

Financial Results
for the 3rd Quarter of the FY2020
(April 1, 2019 – December 31, 2019)

January 29, 2020

 **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 Consolidated1,202 Non-Consolidated 677(As of September 30, 2019)

▼Share of stock

- Issued Shares 58 million shares
- Number of Shareholders 4,294(As of September 30, 2019)

▼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 FY2020

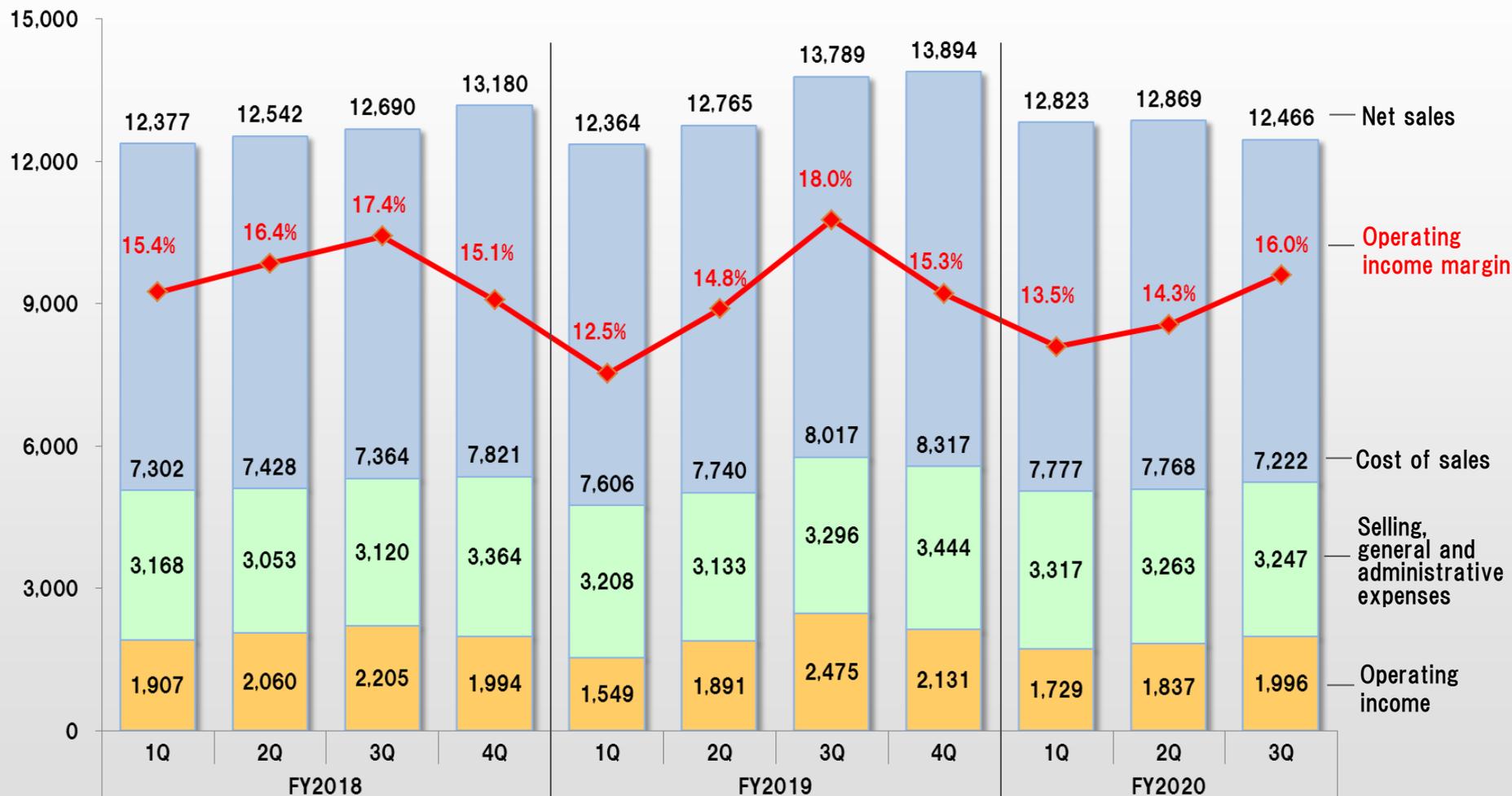
(Millions of yen)

| | Consolidated cumulative 3Q | | | | Increase of amount | Changes |
|---|----------------------------|------------|--------|------------|--------------------|---------|
| | FY2019 | | FY2020 | | | |
| | Amount | Percentage | Amount | Percentage | | |
| Net sales | 38,919 | 100.0% | 38,160 | 100.0% | ▲ 759 | ▲2.0% |
| Operating Income | 5,917 | 15.2% | 5,564 | 14.6% | ▲ 352 | ▲6.0% |
| Ordinary income | 6,331 | 16.3% | 5,760 | 15.1% | ▲ 570 | ▲9.0% |
| Net income attributable to owners of the parent | 4,336 | 11.1% | 4,027 | 10.6% | ▲ 308 | ▲7.1% |
| Exchange rate (USD) | 111 | | 109 | | | |
| Exchange rate (EUR) | 130 | | 122 | | | |

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

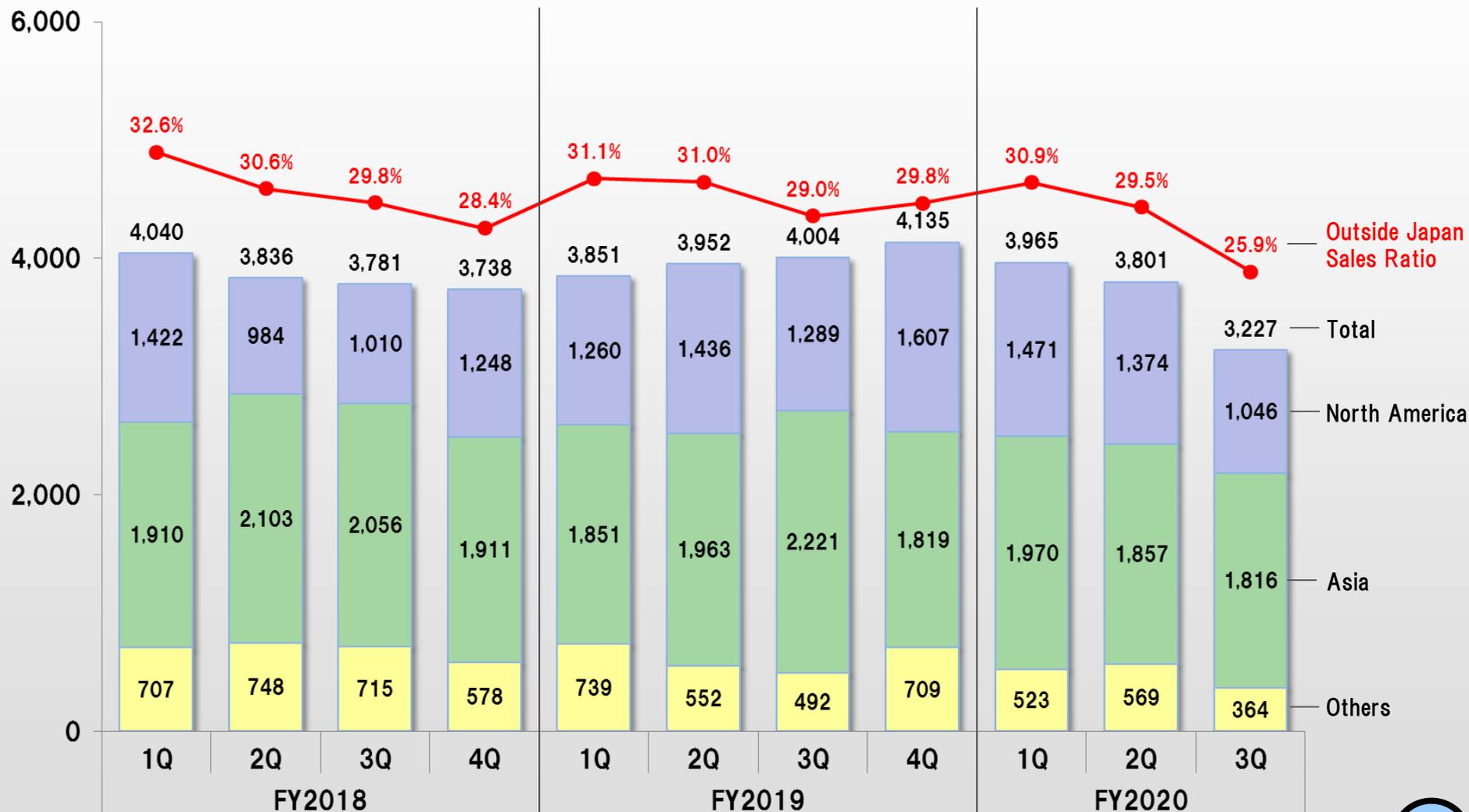
Financial Results Trend (consolidated and quarter)

(Millions of yen)



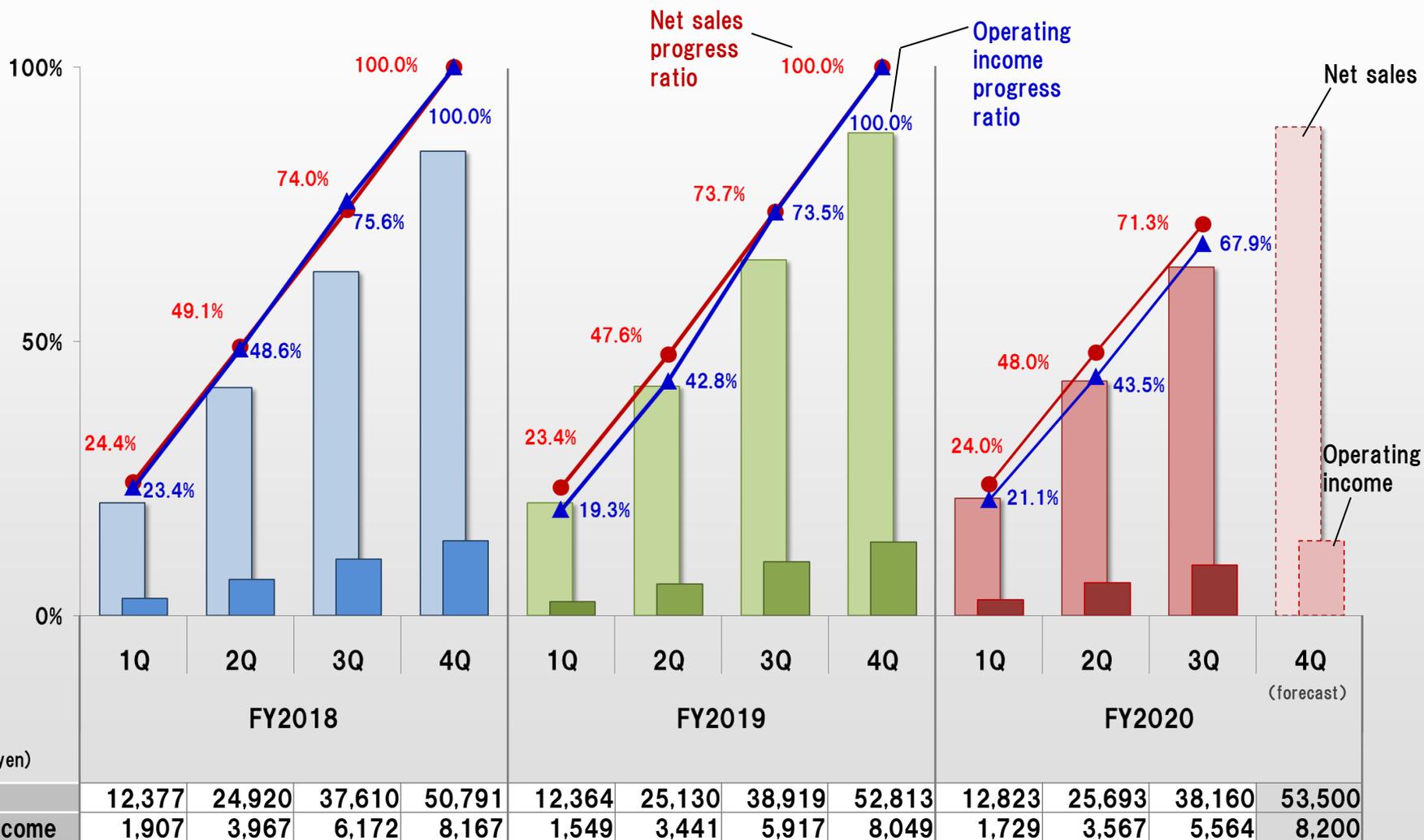
Sales Trends by Region

(Millions of yen)



Progress report

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

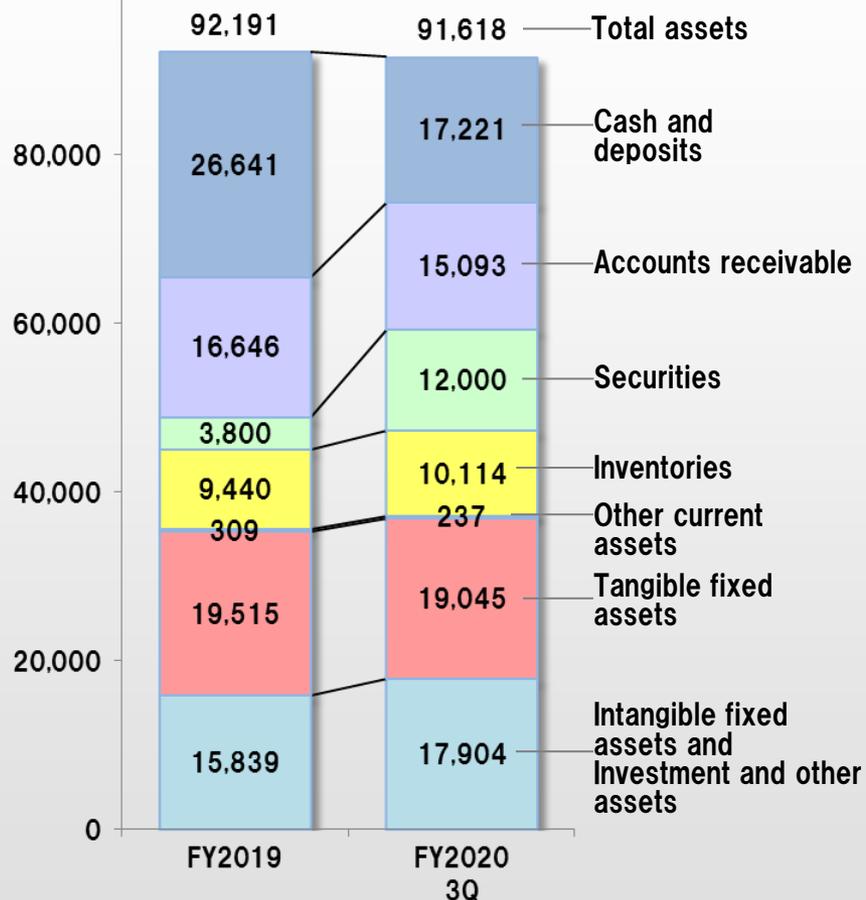


Note: Revisions to the consolidated earnings forecasts most recently announced: None

Assets / Liabilities, and a total equity (consolidated)

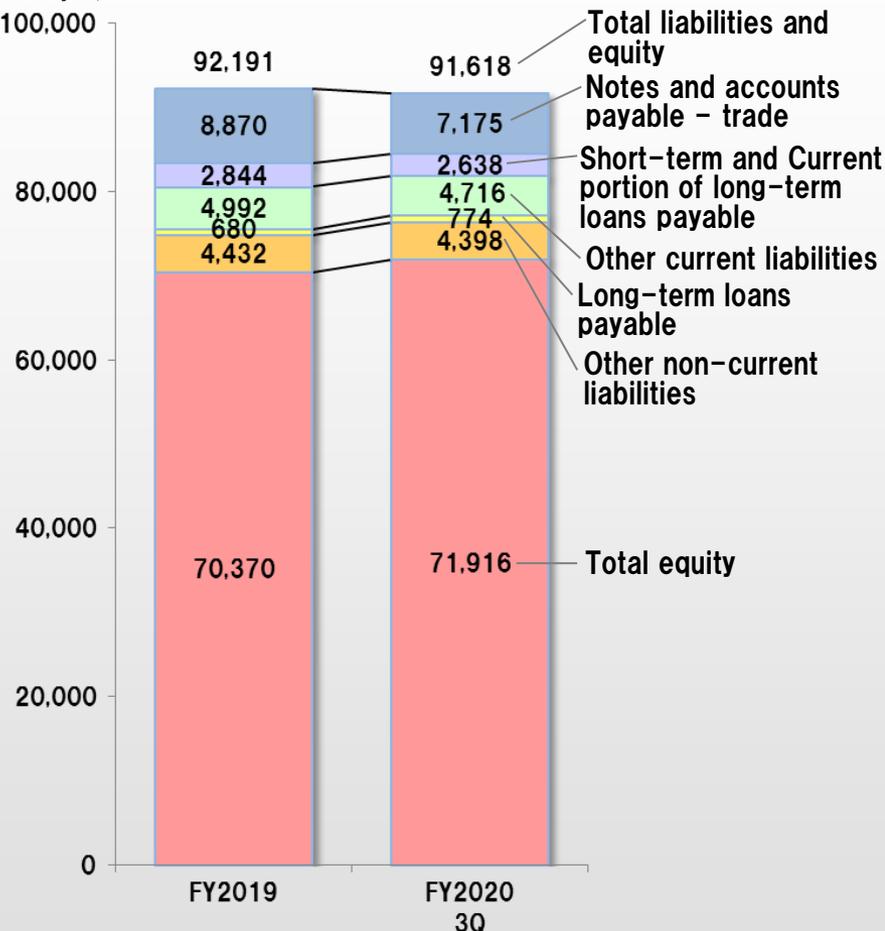
(Millions of yen)

100,000



(Millions of yen)

100,000

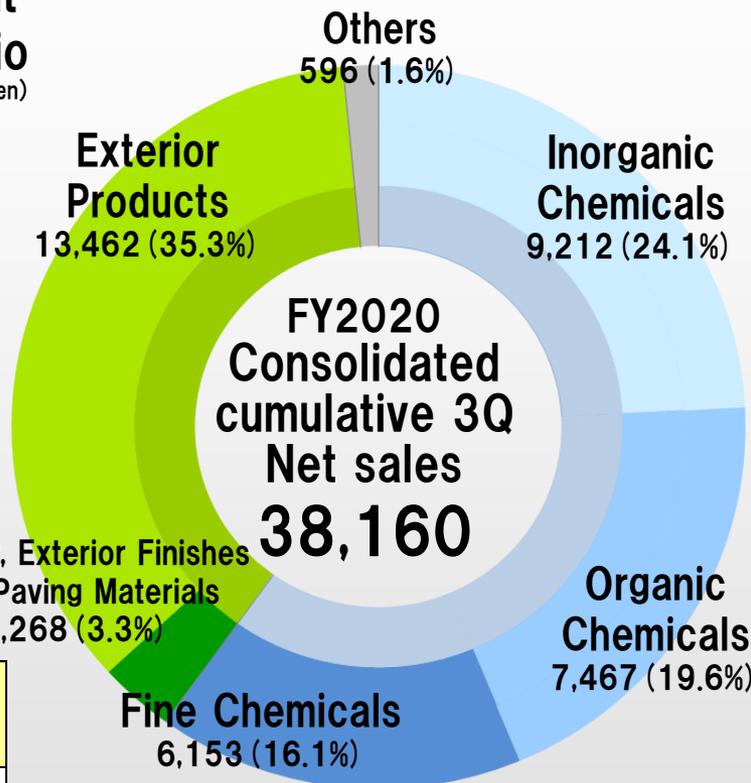


| | | |
|--|----------|----------|
| interest-bearing debt (millions of yen) | 3,768 | 3,670 |
| net interest-bearing debt (millions of yen) | ▲ 22,872 | ▲ 13,551 |
| Equity ratio(%) | 75.5% | 77.6% |

Sales and Profit by Business segments

■ Sales amount constituent ratio (Millions of yen)

Housing Materials operations
14,731 (38.6%)



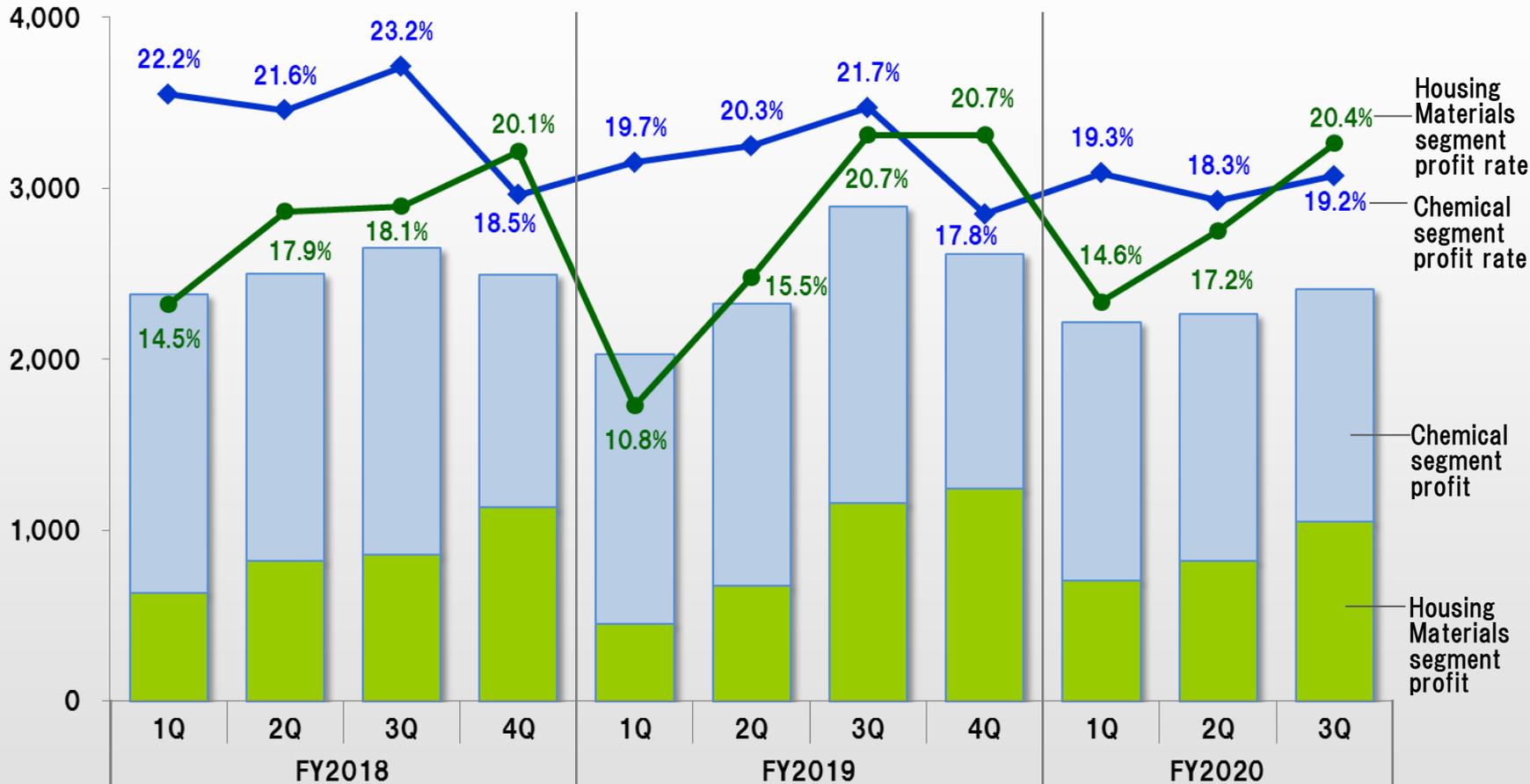
Chemical operations
22,832 (59.8%)

■ Segment information (Millions of yen)

| | Consolidated cumulative 3Q | | Increase of amount | Changes |
|------------------------------|----------------------------|--------|--------------------|---------|
| | FY2019 | FY2020 | | |
| Net sales | | | | |
| Chemical operations | 24,145 | 22,832 | ▲ 1,312 | ▲5.4% |
| Housing Materials operations | 14,137 | 14,731 | 593 | 4.2% |
| Segment profit | | | | |
| Chemical operations | 4,961 | 4,317 | ▲ 643 | ▲13.0% |
| Housing Materials operations | 2,285 | 2,575 | 290 | 12.7% |

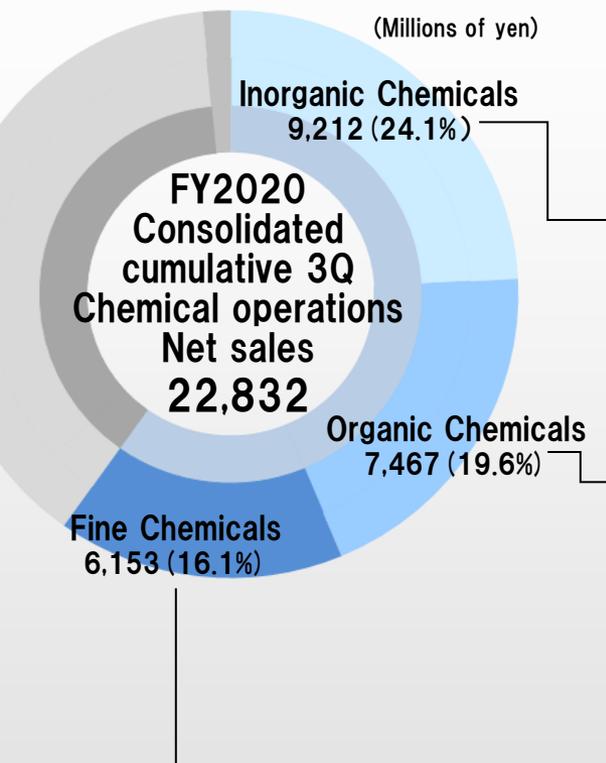
Sales and Profit by Business segments (consolidated and quarter)

(Millions of yen)



| | | | | | | | | | | | |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Chemical operations net sales | 7,845 | 7,750 | 7,726 | 7,379 | 8,024 | 8,132 | 7,988 | 7,734 | 7,854 | 7,885 | 7,092 |
| Housing Materials operations net sales | 4,383 | 4,609 | 4,751 | 5,632 | 4,193 | 4,350 | 5,593 | 5,986 | 4,821 | 4,772 | 5,137 |
| Chemical segment profit | 1,745 | 1,675 | 1,790 | 1,362 | 1,577 | 1,652 | 1,731 | 1,377 | 1,514 | 1,440 | 1,362 |
| Housing Materials segment profit | 633 | 823 | 859 | 1,133 | 452 | 673 | 1,160 | 1,241 | 704 | 822 | 1,048 |

Chemicals operations segment



【 Main products 】

- Insoluble sulfur
Vulcanizing agent for rubber
- Carbon Disulfide
- Sodium Sulfate
- Sodium carbonate



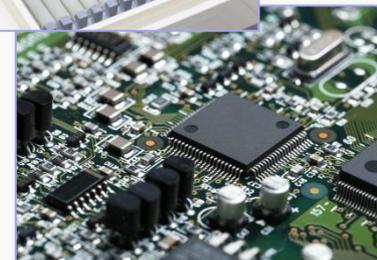
【 Main products 】

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



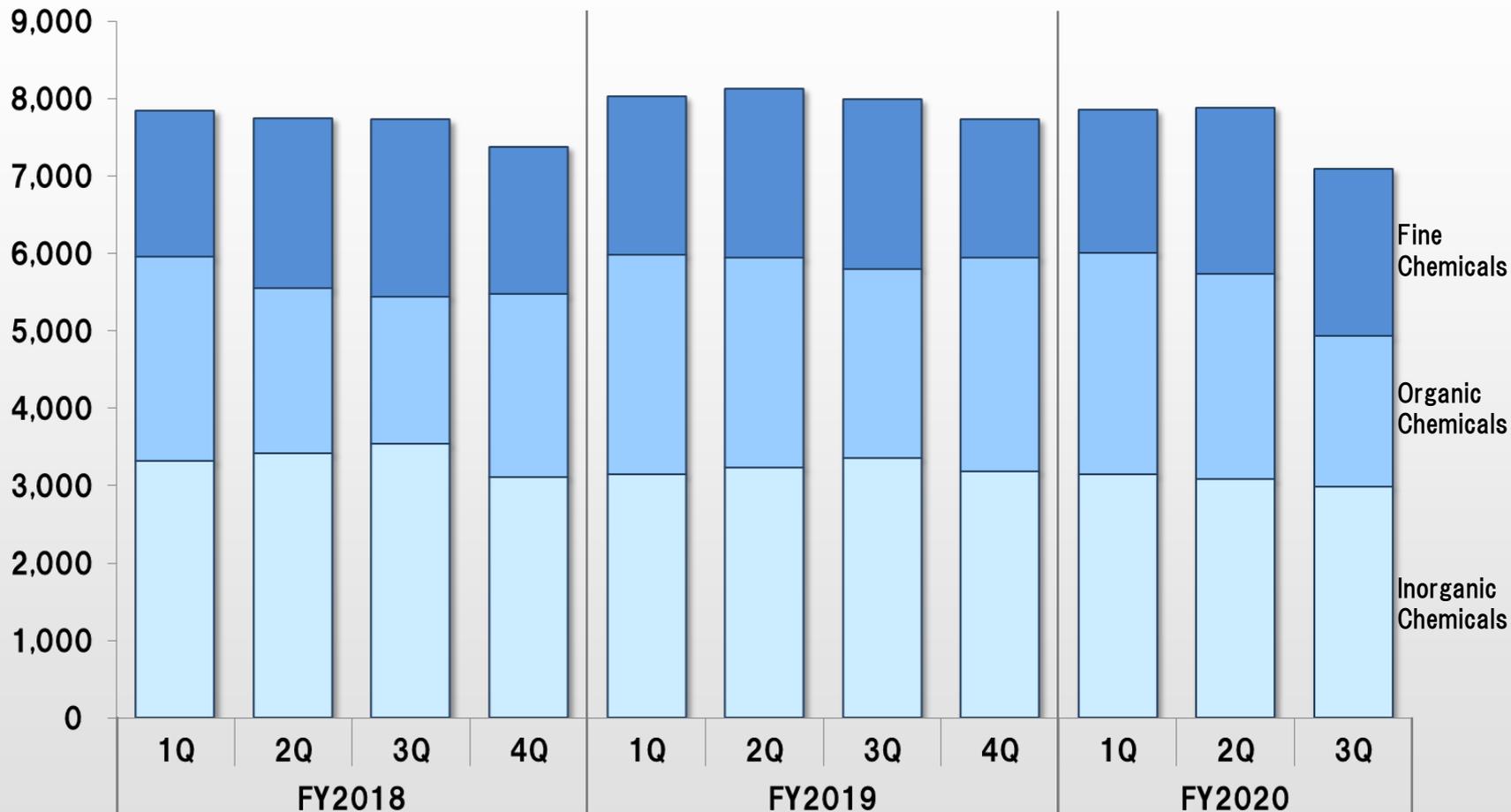
【 Main products 】

- 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)

(Millions of yen)

Fine
ChemicalsOrganic
ChemicalsInorganic
Chemicals

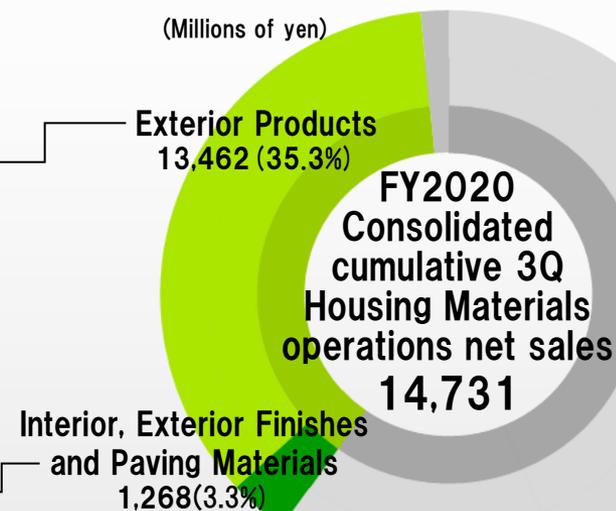
Housing Materials operations segment

【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



“Fun roof” (terrace)



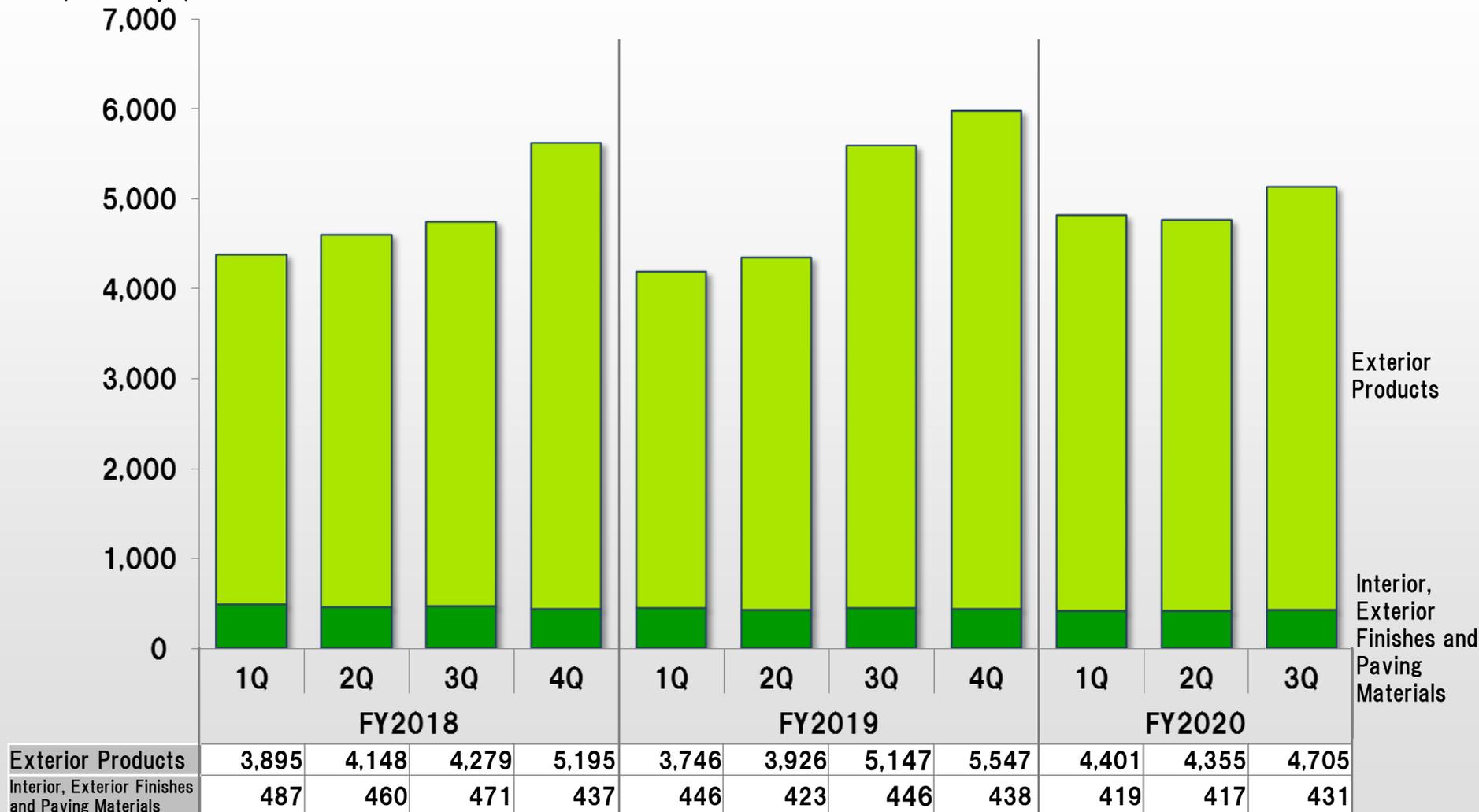
“Alegria fence TM” (fence)
“Alegria TM side gate”



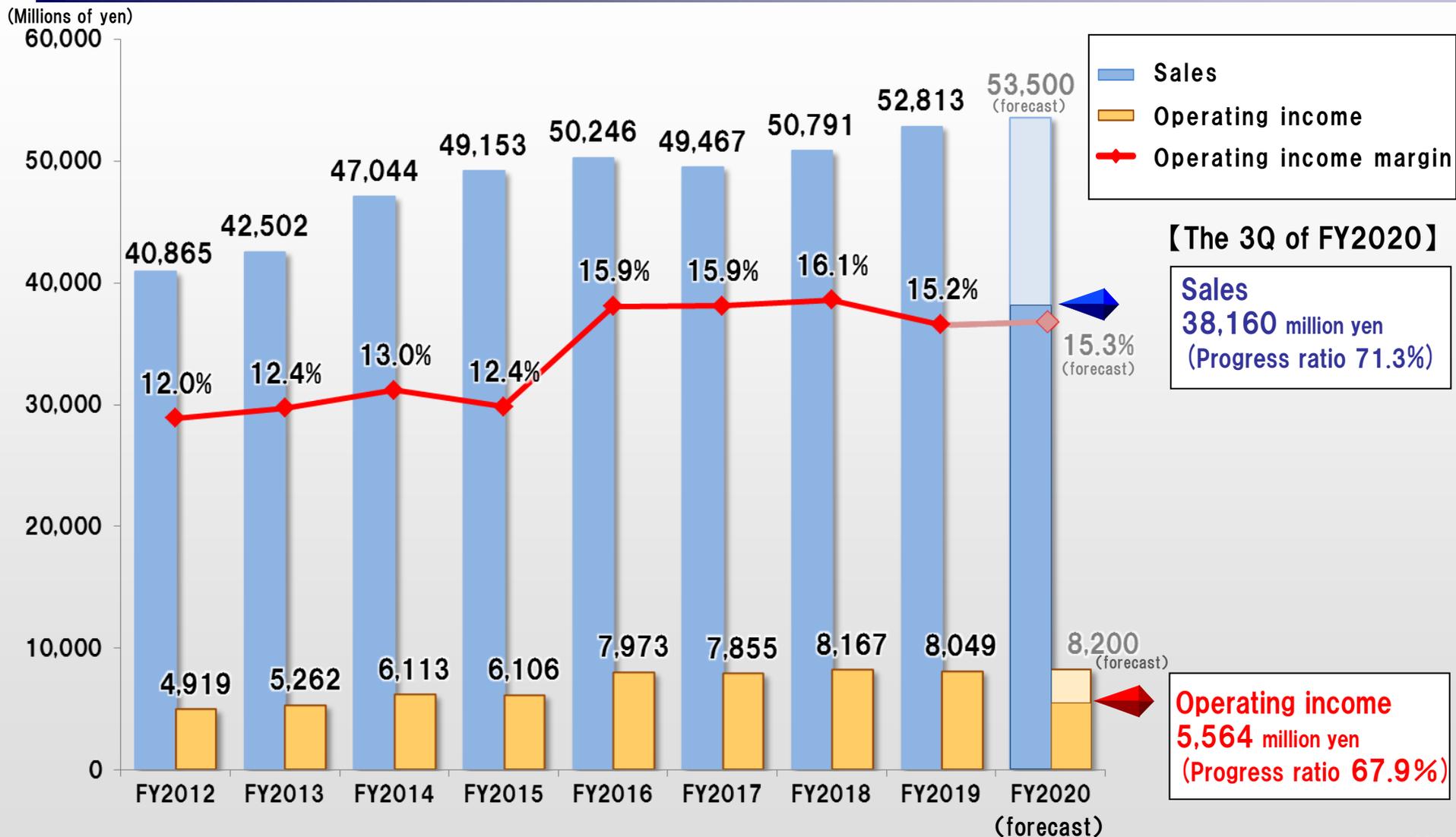
“Myroof 7” (garage)

Sales Trend of Housing Materials operations (consolidated and quarter)

(Millions of yen)



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.