

For the First Quarter of the Fiscal Year Ending March 31, 2016

** 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.*

Summary of Consolidated Financial Results
For the First Quarter of the Fiscal Year Ending March 31, 2016
(Three Months Ended June 30, 2015)

August 5, 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: August 7, 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 First Quarter of the Fiscal Year Ending March 31, 2016 (hereafter FY 2015) (from April 1, 2015 to June 30, 2015)

(1) Consolidated operating results (cumulative)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Jun. 30, 2015	84,917	-6.9	8,990	38.6	9,942	34.5	8,330	87.6
Three months ended Jun. 30, 2014	91,246	49.1	6,486	205.4	7,393	125.3	4,440	45.9

Note: Comprehensive income (millions of yen): Three months ended June 30, 2015: 6,921 49.6%
Three months ended June 30, 2014: 4,626 -46.7%

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2015	41.04	-
Three months ended Jun. 30, 2014	21.87	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Jun. 30, 2015	420,214	274,374	64.1	1,328.11
As of Mar. 31, 2015	419,634	270,128	63.2	1,307.13

Reference: Shareholders' equity (millions of yen): As of June 30, 2015: 269,526
As of Mar. 31, 2015: 265,274

2. Dividends

	Dividends per share				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2014	-	11.00	-	13.00	24.00
FY 2015	-				
FY 2015 (forecast)		13.00	-	65.00	-

Note: "FY 2014" stands for the Fiscal Year Ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

*As the Company is scheduled to conduct a reverse stock split at a ratio of one share for every five shares effective October 1, 2015, figures for the dividends per share for FY 2015 (forecast) are amounts that take into account the reverse stock split, and total annual dividends are shown as "-." Year-end dividends per share for FY 2015 (forecast) without taking into account the reverse stock split are 13 yen, and annual dividends per share are 26 yen. For details, please see "Appropriate use of business forecasts; other special items."

3. Consolidated Financial Forecasts for the Fiscal Year Ending March 31, 2016
(from April 1, 2015 to March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	170,000	-5.2	13,000	26.6	15,000	23.8	11,500	53.8	56.67
Full year	360,000	-4.0	31,000	18.6	32,000	6.9	22,500	17.9	554.35

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

*Concerning net income per share of the Consolidated Financial Forecasts (Full year) for FY 2015, the effects of the reverse stock split are taken into account. Net income per share of the Consolidated Financial Forecasts (Full year) for FY 2015 without taking into account the reverse stock split is 110.87 yen. For details, please see "Appropriate use of business forecasts; other special items."

※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
- (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)

Jun. 30, 2015: 204,000,000 shares	Mar. 31, 2015: 204,000,000 shares
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 - 2) Number of treasury stock at the end of the period

Jun. 30, 2015: 1,059,965 shares	Mar. 31, 2015: 1,056,277 shares
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 - 3) Average number of shares outstanding during the period

Jun. 30, 2015: 202,941,806 shares	Jun. 30, 2014: 202,963,141 shares
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※Indication regarding execution of audit procedures

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

※Appropriate use of business forecasts; other special items

1. 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.

2. The Company is scheduled to conduct a reverse stock split at a ratio of one share for every five shares effective October 1, 2015, as the shareholders resolved to approve a reverse stock split at the 103rd Ordinary General Meeting of Shareholders held on June 19, 2015. Additionally, dividend forecasts and Consolidated Financial Forecasts for FY 2015 without taking into account the reverse stock split are as follows.

(1) Dividend Forecasts for FY 2015

Dividends per share

End of 2Q 13 yen

Year-end 13 yen

(2) Consolidated Financial Forecasts for FY 2015

Earnings per share

First half (cumulative) 56.67 yen

Full year 110.87 yen

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

(Unit: Millions of yen)

	Three months ended Jun. 30, 2014	Three months ended Jun. 30, 2015	Change		FY2014
			(Amount)	(% growth)	
Net sales	91,246	84,917	-6,330	-6.9%	374,873
Operating income	6,486	8,990	2,505	38.6%	26,133
Ordinary income	7,393	9,942	2,549	34.5%	29,941
Profit*	4,440	8,330	3,890	87.6%	19,089
Earnings per share	21.87 yen	41.04 yen	19.17 yen	87.7%	94.06 yen
ROA (Return on Assets)	7.4%	9.5%	-	2.1 points	7.3%
ROE (Return on Equity)	7.5%	12.5%	-	5 points	7.6%
Foreign exchange rates	\$=102.17 yen	\$=121.43 yen	19.26 yen		\$=109.88 yen
(\$ and EUR)	EUR=140.07 yen	EUR=134.21 yen	-5.86 yen		EUR=138.68 yen
Naphtha price	69,900 yen/kl	48,800 yen/kl	-21,100 yen/kl		63,500 yen/kl

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

*Profit attributable to owners of parent

(2) Consolidated Financial Forecasts for the First Half of FY 2015 (from April 1, 2015 to September 30, 2015)

Forecasts for the first half of fiscal year by business segment are as follows:

(Unit: Billions of yen)

	Basic Chemicals		Functional Chemicals		Environment & Catalysts	
	Net sales	Operating income	Net sales	Operating income	Net sales	Operating income
Forecasts announced May 11, 2015	66.5	3.3	95.5	8.5	13.0	0.2
Forecasts announced Aug. 5, 2015	64.5	3.7	92.5	9.3	13.0	0
Changes	-2.0	0.4	-3.0	0.8	0	-0.2

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)

Effective from the fiscal year starting April 1, 2015, the Company has applied the “Revised Accounting Standard for Business Combinations” (ASBJ Statement No. 21 issued on September 13, 2013, hereafter “Business Combinations Accounting Standard”), the “Revised Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22 issued on September 13, 2013, hereinafter “Consolidation Accounting Standard”), the “Revised Accounting Standard for Business Divestitures” (ASBJ Statement No. 7 issued on September 13, 2013, hereinafter “Business Divestitures Accounting Standard”) and other standards.

The Company has revised the method to record the difference arising from changes in equity in subsidiaries that the Company continues to control as capital surplus, and to record business acquisition costs as expenses for the fiscal year in which they are incurred.

With respect to the business combination carried out after the beginning of the current fiscal year, the accounting method was changed to reflect adjustments to the allocation of acquisition cost based on provisional accounting

treatment on the quarterly consolidated financial statements for the quarterly period in which the business combination occurs.

In addition, changes in presentation have been made to net income etc., and the previous accounting standard category of “Minority interests” has changed to “Non-controlling interests.” Financial statements for the first three-month period of the previous fiscal year, as well as the entire previous fiscal year, have been reclassified to reflect these changes.

The Business Combinations Accounting Standard and other standards were applied from April 1, 2015 into the future in accordance with the transitional treatment set forth in Article 58-2 (4) of the Business Combinations Accounting Standard, Article 44-5 (4) of the Consolidation Accounting Standard and Article 57-4 (4) of the Business Divestitures Accounting Standard.

There is no effect on the consolidated financial statements for the first quarter of the fiscal year ending March 31, 2016.

3. Quarterly Consolidated Financial Statements

(1) Consolidated Balance sheets

(Unit: Millions of yen)

	FY2014 As of Mar.31, 2015	1Q-FY2015 As of Jun.30, 2015
Assets		
Current assets		
Cash and deposits	49,255	59,855
Notes and accounts receivable - trade	74,156	70,740
Merchandise and finished goods	33,769	31,765
Work in process	6,222	6,639
Raw materials and supplies	16,312	16,810
Other	17,069	14,542
Allowance for doubtful accounts	-235	-212
Total current assets	196,547	200,139
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	78,953	75,869
Land	31,680	33,092
Other, net	43,220	42,687
Accumulated impairment loss	-4,205	-4,201
Total property, plant and equipment	149,647	147,447
Intangible assets		
Other	3,907	4,031
Total intangible assets	3,907	4,031
Investments and other assets		
Investment securities	53,137	53,011
Other	16,461	15,651
Allowance for doubtful accounts	-65	-65
Total investments and other assets	69,533	68,597
Total noncurrent assets	223,087	220,075
Total assets	419,634	420,214
Liabilities		
Current liabilities		
Notes and accounts payable - trade	47,515	48,709
Short-term loans payable	22,071	20,608
Current portion of long-term loans payable	7,685	7,878
Income taxes payable	4,839	3,076
Provision for bonuses	3,075	4,859
Other provision	2,637	2,812
Other	8,205	6,769
Total current liabilities	96,027	94,711
Non-current liabilities		
Long-term loans payable	36,910	34,449
Net defined benefit liability	11,755	11,742
Other	4,814	4,939
Total non-current liabilities	53,479	51,130
Total liabilities	149,506	145,840

	FY2014 As of Mar.31, 2015	1Q-FY2015 As of Jun.30, 2015
Net assets		
Shareholders' equity		
Capital stock	25,038	25,038
Capital surplus	22,083	22,083
Retained earnings	195,497	201,189
Treasury shares	-956	-962
Total shareholders' equity	241,663	247,348
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,652	10,879
Deferred gains or losses on hedges	27	32
Foreign currency translation adjustment	13,095	11,392
Remeasurements of defined benefit plans	-162	-125
Total accumulated other comprehensive income	23,611	22,178
Non-controlling interests	4,854	4,847
Total net assets	270,128	274,374
Total liabilities and net assets	419,634	420,214

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

Consolidated Statements of Income

	(Unit: Millions of yen)	
	1Q- FY 2014	1Q- FY 2015
	Apr.1, 2014 to Jun.30, 2014	Apr.1, 2015 to Jun.30, 2015
Net sales	91,246	84,917
Cost of sales	75,113	66,211
Gross profit	16,133	18,705
Selling, general and administrative expenses		
Transportation and warehousing expenses	3,550	3,516
Personnel expenses	2,018	1,884
Research and development expenses	2,577	2,782
Other	1,502	1,533
Total selling, general and administrative expenses	9,648	9,715
Operating income	6,486	8,990
Non-operating income		
Interest income	46	41
Dividend income	374	449
Share of profit of entities accounted for using equity method	306	787
Royalty Income and technical support fee	36	39
Real estate rent	298	301
Foreign exchange gains	51	-
Other	250	117
Total non-operating income	1,361	1,735
Non-operating expenses		
Interest expenses	168	112
Technology transfer study related expenses	2	444
Foreign exchange losses	-	90
Depreciation	97	34
Other	188	104
Total non-operating expenses	454	783
Ordinary income	7,393	9,942
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	-	620
Total extraordinary income	-	620
Extraordinary losses		
Loss on liquidation of business	54	-
Total extraordinary losses	54	-
Income before income taxes	7,339	10,562
Income taxes - current	2,822	1,968
Income taxes - deferred	14	232
Total income taxes	2,835	2,200
Profit	4,504	8,362
Profit attributable to non-controlling interests	64	33
Profit attributable to owners of parent	4,440	8,330

Consolidated Statements of Comprehensive Income

	(Unit: Millions of yen)	
	1Q- FY 2014	1Q- FY 2015
	Apr.1, 2014 to Jun.30, 2014	Apr.1, 2015 to Jun.30, 2015
Profit	4,504	8,362
Other comprehensive income		
Valuation difference on available-for-sale securities	1,553	225
Deferred gains or losses on hedges	-3	5
Foreign currency translation adjustment	-1,032	-1,639
Remeasurements of defined benefit plans	86	32
Share of other comprehensive income of entities accounted for using equity method	-482	-64
Total other comprehensive income	123	-1,441
Comprehensive income	4,626	6,921
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,626	6,897
Comprehensive income attributable to non-controlling interests	0	24

(3) Consolidated Statements of Cash Flows

	(Unit: Millions of yen)	
	1Q- FY 2014	1Q- FY 2015
	Apr.1, 2014 to Jun.30, 2014	Apr.1, 2015 to Jun.30, 2015
Cash flows from operating activities		
Income before income taxes	7,339	10,562
Depreciation	4,338	4,463
Interest and dividend income	-421	-490
Interest expenses	168	112
Share of (profit) loss of entities accounted for using equity method	-306	-787
Loss (gain) on sales of shares of subsidiaries and associates	-	-620
Decrease (increase) in notes and accounts receivable - trade	-5,727	1,687
Decrease (increase) in inventories	54	-1,042
Increase (decrease) in notes and accounts payable - trade	2,265	3,300
Increase (decrease) in accrued consumption taxes	662	569
Other, net	1,895	4,521
Subtotal	10,265	22,276
Interest and dividend income received	1,666	1,636
Interest expenses paid	-101	-96
Income taxes paid	-4,530	-4,041
Cash flows from operating activities	7,301	19,774
Cash flows from investing activities		
Purchase of property, plant and equipment	-6,674	-3,627
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	211
Purchase of shares of subsidiaries and associates	-1,275	-22
Other, net	75	-924
Cash flows from investing activities	-7,873	-4,362
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	499	-799
Proceeds from long-term loans payable	250	300
Repayments of long-term loans payable	-648	-1,734
Cash dividends paid	-1,624	-2,638
Dividends paid to non-controlling interests	-30	-32
Purchase of treasury shares	-9	-6
Other, net	-7	-7
Cash flows from financing activities	-1,569	-4,915
Effect of exchange rate change on cash and cash equivalents	-334	-625
Net increase (decrease) in cash and cash equivalents	-2,476	9,872
Cash and cash equivalents at beginning of period	39,619	44,336
Cash and cash equivalents at end of period	37,143	54,208

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

Not applicable.

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

Not applicable.

【Segment Information】

I Three months ended June 30, 2014 (April 1, 2014 to June 30, 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 (Note 1)	Consolidation (Note 2)
Net sales						
(1) Sales to third parties	39,096	46,090	6,060	91,246	-	91,246
(2) Intergroup sales and transfers	9,516	1,375	366	11,258	-11,258	-
Total	48,612	47,466	6,426	102,504	-11,258	91,246
Segment Income	2,460	3,569	600	6,629	-143	6,486

Notes: 1. The "Segment Income" adjustment refers to inter-segment transaction eliminations amounting to -143 million yen.

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

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

Not applicable.

II Three months ended June 30, 2015 (April 1, 2015 to June 30, 2015)

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

(Unit: Millions of yen)

	Basic chemicals	Functional chemicals	Environment & catalysts	Total	Adjustment (Note 1)	Consolidation (Note 2)
Net sales						
(1) Sales to third parties	32,033	46,237	6,646	84,917	-	84,917
(2) Intergroup sales and transfers	9,666	1,247	409	11,322	-11,322	-
Total	41,700	47,484	7,055	96,238	-11,322	84,917
Segment Income	2,450	6,272	209	8,931	59	8,990

Notes: 1. The "Segment Income" adjustment refers to inter-segment transaction eliminations amounting to 59 million yen.

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

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

Not applicable.

【Supplementary Information】**Overseas Sales**

Three months ended June 30, 2014 (April 1, 2014 to June 30, 2014)

(Unit: Millions of yen)

	Asia	Europe	North America	Others	Total
I. Overseas sales	17,818	12,077	8,925	5,658	44,479
II. Consolidated sales					91,246
III. Overseas sales to consolidated sales	19.5%	13.2%	9.8%	6.2%	48.7%

Three months ended June 30, 2015 (April 1, 2015 to June 30, 2015)

(Unit: Millions of yen)

	Asia	Europe	North America	Others	Total
I. Overseas sales	18,120	11,950	8,329	4,659	43,057
II. Consolidated sales					84,917
III. Overseas sales to consolidated sales	21.3%	14.1%	9.8%	5.5%	50.7%

Notes:

- Geographical segments are classified according to geographical proximity.
- Specific countries of each area:
 - Asia: East and South East Asian countries
 - Europe: European countries
 - North America: North American countries
 - Others: Areas/countries except Asia, Europe, North America, and Japan
- “Overseas sales” means sales to outside Japan by NIPPON SHOKUBAI CO., LTD. and its consolidated subsidiaries.

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