

Creating new worlds  
in the niches  
between the current ones

**Financial Results**  
**for the 3<sup>rd</sup> Quarter of the FY2018**  
**(April 1, 2017 – December 31, 2017)**

**January 30, 2018**

 **SHIKOKU CHEMICALS CORPORATION**

Stock 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,7 Plants
- Directory [Japan]2 branches,11 sales offices [Overseas]U.S.A,China(Shanghai,Shenzhen), Taiwan,Singapore
- 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 3Q of FY2018

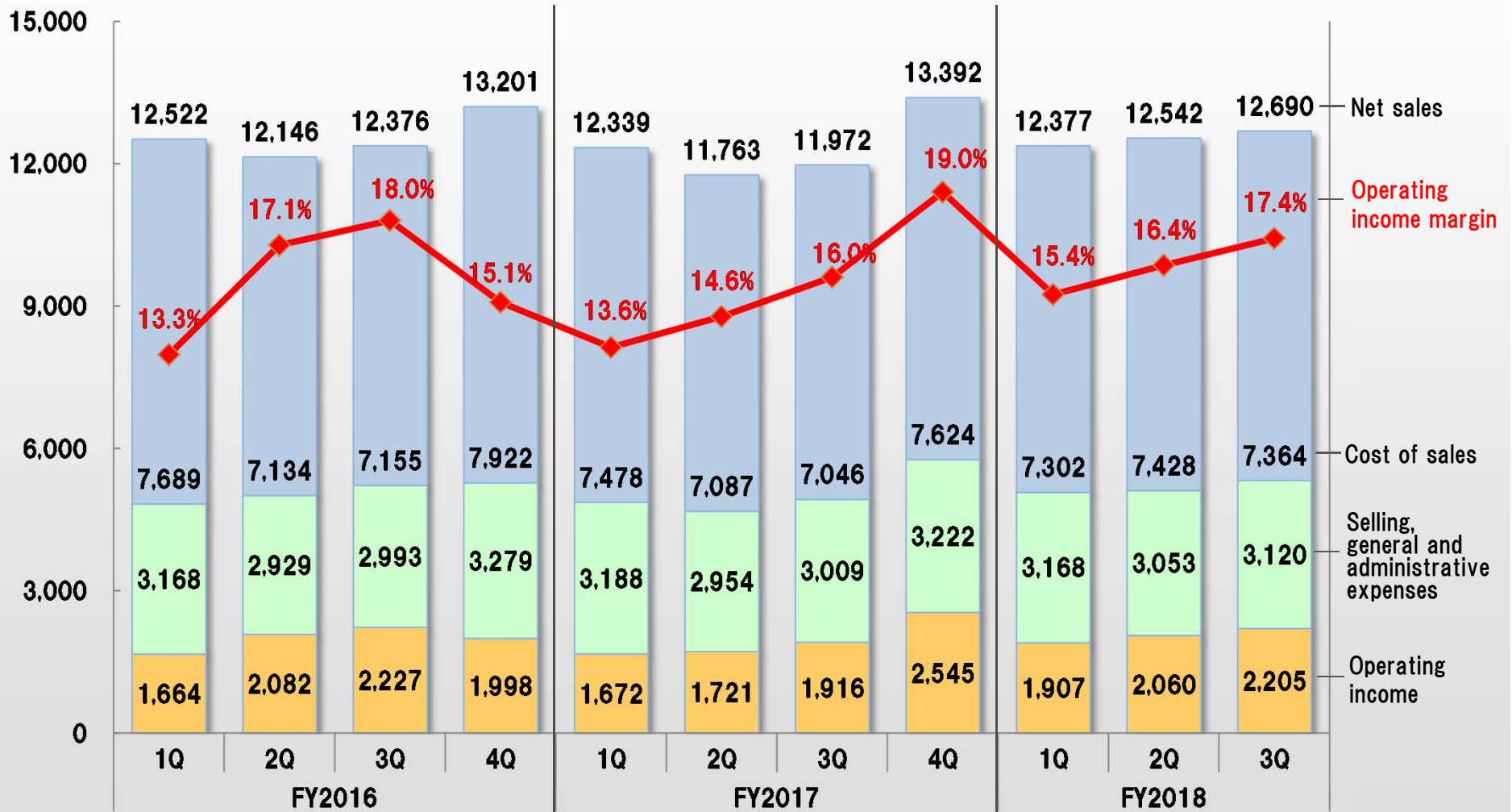
(Millions of yen)

|   | Consolidated cumulative 3Q |            |        |            | Increase of amount | Changes |
|---|----------------------------|------------|--------|------------|--------------------|---------|
|   | FY2017                     |            | FY2018 |            |                    |         |
|   | Amount                     | Percentage | Amount | Percentage |                    |         |
| Net sales                                       | 36,074                     | 100.0%     | 37,610 | 100.0%     | 1,535              | 4.3%    |
| Operating Income                                | 5,310                      | 14.7%      | 6,172  | 16.4%      | 862                | 16.2%   |
| Ordinary income                                 | 5,940                      | 16.5%      | 6,596  | 17.5%      | 656                | 11.0%   |
| Net income attributable to owners of the parent | 4,048                      | 11.2%      | 4,511  | 12.0%      | 463                | 11.4%   |
| Exchange rate (USD)                             | 106                        |            | 112    |            |                    |         |
| Exchange rate (EUR)                             | 119                        |            | 127    |            |                    |         |

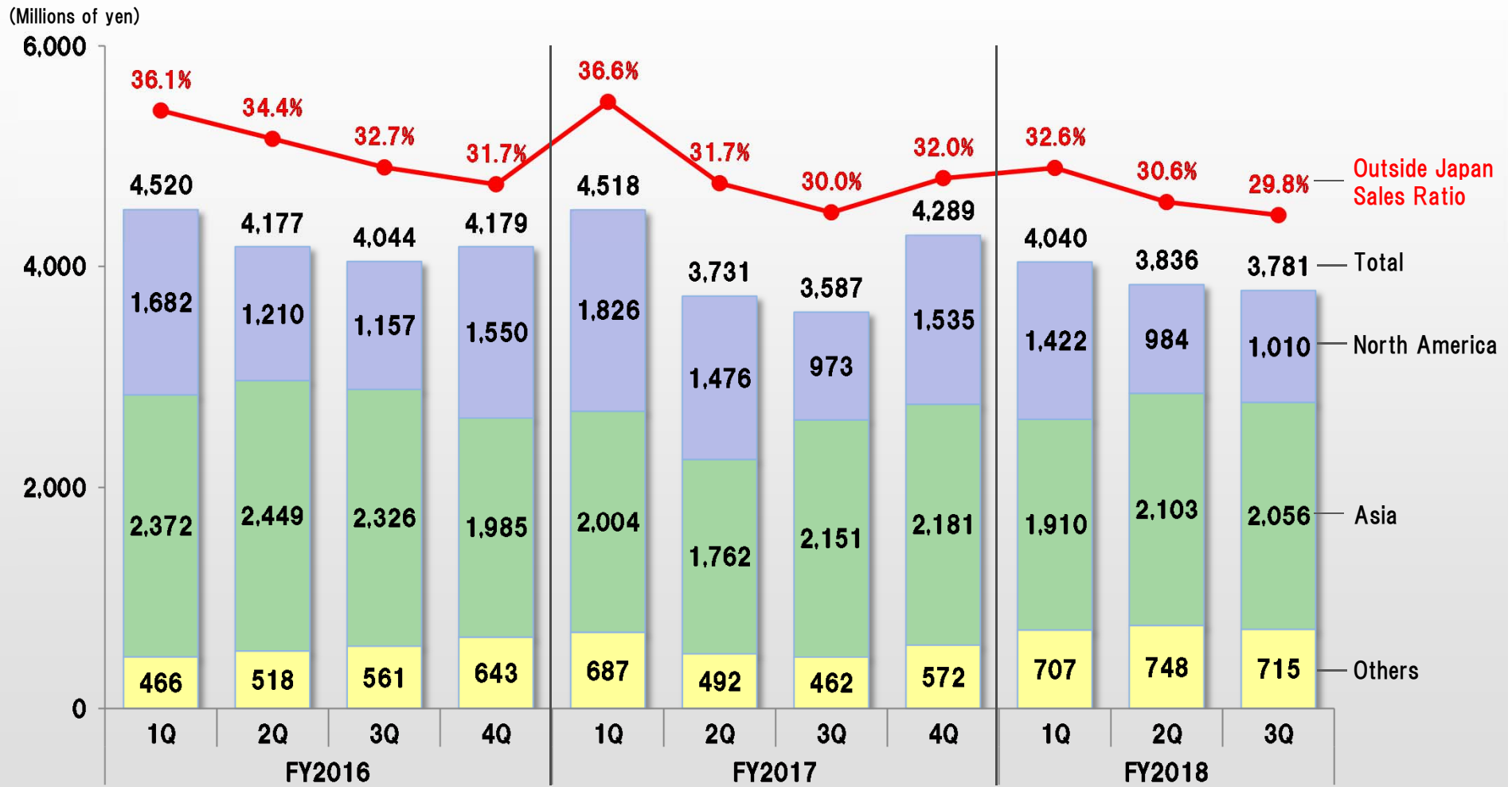
The exchange rates given above are average rates for the period from April to December.

# Financial Results Trend (consolidated and quarter)

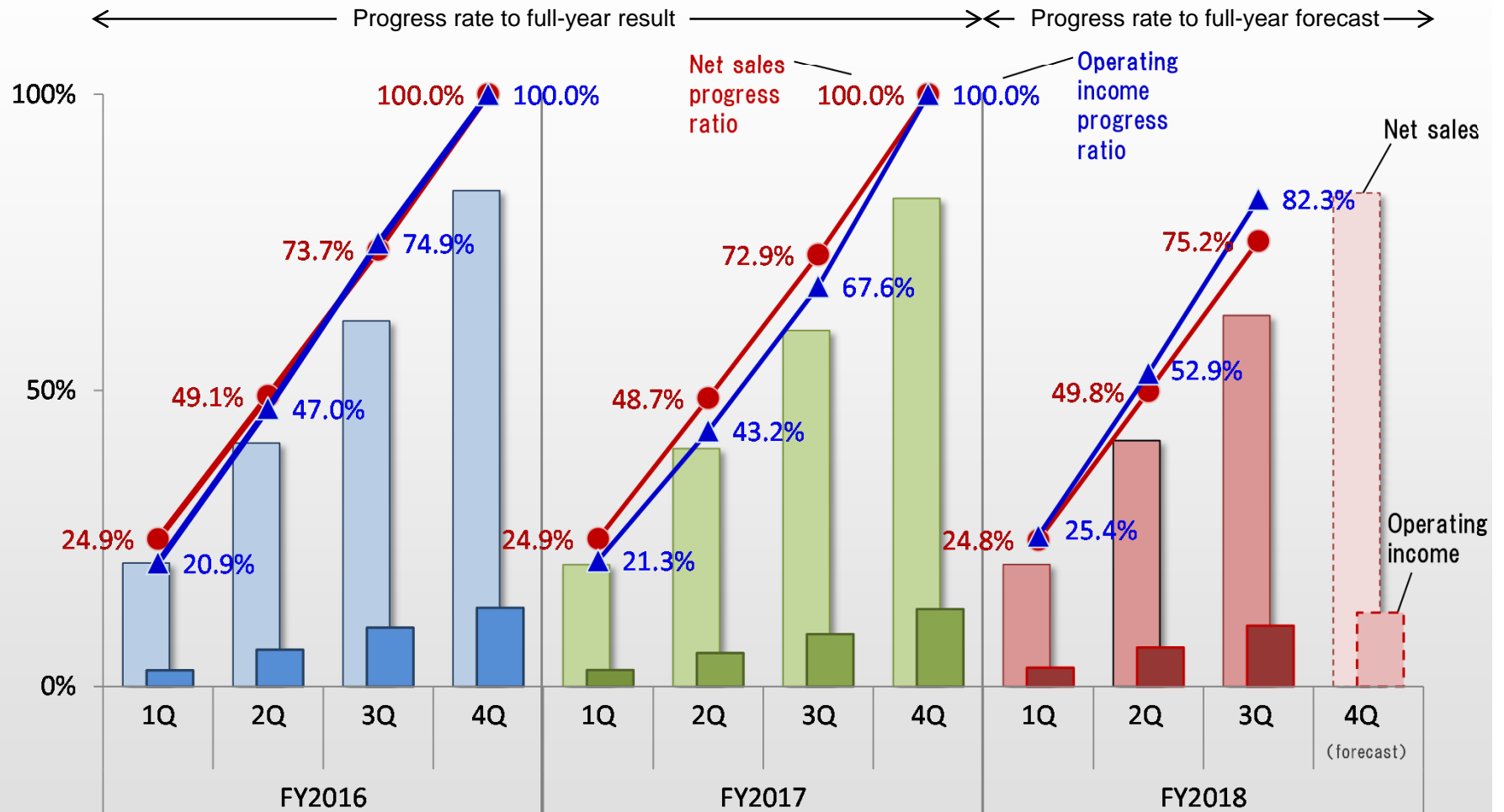
(Millions of yen)



# Sales Trends by Region



# Progress report

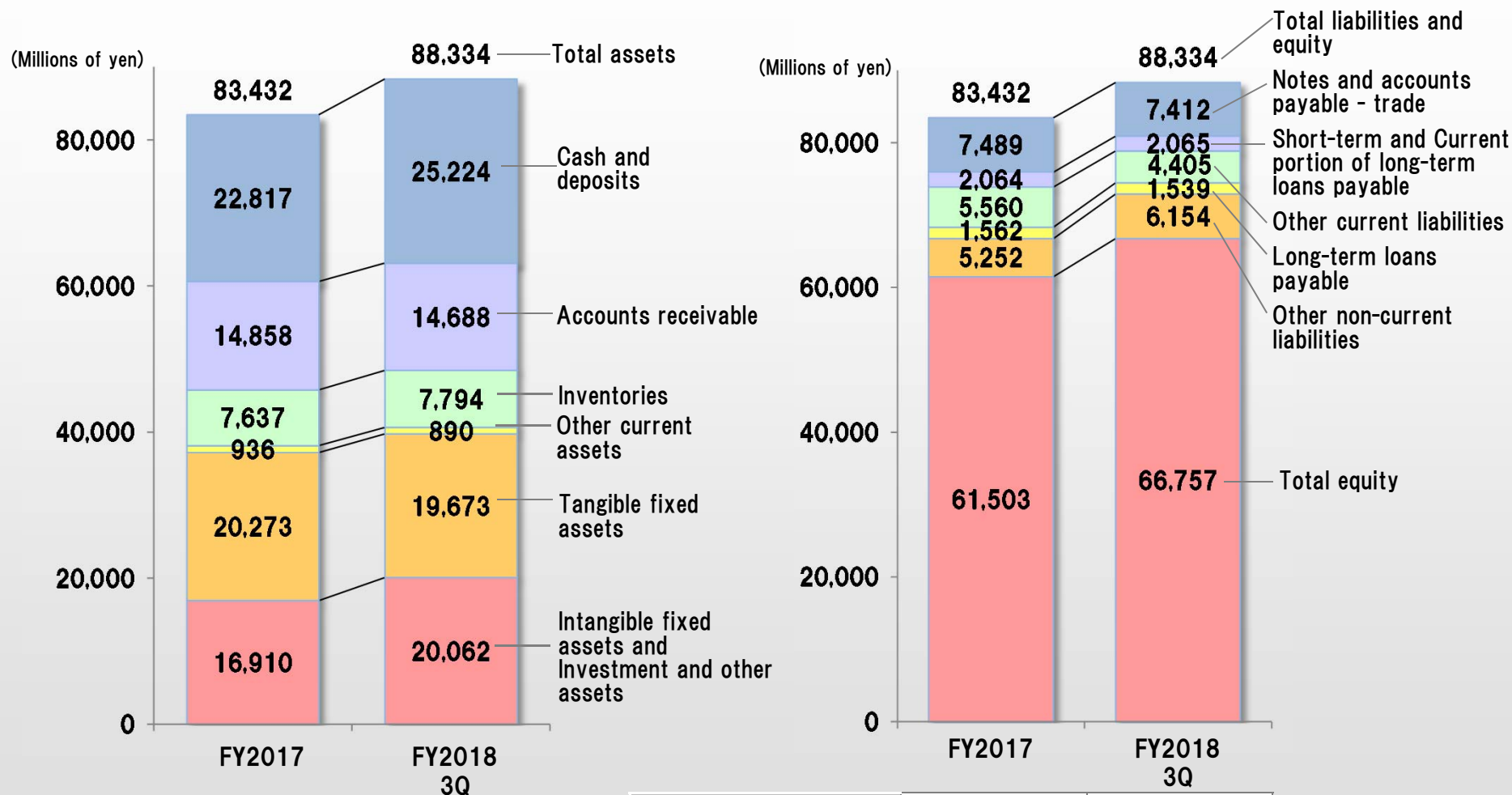


(Millions of yen)

|                  |        |        |        |        |        |        |        |        |        |        |        |        |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Net sales        | 12,522 | 24,668 | 37,045 | 50,246 | 12,339 | 24,102 | 36,074 | 49,467 | 12,377 | 24,920 | 37,610 | 50,000 |
| Operating income | 1,664  | 3,746  | 5,974  | 7,973  | 1,672  | 3,393  | 5,310  | 7,855  | 1,907  | 3,967  | 6,172  | 7,500  |

Note: Revisions to the consolidated earnings forecasts most recently announced: None

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



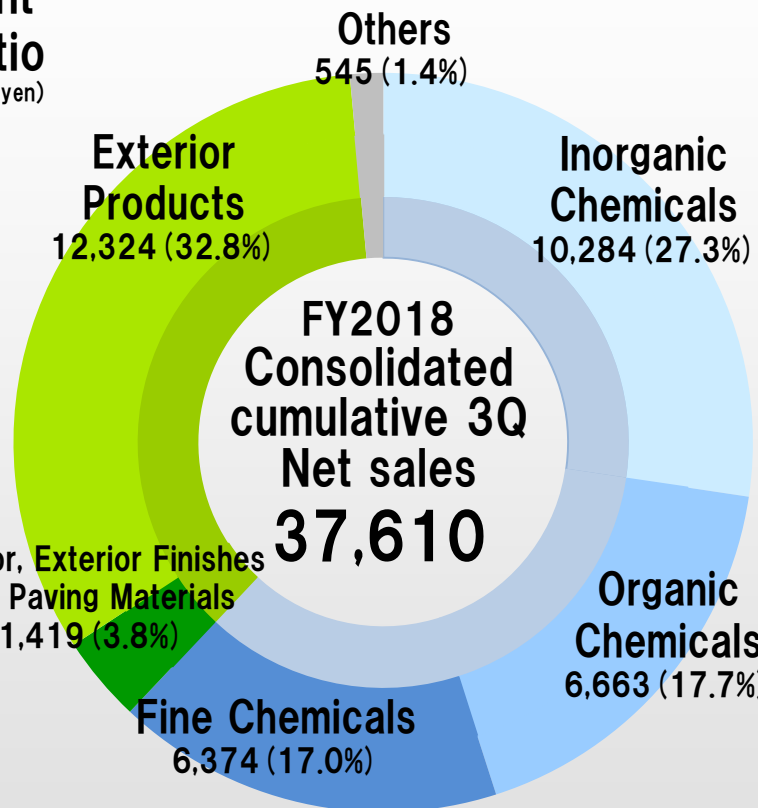
|   |          |          |
|---|----------|----------|
| interest-bearing debt (millions of yen)     | 3,853    | 3,841    |
| net interest-bearing debt (millions of yen) | ▲ 18,963 | ▲ 21,383 |
| Equity ratio(%)                             | 72.9     | 74.7     |



# Sales and Profit by Business segments

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

Housing Materials operations  
**13,743 (36.6%)**

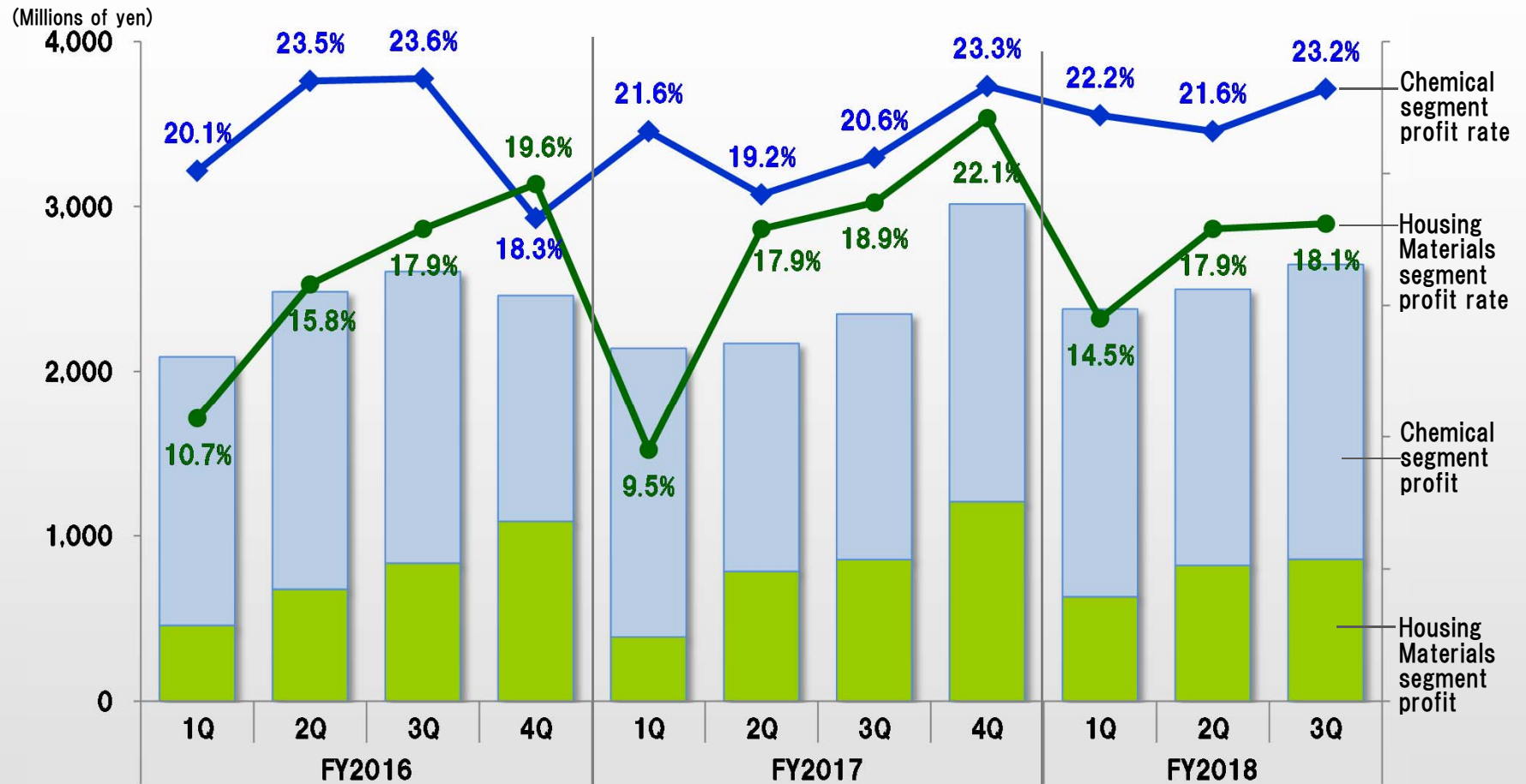


Chemical operations  
**23,321 (62.0%)**

## ■ Segment information (Millions of yen)

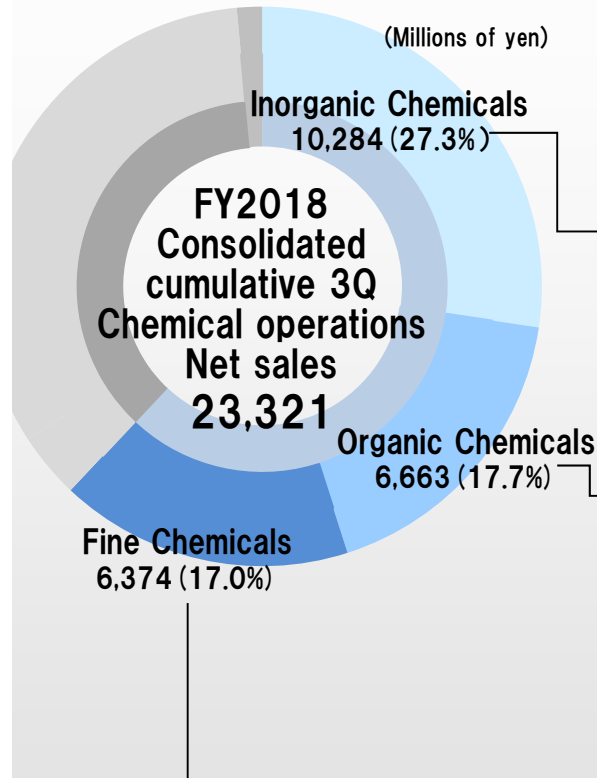
|                              | Consolidated cumulative 3Q |        | Increase of amount | Changes |
|------------------------------|----------------------------|--------|--------------------|---------|
|                              | FY2017                     | FY2018 |                    |         |
| <b>Net sales</b>             |                            |        |                    |         |
| Chemical operations          | 22,563                     | 23,321 | 758                | 3.4%    |
| Housing Materials operations | 12,994                     | 13,743 | 749                | 5.8%    |
| <b>Segment profit</b>        |                            |        |                    |         |
| Chemical operations          | 4,630                      | 5,210  | 579                | 12.5%   |
| Housing Materials operations | 2,032                      | 2,316  | 283                | 14.0%   |

# 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 | 7,726 |
| 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 | 4,751 |
| Chemical segment profit                | 1,630 | 1,806 | 1,771 | 1,371 | 1,752 | 1,385 | 1,492 | 1,808 | 1,745 | 1,675 | 1,790 |
| Housing Materials segment profit       | 459   | 678   | 835   | 1,089 | 389   | 785   | 857   | 1,207 | 633   | 823   | 859   |

# Chemicals operations segment



## 【 Main products 】

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



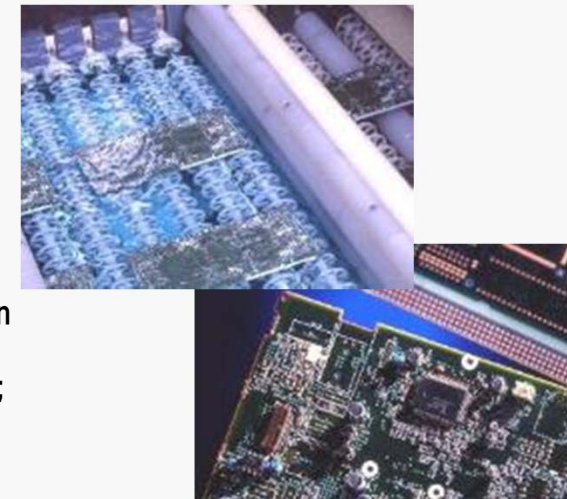
## 【 Main products 】

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

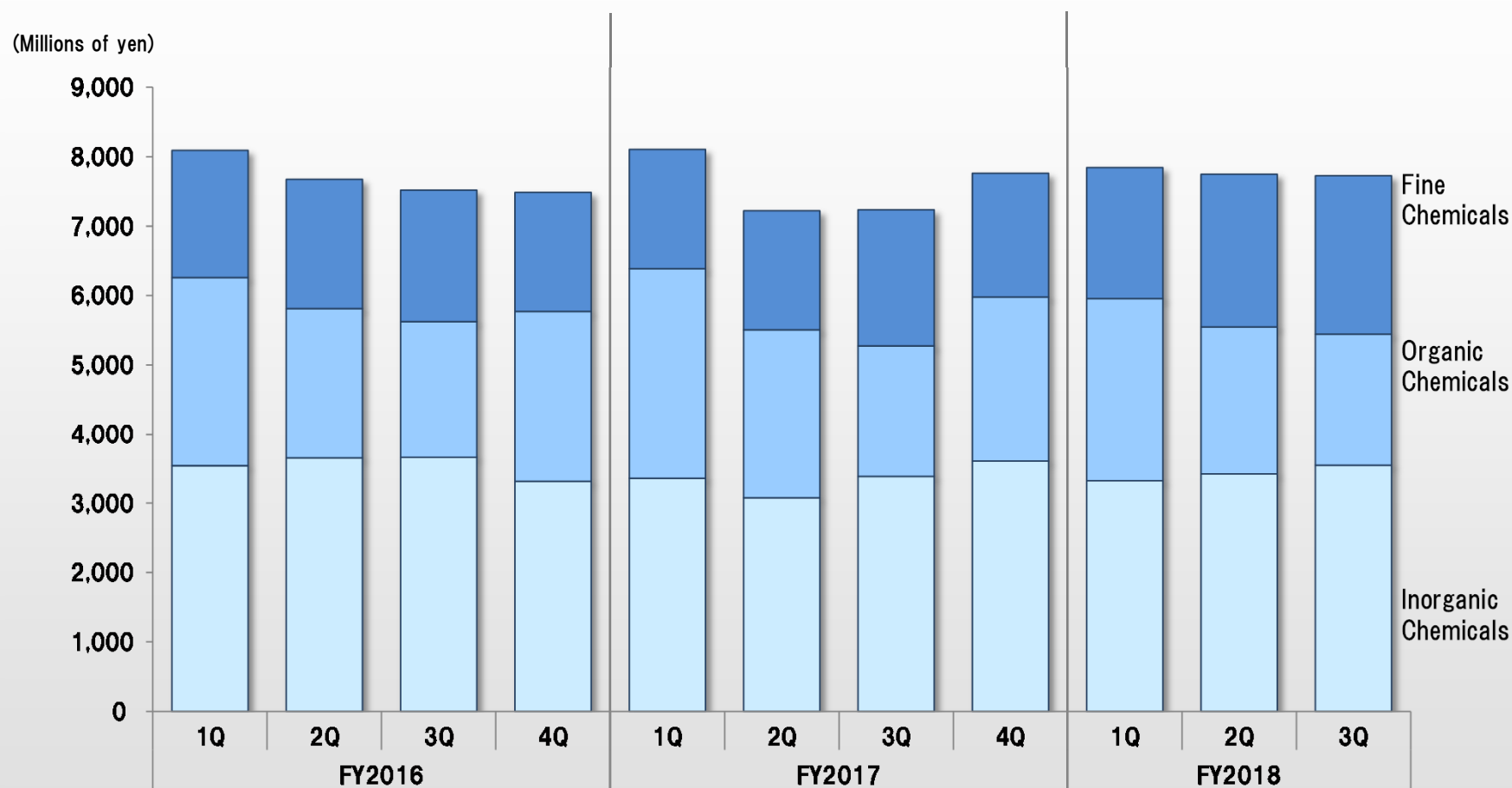


## 【 Main products 】

- 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 | 2,283 |
| Organic Chemicals   | 2,723 | 2,160 | 1,965 | 2,459 | 3,029 | 2,430 | 1,891 | 2,375 | 2,636 | 2,126 | 1,900 |
| Inorganic Chemicals | 3,535 | 3,652 | 3,659 | 3,310 | 3,357 | 3,077 | 3,381 | 3,602 | 3,320 | 3,420 | 3,543 |

# 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  
12,324 (32.8%)

FY2018  
Consolidated  
cumulative 3Q  
Housing Materials  
operations net sales  
13,743

Interior, Exterior Finishes  
and Paving Materials  
1,419 (3.8%)



“Exsucc roof” ( Open facade )

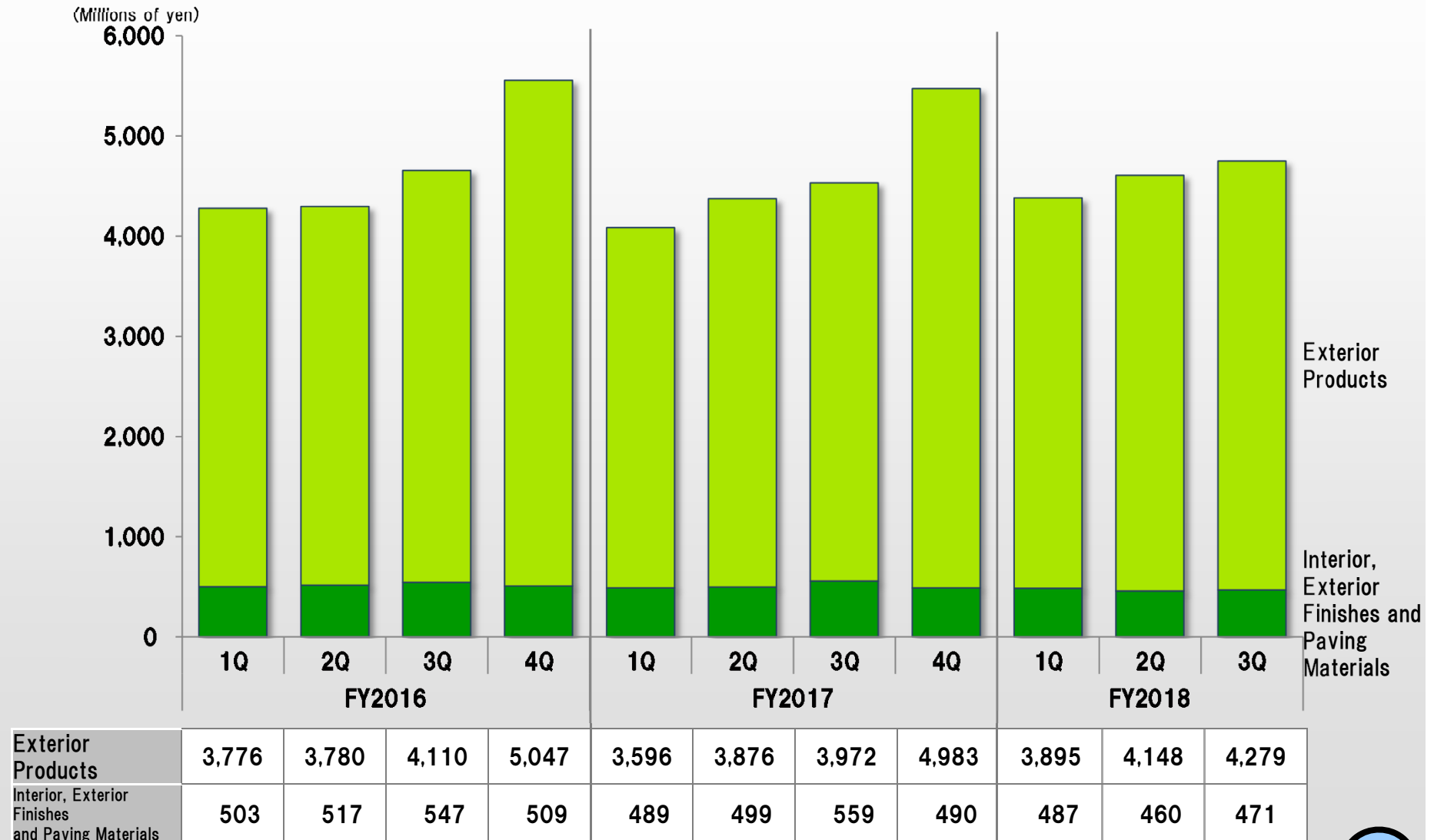


“Myport Origin” ( garage )

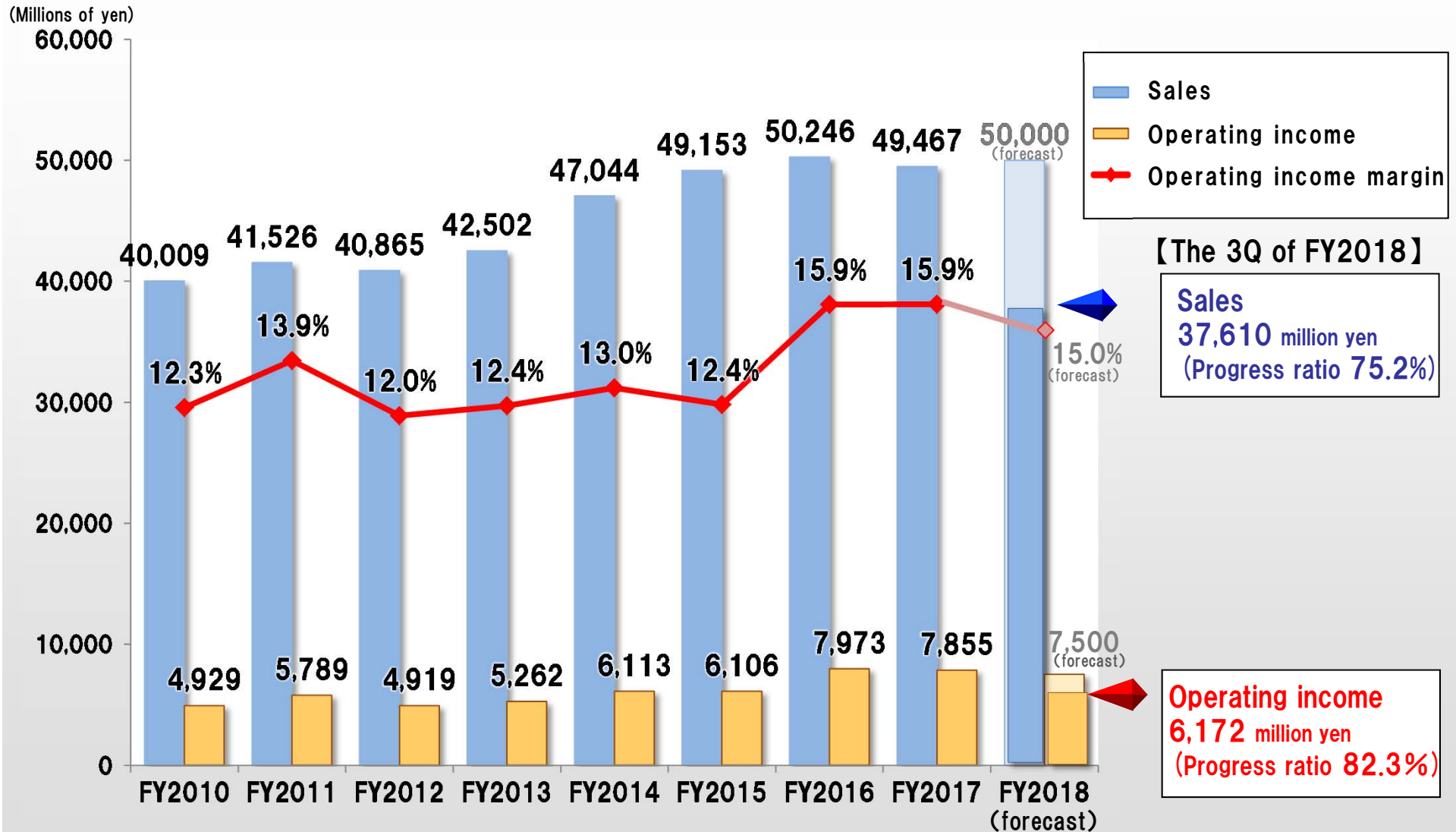


“Lumidecor” ( shiny interior finish )

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



# Sales/Operating Income Trend (consolidated)



Note: Revisions to the consolidated earnings forecasts most recently announced: None

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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.**