

Corporate Data

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The Old Niihama Thermal Power Station (Niihama, Ehime Prefecture)

The Old Niihama Thermal Power Station was completed in 1905 on the premises of the Niihama Smelting Works as a full-scale thermal power station. It supplied the electricity necessary for the manufacture of fertilizer at the Sumitomo Fertilizer Manufactory, the predecessor of Sumitomo Chemical, supporting the growth of this company. The red brick building is a valuable piece of industrial history, with traces of the Meiji era.



Financial Review

1. Results of Operations

(1) Sales revenue

Sales revenue increased by ¥251.4 billion from ¥1,939.1 billion for the fiscal year ended March 31, 2017 to ¥2,190.5 billion (US\$20,618 million) for the fiscal year ended March 31, 2018. This is mainly due to the increase in sales quantity associated with business expansion that has the most significant impact on the increase in sales revenue, the increase in selling price due to the increase in raw material purchase price, and the translation differences from local currencies into Japanese yen in foreign subsidiaries due to the depreciation of the Japanese yen.

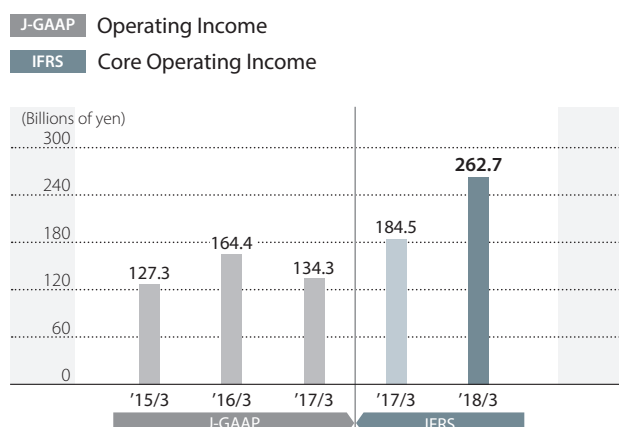
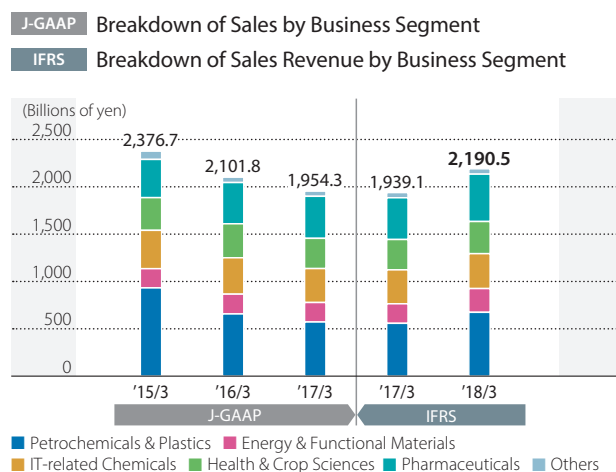
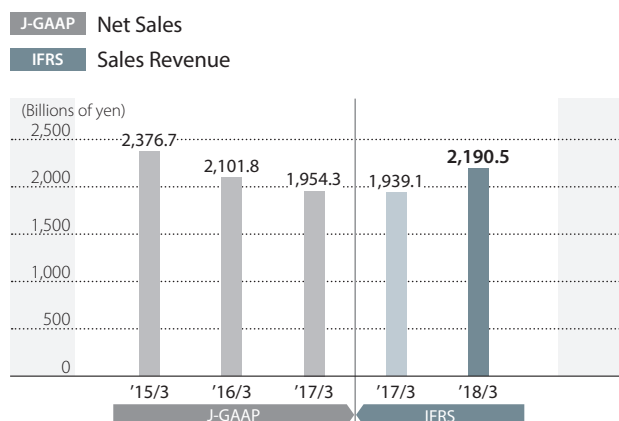
(2) Core operating income / Operating income

Core operating income increased by ¥78.1 billion from ¥184.5 billion for the fiscal year ended March 31, 2017 to ¥262.7 billion (US\$2,473 million) for the fiscal year ended March 31, 2018 due to the increase in sales quantity as well as the improvement in share of profit of investments accounted for using the equity method, such as Rabigh Refining and Petrochemical Company.

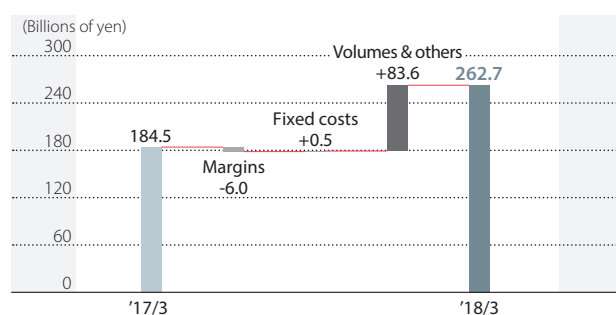
Loss from non-recurring factors, which is deducted from Operating income when calculating Core operating income, decreased by ¥46.3 billion from ¥58.1 billion for the fiscal year ended March 31, 2017 to ¥11.8 billion for the fiscal year ended March 31, 2018 due to the large amount of impairment losses recorded in the fiscal year ended March 31, 2017. As a result, Operating income increased by ¥124.5 billion from ¥126.5 billion for the fiscal year ended March 31, 2017 to ¥250.9 billion (US\$2,362 million) for the fiscal year ended March 31, 2018.

(3) Finance income and Finance expenses / Income before taxes

Finance income and Finance expenses worsened by ¥6.0 billion from loss of ¥4.1 billion for the fiscal year ended March 31, 2017 to loss of ¥10.1 billion for the fiscal year ended March 31, 2018 due to the appreciation of the Japanese yen toward the end of the current fiscal year and recorded a large amount of exchange losses. As a result, Income before taxes increased by ¥118.5 billion from ¥122.3 billion for the fiscal year ended March 31, 2017 to ¥240.8 billion for the fiscal year ended March 31, 2018.



Change in Core Operating Income: '17/3 vs. '18/3



(4) Income tax expenses / Net income attributable to owners of the parent and Net income attributable to non-controlling interests

Income tax expenses were ¥62.7 billion for the fiscal year ended March 31, 2018, and the ratio of Income tax expenses to income before taxes after applying the tax effect accounting came in at 26.0%.

As a result, Net income was ¥178.2 billion for the fiscal year ended March 31, 2018.

Net income attributable to non-controlling interests increased by ¥11.8 billion from ¥32.6 billion for the fiscal year ended March 31, 2017 to ¥44.4 billion for the fiscal year ended March 31, 2018, which mainly represents net income attributable to non-controlling interests of consolidated subsidiaries, such as Sumitomo Dainippon Pharma Co., Ltd. or Japan-Singapore Petrochemicals Co., Ltd.

As a result, Net income attributable to owners of the parent increased by ¥57.2 billion from ¥76.5 billion for the fiscal year ended March 31, 2017 to ¥133.8 billion for the fiscal year ended March 31, 2018.

(5) Dividends

The Company has decided to pay a year-end dividend of ¥12 per share. As a result, the Company's annual dividend for fiscal 2017 is ¥22 per share, including an interim dividend of ¥10 per share.

2. Segment Information

(1) Petrochemicals & Plastics

Market prices of petrochemical products and synthetic resins rose because of higher feedstock prices. Market prices of raw materials for synthetic fibers and methyl methacrylate (MMA) also increased. In addition, for associates accounted for using the equity method, the earnings of Petrochemical Corporation of Singapore (Pte.) Ltd. remained strong, while the earnings of Rabigh Refining and Petrochemical Company improved due chiefly to a continued high level of capacity utilization and rising market price of petrochemical products. As a result, the segment's sales revenue grew by ¥116.3 billion compared with the previous fiscal year, to ¥674.1 billion. Core operating income increased by ¥35.7 billion, to ¥94.6 billion.

Results by Business Segment

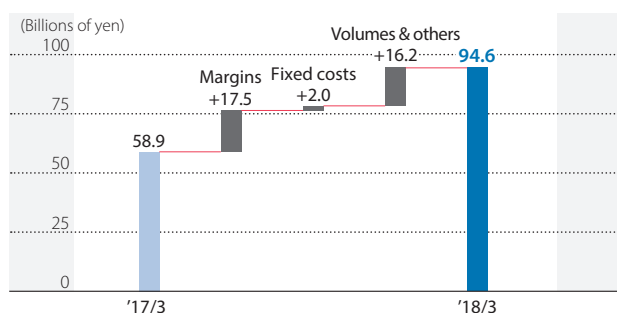
Fiscal years ended March 31, 2018 and 2017

(Millions of yen)

	Petrochemicals & Plastics	Energy & Functional Materials	IT-related Chemicals	Health & Crop Sciences	Pharmaceuticals	Others	Adjustments & Elimination	Consolidated
Year ended March 31, 2018								
Sales revenue	¥674,116	¥250,988	¥368,709	¥339,698	¥500,227	¥56,771	¥ —	¥2,190,509
Core operating income	94,567	19,189	12,341	43,964	94,786	11,052	(13,205)	262,694
Core operating income ratio (%)	14.0	7.6	3.3	12.9	18.9	19.5	—	12.0
Core operating income growth (%)	60.6	218.2	41.6	(7.3)	35.7	8.9	—	42.3
Year ended March 31, 2017								
Sales revenue	¥557,852	¥206,414	¥358,473	¥320,613	¥440,974	¥54,743	¥ —	¥1,939,069
Core operating income	58,884	6,030	8,714	47,440	69,871	10,146	(16,538)	184,547
Core operating income ratio (%)	10.6	2.9	2.4	14.8	15.8	18.5	—	9.5

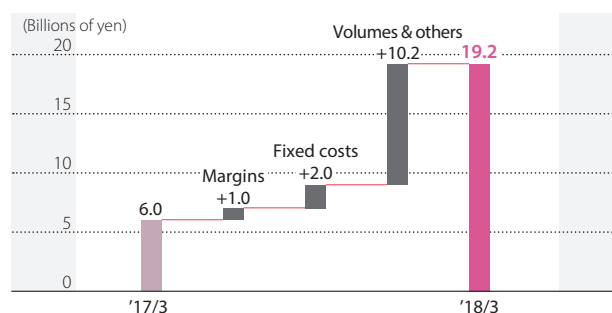
Petrochemicals & Plastics

Change in Core Operating Income: '17/3 vs. '18/3



Energy & Functional Materials

Change in Core Operating Income: '17/3 vs. '18/3



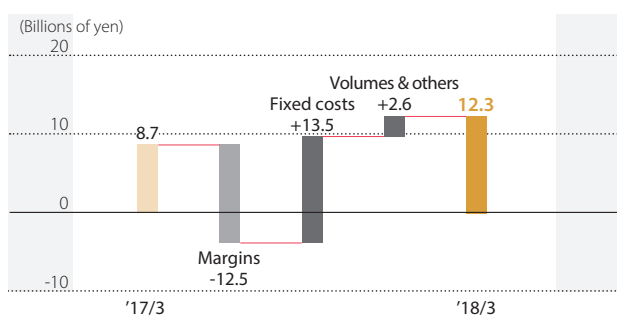
(2) Energy & Functional Materials

Shipments of resorcinol, a raw material for adhesives, and engineering plastics increased due to a rise in demand. Shipments of separators for lithium-ion secondary batteries also rose due to production capacity expansion. In addition, the acquisition of a manufacturer of cathode materials in the previous fiscal year pushed up sales. As a result, the segment's sales revenue increased by ¥44.6 billion compared with the previous fiscal year, to ¥251.0 billion. Core operating income grew by ¥13.2 billion, to ¥19.2 billion.

(3) IT-related Chemicals

Shipments of touchscreen panels and polarizing film increased due to growth in demand while selling prices declined. The weaker yen had a positive effect on sales from overseas subsidiaries in yen terms. As a result, the segment's sales revenue increased by ¥10.2 billion compared with the previous fiscal year, to ¥368.7 billion. Core operating income rose by ¥3.6 billion, to ¥12.3 billion.

IT-related Chemicals
Change in Core Operating Income: '17/3 vs. '18/3



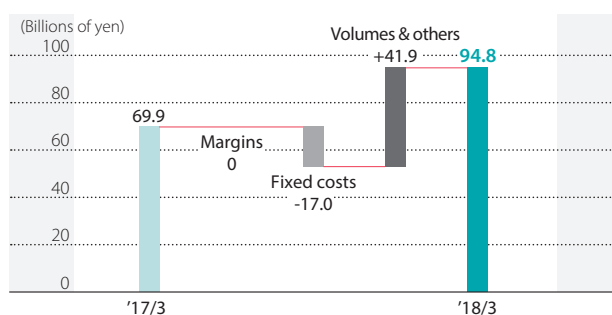
(4) Health & Crop Sciences

Sales of the feed additive methionine dropped due to lower market prices. Meanwhile, the acquisition of an Indian agrochemicals company in the previous fiscal year boosted sales. As a result, the segment's sales revenue increased by ¥19.1 billion compared with the previous fiscal year, to ¥339.7 billion. Core operating income declined by ¥3.5 billion, to ¥44.0 billion.

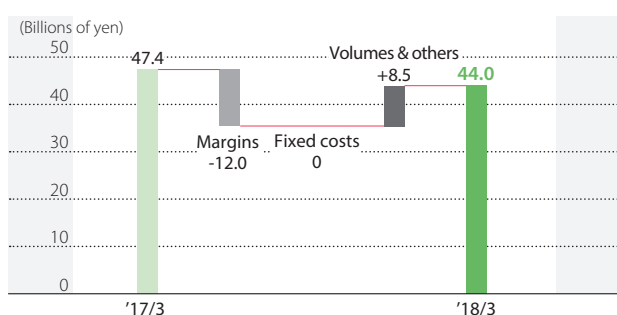
(5) Pharmaceuticals

In North America, sales of Latuda® (atypical antipsychotic) and other drugs increased steadily. In Japan, sales of Trulicity® (type 2 diabetes drug), Aimix® (anti-hypertension drug) and other drugs rose as well. As a result, the segment's sales revenue increased by ¥59.3 billion from the previous fiscal year, to ¥500.2 billion. Core operating income grew by ¥24.9 billion, to ¥94.8 billion.

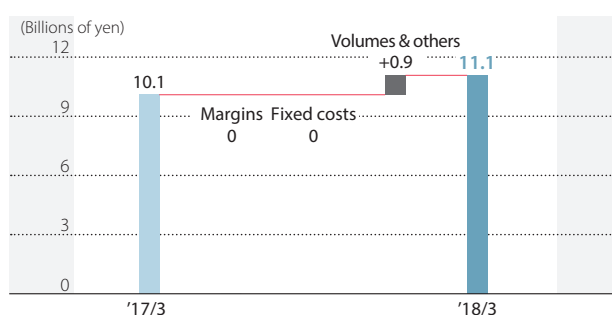
Pharmaceuticals
Change in Core Operating Income: '17/3 vs. '18/3



Health & Crop Sciences
Change in Core Operating Income: '17/3 vs. '18/3



Others
Change in Core Operating Income: '17/3 vs. '18/3



(6) 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 increased by ¥2.0 billion from the previous fiscal year, to ¥56.8 billion. Core operating income grew by ¥0.9 billion, to ¥11.1 billion.

3. Financial Position

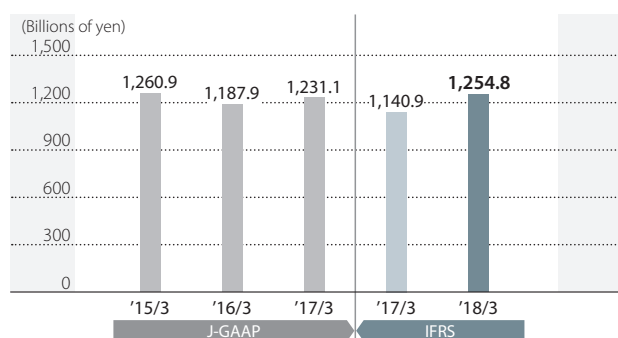
Total assets as of March 31, 2018 increased by ¥190.5 billion, to ¥3,068.7 billion (US\$28,884 million) from ¥2,878.2 billion as of March 31, 2017. Current assets as of March 31, 2018 amounted to ¥1,254.8 billion (US\$11,811 million), a 10.0% increase from ¥1,140.9 billion as of March 31, 2017, due mainly to increases of Cash and cash equivalents, and Inventories. Non-current assets as of March 31, 2018 amounted to ¥1,813.9 billion (US\$17,073 million), a 4.4% increase from ¥1,737.3 billion as of March 31, 2017.

Current liabilities as of March 31, 2018 were ¥1,029.0 billion (US\$9,685 million), a 7.6% increase from ¥956.2 billion as of March 31, 2017. The current ratio was 122.0%, compared with 119.3% as of March 31, 2017.

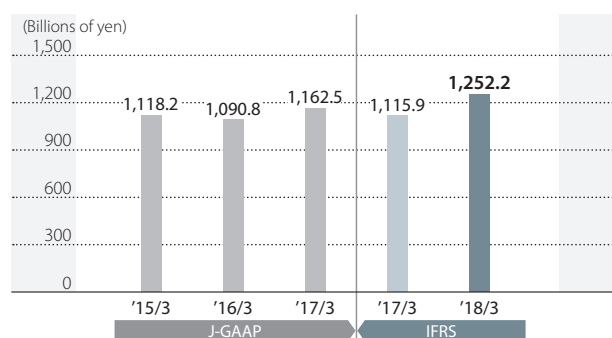
Non-current liabilities as of March 31, 2018 were ¥787.5 billion (US\$7,413 million), a 2.3% decrease from ¥806.1 billion as of March 31, 2017.

Interest-bearing liabilities (short-term and long-term bank loans, corporate bonds, and commercial paper) as of March 31, 2018 amounted to ¥842.2 billion (US\$7,927 million), compared

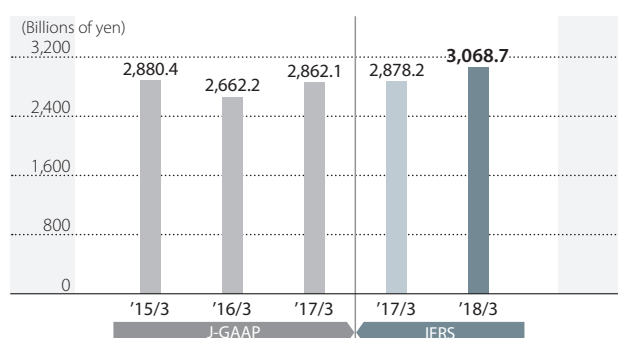
Total Current Assets



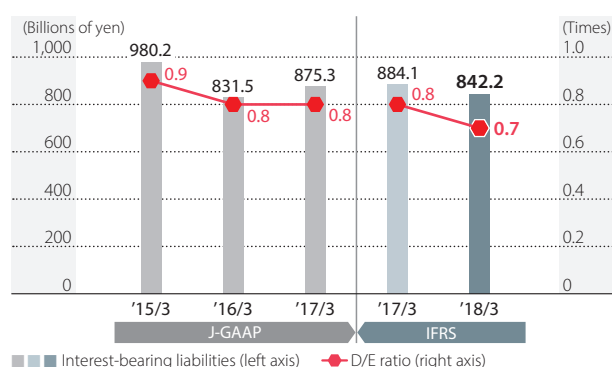
J-GAAP Net Assets
IFRS Total Equity



Total Assets



Interest-bearing Liabilities / D/E Ratio



with ¥884.1 billion as of March 31, 2017.

Total equity was ¥1,252.2 billion (US\$11,787 million) as of March 31, 2018, a 12.2% increase from ¥1,115.9 billion as of March 31, 2017, mainly because retained earnings increased. The ratio of net worth to total assets stood at 30.2% as of March 31, 2018, compared with 28.2% as of March 31, 2017.

There were 1,635,056,024 shares issued and outstanding as of March 31, 2018. Retained earnings amounted to ¥738.9 billion (US\$6,955 million), an 18.5% increase from ¥623.5 billion as of March 31, 2017.

4. Cash Flows

Net cash provided by operating activities in fiscal 2017 was ¥293.3 billion, an increase of ¥107.5 billion compared to the previous fiscal year, due chiefly to a rise in operating income and a decrease in income taxes paid. Net cash used in investing activities was ¥154.5 billion, a decrease in cash outflows of ¥51.2 billion compared to the previous fiscal year, due mainly to the acquisition of Cynapsus Therapeutics Inc. (the present Sunovion CNS Development Canada ULC) and Tolero Pharmaceuticals Inc. by Sumitomo Dainippon Pharma, a subsidiary of Sumitomo Chemical, in the previous fiscal year. This resulted in free cash flow of ¥138.7 billion for fiscal 2017, compared with negative ¥19.9 billion for the previous fiscal year. Net cash used in financing activities was ¥94.3 billion. The balance of cash and cash equivalents at the end of fiscal 2017 increased by ¥38.6 billion over the previous fiscal year, to ¥231.9 billion.

Breakdown of Capital Expenditures

Years ended March 31	J-GAAP										(Billions of yen, %)	
	2014		2015		2016		2017		2017		2018	
New plants and expansions:												
Basic Chemicals	¥ 4.0	3%	¥ —	—%	¥ —	—%	¥ —	—%	¥ —	—%	¥ —	—%
Petrochemicals & Plastics	10.2	7	2.5	3	1.8	2	1.5	1	—	—	3.2	2
Energy & Functional Materials	—	—	1.1	1	10.0	10	11.8	9	—	—	14.3	9
IT-related Chemicals	48.1	34	12.9	15	22.1	21	29.5	23	—	—	21.3	13
Health & Crop Sciences	8.6	6	10.6	13	6.4	6	12.1	9	—	—	38.0	24
Pharmaceuticals	1.9	1	1.6	2	1.9	2	2.8	2	—	—	3.7	2
Others	0.6	0	0.9	1	0.7	1	1.2	1	—	—	6.0	4
Subtotal	¥ 73.4	51%	¥29.6	35%	¥ 43.0	41%	¥ 58.9	45%	—	—	¥ 86.5	54%
Rationalization of production processes	4.8	3	4.5	5	8.3	8	3.5	3	—	—	2.7	2
Research and development	13.0	9	8.3	10	7.4	7	7.4	6	—	—	12.1	8
Maintenance and renewal	27.2	19	22.7	27	21.7	21	25.2	19	—	—	31.3	20
Others	25.0	17	19.1	23	23.3	22	35.0	27	—	—	26.2	16
Total	¥143.4	100%	¥84.2	100%	¥103.8	100%	¥130.1	100%	¥136.3	—%	¥158.8	100%

5. Capital Expenditures

In the year ended March 31, 2018, the Companies' capital expenditures totaled ¥158.8 billion (US\$1,495 million), which includes investments for new installations and the expansion of manufacturing facilities as well as investments for streamlining existing facilities.

Major facilities completed in the fiscal year ended March 31, 2018 included the expansion of the manufacturing facility for lithium-ion secondary battery separators in South Korea in the Energy & Functional Materials Segment and the expansion of the production facility for touchscreen panels for OLED display panels in South Korea in the IT-related Chemicals Segment. Major facilities under construction in the fiscal year ended March 31, 2018 included the expansion of the manufacturing facility for processing chemicals for semiconductors in China in the IT-related Chemicals Segment, the expansion of the production facility for methionine and the synthesis research building in the Health & Crop Sciences Segment.

Broken down by segment, capital expenditures in the Petrochemicals & Plastics Segment were ¥17.4 billion (US\$164 million), ¥22.5 billion (US\$212 million) in the Energy & Functional Materials Segment, ¥24.5 billion (US\$231 million) in the IT-related Chemicals Segment, ¥56.3 billion (US\$530 million) in the Health

& Crop Sciences Segment, ¥21.2 billion (US\$200 million) in the Pharmaceuticals Segment, and ¥16.8 billion (US\$159 million) in the Others Segment.

6. Research and Development

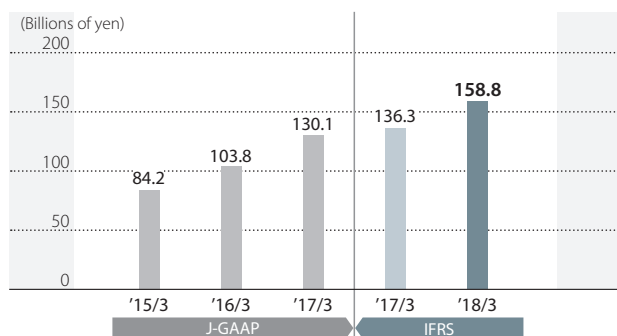
The Companies' basic R&D policy is to establish superior proprietary technologies that will contribute to profitability and business expansion. To maximize overall efficiency, the Companies proactively promote collaborative R&D and outsourcing through closer cooperation, while each subsidiary performs its own R&D activities.

In the fiscal year ended March 31, 2018, the Companies focused R&D resources on 1) Environment and Energy; 2) ICT (Information & Communication Technology); and 3) Life Science as part of the 2016-2018 Corporate Business Plan.

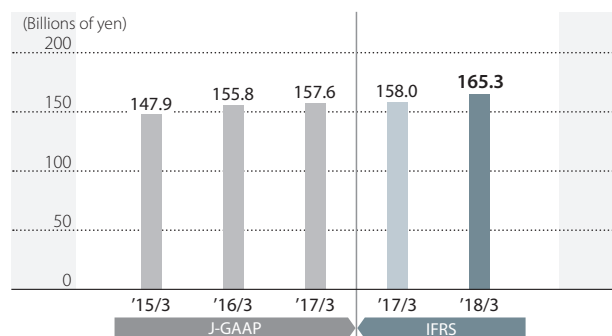
In addition, the Companies are promoting cross-sectoral projects for the development of new businesses.

R&D expenses were ¥165.3 billion (US\$1,556 million), up 4.6% from the fiscal year ended March 31, 2017.

Capital Expenditures



Research and Development Expenses



Consolidated Financial Statements

Consolidated Statement of Financial Position

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries
March 31, 2018, 2017 and transition date

	Millions of yen			Thousands of US dollars
	March 31, 2018	March 31, 2017	April 1, 2016 (Transition Date)	March 31, 2018
Assets				
Current assets:				
Cash and cash equivalents	¥ 231,929	¥ 193,295	¥ 215,631	\$ 2,183,067
Trade and other receivables	530,571	503,509	445,768	4,994,079
Other financial assets	6,720	5,652	6,262	63,253
Inventories	446,801	397,400	384,041	4,205,582
Other current assets	38,797	41,022	26,426	365,183
Total current assets	1,254,818	1,140,878	1,078,128	11,811,164
Non-current assets:				
Property, plant and equipment	675,745	644,059	661,763	6,360,552
Goodwill	122,849	120,548	82,647	1,156,335
Intangible assets	232,629	232,754	103,402	2,189,655
Investments accounted for using the equity method	294,370	268,719	256,324	2,770,802
Other financial assets	316,888	294,151	320,767	2,982,756
Retirement benefit assets	67,693	58,310	53,567	637,171
Deferred tax assets	62,146	80,017	93,104	584,959
Other non-current assets	41,547	38,757	26,035	391,066
Total non-current assets	1,813,867	1,737,315	1,597,609	17,073,296
Total assets	¥3,068,685	¥2,878,193	¥2,675,737	\$28,884,460

	Millions of yen			Thousands of US dollars
	March 31, 2018	March 31, 2017	April 1, 2016 (Transition Date)	March 31, 2018
Liabilities and equity				
Liabilities				
Current liabilities:				
Bonds and borrowings	¥ 289,190	¥ 310,619	¥ 227,235	\$ 2,722,044
Trade and other payables	486,832	417,724	374,090	4,582,380
Other financial liabilities	52,244	54,129	47,304	491,755
Income taxes payable	28,078	22,956	43,626	264,288
Provisions	94,796	84,996	64,475	892,282
Other current liabilities	77,810	65,806	69,678	732,398
Total current liabilities	1,028,950	956,230	826,408	9,685,147
Non-current liabilities:				
Bonds and borrowings	552,971	573,476	604,270	5,204,923
Other financial liabilities	96,655	113,990	86,337	909,780
Retirement benefit liabilities	39,871	35,518	41,405	375,292
Provisions	24,620	26,604	28,810	231,739
Deferred tax liabilities	58,404	45,743	51,629	549,736
Other non-current liabilities	15,000	10,729	7,799	141,190
Total non-current liabilities	787,521	806,060	820,250	7,412,660
Total liabilities	1,816,471	1,762,290	1,646,658	17,097,807
Equity				
Share capital	89,699	89,699	89,699	844,305
Capital surplus	21,688	22,105	23,389	204,142
Retained earnings	738,882	623,508	546,542	6,954,838
Treasury shares	(8,296)	(8,228)	(8,186)	(78,087)
Other components of equity	85,168	85,528	95,494	801,656
Equity attributable to owners of the parent	927,141	812,612	746,938	8,726,854
Non-controlling interests	325,073	303,291	282,141	3,059,799
Total equity	1,252,214	1,115,903	1,029,079	11,786,653
Total liabilities and equity	¥3,068,685	¥2,878,193	¥2,675,737	\$28,884,460

Consolidated Statement of Profit or Loss

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2018 and 2017

	Millions of yen		Thousands of US dollars
	2018	2017	2018
Sales revenue	¥2,190,509	¥1,939,069	\$20,618,496
Cost of sales	(1,440,635)	(1,308,824)	(13,560,194)
Gross profit	749,874	630,245	7,058,302
Selling, general and administrative expenses	(557,888)	(533,890)	(5,251,205)
Other operating income	25,262	14,661	237,783
Other operating expenses	(21,644)	(26,787)	(203,727)
Share of profit of investments accounted for using the equity method	55,319	42,238	520,698
Operating income	250,923	126,467	2,361,851
Finance income	11,542	10,700	108,641
Finance expenses	(21,654)	(14,829)	(203,822)
Income before taxes	240,811	122,338	2,266,670
Income tax expenses	(62,653)	(13,238)	(589,731)
Net income	178,158	109,100	1,676,939
Net income attributable to:			
Owners of the parent	133,768	76,540	1,259,111
Non-controlling interests	44,390	32,560	417,828
Net income	¥ 178,158	¥ 109,100	\$ 1,676,939

	Yen		US dollars
Earnings per share:			
Basic earnings per share	¥81.81	¥46.81	\$0.770
Diluted earnings per share	81.77	46.77	0.770

Consolidated Statement of Comprehensive Income

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2018 and 2017

	Millions of yen		Thousands of US dollars
	2018	2017	2018
Net income	¥178,158	¥109,100	\$1,676,939
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of financial assets measured at fair value through other comprehensive income	18,236	5,619	171,649
Remeasurements of defined benefit plans	4,975	7,258	46,828
Share of other comprehensive income of investments accounted for using the equity method	455	1,954	4,283
Total items that will not be reclassified to profit or loss	23,666	14,831	222,760
Items that may be subsequently reclassified to profit or loss			
Cash flow hedge	2,349	(483)	22,110
Exchange differences on translation of foreign operations	(16,907)	1,586	(159,140)
Share of other comprehensive income of investments accounted for using the equity method	(2,705)	(4,072)	(25,461)
Total items that may be subsequently reclassified to profit or loss	(17,263)	(2,969)	(162,491)
Other comprehensive income, net of taxes	6,403	11,862	60,269
Total comprehensive income	¥184,561	¥120,962	\$1,737,208
Total comprehensive income attributable to:			
Owners of the parent	142,421	88,258	1,340,559
Non-controlling interests	42,140	32,704	396,649
Total comprehensive income	¥184,561	¥120,962	\$1,737,208

Consolidated Statement of Changes in Equity

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2018 and 2017

Millions of yen

	Equity attributable to owners of the parent											
	Other components of equity											Total equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	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	Equity attributable to owners of the parent	Non-controlling interests	
Balance as at April 1, 2016	¥89,699	¥23,389	¥546,542	¥(8,186)	¥100,245	¥ —	¥(4,751)	¥ —	¥95,494	¥746,938	¥282,141	¥1,029,079
Net income	—	—	76,540	—	—	—	—	—	—	76,540	32,560	109,100
Other comprehensive income	—	—	—	—	9,720	4,703	(173)	(2,532)	11,718	11,718	144	11,862
Total comprehensive income	—	—	76,540	—	9,720	4,703	(173)	(2,532)	11,718	88,258	32,704	120,962
Purchase of treasury shares	—	—	—	(43)	—	—	—	—	—	(43)	—	(43)
Disposal of treasury shares	—	0	—	1	—	—	—	—	—	1	—	1
Dividends	—	—	(21,258)	—	—	—	—	—	—	(21,258)	(16,880)	(38,138)
Changes in interest in subsidiaries	—	(1,284)	—	—	—	—	—	—	—	(1,284)	(2,409)	(3,693)
Transfer from other components of equity to retained earnings	—	—	21,684	—	(16,981)	(4,703)	—	—	(21,684)	—	—	—
Others, net	—	—	—	—	—	—	—	—	—	—	7,735	7,735
Total transactions with owners	—	(1,284)	426	(42)	(16,981)	(4,703)	—	—	(21,684)	(22,584)	(11,554)	(34,138)
Balance as at March 31, 2017	¥89,699	¥22,105	¥623,508	¥(8,228)	¥92,984	¥ —	¥(4,924)	¥ (2,532)	¥85,528	¥812,612	¥303,291	¥1,115,903

Balance as at April 1, 2017	¥89,699	¥22,105	¥623,508	¥(8,228)	¥92,984	¥ —	¥(4,924)	¥ (2,532)	¥85,528	¥812,612	¥303,291	¥1,115,903
Net income	—	—	133,768	—	—	—	—	—	—	133,768	44,390	178,158
Other comprehensive income	—	—	—	—	13,673	6,390	2,072	(13,482)	8,653	8,653	(2,250)	6,403
Total comprehensive income	—	—	133,768	—	13,673	6,390	2,072	(13,482)	8,653	142,421	42,140	184,561
Purchase of treasury shares	—	—	—	(68)	—	—	—	—	—	(68)	—	(68)
Disposal of treasury shares	—	0	—	0	—	—	—	—	—	0	—	0
Dividends	—	—	(27,797)	—	—	—	—	—	—	(27,797)	(15,569)	(43,366)
Changes in interest in subsidiaries	—	(417)	—	—	—	—	—	—	—	(417)	(4,789)	(5,206)
Transfer from other components of equity to retained earnings	—	—	9,034	—	(2,644)	(6,390)	—	—	(9,034)	—	—	—
Others, net	—	—	369	—	21	—	—	—	21	390	—	390
Total transactions with owners	—	(417)	(18,394)	(68)	(2,623)	(6,390)	—	—	(9,013)	(27,892)	(20,358)	(48,250)
Balance as at March 31, 2018	¥89,699	¥21,688	¥738,882	¥(8,296)	¥104,034	¥ —	¥(2,852)	¥(16,014)	¥85,168	¥927,141	¥325,073	¥1,252,214

Thousands of US dollars

Balance as at April 1, 2017	\$844,305	\$208,067	\$5,868,863	\$(77,447)	\$875,226	\$ —	\$(46,348)	\$(23,833)	\$805,045	\$7,648,833	\$2,854,772	\$10,503,605
Net income	—	—	1,259,111	—	—	—	—	—	—	1,259,111	417,828	1,676,939
Other comprehensive income	—	—	—	—	128,699	60,147	19,503	(126,901)	81,448	81,448	(21,179)	60,269
Total comprehensive income	—	—	1,259,111	—	128,699	60,147	19,503	(126,901)	81,448	1,340,559	396,649	1,737,208
Purchase of treasury shares	—	—	—	(640)	—	—	—	—	—	(640)	—	(640)
Disposal of treasury shares	—	0	—	0	—	—	—	—	—	0	—	0
Dividends	—	—	(261,643)	—	—	—	—	—	—	(261,643)	(146,546)	(408,189)
Changes in interest in subsidiaries	—	(3,925)	—	—	—	—	—	—	—	(3,925)	(45,076)	(49,001)
Transfer from other components of equity to retained earnings	—	—	85,034	—	(24,887)	(60,147)	—	—	(85,034)	—	—	—
Others, net	—	—	3,473	—	197	—	—	—	197	3,670	—	3,670
Total transactions with owners	—	(3,925)	(173,136)	(640)	(24,690)	(60,147)	—	—	(84,837)	(262,538)	(191,622)	(454,160)
Balance as at March 31, 2018	\$844,305	\$204,142	\$6,954,838	\$(78,087)	\$979,235	\$ —	\$(26,845)	\$(150,734)	\$801,656	\$8,726,854	\$3,059,799	\$11,786,653

Consolidated Statement of Cash Flows

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2018 and 2017

	Millions of yen		Thousands of US dollars
	2018	2017	2018
Cash flows from operating activities:			
Income before taxes	¥240,811	¥122,338	\$2,266,670
Depreciation and amortization	107,103	110,308	1,008,123
Impairment loss	12,378	36,525	116,510
Reversal of impairment loss	(3,477)	—	(32,728)
Share of profit of investments accounted for using the equity method	(55,319)	(42,238)	(520,698)
Interest and dividend income	(10,101)	(8,967)	(95,077)
Interest expenses	10,646	11,145	100,207
Business structure improvement expenses	14,210	18,186	133,754
Changes in fair value of contingent consideration	(8,383)	6,507	(78,906)
Gain on sale of property, plant and equipment	(6,801)	(1,035)	(64,015)
Gain on step acquisitions	—	(2,840)	—
Increase in trade receivables	(24,617)	(43,452)	(231,711)
Increase in inventories	(55,626)	(3,292)	(523,588)
Increase in trade payables	73,607	31,665	692,837
Increase in provisions	10,514	17,232	98,965
Others, net	(7,170)	(17,592)	(67,491)
Subtotal	297,775	234,490	2,802,852
Interest and dividends received	41,742	42,978	392,903
Interest paid	(10,534)	(11,322)	(99,153)
Income taxes paid	(28,747)	(64,303)	(270,585)
Business structure improvement expenses paid	(6,986)	(16,067)	(65,757)
Net cash provided by operating activities	293,250	185,776	2,760,260
Cash flows from investing activities:			
Purchase of property, plant and equipment, and intangible assets	(149,207)	(137,989)	(1,404,433)
Proceeds from sale of property, plant and equipment, and intangible assets	10,200	3,424	96,009
Purchase of investments in subsidiaries	(13,236)	(99,388)	(124,586)
Purchase of other financial assets	(14,276)	(7,451)	(134,375)
Proceeds from sales and redemption of other financial assets	6,092	35,596	57,342
Others, net	5,907	111	55,600
Net cash used in investing activities	(154,520)	(205,697)	(1,454,443)
Cash flows from financing activities:			
Net (decrease) increase in short-term borrowings	(82,586)	109,154	(777,353)
Net increase (decrease) of commercial paper	34,000	(24,000)	320,030
Proceeds from long-term borrowings	81,690	33,557	768,919
Repayments of long-term borrowings	(58,984)	(49,326)	(555,196)
Proceeds from issuance of bonds	39,790	29,837	374,529
Redemption of bonds	(55,000)	(55,000)	(517,696)
Repayments of lease obligations	(3,281)	(2,995)	(30,883)
Cash dividends paid	(27,797)	(21,258)	(261,643)
Cash dividends paid to non-controlling interests	(15,569)	(16,880)	(146,546)
Payments for acquisition of subsidiaries' interests from non-controlling interests	(6,588)	(4,475)	(62,011)
Others, net	61	863	576
Net cash used in financing activities	(94,264)	(523)	(887,274)
Effect of exchange rate changes on cash and cash equivalents	(5,832)	(1,892)	(54,895)
Net increase (decrease) in cash and cash equivalents	38,634	(22,336)	363,648
Cash and cash equivalents at beginning of year	193,295	215,631	1,819,419
Cash and cash equivalents at end of year	¥231,929	¥193,295	\$2,183,067

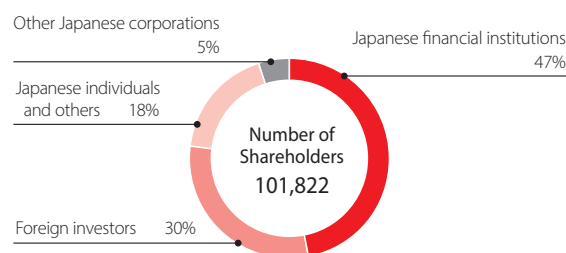
Corporate and Investor Information

(As of March 31, 2018)

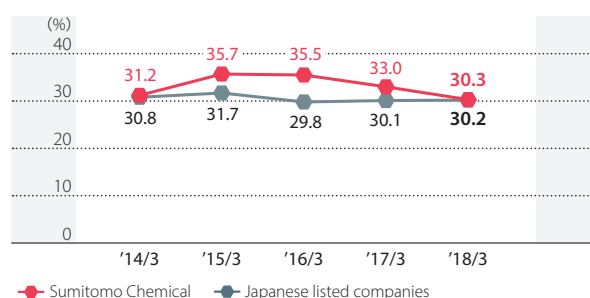
Paid-in Capital	¥89.7 billion
Number of Employees	Non-consolidated: 6,005 Consolidated: 31,837
Common Stock	Authorized: 5,000,000,000 shares Issued: 1,655,446,177 shares
Settlement Date	March 31
Stock Transaction Units	1,000-share units*
Ordinary General Meeting of Shareholders	Within three months from the next day of the settlement date
Number of Shareholders	101,822
Listings	Tokyo
Transfer Agent and Registrar	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Division 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan
Independent Certified Public Accountants	KPMG AZSA LLC

* Sumitomo Chemical will change the number of shares in each share unit from 1,000 shares to 100 shares on October 1, 2018.

Distribution of Shareholders



Ownership of Foreign Investors



Major Shareholders

Major Shareholders	Number of Shares Held (1,000 shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	104,780	6.40
Japan Trustee Services Bank, Ltd. (Trust Account)	99,098	6.06
Sumitomo Life Insurance Company	71,000	4.34
Nippon Life Insurance Company	41,031	2.50
Sumitomo Mitsui Banking Corporation	32,301	1.97
STATE STREET BANK WEST CLIENT-TREATY 505234	29,874	1.82
Japan Trustee Services Bank, Ltd. (Trust Account No.5)	29,462	1.80
Japan Trustee Services Bank, Ltd. (Sumitomo Mitsui Trust Bank, Ltd. ReTrust Account / Sumitomo Life Insurance Company Employee Pension Trust Account)	29,000	1.77
Japan Trustee Services Bank, Ltd. (Trust Account No.4)	28,997	1.77
Japan Trustee Services Bank, Ltd. (Trust Account No.7)	25,741	1.57

Dividend Policy

We consider shareholder return as one of our priority management issues and have made it a policy to maintain stable dividend payments, giving due consideration to our business performance and a dividend payout ratio for each fiscal period, the level of retained earnings necessary for future growth, and other relevant factors.

The full year dividend for fiscal 2017 was ¥22 per share, an increase of ¥8 per share from the previous fiscal year.

IR Calendar

Fiscal 2017 (Year ending March 31, 2018)

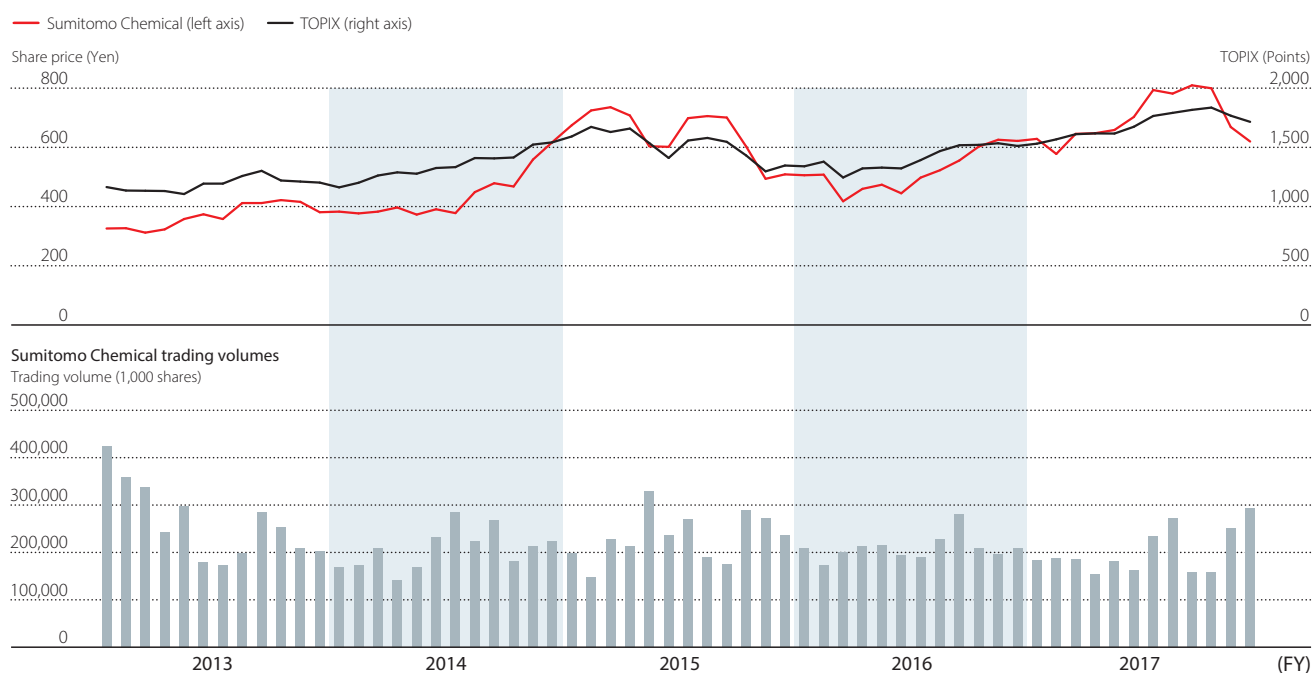
May 2018	Fiscal 2017 Financial Results
June 2018	137th Ordinary General Meeting of Shareholders

Fiscal 2018 (Year ending March 31, 2019)

July 2018	1st Quarter Financial Results
October 2018	2nd Quarter Financial Results
February 2019	3rd Quarter Financial Results
May 2019	Fiscal 2018 Financial Results
June 2019	138th Ordinary General Meeting of Shareholders

(Note) This schedule is subject to change.

Stock Performance

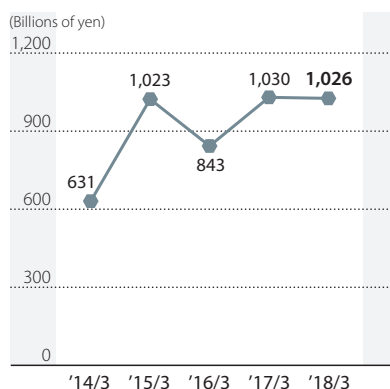


	J-GAAP				IFRS
Fiscal Year	2013	2014	2015	2016	2017
Share price high (yen)	458	631	792	674	875
Share price low (yen)	250	333	443	396	578
Share price at year-end (yen)	381	618	509	622	620
Cumulative trading volume (1,000 shares)	3,164,352	2,489,166	2,785,335	2,515,006	2,418,727

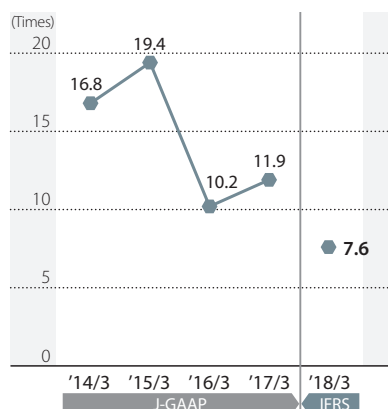
Fiscal Year	2013	2014	2015	2016	2017
Shares outstanding (1,000 shares)	1,655,446	1,655,446	1,655,446	1,655,446	1,655,446
Market capitalization (billions of yen)	631	1,023	843	1,030	1,026
Net income per share*1 (yen)	22.62	31.93	49.84	52.31	81.81
Net assets per share*2 (yen)	393.58	484.17	469.25	501.98	567.04
Price earnings ratio (times)	16.8	19.4	10.2	11.9	7.6
Price book-value ratio*3 (times)	1.0	1.3	1.1	1.2	1.1
Cash dividends per share (yen)	9	9	14	14	22
Ratio of shares owned by foreign investors to shares outstanding (%)	31.2	35.7	35.5	33.0	30.3

*1 IFRS/Basic Earnings per Share (yen) *2 IFRS/Equity attributable to owners of the parent per share (yen) *3 Figures of the end of FY2017 are calculated using IFRS

Market Capitalization



Price Earnings Ratio



Price Book-value Ratio

