

Creating new worlds
in the niches
between the current ones

Financial Results
for the 1st Quarter of the FY2017
(April 1, 2016–June 30, 2016)

July 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
- Lines of Business The Company was established in Marugame, Kagawa Prefecture, as a producer of carbon disulfide.
[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.

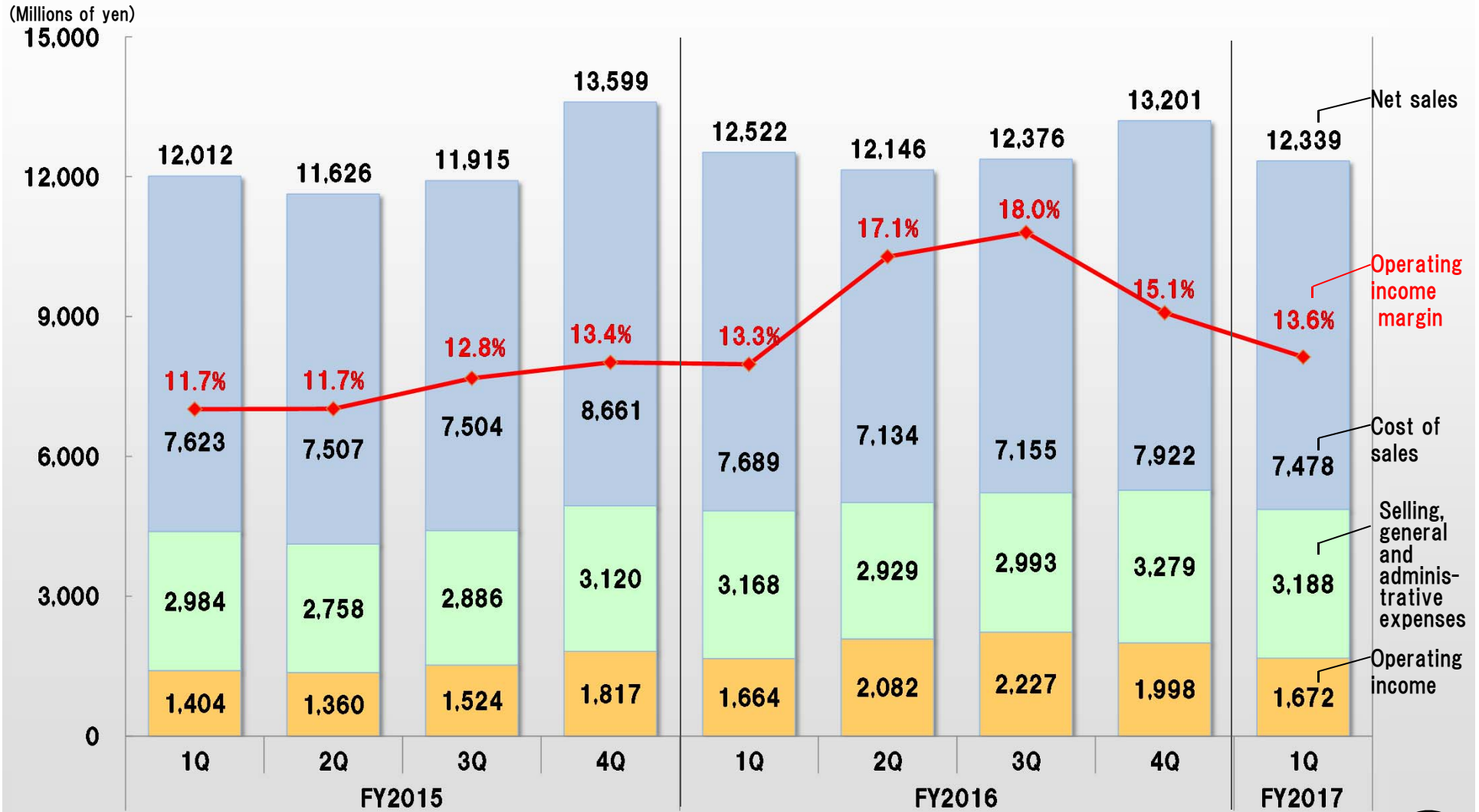
Highlights of Financial Results for the 1Q of FY2017

(Millions of yen)

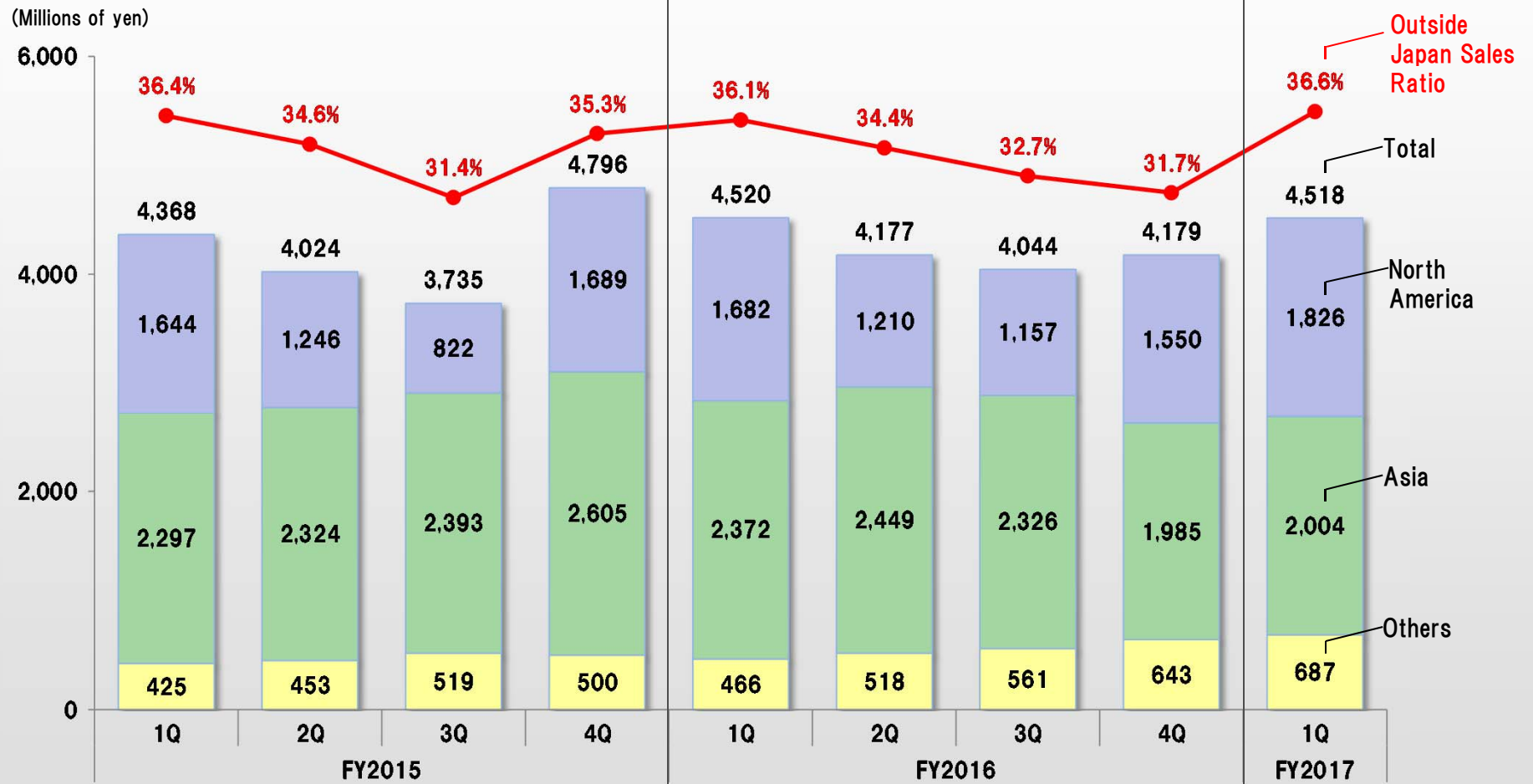
	Consolidated cumulative 1Q				Increase of amount	Changes
	FY2016		FY2017			
	Amount	Percentage	Amount	Percentage		
Net sales	12,522	100.0%	12,339	100.0%	▲ 183	▲1.5%
Operating income	1,664	13.3%	1,672	13.6%	7	0.5%
Ordinary income	1,978	15.8%	1,894	15.4%	▲ 83	▲4.2%
Net income attributable to owners of the parent	1,250	10.0%	1,240	10.1%	▲ 10	▲0.8%
Exchange rate (USD)	121		110			
Exchange rate (EUR)	131		125			

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

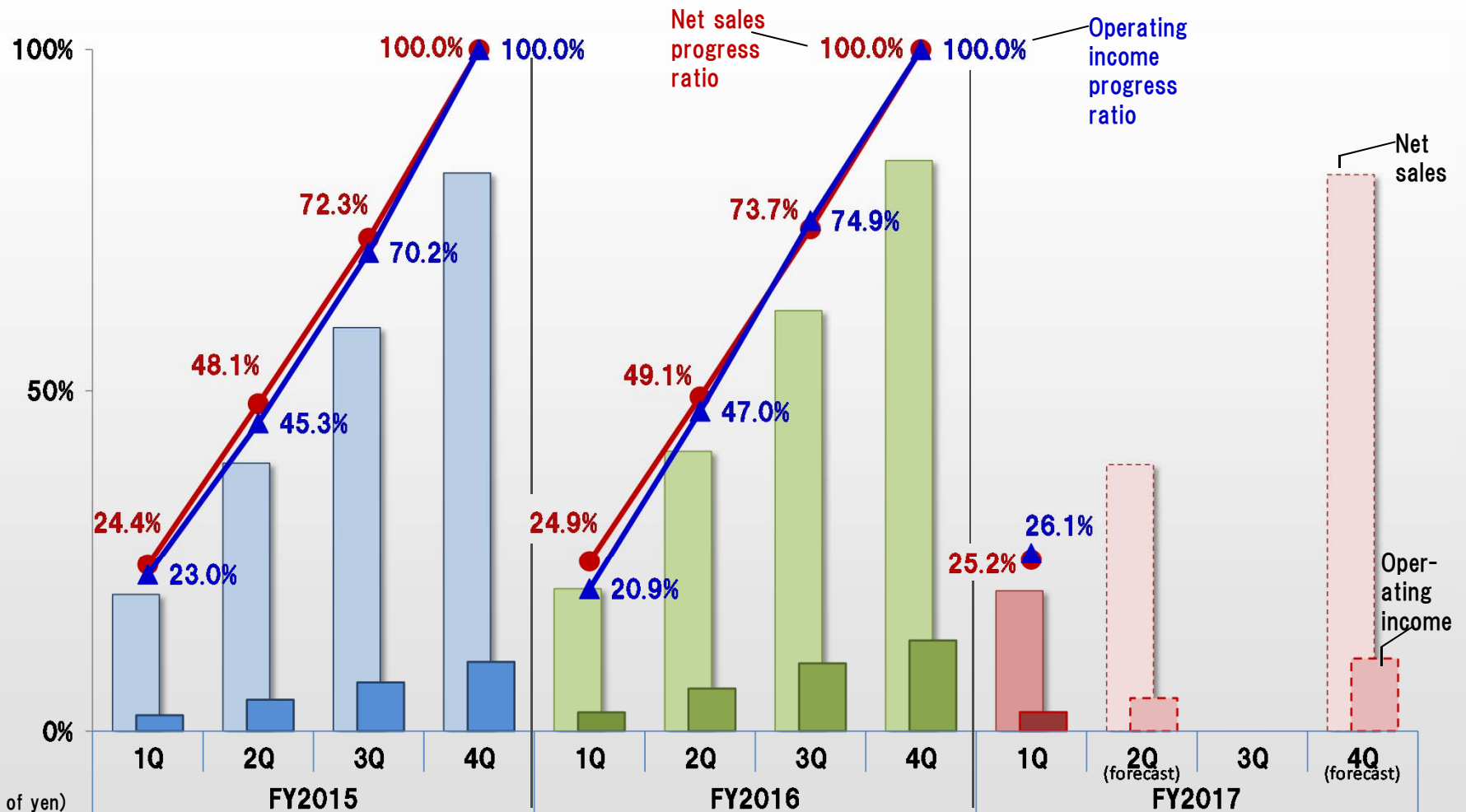
Financial Results Trend (consolidated and quarter)



Sales Trends by Region

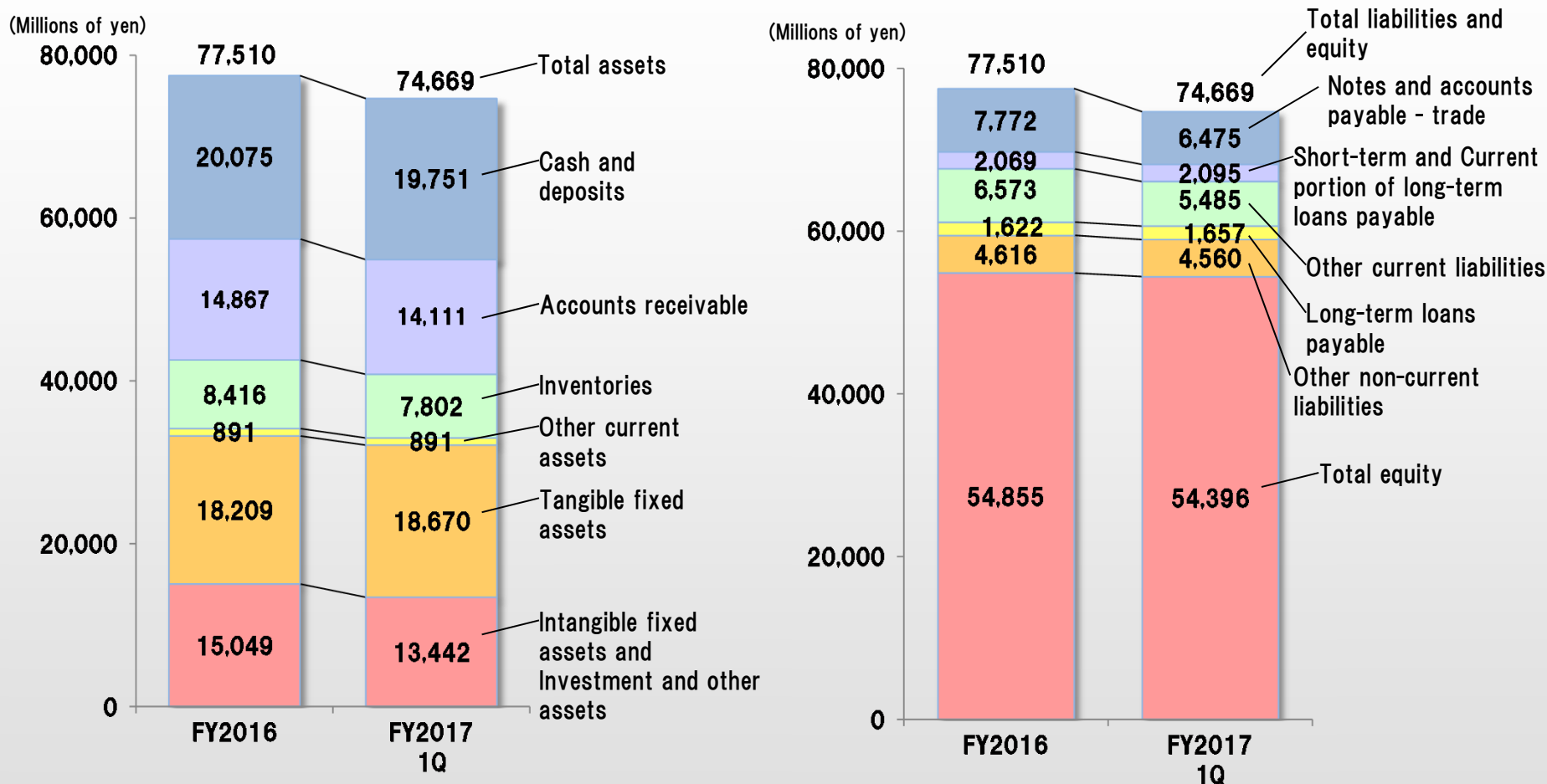


Progress report



	FY2015				FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q (forecast)	3Q	4Q (forecast)
Net sales	12,012	23,638	35,554	49,153	12,522	24,668	37,045	50,246	12,339	23,500		49,000
Operating income	1,404	2,764	4,288	6,106	1,664	3,746	5,974	7,973	1,672	2,900		6,400

Assets / liabilities, and a total equity (consolidated)

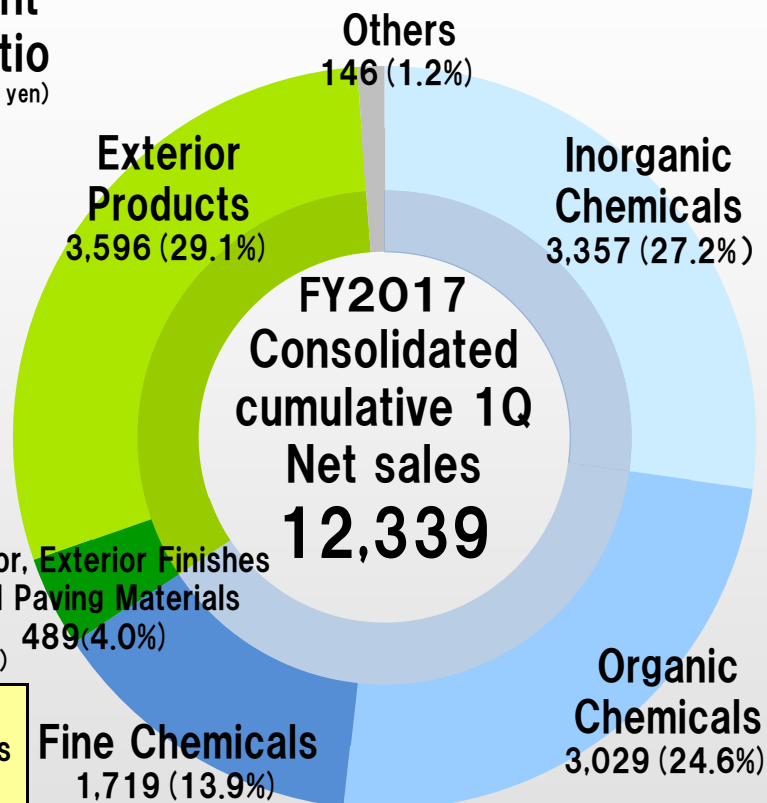


interest-bearing debt (millions of yen)	3,917	3,980
net interest-bearing debt (millions of yen)	▲ 16,158	▲ 15,771
Equity ratio(%)	70.0	72.0

Sales and Profit by Business segments

■ Sales amount constituent ratio (Millions of yen)

Housing Materials operations
4,086 (33.1%)

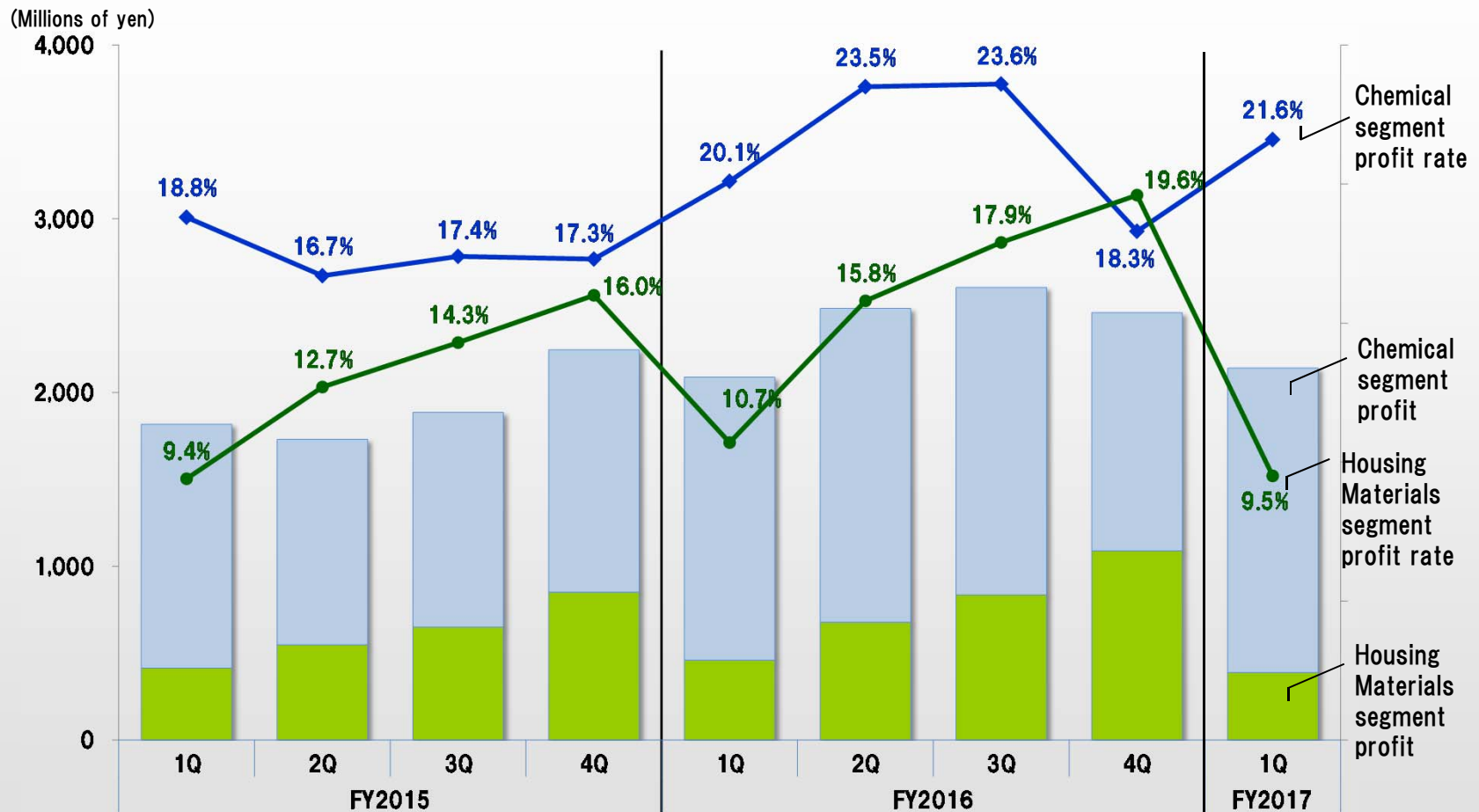


Chemical operations
8,107 (65.7%)

■ Segment information (Millions of yen)

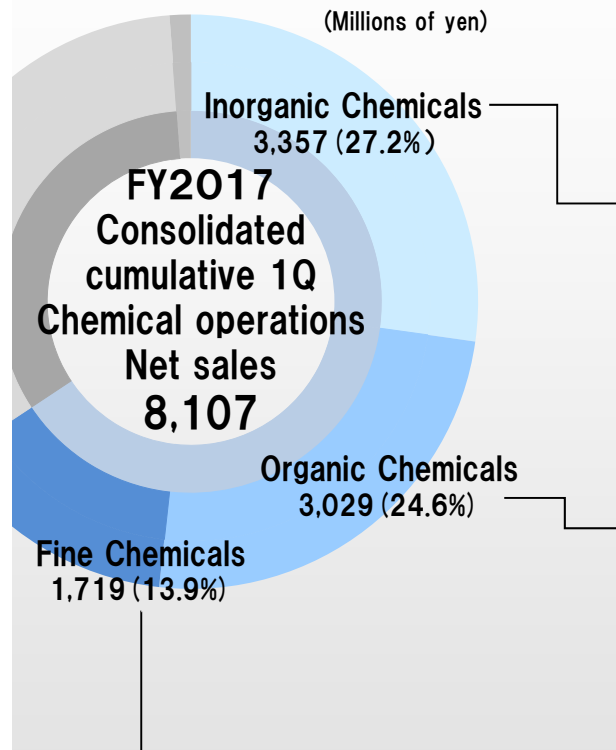
	Consolidated cumulative 1Q		Increase of amount	Changes
	FY2016	FY2017		
Net sales				
Chemical operations	8,091	8,107	16	0.2%
Housing Materials operations	4,279	4,086	▲ 193	▲ 4.5%
Segment profit				
Chemical operations	1,630	1,752	121	7.5%
Housing Materials operations	459	389	▲ 70	▲ 15.2%

Sales and Profit by Business segments (consolidated and quarter)



	FY2015				FY2016				FY2017
Chemical operations net sales	7,470	7,086	7,112	8,084	8,091	7,673	7,519	7,485	8,107
Housing Materials operations net sales	4,407	4,339	4,559	5,340	4,279	4,298	4,657	5,556	4,086
Chemical segment profit	1,404	1,181	1,236	1,395	1,630	1,806	1,771	1,371	1,752
Housing Materials segment profit	414	549	650	851	459	678	835	1,089	389

Chemicals operations segment



【 Main products 】

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



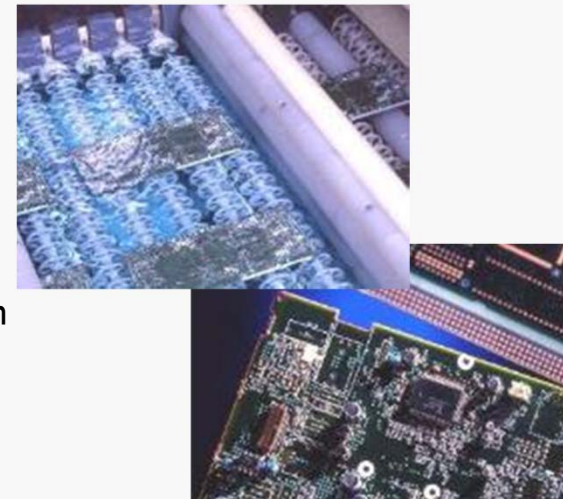
【 Main products 】

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

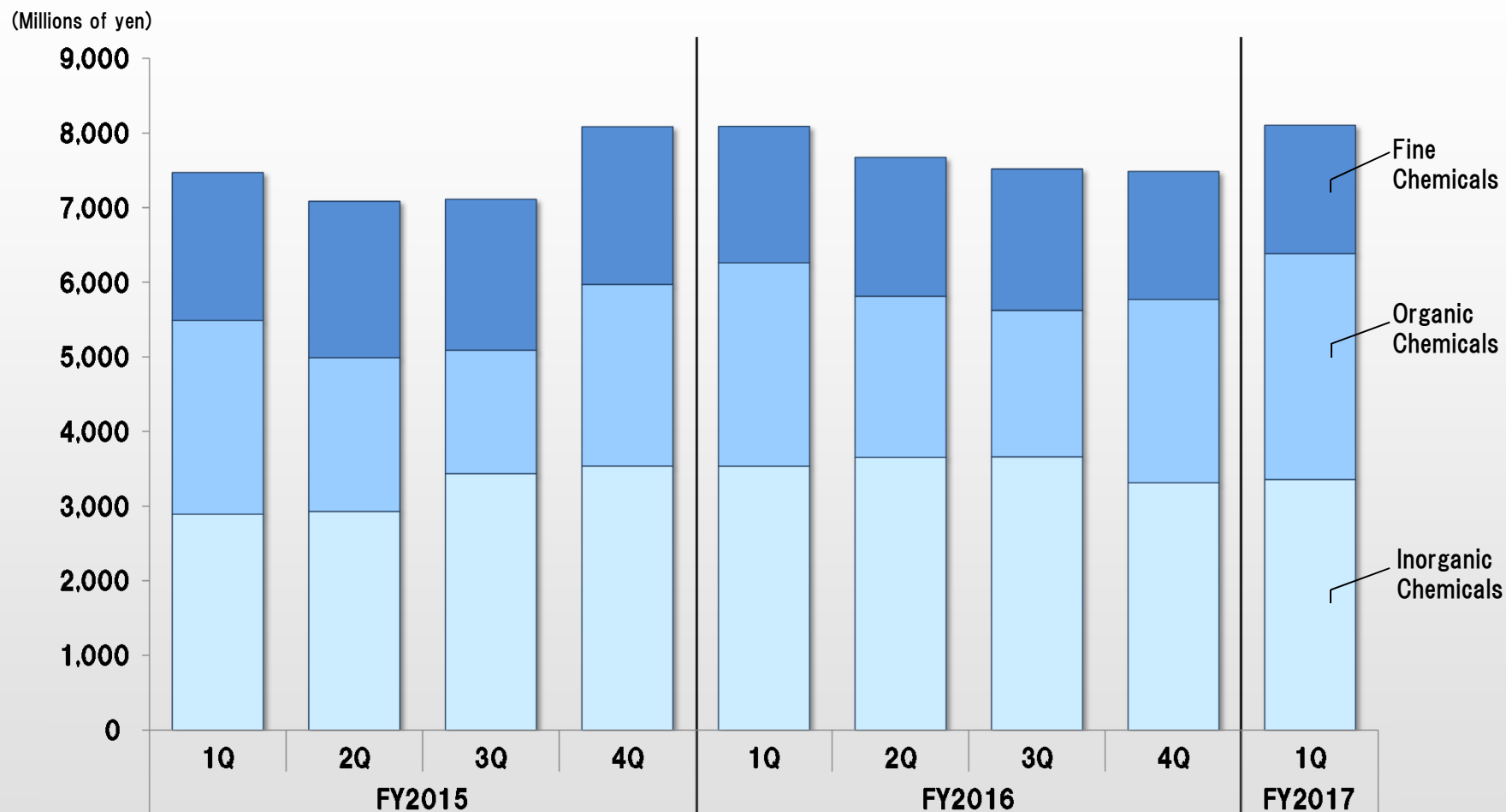


【 Main products 】

- 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)



Fine Chemicals	1,984	2,096	2,023	2,114	1,832	1,860	1,895	1,715	1,719
Organic Chemicals	2,596	2,061	1,654	2,432	2,723	2,160	1,965	2,459	3,029
Inorganic Chemicals	2,890	2,928	3,434	3,537	3,535	3,652	3,659	3,310	3,357

Housing Materials operations segment

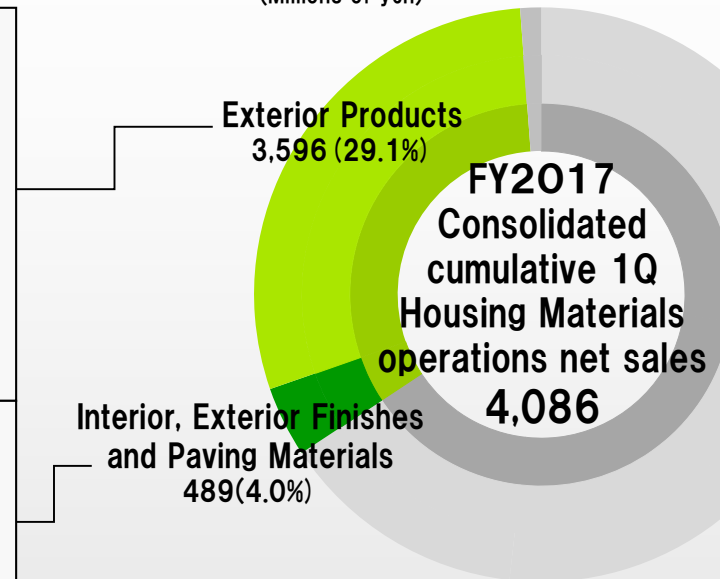
【Main products】

- 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)



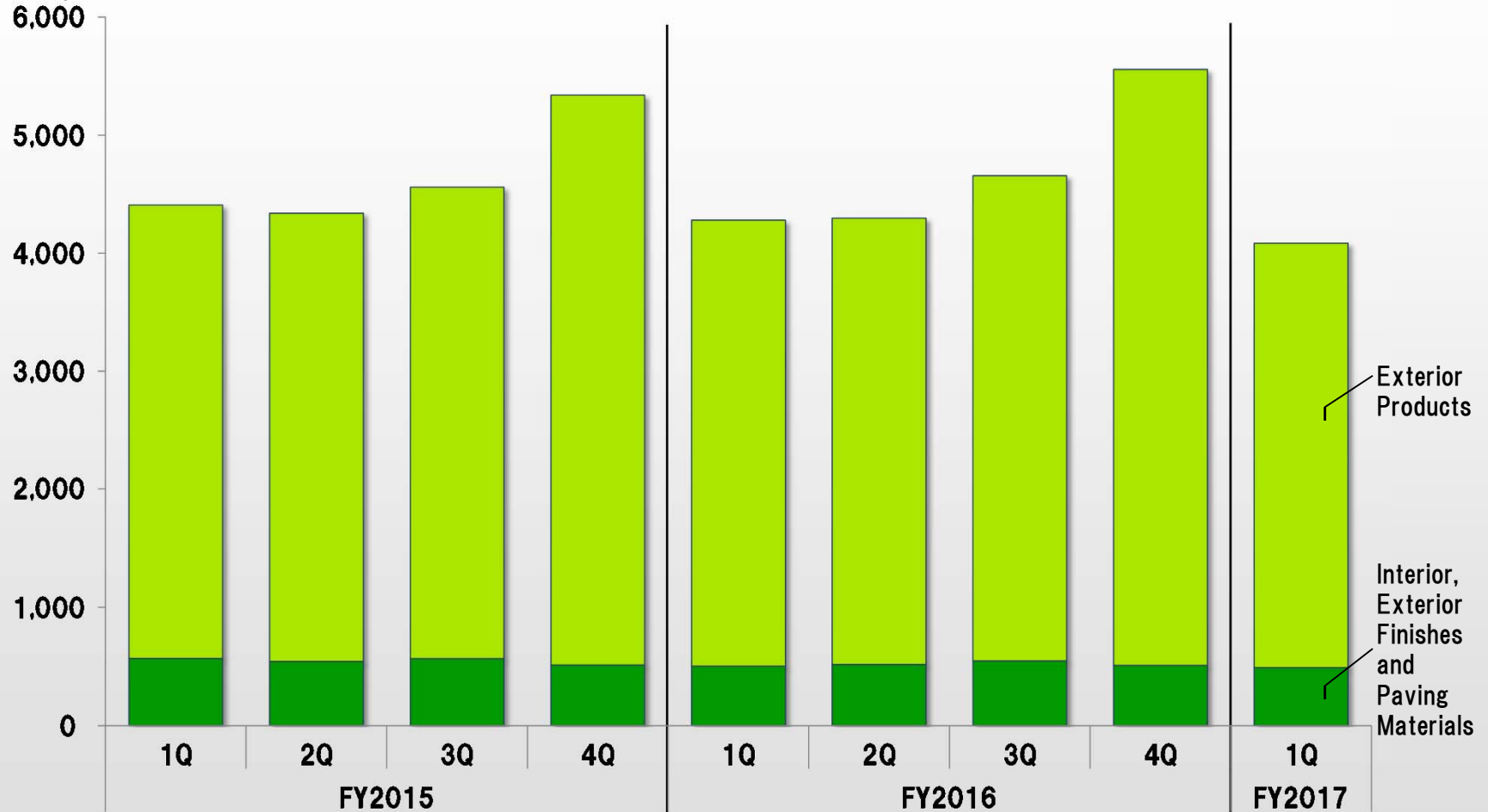
“Fairport” (garage)



“Natylux” (100% natural wall material)

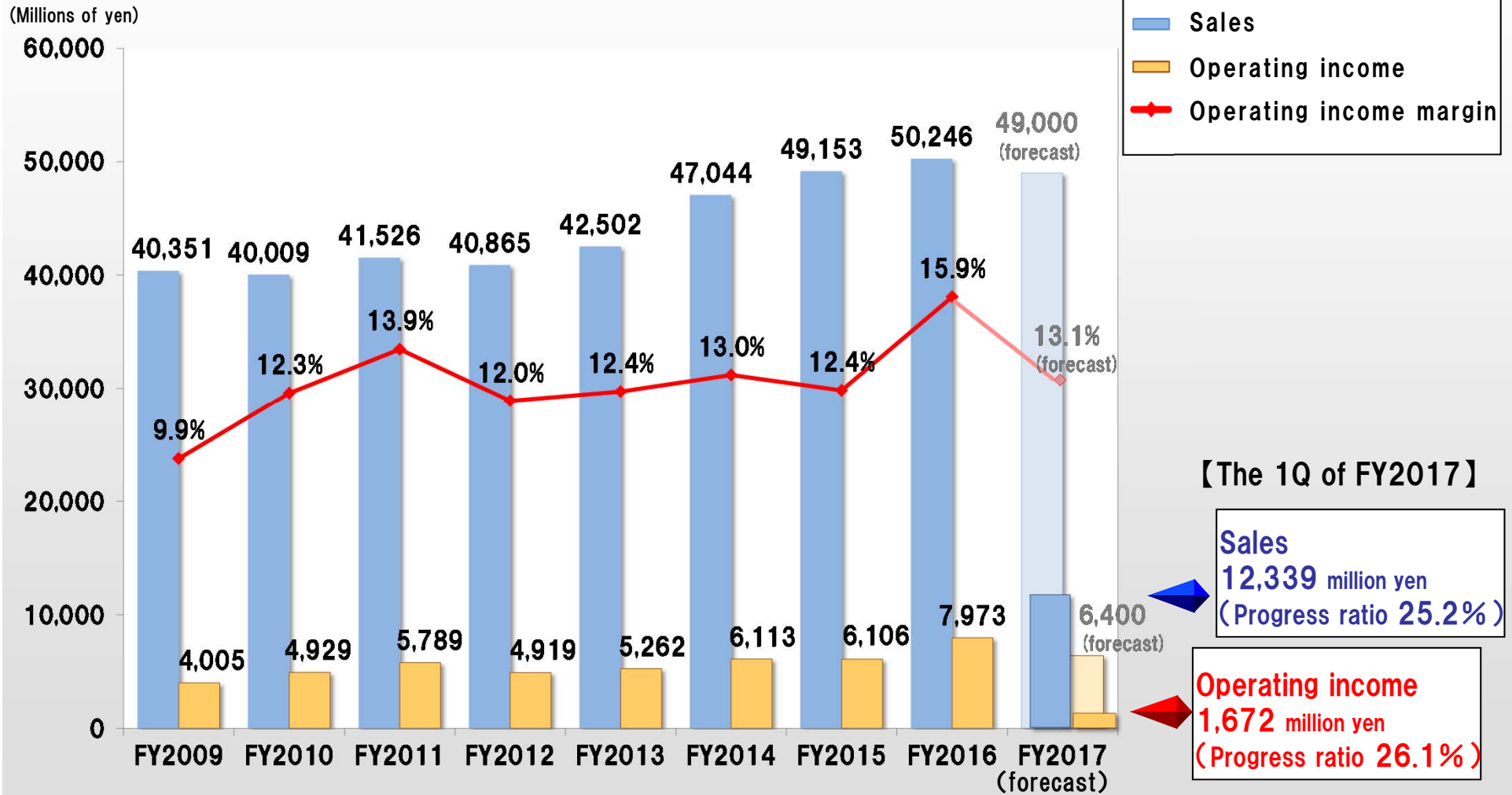
Sales Trend of Housing Materials operations (consolidated and quarter)

(Millions of yen)
6,000



Exterior Products	3,838	3,796	3,993	4,826	3,776	3,780	4,110	5,047	3,596
Interior, Exterior Finishes and Paving Materials	569	543	566	513	503	517	547	509	489

Sales/Operating Income Trend (consolidated)



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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.