

**Consolidated Financial Results**  
**for the Six Months Ended September 30, 2017**  
**[Japanese GAAP]**



November 14, 2017

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: +81-3-3272-1482

Scheduled date of filing quarterly securities report: November 14, 2017

Scheduled date of commencing interim dividend payments: December 1, 2017

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes. For Institutional Investors and Securities analysts

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

**1. Consolidated Financial Results for the Six Months Ended September 30, 2017 (April 1, 2017 to September 30, 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	%
Six months ended September 30, 2017	9,372	17.1	1,597	113.6	1,551	114.8	841	146.6
Six months ended September 30, 2016	8,001	(18.0)	747	(39.1)	722	(40.5)	341	(31.1)

(Note) Comprehensive income: Six months ended September 30, 2017: ¥ 1,590 million [—%]

Six months ended September 30, 2016: ¥ 137 million [(84.4)%]

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
Six months ended September 30, 2017	73.33	—
Six months ended September 30, 2016	29.74	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2017	26,637	18,429	61.1
As of March 31, 2017	25,450	17,311	60.2

(Reference) Equity: As of September 30, 2017: ¥ 16,274 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)			—	16.00	26.00

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

### 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		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	18,900	8.8	2,500	22.1	2,400	19.8	1,200	21.6	104.56

(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):

September 30, 2017: 11,500,000 shares

March 31, 2017: 11,500,000 shares

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

September 30, 2017: 23,104 shares

March 31, 2017: 23,067 shares

3) Average number of shares during the period:

Six months ended September 30, 2017: 11,476,918 shares

Six months ended September 30, 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 September 30, 2017
Assets		
Current assets		
Cash and deposits	6,313	7,176
Accounts receivable - trade	4,691	4,679
Merchandise and finished goods	3,016	2,950
Work in process	270	248
Raw materials and supplies	645	915
Other	261	243
Total current assets	15,199	16,213
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	6,714	6,757
Other, net	2,685	2,841
Total property, plant and equipment	9,400	9,599
Intangible assets	48	38
Investments and other assets	803	786
Total non-current assets	10,251	10,423
Total assets	25,450	26,637

(Million yen)

	As of March 31, 2017	As of September 30, 2017
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,714	1,756
Short-term loans payable	1,958	1,797
Income taxes payable	307	427
Provision for directors' bonuses	15	7
Other	1,120	1,455
Total current liabilities	5,116	5,444
Non-current liabilities		
Long-term loans payable	239	—
Provision for directors' retirement benefits	55	20
Net defined benefit liability	1,797	1,844
Other	930	897
Total non-current liabilities	3,023	2,762
Total liabilities	8,139	8,207
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,500	1,500
Capital surplus	1,013	1,013
Retained earnings	12,892	13,550
Treasury shares	(14)	(14)
Total shareholders' equity	15,391	16,049
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	60	77
Foreign currency translation adjustment	(90)	162
Remeasurements of defined benefit plans	(50)	(16)
Total accumulated other comprehensive income	(80)	224
Non-controlling interests	1,999	2,155
Total net assets	17,311	18,429
Total liabilities and net assets	25,450	26,637

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

(Million yen)

	For the six months ended September 30, 2016	For the six months ended September 30, 2017
Net sales	8,001	9,372
Cost of sales	6,322	6,839
Gross profit	1,678	2,532
Selling, general and administrative expenses	930	934
Operating income	747	1,597
Non-operating income		
Dividend income	3	3
Foreign exchange gains	1	13
Refunded income taxes	2	—
Other	5	2
Total non-operating income	12	19
Non-operating expenses		
Interest expenses	25	22
Dismantlement cost	3	8
Loss on disposal of non-current assets	9	6
Loss on business withdrawal	—	26
Other	0	0
Total non-operating expenses	38	64
Ordinary income	722	1,551
Income before income taxes	722	1,551
Income taxes	188	473
Net income	533	1,078
Net income attributable to non-controlling interests	192	237
Net income attributable to owners of parent	341	841

## Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	For the six months ended September 30, 2016	For the six months ended September 30, 2017
Net income	533	1,078
Other comprehensive income		
Valuation difference on available-for-sale securities	23	16
Foreign currency translation adjustment	(460)	460
Remeasurements of defined benefit plans, net of tax	40	34
Total other comprehensive income	(396)	511
Comprehensive income	137	1,590
Comprehensive income attributable to		
Owners of parent	151	1,146
Non-controlling interests	(14)	444