

Creating new worlds
in the niches
between the current ones

Financial Results for the 2nd Quarter of the FY2018 (April 1, 2017–September 30, 2017)

October 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,7 Plants
- Directory [Japan]2 branches,11 sales offices [Overseas]U.S.A,China(Shanghai,Shenzhen), Taiwan,Shingapore
- Capital 6,867 million yen
- Number of employees Consolidated1,120 Non-Consolidated 617(As of September 30, 2017)

▼ Share of stock

- Issued Shares 58,948,063
- Number of Shareholders 3,609(As of September 30, 2017)

▼ SHIKOKU CHEMICALS CORPORATION Group

[Japan]10 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
NIHON KOHKI 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 FY2018

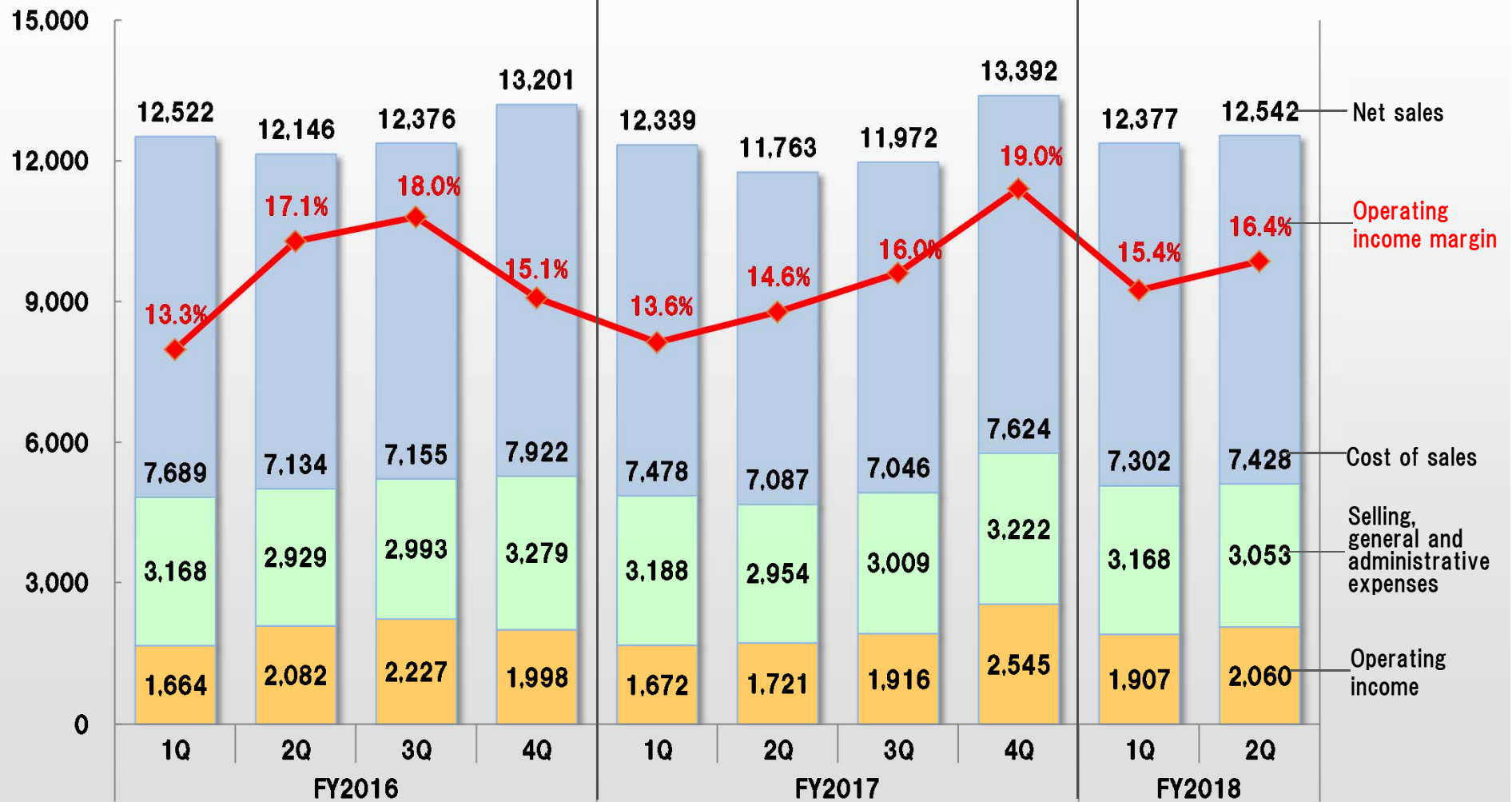
(Millions of yen)

	Consolidated cumulative 2Q				Increase of amount	Changes
	FY2017		FY2018			
	Amount	Percentage	Amount	Percentage		
Net sales	24,102	100.0%	24,920	100.0%	817	3.4%
Operating Income	3,393	14.1%	3,967	15.9%	573	16.9%
Ordinary income	3,585	14.9%	4,225	17.0%	640	17.9%
Net income attributable to owners of the parent	2,411	10.0%	2,876	11.5%	464	19.3%
Exchange rate (USD)	107		112			
Exchange rate (EUR)	121		124			

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

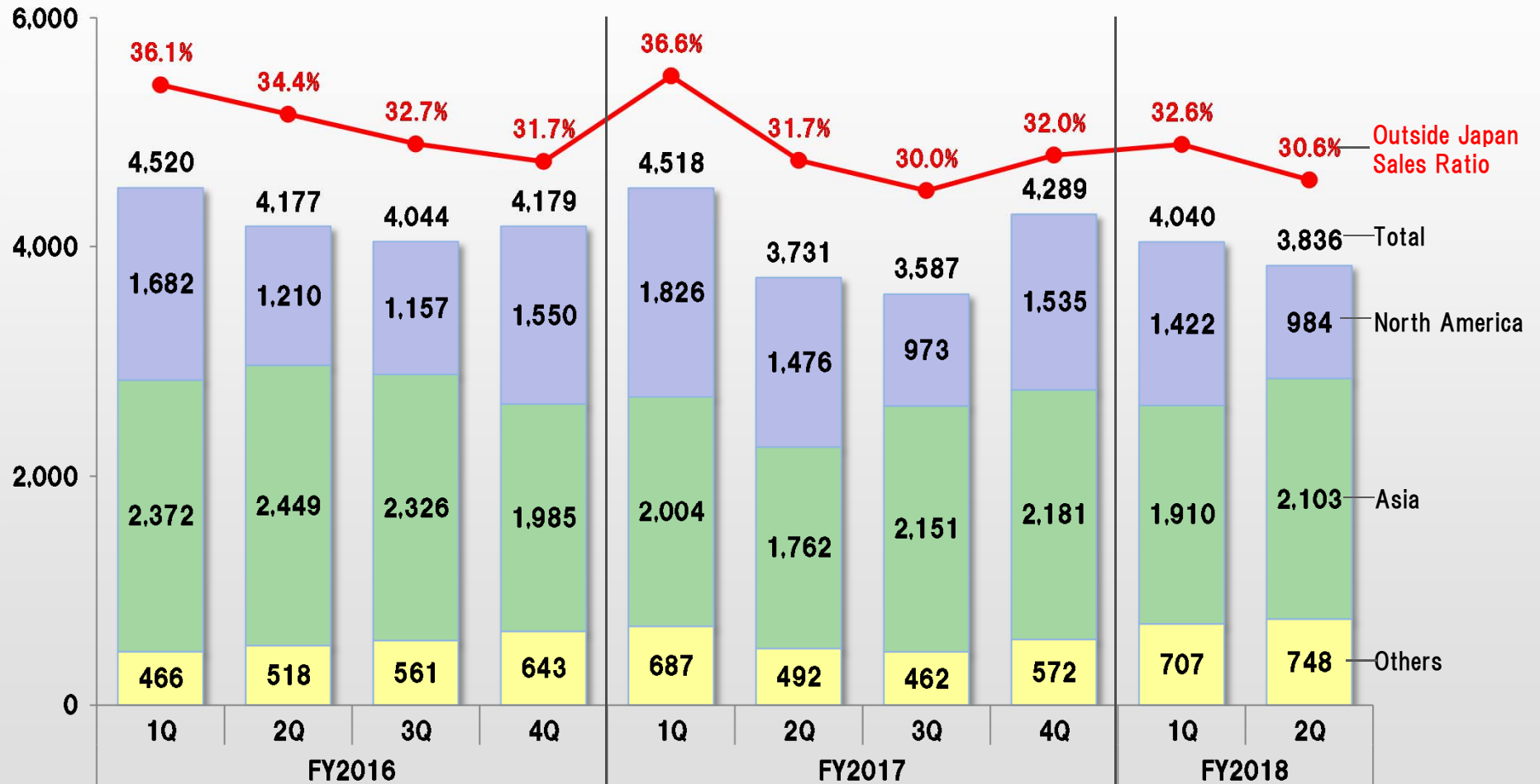
Financial Results Trend (consolidated and quarter)

(Millions of yen)



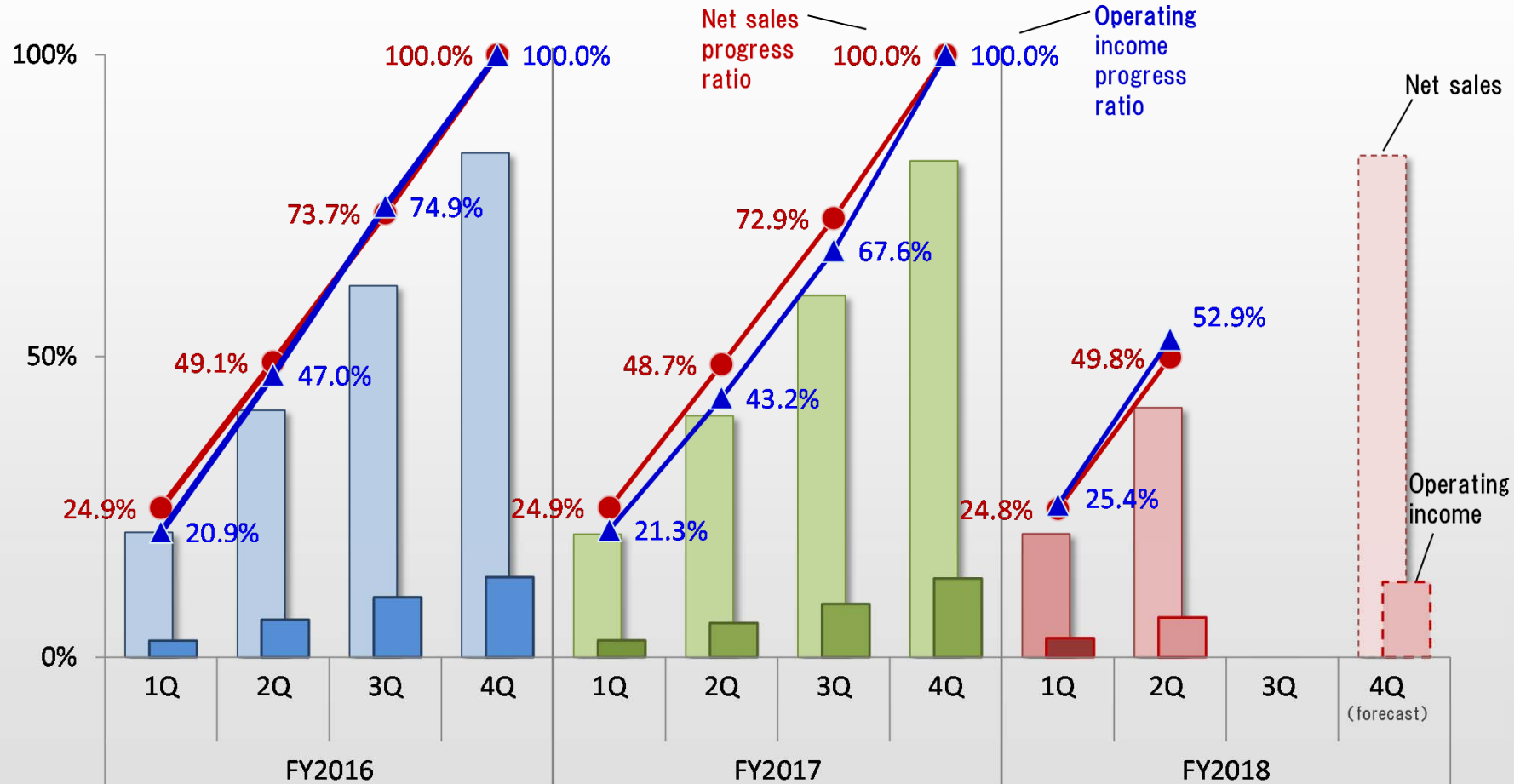
Sales Trends by Region

(Millions of yen)



Progress report

← Progress rate to full-year result → ← Progress rate to full-year forecast →

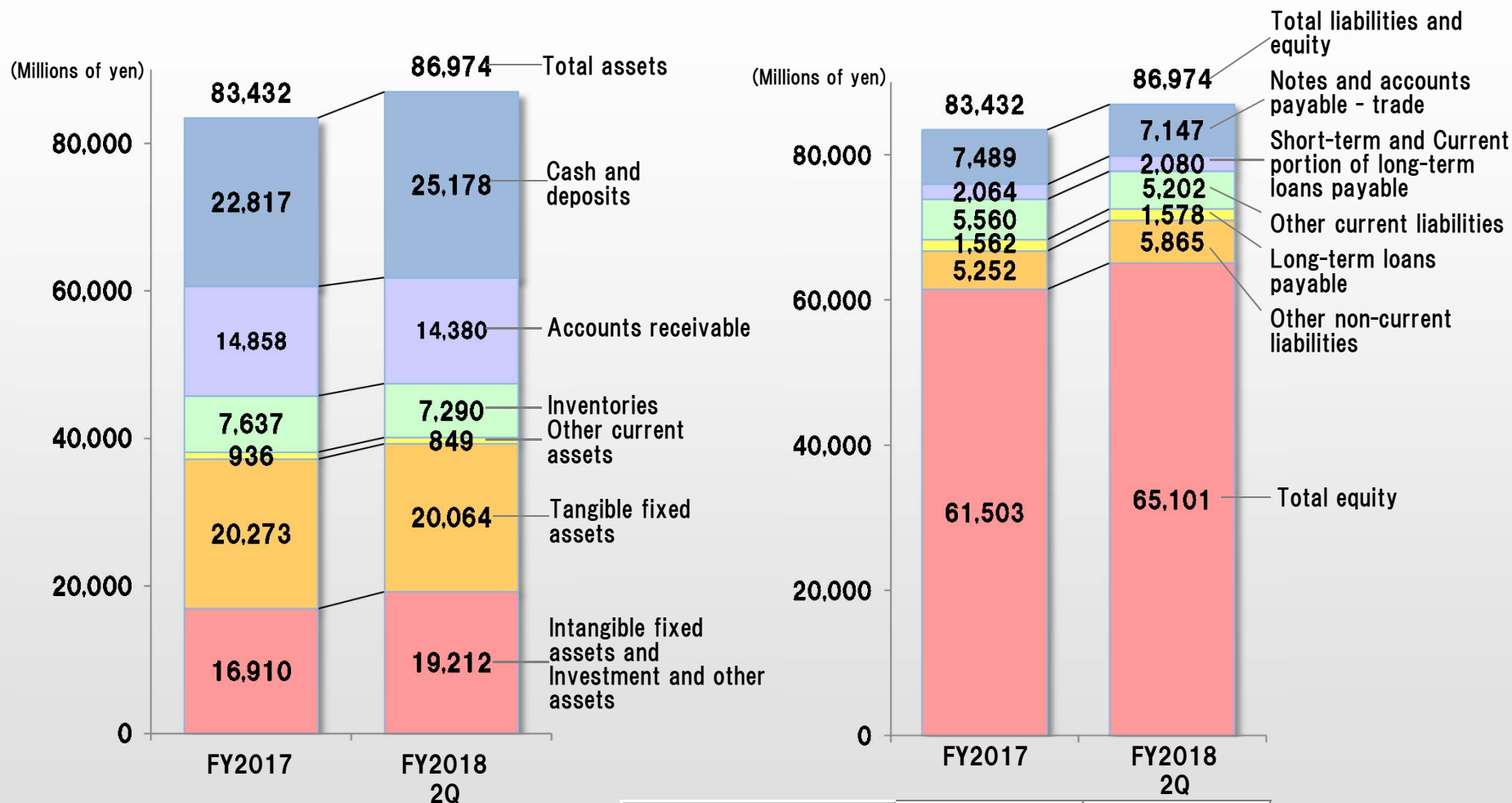


(Millions of yen)

Net sales	12,522	24,668	37,045	50,246	12,339	24,102	36,074	49,467	12,377	24,920		50,000
Operating income	1,664	3,746	5,974	7,973	1,672	3,393	5,310	7,855	1,907	3,967		7,500

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

Assets / Liabilities, and a total equity (consolidated)

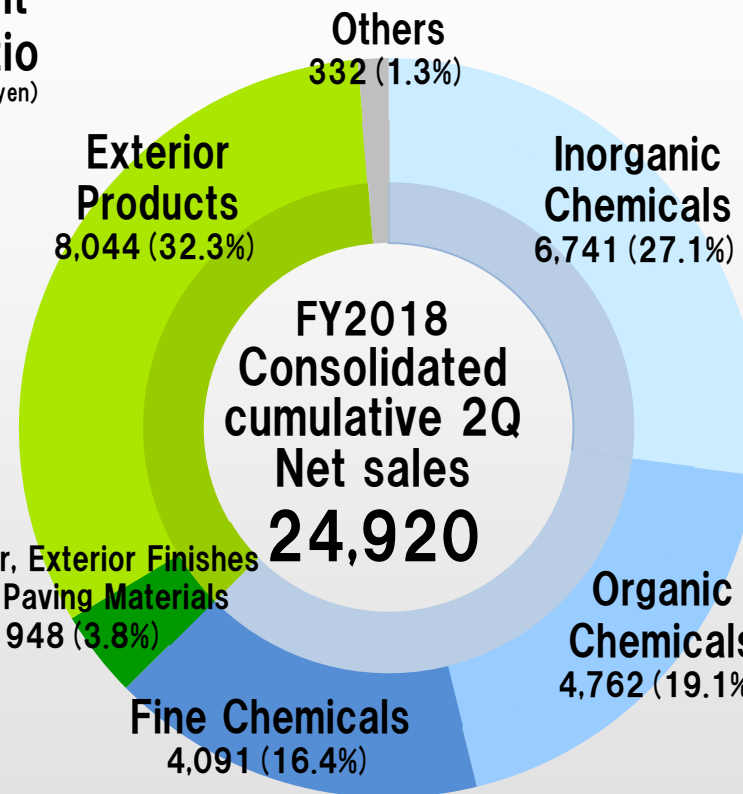


interest-bearing debt (millions of yen)	3,853	3,896
net interest-bearing debt (millions of yen)	▲ 18,963	▲ 20,282
Equity ratio(%)	72.9	74.0

Sales and Profit by Business segments

■ Sales amount constituent ratio (Millions of yen)

Housing Materials operations
8,992 (36.1%)

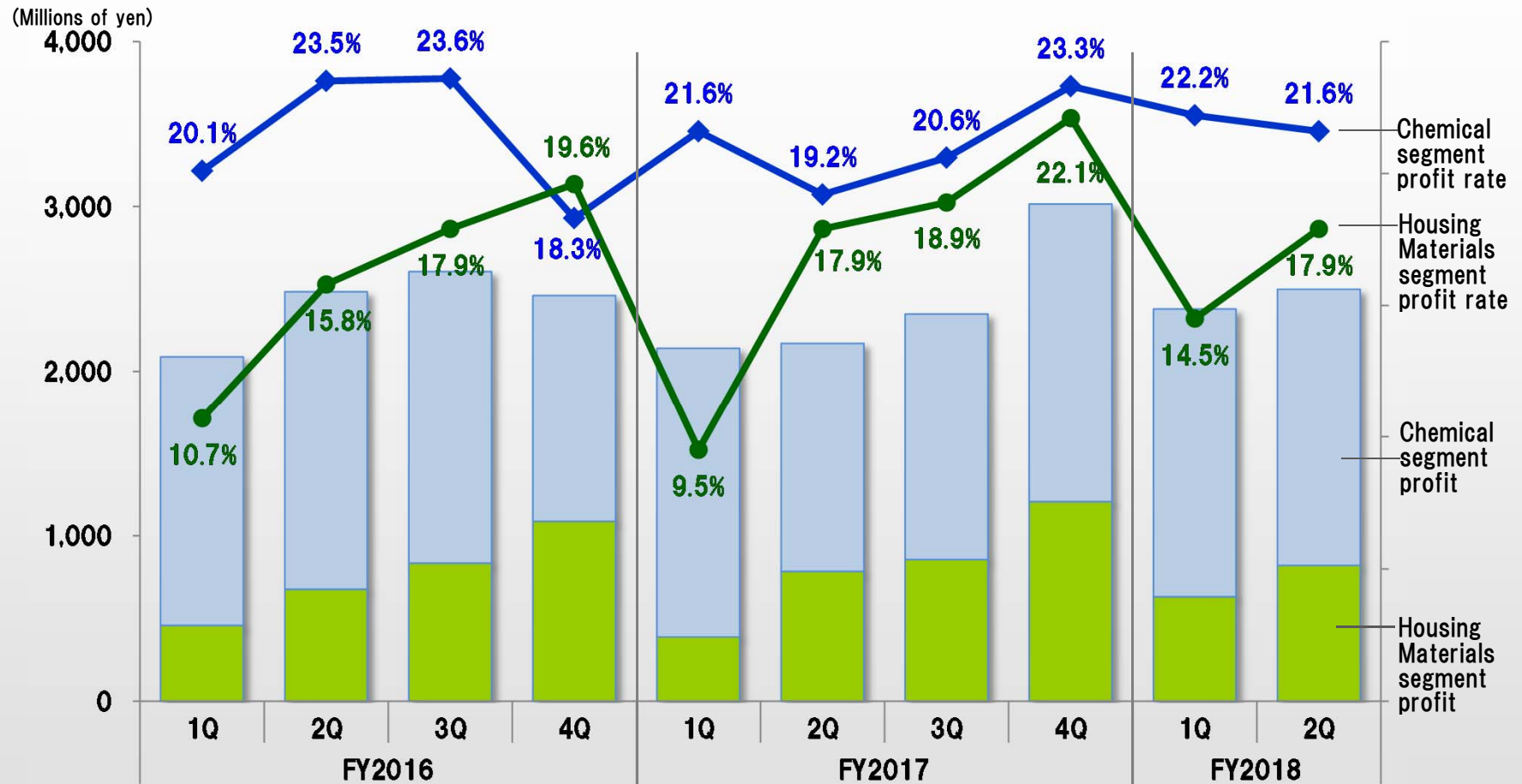


Chemical operations
15,595 (62.6%)

■ Segment information (Millions of yen)

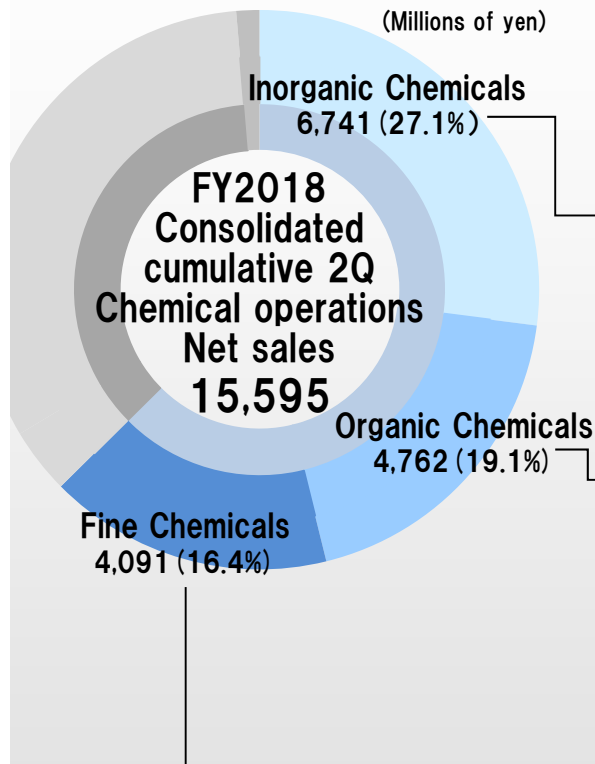
	Consolidated cumulative 2Q		Increase of amount	Changes
	FY2017	FY2018		
Net sales				
Chemical operations	15,328	15,595	266	1.7%
Housing Materials operations	8,462	8,992	530	6.3%
Segment profit				
Chemical operations	3,138	3,420	282	9.0%
Housing Materials operations	1,175	1,456	281	24.0%

Sales and Profit by Business segments (consolidated and quarter)



Chemical operations net sales	8,091	7,673	7,519	7,485	8,107	7,221	7,235	7,761	7,845	7,750
Housing Materials operations net sales	4,279	4,298	4,657	5,556	4,086	4,376	4,532	5,474	4,383	4,609
Chemical segment profit	1,630	1,806	1,771	1,371	1,752	1,385	1,492	1,808	1,745	1,675
Housing Materials segment profit	459	678	835	1,089	389	785	857	1,207	633	823

Chemicals operations segment



【 Main products 】

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



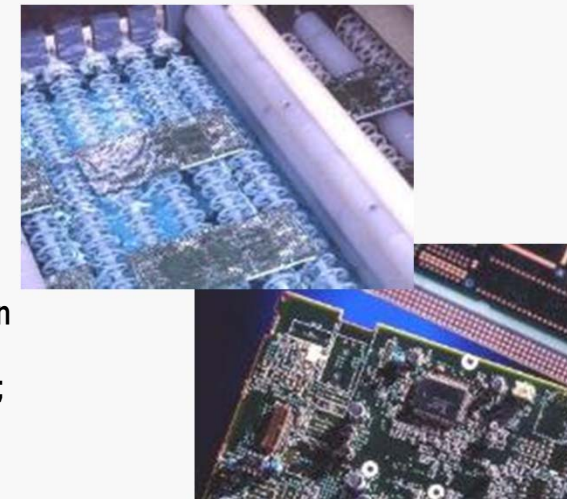
【 Main products 】

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

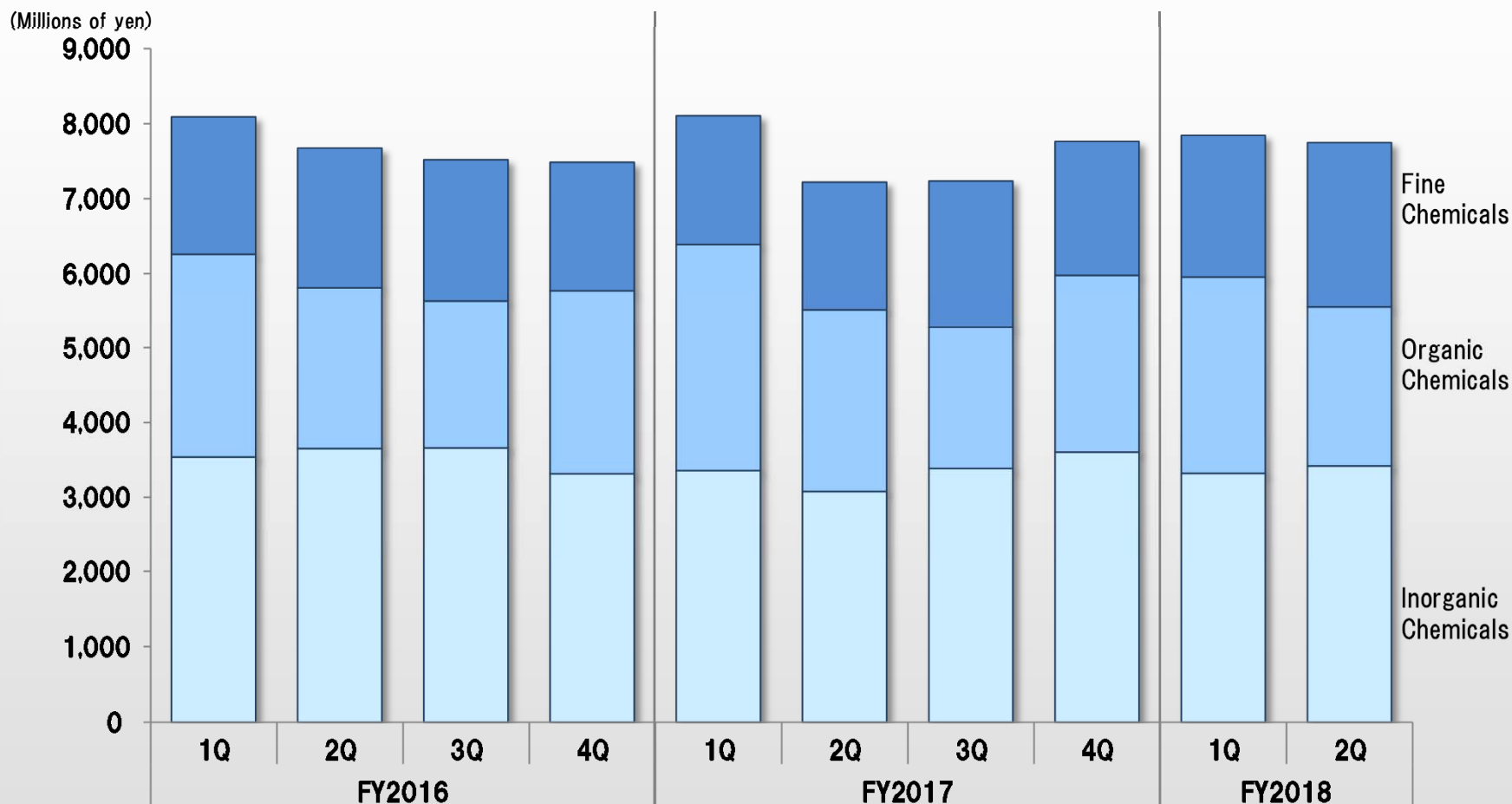


【 Main products 】

- 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	1,832	1,860	1,895	1,715	1,719	1,713	1,962	1,783	1,888	2,202
Organic Chemicals	2,723	2,160	1,965	2,459	3,029	2,430	1,891	2,375	2,636	2,126
Inorganic Chemicals	3,535	3,652	3,659	3,310	3,357	3,077	3,381	3,602	3,320	3,420

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
8,044 (32.3%)

FY2018
Consolidated
cumulative 2Q
Housing Materials
operations net sales
8,992

Interior, Exterior Finishes
and Paving Materials
948(3.8%)



“Exsucc roof” (Open facade)

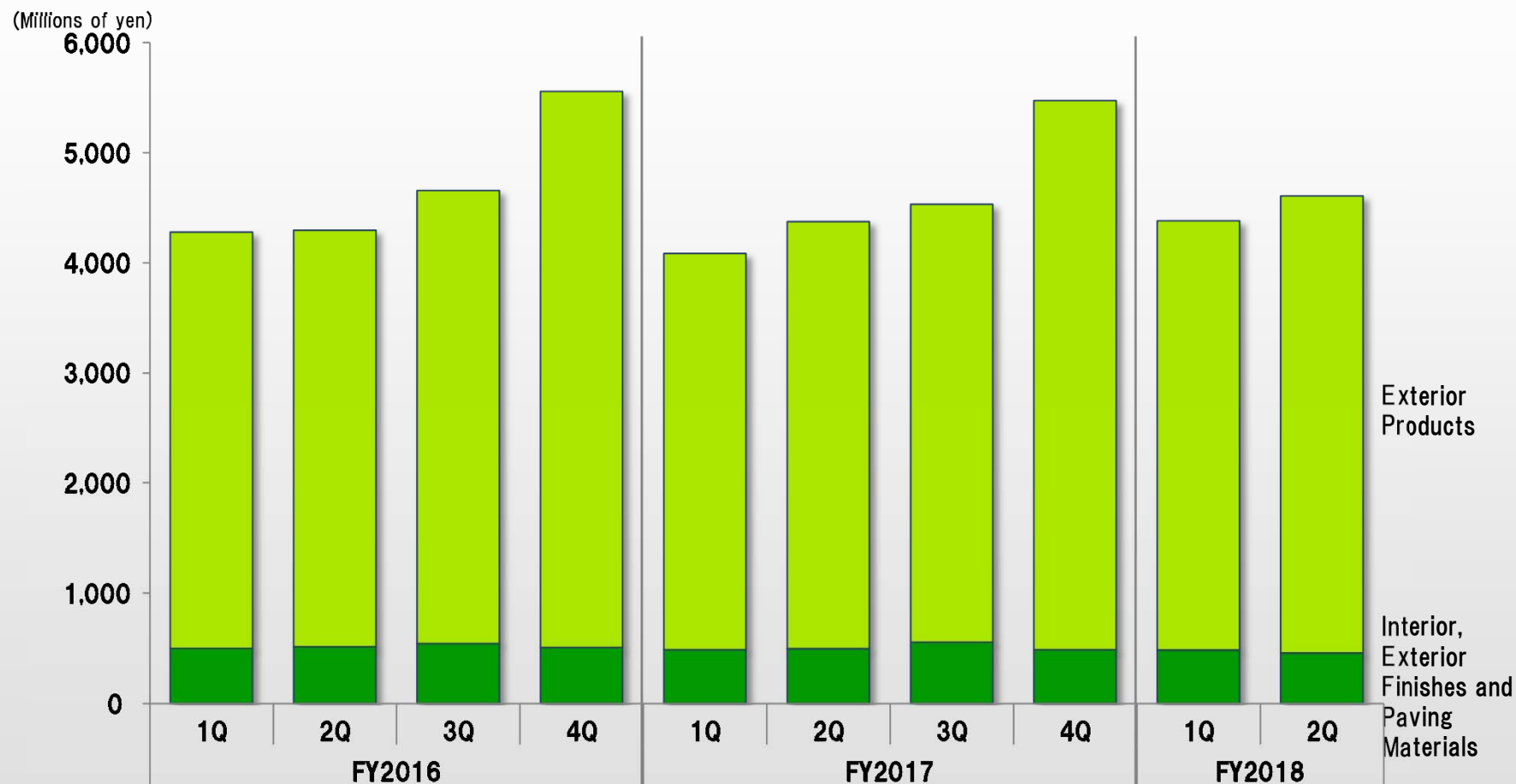


“Myport Origin” (garage)



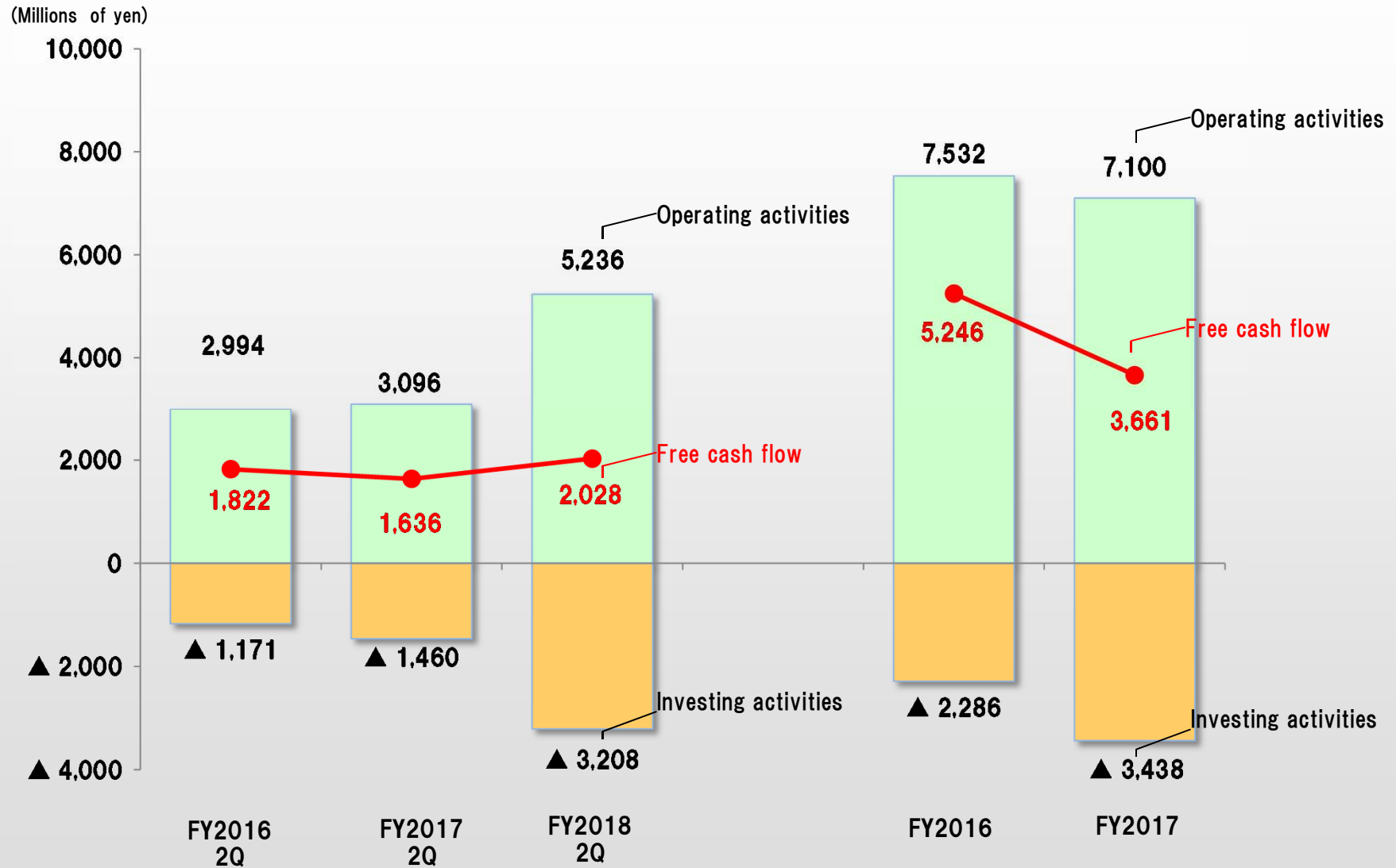
“Lumidecor” (shiny interior finish)

Sales Trend of Housing Materials operations (consolidated and quarter)

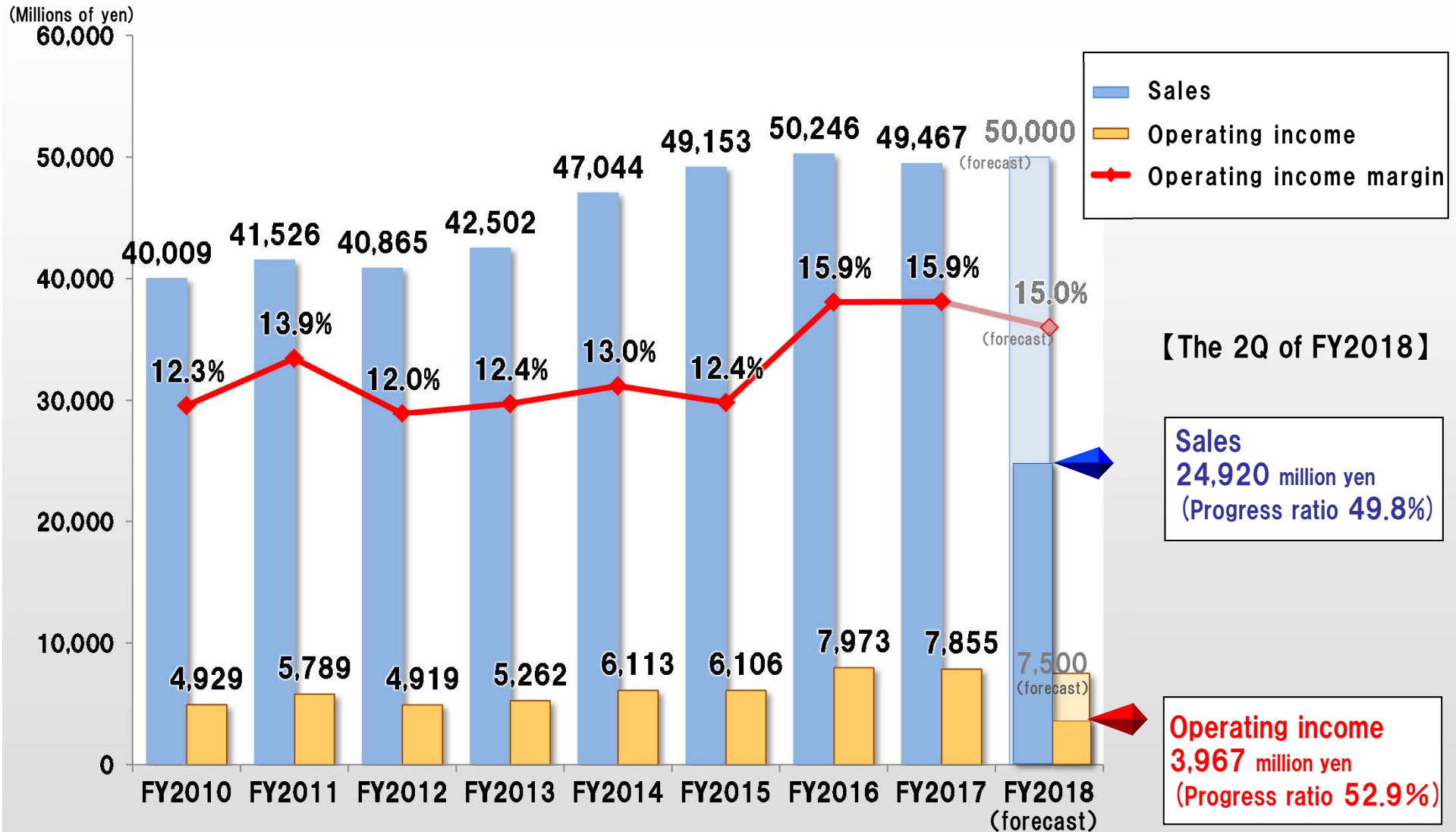


Exterior Products	3,776	3,780	4,110	5,047	3,596	3,876	3,972	4,983	3,895	4,148
Interior, Exterior Finishes and Paving Materials	503	517	547	509	489	499	559	490	487	460

Cash Flow Overview (consolidated)



Sales/Operating Income Trend (consolidated)



Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

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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.