

2019 *Fact Book*

Sumitomo Seika Chemicals Co.,Ltd.



Company Profile

Company Profile (as of March 31, 2019)

Company Name	Sumitomo Seika Chemicals Company, Limited.
Established	July 20, 1944
Paid in Capital	9,698 million yen
Representative Director, President & CEO	Ikuzo Ogawa
Number of Employees (consolidated)	1,340
Main Business Areas	Super Absorbent Polymers, Functional Chemicals and Gases & Engineering

Locations in Japan

Head Offices	Osaka, Tokyo
Plants	Befu Works / Himeji Works / Chiba Works
Sales Offices	Osaka, Tokyo
Research Laboratories	Super Absorbent Polymers Research Laboratory (Himeji) Functional Chemicals Research Laboratory (Befu, Himeji) Fine Gases System Research Laboratory (Befu) (Note) These laboratories were restructured into Material Development Laboratory and Production and Process Engineering Laboratory on April 1, 2019.

Company History

July 1944	Sumitomo Taki Chemical Co., Ltd. is established as a joint venture between Sumitomo Chemical Co., Ltd. and Taki Fertilizer Co., Ltd. (currently Taki Chemical Co., Ltd.)
October 1989	Company name is changed to Sumitomo Seika Chemicals Company Limited.
March 1999	Begins manufacture and sales of super absorbent polymers in Singapore.
April 2006	Begins manufacture and sales of gases for electronics in Taiwan.
April 2008	Acquires super absorbent polymer business from Arkema, France.
June 2008	Establishes Sumisei Chemical Co., Ltd. in Korea for the manufacture and sales of gases for electronics.
April 2011	Establishes Sumisei Technology (Yangzhou) Co., Ltd. in China for the manufacture of gases for electronics.
August 2016	Begins manufacture and sales of super absorbent polymers in Korea.

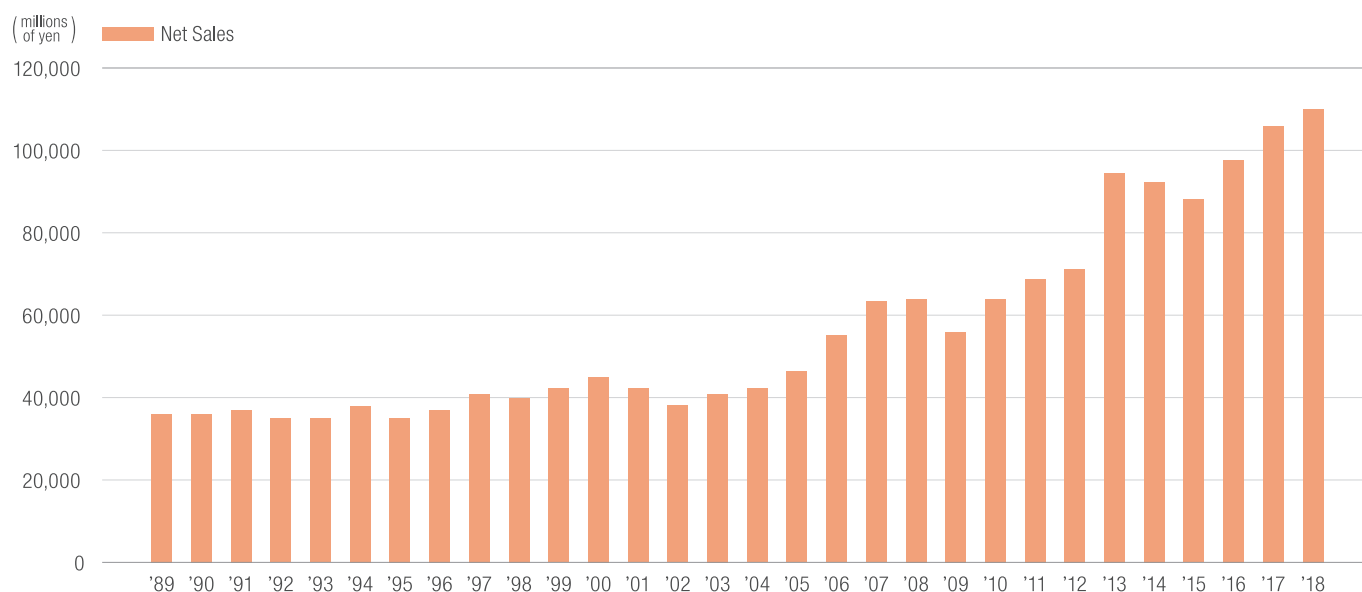
Consolidated Subsidiaries

Affiliate Companies in Japan	Seika Techno Services Co., Ltd. Various Services		Sumisei Technology (Yangzhou) Co., Ltd. Manufacturing of Electronics Gases
Overseas	Sumitomo Seika Polymers Korea Co., Ltd. Manufacturing and Sales of Super Absorbent Polymers	Overseas	Sumisei Taiwan Technology Co., Ltd. Manufacturing and Sales of Electronics Gases
	Sumitomo Seika Europe S.A./N.V. (Belgium) Sales of Super Absorbent Polymers and Other Chemical Products		Sumitomo Seika Trading (Shanghai) Co., Ltd. Sales of Super Absorbent Polymers and Gas Products
	Sumitomo Seika Singapore Pte. Ltd. Manufacture of Super Absorbent Polymers		Sumitomo Seika Asia Pacific Pte. Ltd. Sales of Super Absorbent Polymers and Other Chemical Products
	Sumisei Chemical Co., Ltd. (Korea) Manufacturing and Sales of Electronics Gases		Sumitomo Seika America, Inc. Sales of Super Absorbent Polymers and Other Chemical Products

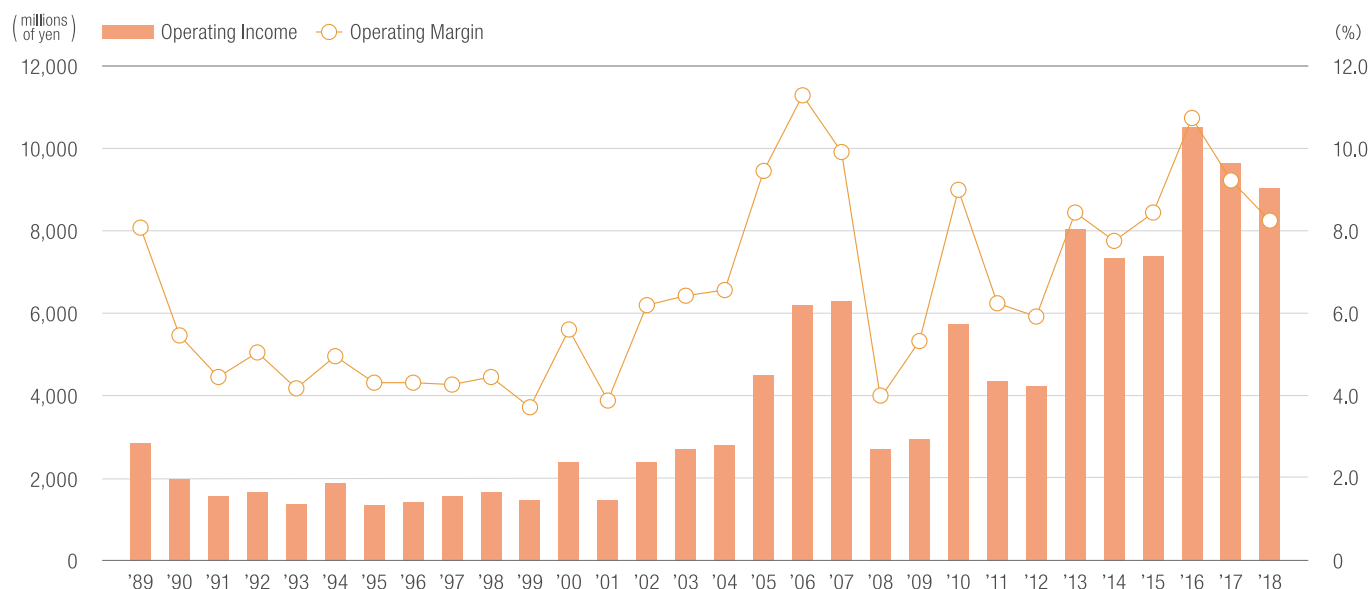
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Net Sales Trends



Operating Income & Operating Margin Trends



Financial Performance Trends

(millions of yen)

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Net Sales	92,698	87,003	98,857	105,883	109,634
Super Absorbent Polymers	58,870	53,003	65,778	71,532	74,365
Functional Chemicals	17,825	18,607	17,985	18,293	18,641
Gases & Engineering	16,002	15,393	15,093	16,057	16,627
Operating Income	7,252	7,404	10,541	9,734	9,072
Super Absorbent Polymers	4,812	4,086	7,699	6,023	4,912
Functional Chemicals	1,549	2,561	1,947	1,879	2,140
Gases & Engineering	899	735	878	1,815	2,005
Operating Margin (%)	7.8	8.5	10.7	9.2	8.3
Ordinary Income	8,265	6,329	10,006	9,935	8,636
Net Income Attributable to Owners of the Parent	5,543	4,013	5,739	6,698	604

Super Absorbent Polymers



Outline

Sumitomo Seika has long been involved in the research and development of AQUA KEEP super absorbent polymer. AQUA KEEP can absorb and retain up to several hundred times its weight of water. By applying our proprietary technology to AQUA KEEP, we are able to control its water absorption capabilities based on individual needs of users. This technology has been

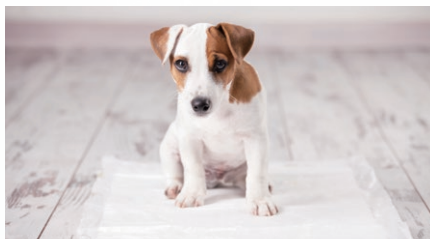
incorporated into a wide variety of products, from everyday necessities such as disposable diapers and pet sheets through industrial products such as water repellent materials for power and optical cables and more. With production bases in Japan, South Korea, Singapore and France, we can supply the products customers demand anywhere in the world.

Main Applications



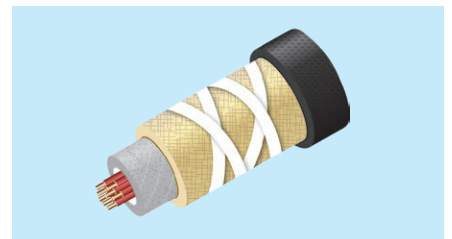
Disposable Diapers

Used as an absorbent in disposable diapers, AQUA KEEP plays a vital role in achieving this hygiene product's fundamental objective of "rapidly absorbing liquid and never releasing it." Its high liquid-absorbing ability also keeps the surface of the disposable diaper dry and smooth and allows for designing diapers that are thinner and more compact.



Pet Sheets

In pet sheets, AQUA KEEP absorbs urine efficiently to maintain a clean environment for households with pets. Our proprietary technology is utilized for "spot absorption," which prevents urine from spreading and getting on pets' paws.



Water Repellent Tape for Power and Optical Cables

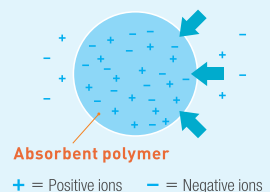
Tape treated with AQUA KEEP can be used to instantly take in moisture and expand to block additional water from getting in even on damaged power and optical cables. The water absorbent polymers act to prevent further cable breakage and reduced functionality. Our clients choose AQUA KEEP due to its special ability to "absorb water and expand instantly."

Super Absorbent Polymer AQUA KEEP

Controlled Performance through Advanced Technology and Expertise

The greatest benefit of using AQUA KEEP is the ability to control particle size and the amount and rate of water absorption. This is made possible through our proprietary production technology consisting of an inverse suspension polymerization process. Super absorbent polymers are required to have two different capabilities: one is to absorb large quantities of water (higher absorption capacity) and the other is to retain the absorbed water under load (higher absorption capacity under load). Until now, there has had to be a trade-off between the two capabilities. However, by significantly improving the polymerization process and optimizing the polymer structure, we have been able to achieve higher performance in terms of both "higher absorption capacity" and "higher absorption capacity under load." Furthermore, we have established an innovative production technology that allows for a high level of control for the two capabilities.

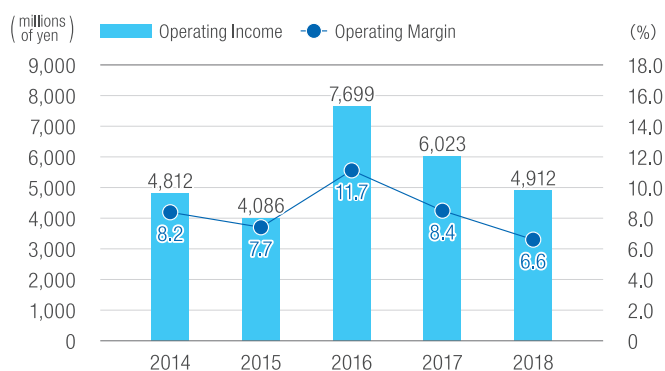
How osmotic pressure is used to absorb water



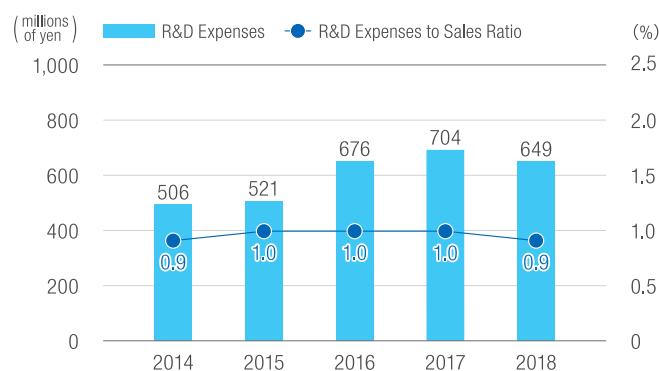
Company Performance Super Absorbent Polymers

Net sales increased by 4.0% over the same period of the previous fiscal year to 74.365 billion yen. Operating income, however, decreased by 18.4% to 4.912 billion yen, which resulted from the decreased sales volume to China from the beginning of the new calendar year and the increased fixed costs related to the operation of a new manufacturing plant in Korea, among others.

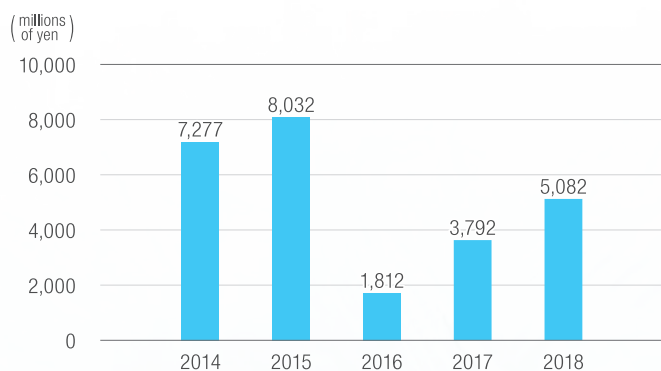
Operating Income & Operating Margin



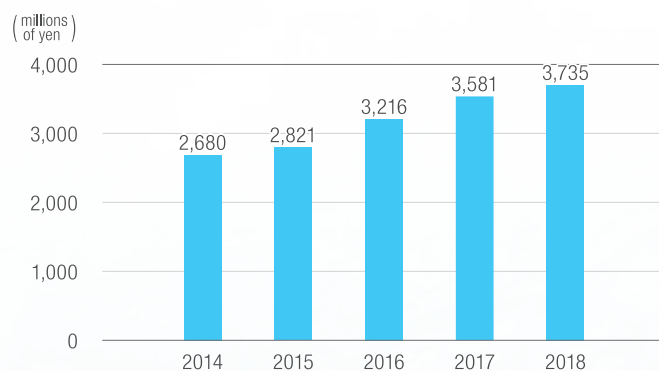
R&D Expenses / R&D Expenses to Sales Ratio



Capital Expenditure



Depreciation Expense



Financial Performance

(millions of yen)

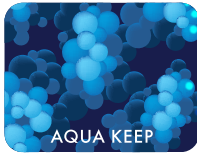
	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Net Sales	58,870	53,003	65,778	71,532	74,365
Operating Income	4,812	4,086	7,699	6,023	4,912
Operating Margin (%)	8.2	7.7	11.7	8.4	6.6
R&D Expenses	506	521	676	704	649
R&D Expenses to Sales Ratio (%)	0.9	1.0	1.0	1.0	0.9
Capital Expenditure	7,277	8,032	1,812	3,792	5,082
Depreciation Expense	2,680	2,821	3,216	3,581	3,735
Japan Naphtha Price (yen/KL)	63,500	42,800	34,700	41,900	49,400

Super Absorbent Polymer AQUA KEEP

Controlled Performance through Advanced Technology and Expertise



Differences Between AQUA KEEP and Competitors' Products



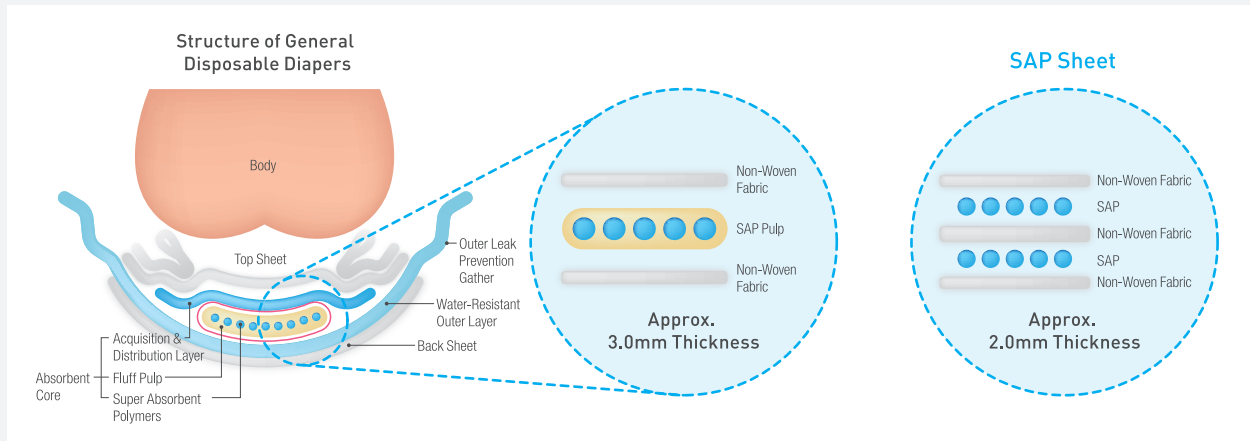
As a result of the many years devoted to the research and development of polymerization technologies, Sumitomo Seika has achieved a unique form of super absorbent polymers, AQUA KEEP. AQUA KEEP demonstrates superior absorption capabilities and can be customized according to various applications through our proprietary production technology (an inverse suspension polymerization process). In addition, we use our own core technologies to manufacture spherical particles (the product shown to the left) that offer superior texture (softness) when used in thinly designed diapers.

Advantages of AQUA KEEP

Absorption Capacity	AQUA KEEP can absorb water several hundred times its own dry weight in volume and retains most of the absorbed liquid, even under considerable pressure.
Particle Shape	AQUA KEEP is composed of spherical particles and has a narrow and controlled particle size distribution.
Scatter Uniformity	AQUA KEEP demonstrates excellent flowability and good scatter uniformity in most feeding systems.
Customizability	Our technology allows for multi-product production so we can customize AQUA KEEP according to individual user's specific needs.

SAP Sheets

"SAP sheets" are made from absorbent materials, and our AQUA KEEP is commonly used to fulfill the absorption required. Generally, SAP sheets contribute to designing a thinner absorbent core.



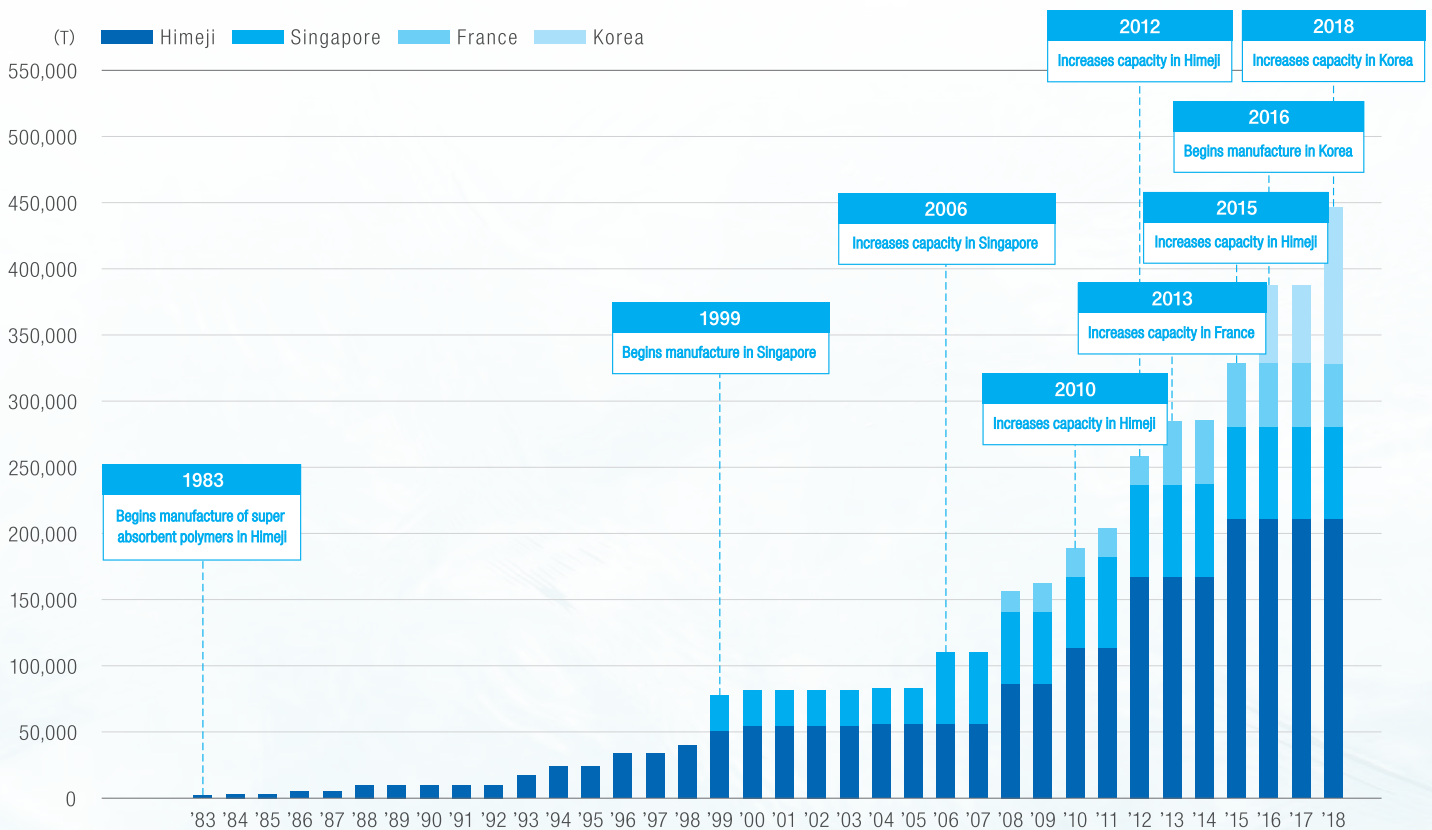
Global Production Capacity

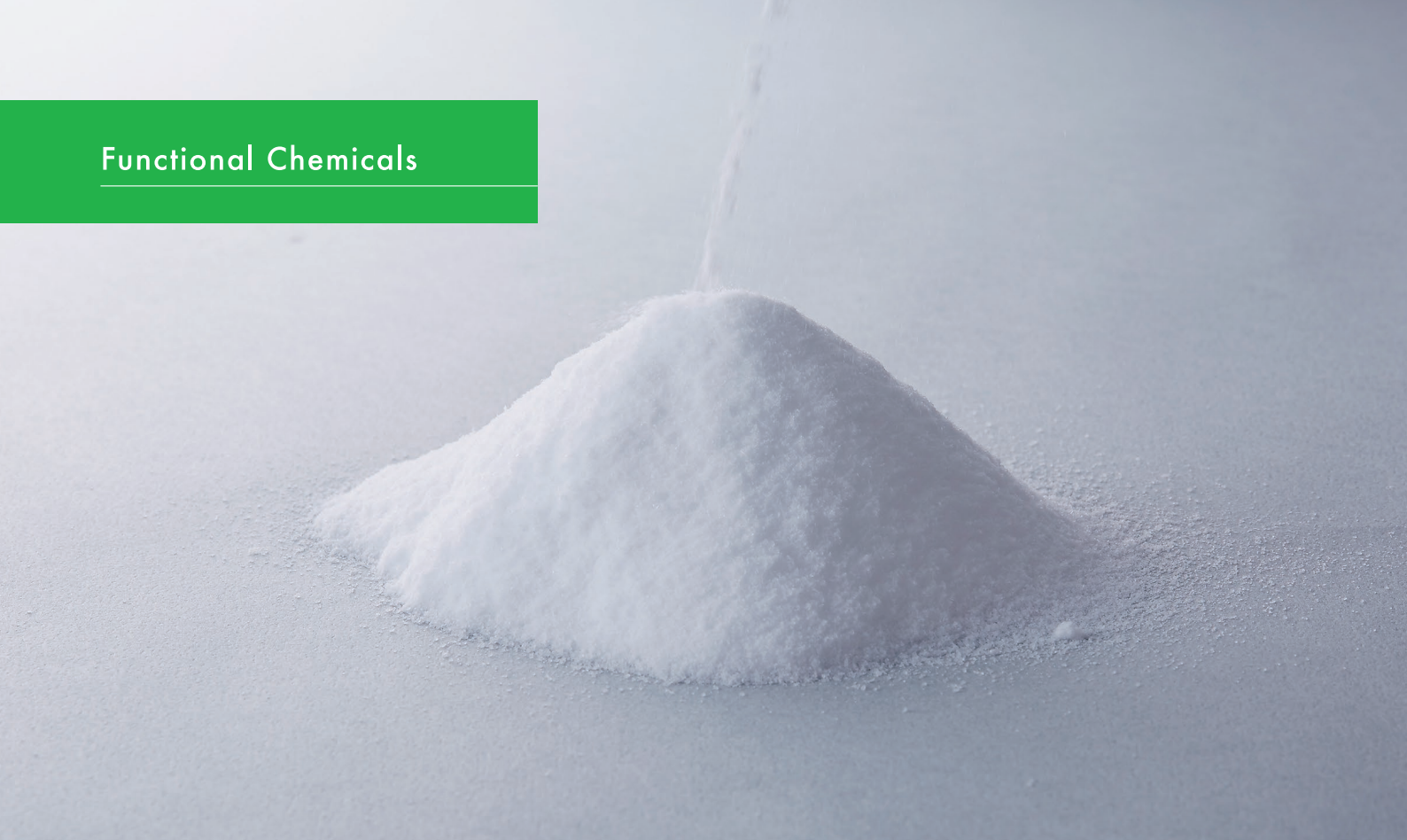
● Manufacturing ● Research and Development (R&D) ● Sales



France (consignment manufacturing through Arkema)	Singapore	Korea	Himeji
47,000 T/year	70,000 T/year	118,000 T/year	210,000 T/year
Total			
445,000 T/year			

Production Capacity Trends by Manufacturing Location





Outline

We develop our business based on Sumitomo Seika's key technical strengths of advanced functionality in thickening and binding and cutting-edge technology centered on polymerization, organic synthesis, and fine particle creation. This allows us to contribute to society in areas such as medical care, the environment, daily living, and energy. Our products

are widely applied to everyday articles, from cosmetics like hair gels, creams and foundations to lithium ion secondary batteries used in smartphones and electric vehicles, and coating agents for fences and shopping carts.

Major Product Fields



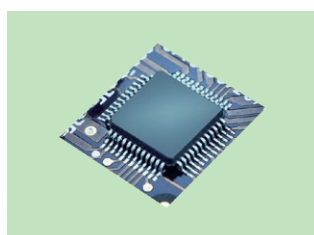
■ Medical Care

We have long been involved in the production of pharmaceutical intermediates (active ingredients) in compliance with GMP, and provide a wide variety of materials used in pharmaceutical additives and producing medical gloves. We are currently focusing on improving our pharmaceutical additives and are widely recognized by our customers for our exceptional quality and BCP.



■ Daily Living

We provide various materials for improving quality of life such as water-soluble thickeners that are essential for cosmetics and toiletries, as well as coating agents for increasing weather resistance on outdoor fences, etc. We are also actively working on developing new lines of environmental-friendly products.



■ Electronic Materials

We provide semiconductor-related materials to the fast-expanding electronic materials industry. We concentrate on developing materials that provide new functionality to a wide range of electronic devices and continue to advance our R&D initiatives with a focus on the future of the electronic materials industry.



■ Energy & the Environment

We research, develop and provide the materials used in large capacity batteries that are so essential to electric vehicles. Using the proprietary technology we have cultivated over the years, we work to further contribute to the advanced technologies used in environmental and energy-related fields.

We Won a Sensory Award for the 2nd Year in a Row

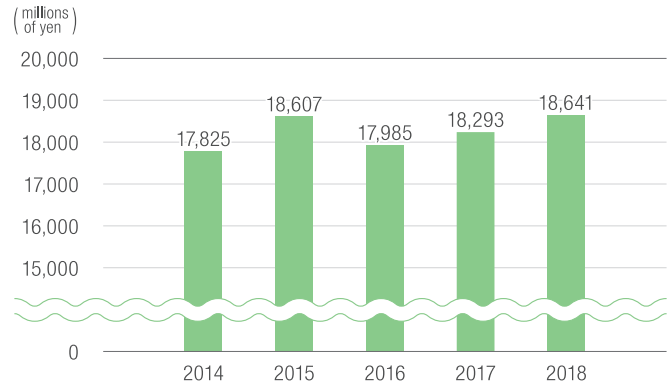
At In-cosmetics North America/Global, Sumitomo Seika won the Sensory Award in 2018 and 2019 for its use of AQUPEC MG N40R in cosmetic formulations. AQUPEC MG features a unique and smooth texture not found in conventional products, making it a perfect water-soluble thickener for cosmetics. It has received wide acclaim from customers around the world thanks to its exceptional properties.



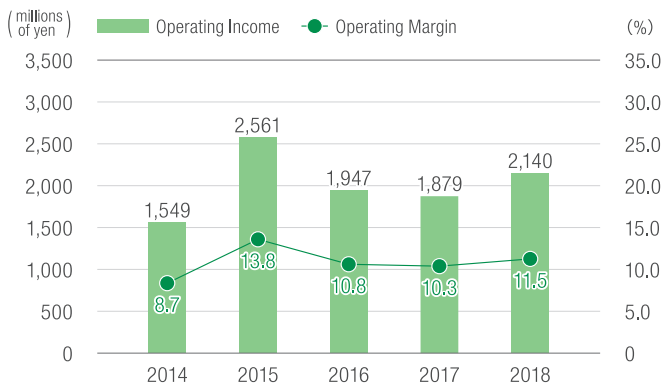
Company Performance Functional Chemicals

Net sales increased by 1.9% to 18,641 billion yen over the same period from the previous fiscal year, and operating income increased by 13.8% to 2,140 billion yen. This was primarily attributable to an increase in the sales volume of water-soluble polymers and pharmaceutical intermediates.

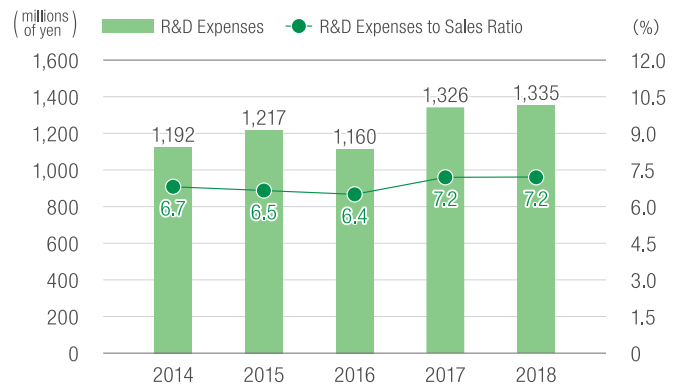
Net Sales



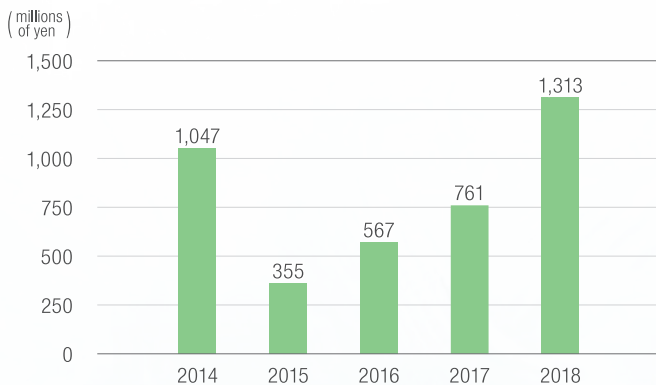
Operating Income & Operating Margin



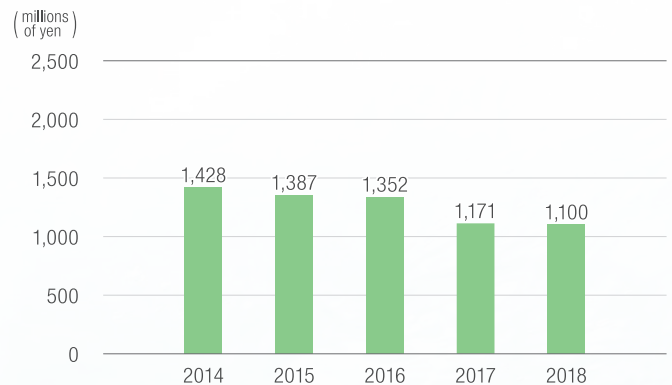
R&D Expenses / R&D Expenses to Sales Ratio



Capital Expenditure



Depreciation Expense



Financial Performance

(millions of yen)

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Net Sales	17,825	18,607	17,985	18,293	18,641
Operating Income	1,549	2,561	1,947	1,879	2,140
Operating Margin (%)	8.7	13.8	10.8	10.3	11.5
R&D Expenses	1,192	1,217	1,160	1,326	1,335
R&D Expenses to Sales Ratio (%)	6.7	6.5	6.4	7.2	7.2
Capital Expenditure	1,047	355	567	761	1,313
Depreciation Expense	1,428	1,387	1,352	1,171	1,100

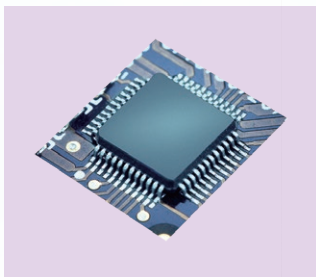


Outline

Defying any conventional definition of the term, Sumitomo Seika's gases take many different forms to best meet the diverse demands of various industrial sectors, including specialty gases used as analytical standards in environmental monitoring, electronics gases for depo-

sition in the semiconductor fabrication process, and chemical gases for medical and industrial applications and food additives. Our gases enjoy high popularity throughout the world due to their unique chemically-synthesized configuration.

Major Products



■ Electronics Gases

Our high-purity special material gases are used for deposition, etching, and other processes for semiconductor devices such as LSIs and flash memories. Our electronics gases have undergone the ultimate in refinement and impurity reduction processes and enjoy exceptional popularity worldwide thanks to their superior quality.



■ Industrial Chemicals

We produce various types of sulfur-based industrial chemicals. Sulfolane serves as a cleaning solvent for resists used in the semiconductor fabrication process and as a solvent for refining and extracting various aromatic compounds. Thiophenol and thionyl chloride are used as materials for producing pharmaceuticals, agricultural chemicals, and numerous other compounds.



■ Specialty Gases

Standard gases serve as analytical standards for various types of environmental monitoring and are pivotal in almost every industry that uses gases. Our specialty gases are used in a wide variety of applications, from R&D and production to controlling air pollution, factory smoke emissions, and automobile exhaust. They deliver a high level of reliability and consistently stable concentrations.



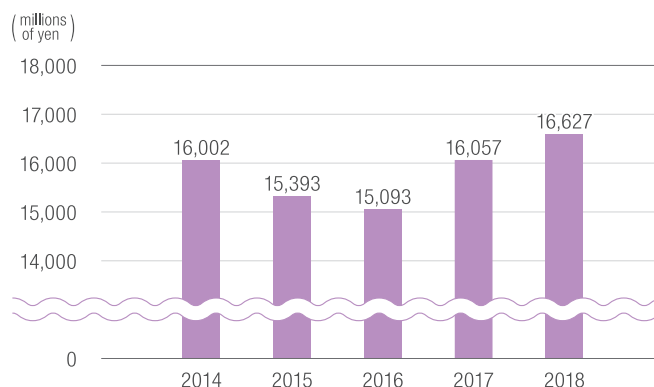
■ PSA

PSA gas generators utilize differences in adsorption properties among various gases to separate target gases through an alternating cycle of pressurization and decompression. We are capable of refining many types of gases using PSA gas generators. Separated gases are then applied to a wide variety of products, from food/beverages (e.g. beer) through industrial products such as fuel cell vehicles (FCVs).

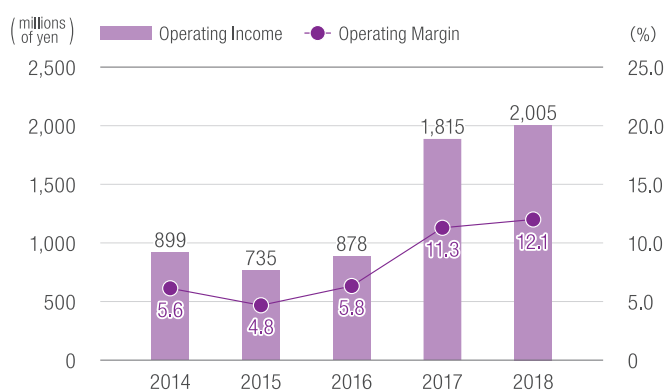
Company Performance Gases & Engineering

Net sales increased by 3.6% to 16,627 billion yen from the same period of the previous fiscal year, and operating income increased by 10.4% to 2,005 billion yen. This was mainly due to the expanded sales of our engineering business.

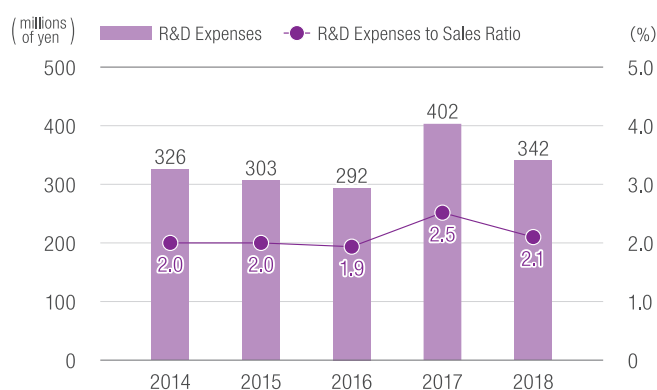
Net Sales



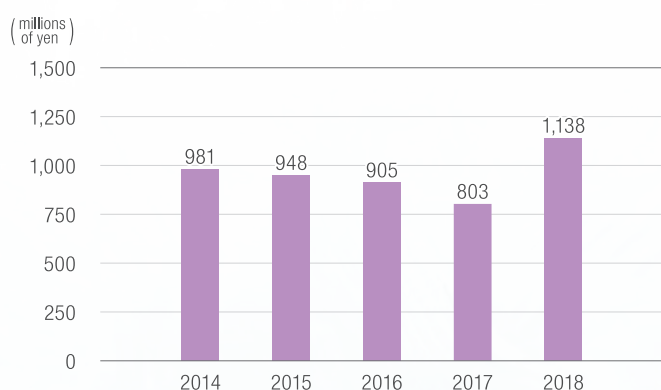
Operating Income & Operating Margin



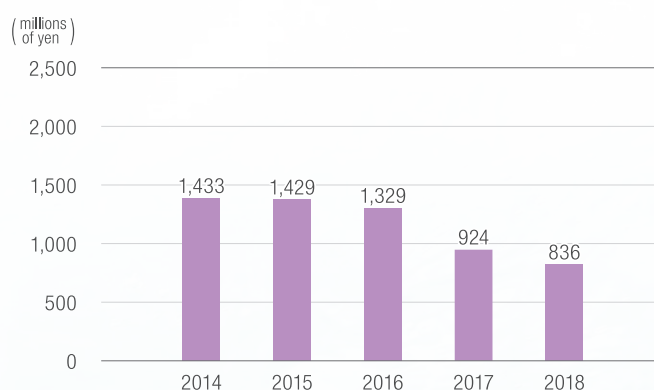
R&D Expenses / R&D Expenses to Sales Ratio



Capital Expenditure



Depreciation Expense



Financial Performance

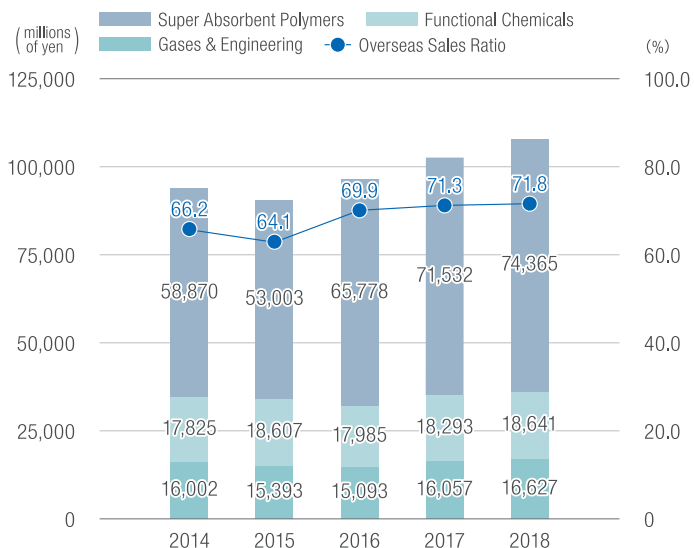
(millions of yen)

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Net Sales	16,002	15,393	15,093	16,057	16,627
Operating Income	899	735	878	1,815	2,005
Operating Margin (%)	5.6	4.8	5.8	11.3	12.1
R&D Expenses	326	303	292	402	342
R&D Expenses to Sales Ratio (%)	2.0	2.0	1.9	2.5	2.1
Capital Expenditure	981	948	905	803	1,138
Depreciation Expense	1,433	1,429	1,329	924	836

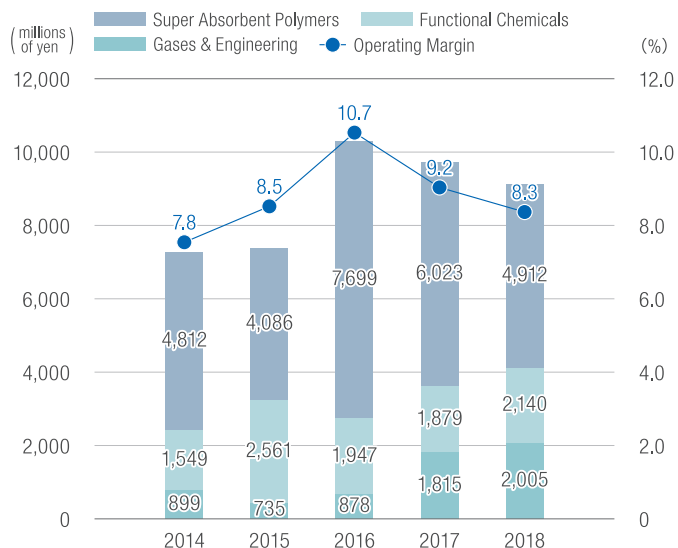
Financial Highlights

Financial Performance

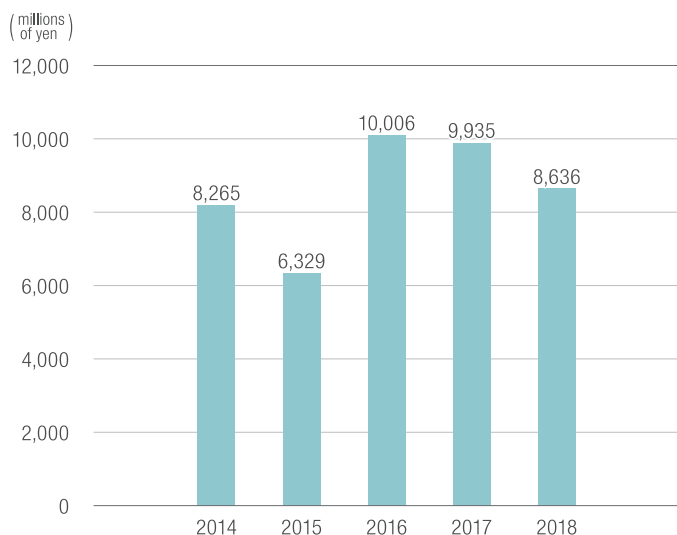
Net Sales



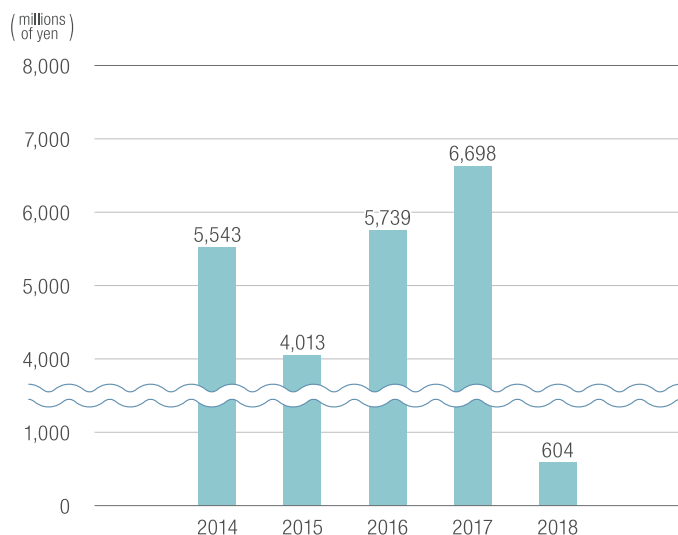
Operating Income & Operating Margin



Ordinary Income



Net Income Attributable to Owners of the Parent

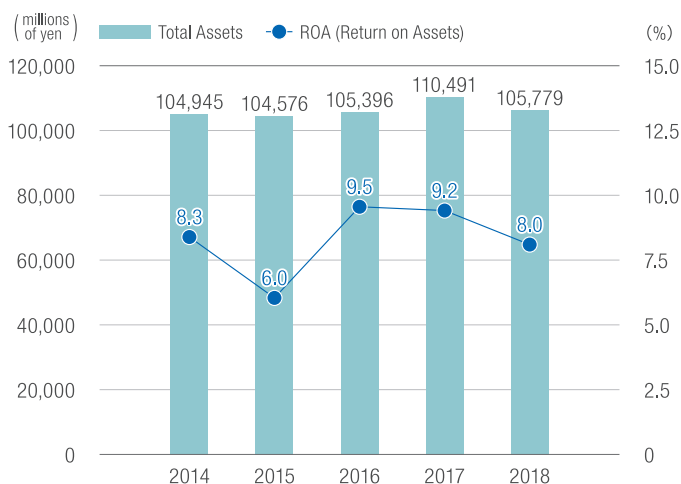


(millions of yen)

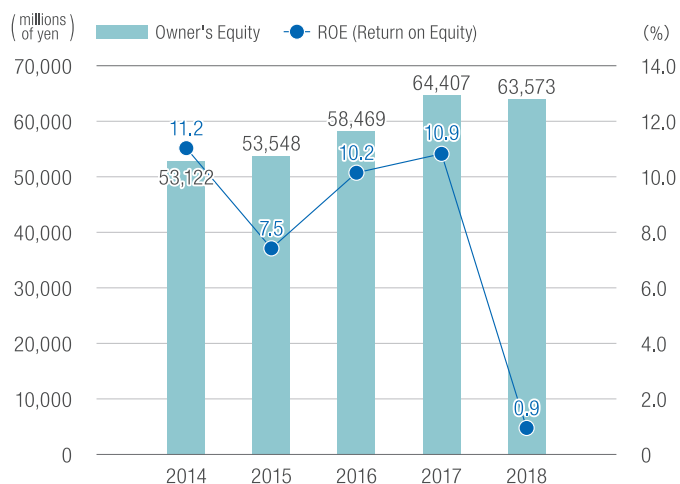
	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Net Sales	92,698	87,003	98,857	105,883	109,634
Overseas Sales Ratio (%)	66.2	64.1	69.9	71.3	71.8
Operating Income	7,252	7,404	10,541	9,734	9,072
Operating Margin (%)	7.8	8.5	10.7	9.2	8.3
Ordinary Income	8,265	6,329	10,006	9,935	8,636
Net Income Attributable to Owners of the Parent	5,543	4,013	5,739	6,698	604

Financial Position

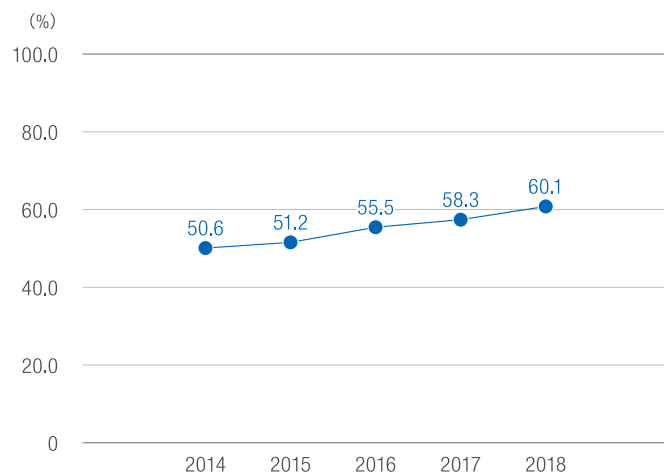
Total Assets / ROA (Return on Assets)



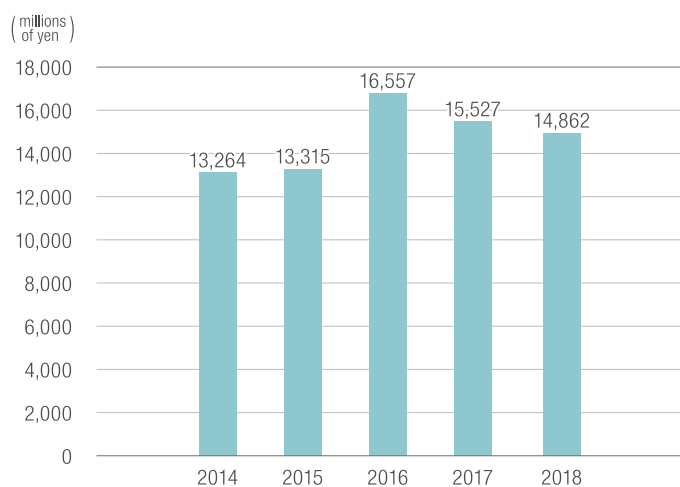
Owner's Equity / ROE (Return on Equity)



Equity Ratio



EBITDA



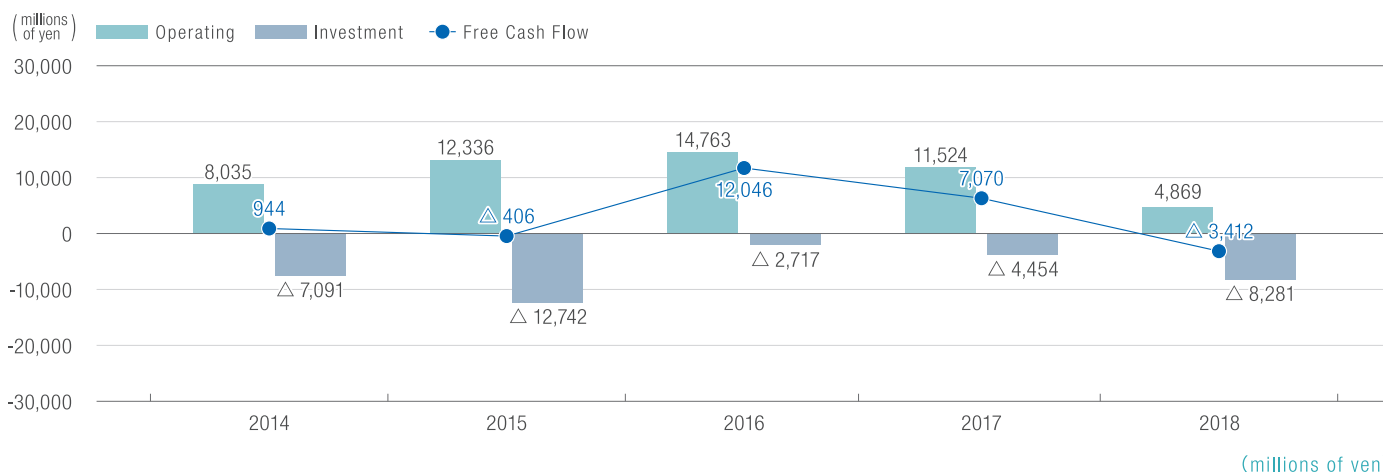
(millions of yen)

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Total Assets	104,954	104,576	105,396	110,491	105,779
ROA (Return on Assets) (%)	8.3	6.0	9.5	9.2	8.0
Owner's Equity	53,122	53,548	58,469	64,407	63,573
ROE (Return on Equity) (%)	11.2	7.5	10.2	10.9	0.9
Equity Ratio (%)	50.6	51.2	55.5	58.3	60.1
EBITDA	13,264	13,315	16,557	15,527	14,862
Bank Borrowings Balance	31,587	31,944	25,569	21,686	19,192
Debt / Equity Ratio (times)	0.6	0.6	0.4	0.3	0.3

Financial Highlights

Cash Flow, Capital Expenditure / Depreciation & R&D Expenses

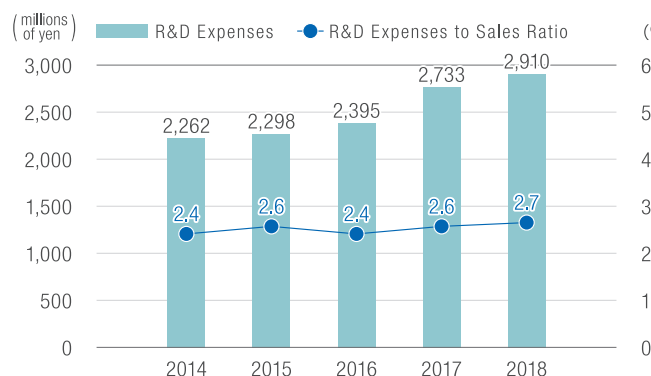
Cash Flow (Operating, Investment)



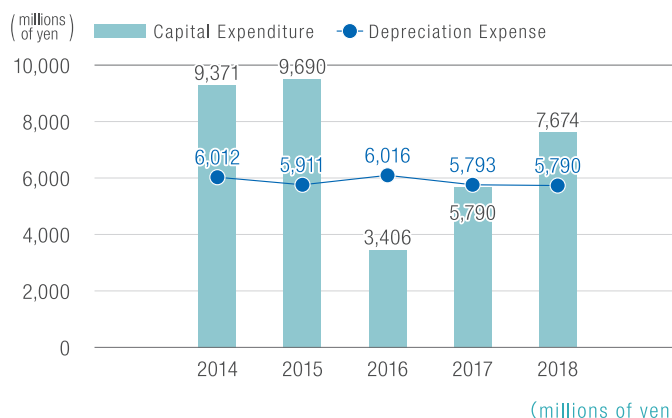
	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Cash Flow from Operating Activities	8,035	12,336	14,763	11,524	4,869
Cash Flow from Investment Activities	△ 7,091	△ 12,742	△ 2,717	△ 4,454	△ 8,281
Free Cash Flow	944	△ 406	12,046	7,070	△ 3,412
Cash Flow from Financing Activities	4,468	△ 657	△ 7,460	△ 5,781	△ 3,558
Cash and Cash Equivalents at the End of the Year	16,081	14,318	18,401	19,229	12,788

(millions of yen)

R&D Expenses / R&D Expenses to Sales Ratio



Capital Expenditure / Depreciation Expense

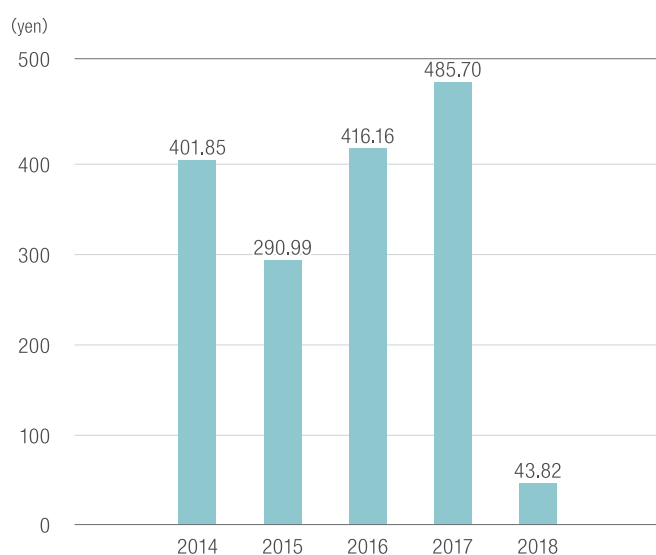


	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
R&D Expenses	2,262	2,298	2,395	2,733	2,910
R&D Expenses to Sales Ratio (%)	2.4	2.6	2.4	2.6	2.7
Capital Expenditure	9,371	9,690	3,406	5,790	7,674
Depreciation Expense	6,012	5,911	6,016	5,793	5,790

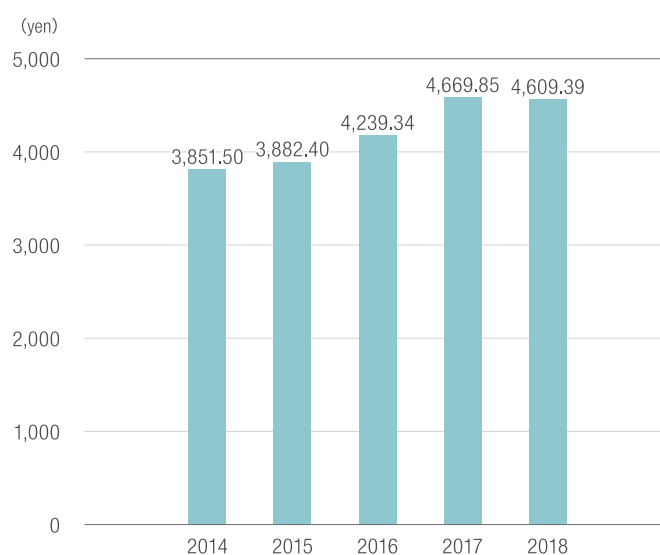
(millions of yen)

Per Share Data

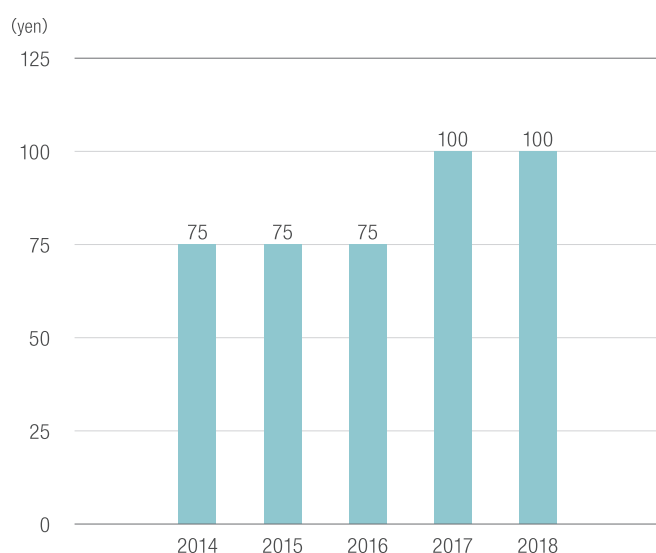
Net Income Per Share for the Term



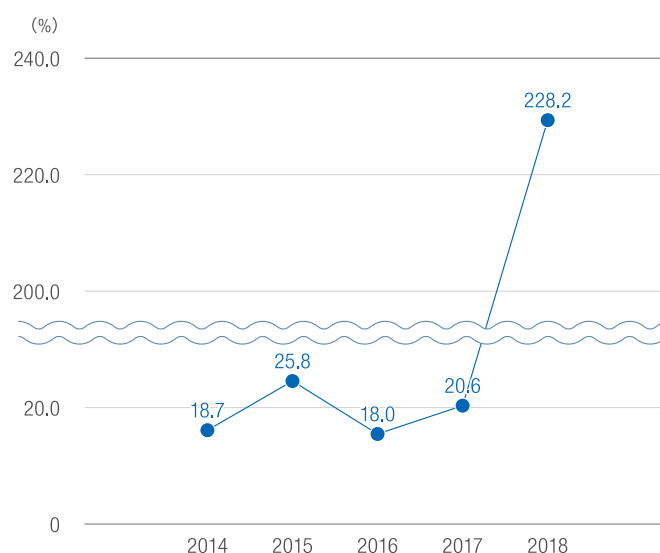
Net Assets Per Share



Dividends Per Share



Dividends Payout Ratio



	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Net Income Per Share for the Term (yen)	401.85	290.99	416.16	485.70	43.82
Net Assets Per Share (yen)	3,851.50	3,882.40	4,239.34	4,669.85	4,609.39
Dividends Per Share (yen)	75	75	75	100	100
Dividends Payout Ratio (%)	18.7	25.8	18.0	20.6	228.2
Total Dividends (millions of yen)	1,034	1,034	1,034	1,379	1,379

(Note) The Company consolidated every five shares into a single share on October 1, 2016 with a change in the number of shares per unit from 1,000 to 100 shares. The figures and charts for September 2016 and earlier have been adjusted to account for the share consolidation implemented at the time.

Consolidated Balance Sheet

(millions of yen)

	End of Fiscal 2014	End of Fiscal 2015	End of Fiscal 2016	End of Fiscal 2017	End of Fiscal 2018
Assets					
Current Assets					
Cash & Deposits	16,417	14,622	18,931	20,212	13,979
Notes & Accounts Receivable-Trade	21,748	19,879	23,333	24,965	26,898
Inventories	14,120	14,736	12,035	13,456	17,329
Others	3,240	3,177	3,260	3,415	3,178
Non-Current Assets					
Property, Plants & Equipment	44,577	47,272	42,559	42,496	39,752
Intangible Assets	433	207	322	287	219
Investments & Other Assets	4,415	4,679	4,951	5,656	4,422
Total Assets	104,954	104,576	105,396	110,491	105,779
Liabilities					
Current Liabilities					
Notes & Accounts Payable-Trade	9,243	10,059	12,250	14,420	13,738
Short-Term Loans Payable	15,310	10,908	10,368	15,690	15,280
Others	7,358	4,776	5,453	6,711	5,524
Non-Current Liabilities					
Long-Term Loans Payable	16,277	21,036	15,200	5,996	3,912
Others	1,197	1,662	1,235	1,092	1,321
Total Liabilities	49,388	48,445	44,512	43,914	39,777
Net Assets					
Shareholders' Equity					
Paid in Capital	9,698	9,698	9,698	9,698	9,698
Capital Surplus	7,539	7,539	7,539	7,539	7,539
Retained Earnings	31,056	34,035	38,740	44,232	43,458
Treasury Stock	△ 258	△ 259	△ 260	△ 261	△ 261
Total Shareholders' Equity	48,034	51,012	55,717	61,208	60,433
Accumulated Other Comprehensive Income					
Valuation Difference on Available-for-Sale Securities	524	329	588	761	616
Foreign Currency Translation Adjustment	4,309	2,486	1,946	1,779	1,916
Remeasurements of Net Defined Benefit Plans	254	△ 280	218	657	606
Non-Controlling Interests	2,442	2,582	2,414	2,169	2,429
Total Net Assets	55,565	56,130	60,884	66,576	66,002
Liabilities and Net Assets	104,954	104,576	105,396	110,491	105,779

Consolidated Income Statement

(millions of yen)

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Net Sales	92,698	87,003	98,857	105,883	109,634
Operating Income	7,252	7,404	10,541	9,734	9,072
Non-Operating Income					
Interest Income & Dividends Income	75	121	150	202	257
Foreign Exchange Gain	1,269	-	-	13	-
Others	129	70	151	181	191
Subtotal	1,474	192	302	398	450
Non-Operating Expenses					
Interest Expenses	231	220	179	172	157
Foreign Exchange Loss	-	935	646	-	699
Others	230	111	11	25	28
Subtotal	462	1,267	837	198	885
Ordinary Income	8,265	6,329	10,006	9,935	8,636
Extraordinary Gain					
Gain on Sales of Investment Securities	20	30	-	38	-
Gain on Sales of Non-Current Assets	-	23	-	-	241
Others	171	-	-	-	117
Subtotal	191	54	-	38	358
Extraordinary Loss					
Loss on Retirement of Non-Current Assets	163	165	153	229	276
Loss on Sales of Non-Current Assets	-	-	16	-	-
Impairment Loss	-	-	1,179	-	4,040
Others	148	-	-	-	113
Subtotal	311	165	1,349	229	4,430
Income Before Income Taxes	8,144	6,218	8,657	9,745	4,564
Total Income Tax Expenses for the Period	2,257	1,887	2,747	2,934	3,804
Net Income	5,887	4,330	5,909	6,810	760
Net Income Attributable to Non-Controlling Interests	344	316	169	111	156
Net Income Attributable to Owners of the Parent	5,543	4,013	5,739	6,698	604

Consolidated Statement of Cash Flow

(millions of yen)

	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Cash Flow from Operating Activities					
Income Before Income Taxes	8,144	6,218	8,657	9,745	4,564
Depreciation Expense	6,012	5,911	6,016	5,793	5,790
Loss on Retirement of Non-Current Assets	53	68	74	107	88
Impairment Loss	-	-	1,179	-	4,040
Decrease (Increase) in Net Defined Benefit Assets	182	105	147	18	△ 113
Increase (Decrease) in Net Defined Benefit Liabilities	△ 111	△ 194	75	309	245
Interest Income & Dividends Income	△ 75	△ 121	△ 151	△ 203	△ 258
Subsidy Income	-	-	-	△ 98	△ 154
Interest Expenses	231	220	179	172	157
Loss (Gain) on Sales of Non-Current Assets	-	△ 23	16	-	△ 241
Loss (Gain) on Sales of Available-for-Sale Securities	△ 20	△ 30	-	△ 38	-
Decrease (Increase) in Notes and Accounts Receivable-Trade	2,567	1,344	△ 3,580	△ 1,447	△ 2,049
Decrease (Increase) in Inventories	△ 956	△ 815	2,510	△ 1,266	△ 4,149
Increase (Decrease) in Notes and Accounts Payable-Trade	△ 3,918	1,282	2,275	2,152	△ 669
Others	△ 384	206	△ 143	△ 751	210
Subtotal	11,725	14,171	17,257	14,492	7,462
Interest and Dividends Income Received	75	121	150	202	258
Subsidy Income Received	-	-	-	81	172
Interest Expenses Paid	△ 233	△ 216	△ 178	△ 171	△ 173
Others	-	-	-	-	99
Income Tax Paid	△ 3,533	△ 1,741	△ 2,466	△ 3,080	△ 2,948
Total Cash Flow from Operating Activities	8,035	12,336	14,763	11,524	4,869
Cash Flow from Investment Activities					
Purchase of Non-Current Assets	△ 7,374	△ 12,399	△ 2,883	△ 4,061	△ 8,360
Proceeds from Sales of Non-Current Assets	-	59	21	-	289
Proceeds from Sales of Available-for-Sale Securities	37	34	-	108	-
Others	244	△ 437	143	△ 502	△ 210
Total Cash Flow from Investment Activities	△ 7,091	△ 12,742	△ 2,717	△ 4,454	△ 8,281
Cash Flow from Financing Activities					
Net Increase (Decrease) in Short-Term Loans Payable	5,578	△ 1,246	△ 5,840	544	5,054
Proceeds from Long-Term Loans Payable	4,500	5,000	-	999	2,991
Repayment of Long-Term Loans Payable	△ 4,299	△ 3,279	△ 211	△ 5,839	△ 10,200
Purchase of Treasury Stock	△ 2	△ 0	△ 1	△ 0	△ 0
Repayments of Lease Obligations	△ 103	△ 95	△ 71	△ 56	△ 24
Cash Dividends Paid	△ 1,205	△ 1,034	△ 1,034	△ 1,207	△ 1,378
Cash Dividends Paid to Non-Controlling Interests	-	-	△ 301	△ 220	-
Total Cash Flow from Financing Activities	4,468	△ 657	△ 7,460	△ 5,781	△ 3,558
Effect of Exchange Rate Change on Cash and Cash Equivalents	1,189	△ 699	△ 502	△ 460	528
Net Increase (Decrease) in Cash and Cash Equivalents	6,601	△ 1,762	4,083	827	△ 6,441
Cash and Cash Equivalents at the Beginning of the Period	9,479	16,081	14,318	18,401	19,229
Cash and Cash Equivalents at the End of the Period	16,081	14,318	18,401	19,229	12,788

Consolidated Comprehensive Income Statement

(millions of yen)

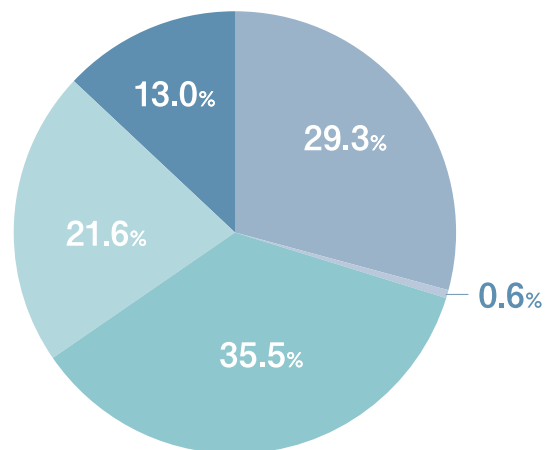
	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Net Income	5,887	4,330	5,909	6,810	760
Other Comprehensive Income					
Valuation Difference on Available-for-Sale Securities	128	△ 194	258	173	△ 145
Foreign Currency Translation Adjustment	1,774	△ 1,999	△ 576	△ 302	240
Remeasurements of Net Defined Benefit Plans	634	△ 534	498	438	△ 50
Total Other Comprehensive Income	2,537	△ 2,729	180	310	44
Comprehensive Income	8,424	1,600	6,090	7,120	805
(Breakdown)					
Comprehensive Income Attributable to Owners of the Parent	7,750	1,460	5,957	7,144	545
Comprehensive Income Attributable to Non-Controlling Interests	673	140	132	△ 23	259

Company & Investors Information

Stock Information

Paid in Capital	9,698 million yen
Total Number of Shares Authorized to be Issued by the Company	40,000,000
Number of Shares Issued	13,972,970
Closing Date	March 31
Share Unit Number	100
Annual Shareholders Meeting	Held annually in June
Number of Shareholders	3,828
Traded at	Tokyo Stock Exchange (First Section)
Shareholder Registry Administrator	4-5-33 Kitahama, Chuo-ku, Osaka 541-0041, Japan Sumitomo Mitsui Trust Bank, Limited
Securities Code	4008
Credit Rating	R&I BBB+

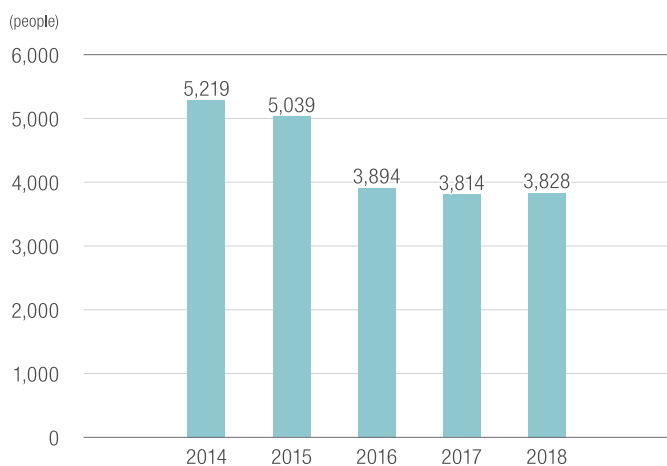
Shareholder Distribution



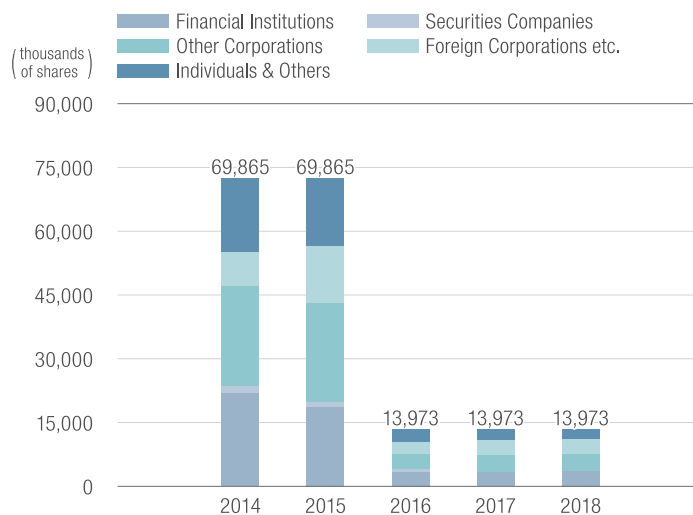
Number of Shareholders
3,828

- Financial Institutions
- Securities Companies
- Other Corporations
- Foreign Corporations etc.
- Individuals & Others

Trends in Number of Shareholders



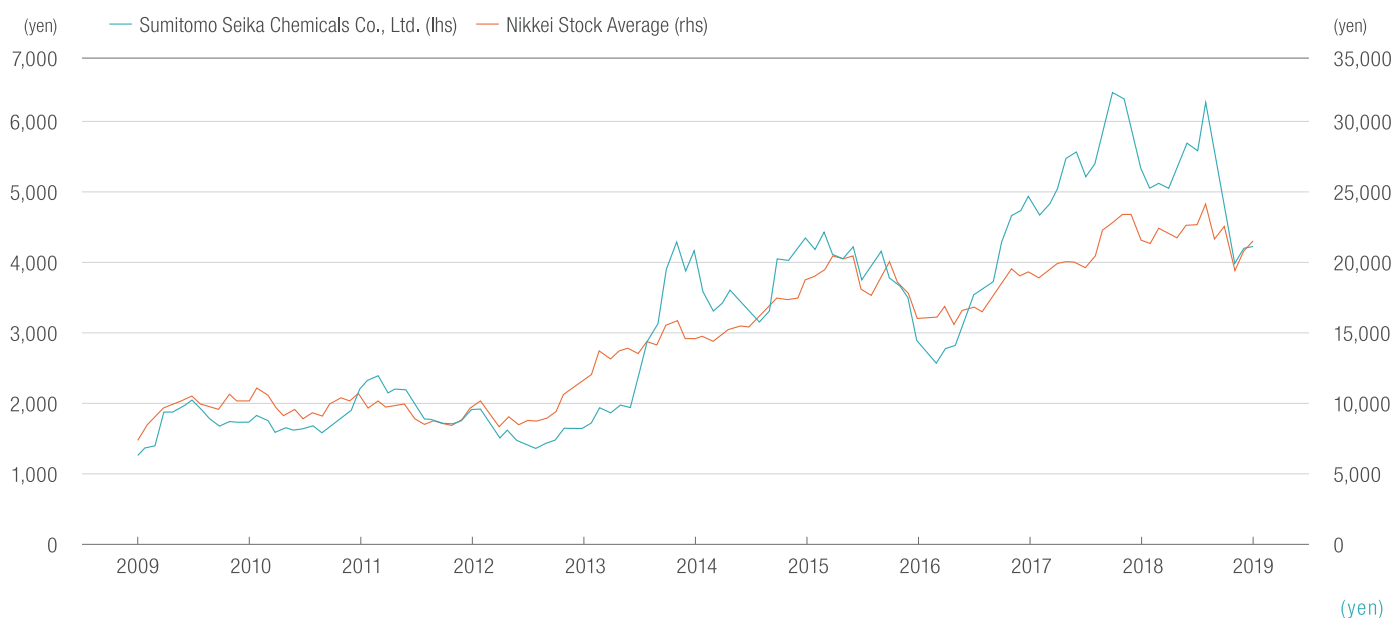
Trends in Shareholder Distribution



	End of Fiscal 2014	End of Fiscal 2015	End of Fiscal 2016	End of Fiscal 2017	End of Fiscal 2018
Trends in Number of Shareholders	5,219	5,039	3,894	3,814	3,828
Trends in Shareholder Distribution (thousands of shares)	69,865	69,865	13,973	13,973	13,973
Financial Institutions	21,407	18,884	3,787	3,698	4,094
Securities Companies	1,018	867	275	81	77
Other Corporations	25,075	24,969	4,979	4,971	4,969
Foreign Corporations etc.	7,743	11,195	2,858	3,372	3,019
Individuals & Others	14,622	13,949	2,074	1,851	1,814

(Note) The Company consolidated every five shares into a single share on October 1, 2016. As a result, the total number of outstanding shares decreased from 69,865,000 to 13,973,000 shares.

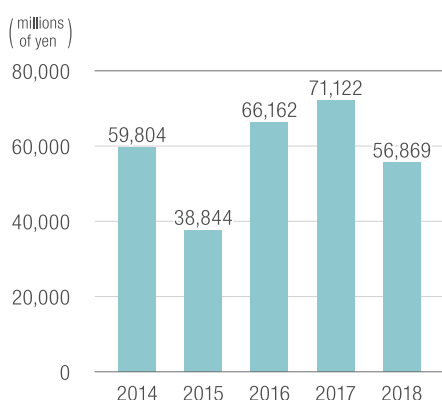
Trends in Nikkei Stock Average and Share Prices of Sumitomo Seika



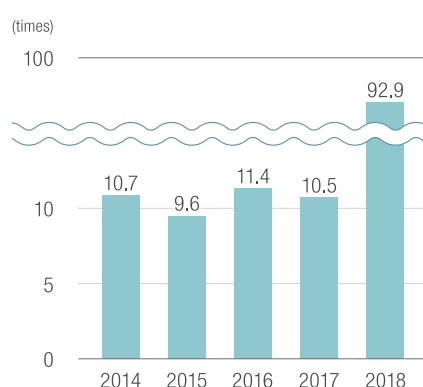
	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Annual Highest Stock Price	4,535	4,675	5,070	7,170	6,520
Annual Lowest Stock Price	2,900	2,630	2,415	4,355	3,765
Stock Price at the End of the Period	4,280	2,780	4,735	5,090	4,070
Annual Turnover (shares)	17,203,200	11,953,800	11,818,200	10,458,200	7,134,900

(Note) The Company consolidated every five shares into a single share on October 1, 2016 with a change in the number of shares per unit from 1,000 to 100 shares. The figures and charts for September 2016 and earlier have been adjusted to account for the share consolidation implemented at the time.

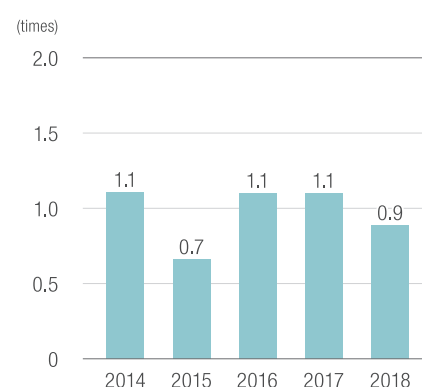
Market Capitalization



Price Earnings Ratio (PER)



Price Book-Value Ratio (PBR)



	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018
Market Capitalization (millions of yen)	59,804	38,844	66,162	71,122	56,869
Price Earnings Ratio (PER) (times)	10.7	9.6	11.4	10.5	92.9
Price Book-Value Ratio (PBR) (times)	1.1	0.7	1.1	1.1	0.9



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