Financial Results for the 2nd Quarter of the FY2021 (April 1, 2020-September 30, 2020)

October 27, 2020

SHIKOKU CHEMICALS CORPORATION

Code number : 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,10 sales offices 〔Overseas〕U.S.A,China(Shanghai,Shenzhen), Taiwan,Shingapore
- ■Capital　6,867 million yen
- ■Number of employees　Consolidated 1,217　Non-Consolidated 632（As of September 30, 2020）

▼Share of stock

- ■Issued Shares　56 million shares
- ■Number of Shareholders　4,128（As of September 30, 2020）

▼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.

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Highlights of Financial Results for the 2Q of FY2021

(Millions of yen)

	Consolidated cumulative 2Q				Increase of amount	Changes
	FY2020		FY2021			
	Amount	Percentage	Amount	Percentage		
Net sales	25,693	100.0%	23,408	100.0%	▲ 2,285	▲8.9%
Operating Income	3,567	13.9%	2,609	11.1%	▲ 958	▲26.9%
Ordinary income	3,626	14.1%	2,822	12.1%	▲ 803	▲22.2%
Net income attributable to owners of the parent	2,534	9.9%	1,924	8.2%	▲ 609	▲24.1%
Exchange rate (USD)	109		107			
Exchange rate (EUR)	123		120			

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

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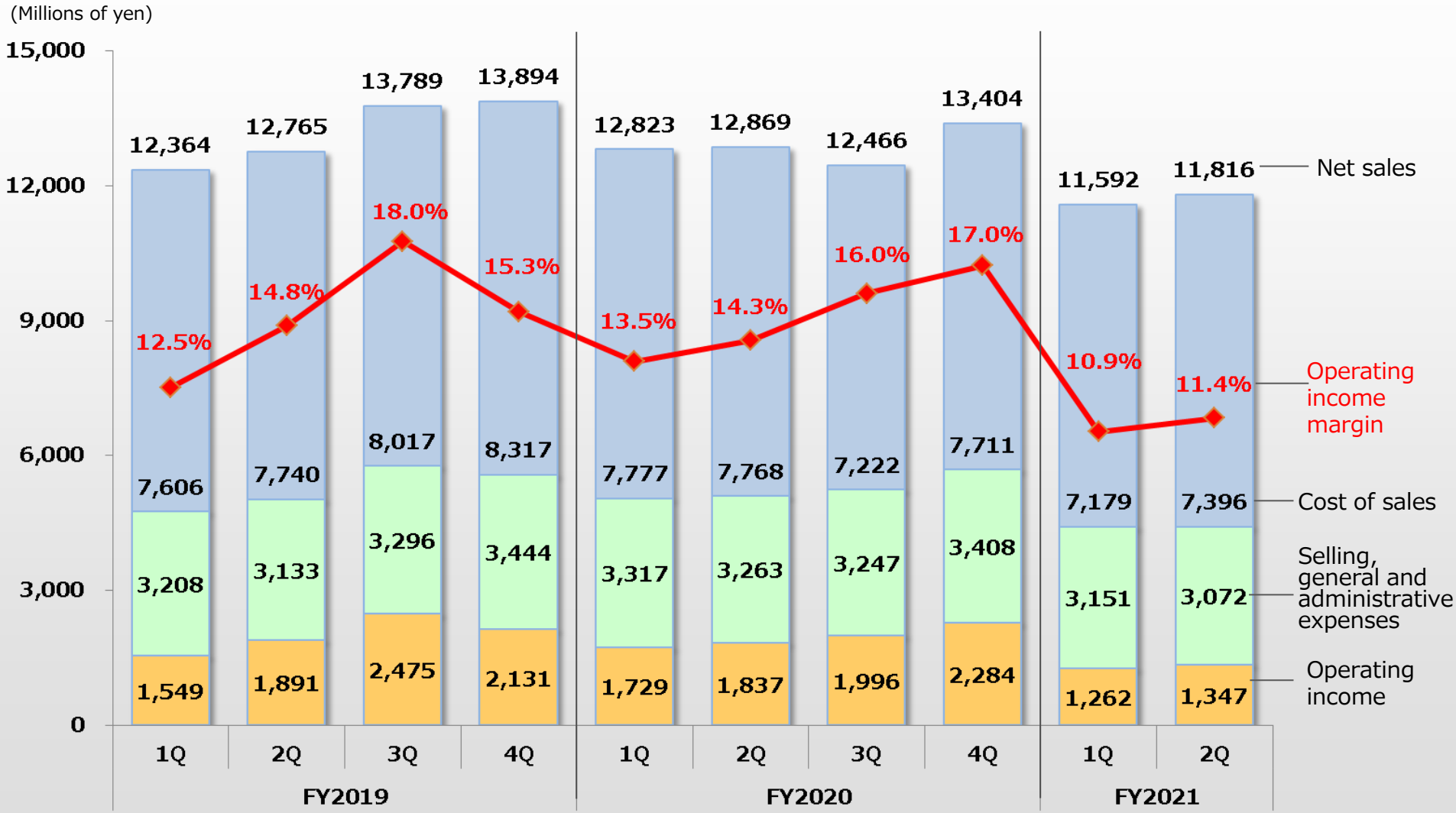
Financial Results Trend (consolidated and quarter)



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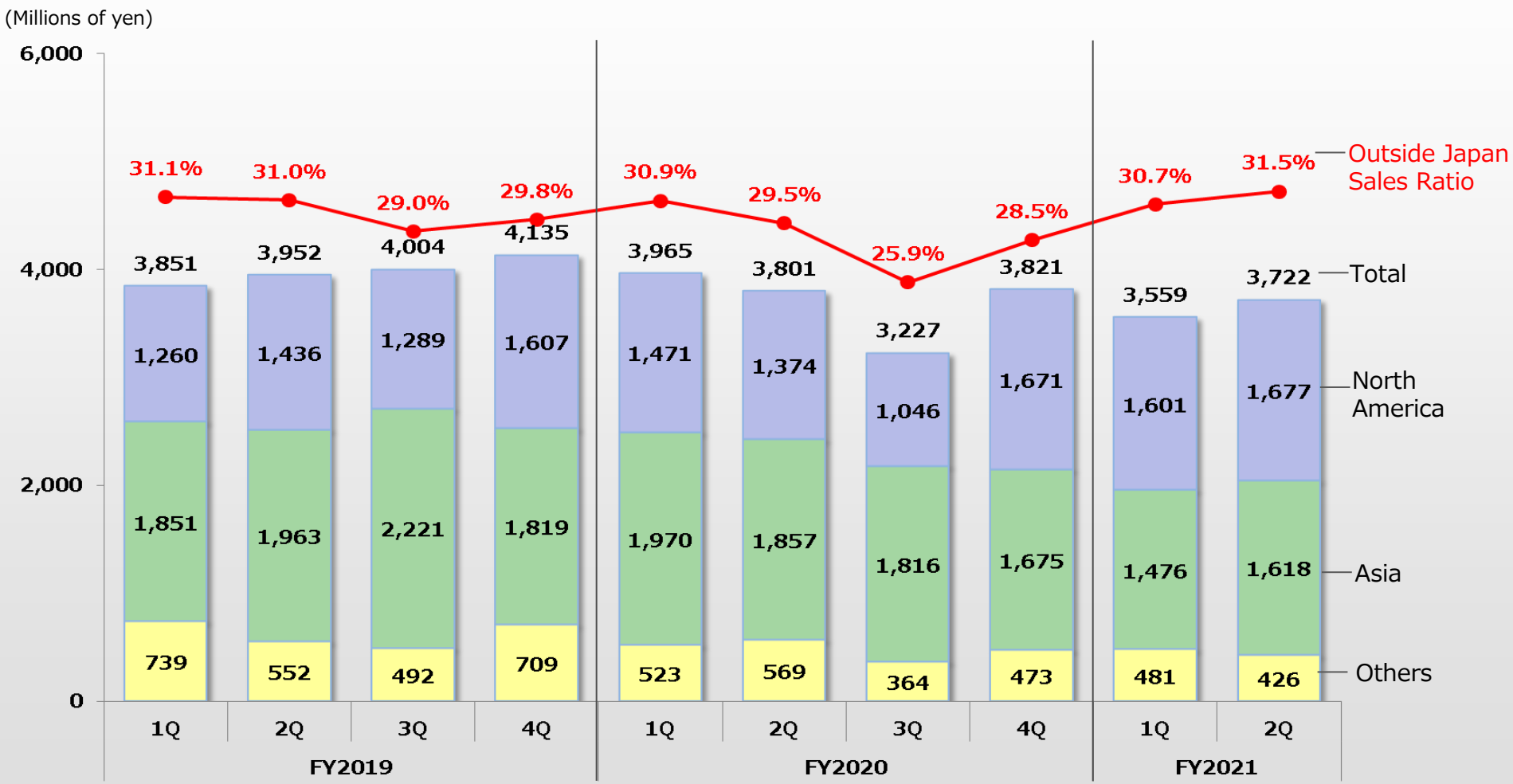
Sales Trends by Region



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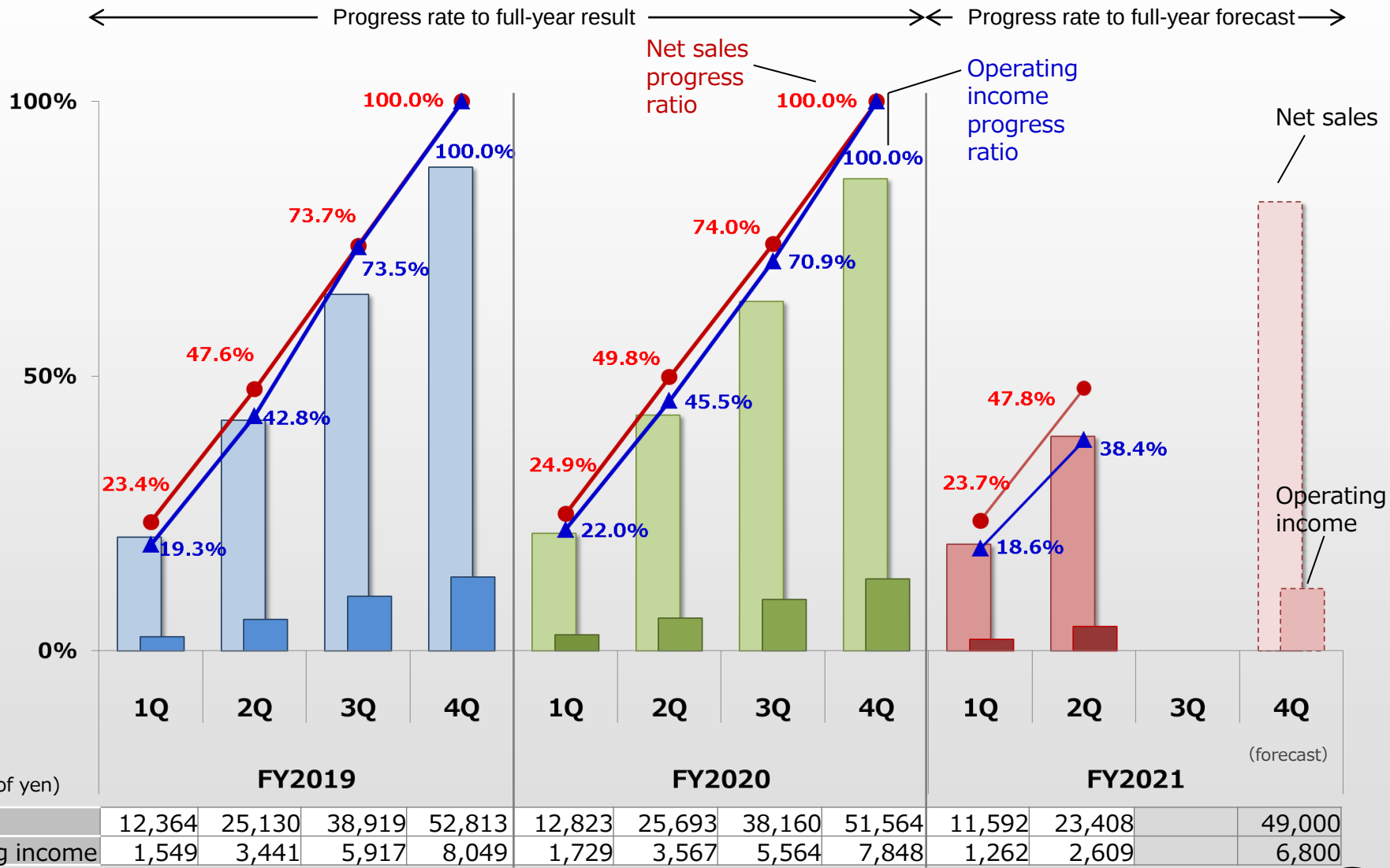
Progress report



(Millions of yen)

	FY2019				FY2020				FY2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q (forecast)
Net sales	12,364	25,130	38,919	52,813	12,823	25,693	38,160	51,564	11,592	23,408		49,000
Operating income	1,549	3,441	5,917	8,049	1,729	3,567	5,564	7,848	1,262	2,609		6,800

Note: Revisions to the consolidated earnings forecasts most recently announced: Yes

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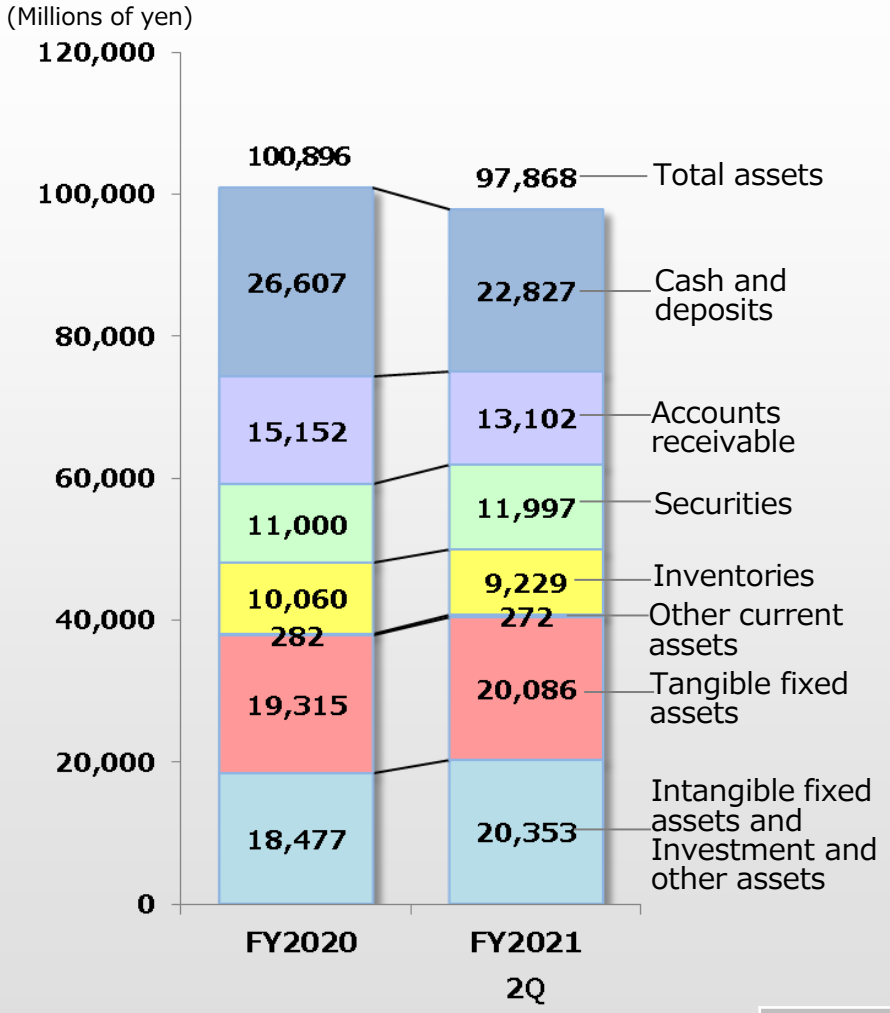
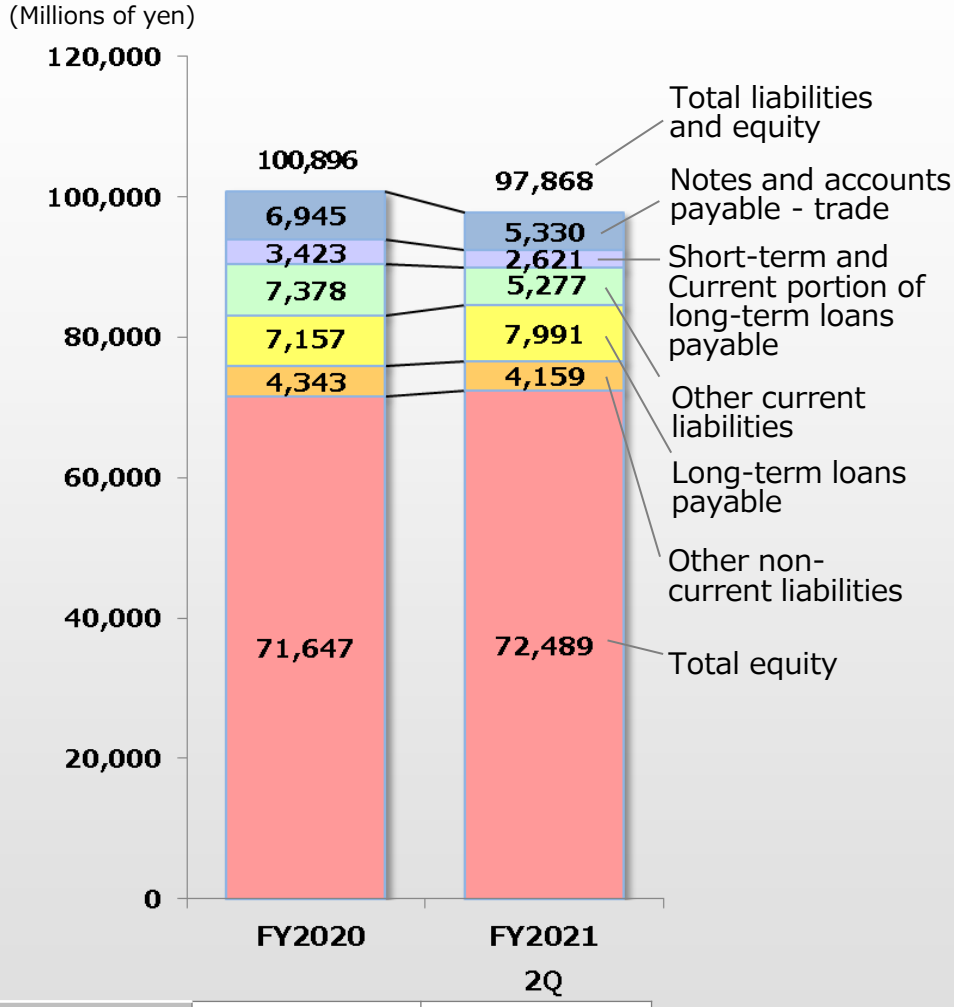
Assets / Liabilities, and a total equity (consolidated)





interest-bearing debt (millions of yen)	10,838	10,883
net interest-bearing debt (millions of yen)	▲ 15,769	▲ 11,944
Equity ratio (%)	70.2%	73.3%

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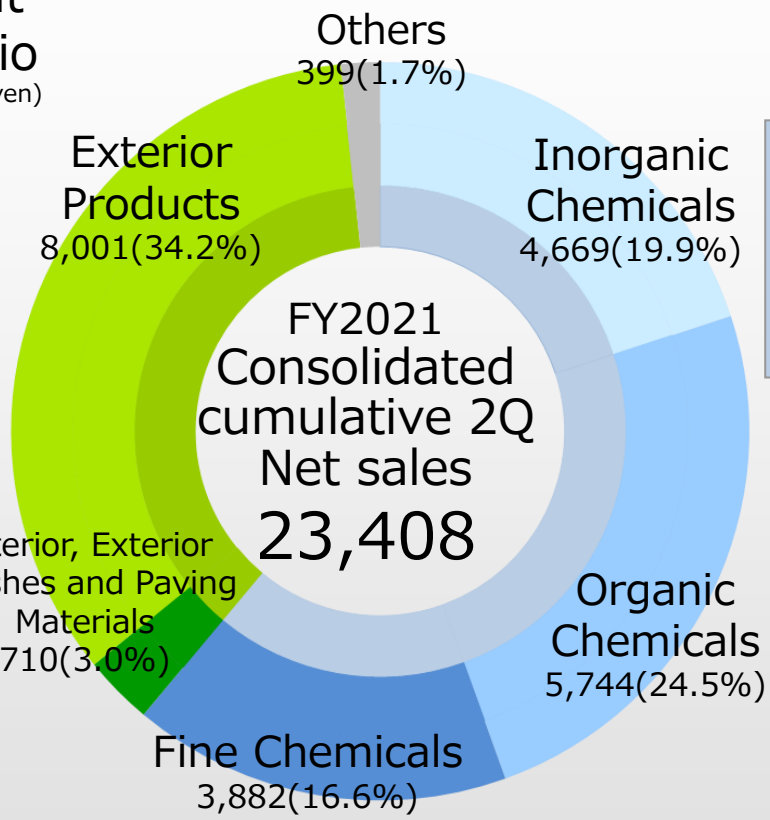
Sales and Profit by Business segments

■ Sales amount constituent ratio
(Millions of yen)

Housing Materials operations
8,711(37.2%)

Chemical operations
14,297(61.1%)



■ Segment information (Millions of yen)

	Consolidated cumulative 2Q		Increase of amount	Changes
	FY2020	FY2021		
Net sales				
Chemical operations	15,740	14,297	▲ 1,442	▲9.2%
Housing Materials operations	9,593	8,711	▲ 881	▲9.2%
Segment profit				
Chemical operations	2,955	2,131	▲ 823	▲27.9%
Housing Materials operations	1,527	1,337	▲ 190	▲12.4%

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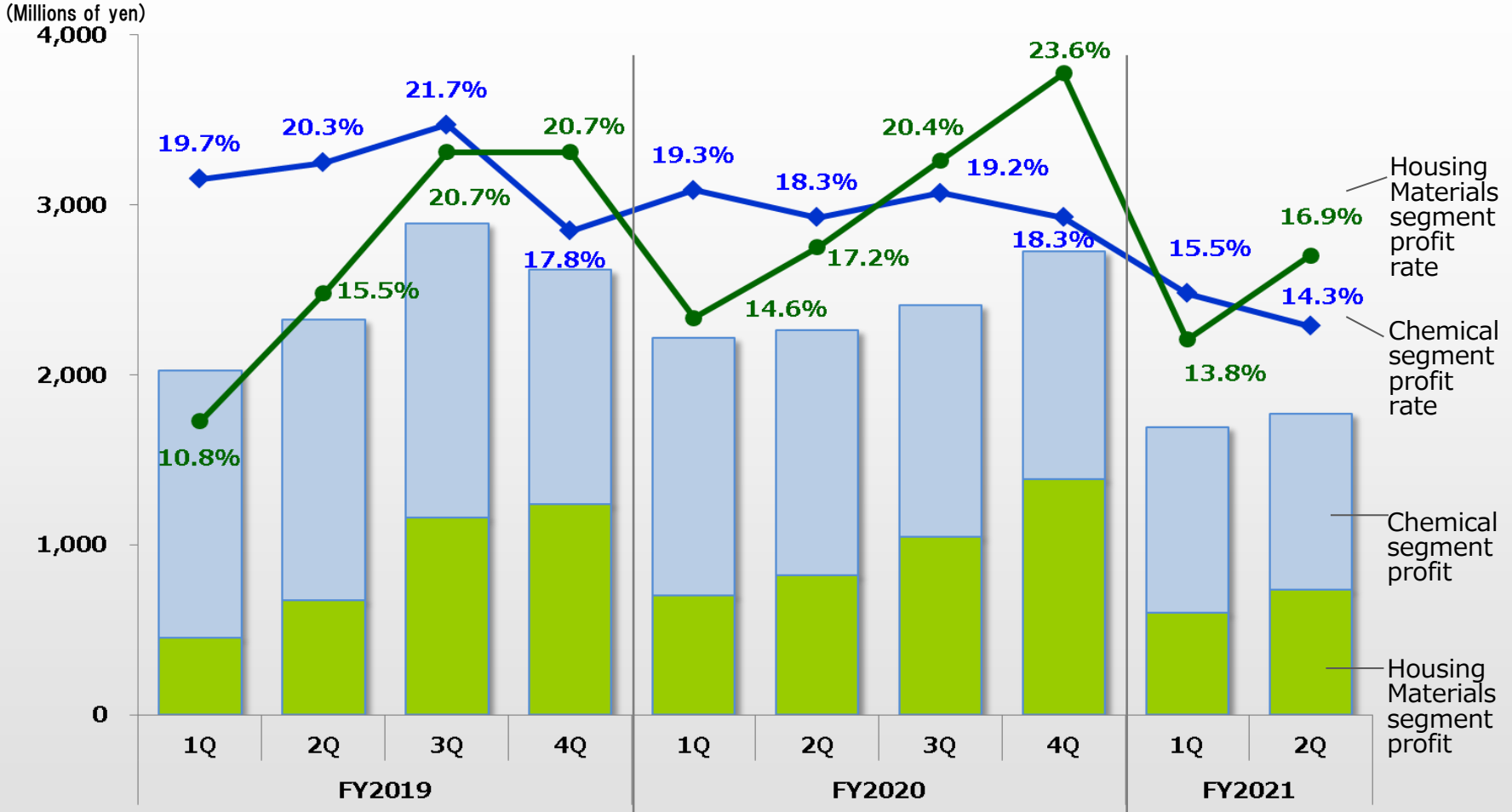
Sales and Profit by Business segments (consolidated and quarter)



	FY2019				FY2020				FY2021	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Chemical operations net sales	8,024	8,132	7,988	7,734	7,854	7,885	7,092	7,317	7,051	7,245
Housing Materials operations net sales	4,193	4,350	5,593	5,986	4,821	4,772	5,137	5,888	4,362	4,349
Chemical segment profit	1,577	1,652	1,731	1,377	1,514	1,440	1,362	1,338	1,093	1,038
Housing Materials segment profit	452	673	1,160	1,241	704	822	1,048	1,390	601	735

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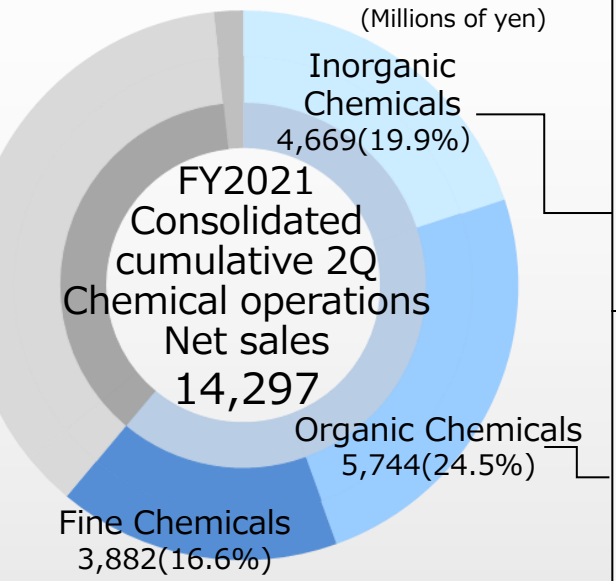
Chemicals operations segment



【 Main products 】

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



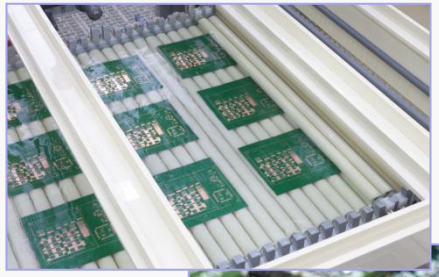
【 Main products 】

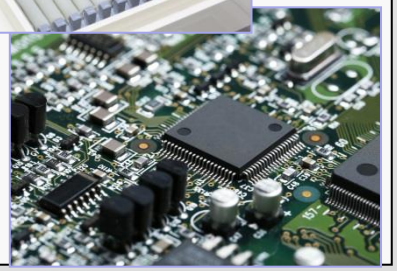
- Cyanuric acid derivatives
  for swimming pool and septic tank disinfectants
- Hipolka



【 Main products 】

- Glicoat-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





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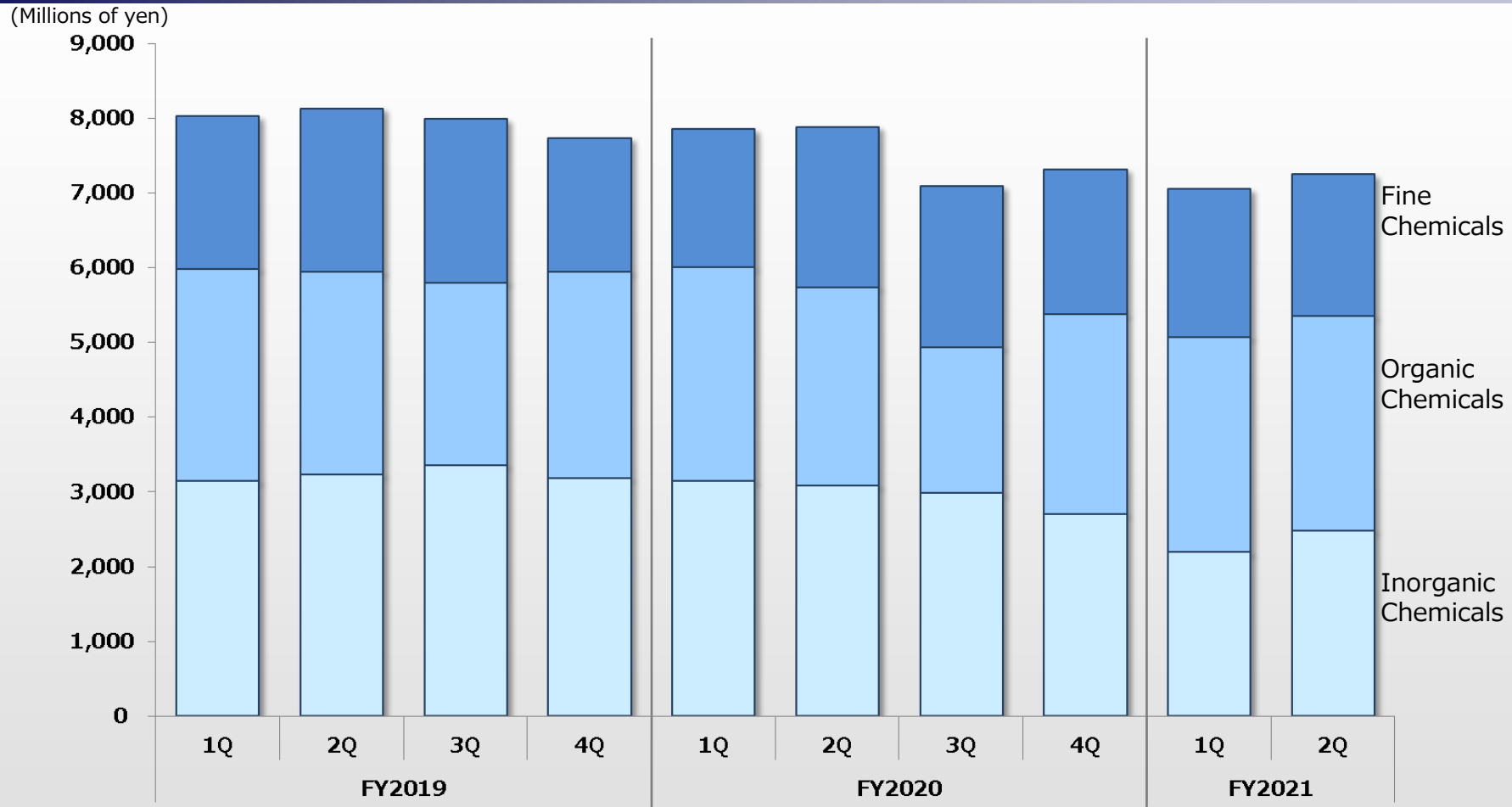
Sales Trend of Chemical operations (consolidated and quarter)



	FY2019 1Q	FY2019 2Q	FY2019 3Q	FY2019 4Q	FY2020 1Q	FY2020 2Q	FY2020 3Q	FY2020 4Q	FY2021 1Q	FY2021 2Q
Fine Chemicals	2,044	2,190	2,188	1,790	1,844	2,148	2,159	1,937	1,984	1,898
Organic Chemicals	2,839	2,707	2,450	2,761	2,859	2,659	1,948	2,679	2,877	2,867
Inorganic Chemicals	3,140	3,233	3,350	3,183	3,149	3,077	2,984	2,700	2,189	2,479

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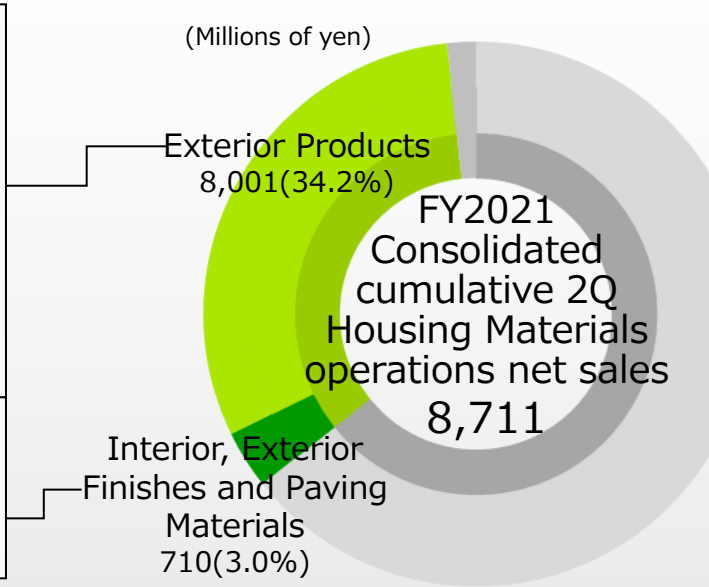
Housing Materials operations segment

【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




"ALPHAGRAN" （ facade ）



"Fun roof" （ terrace ）

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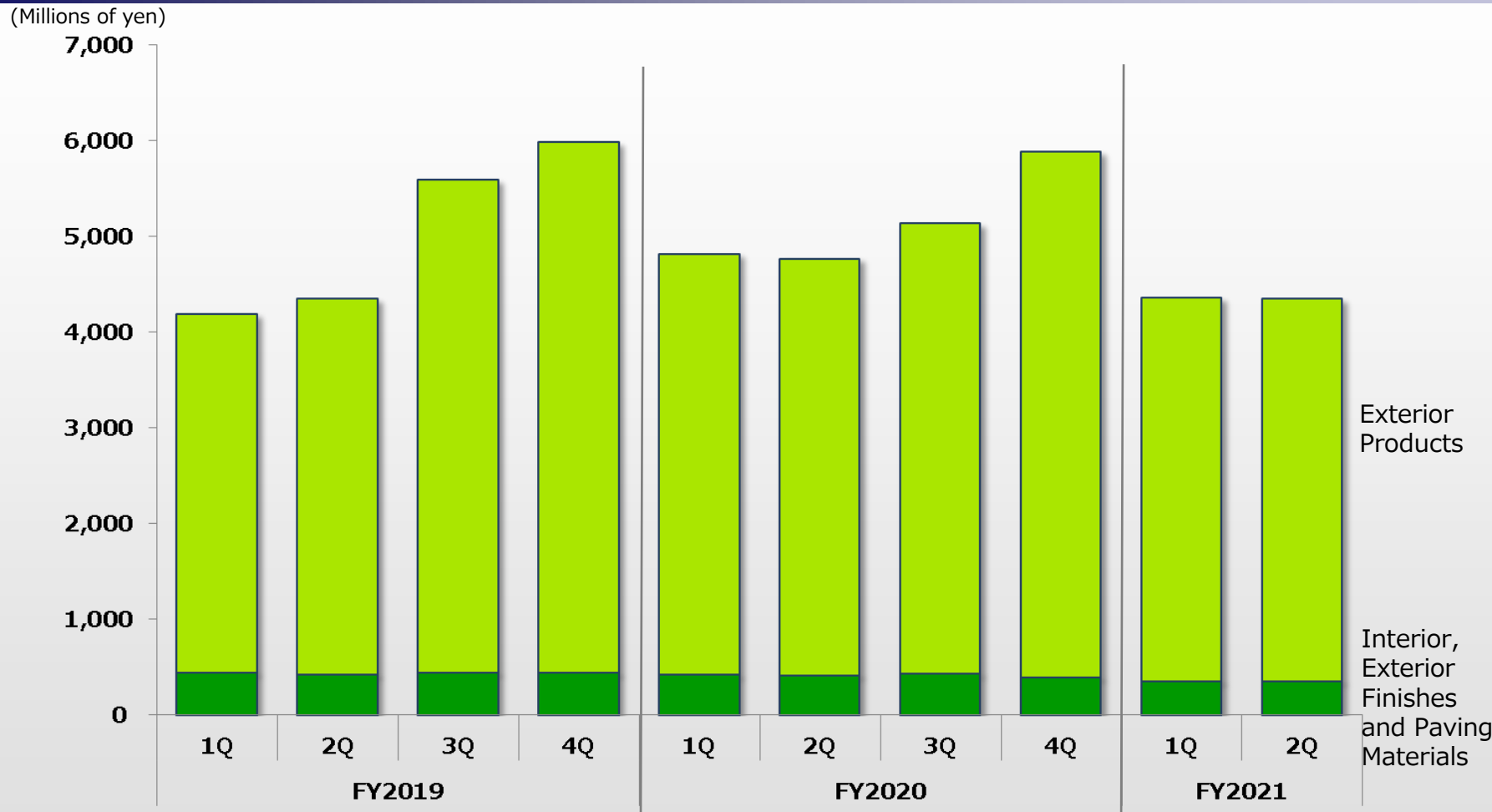
Sales Trend of Housing Materials operations (consolidated and quarter)



	FY2019				FY2020				FY2021	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Exterior Products	3,746	3,926	5,147	5,547	4,401	4,355	4,705	5,492	4,007	3,994
Interior, Exterior Finishes and Paving Materials	446	423	446	438	419	417	431	396	355	355

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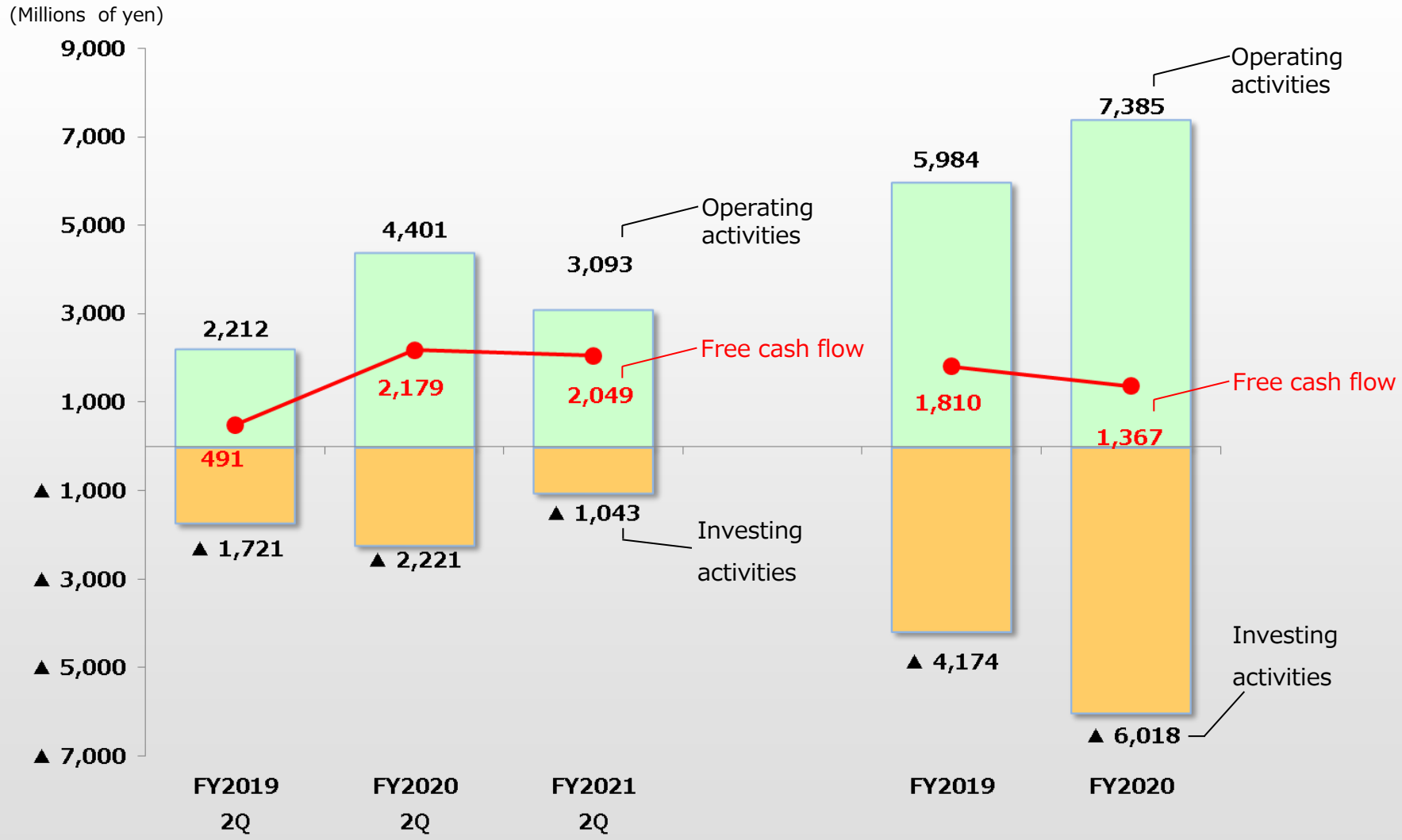
Cash Flow Overview (consolidated)



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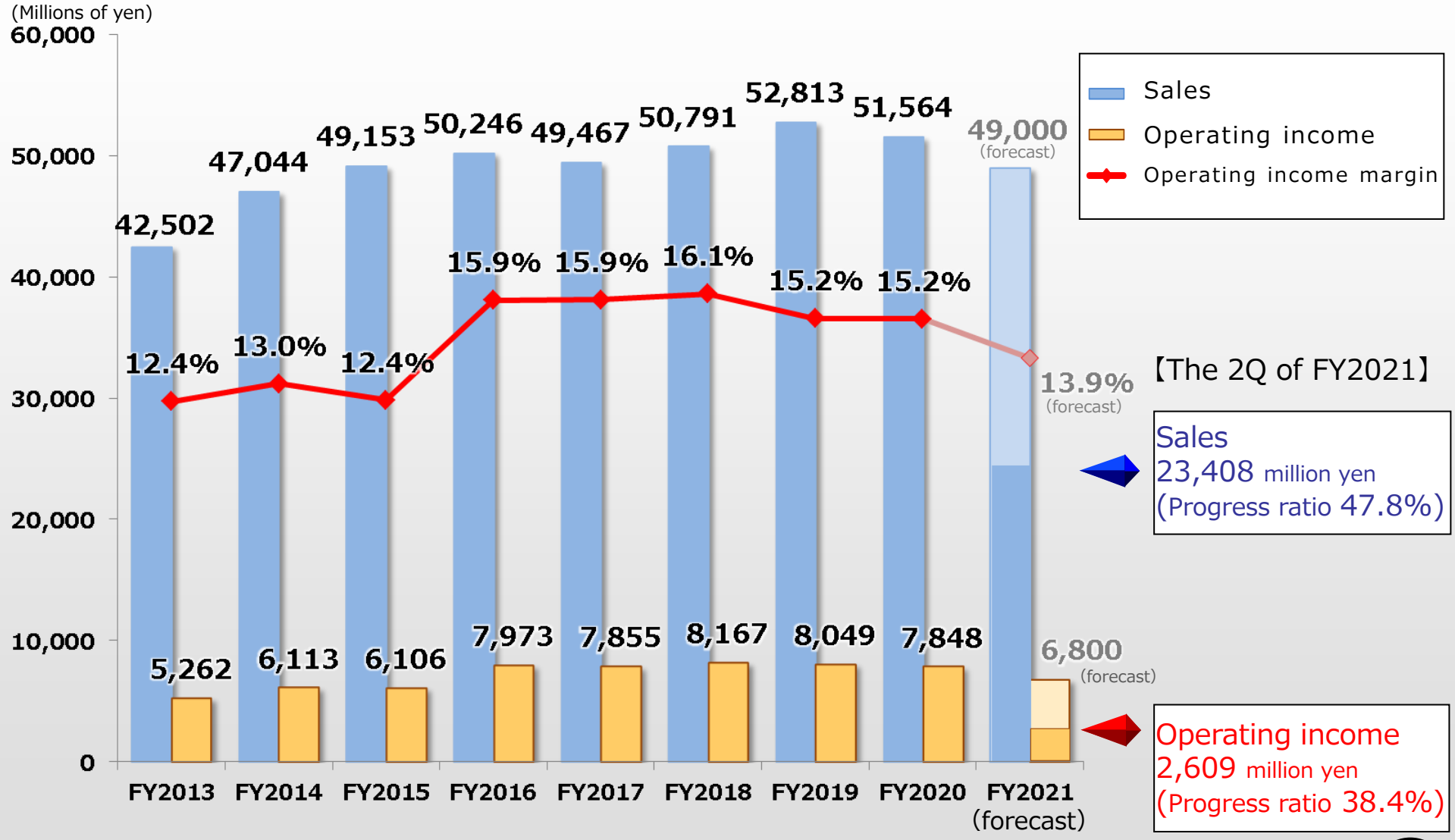
Sales/Operating Income Trend (consolidated)



【The 2Q of FY2021】

Sales
23,408 million yen
(Progress ratio 47.8%)

Operating income
2,609 million yen
(Progress ratio 38.4%)

Note : Revisions to the consolidated earnings forecasts most recently announced : Yes

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