

Creating new worlds
in the niches
between the current ones

Financial Results for the FY2018 (April 1, 2017–March 31, 2018)

April 25, 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,Shingapore
- Capital 6,867 million yen
- Number of employees Consolidated1,131 Non-Consolidated 642(As of March 31, 2018)

▼Share of stock

- Issued Shares 58,948,063
- Number of Shareholders 4,314(As of March 31, 2018)

▼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.

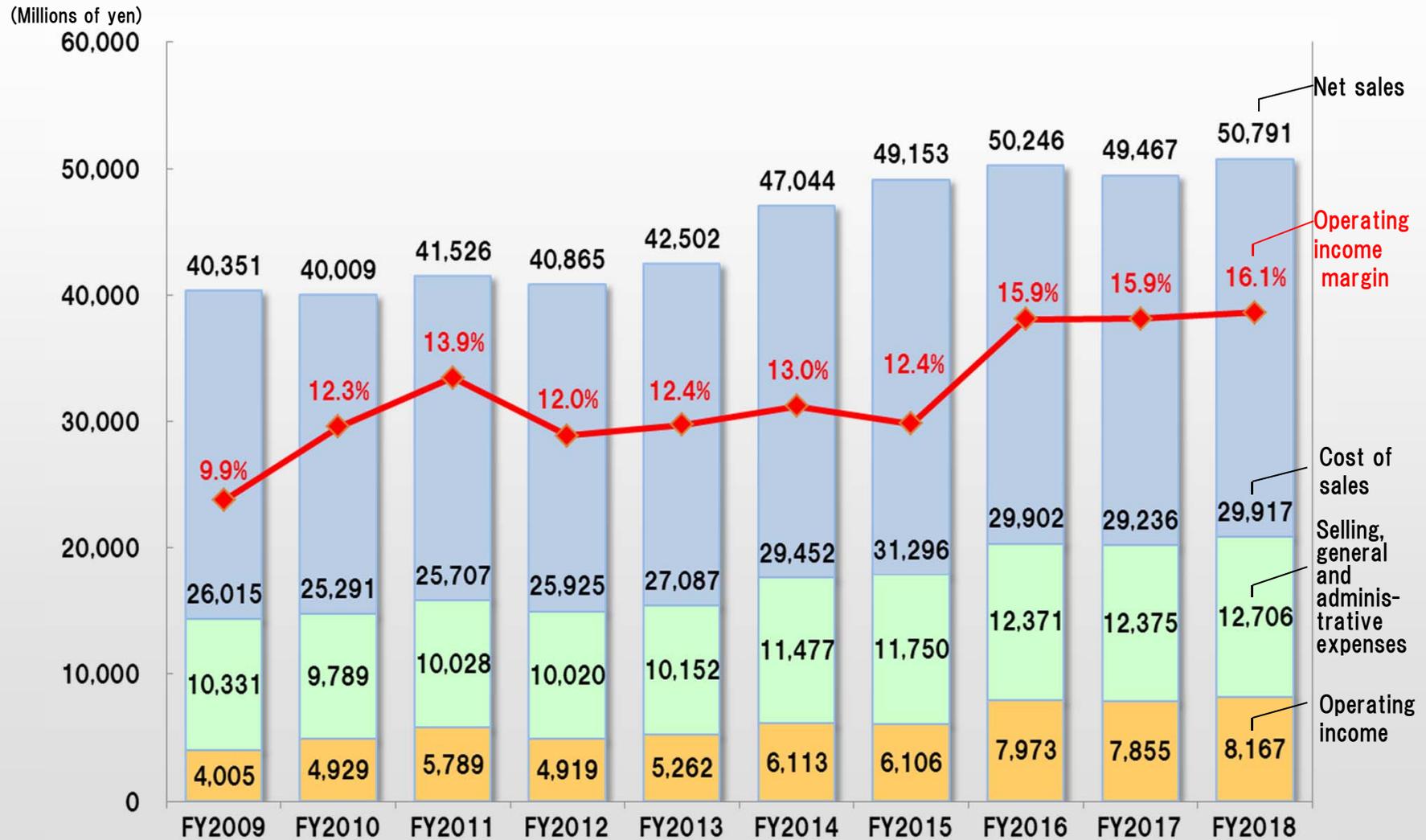
Highlights of Financial Results for FY2018

(Millions of yen)

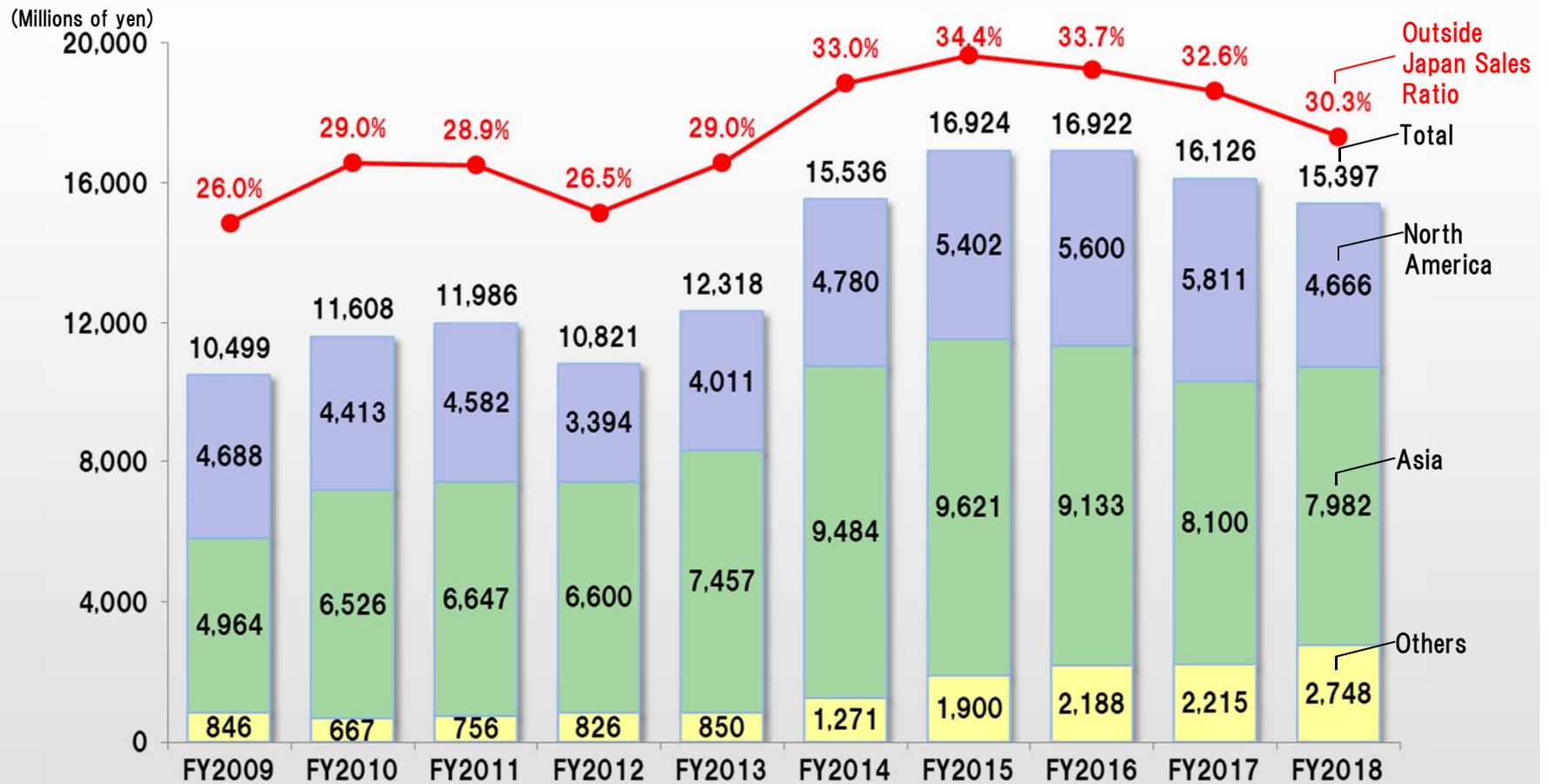
	FY2017		FY2018		Increase of amount	Changes
	Amount	Percentage	Amount	Percentage		
Net sales	49,467	100.0%	50,791	100.0%	1,323	2.7%
Operating Income	7,855	15.9%	8,167	16.1%	311	4.0%
Ordinary income	8,294	16.8%	8,450	16.6%	156	1.9%
Net income attributable	5,837	11.8%	6,610	13.0%	773	13.2%
Exchange rate (USD)	108		111			
Exchange rate (EUR)	120		128			

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

Financial Results Trend (consolidated and full-year)

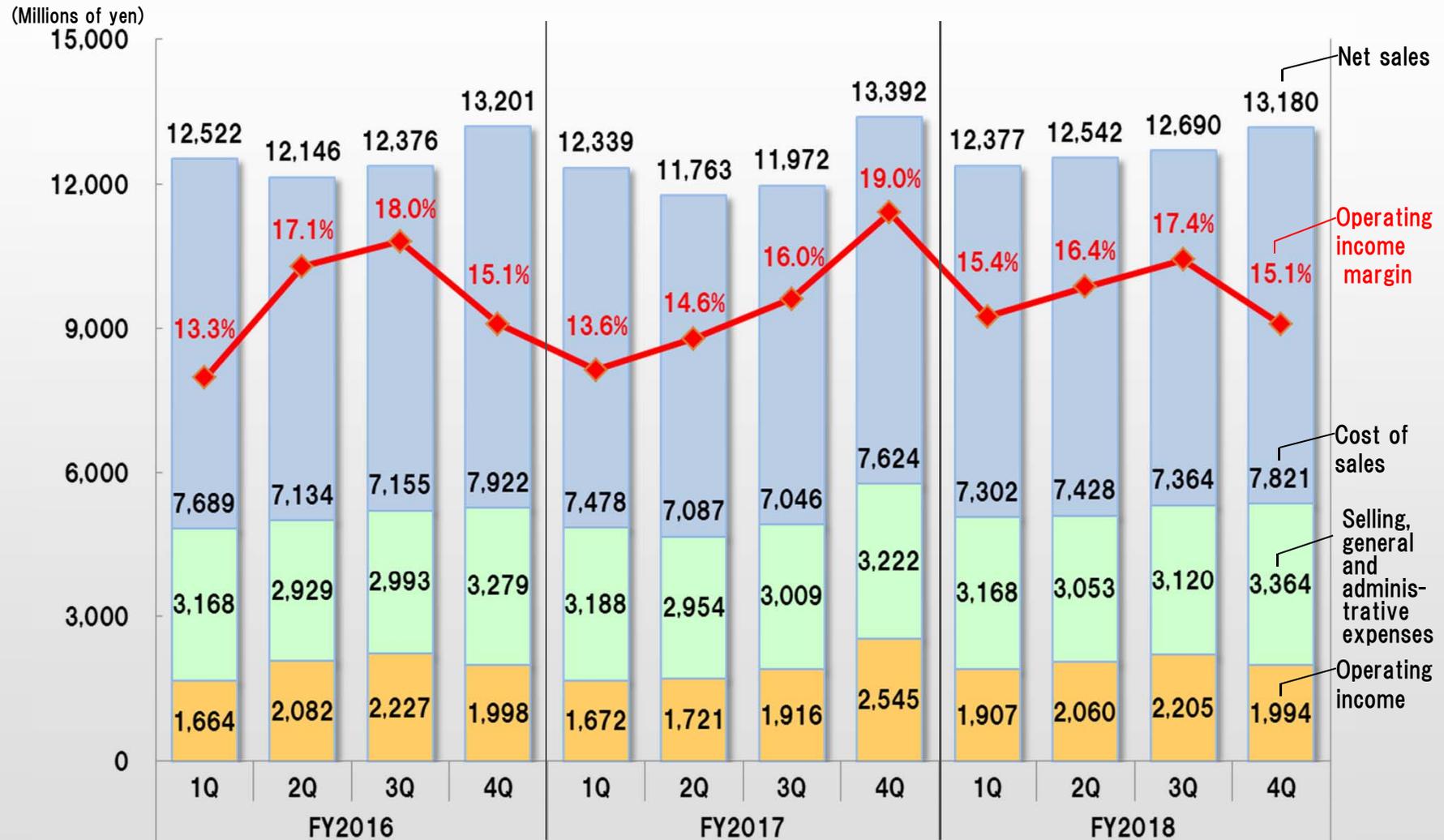


Sales Trends by Region



Exchange rate (USD)	101	93	86	79	82	100	109	121	108	111
Exchange rate (EUR)	148	132	114	110	106	132	139	133	120	128

Financial Results Trend (consolidated and quarter)

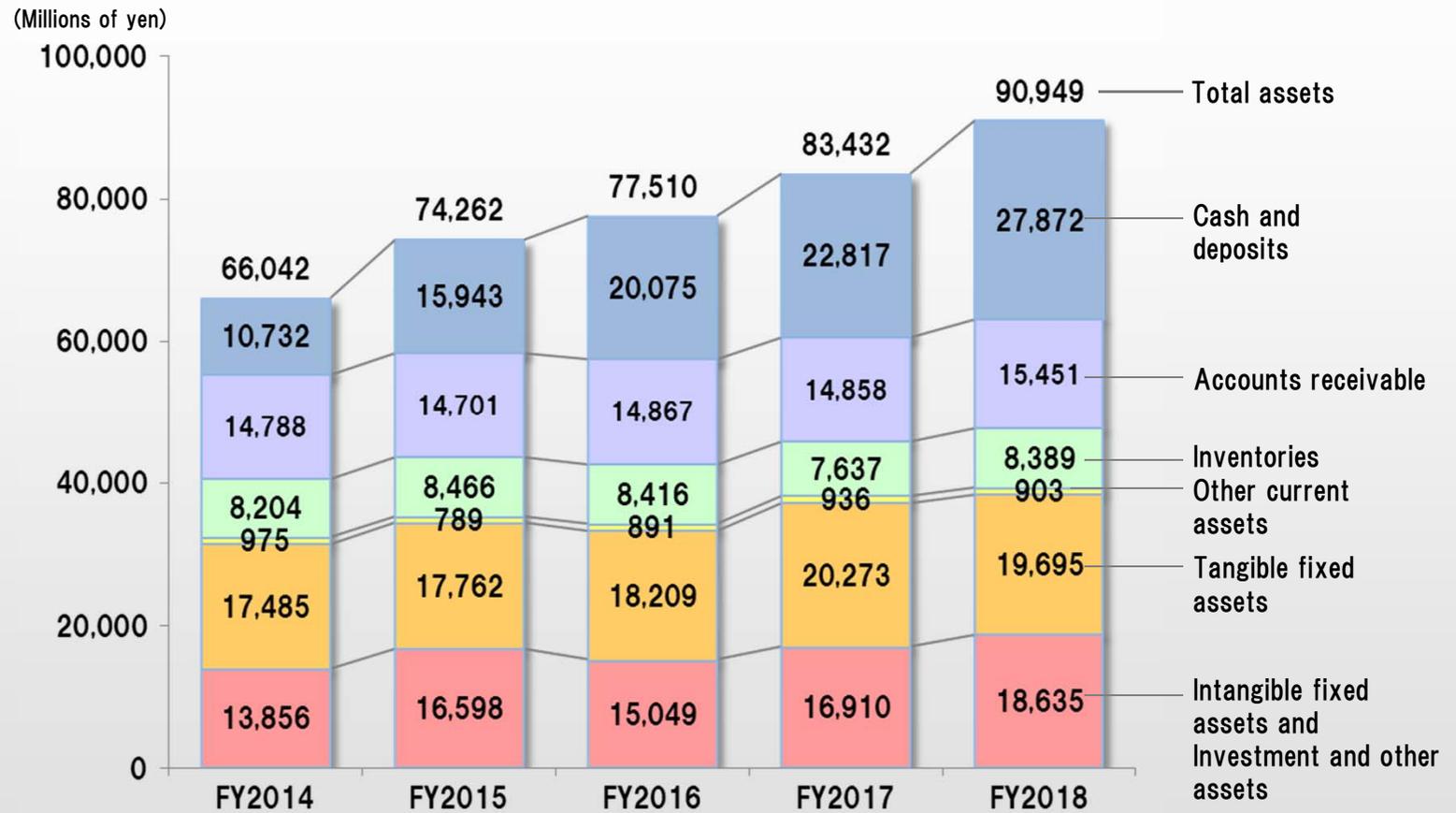


Financial Results (consolidated and quarter)

(Millions of yen)

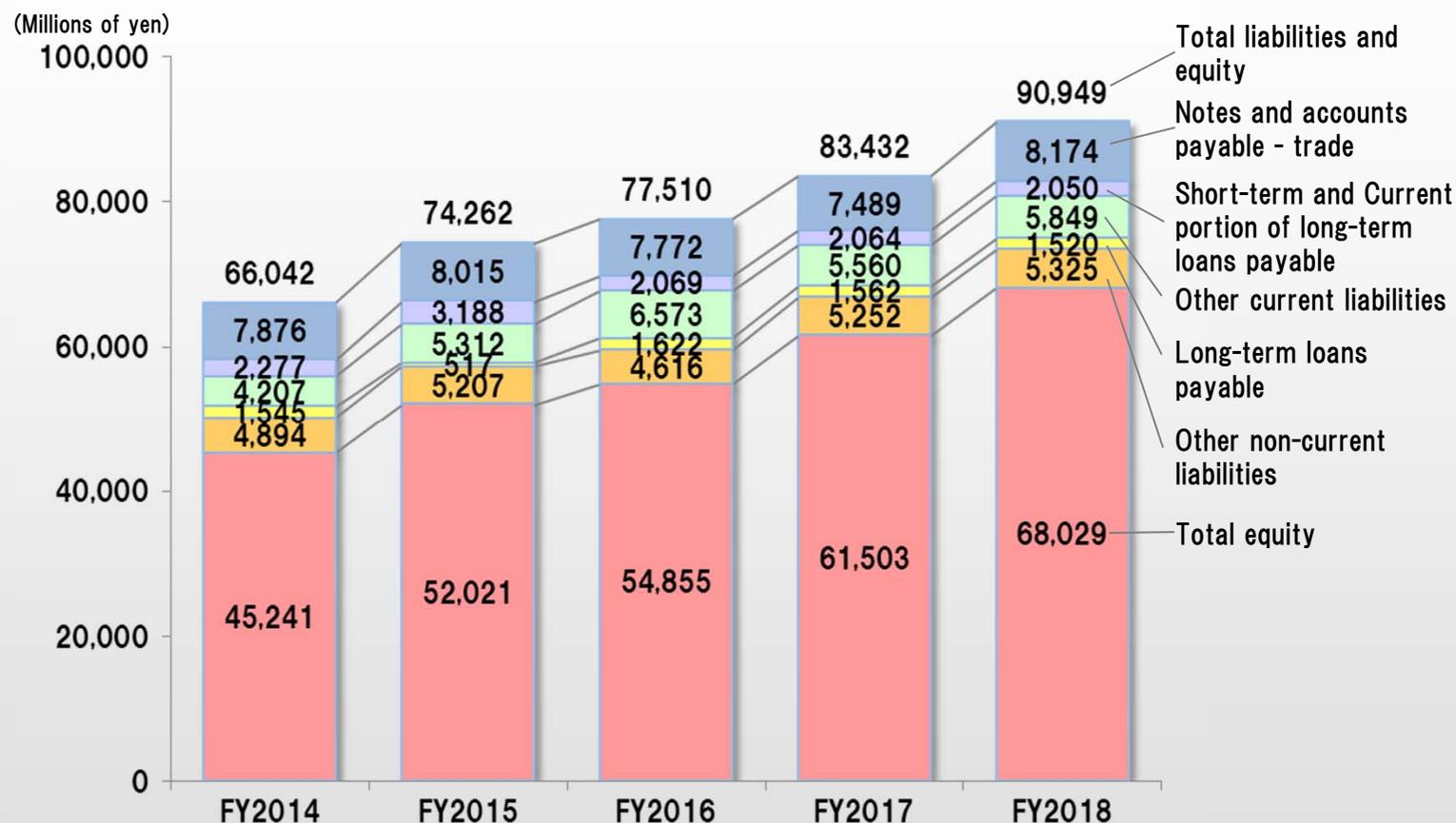
	Qtr1		Qtr2		Qtr3		Qtr4		FY2018	
		year-on year changes								
Net sales	12,377	38 (+0.3%)	12,542	779 (+6.6%)	12,690	718 (+6.0%)	13,180	▲ 211 (▲1.6%)	50,791	1,323 (+2.7%)
Operating income	1,907	234 (+14.0%)	2,060	338 (+19.7%)	2,205	288 (+15.1%)	1,994	▲ 550 (▲21.6%)	8,167	311 (+4.0%)
Ordinary income	2,144	249 (+13.2%)	2,081	390 (+23.1%)	2,371	15 (+0.7%)	1,854	▲ 499 (▲21.2%)	8,450	156 (+1.9%)
Net income attributable to owners of the parent	1,423	182 (+14.7%)	1,452	281 (+24.0%)	1,635	▲ 1 (▲0.1%)	2,098	309 (+17.3%)	6,610	773 (+13.2%)

Assets (consolidated)



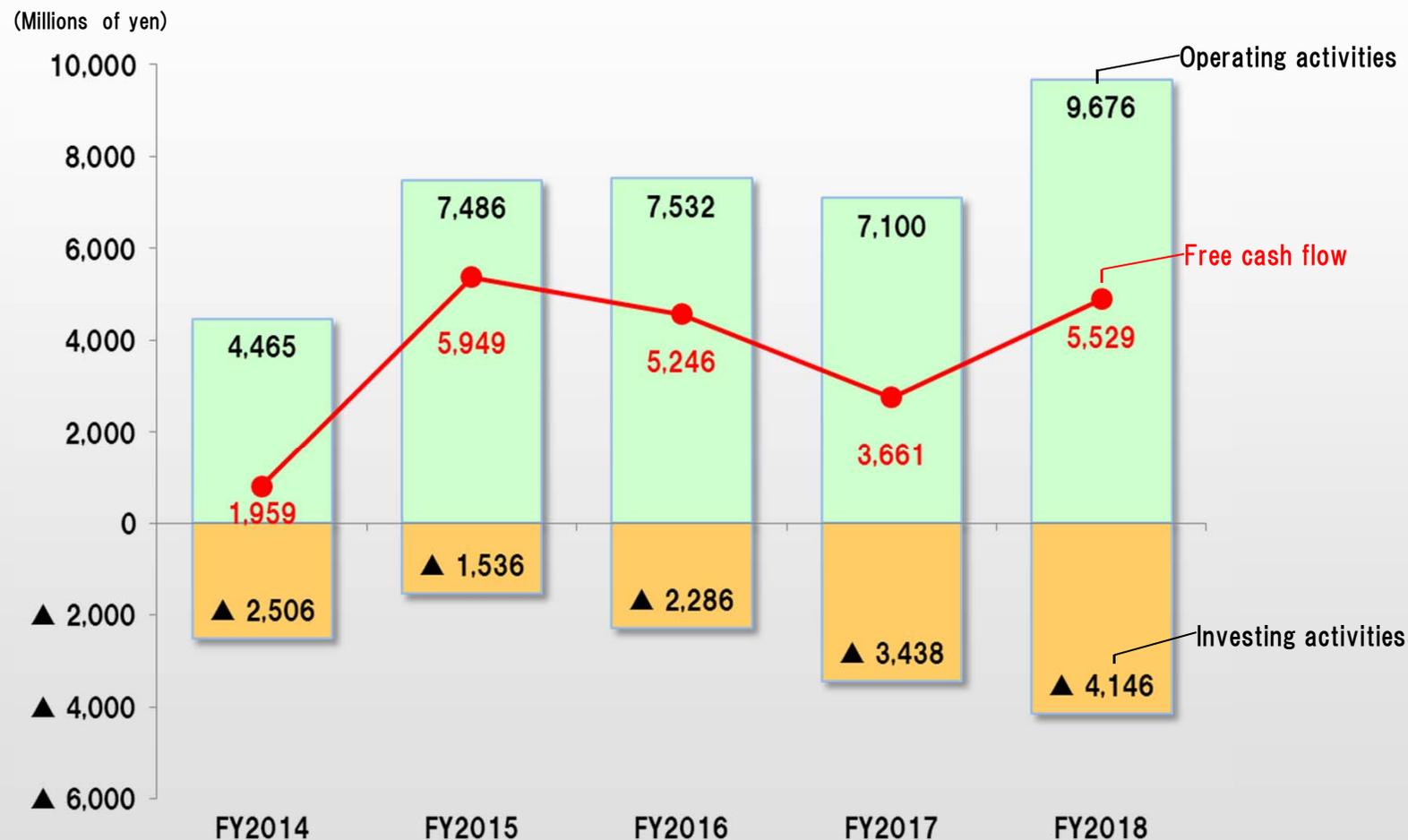
ROA(%)	6.0%	6.2%	6.4%	7.3%	7.6%
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Liabilities, and a total equity (consolidated)



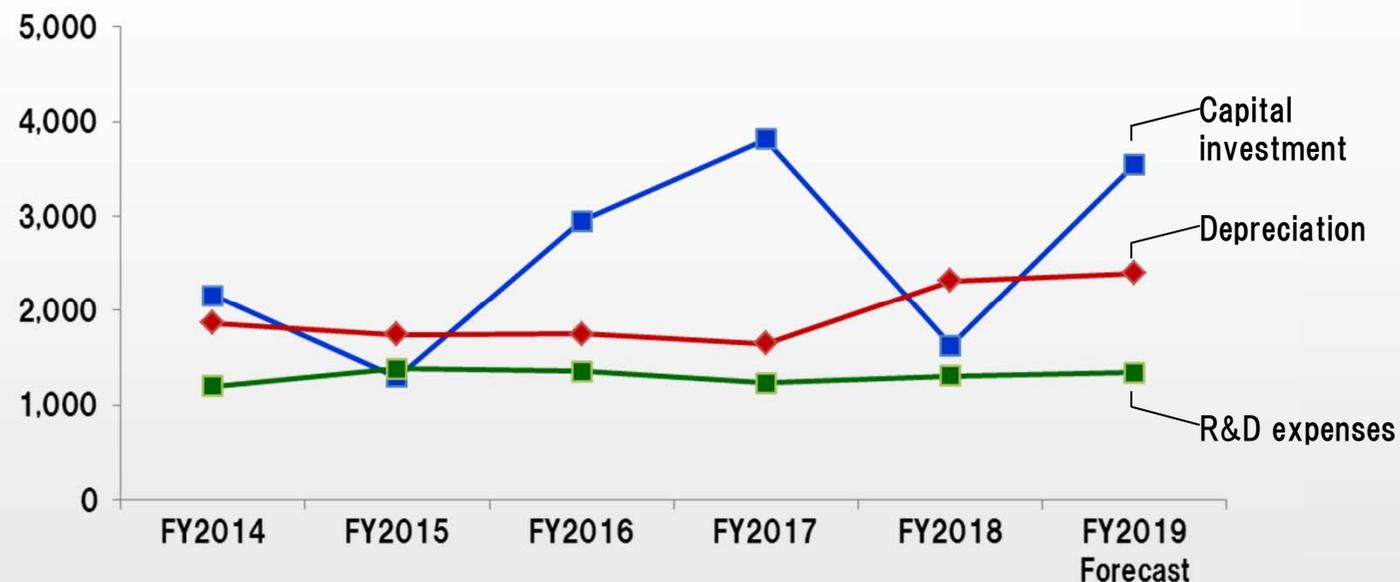
ROE(%)	9.1	9.0	9.2	10.1	10.3
interest-bearing debt (millions of yen)	4,004	3,893	3,917	3,853	3,806
net interest-bearing debt (millions of yen)	▲6,728	▲12,050	▲16,158	▲18,963	▲24,066
Ratio of equity attributable to owners of the Parent (%)	68.1	69.3	70.0	72.9	74.0

Cash Flow Overview (consolidated)



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

(Millions of yen)



	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019 Forecast
Capital investment	2,158	1,296	2,952	3,815	1,628	3,545
Depreciation	1,863	1,743	1,747	1,645	2,318	2,396
R&D expenses	1,199	1,379	1,358	1,235	1,310	1,341

Forecast for FY2019 (consolidated)

(Millions of yen)

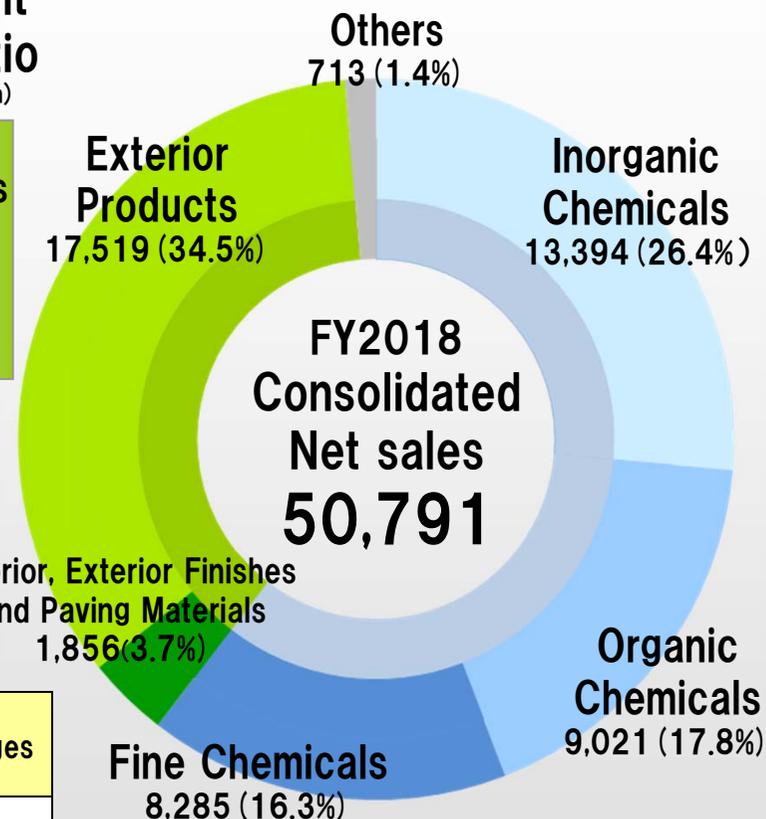
		FY2018	FY2019 (Forecast)	Increase of amount	Changes
Net sales	First half	24,920	25,100	179	0.7%
	Second half	25,871	27,100	1,228	4.7%
	Full-year	50,791	52,200	1,408	2.8%
Operating income	First half	3,967	3,000	▲ 967	▲ 24.4%
	Second half	4,199	4,300	100	2.4%
	Full-year	8,167	7,300	▲ 867	▲ 10.6%
Ordinary income	First half	4,225	3,300	▲ 925	▲ 21.9%
	Second half	4,225	4,300	74	1.8%
	Full-year	8,450	7,600	▲ 850	▲ 10.1%
Net income attributable to owners of the parent	First half	2,876	2,200	▲ 676	▲ 23.5%
	Second half	3,734	3,000	▲ 734	▲ 19.7%
	Full-year	6,610	5,200	▲ 1,410	▲ 21.3%

*Assumed exchange rates are as follows:
105 yen per U.S. dollar, and 130 yen per euro.

Sales and Profit by Business segments

■ Sales amount constituent ratio (Millions of yen)

Housing Materials operations
19,376 (38.1%)

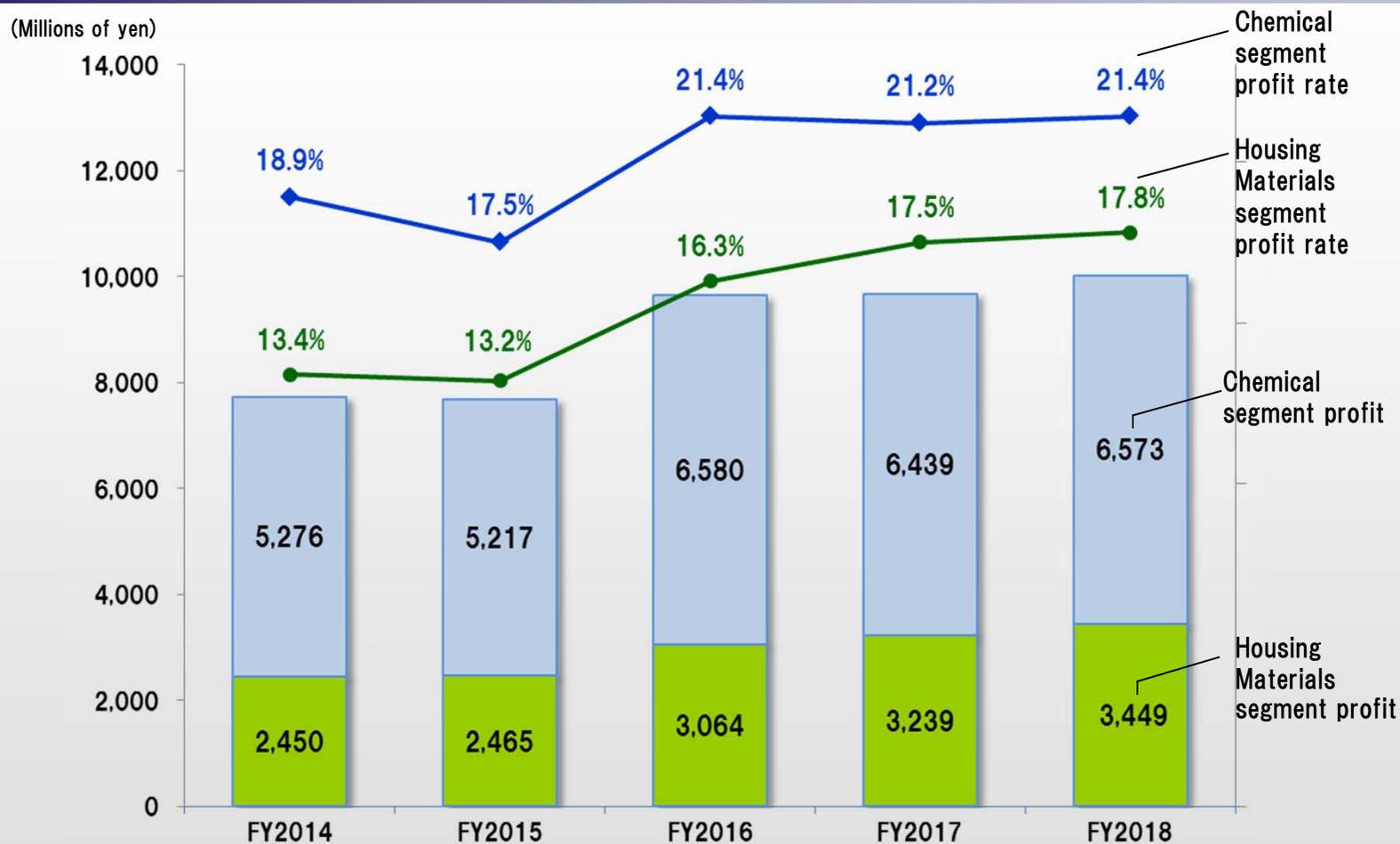


Chemical operations
30,701 (60.4%)

■ Segment information (Millions of yen)

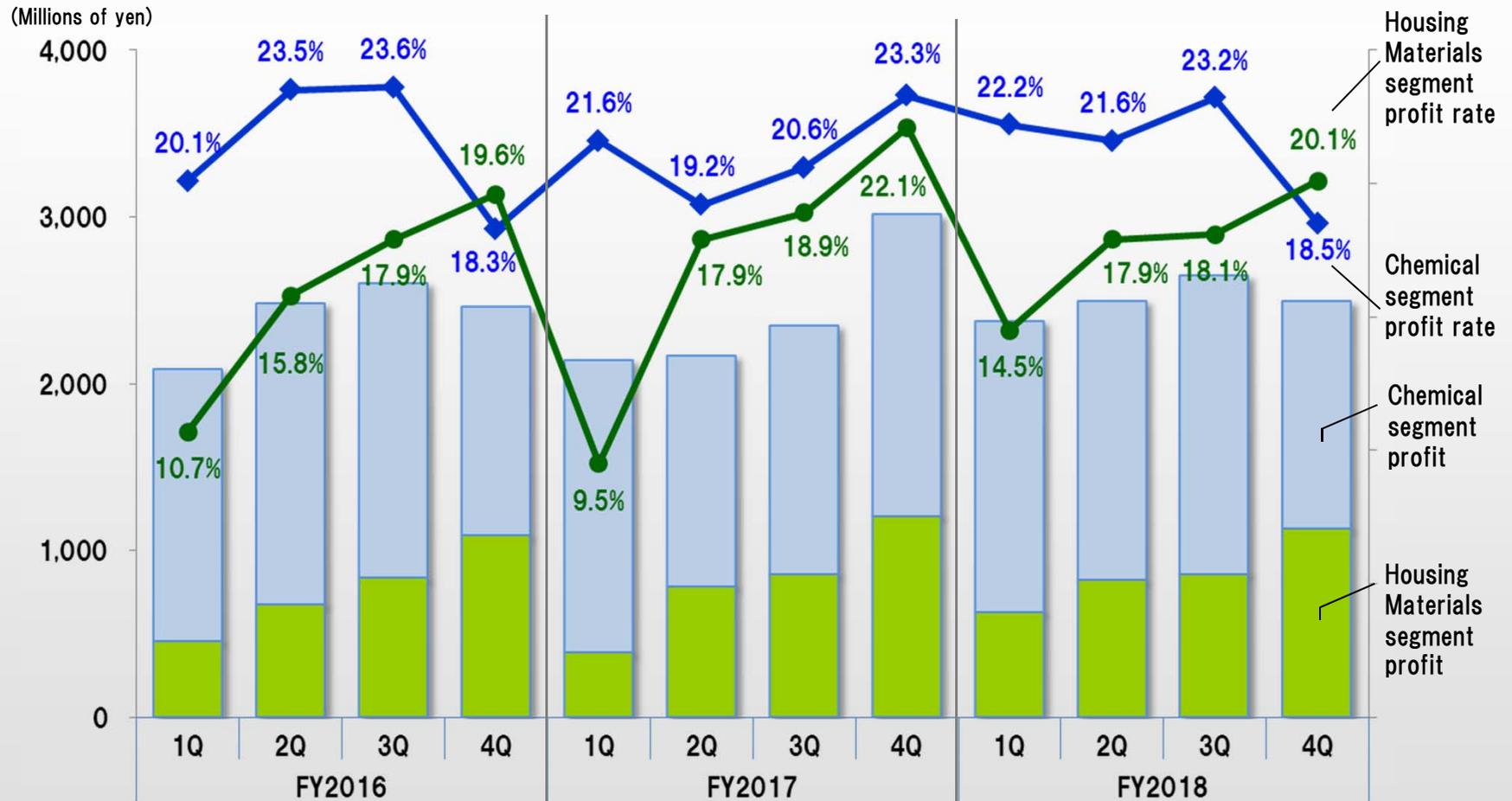
	FY2017	FY2018	Increase of amount	Changes
Net sales				
Chemical operations	30,325	30,701	376	1.2%
Housing Materials operations	18,468	19,376	907	4.9%
Segment profit				
Chemical operations	6,439	6,573	133	2.1%
Housing Materials operations	3,239	3,449	209	6.5%

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



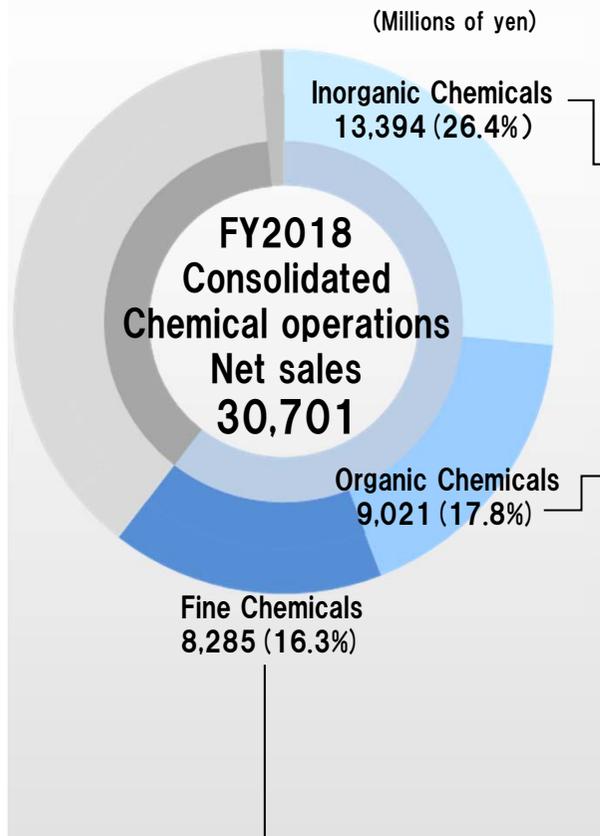
Chemical operations net sales	27,932	29,752	30,769	30,325	30,701
Housing Materials operations net sales	18,257	18,647	18,792	18,468	19,376
Chemical segment profit	5,276	5,217	6,580	6,439	6,573
Housing Materials segment profit	2,450	2,465	3,064	3,239	3,449

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	7,379
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	5,632
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	1,362
Housing Materials segment profit	459	678	835	1,089	389	785	857	1,207	633	823	859	1,133

Chemicals operations segment



【 Main products 】

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



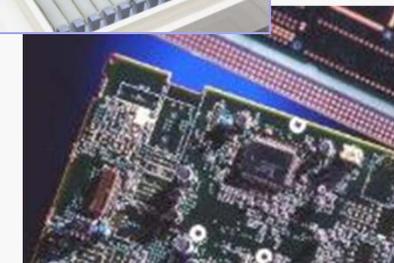
【 Main products 】

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

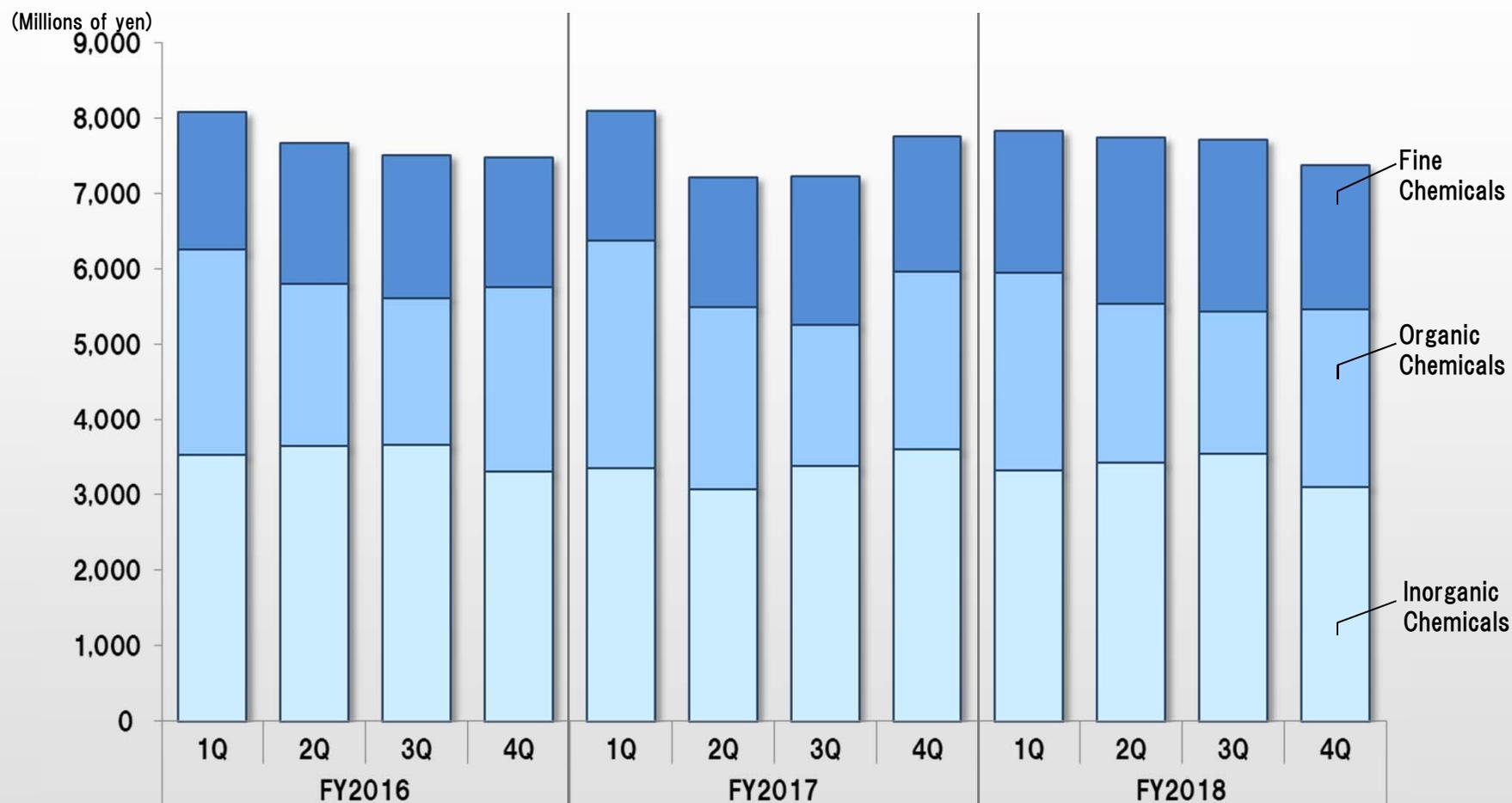


【 Main products 】

- 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	1,910
Organic Chemicals	2,723	2,160	1,965	2,459	3,029	2,430	1,891	2,375	2,636	2,126	1,900	2,358
Inorganic Chemicals	3,535	3,652	3,659	3,310	3,357	3,077	3,381	3,602	3,320	3,420	3,543	3,110

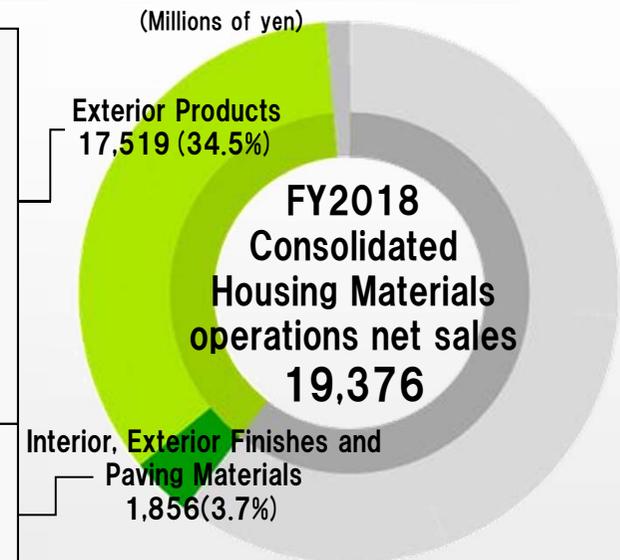
Housing Materials operations segment

【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



“Myport 7” (garage)



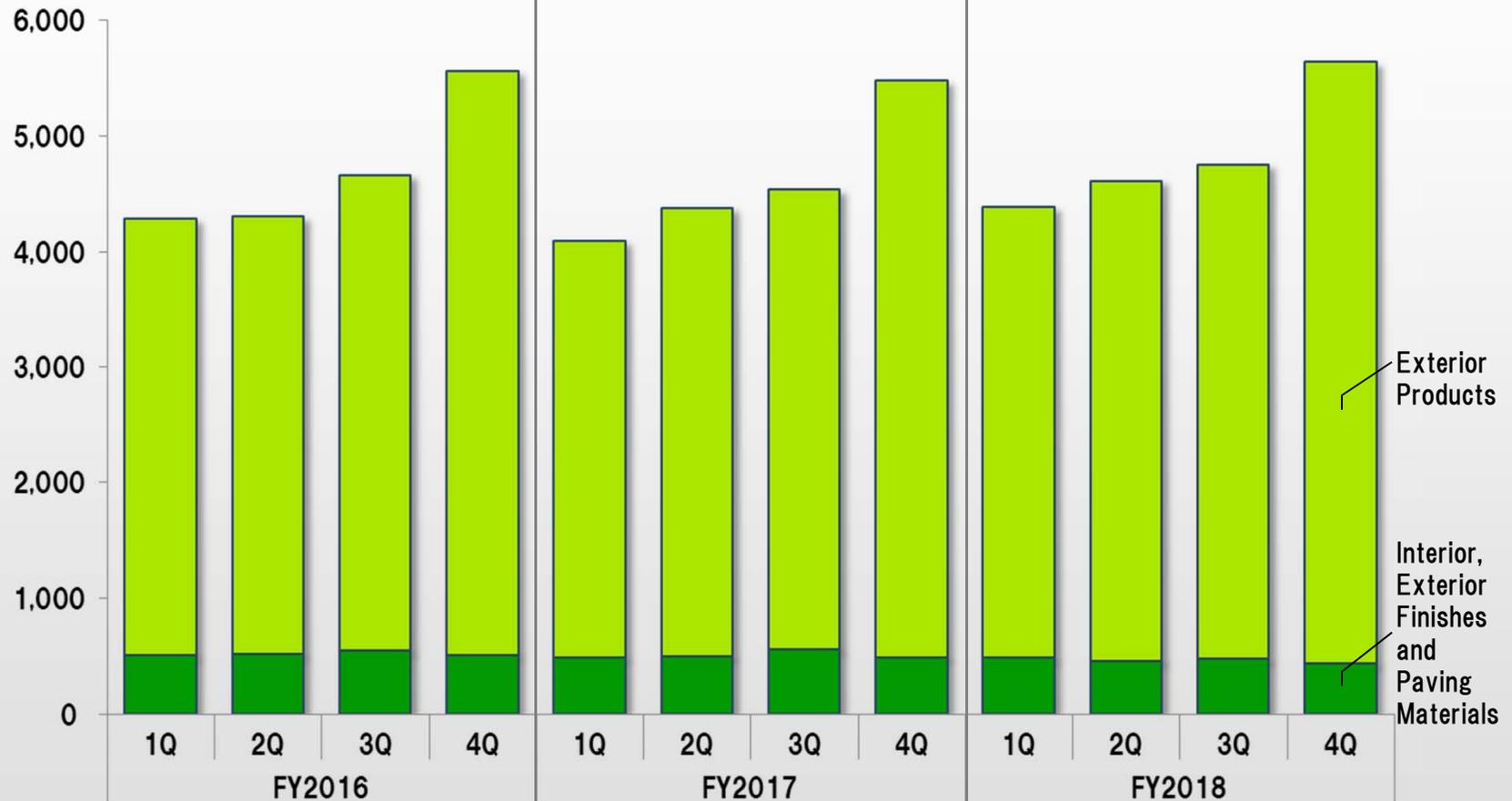
“Rise roof II” (shelter)



“Claris gate” (housing gate)

Sales Trend of Housing Materials operations (consolidated and quarter)

(Millions of yen)



Exterior Products	3,776	3,780	4,110	5,047	3,596	3,876	3,972	4,983	3,895	4,148	4,279	5,195
Interior, Exterior and Paving Materials	503	517	547	509	489	499	559	490	487	460	471	437

Contact Information

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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.