

Creating new worlds  
in the niches  
between the current ones

**Financial Results**  
**for the 1<sup>st</sup> Quarter of the FY2019**  
**(April 1, 2018–June 30, 2018)**

**July 27, 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 the 1Q of FY2019

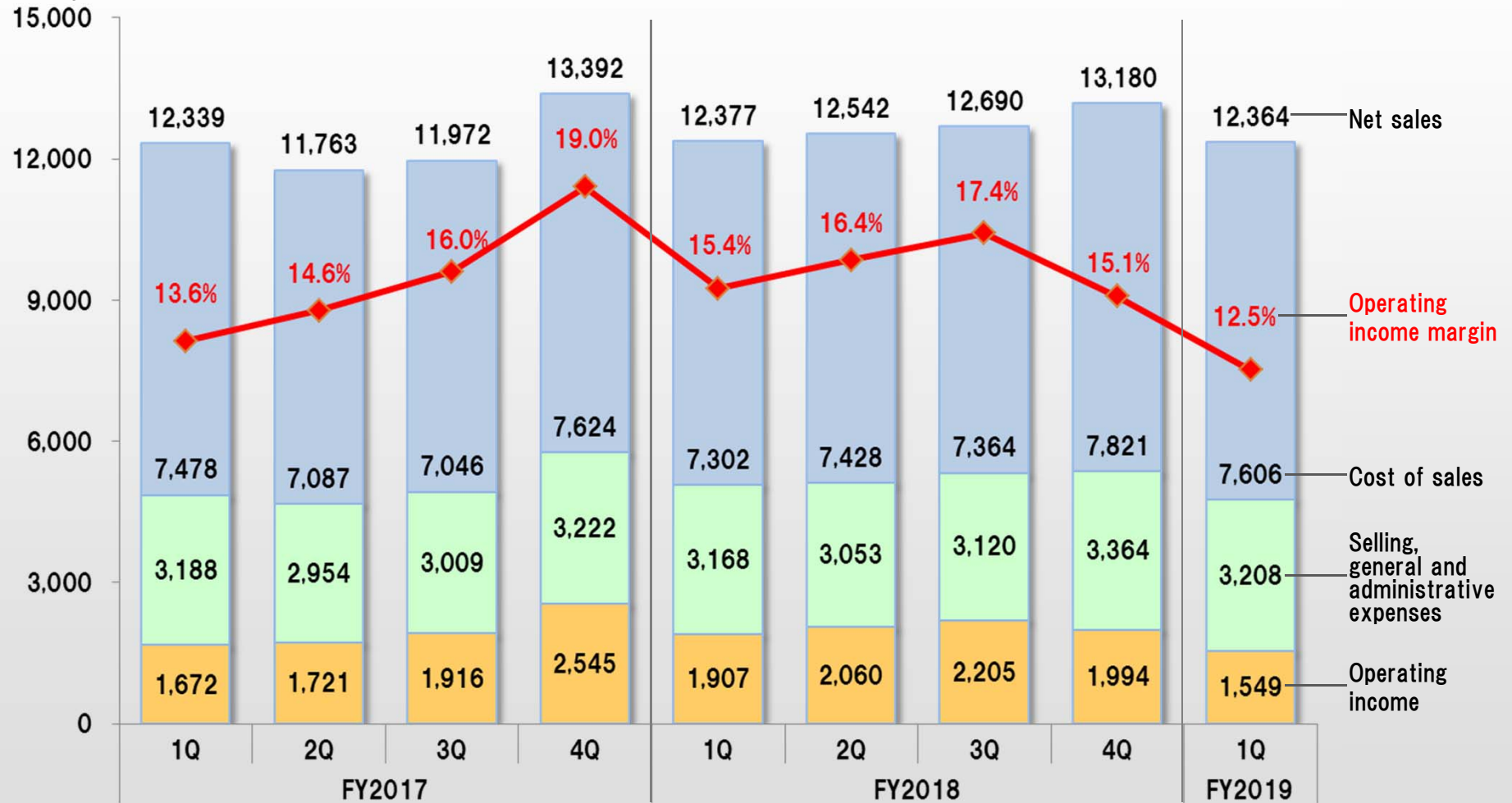
(Millions of yen)

	Consolidated cumulative 1Q				Increase of amount	Changes
	FY2018		FY2019			
	Amount	Percentage	Amount	Percentage		
Net sales	12,377	100.0%	12,364	100.0%	▲ 13	▲0.1%
Operating Income	1,907	15.4%	1,549	12.5%	▲ 357	▲18.7%
Ordinary income	2,144	17.3%	1,866	15.1%	▲ 277	▲12.9%
Net income attributable to owners of the parent	1,423	11.5%	1,234	10.0%	▲ 189	▲13.3%
Exchange rate (USD)	112		108			
Exchange rate (EUR)	120		131			

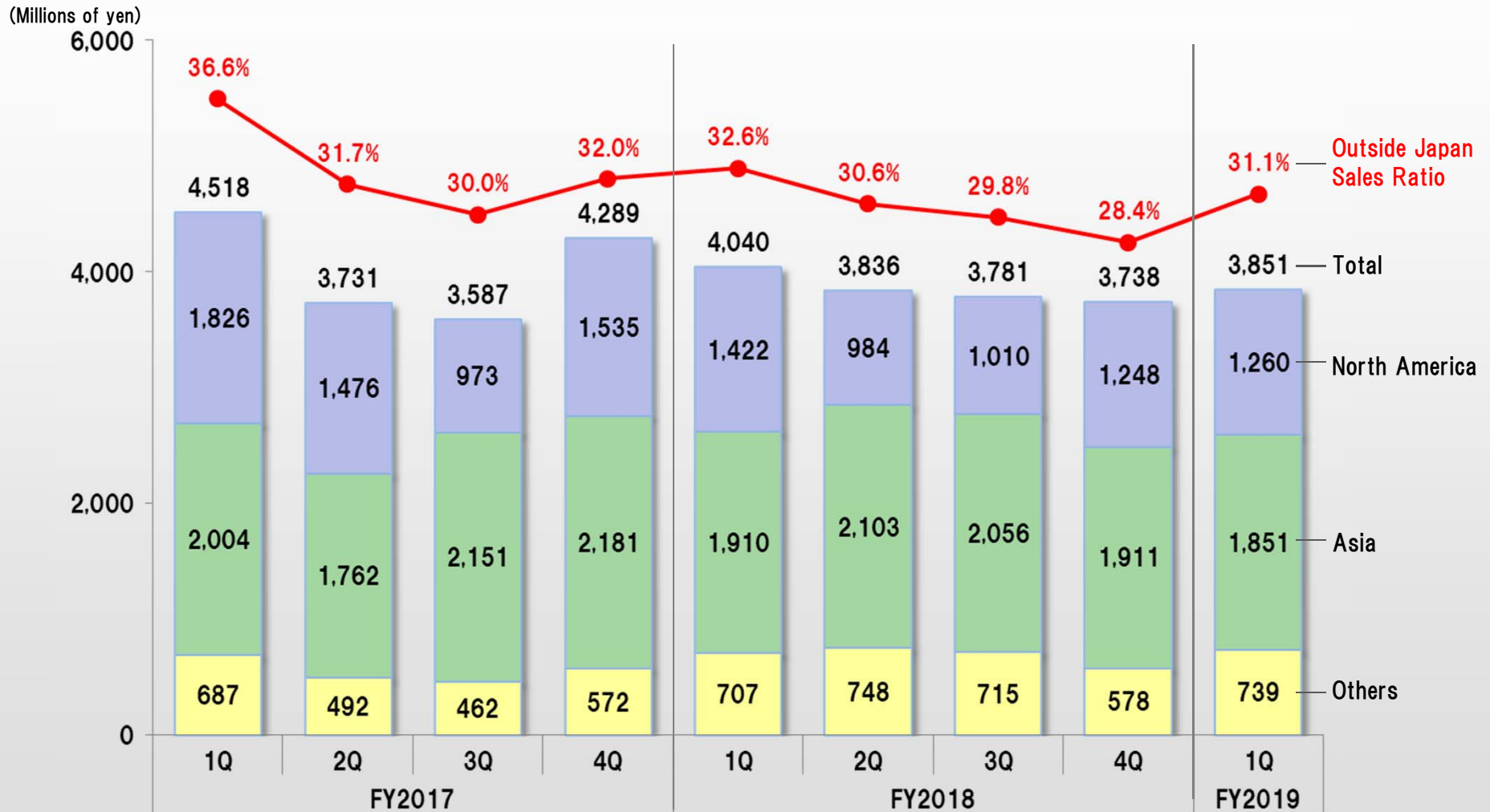
The exchange rates given above are average rates for the period from April to June.

# Financial Results Trend (consolidated and quarter)

(Millions of yen)

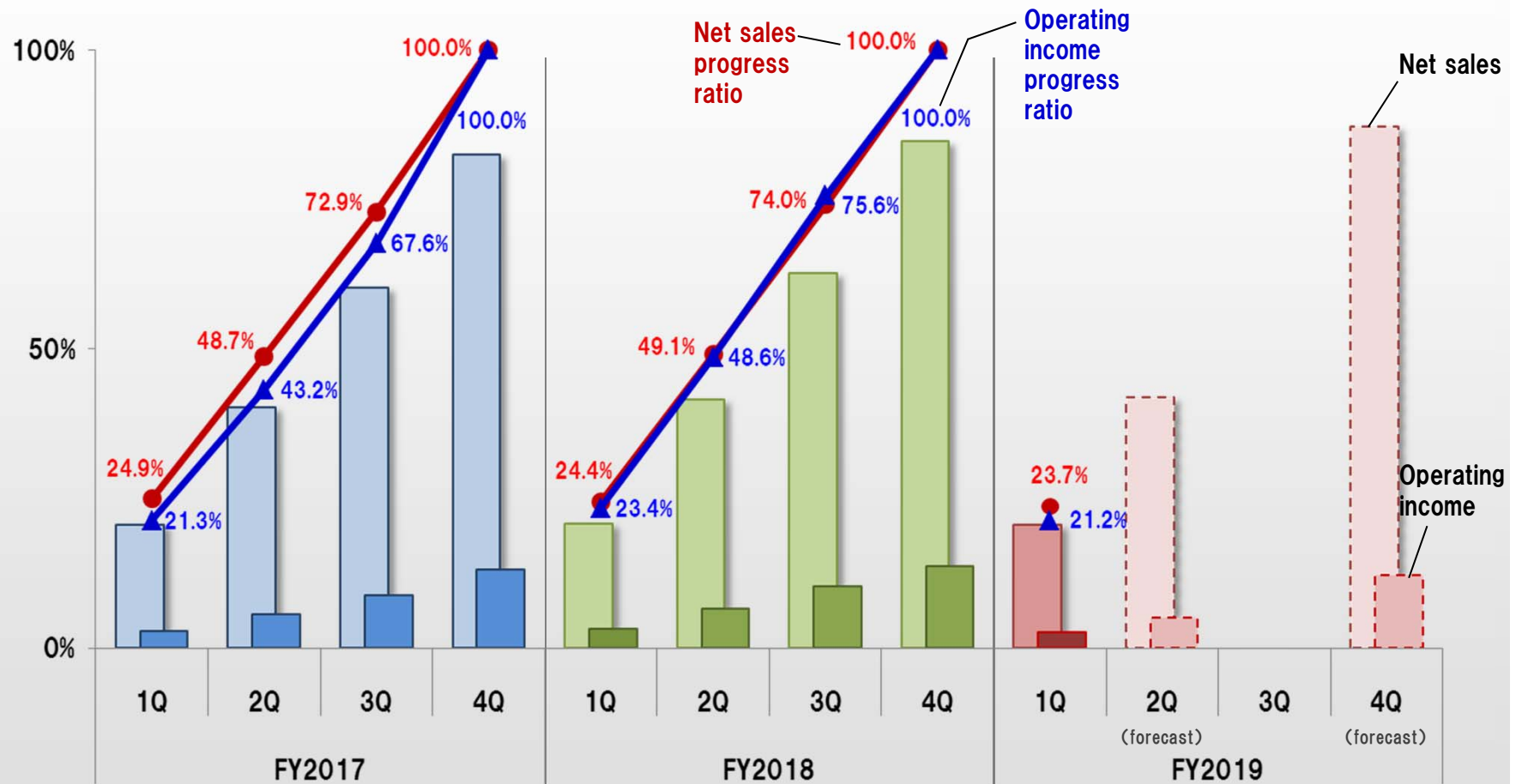


# Sales Trends by Region



# Progress report

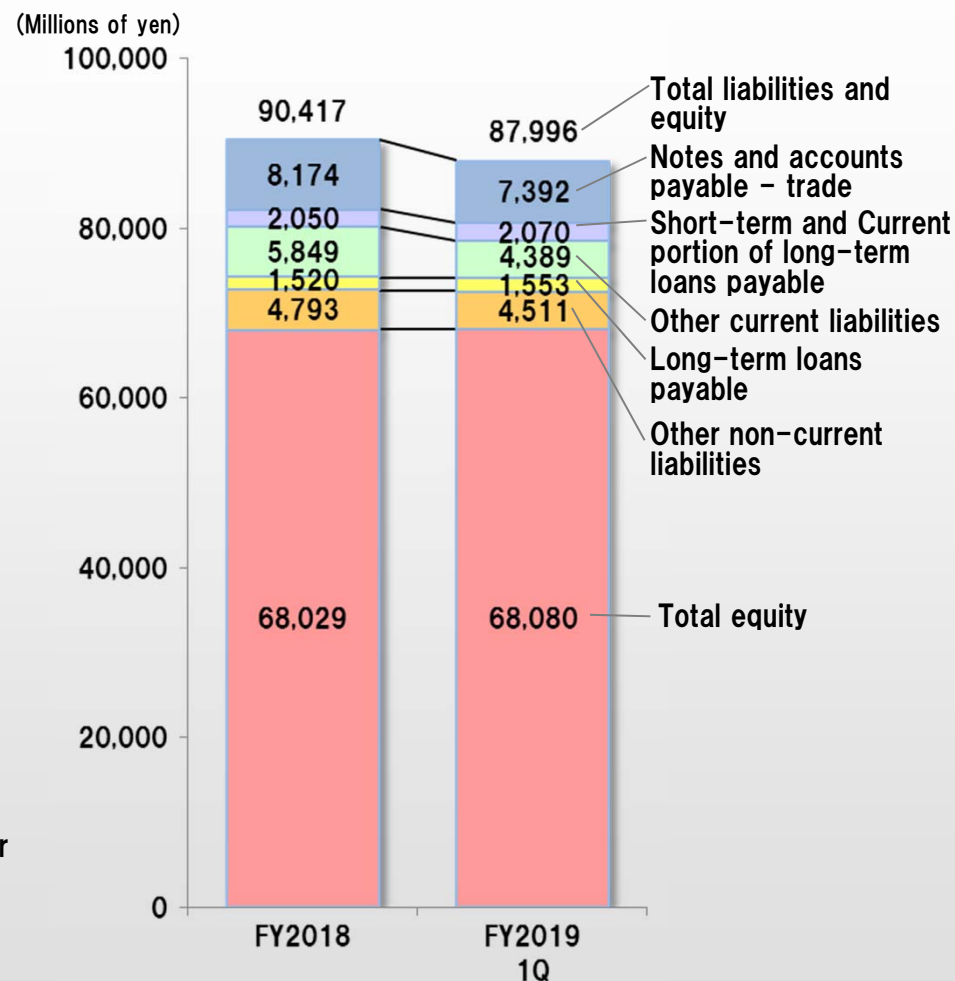
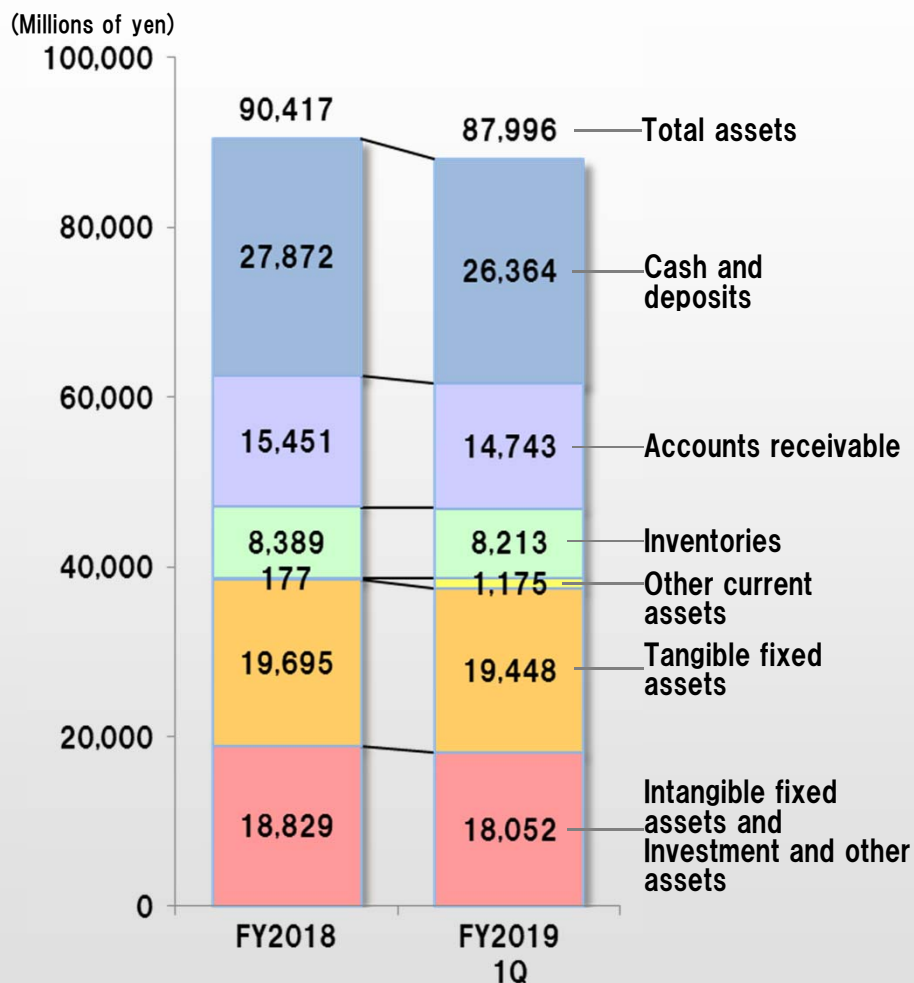
← Progress rate to full-year result → ← Progress rate to full-year forecast →



(Millions of yen)

Net sales	12,339	24,102	36,074	49,467	12,377	24,920	37,610	50,791	12,364	25,100		52,200
Operating income	1,672	3,393	5,310	7,855	1,907	3,967	6,172	8,167	1,549	3,000		7,300

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



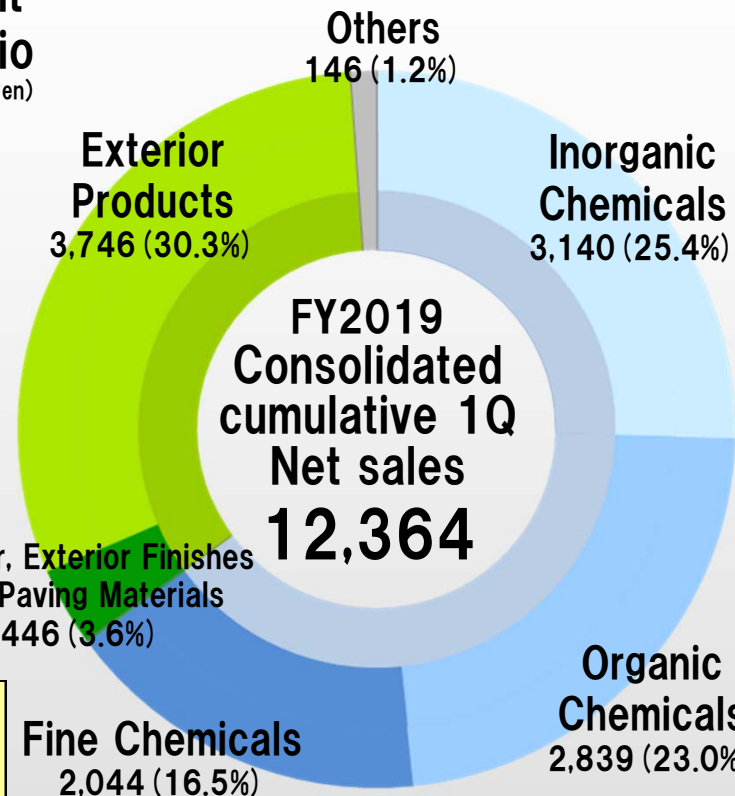
interest-bearing debt (millions of yen)	3,806	3,865
net interest-bearing debt (millions of yen)	▲ 24,066	▲ 22,498
Equity ratio(%)	74.4%	76.5%



# Sales and Profit by Business segments

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

Housing Materials operations  
**4,193 (33.9%)**

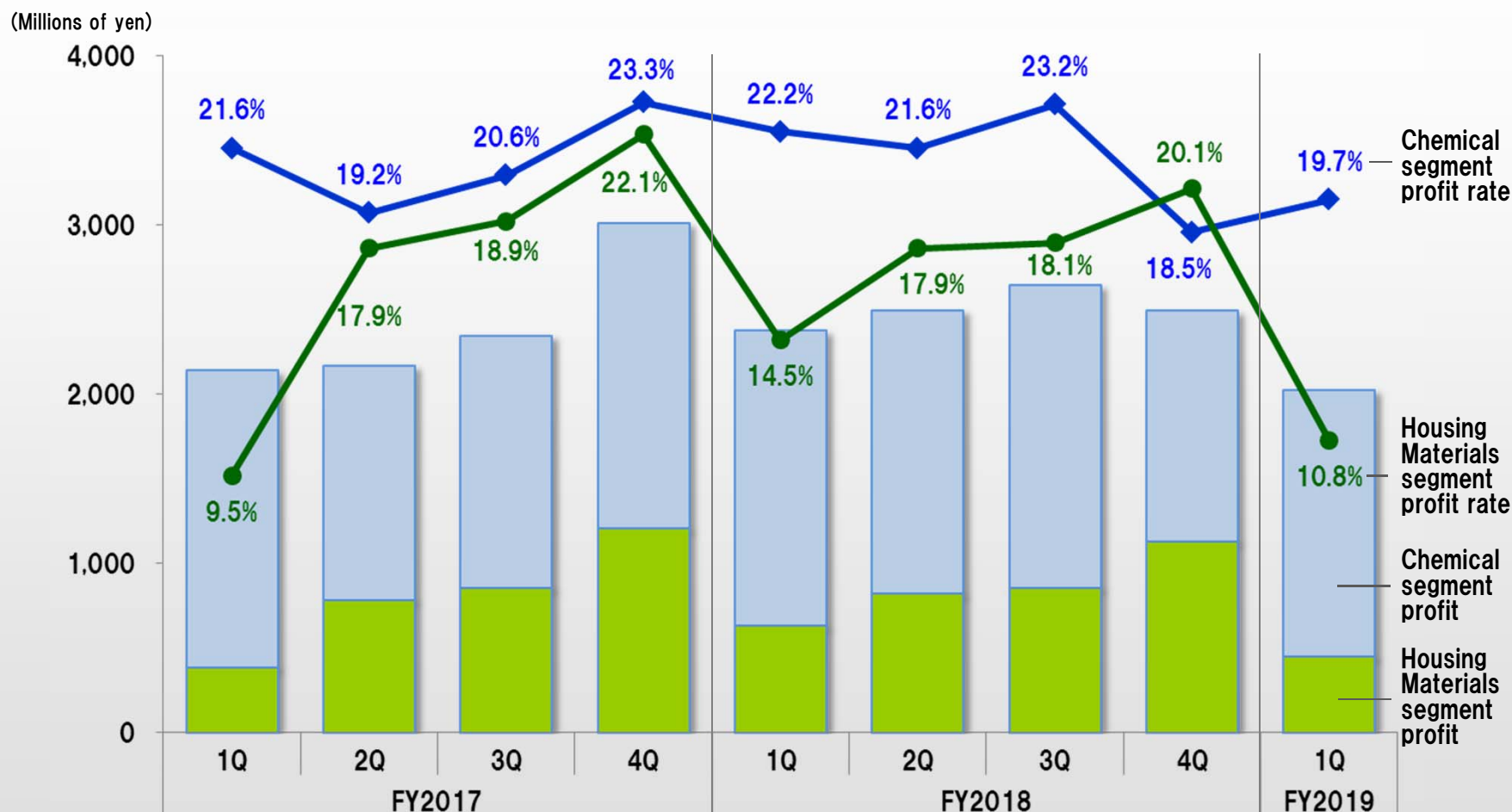


Chemical operations  
**8,024 (64.9%)**

## ■ Segment information (Millions of yen)

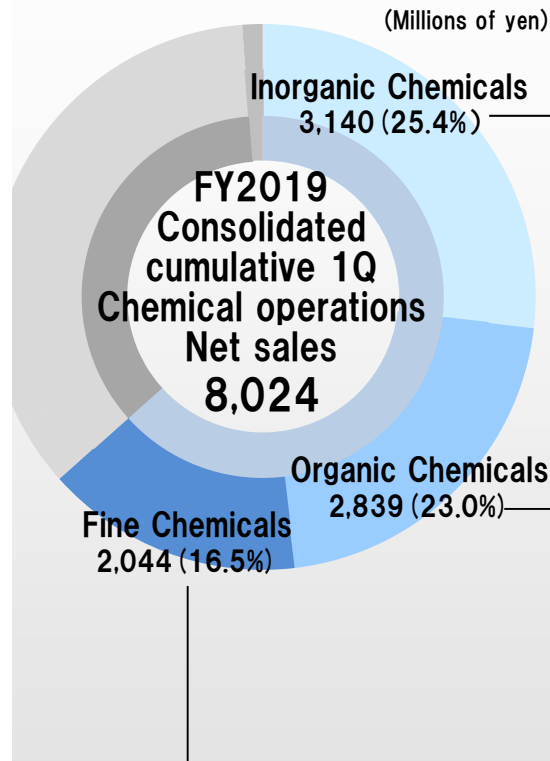
	Consolidated cumulative 1Q		Increase of amount	Changes
	FY2018	FY2019		
<b>Net sales</b>				
Chemical operations	7,845	8,024	179	2.3%
Housing Materials operations	4,383	4,193	▲ 189	▲ 4.3%
<b>Segment profit</b>				
Chemical operations	1,745	1,577	▲ 167	▲ 9.6%
Housing Materials operations	633	452	▲ 181	▲ 28.6%

# Sales and Profit by Business segments (consolidated and quarter)



Chemical operations net sales	8,107	7,221	7,235	7,761	7,845	7,750	7,726	7,379	8,024
Housing Materials operations net sales	4,086	4,376	4,532	5,474	4,383	4,609	4,751	5,632	4,193
Chemical segment profit	1,752	1,385	1,492	1,808	1,745	1,675	1,790	1,362	1,577
Housing Materials segment profit	389	785	857	1,207	633	823	859	1,133	452

# Chemicals operations segment



## 【 Main products 】

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



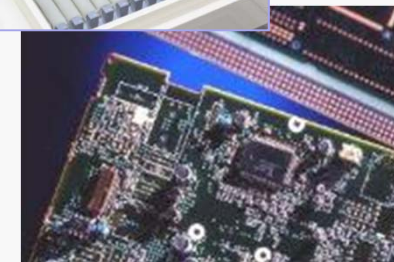
## 【 Main products 】

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

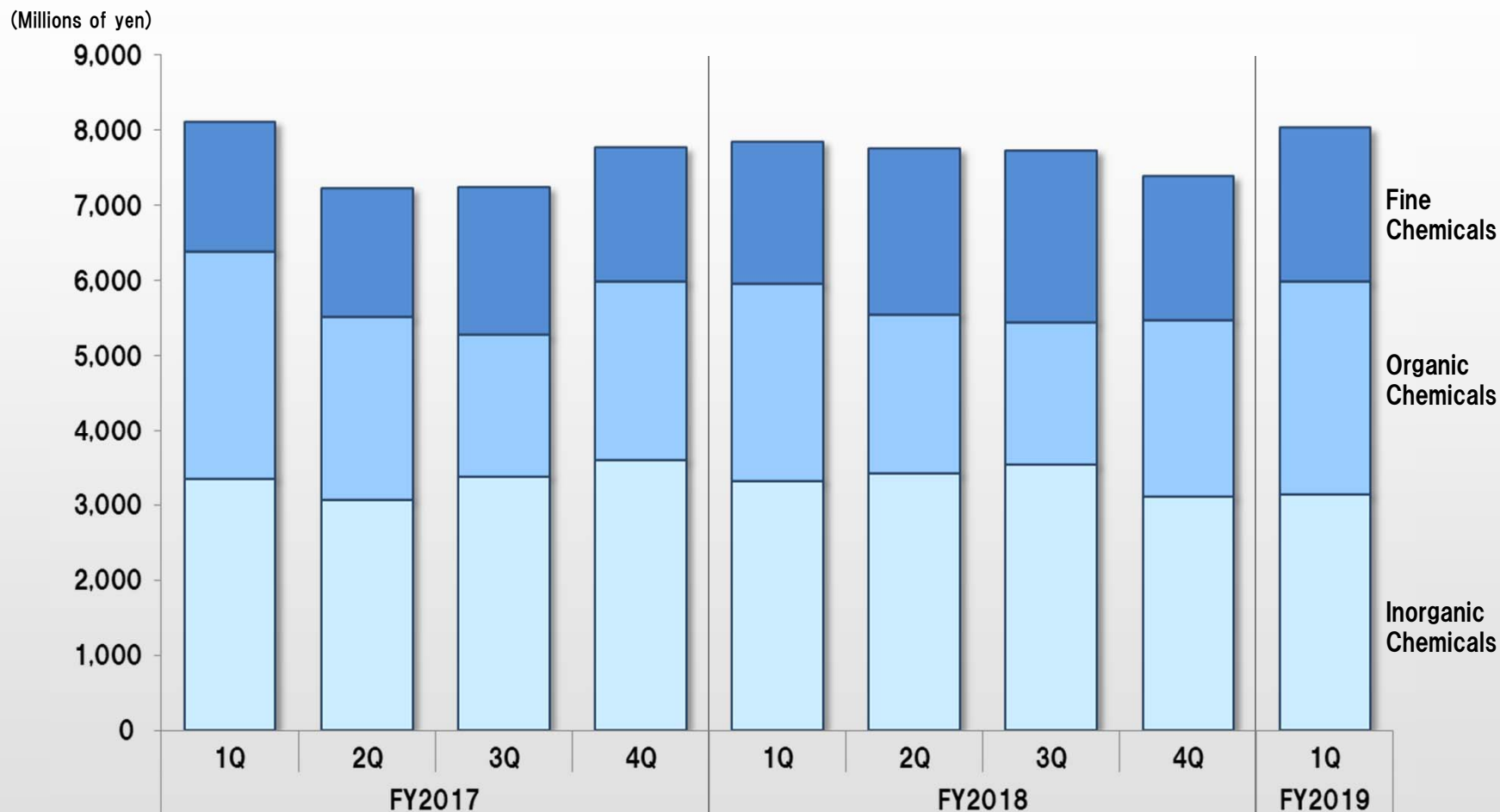


## 【 Main products 】

- 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	1,719	1,713	1,962	1,783	1,888	2,202	2,283	1,910	2,044
Organic Chemicals	3,029	2,430	1,891	2,375	2,636	2,126	1,900	2,358	2,839
Inorganic Chemicals	3,357	3,077	3,381	3,602	3,320	3,420	3,543	3,110	3,140

# 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  
3,746 (30.3%)

FY2019  
Consolidated  
cumulative 1Q  
Housing Materials  
operations net sales  
4,193

Interior, Exterior Finishes  
and Paving Materials  
446 (3.6%)



“Myport 7” ( garage )



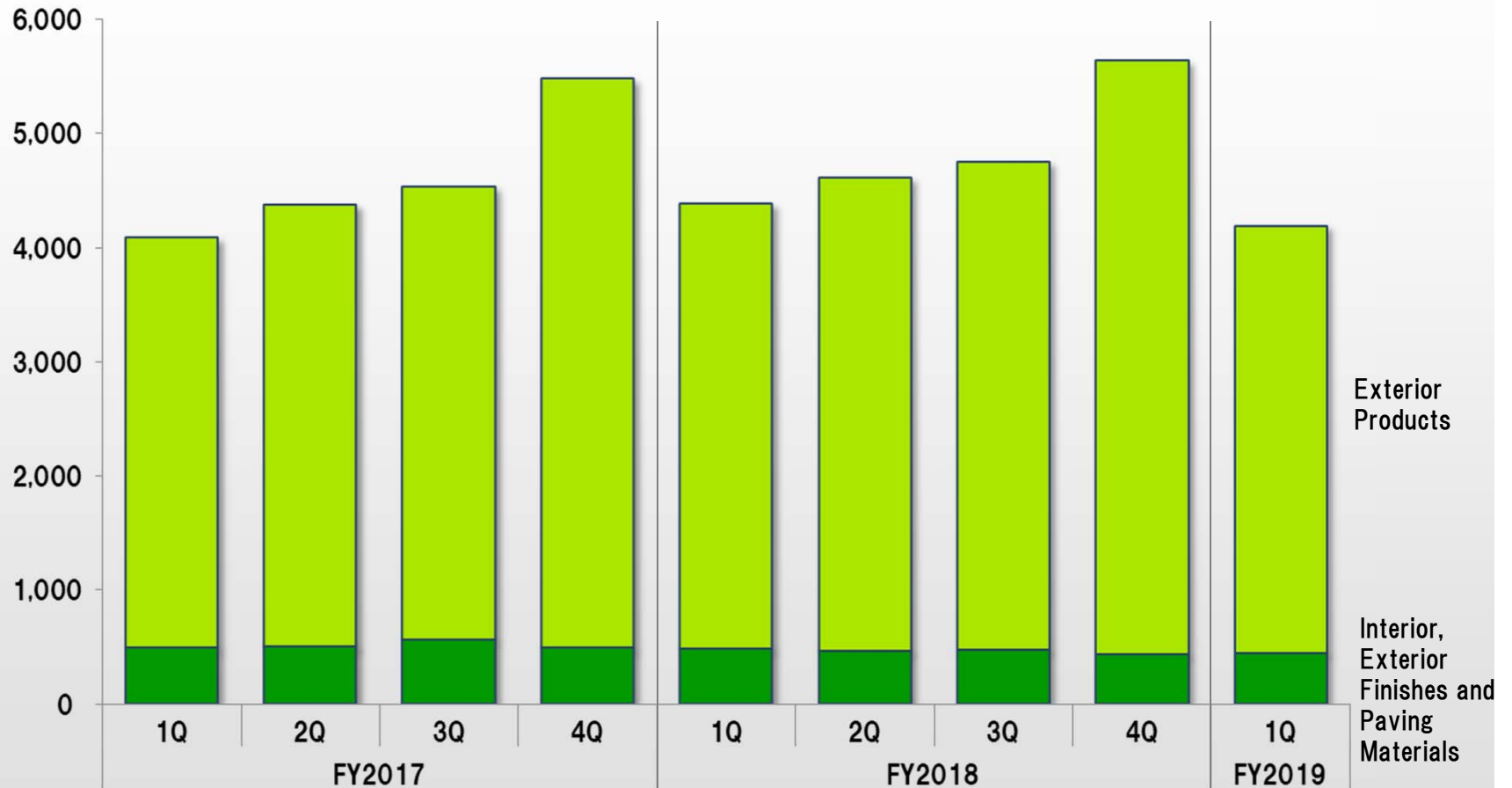
“Rise roof II” ( shelter )



“Claris gate” ( housing gate )

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

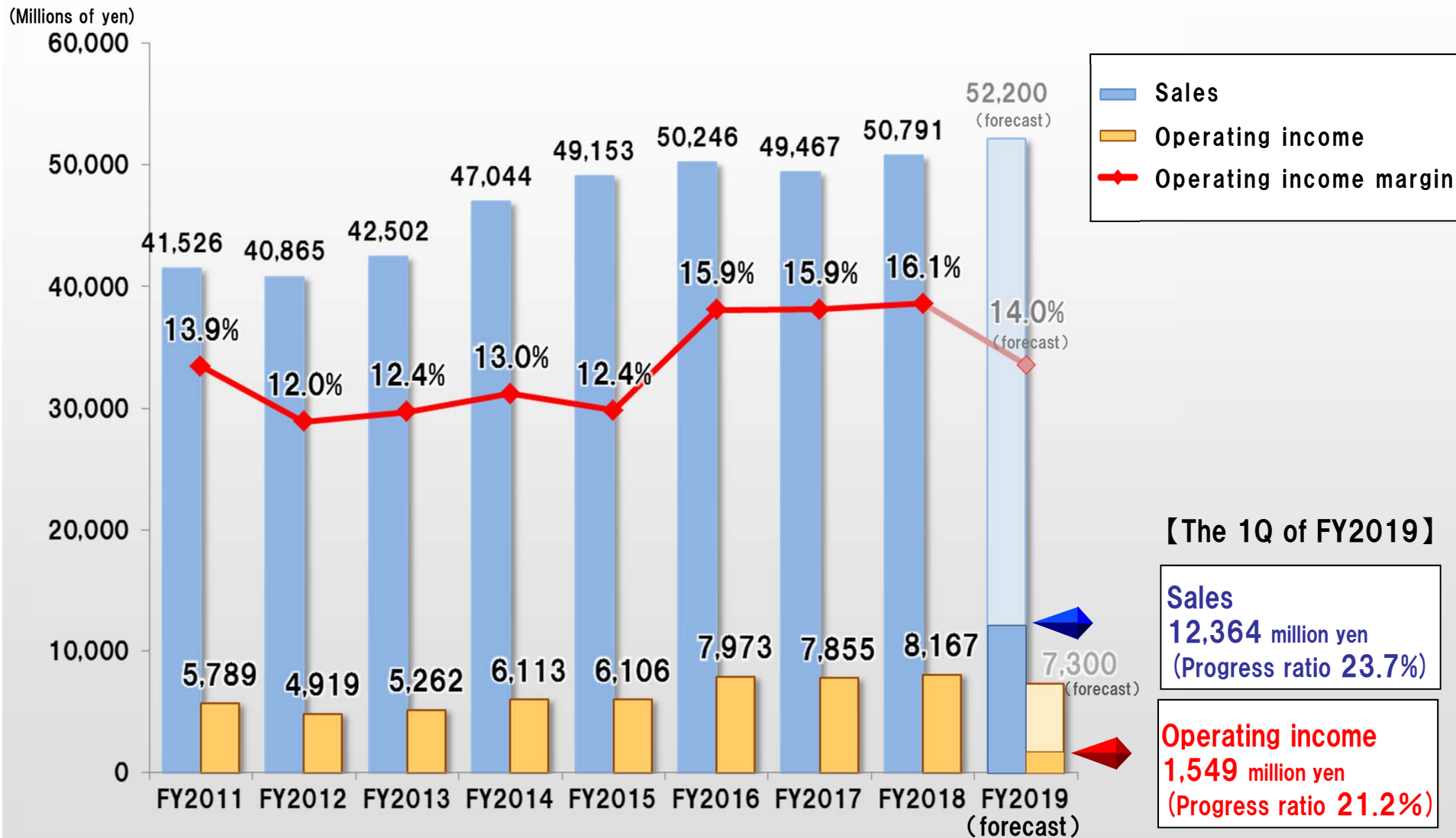
(Millions of yen)



Exterior Products	3,596	3,876	3,972	4,983	3,895	4,148	4,279	5,195	3,746
Interior, Exterior Finishes and Paving Materials	489	499	559	490	487	460	471	437	446



# Sales/Operating Income Trend (consolidated)



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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.**