

# Financial Results for FY2017 & Outlook for FY2018

May 15, 2018



**(Cautionary Statement)**

Statements made in this material with respect to Sumitomo Chemical's current plans, estimates, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of Sumitomo Chemical. These statements are based on management's assumptions and beliefs in light of the information currently available to it, and involve risks and uncertainties. The important factors that could cause actual results to differ materially from those discussed in the forward-looking statements include, but are not limited to, general economic conditions in Sumitomo Chemical's markets; demand for, and competitive pricing pressure on, Sumitomo Chemical's products in the marketplace; Sumitomo Chemical's ability to continue to win acceptance for its products in these highly competitive markets; and movements of currency exchange rates.

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# 1. Consolidated Financial Results for FY2017 Ended March 31, 2018

We have voluntarily adopted IFRS from the fiscal year ended March 31, 2018.

## <The Aim>

- Increase the comparability of the Group's financial statements in the capital markets
- Improve the business management within the Group by standardizing accounting treatment

## <Measuring business performance>

- We have introduced "Core Operating Income" as our own management indicator of recurring profitability.

Core Operating Income = Operating Income - Non-core Items

Non-core Items:

Gain/Loss and Income/Expense attributable to non-recurring factors such as impairment loss and restructuring charges.

Unit: billions of yen

	FY2016	FY2017	Difference	Ratio
Sales revenue	1,939.1	<b>2,190.5</b>	251.4	13.0%
Core operating income	184.5	<b>262.7</b>	78.1	42.3%
(Equity in earnings)	(42.2)	<b>(55.3)</b>	(13.1)	-
Non-core items	<b>-58.1</b>	<b>-11.8</b>	46.3	-
Operating income	126.5	<b>250.9</b>	124.5	98.4%
Financial income/expenses	<b>-4.1</b>	<b>-10.1</b>	<b>-6.0</b>	-
(Gain/loss on foreign currency transaction)	<b>(-0.9)</b>	<b>(-9.6)</b>	<b>(-8.7)</b>	-
Income tax expenses	<b>-13.2</b>	<b>-62.7</b>	<b>-49.4</b>	-
Net income attributable to non-controlling interests	<b>-32.6</b>	<b>-44.4</b>	<b>-11.8</b>	-
Net income attributable to owners of the parent	76.5	<b>133.8</b>	57.2	74.8%
ROE	9.8%	<b>15.4%</b>		
Exchange rate(yen/\$)	108.34	<b>110.85</b>		
Naphtha price(yen/KL)	34,700	<b>41,900</b>		
Overseas sales revenue ratio	61.0%	<b>63.2%</b>		

Unit; billions of yen

	FY2016	FY2017	Difference	Ratio
Net sales	1,954.3	<b>2,217.0</b>	262.7	13.4%
Operating income	134.3	<b>179.1</b>	44.8	33.3%
(Equity in earnings)	(41.2)	<b>(55.5)</b>	(14.3)	-
Ordinary income	166.6	<b>223.0</b>	56.4	33.8%
Net income attributable to owners of the parent	85.5	<b>126.0</b>	40.6	47.5%
ROE	10.8%	<b>14.5%</b>	-	-
Average exchange rate (yen/\$)	108.34	<b>110.85</b>	-	-
Naphtha price (yen/KL)	34,700	<b>41,900</b>	-	-

※During FY 2017, we finalized the provisional accounting treatment for business combinations carried out in FY 2016. As a result, figures for FY 2016 are retrospectively adjusted to reflect the revision of the initially allocated amounts of acquisition price. Also, figures for FY 2016 (retrospectively adjusted) and FY 2017 are not subject to audit certification.

# Impact from Adoption of IFRS

7

Unit; billions of yen

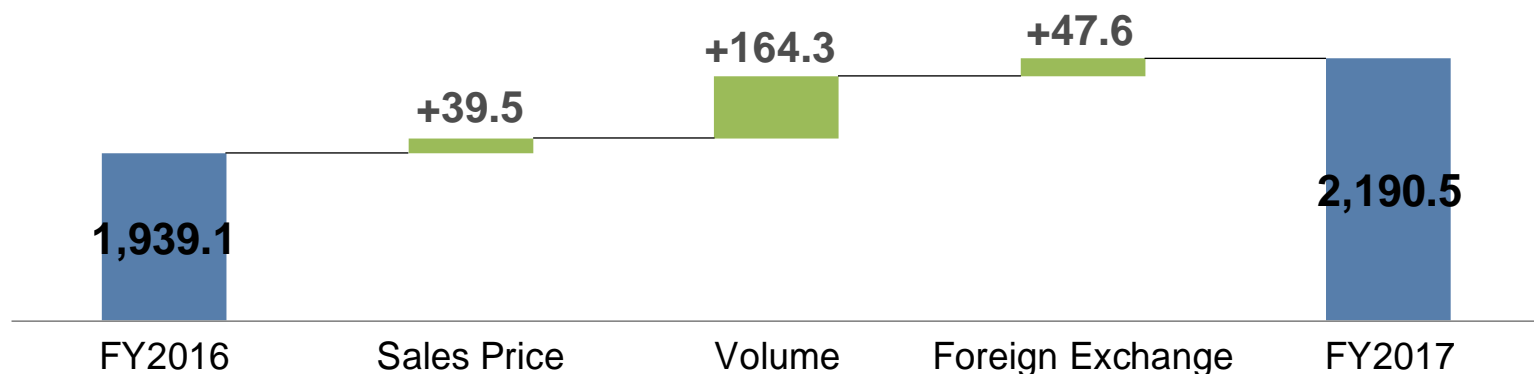
J-GAAP		IFRS	Reclassifi- cation	Changes in Accounting Principle	Total	Main contents of changes in Accounting Principle
Net sales	2,217.0	Sales revenue	-	-26.5	2,190.5	•Derecognition of SWAP transactions
COS/SGA	-2,037.9	COS/SGA/Other income/expenses	18.3	47.8	-1,927.8	•Derecognition of SWAP transactions •Non-amortization of goodwill •Capitalization of development cost
<b>Operating income</b>	<b>179.1</b>	(Equity in earnings)	-	(-0.2)	(55.3)	
Non-operating gain/loss (Equity in earnings)	43.9 (55.5)	<b>Core Operating income</b>	<b>18.3</b>	<b>21.4</b>	<b>262.7</b>	
<b>Ordinary income</b>	<b>223.0</b>	Non-core items	-7.6	16.3	-11.8	•Changes in fair value of contingent consideration
Special gain/loss	-20.5	Financial gain/loss	-10.9	0.8	-10.1	
	-	<b>Income before tax</b>	<b>-0.2</b>	<b>38.5</b>	<b>240.8</b>	
<b>Income before tax</b>	<b>202.5</b>	Income tax expenses	0.2	-23.3	-62.7	•Change in tax rate applied to tax effect for elimination of unrealized gain
Income taxes	-39.6	Net income attributable non-controlling interests	-	-7.5	-44.4	
Net income attributable non-controlling interests	-36.8	<b>Net income attributable owners of the parent</b>	<b>-</b>	<b>7.7</b>	<b>133.8</b>	
<b>Net income attributable owners of the parent</b>	<b>126.0</b>					



Unit; billions of yen

	FY2016	FY2017	Difference	Ratio	Sales Price Variance	Shipping Volume Variance	Foreign Currency Conversion Variance
Petrochemicals & Plastics	557.9	<b>674.1</b>	116.3	20.8%	56.0	50.3	9.9
Energy & Functional Materials	206.4	<b>251.0</b>	44.6	21.6%	11.5	30.6	2.5
IT-related Chemicals	358.5	<b>368.7</b>	10.2	2.9%	-20.0	11.2	19.0
Health & Crop Sciences	320.6	<b>339.7</b>	19.1	6.0%	-8.0	17.2	9.8
Pharmaceuticals	441.0	<b>500.2</b>	59.3	13.4%	0.0	52.9	6.3
Others & Adjustments	54.7	<b>56.8</b>	2.0	3.7%	0.0	2.0	0.0
<b>Total</b>	<b>1,939.1</b>	<b>2,190.5</b>	<b>251.4</b>	<b>13.0%</b>	<b>39.5</b>	<b>164.3</b>	<b>47.6</b>

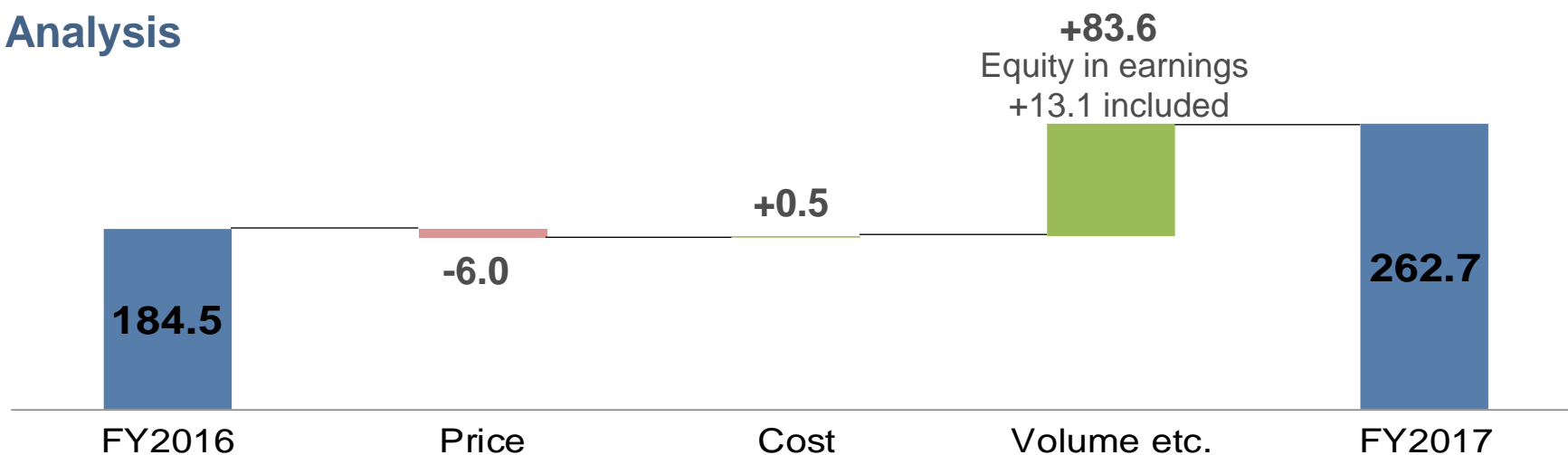
## Analysis



Unit; billions of yen

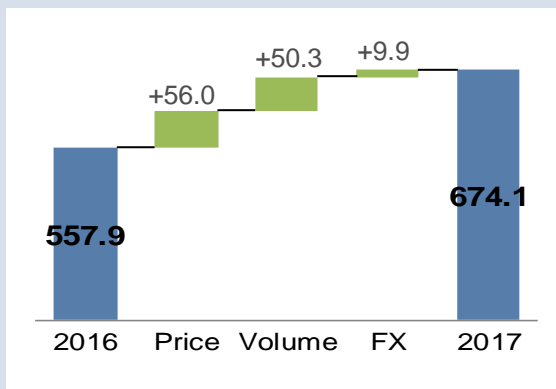
	FY2016	FY2017	Difference	Price Variance	Cost Variance	Shipping Volume Variance and Other	Total
Petrochemicals & Plastics	58.9	94.6	35.7	17.5	2.0	16.2	35.7
Energy & Functional Materials	6.0	19.2	13.2	1.0	2.0	10.2	13.2
IT-related Chemicals	8.7	12.3	3.6	-12.5	13.5	2.6	3.6
Health & Crop Sciences	47.4	44.0	-3.5	-12.0	0.0	8.5	-3.5
Pharmaceuticals	69.9	94.8	24.9	0.0	-17.0	41.9	24.9
Others & Adjustments	-6.4	-2.2	4.2	0.0	0.0	4.2	4.2
<b>Total</b>	<b>184.5</b>	<b>262.7</b>	<b>78.1</b>	<b>-6.0</b>	<b>0.5</b>	<b>83.6</b>	<b>78.1</b>

## Analysis



### Sales revenue

**Total ¥674.1 billion (+116.3 from FY2016)**



**Sales price**

**+56.0**

- Improve in market price of MMA and synthetic resins

**Volume**

**+50.3**

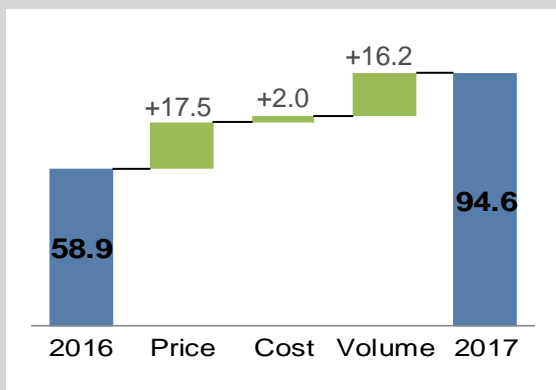
- Increase in shipment of Rabigh products
- Consolidation of Sumika Polycarbonate as subsidiary

**Foreign exchange**

**+9.9**

### Core Operating Income

**Total ¥94.6 billion (+35.7 from FY2016)**



**Price variance**

**+17.5**

- Better profit margin on MMA and synthetic resins

**Cost variance**

**+2.0**

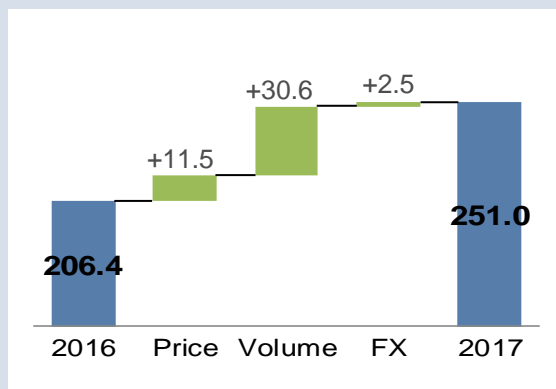
**Volume variance etc.**

**+16.2**

- Increase in equity in earnings of affiliates
- Increase in license revenue

## Sales revenue

Total ¥251.0 billion (+44.6 from FY2016)



## Sales price

+11.5

- Higher market price for aluminum

## Volume

+30.6

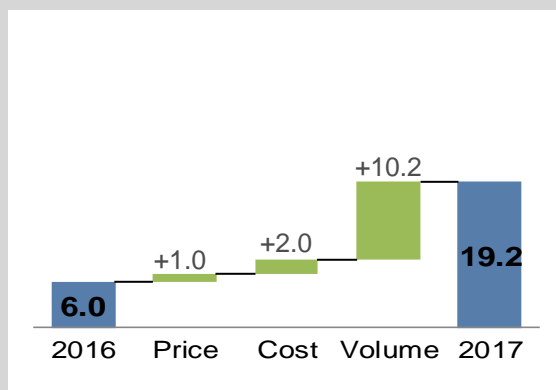
- Increase in shipment of resorcinol and engineering plastics
- Expansion of production capacity for lithium-ion secondary battery separator
- New consolidation of Tanaka Chemical Corp

## Foreign exchange

+2.5

## Core Operating Income

Total ¥19.2 billion (+13.2 from FY2016)



## Price variance

+1.0

## Cost variance

+2.0

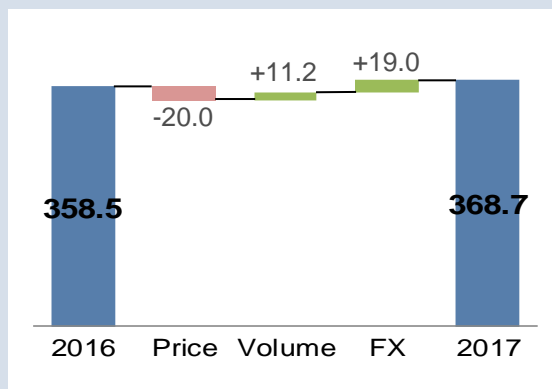
## Volume variance etc.

+10.2

- Increase in shipment of resorcinol and engineering plastics
- Expansion of production capacity for lithium-ion secondary battery separator

## Sales revenue

Total ¥368.7 billion (+10.2 from FY2016)



## Sales price

-20.0

- Decline in selling price of polarizing film
- Decline in selling price of touchscreen panels

## Volume

+11.2

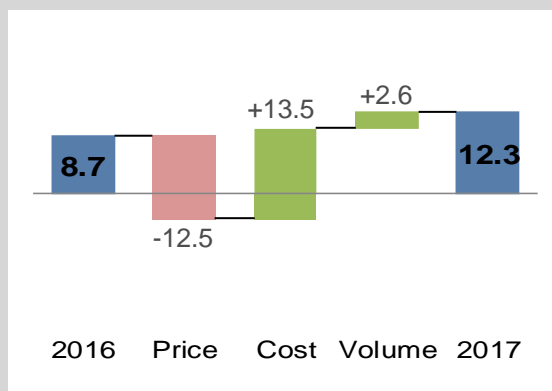
- Increase in shipment of polarizing film
- Increase in shipment of touchscreen panels

## Foreign exchange

+19.0

## Core Operating Income

Total ¥12.3 billion (+3.6 from FY2016)



## Price variance

-12.5

- Decline in selling price of polarizing film
- Decline in selling price of touchscreen panels

## Cost variance

+13.5

- Rationalization of the use of raw materials

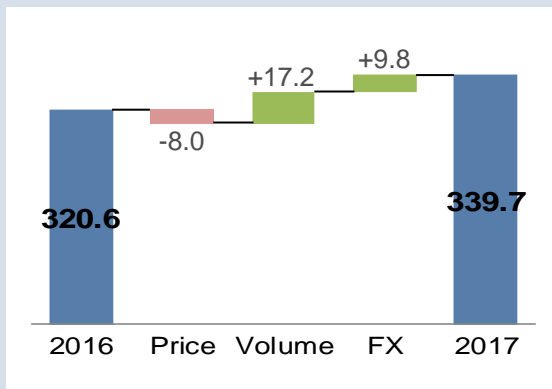
## Volume variance etc.

+2.6

- Increase in shipment of polarizing film

**Sales revenue**

**Total ¥339.7 billion (+19.1 from FY2016 )**



**Sales price**

**-8.0**

- Lower market price for feed additive methionine

**Volume**

**+17.2**

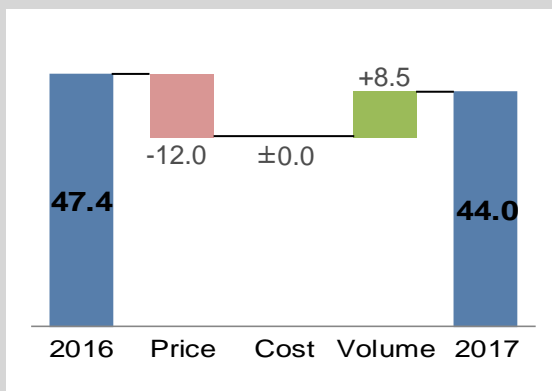
- New consolidation of Excel Crop Care Ltd.

**Foreign exchange**

**+9.8**

**Core Operating Income**

**Total ¥44.0 billion (-3.5 from FY2016 )**



**Price variance**

**-12.0**

- Lower market price for feed additive methionine

**Cost variance**

**0.0**

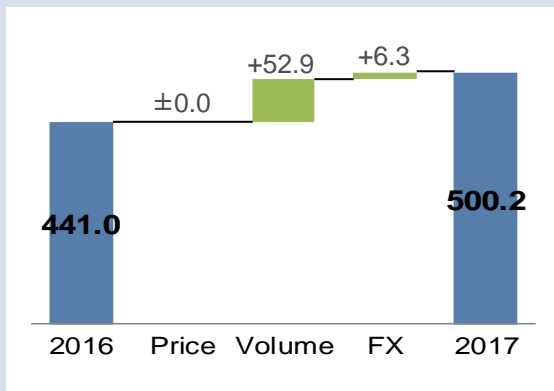
**Volume variance etc.**

**+8.5**

- New consolidation of Excel Crop Care Ltd.
- Positive impact of weaker yen

**Sales revenue**

**Total ¥500.2 billion (+59.3 from FY2016 )**



**Sales price**

0.0

**Volume**

+52.9

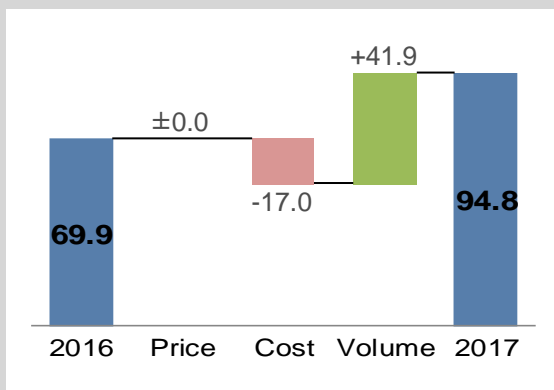
- Increase in shipment of Latuda® in North America
- Increase in shipment of Trulicity® in Japan

**Foreign exchange**

+6.3

**Core Operating Income**

**Total ¥94.8 billion (+24.9 from FY2016 )**



**Price variance**

0.0

**Cost variance**

-17.0

- Increase in sales expense of COPD products
- Increase in R&D expense

**Volume variance etc.**

+41.9

- Increase in shipment of Latuda® in North America
- Divestiture of ciclesonide products

Unit; billions of yen

	FY2016	FY2017	Difference
Restructuring charges	-18.2	-14.2	4.0
Impairment loss	-36.5	-12.4	24.1
Gain on sale of property, plant and equipment	1.0	6.8	5.8
Changes in fair value of contingent consideration	-6.5	6.1	12.7
Reversal of impairment loss	-	3.5	3.5
Gain on step acquisitions	2.8	-	-2.8
Others	-0.7	-1.6	-0.9
Non-core items	-58.1	-11.8	46.3



Unit; billions of yen

	31-Mar-17	31-Mar-18	Difference		31-Mar-17	31-Mar-18	Difference
Current assets	1,140.9	<b>1,254.8</b>	113.9	Liabilities	1,762.3	<b>1,816.5</b>	54.2
Cash and cash equivalents	193.3	<b>231.9</b>	38.6	Trade and other payables	417.7	<b>486.8</b>	69.1
Trade and other receivables	503.5	<b>530.6</b>	27.1	Interest-bearing Liabilities	884.1	<b>842.2</b>	<b>-41.9</b>
Inventories	397.4	<b>446.8</b>	49.4	Others	460.5	<b>487.5</b>	27.0
Others	46.7	<b>45.5</b>	<b>-1.2</b>	Equity	1,115.9	<b>1,252.2</b>	136.3
Non-current assets	1,737.3	<b>1,813.9</b>	76.6	Shareholders' equity	727.1	<b>842.0</b>	114.9
Property, plant and equipment	644.1	<b>675.7</b>	31.7	Other components of equity	85.5	<b>85.2</b>	<b>-0.4</b>
Goodwill and Intangible assets	353.3	<b>355.5</b>	2.2	Non-controlling interests	303.3	<b>325.1</b>	21.8
Others	740.0	<b>782.6</b>	42.7				
Total	2,878.2	<b>3,068.7</b>	190.5	Total	2,878.2	<b>3,068.7</b>	190.5
				Shareholders' equity ratio	28.2%	<b>30.2%</b>	2.0%
				D/E ratio	0.8	<b>0.7</b>	<b>-0.1</b>

Unit; billions of yen

	FY2016	FY2017	Difference
Cash flows from operating activities	185.8	<b>293.3</b>	107.5
Cash flows from investing activities	<b>-205.7</b>	<b>-154.5</b>	51.2
Free cash flows	<b>-19.9</b>	<b>138.7</b>	158.7
Cash flows from financing activities	<b>-0.5</b>	<b>-94.3</b>	<b>-93.7</b>
Effect of exchange rate changes on cash and cash equivalents	<b>-1.9</b>	<b>-5.8</b>	<b>-3.9</b>
Net change in cash and cash equivalents	<b>-22.3</b>	<b>38.6</b>	61.0
Cash and cash equivalents at end of year	193.3	<b>231.9</b>	38.6

## 2. Outlook for FY2018

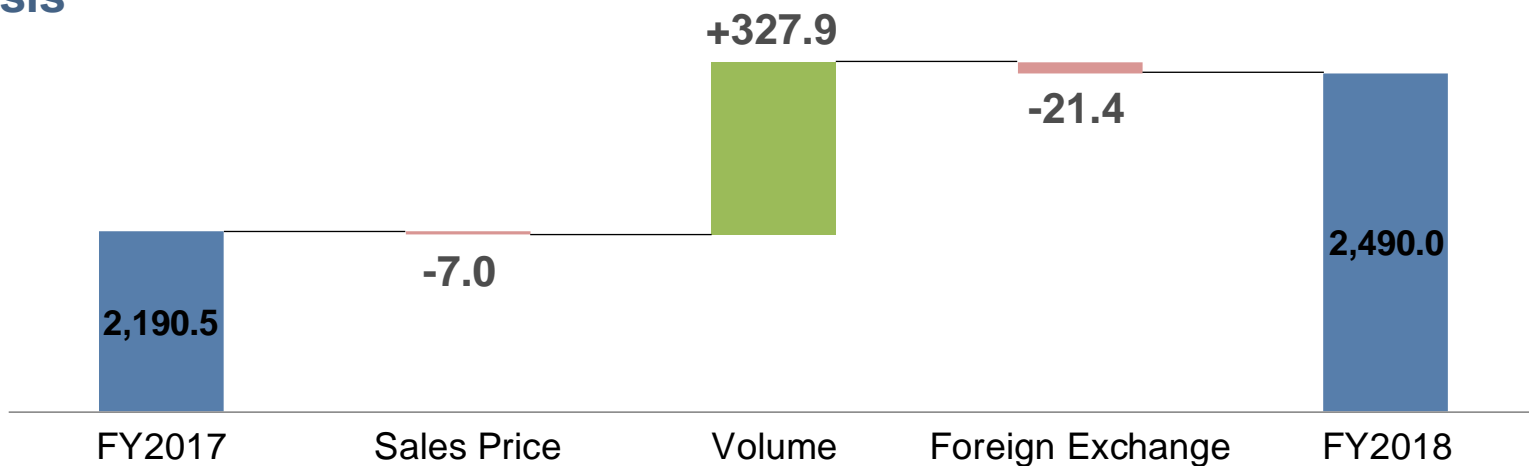
Unit; billions of yen

	FY2017	FY2018 (estimated)	Difference	Ratio
Sales revenue	2,190.5	<b>2,490.0</b>	299.5	13.7%
Core operating income	262.7	<b>240.0</b>	-22.7	-8.6%
(Equity in earnings)	(55.3)	<b>(50.0)</b>	(-5.3)	-
Non-core items	(-11.8)	<b>(-35.0)</b>	(-23.2)	-
Operating income	250.9	<b>205.0</b>	-45.9	-18.3%
Financial income/expenses	-10.1	<b>0.0</b>	10.1	-
Net income attributable to owners of the parent	133.8	<b>130.0</b>	-3.8	-2.8%
ROE	15.4%	<b>13.4%</b>		
Exchange rate (yen/USD)	110.85	<b>110.00</b>		
Naphtha price (yen/KL)	41,900	<b>47,000</b>		

Unit; billions of yen

	FY2017	FY2018 (estimated)	Difference	Ratio	Sales Price Variance	Shipping Volume Variance	Foreign Currency Conversion Variance
Petrochemicals & Plastics	674.1	<b>790.0</b>	115.9	17.2%	10.0	109.2	<b>-3.4</b>
Energy & Functional Materials	251.0	<b>285.0</b>	34.0	13.6%	5.0	30.1	<b>-1.1</b>
IT-related Chemicals	368.7	<b>435.0</b>	66.3	18.0%	<b>-16.0</b>	93.8	<b>-11.5</b>
Health & Crop Sciences	339.7	<b>410.0</b>	70.3	20.7%	3.0	70.4	<b>-3.1</b>
Pharmaceuticals	500.2	<b>515.0</b>	14.8	3.0%	<b>-9.0</b>	26.2	<b>-2.4</b>
Others & Adjustments	56.8	<b>55.0</b>	<b>-1.8</b>	<b>-3.1%</b>	0.0	<b>-1.8</b>	0.0
<b>Total</b>	<b>2,190.5</b>	<b>2,490.0</b>	<b>299.5</b>	<b>13.7%</b>	<b>-7.0</b>	<b>327.9</b>	<b>-21.4</b>

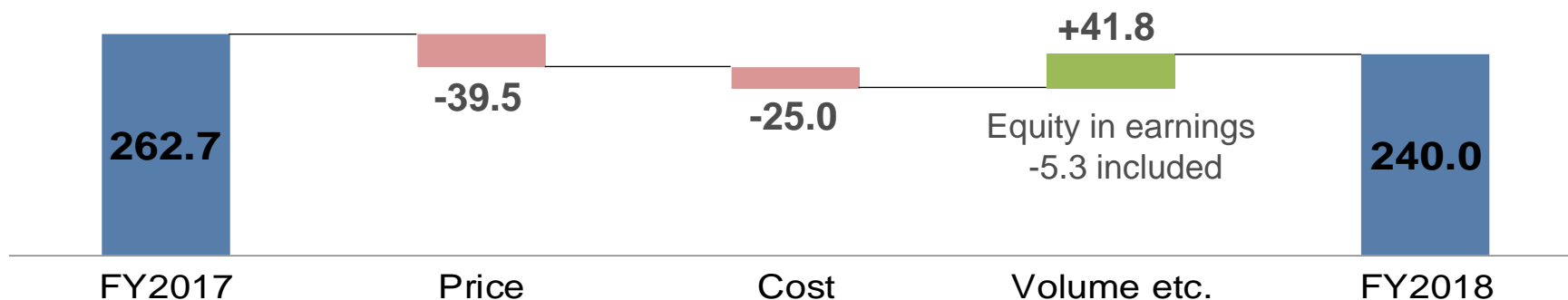
## Analysis



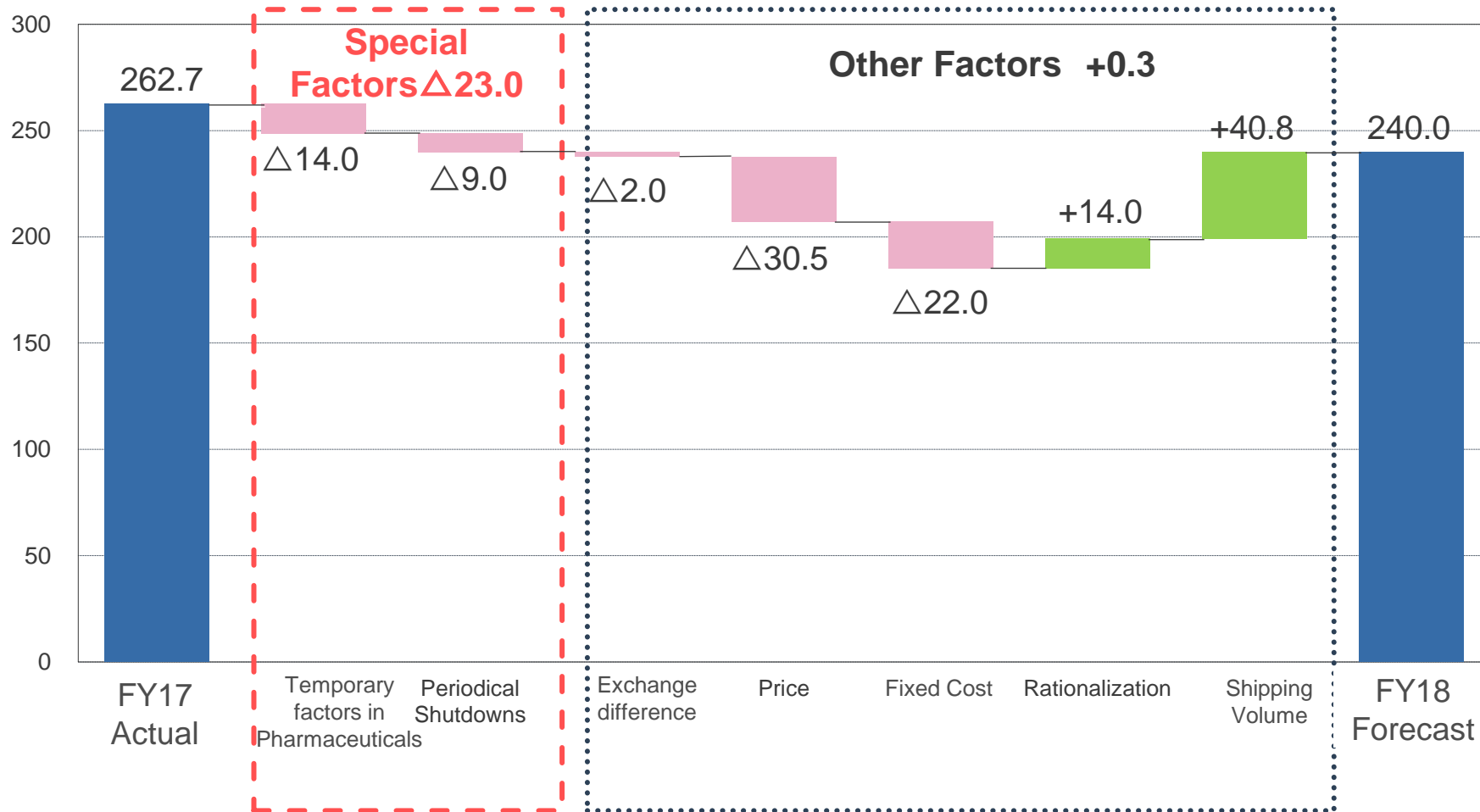
Unit; billions of yen

	FY2017	FY2018 (estimated)	Difference	Price Variance	Cost Variance	Shipping Volume Variance and Other	Total
Petrochemicals & Plastics	94.6	63.0	-31.6	-13.0	-3.5	-15.1	-31.6
Energy & Functional Materials	19.2	20.0	0.8	0.0	-4.0	4.8	0.8
IT-related Chemicals	12.3	20.0	7.7	-19.5	5.0	22.2	7.7
Health & Crop Sciences	44.0	59.0	15.0	2.0	-6.0	19.0	15.0
Pharmaceuticals	94.8	81.0	-13.8	-9.0	-16.5	11.7	-13.8
Others & Adjustments	-2.2	-3.0	-0.8	0.0	0.0	-0.8	-0.8
<b>Total</b>	<b>262.7</b>	<b>240.0</b>	<b>-22.7</b>	<b>-39.5</b>	<b>-25.0</b>	<b>41.8</b>	<b>-22.7</b>

## Analysis

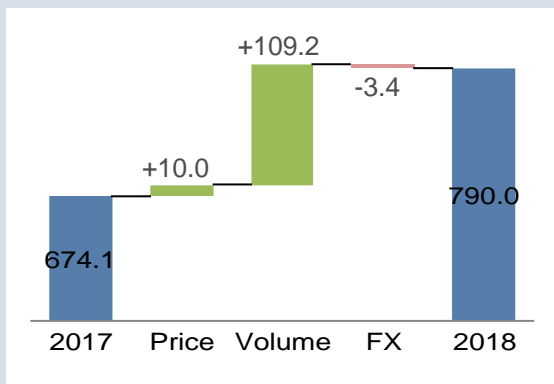


Billions of yen



### Sales revenue

**Total ¥790.0 billion (+115.9 from FY2017)**



**Sales price**  
**+10.0**

- Improve in market price of synthetic resins in domestic market

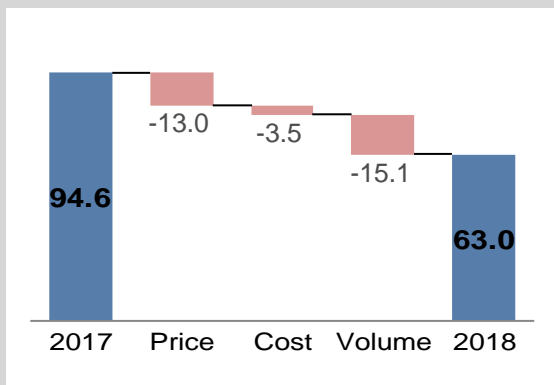
**Volume**  
**+109.2**

- Increase in shipment of Rabigh Phase II products
- Increase in shipment of synthetic resins in domestic market

**Foreign exchange**  
**-3.4**

### Core Operating Income

**Total ¥63.0 billion (-31.6 from FY2017)**



**Price variance**  
**-13.0**

- Decline in market price of MMA and synthetic resins in oversea market

**Cost variance**  
**-3.5**

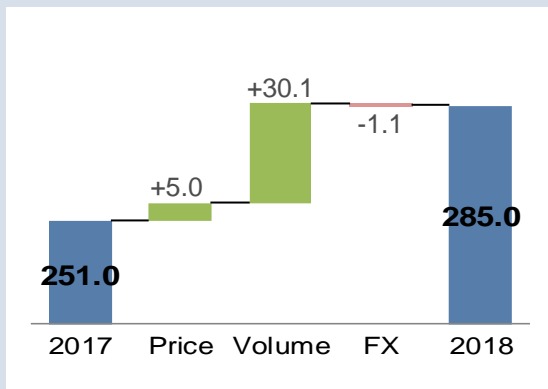
**Volume variance etc.**  
**-15.1**

- Decline in equity in earning of affiliates
- Decline in shipment due to periodical shutdowns



Sales revenue

Total ¥285.0 billion (+34.0 from FY2017)



Sales price

+5.0

Volume

+30.1

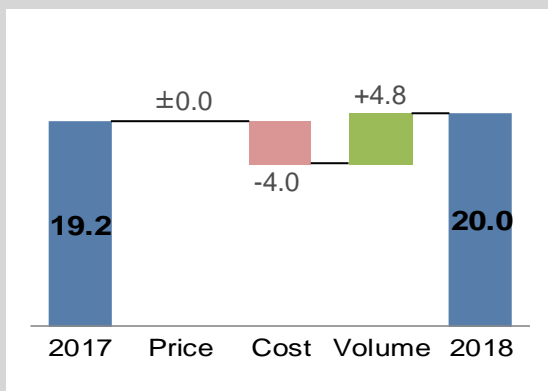
- Increase in shipment of cathode materials
- Increase in shipment of lithium-ion secondary battery separator

Foreign exchange

-1.1

Core Operating Income

Total ¥20.0 billion (+0.8 from FY2017)



Price variance

0.0

Cost variance

-4.0

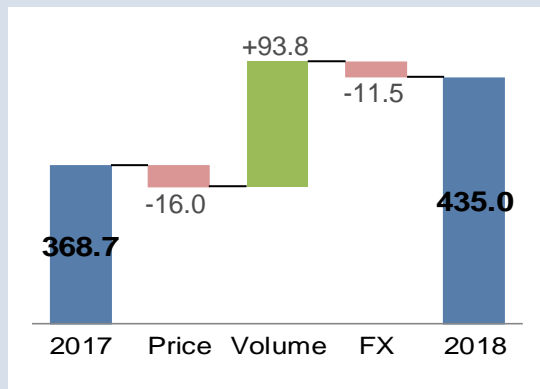
- Increase in fixed cost due to expansion of production capacity for engineering plastics

Volume variance etc.

+4.8

- Increase in shipment of cathode materials
- Increase in shipment of lithium-ion secondary battery separator

## Sales revenue



**Total ¥435.0 billion (+66.3 from FY2017)**

### Sales price

**-16.0**

- Decline in selling price of polarizing film
- Decline in selling price of touchscreen panels

### Volume

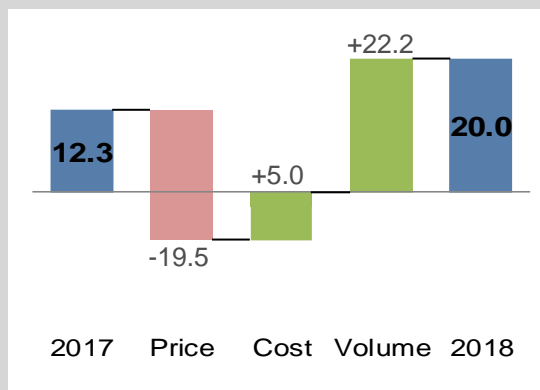
**+93.8**

- Increase in shipment of polarizing film
- Increase in shipment of touchscreen panels

### Foreign exchange

**-11.5**

## Core Operating Income



**Total ¥20.0 billion (+7.7 from FY2017)**

### Price variance

**-19.5**

- Decline in selling price of polarizing film
- Decline in selling price of touchscreen panels

### Cost variance

**+5.0**

- Rationalization of the use of raw materials
- Improvement of production yield

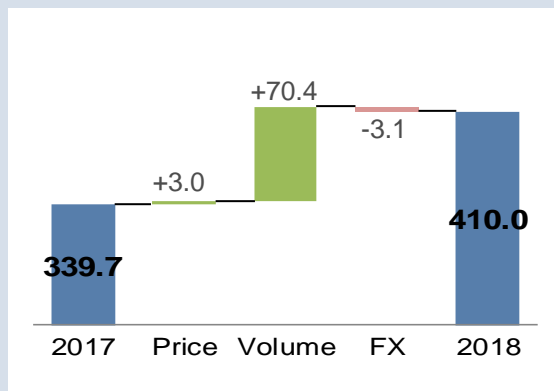
### Volume variance etc.

**+22.2**

- Increase in shipment of polarizing film
- Increase in shipment of touchscreen panels

### Sales revenue

**Total ¥410.0 billion (+70.3 from FY2017)**



#### Sales price

**+3.0**

- Recovery of market price for feed additive methionine

#### Volume

**+70.4**

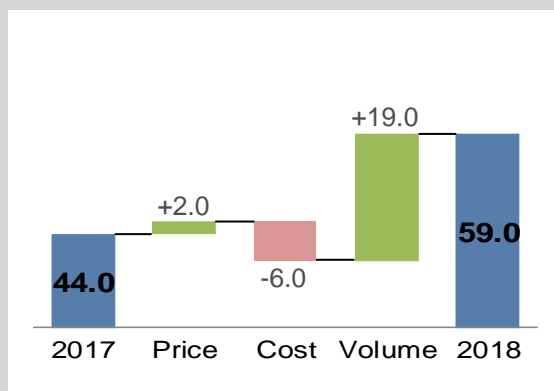
- Increase in shipment of crop protection chemical in overseas market
- Expansion of production capacity for feed additive methionine

#### Foreign exchange

**-3.1**

### Core Operating Income

**Total ¥59.0 billion (+15.0 from FY2017)**



#### Price variance

**+2.0**

- Recovery of market price for feed additive methionine

#### Cost variance

**-6.0**

- Increase in fixed cost due to expansion of production capacity for feed additive methionine

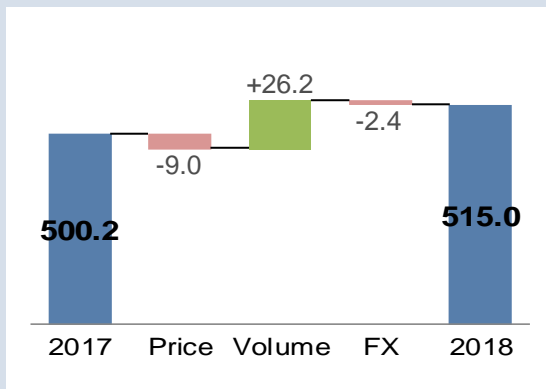
#### Volume variance etc.

**+19.0**

- Increase in shipment of crop protection chemical in overseas market
- Expansion of production capacity for feed additive methionine

**Sales revenue**

**Total ¥515.0 billion (+14.8 from FY2017 )**



**Sales price**

**-9.0**

- NHI price revision in Japan

**Volume**

**+26.2**

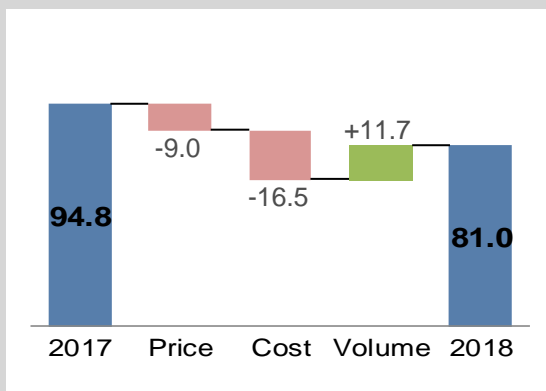
- Increase in shipment of Latuda® in North America

**Foreign exchange**

**-2.4**

**Core Operating Income**

**Total ¥81.0 billion (-13.8 from FY2017 )**



**Price variance**

**-9.0**

**Cost variance**

**-16.5**

- Increase of sales expense related with new products

**Volume variance etc.**

**+11.7**

- Increase in shipment of Latuda® in North America

Unit: billions of yen

	FY2017	FY2018 (estimated)	Difference
Cash flows from operating activities	293.3	<b>225.0</b>	<b>-68.3</b>
Cash flows from investing activities	<b>-154.5</b>	<b>-355.0</b>	<b>-200.5</b>
Free cash flows	138.7	<b>-130.0</b>	<b>-268.7</b>
Cash flows from financing activities	<b>-94.3</b>	<b>105.0</b>	199.3
Effect of exchange rate changes on cash and cash equivalents	<b>-5.8</b>	<b>0.0</b>	5.8
Net change in cash and cash equivalents	38.6	<b>25.0</b>	<b>-63.6</b>
Interest-bearing debt balance	842.2	<b>1,000.0</b>	157.8

**(Reference: Segment Information)**

<b>Petrochemicals &amp; Plastics</b>	<ul style="list-style-type: none"><li>● Completed construction of Rabigh Phase 2 Project</li><li>● Decided to build a new plant of catalyst for propylene oxide</li><li>● Expanded Naphtha storage tanks in Singapore</li></ul>
<b>Energy &amp; Functional Materials</b>	<ul style="list-style-type: none"><li>● Expanded production capacity for lithium-ion secondary battery separators</li><li>● Expanded production capacity for Resorcinol</li><li>● Decided to exit the DPF business</li></ul>
<b>IT-related Chemicals</b>	<ul style="list-style-type: none"><li>● Decided to expand production capacity for high-purity chemicals for semiconductors</li><li>● Decided to expand production capacity for protection films of polarizing films</li><li>● Decided to exit the sapphire substrates business</li></ul>
<b>Health &amp; Crop Sciences</b>	<ul style="list-style-type: none"><li>● Acquired an Australian major supplier of pyrethrum-derived insecticidal compounds</li><li>● Acquired a plant growth regulator business</li><li>● Expanded nucleic acid medicine business</li></ul>
<b>Pharmaceuticals</b>	<ul style="list-style-type: none"><li>● In-licensing of therapeutic agent for type 2 diabetes</li><li>● FDA Approval for COPD products</li><li>● Completion of building a manufacturing plant for regenerative medicine &amp; cell therapy</li></ul>

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IFRS

Unit; billions of yen

	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Petrochemicals & Plastics	137.0	128.7	148.4	158.0	153.5	166.6	176.5	177.5
Energy & Functional Materials	47.0	47.5	51.5	59.9	59.6	60.6	67.5	63.2
IT-related Chemicals	86.0	88.7	95.1	88.6	90.8	97.8	98.1	82.1
Health & Crop Sciences	64.0	61.8	66.1	127.4	67.5	70.2	78.5	123.5
Pharmaceuticals	111.7	102.6	115.5	114.5	124.6	123.5	132.3	119.8
Others & Adjustments	10.9	14.7	12.7	16.1	12.0	13.7	12.6	18.5
Total	456.6	444.0	489.3	564.5	507.9	532.4	565.5	584.6

※ Quarterly figures for FY 2017 are not subject to financial review procedures at this moment.

Quarterly figures for FY 2016 are retrospectively adjusted due to finalizing the provisional accounting treatment for business combinations carried out in FY 2016.

Also, figures for FY 2016 (retrospectively adjusted) are not subject to audit certification.



IFRS

Unit: billions of yen

	FY2017				FY2018 (estimated)	
	1Q	2Q	3Q	4Q	1st Half	2nd Half
Petrochemicals & Plastics	153.5	166.6	176.5	177.5	390.0	400.0
Energy & Functional Materials	59.6	60.6	67.5	63.2	135.0	150.0
IT-related Chemicals	90.8	97.8	98.1	82.1	210.0	225.0
Health & Crop Sciences	67.5	70.2	78.5	123.5	150.0	260.0
Pharmaceuticals	124.6	123.5	132.3	119.8	250.0	265.0
Others & Adjustments	12.0	13.7	12.6	18.5	25.0	30.0
<b>Total</b>	<b>507.9</b>	<b>532.4</b>	<b>565.5</b>	<b>584.6</b>	<b>1,160.0</b>	<b>1,330.0</b>

※ Quarterly figures for FY 2017 are not subject to financial review procedures at this moment.

# Operating Income /Core Operating Income by Business segment I 33

(Quarterly)

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IFRS

Unit; billions of yen

	FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Petrochemicals & Plastics	1.8	4.9	10.9	9.1	15.0	26.8	28.9	23.9
Energy & Functional Materials	0.7	1.5	3.0	2.1	4.8	5.5	5.6	3.3
IT-related Chemicals	1.4	1.1	6.5	1.4	3.3	5.7	4.6	-1.2
Health & Crop Sciences	9.1	3.8	3.7	29.6	5.5	2.9	10.3	25.3
Pharmaceuticals	15.3	12.6	18.2	9.0	25.9	32.2	23.5	13.2
Others & Adjustments	-3.0	-1.8	-3.2	-3.1	-1.1	0.4	-0.9	-0.5
Total	25.3	21.9	39.0	48.0	53.5	73.5	71.8	63.8

※ Quarterly figures for FY 2017 are not subject to financial review procedures at this moment.

Quarterly figures for FY 2016 are retrospectively adjusted due to finalizing the provisional accounting treatment for business combinations carried out in FY 2016.

Also, figures for FY 2016 (retrospectively adjusted) are not subject to audit certification.

IFRS

Unit; billions of yen

	FY2017				FY2018 (estimated)	
	1Q	2Q	3Q	4Q	1st Half	2nd Half
Petrochemicals & Plastics	15.0	26.8	28.9	23.9	29.0	34.0
Energy & Functional Materials	4.8	5.5	5.6	3.3	8.0	12.0
IT-related Chemicals	3.3	5.7	4.6	-1.2	9.0	11.0
Health & Crop Sciences	5.5	2.9	10.3	25.3	4.0	55.0
Pharmaceuticals	25.9	32.2	23.5	13.2	43.0	38.0
Others & Adjustments	-1.1	0.4	-0.9	-0.5	-3.0	0.0
Total	53.5	73.5	71.8	63.8	90.0	150.0

※ Quarterly figures for FY 2017 are not subject to financial review procedures at this moment.

IFRS

Unit; billions of yen

	FY2016	FY2017	FY2018 (estimated)
Capital expenditures	136.3	<b>158.8</b>	181.0
Depreciation and amortization	110.3	<b>107.1</b>	112.0
Research & development expenses	158.0	<b>165.3</b>	169.0
Number of employees (as of March 31)	32,536	<b>31,837</b>	33,000

IFRS

Unit; billions of yen

	FY2016	FY2017	Difference
Petrochemicals & Plastics	30.6	17.4	-13.2
Energy & Functional Materials	21.9	22.5	0.6
IT-related Chemicals	33.5	24.5	-9.0
Health & Crop Sciences	24.2	56.3	32.2
Pharmaceuticals	14.9	21.2	6.3
Others & Adjustments	11.1	16.8	5.7
Total	136.3	158.8	22.5

IFRS

Unit; billions of yen

	FY2017	FY2018 (estimated)	Difference
Petrochemicals & Plastics	17.4	<b>36.0</b>	18.6
Energy & Functional Materials	22.5	<b>35.5</b>	13.0
IT-related Chemicals	24.5	<b>34.5</b>	10.0
Health & Crop Sciences	56.3	<b>43.0</b>	<b>-13.3</b>
Pharmaceuticals	21.2	<b>15.0</b>	<b>-6.2</b>
Others & Adjustments	16.8	<b>17.0</b>	0.2
<b>Total</b>	<b>158.8</b>	<b>181.0</b>	<b>22.2</b>

IFRS

Unit; billions of yen

	FY2016	FY2017	Difference
Petrochemicals & Plastics	22.8	<b>23.0</b>	0.1
Energy & Functional Materials	12.7	<b>13.9</b>	1.2
IT-related Chemicals	31.7	<b>29.6</b>	<b>-2.2</b>
Health & Crop Sciences	16.2	<b>16.2</b>	0.0
Pharmaceuticals	15.5	<b>15.1</b>	<b>-0.4</b>
Others & Adjustments	11.4	<b>9.4</b>	<b>-2.0</b>
<b>Total</b>	<b>110.3</b>	<b>107.1</b>	<b>-3.2</b>

IFRS

Unit; billions of yen

	FY2017	FY2018 (estimated)	Difference
Petrochemicals & Plastics	23.0	22.0	-1.0
Energy & Functional Materials	13.9	15.5	1.6
IT-related Chemicals	29.6	28.0	-1.6
Health & Crop Sciences	16.2	19.0	2.8
Pharmaceuticals	15.1	18.5	3.4
Others & Adjustments	9.4	9.0	-0.4
Total	107.1	112.0	4.9



IFRS

Unit; billions of yen

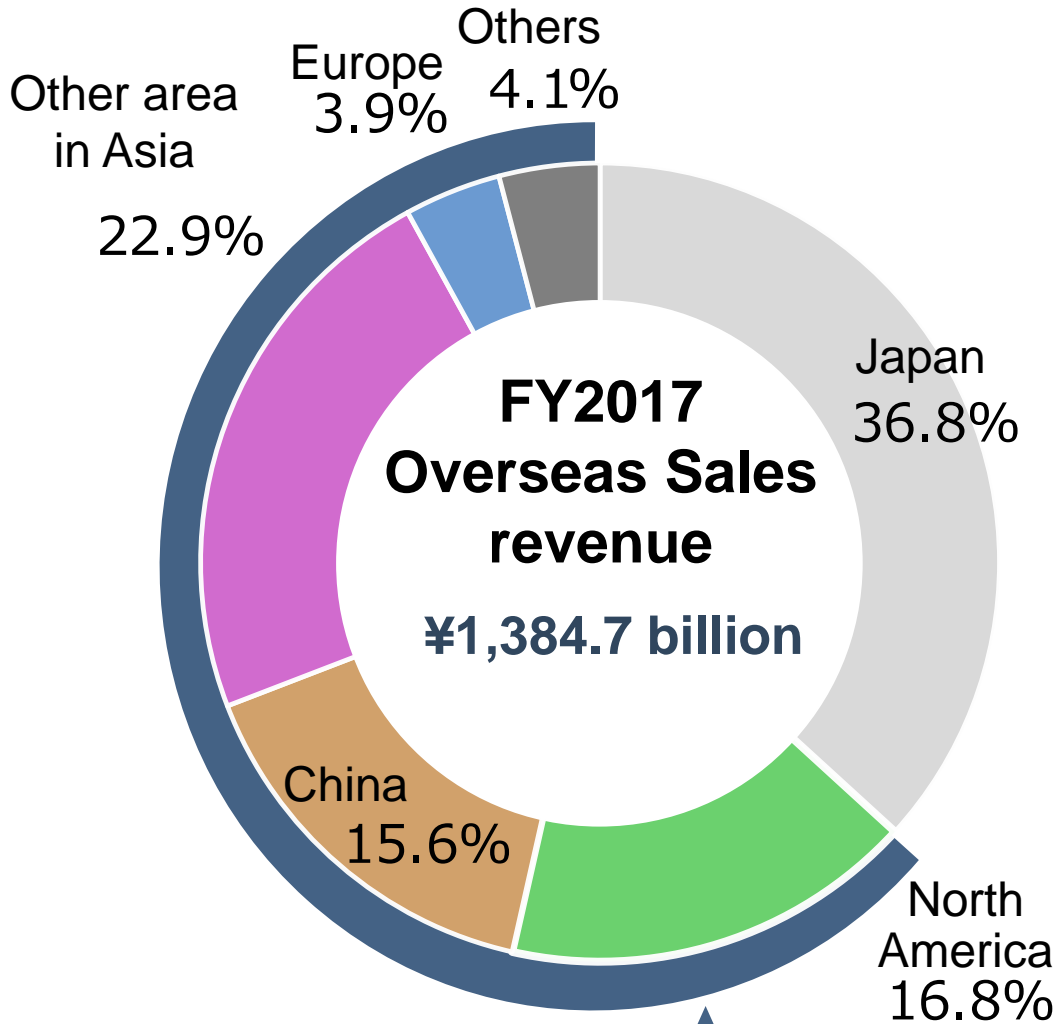
	FY2016	FY2017	Difference
Petrochemicals & Plastics	6.2	<b>6.6</b>	0.4
Energy & Functional Materials	9.3	<b>7.5</b>	<b>-1.8</b>
IT-related Chemicals	16.1	<b>17.3</b>	1.1
Health & Crop Sciences	28.2	<b>29.3</b>	1.1
Pharmaceuticals	82.3	<b>89.3</b>	7.1
Others & Adjustments	15.8	<b>15.3</b>	<b>-0.5</b>
Total	158.0	<b>165.3</b>	7.3

IFRS

Unit; billions of yen

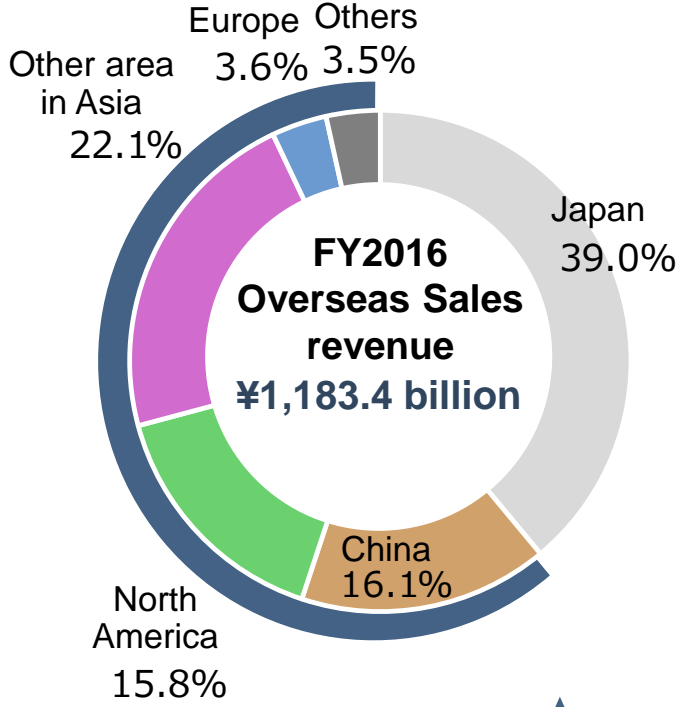
	FY2017	FY2018 (estimated)	Difference
Petrochemicals & Plastics	6.6	7.0	0.4
Energy & Functional Materials	7.5	8.0	0.5
IT-related Chemicals	17.3	17.5	0.2
Health & Crop Sciences	29.3	33.0	3.7
Pharmaceuticals	89.3	87.5	-1.8
Others & Adjustments	15.3	16.0	0.7
Total	165.3	169.0	3.7

Company	Sales Revenue		Profit Trends
	FY2016	FY2017	
The Polyolefin Company (Singapore) (millions of USD)	1,092	1,179	→ Maintaining due to better margins
Petrochemical Corporation of Singapore (millions of USD)	2,360	2,692	→ Maintaining due to better margins
Rabigh Refining and Petrochemical Company (millions of SAR)	25,146	34,211	↗ Due to stable operations and higher profit margins on petrochemical products
Dongwoo Fine-Chem (billions of KRW)	2,137	2,161	↘ Decreased due to lower selling price and other factors despite higher sales volume
Valent U.S.A. and Subsidiaries (millions of USD)	913	915	↘ Decreased due to increase in research and development expenses, registration expenses, etc.



Overseas Sales revenue ratio

63.2%

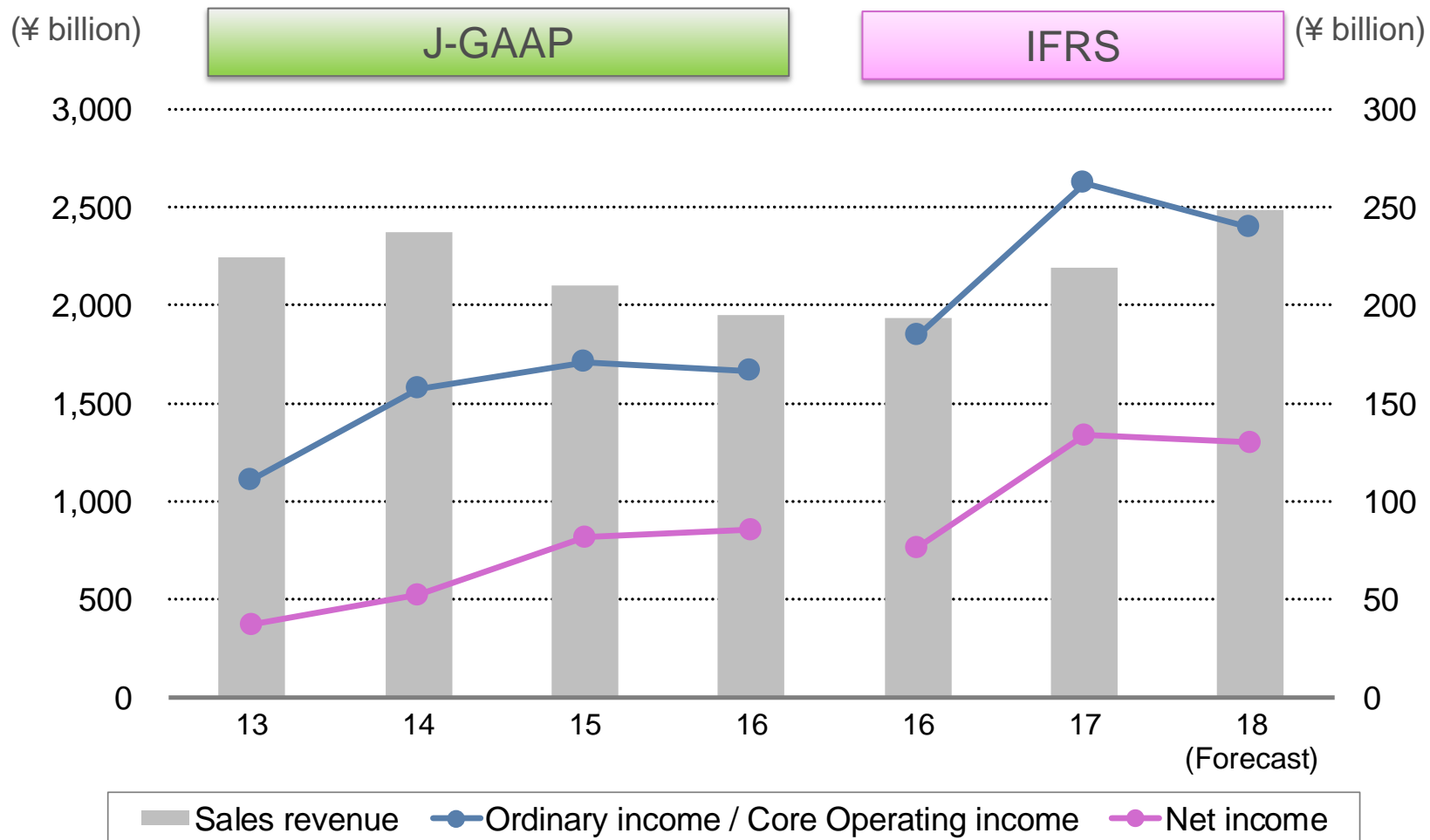


Overseas Sales revenue ratio

61.0%

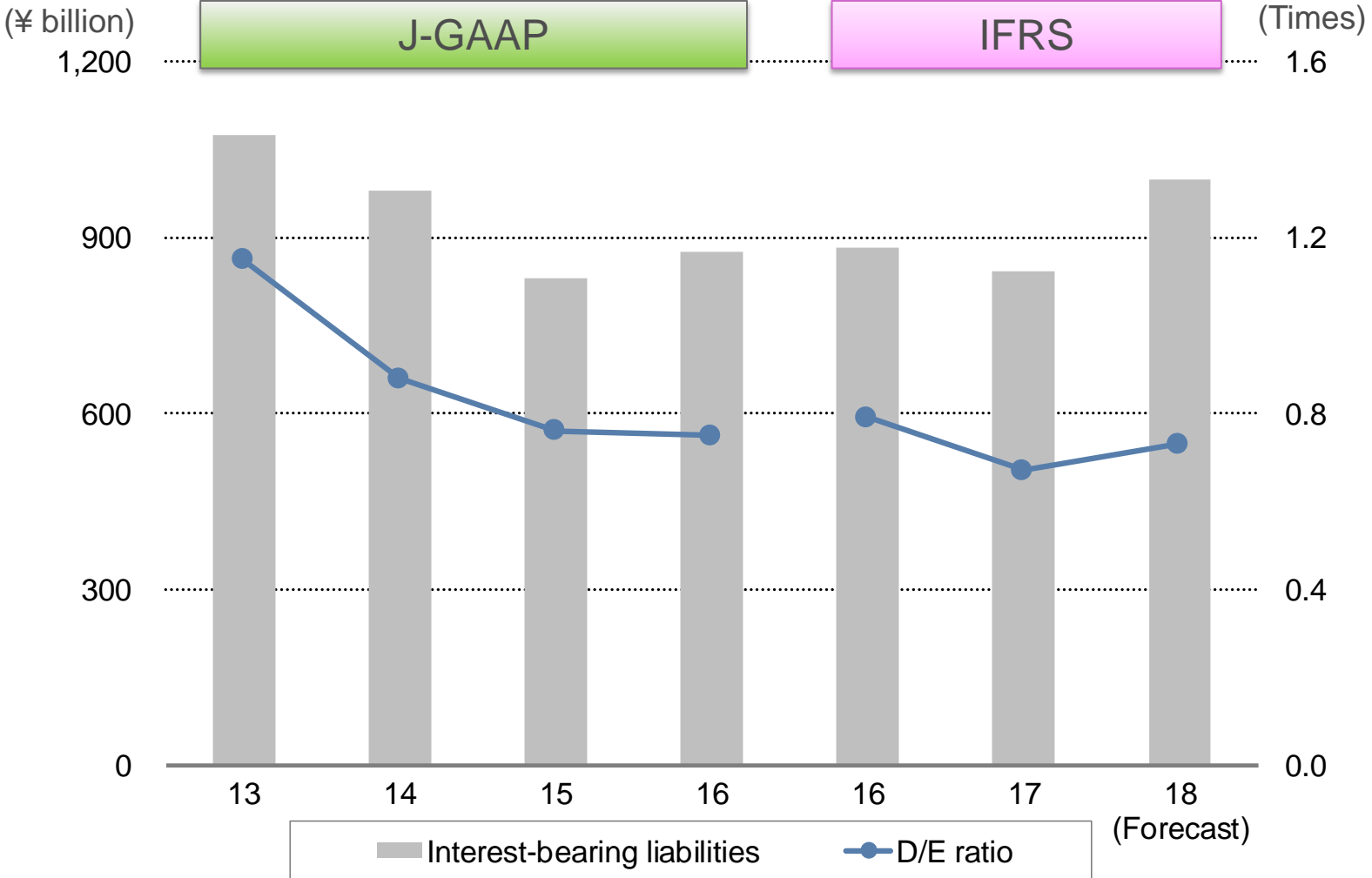
## Sales revenue

## Profit



## Interest-bearing liabilities

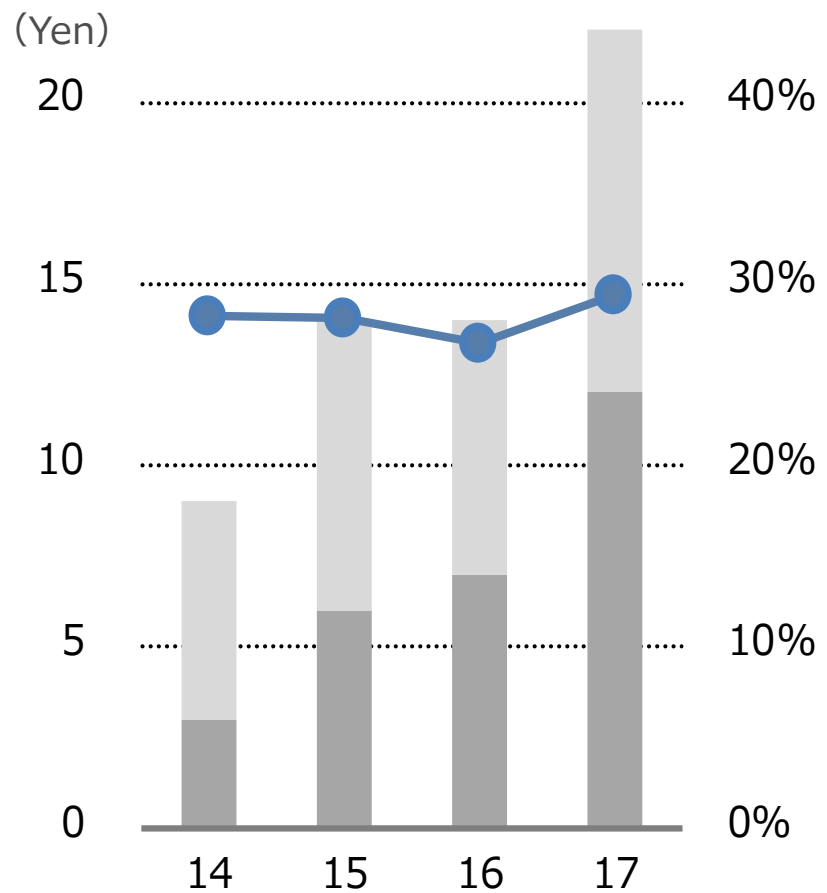
## D/E ratio



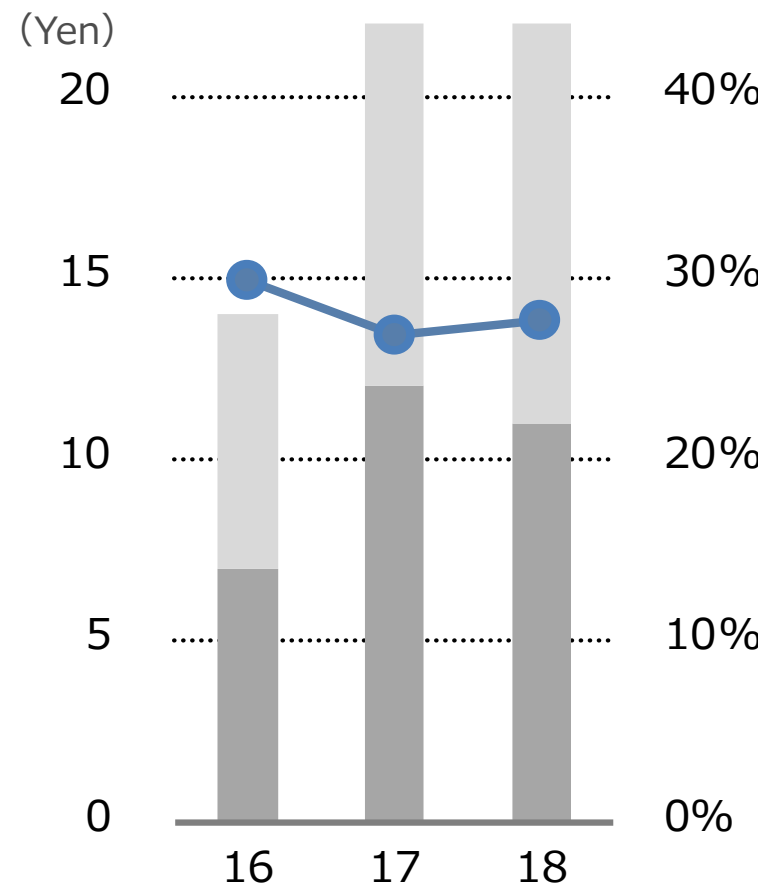
## J-GAAP

## IFRS

Dividends per share      Payout ratio



Dividends per share      Payout ratio



■ Year-end dividends    ■ Interim dividends    ● Payout ratio