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This section includes a greeting to stakeholders and describes the company's vision for achieving a sustainable society.

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Editorial Direction

Last fiscal year, Sumitomo Chemical adjusted the positioning of its annual report and CSR Report, reorganizing them as an integrated report, which is Sumitomo Chemical's new Annual Report. With the aim of communicating its sustained growth in a way that is easy to understand for shareholders and other investors, as well as a broad array of other stakeholders, the new Annual Report comprehensively brings together financial information and non-financial information. In addition to a report on financial results and information on the strengths of businesses and business strategies, the Annual Report includes information on Sumitomo Chemical's corporate governance system as well as its environmental and corporate social responsibility initiatives.

The Annual Report 2018 was created with the intention of having analysts and investors see, read, and feel our value creation story, serving as the "Sumitomo Chemical Museum" that introduces Sumitomo Chemical's past, present, and future. The report also features new content such as an ESG dialogue with an investor, a discussion of governance with Outside Directors, and value creation models for each business sector. Sumitomo Chemical hopes this Annual Report serves as a bridge to its stakeholders and communicates its efforts to create new value by mobilizing the entire Sumitomo Chemical Group.



The Guidance for Collaborative Value Creation, put forth by the Ministry of Economy, Trade and Industry, is a handbook that serves as a shared language connecting companies and investors, systematically and comprehensively laying out the information that companies ought to convey to investors in order to raise the quality of information disclosure and of dialogue with investors. This report primarily relies on this guidance in the value creation models for each sector in the section on Creating Value through Business (starting on page 40).

Financial Statements in This Document

Beginning FY2017, the Sumitomo Chemical Group is adopting international financial reporting standards (IFRS) in place of Japanese GAAP, which it previously used, and is therefore restating figures for the previous consolidated fiscal year using IFRS for comparative analysis. However, as the consolidated statement of financial position was not calculated for the sectors using IFRS at the beginning of FY2016, the sectors' ROA for FY2016 were not calculated.

Forward-looking Statements

Statements made in this annual report with respect to plans, strategies, and future performance that are not historical facts are forward-looking statements involving risks and uncertainties. Sumitomo Chemical cautions that a number of factors could cause actual results to differ materially from such statements including, but not limited to, general economic conditions in Sumitomo Chemical's markets; demand for, and competitive pricing pressure on, Sumitomo Chemical's products in the marketplace; Sumitomo Chemical's ability to continue to win acceptance for its products in these highly competitive markets; and movements of currency exchange rates.



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Three Reports of Sumitomo Chemical

Annual Report



This report aims to communicate Sumitomo Chemical's value creation story in a way that is easy to understand.

https://www.sumitomo-chem.co.jp/english/ir/library/annual_report/

Investors' Handbook



This report gives a detailed explanation of Sumitomo Chemical's businesses and products.

https://www.sumitomo-chem.co.jp/english/ir/library/investors_handbook/

Sustainability Data Book



This report provides information on Sumitomo Chemical from an environmental and social perspective.

<https://www.sumitomo-chem.co.jp/english/csr/report/>