

For the Fiscal Year Ended March 31, 2020

\* This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with the International Financial Reporting Standards (IFRS), for the convenience of readers who prefer an English translation.

## Summary of Consolidated Financial Results For the Fiscal Year Ended March 31, 2020 [IFRS]

May 8, 2020

Company name: NIPPON SHOKUBAI CO., LTD. Listing: TSE (First Section)  
 Code number: 4114 URL: <https://www.shokubai.co.jp/en/>  
 Representative: Yujiro Goto, President and Representative Member of the Board  
 Contact for inquiries: Atsushi Tabata, General Manager of General Affairs Dept. Phone: +81-6-6223-9111  
 Scheduled date of the general shareholders' meeting: June 19, 2020  
 Scheduled date of dividend payment: June 22, 2020  
 Scheduled date of filing annual securities report: June 19, 2020  
 Supplementary materials prepared: Yes  
 Financial results information meeting held: Yes (for securities analysts and institutional investors)

(Figures are rounded off to the nearest million yen)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2020 (here after FY2019) (from April 1, 2019 to March 31, 2020)

#### (1) Consolidated operating results (cumulative)

(Percentages represent year-over-year changes)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2019	302,150	-10.8	13,178	-49.6	15,748	-51.0	11,590	-52.4	11,094	-53.5	4,327	-79.3
FY 2018	338,869	7.9	26,170	2.2	32,119	7.8	24,352	5.1	23,849	5.3	20,870	-22.5

	Basic earnings per share	Diluted earnings per share	Ratio of profit to equity attributable to owners of parent	Ratio of profit before tax to total assets	Operating profit to revenue
	Yen	Yen	%	%	%
FY 2019	278.21	—	3.5	3.3	4.4
FY 2018	598.05	—	7.5	6.7	7.7

Reference: Share of profit of investments accounted for using equity method (millions of yen): FY 2019: 2,640  
 FY 2018: 5,101

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Rate of equity attributable to owners of parent	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2020	475,641	326,108	319,699	67.2	8,017.17
As of Mar. 31, 2019	481,668	329,227	323,008	67.1	8,099.97

#### (3) Consolidated statement of cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2019	37,499	-32,806	-7,859	43,869
FY 2018	35,918	-31,316	-9,982	47,434

**2. Dividends**

	Dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividends on equity attributable to owners of parent (Consolidated)
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY 2018	–	80.00	–	90.00	170.00	6,779	28.4	2.1
FY 2019	–	90.00	–	90.00	180.00	7,178	64.7	2.2
FY 2020 (forecast)	–	–	–	–	–		–	

Note: Interim and year-end dividends forecasts for the fiscal year ending March 31, 2021 (FY 2020) has yet to be determined.

**3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021  
(from April 1, 2020 to March 31, 2021)**

Consolidated financial forecasts for the fiscal year ending March 31, 2021 have yet to be determined because it is extremely difficult to reasonably calculate the impact of environmental changes on the Group's performance caused by the novel coronavirus disease. The Company will promptly disclose forecasts when such disclosure becomes possible.

**※Notes**

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries that affect the scope of consolidation): None

(2) Changes in accounting policies; changes in accounting estimates

1) Changes in accounting policies required by IFRS: Yes

2) Other changes in accounting policies: None

3) Changes in accounting estimates: None

Note: Please refer to “Consolidated Financial Statements and Related Notes (5) Notes Concerning Consolidated Financial Statements (Changes in Accounting Policies)” in the attached materials for details.

(3) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding at the end of the period (including treasury stock)

Mar. 31, 2020: 40,800,000 shares                      Mar. 31, 2019: 40,800,000 shares

2) Number of treasury stock at the end of the period

Mar. 31, 2020: 923,272 shares                      Mar. 31, 2019: 922,347 shares

3) Average number of shares outstanding during the period

FY2019: 39,877,161 shares                      FY2018: 39,878,368 shares

**(Reference) Overview of Non-consolidated Financial Results**
**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2020  
(from April 1, 2019 to March 31, 2020)**

(1) Non-consolidated operating results (cumulative)

(Percentages represent year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2019	204,690	-11.9	10,178	-41.4	18,677	-28.8	14,776	-27.5
FY2018	232,222	2.4	17,356	-19.4	26,216	-8.4	20,371	-4.5

	Basic earnings per share	Diluted net income per share
	Yen	Yen
FY2019	370.54	–
FY2018	510.83	–

For the Fiscal Year Ended March 31, 2020

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Mar. 31, 2020	355,380	268,014	75.4	6,721.06
As of Mar. 31, 2019	352,742	263,718	74.8	6,613.17

Reference: Shareholders' equity (millions of yen): As of Mar. 31, 2020: 268,014

As of Mar. 31, 2019: 263,718

**2. Non-consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2021****(from April 1, 2020 to March 31, 2021)**

Non-consolidated financial forecasts for the fiscal year ending March 31, 2021 have yet to be determined because it is extremely difficult to reasonably calculate the impact of environmental changes on the Company's performance caused by the novel coronavirus disease. The Company will promptly disclose forecasts when such disclosure becomes possible.

※ This financial results report is exempt from the audit procedures by certified public accountants or an audit corporation.

**※ Appropriate use of business forecasts; other special items**

Consolidated financial forecasts for the fiscal year ending March 31, 2021 have yet to be determined because it is extremely difficult to reasonably calculate the impact of environmental changes on the Group's performance caused by the novel coronavirus disease. The Company will promptly disclose forecasts when such disclosure becomes possible.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

The world economy in the current fiscal year saw the United States economy continuing to recover, but it was accompanied by a weak note in some countries in Europe, the decelerating economy in China, and signs of weakness in certain emerging countries in Asia. Furthermore, the outlook remained unclear due mainly to the impact of trade friction between the United States and China, the crude oil market trend, and sluggish economic activity caused by the spread of the novel coronavirus infection.

As for the Japanese economy, the country saw a slowdown in economic sentiment mainly in the manufacturing industry with weakness in exports and a drop in production.

The chemicals industry has faced an increasingly harsh business environment with sluggish demand caused by a slowdown in the world economy.

#### 1) Overview

(Unit: Millions of yen)

	FY 2018	FY 2019	Change	
			(Amount)	(% growth)
Revenue	338,869	302,150	-36,719	-10.8%
Operating profit	26,170	13,178	-12,992	-49.6%
Profit before tax	32,119	15,748	-16,372	-51.0%
Profit attributable to owners of parent	23,849	11,094	-12,755	-53.5%
Basic earnings per share	598.05 yen	278.21 yen	-319.84 yen	-53.5%
ROA (Ratio of profit before tax to total assets)	6.7%	3.3%	–	-3.4 points
ROE (Ratio of profit to equity attributable to owners of parent)	7.5%	3.5%	–	-4.0 points
Foreign exchange rates (\$ and EUR)	\$=¥110.92 EUR=¥128.39	\$=¥108.72 EUR=¥120.83		-2.20 yen -7.56 yen
Naphtha price	49,400 yen/kl	42,900 yen/kl		-6,500 yen/kl

Under these conditions, the Group's revenue in the current fiscal year decreased by 10.8% year-on-year to 302,150 million yen, down 36,719 million yen. Contributing factors included a decline in sales prices on account of a fall in raw material costs and weak market conditions for products outside of Japan, and a decline in sales volume due mainly to sluggish demand resulting from a slowdown in the economy.

With regard to profits, narrowed spreads owing to a decline in product prices in excess of the decrease in raw materials costs, as well as lower sales volume and increased processing costs such as depreciation associated with the introduction of additional facilities led to lower operating profit, which was down 12,992 million yen, or 49.6% year-on-year, to 13,178 million yen.

Profit before tax was down 16,372 million yen, or 51.0% year-on-year to 15,748 million yen, due to decreases in operating profit and share of profit of investments accounted for using equity method.

As a result, profit attributable to owners of parent declined 53.5% year-on-year to 11,094 million yen, down 12,755 million yen.

#### <Characteristics of the Fiscal Year under Review>

The Group posted decreases in operating profit, profit before tax and profit attributable to owners of parent owing to a contraction in the spread and sluggish sales volume amid an increasingly harsh business environment including a slowdown in the world economy as mentioned above, despite its efforts to expand revenue by increasing sales volume centering on the functional chemicals segment, aiming to offset higher selling, general, and administrative expenses as well as processing costs such as depreciation and amortization associated with the extension of facilities.

**2) Outline of Sales by Business Segment**

(Unit: Millions of yen)

		FY 2018	FY 2019	Change
Basic Chemicals	Revenue	139,210	120,068	-19,142
Functional Chemicals	Revenue	189,642	170,389	-19,253
Environment & Catalysts	Revenue	10,017	11,693	1,676
Basic Chemicals	Operating profit	10,709	6,248	-4,460
Functional Chemicals	Operating profit	13,394	4,839	-8,555
Environment & Catalysts	Operating profit	916	844	-72

**Basic Chemicals**

Sales of acrylic acids and acrylates decreased due to lower propylene and other raw material costs accompanying a drop in crude oil prices and domestic naphtha prices, declined sales prices associated with falling market conditions for products outside of Japan as a result of sluggish demand stemming from the world economic slowdown caused by trade friction between the United States and China, and decreased sales volume.

Sales of ethylene oxide decreased due to a decline in sales volume with sluggish demand accompanying an economic slowdown, and lower sales prices owing to a drop in ethylene and other raw material costs.

Sales of ethylene glycol decreased due to a decline in sales prices accompanying lower market conditions for products outside of Japan, despite increased sales volume as a result of efforts to expand sales through exports.

Sales of secondary alcohol ethoxylates decreased due to lower sales volume with sluggish demand.

As a result of the above, revenue in the basic chemicals segment decreased by 13.8% year-on-year to 120,068 million yen.

Operating profit decreased by 41.7% year-on-year, to 6,248 million yen. This was due to factors such as decreased production and sales volume, narrowed spreads owing to a decline in product prices in excess of the decrease in raw material prices, and an increase in processing costs.

**Functional Chemicals**

Sales of superabsorbent polymers decreased due to lower sales prices as a result of falling propylene and other raw material costs and market conditions for products outside of Japan, and sluggish sales volume.

Sales of special acrylates decreased due to sluggish demand following the world economic slowdown caused by trade friction between the United States and China, resulting in a fall in market conditions for products outside of Japan.

Sales of electronic information material, polymers for concrete admixture, maleic anhydride, adhesive products, resin modifiers, and iodine compounds decreased due to decreased sales volume as a result of lower demand.

Sales of water-soluble polymers for raw materials of detergents and resins for paints increased due to higher sales volume as a result of efforts to expand sales.

Sales of ethyleneimine derivatives decreased due to lower sales prices and a decline in sales volume.

As a result, revenue in the functional chemicals segment decreased by 10.2% year-on-year to 170,389 million yen.

Operating profit decreased by 63.9% year-on-year to 4,839 million yen. This was due to factors such as narrowed spreads owing to a decline in product prices in excess of the decrease in raw material prices, in addition to increased processing costs such as depreciation associated with the introduction of additional facilities, and lower production and sales volume.

**Environment & Catalysts**

Sales of process catalysts decreased due to lower sales volume with the time for replacement of catalysts being suspended due to economic stagnation.

Sales of fuel cell materials, materials for lithium-ion batteries, De-NOx catalysts and waste gas treatment catalysts increased due mainly to higher sales volume as a result of efforts to expand sales.

As a result of the above, revenue in the environment & catalysts segment rose 16.7% year-on-year to 11,693 million yen.

Operating profit in the segment decreased by 7.8% year-on-year to 844 million yen, on account of increased processing costs.

## **(2) Overview of Financial Position for the Fiscal Year under Review**

Total assets at the end of the current fiscal year decreased by 6,027 million yen from the end of the previous fiscal year to 475,641 million yen. Current assets decreased by 6,812 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease in trade receivables as a result of lower sales prices in line with a fall in raw materials costs and weak market conditions for products outside of Japan, and a decline in sales volume, despite an increase in inventories. Non-current assets were 784 million yen higher than at the end of the previous fiscal year. This was due to an increase in property, plant and equipment as a result of applying IFRS 16 *Leases*, despite a decrease in other financial assets due to a decline in the valuation of investment securities.

Total liabilities decreased by 2,909 million yen compared to the end of the previous fiscal year to 149,532 million yen. This was due to lower trade payables resulting from some unsettled liabilities from the previous fiscal year settled during the current fiscal year because the previous fiscal year-end fell on a bank holiday, despite an increase in other financial liabilities as a result of applying IFRS 16 *Leases*.

Total equity decreased by 3,118 million yen compared to the end of the previous fiscal year to 326,108 million yen. This was due to decreases in net change in fair value of equity instruments designated as measured at fair value through other comprehensive income and exchange differences on translation of foreign operations that caused other components of equity to decrease, despite an increase in retained earnings.

The ratio of profit to equity attributable to owners of parent rose 0.1 percentage points, from 67.1% at the end of the previous fiscal year to 67.2%. Equity attributable to owners of parent per share decreased by 82.80 yen compared to the end of the previous fiscal year to 8,017.17 yen.

## **(3) Overview of Cash Flows for the Fiscal Year under Review**

Cash and cash equivalents at the end of the current fiscal year amounted to 43,869 million yen, a decrease of 3,564 million yen from the end of the previous fiscal year, as cash flows used in investing activities including capital investment and cash flows used in financing activities exceeded cash flows provided by operating activities.

### **Cash flow from operating activities**

Net cash provided by operating activities in the current fiscal year amounted to 37,499 million yen (35,918 million yen was provided in the previous fiscal year). Despite a decrease in profit before tax, settlement of trade receivables progressed and income taxes paid decreased, which led to increased inflows of 1,582 million yen compared to the previous fiscal year.

### **Cash flow from investing activities**

Net cash used in investing activities in the current fiscal year totaled 32,806 million yen (31,316 million yen was used in the same period of the previous fiscal year). Outflows increased for purchase of intangible assets including software, which led to increased outflows of 1,490 million yen compared to the previous fiscal year.

### **Cash flow from financing activities**

Net cash used in financing activities in the current fiscal year amounted to 7,859 million yen (9,982 million yen was used in the same period of the previous fiscal year). Despite increases in repayments of long-term borrowings and dividends paid, an increase in proceeds from borrowings for working capital and capital investment led to decreased outflows of 2,123 million yen compared to the previous fiscal year.

## (Reference) Condition of cash flow indicators

	FY 2017	FY 2018	FY 2019
Ratio of profit to equity attributable to owners of parent	64.3%	67.1%	67.2%
Ratio of profit to equity attributable to owners of parent at market base	59.9%	59.8%	41.5%
Cash flow to interest-bearing debt ratio	1.3 years	1.6 years	1.7 years
Interest coverage ratio	99.4	61.5	86.8

Ratio of profit to equity attributable to owners of parent: Equity attributable to owners of parent/ total assets

Ratio of profit to equity attributable to owners of parent at market base: market capitalization/ total assets

Cash flow to interest-bearing debt ratio: interest-bearing debt/ operating cash flow

Interest coverage ratio: operating cash flow/ interest payments

Notes: 1. All indicators are calculated based on consolidated figures.

2. Market capitalization = closing share price at period end × outstanding shares at period end (after deducting treasury stock)

3. We use “net cash provided by operating activities” from the consolidated statements of cash flows for “operating cash flow.”

4. We have included all interest-bearing debts in the consolidated statements of financial position for “interest-bearing debt.”

5. We use “interest paid” from the consolidated statements of cash flows for “interest payments.”

6. Figures for FY 2016 and before are not presented, as we transitioned to IFRS on April 1, 2017, applying it from FY 2018.

**(4) Future Outlook**

Although the business environment surrounding the Group is foreseen to remain severe under the impact of the global spread of the novel coronavirus disease and its effects on the economic climate, sincere efforts will be made to increase revenue including expanding sales volume and spread as well as cutting costs.

The impact of environmental changes on the Group’s performance caused by the novel coronavirus disease is unclear at this point. Accordingly, consolidated financial forecasts for FY 2020 have yet to be determined because it is extremely difficult to reasonably calculate them. The Company will promptly disclose forecasts when such disclosure becomes possible.

**(5) Basic Policy on the Distribution of Profits, and Dividends for the Current and Next Fiscal Year**

The Company has positioned the return of profits to shareholders as the most important management task, and, in consideration of the dividend payout ratio, etc., distributes dividends under a basic policy of aiming to improve medium- to long-term dividend levels in line with projected trends in consolidated earnings, while at the same time taking an overall view to expand the business and strengthen the corporate structure. In addition to dividend distributions, the Company intends to consider stock buybacks as one of the options to raise the value per share.

Meanwhile, aggressive investments in equipment, strategies, and R&D are also necessary for the maintenance of competitiveness and continued growth. As such, the Company regards retention of internal reserves also essential; therefore we will continue to distribute profits by carefully considering the balance of above factors.

The Company pays dividends twice a year, once at the end of the interim period and once at the end of the fiscal year.

Based on the above basic policy, the Company plans to pay a year-end dividend of 90 yen per share for FY 2019, taking into consideration the business environment, results and future prospects for business growth. As a result, annual dividends will total 180 yen per share, marking a record-high, for a consolidated payout ratio of 64.7%.

Annual dividends for FY 2020 have yet to be determined at this point.



## 2. Corporate Group

(1) The Nippon Shokubai corporate group (the Company and its subsidiaries and affiliates) consists of the Company, 25 subsidiaries and 16 affiliates, and its mainstay business is the manufacture and sale of chemicals.

The table below shows the positioning and relationship of mainstay companies among the group's business segments.

Business segments	Main products	Positioning of mainstay companies within the business
Basic Chemicals	Acrylic acid Acrylates Ethylene oxide Ethylene glycol Ethanolamine Secondary alcohol ethoxylates Glycol ether	NIPPON SHOKUBAI CO., LTD. ('the Company') manufactures and sells acrylic acids, acrylates, and other basic chemicals. NIPPON SHOKUBAI TRADING CO., LTD. procures mainly basic chemicals from the Company and sells them. It also procures products and raw materials to supply to the Company. PT. NIPPON SHOKUBAI INDONESIA manufactures and sells acrylic acids and acrylates in Indonesia. SINGAPORE ACRYLIC PTE LTD and NIPPON SHOKUBAI (ASIA) PTE.LTD. manufacture and sell acrylic acids in Singapore. NIPPON NYUKAZAI CO., LTD. manufactures and sells surfactants and chemical products such as glycol ether. It procures ethylene oxide and other raw materials for surfactants from the Company. SINO-JAPAN CHEMICAL CO., LTD. manufactures and sells surfactants and other industrial chemicals in Taiwan.
Functional Chemicals	Superabsorbent polymers Special acrylates Intermediates for pharmaceuticals Polymers for concrete admixtures Electronic and information materials Iodine compounds Maleic anhydride Resins for adhesives/paints Processed adhesive products	The Company manufactures and sells superabsorbent polymers, special acrylates, pharmaceutical intermediates, and other functional chemicals. Nippon Shokubai America Industries, Inc. manufactures and sells superabsorbent polymers, polymers for concrete admixtures, and acrylic acid detergent builders in the US. It procures acrylic acid, the raw material of superabsorbent polymers, from American Acryl L.P. NIPPON SHOKUBAI EUROPE N.V. manufactures and sells superabsorbent polymers in Belgium. NISSHOKU CHEMICAL INDUSTRY (ZHANGJIAGANG) CO., LTD. manufactures and sells superabsorbent polymers and polymers for concrete admixtures in China. PT. NIPPON SHOKUBAI INDONESIA manufactures and sells superabsorbent polymers in Indonesia. NIPPON SHOKUBAI (ASIA) PTE.LTD. procures superabsorbent polymers and other chemicals from the Company and PT. NIPPON SHOKUBAI INDONESIA and sells them in Singapore. NIPPOH CHEMICALS CO., LTD. manufactures and sells iodine compounds, natural gas, and raw materials for pharmaceuticals, agricultural chemicals, and fragrances. TOKYO FINE CHEMICAL CO., LTD. manufactures and sells stabilizers, preservatives, and anti-freeze solutions. It procures ethylene glycol, the raw material of anti-freeze solutions, from the Company. NISSHOKU TECHNO FINE CHEMICAL CO., LTD manufactures and sells raw materials for dye agents among other products, and the Company sells some of these products. It also procures acrylic acids among other raw materials from the Company. CHUGOKU KAKO CO., LTD. procures adhesive resins and other raw materials from the Company, and manufactures and sells processed adhesives and other products. NIPPON POLYMER INDUSTRIES. CO., LTD. procures acrylates among other raw materials from the Company, and manufactures resins for adhesives and paint; the Company sells some of these products. LG MMA Corporation manufactures and sells MMA monomers and polymers in South Korea.

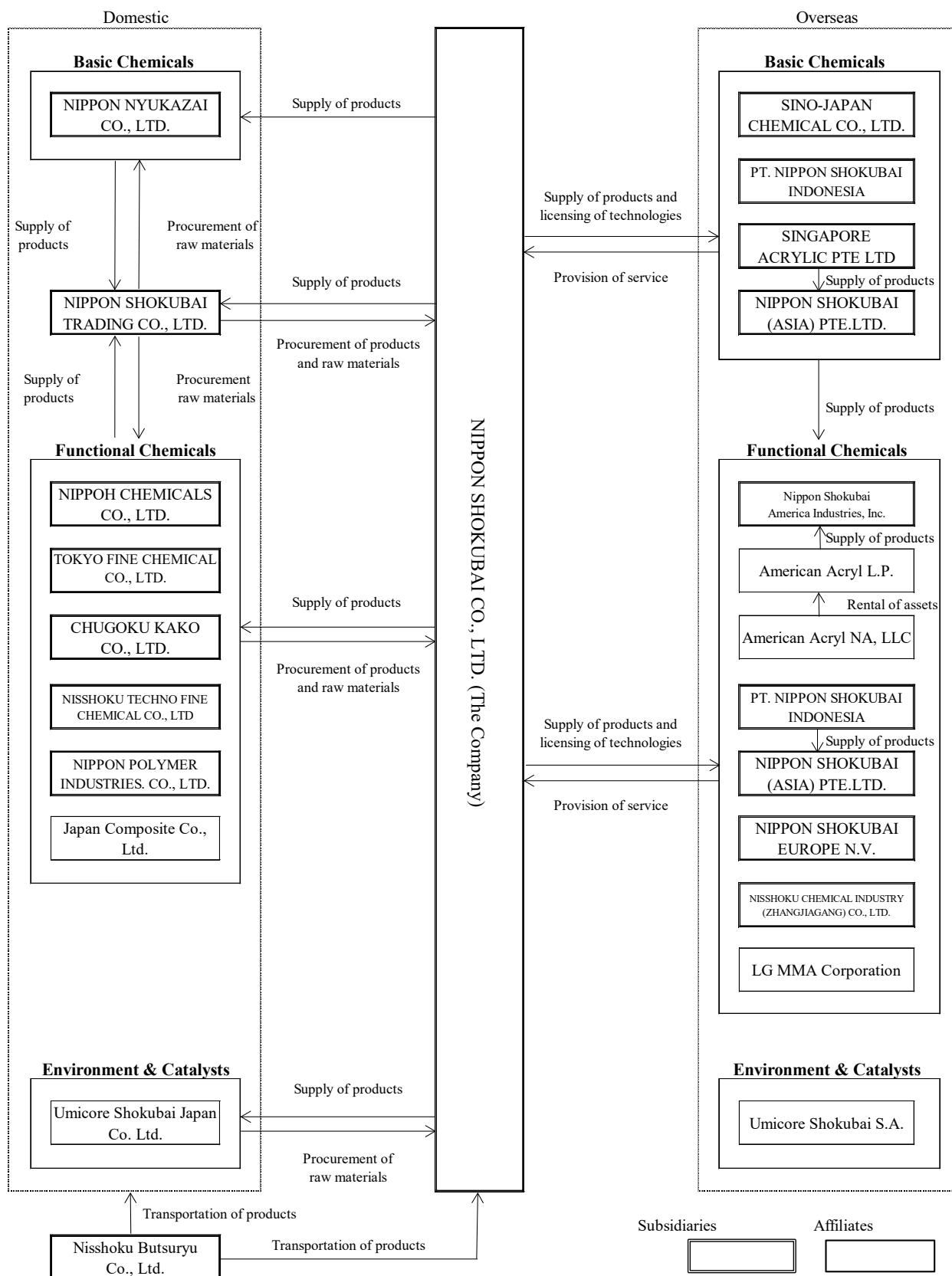
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Business segments	Main products	Positioning of mainstay companies within the business
Environment & Catalysts	Automotive catalysts De-NOx catalysts Dioxins decomposition catalysts Process catalysts Equipment for exhaust gas treatment Fuel cell materials	The Company manufactures and sells automotive catalysts and other environment & catalyst products. Umicore Shokubai Japan Co. Ltd procures automotive catalysts from the Company and sells them.

Notes: 1. Nisshoku Butsuryu Co., Ltd. mainly transports the Company's manufactured and commercial products and is therefore involved in all business segments.

2. Sirrus, Inc. belongs to Functional Chemicals segment and is mainly engaged in research and development.

(2) The following is a diagram of the main companies of the corporate group.



- Notes: 1 NIPPON SHOKUBAI TRADING CO., LTD., Nisshoku Butsuruyu Co., Ltd., PT. NIPPON SHOKUBAI INDONESIA and NIPPON SHOKUBAI (ASIA) PTE.LTD. belong to several business segments.  
 2. Umicore Shokubai S.A. controls automotive catalyst business and is a holding company of five companies including Umicore Shokubai Japan Co. Ltd.  
 3. Arrows indicate the flow of products and services. (Several companies enclosed in a box may show the relationship between a company linked to it by arrows and some of the companies in the box.)

### 3. Management Policy

In recent years, the business environment surrounding the chemical industry has become increasingly severe. In Japan, demand for chemicals is expected to decrease, driving intense competition among chemical manufacturers. In emerging countries, demand for chemicals is growing, but combined with the rise of new manufacturers from emerging countries, the disparity in scale with European and American chemical manufacturing giants is widening, resulting in the Japanese chemical industry becoming less competitive.

On the other hand, with recent issues faced by the society, such as the advance in the aging of the population and environmental and energy problems, the role expected of the chemistry industry in resolving them has become increasingly important.

In order to respond to these rapidly changing external environment, under its mission, management commitment and its corporate credo, the Group is working on its long-term business Plan “Reborn Nippon Shokubai 2020” that started in April 2014 and the 2nd medium-term business plan “Reborn Nippon Shokubai 2020 NEXT,” which is a specific action plan from FY 2017 onwards, towards achieving the long-term Vision “An innovative chemical company that provides new value for people’s lives.”

In particular, investment in management resources are prioritized with a focus on “Strengthening competitiveness of the superabsorbent polymer business” and “Accelerating creation of new businesses and products” as measures toward the priority challenge.

Also, to strengthen the management foundation toward achieving the continuous growth of the Group, the entire company is working toward three issues, namely, (1) Develop an active corporate team and organization, (2) Enhance the confidence of stakeholders and (3) Strengthen Group management.

Progress in the 2nd medium-term business plan during FY 2019 included commencement of the construction of an additional production plant for acrylic acid with an annual production capacity of 100,000 tons at PT. NIPPON SHOKUBAI INDONESIA, our subsidiary in Indonesia, with a plan for completion by the end of March 2021, in order to respond to an increase in demand for acrylic acid in Asian region. After the completion of the said production plant, the Group’s worldwide annual production capacity of acrylic acids will be 980,000 tons. Also, several cost cutting measures have been implemented under the “SAP Survival project” aimed at large-scale cost reductions and gains in competitiveness in the superabsorbent polymer business.

Among new businesses, in the health and medical business, the Company acquired the ownership of Rena Therapeutics Inc. which possesses innovative technology in the fields of oligonucleotide drugs in November 2019, in order to drive commercialization of oligonucleotide drugs. In the cosmetics ingredient business, the Company conducted co-development with several other companies and commenced the sale of products in April 2019. We continue our efforts to expand market share through delivering materials that meet customers’ needs.

As part of its efforts to enhance the confidence of stakeholders, the Company published the “TechnoAmenity Report” in August 2019. The Company strives to proactively disclose both financial and non-financial information such as ESG (environmental, social, and governance) activities to its stakeholders.

In November 2019, the Company and Sanyo Chemical Industries, Ltd. agreed to conduct a business integration by establishing Synfomix Co., Ltd. (the “Integrated Holding Company”) by way of joint share transfer, which shall become the parent company of the companies, and executed a final agreement.

As the recent global outbreak of the novel coronavirus (COVID-19) and the sharp decline in the oil and oil product markets, among other factors, have caused the performance and other aspects of the companies, as well as the financial, economic, market and other elements of the business environment, which served as bases for the agreement on the business integration, to become unpredictable, the companies decided to change the establishment date of the Integrated Holding Company from October 2020 to April 2021, and reassess the share transfer ratio. There are no significant changes to the terms of the final agreement except for the schedule of the business integration and the share transfer ratio.

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The Synfomix Group after the business integration will aim to become a chemical manufacturer with both significant global presence as well as multiple businesses with strength by combining the Company's value chain of competitive materials and Sanyo Chemical's solution business that addresses customers' challenges. For details about the business integration, please see the news releases dated November 29, 2019 and April 13, 2020 posted on the Company's website (<https://www.shokubai.co.jp/en/>).

#### **4. Basic Policy of the Choice of Accounting Standards**

With a view to improving the international comparability of financial statements and to enhancing Group management by integrating accounting treatments, the Company has applied the International Financial Reporting Standards (IFRS) from the annual securities report for FY 2018.

**5. Consolidated Financial Statements and Related Notes****(1) Consolidated Statements of Financial Position**

(Unit: Millions of yen)

	FY2018 As of Mar. 31, 2019	FY2019 As of Mar. 31, 2020
Assets		
Current assets		
Cash and cash equivalents	47,434	43,869
Trade receivables	81,158	74,570
Inventories	59,266	60,762
Other financial assets	8,945	9,894
Other current assets	4,768	5,663
Total current assets	201,571	194,759
Non-current assets		
Property, plant and equipment	193,632	200,252
Goodwill	4,360	4,303
Intangible assets	9,200	10,239
Investments accounted for using equity method	21,773	19,823
Other financial assets	38,296	33,748
Retirement benefit asset	8,149	7,540
Deferred tax assets	2,736	3,179
Other non-current assets	1,951	1,796
Total non-current assets	280,097	280,881
Total assets	481,668	475,641

For the Fiscal Year Ended March 31, 2020

(Unit: Millions of yen)

	FY2018 As of Mar. 31, 2019	FY2019 As of Mar. 31, 2020
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade payables	51,866	44,741
Bonds and borrowings	20,851	17,177
Other financial liabilities	7,818	8,289
Income taxes payable	3,850	2,370
Provisions	5,178	4,879
Other current liabilities	4,464	4,971
<b>Total current liabilities</b>	<b>94,028</b>	<b>82,427</b>
<b>Non-current liabilities</b>		
Bonds and borrowings	34,902	38,854
Other financial liabilities	1,501	7,110
Retirement benefit liability	14,119	14,509
Provisions	1,896	1,929
Deferred tax liabilities	5,995	4,704
<b>Total non-current liabilities</b>	<b>58,413</b>	<b>67,105</b>
<b>Total liabilities</b>	<b>152,441</b>	<b>149,532</b>
<b>Equity</b>		
Share capital	25,038	25,038
Capital surplus	22,472	22,472
Treasury shares	-6,274	-6,281
Retained earnings	276,934	280,555
Other components of equity	4,838	-2,086
<b>Total equity attributable to owners of parent</b>	<b>323,008</b>	<b>319,699</b>
Non-controlling interests	6,219	6,410
<b>Total equity</b>	<b>329,227</b>	<b>326,108</b>
<b>Total liabilities and equity</b>	<b>481,668</b>	<b>475,641</b>

**(2) Consolidated Statements of Profit or Loss and Consolidated Statements of Comprehensive Income**  
**Consolidated Statements of Profit or Loss**

(Unit: Millions of yen)

	FY 2018 Apr. 1, 2018 to Mar. 31, 2019	FY 2019 Apr. 1, 2019 to Mar. 31, 2020
Revenue	338,869	302,150
Cost of sales	272,292	248,666
Gross profit	66,577	53,484
Selling, general and administrative expenses	40,923	41,903
Other operating income	2,193	3,080
Other operating expenses	1,677	1,483
Operating profit	26,170	13,178
Finance income	1,771	1,741
Finance costs	923	1,811
Share of profit of investments accounted for using equity method	5,101	2,640
Profit before tax	32,119	15,748
Income tax expense	7,767	4,157
Profit	24,352	11,590
Profit attributable to		
Owners of parent	23,849	11,094
Non-controlling interests	503	496
Profit	24,352	11,590
Earnings per share		
Basic earnings per share (Yen)	598.05	278.21
Diluted earnings per share (Yen)	-	-



**Consolidated Statements of Comprehensive Income**

(Unit: Millions of yen)

	FY 2018 Apr. 1, 2018 to Mar. 31, 2019	FY 2019 Apr. 1, 2019 to Mar. 31, 2020
Profit	24,352	11,590
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	-4,102	-3,647
Remeasurements of defined benefit plans	1,593	-523
Share of other comprehensive income of investments accounted for using equity method	-63	-7
Total of items that will not be reclassified to profit or loss	-2,572	-4,178
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	85	-2,476
Effective portion of cash flow hedges	-3	-
Share of other comprehensive income of investments accounted for using equity method	-992	-610
Total of items that may be reclassified to profit or loss	-910	-3,086
Other comprehensive income	-3,482	-7,264
Comprehensive income	20,870	4,327
Comprehensive income attributable to		
Owners of parent	20,455	3,875
Non-controlling interests	415	452
Comprehensive income	20,870	4,327

**(3) Consolidated Statements of Changes in Equity**

Fiscal year ended Mar. 31, 2019 (Apr. 1, 2018 to Mar. 31, 2019)

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,400	-6,263	258,117	8,072	–
Profit	–	–	–	23,849	–	–
Other comprehensive income	–	–	–	–	-4,099	1,516
Comprehensive income	–	–	–	23,849	-4,099	1,516
Purchase of treasury shares	–	–	-12	–	–	–
Dividends	–	–	–	-6,580	–	–
Increase (decrease) in non-controlling interests	–	72	–	–	–	–
Transfer from other components of equity to retained earnings	–	–	–	1,548	-31	-1,516
Total transactions with owners	–	72	-12	-5,032	-31	-1,516
Balance at end of period	25,038	22,472	-6,274	276,934	3,942	–

	Other components of equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	3	1,705	9,780	309,073	7,115	316,188
Profit	–	–	–	23,849	503	24,352
Other comprehensive income	-3	-808	-3,394	-3,394	-87	-3,482
Comprehensive income	-3	-808	-3,394	20,455	415	20,870
Purchase of treasury shares	–	–	–	-12	–	-12
Dividends	–	–	–	-6,580	-355	-6,935
Increase (decrease) in non-controlling interests	–	–	–	72	-956	-884
Transfer from other components of equity to retained earnings	–	–	-1,548	–	–	–
Total transactions with owners	–	–	-1,548	-6,520	-1,311	-7,831
Balance at end of period	–	896	4,838	323,008	6,219	329,227

Fiscal year ended Mar. 31, 2020 (Apr. 1, 2019 to Mar. 31, 2020)

(Unit: Millions of yen)

	Share capital	Capital surplus	Treasury shares	Retained earnings	Other components of equity	
					Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans
Balance at beginning of period	25,038	22,472	-6,274	276,934	3,942	—
Profit	—	—	—	11,094	—	—
Other comprehensive income	—	—	—	—	-3,642	-469
Comprehensive income	—	—	—	11,094	-3,642	-469
Purchase of treasury shares	—	—	-6	—	—	—
Dividends	—	—	—	-7,178	—	—
Increase (decrease) in non-controlling interests	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	-296	-173	469
Total transactions with owners	—	—	-6	-7,474	-173	469
Balance at end of period	25,038	22,472	-6,281	280,555	126	—

	Other components of equity			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Effective portion of cash flow hedges	Exchange differences on translation of foreign operations	Total			
Balance at beginning of period	—	896	4,838	323,008	6,219	329,227
Profit	—	—	—	11,094	496	11,590
Other comprehensive income	—	-3,108	-7,219	-7,219	-44	-7,264
Comprehensive income	—	-3,108	-7,219	3,875	452	4,327
Purchase of treasury shares	—	—	—	-6	—	-6
Dividends	—	—	—	-7,178	-261	-7,439
Increase (decrease) in non-controlling interests	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	296	—	—	—
Total transactions with owners	—	—	296	-7,184	-261	-7,445
Balance at end of period	—	-2,212	-2,086	319,699	6,410	326,108

**(4) Consolidated Statements of Cash Flows**

(Unit: Millions of yen)

	FY 2018 Apr. 1, 2018 to Mar. 31, 2019	FY 2019 Apr. 1, 2019 to Mar. 31, 2020
Cash flows from operating activities		
Profit before tax	32,119	15,748
Depreciation and amortization	25,626	28,653
Decrease (increase) in retirement benefit asset	32	91
Increase (decrease) in retirement benefit liability	110	180
Interest and dividend income	-1,769	-1,736
Interest expenses	582	573
Share of loss (profit) of investments accounted for using equity method	-5,101	-2,640
Decrease (increase) in trade receivables	-1,653	6,056
Decrease (increase) in inventories	-2,933	-2,063
Increase (decrease) in trade payables	-6,928	-6,741
Other	1,212	224
Subtotal	41,298	38,343
Interest and dividends received	4,378	5,558
Interest paid	-584	-432
Income taxes paid	-9,175	-5,970
Net cash provided by (used in) operating activities	35,918	37,499
Cash flows from investing activities		
Purchase of property, plant and equipment	-32,432	-32,319
Proceeds from sale of property, plant and equipment	225	2,517
Purchase of intangible assets	-243	-1,710
Purchase of investments	-4,944	-158
Proceeds from sale and redemption of investments	4,937	677
Acquisition of shares of subsidiaries and affiliates	-	-850
Other	1,140	-962
Net cash provided by (used in) investing activities	-31,316	-32,806
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-518	3,005
Proceeds from long-term borrowings	3,043	10,934
Repayments of long-term borrowings	-4,556	-12,602
Repayments of lease liabilities	-121	-1,751
Purchase of treasury shares	-12	-6
Dividends paid	-6,580	-7,178
Dividends paid to non-controlling interests	-355	-261
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-884	-
Net cash provided by (used in) financing activities	-9,982	-7,859
Effect of exchange rate changes on cash and cash equivalents	179	-399
Net increase (decrease) in cash and cash equivalents	-5,202	-3,564
Cash and cash equivalents at beginning of period	52,635	47,434
Cash and cash equivalents at end of period	47,434	43,869

**(5) Notes Concerning Consolidated Financial Statements****【Going Concern Assumption】**

Not applicable.

**【Changes in Accounting Policies】**

The accounting policies applied in these consolidated financial statements are the same as those applied in the consolidated financial statements for the previous fiscal year with the exception of the following.

The Group has applied the following standard from the fiscal year under review:

IFRS	Standard	Overview of introduction or revision
IFRS 16	Leases	Revised accounting treatment for leases

(Accounting policies after the application of IFRS 16)

Lease liabilities in lease transactions are measured at the discounted present value of the residual amount of total lease payments at the lease commencement date. Right-of-use assets are initially measured based on the initially measured amount of the lease liability adjusted for initial direct costs and prepaid lease payments, etc., and added costs such as obligations of restoration to original conditions requested by lease contracts. Right-of-use assets are depreciated regularly over the lease term.

The discount rate that shall be used in calculating the discounted present value of the residual amount of total lease payments is the interest rate implicit in the lease, if this is practicably possible, and if not, the lessee's incremental borrowing rate.

Lease payments are distributed between finance costs and repayment of lease liabilities so that interest rates will be constant on the remaining balance of the lease liability. Finance costs are presented separately from the depreciation and amortization of right-of-use assets in the consolidated statements of profit or loss.

Whether or not a contract is, or contains, a lease is determined based on the substance of a contract, even when it does not take the legal form of a lease.

Lease payments for leases that have a lease term of twelve months or less and leases for which the underlying assets are of low value are recognized as expenses on either a straight-line basis over the lease term or another systematic basis.

(Accounting treatment along with the application of IFRS 16)

In applying IFRS 16, the Group has adopted a method of recognizing the cumulative effects of applying this standard on the date of initial application, which is accepted as a transitional measure.

For the application of IFRS 16, the Group has chosen the practical expedient in paragraph C3 of IFRS 16 with regard to determining whether or not a contract contains a lease, and opted to retain the assessments provided under IAS 17 *Leases* (hereinafter, "IAS 17") and IFRIC 4 *Determining whether an Arrangement Contains a Lease*. From the date of initial application, determinations will be made based on the provisions of IFRS 16.

As for leases that the Group as lessee previously classified as operating leases by applying IAS 17, with the exception of short-term leases and leases of low-value assets, these leases were recognized as right-of-use assets or lease liabilities on the date of initial application. Lease payments for short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term. Lease liabilities are measured at the present value of the residual lease payments discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average of this incremental borrowing rate is 2.2%. Right-of-use assets are initially measured based on the initially measured amount of the lease liability adjusted for prepaid lease payments, etc.

With the application of IFRS 16, the Group has recognized right-of-use assets amounting to 5,800 million yen under property, plant and equipment, and lease liabilities amounting to 5,789 million yen under other financial liabilities, as of the date of initial application.

Although lease payments for existing operating leases were previously included under cash flows from operating activities

For the Fiscal Year Ended March 31, 2020

in the consolidated statements of cash flows, with the application of IFRS 16, adjustments primarily related to the depreciation and amortization of right-of-use assets are included under cash flows from operating activities, and lease liabilities paid are included under cash flows from financing activities.

In addition, the difference between the total minimum lease payments of non-cancellable operating lease agreements disclosed under IAS 17 as of March 31, 2019 (discounted at the incremental borrowing rate) and lease liabilities recognized at the time of initial application of IFRS 16 amounts to 6,554 million yen. This is mainly due to recording 5,789 million yen in lease liabilities as a result of the reassessment of lease terms in applying IFRS 16.

The Group has adopted the following practical expedients in applying IFRS 16:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics
- Exclude initial direct costs from the measurement of the right-of-use asset at the date of initial application.

## **【Segment Information】**

### **1. Outline of Reportable Segments**

The Company's reportable segments are divisions of the Company for which separate financial information is available, and whose operating results are reviewed regularly by the Board of Directors of the Company in order to allocate management resources and assess performance of operations.

The Company's main business lines are divided based on similarities of function and nature and the Company prepares the comprehensive strategy and conducts the business activities corresponding to the products handled by each business line.

Accordingly, the Company is comprised of reportable segments classified by type of products based on each business line and does not aggregate its operating results. The three reportable segments of the Company are Basic chemicals, Functional chemicals, and Environment & catalysts.

The basic chemicals segment is engaged in the manufacturing and sales of acrylic acids, acrylates, ethylene oxide, ethylene glycol, ethanolamine, secondary alcohol ethoxylates and glycol ethers. The functional chemicals segment is engaged in the manufacturing and sales of superabsorbent polymers, special acrylates, intermediates for pharmaceuticals, polymers for concrete admixture, electronic information material, iodine, maleic anhydride, resins for adhesives and paints, and adhesive products. The environment & catalysts segment is engaged in the manufacturing and sales of automotive catalysts, De-NOx catalysts, dioxin decomposition catalysts, process catalysts, waste gas treatment catalysts and fuel cell materials.

### **2. Method of Calculating Revenue, Income or Loss, Assets and Other Items by Reportable Segment**

The accounting method for business segments reported is substantially the same as the accounting method adopted for preparing the consolidated financial statements. Intergroup revenue and transfers are mainly based on market prices and cost of manufacturing. Segment income is consistent with operating profit.

For the Fiscal Year Ended March 31, 2020

**3. Information Concerning Revenue, Income or Loss, Assets and Other Items by Reportable Segment**

FY 2018 (Apr. 1, 2018 to March 31, 2019)

(Unit: Millions of yen)

	Reportable segments				Adjustment (Note 1, 2)	Total
	Basic Chemicals	Functional Chemicals	Environment & Catalysts	Total		
Revenue						
(1) Revenue to third parties	139,210	189,642	10,017	338,869	–	338,869
(2) Intergroup revenue and transfers	39,041	7,518	1,089	47,648	-47,648	–
Total	178,251	197,159	11,106	386,516	-47,648	338,869
Segment income	10,709	13,394	916	25,019	1,151	26,170
Finance income	–	–	–	–	–	1,771
Finance costs	–	–	–	–	–	923
Share of profit of investments accounted for using equity method	–	–	–	–	–	5,101
Profit before tax	–	–	–	–	–	32,119
Segment assets	145,633	261,664	28,956	436,253	45,414	481,668
Other items						
Depreciation and amortization	10,429	14,226	971	25,626	–	25,626
Increase in property, plant and equipment and intangible assets	11,547	21,414	722	33,683	–	33,683

Notes: 1. The “Segment income” adjustment includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 1,151 million yen.

2. The “Segment assets” adjustment includes short-term surplus funds (cash and deposit) and long-term surplus funds (investments in securities) amounting to 45,414 million yen.

FY 2019 (Apr. 1, 2019 to March 31, 2020)

(Unit: Millions of yen)

	Reportable segments				Adjustment (Note 1, 2)	Total
	Basic Chemicals	Functional Chemicals	Environment & Catalysts	Total		
Revenue						
(1) Revenue to third parties	120,068	170,389	11,693	302,150	–	302,150
(2) Intergroup revenue and transfers	33,394	5,787	1,550	40,730	-40,730	–
Total	153,462	176,176	13,242	342,880	-40,730	302,150
Segment income	6,248	4,839	844	11,931	1,246	13,178
Finance income	–	–	–	–	–	1,741
Finance costs	–	–	–	–	–	1,811
Share of profit of investments accounted for using equity method	–	–	–	–	–	2,640
Profit before tax	–	–	–	–	–	15,748
Segment assets	151,149	249,813	32,596	433,559	42,082	475,641
Other items						
Depreciation and amortization	10,923	16,493	1,236	28,653	–	28,653
Increase in property, plant and equipment and intangible assets	16,900	17,111	1,967	35,978	–	35,978

Notes: 1. The “Segment income” adjustment includes inter-segment transaction eliminations and corporate profit (loss) not allocated to reportable segments amounting to 1,246 million yen.

2. The “Segment assets” adjustment includes short-term surplus funds (cash and deposit) and long-term surplus funds (investments in securities) amounting to 42,082 million yen.

**【Supplementary Information】****Overseas Revenue****FY 2018 (Apr. 1, 2018 to Mar. 31, 2019)**

(Unit: Millions of yen)

	Asia	Europe	North America	Others	Total
I. Overseas revenue	92,019	43,067	26,655	20,593	182,334
II. Consolidated revenue					338,869
III. Overseas revenue to consolidated revenue	27.1%	12.7%	7.9%	6.1%	53.8%

**FY 2019 (Apr. 1, 2019 to Mar. 31, 2020)**

(Unit: Millions of yen)

	Asia	Europe	North America	Others	Total
I. Overseas revenue	82,343	40,959	23,206	16,414	162,922
II. Consolidated revenue					302,150
III. Overseas revenue to consolidated revenue	27.2%	13.6%	7.7%	5.4%	53.9%

Notes: 1. Geographical segments are classified according to geographical proximity.

2. Specific countries of each area:

(1) Asia: East and South East Asian countries

(2) Europe: European countries

(3) North America: North American countries

(4) Others: Areas/countries except Asia, Europe, North America, and Japan

3. "Overseas revenue" means revenue outside Japan by NIPPON SHOKUBAI CO., LTD. and its consolidated subsidiaries.

**【Per Share Information】**

Basic earnings per share and its basis for calculation are as follows.

Diluted earnings per share are not shown since there are no potential shares of common stock with dilutive effects.

	FY 2018 Apr. 1, 2018 to Mar. 31, 2019	FY 2019 Apr. 1, 2019 to Mar. 31, 2020
Profit attributable to owners of parent (Millions of yen)	23,849	11,094
Average number of shares of common stock during the period (Thousands of shares)	39,878	39,877
Basic earnings per share (Yen)	598.05	278.21

**【Significant Subsequent Events】**

Not applicable.

**6. Transfers of Executive Officers**

(Scheduled for June 19, 2020)

For changes in officers, please see the "Daihyotorishimariyaku oyobi yakuin no idou ni kansuru oshirase (Notice of Transfers of Representative Members of the Board and Executive Officers)" announced today. (Only available in Japanese)



For the Fiscal Year Ended March 31, 2020

## 7. Supplementary Material

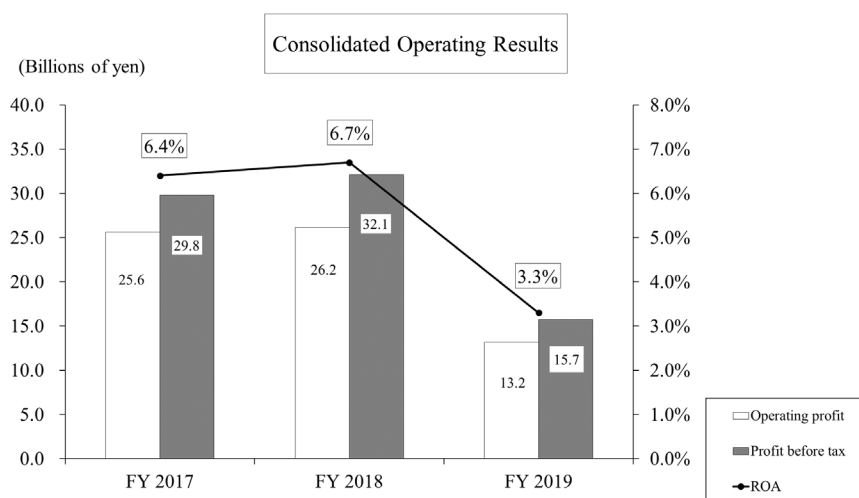
## Trend of Results and Key Management Indicators (Consolidated: IFRS / Non-consolidated: JGAAP)

(Unit: Millions of yen)

	FY 2017		FY 2018		FY 2019		Change
	Amount	YoY	Amount	YoY	Amount	YoY	FY2019 – FY 2018
Revenue/Net sales	[1.38]		[1.46]		[1.48]		
Consolidated	313,939	—	338,869	7.9%	302,150	-10.8%	-36,719
Non-consolidated	226,887	15.6%	232,222	2.4%	204,690	-11.9%	-27,532
Operating profit	[1.19]		[1.51]		[1.29]		
Consolidated	25,610	—	26,170	2.2%	13,178	-49.6%	-12,992
Non-consolidated	21,540	37.5%	17,356	-19.4%	10,178	-41.4%	-7,178
Ordinary profit							
Consolidated	—	—	—	—	—	—	—
Non-consolidated	28,612	17.5%	26,216	-8.4%	18,677	-28.8%	-7,539
Profit before tax/Profit before income taxes	[1.05]		[1.23]		[0.84]		
Consolidated	29,805	—	32,119	7.8%	15,748	-51.0%	-16,372
Non-consolidated	28,515	18.8%	26,128	-8.4%	18,664	-28.6%	-7,464
Profit	[1.06]		[1.17]		[0.75]		
Consolidated *	22,641	—	23,849	5.3%	11,094	-53.5%	-12,755
Non-consolidated	21,330	9.6%	20,371	-4.5%	14,776	-27.5%	-5,595
Share of profit of investments accounted for using equity method	3,680		5,101		2,640		-2,461
Profit attributable to non-controlling interests	527		503		496		7
Total assets	[1.36]		[1.37]		[1.34]		
Consolidated	480,316	—	481,668	0.3%	475,641	-1.3%	-6,027
Non-consolidated	353,831	8.3%	352,742	-0.3%	355,380	0.7%	2,638
Total equity/Net assets	[1.25]		[1.25]		[1.22]		
Consolidated	316,188	—	329,227	4.1%	326,108	-0.9%	-3,118
Non-consolidated	253,933	7.5%	263,718	3.9%	268,014	1.6%	4,296
ROA							Points
Consolidated (Ratio of profit before tax to total assets)		6.4%		6.7%		3.3%	-3.4
Non-consolidated (Return on assets)		8.4%		7.4%		5.3%	-2.1
ROE							Points
Consolidated (Ratio of profit to equity attributable to owners of parent)		7.6%		7.5%		3.5%	-4.0
Non-consolidated (Return on equity)		8.7%		7.9%		5.6%	-2.3
Capital investments							
Consolidated	30,355	—	29,919	-1.4%	30,440	1.7%	521
Non-consolidated	8,666	-42.6%	14,646	69.0%	11,105	-24.2%	-3,541
Depreciation and amortization/Depreciation							
Consolidated	22,918	—	25,626	11.8%	28,653	11.8%	3,027
Non-consolidated	10,516	-6.0%	9,659	-8.2%	9,745	0.9%	86
R&D expenses							
Consolidated	14,251	—	13,996	-1.8%	14,774	5.6%	778
Non-consolidated	12,479	0.7%	12,248	-1.9%	12,666	3.4%	418

Figures in brackets (“[ ]”) indicate the ratio of consolidated figures to non-consolidated figures (consolidated-parent ratio).

\* Profit attributable to owners of parent



**Financial Forecasts for the Next Fiscal Year**

Financial forecasts for FY 2020 have yet to be determined because it is extremely difficult to reasonably calculate the impact of environmental changes on the Group's performance caused by the novel coronavirus disease. The Company will promptly disclose forecasts when such disclosure becomes possible.

*\* This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with the International Financial Reporting Standards (IFRS), for the convenience of readers who prefer an English translation.*