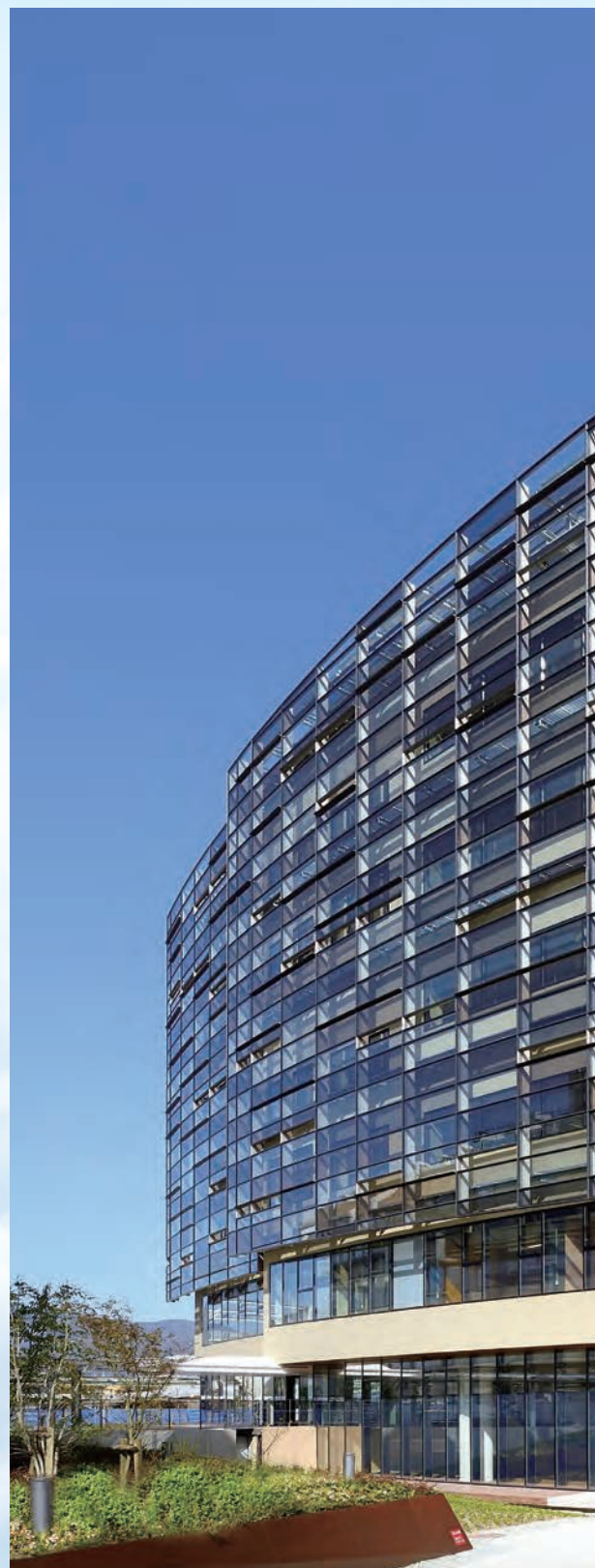


Corporate Data

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Chemistry Research Center (CRC) in Takarazuka, Hyogo Prefecture, Japan

CRC is a synthesis research building newly built on the premises of the Health & Crop Sciences Research Laboratory. The CRC building was completed in May 2018. The CRC serves as Sumitomo Chemical's new global R&D base principally for discovery of and innovation in crop protection chemicals and household & public hygiene insecticides. The CRC features an advanced space design to create an inspiring environment where researchers can actively communicate with each other and generate innovative ideas. In addition, the company intends to further accelerate new compound invention and new product development by consolidating the company's organic synthesis research functions within Japan into the CRC, from discovery research for novel compounds to production process research, which have previously been located in separate facilities, both in the Takarazuka area and elsewhere.





Financial Review

1. Results of Operations

(1) Sales revenue

Sales revenue increased by ¥128.1 billion from ¥2,190.5 billion for the fiscal year ended March 31, 2018 to ¥2,318.6 billion (US\$20,890 million) for the fiscal year ended March 31, 2019. This is mainly due to the increase in sales quantity associated with business expansion, which has the most significant impact on the increase in sales revenue, and the increase in selling price due to the increase in raw material purchase price.

(2) Core operating income / Operating income

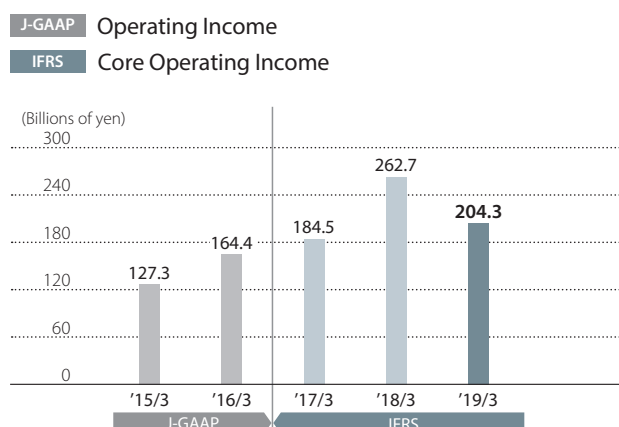
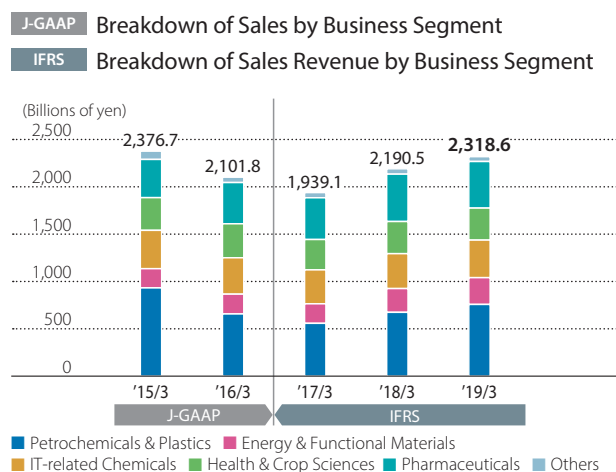
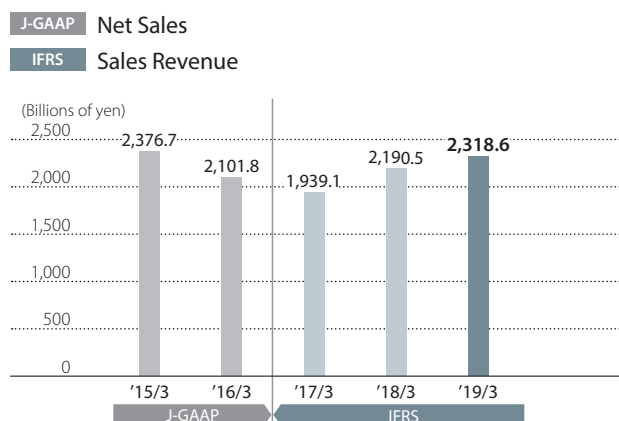
Core operating income decreased by ¥58.4 billion from ¥262.7 billion for the fiscal year ended March 31, 2018 to ¥204.3 billion (US\$1,841 million) for the fiscal year ended March 31, 2019 due to the following reasons: the deterioration in share of profit of investments accounted for using the equity method, such as Petrochemical Corporation of Singapore (Pte.) Ltd. and Rabigh Refining and Petrochemical Company and the impact of periodic plant maintenance at the Chiba Works in Japan and in Singapore in the Petrochemicals & Plastics Segments,

the margin erosion in methionine and reduced shipments of crop protection chemicals due to inclement weather in North America in the Health & Crop Sciences Segment, the impact of the drug price revisions in Japan and a one-time gain recorded in the previous fiscal year on the transfer of a business in the Pharmaceuticals Segment, and others.

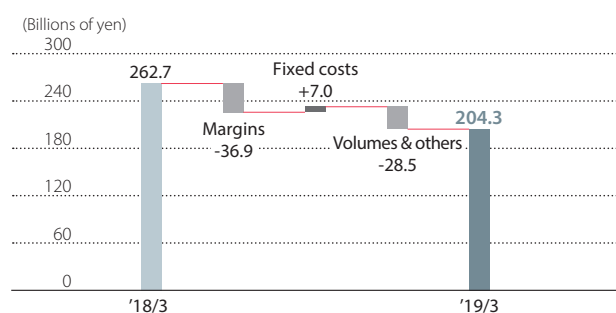
Loss from non-recurring factors, which is deducted from Operating income when calculating Core operating income, increased by ¥9.5 billion from ¥11.8 billion for the fiscal year ended March 31, 2018 to ¥21.3 billion for the fiscal year ended March 31, 2019 due to the large amount of impairment losses recorded in the fiscal year ended March 31, 2019. As a result, Operating income decreased by ¥68.0 billion from ¥250.9 billion for the fiscal year ended March 31, 2018 to ¥183.0 billion (US\$1,649 million) for the fiscal year ended March 31, 2019.

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

Finance income and Finance expenses increased by ¥15.5 billion from a loss of ¥10.1 billion for the fiscal year ended March 31, 2018 to gain of ¥5.4 billion for the fiscal year ended March 31,



Change in Core Operating Income: '18/3 vs. '19/3



2019 due to depreciation of the Japanese yen toward the end of the current fiscal year and recorded a large amount of exchange gains. As a result, Income before taxes decreased by ¥52.4 billion from ¥240.8 billion for the fiscal year ended March 31, 2018 to ¥188.4 billion for the fiscal year ended March 31, 2019.

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

Income tax expenses were ¥35.9 billion for the fiscal year ended March 31, 2019, and the ratio of Income tax expenses to income before taxes after applying the tax effect accounting equaled 19.1%.

As a result, Net income was ¥152.5 billion for the fiscal year ended March 2019.

Net income attributable to non-controlling interests decreased by ¥9.9 billion from ¥44.4 billion for the fiscal year ended March 31, 2018 to ¥34.5 billion for the fiscal year ended March 31, 2019, 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 decreased by ¥15.8 billion from ¥133.8 billion for the fiscal year ended March 31, 2018 to ¥118.0 billion for the fiscal year ended March 31, 2019.

(5) Dividends

The interim dividend was ¥11 per share and the year-end dividend was ¥11. As a result, the full year dividend for fiscal 2018 was ¥22 per share.

2. Segment Information

(1) 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

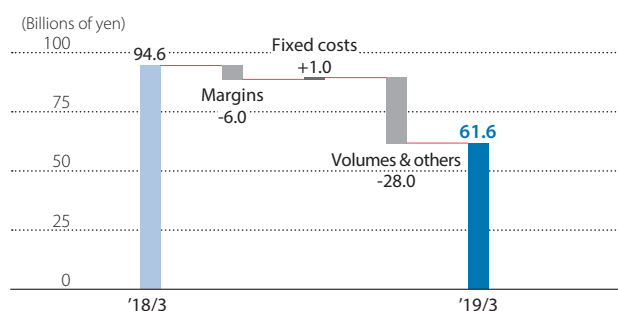
Results by Business Segment

Fiscal years ended March 31, 2019 and 2018

	Petrochemicals & Plastics	Energy & Functional Materials	IT-related Chemicals	Health & Crop Sciences	Pharmaceuticals	Others	Adjustments & Elimination	Consolidated
(Millions of yen)								
Year ended March 31, 2019								
Sales revenue	¥757,529	¥282,850	¥396,839	¥338,094	¥492,130	¥51,130	¥ —	¥2,318,572
Core operating income	61,610	22,959	26,227	19,716	80,764	9,422	(16,446)	204,252
Core operating income ratio (%)	8.1	8.1	6.6	5.8	16.4	18.4	—	8.8
Core operating income growth (%)	(34.9)	19.6	112.5	(55.2)	(14.8)	(14.7)	—	(22.2)
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

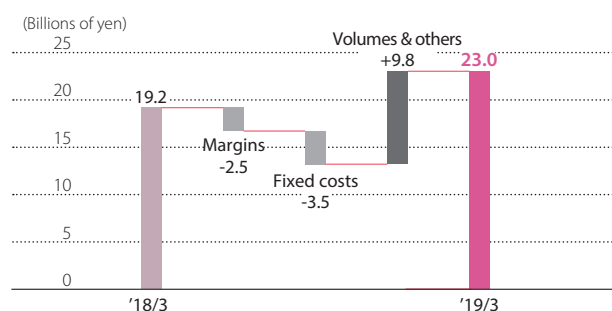
Petrochemicals & Plastics

Change in Core Operating Income: '18/3 vs. '19/3



Energy & Functional Materials

Change in Core Operating Income: '18/3 vs. '19/3



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.

(2) 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.

(3) IT-related Chemicals

Although selling price of polarizing film declined, shipments increased due to growth in demand for TV and mobile applications. Shipments of touchscreen 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

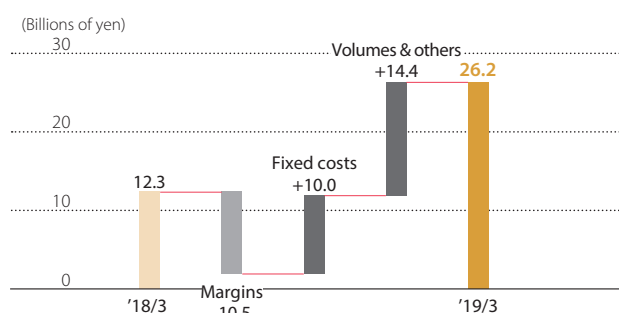
year, to ¥396.8 billion, and core operating income rose by ¥13.9 billion, to ¥26.2 billion.

(4) 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.

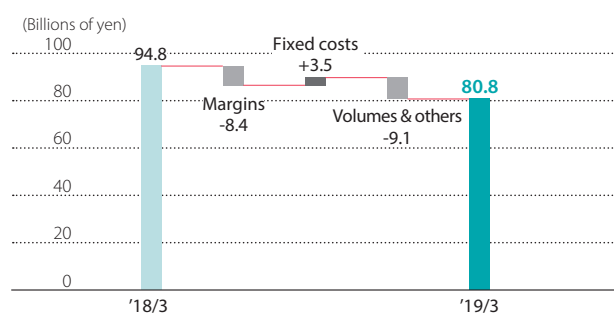
IT-related Chemicals

Change in Core Operating Income: '18/3 vs. '19/3



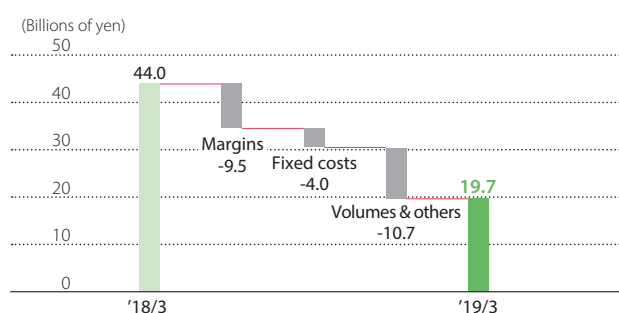
Pharmaceuticals

Change in Core Operating Income: '18/3 vs. '19/3



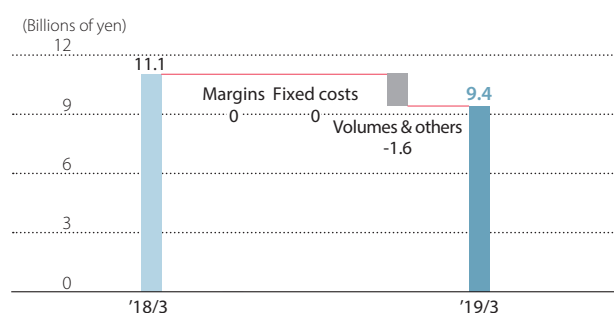
Health & Crop Sciences

Change in Core Operating Income: '18/3 vs. '19/3



Others

Change in Core Operating Income: '18/3 vs. '19/3



(5) 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.

(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 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.

3. Financial Position

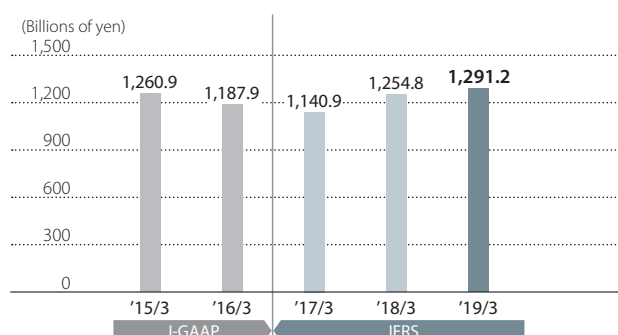
Total assets as of March 31, 2019 increased by ¥102.9 billion, to ¥3,171.6 billion (US\$28,576 million) from ¥3,068.7 billion as of March 31, 2018. Current assets as of March 31, 2019 amounted to ¥1,291.2 billion (US\$11,634 million), a 2.9% increase from ¥1,254.8 billion as of March 31, 2018, due mainly to an increase of Property, plant and equipment, and Inventories. Non-current assets as of March 31, 2019 amounted to ¥1,880.4 billion (US\$16,942 million), a 3.7% increase from ¥1,813.9 billion as of March 31, 2018.

Current liabilities as of March 31, 2019 were ¥1,005.1 billion (US\$9,056 million), a 2.3% decrease from ¥1,029.0 billion as of March 31, 2018. The current ratio was 128.5%, compared with 122.0% as of March 31, 2018.

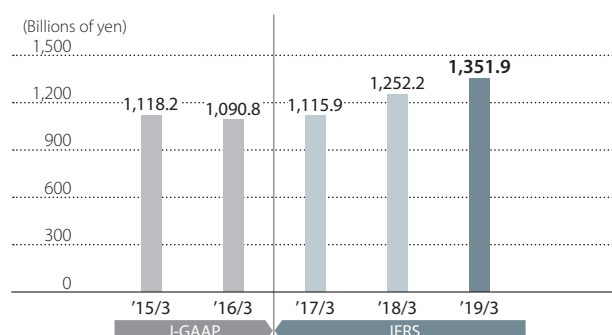
Non-current liabilities as of March 31, 2019 were ¥814.6 billion (US\$7,339 million), a 3.4% increase from ¥787.5 billion as of March 31, 2018.

Interest-bearing liabilities (short-term and long-term bank loans, corporate bonds, and commercial paper) as of March 31, 2019 amounted to ¥839.5 billion (US\$7,564 million), compared with ¥842.2 billion as of March 31, 2018.

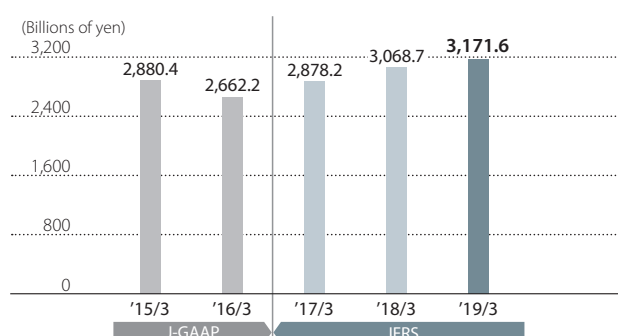
Total Current Assets



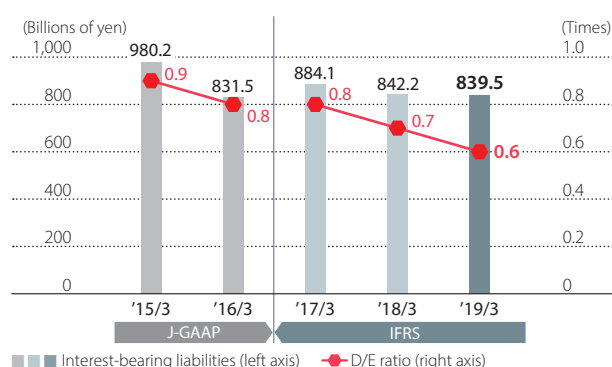
J-GAAP Net Assets
IFRS Total Equity



Total Assets



Interest-bearing Liabilities / D/E Ratio



Total equity was ¥1,351.9 billion (US\$12,180 million) as of March 31, 2019, an 8.0% increase from ¥1,252.2 billion as of March 31, 2018, mainly because retained earnings increased. The ratio of net worth to total assets stood at 31.5% as of March 31, 2019, compared with 30.2% as of March 31, 2018.

There were 1,635,013,610 shares issued and outstanding (excluding treasury shares) as of March 31, 2019. Retained earnings amounted to ¥820.5 billion (US\$7,392 million), an 11.0% increase from ¥738.9 billion as of March 31, 2018.

4. Cash Flows

Net cash provided by operating activities in the year ended March 31, 2019 was ¥208.1 billion, a decrease of ¥85.1 billion compared to the previous fiscal year, due chiefly to a rise in working capital and a decrease in income before taxes. Net cash used in investing activities was ¥180.8 billion, an increase in cash outflows of ¥26.3 billion compared to the previous fiscal year, due mainly to an increase in outflows for the purchase of fixed assets. This resulted in free cash flow of ¥27.3 billion for the year ended March 31, 2019, compared with ¥138.7 billion for the previous fiscal year. Net cash used in financing activities was ¥60.9 billion. The balance of cash and cash equivalents at the end of the fiscal year fell by ¥30.3 billion from the previous fiscal year, to ¥201.7 billion.

Breakdown of Capital Expenditures

	(Billions of yen, %)											
	J-GAAP						IFRS					
Years ended March 31	2015		2016		2017		2017		2018		2019	
New plants and expansions:												
Petrochemicals & Plastics	¥ 2.5	3%	¥ 1.8	2%	¥ 1.5	1%	¥ —	—%	¥ 3.2	2%	¥ 6.4	4%
Energy & Functional Materials	1.1	1	10.0	10	11.8	9	—	—	14.3	9	13.0	8
IT-related Chemicals	12.9	15	22.1	21	29.5	23	—	—	21.3	13	28.3	17
Health & Crop Sciences	10.6	13	6.4	6	12.1	9	—	—	38.0	24	22.9	14
Pharmaceuticals	1.6	2	1.9	2	2.8	2	—	—	3.7	2	6.1	4
Others	0.9	1	0.7	1	1.2	1	—	—	6.0	4	8.6	5
Subtotal	¥29.6	35%	¥ 43.0	41%	¥ 58.9	45%	—	—	¥ 86.5	54%	¥ 85.4	52%
Rationalization of production processes	4.5	5	8.3	8	3.5	3	—	—	2.7	2	2.8	2
Research and development	8.3	10	7.4	7	7.4	6	—	—	12.1	8	13.6	8
Maintenance and renewal	22.7	27	21.7	21	25.2	19	—	—	31.3	20	43.9	27
Others	19.1	23	23.3	22	35.0	27	—	—	26.2	16	17.9	11
Total	¥84.2	100%	¥103.8	100%	¥130.1	100%	¥136.3	—%	¥158.8	100%	¥163.7	100%

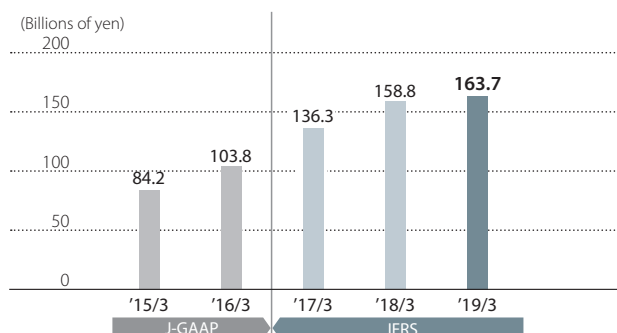
5. Capital Expenditures

In the year ended March 31, 2019, the Companies' capital expenditures totaled ¥163.7 billion (US\$1,475 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, 2019 included 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 ended March 31, 2019 included the expansion of the manufacturing facility for processing chemicals for semiconductors in China in the IT-related Chemicals Segment.

Broken down by segment, capital expenditures in the Petrochemicals & Plastics Segment were ¥31.5 billion (US\$284 million), ¥24.3 billion (US\$219 million) in the Energy & Functional Materials Segment, ¥33.6 billion (US\$303 million) in the IT-related Chemicals Segment, ¥39.9 billion (US\$359 million) in the Health & Crop Sciences Segment, ¥16.9 billion (US\$152 million) in the Pharmaceuticals Segment, and ¥17.6 billion (US\$159 million) in the Others Segment.

Capital Expenditures



6. Research and Development

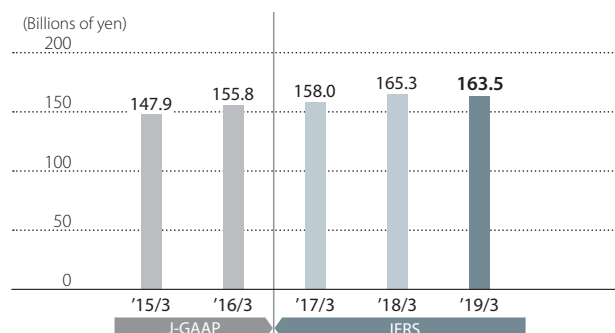
The Companies' basic R&D policy is to establish superior proprietary technologies that will contribute to profitability and business expansion. To maximize overall efficiency, the Companies proactively promote collaborative R&D and outsourcing through closer cooperation, while each subsidiary performs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

In the fiscal year ended March 31, 2019, the Companies focused R&D resources on 1) Environment and Energy; 2) ICT (Information & Communication Technology); and 3) Life Science as part of the fiscal 2016-2018 Corporate Business Plan.

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

R&D expenses were ¥163.5 billion (US\$1,473 million), down 1.1% from the fiscal year ended March 31, 2018.

Research and Development Expenses



Consolidated Financial Statements

Consolidated Statement of Financial Position

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries
March 31, 2019 and 2018

	Millions of yen		Thousands of US dollars
	March 31, 2019	March 31, 2018	March 31, 2019
Assets			
Current assets:			
Cash and cash equivalents	¥ 201,678	¥ 231,929	\$ 1,817,083
Trade and other receivables	549,992	530,571	4,955,329
Other financial assets	5,352	6,720	48,221
Inventories	489,266	446,801	4,408,199
Other current assets	44,935	38,797	404,856
Total current assets	1,291,223	1,254,818	11,633,688
Non-current assets:			
Property, plant and equipment	735,918	675,745	6,630,489
Goodwill	126,838	122,849	1,142,788
Intangible assets	216,664	232,629	1,952,104
Investments accounted for using the equity method	299,044	294,370	2,694,333
Other financial assets	323,392	316,888	2,913,704
Retirement benefit assets	69,392	67,693	625,209
Deferred tax assets	70,587	62,146	635,976
Other non-current assets	38,560	41,547	347,419
Total non-current assets	1,880,395	1,813,867	16,942,022
Total assets	¥3,171,618	¥3,068,685	\$28,575,710

	Millions of yen		Thousands of US dollars
	March 31, 2019	March 31, 2018	March 31, 2019
Liabilities and equity			
Liabilities			
Current liabilities:			
Bonds and borrowings	¥ 256,565	¥ 289,190	\$2,311,605
Trade and other payables	482,858	486,832	4,350,464
Other financial liabilities	50,735	52,244	457,113
Income taxes payable	29,715	28,078	267,727
Provisions	101,340	94,796	913,055
Other current liabilities	83,921	77,810	756,113
Total current liabilities	1,005,134	1,028,950	9,056,077
Non-current liabilities:			
Bonds and borrowings	582,965	552,971	5,252,410
Other financial liabilities	87,616	96,655	789,404
Retirement benefit liabilities	43,981	39,871	396,261
Provisions	22,698	24,620	204,505
Deferred tax liabilities	51,171	58,404	461,042
Other non-current liabilities	26,167	15,000	235,760
Total non-current liabilities	814,598	787,521	7,339,382
Total liabilities	1,819,732	1,816,471	16,395,459
Equity			
Share capital	89,699	89,699	808,172
Capital surplus	20,438	21,688	184,143
Retained earnings	820,454	738,882	7,392,143
Treasury shares	(8,322)	(8,296)	(74,980)
Other components of equity	76,433	85,168	688,648
Equity attributable to owners of the parent	998,702	927,141	8,998,126
Non-controlling interests	353,184	325,073	3,182,125
Total equity	1,351,886	1,252,214	12,180,251
Total liabilities and equity	¥3,171,618	¥3,068,685	\$28,575,710

Consolidated Statement of Profit or Loss

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2019 and 2018

	Millions of yen		Thousands of US dollars
	2019	2018	2019
Sales revenue	¥2,318,572	¥2,190,509	\$20,889,918
Cost of sales	(1,576,299)	(1,440,635)	(14,202,171)
Gross profit	742,273	749,874	6,687,747
Selling, general and administrative expenses	(590,062)	(557,888)	(5,316,353)
Other operating income	11,154	25,262	100,496
Other operating expenses	(17,594)	(21,644)	(158,519)
Share of profit of investments accounted for using the equity method	37,201	55,319	335,174
Operating income	182,972	250,923	1,648,545
Finance income	16,615	11,542	149,698
Finance expenses	(11,217)	(21,654)	(101,063)
Income before taxes	188,370	240,811	1,697,180
Income tax expenses	(35,904)	(62,653)	(323,489)
Net income	152,466	178,158	1,373,691
Net income attributable to:			
Owners of the parent	117,992	133,768	1,063,086
Non-controlling interests	34,474	44,390	310,605
Net income	¥ 152,466	¥ 178,158	\$1,373,691
	Yen		US dollars
Earnings per share:			
Basic earnings per share	¥72.17	¥81.81	\$0.650
Diluted earnings per share	72.12	81.77	0.650

Consolidated Statement of Comprehensive Income

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2019 and 2018

	Millions of yen		Thousands of US dollars
	2019	2018	2019
Net income	¥152,466	¥178,158	\$1,373,691
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	(7,341)	18,236	(66,141)
Remeasurements of defined benefit plans	667	4,975	6,010
Share of other comprehensive income of investments accounted for using the equity method	1,496	455	13,479
Total items that will not be reclassified to profit or loss	(5,178)	23,666	(46,652)
Items that may be subsequently reclassified to profit or loss			
Cash flow hedge	561	2,349	5,054
Exchange differences on translation of foreign operations	4,782	(16,907)	43,085
Share of other comprehensive income of investments accounted for using the equity method	(4,485)	(2,705)	(40,409)
Total items that may be subsequently reclassified to profit or loss	858	(17,263)	7,730
Other comprehensive income, net of taxes	(4,320)	6,403	(38,922)
Total comprehensive income	148,146	184,561	1,334,769
Total comprehensive income attributable to:			
Owners of the parent	110,448	142,421	995,117
Non-controlling interests	37,698	42,140	339,652
Total comprehensive income	¥148,146	¥184,561	\$1,334,769

Consolidated Statement of Changes in Equity

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2019 and 2018

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, 2017	¥89,699	¥22,105	¥623,508	¥(8,228)	¥92,984	¥ —	¥(4,924)	¥ (2,532)	¥85,528	¥812,612	¥303,291	¥1,115,903
Cumulative effects of changes in accounting policies	—	—	—	—	—	—	—	—	—	—	—	—
Restated 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

Balance as at April 1, 2018	¥89,699	¥21,688	¥738,882	¥(8,296)	¥104,034	¥ —	¥(2,852)	¥(16,014)	¥85,168	¥927,141	¥325,073	¥1,252,214
Cumulative effects of changes in accounting policies	—	—	60	—	—	—	—	—	—	60	169	229
Restated balance as at April 1, 2018	89,699	21,688	738,942	(8,296)	104,034	—	(2,852)	(16,014)	85,168	927,201	325,242	1,252,443
Net income	—	—	117,992	—	—	—	—	—	—	117,992	34,474	152,466
Other comprehensive income	—	—	—	—	(5,410)	1,343	1,001	(4,478)	(7,544)	(7,544)	3,224	(4,320)
Total comprehensive income	—	—	117,992	—	(5,410)	1,343	1,001	(4,478)	(7,544)	110,448	37,698	148,146
Purchase of treasury shares	—	—	—	(27)	—	—	—	—	—	(27)	—	(27)
Disposal of treasury shares	—	0	—	1	—	—	—	—	—	1	—	1
Dividends	—	—	(37,606)	—	—	—	—	—	—	(37,606)	(13,524)	(51,130)
Changes in interest in subsidiaries	—	(1,250)	—	—	—	—	—	—	—	(1,250)	3,123	1,873
Transfer from other components of equity to retained earnings	—	—	1,301	—	42	(1,343)	—	—	(1,301)	—	—	—
Others, net	—	—	(175)	—	110	—	—	—	110	(65)	645	580
Total transactions with owners	—	(1,250)	(36,480)	(26)	152	(1,343)	—	—	(1,191)	(38,947)	(9,756)	(48,703)
Balance as at March 31, 2019	¥89,699	¥20,438	¥820,454	¥(8,322)	¥ 98,776	¥ —	¥(1,851)	¥(20,492)	¥76,433	¥998,702	¥353,184	¥1,351,886

Thousands of US dollars

Balance as at April 1, 2018	\$808,172	\$195,405	\$6,657,194	\$(74,745)	\$937,328	\$ —	\$(25,696)	\$(144,283)	\$767,349	\$8,353,375	\$2,928,849	\$11,282,224
Cumulative effects of changes in accounting policies	—	—	541	—	—	—	—	—	—	541	1,522	2,063
Restated balance as at April 1, 2018	808,172	195,405	6,657,735	(74,745)	937,328	—	(25,696)	(144,283)	767,349	8,353,916	2,930,371	11,284,287
Net income	—	—	1,063,087	—	—	—	—	—	—	1,063,087	310,604	1,373,691
Other comprehensive income	—	—	—	—	(48,743)	12,100	9,019	(40,346)	(67,970)	(67,970)	29,048	(38,922)
Total comprehensive income	—	—	1,063,087	—	(48,743)	12,100	9,019	(40,346)	(67,970)	995,117	339,652	1,334,769
Purchase of treasury shares	—	—	—	(243)	—	—	—	—	—	(243)	—	(243)
Disposal of treasury shares	—	3	—	9	—	—	—	—	—	12	—	12
Dividends	—	—	(338,823)	—	—	—	—	—	—	(338,823)	(121,849)	(460,672)
Changes in interest in subsidiaries	—	(11,263)	—	—	—	—	—	—	—	(11,263)	28,138	16,875
Transfer from other components of equity to retained earnings	—	—	11,722	—	378	(12,100)	—	—	(11,722)	—	—	—
Others, net	—	—	(1,577)	—	991	—	—	—	991	(586)	5,811	5,225
Total transactions with owners	—	(11,260)	(328,678)	(234)	1,369	(12,100)	—	—	(10,731)	(350,903)	(87,900)	(438,803)
Balance as at March 31, 2019	\$808,172	\$184,145	\$7,392,144	\$(74,979)	\$889,954	\$ —	\$(16,677)	\$(184,629)	\$688,648	\$8,998,130	\$3,182,123	\$12,180,253

Consolidated Statement of Cash Flows

Sumitomo Chemical Company, Limited and Consolidated Subsidiaries
Years ended March 31, 2019 and 2018

	Millions of yen		Thousands of US dollars
	2019	2018	2019
Cash flows from operating activities:			
Income before taxes	¥188,370	¥240,811	\$1,697,180
Depreciation and amortization	112,495	107,103	1,013,560
Impairment loss	24,639	12,378	221,993
Reversal of impairment loss	(2,969)	(3,477)	(26,750)
Share of profit of investments accounted for using the equity method	(37,201)	(55,319)	(335,174)
Interest and dividend income	(10,849)	(10,101)	(97,748)
Interest expenses	10,623	10,646	95,711
Business structure improvement expenses	9,067	14,210	81,692
Changes in fair value of contingent consideration	(8,950)	(8,383)	(80,638)
Gain on sale of property, plant and equipment	(1,434)	(6,801)	(12,920)
Increase in trade receivables	(26,600)	(24,617)	(239,661)
Increase in inventories	(35,613)	(55,626)	(320,867)
Increase in trade payables	(18,673)	73,607	(168,240)
Increase in provisions	4,124	10,514	37,157
Others, net	38,041	(7,170)	342,742
Subtotal	245,070	297,775	2,208,037
Interest and dividends received	32,999	41,742	297,315
Interest paid	(10,940)	(10,534)	(98,567)
Income taxes paid	(50,161)	(28,747)	(451,942)
Business structure improvement expenses paid	(8,825)	(6,986)	(79,512)
Net cash provided by operating activities	208,143	293,250	1,875,331
Cash flows from investing activities:			
Purchase of property, plant and equipment, and intangible assets	(174,816)	(149,207)	(1,575,061)
Proceeds from sale of property, plant and equipment, and intangible assets	4,010	10,200	36,129
Purchase of investments in subsidiaries	(3,348)	(13,236)	(30,165)
Purchase of other financial assets	(9,126)	(14,276)	(82,224)
Proceeds from sales and redemption of other financial assets	2,420	6,092	21,804
Others, net	23	5,907	208
Net cash used in investing activities	(180,837)	(154,520)	(1,629,309)
Cash flows from financing activities:			
Net (decrease) increase in short-term borrowings	3,180	(82,586)	28,651
Net increase (decrease) of commercial paper	(4,000)	34,000	(36,039)
Proceeds from long-term borrowings	89,190	81,690	803,586
Repayments of long-term borrowings	(67,871)	(58,984)	(611,506)
Proceeds from issuance of bonds	49,725	39,790	448,013
Redemption of bonds	(77,000)	(55,000)	(693,756)
Repayments of lease obligations	(3,175)	(3,281)	(28,606)
Cash dividends paid	(37,606)	(27,797)	(338,823)
Cash dividends paid to non-controlling interests	(13,521)	(15,569)	(121,822)
Payments for acquisition of subsidiaries' interests from non-controlling interests	(2,205)	(6,588)	(19,867)
Others, net	2,417	61	21,777
Net cash used in financing activities	(60,866)	(94,264)	(548,392)
Effect of exchange rate changes on cash and cash equivalents	3,309	(5,832)	29,814
Net increase (decrease) in cash and cash equivalents	(30,251)	38,634	(272,556)
Cash and cash equivalents at beginning of year	231,929	193,295	2,089,639
Cash and cash equivalents at end of year	¥201,678	¥231,929	\$1,817,083

External Evaluation

ESG-related Evaluations

	FTSE4Good Index Series This is a series of indexes designed by FTSE Russell, a global index provider. The indices consist of companies selected from among the world's leading companies for demonstrating strong ESG practices.
	FTSE Blossom Japan Index This is an index designed by FTSE Russell, a global index provider. It consists of selected Japanese companies demonstrating strong ESG practices. FTSE selects these companies from among the stocks constituting the FTSE Japan Index, and the index is designed to reflect the distribution of industries in the Japanese stock market.
	MSCI Japan ESG Leaders Index This is an index designed by MSCI, which provides a variety of tools to support institutional investors around the world in making investment decisions. From among the stocks constituting the MSCI Japan IMI Top 500 Index, MSCI selects those companies that excel in ESG evaluation.
	MSCI Japan Empowering Women Index (WIN) This is an index designed by MSCI, which provides a variety of tools to support institutional investors around the world in making investment decisions. MSCI selects the companies that are active in encouraging and promoting women's participation in the workplace.
	S&P/JPX Carbon Efficient Index This is an index designed by S&P Dow Jones Indices. It is designed to select TOPIX stocks so that companies that disclose carbon efficiency and environmental data constitute a high proportion of the index. Our evaluation puts us in the third decile, and our information disclosure status is rated as "disclosed."
	CDP "Climate A List 2018" Sumitomo Chemical was selected for the CDP's highest-rated "Climate A List 2018" as a company demonstrating excellent performance in responding to the issue of climate change. In the CDP's 2018 survey, 126 global companies, including 20 Japanese companies, were named to the Climate A List, selected from among about 7,000 companies that disclosed information on their climate change-related activities.
	Health & Productivity Management Outstanding Organization in 2019 This system was established by the Ministry of Economy, Trade and Industry in 2016, and presents awards to corporations that are practicing excellent health management, based on measures to promote health promoted by Nippon Kenko Kaigi. We have been certified for the second consecutive year since 2018.

Topics Feed Additive Methionine Logistics Operations Certified by Government as "Comprehensive Efficiency Plan"

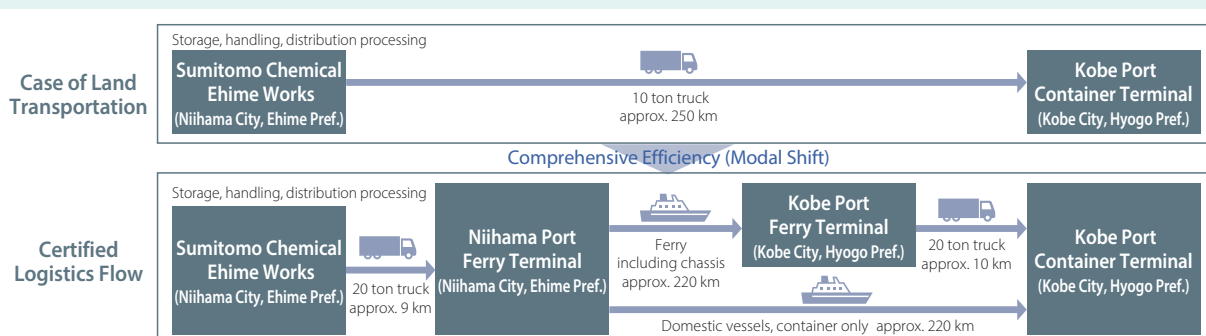
In April 2019, Sumitomo Chemical, The Sumitomo Warehouse Co., Ltd., and Shikoku Kaihatsu Ferry Co., Ltd. jointly received a "Comprehensive Efficiency Plan" certification from Japan's Ministry of Land, Infrastructure, Transport and Tourism with respect to the companies' certain business plan involving domestic transportation by ship in Japan of feed additive methionine produced at Sumitomo Chemical's Ehime Works. This certification is issued in accordance with "Act on Advancement of Integration and Streamlining of Distribution Business."

The Act stipulates, among others, certifying selected business projects or initiatives as a "Comprehensive Efficiency Plan," along with the provision of related supportive measures, where rationalized transportation of materials will make their distribution operations more efficient while at the same time lessening environmental impact

or reducing required manpower during the course of materials distribution. If the certification is granted, business operators are entitled to receive various benefits, including special tax treatment.

The tripartite business plan certified by the Ministry encompasses operations for transporting of methionine nearly the entire distance by ship from the Ehime Works to Kobe Port, with respect to the expanded production of methionine.* In granting the certification, the Ministry duly recognized the distinctive advantages resulting from the business plan that CO₂ emissions will be lowered by approximately 55%, truck transportation will be reduced by approximately 94%, and truck drivers' working hours will drop by approximately 91%, all compared with equivalent instances of the methionine transported to Kobe Port entirely by land.

* Sumitomo Chemical expanded the production capacity of methionine at the Ehime Works in October 2018 from approximately 150,000 metric tons per annum to approximately 250,000 metric tons per annum.



Introduction to the Contents of the Sustainability Data Book 2019

The Sustainability Data Book provides sustainability information for Sumitomo Chemical from an environmental and social perspective, as well as information on Sumitomo Chemical's governance. More detailed information on sustainability is available in the data book.

- Editorial Policy
- Report Profile

For a Sustainable Future

- President's Message
- Corporate Philosophy
- What Sumitomo Chemical Group Strives to Be
- Material Issues and Foundations for Business Continuity
- Corporate Business Plan (FY2019 – FY2021) and Sustainability
- Sustainability Promotion System
- Sustainability Promotion Activities / Performance (Non-Financial Highlights)
- Participation in Initiatives
- Communication with Stakeholders

Governance

- Corporate Governance
- Internal Control
- Risk Management
- Compliance
 - Internal Reporting System (Speak-Up Reporting System)
- Anti-corruption
- Responsible Care
- Information Security
- Governance: Supplementary Data
 - 1 Corporate Governance
 - 2 Compliance
 - 3 Tax Transparency

Environment

- Environmental Activity Goals and Results
- Addressing Climate Change
- Environmental Protection
 - Protecting the Atmospheric Environment
 - Protecting the Aquatic Environment
 - Resource Saving and Waste Reduction
 - Biodiversity Preservation Initiatives
 - Appropriate Management of Chemical Substances
 - Protecting the Soil Environment
- Environmental Activities: Supplementary Data
 - 1 Addressing Climate Change
 - 2 Environmental Protection

Society (Social Activities)

- Social Activity Goals and Results
- Respect for Human Rights
- Procurement
- Human Resources Management
 - Human Resources Development
 - Diversity and Inclusion
 - Healthcare
- Occupational Safety and Health / Industrial Safety and Disaster Prevention
- Product Stewardship / Product Safety / Quality Assurance
- Responsibility to Our Customers
 - Initiative for Access to Healthcare
- Local Communities
- Social Activities: Supplementary Data
 - 1 Human Resources
 - 2 Occupational Safety and Health / Industrial Safety and Disaster Prevention
 - 3 Product Stewardship / Product Safety / Quality Assurance
 - 4 Social Contributions

- List of Policies
- Calculation Standards for Environmental and Social Data Indicators
- Independent Assurance Report
- GRI standards reference table

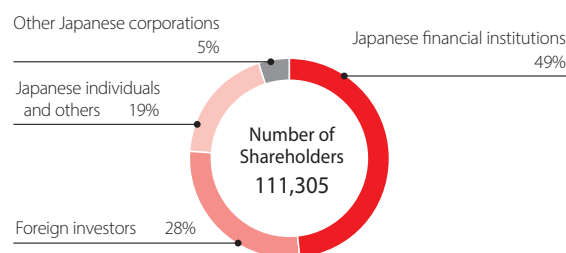
Corporate and Investor Information

(As of March 31, 2019)

Paid-in Capital	¥89.7 billion
Number of Employees	Non-consolidated: 6,096 Consolidated: 32,542
Common Stock	Authorized: 5,000,000,000 shares Issued: 1,655,446,177 shares
Settlement Date	March 31
Stock Transaction Units	100-share units*
Ordinary General Meeting of Shareholders	Within three months from the next day of the settlement date
Number of Shareholders	111,305
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 changed the number of shares in each share unit from 1,000 shares to 100 shares on October 1, 2018.

Distribution of Shareholders



Major Shareholders

Major Shareholders	Number of Shares Held (1,000 shares)	Shareholding Ratio (%)*
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 No.4)	32,849	2.00
Japan Trustee Services Bank, Ltd. (Trust Account No.5)	30,238	1.84
Japan Trustee Services Bank, Ltd. (Trust Account No.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. (Sumitomo Mitsui Trust Bank, Ltd. Retrust Account / Sumitomo Life Insurance Company Employee Pension Trust Account)	29,000	1.77

* Percentage of shares held to the total number of shares issued and outstanding shares (excluding treasury shares)

Dividend Policy

We consider shareholder return as one of our priority management issues and have made it a policy to maintain stable dividend payment, 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. We aim to maintain a dividend payout ratio of around 30% over the medium to long term.

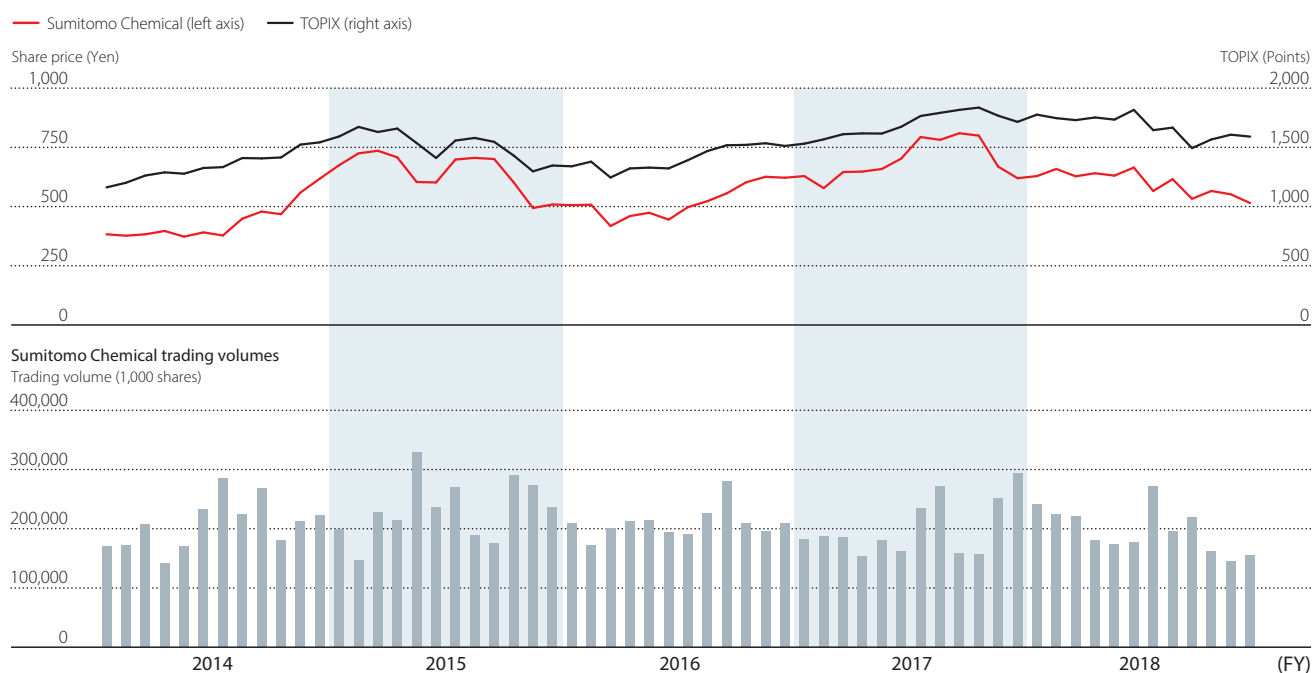
The full year dividend for fiscal 2018 was ¥22 per share, unchanged from the previous fiscal year.

IR Calendar*

Fiscal 2018 (Year ending March 31, 2019)	
May 2019	Fiscal 2018 Financial Results
June 2019	138th Ordinary General Meeting of Shareholders
Fiscal 2019 (Year ending March 31, 2020)	
July 2019	1st Quarter Financial Results
October 2019	2nd Quarter Financial Results
January 2020	3rd Quarter Financial Results
May 2020	Fiscal 2019 Financial Results
June 2020	139th Ordinary General Meeting of Shareholders

* This schedule is subject to change.

Stock Performance

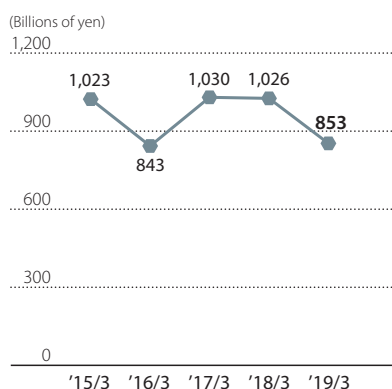


	J-GAAP			IFRS	
Fiscal Year	2014	2015	2016	2017	2018
Share price high (yen)	631	798	682	882	684
Share price low (yen)	333	441	396	574	485
Share price at year-end (yen)	618	509	622	620	515
Cumulative trading volume (1,000 shares)	2,489,166	2,785,335	2,515,006	2,418,727	2,369,928

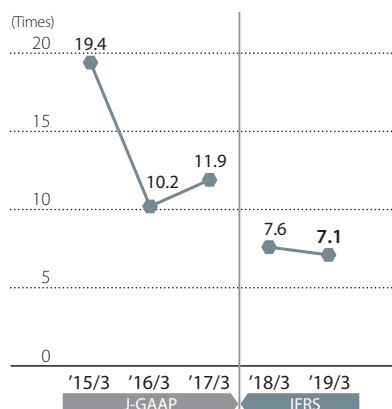
Fiscal Year	2014	2015	2016	2017	2018
Shares outstanding (1,000 shares)	1,655,446	1,655,446	1,655,446	1,655,446	1,655,446
Market capitalization (billions of yen)	1,023	843	1,030	1,026	853
Net income per share* ¹ (yen)	31.93	49.84	52.31	81.81	72.17
Net assets per share* ² (yen)	484.17	469.25	501.98	567.04	610.82
Price earnings ratio (PER) (times)	19.4	10.2	11.9	7.6	7.1
Price book-value ratio (PBR) * ³ (times)	1.3	1.1	1.2	1.1	0.8
Cash dividends per share (yen)	9	14	14	22	22
Ratio of shares owned by foreign investors to shares outstanding (%)	35.7	35.5	33.0	30.3	27.6

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

Market Capitalization



Price Earnings Ratio



Price Book-value Ratio

