

Creating new worlds
in the niches
between the current ones

Financial Results
for the 2nd Quarter of the FY2019
(April 1, 2018–September 30, 2018)

October 26, 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 Consolidated1,152 Non-Consolidated 660(As of September 30, 2018)

▼ Share of stock

- Issued Shares 58 million shares
- Number of Shareholders 4,233(As of September 30, 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 2Q of FY2019

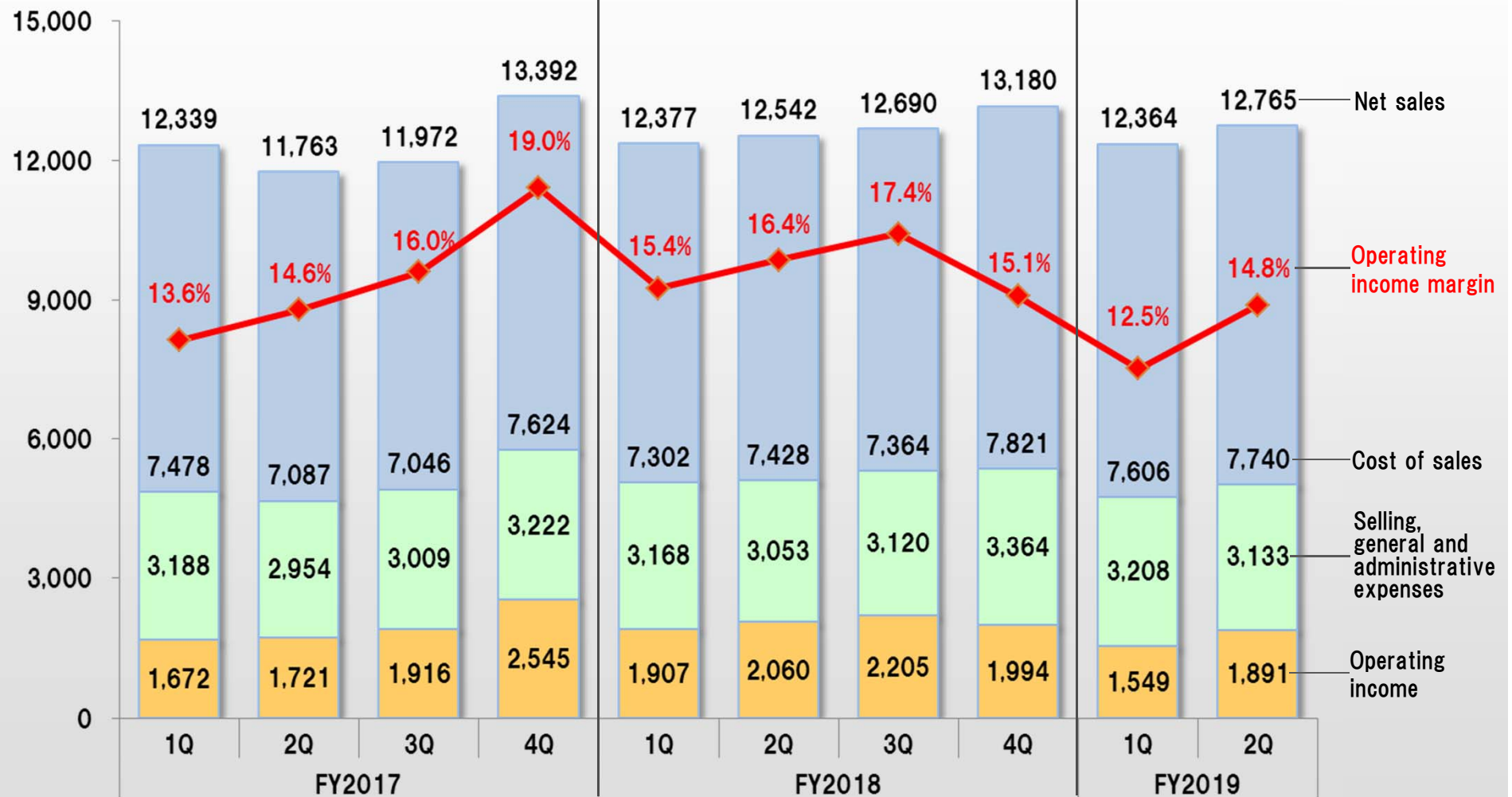
(Millions of yen)

	Consolidated cumulative 2Q				Increase of amount	Changes
	FY2018		FY2019			
	Amount	Percentage	Amount	Percentage		
Net sales	24,920	100.0%	25,130	100.0%	209	0.8%
Operating Income	3,967	15.9%	3,441	13.7%	▲ 525	▲ 13.3%
Ordinary income	4,225	17.0%	3,746	14.9%	▲ 479	▲ 11.3%
Net income attributable to owners of the parent	2,876	11.5%	2,541	10.1%	▲ 334	▲ 11.6%
Exchange rate (USD)	112		110			
Exchange rate (EUR)	124		130			

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

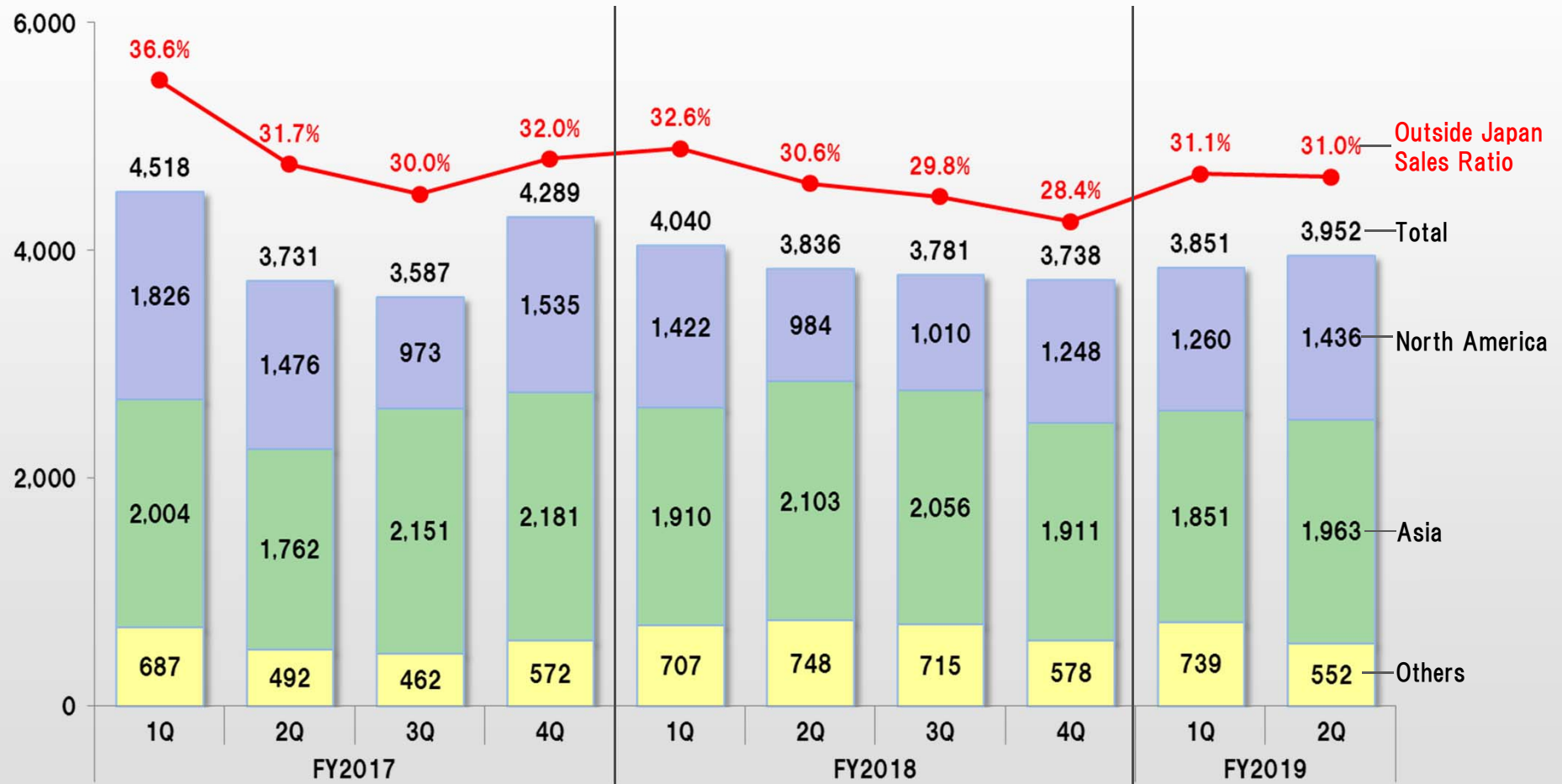
Financial Results Trend (consolidated and quarter)

(Millions of yen)



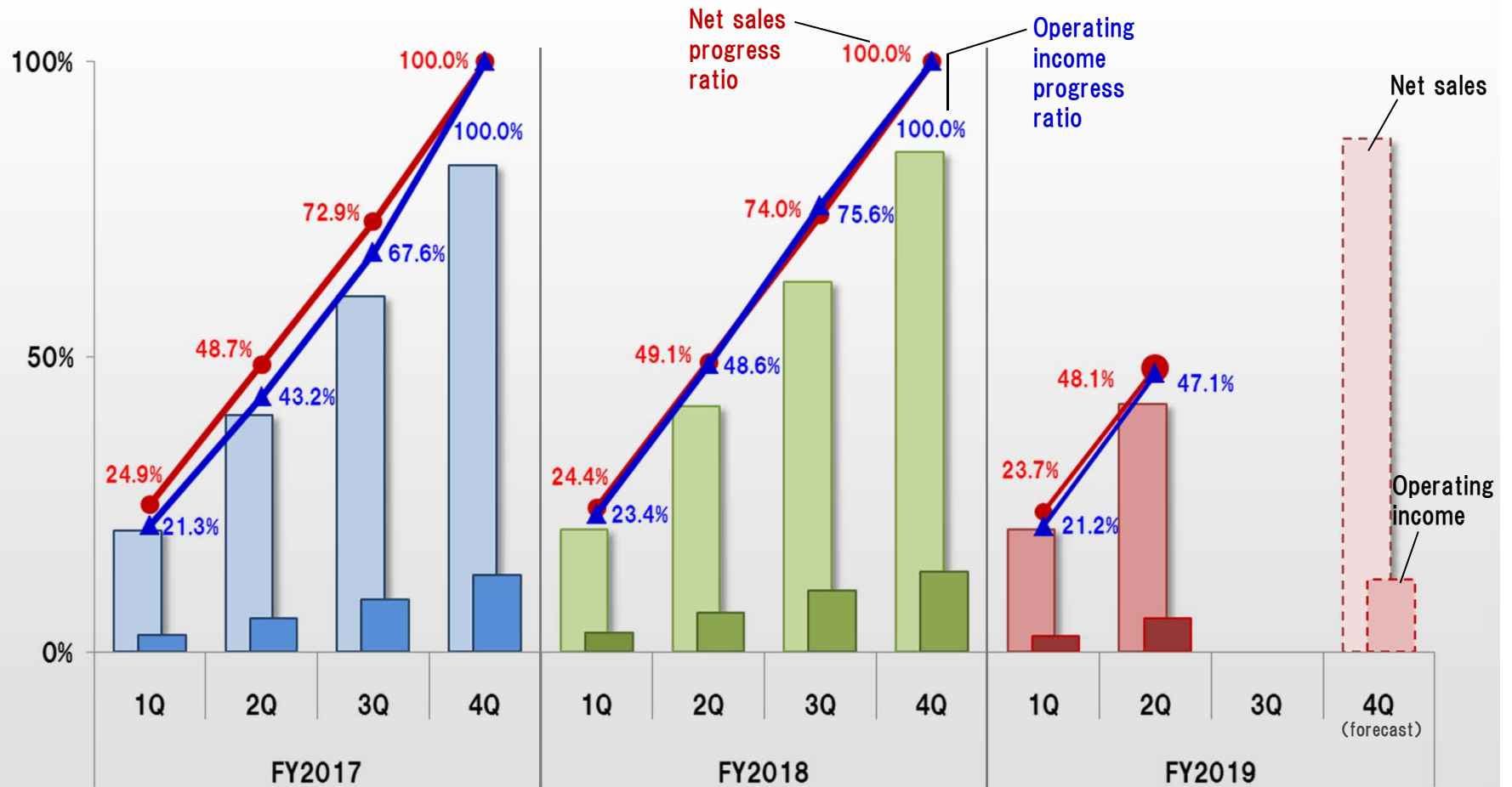
Sales Trends by Region

(Millions of yen)



Progress report

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

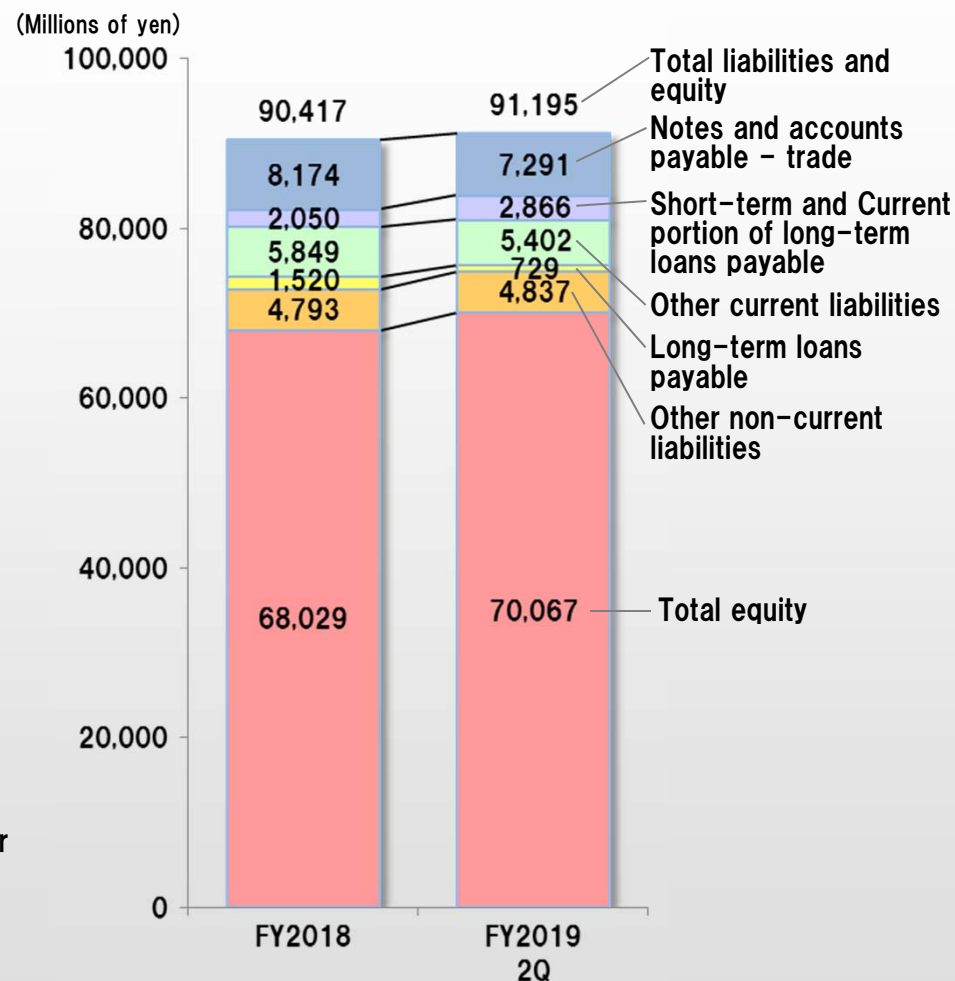
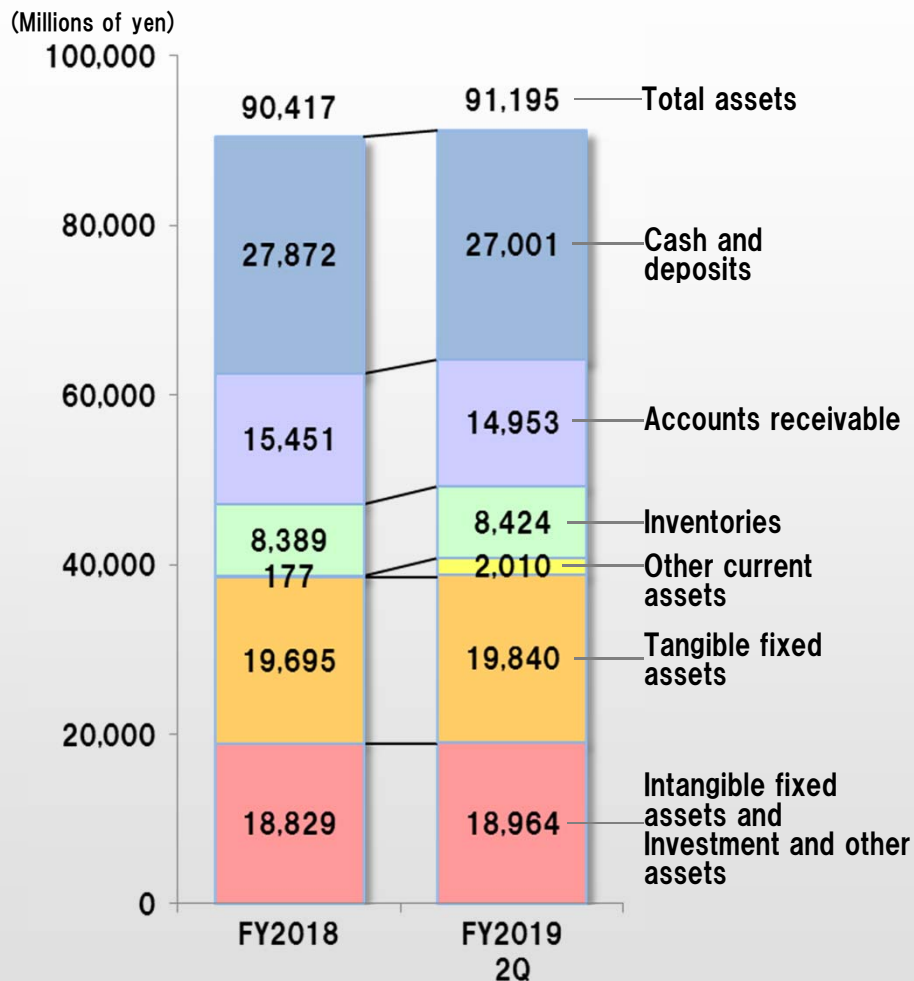


(Millions of yen)

Net sales	12,339	24,102	36,074	49,467	12,377	24,920	37,610	50,791	12,364	25,130		52,200
Operating income	1,672	3,393	5,310	7,855	1,907	3,967	6,172	8,167	1,549	3,441		7,300

Note: Revisions to the consolidated earnings forecasts most recently announced: No

Assets / Liabilities, and a total equity (consolidated)

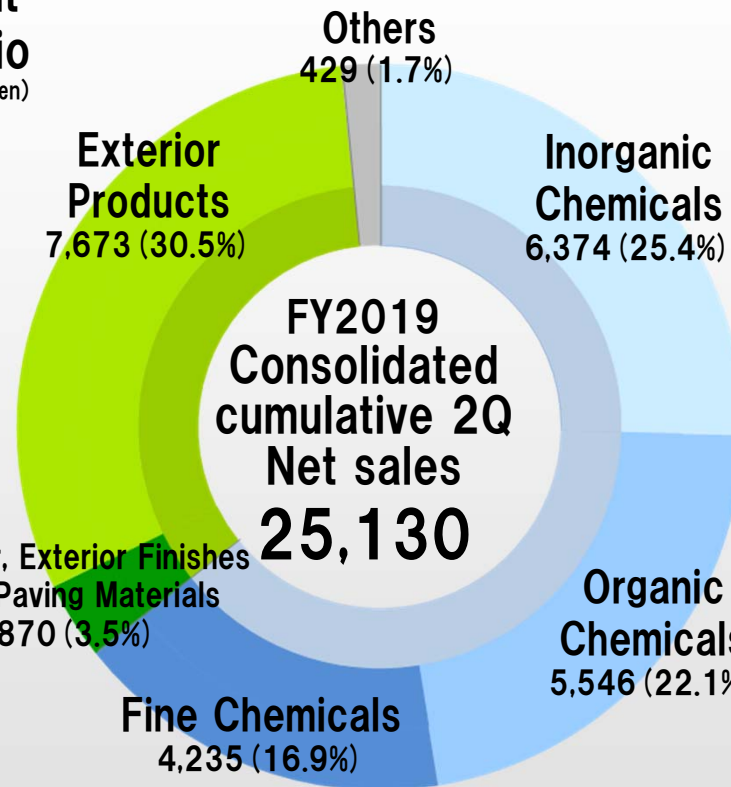


interest-bearing debt (millions of yen)	3,806	3,838
net interest-bearing debt (millions of yen)	▲ 24,066	▲ 23,162
Equity ratio(%)	74.4%	76.0%

Sales and Profit by Business segments

■ Sales amount constituent ratio (Millions of yen)

Housing Materials operations
8,543 (34.0%)

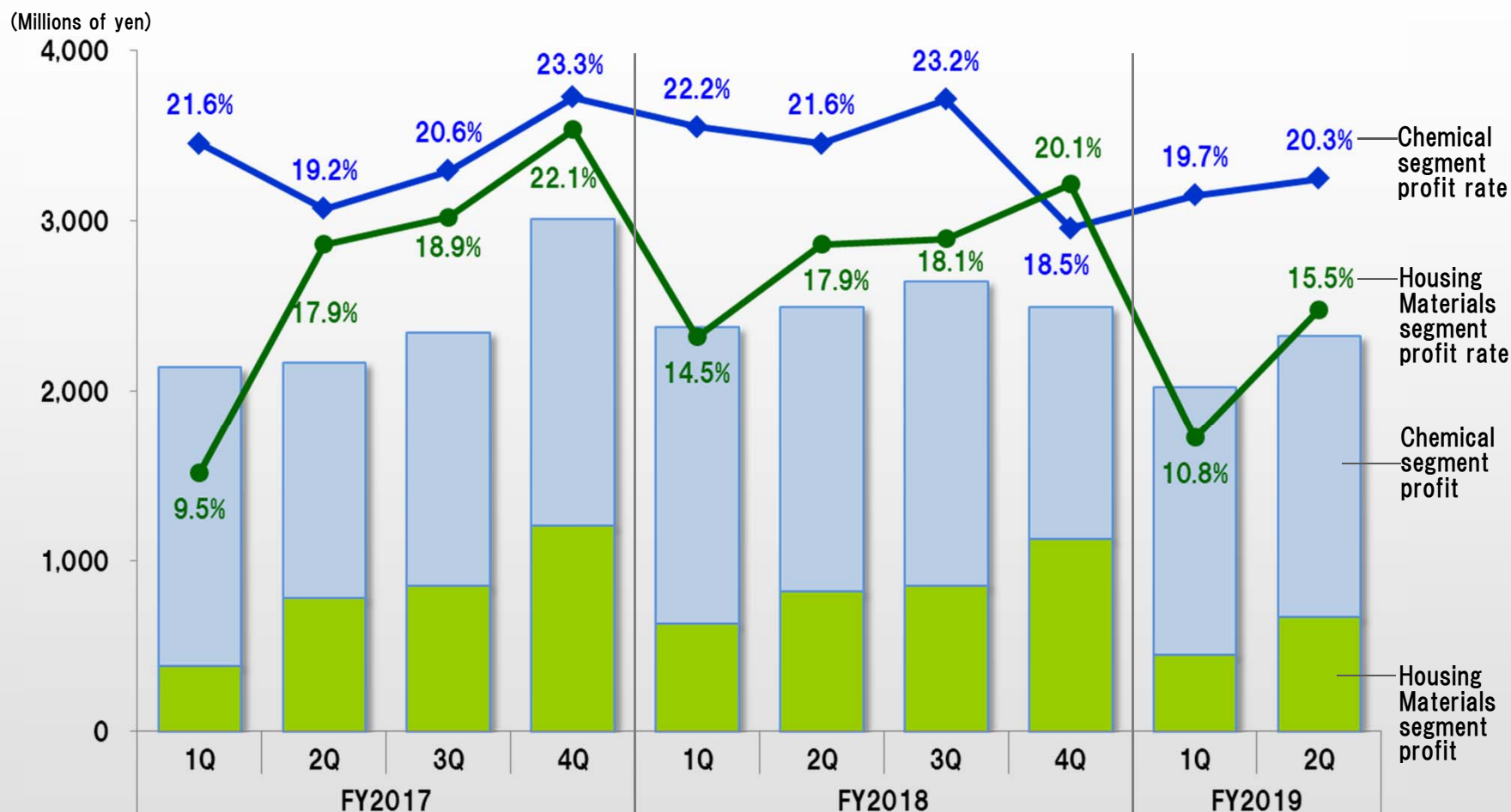


Chemical operations
16,156 (64.3%)

■ Segment information (Millions of yen)

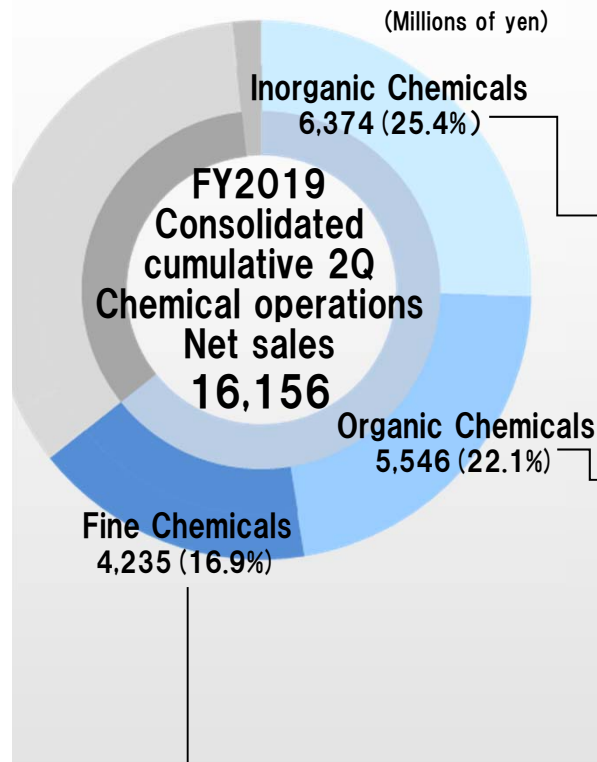
	Consolidated cumulative 2Q		Increase of amount	Changes
	FY2018	FY2019		
Net sales				
Chemical operations	15,595	16,156	561	3.6%
Housing Materials operations	8,992	8,543	▲ 448	▲ 5.0%
Segment profit				
Chemical operations	3,420	3,230	▲ 190	▲ 5.6%
Housing Materials operations	1,456	1,125	▲ 331	▲ 22.7%

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	8,132
Housing Materials operations net sales	4,086	4,376	4,532	5,474	4,383	4,609	4,751	5,632	4,193	4,350
Chemical segment profit	1,752	1,385	1,492	1,808	1,745	1,675	1,790	1,362	1,577	1,652
Housing Materials segment profit	389	785	857	1,207	633	823	859	1,133	452	673

Chemicals operations segment



【 Main products 】

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



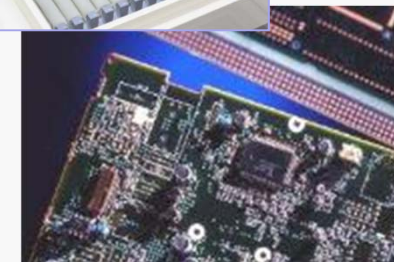
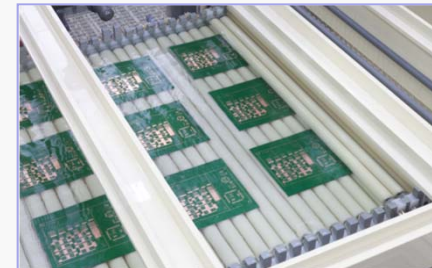
【 Main products 】

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

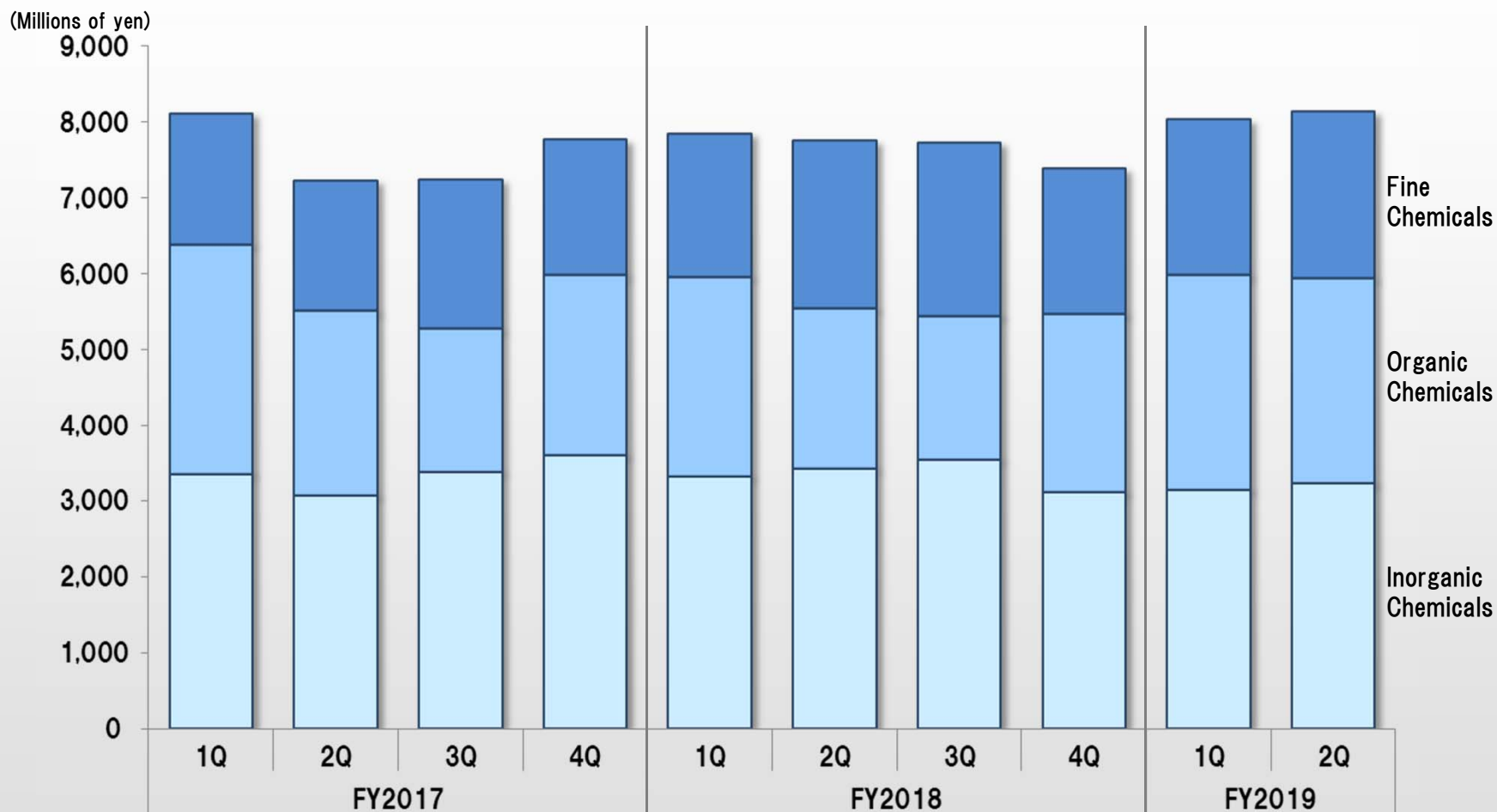


【 Main products 】

- 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	2,190
Organic Chemicals	3,029	2,430	1,891	2,375	2,636	2,126	1,900	2,358	2,839	2,707
Inorganic Chemicals	3,357	3,077	3,381	3,602	3,320	3,420	3,543	3,110	3,140	3,233

Housing Materials operations segment

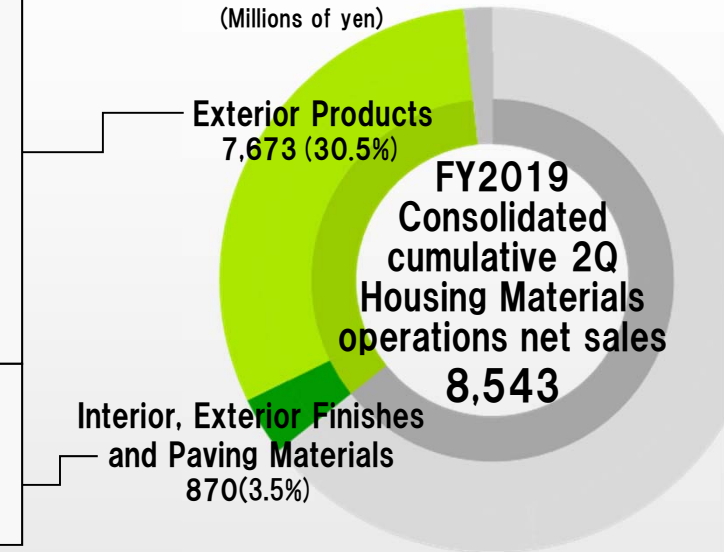
【Main products】

- 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)



“Myport 7” (garage)

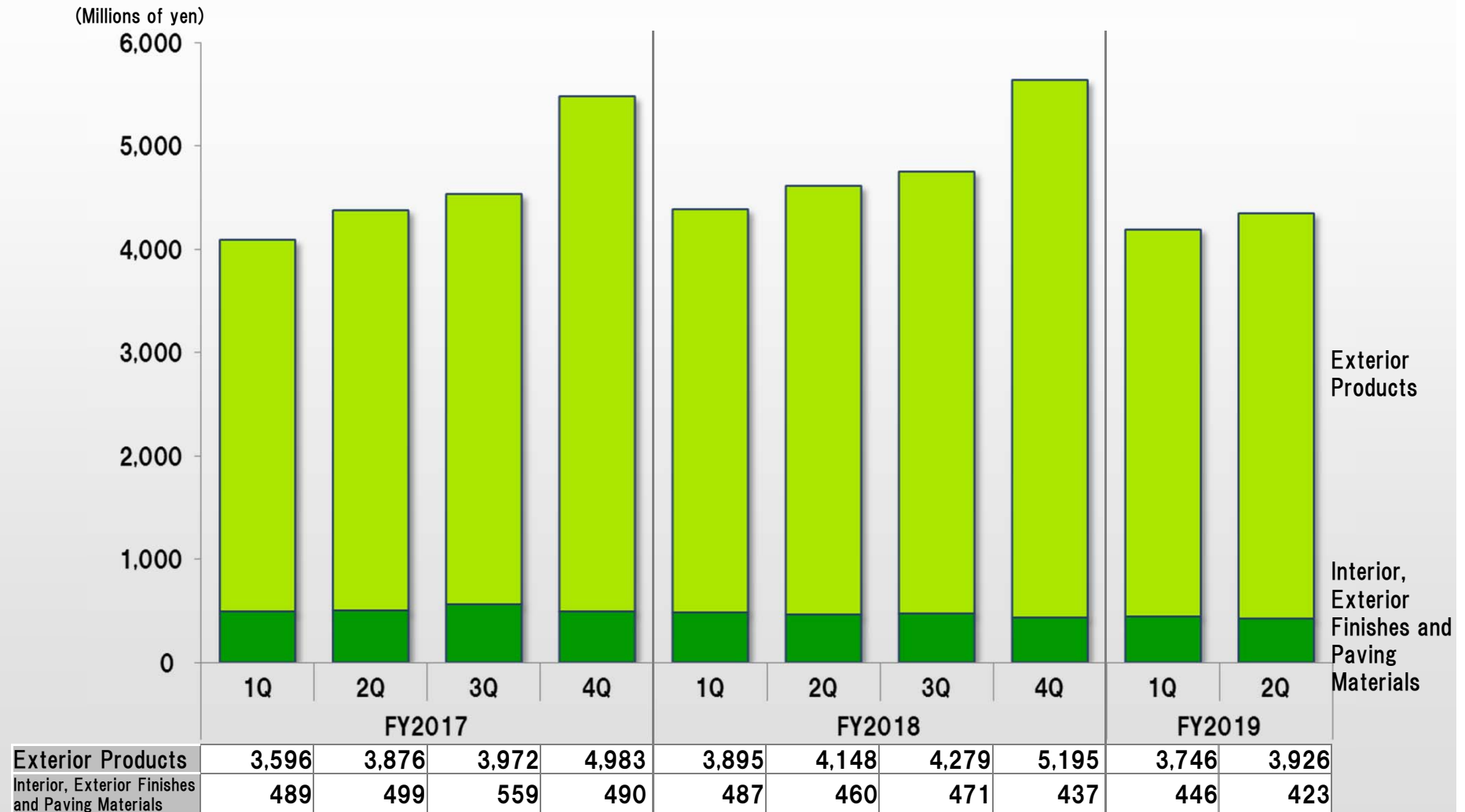


“Rise roof II” (shelter)

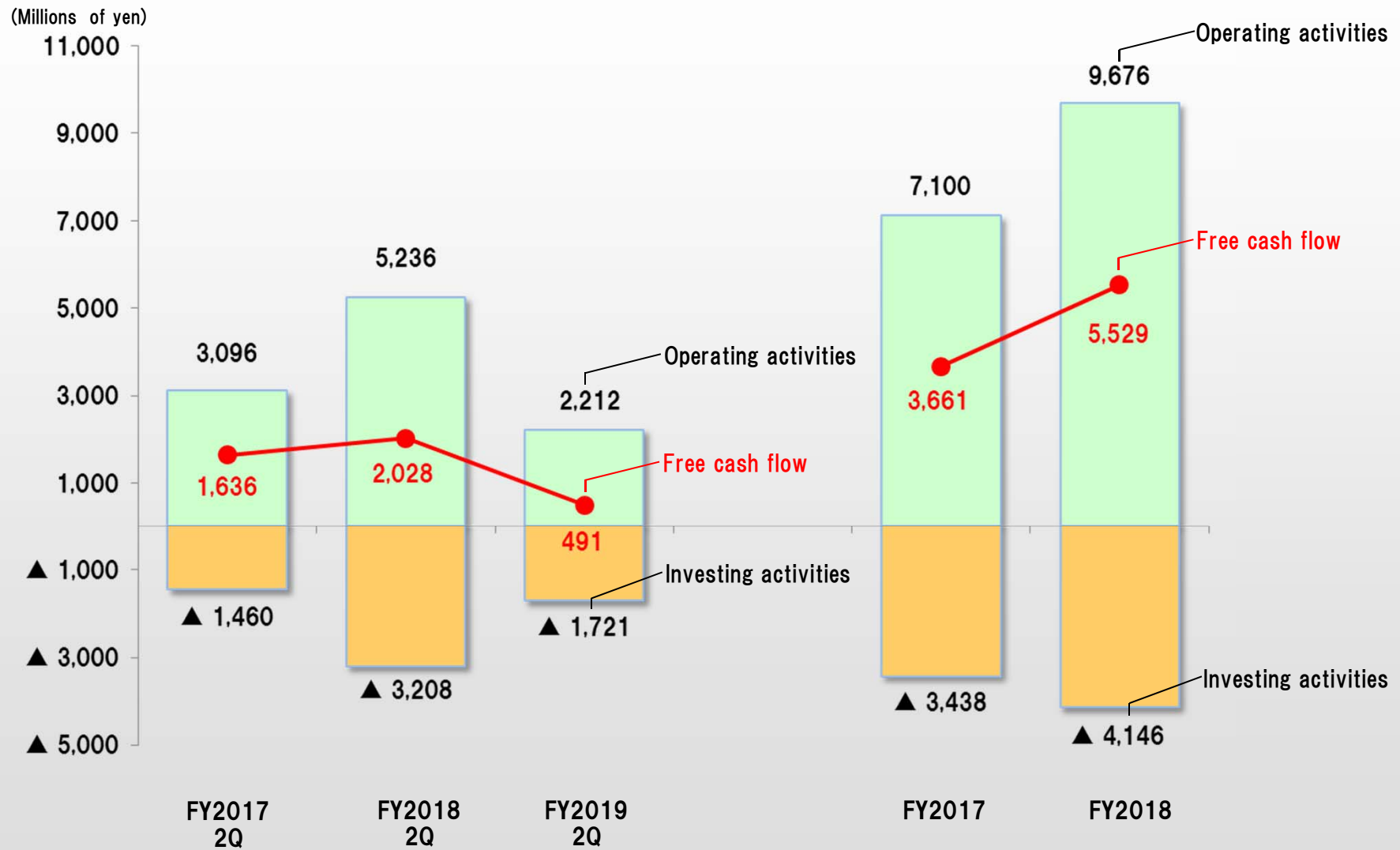


“Claris gate” (housing gate)

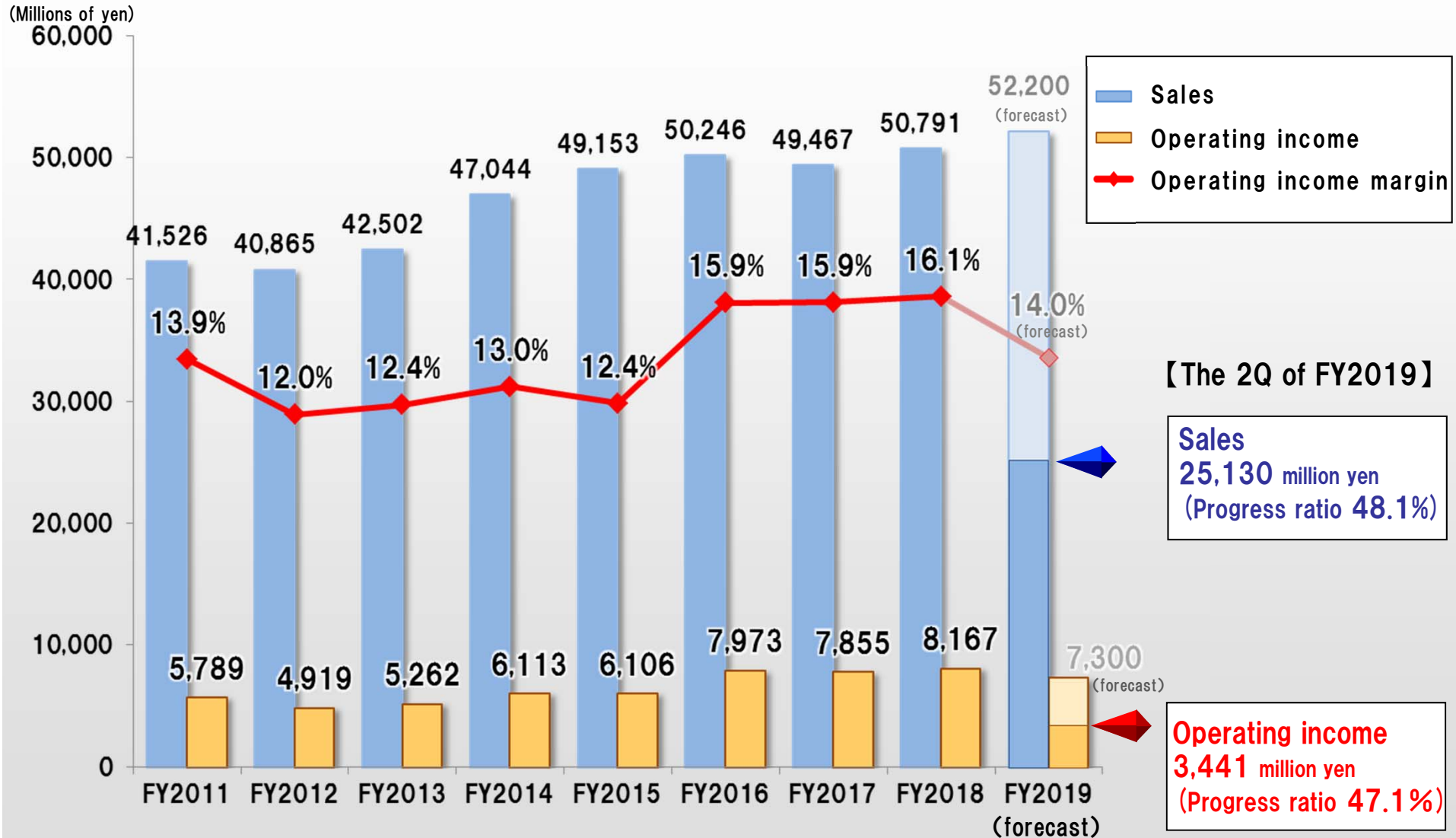
Sales Trend of Housing Materials operations (consolidated and quarter)



Cash Flow Overview (consolidated)



Sales/Operating Income Trend (consolidated)



Note: Revisions to the consolidated earnings forecasts most recently announced: No

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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.