



Creating new worlds
in the niches
between the current ones

Financial Results for the FY2017 (April 1, 2016–March 31, 2017)

April 28, 2017



SHIKOKU CHEMICALS CORPORATION

70TH
ANNIVERSARY

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,Shingapore
- Capital 6,867 million yen
- Number of employees Consolidated1,074 Non-Consolidated 599(As of March 31, 2017)

▼Share of stock

- Issued Shares 58,948,063
- Number of Shareholders 3,770(As of March 31, 2017)

▼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 FY2017

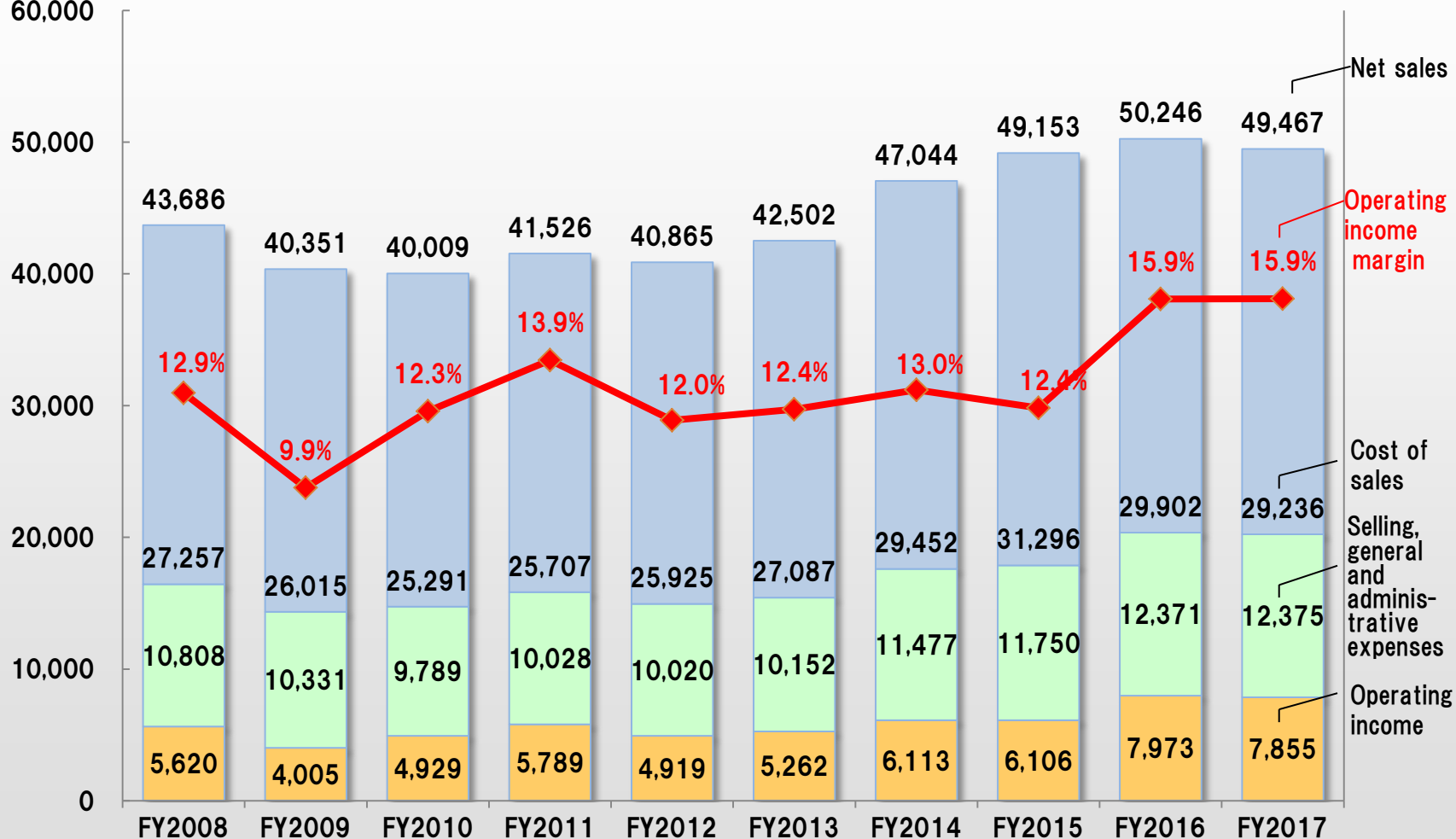
(Millions of yen)

	FY2016		FY2017		Increase of amount	Changes
	Amount	Percentage	Amount	Percentage		
Net sales	50,246	100.0%	49,467	100.0%	▲ 779	▲ 1.6%
Operating Income	7,973	15.9%	7,855	15.9%	▲ 117	▲ 1.5%
Ordinary income	8,197	16.3%	8,294	16.8%	97	1.2%
Net income attributable to owners of the parent	4,854	9.7%	5,837	11.8%	982	20.2%
Exchange rate (USD)	121		108			
Exchange rate (EUR)	133		120			

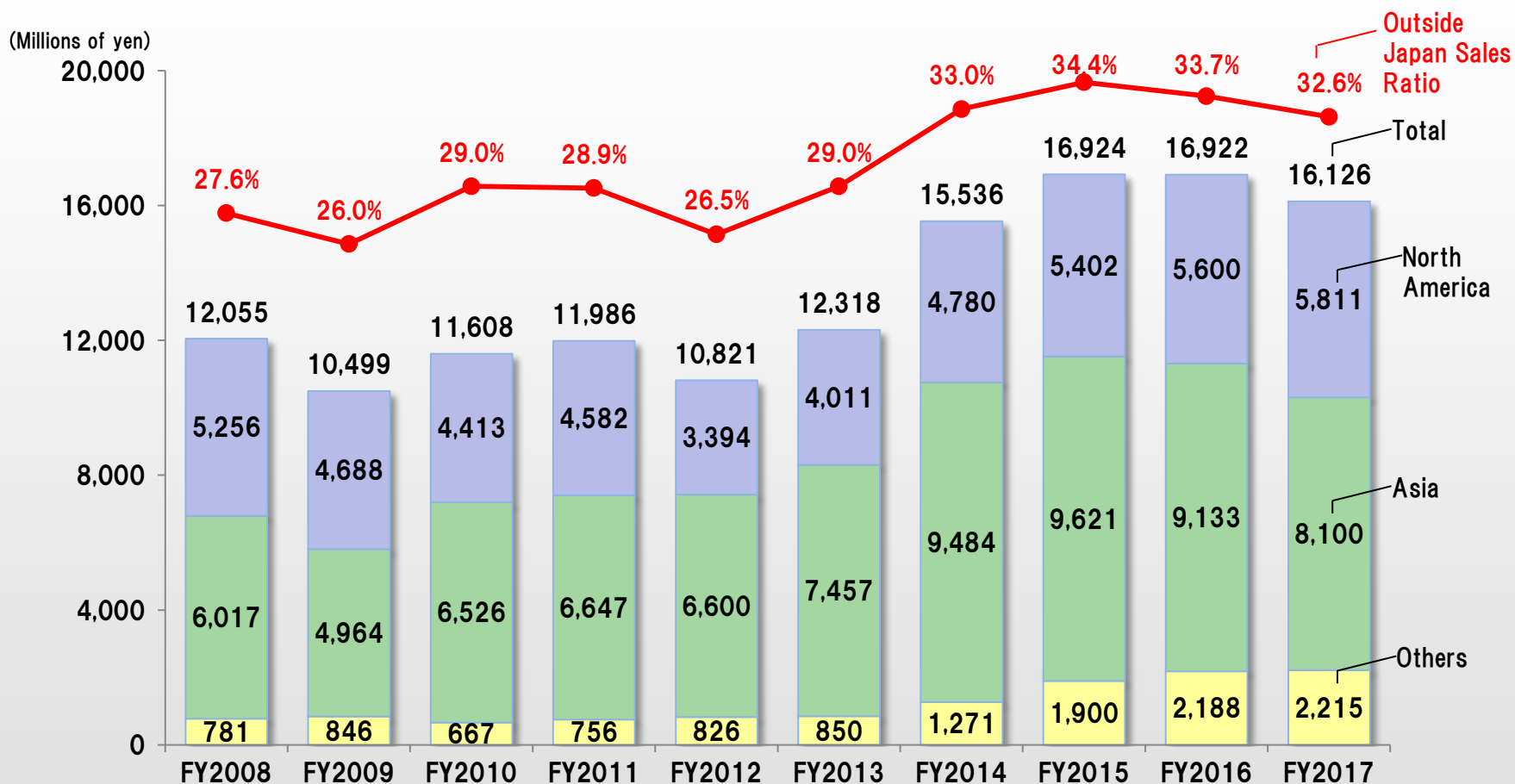
The exchange rates given above are average rates for the period from April to March.

Financial Results Trend (consolidated and full-year)

(Millions of yen)
60,000



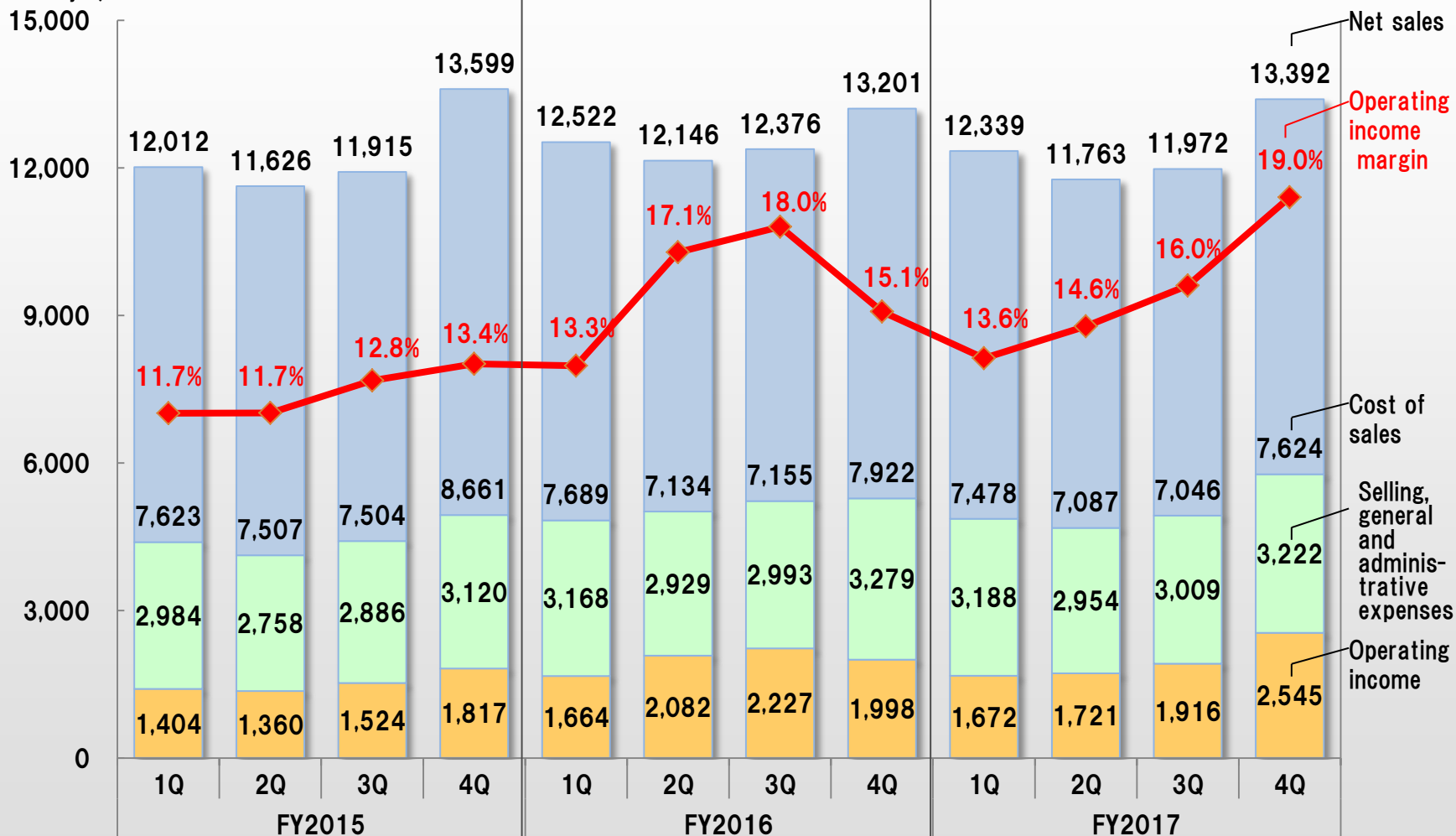
Sales Trends by Region



Exchange rate (USD)	111	101	93	86	79	82	100	109	121	108
Exchange rate (EUR)	161	148	132	114	110	106	132	139	133	120

Financial Results Trend (consolidated and quarter)

(Millions of yen)

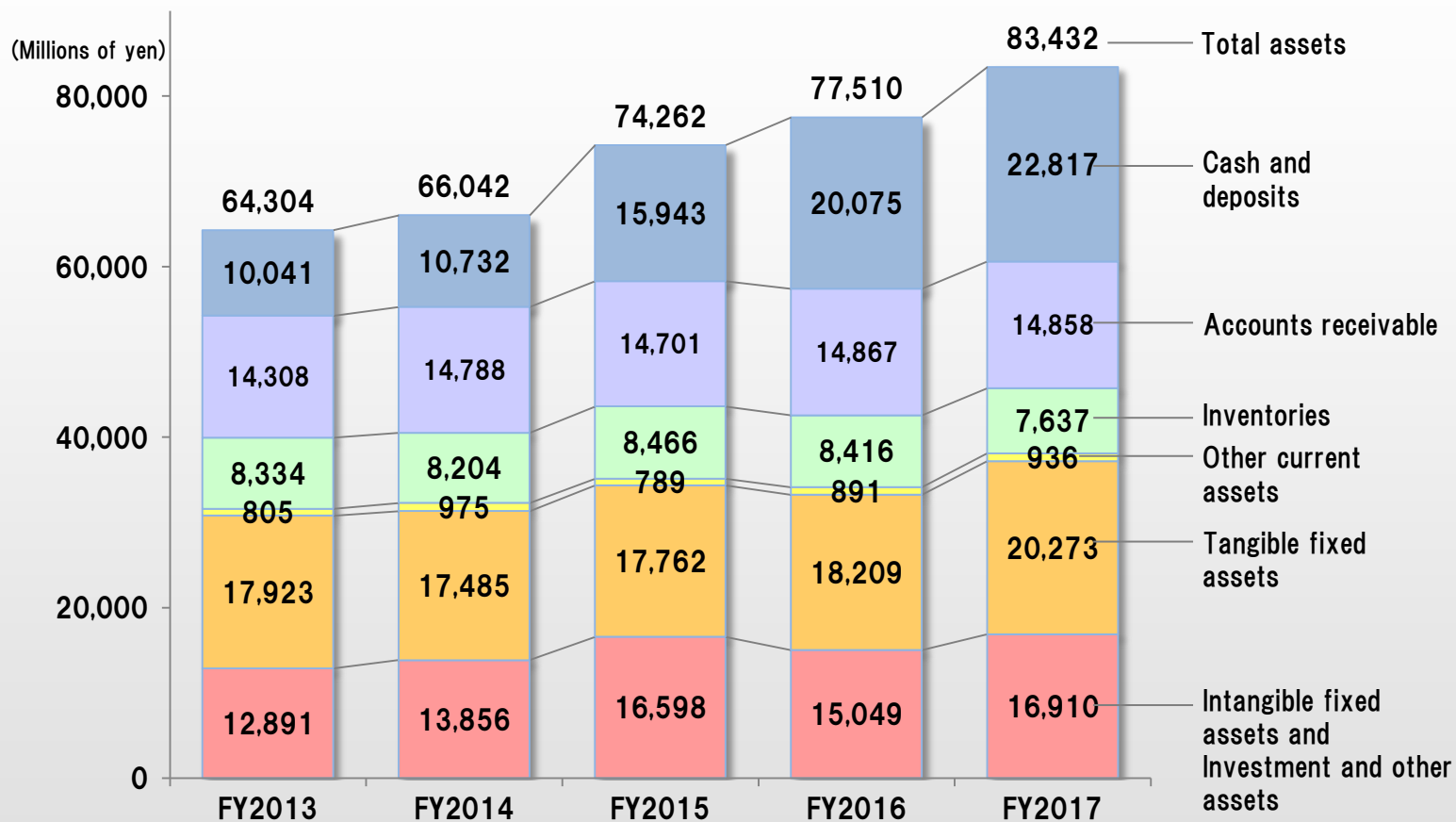


Financial Results (consolidated and quarter)

(Millions of yen)

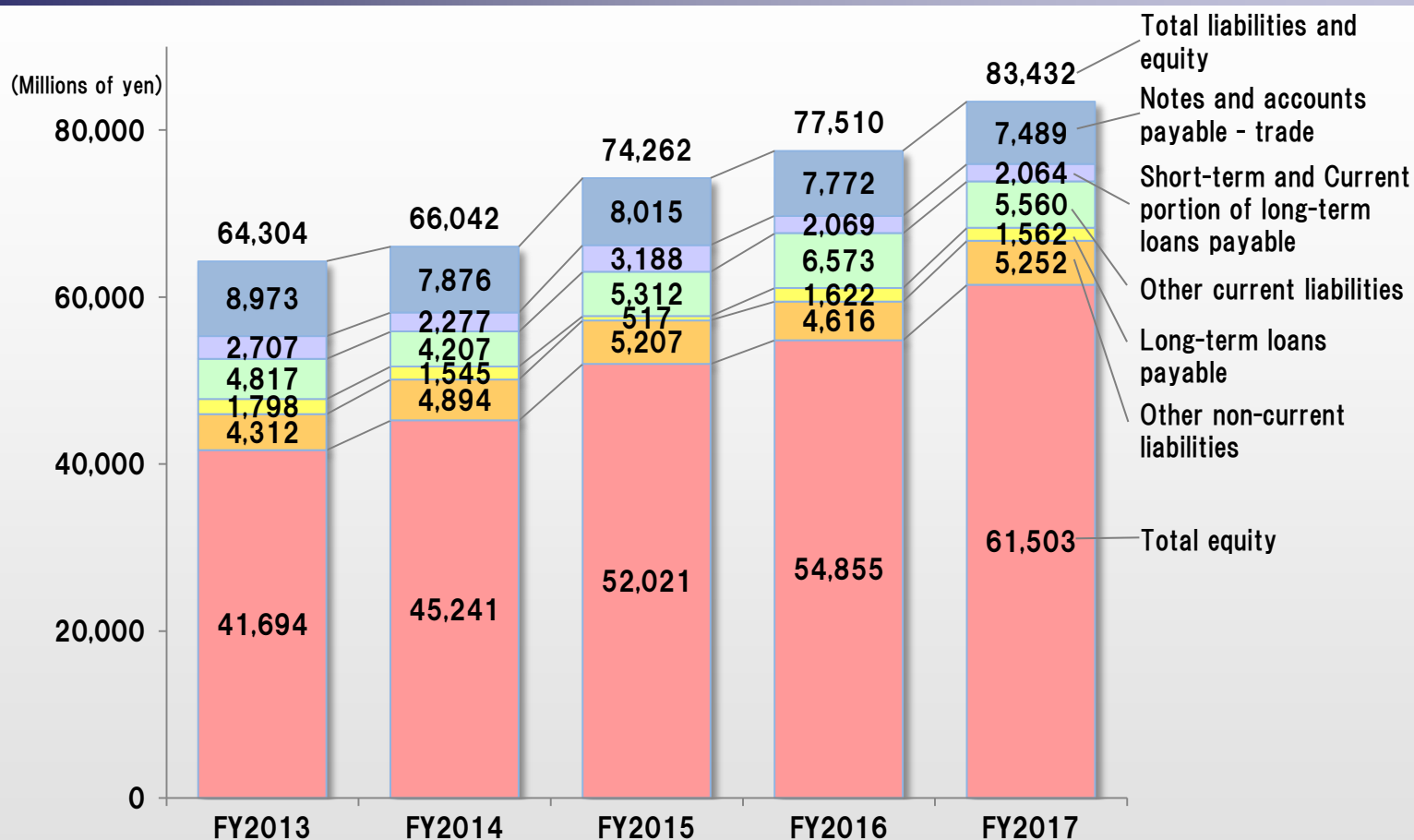
	Qtr1		Qtr2		Qtr3		Qtr4		FY2017	
		year-on year changes		year-on year changes		year-on year changes		year-on year changes		year-on year changes
Net sales	12,339	▲ 183 (▲1.5%)	11,763	▲ 382 (▲3.2%)	11,972	▲ 404 (▲3.3%)	13,392	191 (+1.4%)	49,467	▲ 779 (▲1.6%)
Operating income	1,672	7 (+0.5%)	1,721	▲ 360 (▲17.3%)	1,916	▲ 311 (▲14.0%)	2,545	546 (+27.3%)	7,855	▲ 117 (▲1.5%)
Ordinary income	1,894	▲ 83 (▲4.2%)	1,690	▲ 297 (▲14.9%)	2,355	▲ 16 (▲0.7%)	2,354	494 (+26.6%)	8,294	97 (+1.2%)
Net income attributable to owners of the parent	1,240	▲ 10 (▲0.8%)	1,171	▲ 152 (▲11.5%)	1,636	71 (+4.6%)	1,789	1,073 (+150.0%)	5,837	982 (+20.2%)

Assets (consolidated)



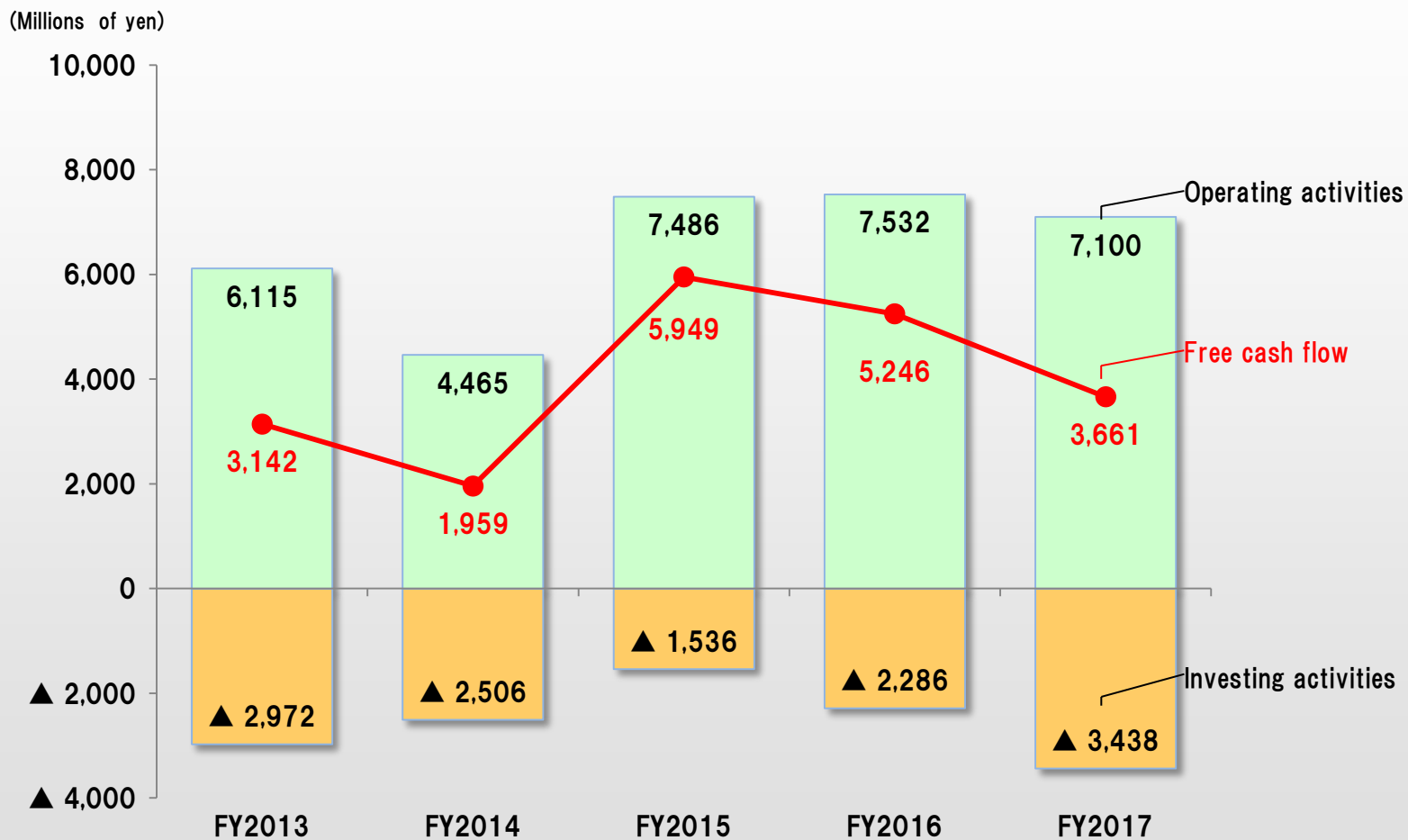
ROA(%)	5.1%	6.0%	6.2%	6.4%	7.3%

Liabilities, and a total equity (consolidated)

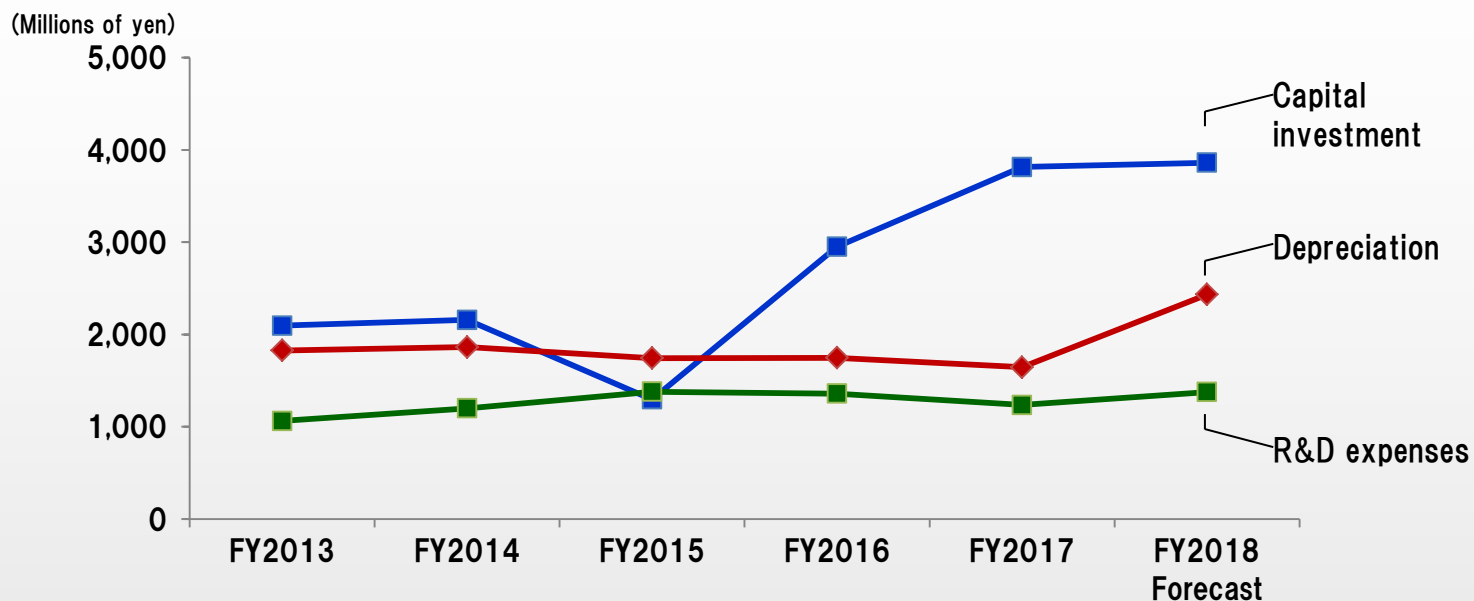


ROE (%)	8.0	9.1	9.0	9.2	10.1
interest-bearing debt (millions of yen)	4,675	4,004	3,894	3,917	3,853
net interest-bearing debt (millions of yen)	▲5,366	▲6,728	▲12,050	▲16,158	▲18,963
Ratio of equity attributable to owners of the Parent (%)	64.5	68.1	69.3	70.0	72.9

Cash Flow Overview (consolidated)



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



	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018 Forecast
Capital investment	2,095	2,158	1,296	2,952	3,815	3,862
Depreciation	1,827	1,863	1,743	1,747	1,645	2,434
R&D expenses	1,062	1,199	1,379	1,358	1,235	1,376

Forecast for FY2018 (consolidated)

(Millions of yen)

		FY2017	FY2018 (Forecast)	Increase of amount	Changes
Net sales	First half	24,102	23,800	▲ 302	▲ 1.3%
	Second half	25,364	25,700	335	1.3%
	Full-year	49,467	49,500	32	0.1%
Operating income	First half	3,393	3,100	▲ 293	▲ 8.7%
	Second half	4,461	3,900	▲ 561	▲ 12.6%
	Full-year	7,855	7,000	▲ 855	▲ 10.9%
Ordinary income	First half	3,585	3,400	▲ 185	▲ 5.2%
	Second half	4,709	4,000	▲ 709	▲ 15.1%
	Full-year	8,294	7,400	▲ 894	▲ 10.8%
Net income attributable to owners of the parent	First half	2,411	2,300	▲ 111	▲ 4.6%
	Second half	3,425	3,000	▲ 425	▲ 12.4%
	Full-year	5,837	5,300	▲ 537	▲ 9.2%

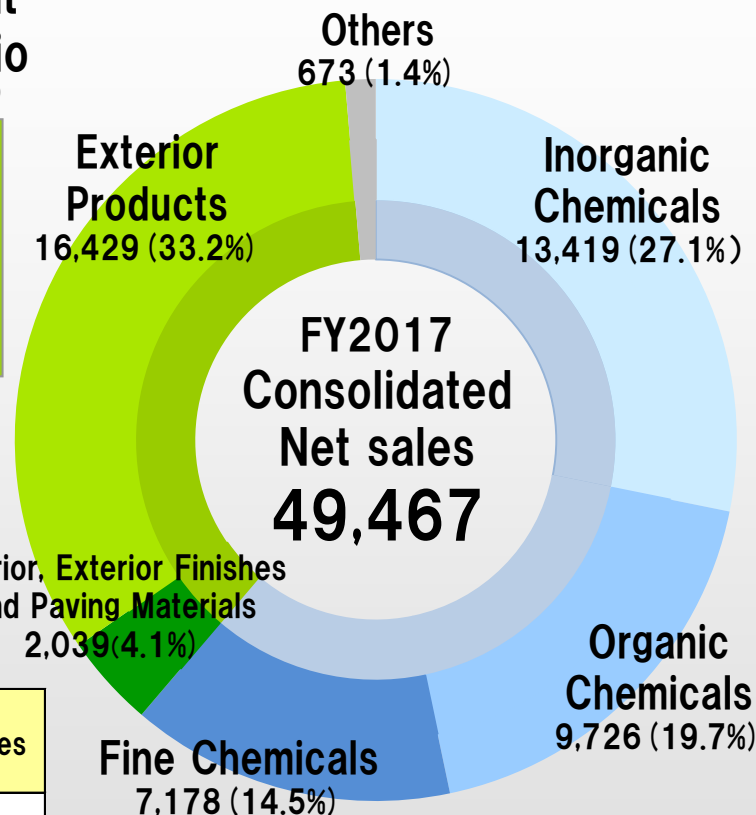
*Assumed exchange rates are as follows:
108 yen per U.S. dollar, and 115 yen per euro.

Sales and Profit by Business segments

■ Sales amount constituent ratio

(Millions of yen)

Housing Materials operations
18,468 (37.3%)



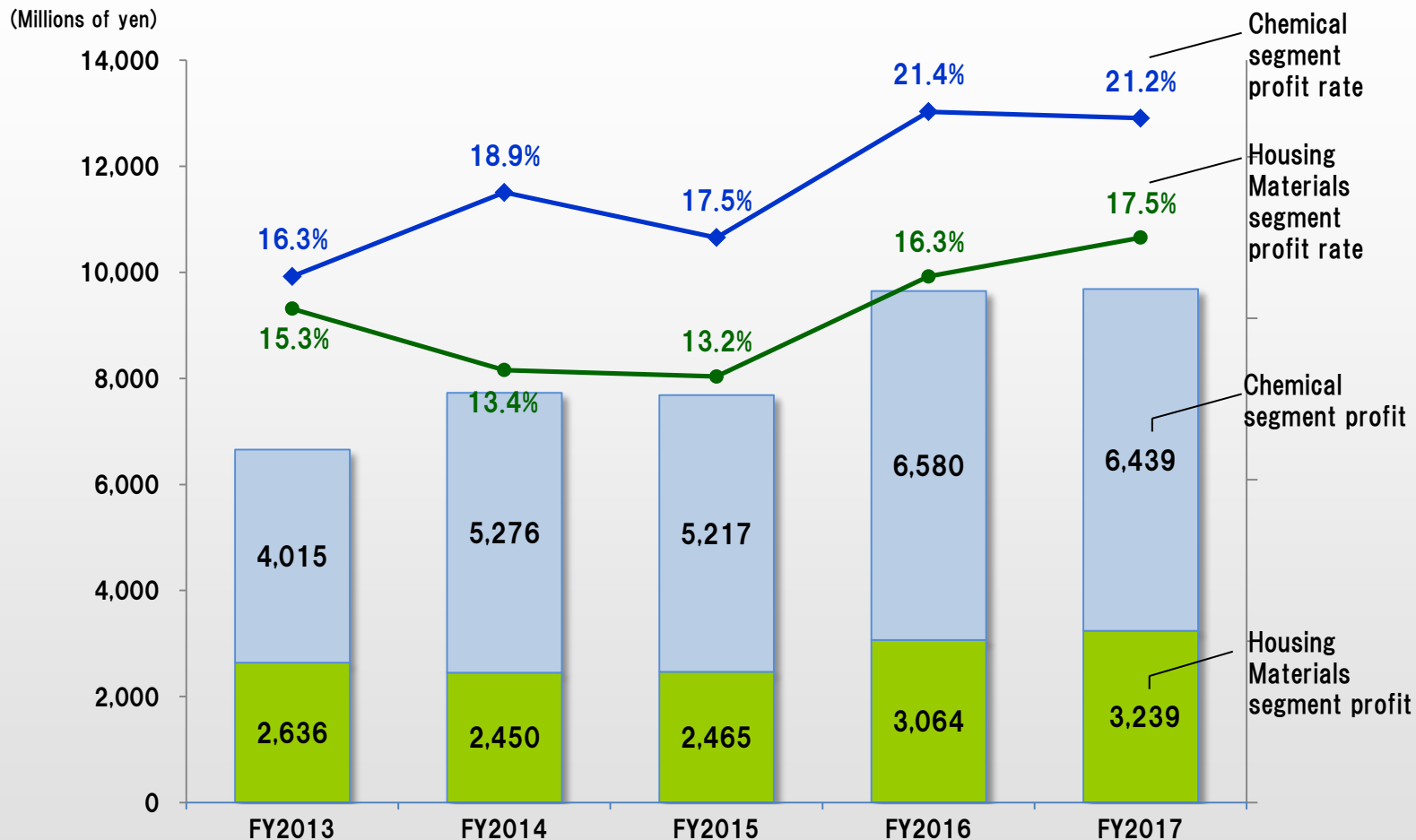
Chemical operations
30,325 (61.3%)

■ Segment information

(Millions of yen)

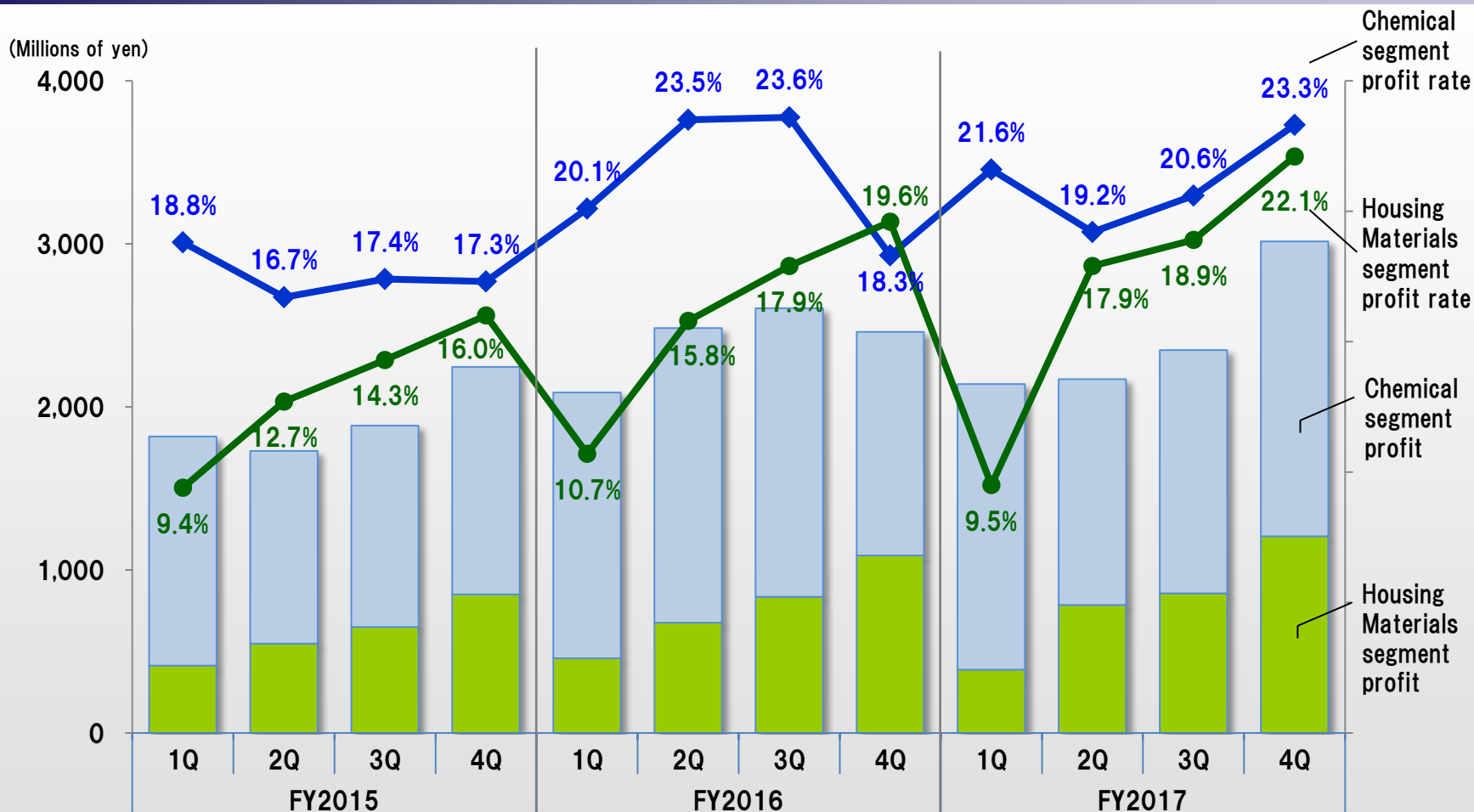
	FY2016	FY2017	Increase of amount	Changes
Net sales				
Chemical operations	30,769	30,325	▲ 444	▲1.4%
Housing Materials operations	18,792	18,468	▲ 323	▲1.7%
Segment profit				
Chemical operations	6,580	6,439	▲ 140	▲2.1%
Housing Materials operations	3,064	3,239	175	5.7%

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



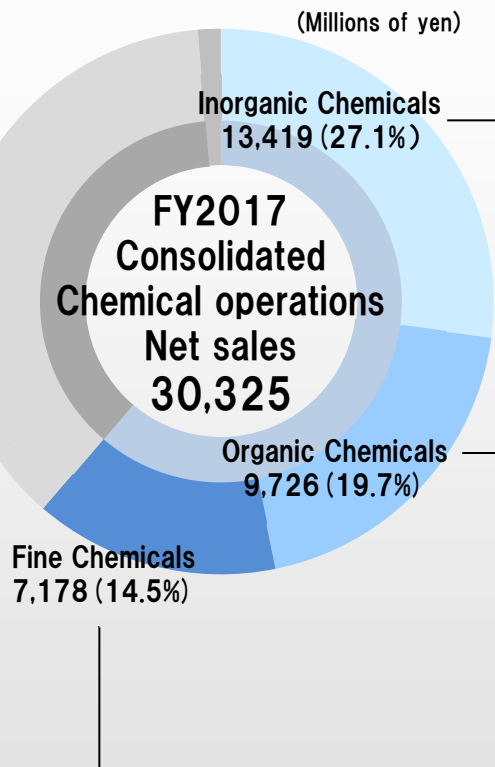
Chemical operations net sales	24,570	27,932	29,752	30,769	30,325
Housing Materials operations net sales	17,186	18,257	18,647	18,792	18,468
Chemical segment profit	4,015	5,276	5,217	6,580	6,439
Housing Materials segment profit	2,636	2,450	2,465	3,064	3,239

Sales and Profit by Business segments (consolidated and quarter)



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	7,761
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	5,474
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	1,808
Housing Materials segment profit	414	549	650	851	459	678	835	1,089	389	785	857	1,207

Chemicals operations segment



【 Main products 】

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



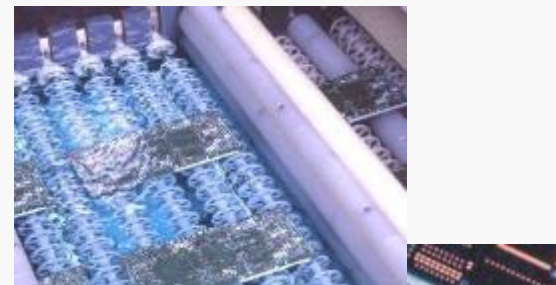
【 Main products 】

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

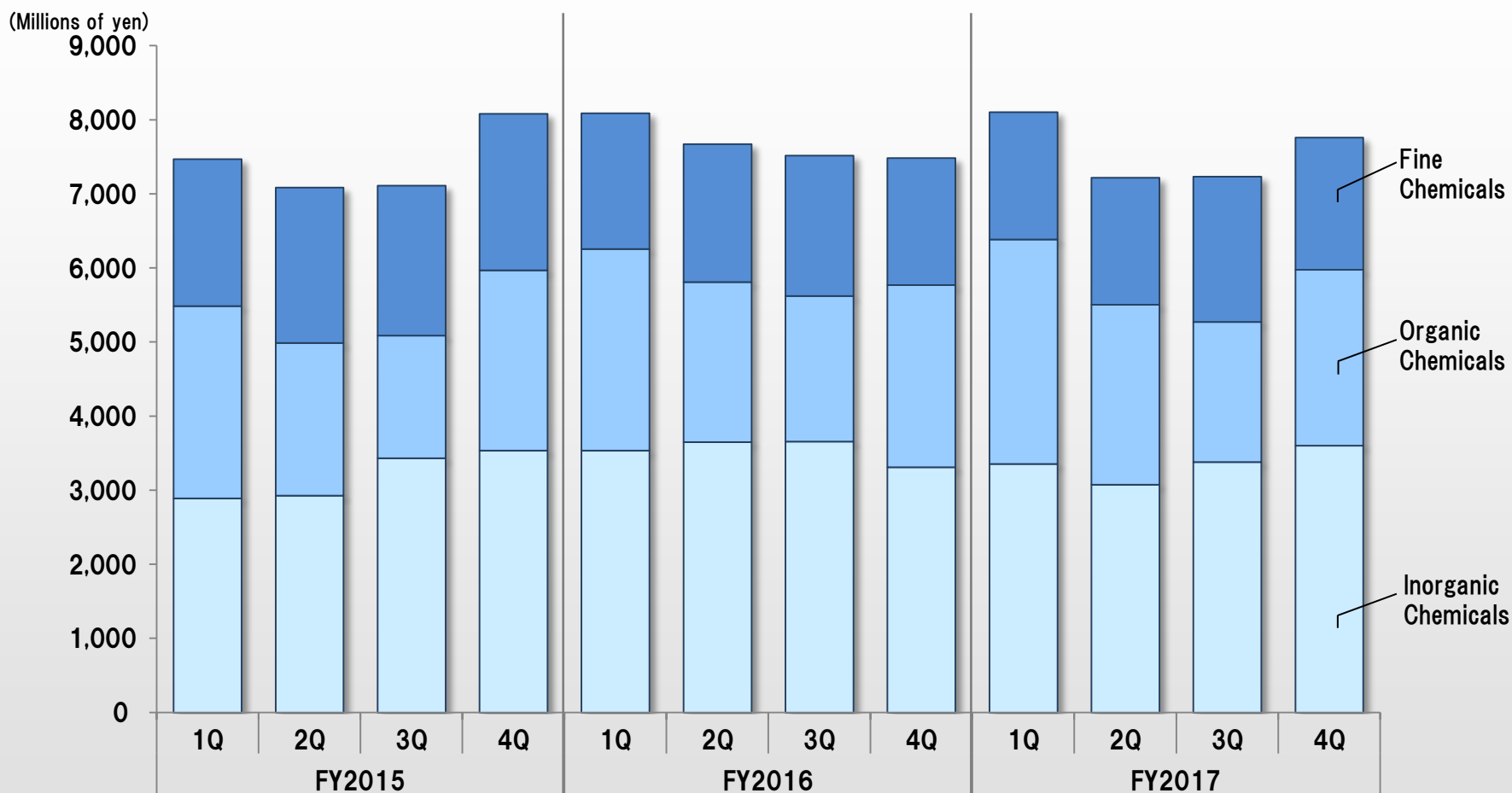


【 Main products 】

- 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	1,783
Organic Chemicals	2,596	2,061	1,654	2,432	2,723	2,160	1,965	2,459	3,029	2,430	1,891	2,375
Inorganic Chemicals	2,890	2,928	3,434	3,537	3,535	3,652	3,659	3,310	3,357	3,077	3,381	3,602

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)

Exterior Products
16,429 (33.2%)

Interior, Exterior Finishes and
Paving Materials
2,039(4.1%)

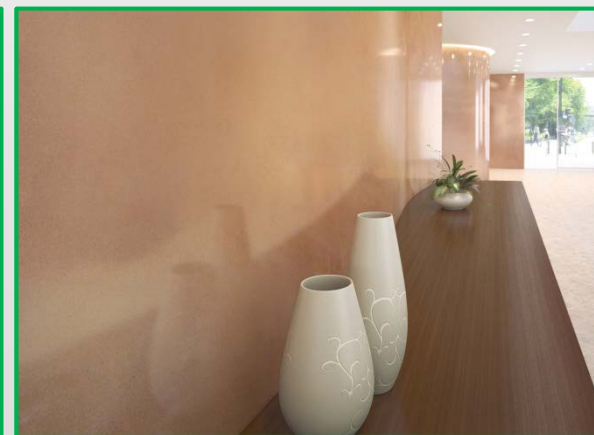
FY2017
Consolidated
Housing Materials
operations net sales
18,468



“Exsucc roof” (Open facade)

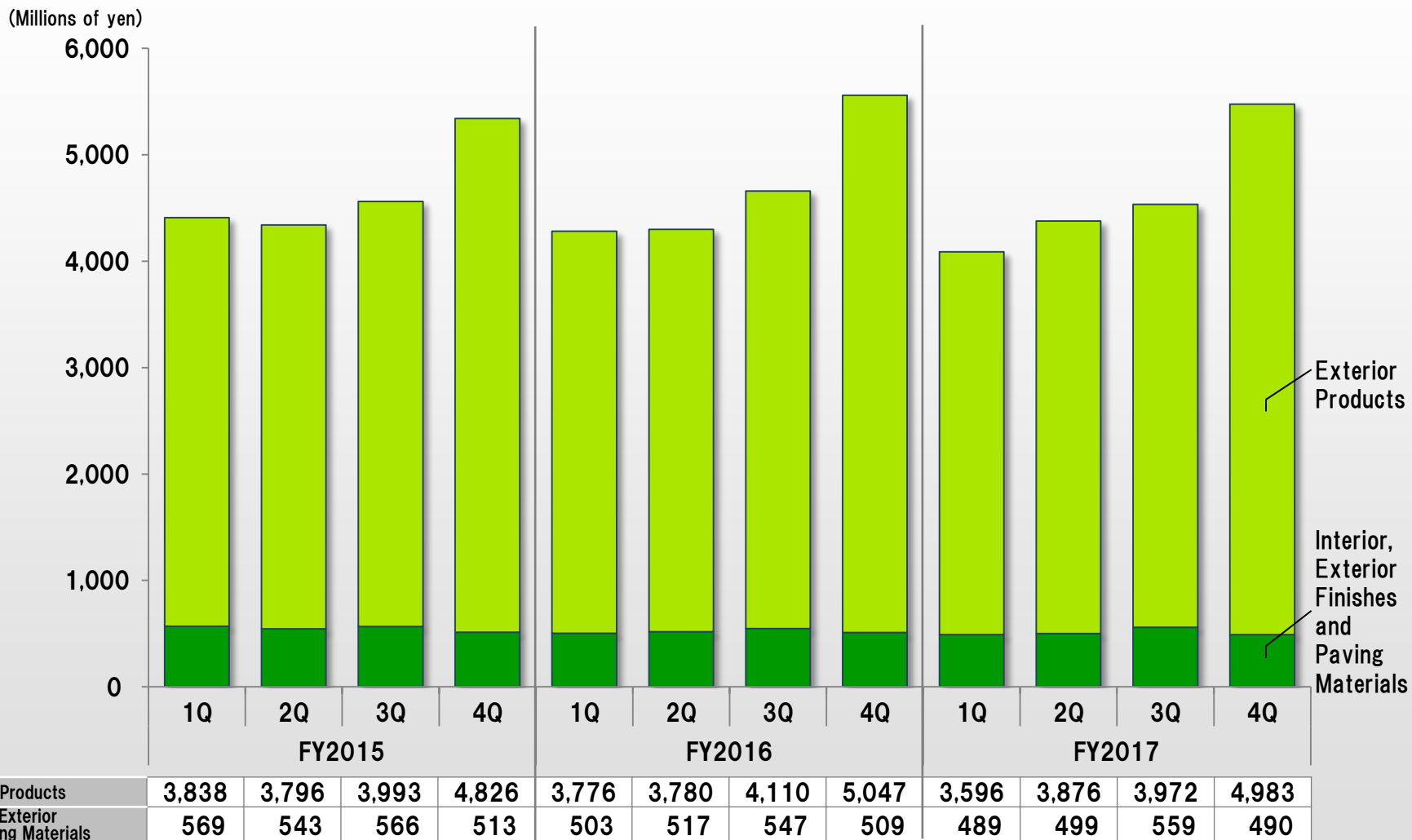


“Myport Origin” (garage)



“Lumidecor” (shiny interior finish)

Sales Trend of Housing Materials operations (consolidated and quarter)



Contact Information

Corporate planning department,
Shikoku Chemicals Corporation

TEL: +81-(0)877-21-4119

FAX: +81-(0)877-22-4119

www.shikoku.co.jp

[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.