

## Revision of Consolidated Financial Forecast for FY2017 and Cash Dividend Projection

Honshu Chemical Industry Co., Ltd. (Tokyo: 4115; President & CEO: Yuji Fukuyama; the “HCI”) announces its revision of HCI Group’s financial forecast for the fiscal year ending March 31, 2018, based on the latest performance and business trends. Furthermore, HCI announces that at the Board of Directors meeting, it was resolved that the payment of 4Q dividend from surplus with a record date of December 31, 2017 as detailed below.

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

#### (1) Revision in Financial Forecast

(Million yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share
Previous forecast(a)	18,900	2,500	2,400	1,200	104.56yen
Revised forecast(b)	20,000	3,000	2,900	1,500	130.70yen
Difference(b-a)	1,100	500	500	300	
Ratio (%)	5.8	20.0	20.8	25.0	
FY2016 Actual(Reference) (April1,2016-Mar31,2017)	17,373	2,047	2,003	986	86.00yen

#### (2) Reason for Revision

Operating income was shifting higher than expected. Demands for Special Bisphenol (raw material for automotive parts), Highly Functional Chemicals (raw materials for electronic materials / Semiconductors) and Biphenol are expected to remain steady. Due to the reasons mentioned above, HCI upwardly revised its Financial Forecast.

### 2. Revision of Cash Dividend Projection

#### (1) Revision of 4Q Dividend

	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

#### (2) Reason for Revision

HCI previously announced 4Q dividend of 16 yen per share for FY2017. However, as the operating income FY 2017 is expected to realize the higher growth on full year base, considering the recent business conditions, 4Q dividend of 18 yen per share will be paid, an increase of 2 yen per share over that previously announced. HCI paid 2Q dividend of 10 yen per share on Dec 1, 2017. Annual dividends per share will be 28 yen per share, an increase of 2 yen per share over that previously announced.