

**Consolidated Financial Results**  
**for the Nine Months Ended December 31, 2018**  
**[Japanese GAAP]**



February 8, 2019

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  
 Contact: Kazuoki Wada, General Manager of Accounting  
 Phone: +81-3-3272-1481  
 Scheduled date of filing quarterly securities report: February 13, 2019  
 Scheduled date of commencing dividend payments: -  
 Availability of supplementary briefing material on quarterly financial results: Yes  
 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, 2018 (April 1, 2018 to December 31, 2018)**

(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, 2018	14,848	1.2	2,457	3.0	2,414	3.3	1,355	6.0
December 31, 2017	14,668	17.7	2,386	58.3	2,338	57.9	1,278	65.4

(Note) Comprehensive income: Nine Months ended December 31, 2018: ¥ 1,548 million [(30.8)%]  
 Nine Months ended December 31, 2017: ¥ 2,238 million [117.0%]

	Net income per share	Diluted net income per share
	Yen	Yen
Nine Months ended December 31, 2018	118.09	—
December 31, 2017	111.41	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2018	28,412	20,059	63.2
As of March 31, 2018	27,759	19,410	61.3

(Reference) Equity: As of December 31, 2018: ¥ 17,959 million  
 As of March 31, 2018: ¥ 17,022 million

**2. Dividends**

	Cash dividends per share				
	1Q	2Q	3Q	4Q	Total annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	—	10.00	—	18.00	28.00
Fiscal year ending March 31, 2019	—	10.00			
Fiscal year ending March 31, 2019 (Forecast)			—	18.00	28.00

(Note) Revision to the dividend forecast announced most recently: No

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net Income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	21,500	7.0	3,200	(0.2)	3,100	(0.8)	1,650	(4.3)	143.77

(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, 2018: 11,500,000 shares  
March 31, 2018: 11,500,000 shares
  - 2) Total number of treasury shares at the end of the period:  
December 31, 2018: 23,106 shares  
March 31, 2018: 23,104 shares
  - 3) Average number of shares during the period:  
Nine Months ended December 31, 2018: 11,476,895 shares  
Nine Months ended December 31, 2017: 11,476,911 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, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	7,918	7,770
Accounts receivable - trade	5,262	5,009
Merchandise and finished goods	2,671	3,949
Work in process	305	304
Raw materials and supplies	1,087	1,218
Other	128	162
Total current assets	17,373	18,415
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	6,794	6,311
Other, net	2,653	2,760
Total property, plant and equipment	9,447	9,072
Intangible assets	36	45
Investments and other assets	901	878
Total non-current assets	10,386	9,996
Total assets	27,759	28,412

(Million yen)

	As of March 31, 2018	As of December 31, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	2,537	2,579
Short-term loans payable	1,261	1,000
Accounts payable - other	407	825
Income taxes payable	618	317
Provision for directors' bonuses	15	24
Other	736	841
<b>Total current liabilities</b>	<b>5,574</b>	<b>5,587</b>
<b>Non-current liabilities</b>		
Provision for directors' retirement benefits	30	—
Net defined benefit liability	1,888	1,945
Other	854	820
<b>Total non-current liabilities</b>	<b>2,774</b>	<b>2,765</b>
<b>Total liabilities</b>	<b>8,349</b>	<b>8,353</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,500	1,500
Capital surplus	1,013	1,013
Retained earnings	14,317	15,351
Treasury shares	(14)	(14)
<b>Total shareholders' equity</b>	<b>16,816</b>	<b>17,850</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	61	46
Foreign currency translation adjustment	121	55
Remeasurements of defined benefit plans	21	6
<b>Total accumulated other comprehensive income</b>	<b>205</b>	<b>108</b>
<b>Non-controlling interests</b>	<b>2,388</b>	<b>2,099</b>
<b>Total net assets</b>	<b>19,410</b>	<b>20,059</b>
<b>Total liabilities and net assets</b>	<b>27,759</b>	<b>28,412</b>

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

(Million yen)

	For the Nine Months ended December 31, 2017	For the Nine Months ended December 31, 2018
Net sales	14,668	14,848
Cost of sales	10,864	10,841
Gross profit	3,804	4,007
Selling, general and administrative expenses	1,417	1,549
Operating income	2,386	2,457
Non-operating income		
Interest income	0	0
Dividend income	3	14
Foreign exchange gains	12	—
Other	4	3
Total non-operating income	21	17
Non-operating expenses		
Interest expenses	33	29
Removal cost	14	10
Loss on withdrawing business	12	—
Other	9	20
Total non-operating expenses	69	60
Ordinary income	2,338	2,414
Income before income taxes	2,338	2,414
Income taxes	697	712
Net income	1,640	1,702
Net income attributable to non-controlling interests	362	347
Net income attributable to owners of parent	1,278	1,355

Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	For the Nine Months ended December 31, 2017	For the Nine Months ended December 31, 2018
Net income	1,640	1,702
Other comprehensive income		
Valuation difference on available-for-sale securities	18	(15)
Foreign currency translation adjustment	527	(123)
Remeasurements of defined benefit plans, net of tax	52	(15)
Total other comprehensive income	597	(154)
Comprehensive income	2,238	1,548
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,639	1,258
Comprehensive income attributable to non-controlling interests	599	289