

Summary of Consolidated Financial Statements for First Quarter of Fiscal Year Ending March 31, 2017(Japan GAAP)

August 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: August 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 First Quarter of Fiscal Year Ended March 31, 2017(April 1, 2016 to June 30, 2016)

(1) Consolidated Operating Results

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
1Q, 2016	27,490	-4.4	815	-35.9	-711	—	-880	—
1Q, 2015	28,761	14.7	1,271	—	883	—	430	—

(Note) Comprehensive income: as of June 30, 2016: -1,447million yen (—%), as of June 30, 2015: 93million yen (—%)

	Net income per share	Net income per share after full dilution
	Yen	Yen
1Q, 2016	-2.20	—
1Q, 2015	1.07	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	millions of yen	millions of yen	%
1Q, 2016	160,067	60,149	37.6
Year ended March 31, 2016	165,050	61,597	37.3

(Reference) Equity capital: as of June 30, 2016: 60,149 million yen, as of March 31, 2016: 61,597 million yen

2. Dividends

(Record date)	Dividends per share				
	June 30 (Q1-end)	September 30 (Q2-end)	December 31 (Q3-end)	March 31 (Year-end)	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2016	—	0.00	—	0.00	0.00
Year ended March 31, 2017 (Forecast)	—	0.00	—	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, 2017 (April 1, 2016 - March 31, 2017)

(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		Profit attributable to owners of parent		Earnings per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	Yen
Interim (First 2Qs)	52,000	-1.6	500	-85.7	-1,600	—	-2,200	—	-5.50
Full year	99,000	-3.8	3,500	-57.9	1,700	-76.8	800	-91.5	2.00

(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: No adopted
- (3) Changes in accounting principles, procedures, and the method of presentation
 - 1) Changes due to revisions of accounting standards etc. : Not 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 June 30, 2016: 403,839,431 shares	As of March 31, 2016: 403,839,431 shares
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 - 2) Number of shares of treasury stock as of period-end

As of June 30, 2016: 4,024,325 shares	As of March 31, 2016: 4,019,665 shares
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 - 3) Average number of outstanding shares during period

1Q 2016: 399,818,006 shares	1Q 2015: 399,860,789 shares
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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,2016 (summary)	As of June 2016
ASSETS		
Current Assets		
Cash and deposits	29,398	30,248
Notes and accounts receivable – trade	25,225	31,011
Merchandise and finished goods	34,317	25,758
Work in process	3,907	4,461
Raw materials and supplies	14,845	12,604
Deferred tax assets	1,096	1,219
Other	1,876	1,733
Allowance for doubtful accounts	-184	-171
Total current assets	110,483	106,866
Noncurrent Assets		
Property, plant and equipment		
Machinery, equipment net	17,501	17,874
Others , net	21,232	19,908
Total property , plant and equipment	38,733	37,783
Intangible assets	223	216
Investments and other assets		
Investment securities	5,338	4,939
Deferred tax assets	8,014	8,134
Net defined benefit asset	16	15
Other	2,433	2,301
Allowance for doubtful accounts	-193	-190
Total investments and other assets	15,610	15,201
Total noncurrent assets	54,567	53,201
Total Assets	165,050	160,067

* 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	As of March,2016 (summary)	As of June 2016
LIABILITIES		
Current Liabilities		
Notes and accounts payable – trade	10,341	10,556
Short-term loans payable	27,950	28,622
Currents portion of bonds	280	280
Income tax payable	571	293
Reserve	1,698	1,986
Other	8,882	7,776
Total current liabilities	49,725	49,515
Noncurrent Liabilities		
Bonds payable	560	560
Long-term loans payable	35,167	31,998
Provision	1,086	1,080
Provision for retirement benefits	12,957	12,826
Other	3,956	3,937
Total noncurrent liabilities	53,727	50,402
Total Liabilities	103,453	99,918
NET ASSETS		
Shareholder's equity		
Capital stock	43,420	43,420
Capital surplus	10,626	10,626
Retained earnings	10,062	9,181
Treasury stock	-702	-702
Total shareholder's equity	63,407	62,526
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Deferred gains or losses on hedges	243	177
Foreign currency translation adjustment	–	0
Remeasurements of defined benefit plans	-1,272	-1,788
Total valuation and translation adjustments	-780	-764
Minority interests	-1,809	-2,376
Total net assets	61,597	60,149
Total Liabilities and Net Assets	165,050	160,067

(2) Consolidated Statements of Income

(Unit: millions of yen)

Account Category	Q1 2015 (April 1,2015to June 30,2015)	Q1 2016 (April 1,2016 to June 30,2016)
Net sales	28,761	27,490
Cost of sales	21,662	21,281
Gross profit	7,099	6,208
Selling, general and administrative expenses	5,827	5,393
Operating income	1,271	815
Non-operating income		
Interest income	6	7
Dividends income	58	54
Foreign exchange income	66	—
Other	137	66
Total non-operating income	269	128
Non-operating expenses		
Interest expenses	373	292
Equity in losses of affiliates	184	270
Foreign exchange losses	—	1,011
Other	100	80
Total non-operating expenses	658	1,655
Ordinary income (loss)	883	-711
Extraordinary loss		
Loss on disposal of non-current assets	112	141
Other	0	5
Total extraordinary loss	112	146
Income (loss) before income taxes and minority interests	770	-858
Income taxes	269	195
Income taxes – deferred	70	-172
Total income taxes	339	22
Profit (loss)	430	-880
Profit (loss) attributable to owners of parent	430	-880

(Unit: millions of yen)

Account Category	Q1 2015 (April 1,2015 to June 30,2015)	Q1 2016 (April 1,2016 to June 30,2016)
Profit (loss)	430	-880
Other comprehensive income		
Valuation difference on available for sale securities	71	-66
Deferred gains or losses on hedges	-0	0
Foreign currency translation adjustment	-506	-474
Remeasurements of defined benefit plans, net of tax	11	15
Equity in profit / loss of affiliated companies	87	-42
Total other comprehensive income	-336	-567
Comprehensive income	93	-1,447
(Breakdown)		
Comprehensive income attributable to the parent company	93	-1,447

6. Segment Information

【Business Segment Information】

1Q of Fiscal Year Ended March 31, 2016 (April 1, 2015 to June 30, 2015)

(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	13,170	14,838	751	28,761	—	28,761
(2) Intersegment sales and transfers	—	—	232	232	-232	—
Total	13,170	14,838	984	28,994	-232	28,761
Operating income or operating loss (-)	1,713	56	-71	1,698	-427	1,271

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (- ¥427million) includes elimination of transaction between segments(¥40million) and corporate expenses not allocated to reporting segments(- ¥467million). Corporate expenses mainly comprise general expenses not allocated segments.
- (2) Segment profits are adjusted with the operating profit reported on the consolidated profit and loss statement for Q1.

(2) Geographical information

Net Sales

(Unit: millions of yen)

Japan	Asia	America	Europe	Other	Total
10,712	4,358	3,011	10,636	41	28,761

(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】

1Q of Fiscal Year Ended March 31, 2017 (April 1, 2016 to June 30, 2016)

(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	11,679	14,988	822	27,490	—	27,490
(2) Intersegment sales and transfers	—	—	318	318	-318	—
Total	11,679	14,988	1,141	27,809	-318	27,490
Segment profit	1,113	83	60	1,256	-441	815

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (- ¥441million) includes elimination of transaction between segments(¥21million) and corporate expenses not allocated to reporting segments(- ¥462million). 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 Q1.

(2)Geographical information

Net Sales

(Unit: millions of yen)

Japan	Asia	America	Europe	Other	Total
10,033	3,747	3,080	10,574	54	27,490

(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.