

Creating new worlds
in the niches
between the current ones

Financial Results
for the 3rd Quarter of the FY2017
(October 1, 2016–December 31, 2016)

January 25, 2017

 **SHIKOKU CHEMICALS CORPORATION**

Security Code:4099

70TH
ANNIVERSARY

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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.

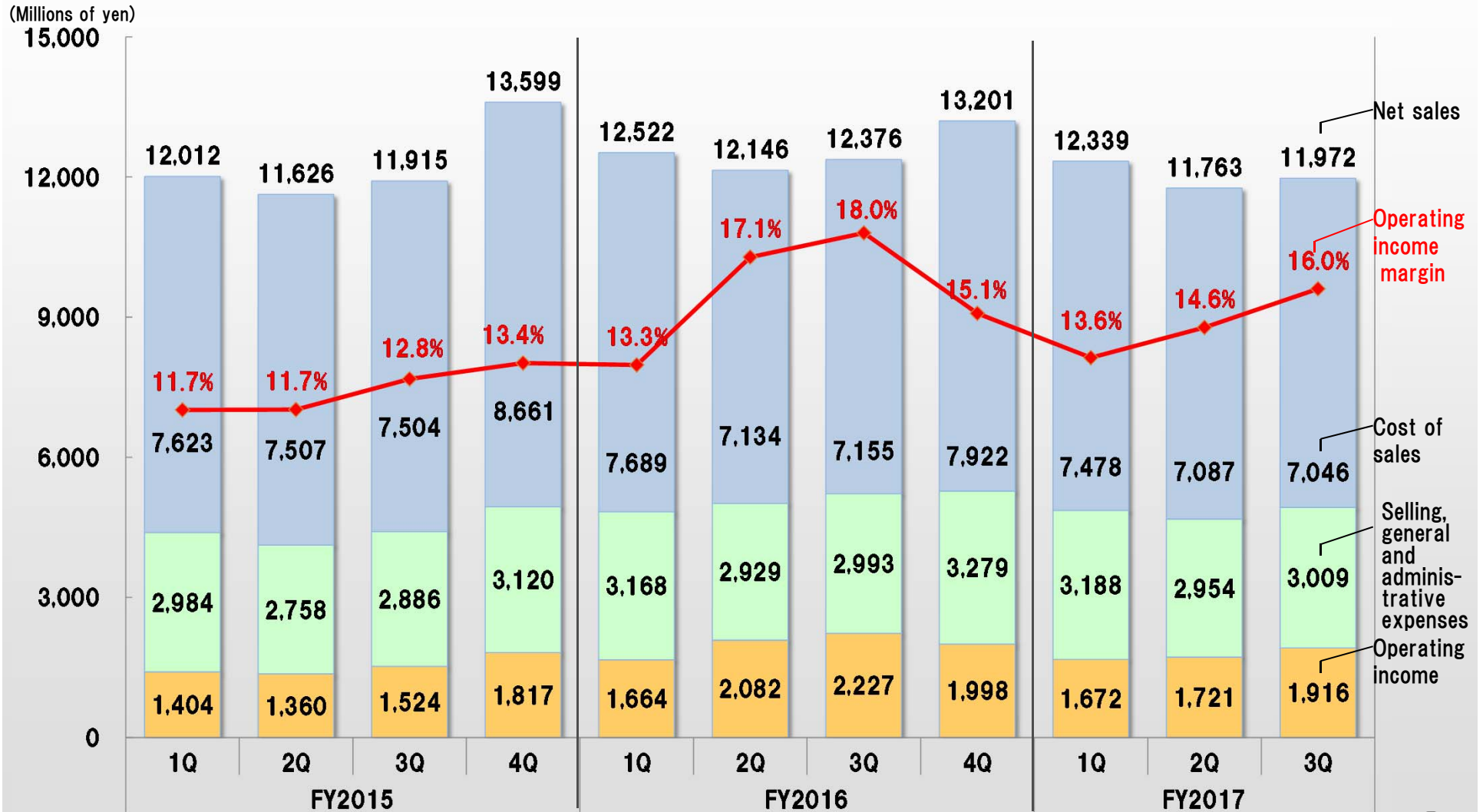
Highlights of Financial Results for the 3Q of FY2017

(Millions of yen)

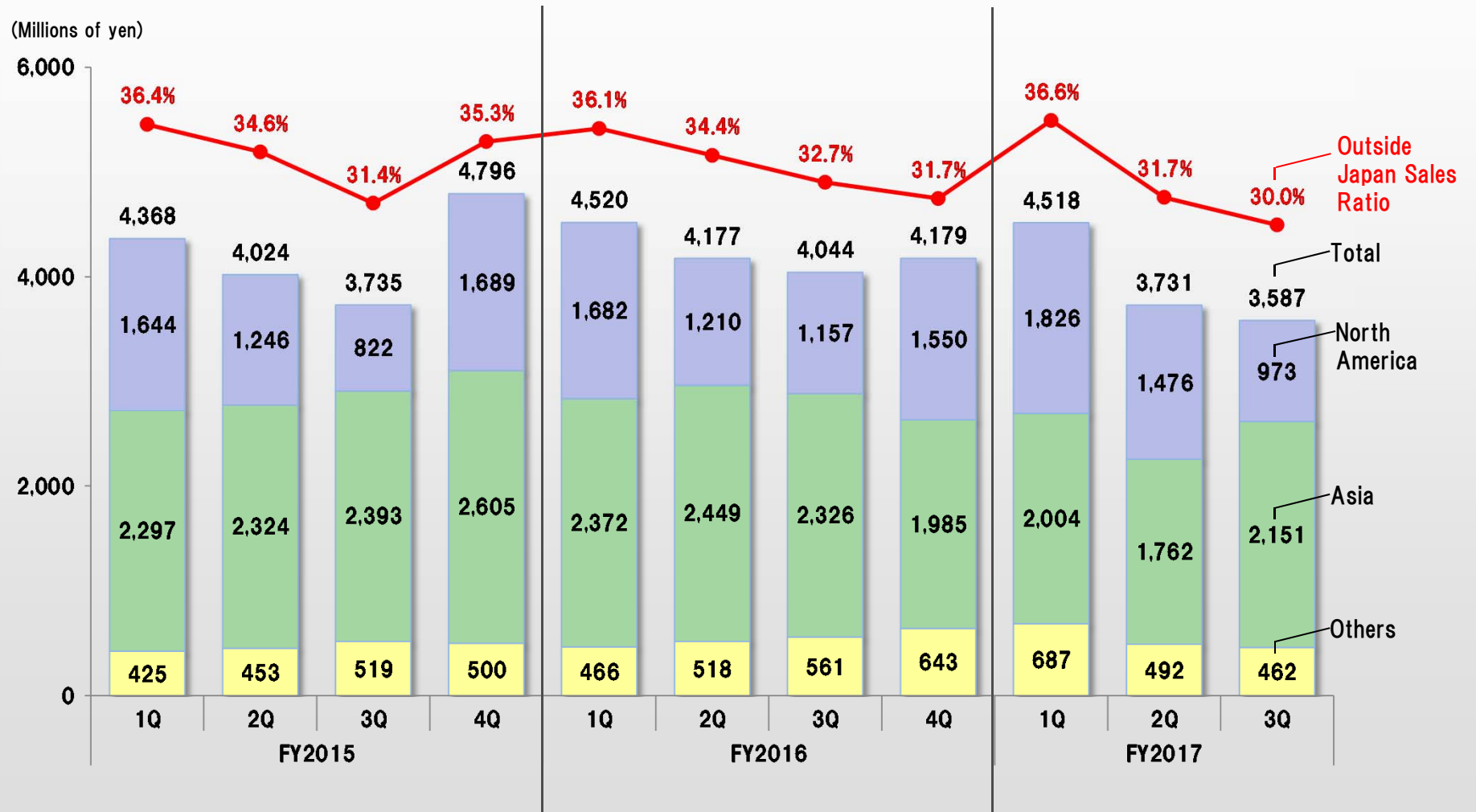
	Consolidated cumulative 3Q				Increase of amount	Changes
	FY2016		FY2017			
	Amount	Percentage	Amount	Percentage		
Net sales	37,045	100.0%	36,074	100.0%	▲ 970	▲2.6%
Operating income	5,974	16.1%	5,310	14.7%	▲ 664	▲11.1%
Ordinary income	6,338	17.1%	5,940	16.5%	▲ 397	▲6.3%
Net income attributable to owners of the parent	4,139	11.2%	4,048	11.2%	▲ 90	▲2.2%
Exchange rate (USD)	122		106			
Exchange rate (EUR)	134		119			

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

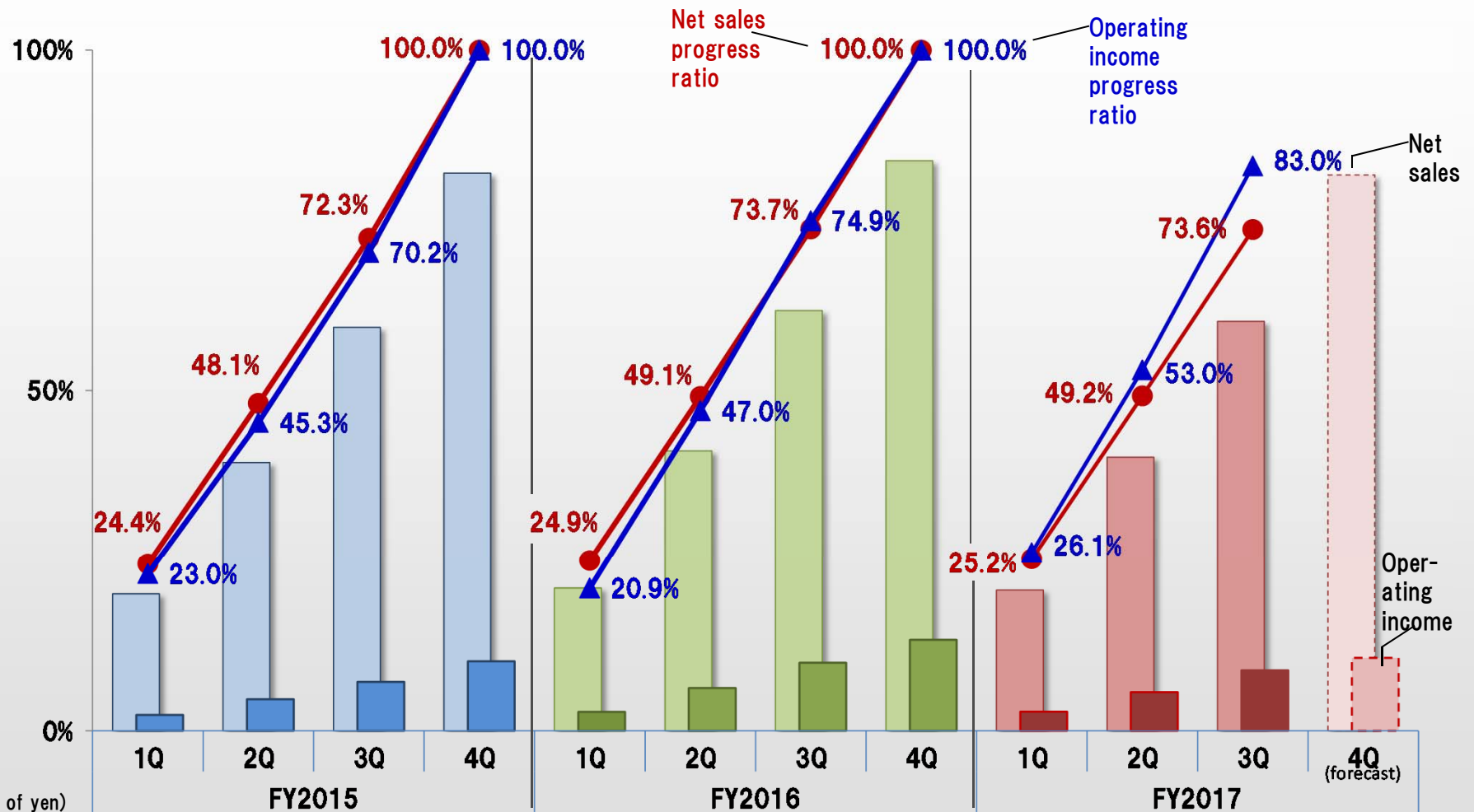
Financial Results Trend (consolidated and quarter)



Sales Trends by Region

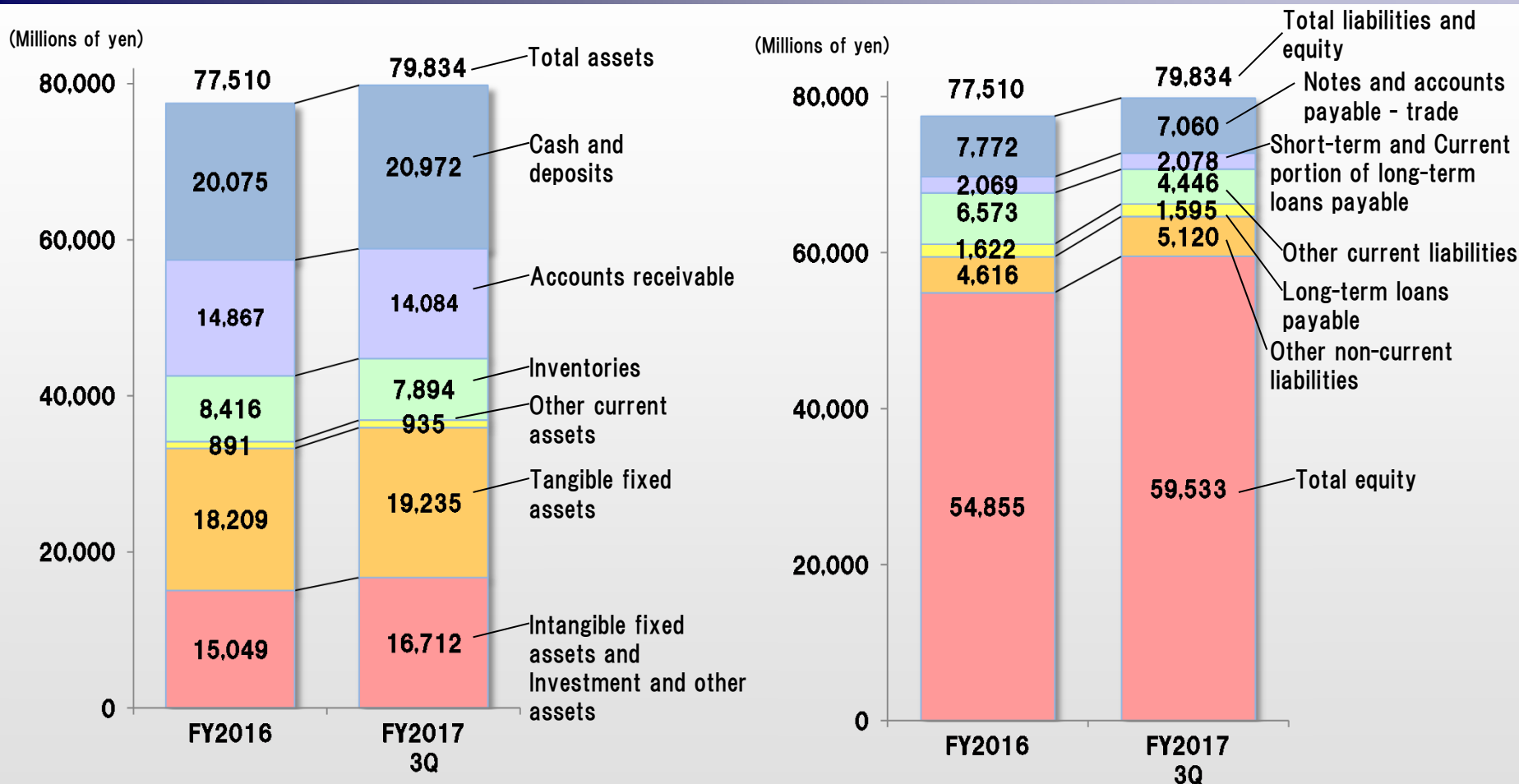


Progress report



(Millions of yen)	FY2015				FY2016				FY2017			
Net sales	12,012	23,638	35,554	49,153	12,522	24,668	37,045	50,246	12,339	24,102	36,074	49,000
Operating income	1,404	2,764	4,288	6,106	1,664	3,746	5,974	7,973	1,672	3,393	5,310	6,400

Assets / liabilities, and a total equity (consolidated)

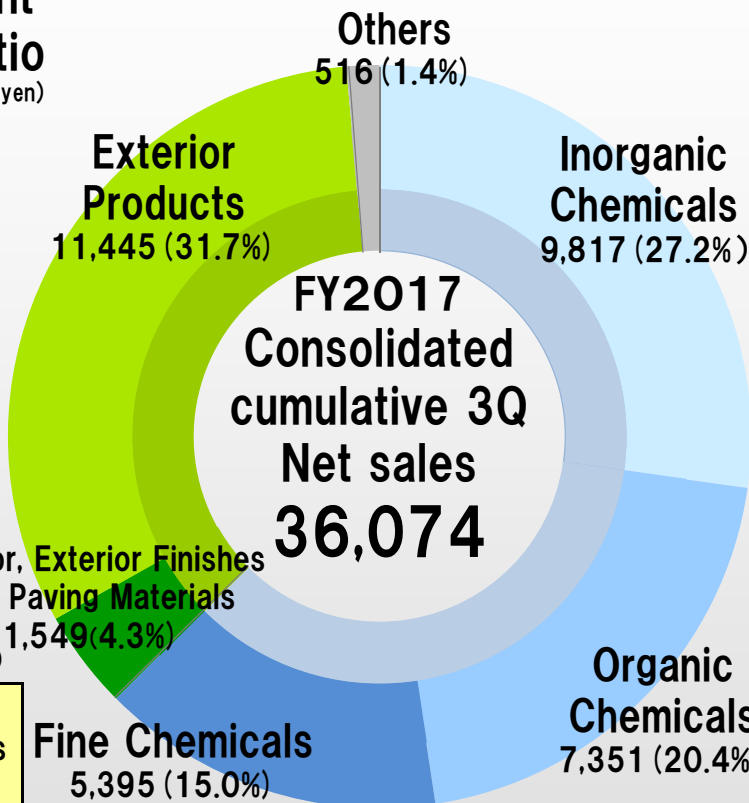


interest-bearing debt (millions of yen)	3,917	3,900
net interest-bearing debt (millions of yen)	▲ 16,158	▲ 17,072
Equity ratio(%)	70.0	73.8

Sales and Profit by Business segments

■ Sales amount constituent ratio (Millions of yen)

Housing Materials operations
12,994 (36.0%)

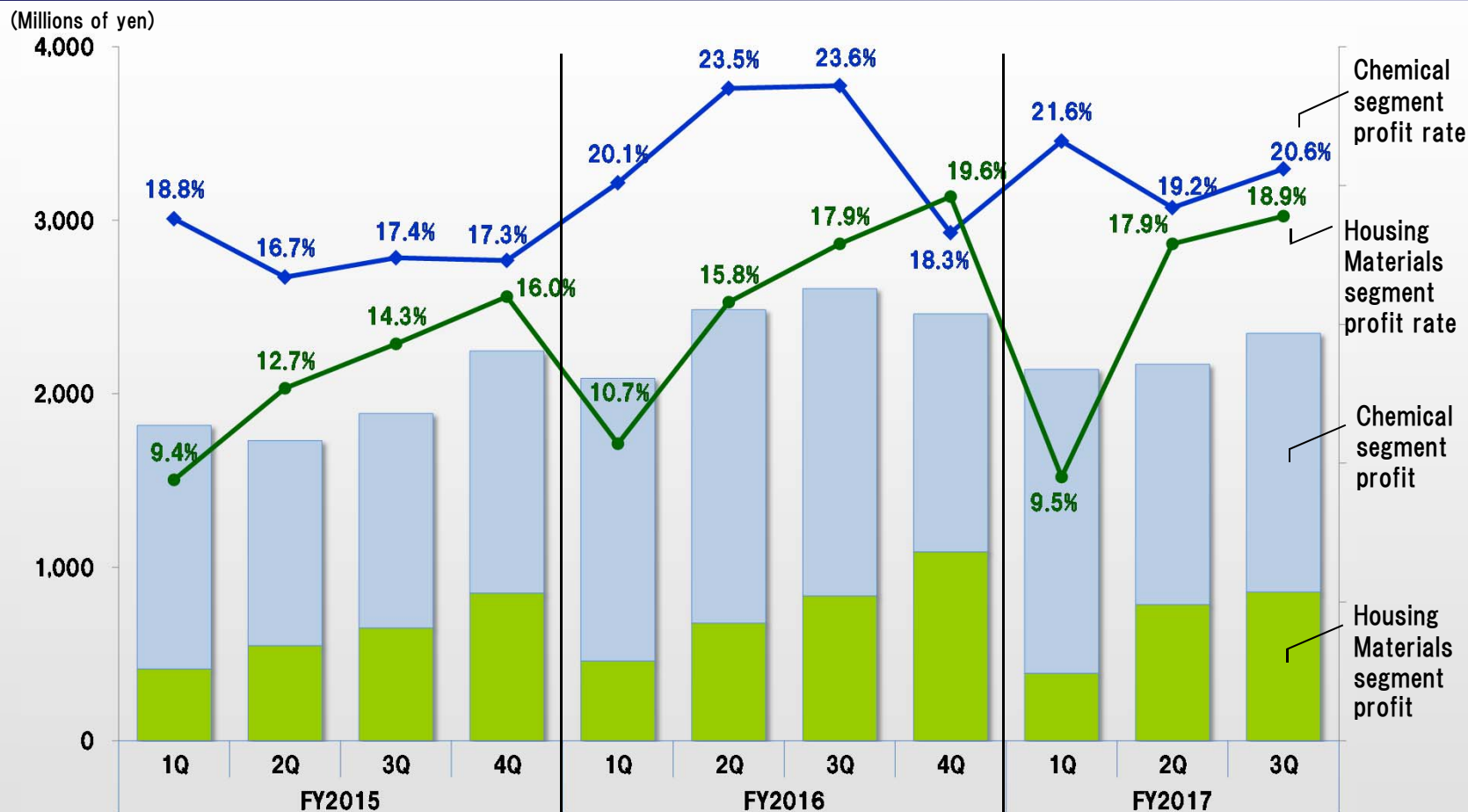


Chemical operations
22,563 (62.6%)

■ Segment information (Millions of yen)

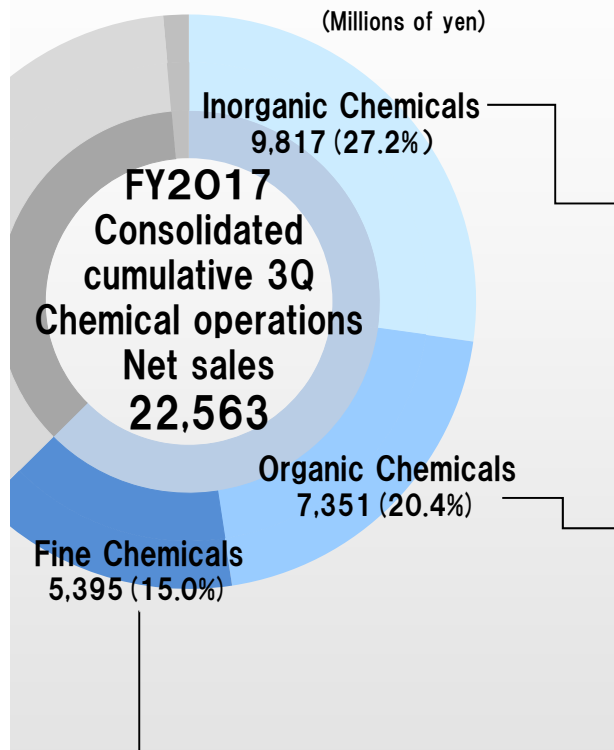
	Consolidated cumulative 3Q		Increase of amount	Changes
	FY2016	FY2017		
Net sales				
Chemical operations	23,284	22,563	▲ 720	▲ 3.1%
Housing Materials operations	13,235	12,994	▲ 241	▲ 1.8%
Segment profit				
Chemical operations	5,208	4,630	▲ 577	▲ 11.1%
Housing Materials operations	1,974	2,032	58	3.0%

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	7,221	7,235
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	4,532
Chemical segment profit	1,404	1,181	1,236	1,395	1,630	1,806	1,771	1,371	1,752	1,385	1,492
Housing Materials segment profit	414	549	650	851	459	678	835	1,089	389	785	857

Chemicals operations segment



【 Main products 】

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



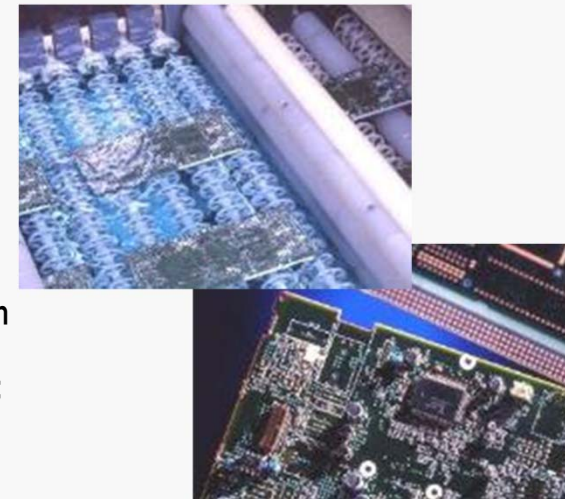
【 Main products 】

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

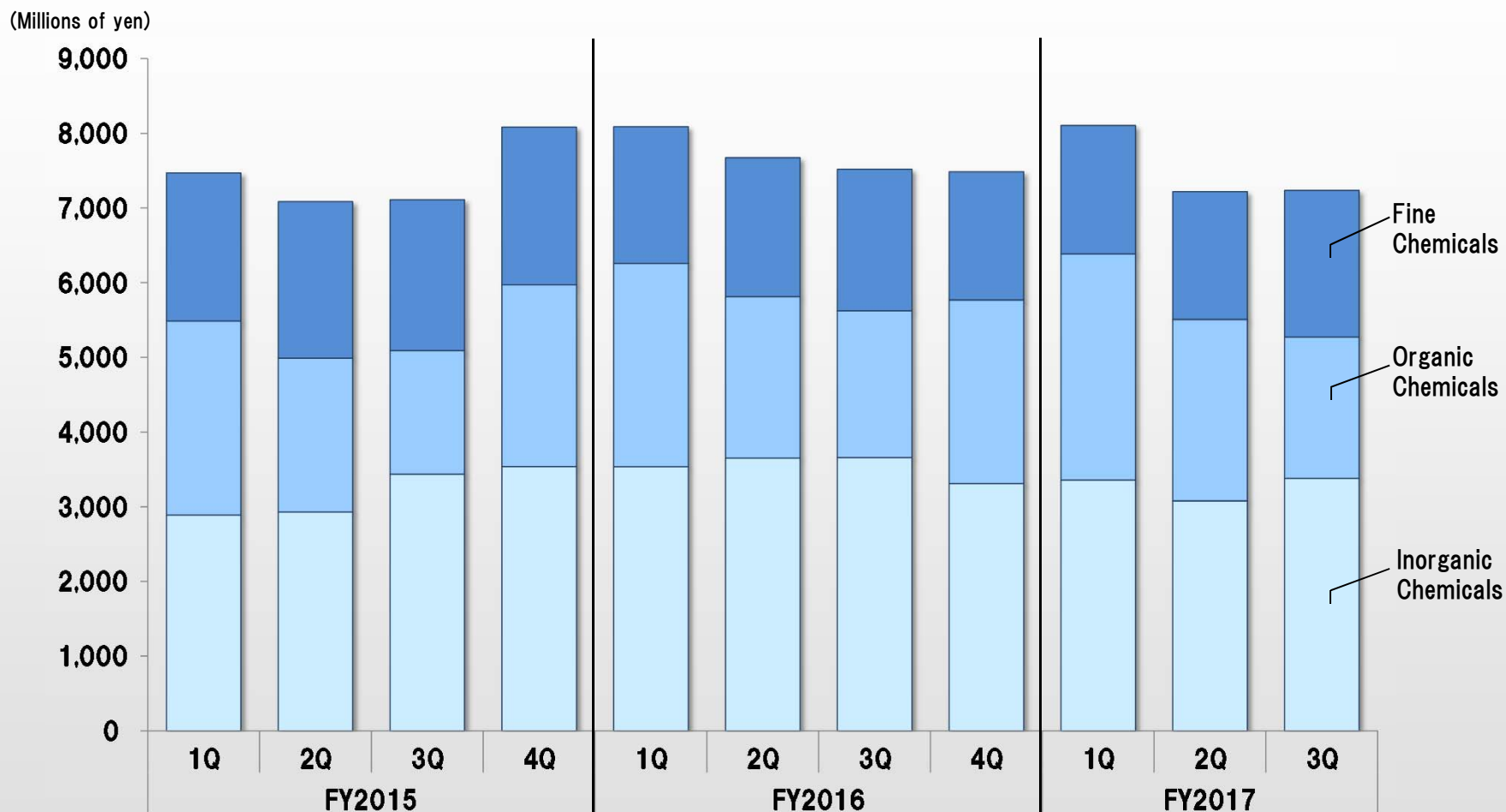


【 Main products 】

- 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	1,713	1,962
Organic Chemicals	2,596	2,061	1,654	2,432	2,723	2,160	1,965	2,459	3,029	2,430	1,891
Inorganic Chemicals	2,890	2,928	3,434	3,537	3,535	3,652	3,659	3,310	3,357	3,077	3,381

Housing Materials operations segment

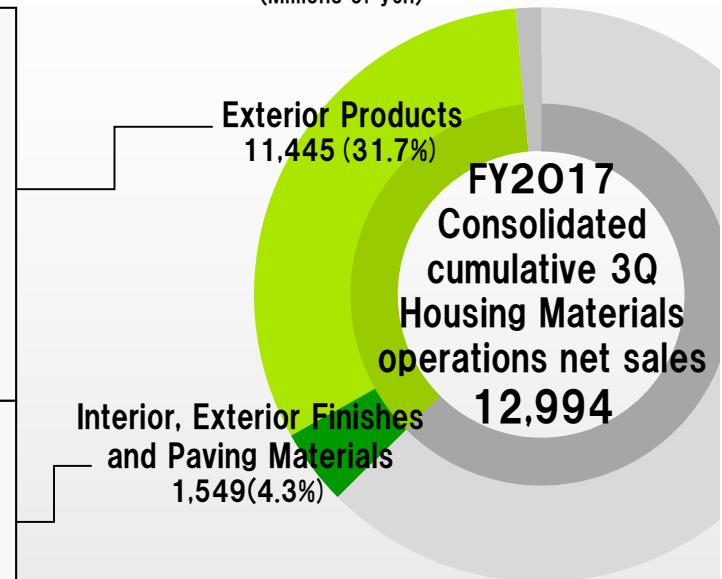
【Main products】

- 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)



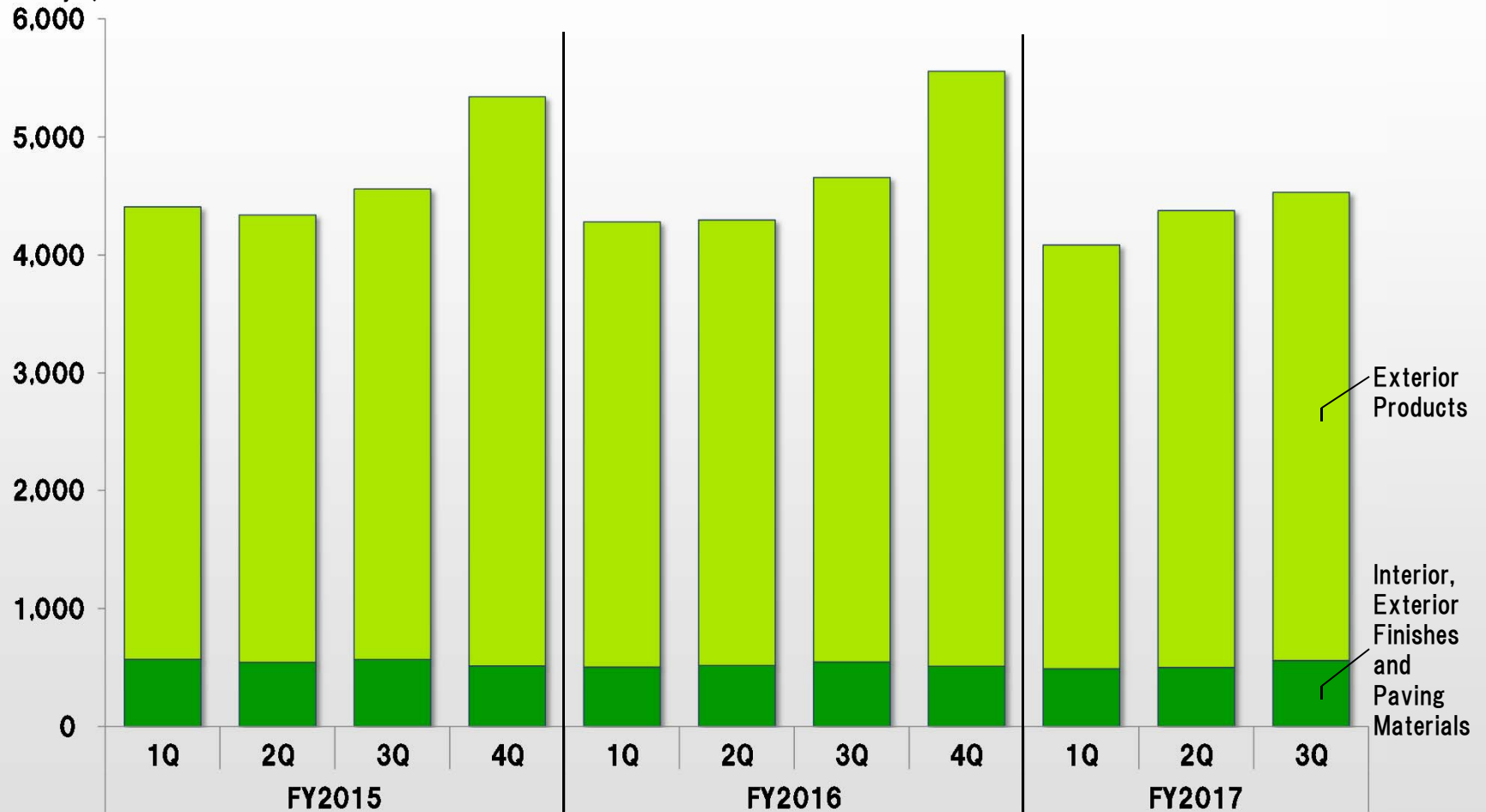
“Fairport” (garage)



“Natylux” (100% natural wall material)

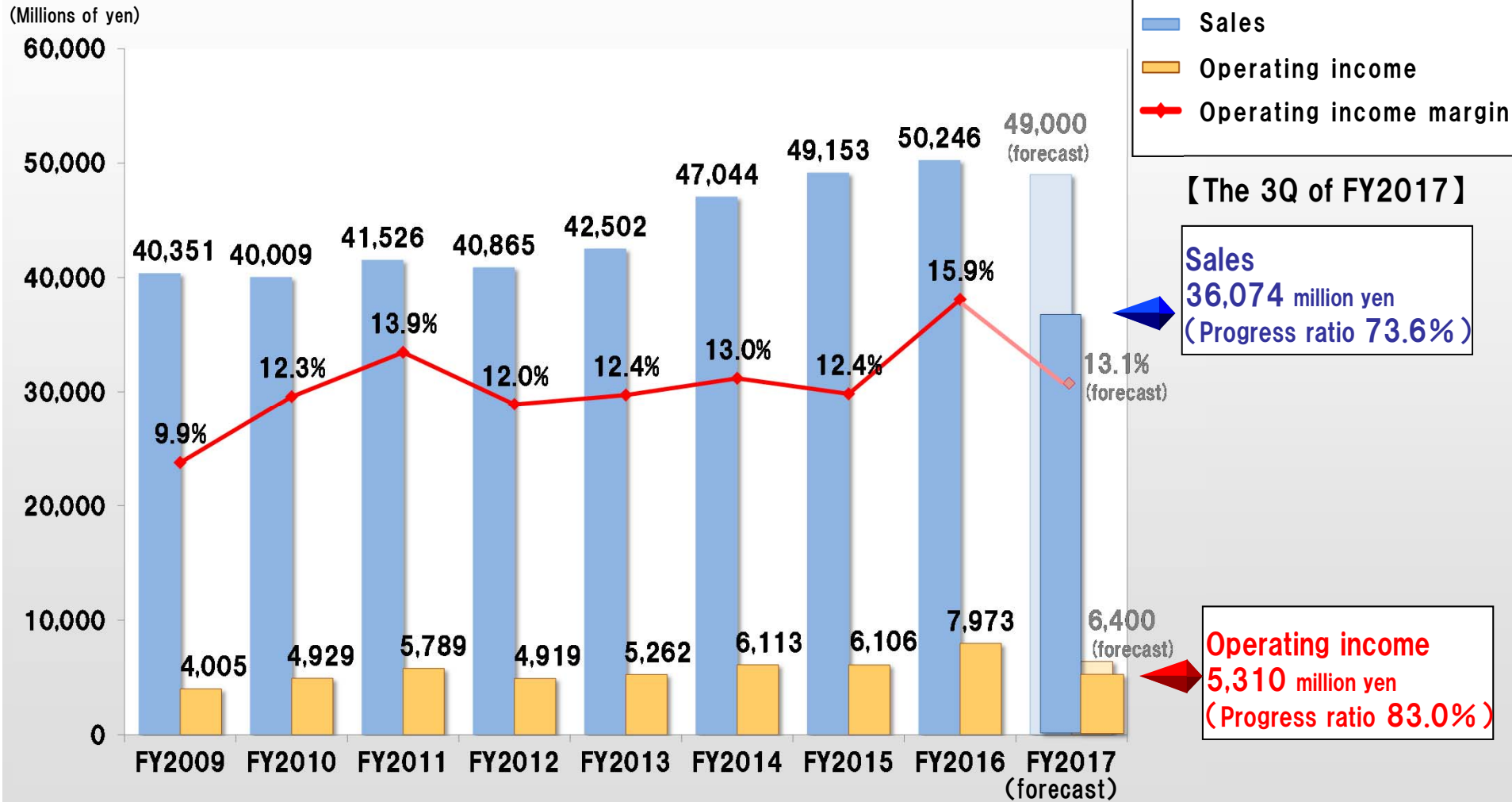
Sales Trend of Housing Materials operations (consolidated and quarter)

(Millions of yen)
6,000



	FY2015				FY2016				FY2017		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Exterior Products	3,838	3,796	3,993	4,826	3,776	3,780	4,110	5,047	3,596	3,876	3,972
Interior, Exterior Finishes and Paving Materials	569	543	566	513	503	517	547	509	489	499	559

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.