

**Consolidated Financial Results**  
**for the Nine Months Ended December 31, 2017**  
**[Japanese GAAP]**



February 14, 2018

Company name: Honshu Chemical Industry Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 4115  
 URL: <http://www.honshuchemical.co.jp/>  
 Representative: Yuji Fukuyama, President and CEO  
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 Phone: +81-3-3272-1482  
 Scheduled date of filing quarterly securities report: February 14, 2018  
 Scheduled date of commencing dividend payments: -  
 Availability of supplementary briefing material on quarterly financial results: No  
 Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

**1. Consolidated Financial Results for the Nine Months Ended December 31, 2017 (April 1, 2017 to December 31, 2017)**

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2017	14,668	17.7	2,386	58.3	2,338	57.9	1,278	65.4
December 31, 2016	12,464	(10.7)	1,507	(14.0)	1,481	(13.3)	773	8.3

(Note) Comprehensive income: Nine months ended December 31, 2017: ¥ 2,238million [117.0%]  
 Nine months ended December 31, 2016: ¥ 1,031 million [(7.1)%]

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
December 31, 2017	111.41	—
December 31, 2016	67.37	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2017	27,633	18,963	60.3
As of March 31, 2017	25,450	17,311	60.2

(Reference) Equity: As of December 31, 2017: ¥16,652 million  
 As of March 31, 2017: ¥ 15,311 million

**2. Dividends**

	Cash dividends per share				
	1Q	2Q	3Q	4Q	Total annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2017	—	10.00	—	16.00	26.00
Fiscal year ending March 31, 2018	—	10.00	—		
Fiscal year ending March 31, 2018 (Forecast)				18.00	28.00

(Note) Revision to the dividend forecast announced most recently: Yes

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	20,000	15.1	3,000	46.5	2,900	44.8	1,500	52.0	130.70

(Note) Revision to the financial results forecast announced most recently: Yes

#### \* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No  
 Newly included: No  
 Excluded: No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

- 1) Changes in accounting policies due to the revision of accounting standards: No
- 2) Changes in accounting policies other than 1) above: No
- 3) Changes in accounting estimates: No
- 4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2017: 11,500,000 shares

March 31, 2017: 11,500,000 shares

2) Total number of treasury shares at the end of the period:

December 31, 2017: 23,104 shares

March 31, 2017: 23,067 shares

3) Average number of shares during the period:

Nine months ended December 31, 2017: 11,476,911 shares

Nine months ended December 31, 2016: 11,476,933 shares

#### \* Presentation regarding the implementation status of the quarterly review procedures

These quarterly financial results are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial results, however, review procedures for the quarterly financial statements under the Financial Instruments and Exchange Act have been completed.

#### \* Explanation for the appropriate use of performance forecasts and other special notes

The performance forecasts and other statements on future events presented in this material are based on information that was available at the time of preparation of this material and based on certain assumptions considered to be reasonable. The actual performance, etc. may differ materially from these forecasts due to various factors.

3. Quarterly Consolidated Financial Statements  
 (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2017	As of December 31, 2017
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	6,313	7,327
Accounts receivable - trade	4,691	5,355
Merchandise and finished goods	3,016	2,735
Work in process	270	265
Raw materials and supplies	645	1,072
Other	261	281
<b>Total current assets</b>	<b>15,199</b>	<b>17,037</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Machinery, equipment and vehicles, net	6,714	7,108
Other, net	2,685	2,679
<b>Total property, plant and equipment</b>	<b>9,400</b>	<b>9,788</b>
Intangible assets	48	40
Investments and other assets	803	768
<b>Total non-current assets</b>	<b>10,251</b>	<b>10,596</b>
<b>Total assets</b>	<b>25,450</b>	<b>27,633</b>

(Million yen)

	As of March 31, 2017	As of December 31, 2017
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,714	2,305
Short-term loans payable	1,958	1,539
Income taxes payable	307	437
Other	1,136	1,609
Total current liabilities	5,116	5,892
Non-current liabilities		
Long-term loans payable	239	—
Net defined benefit liability	1,797	1,869
Other	986	908
Total non-current liabilities	3,023	2,778
Total liabilities	8,139	8,670
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,500	1,500
Capital surplus	1,013	1,013
Retained earnings	12,892	13,872
Treasury shares	(14)	(14)
Total shareholders' equity	15,391	16,371
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	60	78
Foreign currency translation adjustment	(90)	199
Remeasurements of defined benefit plans	(50)	1
Total accumulated other comprehensive income	(80)	280
Non-controlling interests	1,999	2,311
Total net assets	17,311	18,963
Total liabilities and net assets	25,450	27,633

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
 Quarterly Consolidated Statements of Income

(Million yen)

	For the nine months ended December 31, 2016	For the nine months ended December 31, 2017
Net sales	12,464	14,668
Cost of sales	9,570	10,864
Gross profit	2,894	3,804
Selling, general and administrative expenses	1,386	1,417
Operating income	1,507	2,386
Non-operating income		
Interest income	0	0
Dividend income	3	3
Foreign exchange gains	0	12
Compensation income	24	—
Other	5	4
Total non-operating income	33	21
Non-operating expenses		
Interest expenses	37	33
Costs of removing fixed assets	6	14
Loss on disposal of fixed assets	15	7
Loss on withdrawing of business	—	12
Other	0	2
Total non-operating expenses	60	69
Ordinary income	1,481	2,338
Income before income taxes	1,481	2,338
Income taxes	391	697
Net income	1,089	1,640
Net income attributable to non-controlling interests	316	362
Net income attributable to owners of parent	773	1,278

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	For the nine months ended December 31, 2016	For the nine months ended December 31, 2017
Net income	1,089	1,640
Other comprehensive income		
Valuation difference on available-for-sale securities	49	18
Foreign currency translation adjustment	(167)	527
Re-measurements of defined benefit plans, net of tax	60	52
Total other comprehensive income	(57)	597
Comprehensive income	1,031	2,238
Comprehensive income attributable to		
Owners of parent	792	1,639
Non-controlling interests	239	599