

Summary of Consolidated Financial Statements for Third Quarter of Fiscal Year Ending March 31, 2016(Japan GAAP)

February 10, 2016
Listed Exchanges: TSE

Name of Listed Company: Ishihara Sangyo Kaisha, Ltd.
Code: 4028 URL <http://www.iskweb.co.jp>
Representative: (Title) President (Name) Kenichi Tanaka
Contact: (Title) Director (Name) Yoshinari Terakawa Tel +81-6-6444-1850
Scheduled date of securities report submission: February 12, 2016
Scheduled date of dividend payment commencement: —

(Any amount less than one million yen is rounded down to the nearest million yen or nil.)

1. Consolidated Financial Results for Third Quarter of Fiscal Year Ended March 31, 2016(April 1, 2015 to December 31, 2015)

(1) Consolidated Operating Results

(Percentages represent changes from same period in previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
3Q, 2015	77,395	3.2	2,445	-34.0	603	-86.9	3,671	-1.7
3Q, 2014	74,985	-4.4	3,704	—	4,613	—	3,736	—

(Note) Comprehensive income: as of December 31, 2015: 3,634 million yen (50.3%),
as of December 31, 2014: 2,417 million yen (—%)

	Net income per share		Net income per share after full dilution	
	Yen		Yen	
3Q, 2015	9.18		—	
3Q, 2014	9.34		—	

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	millions of yen	Millions of yen	%
3Q, 2015	162,934	56,845	34.9
Year ended March 31, 2015	169,414	53,215	31.4

(Reference) Equity capital: as of December 31, 2015: 56,845 million yen, as of March 31, 2015: 53,215 million yen

2. Dividends

	Dividends per share				
	(Record date)	June 30 (Q1-end)	September 30 (Q2-end)	December 31 (Q3-end)	March 31 (Year-end)
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2015	—	0.00	—	0.00	0.00
Year ended March 31, 2016	—	0.00	—	—	—
Year ending March 31, 2016 (Forecast)	—	—	—	0.00	0.00

(Note) Modification in the dividend forecast for current quarter: No modification

3. Forecast for Consolidated Results for the Full Year Ending March 31, 2016 (April 1, 2015 - March 31, 2016)

(Percentages represent forecasted changes from the previous year for the full year results, and forecasted changes from the same period in the previous year for the interim results.)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	Yen
Full year	104,000	0.6	6,500	-41.5	4,500	-61.7	9,300	33.2	23.25

(Note) Modification in the dividend forecast for current quarter: Modified

4. Other information

- (1) Significant changes in subsidiaries during the period
(changes in specified subsidiaries resulting in the change in consolidation scope): No change
- (2) Adoption of simplified accounting treatment and special accounting treatment for quarterly consolidated statement: Not adopted
- (3) Changes in accounting principles, procedures, and the method of presentation
 - 1) Changes due to revisions of accounting standards etc. : Adopted
 - 2) Changes other than those defined in 1) above : Not adopted
 - 3) Changes in accounting procedures : Not adopted
 - 4) Changes in the method of presentation : Not adopted
- (4) Issued shares (common shares)
 - 1) Issued shares as of period-end (including repurchased treasury shares)
As of December 31, 2015: 403,839,431 shares As of March 31, 2015: 403,839,431 shares
 - 2) Number of shares of treasury stock as of period-end
As of December 31, 2015: 4,010,585 shares As of March 31, 2015: 3,973,012 shares
 - 3) Average number of outstanding shares during period
3Q 2015: 399,848,307 shares 3Q 2014: 399,910,025 shares

Notes on proper use of forecast and other matters

The forecast of financial results presented in this document is the result of management's assessment based upon currently available assumptions, prospects and plans for the future. Actual results and dividend payments may differ from these forecasts, due to risks and uncertain factors, such as the global economy, competition, and foreign currency fluctuations.

5. Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Unit: millions of yen)

Account Category	As of March 31, 2015 (summary)	As of December 31, 2015
ASSETS		
Current Assets		
Cash and deposits	21,471	29,082
Notes and accounts receivable – trade	29,059	27,919
Merchandise and finished goods	31,869	28,379
Work in process	4,149	5,345
Raw materials and supplies	17,357	14,499
Deferred tax assets	2,263	1,241
Other	1,485	1,513
Allowance for doubtful accounts	-188	-168
Total current assets	107,468	107,813
Noncurrent Assets		
Property, plant and equipment		
Machinery equipment, net	18,253	17,574
Others, net	26,272	20,708
Total property, plant and equipment	44,525	38,283
Intangible assets	147	179
Investments and other assets		
Investment securities	5,496	5,067
Deferred tax assets	8,786	9,114
Net defined benefit asset	14	14
Other	3,071	2,558
Allowance for doubtful accounts	-94	-96
Total investments and other assets	17,273	16,659
Total non-current assets	61,946	55,121
Total Assets	169,414	162,934

(Unit: millions of yen)

Account Category	As of March 31, 2015 (summary)	As of December 31, 2015
LIABILITIES		
Current Liabilities		
Notes and accounts payable – trade	12,409	17,649
Short-term loans payable	31,472	26,511
Currents portion of bonds	280	280
Income taxes payable	747	493
Reserve for loss from Ferosilt removal	2,458	888
Provision for loss on liquidation of subsidiaries and associates	323	46
Other provision	728	372
Other	8,472	9,540
Total current liabilities	56,892	55,783
Noncurrent Liabilities		
Bonds payable	840	700
Long-term loans payable	42,447	33,249
Other provision	890	751
Net defined benefit liability	12,084	12,309
Other	3,044	3,295
Total non-current liabilities	59,307	50,305
Total Liabilities	116,199	106,089
NET ASSETS		
Shareholder's equity		
Capital stock	43,420	43,420
Capital surplus	10,626	10,626
Retained earnings	600	4,271
Treasury shares	-697	-701
Total shareholders' equity	53,949	57,617
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	513	447
Deferred gains or losses on hedges	0	-0
Foreign currency translation adjustment	-849	-861
Remeasurements of defined benefit plans	-398	-357
Total accumulated other comprehensive income	-734	-772
Total net assets	53,215	56,845
Total Liabilities and Net Assets	169,414	162,934

* This is an English translation of Summary originally written in Japanese and disclosed to TSE.
For official purposes, the Japanese version takes preference over this English translation

(2) Consolidated Statements of Income

(Unit: millions of yen)

Account Category	Q3 2014 (April 1, 2014 to December 31, 2014)	Q3 2015 (April 1, 2015 to December 31, 2015)
Net sales	74,985	77,395
Cost of sales	54,960	58,315
Gross profit	20,024	19,079
Selling, general and administrative expenses	16,319	16,633
Operating income (loss)	3,704	2,445
Non-operating income		
Interest income	33	23
Dividend income	134	91
Foreign exchange gains	2,550	—
Gain sales of raw materials	39	177
Other	192	196
Total non-operating income	2,951	489
Non-operating expenses		
Interest expenses	1,173	1,090
Share of loss of entities accounted for using equity method	263	269
Foreign exchange losses	—	615
Other	605	355
Total non-operating expenses	2,042	2,330
Ordinary income	4,613	603
Extraordinary income		
Gain on sale of non-current assets	—	4,728
Gain on distribution of residual assets	312	—
Total extraordinary income	312	4,728
Extraordinary loss		
Loss on disposal of non-current assets	215	283
Provision for environmental measures	4	87
Other	47	—
Total extraordinary loss	266	370
Income before income taxes and minority interests	4,658	4,961
Income taxes-current	528	579
Income taxes – deferred	393	709
Total income taxes	921	1,289
Net income	3,736	3,671
Profit attributable to owners of parent	3,736	3,671

* This is an English translation of Summary originally written in Japanese and disclosed to TSE.
For official purposes, the Japanese version takes preference over this English translation

(Unit: millions of yen)

Account Category	Q3 2014 (April 1, 2014 to December 31, 2014)	Q3 2015 (April 1, 2015 to December 31, 2015)
Net income	3,736	3,671
Other comprehensive income		
Valuation difference on available for sale securities	167	-65
Deferred gains or losses on hedges	20	-0
Foreign currency translation adjustment	-1,798	6
Remeasurements of defined benefit plans, net of tax	225	40
Share of other comprehensive income of entities accounted for using equity method	65	-18
Total other comprehensive income	-1,319	-37
Comprehensive income	2417	3,634
(Breakdown)		
Comprehensive income attributable to owners of parent	2,417	3,634

6. Segment Information

【Business Segment Information】

3Q of Fiscal Year Ended March 31, 2014 (April 1, 2014 to December 31, 2014)

(1) Information relating sales, profits, losses, for each reporting unit

(Unit: millions of yen)

	Inorganic Chemicals	Organic Chemicals	Other Businesses	Total	Elimination/Corporate	Consolidated
Sales						
(1) Sales to external customers	38,161	34,704	2,119	74,985	—	74,985
(2) Intersegment sales and transfers	—	—	1,405	1,405	-1,405	—
Total	38,161	34,704	3,525	76,390	-1,405	74,985
Segment profit	3,560	1,193	106	4,859	-1,155	3,704

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (-¥1,155 million) includes elimination of transaction between segments(¥128 million) and corporate expenses not allocated to reporting segments(-¥1,283 million). Corporate expenses mainly comprise general expenses not allocated segments.
- (2) Segment profits are adjusted with the operating loss reported on the consolidated profit and loss statement for 1ST half of Fiscal Year Ended March 31, 2015(April 1, 2014 to December 31, 2014).

(2) Geographical information

Net Sales

(Unit: millions of yen)

Japan	Asia	America	Europe	Other	Total
32,896	12,640	9,699	19,382	367	74,985

(Note) 1. Net sales by geographic segment are based on nations or regions where customers reside.

2. Grouping of countries and regions is based on the geographic proximity and relevance of businesses.

Countries and regions included in each geographic segment are follows, excluding Japan:

- (1) Asia : China, Taiwan, South Korea, Thailand, Indonesia, and Singapore
- (2) Americas: United States of America, Canada, Brazil, Argentina, and Mexico
- (3) Europe : Germany, Netherlands, France, the United Kingdom, Belgium, Italy, and East Europe and Middle East regions
- (4) Other : Australia, New Zealand and Africa

(3) Information concerning impairment loss or goodwill on fixed assets by segment

We do not note any significant changes.

【Business Segment Information】

3Q of Fiscal Year Ended March 31, 2016(April 1, 2015 to December31, 2015)

(1) Information relating sales, profits, losses, for each reporting unit

(Unit: millions of yen)

	Inorganic Chemicals	Organic Chemicals	Other Businesses	Total	Adjustment	Amount reported on consolidated financial statements
Sales						
(1) Sales to external customers	38,433	36,534	2,427	77,395	—	77,395
(2) Intersegment sales and transfers	—	—	1,575	1,575	-1,575	—
Total	38,433	36,534	4,003	78,970	-1,575	77,395
Segment profit	2,061	1,422	253	3,736	-1,290	2,445

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (-¥1,290 million) includes elimination of transaction between segments(¥82 million) and corporate expenses not allocated to reporting segments(-¥1,373 million). Corporate expenses mainly comprise general expenses not allocated segments.
- (2) Segment profit are adjusted with the operating profit reported on the consolidated profit and loss statement for 1ST half of Fiscal Year Ended March 31, 2016(April 1, 2015 to December31, 2015)

(2)Geographical information

Net Sales					(Unit: millions of yen)	
Japan	Asia	America	Europe	Other	Total	
32,875	13,547	9,448	21,304	219	77,395	

(Note) 1. Net sales by geographic segment are based on nations or regions where customers reside.

2. Grouping of countries and regions is based on the geographic proximity and relevance of businesses.

Countries and regions included in each geographic segment are follows, excluding Japan:

- (1) Asia : China, Taiwan, South Korea, Thailand, Indonesia, and Singapore
- (2) Americas: United States of America, Canada, Brazil, Argentina, and Mexico
- (3) Europe : Germany, Netherlands, France, the United Kingdom, Belgium, Italy, and East Europe and Middle East regions
- (4) Other : Australia, New Zealand and Africa

(3) Significant Changes in Our Shareholders Equity

We do not note any significant changes.