

Creating new worlds
in the niches
between the current ones

Financial Results for the FY2019 (April 1, 2018–March 31, 2019)

April 25, 2019

 **SHIKOKU CHEMICALS CORPORATION**

Stock Code:4099

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Corporate Profile

▼ Company overview

- Company name SHIKOKU CHEMICALS CORPORATION
- Incorporated October 10, 1947
- Lines of Business The Company was established in Marugame, Kagawa Prefecture, as a producer of carbon disulfide.
[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, Singapore
- Capital 6,867 million yen
- Number of employees Consolidated 1,167 Non-Consolidated 660 (As of March 31, 2019)

▼ Share of stock

- Issued Shares 58 million shares
- Number of Shareholders 4,363 (As of March 31, 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.

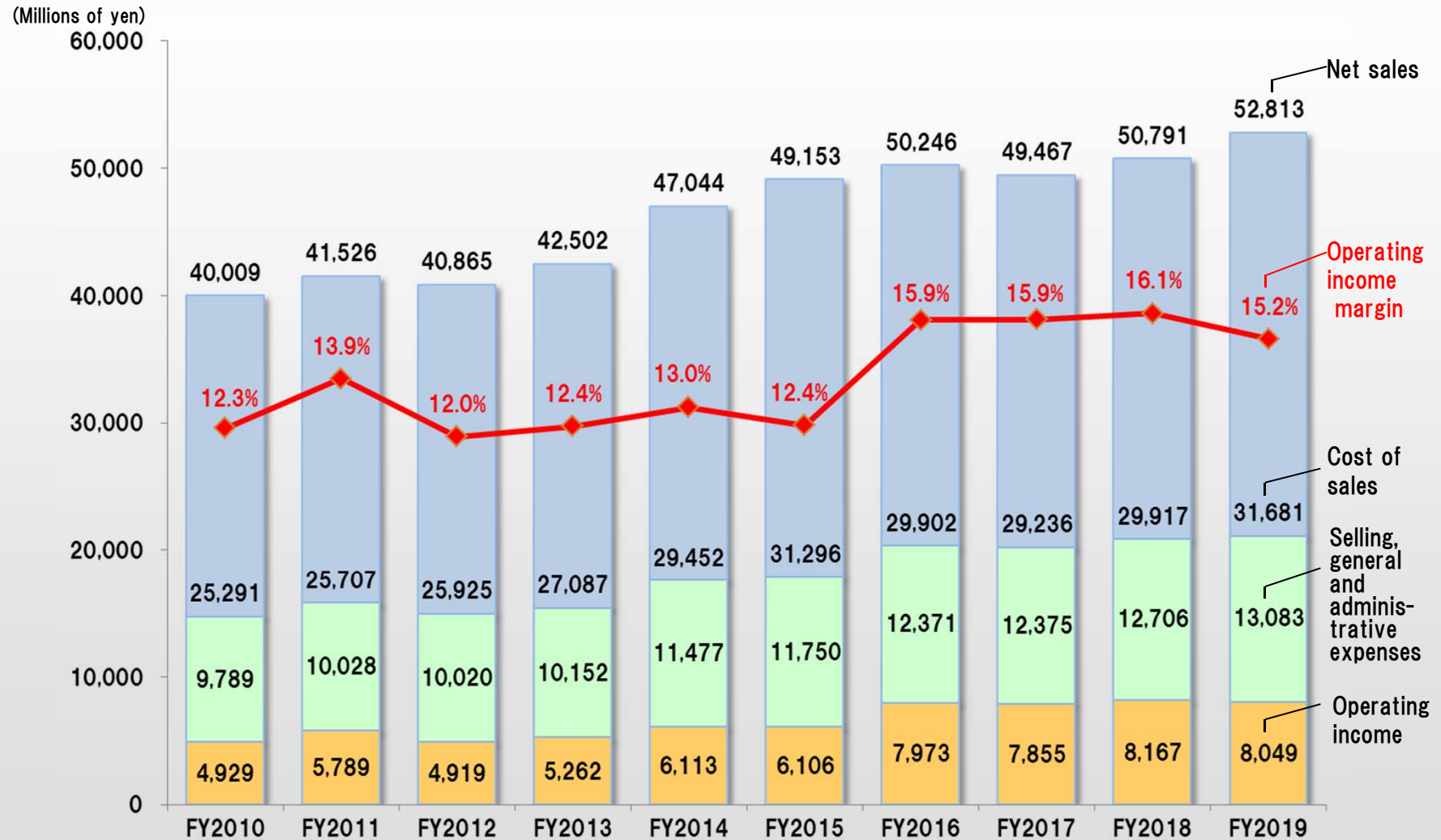
Highlights of Financial Results for FY2019

(Millions of yen)

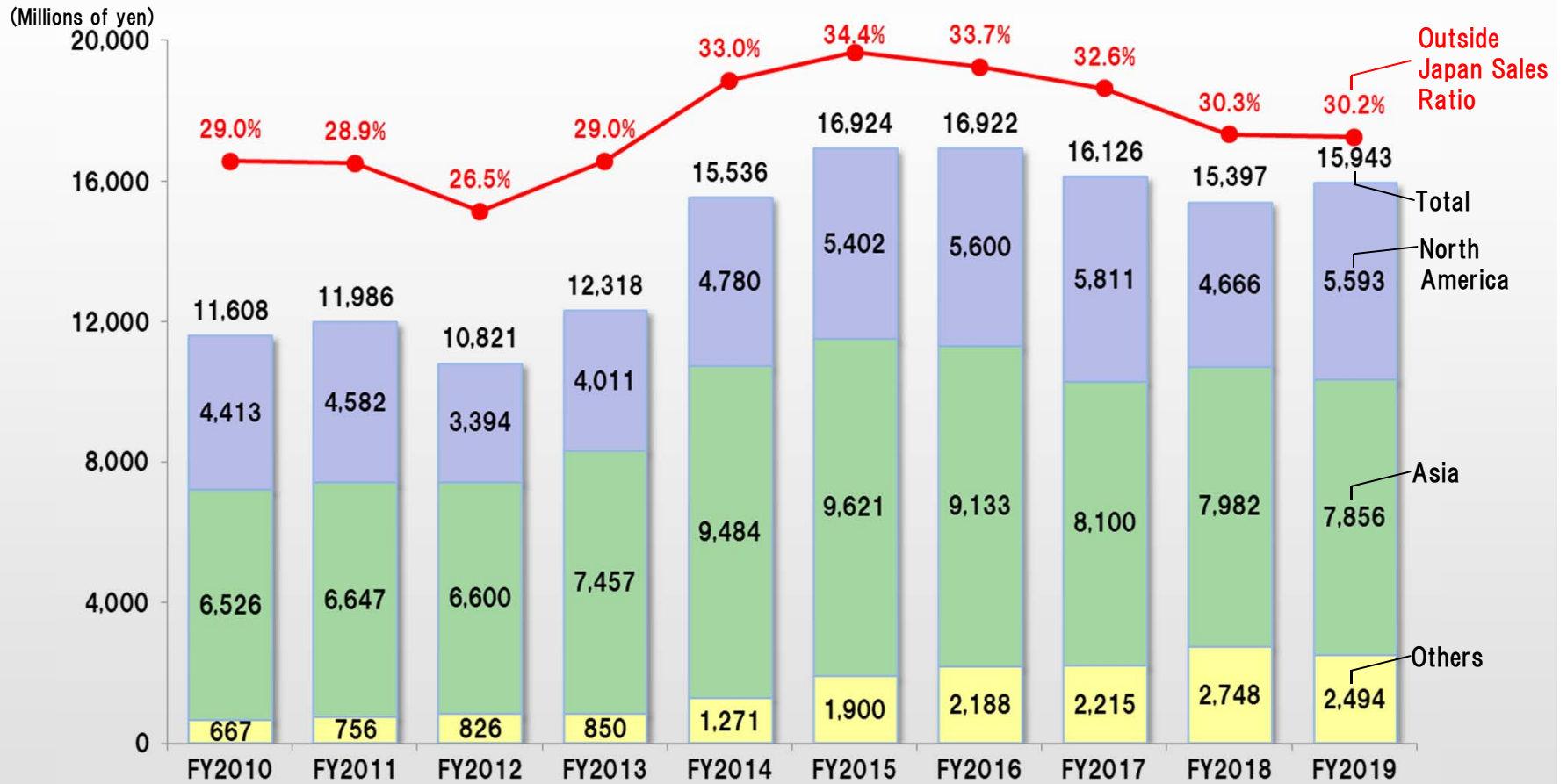
	FY2018		FY2019		Increase of amount	Changes
	Amount	Percentage	Amount	Percentage		
Net sales	50,791	100.0%	52,813	100.0%	2,022	4.0%
Operating Income	8,167	16.1%	8,049	15.2%	▲ 118	▲1.4%
Ordinary income	8,450	16.6%	8,431	16.0%	▲ 19	▲0.2%
Net income attributable to owners of the parent	6,610	13.0%	5,397	10.2%	▲ 1,213	▲18.4%
Exchange rate (USD)	111		111			
Exchange rate (EUR)	128		129			

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

Financial Results Trend (consolidated and full-year)

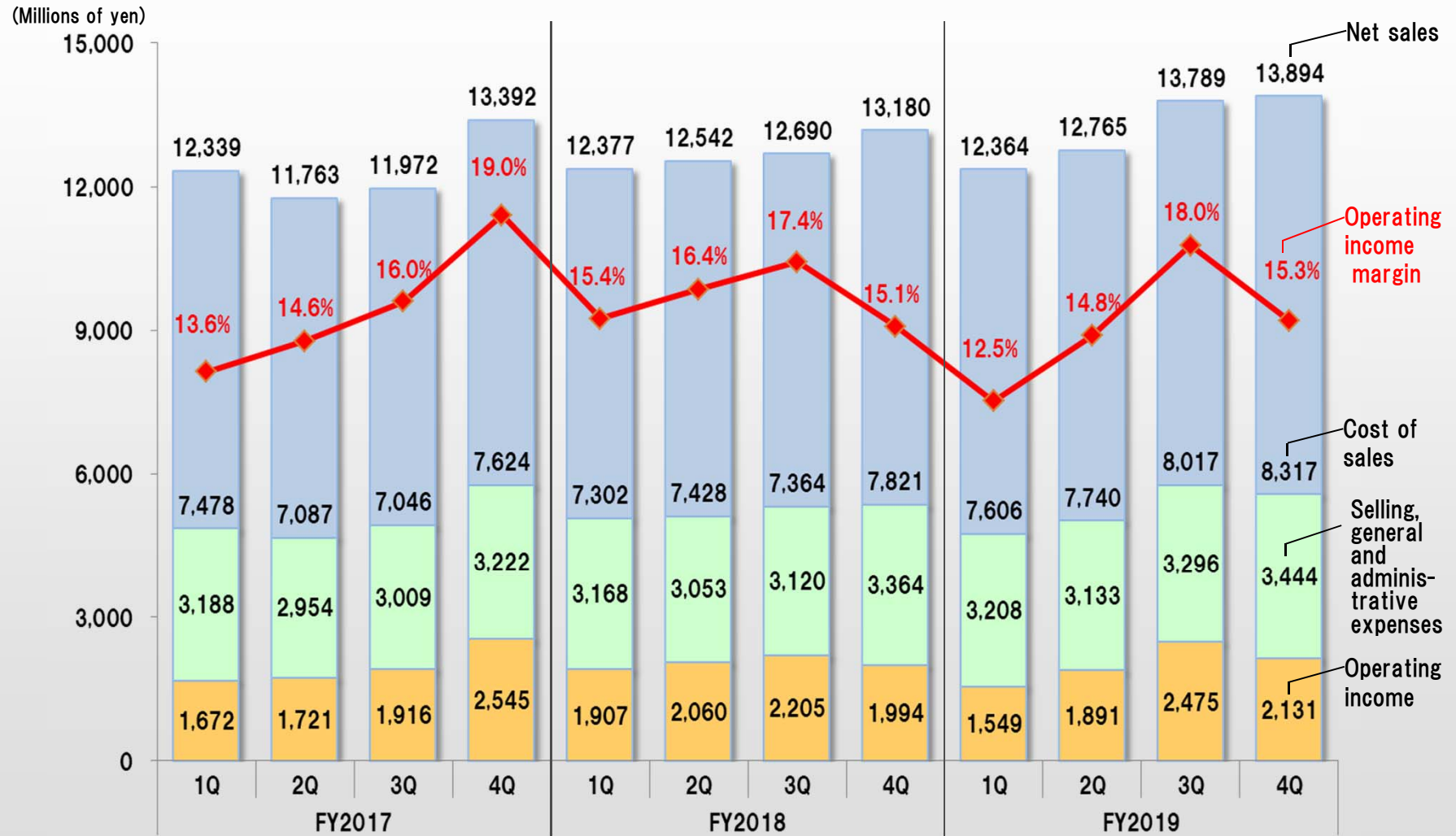


Sales Trends by Region



Exchange rate (USD)	93	86	79	82	100	109	121	108	111	111
Exchange rate (EUR)	132	114	110	106	132	139	133	120	128	129

Financial Results Trend (consolidated and quarter)

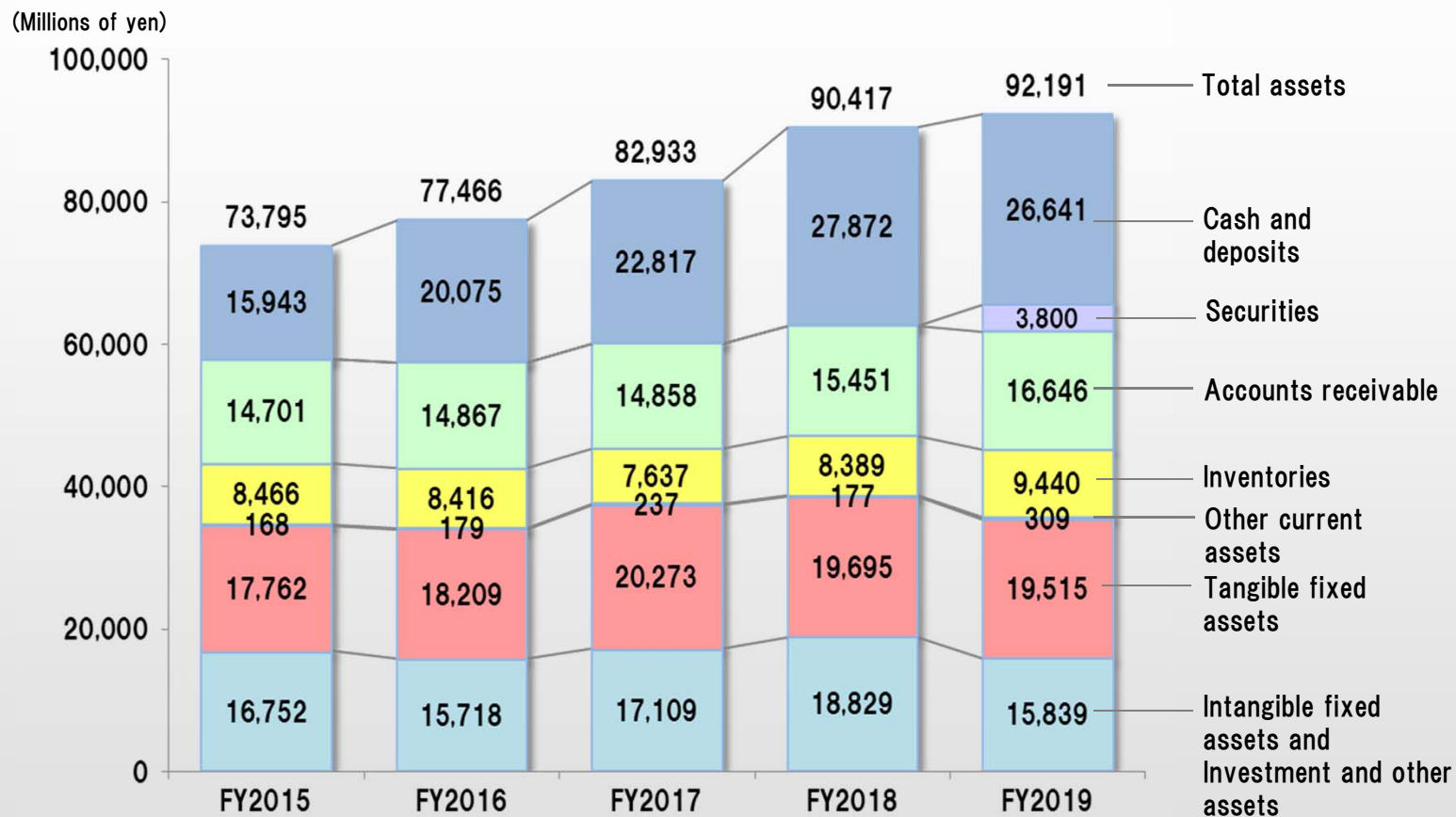


Financial Results (consolidated and quarter)

(Millions of yen)

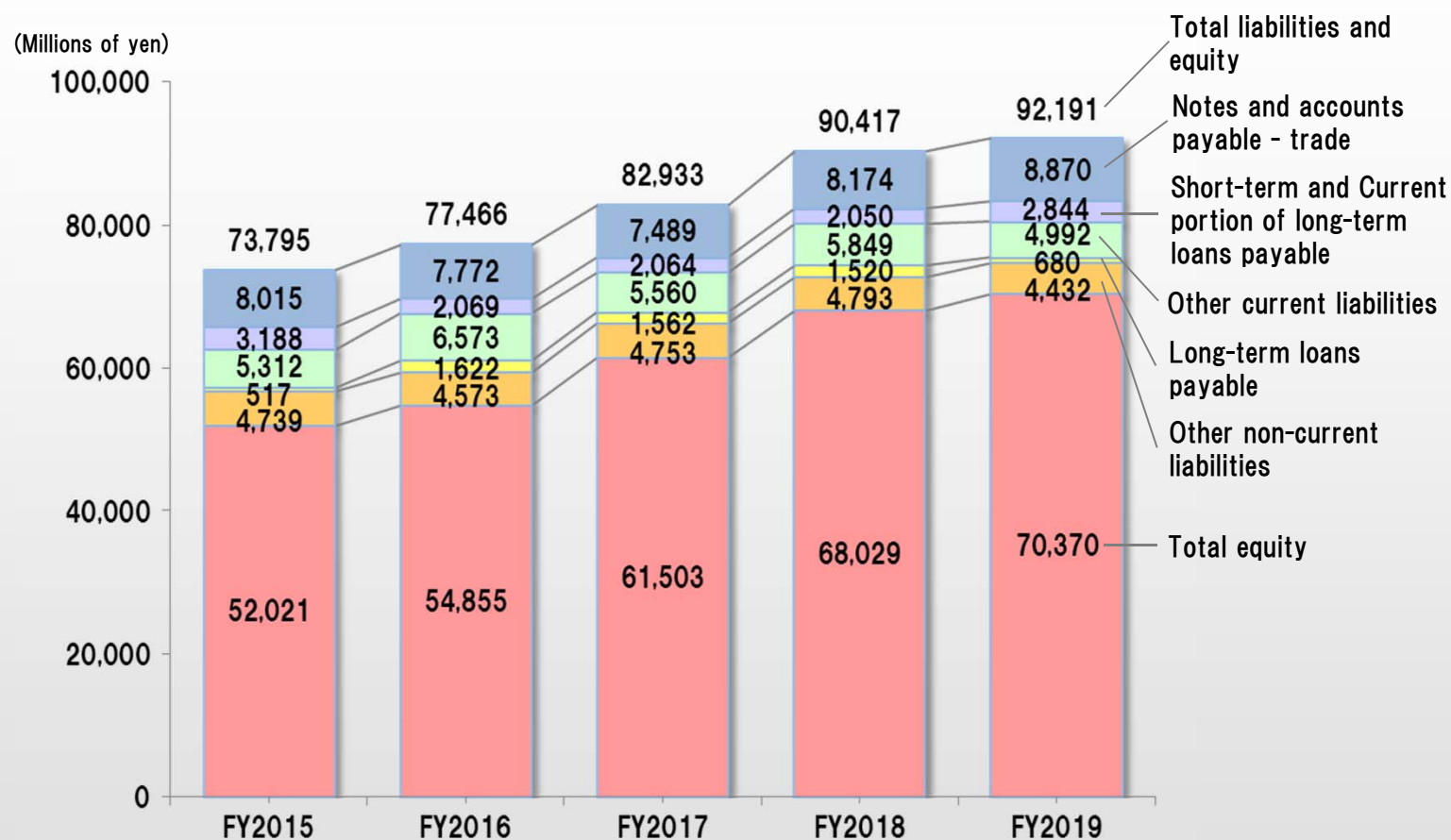
	1Q		2Q		3Q		4Q		FY2019	
		year-on year changes		year-on year changes		year-on year changes		year-on year changes		year-on year changes
Net sales	12,364	▲ 13 (▲0.1%)	12,765	223 (+1.8%)	13,789	1,098 (+8.7%)	13,894	713 (+5.4%)	52,813	2,022 (+4.0%)
Operating income	1,549	▲ 357 (▲18.7%)	1,891	▲ 168 (▲8.2%)	2,475	270 (+12.3%)	2,131	137 (+6.9%)	8,049	▲ 118 (▲1.4%)
Ordinary income	1,866	▲ 277 (▲12.9%)	1,879	▲ 201 (▲9.7%)	2,585	213 (+9.0%)	2,100	246 (+13.3%)	8,431	▲ 19 (▲0.2%)
Net income attributable to owners of the parent	1,234	▲ 189 (▲13.3%)	1,307	▲ 145 (▲10.0%)	1,794	159 (+9.7%)	1,061	▲ 1,037 (▲49.4%)	5,397	▲ 1,213 (▲18.4%)

Assets (consolidated)



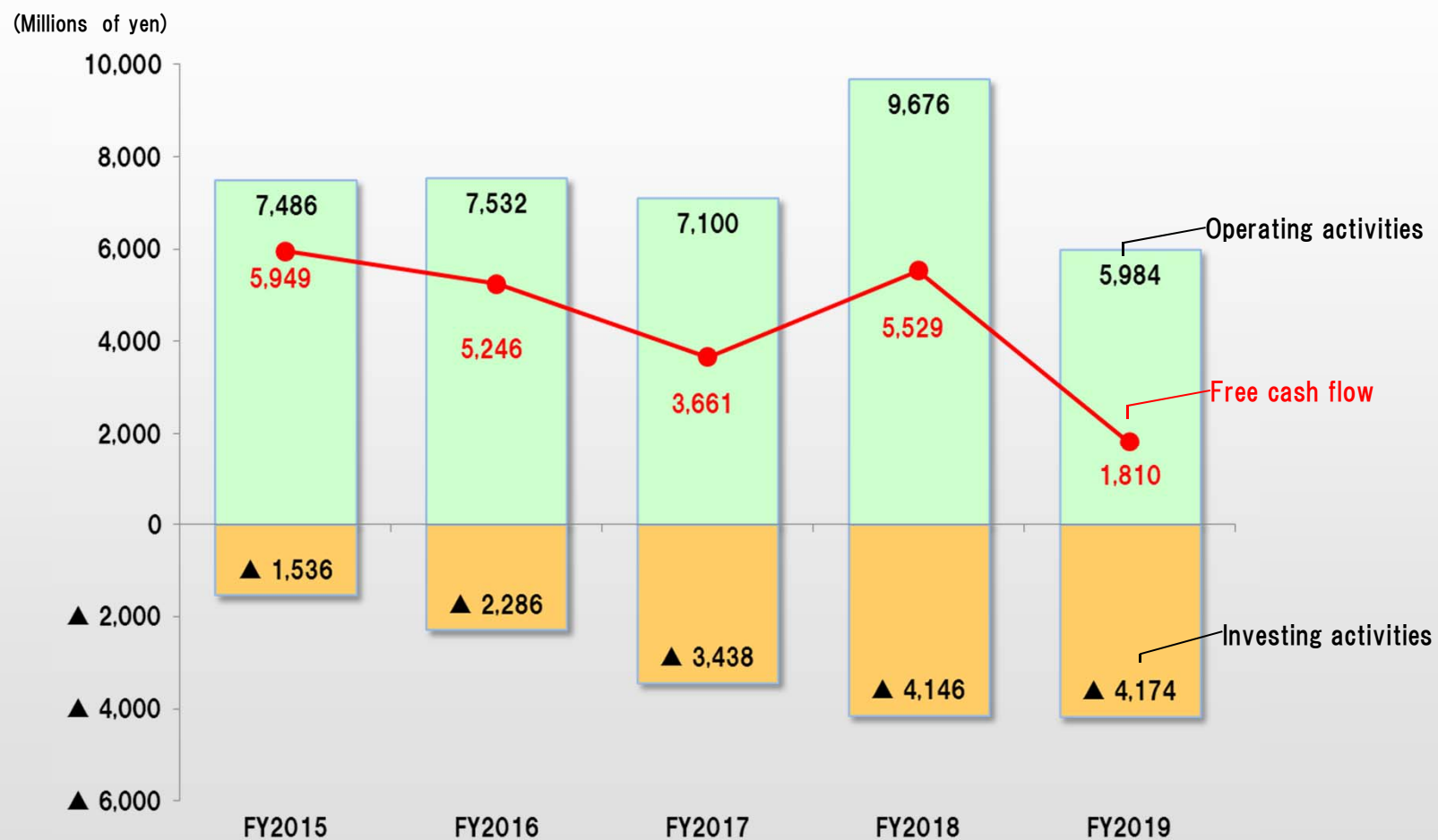
ROA(%)	6.2%	6.4%	7.3%	7.6%	5.9%
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Liabilities, and a total equity (consolidated)



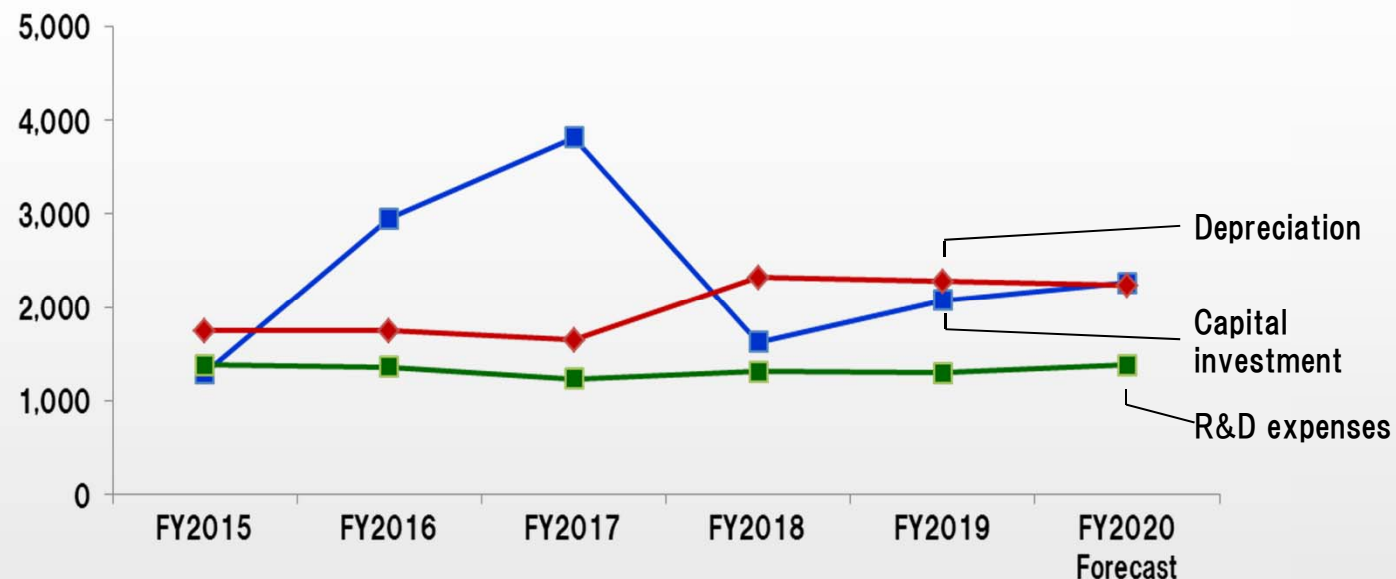
ROE(%)	9.0	9.2	10.1	10.3	7.9
interest-bearing debt (millions of yen)	3,893	3,917	3,853	3,806	3,768
net interest-bearing debt (millions of yen)	▲12,050	▲16,158	▲18,963	▲24,066	▲22,872
Ratio of equity attributable to owners of the Parent (%)	69.8	70.0	73.4	74.4	75.5

Cash Flow Overview (consolidated)



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

(Millions of yen)



	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020 Forecast
Capital investment	1,296	2,952	3,815	1,628	2,073	2,265
Depreciation	1,743	1,747	1,645	2,318	2,282	2,239
R&D expenses	1,379	1,358	1,235	1,310	1,295	1,378

Forecast for FY2020 (consolidated)

(Millions of yen)

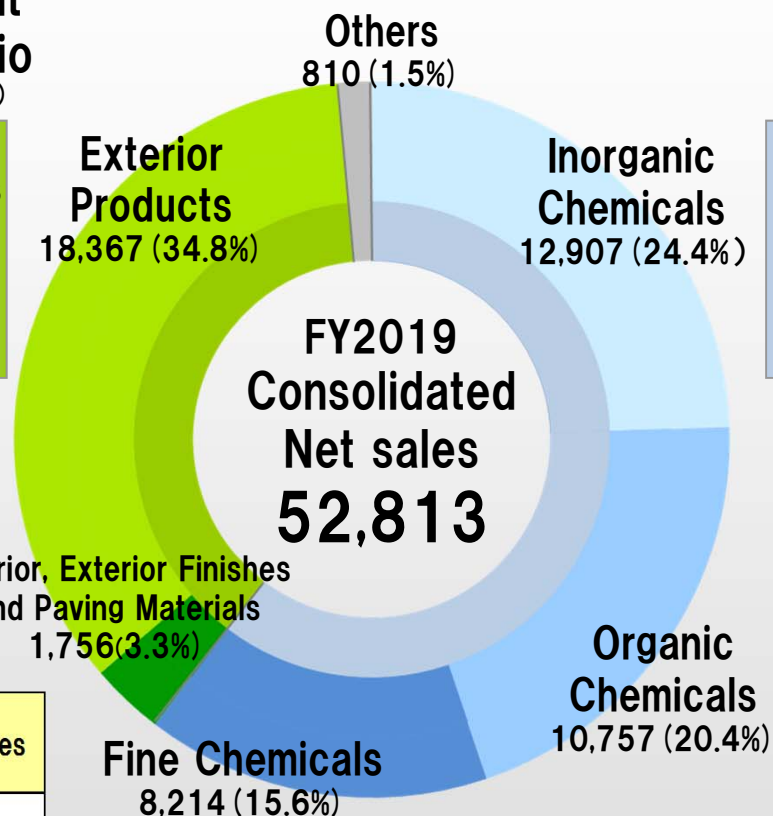
		FY2019	FY2020 (Forecast)	Increase of amount	Changes
Net sales	First half	25,130	25,800	669	2.7%
	Second half	27,683	27,700	16	0.1%
	Full-year	52,813	53,500	686	1.3%
Operating income	First half	3,441	3,400	▲ 41	▲ 1.2%
	Second half	4,607	4,800	192	4.2%
	Full-year	8,049	8,200	150	1.9%
Ordinary income	First half	3,746	3,600	▲ 146	▲ 3.9%
	Second half	4,685	4,900	214	4.6%
	Full-year	8,431	8,500	68	0.8%
Net income attributable to owners of the parent	First half	2,541	2,400	▲ 141	▲ 5.6%
	Second half	2,856	3,400	543	19.0%
	Full-year	5,397	5,800	402	7.5%

*Assumed exchange rates are as follows:
105 yen per U.S. dollar, and 125 yen per euro.

Sales and Profit by Business segments

■ Sales amount constituent ratio (Millions of yen)

Housing Materials operations
20,124 (38.1%)

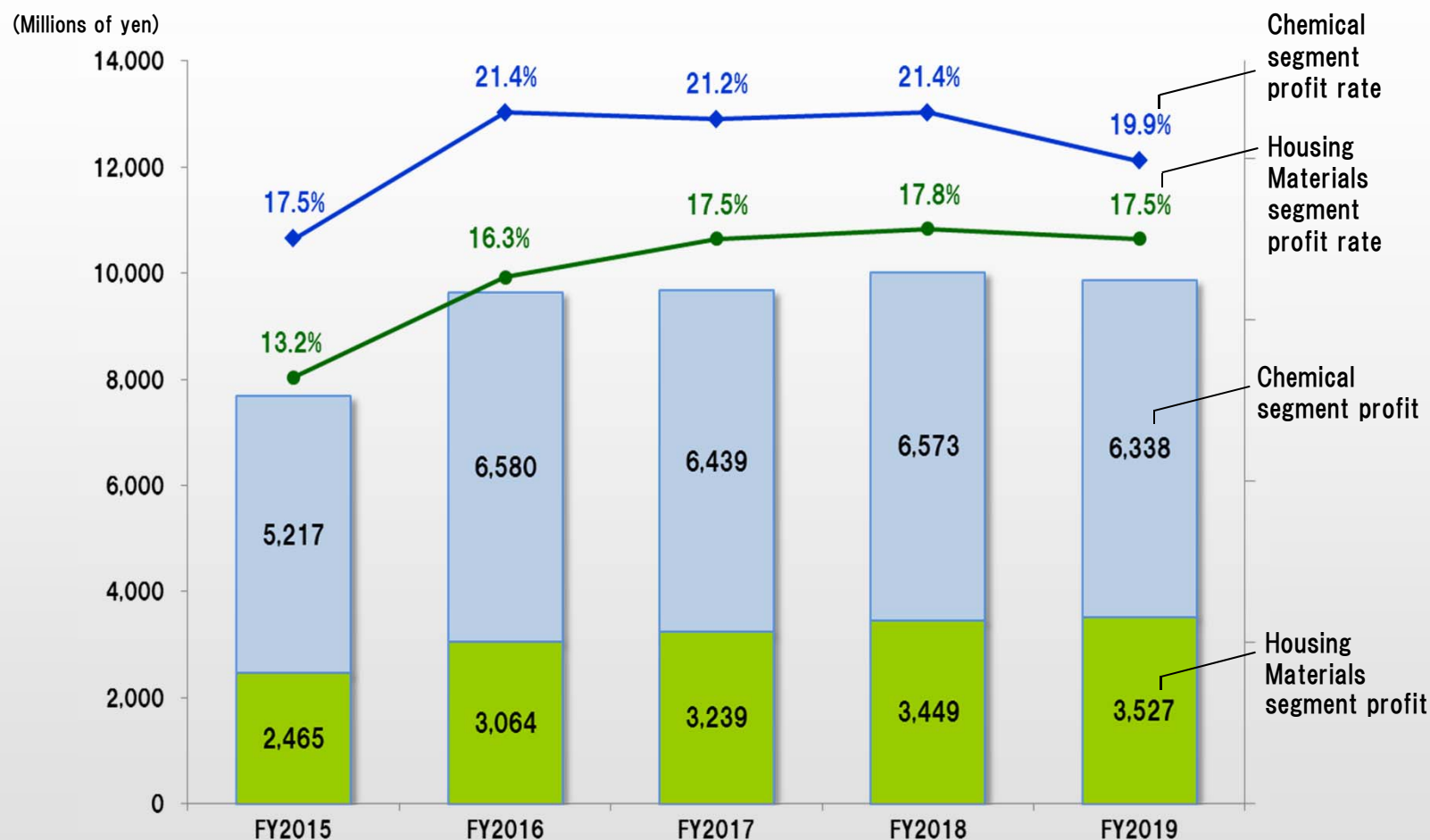


Chemical operations
31,879 (60.4%)

■ Segment information (Millions of yen)

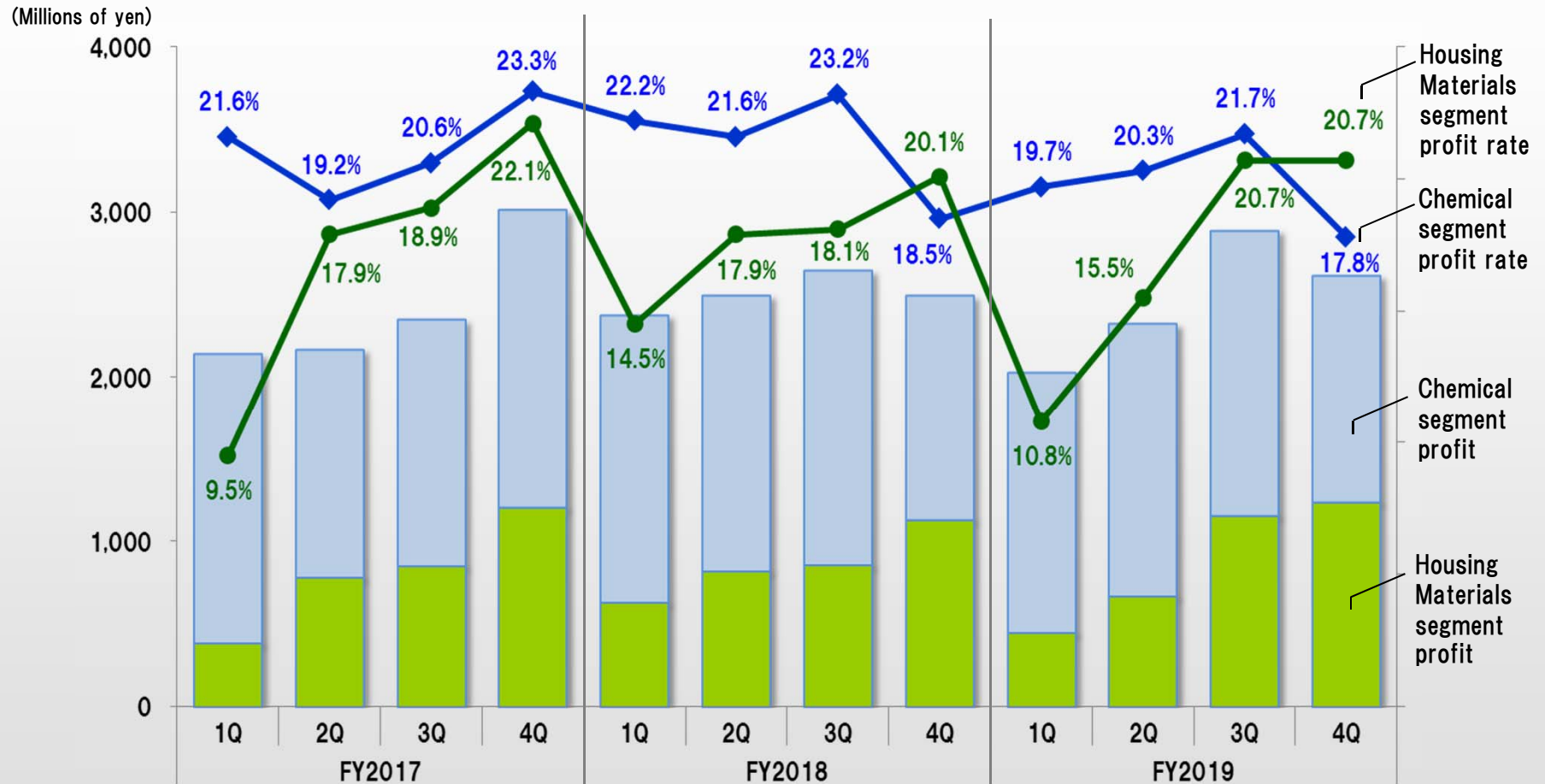
	FY2018	FY2019	Increase of amount	Changes
Net sales				
Chemical operations	30,701	31,879	1,177	3.8%
Housing Materials operations	19,376	20,124	747	3.9%
Segment profit				
Chemical operations	6,573	6,338	▲ 234	▲ 3.6%
Housing Materials operations	3,449	3,527	77	2.3%

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



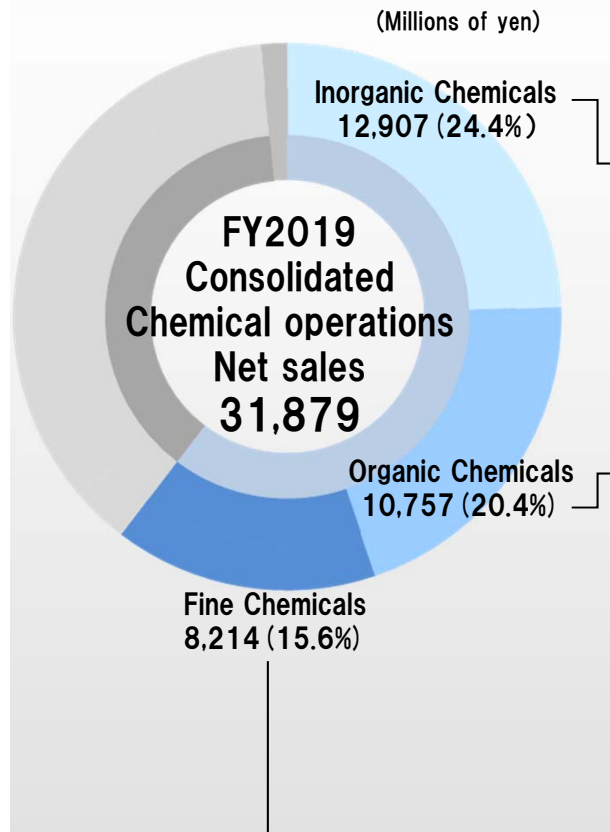
Chemical operations net sales	29,752	30,769	30,325	30,701	31,879
Housing Materials operations net sales	18,647	18,792	18,468	19,376	20,124
Chemical segment profit	5,217	6,580	6,439	6,573	6,338
Housing Materials segment profit	2,465	3,064	3,239	3,449	3,527

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	7,988	7,734
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	5,593	5,986
Chemical segment profit	1,752	1,385	1,492	1,808	1,745	1,675	1,790	1,362	1,577	1,652	1,731	1,377
Housing Materials segment profit	389	785	857	1,207	633	823	859	1,133	452	673	1,160	1,241

Chemicals operations segment



【 Main products 】

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



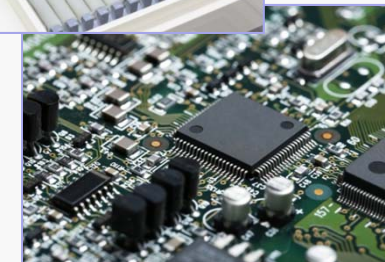
【 Main products 】

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

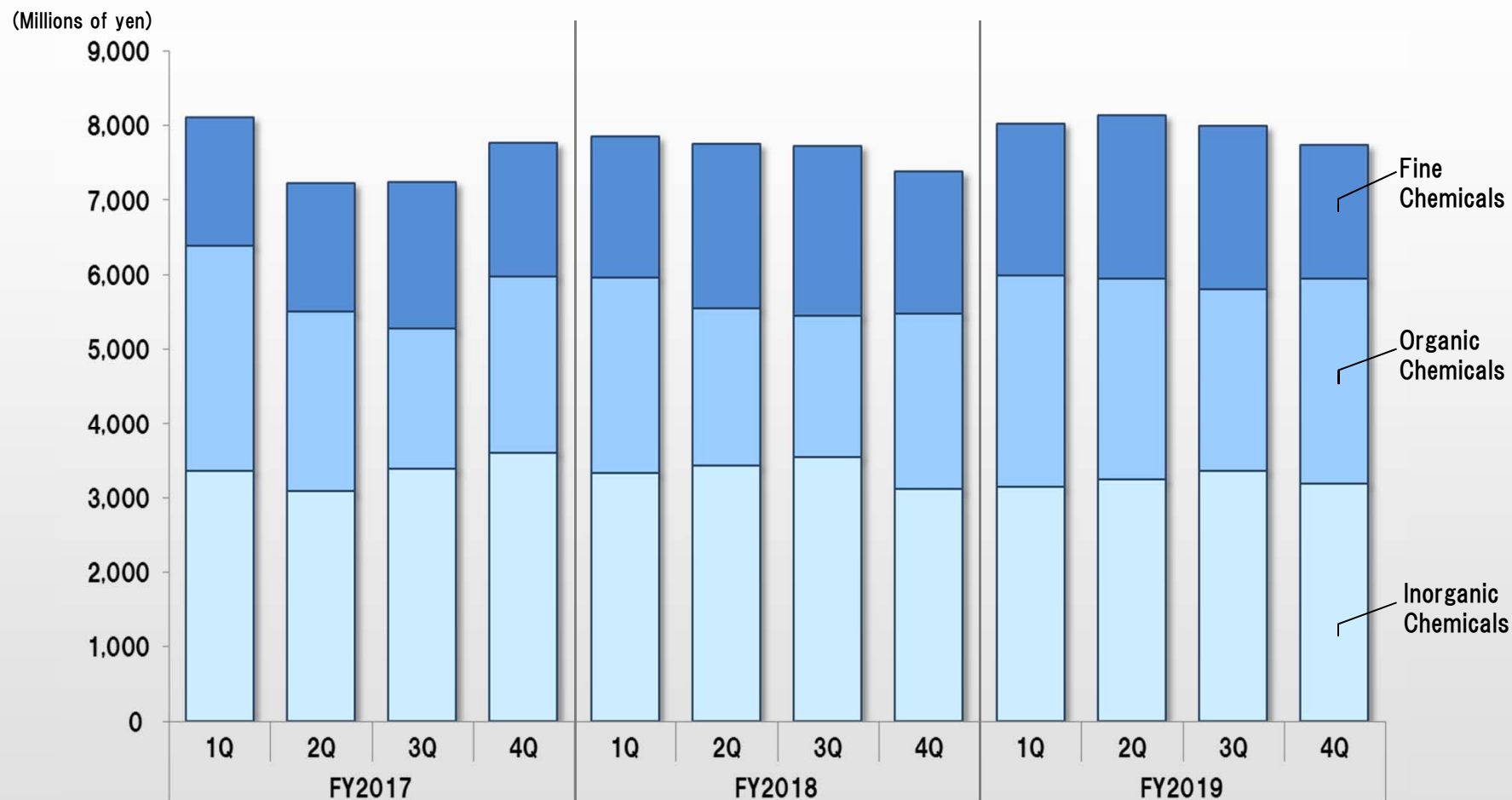


【 Main products 】

- 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	2,188	1,790
Organic Chemicals	3,029	2,430	1,891	2,375	2,636	2,126	1,900	2,358	2,839	2,707	2,450	2,761
Inorganic Chemicals	3,357	3,077	3,381	3,602	3,320	3,420	3,543	3,110	3,140	3,233	3,350	3,183

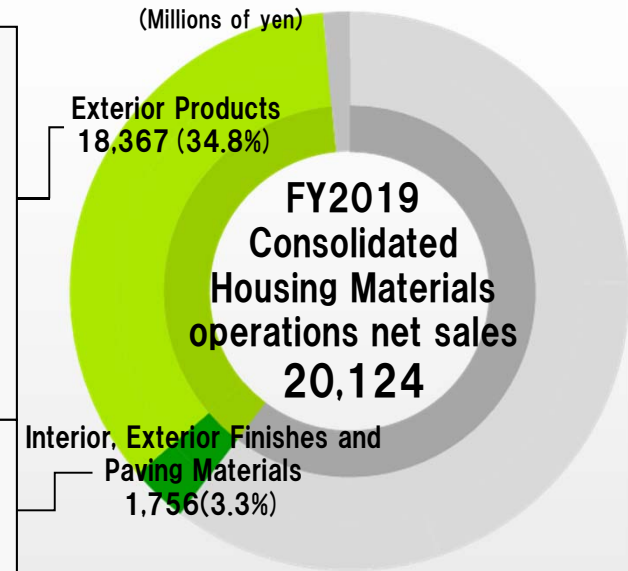
Housing Materials operations segment

【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)

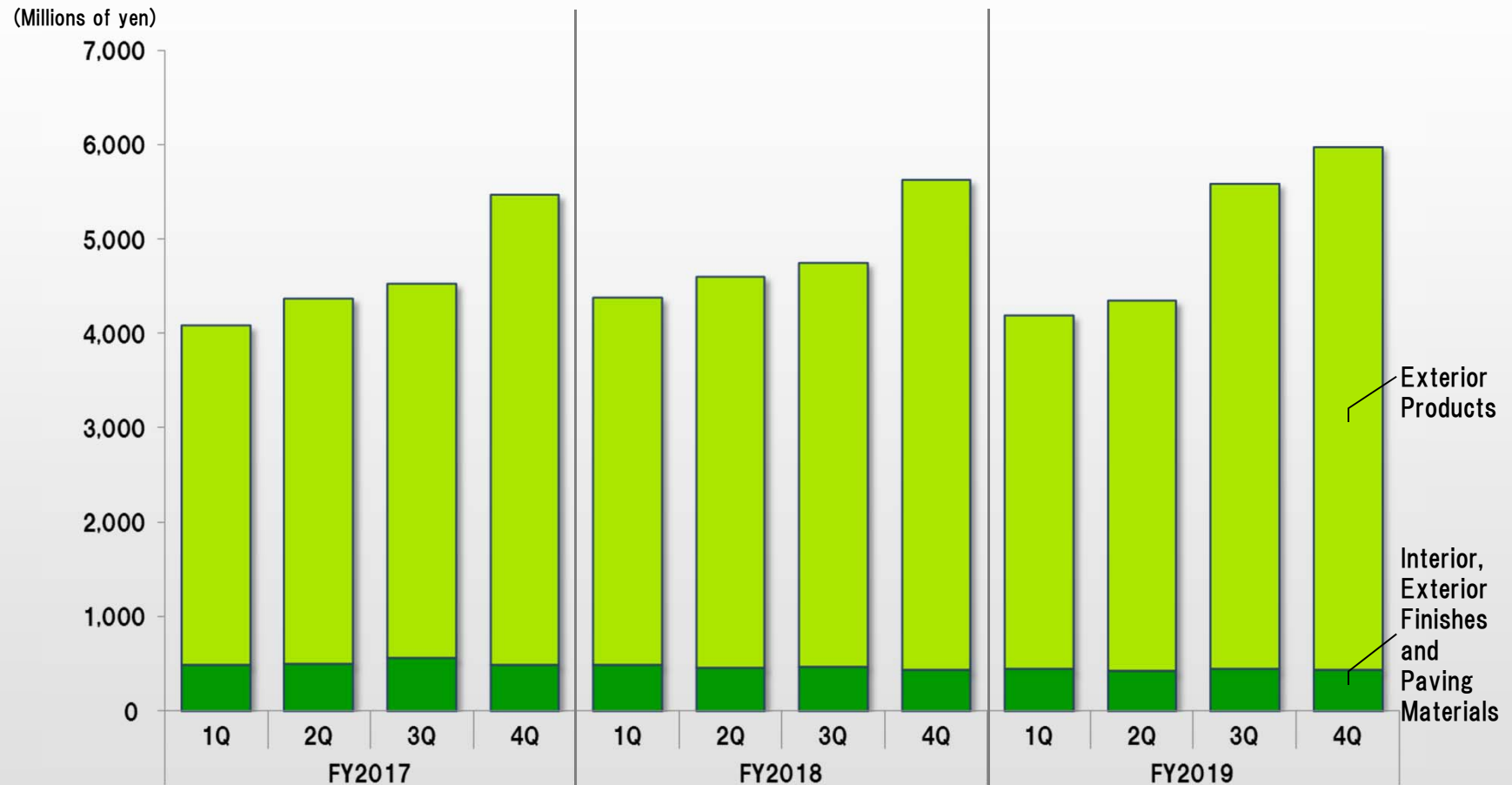


“Alegria fence TM” (fence)
“Alegria TM side gate”



“Myroof 7” (garage)

Sales Trend of Housing Materials operations (consolidated and quarter)



Exterior Products	3,596	3,876	3,972	4,983	3,895	4,148	4,279	5,195	3,764	3,926	5,147	5,547
Interior, Exterior Finishes and Paving Materials	489	499	559	490	487	460	471	437	446	423	446	438

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.