

**Sumitomo Chemical Reports  
Consolidated Financial Results  
For the Three Months Ended June 30, 2019**

The Sumitomo Chemical Group's consolidated sales revenue for the first quarter ended June 30, 2019, increased by ¥4.3 billion compared with the same period of the previous fiscal year, to ¥553.2 billion. The Group posted core operating income of ¥44.3 billion, a decline from the same period of the previous fiscal year, but it posted operating income of ¥62.4 billion, an increase from the previous fiscal year. Net income attributable to owners of the parent was ¥14.5 billion, falling short of the same period of the previous fiscal year.

“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 share of profit of investments accounted for using the equity method.

The Sumitomo Chemical Group's financial results by business segment for the first quarter ended June 30, 2019, were as follows.

**Petrochemicals & Plastics**

Market prices for petrochemical products and synthetic resins declined because feedstock prices fell below those of the same period of the previous fiscal year. Market conditions for raw materials for synthetic fibers and methyl methacrylate (MMA) also remained at a low level. As a result, the segment's sales revenue declined by ¥8.1 billion compared with the same period of the previous fiscal year, to ¥177.5 billion. Core operating income declined by ¥4.9 billion, to ¥13.0 billion, because of a decline in the margins of products such as petrochemical products and MMA.

**Energy & Functional Materials**

Shipments of resorcinol, a raw material for adhesives, and separators for lithium-ion batteries remained strong. Meanwhile, market prices for aluminum and for the precious metal raw materials for cathode materials remained low, resulting in lower

selling prices. As a result, the segment's sales revenue declined by ¥3.6 billion, to ¥64.9 billion compared with the same period of the previous fiscal year, and core operating income declined by ¥0.3 billion, to ¥5.6 billion.

#### IT-related Chemicals

Although selling prices of polarizing film declined, shipments increased because of 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 ¥13.3 billion compared with the same period of the previous fiscal year, to ¥102.5 billion, and core operating income rose by ¥3.5 billion, to ¥7.8 billion.

#### Health & Crop Sciences

While market prices for the feed additive methionine declined, shipments increased because the production capacity expanded in the previous fiscal year. As a result, the segment's sales revenue increased by ¥2.5 billion compared with the same period of the previous fiscal year, to ¥71.9 billion. Core operating income declined by ¥7.2 billion, to a loss of ¥4.6 billion, due to factors including a decline in margins on methionine.

#### Pharmaceuticals

In North America, sales of Latuda® (atypical antipsychotic agent), Aptiom® (antiepileptic drug), and other treatments increased. On the other hand, shipments of patent-expired originator drugs decreased in Japan. As a result, the segment's sales revenue increased by ¥1.5 billion compared with the same period of the previous fiscal year, to ¥125.8 billion, and core operating income increased by ¥3.3 billion, to ¥23.0 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 ¥1.3 billion compared with the same period of the previous fiscal year, to ¥10.7 billion, and core operating income increased by ¥0.2 billion, to ¥1.8 billion.

## Summary of Consolidated Results

### (1) Results of Operations:

	3 Months ended June 30, 2019		3 Months ended June 30, 2018
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Sales revenue	553,219	5,132,378	548,943
Core operating income	44,314	411,114	48,202
(Share of profit of investments accounted for using the equity method )	( 8,249 )	( 76,528 )	( 13,394 )
Operating income	62,376	578,681	44,096
Income before taxes	56,880	527,693	51,703
Net income	20,390	189,164	41,133
Net income attributable to non-controlling interests	5,852	54,291	11,122
Net income attributable to owners of the parent	14,538	134,873	30,011
Net income per 1,000 shares	8,892	82	18,355
Comprehensive income	(15,205)	(141,061)	45,024

### (2) Financial Position:

	As of June 30, 2019		As of March 31, 2019
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Total assets	3,235,918	30,020,577	3,171,618
Total equity	1,309,443	12,148,094	1,351,886

### (3) Cash Flows:

	3 Months ended June 30, 2019		3 Months ended June 30, 2018
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Cash flows from operating activities	359	3,331	(17,153)
Cash flows from investing activities	(35,912)	(333,166)	(41,726)
Cash flows from financing activities	85,424	792,504	58,551
Cash and cash equivalents at end of period	244,829	2,271,352	235,000

### (4) Results of Operations by Business Segment:

	3 Months ended June 30, 2019		3 Months ended June 30, 2018
	Yen (Millions)	USD (Thousands)*	Yen (Millions)
Sales revenue			
Petrochemicals & Plastics	177,485	1,646,581	185,625
Energy & Functional Materials	64,903	602,125	68,548
IT-related Chemicals	102,463	950,580	89,157
Health & Crop Sciences	71,906	667,093	69,368
Pharmaceuticals	125,787	1,166,964	124,306
Others	10,675	99,035	11,939
	553,219	5,132,378	548,943
Core operating income			
Petrochemicals & Plastics	12,957	120,206	17,827
Energy & Functional Materials	5,584	51,804	5,912
IT-related Chemicals	7,836	72,697	4,291
Health & Crop Sciences	(4,560)	(42,304)	2,631
Pharmaceuticals	22,999	213,369	19,683
Others	1,826	16,940	1,640
Adjustments	(2,328)	(21,598)	(3,782)
	44,314	411,114	48,202

(Note)

\*:U.S. dollar amounts are translated from yen, for convenience only, at the rate of  
¥107.79 = \$1 prevailing on June 30, 2019.