

# **Financial Results Presentation**

## **for the FY2021**

**May 21, 2021**

 **SHIKOKU CHEMICALS CORPORATION**

**Code number : 4099**

# Contents

---

I.	Corporate Profile (Business Structure) .....	P3
II.	Financial Results for the FY2021 .....	P6
III.	Forecast of Financial Results for the FY2022 .....	P16
IV.	Long-term Vision Challenge 1000	
	“STAGE 1” Progress Status .....	P20
V.	References .....	P31

# **I . Corporate Profile**

## **(Business Structure)**

# I – 1. Corporate Profile

---

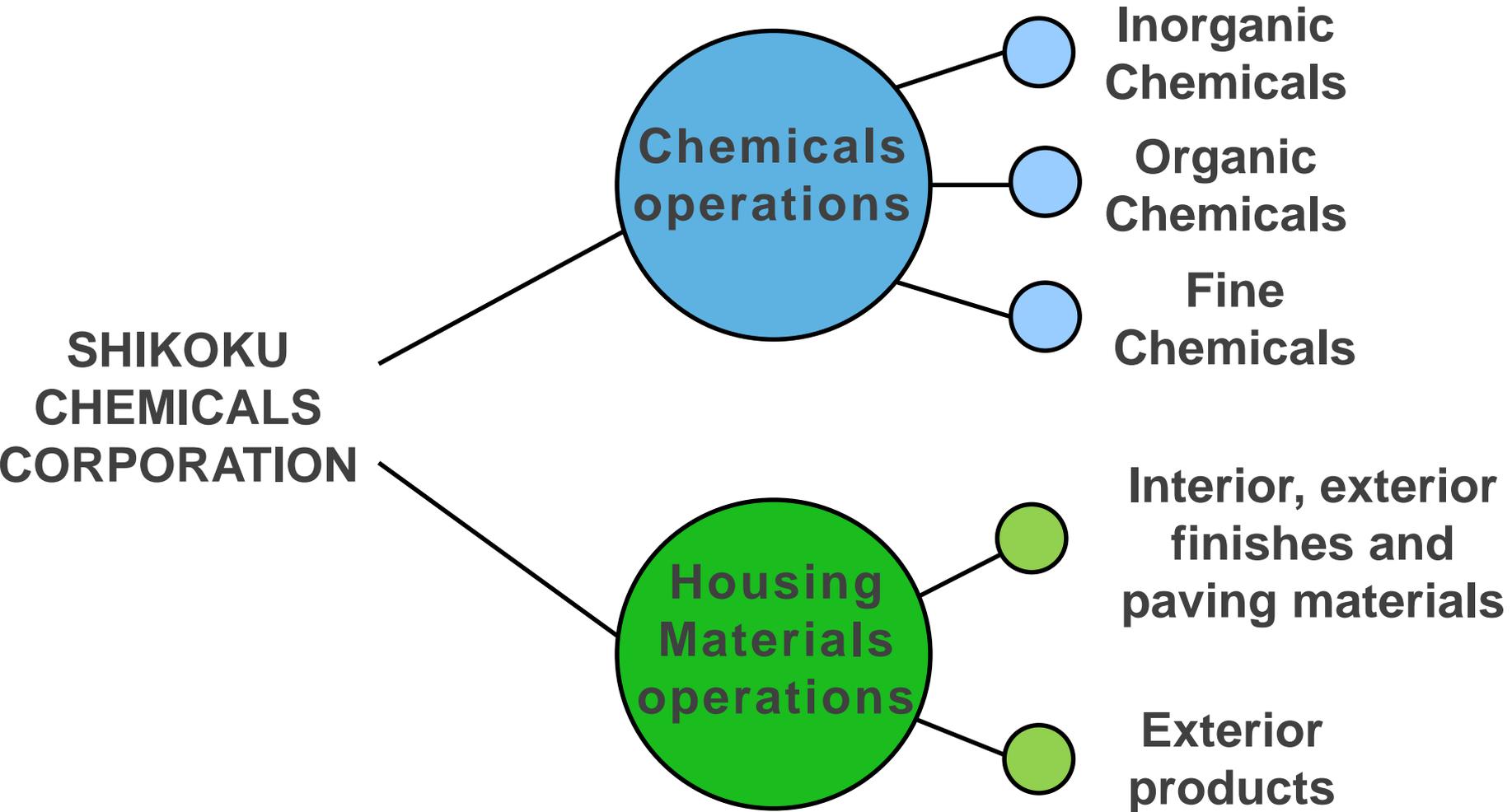
(As of March 31, 2021)

■ Company name	SHIKOKU CHEMICALS CORPORATION	
■ Code number	4099	Industry : Chemicals
■ Stock exchange listing	Tokyo	
■ Incorporated	October 10, 1947	
■ Head Office	Marugame, Kagawa Prefecture	
■ President and C.E.O.	Naoto Tanaka	
■ Capital	6,867 million yen	
■ Number of employees	1,194 (Consolidated)	
■ Net sales	49,590 million yen (Consolidated)	

# I – 2. Business Structure

---

- Two main business pillars, which are chemical products and housing materials.



# **II . Financial Results for the FY2021**

## II – 1. Overview

---

**1** Due to the influence of the novel coronavirus, sales decreased by 3.8% compared to the previous term, and net profit increased by 2.7% compared to the previous term.

**2** Although the Chemicals operations showed recovery in the second half of the year, sales decreased by 1.0% compared to the previous term. Segment profit increased by 0.1% compared to the previous term.

**3** Due to a strong sense of uncertainty about the future of internal and external economy, investment tended to be often postponed. Thus, regarding the Housing Materials operations, sales decreased by 9.0% and segment profit decreased by 11.6% compared to the previous term.

## II – 2. Consolidated Financial Results

### ■ Highlights of Financial Results for the FY2021

(Millions of yen)

	FY2020		FY2021		Increase of amount	Changes
	Amount	Percentage	Amount	Percentage		
Net sales	51,564	100.0%	49,590	100.0%	▲ 1,974	▲ 3.8%
Operating Income	7,848	15.2%	7,401	14.9%	▲ 447	▲ 5.7%
Ordinary income	8,022	15.6%	7,997	16.1%	▲ 25	▲ 0.3%
Net income attributable to owners of the parent	5,610	10.9%	5,760	11.6%	150	2.7%
Exchange rate (USD)	109		106			
Exchange rate (EUR)	122		122			

## II – 3. Sales and Profit by Business segments(consolidated)

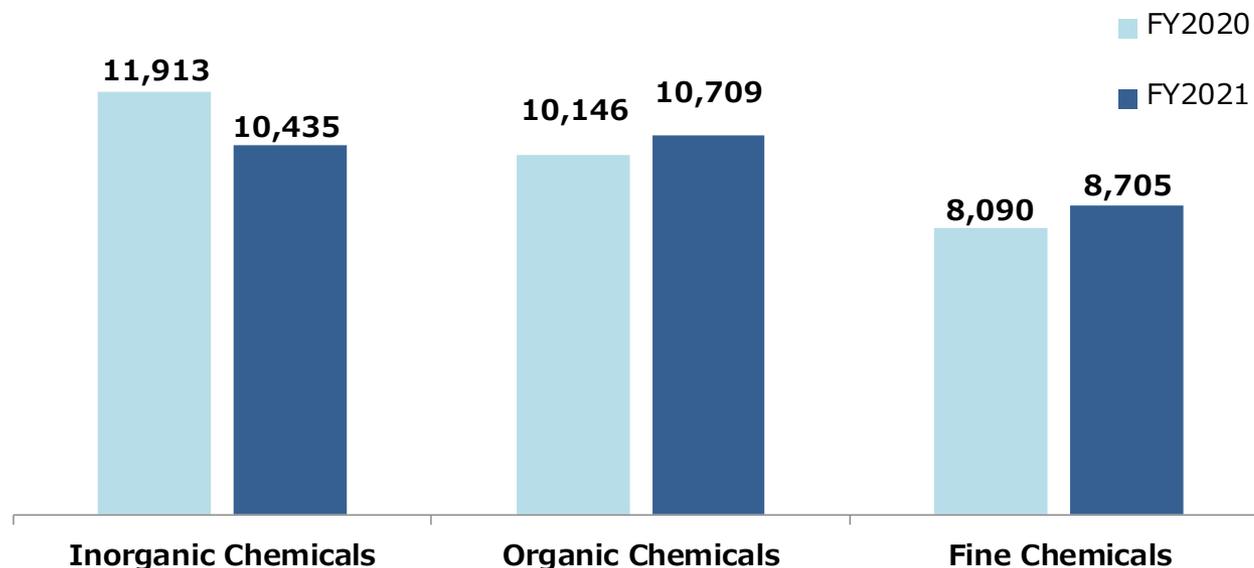
(Millions of yen)

Net Sales		FY2020	percentage	FY2021	percentage	Changes
Chemicals operations	Inorganic Chemicals	11,913	23.1%	10,435	21.0%	▲ 12.4%
	Organic Chemicals	10,146	19.7%	10,709	21.6%	5.5%
	Fine Chemicals	8,090	15.7%	8,705	17.6%	7.6%
	Subtotal	30,150	58.5%	29,850	60.2%	▲ 1.0%
Housing Materials operations	Interior, exterior finishes and paving materials	1,665	3.2%	1,475	3.0%	▲ 11.4%
	Exterior Products	18,954	36.8%	17,285	34.9%	▲ 8.8%
	Subtotal	20,619	40.0%	18,760	37.8%	▲ 9.0%
Other		794	1.5%	979	2.0%	23.2%
<b>Total</b>		<b>51,564</b>	<b>100.0%</b>	<b>49,590</b>	<b>100.0%</b>	<b>▲ 3.8%</b>

Segment Profit		FY2020	percentage	FY2021	percentage	Changes
Total of Chemicals operations		5,656	72.1%	5,664	76.5%	0.1%
Total of Housing Materials operations		3,966	50.5%	3,505	47.4%	▲ 11.6%
Other		▲ 1,774	▲ 22.6%	▲ 1,768	▲ 23.9%	▲ 0.3%
<b>Total</b>		<b>7,848</b>	<b>100.0%</b>	<b>7,401</b>	<b>100.0%</b>	<b>▲ 5.7%</b>

## II – 4. Overview of Sales by Segment (Chemical Products)

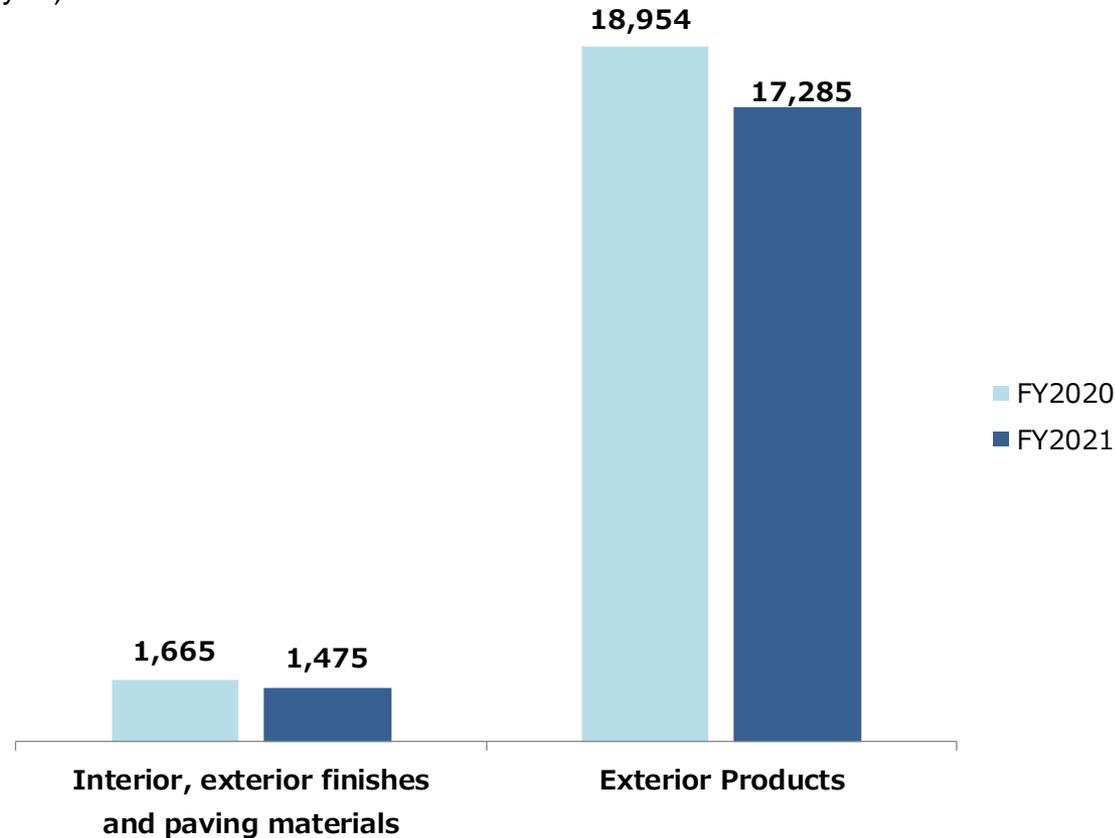
(Millions of yen)



- ◆ Sales of insoluble sulfur, a material for radial tires, remained sluggish both in Japan and abroad during the first half of the year, affected by the global production adjustments for automobiles and tires amid the spread of COVID-19. However, sales recovered sharply in the second half of the year as production activities normalized.
- ◆ Regarding Organic Chemicals, sales of swimming pool agents showed a slump in Japan such as due to suspension of swimming classes at schools due to the COVID-19 pandemic. However, they did well because of the increase in the demands for chemicals for facilities using water and in the US market.
- ◆ Regarding Glicoat-SMD, a heat-resistant soluble OSP (Organic Solderability Preservative) for printed wiring boards, sales largely exceeded the previous year's result during the second half of the year on the back of recovery in the electronics market mainly in China and Taiwan. Sales of advanced & specialty chemicals such as epoxy resin curing agent (imidazoles) grew in newly developed products although sales were affected by the deterioration in market conditions in products for automobile-related use.

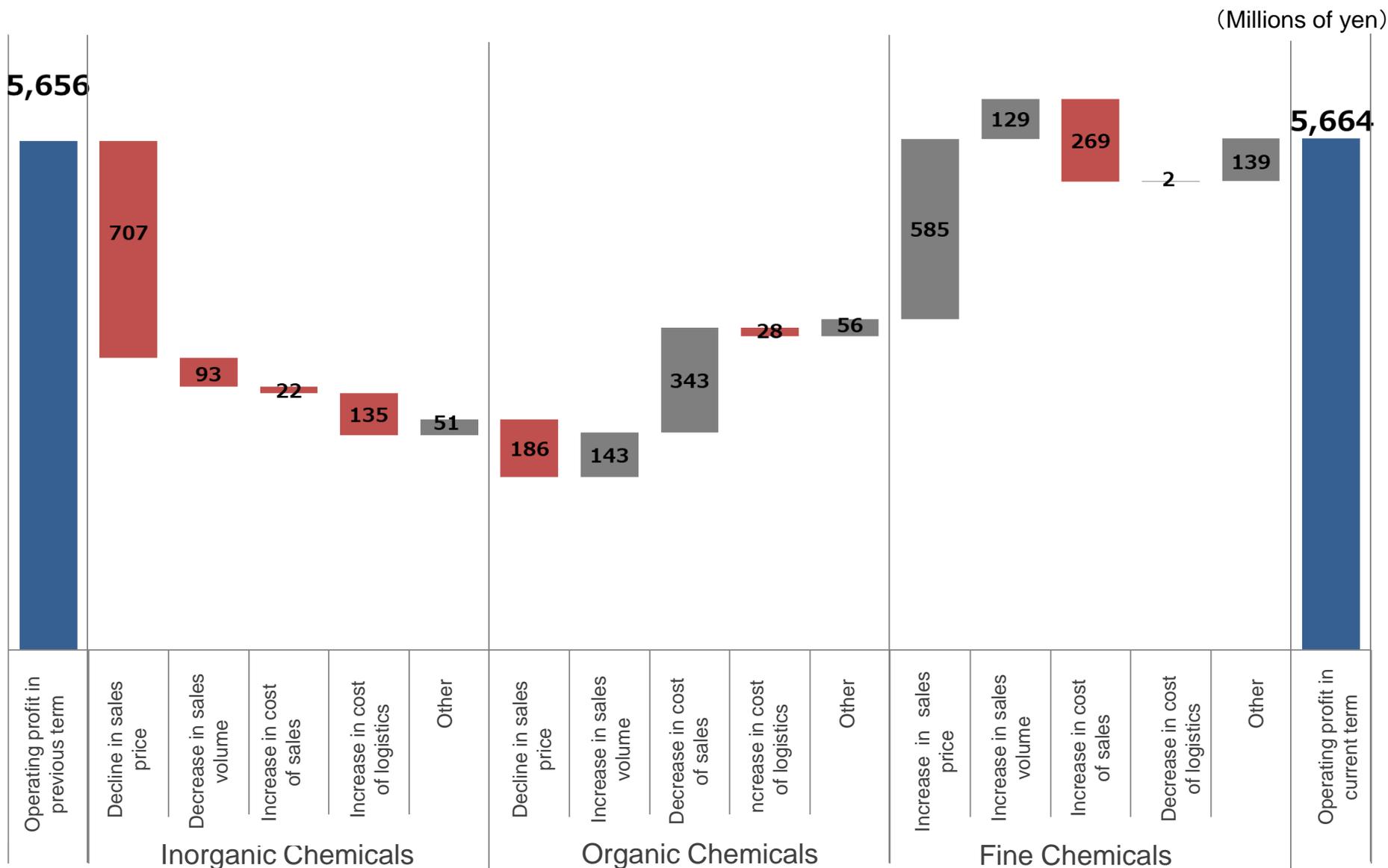
## II – 5. Overview of Sales by Segment (Housing Material Products)

(Millions of yen)

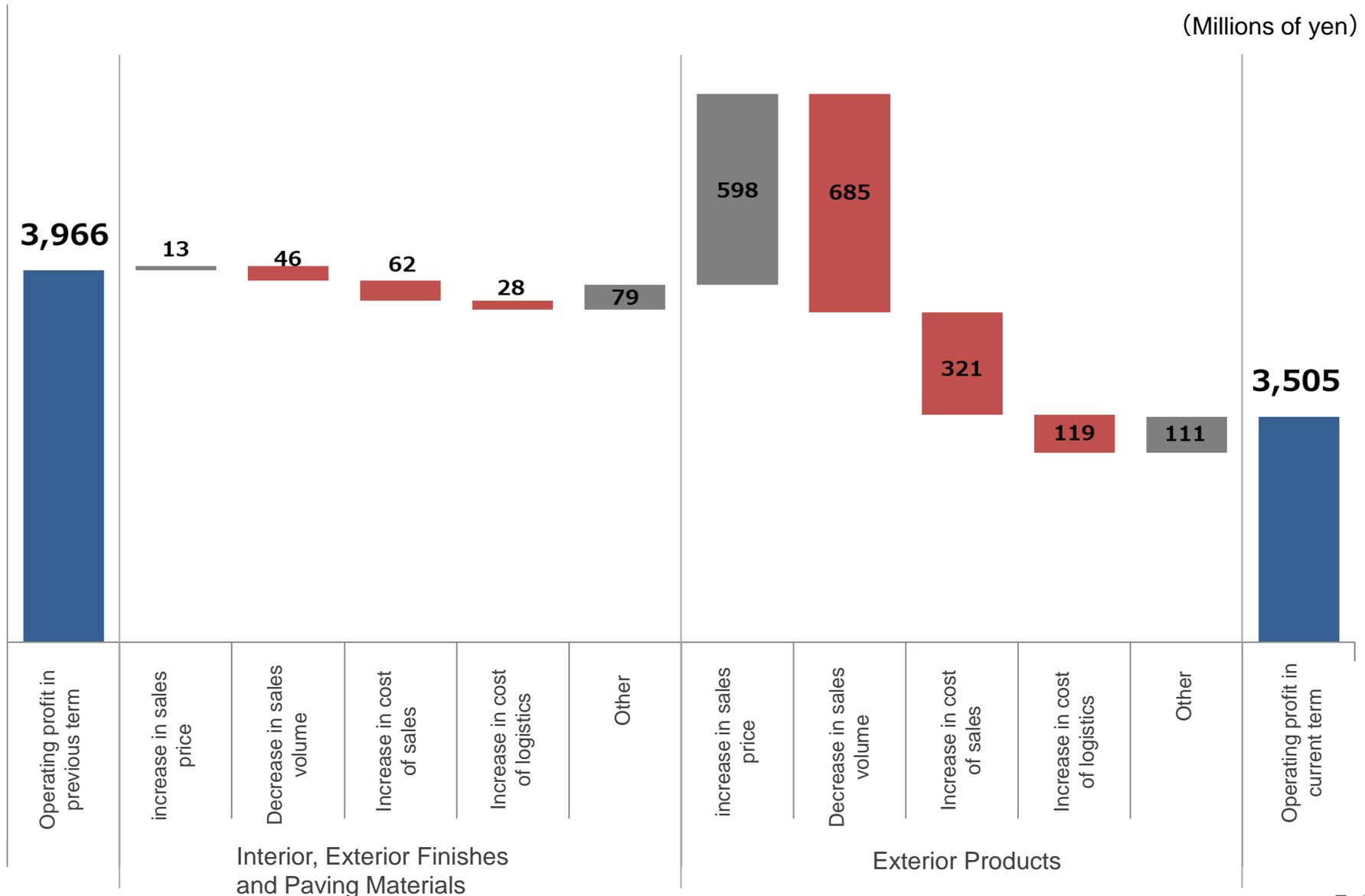


- ◆ With the spread of COVID-19, there has been a strong sense of uncertainty over the prospects of domestic and foreign economies, causing a wait-and-see attitude to continue as seen in a growing trend of investments being deferred. Given the weakness in housing starts and capital investment, sales of interior, exterior finishes and paving materials and exterior products remained sluggish.

# II – 6. Analysis of Increase/Decrease in Chemical Segment Profit



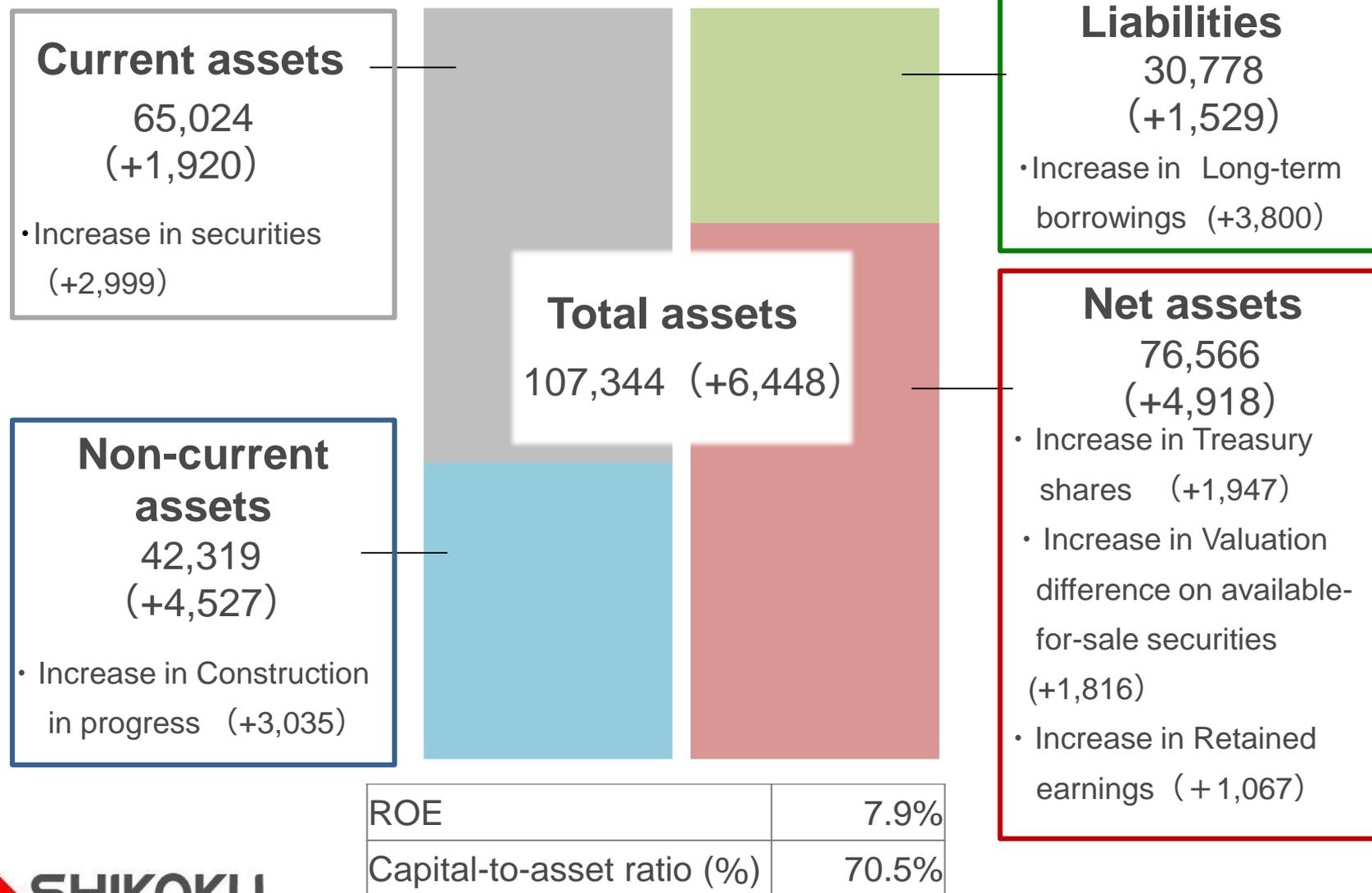
# II – 7. Analysis of Increase/Decrease in Housing Material Segment Profit



## II – 8. Consolidated Balance Sheets

\*The value in ( ) indicates the ratio compared to March 2020

(Millions of yen)



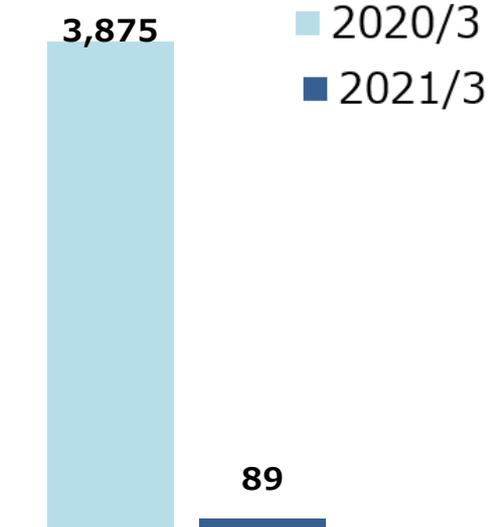
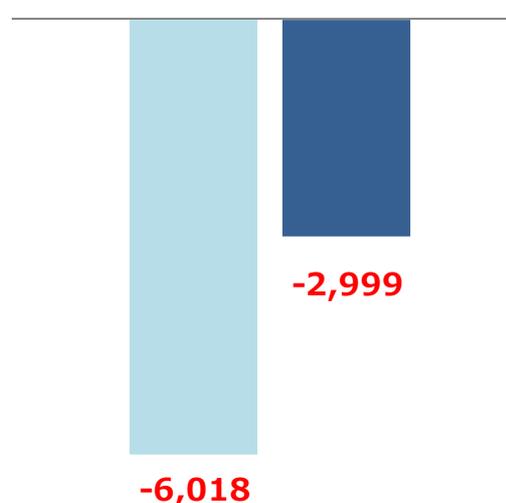
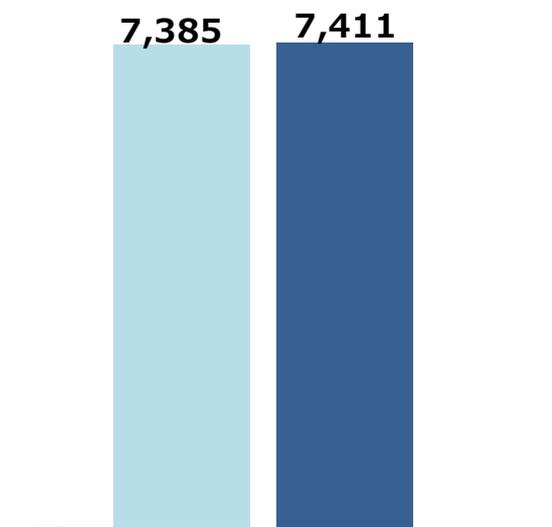
## II – 9. Consolidated Statements of Cash Flows

### ■ Cash flows from operating activities

### ■ Cash flows from investing activities

### ■ Cash flows from financing activities

(Millions of yen)



CF obtained through sales activities increased by 25 million yen compared to the previous term.

CF used through investment activities decreased by 3,019 million yen compared to the previous term.

- Income from the sale of investment securities (+ 1,607 million yen compared to the previous term)

CF obtained through financial activities decreased by 3,786 million yen compared to the previous term.

- Income from long-term borrowings (▲3.300 million yen compared to the previous term)

# **Ⅲ. Forecast of Financial Results for the FY2022**

## Ⅲ – 1. The full-year financial results forecast (Consolidated)

(billions of yen)

	<b>FY2021</b>	<b>FY2022 (Forecast)</b>	<b>Increase of amount</b>	<b>Changes</b>
<b>Net sales</b>	49.5	51.5	2.0	3.9%
<b>Operating Income</b>	7.4	8.0	0.6	8.1%
<b>Ordinary income</b>	7.9	8.3	0.4	3.8%
<b>Net income attributable to owners of the parent</b>	5.7	6.0	0.3	4.2%

\*Exchange rate assumed: 105 yen/US dollar, 128 yen/Euro

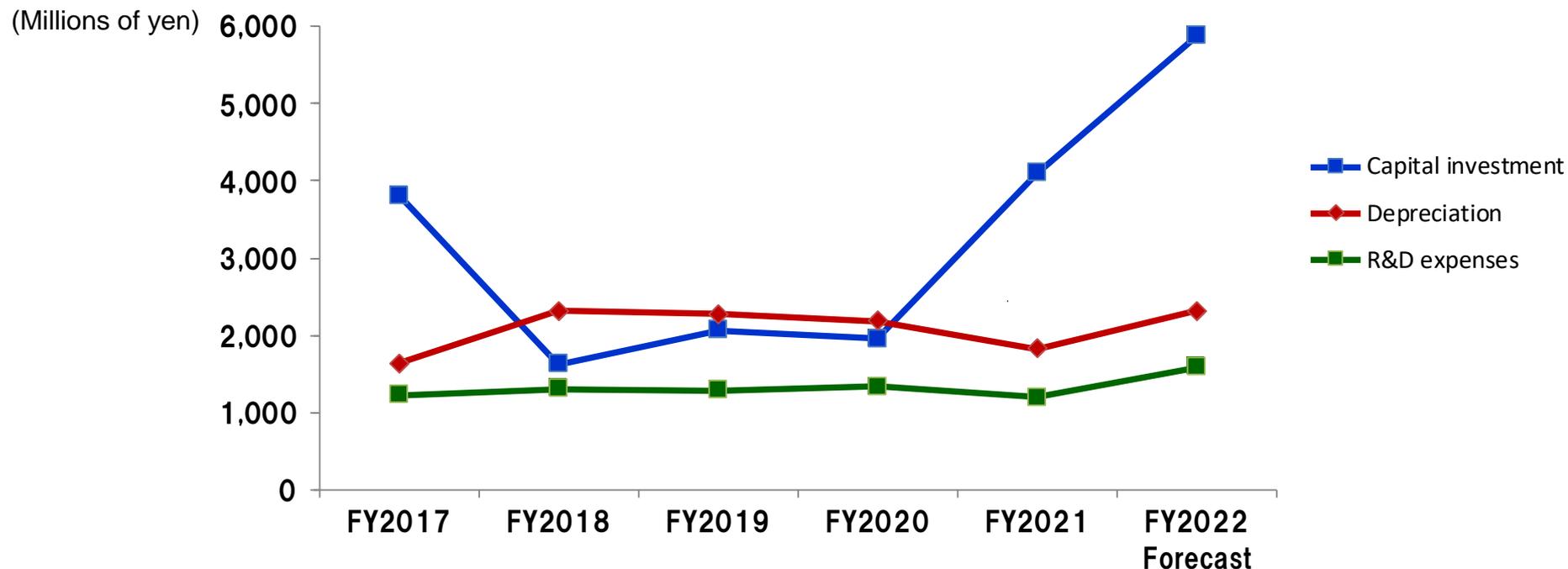
## Ⅲ –2. Business Forecast by Segment (Consolidated)

(Billions of yen)

<b>Net sales</b>	<b>FY2021</b>	<b>FY2022</b>	<b>Increase of amount</b>	<b>Changes</b>
<b>Chemicals operations</b>	29.8	30.4	0.6	2.1%
<b>Housing Materials operations</b>	18.7	20.0	1.3	6.8%
<b>Segment Profit</b>	<b>FY2021</b>	<b>FY2022</b>	<b>Increase of amount</b>	<b>Changes</b>
<b>Chemicals operations</b>	5.6	6.2	0.6	9.7%
<b>Housing Materials operations</b>	3.5	3.7	0.2	7.1%

\*Exchange rate assumed: 105 yen/US dollar, 128 yen/Euro

### III – 3. Capital investment, Depreciation, R&D expense (Consolidated)



	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022 Forecast
Capital investment	3,815	1,628	2,073	1,961	4,106	5,873
Depreciation	1,645	2,318	2,281	2,189	1,835	2,319
R&D expenses	1,235	1,310	1,295	1,338	1,207	1,594

(Millions of yen)

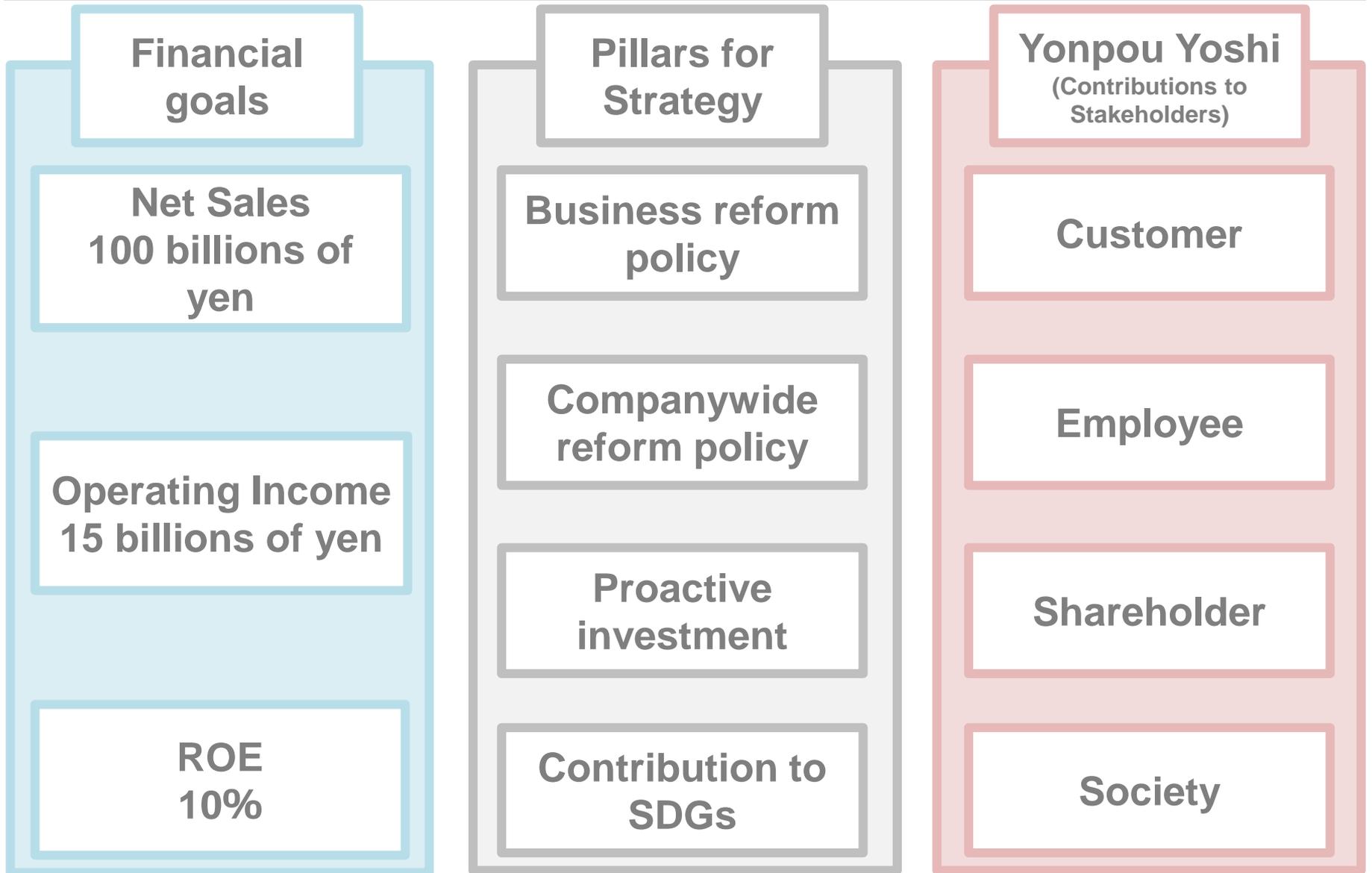
# **IV. Long-term Vision**

## **Challenge 1000**

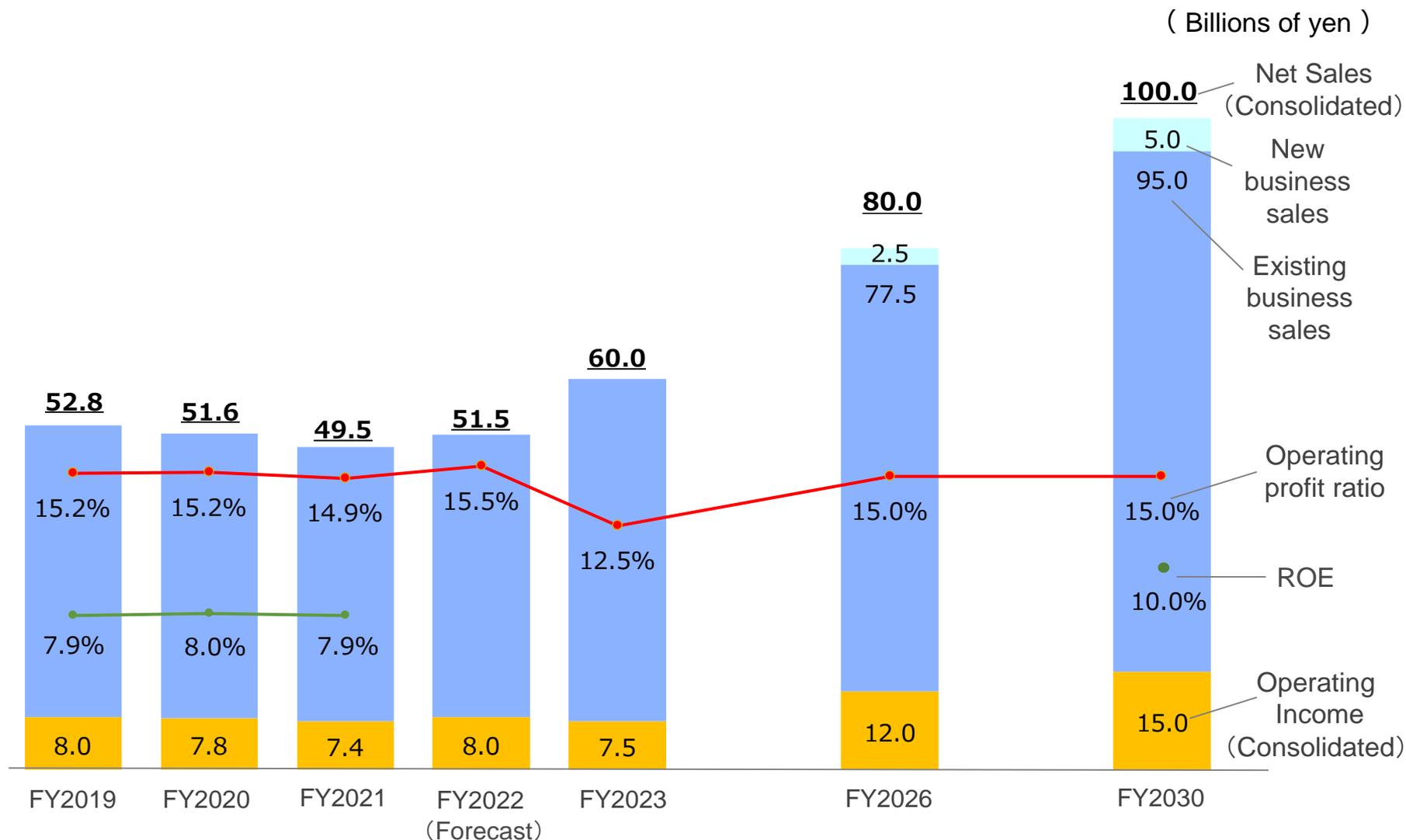
### **“STAGE 1”**

## **Progress Status**

# IV – 1. Outline of Challenge 1000



# IV – 2. Financial goals



# IV – 3. Pillar for Strategy (Companywide reform policy)

## semiconductor process materials

### ◆ Fine Chemicals Starting the operation of multipurpose plant

The demand for semiconductors has been increasing because of IoT and autonomous cars.

Needs for high-quality, high-function materials are growing among manufacturers who manufacture and develop semiconductor process materials.

The plant (TAP-4) for cutting-edge semiconductor process materials was completed in April 2021. This plant is equipped for high quality such as low metal control.



TAP-4 (Tokushima Plant)

## Housing Materials

### ◆ Substantiating the high strength product lineup

Safe and secure life will be realized by enhancing the lineup of high-strength exterior products that withstand large-scale disasters such as typhoons.



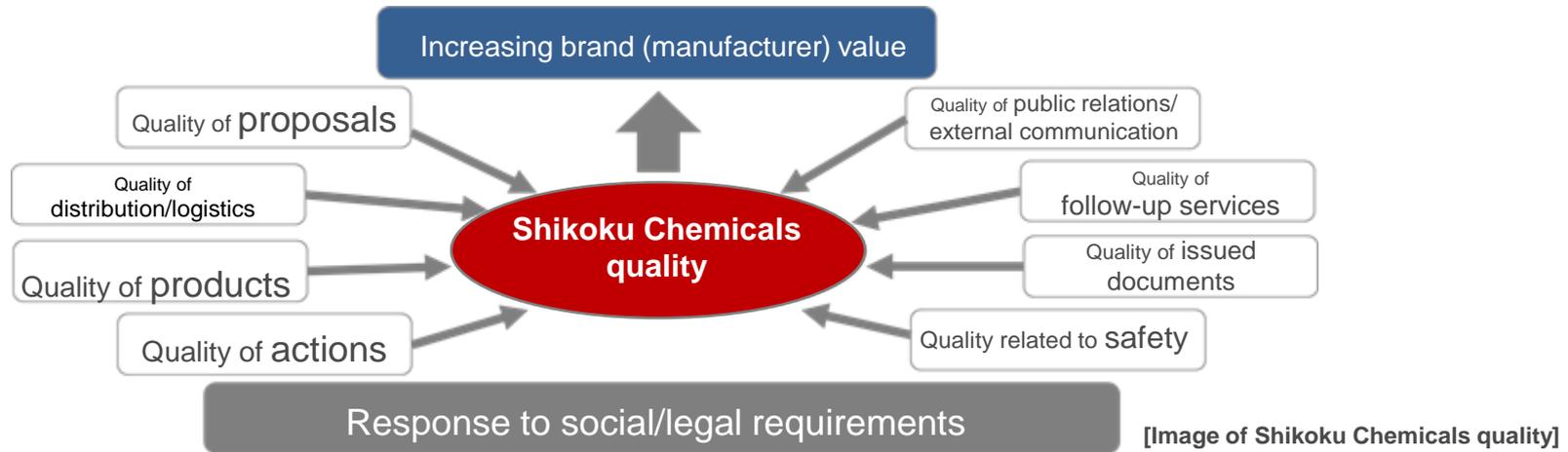
# IV – 4. Pillar for Strategy (Companywide reform policy)

## Creation of values

### ◆ Establishment of Shikoku Chemicals quality policy

It was stipulated to "increase the levels of not only products but also all activities."

Shikoku Chemicals quality means the quality of all activities including products, services, and value to be provided to customers and the entire Shikoku Chemicals Group is making efforts. These activities will increase the brand (manufacturer) value.



## Creation of reserve energy

### ◆ Implementation of telework as a reform in way of work

Construction of an environment where employees are encouraged to work and create new values with the introduction of telework and sales efficiency improvement tools.

## IV – 5. Pillar for Strategy (Proactive investment)

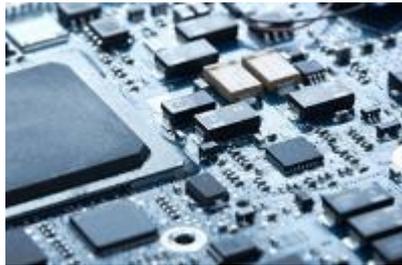
### Construction of a new plant for chlorinated Chlorinated Isocyanurates at Kitajima Office, Tokushima Plant

- ▶ Globally, the impact of transboundary movements of aquatic organisms in ballast water in concurrence with the traffic of ships on the ecosystems has turned serious. There are also many areas where it is difficult to secure clean water, and solution of the social issues such as improvement in the water sanitation environment is urgently demanded.
- ▶ It was decided to build a new plant to respond to the increasing demands for Chlorinated Isocyanurates for purposes such as improving water environment.
- ▶ Its construction began in September 2020 with approximately 5 billion yen in investment, and it is scheduled to be completed in July 2022.



# IV – 6. Pillar for Strategy(Contribution to SDGs)

## Chemical operations



- **Fine Chemicals** deals with water-soluble chemicals for printed wiring boards and can provide a human- and earth-friendly work environment.



- **Organic Chemicals** contributes to the supply of safe water to people and conservation of marine environment.



- => Providing a good hygienic environment for people around the world through the disinfection, cleaning, and bleaching technologies.

# IV – 7. Pillar for Strategy(Contribution to SDGs)

## Housing Materials operations



• Contributing to planning cities and communities where people can live securely and safely.

=> **Decorative and Home Exterior Products** provides the lineup of high-strength products and ensures high safety.

=> **Interior Materials** uses human- and environmentally-friendly raw materials and provides space where people lead a healthy life.

## Group company



• **Shikoku Environmental Business Company** provides people with a safe and secure water environment.

=> Returning clean water to nature through maintenance and inspection of appropriate sewage treatment facilities and septic tanks.

=> Delivering safe drinking water and domestic water to each household through the construction and cleaning of water facilities.



# IV – 8. Pillar for Strategy

## Yonpou Yoshi (Contributions to Stakeholders)

---

### Customer

- ◆ **Provide new value by the execution of Pillar for Strategy**

Providing products and value which go one step ahead of what customers want such as by searching for new businesses and expanding the field of existing businesses, and by making a proactive investment to support these initiatives.

### Employee

- ◆ **Introduce special incentive scheme (treasury shares disposal type)**

A total of 123,300 shares of the company were granted to the employees of our Group.

It was aimed to reward the efforts of the employees and increase their awareness of participating in the management. Thus, we intended to share medium- and long-term shareholder value with our shareholders.

### Shareholder

- ◆ **Acquisition and retirement of treasury shares**

We acquired approximately 1.5 million shares to enhance shareholder return and improve capital efficiency.

### Society

- ◆ **Investment in ‘Social Bond’**

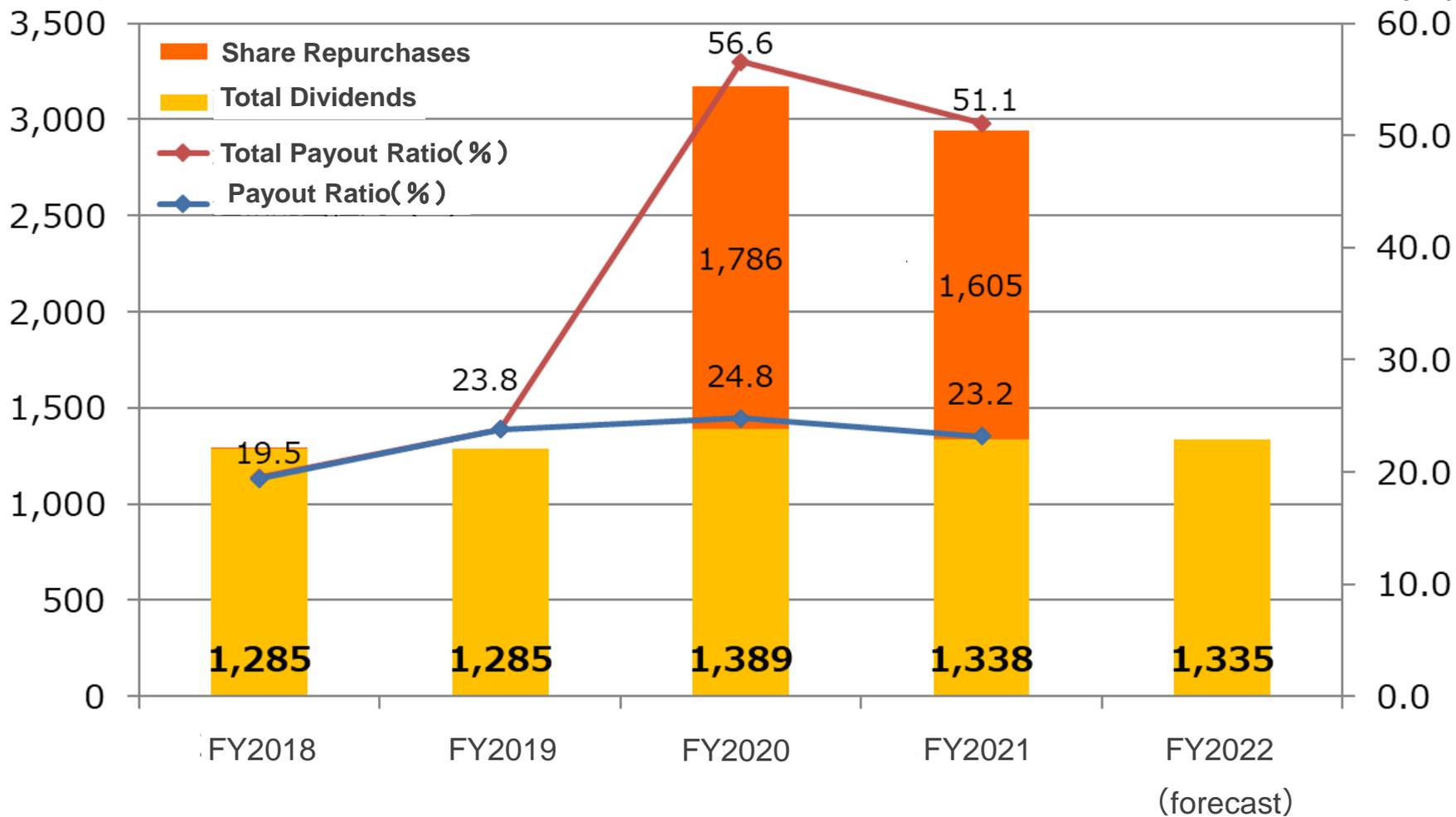
We invested in social bonds issued by the Japan Student Services Organization as ESG investment.

- ◆ **Fund procurement by the loan based on an ESG/SDGs evaluation**

Our willingness to contribute to ESG and SDGs was evaluated.

# IV-9. Shareholders return-Transitions in Dividend Payouts-

( Millions of yen )



Dividends per share (annual)	22.0	22.0	24.0	24.0	24.0
------------------------------	------	------	------	------	------

**Thank you for listening.**

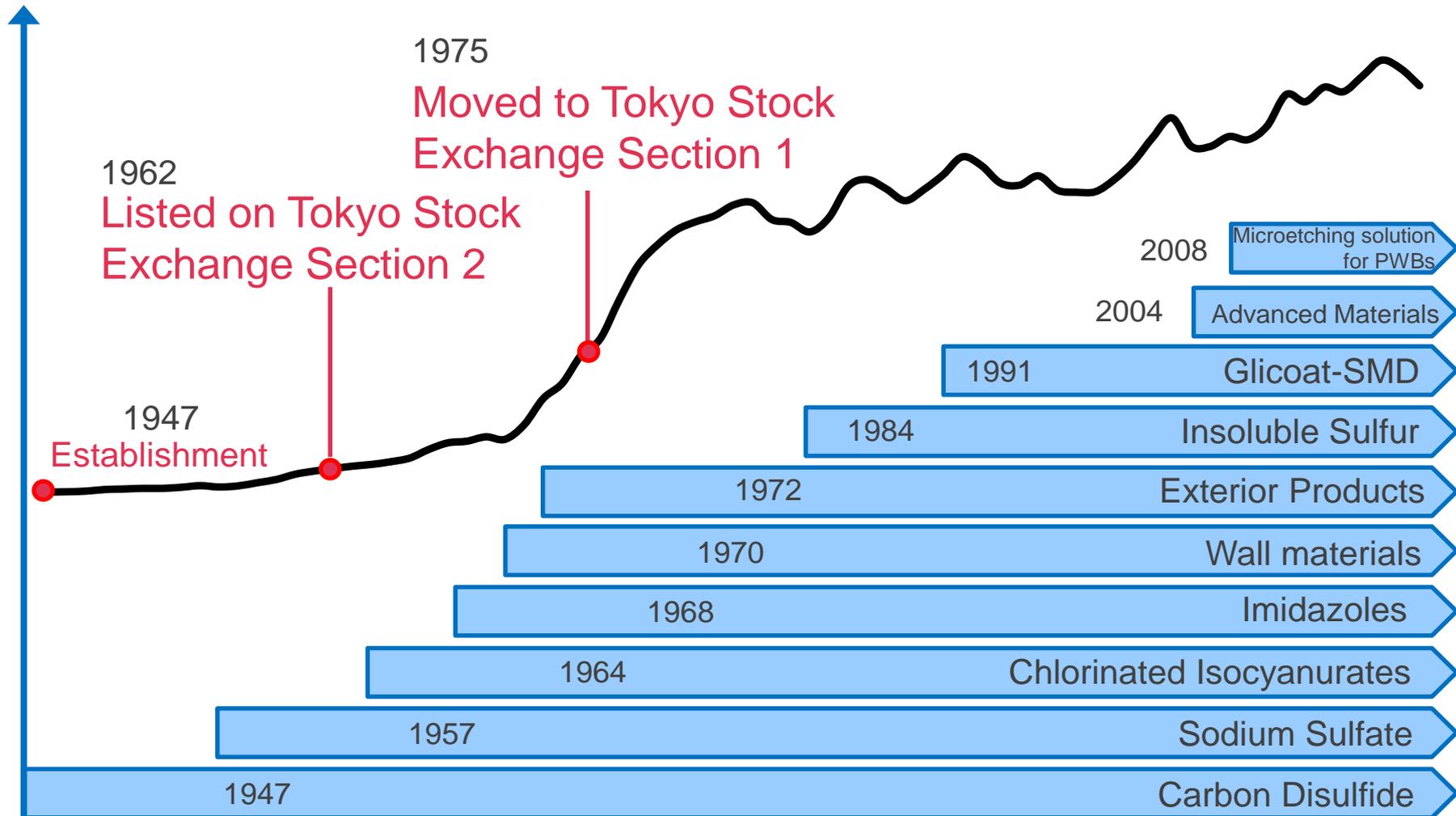
# V. References

# V – 1. History

Oct 1947	Established in Marugame, Kagawa Prefecture with a capital of 2 million yen as a producer of <b>carbon disulfide</b> (=> <b>inorganic chemical products</b> )
Oct 1957	No. 1 Tokushima Plant (now Tokushima Plant's Yoshinari location) was constructed and began operations in the production of <b>sodium sulfate</b> (=> <b>inorganic chemical products</b> )
May 1961	CMC production began at No. 1 Tokushima Plant. We applied CMC to wall material later
Jun 1962	No. 2 Tokushima Plant (now Tokushima Plant's Kitajima location) was constructed
Oct 1962	The Company's shares were listed on the Second Section of the Tokyo Stock Exchange
May 1964	Japan's first operations to produce <b>chlorinated isocyanurates</b> (=> <b>organic chemical products</b> ) were launched at No. 2 Tokushima Plant
Dec 1969	The Company began production of OSP (Organic Solderability Preservative) (which was later called <b>Gliccoat-SMD</b> (=> <b>Fine Chemicals</b> ) for PWBs (Printed Wired Board) and other electronic components
Sep 1970	The Company began production in the field of housing materials, launching production of <b>interior finishes (JULUX)</b> at No. 2 Tokushima Plant
Jun 1972	The Company began production and sales of <b>accordion gates</b> (=> <b>Exterior Products</b> )
Mar 1975	The Company moves its share listings from the Second to First Sections of the Tokyo Stock Exchange and Osaka Securities Exchange
Jul 1975	Tadotsu Plant was constructed in Tadotsu, Kagawa Prefecture
Nov 1975	Full-scale production of <b>imidazole</b> (=> <b>Fine Chemicals</b> ) began at No. 2 Tokushima Plant (test production began in 1968)
Jun 1981	The Company opened a representative office in Los Angeles (which later became an overseas subsidiary as SIC in 1985)
Jul 1984	Production of <b>insoluble sulfurs</b> (=> <b>Inorganic Chemicals</b> ) began at Marugame Plant
Sep 1992	The Research Center (now R&D Center) was constructed in Utazu, Kagawa Prefecture
Oct 1995	Ranzan Plant was constructed in Ranzan, Saitama Prefecture
Jul 2006	Shikoku (Shanghai) Co., Ltd. was established in Shanghai
2008	The Company began sales of <b>a roughening agent for PWBs</b> (=> <b>Fine Chemicals</b> ), and constructed a new plant for Gliccoat-SMD at Marugame Plant
Aug 2013	Tokushima Advanced Chemicals Plant-3 (TAP-3) facility was constructed at Tokushima Plant
Sep 2014	Converted Nippon Ryutan Kogyo Co., Ltd., the only carbon disulfide production company in Japan, into a consolidated subsidiary
Apr 2015	Offices were established in Taiwan and Singapore
Oct 2016	Physical Testing Laboratory was constructed at R&D Center
Mar 2017	Insoluble sulfur production facilities were enhanced
Apr 2017	Converted Nippon Koki Co., Ltd. into a subsidiary

# V – 2. History and Sales Trends

Net Sales



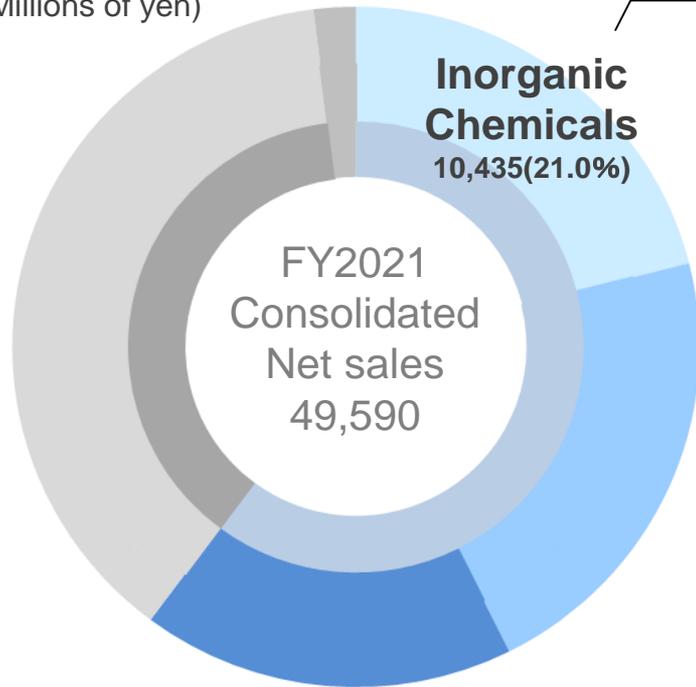
# Chemicals operations

## Chemicals operations

# ① Inorganic Chemicals

# V – 3. Inorganic Chemicals

(Millions of yen)



[Major products]

- Carbon Disulfide ...Essential materials for chemical fiber rayon
- Insoluble Sulfur ...Rubber vulcanization agent
- Sodium Sulfate ...Warm bath effect accelerator for bath additives  
Synthetic detergent cleaning aid



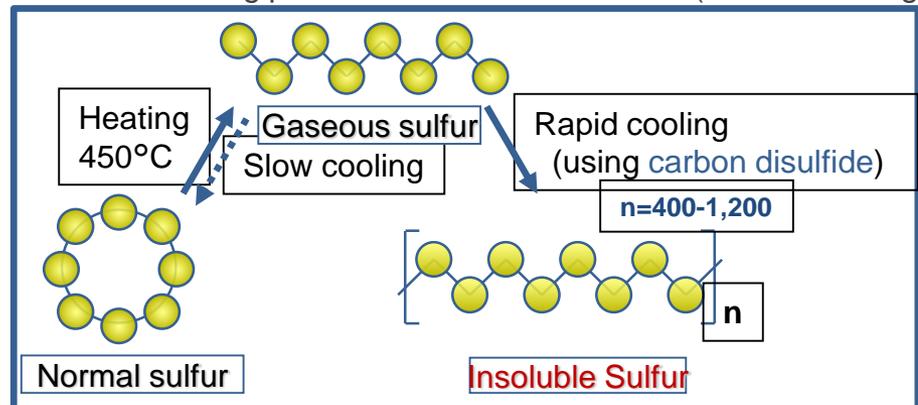
## V – 4. Insoluble Sulfur-Product Introduction-

- Application: Vulcanizing agent for rubber
- Main customers: Domestic and overseas tire manufacturers
- The raw material rubber is hard, and it acquires the characteristic to extend and contract by adding sulfur and heating (vulcanizing).
- When normal sulfur is used in the production process of radial tires, sulfur blooming (deposition) occurs on the surface of rubber and cause poor adhesion of rubber. Since insoluble sulfur is dispersed in the material rubber, it can be used to suppress blooming.
- For production of insoluble sulfur, polished handling technique for the company foundation product “carbon disulfide” is required.
- High quality is demanded in insoluble sulfur by tire manufacturers.
- In March 2017, production facility expansion was completed, and our production capacity was increased to 1.3 times.

■ Insoluble Sulfur



■ Manufacturing processes for insoluble sulfur (schematic diagram)

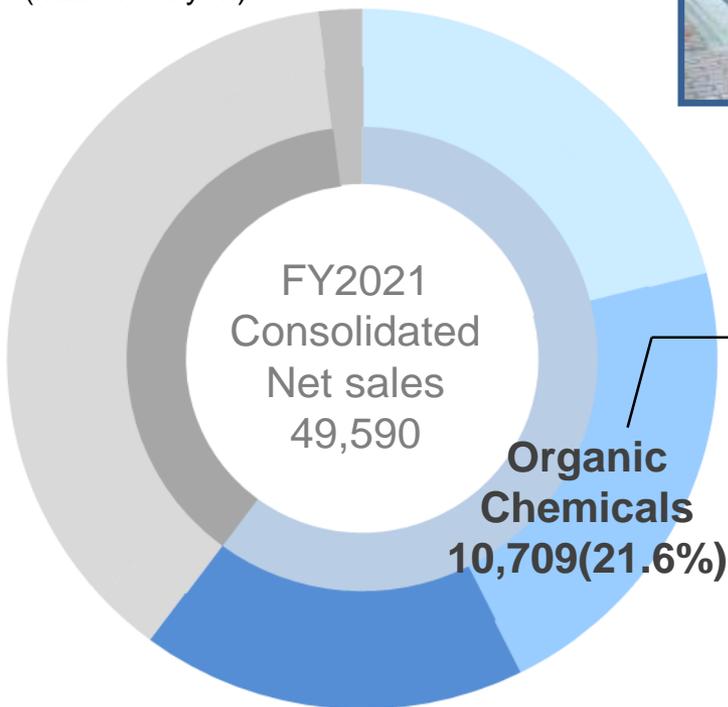


**Chemical operations**

# **②Organic Chemicals**

# V – 5. Organic Chemicals

(Millions of yen)



## [Major products]

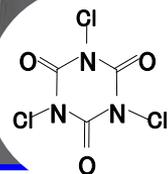
- Chlorinated Isocyanurates (NEO-CHLOR) ... for swimming pool and septic tank disinfectants
- HIPOLKA ... Wastewater/sludge treatment agent



# V – 6. Chlorinated Isocyanurates-Product Introduction-

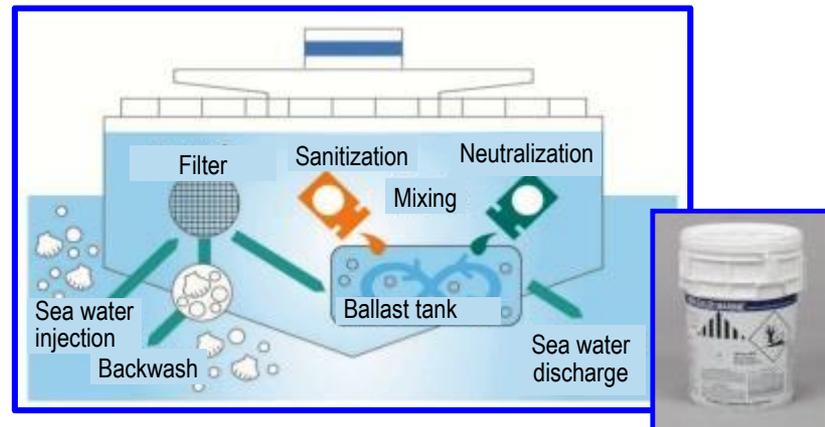
- Applications: Sanitizing agent for swimming pools and septic tanks, chlorine-based sanitizing agent for spas and home baths
- Main customers: Swimming pool operators, schools, general consumers (U.S.)
- Main component: Chlorinated Isocyanurates
- Compared to other disinfectant agents for swimming pools, “NEO-CHLOR” is characterized by longer duration in outdoor pools and little quality deterioration even after a long period of storage, as it undergoes little degradation caused by ultraviolet rays.
- It delivers strengths in “NAPIX,” an automatic chlorine feeder for swimming pools and business baths.
- Utilizing the strong oxidation, bleaching, and cleaning power of chlorine, we are developing various fields of application such as industrial and home sanitary field, ballast water (seawater used as weight on the bottom of the ship) treatment, drinking water application, and sanitation management applications in various facilities.

## ■ NEO-CHLOR Product group



Chlorinated  
Isocyanurates

## ■ Image of ballast water sanitization



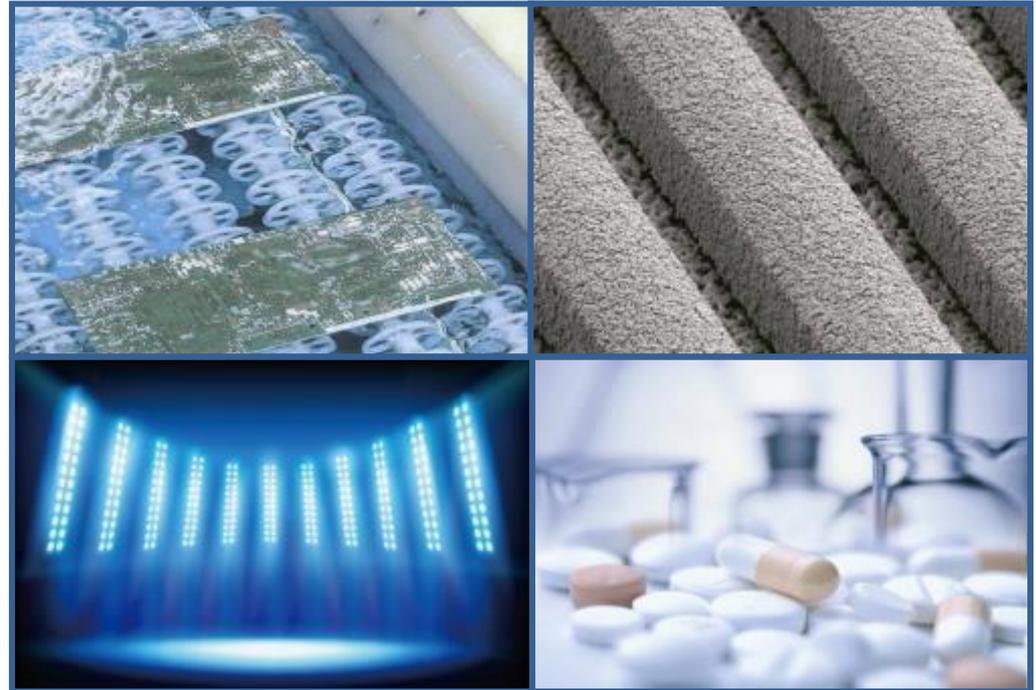
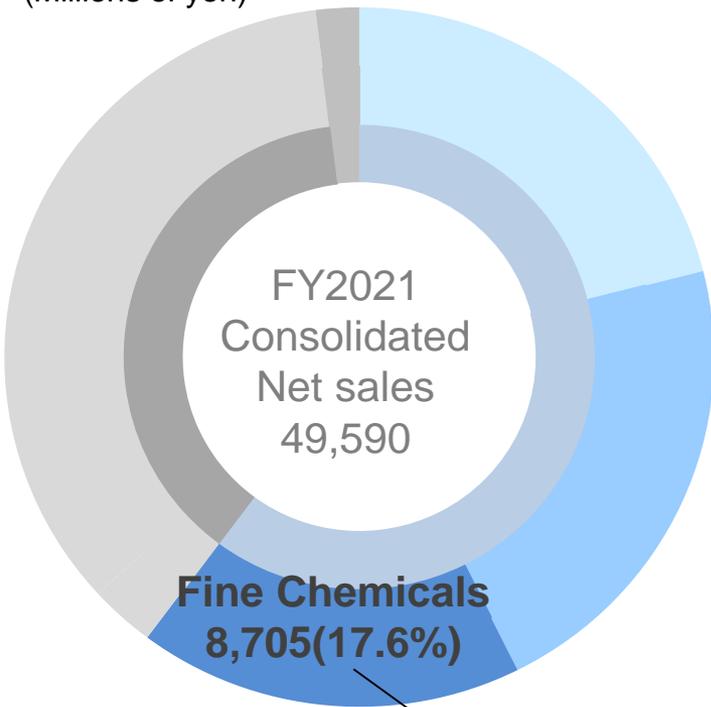
「NEO-CHLOR MARINE」

**Chemical operations**

**③ Fine Chemicals**

# V – 7. Fine Chemicals

(Millions of yen)



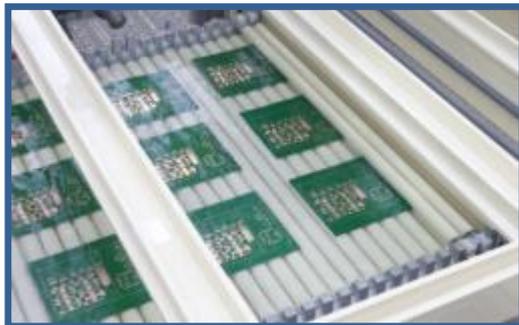
## [Major products]

- Gliccoat-SMD... Water-soluble rust preventive agent for printed wiring boards (OSP)
- Advanced & Specialty Chemicals...  
Imidazoles (curing agent of epoxy resin)  
Resin modifier, raw material for drug
- THEIC ... Raw material for heat-resistant wire varnish
- Solder resist

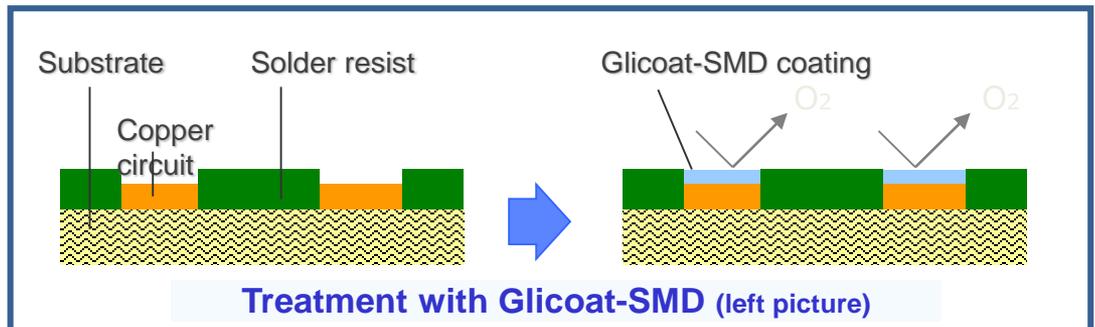
# V – 8. OSP: Organic Solderability Preservative Product Introduction-

- Application: Water-soluble rust preventive agent for printed wiring boards [OSP: Organic Solderability Preservative]
- Main customers: Printed wiring board manufacturers all over the world
- By forming an organic coating on the copper circuit of the printed wiring board to prevent oxidation of the exposed copper circuit, it ensures good soldering performance in the implementation process, and contributes to reliable electronic component manufacture.
- The main component of OSP is imidazole, which has a property to selectively undergo chemical reaction with copper. Our strength is that we are also an imidazole manufacturer and can synthesize the main ingredient to suit the required properties of OSP.
- While rust preventive agents for printed circuit boards include metal plating in addition to OSP, the percentage of OSP is still increasing.
- Gliccoat-SMD has acquired a lot of material designations from major electrical manufacturers, and has become an industry standard.  
By increasing the environmental performance ahead of other companies, we are increasing the adoption results for automotive electrical components and semiconductor package boards.

■ Printed wiring boards going through Gliccoat-SMD treatment tank



■ Treatment with Gliccoat-SMD (schematic diagram)



# V – 9. Advanced & Specialty Chemicals-Imidazoles

- Application: Curing agent and curing accelerator for epoxy resin\*, raw material for drugs
- Main customers: Resin material manufacturers and drug manufacturers
- Imidazole is used in a wide range of applications, including curing agent for epoxy resin and urethane resin, raw material of **drugs and agricultural chemicals**, and raw material of various industrial chemicals such as **rust preventive agents**.
- The majority of our company sales come from application as an epoxy resin curing agent. Epoxy resin which used imidazole as a component has optimal properties for **electrical and electronic component applications**.
- We have a lineup of various imidazoles to support the diverse curing speeds and properties demanded by the users.
- In the fields where competitive products (non-imidazole products) were strong, there is a movement for customers to newly adopt imidazole to improve the product performance.

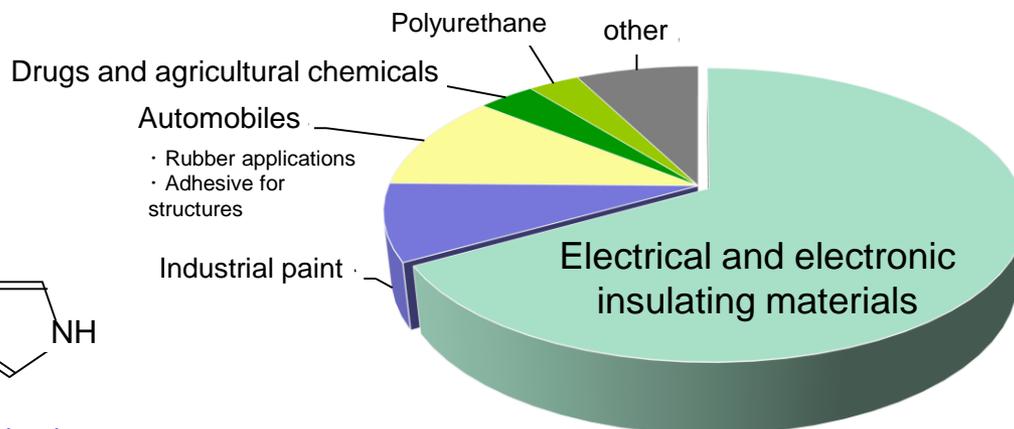
\*Epoxy resin: A collective term for resin-like compounds with epoxy groups that readily react at the ends of a molecule, and thermosetting synthetic resins that are formed by polymerizing the compounds with curing agents. Used in printed circuit boards, paints, etc. in addition to adhesives.

## ■ Electronic part using epoxy resin (example)



Imidazole

## ■ Applications of imidazoles from our company



# V - 10. Advanced & Specialty Chemicals-Imidazoles

## Engine CPU

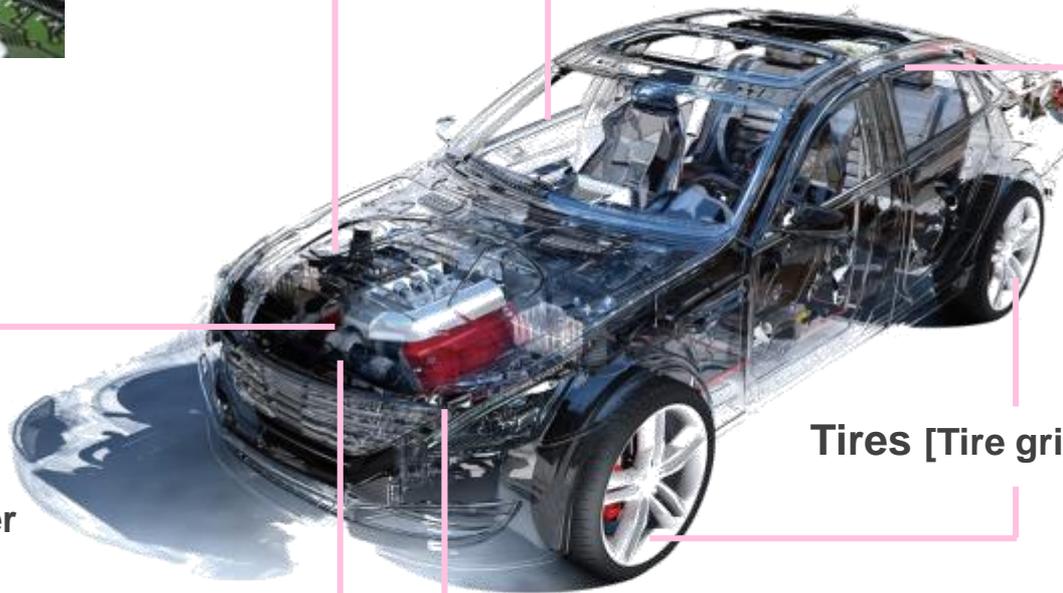
[Laminated plate, sealing agent, solder resist ink]



Engine hood  
[CFRP (reinforced carbon fiber)]

## Car navigation system

[Liquid crystal sealing material]



Frame structure  
[Adhesive for structures]

Tires [Tire grip improving agent]

Electric motor  
[Insulating powder paint]



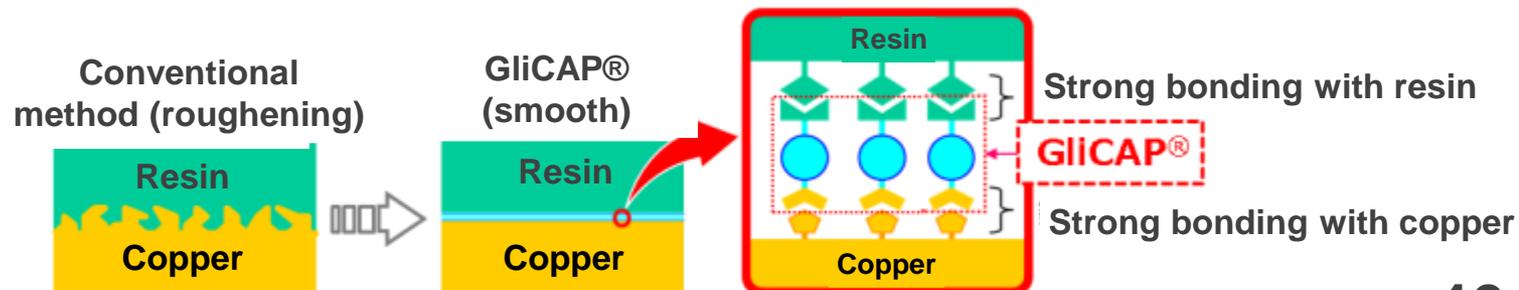
Air hose  
[Acrylic rubber agent]



# V – 1 1. Focused Products (Printed Wiring Boards Agents)

## ■ GliCAP®

- Adhesion improving agent between copper circuit and resin on printed wiring boards.
- Conventionally, unevenness was formed on surface by roughening (etching) the copper so that the adhesion to resin was improved by “mechanical bonding” (anchor effect).
- As the performance of semiconductors is improved, it is becoming more difficult to roughen the copper on package boards implementing high performance semiconductors, with the copper circuit width decreasing to ultrafine level.
- Copper circuits with smooth surface are required for high-frequency server boards for which further acceleration is being demanded to achieve practical application of the 5th generation mobile communication system (5G), since transmission loss is caused by the unevenness of the copper surface in the high-frequency range.
- GliCAP® has both properties to “strongly bind to resin” and “strongly bind to copper,” and can improve the adhesion “chemically” without roughening the copper surface.
- We are including applications other than those in printed circuit boards for GliCAP® in the future.



# V – 1 2. Focused Products (Advanced & Specialty Chemicals)

---

## ■ Advanced materials

- Advanced materials at our company refer to the products (compounds) that can improve various functions by blending them as materials for electronic parts such as **semiconductors** that are used in **electronic devices**, etc.
- Demands for improvement in the properties of resin materials to be used (heat resistance, electrical properties, etc.) are increasing as electronic devices evolve, and there are increasing opportunities to consider the functional materials of our company.
- The range of examination for the functional materials of our company is quite wide, and examinations are being made even with **carbon fiber reinforced plastics (CFRPs)** that are used as structural materials for automobiles and aircrafts with a purpose to improve heat resistance and strength.
- Using the organic synthesis technology cultivated with imidazole and isocyanuric acid, our company is committed to research and development of new functional material products.
- Construction of a plant equipped for high quality such as **low metal control** has been decided in order to produce state-of-the-art semiconductor process materials.

Its construction began in February 2020, and is scheduled to be completed in July 2021.



# V – 1 3. Focused Products (Advanced & Specialty Chemicals)

- A new isocyanuric acid derivatives
  - We developed this material by utilizing isocyanuric acid synthesis technology we have accumulated.
  - It has excellent heat resistance, light resistance, and transparency, and is used as a **modifier** for **sealing agent**, etc.
- **New adhesion improver**
  - A **resin modifier** that improves adhesion to inorganic materials such as metals through addition to the resin. Since it delivers adhesion equivalent to the conventional modifiers while having no sulfur content, it can improve the metal corrosivity, which was a problem with the conventional product.
  - We are developing its application in a wide range of resin materials including epoxy system commonly used in electronic parts, acrylic system, urethane system and polyimide system.
- **Benzoxazine**
  - A **resin** with excellent heat resistance, flame resistance and electrical properties.
  - Examination is being made as a semiconductors **sealing agent** and **carbon fiber reinforced plastics (CFRPs)** .

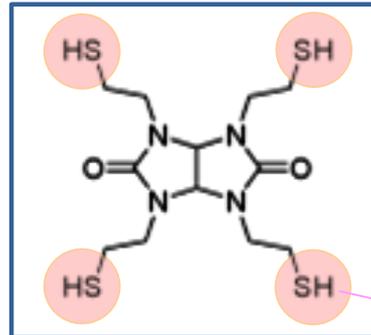
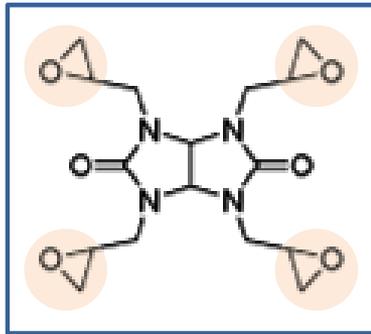
■ Benzoxazine



# V – 1 4. Focused Products (Advanced & Specialty Chemicals)

## ■ Glycoluril derivatives

- A multi-functional resin modifier with transparency and high heat resistance.
- It has 4 functional groups and is expected to form hardened materials with a high crosslinking density.



Thiol group

## ■ Glycoluril derivatives



## Glycoluril derivatives

- Products having a thiol groups (-SH) as a functional group will rapidly cure with epoxy resin at a low temperature. Compared to the conventional modifiers, cured resin has excellent heat resistance, moisture resistance, acid resistance, alkali resistance, and hardness, and it can significantly improve the resistance to heat and moisture, which had been a problem.
- It has been adopted in the field of electronic materials that continue to advance in performance and miniaturization.

# Housing Materials operations

**Housing Materials operations**

**④ Interior, Exterior**

**Finishes and Paving**

**Materials**

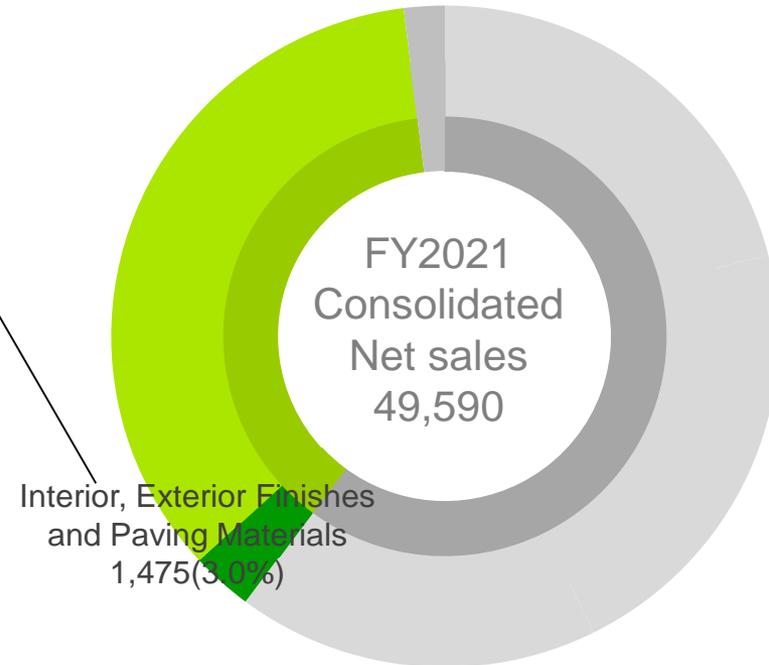
# V – 1 5. Interior, Exterior Finishes and Paving Materials

## [Major products]



- Interior materials (silicate walls, natural material walls)  
Plastered wall materials with moisture control function and harmful chemical substance and daily odor adsorption/decomposition function
- Exterior materials  
Wet exterior material for housing
- Paving materials  
Natural stone paving materials, recycled glass paving materials  
Rubber chip paving materials

(Millions of yen)

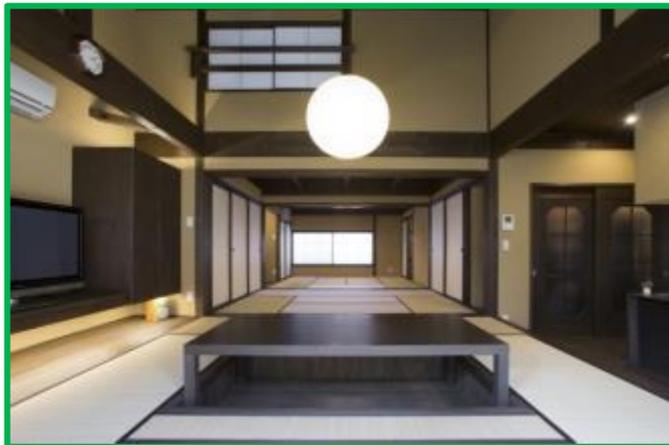


# V – 1 6. Interior, Exterior Finishes and Paving Materials

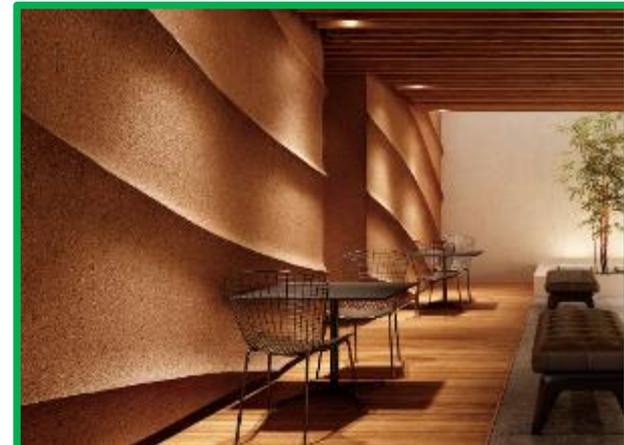
## □ Interior materials

- The business started with "JULUX," the first industrial product for plastered wall material in Japan, which was developed for in-house chemical glue CMC application.
- It is difficult to handle Juraku wall, traditional Japanese wall, but with our wall materials, uniform quality can be maintained only by mixing a specified amount of water. Our plastered wall material is freshly drawing attention because of its property of high adsorption of chemicals that cause sick building syndrome such as formaldehyde as well as odor.
- We are deploying the products characterized by high designability to our target market of commercial and public space design and custom-designed houses. Colors and expressions are brought to a space by three-dimensional and various patterns that can be only achieved with thick coating.

■ Interior materials



■ Interior materials



# V – 17. Interior, Exterior Finishes and Paving Materials

- Exterior and paving materials
  - We also expand our business to “exterior” to cover the outside of buildings and exterior parts, and “paving” to cover the surfaces of roads and approaches.
  - Our exterior materials come in wide variations including colors and can create subtle expressions as they are finished manually to the texture of the surface. As paving materials, we offer materials such as natural stone, natural sand, and rubber chips.
  - For exterior materials and paving materials, we create synergistic effects by making use of our sales channels for exterior products.

■ Paving materials



■ Paving materials



## Housing Materials operations

# ⑤ Exterior Products

# V – 1 8. Exterior Products

## [Major products]

### Home Exterior Products

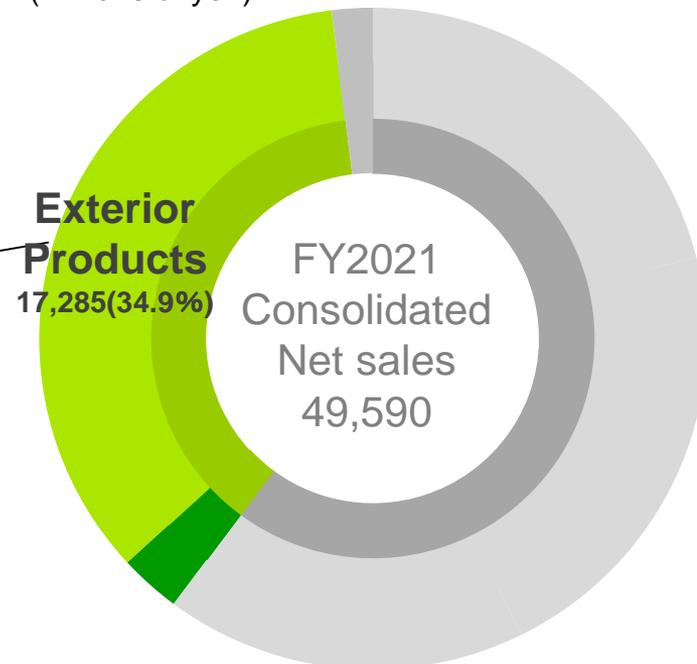
- Gates, fences, car ports, and decks
- Accordion gates  
(expansion type gates)
- Art Wall  
(aluminum system fence)

First product  
in industry  
which was  
developed by  
our company

### Decorative Exterior Products

- Large gates, fences, pathway shelters,  
bicycle parking spaces
- Garbage accumulation storage (first product  
in industry which was developed by our  
company)
- Green roof, etc.

(Millions of yen)



# V – 19. Home Exterior Products

- In 1971, when the motorization was rapidly progressing, we devised an “accordion gate,” which can be easily opened and closed with an expansion mechanism, and which can respond to the residential situation with limited space in Japan, and it became the standard for gates in front of the car shed.
- Since then, we have continued to add to the product lineup for general gates, car sheds (car ports), fences, deck materials, terraces, etc.
- We also devote our efforts in design, in addition to our focus on functions, and won the first “G mark” (current Good Design Award) in the exterior industry in 1984.
- ‘Fun roof,’ our terrace roof with a sample design which harmonizes to the house using flat, wood-like ceiling materials received the 2019 Good Design Award.

■ Terrace



■ Car port



■ Accordion gate



# V – 2 0. Decorative Exterior Products

■ Pathway shelter



■ Bicycle parking space



■ High strength car stops



■ Garbage accumulation storage



# V – 2 1. Efforts in Housing Materials Business

- We are adding to the lineup of high-strength exterior products that are resistant to wind and snow and promoting sales expansion, based on the fact that large-scale disasters such as typhoons have been recently happening one after another over the country.
- We deploy the strength standards and quality cultivated in the decorative area to all products and are developing products with high quality and strength.
- As parts of the lineup of high-strength products, we have commercialized fences for detached houses, and independent terraces in addition to the large fences, archways, Large fences, and car ports.

■ Fences



■ Shelter



■ Car port



■ Fences



■ Terrace



Contact Information

Corporate planning department,  
Shikoku Chemicals Corporation

**TEL: +81-(0)877-21-4119**

**FAX: +81-(0)877-22-0411**

**[www.shikoku.co.jp](http://www.shikoku.co.jp)**

**[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.