

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

(Six Months Ended September 30, 2015)

November 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:	November 9, 2015	
Scheduled date of dividend payment:	December 7, 2015	
Supplementary quarterly materials prepared:	Yes	
Quarterly results information meeting held:	Yes (for the securities analysts and the institutional investors)	

(Figures are rounded off to the nearest million yen)

1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2016 (hereafter FY 2015) (from April 1, 2015 to September 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	%
Six months ended Sep. 30, 2015	167,052	-6.8	16,374	59.4	18,218	50.4	14,479	93.6
Six months ended Sep. 30, 2014	179,290	36.6	10,271	228.9	12,115	131.8	7,479	128.2

Note: Comprehensive income (millions of yen):
 Six months ended Sep. 30, 2015: 12,148 106.0%
 Six months ended Sep. 30, 2014: 5,898 -54.2%

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended Sep. 30, 2015	356.74	-
Six months ended Sep. 30, 2014	184.26	-

*The Company conducted a reverse stock split at a ratio of one share for every five shares on October 1, 2015. The figures for the earnings per share are amounts on the assumption that the Company conducts the reverse stock split on the beginning of previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of Sep. 30, 2015	410,413	279,588	66.9	6,768.80
As of Mar. 31, 2015	419,634	270,128	63.2	6,535.66

Reference: Shareholders' equity (millions of yen):
 As of Sep. 30, 2015: 274,722
 As of Mar. 31, 2015: 265,274

*The Company conducted a reverse stock split at a ratio of one share for every five shares on October 1, 2015. The figures for the net assets per share are amounts on the assumption that the Company conducts the reverse stock split on the beginning of previous fiscal year.

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	-	13.00			
FY 2015 (forecast)			-	75.00	-

Note: Revisions to dividends forecast during the period: Yes

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

*As the Company conducted a reverse stock split at a ratio of one share for every five shares on 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 "-." 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
Full year	330,000	-12.0	31,000	18.6	34,000	13.6	25,000	31.0	615.96

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

*The Company conducted a reverse stock split at a ratio of one share for every five shares on October 1, 2015. The figures for earnings per share of the Consolidated Financial Forecasts (Full year) for FY 2015 are amounts that take into account the reverse stock split. 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)

Sep. 30, 2015:	40,800,000 shares	Mar. 31, 2015:	40,800,000 shares
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 - 2) Number of treasury stock at the end of the period

Sep. 30, 2015:	213,454 shares	Mar. 31, 2015:	211,255 shares
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 - 3) Average number of shares outstanding during the period

Six Months ended Sep. 30, 2015:	40,587,731 shares	Six Months ended Sep. 30, 2014:	40,591,982 shares
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*The Company conducted a reverse stock split at a ratio of one share for every five shares on October 1, 2015.

The figures for the number of shares issued and outstanding at the end of the period, number of treasury stock at the end of the period and average number of shares outstanding during the period are amounts on the assumption that the Company conducts the reverse stock split on the beginning of previous fiscal year.

※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 conducted a reverse stock split at a ratio of one share for every five shares on 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. Dividend forecasts and Consolidated Financial Forecasts for FY 2015 are as follows.

(1) Dividend for FY 2015

Dividends per share

	Without taking into account the reverse stock split	Taking into account the reverse stock split
End of 2Q	13 yen *	65yen
Year-end (Forecasts)	15yen	75yen

*End of 2Q dividends will be paid based on the number of shares before the reverse stock split as of September 30, 2015.

(2) Consolidated Financial Forecasts for FY 2015

Earnings per share

	Without taking into account the reverse stock split	Taking into account the reverse stock split
Full year	123.19yen	615.96yen

1. Qualitative Information, Financial Statements, etc.

(1) Consolidated Operating Results

The world economy in the first half of the current fiscal year saw the US going on track toward economic recovery and Europe continuing to emerge from stagnation, while economic deceleration in China was ongoing, among other concerns. The Japanese economy, although at a standstill in terms of recovery in personal consumption, saw a trend toward improvement in corporate performance and employment, with a mild momentum toward recovery. In the chemicals industry, exports to Asia slowed, and with significant fluctuations to the costs of raw materials and other factors, the future outlook remained uncertain.

1) Overview

(Unit: Millions of yen)

	Six months ended Sep. 30, 2014	Six months ended Sep. 30, 2015	Change		FY2014
			(Amount)	(% growth)	
Net sales	179,290	167,052	-12,239	-6.8%	374,873
Operating income	10,271	16,374	6,102	59.4%	26,133
Ordinary income	12,115	18,218	6,104	50.4%	29,941
Profit*	7,479	14,479	7,000	93.6%	19,089
Earnings per share	184.26 yen	356.74 yen	172.48 yen	93.6%	470.28 yen
ROA (Return on Assets)	6.1%	8.8%	-	2.7 points	7.3%
ROE (Return on Equity)	6.3%	10.7%	-	4.4 points	7.6%
Foreign exchange rates (\$ and EUR)	\$=103.01 yen EUR=138.91 yen	\$=121.87 yen EUR=135.11 yen	18.86 yen -3.80 yen		\$=109.88 yen EUR=138.68 yen
Naphtha price	70,400 yen/kl	48,000 yen/kl	-22,400 yen/kl		63,500 yen/kl

*Profit attributable to owners of parent

Note) 1. The ROA and ROE figures shown for each six-month period are annualized.

2. The Company conducted a reverse stock split at a ratio of one share for every five shares on October 1, 2015. The figures for earnings per share are amounts on the assumption that the Company conducts the reverse stock split on the beginning of previous fiscal year.

Under these conditions, the Group's consolidated net sales in the first half of the current fiscal year declined 6.8% year on year to 167,052 million yen, down 12,239 million yen. Contributing factors included a drop in sales prices on account of falling raw material costs and market conditions for products outside of Japan, as well as a decline in the sales volume of certain products. Moreover, in the current fiscal year the Company transferred all of the shares it had held in Nippon Polyester Co., Ltd., excluding it from scope as it was thus no longer a consolidated subsidiary.

With regard to profits, although fixed costs and other processing costs increased, spreads expanded, which led to higher operating income, which was up 59.4% year on year to 16,374 million yen, an improvement of 6,102 million yen.

Non-operating income was essentially unchanged year on year, although the share of profit from entities accounted for using the equity method increased as foreign exchange gains deteriorated and technology transfer study related expenses increased. As a result, ordinary income was up 50.4% to 18,218 million yen, 6,104 million yen higher than the first half of the previous fiscal year.

Extraordinary income rose 870 million yen year on year owing to the posting of a gain on sales of subsidiaries and affiliates' stocks and because of the absence of a loss on abandonment of non-current assets, which had been reported in the previous fiscal period. As a result, profit attributable to owners of parent rose 93.6% to 14,479 million yen, up 7,000 million yen.

2) Segment Summary

Basic Chemicals

Sales of acrylic acids and acrylates decreased significantly. This was due to a decline in sales prices in Japan in line with a drop in raw materials costs, and to falling sales prices outside Japan caused by deteriorating market conditions in

Southeast Asia, as well as a decline in sales volume.

Sales of ethylene oxide and ethanolamine declined. This was due to a drop in sales prices accompanying lower raw materials costs, as well as decreased sales volumes.

Sales of ethylene glycol increased, driven by heightened sales volumes for exports.

Sales of secondary alcohol ethoxylates declined. This was due to falling sales prices accompanying lower raw materials costs, despite increased sales volumes.

As a result of the above, net sales in the basic chemicals segment declined 16.4% year on year to 62,843 million yen.

Operating income rose 23.1% year on year, to 4,873 million yen. This was due to improved spreads for certain products and lower processing costs, which offset a decline in production and sales volumes.

Functional Chemicals

Sales of superabsorbent polymers increased due to higher sales volumes, despite lower sales prices that reflected a decline in raw materials costs.

Sales of polymer for concrete mixture increased due to higher proceeds resulting from the depreciating yen, which offset a lower sales volume.

Sales of resin modifiers increased due to a rise in sales volumes, which offset a decline in sales prices.

Sales of special acrylates declined on lower sales prices that reflected a drop in raw materials costs, even though sales volumes increased.

Sales of electronic information material increased due to higher sales volumes.

Sales of ethyleneimine derivatives increased due to an adjustment to sales prices, even though there was a decline in sales volumes.

Sales of maleic anhydride fell due to a decline in sales prices that reflected lower raw materials costs, as well as a decline in sales volumes.

Sales of raw materials for detergents and other water-soluble polymers, resins for paints, adhesive products and iodine compounds declined as a result of lower sales volumes.

As stated above, and after the exclusion of Nippon Polyester Co., Ltd. from the scope of consolidated subsidiaries, net sales in the functional chemicals segment fell 1.7% year on year to 91,097 million yen.

Operating income increased year on year by 90.8% to 11,168 million yen. Although processing costs and selling, general, and administrative costs increased, factors contributing to the results included improved spreads, primarily for superabsorbent polymers, as well as increased sale volumes.

Environment & Catalysts

Sales of automotive catalysts increased on the appreciation of precious metals sales prices and increased sales volume.

Sales of De-NOx catalysts and fuel cell materials rose on higher volumes sold.

Sales of process catalysts and polymer for lithium-ion batteries fell on a decline in sales volumes.

Sales of dioxins decomposition catalysts declined as a result of the sales mix, even though sales volume had increased.

As a result of the above, net sales in the environment and catalysts segment rose by 15.3% year on year to 13,112 million yen.

Operating income in the segment fell by 75.5% year on year to 129 million yen, on account of a decline in the volume of process catalysts sold.

(2) Qualitative Information on Financial Position

1) Assets, liabilities and net assets

Total assets at the end of the first half of the current fiscal year were down 9,221 million yen from the end of the previous fiscal year to 410,413 million yen. Current assets stood 2,245 million yen lower compared to the end of the previous fiscal year. Contributing factors included Nippon Polyester Co., Ltd. being excluded from the scope of consolidation, as well as decline in notes and accounts receivable - trade not entirely offset by increased cash and deposits. Noncurrent assets were 6,975 million yen lower than at the end of the previous fiscal year. This was due

primarily to a decline in property, plant and equipment as a result of the progression of depreciation.

Liabilities declined compared to the end of the previous fiscal year by 18,680 million yen to 130,826 million yen. In addition to having excluded Nippon Polyester Co., Ltd. from the scope of consolidation, this was due to a decline in short-term loans payable and long-term loans payable, and other factors.

Net assets increased by 9,459 million yen compared to the end of the previous fiscal year to 279,588 million yen. This was due to increased retained earnings, although the valuation difference on available-for-sale securities declined.

Shareholders' equity ratio rose 3.7 percentage points, from 63.2% at the end of the previous fiscal year to 66.9%. Net assets per share increased 233.14 yen compared to the end of the previous fiscal year, to 6,768.80 yen. The Company conducted a reverse stock split at a ratio of one share for every five shares, effective on October 1, 2015. The figures for the earnings per share are amounts based on the assumption that the Company conducted the reverse stock split on the beginning of the previous consolidated fiscal year.

2) Cash Flows

Cash and cash equivalents at the end of the first half of the current fiscal year increased 8,129 million yen compared to the end of the previous fiscal year, to 52,465 million yen, as cash flows provided by operating activities outweighed cash flows used in investing activities, including for capital investment, as well as cash flows from financing activities, as short-term loans payable declined and on account of repayment of long-term loans payable, among other factors.

Cash flow from operating activities

Net cash provided by operating activities in the first half of the current fiscal year amounted to 26,591 million yen (13,850 million yen was provided in the same period of the previous fiscal year). This was due to increased income before income taxes and progress made toward the collection of notes and accounts receivable - trade, which led to increased inflows of 12,740 million yen compared to the same period of the previous fiscal year.

Cash flow from investing activities

Net cash used in investing activities totaled 5,805 million yen (13,301 million yen was used in the same period of the previous fiscal year). Outflows decreased for both the acquisition of property, plant and equipment and the acquisition of shares in affiliated companies, which led to decreased outflows of 7,495 million yen compared to the same period of the previous fiscal year.

Cash flow from financing activities

Net cash used in financing activities amounted to 12,493 million yen (5,006 million yen was used in the same period of the previous fiscal year). This was an increase of 7,487 million yen in net cash used compared to the same period of the previous fiscal year. Although in the current fiscal period there had been no redemption of bonds, as in the same period of the previous fiscal year, contributing factors included decreased short-term loans payable and a decline in proceeds from long-term loans payable.

(3) Consolidated Financial Forecasts and Other Forward-looking Statements

The Group's full fiscal year results forecast are as follows: consolidated net sales of 330.0 billion yen (162.9 billion yen in the second half), operating income of 31.0 billion yen (14.6 billion yen in the second half), ordinary income of 34.0 billion yen (15.8 billion yen in the second half), and profit attributable to owners of parent of 25.0 billion yen (10.5 billion yen in the second half).

Compared to the initial forecasts announced on May 11, 2015, revisions have been made to categories other than operating income. Factored into these projections are, with regard to net sales, naphtha prices that fall below initial forecasts of 50,000 yen/kl, and with regard to ordinary income and profit attributable to owners of parent, an increase in share of profit of entities accounted for using equity method, and other factors.

Consolidated results forecasts for the second half of the current fiscal year are based on the assumption that the

exchange rate will be 120 yen to the US dollar, 135 yen to the euro, and naphtha prices of 45,000 yen/kl.

Forecasts by business segment for the fiscal year ending March 31, 2016 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
The first half results	62.8	4.9	91.1	11.2	13.1	0.1
The second half forecasts	58.2	3.6	90.4	10.8	14.4	0.4
Forecasts announced on November 5, 2015	121.0	8.5	181.5	22.0	27.5	0.5
Forecasts announced on May 11, 2015	134.0	8.5	199.0	22.0	27.0	0.5

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 half 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 half 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	2Q-FY2015 As of Sep.30, 2015
Assets		
Current assets		
Cash and deposits	49,255	57,898
Notes and accounts receivable - trade	74,156	67,372
Merchandise and finished goods	33,769	30,824
Work in process	6,222	6,324
Raw materials and supplies	16,312	16,427
Other	17,069	15,646
Allowance for doubtful accounts	-235	-189
Total current assets	196,547	194,302
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	78,953	74,436
Land	31,680	33,093
Other, net	43,220	43,470
Accumulated impairment loss	-4,205	-4,221
Total property, plant and equipment	149,647	146,778
Intangible assets		
Other	3,907	4,053
Total intangible assets	3,907	4,053
Investments and other assets		
Investment securities	53,137	49,318
Other	16,461	16,029
Allowance for doubtful accounts	-65	-66
Total investments and other assets	69,533	65,280
Total noncurrent assets	223,087	216,111
Total assets	419,634	410,413
Liabilities		
Current liabilities		
Notes and accounts payable - trade	47,515	42,524
Short-term loans payable	22,071	15,160
Current portion of long-term loans payable	7,685	8,039
Income taxes payable	4,839	3,384
Provision for bonuses	3,075	3,079
Other provision	2,637	2,641
Other	8,205	8,091
Total current liabilities	96,027	82,918
Non-current liabilities		
Long-term loans payable	36,910	32,429
Net defined benefit liability	11,755	11,671
Other	4,814	3,807
Total non-current liabilities	53,479	47,907
Total liabilities	149,506	130,826

(Unit: Millions of yen)

	FY2014 As of Mar.31, 2015	2Q-FY2015 As of Sep.30, 2015
Net assets		
Shareholders' equity		
Capital stock	25,038	25,038
Capital surplus	22,083	22,083
Retained earnings	195,497	207,338
Treasury shares	-956	-974
Total shareholders' equity	241,663	253,485
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,652	7,718
Deferred gains or losses on hedges	27	26
Foreign currency translation adjustment	13,095	13,585
Remeasurements of defined benefit plans	-162	-91
Total accumulated other comprehensive income	23,611	21,237
Non-controlling interests	4,854	4,865
Total net assets	270,128	279,588
Total liabilities and net assets	419,634	410,413

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

	(Unit: Millions of yen)	
	2Q- FY 2014	2Q- FY 2015
	Apr.1, 2014 to Sep.30, 2014	Apr.1, 2015 to Sep.30, 2015
Net sales	179,290	167,052
Cost of sales	150,006	131,354
Gross profit	29,284	35,698
Selling, general and administrative expenses		
Transportation and warehousing expenses	7,065	6,852
Personnel expenses	3,879	3,797
Research and development expenses	5,223	5,573
Other	2,845	3,101
Total selling, general and administrative expenses	19,013	19,324
Operating income	10,271	16,374
Non-operating income		
Interest income	79	79
Dividend income	554	459
Share of profit of entities accounted for using equity method	584	1,570
Royalty Income and technical support fee	189	224
Real estate rent	578	591
Foreign exchange gains	258	-
Other	559	485
Total non-operating income	2,801	3,408
Non-operating expenses		
Interest expenses	313	222
Technology transfer study related expenses	3	577
Foreign exchange losses	-	373
Depreciation	192	67
Other	449	325
Total non-operating expenses	957	1,563
Ordinary income	12,115	18,218
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	-	620
State subsidy	-	249
Gain on sales of investment securities	201	-
Total extraordinary income	201	869
Extraordinary losses		
Loss on reduction of non-current assets	-	223
Loss on abandonment of non-current assets	321	-
Loss on liquidation of business	105	-
Total extraordinary losses	426	223
Income before income taxes	11,890	18,864
Income taxes - current	3,453	3,487
Income taxes - deferred	830	876
Total income taxes	4,283	4,363
Profit	7,607	14,501
Profit attributable to non-controlling interests	128	21
Profit attributable to owners of parent	7,479	14,479

Consolidated Statements of Comprehensive Income

(Unit: Millions of yen)		
	2Q- FY 2014	2Q- FY 2015
	Apr.1, 2014 to Sep.30, 2014	Apr.1, 2015 to Sep.30, 2015
Profit	7,607	14,501
Other comprehensive income		
Valuation difference on available-for-sale securities	1,982	-2,939
Deferred gains or losses on hedges	7	-1
Foreign currency translation adjustment	-3,748	422
Remeasurements of defined benefit plans	181	62
Share of other comprehensive income of entities accounted for using equity method	-132	103
Total other comprehensive income	-1,710	-2,353
Comprehensive income	5,898	12,148
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,854	12,105
Comprehensive income attributable to non-controlling interests	43	42

(3) Consolidated Statements of Cash Flows

(Unit: Millions of yen)

	2Q- FY 2014	2Q- FY 2015
	Apr.1, 2014 to Sep.30, 2014	Apr.1, 2015 to Sep.30, 2015
Cash flows from operating activities		
Income before income taxes	11,890	18,864
Depreciation	8,859	8,941
Loss on abandonment of non-current assets	321	-
Loss on reduction of non-current assets	-	223
Subsidy income	-	-249
Interest and dividend income	-633	-538
Interest expenses	313	222
Share of (profit) loss of entities accounted for using equity method	-584	-1,570
Loss (gain) on sales of investment securities	-201	-
Loss (gain) on sales of shares of subsidiaries and associates	-	-620
Decrease (increase) in notes and accounts receivable - trade	-4,110	5,455
Decrease (increase) in inventories	2,924	1,273
Increase (decrease) in notes and accounts payable - trade	-1,248	-3,362
Increase (decrease) in accrued consumption taxes	448	634
Other, net	-572	674
Subtotal	17,407	29,948
Interest and dividend income received	1,858	1,656
Interest expenses paid	-334	-215
Proceeds from subsidy income	-	249
Income taxes paid	-5,081	-5,047
Cash flows from operating activities	13,850	26,591
Cash flows from investing activities		
Purchase of property, plant and equipment	-12,210	-5,358
Proceeds from sales of property, plant and equipment	1,037	3
Purchase of investment securities	-504	-17
Proceeds from sales of investment securities	259	-
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	-608	-623
Cash flows from investing activities	-13,301	-5,805

	2Q- FY 2014 Apr.1, 2014 to Sep.30, 2014	2Q- FY 2015 Apr.1, 2015 to Sep.30, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	4,836	-6,020
Proceeds from long-term loans payable	7,650	500
Repayments of long-term loans payable	-5,808	-4,270
Redemption of bonds	-10,000	-
Cash dividends paid	-1,624	-2,638
Dividends paid to non-controlling interests	-30	-32
Purchase of treasury shares	-16	-19
Other, net	-14	-14
Cash flows from financing activities	-5,006	-12,493
Effect of exchange rate change on cash and cash equivalents	-551	-163
Net increase (decrease) in cash and cash equivalents	-5,007	8,129
Cash and cash equivalents at beginning of period	39,619	44,336
Cash and cash equivalents at end of period	34,612	52,465

(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 Six months ended September 30, 2014 (April 1, 2014 to September 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	75,206	92,717	11,368	179,290	-	179,290
(2) Intergroup sales and transfers	17,592	2,642	1,483	21,717	-21,717	-
Total	92,798	95,359	12,851	201,007	-21,717	179,290
Segment Income	3,959	5,853	525	10,337	-65	10,271

Notes: 1. The "Segment Income" adjustment refers to inter-segment transaction eliminations amounting to -65 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 Six months ended September 30, 2015 (April 1, 2015 to September 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	62,843	91,097	13,112	167,052	-	167,052
(2) Intergroup sales and transfers	18,161	2,603	441	21,204	-21,204	-
Total	81,003	93,700	13,553	188,256	-21,204	167,052
Segment Income	4,873	11,168	129	16,170	204	16,374

Notes: 1. The "Segment Income" adjustment refers to inter-segment transaction eliminations amounting to 204 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

Six months ended September 30, 2014 (April 1, 2014 to September 30, 2014)

(Unit: Millions of yen)

	Asia	Europe	North America	Others	Total
I. Overseas sales	34,661	24,076	18,046	9,668	86,451
II. Consolidated sales					179,290
III. Overseas sales to consolidated sales	19.3%	13.4%	10.1%	5.4%	48.2%

Six months ended September 30, 2015(April 1, 2015 to September 30, 2015)

(Unit: Millions of yen)

	Asia	Europe	North America	Others	Total
I. Overseas sales	34,414	23,831	15,992	9,605	83,842
II. Consolidated sales					167,052
III. Overseas sales to consolidated sales	20.6%	14.3%	9.6%	5.7%	50.2%

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 sales" means sales to outside Japan by NIPPON SHOKUBAI CO., LTD. and its consolidated subsidiaries.

** 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.*