside Director	Koichi Ikeda	Mr. Koichi Ikeda attended all 13 Board of Directors meetings held during the fiscal year under review, and commented as required primarily from an experienced management perspective.
	Hiroshi Tomono	Mr. Hiroshi Tomono attended 12 meetings out of 13 Board of Directors meetings held during the fiscal year under review, and commented as required primarily from an experienced management perspective.
	Motoshige Itoh	Mr. Motoshige Itoh attended all 10 Board of Directors meetings held after he assumed the position, and commented as required primarily based on his expert knowledge of economics, etc. as a university professor and abundant experience deriving from his track record as a member of various government deliberative committees.
	Atsuko Muraki	Ms. Atsuko Muraki attended all 10 Board of Directors meetings held after she assumed the position, and commented as required primarily based on her wealth of experience and extensive knowledge in legal, social and other issues deriving from her employment at administrative bodies as a civil servant.
Outside Corporate Auditor	Mitsuhiro Aso	Mr. Mitsuhiro Aso attended all 13 Board of Directors meetings and all 14 Board of Corporate Auditors meetings held during the fiscal year under review, and commented as required primarily from a specialized viewpoint as an attorney.
	Yoshitaka Kato	Mr. Yoshitaka Kato attended 12 meetings out of 13 Board of Directors meetings and all 14 Board of Corporate Auditors meetings held during the fiscal year under review, and commented as required primarily from a specialized viewpoint as a certified public accountant.
	Michio Yoneda	Mr. Michio Yoneda attended all 10 Board of Directors meetings and all 10 Board of Corporate Auditors meetings held after he assumed the position, and commented as required primarily from his experienced management perspective in financial and securities markets.

(2) Summary of the limitation of liability contracts

The Company has concluded limitation of liability contracts with each Outside Officer that limit their liabilities for damages to the Company pursuant to Article 423(1) of the Companies Act, up to the total of the amounts listed in the items of Article 425(1) of the Companies Act, provided that the execution of duties by Outside Officers were in good faith and without gross negligence.

5. Accounting Auditor

- (1) **Accounting Auditor's name**
KPMG AZSA LLC

- (2) **Accounting Auditor's compensation, etc. for the fiscal year under review**

Content	Compensation
Amount of compensation, etc.	151 million yen
Cash and other profits payable by the Company or its subsidiaries to Accounting Auditor	420 million yen

- NOTES: 1 Under the audit agreement between the Company and its Accounting Auditor, compensation for audits pursuant to the Companies Act and audits pursuant to the Financial Instruments and Exchange Act are not strictly separated, and cannot be separated. Consequently, the above amount of compensation, etc., reflects total compensation for audits pursuant to the Financial Instruments and Exchange Act.
- 2 The Board of Corporate Auditors has evaluated and confirmed the content of the Accounting Auditor's audit plan, status of execution of duties, and basis for calculating compensation estimates, and as a result of comprehensive consideration to the appropriateness of audit compensation, has provided approval to the compensation, etc., of the Accounting Auditor pursuant to Article 399(1) of the Companies Act.
- 3 Of the Company's material subsidiaries, CDT Holdings Limited, Cambridge Display Technology Limited, Dongwoo Fine-Chem Co., Ltd., SSLM Co., Ltd., XUYOU Electronic Materials (Wuxi) Co., Ltd., Sumika Electronic Materials (Wuxi) Co., Ltd., Sumika Technology Co., Ltd., Sumitomo Chemical Asia Pte Ltd, The Polyolefin Company (Singapore) Pte. Ltd., Dalian Sumika Jingang Chemicals Co., Ltd., Tanaka Chemical Corporation, and Excel Crop Care Limited receive legal audits from accounting auditors other than the Accounting Auditor of the Company.

- (3) **Description of non-audit services**

The Company entrusts advisory services concerning the International Financial Reporting Standards, which are services other than the services set forth in Article 2, Paragraph 1, of the Certified Public Accountants Act (non-audit services).

- (4) **Policy regarding determination of termination or nonrenewal of appointment of Accounting Auditors**

Aside from the termination of the Accounting Auditor pursuant to Article 340 of the Companies Act, the Board of Corporate Auditors of the Company has a policy of making a proposal to a General Meeting of Shareholders regarding the termination or nonrenewal of appointment of Accounting Auditors, following procedures pursuant to Article 344 of the Companies Act if it is determined that there is significant doubt as to whether the Accounting Auditor can continue with its duties in light of its independence and the status the execution of its duties, etc.

6. A system for ensuring that the Company's Directors execute their business duties in compliance with the laws and the Company's Articles of Incorporation and other system to ensure appropriateness of operations

Resolution of a system to ensure proper business execution

1. Fundamental Principles

- (1) Sumitomo Chemical Company (The Company) and its Group Companies are committed to promote sustainability, guided by the Sumitomo Spirit and the Company's Business Philosophy, namely contributing to the establishment of sustainable society through achieving sustainable growth of business. To fulfill this commitment, the Company shall conduct business in conformity with the "Basic Principles for Promoting Sustainability", the "Sumitomo Chemical Charter for Business Conduct", etc.
- (2) The Company recognizes that establishing a system necessary to ensure the proper conduct of business ("Internal Control System,") is a process required for the sound sustenance of the organization and should be undertaken proactively in order to accomplish the Company's business objectives. Recognizing this, the Company shall establish its Internal Control System as outlined below and alter it as necessary in response to changes in the Company's business environment, thereby conducting business operations that fulfill the interest of its shareholders and all other stakeholders. In addition, the Company shall establish a dedicated committee or committees to ensure attaining the above objectives.

2. A system for ensuring that the Company's Directors execute their business duties in compliance with the laws and the Company's Articles of Incorporation

- (1) The Company shall institute, as its corporate bodies, the Board of Directors, Corporate Auditors, Board of Corporate Auditors, accounting auditors, as well as shareholders meetings and Directors, in accordance with the laws and the Articles of Incorporation. In addition, the Company shall ensure that the Board of Directors and the Board of Corporate Auditors include more than one independent outside Director and Corporate Auditor, respectively. The Company shall establish two advisory bodies to the Board of Directors, i.e. "Nomination Advisory Committee" and "Remuneration Advisory Committee", in order to provide greater transparency and fairness in the process of nominating candidates for Directors and Corporate Auditors and of determining remuneration for Directors. A majority of members composing each Committee shall be outside Directors.
- (2) Directors shall observe all applicable laws, the Articles of Incorporation and resolutions of the shareholders meetings. They shall also have an obligation to be attentive to their duties as good managers and carry out these duties faithfully. The term of office for Director shall be one year to allow for a swift response to changes in the business environment of the Company. The Board of Directors shall assume supervisory responsibility to ensure that Directors observe all applicable laws and the Company's Articles of Incorporation, and that Directors establish and operate an adequate Internal Control System pursuant to the basic policies contained herein.
- (3) Directors shall establish systems for ensuring required reliability of financial reporting and the proper and timely disclosure of information concerning the Company.

3. A system for the retention and management of information regarding the execution of business duties by the Company's Directors

With respect to business-related information that is dealt with via a variety of media, the Company shall define rules about policies and procedures that govern the storage, disposal

and other management of the information, the operation of the Company's information system, etc. The Company shall, in accordance with such rules, establish a management system capable of storing or otherwise controlling relevant information appropriately.

4. A system for ensuring the efficient execution of business duties by Directors of the Company and its group companies

- (1) The Board of Directors shall properly determine the targets for important issues concerning business policies, planned business undertakings, accounting & finance, research & development, etc. of the corporate group consisting of the Company and its group companies (the "corporate group" hereinafter referred to as "Group") and shall monitor the progress of work toward the targets.
- (2) The Board of Directors shall appoint executive officers to promote the expeditious execution of business and more clearly define their responsibilities, and shall cause the executive officers to perform businesses specifically entrusted to them in their respective fields determined by the Board.
- (3) Directors shall work to get information about management activities of the Group in a prompt and appropriate manner by establishing management information systems utilizing information technology.

5. A system for ensuring that the Company's employees and its group companies' Directors and employees carry out their business assignments in compliance with the laws and the Articles of Incorporation

- (1) The Company shall strive to ensure that all employees are fully aware of their obligation to abide by the law and to develop a sound corporate culture by educating employees about compliance with social norms and continually raising the level of business ethics, based on the principles in the "Sumitomo Chemical Charter for Business Conduct."
- (2) The Company, through an internal committee governing "compliance," shall investigate and oversee the status of compliance and, if necessary, recommend improvements.
- (3) The Company shall strive to promptly identify and rectify any violations or suspected violations of compliance through its internally established "Speak-Up Hotline," which provides employees with an avenue for reporting such violations or suspected violations.
- (4) The Company shall establish a department in charge of internal auditing to verify that employees carry out their duties in a proper and effective manner. They shall also take pertinent measures to carry out special controls or auditing with regard to businesses, departments, systems, etc. that are exposed to risks that may result in significant losses ("Risk"). Furthermore, when certain issues have been pointed out as a result of auditing by Corporate Auditors, accounting auditors, the Company's department in charge of internal auditing, etc., the relevant departments, etc. of the Company that have been thus audited shall take appropriate remedial measures within a specified period of time.
- (5) The Company shall clearly define the roles and functions of each department, section, etc. by designing and establishing an organization that will be most capable of conducting business activities in compliance with the law and the Articles of Incorporation.
- (6) In order to achieve its overall targets, the Company shall strive to ensure the fair operation of its personnel management system, whereby employees are encouraged to set their own targets to be achieved, and their performance is assessed and compensation and incentives determined on the basis of the degree to which such targets have been achieved.

- (7) The Company shall request its major group companies both in Japan and abroad to adopt and properly operate a compliance system equivalent to that of the Company. It shall also work to establish, maintain, and enhance the effective internal control of the Company and its group companies in their entirety by conducting internal audit.

6. A system of the Company and its group companies for risk management rules, procedures, etc.

- (1) The Company shall establish rules for the Group to promote developing risk awareness, ensure early detection of risks, prevent risks from manifesting themselves, prepare plans to handle instances of emergency, etc.
- (2) The Company shall, through its internally established committee overseeing risk management of the Group, determine the Group's policies on risk management, evaluate risks involved, monitor and supervise the status of work on preparation and implementation of plans for the risk management and, where necessary, make recommendation on improvements to be made.
- (3) In the event that there occurs any incident of crisis which requires company-wide all-out efforts for resolution, the Company shall promptly work to look into the situation affected by the crisis and resolve it by setting up a task force headquarters.

7. A system regarding reporting to the Company about business operations of the Group and matters concerning the execution of business duties by Directors etc. of the Company's group companies

- (1) The Company shall establish rules concerning operations of the Group, request its group companies both in Japan and abroad to report on their business policies, planned business undertakings, and other important matters relating to their business operations in accordance with the rules, and shall strive to deepen mutual understanding and share management strategies with those group companies.
- (2) The Company shall work to develop a system whereby the Company's corporate Auditors can exchange information with corporate Auditors and other auditing staff at its major group companies, and thereby jointly ensure the effectiveness of audits throughout the Group.

8. A system for ensuring the effective conduct of audits by the Company's Corporate Auditors

(1) Matters concerning employees who are due to assist the Corporate Auditors in performing their duties

The Company shall appoint an employee or employees who work full-time to assist its Corporate Auditors in performing their duties under their direction in accordance with the Company rules. Personnel management matters concerning such an employee shall be settled with the prior approval of Corporate Auditors.

(2) Matters on reporting to the Corporate Auditors

- i) The Company's Directors and employees shall establish a system capable of ensuring that the Company's standing Corporate Auditors attend conferences on important issues of the Company or its group companies and, in addition, shall report as appropriate to the Corporate Auditors on matters based on the laws or on matters called for by the Corporate Auditors about the Company or its group companies.
- ii) The Company's Directors shall report to its Corporate Auditors on internal audit plans to be conducted by an internal audit department, the progress of the audit and

its results.

- iii) The Company shall establish a system capable of ensuring that none of the Company's Directors and employees or its group companies' Directors, Corporate Auditors and employees will be put at any disadvantage on the ground of having reported to the Company's Corporate Auditors.

(3) Matters concerning expenses arising from the performance by the Corporate Auditors of their duties

The Company shall establish a system capable of ensuring meeting expenses required for the execution by its Corporate Auditors of their duties, with respect to those expenses that may arise from the performance by the Company's Corporate Auditors of their duties.

(4) Other matters for ensuring the effective conduct of audits by the corporate Auditors

Representative Directors shall hold regular meetings with the Company's corporate Auditors, to exchange views and deepen mutual understanding about tasks to be undertaken by the Company, risks confronting the Company, and the general state of the environment for auditing by corporate Auditors.

9. A system to eliminate antisocial forces

The Company shall never enter into any relationship, including transactional relations, with antisocial forces that threaten to disrupt the public order and safety of society, and shall take action against them across the Company in a firmly determined and uncompromising manner, working closely with outside specialized institutions.

(Note) The basic policy stated above was resolved at the meeting of the Board of Directors held on May 15, 2006, and revised partially at the meetings of the Board of Directors held on March 25, 2011, March 23, 2012, March 31, 2015 and March 29, 2019.

Summary of operation of system to ensure appropriate business execution

Based on the above policy, the Company is working to inspect, maintain, and appropriately operate its internal control systems, and a summary of operation is as follows.

(1) Measures to ensure appropriateness and efficiency of business execution

- 1) The inspection and maintenance of the Group's internal control systems is deliberated at the "Internal Control Committee."
- 2) The Company has further strengthened the audit and supervisory functions on business execution by Directors through measures such as further improving the content of reports to Outside Directors and Corporate Auditors at Board of Directors meetings, and ensuring a free and vigorous and constructive level of deliberation.
- 3) To establish and operate a system for thorough compliance across the Group, direction and support provided by the "Compliance Committee", as well as the Regional Legal & Compliance Offices under said Committee, have been strengthened.
- 4) We are stepping up measures to encourage employees throughout the Group to use the whistle-blowing system. When investigating based on reports received, we give the maximum possible consideration to the privacy of the reporting person and confidentiality of information, and also make sure that the person having reported honestly will never be penalized because of the reporting, such as dismissal, transfer or other discriminatory treatment, while examining carefully and attentively. The status of response is reported to the Compliance Committee and the Board of Corporate Auditors on a regular basis, and immediately for significant issues.
- 5) The Company aims to quantifiably reduce compliance risk and raise compliance

awareness among employees by arranging general and specific compliance training, and through measures taken by each department during the compliance promotion month and surveys of employees' awareness of compliance.

- 6) The Company has established a dedicated organization and implemented internal audits at the Company and key group companies. The results are reported to the Board of Directors via the Internal Control Committee, etc. Additionally, the Internal Control & Audit Department serves as the secretariat office for the evaluation of internal control systems regarding financial reporting, and also reports to the Internal Control Committee.
- 7) To aim for agile decision-making on important matters and clarify responsibilities for business execution, the Company has implemented an executive officer system. Additionally, in order to obtain management information in a swifter and sounder manner for appropriate decision-making, a thorough business reform through digitalization, compatible with changes in the environment brought about by the IoT era, is underway.
- 8) Information regarding business execution by Directors is appropriately stored and managed pursuant to regulations regarding document management. In particular, we consider cyber-security to be a management issue, and have established an organization-wide security policy which covers our Group companies in Japan and overseas, and have created risk and incident management systems, in order to respond to and deal with increasing cyber-security threats, including system-level risks, as a major infrastructure operator.

(2) Measures on risk management

The "Internal Control Committee" shall be responsible for preparing a policy on risk management encompassing the entire Group, gathering information related to risks, and deliberating on measures to keep everyone in the Company fully informed of various matters. In addition, to respond promptly to a situation where any major risk has manifested itself, deliberations shall be made in the "Risk Crisis Management Committee" on policies and principles to follow in individual instances of risks and crises.

(3) Measures on management of group companies

- 1) Based on management regulations for business execution at group companies, important matters regarding business operation at each company are appropriately reported to the Company. Additionally, advances are being made in sharing information between each company, and the Company is working to provide mutual awareness and share information regarding management strategy.
- 2) The Company has established the standard for group operations for group companies, which contain significant operations such as accounting and information systems and items which should be complied with at the minimum. The Company also provides support and guidance in order for group companies to prepare and use policies in accordance to the standard.
- 3) The Company has established regional headquarters in the four markets of China Asia/Oceania, the Americas and Europe. These companies support the resolution of issues at Group companies within each region and further strengthen their internal control, compliance systems, and IT security by disseminating Company policy, collecting and sharing information, and providing specialist expertise and shared services.

(4) Measures to ensure effectiveness of audits by Corporate Auditors

- 1) Aside from attending Board of Directors meetings, Management Committee meetings, Internal Control Committee meetings, and other important meetings, the Company's Corporate Auditors conduct opinion exchanges with Representative Directors, visit plants and research facilities, interview business divisions, survey domestic and overseas group companies, and exchange opinions with Corporate Auditors of group companies, as well as committee members such as those of the Audit Committee, in addition to receiving periodic reports from the Internal Audit Division. Additionally, Corporate Auditors conduct audits by receiving required information in an appropriate manner from the

Accounting Auditor, such as deliberating on the audit plan, including confirming the quality control systems of the Accounting Auditor, receiving reports of audit results, and exchanging opinions.

- 2) To support the duties of Corporate Auditors, a dedicated department, independent from business execution division, has been established, and dedicated staff are assigned. Regulations also clearly state and the Company emphasizes that persons reporting to Corporate Auditors may not receive unfavorable treatment, and the coverage of expenses for business execution by Corporate Auditors is ensured.

7. Policy for Decisions on the Distribution of Surplus

In decision on the distribution of surplus, the Company views shareholder return as one of the most important management issues, and in comprehensive consideration of factors such as business results for each term, the dividend payout ratio, and standards for internal reserves required for future business expansion, the Company's basic policy is to continue providing stable dividends. Furthermore, over the mid- to long-term, the Company aims to achieve a stable dividend payout ratio of approximately 30%.

The Company plans to utilize internal reserves for capital investment and other loans and investments with the intent of improving competitiveness in significant businesses and enriching overseas business, utilizing these in an effort to improve profitability.

Dividends are generally provided twice per year at the interim and year-end, and to flexibly implement dividends such as profit distribution to shareholders, the Company's Articles of Incorporation state that the body to determine dividends, etc., shall be the Board of Directors.

Consolidated Financial Statements

Consolidated Statement of Financial Position

			(Millions of Yen)		
Assets	138th term	(Reference)	Liabilities	138th term	(Reference)
	(As of March 31, 2019)	137th term		(As of March 31, 2019)	137th term
Current assets:	1,291,223	1,254,818	Current liabilities:	1,005,134	1,028,950
Cash and cash equivalents	201,678	231,929	Bonds and borrowings	256,565	289,190
Trade and other receivables	549,992	530,571	Trade and other payables	482,858	486,832
Other financial assets	5,352	6,720	Other financial liabilities	50,735	52,244
Inventories	489,266	446,801	Income taxes payable	29,715	28,078
Other current assets	44,935	38,797	Provisions	101,340	94,796
			Other current liabilities	83,921	77,810
Non-current assets:	1,880,395	1,813,867	Non-current Liabilities:	814,598	787,521
Property, plant and equipment	735,918	675,745	Bonds and borrowings	582,965	552,971
Goodwill	126,838	122,849	Other financial liabilities	87,616	96,655
Intangible assets	216,664	232,629	Retirement benefit liabilities	43,981	39,871
Investments accounted for using equity method	299,044	294,370	Provisions	22,698	24,620
Other financial assets	323,392	316,888	Deferred tax liabilities	51,171	58,404
Retirement benefit asset	69,392	67,693	Other non-current liabilities	26,167	15,000
Deferred tax assets	70,587	62,146			
Other non-current assets	38,560	41,547			
			Total liabilities	1,819,732	1,816,471
			Equity		
			Equity attributable to owners of the parent:	998,702	927,141
			Share capital	89,699	89,699
			Capital surplus	20,438	21,688
			Retained earnings	820,454	738,882
			Treasury shares	(8,322)	(8,296)
			Other components of equity	76,433	85,168
			Non-controlling interests	353,184	325,073
Total assets	3,171,618	3,068,685	Total equity	1,351,886	1,252,214
			Total liabilities and equity	3,171,618	3,068,685

Consolidated Statement of Profit or Loss

		(Millions of Yen)
	138th term (April 1, 2018 to March 31, 2019)	(Reference) 137th term (April 1, 2017 to March 31, 2018)
Sales revenue	2,318,572	2,190,509
Cost of sales	(1,576,299)	(1,440,635)
Gross profit	742,273	749,874
Selling, general and administrative expenses	(590,062)	(557,888)
Other operating income	11,154	25,262
Other operating expenses	(17,594)	(21,644)
Share of profit of investments accounted for using the equity method	37,201	55,319
Operating income	182,972	250,923
Finance income	16,615	11,542
Finance expenses	(11,217)	(21,654)
Income before taxes	188,370	240,811
Income tax expenses	(35,904)	(62,653)
Net income	152,466	178,158
Net income attributable to:		
Owners of the parent	117,992	133,768
Non-controlling interests	34,474	44,390
Net income	152,466	178,158

Consolidated Statement of Changes in Equity

(From April 1, 2018 to March 31, 2019)

(Millions of Yen)

	Equity attributable to owners of the parent			
	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance at April 1, 2018	89,699	21,688	738,882	(8,296)
Cumulative effects of changes in accounting policies			60	
Adjusted balance	89,699	21,688	738,942	(8,296)
Net income			117,992	
Other comprehensive income				
Total comprehensive income	—	—	117,992	—
Purchase of treasury shares				(27)
Disposal of treasury shares		0		1
Dividends			(37,606)	
Transactions with non-controlling interests		(1,250)		
Transfer from other components of equity to retained earnings			1,301	
Other changes			(175)	
Total transactions with owners	—	(1,250)	(36,480)	(26)
Balance at March 31, 2019	89,699	20,438	820,454	(8,322)

	Equity attributable to owners of the parent					
	Other components of equity					Equity attributable to owners of the parent
	Remeasurements of financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Cash flow hedges	Exchange differences on translation of foreign operations	Total	
Balance at April 1, 2018	104,034	—	(2,852)	(16,014)	85,168	927,141
Cumulative effects of changes in accounting policies						60
Adjusted balance	104,034	—	(2,852)	(16,014)	85,168	927,201
Net income					—	117,992
Other comprehensive income	(5,410)	1,343	1,001	(4,478)	(7,544)	(7,544)
Total comprehensive income	(5,410)	1,343	1,001	(4,478)	(7,544)	110,448
Purchase of treasury shares					—	(27)
Disposal of treasury shares					—	1
Dividends					—	(37,606)
Transactions with non-controlling interests					—	(1,250)
Transfer from other components of equity to retained earnings	42	(1,343)			(1,301)	—
Other changes	110				110	(65)
Total transactions with owners	152	(1,343)	—	—	(1,191)	(38,947)
Balance at March 31, 2019	98,776	—	(1,851)	(20,492)	76,433	998,702

	Non-controlling interests	Total equity
Balance at April 1, 2018	325,073	1,252,214
Cumulative effects of changes in accounting policies	169	229
Adjusted balance	325,242	1,252,443
Net income	34,474	152,466
Other comprehensive income	3,224	(4,320)
Total comprehensive income	37,698	148,146
Purchase of treasury shares		(27)
Disposal of treasury shares		1
Dividends	(13,524)	(51,130)
Transactions with non-controlling interests	3,123	1,873
Transfer from other components of equity to retained earnings		—
Other changes	645	580
Total transactions with owners	(9,756)	(48,703)
Balance at March 31, 2019	353,184	1,351,886

Non-consolidated Financial Statements

<u>Non-consolidated Balance Sheet</u>			(Millions of Yen)		
Assets	138th term (As of March 31, 2019)	(Reference) 137th term	Liabilities	138th term (As of March 31, 2019)	(Reference) 137th term
Current assets:	458,624	461,990	Current liabilities:	555,126	583,093
Cash on hand and in banks	1,688	4,625	Trade notes payable	2,978	3,548
Trade notes receivable	773	841	Trade accounts payable	132,081	148,288
Trade accounts receivable	195,181	203,934	Short-term borrowing	183,147	132,951
Merchandise and finished goods	149,518	145,348	Bonds due within one year	30,000	67,000
Work in process	2,529	2,483	Commercial paper	30,000	34,000
Raw materials and supplies	41,593	40,570	Non-trade accounts payable	74,146	68,798
Non-trade accounts receivable	62,209	60,807	Accrued expenses	12,095	13,106
Other	9,330	10,794	Deposits received	65,888	84,365
Allowance for doubtful receivables	(4,199)	(7,414)	Reserve for bonuses	12,550	12,300
			Reserve for removal cost of property, plant and equipment	4,615	5,450
Non-current assets:	1,037,817	993,997	Reserve for repairs	3,334	11,218
Property, plant and equipment:	269,992	240,948	Other	4,293	2,068
Buildings	44,386	38,607	Non-current Liabilities:	591,014	545,744
Structures	28,991	28,324	Bonds	205,000	185,000
Machinery and equipment	127,096	71,030	Long-term borrowing due after one year	330,649	313,000
Vehicles	173	208	Deferred tax liabilities	21,502	26,736
Tools and furniture	8,859	7,444	Long-term deposits received	8,254	8,353
Land	47,774	47,843	Long-term advances	15,442	2,612
Leased assets	27	24	Reserve for repairs	3,624	654
Construction in progress	12,686	47,469	Reserve for removal cost of property, plant and equipment	3,609	5,845
			Reserve for environmental measures	1,814	2,030
Intangible assets:	18,363	16,513	Reserve for loss on business of subsidiaries and affiliates	562	871
Patent	570	959	Other	558	643
Software	7,799	6,048			
Goodwill	2,796	3,410	Total liabilities	1,146,139	1,128,837
Other	7,199	6,096	Net assets		
Investments and other non-current assets:	749,461	736,536	Shareholders' equity:	301,959	272,626
Investment securities	108,382	113,808	Common stock	89,699	89,699
Investments in subsidiaries and affiliates	428,949	423,993	Capital surplus:	23,698	23,697
Investments in capital	535	557	Additional paid-in capital	23,695	23,695
Investments in subsidiaries and affiliates' capital	52,582	44,501	Other capital surplus	2	2
Long-term loans receivable	67,794	64,908	Retained earnings:	196,884	167,525
Long-term prepaid expenses	16,981	18,422	Legal reserve	21,361	21,361
Prepaid pension expense	54,663	52,883	Other retained earnings	175,524	146,165
Other	20,623	18,471	General reserve	100,000	80,000
Allowance for doubtful receivables	(1,047)	(1,006)	Retained earnings brought forward	75,524	66,165
			Treasury stock	(8,322)	(8,296)
			Valuation and translation adjustments:	48,342	54,524
			Valuation difference on available-for-sale securities	47,596	54,280
			Deferred gains on hedges	747	244
			Total net assets	350,301	327,150
Total assets	1,496,440	1,455,987	Total liabilities and net assets	1,496,440	1,455,987

Non-consolidated Statement of Income

		(Millions of Yen)
	138th term (April 1, 2018 to March 31, 2019)	(Reference) 137th term (April 1, 2017 to March 31, 2018)
Net sales	723,619	708,362
Cost of sales	576,043	542,419
Gross profit	147,576	165,943
Selling, general and administrative expenses	136,852	132,460
Operating income	10,724	33,483
Non-operating income	75,148	59,039
Interest and dividend income	68,843	54,599
Foreign exchange gain	785	—
Other income	5,520	4,440
Non-operating expenses	12,196	16,649
Interest expense	7,840	7,604
Cost of inactive facilities	1,325	2,316
Foreign exchange losses	—	3,362
Other expenses	3,031	3,368
Ordinary income	73,676	75,873
Special gains	—	5,596
Gain on sale of investment securities	—	5,596
Special losses	6,460	16,977
Loss on disposal of property, plant and equipment	2,904	3,892
Loss on related business	1,547	11,696
Loss on disaster	1,463	—
Impairment loss	546	1,389
Income before income taxes	67,216	64,491
Income taxes – current	2,642	4,341
Income taxes – deferred	(2,391)	4,309
Net income	66,965	55,842

Non-consolidated Statement of Changes in Net Assets

(From April 1, 2018 to March 31, 2019)

(Millions of Yen)

	Shareholders' equity								
	Common stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retained earnings (*)	Total retained earnings		
Balance at the beginning of current period	89,699	23,695	2	23,697	21,361	146,165	167,525	(8,296)	272,626
Changes:									
Cash dividends						(37,606)	(37,606)		(37,606)
Net income						66,965	66,965		66,965
Purchase of treasury stock								(27)	(27)
Disposal of treasury stock			0	0				1	1
Net changes except for shareholders' equity									
Net changes	—	—	0	0	—	29,359	29,359	(27)	29,332
Balance at the end of current period	89,699	23,695	2	23,698	21,361	175,524	196,884	(8,322)	301,959

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	54,280	244	54,524	327,150
Changes:				
Cash dividends				(37,606)
Net income				66,965
Purchase of treasury stock				(27)
Disposal of treasury stock				1
Net changes except for shareholders' equity	(6,684)	503	(6,181)	(6,181)
Net changes	(6,684)	503	(6,181)	23,151
Balance at the end of current period	47,596	747	48,342	350,301

* details of other retained earnings

(Millions of Yen)

	General reserve	Retained earnings brought forward	Total
Balance at the beginning of current period	80,000	66,165	146,165
Changes:			
Cash dividends		(37,606)	(37,606)
Net income		66,965	66,965
Provision of general reserve	20,000	(20,000)	—
Net changes	20,000	9,359	29,359
Balance at the end of current period	100,000	75,524	175,524

NOTES:

- Business report is listed as follows:
 - Fractions less than 0.1 billion yen or 1 million yen have been rounded to the nearest 0.1 billion yen or million yen.
 - Stock prices listed in units of 1,000 are shown rounded down to the nearest 1,000 shares.
- Fractions less than 1 million yen have been rounded to the nearest million yen with respect to the Consolidated Financial Statements, the Consolidated Statement of Profit or Loss, the Consolidated Statement of Changes in Equity, the Non-consolidated Financial Statements, the Non-consolidated Statement of Income and the Non-consolidated Statement of Changes in Net Assets.