

# Summary of Consolidated Financial Statements for First Quarter of Fiscal Year Ending March 31, 2020(Japan GAAP)

August 9, 2019  
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 13, 2019  
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, 2020(April 1, 2019 to June 30, 2019)

### (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, 2019	26,264	3.4	1,150	-44.4	1,081	-51.4	482	-74.8
1Q, 2018	25,410	-2.9	2,070	63.1	2,227	72.9	1,911	105.5

(Note) Comprehensive income: as of June 30, 2019:337million yen (-75.2%), as of June 30, 2018: 1,362million yen (76.5%)

	Net income per share		Net income per share after full dilution	
	Yen		Yen	
1Q, 2019	12.07		—	
1Q, 2018	47.82		—	

### (2) Consolidated Financial Position

	Total assets		Net assets		Capital adequacy ratio	
	millions of yen		millions of yen		%	
1Q, 2019	167,177		75,192		45.0	
Year ended March 31, 2019	168,689		75,335		44.7	

(Reference) Equity capital: as of June 30, 2019: 75,192million yen, as of March 31, 2019: 75,335 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, 2019	—	0.00	—	12.00	12.00
Year ended March 31, 2020	—				
Year ending March 31, 2020 (Forecast)		0.00	—	12.00	12.00

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

## 3. Forecast for Consolidated Results for the Full Year Ending March 31, 2020 (April 1, 2019 - March 31, 2020)

(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	1.5	2,100	-54.1	1,700	-65.9	800	-79.7	20.01
Full year	110,000	3.3	8,400	-26.1	8,100	-27.3	6,300	-27.4	157.63

(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, 2019: 40,383,943 shares As of March 31, 2019: 40,383,943 shares
  - 2) Number of shares of treasury stock as of period-end  
As of June 30, 2019: 419,022 shares As of March 31, 2019: 418,453 shares
  - 3) Average number of outstanding shares during period  
1Q 2019: 39,965,139 shares 1Q 2018: 39,968,080 shares

\*This quarterly financial results release is not subject to certified public accountants or auditing firm.

\* 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,2019 (summary)	As of June 2019
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and deposits	23,983	21,342
Notes and accounts receivable – trade	33,897	36,211
Merchandise and finished goods	25,216	25,852
Work in process	5,976	6,361
Raw materials and supplies	15,590	15,134
Other	2,883	2,442
Allowance for doubtful accounts	-468	-578
<b>Total current assets</b>	<b>107,080</b>	<b>106,766</b>
<b>Noncurrent Assets</b>		
<b>Property, plant and equipment</b>		
Machinery, equipment net	17,706	18,822
Others , net	25,460	23,361
<b>Total property , plant and equipment</b>	<b>43,167</b>	<b>42,183</b>
Intangible assets	370	394
<b>Investments and other assets</b>		
Investment securities	7,018	7,038
Deferred tax assets	9,604	9,460
Net defined benefit asset	11	11
Other	1,547	1,432
Allowance for doubtful accounts	-110	-109
<b>Total investments and other assets</b>	<b>18,071</b>	<b>17,833</b>
<b>Total noncurrent assets</b>	<b>61,609</b>	<b>60,411</b>
<b>Total Assets</b>	<b>168,689</b>	<b>167,177</b>

(Unit: millions of yen)

Account Category	As of March,2019 (summary)	As of June 2019
<b>LIABILITIES</b>		
Current Liabilities		
Notes and accounts payable – trade	15,392	15,542
Short-term loans payable	18,102	17,884
Currents portion of bonds	390	390
Income tax payable	731	249
Reserve	853	1,403
Other	9,241	9,212
Total current liabilities	44,712	44,683
Noncurrent Liabilities		
Bonds payable	1,620	1,515
Long-term loans payable	25,697	24,572
Provision for environment and safety improvement	2,877	2,612
Other provision	150	202
Net defined benefit liability	12,881	12,913
Liabilities from application of equity method	662	623
Other	4,752	4,861
Total noncurrent liabilities	48,642	47,302
Total Liabilities	93,354	91,985
<b>NET ASSETS</b>		
Shareholder's equity		
Capital stock	43,420	43,420
Capital surplus	10,627	10,627
Retained earnings	23,419	23,422
Treasury stock	-722	-723
Total shareholder's equity	76,744	76,746
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	477	406
Foreign currency translation adjustment	-1,443	-1,536
Remeasurements of defined benefit plans	-442	-423
Total accumulated other comprehensive income	-1,408	-1,553
Total net assets	75,335	75,192
Total Liabilities and Net Assets	168,689	167,177

## (2) Consolidated Statements of Income

(Unit: millions of yen)

Account Category	Q1 2018 (April 1,2018 to June 30,2018)	Q1 2019 (April 1,2019 to June 30,2019)
Net sales	25,410	26,264
Cost of sales	17,410	19,082
Gross profit	8,000	7,181
Selling, general and administrative expenses	5,930	6,031
Operating income	2,070	1,150
Non-operating income		
Interest income	12	13
Dividends income	16	211
Share of profit of entities accounted for using equity method	4	151
Foreign exchange income	313	—
Other	108	97
Total non-operating income	455	474
Non-operating expenses		
Interest expenses	185	161
Foreign exchange loss	—	281
Other	113	99
Total non-operating expenses	298	542
Ordinary income	2,227	1,081
Extraordinary income		
Gain on insurance adjustment	34	—
Other	0	—
Total extraordinary income	35	—
Extraordinary loss		
Loss on disposal of non-current assets	201	306
Total extraordinary loss	201	306
Income before income taxes and minority interests	2,060	775
Income taxes	258	95
Income taxes – deferred	-109	198
Total income taxes	149	293
Net income	1,911	482
Profit attributable to owners of parent	1,911	482

(Unit: millions of yen)

Account Category	Q1 2018 (April 1,2018 to June 30,2018)	Q1 2019 (April 1,2019 to June 30,2019)
Profit	1,911	482
Other comprehensive income		
Valuation difference on available for sale securities	-72	-71
Foreign currency translation adjustment	-475	-118
Remeasurements of defined benefit plans, net of tax	15	18
Equity in profit / loss of affiliated companies	-16	25
Total other comprehensive income	-549	-145
Comprehensive income	1,362	337
(Breakdown )		
Comprehensive income attributable to the parent company	1,362	337

## 6. Segment Information

### 【Business Segment Information】

1Q of Fiscal Year Ended March 31, 2019 (April 1, 2018 to June 30, 2018)

(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	14,095	10,513	801	25,410	—	25,410
(2) Intersegment sales and transfers	—	—	311	311	-311	—
Total	14,095	10,513	1,112	25,722	-311	25,410
Segment profit	2,644	57	16	2,718	-648	2,070

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (- ¥ 648million) includes elimination of transaction between segments( ¥ 29million) and corporate expenses not allocated to reporting segments(- ¥ 678million). 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
11,767	5,215	3,947	4,407	72	25,410

(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, 2020 (April 1, 2019 to June 30, 2019)

(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	13,248	12,300	716	26,264	—	26,264
(2) Intersegment sales and transfers	—	—	463	463	-463	—
Total	13,248	12,300	1,179	26,727	-463	26,264
Segment profit	1,593	163	0	1,756	-606	1,150

(Note) 1. Adjustment include the following items

- (1) Adjustment in segment profit (- ¥ 606million) includes elimination of transaction between segments( ¥ 33million) and corporate expenses not allocated to reporting segments(- ¥ 640million). 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
11,161	4,826	3,916	6,307	52	26,264

(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, Singapore, and India

(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.