

Creating new worlds
in the niches
between the current ones

Financial Results for the FY2016 (April 1, 2015–March 31, 2016)

April 26, 2016

 **SHIKOKU CHEMICALS CORPORATION**

Security Code:4099

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Corporate Profile

▼ Company overview

- Company name SHIKOKU CHEMICALS CORPORATION
- Incorporated October 10, 1947
- The Company was established in Marugame, Kagawa Prefecture, as a producer of carbon disulfide.
- Lines of Business [Chemical operations] Inorganic Chemicals, Organic Chemicals, Fine Chemicals
[Housing Materials operations] Interior, Exterior Finishes and Paving Materials, Home Exterior Products, Decorative Exterior Products
- R&D, Plant Facilities 1 R&D, 6 Plants
- Directory [Japan] 2 branches, 9 sales offices [Overseas] U.S.A, China (Shanghai, Shenzhen), Taiwan, Singapore
- Capital 6,867 million yen
- Number of employees Consolidated 1,056 Non-Consolidated 591 (As of March 31, 2016)

▼ Share of stock

- Issued Shares 58,948,063
- Number of Shareholders 4,023 (As of March 31, 2016)

▼ SHIKOKU CHEMICALS CORPORATION Group

[Japan] 9 consolidated subsidiaries

[Overseas] one consolidated subsidiary and one unconsolidated subsidiary

SHIKOKU INTERNATIONAL CORPORATION

Nippon Ryutan Kogyo Co., Ltd.

Shikoku Environmental Business Company

Shikoku Analytical Laboratories

SHIKOKU KOSAN CORPORATION

SHIKOKU KEIZAI CORPORATION

SHIKOKU KEIZAI KANTO CORPORATION

SHIKOKU SYSTEM KOHBOH CORPORATION

Shikoku Foods & Trading Company

Shikoku Foods & Insurance Service Co., Ltd.

Shikoku (Shanghai) Co., Ltd.

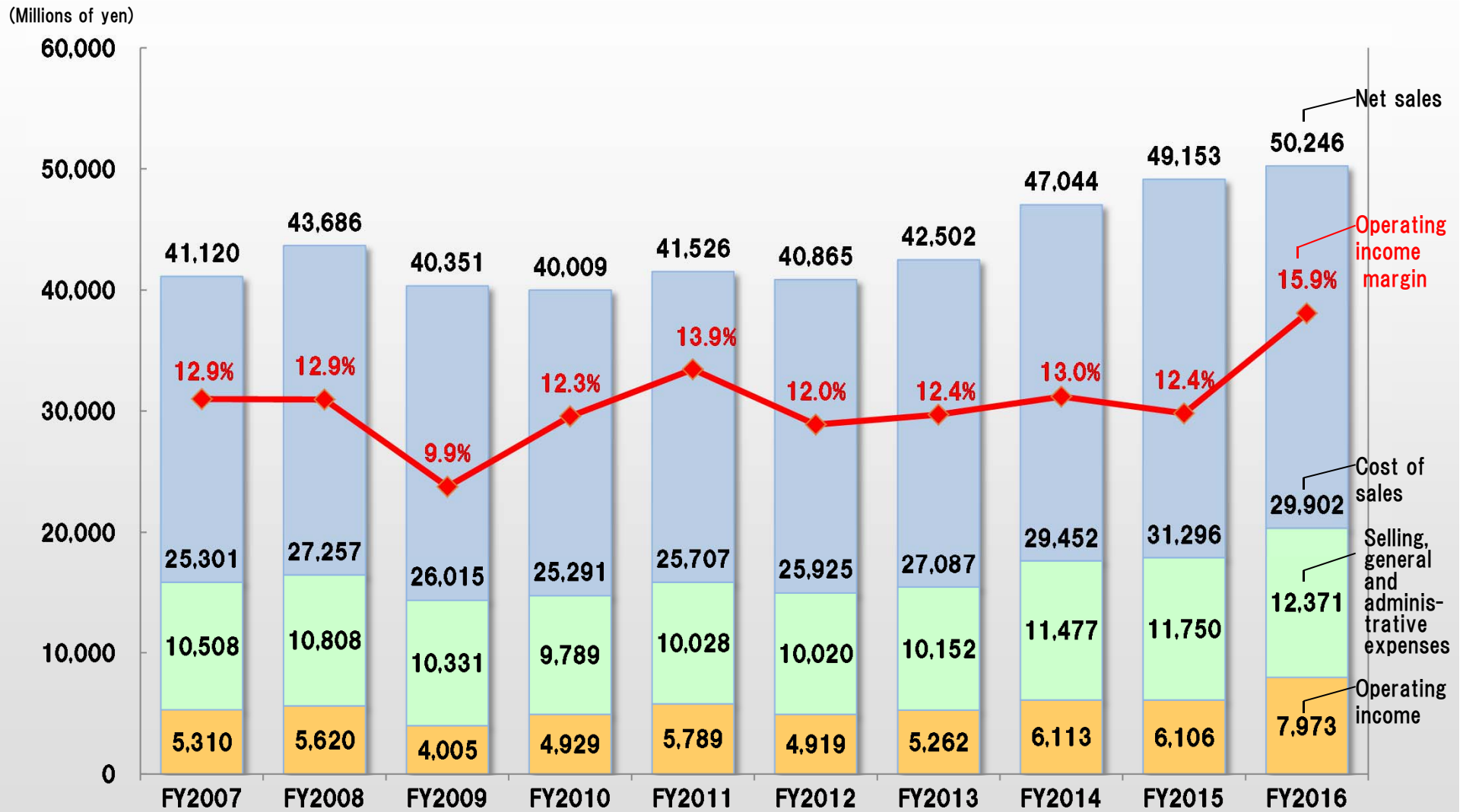
Highlights of Financial Results for FY2016

(Millions of yen)

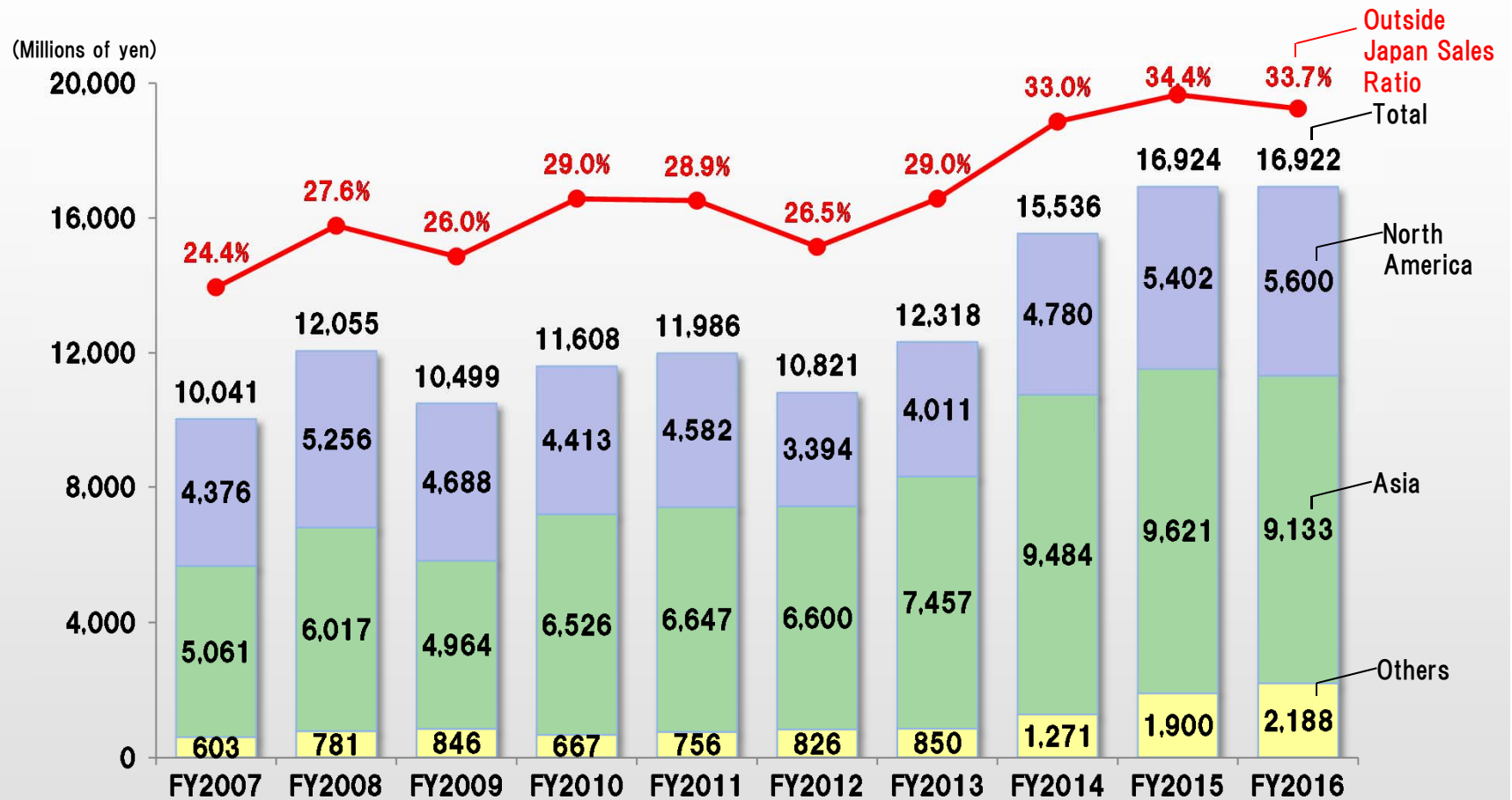
	FY2015		FY2016		Increase of amount	Changes
	Amount	Percentage	Amount	Percentage		
Net sales	49,153	100.0%	50,246	100.0%	1,093	2.2%
Operating Income	6,106	12.4%	7,973	15.9%	1,867	30.6%
Ordinary income	6,531	13.3%	8,197	16.3%	1,666	25.5%
Net income attributable to owners of the parent	4,361	8.9%	4,854	9.7%	493	11.3%
Exchange rate (USD)	109		121			
Exchange rate (EUR)	139		133			

The exchange rates given above are average rates for the period from April to March.

Financial Results Trend (consolidated and full-year)

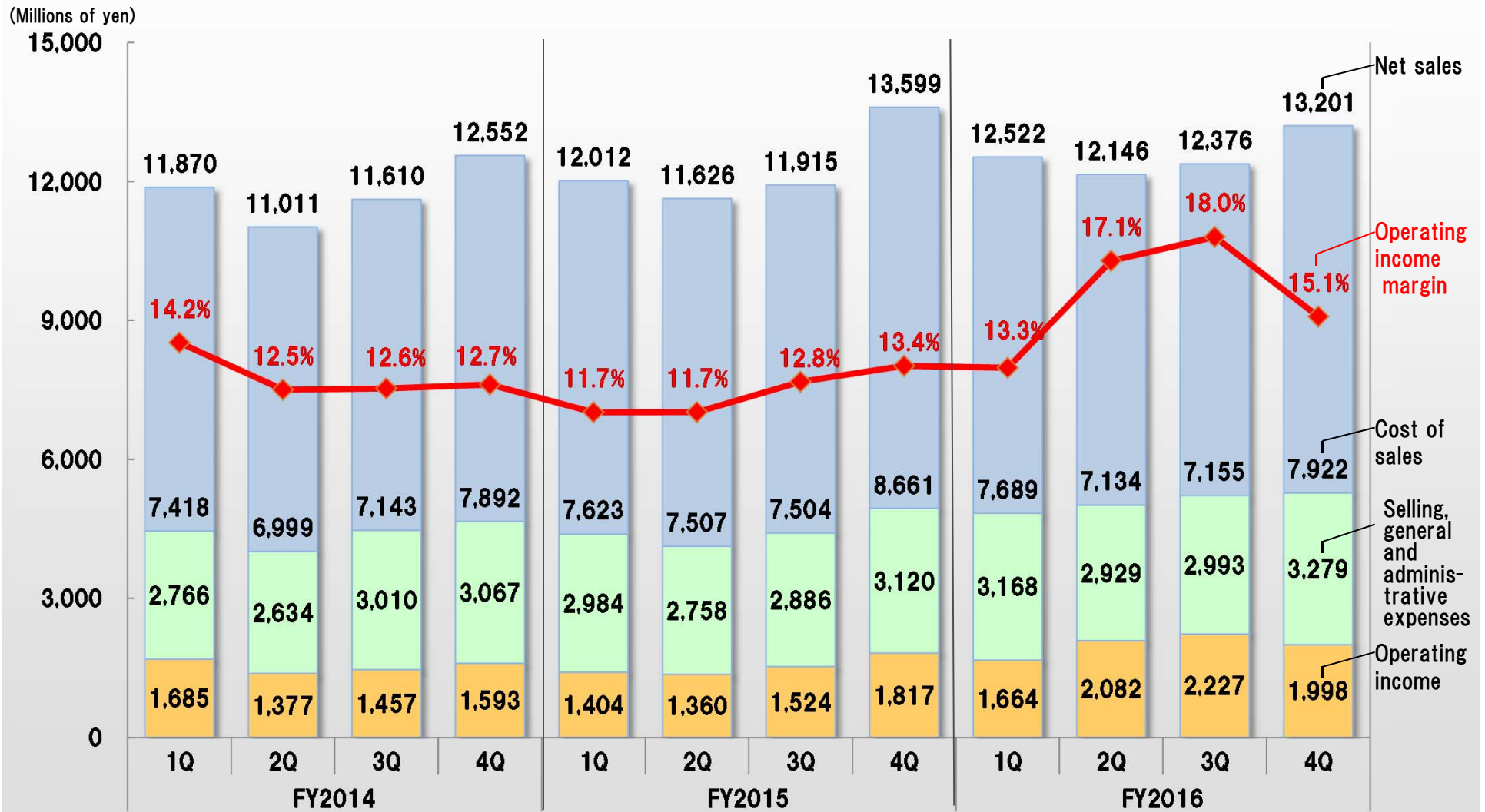


Sales Trends by Region



Exchange rate (USD)	117	111	101	93	86	79	82	100	109	121
Exchange rate (EUR)	149	161	148	132	114	110	106	132	139	133

Financial Results Trend (consolidated and quarter)

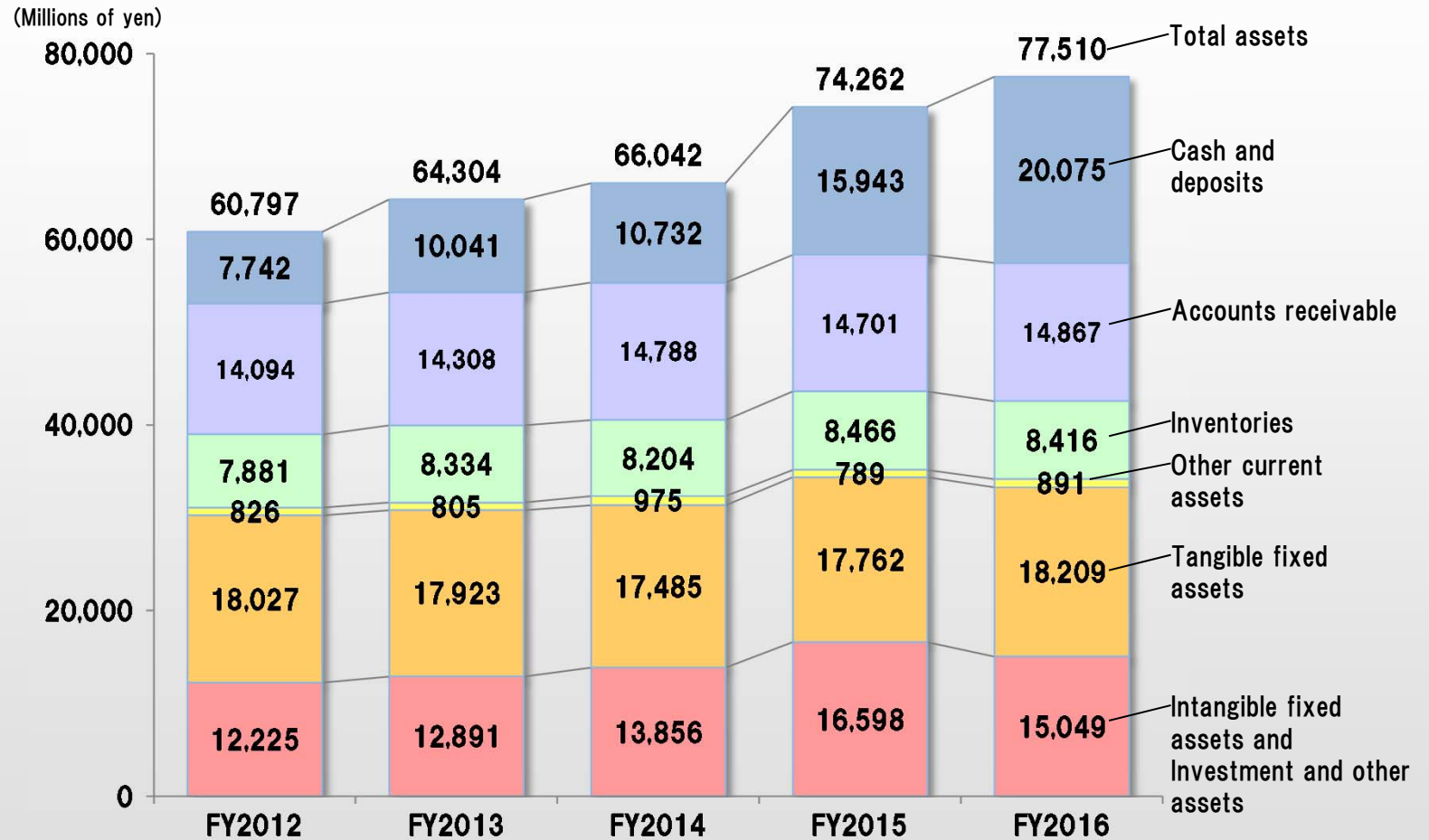


Financial Results (consolidated and quarter)

(Millions of yen)

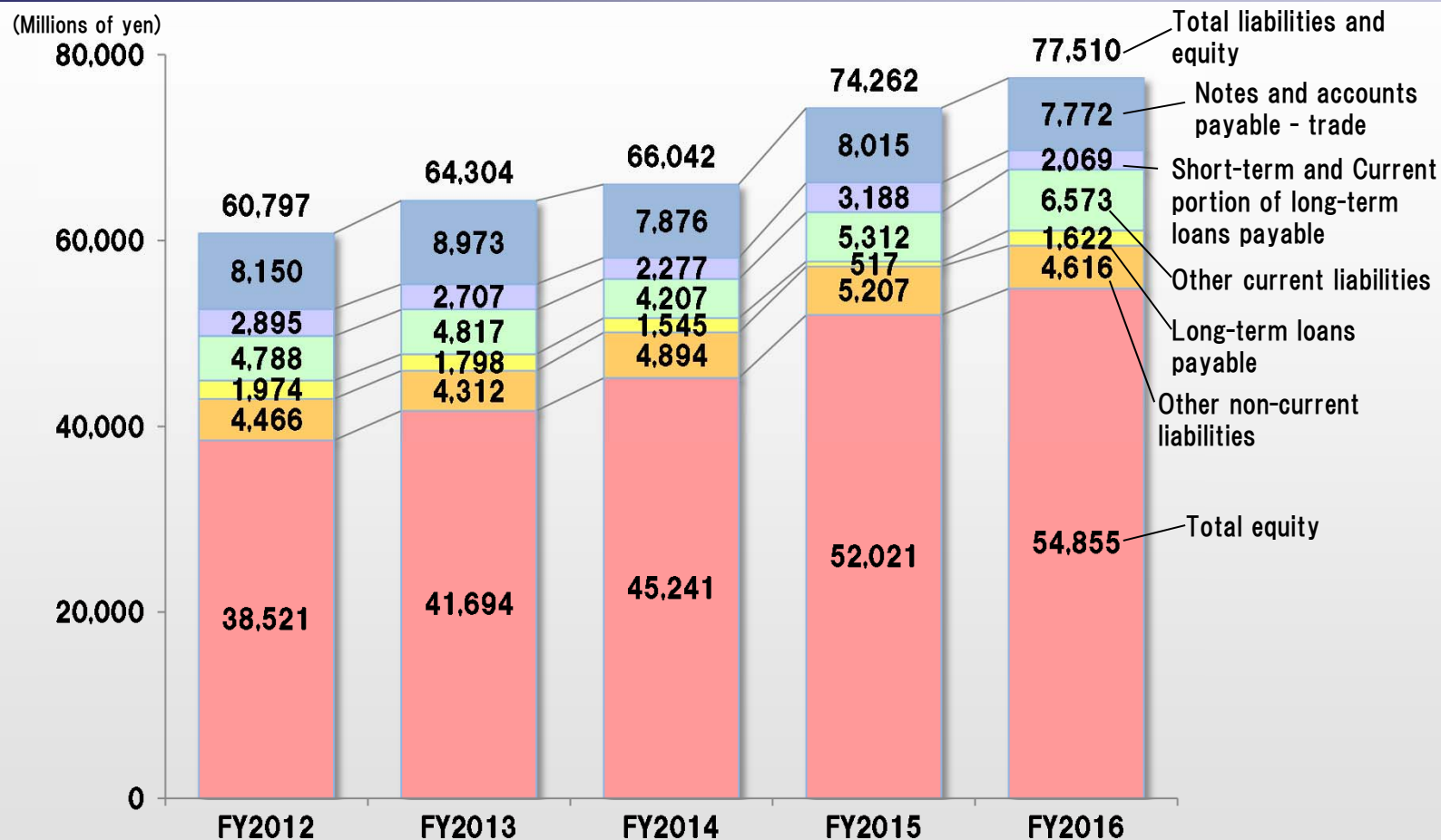
	Qtr1		Qtr2		Qtr3		Qtr4		FY2016	
		year-on year changes		year-on year changes		year-on year changes		year-on year changes		year-on year changes
Net sales	12,522	510 (+4.2%)	12,146	519 (+4.5%)	12,376	461 (+3.9%)	13,201	▲ 397 (▲2.9%)	50,246	1,093 (+2.2%)
Operating income	1,664	260 (+18.5%)	2,082	721 (+53.1%)	2,227	703 (+46.2%)	1,998	181 (+10.0%)	7,973	1,867 (+30.6%)
Ordinary income	1,978	457 (+30.1%)	1,987	476 (+31.6%)	2,372	587 (+32.9%)	1,859	144 (+8.4%)	8,197	1,666 (+25.5%)
Net income attributable to owners of the parent	1,250	354 (+39.5%)	1,323	155 (+13.3%)	1,564	346 (+28.4%)	715	▲ 362 (▲33.6%)	4,854	493 (+11.3%)

Assets (consolidated)



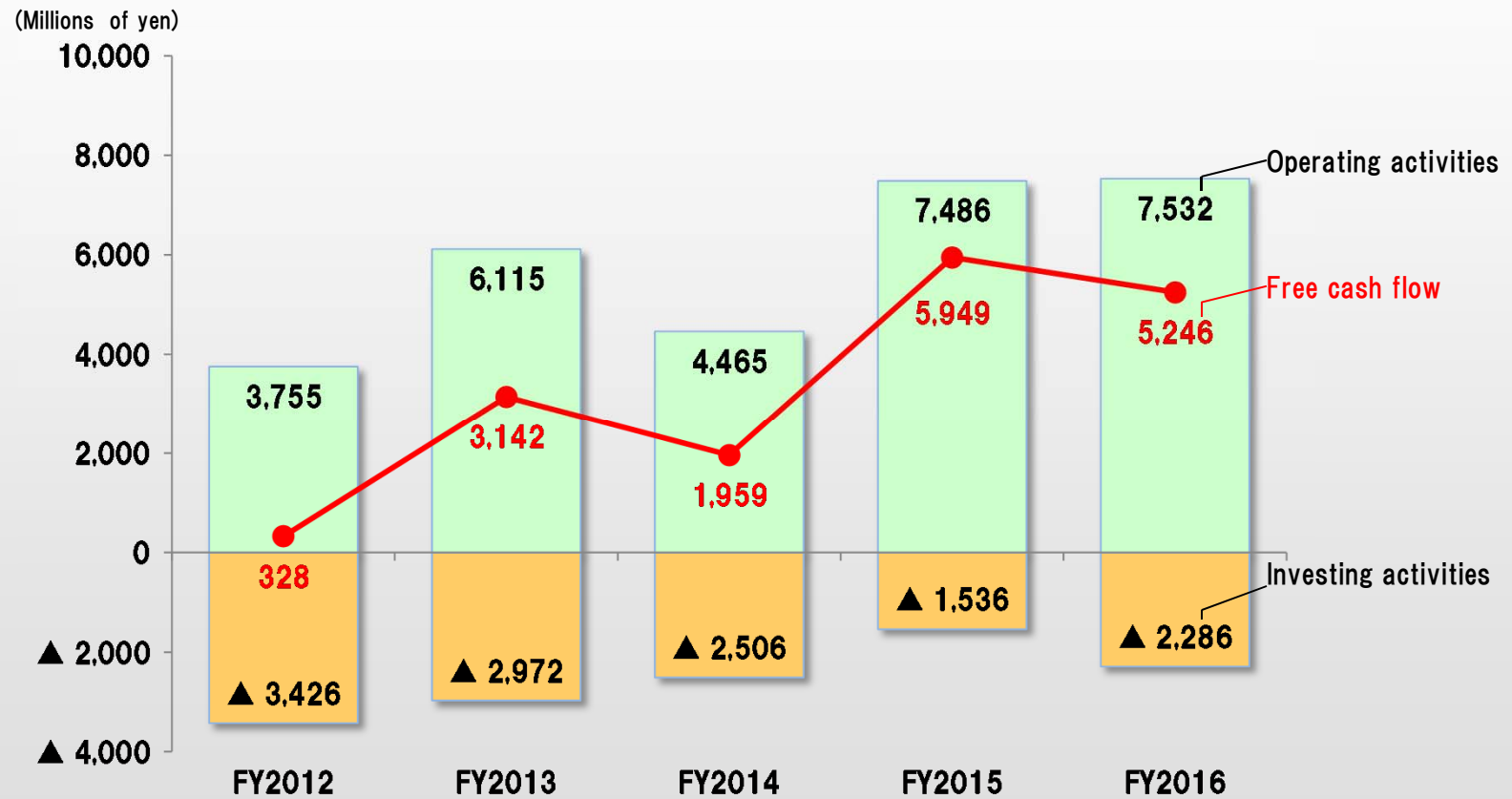
ROA	FY2012	FY2013	FY2014	FY2015	FY2016
	4.6%	5.1%	6.0%	6.2%	6.4%

Liabilities, and a total equity (consolidated)

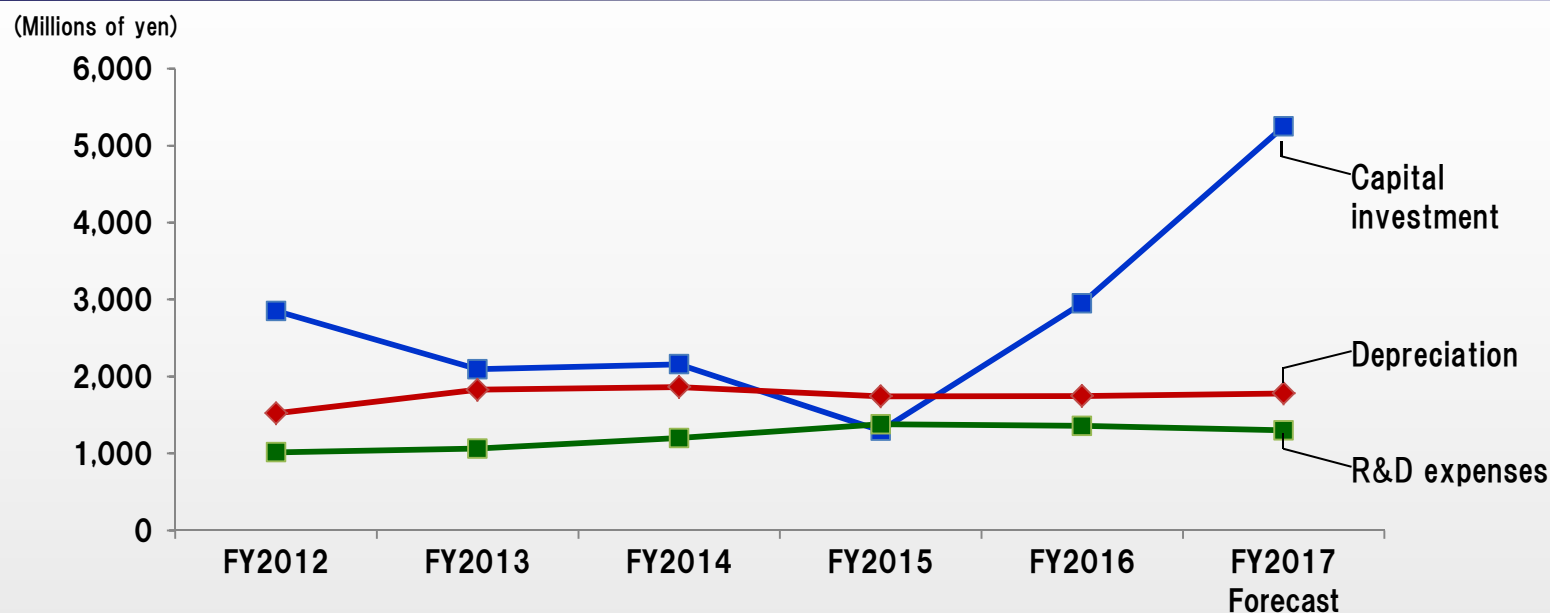


	FY2012	FY2013	FY2014	FY2015	FY2016
ROE(%)	7.3	8.0	9.1	9.0	9.2
interest-bearing debt (millions of yen)	5,025	4,675	4,004	3,893	3,917
net interest-bearing debt (millions of yen)	▲ 2,717	▲ 5,366	▲ 6,728	▲ 12,050	▲ 16,158
Ratio of equity attributable to owners of the Parent (%)	62.9	64.5	68.1	69.3	70.0

Cash Flow Overview (consolidated)



Capital investment, Depreciation, R&D expenses (consolidated)



	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017 Forecast
Capital investment	2,852	2,095	2,158	1,296	2,952	5,250
Depreciation	1,523	1,827	1,863	1,743	1,747	1,780
R&D expenses	1,015	1,062	1,199	1,379	1,358	1,300

Forecast for FY2017 (consolidated)

(Millions of yen)

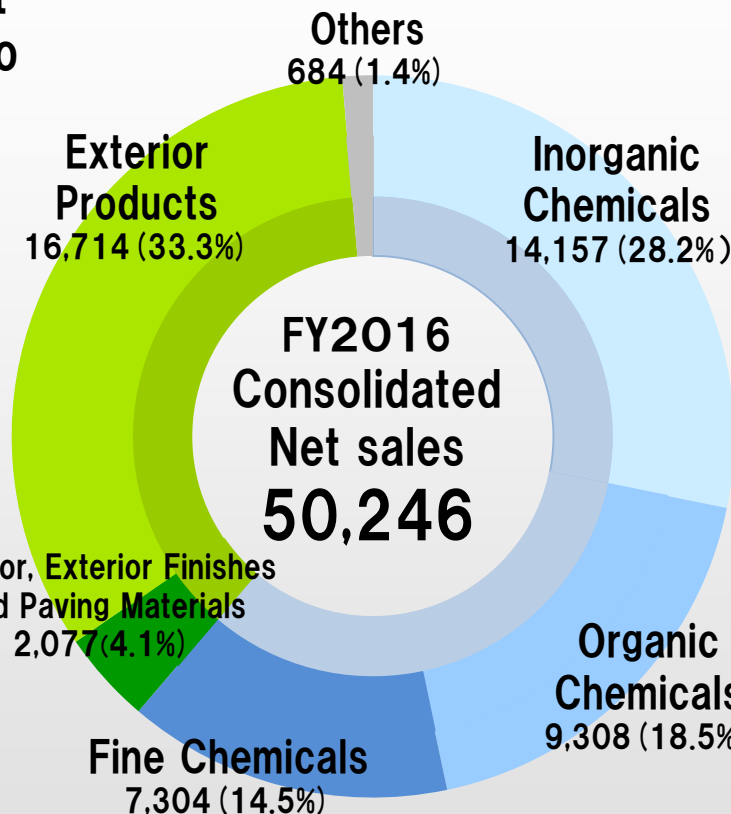
		FY2016	FY2017 (Forecast)	Increase of amount	Changes
Net sales	First half	24,668	23,500	▲ 1,168	▲ 4.7%
	Second half	25,578	25,500	▲ 78	▲ 0.3%
	Full-year	50,246	49,000	▲ 1,246	▲ 2.5%
Operating income	First half	3,746	2,900	▲ 846	▲ 22.6%
	Second half	4,226	3,500	▲ 726	▲ 17.2%
	Full-year	7,973	6,400	▲ 1,573	▲ 19.7%
Ordinary income	First half	3,966	3,000	▲ 966	▲ 24.4%
	Second half	4,231	3,600	▲ 631	▲ 14.9%
	Full-year	8,197	6,600	▲ 1,597	▲ 19.5%
Net income attributable to owners of the parent	First half	2,574	2,100	▲ 474	▲ 18.4%
	Second half	2,280	2,400	119	5.3%
	Full-year	4,854	4,500	▲ 354	▲ 7.3%

*Assumed exchange rates are as follows:
108 yen per U.S. dollar, and 125 yen per euro.

Sales and Profit by Business segments

■ Sales amount constituent ratio (Millions of yen)

Housing Materials operations
18,792 (37.4%)



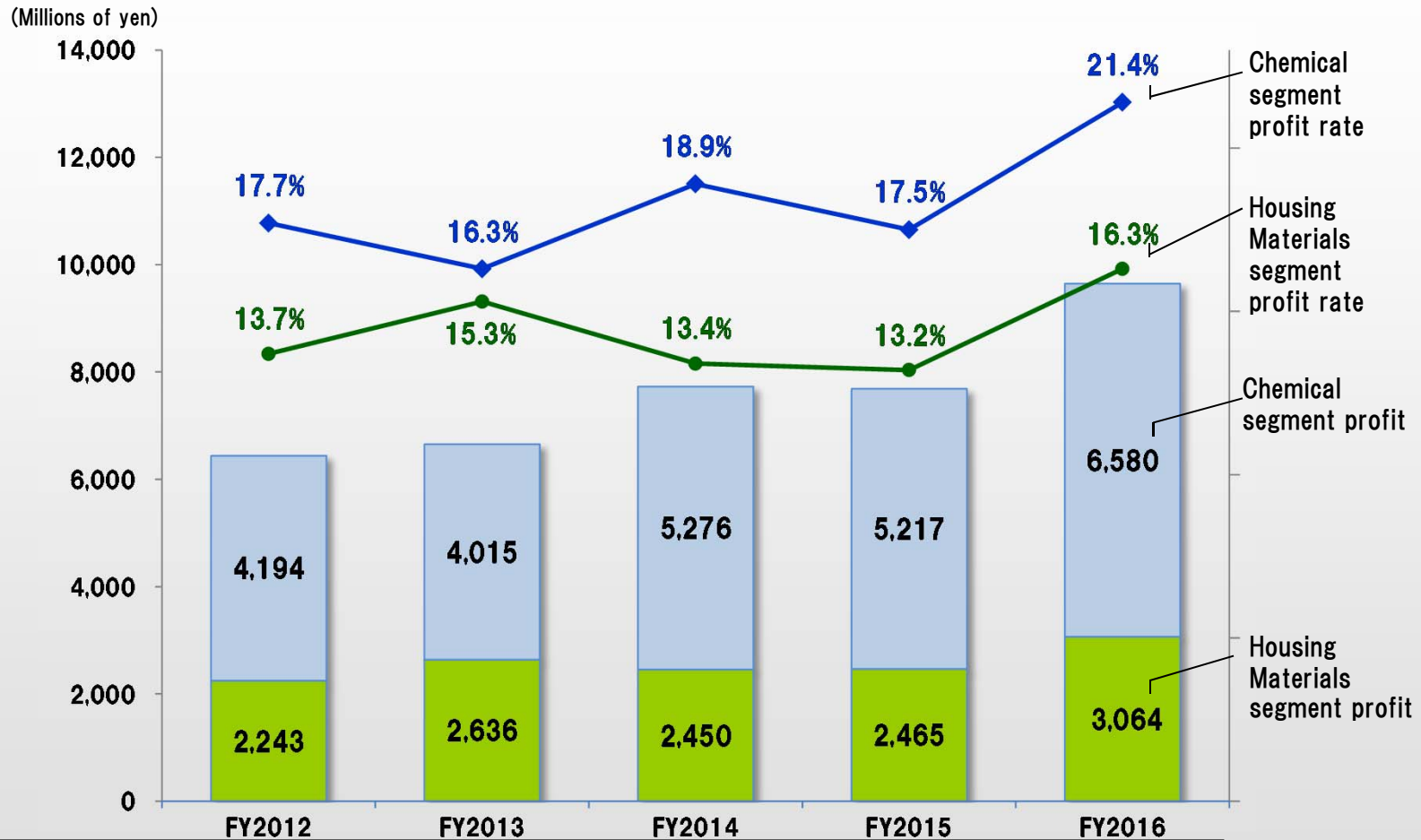
Chemical operations
30,769 (61.2%)

■ Segment information

(Millions of yen)

	FY2015	FY2016	Increase of amount	Changes
Net sales				
Chemical operation	29,752	30,769	1,017	3.4%
Housing Materials operations	18,647	18,792	145	0.8%
Segment profit				
Chemical operation	5,217	6,580	1,362	26.1%
Housing Materials operations	2,465	3,064	598	24.3%

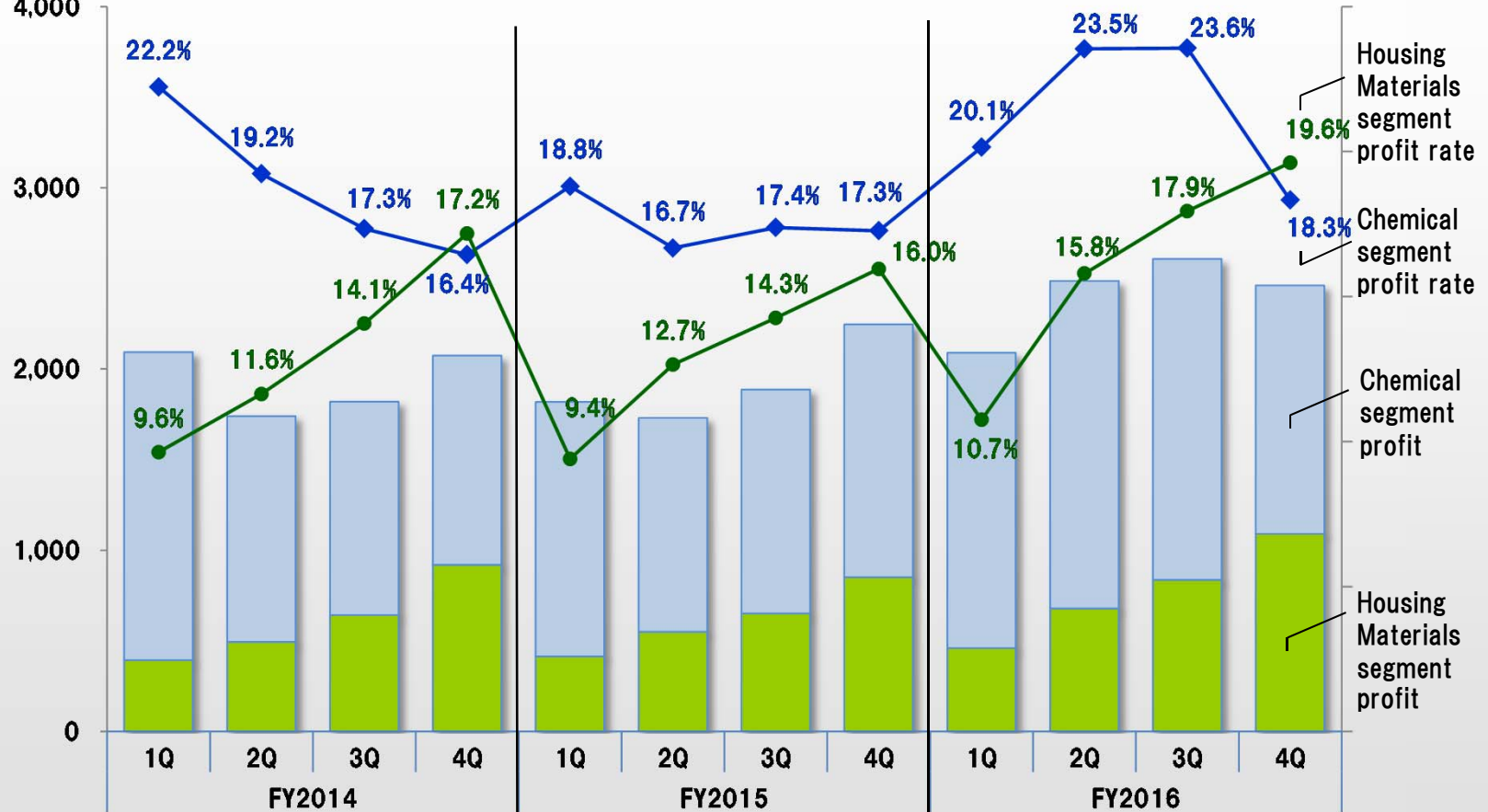
Sales and Profit by Business segments (consolidated and full-year)



	FY2012	FY2013	FY2014	FY2015	FY2016
Chemical operations net sales	23,727	24,570	27,932	29,752	30,769
Housing Materials operations net sales	16,352	17,186	18,257	18,647	18,792
Chemical segment profit	4,194	4,015	5,276	5,217	6,580
Housing Materials segment profit	2,243	2,636	2,450	2,465	3,064

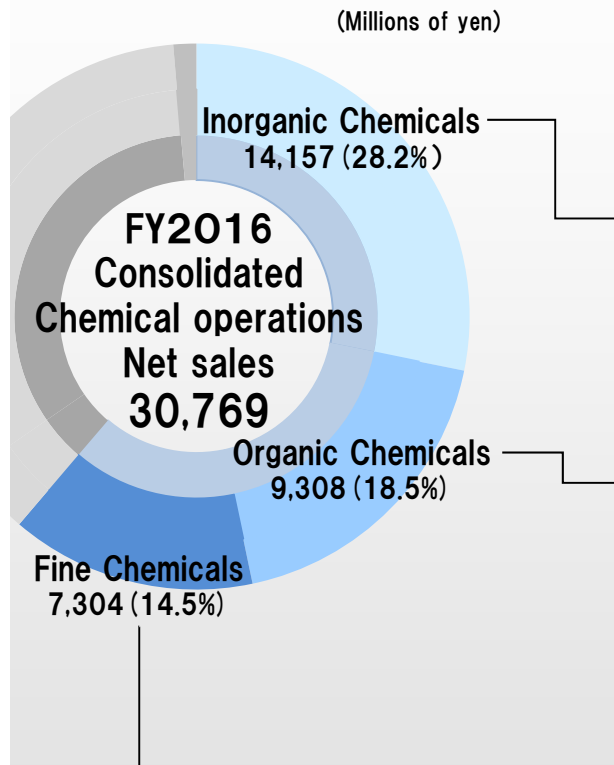
Sales and Profit by Business segments (consolidated and quarter)

(Millions of yen)
4,000



Segment	FY2014				FY2015				FY2016			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Chemical operations net sales	7,649	6,477	6,789	7,016	7,470	7,086	7,112	8,084	8,091	7,673	7,519	7,485
Housing Materials operations net sales	4,087	4,248	4,565	5,356	4,407	4,339	4,559	5,340	4,279	4,298	4,657	5,556
Chemical segment profit	1,700	1,245	1,177	1,153	1,404	1,181	1,236	1,395	1,630	1,806	1,771	1,371
Housing Materials segment profit	393	494	642	919	414	549	650	851	459	678	835	1,089

Chemicals operations segment



【 Main products 】

- Insoluble sulfur
Vulcanizing agent for radial tires
- Carbon Disulfide
- Sodium Sulfate
- Sodium carbonate



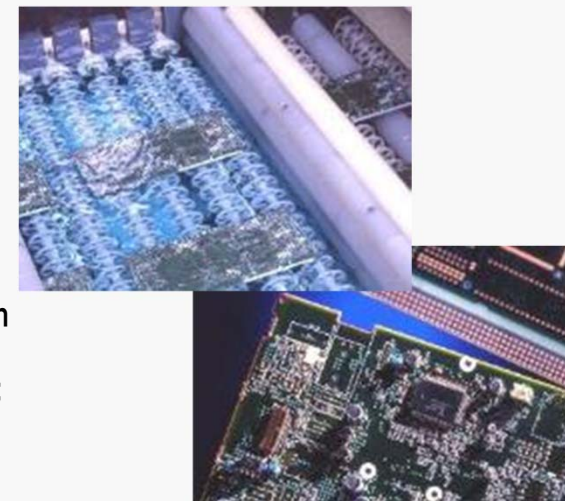
【 Main products 】

- Cyanuric acid derivatives
for swimming pool and septic tank disinfectants
- Hipolka



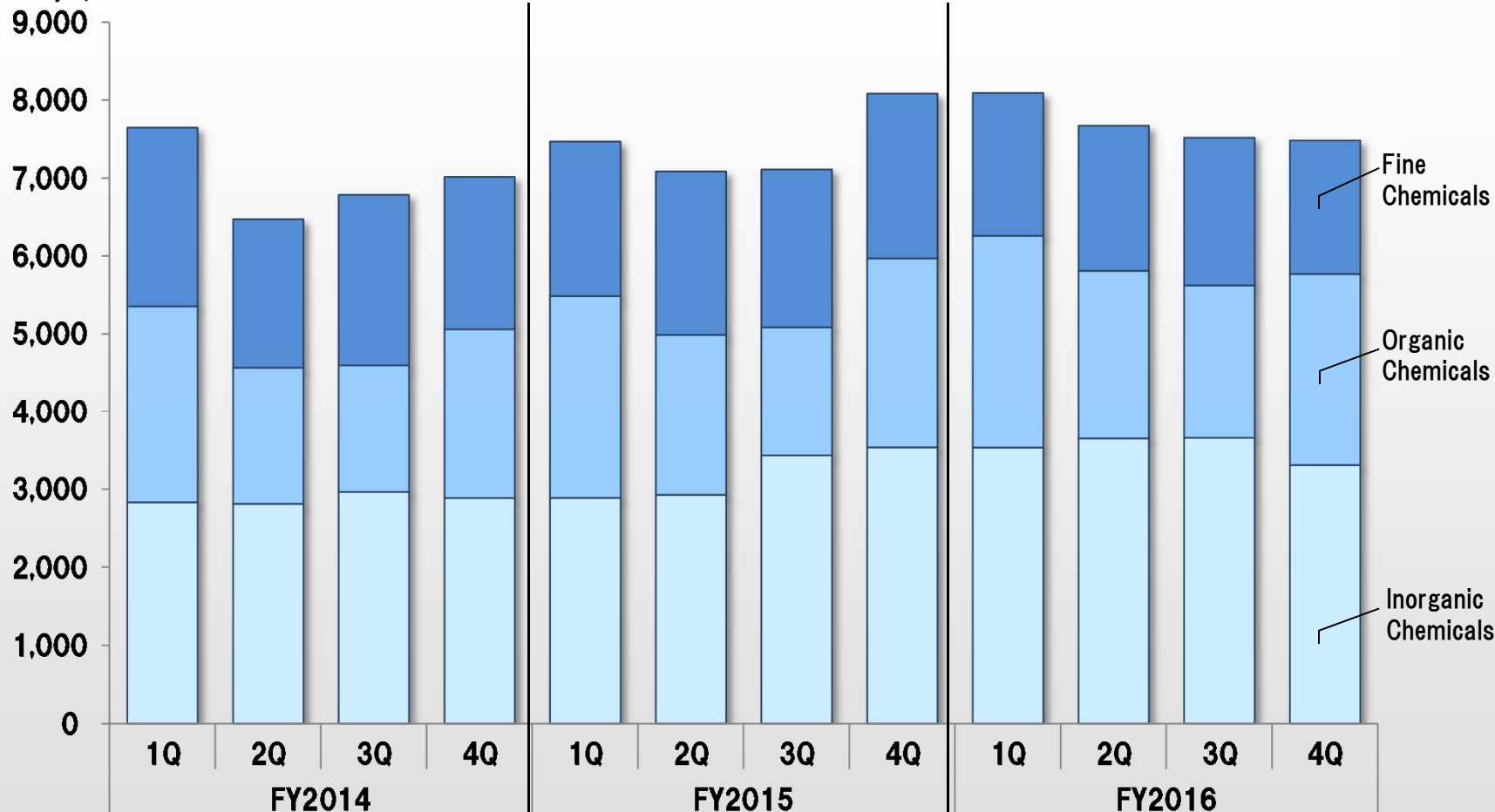
【 Main products 】

- Gliccoat-SMD
Heat-resistant OSP (Organic Solderability Preservative) for printed wiring boards
- Imidazoles
Imidazole derivatives for an epoxy resin curing agent and a raw material for pharmaceuticals and other applications; modifiers for high-added-value resins
- THEIC



Sales Trend of Chemical operations (consolidated and quarter)

(Millions of yen)



Fine Chemicals	2,295	1,909	2,188	1,953	1,984	2,096	2,023	2,114	1,832	1,860	1,895	1,715
Organic Chemicals	2,520	1,753	1,635	2,178	2,596	2,061	1,654	2,432	2,723	2,160	1,965	2,459
Inorganic Chemicals	2,834	2,813	2,964	2,885	2,890	2,928	3,434	3,537	3,535	3,652	3,659	3,310

Housing Materials operations segment

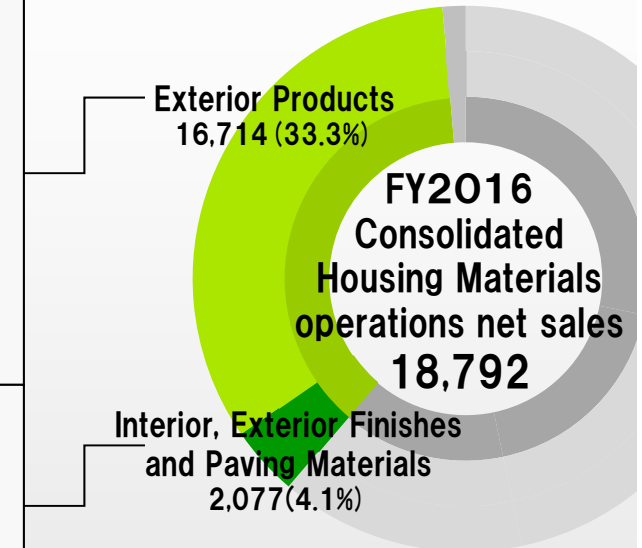
【Main products】

- Home Exterior Products
gates, fences , garage and accordion gate
- Decorative Exterior Products
large gates and fences , shelter, bicycle parking, garbage collection container and Greening system

【Main products】

- Interior, Exterior Finishes and Paving Materials

(Millions of yen)



“Exsucc” (Open facade)



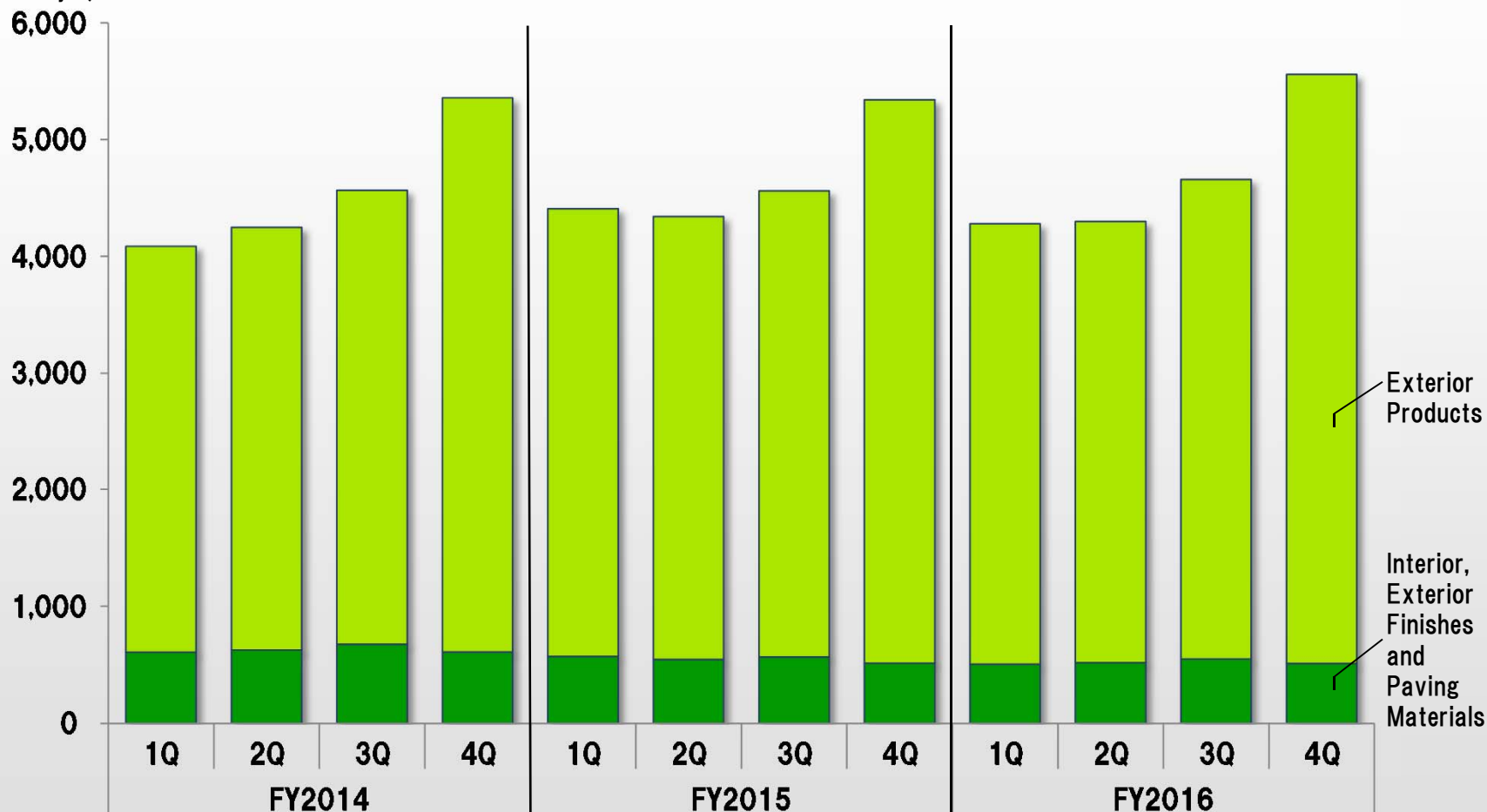
“Fairport” (garage)



“Natlux” (100% natural wall material)

Sales Trend of Housing Materials operations (consolidated and quarter)

(Millions of yen)



Exterior Products	3,480	3,623	3,890	4,749	3,838	3,796	3,993	4,826	3,776	3,780	4,110	5,047
Interior, Exterior Finishes and Paving Materials	606	624	675	607	569	543	566	513	503	517	547	509

Contact Information

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[Note regarding this document]

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Further, the purpose of this material is to provide information to the investors, and not to serve as a recommendation to buy or to sell. Please note that Shikoku Chemical Corporation will not be responsible for the consequences of investments etc.