

[Updated] Summary of Consolidated Financial Statements **for First Quarter of Fiscal Year Ending March 31, 2016(Japan GAAP)**

August 10, 2015
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 11, 2015
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, 2016(April 1, 2015 to June 30, 2015)

(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, 2015	28,761	14.7	1,271	—	978	—	541	—
1Q, 2014	25,066	-19.8	-126	—	-1,064	—	-669	—

(Note) Comprehensive income: as of June 30, 2015: 90million yen (—%), as of June 30, 2014: -886million yen (—%)

	Net income per share	Net income per share after full dilution
	Yen	Yen
1Q, 2015	1.35	—
1Q, 2014	-1.67	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	millions of yen	Millions of yen	%
1Q, 2015	160,706	50,868	31.7
Year ended March 31, 2015	167,662	50,779	30.3

(Reference) Equity capital: as of June 30, 2015: 50,868 million yen, as of March 31, 2015: 50,779 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
Year ended March 31, 2015	—	0.00	—	0.00	0.00
Year ended March 31, 2016	—	—	—	—	—
Year ending March 31, 2016 (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, 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		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)	53,000	5.0	2,500	0.1	1,200	-39.1	1,000	-44.0	2.50
Full year	110,000	6.5	8,200	-26.2	6,100	-46.7	5,200	-21.9	13.00

(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. : 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, 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 June 30, 2015: 3,983,301 shares As of March 31, 2015: 3,973,012 shares
 - 3) Average number of outstanding shares during period
1Q 2015: 399,860,789 shares 1Q 2014: 399,925,275 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,2015 (summary)	As of June 2015
ASSETS		
Current Assets		
Cash and deposits	21,471	17,817
Notes and accounts receivable – trade	29,059	33,140
Merchandise and finished goods	31,869	26,859
Work in process	4,149	4,565
Raw materials and supplies	17,357	14,747
Deferred tax assets	2,276	2,203
Other	1,485	2,760
Allowance for doubtful accounts	-188	-173
Total current assets	107,480	101,920
Noncurrent Assets		
Property, plant and equipment		
Machinery, equipment net	18,253	18,174
Others , net	26,272	25,190
Total property , plant and equipment	44,525	43,364
Intangible assets	147	144
Investments and other assets		
Investment securities	3,729	3,786
Deferred tax assets	8,788	8,780
Net defined benefit asset	14	14
Other	3,071	2,791
Allowance for doubtful accounts	-94	-95
Total investments and other assets	15,508	15,277
Total noncurrent assets	60,181	58,786
Total Assets	167,662	160,706

(Unit: millions of yen)

Account Category	As of March,2015 (summary)	As of June 2015
LIABILITIES		
Current Liabilities		
Notes and accounts payable – trade	12,409	10,948
Short-term loans payable	31,472	28,519
Currents portion of bonds	280	280
Income tax payable	747	383
Reserve for loss from Ferosilt removal	2,458	1,860
Provision for loss on liquidation of subsidiaries and affiliates	323	177
Reserve for other	728	1,120
Other	8,472	8,772
Total current liabilities	56,892	52,062
Noncurrent Liabilities		
Bonds payable	840	840
Long-term loans payable	42,447	40,034
Provision for other	890	923
Provision for retirement benefits	12,084	12,133
Liabilities from application of equity method	683	826
Other	3,044	3,017
Total noncurrent liabilities	59,990	57,775
Total Liabilities	116,882	109,838
NET ASSETS		
Shareholder's equity		
Capital stock	43,420	43,420
Capital surplus	10,626	10,626
Retained earnings	-1,662	-1,120
Treasury stock	-697	-698
Total shareholder's equity	51,687	52,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Deferred gains or losses on hedges	513	584
Foreign currency translation adjustment	0	-0
Remeasurements of defined benefit plans	-1,023	-1,556
Total valuation and translation adjustments	-398	-386
Minority interests	-907	-1,359
Total net assets	50,779	50,868
Total Liabilities and Net Assets	167,662	160,706

* 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	Q1 2014 (April 1,2014to June 30,2014)	Q1 2015 (April 1,2015 to June 30,2015)
Net sales	25,066	28,761
Cost of sales	19,352	21,662
Gross profit	5,713	7,099
Selling, general and administrative expenses	5,840	5,827
Operating income (loss)	-126	1,271
Non-operating income		
Interest income	14	6
Dividends income	78	58
Foreign exchange income	—	66
Other	116	137
Total non-operating income	210	269
Non-operating expenses		
Interest expenses	397	373
Equity in losses of affiliates	266	88
Foreign exchange losses	266	—
Other	217	100
Total non-operating expenses	1,148	563
Ordinary income (loss)	-1,064	978
Extraordinary loss		
Loss on disposal of non-current assets	95	112
Other	9	0
Total extraordinary loss	105	112
Income (loss) before income taxes and minority interests	-1,170	865
Income taxes	48	269
Income taxes – deferred	-548	54
Total income taxes	-500	323
Profit (loss)	-669	541
Profit (loss) attributable to owners of parent	-669	541

(Unit: millions of yen)

Account Category	Q1 2014 (April 1,2014 to June 30,2014)	Q1 2015 (April 1,2015 to June 30,2015)
Profit (loss)	-669	541
Other comprehensive income		
Valuation difference on available for sale securities	-8	71
Deferred gains or losses on hedges	6	-0
Foreign currency translation adjustment	-214	-492
Remeasurements of defined benefit plans, net of tax	71	11
Equity in profit / loss of affiliated companies	-71	-41
Total other comprehensive income	-216	-451
Comprehensive income	-886	90
(Breakdown)		
Comprehensive income attributable to the parent company	-886	90

6. Segment Information

【Business Segment Information】

1Q of Fiscal Year Ended March 31, 2015 (April 1, 2014 to June 30, 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	12,250	12,020	795	25,066	—	25,066
(2) Intersegment sales and transfers	—	—	166	166	-166	—
Total	12,250	12,020	962	25,233	-166	25,066
Segment profit	785	-552	-21	211	-338	-126

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (- ¥ 338million) includes elimination of transaction between segments(¥ 69million) and corporate expenses not allocated to reporting segments(- ¥ 408million). 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
10,254	3,631	3,109	8,044	26	25,066

(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, 2016(April 1, 2015to June 30, 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	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 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
10,712	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.