

Creating new worlds  
in the niches  
between the current ones

**Financial Results  
for the 2<sup>nd</sup> Quarter of the FY2017  
(July 1, 2016–September 30, 2016)**

**October 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, 10 sales offices [Overseas] U.S.A, China (Shanghai, Shenzhen), Taiwan, Singapore
- Capital 6,867 million yen
- Number of employees Consolidated 1,076 Non-Consolidated 601 (As of September 30, 2016)

## ▼ Share of stock

- Issued Shares 58,948,063
- Number of Shareholders 3,936 (As of September 30, 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.

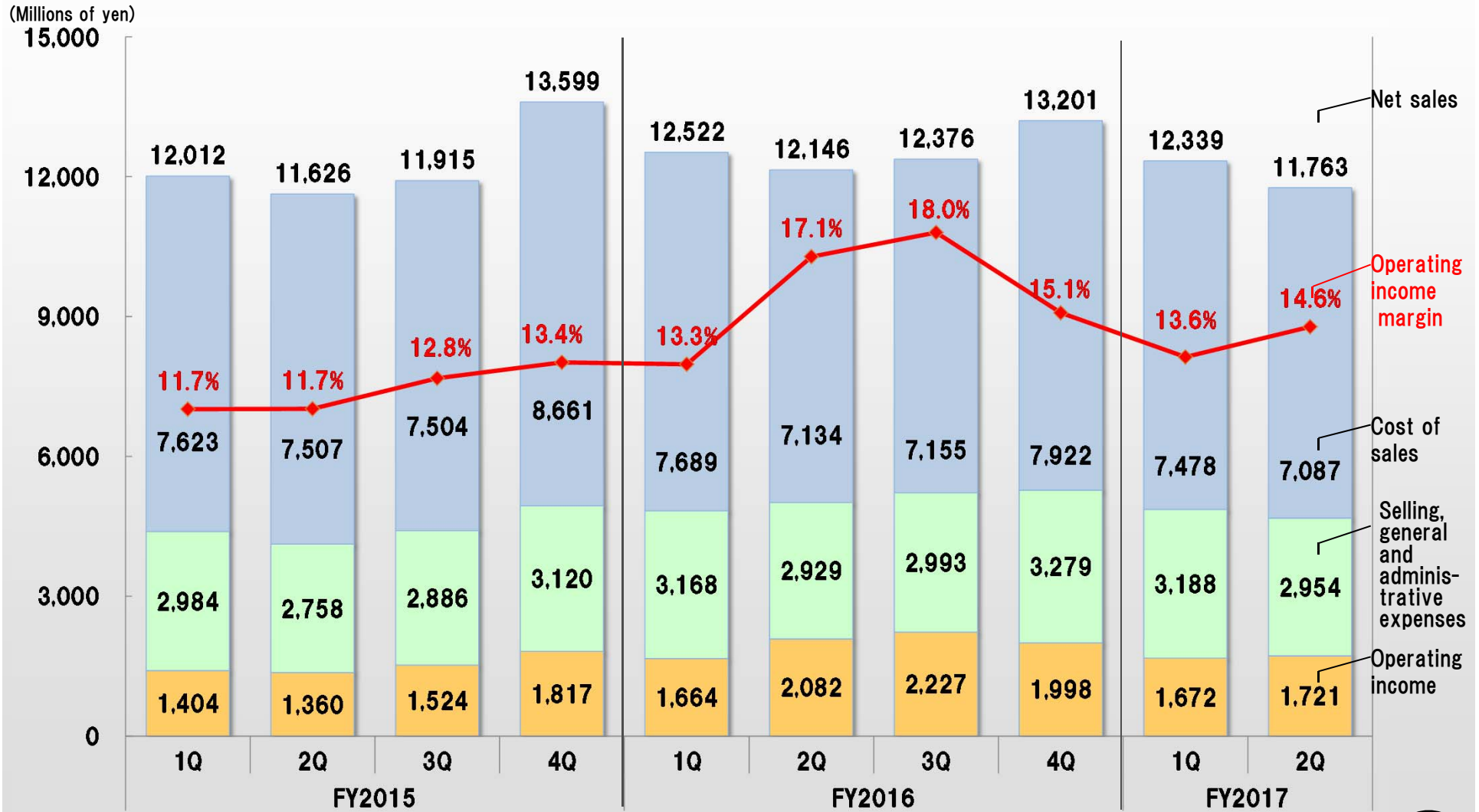
# Highlights of Financial Results for the 2Q of FY2017

(Millions of yen)

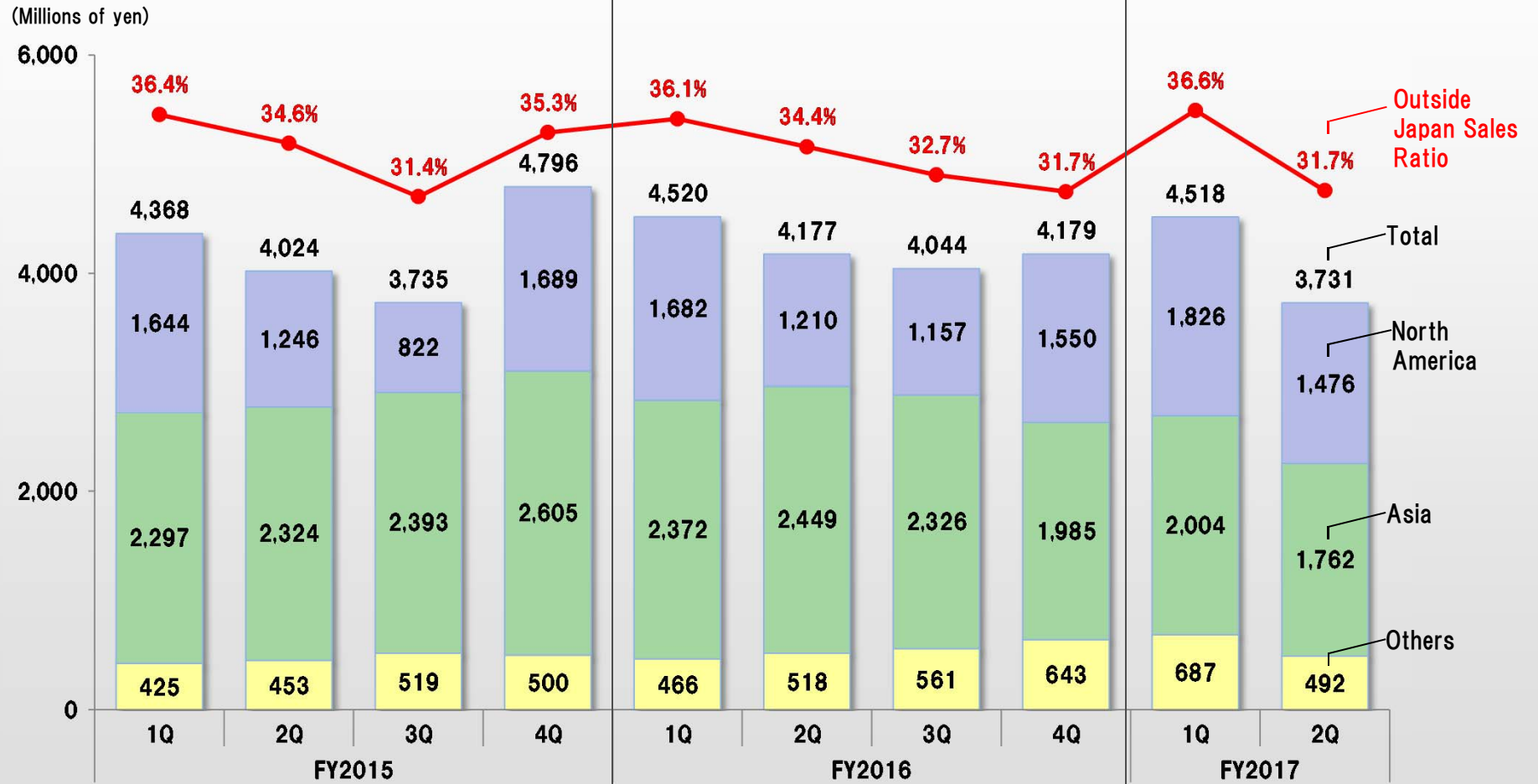
	Consolidated cumulative 2Q				Increase of amount	Changes
	FY2016		FY2017			
	Amount	Percentage	Amount	Percentage		
Net sales	24,668	100.0%	24,102	100.0%	▲ 566	▲2.3%
Operating income	3,746	15.2%	3,393	14.1%	▲ 352	▲9.4%
Ordinary income	3,966	16.1%	3,585	14.9%	▲ 381	▲9.6%
Net income attributable to owners of the parent	2,574	10.4%	2,411	10.0%	▲ 162	▲6.3%
Exchange rate (USD)	122		107			
Exchange rate (EUR)	134		121			

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

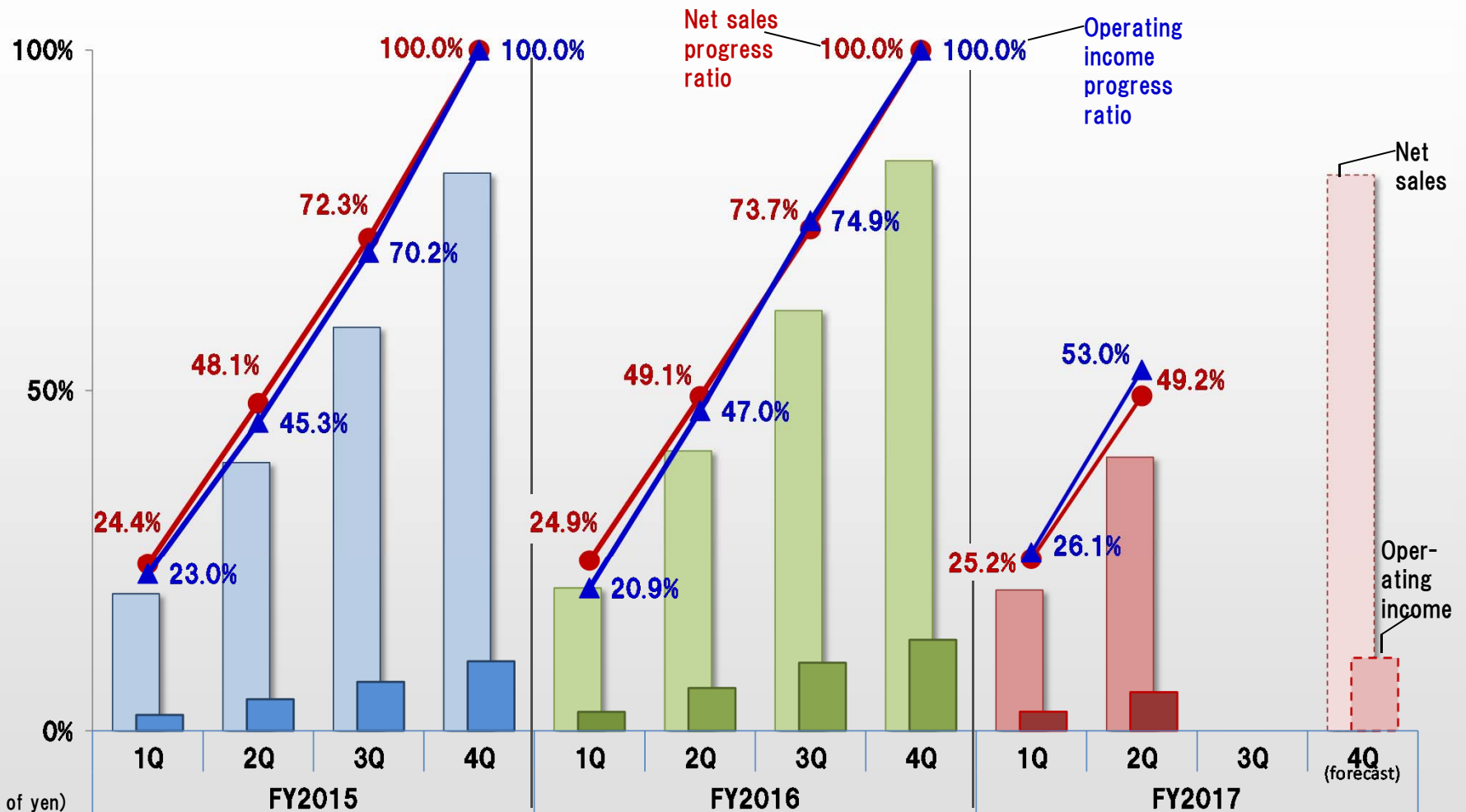
# Financial Results Trend (consolidated and quarter)



# Sales Trends by Region

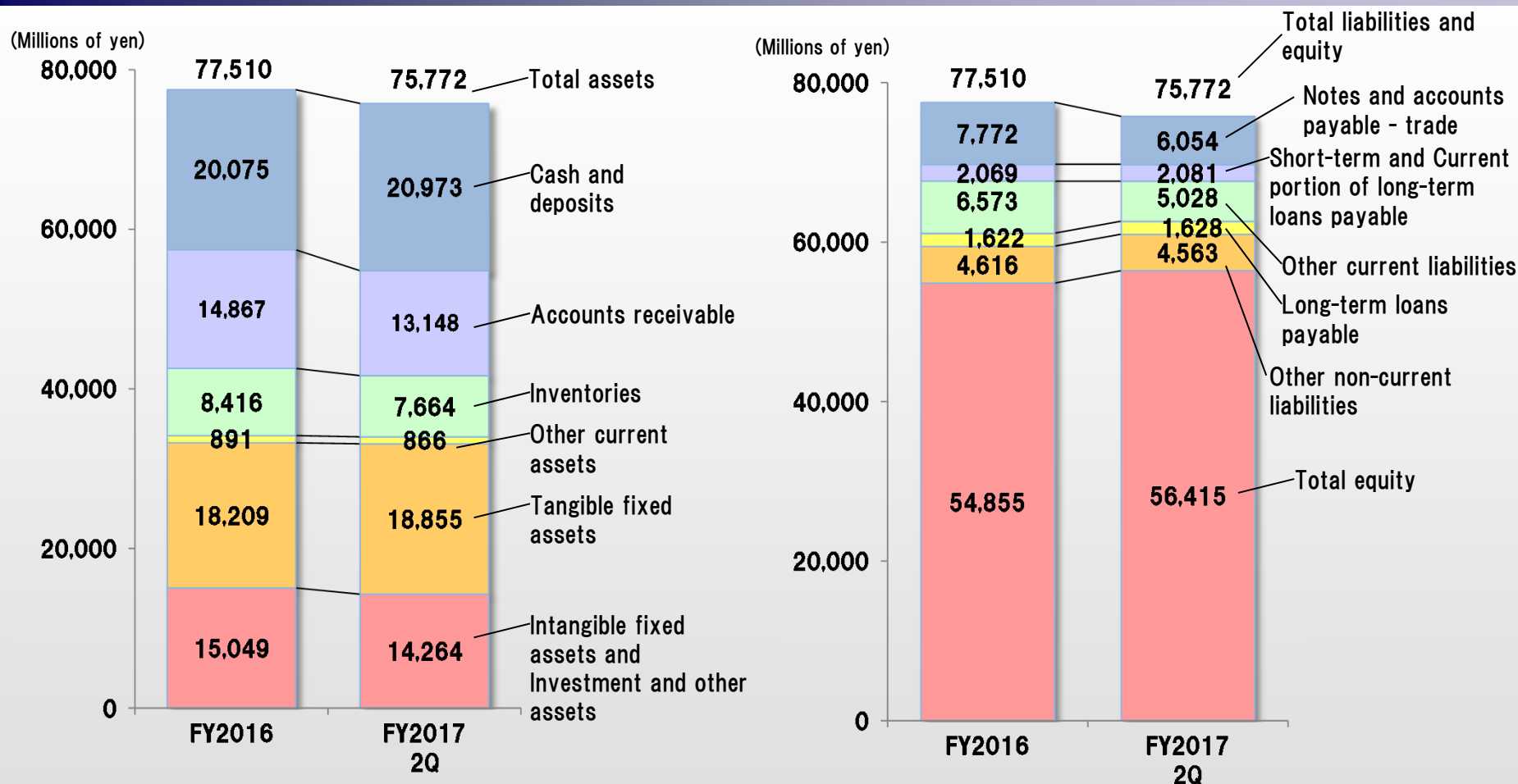


# Progress report



	FY2015				FY2016				FY2017			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q (forecast)
Net sales	12,012	23,638	35,554	49,153	12,522	24,668	37,045	50,246	12,339	24,102		49,000
Operating income	1,404	2,764	4,288	6,106	1,664	3,746	5,974	7,973	1,672	3,393		6,400

# Assets / liabilities, and a total equity (consolidated)



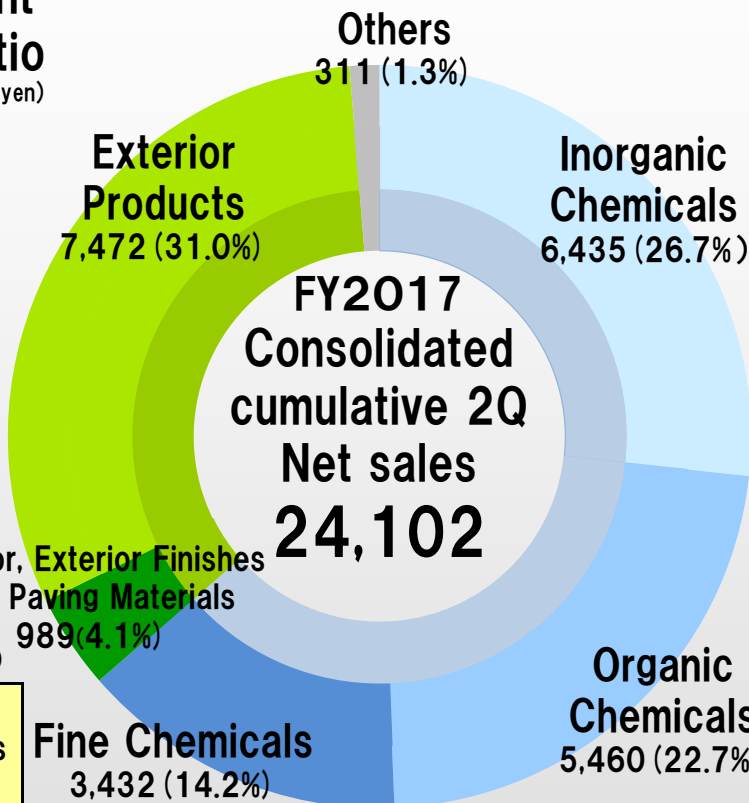
interest-bearing debt (millions of yen)	3,917	3,938
net interest-bearing debt (millions of yen)	▲ 16,158	▲ 17,034
Equity ratio( % )	70.0	73.6



# Sales and Profit by Business segments

## ■ Sales amount constituent ratio (Millions of yen)

Housing Materials operations  
**8,462 (35.1%)**

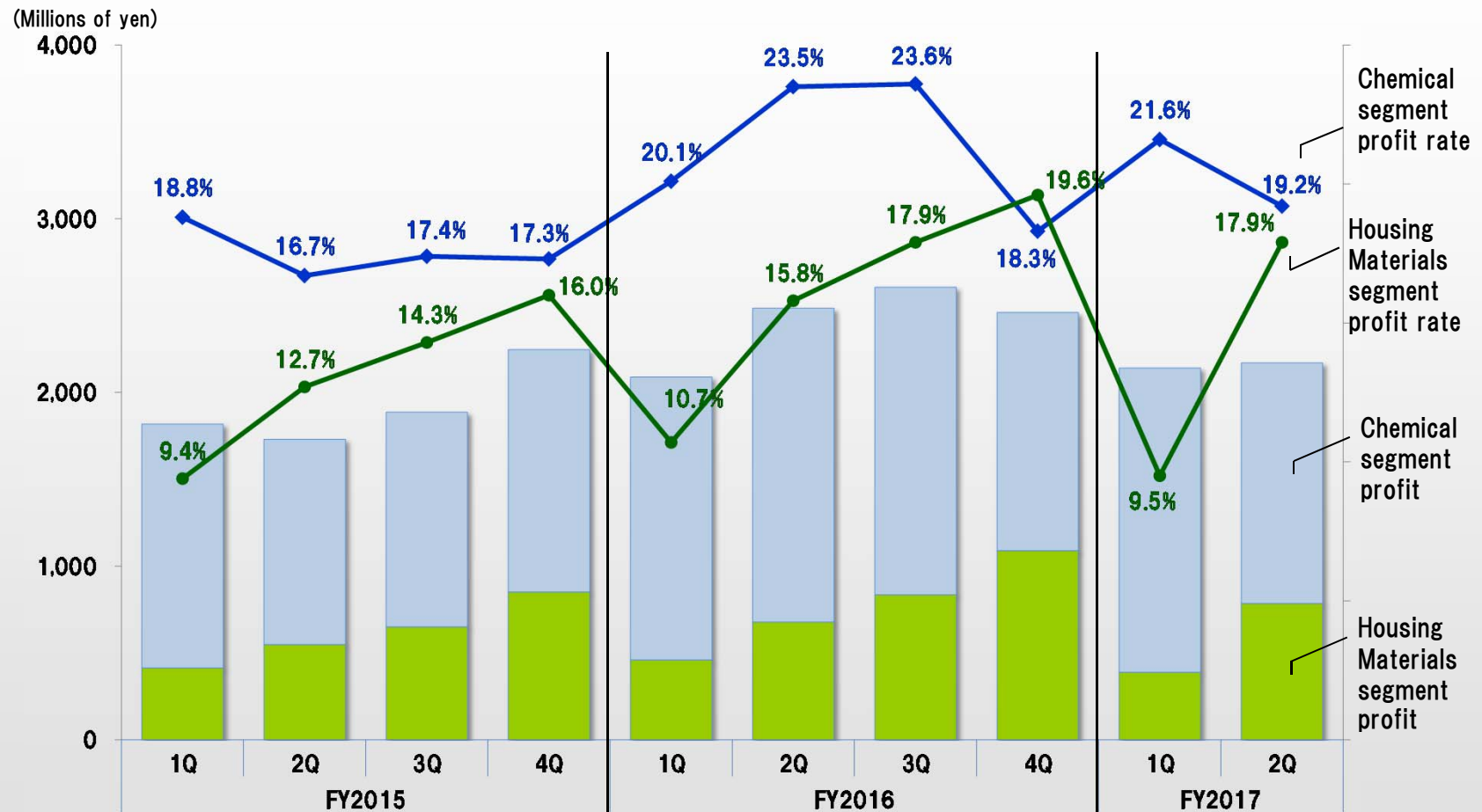


Chemical operations  
**15,328 (63.6%)**

## ■ Segment information (Millions of yen)

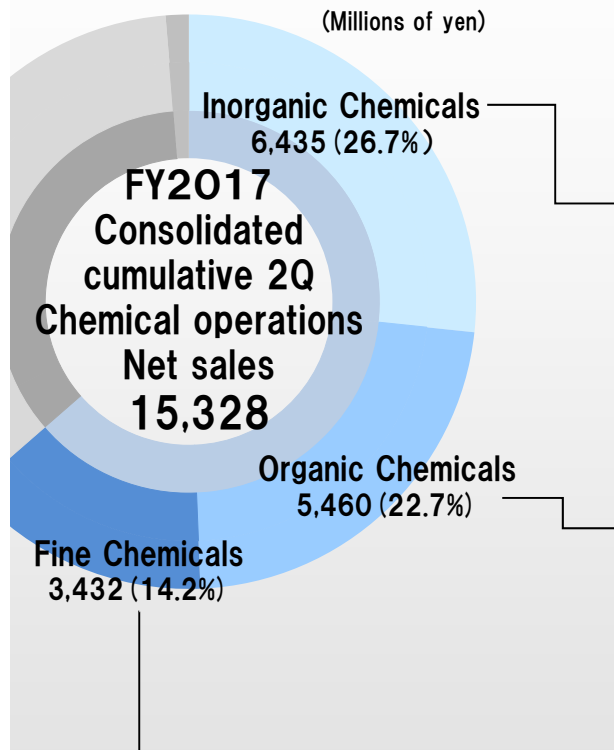
	Consolidated cumulative 2Q		Increase of amount	Changes
	FY2016	FY2017		
<b>Net sales</b>				
Chemical operations	15,764	15,328	▲ 435	▲ 2.8%
Housing Materials operations	8,577	8,462	▲ 115	▲ 1.3%
<b>Segment profit</b>				
Chemical operations	3,436	3,138	▲ 298	▲ 8.7%
Housing Materials operations	1,138	1,175	36	3.2%

# Sales and Profit by Business segments (consolidated and quarter)



	FY2015				FY2016				FY2017	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Chemical operations net sales	7,470	7,086	7,112	8,084	8,091	7,673	7,519	7,485	8,107	7,221
Housing Materials operations net sales	4,407	4,339	4,559	5,340	4,279	4,298	4,657	5,556	4,086	4,376
Chemical segment profit	1,404	1,181	1,236	1,395	1,630	1,806	1,771	1,371	1,752	1,385
Housing Materials segment profit	414	549	650	851	459	678	835	1,089	389	785

# Chemicals operations segment



## 【 Main products 】

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



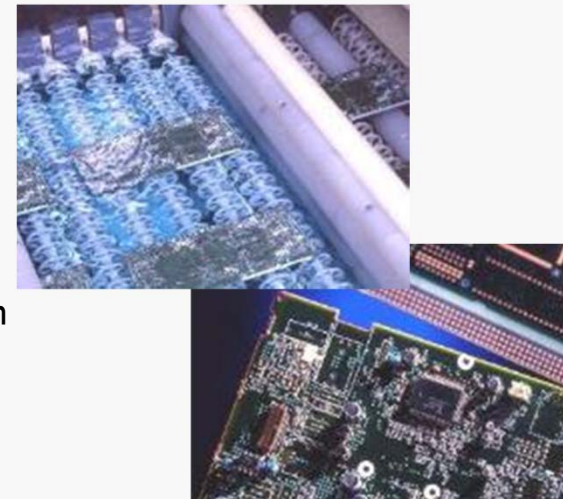
## 【 Main products 】

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

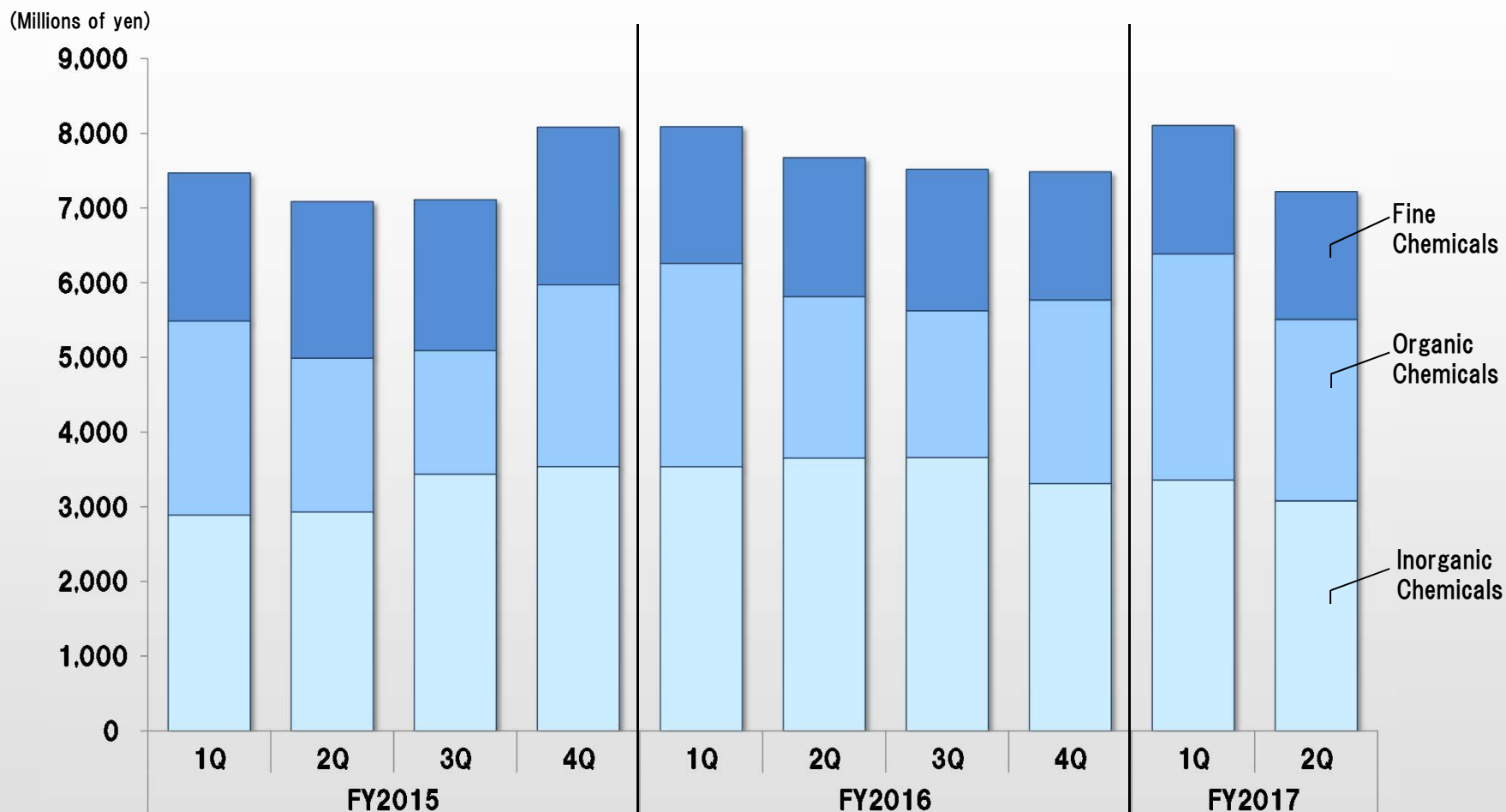


## 【 Main products 】

- 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)



# Housing Materials operations segment

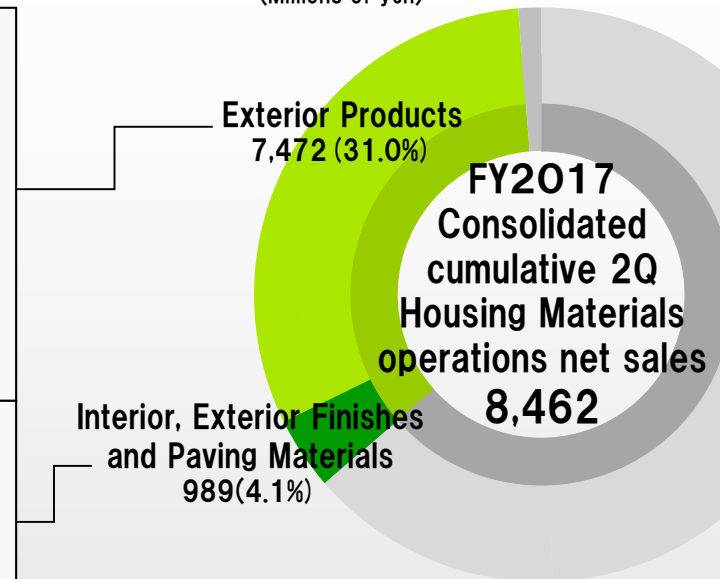
## 【Main products】

- 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 )



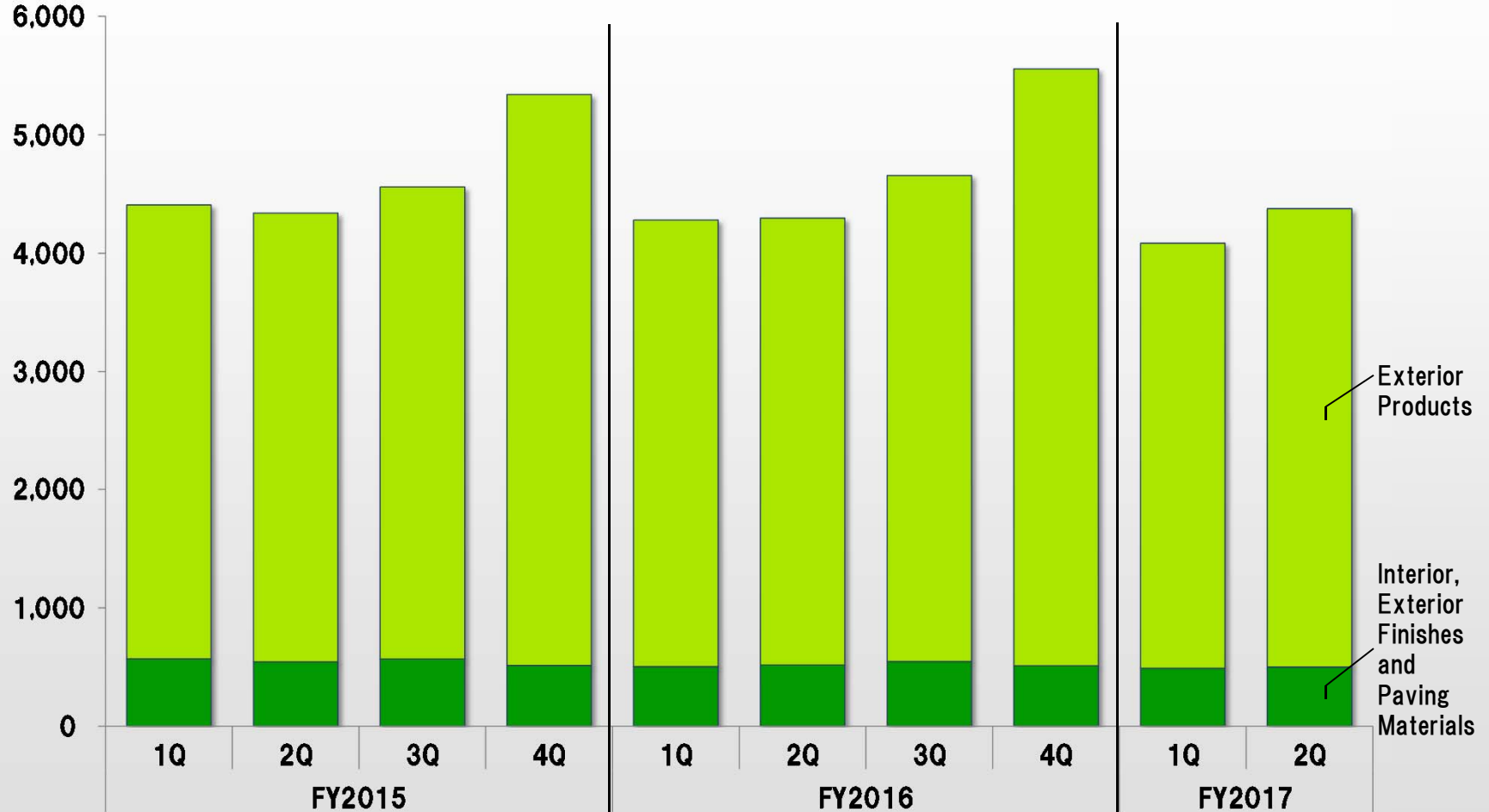
“Fairport” ( garage )



“Natylux” ( 100% natural wall material )

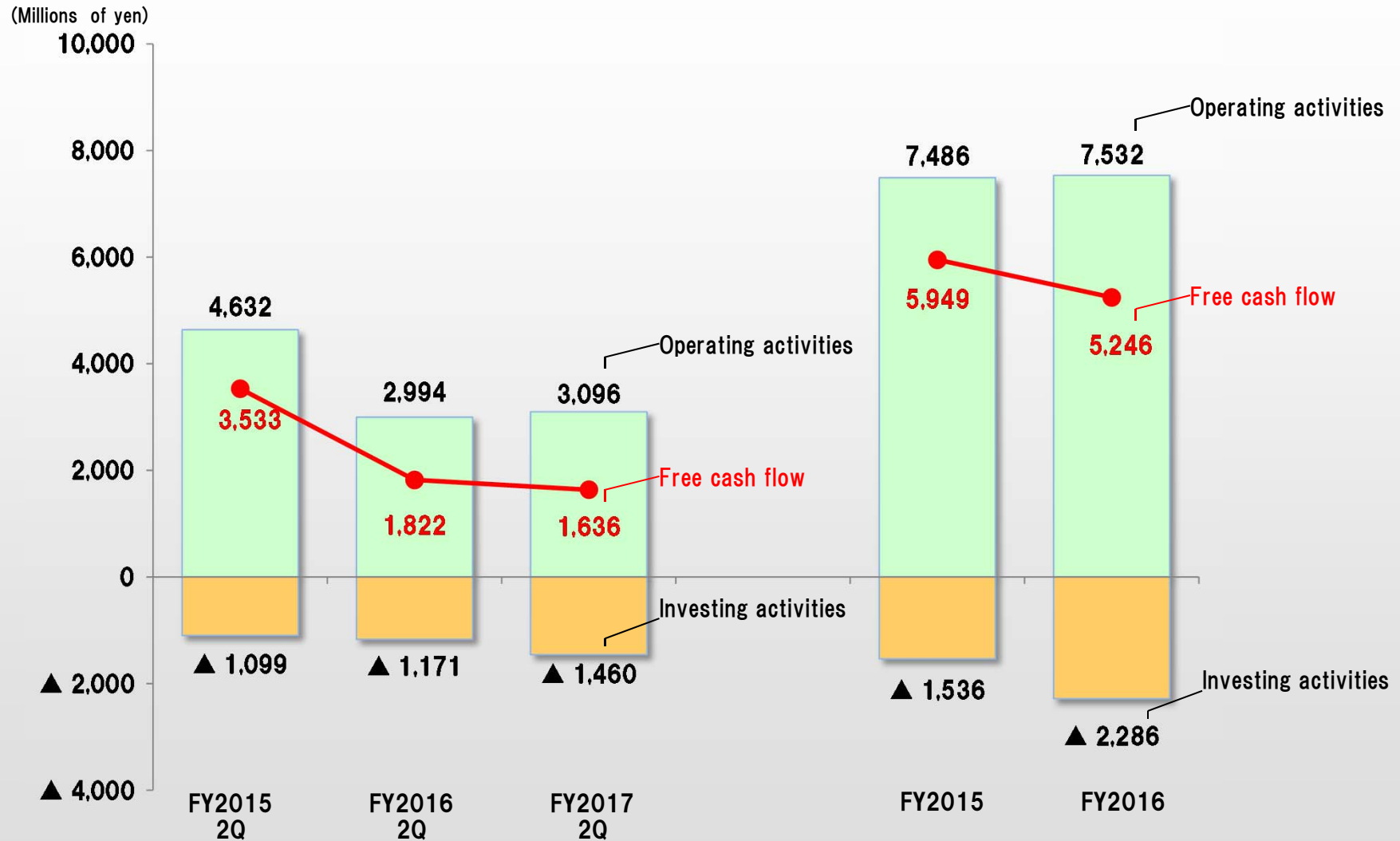
# Sales Trend of Housing Materials operations (consolidated and quarter)

(Millions of yen)

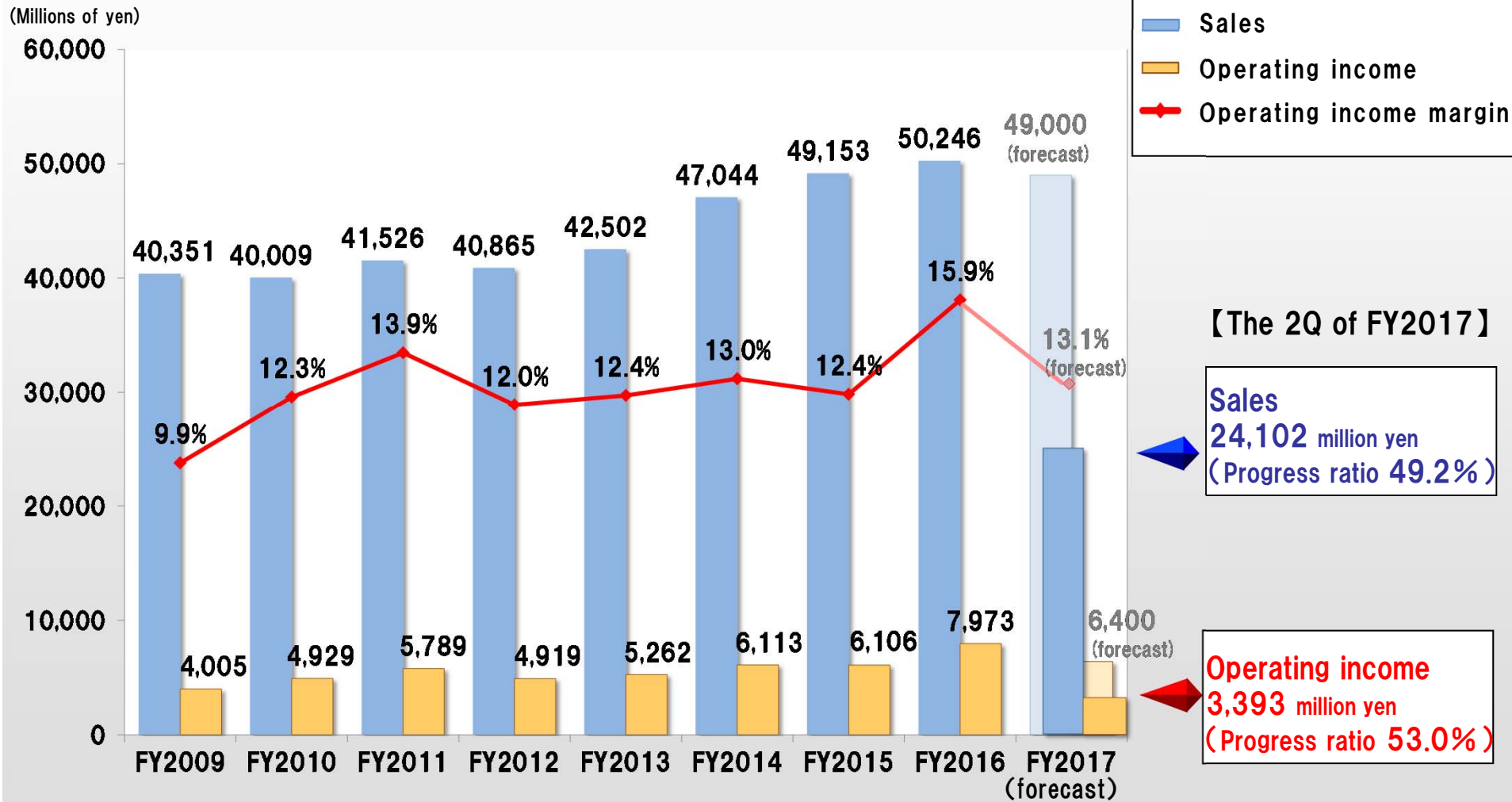


Exterior Products	3,838	3,796	3,993	4,826	3,776	3,780	4,110	5,047	3,596	3,876
Interior, Exterior and Paving Materials	569	543	566	513	503	517	547	509	489	499

# Cash Flow Overview (consolidated)



# Sales/Operating Income Trend (consolidated)





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**[Note regarding this document]**

**Forward-looking statements or projections mentioned in this document, including earnings are based on currently available information and actual results may differ from the projection due to various factors.**

**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.**