

Summary of Consolidated Financial Results
For the Third Quarter of the Fiscal Year Ending March 31, 2011
(Nine Months Ended December 31, 2010)

February 8, 2011

Company name: Nippon Shokubai Co., Ltd. Listing: TSE, OSE (First Section)
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(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2011
(from April 1, 2010 to December 31, 2010)

(1) Consolidated operating results (cumulative)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Dec. 31, 2010	212,108	20.1	21,933	93.7	22,567	85.3	13,929	77.4
Nine months ended Dec. 31, 2009	176,634	(27.7)	11,324	49.6	12,176	51.9	7,850	456.4

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2010	74.08	-
Nine months ended Dec. 31, 2009	44.10	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Dec. 31, 2010	327,456	187,922	56.3	907.37
As of Mar. 31, 2010	310,946	163,781	51.4	898.33

Reference: Shareholders' equity (millions of yen): As of Dec. 31, 2010: 184,205 As of Mar. 31, 2010: 159,923

2. Dividends

(Record date)	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2010	-	7.00	-	7.00	14.00
Year ending Mar. 31, 2011	-	10.00	-	-	-
Year ending Mar. 31, 2011 (Forecast)	-	-	-	12.00	22.00

Note: Revisions to the dividend forecast made during the period: Yes

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2010
(from April 1, 2010 to March 31, 2011)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	287,000	17.5	29,000	108.9	29,000	94.2	19,000	75.4	99.23

Note: Revisions to the consolidated earnings forecast made during the period: Yes

4. Other

- (1) Changes in significant subsidiaries during the period (changes in specific subsidiaries that affect the scope of consolidation): None
- (2) Application of simplified accounting methods and accounting methods peculiar to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting principles/procedures, presentation methods, etc. for the preparation of quarterly consolidated financial statements (that are to be stated in the section of Changes in Significant Matters, etc. on which the Preparation of Quarterly Consolidated Financial Statements is Based)
- 1) Changes due to the revision of accounting standards, etc.: Yes
- 2) Other changes: Yes
- (4) Number of shares issued and outstanding (common stock)
- 1) Number of shares issued and outstanding at the end of the period (including treasury stock)
- | | | | |
|----------------------|--------------------|----------------------|--------------------|
| As of Dec. 31, 2010: | 212,000,000 shares | As of Mar. 31, 2010: | 187,000,000 shares |
|----------------------|--------------------|----------------------|--------------------|
- 2) Number of treasury stock at the end of the period
- | | | | |
|----------------------|------------------|----------------------|------------------|
| As of Dec. 31, 2010: | 8,990,794 shares | As of Mar. 31, 2010: | 8,976,962 shares |
|----------------------|------------------|----------------------|------------------|
- 3) Average number of shares outstanding during the period (nine-month period)
- | | | | |
|----------------------------------|--------------------|----------------------------------|--------------------|
| Nine months ended Dec. 31, 2010: | 188,017,807 shares | Nine months ended Dec. 31, 2009: | 178,003,808 shares |
|----------------------------------|--------------------|----------------------------------|--------------------|

*** Cautionary statement with respect to forward-looking statements**

These materials contain forward-looking statements and statements of this nature based on reasonable judgments in accordance with information currently available. Readers should be aware that actual results and events might differ substantially from these projections

* The original, written in Japanese, of this information is prepared in accordance with Japanese standard. This is a voluntary translation of the original provided by the company for convenience of readers.

Qualitative Information, Financial Statements, etc.**1. Consolidated Operating Results****Overview**

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2009	Nine months ended Dec. 31, 2010	Change		Year ended Mar. 31, 2010
			(Amount)	(% growth)	
Net sales	176,634	212,108	35,474	20.1%	244,317
Operating income	11,324	21,933	10,608	93.7%	13,881
Ordinary income	12,176	22,567	10,390	85.3%	14,934
Net income	7,850	13,929	6,079	77.4%	10,832
Net income per share	44.10 yen	74.08 yen	29.98 yen	68.0%	60.85 yen
ROA (Return on Assets)	5.3%	9.4%	-	4.1 points	4.9%
ROE (Return on Equity)	6.9%	10.8%	-	3.9 points	7.0%
Exchange rate (\$ and EUR)	\$=93.61yen	\$=86.86 yen	(6.75) yen		\$=92.88 yen
	EUR=133.03yen	EUR=113.31 yen	(19.72) yen		EUR=131.14 yen
Naphtha price	39,000 yen/kl	45,800 yen/kl	6,800 yen/kl		41,200 yen/kl

Note) The ROA and ROE figures shown for each Nine-month period are annualized.

2. Consolidated Earnings Forecast

We revised our consolidated full fiscal year estimated results as follows; net sales of 287,000 million yen, operating income of 29,000 million yen, ordinary income of 29,000 million yen, and net income of 19,000 million yen, because of an increase in demand of developing countries and in sales volumes as a result, additionally, a temporary rise of sales prices of some products at a foreign market.

The above forecast is based on our fourth quarter preconditions of the exchange rates of 80 yen to the US dollar and 110 yen to the euro, and the naphtha price of 52,000 yen/kl. Under the harsh business environment, we will continuously strive to reduce costs, to increase production and sales volumes, and to maintain and expand the spread.

(Unit: Millions of yen)

	Basic Chemicals		Functional Chemicals		Environment & Catalysts	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Previous forecasts (A)	118,000	8,600	143,000	13,000	19,000	1,900
Latest forecasts (B)	123,200	13,200	142,500	13,600	21,300	2,200
Change (B-A)	5,200	4,600	(500)	600	2,300	300

3. Quarterly Consolidated Financial Statements**(1) Consolidated Balance Sheets**

	(Unit: Millions of yen)	
	Third quarter of Fiscal year ending Mar.31, 2011 (As of Dec. 31, 2010)	Summary of Fiscal year ended Mar.31, 2010 (As of Mar. 31, 2010)
Assets		
Current assets		
Cash and deposits	36,091	28,404
Notes and accounts receivable-trade	73,414	63,086
Merchandise and finished goods	21,440	21,256
Work in process	5,531	5,044
Raw materials and supplies	11,255	11,057
Other	9,494	9,593
Allowance for doubtful accounts	(220)	(227)
Total current assets	157,006	138,213
Noncurrent assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	57,862	46,801
Other, net	64,357	77,385
Accumulated impairment loss	(3,510)	(3,730)
Total property, plant and equipment	118,708	120,455
Intangible assets		
Goodwill	1,054	1,405
Other	2,347	2,315
Total intangible assets	3,401	3,720
Investments and other assets		
Investment securities	34,311	33,586
Other	14,252	15,254
Allowance for doubtful accounts	(224)	(283)
Total investments and other assets	48,340	48,557
Total noncurrent assets	170,449	172,732
Total assets	327,456	310,946

	(Unit: Millions of yen)	
	Third quarter of Fiscal year ending Mar.31, 2011 (As of Dec. 31, 2010)	Summary of Fiscal year ended Mar.31, 2010 (As of Mar. 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	41,565	38,491
Short-term loans payable	15,151	26,587
Current portion of long-term loans payable	7,753	7,631
Income taxes payable	5,508	2,476
Provision	3,706	5,077
Other	11,555	8,755
Total current liabilities	85,238	89,018
Noncurrent liabilities		
Bonds payable	15,000	15,000
Long-term loans payable	28,438	32,257
Provision for retirement benefits	8,977	8,770
Other	1,880	2,120
Total noncurrent liabilities	54,295	58,147
Total liabilities	139,533	147,165
Net assets		
Shareholders' equity		
Capital stock	25,038	16,529
Capital surplus	22,083	13,574
Retained earnings	151,771	141,118
Treasury stock	(7,988)	(7,977)
Total shareholders' equity	190,904	163,244
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,994	2,615
Deferred gains or losses on hedges	(24)	(35)
Foreign currency translation adjustment	(8,669)	(5,902)
Total valuation and translation adjustments	(6,699)	(3,321)
Minority interests	3,718	3,858
Total net assets	187,922	163,781
Total liabilities and net assets	327,456	310,946

(2) Consolidated Statements of Income**(For the Nine-month Period)**

(Unit: Millions of yen)

	Third quarter of Fiscal year ended Mar. 31, 2010 (Apr. 1, 2009 to Dec. 31, 2009)	Third quarter of Fiscal year ending Mar. 31, 2011 (Apr. 1, 2010 to Dec. 31, 2010)
Net sales	176,634	212,108
Cost of sales	140,115	163,282
Gross profit	36,519	48,826
Selling, general and administrative expenses		
Transportation and warehousing expenses	8,923	10,043
Personal expenses	5,156	5,423
Research and development expenses	7,429	7,515
Other	3,686	3,912
Total selling, general and administrative expenses	25,195	26,893
Operating income	11,324	21,933
Non-operating income		
Interest income	116	72
Dividends income	432	533
Equity in earnings of affiliates	876	1,693
Real estate rent	753	908
Other	740	585
Total non-operating income	2,916	3,791
Non-operating expenses		
Interest expenses	939	669
Foreign exchange losses	326	1,186
Other	799	1,302
Total non-operating expenses	2,064	3,157
Ordinary income	12,176	22,567
Extraordinary income		
Gain on sales of noncurrent assets	-	322
Insurance income	-	99
Total extraordinary income	-	421
Extraordinary loss		
Other	-	853
Total extraordinary losses	-	853
Income before income taxes	12,176	22,135
Income taxes-current	1,559	7,768
Income taxes-deferred	2,595	185
Total income taxes	4,153	7,953
Income before minority interests	-	14,181
Minority interests in income	173	252
Net income	7,850	13,929

(3) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	Third quarter of Fiscal year ended Mar. 31, 2010 (Apr. 1, 2009 to Dec. 31, 2009)	Third quarter of Fiscal year ending Mar. 31, 2011 (Apr. 1, 2010 to Dec. 31, 2010)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	12,176	22,135
Depreciation and amortization	11,589	11,565
Other extraordinary loss (income)	-	853
Loss (gain) on sales and retirement of noncurrent asset	-	(322)
Insurance income	-	(99)
Interest and dividends income	(547)	(606)
Interest expenses	939	669
Equity in (earnings) losses of affiliates	(876)	(1,693)
Stock issuance cost	-	97
Decrease (increase) in notes and accounts receivable-trade	(11,362)	(11,339)
Decrease (increase) in inventories	2,986	(1,832)
Increase (decrease) in notes and accounts payable-trade	14,959	4,453
Other, net	683	(181)
Subtotal	30,547	23,699
Interest and dividends income received	1,013	1,631
Interest expenses paid	(948)	(574)
Proceeds from insurance income	-	99
Income taxes (paid) refund	1,487	(4,746)
Other payments	-	(947)
Net cash provided by (used in) operating activities	32,098	19,162
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(17,083)	(9,170)
Proceeds from sales of investment securities	2	4
Other, net	289	(886)
Net cash provided by (used in) investment activities	(16,792)	(10,051)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(2,897)	(10,710)
Proceeds from long-term loans payable	1,000	210
Repayment of long-term loans payable	(6,894)	(3,746)
Redemption of bonds	(5,000)	-
Proceeds from issuance of common stock	-	17,018
Payments for issuance of common stock	-	(97)
Cash dividends paid	(2,492)	(3,276)
Cash dividends paid to minority shareholders	(16)	(21)
Purchase of treasury stock	(12)	(11)
Other, net	6	(24)
Net cash provided by (used in) financing activities	(16,304)	(656)
Effect of exchange rate change on cash and cash equivalents	205	(767)
Net increase (decrease) in cash and cash equivalents	(793)	7,688
Cash and cash equivalents at beginning of term	29,450	28,234
Cash and cash equivalents at end of term	28,658	35,922

(4) Going Concern Assumption

Not applicable.

(5) Segment Information**1) Business Segment Information**

Third quarter of Fiscal year ending Mar. 31, 2010 (Apr. 1, 2009 to Dec. 31, 2009)

(Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Eliminations or corporate	Consolidated
Net sales						
(1) Sales to third parties	71,260	96,806	8,568	176,634	-	176,634
(2) Intergroup sales and transfers	15,191	977	751	16,919	(16,919)	-
Total	86,451	97,783	9,320	193,553	(16,919)	176,634
Operating income (loss)	4,368	7,001	(96)	11,274	51	11,324

Notes: 1. Business segments are defined in view of similarities in types and characteristics of operations, etc.

2. Principal products by business segment:

(1) Basic chemicals

Acrylic acid, acrylates, ethylene oxide, ethylene glycol, ethanolamine, higher alcohol, and glycol ether

(2) Functional chemicals

Superabsorbent polymers, intermediates for pharmaceuticals, polymers for concrete admixtures, electronic and information materials, iodine compounds, maleic anhydride, resins for adhesives/paints, molded plastics, and processed adhesive products

(3) Environment & catalysts

Automotive catalysts, De-NOx catalysts, dioxins decomposition catalysts, process catalysts, and equipment for exhaust gas treatment

2) Geographical Segment Information

Third quarter of Fiscal year ending Mar. 31, 2010 (Apr. 1, 2009 to Dec. 31, 2009)

(Unit: Millions of yen)

	Japan	Europe	Asia	Other regions	Total	Eliminations or corporate	Consolidated
Net sales							
(1) Sales to third parties	126,321	24,263	16,058	9,992	176,634	-	176,634
(2) Intergroup sales and transfers	17,085	57	79	167	17,389	(17,389)	-
Total	143,406	24,320	16,137	10,159	194,023	(17,389)	176,634
Operating income (loss)	9,484	617	452	162	10,716	609	11,324

Notes: 1. Segmentation of countries and regions is based on geographical proximity.

2. Major countries and regions included in the segments other than Japan:

(1) Europe: Belgium

(2) Asia: Singapore, Indonesia, and China

(3) Other regions: North America (USA)

3) Overseas Sales

Third quarter of Fiscal year ending Mar. 31, 2010 (Apr. 1, 2009 to Dec. 31, 2009)

(Unit: Millions of yen)

	Asia	Europe	North America	Other regions	Total
I. Overseas sales	29,847	27,666	14,172	10,639	82,325
II. Consolidated sales					176,634
III. Overseas sales as a percentage of consolidated sales	16.9%	15.7%	8.0%	6.0%	46.6%

Notes: 1. Segmentation of countries and regions is based on geographical proximity.

2. Major countries and regions included in the respective segments:

(1) Asia: East Asian and Southeast Asian countries

(2) Europe: European countries

(3) North America: North American countries

(4) Other regions: Countries and regions other than Asia, Europe, North America and Japan

3. "Overseas sales" represent total sales of Nippon Shokubai Co., Ltd. and its consolidated subsidiaries generated in countries and regions other than Japan.

4) Segment Information

Third quarter of Fiscal year ending Mar. 31, 2011 (Apr. 1, 2010 to Dec. 31, 2010)

(Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Adjustment	Consolidation
Net sales						
(1) Sales to third parties	92,261	104,384	15,463	212,108	-	212,108
(2) Intergroup sales and transfers	20,641	1,234	1,547	23,422	(23,422)	-
Total	112,902	105,618	17,010	235,530	(23,422)	212,108
Operating income (loss)	9,757	10,222	1,834	21,813	120	21,933

Notes: 1. Segment income adjustment: Elimination of 120 million yen in inter-segment transactions.

2. Segment income is adjusted for Operating Income described in Consolidated Quarterly Statements of Income.

3. Changes in accounting policies

(Depreciation methods applicable to major depreciable assets)

From this fiscal year, the Company and its domestic consolidated subsidiaries changed their depreciation method from the declining-balance method to the straight-line method.

As a result, compared with the conventional method, Operating income of Basic Chemicals increased 3,106 million yen, Functional Chemicals increased 790 million yen, and Environment & Catalyst increased 52 million yen.

* This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.