【Updated】Summary of Consolidated Financial Statements for First Quarter of Fiscal Year Ending March 31, 2018(Japan GAAP)

August 10, 2017
Listed Exchanges: TSE

Name of Listed Company: Ishihara Sangyo Kaisha, Ltd.
Code: 4028 URL http://www.iskweb.co.jp/
Representative: (Title) Executive Director President (Name) Kenichi Tanaka
Contact: (Title) Managing Executive Officer (Name) Yasunobu Kawazoe Tel +81-6-6444-1850
Scheduled date of securities report submission: August 14, 2017
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, 2018(April 1, 2017 to June 30, 2017)

(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, 2017	26,164	-4.8	1,269	55.7	1,287	—	930	—
1Q, 2016	27,490	-4.4	815	-35.9	-497	—	-656	—

(Note) Comprehensive income: as of June 30, 2017: 771million yen (—%), as of June 30, 2016: -1,161million yen (—%)

	Net income per share	Net income per share after full dilution
	Yen	Yen
1Q, 2017	23.26	—
1Q, 2016	-16.41	—

* Effective October 1, 2016, the Company consolidated its common shares at the ratio of 10 shares to 1 share. Accordingly, net income per share has been calculated as if the said share consolidation was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	millions of yen	millions of yen	%
1Q, 2017	152,199	63,752	41.9
Year ended March 31, 2017	156,871	62,981	40.1

(Reference) Equity capital: as of June 30, 2017:63,752million yen, as of March 31, 2017: 62,981 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)	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2017	—	0.00	—	0.00	0.00
Year ended March 31, 2018	—				
Year ending March 31, 2018 (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, 2018 (April 1, 2017 - March 31, 2018)

(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	1.5	1,500	-18.1	800	—	-200	—	-5.00
Full year	105,000	3.3	4,700	-44.2	3,700	-37.8	2,400	-36.9	60.03

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

(Note) Year-on-year increase percentage of ordinary income for the 2nd quarter of FY 2017 is indicated as "—" because the figure is in excess of 1,000%.

* 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

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, 2017: 40,383,943 shares   As of March 31, 2017: 40,383,943 shares

2) Number of shares of treasury stock as of period-end
As of June 30, 2017: 410,464 shares   As of March 31, 2017: 409,374 shares

3) Average number of outstanding shares during period
1Q 2017:39,973,931 shares   1Q 2016: 39,981,801 shares

* Effective October 1, 2016, the Company consolidated its common shares at the ratio of 10 shares to 1 share. Accordingly, net income per share has been calculated as if the said share consolidation was conducted at the beginning of the previous fiscal year.

*Quarterly financial results are outside the scope of quarterly review.

*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, and Main Notes

(1) Consolidated Balance Sheet

(Unit: millions of yen)

Account Category	As of March,2017 (summary)	As of June 2017
ASSETS		
Current Assets		
Cash and deposits	28,346	28,027
Notes and accounts receivable – trade	25,407	28,518
Merchandise and finished goods	30,242	24,720
Work in process	3,932	4,654
Raw materials and supplies	12,930	10,787
Deferred tax assets	1,438	1,571
Other	1,901	1,932
Allowance for doubtful accounts	-194	-209
Total current assets	104,004	100,003
Noncurrent Assets		
Property, plant and equipment		
Machinery, equipment net	17,171	17,852
Others , net	22,011	20,194
Total property , plant and equipment	39,183	38,047
Intangible assets	181	191
Investments and other assets		
Investment securities	3,775	4,174
Deferred tax assets	7,962	8,060
Net defined benefit asset	16	16
Other	1,914	1,867
Allowance for doubtful accounts	-167	-161
Total investments and other assets	13,501	13,957
Total noncurrent assets	52,866	52,195
Total Assets	156,871	152,199

(Unit: millions of yen)

Account Category	As of March,2017 (summary)	As of June 2017
LIABILITIES		
Current Liabilities		
Notes and accounts payable – trade	10,341	8,491
Short-term loans payable	27,139	25,168
Currents portion of bonds	280	280
Income tax payable	743	370
Reserve	1,048	1,480
Other	7,757	8,191
Total current liabilities	47,310	43,982
Noncurrent Liabilities		
Bonds payable	280	280
Long-term loans payable	27,500	25,035
Provision	1,116	1,173
Provision for retirement benefits	12,602	12,596
Liabilities from application of equity method	605	882
Other	4,473	4,497
Total noncurrent liabilities	46,579	44,465
Total Liabilities	93,890	88,447
NET ASSETS		
Shareholder's equity		
Capital stock	43,420	43,420
Capital surplus	10,626	10,626
Retained earnings	11,293	12,223
Treasury stock	-709	-710
Total shareholder's equity	64,631	65,560
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Deferred gains or losses on hedges	565	677
Foreign currency translation adjustment	-0	—
Remeasurements of defined benefit plans	-1,670	-1,957
Total valuation and translation adjustments	-545	-529
Minority interests	-1,650	-1,808
Total net assets	62,981	63,752
Total Liabilities and Net Assets	156,871	152,199

(2) Consolidated Statements of Income

(Unit: millions of yen)

Account Category	Q1 2016 (April 1,2016 to June 30,2016)	Q1 2017 (April 1,2017 to June 30,2017)
Net sales	27,490	26,164
Cost of sales	21,281	19,248
Gross profit	6,208	6,916
Selling, general and administrative expenses	5,393	5,646
Operating income	815	1,269
Non-operating income		
Interest income	7	5
Dividends income	54	145
Foreign exchange income	—	176
Other	66	112
Total non-operating income	128	440
Non-operating expenses		
Interest expenses	292	242
Equity in losses of affiliates	56	55
Foreign exchange losses	1,011	—
Other	80	123
Total non-operating expenses	1,441	421
Ordinary income (loss)	-497	1,287
Extraordinary loss		
Loss on disposal of non-current assets	141	281
Other	5	—
Total extraordinary loss	146	281
Income (loss) before income taxes and minority interests	-644	1,006
Income taxes	195	280
Income taxes – deferred	-183	-204
Total income taxes	11	76
Profit (loss)	-656	930
Profit (loss) attributable to owners of parent	-656	930

(Unit: millions of yen)

Account Category	Q1 2016 (April 1,2016 to June 30,2016)	Q1 2017 (April 1,2017 to June 30,2017)
Profit (loss)	-656	930
Other comprehensive income		
Valuation difference on available for sale securities	-66	111
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	-470	-226
Remeasurements of defined benefit plans, net of tax	15	16
Equity in profit / loss of affiliated companies	16	-59
Total other comprehensive income	-505	-158
Comprehensive income	-1,161	771
(Breakdown)		
Comprehensive income attributable to the parent company	-1,161	771

6. Segment Information

【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	Elimination/ Corporate	Consolidated
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 is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

(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 noncurrent assets by segment
We do not note any significant changes.

【Business Segment Information】
1Q of Fiscal Year Ended March 31, 2018 (April 1, 2017 to June 30, 2017)

(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	13,813	11,683	668	26,164	–	26,164
(2) Intersegment sales and transfers	–	–	369	369	-369	–
Total	13,813	11,683	1,037	26,534	-369	26,164
Segment profit or loss (-)	2,209	-498	-1	1,709	-439	1,269

(Note) 1. Adjustment include the following items

(1) Adjustment in segment profit or loss (-￥439million) includes elimination of transaction between segments(￥30million) and corporate expenses not allocated to reporting segments(-￥470million). Corporate expenses mainly comprise general expenses not allocated segments.

(2) Segment profit or loss is adjusted to be consistent with operating income shown on the quarterly consolidated income statement.

(2)Geographical information

Net Sales (Unit: millions of yen)

Japan	Asia	America	Europe	Other	Total
10,939	4,695	3,552	6,912	66	26,164

(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 noncurrent assets by segment

We do not note any significant changes.