

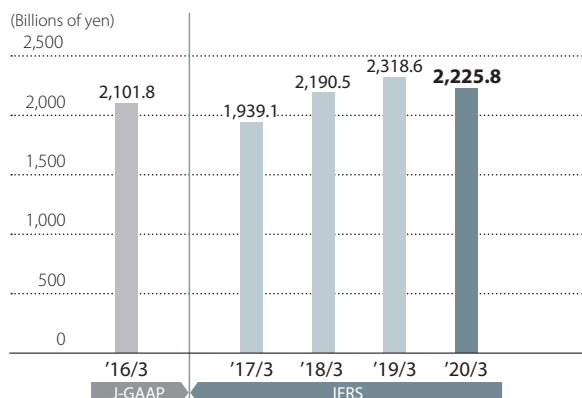
# Financial and Non-Financial Highlights

## Financial Highlights

\* J-GAAP: Japanese GAAP, IFRS: International Financial Reporting Standards

J-GAAP\* Net Sales  
IFRS\* Sales Revenue

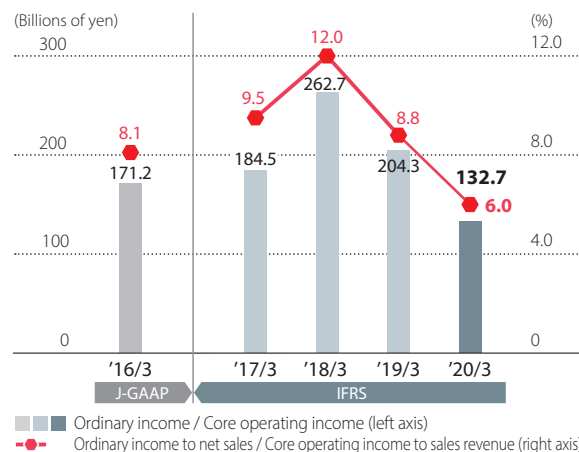
¥2,225.8 billion vs. FY2018 -4.0% ↓



Shipments of pharmaceutical products increased, while product prices, such as prices for petrochemical products, decreased, affected by lower raw material costs. As a result, sales revenue declined by 92.8 billion yen from the previous fiscal year.

J-GAAP Ordinary Income / Ordinary Income to Net Sales  
IFRS Core Operating Income / Core Operating Income to Sales Revenue

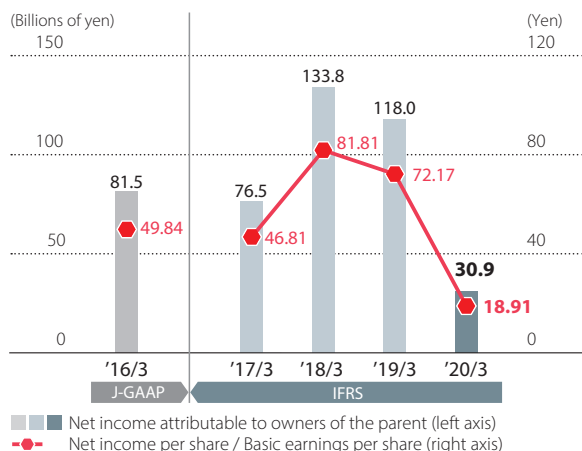
¥132.7 billion (Core Operating Income) vs. FY2018 -35.1% ↓



Operating income declined by 71.6 billion yen from the previous fiscal year, affected by lower market prices of petrochemical products and methionine, decreased shipments of crop protection products overseas due to extreme weather, and upfront payment of expenses associated with the strategic alliance with Roivant in the Pharmaceuticals sector.

J-GAAP Net Income Attributable to Owners of the Parent / Net Income per Share  
IFRS Net Income Attributable to Owners of the Parent / Basic Earnings per Share

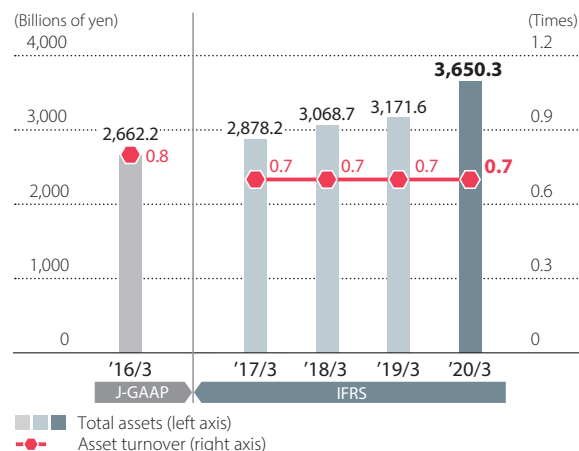
¥30.9 billion (Net Income Attributable to Owners of the Parent) vs. FY2018 -73.8% ↓



Impacted by the deterioration in core operating income, coupled with an increased income tax burden, net income attributable to owners of the parent fell compared with the previous fiscal year to 87.1 billion yen.

## Total Assets / Asset Turnover

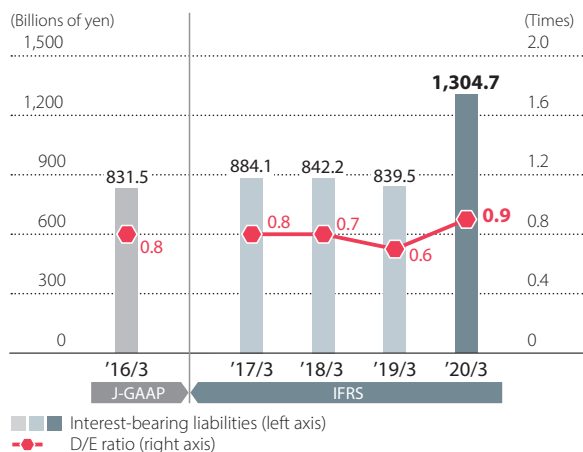
¥3,650.3 billion (Total Assets) vs. FY2018 +15.1% ↑



Total assets increased by 478.7 billion yen from the previous fiscal year due to the strategic alliance with Roivant and increases in intangible assets and goodwill after the acquisition of the South American business of Nufarm.

### Interest-bearing Liabilities / D/E Ratio

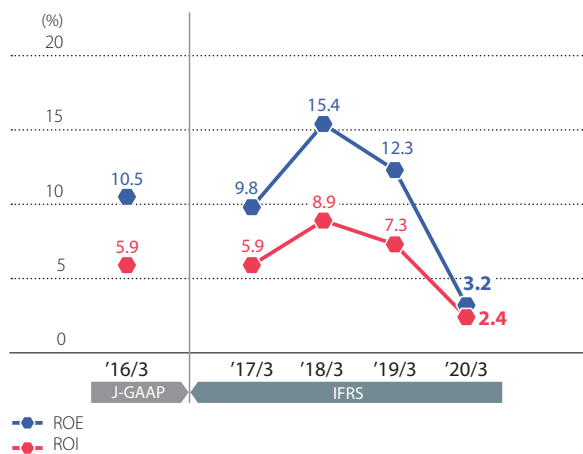
**¥1,304.7 billion** (Interest-bearing Liabilities) vs. FY2018 **+55.4%** ↑



The balance of interest-bearing liabilities increased by 465.1 billion yen from the previous fiscal year as a result of taking a bridge loan and publicly issuing hybrid bonds to pay for the strategic alliance with Roivant.

### ROE / ROI

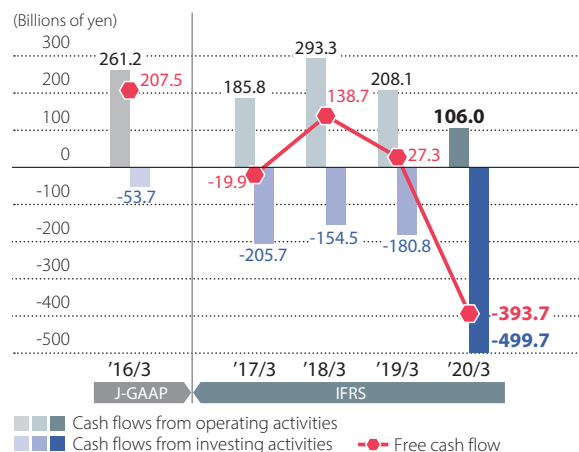
**3.2%** (ROE) vs. FY2018 **-9.1pt** ↓      **2.4%** (ROI) vs. FY2018 **-4.9pt** ↓



Due to the deterioration in earnings, both ROE and ROI declined from the previous fiscal year, lower than the respective target values of 10% and 7%.

### Cash Flows from Operating Activities / Cash Flows from Investing Activities / Free Cash Flow

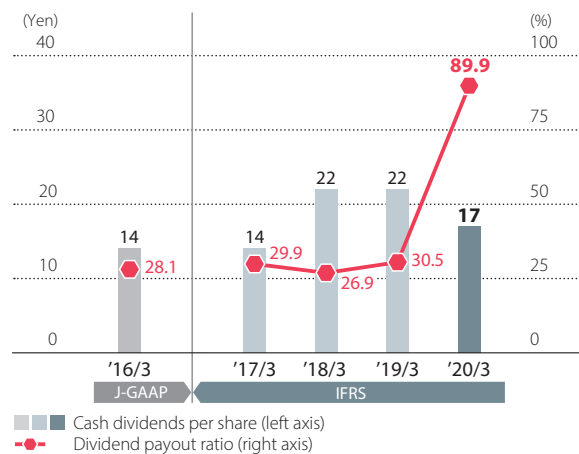
**-¥393.7 billion** (Free Cash Flow) vs. FY2018 **-¥421.0 billion** ↓



Cash flows from operating activities decreased by 102.1 billion yen from the previous fiscal year due to the deterioration in earnings. In addition, cash flows from investing activities increased by 318.8 billion yen after the payment for the strategic alliance with Roivant. As a result, free cash flow dropped 421 billion yen to an outflow of 393.7 billion yen.

### Cash Dividends per Share / Dividend Payout Ratio

**89.9%** (Dividend Payout Ratio) vs. FY2018 **+59.4pt** ↑



Annual dividend per share was 17 yen in fiscal 2019, thus, the payout ratio was 89.9%.

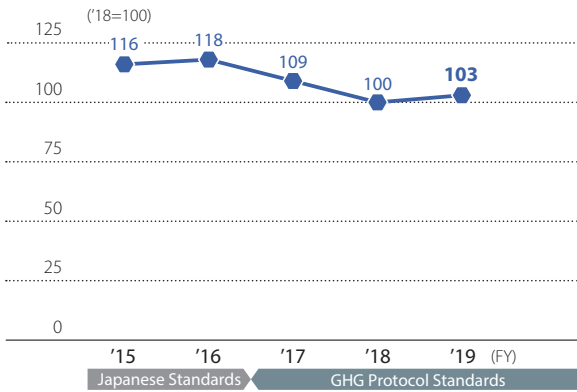
## Non-Financial Highlights

### Unit Energy Consumption



103

vs. FY2018  
+3% ↑



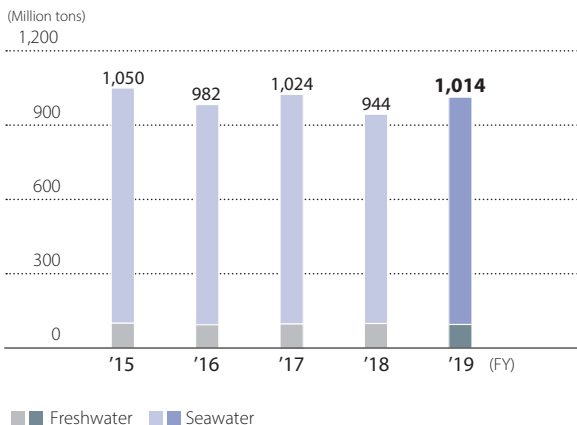
Sumitomo Chemical has raised “contribution to reducing environmental impact” as one of the material issues to be addressed as management priorities. As part of this material issue, we are promoting the efficient use of energy and resources. Our target is to improve this index by 3% or more by fiscal 2021 as compared with fiscal 2018.

### Water Usage



1,014 million tons

vs. FY2018  
+70 million tons ↑



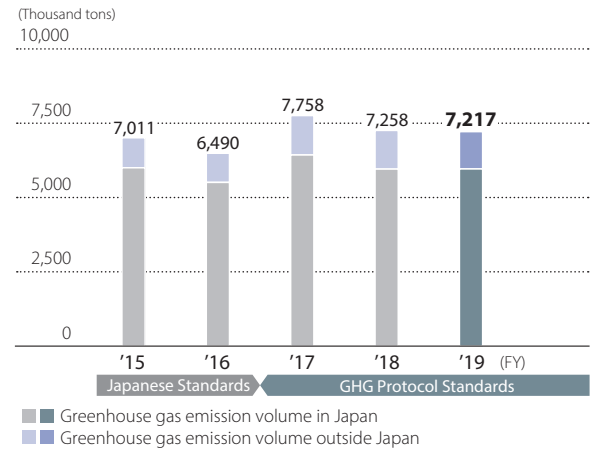
We will work to reduce water usage through effective use of water, depending on the application, while endeavoring to assess risks to water supplies. Seawater is used for cooling plants and other facilities.

### Greenhouse Gas Emission Volume (Scope 1+2)



7,217 thousand tons

vs. FY2018  
-41 thousand tons ↓



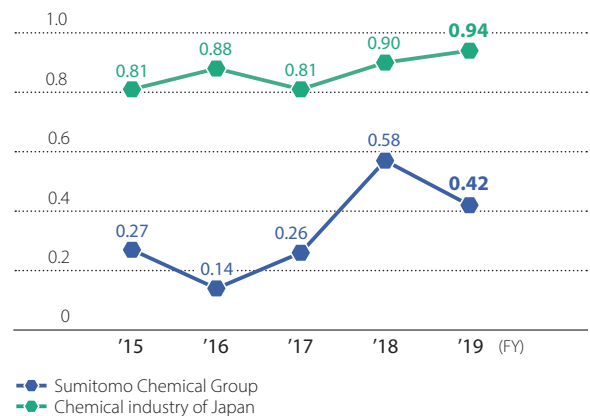
Sumitomo Chemical has raised “contribution to reducing environmental impact” as one of the material issues to be addressed as management priorities. As part of this material issue, we are promoting mitigation of climate change. We are continuing to work on achieving our target values, which have been recognized as science based targets (SBT).

### Lost-workday Incident Rate\*



0.42

vs. FY2018  
-0.16pt ↓



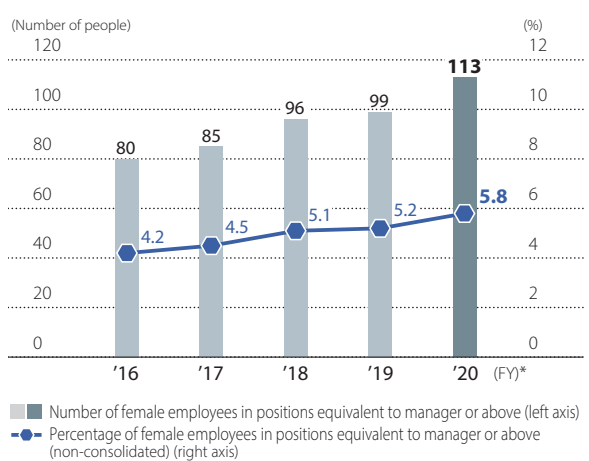
The frequency rate of lost-workday incidents for fiscal 2019 was 0.42, which was far worse than our target of 0.1. We will thoroughly investigate the causes and implement basic safety rules to take preventive measures.

\* Indicates the frequency of industrial incidents as the number of deaths and injuries per one million hours of total work time.

### Number of Female Employees in Positions Equivalent to Manager or Above / Percentage of Female Employees in Positions Equivalent to Manager or Above (Non-consolidated)



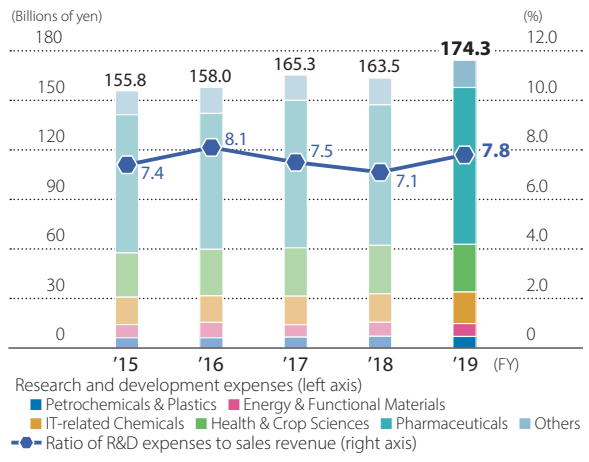
**5.8%** (Percentage of Female Employees in Positions Equivalent to Manager or Above) vs. FY2019 **+0.6pt** ↑



Sumitomo Chemical has raised “promotion of diversity & inclusion” as one of the material issues to be addressed as management priorities. We aim to achieve a ratio of over 10% female employees in positions equivalent to manager or above by 2022.  
\* All numbers as of April 1 of that year

### Research and Development Expenses / Ratio of R&D Expenses to Sales Revenue

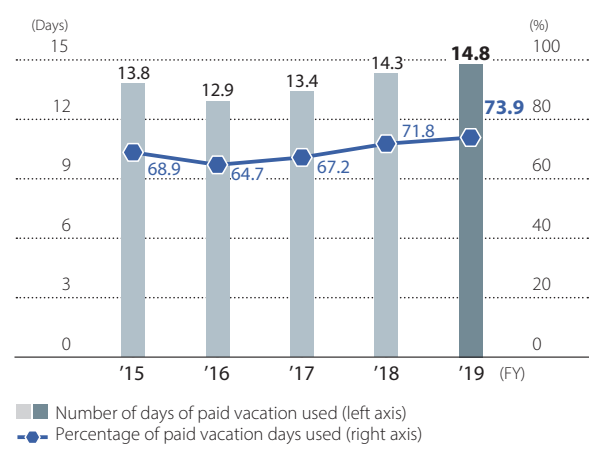
**¥174.3 billion** (Research and Development Expenses) vs. FY2018 **+6.6%** ↑



R&D expenses increased by 10.9 billion yen from the previous fiscal year as the expenses of newly acquired Sumitviant were recognized as part of the strategic alliance with Roivant.

### Number of Days of Paid Vacation Used / Percentage of Paid Vacation Days Used (Non-consolidated)

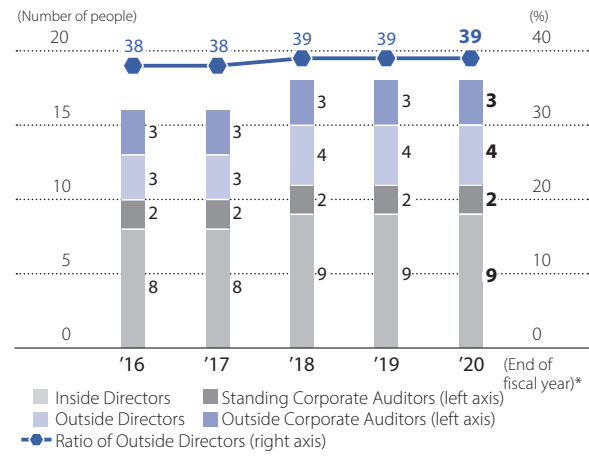
**73.9%** (Percentage of Paid Vacation Days Used) vs. FY2018 **+2.1pt** ↑



Sumitomo Chemical has put forward a goal for all employees to take at least 80% of their paid leave each year on average, in the “Sumika ‘Take Action’ Declaration” (see page 74). From fiscal 2020 onward, we will continue to work on attaining this goal.

### Directors / Outside Directors / Ratio of Outside Directors and Corporate Auditors

**4** (Number of Outside Directors)



With the goal of further strengthening the Board of Directors’ oversight and advisory functions to increase the transparency and objectivity of management, in June 2018 we added one outside director, increasing the total number to four (including one female director). As a result, of the 18 total members of the Board of Directors and the Board of Corporate Auditors, seven are outside members.

\* As of July 1, only for fiscal 2020