

Summary of Consolidated Financial Results
For the Third Quarter of the Fiscal Year Ending March 31, 2014
(Nine Months Ended December 31, 2013)

February 5, 2014

Company name: Nippon Shokubai Co., Ltd. Listing: TSE (First Section)
 Code number: 4114 URL: <http://www.shokubai.co.jp/>
 Representative: Masanori Ikeda, President and Representative Member of the Board
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 Scheduled quarterly report filing date: February 10, 2014
 Scheduled date of dividend payment: -
 Supplementary quarterly materials prepared: None
 Quarterly results information meeting held: None

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2014
(from April 1, 2013 to December 31, 2013)

(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, 2013	209,414	2.5	7,359	-31.1	10,108	-23.7	8,322	88.3
Nine months ended Dec. 31, 2012	204,383	-15.7	10,684	-59.8	13,241	-51.3	4,420	-74.3

Note: Comprehensive income (millions of yen):
 Nine months ended December 31, 2013: 18,314 369.8%
 Nine months ended December 31, 2012: 3,898 -69.1%

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2013	41.00	-
Nine months ended Dec. 31, 2012	21.77	-

(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, 2013	400,387	235,869	57.5	1,134.66
As of Mar. 31, 2013	352,373	220,248	61.1	1,059.85

Reference: Shareholders' equity (millions of yen):
 As of Dec. 31, 2013: 230,305
 As of Mar. 31, 2013: 215,138

2. Dividends

	Dividend per share				
(Record date)	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2013	-	11.00	-	5.00	16.00
Year ending Mar. 31, 2014	-	8.00	-	-	-
Year ending Mar. 31, 2014 (Forecasts)	-	-	-	8.00	16.00

Note: Revisions to dividend forecast during the period: None

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

(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	300,000	11.3	14,000	39.5	17,000	23.0	11,000	30.9	54.19

Note: Revisions to consolidated earnings forecast during the period: None

※Notes

- (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 policies; changes in accounting estimates; restatements
- 1) Changes in accounting policies due to amendment of accounting standards: None
 - 2) Other changes in accounting policies: None
 - 3) Changes in accounting estimates: None
 - 4) Restatements: None
- (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)
Dec. 31, 2013: 204,000,000 shares Mar. 31, 2013: 204,000,000 shares
 - 2) Number of treasury stock at the end of the period
Dec. 31, 2013: 1,027,618 shares Mar. 31, 2013: 1,010,242 shares
 - 3) Average number of shares outstanding during the period (nine-month period)
Nine months ended Dec. 31, 2013: 202,985,120 shares Nine months ended Dec. 31, 2012: 202,996,559 shares

※Indication regarding execution of quarterly review procedures

This quarterly financial results report is exempt from the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act are incomplete.

※Appropriate use of business forecasts; other special items

In this document, statements other than historical facts are forward-looking statements that reflect the Company's plans and expectations. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results and achievements to differ from those anticipated in these statements.

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

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2012	Nine months ended Dec. 31, 2013	Change		Year ended Mar. 31, 2013
			(Amount)	(% growth)	
Net sales	204,383	209,414	5,031	2.5%	269,520
Operating income	10,684	7,359	-3,325	-31.1%	10,034
Ordinary income	13,241	10,108	-3,133	-23.7%	13,824
Net income	4,420	8,322	3,902	88.3%	8,401
Net income per share	21.77 yen	41.00 yen	19.23 yen	88.3%	41.38 yen
ROA (Return on Assets)	5.1%	3.6%	-	-1.5 points	3.9%
ROE (Return on Equity)	2.9%	5.0%	-	2.1 points	4.0%
Exchange rate (\$ and EUR)	\$=79.96 yen EUR=102.06 yen	\$=99.36 yen EUR=132.17 yen	19.40 yen 30.11 yen		\$= 83.09 yen EUR= 107.06 yen
Naphtha price	55,400 yen/kl	65,700 yen/kl	10,300 yen/kl		57,500 yen/kl

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

(2) Consolidated Earnings Forecast

We keep the consolidated earnings forecast for the fiscal year ending March 31, 2014, which we announced on November 7, 2013, such as net sales 300,000 million yen, operating income 14,000 million yen, ordinary income 17,000 million yen and net income 11,000 million yen.

Our forecast is based on the assumptions for the fourth quarter; exchange rate of 100 yen/USD and 130 yen/EUR, and naphtha price of 72,000 yen/kl.

We expect very little impact from the accident hereafter, as all facilities of the Himeji Plant are restarting in this fourth quarter of the fiscal year ending March 31, 2014. Despite the difficult business environment, we will work to expand production and sales volumes, and strive to improve spreads, while ensuring safety under our corporate credo of "Safety takes priority over production."

*Reference:

Consolidated earnings forecasts for the fiscal year ending March 31, 2014 by reportable segment (Unit: Millions of yen)

	Basic Chemicals		Functional Chemicals		Environment & Catalysts	
Forecasts announced Nov. 7, 2013	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
	126,000	2,000	150,000	9,500	24,000	2,500

2. Matters Related to Summary Information (Notes)**(1) Changes in Significant Subsidiaries during the Period**

Not applicable.

(2) Application of Special Accounting Methods in the Preparation of the Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies and Accounting-based Estimates, and Revised Restatements

Not applicable.

3. Important Information about Going Concern Assumption

Not applicable.

* This financial report is solely a translation of extracts from "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.

4. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	As of Mar.31, 2013	As of Dec.31, 2013
Assets		
Current assets		
Cash and deposits	49,847	51,657
Notes and accounts receivable-trade	52,579	67,116
Merchandise and finished goods	21,468	32,003
Work in process	7,170	7,011
Raw materials and supplies	13,571	14,276
Other	14,466	16,864
Allowance for doubtful accounts	-49	-82
Total current assets	159,051	188,845
Noncurrent assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	52,031	47,852
Land	32,396	32,387
Construction in progress	25,321	40,886
Other, net	32,978	33,702
Accumulated impairment loss	-4,225	-4,850
Total property, plant and equipment	138,502	149,977
Intangible assets		
Other	2,227	2,776
Total intangible assets	2,227	2,776
Investments and other assets		
Investment securities	37,252	43,646
Other	15,452	15,259
Allowance for doubtful accounts	-111	-115
Total investments and other assets	52,593	58,790
Total noncurrent assets	193,322	211,542
Total assets	352,373	400,387
Liabilities		
Current liabilities		
Notes and accounts payable-trade	39,415	56,450
Short-term loans payable	14,533	18,489
Current portion of long-term loans payable	14,080	14,974
Current portion of bonds	-	10,000
Income taxes payable	751	2,052
Provision for bonuses	2,597	1,179
Other provision	2,749	3,031
Other	10,084	15,043
Total current liabilities	84,208	121,219
Noncurrent liabilities		
Bonds payable	10,000	-
Long-term loans payable	26,060	30,854
Provision for retirement benefits	10,418	10,611
Other	1,439	1,834
Total noncurrent liabilities	47,917	43,299
Total liabilities	132,125	164,518

(Unit: Millions of yen)

	As of Mar.31, 2013	As of Dec.31, 2013
Net assets		
Shareholders' equity		
Capital stock	25,038	25,038
Capital surplus	22,083	22,083
Retained earnings	172,376	178,059
Treasury stock	-897	-918
Total shareholders' equity	218,599	224,263
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,846	5,906
Deferred gains or losses on hedges	1	15
Foreign currency translation adjustment	-6,309	122
Total valuation and translation adjustments	-3,462	6,042
Minority interests	5,111	5,564
Total net assets	220,248	235,869
Total liabilities and net assets	352,373	400,387

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

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2012 (Apr. 1, 2012 to Dec. 31, 2012)	Nine months ended Dec. 31, 2013 (Apr. 1, 2013 to Dec. 31, 2013)
Net sales	204,383	209,414
Cost of sales	167,638	176,525
Gross profit	36,744	32,889
Selling, general and administrative expenses		
Transportation and warehousing expenses	7,884	7,582
Personal expenses	5,778	5,762
Research and development expenses	7,984	8,001
Other	4,414	4,186
Total selling, general and administrative expenses	26,060	25,530
Operating income	10,684	7,359
Non-operating income		
Interest income	58	74
Dividends income	795	694
Equity in earnings of affiliates	1,170	989
Technical support fee	1,133	232
Real estate rent	818	825
Foreign exchange gains	—	788
Other	339	317
Total non-operating income	4,312	3,918
Non-operating expenses		
Interest expenses	506	406
Foreign exchange losses	523	—
Depreciation	243	279
Other	484	483
Total non-operating expenses	1,756	1,169
Ordinary income	13,241	10,108
Extraordinary income		
Insurance income	—	9,142
Total extraordinary income	—	9,142
Extraordinary loss		
Loss on explosion and fire	5,198	6,715
Impairment loss	89	369
Loss on liquidation of business	—	223
Loss on valuation of investments in capital of subsidiaries and affiliates	—	50
Loss on valuation of stocks of subsidiaries and affiliates	264	—
Loss on valuation of investment securities	50	—
Total extraordinary losses	5,601	7,356
Income before income taxes	7,640	11,893
Income taxes-current	1,661	2,993
Income taxes-deferred	1,480	380
Total income taxes	3,141	3,373
Income before minority interests	4,499	8,520
Minority interests in income	79	198
Net income	4,420	8,322

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

	(Unit: Millions of yen)	
	Nine months ended Dec. 31, 2012 (Apr. 1, 2012 to Dec. 31, 2012)	Nine months ended Dec. 31, 2013 (Apr. 1, 2013 to Dec. 31, 2013)
Income before minority interests	4,499	8,520
Other comprehensive income		
Valuation difference on available-for-sale securities	-320	3,058
Deferred gains or losses on hedges	2	13
Foreign currency translation adjustment	-628	5,384
Share of other comprehensive income of associates accounted for using equity method	346	1,339
Total other comprehensive income	-601	9,794
Comprehensive income	3,898	18,314
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,823	17,826
Comprehensive income attributable to minority interests	75	488

(3) Consolidated Statements of Cash Flows

	(Unit: Millions of yen)	
	Nine months ended Dec. 31, 2012 (Apr. 1, 2012 to Dec. 31, 2012)	Nine months ended Dec. 31, 2013 (Apr. 1, 2013 to Dec. 31, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	7,640	11,893
Depreciation and amortization	11,216	12,008
Loss on valuation of investments in capital of subsidiaries and affiliates	—	50
Loss on valuation of stocks of subsidiaries and affiliates	264	—
Impairment loss	89	369
Loss (gain) on valuation of investment securities	50	—
Loss on liquidation of business	—	153
Insurance income	—	-9,142
Interest and dividends income	-852	-768
Interest expenses	506	406
Equity in (earnings) losses of affiliates	-1,170	-989
Decrease (increase) in notes and accounts receivable-trade	25,903	-14,247
Decrease (increase) in inventories	2,699	-9,717
Increase (decrease) in notes and accounts payable-trade	-16,242	16,797
Other, net	-3,950	-3,367
Subtotal	26,153	3,447
Interest and dividends income received	2,619	1,709
Interest expenses paid	-425	-364
Proceeds from insurance income	—	9,142
Income taxes (paid) refund	-10,551	-573
Net cash provided by (used in) operating activities	17,795	13,360
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-20,839	-16,455
Proceeds from sales of investment securities	—	93
Payments of loans receivable	-1,164	-600
Other, net	-567	-1,903
Net cash provided by (used in) investing activities	-22,570	-18,865
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-217	3,558
Proceeds from long-term loans payable	16,076	9,554
Repayment of long-term loans payable	-5,339	-5,826
Redemption of bonds	-5,000	—
Cash dividends paid	-4,466	-2,639
Cash dividends paid to minority shareholders	-44	-31
Proceeds from sales of treasury stock	—	3
Purchase of treasury stock	-6	-23
Other, net	-33	-32
Net cash provided by (used in) financing activities	971	4,564
Effect of exchange rate change on cash and cash equivalents	2	1,501
Net increase (decrease) in cash and cash equivalents	-3,802	560
Cash and cash equivalents at beginning of period	50,812	47,801
Cash and cash equivalents at end of period	47,010	48,361

(4) Notes Concerning Quarterly Consolidated Financial Statements**【Notes on Going Concern Assumption】**

Not applicable.

【Notes on Substantial Changes in the Amount of Shareholders' Equity】

Not applicable.

【Segment Information】**I Nine months ended Dec.31, 2012 (Apr. 1, 2012 to Dec. 31, 2012)**

1. Information concerning net sales and profit or loss by reporting segment

(Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Adjustment	Consolidation
Net sales						
(1) Sales to third parties	86,734	104,934	12,714	204,383	-	204,383
(2) Intergroup sales and transfers	18,760	992	1,574	21,326	-21,326	-
Total	105,494	105,926	14,288	225,708	-21,326	204,383
Segment income	3,294	6,762	961	11,016	-332	10,684

Notes: 1. Segment income adjustment is elimination of -332 million yen in inter-segment transactions.

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

2. Information concerning impairment loss of noncurrent assets or goodwill etc. by reporting segment

【Important impairment loss concerning noncurrent assets】

(Unit: Millions of yen)

	Reporting segment			Elimination or corporate	Total
	Basic chemicals	Functional chemicals	Environment & catalysts		
Impairment loss	-	-	-	89	89

II Nine months ended Dec.31, 2013 (Apr. 1, 2013 to Dec. 31, 2013)

1. Information concerning net sales and profit or loss by reporting segment

(Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Adjustment	Consolidation
Net sales						
(1) Sales to third parties	92,504	98,636	18,274	209,414	-	209,414
(2) Intergroup sales and transfers	16,213	2,465	612	19,289	-19,289	-
Total	108,717	101,101	18,885	228,703	-19,289	209,414
Segment income (loss)	453	5,643	1,221	7,316	42	7,359

Notes: 1. Segment income adjustment is elimination of 42 million yen in inter-segment transactions.

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

2. Information concerning impairment loss of noncurrent assets or goodwill etc. by reporting segment

【Important impairment loss concerning noncurrent assets】

(Unit: Millions of yen)

	Reporting segment			Elimination or corporate	Total
	Basic chemicals	Functional chemicals	Environment & catalysts		
Impairment loss	-	369	-	-	369

【Supplementary Information】**Overseas Sales****Nine months ended Dec. 31, 2012 (Apr. 1, 2012 to Dec. 31, 2012)**

(Unit: Millions of yen)

	Asia	Europe	North America	Other regions	Total
Overseas sales	39,978	27,351	15,396	9,374	92,099
Consolidated sales					204,383
Overseas sales as a percentage of consolidated sales	19.6%	13.4%	7.5%	4.6%	45.1%

Nine months ended Dec. 31, 2013 (Apr. 1, 2013 to Dec. 31, 2013)

(Unit: Millions of yen)

	Asia	Europe	North America	Other regions	Total
Overseas sales	40,673	23,631	21,091	9,501	94,896
Consolidated sales					209,414
Overseas sales as a percentage of consolidated sales	19.4%	11.3%	10.1%	4.5%	45.3%

- 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.