

# Consolidated Financial Results for the Three Months Ended June 30, 2018 [Japanese GAAP]



August 3, 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: August 10, 2018  
 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 Three Months Ended June 30, 2018 (April 1, 2018 to June 30, 2018)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2018	5,454	15.7	1,110	8.5	1,112	9.5	752	12.3
June 30, 2017	4,714	14.0	1,023	102.8	1,015	106.9	669	188.4

(Note) Comprehensive income: Three months ended June 30, 2018: ¥ 774 million [(30.9)%]  
 Three months ended June 30, 2017: ¥ 1,120 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2018	65.53	—
June 30, 2017	58.37	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2018	28,395	19,978	61.7
As of March 31, 2018	27,759	19,410	61.3

(Reference) Equity: As of June 30, 2018: ¥ 17,515 million  
 As of March 31, 2018: ¥ 17,022 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	—	10.00	—	18.00	28.00
Fiscal year ending March 31, 2019	—				
Fiscal year ending March 31, 2019 (Forecast)		10.00	—	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		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	21,500	7.0	2,800	(12.7)	2,700	(13.6)	1,350	(21.7)	117.63

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

#### \* 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: — (Company name: )  
 Excluded: — (Company name: )

(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):

June 30, 2018: 11,500,000 shares

March 31, 2018: 11,500,000 shares

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

June 30, 2018: 23,104 shares

March 31, 2018: 23,104 shares

3) Average number of shares during the period:

Three months ended June 30, 2018: 11,476,896 shares

Three months ended June 30, 2017: 11,476,933 shares

Notes regarding the number of issued 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 June 30, 2018
Assets		
Current assets		
Cash and deposits	7,918	7,942
Accounts receivable - trade	5,262	5,808
Merchandise and finished goods	2,671	3,064
Work in process	305	284
Raw materials and supplies	1,087	1,104
Other	128	120
Total current assets	17,373	18,325
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	6,794	6,485
Other, net	2,653	2,622
Total property, plant and equipment	9,447	9,108
Intangible assets	36	56
Investments and other assets	901	905
Total non-current assets	10,386	10,070
Total assets	27,759	28,395

(Million yen)

	As of March 31, 2018	As of June 30, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	2,537	3,030
Short-term loans payable	1,261	1,000
Income taxes payable	618	303
Provision for directors' bonuses	15	6
Other	1,143	1,304
<b>Total current liabilities</b>	<b>5,574</b>	<b>5,645</b>
<b>Non-current liabilities</b>		
Provision for directors' retirement benefits	30	—
Net defined benefit liability	1,888	1,913
Other	854	857
<b>Total non-current liabilities</b>	<b>2,774</b>	<b>2,771</b>
<b>Total liabilities</b>	<b>8,349</b>	<b>8,416</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	14,863
Treasury shares	(14)	(14)
<b>Total shareholders' equity</b>	<b>16,816</b>	<b>17,362</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	61	72
Foreign currency translation adjustment	121	63
Remeasurements of defined benefit plans	21	16
<b>Total accumulated other comprehensive income</b>	<b>205</b>	<b>153</b>
<b>Non-controlling interests</b>	<b>2,388</b>	<b>2,462</b>
<b>Total net assets</b>	<b>19,410</b>	<b>19,978</b>
<b>Total liabilities and net assets</b>	<b>27,759</b>	<b>28,395</b>

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

(Million yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2018
Net sales	4,714	5,454
Cost of sales	3,234	3,829
Gross profit	1,479	1,624
Selling, general and administrative expenses	456	514
Operating income	1,023	1,110
Non-operating income		
Dividend income	2	13
Foreign exchange gains	4	0
Other	0	0
Total non-operating income	8	13
Non-operating expenses		
Interest expenses	11	10
Loss on retirement of non-current assets	3	1
Other	0	0
Total non-operating expenses	16	11
Ordinary income	1,015	1,112
Profit before income taxes	1,015	1,112
Income taxes	231	237
Profit	784	874
Profit attributable to non-controlling interests	114	122
Profit attributable to owners of parent	669	752

## Quarterly Consolidated Statements of Comprehensive Income

(Million yen)

	For the three months ended June 30, 2017	For the three months ended June 30, 2018
Profit	784	874
Other comprehensive income		
Valuation difference on available-for-sale securities	15	10
Foreign currency translation adjustment	303	(106)
Remeasurements of defined benefit plans, net of tax	17	(5)
Total other comprehensive income	336	(100)
Comprehensive income	1,120	774
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	869	699
Comprehensive income attributable to non-controlling interests	250	74