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Summary of Consolidated Financial Results

For the Third Quarter of the Fiscal Year Ending March 31, 2015 (Nine Months Ended December 31, 2014)

February 4, 2015

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		
Contact for inquiries:	Teruhisa Wada, General Manager of General Affairs Dept.	Phone:	+81-6-6223-9111
Scheduled quarterly report filing date:	February 9, 2015		
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, 2015 (here after FY 2014)(from April 1, 2014 to December 31, 2014)

(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, 2014	275,238	31.4	18,433	150.5	21,574	113.4	13,832	66.2
Nine months ended Dec.31, 2013	209,414	2.5	7,359	-31.1	10,108	-23.7	8,322	88.3

Note: Comprehensive income (millions of yen)	Nine months ended December 31, 2014:	18,059	-1.4%
	Nine months ended December 31, 2013:	18,314	369.8%

	Net income per share	Fully diluted net income per share
	Yen	Yen
Nine months ended Dec.31, 2014	68.15	-
Nine months ended Dec.31, 2013	41.00	-

(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, 2014	415,520	254,953	60.2	1,233.46
As of Mar. 31, 2014	398,396	242,193	59.3	1,164.10

Reference: Shareholders' equity (millions of yen)	As of December 31, 2014:	250,329	
	As of March 31, 2014:	236,274	

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2014	-	8.00	-	8.00	16.00
Year ending Mar. 31, 2015	-	11.00	-		
Year ending Mar. 31, 2015 (forecasts)				11.00	22.00

Note: Revisions to dividend forecast during the period: None

3. Consolidated Financial Forecasts for the FY2014 (from April 1, 2014 to March 31, 2015)

(% indicate rate of changes year-over-year)

	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	370,000	22.5	26,000	89.1	28,500	71.2	20,000	90.4	98.54

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: Yes

2) Other changes in accounting policies: None

3) Changes in accounting estimates: None

4) Restatements: None

(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)

Dec. 31, 2014: 204,000,000 shares Mar. 31, 2014: 204,000,000 shares

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

Dec. 31, 2014: 1,051,687 shares Mar. 31, 2014: 1,033,086 shares

3) Average number of shares outstanding during the period (nine months period)

Nine months ended Dec. 31, 2014: 202,957,182 shares Nine months ended Dec. 31, 2013: 202,985,120 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.

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

(Unit: Millions of yen)

	Nine months ended Dec. 31, 2013	Nine months ended Dec. 31, 2014	Change		Year ended Mar. 31, 2014
			(Amount)	(% growth)	
Net sales	209,414	275,238	65,824	31.4%	302,136
Operating income	7,359	18,433	11,074	150.5%	13,752
Ordinary income	10,108	21,574	11,466	113.4%	16,647
Net income	8,322	13,832	5,510	66.2%	10,503
Net income per share	41.00 yen	68.15 yen	27.15 yen	66.2%	51.74 yen
ROA (Return on Assets)	3.6%	7.1%	-	3.5 points	4.4%
ROE (Return on Equity)	5.0%	7.6%	-	2.6 points	4.7%
Foreign exchange rates (\$ and EUR)	\$=99.36 yen	\$=106.79 yen	7.43 yen		\$=100.21 yen
	EUR=132.17 yen	EUR=140.23 yen	8.06 yen		EUR=134.33 yen
Naphtha price	65,800 yen/kl	68,900 yen/kl	3,100 yen/kl		67,300 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, 2015, which we announced on November 6, 2014, such as net sales 370,000 million yen, operating income 26,000 million yen, ordinary income 28,500 million yen and net income 20,000 million yen.

Our forecast is based on the assumptions for the fourth quarter; exchange rate of 115 yen/USD and 135 yen/EUR, and naphtha price of 47,000 yen/kl.

*Reference:

Consolidated earnings forecasts for the fiscal year ending March 31, 2015 by reportable segment (Unit: Millions of yen)

	Basic Chemicals		Functional Chemicals		Environment & Catalysts	
Forecasts announced Nov.6, 2014	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
	150,000	8,500	195,000	16,000	25,000	1,500

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

(Changes to the accounting policy)

The Company has applied the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan [ASBJ] Statement No.26 of May 17, 2012) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25 of May 17, 2012) to the main clause stipulated in Article 35 of the Accounting Standard for Retirement Benefits and Article 67 of the Guidance on Accounting Standard for Retirement Benefits from April 1, 2014.

Under the new standard, calculation of liabilities for retirement benefits and service costs has been revised and the method of attributing expected benefits to periods has been changed from straight-line basis to benefit formula basis. The method of determination of the discount rate also revised to a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

In accordance with transitional accounting as stipulated in article 37 of the Accounting Standard for Retirement Benefits, the effect of changes in accounting policies arising from initial application is recognized as an adjustment to retained earnings at the beginning of the fiscal year.

As a result, net defined benefit liabilities increased by 116 million yen, retained earnings increased by 25 million yen and net defined benefit asset decreased by 20 million yen. The effect of this change on profit or loss in nine months of the current consolidated fiscal year is not material.

3. Important Information about Going Concern Assumption

Not applicable.

4. Quarterly Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: Millions of yen)

	4Q - FY 2013 As of March 31, 2014	3Q - FY 2014 As of December 31, 2014
Assets		
Current assets		
Cash and deposits	43,255	43,901
Notes and accounts receivable - trade	69,964	81,772
Merchandise and finished goods	35,455	34,858
Work in process	6,738	7,014
Raw materials and supplies	16,431	16,792
Other	14,692	15,601
Allowance for doubtful accounts	-192	-172
Total current assets	186,343	199,765
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	78,355	78,923
Land	32,392	31,672
Other, net	46,161	43,556
Accumulated impairment loss	-4,768	-4,983
Total property, plant and equipment	152,139	149,168
Intangible assets		
Other	3,002	2,967
Total intangible assets	3,002	2,967
Investments and other assets		
Investment securities	42,603	49,768
Other	14,441	13,944
Allowance for doubtful accounts	-132	-90
Total investments and other assets	56,912	63,621
Total noncurrent assets	212,053	215,755
Total assets	398,396	415,520
Liabilities		
Current liabilities		
Notes and accounts payable - trade	52,767	62,599
Short-term loans payable	17,604	23,369
Current portion of long-term loans payable	8,028	6,416
Current portion of bonds	10,000	-
Income taxes payable	3,917	1,892
Provision for bonuses	2,639	1,274
Other provision	2,970	2,665
Other	13,212	11,386
Total current liabilities	111,137	109,601
Non-current liabilities		
Long-term loans payable	32,716	35,926
Net defined benefit liability	10,800	11,114
Other	1,551	3,926
Total non-current liabilities	45,066	50,966
Total liabilities	156,203	160,567

(Unit: Millions of yen)

	4Q - FY 2013 As of March 31, 2014	3Q - FY 2014 As of December 31, 2014
Net assets		
Shareholders' equity		
Capital stock	25,038	25,038
Capital surplus	22,083	22,083
Retained earnings	180,240	190,240
Treasury shares	-924	-948
Total shareholders' equity	226,437	236,413
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,454	8,533
Deferred gains or losses on hedges	9	33
Foreign currency translation adjustment	6,344	6,055
Remeasurements of defined benefit plans	-970	-706
Total accumulated other comprehensive income	9,837	13,915
Minority interests	5,919	4,625
Total net assets	242,193	254,953
Total liabilities and net assets	398,396	415,520

(2) Consolidated Statements of Income and Statements of Comprehensive Income

Consolidated Statements of Income

	(Unit: Millions of yen)	
	3Q- FY 2013 Apr.1, 2013 to Dec.31, 2013	3Q- FY 2014 Apr.1, 2014 to Dec.31, 2014
Net sales	209,414	275,238
Cost of sales	176,525	227,817
Gross profit	32,889	47,421
Selling, general and administrative expenses		
Transportation and warehousing expenses	7,582	10,767
Personnel expenses	5,762	5,835
Research and development expenses	8,001	7,913
Other	4,186	4,473
Total selling, general and administrative expenses	25,530	28,988
Operating income	7,359	18,433
Non-operating income		
Interest income	74	122
Dividend income	694	854
Share of profit of entities accounted for using equity method	989	943
Royalty Income and technical support fee	232	231
Real estate rent	825	857
Foreign exchange gains	788	750
Other	317	716
Total non-operating income	3,918	4,474
Non-operating expenses		
Interest expenses	406	456
Depreciation	279	276
Other	483	601
Total non-operating expenses	1,169	1,333
Ordinary income	10,108	21,574
Extraordinary income		
Gain on sales of investment securities	-	201
Insurance income	9,142	-
Total extraordinary income	9,142	201
Extraordinary losses		
Loss on abandonment of non-current assets	-	349
Loss on liquidation of business	223	149
Loss on explosion and fire	6,715	-
Impairment loss	369	-
Loss on valuation of investments in capital of subsidiaries and associates	50	-
Total extraordinary losses	7,356	498
Income before income taxes	11,893	21,278
Income taxes - current	2,993	4,887
Income taxes - deferred	380	2,442
Total income taxes	3,373	7,329
Income before minority interests	8,520	13,949
Minority interests in income	198	117
Net income	8,322	13,832

Statements of Comprehensive Income

(Unit: Millions of yen)

	3Q- FY 2013 Apr.1, 2013 to Dec.31, 2013	3Q- FY 2014 Apr.1, 2014 to Dec.31, 2014
Income before minority interests	8,520	13,949
Other comprehensive income		
Valuation difference on available-for-sale securities	3,058	4,082
Deferred gains or losses on hedges	13	24
Foreign currency translation adjustment	5,384	△ 628
Remeasurements of defined benefit plans	-	270
Share of other comprehensive income of entities accounted for using equity method	1,339	362
Total other comprehensive income	9,794	4,111
Comprehensive income	18,314	18,059
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,826	17,910
Comprehensive income attributable to minority interests	488	149

(3) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	3Q- FY 2013 Apr.1, 2013 to Dec.31, 2013	3Q- FY 2014 Apr.1, 2014 to Dec.31, 2014
Cash flows from operating activities		
Income before income taxes	11,893	21,278
Depreciation	12,008	13,816
Loss on valuation of investments in capital of subsidiaries and associates	50	-
Impairment loss	369	-
Loss on liquidation of business	153	-
Loss on abandonment of non-current assets	-	349
Insurance income	-9,142	-
Interest and dividend income	-768	-976
Interest expenses	406	456
Share of (profit) loss of entities accounted for using equity method	-989	-943
Loss (gain) on sales of investment securities	-	-201
Decrease (increase) in notes and accounts receivable - trade	-14,247	-11,491
Decrease (increase) in inventories	-9,717	95
Increase (decrease) in notes and accounts payable - trade	16,797	9,848
Increase (decrease) in accrued consumption taxes	-320	100
Other, net	-3,047	-3,587
Subtotal	3,447	28,742
Interest and dividend income received	1,709	2,266
Interest expenses paid	-364	-465
Payment for liquidation of business	-	-115
Proceeds from insurance income	9,142	-
Income taxes paid	-573	-7,139
Cash flows from operating activities	13,360	23,288
Cash flows from investing activities		
Purchase of property, plant and equipment	-16,455	-14,040
Proceeds from sales of property, plant and equipment	109	1,043
Purchase of investment securities	-506	-1,006
Proceeds from sales of investment securities	93	264
Purchase of shares of subsidiaries and associates	-1	-1,277
Payments of loans receivable	-600	-
Other, net	-1,506	-133
Cash flows from investing activities	-18,865	-15,150

(Unit: Millions of yen)

	3Q- FY 2013 Apr.1, 2013 to Dec.31, 2013	3Q- FY 2014 Apr.1, 2014 to Dec.31, 2014
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,558	4,922
Proceeds from long-term loans payable	9,554	7,650
Repayments of long-term loans payable	-5,826	-7,026
Redemption of bonds	-	-10,000
Cash dividends paid	-2,639	-3,856
Cash dividends paid to minority shareholders	-31	-30
Proceeds from sales of treasury shares	3	-
Purchase of treasury shares	-23	-24
Other, net	-32	-21
Cash flows from financing activities	4,564	-8,387
Effect of exchange rate change on cash and cash equivalents	1,501	105
Net increase (decrease) in cash and cash equivalents	560	-144
Cash and cash equivalents at beginning of period	47,801	39,619
Cash and cash equivalents at end of period	48,361	39,475

(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 December 31, 2013 (April 1, 2013 to December 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	453	5,643	1,221	7,316	42	7,359

Notes: 1. Segment income adjustment: 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

II Nine months ended December 31, 2014 (April 1, 2014 to December 31, 2014)

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	112,139	144,587	18,511	275,238	-	275,238
(2) Intergroup sales and transfers	33,625	3,952	1,749	39,326	-39,326	-
Total	145,765	148,539	20,260	314,564	-39,326	275,238
Segment income	6,320	11,458	649	18,428	5	18,433

Notes: 1. Segment income adjustment: Elimination of 5 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

Not applicable.

3. Matters relating to changes in reportable segments

As stated in the revisions to accounting policies, starting with the first quarter of the current fiscal year the Company has changed its method of calculating retirement benefit obligations and service costs. Consequently, the method for calculating retirement benefit obligations and service costs in business segments has likewise been changed.

These changes will have no material impact on segment income.

【Supplementary Information】**Overseas Sales****Nine months ended December 31, 2013 (April 1, 2013 to December 31, 2013)**

(Unit: Millions of yen)

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

Nine months ended December 31, 2014 (April 1, 2014 to December 31, 2014)

(Unit: Millions of yen)

	Asia	Europe	North America	Other regions	Total
I. Overseas sales	56,177	37,003	28,523	13,722	135,425
II. Consolidated sales					275,238
III. Overseas sales as a percentage of consolidated sales	20.4%	13.4%	10.4%	5.0%	49.2%

- 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.